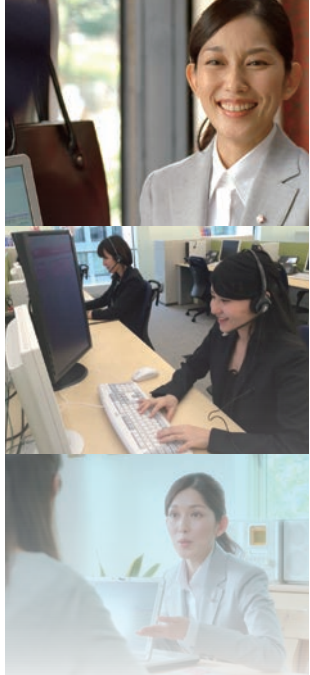


“大切な人を想う”の
いちばん近くで。



NISSAY

ANNUAL REPORT

2015



Nippon Life Insurance Company

“Fundamental Management Principles of Nippon Life”

Life insurance business based on the philosophy of “co-existence, co-prosperity and mutualism” is closely connected with the welfare of the public. Because of the nature of the business, public understanding and support are indispensable for the development of life insurance companies. For this reason, we have established the “Fundamental Management Principles of Nippon Life” under the precepts of Conviction, Sincerity and Endeavor.

1. We will strive sincerely to fulfill our responsibilities to the people by making every effort to offer policies which are truly needed.
2. We will, in recognition of the public service aspects of the life insurance business, strive to contribute to the elevation of the social welfare level through proper investment activities.
3. We will strive to increase further our productivity in every division of our Company, with powerful execution, strong conviction and creative imagination.
4. We will strive to raise the living standard of all our employees through the prosperity of Nippon Life. We will strive also to be good citizens of Japan and the world.
5. As a member of the life insurance industry, we will cooperate with other life insurance companies for the development of this industry, and will also cultivate public understanding and support for life insurance.



Chairman
Kunie Okamoto

President
Yoshinobu Tsutsui

Outline of Nippon Life Insurance Company

(As of March 31, 2015)

Company Name: Nippon Life Insurance Company

Location of Head Office:

3-5-12, Imabashi, Chuo-ku, Osaka 541-8501, Japan

President: Yoshinobu Tsutsui

Established: July 4, 1889

| | | |
|-----------------|---------------------------------|--------|
| Offices: | Branches | 110 |
| | Sales offices | 1,558 |
| | Overseas representative offices | 4 |
| | Agencies* | 13,613 |

Related Companies:

| | |
|--|----|
| Insurance and insurance-related businesses | 10 |
| Asset management-related businesses | 31 |
| General affairs-related operations | 9 |

* Agencies include agencies at banks and financial institutions.



Head Office

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The latest information is available on the Nippon Life website.

<http://www.nissay.co.jp/english/>

● This is an English translation of a disclosure report that was produced in accordance with Article 111 of the Insurance Business Act.

Top Message

Learning What is Closest to the Hearts Our Customers and Supporting Them as —Stay Closest to “Your Thoughts for Beloved Ones”—

Looking Back on the Future Creation Project

When I was appointed president, we set out an objective for all Nippon Life employees: to make Nippon Life a company of excellence in “scale,” “quality,” and “credibility.” Our goal was to make a company capable of constantly earning the trust of customers.

In fiscal 2012, we embarked on a three-year management plan called the “Future Creation Project.” The plan embodied our aspiration to create a future together with customers where they can feel secure, by providing new comprehensive insurance services.

Our objective under the plan was to “return to growth,” by focusing on three main themes: 1) increasing

new policy sales, 2) building a stronger base for financial soundness and profitability, and 3) developing human resources.

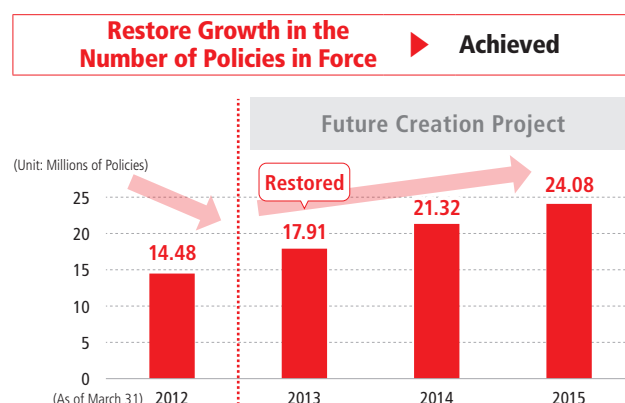
Looking back at our three-year progress on the four management goals of the Future Creation Project, first, in “securing the No. 1 share of new policies,” our annualized premiums were No. 2 only in fiscal 2014, but in numbers of policies and amounts of coverage, we were No. 1 throughout the three years of the plan.

Next, in the goal of “restoring growth in the number of policies in force,” we restored growth in fiscal 2012 and continued to secure net increases for

Achievement of Management Goals for the Future Creation Project

| Securing the No.1 Share of New Policies | | Achieved in FY2012 and FY2013 | | | |
|---|--------|-------------------------------|--------|--------|--|
| | | Future Creation Project | | | |
| | FY2011 | FY2012 | FY2013 | FY2014 | |
| No. of policies | — | No.1 | No.1 | No.1 | |
| Amounts of coverage | No.1 | No.1 | No.1 | No.1 | |
| Annualized premiums | No.2 | No.1 | No.1 | No.2 | |

* Calculated by Nippon Life using the financial reports of other insurance companies (except Japan Post Insurance Co., Ltd.).



of a Faithful Companion



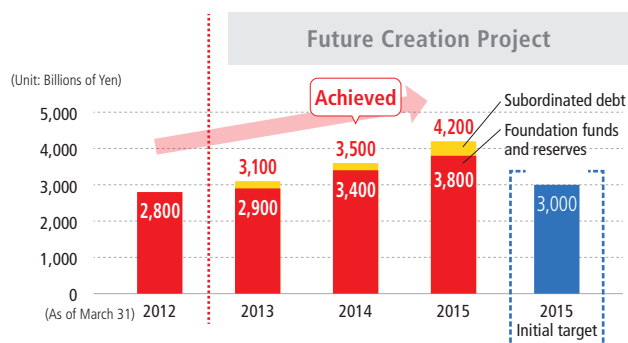
three consecutive years.

Regarding, “restoring foundation funds (*kikin*) and reserves to ¥3,000 billion,” we surpassed the target in fiscal 2014, reaching ¥4,200 billion.

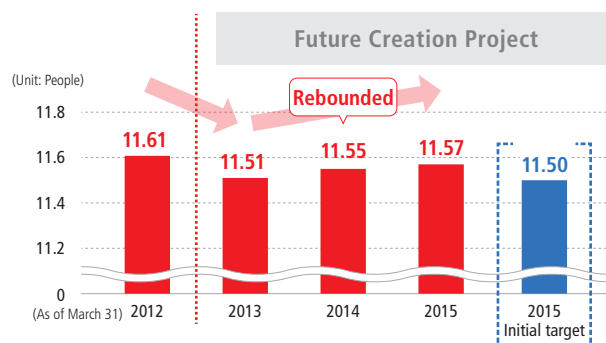
Finally, in policyholder numbers, our most important asset, we achieved our goal of a “return to growth and 11.5 million customers.”

We have thus achieved the initial goals of the Future Creation Project by and large, and I believe that the three years of the plan have yielded the desired “return to growth.”

Restore Foundation Funds (*kikin*) and Reserves to ¥3,000 billion ▶ Achieved



Reach 11.5 Million Customers / Rebound ▶ Achieved





The New Three-Year Management Plan

Fiscal 2015 is the first year under our New Three-Year Management Plan, which succeeds the Future Creation Project.

Recently, structural population changes have emerged in the domestic market, such as population decline, a falling birthrate, and the aging of society, as well as the concentration of the population in urban areas. At the same time, customer needs have been changing. We have seen trends such as an increase in female policyholders and a decline in the ratio of policyholders among the younger sector, as well as diversification in enrollment channels.

Under the New Three-Year Management Plan, we will address these environmental changes and advance our initiatives from the Future Creation Project even further in order to continue upholding our coverage responsibilities over the long term to all customers. We will strive to build a medium- to long-term foundation for growth with a view to creating the foundation needed ten years from now, and to secure a solid No. 1 status in Japan.

Growth Strategies

■ Expansion of the Domestic Life Insurance Business (Segment Strategy Progression)

Up until now, Nippon Life has focused mainly on the core sales representative channel and developed a segment-based business strategy that involves using the flexibility inherent in the *Mirai no Katachi* concept to enable the provision of protection policies tailored to the needs of individual customers.

Under the New Three-Year Management Plan, we aim to build systems that can cater to more diverse customer requirements with greater precision. We will do this by following our existing action policy and advancing to the next stage, enhancing our product lineup as well as strengthening and diversifying our sales and service channels.

Through these initiatives, our goals under the New Three-Year Management Plan are to secure the top share of the domestic market, generate 6% growth in annualized premiums in force, and grow the customer base to 11.7 million.

(Providing Attractive Products and Services)

In April 2015, we launched a 12th type of insurance in the *Mirai no Katachi* range: *Dread Disease Insurance Coverage with Continuous Support*. This insurance features a reduced emphasis on death coverage and the ability to provide up to five years of support for customers who are hospitalized with one of the three dread diseases. We provide a plan that includes this product, called *Nissay Mirai no Katachi “Five Stars” Plan with Dread Disease Insurance Coverage with Continuous Support*. We will market this new plan broadly, not only to our core customer segment, but also to the younger generation and to female customers.

In June 2015, we launched a limited notification-type medical insurance product called *Medi-A×N*, developed in partnership with AXA Life Insurance Co., Ltd., which we will use to expand our customer base, mainly in the senior segment.

Moreover, in July 2015, we introduced *Long Dream GOLD*, a single-premium whole life insurance policy offering policyholders a choice of accumulation currencies such as Australian dollars to meet their diverse asset formation needs. The product is designed to be marketed through the bancassurance channel.

(Strengthening and Diversification of Sales/Service Channels)

We are developing a variety of sales and service channels to meet customer needs, with an emphasis on the sales representative channel. These include Nissay Life Plazas for servicing walk-in retail customers, corporate support teams, insurance agencies and financial institutions.

We will equip the sales representative channel to provide detailed service to suit urban and regional areas and characteristics. To ensure that customers receive optimal insurance coverage, we will also improve our consulting abilities a step further.

In insurance agencies, financial institutions, and other such channels, we will take steps to increase our market share and we have entered the independent agency retail market to address the needs of customers that we have not been able to reach easily with our conventional sales and service channels.

■ Strengthening of Group Businesses

To establish a medium- to long-term foundation for growth, we will expand our share of the domestic life insurance market while also working to expand the Group’s overall earnings through the overseas insurance business, asset management business, and businesses that will cultivate the domestic life insurance market.

In the overseas insurance business, we will strengthen our existing domains by introducing support by business field in addition to our existing systems for providing support by region, and by sharing expertise between local subsidiaries. Furthermore, we will expand into new domains, including by taking majority stakes.

Moreover, to further address customers’ asset formation needs, we will position the asset management business as a core Group business, given its high compatibility with the life insurance business, and work to strengthen Group collaboration with subsidiaries and to bolster investments and alliances overseas.

Through these initiatives, we are targeting net income for Group businesses of ¥30 billion under the New Three-Year Management Plan, and ¥100 billion in ten years’ time.



Top Message

Business Principles

■ Expand the Customer Base

To increase customer satisfaction even further, we will analyze customers' needs in detail and continue to provide them with high-value-added services. We will provide services that correspond to their various characteristics, such as establishing systems to encourage seniors to continue their policies with peace of mind, centered on the face-to-face Policy Details Confirmation Activities of our sales representatives.

Furthermore, we will offer customers greater convenience in providing guidance and carrying out procedures by making use of the Internet and the telephone.

■ Strengthen Financial Soundness

We will continue to strengthen our equity to ensure that we can fulfill our responsibility to protect our customers over the long term, even after major earthquakes or during financial crises. To prepare for the introduction of international capital requirements and our efforts to strengthen earning capacity in the future, we have established a medium- to long-term equity target of ¥6,500 billion, and are aiming to increase equity by ¥1,000 billion under the New Three-Year Management Plan.

By strengthening our equity in this way, we will also strive to achieve the increased risk-handling capacity needed to accelerate our growth strategy, and to ensure

the stability and enhancement of dividends to participating policyholders.

Furthermore, we will work to secure stable long-term investment of customers' insurance premiums by balancing investments across highly stable assets such as public and corporate bonds and risk assets such as shares. In particular, to bolster our asset management income further, we are targeting fields where growth is expected, such as the environment and infrastructure, and have established a quantitative investment plan to invest ¥1,000 billion in new investments over the coming three to five years.

Furthermore, we will promote comprehensive and strategic management and control of the risks facing the Company through enterprise risk management (ERM), seeking to achieve a stable increase in profit over the long term while ensuring financial soundness.

■ Develop Human Resources

I oversee the internal Human Value Improvement Project, which we started in fiscal 2015. Through the project, the entire Company will strive to “develop human resources with a high sense of ‘responsibility’ and ‘pride’ overflowing with magnetism.”

With regard to our sales representatives, we will develop human resources who give customers peace of mind by continually and perpetually maintaining close contact. We will strengthen systems for support between



the headquarters and branches through the Employee Development Promotion Department and take measures to bolster initial training such as extending the training period for new recruits. For non-sales personnel, our goal is to develop business professionals with wide-ranging knowledge and expertise, as well as the ability to make use of them.

Another focus is on preparing systems that will enable all employees to fully realize their ambitions and potential, whether they work in headquarters, branches, or sale offices and regardless of their age, gender, or rank. In particular, it is important to provide opportunities for our female employees, who make up around 90% of the Company's employees. We are taking steps to encourage them in a wider range of roles and aggressively promoting them into management.

In addition, our departmental managers (section managers) will lead the way as the Nippon Life version of "IkuBosses" ("bosses who understand and encourage the diversity of lifestyles, employees and ideas"), creating an open-minded corporate culture including efforts to nurture the next generation and establishing a comfortable working environment.

The above is an overview of the New Three-Year Management Plan.

This management plan has been named *Zen Shin*. *Zen* in this case means "everyone" working together with one mind, while *Shin* means "moving forward" as one towards the achievement of our goals. To make this happen, we need each employee to nurture the desire to move forward their mind, and maintain this desire. We will channel the total power of all executives and employees into achieving the New Three-Year Management Plan.

■ New Corporate Message

In conjunction with launching the New Three-Year Management Plan, Nippon Life has adopted a new corporate message, *Stay Closest to "Your Thoughts for Beloved Ones."* Implicit in this message is the Company's desire to become "the most familiar and approachable life insurance company" to all customers who care for their loved ones.



To put this desire into action, we will continue to conduct daily activities to provide safety and security for customers, mainly through our sales representatives. From fiscal 2015, we have also deployed ACTION CSR-V. In this initiative, around 70,000 executives and employees will engage in various volunteer activities to contribute to local communities. We will also sponsor the Tokyo 2020 Olympic and Paralympic Games as a Gold Partner in the life insurance category. We are committed to supporting a bright future for Japan, promoting sports and helping to raise the next generation of children.

■ In Closing

Through our efforts towards sound business management, we have continued to pay insurance claims and benefits reliably even in the face of major disasters and financial crises. In any era, the foundation of a life insurance enterprise is to take full responsibility for protecting customers, thus serving as a source of security and safety for them.

Each one of us will reaffirm this mission in our minds as we carry out our work each day.

We ask for your continued support and patronage.

July 2015
President

A handwritten signature in black ink, which appears to read "Y. Tsutsu". The signature is fluid and cursive, written on a light-colored background.

Nippon Life Insurance Company's History

Nippon Life was founded as Nippon Life Assurance Co., Inc. in July 1889, and in 1891, the name was changed to Nippon Life Assurance Co., Ltd. When the Company was founded, a premium table based on unique Japanese mortality statistics was created. At the same time, Nippon Life became the first Japanese life insurer to decide to offer profit dividends to policyholders, which embodied the spirit of mutual aid. And so, after its first major closing of books in 1898, Nippon Life paid the first policyholder dividends in Japan.

After World War II, the Company was reborn as Nippon Life Insurance Company in 1947, and continues to work to realize mutual aid and cooperative prosperity as a mutual company.

① Nippon Life Assurance Co., Inc. established (1889)

Sukesaburo Hirose, an ambitious banker with a desire to save the world and help people, devoted himself to founding the Company.

Founder
Sukesaburo Hirose



② Paid out the first profit dividends to policyholders in Japan (1898)

Paid dividends to policyholders in Japan after the first closing of books, keeping its promise to customers.



Actuarial department in charge of closing of books (1895)

③ Top in the industry for amount of policies in force (1899)

In 1895, attained the industry's number two position with amount of policies in force valued at ¥10 million, and achieved the top position in 1899, a mere 10 years after founding.



Commemorative event celebrating the attainment of ¥10 million in amount of policies in force (1895)

④ Moved to newly built headquarters at present location (1902)

New Company headquarters, built in stately red brick and granite, was designed by Kingo Tatsuno, who also designed Tokyo Station.



Former corporate headquarters (1902-1959)

⑤ Nippon Life Saiseikai Foundation established (1924)

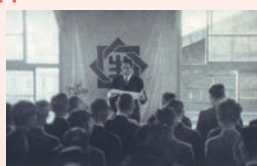
The foundation is deeply involved in social welfare work, including free medical checkups, and opened the Nissay Hospital attached to the Nippon Life Saiseikai Foundation in 1931.



A traveling clinic in Shikoku (1930)

⑥ The Company reemerged as Nippon Life Insurance Company (1947)

Returning to the spirit of providing mutual aid and assistance as exemplified by being the first in the industry to pay policyholder dividends, Nippon Life reemerged as a mutual company.



Managing executive officer Gen Hirose giving an address at a commemorative event

| | |
|------|---|
| 1889 | ○ Nippon Life Assurance Co., Inc. established (①) |
| 1891 | ○ Changed name to Nippon Life Assurance Co., Ltd. |
| 1898 | ○ Paid out the first profit dividends to policyholders in Japan (②) |
| 1899 | ○ Top in the industry for amount of policies in force (③) |
| 1902 | ○ Moved to newly built headquarters at present location (④) |
| 1924 | ○ Nippon Life Saiseikai Foundation established (certified as a public interest incorporated foundation in 2012) (⑤) |
| 1931 | ○ Nissay Hospital opened, attached to the Nippon Life Saiseikai Foundation |
| 1940 | ○ Japan's first "Ordinary insurance with dividend by profit source" launched |
| 1942 | ○ Full transfer of Fuji Life Insurance |
| 1945 | ○ Full transfer of Aikoku Life Insurance |
| 1947 | ○ The Company reemerged as Nippon Life Insurance Company (⑥) |
| 1950 | ○ Opening of the Nippon Life Insurance Baseball Stadium |
| 1959 | ○ Endowment Insurance with Term Rider <i>Kurashi no Hoken</i> launched |
| 1963 | ○ Nissay Theatre established (⑦) |
| 1964 | ○ The "Nissay Masterpiece Theatre" (Nissay Meisaku Gekijo) launched |
| 1973 | ○ Nissay Children's Culture Promotion Foundation established (name changed to Nissay Culture Foundation in 1993 and foundation converted to a public interest incorporated foundation in 2009) |
| 1975 | ○ New York liaison office established (name changed to New York representative office in 1977) ○ Full transfer of Ryukyu Life Insurance |
| 1979 | ○ Nippon Life Foundation established (foundation converted to a public interest incorporated foundation in 2010) |
| 1981 | ○ Whole life insurance with profit dividends and term insurance riders and whole life insurance with profit dividends launched (⑧) ○ London representative office opened |
| 1982 | ○ Frankfurt representative office opened |
| 1984 | ○ Nissay Leasing Co., Ltd. established |
| 1985 | ○ Nissay BOT Investing Advisors established (name changed to Nissay Investment Advisors in 1989) |
| 1987 | ○ Beijing representative office opened ○ Opening of Nissay Life Plaza Shinjuku (1st outlet) (⑨) |
| 1988 | ○ Nissay Research Institute established ○ Corporate identity (CI) introduced (⑩) |
| 1989 | <i>100th Anniversary</i> ○ NLI Research Institute (NLIRI) established ○ Nissay Seirei Health & Welfare Foundation established (foundation converted to a public interest incorporated foundation in 2013) |
| 1991 | ○ Nissay Capital Co., Ltd. established ○ Nippon Life Insurance Company of America established (US Nissay) |
| 1992 | ○ <i>Athlete</i> (dread disease term rider) launched (⑪) ○ Nissay Million Tree-Planting Campaign began |
| 1993 | ○ NISSAY NEW CREATION CO., LTD. established ○ Nissay Green Foundation established (foundation converted to a public interest incorporated foundation in 2011) |
| 1994 | ○ Living benefit rider launched |
| 1995 | ○ Nissay Investment Trust Co., Ltd. established |
| 1996 | ○ Nissay General Insurance Company, Limited established |

| | |
|------|--|
| 1997 | <ul style="list-style-type: none"> Acquired an equity stake in Bangkok Life Assurance Limited <i>Forward</i> (illness & disability term rider) launched Tie-up with Putnam Investments, LLC (U.S.A.) |
| 1998 | <ul style="list-style-type: none"> <i>Nice Care</i> (nursing care rider) launched Nissay Asset Management Corporation established in merger of Nissay Investment Advisors Co., Ltd. and Nissay Investment Trust Co., Ltd. Tie-up with Deutsche Bank |
| 1999 | <i>110th Anniversary</i> <ul style="list-style-type: none"> Nissay Insurance Accounts launched Nissay Information Technology Co., Ltd. established |
| 2000 | <ul style="list-style-type: none"> Separate Account Management Division spun off, then integrated with Investment Trust Advisors subsidiary (name changed to Nissay Asset Management Corporation) The Master Trust Bank of Japan, Ltd. began operation Foundation funds (<i>kikin</i>) fundraising using securitization through Special Purpose Company (SPC) |
| 2001 | <ul style="list-style-type: none"> Nissay Dowa General Insurance Company, Limited formed in merger of Dowa Fire & Marine Insurance Co., Ltd. and Nissay General Insurance Co., Ltd. (Merged with Aioi Insurance Co., Ltd. and changed name to Aioi Nissay Dowa Insurance Co., Ltd.) Began sales of <i>Ikiru Chikara EX</i> Nissay Medical Life Insurance Life Care Partners Co., Ltd. established in cooperation with Nichii Gakkan Group and Hitachi, Ltd. Corporate-pension Business Service Co., Ltd., a joint venture with Daiichi Mutual Life Insurance Company, established Nissay Call Center launched |
| 2002 | <ul style="list-style-type: none"> Nissay Million Tree-Planting Campaign goal of one million trees reached (12) Individual variable annuities that are sold in banks launched |
| 2003 | <ul style="list-style-type: none"> Nissay Planting and Nurturing Forests for Future Generations Campaign, a forest protection campaign, began Nissay-SVA Life Insurance Co., Ltd. began operation |
| 2004 | <ul style="list-style-type: none"> Bangkok Life became a Group company Tokyo Headquarters moved to the Marunouchi area <i>My Dream</i> (annuity with variable accumulation rate) launched |
| 2005 | <ul style="list-style-type: none"> <i>Iryo Meijin EX</i> (hospitalization and medical life insurance) launched <i>Super Phoenix 100EX</i> (term life insurance) launched <i>Long Dream</i> (single-payment whole life insurance with variable accumulation rate) launched |
| 2006 | <ul style="list-style-type: none"> Term riders for three dread diseases for group credit life insurance launched |
| 2007 | <ul style="list-style-type: none"> Singapore representative office opened (changed to a local corporation in 2010) |
| 2008 | <ul style="list-style-type: none"> Formed business alliance with Northwestern Mutual <i>Mirai Support</i> launched <i>Platina Dream</i> Equity Indexed Annuity launched More than seven million children benefited from the "Nissay Masterpiece Theatre" (Nissay Meisaku Gekijo) |
| 2009 | <i>120th Anniversary</i> <ul style="list-style-type: none"> <i>My Medical Ex</i> launched Nissay-SVA Life Insurance Co., Ltd. changed its joint venture partner to China Great Wall Asset Management Corporation and renamed the joint venture Nissay-Greatwall Life Insurance Co., Ltd. |
| 2010 | <ul style="list-style-type: none"> <i>Zutto Motto Service</i> launched Sales of <i>Yume no Katachi</i> started |
| 2011 | <ul style="list-style-type: none"> Invested in Reliance Life Insurance Company Limited and made it into a Group company |
| 2012 | <ul style="list-style-type: none"> Launch of <i>Mirai no Katachi</i> (13) Issuance of U.S. Dollar-denominated subordinated notes |
| 2013 | <ul style="list-style-type: none"> <i>Nissay Educational Endowment Insurance</i> launched <i>Next Road</i> launched <i>Yume no Katachi Plus</i> launched |
| 2014 | <ul style="list-style-type: none"> Launched the "Nissay Masterpiece Series" (Nissay Meisaku Series) Invested in PT Asuransi Jiwa Sequis Life making it a Group company |
| 2015 | <ul style="list-style-type: none"> Started operations at Nippon Life Osaka Head Office's East Building |

⑦ Nissay Theatre established (1963)



Nissay Theatre opened in the newly constructed Hibiya Building with the aim of contributing to Japanese arts and culture.

Elementary school students invited to the theatre

Nissay Theater opening poster



⑧ Whole life insurance with profit dividends launched (1981) (given the nickname *Long Run* in 1983)

Nissay's main products grew with widespread support from customers.



⑨ Opening of Nissay Life Plaza Shinjuku (1987) (1st outlet)

Nippon Life continues to develop a nationwide network of service counters for customers staffed by financial planners who provide specialized consulting services.



1st outlet
Nissay Life Plaza Shinjuku

⑩ Corporate Identity (CI) introduced (1988)

Adopted NISSAY to express our corporate approach symbolizing "Newness" and "Communicating and Proposing." Changed to the new Company Charter.



⑪ Athlete (dread disease term rider) launched (1992)

Pioneered the development of living benefit products.



⑫ Nissay Million Tree-Planting Campaign goal of one million trees reached (2002)

Achieved campaign goal of planting one million trees in 2002 and Nissay Planting and Nurturing Forests for Future Generations Campaign began the following year.



Poster for Nissay Planting and Nurturing Forests for Future Generations Campaign

⑬ *Mirai no Katachi* launched (2012)

Revolutionized insurance products under the concepts of "perfect for every individual customer" and "valuing payment."



TOPICS (Fiscal Year Ended March 31, 2015)

May

Capital and Business Alliance Agreement with PT Asuransi Jiwa Sequis Life

We reached an agreement with Indonesian company PT Gunung Sewu Kencana on investing in its life insurance subsidiary PT Asuransi Jiwa Sequis Life and forming a business alliance. In October 2014, we completed the investment after receiving final approval from the Indonesian insurance regulator.

This is the latest in a series of investments following investments in Thailand in 1997, China in 2003, and India in 2011. We have now established a life insurance business framework that covers the main markets of Asia.

June

Commenced Proposals of the Defined Benefit Pension Plan DB Package Plan 125-Plus

We developed *DB Package Plan 125-Plus* as a new fixed-form plan for use as a defined benefit pension plan, combining the characteristics of stability, simplicity, and low cost to promote the spread and enhancement of corporate pension plans. We began underwriting the plans in January 2015.



August

Published the Action Policy regarding Japan's Stewardship Code of Principles for Responsible Institutional Investors

Nippon Life published its action policy regarding Japan's Stewardship Code, a set of principles for responsible institutional investors.

Our basic stance on stock investments is to grow investment revenues by improving the enterprise value of investee companies over the medium to long term. We have always emphasized this point in our communications with companies. In this way, we are in full agreement with the philosophy of the code, which seeks to promote enterprise value improvement and sustainable growth through constructive dialogue between institutional investors and companies.

October

Issuance of US Dollar-Denominated Subordinated Notes

As part of our initiatives to enhance our resilience to risk based on international trends surrounding capital regulations for insurance companies, and to strengthen our financial base in order to contribute to improved earnings capabilities, we subordinated bonds in the value of US\$2.25 billion (second issue for Nippon Life).

November

Start of Operations at the Nippon Life Marunouchi Garden Tower Commercial Zone

In November 2014, operations started at the Nippon Life Marunouchi Garden Tower commercial zone (from B1 to 3F). We have been developing the facility after acquiring the original building in May 2009 and commencing renovations in May 2011. This outstanding site is located in the historical and classy Marunouchi area, offering a view of the Wadakura moat of the Imperial Palace. We have utilized these attributes to create an attractive building that combines the convenience of a commercial facility with the latest functions of an office building. In particular, the commercial zone makes use of its convenient direct link to Otemachi Station to create a lively complex of 20 stores, primarily business-support facilities and restaurants.



The Nihon Kogyo Shimbun, November 7, 2014 (Morning Edition)

January

Established the Outside Directors Committee

We enhanced the corporate governance system with the establishment of the Outside Directors Committee.

The Outside Directors Committee comprises directors invited from outside the Company to hold the position of chairman and to make up the majority of members. As an advisory body to the Board of Directors, the committee takes a comprehensive perspective as it deliberates on appointments of corporate officers and matters concerning compensation, as well as other important management-related issues. It reports the results of its deliberations to the Board of Directors.

Looking ahead, we will continue working to ensure even more appropriate management and greater transparency through effective operation of the corporate governance system.

March

Fiscal 2014 Diversity Management Selection 100 Award

Nippon Life received the *Diversity Management Selection 100 Award* from the Ministry of Economy, Trade and Industry.

We received the award in recognition of incorporating the promotion of women's success into our business strategies and continuing with various related initiatives. Specific initiatives include promoting a 100% childcare leave acquisition rate among male employees, which has changed the awareness of male employees and managers; the Future Creation Proposal Campaign, which gives predominantly female and younger employees the chance to see their innovative ideas reflected in management; efforts to realize continuous improvements in our business operations and services based on the opinions of customers gathered by branch employees throughout Japan, of whom more than half are female; and efforts to increase the promotion of women to sales manager.

Looking ahead, we will aggressively promote diversity and further increase our corporate value.



March

Nippon Life Osaka Head Office East Building Opened —The Best Working Environment for Women in Japan—

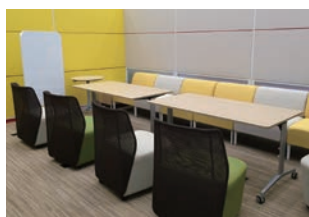
In March 2015, the Osaka Head Office's East Building opened.

With around 3,300 employees in total, the Customer Service Headquarters is a core department that undertakes all types of insurance operations from enrollments to payments, and operates the Call Center, which answers inquiries from all over Japan.

Aiming to achieve the Best Working Environment for Women in Japan, the female employees, who make up around 90% of the Customer Service Headquarters staff, have taken the lead on efforts to enhance both the working environment and the environment of the building itself. We will continue our efforts to help employees, particularly women, realize their full potential as individuals, utilizing diverse perspectives to improve customer services, productivity, and efficiency.



Innovation Room



Announced the New Three-Year Management Plan (FY2015–FY2017)

From fiscal 2015, we have embarked on the New Three-Year Management Plan, with new goals of (1) establish a medium- to long-term foundation for growth and (2) secure a solid No. 1 status in Japan, based on the achievements we have made over the past three years. Our aim is to continue fulfilling our responsibility of providing customers with long-term insurance protection, and to achieve the Company-wide goal of making Nippon Life a company of excellence in "scale," "quality," and "credibility."



The Nikkei, March 20, 2015 (Morning Edition)

Selected as a Gold Partner for the Tokyo 2020 Olympic and Paralympic Games

Nippon Life entered a six-year partnership agreement, including the Tokyo 2020 Olympic and Paralympic Games, with the Tokyo 2020 Organizing Committee, and has been appointed as a Tokyo 2020 Gold Partner in the life insurance category.

Under the partnership agreement, we will support Japan's national Olympic and Paralympic teams, and the partnership will also inspire us to further increase our focus on the promotion of sports and developing the potential of young people throughout Japan.

日本生命など2社
最高位協賛で契約
東京五輪
2020年東京五輪・
パラリンピック組織委員
会は20日、日本生命保
険、東京海上日動火災保
険の両社と国内最高位ス
ポンサーである「ゴール
ドパートナー」契約を結
んだと発表した。大会終
了後の20年末までで、こ
れでゴールドパートナ
ーは8社となった。
契約業種は日本生命が
生命保険、東京海上日動
が損害保険。両社には大
会ロゴやスローガンなど
関連素材の使用権や、日
本代表選手団への協賛権
などが与えられる。組織
委は1月からJOC、日
本パラリンピック委員会
(JPC)と合同で国内
協賛社を募ってきた。

The Sankei Shimbun, March 21, 2015 (Morning Edition)

New Product Launch Announced—Nissay Mirai no Katachi "Five Stars" Plan Featuring Dread Disease Insurance Coverage with Continuous Support

The *Mirai no Katachi* product is able to meet diversifying customers' needs in detail by enabling them to freely select and combine the protection they need. We currently provide 11 types of insurance for this product.

The 12th type of insurance in the *Mirai no Katachi* lineup was added in April 2015. The new offering will provide insurance coverage for continuous support if customers contract one of the three dread diseases (cancer (malignant neoplasm), acute myocardial infarction, or cerebral stroke). Plans with this type of insurance included will be provided under the name Nissay Mirai no Katachi "Five Stars" plan featuring dread disease insurance coverage with continuous support.



継続サポート3大疾病保障保険付プラン

Start of the New Three-Year Management Plan (FY2015–FY2017)

Based on the success achieved in returning Nippon Life to a growth trajectory during the previous three-year plan known as the Future Creation Project, we aim to build a medium- to long-term foundation for growth and to secure a solid No. 1 status in Japan with a view to creating the business base needed a decade from now over the three years from fiscal 2015. The strategy is based on the two elements of continuity to build on our existing organizational strengths and innovation to take on challenges in new areas.

We plan to achieve these goals through a growth strategy based on reinforcing the domestic life insurance business while also strengthening Group businesses. To fortify the business base that supports Group operations, we will focus on expanding the customer base, strengthening financial soundness, and developing human resources.

Goals for All Nippon Life Employees

**—To Become a Company of Excellence in Terms of
“Scale,” “Quality” and “Credibility”—**

**“Build a medium- to long-term foundation for growth”
and “Secure a solid No. 1 status in Japan”**

Growth strategies

P13

**Expansion of
the domestic
life insurance
business**

Segment
strategy
progression

**Strengthening
of Group
businesses**

Business principles

P14

**Expand the
customer
base**

**Strengthen
financial
soundness**

**Develop
human
resources**

Human Value
Improvement
Project

* Nippon Life believes that people are its greatest asset. Therefore, we write the phrase “human resources” in Japanese using the kanji character for “treasure” in place of “resource,” although the pronunciation remains unchanged.

Growth Strategies

Expansion of the Domestic Life Insurance Business (Segment Strategy Progression)

Nippon Life has developed a segment-based business strategy that involves using the flexibility inherent in the *Mirai no Katachi* concept to enable the provision of protection policies tailored to the needs of individual customers. In the next stage of this strategy, we aim to build systems that can cater to more diverse customer requirements with greater precision.

Provide attractive products and services that meet customer needs

- Broaden the product range by leveraging the flexibility of the *Mirai no Katachi* concept
- Rapidly develop more products for sale through bancassurance channels

Strengthen and diversify of sales/service channels

- Reinforce sales representatives and other channels where Nippon Life has a dominant presence, while targeting additional share in channels such as agencies and financial institutions
- Study ways of reaching customers via channels where Nippon Life has had a lower presence

Expand customer base across multiple segments by providing an optimized product-channel mix, based on more diverse needs and customer selection methods for products and services

Strengthening of Group Businesses

We aim to increase the overall profitability of the Group by focusing on overseas insurance business, asset management business and businesses instrumental to the development of the domestic life insurance market.

Overseas insurance business

Earnings growth from existing businesses

- Improve performance and corporate value of existing businesses by reinforcing regional/functional support and sharing expertise between local subsidiaries

Expansion into new businesses

- Strengthen systems for new business development and expand operations using strategies customized to regional and specific market characteristics

Establishing supporting infrastructure

- Develop a risk management setup to contribute to improvement in long-term profitability, including better monitoring systems
- Develop human resources in collaboration with overseas subsidiaries, focusing on cultures/languages of other countries

Asset management business

Restore growth in domestic market by developing existing initiatives

- Promote Group-wide collaborative initiatives with Nissay Asset Management, targeting profits from areas such as mutual funds and pensions by supplying products that meet customer needs

Provide distinctive products as a major life insurer

- Build on the existing range of risk-hedged balanced funds to promote development of products that meet customer demand for stable asset management returns by utilizing the Group's life insurance expertise

Earn profits from overseas asset management markets

- With a view to accelerating the growth of the asset management business, boost overseas profits by increasing stakes in existing alliance partners and investigating new investments

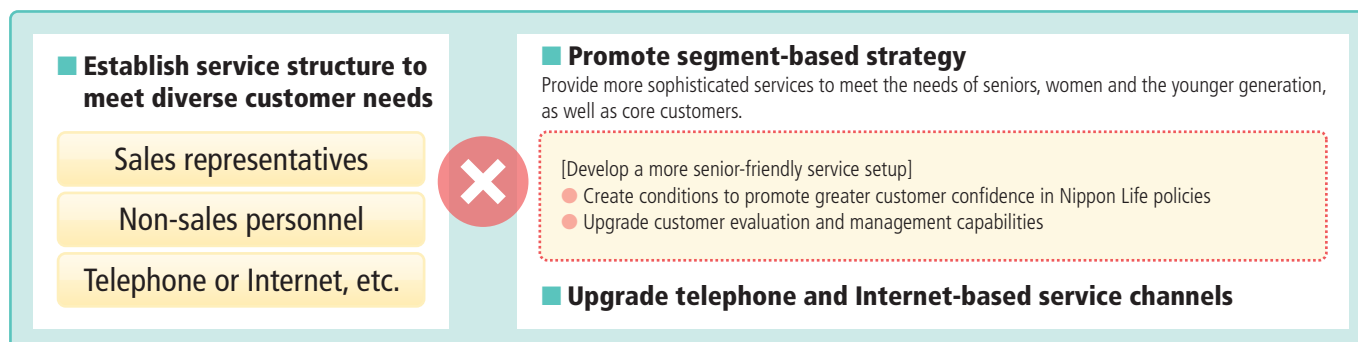
Businesses instrumental to the development of the domestic life insurance market
(acquire domestic external channels and related infrastructure)

Realize target of consolidated net income of ¥100 billion within 10 years

Business Principles

Expand the Customer Base

We will seek to improve customer satisfaction by continuously providing high-value-added services tailored to customer characteristics.

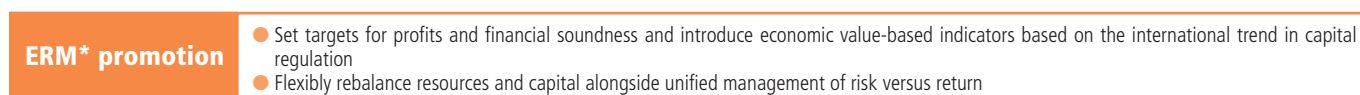


CRM* promotion Improve customer satisfaction with services across various segments based on a highly detailed analysis of customer needs

* CRM: Customer Relationship Management

Strengthen Financial Soundness

We will strengthen the financial foundation so we can continue to offer protection policies to customers over the long term.

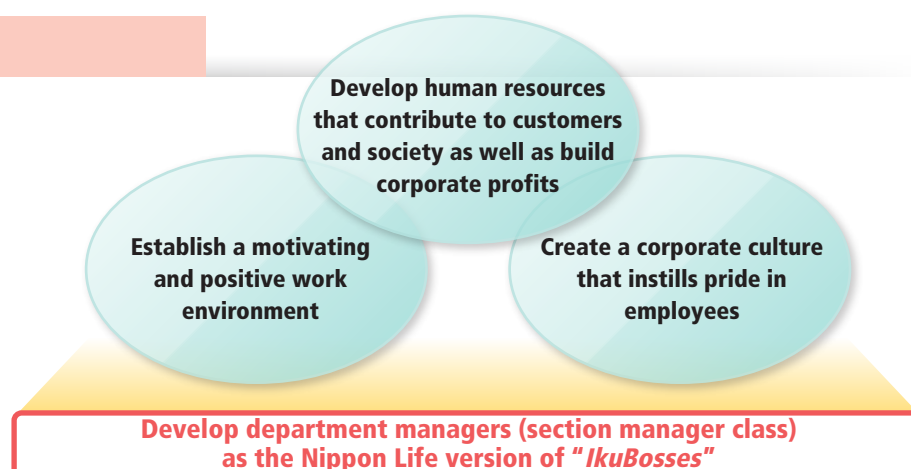


* ERM: Enterprise Risk Management

| | |
|----------------------------------|---|
| Review of cost structure | <ul style="list-style-type: none"> Flexibly allocate resources to sectors with earnings growth potential over the medium to long term, including new businesses Establish a low-cost structure by reducing fixed costs in existing businesses |
| Asset management strategy | <ul style="list-style-type: none"> Earn stable investment returns over the long term by diversifying risk and focusing on transactions that capture cyclical trends Accelerate investment into new business and growth sectors, including infrastructure and developing countries |
| Equity strategy | <ul style="list-style-type: none"> Strategically allocate capital to new initiatives aimed at expanding Group businesses Accumulate equity (including external fundraising proceeds) towards achieving the medium- to long-term goal of ¥6.5 trillion |

Develop Human Resources

We initiated the Human Value Improvement Project under the leadership of Nippon Life's president in fiscal 2015 with the aim of cultivating employees who take pride and responsibility in their work as Nippon Life employees, corporate citizens, and human beings.



Building the foundation Respect for human rights, professional conduct, compliance, worker health management, social contribution activities by 70,000 employees, sense of unity within the Nippon Life Group

Management Goals

We are targeting the following management goals by pursuing a growth strategy and developing the business base. By achieving these goals, we will build a medium-to-long-term foundation for growth and to secure a solid No. 1 status in Japan.

No. 1

in share of new policies in Japan

(Number of policies, amount of coverage, annualized premiums)

Nippon Life is aiming to achieve the No. 1 share in new policy sales across all metrics, specifically the number of new policies, the amount of coverage, and annualized premiums on new policies.

Annualized premiums in force

6% growth

(March 31, 2015 → March 31, 2018)

We aim to generate steady growth in annualized premiums in force, a metric that is highly correlated with earnings and assets.

Number of policyholders (insured persons)

11.7 million

(March 31, 2018)

We plan to expand the number of customers while continuing to serve the existing customer base of over 11.5 million people.

Net income by Group companies

¥30 billion

(March 31, 2018)

We will expand profits across the entire Nippon Life Group in Japan and overseas with the aim of achieving consolidated net income of ¥100 billion within ten years.

Streamline the cost structure
Reduce fixed costs by

¥17 billion

(Fiscal 2018)

We will build a low-cost structure by reducing fixed costs in existing areas.

Equity

+¥1 trillion

(March 31, 2015 → March 31, 2018)

We will bolster the equity base to ensure Nippon Life can meet its responsibilities to customers over the long term.

* The above management goals are predicated on the economic conditions prevailing at the time the targets were set.

* The goal of securing the No. 1 share of new policies in Japan excludes Japan Post Insurance.

* Consolidated net income includes net income from all Group subsidiaries and affiliates engaged in overseas insurance business, asset management business and businesses instrumental to the development of domestic life insurance operations, based on the ownership stake of Nippon Life in each company.

Expansion of Domestic Life Insurance Business (Segment Strategy Progression)

Providing Attractive Products and Services

Launch of Nissay Mirai no Katachi "Five Stars" Plan Featuring Dread Disease Insurance Coverage with Continuous Support

Launch of 12th type of insurance policy under *Mirai no Katachi*

ニッセイ みらいのかたち
Dread disease insurance coverage with continuous support



As the first part of our segment strategy progression, we introduced the new *Nissay Mirai no Katachi* "Five Stars" plan featuring dread disease insurance coverage with continuous support in April 2015.

The *Mirai no Katachi* product is able to meet diversifying customers' needs in detail by enabling them to freely select and combine the protection they need. We currently provide 11 types of insurance for this product.

We have added a 12th type of insurance to the *Mirai no Katachi* range. The new offering will provide insurance coverage for continuous support if customers contract one of the three dread diseases (cancer (malignant neoplasm), acute myocardial infarction, or cerebral stroke). Plans with this type of insurance included will be provided under the name *Nissay Mirai no Katachi* "Five Stars" plan featuring dread disease insurance coverage with continuous support.



Main Points of Dread Disease Insurance Coverage with Continuous Support

Point ①

Continuous support for up to 5 years!

Point ②

Support is not conditional on receiving treatment or on the type of treatment!

Point ③

Support for the three dread diseases!

Policy pays out if the insured suffers from one of the **three dread diseases** (cancer, acute myocardial infarction, and cerebral stroke).

Point ②

Support is not conditional on receiving treatment or on the type of treatment. Funds can be used for any purpose—to **supplement income, pay for rehabilitation, prevent recurrence of the condition, or fund medical treatment using more advanced technology** (if available).

Each anniversary of the date of first claim qualifies policyholders for **continuous support annuity** (up to four times).

Three dread diseases insurance payment

Use for treatment for 1st year

Continuous support annuity

Use for treatment for 2nd year

Continuous support annuity

Use for treatment for 3rd year

Continuous support annuity

Use for treatment for 4th year

Continuous support annuity

Use for treatment for 5th year

Date of when the reason for payment of the three dread diseases insurance occurs (date of first claim)

1st anniversary of first claim date

2nd anniversary of first claim date

3rd anniversary of first claim date

4th anniversary of first claim date

Point ①

With continuous support, **up to five payments** can be received over a **maximum of five years**.

Customers insured under dread disease insurance coverage with continuous support can also access the **Best Doctors® Service***.

Access to this service continues **throughout the payment period of the continuous support annuity**.

* Please refer to p. 83 for details of the Best Doctors® Service.

Point ③

Compared with the previous three dread disease insurance plans, this policy puts **more weight on the three dread diseases** than on death protection (which is limited to 10% of the three dread diseases insurance payment).

Introduction of the *Medi-A×N* Health Plan Developed in Partnership with AXA Life

We began marketing the *Medi-A×N* whole life health plan in June 2015. Developed jointly with and underwritten by AXA Life, the policy is a limited notification-type plan with no surrender value. We will leverage sales of this product to develop a new customer base.

Sales began in June 2015 in Nissay Life Plazas, with the full domestic sales force of Nippon Life marketing the policy from August. This marks the first time that we have developed a new product with another life insurance company for marketing by our entire national sales force.



Main Points about *Medi-A×N* Health Insurance

- 1 Easy to apply for, even if you have pre-existing conditions, have had surgery or have been hospitalized.**
Applicants are only required to make four simple declarations to be eligible.
- 2 Lifetime coverage is provided for hospital treatment, surgery, or radiotherapy for illnesses or injuries.**
Hospital treatment, surgery, or radiotherapy for deterioration or recurrence of pre-existing conditions are also covered.
Hospital admission coverage also covers out-patient treatment. Claims for surgical procedures are handled using the Japanese NHI classification.
- 3 Customers insured under the *Medi-A×N* plan can access the Best Doctors® Service*.**

* Please refer to p. 83 for details of the Best Doctors® Service.

* This section presents a summary of the products of AXA Life and is not intended to contain all information about these products. Please read sales pamphlets and other materials before reaching a purchase decision.

Launch of *Long Dream GOLD* Nissay Single-premium Whole Life Insurance Policy with Variable Accumulation Rate in Designated Currency

We introduced *Long Dream GOLD* as a single-premium whole life insurance policy with a variable accumulation rate in a designated currency in July 2015. It is designed to be marketed through the bancassurance channel.

As an upgrade of our *Long Dream PLUS* single-premium whole life insurance policy denominated in U.S. dollars, it is the first Nippon Life product to include Australian dollars as a policy option. The automatic translation of foreign-currency returns into yen-based gains is another novel feature. The policy aims to provide whole life coverage while responding to the wealth accumulation needs of customers in Japan within a low interest rate environment.



Main points of *Long Dream GOLD*

- 1 The whole life insurance policy is paid via a single premium in a foreign currency designated by the customer.**
For the policy currency, customers can choose between Australian dollars, U.S. dollars and euros at the time of enrollment.
- 2 Returns in the designated currency are automatically secured as yen-based gains.**
The policy automatically converts to a yen-based whole life policy once returns reach a target level predesignated by the customer.
We check returns for each policy on a daily basis once one year has elapsed from the date of enrollment to determine whether the target level has been reached.
- 3 No declarations are required at enrollment.**

* Sales of euro-denominated policies were on hold as of July 1, 2015.

Capital and Business Alliance with Nomura Research Institute (NRI)

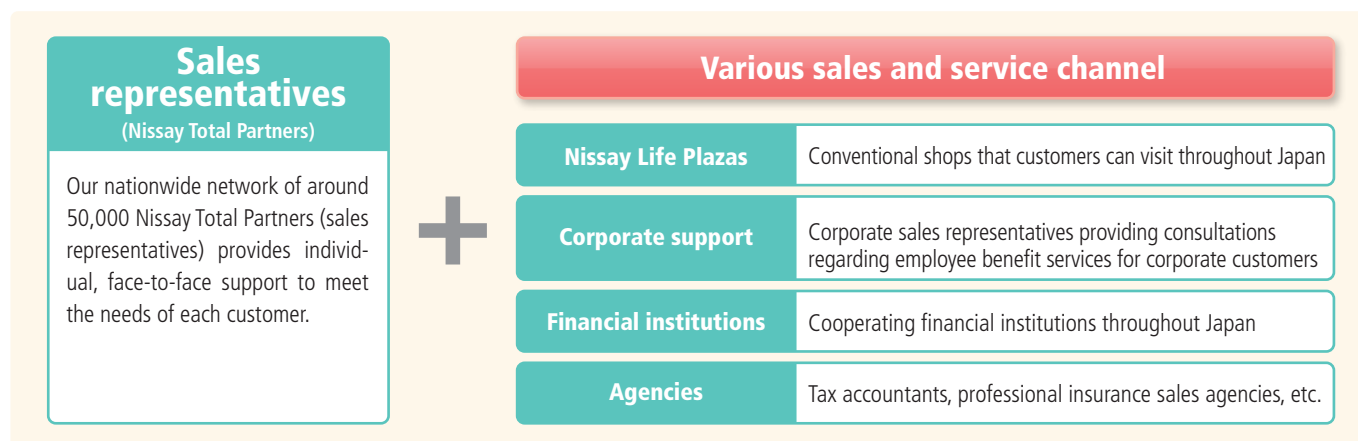
In May 2015, we concluded a capital and business tie-up with NRI. Through this alliance, we plan to undertake research into more efficient and robust insurance systems based on advanced IT, while also studying new insurance business models.



Expansion of the Domestic Life Insurance Business (Segment Strategy Progression)

Strengthening and Diversification of Sales/Service Channels

We use a variety of sales channels besides the Nippon Life sales representatives. These include Nissay Life Plazas for servicing walk-in retail customers, corporate support teams, financial institutions, and insurance agencies.

**Sales Representatives (Nissay Total Partners)**

Nippon Life has a network of approximately 50,000 sales representatives (Nissay Total Partners) at 101 nationwide branches. Through this network, Nippon Life is able to respond to the needs of each and every one of its customers throughout Japan.

Nissay Total Partners seek to visit every customer at least once a year to help them with a variety of policy-related procedures and provide them with the information they may need.

We are also striving to enhance the abilities of personnel in order to provide precisely tailored consulting services. We encourage our Nissay Total Partners to obtain national certifications from the Ministry of Health, Labour and Welfare as financial planners as well as the Japan Association of Financial Planners Certification (AFP Certification). These certifications require indepth knowledge of not only life insurance, but also financial products, the social insurance system, real estate, taxation and inheritance. At the end of March 2015, approximately 28,000 Nissay Total Partners had obtained qualifications as financial planners.



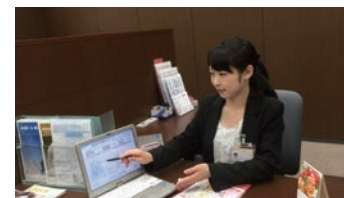
Nissay Total Partners: Nippon Life sales representatives are referred to as Nissay Total Partners. The title embodies the concept of total service and total support for customers and their families.

Financial Planner (FP): A financial planner is a specialist who analyzes a customer's situation, including insurance, assets, liabilities, composition of income and expenditures, and composition of family. When necessary, he or she seeks the support of attorneys, tax accountants and various other specialists in such fields as insurance and real estate. Based on the analysis, the financial planner helps the customers create and implement comprehensive plans, including tax strategies, insurance plans, investment strategies and savings plans to enable customers to reach their life-plan goals.

Nissay Life Plazas

Nissay Life Plazas are designed to make people feel welcome to walk in and obtain a variety of information. There are 98* Nissay Life Plazas throughout Japan, receiving around 320,000 visitors each year. Procedures and consultations involving insurance policies are an important activity of these plazas. To meet a broad range of customers' needs, there are also specialized consulting services covering asset management, preparations for healthcare and nursing care, the accumulation of savings by parents to pay for their children's education, and other subjects. They also work to build people's familiarity with insurance by offering a wide range of services including free seminars on a variety of themes, tax accountant consultation services (at some plazas), and giving out information related to life events.

* As of July 2015



Reception



Event

Corporate Support

For companies, public-sector entities and other group customers, corporate sales representatives provide corporate insurance products for employee benefit plans, chiefly life insurance, health insurance, and an annuity.

These representatives perform interactive total benefit plan consulting. This involves supplying information, identifying issues and covering other items about employee benefits in order to meet the diversifying needs of each customer.

Financial Institutions

Nippon Life has agency agreements with financial institutions throughout Japan for the sale of single-payment whole life insurance and single-payment annuities.

Moreover, in order to provide a wide array of in-depth services for customers, Nippon Life is working hard to improve the education and training of insurance sales-related personnel at these institutions with respect to product knowledge, sales skills, and compliance.

After customers have signed up for a policy, Nippon Life provides after-sales services. Once a year, we send customers a Policy Details Reminder by mail. We also provide dedicated call centers where policyholders can check their policy details and account status and conduct processing of insurance claims and benefits.

Going forward, we will strive to satisfy an even broader range of customers by upgrading our product lineup in this area and further strengthening relationships with financial institutions.

Agencies

Through forming agency consignment agreements, we have developed a network of agencies centered on tax accountants; professional life and non-life insurance sales agencies; agencies related to major financial institutions throughout Japan; Japan Post Insurance Co., Ltd.; Japan Post Co., Ltd.; and other organizations.

The number of agencies reached 13,141* as of March 31, 2015 (increasing by 1,052 from a year earlier). Agencies sell our products while providing consultations about such topics as estate planning, transferring a company to new owners, protection for business activities, asset formation, and other subjects, mainly with corporate managers.

Nippon Life is dedicated to supplying the best possible services in order to meet the increasingly complex and diverse needs of customers. To offer these services, we are constantly upgrading sales support for agencies. We have about 600 agency support personnel who are stationed in all areas of Japan. Furthermore, we conduct a training program that systematically covers the knowledge and skills needed to enable these individuals to assist agencies at an even higher level.

Furthermore, our corporate sales representatives serve as a comprehensive source of assistance for group customers by working closely with specialists at Nippon Life and its Group Companies. Support extends from financial matters, like property and casualty insurance and loans for business operations, to help with obtaining office space. Offering these services to companies enables us to cover a broad spectrum of customers' needs.

[Number of Cooperating Financial Institutions (as of April 1, 2015)]

| | |
|-----------------------------------|-----|
| City banks/Trust banks | 8 |
| Regional banks | 95 |
| Credit unions/Credit cooperatives | 183 |
| Securities companies/Other | 17 |
| Total | 303 |

[Products Sold at Financial Institution Service Counters and Financial Institutions Handling These Products (as of April 1, 2015)]

| | |
|-------------------------------------|-----|
| Single-payment whole life insurance | 147 |
| Single-payment annuities | 121 |

We will also continue to focus on building up our market share by developing new agency channels based on strengthening our relationships with independent retail agencies contracted to multiple insurers.

* Agencies does not include banks and other financial institution-related agencies.

NISSAY MARKETING STATION: The NISSAY MARKETING STATION is a Nippon Life website used exclusively by its agencies. This site has the A-Net (Nissay Agency Net) proposal preparation function, supplies up-to-date information about life insurance, has life insurance tax consultation service and financial planning simulation services, and many other capabilities to support the activities of agencies.



Compliance System: Based on a compliance program formulated in response to specific Agency Management Sector issues, Nippon Life implements self-inspections of the internal organization in charge of agency sales, provides education and training for the personnel at Nippon Life in charge of agency sales, and conducts inspections, education and training for agencies.

Entering the Independent Retail Agency Market

In May 2015, by underwriting a ¥1-billion capital increase, we acquired a 95.24% equity stake in LifeSalon, an operator of a chain of independent agencies offering life insurance products.

By strengthening our initiatives in the independent retail agency sector, this acquisition enables us to diversify our sales and service channels and to provide detailed services to customers who typically would not tend to contact Nippon Life.

LifeSalon has established a strong reputation among customers for its ability to propose sophisticated solutions to address the needs of individuals, and for its after-sales service.



Strengthening of Group Businesses

Overseas Business Expansion Initiatives

Insurance Business

The global life insurance market, of which a major share has been held by Europe, the U.S. and Japan, is now seen to be spreading worldwide along with economic growth and increasing populations in Asia and other newly

emerging markets. To make the most of future medium- to long-term earnings opportunities, Nippon Life is expanding its insurance business in the U.S., China, Thailand, India and Indonesia.

■ Reliance Life Insurance Company Limited

In October 2011, Nippon Life invested in Reliance Life Insurance Company Limited, a life insurance subsidiary of Reliance Capital, a part of Reliance Group, one of India's largest business houses. Nippon Life now has a shareholding of 26% in Reliance Life.

With a nationwide sales network in India and a strong management team, Reliance Life owns one of the strongest brands and business platforms in India's life insurance market. We are sharing our experience and expertise through the assignment of directors and other personnel to Reliance Life.

For instance, we are drawing attention in India by creating sales channels to service customers in a more detailed fashion, based on the activity model adopted by Nippon Life's sales representatives working in Japan. We will continue to work on developing our business with Reliance Life based on close collaboration.



Visits to customers



Sales offices



Sales representative channel meetings



CSR initiatives

■ Asuransi Jiwa Sequis Life

In October 2014, we acquired an equity stake of around 20% in PT Asuransi Jiwa Sequis Life (Sequis Life), a life insurance subsidiary of the Indonesian company PT Gunung Sewu Kencana.

Sequis Life has achieved strong brand recognition within the Indonesian market due to its sound finances and high-quality services provided through sales agents.

Immediately following the acquisition of this equity stake, we began actively exchanging executives and employees with Sequis Life to share experience and know-how. Going forward, we aim to build a strong presence in the Indonesian life insurance market, which is forecast to grow rapidly in the future.



Sequis Life office entrance



Sales agent channel meetings



Role-play training



A call center

■ Bangkok Life Assurance Public Company Limited

Since first acquiring a stake in Bangkok Life Assurance Public Company Limited, one of Thailand's leading life insurance companies, in April 1997, Nippon Life has continued to acquire additional shares to become the largest shareholder of this company, with a shareholding of approximately 25%.

Nippon Life has sent a director to Bangkok Life Assurance along with working-level employees, mainly to provide support in specialist fields such as actuarial operations and business management, as well as business support to Japanese companies and expertise in the insurance business. Nippon Life is expanding the life insurance market in Thailand and steadily expanding business by appropriately responding to changing insurance needs. In doing so, we will support the stable, continuous growth of the company.



■ Nippon Life Insurance Company of America

Established in December 1991, Nippon Life Insurance Company of America sells insurance products, including group health insurance, to U.S.-based Japanese companies and U.S. corporations through its branches in New York, Los Angeles, Chicago, Atlanta and other cities (Nippon Life has an equity interest of about 97% in the company). In particular, the firm has built a strong reputation among Japanese companies that are operating in the U.S. by offering high-quality customer services in Japanese. Recently it has been leveraging the expertise and experience that it has gained to target further expansion of its customer base.



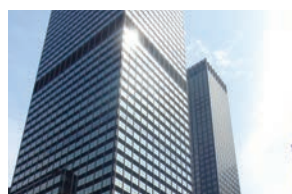
■ Nissay-Greatwall Life Insurance Co., Ltd.

Nippon Life entered the Chinese life insurance market through a joint venture, Nissay-SVA Life Insurance Co., Ltd., in September 2003, and has steadily built up business foundations in the Changjiang Delta region spanning Shanghai, Zhejiang Province and Jiangsu Province. In September 2009, the joint venture partner was switched to China Great Wall Asset Management Corporation (CGWAMC), one of China's four major national asset management firms, and the company made a new start as Nissay-Greatwall Life Insurance Co., Ltd. (Nippon Life has an equity interest of 50% in the company). With the opening of a branch office in the Chinese capital Beijing in February 2011, the company has been steadily expanding its business base.



Research

Nippon Life gathers and analyses a wide range of information from representative offices and a subsidiary in New York, London, Frankfurt, Singapore and Beijing regarding the financial and insurance businesses in these areas, including emerging markets. This information includes regulatory trends, markets, and products and services, and is put to use in our business activities.



New York Representative Office



London Representative Office

Promoting Personnel Exchanges

We invite specialists from overseas insurers in which Nippon Life has invested to forums to enable discussion of case studies with a view to generating synergies and boosting profitability. Separately, we hold seminars for managerial representatives of Asian life insurers to promote business development and forge personal networks. We also undertake numerous exchanges of personnel with our alliance partners, sending interns to work with partners and inviting various personnel from partners to work with us.



A forum with investee insurance companies



Senior management of each company

Strengthening of Group Businesses

Asset Management Business

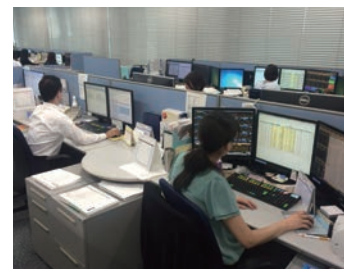
We expect the development of the asset management business to create new profit-generating opportunities in Japan and overseas based on its close fit with the core life insurance business. Our asset management operations in Asia are led by subsidiary Nissay Asset Management Corporation, and also include Singapore-based investment advisory group Nippon Life Global Investors Singapore Limited. We have also invested in asset management companies based in the U.S. and India as part of developing an integrated presence for the Nippon Life Group in this sector.

■ Nissay Asset Management Corporation

Bringing together the collective asset management capabilities of Nippon Life and all its Group companies, Nissay Asset Management Corporation provides high-quality asset management services, including discretionary management, advisory services, and investment trust products.

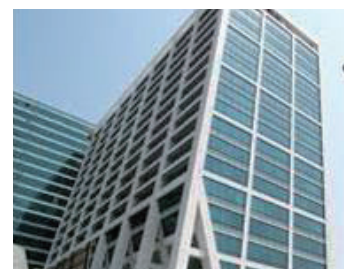
The company services corporate clients' needs with a wide range of asset management products that leverage our expertise in insurance asset management such as risk-controlled balanced funds.

For retail investors, we offer actively managed Japanese equities funds that target returns such as the Nissay JPX Nikkei 400 Index Fund, the DC Nissay Domestic Equity Index (no fees charged on bond purchases or refinancing), and the balanced-portfolio Nissay Stable Income Pursuit Fund (*Mirai no Minori*), among a range of products designed to cater to medium- to long-term wealth accumulation needs.

**■ Reliance Capital Asset Management Limited**

The market for investment funds is expanding rapidly in India due to strong economic growth built on the development of the service sector and domestic demand. This is an attractive market that is forecast to continue growing strongly.

Reliance Capital Asset Management Limited ranks third by assets under management within India's fund management industry. It is one of only a few asset management companies entrusted with the stewardship of Indian public-sector pension funds. We supply investment products from Reliance Capital Asset Management through Nissay Asset Management. We boosted our equity stake in the company in February 2015 from 26% to 35% to reflect the deepening level of cooperation.

**■ Post Advisory Group, LLC**

Post Advisory Group, LLC is a U.S. asset management firm specializing in high-yield corporate bonds. Inflows of retirement savings have led to rapid growth in the U.S. market for high-yield corporate bonds since 2000, and this remains an attractive market based on projections of high future growth rates. With demand for higher-yielding investments growing in Japan, where interest rates remain at record lows, we supply Post Advisory Group investment products through Nissay Asset Management.

**■ PanAgora Asset Management, Inc.**

PanAgora Asset Management, Inc. is a U.S. asset management firm specializing in quantitative investment techniques. It is a joint venture between Nippon Life and the leading U.S. firm Putnam Investments, LLC. PanAgora Asset Management uses quantitative investment techniques to develop various asset management products, based on building mathematical models from the statistical analysis of market data. We supply PanAgora Asset Management investment products through Nissay Asset Management.



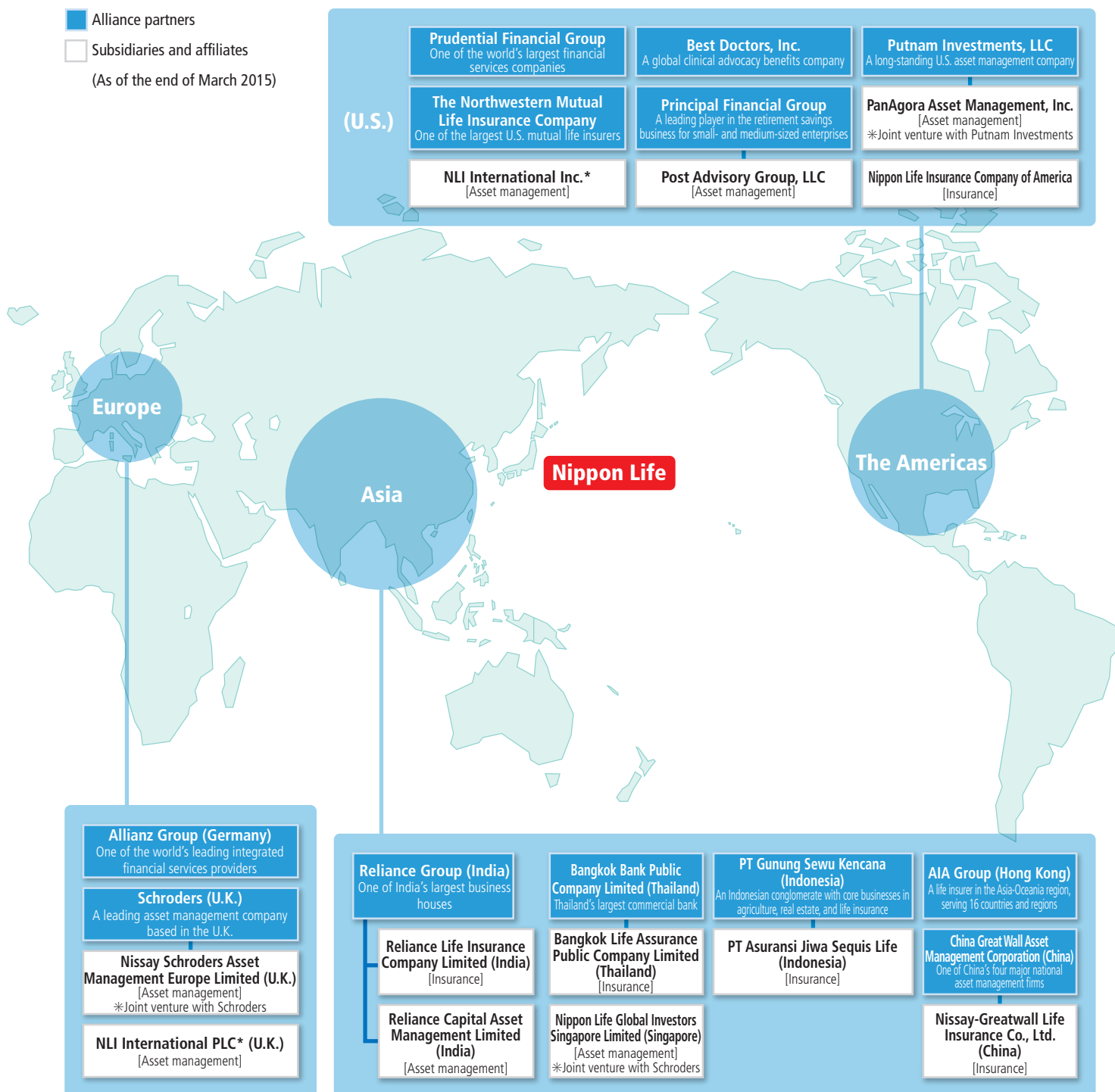
Nippon Life's Global Network

Strategic investments that contribute to long-term growth in earnings are one way in which Nippon Life effectively uses equity.

Specifically we make overseas investments based on alliances and other relationships that can make our core life insurance operations even stronger. Overseas insurance operations and overseas asset management operations are also areas where we make strategic investments. By making these investments, we are building our global network with prominent companies in Europe, the U.S. and Asia.

We are building a global network aiming at implementing initiatives in these insurance markets and improving investment returns, and also at gaining access to advanced expertise in the fields of asset management and insurance. As a result, increasing profitability from these strategic investments will allow us to further increase policyholder interest and create a virtuous cycle in which the returns on these investments lead to more growth in equity.

- Alliance partners
 - Subsidiaries and affiliates
- (As of the end of March 2015)



* On July 1, 2015, NLI International PLC was renamed Nippon Life Global Investors Europe PLC, and NLI International Inc. was renamed Nippon Life Global Investors Americas, Inc.

Expand the Customer Base

Building and Upgrading Customer Response Capabilities**Face-to-face Customer Service Based on Policy Review Visits**

We provide all our customers with an annual policy review and related dividend information by mail each year. Policyholders can also access up-to-date policy information at any time through a dedicated website.

In August 2007, we began policy details confirmation activities, in which sales representatives visit each customer to review policies, check whether the policyholder has had any hospital treatment or surgery, and also provide useful information concerning the policy, related procedures, or other Nippon Life products and services.

Supported by television advertising and various campaigns in the media to promote understanding among customers, these policy details confirmation activities have contributed to higher customer satisfaction. Customer feedback gained through these activities has also been used in the development of new products and services, helping us to improve management from a customer-oriented perspective.

Going forward, we will continue to provide face-to-face customer service based on policy details confirmation activities, the foundation of our customer service, while seeking to improve service quality wherever possible.



Policy details confirmation activities at Nagasaki
(TV commercial image)



Face-to-face policy details confirmation activities
(TV commercial image)

Customer Service Using the Internet**Internet**

Nippon Life is upgrading services by utilizing the ability of the Internet to provide access to information at any time and location.

Going forward, we will work to enhance the convenience of our services in line with the growing diversity of mobile devices and other customer requirements.

**1 Online policyholder services (administrative procedures)**

Customers can conduct a range of policy-related administrative procedures easily online, including changing addresses, changing passwords, and taking out policy loans.

2 Administrative services guidance

Besides the above procedures, this part of the website explains how to file a policy claim or receive policy benefits. Customers can also submit insurance-related questions through a special form.

3 Product introductions

This part of the website introduces our products by life event or purpose for enrollment. Customers can request pamphlets and policy quotes, or book an appointment for a Nissay Life Plaza consultation.

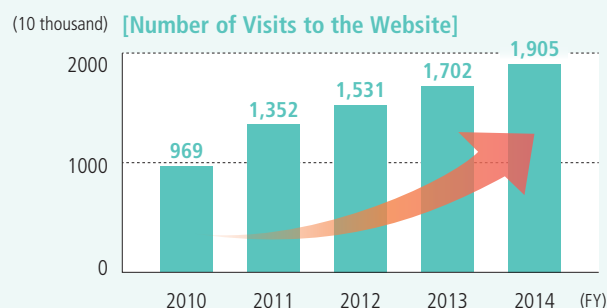
We have also created a dedicated website for *Nissay Educational Endowment Insurance*, a product that we launched in April 2013. Many customers who are raising children make use of this website as an easy way to find out about the product.



■ Nippon Life Website Usage

We use the Nippon Life website, which was initially launched in December 1997, to promote the importance of life insurance and the activities of the Nippon Life Group. Using a customer ID and password, policyholders can access secure parts of the website to review policy details, conduct administrative procedures, or gain access to our range of other services such as the *Zutto Motto Service*.

Today, the site is used by many of our customers. In fiscal 2014, we recorded 19.05 million visits.



Universal Communication Design Association (UCDA) Award for 2014 in Life Insurance and Health Insurance Categories

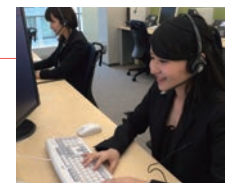
We have won the UCDA Award for two consecutive years in recognition of the quality of our communications with customers regarding our life insurance products and services. This reflects aspects of our setup such as the wireless devices used by our sales representatives, the range of video and text content on our website explaining policies and related administrative procedures, and the ease with which our customers can apply for policy benefits online. (Received an award for a second consecutive year in recognition of the quality of our communications with customers about life insurance products and services.)



■ Call Centers, ATMs, etc.

[Nissay Call Centers]

We are working to have specialist operators, who answer calls from customers throughout Japan, handle all requests, such as for changing addresses, as well as requests for insurance claims and benefits, in a simple, convenient and efficient manner.



Nissay Call Center

[Nissay Customer Centers*]

Staff at Nissay Customer Centers contact customers by phone directly, including on Saturdays and Sundays, for a wide range of reasons, such as to confirm customer policy content and to handle various policy maintenance procedures. * Implemented in some regions.

[Automatic Phone Services]

Customers who have received a customer ID can make use of these services to change PIN numbers, take out policy loans and withdraw accumulated dividends through an automated telephone voice directory.

[ATMs]

Customers possessing Nissay Cards may use them at any one of 60,000 ATMs nationwide. They can take out or repay policy loans, withdraw accumulated dividends, deferred special payments and deferred insurance amounts.*

In addition to Nippon Life ATMs installed at Nissay Life Plazas and other locations, customers can also perform various procedures at the ATMs of Japan Post Bank Co., Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, and Seven Bank, Ltd. (as of April 2015).

* Certain policies concluded on or before April 1, 2012 allow transactions using ATMs.

Developing a More Senior-Friendly Service Setup

Whenever senior customers take out a policy, we routinely ensure that family members are present at the sales consultation and recommend that the policyholder make use of designated proxy arrangements to ensure that policy claims and benefits can easily be received if the unexpected occurs (see p. 89 for details of the Designated Proxy System).

In October 2015, we plan to introduce a service to register family contact information and to provide information on policies owned by seniors to registered family members in response to a growing numbers of inquiries from family members relating to senior policyholders.

Strengthening Financial Soundness

Promoting ERM

ERM

Enterprise Risk Management (ERM): All risks associated with a company's operations are identified in a comprehensive and systematic manner in order to achieve corporate targets. These risks are managed and controlled by using an integrated and strategic approach. The ultimate objectives of ERM

are consistently increasing earnings over the long term and ensuring financial soundness.

Utilizing ERM in Management

We define our risk preferences in terms of how much capital we want to hold to support the business and how we want to assume investment risks to increase returns. We define risk preferences to be maintained over the long term and medium-term risk preferences based on changing business conditions. Under ERM, business plans are formulated to maintain consistency with medium-term and long-term risk preferences.

In our business plans, besides targeting higher earnings, we seek to improve profitability relative to the risk assumed, while also bolstering

financial soundness by ensuring an adequate level of capital in proportion to envisaged risks.

By promoting ERM management, our goal is to facilitate the supply of a wide range of products and services and to deliver stable dividends to customers, while fulfilling our long-term coverage obligations.

Long-Term Risk Preferences

[Risk Preferences to be Maintained over the Long Term]

- Active assumption of insurance and asset management risk to maintain financial soundness, etc.

Medium-Term Risk Preferences

[Medium-Term Risk Preferences Based on Internal/External Business Conditions]

- Upgrade supply of products geared to low interest rates, reinforce overseas operations, etc.

The New Three-Year Management Plan



- Improve profitability relative to the risk assumed by strengthening existing operations and developing new businesses
- Bolster financial soundness by ensuring adequate capital relative to envisaged risks

Provide diverse products/services, enhance dividends, and fulfill long-term financial responsibility to customers

Long-term, Stable Investment

To be certain that we can pay future insurance claims and benefits, Nippon Life invests premiums entrusted to it from policyholders with sufficient consideration for safety, profitability, and the public nature of its business, among other factors. By spreading risk and allocating assets properly, Nippon Life aims to secure long-term stable investment returns.

Basic Thinking on Asset Management

Nippon Life's mission is to fulfill its long-term commitment to policyholders under life insurance agreements, and maximize returns to policyholders in a stable manner over the long term. Investment is carried out to achieve this mission.

Specifically, in line with the abovementioned ERM and ALM* approaches, we base our asset portfolio management on Japanese government bonds and other yen-denominated fixed-income instruments to ensure that we provide policyholders with promised returns in a stable manner. Using stringent risk management, we also invest in foreign securities and other risk assets.

We aim to construct balanced portfolios that diversify risk across the asset classes, countries, and currencies that we target for investment, avoiding excessive bias towards a specific asset class or country. In line with the cyclical movement of markets over the medium to long term, we try to increase our stable returns through carefully managed transactions.

Since the funds invested represent the accumulation of premiums paid by many policyholders, we emphasize security, profitability, liquidity, and the public nature of our business in our asset investment approach.

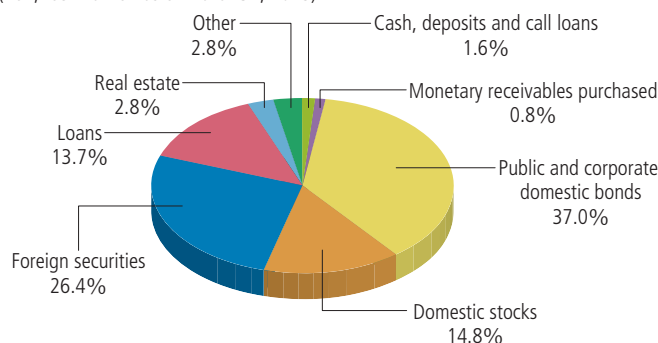
*ALM: asset/liability management: A method of comprehensively grasping and managing assets and liabilities.

Nippon Life's Basic Approach to General Account Investment

- 1 Fulfilling our financial coverage obligations to policyholders is our first priority for investment
- 2 Achieving long-term stable growth of investment returns through a coherent investment strategy
- 3 Conducting investment in a way that is acceptable to policyholders, maintaining an awareness of the mission and public nature of the life insurance business

[Breakdown of General Account Portfolio]

(¥61,169.4 billion as of March 31, 2015)



Market Presence

The life insurance business has a highly social and public nature. By utilizing the long-term nature of its funds as a life insurer, Nippon Life has long conducted investment from the standpoint of coexisting with communities and society, and achieving stable growth hand in hand with Japanese companies and the economy at large.

For instance, we are actively engaged in investing in equities in conjunction with Group company Nissay Capital Co., Ltd. We are one of the leading private-sector institutional investors* in Japan, and we also invest in many unlisted Japanese companies that are aiming to become publicly listed enterprises.

We seek to engage in constructive dialogue with the companies in which we have invested with a view to promoting growth in the value of these companies over the medium and long terms.

Additionally, in loan transactions, we strive to support the development of industry by extending loans to customers across Japan, not just large

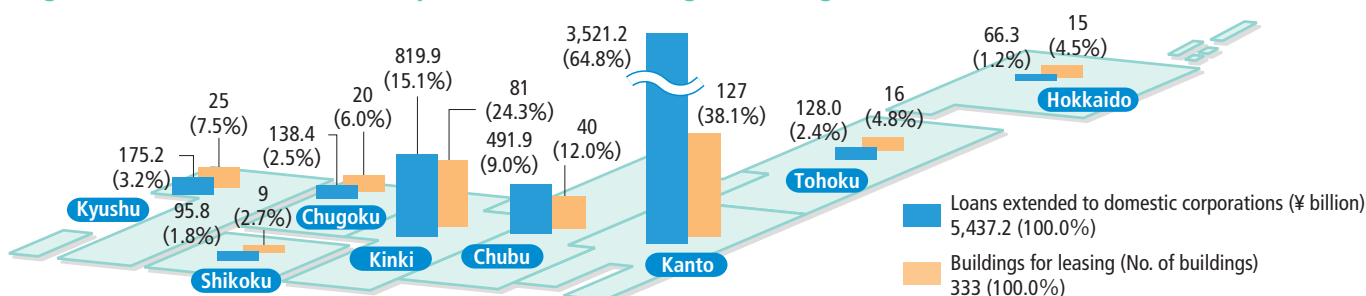
corporations. In the field of personal loans, we provide the financing needed for sound and enriched life planning through housing loans and other means. We are also active in real estate investment. Through a broad range of investments in office buildings nationwide, we are contributing to regional development.

* Excluding investments made using trust assets

| | |
|-----------------|---|
| Domestic stocks | <ul style="list-style-type: none"> Balance: ¥9,075.2 billion One of the leading private-sector institutional investors in Japan |
| Loans | <ul style="list-style-type: none"> Balance: ¥8,357.6 billion |
| Real estate | <ul style="list-style-type: none"> Balance of real estate for leasing: ¥1,079.9 billion Number of buildings held for leasing: 333 |

*Domestic stocks, loans (sum of industrial and consumer loans and policy loans) and real estate are as of March 31, 2015.

[Regional Breakdown of Domestic Corporate Loans and Buildings for Leasing]



Stringent Investment Risk Management

Amid greater diversity and complexity of investment techniques, investment risk management is assuming increased importance in ensuring that portfolio investment yields are sufficient to fund the returns promised to policyholders.

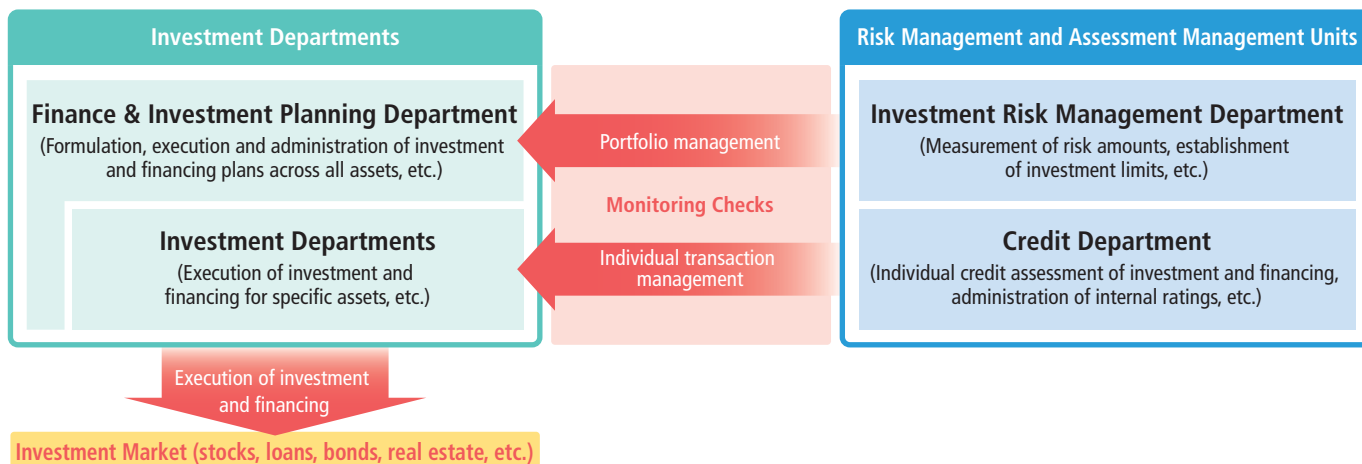
We continue to strengthen our ability to respond swiftly to any changes in market conditions based on close monitoring of individual investees and market conditions.

At Nippon Life, investment departments strive to limit exposure to risk by strictly selecting and diversifying investments, while risk management and

assessment management units provide checks by measuring the amount of risk in the portfolio and performing individual credit assessments and other tasks. Through these measures, Nippon Life strives to secure stable investment returns.

To reinforce our risk-response capabilities even further, we are also introducing more advanced stress tests (see p. 66) and refined risk measurement methodologies.

[Checking System for Investment Departments]



Global Investment Network

Nippon Life has a global investment network comprising investment bases in New York, London, and Singapore, in addition to Nissay Asset Management Corporation, a Nippon Life Group asset management company. As global investment and finance have come to the fore in recent years, Nippon Life has striven to invest in countries and regions with growth potential in order to diversify and multiply its earnings sources.

We are also working to enhance our global investment capabilities through alliances and investments, as well as personnel exchanges and other joint initiatives with leading overseas financial institutions.

Credit Investment Department Established

In fiscal 2013, Nippon Life established the Credit Investment Department as an organization devoted to credit investment worldwide, in an effort to step up investment in the overseas credit field.

Now we will turn our efforts to bolstering and expanding credit investment on a global scale, starting with Asia.

[Global Investment Network]

(as of March 31, 2015)



Approach to Investment and Finance in Growing Fields

As one of the Japanese government's national growth strategies, the government has announced a policy of channeling private-sector funds to growing fields by utilizing public-private investment funds and encouraging venture capital investment, thereby revitalizing Japan's industry.

Investment and finance in growing fields include activities of a highly social and public nature, such as those spurring the development of companies and economies at large, and activities that are well suited to the

characteristics of life insurers' liabilities, notably the need for long-term investment. Accordingly, Nippon Life is paying close attention to investment and finance in growing fields.

In terms of investing in new business and growth sectors, we are increasing our focus on infrastructure and developing countries, and have set out quantitative targets as outlined below.

■ Specific Examples (Investment and Finance)

Loans

- Loans for overseas M&A funds using the JBIC Loan Facility Enhancing Global Business Development*¹ of the Japan Bank for International Cooperation (JBIC)
- Loans for PFI projects*²
- Foreign currency loans to Japanese companies and overseas local subsidiaries
- Investment in renewable energy and other infrastructure projects
- Investment in healthcare REITs*³

Overseas

- Investment in overseas infrastructure funds
- Bond investment in companies engaged in the infrastructure business and infrastructure finance (Export-Import Bank of Malaysia Berhad, Export-Import Bank of India, etc.)
- Investment in green bonds (as issued by transport authorities of Paris, London, etc.)

Real Estate

- Investment in large-scale logistics facilities
 - Investment in logistics centers (Atsugi, Kanagawa Prefecture)
 - Investment in logistics centers (Matsubara, Osaka Prefecture)

Equities

- Investment in PFI project*² promotion company (Private Finance Initiative Promotion Corporation of Japan*⁴)
- Equity investment in startups (Nippon Life and Nissay Capital Co., Ltd.)

Investment of ¥1 trillion in new and emerging growth fields over the next 3–5 years*⁵

*1 JBIC created this loan facility to provide additional assistance with the expansion of Japanese companies' businesses in overseas markets. With this loan facility, JBIC works closely with private-sector financial institutions to supply long-term funds for overseas M&As, infrastructure, resource projects, and other undertakings.

*2 PFI (Private Finance Initiative): A method for private companies to construct facilities and provide public services without the use of public funds.

*3 Healthcare REITs (Real Estate Investment Trusts): Investment trusts that specialize in investing in related healthcare facilities such as care homes and housing for seniors.

*4 A public-private investment fund formed through joint investment by the public and private sectors to provide financial assistance and other support for PFI projects.

*5 Initial plan target is to invest ¥800.0 billion over three years (subject to change depending on market conditions).

Investment in U.K. Infrastructure Debt Fund

In June 2014, we invested in a new U.K. infrastructure debt fund launched by Allianz Global Investors GmbH, which is part of the Allianz Group in which Nippon Life is a shareholder. The fund will be used to finance construction and development of roads, schools, and other infrastructure in the U.K.



(Image)

Investment in Green Bonds (Issued by the City of Paris)

In July 2014, we invested in the first green bonds issued by the City of Paris. The funds will help finance green transport projects within the city, including the introduction of highly energy-efficient trams.



Investment in a Healthcare REIT

In March 2015, we invested in Healthcare & Medical Investment Corporation.

This J-REIT is raising funds to finance the construction of care homes, housing and healthcare facilities for seniors.



Dialogue with Investee Companies to Promote Growth

In August 2014, we published the Action Policy regarding Japan's Stewardship Code of principles for responsible institutional investors. As a responsible medium- to long-term institutional investor, we will focus even more on engaging in constructive dialogue with investee companies to help them

generate stable earnings over the long term through growth, and to contribute to the sound development of the Japanese economy and society. We will also review these activities on an ongoing basis with a view to increasing their effectiveness.

Strengthening Financial Soundness

Strengthening Equity

Our Commitment to Increasing Equity

Fulfilling our responsibility to provide long-term protection for customers is our primary mission as a life insurance company.

Due to the term of life insurance policies, we must take into account the possibility of a crisis that is worse than we can predict. A major natural disaster or historic drop in stock prices are two examples of such risks. Equity provides the financial foundation for making insurance claims and benefit

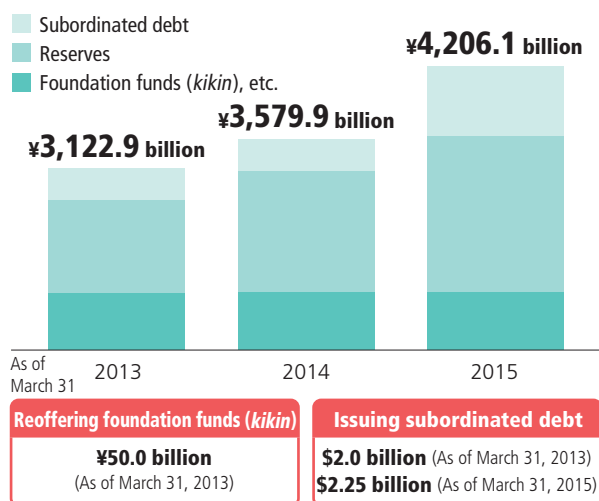
payments as stipulated in policies even after a crisis of unexpected magnitude. In addition, investment income from equity is one basis for dividend payments. As of March 31, 2015, due to payments into the contingency reserve and reserve for price fluctuations in investments in securities, equity was ¥4,206.1 billion.

We believe that strengthening equity is essential to establishing Nippon Life as a company of excellence in “financial soundness.”

Growth in Equity

Equity is the sum of foundation funds and the reserve for redemption of foundation funds, which are included in net assets on the balance sheets, and the contingency reserve and reserve for price fluctuations in investments in securities plus subordinated debt, which are included in liabilities on the balance sheets. Equity is also called foundation funds (*kikin*) and reserves.

We have enhanced equity by strengthening our foundation funds and reserves by taking steps such as using annual earnings to increase reserves and conducting issuance of foundation funds, which is the core capital of a mutual company. In addition, we dynamically issued subordinated bonds according to the degree of materialized risk.



Subordinated Debt

Subordinated debt is unsecured debt whose owners can only be repaid in the event that the issuer goes bankrupt after payments to ordinary debt holders, insurance payments to customers and other obligations.

These characteristics make this type of debt similar to equity. As a result, life insurers are allowed to incorporate subordinated debt to some degree in the calculation of their solvency margins.

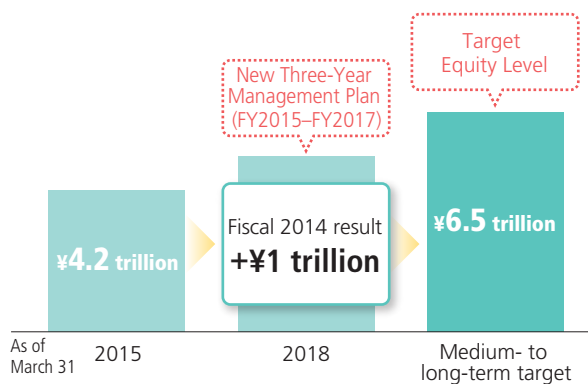
Nippon Life issued U.S. dollar-denominated subordinated debt during fiscal 2012 (\$2.0 billion) and fiscal 2014 (\$2.25 billion), as well as ¥75.0 billion in yen-denominated subordinated debt in April 2015.

The aim of these issuances was to further increase financial soundness while reinforcing the financial base to bolster profitability by broadening the debt component of the capital base to take advantage of the prevailing low-interest-rate environment.

Target Equity Level

From the viewpoint of reinforcing the financial base to undertake future business strategies based on stricter risk measurement standards in anticipation of the future introduction of international capital regulations, we have set ¥6.5 trillion as our new equity target over the medium to long term.

Under the New Three-Year Management Plan, we plan to accumulate ¥1 trillion in equity over the plan period (including external fundraising) so that we can achieve the medium- to-long-term target of building up the capital base to ¥6.5 trillion.



Foundation Funds (*Kikin*)

Foundation funds (*kikin*) can be sold by mutual companies as a method of procuring funds permitted under the Insurance Business Act. They function in an analogous way to the equity capital of a joint-stock company. The funds are similar to a loan in that interest payments and redemption dates must be specified at the time of offering, but in the event of a bankruptcy or other insolvency, repayments of the principal and interest are subordinated to the

interests of ordinary debt holders, insurance payments to customers and other obligations. In addition, upon the redemption of foundation funds (*kikin*), mutual companies are required to make an addition to the reserve for redemption of foundation funds, which serves as retained earnings, that is equal to the amount redeemed. As a result, the full amount of foundation funds (*kikin*) remains in equity even after redemption.

■ Foundation Funds (*Kikin*) Status

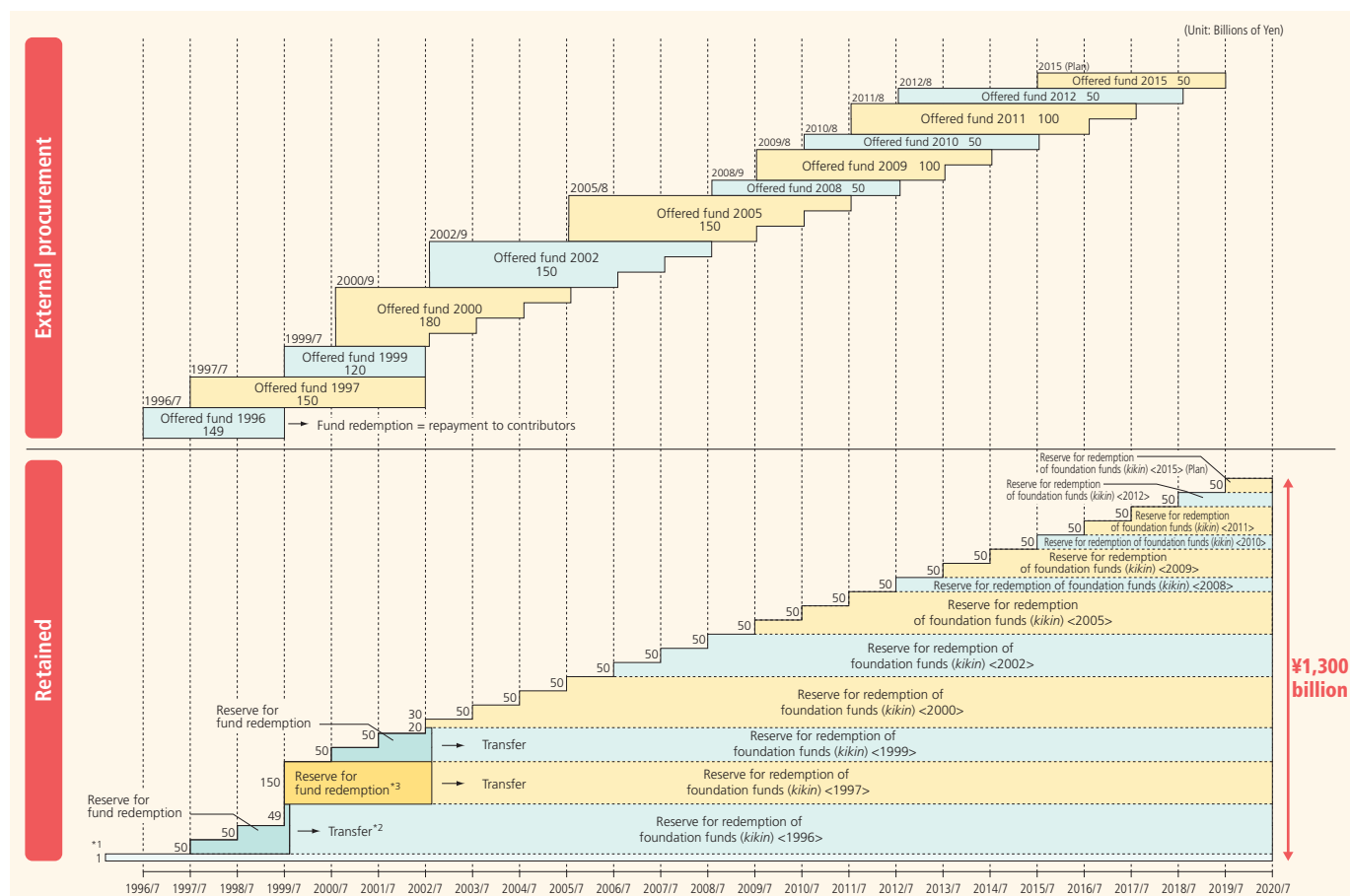
We solicit foundation funds in order to enhance our ability to respond to risk. As a result of reoffering funds eleven times since revisions were made to the Insurance Business Act in 1996, our total foundation funds, including funds and the reserve for redemption of foundation funds, reached ¥1,250 billion as of the end of the fiscal year ended March 31, 2015.

Since the fiscal year ended March 31, 2001, Nippon Life has aimed to expand the number of fund contributors by using securitization methods

through a special purpose company. In the fiscal year ended March 31, 2003, Nippon Life made a public offering to general individual investors, and in the fiscal year ended March 31, 2006, Nippon Life made an offering to overseas investors, increasing flexibility in funds procurement.

We plan to reoffer an additional ¥50 billion in foundation funds (*kikin*) in fiscal 2015 to bring our total foundation funds to ¥1,300 billion.

[Fund Redemption]



*1 As stipulated by the Insurance Business Act, the minimum fund amount is ¥1 billion.

*2 Article 56 of the Insurance Business Act: When redeeming the fund, an amount equivalent to the redemption amount must be accumulated as a reserve for redemption of foundation funds.

Reserve for fund redemption is a voluntary reserve and it is transferred to reserve for redemption of foundation funds (*kikin*) when the foundation funds (*kikin*) are redeemed.

*3 The redemption of ¥150 billion of reserve for fund redemption expected to occur between the fiscal year ended March 31, 2000 and the fiscal year ended March 31, 2002 was completed earlier than expected.

Fund Contributors (as of March 31, 2015)

| Amount of Fund Contributions | ¥200 billion | Number of Fund Contributors | 3 | |
|---|-----------------------------------|--------------------------------|---|----------------------------|
| Names of Fund Contributor | Fund Contributions to Nippon Life | | Investments of the Company in Fund Contributors | |
| | Amount (Billions of Yen) | Fund contribution (Percentage) | Shares held (Thousands of Shares) | Voting rights (Percentage) |
| Nippon Life 2011 Fund Special Purpose Company | ¥100 | 50.00% | — | —% |
| Nippon Life 2010 Fund Special Purpose Company | 50 | 25.00 | — | — |
| Nippon Life 2012 Fund Special Purpose Company | 50 | 25.00 | — | — |

Notes: 1. Nippon Life 2010 Fund Special Purpose Company, Nippon Life 2011 Fund Special Purpose Company and Nippon Life 2012 Fund Special Purpose Company issue special corporate bonds backed by claims on the funds. Issuance proceeds are used to purchase claims on the funds. Nippon Life has no specified investments in the Nippon Life 2010 Fund Special Purpose Company, Nippon Life 2011 Fund Special Purpose Company or Nippon Life 2012 Fund Special Purpose Company.

2. Fund contributors are the three above-mentioned entities.

Strengthening Financial Soundness

Stable Payout and Enhancement of Dividends to Policyholders**Making Continuous Efforts to Enhance Stable Dividends to Policyholders**

Nippon Life, as a mutual company, aims to pay a stable dividend, while continuing to enhance the level of dividends over the medium- to long-term.

We increased dividends on policies for individual insurance and annuities despite continued low interest rates due to an improvement in the balance of income and expenditures in line with rising share prices and further depreciation of the yen, the successful results of the Future Creation Project,

and the establishment in fiscal 2013 of the equalized reserve for dividends to policyholders*, which is intended to help stabilize policy dividends.

* Refers to the voluntary reserve for stabilizing the amount of dividends paid from surplus to policyholders provided in Article 30, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act.

Policyholder Dividends in Mutual Companies

Life insurance premiums are generally calculated based upon expected rates, including rates of interest and mortality. However, because life insurance contracts are long-term agreements, actual conditions may differ from expectations due to changes in the economic environment, increasing management efficiency, or other factors.

Life insurance contracts can be broadly classified into two categories, namely "participating insurance," where dividend payments are distributed, and "non-participating insurance," where no dividend payments are distributed. In the event that a surplus is generated by the difference between expectations and actual conditions in participating

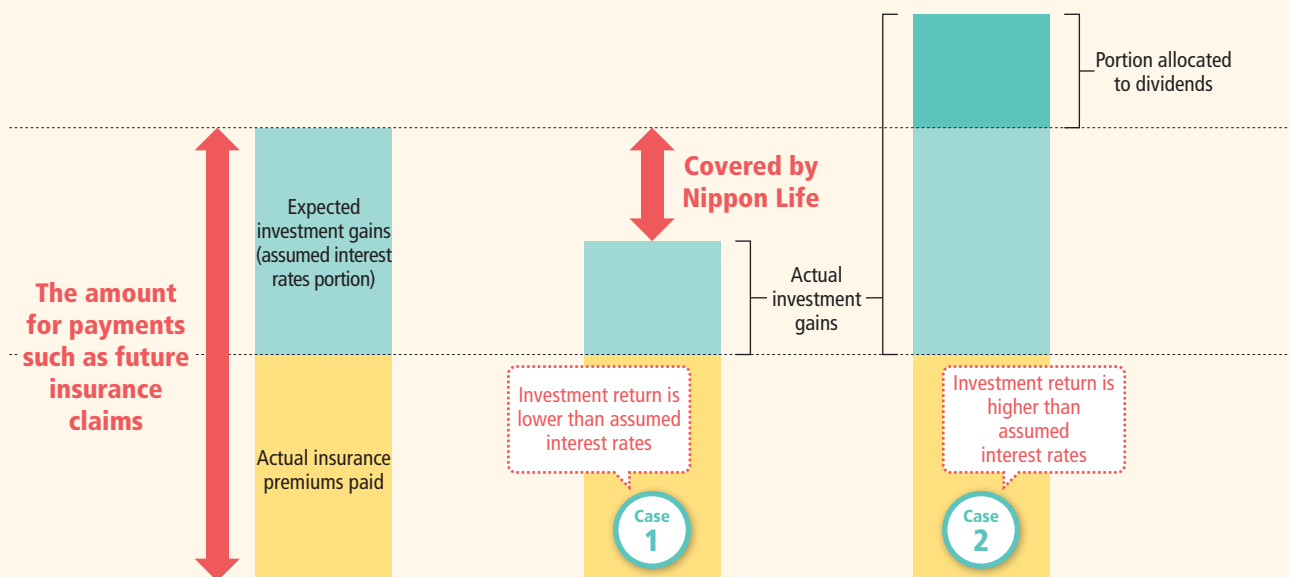
insurance, the increase is deemed to be distributable to policyholders based on policy terms as policyholder dividends. In fact, policyholder dividends could be classified, by nature, as the post-settlement of insurance premiums that were originally calculated based upon assumed rates.

Nippon Life employs a mutual company format in which all policyholders (excluding non-participating insurance policyholders) are counted as members of the Company. In addition to the accumulation of equity, the majority of the surplus is returned to policyholders as participating policyholder dividends.

[Dividend Framework]

The chart below shows the framework for dividends based on assumed rates. Insurance premiums are calculated while discounting investment gains based on assumed rates. Even if actual investment profits are

lower than expected, as in Case 1 below, Nippon Life guarantees this discount on insurance premiums to stay the same.



Please see page 86 of the Policy Details Reminder, which is sent out each year to every customer.

Aiming to Maximize Policyholder Interests

Life insurance policies are long-term contracts extending from the initial enrollment to the receipt of claims and benefits or other events. Aiming to maximize profits for policyholders over the long term, we strive to pay policy claims and benefits along with stable annual policyholder dividends each year.

We have been disclosing the dividend payout ratio to indicate the status of dividends. To enhance the clarity of our financial statements, in fiscal 2015 we have renamed the dividend payout ratio as the customer dividend payout ratio.

Ratio of Reserve for Policyholder Dividends to Available Financial Resources

<Fiscal year ended March 31, 2015>

$$\frac{\text{Reserve for policyholder dividends [¥257.2 billion]}}{\text{Adjusted net surplus [¥670.9 billion]}} = 38\%$$

Three-year average: 42%

Five-year average: 55%

$$\begin{array}{lcl} \text{Adjusted net surplus} & = & \text{Net surplus} + \text{Excess of reserves such as} \\ \text{[¥670.9 billion]} & & \text{[¥303.7 billion]} \quad \text{contingency reserve, etc.} \\ & & \text{[¥367.1 billion]} \end{array}$$

The customer dividend payout ratio equals the reserve for policyholder dividends (including the equalized reserve for dividends to policyholders) divided by the adjusted net surplus.

A measure of what financial resources are effectively available in consideration of laws and regulation, the adjusted net surplus equals the net surplus plus any excess of reserves such as contingency reserves. We aim to

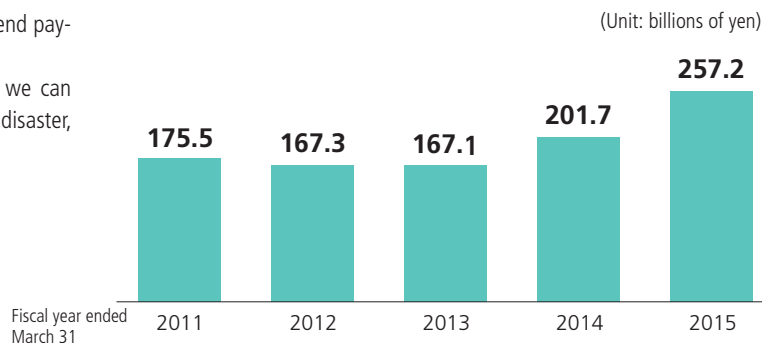
maintain a high value for the customer dividend payout ratio over the medium and long term, irrespective of any short-term fluctuations.

Nippon Life will strive to pay dividends to policyholders in each year while increasing equity, which is the foundation for future dividends. By using this approach, we are determined to maximize total policyholder interests today and in the future.

[Amount of Reserve for Policyholder Dividends]

The reserve for policyholder dividends is accumulated to fund dividend payments to policyholders.

We try to balance these reserves against our equity so that we can maintain steady annual dividend payments in the event of a major disaster, for example.



Develop of Human Resources

Human Value Improvement Project

Nippon Life began a Group-wide initiative in fiscal 2015 under the president's leadership called the "Human Value Improvement Project." The project is guided by the slogan "Develop human resources with a high sense of 'responsibility' and 'pride' overflowing with magnetism (as Nippon Life employees, corporate citizens and human beings)."

Through this initiative, we will promote further skill development by individual employees, enabling them to demonstrate their capabilities while working to improve the productivity and efficiency of the Company as a whole.

Develop Human Resources Who Contribute to Customers and Society As Well As to the Profitability of the Firm

Promoting Nippon Life's Version of "Positive Action"

To develop human resources who contribute to customers and society as well as to the profitability of the firm, we will promote autonomous action on the part of all employees. Through this initiative, we will help employees to expand their skillset and demonstrate their capabilities to the maximum extent.

Moreover, specific action goals for all department members to tackle together have been established as departmental "Positive Action," which will be put into practice at the individual employee level over the course of the year.

[Autonomous Actions for Current and Future Roles]

| | |
|--------------|---|
| Current Role | <ul style="list-style-type: none"> ● Practice efficient ways of working focused on essentials ● Revise work processes from an overarching standpoint ● Learn by observing branches, offices, customers and the rest of society ● Actively communicate free-minded ideas and honest doubts |
| Future Role | <ul style="list-style-type: none"> ● Have a clear career vision ● Identify specific actions for realizing the career vision and work towards their achievement |

■ Nurturing Sales Representatives

[Develop Human Resources Who Continually and Perpetually Maintain Close Contact with Customers]

We are reinforcing the branch support capacities of the Employee Development Promotion Department, which engages in human resources development across the entire organization, and working to train the Company's next generation of core personnel. To develop employees who can perform a role consistently, specific issues pertaining to each individual employee are shared with branches and offices from a variety of perspectives, and the functions of the Employee Development Promotion Committee, which considers and confirms initiatives that contribute to solutions, are being strengthened.

We are also reinforcing practical training to develop employees capable of providing more advanced customer service. Specifically, we use training based on in-depth role-play to quickly provide employees with sales knowledge for Nippon Life products and services, social insurance systems, and other programs, and guide them through activities aimed to teach them skills in areas such as etiquette, compliance and administration. We also conduct case study training that utilizes actual customer scenarios. Instructors conducting the training receive instructor training texts and participate in regular group training at the headquarters in order to acquire know-how accumulated through Nissay Life Plaza and other contact points.



Sales employee training



Role-play training

■ Cultivating Non-Sales Personnel

[Developing Business Professionals]

To upgrade training for the next generation of employees who will "create the future," Nippon Life aims to cultivate non-sales personnel as business professionals. The basis for these activities are Nippon Life's three precepts of "conviction," "sincerity" and "endeavor." We want non-sales personnel to have a wide range of knowledge and perspectives, as well as specialized skills, along with the initiative needed to apply these capabilities to produce results. Furthermore, on-the-job training is the core of human resources development at each workplace.



Non-sales personnel training

For a Positive, Motivated Workplace Environment

Support for Working Parents and Caregivers

Introduced short-hours flextime program for childcare and nursing care

By allowing more flexible working hours, the program seeks to provide employees who have childcare or nursing care responsibilities with an environment where they can demonstrate their capabilities as before, as well as find expanded opportunities for growth.

Promoting Use of Paid Leave

Start of "Plus One Friday"

We will encourage employees to take paid leave days added onto weekends and to effectively utilize their paid leave. The goal is to enable them to create "Plus One" added value by focusing more clearly on their work.

Changing Awareness

100% of male employees take childcare leave

For the second straight year, 100% of eligible male employees have taken childcare leave. We will continue encouraging employees to take this leave, promoting deeper understanding of childcare, and changing the awareness of male employees and managers.

Organizational Culture That Inspires Pride

■ Junior Employees, Female Employees, and Others Share Views with the President

Opportunities are created for junior employees, female employees and managers to actively share their views with the president. Employees make proposals based on their own views of the future of Nippon Life and ask questions directly to the president, allowing thoughts for the future and other related information to be shared between employees and management.



Discussions with the president

■ Promoting Free-Thinking Proposals

We are conducting a project to actively solicit inspirational proposals from junior employees on a range of management issues as a part of efforts to foster a broad-minded corporate culture.

The *Wellness-dial f Service*, inaugurated in March 2014, is an example of an idea that originated from a female project team and was initiated by management.



