

Notes to Consolidated Financial Statements

Note 1 Notes on Going-Concern Assumption

Not applicable.

Note 2 Summary of Significant Accounting Policies**(1) Basis of presentation**

On April 1, 2004, T&D Holdings, Inc. (the "Company"), was established as a life insurance holding company, through which Taiyo Life Insurance Company ("Taiyo Life"), Daido Life Insurance Company ("Daido Life") and T&D Financial Life Insurance Company ("T&D Financial Life") (hereafter, the "Three Life Insurance Companies"), became wholly owned subsidiaries through share transfers. The business combination was accounted for as a pooling of interests.

The Company, including its domestic consolidated subsidiaries (the "T&D Life Group"), maintains its accounting records and prepares its financial statements in Japanese yen in accordance with the provisions of the Insurance Business Act of Japan (the "Insurance Business Act") and in conformity with generally accepted accounting principles and practices in Japan.

The accompanying consolidated financial statements are compiled from the financial statements prepared by the Company as required by the Financial Instruments and Exchange Act of Japan. In preparing the consolidated financial statements, certain items presented in the original financial statements have been reclassified and summarized for readers outside Japan. These consolidated financial statements have been prepared on the basis of generally accepted accounting principles and practices in Japan, which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards. In addition, the accompanying footnotes include information that is not required under generally accepted accounting principles and practices in Japan, but is presented herein as additional information to the consolidated financial statements.

The translations of yen amounts into U.S. dollar amounts are included solely for the convenience of the readers and have been made, as a matter of arithmetical computation only, at the rate of ¥120.17 = U.S.\$1, which was the approximate rate prevailing at March 31, 2015. The translations should not be construed as representations that such yen amounts have been, could have been or could in the future be converted into U.S. dollars at that or any other rate.

Amounts of less than one million yen and one thousand U.S. dollars have been eliminated. As a result, yen and U.S. dollar totals shown herein do not necessarily agree with the sum of the individual amounts.

(2) Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Company and its consolidated subsidiaries. All material

intercompany balances and transactions are eliminated. The number of consolidated subsidiaries for the year ended March 31, 2015 was 15.

Investments in affiliates are accounted for under the equity method. The number of affiliated companies accounted for under the equity method for the year ended March 31, 2015 was two.

There are no affiliated companies which are accounted for under the cost method.

Further information for consolidated subsidiaries and affiliated companies is shown in "Group Companies" on page 168.

The financial statements of subsidiaries located outside Japan for the year ended December 31 are consolidated. Appropriate adjustments have been made for material transactions between December 31 and March 31, the closing date of the Company's consolidated financial statements.

(3) Foreign currency translation**a. Foreign currency accounts**

Foreign currency assets and liabilities are translated into yen at the prevailing foreign exchange rates at the consolidated balance sheet date except for certain hedging instruments and related hedged items, which are translated at the contracted rates of such hedging instruments.

All revenues and expenses denominated in foreign currencies are translated at the prevailing exchange rates when such transactions are made. Exchange gains and losses are credited or charged to income.

b. Foreign currency financial statements of consolidated subsidiaries

Assets, liabilities, revenues and expenses of the Company's affiliates located outside Japan are translated into yen at the exchange rates in effect at the respective balance sheet date in accordance with generally accepted accounting principles and practices in Japan. Gains and losses resulting from translation of foreign currency financial statements are excluded from the consolidated statement of operation and are accumulated in foreign currency translation adjustments or minority interests as a separate component of net assets.

(4) Investments in securities other than those of subsidiaries and affiliates

Investments in securities other than those of subsidiaries and affiliates are classified as trading, held-to-maturity, available-for-sale securities

or policy reserve-matching bonds. Available-for-sale securities with readily obtainable fair value (“marketable available-for-sale securities”) and trading securities are stated at fair value. Unrealized gains and losses on trading securities are reported in the consolidated statement of operation. Unrealized gains and losses on marketable available-for-sale securities are reported in a separate component of net assets, net of income taxes, unless the decline of the fair value of any particular available-for-sale securities is considered to be a permanent impairment, in which case such declines are recorded as devaluation (impairment) losses and recorded on the statement of operation. Held-to-maturity and available-for-sale securities without readily obtainable fair value are stated at amortized cost. Policy reserve-matching bonds are not stated at fair market value but are stated at amortized cost. For the purpose of computing realized gains and losses, the cost is determined using the moving-average method.

The following is an overview of the risk management policies over policy reserve-matching bonds:

For Taiyo Life, the risk is managed by minimizing the risks of the portfolio as a whole with an asset mix, and establishing an investment policy based on balanced-type ALM aiming at exceeding medium- and long-term liability cost. In consideration of this kind of investment policy, the following insurance policies are identified and classified as a subcategory in accordance with “Temporary Treatment of Accounting and Auditing Concerning Policy Reserve-Matching Bonds within the Insurance Industry” (JICPA, the Industry Audit Committee Report No. 21): (1) all policies except for group insurance policies and other insurance policies with respect to general assets, (2) all policies for defined contribution corporate pension insurance and group pure endowment insurance with respect to group annuity insurance assets, (3) all policies with respect to single premium whole life insurance and single premium annuity insurance assets and (4) all policies with respect to non-participating single premium endowment insurance assets.

For Daido Life, of the bonds corresponding to the subcategory established in respect of the classes of insurance policies as follows, those held with the purpose to control durations of liabilities are classified as policy reserve-matching bonds, in accordance with “Temporary Treatment of Accounting and Auditing Concerning Policy Reserve-Matching Bonds within the Insurance Industry” (JICPA, the Industry Audit Committee Report No. 21): individual insurance and individual annuities with respect to general assets, and individual insurance and individual annuities in the non-participating insurance assets (capturing the cash flows likely to arise in the period after 5 years but within 25 years from now).

For T&D Financial Life, in order to appropriately manage interest rate risk by setting subcategories according to the features of insurance products, investment policies are developed in line with each

subcategory. In addition, regular testing is performed to ensure that the durations of policy reserve and that of policy reserve-matching bonds are synchronized within a certain margin of error. The subcategories are classified as follows: (1) individual insurance (capturing the portion of the future spending for insurance policies falling under this subcategory that is used for policyholders of predetermined age or above), (2) accumulation rate type individual insurance and (3) accumulation rate type fixed annuity insurance. Note that certain types of insurance policies and benefits are excluded.

(5) Reserve for possible loan losses

The reserve for possible loan losses is established in accordance with the Three Life Insurance Companies’ Self-Assessment Guidelines. With respect to loans to borrowers subject to bankruptcy and similar proceedings, the Three Life Insurance Companies provide specific reserves in the amount of the loan balance less amounts collectible from collateral, guarantees and by other means. For loans to borrowers who are not yet bankrupt but highly likely to fall into bankruptcy, management determines and provides for the necessary specific reserve amount based on an overall assessment of the borrowers’ ability to pay after subtracting the amount collectible from collateral, guarantees and by other means. With respect to other loans, the Three Life Insurance Companies provide for a general reserve by applying the historical loan-loss ratio determined over a fixed period. Each loan is subject to asset assessment by the business-related division in accordance with the Three Life Insurance Companies’ Self-Assessment Guidelines, and the results of the assessment are reviewed by the internal auditing division, which is independent from the business-related division, before the reserve amount is finally determined.

For collateralized or guaranteed loans to borrowers subject to bankruptcy and similar proceedings, the amounts of loans exceeding the estimated value of collateral or guarantees, which is deemed uncollectible, has been directly deducted from the amount of loans and the amount was ¥403 million (\$3,361 thousand) and ¥2,913 million for the years ended March 31, 2015 and 2014, respectively.

Other consolidated subsidiaries also establish reserves for possible loan losses using procedures in a similar manner as the Three Life Insurance Companies. The provision of the reserve is based on the results of self-assessment procedures and also provides for an amount, if management considered its necessity, by applying the historical loan-loss ratio determined over a fixed period.

(6) Reserve for price fluctuations

Pursuant to requirements under Article 115 of the Insurance Business Act, the Three Life Insurance Companies maintain a reserve for price fluctuations primarily related to stocks, bonds and foreign

currency-denominated assets which are exposed to losses due to market price fluctuations. This reserve may only be used to reduce net losses arising from price fluctuations on those assets.

(7) Policy reserve

Pursuant to requirements under Article 116 of the Insurance Business Act, the Three Life Insurance Companies maintain a policy reserve for the fulfillment of future obligations under life insurance contracts. The reserve of the accompanying consolidated financial statements is established pursuant to the net level premium method. The reserves for policies subject to the standard policy reserve rules are calculated using interest and mortality rates set by the Financial Services Agency.

In addition to the above, to provide for any extraordinary risks which might arise in the future, the Three Life Insurance Companies are required to maintain a contingency reserve at an amount determined based on requirements under the Insurance Business Act.

[Additional information]

Since fiscal year 2014, in accordance with Article 69 Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act, Daido Life has provided an additional policy reserve for certain types of individual annuity insurance policies for which annuity payments have already commenced. Daido Life will provide this additional policy reserve in a phased manner over 3 years.

The amount of the policy reserve provided for the years ended March 31, 2015 and 2014 was ¥12,993 million (\$108,129 thousand) and ¥5,895 million, respectively.

(8) Reserve for bonus to directors and audit & supervisory board members

To provide for payment of the bonus to directors and audit & supervisory board members, a reserve for the directors' and audit & supervisory board members' bonus is recorded based on the expected amount to be paid in the year ended March 31, 2015.