A female project team

■ Iki-Iki Office Meetings

Opportunities for intradepartmental dialogue are being established led by department managers (section managers) to promote mutual understanding, strengthen relationships and foster unity by reinforcing vertical and horizontal ties through dialogue in an effort to solve communication issues in the workplace.



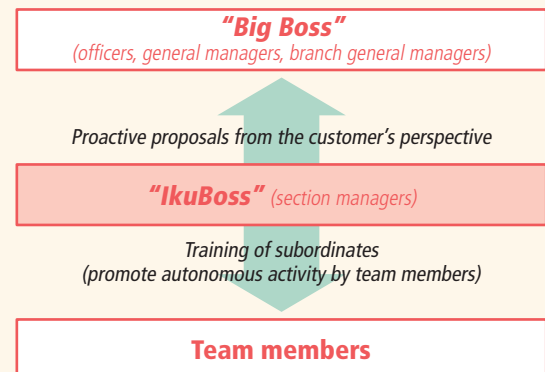
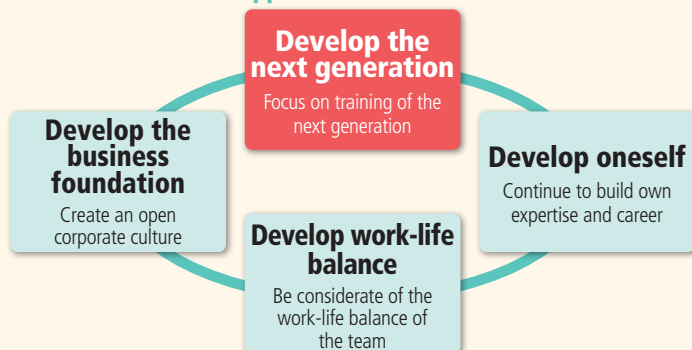
Iki-Iki Office Meetings

Nippon Life's Version of "IkuBoss"

In promoting the Human Value Improvement Project, we will train supervisors as "IkuBosses" ("bosses who understand and encourage the diversity of lifestyles, employees and ideas") who will take primary responsibility in developing human resources, the workplace environment and corporate culture.

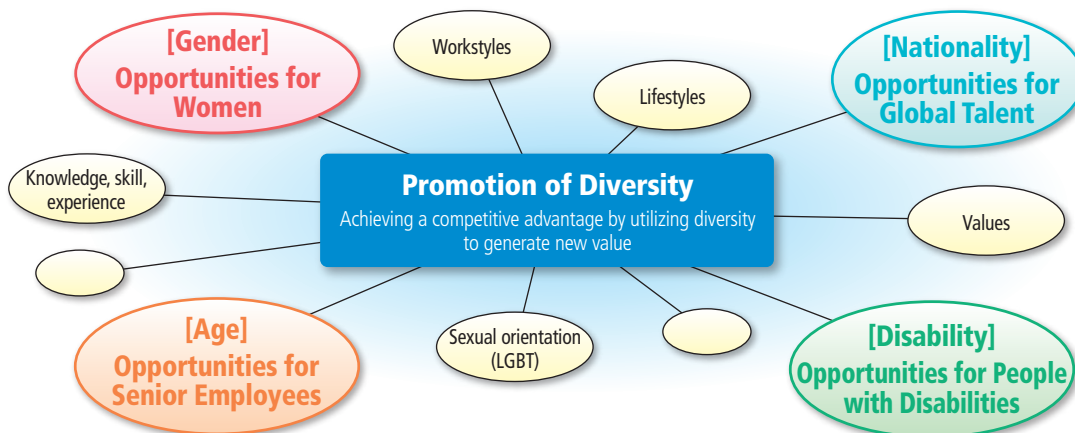
We will promote the following four "Ikuji" (training and development) initiatives for "IkuBosses" through training and sharing examples.

Ideal Departmental Manager (Section Manager Level) = Nippon Life's "IkuBoss"



Promotion of Diversity

Nippon Life conducts a variety of assistance programs and initiatives that allow each individual employee to demonstrate their determination and skills to the maximum extent throughout their entire career. In doing so, we seek to achieve a competitive advantage by utilizing diversity to generate new value.



Promoting Opportunities for Women

Nippon Life has a workforce in which approximately 90% are women, so utilizing women is a crucial issue.

In February 2013, on the Ministry of Health, Labor and Welfare's website we declared that we would take Positive Action* and in April of the same year, we signed the UN's Women's Empowerment Principles. We position women succeeding in the workplace as a management strategy, and we conduct many initiatives where women can succeed.

* Autonomous and proactive initiatives conducted by each company to eliminate the awareness gap regarding the tendency to assign different roles to men and women at work

[Support for Women's Career Development]

- We actively conduct various forms of assistance to enable women to develop a career vision from medium- and long-term perspectives
 - Seminars to promote opportunities for women
 - We hold seminars to foster career awareness among female employees.
 - Education and training for management of frontline sales staff (*Kirameki* Training School)
 - We have been conducting training to enhance skills aimed at raising sales staff into management positions.
 - Seminars on returning to the workplace
 - We hold seminars for female employees on maternity leave to enable their smooth return to the workplace.
 - In-house internship program and dispatch program
 - We implement a system that dispatches employees to other departments for training to enable them to develop concrete ideas about their career development.
 - Women's career role models introduced on our internal website and newsletter, etc.
- We are expanding areas where women can play a role and developing management utilizing perspectives only women can provide.
 - Activities of the Financial Planning Consulting Team made up of female employees with advanced financial planning expertise
 - We started to provide services for women that had been proposed by female project teams



Education and training for management of frontline sales staff



Seminar on returning to the workplace



Financial Planning Consulting Team

[Employing Female Managers]

We are actively working to promote women to management positions and have set a goal in the New Three-Year Management Plan of increasing the number of female managers to 520 by the start of fiscal 2018, a 20% increase over fiscal 2014.

Women accounted for approximately 30% of employees newly appointed to managerial positions in fiscal 2015. Two women were also named executive officers as of this fiscal year. A total of 485 female managers are now active across the organization, including 4 division managers.

[Number of Female Managers]

| | |
|---------------------------------|-----|
| Total Number of Female Managers | 485 |
| Headquarters | 85 |
| Branches, etc. | 400 |

(As of April 1, 2015)

[Improving the Workplace Culture]

- To create a workplace environment where women also have opportunities to participate, we are taking steps to improve the mindset of male employees and management.
 - Management seminars
 - We hold seminars for managers to enable them to learn about workplace environment creation that provides opportunities for women and younger employees to play a role.
 - Women's Empowerment Promotion Handbook for Managers
 - We introduce mainly tips and knowledge about how to draw out to the maximum potential of female employees.
 - Promotion of paternity leave



Management seminars

■ Promoting Opportunities for Global Personnel

Many staff members of foreign nationality are currently working at overseas subsidiaries and offices, and in Japan as well, foreign trainees and other personnel are accepted from overseas partners.

In addition, in order to train personnel with a global outlook, we actively assign employees to overseas financial institutions and graduate schools to acquire the latest skills and to form personal networks.

We intend to continue promoting opportunities for global personnel to train personnel capable of performing roles in management positions overseas and to accept a wider range of human resources.



Overseas assignments

■ Promoting Opportunities for Senior Employees

Sales representatives have the option of extending their retirement age to 65, expanding opportunities for motivated and skilled senior employees. Many employees utilize this program. And, even after reaching the age of 65, they may continue working on temporary contracts, with approximately 3,000 employees nationwide electing to do so.

For non-sales personnel as well, there is a post-retirement re-employment program that employees may utilize to continue working while leveraging their accumulated experience and skills.

We will continue conducting initiatives to provide further opportunities for senior employees, including expanding job areas.

■ Promoting Opportunities for People with Disabilities

We continue to expand the fields in which people with disabilities have the opportunity to demonstrate their skills and abilities.

At NISSAY NEW CREATION CO., LTD., a special subsidiary employing people with disabilities, work is not classified according to disability; rather people with physical, mental and psychological disabilities all work together as a single team to generate results. Team members understand one another's disabilities and perform their roles while supporting one another.

The company also conducts workplace tours, accepts trainees and dispatches instructors outside the company. Efforts are made to maintain a working environment that facilitates teamwork through understanding of people with disabilities.

The company's efforts have earned outside recognition. In fiscal 2014, with regard to employment of people with mental disabilities, NISSAY NEW CREATION's exceptional initiatives and active social contributions gained it certification as an "Excellent Company for Employment of People with Mental Disabilities" as a company that conducts.



Ministry of Health, Labour and Welfare
Fiscal 2014 certification as an "Excellent Company
for Employment of People with Mental Disabilities"
(NISSAY NEW CREATION CO., LTD.)

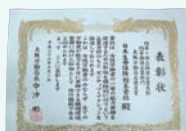
Company initiatives recognized and honored



Ministry of Economy, Trade and Industry
Diversity Management Selection 100 Award



Ministry of Health, Labour and Welfare
*Ikumen Company Award
2014 Special Encouragement Award*



Ministry of Health, Labour and Welfare
*Osaka Labour Bureau Director's Excellence Award
at the Minister's Award for Equal Employment/
Work and Family Harmonization
(Equal Employment Company Division and
Family-Friendly Company Division)*



Fiscal 2014
*Excellence Award at the Osaka Mayor's
Awards for Leading Companies in
Women's Empowerment*

Social Contribution Activities

Initiatives for Contributions to the Environment, Communities and Society

Under a corporate philosophy of “co-existence, co-prosperity and mutualism,” Nippon Life continually engages in social contribution activities in areas that include the environment, child and teenager development, culture, and aging and medicine in order to contribute to the formation of improved communities and a better society.

Action CSR-V: Social Contributions by 70,000 People

Nippon Life has conducted a variety of social contribution activities since its founding with the hope of creating a more enriching society together with customers and local communities.

The significance of these activities is shared by executives and employees alike, and we have recently launched the “Action CSR-V: Social Contributions by 70,000 People” campaign in which our approximately 70,000 executives and employees will carry out social contribution activities. We hope that by further accelerating development of human resources capable of helping customers, communities and society, we will make Nippon Life the most familiar and approachable life insurance company.

● Volunteering in the Community and Society

Nippon Life employees are engaged in a wide variety of community-rooted volunteer activities, including community cleanups with local government organizations and activities in support of orphaned children. Since 2008, all our branches nationwide have been involved and a cumulative total of approximately 170,000 people have participated.



Community cleanup activities
(Funabashi Branch)



Orphan support activities
(Central Tokyo General Branch)

Environmental Protection Initiatives

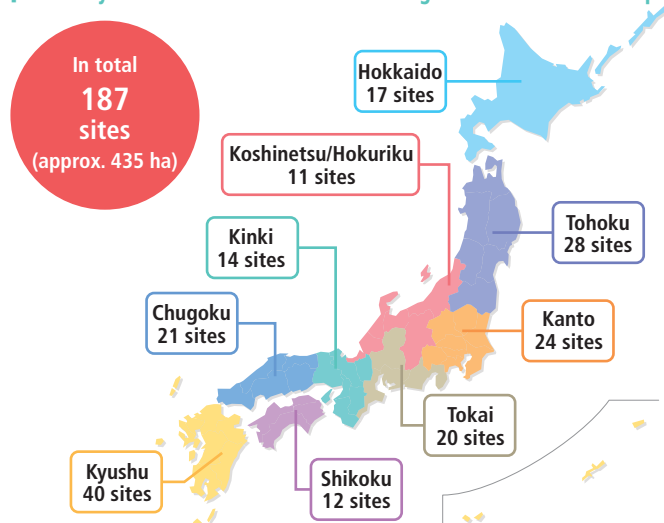
[Planting Forests for Future Generations] ~Protecting Bonds with Nature, Safeguarding Life for Future Generations~

The Nissay Green Foundation

This foundation has been supporting the planting of forests since 1992 in order to help preserve our irreplaceable environment for future generations. More than 1.31 million trees have been planted since this program started. Working with the Nissay Green Foundation, Nippon Life will continue to help preserve biodiversity by planting a variety of forests that protect the environment and ecosystems.

Nippon Life employees and their families also participate along with local volunteers in the tree-planting and nurturing activities, including the clearing of vines and cutting back of undergrowth. These activities have also heightened the environmental awareness of employees.

[The Nissay Forests Association Stretches Throughout 43 Prefectures in Japan]



Over 23 years
approx.
31,619
participants



Activities to foster tree growth at
“Nissay Natsudomari Forest” (Aomori Prefecture)

Environmental Contributions of the Nissay Forests Association Assessed

The contributions made by the Nissay Forests Association to the environment were assessed by the Forestry Agency to have produced the following results (for fiscal 2013).

- Absorbed and balanced CO₂ emissions of approx. 5,300 people
- Stored and purified annual drinking water for approximately 195,800 people
- Prevented erosion of enough soil to fill approximately 900 10-ton dump trucks
- Total economic value of approximately ¥84 million

[Support for Environment-Related Research]

The Nissay Life Foundation

Since 1979, the Nissay Life Foundation has supported Research on the Harmonization of Human Activity and Environmental Protection. The foundation returns the fruits of its research to society by holding annual workshops, publishing its results, and other activities.

Over 36 years
approx.
¥2.65 billion
donated to
1,091 projects



28th Environmental Issue Research Grant Workshop

Contributions to Local Communities and Society

Contributions to the Healthy Development of Children and Young People

TOPICS (Fiscal Year Ended March 31, 2015) Visiting Lessons and In-House Lessons for Students at Junior and Senior High Schools

Nippon Life seeks to help children think about the future and to develop the power to create opportunities for themselves. To this end, our employees become teachers in special classes where we either visit students' schools on "visiting lessons," or have the students visit our workplaces for "in-house lessons." Visiting lessons involve employees going to schools to teach classes on life events, preparing for the unexpected, planning for the future and more, while in-house lessons bring students to the company for a workplace tour and discussions with employees.

Actuaries, who play a specialist role in insurance, and female managers who play an active role in Nippon Life also serve as teachers, providing lessons in line with each school's wishes.

In fiscal 2014,
71
schools
7,227
participants



Visiting lessons (Shiga Prefecture)

[Providing Insurance-Related Educational Materials and Opportunities]

Activities for Elementary School Students

Nippon Life runs Summer Vacation Insurance Seminars for children at Nissay Life Plazas, offering a fun way to find out about how insurance works and why it is important. Participants received a comic book called "The Insurance Secrets," which explains insurance in an easy-to-understand manner.

In fiscal 2014,
1,245
participants
at 41 locations



"Did you know about the secrets of insurance?"
(Nissay Life Plaza Fukushima)

Activities for Junior High School Students

Nippon Life has produced "My Plan for the Future," an instructor's handbook, as an educational tool for use in schools that encourages students to think about their future goals. We have made these materials available to junior high schools nationwide.

In 6 years,
approx. **1,400,000**
books
provided to junior
high schools



"My Plan for the Future" is an
educational tool for schools

[Providing Environmental Education and Opportunities to Get Close to Nature]

Nissay "Forest Seminars"

At Nissay Life Plazas throughout Japan, we hold Nissay "Forest Seminars" where participants learn how forests prevent global warming, preserve water resources, and support living things.

In fiscal 2014,
3,000
participants
at 96 locations



Nissay "Forest Seminars"
(Nissay Life Plaza Shonan)

Nissay "Forest Explorers"

In the Nissay "Forest Explorers" program, children can gain a closer affinity with forests through nature observation and other activities, and have a hands-on experience of the work needed to protect them.

In fiscal 2014,
123
participants
in Shizuoka, Shiga
and Hyogo



A Nissay "Forest Explorers" program outing
(Hyogo Prefecture)

[Sports Clinics]

Nippon Life's baseball club and women's table tennis club have some of the top players in Japan and hold baseball and table tennis clinics for children. The regional branches where the clinics are held reach out to local schools to invite participants and help in organizing and holding the clinics.

Baseball clinics
In fiscal 2014,
2,933
participants



Baseball clinic (Tottori Branch)

Table tennis clinics
In fiscal 2014,
1,781
participants



Table tennis clinic (Yamaguchi Branch)

[Nissay Masterpiece Series]

The Nissay Culture Foundation

We provide children with the opportunity to experience some of Japan's and the world's wonderful performing arts, hoping to foster in them a taste for the arts and a fuller, richer sensibility.

The "Nissay Masterpiece Theatre" was started in 1964. The program has invited a cumulative total of approximately 7.77 million children over a period of fifty years to watch musicals at the theater.

The "Nissay Masterpiece Series" was started in 2014 to provide opportunities for a broader range of age groups to experience the performing arts in a variety of genres, including opera and classical music concerts.

In fiscal 2014,
4,927
children invited
to shows



Nissay Masterpiece Series
Alice's Classic Concert

[Supporting the Healthy Development of Children and Teenagers]

The Nippon Life Foundation

The Nippon Life Foundation has been working since 1979 to promote the healthy development of children and teenagers. The Foundation has supported governor-recommended private organizations that conduct activities to promote the healthy development of children and teenagers in all prefectures by providing necessary materials for their activities.

Over 36 years,
approx.
¥7.89 billion
donated to approx.
12,000 groups



Cooperative childraising NPO Satonko
(Aichi Prefecture)

■ Abundant Cultural Development

[Nissay Theatre]

The Nissay Culture Foundation

The Nissay Theatre was created in 1963 to aid in the development of a fulfilling and enriching society through the promotion and expansion of performing arts.

The Nissay Culture Foundation, which operates the Nissay Theatre, presents the "Nissay Masterpiece Series"; the Nissay Theatre Family Festival, which provides families with the opportunity to experience the performing arts; and the NISSAY OPERA.

Producing and
staging performing arts
Nurturing and
supporting performing
artists



At the Nissay Theatre (Tokyo)

■ Contributions to the Fields of Aging and Medicine

[Nissay Hospital]

The Nippon Life Saiseikai Foundation

The Nissay Hospital was founded by the Nippon Life Saiseikai Foundation and opened in 1931. This general hospital of 18 departments and 350 beds provides high-quality medical care for the local community. In addition, the Nissay Hospital aims to further contribute to medical care and welfare services for the community by providing comprehensive medical care combining "Prevention, treatment, and home nursing care" through the Nissay Preventive Medicine Center, which conducts health check services, and the Nissay Visiting Nurse Station, which provides in-home nursing care services.

Designation as
an cancer diagnosis
and treatment center
for Osaka Prefecture
Number of outpatients
Approximately
220,000 per year



Nissay Hospital (Osaka)

[Nissay Eden-no-Sono]

Nissay Seirei Health & Welfare Foundation

Operated by Nissay Seirei Health & Welfare Foundation, Nissay Eden-no-Sono are comprehensive health and welfare facilities (opened in 1992 in Nara and 1997 in Matsudo) for senior citizens that include such provisions as retirement homes (fee-based), illness prevention centers, general welfare centers and home nursing service centers. Both facilities aim to promote the health and vitality of local senior citizens, and to help create communities where they can live in security.

Recognized by
the Ministry of Health,
Labour and Welfare for
"Promoting health and
longevity in
21st century
hometowns"



Nara Nissay Eden-no-Sono

[Supporting an Aging Society]

The Nippon Life Foundation

The Nippon Life Foundation has been supporting Japan's aging society since 1983 by helping researchers, who conduct practical research, and local groups, that perform cutting-edge work. Furthermore, the Foundation holds symposiums and workshops on supporting an aging society in order to spread information on achievements in these areas.

Over 32 years
approx.
¥1.52 billion
donated
to 506 projects



28th Symposium on Supporting an
Aging Society

Contributing to the Environment, Communities and Society through Business Activities

■ Initiatives Through Investment

Nippon Life has long conducted investment, aiming to coexist with communities and society, and achieve stable growth hand in hand with Japan's companies and economy at large.

For example, in financing, we provide preferential interest rates for individual customers who purchase energy-efficient homes and for corporate customers who have acquired ISO 14001 certification. We are also involved in financing for sustainable energy projects like solar power generation.

In the area of investment real estate, we actively install facilities for limiting CO₂ emissions when building facilities are upgraded. In fiscal 2014, Nissay Marunouchi Garden Tower received the DBJ Green Building Certification "2014 Five Stars*" as a real estate property with high environmental and social awareness.

Received
DBJ
Green Building
Certification



Nissay
Marunouchi Garden Tower

* Certification conducted by the Development Bank of Japan and the Japan Real Estate Institute. "2014 Five Stars" is the highest of five ranks of certification.

■ Initiatives Through the *Zutto Motto Service*

Since 2010, donations have been collected for organizations engaged in social contribution activities through the "Thanks Mile" program, which is part of Nippon Life's *Zutto Motto Service* for policyholders. A total of ¥241.38 million has been donated to date.

In fiscal 2014, we received an official letter of appreciation*¹ from the Minister of Health, Labour and Welfare for the approximately ¥4.33 million that was donated to the Japanese Red Cross Society in fiscal 2012.

Total donations
over five years:
Approximately
¥240 million

[Thanks Mile Donations over the Past Three Years]

(10 thousand yen)

| Recipient Organization | FY2012 | FY2013 | FY2014 | Cumulative Total* ² |
|----------------------------------|--------|--------|--------|--------------------------------|
| Japanese Red Cross Society | 433 | 530 | 649 | 19,325 |
| ASHINAGA | 497 | 630 | 834 | 2,418 |
| Japan Committee for UNICEF | 362 | 503 | 774 | 1,835 |
| World Wide Fund for Nature Japan | 114 | 156 | 230 | 560 |
| Total | 1,406 | 1,818 | 2,487 | 24,138 |

*1 A letter of thanks sent by the Japanese Red Cross Society to companies that have made significant donations.

*2 The cumulative total amount donated from the start of the service in 2010 through to the end of fiscal 2014 (including donations for the Great East Japan Earthquake).

■ Activities at Offices

Based on its Environmental Charter formulated in 2001, Nippon Life takes additional measures to conserve energy and resources, including the reduction of electricity and water usage, and takes proactive steps to thoroughly separate waste, promote green procurement and provide environmental education to employees. Furthermore, we set up a recycling system whereby used paper is taken from our Osaka Head Office and Tokyo Headquarters and transported to paper mills.

Thanks to these efforts, our Osaka Head Office and Tokyo Headquarters received ISO 14001 certification.

Furthermore, from the fiscal year ended March 31, 2012, we have instituted a variety of permanent power conservation measures following our responses to power shortages in the summer. At the same time, we have been providing information to customers.

Our Osaka
Head Office and
Tokyo Headquarters
received
ISO 14001
certification



Recycling station
(Marunouchi Building)

Five foundations Nippon Life established are working with us in their particular specialized field

(As of June 30, 2015)

| Name of Foundation | Established | Certification* | Location | Main Activities |
|--|-------------|----------------|----------|---|
| Nippon Life Saiseikai Foundation | July 1924 | Apr. 2012 | Osaka | Social welfare work, management of the Nissay Hospital |
| Nissay Culture Foundation | Nov. 1973 | Nov. 2009 | Tokyo | Hosting theatrical performances for children and general audiences, management and operation of the Nissay Theater |
| Nissay Life Foundation (Nippon Life Foundation) | July 1979 | Mar. 2010 | Osaka | Support for businesses and research that contribute to the building of a truly prosperous society filled with humanity and culture |
| Nissay Seirei Health & Welfare Foundation | July 1989 | Apr. 2013 | Osaka | Aging society surveys and research, scholarships for certified care workers, etc., and establishment and operation of Nissay Eden-no-Sono |
| Nissay Green Foundation | July 1993 | Apr. 2011 | Tokyo | Protection of forests through tree-planting and nurturing activities |

* All five Nippon Life foundations have been certified by Japan's Prime Minister or a prefectural governor as public interest incorporated foundations. This change from the previous status as foundations recognizes the social contributions of the activities and projects at the five organizations in their respective fields.

For further details on these and other initiatives,
please see Nippon Life's corporate website.
(in Japanese only)



<http://www.nissay.co.jp/kaisha/csr>

Social Issue Initiatives at the Group Level

Nippon Life and its Group companies and foundations work on a united basis to address social issues through a diverse range of businesses and services.

| Healthy Development of Children and Young People | Provision of nursing care and promotion of a sense of purpose for seniors | Health promotion and illness prevention | Promotion of diversity |
|---|--|---|---|
| Nippon Life ● Development and provision of products and services in line with diverse customer needs | | | |
| NLI Research Institute ● Research, analysis, and information on the declining birthrate | NLI Research Institute ● Research, analysis, and information on aging | NLI Research Institute ● Research, analysis, and information on health | NLI Research Institute ● Research, analysis, and information on women's issues |
| Life Care Partners Co., Ltd. ● Provision of childcare consultation services | Life Care Partners Co., Ltd. ● Provision of in-home care consultation services | Life Care Partners Co., Ltd. ● Provision of health consultation services | Life Care Partners Co., Ltd. ● Provision of consultation services for women |
| Nissay Culture Foundation ● Production and staging of performing arts, etc., for children | Nippon Life Saiseikai Foundation ● In-home nursing care and creation of care plans | Nippon Life Saiseikai Foundation ● Provision of preventative medical services including checkups and health exams | Nippon Life Saiseikai Foundation ● Provision of medical services for women (obstetrics and gynecology, Women's Pelvic Floor Center, etc.) |
| The Nissay Green Foundation ● Provision of nature activities and promotion of school lessons that utilize forests | Nissay Seirei Health & Welfare Foundation ● Provision of comprehensive lifestyle services for seniors and surveys and research | Nissay Seirei Health & Welfare Foundation ● Establishment and operation of the Disease Prevention Campaign Center | NISSAY NEW CREATION CO., LTD. ● Promotion of employment for people with disabilities |
| The Nippon Life Foundation ● Supporting the healthy development of children and young people | The Nippon Life Foundation ● Grants for local welfare activities and aging research | Nissay Leasing Co., Ltd. ● Lease of medical equipment (AEDs, life flight helicopters, etc.) | Nissay Business Service Co., Ltd. ● Occupational referral services based on work formats and careers |

[Examples of Initiatives Conducted by Nippon Life and Its Group Companies and Foundations]

Healthy development of children and young people

Nippon Life + **Group companies and foundations**

● Provision of various educational activities

In addition to "visiting lessons" and "in-house lessons" provided by Nippon Life, Group companies and foundations provide specialized occupational learning opportunities at facilities such as Nissay Hospital, Nissay Theater, and Nissay Eden-no-Sono in Nara and Matsudo.



"Healthy Kids" experience-based nature class

● Joint sponsorship of events for children

The Nippon Life Saiseikai Foundation and the Nissay Green Foundation jointly hold experiential education classes that provide the opportunity to experience nature and learn about health.

Provision of nursing care and promotion of a sense of purpose for seniors

Nippon Life Saiseikai Foundation + **NLI Research Institute**

● Joint sponsorship of Dementia Care Seminars

The Nippon Life Saiseikai Foundation and NLI Research Institute jointly hold seminars at Nissay Hospital to provide easy-to-understand information on prevention and treatment of dementia as well as care insurance and treatment programs for the disease.



A Dementia Care Seminar

Health promotion and illness prevention

Nippon Life + **Nippon Life Saiseikai Foundation**

● Nationwide provision of beneficial medical and health information

The Nippon Life Saiseikai Foundation actively provides beneficial information on promoting health and preventing illness nationwide by overseeing the distribution of various health-related pamphlets by Nippon Life sales representatives to customers.



Health handbooks for men and women

Promotion of diversity

Nippon Life + **NISSAY NEW CREATION CO., LTD.**

● Promoting understanding of disabilities

Nippon Life established NISSAY NEW CREATION in 1993 and works to promote employment of people with disabilities as well as increased understanding of disabilities throughout the Group as a whole, through such activities as internal training in which NISSAY NEW CREATION employees serve as instructors.



NISSAY NEW CREATION Office

CHAPTER 1

Business Performance in the Fiscal Year Ended March 31, 2015

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Fiscal Year Ended March 31, 2015 Business Overview and Performance48

[Key Performance Financial Highlights (Nonconsolidated Basis)]

(Unit: Billions of Yen or as Noted)

| As of and for the fiscal years ended March 31 | 2015 | 2014 | 2013 |
|---|------------|------------|------------|
| Ordinary income | ¥ 7,293.6 | ¥ 6,714.0 | ¥ 7,094.2 |
| Ordinary profit | 607.2 | 512.6 | 388.7 |
| Core operating profit | 679.0 | 592.4 | 546.5 |
| Net surplus | 303.7 | 284.4 | 210.6 |
| Dividend reserves as a percentage of surplus available for disposition ¹ [%] | 98.35% | 98.16% | 95.38% |
| Total assets | 62,283.0 | 56,790.7 | 54,882.8 |
| Separate account assets | 1,113.5 | 1,227.3 | 1,238.8 |
| Investments in securities | 49,839.2 | 44,369.0 | 42,274.1 |
| Loans | 8,357.6 | 8,528.9 | 8,581.8 |
| Policy reserves | 49,201.3 | 47,515.4 | 46,161.2 |
| Equity ² | 4,206.1 | 3,579.9 | 3,122.9 |
| Foundation funds (<i>kikin</i>) and reserves | 3,806.5 | 3,422.8 | 2,965.9 |
| Total foundation funds (<i>kikin</i>) ³ | 1,250.0 | 1,250.0 | 1,250.0 |
| Solvency margin ratio [%] | 930.8% | 779.0% | 696.4% |
| Policies in force ⁴ | 260,701.0 | 263,955.0 | 267,956.7 |
| Individual insurance | 146,649.3 | 150,854.5 | 156,313.2 |
| Individual annuities | 21,456.1 | 21,041.3 | 19,682.5 |
| Group insurance | 92,595.4 | 92,059.1 | 91,960.9 |
| Policies in force for group annuities ⁵ | 11,680.6 | 11,327.0 | 10,911.5 |
| Number of customers [number of insured persons, etc.] ⁶ | 11,571,090 | 11,557,999 | 11,514,169 |
| Number of company members ⁷ | 9,309,028 | 9,249,460 | 9,147,438 |
| Number of employees ⁸ | 70,783 | 70,806 | 70,004 |
| Negative spread ⁹ | — | — | — |

Notes: 1. Dividend reserves as a percentage of surplus available for disposition refer to the percentage of the amount calculated according to Article 30-4 of the Ordinance for Enforcement of the Insurance Business Act and include the total of provisions for reserve for dividends to policyholders and the equalized reserve for dividends to policyholders. The percentage, according to Article 30-6 of the same regulation is 20% or more. For the purposes of this calculation, undisposed current-term surplus less the surplus carried forward from the previous term is used as the denominator (see p. 144).

2. Starting with the fiscal year ended March 31, 2013, Nippon Life defines equity as the sum of foundation funds (*kikin*), reserves and subordinated debt.

3. Total foundation funds (*kikin*) includes the reserve for redemption of foundation funds (see p. 31).

4. Policies in force are the total of individual insurance, individual annuities and group insurance policies in force. Individual annuities are the total of annuity resources at the start of annuities for policies prior to the start of annuity payments and policy reserves for policies after the start of them.

5. Policies in force for group annuities indicate the amount of policy reserves.

6. The number of customers (number of insured persons, etc.) is the number of insured persons enrolled in individual insurance and individual annuities, plus customers who have deferred maturity benefits and other payments, plus customers who have enrolled in policies offered by Aioi Nissay Dowa Insurance Co., Ltd. From fiscal 2012, Nippon Life will disclose the number of customers based on insured persons, along with the number of customers based on policyholders, which was disclosed previously.

7. In the case of a mutual company, "company members" refers to policyholders (participating insurance policyholders).

8. The number of employees includes staff increases resulting from the direct employment of temporary employees implemented as of April 1, 2010 in the fiscal year ended March 31, 2011.

9. In the fiscal years ended March 31, 2015, 2014 and 2013, there was no negative spread.

Soundness and Profitability of Nippon Life

A life insurance policy is an agreement with a customer that spans many years from the time of enrollment in a policy until receipt of insurance claims or benefits. Nippon Life will take steps to strengthen its financial foundation so that it will be able to reliably pay insurance claims and benefits into the future, thus fulfilling its responsibility to policyholders.

Fiscal Soundness and Profitability Benchmarks

- ① Equity
- ② Policy reserves
- ③ Unrealized gain on securities
- ④ Solvency margin ratio
- ⑤ Real net assets
- ⑥ Core operating profit

*In order to properly understand what makes a life insurance company fiscally sound and profitable, Nippon Life believes it is necessary to comprehensively review the characteristics of a variety of indicators.

Fiscal Soundness and Profitability Benchmarks (Image)

[Major Components of Soundness and Profitability Benchmarks ① – ⑤]

(Applicable items are marked with ●)

| Balance Sheets | |
|----------------|---|
| (Assets) | (Liabilities) |
| | Policy reserves and other reserves |
| | Policy reserves |
| | (include contingency reserve) |
| | Corporate bonds |
| | Reserve for price fluctuations in investments in securities |
| | (Net assets) |
| | Foundation funds (<i>kikin</i>) |
| | Reserve for redemption of foundation funds |

| | Balance Sheet Accounting Items | | | | | | Unrealized gain on securities |
|--|--------------------------------|---------------------|--------------------------------------|---|-----------------------------------|--|-------------------------------|
| | Policy reserves | Contingency reserve | Corporate bonds (subordinated bonds) | Reserve for price fluctuations in investments in securities | Foundation funds (<i>kikin</i>) | Reserve for redemption of foundation funds | |
| ① Equity (p. 45) | | ● | ● | ● | ● | ● | |
| ② Policy reserves (p. 45) | ● | ● | | | | | |
| ③ Unrealized gain on securities (p. 45) | | | | | | | ● |
| Total solvency margin | | ● | ● | ● | ● | ● | ● |
| ④ Solvency margin ratio (p. 46) = Total solvency margin / (total amount of risk × 1/2) × 100 | | | | | | | |
| ⑤ Real net assets (p. 46) | | ● | | ● | ● | ● | ● |

*This table shows the main components of each benchmark.

*Equity and reserves, real net assets and others are not shown directly on the balance sheets.

| Statements of Income | |
|------------------------------|--|
| Ordinary income | |
| | Revenue from insurance and reinsurance |
| | Investment income |
| | Interest, dividends and other income |
| | Gain on sales of securities |
| | Gain from separate accounts, net |
| | Other ordinary income |
| Ordinary expenses | |
| | Benefit and other payments |
| | Provision for policy reserves |
| | Investment expenses |
| | Loss on sales of securities |
| | Loss on valuation of securities |
| | Loss from separate accounts, net |
| | Operating expenses |
| | Other ordinary expenses |
| Ordinary profit | |
| Extraordinary gains (losses) | |
| Net surplus | |

⑥ Core operating profit

*Please refer to p. 47 for more details regarding core operating profit.

*Core operating profit is not shown directly on the statements of income.

| | | | | |
|-------------------------|---|-------------------------------------|---|--|
| Core operating profit | = | Core operating income* ¹ | — | Core operating expenses* ^{2, 3} |
| + | | | | |
| Capital gain/loss | = | Capital gain* ⁴ | — | Capital loss* ⁵ |
| + | | | | |
| Non-recurring gain/loss | = | Non-recurring gain | — | Non-recurring loss |
| | | | | |
| Ordinary profit | | | | |

*1 Core operating income = Revenue from insurance and reinsurance + investment income (excluding gain on sales of securities, etc.) + other ordinary income

*2 Core operating expenses = Insurance claims and other payments + provision for policy reserves + investment expenses (excluding loss on sales of securities, etc.) + operating expenses + other ordinary expenses

*3 Provision for policy reserves within core operating expenses excludes provisions (reversals) for contingency reserves.

*4 Capital gain is gain on sales of securities within investment income.

*5 Capital loss is loss on sales of securities and loss on valuation of securities within investment expenses.

The above illustrates the components of Nippon Life's fiscal soundness and profitability benchmarks and is not intended as a definitive explanation.

Building a Firm Financial Foundation in Equity

Equity

¥4,206.1 billion

as of March 31, 2015

(Including foundation funds (*kikin*) and reserves of ¥3,806.5 billion)
(¥3,579.9 billion as of March 31, 2014)

Equity is the sum of foundation funds (*kikin*), reserves and other items (foundation funds and the reserve for redemption of foundation funds, which are included in net assets on the balance sheets, and the contingency reserve and reserve for price fluctuations in investments in securities, which are included in liabilities on the balance sheets), and subordinated debt.

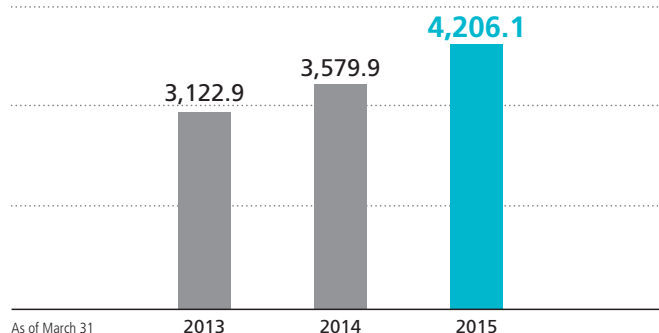
Nippon Life works to build up equity. This equity is a financial resource for responding to risks that do not include unrealized gain on securities, which is easily affected by the economic environment. More specifically, even if management risks such as a massive natural disaster or dramatic decline in stock prices occur, this financial platform enables Nippon Life to pay out

insurance claims and benefits as stipulated in insurance policies. This equity is also a source of future dividend payments.

Equity was ¥4,206.1 billion as of March 31, 2015 as Nippon Life maintained a high level of equity in order to ensure financial soundness.

[Trends in Equity]

(Unit: Billions of Yen)



Sufficient Policy Reserves

Policy Reserves

¥49,201.3 billion

as of March 31, 2015

(¥47,515.4 billion as of March 31, 2014)

Policy reserves are reserves that must be accumulated under the Insurance Business Act in order to prepare for payments of future insurance claims, annuities and other benefits. Policy reserves are composed of premium

reserves and unearned premiums for covering costs in the event of the occurrence of normally foreseeable risk as well as contingency reserves to cover costs in the event of the occurrence of risk that exceeds such predictions (see p. 187).

In addition, with respect to the reserve funding method for premium reserves, Nippon Life utilizes the most conservative legal method (the net level premium method) for computing policy reserves (see p. 187 and 188).

To ensure the greater financial soundness of individual annuities, we built up policy reserves over a five-year period that began in the fiscal year ended March 31, 2007.

Unrealized Gain/Loss on Securities

Unrealized Gain on Securities

¥11,033.3 billion

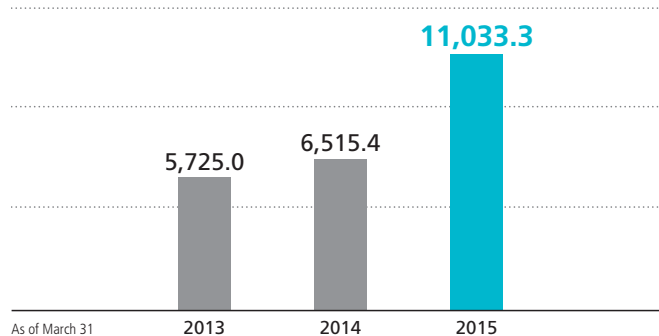
as of March 31, 2015

(¥6,515.4 billion as of March 31, 2014)

Unrealized gain/loss on securities indicates the difference between the market value of securities and the book value. Unrealized gain/loss on securities, although affected by economic conditions, is one of the indicators for preparing against risk (see p. 169).

[Trends in Unrealized Gain/Loss on Securities]

(Unit: Billions of Yen)



High-Level Solvency Margin Ratio to Respond to Unforeseeable Risks

Solvency Margin Ratio

930.8%

as of March 31, 2015

(779.0% as of March 31, 2014)

The solvency margin ratio is the total value of the solvency margin (equity plus unrealized gain/loss on securities, etc.) divided by the quantified amount of all risks exceeding those that can normally be forecast, including major natural disasters and a large drop in stock prices. The solvency margin is used by regulatory agencies as an indicator of the amount of surplus capacity available to make payments. When this ratio falls below 200%, an insurance company is subject to an order by the regulatory agencies to improve business.

The solvency margin ratio as of March 31, 2015 was 930.8%, which ensures a high level of preparedness for paying benefits with sufficient surplus capacity to fully cover risk (see p. 166 and 167).

[Solvency Margin Ratio]

(Unit: Billions of Yen, %)

| As of March 31, 2015 | | |
|---|---|-----------|
| Total solvency margin | (A) | ¥13,421.0 |
| Foundation funds (<i>kikin</i>) and reserves | | 4,206.1 |
| Unrealized gain/loss on available-for-sale securities × 90% | | 7,581.4 |
| Total amount of risk | (B) | 2,883.6 |
| Solvency margin ratio | $\frac{(A)}{(1/2) \times (B)} \times 100$ | 930.8% |

High Level of Real Net Assets

Real Net Assets

¥16,447.7 billion

as of March 31, 2015

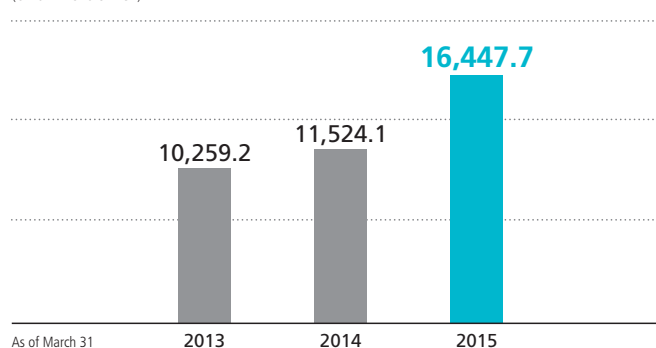
(¥11,524.1 billion as of March 31, 2014)

Real net assets are calculated by subtracting total liabilities, other than contingency reserves and other liability items highly similar to equity, from total assets at market value. Real net assets are an approximation of an insurance company's liquidation value. If real net assets are negative, the regulatory agencies may judge that liabilities exceed assets in real terms, and an insurance company may be subject to an order by the regulatory agency to suspend business.

Real net assets as of March 31, 2015 stood at ¥16,447.7 billion and the ratio of real net assets (the ratio to general account assets) was 26.9%, ensuring that a high level is continuously maintained.

[Trends in Real Net Assets]

(Unit: Billions of Yen)



High Level of Core Operating Profit

Core Operating Profit

¥679.0 billion

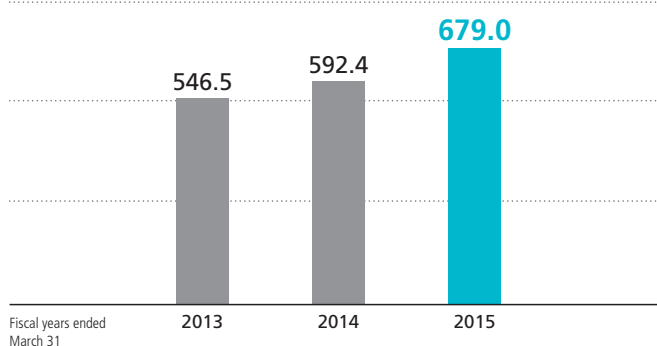
for the fiscal year ended March 31, 2015

(¥592.4 billion for the fiscal year ended March 31, 2014)

Core operating profit mainly consists of income related to insurance (the net of income from premiums less payments for insurance claims and business costs) and investment operations, including interest and dividend income. It is the fundamental index that reflects an insurance company's earnings position on a flow basis. For the fiscal year ended March 31, 2015, core operating profit stood at ¥679.0 billion, remaining at a high level (see p. 51, 172).

[Trends in Core Operating Profit]

(Unit: Billions of Yen)



Negative Spread

Amid continuing ultra-low interest rate conditions, a deficit is created by the negative difference between the assumed return on insurance premium investments and the actual investment return for some policyholders. This difference is called negative spread.

Nippon Life's Response to Negative Spread

At the closing accounts for the fiscal year ended March 31, 2015, Nippon Life recorded no negative spread for the fifth consecutive year since the fiscal year ended March 31, 2011.

To provide reserves for future large volatility in negative spreads due to various factors, including changes in the operating environment, Nippon Life has taken the following steps:

- To cover individual annuities that are a principal cause of negative spread, Nippon Life has accumulated and added to the policy reserves in order to amortize the negative spread in advance.
- Even assuming that severe conditions such as current low interest rates will continue, Nippon Life has accumulated equity to cover numerous risks, including negative spread.

Calculation of Negative Spread

In the life insurance industry, negative spreads are calculated according to the following formula:

$$\text{Negative spread} = [\text{investment return on core operating profit} - \text{average assumed interest rate}] \times \text{general account policy reserves}$$

- The investment return on core operating profit is the return on general account policy reserves after deducting the provision for accumulated interest on policyholder dividends from general account investment revenues included in core operating profit.
- The average assumed interest rate is the return of assumed interest on general account policy reserves.
- The general account policy reserves are calculated as follows for policy reserves in the general account, excluding the contingency reserves:
(Policy reserves at beginning of period + Policy reserves at end of period - Assumed interest) \times 1/2

Excellent Ratings from Ratings Companies

Ratings (as of July 1, 2015)

AA

R&I

(Insurance Claims Paying Ability)

A+

S&P

(Insurer Financial Strength Rating)

A1

Moody's

(Insurance Financial Strength Ratings)

Ranking Standard

| |
|-----|
| AAA |
| AA |
| A |
| BBB |
| BB |
| B |

⋮
The higher rank has the higher capacity to meet payment obligations.

R&I's Definition of "AA" Rating

<http://www.r-i.co.jp/eng/>

A very high degree of capacity for the payment of insurance claims and excellence in several key factors of evaluation.

S&P's Definition of "A" Rating

<http://www.standardandpoors.com>

Strong capacity to fulfill insurance policy obligations; but compared with the top "AAA" rating, the "AA" rating is somewhat susceptible to adverse economic conditions and changes in circumstances.

Moody's Definition of "A" Rating

<http://www.moodys.com/>

Obligations judged to be upper-medium grade and subject to low credit risk.

Issued by third-party ratings agencies, ratings are an evaluation of an insurance company's ability to pay insurance claims. (Ratings are not a guarantee that claims and other payments will be fulfilled.)

* The ratings are based on information and data up to the time of each rating and are subject to change in the future.
* Nippon Life received the ratings from R&I, S&P, and Moody's after officially requesting them and providing detailed information for more accurate evaluation.

* Plus (+) or minus (-) signs following the ratings show relative standing within the major rating categories.

Fiscal Year Ended March 31, 2015 Business Overview and Performance

General Overview

The Japanese economy extended its gradual recovery in the fiscal year ended March 31 2015, despite weakness in parts due to the impact of the consumption tax hike in April 2014, among other factors.

Higher interest, dividend and other income boosted investment income in the fiscal year under review, supporting growth in core operating profit amid a solid financial performance. We took the opportunity to boost reserves and reinforce equity*, while also raising dividends to policyholders. We also introduced a more advanced corporate governance structure by creating the Outside Directors Committee. This body will deliberate and review all important matters relating to management of Nippon Life, including executive appointments.

We achieved most of the targets set out in the three-year management plan for fiscal 2012–14, known as the Future Creation Project. The fundamental aim of the plan was to “Return to Growth” based on a range of Group-wide

initiatives. We were able to restore growth in the numbers of policies in force and customers (policyholders), while also managing to strengthen equity.

Diversifying customer needs and the progressive aging of society with a low birthrate mean there is still substantial scope to develop the life insurance market in Japan. We recognize the importance of taking on this challenge, while also actively targeting the growth of the Group’s overseas and other operations. Given the inherent need to take a long-term view in the life insurance business, we have set our sights on the business foundation we will need 10 years from now in formulating a new three-year business plan for the period starting in fiscal 2015, based on the themes of “expansion of the domestic life insurance business” and “strengthening of Group-wide businesses.”

* Nippon Life calculates its equity as the sum of foundation funds (*kikin*) and reserves (including foundation funds (*kikin*), which are equivalent to the capital of a joint-stock company, the contingency reserve and reserve for price fluctuations in investments in securities, which are established for the corresponding risks) and subordinated debt.

Individual Market Sales Field

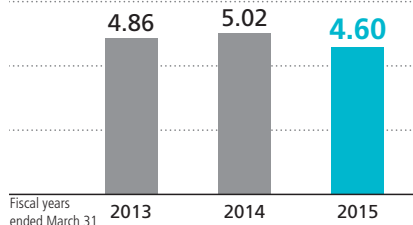
● New Policies

Number of Policies Sold

For the fiscal year ended March 31, 2015

4.60 million

(Unit: Millions of Policies)

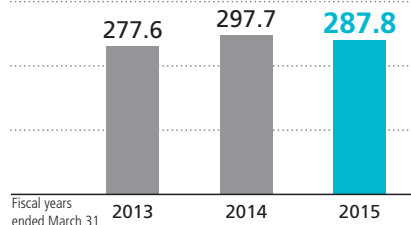


Annualized Premiums on New Policies

For the fiscal year ended March 31, 2015

¥287.8 billion

(Unit: Billions of Yen)

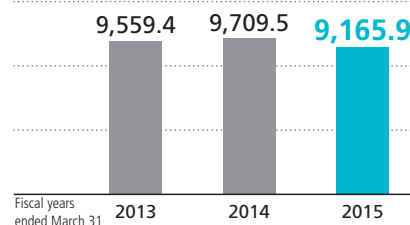


Amount of New Policies

For the fiscal year ended March 31, 2015

¥9,165.9 billion

(Unit: Billions of Yen)



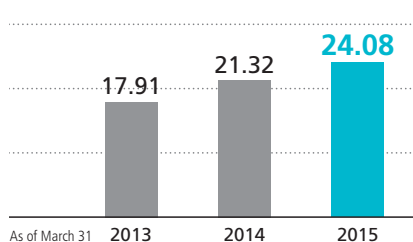
● Policies in Force

Number of Policies in Force

As of March 31, 2015

24.08 million

(Unit: Millions of Policies)

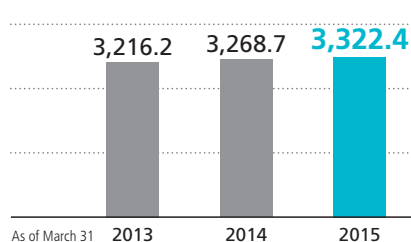


Annualized Premiums for Policies in Force

As of March 31, 2015

¥3,322.4 billion

(Unit: Billions of Yen)

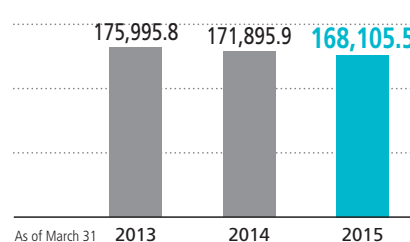


Amount of Policies in Force

As of March 31, 2015

¥168,105.5 billion

(Unit: Billions of Yen)



Notes: 1. Number of policies sold represents the total of new policies and policies after conversions.

2. Annualized premiums, the amount for an entire year, are calculated by applying coefficients based on the premium payment method to a single premium payment amount. (The premium divided by the coverage period is used for single payments.)

3. Amount of annualized premiums on new policies which includes net increase due to conversions.

4. Amount of new policies and policies in force represents the total sum of: individual insurance coverage amount, individual annuity resources amount (in the case of policies prior to the start of annuity payments, amount of future annuity payments is translated to value at the start of annuity payments) and policy reserves total amount (in the case of policies after the start of annuity payments, amount of reserves accumulated for future payments of annuities and others).

5. Starting in the fiscal year ended March 31, 2013, each policy is counted separately for insurance products that combine two or more policies. If these multiple-policy products had been counted as single policies, as they were prior to March 2012, the number of policies sold in the fiscal year ended March 31, 2015 would have been 1.38 million, 7.6% lower than in the previous fiscal year.

The number of new policies decreased 8.3%^{*1} to 4.60 million and the amount of new policies decreased 5.6% to ¥9,165.9 billion. This reflected the sale of fewer annuity and educational endowment policies to new customers, mainly young people, as a result of our revision of insurance premiums in April 2014. Nevertheless, on a cumulative basis, we recorded substantial increases in policy numbers, annualized premiums and amount of policies in force over the three-year period of fiscal 2012–14.

The policy retention rate after one year^{*2} was 94.8%, an increase of 1.0 percentage point from the previous fiscal year, reflecting a steady increase in the quality of new policies.

Turning to policies in force, annualized premiums on March 31, 2015 were up 1.6% from the previous fiscal year-end to ¥3,322.4 billion, while the number of policies in force was 24.08 million, up 13.0%^{*1}, continuing to climb for a third consecutive year after turning around in the previous fiscal year. However, the amount of policies in force had decreased by 2.2% to ¥168,105.5 billion. The amount of policies in force declined at a slower pace than in the previous year, mainly due to an improvement in the surrender and lapse rates. The number of customers (policyholders) as of the fiscal year-end rose 0.1% to 11.57 million, exceeding the target of 11.5 million set under the Future Creation Project.

The number of registered sales representatives^{*3} on March 31, 2015 had increased by only 36 from the previous fiscal year-end to 48,209. Moreover, core personnel with notably strong sales and service capabilities had increased by 614 from the previous fiscal year to 10,572.

In the agency channel, the number of agencies on March 31, 2015 had increased by 1,052 from the previous fiscal year-end to 13,141^{*4}, while the amount of new policies also increased 8.6% year on year to ¥658.0 billion.

Despite the concerted efforts of many market players to sell foreign currency-denominated products through the bancassurance channel, we still posted premium income of ¥460.0 billion (up 3.5% year on year), mainly from yen-denominated products.

^{*1} Starting in April 2012, each policy is counted separately for insurance products that combine two or more policies.

If products that combine several insurance policies were presented as one item, as they were prior to March 2012, the total number of individual insurance policies sold for the fiscal year under review would be 1.38 million, down 7.6% year on year, and the number of policies in force would be 14.84 million, up 0.9% year on year.

^{*2} The retention rate refers to the ratio of policies that are continued after a certain period without being cancelled. This metric is used to indicate the quality of new policies. The retention rate mentioned in this report is calculated from the policy amount.

^{*3} The number of registered sales representatives does not include sales management or part-time sales staff.

^{*4} Sales agencies do not include banks or financial institutions that perform agency sales.

Corporate Market Sales Field

Amount of Group Insurance Policies in Force

As of March 31, 2015

¥92,595.4 billion



(Unit: Billions of Yen)

As of March 31

In the corporate market, group insurance policies in force as of March 31, 2015 had increased 0.6% year on year to ¥92,595.4 billion. In addition, group annuity assets increased 3.1% to ¥11,680.6 billion (or 5.5% to ¥13,951.3 billion including the Group subsidiary Nissay Asset Management),

Amount of Group Annuities in Force (Policy Reserves Amount*)

As of March 31, 2015

¥11,680.6 billion



(Unit: Billions of Yen)

As of March 31

*Policy reserves amount are reserves for future insurance claims, annuity and benefit payments, accumulated through insurance premiums and investment returns.

despite restricted underwriting due to low interest rates on the general account-based products that guarantee yields. This was due to aggressive promotion of products based on specially designated separate accounts, whose returns are reflected directly in annuity assets.

The Fiscal Year Ended March 31, 2015 Total Payments of Death and Other Claims, Annuity Payments, Health and Other Benefits

Total payments of Death and Other Claims, Annuity Payments, Health and Other Benefits (total for individuals and companies) were ¥2,583.1 billion in the fiscal year ended March 31, 2015. (The total number of payments stood at 12,557,000.) Nippon Life is committed to continuing to make payments with speed and reliability.

| ¥2,583.1 billion (12,557,000 payments) | | |
|--|--|--|
| Insurance claims | Annuities | Benefits |
| ¥1,022.0 billion (214,000 payments) | ¥839.9 billion (9,736,000 payments) | ¥721.1 billion (2,605,000 payments) |

Investment

The investment environment showed signs of improvement in fiscal 2014, with increases in stock prices and a depreciation of the yen. However, interest rates remained lower, and these are the most important indicator for Nippon Life because its portfolio is centered on yen-denominated interest assets.

Against this backdrop, dedicated asset management efforts enabled us to record interest, dividend and other income of ¥1,371.7 billion (up 5.8% year on year), a significant increase marking the fifth consecutive year of higher positive spreads. Well-timed investments in relatively high-yielding overseas bonds helped to secure this result. We also posted net capital gains of ¥173.6 billion, mainly due to gains on sales of Japanese equities.

In May 2014, we indicated that Nippon Life accepted the set of principles for responsible institutional investors published in Japan's Stewardship Code. Accordingly, we will support the continued growth over the medium and long terms of the enterprises in which we invest through constructive and purposeful dialogue*.

* As outlined in Japan's Stewardship Code, this refers to dialogue aimed at promoting the corporate value and capital efficiency of investee companies from a medium- and long-term perspective to support their sustainable growth.

[Main Investment-Related Revenues and Expenditures]

(Unit: Billions of Yen)

| Fiscal years ended March 31 | 2015 | 2014 | 2013 |
|--|----------|----------|----------|
| Investment income | ¥1,773.9 | ¥1,683.7 | ¥1,560.8 |
| Interest, dividend and other income | 1,371.7 | 1,296.6 | 1,217.0 |
| Gain on sales of securities | 242.0 | 260.4 | 192.3 |
| Gain from separate accounts, net | 154.1 | 122.6 | 144.6 |
| Investment expenses | 140.9 | 186.3 | 428.1 |
| Loss on sales of securities | 18.3 | 57.7 | 72.0 |
| Loss on valuation of securities | 3.2 | 22.2 | 98.6 |
| Net proceeds from investments | 1,632.9 | 1,497.4 | 1,132.7 |
| Proceeds from investments in the general account | 1,478.7 | 1,374.8 | 988.1 |

Note: Aggregate investment income and investment expenses in the separate accounts are included in either gain or loss from separate accounts, net.

Administrative Operations, IT Systems and Customer Services

As part of improving our after-sales service to policyholders, we have been developing a system to enable non-sales personnel to support sales representatives in conducting policy details confirmation activities. With elderly policyholders, this involves looking at issues relating to continuation and maintenance management, as well as encouraging use of the Designated Proxy System for appointing a representative to ensure that the policyholder

receives payment of all insurance claims and benefits. We have also promoted the *Zutto Motto Service**.

* The service credits customers with "Thanks Miles" for registering information on policyholders and family members. Miles can be accumulated and exchanged for a range of complimentary gifts from four menus, including the Thanks Mile Menu.

Overseas Operations and Alliances

In October 2014, Nippon Life acquired an equity stake in PT Asuransi Jiwa Sequis Life, an Indonesian life insurer. In February 2015, we increased our ownership stake in Reliance Capital Asset Management Limited, which is a subsidiary of India's Reliance Group.

We will continue to build relationships of trust with leading companies in each country, and expand our network in the insurance and asset management businesses through cooperation, personnel exchange, and other measures.

Revenues and Expenditures and Financial Condition

Core operating profit increased 14.6% year on year to ¥679.0 billion, mainly on an increase in net proceeds from investments atop higher interest, dividend and other income, although net proceeds related to insurance deteriorated, mainly due to a continued decline in the amount of policies in force.

Foundation funds (*kikin*) and reserves totaled ¥3,806.5 billion after accumulating further reserves, exceeding the target level of ¥3 trillion under the Future Creation Project. Our issuance in October 2014 of US\$2.25 billion (¥242.5 billion) in U.S. dollar-denominated subordinated notes raised additional capital, helping to bolster equity, the combination of foundation funds (*kikin*) and reserves, to ¥4,206.1 billion (a gain of ¥626.2 billion relative to the previous fiscal year-end).

We increased dividends on policies for individuals for the first time in seven years despite continued low interest rates due to an improvement in the balance of income and expenditures in line with rising share prices and further depreciation of the yen, the successful results of the Future Creation Project, and the establishment in fiscal 2013 of the equalized reserve for dividends to policyholders*, which is intended to help stabilize policy dividends. The dividends paid on group insurance policies were kept at the same level as the previous year. We also conducted a dividend payment in line with the rules for group annuities.

* Refers to the voluntary reserve for stabilizing the amount of dividends paid from surplus to policyholders provided in Article 30, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act.

[Ordinary Profit]

(Unit: Billions of Yen)

| Fiscal years ended March 31 | 2015 | 2014 | 2013 |
|-----------------------------|---------|---------|---------|
| Core operating profit | ¥ 679.0 | ¥ 592.4 | ¥ 546.5 |
| Expense difference | 79.5 | 72.7 | 67.0 |
| Risk difference | 408.9 | 404.8 | 447.7 |
| Interest difference | 190.6 | 114.7 | 31.7 |
| Capital gain/loss | 173.6 | 145.6 | (153.8) |
| Non-recurring gain/loss | (245.5) | (225.4) | (3.9) |
| Ordinary profit | 607.2 | 512.6 | 388.7 |

Notes: 1. Core operating profit + capital gain/loss + non-recurring gain/loss = ordinary profit
 2. The breakdown of core profit (expense difference, risk difference, and interest difference) has been calculated using a proprietary method giving consideration to the Company's unique factors, such as the composition of policies in force.
 3. Capital gain/loss includes gain/loss on sales of securities and loss on valuation of securities and others.
 4. Non-recurring gain/loss includes provision for and reversal of contingency reserves and others.

[Equity Replacement Ratio]

(Unit: Billions of Yen)

| As of March 31 | 2015 | 2014 | 2013 |
|---|----------|----------|----------|
| Foundation funds (<i>kikin</i>) and reserves | ¥3,806.5 | ¥3,422.8 | ¥2,965.9 |
| Net assets | 1,491.3 | 1,486.1 | 1,430.4 |
| Equalized reserve for dividends to policyholders | 50.0 | 50.0 | — |
| Liabilities | 2,315.1 | 1,936.7 | 1,535.4 |
| Contingency reserve | 1,250.2 | 1,005.7 | 780.1 |
| Reserve for price fluctuations in investments in securities | 778.7 | 623.3 | 427.5 |
| Subordinated bonds | 399.5 | 157.0 | 157.0 |
| Equity | 4,206.1 | 3,579.9 | 3,122.9 |

Note: Net assets are shown as the amount after the appropriation of retained earnings after deducting valuations, conversions and others from total net assets on the balance sheets.

[Status of Reserve for Policyholder Dividends]

(Unit: Billions of Yen)

| Fiscal years ended March 31 | 2015 | 2014 | 2013 |
|--|--------|--------|--------|
| Provision for reserve for policyholder dividends | ¥257.2 | ¥201.7 | ¥167.1 |
| Amount of equalized reserve for dividends to policyholders | — | 50.0 | — |

Note: The amount of appropriation of retained earnings has been written for the reserve for policyholder dividends and the equalized reserve for dividends to policyholders.

Risk Management and Compliance

Nippon Life performs risk management in a manner that reflects the characteristics of each type of risk associated with underwriting, asset management, administrative operations, IT systems and other items. These activities help enable us to fulfill our responsibility as a source of long-term security for policyholders. Given the increasing diversity and complexity of risk and the regulatory trends in Japan and overseas, Nippon Life will continue to make its integrated risk management system even more advanced. Measures to accomplish this include identifying risks in a more all-inclusive and systematic manner and performing ERM* management that is acutely aware of the relationship between earnings and risk.

Our internal efforts to support legal and regulatory compliance and prevent the recurrence of problems centered on continuing education programs for all executives and employees, including the use of case studies to highlight particular issues. We will also revise our compliance programs to help instill greater awareness of related issues, and continue to focus on upgrading our efforts in this area. Beyond laws and regulations, we also work to gain the trust of our customers and the broader public by observing social norms.

Main Balance Sheet Items (Nonconsolidated Basis)

(Unit: Billions of Yen)

| As of March 31 | 2015 |
|---|------------------|
| Total assets | ¥62,283.0 |
| Cash and deposits | 492.1 |
| Call loans | 572.6 |
| Monetary receivables purchased | 498.7 |
| Investments in securities: | 49,839.2 |
| Domestic bonds | 22,985.7 |
| Domestic stocks | 9,311.1 |
| Foreign securities | 16,450.6 |
| Loans: | 8,357.6 |
| Policy loans | 736.5 |
| Industrial and consumer loans | 7,621.0 |
| Tangible fixed assets | 1,713.2 |
| Intangible fixed assets | 170.3 |
| Reinsurance receivables | 0.4 |
| Other assets | 606.3 |
| Customers' liability for acceptances and guarantees | 38.6 |
| Allowance for doubtful accounts | (6.5) |
| Total liabilities | 54,835.6 |
| Policy reserves and other reserves: | 50,436.7 |
| Reserve for outstanding claims | 197.9 |
| Policy reserves | 49,201.3 |
| Reserve for dividends to policyholders | 1,037.4 |
| Reinsurance payables | 0.5 |
| Corporate bonds | 399.5 |
| Other liabilities | 1,451.4 |
| Accrued bonuses for directors and audit and supervisory board members | 0.0 |
| Accrued retirement benefits | 365.3 |
| Accrued retirement benefits for directors and audit and supervisory board members | 4.2 |
| Reserve for program points | 13.1 |
| Reserve for price fluctuations in investments in securities | 778.7 |
| Deferred tax liabilities | 1,231.7 |
| Deferred tax liabilities for land revaluation | 115.4 |
| Acceptances and guarantees | 38.6 |
| Total net assets | 7,447.3 |
| Foundation funds (<i>kikin</i>) ① | 200.0 |
| Reserve for redemption of foundation funds ② | 1,050.0 |
| Reserve for revaluation ③ | 0.6 |
| Total surplus ④: | 499.9 |
| Legal reserve for deficiencies | 14.2 |
| Other surplus reserves | 485.7 |
| Unappropriated surplus | 317.4 |
| Total foundation funds and others (=①+②+③+④) | 1,750.6 |
| Net unrealized gains on available-for-sale securities, net of tax ⑤ | 6,016.4 |
| Deferred losses on derivatives under hedge accounting, net of tax ⑥ | (231.0) |
| Land revaluation differences ⑦ | (88.6) |
| Total valuations, conversions, and others (=⑤+⑥+⑦) | 5,696.7 |
| Total liabilities and net assets | 62,283.0 |

Total Assets

Total assets as of March 31, 2015 were ¥62,283.0 billion, with total general and separate account assets of ¥61,169.4 billion and ¥1,113.5 billion, respectively.

Investments in Securities

From the standpoint of increasing profits for policyholders through the medium- and long-term improvement of revenues and profits, Nippon Life in particular holds domestic bonds, including national government bonds, local government bonds, and corporate bonds, all of which present potential for stable yen-denominated returns. Also, within the range of allowable risks, Nippon Life invests in domestic stocks, foreign securities and other securities. As of March 31, 2015, total investments in securities amounted to ¥49,839.2 billion.

Net unrealized gains on available-for-sale securities, the difference between the market value and book value of the securities, was ¥11,033.3 billion.

Loans

Loans are classified into two major categories. One is policy loans, which comprise policyholder loans and premium loans. The other is industrial and consumer loans, which include international and domestic corporate loans and housing loans. The balance of loans stood at ¥8,357.6 billion as of March 31, 2015.

Tangible Fixed Assets

Tangible fixed assets include land, buildings, lease assets, construction in progress and movables. As of March 31, 2015, the balance amounted to ¥1,713.2 billion.

Policy Reserves

Policy reserves are reserves that must be accumulated under the Insurance Business Act in order to prepare for payments of future insurance claims and other benefits. As of March 31, 2015, policy reserves stood at ¥49,201.3 billion.

Reserve for Price Fluctuations in Investments in Securities

Reserve for price fluctuations in investments in securities are accumulated in accordance with the Insurance Business Act to cover losses caused by a future decrease in prices of assets whose value is likely to fluctuate, such as stocks. As of March 31, 2015, the reserve for price fluctuations in investments in securities stood at ¥778.7 billion.

Foundation Funds (*Kikin*)/Reserve for Redemption of Foundation Funds

In accordance with the Insurance Business Act, foundation funds (*kikin*) serve as the financial base for mutual companies while providing a means of financing granted only to mutual companies and corresponding to the capital of joint stock companies. Meanwhile, the Act stipulates that a mutual company shall provide a reserve for redemption of foundation funds in the same amount as the foundation funds (*kikin*) to be redeemed.

As of March 31, 2015, Nippon Life redeemed ¥50.0 billion in foundation funds (*kikin*) that it had solicited and newly solicited ¥50.0 billion. As a result, foundation funds (*kikin*) and reserve for redemption of foundation funds amounted to ¥200.0 billion and ¥1,050.0 billion, respectively.

*Please see page 136 for Nonconsolidated Balance Sheets.

Main Items in Statement of Income (Nonconsolidated Basis)

(Unit: Billions of Yen)

| Fiscal year ended March 31 | 2015 |
|---|----------|
| ① Ordinary income: | ¥7,293.6 |
| Revenues from insurance and reinsurance: | 5,337.1 |
| Insurance premiums | 5,336.2 |
| Investment income: | 1,773.9 |
| Interest, dividend and other income | 1,371.7 |
| Gain on sales of securities | 242.0 |
| Other ordinary income | 182.6 |
| ② Ordinary expenses: | 6,686.4 |
| Benefits and other payments: | 3,932.1 |
| Death and other claims | 1,022.0 |
| Annuity payments | 839.9 |
| Health and other benefits | 721.1 |
| Surrender benefits | 959.8 |
| Other refunds | 387.6 |
| Provision for policy reserves: | 1,709.4 |
| Provision for policy reserves | 1,685.8 |
| Provision for interest on reserve for dividends to policyholders | 23.6 |
| Investment expenses: | 140.9 |
| Interest expenses | 9.8 |
| Loss on sales of securities | 18.3 |
| Loss on valuation of securities | 3.2 |
| Loss on derivative financial instruments, net | 46.3 |
| Operating expenses | 563.3 |
| Other ordinary expenses | 340.4 |
| ③ Ordinary profit (=①-②) | 607.2 |
| ④ Extraordinary gains: | 4.0 |
| Gain on disposals of fixed assets | 4.0 |
| ⑤ Extraordinary losses: | 181.8 |
| Loss on disposals of fixed assets | 3.4 |
| Impairment losses | 19.9 |
| Provision for reserve for price fluctuations in investments in securities | 155.4 |
| Loss on reduction entry of real estate | 0.1 |
| Contributions for assisting social public welfare | 2.9 |
| ⑥ Extraordinary gains (losses) (=④-⑤) | (177.8) |
| ⑦ Surplus before income taxes (=③+⑥): | 429.4 |
| Income taxes, current | 167.4 |
| Income taxes, deferred | (41.8) |
| ⑧ Total income taxes | 125.6 |
| ⑨ Net surplus (=⑦-⑧) | 303.7 |

Revenues from Insurance and Reinsurance

Comprising insurance and reinsurance premiums paid by policyholders, revenues from insurance and reinsurance for the fiscal year ended March 31, 2015 was ¥5,337.1 billion.

Investment Income

This includes interest, dividend and other income as well as gain on sales of securities. For the fiscal year ended March 31, 2015, investment income totaled ¥1,773.9 billion.

Benefits and Other Payments

These consist of payments related to insurance policies, including death and other claims, annuity payments, health and other benefits and surrender benefits. For the fiscal year ended March 31, 2015, benefits and other payments were ¥3,932.1 billion.

Provision for Policy Reserves

Provision for policy reserves, which are reserves shown on the balance sheets, is recorded on the statements of income. For the fiscal year ended March 31, 2015, provision for policy reserves totaled ¥1,685.8 billion.

Investment Expenses

These are expenses including loss on sales of securities and loss on valuation of securities and others. For the fiscal year ended March 31, 2015, investment expenses amounted to ¥140.9 billion.

Provision for Reserve for Price Fluctuations in Investments in Securities

The provision for reserve for price fluctuations in investments in securities, which is a reserve shown on the balance sheet, is recorded on the statement of income. For the fiscal year ended March 31, 2015, provision for reserve for price fluctuations in investments in securities totaled ¥155.4 billion.

Net Surplus

This item represents ordinary profit after accounting for extraordinary gains and losses, income taxes and other items. The net surplus for the fiscal year ended March 31, 2015 totaled ¥303.7 billion.

Management Policy Ahead

Over the three-year period starting in fiscal 2015, Nippon Life aims to establish a medium-to long-term foundation for growth with a view to creating the business foundation needed ten years from now, and to secure a solid No. 1 status in Japan. We plan to build the growth foundation over the medium and long terms by expanding the domestic life insurance business based on developing market segments, while taking steps for future growth in overseas and other Group operations. We aim to enhance our leading position in Japan by

leveraging our strength in the market for individual life policies. Our new three-year management plan features the two growth strategies of expansion of the domestic life insurance business and strengthening of Group-wide businesses. We will also fortify the business foundation that supports Group operations from the three aspects of expanding the customer base, strengthening financial soundness, and developing human resources.

*Please see page 138 for Nonconsolidated Statements of Income.

Expansion of the domestic life insurance business—Segment strategy progression

Expansion plans are based on providing attractive products and services that cater in greater detail to the needs of customers, while also further reinforcing and diversifying our presence across channels.

As a first initiative in terms of products and services, in April 2015, we introduced the *Nissay Mirai no Katachi* “Five Stars” plan featuring dread disease insurance coverage with continuous support to extend the *Mirai no Katachi* product range. The new plan offers protection for the three dread diseases over five years as well as death protection, and is designed to have broad appeal for younger people and women. We have developed a limited-notification-type medical insurance product called Medi-AxN in partnership with AXA Life Insurance that we will sell through our sales representative channel to expand our customer base among seniors in particular. We are also developing asset formation products for sale through the bancassurance channel, including policies designed to give lifestyle support to retirees. We plan to reinforce sales of such products to seniors.

In terms of sales and service channels, our sales representatives remain at the core of our effort to offer sophisticated consulting capabilities and provide optimized solutions for specific customer needs. We are also developing sales strategies to respond to regional characteristics with more organizational structures at the city or regional level.

In addition, by upgrading our network of independent and other agencies and financial institutions, we are working to expand sales opportunities for sales representatives with customers with whom we have had no direct contact. This approach aims to boost our presence in segments where Nippon Life has a relatively low market share.

Through initiatives in the new three-year management plan, we aim to maintain policy quality while securing the top share of the domestic market for new policies, generating 6% growth in annualized premiums while growing the customer base to 11.7 million.

Strengthening of Group businesses—Overseas insurance and asset management businesses/Development of domestic life insurance market segments

Besides seeking to increase our share of the domestic life insurance market, we are accelerating initiatives in our overseas insurance business and asset management business to tap into additional growth at the Group level.

In the overseas insurance business, in addition to further upgrading our network of major foreign business partners, we will reinforce initiatives aimed at expanding operations. Specifically, we will work to strengthen our existing businesses and further expand into new businesses. We will seek to create intra-Group synergies by sharing expertise with local subsidiaries to help expand our local operations and support further growth of the earnings base.

Based on the international expertise and human capital that Nippon Life has already developed, we are strengthening our setup for the development of new overseas business opportunities. We are also looking at ways of optimizing our strategic approach to markets in line with regional characteristics, including majority investments.

We are enhancing the positioning of the asset management business as a core Group business because of its high compatibility with life insurance and its strong growth potential. In Japan, we will work to expand assets under management in the areas of mutual funds and annuities in closer collaboration with Nissay Asset Management, while providing products that leverage the Group’s asset management expertise. Overseas, we will capture high market growth through a combination of new investments and efforts to build on existing alliances with our overseas investment partners.

In the domestic life insurance market, we are building systems at the Group level to enable the development of more flexible insurance products to meet diverse customer needs, while also upgrading our networks with financial institutions and agencies in line with the increasing diversification of domestic sales channels.

Through these initiatives, we are targeting consolidated net income of ¥30 billion by the end of the new three-year management plan, with a goal of ¥100 billion in net income within the next ten years.

Business principles—Expanding the customer base, strengthening financial soundness, and developing human resources

Our customer base of over 11.5 million policyholders is one of our most valuable assets. We are working to expand this base by servicing customers’ individual needs through an optimized mix of sales and service channels, including sales representatives along with our telephone and Internet-based customer service infrastructure. In addition to upgrading these capabilities, we are looking to continuously provide high-value-added services to help enhance customer satisfaction.

To strengthen the Group’s financial soundness, we plan to reinforce equity*¹ so that we can meet our insurance-related liabilities over the long term, while ensuring our ability to generate steady returns on managed assets. In accumulating equity, our objectives are to enhance our capacity to mitigate necessary risks associated with our accelerated growth strategy, and to prepare for any future changes in international capital requirements. We have set a medium- to long-term target for equity of ¥6.5 trillion*², and to this end we aim to boost equity by ¥1 trillion over the fiscal 2015–17 period. Our asset management approach is based on portfolio diversification from a long-term standpoint. We will respond to the current extended period of low interest rates by continuing to increase investment in overseas and corporate bonds to build a better overall portfolio risk-return profile. In addition, we plan to expand our investments in sectors of high forecast growth, such as the environment and infrastructure, to ¥1 trillion over the next 3–5 years. By engaging in constructive, purposeful dialogue with investee companies, we will also seek to contribute to the sustained growth of the Japanese economy by promoting corporate development. Finally, we will create enterprise risk management (ERM) plans to facilitate more integrated management of equity, asset management, and Group businesses, while also seeking to improve our operational efficiency on a continual basis.

With regard to human resources development, we have begun the internal Human Value Improvement Project. This project aims to support Nippon Life’s No. 1 status across regional markets by developing human resources, establishing an ideal working environment that emphasizes work-life balance, and promoting an open-minded corporate culture. To realize greater diversity, we have set a target of expanding the number of women working in managerial roles to 520 by the start of fiscal 2018 (an increase of 20% over the figure for fiscal 2015). As part of this drive, we will take steps to assist in career development while promoting support measures to help employees balance childcare or nursing care with work by introducing more diverse working styles.

Through these initiatives, we aim to create a medium- to long-term foundation for growth and to secure a solid No. 1 status in Japan. Based on our united efforts, we will continue to strive to make Nippon Life a company of excellence in terms of scale, quality and credibility.

*1 Nippon Life placed ¥75 billion in yen-denominated subordinated notes with domestic investors in April 2015.

*2 Figures calculated as of March 31, 2015.

CHAPTER 2

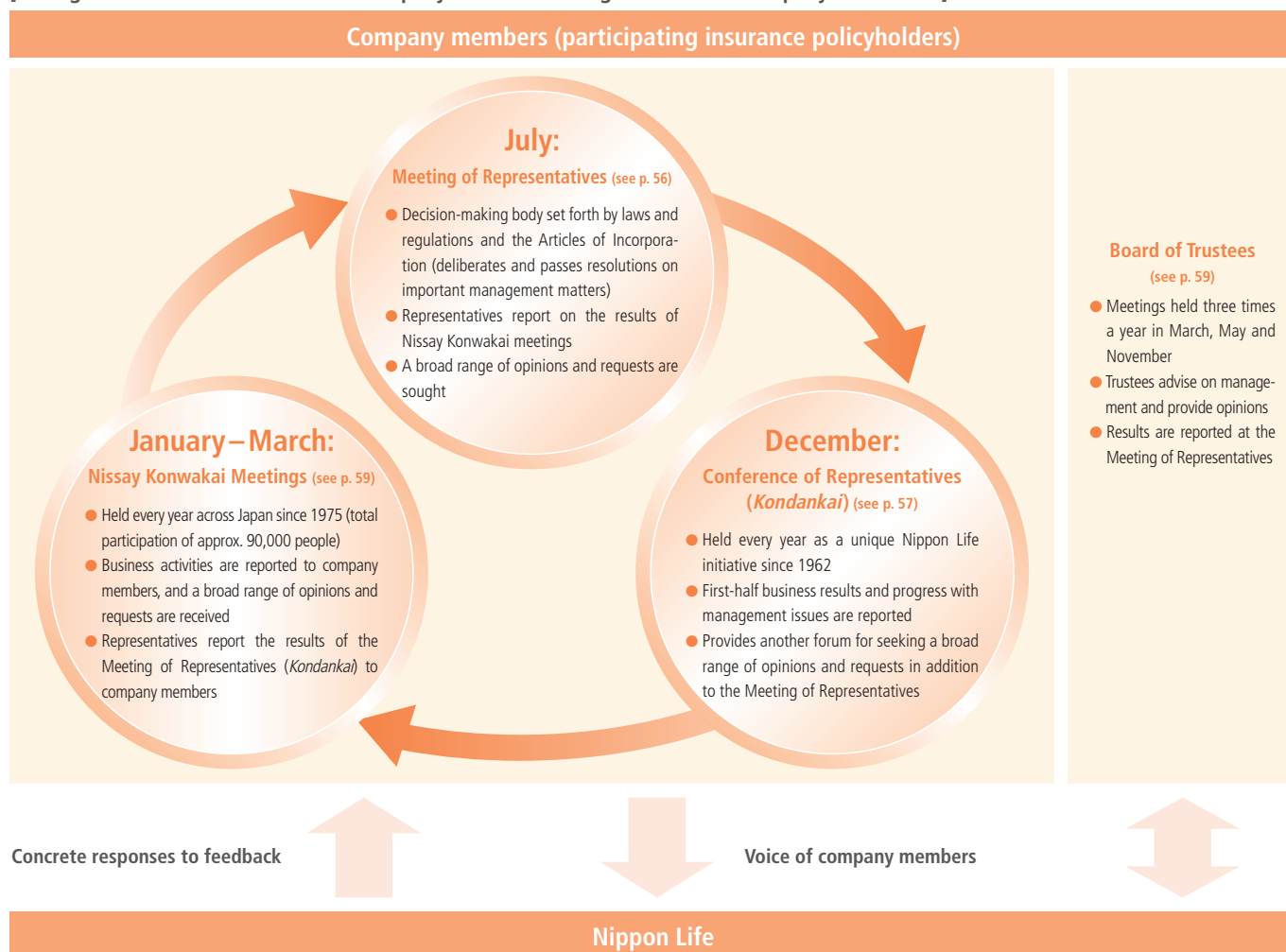
Management of Nippon Life

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Mutual Company Framework

A mutual company is a corporate structure based on the concept of mutual aid where policyholders can help each other. Policyholders become company members of a mutual company when they purchase participating insurance policies, for which dividends are paid out, and the company's management reflects the views of policyholders.

[Management Based on the Voice of Company Members Through the Mutual Company Framework]



Meeting of Representatives

Established to replace the General Meeting of Members, the Meeting of Representatives comprises policyholders selected to act as representatives. The Meeting of Representatives is equivalent to the general shareholders' meeting of a stock corporation and deliberates and passes resolutions, such as those for amending the Articles of Incorporation, approving proposals for the disposal of surplus, and nominating directors and audit and supervisory board members.



The 67th Meeting of Representatives

Attendance System for the Meeting of Representatives

Policyholders may attend the Meeting of Representatives. Information on how to apply for admission is available at our offices and on our website in May and June.

*Minutes and a summary of the Meeting of Representatives (Q&A summary) are available on the Nippon Life website.

→ <http://www.nissay.co.jp/kaisha/annai/sogo/sodaikai/> (Japanese only)

Conference of Representatives (*Kondankai*)

The Conference of Representatives (*Kondankai*) was launched in 1962 as a unique initiative at Nippon Life to further enhance checks over management by the representatives. Held every year, the Conference provides a forum for

management to report on first-half business results and progress with management issues to representatives and receive a broad range of opinions.

Examples of Opinions Expressed at the Meeting of Representatives (*Kondankai*) for the Fiscal Year Ended March 31, 2015 (Held on December 3, 2014)

- The reduction in the inheritance tax threshold means that many people will face higher inheritance tax bills in Japan. How does Nippon Life plan to take advantage of this potential opportunity to offer more life insurance policies?
- With cases of dementia expected to increase in the future, how will Nippon Life handle the issue of paying related insurance policy claims?
- The formulation of Japan's version of the Stewardship Code has increased interest in shareholder activism. Nippon Life says it is ready to take steps to improve the management of companies in which it has invested. What do you plan to do moving forward in terms of the standards applied to AGM resolutions or methods of dialogue with investee companies?
- Please outline the progress made to date in developing Nippon Life's overseas insurance and asset management businesses.
- How has Abenomics affected Nippon Life? For example, is the Company increasing the number of irregular workers, and what effect is that having?
- Would Nippon Life consider allowing more members of the public to participate in its tree-nuturing programs?
- Could Nippon Life do more to offer products that are tailored to the needs of young people but not designed to generate profit?
- What is Nippon Life doing to upgrade nursing care insurance policies and related services?
- Is Nippon Life considering social contribution initiatives such as providing help for elderly people living alone?
- What is Nippon Life doing to develop and market products that target single people?

*The results of the Meeting of Representatives (*Kondankai*) are available on Nippon Life's corporate website.

Representatives and Their Election

Representatives

According to the Articles of Incorporation, each representative's term of office is generally four years and can extend to eight years if they are selected for a second term. The number of representatives currently stands at 200.

Nippon Life selects policyholders as representatives, and, because they check management from a diversity of perspectives, they are chosen from

among people in many occupations and ages and from many parts of the country. They participate in the Meeting of Representatives and deliberate with the Company through direct question and answer sessions.

From this perspective, Nippon Life believes that the number of representatives is set at an appropriate level.

Election of Representatives

To represent the interests of all policyholders, representatives are chosen who have no ties to the interests of specific policyholders among the approximately 9.30 million policyholders, based on the perspective of fairly reflecting the opinions of policyholders at the Meeting of Representatives. In this context, the Representative Nomination Committee recommends candidates and policyholder voting has been adopted as the means to directly reflect policyholders' opinions of the candidates.

In addition, representatives are also selected from among policyholders who have participated in Nissay Konwakai (see p. 59), a forum where management receives opinions and requests from policyholders. Although we have not adopted a system in which policyholders desirous of becoming representatives can be directly selected as representative candidates, Nippon Life will continue to promote this method of selecting representative candidates from among policyholders who participate in the Nissay Konwakai and aims to diversify selection methods.

◎ Representative Nomination Committee

The Representative Nomination Committee is composed of members chosen from among participating insurance policyholders by the Meeting of Representatives. The Representative Nomination Committee decides on selection standards for representative candidates and selects representative candidates from a broad base of policyholders. In addition, the Representative Nomination Committee strives to ensure its independence from the Company, while working to enhance the fairness and transparency of the representative nomination process.

◎ Policyholder Voting

All policyholders vote for individual representative candidates selected by the Representative Nomination Committee. If the total number of no-confidence votes for individual candidates is less than 10% of the total number of policyholders, candidates are selected as representatives.

Selection Standards for Representative Candidates

1. Required Qualifications
 - (1) Is a participating insurance policyholder of Nippon Life
 - (2) Is not a representative of another life insurance company
2. Eligibility Standards
 - (1) Has a strong interest in the life insurance business and the management of Nippon Life and has adequate insight as a representative
 - (2) Can be expected to actively participate as a representative in the Meeting of Representatives and other events
 - (3) Is able to check and advise on operations and management as necessary in addition to making fair decisions at the Meeting of Representatives to promote the interests of all policyholders

3. Selection

Representative candidates are selected from a broad base of policyholders with an emphasis placed on their ability to represent policyholders and evaluate management.

- (1) We select representative candidates to ensure well-balanced policyholder representation in terms of geographic region, age and gender.
- (2) We select representative candidates to ensure checks over management, specifically candidates who are able to check and advise on operations and advise management from diverse viewpoints, including from management, consumer, and specialist perspectives, while giving consideration to occupation, specialties and other factors.

Qualifications for Selecting Representative Nomination Committee Members

- (1) Has a strong interest in and a deep understanding of the life insurance business and mutual company management and adequate insight as a representative
- (2) Is able to fairly and impartially select representative candidates
- (3) Is able to participate in the Representative Nomination Committee

Time of Policyholder Voting

Voting for representative candidates is held once every two years from August to September. An election by policyholders will be held in the fiscal year ending March 31, 2017. (Voting materials shall be sent to all Nippon Life policyholders.)

Nissay Konwakai Meetings

The Nissay Konwakai meetings are held every year throughout Japan. These meetings provide opportunities for Nippon Life to explain its business activities and for policyholders to voice their opinions and requests on overall management as well as products and services. Nissay Konwakai meetings have been held since 1975.

From among the opinions and requests (see p. 60) that we receive from participants, we identify and respond to those that are most frequently expressed. These items are then reported to the Meeting of Representatives and Board of Trustees. The participants include several representatives and directors, and we continue to work to improve ties between the Nissay Konwakai meetings and the Meeting of Representatives.



A Nissay Konwakai meeting

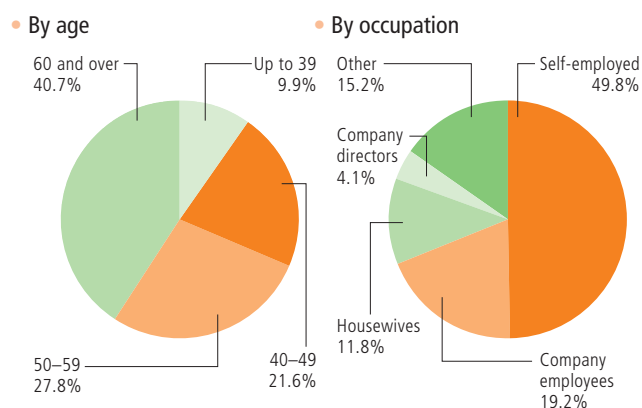
■ Status of the Nissay Konwakai Meetings in the Fiscal Year Ended March 31, 2015

From January through March 2015, we held Nissay Konwakai meetings in 111 locations around Japan, bringing together a total of 160 representatives and 2,432 policyholders and receiving a total of 5,717 opinions and requests. At the Nissay Konwakai meetings held this year, we strove to provide easy-to-understand explanations, using video and other materials, of performance in the first half of the fiscal year ended March 31, 2015, the development of the products and services reflecting opinions expressed at

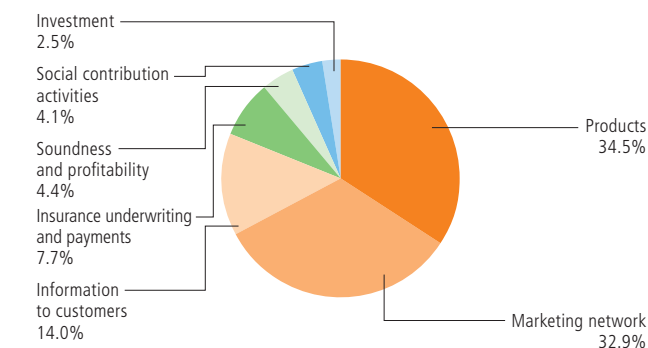
the Nissay Konwakai meetings, and other topics. Opinions and requests received at the Nissay Konwakai meetings are thoroughly examined by the relevant departments and every effort is made to reflect them in management. The following are some of the main opinions and requests that we received during the fiscal year ended March 31, 2015.

※The results of the Nissay Konwakai meetings are available on the Nippon Life corporate website.

[Description of Participants in Fiscal Year Ended March 31, 2015]



[Categories of Opinions and Requests in Fiscal Year Ended March 31, 2015]



※In addition to the above, we received 1,103 comments from participants in the Nissay Konwakai.

Board of Trustees

Nippon Life has a Board of Trustees that serves as a management advisory body to ensure the appropriateness of management. Trustees are elected at the Meeting of Representatives from among policyholders and academic experts. Trustees give opinions on advisory matters and important

management issues and deliberate on policyholder opinions regarding corporate management. The results of these opinions and deliberations are reported at the Meeting of Representatives.

Major Opinions and Questions at Nissay Konwakai Meetings and Our Responses

| | |
|---|--|
| Q | <p>Many young people do not have life insurance. What is your strategy for developing products and disseminating information to the younger age bracket?</p> |
| A | <ul style="list-style-type: none"> As you correctly pointed out, more young people are deciding not to purchase insurance these days. Among people in their 20s, the insured were 50% of the total in 2013, compared with a figure of around 70% in 1993. This is because young people are increasingly getting married later or not at all, and having fewer children when they do marry. Insurers have not generally responded to the lifestyle changes implicit in this trend. A lack of effort in providing young people with information on insurance may also be a relevant factor. We began revamping Nippon Life's entire product structure in fiscal 2012 to give customers greater flexibility in purchasing stand-alone products or combining policies. In part, this move was aimed at catering to the needs of the younger demographic, which we had not fully addressed in the past. In April 2015, we launched the Nissay <i>Mirai no Katachi</i> "Five Stars" plan featuring dread disease insurance coverage with continuous support. The policy offers death protection on top of the conventional protection for the three dread diseases, and is aimed at meeting the needs of young people and women in particular as a product that focuses mainly on protection for the three dread diseases. <ul style="list-style-type: none"> We continue to put out the message that life insurance is necessary, while providing information on related services as well. Specifically, we have been using advertising campaigns targeting young people, promotions using TV commercials and other media, and Facebook, which has many young users. As part of our social contribution activities linked to our core business, we offer the younger generation opportunities to learn more about insurance, and we disseminate related educational materials. These activities are designed to make insurance feel more familiar to young people. <ul style="list-style-type: none"> —Elementary and junior high school students: Seminars for children at Nissay Life Plaza outlets, using comics and other materials (attended by 1,245 children across 41 locations in fiscal 2014) —Junior high school and high school students: Visiting lessons and in-house lessons (attended by 7,227 children across 71 schools in fiscal 2014) —University/graduate students: Lectures by Nippon Life employees (conducted at four universities in fiscal 2014) Going forward, we will strive to offer products that cater to the diverse needs of young people. We will continue to host seminars and use TV, the Internet and other mass media to promote products, as well as provide both materials and opportunities to help young people learn more about insurance. Our aim is to stimulate the interest of young people in insurance. |
| Q | <p>I want Nippon Life to continue its face-to-face activities even as progress continues with the use of IT.</p> |
| A | <ul style="list-style-type: none"> Life insurance policies represent a long-term commitment. Nippon Life believes that after-sales services tailored to changes in the lives of policyholders and their families as well as their living environment are extremely important to ensuring long-term policyholder satisfaction over the entire period of an insurance policy, not just at the time of enrollment. In recognition of this, since fiscal 2007, we have made Policy Details Confirmation Activities one of the key activities of our sales representatives across the country. We try to ensure that a sales representative meets face-to-face with each policyholder at least once a year to discuss the details of their policy, such as reasons for insurance payments, and to introduce the services we offer at Nippon Life. In fiscal 2010, we added the <i>Zutto Motto Service</i> so that we can better serve in a consultative capacity in relation to any major events in the life of the policyholder and their family. <ul style="list-style-type: none"> The more advanced IT to which you referred includes "REVO" wireless devices, which we introduced for sales representatives to use on sales calls in fiscal 2012. These enable us to supply a better range of Internet-based services directly to customers. Firstly, REVO devices allow sales representatives to explain products using on-screen data and videos. We can tailor products to the customer's specific circumstances or lifestyle needs. In addition to providing better consulting functions, REVO devices also make policy administration smoother and simpler. By putting services online, we can offer an expanded range of procedures from our website, including administrative processes, document requests, and even simplified examples of the features and benefits of particular insurance policies. We will continue to combine the use of advanced IT with face-to-face customer service carried out by our sales representatives. |

Other Opinions and Requests

[Management Overall]

- Given that fund management conditions appear to be improving, I would like to see Nippon Life increase policyholder dividends.
- What is Nippon Life's strategy for Japan in response to the declining and aging population?
- What is Nippon Life's future overseas development strategy, given one of Japan's major life insurers appears to have acquired a US life insurance group?

[Products and Services]

- Due to the current discussions in Japan about revising the social security system, I want Nippon Life to increase its lineup of medical care and nursing care products and savings-type products that help people to prepare for the future.
- I think that the *Mirai no Katachi* and *Nissay Educational Endowment Insurance* products meet the needs of the next generation.
- I want Nippon Life to develop products with lower premiums.
- Why not further upgrade ancillary services for products and promote the services more extensively?
- Paperless operations are making progress, but since the insurance policy is a very important document I would like to have it on paper as proof.
- I would like to be able to perform insurance procedures or have a consultation whenever I wish.

- I am contacted by several sales representatives and the person handling my account changes frequently. I want Nippon Life to improve its after-sales services.
- I would like Nippon Life to upgrade the consultation skills of sales representatives.
- I would like to see Nippon Life further upgrade its products and services for enterprises and employees.
- I would like to see Nippon Life offer more inheritance or annuity seminars and make them available to a wider range of people.
- I have a good impression of Nippon Life TV commercials, but I wonder if Nippon Life can create commercials that have a stronger impact, like those of foreign-owned insurers in Japan?

[Investment]

- I would like Nippon Life to manage assets carefully because of the long-term nature of life insurance.

[Social Contribution Activities]

- I can sympathize with Nippon Life's social contribution activities. How about making an even greater contribution to local communities and at the same time extending PR activities?

What is a Mutual Company?

A life insurance company is established as either a "joint-stock company" or a "mutual company" as stipulated by the Insurance Business Act.

A mutual company is a form of company recognized only in the insurance industry. Based on the concept of mutual aid, it is an incorporated body in which participating insurance policyholders are enrolled in insurance policies and at the same time become "company members."

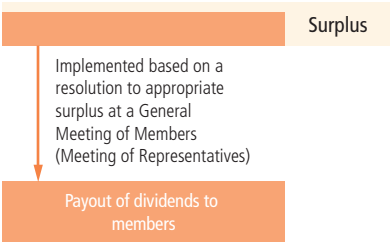
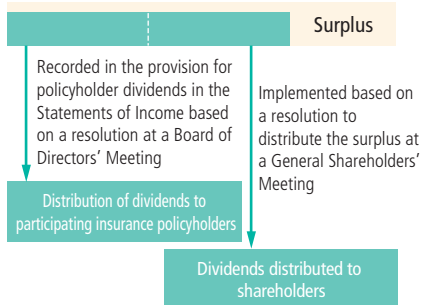
Nippon Life has been formed as a mutual company.

Nippon Life decided to form as a mutual company for the following two practical reasons:

- The framework for distributing surplus as a mutual company (through the payment of a major portion of surplus from business operations as dividends to participating insurance policyholders, without the need to consider shareholder dividends) corresponds with Nippon Life's belief that policyholder interests come first and should be maximized.
- Life insurance companies have a responsibility to preserve long-term financial soundness and generate a consistent surplus in order to meet obligations for paying claims and benefits to policyholders. We believe that the mutual company structure is best suited to maintaining the long-term stability of business operations.

Mutual companies are often compared with joint-stock companies with respect to the flexibility of fund procurement. For flexibility of fund procurement, by making continuous use of the public securitization of foundation funds (*kikin*) and other fund procurement schemes, Nippon Life has total foundation funds (*kikin*) (sum of foundation funds and reserve for redemption of foundation funds) of ¥1,250 billion. For transparency, we are improving corporate governance to make our management more transparent (see p. 62) and taking actions to reflect input from customers in our management (see p. 74). We are also enhancing public access to information about our operations through financial information meetings and on our website.

[Primary Differences between a Mutual Company and a Joint-Stock Company in the Insurance Business]

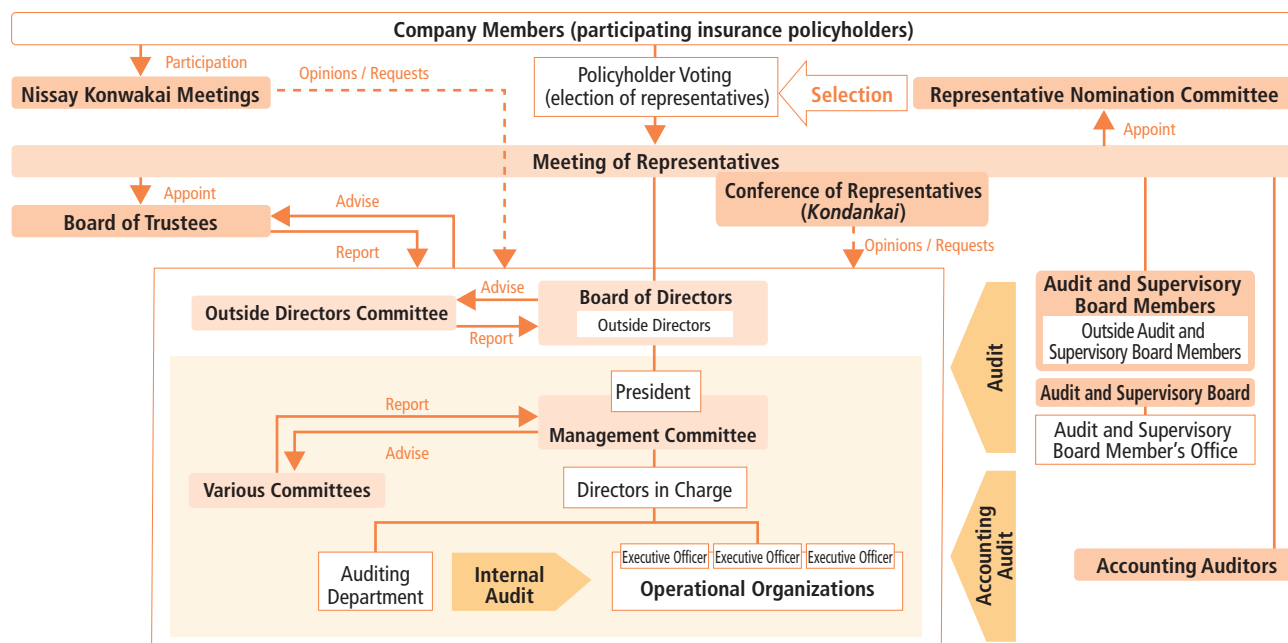
| Mutual Company | | Joint-Stock Company |
|--|--|---|
| Insurance Business Act | Laws governing the insurance industry | Companies Act |
| Non-profit/non-charitable intermediate corporate body | Characteristics | Profit-making incorporated association |
| Company members *Participating insurance policyholders are enrolled in insurance policies and at the same time become company members | Membership | Shareholders *Become shareholders through the acquisition of stock |
| General Meeting of Members (Meeting of Representatives) | Decision-making body | General Shareholders' Meeting |
|  | <div>Dividend distribution</div> <p>*This diagram is only meant to explain the dividend distribution system and is not intended to explain amounts of money or advantages and disadvantages.</p> |  |

Corporate Governance System

Nippon Life has established a corporate governance system that ensures the appropriateness of management and increases transparency.

Specifically, the Company has built a system that more widely reflects policyholder feedback in management through a mutual company framework (see p. 56). In addition, to ensure that external points of view are actively incorporated and that a system of checks and balances is placed on management, we have appointed several outside directors and outside audit and supervisory board members, and established Outside Directors Committee. We have also established an Auditing Department to ensure that operations are sound and carried out properly.

[Diagram of Corporate Governance System]



Board of Directors

The Board of Directors reaches decisions about important affairs concerning business operations based on decisions made at the Meeting of Representatives. The Board of Directors also supervises the performance of the directors. There are 19 directors, of whom four are outside directors (including three who meet the legal requirements for outside directors). Directors who are responsible for

business areas are also, in principle, executive officers who are directly responsible for business operations. This structure unifies two functions in the Board of Directors: decision making and supervision for the execution of business operations. With this structure, the Board of Directors is able to directly view the status of activities in each business operation.

Outside Directors Committee

The Outside Directors Committee is a consultative body that provides general advice to the Board of Directors on important matters relating to the management of Nippon Life, including executive nomination and remuneration issues. It comprises four outside directors invited to serve on the committee, as well as the chairman and president. One of the outside directors is

selected to chair the committee. The committee helps to provide greater transparency around the process of deciding the appointment and remuneration of executives, while also enabling the board to tap into the broad knowledge and experience of other executives.

Audit and Supervisory Board Members and the Audit and Supervisory Board

Audit and supervisory board members are responsible for auditing the performance of directors by attending meetings of the Board of Directors and other important meetings. In addition, the Audit and Supervisory Board discusses significant matters concerning audits and reaches decisions. Nippon Life has five audit and supervisory board members, including three outside audit and supervisory board members. Audit and supervisory

board members implement measures to strengthen and expand auditing functions. For example, meetings are held on a regular basis and at other times as necessary to allow the accounting auditors, Auditing Department and audit and supervisory board members to work closely together. Meetings provide an opportunity to exchange opinions and information about audit plans, the status of audits, and the results of audits.

Enhancing the Internal Control System

To ensure that operations are appropriate and to raise corporate value, at a Board of Directors' meeting we established a basic policy for the internal control system (a system that ensures appropriateness of Company operations).

Based on this policy, we have developed an internal control system that includes the following systems:

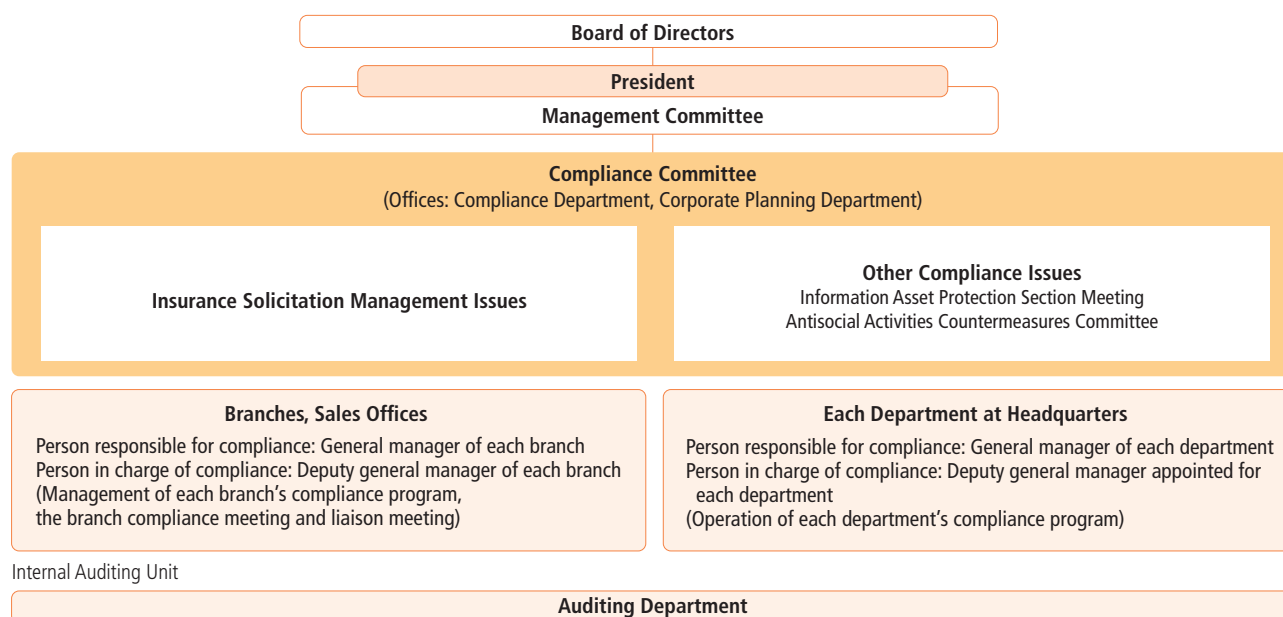
- Management control system
- (Internal) audit system
- Rapid decision making and business execution structure based on an executive officer system
- Internal control over financial reporting
- Information management system
- Risk management system
- Compliance system
- Antisocial activities damage prevention system
- Conflicting interests management system
- Group company management system

Promoting Compliance

Compliance at Nippon Life goes beyond merely observing relevant laws and regulations, and extends to complying with all social norms, earning the trust of customers and society, and performing our work with sincerity. All directors and employees bear the responsibility of compliance and, considering compliance to be a fundamental operating premise, strive to promote compliance throughout the Company.

Compliance System

[Diagram of the Compliance System]



Nippon Life established the Compliance Committee as an advisory body to the Management Committee. The Compliance Committee comprehensively controls and manages the compliance system, including insurance solicitation management, by deliberating on measures related to compliance issues and by monitoring organizational efforts.

In addition, the Information Asset Protection Section Meeting and the Antisocial Activities Countermeasures Committee were established as advisory bodies to investigate and implement specific countermeasures for every issue. Their duties include instituting and promoting an information asset protection system primarily for customers and conferring on measures for blocking antisocial activities, such as those of gangs, and promoting internal education.

The Compliance Department was established to exert Company-wide

control over compliance. The Compliance Department is attempting to instill an understanding of compliance-related information throughout the Company by adopting an integrated system for reporting inappropriate or suspicious behavior. Under this system, such behavior at branches and headquarters departments is reported to the Compliance Department. At the same time, at each branch and headquarters department we have appointed individuals to be in charge of compliance (compliance officers) who are charged with following up on compliance-related efforts.

At each branch and headquarters department, general managers are responsible for compliance. Deputy general managers and managers appointed to each branch and department are in charge of compliance. Together, they form a system that rigorously implements compliance programs as part of operational management.

Formulating and Implementing the Compliance Program

The Board of Directors formulates the compliance programs every year as concrete measures for the promotion of compliance.

Each branch and headquarters department also formulates its own branch or divisional compliance programs in response to specific issues

arising from its diverse operations and works to implement these programs in daily operations. The formulation and implementation status of these programs is routinely tracked and followed up by the Compliance Department and at the same time new issues are reflected in the programs.

Teaching and Entrenching Compliance Principles

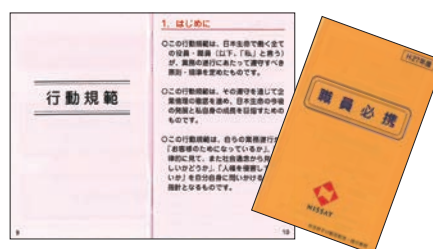
Nippon Life has established a Code of Conduct that sets forth the principles and standards that all directors and employees must abide by in the course of daily business. The Code of Conduct is set out in a small booklet entitled *An Employee Booklet* that all directors and employees are required to carry so they can refer to it at any time in case they are unable to decide based on the performance of their duties whether they are operating from a customer's perspective; if what they have done is legally or socially acceptable; or whether they have infringed on someone's human rights. We have also created a *Compliance Manual* that explains the Code of Conduct and the operations of each division from a compliance perspective and have thoroughly instilled their teachings in all directors and employees.

Nippon Life provides all directors and employees with training on soliciting insurance policies and after-sales services, using compliance and business etiquette textbooks and various other training materials that reflect an industry-wide curriculum standard.

Legal and other compliance-related educational programs are provided regularly through internal satellite broadcasts (NICE-NET) for sales

representatives who serve customers. Compliance quizzes about compliance matters are given regarding the content of the broadcast compliance programs to ensure that employees have understood the material.

Non-sales personnel undergo group training according to job category and receive training based upon the compliance programs of their departments in order to enhance their knowledge of compliance as it relates to their work.



An Employee Booklet

Dealing with Antisocial Activities

Basic Rules Pertaining to Antisocial Activities

In the Code of Conduct, Nippon Life has established rules that state that employees must not get involved in antisocial activities that pose a threat to social order and safety, such as those of organized crime. If a person has

knowingly had contact with antisocial activities, he/she must immediately report this contact to his/her superior, take a resolute stand and deal with the matter in a methodical manner.

Initiatives against Antisocial Activities

In its Corporate Principles and basic policy for the internal control system (a system that ensures appropriateness of Company operations), Nippon Life has made a commitment to resolutely confront antisocial activities that pose a threat to social order and safety. Nippon Life has also established an Anti-social Activities Countermeasure Committee to upgrade its internal system for addressing this issue. The Company promotes partnerships with external organizations, including the Life Insurance Association of Japan and the

police, as well as discussions of countermeasures against such antisocial influences, as organized crime, and internal education.

The General Affairs Department has been positioned as the organization to deal with antisocial activities. A system of centralized control has been built to prevent damage from antisocial activities that enables employees to immediately report incidents, such as those involving undue claims, when they arise, to the General Affairs Department.

■ Inclusion of Provision to Reject Organized Crime in Policy Terms and Conditions

The Life Insurance Association of Japan has written the following reference provision that allows it to cancel an insurance policy for the purposes of preventing any relationships whatsoever with antisocial entities and preventing the receipt of funds associated with antisocial entities and any related entities. A policy can be canceled if a policyholder, insured party or

beneficiary of an insurance policy is recognized as an antisocial entity, as well as in certain other cases, while the policy is in force.

Nippon Life is reinforcing measures to prevent relationships with antisocial entities, such as by including the association's reference provision in its policy terms and conditions starting in April 2012.

Excerpt from "Basic Policy Terms"

Article 17 (Cancellation due to serious matters)

1. Nippon Life can cancel for the future an insurance policy or any attached riders if any of the following occur.

(Section omitted)

4. If any of the following items applies to a policyholder, insured party or beneficiary of an insurance policy
 - a. Recognition as an organized crime group, member of the group (including individuals who ceased to be a member within the past five years), a secondary constituent member of or a company associated with the group, or any other antisocial entity (collectively "antisocial entities" hereafter)
 - b. Recognition of involvement in provision of funds for antisocial entities or any other form of assistance for antisocial entities
 - c. Recognition of improper use of antisocial entities
 - d. When the policyholder or beneficiary is a company, recognition that the company is controlled by an antisocial entity or an antisocial entity is effectively involved in the company's management
 - e. Recognition of any other relationship with an antisocial entity that should be subject to social criticism

(Section omitted)

In addition, the Life Insurance Association of Japan distributes "Say No to Organized Crime" posters to further clarify its opposition to member companies having any relationships with antisocial entities.

Nippon Life places these posters at the counters of Nissay Life Plazas and other offices throughout Japan to demonstrate its refusal to have any relationships with antisocial entities.



A "Say No to Organized Crime" poster

Strengthening Risk Management

Importance of Risk Management

Life insurance companies operate in an environment of fluctuations in economic conditions, including share prices and interest rates, along with rapid progress in medical technology, and the occurrence of major disasters. We recognize that the correct identification and appropriate management of risks caused by

these various factors are of utmost importance in Nippon Life's management.

Based on this recognition, Nippon Life continues to develop its risk management systems and operate these systems appropriately while also working to increase their sophistication.

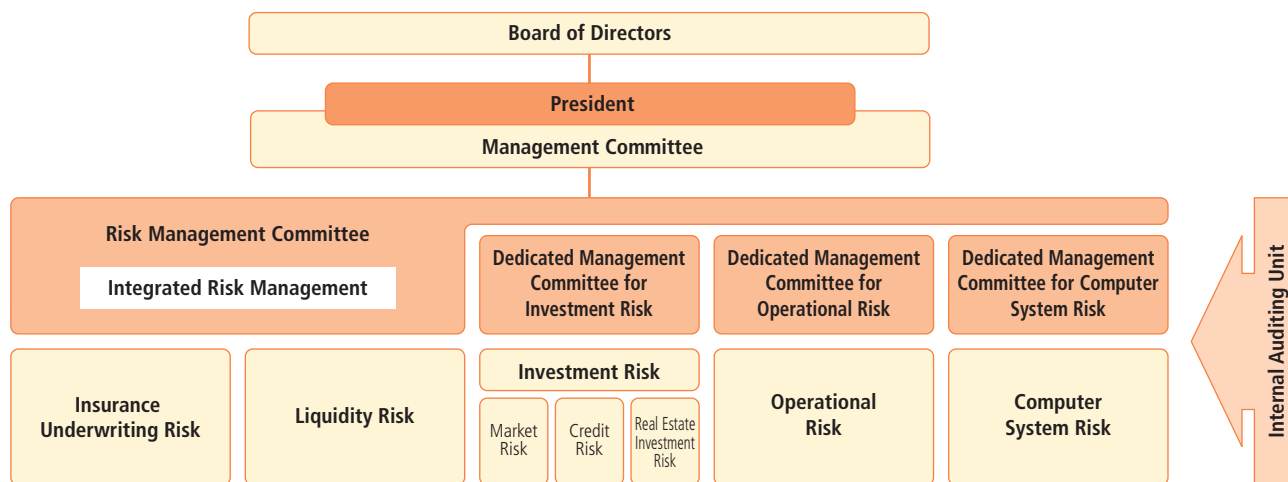
Risk Management System

Risk management at Nippon Life is based on a risk management framework set forth in the Company's Internal Control System Basic Policy. (The internal control system is for ensuring correct operations within the Company.) Under the risk management framework, the Risk Management Committee, an advisory body to the Management Committee, manages each type of risk appropriately according to its profile, and conducts integrated management of the overall impact of the various types of risk on operations.

The status of risk management is reported to the Management Committee and the Board of Directors.

In addition, there is a system of mutual checks and balances involving the establishment of risk management units that are independent of profit centers. The system also has secondary checks and balances, such as having the Internal Auditing Unit examine the effectiveness of risk management.

[Risk Management System]



Integrated Risk Management

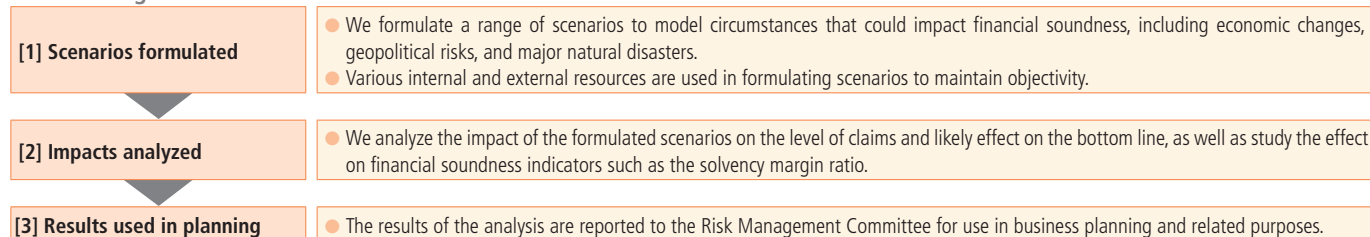
We take an integrated approach to managing the various risks that affect Nippon Life. We manage each type of risk centrally across all Group divisions in a coordinated way, while using statistical risk quantification techniques to manage the overall risk at the Group level appropriately.

Implement Stress Tests

We consider the potential for risks that cannot be prepared for using statistical risk measurement methods. To compensate for these, we implement "stress tests" that assume such scenarios as a dramatic deterioration in the operating environment or increased payments for claims and benefits due to a major earthquake or other disasters. We then analyze

the effects of these scenarios on the financial soundness of the Company. The results of the stress tests are reported to the Risk Management Committee and, where appropriate, are useful aids when studying such items as financial soundness.

Stress Testing Process



Insurance Underwriting Risk Management

Insurance underwriting risk can give rise to losses when such factors as economic conditions, the incidence of insured events, investment results and operational expenses do not match the predictions made when premiums were set.

A life insurance company must fulfill its responsibility to bear the risk it assumes on behalf of customers for long periods extending over many decades. This requires the setting of reasonable premium rates that enable

the stable payment of insurance claims and an appropriate level of risk control for upholding our coverage responsibilities based on examination and assessment of the health condition of the insured at the time of insurance underwriting. In addition, we employ an asset liability management (ALM) system, conduct appropriate benefit settlement assessments and adhere to rigorous cost management principles with the aim of responding flexibly to changes in the business environment and other conditions.

■ Dealing with Risks in Setting Premiums

Nippon Life sets insurance premiums after expert staff who hold qualifications as doctors or actuaries (experts who use mathematical techniques to set insurance premiums and ensure financial soundness) have analyzed reliable statistical data indicating the frequency ratios of the incidence of insurance

claims and other payments. We also conduct numerous simulations based on the set premiums to verify whether or not we will be able to meet future coverage obligations for customers.

■ Responding to Risk Related to Policy Selection and Benefit Settlement Assessments

When Nippon Life considers underwriting a new policy, medically-qualified staff or staff with medical expertise conduct a medical examination and assessment while other expert staff perform an additional assessment from the perspective of moral risk. Depending on the results of this process, we may choose to impose special conditions, such as increased premiums, that will allow us to offer a wide variety of fairly priced insurance products to as many customers as possible.

We are also diligent about managing risks related to paying out insurance claims and benefits. Medically qualified staff or staff with medical expertise are used in the assessment of payments. Nippon Life undertakes sufficient risk management, using outside organizations for verification and other measures.

Policy Selection: Life insurance is a system of mutual dependence involving customers paying premiums that are calculated on the basis of the rate of incidence of insured events. The insured party pays premiums based on his or her state of health, and, when the insurance is underwritten, a medical examination and an assessment are made to ensure that all insured parties are treated fairly.

Moral Risk: As a system in which payments from many policyholders are used to provide insurance against the unexpected, life insurance is inherently subject to the danger that some parties might make small premium payments and then attempt to illegitimately gain a large payout, an act that denies the very essence of the system. This is what is generally referred to as moral risk.

Reinsurance Policies

Nippon Life reinsures as one strategy for diversifying risk. In such cases, Nippon Life determines the cede and assume reinsurance details by means of a review conducted by the Risk Management Committee after considering the types and characteristics of risks. Moreover, in reinsurance

transactions, we evaluate the creditworthiness of each reinsurer based on rankings provided by major ranking agencies and other factors and manage accounts so that transactions do not focus excessively on specific reinsurers.

Liquidity Risk Management

Liquidity risk consists of cash flow risk and market liquidity risk.

Cash flow risk refers to the risk of incurring losses from a worsening cash flow caused by a rapid outflow of funds due to an unexpected event, such as a major natural catastrophe, which would force the disposal of assets at extremely low prices. Nippon Life deals with cash flow risk via investment plans and daily cash flow management that together ensure that highly liquid assets exceed a given threshold. In the event that cash flows

were actually to deteriorate, we would take countermeasures, such as establishing maximum holding ceilings for less liquid assets.

Market liquidity risk refers to the risk of incurring losses from being unable to make transactions due to market confusion or other factors or being forced to make transactions at extremely unfavorable prices. Nippon Life deals with market liquidity risks by establishing appropriate transaction limits for each type of asset in line with market conditions.

Investment Risk Management

Investment risk is the risk of loss arising from changes in the value of the Company's assets and liabilities. It can be categorized into market risk, credit risk and real estate investment risk. The long-term nature of life insurance policies requires a long-term approach based on liability characteristics to managing risks associated with investment.

Hence, we seek to manage our portfolio efficiently based on risk-return analyses that emphasize the importance of generating investment returns

over the medium and long terms.

Nippon Life has therefore established an Investment Risk Management Department within the Risk Management Department, and, by maintaining and upgrading its rigorous system for managing risks, the Company seeks to limit losses to acceptable levels while pursuing stable returns.

Portfolio: Holdings of various investment assets under management, including stocks, bonds and loans.

■ Market Risk Management

Market risk refers to the risk of losses incurred when the market value of invested assets and liabilities declines due to such factors as fluctuations in interest rates, exchange rates or stock prices. In addition to preventing the

occurrence of large-scale losses on individual investment and finance transactions, it is important to keep risks to the overall portfolio within pre-established boundaries.

◎ Establishing Maximum Holding Ceilings

To prevent the occurrence of large-scale losses on individual investment and finance transactions, Nippon Life establishes maximum holding ceilings based on the nature of the assets. We also monitor and regularly report the state of compliance to the Dedicated Management Committee for Investment Risk. Moreover, we are developing systems to contain risk within acceptable limits when certain transactions violate these ceilings and rules.

◎ Measurement and Management of Market Value-at-Risk

To control the market risk of our overall portfolio, we use statistical analysis to reasonably calculate market value-at-risk for our entire portfolio and conduct appropriate asset allocation within the level of allowed risk.

Market Value-at-Risk: The assumed maximum amount of potential risk due to changes in the external environment, calculated from historical data.

■ Credit Risk Management

Credit risk refers to the risk of incurring losses when the value of assets, primarily loans and bonds, declines or is entirely eliminated due to the deterioration of the financial condition of the party to whom credit has been extended. We believe that in managing credit risk it is important to examine each transaction rigorously, set terms appropriate to the level of credit risk

involved and conduct thorough analyses to accurately evaluate every facet of overall portfolio risk.

Country Risk: For overseas credit investments, this is the risk of losses arising due to any factors related to the foreign currency or other political/economic risks associated with that country.

◎ Credit Risk Management in Individual Transactions

We have built systems for rigorous examination that involve a Credit Department independent of the departments handling investment and finance activities. We are working to construct a sound portfolio, including loan interest rate guidelines to ensure that the returns we obtain are commensurate with the risk, a system of internal ratings for classifying the creditworthiness of borrowers and credit ceilings to ensure that credit risk is not excessively concentrated in a particular company or group.

◎ Measurement and Management of Credit Value-at-Risk

Nippon Life measures the credit risk amount for its entire portfolio to calculate the credit value at risk. We monitor this risk amount to ensure that it remains within an appropriate limit.

Credit Value-at-Risk: This is the estimated maximum loss amount that the portfolio could incur due to the deterioration of the financial position of a borrower and other factors, calculated statistically using a simulation based on random variables.

■ Real Estate Investment Risk Management

Real estate investment risk refers to the risk of reduced returns caused by such factors as rent fluctuation as well as losses incurred when real estate values decline due to market deterioration and other factors. Our approach to managing real estate investment risk involves the rigorous examination of

each investment by the Credit Department, which is independent of the department actually handling the investment. We also adhere to a system involving warning levels for investment returns and prices. This enables us to appropriately focus management efforts on properties with low profitability.

Operational Risk Management

Operational risk refers to the risk of customers or other external parties being adversely affected, or of the Group incurring losses, due to any administrative error, negligence or malfeasance on the part of Nippon Life executives or employees or insurance agents contracted by Nippon Life.

To control operational risk, we are taking steps to clearly understand such risk across the Company by gathering and analyzing information on instances of administrative error based on customer complaints as well as instances of erroneous handling. Based on this, we are formulating measures to avoid the recurrence of such instances and confirming the effectiveness of steps taken.

Computer System Risk Management

Computer system risk refers to the risk of losses from computer system defects, faulty computer system operation and illicit use.

In managing system risk, we have set our own safety standards for the planning, development, operation, and use of computer systems, and we strive to maintain high-level safety measures so that customers can use our services with confidence.

To deal with the risk of computer system failure, we have developed Company-wide contingency plans to enable quick emergency response. In

Thinking from the perspective of a customer, we also provide administrative training and guidelines to support the accurate and swift processing of administrative tasks. At the same time, headquarters' auditing departments carry out inspections to ensure the accuracy of administrative processes and to guide the implementation of improvement measures.

Through these measures, we are working to inhibit as well as alleviate operational risks throughout the Company.

addition, we have established backup centers at locations other than that of our main computer center to prepare for area-wide disasters.

We have also implemented a wide variety of security measures to deal with potential defects, faulty computer system operation, illicit use and data leaks.

We are committed to reducing and alleviating Company-wide risks through compliance with our own safety standards for the planning, development and operation of computer systems, and supervising appropriate use of the systems.

Nippon Life Natural Disaster Countermeasures

We have formulated a business continuity plan (BCP) so that we can continue to make claim payments and offer other services to customers in the event of a major natural disaster, influenza pandemic or other event. We also conduct regular disaster-related training exercises.

We try to ensure readiness for any earthquake or tsunami that may occur during business hours by conducting drills on how to escort customers to evacuation areas. We also regularly inspect our stockpiles of goods for use in disasters or other emergencies.

In response to the Great East Japan Earthquake, Nippon Life immediately set up a Disaster Response Headquarters led by the President and rapidly implemented the following measures:

- Gave special treatment to policies, such as paying the full amount of coverage for deaths caused by the disaster
- Took measures to ensure that all payments were made, such as checking the safety of policyholders
- Undertook earthquake recovery support activities, such as making donations and delivering emergency supplies, and power conservation measures

BCP: Business Continuity Plan

Strengthening the Underwriting, Insurance Claims and Benefits Settlement System and Expanding Explanation

To provide the proper payment of claims and benefits and to gain the trust of customers, Nippon Life makes every effort to ensure the fair and appropriate assessment of policy underwriting, insurance claims and benefits settlements. And, in order to counter medical and moral risks, we will strengthen our training for assessment staff and our administration systems.

Enhancing the Training of Assessment Specialists

Nippon Life has introduced a structured training system for developing assessment specialists responsible for policy underwriting and insurance claims. It also conducts in-house examinations and provides training in essential medical and legal knowledge. Furthermore, we added underwriting as one of our business goal courses for employees from the fiscal year ended March 31, 2008, as we work to develop personnel that have highly specialized skills.

Nippon Life encourages employees to take the Life Insurance Payment Specialist examination offered by the Life Insurance Association of Japan. As of March 2015, the cumulative total of those who have passed the exam was 6,075.

Educating Sales Representatives and Reinforcing Principles

Nippon Life conducts training programs that provide sales representatives with the knowledge and skills they need to offer product proposals that are attuned to the needs of customers.

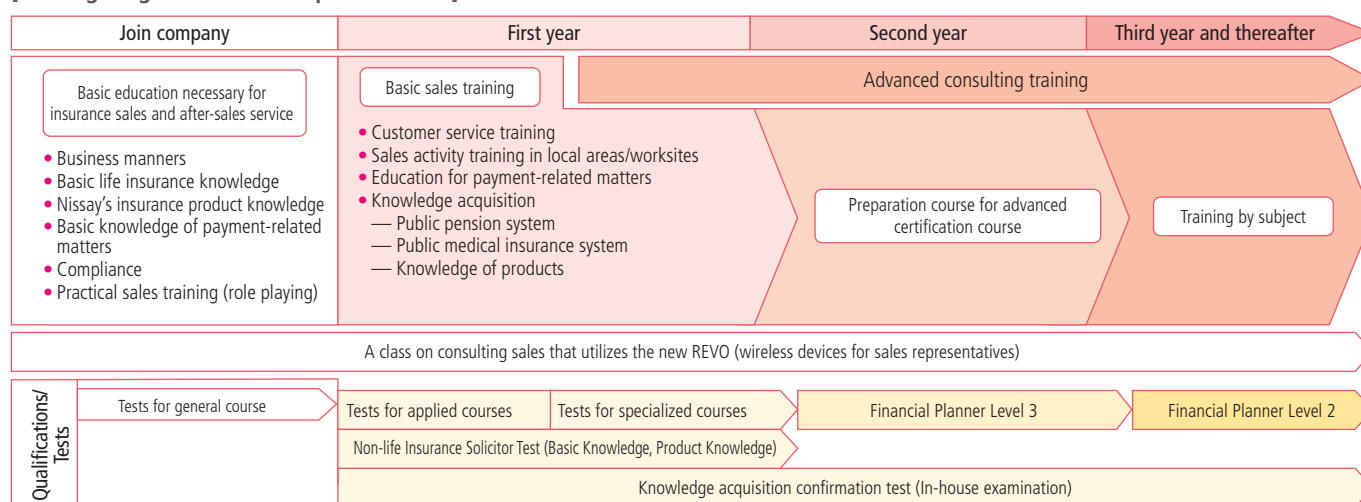
Nippon Life considers it very important that customers enroll in policies only after they have understood the content of the policy. Sales representatives thoroughly confirm the needs of customers by taking time to explain key points using Prospectuses (Policy Guides) and Reminders (see p. 84).

These rules are thoroughly reinforced through compliance education, etiquette training and practical hands-on training in life and non-life insurance sales, with the aim of increasing new product sales and further helping to ensure proper sales activities.

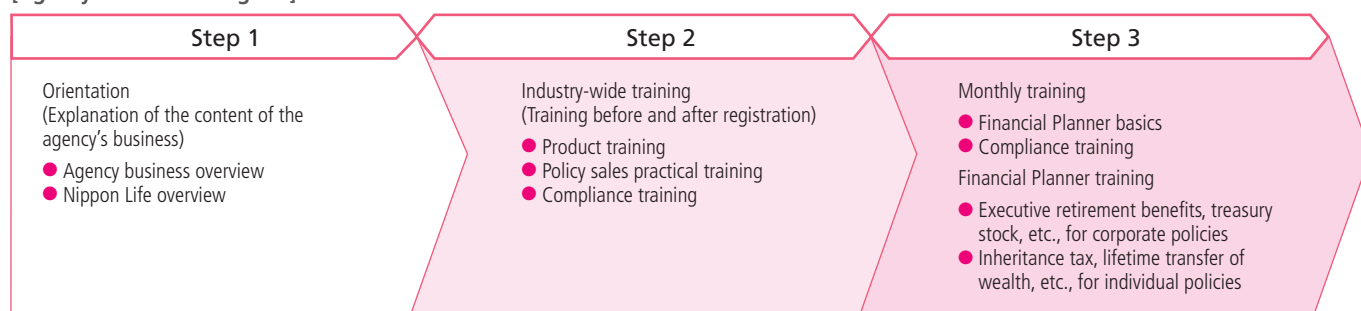
Nippon Life has the following training programs concerning compliance with laws, regulations and other guidelines:

- The concepts of compliance and its importance
- Knowledge about applicable laws and regulations (Insurance Business Act, Sales of Financial Products Law, Financial Instruments and Exchange Act, Personal Information Protection Law, and others)
- Correct new policy sales activities
- After-sales services for payments of insurance claims and benefits
- Proper handling of customer information, etc.

[Training Program for Sales Representatives]



[Agency Education Program]



Better Explanations for Customers (See p. 88)

To ensure that policyholders receive all claim and benefit payments they are entitled to, Nippon Life has prepared booklets called *About the Receipt of Insurance Claims and Benefits*. We have also prepared materials that allow customers themselves to confirm that nothing has been overlooked during the claim and benefit payment application process and again when the payment is received. Through these services, we provide better explanations to

our customers. These activities demonstrate how we are doing what is needed to give customers full explanations.

Nippon Life has a consultation counter for the receipt of payments of insurance claims and benefits by customers. The consultation counter allows customers to check decisions regarding the payment of insurance claims and benefits.

Upgrading Administrative Systems

In May 2010, Nippon Life's Payment Underwriting System entered operation in order to reinforce payment operations. This follows a series of measures to enable the unification and sharing of systems concerning payments since fiscal 2006.

Furthermore, in fiscal 2012, we commenced operation of the New Integrated System, which reflects a drastic overhaul of our existing main system and covers all areas and processes pertaining to customer service,

from proposing and underwriting an insurance policy to receiving insurance claims and benefits. As a result, we have achieved more accurate and faster underwriting and payment operations.

In fiscal 2014, we made further improvements to our customer services, including a way for customers to request the mailing of payment claim forms via the Nippon Life website.

Strengthening Medical Research and Development

The Medical Research and Development Office analyzes previously compiled medical data and the latest research in the medical and nursing care fields while working to develop new products suited to customer needs and reviewing our underwriting standards.

Solicitation Policy

Nippon Life works hard to propose the most appropriate insurance for customers while taking into account their total needs. We also strive to come up with new ways to explain insurance because we believe it is important to try and help customers to understand it properly. Accordingly, Nippon Life's Solicitation Policy sets forth the Company's approach to the sales of

insurance and other financial products. Included in this approach is ensuring that our solicitation activities are appropriate, which we achieve through the education and training of all employees and executives, the proper handling of customer information and responsiveness to a variety of customer feedback.

Nippon Life's Solicitation Policy

We sell insurance and other financial products in compliance with all laws and regulations, but beyond that, we emphasize integrity in our sales, in order to merit the trust of our customers and society.

<Sales and Appropriate Solicitation based on Customer Needs>

- Comprehensively taking into account customers' knowledge of insurance and other financial products, their purpose for purchasing the policies, their family situation and their asset status, we constantly carry out consultative sales so that customers choose the most appropriate insurance and other financial products while explaining products from the customers' standpoint.
- Nippon Life uses Policy Guides and Reminders to explain policies in an easy-to-understand manner so that customers fully understand the content of insurance products and how they work, and takes steps to confirm that the products match the needs of customers.
- In particular, for such products as variable annuities, foreign currency-denominated insurance and investment trusts that entail market risk, we recommend those considered most appropriate for each customer's age, knowledge and investment experience while giving appropriate explanations regarding products and their risks.
- When explaining products over the phone or during customer visits, we take the customer's perspective while giving sufficient consideration to time, place and other factors.

- We are striving to eliminate moral risk and ensure that proper notification is received from customers so that we treat all policyholders impartially and operate a morally sound insurance system. In particular, when underwriting life insurance policies that insure juveniles, we strive for proper solicitation by ensuring that the customers' needs are met once proper insurance coverage amounts have been established.

We do not get involved in antisocial activities that pose a threat to social order and safety, such as those of organized crime, and we take a resolute stand if we do come into contact with such activities.

<Appropriate Solicitation Activities through Education and Training>

Moreover, we are striving to ensure that our solicitation activities are appropriate by educating, managing and instructing all employees and executives through a systematic training program that includes compliance-related training.

<Proper Handling of Customer Information>

Nippon Life takes steps to properly manage, use and protect customer information.

<Responding to Customer Feedback>

Nippon Life is constantly gathering a wide range of opinions and suggestions from customers so that it can act on this feedback to increase customer satisfaction.

Efforts Related to the Protection of Personal Information

Nippon Life is entrusted with the personal information of a large number of individual insurance policyholders as well as sensitive information related to customers' health conditions. Customer information is the foundation of insurance policy transactions, and, therefore, Nippon Life protects these customers' information assets carefully, recognizing that the handling of this information is an extremely important issue. Nippon Life has established a

Personal Information Protection Policy. At the same time, we have implemented measures such as conducting employee training on the protection of personal information, along with improving our information security system infrastructure, starting with the handheld devices of sales representatives. Moving forward, we will continue to provide even more thorough and stronger protection of personal information.

Personal Information Protection Policy (Handling Customers' Personal Information)

We have established policies regarding the handling of personal information and are working to properly manage, use and protect customer information in order to be a company that customers can trust. In order

to realize appropriate protection of personal information, we continue to maintain and improve this policy.

1. Information Collection

Customers' personal information is collected to the extent required to conduct business, specifically to underwrite various insurance policies, continue and maintain management, and handle payments, such as for insurance claims and benefits.

2. Types of Information Collected

We collect information necessary to the conduct of business, underwrite various insurance policies, conduct continuation and maintenance management, and handle payments such as for insurance claims and benefits. This information primarily includes a customer's name, address, date of birth, state of health and occupation. Furthermore, for other types of products and services we offer, customers provide additional information necessary to conduct business.

3. Information Collection Method

We collect customer information using legal and impartial methods. The information is mainly collected through policy applications, contracts and surveys. Furthermore, there are times when information is gathered over the Internet and through postcard surveys/mailings when conducting various activities including campaigns.

4. Purposes of Using a Customer's Personal Information

A customer's information is used in the following:

- (1) Underwriting various insurance policies, conducting continuation and maintenance management and handling various types of payments, such as insurance claims and benefits
- (2) Explaining and providing various products and services, including those of related and affiliated companies and conducting policy maintenance management
- (3) Providing information concerning our business, managing our operations and expanding our lineup of products and services
- (4) Other insurance-related business

The purposes of these uses are given in our Personal Information Protection Policy, which is available through our website, *Disclosure Report* and elsewhere. Furthermore, when personal information is collected directly from customers, the purpose of the use to which it will be put is clearly explained to the customer at that time.

5. Information Management

In order to guarantee that a customer's personal information is up to date and correct, we take the appropriate steps necessary to conduct business. Furthermore, we implement measures deemed necessary and appropriate for the safe management of a customer's personal information in order to prevent its inappropriate access, leakage, loss or destruction.

6. Provision of Information

As a general rule, we do not provide a customer's personal information to third parties without receiving consent from the customer. However, in the following situations, we will provide customer information to third parties without customer consent:

- (1) When prior approval from the customer has been obtained
- (2) When the provision of a customer's personal information to a third party without customer consent is permitted by Article 23, Clause 1 of the Law Related to Personal Information Protection (Personal Information Protection Law) or other laws and regulations
- (3) When the provision of a customer's personal information to firms that Nippon Life has outsourced work to is necessary to Nippon Life's continued business
- (4) When sharing a customer's personal information as stipulated by the Personal Information Protection Law
- (5) In other cases where the Personal Information Protection Law permits the provision of a customer's personal information without customer consent

7. Disclosure, Revision or Other Processing of Information

In the event that a customer requests that their own personal information be disclosed, revised or otherwise processed, we will respond to the request promptly after confirming the individual's identity, unless there is special reason not to do so.

8. Compliance with Related Laws and Regulations

Regarding customers' personal information, we conduct business in a manner that adheres to all aspects, such as definition, attitude and handling, of the Personal Information Protection Law, all other related laws, regulations and guidelines, and the Life Insurance Association of Japan's guidelines on handling personal information protection for the life insurance industry.

9. Establishment of and Improvements to the Compliance Program

In order to guarantee that customers' personal information is being handled appropriately, a compliance program was established that all our employees, the firms to which we have outsourced work and other related parties have been made thoroughly aware of, and we conduct necessary and appropriate supervision. Furthermore, we review and revise the policy and the compliance program when necessary.

10. Customer Requests Regarding Personal Information

Customer requests regarding the handling of their personal information are received at the personal information counter and processed in an appropriate and efficient manner.

Payments of Insurance Claims and Benefits

Life insurance is a system in which a large number of people participate in mutual support through insurance coverage in the event of sickness, injury or other unforeseen circumstances.

During the fiscal year ended March 31, 2015, Nippon Life made 87,433 payments of insurance claims and 1,392,284 payments of other benefits.

In contrast, as a result of appropriate benefit settlement assessment efforts, we determined that the payment of insurance claims should not be made in 4,579 cases and that the payment of other benefits should not be made in 49,594 cases.

[Number of Payments of Insurance Claims and Benefits, Payments Denied and Reasons—Fiscal Year Ended March 31, 2015]

(Unit: Number of Cases)

| | Insurance claims | | | | | Other benefits | | | | | | Total |
|---|------------------|----------|--------------------|--------|--------|----------------|-----------------|---------|------------|---------|-----------|-----------|
| | Mortality | Accident | Serious disability | Others | Total | Mortality | Hospitalization | Surgery | Disability | Others | Total | |
| Total payments made | 67,458 | 979 | 2,385 | 16,611 | 87,433 | 7,875 | 607,875 | 466,873 | 1,258 | 308,403 | 1,392,284 | 1,479,717 |
| Not categorized as a reason for payment | 2 | 168 | 812 | 3,137 | 4,119 | 12 | 4,006 | 43,531 | 284 | 886 | 48,719 | 52,838 |
| Categorized as an exemption | 348 | 37 | 2 | 0 | 387 | 30 | 312 | 86 | 4 | 41 | 473 | 860 |
| Cancellation of policies due to nondisclosure | 72 | 0 | 1 | 0 | 73 | 0 | 244 | 154 | 0 | 4 | 402 | 475 |
| Cancellation or invalidation due to fraud | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Invalidation due to illegal acquisition | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cancellation due to serious matters | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Others | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total payments denied | 422 | 205 | 815 | 3,137 | 4,579 | 42 | 4,562 | 43,771 | 288 | 931 | 49,594 | 54,173 |

Notes: 1. The above represent the total for individual and group insurance policies upon which claims were filed.

2. Figures do not include policies that require no payment assessment, such as maturity benefits, survival benefits, single payments, annuities and other benefits.

3. The number of payments denied does not include applications for events that are obviously not covered, such as claims for which the number of hospitalization days is less than the minimum prescribed in the policy terms and conditions, and no special payment investigation was performed as a result.

4. Regarding payments for group insurance underwritten by multiple companies, the figures include policies for which Nippon Life is the lead underwriter.

5. Figures in the above table are based on standards of the Life Insurance Association of Japan.

[Examples of Specific Insurance Claims]

| Payment (insurance type) | Content |
|---|---|
| Not categorized as a reason for payment | The Policy Terms and Conditions stipulate reasons for payment of respective claims and benefits. Payments of claims or benefits can be denied on an individual basis if the contents of the insurance claim made by the customer do not qualify for payment under the terms of the policy. |
| Categorized as an exemption | The Policy Terms and Conditions stipulate reasons why respective claims and benefits may not be paid. Payments of claims or benefits can be denied on an individual basis if the contents of the insurance claim made by the customer falls under one of these reasons. Examples: <ul style="list-style-type: none"> • Claim for payment of death benefit where death occurred due to the suicide of the insured within the period prescribed under the terms of the policy • Claim for payment of death benefit where death of the insured was due to an intentional act of the policyholder or the designated beneficiary of the policy |
| Cancellation of policies due to nondisclosure | An insurance policy or rider can be cancelled in the event of any relevant fraudulent actions by the policyholder, the insured, or the recipient of the insurance claims or benefits. Insurance claims or benefits cannot be paid in such cases, and any premiums already paid will not be refunded. |
| Cancellation or invalidation due to fraud | An insurance policy or rider can be cancelled in the event of any relevant fraudulent actions by the policyholder, the insured, or the recipient of the insurance claims or benefits. Insurance claims or benefits cannot be paid in such cases, and any premiums already paid will not be refunded. |
| Invalidation due to illegal acquisition | An insurance policy or rider can be rendered invalid in cases where the policyholder enrolls in a policy with the intention of gaining insurance claim payments or benefits illegally, either personally or through a third party. Insurance claims or benefits cannot be paid in such cases, and any premiums already paid will not be refunded. |
| Cancellation due to serious matters | An insurance policy or rider can be cancelled in the event of the fraudulent staging of an accident with the aim of gaining related insurance claim payments or benefits, or of any other fraudulent related actions such as production of a forged medical diagnosis. Insurance claims or benefits cannot be paid in such cases, but the surrender value of the policy is paid to the policyholder. |

[Examples of Specific Insurance Claims]

| Payment (insurance type) | Overview of case details |
|---|--|
| Dread disease insurance (Insurance covering the three dread diseases) | A payment of ¥5 million was made to the customer following the prescribed surgery after suffering acute myocardial infarction. |
| Claim for carcinoma in situ (Insurance covering the three dread diseases) | A payment of ¥500,000 was made to the customer following the diagnosis of carcinoma in situ due to a rectal polyp. |

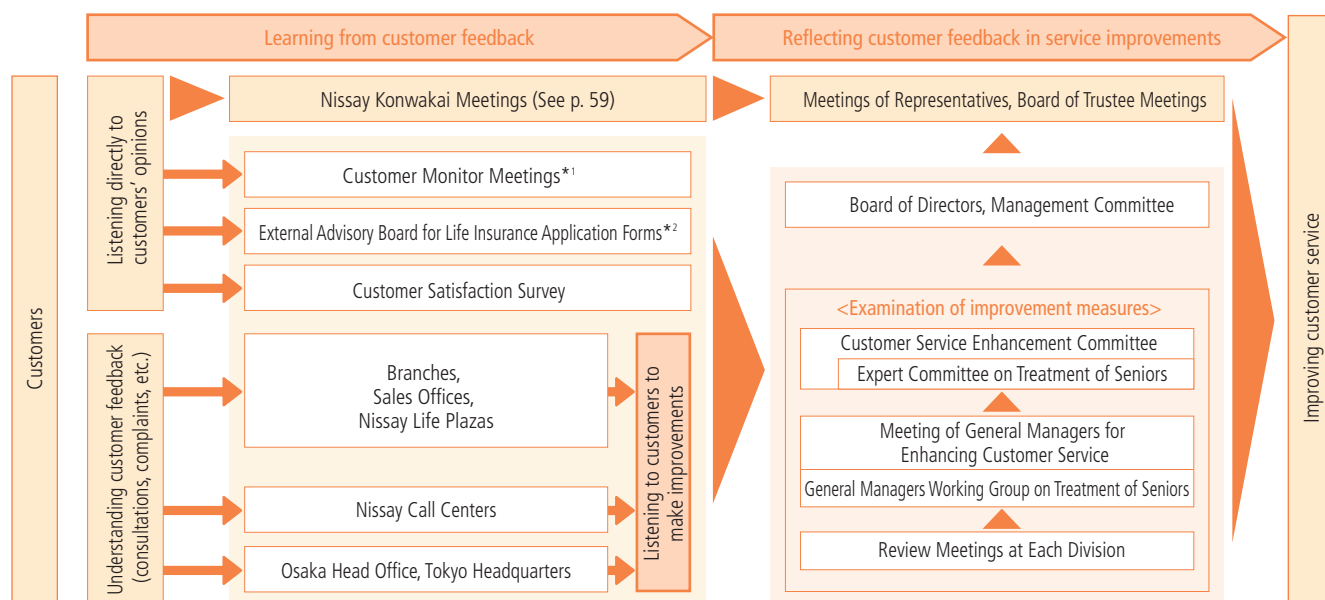
Notes: 1. Under the *Mirai no Katachi* framework, the scope of acute myocardial infarction and cerebral stroke for the purposes of claim payments under this type of insurance has been broadened to include any surgical procedures conducted at a designated hospital or medical clinic to treat these conditions directly.

2. Under the *Mirai no Katachi* framework, any claims for a diagnosis of carcinoma in situ have been added to the list of possible payments under this type of insurance.

3. The scope of protection has been narrowed in some cases to restrict or eliminate the payment of serious disability benefit in place of death benefit in cases where the policyholder is judged to have suffered a prescribed injury causing serious disability.

Measures to Reflect Customer Feedback in Business

Nippon Life treats such customer feedback as opinions, requests and complaints received from customers through branches, sales offices, Nissay Life Plazas, Nissay Call Centers and other channels as a precious resource for improving services. Nippon Life is taking steps to improve management and service from a customer point of view based on each and every bit of feedback received from customers.



*¹ At these meetings, Nippon Life hears opinions about all of its customer service activities directly from monitors who have corporate or academic experience in the field of consumer relations.

*² The members of this board, who are advisory specialists for consumer affairs and other external professionals, provide opinions from a customer's viewpoint regarding customer forms and notices for customers.

Business Process Improvement Measures Based on Customer Feedback

Based on customer feedback, Nippon Life's branch offices, Osaka head office and Tokyo headquarters are working to improve administrative processes and systems, including customer forms.

These details are reported to the Customer Service Enhancement Committee so that management can address them.

[Proposals Made Internally Based on Customer Feedback] (Fiscal year ended March 31, 2015)

| | Number of Cases |
|--|-----------------|
| Branches, Sales Offices and Nissay Life Plazas | 871 |
| Osaka Head Office and Tokyo Headquarters | 18 |
| Total | 889 |

[Examples of Improvements]

Expansion of Easy-to-Understand Administrative Procedures and Services

| | |
|---------------------------|---|
| Customer Feedback: | Password registration procedures are difficult to understand and are not smooth. |
| Improvement Made: | We simplified the password notification document that is mailed to customers. From March 2015, we also introduced a service to enable customers to register using a temporary password that we send by email to their designated email address. |
| Customer Feedback: | The annual Policy Details Reminder is difficult to understand. |
| Improvement Made: | From fiscal 2014, we overhauled the content and layout of the Policy Details Reminder to make it easier for policyholders to understand. <ul style="list-style-type: none"> ● We changed it to a full-color design and added a cover page detailing the important points that policyholders should confirm. ● We added examples to explain common mistakes and issues that could lead to customers not receiving claim payments or benefits to which they are entitled. |
| Customer Feedback: | The designated proxy process for people that have trouble writing is complex and hard to understand. |
| Improvement Made: | We simplified the designated proxy procedures for those that find it difficult to fill in benefit claim forms, with the specific aim of reducing how much information senior customers need to supply. |

Number of Customer Complaints

For customer feedback, Nippon Life defines a complaint as "any expression of dissatisfaction by a customer (regardless of the facts)." The purpose of using this definition is to incorporate a broad range of customers' opinions and dissatisfaction and then make extensive use of this information for business

improvement measures. We work to swiftly resolve customer complaints; for each case, precipitating causes are analyzed, countermeasures are reviewed and steps are taken to prevent a recurrence.

[Number of Complaints Received from Customers in the Fiscal Year Ended March 31, 2015]

| Content | Number | % of Total | Primary Examples |
|---|---------------|---------------|--|
| New policy related (Policy enrollment) | 13,346 | 14.3% | <ul style="list-style-type: none"> Dissatisfaction concerning explanation when enrolling in an insurance policy Dissatisfaction concerning actions of sales representatives to sell policies |
| Receipt related (Payment of premiums) | 9,174 | 9.8% | <ul style="list-style-type: none"> Dissatisfaction concerning remittances and automatic deductions |
| Maintenance (Procedures after enrollment) | 35,983 | 38.5% | <ul style="list-style-type: none"> Dissatisfaction concerning automatic transaction services Dissatisfaction concerning policy cancellation procedure |
| Claims and benefits-related (Payment of insurance claims and benefits) | 12,416 | 13.3% | <ul style="list-style-type: none"> Dissatisfaction concerning procedure for payment of claims and benefits Dissatisfaction concerning procedure for payment of maturity benefits |
| Others | 22,514 | 24.1% | <ul style="list-style-type: none"> Dissatisfaction concerning after-sales services Dissatisfaction concerning the attitude, manners or behavior of sales representatives |
| Total | 93,433 | 100.0% | |
| Number of customer communications (Opinions, requests, consultations, dissatisfaction and other communications) | | | |
| | 2,460,470 | | |

Note: This information is based on the number and type of incidents when the communication is received and is categorized in accordance with standards of the Life Insurance Association of Japan.

Customer Satisfaction Survey

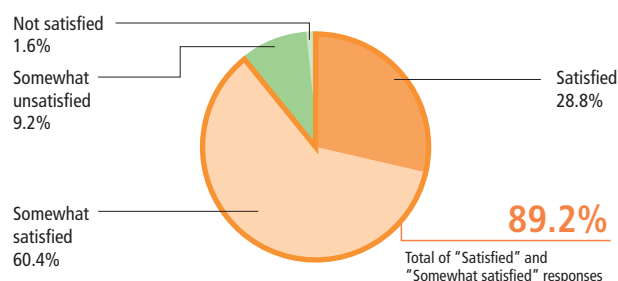
Through outside institutes, annual surveys are mailed out to policyholders, who provide appraisals and opinions regarding Nippon Life products, operations and services. In surveys conducted in the fiscal year ended March 31,

2015, Nippon Life received a customer satisfaction score (the ratio of customers who replied "satisfied" or "somewhat satisfied") of 89.2%.

Survey Overview

- Implemented once per year
(from September 1 to 24 in the fiscal year ended March 31, 2015)
- Survey target: Approximately 30,000 existing policyholders
- Number of valid response: Nearly 7,000 existing policyholders
- Specific survey questions:
 - Responsiveness of sales representatives
 - Currently held policies
 - Application procedures for new policies
 - Procedures after enrolling in policies
 - Reliability of Nippon Life, etc.
- The ratings for indicating level of customer satisfaction were "satisfied," "somewhat satisfied," "somewhat dissatisfied" and "dissatisfied" with regard to the level of customer satisfaction.

[Overall Satisfaction as Measured by the Customer Satisfaction Survey]



Financial ADR System

The financial ADR system is a procedure for out-of-court settlement of disputes* in the field of finance. The system can be used when policyholders and other customers cannot satisfactorily resolve a problem between themselves and a financial institution, including a life insurance company, despite much dialogue.

In the life insurance industry, the Life Insurance Association of Japan has been designated by the Ministry of Finance as a Designated Dispute

Resolution Organization for implementing out-of-court settlement procedures relating to life insurance based on the ADR system.

Nippon Life has concluded a basic contract with the Life Insurance Association of Japan for implementing procedures relating to conflict resolution services.

*ADR procedures use a neutral and fair third party to help achieve a flexible solution to problems rather than making a judgment.

[Contact Points for Designated Dispute Resolution Organizations] The Life Insurance Association of Japan Life Insurance Consultation Center

- Tel.: 03-3286-2648 (Country code: 81)
- Location: 3rd floor, Shin-Kokusai Building, 4-1 Marunouchi 3-Chome, Chiyoda-ku, Tokyo 100-0005, Japan
- Reception hours: 09:00 ~ 17:00 (except weekends and public holidays)
- Website: <http://www.seiho.or.jp/english/about/contact/>

*You can have a consultation at your closest contact point.
Life Insurance Association of Japan
Contact list
<http://www.seiho.or.jp/contact/about/list/>

Improving Disclosure

Nippon Life is working to enhance its various disclosure initiatives in order to better help customers gain a clear and timely understanding of its business information.

Preparation of Disclosure Materials

So that a broad range of customers may view them, Nippon Life disclosure reports are available at branches, sales offices and agencies nationwide. In addition, Nippon Life prepares various disclosure materials in response to customer needs.

Disclosure Materials Produced in the Fiscal Year Ended March 31, 2015



Nissay Disclosure
Disclosure report produced in accordance with Article 111 of the Insurance Business Act (in Japanese)



NISSAY NOW
Nissay disclosure, digest version (in Japanese)



Nissay Disclosure
Disclosure report for semiannual version (in Japanese)



Annual Report
(in English)



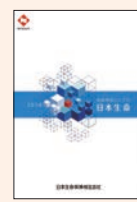
Variable Amount Insurance (Separate Account) Results Notification
Results report for individual variable amount insurance policyholders*1 (in Japanese)



Variable Amount Annuities (Separate Account) Results Notification
Results report for variable amount annuities policyholders*2 (in Japanese)



Results Report for Group Annuities
Results report material for policyholders of group annuities (defined benefit corporate pension plans, welfare pension fund insurance, etc.)*3



Nippon Life, a Financial Organization
Material related to the investment business and results for corporate customers (in Japanese)

*1 Information on individual variable amount insurance investments can be obtained at the head office, Tokyo Headquarters, branches and Nissay Life Plaza service counters.

*2 For the latest performance summary of the variable annuities (separate account), please see the Nippon Life investment annuity page of the Nippon Life website.

*3 A quarterly disclosure magazine is issued to all policyholders of group annuities (separate account).

Information Provided on the Website

Nippon Life issues timely information on its website. In addition to press releases, minutes and outlines of resolutions presented at the Meeting of Representatives, visitors can find material about the history of Nippon Life and its CSR activities. Some disclosure materials including financial results are also available for viewing or download.

➡ <http://www.nissay.co.jp/english/>



Nippon Life website

Financial Results Meetings

We hold financial results meetings for analysts and institutional investors twice a year. Also during these meetings, we report on management policies as well as the strategies of each division in order to promote the greater

understanding of our operations. Materials from meetings are posted and available on the Nippon Life website after the meetings are held.

➡ <http://www.nissay.co.jp/kaisha/annai/gyoseki/setsume.html> (Japanese only)

CHAPTER 3

Nippon Life's Products and Services

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| Provision of Information During the Term of a Policy | 86 |
| Requesting Payment of Insurance Claims and Benefits | 88 |
| Products and Services for Corporate Customers | 90 |

Products and Services for Individuals

Nippon Life strives to offer services and develop products with primary emphasis on providing truly useful coverage for customers.

The areas that customers want to prioritize when choosing coverage vary according to their life stages. Furthermore, lifestyles have been diversifying in recent years; people are getting married later in life and an increasing number of people are remaining single, leading to growth in the number of double-income households.

To respond thoroughly to such diversifying customer needs, Nippon Life has reviewed and, where appropriate, improved its product lineup. We combine coverage for death, medical and nursing care, savings and retirement, and children with other products to supply customers with comprehensive, well-balanced coverage according to their needs.

Life Insurance Products

■ *Mirai no Katachi*



The *Mirai no Katachi* concept upgrades the service we offer customers. It is different to conventional insurance in that it provides greater flexibility both at and after enrollment, while giving customers a simple, easy-to-understand framework for arranging insurance coverage.

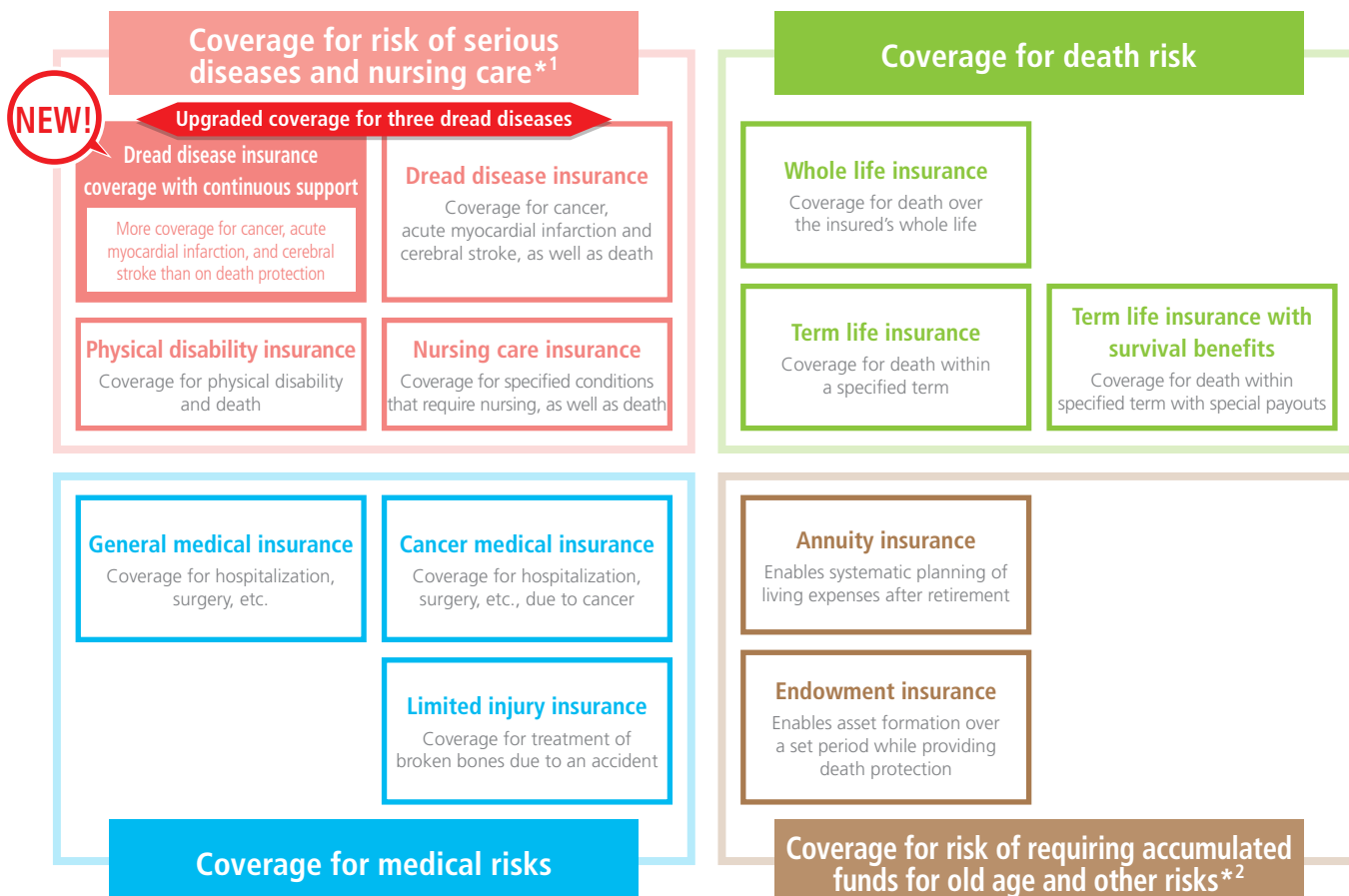
When they enroll, customers can flexibly combine 12 types of insurance as needed. This insurance can be divided into four categories: "risk of serious diseases and nursing care," "medical risks," "death risk," and "risk of requiring accumulated funds for old age and other risks."

After enrollment, customers can freely revise policy details according to changes in their lives and their needs. For example, customers can selectively revise only the parts they need to change or add new insurance. In this way, customers can change their policy details to precisely meet their protection needs at any time.

In this manner, the *Mirai no Katachi* product provides customers with lifelong support by allowing them to make up different combinations of insurance. These can also be altered after enrollment.

*Combinations are subject to certain restrictions.

*Services may not be available if Nippon Life does not handle the relevant system when requests are made.



*¹ Death claim payouts for insurance against dread diseases, physical disability and nursing care are the same as the sums paid out under these respective policies. With dread disease insurance coverage with continuous support, payout on death is limited to 10% of the sum paid for the dread disease claim (not including any healthcare support payments).

*² With endowment insurance policies, death claim payouts are the same amount as the total amount of maturity benefits payable on the policy.

Insurance to Cover the Risk of Serious Diseases and Nursing Care

Dread Disease Insurance Coverage with Continuous Support Death coverage limited to cancer, acute myocardial infarction, and cerebral stroke Term

- *Payout on death is limited to 10% of sum paid for dread disease claim.
- *No coverage is provided against death due to cancer (such as carcinoma in situ) during the continuous support annuity payment period.
- *Dread disease coverage with continuous support policies has no surrender value.

- 1 Insurance provides a **lump-sum payment in cases of designated cancer (malignant neoplasm), acute myocardial infarction, and cerebral stroke**.
Survival to each anniversary of the date of first claim under dread disease insurance qualifies policyholder for continuous **support annuity payments**.
- 2 Insurance provides **10%** of the insurance payment for dread diseases in case of **specified types of cancer (such as carcinoma in situ)**.
*Full claim payments can be made against three dread diseases or death even after payment of claim on diagnosis of carcinoma in situ.
- 3 After **acute myocardial infarction or cerebral stroke**, dread disease insurance claims can be made not only after official certification that the condition has lasted at least 60 days, but also for any **surgical procedures needed to treat the condition**.
*Claims for dread disease insurance or insurance for carcinoma in situ only qualify for single payments.

Insurance Payment due to Dread Diseases Insurance that covers cancer, acute myocardial infarction and cerebral stroke, as well as death Whole Life Term

- 1 Insurance provides a **lump-sum payment in cases of designated cancer (malignant neoplasm), acute myocardial infarction, and cerebral stroke**.
- 2 Insurance provides **10%** of the insurance payment for dread diseases in case of **specified types of cancer (such as carcinoma in situ)**.
*Full claim payments can be made against three dread diseases or death even after payment of claim on diagnosis of carcinoma in situ.
- 3 After **acute myocardial infarction or cerebral stroke**, dread disease insurance claims can be made not only after official certification that the condition has lasted at least 60 days, but also for any **surgical procedures needed to treat the condition**.
*Claims for dread disease insurance or insurance for carcinoma in situ only qualify for single payments.
- 4 Insurance provides a **lump-sum death benefit**.
*Only one policy claim payment can be made against either dread disease insurance or death coverage.

Physical Disability Insurance Insurance that covers physical disability and death Term Easy-to-understand policies linked to the physical disability certificate system

- 1 Insurance provides a **lump-sum payment of a physical disability benefit if the insured person is issued a level 1–3 physical disability certificate after becoming physically disabled as stipulated by the Act on Welfare of Physically Disabled Persons**, regardless of whether the disability was caused by illness or injury.
▼ **Examples of physical disability**
 - Paralysis of both legs, with virtually no function (Level 2)
 - Visual acuity index of 0.01 or less using both eyes (Level 1)
 - *Level of disability shown in parentheses
 - *Sight measured using official visual acuity test chart with subject using corrective eyewear in cases of refractive anomaly.
 - *For further details, please refer to Table No. 5 attached to the Ordinance for Enforcement of the Act on Welfare of Physically Disabled Persons, as published on the website of Japan's Ministry of Health, Labour and Welfare.
 - *Based on the Act on Welfare of Physically Disabled Persons as of January 2015.
- 2 Besides **treatment expenses**, insurance payments may be used to cover other costs or to **supplement a decline in income**.
- 3 Insurance provides a **lump-sum death benefit**.
*Only one policy claim payment can be made against either physical disability insurance or death coverage.

Nursing Care Insurance Insurance that covers specified conditions that require nursing, as well as death Whole Life Term Easy-to-understand policies linked to the public nursing care insurance system

- 1 **Nursing care insurance claim provides a lump-sum payment or annuity** in case the insured person is designated as **requiring nursing care at level 2–5** under the public nursing care insurance system, or **requires nursing care as stipulated by our standards**.
*Payment via annuities may not be available if Nippon Life does not handle the relevant system when requests are made.
▼ **Examples where nursing care is required**
 - Daily nursing care support required for Alzheimer's patients prone to wandering off (Level 2)
 - Full toilet and bathing nursing care support required on a daily basis for patient bedridden due to fracture or having difficulty walking due to muscular atrophy (Level 3)
 - *Reference: *Nursing Care Insurance Explained* (3rd Edition), Kazunori Yamanoi & Michito Ueda (Toyo Keizai)
 - *Provided as examples only. Actual circumstances will vary according to patient circumstances and local conditions, leading to variations in nursing care requirements.
 - *Based on public nursing care insurance system as of January 2015.
- 2 Besides **nursing care costs**, insurance payments may be used to cover other costs or **supplement a decline in income**.
- 3 Insurance provides a **lump-sum death benefit**.
*Only one policy claim payment can be made against either nursing care insurance or death coverage.

Insurance to Cover Medical Risks

General Medical Insurance

Insurance that covers hospitalization and surgery, etc.
Hospitalization coverage details are selected at enrollment.

Whole life

Term

Easy-to-understand policies linked to the public medical insurance system

- 1 <With hospitalization and care benefit> **Payment of 7 days' worth of daily hospitalization benefit in case of hospitalization of one night and two days**

| | | | | |
|---|---|---|---|---|
| <Hospitalization and care benefit> Five days' worth of daily hospitalization benefit | + | <Hospitalization benefit> Two days' worth of daily hospitalization benefit | = | <Total> Seven days' worth of daily hospitalization benefit |
|---|---|---|---|---|

- 2 <With twice the amount of protection for specified diseases> In case of hospitalization due to **the seven major lifestyle-related diseases and certain other conditions**, a hospitalization benefit equivalent to **twice** the amount of the daily hospitalization benefit will be paid per day.
<With twice the amount of protection for specified women's diseases> In case of hospitalization due to **designated cancers, specified women's diseases or certain other conditions**, a hospitalization benefit equivalent to **twice** the amount of the daily hospitalization benefit will be paid per day.

- 3 **In case of surgery and certain other procedures covered by the public medical insurance system** (including certain surgical procedures and other advanced medical procedures), a surgery benefit will be paid. *Some surgical procedures are excluded.

Cancer Medical Insurance

Insurance that covers hospitalization, surgery, etc., due to cancer

Whole life

Term

Easy-to-understand policies linked to the public medical insurance system

- 1 Protection is provided for **an unlimited number of days for hospitalization due to cancer**.
- 2 **In case of surgery and other procedures covered by the public medical insurance system** (including certain surgical procedures and other advanced medical procedures), a surgery benefit will be paid. *Some surgical procedures are excluded.

Limited Injury Insurance

Insurance that covers treatment for broken bones, joint dislocation and severed tendons due to an accident

Term

- 1 **A lump-sum payment** is provided in case of treatment for broken bones, joint dislocation and severed tendons due to an accident. (Payment of ¥50,000 or ¥100,000 may be selected at enrollment.)
*Payments also cover cracked bones and avulsion fractures. *Insurance provides up to 10 lump-sum payments.

*General medical insurance, cancer medical insurance, and limited injury insurance policies have no surrender value and do not provide any death coverage.

*General medical insurance and cancer medical insurance policies can acquire a surrender value as detailed below after the premium payment period has passed in cases where the policy term is whole life. (General medical insurance: 20 days' worth of daily hospitalization benefit; cancer medical insurance: 5 days' worth of daily hospitalization benefit)

Insurance to Cover Death Risk

Whole Life Insurance

Insurance providing death protection over the insured's whole life

- 1 Surrender benefits will increase over time elapsed since enrollment, **providing a means of asset formation**.
- 2 After the premium payment period ends, **policyholders may opt to receive annuities** instead of all or part of their death coverage.
*This service may not be available if Nippon Life does not handle the relevant system when requests are made.

Term Life Insurance

Insurance with death protection for a set period

- 1 Policyholders can secure **a large amount of death protection with inexpensive* premiums**.
* For example, premiums will be lower relative to those for a whole life insurance policy provided under the same conditions, such as age, gender, coverage amount, and payment method.
- 2 Policyholders may also **switch to a whole life insurance policy with an equivalent coverage amount or less, irrespective of health condition, on anniversary dates of policies or when renewing policies**.
*Conditions may differ for policies with an insurance premium waiver rider.
*This service may not be available if Nippon Life does not handle the relevant system when requests are made.

Term Life Insurance with Survival Benefits

Insurance that provides special payouts in addition to death protection for a set period

- 1 Insurance that provides **special payouts (survival benefits) every three years and at maturity**.
*The special payouts provided every three years are automatically deferred.

Every three years ▶ Coverage amount x 3%

At maturity (at end of coverage period) ▶ Coverage amount x 30%

- 2 Deferred special payouts may **be withdrawn by request**.
- 3 Deferred special payouts will **earn interest at a prescribed rate**.

Insurance to Cover the Risk of Requiring Accumulated Funds for Old Age and Other Risks

Annuities Insurance that enables systematic planning of living expenses after retirement

- 1 Enables policyholders to systematically prepare funds to cover living expenses in old age, as well as funds for future needs such as education, marriage, and purchasing a home.
- 2 A "tax deduction for individual annuity premiums" is available separately from the "tax deduction for general life insurance premiums."
*Subject to attachment of the tax-qualified individual annuity premium rider.
- 3 The start date for annuity payments can be postponed or the type of annuity may be changed when annuity payments start.
*This service may not be available if Nippon Life does not handle the relevant system when requests are made.

Endowment Insurance Insurance that enables asset formation over a set period while providing death protection

- 1 Maturity payments (the same amount as mortality claims) are provided at maturity.
- 2 Payout on death (equal to maturity benefits) can be made if the policyholder dies prior to receiving the maturity benefits.

Information About Riders [Obtain additional peace of mind by attaching riders to your combination of insurance]

Insurance Premium Waiver Rider

- One of the three dread diseases
- Designated physical disability
- Designated condition requiring nursing care

Future premium payments will be waived in situations where there is a risk of a decline or loss of income, such as the situations above.

Living Needs Rider

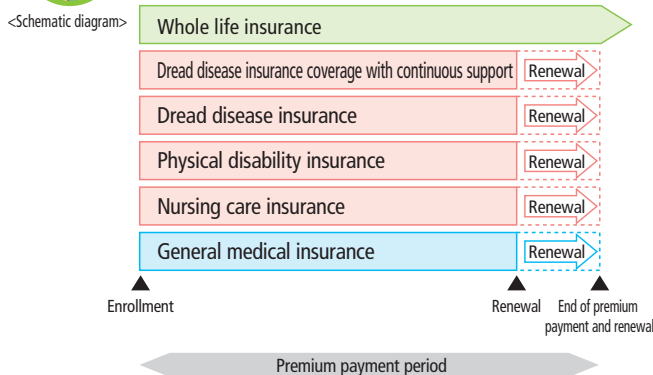
- Rider is free of charge
- Automatically attached

When the insured is pronounced to have six months or less to live, full or partial mortality insurance claims are paid.

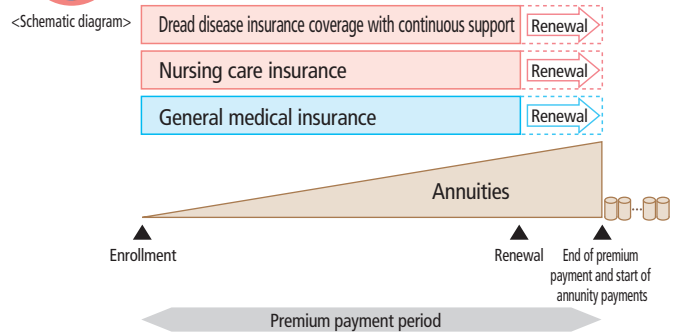
- *This rider cannot be added to dread disease insurance coverage with continuous support, general medical insurance or cancer medical insurance policy or to annuities.
- *The living needs rider benefit is not paid for term life insurance policies maturing in one year or less (excluding cases where these policies can be renewed).

Examples of Policies

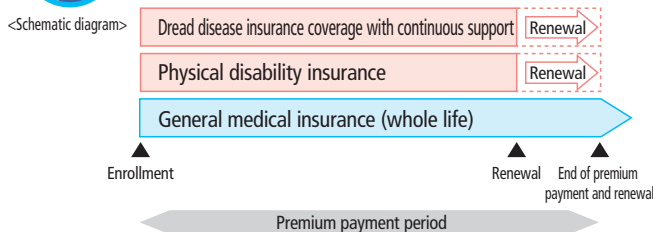
For heads of households seeking comprehensive coverage to protect their families against unexpected events:



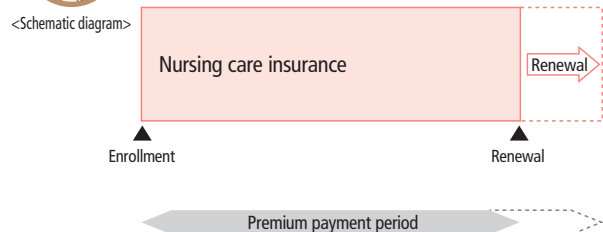
For women seeking coverage for themselves and post-retirement living expenses:



For young people seeking coverage for serious illnesses or injuries while keeping premiums as low as possible:



For seniors seeking to provide for nursing care:



Other Products

[Products for Children]

| | Type of Insurance | Summary | Product Name |
|-------------------------|---------------------------------------|---|--|
| Protection for children | Juvenile insurance | Insurance that provides for children's education expenses, the death of the policyholders, etc. | Nissay Juvenile Insurance (<i>Genki</i>) |
| | Children's general medical insurance* | Insurance that covers children's hospitalization, surgery, etc. | |
| | Education endowment insurance | Insurance that accumulates savings to pay for children's university education, etc. | Nissay Educational Endowment Insurance |

* Policy must be combined with juvenile insurance.

[Single-Payment Products]

| | Type of Insurance | Summary | Product Name |
|---|-------------------------------------|--|--|
| Asset formation and retirement coverage | Single-payment whole life insurance | Insurance provides death coverage for life while enabling asset formation, with a single premium payment | Nissay Single-Payment Whole Life Insurance (<i>My Stage</i>) |
| | Single-payment annuities* | Supplement post-retirement living expenses, with a single premium payment | Nissay Single-Payment Annuities |
| | Single-payment endowment* insurance | Insurance provides death protection for a set period while enabling asset formation, with a single premium payment | Nissay Single-Payment Endowment Insurance |

* Sales have stopped as of July 1, 2015.

© In addition to the above, Nippon Life offers the following products mainly through the bank assurance channel*¹.

| <Type of Insurance> | <Product Name> |
|---------------------------------------|--|
| ● Single-payment whole life insurance | Nissay Variable Interest Rate Single-Payment Increasing-Cover Whole Life Insurance (three-yearly and yearly death benefit increase types) |
| ● Single-payment whole life insurance | Nissay Single-Premium Whole Life Insurance Policy with Variable Accumulation Rate in Designated Currency (U.S. dollar, euro* ² , Australian dollar denominated) |
| ● Single-payment annuities | Nissay Variable Accumulation Rate Annuities (fixed interest rate type) |

*¹ Some financial institutions sell Nissay Variable Accumulation Rate Type Single-Payment Whole Life Insurance (U.S. dollar denominated).

*² Sales of euro-denominated policies were on hold as of July 1, 2015.

*The foregoing statements provide an overview of products (riders) and do not include all information related to the policy.

When considering a policy, please be sure to confirm by reading the *Guide to Types of Insurance*, pamphlets, prospectuses (policy guides), reminders, *Policy Clause—Bylaws/Terms and Conditions* and other materials.

Services

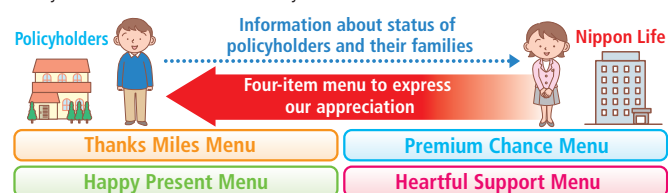
<Zutto Motto Service>



The *Zutto Motto Service* is a unique Nippon Life service offered to policyholders. This service reflects Nippon Life's commitment to work even harder and longer ("zutto motto") at providing each policyholder with better after-sales services.

Through this service, policyholders and their families provide us with up to date information about their status. In return, we supply timely information that reflects changes in the lives of policyholders. Staying in touch also

makes it possible to perform insurance claim and benefit procedures and many other tasks more efficiently.



*For further details on the *Care Guidance Service*, Best Doctors® Service and *Zutto Motto Service*, please see Nippon Life's corporate website or various brochures on services.

One of the benefits of *Zutto Motto Service* is a free consultation service on health, nursing care, and childcare matters.

| Service Name | Summary |
|---|---|
| | A telephone counseling service by female specialists to discuss health issues and medical symptoms specific to women. ※Limited to female policyholders |
| | Offers around-the-clock telephone counseling with specialists about the health and care of children. |
| Free health and nursing care consultation | A consultation service to discuss matters of concern relating to healthcare or nursing care with a specialist. |

*Individual customers issued with an ID by Nippon Life are eligible for the *Zutto Motto Service* (some exceptions exist; there is also a separate *Corporate Zutto Motto Service* for corporate clients).

*The *Wellness-dial f Service*, the *Childraising Advice Hotline* and free health and nursing care consultation are provided by Life Care Partners Co., Ltd. This is not an insurance product or service of Nippon Life.

<Best Doctors® Service>

ベストドクターズ・サービス

Best Doctors, Inc. introduces suitable physicians to contact from the specialists selected for its Best Doctors in Japan™ list.

*Best Doctors® and Best Doctors in Japan™ are trademarks of Best Doctors, Inc. in the United States and other countries.

◎ Nippon Life policyholders with the following types of insurance are eligible for the service.

| | | | |
|---|---|--------------------------------------|---|
| Mirai no Katachi Limited to policyholders with dread disease insurance (with or without continuous support) or general medical insurance coverage | Juvenile insurance Limited to policyholders with children's general medical insurance coverage *Educational endowment insurance not included | Long-term term life insurance | Increasing term life insurance Only increasing term life insurance (participating since 2012) |
|---|---|--------------------------------------|---|

*In addition to the above, customers covered by comprehensive medical riders (such as *Mirai Support*) or general medical insurance policies (*My Medical*) are also eligible for the service.

◎ Policyholders diagnosed with the following conditions are eligible for the service.

| | | | |
|---|--|--|---|
| Cancer (broadly defined, including benign brain tumors) | Heart disease (typically requiring surgery) | Stroke (typically requiring surgery) | Liver disease (typically requiring surgery) |
| Ocular diseases (typically requiring surgery) | Orthopedic disorders (typically requiring surgery) | Gynecological treatment (excluding infertility treatment) (typically requiring surgery) | |

*The Best Doctors® Service is provided by Best Doctors, Inc. This is not an insurance policy or service of Nippon Life.

*The list of eligible conditions above is subject to change. Some services may not be available depending on the region or specific circumstances.

*Disease/diagnostic criteria used to confirm eligibility for the Best Doctors® Service differ from those applied to products provided by Nippon Life.

<Care Guidance Service>

ケア・ガイダンス・サービス

～介護に備える訪問相談サービス～

With this service, care managers and other specialist staff of Nichii Gakkan Company, which operates Japan's largest network of senior nursing care services, visit customers at home to consult with them about their future nursing care concerns.

◎ Policyholders and those covered under the following policies are eligible for the service.

| |
|--|
| Mirai no Katachi *Only policyholders with nursing care insurance |
|--|

◎ This service is appropriate for the following kinds of concerns or questions relating to nursing care.

- Concerns about parents living separate from policyholder
- Questions about costs of nursing care
- Questions about public nursing care service-related procedures
- Questions about home remodeling required for possible future nursing care needs

*The *Care Guidance Service* is promoted and handled by Life Care Partners Co., Ltd. This is not an insurance product or service of Nippon Life.

*For further details on the *Zutto Motto Service*, Best Doctors® Service, and *Care Guidance Service*, please see Nippon Life's corporate website, pamphlets, or other materials.

Non-Life Insurance Products



Nippon Life handles non-life insurance products centered on the automobile insurance and fire insurance products as an agency for Aioi Nissay Dowa Insurance Company Limited. In automobile insurance, Nippon Life has been promoting sales of *Long*, a long-term automobile insurance product with special payouts. *Long* offers special "accident-free" payouts*1 to policyholders who have no accidents during the coverage period of three years. *Long* offers many advantages to customers; for example, the premium rate determined at enrollment stays fixed at its original annual rate for each year, even if the

policyholder has an accident during that time. Also, policyholders need not undertake annual renewal procedures during the coverage period. For a good deal, we recommend the "Long Policy"*2 for fire insurance and earthquake insurance as well.

Since January 2015, in response to a rise in demand in recent years, Nippon Life has also started offering *Pet Insurance**3 policies to provide coverage for veterinary care expenses.

*1 10% of the first-year premium.

*2 Tough house insurance (policy with multi-year annual payments or multi-year installment payments) with up to five years of coverage.

*3 Insurance coverage for pets' veterinary care expenses is a type of non-life policy that is underwritten by au Insurance Co. Ltd. and marketed by Aioi Nissay Dowa Insurance. Nippon Life sells *Pet Insurance* as an agency for Aioi Nissay Dowa Insurance.

*The above statements provide an overview of products (riders). When considering a policy, please be sure to confirm details by reading pamphlets, the Explanations of Important Matters, Policy Overview and Reminders, the Policy Clause (Ordinary Insurance Policy Clause—Terms and Conditions and Riders), and other materials.

From Application to Conclusion of a Policy

General procedures and information disclosure at the time of enrollment in an individual insurance policy are mainly as follows.
*Processes may not necessarily follow the pattern below due to policy details, the scheduling of various procedures and other factors.

Procedure Flow

Considering a Plan

Tell us what kind of coverage you want.
Examine the plans by referring to the prospectuses (policy guides) and product pamphlets.

*Please be sure to read prospectuses (policy guides) when considering an insurance policy application, as they contain important matters regarding coverage details, situations in which insurance claims and benefits cannot be paid and other information.

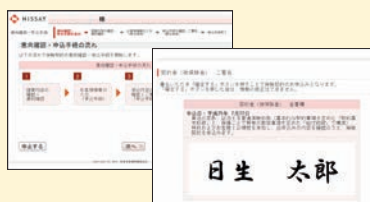


Product pamphlet

Application

We ask the policyholder and insured person to reconfirm before applying that the product is what they really want, and then enter these details via the REVO customer intention confirmation screen.

The policyholder and insured person should enter their data and provide the digital signature by inputting it into the REVO wireless terminal. We also ask them to certify with their signatures that they have received the *Especially Important Notifications* and *Policy Clause—Bylaws/Terms and Conditions*.



Application procedure screens

Before proceeding with the application procedure, we clearly explain important matters and demerit information

To prevent unreasonable loss for customers due to a lack of information, Nippon Life has prepared a pamphlet entitled *Especially Important Notifications** that explains items we would especially like customers to confirm, such as product details, disclosure obligations, examples of when insurance claims and benefits cannot be paid and other items. The pamphlet is given to customers along with the *Policy Clause—Bylaws/Terms and Conditions*.

* *Especially Important Notifications* includes prospectuses (policy guides) and reminders.

Disclosure

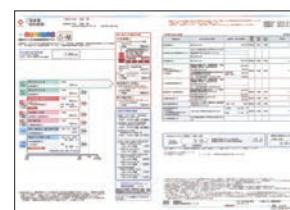
When entering information about the insured's medical history and current state of health via the REVO disclosure screen, or when answering questions posed by a doctor designated by Nippon Life during an examination, please provide accurate and complete answers.

Duty of Disclosure and Penalties for Nondisclosure

Policyholders and insured persons are required to disclose accurate and complete information regarding their health condition. Please be aware that in the event that facts are not disclosed or inaccurate information is provided, whether intentionally or by gross negligence, the policy or rider may be cancelled on the grounds of nondisclosure, and Nippon Life might not pay insurance claims and benefits.



Disclosure screens

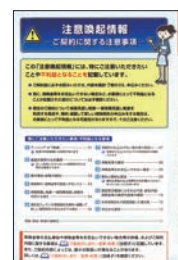


Prospectuses (policy guides)

Guidance on Policies and Services

To ensure greater peace of mind for customers, in addition to sales representatives, customer service representatives also conduct meetings with customers to provide explanations via telephone or an actual visit to confirm application details and provide guidance on policy procedures.

The goal is to help customers to understand insurance products and important matters more clearly, as well as to improve after-sales services based on accurate customer information.



Reminders

Conclusion of a Policy

Commencement of Policy Coverage

Once a customer agrees to have Nippon Life underwrite their insurance policy, policy coverage commences upon the completion of the application and disclosure process. (Processes differ for single-payment insurance policies.)

Confirmation of "Policy Content Notice"

Once a policy is underwritten, Nippon Life sends the "Policy Content Notice" to the policyholder. We ask the customer whether or not there are discrepancies between the information provided on the "Policy Content Notice" with that provided at the time of application.

In the event that the policy content differs, or if you have any questions, please contact a Nissay Call Center using the contact details provided on the reverse side of the "Policy Conclusion Notice."

Customer ID Notice

Nippon Life will send you a customer ID, which is necessary to complete various services and procedures.

When you have received the Customer ID Notice, please promptly register your password (a 4-digit PIN code).

*In principle, Nippon Life will not deliver a Customer ID Notice to customers who already have such an ID. These customers are asked to log in to their account from the Nippon Life website, and confirm whether their customer ID and password (4-digit PIN code) are valid.

Confirmation of Policy Content

Nippon Life employees or parties entrusted by Nippon Life may phone or visit policyholders, the insured and beneficiaries in order to confirm the content of application forms, disclosure forms or content of requests for insurance claims and benefits payments. Regarding the medical condition of the insured, Nippon Life may also make inquiries and otherwise seek confirmation through the doctor who examined the insured.

Decisions About Underwriting (at Nippon Life)

Life insurance is a system wherein a large number of people, through insurance payments, mutually support one another. In order to maintain fairness between policyholders, decisions about underwriting are made based upon the content of the application and disclosure forms.

Payment of Premiums

After the conclusion of a policy, Nippon Life requests that customers pay premiums using the method that they designated at the time of application.

■ Policy Clause—Bylaws/Terms and Conditions need to be kept in safe, secure storage

The *Policy Clause—Bylaws/Terms and Conditions* contain critical information about the policy and various procedures. As such, it is an extremely important set of documents that must be consulted not only during the application process, but during the term of the policy. Terms and conditions of the policy dictate the agreement from policy enrollment to expiration and contain information about claims receiving as well as the processing of premium payments and also explain about the invalidation of the policy in the event of premium nonpayment and the handling of policy cancellations.

As a means of lowering its environmental impact by reducing the volume of paper it uses, Nippon Life has begun providing policy clauses in CD-ROM format beginning with new products launched in April 2012. (Printed policy clauses containing the data recorded on the CD-ROM are provided to customers requesting printed copies and to policyholders 70 years of age or over.)

■ Cooling Off System

◎ Under what is known as the cooling off system, applicants and policyholders may withdraw their applications or cancel their policies by submitting a written request within eight days from the later date of either the application date or the date they received the *Policy Clause—Bylaws/Terms and Conditions*. In this case, written requests under the cooling off system are considered active from the time they are sent (the postmark date) and must be postmarked within the eight day period and sent to the sales offices or Nissay Life Plazas that handled the application or policy.

◎ If the customer decides to change his/her mind under the provisions of the cooling off system, Nippon Life will return in full any premiums received during the cooling off period. (If the policyholder had used the coverage revision system or partial coverage revision system, the policies will be returned to the policies in force before the systems were used.)

◎ The cooling off system does not apply after an examination by a doctor designated by Nippon Life or when the customer is a corporate client.

Provision of Information During the Term of a Policy

The term of a life insurance policy is long. To ensure that insurance claims and benefits are filed for without error after an unexpected event, it is important to confirm the content of the policy during its term and ensure that not only the policyholder, but also both the insured person and the beneficiary (or designated proxy (see p. 89)) understand the content through the policyholder.

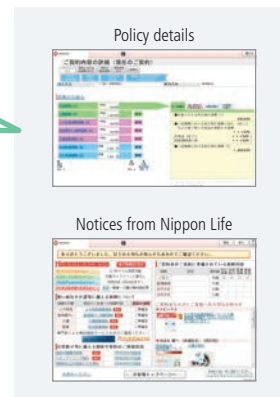
In this section, we explain how policy content is confirmed during the policy term.

Policy Details Confirmation Activities

Sales representatives visit customers and use REVO wireless devices to confirm the details of their policies and note whether they have had any surgeries or other medical procedures. Sales representatives also provide customers with useful information regarding healthcare and other topics.

The following details are confirmed:

- Premiums, claims and benefits, and the coverage period, as well as reasons for payment of claims and benefits and amounts receivable for each reason
- Use of services and riders that are available free of charge, introduction to procedures, and other useful information for policyholders
- Surrender benefits and policy loan limits
- Use of *Zutto Motto Service*, etc.

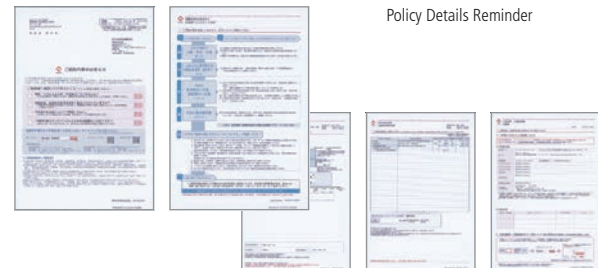


Information on
"Consistent Protection" and
"Superior Services"

Policy Details Reminder

Once a year, information regarding the insurance policies in which customers are enrolled, policyholder dividends and other topics is sent to customers by post.

Customers can view the latest details of their policies on the Policyholder Services on the Nippon Life website (see p. 87).



Policy Details Reminder

Provision of Information Relating to Policy Coverage Revision Systems

When considering an insurance plan using the coverage revision system, we provide explanations about other methods for revising coverage details, and use materials to clearly show how insurance plans will differ before and after using this system.

In addition, Nippon Life also explains the key points of the coverage revision system and points to consider when using this system.



Materials for customers to use when using the coverage revision system

Other Important Notices

In addition to the above, Nippon Life provides a variety of notices including Certification of Life Insurance Premium Deduction, and depending on the policy, the Guidance on Policy Maturity and the Guidance on Payment of Survival Benefits (Automatic Deferral). Each of these are important notices, so we kindly request that our customers carefully confirm the content.



A Certification of Life Insurance Premium Deduction

Confirmation of Policy Content Via the Internet

Policyholders can access a variety of services by logging on to the Nippon Life website, such as confirming their policy content, changing addresses and conducting financial transactions, including policy loans, as well as performing procedures related to the *Zutto Motto Service*.

[The Home Page of the Nippon Life Website]



[Screen for Policyholder Services]

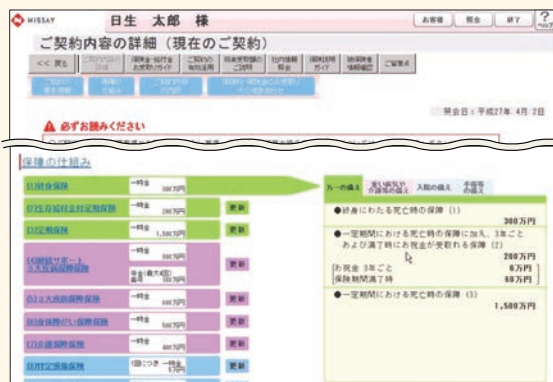


*These screenshots were taken in April 2015.

Confirming Policy Content Using Policyholder Services

When policyholders log on to policyholder services they can confirm their customer information and family information, including addresses, telephone numbers and e-mail addresses as well as their policy content, including details of coverage and beneficiary information. They can also add or change information.

[Policy Content Details Confirmation Webpage]



Available Services

- **Inquiries regarding the contents of life insurance and non-life insurance policies**
- **Various procedures**
 - Change of address or telephone number
 - Registration or change of mobile phone number, place of work, or e-mail address
 - Registration or change of family information
 - Requests to change riders
 - Registration or change of password (4-digit PIN code)
 - Issue of provisional password
 - Reissue of a Certification of Life Insurance Premium Deduction
 - Termination of automatic transaction services
 - Confirmation of claim procedures
- **Fund transactions**
 - Withdrawals for policy loans, accumulated dividends, deferred insurance payments, etc. } Withdrawal
 - Repayment of policy loans } Payment*
 - Payment of premiums }
- **Zutto Motto Service procedures and other items**

* Customers may pay by bank transfer via a Net banking service or at a convenience store after completing online procedures on the Nippon Life website.

Available Net Banking Services

The Net banking services of the following banks may be used: Japan Net Bank, Limited, Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Japan Post Bank Co., Ltd.

Available Convenience Stores (Payment of premiums)

The following convenience stores may be used: Seven-Eleven Japan Co., Ltd., Lawson, Inc. and Seicomart Company, Ltd.

*Certain procedures can be carried out using the Internet via mobile phones (see p. 25).

Requesting Payment of Insurance Claims and Benefits

In the event of hospitalization, surgery or other unexpected events that may warrant the payment of insurance claims or benefits, the first thing to do is to contact us through your sales representative, visit a nearby Nissay Life Plaza or other service counter, or telephone one of our call centers. Benefit claim forms can be downloaded from the Nippon Life website.

To prepare for the unexpected, please confirm the details of your policy and make sure that the insured person and the beneficiary (or designated proxy) also understand the details of the policy.

Procedure Flow

An Event Occurs That Is a Reason for Payment of Claims or Benefits

When an event occurs that is a reason for payment of claims or benefits, please contact us through your sales representative, visit a nearby Nissay Life Plaza or other service counter, or telephone a Nissay Call Center. Benefit claim forms can be downloaded from the Nippon Life website.

Nissay Call Centers 0120-201-021 (Toll-free in Japan)

Filing a Mortality Insurance Claim

The beneficiary himself or herself should file a mortality insurance claim.

Filing a Claim for Hospitalization and/or Surgery

The insured person should personally file any claim for hospitalization and/or surgery benefits. In the event of the death of the insured, his/her lawful heir(s) should submit the payment request. However, in the event that such heir(s) is (are) unable to submit a payment request of their own volition, a designated proxy may submit the claim.

Receiving Claim Processing Documents

We will provide you with a set of claim processing documents, either in person or by post. In the case of sending by post, the forms will be dispatched around one week after you contact us.

*We may be unable to process claims by post in some cases.

Documents Required for Processing Claims

Please confirm the documents required for processing claims shown on the guidance sheet provided to you when filing claims.

Submitting Claim Processing Documents

After filling out the required sections of the claim processing documents, submit them to your sales representative either in person or by post. You can also bring them to a service counter yourself.

Payment Assessment

We will perform a payment assessment based on the claim processing documents you provide.

Receiving Payment of Claims or Benefits

If the payment assessment results in a decision to make a payment, you will be asked to carry out payment procedures.

Once the payment procedures are complete, we will send you a Payment Statement by post. Please confirm the details of the statement.

In cases where we cannot make a payment for a claim, we will notify you of the reason.

Guidance for Application Procedures

To ensure that customers receive full payments of claims and benefits, Nippon Life delivers documents with information about the application procedure and related matters and prepares various booklets and pamphlets.

Information Provided When Applying for Payment of a Claim or Benefit

After receiving an application, Nippon Life sends the policyholder a document with information about the application procedure.

The document informs policyholders of the documents required to submit a claim. Policyholders can also use this document to reconfirm the content of their claim and policy and to check that they have not overlooked any claims.

A screen explaining the procedures for benefits and points to remember can be viewed on the Company website and on REVO wireless devices carried by sales representatives.



Screenshots

About the Receipt of Insurance Claims and Benefits

This booklet explains the procedures for requesting insurance claims and benefits, as well as examples of circumstances in which payments may or may not be received.

The pamphlet is also available on Nippon Life's website.



Information Provided When a Claim or Benefit Payment Is Received

To ensure that customers receive all claim and benefit payments they are entitled to, Nippon Life encloses materials about various points to check payment statements.



Guidance for All Steps Involved in Processing Claims and Benefits Payments

Customers can use the Nippon Life website to confirm examples of common errors made when filing claims, along with confirming the contents of their policies.



■ Designated Proxy System

The Designated Proxy System is a system whereby a designated proxy may request the payment of benefits on behalf of the beneficiary in the event that the beneficiary is unable to request payment of his/her own volition, or in the event that circumstances designated by policy clauses occur. A designated

proxy must be selected in advance through prescribed procedures. This system may also be applied to your existing policy (service not applicable to corporate policies).

■ In the Event That a Policy Is Invalidated, Customers Will Be Unable to Receive Insurance Claims, Annuities and Benefits

Please pay your premiums by the monthly deadline using the designated payment method. In the event that no premium payment is made, Nippon Life will send a notice to the policyholder. However, if the premium payment is not made within a designated period, the policy will be invalidated*. If the

policy is invalidated, customers will be unable to receive insurance claims, annuities, and benefits even if there is a reason for payment.

* Procedures differ depending on the type of policy, enrollment period, and other factors, so please confirm the *Policy Clause—Bylaws/Terms and Conditions* for the policy you are enrolled in.

Consultation Counter for the Receipt of Payments of Insurance Claims and Benefits

Nippon Life has a consultation counter exclusively for the receipt of payments of insurance claims and benefits by customers. Customers are encouraged to contact the Nissay consultation counter with any queries relating to receiving policy claims, benefits, or related points (specialist consultants are available to answer questions directly).

For customers who are dissatisfied with the explanation provided by the sales representative and wish to consult with a third party, we have also established the Outside Lawyer Consultation System, whereby we introduce these customers to lawyers from outside of the Company, with whom Nippon Life has not concluded advisory agreements, for free consultations. If you wish to use the Outside Lawyer Consultation System, please enquire at a Nissay office.

When a customer files an objection regarding the payment of insurance claims or benefits, the Claims-Related Services Review Session reviews the appropriateness of the claim and makes recommendations to the payment divisions based on its findings. Two lawyers from outside of the Company* are appointed as the chair and vice-chair of this committee.

If customers remain unsatisfied after using the Outside Lawyer Consultation System, they can request a review by the Claims-Related Services Review Session.

* Legal professionals with whom Nippon Life has not concluded advisory agreements

[Use of the Request System in the Fiscal Year Ended March 31, 2015]

| | Number |
|--|--------|
| Number of cases where the Outside Lawyer Consultation System was used | 5 |
| Number of cases deliberated at the Claims-Related Services Review Session due to requests for review arising from the Outside Lawyer Consultation System | 2 |
| Number of cases where advice was received as a result of deliberations at the Claims-Related Services Review Session | 0 |

Products and Services for Corporate Customers

Nippon Life offers a broad range of products and consulting services to match the needs of corporate managers and company owners who are working to enhance benefit plans for their employees.

Nippon Life's Main Corporate Products (as of July 2015)

Self-reliant products: Insurance premiums that are borne not by the corporation or organization, but by the executives and employees themselves.

| Company and Organization Benefit Systems | | | Products That Meet the Needs of Company and Organization Benefit Systems |
|--|---------------------------------------|---|--|
| Provision for executives and employees | Survivor coverage | <ul style="list-style-type: none"> Plan for retirement funds payable on employee's death and condolence payments Non-statutory workers' accident compensation plan Plan providing pensions for surviving family/children | <ul style="list-style-type: none"> General Welfare Group Term Life Insurance |
| | | <ul style="list-style-type: none"> Plan for executive/employee self-reliant aid | <ul style="list-style-type: none"> Group Term Life Insurance (Optional Group Term Life Insurance) |
| | Disability coverage | <ul style="list-style-type: none"> Disability coverage plan | <ul style="list-style-type: none"> New Group Disability Income Insurance Group Long-Term Disability Income Support Insurance |
| | | <ul style="list-style-type: none"> Plan for executive/employee self-reliant aid | <ul style="list-style-type: none"> Group Long-Term Disability Income Support Insurance |
| | Medical coverage | <ul style="list-style-type: none"> Medical coverage plan | <ul style="list-style-type: none"> General Medical Life Insurance (Group Type) |
| | | <ul style="list-style-type: none"> Plan for executive/employee self-reliant aid | <ul style="list-style-type: none"> General Medical Life Insurance (Group Type) Dread Disease Term Insurance |
| | Retirement coverage | <ul style="list-style-type: none"> Plan for retirement allowance and old-age pensions Single retirement allowance system | <ul style="list-style-type: none"> Defined Benefit Corporate Pension Plans Employees' Pension Fund Insurance New Insured Pension Plans Defined Contribution Pension Plans |
| | | <ul style="list-style-type: none"> Plan for executive/employee self-reliant aid | <ul style="list-style-type: none"> Insured Contributory Pension Plans Insured Contributory Pension Plans (Capital-Protected) |
| Provision for owners | Survivor coverage | <ul style="list-style-type: none"> Plan for retirement funds, death coverage and condolence payments for executives | <ul style="list-style-type: none"> Nissay <i>Key Man</i> Insurance*¹ Nissay Long-Term Term Insurance*² |
| | Retirement coverage | <ul style="list-style-type: none"> Executive retirement allowance plan | <ul style="list-style-type: none"> Nissay Increasing Term Insurance Nissay Long-Term Insurance with Low Surrender Benefits |
| Asset formation | Preparation for buying one's own home | <ul style="list-style-type: none"> Asset formation promotion plan | <ul style="list-style-type: none"> Workers' Asset-Formation Housing Funding Insurance (Nissay Workers Asset-Formation Housing Plans) |
| | | <ul style="list-style-type: none"> Home loan plan | <ul style="list-style-type: none"> Group Credit Life Insurance |
| | Retirement coverage | <ul style="list-style-type: none"> Asset formation promotion plan | <ul style="list-style-type: none"> Workers' Asset-Formation Pension Fund Insurance (Nissay Asset-Formation Pension Fund Insurance) |
| | Various life plans | <ul style="list-style-type: none"> Asset formation promotion plan | <ul style="list-style-type: none"> Workers' Asset-Formation Savings Insurance (Nissay Asset-Formation Savings Plans) |
| | | <ul style="list-style-type: none"> Asset formation incentive plan | <ul style="list-style-type: none"> Workers' Asset-Formation Benefits Savings Insurance (Nissay Workers' Asset-Formation Benefits Savings Insurance) Workers' Asset-Formation Fund Savings Insurance (Nissay Workers' Asset-Formation Fund Savings Insurance) |

*1 The *Key Man* plan is an individual insurance and annuities policy whereby policyholders are corporations.

*2 Also sold to individuals.

*Although the above lists the names of Nippon Life products that pertain to company and organization benefit systems, it does not cover all the particulars pertaining to policies. When reviewing a policy, always confirm details by reading pamphlets, *Policy Clauses—Bylaws/Terms and Conditions*, pre-contract documents based on Article 37-3 of the Financial Instruments and Exchange Act, *Especially Important Notifications* and other information.

Launch of the *DB Package Plan 125-Plus* Defined Benefit Pension Plan

In January 2015, we introduced *DB Package Plan 125-Plus* as a new defined benefit pension plan to promote the spread and enhancement of corporate pension plans for the SME sector. This product is designed to offer security and simplicity at a low cost.

Features of *DB Package Plan 125-Plus*

- (1) Funds managed in a general account offering a guaranteed rate of return, and a scheme design that links results with calculated yields, making it less likely to require additional contributions
- (2) Simple contribution mechanism, with some of the administrative procedures handled by Nippon Life
- (3) Low fee structure (particularly in the enrollment year)



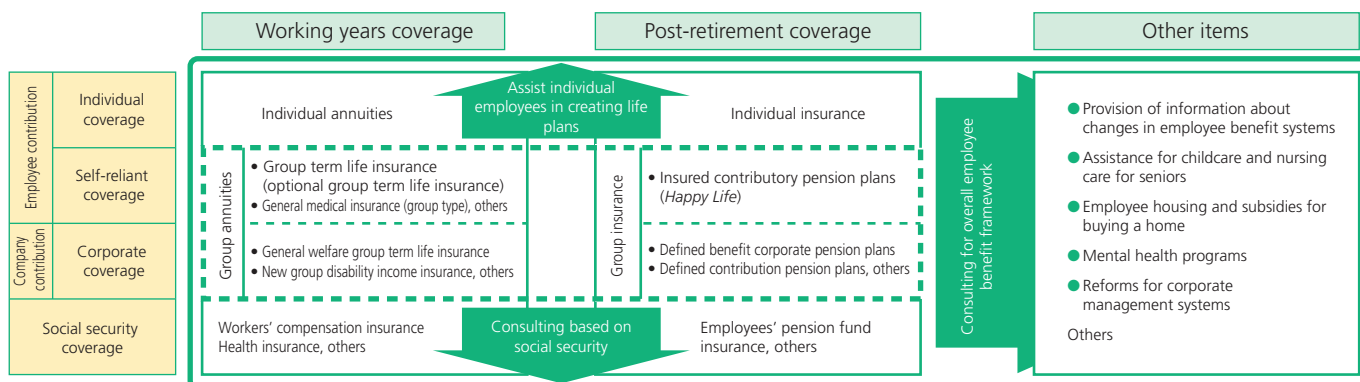
Services for Establishing and Upgrading Employee Benefit Plans

■ Implementation of Total Consulting for Employee Benefits

Significant changes in society and the management of companies are creating more diversity in how companies employ people, how people lead their lives, and in people's awareness of these issues. As a result, an increasing number of companies and other organizations are considering revisions to their employee benefit programs.

We aim to provide Total Consulting for Employee Benefits, in order to work with companies and organizations to solve issues as a primary partner in employee benefits.

[Total Consulting for Employee Benefits]



◎ Consulting for Corporate Coverage

For working years coverage, the objective of this consulting is to help create systems that enable employees to do their jobs without having to worry about coverage. Consulting includes establishing systems that reflect changes in society and companies, including condolence payments and non-statutory workers' accident compensation, support for employees who become unable to work, methods for using corporate insurance, and other subjects.

For post-retirement years coverage, we use a team with pension actuaries, defined-contribution planners and other specialists for pension plan design consulting that encompasses all types of needs for revising retirement payment and pension systems. For example, we assist with major reviews of defined benefit and defined contribution pension plans and with plan consolidations and terminations associated with mergers, acquisitions and the

formation of corporate groups.

For operating pension plans, we provide pension plan operation consulting to devise proposals and advice that match the requirements of companies and organizations. Consulting includes individual proposals, simulations and other assistance concerning asset allocation and investment products that reflect changes in the investment climate.

For pension accounting, we offer consulting on accounting standard changes. As well as providing a thorough analysis of retirement benefit systems when pension accounting standards change, we also calculate retirement benefit liabilities based on the new standard, examine calculation methods and determine specific effects on accounting.

◎ Consulting for Self-Reliant Coverage

One aim of this consulting is to design employee benefit measures such as protection for employees against unexpected events, and a saving plan to supplement government annuities or cover expenses until an annuity starts. Other goals are to increase the use of benefit plans and improve satisfaction with these plans.

We also offer life-design consulting. One aspect of this is a life planning service provided through the constant contact between sales representatives and employees. Employees can also use insurance consultation events and other activities. This consulting offers greater convenience for employees and helps upgrade employee benefit measures at companies and other organizations.

◎ Information Provision Services That Use Surveys and Analysis Concerning Social Insurance and Employee Benefits

Nippon Life supplies information by holding employee benefit and corporate annuity seminars, publishing employee benefit reports and through other activities.

Main Information Services

[Seminars]

- Employee Benefits Seminar
 - Mental healthcare and company assistance for nursing care for seniors and promoting opportunities for women
- Corporate Pension Seminar
 - Trends in pension management and accounting for retirement benefits

[Reports]

- Employee Benefits Report
- Employee benefit information
- Employee Benefits Survey Report
- Annuity News



An employee benefits seminar



Some Nissay Employee Benefits Survey Reports

Launch of the *N-Concierge* Corporate Policy Support Service

New service launched

In February 2015, we introduced the online *N-Concierge* service to provide free around-the-clock assistance for a wide range of products to

[Services available to those covered by corporate policies]

- An extensive lineup of around 14,000 services available (over 15 categories) either free or at special prices
- Specially priced services available within a limited period for products and services provided by Nippon Life and its subsidiaries and partners (value services)
- Free specialist consultation available for individuals and family members on issues relating to mental and physical health, as well as nursing care



Webpage displaying services available to those covered by corporate policies

people covered by eligible Nippon Life corporate policies and people working in the HR or general affairs departments of corporate clients.

[Services available to HR or general affairs personnel]

- Free specialist consultation available on issues such as employee mental health, taking leave, and returning to work
- Specially priced services available relating to welfare-related products and services such as workplace stress testing programs compliant with the revised Industrial Safety and Health Act
- Information freely provided to help resolve labor issues



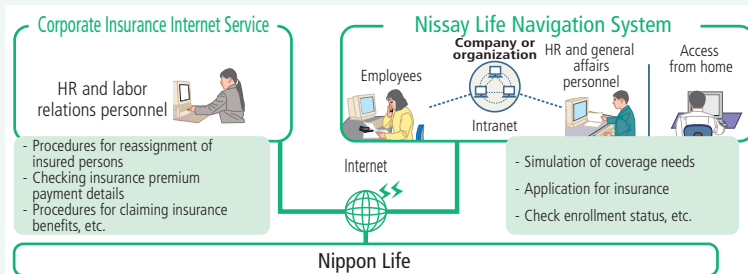
Webpage displaying services available to HR or general affairs personnel

Launch of the Corporate Insurance Internet Service (*Kiho Net*)

New service launched

Since June 2014, Nippon Life has progressively rolled out a new Corporate Insurance Internet Service to make operations easier for human resources and labor relations personnel at companies using group insurance or insured contributory pension plans. The new service enables them to use the Internet to rapidly complete various procedures on screen rather than on paper.

The Nissay Life Navigation System allows employees to use the Internet to apply for insurance, check enrollment status and perform other tasks involving group term life insurance and the insured contributory pension plan. This system improves convenience for employees.



Five-Star Rating for Defined Contribution Pension Plan Call Center for a Second Consecutive Year

The Nippon Life Defined Contribution Pension Plan Call Center received a Five-Star Rating from HDI-Japan* for a second consecutive year following on from fiscal 2013. The center was recognized for excellence in both customer service and call center management.

*HDI (Help Desk Institute) was established in the U.S. in 1989 and has grown to become the world's largest customer support and service association. HDI establishes international support standards, operates an international certification program and carries out other activities. It is active in more than 40 countries and its members include 90% of the companies in the Fortune 500. Activities in Japan are performed by HDI-Japan.



Corporate Zutto Motto Service

Nippon Life has been offering the *Corporate Zutto Motto Service* to registered corporate customers who enrolled in policies for owners. The service has two components: the Nissay Corporate Internet Service and the Management

[Nissay Corporate Internet Service]

- Inquiries about policy content
- Inquiries about accounting-related information
- Information on future receipts
- Various financial transactions and others



The inquiries screen about policy content

Consultation and Employee Benefit Service. The services support various needs at business places and provide convenient services to employees.

[Management Consultation Service (For free)]

- Consultation service for accounting and tax, etc.
- Queries are answered by CPAs, tax accountants, and certified social insurance labor consultants.

[Employee Benefits Service (Special treatment)]

- Discounted rates for hotel accommodation
- Can be used at approx. 4,000 hotels in Japan and 800,000 hotels overseas.
- Discounted rates for fitness and health services
- Reservation for health check services, nursing care, etc. Can be used with special privileges at approx. 110,000 clinics in Japan.

CHAPTER 4

Company Information

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| Alliances to Strengthen the Life Insurance Business | 99 |

Nippon Life's Major Areas of Business

Company Purpose

Article 2 of the Articles of Incorporation stipulates the Company's purpose as pursuing business in the following areas:

- a) life insurance business,
- b) provision of agency service or administration services to other insurance companies (including foreign insurers) or financial institutions, giving of guarantees for liabilities, and other businesses incidental to the businesses of the preceding items,
- c) sale and purchase of government bonds, local government bonds or government-guaranteed bonds, handling of the offering or administration and other businesses permitted under the Insurance Business Act of local government bonds, corporate bonds or other debentures, and other businesses which life insurance companies may conduct under the laws other than the Insurance Business Act and
- d) other activities incidental to or relating to the matters referred to in each of the foregoing paragraphs.

Outline of Business

Life insurance business

- a. Underwriting insurance based on life insurance business licenses (see p. 78–83 and 90 for details regarding main insurance products)
- b. Investment

Assets, such as monies received as premiums, are mainly invested in the following:

 - 1) Loans

Call loans and loans extended to corporations and individuals
 - 2) Securities investment

Investment in securities (including foreign securities) and securities lending
 - 3) Real estate investment

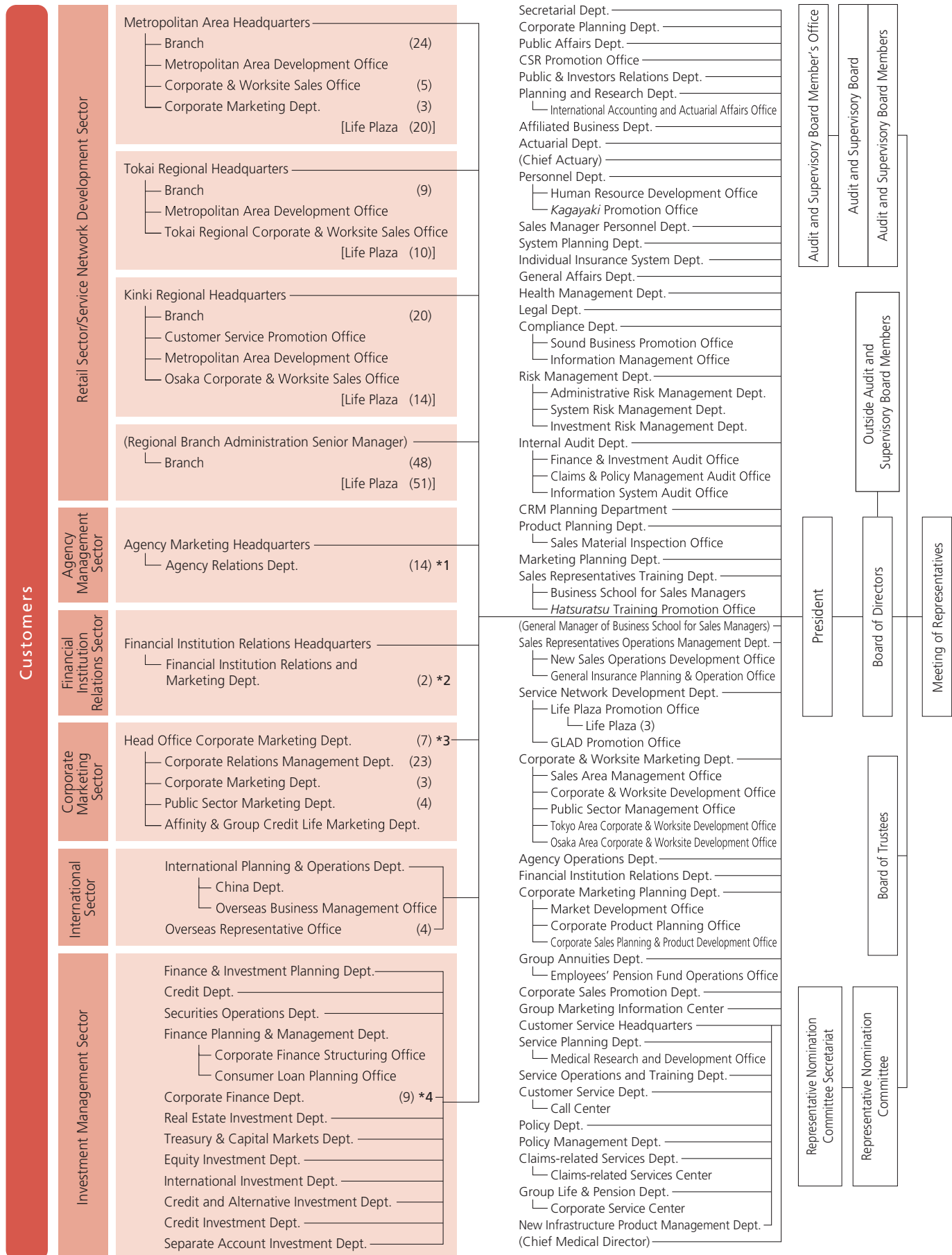
Investment in real estate, including office buildings

Auxiliary and other business

- a. Acting as a proxy for other insurance companies and other financial institutions
- b. Provision of credit guarantees
- c. Sales of investment trust beneficiary securities
- d. Management and administration of defined contribution pension plans

ORGANIZATION

(As of March 25, 2015)



*Notes with additional information are provided at the top of the adjacent page.