(9) Reserve for directors' and audit & supervisory board members' retirement benefits

To provide for the directors' and audit & supervisory board members' retirement benefits, the Company sets up a reserve for directors' and audit & supervisory board members' retirement benefits based on the internal rules of certain consolidated subsidiaries which is recorded in the amount recognized to have accrued as of March 31, 2015.

(10) Accounting method for employees' retirement benefits

For the calculation of retirement benefit obligations, the Company uses a method based on the benefit formula to attribute the expected

benefit amounts to each period. Actuarial gains and losses, past service costs and losses relating to changes in accounting policies are recognized in profit or loss in the period when they arose.

(11) Income taxes

The Company applies the consolidated corporate tax system. The consolidated corporate tax system allows companies to pay taxes based on the combined profits or losses of a parent company and its wholly owned domestic subsidiaries.

The provision for income taxes is based on income recognized for financial statement purposes, which includes deferred income taxes representing the effects of temporary differences between income recognized for financial reporting purposes and income tax purposes. Deferred tax assets and liabilities are determined based on the difference between assets and liabilities for financial reporting purposes and tax purposes using the statutory tax rate.

(12) Tangible fixed assets

Tangible fixed assets, except for lease assets, are stated at cost less accumulated depreciation. Depreciation is computed by the straight-line method for buildings acquired on and after April 1, 1998 and by the declining-balance method for other property and equipment, based on estimated useful lives ranging from 3 to 50 years for buildings and improvements and from 2 to 20 years for equipment.

Lease assets with respect to ownership-transfer finance leases are amortized under the same method as is applied to tangible fixed assets owned by the Company, and lease assets with respect to nonownership-transfer finance leases are amortized under the straight-line method over the lease term.

(13) Intangible fixed assets

Development costs for internal-use software are capitalized and amortized under the straight-line method over their estimated useful lives of 5 years.

Lease assets are amortized under the straight-line method over the lease term.

(14) Land revaluation

Taiyo Life revalued its land for operating purposes as of March 31, 2002, as permitted by the Land Revaluation Act, which became effective in 1998. In accordance with provisions under this act and related ordinances, the revaluation is a one-time event and subsequent valuation gains or losses after the initial revaluation are not reflected in the consolidated financial statements but are disclosed if additional valuation losses arise subsequent to the initial revaluation. Net revaluation gains or losses are not recorded on the statement of operation but as

a separate component of net assets, net of income taxes. In the event that the Company sells a part of such revalued land, related revaluation gains or losses are transferred to retained earnings.

(15) Derivative financial instruments

Changes in the fair value of derivative instruments designated as fair value hedges are recognized in the consolidated statement of operation, whereas those designated as deferral hedges are reported in the net assets section of the consolidated balance sheet. However, if derivative instruments qualify for the special treatment, the Company applies that treatment in which changes in the fair value of derivative instruments are not recognized.

Taiyo Life applies deferral hedge accounting and fair value hedge accounting. Taiyo Life also applies the special treatment for interest rate swap agreements in cases where the special treatment requirements are met. The hedging instruments and hedged items for Taiyo Life are as follows:

- | | |
|------------------------|--|
| a. Hedging instrument: | Interest rate swap |
| Hedged item: | Loan receivable, bonds |
| b. Hedging instrument: | Exchange contracts |
| Hedged item: | Foreign currency-denominated assets |
| c. Hedging instrument: | Option |
| Hedged item: | Domestic and foreign stocks, domestic and foreign-listed investment trusts, domestic bonds |
| d. Hedging instrument: | Credit transaction |
| Hedged item: | Domestic and foreign stocks, domestic and foreign-listed investment trusts |
| e. Hedging instrument: | Forward contracts |
| Hedged item: | Domestic and foreign stocks, domestic and foreign-listed investment trusts |

Taiyo Life's hedging policy is based on the internal rules and regulations developed under Taiyo Life's risk management policy concerning asset operations, and the cash flow and price fluctuation risks concerning hedged items are hedged within a certain scope. Taiyo Life measures effectiveness of hedging activities for each half-year period by performing a ratio analysis and other methods comparing the market movements or accumulated cash flow movements of the hedged items and the market movements or accumulated cash flow movements of the hedging instruments. However, evaluation of hedging effectiveness is omitted for interest rate swap agreements under the special treatment, etc., exchange contracts in which both the hedged items and the hedging instruments are denominated in the same currency, options hedging domestic and foreign stocks as well

as domestic and foreign-listed investment trusts and options hedging credit transactions, forward contracts and domestic bonds.