***1: Fourteen Agency Relations Departments**

Central Metropolitan Agency Relation Dept. (Tokyo)
 1st Metropolitan Agency Relations Dept. (Tokyo)
 2nd Metropolitan Agency Relations Dept. (Tokyo)
 3rd Metropolitan Agency Relations Dept. (Tokyo)
 4th Metropolitan Agency Relations Dept. (Tokyo)
 5th Metropolitan Agency Relations Dept. (Yokohama)
 East Japan Agency Relations Dept. (Sendai)
 Kanto-Shinetsu Agency Relations Dept. (Maebashi)
 Tokai Agency Relations Dept. (Nagoya)
 1st Kinki Agency Relations Dept. (Osaka)
 2nd Kinki Agency Relations Dept. (Osaka)
 Keihanshin Agency Relations Dept. (Kobe)
 West Japan Agency Relations Dept. (Okayama)
 Kyushu Agency Relations Dept. (Fukuoka)

***2: Two Financial Institution Relations Departments**

1st Financial Institutions Relations Dept. (Tokyo)
 2nd Financial Institutions Relations Dept. (Osaka, Tokyo)

***3: Seven Head Office Corporate Marketing Departments**

● Head Office 1st Corporate Marketing Dept. (Tokyo)
 1st Corporate Relations Management Dept. (Tokyo)
 2nd Corporate Relations Management Dept. (Tokyo)

3rd Corporate Relations Management Dept. (Tokyo)
 4th Corporate Relations Management Dept. (Tokyo)
 9th Corporate Relations Management Dept. (Tokyo)
 ● Head Office 2nd Corporate Marketing Dept. (Tokyo)
 5th Corporate Relations Management Dept. (Tokyo)
 6th Corporate Relations Management Dept. (Tokyo)
 7th Corporate Relations Management Dept. (Tokyo)
 8th Corporate Relations Management Dept. (Tokyo)
 10th Corporate Relations Management Dept. (Tokyo)
 11th Corporate Relations Management Dept. (Tokyo)
 12th Corporate Relations Management Dept. (Tokyo)
 ● Head Office 3rd Corporate Marketing Dept. (Tokyo)
 1st Public Sector Marketing Dept. (Tokyo)
 2nd Public Sector Marketing Dept. (Tokyo)
 3rd Public Sector Marketing Dept. (Tokyo)
 Affinity & Group Credit Life Marketing Dept. (Tokyo)
 ● Head Office East Japan Corporate Marketing Dept. (Sapporo)
 Hokkaido Corporate Relations Management Dept. (Sapporo)
 Tohoku Corporate Relations Management Dept. (Sendai)
 ● Head Office Tokai Corporate Marketing Dept. (Nagoya)
 1st Tokai Corporate Relations Management Dept. (Nagoya)
 2nd Tokai Corporate Relations Management Dept. (Kariya)
 Tokai Corporate Sales Dept. (Nagoya)

● Head Office Osaka Corporate Marketing Dept. (Osaka)
 1st Osaka Corporate Relations Management Dept. (Osaka)
 2nd Osaka Corporate Relations Management Dept. (Osaka)
 3rd Osaka Corporate Relations Management Dept. (Osaka)
 Kyoto Corporate Relations Management Dept. (Kyoto)
 Kobe Corporate Relations Management Dept. (Osaka)
 Hiroshima Corporate Relations Management Dept. (Hiroshima)
 1st Osaka Corporate Sales Dept. (Osaka)
 2nd Osaka Corporate Sales Dept. (Osaka)
 Osaka Public Sector Marketing Dept. (Osaka)
 ● Head Office Kyushu Corporate Marketing Dept. (Fukuoka)
 Kyushu Corporate Relations Management Dept. (Fukuoka)

***4: Nine Corporate Finance Departments**

1st Corporate Finance Dept. (Tokyo)
 2nd Corporate Finance Dept. (Tokyo)
 3rd Corporate Finance Dept. (Tokyo)
 Metropolitan Area Corporate Finance Dept. (Tokyo)
 East Japan Corporate Finance Dept. (Tokyo)
 Tokai Area Corporate Finance Dept. (Nagoya)
 1st Osaka Corporate Finance Dept. (Osaka)
 2nd Osaka Corporate Finance Dept. (Osaka)
 Kyushu Area Corporate Finance Dept. (Fukuoka)

◆ Headquarters Organization

(Unit: Number)

| | 2015 | 2014 | 2013 |
|--|------|------|------|
| Regional Headquarters | 3 | 3 | 3 |
| Agency Marketing Headquarters | 1 | 1 | 1 |
| Financial Institution Relations Headquarters | 1 | 1 | 1 |
| Head Office Corporate Marketing Departments | 7 | 7 | 7 |
| Customer Service Headquarters | 1 | 1 | 1 |
| Departments | 49 | 46 | 43 |
| Offices, Centers | 38 | 41 | 42 |
| Sections (known as "Groups") | 88 | 86 | 85 |
| Promotion Office (established in Sales Headquarters) | 1 | 1 | 1 |
| Metropolitan Area Development Offices | 3 | 3 | 3 |
| Corporate & Worksite Sales Offices | 7 | 7 | 7 |
| Agency Relations Departments | 14 | 14 | 14 |
| Financial Institution Relations Departments | 2 | 2 | 2 |
| Corporate Relations Management Departments | 23 | 23 | 23 |
| Corporate Marketing Departments | 6 | 6 | 6 |
| Public Sector Marketing Departments | 4 | 4 | 4 |
| Corporate and Collective Marketing Departments | — | 2 | 2 |
| Affinity & Group Credit Life Marketing Dept. | 1 | 1 | 1 |
| Corporate Finance Departments | 9 | 9 | 9 |

◆ Branch Organization

(Unit: Number)

| | 2015 | 2014 | 2013 |
|---------------------------------|--------|--------|--------|
| Branches | 101 | 104 | 105 |
| Branch Offices | 9 | 9 | 9 |
| Sales Offices | 1,558 | 1,562 | 1,570 |
| Overseas Representative Offices | 4 | 4 | 4 |
| Agencies | 13,613 | 12,567 | 11,806 |

Notes: 1. Branches are organizations that mainly specialize in sales activities targeting urban corporate worksite sales locations.
 2. Agencies include sales agencies at banks and other financial institutions.

DIRECTORS, EXECUTIVE OFFICERS AND AUDIT AND SUPERVISORY BOARD MEMBERS

(As of July 2, 2015)



Chairman
Kunie Okamoto



President
Yoshinobu Tsutsui



Vice Chairman
Sadao Kato



**Director and
Executive Vice President**
Takeshi Furuichi



**Director and
Senior Managing
Executive Officer**
Kazuo Kobayashi



**Director and
Senior Managing
Executive Officer**
Yoshinori Terajima



**Director and
Senior Managing
Executive Officer**
Shohei Miki



**Director and
Managing
Executive Officer**
Tsuneaki Teshima



**Director and
Managing
Executive Officer**
Hiroyuki Nishi



**Director and
Managing
Executive Officer**
Kazuhiro Kojima



**Director and
Managing
Executive Officer**
Masaru Nakamura



**Director and
Managing
Executive Officer**
Takeshi Yabe



**Director and
Managing
Executive Officer**
Tomiji Akabayashi



**Director and
Executive Officer**
Seiji Kito



**Director and
Executive Officer**
Hiroshi Ozeki

Officers

Directors

Yoshihisa Akiyama
Akito Arima
Shin Ushijima
Kazuo Imai

Senior Managing Executive Officer

Takeshi Hayashi

Managing Executive Officers

Hiroshi Shimizu
Keishi Kai

Executive Officers

Kazuyoshi Watanabe
Yosuke Matsunaga
Norihiko Umazume
Yuji Mikasa
Junjiro Tabata
Koji Chika

Yutaka Ideguchi
Nobuyuki Souda
Nobuto Fujimoto
Satoshi Asahi
Koichi Niihara
Kumiko Oda
Chizuru Yamauchi
Satoshi Tanaka
Kazuhide Toda
Masakazu Omura
Hirohiko Iwasaki

Audit and Supervisory Board Members

Takashi Imai
Kantaro Toyoizumi
Keiichi Tadaki
Osamu Kubotani
(Senior Audit and
Supervisory Board Member)
Yasushi Hasegawa

◆ Directors and Audit and Supervisory Board Members

Males: 24 Females: 0 (Ratio of females: 0.0%)

◆ Executive Officers

(Including executive officers who are also directors)

Males: 30 Females: 2 (Ratio of females: 6.3%)

EMPLOYEE HIGHLIGHTS

◆ Number of Employees by Job Function

| | Number of employees (As of March 31) | | | Number of new employees (Fiscal years ended March 31) | | |
|-----------------------------|--------------------------------------|--------|--------|---|--------|--------|
| | 2015 | 2014 | 2013 | 2015 | 2014 | 2013 |
| Total non-sales personnel | 18,477 | 18,481 | 18,323 | 1,630 | 1,531 | 1,456 |
| Male | 5,110 | 5,174 | 5,169 | 315 | 323 | 305 |
| Female | 13,367 | 13,307 | 13,154 | 1,315 | 1,208 | 1,151 |
| Managerial track | 4,085 | 4,155 | 4,240 | 145 | 131 | 140 |
| CS managerial track | 714 | 707 | 681 | 65 | 65 | 68 |
| Administrative clerk | 6,012 | 6,162 | 6,326 | 193 | 169 | 53 |
| Total sales representatives | 52,306 | 52,325 | 51,681 | 11,230 | 12,250 | 12,544 |
| Male | 2,310 | 2,406 | 2,512 | 72 | 58 | 56 |
| Female | 49,996 | 49,919 | 49,169 | 11,158 | 12,192 | 12,488 |
| Sales management positions | 2,004 | 2,062 | 2,117 | 47 | 46 | 45 |
| Male | 1,870 | 1,929 | 1,979 | 47 | 46 | 45 |
| Female | 134 | 133 | 138 | 0 | 0 | 0 |
| Sales representatives | 50,302 | 50,263 | 49,564 | 11,183 | 12,204 | 12,499 |
| Male | 440 | 477 | 533 | 25 | 12 | 11 |
| Female | 49,862 | 49,786 | 49,031 | 11,158 | 12,192 | 12,488 |
| Total | 70,783 | 70,806 | 70,004 | 12,860 | 13,781 | 14,000 |
| Male | 7,420 | 7,580 | 7,681 | 387 | 381 | 361 |
| Female | 63,363 | 63,226 | 62,323 | 12,473 | 13,400 | 13,639 |

Notes: 1. All figures were calculated on March 31 of each fiscal year.

2. Non-sales personnel is the total number of non-sales representatives, medical staff, labor service staff, special contract employees, conservation affairs advisors, specified staff, non-managerial employees and temporary staff.

3. The number of sales representatives includes employees that were registered as life insurance solicitors prior to employment. (860 employees as of March 31, 2015, 1,002 employees as of March 31, 2014 and 1,013 employees as of March 31, 2013.)

◆ Average Age and Years of Service

| As of March 31 | Average age (Years) | | | Average years of service (Years) | | |
|-----------------------------|---------------------|------|------|----------------------------------|------|------|
| | 2015 | 2014 | 2013 | 2015 | 2014 | 2013 |
| Total non-sales personnel | 42.9 | 42.4 | 41.9 | 11.5 | 11.4 | 11.4 |
| Male | 43.5 | 43.2 | 42.6 | 14.9 | 14.9 | 15.0 |
| Female | 42.6 | 42.1 | 41.6 | 10.2 | 10.1 | 9.9 |
| Managerial track | 40.1 | 40.0 | 39.7 | 17.4 | 17.3 | 17.1 |
| CS managerial track | 31.4 | 31.1 | 30.9 | 8.5 | 8.1 | 7.7 |
| Administrative clerk | 38.8 | 38.6 | 38.3 | 17.0 | 16.8 | 16.5 |
| Total sales representatives | 45.2 | 45.0 | 45.1 | 9.6 | 9.4 | 9.5 |
| Male | 43.3 | 43.2 | 43.1 | 18.5 | 18.3 | 18.9 |
| Female | 45.3 | 45.1 | 45.2 | 9.2 | 9.0 | 9.0 |
| Sales management positions | 41.6 | 41.5 | 41.3 | 18.4 | 18.3 | 19.2 |
| Male | 41.1 | 41.0 | 40.8 | 18.0 | 17.9 | 18.9 |
| Female | 48.5 | 48.4 | 48.4 | 24.0 | 23.7 | 22.2 |
| Sales representatives | 45.3 | 45.2 | 45.3 | 9.2 | 9.1 | 9.1 |
| Male | 52.6 | 52.3 | 51.7 | 20.2 | 19.7 | 18.9 |
| Female | 45.3 | 45.1 | 45.2 | 9.1 | 9.0 | 8.9 |
| Total | 44.6 | 44.4 | 44.3 | 10.1 | 9.9 | 10.0 |
| Male | 43.4 | 43.2 | 42.8 | 16.0 | 16.0 | 16.3 |
| Female | 44.7 | 44.5 | 44.5 | 9.4 | 9.2 | 9.2 |

Notes: 1. All figures were calculated on March 31 of each fiscal year, and rounded to the nearest decimal place.

2. Non-sales personnel is the total number of non-sales representatives, medical staff, labor service staff, special contract employees, conservation affairs advisors, specified staff, non-managerial employees and temporary staff.

3. The number of sales representatives includes employees that were registered as life insurance solicitors prior to employment. (860 employees as of March 31, 2015, 1,002 employees as of March 31, 2014 and 1,013 employees as of March 31, 2013.)

◆ Average Monthly Salary of Non-Sales Personnel

| Fiscal years ended March 31 | (Unit: Thousands of Yen) | | |
|-----------------------------|--------------------------|------|------|
| | 2015 | 2014 | 2013 |
| Non-sales personnel | ¥295 | ¥296 | ¥300 |

Notes: 1. The average monthly salary is the tax-inclusive standard salary in March, excluding bonuses and overtime pay.

2. Non-sales personnel is the total number of non-sales representatives, medical staff, labor service staff, special contract employees, conservation affairs advisors, specified staff, non-managerial employees and temporary staff.

◆ Average Monthly Salary of Sales Representatives

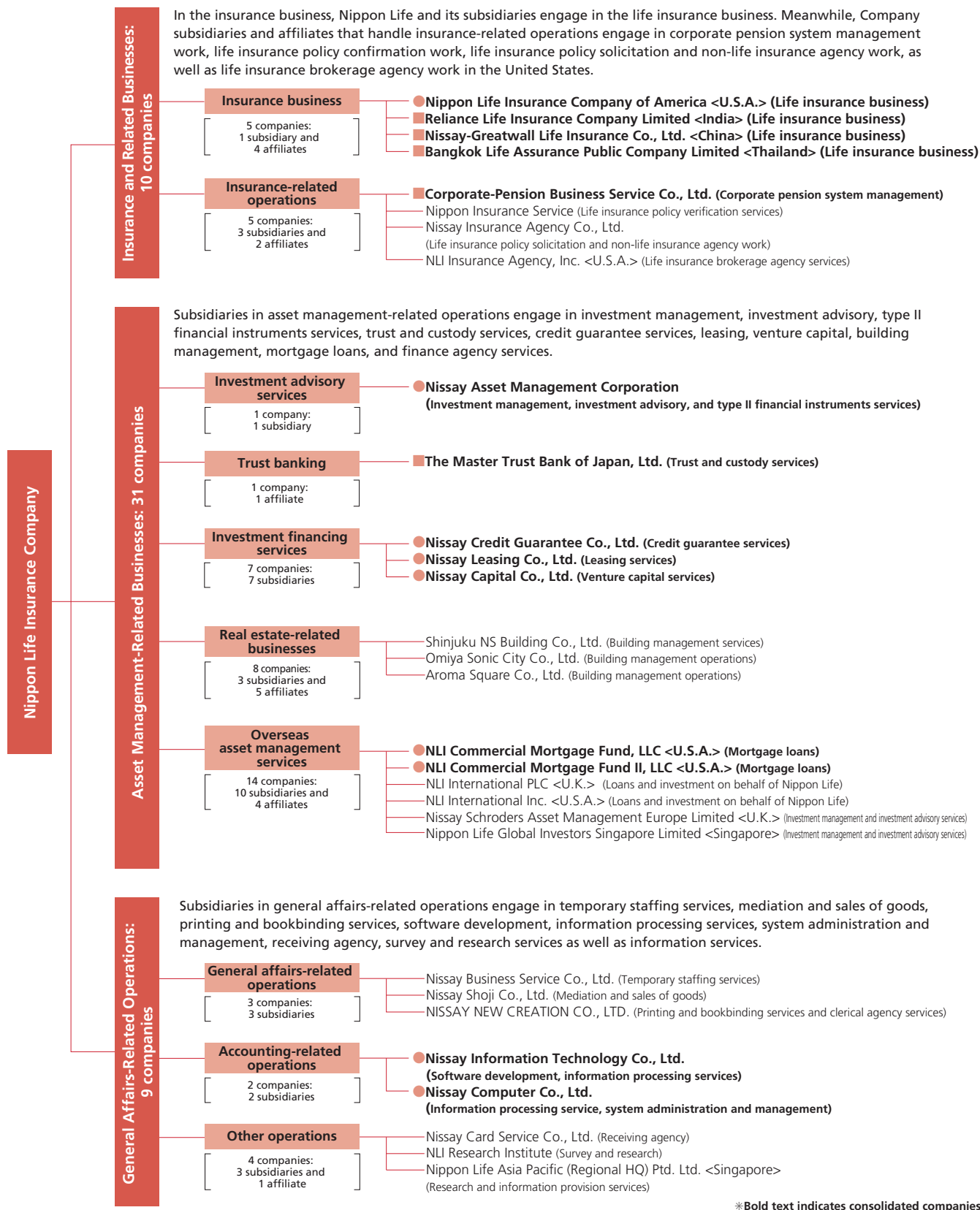
| Fiscal years ended March 31 | (Unit: Thousands of Yen) | | |
|-----------------------------|--------------------------|------|------|
| | 2015 | 2014 | 2013 |
| Sales representatives | ¥295 | ¥291 | ¥288 |

Notes: 1. The average monthly salary for each fiscal year is based on tax-inclusive standard salary and excludes bonuses and overtime pay.

2. Excludes site managers, branch training center trainers, training assistant managers, sales general managers, specially commended sales representatives, specially qualified sales representatives, life agents, sales representative trainees, life insurance agencies, part-time sales staff and service support staff.

BUSINESS STRUCTURE

(As of March 31, 2015)



Notes: 1. ● Indicates consolidated subsidiaries ■ Indicates affiliates accounted for by the equity method
 2. Major company names shown
 3. Effective April 1, 2015, Nissay Computer Co., Ltd. was merged into Nissay Information Technology Co., Ltd.
 4. Effective July 1, 2015, NLI International PLC was renamed Nippon Life Global Investors Europe Plc, and NLI International Inc. was renamed Nippon Life Global Investors Americas, Inc.

SUBSIDIARIES AND AFFILIATES

The following table shows Nippon Life's consolidated subsidiaries, both direct and indirect, as well as its equity method affiliates as of March 31, 2015 (14 consolidated companies).

| Name | Country | Main business | Issued capital (Millions of Yen) | Percentage of voting rights held by Nippon Life | Percentage of voting rights held by Nippon Life subsidiary or affiliate companies |
|---|----------|---|-------------------------------------|---|---|
| Consolidated subsidiaries | | | | | |
| Nissay Computer Co., Ltd. | Japan | Information processing services and systems administration and management | ¥220 | —% | 100.00% |
| Nissay Credit Guarantee Co., Ltd. | Japan | Credit guarantee services | ¥950 | 87.26 | 3.14 |
| Nissay Leasing Co., Ltd. | Japan | Leasing services | ¥3,099 | 51.21 | 2.45 |
| Nissay Capital Co., Ltd. | Japan | Venture capital services | ¥3,000 | 100.00 | — |
| Nissay Asset Management Corporation | Japan | Investment management, investment advisory and type II financial instruments services | ¥10,000 | 90.00 | — |
| Nissay Information Technology Co., Ltd. | Japan | Software development and information processing services | ¥4,000 | 75.00 | 3.00 |
| Nippon Life Insurance Company of America | U.S.A. | Life Insurance business | \$3.6 | 96.96 | — |
| NLI Commercial Mortgage Fund, LLC | U.S.A. | Mortgage loans | \$100 | 100.00 | — |
| NLI Commercial Mortgage Fund II, LLC | U.S.A. | Mortgage loans | \$100 | 100.00 | — |
| Affiliates | | | | | |
| The Master Trust Bank of Japan, Ltd. | Japan | Trust and custody services | ¥10,000 | 33.50 | — |
| Corporate-Pension Business Service Co., Ltd. | Japan | Corporate pension system management | ¥6,000 | 49.00 | 1.00 |
| Bangkok Life Assurance Public Company Limited | Thailand | Life Insurance business | 1,697 THB | 24.35 | — |
| Reliance Life Insurance Company Limited | India | Life Insurance business | 11,963 INR | 26.00 | — |
| Nissay-Greatwall Life Insurance Co., Ltd. | China | Life Insurance business | 1,300 RMB | 50.00 | — |

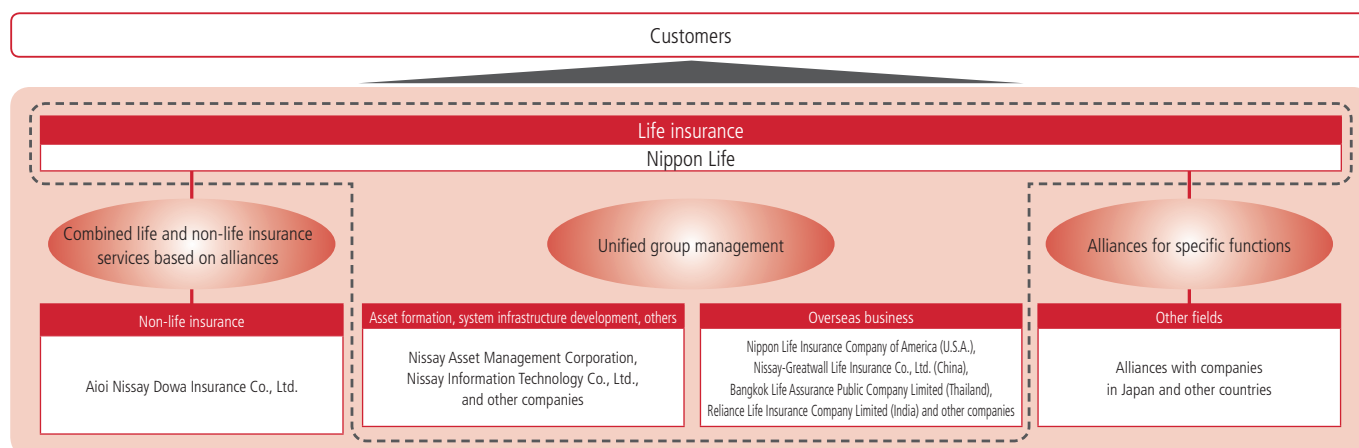
Notes: 1. The Company's percentage of voting rights shows the number of voting rights held by Nippon Life divided by the total number of voting rights.

2. The percentage of voting rights held by Nippon Life's subsidiaries and affiliate companies shows the number of voting rights held by Nippon Life's subsidiaries and affiliate companies divided by the total number of voting rights. Major subsidiaries and affiliates are shown.

ALLIANCES TO STRENGTHEN THE LIFE INSURANCE BUSINESS

Nippon Life has established a base for the speedy provision of innovative, high-quality services from the perspective of customers by forming alliances with companies in the non-life insurance, asset formation, medical and nursing care, and other industries that are closely linked to life insurance, to further strengthen our core life insurance business. We are working to earn the trust of customers by meeting their increasingly sophisticated and diversified requirements.

[Alliances for Strengthening the Life Insurance Business]



Combined Life and Non-Life Insurance Services

Aioi Nissay Dowa Insurance Co., Ltd.

In addition to life insurance, Nippon Life also supports its customers with non-life insurance services. In an effort to increase convenience to customers, we provide combined life and non-life insurance services and have made a business alliance with Aioi Nissay Dowa Insurance Co., Ltd.

Aioi Nissay Dowa Insurance was established in October 2010 through the merger of Nissay Dowa General Insurance Co., Ltd. with Aioi Insurance Co., Ltd. Until that time, Nippon Life had promoted the combined life and non-life insurance strategy with Nissay Dowa General Insurance. As a sales agency for Aioi Nissay Dowa Insurance, Nippon Life will offer customer high-quality non-life insurance products and services through its sales representatives.



Aioi Nissay Dowa Insurance Head Office

Unified Group Operations for Asset Formation, System Infrastructure Development and Other Activities

The Nissay Group is working as one to offer various services, including the provision of asset formation services, taking full advantage of expertise gained as a life insurance company. These services involve the long-term management of investments funded by customers' premiums, and the development of advanced system infrastructures to support new services.

Nissay Asset Management Corporation

This company is an asset management firm that brings together the asset management capabilities of Nippon Life and all its Group companies. Through discretionary management, advisory services and investment trust products, Nissay Asset Management provides high-quality asset management services for corporate and individual customers. In asset management operations, Nippon Life Global Investors Singapore Limited, established in April 2013, will join with overseas Nissay Group bases in New York and London to form a global framework.

In July 2006, Nissay Asset Management became the first asset management firm affiliated with a Japanese life insurer to sign the United Nations Principles for Responsible Investment* (PRI). In our asset management, we continue our efforts to give appropriate consideration to issues related to corporate ESG in our share investments and other activities including operation of socially responsible investment (SRI) funds.

*The United Nations Principles for Responsible Investment (PRI) propose that environmental, social and corporate governance issues should be incorporated in the investment decision-making process.

Nissay Information Technology Co., Ltd.

As the company responsible for the IT strategy of the Nissay Group, Nissay Information Technology develops core business systems by using its knowledge of insurance and associated areas.

In fiscal 2014, Nissay Information Technology Co., Ltd. conducted activities such as developing the Nissay *Mirai no Katachi* "Five Stars" plan featuring dread disease insurance coverage with continuous support. This service is designed to provide long-term support to customers who contract a dread disease.

Moreover, in April 2015, Nissay Information Technology merged with Nissay Computer Co., Ltd., a provider of systems administration and management services for Nippon Life. Following the merger, Nissay Information Technology has been working to enhance management efficiency and strengthen integrated services spanning systems development, administration and maintenance.



Nissay Information Technology Co., Ltd.
developing systems

Business Alliances for Specific Functions

In addition to the above activities, Nippon Life's basic policy is to establish alliances with companies in Japan and overseas for specific functions. This policy has the following two elements:

- (1) Establish alliances with leading companies in their respective fields in order to provide the functions required to offer the finest services of the highest quality.
- (2) Undertake joint activities with a broad range of companies around the world in fields where shared social infrastructure is being developed and in those business areas where cost reductions must be prioritized.

CHAPTER 5

Financial Data

CONSOLIDATED FINANCIAL STATEMENTS

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NONCONSOLIDATED FINANCIAL STATEMENTS

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* All figures are rounded down to the nearest unit.

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CONSOLIDATED FINANCIAL STATEMENTS

1. Consolidated Balance Sheets

Nippon Life Insurance Company and its Consolidated Subsidiaries

| As of March 31 | Millions of Yen | | | Millions of U.S. Dollars |
|---|--------------------|--------------------|--------------------|--------------------------|
| | 2015 | 2014 | 2013 | 2015 |
| ASSETS: | | | | |
| Cash and deposits (Notes 3 and 4) | ¥ 529,509 | ¥ 497,125 | ¥ 551,338 | \$ 4,406 |
| Call loans (Note 3) | 572,600 | 349,400 | 203,900 | 4,764 |
| Receivables under securities borrowing transactions | — | 159,856 | 150,709 | — |
| Monetary receivables purchased (Notes 3 and 4) | 498,758 | 570,632 | 756,320 | 4,150 |
| Investments in securities (Notes 3, 4, 6, 13 and 14) | 49,898,791 | 44,411,714 | 42,317,119 | 415,235 |
| Loans (Notes 4, 15 and 16) | 8,333,838 | 8,488,309 | 8,519,927 | 69,350 |
| Tangible fixed assets (Notes 5, 7, 13 and 18): | 1,725,822 | 1,728,486 | 1,685,475 | 14,361 |
| Land | 1,173,623 | 1,185,348 | 1,144,483 | 9,766 |
| Buildings | 515,505 | 474,732 | 485,268 | 4,289 |
| Lease assets | 4,010 | 2,566 | 3,037 | 33 |
| Construction in progress | 7,985 | 42,930 | 31,132 | 66 |
| Other tangible fixed assets | 24,697 | 22,907 | 21,553 | 205 |
| Intangible fixed assets: | 167,618 | 176,733 | 182,541 | 1,394 |
| Software | 75,432 | 84,169 | 90,319 | 627 |
| Lease assets | 13 | 17 | 18 | 0 |
| Other intangible fixed assets | 92,171 | 92,546 | 92,203 | 767 |
| Reinsurance receivables | 636 | 503 | 377 | 5 |
| Other assets | 890,988 | 686,945 | 779,670 | 7,414 |
| Deferred tax assets (Note 19) | 4,648 | 4,619 | 5,495 | 38 |
| Customers' liability for acceptances and guarantees | 33,801 | 25,299 | 24,452 | 281 |
| Allowance for doubtful accounts | (8,372) | (9,386) | (11,718) | (69) |
| Total assets | ¥62,648,641 | ¥57,090,238 | ¥55,165,611 | \$521,333 |

The accompanying notes are an integral part of the consolidated financial statements.

| As of March 31 | Millions of Yen | | | Millions of U.S. Dollars |
|--|--------------------|--------------------|--------------------|--------------------------|
| | 2015 | 2014 | 2013 | 2015 |
| LIABILITIES: | | | | |
| Policy reserves and other reserves: | | | | |
| Reserve for outstanding claims | ¥ 202,171 | ¥ 204,408 | ¥ 207,375 | \$ 1,682 |
| Policy reserves | 49,202,876 | 47,517,202 | 46,162,817 | 409,443 |
| Reserve for dividends to policyholders (Note 9) | 1,037,472 | 1,070,852 | 1,105,093 | 8,633 |
| Subtotal | 50,442,520 | 48,792,463 | 47,475,286 | 419,759 |
| Reinsurance payables | 557 | 377 | 308 | 4 |
| Corporate bonds (Notes 4 and 10) | 399,590 | 157,040 | 157,040 | 3,325 |
| Other liabilities | 1,707,220 | 1,832,055 | 2,376,234 | 14,206 |
| Accrued bonuses for directors and audit and supervisory board members | 74 | 50 | 52 | 0 |
| Accrued retirement benefits (Note 11) | — | — | 435,879 | — |
| Net defined benefit liability (Note 11) | 411,416 | 359,438 | — | 3,423 |
| Accrued retirement benefits for directors and audit and supervisory board members | 4,397 | 4,508 | 4,472 | 36 |
| Reserve for program points | 13,171 | 12,609 | 9,564 | 109 |
| Reserve for price fluctuations in investments in securities | 778,723 | 623,312 | 427,529 | 6,480 |
| Deferred tax liabilities (Note 19) | 1,223,642 | 340,794 | 124,185 | 10,182 |
| Deferred tax liabilities for land revaluation | 115,440 | 128,236 | 129,132 | 960 |
| Acceptances and guarantees | 33,801 | 25,299 | 24,452 | 281 |
| Total liabilities | 55,130,557 | 52,276,186 | 51,164,139 | 458,771 |
| NET ASSETS: | | | | |
| Foundation funds (Note 12) | 200,000 | 250,000 | 300,000 | 1,664 |
| Reserve for redemption of foundation funds (Note 12) | 1,050,000 | 1,000,000 | 950,000 | 8,737 |
| Reserve for revaluation | 651 | 651 | 651 | 5 |
| Consolidated surplus | 541,573 | 477,329 | 424,922 | 4,506 |
| Total foundation funds and others | 1,792,225 | 1,727,980 | 1,675,573 | 14,914 |
| Net unrealized gains on available-for-sale securities, net of tax | 6,023,903 | 3,261,140 | 2,509,186 | 50,128 |
| Deferred losses on derivatives under hedge accounting, net of tax | (231,060) | (134,156) | (74,128) | (1,922) |
| Land revaluation losses | (88,670) | (85,561) | (84,481) | (737) |
| Foreign currency translation adjustments | 36,330 | 10,162 | (37,957) | 302 |
| Remeasurement of defined benefit plans (Note 11) | (30,381) | 20,085 | — | (252) |
| Total accumulated other comprehensive income | 5,710,121 | 3,071,671 | 2,312,619 | 47,517 |
| Minority interests | 15,736 | 14,399 | 13,278 | 130 |
| Total net assets | 7,518,084 | 4,814,051 | 4,001,471 | 62,562 |
| Total liabilities and net assets | ¥62,648,641 | ¥57,090,238 | ¥55,165,611 | \$521,333 |

The accompanying notes are an integral part of the consolidated financial statements.

2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income [Consolidated Statements of Income]

Nippon Life Insurance Company and its Consolidated Subsidiaries

| For the fiscal years ended March 31 | Millions of Yen | | | Millions of U.S. Dollars |
|---|------------------|------------------|------------------|--------------------------|
| | 2015 | 2014 | 2013 | 2015 |
| ORDINARY INCOME: | | | | |
| Revenues from insurance and reinsurance | ¥5,370,865 | ¥4,860,167 | ¥5,366,675 | \$44,693 |
| Investment income: | | | | |
| Interest, dividends, and other income | 1,373,699 | 1,298,823 | 1,221,619 | 11,431 |
| Gain from assets held in trust, net | 4 | 5 | 13 | 0 |
| Gain on sales of securities | 242,571 | 260,538 | 192,733 | 2,018 |
| Gain on redemptions of securities | 5,039 | 350 | 285 | 41 |
| Foreign exchange gains, net | — | 1,703 | 1,197 | — |
| Reversal of allowance for doubtful accounts | 726 | 2,620 | 5,388 | 6 |
| Other investment income | 525 | 638 | 9,052 | 4 |
| Gain from separate accounts, net | 154,187 | 122,626 | 144,611 | 1,283 |
| Subtotal | 1,776,754 | 1,687,307 | 1,574,902 | 14,785 |
| Other ordinary income | 262,474 | 281,760 | 259,759 | 2,184 |
| Total ordinary income | 7,410,093 | 6,829,236 | 7,201,337 | 61,663 |
| ORDINARY EXPENSES: | | | | |
| Benefits and other payments: | | | | |
| Death and other claims | 1,022,477 | 1,017,022 | 1,059,942 | 8,508 |
| Annuity payments | 839,921 | 857,662 | 686,205 | 6,989 |
| Health and other benefits | 748,368 | 797,618 | 845,503 | 6,227 |
| Surrender benefits | 959,865 | 839,852 | 834,495 | 7,987 |
| Other refunds | 387,696 | 292,927 | 207,332 | 3,226 |
| Reinsurance premiums | 1,701 | 1,487 | 1,432 | 14 |
| Subtotal | 3,960,031 | 3,806,572 | 3,634,912 | 32,953 |
| Provision for policy reserves: | | | | |
| Provision for policy reserves | 1,684,483 | 1,354,708 | 1,714,340 | 14,017 |
| Provision for interest on reserve for dividends to policyholders (Note 9) | 23,602 | 24,715 | 25,830 | 196 |
| Subtotal | 1,708,085 | 1,379,423 | 1,740,170 | 14,213 |
| Investment expenses: | | | | |
| Interest expenses | 10,342 | 8,138 | 5,130 | 86 |
| Loss on sales of securities | 18,386 | 57,804 | 73,090 | 152 |
| Loss on valuation of securities | 3,258 | 22,285 | 98,931 | 27 |
| Loss on redemptions of securities | 21,595 | 24,635 | 30,530 | 179 |
| Loss on derivative financial instruments, net | 48,979 | 39,218 | 178,477 | 407 |
| Foreign exchange losses, net | 381 | — | — | 3 |
| Write-offs of loans | 20 | 42 | 395 | 0 |
| Depreciation of rental real estate and other assets | 14,917 | 14,993 | 24,588 | 124 |
| Other investment expenses | 25,982 | 22,136 | 23,369 | 216 |
| Subtotal | 143,863 | 189,255 | 434,514 | 1,197 |
| Operating expenses (Note 17) | 586,062 | 583,082 | 584,854 | 4,876 |
| Other ordinary expenses | 393,447 | 347,662 | 404,651 | 3,274 |
| Total ordinary expenses | 6,791,489 | 6,305,995 | 6,799,103 | 56,515 |
| Ordinary profit | ¥ 618,604 | ¥ 523,240 | ¥ 402,234 | \$ 5,147 |

| For the fiscal years ended March 31 | Millions of Yen | | | Millions of U.S. Dollars |
|---|-----------------|-----------------|-----------------|--------------------------|
| | 2015 | 2014 | 2013 | 2015 |
| Extraordinary gains: | | | | |
| Gain on disposals of fixed assets | ¥ 4,025 | ¥ 2,926 | ¥ 58,790 | \$ 33 |
| Reversal of reserve for loss on disaster | — | — | 326 | — |
| Other extraordinary gains (Note 20) | — | — | 388 | — |
| Subtotal | 4,025 | 2,926 | 59,505 | 33 |
| Extraordinary losses: | | | | |
| Loss on disposals of fixed assets | 3,459 | 6,302 | 31,145 | 28 |
| Impairment losses (Note 18) | 19,908 | 4,728 | 17,602 | 165 |
| Provision for reserve for price fluctuations in investments in securities | 155,411 | 195,783 | 93,819 | 1,293 |
| Loss on reduction entry of real estate | 136 | 96 | 2,531 | 1 |
| Contributions for assisting social public welfare | 2,977 | 1,477 | 1,477 | 24 |
| Loss on liquidation of subsidiaries and affiliates | — | 2,726 | — | — |
| Subtotal | 181,891 | 211,114 | 146,575 | 1,513 |
| Surplus before income taxes and minority interests | 440,738 | 315,051 | 315,164 | 3,667 |
| Income taxes (Note 19): | | | | |
| Current | 172,542 | 144,657 | 91,617 | 1,435 |
| Deferred | (41,146) | (77,778) | (25,471) | (342) |
| Total income taxes | 131,396 | 66,878 | 66,146 | 1,093 |
| Surplus before minority interests | 309,342 | 248,173 | 249,018 | 2,574 |
| Minority interests | 1,271 | 1,020 | 1,080 | 10 |
| Net surplus | ¥308,070 | ¥247,152 | ¥247,937 | \$2,563 |

The accompanying notes are an integral part of the consolidated financial statements.

[Consolidated Statements of Comprehensive Income]

Nippon Life Insurance Company and its Consolidated Subsidiaries

| For the years ended March 31 | Millions of Yen | | | Millions of U.S. Dollars |
|---|-----------------|----------|-----------|--------------------------|
| | 2015 | 2014 | 2013 | 2015 |
| Surplus before minority interests | ¥ 309,342 | ¥248,173 | ¥ 249,018 | \$ 2,574 |
| Other comprehensive income (Note 21): | 2,649,292 | 736,864 | 1,452,577 | 22,046 |
| Net unrealized gains on available-for-sale securities, net of tax | 2,760,495 | 748,792 | 1,487,069 | 22,971 |
| Deferred losses on derivatives under hedge accounting, net of tax | (96,904) | (60,027) | (67,159) | (806) |
| Land revaluation losses | 7,615 | — | 1,952 | 63 |
| Foreign currency translation adjustments | 17,321 | 46,137 | 26,151 | 144 |
| Remeasurement of defined benefit plans | (50,466) | — | — | (419) |
| Share of other comprehensive income of associates accounted for under the equity method | 11,230 | 1,961 | 4,563 | 93 |
| Comprehensive income: | 2,958,634 | 985,038 | 1,701,595 | 24,620 |
| Comprehensive income attributable to the parent company | 2,957,245 | 983,864 | 1,700,407 | 24,608 |
| Comprehensive income attributable to minority interests | ¥ 1,388 | ¥ 1,173 | ¥ 1,188 | \$ 11 |

The accompanying notes are an integral part of the consolidated financial statements.

3. Consolidated Statements of Changes in Net Assets

Nippon Life Insurance Company and its Consolidated Subsidiaries

| | Millions of Yen | | | | |
|---|-------------------------------|---|----------------------------|-------------------------|--------------------------------------|
| | Foundation funds and others | | | | |
| | Foundation funds (Note 12) | Reserve for redemption of foundation funds (Note 12) | Reserve for revaluation | Consolidated surplus | Total foundation funds and others |
| For the year ended March 31, 2013 | | | | | |
| Beginning balance | ¥300,000 | ¥900,000 | ¥651 | ¥ 379,311 | ¥1,579,962 |
| Increase/decrease: | | | | | |
| Issuance of foundation funds | 50,000 | | | | 50,000 |
| Additions to reserve for dividends to policyholders (Note 9) | | | | (167,313) | (167,313) |
| Additions to reserve for redemption of foundation funds | | 50,000 | | (50,000) | — |
| Interest on foundation funds | | | | (3,930) | (3,930) |
| Net surplus | | | | 247,937 | 247,937 |
| Redemption of foundation funds | (50,000) | | | | (50,000) |
| Reversal of land revaluation losses | | | | 18,917 | 18,917 |
| Net change, excluding foundation funds and others | | | | | |
| Net change | — | 50,000 | — | 45,611 | 95,611 |
| Ending balance | ¥300,000 | ¥950,000 | ¥651 | ¥ 424,922 | ¥1,675,573 |

| | Millions of Yen | | | | | | |
|---|---|--|-------------------------------|--|--|-----------------------|---------------------|
| | Accumulated other comprehensive income | | | | | | |
| | Net unrealized gains on available-for-sale securities, net of tax | Deferred losses on derivatives under hedge accounting, net of tax | Land revaluation losses | Foreign currency translation adjustments | Total accumulated other comprehensive income | Minority interests | Total net assets |
| For the year ended March 31, 2013 | | | | | | | |
| Beginning balance | ¥1,022,171 | ¥ (6,969) | ¥(67,515) | ¥(68,619) | ¥ 879,066 | ¥12,141 | ¥2,471,169 |
| Increase/decrease: | | | | | | | |
| Issuance of foundation funds | | | | | | | 50,000 |
| Additions to reserve for dividends to policyholders (Note 9) | | | | | | | (167,313) |
| Additions to reserve for redemption of foundation funds | | | | | | | — |
| Interest on foundation funds | | | | | | | (3,930) |
| Net surplus | | | | | | | 247,937 |
| Redemption of foundation funds | | | | | | | (50,000) |
| Reversal of land revaluation losses | | | | | | | 18,917 |
| Net change, excluding foundation funds and others | 1,487,015 | (67,159) | (16,965) | 30,661 | 1,433,552 | 1,137 | 1,434,690 |
| Net change | 1,487,015 | (67,159) | (16,965) | 30,661 | 1,433,552 | 1,137 | 1,530,301 |
| Ending balance | ¥2,509,186 | ¥(74,128) | ¥(84,481) | ¥(37,957) | ¥2,312,619 | ¥13,278 | ¥4,001,471 |

| | Millions of Yen | | | | |
|--|-------------------------------|---|----------------------------|-------------------------|--------------------------------------|
| | Foundation funds and others | | | | |
| | Foundation funds (Note 12) | Reserve for redemption of foundation funds (Note 12) | Reserve for revaluation | Consolidated surplus | Total foundation funds and others |
| For the year ended March 31, 2014 | | | | | |
| Beginning balance | ¥300,000 | ¥ 950,000 | ¥651 | ¥ 424,922 | ¥1,675,573 |
| Cumulative effect of change in accounting policies | | | | 24,705 | 24,705 |
| Beginning balance after reflecting accounting policy changes | 300,000 | 950,000 | 651 | 449,627 | 1,700,279 |
| Increase/decrease: | | | | | |
| Additions to reserve for dividends to policyholders (Note 9) | | | | (167,172) | (167,172) |
| Additions to reserve for redemption of foundation funds | | 50,000 | | (50,000) | — |
| Interest on foundation funds | | | | (3,585) | (3,585) |
| Net surplus | | | | 247,152 | 247,152 |
| Redemption of foundation funds | (50,000) | | | | (50,000) |
| Reversal of land revaluation losses | | | | 1,080 | 1,080 |
| Increase due to increase in number of associates accounted for under the equity method | | | | 225 | 225 |
| Net change, excluding foundation funds and others | | | | | |
| Net change | (50,000) | 50,000 | — | 27,701 | 27,701 |
| Ending balance | ¥250,000 | ¥1,000,000 | ¥651 | ¥ 477,329 | ¥1,727,980 |

| | Millions of Yen | | | | | | | |
|--|---|--|-------------------------------|--|---|--|-----------------------|---------------------|
| | Accumulated other comprehensive income | | | | | | | |
| | Net unrealized gains on available-for-sale securities, net of tax | Deferred losses on derivatives under hedge accounting, net of tax | Land revaluation losses | Foreign currency translation adjustments | Remeasurement of defined benefit plans (Note 11) | Total accumulated other comprehensive income | Minority interests | Total net assets |
| For the year ended March 31, 2014 | | | | | | | | |
| Beginning balance | ¥2,509,186 | ¥ (74,128) | ¥(84,481) | ¥(37,957) | ¥ — | ¥2,312,619 | ¥13,278 | ¥4,001,471 |
| Cumulative effect of change in accounting policies | | | | | | | | 24,705 |
| Beginning balance after reflecting accounting policy changes | 2,509,186 | (74,128) | (84,481) | (37,957) | — | 2,312,619 | 13,278 | 4,026,177 |
| Increase/decrease: | | | | | | | | |
| Additions to reserve for dividends to policyholders (Note 9) | | | | | | | | (167,172) |
| Additions to reserve for redemption of foundation funds | | | | | | | | — |
| Interest on foundation funds | | | | | | | | (3,585) |
| Net surplus | | | | | | | | 247,152 |
| Redemption of foundation funds | | | | | | | | (50,000) |
| Reversal of land revaluation losses | | | | | | | | 1,080 |
| Increase due to increase in number of associates accounted for under the equity method | | | | | | | | 225 |
| Net change, excluding foundation funds and others | 751,954 | (60,027) | (1,080) | 48,120 | 20,085 | 759,052 | 1,120 | 760,172 |
| Net change | 751,954 | (60,027) | (1,080) | 48,120 | 20,085 | 759,052 | 1,120 | 787,874 |
| Ending balance | ¥3,261,140 | ¥(134,156) | ¥(85,561) | ¥ 10,162 | ¥20,085 | ¥3,071,671 | ¥14,399 | ¥4,814,051 |

| | Millions of Yen | | | | |
|---|-------------------------------|---|----------------------------|-------------------------|--------------------------------------|
| | Foundation funds and others | | | | |
| | Foundation funds (Note 12) | Reserve for redemption of foundation funds (Note 12) | Reserve for revaluation | Consolidated surplus | Total foundation funds and others |
| For the year ended March 31, 2015 | | | | | |
| Beginning balance | ¥250,000 | ¥1,000,000 | ¥651 | ¥ 477,329 | ¥1,727,980 |
| Increase/decrease: | | | | | |
| Additions to reserve for dividends to policyholders (Note 9) | | | | (201,765) | (201,765) |
| Additions to reserve for redemption of foundation funds | | 50,000 | | (50,000) | — |
| Interest on foundation funds | | | | (2,785) | (2,785) |
| Net surplus | | | | 308,070 | 308,070 |
| Redemption of foundation funds | (50,000) | | | | (50,000) |
| Reversal of land revaluation losses | | | | 10,724 | 10,724 |
| Net change, excluding foundation funds and others | | | | | |
| Net change | (50,000) | 50,000 | — | 64,244 | 64,244 |
| Ending balance | ¥200,000 | ¥1,050,000 | ¥651 | ¥ 541,573 | ¥1,792,225 |

| | Millions of Yen | | | | | | | |
|---|---|--|-------------------------------|--|---|--|-----------------------|---------------------|
| | Accumulated other comprehensive income | | | | | | | |
| | Net unrealized gains on available-for-sale securities, net of tax | Deferred losses on derivatives under hedge accounting, net of tax | Land revaluation losses | Foreign currency translation adjustments | Remeasurement of defined benefit plans (Note 11) | Total accumulated other comprehensive income | Minority interests | Total net assets |
| For the year ended March 31, 2015 | | | | | | | | |
| Beginning balance | ¥3,261,140 | ¥(134,156) | ¥(85,561) | ¥10,162 | ¥ 20,085 | ¥3,071,671 | ¥14,399 | ¥4,814,051 |
| Increase/decrease: | | | | | | | | |
| Additions to reserve for dividends to policyholders (Note 9) | | | | | | | | (201,765) |
| Additions to reserve for redemption of foundation funds | | | | | | | | — |
| Interest on foundation funds | | | | | | | | (2,785) |
| Net surplus | | | | | | | | 308,070 |
| Redemption of foundation funds | | | | | | | | (50,000) |
| Reversal of land revaluation losses | | | | | | | | 10,724 |
| Net change, excluding foundation funds and others | 2,762,762 | (96,904) | (3,108) | 26,167 | (50,466) | 2,638,450 | 1,337 | 2,639,788 |
| Net change | 2,762,762 | (96,904) | (3,108) | 26,167 | (50,466) | 2,638,450 | 1,337 | 2,704,032 |
| Ending balance | ¥6,023,903 | ¥(231,060) | ¥(88,670) | ¥36,330 | ¥(30,381) | ¥5,710,121 | ¥15,736 | ¥7,518,084 |

| | Millions of U.S. Dollars | | | | |
|---|-------------------------------|---|----------------------------|-------------------------|--------------------------------------|
| | Foundation funds and others | | | | |
| | Foundation funds (Note 12) | Reserve for redemption of foundation funds (Note 12) | Reserve for revaluation | Consolidated surplus | Total foundation funds and others |
| For the year ended March 31, 2015 | | | | | |
| Beginning balance | \$2,080 | \$8,321 | \$ 5 | \$ 3,972 | \$14,379 |
| Increase/decrease: | | | | | |
| Additions to reserve for dividends to policyholders (Note 9) | | | | (1,678) | (1,678) |
| Additions to reserve for redemption of foundation funds | | 416 | | (416) | — |
| Interest on foundation funds | | | | (23) | (23) |
| Net surplus | | | | 2,563 | 2,563 |
| Redemption of foundation funds | (416) | | | | (416) |
| Reversal of land revaluation losses | | | | 89 | 89 |
| Net change, excluding foundation funds and others | | | | | |
| Net change | (416) | 416 | — | 534 | 534 |
| Ending balance | \$1,664 | \$8,737 | \$ 5 | \$ 4,506 | \$14,914 |

| | Millions of U.S. Dollars | | | | | | | |
|---|---|--|-------------------------------|--|---|--|-----------------------|---------------------|
| | Accumulated other comprehensive income | | | | | | | |
| | Net unrealized gains on available-for-sale securities, net of tax | Deferred losses on derivatives under hedge accounting, net of tax | Land revaluation losses | Foreign currency translation adjustments | Remeasurement of defined benefit plans (Note 11) | Total accumulated other comprehensive income | Minority interests | Total net assets |
| For the year ended March 31, 2015 | | | | | | | | |
| Beginning balance | \$27,137 | \$(1,116) | \$(711) | \$ 84 | \$ 167 | \$25,561 | \$119 | \$40,060 |
| Increase/decrease: | | | | | | | | |
| Additions to reserve for dividends to policyholders (Note 9) | | | | | | | | (1,678) |
| Additions to reserve for redemption of foundation funds | | | | | | | | — |
| Interest on foundation funds | | | | | | | | (23) |
| Net surplus | | | | | | | | 2,563 |
| Redemption of foundation funds | | | | | | | | (416) |
| Reversal of land revaluation losses | | | | | | | | 89 |
| Net change, excluding foundation funds and others | 22,990 | (806) | (25) | 217 | (419) | 21,955 | 11 | 21,967 |
| Net change | 22,990 | (806) | (25) | 217 | (419) | 21,955 | 11 | 22,501 |
| Ending balance | \$50,128 | \$(1,922) | \$(737) | \$302 | \$(252) | \$47,517 | \$130 | \$62,562 |

The accompanying notes are an integral part of the consolidated financial statements.

4. Consolidated Statements of Cash Flows

Nippon Life Insurance Company and its Consolidated Subsidiaries

| For the years ended March 31 | Millions of Yen | | | Millions of U.S. Dollars |
|---|--------------------|--------------------|--------------------|--------------------------|
| | 2015 | 2014 | 2013 | 2015 |
| I Cash flows from operating activities: | | | | |
| Surplus before income taxes and minority interests | ¥ 440,738 | ¥ 315,051 | ¥ 315,164 | \$ 3,667 |
| Depreciation of rental real estate and other assets | 14,917 | 14,993 | 24,588 | 124 |
| Depreciation | 47,265 | 47,536 | 58,308 | 393 |
| Impairment losses | 19,908 | 4,728 | 17,602 | 165 |
| Net decrease in reserve for outstanding claims | (2,774) | (3,772) | (1,597) | (23) |
| Net increase in policy reserves | 1,685,475 | 1,354,061 | 1,713,267 | 14,025 |
| Provision for interest on reserve for dividends to policyholders | 23,602 | 24,715 | 25,830 | 196 |
| Net decrease in allowance for doubtful accounts | (806) | (2,680) | (6,455) | (6) |
| Net increase (decrease) in accrued bonuses for directors and audit and supervisory board members | 24 | (2) | (0) | 0 |
| Net decrease in accrued retirement benefits | — | — | (3,971) | — |
| Net decrease in net defined benefit liability | (7,387) | (11,806) | — | (61) |
| Net (decrease) increase in accrued retirement benefits for directors and audit and supervisory board members | (110) | 36 | (209) | (0) |
| Net increase in reserve for price fluctuations in investments in securities | 155,411 | 195,783 | 93,819 | 1,293 |
| Interest, dividends, and other income | (1,373,699) | (1,298,823) | (1,221,619) | (11,431) |
| Net gains from assets held in trust | — | — | (13) | — |
| Net (gains) losses on investments in securities | (204,487) | (156,181) | 9,533 | (1,701) |
| Net losses on policy loans | 145,484 | 163,453 | 177,164 | 1,210 |
| Losses on derivative financial instruments, net | 48,979 | 39,218 | 178,477 | 407 |
| Interest expenses | 10,342 | 8,138 | 5,130 | 86 |
| Net foreign exchange losses (gains) | 575 | (1,641) | (1,214) | 4 |
| Net (gains) losses on tangible fixed assets | (35) | 3,707 | (26,504) | (0) |
| Losses (gains) on equity method investments | 97 | (1,980) | 977 | 0 |
| Gains from separate accounts, net | (154,187) | (122,626) | (144,611) | (1,283) |
| Losses on liquidation of subsidiaries and affiliates | — | 2,726 | — | — |
| Net (increase) decrease in reinsurance receivables | (108) | (87) | 126 | (0) |
| Net increase in other assets (excluding those related to investing activities and financing activities) | (29,642) | (11,079) | (35,907) | (246) |
| Net increase (decrease) in reinsurance payables | 176 | 61 | (55) | 1 |
| Net increase (decrease) in other liabilities (excluding those related to investing activities and financing activities) | 16,530 | (26,479) | (10,656) | 137 |
| Others, net | (38,642) | (7,142) | 8,901 | (321) |
| Subtotal | 797,645 | 529,907 | 1,176,077 | 6,637 |
| Interest, dividends, and other income received | 1,394,428 | 1,301,927 | 1,236,283 | 11,603 |
| Interest paid | (7,687) | (8,146) | (2,809) | (63) |
| Dividends to policyholders paid | (193,741) | (194,119) | (198,791) | (1,612) |
| Others, net | 4,659 | 6,562 | (36) | 38 |
| Income taxes (paid) refunded | (207,110) | (114,690) | 9,211 | (1,723) |
| Net cash provided by operating activities | ¥ 1,788,193 | ¥ 1,521,441 | ¥ 2,219,934 | \$ 14,880 |

| For the years ended March 31 | Millions of Yen | | | Millions of U.S. Dollars |
|--|--------------------|--------------------|--------------------|--------------------------|
| | 2015 | 2014 | 2013 | 2015 |
| II Cash flows from investing activities: | | | | |
| Net decrease in deposits | ¥ 500 | ¥ 1,099 | ¥ 1,999 | \$ 4 |
| Net decrease (increase) in receivables under securities borrowing transactions | 159,856 | (9,146) | 61,219 | 1,330 |
| Purchases of monetary receivables purchased | (17,500) | (22,300) | (17,500) | (145) |
| Proceeds from sales and redemptions of monetary receivables purchased | 99,205 | 103,904 | 96,487 | 825 |
| Purchases of securities | (8,529,358) | (8,881,679) | (8,825,996) | (70,977) |
| Proceeds from sales and redemptions of securities | 7,500,525 | 8,748,961 | 7,054,782 | 62,415 |
| Disbursements for loans | (1,136,208) | (1,369,346) | (1,323,328) | (9,455) |
| Proceeds from collections of loans | 1,186,604 | 1,280,328 | 1,294,163 | 9,874 |
| Net loss from the settlement of derivative financial instruments | (731,311) | (805,208) | (957,401) | (6,085) |
| Net (decrease) increase in cash received as collateral under securities lending transactions | (272,701) | (409,330) | 276,436 | (2,269) |
| Others, net | 33,147 | (128) | (2,936) | 275 |
| ① Total of investing activities | (1,707,240) | (1,362,845) | (2,342,075) | (14,206) |
| [I + II①] | [80,953] | [158,595] | [(122,140)] | [673] |
| Purchases of tangible fixed assets | (50,695) | (101,879) | (55,143) | (421) |
| Proceeds from sales of tangible fixed assets | 8,299 | 28,804 | 114,330 | 69 |
| Others, net | (25,162) | (25,937) | (22,517) | (209) |
| Net cash used in investing activities | (1,774,799) | (1,461,858) | (2,305,404) | (14,769) |
| III Cash flows from financing activities: | | | | |
| Proceeds from debt borrowing | 220,448 | 216,289 | 265,313 | 1,834 |
| Repayments of debt | (213,616) | (214,367) | (259,884) | (1,777) |
| Proceeds from issuance of corporate bonds | 242,550 | — | 157,040 | 2,018 |
| Proceeds from issuance of foundation funds | — | — | 50,000 | — |
| Redemption of foundation funds | (50,000) | (50,000) | (50,000) | (416) |
| Interest on foundation funds | (2,785) | (3,585) | (3,930) | (23) |
| Others, net | 4,703 | 25,802 | 26,345 | 39 |
| Net cash provided by (used in) financing activities | 201,300 | (25,861) | 184,884 | 1,675 |
| IV Effect of exchange rate changes on cash and cash equivalents | (209) | 17,513 | 13,945 | (1) |
| V Net increase in cash and cash equivalents | 214,485 | 51,234 | 113,360 | 1,784 |
| VI Cash and cash equivalents at the beginning of the year | 872,018 | 820,784 | 707,424 | 7,256 |
| VII Cash and cash equivalents at the end of the year | ¥ 1,086,504 | ¥ 872,018 | ¥ 820,784 | \$ 9,041 |

The accompanying notes are an integral part of the consolidated financial statements.

5. Notes to the Consolidated Financial Statements

Nippon Life Insurance Company and its Consolidated Subsidiaries

1. Basis of Presenting the Consolidated Financial Statements

(1) Accounting principles and presentation

The accompanying consolidated financial statements have been prepared from the accounts and records maintained by NIPPON LIFE INSURANCE COMPANY ("Nippon Life" or the "Company") and its consolidated subsidiaries in accordance with the provisions set forth in the Insurance Business Act and the related rules and regulations applicable to the mutual life insurance industry, and in accordance with accounting principles generally accepted in Japan, which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards. Certain accounting and reporting practices required to be followed by the industry are regulated by the Financial Services Agency and the related ministry by means of ministerial ordinances and guidance. The accompanying consolidated financial statements of the Company and its consolidated subsidiaries are in compliance with such requirements. The information provided in the consolidated financial statements including the notes to the consolidated financial statements is limited to that required by Japanese laws and regulations. Amounts of less than one million yen and one million U.S. dollars have been eliminated for financial statement presentation. As a result, totals may not add up exactly.

(2) United States dollar amounts

Nippon Life prepares its consolidated financial statements in Japanese yen. The U.S. dollar amounts included in the consolidated financial statements and notes thereto represent the arithmetical results of translating Japanese yen to U.S. dollars on the basis of ¥120.17=U.S.\$1, the effective rate of exchange at the balance sheet date of March 31, 2015. The inclusion of such U.S. dollar amounts is solely for convenience and is not intended to imply that Japanese yen amounts have been or could be readily converted, realized or settled in U.S. dollars at ¥120.17=U.S.\$1 or at any other rate.

2. Summary of Significant Accounting Policies

(1) Principles of consolidation

i) Consolidated subsidiaries

The consolidated financial statements include the accounts of Nippon Life and its subsidiaries. Consolidated subsidiaries as of March 31, 2015, 2014 and 2013, are listed as follows:

Nissay Computer Co., Ltd. (Japan)
Nissay Asset Management Corporation (Japan)
Nissay Information Technology Co., Ltd. (Japan)
Nissay Capital Co., Ltd. (Japan)
Nissay Leasing Co., Ltd. (Japan)
Nissay Credit Guarantee Co., Ltd. (Japan)
Nippon Life Insurance Company of America (U.S.A.)

NLI Properties West, Inc. (U.S.A.)
(up to the fiscal year ended March 31, 2013)
NLI Commercial Mortgage Fund, LLC (U.S.A.)
NLI Commercial Mortgage Fund II, LLC (U.S.A.)

The major subsidiaries excluded from consolidation are NLI International Inc., Nissay Card Service Co., Ltd., Nissay Trading Corporation and Nissay Business Service Co., Ltd.

From the fiscal year ended March 31, 2014, NLI Properties West, Inc. has been removed from the scope of consolidation due to its dissolution.

The respective and aggregate effects of the companies which are excluded from consolidation, based on total assets, revenues, net income and surplus for the fiscal years ended March 31, 2015, 2014 and 2013, are immaterial. This exclusion from consolidation does not prevent a reasonable assessment of the consolidated financial position of Nippon Life and its subsidiaries and the results of their operations.

ii) Affiliates

Affiliates accounted for under the equity method as of March 31, 2015, 2014 and 2013, are listed as follows:

The Master Trust Bank of Japan, Ltd. (Japan)
Corporate-Pension Business Service Co., Ltd. (Japan)
Nissay-Greatwall Life Insurance Co., Ltd. (China)
Reliance Life Insurance Company Limited (India)
Bangkok Life Assurance Public Company Limited (Thailand)
(from the fiscal year ended March 31, 2014)

Bangkok Life Assurance Public Company Limited has become more significant to the Company and has therefore been included as an affiliate accounted for under the equity method from the fiscal year ended March 31, 2014.

The subsidiaries not consolidated, e.g., NLI International Inc., Nissay Card Service Co., Ltd., Nissay Trading Corporation and others, and affiliates other than those listed above, e.g., Reliance Capital Asset Management Limited, are not accounted for under the equity method. The respective and aggregate effects of such companies on consolidated net income and surplus for the fiscal years ended March 31, 2015, 2014 and 2013, are immaterial.

The number of consolidated subsidiaries and affiliates as of March 31, 2015, 2014 and 2013, was as follows:

| | 2015 | 2014 | 2013 |
|---|------|------|------|
| Consolidated subsidiaries | 9 | 9 | 10 |
| Subsidiaries not consolidated but accounted for under the equity method | 0 | 0 | 0 |
| Affiliates accounted for under the equity method | 5 | 5 | 4 |

iii) *The fiscal year-end dates of consolidated subsidiaries and affiliates*

The fiscal years of consolidated overseas subsidiaries and affiliates end on December 31. The consolidated financial statements are prepared using data as of December 31, and necessary adjustments are made to reflect significant transactions that occurred between the Company's fiscal year-end date of March 31 and December 31.

iv) *Valuation of assets and liabilities of consolidated subsidiaries and affiliates*

Assets and liabilities of consolidated subsidiaries and affiliates acquired by the Company are initially measured at fair value as of the date of the acquisition.

v) *Amortization of goodwill*

Goodwill and the equivalent amount of goodwill from affiliates accounted for under the equity method are amortized under the straight-line method over 20 years.

However, for items that are immaterial, the total amount of goodwill is expensed as incurred.

vi) All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profits/losses included in assets/liabilities resulting from transactions within the Group are eliminated.

(2) Cash and cash equivalents

Cash and cash equivalents, for the purpose of reporting consolidated cash flows, are composed of cash in hand, deposits held at call with banks and all highly liquid short-term investments with a maturity of three months or less when purchased, which are readily convertible into cash and present insignificant risk of change in value.

(3) Securities and hedging activities

1) Securities of the Company (including items such as deposits and monetary receivables purchased which are treated as securities based on the "Accounting Standard for Financial Instruments" (The Accounting Standards Board of Japan (ASBJ) Statement No. 10) and securities within assets held in trust) are valued as follows:

i) Trading securities are stated at fair value on the balance sheet date.

The moving average method is used for calculating cost of sales.

ii) Held-to-maturity debt securities are valued using the moving average method, net of accumulated amortization (straight-line).

iii) Policy-reserve-matching bonds are valued using the moving average method, net of accumulated amortization (straight-line), in accordance with the Industry Audit Committee Report No. 21, "Temporary Treatment of Accounting and Auditing Concerning Policy-Reserve-Matching Bonds in the Insurance Industry," issued by the Japanese Institute of Certified Public Accountants (JICPA).

iv) Investments in subsidiaries and affiliates that are not consolidated nor accounted for by the equity method (stocks issued by subsidiaries prescribed in Article 2, Paragraph 12 of the Insurance Business Act excluding subsidiaries prescribed in Article 13-5-2, Paragraph 3 of the Order for Enforcement of the Insurance Business Act and stocks issued by affiliates prescribed in Article 13-5-2, Paragraph 4 of the Order for Enforcement of the Insurance Business Act) are valued at cost using the moving average method.

v) Available-for-sale securities

a. Regarding securities with a fair value, stocks (including foreign stocks) are valued by using the average fair value during the period of one month before the balance sheet date (cost of sales is calculated by using the moving average method). Other securities with a fair value are valued by using the fair value on the balance sheet date (cost of sales is calculated by using the moving average method).

b. Regarding securities of which the fair value is extremely difficult to be determined, and public and corporate bonds (including foreign bonds) for which the difference between the purchase price and face value is due to an interest rate adjustment are valued at cost using the moving average method, net of accumulated amortization (straight-line). Other securities without readily determinable fair values are valued at cost using the moving average method.

2) Unrealized gains/losses, net of applicable taxes for available-for-sale securities, are recorded as a separate component of net assets.

Hedge accounting is applied by the Company based on the following method:

1) The Company mainly applies fair value hedge accounting and deferred hedge accounting for hedging activities related to foreign exchange rate fluctuation exposures on certain bonds denominated in foreign currencies. The Company also applies the exceptional accounting treatment ("*Tokurei-shori*") for interest rate swaps to hedge the cash flow volatility of certain loans and applies designated hedge accounting ("*Furiate-shori*") for foreign exchange forward contracts and currency swaps for certain financial assets denominated in foreign currencies. The Company also applies designated hedge accounting ("*Furiate-shori*") for currency swaps for the foreign currency-denominated subordinated corporate bonds issued by the Company.

2) Effectiveness of hedging activities is mainly evaluated by performing a ratio analysis of fair value movement comparisons based on the hedging instruments and hedging methods taken, which is in accordance with the Company's internal risk management policies.

3) Derivative financial instruments utilized for other than hedging purposes are stated at fair value.

(4) Policy-reserve-matching bonds

Securities that are held for the purpose of matching the duration of outstanding liabilities within the sub-groups (classified by insurance type, remaining period, and investment policy) of insurance products, such as individual insurance and annuities, workers' asset-formation insurance and annuities, and group insurance and annuities are classified as policy-reserve-matching bonds in accordance with the Industry Audit Committee Report No. 21, "Temporary Treatment of Accounting and Auditing Concerning Policy-Reserve-Matching Bonds in the Insurance Industry," issued by the JICPA.

(5) Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into Japanese yen using the "Accounting Standards for Foreign Currency Transactions" (Business Accounting Council).

Foreign currency-denominated available-for-sale securities of the Company, with exchange rates which have significantly fluctuated and where recovery is not expected, are converted to Japanese yen using either the rate on the balance sheet date or the average one month rate prior to the balance sheet date, whichever indicates a weaker yen. This translation difference is recorded as a loss on valuation of securities.

(6) Tangible fixed assets

1) Tangible fixed assets are depreciated based on the following methods:

- a. Tangible fixed assets of the Company (except for lease assets)
 - (i) Buildings as of March 31, 2015 and 2014 and buildings acquired on or after April 1, 1998 (except for fixtures and structures) as of March 31, 2013
Straight-line method
 - (ii) Assets other than the above
Declining balance method
- b. Lease assets of the Company
 - (i) Lease assets related to financial leases where ownership is transferred
The same depreciation method applied to fixed assets owned by the Company
 - (ii) Lease assets related to financial leases where ownership is not transferred
Straight-line method based on lease period
- c. Tangible fixed assets of consolidated subsidiaries

Depreciated based mainly on the straight-line method in the fiscal years ended March 31, 2015 and 2014. Depreciated based mainly on the declining balance method in the fiscal year ended March 31, 2013.

The estimated useful lives of major items are as follows:

| | |
|-----------------------------|---------------|
| Buildings | 2 to 50 years |
| Other tangible fixed assets | 2 to 20 years |

Tangible fixed assets are stated at cost, net of accumulated depreciation and impairment losses.

Previously, tangible fixed assets of the Company were depreciated mainly based on the declining balance method. Beginning with the fiscal year ended March 31, 2014, the depreciation method for buildings and others has been changed to the straight-line method.

This change was made because the Company concluded that straight-line depreciation over the useful lives of buildings better reflects the future use of tangible fixed assets given that the Company now expects to make more consistent use of buildings and others over the long term. This decision was based on several factors. First, investments in remodeling and renovations, which slow the aging of real estate, now represent a relatively higher share of investments. Remodeling and renovations have progressively replaced the acquisition and construction of new buildings, which now represent a lower share of investments. Previously, acquisitions and construction of new buildings accounted for the bulk of investments, and therefore the declining balance method of depreciation was adopted as a depreciation method suited to the use of these assets. Second, the Company has recently formulated standards such as an overall building renovation plan and specifications for renovation work in order to conduct real estate renovations more systematically. Following the completion of the development of a system for managing fixed assets in support of these changes during the fiscal year ended March 31, 2014, the Company changed the depreciation method for tangible fixed assets.

As a result, ordinary profit and surplus before income taxes and minority interests both increased by ¥3,027 million in comparison with the previous depreciation method for the fiscal year ended March 31, 2014.

Furthermore, in the course of formulating the above overall building renovation plan, the Company surveyed the remaining useful lives and residual values of buildings and others. Consequently, in conjunction with the change in depreciation method, the Company revised these parameters to better reflect actual conditions. Accordingly, the Company adjusted certain useful lives and residual values from the fiscal year ended March 31, 2014.

As a result, ordinary profit and surplus before income taxes and minority interests both increased by ¥7,325 million in comparison with the previous depreciation method for the fiscal year ended March 31, 2014.

- 2) Revaluation of land used in the operations of the Company is performed based on the Act on Revaluation of Land. The tax effect of the amount related to the valuation difference between book value and the revalued amount for land revaluation is recognized as a deferred tax liability within the liability section. The valuation differences, excluding tax, are recognized as land revaluation losses within the net assets section.

| | |
|-------------------------|--|
| Revaluation date | March 31, 2002 |
| Revaluation methodology | The amount is calculated by using the land listed value and road rate as prescribed by Article 2, Items 1 and 4, respectively, of the Order for Enforcement of the Act on Revaluation of Land. |

The Act on Revaluation of Land requires companies to disclose when the total fair value of land on the balance sheet date is below the total book value of this land after revaluation. The excess of the total book value of this land after revaluation as of March 31, 2013, over the total fair value of land used in operations, as revalued in accordance with Article 10 of the Act on Revaluation of Land as of the same date, was ¥3,351 million.

(7) Software

Capitalized software for internal use, which is included within intangible fixed assets, is amortized using the straight-line method over their estimated useful lives as internally determined (5 years).

(8) Leases

Financial leases where ownership is not transferred are capitalized based on the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13).

Financial leases where the Company or a consolidated subsidiary is the lessee, ownership is not transferred, and the lease start date is March 31, 2008, or prior are accounted for under the accounting treatment applied to ordinary operating leases.

Regarding financial leases where the Company or a consolidated subsidiary is the lessor and ownership is not transferred, if any, the Company recognizes the sales amount and cost of sales at the time of receiving the lease fee.

(9) Allowance for doubtful accounts

- 1) An allowance for doubtful accounts for the Company is recognized in accordance with the Company's internal Asset Valuation Regulation and Write-Off/Provision Rule.
 - i) An allowance for loans from borrowers who are legally or substantially bankrupt, such as being bankrupt or being in the process of civil rehabilitation proceedings, is recognized based on the amount of credit remaining after directly deducting amounts expected to be collected through the disposal of collateral or the execution of guarantees from the balance of loans (as mentioned at 4) below).

- ii) An allowance for loans from borrowers who are not currently legally bankrupt but have a significant possibility of bankruptcy is recognized at the amounts deemed necessary considering an assessment of the borrowers' overall solvency and the amounts remaining after deduction of amounts expected to be collected through the disposal of collateral or the execution of guarantees.

- iii) An allowance for loans from borrowers other than the above is provided based on the borrowers' balance multiplied by the historical average (of a certain period) percentage of bad debt.

- 2) All credits extended by the Company are assessed by responsible sections in accordance with the Company's internal Asset Valuation Regulation. The assessments are verified by the independent Asset Auditing Department. The results of the assessments are reflected in the calculation of the allowance for doubtful accounts.
- 3) For consolidated subsidiaries, the Company records the allowance amounts deemed necessary in accordance mainly with the Company's internal Asset Valuation Regulation and Write-Off/Provision Rule.
- 4) The estimated uncollectible amount calculated by subtracting the amount of collateral value or the amount collectible by the execution of guarantees from the balance of loans is directly deducted from the balance of loans (including loans with credits secured and/or guaranteed) made to legally or substantially bankrupt borrowers. The estimated uncollectible amounts were ¥743 million (U.S.\$6 million) (including ¥197 million (U.S.\$1 million) of credits secured and/or guaranteed), ¥1,082 million (including ¥288 million of credits secured and/or guaranteed) and ¥1,570 million (including ¥757 million of credits secured and/or guaranteed) as of March 31, 2015, 2014 and 2013, respectively.

(10) Accrued bonuses for directors and audit and supervisory board members

Accrued bonuses for directors and audit and supervisory board members are recognized based on amounts estimated to be paid.

(11) Net defined benefit liability and accrued retirement benefits

- 1) Net defined benefit liability is the amount of retirement benefit obligations prepared for payment of employee retirement benefits less pension plan assets, based on the projected amounts as of March 31, 2015 and 2014.
- 2) The accounting methods of the Company used for retirement benefits as of March 31, 2015 and 2014, are as follows:
 - 1) Attribution method for estimated retirement benefits: Benefit formula basis
 - 2) Period of amortizing actuarial (gains) losses: 5 years
 - 3) Period of amortizing prior service costs: 5 years

Accrued retirement benefits of the Company are recognized based on the estimated amount of projected benefit obligations in excess of the fair value of pension plan assets for future severance payments to employees on the balance sheet date for the fiscal year ended March 31, 2013.

From the fiscal year ended March 31, 2014, the Company has applied the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26) and the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25). The revised accounting standard permits companies to change the calculation method of retirement benefit obligations and service costs from the start of fiscal years beginning on or after April 1, 2013. Accordingly, from the fiscal year ended March 31, 2014, the Company has changed the periodic allocation method of estimated retirement benefits from the straight-line basis to the benefit formula basis. At the end of the fiscal year ended March 31, 2014, the amount of retirement benefit obligations minus pension assets was recorded as net defined benefit liability, and unrecognized actuarial (gains) losses and unrecognized prior service costs were recorded in the net defined benefit liability.

With respect to the application of the revised accounting standard, in accordance with Article 37 of the accounting standard, the amount of the impact of changes to the method of calculation of retirement benefit obligations and service costs has been included in consolidated surplus as of the beginning of the fiscal year ended March 31, 2014. Furthermore, at the end of the fiscal year ended March 31, 2014, the amount of the impact of recording the amount of retirement benefit obligations minus pension assets as a net defined benefit liability was recorded as a remeasurement of defined benefit plans under total accumulated other comprehensive income.

As a result, consolidated surplus as of April 1, 2013 increased by ¥24,705 million, while ordinary profit and surplus before income taxes and minority interests increased by ¥1,558 million. Furthermore, as of March 31, 2014, the Company recorded net defined benefit liability of ¥359,438 million and total accumulated other comprehensive income of ¥20,085 million.

(12) Accrued retirement benefits for directors and audit and supervisory board members

Accrued retirement benefits for directors and audit and supervisory board members are recognized based on estimated payment amounts under internal rules.

(13) Reserve for program points

A reserve for program points is recognized based on the amount projected to be incurred for expenses from the use of points granted to policyholders.

(14) Reserve for price fluctuations in investments in securities

Reserve for price fluctuations in investments in securities is recognized based on Article 115 of the Insurance Business Act.

(15) Accounting for consumption taxes

Consumption taxes and local consumption taxes of the Company are accounted for by the tax exclusion method. However, consumption taxes paid on certain asset transactions, which are not deductible from consumption taxes withheld and that are stipulated to be deferred under the Consumption Tax Act, are deferred as prepaid expenses and amortized over a 5 year period on a straight-line basis. Consumption taxes other than deferred consumption taxes are expensed as incurred.

(16) Policy reserves

Policy reserves of the Company are reserves set forth in accordance with Article 116 of the Insurance Business Act. Policy reserves are recognized based on the following methodology:

- 1) Reserves for contracts concluded in or after April 1996, other than those in which factors used as a basis for computing policy reserves and insurance premiums are alterable and those for variable insurance, are computed by the net level premium method based on the assumption rates locked in at the sales and renewal prescribed by the Insurance Business Act and the statement of calculation procedures*.
- 2) Reserves for other contracts are determined by the net level premium method using the assumption rates locked in at the sales and renewal prescribed by the statement of calculation procedures*.

* Documents approved by the Financial Services Agency that describe the specific calculation methods for insurance premiums and policy reserves.

Additional policy reserve amounts are included to cover a possible deficiency in the amount of the reserve for certain individual annuity policyholders in accordance with Article 69, Paragraph 5 of the Order for Enforcement of the Insurance Business Act.

(17) Revenue recognition

Regarding revenues, insurance premiums are recognized when cash is received and insurance premiums due but not collected are not recognized as revenues. Unearned insurance premiums are recognized as policy reserves.

(18) Policy acquisition costs

Policy acquisition costs are recorded to expense as incurred.

(19) Income taxes

The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying the enacted statutory tax rates to the temporary differences.

3. Cash and Cash Equivalents

The reconciliation of "Cash and cash equivalents" in the consolidated statements of cash flows and "Cash and deposits" in the consolidated balance sheets as of March 31, 2015, 2014 and 2013, were as follows:

| | Millions of Yen | | | Millions of U.S. Dollars |
|---|-----------------|----------|----------|--------------------------|
| | 2015 | 2014 | 2013 | 2015 |
| Cash and deposits | ¥ 529,509 | ¥497,125 | ¥551,338 | \$4,406 |
| Call loans | 572,600 | 349,400 | 203,900 | 4,764 |
| Monetary receivables purchased | 36,996 | 26,996 | 56,992 | 307 |
| Investments in securities | — | 1,599 | 62,758 | — |
| Time deposits with initial term of over 3 months to maturity and others | (52,601) | (3,103) | (54,205) | (437) |
| Cash and cash equivalents | ¥1,086,504 | ¥872,018 | ¥820,784 | \$9,041 |

4. Financial Instruments

Regarding the investment of the Company's general accounts (except separate accounts as provided in Article 118, Paragraph 1 of the Insurance Business Act), in light of the characteristics of life insurance policies, the Company has built a portfolio geared towards mid- to long-term investment and formulated an investment plan considering the outlook of the investment environment.

Based on this, in order to reliably pay benefits and other payments in the future, the Company has positioned yen-denominated assets that can be expected to provide stable income, such as bonds and loans, as the Company's core assets, and from the viewpoint of improving profit in the mid- to long-term, the Company invests in stocks and foreign securities. Also, from the viewpoint of effective investment, the Company mainly uses derivative transactions for controlling asset investment risks. Specifically, the Company uses interest rate swaps for the Company's interest rate related investments, foreign exchange forward contracts and currency options and swaps for the Company's currency related investments, and hedge accounting is applied with respect to a portion thereof.

The Company mainly applies fair value hedge accounting and deferred hedge accounting for hedging activities related to foreign exchange rate fluctuation exposures on certain bonds denominated in foreign currencies. The Company also applies the exceptional accounting treatment ("*Tokurei-shori*") for interest rate swaps to hedge the cash flow volatility of certain loans and applies designated hedge accounting ("*Furiate-shori*") for foreign

exchange forward contracts and currency swaps for certain financial assets denominated in foreign currencies. The Company also applies designated hedge accounting ("*Furiate-shori*") for currency swaps for the foreign currency-denominated subordinated corporate bonds issued by the Company. The effectiveness of hedging activities is mainly evaluated by performing a ratio analysis of fair value movement comparisons based on the hedging instruments and hedging methods taken, which is in accordance with the Company's internal risk management policies.

Securities are mainly exposed to market risk and credit risk, loans are exposed to credit risk, and derivative transactions are exposed to market risk and credit risk. Market risk refers to the risk of incurring losses when the fair value of investment assets declines due to such factors as fluctuations in interest rates, exchange rates or stock prices. Credit risk refers to the risk of incurring losses when the value of assets, primarily loans and bonds, declines due to deterioration of the financial condition of the party to whom credit has been extended. These risks are managed according to rules and regulations regarding investment risks.

To manage market risk, the Company has implemented investment limits based on the nature of the assets in order to avoid excessive losses from financing and investment transactions. In addition, the Company regularly reports on the status of compliance to the Risk Management Committee, the advisory body of the Management Committee, and has prepared a system to control risk to acceptable levels when there is a breach of the internal rules. Also, to control market risk in the Company's portfolio, the Company uses a statistical analysis method to rationally calculate the fair value-at-risk of the portfolio as a whole and conducts appropriate asset allocation within acceptable boundaries of risk.

To manage credit risk, the Company has built a thorough monitoring system involving the Assessment Management Department which is independent of the departments handling investment and finance activities. The Company also continues to build a sound portfolio through the establishment of interest guidelines to ensure the returns the Company obtains are commensurate with the risk, a system of internal ratings for classifying the creditworthiness of borrowers, and credit ceilings to ensure that credit risk is not excessively concentrated in a particular company or group.

In addition, the Company calculates credit value-at-risk as a measurement of the magnitude of credit risk across the Company's portfolio as a whole and monitors whether the magnitude of risk stays within an appropriate range.

(1) Balance sheet amounts and fair values of major financial instruments and their differences are as follows:

| As of March 31 | Millions of Yen | | | | | | | | | Millions of U.S. Dollars | | |
|--|-------------------------------------|---------------------------|------------|-------------------------------------|---------------------------|------------|-------------------------------------|---------------------------|------------|-------------------------------------|---------------------------|------------|
| | 2015 | | | 2014 | | | 2013 | | | 2015 | | |
| | Balance sheet amount ^(*) | Fair value ^(*) | Difference | Balance sheet amount ^(*) | Fair value ^(*) | Difference | Balance sheet amount ^(*) | Fair value ^(*) | Difference | Balance sheet amount ^(*) | Fair value ^(*) | Difference |
| Cash and deposits (negotiable certificates of deposit): | ¥ 313,499 | ¥ 313,499 | ¥ — | ¥ 236,999 | ¥ 236,999 | ¥ — | ¥ 298,997 | ¥ 298,997 | ¥ — | \$ 2,608 | \$ 2,608 | \$ — |
| Available-for-sale securities | 313,499 | 313,499 | — | 236,999 | 236,999 | — | 298,997 | 298,997 | — | 2,608 | 2,608 | — |
| Monetary receivables purchased: | 498,758 | 534,726 | 35,968 | 570,632 | 611,996 | 41,364 | 756,320 | 810,224 | 53,904 | 4,150 | 4,449 | 299 |
| Policy-reserve-matching bonds | 459,891 | 495,860 | 35,968 | 542,574 | 583,939 | 41,364 | 698,039 | 751,943 | 53,904 | 3,827 | 4,126 | 299 |
| Available-for-sale securities | 38,866 | 38,866 | — | 28,057 | 28,057 | — | 58,281 | 58,281 | — | 323 | 323 | — |
| Securities: | 48,719,245 | 51,316,611 | 2,597,365 | 43,213,594 | 45,016,895 | 1,803,300 | 41,098,992 | 43,138,884 | 2,039,891 | 405,419 | 427,033 | 21,614 |
| Trading securities | 1,005,262 | 1,005,262 | — | 1,098,298 | 1,098,298 | — | 1,160,434 | 1,160,434 | — | 8,365 | 8,365 | — |
| Held-to-maturity debt securities | 49,201 | 49,339 | 137 | 47,077 | 47,315 | 237 | 39,999 | 40,532 | 532 | 409 | 410 | 1 |
| Policy-reserve-matching bonds | 20,214,005 | 22,796,569 | 2,582,564 | 19,593,801 | 21,352,447 | 1,758,645 | 18,905,385 | 20,908,019 | 2,002,633 | 168,211 | 189,702 | 21,490 |
| Investments in subsidiaries and affiliates | 22,810 | 37,474 | 14,663 | 17,361 | 61,779 | 44,417 | 7,711 | 44,436 | 36,725 | 189 | 311 | 122 |
| Available-for-sale securities | 27,427,965 | 27,427,965 | — | 22,457,054 | 22,457,054 | — | 20,985,462 | 20,985,462 | — | 228,243 | 228,243 | — |
| Loans ^(*) : | 8,327,360 | 8,660,317 | 332,956 | 8,481,445 | 8,748,579 | 267,133 | 8,511,070 | 8,830,097 | 319,026 | 69,296 | 72,067 | 2,770 |
| Policy loans | 736,402 | 736,402 | — | 782,113 | 782,113 | — | 835,281 | 835,281 | — | 6,128 | 6,128 | — |
| Industrial and consumer loans | 7,590,958 | 7,923,915 | 332,956 | 7,699,332 | 7,966,465 | 267,133 | 7,675,789 | 7,994,816 | 319,026 | 63,168 | 65,939 | 2,770 |
| Derivative financial instruments ^(*) : | (215,282) | (215,282) | — | (278,716) | (278,716) | — | (259,261) | (259,261) | — | (1,791) | (1,791) | — |
| Hedge accounting not applied | 515 | 515 | — | (258) | (258) | — | 37 | 37 | — | 4 | 4 | — |
| Hedge accounting applied | (215,798) | (215,798) | — | (278,457) | (278,457) | — | (259,298) | (259,298) | — | (1,795) | (1,795) | — |
| Corporate bonds ^(*) | (399,590) | (417,493) | (17,903) | (157,040) | (172,429) | (15,389) | (157,040) | (159,039) | (1,999) | (3,325) | (3,474) | (148) |
| Cash received as collateral under securities lending transactions ^(*) | ¥ (529,989) | ¥ (529,989) | ¥ — | ¥ (802,691) | ¥ (802,691) | ¥ — | ¥ (1,212,021) | ¥ (1,212,021) | ¥ — | \$ (4,410) | \$ (4,410) | \$ — |

(*)1 For transactions for which an allowance for doubtful accounts was recorded, the amount of the allowance is deducted.

(*)2 For securities for which impairment losses were recognized in the fiscal years ended March 31, 2015, 2014 and 2013, the fair value is the balance sheet amount after the impairment losses are deducted.

(*)3 The fair values of derivative financial instruments that are interest rate swaps under exceptional accounting treatment ("Tokurei-shori") or currency swaps under designated hedge accounting ("Furiate-shori") are included in the fair values of loans and corporate bonds because they are accounted for as an integral part of the loans and corporate bonds that are the hedged items.

(*)4 Assets and liabilities generated by derivative financial instruments are offset and presented net. Net liabilities in total are presented in parentheses.

(*)5 Corporate bonds and cash received as collateral under securities lending transactions are recorded in liabilities and presented in parentheses.

(2) Fair value measurement methods for the Company's major financial instruments are as follows:

1) Securities, deposits and monetary receivables purchased are treated as securities based on the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10)

i) Items with a market price

Fair value is measured based on the closing market price on the balance sheet date. However, the fair values of available-for-sale domestic and foreign equity securities are based on the average market price over a one-month period prior to the balance sheet date.

ii) Items without a market price

Fair value is measured mainly by discounting future cash flows to the present value.

2) Loans

i) Policy loans

Fair value is deemed to approximate book value, due to expected repayment periods and interest rate requirements, and other characteristics. These loans have no repayment date either in form or in substance because stated due dates can be extended if the loan amount is within a certain range of its surrender benefit. Thus, the book value is used as the fair value of the policy loans.

ii) Industrial and consumer loans

Fair value of variable interest rate loans is deemed to approximate book value because market interest rates are reflected in future cash flows over the short term. Thus, the book value is used as the fair value of the variable interest rate loans.

Fair value of fixed interest rate loans is measured mainly by discounting future cash flows to the present value.

Loans from legally or substantially bankrupt borrowers or borrowers who are not currently legally bankrupt but have a high probability of bankruptcy are measured by deducting the estimated uncollectable amount from the book value directly prior to the decrease.

3) Derivative financial instruments

- i) Fair value of futures and other market transactions is measured by the liquidation value or closing market price on the balance sheet date.
- ii) Fair value of stock options is measured by the price calculated by the Company based on volatility and other data obtained mainly from external information vendors as of March 31, 2015 and 2014. Fair value of stock options is measured by the value obtained from financial institutions that are the counterparties in such transactions as of March 31, 2013.
- iii) Fair value of foreign exchange contracts and currency options is measured based on theoretical values calculated by the Company using Telegraphic Transfer Middle rates (TTM) and discount rates obtained from financial institutions that are the counterparties in such transactions.

- iv) Fair value of interest rate swaps and currency swaps is measured based on theoretical present values calculated by discounting future cash flows using published market interest rates, and other data.

4) Corporate bonds

Corporate bonds are stated at fair value on the balance sheet date.

5) Cash received as collateral under securities lending transactions

The book value is used as fair value due to their short-term settlement.

- (3) Unlisted equity securities, investments in partnerships whereby partnership assets consist of unlisted equity securities, and other items without fair value are not included in securities in table (1).

Balance sheet amounts by holding purpose were ¥240,764 million (U.S.\$2,003 million), ¥174,894 million and ¥163,181 million for stocks of subsidiaries and affiliates and ¥938,781 million (U.S.\$7,812 million), ¥1,023,225 million and ¥1,054,945 million for available-for-sale securities as of March 31, 2015, 2014 and 2013, respectively.

(4) Matters regarding securities and others by holding purpose are as follows:

1) Trading securities

Investments in securities for separate accounts are classified as trading securities as of March 31, 2015, 2014 and 2013.

Valuation gains (losses) included in profit and loss were gains of ¥154,939 million (U.S.\$1,289 million) and gains of ¥110,562 million and gains of ¥103,266 million for securities related to separate accounts for the fiscal years ended March 31, 2015, 2014 and 2013, respectively.

2) Held-to-maturity debt securities

Balance sheet amounts, fair values and their differences by type are as follows:

| As of March 31 | Millions of Yen | | | | | | | | | Millions of U.S. Dollars | | |
|--|----------------------|------------|------------|----------------------|------------|------------|----------------------|------------|------------|--------------------------|------------|------------|
| | 2015 | | | 2014 | | | 2013 | | | 2015 | | |
| Type | Balance sheet amount | Fair value | Difference | Balance sheet amount | Fair value | Difference | Balance sheet amount | Fair value | Difference | Balance sheet amount | Fair value | Difference |
| Fair value exceeds the balance sheet amount: | | | | | | | | | | | | |
| Domestic bonds | ¥31,443 | ¥31,574 | ¥131 | ¥29,071 | ¥29,178 | ¥107 | ¥28,733 | ¥28,902 | ¥169 | \$261 | \$262 | \$1 |
| Foreign securities | 5,693 | 5,758 | 65 | 8,480 | 8,645 | 165 | 11,142 | 11,506 | 363 | 47 | 47 | 0 |
| Subtotal | 37,136 | 37,333 | 196 | 37,551 | 37,824 | 272 | 39,876 | 40,409 | 532 | 309 | 310 | 1 |
| Fair value does not exceed the balance sheet amount: | | | | | | | | | | | | |
| Domestic bonds | 1,004 | 1,003 | (0) | 2,799 | 2,797 | (1) | — | — | — | 8 | 8 | (0) |
| Foreign securities | 11,061 | 11,002 | (58) | 6,726 | 6,693 | (33) | 123 | 123 | (0) | 92 | 91 | (0) |
| Subtotal | 12,065 | 12,006 | (59) | 9,526 | 9,491 | (35) | 123 | 123 | (0) | 100 | 99 | (0) |
| Total | ¥49,201 | ¥49,339 | ¥137 | ¥47,077 | ¥47,315 | ¥237 | ¥39,999 | ¥40,532 | ¥532 | \$409 | \$410 | \$1 |

3) Policy-reserve-matching bonds

Balance sheet amounts, fair values and their differences by type are as follows:

| As of March 31 | Millions of Yen | | | | | | | | | Millions of U.S. Dollars | | |
|--|----------------------|-------------|------------|----------------------|-------------|------------|----------------------|-------------|------------|--------------------------|------------|------------|
| | 2015 | | | 2014 | | | 2013 | | | 2015 | | |
| Type | Balance sheet amount | Fair value | Difference | Balance sheet amount | Fair value | Difference | Balance sheet amount | Fair value | Difference | Balance sheet amount | Fair value | Difference |
| Fair value exceeds the balance sheet amount: | | | | | | | | | | | | |
| Monetary receivables purchased | ¥ 457,286 | ¥ 493,315 | ¥ 36,029 | ¥ 541,392 | ¥ 582,823 | ¥ 41,430 | ¥ 636,067 | ¥ 690,445 | ¥ 54,377 | \$ 3,805 | \$ 4,105 | \$ 299 |
| Domestic bonds | 20,047,635 | 22,626,539 | 2,578,904 | 19,100,466 | 20,863,889 | 1,763,422 | 18,734,266 | 20,741,509 | 2,007,243 | 166,827 | 188,287 | 21,460 |
| Foreign securities | 71,655 | 75,699 | 4,043 | 81,594 | 85,489 | 3,895 | 81,033 | 85,399 | 4,366 | 596 | 629 | 33 |
| Subtotal | 20,576,578 | 23,195,555 | 2,618,977 | 19,723,454 | 21,532,202 | 1,808,748 | 19,451,366 | 21,517,353 | 2,065,986 | 171,228 | 193,022 | 21,793 |
| Fair value does not exceed the balance sheet amount: | | | | | | | | | | | | |
| Monetary receivables purchased | 2,604 | 2,544 | (60) | 1,182 | 1,115 | (66) | 61,971 | 61,498 | (472) | 21 | 21 | (0) |
| Domestic bonds | 94,532 | 94,148 | (383) | 411,307 | 402,636 | (8,671) | 89,276 | 80,303 | (8,973) | 786 | 783 | (3) |
| Foreign securities | 181 | 180 | (0) | 432 | 431 | (1) | 810 | 807 | (2) | 1 | 1 | (0) |
| Subtotal | 97,318 | 96,874 | (444) | 412,922 | 404,183 | (8,738) | 152,057 | 142,608 | (9,448) | 809 | 806 | (3) |
| Total | ¥20,673,896 | ¥23,292,429 | ¥2,618,532 | ¥20,136,376 | ¥21,936,386 | ¥1,800,009 | ¥19,603,424 | ¥21,659,962 | ¥2,056,538 | \$172,038 | \$193,828 | \$21,790 |

4) Available-for-sale securities

Acquisition cost or amortized cost, balance sheet amounts and their differences by type are as follows:

| As of March 31 | Millions of Yen | | | | | | | | | Millions of U.S. Dollars | | |
|--|------------------------------------|----------------------|------------|------------------------------------|----------------------|------------|------------------------------------|----------------------|------------|------------------------------------|----------------------|------------|
| | 2015 | | | 2014 | | | 2013 | | | 2015 | | |
| Type | Acquisition cost or amortized cost | Balance sheet amount | Difference | Acquisition cost or amortized cost | Balance sheet amount | Difference | Acquisition cost or amortized cost | Balance sheet amount | Difference | Acquisition cost or amortized cost | Balance sheet amount | Difference |
| Balance sheet amount exceeds acquisition cost or amortized cost: | | | | | | | | | | | | |
| Cash and deposits (negotiable certificates of deposit) | ¥ 93,000 | ¥ 93,000 | ¥ 0 | ¥ 85,000 | ¥ 85,000 | ¥ 0 | ¥ 4,000 | ¥ 4,000 | ¥ 0 | \$ 773 | \$ 773 | \$ 0 |
| Monetary receivables purchased | 1,000 | 1,016 | 16 | — | — | — | — | — | — | 8 | 8 | 0 |
| Domestic bonds | 2,235,511 | 2,393,305 | 157,794 | 2,001,660 | 2,101,468 | 99,807 | 1,920,976 | 2,021,542 | 100,566 | 18,602 | 19,915 | 1,313 |
| Domestic stocks | 3,728,491 | 8,744,114 | 5,015,622 | 3,206,101 | 6,129,795 | 2,923,694 | 3,004,021 | 5,396,775 | 2,392,753 | 31,026 | 72,764 | 41,737 |
| Foreign securities | 11,576,691 | 14,706,905 | 3,130,213 | 9,744,502 | 11,450,124 | 1,705,621 | 10,054,172 | 11,436,744 | 1,382,572 | 96,335 | 122,384 | 26,048 |
| Other securities | 696,330 | 815,423 | 119,093 | 436,639 | 489,567 | 52,927 | 354,485 | 394,323 | 39,837 | 5,794 | 6,785 | 991 |
| Subtotal | 18,331,024 | 26,753,765 | 8,422,741 | 15,473,904 | 20,255,956 | 4,782,051 | 15,337,655 | 19,253,386 | 3,915,730 | 152,542 | 222,632 | 70,090 |
| Balance sheet amount does not exceed acquisition cost or amortized cost: | | | | | | | | | | | | |
| Cash and deposits (negotiable certificates of deposit) | 220,500 | 220,498 | (1) | 152,000 | 151,999 | (0) | 295,000 | 294,997 | (2) | 1,834 | 1,834 | (0) |
| Monetary receivables purchased | 37,852 | 37,850 | (2) | 28,061 | 28,057 | (4) | 58,291 | 58,281 | (10) | 314 | 314 | (0) |
| Domestic bonds | 125,848 | 125,038 | (809) | 58,373 | 57,292 | (1,081) | 51,193 | 49,350 | (1,843) | 1,047 | 1,040 | (6) |
| Domestic stocks | 216,198 | 192,876 | (23,321) | 875,983 | 782,058 | (93,924) | 1,301,986 | 1,041,216 | (260,769) | 1,799 | 1,605 | (194) |
| Foreign securities | 344,802 | 335,046 | (9,756) | 1,395,733 | 1,373,740 | (21,993) | 639,181 | 624,648 | (14,532) | 2,869 | 2,788 | (81) |
| Other securities | 115,756 | 115,255 | (500) | 74,252 | 73,006 | (1,245) | 25,382 | 20,860 | (4,521) | 963 | 959 | (4) |
| Subtotal | 1,060,958 | 1,026,565 | (34,393) | 2,584,405 | 2,466,155 | (118,250) | 2,371,034 | 2,089,354 | (281,680) | 8,828 | 8,542 | (286) |
| Total | ¥19,391,983 | ¥27,780,331 | ¥8,388,348 | ¥18,058,310 | ¥22,722,111 | ¥4,663,801 | ¥17,708,690 | ¥21,342,741 | ¥3,634,050 | \$161,371 | \$231,175 | \$69,804 |

Note: Securities totaling ¥938,781 million (U.S.\$7,812 million), ¥1,023,225 million and ¥1,054,945 million, whose fair values are extremely difficult to determine, as of March 31, 2015, 2014 and 2013, respectively, are not included.

¥17 million (U.S.\$0 million), ¥21,415 million and ¥96,962 million in impairment losses were recognized for securities with a fair value during the fiscal years ended March 31, 2015, 2014 and 2013, respectively.

Regarding stocks (including foreign stocks) with fair values, impairment losses are recognized for stocks whose fair value has declined significantly from the acquisition price based on the average fair value in the month preceding the final day of the fiscal year, in principle. However, in the case of a security that meets certain criteria, such as a security for which the fair value declines substantially and the decline in the fair value in the month preceding the final day of the fiscal year is substantial, impairment losses are recognized based on the fair value on the final day of the fiscal year.

The criteria by which the fair value of a stock is deemed to have declined significantly is as follows:

- i) A security for which the ratio of the average fair value in the month preceding the final day of the fiscal year to the acquisition cost is 50% or less.
- ii) A security that meets both of the following criteria:
 - a. Average fair value in the month preceding the final day of the fiscal year is between 50% and 70% of its acquisition cost.
 - b. The historical fair value, the business conditions of the issuing company and other aspects are subject to certain requirements.

(5) Scheduled repayment amounts for the main monetary claims and liabilities and redemption amounts for securities with maturities are as follows:

| As of March 31, 2015 | Millions of Yen | | | | Millions of U.S. Dollars | | | |
|---|-----------------|---------------------------|-----------------------------|---------------|--------------------------|---------------------------|-----------------------------|---------------|
| | 1 year or under | Over 1 year under 5 years | Over 5 years under 10 years | Over 10 years | 1 year or under | Over 1 year under 5 years | Over 5 years under 10 years | Over 10 years |
| Cash and deposits (negotiable certificates of deposit): | ¥313,500 | ¥ — | ¥ — | ¥ — | \$2,608 | \$ — | \$ — | \$ — |
| Available-for-sale securities | 313,500 | — | — | — | 2,608 | — | — | — |
| Monetary receivables purchased: | 42,040 | 2,094 | 61,379 | 392,605 | 349 | 17 | 510 | 3,267 |
| Policy-reserve-matching bonds | 5,040 | 2,094 | 60,527 | 391,605 | 41 | 17 | 503 | 3,258 |
| Available-for-sale securities | 37,000 | — | 851 | 1,000 | 307 | — | 7 | 8 |
| Securities: | 925,782 | 5,165,746 | 6,268,357 | 23,494,898 | 7,703 | 42,986 | 52,162 | 195,513 |
| Held-to-maturity debt securities | 15,932 | 31,412 | 1,809 | — | 132 | 261 | 15 | — |
| Policy-reserve-matching bonds | 570,864 | 2,289,427 | 2,801,365 | 14,432,666 | 4,750 | 19,051 | 23,311 | 120,102 |
| Available-for-sale securities | 338,985 | 2,844,906 | 3,465,182 | 9,062,231 | 2,820 | 23,674 | 28,835 | 75,411 |
| Loans | 873,138 | 2,915,309 | 1,963,052 | 1,833,428 | 7,265 | 24,259 | 16,335 | 15,256 |
| Corporate bonds | — | — | — | 399,590 | — | — | — | 3,325 |
| Cash received as collateral under securities lending transactions | 529,989 | — | — | — | 4,410 | — | — | — |

Note: Assets such as policy loans, for which a period is not stipulated, are not included. Also, ¥11,000 million (U.S.\$91 million) in loans from legally or substantially bankrupt borrowers or borrowers who are not currently legally bankrupt but have a high probability of bankruptcy are not included.

| As of March 31, 2014 | Millions of Yen | | | |
|---|-----------------|---------------------------|-----------------------------|---------------|
| | 1 year or under | Over 1 year under 5 years | Over 5 years under 10 years | Over 10 years |
| Cash and deposits (negotiable certificates of deposit): | ¥237,000 | ¥ — | ¥ — | ¥ — |
| Available-for-sale securities | 237,000 | — | — | — |
| Monetary receivables purchased: | 35,326 | 14,018 | 58,109 | 462,371 |
| Policy-reserve-matching bonds | 8,326 | 14,018 | 57,049 | 462,371 |
| Available-for-sale securities | 27,000 | — | 1,059 | — |
| Securities: | 847,147 | 4,812,991 | 5,556,733 | 22,206,240 |
| Held-to-maturity debt securities | 8,332 | 37,165 | 1,509 | — |
| Policy-reserve-matching bonds | 508,980 | 2,758,584 | 2,106,119 | 14,103,370 |
| Available-for-sale securities | 329,834 | 2,017,241 | 3,449,104 | 8,102,870 |
| Loans | 890,329 | 2,960,992 | 2,061,151 | 1,781,426 |
| Corporate bonds | — | — | — | 157,040 |
| Cash received as collateral under securities lending transactions | 802,691 | — | — | — |

Note: Assets such as policy loans, for which a period is not stipulated, are not included. Also, ¥10,907 million in loans from legally or substantially bankrupt borrowers or borrowers who are not currently legally bankrupt but have a high probability of bankruptcy are not included.

| As of March 31, 2013 | Millions of Yen | | | |
|---|-----------------|------------------------------|--------------------------------|---------------|
| | 1 year or under | Over 1 year under 5 years | Over 5 years under 10 years | Over 10 years |
| Cash and deposits (negotiable certificates of deposit): | ¥ 299,000 | ¥ — | ¥ — | ¥ — |
| Available-for-sale securities | 299,000 | — | — | — |
| Monetary receivables purchased: | 58,260 | 10,203 | 57,658 | 629,243 |
| Policy-reserve-matching bonds | 1,260 | 10,203 | 56,959 | 628,651 |
| Available-for-sale securities | 57,000 | — | 698 | 592 |
| Securities: | 729,653 | 4,890,305 | 5,260,291 | 20,716,068 |
| Held-to-maturity debt securities | 6,766 | 32,299 | 800 | — |
| Policy-reserve-matching bonds | 329,179 | 3,048,360 | 1,943,515 | 13,457,660 |
| Available-for-sale securities | 393,707 | 1,809,645 | 3,315,975 | 7,258,408 |
| Loans | 980,362 | 3,015,407 | 2,067,353 | 1,607,278 |
| Corporate bonds | — | — | — | 157,040 |
| Cash received as collateral under securities lending transactions | 1,212,021 | — | — | — |

Note: Assets such as policy loans, for which a period is not stipulated, are not included. Also, ¥13,485 million in loans from legally or substantially bankrupt borrowers or borrowers who are not currently legally bankrupt but have a high probability of bankruptcy are not included.

(6) Data on fair value of derivative transactions

i) Hedge accounting not applied

a. Interest rate-related

No ending balance as of March 31, 2015, 2014 or 2013.

b. Currency-related

| | | | | | Millions of Yen | | | Millions of U.S. Dollars |
|------------------|------------------------------------|-----------|------------------------|--------------------|-----------------|----------|----------|--------------------------|
| As of March 31 | | | | | 2015 | 2014 | 2013 | 2015 |
| Over-the-counter | Foreign exchange forward contracts | Sold | U.S. dollar | Contract amount | ¥ 31,946 | ¥ 72,671 | ¥ 66,544 | \$ 265 |
| | | | | Over 1 year | — | — | — | — |
| | | | | Fair value | 31,943 | 73,077 | 66,635 | 265 |
| | | | | Net gains (losses) | 3 | (406) | (90) | 0 |
| | | | Euro | Contract amount | 52,841 | 79,330 | 57,061 | 439 |
| | | | | Over 1 year | — | — | — | — |
| | | | | Fair value | 52,039 | 79,796 | 56,717 | 433 |
| | | | | Net gains (losses) | 801 | (465) | 343 | 6 |
| | | | Total including others | Contract amount | 128,722 | 191,560 | 151,890 | 1,071 |
| | | | | Over 1 year | — | — | — | — |
| | | | | Fair value | 127,145 | 192,802 | 151,738 | 1,058 |
| | | | | Net gains (losses) | 1,577 | (1,241) | 151 | 13 |
| | | Purchased | U.S. dollar | Contract amount | 38,747 | 74,003 | 40,318 | 322 |
| | | | | Over 1 year | — | — | — | — |
| | | | | Fair value | 38,465 | 74,385 | 39,993 | 320 |
| | | | | Net (losses) gains | (282) | 382 | (324) | (2) |
| | | | Euro | Contract amount | 31,021 | 41,009 | 36,163 | 258 |
| | | | | Over 1 year | — | — | — | — |
| | | | | Fair value | 30,721 | 41,147 | 36,192 | 255 |
| | | | | Net (losses) gains | (300) | 137 | 28 | (2) |
| | | | Total including others | Contract amount | 101,518 | 138,392 | 90,556 | 844 |
| | | | | Over 1 year | — | — | — | — |
| | | | | Fair value | 100,493 | 139,137 | 90,243 | 836 |
| | | | | Net (losses) gains | (1,024) | 745 | (312) | (8) |
| Currency options | Sold options | Call | U.S. dollar | Contract amount | — | — | — | — |
| | | | | Over 1 year | — | — | — | — |
| | | | | Fair value | — | — | — | — |
| | | | | Net gains (losses) | — | — | — | — |
| | | | Euro | Contract amount | — | — | — | — |
| | | | | Over 1 year | — | — | — | — |
| | | | | Fair value | — | — | — | — |
| | | | | Net gains (losses) | — | — | — | — |
| | | | Total including others | Contract amount | — | — | — | — |
| | | | | Over 1 year | — | — | — | — |
| | | | | Fair value | — | — | — | — |
| | | | | Net gains (losses) | — | — | — | — |
| | | Put | U.S. dollar | Contract amount | — | — | — | — |
| | | | | Over 1 year | — | — | — | — |
| | | | | Fair value | — | — | — | — |
| | | | | Net gains (losses) | — | — | — | — |
| | | | Euro | Contract amount | — | — | — | — |
| | | | | Over 1 year | — | — | — | — |
| | | | | Fair value | — | — | — | — |
| | | | | Net gains (losses) | — | — | — | — |
| | | | Total including others | Contract amount | — | — | — | — |
| | | | | Over 1 year | — | — | — | — |
| | | | | Fair value | — | — | — | — |
| | | | | Net gains (losses) | — | — | — | — |

b. Currency-related, continued

| | | | | | | Millions of Yen | | | Millions of U.S. Dollars |
|------------------|-----------------------|-----------|------------|-------------------------------|---------------------------|-----------------|---------------|---------------|--------------------------|
| As of March 31 | | | | | | 2015 | 2014 | 2013 | 2015 |
| Over-the-counter | Currency options | Purchased | Call | U.S. dollar | Contract amount | ¥ — | ¥ — | ¥ — | \$ — |
| | | | | | | [—] | [—] | [—] | [—] |
| | | | | | Over 1 year | — | — | — | — |
| | | | | | | [—] | [—] | [—] | [—] |
| | | | | | Fair value | — | — | — | — |
| | | | | | Net gains (losses) | — | — | — | — |
| | | | | Euro | Contract amount | — | — | — | — |
| | | | | | | [—] | [—] | [—] | [—] |
| | | | | | Over 1 year | — | — | — | — |
| | | | | | | [—] | [—] | [—] | [—] |
| | | | | | Fair value | — | — | — | — |
| | | | | | Net gains (losses) | — | — | — | — |
| | | | | Total including others | Contract amount | — | — | — | — |
| | | | | | | [—] | [—] | [—] | [—] |
| | | | | | Over 1 year | — | — | — | — |
| | | | | | | [—] | [—] | [—] | [—] |
| | | | | | Fair value | — | — | — | — |
| | | | | | Net gains (losses) | — | — | — | — |
| | | | Put | U.S. dollar | Contract amount | — | — | — | — |
| | | | | | | [—] | [—] | [—] | [—] |
| | | | | | Over 1 year | — | — | — | — |
| | | | | | | [—] | [—] | [—] | [—] |
| | | | | | Fair value | — | — | — | — |
| | | | | | Net gains (losses) | — | — | — | — |
| | | | | Euro | Contract amount | — | — | — | — |
| | | | | | | [—] | [—] | [—] | [—] |
| | | | | | Over 1 year | — | — | — | — |
| | | | | | | [—] | [—] | [—] | [—] |
| | | | | | Fair value | — | — | — | — |
| | | | | | Net gains (losses) | — | — | — | — |
| | | | | Total including others | Contract amount | — | — | — | — |
| | | | | | | [—] | [—] | [—] | [—] |
| | | | | | Over 1 year | — | — | — | — |
| | | | | | | [—] | [—] | [—] | [—] |
| | | | | | Fair value | — | — | — | — |
| | | | | | Net gains (losses) | — | — | — | — |
| | Currency swaps | | | U.S. dollar | Contract amount | — | — | — | — |
| | | | | | Over 1 year | — | — | — | — |
| | | | | | Fair value | — | — | — | — |
| | | | | | Net gains (losses) | — | — | — | — |
| | | | | Euro | Contract amount | — | — | — | — |
| | | | | | Over 1 year | — | — | — | — |
| | | | | | Fair value | — | — | — | — |
| | | | | | Net gains (losses) | — | — | — | — |
| | | | | Total including others | Contract amount | — | — | — | — |
| | | | | | Over 1 year | — | — | — | — |
| | | | | | Fair value | — | — | — | — |
| | | | | | Net gains (losses) | — | — | — | — |
| Total | | | | | Net gains (losses) | ¥552 | ¥(496) | ¥(161) | \$ 4 |

Notes: 1. [] show option fees recorded on the consolidated balance sheets. However, these option fees already include contracted options as of the balance sheet date.

2. Net gains (losses) shows the difference between the contract amount and fair value for forward agreements, the difference between the option fees and fair value for option transactions, and the current fair value (present value) for swap transactions.

c. Stock-related

| | | | | | Millions of Yen | | | Millions of U.S. Dollars |
|------------------|---------------------------|-----------|------|--------------------|-----------------|---------|--------|--------------------------|
| As of March 31 | | | | 2015 | 2014 | 2013 | 2015 | |
| Exchange | Stock price index futures | Sold | | Contract amount | ¥22,669 | ¥12,476 | ¥ — | \$188 |
| | | | | Over 1 year | — | — | — | — |
| | | | | Fair value | 22,876 | 12,598 | — | 190 |
| | | | | Net (losses) gains | (206) | (121) | — | (1) |
| | | Purchased | | Contract amount | 7,155 | 9,811 | 11,241 | 59 |
| | | | | Over 1 year | — | — | — | — |
| | | | | Fair value | 7,187 | 10,089 | 11,370 | 59 |
| | | | | Net gains | 31 | 277 | 129 | 0 |
| Over-the-counter | Stock forward contracts | Sold | | Contract amount | — | — | — | — |
| | | | | Over 1 year | — | — | — | — |
| | | | | Fair value | — | — | 11 | — |
| | | | | Net (losses) gains | — | — | (11) | — |
| | | Purchased | | Contract amount | — | — | — | — |
| | | | | Over 1 year | — | — | — | — |
| | | | | Fair value | — | — | — | — |
| | | | | Net gains (losses) | — | — | — | — |
| | Stock options | Sold | Call | Contract amount | — | — | — | — |
| | | | | Over 1 year | [—] | [—] | [—] | [—] |
| | | | | Fair value | — | — | — | — |
| | | | | Net gains (losses) | — | — | — | — |
| | | | Put | Contract amount | — | — | — | — |
| | | | | Over 1 year | [—] | [—] | [—] | [—] |
| | | | | Fair value | — | — | — | — |
| | | | | Net gains (losses) | — | — | — | — |
| | | Purchased | Call | Contract amount | 295 | 227 | 233 | 2 |
| | | | | Over 1 year | [55] | [55] | [65] | [0] |
| | | | | Fair value | 138 | 81 | 69 | 1 |
| | | | | Net gains | 82 | 25 | 4 | 0 |
| | | | Put | Contract amount | — | — | — | — |
| | | | | Over 1 year | [—] | [—] | [—] | [—] |
| | | | | Fair value | — | — | — | — |
| | | | | Net gains (losses) | — | — | — | — |
| Total | | | | Net (losses) gains | ¥ (92) | ¥ (181) | ¥ 121 | \$ (0) |

Notes: 1. [—] show option fees recorded on the consolidated balance sheets. However, these option fees already include contracted options as of the balance sheet date.

2. Net gains (losses) shows the difference between the contract amount and fair value for forward agreements and the difference between the option fees and fair value for option transactions.

d. Bond-related

No ending balance as of March 31, 2015, 2014 or 2013.

e. Others

No ending balance as of March 31, 2015, 2014 or 2013.

ii) Hedge accounting applied

a. Interest rate-related

No ending balance as of March 31, 2015, 2014 or 2013.

Financial Data

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b. Currency-related, continued

| As of March 31 | | | | | | | | | | Millions of Yen | | | Millions of U.S. Dollars | | |
|------------------|-----------------------------|------------------|-----------|------|------------------------|--|--------------------|------------|------------|-----------------|------------|---|--------------------------|----|---|
| Over-the-counter | Fair value hedge accounting | Currency options | Purchased | Call | U.S. dollar | Foreign currency-denominated bonds (main hedged items) | Contract amount | ¥ | — | ¥ | — | ¥ | — | \$ | — |
| | | | | | | | Over 1 year | — | — | — | — | — | — | — | — |
| | | | | | | | Fair value | — | — | — | — | — | — | — | — |
| | | | | | | | Net gains (losses) | — | — | — | — | — | — | — | — |
| | | | | | Euro | | Contract amount | — | — | — | — | — | — | — | — |
| | | | | | | | Over 1 year | — | — | — | — | — | — | — | — |
| | | | | | | | Fair value | — | — | — | — | — | — | — | — |
| | | | | | | | Net gains (losses) | — | — | — | — | — | — | — | — |
| | | | | | Total including others | | Contract amount | — | — | — | — | — | — | — | — |
| | | | | | | | Over 1 year | — | — | — | — | — | — | — | — |
| | | | | | | | Fair value | — | — | — | — | — | — | — | — |
| | | | | | | | Net gains (losses) | — | — | — | — | — | — | — | — |
| | | | | | Put | U.S. dollar | Contract amount | — | — | — | — | — | — | — | — |
| | | | | | | | Over 1 year | — | — | — | — | — | — | — | — |
| | | | | | | | Fair value | — | — | — | — | — | — | — | — |
| | | | | | | | Net gains (losses) | — | — | — | — | — | — | — | — |
| | | | | | Euro | | Contract amount | — | — | — | — | — | — | — | — |
| | | | | | | | Over 1 year | — | — | — | — | — | — | — | — |
| | | | | | | | Fair value | — | — | — | — | — | — | — | — |
| | | | | | | | Net gains (losses) | — | — | — | — | — | — | — | — |
| | | | | | Total including others | | Contract amount | — | — | — | — | — | — | — | — |
| | | | | | | | Over 1 year | — | — | — | — | — | — | — | — |
| | | | | | | | Fair value | — | — | — | — | — | — | — | — |
| | | | | | | | Net gains (losses) | — | — | — | — | — | — | — | — |
| | Deferred hedge accounting | Currency swaps | | | U.S. dollar | | Contract amount | 455,251 | 360,642 | 243,995 | 3,788 | | | | |
| | | | | | | | Over 1 year | 446,215 | 360,642 | 242,749 | 3,713 | | | | |
| | | | | | | | Fair value | (168,560) | (69,508) | (48,224) | (1,402) | | | | |
| | | | | | | | Net losses | (168,560) | (69,508) | (48,224) | (1,402) | | | | |
| | | | | | Euro | | Contract amount | 398,270 | 365,624 | 279,075 | 3,314 | | | | |
| | | | | | | | Over 1 year | 388,559 | 365,624 | 279,075 | 3,233 | | | | |
| | | | | | | | Fair value | (131,035) | (116,616) | (56,394) | (1,090) | | | | |
| | | | | | | | Net losses | (131,035) | (116,616) | (56,394) | (1,090) | | | | |
| | | | | | Total including others | | Contract amount | 956,429 | 775,154 | 532,131 | 7,958 | | | | |
| | | | | | | | Over 1 year | 937,682 | 775,154 | 530,884 | 7,802 | | | | |
| | | | | | | | Fair value | (324,523) | (193,587) | (106,974) | (2,700) | | | | |
| | | | | | | | Net losses | (324,523) | (193,587) | (106,974) | (2,700) | | | | |
| Total | | | | | | | Net losses | ¥(215,623) | ¥(278,457) | ¥(259,287) | \$ (1,794) | | | | |

Notes: 1. [] show option fees recorded on the consolidated balance sheets.

2. Net gains (losses) shows the difference between the contract amount and fair value for forward agreements, the difference between the option fees and fair value for option transactions, and the current fair value (present value) for swap transactions.

c. Stock-related

No ending balance as of March 31, 2015, 2014 or 2013.

d. Bond-related

No ending balance as of March 31, 2015, 2014 or 2013.

e. Others

No ending balance as of March 31, 2015, 2014 or 2013.

5. Disclosures about Fair Value of Investment and Rental Property

The balance sheet amounts for investment and rental properties were ¥1,153,345 million (U.S.\$9,597 million), ¥1,141,146 million and ¥1,098,084 million, with a fair value of ¥1,231,926 million (U.S.\$10,251 million), ¥1,148,000 million and ¥1,081,619 million as of March 31, 2015, 2014 and 2013, respectively. The Company owns rental office buildings and commercial facilities, the fair value of which at year-end is the amount measured based mainly on the "Real Estate Appraisal Standards." Asset retirement obligations that were included in the balance sheet amounts of investment and rental properties were ¥336 million (U.S.\$2 million), ¥359 million and ¥391 million as of March 31, 2015, 2014 and 2013, respectively.

6. Securities Loaned and Borrowed

The amounts of securities lent under lending agreements were ¥2,607,789 million (U.S.\$21,700 million), ¥2,808,047 million and ¥3,129,761 million as of March 31, 2015, 2014 and 2013, respectively.

Assets that can be sold or re-secured are marketable securities lent under lending agreements. These assets were being held without disposal totaling ¥149,418 million (U.S.\$1,243 million), ¥259,102 million and ¥372,031 million at fair value as of March 31, 2015, 2014 and 2013, respectively.

7. Accumulated Depreciation

The amounts of accumulated depreciation of tangible fixed assets were ¥1,181,183 million (U.S.\$9,829 million), ¥1,155,636 million and ¥1,139,705 million as of March 31, 2015, 2014 and 2013, respectively.

8. Separate Accounts

Separate account assets as provided for in Article 118, Paragraph 1 of the Insurance Business Act were ¥1,113,510 million (U.S.\$9,266 million), ¥1,227,398 million and ¥1,238,818 million as of March 31, 2015, 2014 and 2013, respectively, and a corresponding liability is recorded in the same amount. The amounts of separate accounts are included in each account balance of the consolidated balance sheets.

9. Reserve for Dividends to Policyholders

Changes in the reserve for dividends to policyholders included in policy reserves for the fiscal years ended March 31, 2015, 2014 and 2013, were as follows:

| | Millions of Yen | | | Millions of U.S. Dollars |
|--|-----------------|------------|------------|--------------------------|
| | 2015 | 2014 | 2013 | 2015 |
| Balance at the beginning of the fiscal year | ¥1,070,852 | ¥1,105,093 | ¥1,120,336 | \$ 8,911 |
| Transfer to reserve from surplus in the previous fiscal year | 201,765 | 167,172 | 167,313 | 1,678 |
| Dividends to policyholders paid out during the fiscal year | (258,747) | (226,128) | (208,387) | (2,153) |
| Increase in interest | 23,602 | 24,715 | 25,830 | 196 |
| Balance at the end of the fiscal year | ¥1,037,472 | ¥1,070,852 | ¥1,105,093 | \$ 8,633 |

10. Corporate Bonds

Corporate bonds with liabilities of the Company are subordinated corporate bonds which are denominated in a foreign currency with special provisions that subordinate the fulfillment of obligations on the bonds to all other debt obligations.

The foreign currency-denominated subordinated corporate bonds issued in October 2012 are callable on each interest payment date on or after October 2022, and the foreign currency-denominated subordinated corporate bonds issued in October 2014 are callable on the tenth anniversary date after the issue date and on each fifth anniversary date thereafter at the discretion of the Company, subject to the approval of the regulatory authority and other conditions.

On April 30, 2015, the Company issued corporate bonds as follows:

- 1) Name
JPY-denominated subordinated and unsecured corporate bonds due 2045 with interest deferral options (the corporate bonds were first issued to qualified institutional investors and a small number of investors in domestic securities markets)
- 2) Offering price
100% of principal amount
- 3) Principal amount
¥75.0 billion
- 4) Interest rate
A fixed rate of 1.52% per annum before April 30, 2025 and a fixed rate reset with step-up thereafter (reset every 5 years).
- 5) Maturity
April 30, 2045 (However, the corporate bonds are callable on April 30, 2025 and on each fifth anniversary date thereafter at the discretion of the Company, subject to prior approval by the regulatory authority.)
- 6) Collateral and guarantees
The corporate bonds are not secured or guaranteed, and there are no specific assets pledged for them.
- 7) Use of funds
General working capital

11. Accrued Retirement Benefits and Net Defined Benefit Liability

(1) Summary of retirement benefit plans

In terms of defined benefit plans, the Company has a defined benefit corporate pension plan and a lump-sum retirement payment plan for non-sales personnel and sales management personnel, etc. In terms of defined contribution plans, the Company has a defined contribution pension plan. The Company also has a defined benefit plan for sales representatives, etc., in the form of a lump-sum retirement payment plan and an in-house pension plan. The main consolidated subsidiaries have a lump-sum retirement payment plan as a defined benefit plan.

(2) Defined benefit plan

1) Reconciliation of retirement benefit obligations at the beginning and end of the fiscal year

| For the years ended March 31, 2015 and 2014 | Millions of Yen | | Millions of U.S. Dollars |
|---|-----------------|----------|--------------------------|
| | 2015 | 2014 | 2015 |
| Retirement benefit obligations at the beginning of the year | ¥626,210 | ¥646,754 | \$5,211 |
| Service costs | 22,956 | 24,079 | 191 |
| Interest cost | 9,997 | 10,326 | 83 |
| Actuarial losses (gains) accrued during the year | 70,759 | (6,606) | 588 |
| Retirement benefit payments | (47,916) | (48,553) | (398) |
| Others | 108 | 55 | 0 |
| Retirement benefit obligations at the end of the year | ¥682,116 | ¥626,055 | \$5,676 |

2) Reconciliation of pension plan assets at the beginning and end of the fiscal year

| For the years ended March 31, 2015 and 2014 | Millions of Yen | | Millions of U.S. Dollars |
|--|-----------------|----------|--------------------------|
| | 2015 | 2014 | 2015 |
| Pension plan assets at the beginning of the year | ¥268,186 | ¥269,678 | \$2,231 |
| Expected return on plan assets | 4,290 | 4,314 | 35 |
| Actuarial gains accrued during the year | 9,920 | 4,436 | 82 |
| Contributions by business proprietor | 7,665 | 7,432 | 63 |
| Retirement benefit payments | (17,775) | (17,675) | (147) |
| Pension plan assets at the end of the year | ¥272,288 | ¥268,186 | \$2,265 |

3) Reconciliation of net defined benefit liability at the beginning and end of the fiscal year under the simplified valuation method

| For the years ended March 31, 2015 and 2014 | Millions of Yen | | Millions of U.S. Dollars |
|--|-----------------|--------|--------------------------|
| | 2015 | 2014 | 2015 |
| Net defined benefit liability at the beginning of the year | ¥1,414 | ¥1,318 | \$11 |
| Benefit costs | 273 | 325 | 2 |
| Retirement benefit payments | (99) | (73) | (0) |
| Net defined benefit liability at the end of the year | ¥1,588 | ¥1,569 | \$13 |

4) Reconciliation of retirement benefit obligations, pension plan assets, and net defined benefit liability on the consolidated balance sheets

| For the years ended March 31, 2015 and 2014 | Millions of Yen | | Millions of U.S. Dollars |
|---|-----------------|-----------|--------------------------|
| | 2015 | 2014 | 2015 |
| Retirement benefit obligations for funded plans | ¥ 311,041 | ¥ 285,269 | \$ 2,588 |
| Pension plan assets | (272,288) | (268,186) | (2,265) |
| | 38,752 | 17,083 | 322 |
| Retirement benefit obligations for non-funded plans | 372,663 | 342,355 | 3,101 |
| Net defined benefit liability recorded in the consolidated balance sheets | 411,416 | 359,438 | 3,423 |
| Net defined benefit liability | 411,416 | 359,438 | 3,423 |
| Net defined benefit liability recorded in the consolidated balance sheets | ¥ 411,416 | ¥ 359,438 | \$ 3,423 |

5) Losses (gains) relating to retirement benefits

| For the years ended March 31, 2015 and 2014 | Millions of Yen | | Millions of U.S. Dollars |
|---|-----------------|---------|--------------------------|
| | 2015 | 2014 | 2015 |
| Service costs | ¥22,956 | ¥24,079 | \$191 |
| Interest cost | 9,997 | 10,326 | 83 |
| Expected return on plan assets | (4,290) | (4,314) | (35) |
| Amortization of actuarial (gains) losses for the period | (6,049) | 870 | (50) |
| Amortization of prior service costs for the period | (4,765) | (4,765) | (39) |
| Benefit cost under the simplified valuation method | 273 | 325 | 2 |
| Other | 108 | 55 | 0 |
| Benefit cost for defined benefit plans | ¥18,230 | ¥26,577 | \$151 |

6) Breakdown of items included in other comprehensive income

The breakdown of items included in other comprehensive income (before tax) is as follows:

| For the year ended March 31, 2015 | Millions of Yen | Millions of U.S. Dollars |
|-----------------------------------|-----------------|--------------------------|
| Actuarial gains | ¥(66,888) | \$(556) |
| Prior service costs | (4,765) | (39) |
| Total | ¥(71,654) | \$(596) |

7) Breakdown of items included in total accumulated other comprehensive income

The breakdown of items included in total accumulated other comprehensive income (before tax) is as follows:

| For the years ended March 31, 2015 and 2014 | Millions of Yen | | Millions of U.S. Dollars |
|---|-----------------|-----------|--------------------------|
| | 2015 | 2014 | 2015 |
| Unrecognized actuarial losses (gains) | ¥47,038 | ¥(19,850) | \$391 |
| Unrecognized prior service costs | (4,368) | (9,133) | (36) |
| Total | ¥42,670 | ¥(28,983) | \$355 |

8) Pension plan assets consist of the following:

| | 2015 | 2014 |
|--------------------------------|--------|--------|
| General account of Nippon Life | 52.3% | 54.3% |
| Domestic bonds | 26.9% | 22.0% |
| Foreign bonds | 17.3% | 15.1% |
| Domestic stocks | 2.7% | 4.4% |
| Cash and deposits | 0.8% | 4.2% |
| Total | 100.0% | 100.0% |

9) Calculation method for long-term expected rate of return on plan assets
To determine the long-term expected rate of return on pension plan assets, the Company takes into consideration present and forecasted allocation of the pension plan assets, and present and long-term rates of return that are expected from the portfolio of assets that comprise the pension plan assets.

10) Matters relating to the basis for actuarial calculations

The main items in the basis for actuarial calculations as of March 31, 2015 and 2014, are as follows:

| | 2015 | 2014 |
|--|------|------|
| Discount rate | 0.6% | 1.6% |
| Long-term expected rate of return on plan assets | 1.6% | 1.6% |

11) Accrued retirement benefits as of March 31, 2013, consisted of the following:

| | Millions of Yen |
|----------------------------------|-----------------|
| | 2013 |
| Retirement benefit obligations | ¥(683,722) |
| Pension plan assets | 269,678 |
| Accrued retirement benefit cost | (414,044) |
| Unrecognized actuarial gains | (7,936) |
| Unrecognized prior service costs | (13,898) |
| Accrued retirement benefits | ¥(435,879) |

Basic information for the calculation of accrued retirement benefits is as follows:

| | |
|---|---|
| Periodic allocation method of estimated retirement benefits | Straight-line |
| Discount rate | 2013: 1.6% |
| Expected rate of return on plan assets | 2013: 1.6% |
| Method of amortizing actuarial (gains) losses | Amortization occurs over a certain period (5 years) within the average remaining years of service of employees one year after the accrual of liabilities, using the straight-line method. |
| Method of amortizing prior service costs | Amortization occurs over a certain period (5 years) within the average remaining years of service of employees upon accrual of liabilities, using the straight-line method. |

12) Benefit cost of accrued retirement benefits for the fiscal year ended March 31, 2013, consists of the following:

| | Millions of Yen |
|--|-----------------|
| | 2013 |
| Service costs | ¥25,265 |
| Interest cost | 11,132 |
| Expected return on plan assets | (4,283) |
| Amortization of actuarial (gains) losses | 9,354 |
| Amortization of prior service costs | (4,765) |
| Income from abolishment of a part of the retirement benefit system | — |
| Others | 2,740 |
| Net periodic benefit cost | ¥39,444 |

(3) Defined contribution plans

The Company and its consolidated subsidiaries contributed ¥2,455 million (U.S.\$20 million) and ¥2,470 million to defined contribution plans during the fiscal years ended March 31, 2015 and 2014, respectively.

12. Foundation Funds

Foundation funds serve as the primary source of capital for Japanese mutual life insurance companies. These funds are similar to loans, as interest payments, maturity dates and other items must be established at the time of the offering. In the event of a bankruptcy or similar development, repayment of the principal and interest on foundation funds is subordinated to the repayment of amounts owed to ordinary creditors and insurance claims and benefit payments owed to policyholders. Upon redemption of foundation funds, mutual companies are required to make an addition to the reserve for redemption of foundation funds, which serves as retained earnings, equal to the amount redeemed. As a result, the full amount of foundation funds remains in net assets even after redemption. Foundation funds are therefore positioned as a mutual company's core capital, which is equivalent to the stated capital of a joint-stock company. The Company redeemed ¥50,000 million (U.S.\$416 million), ¥50,000 million and ¥50,000 million of foundation funds and credited the same amount to reserve for redemption of foundation funds prescribed in Article 56 of the Insurance Business Act for the fiscal years ended March 31, 2015, 2014 and 2013, respectively. ¥50,000 million of foundation funds were offered pursuant to Article 60 of the Insurance Business Act during the fiscal year ended March 31, 2013.

13. Pledged Assets

Assets pledged as collateral in the form of securities, lease receivables, and investments in leases, land and buildings as of March 31, 2015, were ¥1,482,181 million (U.S.\$12,334 million), ¥18,857 million (U.S.\$156 million), ¥252 million (U.S.\$2 million) and ¥53 million (U.S.\$0 million), respectively. The total amount of loans covered by the aforementioned assets was ¥545,030 million (U.S.\$4,535 million) as of March 31, 2015.

These amounts included ¥518,628 million (U.S.\$4,315 million) of securities deposited and ¥530,062 million (U.S.\$4,410 million) of cash received as collateral under the securities lending transactions secured by cash as of March 31, 2015.

Assets pledged as collateral in the form of securities, lease receivables, and investments in leases, land and buildings as of March 31, 2014, were ¥1,790,241 million, ¥18,790 million, ¥252 million and ¥56 million, respectively. The total amount of loans covered by the aforementioned assets was ¥816,568 million as of March 31, 2014.

These amounts included ¥905,314 million of securities deposited and ¥802,691 million of cash received as collateral under the securities lending transactions secured by cash as of March 31, 2014.

Assets pledged as collateral in the form of securities, lease receivables, and investments in leases, land and buildings as of March 31, 2013, were ¥2,134,013 million, ¥15,109 million, ¥252 million and ¥59 million, respectively. The total amount of loans covered by the aforementioned assets was ¥1,223,162 million as of March 31, 2013.

These amounts included ¥1,334,903 million of securities deposited and ¥1,212,149 million of cash received as collateral under the securities lending transactions secured by cash as of March 31, 2013.

14. Investments in Nonconsolidated Subsidiaries

The total amounts of stocks and investments in nonconsolidated subsidiaries and affiliates were ¥263,575 million (U.S.\$2,193 million), ¥192,256 million and ¥170,892 million as of March 31, 2015, 2014 and 2013, respectively.

15. Loans

(1) The total amount of loans to bankrupt borrowers, delinquent loans, loans that are delinquent for over three months and restructured loans, which were included in loans, was ¥38,417 million (U.S.\$319 million), ¥39,160 million and ¥43,153 million as of March 31, 2015, 2014 and 2013, respectively.

i) The balances of loans to bankrupt borrowers and delinquent loans were ¥2,181 million (U.S.\$18 million) and ¥32,127 million (U.S.\$267 million), respectively, as of March 31, 2015, and ¥2,336 million and ¥32,074 million, respectively, as of March 31, 2014 and ¥2,663 million and ¥34,890 million, respectively, as of March 31, 2013.

Loans to bankrupt borrowers are loans for which interest is not accrued as income, except for a portion of loans written off, and to which any event specified in Article 96, Paragraph 1, Item 3 (a) to (e) or Item 4 of the Order for Enforcement of the Corporation Tax Act has occurred. Interest is not accrued as income for the loans since the recovery of principal or interest on the loans is unlikely due to the fact that principal repayments and interest payments are overdue for a significant period of time or for other reasons.

Delinquent loans are loans with interest not accrued and exclude loans to bankrupt borrowers and loans with interest payments extended with the objective of restructuring or supporting the borrowers.

ii) There were no loans delinquent for over three months as of March 31, 2015. The balance of loans delinquent for over three months was ¥23 million as of March 31, 2014. There were no loans delinquent for over three months as of March 31, 2013.

Loans that are delinquent for over three months are loans with principal or interest unpaid for over three months beginning one day after the due date based on the loan agreement. These loans exclude loans classified as loans to bankrupt borrowers and delinquent loans.

iii) The balances of restructured loans were ¥4,107 million (U.S.\$34 million), ¥4,726 million and ¥5,599 million as of March 31, 2015, 2014 and 2013, respectively.

Restructured loans are loans that provide certain concessions favorable to borrowers with the intent of supporting the borrowers' restructuring, such as by reducing or exempting interest, postponing principal or interest payments, releasing credits, or providing other benefits to the borrowers. These loans exclude loans classified as loans to bankrupt borrowers, delinquent loans, and loans delinquent for over three months.

(2) Direct write-offs of loans decreased the balances of loans to bankrupt borrowers and delinquent loans by ¥315 million (U.S.\$2 million) and ¥427 million (U.S.\$3 million), respectively, as of March 31, 2015, and ¥356 million and ¥726 million, respectively, as of March 31, 2014 and ¥495 million and ¥1,075 million, respectively, as of March 31, 2013.

16. Loan Commitments

The amounts of commitments related to loans and loans outstanding were ¥108,416 million (U.S.\$902 million), ¥98,655 million and ¥127,665 million as of March 31, 2015, 2014 and 2013, respectively.

17. Contributions to the Life Insurance Policyholder Protection Fund and Organization

Of the maximum borrowing amount from the Life Insurance Policyholders Protection Corporation of Japan, which is provided for in Article 37-4 of the Order for Enforcement of the Insurance Business Act, the amounts applied to the Company were estimated to be ¥85,914 million (U.S.\$714 million), ¥85,750 million and ¥86,176 million as of March 31, 2015, 2014 and 2013, respectively. The amounts contributed to the aforementioned corporation were recorded within operating expenses for the fiscal year.

18. Impairment Losses

(1) Method for grouping the assets

Leased property and idle property are classified as one asset group per property. Assets utilized for insurance business operations are classified into one asset group.

(2) Circumstances causing impairment losses

The Company observed a marked decrease in profitability or fair value in some of the fixed asset groups. The book value of fixed assets was reduced to the recoverable amount and impairment losses were recognized

as extraordinary losses for the fiscal years ended March 31, 2015, 2014 and 2013.

(3) Breakdown of asset groups that recognized impairment losses:

For the year ended March 31, 2015

| Millions of Yen | | | | |
|-----------------|---------|-------------------|-----------|---------|
| Purpose of use | Land | Land lease rights | Buildings | Total |
| Leased property | ¥ 1,846 | ¥1,489 | ¥2,242 | ¥ 5,578 |
| Idle property | 13,700 | — | 628 | 14,329 |
| Total | ¥15,547 | ¥1,489 | ¥2,871 | ¥19,908 |

For the year ended March 31, 2014

| Millions of Yen | | | | |
|-----------------|--------|-------------------|-----------|--------|
| Purpose of use | Land | Land lease rights | Buildings | Total |
| Leased property | ¥2,475 | ¥— | ¥1,749 | ¥4,224 |
| Idle property | 373 | 14 | 116 | 504 |
| Total | ¥2,848 | ¥14 | ¥1,865 | ¥4,728 |

For the year ended March 31, 2013

| Millions of Yen | | | | |
|-----------------|---------|-------------------|-----------|---------|
| Purpose of use | Land | Land lease rights | Buildings | Total |
| Leased property | ¥ 8,808 | ¥1,105 | ¥4,234 | ¥14,148 |
| Idle property | 1,964 | 30 | 1,459 | 3,453 |
| Total | ¥10,772 | ¥1,135 | ¥5,693 | ¥17,602 |

For the year ended March 31, 2015

| Millions of U.S. Dollars | | | | |
|--------------------------|-------|-------------------|-----------|-------|
| Purpose of use | Land | Land lease rights | Buildings | Total |
| Leased property | \$ 15 | \$12 | \$18 | \$ 46 |
| Idle property | 114 | — | 5 | 119 |
| Total | \$129 | \$12 | \$23 | \$165 |

iv) Calculation method of recoverable amount

The recoverable amount used for the measurement of impairment losses is based on the net realizable value upon sales of the assets or the discounted future cash flows.

The discount rate used in the calculation of future cash flows is 4.0%. Net realizable values are determined based on appraisals performed in accordance with the "Real Estate Appraisal Standards" or posted land prices.

19. Deferred Tax Assets and Liabilities

(1) Deferred tax assets/liabilities consisted of the following:

| Millions of Yen | | | | Millions of U.S. Dollars |
|---|--------------|-------------|-------------|--------------------------|
| | 2015 | 2014 | 2013 | 2015 |
| Deferred tax assets | ¥ 1,273,191 | ¥ 1,212,549 | ¥ 1,129,639 | \$ 10,594 |
| Valuation allowance for deferred tax assets | (39,693) | (55,380) | (73,841) | (330) |
| Subtotal | 1,233,498 | 1,157,168 | 1,055,798 | 10,264 |
| Deferred tax liabilities | (2,452,492) | (1,493,344) | (1,174,488) | (20,408) |
| Net deferred tax liabilities | ¥(1,218,994) | ¥ (336,175) | ¥ (118,690) | \$(10,143) |

The major components resulting in deferred tax assets/liabilities were as follows:

| Millions of Yen | | | | Millions of U.S. Dollars |
|---|------------|------------|------------|--------------------------|
| | 2015 | 2014 | 2013 | 2015 |
| Deferred tax assets: | | | | |
| Policy reserves and other reserves | ¥ 758,723 | ¥ 747,389 | ¥ 698,811 | \$ 6,313 |
| Reserve for price fluctuations in investments in securities | 224,272 | 191,356 | 135,897 | 1,866 |
| Accrued retirement benefits | — | — | 135,434 | — |
| Net defined benefit liability | 118,611 | 119,401 | — | 987 |
| Allowance for doubtful accounts | 2,738 | 3,192 | 4,325 | 22 |
| Deferred tax liabilities: | | | | |
| Net unrealized gains on available-for-sale securities | ¥2,404,751 | ¥1,435,895 | ¥1,133,731 | \$20,011 |

(2) The statutory tax rate was 30.7% for the fiscal year ended March 31, 2015 and 33.2% for the fiscal years ended March 31, 2014 and 2013. The main factors for the difference between the statutory tax rates and the effective income tax rates were as follows:

| | 2015 | 2014 | 2013 |
|--|---------|---------|---------|
| Reserve for dividends to policyholders | (17.9)% | (21.2)% | (17.6)% |
| Loss on valuation of securities | — | 2.8 % | 1.9 % |
| Impact from a change in the tax rate | 16.2 % | 2.9 % | — |

(3) In conjunction with the promulgation of the "Act for Partial Revision to the Income Tax Act" (Act No. 9 of 2015), the statutory tax rate applied to the calculation of deferred tax assets and deferred tax liabilities of 30.7% was changed to 28.8%.

As a result of this change, deferred tax liabilities at the end of the period decreased by ¥81,543 million (U.S.\$678 million), deferred tax liabilities for land revaluation decreased by ¥7,615 million (U.S.\$63 million) and deferred tax assets decreased by ¥1,082 million (U.S.\$9 million), while net unrealized gains on available-for-sale securities, net of tax increased by ¥158,896 million (U.S.\$1,322 million) and land revaluation losses increased by ¥7,615 million (U.S.\$63 million). At the same time, income taxes—deferred increased by ¥71,459 million (U.S.\$594 million).

In conjunction with the promulgation of the "Act for Partial Revision to the Income Tax Act" (Act No. 10 of 2014), the statutory tax rate applied to the calculation of deferred tax assets and deferred tax liabilities of 33.2% was changed to 30.7% for collections and payments expected to be made in the period from April 1, 2014 to March 31, 2015.

As a result of this change, as of March 31, 2014, deferred tax liabilities increased by ¥8,478 million, net unrealized gains on available-for-sale securities, net of tax increased by ¥598 million, and land revaluation losses increased by ¥1 million, while deferred tax assets decreased by ¥152 million and deferred tax liabilities for land revaluation decreased by ¥1 million. At the same time, income taxes—deferred increased by ¥9,231 million.

20. Other Extraordinary Gains

In the fiscal year ended March 31, 2013, other extraordinary gains represent a reversal of accrued losses from supporting closely related companies.

21. Other Comprehensive Income

The components of other comprehensive income for the fiscal years ended March 31, 2015, 2014 and 2013, were as follows:

(1) Reclassification adjustments to profit or loss relating to other comprehensive income

For the year ended March 31, 2015

| | Millions of Yen | | Millions of U.S. Dollars | |
|--|-----------------|------------|--------------------------|----------|
| Net unrealized gains on available-for-sale securities, net of tax: | | | | |
| Gains arising during the year | ¥3,939,987 | | \$32,786 | |
| Reclassification adjustments to profit or loss | (205,480) | ¥3,734,506 | (1,709) | \$31,076 |
| Deferred losses on derivatives under hedge accounting, net of tax: | | | | |
| Losses arising during the year | (134,408) | | (1,118) | |
| Reclassification adjustments to profit or loss | 3,472 | (130,935) | 28 | (1,089) |
| Foreign currency translation adjustments: | | | | |
| Gains arising during the year | 17,321 | | 144 | |
| Reclassification adjustments to profit or loss | — | 17,321 | — | 144 |
| Remeasurement of defined benefit plans: | | | | |
| Losses arising during the year | (60,814) | | (506) | |
| Reclassification adjustments to profit or loss | (10,839) | (71,654) | (90) | (596) |
| Share of other comprehensive income of associates accounted for under the equity method: | | | | |
| Gains arising during the year | 11,917 | | 99 | |
| Reclassification adjustments to profit or loss | (686) | 11,230 | (5) | 93 |
| Amount before income tax effect | | 3,560,469 | | 29,628 |
| Income tax effect | | (911,176) | | (7,582) |
| Total other comprehensive income | | ¥2,649,292 | | \$22,046 |

For the year ended March 31, 2014

| | Millions of Yen | |
|--|-----------------|------------|
| Net unrealized gains on available-for-sale securities, net of tax: | | |
| Gains arising during the year | ¥1,194,238 | |
| Reclassification adjustments to profit or loss | (146,497) | ¥1,047,740 |
| Deferred losses on derivatives under hedge accounting, net of tax: | | |
| Losses arising during the year | (86,933) | |
| Reclassification adjustments to profit or loss | 320 | (86,613) |
| Foreign currency translation adjustments: | | |
| Gains arising during the year | 43,410 | |
| Reclassification adjustments to profit or loss | 2,726 | 46,137 |
| Share of other comprehensive income of associates accounted for under the equity method: | | |
| Gains arising during the year | 2,203 | |
| Reclassification adjustments to profit or loss | (241) | 1,961 |
| Amount before income tax effect | | 1,009,226 |
| Income tax effect | | (272,362) |
| Total other comprehensive income | | ¥ 736,864 |

For the year ended March 31, 2013

| | Millions of Yen | |
|--|-----------------|------------|
| Net unrealized gains on available-for-sale securities, net of tax: | | |
| Gains arising during the year | ¥2,045,785 | |
| Reclassification adjustments to profit or loss | 80,364 | ¥2,126,149 |
| Deferred losses on derivatives under hedge accounting, net of tax: | | |
| Losses arising during the year | (94,119) | |
| Reclassification adjustments to profit or loss | (2,805) | (96,924) |
| Foreign currency translation adjustments: | | |
| Gains arising during the year | 26,151 | |
| Reclassification adjustments to profit or loss | — | 26,151 |
| Share of other comprehensive income of associates accounted for under the equity method: | | |
| Gains arising during the year | 4,696 | |
| Reclassification adjustments to profit or loss | (132) | 4,563 |
| Amount before income tax effect | | 2,059,940 |
| Income tax effect | | (607,362) |
| Total other comprehensive income | | ¥1,452,577 |

(2) Income tax effect relating to other comprehensive income

For the year ended March 31, 2015

| | Millions of Yen | | | Millions of U.S. Dollars | | |
|---|--------------------------|-------------------|-------------------------|--------------------------|-------------------|-------------------------|
| | Before income tax effect | Income tax effect | After income tax effect | Before income tax effect | Income tax effect | After income tax effect |
| Net unrealized gains on available-for-sale securities, net of tax | ¥3,734,506 | ¥(974,010) | ¥2,760,495 | \$31,076 | \$(8,105) | \$22,971 |
| Deferred losses on derivatives under hedge accounting, net of tax | (130,935) | 34,031 | (96,904) | (1,089) | 283 | (806) |
| Land revaluation losses | — | 7,615 | 7,615 | — | 63 | 63 |
| Foreign currency translation adjustments | 17,321 | — | 17,321 | 144 | — | 144 |
| Remeasurement of defined benefit plans | (71,654) | 21,187 | (50,466) | (596) | 176 | (419) |
| Share of other comprehensive income of associates accounted for under the equity method | 11,230 | — | 11,230 | 93 | — | 93 |
| Total other comprehensive income | ¥3,560,469 | ¥(911,176) | ¥2,649,292 | \$29,628 | \$(7,582) | \$22,046 |

For the year ended March 31, 2014

| | Millions of Yen | | |
|---|--------------------------|-------------------|-------------------------|
| | Before income tax effect | Income tax effect | After income tax effect |
| Net unrealized gains on available-for-sale securities, net of tax | ¥1,047,740 | ¥(298,947) | ¥748,792 |
| Deferred losses on derivatives under hedge accounting, net of tax | (86,613) | 26,585 | (60,027) |
| Foreign currency translation adjustments | 46,137 | — | 46,137 |
| Share of other comprehensive income of associates accounted for under the equity method | 1,961 | — | 1,961 |
| Total other comprehensive income | ¥1,009,226 | ¥(272,362) | ¥736,864 |

For the year ended March 31, 2013

| | Millions of Yen | | |
|---|--------------------------|-------------------|-------------------------|
| | Before income tax effect | Income tax effect | After income tax effect |
| Net unrealized gains on available-for-sale securities, net of tax | ¥2,126,149 | ¥(639,080) | ¥1,487,069 |
| Deferred losses on derivatives under hedge accounting, net of tax | (96,924) | 29,765 | (67,159) |
| Land revaluation losses | — | 1,952 | 1,952 |
| Foreign currency translation adjustments | 26,151 | — | 26,151 |
| Share of other comprehensive income of associates accounted for under the equity method | 4,563 | — | 4,563 |
| Total other comprehensive income | ¥2,059,940 | ¥(607,362) | ¥1,452,577 |

22. Others

The following items are disclosed in the nonconsolidated financial statements and not required to be disclosed in the consolidated financial statements by the Japanese Insurance Business Act.

- Net Assets Provided for in the Order for Enforcement of the Insurance Business Act
- Policy Reserves for Reinsurance Contracts Provided in Accordance with Article 71, Paragraph 1 of the Order for Enforcement of the Insurance Business Act
- Investment Income and Expenses
- Policy Reserves for Ceded Reinsurance

23. Subsequent Events

(1) Approval of proposed appropriation of surplus at the annual meeting of the representatives of policyholders.

The nonconsolidated proposed appropriations of surplus for the fiscal year ended March 31, 2015, were approved as planned at the annual meeting of the representatives of policyholders held on July 2, 2015.

(2) Foundation funds offering of ¥50,000 million

During the annual meeting of representatives of policyholders on July 2, 2015, a resolution was passed to partially amend the Articles of Incorporation in connection with an issuance of foundation funds of ¥50,000 million during the year ending March 31, 2016.

NONCONSOLIDATED FINANCIAL STATEMENTS

6. Nonconsolidated Balance Sheets

Nippon Life Insurance Company

| As of March 31 | Millions of Yen | | | Millions of U.S. Dollars |
|--|--------------------|--------------------|--------------------|--------------------------|
| | 2015 | 2014 | 2013 | 2015 |
| ASSETS: | | | | |
| Cash and deposits (Note 3): | ¥ 492,198 | ¥ 467,727 | ¥ 502,956 | \$ 4,095 |
| Cash | 268 | 310 | 550 | 2 |
| Deposits | 491,930 | 467,416 | 502,405 | 4,093 |
| Call loans | 572,600 | 349,400 | 203,900 | 4,764 |
| Receivables under securities borrowing transactions | — | 159,856 | 150,709 | — |
| Monetary receivables purchased (Note 3) | 498,758 | 570,632 | 756,320 | 4,150 |
| Investments in securities (Notes 3, 5, 14 and 15): | | | | |
| National government bonds | 18,760,470 | 17,578,858 | 16,543,499 | 156,116 |
| Local government bonds | 1,441,843 | 1,522,414 | 1,586,508 | 11,998 |
| Corporate bonds | 2,783,481 | 2,944,847 | 3,092,231 | 23,162 |
| Domestic stocks | 9,311,147 | 7,334,077 | 6,917,409 | 77,483 |
| Foreign securities | 16,450,680 | 14,258,244 | 13,556,511 | 136,895 |
| Other securities | 1,091,615 | 730,571 | 578,037 | 9,083 |
| Subtotal | 49,839,240 | 44,369,012 | 42,274,197 | 414,739 |
| Loans (Notes 3, 16 and 17): | | | | |
| Policy loans | 736,564 | 782,280 | 835,460 | 6,129 |
| Industrial and consumer loans | 7,621,055 | 7,746,698 | 7,746,341 | 63,418 |
| Subtotal | 8,357,620 | 8,528,979 | 8,581,801 | 69,548 |
| Tangible fixed assets (Notes 4, 6, 14 and 22): | | | | |
| Land | 1,173,623 | 1,185,348 | 1,144,344 | 9,766 |
| Buildings | 514,952 | 474,175 | 484,567 | 4,285 |
| Lease assets | 5,007 | 3,740 | 2,713 | 41 |
| Construction in progress | 7,985 | 42,930 | 31,132 | 66 |
| Other tangible fixed assets | 11,679 | 12,020 | 13,543 | 97 |
| Subtotal | 1,713,248 | 1,718,217 | 1,676,301 | 14,256 |
| Intangible fixed assets: | | | | |
| Software | 78,574 | 87,100 | 93,186 | 653 |
| Other intangible fixed assets | 91,821 | 92,191 | 91,804 | 764 |
| Subtotal | 170,395 | 179,292 | 184,990 | 1,417 |
| Reinsurance receivables | 445 | 260 | 222 | 3 |
| Other assets: | | | | |
| Accounts receivable | 130,753 | 91,782 | 152,896 | 1,088 |
| Prepaid expenses | 9,412 | 7,871 | 8,706 | 78 |
| Accrued income | 265,437 | 255,976 | 236,498 | 2,208 |
| Money on deposit | 36,753 | 37,310 | 38,575 | 305 |
| Deposits for futures transactions | 8,849 | 5,753 | 6,285 | 73 |
| Futures transactions variation margin | 135 | — | 46 | 1 |
| Derivative financial instruments (Note 3) | 140,355 | 10,151 | 71,453 | 1,167 |
| Suspense | 4,845 | 6,331 | 6,411 | 40 |
| Other assets | 9,852 | 9,052 | 10,019 | 81 |
| Subtotal | 606,397 | 424,228 | 530,894 | 5,046 |
| Customers' liability for acceptances and guarantees | 38,686 | 30,137 | 29,233 | 321 |
| Allowance for doubtful accounts | (6,585) | (7,024) | (8,704) | (54) |
| Total assets | ¥62,283,004 | ¥56,790,719 | ¥54,882,824 | \$518,290 |

The accompanying notes are an integral part of the nonconsolidated financial statements.

| | Millions of Yen | | | Millions of U.S. Dollars |
|--|--------------------|--------------------|--------------------|--------------------------|
| As of March 31 | 2015 | 2014 | 2013 | 2015 |
| LIABILITIES: | | | | |
| Policy reserves and other reserves: | | | | |
| Reserve for outstanding claims | ¥ 197,929 | ¥ 199,582 | ¥ 203,848 | \$ 1,647 |
| Policy reserves (Notes 18 and 21) | 49,201,314 | 47,515,496 | 46,161,263 | 409,430 |
| Reserve for dividends to policyholders (Note 9) | 1,037,472 | 1,070,852 | 1,105,093 | 8,633 |
| Subtotal | 50,436,716 | 48,785,930 | 47,470,205 | 419,711 |
| Reinsurance payables | 523 | 343 | 271 | 4 |
| Corporate bonds (Notes 3 and 10) | 399,590 | 157,040 | 157,040 | 3,325 |
| Other liabilities: | | | | |
| Cash received as collateral under securities lending transactions | 529,989 | 802,691 | 1,212,021 | 4,410 |
| Loans payable | 10,649 | 9,127 | 25 | 88 |
| Income taxes payable | 78,462 | 101,948 | 45,091 | 652 |
| Accounts payable | 149,740 | 124,982 | 264,435 | 1,246 |
| Accrued expenses | 63,134 | 57,257 | 63,373 | 525 |
| Deferred income | 23,217 | 22,870 | 22,246 | 193 |
| Deposits received | 99,396 | 98,158 | 99,495 | 827 |
| Guarantee deposits received | 84,777 | 84,102 | 84,171 | 705 |
| Futures transactions variation margin | 22 | 296 | 155 | 0 |
| Derivative financial instruments | 355,637 | 288,867 | 330,715 | 2,959 |
| Cash collateral received for financial instruments | 33,074 | — | — | 275 |
| Lease obligations | 5,512 | 4,930 | 4,262 | 45 |
| Asset retirement obligations | 1,966 | 2,031 | 2,035 | 16 |
| Suspense receipts | 15,773 | 9,868 | 19,758 | 131 |
| Other liabilities | 73 | — | 128 | 0 |
| Subtotal | 1,451,427 | 1,607,132 | 2,147,917 | 12,078 |
| Accrued bonuses for directors and audit and supervisory board members | 74 | 50 | 52 | 0 |
| Accrued retirement benefits (Note 12) | 365,302 | 385,283 | 433,184 | 3,039 |
| Accrued retirement benefits for directors and audit and supervisory board members | 4,274 | 4,403 | 4,374 | 35 |
| Reserve for program points | 13,171 | 12,609 | 9,564 | 109 |
| Reserve for price fluctuations in investments in securities | 778,723 | 623,312 | 427,529 | 6,480 |
| Deferred tax liabilities (Note 23) | 1,231,729 | 328,632 | 123,652 | 10,249 |
| Deferred tax liabilities for land revaluation | 115,440 | 128,236 | 129,132 | 960 |
| Acceptances and guarantees | 38,686 | 30,137 | 29,233 | 321 |
| Total liabilities | 54,835,660 | 52,063,111 | 50,932,158 | 456,317 |
| NET ASSETS: | | | | |
| Foundation funds (Note 13) | 200,000 | 250,000 | 300,000 | 1,664 |
| Reserve for redemption of foundation funds (Note 13) | 1,050,000 | 1,000,000 | 950,000 | 8,737 |
| Reserve for revaluation | 651 | 651 | 651 | 5 |
| Surplus: | | | | |
| Legal reserve for deficiencies | 14,208 | 13,270 | 12,571 | 118 |
| Other surplus reserves: | 485,746 | 426,752 | 338,006 | 4,042 |
| Equalized reserve for dividends to policyholders | 50,000 | — | — | 416 |
| Contingency funds | 71,917 | 71,917 | 71,917 | 598 |
| Reserve for social public welfare assistance | 282 | 259 | 236 | 2 |
| Reserve for reduction entry of real estate | 45,882 | 42,693 | 34,666 | 381 |
| Reserve for reduction entry of real estate to be purchased | 34 | 33 | — | 0 |
| Other reserves | 170 | 170 | 170 | 1 |
| Unappropriated surplus | 317,459 | 311,679 | 231,016 | 2,641 |
| Total surplus | 499,954 | 440,022 | 350,577 | 4,160 |
| Total foundation funds and others | 1,750,605 | 1,690,674 | 1,601,228 | 14,567 |
| Net unrealized gains on available-for-sale securities, net of tax | 6,016,469 | 3,256,652 | 2,508,046 | 50,066 |
| Deferred losses on derivatives under hedge accounting, net of tax | (231,060) | (134,156) | (74,128) | (1,922) |
| Land revaluation losses | (88,670) | (85,561) | (84,481) | (737) |
| Total valuations, conversions, and others | 5,696,737 | 3,036,934 | 2,349,436 | 47,405 |
| Total net assets | 7,447,343 | 4,727,608 | 3,950,665 | 61,973 |
| Total liabilities and net assets | ¥62,283,004 | ¥56,790,719 | ¥54,882,824 | \$518,290 |

The accompanying notes are an integral part of the nonconsolidated financial statements.

7. Nonconsolidated Statements of Income

Nippon Life Insurance Company

| | Millions of Yen | | | Millions of U.S. Dollars |
|---|------------------|------------------|------------------|--------------------------|
| For the years ended March 31 | 2015 | 2014 | 2013 | 2015 |
| ORDINARY INCOME: | | | | |
| Revenues from insurance and reinsurance: | | | | |
| Insurance premiums | ¥5,336,204 | ¥4,824,669 | ¥5,342,079 | \$44,405 |
| Reinsurance revenue | 913 | 907 | 777 | 7 |
| Subtotal | 5,337,118 | 4,825,577 | 5,342,857 | 44,413 |
| Investment income (Note 20): | | | | |
| Interest, dividends, and other income: | 1,371,789 | 1,296,640 | 1,217,010 | 11,415 |
| Interest on deposits and savings | 276 | 268 | 272 | 2 |
| Interest on securities and dividends | 1,113,858 | 1,029,275 | 935,962 | 9,269 |
| Interest on loans | 161,231 | 171,827 | 178,296 | 1,341 |
| Real estate rental income | 82,716 | 79,237 | 82,608 | 688 |
| Other income | 13,706 | 16,031 | 19,870 | 114 |
| Gain from assets held in trust, net | 4 | 5 | 13 | 0 |
| Gain on sales of securities | 242,024 | 260,438 | 192,348 | 2,014 |
| Gain on redemptions of securities | 5,023 | 248 | 284 | 41 |
| Foreign exchange gains, net | — | 1,693 | 1,201 | — |
| Reversal of allowance for doubtful accounts | 431 | 1,667 | 4,561 | 3 |
| Other investment income | 489 | 441 | 857 | 4 |
| Gain from separate accounts, net | 154,187 | 122,626 | 144,611 | 1,283 |
| Subtotal | 1,773,951 | 1,683,763 | 1,560,888 | 14,762 |
| Other ordinary income: | | | | |
| Income from annuity riders | 7,329 | 7,836 | 7,769 | 60 |
| Income from deferred benefits | 126,913 | 153,912 | 152,482 | 1,056 |
| Reversal of reserve for outstanding claims | 1,652 | 4,266 | 2,786 | 13 |
| Other ordinary income | 46,729 | 38,733 | 27,445 | 388 |
| Subtotal | 182,625 | 204,748 | 190,483 | 1,519 |
| Total ordinary income | 7,293,695 | 6,714,089 | 7,094,229 | 60,694 |
| ORDINARY EXPENSES: | | | | |
| Benefits and other payments: | | | | |
| Death and other claims | 1,022,096 | 1,016,847 | 1,059,742 | 8,505 |
| Annuity payments | 839,921 | 857,662 | 686,205 | 6,989 |
| Health and other benefits | 721,112 | 769,645 | 828,082 | 6,000 |
| Surrender benefits | 959,865 | 839,852 | 834,495 | 7,987 |
| Other refunds | 387,696 | 292,927 | 207,332 | 3,226 |
| Reinsurance premiums | 1,491 | 1,284 | 1,271 | 12 |
| Subtotal | 3,932,183 | 3,778,221 | 3,617,129 | 32,721 |
| Provision for policy reserves: | | | | |
| Provision for policy reserves | 1,685,817 | 1,354,233 | 1,713,183 | 14,028 |
| Provision for interest on reserve for dividends to policyholders (Note 9) | 23,602 | 24,715 | 25,830 | 196 |
| Subtotal | 1,709,420 | 1,378,948 | 1,739,014 | 14,225 |
| Investment expenses (Note 20): | | | | |
| Interest expenses | 9,876 | 7,792 | 4,717 | 82 |
| Loss on sales of securities | 18,357 | 57,738 | 72,088 | 152 |
| Loss on valuation of securities | 3,258 | 22,254 | 98,668 | 27 |
| Loss on redemptions of securities | 21,595 | 24,628 | 30,526 | 179 |
| Loss on derivative financial instruments, net | 46,342 | 36,508 | 176,689 | 385 |
| Foreign exchange losses, net | 417 | — | — | 3 |
| Write-offs of loans | 0 | 0 | 1 | 0 |
| Depreciation of rental real estate and other assets | 15,307 | 15,410 | 23,954 | 127 |
| Other investment expenses | 25,839 | 21,976 | 21,503 | 215 |
| Subtotal | 140,994 | 186,309 | 428,149 | 1,173 |
| Operating expenses (Note 19) | 563,371 | 561,860 | 566,920 | 4,688 |
| Other ordinary expenses: | | | | |
| Deferred benefit payments | 232,820 | 197,808 | 243,173 | 1,937 |
| Taxes | 44,508 | 34,643 | 37,376 | 370 |
| Depreciation | 46,455 | 47,308 | 57,839 | 386 |
| Other ordinary expenses | 16,700 | 16,371 | 15,883 | 138 |
| Subtotal | 340,484 | 296,133 | 354,273 | 2,833 |
| Total ordinary expenses | 6,686,454 | 6,201,473 | 6,705,486 | 55,641 |
| Ordinary profit | ¥ 607,241 | ¥ 512,616 | ¥ 388,742 | \$ 5,053 |

| | Millions of Yen | | | Millions of U.S. Dollars |
|---|-----------------|-----------------|-----------------|--------------------------|
| For the years ended March 31 | 2015 | 2014 | 2013 | 2015 |
| Extraordinary gains: | | | | |
| Gain on disposals of fixed assets | ¥ 4,025 | ¥ 2,750 | ¥ 4,138 | \$ 33 |
| Reversal of reserve for loss on disaster | — | — | 326 | — |
| Gain on liquidation of subsidiaries and affiliates | — | 40,486 | — | — |
| Other extraordinary gains (Note 26) | — | — | 388 | — |
| Subtotal | 4,025 | 43,236 | 4,853 | 33 |
| Extraordinary losses: | | | | |
| Loss on disposals of fixed assets | 3,423 | 6,252 | 31,130 | 28 |
| Impairment losses (Note 22) | 19,908 | 4,728 | 17,602 | 165 |
| Provision for reserve for price fluctuations in investments in securities | 155,411 | 195,783 | 93,819 | 1,293 |
| Loss on reduction entry of real estate | 136 | 96 | 2,531 | 1 |
| Contributions for assisting social public welfare | 2,977 | 1,477 | 1,477 | 24 |
| Subtotal | 181,855 | 208,338 | 146,560 | 1,513 |
| Surplus before income taxes | 429,411 | 347,515 | 247,035 | 3,573 |
| Income taxes (Note 23): | | | | |
| Current | 167,465 | 142,385 | 66,158 | 1,393 |
| Deferred | (41,811) | (79,286) | (29,745) | (347) |
| Total income taxes | 125,653 | 63,098 | 36,412 | 1,045 |
| Net surplus | ¥303,758 | ¥284,416 | ¥210,622 | \$2,527 |

The accompanying notes are an integral part of the nonconsolidated financial statements.

8. Nonconsolidated Statements of Changes in Net Assets

Nippon Life Insurance Company

| | Millions of Yen | | | | | | | | | | |
|--|-----------------------------|--|-------------------------|--------------------------------|-------------------|--|--|----------------|-------------------------|---------------|-----------------------------------|
| | Foundation funds and others | | | | | | | | | | |
| | Surplus | | | | | | | | | | |
| | Other surplus reserves | | | | | | | | | | |
| For the year ended March 31, 2013 | Foundation funds (Note 13) | Reserve for redemption of foundation funds (Note 13) | Reserve for revaluation | Legal reserve for deficiencies | Contingency funds | Reserve for social public welfare assistance | Reserve for reduction entry of real estate | Other reserves | Un-appropriated surplus | Total surplus | Total foundation funds and others |
| Beginning balance | ¥300,000 | ¥900,000 | ¥651 | ¥11,889 | ¥71,917 | ¥ 213 | ¥31,746 | ¥170 | ¥ 226,344 | ¥ 342,281 | ¥1,542,932 |
| Increase/decrease: | | | | | | | | | | | |
| Issuance of foundation funds | 50,000 | | | | | | | | | | 50,000 |
| Additions to reserve for dividends to policyholders (Note 9) | | | | | | | | | (167,313) | (167,313) | (167,313) |
| Additions to legal reserve for deficiencies | | | | 682 | | | | | (682) | — | — |
| Additions to reserve for redemption of foundation funds | | 50,000 | | | | | | | (50,000) | (50,000) | — |
| Interest on foundation funds | | | | | | | | | (3,930) | (3,930) | (3,930) |
| Net surplus | | | | | | | | | 210,622 | 210,622 | 210,622 |
| Redemption of foundation funds | (50,000) | | | | | | | | | | (50,000) |
| Additions to reserve for social public welfare assistance | | | | | | 1,500 | | | (1,500) | — | — |
| Reversal of reserve for social public welfare assistance | | | | | | (1,477) | | | 1,477 | — | — |
| Additions to reserve for reduction entry of real estate | | | | | | | 3,604 | | (3,604) | — | — |
| Reversal of reserve for reduction entry of real estate | | | | | | | (685) | | 685 | — | — |
| Reversal of land revaluation losses | | | | | | | | | 18,917 | 18,917 | 18,917 |
| Net change, excluding foundation funds and others | | | | | | | | | | | |
| Net change | — | 50,000 | — | 682 | — | 23 | 2,919 | — | 4,672 | 8,296 | 58,296 |
| Ending balance | ¥300,000 | ¥950,000 | ¥651 | ¥12,571 | ¥71,917 | ¥ 236 | ¥34,666 | ¥170 | ¥ 231,016 | ¥ 350,577 | ¥1,601,228 |

| | Millions of Yen | | | | |
|--|---|---|-------------------------|---|------------------|
| | Valuations, conversions, and others | | | | |
| | | | | | |
| | Net unrealized gains on available-for-sale securities, net of tax | Deferred losses on derivatives under hedge accounting, net of tax | Land revaluation losses | Total valuations, conversions, and others | Total net assets |
| For the year ended March 31, 2013 | | | | | |
| Beginning balance | ¥1,021,724 | ¥ (6,969) | ¥(67,515) | ¥ 947,239 | ¥2,490,171 |
| Increase/decrease: | | | | | |
| Issuance of foundation funds | | | | | 50,000 |
| Additions to reserve for dividends to policyholders (Note 9) | | | | | (167,313) |
| Additions to legal reserve for deficiencies | | | | | — |
| Additions to reserve for redemption of foundation funds | | | | | — |
| Interest on foundation funds | | | | | (3,930) |
| Net surplus | | | | | 210,622 |
| Redemption of foundation funds | | | | | (50,000) |
| Additions to reserve for social public welfare assistance | | | | | — |
| Reversal of reserve for social public welfare assistance | | | | | — |
| Additions to reserve for reduction entry of real estate | | | | | — |
| Reversal of reserve for reduction entry of real estate | | | | | — |
| Reversal of land revaluation losses | | | | | 18,917 |
| Net change, excluding foundation funds and others | 1,486,322 | (67,159) | (16,965) | 1,402,197 | 1,402,197 |
| Net change | 1,486,322 | (67,159) | (16,965) | 1,402,197 | 1,460,493 |
| Ending balance | ¥2,508,046 | ¥(74,128) | ¥(84,481) | ¥2,349,436 | ¥3,950,665 |

| For the year ended March 31, 2014 | Millions of Yen | | | | | | | | | | | |
|---|-----------------------------|--|-------------------------|--------------------------------|-------------------|--|--|--|----------------|-------------------------|---------------|-----------------------------------|
| | Foundation funds and others | | | | | | | | | | | |
| | Surplus | | | | | | | | | | | |
| | Other surplus reserves | | | | | | | | | | | |
| | Foundation funds (Note 13) | Reserve for redemption of foundation funds (Note 13) | Reserve for revaluation | Legal reserve for deficiencies | Contingency funds | Reserve for social public welfare assistance | Reserve for reduction entry of real estate | Reserve for reduction entry of real estate to be purchased | Other reserves | Un-appropriated surplus | Total surplus | Total foundation funds and others |
| Beginning balance | ¥300,000 | ¥ 950,000 | ¥651 | ¥12,571 | ¥71,917 | ¥ 236 | ¥34,666 | ¥— | ¥170 | ¥ 231,016 | ¥ 350,577 | ¥1,601,228 |
| Cumulative effect of change in accounting policies | | | | | | | | | | 24,705 | 24,705 | 24,705 |
| Beginning balance after reflecting accounting policy changes | 300,000 | 950,000 | 651 | 12,571 | 71,917 | 236 | 34,666 | — | 170 | 255,722 | 375,282 | 1,625,934 |
| Increase/decrease: | | | | | | | | | | | | |
| Additions to reserve for dividends to policyholders (Note 9) | | | | | | | | | | (167,172) | (167,172) | (167,172) |
| Additions to legal reserve for deficiencies | | | | 699 | | | | | | (699) | — | — |
| Additions to reserve for redemption of foundation funds | | 50,000 | | | | | | | | (50,000) | (50,000) | — |
| Interest on foundation funds | | | | | | | | | | (3,585) | (3,585) | (3,585) |
| Net surplus | | | | | | | | | | 284,416 | 284,416 | 284,416 |
| Redemption of foundation funds | (50,000) | | | | | | | | | | | (50,000) |
| Additions to reserve for social public welfare assistance | | | | | | 1,500 | | | | (1,500) | — | — |
| Reversal of reserve for social public welfare assistance | | | | | | (1,477) | | | | 1,477 | — | — |
| Additions to reserve for reduction entry of real estate | | | | | | | 9,868 | | | (9,868) | — | — |
| Reversal of reserve for reduction entry of real estate | | | | | | | (1,841) | | | 1,841 | — | — |
| Additions to reserve for reduction entry of real estate to be purchased | | | | | | | | 33 | | (33) | — | — |
| Reversal of land revaluation losses | | | | | | | | | | 1,080 | 1,080 | 1,080 |
| Net change, excluding foundation funds and others | | | | | | | | | | | | |
| Net change | (50,000) | 50,000 | — | 699 | — | 23 | 8,027 | 33 | — | 55,957 | 64,740 | 64,740 |
| Ending balance | ¥250,000 | ¥1,000,000 | ¥651 | ¥13,270 | ¥71,917 | ¥ 259 | ¥42,693 | ¥33 | ¥170 | ¥ 311,679 | ¥ 440,022 | ¥1,690,674 |

| For the year ended March 31, 2014 | Millions of Yen | | | | |
|---|---|---|-------------------------|---|------------------|
| | Valuations, conversions, and others | | | | |
| | Net unrealized gains on available-for-sale securities, net of tax | Deferred losses on derivatives under hedge accounting, net of tax | Land revaluation losses | Total valuations, conversions, and others | Total net assets |
| Beginning balance | ¥2,508,046 | ¥ (74,128) | ¥(84,481) | ¥2,349,436 | ¥3,950,665 |
| Cumulative effect of change in accounting policies | | | | | 24,705 |
| Beginning balance after reflecting accounting policy changes | 2,508,046 | (74,128) | (84,481) | 2,349,436 | 3,975,371 |
| Increase/decrease: | | | | | |
| Additions to reserve for dividends to policyholders (Note 9) | | | | | (167,172) |
| Additions to legal reserve for deficiencies | | | | | — |
| Additions to reserve for redemption of foundation funds | | | | | — |
| Interest on foundation funds | | | | | (3,585) |
| Net surplus | | | | | 284,416 |
| Redemption of foundation funds | | | | | (50,000) |
| Additions to reserve for social public welfare assistance | | | | | — |
| Reversal of reserve for social public welfare assistance | | | | | — |
| Additions to reserve for reduction entry of real estate | | | | | — |
| Reversal of reserve for reduction entry of real estate | | | | | — |
| Additions to reserve for reduction entry of real estate to be purchased | | | | | — |
| Reversal of land revaluation losses | | | | | 1,080 |
| Net change, excluding foundation funds and others | 748,605 | (60,027) | (1,080) | 687,497 | 687,497 |
| Net change | 748,605 | (60,027) | (1,080) | 687,497 | 752,237 |
| Ending balance | ¥3,256,652 | ¥(134,156) | ¥(85,561) | ¥3,036,934 | ¥4,727,608 |

| For the year ended March 31, 2015 | Millions of Yen | | | | | | | | | | | | |
|---|-------------------------------|---|-------------------------|--------------------------------|--|-------------------|--|--|--|----------------|-------------------------|---------------|-----------------------------------|
| | Foundation funds and others | | | | | | | | | | | | |
| | Surplus | | | | | | | | | | | | |
| | Other surplus reserves | | | | | | | | | | | | |
| | Foundation funds (Note 13) | Reserve for redemption of foundation funds (Note 13) | Reserve for revaluation | Legal reserve for deficiencies | Equalized reserve for dividends to policyholders | Contingency funds | Reserve for social public welfare assistance | Reserve for reduction entry of real estate | Reserve for reduction entry of real estate to be purchased | Other reserves | Un-appropriated surplus | Total surplus | Total foundation funds and others |
| Beginning balance | ¥250,000 | ¥1,000,000 | ¥651 | ¥13,270 | ¥ — | ¥71,917 | ¥ 259 | ¥42,693 | ¥33 | ¥170 | ¥ 311,679 | ¥ 440,022 | ¥1,690,674 |
| Increase/decrease: | | | | | | | | | | | | | |
| Additions to reserve for dividends to policyholders (Note 9) | | | | | | | | | | | (201,765) | (201,765) | (201,765) |
| Additions to legal reserve for deficiencies | | | | 938 | | | | | | | (938) | — | — |
| Additions to reserve for redemption of foundation funds | | 50,000 | | | | | | | | | (50,000) | (50,000) | — |
| Interest on foundation funds | | | | | | | | | | | (2,785) | (2,785) | (2,785) |
| Net surplus | | | | | | | | | | | 303,758 | 303,758 | 303,758 |
| Redemption of foundation funds | (50,000) | | | | | | | | | | | | (50,000) |
| Additions to equalized reserve for dividends to policyholders | | | | | 50,000 | | | | | | (50,000) | — | — |
| Additions to reserve for social public welfare assistance | | | | | | | 3,000 | | | | (3,000) | — | — |
| Reversal of reserve for social public welfare assistance | | | | | | | (2,977) | | | | 2,977 | — | — |
| Additions to reserve for reduction entry of real estate | | | | | | | | 3,866 | | | (3,866) | — | — |
| Reversal of reserve for reduction entry of real estate | | | | | | | | (677) | | | 677 | — | — |
| Additions to reserve for reduction entry of real estate to be purchased | | | | | | | | | 1 | | (1) | — | — |
| Reversal of land revaluation losses | | | | | | | | | | | 10,724 | 10,724 | 10,724 |
| Net change, excluding foundation funds and others | | | | | | | | | | | | | |
| Net change | (50,000) | 50,000 | — | 938 | 50,000 | — | 23 | 3,189 | 1 | — | 5,780 | 59,931 | 59,931 |
| Ending balance | ¥200,000 | ¥1,050,000 | ¥651 | ¥14,208 | ¥50,000 | ¥71,917 | ¥ 282 | ¥45,882 | ¥34 | ¥170 | ¥ 317,459 | ¥ 499,954 | ¥1,750,605 |

| For the year ended March 31, 2015 | Millions of Yen | | | | |
|---|---|---|-------------------------|---|------------------|
| | Valuations, conversions, and others | | | | |
| | Net unrealized gains on available-for-sale securities, net of tax | Deferred losses on derivatives under hedge accounting, net of tax | Land revaluation losses | Total valuations, conversions, and others | Total net assets |
| Beginning balance | ¥3,256,652 | ¥(134,156) | ¥(85,561) | ¥3,036,934 | ¥4,727,608 |
| Increase/decrease: | | | | | |
| Additions to reserve for dividends to policyholders (Note 9) | | | | | (201,765) |
| Additions to legal reserve for deficiencies | | | | | — |
| Additions to reserve for redemption of foundation funds | | | | | — |
| Interest on foundation funds | | | | | (2,785) |
| Net surplus | | | | | 303,758 |
| Redemption of foundation funds | | | | | (50,000) |
| Additions to equalized reserve for dividends to policyholders | | | | | — |
| Additions to reserve for social public welfare assistance | | | | | — |
| Reversal of reserve for social public welfare assistance | | | | | — |
| Additions to reserve for reduction entry of real estate | | | | | — |
| Reversal of reserve for reduction entry of real estate | | | | | — |
| Additions to reserve for reduction entry of real estate to be purchased | | | | | — |
| Reversal of land revaluation losses | | | | | 10,724 |
| Net change, excluding foundation funds and others | | | | | |
| Net change | 2,759,816 | (96,904) | (3,108) | 2,659,803 | 2,719,735 |
| Ending balance | ¥6,016,469 | ¥(231,060) | ¥(88,670) | ¥5,696,737 | ¥7,447,343 |

| | Millions of U.S. Dollars | | | | | | | | | | | | |
|---|-----------------------------|--|-------------------------|--------------------------------|--|-------------------|--|--|--|----------------|-------------------------|---------------|-----------------------------------|
| | Foundation funds and others | | | | | | | | | | | | |
| | | | Surplus | | | | | | | | | | |
| | | | Other surplus reserves | | | | | | | | | | |
| | Foundation funds (Note 13) | Reserve for redemption of foundation funds (Note 13) | Reserve for revaluation | Legal reserve for deficiencies | Equalized reserve for dividends to policyholders | Contingency funds | Reserve for social public welfare assistance | Reserve for reduction entry of real estate | Reserve for reduction entry of real estate to be purchased | Other reserves | Un-appropriated surplus | Total surplus | Total foundation funds and others |
| For the year ended March 31, 2015 | | | | | | | | | | | | | |
| Beginning balance | \$2,080 | \$8,321 | \$ 5 | \$110 | \$ — | \$598 | \$ 2 | \$355 | \$0 | \$ 1 | \$ 2,593 | \$ 3,661 | \$14,069 |
| Increase/decrease: | | | | | | | | | | | | | |
| Additions to reserve for dividends to policyholders (Note 9) | | | | | | | | | | | (1,678) | (1,678) | (1,678) |
| Additions to legal reserve for deficiencies | | | | 7 | | | | | | | (7) | — | — |
| Additions to reserve for redemption of foundation funds | | 416 | | | | | | | | | (416) | (416) | — |
| Interest on foundation funds | | | | | | | | | | | (23) | (23) | (23) |
| Net surplus | | | | | | | | | | | 2,527 | 2,527 | 2,527 |
| Redemption of foundation funds | (416) | | | | | | | | | | | | (416) |
| Additions to equalized reserve for dividends to policyholders | | | | | 416 | | | | | | (416) | — | — |
| Additions to reserve for social public welfare assistance | | | | | | | 24 | | | | (24) | — | — |
| Reversal of reserve for social public welfare assistance | | | | | | | (24) | | | | 24 | — | — |
| Additions to reserve for reduction entry of real estate | | | | | | | | 32 | | | (32) | — | — |
| Reversal of reserve for reduction entry of real estate | | | | | | | | (5) | | | 5 | — | — |
| Additions to reserve for reduction entry of real estate to be purchased | | | | | | | | | 0 | | (0) | — | — |
| Reversal of land revaluation losses | | | | | | | | | | | 89 | 89 | 89 |
| Net change, excluding foundation funds and others | | | | | | | | | | | | | |
| Net change | (416) | 416 | — | 7 | 416 | — | 0 | 26 | 0 | — | 48 | 498 | 498 |
| Ending balance | \$1,664 | \$8,737 | \$ 5 | \$118 | \$416 | \$598 | \$ 2 | \$381 | \$0 | \$ 1 | \$ 2,641 | \$ 4,160 | \$14,567 |

| For the year ended March 31, 2015 | Millions of U.S. Dollars | | | | |
|---|---|---|-------------------------|---|------------------|
| | Valuations, conversions, and others | | | | |
| | Net unrealized gains on available-for-sale securities, net of tax | Deferred losses on derivatives under hedge accounting, net of tax | Land revaluation losses | Total valuations, conversions, and others | Total net assets |
| Beginning balance | \$27,100 | \$(1,116) | \$(711) | \$25,271 | \$39,341 |
| Increase/decrease: | | | | | |
| Additions to reserve for dividends to policyholders (Note 9) | | | | | (1,678) |
| Additions to legal reserve for deficiencies | | | | | — |
| Additions to reserve for redemption of foundation funds | | | | | — |
| Interest on foundation funds | | | | | (23) |
| Net surplus | | | | | 2,527 |
| Redemption of foundation funds | | | | | (416) |
| Additions to equalized reserve for dividends to policyholders | | | | | — |
| Additions to reserve for social public welfare assistance | | | | | — |
| Reversal of reserve for social public welfare assistance | | | | | — |
| Additions to reserve for reduction entry of real estate | | | | | — |
| Reversal of reserve for reduction entry of real estate | | | | | — |
| Additions to reserve for reduction entry of real estate to be purchased | | | | | — |
| Reversal of land revaluation losses | | | | | 89 |
| Net change, excluding foundation funds and others | | | | | |
| Net change | 22,965 | (806) | (25) | 22,133 | 22,133 |
| Ending balance | \$50,066 | \$(1,922) | \$(737) | \$47,405 | \$61,973 |

The accompanying notes are an integral part of the consolidated financial statements.

9. Nonconsolidated Proposed Appropriations of Surplus

Nippon Life Insurance Company

| For the years ended March 31 | Thousands of Yen | | | Thousands of U.S. Dollars |
|--|---------------------|---------------------|---------------------|---------------------------|
| | 2015 | 2014 | 2013 | 2015 |
| Unappropriated surplus | ¥317,459,726 | ¥311,679,459 | ¥231,016,619 | \$2,641,755 |
| Reversal from voluntary surplus reserves: | 635,726 | 677,396 | 1,841,308 | 5,290 |
| Reversal of reserve for reduction entry of real estate | 601,326 | 677,396 | 1,841,308 | 5,003 |
| Reversal of reserve for reduction entry of real estate to be purchased | 34,400 | — | — | 286 |
| Total | ¥318,095,453 | ¥312,356,855 | ¥232,857,928 | \$2,647,045 |
| Appropriations: | ¥318,095,453 | ¥312,356,855 | ¥232,857,928 | \$2,647,045 |
| Reserve for dividends to policyholders | 257,299,416 | 201,765,958 | 167,172,049 | 2,141,128 |
| Net surplus | 60,796,036 | 110,590,897 | 65,685,879 | 505,916 |
| Legal reserve for deficiencies | 955,000 | 938,000 | 699,000 | 7,947 |
| Reserve for redemption of foundation funds | 50,000,000 | 50,000,000 | 50,000,000 | 416,077 |
| Interest on foundation funds | 1,935,000 | 2,785,000 | 3,585,000 | 16,102 |
| Voluntary surplus reserves: | 7,906,036 | 56,867,897 | 11,401,879 | 65,790 |
| Equalized reserve for dividends to policyholders | — | 50,000,000 | — | — |
| Reserve for social public welfare assistance | 3,000,000 | 3,000,000 | 1,500,000 | 24,964 |
| Reserve for reduction entry of real estate | 4,906,036 | 3,866,656 | 9,868,719 | 40,825 |
| Reserve for reduction entry of real estate to be purchased | — | 1,241 | 33,159 | — |
| Surplus carried forward | — | — | — | — |

Of the surplus available for disposition, a minimum ratio for the reserve for dividends to policyholders needs to be established in the Articles of Incorporation.

Nippon Life applies mutatis mutandis Article 30-6 of the Order for Enforcement of the Insurance Business Act in the Articles of Incorporation and has established the ratio (20/100) stipulated in said Article 30-6 as the minimum ratio in the Articles of Incorporation. The ratio of provision of the appropriation of surplus in the fiscal year ended March 31, 2015 was 98.35%.

Amounts of less than one thousand yen and one thousand of U.S. dollars have been eliminated in the table above.

10. Notes to the Nonconsolidated Financial Statements

Nippon Life Insurance Company

1. Basis of Presenting the Nonconsolidated Financial Statements

(1) Accounting principles and presentation

The accompanying nonconsolidated financial statements have been prepared from the accounts and records maintained by NIPPON LIFE INSURANCE COMPANY ("Nippon Life" or the "Company") in accordance with the provisions set forth in the Insurance Business Act and the related rules and regulations applicable to the mutual life insurance industry, and in accordance with accounting principles generally accepted in Japan, which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards. Certain accounting and reporting practices required to be followed by the industry are regulated by the Financial Services Agency and the related ministry by means of ministerial ordinances and guidance. The accompanying nonconsolidated financial statements of Nippon Life are in compliance with such requirements. However, while the business report and supporting schedules have been prepared by the management of Nippon Life as a part of the disclosures required by the Japanese Commercial Code and the Insurance Business Act, they are not provided herein. The information provided in the nonconsolidated financial statements including the notes to the nonconsolidated financial statements is limited to that required by Japanese laws and regulations. Amounts of less than one million yen and one million U.S. dollars have been eliminated for financial statement presentation. As a result, totals may not add up exactly. As consolidated statements of cash flows and certain disclosures are presented in the consolidated financial statements of the Company, nonconsolidated statements of cash flows and certain disclosures are not presented herein in accordance with accounting principles generally accepted in Japan.

(2) United States dollar amounts

Nippon Life prepares its nonconsolidated financial statements in Japanese yen. The U.S. dollar amounts included in the nonconsolidated financial statements and notes thereto represent the arithmetical results of translating Japanese yen to U.S. dollars on the basis of ¥120.17=U.S.\$1, the effective rate of exchange at the balance sheet date of March 31, 2015. The inclusion of such U.S. dollar amounts is solely for convenience and is not intended to imply that Japanese yen amounts have been or could be readily converted, realized or settled in U.S. dollars at ¥120.17=U.S.\$1 or at any other rate.

2. Summary of Significant Accounting Policies

(1) Securities and hedging activities

- 1) Securities (including items such as deposits and monetary receivables purchased which are treated as securities based on the "Accounting Standard for Financial Instruments" (The Accounting Standards Board of Japan (ASBJ) Statement No. 10) and securities within assets held in trust) are valued as follows:
 - i) Trading securities are stated at fair value on the balance sheet date. The moving average method is used for calculating cost of sales.
 - ii) Held-to-maturity debt securities are valued using the moving average method, net of accumulated amortization (straight-line).
 - iii) Policy-reserve-matching bonds are valued using the moving average method, net of accumulated amortization (straight-line), in accordance with the Industry Audit Committee Report No. 21, "Temporary Treatment of Accounting and Auditing Concerning Policy-Reserve-Matching Bonds in the Insurance Industry," issued by the Japanese Institute of Certified Public Accountants (JICPA).
 - iv) Investments in subsidiaries and affiliates (stocks issued by subsidiaries prescribed in Article 2, Paragraph 12 of the Insurance Business Act excluding subsidiaries prescribed in Article 13-5-2, Paragraph 3 of the Order for Enforcement of the Insurance Business Act and stocks issued by affiliates prescribed in Article 13-5-2, Paragraph 4 of the Order for Enforcement of the Insurance Business Act) are valued at cost using the moving average method.
 - v) Available-for-sale securities
 - a. Regarding securities with a fair value, stocks (including foreign stocks) are valued by using the average fair value during the period of one month before the balance sheet date (cost of sales is calculated by using the moving average method). Other securities with a fair value are valued by using the fair value on the balance sheet date (cost of sales is calculated by using the moving average method).
 - b. Regarding securities of which the fair value is extremely difficult to be determined, and public and corporate bonds (including foreign bonds) for which the difference between the purchase price and face value is due to an interest rate adjustment are valued at cost using the moving average method, net of accumulated amortization (straight-line). Other securities without readily determinable fair values are valued at cost using the moving average method.
- 2) Unrealized gains/losses, net of applicable taxes for available-for-sale securities, are recorded as a separate component of net assets.

Hedge accounting is applied based on the following method:

- 1) The Company mainly applies fair value hedge accounting and deferred hedge accounting for hedging activities related to foreign exchange rate fluctuation exposures on certain bonds denominated in foreign currencies. The Company also applies the exceptional accounting treatment ("*Tokurei-shori*") for interest rate swaps to hedge the cash flow volatility of certain loans and applies designated hedge accounting ("*Furiate-shori*") for foreign exchange forward contracts and currency swaps for certain financial assets denominated in foreign currencies. The Company also applies designated hedge accounting ("*Furiate-shori*") for currency swaps for foreign currency-denominated subordinated corporate bonds issued by the Company.
- 2) Effectiveness of hedging activities is mainly evaluated by performing a ratio analysis of fair value movement comparisons based on the hedging instruments and hedging methods taken, which is in accordance with the Company's internal risk management policies.
- 3) Derivative financial instruments utilized for other than hedging purposes are stated at fair value.

(2) Policy-reserve-matching bonds

Securities that are held for the purpose of matching the duration of outstanding liabilities within the sub-groups (classified by insurance type, remaining period, and investment policy) of insurance products, such as individual insurance and annuities, workers' asset-formation insurance and annuities, and group insurance and annuities are classified as policy-reserve-matching bonds in accordance with the Industry Audit Committee Report No. 21, "Temporary Treatment of Accounting and Auditing Concerning Policy-Reserve-Matching Bonds in the Insurance Industry," issued by the JICPA.

(3) Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into Japanese yen using the "Accounting Standards for Foreign Currency Transactions" (Business Accounting Council).

Foreign currency-denominated available-for-sale securities of the Company, with exchange rates which have significantly fluctuated and where recovery is not expected, are converted to Japanese yen using either the rate on the balance sheet date or the average one month rate prior to the balance sheet date, whichever indicates a weaker yen. This translation difference is recorded as a loss on valuation of securities.

(4) Tangible fixed assets

- 1) Tangible fixed assets are depreciated based on the following methods:
 - a. Tangible fixed assets (except for lease assets)
 - (i) Buildings as of March 31, 2015 and 2014 and buildings acquired on or after April 1, 1998 (except for fixtures and structures) as of March 31, 2013
Straight-line method
 - (ii) Assets other than the above
Declining balance method
 - b. Lease assets
 - (i) Lease assets related to financial leases where ownership is transferred
The same depreciation method applied to fixed assets owned by the Company.
 - (ii) Lease assets related to financial leases where ownership is not transferred
Straight-line method based on lease period.

The estimated useful lives of major items are as follows:

| | |
|-----------------------------|---------------|
| Buildings | 2 to 50 years |
| Other tangible fixed assets | 2 to 20 years |

Tangible fixed assets are stated at cost, net of accumulated depreciation and impairment losses.

Previously, tangible fixed assets of the Company were depreciated mainly based on the declining balance method. From the fiscal year ended March 31, 2014, the depreciation method for buildings and others has been changed to the straight-line method.

This change was made because the Company concluded that straight-line depreciation over the useful lives of buildings better reflects the future use of tangible fixed assets given that the Company now expects to make more consistent use of buildings and others over the long term. This decision was based on several factors. First, investments in remodeling and renovations, which slow the aging of real estate, now represent a relatively higher share of the Company's investments. Remodeling and renovations have progressively replaced the acquisition and construction of new buildings, which now represent a lower share of investments. Previously, acquisitions and construction of new buildings accounted for the bulk of investments, and therefore the declining balance method of depreciation was adopted as a depreciation method suited to the use of these assets. Second, the Company has recently formulated standards such as an overall building renovation plan and specifications for renovation work in order to conduct real estate renovations more systematically. Following the completion of the development of a system for managing fixed assets in support of these changes during the fiscal year ended March 31, 2014, the Company changed the depreciation method for tangible fixed assets.

As a result, ordinary profit and surplus before income taxes both increased by ¥3,027 million in comparison with the previous depreciation method for the fiscal year ended March 31, 2014.

Furthermore, in the course of formulating the above overall building renovation plan, the Company surveyed the remaining useful lives and residual values of buildings and others. Consequently, in conjunction with the change in depreciation method, the Company revised these parameters to better reflect actual conditions. Accordingly, the Company adjusted certain useful lives and residual values from the fiscal year ended March 31, 2014.

As a result, ordinary profit and surplus before income taxes both increased by ¥7,325 million in comparison with the previous depreciation method for the fiscal year ended March 31, 2014.

- 2) Revaluation of land used in the operations is performed based on the Act on Revaluation of Land. The tax effect of the amount related to the valuation difference between book value and the revalued amount for land revaluation is recognized as a deferred tax liability within the liability section. The valuation differences, excluding tax, are recognized as land revaluation losses within the net assets section.

| | |
|-------------------------|--|
| Revaluation date | March 31, 2002 |
| Revaluation methodology | The amount is calculated by using the land listed value and road rate as prescribed by Article 2, Items 1 and 4, respectively, of the Order for Enforcement of the Act on Revaluation of Land. |

The Act on Revaluation of Land requires companies to disclose when the total fair value of land on the balance sheet date is below the total book value of this land after revaluation.

The excess of the total book value of this land after revaluation as of March 31, 2013, over the total fair value of land used in operations, as revalued in accordance with Article 10 of the Act on Revaluation of Land as of the same date, was ¥3,351 million.

(5) Software

Capitalized software for internal use, which is included within intangible fixed assets, is amortized using the straight-line method over their estimated useful lives as internally determined (5 years).

(6) Leases

Financial leases where ownership is not transferred are capitalized based on the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13). Financial leases where the Company is the lessee, ownership is not transferred, and the lease start date is March 31, 2008, or prior are accounted for under the accounting treatment applied to ordinary operating leases.

(7) Allowance for doubtful accounts

- 1) An allowance for doubtful accounts is recognized in accordance with the Company's internal Asset Valuation Regulation and Write-Off/Provision Rule.
 - i) An allowance for loans from borrowers who are legally or substantially bankrupt, such as being bankrupt or being in the process of civil rehabilitation proceedings, is recognized based on the amount of credit remaining after directly deducting amounts expected to be collected through the disposal of collateral or the execution of guarantees from the balance of loans (as mentioned at 3) below).
 - ii) An allowance for loans from borrowers who are not currently legally bankrupt but have a significant possibility of bankruptcy is recognized at the amounts deemed necessary considering an assessment of the borrowers' overall solvency and the amounts remaining after deduction of amounts expected to be collected through the disposal of collateral or the execution of guarantees.
 - iii) An allowance for loans from borrowers other than the above is provided based on the borrowers' balance multiplied by the historical average (of a certain period) percentage of bad debt.
- 2) All credits are assessed by responsible sections in accordance with the Company's internal Asset Valuation Regulation. The assessments are verified by the independent Asset Auditing Department. The results of the assessments are reflected in the calculation of the allowance for doubtful accounts.
- 3) The estimated uncollectible amount calculated by subtracting the amount of collateral value or the amount collectible by the execution of guarantees from the balance of loans is directly deducted from the balance of loans (including loans with credits secured and/or guaranteed) made to legally or substantially bankrupt borrowers. The estimated uncollectible amounts were ¥501 million (U.S.\$4 million) (including ¥168 million (U.S.\$1 million) of credits secured and/or guaranteed), ¥703 million (including ¥240 million of credits secured and/or guaranteed) and ¥831 million (including ¥313 million of credits secured and/or guaranteed) as of March 31, 2015, 2014 and 2013, respectively.

(8) Accrued bonuses for directors and audit and supervisory board members

Accrued bonuses for directors and audit and supervisory board members are recognized based on amounts estimated to be paid.

(9) Accrued retirement benefits

Accrued retirement benefits are recognized based on the estimated amount of projected benefit obligations in excess of the fair value of pension plan assets for future severance payments to employee on the balance sheet date as of March 31, 2015, 2014 and 2013.

The accounting methods used for retirement benefits as of March 31, 2015 and 2014, are as follows:

- i) Attribution method for estimated retirement benefits: Benefit formula basis
- ii) Period of amortizing actuarial (gains) losses: 5 years
- iii) Period of amortizing prior service costs: 5 years

From the fiscal year ended March 31, 2014, the Company has applied the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26) and the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25). The revised accounting standard permits companies to change the calculation method of retirement benefit obligations and service costs from the start of fiscal years beginning on or after April 1, 2013. Accordingly, from the fiscal year ended March 31, 2014, the Company has changed the periodic allocation method of estimated retirement benefits from the straight-line basis to the benefit formula basis.

With respect to the application of the revised accounting standard, in accordance with Article 37 of the accounting standard, the amount of the impact of changes to the method of calculation of retirement benefit obligations and service costs has been included in unappropriated surplus as of the beginning of the fiscal year ended March 31, 2014.

As a result, unappropriated surplus as of April 1, 2013 increased by ¥24,705 million. Ordinary profit and surplus before income taxes increased by ¥1,558 million.

(10) Accrued retirement benefits for directors and audit and supervisory board members

Accrued retirement benefits for directors and audit and supervisory board members are recognized based on estimated payment amounts under internal rules.

(11) Reserve for program points

A reserve for program points is recognized based on the amount projected to be incurred for expenses from the use of points granted to policyholders.

(12) Reserve for price fluctuations in investments in securities

Reserve for price fluctuations in investments in securities is recognized based on Article 115 of the Insurance Business Act.

(13) Accounting for consumption taxes

Consumption taxes and local consumption taxes are accounted for by the tax exclusion method. However, consumption taxes paid on certain asset transactions, which are not deductible from consumption taxes withheld and that are stipulated to be deferred under the Consumption Tax Act, are deferred as prepaid expenses and amortized over a 5 year period on a straight-line basis. Consumption taxes other than deferred consumption taxes are expensed as incurred.

(14) Policy reserves

Policy reserves of the Company are reserves set forth in accordance with Article 116 of the Insurance Business Act. Policy reserves are recognized based on the following methodology:

- 1) Reserves for contracts concluded in or after April 1996, other than those in which factors used as a basis for computing policy reserves and insurance premiums are alterable and those for variable insurance, are computed by the net level premium method based on the assumption rates locked in at the sales and renewal prescribed by the Insurance Business Act and the statement of calculation procedures*.
- 2) Reserves for other contracts are determined by the net level premium method using the assumption rates locked in at the sales and renewal prescribed by the statement of calculation procedures*.

* Documents approved by the Financial Services Agency that describe the specific calculation methods for insurance premiums and policy reserves.

Additional policy reserve amounts are included to cover a possible deficiency in the amount of the reserve for certain individual annuity policyholders in accordance with Article 69, Paragraph 5 of the Order for Enforcement of the Insurance Business Act.

(15) Revenue recognition

Regarding revenues, insurance premiums are recognized when cash is received and insurance premiums due but not collected are not recognized as revenues. Unearned insurance premiums are recognized as policy reserves.

(16) Policy acquisition costs

Policy acquisition costs are recorded to expense as incurred.

(17) Income taxes

The provision for income taxes is computed based on the pretax income included in the nonconsolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying the enacted statutory tax rates to the temporary differences.

3. Financial Instruments

Regarding the investment of general accounts (except separate accounts as provided in Article 118, Paragraph 1 of the Insurance Business Act), in light of the characteristics of life insurance policies, the Company has built a portfolio geared towards mid- to long-term investment and formulated an investment plan considering the outlook of the investment environment.

Based on this, in order to reliably pay benefits and other payments in the future, the Company has positioned yen-denominated assets that can be expected to provide stable income, such as bonds and loans, as the Company's core assets, and from the viewpoint of improving profit in the mid- to long-term, the Company invests in stocks and foreign securities. Also, from the viewpoint of effective investment, the Company mainly uses derivative transactions for controlling asset investment risks. Specifically, the Company uses interest rate swaps for the Company's interest rate related investments, foreign exchange forward contracts and currency options and swaps for the Company's currency related investments, and hedge accounting is applied with respect to a portion thereof.

The Company mainly applies fair value hedge accounting and deferred hedge accounting for hedging activities related to foreign exchange rate fluctuation exposures on certain bonds denominated in foreign currencies. The Company also applies the exceptional accounting treatment ("*Tokurei-shori*") for interest rate swaps to hedge the cash flow volatility of certain loans and applies designated hedge accounting ("*Furiate-shori*") for foreign exchange forward contracts and currency swaps for certain financial assets denominated in foreign currencies. The Company also applies designated hedge accounting ("*Furiate-shori*") for currency swaps for foreign currency-denominated subordinated corporate bonds issued by the Company. The effectiveness of hedging activities is mainly evaluated by performing a ratio analysis of fair value movement comparisons based on the hedging instruments and hedging methods taken, which is in accordance with the Company's internal risk management policies.

Securities are mainly exposed to market risk and credit risk, loans are exposed to credit risk, and derivative transactions are exposed to market risk and credit risk. Market risk refers to the risk of incurring losses when the fair value of investment assets declines due to such factors as fluctuations in interest rates, exchange rates or stock prices. Credit risk refers to the risk of incurring losses when the value of assets, primarily loans and bonds, declines due to deterioration of the financial condition of the party to whom credit has been extended. These risks are managed according to rules and regulations regarding investment risks.

To manage market risk, the Company has implemented investment limits based on the nature of the assets in order to avoid excessive losses from financing and investment transactions. In addition, the Company regularly reports on the status of compliance to the Risk Management Committee, the advisory body of the Management Committee, and has prepared a system to control risk to acceptable levels when there is a breach of the internal rules. Also, to control market risk in the Company's portfolio, the Company uses a statistical analysis method to rationally calculate the fair value-at-risk of the portfolio as a whole and conducts appropriate asset allocation within acceptable boundaries of risk.

To manage credit risk, the Company has built a thorough monitoring system involving the Assessment Management Department which is independent of the departments handling investment and finance activities. The Company also continues to build a sound portfolio through the establishment of interest guidelines to ensure the returns the Company obtains are commensurate with the risk, a system of internal ratings for classifying the creditworthiness of borrowers, and credit ceilings to ensure that credit risk is not excessively concentrated in a particular company or group.

In addition, the Company calculates credit value-at-risk as a measurement of the magnitude of credit risk across the Company's portfolio as a whole and monitors whether the magnitude of risk stays within an appropriate range.

(1) Balance sheet amounts and fair values of major financial instruments and their differences are as follows:

| As of March 31 | Millions of Yen | | | | | | | | | Millions of U.S. Dollars | | |
|---|--------------------------------------|----------------------------|------------|--------------------------------------|----------------------------|------------|--------------------------------------|----------------------------|------------|--------------------------------------|----------------------------|------------|
| | 2015 | | | 2014 | | | 2013 | | | 2015 | | |
| | Balance sheet amount ^{(*)1} | Fair value ^{(*)2} | Difference | Balance sheet amount ^{(*)1} | Fair value ^{(*)2} | Difference | Balance sheet amount ^{(*)1} | Fair value ^{(*)2} | Difference | Balance sheet amount ^{(*)1} | Fair value ^{(*)2} | Difference |
| Cash and deposits (negotiable certificates of deposit): | ¥ 302,999 | ¥ 302,999 | ¥ — | ¥ 234,999 | ¥ 234,999 | ¥ — | ¥ 298,997 | ¥ 298,997 | ¥ — | \$ 2,521 | \$ 2,521 | \$ — |
| Available-for-sale securities | 302,999 | 302,999 | — | 234,999 | 234,999 | — | 298,997 | 298,997 | — | 2,521 | 2,521 | — |
| Monetary receivables purchased: | 498,758 | 534,726 | 35,968 | 570,632 | 611,996 | 41,364 | 756,320 | 810,224 | 53,904 | 4,150 | 4,449 | 299 |
| Policy-reserve-matching bonds | 459,891 | 495,860 | 35,968 | 542,574 | 583,939 | 41,364 | 698,039 | 751,943 | 53,904 | 3,827 | 4,126 | 299 |
| Available-for-sale securities | 38,866 | 38,866 | — | 28,057 | 28,057 | — | 58,281 | 58,281 | — | 323 | 323 | — |
| Securities: | 48,607,816 | 51,220,143 | 2,612,327 | 43,113,992 | 44,926,705 | 1,812,713 | 40,934,073 | 42,973,432 | 2,039,358 | 404,492 | 426,230 | 21,738 |
| Trading securities | 1,005,262 | 1,005,262 | — | 1,098,298 | 1,098,298 | — | 1,072,950 | 1,072,950 | — | 8,365 | 8,365 | — |
| Policy-reserve-matching bonds | 20,214,005 | 22,796,569 | 2,582,564 | 19,593,801 | 21,352,447 | 1,758,645 | 18,905,385 | 20,908,019 | 2,002,633 | 168,211 | 189,702 | 21,490 |
| Investments in subsidiaries and affiliates | 7,711 | 37,474 | 29,763 | 7,711 | 61,779 | 54,068 | 7,711 | 44,436 | 36,725 | 64 | 311 | 247 |
| Available-for-sale securities | 27,380,837 | 27,380,837 | — | 22,414,180 | 22,414,180 | — | 20,948,026 | 20,948,026 | — | 227,850 | 227,850 | — |
| Loans ^{(*)3} : | 8,327,360 | 8,660,317 | 332,956 | 8,523,357 | 8,791,565 | 268,207 | 8,574,646 | 8,894,847 | 320,200 | 69,296 | 72,067 | 2,770 |
| Policy loans | 736,402 | 736,402 | — | 782,113 | 782,113 | — | 835,281 | 835,281 | — | 6,128 | 6,128 | — |
| Industrial and consumer loans | 7,590,958 | 7,923,915 | 332,956 | 7,741,243 | 8,009,451 | 268,207 | 7,739,365 | 8,059,565 | 320,200 | 63,168 | 65,939 | 2,770 |
| Derivative financial instruments ^{(*)4} : | (215,282) | (215,282) | — | (278,716) | (278,716) | — | (259,261) | (259,261) | — | (1,791) | (1,791) | — |
| Hedge accounting not applied | 515 | 515 | — | (258) | (258) | — | 37 | 37 | — | 4 | 4 | — |
| Hedge accounting applied | (215,798) | (215,798) | — | (278,457) | (278,457) | — | (259,298) | (259,298) | — | (1,795) | (1,795) | — |
| Corporate bonds ^{(*)3,*)5} | (399,590) | (417,493) | (17,903) | (157,040) | (172,429) | (15,389) | (157,040) | (159,039) | (1,999) | (3,325) | (3,474) | (148) |
| Cash received as collateral under securities lending transactions ^{(*)5} | ¥ (529,989) | ¥ (529,989) | ¥ — | ¥ (802,691) | ¥ (802,691) | ¥ — | ¥ (1,212,021) | ¥ (1,212,021) | ¥ — | \$ (4,410) | \$ (4,410) | \$ — |

*1 For transactions for which an allowance for doubtful accounts was recorded, the amount of the allowance is deducted.

*2 For securities for which impairment losses were recognized in the fiscal years ended March 31, 2015, 2014 and 2013, the fair value is the balance sheet amount after the impairment losses are deducted.

*3 The fair values of derivative financial instruments that are interest rate swaps under exceptional accounting treatment ("Tokurei-shori") or currency swaps under designated hedge accounting ("Furiate-shori") are included in the fair values of loans and corporate bonds because they are accounted for as an integral part of the loans and corporate bonds that are the hedged items.

*4 Assets and liabilities generated by derivative financial instruments are offset and presented net. Net liabilities in total are presented in parentheses.

*5 Corporate bonds and cash received as collateral under securities lending transactions are recorded in liabilities and presented in parentheses.

(2) Fair value measurement methods for major financial instruments are as follows:

1) Securities, deposits and monetary receivables purchased are treated as securities based on the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10)

i) Items with a market price

Fair value is measured based on the closing market price on the balance sheet date. However, the fair values of available-for-sale domestic and foreign equity securities are based on the average market price over a one-month period prior to the balance sheet date.

ii) Items without a market price

Fair value is measured mainly by discounting future cash flows to the present value.

2) Loans

i) Policy loans

Fair value is deemed to approximate book value, due to expected repayment periods, interest rate requirements, and other characteristics. These loans have no repayment date either in form or in substance because stated due dates can be extended if the loan amount is within a certain range of its surrender benefit. Thus, the book value is used as the fair value of the policy loans.

ii) Industrial and consumer loans

Fair value of variable interest rate loans is deemed to approximate book value because market interest rates are reflected in future cash flows over the short term. Thus, the book value is used as the fair value of the variable interest rate loans.

Fair value of fixed interest rate loans is measured mainly by discounting future cash flows to the present value.

Loans from legally or substantially bankrupt borrowers or borrowers who are not currently legally bankrupt but have a high probability of bankruptcy are measured by deducting the estimated uncollectable amount from the book value directly prior to the decrease.

3) Derivative financial instruments

i) Fair value of futures and other market transactions is measured by the liquidation value or closing market price on the balance sheet date.

ii) Fair value of stock options is measured by the price calculated by the Company based on volatility and other data obtained mainly from external information vendors as of March 31, 2015 and 2014. Fair value of stock options is measured by the value obtained from financial institutions that are the counterparties in such transactions as of March 31, 2013.

iii) Fair value of foreign exchange contracts and currency options is measured based on theoretical values calculated by the Company using Telegraphic Transfer Middle (TTM) rates and discount rates obtained from financial institutions that are the counterparties in such transactions.

iv) Fair value of interest rate swaps and currency swaps is measured based on theoretical present values calculated by discounting future cash flows using published market interest rates, and other data.

4) Corporate bonds

Corporate bonds are stated at fair value on the balance sheet date.

5) Cash received as collateral under securities lending transactions

The book value is used as fair value due to their short-term settlement.

(3) Unlisted equity securities, investments in partnerships whereby partnership assets consist of unlisted equity securities, and other items without fair value are not included in securities in table (1).

Balance sheet amounts by holding purpose were ¥292,859 million (U.S.\$2,437 million), ¥231,983 million and ¥285,945 million for stocks of subsidiaries and affiliates, and ¥938,564 million (U.S.\$7,810 million), ¥1,023,037 million and ¥1,054,178 million for available-for-sale securities as of March 31, 2015, 2014 and 2013, respectively.

(4) Matters regarding securities and others by holding purpose are as follows:

1) Trading securities

Investments in securities for separate accounts are classified as trading securities as of March 31, 2015, 2014 and 2013.

Valuation gains (losses) included in profit and loss were gains of ¥154,939 million (U.S.\$1,289 million), gains of ¥110,562 million and gains of ¥103,266 million for securities related to separate accounts for the fiscal years ended March 31, 2015, 2014 and 2013, respectively.

2) Held-to-maturity debt securities

No ending balance as of March 31, 2015, 2014 and 2013.

3) Policy-reserve-matching bonds

Balance sheet amounts, fair values and their differences by type are as follows:

| As of March 31 | Millions of Yen | | | | | | | | | Millions of U.S. Dollars | | |
|--|----------------------|-------------|------------|----------------------|-------------|------------|----------------------|-------------|------------|--------------------------|------------|------------|
| | 2015 | | | 2014 | | | 2013 | | | 2015 | | |
| Type | Balance sheet amount | Fair value | Difference | Balance sheet amount | Fair value | Difference | Balance sheet amount | Fair value | Difference | Balance sheet amount | Fair value | Difference |
| Fair value exceeds the balance sheet amount: | | | | | | | | | | | | |
| Monetary receivables purchased | ¥ 457,286 | ¥ 493,315 | ¥ 36,029 | ¥ 541,392 | ¥ 582,823 | ¥ 41,430 | ¥ 636,067 | ¥ 690,445 | ¥ 54,377 | \$ 3,805 | \$ 4,105 | \$ 299 |
| Domestic bonds | 20,047,635 | 22,626,539 | 2,578,904 | 19,100,466 | 20,863,889 | 1,763,422 | 18,734,266 | 20,741,509 | 2,007,243 | 166,827 | 188,287 | 21,460 |
| Foreign securities | 71,655 | 75,699 | 4,043 | 81,594 | 85,489 | 3,895 | 81,033 | 85,399 | 4,366 | 596 | 629 | 33 |
| Subtotal | 20,576,578 | 23,195,555 | 2,618,977 | 19,723,454 | 21,532,202 | 1,808,748 | 19,451,366 | 21,517,353 | 2,065,986 | 171,228 | 193,022 | 21,793 |
| Fair value does not exceed the balance sheet amount: | | | | | | | | | | | | |
| Monetary receivables purchased | 2,604 | 2,544 | (60) | 1,182 | 1,115 | (66) | 61,971 | 61,498 | (472) | 21 | 21 | (0) |
| Domestic bonds | 94,532 | 94,148 | (383) | 411,307 | 402,636 | (8,671) | 89,276 | 80,303 | (8,973) | 786 | 783 | (3) |
| Foreign securities | 181 | 180 | (0) | 432 | 431 | (1) | 810 | 807 | (2) | 1 | 1 | (0) |
| Subtotal | 97,318 | 96,874 | (444) | 412,922 | 404,183 | (8,738) | 152,057 | 142,608 | (9,448) | 809 | 806 | (3) |
| Total | ¥20,673,896 | ¥23,292,429 | ¥2,618,532 | ¥20,136,376 | ¥21,936,386 | ¥1,800,009 | ¥19,603,424 | ¥21,659,962 | ¥2,056,538 | \$172,038 | \$193,828 | \$21,790 |

4) Available-for-sale securities

Acquisition cost or amortized cost, balance sheet amounts and their differences by type are as follows:

| As of March 31 | Millions of Yen | | | | | | | | | Millions of U.S. Dollars | | |
|---|------------------------------------|----------------------|------------|------------------------------------|----------------------|------------|------------------------------------|----------------------|------------|------------------------------------|----------------------|------------|
| | 2015 | | | 2014 | | | 2013 | | | 2015 | | |
| Type | Acquisition cost or amortized cost | Balance sheet amount | Difference | Acquisition cost or amortized cost | Balance sheet amount | Difference | Acquisition cost or amortized cost | Balance sheet amount | Difference | Acquisition cost or amortized cost | Balance sheet amount | Difference |
| Balance sheet amount exceeds acquisition cost or amortized cost: | | | | | | | | | | | | |
| Cash and deposits (negotiable certificates of deposit) | ¥ 93,000 | ¥ 93,000 | ¥ 0 | ¥ 85,000 | ¥ 85,000 | ¥ 0 | ¥ 4,000 | ¥ 4,000 | ¥ 0 | \$ 773 | \$ 773 | \$ 0 |
| Monetary receivables purchased | 1,000 | 1,016 | 16 | — | — | — | — | — | — | 8 | 8 | 0 |
| Domestic bonds | 2,231,394 | 2,389,176 | 157,781 | 1,998,843 | 2,098,646 | 99,802 | 1,917,151 | 2,017,712 | 100,561 | 18,568 | 19,881 | 1,312 |
| Domestic stocks | 3,728,318 | 8,743,582 | 5,015,264 | 3,205,936 | 6,129,206 | 2,923,269 | 3,003,896 | 5,396,584 | 2,392,688 | 31,025 | 72,760 | 41,734 |
| Foreign securities | 11,561,325 | 14,690,856 | 3,129,530 | 9,732,154 | 11,437,129 | 1,704,975 | 10,041,063 | 11,422,644 | 1,381,580 | 96,208 | 122,250 | 26,042 |
| Other securities | 690,908 | 807,614 | 116,705 | 431,137 | 482,272 | 51,134 | 349,996 | 388,421 | 38,425 | 5,749 | 6,720 | 971 |
| Subtotal | 18,305,947 | 26,725,246 | 8,419,299 | 15,453,071 | 20,232,254 | 4,779,182 | 15,316,107 | 19,229,363 | 3,913,256 | 152,333 | 222,395 | 70,061 |
| Balance sheet amount does not exceed acquisition cost or amortized cost | | | | | | | | | | | | |
| Cash and deposits (negotiable certificates of deposit) | 210,000 | 209,998 | (1) | 150,000 | 149,999 | (0) | 295,000 | 294,997 | (2) | 1,747 | 1,747 | (0) |
| Monetary receivables purchased | 37,852 | 37,850 | (2) | 28,061 | 28,057 | (4) | 58,291 | 58,281 | (10) | 314 | 314 | (0) |
| Domestic bonds | 123,945 | 123,138 | (807) | 57,473 | 56,392 | (1,081) | 51,193 | 49,350 | (1,843) | 1,031 | 1,024 | (6) |
| Domestic stocks | 216,198 | 192,876 | (23,321) | 875,973 | 782,049 | (93,923) | 1,301,935 | 1,041,168 | (260,767) | 1,799 | 1,605 | (194) |
| Foreign securities | 328,342 | 318,709 | (9,633) | 1,377,572 | 1,356,047 | (21,525) | 626,364 | 611,958 | (14,406) | 2,732 | 2,652 | (80) |
| Other securities | 115,380 | 114,883 | (496) | 73,669 | 72,437 | (1,231) | 24,623 | 20,185 | (4,437) | 960 | 956 | (4) |
| Subtotal | 1,031,720 | 997,457 | (34,263) | 2,562,750 | 2,444,983 | (117,767) | 2,357,409 | 2,075,941 | (281,467) | 8,585 | 8,300 | (285) |
| Total | ¥19,337,667 | ¥27,722,703 | ¥8,385,035 | ¥18,015,822 | ¥22,677,237 | ¥4,661,415 | ¥17,673,517 | ¥21,305,305 | ¥3,631,788 | \$160,919 | \$230,695 | \$69,776 |

* Securities totaling ¥938,564 million (U.S.\$7,810 million), ¥1,023,037 million and ¥1,054,178 million, whose fair values are extremely difficult to determine, as of March 31, 2015, 2014 and 2013, respectively, are not included.

¥17 million (U.S.\$0 million), ¥21,401 million and ¥96,901 million in impairment losses were recognized for securities with a fair value during the fiscal years ended March 31, 2015, 2014 and 2013, respectively.

Regarding stocks (including foreign stocks) with fair values, impairment losses are recognized for stocks whose fair value has declined significantly from the acquisition price based on the average fair value in the month preceding the final day of the fiscal year, in principle. However, in the case of a security that meets certain criteria, such as a security for which the fair value declines substantially and the decline in the fair value in the month preceding the final day of the fiscal year is substantial, impairment losses are recognized based on the fair value on the final day of the fiscal year.

The criteria by which the fair value of a stock is deemed to have declined significantly is as follows:

- A security for which the ratio of the average fair value in the month preceding the final day of the fiscal year to the acquisition cost is 50% or less.
- A security that meets both of the following criteria:
 - Average fair value in the month preceding the final day of the fiscal year is between 50% and 70% of its acquisition cost.
 - The historical fair value, the business conditions of the issuing company and other aspects are subject to certain requirements.