Daido Life applies fair value hedge accounting. Daido Life also applies the method for translating foreign currency receivables and payables on the basis of yen value cash flow fixed by forward contract for exchange contract transactions hedging foreign currency deposits in cases where the transactions satisfy the requirements for the method. The hedging instrument and hedged item for Daido Life are follows:

- | | |
|---------------------|--|
| Hedging instrument: | Exchange contracts |
| Hedged item: | Foreign currency-denominated available-for-sale securities and fixed deposit |

Daido Life's hedging policy is based on the internal rules and regulations concerning asset operations, and exchange fluctuation risks of hedged items are hedged within a certain scope. Daido Life measures effectiveness of hedging activities by performing a ratio analysis of market value movement comparisons between the hedging instruments and the hedged items.

(16) Accounting for consumption taxes

Consumption taxes received or paid by the Company and its domestic consolidated subsidiaries are not included in income and expenses. The net of consumption taxes received and paid are separately recorded on the consolidated balance sheet. Where consumption taxes paid are not fully credited against consumption taxes received, the noncredited portion is charged as an expense in the period in which the consumption taxes are paid. However, certain noncredited portions of consumption taxes paid, such as for the purchase of property and equipment, are not charged to expense but are deferred as prepaid expenses and amortized against income over a five-year period on a straight-line basis.

(17) Cash and cash equivalents

Cash equivalents consist of highly liquid investments without significant market risk, such as demand deposits and short-term investments with an original maturity of three months or less.

(18) Unadopted accounting standards, etc.

- “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, issued on September 13, 2013)
- “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, issued on September 13, 2013)
- “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, issued on September 13, 2013)

- “Accounting Standard for Earnings Per Share” (ASBJ Statement No. 2, issued on September 13, 2013)
- “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, issued on September 13, 2013)
- “Guidance on Accounting Standard for Earnings Per Share” (ASBJ Guidance No. 4, issued on September 13, 2013)

a. Summary

The revisions of these accounting standards mainly affect

- 1) changes in equity due to additional acquisition of ownership interest of subsidiaries that do not result in a change in control,
- 2) the accounting for acquisition related costs,
- 3) the

presentation method of net income and changes from minority interest to non-controlling interest, and 4) provisional treatment of the new standards.

b. Scheduled date of application

These accounting standards will be applied from the beginning of the fiscal year starting April 1, 2015. Tentative treatment of the new standards will be applied to business combinations that are implemented on and after the beginning of the fiscal year starting April 1, 2015.

c. Effect of the application of the accounting standards

The amount of the effect is under evaluation at the time of preparing consolidated financial statements for the consolidated fiscal year ended March 31, 2015.

Note 3 Loans

Delinquent loans of the Company and its consolidated subsidiaries as of March 31, 2015 and 2014 are summarized as follows:

As of March 31,	¥ millions		US\$ thousands
	2015	2014	2015
Loans to bankrupt companies	¥ 268	¥ 310	\$ 2,233
Past due loans	825	598	6,865
Loans overdue for three months or more	3,222	3,051	26,812
Restructured loans	32	34	269
Total	¥4,347	¥3,994	\$36,180

Loans to bankrupt companies are loans to borrowers that are subject to bankruptcy, corporate reorganization or rehabilitation or other similar proceedings on which the Company and its consolidated subsidiaries have stopped accruing interest after determining that collection or repayment of principal or interest is unlikely due to significant delay in payment of principal or interest or for some other reason.

Past due loans are loans, other than those categorized as loans to bankrupt companies and loans for which due dates for interest payments have been rescheduled for purposes of restructuring or supporting the borrower, on which the Company and its consolidated subsidiaries have stopped accruing interest based on self-assessment.

Loans overdue for three months or more are loans other than those categorized as loans to bankrupt companies or past due loans for which principal and/or interest are overdue for three months or more.

Restructured loans are loans other than those categorized as loans to bankrupt companies, past due loans or loans overdue for three

months or more for which agreements have been made between the relevant parties to provide a concessionary interest rate, rescheduling of due dates for interest and/or principal payments, waiver of claims and/or other terms in favor of the borrower for purposes of restructuring or supporting the borrower.

With respect to loans to bankrupt companies and past due loans that are covered by collateral and guarantees, the Company and its consolidated subsidiaries write off the portion of such loans that is not collectible from collateral and guarantees, and charge such amounts to the reserve for possible loan losses. Write-offs relating to bankrupt companies for the years ended March 31, 2015 and 2014 amounted to ¥72 million (\$605 thousand) and ¥99 million, respectively. Write-offs relating to past due loans for the years ended March 31, 2015 and 2014 amounted to ¥132 million (\$1,103 thousand) and ¥2,653 million, respectively.

Note 4 » Accumulated Depreciation of Tangible Fixed Assets

Accumulated depreciation of tangible fixed assets as of March 31, 2015 and 2014 was ¥225,078 million (\$1,873,001 thousand) and ¥221,215 million, respectively.