(5) Scheduled repayment amounts for the main monetary claims and liabilities and redemption amounts for securities with maturities are as follows:

| As of March 31, 2015 | Millions of Yen | | | | Millions of U.S. Dollars | | | |
|---|-----------------|------------------------------|--------------------------------|---------------|--------------------------|------------------------------|--------------------------------|---------------|
| | 1 year or under | Over 1 year under 5 years | Over 5 years under 10 years | Over 10 years | 1 year or under | Over 1 year under 5 years | Over 5 years under 10 years | Over 10 years |
| Cash and deposits (negotiable certificates of deposit): | ¥303,000 | ¥ — | ¥ — | ¥ — | \$2,521 | \$ — | \$ — | \$ — |
| Available-for-sale securities | 303,000 | — | — | — | 2,521 | — | — | — |
| Monetary receivables purchased: | 42,040 | 2,094 | 61,379 | 392,605 | 349 | 17 | 510 | 3,267 |
| Policy-reserve-matching bonds | 5,040 | 2,094 | 60,527 | 391,605 | 41 | 17 | 503 | 3,258 |
| Available-for-sale securities | 37,000 | — | 851 | 1,000 | 307 | — | 7 | 8 |
| Securities: | 897,067 | 5,114,528 | 6,258,606 | 23,491,609 | 7,464 | 42,560 | 52,081 | 195,486 |
| Policy-reserve-matching bonds | 570,864 | 2,289,427 | 2,801,365 | 14,432,666 | 4,750 | 19,051 | 23,311 | 120,102 |
| Available-for-sale securities | 326,203 | 2,825,100 | 3,457,240 | 9,058,942 | 2,714 | 23,509 | 28,769 | 75,384 |
| Loans | 887,826 | 2,937,264 | 1,955,871 | 1,830,903 | 7,388 | 24,442 | 16,275 | 15,235 |
| Corporate bonds | — | — | — | 399,590 | — | — | — | 3,325 |
| Cash received as collateral under securities lending transactions | 529,989 | — | — | — | 4,410 | — | — | — |

* Assets such as policy loans, for which a period is not stipulated, are not included. Also, ¥7,657 million (U.S.\$63 million) in loans from legally or substantially bankrupt borrowers or borrowers who are not currently legally bankrupt but have a high probability of bankruptcy are not included.

| As of March 31, 2014 | Millions of Yen | | | |
|---|-----------------|------------------------------|--------------------------------|---------------|
| | 1 year or under | Over 1 year under 5 years | Over 5 years under 10 years | Over 10 years |
| Cash and deposits (negotiable certificates of deposit): | ¥235,000 | ¥ — | ¥ — | ¥ — |
| Available-for-sale securities | 235,000 | — | — | — |
| Monetary receivables purchased: | 35,326 | 14,018 | 58,109 | 462,371 |
| Policy-reserve-matching bonds | 8,326 | 14,018 | 57,049 | 462,371 |
| Available-for-sale securities | 27,000 | — | 1,059 | — |
| Securities: | 823,819 | 4,760,898 | 5,547,656 | 22,202,625 |
| Policy-reserve-matching bonds | 508,980 | 2,758,584 | 2,106,119 | 14,103,370 |
| Available-for-sale securities | 314,839 | 2,002,314 | 3,441,537 | 8,099,255 |
| Loans | 911,003 | 2,991,945 | 2,056,098 | 1,778,876 |
| Corporate bonds | — | — | — | 157,040 |
| Cash received as collateral under securities lending transactions | 802,691 | — | — | — |

* Assets such as policy loans, for which a period is not stipulated, are not included. Also, ¥7,174 million in loans from legally or substantially bankrupt borrowers or borrowers who are not currently legally bankrupt but have a high probability of bankruptcy are not included.

| As of March 31, 2013 | Millions of Yen | | | |
|---|-----------------|------------------------------|--------------------------------|---------------|
| | 1 year or under | Over 1 year under 5 years | Over 5 years under 10 years | Over 10 years |
| Cash and deposits (negotiable certificates of deposit): | ¥ 299,000 | ¥ — | ¥ — | ¥ — |
| Available-for-sale securities | 299,000 | — | — | — |
| Monetary receivables purchased: | 58,260 | 10,203 | 57,658 | 629,243 |
| Policy-reserve-matching bonds | 1,260 | 10,203 | 56,959 | 628,651 |
| Available-for-sale securities | 57,000 | — | 698 | 592 |
| Securities: | 707,937 | 4,847,012 | 5,253,063 | 20,712,734 |
| Policy-reserve-matching bonds | 329,179 | 3,048,360 | 1,943,515 | 13,457,660 |
| Available-for-sale securities | 378,758 | 1,798,652 | 3,309,547 | 7,255,074 |
| Loans | 1,001,027 | 3,060,813 | 2,071,488 | 1,603,324 |
| Corporate bonds | — | — | — | 157,040 |
| Cash received as collateral under securities lending transactions | 1,212,021 | — | — | — |

* Assets such as policy loans, for which a period is not stipulated, are not included. Also, ¥8,028 million in loans from legally or substantially bankrupt borrowers or borrowers who are not currently legally bankrupt but have a high probability of bankruptcy are not included.

4. Disclosures about Fair Value of Investment and Rental Property

The balance sheet amounts for investment and rental properties were ¥1,176,798 million (U.S.\$9,792 million), ¥1,164,094 million and ¥1,121,383 million, with a fair value of ¥1,260,401 million (U.S.\$10,488 million), ¥1,174,628 million and ¥1,107,845 million as of March 31, 2015, 2014 and 2013, respectively. The Company owns rental office buildings and commercial facilities, the fair value of which at year-end is the amount measured based mainly on the "Real Estate Appraisal Standards." Asset retirement obligations that were included in the balance sheet amounts of investment and rental properties were ¥343 million (U.S.\$2 million), ¥366 million and ¥398 million as of March 31, 2015, 2014 and 2013, respectively.

5. Securities Loaned and Borrowed

The amounts of securities lent under lending agreements were ¥2,607,789 million (U.S.\$21,700 million), ¥2,808,047 million and ¥3,129,761 million as of March 31, 2015, 2014 and 2013, respectively.

Assets that can be sold or re-secured are marketable securities lent under lending agreements. These assets were being held without disposal totaling ¥149,418 million (U.S.\$1,243 million), ¥259,102 million and ¥372,031 million at fair value as of March 31, 2015, 2014 and 2013, respectively.

6. Accumulated Depreciation

The amounts of accumulated depreciation of tangible fixed assets were ¥1,159,761 million (U.S.\$9,651 million), ¥1,132,867 million and ¥1,132,993 million as of March 31, 2015, 2014 and 2013, respectively.

7. Separate Accounts

Separate account assets as provided for in Article 118, Paragraph 1 of the Insurance Business Act were ¥1,113,510 million (U.S.\$9,266 million), ¥1,227,398 million and ¥1,238,818 million as of March 31, 2015, 2014 and 2013, respectively, and a corresponding liability is recorded in the same amount. The amounts of separate accounts are included in each account balance of the nonconsolidated balance sheets.

8. Monetary Receivables from and Monetary Liabilities to Subsidiaries

The total amount of credits and debits to subsidiaries as of March 31, 2015, 2014 and 2013 were as follows:

| | Millions of Yen | | | Millions of U.S. Dollars |
|----------------------|-----------------|----------|----------|--------------------------|
| | 2015 | 2014 | 2013 | 2015 |
| Monetary receivables | ¥130,314 | ¥139,879 | ¥155,070 | \$1,084 |
| Monetary liabilities | 3,545 | 3,932 | 4,388 | 29 |

9. Reserve for Dividends to Policyholders

Changes in the reserve for dividends to policyholders included in policy reserves for the fiscal years ended March 31, 2015, 2014 and 2013, were as follows:

| | Millions of Yen | | | Millions of U.S. Dollars |
|--|-----------------|------------|------------|--------------------------|
| | 2015 | 2014 | 2013 | 2015 |
| Balance at the beginning of the fiscal year | ¥1,070,852 | ¥1,105,093 | ¥1,120,336 | \$ 8,911 |
| Transfer to reserve from surplus in the previous fiscal year | 201,765 | 167,172 | 167,313 | 1,678 |
| Dividends to policyholders paid out during the fiscal year | (258,747) | (226,128) | (208,387) | (2,153) |
| Increase in interest | 23,602 | 24,715 | 25,830 | 196 |
| Balance at the end of the fiscal year | ¥1,037,472 | ¥1,070,852 | ¥1,105,093 | \$ 8,633 |

10. Corporate Bonds

Corporate bonds with liabilities are subordinated corporate bonds which are denominated in a foreign currency with special provisions that subordinate the fulfillment of obligations on the bonds to all other debt obligations.

The foreign currency-denominated subordinated corporate bonds issued in October 2012 are callable on each interest payment date on or after October 2022, and the foreign currency-denominated subordinated corporate bonds issued in October 2014 are callable on the tenth anniversary date after the issue date and on each fifth anniversary date thereafter at the discretion of the Company, subject to the approval of the regulatory authority and other conditions.

On April 30, 2015, the Company issued corporate bonds as follows:

- 1) Name
JPY-denominated subordinated and unsecured corporate bonds due 2045 with interest deferral options (the corporate bonds were first issued to qualified institutional investors and a small number of investors in domestic securities markets)
- 2) Offering price
100% of principal amount
- 3) Principal amount
¥75.0 billion
- 4) Interest rate
A fixed rate of 1.52% per annum before April 30, 2025 and a fixed rate reset with step-up thereafter (reset every 5 years).
- 5) Maturity
April 30, 2045 (However, the corporate bonds are callable on April 30, 2025 and on each fifth anniversary date thereafter at the discretion of the Company subject to prior approval by the regulatory authority.)
- 6) Collateral and guarantees
The corporate bonds are not secured or guaranteed, and there are no specific assets pledged for them.
- 7) Use of funds
General working capital

11. Net Assets Provided for in the Order for Enforcement of the Insurance Business Act

The amounts per Article 30, Paragraph 2 of the Ordinance for Enforcement of the Insurance Business Act were ¥5,786,059 million (U.S.\$48,148 million), ¥3,123,147 million and ¥2,434,569 million as of March 31, 2015, 2014 and 2013, respectively.

12. Accrued Retirement Benefits

(1) Summary of retirement benefit plans

In terms of defined benefit plans, the Company has a defined benefit corporate pension plan and a lump-sum retirement payment plan for non-sales personnel and sales management personnel, etc. In terms of defined contribution plans, the Company has a defined contribution pension plan. The Company also has a defined benefit plan for sales representatives, etc., in the form of a lump-sum retirement payment plan and an in-house pension plan.

(2) Defined benefit plan

1) Reconciliation of retirement benefit obligations at the beginning and end of the fiscal year

| For the years ended March 31, 2015 and 2014 | Millions of Yen | | Millions of U.S. Dollars |
|---|-----------------|----------|--------------------------|
| | 2015 | 2014 | 2015 |
| Retirement benefit obligations at the beginning of the year | ¥624,485 | ¥645,377 | \$5,196 |
| Service costs | 22,839 | 23,883 | 190 |
| Interest cost | 9,991 | 10,326 | 83 |
| Actuarial losses (gains) accrued during the year | 70,734 | (6,606) | 588 |
| Retirement benefit payments | (47,790) | (48,494) | (397) |
| Retirement benefit obligations at the end of the year | ¥680,261 | ¥624,485 | \$5,660 |

2) Reconciliation of pension plan assets at the beginning and end of the fiscal year

| For the years ended March 31, 2015 and 2014 | Millions of Yen | | Millions of U.S. Dollars |
|--|-----------------|----------|--------------------------|
| | 2015 | 2014 | 2015 |
| Pension plan assets at the beginning of the year | ¥268,186 | ¥269,678 | \$2,231 |
| Expected return on plan assets | 4,290 | 4,314 | 35 |
| Actuarial gains accrued during the year | 9,920 | 4,436 | 82 |
| Contributions by business proprietor | 7,665 | 7,432 | 63 |
| Retirement benefit payments | (17,775) | (17,675) | (147) |
| Pension plan assets at the end of the year | ¥272,288 | ¥268,186 | \$2,265 |

3) Reconciliation of retirement benefit obligations, pension plan assets, and accrued retirement benefits on the nonconsolidated balance sheets

| For the years ended March 31, 2015 and 2014 | Millions of Yen | | Millions of U.S. Dollars |
|---|-----------------|-----------|--------------------------|
| | 2015 | 2014 | 2015 |
| Retirement benefit obligations for funded plans | ¥ 311,041 | ¥ 285,269 | \$ 2,588 |
| Pension plan assets | (272,288) | (268,186) | (2,265) |
| | 38,752 | 17,083 | 322 |
| Retirement benefit obligations for non-funded plans | 369,219 | 339,216 | 3,072 |
| Unrecognized actuarial (gains) losses | (47,038) | 19,850 | (391) |
| Unrecognized prior service costs | 4,368 | 9,133 | 36 |
| Accrued retirement benefits | ¥ 365,302 | ¥ 385,283 | \$ 3,039 |

4) Losses (gains) relating to retirement benefits

| For the years ended March 31, 2015 and 2014 | Millions of Yen | | Millions of U.S. Dollars |
|---|-----------------|---------|--------------------------|
| | 2015 | 2014 | 2015 |
| Service costs | ¥22,839 | ¥23,883 | \$190 |
| Interest cost | 9,991 | 10,326 | 83 |
| Expected return on plan assets | (4,290) | (4,314) | (35) |
| Amortization of actuarial (gains) losses for the period | (6,074) | 870 | (50) |
| Amortization of prior service costs for the period | (4,765) | (4,765) | (39) |
| Benefit cost for defined benefit plans | ¥17,699 | ¥26,000 | \$147 |

5) Pension plan assets consist of the following:

| | 2015 | 2014 |
|--------------------------------|--------|--------|
| General account of Nippon Life | 52.3% | 54.3% |
| Domestic bonds | 26.9% | 22.0% |
| Foreign bonds | 17.3% | 15.1% |
| Domestic stocks | 2.7% | 4.4% |
| Cash and deposits | 0.8% | 4.2% |
| Total | 100.0% | 100.0% |

6) Calculation method for long-term expected rate of return on plan assets

To determine the long-term expected rate of return on pension plan assets, the Company takes into consideration present and forecasted allocation of the pension plan assets, and present and long-term rates of return that are expected from the portfolio of assets that comprise the pension plan assets.

7) Matters relating to the basis for actuarial calculations

The main items in the basis for actuarial calculations as of March 31, 2015 and 2014 are as follows:

| | 2015 | 2014 |
|--|------|------|
| Discount rate | 0.6% | 1.6% |
| Long-term expected rate of return on plan assets | 1.6% | 1.6% |

- 8) Accrued retirement benefits as of March 31, 2013, consisted of the following:

| | Millions of Yen |
|---------------------------------------|-----------------|
| | 2013 |
| Retirement benefit obligations | ¥(681,027) |
| Pension plan assets | 269,678 |
| Accrued retirement benefit cost | (411,349) |
| Unrecognized actuarial (gains) losses | (7,936) |
| Unrecognized prior service costs | (13,898) |
| Accrued retirement benefits | ¥(433,184) |

Basic information for the calculation of accrued retirement benefits is as follows:

| | |
|---|---|
| Periodic allocation method of estimated retirement benefits | Straight-line |
| Discount rate | 2013: 1.6% |
| Expected rate of return on plan assets | 2013: 1.6% |
| Method of amortizing actuarial (gains) losses | Amortization occurs over a certain period (5 years) within the average remaining years of service of employees one year after the accrual of liabilities, using the straight-line method. |
| Method of amortizing prior service costs | Amortization occurs over a certain period (5 years) within the average remaining years of service of employees upon accrual of liabilities, using the straight-line method. |

- 9) Benefit cost of accrued retirement benefits for the fiscal year ended March 31, 2013, consisted of the following:

| | Millions of Yen |
|--|-----------------|
| | 2013 |
| Service costs | ¥25,265 |
| Interest cost | 11,132 |
| Expected return on plan assets | (4,283) |
| Amortization of actuarial (gains) losses | 9,354 |
| Amortization of prior service costs | (4,765) |
| Others | 2,005 |
| Net periodic benefit cost | ¥38,709 |

(3) Defined contribution plans

The Company contributed ¥2,140 million (U.S.\$17 million) and ¥2,161 million to defined contribution plans during the fiscal years ended March 31, 2015 and 2014, respectively.

13. Foundation Funds

Foundation funds serve as the primary source of capital for Japanese mutual life insurance companies. These funds are similar to loans, as interest payments, maturity dates and other items must be established at the time of the offering. In the event of a bankruptcy or similar development, repayment of the principal and interest on foundation funds is subordinated to the repayment of amounts owed to ordinary creditors and insurance claims and benefit payments owed to policyholders. Upon redemption of foundation funds, mutual companies are required to make an addition to the reserve for redemption of foundation funds, which serves as retained earnings, equal to the amount redeemed. As a result, the full amount of foundation funds remains in net assets even after redemption. Foundation funds are therefore positioned as a mutual company's core capital, which is equivalent to the stated capital of a joint-stock company. The Company redeemed ¥50,000 million (U.S.\$416 million), ¥50,000 million and ¥50,000 million of foundation funds and credited the same amount to reserve for redemption of foundation funds prescribed in Article 56 of the Insurance Business Act for the fiscal years ended March 31, 2015, 2014 and 2013, respectively. ¥50,000 million of foundation funds were offered pursuant to Article 60 of the Insurance Business Act during the fiscal year ended March 31, 2013.

14. Pledged Assets

Assets pledged as collateral in the form of securities, land and buildings as of March 31, 2015, were ¥1,482,181 million (U.S.\$12,334 million), ¥252 million (U.S.\$2 million) and ¥53 million (U.S.\$0 million), respectively. The total amount of loans covered by the aforementioned assets was ¥530,074 million (U.S.\$4,411 million) as of March 31, 2015.

These amounts included ¥518,628 million (U.S.\$4,315 million) of securities deposited and ¥530,062 million (U.S.\$4,410 million) of cash received as collateral under the securities lending transactions secured by cash as of March 31, 2015.

Assets pledged as collateral in the form of securities, land and buildings as of March 31, 2014, were ¥1,790,241 million, ¥252 million and ¥56 million, respectively. The total amount of loans covered by the aforementioned assets was ¥802,706 million as of March 31, 2014.

These amounts included ¥905,314 million of securities deposited and ¥802,691 million of cash received as collateral under the securities lending transactions secured by cash as of March 31, 2014.

Assets pledged as collateral in the form of securities, land and buildings as of March 31, 2013, were ¥2,134,013 million, ¥252 million and ¥59 million, respectively. The total amount of loans covered by the aforementioned assets was ¥1,212,170 million as of March 31, 2013.

These amounts included ¥1,334,903 million of securities deposited and ¥1,212,149 million of cash received as collateral under the securities lending transactions secured by cash as of March 31, 2013.

15. Investments in Subsidiaries

The total amounts of stocks and investments in subsidiaries were ¥300,570 million (U.S.\$2,501 million), ¥239,694 million and ¥293,656 million as of March 31, 2015, 2014 and 2013, respectively.

16. Loans

(1) The total amount of loans to bankrupt borrowers, delinquent loans, loans that are delinquent for over three months and restructured loans, which were included in loans, was ¥38,297 million (U.S.\$318 million), ¥39,030 million and ¥42,052 million as of March 31, 2015, 2014 and 2013, respectively.

i) The balances of loans to bankrupt borrowers and delinquent loans were ¥2,179 million (U.S.\$18 million) and ¥32,009 million (U.S.\$266 million), respectively, as of March 31, 2015, ¥2,339 million and ¥31,941 million, respectively, as of March 31, 2014, and ¥2,658 million and ¥33,794 million, respectively, as of March 31, 2013.

Loans to bankrupt borrowers are loans for which interest is not accrued as income, except for a portion of loans written off, and to which any event specified in Article 96, Paragraph 1, Item 3 (a) to (e) or Item 4 of the Order for Enforcement of the Corporation Tax Act has occurred. Interest is not accrued as income for the loans since the recovery of principal or interest on the loans is unlikely due to the fact that principal repayments and interest payments are overdue for a significant period of time or for other reasons.

Delinquent loans are loans with interest not accrued and exclude loans to bankrupt borrowers and loans with interest payments extended with the objective of restructuring or supporting the borrowers.

ii) There were no loans delinquent for over three months as of March 31, 2015. The balance of loans delinquent for over three months was ¥23 million as of March 31, 2014. There were no loans delinquent for over three months as of March 31, 2013.

Loans that are delinquent for over three months are loans with principal or interest unpaid for over three months beginning one day after the due date based on the loan agreement. These loans exclude loans classified as loans to bankrupt borrowers and delinquent loans.

iii) The balances of restructured loans were ¥4,107 million (U.S.\$34 million), ¥4,726 million and ¥5,599 million as of March 31, 2015, 2014 and 2013, respectively.

Restructured loans are loans that provide certain concessions favorable to borrowers with the intent of supporting the borrowers' restructuring, such as by reducing or exempting interest, postponing principal or interest payments, releasing credits, or providing other benefits to the borrowers. These loans exclude loans classified as loans to bankrupt borrowers, delinquent loans, and loans delinquent for over three months.

(2) Direct write-offs of loans decreased the balances of loans to bankrupt borrowers and delinquent loans by ¥277 million (U.S.\$2 million) and ¥224 million (U.S.\$1 million), respectively, as of March 31, 2015, ¥299 million and ¥403 million, respectively, as of March 31, 2014, and ¥449 million and ¥382 million, respectively, as of March 31, 2013.

17. Loan Commitments

The amounts of commitments related to loans and loans outstanding were ¥184,916 million (U.S.\$1,538 million), ¥179,531 million and ¥201,481 million as of March 31, 2015, 2014 and 2013, respectively.

18. Policy Reserves for Reinsurance Contracts Provided in Accordance with Article 71, Paragraph 1 of the Order for Enforcement of the Insurance Business Act

The amounts of policy reserves provided for the portion of reinsurance (hereafter referred to as "policy reserves for ceded reinsurance") as defined in Article 71, Paragraph 1 of the Order for Enforcement of the Insurance Business Act were ¥192 million (U.S.\$1 million), ¥188 million and ¥179 million as of March 31, 2015, 2014 and 2013, respectively.

19. Contributions to the Life Insurance Policyholder Protection Fund and Organization

Of the maximum borrowing amount from the Life Insurance Policyholders Protection Corporation of Japan, which is provided for in Article 37-4 of the Order for Enforcement of the Insurance Business Act, the amounts applied to the Company were estimated to be ¥85,914 million (U.S.\$714 million), ¥85,750 million and ¥86,176 million as of March 31, 2015, 2014 and 2013, respectively. The amounts contributed to the aforementioned corporation were recorded within operating expenses for the fiscal year.

20. Investment Income and Expenses

The major components of gain on sales of securities were as follows:

| | Millions of Yen | | | Millions of U.S. Dollars |
|--|-----------------|----------|---------|--------------------------|
| | 2015 | 2014 | 2013 | 2015 |
| Domestic bonds including national government bonds | ¥ 12,929 | ¥ 16,879 | ¥76,133 | \$ 107 |
| Domestic stocks | 216,749 | 239,424 | 54,060 | 1,803 |
| Foreign securities | 12,345 | 4,135 | 62,155 | 102 |

The major components of loss on sales of securities were as follows:

| | Millions of Yen | | | Millions of U.S. Dollars |
|--|-----------------|---------|--------|--------------------------|
| | 2015 | 2014 | 2013 | 2015 |
| Domestic bonds including national government bonds | ¥1,468 | ¥ 1,774 | ¥ 263 | \$12 |
| Domestic stocks | 9,889 | 13,678 | 56,528 | 82 |
| Foreign securities | 6,998 | 42,277 | 15,295 | 58 |

The major components of loss on valuation of securities were as follows:

| | Millions of Yen | | | Millions of U.S. Dollars |
|--------------------|-----------------|---------|---------|--------------------------|
| | 2015 | 2014 | 2013 | 2015 |
| Domestic stocks | ¥ 113 | ¥21,477 | ¥97,749 | \$ 0 |
| Foreign securities | 3,083 | 713 | 675 | 25 |

Loss on derivative financial instruments, net, included net valuation gains of ¥1,513 million (U.S.\$12 million), gains of ¥2,709 million and gains of ¥81,709 million for the fiscal years ended March 31, 2015, 2014 and 2013, respectively.

21. Policy Reserves for Ceded Reinsurance

Provision for policy reserves for ceded reinsurance that was deducted from the calculation of provision for policy reserves was ¥4 million (U.S.\$0 million), ¥8 million and ¥14 million for the fiscal years ended March 31, 2015, 2014 and 2013, respectively.

22. Impairment Losses

(1) Method for grouping the assets

Leased property and idle property are classified as one asset group per property. Assets utilized for insurance business operations are classified into one asset group.

(2) Circumstances causing impairment losses

The Company observed a marked decrease in profitability or fair value in some of the fixed asset groups. The book value of fixed assets was reduced to the recoverable amount and impairment losses were recognized as extraordinary losses for the fiscal years ended March 31, 2015, 2014 and 2013.

(3) Breakdown of asset groups that recognized impairment losses:

For the year ended March 31, 2015

| Purpose of use | Millions of Yen | | | |
|-----------------|-----------------|-------------------|-----------|---------|
| | Land | Land lease rights | Buildings | Total |
| Leased property | ¥ 1,846 | ¥1,489 | ¥2,242 | ¥ 5,578 |
| Idle property | 13,700 | — | 628 | 14,329 |
| Total | ¥15,547 | ¥1,489 | ¥2,871 | ¥19,908 |

For the year ended March 31, 2014

| Purpose of use | Millions of Yen | | | |
|-----------------|-----------------|-------------------|-----------|--------|
| | Land | Land lease rights | Buildings | Total |
| Leased property | ¥2,475 | ¥— | ¥1,749 | ¥4,224 |
| Idle property | 373 | 14 | 116 | 504 |
| Total | ¥2,848 | ¥14 | ¥1,865 | ¥4,728 |

For the year ended March 31, 2013

| Purpose of use | Millions of Yen | | | |
|-----------------|-----------------|-------------------|-----------|---------|
| | Land | Land lease rights | Buildings | Total |
| Leased property | ¥ 8,808 | ¥1,105 | ¥4,234 | ¥14,148 |
| Idle property | 1,964 | 30 | 1,459 | 3,453 |
| Total | ¥10,772 | ¥1,135 | ¥5,693 | ¥17,602 |

For the year ended March 31, 2015

| Purpose of use | Millions of U.S. Dollars | | | |
|-----------------|--------------------------|-------------------|-----------|-------|
| | Land | Land lease rights | Buildings | Total |
| Leased property | \$ 15 | \$12 | \$18 | \$ 46 |
| Idle property | 114 | — | 5 | 119 |
| Total | \$129 | \$12 | \$23 | \$165 |

(4) Calculation method of recoverable amount

The recoverable amount used for the measurement of impairment losses is based on the net realizable value upon sales of the assets or the discounted future cash flows.

The discount rate used in the calculation of future cash flows is 4.0%. Net realizable values are determined based on appraisals performed in accordance with the "Real Estate Appraisal Standards" or posted land prices.

23. Deferred Tax Assets and Liabilities

(1) Deferred tax assets/liabilities consisted of the following:

| | Millions of Yen | | | Millions of U.S. Dollars |
|---|-----------------|-------------|-------------|--------------------------|
| | 2015 | 2014 | 2013 | 2015 |
| Deferred tax assets | ¥ 1,254,315 | ¥ 1,206,414 | ¥ 1,122,651 | \$ 10,437 |
| Valuation allowance for deferred tax assets | (39,012) | (55,202) | (74,031) | (324) |
| Subtotal | 1,215,303 | 1,151,212 | 1,048,620 | 10,113 |
| Deferred tax liabilities | (2,447,032) | (1,479,843) | (1,172,272) | (20,363) |
| Net deferred tax liabilities | ¥(1,231,729) | ¥ (328,631) | ¥ (123,652) | \$(10,249) |

The major components resulting in deferred tax assets/liabilities were as follows:

| | Millions of Yen | | | | Millions of U.S. Dollars |
|---|-----------------|------------|------------|----------|--------------------------|
| | 2015 | 2014 | 2013 | 2015 | |
| Deferred tax assets: | | | | | |
| Policy reserves and other reserves | ¥ 758,723 | ¥ 747,389 | ¥ 698,811 | \$ 6,313 | |
| Reserve for price fluctuations in investments in securities | 224,272 | 191,356 | 135,897 | 1,866 | |
| Accrued retirement benefits | 105,207 | 118,282 | 134,473 | 875 | |
| Allowance for doubtful accounts | 2,234 | 2,575 | 3,332 | 18 | |
| Deferred tax liabilities: | | | | | |
| Net unrealized gains on available-for-sale securities | ¥2,403,751 | ¥1,434,983 | ¥1,132,875 | \$20,002 | |

(2) The statutory rate was 30.7% for the fiscal year ended March 31, 2015 and 33.2% for the fiscal years ended March 31, 2014 and 2013. The main factors for the difference between the statutory tax rates and the effective income tax rates were as follows:

| | 2015 | 2014 | 2013 |
|--|---------|---------|---------|
| Reserve for dividends to policyholders | (18.4)% | (19.3)% | (22.5)% |
| Impact from a change in the tax rate | 16.6 % | — | — |

(3) In conjunction with the promulgation of the "Act for Partial Revision to the Income Tax Act" (Act No. 9 of 2015), the statutory tax rate applied to the calculation of deferred tax assets and deferred tax liabilities of 30.7% was changed to 28.8%.

As a result of this change, deferred tax liabilities at the end of the period decreased by ¥81,259 million (U.S.\$676 million) and deferred tax liabilities for land revaluation decreased by ¥7,615 million (U.S.\$63 million), while net unrealized gains on available-for-sale securities, net of tax increased by ¥158,817 million (U.S.\$1,321 million) and land revaluation losses increased by ¥7,615 million (U.S.\$63 million). At the same time, income taxes—deferred increased by ¥71,392 million (U.S.\$594 million).

In conjunction with the promulgation of the "Act for Partial Revision to the Income Tax Act" (Act No. 10 of 2014), the statutory tax rate applied to the calculation of deferred tax assets and deferred tax liabilities of 33.2% was changed to 30.7% for collections and payments expected to be made in the period from April 1, 2014 to March 31, 2015.

As a result of this change, as of March 31, 2014, deferred tax liabilities increased by ¥8,487 million, net unrealized gains on available-for-sale securities, net of tax increased by ¥582 million, and land revaluation losses increased by ¥1 million, while deferred tax liabilities for land revaluation decreased by ¥1 million. At the same time, income taxes—deferred increased by ¥9,070 million.

24. Transactions with Subsidiaries

The total income and expenses from transactions with subsidiaries for the fiscal years ended March 31, 2015, 2014 and 2013, were as follows:

| | Millions of Yen | | | Millions of U.S. Dollars |
|----------------|-----------------|---------|---------|--------------------------|
| | 2015 | 2014 | 2013 | 2015 |
| Total income | ¥18,423 | ¥53,430 | ¥11,377 | \$153 |
| Total expenses | 29,908 | 29,359 | 29,759 | 248 |

25. Transactions with Related Parties

For the fiscal year ended March 31, 2014

Transactions with related parties are as follows:

| Subsidiaries: | |
|--|--|
| Type: | Subsidiary |
| Company name: | NLI Properties West, Inc. |
| Location: | Delaware, U.S.A. (New York, U.S.A.) |
| Capital as of March 31, 2014: | \$290 million |
| Main business: | Acquisition, management, disposal, and mortgage lending services for real estate for lease |
| Percentage of shareholder voting rights: | —* |
| Nature of relationship between parties: | —* |
| Details of transaction: | Gain on liquidation of subsidiaries and affiliates* |
| Transaction amount for the fiscal year ended March 31, 2014: | ¥40,486 million |

* NLI Properties West, Inc. was liquidated in February 2014. Gain on liquidation of subsidiaries and affiliates represents a liquidation dividend from this company.

26. Other Extraordinary Gains

In the fiscal year ended March 31, 2013, other extraordinary gains represent a reversal of accrued losses from supporting closely related companies.

27. Subsequent Events

(1) Approval of proposed appropriation of surplus at the annual meeting of the representatives of policyholders.

The nonconsolidated proposed appropriations of surplus for the fiscal year ended March 31, 2015, were approved as planned at the annual meeting of the representatives of policyholders held on July 2, 2015.

(2) Foundation funds offering of ¥50,000 million

During the annual meeting of representatives of policyholders on July 2, 2015, a resolution was passed to partially amend the Articles of Incorporation in connection with an issuance of foundation funds of ¥50,000 million during the year ending March 31, 2016.



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Nippon Life Insurance Company:

We have audited the accompanying consolidated balance sheets of Nippon Life Insurance Company and its consolidated subsidiaries as of March 31, 2015, 2014 and 2013, and the related consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Insurance Business Act and the related rules and regulations applicable to the mutual life insurance industry and accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Nippon Life Insurance Company and its consolidated subsidiaries as of March 31, 2015, 2014 and 2013, and the consolidated results of their operations and their cash flows for the years then ended in accordance with the Insurance Business Act and the related rules and regulations applicable to the mutual life insurance industry and accounting principles generally accepted in Japan.

Emphasis of Matter

As explained in Note 1(1) to the consolidated financial statements, the information provided in the consolidated financial statements including notes to the consolidated financial statements is limited to that required by the Insurance Business Act and the related rules and regulations applicable to the mutual life insurance industry. Our opinion is not modified in respect of this matter.

Convenience Translation

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1 to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

May 26, 2015
(July 2, 2015 as to Note 23)

Member of
Deloitte Touche Tohmatsu Limited



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Nippon Life Insurance Company:

We have audited the accompanying nonconsolidated balance sheets of Nippon Life Insurance Company as of March 31, 2015, 2014 and 2013, and the related nonconsolidated statements of income, and changes in net assets, and the nonconsolidated proposed appropriations of surplus for the years then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Nonconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of these nonconsolidated financial statements in accordance with the Insurance Business Act and the related rules and regulations applicable to the mutual life insurance industry and accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of nonconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these nonconsolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the nonconsolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the nonconsolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the nonconsolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the nonconsolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the nonconsolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the nonconsolidated financial statements referred to above present fairly, in all material respects, the financial position of Nippon Life Insurance Company as of March 31, 2015, 2014 and 2013, and the results of its operations for the years then ended in accordance with the Insurance Business Act and the related rules and regulations applicable to the mutual life insurance industry and accounting principles generally accepted in Japan.

Emphasis of Matter

As explained in Note 1(1) to the nonconsolidated financial statements, the information provided in the nonconsolidated financial statements including notes to the nonconsolidated financial statements is limited to that required by the Insurance Business Act and the related rules and regulations applicable to the mutual life insurance industry. Our opinion is not modified in respect of this matter.

Convenience Translation

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1 to the nonconsolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

May 21, 2015
(July 2, 2015 as to Note 27)

Member of
Deloitte Touche Tohmatsu Limited

CHAPTER 6

Operational Data

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*All figures are rounded down to the nearest unit.
 *% and 00/0 are rounded to the nearest figure.

STATUS OF FINANCIAL ASSETS (NONCONSOLIDATED)

1. Status of Nonperforming Assets According to Borrower's Classification

| Millions of Yen, % | | | |
|-----------------------------------|--------------------|--------------------|--------------------|
| As of March 31 | 2015 | 2014 | 2013 |
| Bankrupt and quasi-bankrupt loans | ¥ 10,598 | ¥ 11,686 | ¥ 11,998 |
| Doubtful loans | 23,610 | 22,596 | 24,456 |
| Substandard loans | 4,107 | 4,749 | 5,599 |
| Subtotal | 38,316 | 39,033 | 42,054 |
| [Ratio to total] | [0.35%] | [0.34%] | [0.36%] |
| Normal loans | 11,000,199 | 11,365,046 | 11,737,901 |
| Total | ¥11,038,516 | ¥11,404,080 | ¥11,779,955 |

Notes: 1. Bankrupt and quasi-bankrupt loans are nonperforming assets and similar loans that have fallen into bankruptcy due to reasons including initiation of bankruptcy proceedings, start of reorganization proceedings, or submission of an application to start rehabilitation proceedings.

2. Doubtful loans are nonperforming assets with a strong likelihood that loan principal cannot be recovered or interest cannot be received according to the contract because of difficulties in the financial condition and business performance of the debtor who has not yet entered into bankruptcy.

3. Substandard loans include loans that are delinquent for over three months and restructured loans. Loans that are delinquent for over three months are loans with principal or interest being unpaid for more than three months counting from the day after the due date based on the loan agreement (excluding 1. and 2. in the above notes). Restructured loans are loans that provide certain concessions favorable to the borrower with the intent of supporting the borrower's restructuring. Examples of such concessions include reducing or exempting interest, postponing principal or interest payments, releasing credits, or providing other benefits to the borrower (excluding 1. and 2. in the above notes and loans that are delinquent for over three months).

4. Normal loans are loans that do not fall under the classifications for 1. to 3. in the above notes and where the debtor has no financial or business performance problems.

5. Classifications and calculation methods used in this table are based on the Ordinance for Enforcement of the Insurance Business Act. The table includes loans, securities lending, accrued interest, suspense payments, customer's liability for acceptances and guarantees, and guaranteed private offering loans of financial institutions.

6. For bankrupt and quasi-bankrupt loans, the estimated uncollectible amount calculated by subtracting the amount of collateral value or the amount collectible by the execution of guarantees from the balance of loans is directly deducted from the total loan amount. The estimated uncollectible amounts were ¥501 million, ¥703 million and ¥831 million as of March 31, 2015, 2014 and 2013, respectively.

2. Status of Risk-Monitored Loans

| Millions of Yen, % | | | |
|---|----------------|----------------|----------------|
| As of March 31 | 2015 | 2014 | 2013 |
| Loans to bankrupt borrowers | ¥ 2,179 | ¥ 2,339 | ¥ 2,658 |
| Delinquent loans | 32,009 | 31,941 | 33,794 |
| Loans that are delinquent for over three months | — | 23 | — |
| Restructured loans | 4,107 | 4,726 | 5,599 |
| Total | ¥38,297 | ¥39,030 | ¥42,052 |
| [Ratio to total loans] | [0.46%] | [0.46%] | [0.49%] |

Notes: 1. For loans to bankrupt borrowers and quasi-bankrupt borrowers (including collateralized and guaranteed loans), an estimated uncollectible amount (calculated by subtracting estimated collectible amounts based on collateral and guarantees from total loans) is directly deducted from the total loan amount. The amounts of loans to bankrupt borrowers were ¥277 million, ¥299 million and ¥449 million as of March 31, 2015, 2014 and 2013, respectively. The amounts of delinquent loans were ¥224 million, ¥403 million and ¥382 million as of March 31, 2015, 2014 and 2013, respectively.

2. Loans to bankrupt borrowers are loans with principal or interest payments being overdue for a significant period of time and interest not being accrued, including the following: (a) loans to borrowers that are legally bankrupt through filings for proceedings under the Corporate Reorganization Act, Civil Rehabilitation Act, Bankruptcy Act, or Company Act; (b) loans to borrowers that have notes suspended from being traded; or (c) loans to borrowers that have filed for legal proceedings similar to the aforementioned proceedings based on overseas laws.

3. Delinquent loans are loans with interest not accrued and exclude loans to bankrupt borrowers and loans with interest payments extended with the objective of restructuring or supporting the borrowers.

4. Loans that are delinquent for over three months are loans with principal or interest unpaid for over three months counting from the day after the due date based on the loan agreement. Note that the account does not include loans to bankrupt borrowers and delinquent loans.

5. Restructured loans are loans that provide certain concessions favorable to the borrower with the intent of supporting the borrower's restructuring, such as by reducing or exempting interest, postponing principal or interest payments, releasing credits, or providing other benefits to the borrowers (excluding loans to bankrupt borrowers, delinquent loans, and loans that are delinquent for over three months from above).

6. Based on the results of asset self-assessment, accrued interest on loans is not recorded as income for obligors that are bankrupt, essentially bankrupt or nearing bankruptcy.

Asset Self-assessment

Asset self-assessment refers to evaluating individual assets based on the financial condition of each borrower and its collateral, and is classified into categories. The Company has defined strict assessment standards based on the "Inspection Manual for Insurance Companies" of the Financial Services Agency (FSA) and conducted internal audits by the Auditing Department, which is independent from the groups handling the actual assessment. In addition, it undergoes an external audit by the external auditors (certified public accountants).

Self-assessment categories

| Debtor category | Recoverability through collateral and guarantees (see Notes) | | | | Status of debtors |
|-----------------|--|---------------|----------------|---------------|---|
| | a) | b) | c) | d) | |
| Normal | Noncategorized ① | | | | Debtors whose performance is sound and for whom there are no specific concerns regarding their financial situation. |
| On caution | Noncategorized ② | Category II ② | | | Debtors on caution, such as debtors whose loan terms and conditions have been eased or whose loan repayment performance is poor, and debtors posting a loss or whose performance is sluggish or unstable. |
| Substandard | | | Category II ③ | | Of the above, debtors whose loan terms and conditions have been eased or who are delinquent for the past three months or more from the due date. |
| Doubtful | Noncategorized | Category II | Category III ④ | | Debtors who are not bankrupt at present, but for whom the possibility of bankruptcy in the near future is high owing to their financial difficulties. |
| Quasi-bankrupt | Noncategorized | Category II | Category III ④ | Category IV ⑤ | Debtors who are essentially bankrupt. Although there is no legal or formal evidence of the bankruptcy, the debtor is in serious financial difficulty and there is no prospect of revitalization. |
| Bankrupt | Noncategorized | Category II | Category III ④ | Category IV ⑤ | Debtors that are legally or formally bankrupt as a result of having entered into bankruptcy, liquidation, corporate reorganization, corporate rehabilitation or civil rehabilitation procedures. |

Notes: Categories for collateral/guarantee-based recoverability

a) Estimation of disposal of solid collateral and solid guarantees

b) Estimation of disposal of general collateral and general guarantees

c) Portion for which recovery through guarantees is uncertain, calculated as the difference between estimates of the collateral amount and disposal amount

d) Portions other than a)–c) that are deemed irrecoverable

Self-assessment debtor classifications and relationship of disclosed nonperforming debt (as of March 31, 2015)

| Self-assessment debtor classification | | Claims based on Financial Reconstruction Law Applicable categories related to loans: (Loans, securities loaned, accrued interest, suspense payments, customers' liability for acceptances and guarantees, and private placements guaranteed by financial institutions) | Risk-monitored loans (Applicable: Only to loans) | |
|---------------------------------------|--|--|---|----------------------------------|
| Normal | | Normal | Restructuring | Delinquent for over three months |
| On caution | | Substandard | | |
| Doubtful | | Doubtful | | Delinquent |
| Quasi-bankrupt | | Bankrupt and quasi-bankrupt | | |
| Bankrupt | | | | Bankrupt |
| | | ¥38.3 billion Percentage of total claims 0.35% | ¥38.2 billion Percentage of total loans 0.46% | |

Status of Borrower Classification

| | | Billions of Yen, % | |
|---|----------------|--------------------|------------|
| As of March 31, 2015 | | Amount | Percentage |
| Loan balances | | ¥8,357.6 | 100.0% |
| (After direct write-off of Category IV) | | | |
| | Noncategorized | 8,291.1 | 99.2 |
| | Category II | 63.1 | 0.8 |
| | Category III | 3.3 | 0.0 |
| | Category IV | — | — |

Notes: 1. The amount of specific allowance for doubtful accounts provided for Category III loans was ¥2.9 billion.

2. The amount of Category IV that was directly written off from loans was ¥0.5 billion.

Standards for allowance for doubtful accounts

In order to take appropriate measures against bad debt, the Company has created the following types of reserve principles for self-assessment categories ①–⑤, as noted in the table of self-assessment categories, and builds reserves (bad debt accounting) in accordance with these principles.

Reserve principles:

- Normal: General allowance for doubtful accounts based on actual loan losses in the previous fiscal year. [①]
- On caution: General allowance for doubtful accounts based on the accumulated actual loan loss ratio (ratio of losses incurred from loans within three years from a certain date) for the previous three fiscal years. [②]
- Substandard: Corporate loans are divided into two categories: those that are not secured by collateral, guarantees, or others, and the actual loan loss ratio is calculated. [③]
- For doubtful, quasi-bankrupt and bankrupt loans, the necessary amount, concerning the balance calculated by subtracting the estimated collectable amount based on collateral and guarantees from total loans, is provided as a specific allowance for doubtful accounts. [④] The portion of the amount in "Category IV" is directly deducted from total loans. [⑤]

3. Status of Loans in Trust from Contract for Replacement of Loss

No ending balance as of March 31, 2015, 2014 or 2013.

4. Ability to Pay Benefits (Solvency Margin Ratio)

Solvency Margin Ratio According to New Standard

| | | | | | Millions of Yen | | |
|---|-----|--|--|--|-----------------|---------------|---------------|
| As of March 31 | | | | | 2015 | 2014 | 2013 |
| Solvency margin gross amount | (A) | | | | ¥13,421,043 | ¥9,437,173 | ¥8,027,181 |
| Foundation funds (<i>kikin</i>) and other reserve funds: | | | | | 3,806,532 | 3,422,870 | 2,965,956 |
| Foundation funds and others | 1 | | | | 1,491,371 | 1,486,123 | 1,430,471 |
| Reserve for price fluctuations in investments in securities | 2 | | | | 778,723 | 623,312 | 427,529 |
| Contingency reserve | 3 | | | | 1,250,248 | 1,005,760 | 780,154 |
| General allowance for doubtful accounts | 4 | | | | 2,507 | 3,952 | 5,478 |
| Others | 10 | | | | 283,681 | 303,722 | 322,322 |
| Net unrealized gains/losses on available-for-sale securities × 90% | 5 | | | | 7,581,433 | 4,221,212 | 3,278,358 |
| Net unrealized gains/losses on real estate × 85% (100% in the case of net unrealized losses) | 6 | | | | 73,163 | 28,567 | (8,685) |
| Excess of continued Zillmerized reserve | 7 | | | | 1,509,979 | 1,552,382 | 1,602,347 |
| Qualifying subordinated debt | 8 | | | | 399,590 | 157,040 | 157,040 |
| Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculations | | | | | — | — | — |
| Deduction clause | 9 | | | | (366) | (428) | (539) |
| Others | 10 | | | | 50,711 | 55,528 | 32,704 |
| Total amount of risk $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2} + R_4$ | (B) | | | | 2,883,641 | 2,422,583 | 2,305,244 |
| Underwriting risk R_1 | 11 | | | | 127,656 | 131,177 | 135,383 |
| Underwriting risk of third-sector insurance R_8 | 12 | | | | 75,389 | 74,655 | 73,978 |
| Anticipated yield risk R_2 | 13 | | | | 386,107 | 389,635 | 394,708 |
| Minimum guarantee risk R_7 | 14 | | | | 5,820 | 5,870 | 7,382 |
| Investment risk R_3 | 15 | | | | 2,424,023 | 1,966,765 | 1,844,303 |
| Business management risk R_4 | 16 | | | | 60,379 | 51,362 | 49,115 |
| Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$ | | | | | 930.8% | 779.0% | 696.4% |

Notes: 1. The amounts and figures in the table above are calculated based on the provisions of Article 86 and Article 87 of the Ordinance for Enforcement of the Insurance Business Act and the Ministry of Finance Public Notice No. 50 of 1996.

2. The standard method is used for the calculation of the amount equivalent to minimum guarantee risk R_7 .

1. Foundation Funds and Other Reserve Funds
The amount after excluding estimated distributed income (interest on foundation funds and provision for reserve for dividends to policyholders) from the appropriation of surplus plus total valuations, conversions, and others included under total net assets on the balance sheets.
2. Reserve for Price Fluctuations in Investments in Securities
The amount of the reserve for price fluctuations in investments in securities on the balance sheets.
3. Contingency Reserve
The amount of the contingency reserve, which is a part of policy reserves on the balance sheets.
4. General Allowance for Doubtful Accounts
The amount of the general allowance for doubtful accounts, listed as allowance for doubtful accounts on the balance sheets.
5. Net Unrealized Gains on Available-for-Sale Securities
If the difference between the total amount of securities on the balance sheets and the total book value is positive, multiply by 90% and record the resulting amount. If the difference is negative, multiply by 100% and record the resulting amount.
6. Net Unrealized Gains on Real Estate
If the difference between the total fair value of real estate and the total book value is positive, multiply by 85% and record the resulting amount. If the difference is negative, multiply by 100% and record the resulting amount. The difference between the fair value and the book value of real estate includes land revaluation losses on the balance sheets and the total deferred tax liabilities for land revaluation on the balance sheets.
7. Excess of Continued Zillmerized Reserve
The amount that exceeds either the continued Zillmerized reserve or the amount of surrender benefits out of policy reserves (excluding the contingency reserve) on the balance sheets, whichever is greater.
8. Qualifying Subordinated Debt
The amount needed to satisfy the necessary conditions into the amount of financing by issuance of subordinated debt or by borrowing or subordinated debt.
9. Deduction Clause
The deduction clause improves the ability to pay, for example, the insurance claims of other insurance companies and to raise the capital adequacy ratio of subsidiaries (when banks, etc., are made into subsidiaries, etc.), in cases where the shares and other means of capital procurement of the aforementioned other insurance companies or subsidiaries are held intentionally, by enabling the deduction of the amount of those means of capital procurement from the solvency margin ratio.
10. Others
The total amount of a part of dividend reserves on the balance sheets and tax amounts corresponding to contingency funds under net assets.
11. Underwriting Risk
Shows the amount for dealing with underwriting risk (out of risk of actual insurable incidents occurring at a higher frequency than generally expected; risk that applies to third-sector insurance).
12. Underwriting Risk of Third-Sector Insurance
Shows the amount for dealing with underwriting risk of third-sector insurance (out of risk of actual insurable incidents occurring at a higher frequency than generally expected; risk that applies to third-sector insurance).
13. Anticipated Yield Risk
Shows the amount for dealing with anticipated yield risk (risk of not being able to secure anticipated yield that serves as the basis for calculating policy reserves).
14. Minimum Guarantee Risk
Shows the amount for dealing with minimum guarantee risk (in insurance policies in the separate accounts, those policies that guarantee a minimum amount of insurance benefits, the risk that said insurance policies and the value of assets belonging to the separate accounts when paying said insurance benefits will fall below the amount of minimum guaranteed insurance benefits, and the risk arising from greater-than-expected price fluctuations for assets belonging to said special accounts).
15. Investment Risk
Shows the amount for dealing with investment risk (in risks related to investments, those risks arising from reasons other than more than generally expected price fluctuations of held securities and other assets).
16. Business Management Risk
Shows the amount for dealing with business management risk (with regard to risks arising at a greater-than-expected frequency, those risks that do not fall under the category of underwriting risk, underwriting risk of third-sector insurance, anticipated yield risk, minimum guarantee risk and investment risk are included in this category).

5. Unrealized Gains/Losses from Assets (Company Total)

| As of March 31 | | Billions of Yen | | |
|--|------------------------------|-----------------|----------------|----------------|
| | | 2015 | 2014 | 2013 |
| Cash, deposits and call loans | Book value | ¥ 1,064.7 | ¥ 817.1 | ¥ 706.8 |
| | Fair value (appraisal value) | 1064.7 | 817.1 | 706.8 |
| | Net gains/losses | (0.0) | (0.0) | (0.0) |
| | Gains | 0.0 | 0.0 | 0.0 |
| | Losses | (0.0) | (0.0) | (0.0) |
| Proprietary trading securities* ¹ | Book value | — | — | — |
| | Fair value (appraisal value) | — | — | — |
| | Net gains/losses | — | — | — |
| | Gains | — | — | — |
| | Losses | — | — | — |
| Assets held in trust* ² | Book value | — | — | — |
| | Fair value (appraisal value) | — | — | — |
| | Net gains/losses | — | — | — |
| | Gains | — | — | — |
| | Losses | — | — | — |
| Investments in securities* ³ | Book value | 41,415.4 | 39,678.7 | 38,631.5 |
| | Fair value (appraisal value) | 52,494.9 | 46,195.7 | 44,302.6 |
| | Net gains/losses | 11,079.5 | 6,517.0 | 5,671.0 |
| | Gains | 11,115.4 | 6,648.0 | 5,985.6 |
| | Losses | (35.9) | (130.9) | (314.5) |
| Loans | Book value | 8,357.6 | 8,528.9 | 8,581.8 |
| | Fair value (appraisal value) | 8,684.1 | 8,791.5 | 8,894.8 |
| | Net gains/losses | 326.5 | 262.5 | 313.0 |
| | Gains | 340.7 | 277.2 | 318.3 |
| | Losses | (14.2) | (14.6) | (5.3) |
| Real estate* ⁴ | Book value | 1,252.8 | 1,266.1 | 1,224.1 |
| | Fair value (appraisal value) | 1,312.1 | 1,257.0 | 1,170.8 |
| | Net gains/losses | 59.3 | (9.0) | (53.3) |
| | Gains | 227.9 | 179.4 | 153.8 |
| | Losses | (168.6) | (188.5) | (207.1) |
| Other assets | Book value | 1,768.4 | 1,809.4 | 2,095.8 |
| | Fair value (appraisal value) | 1,807.6 | 1,853.1 | 2,152.0 |
| | Net gains/losses | 39.2 | 43.6 | 56.2 |
| | Gains | 39.2 | 43.7 | 56.7 |
| | Losses | (0.0) | (0.0) | (0.4) |
| Total assets | Book value | 53,859.1 | 52,100.4 | 51,240.2 |
| | Fair value (appraisal value) | 65,363.7 | 58,914.6 | 57,227.2 |
| | Net gains/losses | 11,504.5 | 6,814.1 | 5,987.0 |
| | Gains | 11,723.4 | 7,148.4 | 6,514.6 |
| | Losses | (218.8) | (334.2) | (527.5) |

*¹ Proprietary trading securities include securities with fair values calculated using theoretical prices.

*² Fair value calculations are based on prices rationally calculated by the trustee of assets held in trust. Book value includes net gains/losses related to derivative transactions within assets held in trust.

*³ Investments in securities include securities with fair values calculated using theoretical prices. Securities also include securities loaned.

*⁴ Real estate is the total of the land account and leasehold account. The fair value of real estate (land + land lease rights) is calculated with reference to publicly disclosed appraisal values. The Company reappraised land for business use based on the Law for the Revaluation of Land. Book value includes revaluation differences of ¥26.7 billion, ¥42.6 billion and ¥44.6 billion as of March 31, 2015, 2014 and 2013, respectively.

6. Data on Fair Value of Securities (Company Total)

* Please refer to the following pages: Fair Value of Securities (General Account), p. 211, Fair Value of Securities (Separate Account for Individual Variable Insurance), p. 218, Fair Value of Securities (Separate Account for Individual Variable Annuities), p. 222

1. Net valuation gains/losses from trading securities

| Millions of Yen | | | | | | |
|--------------------|----------------------|---|----------------------|---|----------------------|---|
| As of March 31 | 2015 | | 2014 | | 2013 | |
| | Balance sheet amount | Net valuation gains/losses included in profits/losses | Balance sheet amount | Net valuation gains/losses included in profits/losses | Balance sheet amount | Net valuation gains/losses included in profits/losses |
| Trading securities | ¥1,005,262 | ¥44,376 | ¥1,098,298 | ¥7,295 | ¥1,072,950 | ¥115,244 |

Notes: 1. Balance sheet amount of assets held in trust included in trading securities and the net valuation gains/losses included in profits/losses for the current period include net gains/losses on derivative transactions.

2. The carrying value above excludes cash, deposits and call loans within assets held in trust included in trading securities.

2. Data on fair value of securities (Securities with fair value other than trading securities)

| Millions of Yen | | | | | | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|------------------|--------------------|--------------------|-------------------|-------------------|-------------------|
| As of March 31 | 2015 | | | | | 2014 | | | | |
| | Book value | Fair value | Net gains/losses | Gains | Losses | Book value | Fair value | Net gains/losses | Gains | Losses |
| Policy-reserve-matching bonds | ¥20,673,896 | ¥23,292,429 | ¥ 2,618,532 | ¥ 2,618,977 | ¥ (444) | ¥20,136,376 | ¥21,936,386 | ¥1,800,009 | ¥1,808,748 | ¥ (8,738) |
| Held-to-maturity debt securities | — | — | — | — | — | — | — | — | — | — |
| Investments in subsidiaries and affiliates | 7,711 | 37,474 | 29,763 | 29,763 | — | 7,711 | 61,779 | 54,068 | 54,068 | — |
| Available-for-sale securities | 19,337,667 | 27,722,703 | 8,385,035 | 8,419,299 | (34,263) | 18,015,822 | 22,677,237 | 4,661,415 | 4,779,182 | (117,767) |
| Domestic bonds | 2,355,340 | 2,512,314 | 156,973 | 157,781 | (807) | 2,056,317 | 2,155,038 | 98,721 | 99,802 | (1,081) |
| Domestic stocks | 3,944,517 | 8,936,459 | 4,991,942 | 5,015,264 | (23,321) | 4,081,909 | 6,911,256 | 2,829,346 | 2,923,269 | (93,923) |
| Foreign securities | 11,889,668 | 15,009,565 | 3,119,897 | 3,129,530 | (9,633) | 11,109,726 | 12,793,176 | 1,683,449 | 1,704,975 | (21,525) |
| Foreign bonds | 9,752,012 | 12,005,458 | 2,253,446 | 2,255,097 | (1,651) | 9,031,217 | 10,143,846 | 1,112,629 | 1,131,575 | (18,945) |
| Foreign stocks and other securities | 2,137,655 | 3,004,106 | 866,451 | 874,432 | (7,981) | 2,078,509 | 2,649,329 | 570,820 | 573,399 | (2,579) |
| Other securities | 806,288 | 922,498 | 116,209 | 116,705 | (496) | 504,806 | 554,709 | 49,902 | 51,134 | (1,231) |
| Monetary receivables purchased | 38,852 | 38,866 | 13 | 16 | (2) | 28,061 | 28,057 | (4) | — | (4) |
| Negotiable certificates of deposit | 303,000 | 302,999 | (0) | 0 | (1) | 235,000 | 234,999 | (0) | 0 | (0) |
| Total | ¥40,019,275 | ¥51,052,607 | ¥11,033,331 | ¥11,068,039 | ¥(34,707) | ¥38,159,910 | ¥44,675,402 | ¥6,515,492 | ¥6,641,999 | ¥(126,506) |
| Domestic bonds | 22,497,508 | 25,233,003 | 2,735,494 | 2,736,685 | (1,191) | 21,568,091 | 23,421,564 | 1,853,472 | 1,863,225 | (9,752) |
| Domestic stocks | 3,944,517 | 8,936,459 | 4,991,942 | 5,015,264 | (23,321) | 4,081,909 | 6,911,256 | 2,829,346 | 2,923,269 | (93,923) |
| Foreign securities | 11,969,216 | 15,122,920 | 3,153,703 | 3,163,337 | (9,633) | 11,199,464 | 12,940,877 | 1,741,412 | 1,762,938 | (21,526) |
| Foreign bonds | 9,823,849 | 12,081,339 | 2,257,489 | 2,259,141 | (1,651) | 9,113,244 | 10,229,768 | 1,116,523 | 1,135,470 | (18,946) |
| Foreign stocks and other securities | 2,145,366 | 3,041,580 | 896,214 | 904,196 | (7,981) | 2,086,220 | 2,711,108 | 624,888 | 627,467 | (2,579) |
| Other securities | 806,288 | 922,498 | 116,209 | 116,705 | (496) | 504,806 | 554,709 | 49,902 | 51,134 | (1,231) |
| Monetary receivables purchased | 498,744 | 534,726 | 35,982 | 36,045 | (63) | 570,636 | 611,996 | 41,359 | 41,430 | (70) |
| Negotiable certificates of deposit | 303,000 | 302,999 | (0) | 0 | (1) | 235,000 | 234,999 | (0) | 0 | (0) |

| As of March 31 | 2013 | | | | |
|--|--------------------|--------------------|-------------------|-------------------|-------------------|
| | Book value | Fair value | Net gains/losses | Gains | Losses |
| Policy-reserve-matching bonds | ¥19,603,424 | ¥21,659,962 | ¥2,056,538 | ¥2,065,986 | ¥ (9,448) |
| Held-to-maturity debt securities | — | — | — | — | — |
| Investments in subsidiaries and affiliates | 7,711 | 44,436 | 36,725 | 36,725 | — |
| Available-for-sale securities | 17,673,517 | 21,305,305 | 3,631,788 | 3,913,256 | (281,467) |
| Domestic bonds | 1,968,345 | 2,067,063 | 98,718 | 100,561 | (1,843) |
| Domestic stocks | 4,305,831 | 6,437,752 | 2,131,920 | 2,392,688 | (260,767) |
| Foreign securities | 10,667,428 | 12,034,602 | 1,367,174 | 1,381,580 | (14,406) |
| Foreign bonds | 8,754,592 | 9,739,153 | 984,560 | 996,678 | (12,117) |
| Foreign stocks and other securities | 1,912,835 | 2,295,449 | 382,614 | 384,902 | (2,288) |
| Other securities | 374,619 | 408,607 | 33,987 | 38,425 | (4,437) |
| Monetary receivables purchased | 58,291 | 58,281 | (10) | — | (10) |
| Negotiable certificates of deposit | 299,000 | 298,997 | (2) | 0 | (2) |
| Total | ¥37,284,652 | ¥43,009,704 | ¥5,725,051 | ¥6,015,967 | ¥(290,916) |
| Domestic bonds | 20,791,887 | 22,888,875 | 2,096,988 | 2,107,804 | (10,816) |
| Domestic stocks | 4,305,831 | 6,437,752 | 2,131,920 | 2,392,688 | (260,767) |
| Foreign securities | 10,756,982 | 12,165,246 | 1,408,263 | 1,422,672 | (14,408) |
| Foreign bonds | 8,836,436 | 9,825,360 | 988,923 | 1,001,044 | (12,120) |
| Foreign stocks and other securities | 1,920,546 | 2,339,885 | 419,339 | 421,627 | (2,288) |
| Other securities | 374,619 | 408,607 | 33,987 | 38,425 | (4,437) |
| Monetary receivables purchased | 756,331 | 810,224 | 53,893 | 54,377 | (483) |
| Negotiable certificates of deposit | 299,000 | 298,997 | (2) | 0 | (2) |

Note: This table includes negotiable certificates of deposit and other items deemed appropriate to be handled as securities under the Financial Instruments and Exchange Act.

6. Data on Fair Value of Securities (Company Total), continued

(1) Policy-reserve-matching bonds

| Millions of Yen | | | | | | | | | |
|---|----------------------|-------------|------------|----------------------|-------------|------------|----------------------|-------------|------------|
| As of March 31 | 2015 | | | 2014 | | | 2013 | | |
| | Balance sheet amount | Fair value | Difference | Balance sheet amount | Fair value | Difference | Balance sheet amount | Fair value | Difference |
| Bonds whose fair value exceeds balance sheet amount | ¥20,576,578 | ¥23,195,555 | ¥2,618,977 | ¥19,723,454 | ¥21,532,202 | ¥1,808,748 | ¥19,451,366 | ¥21,517,353 | ¥2,065,986 |
| Domestic bonds | 20,047,635 | 22,626,539 | 2,578,904 | 19,100,466 | 20,863,889 | 1,763,422 | 18,734,266 | 20,741,509 | 2,007,243 |
| Foreign securities | 71,655 | 75,699 | 4,043 | 81,594 | 85,489 | 3,895 | 81,033 | 85,399 | 4,366 |
| Monetary receivables purchased | 457,286 | 493,315 | 36,029 | 541,392 | 582,823 | 41,430 | 636,067 | 690,445 | 54,377 |
| Bonds whose fair value does not exceed balance sheet amount | 97,318 | 96,874 | (444) | 412,922 | 404,183 | (8,738) | 152,057 | 142,608 | (9,448) |
| Domestic bonds | 94,532 | 94,148 | (383) | 411,307 | 402,636 | (8,671) | 89,276 | 80,303 | (8,973) |
| Foreign securities | 181 | 180 | (0) | 432 | 431 | (1) | 810 | 807 | (2) |
| Monetary receivables purchased | 2,604 | 2,544 | (60) | 1,182 | 1,115 | (66) | 61,971 | 61,498 | (472) |

(2) Held-to-maturity debt securities

No ending balance as of March 31, 2015, 2014 or 2013.

(3) Available-for-sale securities

| Millions of Yen | | | | | | | | | |
|---|-------------|----------------------|------------|-------------|----------------------|------------|-------------|----------------------|------------|
| As of March 31 | 2015 | | | 2014 | | | 2013 | | |
| | Book value | Balance sheet amount | Difference | Book value | Balance sheet amount | Difference | Book value | Balance sheet amount | Difference |
| Bonds whose balance sheet amount exceeds book value | ¥18,305,947 | ¥26,725,246 | ¥8,419,299 | ¥15,453,071 | ¥20,232,254 | ¥4,779,182 | ¥15,316,107 | ¥19,229,363 | ¥3,913,256 |
| Domestic bonds | 2,231,394 | 2,389,176 | 157,781 | 1,998,843 | 2,098,646 | 99,802 | 1,917,151 | 2,017,712 | 100,561 |
| Domestic stocks | 3,728,318 | 8,743,582 | 5,015,264 | 3,205,936 | 6,129,206 | 2,923,269 | 3,003,896 | 5,396,584 | 2,392,688 |
| Foreign securities | 11,561,325 | 14,690,856 | 3,129,530 | 9,732,154 | 11,437,129 | 1,704,975 | 10,041,063 | 11,422,644 | 1,381,580 |
| Other securities | 690,908 | 807,614 | 116,705 | 431,137 | 482,272 | 51,134 | 349,996 | 388,421 | 38,425 |
| Monetary receivables purchased | 1,000 | 1,016 | 16 | — | — | — | — | — | — |
| Negotiable certificates of deposit | 93,000 | 93,000 | 0 | 85,000 | 85,000 | 0 | 4,000 | 4,000 | 0 |
| Bonds whose balance sheet amount does not exceed book value | 1,031,720 | 997,457 | (34,263) | 2,562,750 | 2,444,983 | (117,767) | 2,357,409 | 2,075,941 | (281,467) |
| Domestic bonds | 123,945 | 123,138 | (807) | 57,473 | 56,392 | (1,081) | 51,193 | 49,350 | (1,843) |
| Domestic stocks | 216,198 | 192,876 | (23,321) | 875,973 | 782,049 | (93,923) | 1,301,935 | 1,041,168 | (260,767) |
| Foreign securities | 328,342 | 318,709 | (9,633) | 1,377,572 | 1,356,047 | (21,525) | 626,364 | 611,958 | (14,406) |
| Other securities | 115,380 | 114,883 | (496) | 73,669 | 72,437 | (1,231) | 24,623 | 20,185 | (4,437) |
| Monetary receivables purchased | 37,852 | 37,850 | (2) | 28,061 | 28,057 | (4) | 58,291 | 58,281 | (10) |
| Negotiable certificates of deposit | 210,000 | 209,998 | (1) | 150,000 | 149,999 | (0) | 295,000 | 294,997 | (2) |

(4) Book value of securities without fair value

| Millions of Yen | | | |
|---|-------------------|-------------------|-------------------|
| As of March 31 | 2015 | 2014 | 2013 |
| Policy-reserve-matching bonds | ¥ — | ¥ — | ¥ — |
| Held-to-maturity debt securities | — | — | — |
| Unlisted foreign bonds | — | — | — |
| Others | — | — | — |
| Investments in subsidiaries and affiliates | 292,859 | 231,983 | 285,945 |
| Available-for-sale securities | 899,785 | 994,216 | 1,043,347 |
| Unlisted domestic stocks (excluding stocks sold over the counter) | 101,002 | 196,549 | 199,242 |
| Unlisted foreign stocks (excluding stocks sold over the counter) | 587,413 | 622,487 | 682,492 |
| Unlisted foreign bonds | — | — | — |
| Others | 211,370 | 175,179 | 161,612 |
| Total | ¥1,192,645 | ¥1,226,199 | ¥1,329,292 |

Note: Of securities without fair value, the net income on currency exchange valuation of assets denominated in foreign currencies was ¥82,167 million and ¥42,893 million as of March 31, 2015 and 2014, respectively, and the net loss on currency exchange valuation of assets denominated in foreign currencies was ¥100 million as of March 31, 2013.

6. Data on Fair Value of Securities (Company Total), continued

Policy-reserve-matching bonds

The Company has established the following target portfolios that correspond to specific types of insurance products:

- Regarding lump-sum payment products (lump-sum payment endowment, lump-sum payment annuities, and lump-sum payment whole life insurance) and guaranteed fixed-term rate group annuities, the Company has established an Asset/Liability Management (ALM) portfolio that aims to avoid interest fluctuation risks by predicting future cash flows from debt.
- In terms of other types of insurance, the Company has established an ALM portfolio that has a goal of expanding long-term future revenue by evaluating debt characteristics and by operating within a specific range of risk allowance.

Given the characteristics of these insurance products and this type of investment, the Company has specified and subcategorized the following insurance policies based on "Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry" (Japan Institute of Certified Public Accountants Industry Audit Committee Release No. 21).

- All insurance policies for other than lump-sum payment products and group annuities
- All insurance policies for lump-sum payment products other than variable assumed rate-type insurance
- All insurance policies for group annuities other than guaranteed fixed-term rate products

Concerning bonds held for the purpose of controlling the respective duration (level of market price fluctuations against fluctuations in interest rates) of bonds that fit into these subcategories, the Risk Management Committee regularly confirms that the policy reserves and the duration are in a state of general consistency. Based on such confirmation, the Company classifies most Japanese yen-based debt securities as policy-reserve-matching bonds.

7. Data on Fair Value of Assets Held in Trust (Company Total)

No ending balance as of March 31, 2015, 2014 or 2013.

Assets held in trust for trading purposes

No ending balance as of March 31, 2015, 2014 or 2013.

Assets held in trust classified as held to maturity, held for reserves and other

No ending balance as of March 31, 2015, 2014 or 2013.

8. Ordinary Profit (Core Operating Profit)

| Millions of Yen | | | |
|---|-------------------|-------------------|-------------------|
| Fiscal years ended March 31 | 2015 | 2014 | 2013 |
| Core operating income | ¥7,052,679 | ¥6,451,810 | ¥6,900,080 |
| Revenues from insurance and reinsurance | 5,337,118 | 4,825,577 | 5,342,857 |
| Insurance premiums | 5,336,204 | 4,824,669 | 5,342,079 |
| Reinsurance revenue | 913 | 907 | 777 |
| Investment income | 1,532,935 | 1,421,483 | 1,366,740 |
| Interest, dividends, and other income | 1,371,789 | 1,296,640 | 1,217,010 |
| Gain on redemptions of securities | 5,023 | 248 | 284 |
| Reversal of general allowance for doubtful accounts | 1,444 | 1,526 | 3,976 |
| Other investment income | 489 | 441 | 857 |
| Gain from separate accounts, net | 154,187 | 122,626 | 144,611 |
| Other ordinary income | 182,625 | 204,748 | 190,483 |
| Income from annuity riders | 7,329 | 7,836 | 7,769 |
| Income from deferred benefits | 126,913 | 153,912 | 152,482 |
| Reversal of reserve for outstanding claims | 1,652 | 4,266 | 2,786 |
| Reversal of policy reserves | — | — | — |
| Reversal of accrued retirement benefits | 19,980 | 12,250 | 4,236 |
| Other income | 26,749 | 26,482 | 23,208 |
| Other core operating income | — | — | — |
| Core operating expenses | 6,373,589 | 5,859,364 | 6,353,539 |
| Benefits and other payments | 3,932,183 | 3,778,221 | 3,617,129 |
| Death and other claims | 1,022,096 | 1,016,847 | 1,059,742 |
| Annuity payments | 839,921 | 857,662 | 686,205 |
| Health and other benefits | 721,112 | 769,645 | 828,082 |
| Surrender benefits | 959,865 | 839,852 | 834,495 |
| Other refunds | 387,696 | 292,927 | 207,332 |
| Reinsurance premiums | 1,491 | 1,284 | 1,271 |
| Provision for policy reserves* | 1,464,932 | 1,153,342 | 1,734,514 |
| Investment expenses | 72,617 | 69,807 | 80,702 |
| Interest expenses | 9,876 | 7,792 | 4,717 |
| Loss on redemptions of securities | 21,595 | 24,628 | 30,526 |
| Provision for general allowance for doubtful accounts | — | — | — |
| Depreciation of rental real estate and other assets | 15,307 | 15,410 | 23,954 |
| Other investment expenses | 25,839 | 21,976 | 21,503 |
| Loss from separate accounts, net | — | — | — |
| Operating expenses | 563,371 | 561,860 | 566,920 |
| Other ordinary expenses | 340,484 | 296,133 | 354,273 |
| Deferred benefit payments | 232,820 | 197,808 | 243,173 |
| Taxes | 44,508 | 34,643 | 37,376 |
| Depreciation | 46,455 | 47,308 | 57,839 |
| Provision for accrued retirement benefits | — | — | — |
| Deferred asset amortization (Insurance Business Act, Article 113) | — | — | — |
| Other expenses | 16,700 | 16,371 | 15,883 |
| Other core operating expenses | — | — | — |
| Core operating profit | A 679,090 | 592,445 | 546,541 |

| Millions of Yen | | | |
|--|----------------------------|------------------|------------------|
| Fiscal years ended March 31 | 2015 | 2014 | 2013 |
| Capital gains | ¥ 242,029 | ¥ 262,138 | ¥ 193,563 |
| Gain on proprietary trading securities | — | — | — |
| Gain from assets held in trust, net | 4 | 5 | 13 |
| Gain on trading securities | — | — | — |
| Gain on sales of securities | 242,024 | 260,438 | 192,348 |
| Gain on derivative financial instruments, net | — | — | — |
| Foreign exchange gains, net | — | 1,693 | 1,201 |
| Other capital gains | — | — | — |
| Capital losses | 68,376 | 116,502 | 347,446 |
| Loss on proprietary trading securities | — | — | — |
| Loss from assets held in trust, net | — | — | — |
| Loss on trading securities | — | — | — |
| Loss on sales of securities | 18,357 | 57,738 | 72,088 |
| Loss on valuation of securities | 3,258 | 22,254 | 98,668 |
| Loss on derivative financial instruments, net | 46,342 | 36,508 | 176,689 |
| Foreign exchange losses, net | 417 | — | — |
| Other capital losses | — | — | — |
| Net capital gains/losses | B 173,652 | 145,635 | (153,882) |
| Core operating profit, including net capital gains/losses | A+B 852,743 | 738,081 | 392,658 |
| Nonrecurring gains | — | 141 | 584 |
| Reinsurance revenue | — | — | — |
| Reversal of contingency reserve | — | — | — |
| Reversal of specific allowance for doubtful accounts | — | 141 | 584 |
| Other nonrecurring gains | — | — | — |
| Nonrecurring losses | 245,501 | 225,606 | 4,501 |
| Reinsurance premiums | — | — | — |
| Provision for contingency reserve | 244,488 | 225,606 | 4,500 |
| Provision for specific allowance for doubtful accounts | 1,012 | — | — |
| Provision of allowance for specific overseas debts | — | — | — |
| Write-offs of loans | 0 | 0 | 1 |
| Other nonrecurring losses | — | — | — |
| Nonrecurring gains/losses | C (245,501) | (225,464) | (3,916) |
| Ordinary profit | A + B + C ¥ 607,241 | ¥ 512,616 | ¥ 388,742 |

*"Provision for policy reserves" excludes provision for (reversal of) contingency reserve.

MAIN BUSINESS INDICATORS

9. Policies in Force and New Policies

1. Policies in force

(1) Number of policies

| As of March 31 | 2015 | | 2014 | | 2013 | |
|----------------------|--------------------|-----------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| | Number of policies | Rate of increase (decrease) | Number of policies | Rate of increase (decrease) | Number of policies | Rate of increase (decrease) |
| Individual insurance | 20,635,640 | 15.1% | 17,927,849 | 22.0% | 14,696,758 | 29.6% |
| Individual annuities | 3,448,386 | 1.6 | 3,392,874 | 5.6 | 3,214,212 | 2.1 |

Note: Number of individual insurance policies lists each insurance policy individually for one insurance contract introduced after April 1, 2012, that is constructed from several insurance policy types.

(2) Policy amounts

| As of March 31 | 2015 | | 2014 | | 2013 | |
|----------------------|--------------|-----------------------------|--------------|-----------------------------|--------------|-----------------------------|
| | Amount | Rate of increase (decrease) | Amount | Rate of increase (decrease) | Amount | Rate of increase (decrease) |
| Individual insurance | ¥146,649,364 | (2.8)% | ¥150,854,564 | (3.5)% | ¥156,313,280 | (3.7)% |
| Individual annuities | 21,456,152 | 2.0 | 21,041,351 | 6.9 | 19,682,527 | 3.3 |
| Group insurance | 92,595,488 | 0.6 | 92,059,146 | 0.1 | 91,960,978 | 0.8 |
| Group annuities | 11,680,646 | 3.1 | 11,327,050 | 3.8 | 10,911,548 | 4.1 |

Notes: 1. The amount of individual annuities is the total of (a) annuity resources at the start of the annuities for policies bound prior to the start of annuity payments and (b) policy reserves for policies bound after the start of annuity payments.

2. The amount of group annuities is the amount of the policy reserves.

2. New policies in force

(1) Number of policies

| Fiscal years ended March 31 | 2015 | | 2014 | | 2013 | |
|-----------------------------|--------------------|-----------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| | Number of policies | Rate of increase (decrease) | Number of policies | Rate of increase (decrease) | Number of policies | Rate of increase (decrease) |
| Individual insurance | 4,397,742 | (6.1)% | 4,682,528 | 0.4% | 4,662,434 | 349.3% |
| Individual annuities | 211,364 | (38.3) | 342,424 | 65.2 | 207,224 | (20.2) |

Notes: 1. The number of policies includes policies that were converted into new policies.

2. Number of individual insurance policies lists each insurance policy individually for one insurance contract introduced after April 1, 2012, that is constructed from several insurance policy types.

(2) Policy amounts

| | | | | | | | Millions of Yen, % |
|-----------------------------|-------------------------------------|-------------|--------------------------------|-------------|--------------------------------|-------------|--------------------------------|
| Fiscal years ended March 31 | | 2015 | | 2014 | | 2013 | |
| | | Amount | Rate of increase (decrease) | Amount | Rate of increase (decrease) | Amount | Rate of increase (decrease) |
| Individual insurance | New policies, including conversions | ¥7,627,828 | 4.8% | ¥7,277,643 | (9.3)% | ¥8,027,088 | 18.8% |
| | New policies, excluding conversions | 8,268,132 | 2.6 | 8,062,318 | (4.5) | 8,439,496 | 12.3 |
| | By conversion | (640,303) | — | (784,674) | — | (412,408) | — |
| Individual annuities | New policies, including conversions | 1,538,155 | (36.8) | 2,431,876 | 58.7 | 1,532,368 | (6.6) |
| | New policies, excluding conversions | 1,523,036 | (36.2) | 2,387,520 | 56.4 | 1,526,234 | (8.8) |
| | By conversion | 15,118 | (65.9) | 44,355 | 623.1 | 6,134 | — |
| Group insurance | New policies, including conversions | 658,737 | 10.4 | 596,798 | 55.6 | 383,623 | (64.2) |
| | New policies, excluding conversions | 658,737 | 10.4 | 596,798 | 55.6 | 383,623 | (64.2) |
| | By conversion | [4,528,137] | 20.3 | [3,764,497] | (21.2) | [4,780,110] | (13.7) |
| Group annuities | New policies, including conversions | 43,951 | 3,253.4 | 1,310 | (81.9) | 7,240 | 271.9 |
| | New policies, excluding conversions | 43,951 | 3,253.4 | 1,310 | (81.9) | 7,240 | 271.9 |
| | By conversion | — | — | — | — | — | — |

Notes: 1. New policies include enrollment using the coverage enhancement system and conversion indicates enrollment using the coverage revision system and partial coverage revision system.

2. The amount for new policies for individual annuities represents annuity resources at the start of annuity payments.

3. Figures in brackets in group insurance are amounts that include premium increases and the net increase in premiums from midterm enrollments and withdrawals.

4. Figures for group annuities for new policies represent the first premium revenues.

10. Annualized Premiums

1. Policies in force

| Millions of Yen, % | | | | | | |
|---|-------------------|--------------------------------|-------------------|--------------------------------|-------------------|--------------------------------|
| As of March 31 | 2015 | | 2014 | | 2013 | |
| | Amount | Rate of increase (decrease) | Amount | Rate of increase (decrease) | Amount | Rate of increase (decrease) |
| Individual insurance | ¥2,459,168 | 2.0% | ¥2,411,362 | 1.5% | ¥2,375,284 | 1.3% |
| Individual annuities | 863,253 | 0.7 | 857,412 | 2.0 | 840,931 | 2.5 |
| Total | ¥3,322,422 | 1.6% | ¥3,268,774 | 1.6% | ¥3,216,215 | 1.6% |
| Medical coverage, living benefits, and others | ¥ 600,200 | 0.7 | ¥ 595,747 | 0.6 | ¥ 592,386 | 0.4 |

Notes: 1. The amount of annualized net premium is the annual premium amount calculated by multiplying factors according to the premium payment method to a single premium payment amount (for lump-sum payment, the amount is the total premium divided by the insured period).

2. The amount of medical coverage, living benefits, and others represents annualized premiums related to medical benefits (hospitalization benefits and surgical benefits), living benefits (specified illness benefits and nursing care benefits) and waiver of premium benefits (excluding only disability benefits but including specified illness and nursing care benefits).

2. New policies

| Millions of Yen, % | | | | | | |
|---|-----------------|--------------------------------|-----------------|--------------------------------|-----------------|--------------------------------|
| Fiscal years ended March 31 | 2015 | | 2014 | | 2013 | |
| | Amount | Rate of increase (decrease) | Amount | Rate of increase (decrease) | Amount | Rate of increase (decrease) |
| Individual insurance | ¥230,830 | 5.9% | ¥217,995 | (2.8)% | ¥224,178 | 10.2% |
| Individual annuities | 57,025 | (28.5) | 79,797 | 49.2 | 53,477 | (20.3) |
| Total | ¥287,855 | (3.3) | ¥297,792 | 7.3 | ¥277,656 | 2.7 |
| Medical coverage, living benefits, and others | ¥ 41,154 | 0.2% | ¥ 41,085 | 2.6 % | ¥ 40,055 | 9.9% |

Notes: 1. The amount of annualized net premium is the annual premiums amount calculated by multiplying factors according to the premium payment method to a single premium payment amount (for lump-sum payment, the amount is the total premium divided by the insured period).

2. The amount of medical coverage, living benefits, and others represents annualized premiums related to medical benefits (hospitalization benefits and surgical benefits), living benefits (specified illness benefits and nursing care benefits) and waiver of premium benefits (excluding only disability benefits but including specified illness and nursing care benefits).

3. "New policies" include net increases due to conversions.

11. New Policies by Product

Number of Policies, Millions of Yen

| Fiscal years ended March 31 | | 2015 | | 2014 | | 2013 | |
|-----------------------------|---|--------------------------|----------------------------|--------------------------|----------------------------|--------------------------|----------------------------|
| | | Policies | Amount | Policies | Amount | Policies | Amount |
| Individual insurance | Mortality insurance | [4,237,477] 2,110,788 | ¥[15,311,733] 7,672,295 | [4,460,326] 2,070,803 | ¥[15,746,999] 7,266,329 | [4,532,672] 1,925,982 | ¥[17,574,951] 7,873,171 |
| | Term life insurance | [418,917] 155,818 | [6,221,477] 2,400,150 | [441,207] 153,775 | [6,333,926] 2,177,469 | [460,827] 142,196 | [7,148,161] 2,424,871 |
| | Whole life insurance | [373,318] 228,821 | [1,479,480] 1,123,806 | [406,046] 200,207 | [1,536,771] 977,776 | [595,297] 343,110 | [2,369,633] 1,716,873 |
| | Lump-sum payment whole life insurance with variable accumulation rate | 1,072 | 11,133 | 132 | 2,254 | 2,397 | 15,471 |
| | Lump-sum payment increasing whole life insurance with variable assumed rate | 56,234 | 475,253 | 51,963 | 448,017 | 49,163 | 419,394 |
| | Whole life insurance with term rider | [—] — | [—] — | [—] — | [—] — | [7,731] 3,108 | [183,449] 68,436 |
| | Dread disease insurance | [636,436] 300,804 | [2,338,609] 1,078,859 | [701,158] 324,894 | [2,560,737] 1,155,650 | [680,113] 271,598 | [2,755,586] 1,139,303 |
| | Physical disability insurance | [581,196] 296,138 | [1,969,765] 1,043,733 | [616,357] 298,299 | [2,032,690] 1,039,444 | [571,944] 239,825 | [2,040,608] 951,429 |
| | Nursing care insurance | [595,044] 306,711 | [2,474,538] 1,200,775 | [599,417] 288,555 | [2,452,501] 1,089,184 | [543,629] 220,303 | [2,452,630] 949,049 |
| | Cancer insurance | — | — | — | — | 151 | 22 |
| | General medical insurance | [685,609] 337,573 | [—] — | [747,935] 356,477 | [—] — | [744,414] 319,669 | [—] — |
| | Children's general medical insurance | 15,155 | — | 15,927 | — | 14,819 | — |
| | Cancer medical insurance | [422,920] 168,658 | [—] — | [417,680] 138,021 | [—] — | [426,128] 121,844 | [—] — |
| | Limited injury insurance | [443,276] 235,562 | [—] — | [453,861] 233,984 | [—] — | [428,749] 190,529 | [—] — |
| | Increasing term life insurance | [5,066] 5,008 | [211,995] 209,104 | [4,559] 4,485 | [185,361] 181,793 | [4,495] 4,455 | [181,152] 179,511 |
| | Long-term life insurance with low cash surrender value | 1,583 | 126,445 | 2,579 | 192,804 | — | — |
| | Medical life insurance | 127 | 7 | 226 | 13 | 191 | 11 |
| | Lump-sum payment whole life insurance for retirement | 561 | 2,588 | 330 | 1,462 | 1,304 | 7,839 |
| | Medical life insurance for retirement | 963 | 331 | 949 | 364 | 1,320 | 542 |
| | Term rider | [32] 32 | [105] 105 | [33] 33 | [94] 94 | [109] 101 | [445] 413 |
| | Life and mortality insurance | [107,530] 86,074 | [525,005] 468,578 | [121,021] 97,560 | [598,639] 532,822 | [129,762] 99,946 | [645,974] 566,325 |
| | Endowment insurance | [53,439] 47,717 | [228,272] 212,167 | [62,301] 55,573 | [264,685] 243,125 | [63,131] 54,671 | [265,693] 241,843 |
| | Endowment insurance with term rider <i>Kurashi no Hoken</i> | [—] — | [—] — | [—] — | [—] — | [112] 77 | [1,155] 898 |
| | Term life with survival benefit insurance | [33,479] 17,745 | [90,542] 50,219 | [34,747] 18,014 | [99,288] 55,031 | [41,014] 19,693 | [120,747] 65,982 |
| | Juvenile insurance | 20,612 | 206,187 | 23,973 | 234,660 | 25,505 | 256,924 |
| | Multi-increase endowment rider | 35 | 3 | 48 | 5 | 82 | 9 |
| | Term rider with survival benefit | [—] — | [—] — | [—] — | [—] — | [699] 348 | [1,445] 666 |
| | Pure endowment | 52,735 | 127,258 | 101,181 | 263,166 | — | — |
| | Educational endowment insurance | 52,735 | 127,258 | 101,181 | 263,166 | — | — |
| | | [4,397,742] | [15,963,996] | [4,682,528] | [16,608,804] | [4,662,434] | [18,220,926] |
| | Subtotal | 2,249,597 | 8,268,132 | 2,269,544 | 8,062,318 | 2,025,928 | 8,439,496 |
| | | | <7,627,828> | | <7,277,643> | | <8,027,088> |

11. New Policies by Product, continued

| Fiscal years ended March 31 | | Number of Policies, Millions of Yen | | | | | |
|------------------------------------|---|-------------------------------------|------------------|----------------|------------------|----------------|------------------|
| | | 2015 | | 2014 | | 2013 | |
| | | Policies | Amount | Policies | Amount | Policies | Amount |
| Individual annuities | Nissay annuities | [210,039] | ¥ [1,577,418] | [339,756] | ¥ [2,501,795] | [201,952] | ¥ [1,618,546] |
| | | 200,609 | 1,515,778 | 323,388 | 2,373,177 | 185,609 | 1,501,482 |
| | Annuities with variable accumulation rate | 1,325 | 7,258 | 2,668 | 14,342 | 5,272 | 24,752 |
| | Subtotal | 201,934 | 1,523,036 | 326,056 | 2,387,520 | 190,881 | 1,526,234 |
| | | | <1,538,155> | | <2,431,876> | | <1,532,368> |
| Group insurance | Group term life insurance | 36,866 | 36,615 | 81,295 | 51,772 | 29,512 | 45,417 |
| | General welfare group term life insurance | 131,067 | 346,050 | 168,972 | 504,357 | 71,260 | 329,504 |
| | Group credit life insurance | 485,737 | 276,070 | 29,976 | 40,668 | 6,928 | 8,701 |
| | Subtotal | 653,670 | 658,737 | 280,243 | 596,798 | 107,700 | 383,623 |
| Group annuities | New corporate pension plans | 2,760,522 | 43,315 | — | — | — | — |
| | Insured contributory pension plans | 11,730 | 96 | 519 | 13 | 8,549 | 41 |
| | Defined benefit corporate pension plans | — | 58 | — | 1,141 | — | 192 |
| | Employees' pension fund insurance | — | — | 3,105 | 49 | 54,120 | 1,277 |
| | Group pure endowment insurance | — | — | — | — | — | 5,674 |
| | Defined contribution pension plans | — | 480 | — | 106 | — | 54 |
| | Subtotal | 2,772,252 | 43,951 | 3,624 | 1,310 | 62,669 | 7,240 |
| | | | | | | | |
| Workers' asset-formation insurance | Workers' asset-formation savings insurance | 3,210 | 427 | 4,411 | 475 | 4,046 | 270 |
| | Workers' asset-formation housing funding insurance | 587 | 46 | 865 | 38 | 900 | 69 |
| | Workers' asset-formation benefits savings insurance | — | — | — | — | — | — |
| | Subtotal | 3,797 | 473 | 5,276 | 513 | 4,946 | 339 |
| Workers' asset-formation annuities | Workers' asset-formation funding annuities | 1,124 | 73 | 1,933 | 70 | 1,827 | 72 |
| | Subtotal | 1,124 | 73 | 1,933 | 70 | 1,827 | 72 |
| Medical life insurance | Individual type | 14 | 0 | 28 | 0 | 26 | 0 |
| | Group type | 14,856 | 69 | 63,031 | 381 | 65,403 | 358 |
| | Subtotal | 14,870 | 69 | 63,059 | 381 | 65,429 | 358 |
| Disability income insurance | Group disability income insurance | 13,427 | 1,224 | 6,401 | 395 | 40,671 | 8,049 |
| | Subtotal | 13,427 | 1,224 | 6,401 | 395 | 40,671 | 8,049 |
| Reinsurance assumed | | 26 | — | — | — | — | — |

Notes: 1. Figures in brackets include policies that were converted into new policies, except for subtotal figures in angle brackets, which exclude policies prior to conversion.

2. Term life insurance includes term life insurance (group type).

3. Whole life insurance includes comprehensive whole life insurance.

4. Term rider includes juvenile term life insurance riders and spouse term life insurance riders.

5. Term life with survival benefits insurance is the total of term life with survival benefit insurance (BIG YOU) and term life with survival benefit insurance (Melody).

6. Term rider, multi-increase endowment rider and term rider with survival benefit are not included in the subtotals.

7. Policies for group insurance, group annuities, workers' asset-formation insurance, workers' asset-formation annuities, medical life insurance, disability income insurance and reinsurance assumed represent the number of insured persons.

8. Figures for individual annuities represent annuity resources at the start of annuity payments.

9. New policy amounts for group annuities, workers' asset-formation insurance and workers' asset-formation funding annuities are the first-time premium revenues.

10. Amounts for medical life insurance show daily amounts of hospitalization benefits.

11. Amounts for disability income insurance show monthly amounts of disability income insurance benefits.

12. Number of individual insurance policies lists each insurance policy individually for one insurance contract introduced after April 1, 2012, that is constructed from several insurance policy types.

12. Policies in Force by Product

| | | Number of Policies, Millions of Yen | | | | | |
|----------------------|--|-------------------------------------|--------------------|-------------------|--------------------|-------------------|--------------------|
| As of March 31 | | 2015 | | 2014 | | 2013 | |
| | | Policies | Amount | Policies | Amount | Policies | Amount |
| Individual insurance | Mortality insurance | 18,738,452 | ¥136,761,889 | 15,938,334 | ¥140,099,874 | 12,645,665 | ¥144,634,594 |
| | Term life insurance | 1,295,351 | 24,670,524 | 983,132 | 20,532,176 | 603,990 | 15,836,933 |
| | Whole life insurance | 4,510,943 | 28,743,954 | 4,205,552 | 27,812,623 | 3,845,323 | 26,761,989 |
| | Lump-sum payment whole life insurance with variable accumulation rate | 62,719 | 481,964 | 67,444 | 517,186 | 72,988 | 563,019 |
| | Lump-sum payment increasing whole life insurance with variable accumulation rate | 216,225 | 1,763,105 | 170,114 | 1,385,689 | 125,472 | 1,005,005 |
| | Whole life insurance with term rider | 2,695,472 | 58,870,659 | 3,245,704 | 72,930,693 | 3,904,588 | 89,777,031 |
| | Variable life insurance (whole life type) | 34,064 | 495,518 | 34,621 | 508,030 | 35,061 | 519,047 |
| | Variable life insurance with term rider (whole life type) | 601 | 17,659 | 812 | 23,528 | 1,035 | 30,244 |
| | Term life insurance with dread disease term rider | 102,454 | 481,056 | 123,000 | 591,297 | 148,817 | 730,167 |
| | Whole life insurance with dread disease term rider | 29,834 | 191,178 | 30,568 | 196,550 | 31,428 | 202,872 |
| | Dread disease insurance | 1,829,848 | 6,884,159 | 1,310,463 | 5,013,007 | 668,708 | 2,705,213 |
| | Physical disability insurance | 1,592,516 | 5,360,708 | 1,124,321 | 3,815,628 | 562,371 | 2,001,075 |
| | Nursing care insurance | 1,564,018 | 6,561,198 | 1,080,883 | 4,595,371 | 534,446 | 2,405,153 |
| | Cancer insurance | 196,704 | 26,169 | 211,554 | 28,301 | 229,908 | 31,013 |
| | Hospitalization medical insurance | 71,708 | 72 | 76,307 | 48 | 81,729 | 28 |
| | General medical insurance | 2,084,014 | — | 1,545,534 | — | 881,267 | — |
| | Children's general medical insurance | 42,049 | — | 29,259 | — | 14,577 | — |
| | Cancer medical insurance | 1,149,187 | — | 799,477 | — | 419,053 | — |
| | Limited injury insurance | 1,190,175 | — | 832,692 | — | 420,810 | — |
| | Increasing term life insurance | 23,682 | 995,055 | 21,734 | 919,738 | 20,417 | 870,370 |
| | Long-term life insurance with low cash surrender value | 4,063 | 312,318 | 2,559 | 190,818 | — | — |
| | Medical life insurance | 3,775 | 225 | 3,883 | 231 | 4,932 | 296 |
| | Lump-sum payment whole life insurance for retirement | 9,177 | 41,701 | 8,841 | 40,010 | 8,708 | 39,364 |
| | Medical life insurance for retirement | 12,380 | 5,274 | 11,777 | 5,133 | 11,186 | 4,907 |
| | Former Dowa Life Insurance | 17,493 | 157,269 | 18,103 | 165,926 | 18,851 | 176,140 |
| | Term rider | 143,085 | 702,115 | 171,436 | 827,882 | 204,933 | 974,720 |
| | Life and mortality insurance | 1,744,775 | 9,498,531 | 1,888,499 | 10,490,014 | 2,050,932 | 11,676,284 |
| | Endowment insurance | 902,142 | 3,848,878 | 972,998 | 4,127,999 | 1,048,054 | 4,411,305 |
| | Endowment insurance with term rider <i>Kurashi no Hoken</i> | 54,679 | 780,068 | 68,863 | 964,588 | 89,941 | 1,223,407 |
| | Variable life insurance (defined term type) | 1,724 | 8,382 | 1,820 | 8,931 | 1,950 | 9,734 |
| | Term life with survival benefit insurance | 237,044 | 1,652,435 | 239,671 | 1,860,848 | 244,522 | 2,134,885 |
| | Juvenile insurance | 546,869 | 2,641,521 | 602,664 | 2,848,288 | 663,758 | 3,076,173 |
| | Former Dowa Life Insurance | 2,317 | 4,017 | 2,483 | 4,724 | 2,707 | 5,430 |
| | Multi-increase endowment rider | 14,904 | 3,971 | 15,404 | 4,167 | 15,827 | 4,337 |
| | Term rider with survival benefit | 298,381 | 559,255 | 360,210 | 670,466 | 437,347 | 811,008 |
| | Pure endowment | 152,413 | 388,942 | 101,016 | 264,675 | 161 | 2,402 |
| | Educational endowment insurance | 152,260 | 386,775 | 100,861 | 262,427 | — | — |
| | Pure endowment with nursing care benefit | 153 | 2,167 | 155 | 2,247 | 161 | 2,402 |
| | Subtotal | 20,635,640 | 146,649,364 | 17,927,849 | 150,854,564 | 14,696,758 | 156,313,280 |

12. Policies in Force by Product, continued

| | | Number of Policies, Millions of Yen | | | | | |
|------------------------------------|--|-------------------------------------|-------------|------------|-------------|------------|-------------|
| As of March 31 | | 2015 | | 2014 | | 2013 | |
| | | Policies | Amount | Policies | Amount | Policies | Amount |
| Individual annuities | Nissay annuities | 2,910,386 | ¥18,367,883 | 2,816,397 | ¥17,740,383 | 2,590,487 | ¥16,104,496 |
| | Individual fixed annuities <i>Sounen no Sekkei</i> | 141 | 520 | 182 | 598 | 301 | 738 |
| | Annuities focused on survival coverage | 388,366 | 2,401,182 | 394,641 | 2,446,943 | 401,586 | 2,499,597 |
| | Variable assumed rate-type annuities | 6,826 | 22,119 | 8,196 | 26,781 | 10,992 | 33,882 |
| | Annuities with variable accumulation rate | 98,388 | 448,954 | 124,682 | 583,626 | 156,546 | 766,065 |
| | Guaranteed minimum maturity benefit equity-indexed annuities | 308 | 1,275 | 411 | 1,881 | 593 | 2,884 |
| | Nissay investment-type annuities | 11,618 | 82,080 | 15,513 | 104,851 | 20,677 | 135,449 |
| | Former Dowa Life Insurance | 3,751 | 16,429 | 3,838 | 16,920 | 3,995 | 17,539 |
| | Annuity rider | 26,627 | 94,371 | 26,810 | 96,720 | 26,624 | 97,289 |
| | Term rider annualized payment | 1,974 | 21,331 | 2,203 | 22,639 | 2,410 | 24,578 |
| | Annuity for spouse term rider | 1 | 1 | 1 | 2 | 1 | 2 |
| | Subtotal | 3,448,386 | 21,456,152 | 3,392,874 | 21,041,351 | 3,214,212 | 19,682,527 |
| Group insurance | Group term life insurance | 8,965,172 | 22,609,586 | 9,153,708 | 22,839,246 | 8,989,038 | 23,081,012 |
| | General welfare group term life insurance | 5,204,204 | 35,354,766 | 5,177,151 | 34,493,354 | 5,045,740 | 33,961,055 |
| | Group credit life insurance | 12,451,349 | 34,586,246 | 12,076,150 | 34,679,549 | 12,317,232 | 34,870,525 |
| | Consumer credit group insurance | 47,085 | 703 | 48,398 | 1,547 | 49,584 | 1,689 |
| | Group endowment insurance | 4 | 0 | 8 | 0 | 12 | — |
| | Group whole life insurance | 59 | 49 | 69 | 57 | 77 | 66 |
| | Life insurance for dependents of disabled | 48,767 | 28,890 | 50,675 | 29,927 | 52,708 | 31,028 |
| | Annuities rider (group term life insurance) | 10,106 | 15,245 | 10,465 | 15,462 | 10,787 | 15,599 |
| | Subtotal | 26,677,979 | 92,595,488 | 26,465,949 | 92,059,146 | 26,412,470 | 91,960,978 |
| Group annuities | Corporate pension plans | 1,109 | 4,594 | 1,147 | 4,746 | 1,189 | 4,928 |
| | New insured pension plans | 8,243,720 | 783,126 | 7,898,475 | 769,698 | 7,778,947 | 756,692 |
| | Insured contributory pension plans | 3,376,246 | 3,894,536 | 3,405,233 | 3,810,069 | 3,469,910 | 3,757,907 |
| | Defined benefit corporate pension plans | — | 5,678,410 | — | 5,290,469 | — | 4,962,156 |
| | National pension fund insurance | — | 550 | — | 1,099 | — | 2,418 |
| | Employees' pension fund insurance | 2,564,062 | 589,808 | 3,187,625 | 641,629 | 3,354,706 | 665,178 |
| | Group pure endowment insurance | — | 82,294 | — | 236,858 | — | 228,057 |
| | Defined contribution pension plans | — | 647,325 | — | 572,478 | — | 534,209 |
| | Subtotal | 14,185,137 | 11,680,646 | 14,492,480 | 11,327,050 | 14,604,752 | 10,911,548 |
| Workers' asset-formation insurance | Workers' asset-formation savings insurance | 102,367 | 280,160 | 105,678 | 274,143 | 108,580 | 269,652 |
| | Workers' asset-formation housing funding insurance | 15,391 | 45,038 | 16,566 | 47,636 | 17,668 | 50,781 |
| | Workers' asset-formation benefits savings insurance | 19,838 | 1,776 | 20,048 | 1,803 | 20,309 | 1,794 |
| | Workers' asset-formation fund savings insurance | 612 | 14 | 613 | 13 | 632 | 13 |
| | Subtotal | 138,208 | 326,990 | 142,905 | 323,596 | 147,189 | 322,242 |
| Workers' asset-formation annuities | Workers' asset-formation annuities | 298 | 862 | 316 | 954 | 330 | 1,042 |
| | Workers' asset-formation funding annuities | 56,987 | 125,720 | 58,884 | 129,698 | 60,236 | 133,827 |
| | Subtotal | 57,285 | 126,583 | 59,200 | 130,652 | 60,566 | 134,869 |
| Medical life insurance | Individual type | 870 | 4 | 994 | 4 | 1,126 | 5 |
| | Group type | 900,211 | 3,459 | 893,850 | 3,372 | 894,079 | 3,269 |
| | Subtotal | 901,081 | 3,463 | 894,844 | 3,376 | 895,205 | 3,274 |
| Disability income insurance | Group disability income insurance | 130,933 | 22,699 | 132,670 | 22,350 | 132,874 | 22,428 |
| | Subtotal | 130,933 | 22,699 | 132,670 | 22,350 | 132,874 | 22,428 |
| Reinsurance assumed | | 42,024 | 69,055 | 18,191 | 29,755 | 16,526 | 21,265 |

Notes: 1. Term life insurance includes term life insurance (group type).

2. Whole life insurance includes comprehensive whole life insurance.

3. Term rider includes juvenile term life insurance riders and spouse term life insurance riders.

4. Term life with survival benefits insurance is the total of term life with survival benefit insurance (BIG YOU) and term life with survival benefit insurance (Melody).

5. Term rider, multi-increase endowment rider, term rider with survival benefit and life insurance for dependents of disabled are not included in the subtotals.

6. The number of policies for group insurance, group annuities, workers' asset-formation insurance, workers' asset-formation annuities, medical life insurance, disability income insurance and reinsurance assumed is the number of insured persons.

7. Figures for individual annuities, group insurance (annuities rider) and workers' asset-formation annuities (excluding workers' asset-formation funding annuities) represent the total of annuity resources at the start of annuities for policies prior to the start of annuity payments and policy reserves for policies after the start of annuity payments.

8. New policy amounts for group annuities, workers' asset-formation insurance and workers' asset-formation funding annuities are amounts for policy reserves.

9. Amounts for medical life insurance show daily amounts of hospitalization benefits.

10. Amounts for disability income insurance show monthly amounts of disability income insurance benefits.

11. Number of individual insurance policies lists each insurance policy individually for one insurance contract introduced after April 1, 2012, that is constructed from several insurance policy types.

13. Amount of Policies in Force by Coverage Type

| As of March 31 | | 2015 | 2014 | 2013 | |
|--------------------------|--|-----------------------------|--------------|--------------|--------------|
| Millions of Yen | | | | | |
| Death protection | Death protection due to illness/accident | Individual insurance | ¥146,259,585 | ¥150,588,691 | ¥156,309,419 |
| | | Individual annuities | — | — | — |
| | | Group insurance | 92,580,242 | 92,043,684 | 91,945,378 |
| | | Group annuities | — | — | — |
| | | Total including other types | 238,908,883 | 242,662,130 | 248,276,062 |
| | Death protection due to accident | Individual insurance | [20,829,707] | [23,522,358] | [26,648,604] |
| | | Individual annuities | [225,241] | [254,878] | [292,570] |
| | | Group insurance | [3,375,799] | [3,460,801] | [3,552,427] |
| | | Group annuities | [—] | [—] | [—] |
| | | Total including other types | [24,580,013] | [27,284,394] | [30,528,675] |
| | Death protection due to specific causes | Individual insurance | [235,529] | [254,710] | [279,121] |
| | | Individual annuities | [—] | [—] | [—] |
| | | Group insurance | [100,677] | [101,022] | [102,562] |
| | | Group annuities | [—] | [—] | [—] |
| | | Total including other types | [336,206] | [355,732] | [381,684] |
| Pure endowment | Maturity and survival benefits | Individual insurance | 389,778 | 270,864 | 3,861 |
| | | Individual annuities | 19,621,499 | 19,311,679 | 18,111,783 |
| | | Group insurance | 627 | 748 | 872 |
| | | Group annuities | — | — | — |
| | | Total including other types | 20,088,552 | 19,662,631 | 18,198,911 |
| | Annuity | Individual insurance | [124,385] | [158,867] | [208,810] |
| | | Individual annuities | [2,470,922] | [2,416,585] | [2,260,363] |
| | | Group insurance | [2,083] | [2,099] | [2,106] |
| | | Group annuities | [—] | [—] | [—] |
| | | Total including other types | [2,605,679] | [2,586,035] | [2,479,965] |
| | Other | Individual insurance | — | — | — |
| | | Individual annuities | 1,834,652 | 1,729,671 | 1,570,743 |
| | | Group insurance | 14,617 | 14,713 | 14,727 |
| | | Group annuities | 11,680,646 | 11,327,050 | 10,911,548 |
| | | Total including other types | 13,906,844 | 13,446,345 | 12,871,737 |
| Hospitalization coverage | Coverage for hospitalization due to accident | Individual insurance | [44,439] | [45,266] | [46,324] |
| | | Individual annuities | [1,353] | [1,413] | [1,477] |
| | | Group insurance | [1,534] | [1,567] | [1,634] |
| | | Group annuities | [—] | [—] | [—] |
| | | Total including other types | [50,789] | [51,624] | [52,710] |
| | Coverage for hospitalization due to illness | Individual insurance | [44,303] | [45,096] | [46,109] |
| | | Individual annuities | [1,341] | [1,400] | [1,463] |
| | | Group insurance | [—] | [—] | [—] |
| | | Group annuities | [—] | [—] | [—] |
| | | Total including other types | [49,108] | [49,874] | [50,848] |
| | Coverage for hospitalization due to other causes | Individual insurance | [49,640] | [51,285] | [53,872] |
| | | Individual annuities | [271] | [286] | [305] |
| | | Group insurance | [40] | [42] | [46] |
| | | Group annuities | [—] | [—] | [—] |
| | | Total including other types | [49,952] | [51,614] | [54,223] |
| Disability coverage | Individual insurance | — | — | — | |
| | Individual annuities | — | — | — | |
| | Group insurance | — | — | — | |
| | Group annuities | — | — | — | |
| | Total including other types | 22,699 | 22,350 | 22,428 | |

Notes: 1. Figures in brackets show additional coverage and rider coverage attached to primary policies. However, death protection due to illness/accident of term riders is recorded under primary coverage.
2. Figures for maturity and survival benefits of pure endowment show annuity resources at the start of annuity payments for policies prior to the start of annuity payments for individual annuities and group insurance [annuities rider].
3. Figures for annuity of pure endowment show annual annuity amounts.
4. Figures for other of pure endowment show policy reserves for individual annuities (after start of annuity payments), group insurance (after start of annuities rider payments) and group annuities.
5. Figures for hospitalization coverage show daily hospitalization benefits.
6. Figures for "total including other types" included in coverage for hospitalization due to illness of hospitalization coverage show the total of primary coverage portions and rider coverage.

13. Amount of Policies in Force by Coverage Type, continued

| As of March 31 | | Number of Policies | | |
|---------------------|------------------------------------|---------------------|---------------------|---------------------|
| | | 2015 | 2014 | 2013 |
| Disability coverage | Individual insurance | [7,149,892] | [7,072,795] | [6,983,461] |
| | Individual annuities | [73,254] | [76,370] | [79,870] |
| | Group insurance | [2,602,371] | [2,693,953] | [2,775,732] |
| | Group annuities | [—] | [—] | [—] |
| | Total including other types | [9,825,517] | [9,843,118] | [9,839,063] |
| Surgical coverage | Individual insurance | [10,489,335] | [10,751,185] | [11,090,928] |
| | Individual annuities | [296,894] | [310,208] | [324,116] |
| | Group insurance | [—] | [—] | [—] |
| | Group annuities | [—] | [—] | [—] |
| | Total including other types | [10,786,229] | [11,061,393] | [11,415,044] |

Note: Figures in brackets show attached coverage portions of primary policies and rider coverage.

14. Individual Insurance and Annuity Policy Amounts in Force by Product

| As of March 31 | | Millions of Yen | | |
|---------------------------------|--|--------------------|--------------------|--------------------|
| | | 2015 | 2014 | 2013 |
| Mortality insurance | Whole life insurance | ¥ 31,610,501 | ¥ 30,194,784 | ¥ 28,708,028 |
| | Whole life insurance with term rider | 58,870,659 | 72,930,693 | 89,777,031 |
| | Term life insurance | 44,908,093 | 35,448,980 | 24,449,353 |
| | Total including other types | 136,761,889 | 140,099,874 | 144,634,594 |
| Life and mortality insurance | Endowment insurance | 3,848,878 | 4,127,999 | 4,411,305 |
| | Endowment insurance with term rider | 780,068 | 964,588 | 1,223,407 |
| | Term life insurance with survival benefits | 1,652,435 | 1,860,848 | 2,134,885 |
| | Total including other types | 9,498,531 | 10,490,014 | 11,676,284 |
| Pure endowment | Educational endowment insurance | 386,775 | 262,427 | — |
| | Total including other types | 388,942 | 264,675 | 2,402 |
| Annuities | Individual annuities | 21,456,152 | 21,041,351 | 19,682,527 |
| Hospitalization/accident riders | Accident rider with extra premium | 6,840,612 | 7,624,525 | 8,525,272 |
| | Injury rider | 13,940,698 | 15,987,176 | 18,210,789 |
| | Accident coverage rider | 176 | 449 | 846 |
| | General medical rider | 18,580 | 21,107 | 23,903 |
| | Hospitalization due to accident rider | 12,393 | 14,586 | 17,354 |
| | Hospitalization due to illness rider | 12,239 | 14,395 | 17,118 |
| | Hospitalization due to adult disease rider | 1,402 | 1,813 | 2,328 |
| | Hospital visit rider | 1,726 | 2,146 | 2,685 |
| | Long-term hospitalization rider | 23 | 30 | 35 |
| | Hospitalization rider for women | 661 | 830 | 1,066 |
| | Limited injury rider | 82,802 | 101,688 | 124,248 |
| | Hospitalization due to cancer rider | 13,413 | 16,111 | 19,371 |
| | Short-term hospitalization rider | 4,413 | 5,432 | 6,773 |

Notes: 1. Whole life insurance includes whole life insurance with dread disease term rider, dread disease insurance (whole life type), nursing care insurance (whole life), comprehensive whole life insurance, cancer insurance, medical life insurance for retirement (whole life), single premium whole life insurance for retirement, lump-sum payment whole life insurance with variable accumulation rate and lump-sum payment increasing whole life insurance with variable assumed rate.