Note 5 » Separate Accounts

The consolidated balance sheet includes ¥250,334 million (\$2,083,167 thousand) and ¥529,637 million of assets and liabilities in equal amounts related to separate accounts as provided in Article 118, Paragraph 1 of the Insurance Business Act, as of March 31, 2015 and 2014, respectively.

Note 6 » Reserve for Policyholder Dividends

An analysis of the reserve for policyholder dividends included in policy reserves for the years ended March 31, 2015 and 2014 is as follows:

		¥ millions	US\$ thousands
Years ended March 31,	2015	2014	2015
Balance at the beginning of the year	¥113,781	¥118,721	\$ 946,836
Policyholder dividends	(36,530)	(36,698)	(303,987)
Increase in interest	108	129	900
Increase due to other reasons	5	—	44
Decrease due to other reasons	—	(9)	—
Provision for reserve for policyholder dividends	32,555	31,638	270,912
Balance at the end of the year	¥109,920	¥113,781	\$ 914,706

Note 7 » Unused Loan Balance under Loan Commitments

		¥ millions	US\$ thousands
Years ended March 31,	2015	2014	2015
Total amount of loan commitments	¥6,800	¥—	\$56,586
Balance of loans outstanding	2,237	—	18,622
Balance	¥4,562	¥—	\$37,963

Note 8 » Bonds

Bonds are subordinated bonds, the payment priority of which is subordinated to other payables.

Note 9 » Other Liabilities

Other liabilities included ¥47,500 million (\$395,273 thousand) and ¥83,500 million of subordinated borrowings as of March 31, 2015 and 2014, respectively.

Note 10 » Commitments

The amounts of future contributions to the Policyholder Protection Corporation, which are estimated in accordance with Article 259 of the Insurance Business Act, were ¥24,611 million (\$204,802 thousand) and ¥24,361 million as of March 31, 2015 and 2014, respectively. The contributions are recorded on the statement of operation as an operating expense when paid, as the amount of future contributions is not yet fixed.

The amounts of the Three Life Insurance Companies' investments in securities which were mainly pledged as collateral for the overdraft limit of the exclusive account of real-time gross settlement of government bonds with the Bank of Japan and as a substitution of collateral for margin for futures contracts were ¥153,050 million (\$1,273,619 thousand) and ¥143,663 million as of March 31, 2015 and 2014, respectively.

Note 11 Organizational Change Surplus

The organizational change surplus, which is the portion of net assets attributable to contributions by past policyholders as of the date of the demutualization of Taiyo Life and Daido Life and whose distribution is restricted by Article 91 of the Insurance Business Act, amounted to

¥63,158 million (\$525,575 thousand) and ¥63,158 million for Taiyo Life and ¥10,836 million (\$90,175 thousand) and ¥10,836 million for Daido Life as of March 31, 2015 and 2014, respectively.

Note 12 Investments in Affiliates

Securities included ¥306 million (\$2,554 thousand) and ¥272 million of investments in affiliates as of March 31, 2015 and 2014, respectively.

Note 13 Impairment Losses on Fixed Assets

Impairment losses on fixed assets for the years ended March 31, 2015 and 2014 are as follows:

(1) Categorization of assets

The Three Life Insurance Companies categorize real estate owned for insurance operations as a single asset group. Other assets such as rental property and unused real estate are categorized separately. Each of the other consolidated subsidiaries categorizes real estate held for its own operations as a single category.

(2) Background of impairment losses

Because the recoverable amount fell below the book value for an asset group of some insurance companies owned for insurance operations, impairment losses were recognized for the difference between the book value and the recoverable amount and reported in extraordinary losses as impairment losses.

And, because of decreases in fair market value and rental income for some rental properties, impairment losses were recognized for the difference between the book value and the recoverable amount and reported in extraordinary losses as impairment losses.

(3) Impairment losses by asset group

Year ended March 31, 2015				¥ millions	US\$ thousands
Asset	Location, etc.	Land	Buildings	Total	Total
Rental properties	11 assets (Osaka City, Osaka Prefecture, etc.)	¥1,327	¥668	¥1,995	\$16,607

Year ended March 31, 2014				¥ millions	
Asset	Location, etc.	Internal-use software	Land	Buildings	Total
Insurance operations	(Minato-ku, Tokyo, etc.)	¥300	¥ —	¥ 1	¥301
Rental properties	10 assets (Suita City, Osaka Prefecture, etc.)	—	2,402	1,262	3,665

(4) Method of calculating recoverable amount

The recoverable amount is based on the value in use for real estate owned for insurance operations and the value in use or net realizable value for rental properties. The value in use for real estate owned for insurance operations is calculated by discounting future cash flows

from 0.08% to 0.11%. The value in use for real estate owned for rental properties is calculated by discounting future cash flows by 6.0%. In principle, the net realizable value is calculated by subtracting the estimated costs of disposal from appraisal value calculated in accordance with the real estate appraisal standard.