2. Term life insurance includes term life insurance with dread disease term rider, dread disease insurance (term), physical disability insurance, nursing care insurance (term), group term life insurance, increasing term life insurance, long-term life insurance with low cash surrender value medical life insurance and medical life insurance for retirement (term).

3. Term life insurance with survival benefits is the total of term life with survival benefit insurance (BIG YOU) and term life with survival benefit insurance (Melody).

4. Figures for individual annuities are the total of annuity resources at the start of annuity payments for policies prior to the start of annuity payments and policy reserves for policies after the start of annuity payments.

5. Figures for hospitalization and hospital visit riders show the daily hospitalization and hospital visit benefits.

15. Trends and Transitions of Policies

1. Individual insurance

| Fiscal years ended March 31 | | 2015 | | 2014 | | 2013 | |
|--|--|-------------------|---------------------|-------------------|---------------------|-------------------|---------------------|
| | | Policies | Amount | Policies | Amount | Policies | Amount |
| At the beginning of the fiscal year | | 17,927,849 | ¥150,854,564 | 14,696,758 | ¥156,313,280 | 11,339,098 | ¥162,385,451 |
| New policies | | 2,249,597 | 8,268,132 | 2,269,544 | 8,062,318 | 2,025,928 | 8,439,496 |
| Renewals | | 18,433 | 903,873 | 20,894 | 1,009,932 | 23,188 | 1,286,463 |
| Reinstatements | | 3,117 | 39,136 | 5,342 | 76,016 | 8,349 | 122,755 |
| Increase from conversion | | 2,148,145 | 7,695,864 | 2,412,984 | 8,546,486 | 2,636,506 | 9,781,429 |
| Increase from variable amount | | — | 1,189 | — | 684 | — | 177 |
| Death | | 67,894 | 618,920 | 59,849 | 583,171 | 52,433 | 567,035 |
| Maturity | | 173,003 | 668,371 | 193,398 | 776,897 | 243,850 | 1,002,378 |
| Decrease of benefits | | — | 1,492,842 | — | 1,729,686 | — | 1,857,315 |
| Decrease from conversion | | 431,750 | 8,336,168 | 415,237 | 9,331,160 | 462,568 | 10,193,837 |
| Cancellation | | 1,014,205 | 6,969,167 | 772,667 | 7,256,921 | 516,707 | 7,550,694 |
| Expiration | | 16,884 | 256,178 | 30,361 | 446,260 | 56,103 | 830,949 |
| Decrease from variable amount | | — | 170 | — | 292 | — | 49 |
| Decrease due to other changes | | 7,765 | 2,771,577 | 6,161 | 3,029,764 | 4,650 | 3,700,233 |
| At the end of the fiscal year | | 20,635,640 | 146,649,364 | 17,927,849 | 150,854,564 | 14,696,758 | 156,313,280 |
| [Rate of increase (decrease)] | | [15.1%] | [(2.8)%] | [22.0%] | [(3.5)%] | [29.6%] | [(3.7)%] |
| Net increase (decrease) | | 2,707,791 | (4,205,200) | 3,231,091 | (5,458,716) | 3,357,660 | (6,072,170) |
| [Rate of decrease] | | [(16.2)%] | [—%] | [(3.8)%] | [—%] | [—%] | [—%] |

Notes: 1. New policies include enrollment using the coverage enhancement system and conversion indicates enrollment using the coverage revision system and partial coverage revision system.

2. Figures show the total of primary coverage portions for mortality insurance, life and mortality insurance, and pure endowment.

3. Cancellation includes the cancel by the premium outstanding payment.

4. Number of individual insurance policies lists each insurance policy individually for one insurance contract introduced after April 1, 2012, that is constructed from several insurance policy types.

2. Individual annuities

| Fiscal years ended March 31 | | 2015 | | 2014 | | 2013 | |
|--|--|------------------|---------------------------|------------------|---------------------------|------------------|---------------------------|
| | | Policies | Amount | Policies | Amount | Policies | Amount |
| At the beginning of the fiscal year | | 3,392,874 | ¥<2,414,805> | 3,214,212 | ¥<2,258,502> | 3,149,513 | ¥<2,181,026> |
| New policies | | 201,934 | <163,314> | 326,056 | <256,538> | 190,881 | <166,887> |
| Reinstatements | | 55 | 379 | 136 | 901 | 929 | 5,610 |
| Increase from conversion | | 9,430 | 61,639 | 16,368 | 128,617 | 16,343 | 117,063 |
| Death | | 10,455 | 51,760 | 10,491 | 53,826 | 10,152 | 52,276 |
| Completion of payments | | 20,044 | 14,630 | 18,135 | 13,558 | 15,381 | 11,545 |
| Decrease of insurance amount | | — | 69,314 | — | 57,012 | — | 51,180 |
| Decrease from conversion | | 7,903 | 46,520 | 14,295 | 84,262 | 18,632 | 110,929 |
| Cancellation | | 90,159 | 587,794 | 86,631 | 549,331 | 84,411 | 523,104 |
| Expiration | | 1,045 | 6,542 | 1,535 | 9,755 | 5,665 | 34,091 |
| Decrease due to other changes | | 26,301 | 179,793 | 32,811 | 199,065 | 9,213 | 64,958 |
| At the end of the fiscal year | | 3,448,386 | <2,469,210> | 3,392,874 | <2,414,805> | 3,214,212 | <2,258,502> |
| [Rate of increase] | | [1.6%] | [2.0%] | [5.6%] | [6.9%] | [2.1%] | [3.3%] |
| Net increase | | 55,512 | 414,801 | 178,662 | 1,358,823 | 64,699 | 635,464 |
| [Rate of (decrease) increase] | | [(68.9)%] | [(69.5)%] | [176.1%] | [113.8%] | [(48.1)%] | [(13.3)%] |

Notes: 1. Figures are the total of annuity resources at the start of annuity payments for policies prior to annuity payments and policy reserves for policies after the start of annuity payments.

2. Figures in angle brackets show annual amounts of annuities.

3. Cancellation includes the cancel by the premium outstanding payment.

15. Trends and Transitions of Policies, continued

3. Group insurance

| Fiscal years ended March 31 | | 2015 | | 2014 | | 2013 | |
|--|--|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|
| | | Policies | Amount | Policies | Amount | Policies | Amount |
| At the beginning of the fiscal year | | 26,465,949 | ¥92,059,146 | 26,412,470 | ¥91,960,978 | 26,787,009 | ¥91,234,040 |
| New policies | | 653,670 | 658,737 | 280,243 | 596,798 | 107,700 | 383,623 |
| Renewals | | 13,885,807 | 57,012,478 | 13,789,412 | 56,432,723 | 13,868,342 | 55,363,671 |
| Midterm enrollment | | 2,004,144 | 7,063,698 | 2,199,346 | 7,185,930 | 2,341,059 | 8,017,634 |
| Increase of insurance amount | | — | 1,844,862 | — | 1,425,782 | — | 1,881,745 |
| Death | | 50,338 | 109,636 | 51,088 | 113,441 | 52,062 | 114,959 |
| Maturity | | 14,170,231 | 57,599,046 | 13,900,275 | 56,754,292 | 14,009,961 | 55,533,709 |
| Withdrawal | | 2,017,741 | 5,039,160 | 2,129,386 | 5,444,013 | 2,136,974 | 5,502,893 |
| Decrease of insurance amount | | — | 3,057,643 | — | 3,121,155 | — | 2,858,872 |
| Cancellation | | 90,725 | 214,452 | 32,557 | 118,944 | 496,793 | 900,674 |
| Expiration | | 8,531 | 26,297 | 57 | 274 | 1,098 | 8,924 |
| Decrease due to other changes | | (5,975) | (4,458) | 102,159 | (10,686) | (5,248) | (1,910) |
| At the end of the fiscal year | | 26,677,979 | 92,595,488 | 26,465,949 | 92,059,146 | 26,412,470 | 91,960,978 |
| [Rate of increase (decrease)] | | [0.8%] | [0.6%] | [0.2%] | [0.1%] | [(1.4)%] | [0.8%] |
| Net increase (decrease) | | 212,030 | 536,342 | 53,479 | 98,168 | (374,539) | 726,937 |
| [Rate of increase (decrease)] | | [296.5%] | [446.4%] | [—%] | [(86.5)%] | [—%] | [(41.5)%] |

Notes: 1. Figures show the total of primary coverage portions of mortality insurance, life and mortality insurance, and annuity riders.
2. Number of policies shows the number of insured persons.

4. Group annuities

| Fiscal years ended March 31 | | 2015 | | 2014 | | 2013 | |
|--|--|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|
| | | Policies | Amount | Policies | Amount | Policies | Amount |
| At the beginning of the fiscal year | | 14,492,480 | ¥11,327,050 | 14,604,752 | ¥10,911,548 | 13,568,172 | ¥10,476,956 |
| New policies | | 2,772,252 | 43,951 | 3,624 | 1,310 | 62,669 | 7,240 |
| Annuity payments | | 3,751,366 | 362,970 | 3,986,597 | 346,103 | 3,756,847 | 334,727 |
| Single payments | | 675,899 | 421,435 | 719,229 | 446,881 | 724,202 | 488,616 |
| Cancellation | | 37,858 | 189,080 | 18,119 | 36,650 | 5,170 | 13,771 |
| At the end of the fiscal year | | 14,185,137 | 11,680,646 | 14,492,480 | 11,327,050 | 14,604,752 | 10,911,548 |
| [Rate of increase (decrease)] | | [(2.1)%] | [3.1%] | [(0.8)%] | [3.8%] | [7.6%] | [4.1%] |
| Net increase (decrease) | | (307,343) | 353,596 | (112,272) | 415,501 | 1,036,580 | 434,592 |
| [Rate of decrease] | | [—%] | [(14.9)%] | [—%] | [(4.4)%] | [—%] | [(17.1)%] |

Notes: 1. Figures for the beginning of the fiscal year and the end of the fiscal year represent policy reserves amounts at that time.
2. Amount of new policies represents first-time premium revenues.
3. Number of policies shows the number of insured persons.

INSURANCE POLICY INDICATORS

16. Increase in Policy Amounts in Force

1. Number of policies in force and rate of increase

| Number of Policies, % | | | | | | |
|------------------------------------|------------|-----------------------------|------------|-----------------------------|------------|-----------------------------|
| Fiscal years ended March 31 | 2015 | | 2014 | | 2013 | |
| | Policies | Rate of increase (decrease) | Policies | Rate of increase (decrease) | Policies | Rate of increase (decrease) |
| Individual insurance | 20,635,640 | 15.1% | 17,927,849 | 22.0% | 14,696,758 | 29.6% |
| Mortality insurance | 18,738,452 | 17.6 | 15,938,334 | 26.0 | 12,645,665 | 39.3 |
| Life and mortality insurance | 1,744,775 | (7.6) | 1,888,499 | (7.9) | 2,050,932 | (9.3) |
| Pure endowment | 152,413 | 50.9 | 101,016 | 62,642.9 | 161 | (5.8) |
| Individual annuities | 3,448,386 | 1.6 | 3,392,874 | 5.6 | 3,214,212 | 2.1 |
| Group insurance | 26,677,979 | 0.8 | 26,465,949 | 0.2 | 26,412,470 | (1.4) |
| Group annuities | 14,185,137 | (2.1) | 14,492,480 | (0.8) | 14,604,752 | 7.6 |
| Workers' asset-formation insurance | 138,208 | (3.3) | 142,905 | (2.9) | 147,189 | (3.5) |
| Workers' asset-formation annuities | 57,285 | (3.2) | 59,200 | (2.3) | 60,566 | (2.3) |
| Medical life insurance | 901,081 | 0.7 | 894,844 | (0.0) | 895,205 | (1.1) |
| Disability income insurance | 130,933 | (1.3) | 132,670 | (0.2) | 132,874 | 40.5 |

Notes: 1. Number of policies for group insurance, group annuities, workers' asset-formation insurance, workers' asset-formation annuities, medical life insurance and disability income insurance is the number of insured persons.

2. Number of individual insurance policies lists each insurance policy individually for one insurance contract introduced after April 1, 2012, that is constructed from several insurance policy types.

2. Amount of insurance policies in force and rate of increase

| Billions of Yen, % | | | | | |
|------------------------------------|------------|-----------------------------|------------|-----------------------------|---------------------------------------|
| Fiscal years ended March 31 | 2015 | | 2014 | | 2013 |
| | Amount | Rate of increase (decrease) | Amount | Rate of increase (decrease) | Amount Rate of increase (decrease) |
| Individual insurance | ¥146,649.3 | (2.8)% | ¥150,854.5 | (3.5)% | ¥156,313.2 (3.7)% |
| Mortality insurance | 1,367,618 | (2.4) | 140,099.8 | (3.1) | 144,634.5 (3.1) |
| Life and mortality insurance | 94,985 | (9.5) | 10,490.0 | (10.2) | 11,676.2 (11.1) |
| Pure endowment | 3,889 | 47.0 | 264.6 | 10,915.6 | 2.4 (8.9) |
| Individual annuities | 214,561 | 2.0 | 21,041.3 | 6.9 | 19,682.5 3.3 |
| Group insurance | 925,954 | 0.6 | 92,059.1 | 0.1 | 91,960.9 0.8 |
| Group annuities | 116,806 | 3.1 | 11,327.0 | 3.8 | 10,911.5 4.1 |
| Workers' asset-formation insurance | 3,269 | 1.0 | 323.5 | 0.4 | 322.2 (0.2) |
| Workers' asset-formation annuities | 1,265 | (3.1) | 130.6 | (3.1) | 134.8 (3.1) |
| Medical life insurance | 34 | 2.6 | 3.3 | 3.1 | 3.2 2.4 |
| Disability income insurance | 226 | 1.6 | 22.3 | (0.4) | 22.4 70.2 |

Notes: 1. Figures for individual annuities, group insurance (annuities rider), and workers' asset-formation annuities (excluding workers' asset-formation funding annuities) are the total of annuity resources at the start of annuity payments for policies prior to the start of annuity payments and policy reserves for policies after the start of annuity payments.

2. Figures for group annuities, workers' asset-formation insurance and workers' asset-formation annuities (workers' asset-formation funding annuities) are amounts for policy reserves.

3. Amounts for medical life insurance are daily amounts of hospitalization benefits.

4. Amounts for disability income insurance are monthly amounts of disability income insurance benefits.

17. Increase in New Policies

1. Number of new policies and rate of increase

| Number of Policies, % | | | | | | |
|------------------------------------|-----------|-----------------------------|-----------|-----------------------------|-----------|-----------------------------|
| Fiscal years ended March 31 | 2015 | | 2014 | | 2013 | |
| | Policies | Rate of increase (decrease) | Policies | Rate of increase (decrease) | Policies | Rate of increase (decrease) |
| Individual insurance | 2,249,597 | (0.9)% | 2,269,544 | 12.0% | 2,025,928 | 211.4% |
| Mortality insurance | 2,110,788 | 1.9 | 2,070,803 | 7.5 | 1,925,982 | 259.9 |
| Life and mortality insurance | 86,074 | (11.8) | 97,560 | (2.4) | 99,946 | (13.5) |
| Pure endowment | 52,735 | (47.9) | 101,181 | — | — | — |
| Individual annuities | 201,934 | (38.1) | 326,056 | 70.8 | 190,881 | (25.9) |
| Group insurance | 653,670 | 133.3 | 280,243 | 160.2 | 107,700 | (37.0) |
| Group annuities | 2,772,252 | 76,397.0 | 3,624 | (94.2) | 62,669 | (46.2) |
| Workers' asset-formation insurance | 3,797 | (28.0) | 5,276 | 6.7 | 4,946 | (13.4) |
| Workers' asset-formation annuities | 1,124 | (41.9) | 1,933 | 5.8 | 1,827 | (0.7) |
| Medical life insurance | 14,870 | (76.4) | 63,059 | (3.6) | 65,429 | 91.0 |
| Disability income insurance | 13,427 | 109.8 | 6,401 | (84.3) | 40,671 | 573.1 |

Notes: 1. Number of policies is the number of insured persons for group insurance, group annuities, workers' asset-formation insurance, workers' asset-formation annuities, medical life insurance, and disability income insurance.

2. Excludes converted policies.

3. Number of individual insurance policies lists each insurance policy individually for one insurance contract introduced after April 1, 2012, that is constructed from several insurance policy types.

17. Increase in New Policies, continued

2. Amount of new policies and rate of increase

| Billions of Yen, % | | | | | | |
|------------------------------------|----------|--------------------------------|----------|--------------------------------|----------|--------------------------------|
| Fiscal years ended March 31 | 2015 | | 2014 | | 2013 | |
| | Amount | Rate of increase (decrease) | Amount | Rate of increase (decrease) | Amount | Rate of increase (decrease) |
| Individual insurance | ¥8,268.1 | 2.6% | ¥8,062.3 | (4.5)% | ¥8,439.4 | 12.3% |
| Mortality insurance | 7,672.2 | 5.6 | 7,266.3 | (7.7) | 7,873.1 | 16.5 |
| Life and mortality insurance | 468.5 | (12.1) | 532.8 | (5.9) | 566.3 | (24.9) |
| Pure endowment | 127.2 | (51.6) | 263.1 | — | — | — |
| Individual annuities | 1,523.0 | (36.2) | 2,387.5 | 56.4 | 1,526.2 | (8.8) |
| Group insurance | 658.7 | 10.4 | 596.7 | 55.6 | 383.6 | (64.2) |
| Group annuities | 43.9 | 3,253.4 | 1.3 | (81.9) | 7.2 | 271.9 |
| Workers' asset-formation insurance | 0.4 | (7.8) | 0.5 | 51.3 | 0.3 | (33.7) |
| Workers' asset-formation annuities | 0.0 | 3.3 | 0.0 | (2.6) | 0.0 | 2.9 |
| Medical life insurance | 0.0 | (81.8) | 0.3 | 6.4 | 0.3 | 112.0 |
| Disability income insurance | 1.2 | 209.9 | 0.3 | (95.1) | 8.0 | 762.5 |

Notes: 1. Figures for individual annuities are annuity resources at the start of annuity payments.

2. Figures for group annuities, workers' asset-formation insurance, and workers' asset-formation annuities represent first-time premium revenues.

3. Amounts for medical life insurance are daily amounts of hospitalization benefits.

4. Amounts for disability income insurance are monthly amounts of disability income insurance benefits.

5. Excludes converted policies.

18. Average Policy Coverage (Individual Insurance)

| Thousands of Yen | | | | | | |
|------------------------------|---|---------------|---------------|--|---------------|----------------|
| Fiscal years ended March 31 | Average policy coverage of new policies | | | Average policy coverage of policies in force | | |
| | 2015 | 2014 | 2013 | 2015 | 2014 | 2013 |
| Mortality insurance | ¥3,634 | ¥3,508 | ¥4,087 | ¥7,298 | ¥8,790 | ¥11,437 |
| Life and mortality insurance | 5,443 | 5,461 | 5,666 | 5,443 | 5,554 | 5,693 |
| Pure endowment | 2,413 | 2,600 | — | 2,551 | 2,620 | 14,923 |
| Average | ¥3,675 | ¥3,552 | ¥4,165 | ¥7,106 | ¥8,414 | ¥10,635 |

Notes: 1. Average policy coverage for new policies excludes converted policies.

2. Number of individual insurance policies lists each insurance policy individually for one insurance contract introduced after April 1, 2012, that is constructed from several insurance policy types.

19. Percentage of New Policies (Compared with Beginning of the Same Fiscal Year)

| % | | | |
|-----------------------------|------|------|------|
| Fiscal years ended March 31 | 2015 | 2014 | 2013 |
| Individual insurance | 5.5% | 5.2% | 5.2% |
| Individual annuities | 7.9 | 13.2 | 8.7 |
| Group insurance | 0.7 | 0.6 | 0.4 |

Notes: 1. Excludes converted policies.

2. For individual annuities, the ratio of policies prior to start of annuity payments is provided.

20. Rate of Cancellation and Expiration (Compared with Beginning of the Same Fiscal Year)

| % | | | |
|-----------------------------|------|------|------|
| Fiscal years ended March 31 | 2015 | 2014 | 2013 |
| Individual insurance | 5.8% | 6.0% | 6.2% |
| Individual annuities | 3.4 | 3.4 | 3.4 |
| Group insurance | 1.6 | 2.0 | 2.1 |

Notes: 1. The rate of cancellation and expiration is adjusted for net cancellations and expirations with consideration for net increases or decreases in policies and policy reinstatements.

2. For individual annuities, the percentage of policies prior to the start of annuity payments is provided.

21. Average New Policy Premium (Individual Insurance Policies with Monthly Payments)

| | | | | Yen |
|---|--|---------|---------|---------|
| Fiscal years ended March 31 | | 2015 | 2014 | 2013 |
| Average premium of new individual policies (monthly payment policies) | | ¥44,316 | ¥45,892 | ¥47,272 |

Notes: 1. Excludes converted policies.

2. Policies with annualized monthly payments.

3. Number of individual insurance policies lists each insurance policy individually for one insurance contract introduced after April 1, 2012, that is constructed from several insurance policy types.

22. Mortality Rate (Primary Individual Insurance Policies)

| | | | | % |
|-----------------------------|--|-------|-------|-------|
| Fiscal years ended March 31 | | 2015 | 2014 | 2013 |
| Number of policies | | 3.51% | 3.66% | 4.02% |
| Insurance amount | | 4.15 | 3.79 | 3.55 |

Notes: 1. Mortality rate is the rate that is calculated by having mortality incidence policies as the numerator and outstanding policies as the denominator.

2. Outstanding policies are calculated by adding the policies at the start of the fiscal year, policies at the end of the fiscal year and mortality incidence policies, and then dividing the total by two.

3. Mortality includes serious disability when the contract insures for that event. (When serious disability is not insured by the contract, serious disability is not included in mortality.)

4. Number of individual insurance policies lists each insurance policy individually for one insurance contract introduced after April 1, 2012, that is constructed from several insurance policy types.

23. Incidence of Events Covered by Riders (Individual Insurance)

| | | | | | | | % |
|--------------------------------------|---------------------------------|---|--|---------------------------------|---|---------------------------------|---|
| Fiscal years ended March 31 | | 2015 | | 2014 | | 2013 | |
| | Ratio of the number of policies | Ratio of the amount of claims on policies | | Ratio of the number of policies | Ratio of the amount of claims on policies | Ratio of the number of policies | Ratio of the amount of claims on policies |
| Accidental death | 0.280% | 0.272% | | 0.276% | 0.257% | 0.230% | 0.199% |
| Disability | 0.371 | 0.145 | | 0.326 | 0.123 | 0.307 | 0.113 |
| Hospitalization due to accident | 5.995 | 139.8 | | 5.803 | 137.7 | 5.709 | 134.2 |
| Hospitalization due to illness | 67.064 | 1,036.5 | | 64.324 | 1,016.0 | 61.278 | 988.8 |
| Hospitalization due to adult disease | 15.365 | 299.2 | | 14.349 | 287.1 | 13.403 | 273.6 |
| Surgery due to illness or injury | 57.384 | | | 53.506 | | 49.454 | |
| Surgery due to adult disease | 12.018 | | | 10.304 | | 8.811 | |

Notes: 1. Incidence of the events covered by riders is the rate that is calculated by having incidence of events covered by riders as the numerator and outstanding policies as the denominator.

2. Outstanding policies for accidental death insurance are calculated by adding the policies at the start of the fiscal year, policies at the end of the fiscal year and incidence of accidental death, and then dividing the total by two, and for policies other than accidental death insurance, by adding the policies at the start of the fiscal year and policies at the end of the fiscal year, and then dividing the total by two.

3. Accidental death includes serious disability due to accident.

24. Percentage of Premium Earned of Insured Amount Classified by Type of Third-Sector Insurance Benefits or Type of Insurance

| | | | | % |
|-----------------------------|--|-------|-------|-------|
| Fiscal years ended March 31 | | 2015 | 2014 | 2013 |
| Third-sector incidence rate | | 33.3% | 34.0% | 33.4% |
| Medical care | | 34.9 | 34.5 | 33.7 |
| Cancer | | 34.5 | 36.3 | 35.8 |
| Nursing care | | 17.4 | 16.7 | 16.4 |
| Others | | 32.6 | 34.8 | 33.6 |

Note: The third-sector incidence rate is calculated by dividing the sum of payments for insured incidents (payments such as claims and benefits, matching provision for reserve for outstanding claims [excluding past unreported incidents as defined in Article 72 of the Ordinance for Enforcement of Insurance Business Act] and total operating expenses related to such payments as claims and benefits) by earned premiums.

25. Operating Expenses Percentage (Operating Expenses as a Percentage of Premium Revenues)

| | | | | % |
|---|--|-------|-------|-------|
| Fiscal years ended March 31 | | 2015 | 2014 | 2013 |
| Operating efficiency (Operating expenses as a percentage of premium revenues) | | 10.6% | 11.6% | 10.6% |

26. Number of Major Insurance Companies that Accepted Reinsurance Agreements

| Fiscal years ended March 31 | Number of Insurance Companies | | |
|---|-------------------------------|--------|--------|
| | 2015 | 2014 | 2013 |
| Number of major insurance companies using reinsurance | 9 [—] | 10 [—] | 10 [—] |

Notes: 1. Covers insurance companies and others that have paid reinsurance.

2. Figures in parentheses indicate third-sector insurances paid (including only policies that stipulate no coverage by reserves in accordance with Article 71 of the Ordinance for Enforcement of the Insurance Business Act).

27. Ratio of Reinsurance Premiums to Total Premiums Written by the Top Five Insurance Companies Using Reinsurance

| Fiscal years ended March 31 | % | | |
|--|-----------|-----------|-----------|
| | 2015 | 2014 | 2013 |
| Ratio of reinsurance premiums paid to the top five insurance companies | 83.4% [—] | 87.0% [—] | 89.0% [—] |

Notes: 1. Covers insurance companies and others that have paid reinsurance.

2. Figures in parentheses indicate third-sector insurances paid (including only policies that stipulate no coverage by reserves in accordance with Article 71 of the Ordinance for Enforcement of the Insurance Business Act).

28. Ratio of Insurance Companies that Accepted Reinsurance Agreements by Ratings Assessed

| Fiscal years ended March 31 | % | | |
|---------------------------------|-----------|-----------|-----------|
| | 2015 | 2014 | 2013 |
| Over A | 98.0% [—] | 97.7% [—] | 97.7% [—] |
| Over BBB and below A | 1.8 [—] | 2.0 [—] | 2.1 [—] |
| Others (Below BBB or no rating) | 0.2 [—] | 0.2 [—] | 0.2 [—] |

Notes: 1. Data compiled by S&P was used to create the above table. In cases where no rating was available from S&P, such insurance companies are classified as "Others."

2. Figures in parentheses indicate third-sector insurers (including only those whose policies stipulate no coverage by reserves in accordance with Article 71 of the Ordinance for Enforcement of the Insurance Business Act).

29. Unreceived Reinsurance Premiums

| Fiscal years ended March 31 | Millions of Yen | | |
|---------------------------------|-----------------|----------|---------|
| | 2015 | 2014 | 2013 |
| Unreceived reinsurance premiums | ¥68 [—] | ¥104 [—] | ¥98 [—] |

Note: Figures in parentheses indicate amounts with regard to third-sector insurance (which includes only policies that stipulate no coverage by reserves in accordance with Article 71 of the Ordinance for Enforcement of the Insurance Business Act).

ACCOUNTING INDICATORS

30. Reserve for Outstanding Claims

| | | Millions of Yen | | |
|---------------------------------------|-------------------------------------|-----------------|-----------------|-----------------|
| As of March 31 | | 2015 | 2014 | 2013 |
| Death and other claims | Mortality insurance claims | ¥ 75,798 | ¥ 81,031 | ¥ 79,732 |
| | Accident insurance claims | 1,945 | 2,708 | 2,596 |
| | Serious disability insurance claims | 17,536 | 14,383 | 14,367 |
| | Maturity insurance amount | 5,396 | 7,362 | 11,807 |
| | Others | 64 | 84 | 24 |
| | Subtotal | 100,741 | 105,570 | 108,529 |
| Annuity payments | | 3,291 | 3,334 | 5,721 |
| Health and other benefits | | 33,544 | 35,581 | 35,812 |
| Surrender benefits | | 55,868 | 49,695 | 47,341 |
| Deferred benefit payments | | 3,696 | 4,717 | 5,841 |
| Total including other reserves | | ¥197,929 | ¥199,582 | ¥203,848 |

31. Policy Reserves

| | | Millions of Yen | | |
|--|----------------------|---------------------|---------------------|---------------------|
| As of March 31 | | 2015 | 2014 | 2013 |
| Policy reserves (Excluding contingency reserve) | Individual insurance | ¥ 25,844,601 | ¥ 24,878,955 | ¥ 24,200,081 |
| | [General Account] | [25,716,175] | [24,764,048] | [24,092,022] |
| | [Separate Account] | [128,426] | [114,906] | [108,058] |
| | Individual annuities | 9,922,285 | 9,799,592 | 9,762,996 |
| | [General Account] | [9,844,681] | [9,699,075] | [9,630,494] |
| | [Separate Account] | [77,604] | [100,516] | [132,502] |
| | Group insurance | 48,323 | 48,266 | 47,727 |
| | [General Account] | [48,323] | [48,266] | [47,727] |
| | [Separate Account] | [—] | [—] | [—] |
| | Group annuities | 11,680,646 | 11,327,050 | 10,911,548 |
| | [General Account] | [10,794,619] | [10,360,409] | [9,988,519] |
| | [Separate Account] | [886,026] | [966,640] | [923,028] |
| | Other | 455,208 | 455,871 | 458,755 |
| | [General Account] | [455,208] | [455,871] | [458,755] |
| | [Separate Account] | [—] | [—] | [—] |
| | Subtotal | 47,951,066 | 46,509,736 | 45,381,108 |
| | [General Account] | [46,859,008] | [45,327,671] | [44,217,519] |
| | [Separate Account] | [1,092,057] | [1,182,064] | [1,163,589] |
| Contingency reserve | | 1,250,248 | 1,005,760 | 780,154 |
| Total | | ¥ 49,201,314 | ¥ 47,515,496 | ¥ 46,161,263 |
| [General Account] | | [48,109,257] | [46,333,432] | [44,997,674] |
| [Separate Account] | | [1,092,057] | [1,182,064] | [1,163,589] |

32. Policy Reserves Balance

| | | Millions of Yen | | |
|-------------------------|--|--------------------|--------------------|--------------------|
| As of March 31 | | 2015 | 2014 | 2013 |
| Insurance reserve funds | | ¥47,131,161 | ¥45,743,615 | ¥44,660,208 |
| Unearned premiums | | 819,904 | 766,120 | 720,899 |
| Refund reserve | | — | — | — |
| Contingency reserve | | 1,250,248 | 1,005,760 | 780,154 |
| Total | | ¥49,201,314 | ¥47,515,496 | ¥46,161,263 |

33. Policy Reserves for Individual Insurance and Annuities (by Policy Year)

1. Policy reserves valuation method and valuation ratio

| | | % | | |
|---|--|--------------------------|--------------------------|--------------------------|
| As of March 31 | | 2015 | 2014 | 2013 |
| Valuation method | Policies subject to the standard policy reserves | Net level premium method | Net level premium method | Net level premium method |
| | Policies not subject to the standard policy reserves | Net level premium method | Net level premium method | Net level premium method |
| Valuation ratio (excluding contingency reserve) | | 100.0% | 100.0% | 100.0% |

Notes: 1. Individual insurance and annuities are subject to valuation method and ratio. Policy reserves for group insurance and annuities are not included in the above figures due to the absence of an accumulation method.

2. For valuation ratio, policies subject to the standard policy reserves represent the ratio in accordance with the method that is prescribed by Ordinance No. 48 issued by the Ministry of Finance in 1996. Policies that are not subject to the standard policy reserves represent the ratio for the reserve calculated by the net level premium method and unearned premium.

33. Policy Reserves for Individual Insurance and Annuities (by Policy Year), continued

2. Policy reserves (breakdown by policy year)

| Policy year | Balance of policy reserves | | | Millions of Yen, % |
|-----------------------|----------------------------|--------------------|--------------------|-----------------------|
| | 2015 | 2014 | 2013 | Assumed interest rate |
| As of March 31 | | | | |
| –1980 | ¥ 88,968 | ¥ 99,097 | ¥ 110,741 | 2.75-5.00% |
| 1981–1985 | 1,833,774 | 1,981,199 | 2,140,896 | 2.75-5.50 |
| 1986–1990 | 6,201,516 | 6,230,816 | 6,253,711 | 2.75-6.00 |
| 1991–1995 | 7,710,925 | 7,659,237 | 7,670,109 | 2.75-5.50 |
| 1996–2000 | 3,375,051 | 3,480,631 | 3,548,293 | 1.50-2.75 |
| 2001–2005 | 3,165,220 | 3,358,024 | 3,572,606 | 1.00-1.50 |
| 2006–2010 | 6,081,674 | 6,359,735 | 6,677,078 | 0.70-1.50 |
| 2011 | 1,827,125 | 1,832,596 | 1,799,162 | 0.85-1.50 |
| 2012 | 2,105,192 | 2,056,825 | 1,949,916 | 0.60-1.50 |
| 2013 | 1,570,222 | 1,404,960 | — | 0.50-1.00 |
| 2014 | 1,601,184 | — | — | 0.50-1.00 |
| Total | ¥35,560,856 | ¥34,463,124 | ¥33,722,517 | |

Notes: 1. Balance of policy reserves shows policy reserves for individual insurance and individual annuities, excluding policy reserves for the separate account and contingency reserve.
2. Assumed interest rate shows the main assumed interest rate on policy reserves for each policy year.

34. Policy Reserves Balance of the General Account Calculation Method and Integers Used as the Basis for Calculations Related to Insurance Policies with Separate Accounts that Guarantee a Minimum Amount of Insurance Benefits

1. Policy reserves balance (general account)

| As of March 31 | Millions of Yen | | |
|---|-----------------|------|------|
| | 2015 | 2014 | 2013 |
| Policy reserves balance (general account) | ¥— | ¥— | ¥49 |

Notes: 1. Applicable to insurance policies (policies applicable to standard policy reserves) as defined in Article 68 of the Ordinance for Enforcement of the Insurance Business Act.
2. Policy reserves balance (general account) includes the premium reserve fund related to minimum guarantees.
3. Applied to insurance policies executed on or after April 1, 2004.

2. Calculation method and integers used as the basis for calculations

In terms of the calculation method, we use the standard method defined in Section 5, No. 1 of Ordinance No. 48 issued by the Ministry of Finance in 1996. Regarding the integers used as the basis for calculations (volatility), the Company uses 0.3% for short-term loans that have not been defined and the amount defined in Section 5, No. 1 (d) of the aforementioned bulletin in all other cases.

35. Confirmation of Reasonableness and Validity of Article 121, Paragraph 1, Item 1 of the Insurance Business Act (Limited to that Relating to Third-Sector Insurance)

1. Method for assuring the appropriateness of the accumulation of policy reserves in the third sector

The stress test and liability adequacy test are conducted based on clear management regulations following risk management policies provided for by law or by the Board of Directors. Necessary accumulated policy reserves are calculated appropriately.

In addition, a test—conducted by the Auditing Department, which is independent of the Accounting Department—ensures the appropriateness of the accumulation.

2. Reasonableness and validity of established standards for risk frequency, etc., in the liability adequacy test and stress test

To provide for uncertainty regarding the worsening of the rate of incidence of insured events, the Company establishes a risk frequency that covers a range beyond what is normally forecasted or a normally forecasted range.

Specifically, this assumes that the future incidence of insured events follows a regular distribution based on the record of past insured events and the historical change of those past events, and that a level covering increased insurance premiums has been set at a uniform probability (99.0% and 97.7%).

3. Results of the liability adequacy test and stress test (insurance reserve fund and contingency reserve)

| As of March 31 | Millions of Yen | | |
|------------------------|-----------------|-------|-------|
| | 2015 | 2014 | 2013 |
| Insurance reserve fund | ¥ — | ¥ — | ¥ — |
| Contingency reserve | 2,896 | 3,415 | 3,740 |

36. Reserve for Dividends to Policyholders

Millions of Yen

| | Individual insurance | Individual annuities | Group insurance | Group annuities | Workers' asset-formation insurance and annuities | Other insurance | Total |
|--|----------------------|----------------------|-----------------|-----------------|--|-----------------|-------------------|
| Fiscal year ended March 31 | 2015 | | | | | | |
| Balance at the end of the previous fiscal year | ¥1,010,902 | ¥ 25,580 | ¥ 15,509 | ¥ 7,081 | ¥ 5,926 | ¥5,851 | ¥1,070,852 |
| Transfer to reserve from surplus in the previous fiscal year | 22,073 | 1,898 | 113,028 | 62,223 | 224 | 2,316 | 201,765 |
| Increase in interest | 23,282 | 311 | 3 | 0 | 5 | 0 | 23,602 |
| Other increases | — | — | — | — | — | — | — |
| Policyholder dividends paid out during the fiscal year | 75,663 | 1,672 | 116,337 | 62,320 | 603 | 2,151 | 258,747 |
| Other decreases | — | — | — | — | — | — | — |
| Balance at the end of the current fiscal year | ¥ 980,595 | ¥ 26,118 | ¥ 12,204 | ¥ 6,984 | ¥ 5,553 | ¥6,016 | ¥1,037,472 |
| | [708,273] | [12,683] | [2,996] | [17] | [4,916] | [195] | [729,082] |
| Fiscal year ended March 31 | 2014 | | | | | | |
| Balance at the end of the previous fiscal year | ¥1,046,593 | ¥ 25,349 | ¥ 14,238 | ¥ 7,070 | ¥ 6,369 | ¥5,472 | ¥1,105,093 |
| Transfer to reserve from surplus in the previous fiscal year | 24,576 | 1,674 | 109,667 | 28,590 | 225 | 2,437 | 167,172 |
| Increase in interest | 24,339 | 350 | 8 | 0 | 16 | 0 | 24,715 |
| Other increases | — | — | — | — | — | — | — |
| Policyholder dividends paid out during the fiscal year | 84,607 | 1,794 | 108,404 | 28,578 | 684 | 2,059 | 226,128 |
| Other decreases | — | — | — | — | — | — | — |
| Balance at the end of the current fiscal year | ¥1,010,902 | ¥ 25,580 | ¥ 15,509 | ¥ 7,081 | ¥ 5,926 | ¥5,851 | ¥1,070,852 |
| | [720,889] | [12,564] | [2,749] | [17] | [5,301] | [132] | [741,655] |
| Fiscal year ended March 31 | 2013 | | | | | | |
| Balance at the end of the previous fiscal year | ¥1,068,259 | ¥ 23,914 | ¥ 8,655 | ¥ 7,103 | ¥ 6,965 | ¥5,438 | ¥1,120,336 |
| Transfer to reserve from surplus in the previous fiscal year | 46,268 | 3,013 | 109,516 | 6,078 | 228 | 2,208 | 167,313 |
| Increase in interest | 25,418 | 388 | 7 | 0 | 16 | 0 | 25,830 |
| Other increases | — | — | — | — | — | — | — |
| Policyholder dividends paid out during the fiscal year | 93,352 | 1,966 | 103,940 | 6,111 | 841 | 2,174 | 208,387 |
| Other decreases | — | — | — | — | — | — | — |
| Balance at the end of the current fiscal year | ¥1,046,593 | ¥ 25,349 | ¥ 14,238 | ¥ 7,070 | ¥ 6,369 | ¥5,472 | ¥1,105,093 |
| | [743,364] | [12,820] | [2,407] | [17] | [5,748] | [45] | [764,404] |

Note: The numbers in brackets indicate accumulated dividends reserved.

37. Allowance for Doubtful Accounts and Other Reserves

Millions of Yen

| As of March 31 | | 2015 | | 2014 | | 2013 | |
|--|--|-------------|-------------------|-------------|-------------------|-------------|-------------------|
| | | Amount | Increase/decrease | Amount | Increase/decrease | Amount | Increase/decrease |
| Allowance for doubtful accounts ¹ | General allowance for doubtful accounts | ¥ 2,507 | ¥ (1,444) | ¥ 3,952 | ¥ (1,526) | ¥ 5,478 | ¥ (3,976) |
| | Specific allowance for doubtful accounts | 4,078 | 1,006 | 3,072 | (154) | 3,226 | (1,204) |
| | Allowance for specific overseas debt | — | — | — | — | — | — |
| Accrued bonuses for directors and audit and supervisory board members ² | | 74 | 24 | 50 | (2) | 52 | (0) |
| Accrued retirement benefits ³ | | 365,302 | (19,980) | 385,283 | (47,900) | 433,184 | (4,236) |
| Accrued retirement benefits for directors and audit and supervisory board members ⁴ | | 4,274 | (128) | 4,403 | 28 | 4,374 | (190) |
| Reserve for program points ⁵ | | 13,171 | 561 | 12,609 | 3,044 | 9,564 | 2,326 |
| Accrued losses from supporting closely related companies ⁶ | | — | — | — | — | — | (397) |
| Reserve for loss on disaster ⁷ | | — | — | — | — | — | (739) |
| Reserve for price fluctuations in investments in securities ⁸ | | 778,723 | 155,411 | 623,312 | 195,783 | 427,529 | 93,819 |

* Reasons for recording:

1. Allowance for doubtful accounts is recorded to cover bad debt losses.

2. Allotted for executive bonus payments and recorded accordingly.

3. Accrued retirement benefits are recorded to prepare for employee retirement benefit and pension payments.

4. Allotted for executive retirement bonus payments.

5. Reserve for program points is recorded to prepare for expenses from the use of points granted to policyholders.

6. Accrued losses from supporting closely related companies are recorded to cover losses related to reconstruction aid.

7. Reserve for loss on disaster is recorded to prepare for expenditures associated with disasters, such as expenditures for the repair of tangible fixed assets.

8. Reserve for price fluctuations in investments in securities is recorded based on the provisions of Article 115 of the Insurance Business Act.

38. Status of Allowance for Specific Overseas Debt

1. Allowance for specific overseas debt

No ending balance as of March 31, 2015, 2014 or 2013

2. Balance of debt by creditor countries

No ending balance as of March 31, 2015, 2014 or 2013

39. Insurance Premiums

1. Premiums by payment methods

| | | Millions of Yen | | |
|---------------------------------------|--------------------|-------------------|-------------------|-------------------|
| Fiscal years ended March 31 | | 2015 | 2014 | 2013 |
| Individual insurance | | ¥3,038,186 | ¥2,709,488 | ¥3,289,354 |
| | Lump-sum payment | 1,132,529 | 827,082 | 1,428,706 |
| | Annual payment | 460,228 | 407,736 | 346,867 |
| | Semiannual payment | 7,059 | 8,301 | 9,968 |
| | Monthly payment | 1,438,369 | 1,466,369 | 1,503,811 |
| Individual annuities | | 507,474 | 463,023 | 477,150 |
| | Lump-sum payment | 9,534 | 16,754 | 61,686 |
| | Annual payment | 136,278 | 114,610 | 97,289 |
| | Semiannual payment | 3,723 | 4,062 | 4,487 |
| | Monthly payment | 357,938 | 327,595 | 313,687 |
| Group insurance | | 259,308 | 257,819 | 256,088 |
| Group annuities | | 1,476,123 | 1,338,207 | 1,262,405 |
| Total including other premiums | | ¥5,336,204 | ¥4,824,669 | ¥5,342,079 |

Note: Total including other premiums includes premium revenues from workers' asset-formation insurance, workers' asset-formation annuities, medical life insurance, disability income insurance and reinsurance assumed.

2. Premium revenues by fiscal year

| | | Millions of Yen, % | | |
|---------------------------------------|--------------------------|--------------------|------------------|------------------|
| Fiscal years ended March 31 | | 2015 | 2014 | 2013 |
| Individual insurance | Initial year premium | ¥1,450,035 | ¥1,127,191 | ¥1,731,138 |
| | Subsequent year premiums | 2,095,625 | 2,045,320 | 2,035,365 |
| | Subtotal | 3,545,660 | 3,172,512 | 3,766,504 |
| Individual annuities | Initial year premium | 1,820 | 1,417 | 984 |
| | Subsequent year premiums | 257,488 | 256,402 | 255,103 |
| | Subtotal | 259,308 | 257,819 | 256,088 |
| Group insurance | Initial year premium | 50,488 | 6,956 | 15,142 |
| | Subsequent year premiums | 1,425,635 | 1,331,250 | 1,247,263 |
| | Subtotal | 1,476,123 | 1,338,207 | 1,262,405 |
| Group annuities | Initial year premium | 1,506,507 | 1,139,385 | 1,751,434 |
| | Subsequent year premiums | 3,829,697 | 3,685,284 | 3,590,645 |
| | Subtotal | 5,336,204 | 4,824,669 | 5,342,079 |
| Total including other premiums | | 5,336,204 | 4,824,669 | 5,342,079 |
| [Percent increase (decrease)] | | [(10.6)%] | [(9.7)%] | [(0.5)%] |

Note: Total including other premiums includes premium revenues from workers' asset-formation insurance, workers' asset-formation annuities, medical life insurance, disability income insurance and reinsurance assumed.

40. Death and Other Claims

1. Amount

Millions of Yen

| | Individual insurance | Individual annuities | Group insurance | Group annuities | Workers' asset-formation insurance and annuities | Medical life insurance | Disability income insurance | Reinsurance assumed | Total |
|--|----------------------|----------------------|-----------------|-----------------|--|------------------------|-----------------------------|---------------------|-------------------|
| Fiscal year ended March 31 2015 | | | | | | | | | |
| Mortality | ¥523,805 | ¥1,035 | ¥101,647 | ¥ — | ¥ — | ¥ 8 | ¥ 0 | ¥111 | ¥ 626,608 |
| Accident | 7,693 | 13 | 293 | — | 102 | — | — | — | 8,103 |
| Serious disability | 68,145 | 136 | 8,102 | — | — | — | — | 1 | 76,385 |
| Maturity | 283,386 | 25 | 0 | 24,553 | 2,964 | — | — | — | 310,929 |
| Others | — | — | — | — | — | — | 69 | — | 69 |
| Total | ¥883,031 | ¥1,210 | ¥110,043 | ¥24,553 | ¥3,067 | ¥ 8 | ¥69 | ¥112 | ¥1,022,096 |
| Fiscal year ended March 31 2014 | | | | | | | | | |
| Mortality | ¥481,517 | ¥ 854 | ¥104,179 | ¥ — | ¥ — | ¥11 | ¥ 0 | ¥108 | ¥ 586,672 |
| Accident | 8,324 | 19 | 349 | — | 77 | — | — | — | 8,771 |
| Serious disability | 64,310 | 82 | 8,884 | — | — | — | — | 5 | 73,282 |
| Maturity | 310,320 | 36 | 0 | 34,081 | 3,616 | — | — | — | 348,056 |
| Others | — | — | — | — | — | — | 65 | — | 65 |
| Total | ¥864,473 | ¥ 993 | ¥113,413 | ¥34,081 | ¥3,694 | ¥11 | ¥66 | ¥114 | ¥1,016,847 |
| Fiscal year ended March 31 2013 | | | | | | | | | |
| Mortality | ¥463,272 | ¥ 676 | ¥106,453 | ¥ — | ¥ — | ¥14 | ¥ 0 | ¥ 89 | ¥ 570,507 |
| Accident | 7,674 | 31 | 425 | — | 217 | — | — | — | 8,348 |
| Serious disability | 62,994 | 93 | 8,416 | — | — | — | — | 15 | 71,519 |
| Maturity | 373,441 | 31 | 210 | 32,523 | 3,136 | — | — | — | 409,342 |
| Others | — | — | — | — | — | — | 23 | — | 23 |
| Total | ¥907,383 | ¥ 833 | ¥115,505 | ¥32,523 | ¥3,353 | ¥14 | ¥24 | ¥104 | ¥1,059,742 |

2. Number of claims paid

Number of Claims

| | Individual insurance | Individual annuities | Group insurance | Group annuities | Workers' asset-formation insurance and annuities | Medical life insurance | Disability income insurance | Reinsurance assumed | Total |
|--|----------------------|----------------------|-----------------|-----------------|--|------------------------|-----------------------------|---------------------|----------------|
| Fiscal year ended March 31 2015 | | | | | | | | | |
| Mortality | 55,904 | 412 | 48,786 | — | — | 287 | 4 | 83 | 105,476 |
| Accident | 1,007 | 12 | 193 | — | 12 | — | — | — | 1,224 |
| Serious disability | 18,072 | 27 | 3,473 | — | — | — | — | 4 | 21,576 |
| Maturity | 79,535 | 248 | 4 | 4 | 6,578 | — | — | — | 86,369 |
| Others | — | — | — | — | — | — | 125 | — | 125 |
| Total | 154,518 | 699 | 52,456 | 4 | 6,590 | 287 | 129 | 87 | 214,770 |
| Fiscal year ended March 31 2014 | | | | | | | | | |
| Mortality | 49,682 | 251 | 48,976 | — | — | 299 | 6 | 97 | 99,311 |
| Accident | 1,039 | 23 | 202 | — | 12 | — | — | — | 1,276 |
| Serious disability | 17,028 | 20 | 3,784 | — | — | — | — | 5 | 20,837 |
| Maturity | 89,002 | 289 | 4 | 5 | 4,840 | — | — | — | 94,140 |
| Others | — | — | — | — | — | — | 125 | — | 125 |
| Total | 156,751 | 583 | 52,966 | 5 | 4,852 | 299 | 131 | 102 | 215,689 |
| Fiscal year ended March 31 2013 | | | | | | | | | |
| Mortality | 44,978 | 137 | 50,579 | — | — | 359 | 11 | 87 | 96,151 |
| Accident | 1,011 | 16 | 248 | — | 11 | — | — | — | 1,286 |
| Serious disability | 15,946 | 20 | 3,470 | — | — | — | — | 10 | 19,446 |
| Maturity | 116,779 | 301 | 25 | 6 | 3,940 | — | — | — | 121,051 |
| Others | — | — | — | — | — | — | 65 | — | 65 |
| Total | 178,714 | 474 | 54,322 | 6 | 3,951 | 359 | 76 | 97 | 237,999 |

Note: Number of individual insurance policies lists each insurance policy individually for one insurance contract introduced after April 1, 2012, that is constructed from several insurance policy types.

41. Annuity Payments

Millions of Yen, Number of Policies

| | Individual insurance | Individual annuities | Group insurance | Group annuities | Workers' asset-formation insurance and annuities | Medical life insurance | Disability income insurance | Reinsurance assumed | Total |
|-----------------------------------|----------------------|----------------------|-----------------|-----------------|--|------------------------|-----------------------------|---------------------|-----------|
| Fiscal year ended March 31 | | | | | 2015 | | | | |
| Annuities paid | ¥48,128 | ¥417,317 | ¥ 2,361 | ¥ 362,932 | ¥ 9,170 | ¥— | ¥— | ¥10 | ¥ 839,921 |
| Number of policies | 33,701 | 475,040 | 35,365 | 9,162,463 | 30,134 | — | — | 28 | 9,736,731 |
| Fiscal year ended March 31 | | | | | 2014 | | | | |
| Annuities paid | ¥51,919 | ¥447,829 | ¥ 2,427 | ¥ 346,055 | ¥ 9,421 | ¥— | ¥— | ¥ 9 | ¥ 857,662 |
| Number of policies | 34,986 | 446,048 | 37,152 | 8,770,140 | 30,387 | — | — | 22 | 9,318,735 |
| Fiscal year ended March 31 | | | | | 2013 | | | | |
| Annuities paid | ¥57,391 | ¥282,140 | ¥ 2,409 | ¥ 334,675 | ¥ 9,575 | ¥— | ¥— | ¥12 | ¥ 686,205 |
| Number of policies | 36,081 | 371,382 | 38,398 | 7,932,181 | 30,321 | — | — | 25 | 8,408,388 |

42. Health and Other Benefits

1. Amount

Millions of Yen

| | Individual insurance | Individual annuities | Group insurance | Group annuities | Workers' asset-formation insurance and annuities | Medical life insurance | Disability income insurance | Reinsurance assumed | Total |
|--|----------------------|----------------------|-----------------|-----------------|--|------------------------|-----------------------------|---------------------|-----------------|
| Fiscal year ended March 31 | | | | | 2015 | | | | |
| Hospitalization due to accident benefits | ¥ 7,116 | ¥ 194 | ¥ 92 | ¥ — | ¥ — | ¥ 179 | ¥— | ¥ 3 | ¥ 7,586 |
| Hospitalization due to illness benefits | 68,095 | 1,591 | — | — | — | 1,461 | — | 25 | 71,173 |
| Disability benefits | 3,483 | 17 | 35 | — | (4) | — | — | — | 3,532 |
| Surgical benefits | 52,182 | 1,448 | — | — | — | 1,645 | — | 12 | 55,289 |
| Survival benefits | 128,012 | 64 | — | — | 2,792 | — | — | — | 130,869 |
| Death benefits | 5,196 | 30,047 | 6 | 118 | 531 | — | — | 6 | 35,905 |
| Group annuity single benefits | — | — | — | 398,514 | — | — | — | — | 398,514 |
| Other benefits | 8 | — | 2 | 18,222 | — | — | — | 7 | 18,241 |
| Total | ¥264,095 | ¥33,363 | ¥137 | ¥416,855 | ¥3,319 | ¥3,286 | ¥— | ¥55 | ¥721,112 |
| Fiscal year ended March 31 | | | | | 2014 | | | | |
| Hospitalization due to accident benefits | ¥ 7,148 | ¥ 191 | ¥101 | ¥ — | ¥ — | ¥ 198 | ¥— | ¥ 3 | ¥ 7,642 |
| Hospitalization due to illness benefits | 67,729 | 1,560 | — | — | — | 1,415 | — | 22 | 70,729 |
| Disability benefits | 3,342 | 21 | 51 | — | 4 | — | — | — | 3,420 |
| Surgical benefits | 50,829 | 1,408 | — | — | — | 1,616 | — | 11 | 53,865 |
| Survival benefits | 144,154 | 192 | — | — | 3,432 | — | — | — | 147,779 |
| Death benefits | 5,387 | 33,888 | 6 | 90 | 554 | — | — | 5 | 39,933 |
| Group annuity single benefits | — | — | — | 426,279 | — | — | — | — | 426,279 |
| Other benefits | 8 | — | 3 | 19,976 | — | — | — | 6 | 19,995 |
| Total | ¥278,601 | ¥37,262 | ¥162 | ¥446,347 | ¥3,991 | ¥3,230 | ¥— | ¥50 | ¥769,645 |
| Fiscal year ended March 31 | | | | | 2013 | | | | |
| Hospitalization due to accident benefits | ¥ 7,163 | ¥ 201 | ¥ 95 | ¥ — | ¥ — | ¥ 190 | ¥— | ¥ 3 | ¥ 7,654 |
| Hospitalization due to illness benefits | 67,034 | 1,579 | — | — | — | 1,309 | — | 22 | 69,946 |
| Disability benefits | 3,284 | 12 | 62 | — | — | — | — | — | 3,360 |
| Surgical benefits | 48,872 | 1,386 | — | — | — | 1,491 | — | 10 | 51,760 |
| Survival benefits | 164,682 | 25 | — | — | 3,312 | — | — | — | 168,020 |
| Death benefits | 5,188 | 33,618 | 5 | 132 | 533 | — | — | — | 39,478 |
| Group annuity single benefits | — | — | — | 472,188 | — | — | — | — | 472,188 |
| Other benefits | 5 | — | 3 | 15,658 | — | — | — | 6 | 15,674 |
| Total | ¥296,231 | ¥36,823 | ¥167 | ¥487,979 | ¥3,846 | ¥2,991 | ¥— | ¥42 | ¥828,082 |

42. Health and Other Benefits, continued

2. Number of claims paid

| | | | | | | | | | Number of Claims Paid |
|--|----------------------|----------------------|-----------------|-----------------|--|------------------------|-----------------------------|---------------------|-----------------------|
| | Individual insurance | Individual annuities | Group insurance | Group annuities | Workers' asset-formation insurance and annuities | Medical life insurance | Disability income insurance | Reinsurance assumed | Total |
| Fiscal year ended March 31 | | | | | | | | | 2015 |
| Hospitalization due to accident benefits | 65,177 | 2,148 | 3,474 | — | — | 10,937 | — | 164 | 81,900 |
| Hospitalization due to illness benefits | 762,005 | 25,503 | — | — | — | 23,362 | — | 1,616 | 812,486 |
| Disability benefits | 35,292 | 118 | 120 | — | 1 | — | — | — | 35,531 |
| Surgical benefits | 437,954 | 17,301 | — | — | — | 13,418 | — | 780 | 469,453 |
| Survival benefits | 388,037 | 492 | — | — | 1,253 | — | — | — | 389,782 |
| Death benefits | 4,723 | 6,422 | 423 | — | 263 | — | — | 2 | 11,833 |
| Group annuity single benefits | — | — | — | 803,600 | — | — | — | — | 803,600 |
| Other benefits | 17 | — | 214 | 8 | — | — | — | 825 | 1,064 |
| Total | 1,693,205 | 51,984 | 4,231 | 803,608 | 1,517 | 47,717 | — | 3,387 | 2,605,649 |
| Fiscal year ended March 31 | | | | | | | | | 2014 |
| Hospitalization due to accident benefits | 64,083 | 2,101 | 3,381 | — | — | 11,234 | — | 127 | 80,926 |
| Hospitalization due to illness benefits | 745,514 | 25,458 | — | — | — | 22,018 | — | 1,436 | 794,426 |
| Disability benefits | 33,169 | 126 | 140 | — | 1 | — | — | — | 33,436 |
| Surgical benefits | 420,290 | 16,609 | — | — | — | 12,895 | — | 707 | 450,501 |
| Survival benefits | 450,922 | 1,535 | — | — | 1,517 | — | — | — | 453,974 |
| Death benefits | 4,850 | 6,806 | 458 | — | 278 | — | — | 1 | 12,393 |
| Group annuity single benefits | — | — | — | 857,124 | — | — | — | — | 857,124 |
| Other benefits | 22 | — | 276 | 9 | — | — | — | 675 | 982 |
| Total | 1,718,850 | 52,635 | 4,255 | 857,133 | 1,796 | 46,147 | — | 2,946 | 2,683,762 |
| Fiscal year ended March 31 | | | | | | | | | 2013 |
| Hospitalization due to accident benefits | 64,342 | 2,144 | 3,373 | — | — | 11,489 | — | 127 | 81,475 |
| Hospitalization due to illness benefits | 726,246 | 24,525 | — | — | — | 19,490 | — | 1,339 | 771,600 |
| Disability benefits | 31,768 | 142 | 166 | — | — | — | — | — | 32,076 |
| Surgical benefits | 401,290 | 16,059 | — | — | — | 11,293 | — | 641 | 429,283 |
| Survival benefits | 507,767 | 201 | — | — | 1,449 | — | — | — | 509,417 |
| Death benefits | 4,634 | 6,898 | 420 | — | 272 | — | — | — | 12,224 |
| Group annuity single benefits | — | — | — | 880,839 | — | — | — | — | 880,839 |
| Other benefits | 18 | — | 297 | 10 | — | — | — | 629 | 954 |
| Total | 1,736,065 | 49,969 | 4,256 | 880,849 | 1,721 | 42,272 | — | 2,736 | 2,717,868 |

43. Surrender Benefits

| | | | | | | | | | Millions of Yen |
|------------------------------------|----------------------|----------------------|-----------------|-----------------|--|------------------------|-----------------------------|---------------------|-----------------|
| Fiscal years ended March 31 | | | | | | | | | |
| | Individual insurance | Individual annuities | Group insurance | Group annuities | Workers' asset-formation insurance and annuities | Medical life insurance | Disability income insurance | Reinsurance assumed | Total |
| 2015 | ¥603,684 | ¥141,913 | ¥— | ¥179,805 | ¥34,462 | ¥— | ¥— | ¥— | ¥959,865 |
| 2014 | 618,375 | 153,257 | — | 31,572 | 36,647 | — | 0 | — | 839,852 |
| 2013 | 631,254 | 149,350 | — | 13,748 | 40,140 | — | — | — | 834,495 |

44. Depreciation

| Millions of Yen, % | | | | | |
|-----------------------------------|------------------|---------------------------|--------------------------|------------------------|-------------------------------------|
| | Acquisition cost | Current-year depreciation | Accumulated depreciation | Balance as of March 31 | Accumulated depreciation percentage |
| Fiscal year ended March 31 | 2015 | | | | |
| Tangible fixed assets | ¥625,085 | ¥12,224 | ¥427,046 | ¥198,038 | 68.3% |
| Buildings | 553,702 | 7,634 | 371,638 | 182,063 | 67.1 |
| Lease assets | 11,467 | 1,698 | 6,478 | 4,988 | 56.5 |
| Other tangible fixed assets | 59,915 | 2,892 | 48,929 | 10,985 | 81.7 |
| Intangible fixed assets | 192,380 | 33,558 | 113,791 | 78,588 | 59.1 |
| Others | 7,202 | 672 | 4,747 | 2,454 | 65.9 |
| Total | ¥824,668 | ¥46,455 | ¥545,586 | ¥279,081 | 66.2% |
| Fiscal year ended March 31 | 2014 | | | | |
| Tangible fixed assets | ¥594,195 | ¥12,917 | ¥417,738 | ¥176,457 | 70.3% |
| Buildings | 524,080 | 7,866 | 362,704 | 161,376 | 69.2 |
| Lease assets | 11,456 | 1,372 | 7,721 | 3,735 | 67.4 |
| Other tangible fixed assets | 58,657 | 3,679 | 47,312 | 11,345 | 80.7 |
| Intangible fixed assets | 199,119 | 33,658 | 112,001 | 87,117 | 56.2 |
| Others | 7,392 | 732 | 4,860 | 2,531 | 65.8 |
| Total | ¥800,707 | ¥47,308 | ¥534,600 | ¥266,106 | 66.8% |
| Fiscal year ended March 31 | 2013 | | | | |
| Tangible fixed assets | ¥592,481 | ¥21,667 | ¥411,655 | ¥180,826 | 69.5% |
| Buildings | 525,469 | 12,715 | 360,053 | 165,416 | 68.5 |
| Lease assets | 9,113 | 1,558 | 6,406 | 2,706 | 70.3 |
| Other tangible fixed assets | 57,898 | 7,393 | 45,195 | 12,703 | 78.1 |
| Intangible fixed assets | 199,347 | 35,363 | 106,137 | 93,209 | 53.2 |
| Others | 8,359 | 808 | 5,623 | 2,736 | 67.3 |
| Total | ¥800,188 | ¥57,839 | ¥523,416 | ¥276,772 | 65.4% |

45. Operating Expenses

| Millions of Yen | | | |
|-------------------------------------|-----------------|-----------------|-----------------|
| Fiscal years ended March 31 | 2015 | 2014 | 2013 |
| Marketing operations | ¥220,033 | ¥220,462 | ¥225,913 |
| Marketing administration | 85,035 | 81,832 | 80,698 |
| General and administrative expenses | 258,303 | 259,564 | 260,308 |
| Total | ¥563,371 | ¥561,860 | ¥566,920 |

Notes: 1. Marketing operations and marketing administration include expenditures for underwriting new policies. Marketing operations primarily include expenses related to new policy solicitation and assessment. Marketing administration primarily includes expenses related to advertising and the sales force.

2. General and administrative expenses include expenditures for managing policies with insurance handling systems and for investment.

3. The Company's contributions to the Life Insurance Policyholders Protection Corporation of Japan, as is stipulated in Article 265-33, Paragraph 1 of the Insurance Business Act, were ¥6,155 million in the fiscal year ended March 31, 2015, ¥7,449 million in the fiscal year ended March 31, 2014 and ¥7,486 million in the fiscal year ended March 31, 2013.

46. Loans by Due Date

| Millions of Yen | | | | | | | |
|---|-----------------|---------------------------|----------------------------|----------------------------|-----------------------------|--|-----------|
| | 1 year or under | Over 1 year under 3 years | Over 3 years under 5 years | Over 5 years under 7 years | Over 7 years under 10 years | Over 10 years (including loans with no fixed maturity) | Total |
| As of March 31 | 2015 | | | | | | |
| Loans payable | ¥ 2 | ¥ 3 | ¥1,626 | ¥ 2 | ¥9,013 | ¥ — | ¥ 10,649 |
| Corporate bonds | — | — | — | — | — | 399,590 | 399,590 |
| Cash received as collateral under securities lending transactions | 529,989 | — | — | — | — | — | 529,989 |
| As of March 31 | 2014 | | | | | | |
| Loans payable | ¥ 5 | ¥ 4 | ¥ 2 | ¥1,393 | ¥7,720 | ¥ — | ¥ 9,127 |
| Corporate bonds | — | — | — | — | — | 157,040 | 157,040 |
| Cash received as collateral under securities lending transactions | 802,691 | — | — | — | — | — | 802,691 |
| As of March 31 | 2013 | | | | | | |
| Loans payable | ¥ 9 | ¥ 6 | ¥ 3 | ¥ 2 | ¥ 2 | ¥ 0 | ¥ 25 |
| Corporate bonds | — | — | — | — | — | 157,040 | 157,040 |
| Cash received as collateral under securities lending transactions | 1,212,021 | — | — | — | — | — | 1,212,021 |

47. Taxes

| | | Millions of Yen | | |
|-----------------------------|------------------------------|-----------------|----------------|----------------|
| Fiscal years ended March 31 | | 2015 | 2014 | 2013 |
| National tax | | ¥25,967 | ¥18,705 | ¥19,894 |
| | Consumption tax | 20,053 | 13,361 | 13,824 |
| | Special local corporate tax | 5,488 | 4,960 | 5,715 |
| | Documentary stamp tax | 412 | 361 | 354 |
| | Registration and license tax | 9 | 0 | 0 |
| | Other national tax | 2 | 22 | 0 |
| Local tax | | 18,541 | 15,938 | 17,481 |
| | Local consumption tax | 5,377 | 3,340 | 3,456 |
| | Corporate enterprise tax | 7,113 | 6,431 | 7,745 |
| | Fixed-asset tax | 5,143 | 5,254 | 5,323 |
| | Real estate acquisition tax | 4 | 0 | 46 |
| | Corporate income tax | 895 | 905 | 903 |
| | Automobile tax | 2 | 2 | 3 |
| | Other local tax | 4 | 3 | 3 |
| Total | | ¥44,508 | ¥34,643 | ¥37,376 |

48. Lease Transactions

Lease Transactions (lessee side)

(1) Nonownership transfer lease transactions that have been recorded based on normal lease transaction methods

① Pro forma information relating to acquisition cost, accumulated depreciation, and book value of leased assets as of fiscal year end

| | | Millions of Yen | | |
|---------------------------------------|-----------------------|-----------------|-------------|-------------|
| As of March 31 | | 2015 | 2014 | 2013 |
| Acquisition cost | Tangible fixed assets | ¥— | ¥553 | ¥732 |
| | Total | ¥— | ¥553 | ¥732 |
| Accumulated depreciation | Tangible fixed assets | ¥— | ¥553 | ¥722 |
| | Total | ¥— | ¥553 | ¥722 |
| Year-end balance of leased properties | Tangible fixed assets | ¥— | ¥ — | ¥ 9 |
| | Total | ¥— | ¥ — | ¥ 9 |

② Future minimum lease payments' year-end balance

No ending balance for the fiscal years ended March 31, 2015, 2014 or 2013.

③ Lease fees paid and depreciation

| | | Millions of Yen | | |
|-----------------------------|--|-----------------|------|------|
| Fiscal years ended March 31 | | 2015 | 2014 | 2013 |
| Lease fees paid | | ¥— | ¥— | ¥113 |
| Depreciation | | — | 9 | 117 |

④ Calculation method for depreciation

The straight-line method is applied.

* Until the fiscal year ended March 31, 2008, nonownership transfer lease transactions were recorded in accordance with normal lease transaction methods; however, from the fiscal year ended March 31, 2009, lease assets beginning on or after April 1, 2008, are recorded in accordance with sales transaction methods.

48. Lease Transactions, continued

Lease Transactions (lessee side), continued

(2) Operating lease contracts

| Fiscal year ended March 31 | | Millions of Yen | | |
|---|--------------------|-----------------|-------------|-------------|
| | | 2015 | 2014 | 2013 |
| Future minimum lease payments' year-end balance | One year and under | ¥ 54 | ¥ 47 | ¥ 47 |
| | Over one year | 80 | 102 | 150 |
| | Total | ¥135 | ¥150 | ¥197 |

Lease Transactions (lessor side)

(1) Operating lease contracts

| Fiscal year ended March 31 | | Millions of Yen | | |
|---|--------------------|-----------------|----------------|----------------|
| | | 2015 | 2014 | 2013 |
| Future minimum lease payments' year-end balance | One year and under | ¥11,394 | ¥ 7,587 | ¥ 6,488 |
| | Over one year | 39,223 | 20,094 | 12,816 |
| | Total | ¥50,618 | ¥27,682 | ¥19,305 |

INDICATORS RELATED TO INVESTMENT (GENERAL ACCOUNT)

49. Overview of the Fiscal Year Ended March 31, 2015, Investment (General Account)

① Investment environment

In the fiscal year ended March 31, 2015, the Japanese economy declined in the first half of the fiscal year as domestic demand dropped on a fallback from a rush to buy ahead of a consumption tax rate hike in April 2014. In the second half of the fiscal year, economic conditions improved slightly, underpinned primarily by a modest increase in exports, as well as a rebound in consumer spending as the effect of the fallback gradually subsided.

- The Nikkei Stock Average started the fiscal year at ¥14,827. Thereafter, the index rose through September on the back of strong U.S. economic indicators and further depreciation of the yen. In early October, the index temporarily declined due to a risk avoidance trend in response to concerns about a global economic recession. However, the Nikkei Stock Average regained momentum through the fiscal year end, supported by additional monetary easing by the Bank of Japan and expectations for capital inflows associated with public pension fund investment reforms in Japan. The index finished at ¥19,206 at the end of March.
- The yield rate on 10-year government bonds began the fiscal year at 0.64%. It then fell during the first half of the fiscal year in response to a decline in overseas interest rates due to expectations for additional easing by the European Central Bank amid continuing pressure from the Bank of Japan's government bond-buying operations. In the second half of the fiscal year, the yield rate continued to decrease in response to factors such as additional monetary easing by the Bank of Japan, a decline in global interest rate levels, and a drop in crude oil prices, briefly touching a record low at the 0.1% level in late January. The yield rate remained low through the fiscal year-end, albeit with a smaller decline after rebounding partially from the sharp drop earlier, finishing the fiscal year at 0.40% at the end of March.
- The yen-U.S. dollar exchange rate started at the ¥102 level, and continued to move in a narrow range. From August onward, however, the yen began to weaken against the U.S. dollar, in reaction to an announcement by the governor of the Bank of Japan expressing tolerance for further yen depreciation coupled with forecasts for an early interest-rate hike in the United

States. Following additional easing by the Bank of Japan at the end of October, the yen depreciated further. Since the start of 2015, the yen continued to trade between the higher ¥110 range and the lower ¥120 range, finishing at ¥120.17 at the end of March. The yen-euro exchange rate started at the ¥141 level. Thereafter, the yen gradually appreciated against the euro in response to growing expectations for additional easing by the European Central Bank. However, additional easing by the Bank of Japan then turned the tide and the yen began weakening against the euro toward the end of 2014, briefly touching the ¥149 level in December. The yen started appreciating again from January due to a decision by the European Central Bank to conduct additional easing. The yen-euro rate finished at ¥130.32 at the end of March 2015.

② Investment policy

The Company creates portfolios that serve as core medium- to long-term investments, based on its ALM approach of appropriately controlling assets and liabilities.

Specifically, to supply the stable long-term yields promised to policyholders, the Company has positioned public and corporate bonds and loans that the Company expects to provide stable Japanese yen-denominated revenue as its primary assets. Furthermore, the Company is working to improve medium- to long-term revenues and is investing in domestic and foreign securities through a process of controlling risk while taking into account management stability with a view to returning profits to policyholders through dividend payouts.

③ Overview of investment results

In the fiscal year ended March 31, 2015, the Company has positioned yen-denominated assets that can be expected to provide stable income, such as bonds and loans, as its core assets. From the perspective of improving profits in the mid- to long-term, the Company invested in assets, such as stocks and foreign securities, within the scope of acceptable risk while taking into account business stability.

49. Overview of the Fiscal Year Ended March 31, 2015, Investment (General Account), continued

③ Overview of investment results, continued

Domestic bonds

The Company invested in bonds as sound assets that provide stable interest revenue. Selecting the timing of relatively high interest rates through the fiscal year, the Company replaced low-yield bonds with high-yield long-term bonds, and added such long-term bonds to the portfolio.

Domestic stocks

The Company implemented replacements of issues while focusing its attention on the overall state of returns to investors, including corporate profitability and dividends from the point of view of investing for the medium- to long-term, with the goal of increasing portfolio profitability.

Foreign securities

Regarding foreign securities, the Company invested in foreign currency-denominated bonds based on currency movements. Also, the Company invested in foreign bonds that hedge the risk of exchange rate fluctuations, taking into consideration the advantages of yen interest rate assets.

Loans

The Company focused on safe and stable prime lendings by appropriately assessing credit risks.

Real estate

The Company worked to secure profitability through strengthening the competitive edge of its buildings by decreasing vacancy rates and renovating preexisting properties, among others.

| Billions of Yen, % | | | |
|------------------------|------------------|----------------------|---------------|
| As of March 31 | 2015 | Increase (decrease)* | Breakdown |
| General Account | ¥61,169.4 | ¥1,943.3 | 100.0% |
| Domestic bonds | 22,654.4 | 929.4 | 37.0 |
| Domestic stocks | 9,075.2 | (232.9) | 14.8 |
| Foreign securities | 16,144.9 | 822.4 | 26.4 |
| Loans | 8,357.6 | (171.3) | 13.7 |
| Real estate | 1,696.5 | (5.8) | 2.8 |

* Indicates asset increase/decrease when the market price valuation of available-for-sale securities is not conducted.

50. Portfolio Trends (General Account)

1. Asset structure

| Millions of Yen, % | | | | | | |
|---|--------------------|---------------|--------------------|---------------|--------------------|---------------|
| As of March 31 | 2015 | | 2014 | | 2013 | |
| Cash, deposits and call loans | ¥ 1,004,703 | 1.6% | ¥ 750,029 | 1.3% | ¥ 649,805 | 1.2% |
| Receivables under resale agreements | — | — | — | — | — | — |
| Receivables under securities borrowing transactions | — | — | 159,856 | 0.3 | 150,709 | 0.3 |
| Monetary receivables purchased | 498,758 | 0.8 | 570,632 | 1.0 | 756,320 | 1.4 |
| Proprietary trading securities | — | — | — | — | — | — |
| Assets held in trust | — | — | — | — | — | — |
| Investments in securities | 48,833,977 | 79.8 | 43,270,714 | 77.9 | 41,201,247 | 76.8 |
| Domestic bonds | 22,654,482 | 37.0 | 21,666,813 | 39.0 | 20,890,605 | 38.9 |
| Domestic stocks | 9,075,285 | 14.8 | 7,145,629 | 12.9 | 6,674,827 | 12.4 |
| Foreign securities | 16,144,907 | 26.4 | 13,876,024 | 25.0 | 13,198,749 | 24.6 |
| Foreign bonds | 12,077,295 | 19.7 | 10,225,874 | 18.4 | 9,820,996 | 18.3 |
| Foreign stocks and other securities | 4,067,611 | 6.6 | 3,650,150 | 6.6 | 3,377,752 | 6.3 |
| Other securities | 959,302 | 1.6 | 582,246 | 1.0 | 437,065 | 0.8 |
| Loans | 8,357,620 | 13.7 | 8,528,979 | 15.4 | 8,581,801 | 16.0 |
| Policy loans | 736,564 | 1.2 | 782,280 | 1.4 | 835,460 | 1.6 |
| Industrial and consumer loans | 7,621,055 | 12.5 | 7,746,698 | 13.9 | 7,746,341 | 14.4 |
| Real estate | 1,696,561 | 2.8 | 1,702,455 | 3.1 | 1,660,045 | 3.1 |
| Investment property | 1,079,961 | 1.8 | 1,070,541 | 1.9 | 1,026,995 | 1.9 |
| Deferred tax assets | — | — | — | — | — | — |
| Other assets | 784,460 | 1.3 | 587,678 | 1.1 | 652,780 | 1.2 |
| Allowance for doubtful accounts | (6,585) | (0.0) | (7,024) | (0.0) | (8,704) | (0.0) |
| Total | ¥61,169,494 | 100.0% | ¥55,563,321 | 100.0% | ¥53,644,005 | 100.0% |
| Foreign currency-denominated assets | ¥13,978,755 | 22.9% | ¥11,672,863 | 21.0% | ¥10,910,506 | 20.3% |

Notes: 1. The above assets include cash received as collateral under securities lending transactions. Cash collateral received through these transactions is recorded in liabilities.
(As of March 31, 2015: ¥529,989 million; March 31, 2014: ¥802,691 million; and March 31, 2013: ¥1,212,021 million.)

2. Real estate is the sum of land, buildings, and construction in progress.

50. Portfolio Trends (General Account), continued

2. Increases/decreases in assets

| Millions of Yen | | | |
|---|-------------------|-------------------|-------------------|
| Fiscal years ended March 31 | 2015 | 2014 | 2013 |
| Cash, deposits and call loans | ¥ 254,673 | ¥ 100,224 | ¥ 58,357 |
| Receivables under resale agreements | — | — | — |
| Receivables under securities borrowing transactions | (159,856) | 9,146 | (61,219) |
| Monetary receivables purchased | (71,874) | (185,688) | (126,749) |
| Proprietary trading securities | — | — | — |
| Assets held in trust | — | — | — |
| Investments in securities | 5,563,263 | 2,069,467 | 4,720,362 |
| Domestic bonds | 987,668 | 776,207 | 1,763,655 |
| Domestic stocks | 1,929,656 | 470,801 | 837,870 |
| Foreign securities | 2,268,882 | 677,275 | 1,929,877 |
| Foreign bonds | 1,851,421 | 404,877 | 1,230,715 |
| Foreign stocks and other securities | 417,460 | 272,398 | 699,162 |
| Other securities | 377,055 | 145,181 | 188,959 |
| Loans | (171,359) | (52,822) | (139,807) |
| Policy loans | (45,715) | (53,180) | (60,886) |
| Industrial and consumer loans | (125,643) | 357 | (78,921) |
| Real estate | (5,894) | 42,410 | (66,989) |
| Investment property | 9,419 | 43,546 | (56,311) |
| Deferred tax assets | — | — | (466,934) |
| Other assets | 196,782 | (65,102) | (140,921) |
| Allowance for doubtful accounts | 438 | 1,680 | 5,180 |
| Total | ¥5,606,173 | ¥1,919,315 | ¥3,781,278 |
| Foreign currency-denominated assets | ¥2,305,892 | ¥ 762,356 | ¥1,548,359 |

Notes: 1. Increases/decreases in cash received as collateral under securities lending transactions are as follows:

Fiscal year ended March 31, 2015: ¥272,701 million decrease

Fiscal year ended March 31, 2014: ¥409,330 million decrease

Fiscal year ended March 31, 2013: ¥276,436 million increase

2. Real estate is the sum of land, buildings, and construction in progress.

51. Average Balance and Yield on Primary Assets (General Account)

| Millions of Yen, % | | | | | | |
|---|--------------------|--------------|--------------------|--------------|--------------------|--------------|
| Fiscal years ended March 31 | 2015 | | 2014 | | 2013 | |
| | Average balance | Yield | Average balance | Yield | Average balance | Yield |
| Cash, deposits and call loans | ¥ 521,601 | 0.09% | ¥ 392,705 | 0.14% | ¥ 366,212 | 0.04% |
| Receivables under resale agreements | — | — | — | — | — | — |
| Receivables under securities borrowing transactions | 255,694 | 0.08 | 143,821 | 0.09 | 147,895 | 0.10 |
| Monetary receivables purchased | 545,795 | 2.07 | 650,996 | 2.11 | 829,597 | 2.07 |
| Proprietary trading securities | — | — | — | — | — | — |
| Assets held in trust | — | — | — | — | — | — |
| Investments in securities | 39,414,840 | 3.23 | 38,147,462 | 3.01 | 36,052,226 | 2.38 |
| Domestic bonds | 22,022,643 | 1.93 | 21,263,860 | 1.99 | 19,735,897 | 2.34 |
| Domestic stocks | 4,061,079 | 8.51 | 4,321,504 | 8.02 | 4,832,104 | 0.38 |
| Foreign securities | 12,586,698 | 3.75 | 11,993,688 | 3.02 | 11,185,339 | 3.41 |
| Foreign bonds | 9,511,205 | 3.06 | 8,995,507 | 2.77 | 8,457,193 | 3.40 |
| Foreign stocks and other securities | 3,075,492 | 5.87 | 2,998,181 | 3.78 | 2,728,145 | 3.44 |
| Loans | 8,395,813 | 1.94 | 8,571,851 | 2.02 | 8,644,311 | 2.11 |
| Industrial and consumer loans | 7,638,678 | 1.66 | 7,767,012 | 1.74 | 7,782,715 | 1.81 |
| Real estate | 1,710,118 | 2.67 | 1,658,224 | 2.60 | 1,704,962 | 2.26 |
| Investment property | 1,083,923 | 4.22 | 1,029,739 | 4.16 | 1,063,814 | 3.62 |
| General account total | ¥52,279,572 | 2.83% | ¥50,942,300 | 2.70% | ¥49,132,535 | 2.01% |
| Overseas investments | ¥13,085,479 | 3.66% | ¥12,458,548 | 2.98% | ¥11,579,600 | 3.35% |

Notes: 1. Yields are calculated by dividing investment income less investment expenses by the daily average book value balance.

2. The amount of overseas investments is the sum of assets denominated in foreign currencies and Japanese yen.

52. Investment Income (General Account)

| Millions of Yen | | | |
|---|-------------------|-------------------|-------------------|
| Fiscal years ended March 31 | 2015 | 2014 | 2013 |
| Interest, dividends, and other income | ¥1,371,789 | ¥1,296,640 | ¥1,217,010 |
| Gain on proprietary trading securities | — | — | — |
| Gain from assets held in trust, net | 4 | 5 | 13 |
| Gain from trading securities | — | — | — |
| Gain on sales of securities | 242,024 | 260,438 | 192,348 |
| Gain on redemptions of securities | 5,023 | 248 | 284 |
| Gain on derivative financial instruments, net | — | — | — |
| Foreign exchange gains, net | — | 1,693 | 1,201 |
| Reversal of allowance for doubtful accounts | 431 | 1,667 | 4,561 |
| Other investment income | 489 | 441 | 857 |
| Total | ¥1,619,764 | ¥1,561,137 | ¥1,416,277 |

53. Investment Expenses (General Account)

| Millions of Yen | | | |
|---|-----------------|-----------------|-----------------|
| Fiscal years ended March 31 | 2015 | 2014 | 2013 |
| Interest expenses | ¥ 9,876 | ¥ 7,792 | ¥ 4,717 |
| Loss on proprietary trading securities | — | — | — |
| Loss from assets held in trust, net | — | — | — |
| Loss from trading securities | — | — | — |
| Loss on sales of securities | 18,357 | 57,738 | 72,088 |
| Loss on valuation of securities | 3,258 | 22,254 | 98,668 |
| Loss on redemptions of securities | 21,595 | 24,628 | 30,526 |
| Loss on derivative financial instruments, net | 46,342 | 36,508 | 176,689 |
| Foreign exchange losses, net | 417 | — | — |
| Provision for allowance for doubtful accounts | — | — | — |
| Write-offs of loans | 0 | 0 | 1 |
| Depreciation of rental real estate and other assets | 15,307 | 15,410 | 23,954 |
| Other investment expenses | 25,839 | 21,976 | 21,503 |
| Total | ¥140,994 | ¥186,309 | ¥428,149 |

54. Interest, Dividends, and Other Income (General Account)

| Millions of Yen | | | |
|--|-------------------|-------------------|-------------------|
| Fiscal years ended March 31 | 2015 | 2014 | 2013 |
| Interest on deposits and savings | ¥ 276 | ¥ 268 | ¥ 272 |
| Interest on securities and dividends | 1,113,858 | 1,029,275 | 935,962 |
| Interest on bonds | 412,807 | 406,979 | 384,969 |
| Domestic stock dividends | 161,824 | 155,012 | 131,090 |
| Interest/dividends on foreign securities | 516,267 | 452,658 | 415,098 |
| Interest on loans | 161,231 | 171,827 | 178,296 |
| Real estate rental income | 82,716 | 79,237 | 82,608 |
| Total including other income | ¥1,371,789 | ¥1,296,640 | ¥1,217,010 |

55. Analysis of Interest, Dividends, and Other Income (General Account)

| Millions of Yen | | | | | | | | | |
|--|------------------------------------|--|---------------------------|------------------------------------|--|---------------------------|------------------------------------|--|---------------------------|
| Fiscal years ended March 31 | 2015 | | | 2014 | | | 2013 | | |
| | Change in asset allocation balance | Increase (decrease) from interest variance | Total increase (decrease) | Change in asset allocation balance | Increase (decrease) from interest variance | Total increase (decrease) | Change in asset allocation balance | Increase (decrease) from interest variance | Total increase (decrease) |
| Interest, dividends, and other income | ¥34,037 | ¥41,111 | ¥ 75,148 | ¥44,827 | ¥34,803 | ¥79,630 | ¥32,264 | ¥(13,403) | ¥18,861 |
| Cash, equivalents and call loans | 115 | (22) | 92 | 24 | (15) | 9 | (21) | (1) | (22) |
| Securities | 34,195 | 50,387 | 84,583 | 54,395 | 38,918 | 93,313 | 52,762 | (21,067) | 31,694 |
| Loans | (3,528) | (7,066) | (10,595) | (1,494) | (4,974) | (6,468) | (3,105) | (3,892) | (6,997) |
| Real estate | 2,479 | 998 | 3,478 | (2,264) | (1,106) | (3,370) | (1,906) | (1,353) | (3,259) |

56. Gain on Sales of Securities (General Account)

| Millions of Yen | | | |
|---|-----------------|-----------------|-----------------|
| Fiscal years ended March 31 | 2015 | 2014 | 2013 |
| Domestic bonds | ¥ 12,929 | ¥ 16,879 | ¥ 76,133 |
| Domestic stocks and other securities | 216,749 | 239,424 | 54,060 |
| Foreign securities | 12,345 | 4,135 | 62,155 |
| Total including other gains on sales of securities | ¥242,024 | ¥260,438 | ¥192,348 |

57. Loss on Sales of Securities (General Account)

| Millions of Yen | | | |
|--|----------------|----------------|----------------|
| Fiscal years ended March 31 | 2015 | 2014 | 2013 |
| Domestic bonds | ¥ 1,468 | ¥ 1,774 | ¥ 263 |
| Domestic stocks and other securities | 9,889 | 13,678 | 56,528 |
| Foreign securities | 6,998 | 42,277 | 15,295 |
| Total including other losses on sales of securities | ¥18,357 | ¥57,738 | ¥72,088 |

58. Loss on Valuation of Securities (General Account)

| Millions of Yen | | | |
|--|---------------|----------------|----------------|
| Fiscal years ended March 31 | 2015 | 2014 | 2013 |
| Domestic bonds | ¥ — | ¥ — | ¥ — |
| Domestic stocks and other securities | 113 | 21,477 | 97,749 |
| Foreign securities | 3,083 | 713 | 675 |
| Total including other losses on valuation of securities | ¥3,258 | ¥22,254 | ¥98,668 |

59. Proprietary Trading Securities (General Account)

No ending balance as of March 31, 2015, 2014 or 2013.

60. Proprietary Trading Securities Trading Volume (General Account)

No ending balance for the fiscal years ended March 31, 2015, 2014 or 2013.

61. Securities Composition (General Account)

| Millions of Yen, % | | | | | | |
|-------------------------------------|--------------------|---------------|--------------------|---------------|--------------------|---------------|
| As of March 31 | 2015 | | 2014 | | 2013 | |
| Domestic bonds | ¥22,654,482 | 46.4% | ¥21,666,813 | 50.1% | ¥20,890,605 | 50.7% |
| National government bonds | 18,485,293 | 37.9 | 17,244,401 | 39.9 | 16,253,262 | 39.4 |
| Local government bonds | 1,439,472 | 2.9 | 1,522,147 | 3.5 | 1,585,931 | 3.8 |
| Corporate bonds | 2,729,716 | 5.6 | 2,900,264 | 6.7 | 3,051,412 | 7.4 |
| Public entity bonds | 1,349,133 | 2.8 | 1,483,935 | 3.4 | 1,533,462 | 3.7 |
| Domestic stocks | 9,075,285 | 18.6 | 7,145,629 | 16.5 | 6,674,827 | 16.2 |
| Foreign securities | 16,144,907 | 33.1 | 13,876,024 | 32.1 | 13,198,749 | 32.0 |
| Foreign bonds | 12,077,295 | 24.7 | 10,225,874 | 23.6 | 9,820,996 | 23.8 |
| Foreign stocks and other securities | 4,067,611 | 8.3 | 3,650,150 | 8.4 | 3,377,752 | 8.2 |
| Other securities | 959,302 | 2.0 | 582,246 | 1.3 | 437,065 | 1.1 |
| Total | ¥48,833,977 | 100.0% | ¥43,270,714 | 100.0% | ¥41,201,247 | 100.0% |

62. Securities by Maturity Date (General Account)

Millions of Yen

| | 1 year or under | Over 1 year through 3 years | Over 3 years through 5 years | Over 5 years through 7 years | Over 7 years through 10 years | Over 10 years (including securities with no fixed maturity) | Total |
|-------------------------------------|--------------------|-----------------------------------|------------------------------------|------------------------------------|-------------------------------------|---|--------------------|
| As of March 31 | | | | | | | |
| 2015 | | | | | | | |
| Investments in securities | ¥ 902,325 | ¥2,813,000 | ¥2,502,366 | ¥2,486,104 | ¥4,137,520 | ¥35,992,661 | ¥48,833,977 |
| Domestic bonds | | | | | | | |
| National government bonds | 347,589 | 774,739 | 567,049 | 842,359 | 2,242,634 | 13,710,919 | 18,485,293 |
| Local government bonds | 71,231 | 466,415 | 277,525 | 12,348 | 7,475 | 604,475 | 1,439,472 |
| Corporate bonds | 218,196 | 526,506 | 356,333 | 98,366 | 228,861 | 1,301,451 | 2,729,716 |
| Domestic stocks | | | | | | 9,075,285 | 9,075,285 |
| Foreign securities | 243,757 | 1,002,967 | 1,187,023 | 1,412,504 | 1,426,425 | 10,872,229 | 16,144,907 |
| Foreign bonds | 240,904 | 1,002,702 | 1,154,635 | 1,360,405 | 1,372,215 | 6,946,432 | 12,077,295 |
| Foreign stocks and other securities | 2,852 | 264 | 32,387 | 52,099 | 54,210 | 3,925,796 | 4,067,611 |
| Other securities | 21,550 | 42,371 | 114,434 | 120,523 | 232,123 | 428,299 | 959,302 |
| Monetary receivables purchased | 42,036 | — | 2,124 | 18,663 | 42,682 | 393,251 | 498,758 |
| Negotiable certificates of deposit | 302,999 | — | — | — | — | — | 302,999 |
| Total | ¥1,247,360 | ¥2,813,000 | ¥2,504,490 | ¥2,504,767 | ¥4,180,202 | ¥36,385,912 | ¥49,635,734 |
| As of March 31 | | | | | | | |
| 2014 | | | | | | | |
| Investments in securities | ¥ 828,321 | ¥2,705,026 | ¥2,168,749 | ¥2,247,209 | ¥3,579,956 | ¥31,741,451 | ¥43,270,714 |
| Domestic bonds | | | | | | | |
| National government bonds | 244,430 | 920,510 | 644,197 | 628,718 | 1,725,967 | 13,080,576 | 17,244,401 |
| Local government bonds | 118,648 | 501,389 | 210,208 | 154,008 | 6,782 | 531,110 | 1,522,147 |
| Corporate bonds | 212,854 | 563,785 | 474,647 | 116,808 | 212,464 | 1,319,703 | 2,900,264 |
| Domestic stocks | | | | | | 7,145,629 | 7,145,629 |
| Foreign securities | 233,747 | 713,756 | 799,791 | 1,290,638 | 1,486,263 | 9,351,827 | 13,876,024 |
| Foreign bonds | 225,730 | 713,756 | 784,395 | 1,255,889 | 1,421,828 | 5,824,273 | 10,225,874 |
| Foreign stocks and other securities | 8,016 | 0 | 15,396 | 34,749 | 64,434 | 3,527,553 | 3,650,150 |
| Other securities | 18,641 | 5,583 | 39,904 | 57,035 | 148,478 | 312,604 | 582,246 |
| Monetary receivables purchased | 35,307 | 10,007 | 4,071 | 9,189 | 48,851 | 463,205 | 570,632 |
| Negotiable certificates of deposit | 234,999 | — | — | — | — | — | 234,999 |
| Total | ¥1,098,627 | ¥2,715,033 | ¥2,172,821 | ¥2,256,399 | ¥3,628,807 | ¥32,204,656 | ¥44,076,345 |
| As of March 31 | | | | | | | |
| 2013 | | | | | | | |
| Investments in securities | ¥ 710,738 | ¥1,817,032 | ¥3,165,287 | ¥1,986,236 | ¥3,639,981 | ¥29,881,969 | ¥41,201,247 |
| Domestic bonds | | | | | | | |
| National government bonds | 110,859 | 676,818 | 1,100,976 | 484,210 | 1,479,999 | 12,400,397 | 16,253,262 |
| Local government bonds | 102,645 | 216,483 | 489,521 | 299,512 | 25,098 | 452,669 | 1,585,931 |
| Corporate bonds | 288,007 | 449,647 | 553,956 | 336,412 | 162,974 | 1,260,413 | 3,051,412 |
| Domestic stocks | | | | | | 6,674,827 | 6,674,827 |
| Foreign securities | 196,281 | 466,508 | 986,582 | 847,795 | 1,841,427 | 8,860,153 | 13,198,749 |
| Foreign bonds | 188,026 | 463,376 | 986,582 | 813,991 | 1,770,301 | 5,598,717 | 9,820,996 |
| Foreign stocks and other securities | 8,254 | 3,131 | — | 33,803 | 71,126 | 3,261,436 | 3,377,752 |
| Other securities | 12,944 | 7,575 | 34,248 | 18,306 | 130,480 | 233,509 | 437,065 |
| Monetary receivables purchased | 58,249 | 10,203 | — | 13,287 | 44,482 | 630,096 | 756,320 |
| Negotiable certificates of deposit | 298,997 | — | — | — | — | — | 298,997 |
| Total | ¥1,067,985 | ¥1,827,236 | ¥3,165,287 | ¥1,999,524 | ¥3,684,464 | ¥30,512,065 | ¥42,256,565 |

63. Bond Yields (General Account)

| | | | % |
|------------------------------|-------|-------|-------|
| As of March 31 | 2015 | 2014 | 2013 |
| Domestic bonds | 1.93% | 1.98% | 2.01% |
| Foreign bonds | 3.83 | 3.85 | 3.86 |
| Japanese yen denominated | 1.85 | 1.87 | 1.98 |
| Foreign currency denominated | 4.06 | 4.12 | 4.15 |

64. Stocks Held—Breakdown by Industry (General Account)

| | | Millions of Yen, % | | | | | |
|--|------|--------------------|---------------|---|-------------------|---------------|--------------------------|
| As of March 31 | 2015 | | 2014 | | 2013 | | |
| Fishery, agriculture and forestry | ¥ | 2,952 | 0.0% | ¥ | 2,781 | 0.0% | ¥ 2,986 0.0% |
| Mining | | 6,291 | 0.1 | | 3,667 | 0.1 | 3,456 0.1 |
| Construction | | 131,224 | 1.4 | | 110,717 | 1.5 | 101,003 1.5 |
| Manufacturing | | | | | | | |
| Food | | 320,932 | 3.5 | | 219,245 | 3.1 | 213,644 3.2 |
| Textiles and apparel | | 127,717 | 1.4 | | 91,613 | 1.3 | 84,982 1.3 |
| Pulp and paper | | 23,600 | 0.3 | | 24,317 | 0.3 | 19,834 0.3 |
| Chemicals | | 826,874 | 9.1 | | 564,175 | 7.9 | 532,824 8.0 |
| Pharmaceuticals | | 806,554 | 8.9 | | 612,084 | 8.6 | 647,354 9.7 |
| Oil and coal products | | 23,430 | 0.3 | | 23,308 | 0.3 | 26,497 0.4 |
| Rubber products | | 114,715 | 1.3 | | 84,419 | 1.2 | 75,156 1.1 |
| Glass and ceramic products | | 82,956 | 0.9 | | 73,413 | 1.0 | 65,671 1.0 |
| Iron and steel | | 196,031 | 2.2 | | 165,342 | 2.3 | 157,090 2.4 |
| Nonferrous metals | | 88,106 | 1.0 | | 76,466 | 1.1 | 68,111 1.0 |
| Metal products | | 42,579 | 0.5 | | 40,918 | 0.6 | 33,017 0.5 |
| Machinery | | 530,986 | 5.9 | | 430,179 | 6.0 | 390,225 5.8 |
| Electric appliances | | 1,048,614 | 11.6 | | 851,662 | 11.9 | 660,185 9.9 |
| Transportation equipment | | 1,612,561 | 17.8 | | 1,199,999 | 16.8 | 1,099,167 16.5 |
| Precision instruments | | 146,486 | 1.6 | | 116,989 | 1.6 | 91,751 1.4 |
| Other products | | 98,675 | 1.1 | | 79,368 | 1.1 | 68,854 1.0 |
| Electric power and gas | | 421,373 | 4.6 | | 382,850 | 5.4 | 342,035 5.1 |
| Transportation, information and communication | | | | | | | |
| Land transportation | | 585,584 | 6.5 | | 423,741 | 5.9 | 448,800 6.7 |
| Marine transportation | | 10,362 | 0.1 | | 10,106 | 0.1 | 10,480 0.2 |
| Air transportation | | 10,667 | 0.1 | | 8,132 | 0.1 | 7,836 0.1 |
| Warehousing and harbor transportation services | | 15,180 | 0.2 | | 12,967 | 0.2 | 10,743 0.2 |
| Information and communication | | 116,231 | 1.3 | | 110,456 | 1.5 | 94,819 1.4 |
| Trade and services | | | | | | | |
| Wholesale trade | | 290,651 | 3.2 | | 255,385 | 3.6 | 249,168 3.7 |
| Retail trade | | 235,532 | 2.6 | | 182,798 | 2.6 | 168,049 2.5 |
| Finance and insurance | | | | | | | |
| Banking | | 674,978 | 7.4 | | 617,460 | 8.6 | 654,061 9.8 |
| Securities and trading | | 67,913 | 0.7 | | 66,883 | 0.9 | 60,822 0.9 |
| Insurance | | 158,575 | 1.7 | | 104,032 | 1.5 | 98,350 1.5 |
| Other financial services | | 52,440 | 0.6 | | 45,131 | 0.6 | 36,912 0.6 |
| Real estate | | 51,900 | 0.6 | | 48,951 | 0.7 | 50,719 0.8 |
| Services | | 152,598 | 1.7 | | 106,059 | 1.5 | 100,211 1.5 |
| Total | | ¥9,075,285 | 100.0% | | ¥7,145,629 | 100.0% | ¥6,674,827 100.0% |

65. Loans (General Account)

| | | Millions of Yen | | |
|--|---|--------------------|--------------------|--------------------|
| As of March 31 | | 2015 | 2014 | 2013 |
| Policy loans | ¥ | 736,564 | ¥ 782,280 | ¥ 835,460 |
| Premium loans | | 55,310 | 60,605 | 66,298 |
| Policyholder loans | | 681,254 | 721,675 | 769,162 |
| Industrial and consumer loans | | 7,621,055 | 7,746,698 | 7,746,341 |
| [Loans to non-residents] | | [231,237] | [243,918] | [265,838] |
| Corporate loans—international and domestic | | 5,608,792 | 5,677,218 | 5,712,061 |
| [Corporate loans—domestic] | | [5,437,229] | [5,498,719] | [5,535,232] |
| Loans to national, international and government-affiliated organizations | | 41,672 | 47,500 | 76,400 |
| Loans to public entities | | 506,940 | 526,387 | 512,521 |
| Housing loans | | 889,896 | 906,647 | 911,156 |
| Consumer loans | | 498,781 | 523,768 | 495,764 |
| Other loans | | 74,971 | 65,176 | 38,436 |
| Total | | ¥ 8,357,620 | ¥ 8,528,979 | ¥ 8,581,801 |

66. Industrial and Consumer Loans by Maturity Dates (General Account)

| Millions of Yen | | | | | | | |
|-----------------------|-------------------|-----------------------------|------------------------------|------------------------------|-------------------------------|--|-------------------|
| | 1 year or under | Over 1 year through 3 years | Over 3 years through 5 years | Over 5 years through 7 years | Over 7 years through 10 years | Over 10 years (including loans with no fixed maturity) | Total |
| As of March 31 | 2015 | | | | | | |
| Fixed-rate loans | ¥ 863,149 | ¥1,662,482 | ¥1,141,116 | ¥ 952,917 | ¥ 916,989 | ¥1,726,317 | ¥7,262,972 |
| Variable-rate loans | 30,786 | 63,033 | 79,308 | 46,555 | 41,010 | 97,387 | 358,082 |
| Total loans | ¥ 893,935 | ¥1,725,515 | ¥1,220,424 | ¥ 999,473 | ¥ 957,999 | ¥1,823,705 | ¥7,621,055 |
| As of March 31 | 2014 | | | | | | |
| Fixed-rate loans | ¥ 881,181 | ¥1,542,418 | ¥1,340,672 | ¥ 970,970 | ¥1,000,083 | ¥1,657,930 | ¥7,393,258 |
| Variable-rate loans | 37,500 | 55,494 | 60,139 | 36,543 | 50,628 | 113,133 | 353,440 |
| Total loans | ¥ 918,681 | ¥1,597,913 | ¥1,400,812 | ¥1,007,514 | ¥1,050,712 | ¥1,771,064 | ¥7,746,698 |
| As of March 31 | 2013 | | | | | | |
| Fixed-rate loans | ¥ 967,092 | ¥1,549,340 | ¥1,403,652 | ¥ 875,336 | ¥1,102,125 | ¥1,465,956 | ¥7,363,503 |
| Variable-rate loans | 42,409 | 65,102 | 49,903 | 45,159 | 51,185 | 129,076 | 382,837 |
| Total loans | ¥1,009,501 | ¥1,614,443 | ¥1,453,556 | ¥ 920,495 | ¥1,153,311 | ¥1,595,033 | ¥7,746,341 |

67. Loans to Domestic Companies by Company Size (General Account)

| Number of Borrowers, Millions of Yen, % | | | | | | | |
|--|------------------------------|-------------------|---------------|--|-------------------|---------------|-------------------|
| As of March 31 | 2015 | | | | 2014 | | 2013 |
| Large companies | Number of borrowers | 950 | 39.9% | | 969 | 42.3% | 984 |
| | Amount of loans | ¥4,845,343 | 89.1 | | ¥4,959,238 | 90.2 | ¥5,034,444 |
| Medium-sized companies | Number of borrowers | 320 | 13.4 | | 322 | 14.0 | 319 |
| | Amount of loans | ¥ 74,449 | 1.4 | | ¥ 72,837 | 1.3 | ¥ 61,251 |
| Small companies | Number of borrowers | 1,110 | 46.6 | | 1,002 | 43.7 | 935 |
| | Amount of loans | ¥ 517,436 | 9.5 | | ¥ 466,644 | 8.5 | ¥ 439,537 |
| Total loans to domestic companies | Number of borrowers | 2,380 | 100.0 | | 2,293 | 100.0 | 2,238 |
| | Total amount of loans | ¥5,437,229 | 100.0% | | ¥5,498,719 | 100.0% | ¥5,535,232 |

Notes: 1. Classifications are defined as follows.

2. Number of borrowers is the number of borrowers identified by name and is not the number of loans.

| Industry Type | | | | |
|------------------------|--|--|---|--|
| Company size | 1. All industries (excluding 2-4) | | 2. Retail and restaurants | |
| Large companies | More than 300 employees and | Paid-in capital ¥1 billion or more | More than 50 employees and | Paid-in capital ¥1 billion or more |
| Medium-sized companies | More than 300 employees and | Paid-in capital between ¥0.3 billion and ¥1 billion | More than 50 employees and | Paid-in capital between ¥0.05 billion and ¥1 billion |
| Small companies | Paid-in capital under ¥0.3 billion or 300 employees or less | | Paid-in capital under ¥0.05 billion or 50 employees or less | |
| | 3. Services | | 4. Wholesale | |
| Large companies | More than 100 employees and | Paid-in capital ¥1 billion or more | More than 100 employees and | Paid-in capital ¥1 billion or more |
| Medium-sized companies | More than 100 employees and | Paid-in capital between ¥0.05 billion and ¥1 billion | More than 100 employees and | Paid-in capital between ¥0.1 billion and ¥1 billion |
| Small companies | Paid-in capital under ¥0.05 billion or 100 employees or less | | Paid-in capital under ¥0.1 billion or 100 employees or less | |

68. Breakdown of Industrial and Consumer Loans by Industry (General Account)

| | | Millions of Yen, % | | | | | |
|---|-------------------|--------------------|-------------------|---------------|-------------------|---------------|--|
| As of March 31 | 2015 | | 2014 | | 2013 | | |
| Domestic | | | | | | | |
| Manufacturing | ¥1,409,591 | 18.5% | ¥1,521,835 | 19.6% | ¥1,559,515 | 20.1% | |
| Food | 101,240 | 1.3 | 104,081 | 1.3 | 105,889 | 1.4 | |
| Textiles and apparel | 35,822 | 0.5 | 47,517 | 0.6 | 48,449 | 0.6 | |
| Wood, wood products | 1,901 | 0.0 | 1,807 | 0.0 | 1,686 | 0.0 | |
| Pulp and paper | 76,897 | 1.0 | 95,487 | 1.2 | 92,119 | 1.2 | |
| Printing | 19,968 | 0.3 | 20,358 | 0.3 | 21,362 | 0.3 | |
| Chemicals | 282,199 | 3.7 | 302,055 | 3.9 | 287,866 | 3.7 | |
| Oil and coal products | 77,913 | 1.0 | 81,058 | 1.0 | 80,314 | 1.0 | |
| Ceramics, soil and stone | 46,646 | 0.6 | 48,627 | 0.6 | 49,728 | 0.6 | |
| Iron and steel | 199,372 | 2.6 | 221,430 | 2.9 | 234,420 | 3.0 | |
| Nonferrous metals | 22,229 | 0.3 | 27,258 | 0.4 | 33,140 | 0.4 | |
| Metal products | 17,234 | 0.2 | 16,713 | 0.2 | 12,393 | 0.2 | |
| General purpose, production, and industrial machinery | 135,507 | 1.8 | 145,507 | 1.9 | 135,806 | 1.8 | |
| Electric appliances | 141,334 | 1.9 | 143,670 | 1.9 | 157,942 | 2.0 | |
| Transportation equipment | 206,716 | 2.7 | 220,003 | 2.8 | 247,424 | 3.2 | |
| Other manufacturing products | 44,606 | 0.6 | 46,258 | 0.6 | 50,971 | 0.7 | |
| Agriculture and forestry | — | — | 0 | 0.0 | 2 | 0.0 | |
| Fishery | 2,000 | 0.0 | 2,000 | 0.0 | 2,000 | 0.0 | |
| Mining, quarrying and gravel mining | 6,563 | 0.1 | 8,127 | 0.1 | 9,399 | 0.1 | |
| Construction | 43,209 | 0.6 | 44,531 | 0.6 | 41,944 | 0.5 | |
| Electric power, gas, heat supply and waterworks | 1,193,031 | 15.7 | 1,171,578 | 15.1 | 1,128,989 | 14.6 | |
| Information and communication | 174,606 | 2.3 | 183,073 | 2.4 | 189,541 | 2.4 | |
| Logistics and postal services | 714,449 | 9.4 | 719,674 | 9.3 | 726,274 | 9.4 | |
| Wholesale trade | 900,419 | 11.8 | 906,481 | 11.7 | 895,236 | 11.6 | |
| Retail trade | 53,115 | 0.7 | 53,113 | 0.7 | 55,417 | 0.7 | |
| Financing and insurance | 620,602 | 8.1 | 618,417 | 8.0 | 644,056 | 8.3 | |
| Real estate | 397,833 | 5.2 | 367,605 | 4.7 | 342,142 | 4.4 | |
| Rental and leasing services | 263,204 | 3.5 | 242,925 | 3.1 | 250,359 | 3.2 | |
| Professional, scientific, and technical services | 1,827 | 0.0 | 1,956 | 0.0 | 1,605 | 0.0 | |
| Lodging | 4,040 | 0.1 | 5,216 | 0.1 | 5,783 | 0.1 | |
| Restaurants | 3,752 | 0.0 | 4,637 | 0.1 | 5,583 | 0.1 | |
| Lifestyle and leisure | 25,738 | 0.3 | 27,499 | 0.4 | 12,408 | 0.2 | |
| Education and training | 1,815 | 0.0 | 2,311 | 0.0 | 2,544 | 0.0 | |
| Medical and welfare | 1,157 | 0.0 | 1,832 | 0.0 | 2,464 | 0.0 | |
| Other services | 4,013 | 0.1 | 3,857 | 0.0 | 3,539 | 0.0 | |
| Local organizations and public entities | 179,917 | 2.4 | 185,205 | 2.4 | 194,210 | 2.5 | |
| Individuals (residential/consumption/local taxes/other) | 1,388,924 | 18.2 | 1,430,896 | 18.5 | 1,407,479 | 18.2 | |
| Subtotal | 7,389,817 | 97.0 | 7,502,780 | 96.9 | 7,480,502 | 96.6 | |
| Overseas | | | | | | | |
| Governments and public entities | 59,674 | 0.8 | 65,419 | 0.8 | 89,009 | 1.1 | |
| Financial institutions | 20,000 | 0.3 | 25,000 | 0.3 | 25,000 | 0.3 | |
| Commerce and industry | 151,562 | 2.0 | 153,498 | 2.0 | 151,829 | 2.0 | |
| Subtotal | 231,237 | 3.0 | 243,918 | 3.1 | 265,838 | 3.4 | |
| Total loans | ¥7,621,055 | 100.0% | ¥7,746,698 | 100.0% | ¥7,746,341 | 100.0% | |

69. Breakdown of Industrial and Consumer Loans by Use (General Account)

| | | Millions of Yen, % | | | | | |
|---------------------|-------------------|--------------------|-------------------|---------------|-------------------|---------------|--|
| As of March 31 | 2015 | | 2014 | | 2013 | | |
| Capital investments | ¥2,621,040 | 34.4% | ¥2,683,384 | 34.6% | ¥2,703,280 | 34.9% | |
| Operations | 5,000,014 | 65.6 | 5,063,314 | 65.4 | 5,043,060 | 65.1 | |
| Total loans | ¥7,621,055 | 100.0% | ¥7,746,698 | 100.0% | ¥7,746,341 | 100.0% | |

70. Breakdown of Loans by Region (General Account)

| | | Millions of Yen, % | | | | | |
|----------------|-------------------|--------------------|-------------------|---------------|-------------------|---------------|--|
| As of March 31 | 2015 | | 2014 | | 2013 | | |
| Hokkaido | ¥ 66,391 | 1.2% | ¥ 69,699 | 1.3% | ¥ 62,788 | 1.1% | |
| Tohoku | 128,096 | 2.4 | 128,606 | 2.3 | 130,950 | 2.4 | |
| Kanto | 3,521,239 | 64.8 | 3,528,357 | 64.2 | 3,588,961 | 64.8 | |
| Chubu | 491,961 | 9.0 | 513,685 | 9.3 | 509,733 | 9.2 | |
| Kinki | 819,965 | 15.1 | 837,072 | 15.2 | 819,400 | 14.8 | |
| Chugoku | 138,481 | 2.5 | 151,576 | 2.8 | 146,981 | 2.7 | |
| Shikoku | 95,890 | 1.8 | 106,421 | 1.9 | 110,777 | 2.0 | |
| Kyushu | 175,203 | 3.2 | 163,300 | 3.0 | 165,638 | 3.0 | |
| Total | ¥5,437,229 | 100.0% | ¥5,498,719 | 100.0% | ¥5,535,232 | 100.0% | |

Notes: 1. Excludes personal loans, loans to nonresidents and policy loans.
2. Regional classifications are based on the location of the headquarters of borrowers.