Note 14 Consolidated Statement of Comprehensive Income

Reclassification adjustments and tax effect regarding other comprehensive income for the years ended March 31, 2015 and 2014 are as follows:

Years ended March 31,	¥ millions		US\$ thousands
	2015	2014	2015
Net unrealized gains on securities:			
Net unrealized gains during the year	¥380,677	¥ 52,217	\$3,167,821
Reclassification adjustments	(27,996)	(3,407)	(232,978)
Amount before tax effect	352,680	48,810	2,934,843
Tax effect	(90,730)	(12,577)	(755,014)
Net unrealized gains on securities	261,950	36,232	2,179,829
Deferred gains (losses) on hedging instruments:			
Deferred gains (losses) during the year	(8,284)	3,034	(68,938)
Reclassification adjustments	908	573	7,560
Amount before tax effect	(7,375)	3,607	(61,378)
Tax effect	1,897	(1,107)	15,791
Deferred gains (losses) on hedging instruments	(5,478)	2,500	(45,587)
Land revaluation:			
Tax effect	369	—	3,073
Land revaluation	369	—	3,073
Foreign currency translation adjustments:			
Translation adjustments during the year	0	1	6
Share of other comprehensive income of associates accounted for using the equity method:			
Share of other comprehensive income during the year	9	28	79
Total other comprehensive income	¥256,851	¥ 38,762	\$2,137,401

Note 15 Consolidated Statement of Changes in Net Assets

For the year ended March 31, 2015

(1) Type and number of shares issued and treasury shares

Year ended March 31, 2015	Number of shares at the beginning of the fiscal year	Number of shares increased in the fiscal year	Number of shares decreased in the fiscal year	Number of shares at the end of the fiscal year
Shares issued:				
Common stock	681,480,000	—	—	681,480,000
Treasury stock:				
Common stock	9,212,294	7,469,421	48,980	16,632,735

Notes 1: Treasury stock increased due to the following reasons: 7,461,900 shares by the acquisition of treasury stock based on the corporate resolution on May 15, 2014 and 7,521 shares by purchasing odd-lot shares.

2: Treasury stock decreased due to the following reasons: 48,800 shares by exercising stock options and 180 shares by accepting requests for the purchase of odd-lot shares.

(2) Information of subscription rights to shares

Category	Breakdown of subscription rights to shares	Balance at the end of the fiscal year	
		¥ millions	US\$ thousands
The Company	Share subscription rights as stock options	¥746	\$6,208

(3) Information of shareholder dividends

The amount of shareholder dividends is as follows:

Date of resolution	Type of shares	Amount of shareholder dividends		Shareholder dividends per share		Record date	Effective date
		¥ millions	US\$ thousands	¥	US\$		
Ordinary Shareholders' Meeting held on June 26, 2014	Common stock	¥16,806	\$139,857	¥25.00	\$0.20	March 31, 2014	June 27, 2014

The amount of shareholder dividends that is affected in the year ending March 31, 2016 while its record date is in the year ended March 31, 2015 is as follows:

Date of resolution	Type of shares	Amount of shareholder dividends		Underlying assets	Shareholder dividends per share		Record date	Effective date
		¥ millions	US\$ thousands		¥	US\$		
Ordinary Shareholders' Meeting held on June 25, 2015	Common stock	¥16,621	\$138,313	Retained earnings	¥25.00	\$0.20	March 31, 2015	June 26, 2015

For the year ended March 31, 2014

(1) Type and number of shares issued and treasury shares

Year ended March 31, 2014	Number of shares at the beginning of the fiscal year	Number of shares increased in the fiscal year	Number of shares decreased in the fiscal year	Number of shares at the end of the fiscal year
Shares issued:				
Common stock	681,480,000	—	—	681,480,000
Treasury stock:				
Common stock	7,157,560	2,132,684	77,950	9,212,294

Notes 1: Treasury stock increased due to the following reasons: 2,125,300 shares by the acquisition of treasury stock based on the corporate resolution on May 15, 2013 and 7,384 shares by purchasing odd-lot shares.

2: Treasury stock decreased due to the following reasons: 77,800 shares by exercising the stock options and 150 shares by accepting requests for the purchase of odd-lot shares.

(2) Information of subscription rights to shares

Category	Breakdown of subscription rights to shares	Balance at the end of the fiscal year
		¥ millions
The Company	Share subscription rights as stock options	¥523

(3) Information of shareholder dividends

The amount of shareholder dividends is as follows:

Date of resolution	Type of shares	Amount of shareholder dividends		Shareholder dividends per share	Record date	Effective date
		¥ millions	¥			
Ordinary Shareholders' Meeting held on June 26, 2013	Common stock	¥15,172		¥22.50	March 31, 2013	June 27, 2013

The amount of shareholder dividends that is affected in the year ended March 31, 2015 while its record date is in the year ended March 31, 2014 is as follows:

Date of resolution	Type of shares	Amount of shareholder dividends		Underlying assets	Shareholder dividends per share		Record date	Effective date
		¥ millions	¥					
Ordinary Shareholders' Meeting held on June 26, 2014	Common stock	¥16,806		Retained earnings	¥25.00		March 31, 2014	June 27, 2014

Note 16 Consolidated Statement of Cash Flows

The following table provides a reconciliation of cash and cash equivalents in the consolidated statement of cash flows to cash and cash deposits as stated in the consolidated balance sheet as of March 31, 2015 and 2014:

As of March 31,	¥ millions		US\$ thousands
	2015	2014	2015
Cash and deposits	¥ 334,191	¥ 378,331	\$ 2,780,988
Less: deposits with an original maturity of more than three months	(5,460)	(5,510)	(45,435)
Call loans	329,876	187,600	2,745,077
Monetary claims purchased	339,927	451,083	2,828,718
Less: monetary claims purchased other than cash and cash equivalents	(196,385)	(227,489)	(1,634,228)
Securities	10,847,399	10,211,280	90,267,118
Less: securities other than cash and cash equivalents	(10,750,024)	(10,168,183)	(89,456,803)
Cash and cash equivalents	¥ 899,524	¥ 827,111	\$ 7,485,435

Note 17 Lease Transactions

(1) As lessee

There are no ownership-transfer finance leases as of March 31, 2015 and 2014.

Regarding nonownership-transfer finance leases, lease assets include office appliances such as computer servers as tangible fixed assets and software as intangible fixed assets. These assets are amortized under the straight-line method over the lease term.

Future minimum lease payments under noncancellable operating leases as of March 31, 2015 and 2014 were as follows:

As of March 31,	¥ millions		US\$ thousands
	2015	2014	2015
Due within one year	¥ 7	¥2	\$ 58
Due after one year	14	2	120
Total	¥21	¥5	\$179

(2) As lessor

Lease investment assets as of March 31, 2015 and 2014 are summarized as follows:

As of March 31,	¥ millions		US\$ thousands
	2015	2014	2015
Other:			
Lease income receivables	¥32,812	¥33,906	\$273,050
Estimated residual value	303	362	2,523
Interest income	(2,831)	(3,231)	(23,565)
Total lease investment assets	¥30,283	¥31,037	\$252,009

Projected collection periods and amounts of lease income receivables related to lease receivables and lease investment assets for the fiscal years ended March 31, 2015 and 2014 are as follows:

As of March 31, 2015	¥ millions		US\$ thousands	
	Lease receivables	Lease investment assets	Lease receivables	Lease investment assets
Due within one year	¥1,525	¥8,716	\$12,691	\$72,537
Due after one year through two years	1,313	7,218	10,927	60,069
Due after two years through three years	1,121	5,793	9,329	48,207
Due after three years through four years	886	4,352	7,374	36,223
Due after four years through five years	662	2,854	5,509	23,752
Due after five years	1,024	3,876	8,522	32,260

As of March 31, 2014	¥ millions	
	Lease receivables	Lease investment assets
Due within one year	¥1,439	¥9,114
Due after one year through two years	1,232	7,408
Due after two years through three years	1,026	5,910
Due after three years through four years	849	4,489
Due after four years through five years	625	3,058
Due after five years	1,029	3,925

Note 18 Related Party Transactions

There are no applicable transactions with related parties or notes on the parent company and affiliated companies for the years ended March 31, 2015 and 2014.

Note 19 Income Taxes

The Company and its domestic consolidated subsidiaries are subject to corporate (national) and inhabitants (local) taxes based on income. A reconciliation between the statutory tax rate and the effective tax rate is as follows:

Years ended March 31,	2015	2014
Statutory tax rate	30.7%	33.3%
Valuation allowance	(1.2)	(0.3)
Permanent difference items including entertainment expense, etc.	0.4	0.6
Adjustment of deferred tax assets due to the changes in statutory tax rate	6.7	2.0
Others, net	(0.2)	0.5
Effective tax rate	36.4%	36.1%

Adjustment of deferred tax assets and liabilities due to the changes in the statutory tax rate:

Following the promulgation of the Act on Partial Revision of the Income Tax Act, etc. and the Act on Partial Revision of the Local Tax Act, etc., the statutory tax rate used for the calculation of deferred tax assets and liabilities for the fiscal year ended March 31, 2015 (but limited to the assets and liabilities which will be realized on and after

April 1, 2015), has been changed to 28.8% from 30.7%.

As a result, deferred income taxes increased by ¥9,940 million (\$82,720 thousand), net income decreased by ¥9,938 million (\$82,706 thousand). Further, deferred tax liabilities decreased by ¥6,377 million (\$53,070 thousand) and unrealized gains on available-for-sale securities increased by ¥16,597 million (\$138,113 thousand).