71. Breakdown of Loans by Collateral (General Account)

| | | Millions of Yen, % | | | | | |
|--|-------------------|--------------------|-------------------|---------------|-------------------|---------------|--|
| As of March 31 | 2015 | | 2014 | | 2013 | | |
| Secured loans | ¥ 34,831 | 0.5% | ¥ 39,716 | 0.5% | ¥ 43,855 | 0.6% | |
| Loans secured by securities | 9,423 | 0.1 | 10,951 | 0.1 | 8,876 | 0.1 | |
| Loans secured by real estate, movables and foundations | 17,959 | 0.2 | 23,830 | 0.3 | 31,238 | 0.4 | |
| Loans secured by personal guarantees | 7,448 | 0.1 | 4,934 | 0.1 | 3,741 | 0.0 | |
| Guarantee loans | 199,716 | 2.6 | 214,906 | 2.8 | 233,555 | 3.0 | |
| Fiduciary loans | 5,997,829 | 78.7 | 6,061,660 | 78.2 | 6,062,009 | 78.3 | |
| Other loans | 1,388,678 | 18.2 | 1,430,415 | 18.5 | 1,406,920 | 18.2 | |
| Total loans | ¥7,621,055 | 100.0% | ¥7,746,698 | 100.0% | ¥7,746,341 | 100.0% | |
| Subordinated loans | ¥ 240,000 | 3.1% | ¥ 295,000 | 3.8% | ¥ 327,000 | 4.2% | |

72. Appraisal Value of Real Estate (General Account)

| | | Billions of Yen | | |
|------------------------------------|------------|-----------------|---------------|----------------|
| As of March 31 | | 2015 | 2014 | 2013 |
| Land and land lease rights | | | | |
| Balance sheet amount | | ¥1,252.8 | ¥1,266.1 | ¥1,224.1 |
| Fair value (appraisal value) | | 1,312.1 | 1,257.0 | 1,170.8 |
| Net unrealized gains/losses | 1 | 59.3 | (9.0) | (53.3) |
| Gain | | 227.9 | 179.4 | 153.8 |
| Loss | | (168.6) | (188.5) | (207.1) |
| Revaluation differences | 2 | 26.7 | 42.6 | 44.6 |
| | 1+2 | ¥ 86.0 | ¥ 33.6 | ¥ (8.6) |

Notes: 1. Appraisal value is based on the value of land disclosed to the public.
2. In accordance with the Act on Revaluation of Land, business-use land was revalued and net valuation gains/losses were recorded on the balance sheets.
3. For revaluation differences in note 2, the difference between the amount revalued and the historical cost, net of tax, has been credited to revaluation reserve for land in net assets, resulting in deferred tax liabilities for land revaluation being included in liabilities.

73. Amount of Real Estate and Numbers Held (General Account)

| Millions of Yen, Number of Buildings | | | |
|---|-------------------|-------------------|-------------------|
| As of March 31 | 2015 | 2014 | 2013 |
| Amount of real estate | ¥1,696,561 | ¥1,702,455 | ¥1,660,045 |
| For business operations | 616,600 | 631,913 | 633,049 |
| For lease | 1,079,961 | 1,070,541 | 1,026,995 |
| Number of buildings held for leasing | 333 | 339 | 359 |

Note: Amount of real estate is recorded as the total of land, buildings and construction in progress.

74. Tangible Fixed Assets (General Account)

| Millions of Yen, % | | | | | | | |
|-----------------------------------|--------------------------------|----------------------------|------------------------------|--------------------------------|----------------------------------|--------------------------|-------------------------------------|
| | Ending balance of prior period | Increase in current period | Decrease in current period | Depreciation in current period | Ending balance of current period | Accumulated depreciation | Accumulated depreciation percentage |
| Fiscal year ended March 31 | 2015 | | | | | | |
| Land | ¥1,185,348 | ¥ 8,522 | ¥ 20,248 [15,547] | ¥ — | ¥1,173,623 | ¥ — | —% |
| Buildings | 474,175 | 67,170 | 3,912 [2,871] | 22,481 | 514,952 | 1,095,261 | 68.0 |
| Lease assets | 3,740 | 2,997 | 28 | 1,701 | 5,007 | 6,487 | 56.4 |
| Construction in progress | 42,930 | 34,582 | 69,527 | — | 7,985 | — | — |
| Other tangible fixed assets | 12,020 | 3,119 | 333 | 3,127 | 11,679 | 58,012 | 83.2 |
| Total | ¥1,718,217 | ¥116,391 | ¥ 94,048 [18,418] | ¥27,311 | ¥1,713,248 | ¥1,159,761 | —% |
| Of which assets are being leased | ¥1,088,798 | ¥53,575 | ¥ 24,707 [18,054] | ¥14,847 | ¥1,102,818 | ¥ 727,718 | —% |
| Fiscal year ended March 31 | 2014 | | | | | | |
| Land | ¥1,144,344 | ¥ 66,456 | ¥ 25,452 [2,848] | ¥ — | ¥1,185,348 | ¥ — | —% |
| Buildings | 484,567 | 21,801 | 9,364 [1,865] | 22,829 | 474,175 | 1,068,889 | 69.3 |
| Lease assets | 2,713 | 2,431 | 30 | 1,373 | 3,740 | 7,726 | 67.4 |
| Construction in progress | 31,132 | 35,838 | 24,040 | — | 42,930 | — | — |
| Other tangible fixed assets | 13,543 | 2,538 | 145 | 3,915 | 12,020 | 56,251 | 82.4 |
| Total | ¥1,676,301 | ¥129,066 | ¥ 59,033 [4,714] | ¥28,118 | ¥1,718,217 | ¥1,132,867 | —% |
| Of which assets are being leased | ¥1,047,120 | ¥ 92,580 | ¥ 35,938 [4,553] | ¥14,963 | ¥1,088,798 | ¥ 708,228 | —% |
| Fiscal year ended March 31 | 2013 | | | | | | |
| Land | ¥1,198,419 | ¥ 9,772 | ¥ 63,848 [10,772] | ¥ — | ¥1,144,344 | ¥ — | —% |
| Buildings | 515,114 | 19,290 | 13,627 [5,693] | 36,209 | 484,567 | 1,072,295 | 68.9 |
| Lease assets | 3,205 | 1,067 | — | 1,560 | 2,713 | 6,410 | 70.3 |
| Construction in progress | 13,500 | 42,025 | 24,392 | — | 31,132 | — | — |
| Other tangible fixed assets | 20,163 | 1,814 | 797 | 7,636 | 13,543 | 54,287 | 80.0 |
| Total | ¥1,750,402 | ¥ 73,971 | ¥102,666 [16,466] | ¥45,406 | ¥1,676,301 | ¥1,132,993 | —% |
| Of which assets are being leased | ¥1,088,462 | ¥ 38,065 | ¥ 55,913 [15,493] | ¥23,494 | ¥1,047,120 | ¥ 716,278 | —% |

Notes: 1. Figures in brackets under the decrease in current period column indicate impairment losses.

2. The accumulated depreciation percentage shows the accumulated depreciation versus acquisition cost.

3. Investment and rental properties shown in "Increase in current period" and "Decrease in current period" include those occurring due to changes in application.

75. Gain and Loss on Disposals of Fixed Assets (General Account)

| Millions of Yen | | | | | | |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Fiscal years ended March 31 | 2015 | | 2014 | | 2013 | |
| | Gain | Loss | Gain | Loss | Gain | Loss |
| Tangible fixed assets | ¥4,024 | ¥3,176 | ¥2,750 | ¥5,937 | ¥4,138 | ¥28,777 |
| Land | 3,286 | 702 | 1,950 | 2,858 | 2,724 | 23,160 |
| Buildings | 717 | 2,103 | 795 | 2,922 | 1,405 | 4,718 |
| Lease assets | — | — | — | — | — | — |
| Other assets | 20 | 370 | 4 | 156 | 8 | 898 |
| Intangible fixed assets | 0 | 95 | — | 79 | — | 2,116 |
| Others | — | 151 | — | 235 | — | 236 |
| Total | ¥4,025 | ¥3,423 | ¥2,750 | ¥6,252 | ¥4,138 | ¥31,130 |
| Of which assets are being leased | ¥3,890 | ¥ 851 | ¥2,497 | ¥3,312 | ¥4,045 | ¥15,624 |

76. Depreciation of Rental Real Estate and Other Assets (General Account)

| Millions of Yen, % | | | | | |
|-----------------------------------|-------------------|--------------------------------|--------------------------|----------------------------------|-------------------------------------|
| | Acquisition cost | Depreciation in current period | Accumulated depreciation | Balance at end of current period | Accumulated depreciation percentage |
| Fiscal year ended March 31 | 2015 | | | | |
| Tangible fixed assets | ¥1,066,315 | ¥15,086 | ¥732,714 | ¥333,600 | 68.7% |
| Buildings | 1,056,512 | 14,847 | 723,623 | 332,888 | 68.5 |
| Lease assets | 27 | 3 | 8 | 18 | 31.0 |
| Others | 9,776 | 235 | 9,082 | 693 | 92.9 |
| Intangible fixed assets | 1 | 0 | 0 | 0 | 23.3 |
| Other assets | 4,032 | 220 | 1,966 | 2,066 | 48.8 |
| Total | ¥1,070,348 | ¥15,307 | ¥734,681 | ¥335,667 | 68.6% |
| Fiscal year ended March 31 | 2014 | | | | |
| Tangible fixed assets | ¥1,028,609 | ¥15,200 | ¥715,129 | ¥313,480 | 69.5% |
| Buildings | 1,018,984 | 14,962 | 706,185 | 312,799 | 69.3 |
| Lease assets | 9 | 1 | 5 | 4 | 52.4 |
| Others | 9,614 | 235 | 8,938 | 675 | 93.0 |
| Intangible fixed assets | 1 | 0 | 0 | 1 | 3.3 |
| Other assets | 4,315 | 209 | 2,908 | 1,406 | 67.4 |
| Total | ¥1,032,926 | ¥15,410 | ¥718,038 | ¥314,887 | 69.5% |
| Fiscal year ended March 31 | 2013 | | | | |
| Tangible fixed assets | ¥1,041,335 | ¥23,738 | ¥721,337 | ¥319,997 | 69.3% |
| Buildings | 1,031,393 | 23,493 | 712,242 | 319,151 | 69.1 |
| Lease assets | 9 | 1 | 3 | 6 | 38.1 |
| Others | 9,931 | 243 | 9,092 | 839 | 91.5 |
| Intangible fixed assets | — | — | — | — | — |
| Other assets | 4,332 | 215 | 2,715 | 1,617 | 62.7 |
| Total | ¥1,045,667 | ¥23,954 | ¥724,053 | ¥321,614 | 69.2% |

77. Status of Overseas Loans and Investments (General Account)

1. Breakdown by asset composition

| | | Millions of Yen, % | | | | | |
|---|--------------------|--------------------|--------------------|---------------|--------------------|---------------|--|
| As of March 31 | 2015 | | 2014 | | 2013 | | |
| Foreign currency-denominated assets | | | | | | | |
| Foreign bonds | ¥11,212,767 | 66.6% | ¥ 9,232,001 | 63.9% | ¥ 8,671,195 | 63.2% | |
| Foreign stocks | 595,818 | 3.5 | 449,969 | 3.1 | 443,450 | 3.2 | |
| Cash, deposits and other assets | 2,170,170 | 12.9 | 1,990,892 | 13.8 | 1,795,860 | 13.1 | |
| Subtotal | 13,978,755 | 83.0 | 11,672,863 | 80.8 | 10,910,506 | 79.6 | |
| Foreign currency-denominated assets with fixed yen value | | | | | | | |
| Foreign bonds | — | — | — | — | — | — | |
| Cash, deposits and other assets | 231,775 | 1.4 | 205,128 | 1.4 | 161,059 | 1.2 | |
| Subtotal | 231,775 | 1.4 | 205,128 | 1.4 | 161,059 | 1.2 | |
| Japanese yen-denominated assets | | | | | | | |
| Loans to nonresidents | 109,456 | 0.7 | 121,112 | 0.8 | 144,801 | 1.1 | |
| Foreign bonds and other assets | 2,515,279 | 14.9 | 2,454,649 | 17.0 | 2,493,379 | 18.2 | |
| Subtotal | 2,624,736 | 15.6 | 2,575,762 | 17.8 | 2,638,180 | 19.2 | |
| Net overseas loans and investment | ¥16,835,268 | 100.0% | ¥14,453,753 | 100.0% | ¥13,709,746 | 100.0% | |

Note: Foreign currency-denominated assets with fixed yen value are recorded under assets on the balance sheets at 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 | | | | | | | |
| | | | | Bonds | | Stocks and other securities | | Loans to non-residents | |
| | | Value | Percent | Value | Percent | Value | Percent | Value | Percent |
| As of March 31 | | 2015 | | | | | | | |
| North America | ¥ 6,703,628 | 41.5% | ¥ 6,270,878 | 51.9% | ¥ 432,750 | 10.6% | ¥126,780 | 54.8% | |
| Europe | 5,277,256 | 32.7 | 4,591,362 | 38.0 | 685,894 | 16.9 | 53,000 | 22.9 | |
| Oceania | 410,287 | 2.5 | 407,332 | 3.4 | 2,955 | 0.1 | 5,163 | 2.2 | |
| Asia | 535,297 | 3.3 | 257,012 | 2.1 | 278,284 | 6.8 | 1,000 | 0.4 | |
| Central and South America | 3,030,181 | 18.8 | 362,455 | 3.0 | 2,667,726 | 65.6 | 13,691 | 5.9 | |
| Middle East | — | — | — | — | — | — | — | — | |
| Africa | — | — | — | — | — | — | 5,101 | 2.2 | |
| International organizations | 188,254 | 1.2 | 188,254 | 1.6 | — | — | 26,500 | 11.5 | |
| Total | ¥16,144,907 | 100.0% | ¥12,077,295 | 100.0% | ¥4,067,611 | 100.0% | ¥231,237 | 100.0% | |
| As of March 31 | | 2014 | | | | | | | |
| North America | ¥ 5,305,121 | 38.2% | ¥ 4,958,728 | 48.5% | ¥ 346,393 | 9.5% | ¥122,805 | 50.3% | |
| Europe | 4,794,367 | 34.6 | 4,226,700 | 41.3 | 567,667 | 15.6 | 58,000 | 23.8 | |
| Oceania | 428,460 | 3.1 | 425,287 | 4.2 | 3,172 | 0.1 | 5,503 | 2.3 | |
| Asia | 355,667 | 2.6 | 178,651 | 1.7 | 177,016 | 4.8 | 1,070 | 0.4 | |
| Central and South America | 2,796,817 | 20.2 | 240,916 | 2.4 | 2,555,900 | 70.0 | 18,821 | 7.7 | |
| Middle East | — | — | — | — | — | — | — | — | |
| Africa | — | — | — | — | — | — | 5,717 | 2.3 | |
| International organizations | 195,589 | 1.4 | 195,589 | 1.9 | — | — | 32,000 | 13.1 | |
| Total | ¥13,876,024 | 100.0% | ¥10,225,874 | 100.0% | ¥3,650,150 | 100.0% | ¥243,918 | 100.0% | |
| As of March 31 | | 2013 | | | | | | | |
| North America | ¥ 5,362,591 | 40.6% | ¥ 5,043,477 | 51.4% | ¥ 319,114 | 9.4% | ¥131,037 | 49.3% | |
| Europe | 4,244,925 | 32.2 | 3,814,799 | 38.8 | 430,126 | 12.7 | 61,400 | 23.1 | |
| Oceania | 415,465 | 3.1 | 412,242 | 4.2 | 3,223 | 0.1 | 5,843 | 2.2 | |
| Asia | 301,301 | 2.3 | 130,996 | 1.3 | 170,304 | 5.0 | 185 | 0.1 | |
| Central and South America | 2,700,068 | 20.5 | 245,084 | 2.5 | 2,454,983 | 72.7 | 19,139 | 7.2 | |
| Middle East | — | — | — | — | — | — | — | — | |
| Africa | — | — | — | — | — | — | 6,333 | 2.4 | |
| International organizations | 174,395 | 1.3 | 174,395 | 1.8 | — | — | 41,900 | 15.8 | |
| Total | ¥13,198,749 | 100.0% | ¥ 9,820,996 | 100.0% | ¥3,377,752 | 100.0% | ¥265,838 | 100.0% | |

Note: Applies only to foreign securities and loans to nonresidents among overseas investments.

77. Status of Overseas Loans and Investments (General Account), continued

3. Composition of foreign currency-denominated assets by currency

| Millions of Yen, % | | | | | | |
|--|--------------------|---------------|--------------------|---------------|--------------------|---------------|
| As of March 31 | 2015 | | 2014 | | 2013 | |
| U.S. dollar | ¥ 8,130,597 | 58.2% | ¥ 6,369,488 | 54.6% | ¥ 6,222,480 | 57.0% |
| Euro | 2,809,501 | 20.1 | 2,567,863 | 22.0 | 2,023,973 | 18.6 |
| British pound | 1,751,142 | 12.5 | 1,469,250 | 12.6 | 1,349,129 | 12.4 |
| Australian dollar | 543,266 | 3.9 | 688,684 | 5.9 | 791,527 | 7.3 |
| Polish zloty | 338,355 | 2.4 | 340,169 | 2.9 | 295,751 | 2.7 |
| Hong Kong dollar | 116,678 | 0.8 | 76,693 | 0.7 | 65,767 | 0.6 |
| Others | 289,213 | 2.1 | 160,713 | 1.4 | 161,876 | 1.5 |
| Net foreign currency-denominated assets | ¥13,978,755 | 100.0% | ¥11,672,863 | 100.0% | ¥10,910,506 | 100.0% |

Note: The six currencies are broken down and shown by rank in terms of their outstanding balance as of March 31, 2015.

78. Yield on Overseas Loans and Investments (General Account)

| % | | | |
|---|-------|-------|-------|
| Fiscal years ended March 31 | 2015 | 2014 | 2013 |
| Yield on overseas loans and investments | 3.66% | 2.98% | 3.35% |

Notes: 1. Yield is calculated by dividing investment income less investment expenses by the daily average balance based on book value.
2. Overseas loans and investments are the total of assets denominated in foreign currencies and Japanese yen.

79. Summary of New Public Sector Investment Underwriting and Loans (General Account)

| Millions of Yen, % | | | | | | | |
|-----------------------------|----------------------------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
| Fiscal years ended March 31 | | 2015 | | 2014 | | 2013 | |
| Public bonds | National government bonds | ¥183,369 | 91.7% | ¥182,033 | 94.3% | ¥232,369 | 97.8% |
| | Local government bonds | — | — | — | — | — | — |
| | Government-guaranteed bonds | — | — | — | — | — | — |
| | Subtotal | 183,369 | 91.7 | 182,033 | 94.3 | 232,369 | 97.8 |
| Loans | Public corporations and agencies | 6,322 | 3.2 | 3,430 | 1.8 | 4,115 | 1.7 |
| | Other public entities | 10,340 | 5.2 | 7,509 | 3.9 | 1,076 | 0.5 |
| | Subtotal | 16,662 | 8.3 | 10,939 | 5.7 | 5,191 | 2.2 |
| Total | | ¥200,031 | 100.0% | ¥192,972 | 100.0% | ¥237,560 | 100.0% |

80. Breakdown of Other Assets (General Account)

| Millions of Yen | | | | | |
|-----------------------------------|------------------|----------------------------|----------------------------|--------------------------|----------------------------------|
| | Acquisition cost | Increase in current period | Decrease in current period | Accumulated depreciation | Balance at end of current period |
| Fiscal year ended March 31 | | | | | |
| | 2015 | | | | |
| Deferred assets | ¥ 6,290 | ¥1,586 | ¥ 121 | ¥4,070 | ¥ 3,684 |
| Others | 8,704 | 1,896 | 1,789 | 2,643 | 6,168 |
| Total | ¥14,995 | ¥3,482 | ¥ 1,910 | ¥6,714 | ¥ 9,852 |
| Fiscal year ended March 31 | | | | | |
| | 2014 | | | | |
| Deferred assets | ¥ 7,645 | ¥ 574 | ¥ 104 | ¥5,130 | ¥ 2,984 |
| Others | 9,695 | 1,612 | 2,600 | 2,638 | 6,067 |
| Total | ¥17,340 | ¥2,186 | ¥ 2,704 | ¥7,769 | ¥ 9,052 |
| Fiscal year ended March 31 | | | | | |
| | 2013 | | | | |
| Deferred assets | ¥ 8,430 | ¥ 391 | ¥ 159 | ¥5,369 | ¥ 3,293 |
| Others | 18,387 | 2,105 | 10,797 | 2,969 | 6,725 |
| Total | ¥26,817 | ¥2,496 | ¥10,956 | ¥8,338 | ¥10,019 |

81. Loan Interest Rates

| | | | | | | | | | | | | Dates, % | | |
|--|--|---------------------------|--|-----------|--|-----------|---|------|---------------------------|--|---|-----------|-----------|--|
| Type of loan | | | | | | | | | | | | | | |
| Prime rate (extra long-term 10-year prime rate loans) | Prime rate (long-term prime rate loans) | Housing loans | | | | | | | | Consumer loans | | | | |
| | | Fixed interest rate | Variable interest rate optional with fixed interest rate | | Variable interest rate (long-term loans) | | Variable interest rate (short-term loans) | | Fixed interest rate | Variable interest rate (long-term loans) | Variable interest rate (short-term loans) | | | |
| Fiscal year ending March 31 | | 2016 | | | | | | | | | | | | |
| | | 4/1 | 3.32–4.25 | | | | | | | | | | | |
| Fiscal year ending March 31 | | 2015 | | | | | | | | | | | | |
| | | 4/1 | 3.62–4.28 | | 4/1 | 2.97–3.96 | | | | 4/1 | 3.62–3.96 | | | |
| | 7/10 | 1.15 | | | | | | | | | | | | |
| | | 8/1 | 3.57–4.28 | | 8/1 | 2.92–3.96 | | 8/1 | 1.15 | | 8/1 | 3.57–3.96 | | |
| | | 10/1 | 3.45–4.28 | | 10/1 | 2.80–3.96 | | | | 10/1 | 3.45–3.96 | | | |
| | 12/10 | 1.10 | | | | | | | | | | | | |
| | | 1/1 | 3.40–4.23 | | 1/1 | 2.80–3.91 | | 1/1 | 1.10 | | 1/1 | 3.40–3.91 | | |
| | 1/9 | 1.05 | | | | | | | | | | | | |
| | | 2/1 | 3.32–4.15 | | 2/1 | 2.67–3.83 | | 2/1 | 1.05 | | 2/1 | 3.32–4.15 | | |
| | 2/10 | 1.15 | | | | | | | | | | | | |
| | | | | | | | | 3/1 | 1.15 | | 3/1 | 1.45 | | |
| Fiscal year ending March 31 | | 2014 | | | | | | | | | | | | |
| 4/10 | 1.30 | 4/10 | 1.20 | | | | | | | | | | | |
| | | | | | | | 4/17 | 1.20 | | | 4/17 | 1.50 | | |
| 5/10 | 1.35 | 5/10 | 1.25 | | | | | | | | | | | |
| | | | | | | | 5/17 | 1.25 | | | 5/17 | 1.55 | | |
| 6/11 | 1.40 | 6/11 | 1.30 | | | | | | | | | | | |
| | | | 6/18 | 3.76–4.37 | | 6/18 | 3.11–4.05 | | 6/18 | 1.30 | | 6/18 | 3.76–4.05 | |
| 7/10 | 1.45 | 7/10 | 1.35 | | | | | | | | | | | |
| | | | 7/18 | 3.81–4.42 | | 7/18 | 3.16–4.10 | | 7/18 | 1.35 | | 7/18 | 3.81–4.10 | |
| 8/9 | 1.40 | 8/9 | 1.30 | | | | | | | | | | | |
| | | | | | | | 8/16 | 1.30 | | | 8/16 | 1.60 | | |
| | | | 9/18 | 3.71–4.37 | | 9/18 | 3.06–4.05 | | | | 9/18 | 3.71–4.05 | | |
| 10/1 | — | | | | | | | | | | | | | |
| | | 10/10 | 1.20 | | | | | | | | | | | |
| | | | 11/1 | 3.69–4.35 | | 11/1 | 3.04–4.03 | | 11/1 | 1.20 | | 11/1 | 3.69–4.03 | |
| | | | 12/1 | 3.59–4.35 | | 12/1 | 2.94–4.03 | | | | 12/1 | 3.59–4.03 | | |
| | 1/10 | 1.25 | | | | | | | | | | | | |
| | | | 2/1 | 3.69–4.35 | | 2/1 | 3.04–4.03 | | 2/1 | 1.25 | | 2/1 | 3.69–4.03 | |
| | 2/12 | 1.20 | | | | | | | | | | | | |
| | | | | | | | 3/1 | 1.20 | | | 3/1 | 1.50 | | |
| Fiscal year ending March 31 | | 2013 | | | | | | | | | | | | |
| | | | 4/17 | 3.97–4.43 | | 4/17 | 3.14–4.11 | | | | 4/17 | 3.97–4.11 | | |
| 5/10 | 1.40 | 5/10 | 1.30 | | | | | | | | | | | |
| | | | 5/17 | 3.92–4.38 | | 5/17 | 3.14–4.06 | | 5/17 | 1.30 | | 5/17 | 3.92–4.06 | |
| | | | 6/15 | 3.86–4.32 | | 6/15 | 3.14–4.00 | | | | 6/15 | 3.86–4.00 | | |
| 7/10 | 1.35 | 7/10 | 1.25 | | | | | | | | | | | |
| | | | 7/18 | 3.81–4.27 | | 7/18 | 3.14–3.95 | | 7/18 | 1.25 | | 7/18 | 3.81–3.95 | |
| 11/9 | 1.30 | 11/9 | 1.20 | | | | | | | | | | | |
| | | | | | | | 11/16 | 1.20 | | | 11/16 | 1.50 | | |
| | | | 12/18 | 3.66–4.22 | | 12/18 | 3.01–3.90 | | | | 12/18 | 3.66–3.90 | | |
| 2/8 | 1.25 | 2/8 | 1.15 | | | | | | | | | | | |
| | | | 2/18 | 3.66–4.27 | | 2/18 | 3.01–3.95 | | 2/18 | 1.15 | | 2/18 | 3.66–3.95 | |
| | | | | | | | | | | | | *2.475 | *2.775 | |

Notes: 1. The prime rate (extra long-term 10-year prime rate loans) is shown as a standard rate for fixed interest rate loans with loan periods in excess of five years, which was converged as of September 30, 2013.

2. Fixed interest rates for housing loans and consumer loans are set at interest rates according to the lending period.

3. For housing loans, variable interest rates optional with fixed interest rates are set according to the fixed interest rate period of 2, 3, 5, 10 or 15 years.

4. Housing loan interest rates show interest rates at the time of initial lending.

5. Housing loan interest rates include group credit life insurance warranty fees.

6. Consumer loans show traditional mortgage-backed loans.

* January 19, 2009.

SECURITIES INDICATORS (GENERAL ACCOUNT)

82. Fair Value of Securities (General Account)

1. Net valuation gains/losses of trading securities

No net valuation gains/losses as of March 31, 2015, 2014 or 2013.

2. Fair value information of securities (with fair value, other than trading securities)

Millions of Yen

| As of March 31 | 2015 | | | | | 2014 | | | | |
|--|--------------------|--------------------|--------------------|--------------------|------------------|--------------------|--------------------|-------------------|-------------------|-------------------|
| Types of securities | Book value | Fair value | Net gains/ losses | Gains | Losses | Book value | Fair value | Net gains/ losses | Gains | Losses |
| Policy-reserve-matching bonds | ¥20,673,896 | ¥23,292,429 | ¥ 2,618,532 | ¥ 2,618,977 | ¥ (444) | ¥20,136,376 | ¥21,936,386 | ¥1,800,009 | ¥1,808,748 | ¥ (8,738) |
| Held-to-maturity debt securities | — | — | — | — | — | — | — | — | — | — |
| Investments in subsidiaries and affiliates | 7,711 | 37,474 | 29,763 | 29,763 | — | 7,711 | 61,779 | 54,068 | 54,068 | — |
| Available-for-sale securities | 19,337,667 | 27,722,703 | 8,385,035 | 8,419,299 | (34,263) | 18,015,822 | 22,677,237 | 4,661,415 | 4,779,182 | (117,767) |
| Domestic bonds | 2,355,340 | 2,512,314 | 156,973 | 157,781 | (807) | 2,056,317 | 2,155,038 | 98,721 | 99,802 | (1,081) |
| Domestic stocks | 3,944,517 | 8,936,459 | 4,991,942 | 5,015,264 | (23,321) | 4,081,909 | 6,911,256 | 2,829,346 | 2,923,269 | (93,923) |
| Foreign securities | 11,889,668 | 15,009,565 | 3,119,897 | 3,129,530 | (9,633) | 11,109,726 | 12,793,176 | 1,683,449 | 1,704,975 | (21,525) |
| Foreign bonds | 9,752,012 | 12,005,458 | 2,253,446 | 2,255,097 | (1,651) | 9,031,217 | 10,143,846 | 1,112,629 | 1,131,575 | (18,945) |
| Foreign stocks and other securities | 2,137,655 | 3,004,106 | 866,451 | 874,432 | (7,981) | 2,078,509 | 2,649,329 | 570,820 | 573,399 | (2,579) |
| Other securities | 806,288 | 922,498 | 116,209 | 116,705 | (496) | 504,806 | 554,709 | 49,902 | 51,134 | (1,231) |
| Monetary receivables purchased | 38,852 | 38,866 | 13 | 16 | (2) | 28,061 | 28,057 | (4) | — | (4) |
| Negotiable certificates of deposit | 303,000 | 302,999 | (0) | 0 | (1) | 235,000 | 234,999 | (0) | 0 | (0) |
| Total | ¥40,019,275 | ¥51,052,607 | ¥11,033,331 | ¥11,068,039 | ¥(34,707) | ¥38,159,910 | ¥44,675,402 | ¥6,515,492 | ¥6,641,999 | ¥(126,506) |
| Domestic bonds | 22,497,508 | 25,233,003 | 2,735,494 | 2,736,685 | (1,191) | 21,568,091 | 23,421,564 | 1,853,472 | 1,863,225 | (9,752) |
| Domestic stocks | 3,944,517 | 8,936,459 | 4,991,942 | 5,015,264 | (23,321) | 4,081,909 | 6,911,256 | 2,829,346 | 2,923,269 | (93,923) |
| Foreign securities | 11,969,216 | 15,122,920 | 3,153,703 | 3,163,337 | (9,633) | 11,199,464 | 12,940,877 | 1,741,412 | 1,762,938 | (21,526) |
| Foreign bonds | 9,823,849 | 12,081,339 | 2,257,489 | 2,259,141 | (1,651) | 9,113,244 | 10,229,768 | 1,116,523 | 1,135,470 | (18,946) |
| Foreign stocks and other securities | 2,145,366 | 3,041,580 | 896,214 | 904,196 | (7,981) | 2,086,220 | 2,711,108 | 624,888 | 627,467 | (2,579) |
| Other securities | 806,288 | 922,498 | 116,209 | 116,705 | (496) | 504,806 | 554,709 | 49,902 | 51,134 | (1,231) |
| Monetary receivables purchased | 498,744 | 534,726 | 35,982 | 36,045 | (63) | 570,636 | 611,996 | 41,359 | 41,430 | (70) |
| Negotiable certificates of deposit | 303,000 | 302,999 | (0) | 0 | (1) | 235,000 | 234,999 | (0) | 0 | (0) |

| As of March 31 | 2013 | | | | |
|--|--------------------|--------------------|-------------------|-------------------|-------------------|
| Types of securities | Book value | Fair value | Net gains/ losses | Gains | Losses |
| Policy-reserve-matching bonds | ¥19,603,424 | ¥21,659,962 | ¥2,056,538 | ¥2,065,986 | ¥ (9,448) |
| Held-to-maturity debt securities | — | — | — | — | — |
| Investments in subsidiaries and affiliates | 7,711 | 44,436 | 36,725 | 36,725 | — |
| Available-for-sale securities | 17,673,517 | 21,305,305 | 3,631,788 | 3,913,256 | (281,467) |
| Domestic bonds | 1,968,345 | 2,067,063 | 98,718 | 100,561 | (1,843) |
| Domestic stocks | 4,305,831 | 6,437,752 | 2,131,920 | 2,392,688 | (260,767) |
| Foreign securities | 10,667,428 | 12,034,602 | 1,367,174 | 1,381,580 | (14,406) |
| Foreign bonds | 8,754,592 | 9,739,153 | 984,560 | 996,678 | (12,117) |
| Foreign stocks and other securities | 1,912,835 | 2,295,449 | 382,614 | 384,902 | (2,288) |
| Other securities | 374,619 | 408,607 | 33,987 | 38,425 | (4,437) |
| Monetary receivables purchased | 58,291 | 58,281 | (10) | — | (10) |
| Negotiable certificates of deposit | 299,000 | 298,997 | (2) | 0 | (2) |
| Total | ¥37,284,652 | ¥43,009,704 | ¥5,725,051 | ¥6,015,967 | ¥(290,916) |
| Domestic bonds | 20,791,887 | 22,888,875 | 2,096,988 | 2,107,804 | (10,816) |
| Domestic stocks | 4,305,831 | 6,437,752 | 2,131,920 | 2,392,688 | (260,767) |
| Foreign securities | 10,756,982 | 12,165,246 | 1,408,263 | 1,422,672 | (14,408) |
| Foreign bonds | 8,836,436 | 9,825,360 | 988,923 | 1,001,044 | (12,120) |
| Foreign stocks and other securities | 1,920,546 | 2,339,885 | 419,339 | 421,627 | (2,288) |
| Other securities | 374,619 | 408,607 | 33,987 | 38,425 | (4,437) |
| Monetary receivables purchased | 756,331 | 810,224 | 53,893 | 54,377 | (483) |
| Negotiable certificates of deposit | 299,000 | 298,997 | (2) | 0 | (2) |

Note: The above table includes securities that are deemed appropriate as securities under the Financial Instruments and Exchange Act in Japan.

82. Fair Value of Securities (General Account), continued

2. Fair value information of securities (with fair value, other than trading securities), continued

Book value of securities without fair value

| | | Millions of Yen | | |
|--|-------------------|-------------------|-------------------|--|
| As of March 31 | 2015 | 2014 | 2013 | |
| Policy-reserve-matching bonds | ¥ — | ¥ — | ¥ — | |
| Held-to-maturity debt securities | — | — | — | |
| Unlisted foreign bonds | — | — | — | |
| Others | — | — | — | |
| Investments in subsidiaries and affiliates | 292,859 | 231,983 | 285,945 | |
| Available-for-sale securities | 899,785 | 994,216 | 1,043,347 | |
| Unlisted domestic stocks (excluding over-the-counter stocks) | 101,002 | 196,549 | 199,242 | |
| Unlisted foreign stocks (excluding over-the-counter stocks) | 587,413 | 622,487 | 682,492 | |
| Unlisted foreign bonds | — | — | — | |
| Others | 211,370 | 175,179 | 161,612 | |
| Total | ¥1,192,645 | ¥1,226,199 | ¥1,329,292 | |

Note: Of securities without fair value, net gains (net losses) on foreign exchange valuation of assets denominated in foreign currencies were as follows: As of March 31, 2015: ¥82,167 million; March 31, 2014: ¥42,893 million; and March 31, 2013: ¥(100) million.

83. Fair Value of Assets Held in Trust (General Account)

No ending balance as of March 31, 2015, 2014 or 2013.

Assets held in trust for investment

No ending balance as of March 31, 2015, 2014 or 2013.

Assets held in trust classified as policy-reserve-matching, held-to-maturity, and others

No ending balance as of March 31, 2015, 2014 or 2013.

84. Qualitative Information on Derivative Transactions (General Account)

1. Transaction details

The following are derivative transactions that the Company uses:

| | |
|-------------------|--|
| Interest-related: | Interest futures, interest swaps, and swaptions |
| Currency-related: | Exchange contracts, currency options, and currency swaps |
| Stock-related: | Stock price index futures, stock price index options, and stock options |
| Bond-related: | Bond futures, bond futures options, and bond sales with attached options |

2. Policy

Given its goal of achieving efficient asset investment, the Company mainly uses derivatives for the purpose of controlling investment risks.

3. Purpose

The Company mainly uses derivatives to hedge market risk exposures related to investment assets in order to ensure stable profit from assets entrusted to the Company by its policyholders.

4. Risk details

The derivative transactions the Company conducts involve market risks (fluctuations in interest rates, stock prices, currency exchange rates, etc.) and credit risks (transaction partner's inability to fulfill obligations due to bankruptcy, etc.). The Company recognizes market risks as limited given that derivative transactions are mainly for the purpose of controlling investment risks. In terms of credit risks, the Company's transactions are through domestic and foreign financial instrument exchanges or with transaction counterparties with high credit ratings; thus, the risk of unfulfilled obligations remains low.

5. Risk management system

The Company established a system that maintains transaction limits for derivative transactions based on the purpose and type of the transaction. In addition, this system incorporates front-office controls, whereby the back-office confirms transaction details through reconciliation with external documentations. Furthermore, the system is designed such that the state of market risks is monitored and analyzed quantitatively and information on the amount of risk, as well as on positions and the status of profits and loss, is reported periodically to the Investment Risk Management Committee.

6. Supplementary explanation regarding quantitative information

(1) Supplementary explanation regarding notional amounts (amount of contracts)

The notional amounts for swap transactions and contract amounts of options transactions are nominal values related to interest conversions, etc., and are not meant to indicate a level of risk amount.

The credit risk of derivative transactions refers to latent costs required to restore a market position in the event a transaction partner defaults. The Company calculates this risk using the current exposure method.

(2) Supplementary explanation regarding market price calculations

Futures and other market transactions:

Liquidation value or closing market price at year-end

Stock option transactions:

Theoretical values based on volatility and other data obtained from external information vendors

Exchange contract and currency options:

Theoretical values based on the Telegraphic Transfer Middle rate (TTM) and discount rates obtained from financial institutions that are the counterparties in such transactions

Interest swap transactions, currency swaps:

Theoretical present value calculated by discounting future cash flows based on published market interest rates

(3) Supplementary explanation regarding transaction gains and losses

The Company mainly utilizes derivative transactions as a complementary measure in controlling market risks inherent in spot investments.

For example, foreign exchange forward contract and currency option transactions are used mainly to hedge fluctuations in foreign currency exchange rates; it is thus necessary to measure profits combined with foreign bonds, stocks and other foreign currency spot assets.

7. Hedge accounting methods

Hedge accounting methodologies include market value hedge accounting, deferred hedge accounting, exceptional accounting treatment ("*Tokurei-shori*") for interest rate swaps, and designated hedge accounting ("*Furiate-shori*") for foreign exchange contracts and currency swaps. Effectiveness of hedging activities is mainly evaluated by ratio analysis to compare fair value movements on the hedging instruments and the hedged items in accordance with the Company's internal risk management policies.

85. Credit Risk Amounts (General Account)

| Millions of Yen | | | | | | |
|--|---|-------------------------|---|-------------------------|---|-------------------------|
| As of March 31 | 2015 | | 2014 | | 2013 | |
| | Notional principal (contract amount) | Credit risk estimate | Notional principal (contract amount) | Credit risk estimate | Notional principal (contract amount) | Credit risk estimate |
| Interest rate swaps | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — | ¥ — |
| Currency swaps | 956,429 | 64,984 | 775,154 | 54,399 | 532,131 | 37,348 |
| Foreign exchange forward contracts | 6,257,977 | 199,896 | 5,994,843 | 68,426 | 6,232,791 | 132,861 |
| Interest options (purchase) | — | — | — | — | — | — |
| Currency options (purchase) | — | — | — | — | — | — |
| Other derivative financial instruments | 40,827 | 2,963 | 227 | 46 | 233 | 25 |
| Total | ¥7,255,234 | ¥267,843 | ¥6,770,226 | ¥122,872 | ¥6,765,155 | ¥170,235 |

Note: Excludes currency-related derivatives corresponding to debts and credits denominated in foreign currencies.

86. Fair Value of Derivative Transactions, Combined Total with and without Hedge Accounting Applied (General Account)

(1) Breakdown of gains/losses (with and without hedge accounting applied)

| Millions of Yen | | | | | | |
|------------------------------|-------------|-------------------|---------------|-----------|-----------|-------------------|
| | Interest | Currencies | Stocks | Bonds | Others | Total |
| As of March 31 | 2015 | | | | | |
| Hedge accounting applied | ¥— | ¥(215,623) | ¥(174) | ¥— | ¥— | ¥(215,798) |
| Hedge accounting not applied | — | 1 | 82 | — | — | 83 |
| Total | ¥— | ¥(215,622) | ¥ (92) | ¥— | ¥— | ¥(215,714) |
| As of March 31 | 2014 | | | | | |
| Hedge accounting applied | ¥— | ¥(278,457) | ¥ — | ¥— | ¥— | ¥(278,457) |
| Hedge accounting not applied | — | (2) | 25 | — | — | 22 |
| Total | ¥— | ¥(278,459) | ¥ 25 | ¥— | ¥— | ¥(278,434) |
| As of March 31 | 2013 | | | | | |
| Hedge accounting applied | ¥— | ¥(259,287) | ¥ — | ¥— | ¥— | ¥(259,287) |
| Hedge accounting not applied | — | 116 | (7) | — | — | 109 |
| Total | ¥— | ¥(259,170) | ¥ (7) | ¥— | ¥— | ¥(259,178) |

Note: Net gains/losses from applying the market value hedge included in gain and loss on hedge accounting applied and net gains/losses included in hedge accounting not applied other than deferred gain to be amortized from the discontinuation of hedge accounting are recorded on the statements of income.

(2) Breakdown of interest-rate-related derivative transactions

No ending balance as of March 31, 2015, 2014 or 2013.

86. Fair Value of Derivative Transactions, Combined Total with and without Hedge Accounting Applied (General Account), continued

(3) Currency-related

| As of March 31 | | | | | Millions of Yen | | |
|------------------|------------------------------------|------------------|-------------------------------|-------------------------|------------------|------------------|------------------|
| Over-the-counter | Foreign exchange forward contracts | Sold | U.S. Dollar | Contract amount | 2015 | 2014 | 2013 |
| | | | | Over 1 year | — | — | — |
| | | | | Fair value | 3,927,743 | 3,382,084 | 3,823,660 |
| | | | | Net gains/losses | (1,002) | (17,647) | (86,268) |
| | | | Euro | Contract amount | 1,177,636 | 1,167,211 | 947,299 |
| | | | | Over 1 year | — | — | — |
| | | | | Fair value | 1,096,973 | 1,178,973 | 945,882 |
| | | | | Net gains/losses | 80,663 | (11,761) | 1,416 |
| | | | Total including others | Contract amount | 6,363,628 | 5,909,183 | 6,073,626 |
| | | | | Over 1 year | — | — | — |
| | | | | Fair value | 6,254,750 | 5,994,062 | 6,225,815 |
| | | | | Net gains/losses | 108,878 | (84,878) | (152,188) |
| | | Purchased | U.S. Dollar | Contract amount | 3,194 | 739 | 2,357 |
| | | | | Over 1 year | — | — | — |
| | | | | Fair value | 3,217 | 745 | 2,340 |
| | | | | Net gains/losses | 22 | 6 | (17) |
| | | | Euro | Contract amount | 9 | 35 | 4,626 |
| | | | | Over 1 year | — | — | — |
| | | | | Fair value | 9 | 35 | 4,636 |
| | | | | Net gains/losses | 0 | 0 | 9 |
| | | | Total including others | Contract amount | 3,203 | 774 | 6,983 |
| | | | | Over 1 year | — | — | — |
| | | | | Fair value | 3,226 | 781 | 6,976 |
| | | | | Net gains/losses | 23 | 6 | (7) |
| | Currency options | Sold | Call | U.S. Dollar | Contract amount | — | — |
| | | | | Over 1 year | — | — | — |
| | | | | Fair value | — | — | — |
| | | | | Net gains/losses | — | — | — |
| | | | Euro | Contract amount | — | — | — |
| | | | | Over 1 year | — | — | — |
| | | | | Fair value | — | — | — |
| | | | | Net gains/losses | — | — | — |
| | | | Total including others | Contract amount | — | — | — |
| | | | | Over 1 year | — | — | — |
| | | | | Fair value | — | — | — |
| | | | | Net gains/losses | — | — | — |
| | | | Put | U.S. Dollar | Contract amount | — | — |
| | | | | Over 1 year | — | — | — |
| | | | | Fair value | — | — | — |
| | | | | Net gains/losses | — | — | — |
| | | | Euro | Contract amount | — | — | — |
| | | | | Over 1 year | — | — | — |
| | | | | Fair value | — | — | — |
| | | | | Net gains/losses | — | — | — |
| | | | Total including others | Contract amount | — | — | — |
| | | | | Over 1 year | — | — | — |
| | | | | Fair value | — | — | — |
| | | | | Net gains/losses | — | — | — |
| | | | | | ¥ | ¥ | ¥ |

86. Fair Value of Derivative Transactions, Combined Total with and without Hedge Accounting Applied (General Account), continued

(3) Currency-related, continued

| As of March 31 | | | | | | Millions of Yen | | |
|------------------|-----------------------|-----------|------|-------------------------------|-------------------------|-------------------|-------------------|-------------------|
| Over-the-counter | Currency options | Purchased | Call | U.S. Dollar | Contract amount | 2015 | 2014 | 2013 |
| | | | | | | ¥ — | ¥ — | ¥ — |
| | | | | | | [—] | [—] | [—] |
| | | | | | Over 1 year | — | — | — |
| | | | | | | [—] | [—] | [—] |
| | | | | | Fair value | — | — | — |
| | | | | | Net gains/losses | — | — | — |
| | | | | Euro | Contract amount | — | — | — |
| | | | | | | [—] | [—] | [—] |
| | | | | | Over 1 year | — | — | — |
| | | | | | | [—] | [—] | [—] |
| | | | | | Fair value | — | — | — |
| | | | | | Net gains/losses | — | — | — |
| | | | | Total including others | Contract amount | — | — | — |
| | | | | | | [—] | [—] | [—] |
| | | | | | Over 1 year | — | — | — |
| | | | | | | [—] | [—] | [—] |
| | | | | | Fair value | — | — | — |
| | | | | | Net gains/losses | — | — | — |
| | | | | Put | U.S. Dollar | Contract amount | — | — |
| | | | | | | [—] | [—] | [—] |
| | | | | | Over 1 year | — | — | — |
| | | | | | | [—] | [—] | [—] |
| | | | | | Fair value | — | — | — |
| | | | | | Net gains/losses | — | — | — |
| | | | | Euro | Contract amount | — | — | — |
| | | | | | | [—] | [—] | [—] |
| | | | | | Over 1 year | — | — | — |
| | | | | | | [—] | [—] | [—] |
| | | | | | Fair value | — | — | — |
| | | | | | Net gains/losses | — | — | — |
| | | | | Total including others | Contract amount | — | — | — |
| | | | | | | [—] | [—] | [—] |
| | | | | | Over 1 year | — | — | — |
| | | | | | | [—] | [—] | [—] |
| | | | | | Fair value | — | — | — |
| | | | | | Net gains/losses | — | — | — |
| | Currency swaps | | | U.S. Dollar | Contract amount | 455,251 | 360,642 | 243,995 |
| | | | | | Over 1 year | 446,215 | 360,642 | 242,749 |
| | | | | | Fair value | (168,560) | (69,508) | (48,224) |
| | | | | | Net gains/losses | (168,560) | (69,508) | (48,224) |
| | | | | Euro | Contract amount | 398,270 | 365,624 | 279,075 |
| | | | | | Over 1 year | 388,559 | 365,624 | 279,075 |
| | | | | | Fair value | (131,035) | (116,616) | (56,394) |
| | | | | | Net gains/losses | (131,035) | (116,616) | (56,394) |
| | | | | Total including others | Contract amount | 956,429 | 775,154 | 532,131 |
| | | | | | Over 1 year | 937,682 | 775,154 | 530,884 |
| | | | | | Fair value | (324,523) | (193,587) | (106,974) |
| | | | | | Net gains/losses | (324,523) | (193,587) | (106,974) |
| Total | | | | | Net gains/losses | ¥(215,622) | ¥(278,459) | ¥(259,170) |

Notes: 1. Brackets show option premiums recorded on the balance sheets. However, these option premiums include commitments made as of the balance sheet date.

2. Net gains/losses show the difference between the contract amount and fair value for forward agreements, the difference between option premiums and fair value for options transactions, and the current fair value or present value for swap transactions.

86. Fair Value of Derivative Transactions, Combined Total with and without Hedge Accounting Applied (General Account), continued

(4) Stock-related

| As of March 31 | | | | Millions of Yen | | |
|------------------|------------------------|------------------|-------------------------|-----------------|-------------|--------------|
| Over-the-counter | Stock forward contract | | | 2015 | 2014 | 2013 |
| | | Sold | Contract amount | ¥40,731 | ¥ — | ¥ — |
| | | | Over 1 year | — | — | — |
| | | | Fair value | 40,906 | — | 11 |
| | | | Net gains/losses | (174) | — | (11) |
| | | Purchased | Contract amount | — | — | — |
| | | | Over 1 year | — | — | — |
| | | | Fair value | — | — | — |
| | | | Net gains/losses | — | — | — |
| | Stock options | Sold | Call | Contract amount | — | — |
| | | | Over 1 year | — | — | — |
| | | | Fair value | — | — | — |
| | | | Net gains/losses | — | — | — |
| | | | Put | Contract amount | — | — |
| | | | Over 1 year | — | — | — |
| | | | Fair value | — | — | — |
| | | | Net gains/losses | — | — | — |
| | | Purchased | Call | Contract amount | 295 | 227 |
| | | | Over 1 year | [55] | [55] | [65] |
| | | | Fair value | 295 | 227 | 190 |
| | | | Net gains/losses | [55] | [55] | [55] |
| | | | Fair value | 138 | 81 | 69 |
| | | | Net gains/losses | 82 | 25 | 4 |
| | | | Put | Contract amount | — | — |
| | | | Over 1 year | — | — | — |
| | | | Fair value | — | — | — |
| | | | Net gains/losses | — | — | — |
| Total | | | Net gains/losses | ¥ (92) | ¥ 25 | ¥ (7) |

Notes: 1. Brackets show option premiums recorded on the balance sheets. However, these option premiums include commitments made as of the balance sheet date.
2. The net gains/losses show the difference between option premiums and fair value for options transactions.

(5) Bond-related

No ending balance as of March 31, 2015, 2014 or 2013.

(6) Others

No ending balance as of March 31, 2015, 2014 or 2013.

SEPARATE ACCOUNT INDICATORS

About the General Account and Separate Account

A life insurance company classifies and manages its assets in two accounts, the separate account and the general account.

Individual variable insurance, individual variable annuities and certain group annuities, which change in terms of insurance amount and accumulated value based on investment performance in assets, are managed as a separate account with a clear division from the general account.

87. Balance of Separate Account Assets

| As of March 31 | Millions of Yen, % | | | | | |
|-------------------------------|--------------------|---------------|-------------------|---------------|-------------------|---------------|
| | 2015 | | 2014 | | 2013 | |
| Individual variable insurance | ¥ 131,518 | 11.8% | ¥ 116,835 | 9.5% | ¥ 109,933 | 8.9% |
| Individual variable annuities | 77,605 | 7.0 | 100,517 | 8.2 | 132,512 | 10.7 |
| Group annuities | 904,386 | 81.2 | 1,010,045 | 82.3 | 996,372 | 80.4 |
| Separate account total | ¥1,113,510 | 100.0% | ¥1,227,398 | 100.0% | ¥1,238,818 | 100.0% |

88. Asset Management Overview for the Fiscal Year Ended March 31, 2015 (Separate Account Assets for Individual Variable Insurance and Individual Variable Annuities)

In the fiscal year ended March 31, 2015, domestic interest rates declined mainly due to the Bank of Japan's monetary easing measures. In the first half of the fiscal year, domestic stock prices experienced a temporary decline against the backdrop of increasing geopolitical risk, highlighted by the crisis in Ukraine. However, the domestic stock market increased on the whole, supported primarily by the Bank of Japan's additional monetary easing measures at the end of October 2014 and an announcement by the Government Pension Investment Fund that it would increase its stock investment ratio. From the start of 2015, the domestic stock market continued to rise mainly based on expectations for capital inflows triggered by public pension fund investment reform. Over the fiscal year as a whole, the market made significant gains, with the Nikkei Stock Average increasing approximately 30%.

Amid this operating environment, the investment return on individual variable insurance for the fiscal year ended March 31, 2015, was positive at 20.55%.

This also represented investment return of 119.71% (2.81% on an annualized basis) since November 1, 1986, when investment was first undertaken.

In individual variable annuities, the Company continued its investment policy of holding a certain amount of cash and deposits to prepare for changes in insurance policies while maintaining, in principle, a high allocation ratio in investment trusts, the main investment vehicle for the separate account.

* Regarding Investment Return on the Separate Account for Individual Variable Insurance

The investment return on the separate account for individual variable insurance reflects growth rates on premiums received from policyholders, less portions allocated for death protection, and is not total insurance premium.

STATUS OF SEPARATE ACCOUNT FOR INDIVIDUAL VARIABLE INSURANCE

89. Policies in Force (Separate Account for Individual Variable Insurance)

| Number of Policies, Millions of Yen | | | | | | |
|--|---------------|-----------------|---------------|-----------------|---------------|-----------------|
| As of March 31 | 2015 | | 2014 | | 2013 | |
| | Policies | Amount | Policies | Amount | Policies | Amount |
| Variable insurance (defined term type) | 1,724 | ¥ 8,382 | 1,820 | ¥ 8,931 | 1,950 | ¥ 9,734 |
| Variable insurance (whole life type) | 34,665 | 513,177 | 35,433 | 531,558 | 36,096 | 549,291 |
| Total | 36,389 | ¥521,560 | 37,253 | ¥540,490 | 38,046 | ¥559,026 |

Note: Amounts include term life insurance riders.

90. Breakdown of Assets' Year-End Balance (Separate Account for Individual Variable Insurance)

| Millions of Yen, % | | | | | | |
|-------------------------------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
| As of March 31 | 2015 | | 2014 | | 2013 | |
| Cash, deposits and call loans | ¥ 4,013 | 3.1% | ¥ 5,013 | 4.3% | ¥ 8,006 | 7.3% |
| Investments in securities | 119,486 | 90.9 | 104,906 | 89.8 | 95,506 | 86.9 |
| Domestic bonds | 25,449 | 19.4 | 28,784 | 24.6 | 22,851 | 20.8 |
| Domestic stocks | 51,154 | 38.9 | 36,538 | 31.3 | 38,592 | 35.1 |
| Foreign securities | 42,882 | 32.6 | 39,584 | 33.9 | 34,062 | 31.0 |
| Foreign bonds | 13,432 | 10.2 | 14,253 | 12.2 | 11,303 | 10.3 |
| Foreign stocks and other securities | 29,449 | 22.4 | 25,331 | 21.7 | 22,759 | 20.7 |
| Other securities | — | — | — | — | — | — |
| Loans | — | — | — | — | — | — |
| Others | 8,018 | 6.1 | 6,915 | 5.9 | 6,419 | 5.8 |
| Allowance for doubtful accounts | — | — | — | — | — | — |
| Total | ¥131,518 | 100.0% | ¥116,835 | 100.0% | ¥109,933 | 100.0% |

91. Investment Income and Expenses (Separate Account for Individual Variable Insurance)

| Millions of Yen | | | |
|---|----------------|----------------|----------------|
| Fiscal years ended March 31 | 2015 | 2014 | 2013 |
| Interest, dividends, and other income | ¥ 2,228 | ¥ 2,097 | ¥ 1,934 |
| Gain on sales of securities | 10,153 | 11,538 | 4,671 |
| Gain on redemptions of securities | 0 | — | — |
| Gain on valuation of securities | 9,477 | 2,179 | 8,401 |
| Foreign exchange gains, net | 85 | 18 | 29 |
| Gain on derivative financial instruments, net | 1,631 | — | 803 |
| Other investment income | 15 | 8 | 105 |
| Loss on sales of securities | 1,499 | 1,286 | 5,745 |
| Loss on redemptions of securities | 0 | 0 | — |
| Loss on valuation of securities | (213) | (720) | (5,668) |
| Foreign exchange losses, net | — | — | — |
| Loss on derivative financial instruments, net | — | 124 | — |
| Other investment expenses | 3 | 1 | 6 |
| Net investment income | ¥22,301 | ¥15,150 | ¥15,862 |

Notes: 1. Investment income and investment expenses related to the separate account are recorded on the statements of income as gain/loss from separate accounts, net.
2. Gain/loss on valuation of securities contains reversal for gain/loss on valuation of securities from the previous fiscal year.

92. Fair Value of Securities (Separate Account for Individual Variable Insurance)

Net valuation gains/losses on trading securities

| Millions of Yen | | | | | | |
|--------------------|----------------------|---|----------------------|---|----------------------|---|
| As of March 31 | 2015 | | 2014 | | 2013 | |
| | Balance sheet amount | Net valuation gains/losses included in profits/losses | Balance sheet amount | Net valuation gains/losses included in profits/losses | Balance sheet amount | Net valuation gains/losses included in profits/losses |
| Trading securities | ¥119,486 | ¥9,691 | ¥104,906 | ¥2,900 | ¥95,506 | ¥14,069 |

93. Fair Value of Assets Held in Trust (Separate Account for Individual Variable Insurance)

No ending balance as of March 31, 2015, 2014 or 2013.

94. Qualitative Information on Derivative Transactions (Separate Account for Individual Variable Insurance)

1. Transaction details

The following derivative transactions are currently used in the separate account.

Currency related: Foreign exchange contract transactions
 Stock related: Stock index futures transactions

2. Policy

Derivative transactions are used as complementary instruments with the aim of efficient asset investment and are not used for speculative purposes to gain profit.

3. Purpose

Derivative transactions are mainly used to hedge against market risks that relate to assets held.

4. Risk details

Derivative transactions conducted in the separate account are exposed to market risk (price fluctuation, foreign exchange risks and credit risk). With respect to credit risk, the Company's transactions are implemented through exchange markets or counterparties with high credit ratings, so that the credit risk is extremely low.

5. Risk management system

Transaction execution is governed by internal rules, such as limitations on transaction amounts. Transactions are executed under a framework including front-office and back-office functions, where the back-office is completely separated from the front-office and confirms transactions by verifying external documentations.

6. Supplementary explanation of quantitative information

Market transactions, such as futures transactions, use liquidation value or settlement prices to determine fair value.

Foreign exchange contracts use theoretical prices calculated by the Company as based on reference prices, such as the TTM rate and discount rates, matched to certain credits and debits denominated in foreign currencies.

As for derivative transactions for the separate account for individual variable insurance, the Company does not apply hedge accounting.

95. Fair Value of Derivative Transactions, Combined Total with and without Hedge Accounting Applied (Separate Account for Individual Variable Insurance)

1. Breakdown of gains/losses (with and without hedge accounting applied)

| | Millions of Yen | | | | | |
|------------------------------|-----------------|--------------|-------------|-----------|-----------|---------------|
| | Interest | Currencies | Stocks | Bonds | Others | Total |
| As of March 31 | 2015 | | | | | |
| Hedge accounting applied | ¥— | ¥ — | ¥ — | ¥— | ¥— | ¥ — |
| Hedge accounting not applied | — | (48) | 20 | — | — | (27) |
| Total | ¥— | ¥(48) | ¥ 20 | ¥— | ¥— | ¥ (27) |
| As of March 31 | 2014 | | | | | |
| Hedge accounting applied | ¥— | ¥ — | ¥ — | ¥— | ¥— | ¥ — |
| Hedge accounting not applied | — | 4 | 70 | — | — | 74 |
| Total | ¥— | ¥ 4 | ¥ 70 | ¥— | ¥— | ¥ 74 |
| As of March 31 | 2013 | | | | | |
| Hedge accounting applied | ¥— | ¥ — | ¥ — | ¥— | ¥— | ¥ — |
| Hedge accounting not applied | — | 12 | 129 | — | — | 141 |
| Total | ¥— | ¥ 12 | ¥129 | ¥— | ¥— | ¥141 |

Note: The net gains/losses without hedge accounting applied are recorded in the statements of income.

2. Interest rate-related

No ending balance as of March 31, 2015, 2014 or 2013.

95. Fair Value of Derivative Transactions, Combined Total with and without Hedge Accounting Applied (Separate Account for Individual Variable Insurance), continued

3. Currency-related

| As of March 31 | | | | | Millions of Yen | | |
|------------------|------------------------------------|-------------------------------|-------------|-------------------------|-----------------|--------------|-------------|
| Over-the-counter | Foreign exchange forward contracts | Sold | U.S. Dollar | Contract amount | 2015 | 2014 | 2013 |
| | | | | Over 1 year | ¥1,250 | ¥ 908 | ¥ 72 |
| | | | | Fair value | — | — | — |
| | | | | Net gains/losses | 1,253 | 912 | 71 |
| | | | | | (3) | (3) | 1 |
| | | | Euro | Contract amount | 3,022 | 1,890 | 585 |
| | | | | Over 1 year | — | — | — |
| | | | | Fair value | 3,052 | 1,881 | 562 |
| | | | | Net gains/losses | (30) | 9 | 23 |
| | | Total including others | | Contract amount | 5,317 | 3,230 | 874 |
| | | | | Over 1 year | — | — | — |
| | | | | Fair value | 5,344 | 3,227 | 842 |
| | | | | Net gains/losses | (27) | 2 | 32 |
| | | Purchased | U.S. Dollar | Contract amount | 4,651 | 2,380 | 655 |
| | | | | Over 1 year | — | — | — |
| | | | | Fair value | 4,617 | 2,383 | 639 |
| | | | | Net gains/losses | (34) | 3 | (16) |
| | | | Euro | Contract amount | 2,041 | 485 | 41 |
| | | | | Over 1 year | — | — | — |
| | | | | Fair value | 2,057 | 481 | 41 |
| | | | | Net gains/losses | 16 | (3) | (0) |
| | | Total including others | | Contract amount | 7,509 | 3,212 | 832 |
| | | | | Over 1 year | — | — | — |
| | | | | Fair value | 7,488 | 3,213 | 812 |
| | | | | Net gains/losses | (21) | 1 | (19) |
| Total | | | | Net gains/losses | ¥ (48) | ¥ 4 | ¥ 12 |

Note: The net gains/losses show the difference between contract amount and fair value for forward transactions.

4. Stock-related

| As of March 31 | | | | | Millions of Yen | | |
|----------------|---------------------|------------------|--|-------------------------|-----------------|-------------|--------------|
| Stock exchange | Stock index futures | Sold | | Contract amount | 2015 | 2014 | 2013 |
| | | | | Over 1 year | ¥2,233 | ¥ 9 | ¥ — |
| | | | | Fair value | — | — | — |
| | | | | Net gains/losses | 2,238 | 9 | — |
| | | | | | (4) | (0) | — |
| | | Purchased | | Contract amount | 2,165 | 1,842 | 5,437 |
| | | | | Over 1 year | — | — | — |
| | | | | Fair value | 2,190 | 1,912 | 5,566 |
| | | | | Net gains/losses | 24 | 70 | 129 |
| Total | | | | Net gains/losses | ¥ 20 | ¥ 70 | ¥ 129 |

Note: The net gains/losses show the difference between contract amount and fair value for forward transactions.

5. Bond-related

No ending balance as of March 31, 2015, 2014 or 2013.

6. Others

No ending balance as of March 31, 2015, 2014 or 2013.

STATUS OF SEPARATE ACCOUNT FOR INDIVIDUAL VARIABLE ANNUITIES

96. Policies in Force (Separate Account for Individual Variable Annuities)

| As of March 31 | 2015 | | 2014 | | 2013 | |
|-------------------------------|----------|---------|----------|----------|----------|----------|
| | Policies | Value | Policies | Value | Policies | Value |
| Individual variable annuities | 10,443 | ¥77,604 | 14,505 | ¥100,516 | 19,995 | ¥132,502 |

Note: Amounts represent policy reserves.

97. Breakdown of Assets' Year-End Balance (Separate Account for Individual Variable Annuities)

| As of March 31 | 2015 | | 2014 | | 2013 | |
|-------------------------------------|----------------|---------------|-----------------|---------------|-----------------|---------------|
| | ¥ | —% | ¥ | —% | ¥ | —% |
| Cash, deposits and call loans | — | — | — | — | — | — |
| Investments in securities | 75,228 | 96.9 | 97,993 | 97.5 | 129,120 | 97.4 |
| Domestic bonds | 13,859 | 17.9 | 17,947 | 17.9 | 24,711 | 18.6 |
| Domestic stocks | — | — | — | — | — | — |
| Foreign securities | — | — | — | — | — | — |
| Foreign bonds | — | — | — | — | — | — |
| Foreign stocks and other securities | — | — | — | — | — | — |
| Other securities | 61,368 | 79.1 | 80,045 | 79.6 | 104,408 | 78.8 |
| Loans | — | — | — | — | — | — |
| Others | 2,376 | 3.1 | 2,523 | 2.5 | 3,391 | 2.6 |
| Allowance for doubtful accounts | — | — | — | — | — | — |
| Total | ¥77,605 | 100.0% | ¥100,517 | 100.0% | ¥132,512 | 100.0% |

98. Investment Income and Expenses (Separate Account for Individual Variable Annuities)

| Fiscal years ended March 31 | Millions of Yen | | |
|---|-----------------|----------------|----------------|
| | 2015 | 2014 | 2013 |
| Interest, dividends, and other income | ¥ 8,600 | ¥ 7,973 | ¥ 2,123 |
| Gain on sales of securities | 789 | 861 | 580 |
| Gain on redemptions of securities | — | — | — |
| Gain on valuation of securities | 3,270 | 4,083 | 9,564 |
| Foreign exchange gains, net | — | — | — |
| Gain on derivative financial instruments, net | — | — | — |
| Other investment income | 0 | 0 | 0 |
| Loss on sales of securities | 2 | 10 | 1,717 |
| Loss on redemptions of securities | — | — | — |
| Loss on valuation of securities | (28) | (141) | (7,593) |
| Foreign exchange losses, net | — | — | — |
| Loss on derivative financial instruments, net | — | — | — |
| Other investment expenses | 0 | 0 | 0 |
| Net investment income | ¥12,688 | ¥13,049 | ¥18,143 |

Notes: 1. Investment income and investment expenses related to the separate account are recorded in income as gain/loss from separate accounts, net.
2. Gain/loss on valuation of securities contains reversal for gain/loss on valuation of securities from the previous year.

99. Fair Value of Securities (Separate Account for Individual Variable Annuities)

Net valuation gains/losses on trading securities

| As of March 31 | | 2015 | | 2014 | | 2013 | |
|--------------------|--|----------------------|---|----------------------|---|----------------------|---|
| | | Balance sheet amount | Net valuation gains/losses included in profits/losses | Balance sheet amount | Net valuation gains/losses included in profits/losses | Balance sheet amount | Net valuation gains/losses included in profits/losses |
| Trading securities | | ¥75,228 | ¥3,299 | ¥97,993 | ¥4,225 | ¥129,120 | ¥17,157 |

Millions of Yen

100. Fair Value of Assets Held in Trust (Separate Account for Individual Variable Annuities)

No ending balance as of March 31, 2015, 2014 or 2013.

101. Qualitative Information on Derivative Transactions (Separate Account for Individual Variable Annuities)

No ending balance as of March 31, 2015, 2014 or 2013.

102. Fair Value of Derivative Transactions, Combined Total with and without Hedge Accounting Applied (Separate Account for Individual Variable Annuities)

No ending balance as of March 31, 2015, 2014 or 2013.

STATUS OF SEPARATE ACCOUNT FOR GROUP ANNUITIES

103. Separate Account Assets by Product (Separate Account for Group Annuities)

| | | Millions of Yen | | |
|------------------------------------|--|-----------------|-------------------|-----------------|
| As of March 31 | | 2015 | 2014 | 2013 |
| Separate account 1st treaty | | ¥886,795 | ¥ 839,711 | ¥814,936 |
| Comprehensive account | | 391,970 | 387,338 | 463,973 |
| Stable income account | | 230,987 | 169,983 | 74,133 |
| Account by investment categories | | 263,836 | 282,388 | 276,829 |
| Separate account 2nd treaty | | 0 | 155,225 | 168,160 |
| Defined contribution pension plans | | 17,591 | 15,109 | 13,275 |
| Total | | ¥904,386 | ¥1,010,045 | ¥996,372 |

Notes: 1. Separate account 1st treaty: Joint management of defined benefit corporate pension funds and employees' pension funds
Comprehensive account: Balanced portfolio management
Stable income account: Aim to secure stable return of at least 2.5% in the medium to long term
Account by investment categories: Investments made in specific assets for closer matching with customer needs
2. Separate account 2nd treaty: Independent management of annuity assets for each customer
3. Defined contribution pension plans: Jointly managed funds for defined contribution pensions

104. Status of First Treaty—Comprehensive Account (Separate Account for Group Annuities)

* Figures in Note 104 are stated at fair value, and rounded to the nearest whole unit.

1. Asset management principles and performance in the fiscal year ended March 31, 2015

Asset management principles

The comprehensive account aims to achieve a balanced portfolio, with goals of moderate risk, moderate return. Based on the asset allocation for the fiscal year that is set within the allowable range of the standard asset allocation*, the Company makes adjustments to the asset allocation in response to changes in domestic and foreign financial and economic developments. At the same time, the Company aims to improve total profitability through appropriate risk management for each asset.

*Standard asset allocation refers to that asset allocation considered best based on a medium- to long-term investment period under a certain degree of risk tolerance.

Performance in the fiscal year ended March 31, 2015

In the fiscal year ended March 31, 2015, the Bank of Japan implemented additional monetary easing measures, which had the effect of weakening the yen and bolstering stock prices. Against this backdrop, investment returns were positive across the board for bonds and stocks, both domestic and foreign (+3.65% on domestic bonds, +32.48% on domestic stocks, +13.05% on foreign bonds, and +24.37% on foreign stocks) and the investment return (percentage change in the unit price) was +20.22%.

2. Asset allocation in the fiscal year ended March 31, 2015 (Comprehensive Account)

| | | | | | | | % |
|--|------------------|--|---------------|---------------|---------------|---------------|--|
| | Asset allocation | Asset allocation results (Fiscal years ended March 31) | | | | | Asset management results compared with standard asset allocation for 2015 |
| | | 2015 | | | | 2014 | |
| | | 2015 | End of Mar. | End of Dec. | End of Sept. | End of June | End of Mar. |
| Japanese yen-denominated bonds | 31.0% | 28.2% | 21.9% | 24.8% | 25.5% | 23.1% | The percentage of asset allocation to yen-denominated bonds on a yearly basis was low early in the fiscal year and held low throughout the fiscal year. |
| Japanese yen-denominated stocks | 32.0 | 32.7 | 37.9 | 34.6 | 36.5 | 37.1 | The percentage of asset allocation to yen-denominated stocks on a yearly basis was high early in the fiscal year and held high throughout the fiscal year. |
| Foreign currency-denominated bonds | 12.0 | 12.5 | 10.8 | 11.7 | 11.6 | 9.9 | The percentage of asset allocation to bonds denominated in foreign currencies on a yearly basis was high early in the fiscal year and low toward the end of the fiscal year. |
| Foreign currency-denominated stocks* | 22.0 | 22.8 | 26.2 | 25.3 | 24.3 | 25.0 | The percentage of asset allocation to stocks denominated in foreign currencies on a yearly basis was high early in the fiscal year and held high throughout the fiscal year. |
| Call loans and other short-term assets | 3.0 | 3.9 | 3.2 | 3.6 | 2.1 | 4.9 | — |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | — |

* Regarding allocation to stocks denominated in foreign currencies of 22.0%, 1.0% was allocated to stocks in emerging countries (Asia).

104. Status of First Treaty—Comprehensive Account (Separate Account for Group Annuities), continued

3. Movement of fair value balance by asset type (Comprehensive Account)

| As of March 31 | Millions of Yen | | |
|--|-----------------|-----------------|-----------------|
| | 2015 | 2014 | 2013 |
| | Fair value | Fair value | Fair value |
| Japanese yen-denominated bonds | ¥ 88,164 | ¥105,294 | ¥ 98,006 |
| Japanese yen-denominated stocks | 141,749 | 121,948 | 166,670 |
| Foreign currency-denominated bonds | 37,851 | 46,525 | 45,668 |
| Foreign currency-denominated stocks | 95,671 | 84,978 | 91,265 |
| Call loans and other short-term assets | 18,915 | 23,368 | 39,237 |
| Total | ¥382,350 | ¥382,113 | ¥440,847 |

4. Investment return ratio (Comprehensive Account)

| Fiscal years ended March 31 | % | | |
|-----------------------------|--------|--------|--------|
| | 2015 | 2014 | 2013 |
| Unit price fluctuation | 20.22% | 14.83% | 17.50% |

105. Status of First Treaty—Stable Income Account and Accounts by Investment Category (Separate Account for Group Annuities)

* Figures in Note 105 are stated at fair value, and rounded to the nearest whole unit.

1. Asset Management Principles and Performance in Fiscal Year

Ended March 31, 2015 (stable income account)

• Asset management principles

With respect to income assets, a base asset allocation proposal is calculated using a volatility control method and asset allocation ratios are determined based on comprehensive risk allocation, including the risk volume of yen interest rate assets. The portfolio is managed with an aim of stably achieving a medium- to long-term target return of 2.5%, primarily by steadily accumulating income gains from yen interest rate assets.

• Performance in fiscal year ended March 31, 2015

The risk volume was controlled based on the inverse correlation between yen interest rate assets and income assets.

2. Asset management principles and performance in the fiscal year ended March 31, 2015 (accounts by investment categories)

(1) Domestic bond accounts

• Asset management principles

The Company makes necessary adjustments to bring its portfolio mix in line with benchmarks for duration, maturity structure and portfolio diversification. The Company minimizes credit and liquidity risks by investing primarily in investment-graded securities.

Benchmark: Nomura Bond Performance Index (overall)

• Performance in the fiscal year ended March 31, 2015

The duration was flexibly adjusted throughout the fiscal year as the Company carefully watched interest rates, domestic and overseas economic trends and financial regulatory authorities in various countries. Regarding the composition by type of bond, the weight of domestic bonds, industrial bonds, etc., was adjusted flexibly in response to the market trends.

(2) Market Tracking Domestic Bond Account

• Asset management principles

The Company constructs the portfolio based on a domestic bond index tracking model (jointly developed by NLI Research Institute and Nissay Asset Management) that employs a stratified sampling approach and optimization method based on various groupings, such as the remaining life (if the fund balance is 20 billion yen or less, the portfolio is limited to government bonds). *Benchmark: Nomura Bond Performance Index (overall)*

• Performance in fiscal year ended March 31, 2015

The account was managed with the aim of delivering an investment return tracking the benchmark.

(3) Domestic stock accounts

• Asset management principles

The Company's stock selection process emphasizes the analysis of fundamentals, and the Company makes adjustments as necessary to bring its portfolio mix in line with the market benchmark.

Benchmark: TOPIX (dividends included)

• Performance in the fiscal year ended March 31, 2015

Based on corporate research and analysis by analysts and analysis utilizing the Company's Stock Valuation System (SVS) to evaluate medium- to long-term performance, the Company shifted to stocks with high expected returns.

(4) Quantitative Investment Management Domestic Stock Account

• Asset management principles

Utilizing a quantitative model, the Company selects stocks with a focus on those that are undervalued and have growth potential.

Benchmark: TOPIX (dividends included)

• Performance in the fiscal year ended March 31, 2015

In order to maintain a low-priced, high-growth potential portfolio (with other risk characteristics in line with the benchmark), the Company rebalanced (reshuffled) stocks on a regular basis.

105. Status of First Treaty—Stable Income Account and Accounts by Investment Category (Separate Account for Group Annuities), continued

(5) OTC/small-cap equity accounts

- Asset management principles

The Company's stock selection process emphasizes the analysis of fundamentals and the Company makes necessary adjustments to keep its portfolio in line with benchmarks for portfolio mix and market diversification. The Company's primary investment targets are Japanese yen-denominated small-cap equities listed on the First Section of the Tokyo Stock Exchange (TSE) and Japanese yen-denominated equities not listed on the First Section of the TSE.

Benchmark: Russell/Nomura Japan stock index (small-cap index)

- Performance in the fiscal year ended March 31, 2015

The Company shifted its stock selection process to a focus on earnings outlook and undervalued stocks with anticipated high returns.

(6) Market Tracking Domestic Equity Account

- Asset management principles

The Company constructs the portfolio based on an index tracking model (developed by NLI Research Institute) that uses a stratified sampling approach based on sector and market capitalization groupings.

Benchmark: TOPIX (dividends included)

- Performance in fiscal year ended March 31, 2015

The account was managed with the aim of delivering an investment return tracking the benchmark.

(7) Foreign bond accounts

- Asset management principles

The Company makes adjustments as necessary to keep its portfolio in line with benchmarks for duration, country mix and currency mix. As a means of minimizing credit risk, country risk and liquidity risk, the Company invests mainly in government bonds of leading industrialized nations.

Benchmark: Citigroup World Government Bond Index (excluding Japan, Japanese yen basis)

- Performance in the fiscal year ended March 31, 2015

Throughout the fiscal year, the Company made flexible adjustments to the duration. Regarding the country allocation, the weighting of European periphery countries and certain other areas was increased in response to additional monetary easing by the European Central Bank (ECB).

(8) Foreign bond accounts with currency hedging

- Asset management principles

The Company makes any necessary adjustments to keep its portfolio in line with benchmarks for duration and country mix. As a means of minimizing credit risk, country risk and liquidity risk, the Company invests mainly in government bonds of leading industrialized nations. In principle, the Company uses currency hedges as a means of avoiding currency risk.

Benchmark: Citigroup World Government Bond Index (excluding Japan, yen-hedge basis)

- Performance in the fiscal year ended March 31, 2015

Throughout the fiscal year, the Company made flexible adjustments to the duration. Regarding the country allocation, the weighting of European periphery countries and certain other areas was increased in response to additional monetary easing by the ECB.

(9) Market Tracking Foreign Bond Account

- Asset management principles

The Company constructs the portfolio so as to mimic the benchmark in terms of its key risk profile, including allocation by region, country and currency, as well as duration and maturity structure.

Benchmark: Citigroup World Government Bond Index (excluding Japan, Japanese yen-based)

- Performance in fiscal year ended March 31, 2015

The account was managed with the aim of delivering an investment return tracking the benchmark.

(10) Foreign stock accounts

- Asset management principles

The Company's stock selection process emphasizes analysis of fundamentals and the Company makes adjustments, as necessary, to bring its portfolio mix in line with market benchmarks for country, currency and industry sector mix.

Benchmark: Morgan Stanley Capital International Kokusai Index

(dividend reinvestment, yen basis, excluding withholding tax)

- Performance in the fiscal year ended March 31, 2015

The composition by region basically remained neutral. A breakdown by industry sector shows flexible distribution with an eye on business conditions and interest rate trends. The Company shifted to stocks with high expected returns based on SVS analysis of medium- to long-term performance.

(11) Market Tracking Foreign Equity Account

- Asset management principles

The Company constructs the portfolio using an optimization method that employs a risk measurement model based on various data, including historical stock price data.

Benchmark: Morgan Stanley Capital International Kokusai Index

(dividend reinvestment, yen basis, excluding withholding tax)

- Performance in fiscal year ended March 31, 2015

The account was managed with the aim of delivering an investment return tracking the benchmark.

(12) Money market accounts

- Asset management principles

These accounts are invested in call loans, deposits and other short-term financial instruments, with the aim of achieving stable income.

Benchmark: Weighted average of unsecured call loan (overnight) rates

- Performance in the fiscal year ended March 31, 2015

In the interest of maintaining liquidity and in pursuit of stable earnings, the Company invested mainly in overnight unsecured call loans and three-month short-term government securities.

105. Status of First Treaty—Stable Income Account and Accounts by Investment Category (Separate Account for Group Annuities), continued

3. Fair value (stable income account and accounts by investment category)

| | | Millions of Yen | | |
|---|-----------------|-----------------|-----------------|--|
| As of March 31 | 2015 | 2014 | 2013 | |
| | Fair value | Fair value | Fair value | |
| Stable income account | ¥229,945 | ¥158,361 | ¥ 69,358 | |
| Domestic bond accounts | 77,846 | 77,752 | 79,534 | |
| Market Tracking Domestic Bond Account | 19,747 | 10,349 | 8,710 | |
| Domestic stock accounts | 20,176 | 19,896 | 27,284 | |
| Quantitative Investment Management Domestic Stock Account | 2,934 | 2,479 | 5,689 | |
| OTC/small-cap equity accounts | 0 | 95 | 594 | |
| Market Tracking Domestic Stock Account | 20,071 | 10,778 | 10,731 | |
| Foreign bond accounts | 30,104 | 19,335 | 19,863 | |
| Foreign bond accounts with currency hedging | 1,613 | 22,593 | 35,369 | |
| Market Tracking Foreign Bond Account | 18,348 | 12,221 | 8,269 | |
| Foreign stock accounts | 17,283 | 20,841 | 28,441 | |
| Market Tracking Foreign Stock Account | 29,679 | 15,416 | 10,992 | |
| Money market accounts | 18,673 | 49,324 | 24,734 | |
| Total | ¥486,418 | ¥419,438 | ¥329,568 | |

Note: The following accounts began operation on September 27, 2012: the stable income account, Market Tracking Domestic Bond Account, Market Tracking Domestic Stock Account, Market Tracking Foreign Bond Account, and Market Tracking Foreign Stock Account.

4. Investment return ratio (stable income account and accounts by investment category)

| | | % | | |
|---|------------------------|------------------------|------------------------|--|
| Fiscal years ended March 31 | 2015 | 2014 | 2013 | |
| | Unit price fluctuation | Unit price fluctuation | Unit price fluctuation | |
| Stable income account | 3.18% | 1.48% | 3.45% | |
| Domestic bond accounts | 3.61 | 0.62 | 3.91 | |
| Market Tracking Domestic Bond Account | 2.96 | 0.46 | 1.98 | |
| Domestic stock accounts | 30.99 | 18.54 | 21.97 | |
| Quantitative Investment Management Domestic Stock Account | 31.55 | 18.18 | 23.23 | |
| OTC/small-cap equity accounts | 9.63 | 23.67 | 28.64 | |
| Market Tracking Domestic Stock Account | 30.81 | 18.08 | 41.39 | |
| Foreign bond accounts | 12.94 | 15.39 | 18.14 | |
| Foreign bond accounts with currency hedging | 10.17 | 1.63 | 4.87 | |
| Market Tracking Foreign Bond Account | 12.16 | 15.25 | 21.74 | |
| Foreign stock accounts | 23.98 | 31.27 | 27.64 | |
| Market Tracking Foreign Stock Account | 23.89 | 31.58 | 31.74 | |
| Money market accounts | 0.09 | 0.08 | 0.11 | |

Notes: 1. The following accounts began operation on September 27, 2012: the stable income account, Market Tracking Domestic Bond Account, Market Tracking Domestic Stock Account, Market Tracking Foreign Bond Account, and Market Tracking Foreign Stock Account.

2. Figures for OTC/small-cap equity accounts for the fiscal year ended March 31, 2015, are the percentage change through to July 2014.

STATUS OF FINANCIAL ASSETS (CONSOLIDATED)

106. Nippon Life Group Performance

Summary of Operations for the Most Recent Fiscal Year

The Nippon Life Group unified its efforts and concentrated on improving services and developing products to provide customers with the finest and the most advanced services and took the following measures in the fields of asset management and information technology. The Nippon Life Group has nine consolidated subsidiaries and five equity method affiliates. (See p. 99)

• Asset Management Field

The Company worked to offer a wide range of products to meet the diversified asset management needs of its customers, such as products that aim to provide stable income or products that pursue opportunities for large gains globally, through discretionary investment, investment advisory, and investment trusts provided by Nissay Asset Management Corporation.

In the fiscal year ended March 31, 2015, Nissay Asset Management recorded a 20.6% year-on-year increase in assets under management to ¥8,699.3 billion, including a 7.0% increase in the investment advisory business to ¥4,638.2 billion and a 41.2% increase in the investment trusts business to ¥4,061.1 billion. Ordinary profit at Nissay Asset Management was ¥5.8 billion with net income of ¥3.8 billion.

• Information Technology Field

Spearheaded by Nissay Information Technology Co., Ltd., the Company worked to develop the Nissay *Mirai no Katachi* "Five Stars" plan featuring dread disease insurance coverage with continuous support. This service is designed to provide long-term support to customers who contract a dread disease.

The Company also developed a new accounting system to successfully refine business management by, for example, strengthening internal controls and corporate governance. It also carried out development activities designed to enhance customer convenience by upgrading the content of the system supporting overall call center operations.

In the fiscal year ended March 31, 2015, Nissay Information Technology had sales of ¥53.9 billion, down 5.1% year on year, ordinary profit of ¥2.3 billion, down 29.7% year on year, and net income of ¥1.3 billion, down 42.1% year on year.

As a result of these overall activities, consolidated total ordinary income amounted to ¥7,410.0 billion, up 8.5% year on year. Total ordinary expenses amounted to ¥6,791.4 billion, up 7.7% year on year, while ordinary profit was ¥618.6 billion, up 18.2%. After income taxes, tax adjustments, minority interests, extraordinary gains of ¥4 billion and extraordinary losses of ¥181.8 billion, net surplus in the current year increased by 24.6% to ¥308.0 billion. On the consolidated balance sheet, surplus at the end of the fiscal year amounted to ¥541.5 billion and total assets rose 9.7% to ¥62,648.6 billion.

107. Principal Indicators of Operating Performance (Consolidated)

| Billions of Yen | | | |
|---|-----------|-----------|-----------|
| Fiscal years ended March 31 | 2015 | 2014 | 2013 |
| Total ordinary income | ¥ 7,410.0 | ¥ 6,829.2 | ¥ 7,201.3 |
| Ordinary profit | 618.6 | 523.2 | 402.2 |
| Net surplus | 308.0 | 247.1 | 247.9 |
| Comprehensive income | 2,958.6 | 985.0 | 1,701.5 |
| Net cash provided by operating activities | 1,788.1 | 1,521.4 | 2,219.9 |
| Net cash used in investing activities | (1,774.7) | (1,461.8) | (2,305.4) |
| Net cash provided by (used in) financing activities | 201.3 | (25.8) | 184.8 |

| Billions of Yen, Number, % | | | |
|--|-----------|-----------|-----------|
| As of March 31 | 2015 | 2014 | 2013 |
| Total assets | ¥62,648.6 | ¥57,090.2 | ¥55,165.6 |
| Solvency margin ratio | 943.1% | 795.5% | 717.1% |
| Cash and cash equivalents at the end of the year | 1,086.5 | 872.0 | 820.7 |
| Number of consolidated subsidiaries and affiliates | 9 | 9 | 10 |
| Number of affiliates accounted for under the equity method | 5 | 5 | 4 |
| Number of employees | 73,610 | 73,578 | 72,832 |

Note: Number of employees shows the total number of employees at the Company and its consolidated subsidiaries, excluding employees on loan to other companies, at the fiscal year-end.

108. Status of Nonperforming Assets According to Borrower's Classification (Consolidated)

| | | Millions of Yen, % | | |
|-----------------------------------|----------------------|--------------------|--------------------|--------------------|
| As of March 31 | | 2015 | 2014 | 2013 |
| Bankrupt and quasi-bankrupt loans | 1 | ¥ 10,650 | ¥ 11,728 | ¥ 12,607 |
| Doubtful loans | 2 | 23,678 | 22,685 | 24,948 |
| Substandard loans | 3 | 4,107 | 4,749 | 5,599 |
| Subtotal | | 38,436 | 39,163 | 43,154 |
| [Ratio to total] | | [0.35%] | [0.34%] | [0.37%] |
| Normal loans | 4 | 10,971,009 | 11,318,802 | 11,669,433 |
| Total | 1 + 2 + 3 + 4 | ¥11,009,446 | ¥11,357,965 | ¥11,712,588 |

Notes: 1. Bankrupt and quasi-bankrupt loans are nonperforming assets and similar loans that have fallen into bankruptcy due to reasons including initiation of bankruptcy proceedings, start of reorganization proceedings, or submission of an application to start rehabilitation proceedings.
2. Doubtful loans are nonperforming assets with a strong likelihood that loan principal cannot be recovered or interest cannot be received according to the contract because of difficulties in the financial condition and business performance of the debtor who has not yet entered into bankruptcy.
3. Substandard loans include loans that are delinquent for over three months and restructured loans. Loans that are delinquent for over three months are loans with principal or interest being unpaid for over three months counting from the day after the due date based on the loan agreement (excluding 1. and 2. in the above notes). Restructured loans are loans that provide certain concessions favorable to the borrower with the intent of supporting the borrower's restructuring. Examples of such concessions include reducing or exempting interest, postponing principal or interest payments, releasing credits, or providing other benefits to the borrowers (excluding 1. and 2. in the above notes and loans that are delinquent for over three months).
4. Normal loans are loans that do not fall under the classifications for 1. to 3. in the above notes and where the debtor has no financial or business performance problems.
5. Classifications and calculation methods used in this table are based on the Ordinance for Enforcement of the Insurance Business Act. The table includes loans, securities lending, accrued interest, suspense payments, customer's liability for acceptances and guarantees, and guaranteed private offering loans of financial institutions.
6. For bankrupt and quasi-bankrupt loans, the estimated uncollectible amount calculated by subtracting the amount of collateral value or the amount collectible by the execution of guarantees from the balance of loans is directly deducted from the total loan amount. The estimated uncollectible amounts were ¥743 million, ¥1,082 million and ¥1,570 million as of March 31, 2015, 2014 and 2013, respectively.

109. Status of Risk-Monitored Loans (Consolidated)

| | | Millions of Yen, % | | |
|---|----------------------|--------------------|----------------|----------------|
| As of March 31 | | 2015 | 2014 | 2013 |
| Loans to bankrupt borrowers | 1 | ¥ 2,181 | ¥ 2,336 | ¥ 2,663 |
| Delinquent loans | 2 | 32,127 | 32,074 | 34,890 |
| Loans that are delinquent for over three months | 3 | — | 23 | — |
| Restructured loans | 4 | 4,107 | 4,726 | 5,599 |
| Total | 1 + 2 + 3 + 4 | ¥38,417 | ¥39,160 | ¥43,153 |
| [Ratio to total loans] | | [0.46%] | [0.46%] | [0.51%] |

Notes: 1. For loans to bankrupt borrowers and quasi-bankrupt borrowers (including collateralized and guaranteed loans), an estimated uncollectible amount (calculated by subtracting estimated collectible amounts based on collateral and guarantees from total loans) is directly deducted from the total loan amount. The amounts of loans to bankrupt borrowers were ¥315 million, ¥356 million and ¥495 million as of March 31, 2015, 2014 and 2013, respectively. The amounts of delinquent loans were ¥427 million, ¥726 million and ¥1,075 million as of March 31, 2015, 2014 and 2013, respectively.
2. Loans to bankrupt borrowers are loans with principal or interest payments being overdue for a significant period of time and interest not being accrued, including the following: (a) loans to borrowers that are legally bankrupt through filings for proceedings under the Corporate Reorganization Act, Civil Rehabilitation Act, Bankruptcy Act, or Company Act, (b) loans to borrowers that have notes suspended from being traded, or (c) loans to borrowers that have filed for legal proceedings similar to the aforementioned proceedings based on overseas laws.
3. Delinquent loans are loans with interest not accrued and exclude loans to bankrupt borrowers and loans with interest payments extended with the objective of restructuring or supporting the borrowers.
4. Loans that are delinquent for over three months are loans with principal or interest unpaid for over three months counting from the day after the due date based on the loan agreement. Note that the account does not include loans to bankrupt borrowers and delinquent loans.
5. Restructured loans are loans that provide certain concessions favorable to the borrower with the intent of supporting the borrower's restructuring, such as by reducing or exempting interest, postponing principal or interest payments, releasing credits, or providing other benefits to the borrowers (excluding loans to bankrupt borrowers, delinquent loans, and loans that are delinquent for over three months from above).
6. Based on the results of asset self-assessment, accrued interest on loans is not recorded as income for obligors that are bankrupt, essentially bankrupt or nearing bankruptcy.

110. Status of Insurance Claims Paying Ability of the Company and Insurance Subsidiaries (Consolidated Solvency Margin Ratio)

| As of March 31 | | Millions of Yen | | |
|---|---|-----------------|---------------|---------------|
| | | 2015 | 2014 | 2013 |
| Solvency margin gross amount | (A) | ¥13,303,975 | ¥9,434,311 | ¥8,033,068 |
| Foundation funds (<i>kikin</i>) and other reserve funds: | | 3,876,544 | 3,486,074 | 3,063,443 |
| Foundation funds and others | | 1,559,750 | 1,547,207 | 1,525,455 |
| Reserve for price fluctuations in investments in securities | | 778,723 | 623,312 | 427,529 |
| Contingency reserve | | 1,250,248 | 1,005,760 | 780,154 |
| Extraordinary contingency reserve | | — | — | — |
| General allowance for doubtful accounts | | 4,139 | 6,071 | 7,980 |
| Others | | 283,681 | 303,722 | 322,322 |
| Net unrealized gains/losses on available-for-sale securities × 90% | | 7,594,244 | 4,225,944 | 3,279,032 |
| Net unrealized gains/losses on real estate × 85% (100% in the case of net unrealized losses) | | 73,241 | 28,638 | (8,620) |
| Total amount of unrecognized actuarial gains/losses and unrecognized prior service cost | | (42,670) | 28,983 | — |
| Excess of continued Zillmerized reserve | | 1,509,979 | 1,552,382 | 1,602,347 |
| Qualifying subordinated debt | | 399,590 | 157,040 | 157,040 |
| Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculations | | — | — | — |
| Deduction clause | | (157,665) | (100,279) | (92,877) |
| Others | | 50,711 | 55,528 | 32,704 |
| Total amount of risk $[(R_1^2 + R_5^2)^{1/2} + R_8 + R_9]^2 + (R_2 + R_3 + R_7)^2 + R_4 + R_6$ | (B) | 2,821,315 | 2,371,701 | 2,240,396 |
| Underwriting risk | R ₁ | 127,656 | 131,177 | 135,383 |
| General underwriting risk | R ₅ | — | — | — |
| Huge disaster risk | R ₆ | — | — | — |
| Underwriting risk of third-sector insurance | R ₈ | 78,260 | 77,619 | 75,959 |
| Underwriting risk related to small amount and short-term insurance providers | R ₉ | — | — | — |
| Anticipated yield risk | R ₂ | 386,107 | 389,635 | 394,708 |
| Minimum guarantee risk | R ₇ | 5,820 | 5,870 | 7,382 |
| Investment risk | R ₃ | 2,362,494 | 1,916,372 | 1,780,222 |
| Business management risk | R ₄ | 59,206 | 50,413 | 47,873 |
| Solvency margin ratio | $\frac{(A)}{(1/2) \times (B)} \times 100$ | 943.1% | 795.5% | 717.1% |

Notes: 1. The amounts and figures in the table above are calculated based on Article 86-2 and Article 88 of the Ordinance for Enforcement of the Insurance Business Act and the FSA Public Notice No. 23 of 2011.

2. Solvency margin ratio as of March 31, 2015 and 2014, is calculated including the total amount of unrecognized actuarial differences and unrecognized prior service costs (the ratio as of March 31, 2013, was calculated based on the previously applied basis).

3. The standard method is used for the calculation of the amount equivalent to minimum guarantee risk R₇.

111. Status of Insurance Claims Paying Ability of Insurance Subsidiaries (Solvency Margin Ratio)

Not applicable.

112. Segment Information

For the fiscal year ended March 31, 2013, to the fiscal year ended March 31, 2015, the Company and its consolidated subsidiaries engaged in insurance and insurance-related businesses (including asset management-related business and general administration-related business) in Japan and overseas. Segment information and its related information are omitted because there are no other significant segments to report.

*Subsidiary is defined in Article 2(12) of the Insurance Business Act and in Article 13-5-2(3) of the Order for Enforcement of the Insurance Business Act.

POLICYHOLDER PROTECTION SYSTEMS

● Early Correction Safeguard System

Early correction safeguarding is a system designed to protect policyholders and ensure sound and appropriate operations at insurance companies. When an insurance company's solvency margin ratio falls below a certain level, depending on the circumstances, the regulatory agency may issue a directive to the insurance company to improve its operations.

An insurance company is subject to such a directive when its solvency margin ratio falls below 200%. The action standards and directives are categorized in the table on the right.

Depending on the assets and liabilities of the insurance company, as well as the management improvement plans submitted to the regulatory agency, additional directives may be issued for classifications other than the solvency margin ratio in the table on the right.

■ Action Standards and Directives

| Classification according to solvency margin | Directive |
|---|---|
| First classification Under 200% Over 100% | Directive to propose and implement a management improvement plan |
| Second classification Under 100% Over 0% | Directive to discontinue or limit policyholder dividends and/or directive to change calculation methods for new policies (anticipated rate of return, etc.) |
| Third classification Under 0% | Directive to halt all or a portion of operations |

● Bankruptcy Proceedings for Life Insurance Companies

When a life insurance company enters bankruptcy, the following two proceedings are taken to dispose of assets:

1. Corporate rehabilitation proceedings based on the court-guided rehabilitation law

This proceeding is taken under the supervision of a court of law.

First, the bankrupt insurance company petitions the court to start rehabilitation procedures (the commissioner of the Financial Services Agency (FSA) in Japan can also be petitioned). The court of law that receives this petition decides to start the procedures and appoints an administrator.

The court-appointed administrator formulates a rehabilitation plan for transferring policyholders while managing and examining the operations and financial assets of the bankrupt insurance company. Through the decisions of related parties, the court-appointed administrator requests authorization from the court of law. After authorization is granted, the administrator executes the disposal of assets based on the rehabilitation plan.

2. Government proceedings based on the Insurance Business Act
These proceedings are based on directives issued by the commissioner of the FSA.

The commissioner of the FSA orders the cessation of all or a portion of operations at the bankrupt insurance company and appoints an insurance administrator to dispose of financial assets under management and operations.

The insurance administrator manages and supervises the operations and financial assets of the bankrupt insurance company, creates plans for the management of operations and financial assets including the transfer of insurance policies, and seeks approval from the commissioner of the FSA. After approval is granted, the insurance administrator disposes of the assets according to the plan.

There are no clear standards as to which of the aforementioned procedures will be taken and there are no differences in the indemnification through protective measures (see next page) between the two procedures.

● Life Insurance Policyholders Protection Corporation of Japan

The Life Insurance Policyholders Protection Corporation of Japan (Policyholders Protection Corporation) is a corporate entity that was established in December 1998 through the Insurance Business Act. In the event that a life insurance company goes bankrupt, this entity will protect policyholders through a mutual support system.

● Members and Financial Resources

The Company and other life insurance companies that operate in Japan are members of the Policyholders Protection Corporation and financial resources are, in principle, contributions paid by these members. However, until the end of March 2017, in the event that membership contributions from life insurance companies are insufficient as financial support to a life insurance company that goes bankrupt, the Japanese government may provide financial assistance to the Policyholders Protection Corporation through Diet deliberations.

● Main Operations

In the event of a bankruptcy of a life insurance company, the Policyholders Protection Corporation performs the following operations through a mutual support system for the purpose of protecting policyholders.

Primary Operations of the Policyholders Protection Corporation

1. Provides financial assistance to savior companies that take over insurance policies
2. Takes over insurance policies in the event that no savior company steps forward
3. Acts as a procedural representative for insurance policyholders in the event that the bankruptcy undergoes rehabilitation proceedings

In the event of a bankruptcy of a life insurance company, policy indemnification is as follows:

Notes: 1. Policy reserves are reserves for future insurance claims, annuity and benefit payments, accumulated through insurance premiums and investment returns.
This system is not the indemnification for insurance claims, annuities and other benefits, but the indemnification for policy reserves. Accordingly, 90% of pension resource coverage attached to individual variable annuity insurance is not eligible for indemnification.

2. High assumed interest rate policies*¹ are policies for which assumed interest rates regularly exceeded reserve interest rates*² during the five years preceding bankruptcy.

*1: Reserve interest rates are determined by the commissioner of the FSA and the Finance Minister. The current reserve interest rate is 3%, which may be confirmed on the website of the Company or the Policyholders Protection Corporation.

*2: When assumed interest rates are different for primary policies and for riders within one insurance policy, decisions of whether or not such policies fall under the category of a high assumed interest rate policy are made for both the primary policy and the rider.

3. Set rate = (Sum of assumed interest rates for the previous five years less reserve interest rates) / 2

4. In the event that assumed interest rates are different for each insured when the insured are contributing insurance premiums, each insured shall be deemed to have concluded their own insurance policy, and it shall be determined whether or not such a policy falls into the category of a high assumed interest rate policy. However, regarding defined contribution annuity insurance policies, regardless of whether or not the insured is contributing premium, it shall be determined whether or not each insured's policy falls into the category of a high assumed interest rate policy.

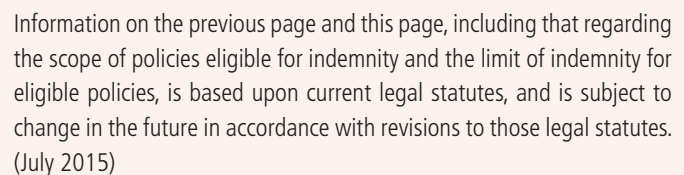
5. In rehabilitation procedures, it has become possible to create a rehabilitation plan in which policy reserves that fall into this category are not reduced (whether or not the reserves are actually reduced shall be determined in each individual rehabilitation procedure).

When a savior insurance company steps forward

```

graph TD
    B[Bankrupt life insurance company] -- "Financial assistance for payment of covered insurance benefits" --> P[Life Insurance Policyholders Protection Corporation of Japan]
    P -- "Payment of contributions" --> L[Life insurance companies and members of protection organization]
    L -- "Payment of contributions" --> P
    P -- "Transfer of all or a portion of insurance policies" --> B
    P -- "Merger and stock acquisition" --> S[Savior insurance company]
    P -- "Purchase of insurance benefits requisition" --> S
    P -- "Financial assistance" --> S
    S -- "Payment of covered insurance benefits" --> B
    S -- "Payment of insurance benefits" --> P
    S -- "Payment of insurance benefits" --> P1[Life insurance policyholders]
    L -- "Lending" --> F[Private-sector financial institutions]
    F -- "Lending" --> L
    F -- "Fiscal measures" --> N[National government]
    N -- "Fiscal measures" --> F
  
```

The diagram illustrates the interactions between several entities when a savior insurance company steps forward. The central entity is the **Life Insurance Policyholders Protection Corporation of Japan**. It receives **Financial assistance for payment of covered insurance benefits** from the **Bankrupt life insurance company** and provides **Payment of contributions** to **Life insurance companies and members of protection organization**. It also transfers **all or a portion of insurance policies** back to the bankrupt company. The corporation facilitates the **Merger and stock acquisition** and **Purchase of insurance benefits requisition** by the **Savior insurance company**, while providing **Financial assistance** to the same. The savior company, in turn, provides **Payment of covered insurance benefits** to the bankrupt company and **Payment of insurance benefits** to both the protection corporation and the **Life insurance policyholders**. Additionally, **Life insurance companies and members of protection organization** engage in **Lending** with **Private-sector financial institutions**, which are also influenced by **Fiscal measures** from the **National government**.



WORLDWIDE NETWORK

HEADQUARTERS

| Name | Address | Tel |
|--------------------|--|---------------------|
| Osaka Head Office | 3-5-12, Imabashi, Chuo-ku, Osaka 541-8501, Japan | Tel: 81-6-6209-4500 |
| Tokyo Headquarters | 1-6-6, Marunouchi, Chiyoda-ku, Tokyo 100-8288, Japan | Tel: 81-3-5533-5133 |

OVERSEAS REPRESENTATIVE OFFICES

| Business | Name | Address | Tel/Fax |
|---------------------------------|---------------------------------|--|--|
| Overseas Representative Offices | New York Representative Office | 277 Park Avenue, 34th Floor, New York, NY 10172, U.S.A. | Tel: 1-646-231-4000 Fax: 1-212-906-1933 |
| | London Representative Office | 1-5 Queen Street, London EC4N 1SW, U.K. | Tel: 44-20-7507-6000 Fax: 44-20-7236-4195 |
| | Frankfurt Representative Office | An der Hauptwache 5, 60313, Frankfurt am Main, Germany | Tel: 49-69-273999-0 Fax: 49-69-236527 |
| | Beijing Representative Office | Chang Fu Gong Office Building, Room 4007 Jia 26, Jian Guo Men Wai Dajie Beijing, 100022, China | Tel: 86-10-6513-9240 Fax: 86-10-6513-9241 |

SUBSIDIARIES

| Business | Name | Address | Tel/Fax |
|---------------------------------|--|--|--|
| Insurance and Insurance Related | Nippon Life Insurance Company of America NLI Insurance Agency, Inc. | 655 Third Avenue, 16th Floor, New York NY 10017, U.S.A. | Tel: 1-212-682-3000 Fax: 1-212-286-0938 |
| | Eastern Region Office | 655 Third Avenue, 18th Floor, New York NY 10017, U.S.A. | Tel: 1-212-909-9893 Fax: 1-212-682-3099 |
| | Atlantic Region Office | 1913 Atlantic Avenue, Suite 189, Manasquan NJ 08736, U.S.A. | Tel: 1-646-957-7554 |
| | Central Region Office | 20 North Martingale Road, Suite 150, Schaumburg IL 60173, U.S.A. | Tel: 1-312-807-1120 Fax: 1-866-860-7511 |
| | South Eastern Region Office | 50 Glenlake Parkway, Suite 425, Atlanta, GA 30328, U.S.A. | Tel: 1-770-551-1853 Fax: 1-770-351-9294 |
| | South Western Region Office | One Riverway, Suite 1700, Houston TX 77056, U.S.A. | Tel: 1-713-898-3322 |
| | Western Region Office | 515 S. Figueroa Street Suite 1470, Los Angeles CA 90071, U.S.A. | Tel: 1-213-430-0801 Fax: 1-213-623-0064 |
| Research | Nippon Life Asia Pacific (Regional HQ) Pte. Ltd.* ¹ | 1 Raffles Quay, #10-01A North Tower, Singapore, 048583, Republic of Singapore | Tel: 65-6438-2850 Fax: 65-6438-0075 |
| Asset Management | Nippon Life Global Investors Americas, Inc.* ² | 277 Park Avenue, 34th Floor, New York, NY 10172, U.S.A. | Tel: 1-646-231-4000 Fax: 1-212-906-1931 |
| | Nippon Life Global Investors Europe Plc* ³ | 1-5 Queen Street, London EC4N 1SW, U.K. | Tel: 44-20-7507-6011 Fax: 44-20-7236-4195 |
| | Nissay Schroders Asset Management Europe Limited | 31 Gresham Street, London EC2V 7QA, U.K. | Tel: 44-20-7658-6000 Fax: 44-20-7658-6965 |
| | Nippon Life Global Investors Singapore Limited | 138 Market Street #22-03 CapitaGreen Singapore 048946, Republic of Singapore | Tel: 65-6800-7000 Fax: 65-6384-7792 |

*1 Effective March 30, 2015, NLI International Asia Pte. Ltd. was renamed Nippon Life Asia Pacific (Regional HQ) Pte. Ltd.

*2 Effective July 1, 2015, NLI International Inc. was renamed Nippon Life Global Investors Americas, Inc.

*3 Effective July 1, 2015, NLI International PLC was renamed Nippon Life Global Investors Europe Plc.

AFFILIATES

| Business | Name | Address | Tel/Fax |
|---------------------------------|---|---|--|
| Insurance and Insurance Related | Reliance Life Insurance Company Limited | 9th Floor/10th Floor, Building No. 2, R-Tech Park, Nirlon Compound, Next to Hub Mall Behind I-Flex Building, Goregaon (East), Mumbai-400 063, India | Tel: 91-22-3000-2176 Fax: 91-22-3000-2222 |
| | Nissay-Greatwall Life Insurance Co., Ltd. | 5F No.688 West NanJing Road, Jing An District Shanghai 200041, China | Tel: 86-21-3899-9888 Fax: 86-21-6247-0739 |
| | Bangkok Life Assurance Public Company Limited | 23/115-121 Royal City Avenue, Rama 9 Road Huaykwang, Bangkok 10310, Thailand | Tel: 66-2-641-4661 Fax: 66-2-641-5570 |
| | PT Asuransi Jiwa Sequis Life | Sequis Center Lt. 6, Jl. Jend. Sudirman No. 71, Jakarta 12190, Indonesia | Tel: 62-21-5223-123 Fax: 62-21-521-3579 |
| Asset Management | PanAgora Asset Management, Inc. | 470 Atlantic Avenue, 8th Floor, Boston MA 02110, U.S.A. | Tel: 1-617-439-6300 Fax: 1-617-439-6301 |
| | Reliance Capital Asset Management Ltd. | One India Bulls Centre - Tower 1, 12th Floor, Jupiter Mills Compound, 841, Senapati Bapat Marg, Elphinstone Road, Mumbai 400013, India | Tel: 91-22-3047-9800 Fax: 91-22-3032-7202 |



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