Significant components of deferred tax assets and liabilities of the Company and consolidated subsidiaries as of March 31, 2015 and 2014 are summarized below:

As of March 31,	¥ millions		US\$ thousands
	2015	2014	2015
Deferred tax assets:			
Policy reserves	¥ 65,641	¥ 70,163	\$ 546,240
Reserve for price fluctuations	44,672	46,055	371,740
Net defined benefit liability	30,077	33,010	250,292
Devaluation losses on securities	14,138	17,633	117,653
Deferred losses on disposal of fixed assets	4,112	4,199	34,221
Reserve for bonus payments	2,211	2,532	18,405
Tax loss carryforward	1,234	1,803	10,270
Reserve for possible loan losses	621	1,331	5,168
Others	17,955	15,471	149,420
Subtotal	180,665	192,200	1,503,417
Valuation allowance	(21,652)	(24,954)	(180,185)
Total deferred tax assets	159,012	167,246	1,323,232
Deferred tax liabilities:			
Unrealized gains on available-for-sale securities	(250,322)	(159,593)	(2,083,070)
Accrued dividend income	(1,786)	(1,668)	(14,868)
Deferred gain on reduction of book value of real estate	(667)	(2,152)	(5,556)
Others	(1,558)	(337)	(12,969)
Total deferred tax liabilities	(254,335)	(163,751)	(2,116,465)
Net deferred tax assets (liabilities)	¥ (95,322)	¥ 3,494	\$ (793,233)

Note 20 Financial Instruments

Being primarily focused on life insurance business, the T&D Life Group underwrites various classes of life insurance, and invests the money collected as insurance premiums in financial assets including securities and loans. In order to efficiently invest the insurance premiums trusted to us by the policyholders, the Group's asset management policy aims to build a portfolio which ensures long-term stable returns considering the characteristics of long-term obligations involved in life insurance policies, based on the concept of ERM which integrally manages profit, risk, and capital, and at the same time, paying adequate attention to the soundness and public welfare of the investments. Derivative financial instruments are used to hedge fluctuation risks involved in our investment in financial instruments, as well as partially complement physical assets. Furthermore, in order to pursue a further strength of financial soundness, the Group has been financing the subordinated-class capital (bonds and borrowings).

Financial assets held by the Group mainly comprise securities and loans. Securities include public and corporate bonds, stocks and investment trusts offered at home and abroad that are held on a long-term basis for the purpose of investment geared to market prospects to ensure stable returns. These financial instruments are exposed to credit risks of the issuing entities and market risks associated with fluctuations in interest rate, exchange rates and stock prices, as well as market liquidity risks. Loans here include policy loans for policyholders and commercial loans (non-policy loans) provided mainly to domestic businesses and individuals. Commercial loans, though intended to ensure stable returns, are exposed to credit risks of borrowers' default. A policy loan is provided within the surrender value of each insurance policy, thus its credit risk is minimal. Derivative transactions including stock index futures contracts, forward exchange contracts and interest rate swap agreements are used primarily to hedge price fluctuation risks of our financial assets, and partially to complement physical assets by, for example, providing a solution to the time constraint prior to the inclusion of physical assets into our portfolio. Accordingly, the Group does not enter into those transactions for speculative purposes. Stringent risk management is in place for derivative transactions, by clearly defining tolerable allowances in terms of nature, underlying assets and trading limits of the transactions as well as by properly controlling their status. Hedge accounting is appropriately practiced in interest rate swap agreements for loans and forward exchange contracts for foreign currency-denominated assets, under the internal rules clearly defining qualifications, applicable types of transactions, methods of evaluation of its effectiveness and methods of its designation. Effectiveness of hedging is determined by ratio analysis methodology comparing the movements of fair market values of the hedged items and hedging instruments.

The Group, in consideration of the social and public nature of the life insurance business which is its core business, defines precise identification and management of risks as one of the crucial management tasks for ensuring the soundness and adequacy of management, where the Company, as the Group's holding company, has developed a "Group Risk Management Policy" which sets out the basic risk management philosophy within the Group and provides the risk management structure according to business characteristics and risk profiles at each of the Three Life Insurance Companies. Under such a context, the Group Risk Management Committee is in place for the purpose of coordinated management of risks within the Group, and has a clear understanding of the status of various risks at each of the Three Life Insurance Companies, through reports prepared on a regular or as-needed basis at each company using the unified risk management criteria. Meanwhile, the Company, by providing guidance and advice as appropriate to the Three Life Insurance Companies, is tackling the enhancement of risk management at each company as well as across the Group. At each of the Three Life Insurance Companies, a committee has been established to supervise company-wide risk management at an enhanced level, while a mutual check-and-balance system is in place under the internal organizational arrangement including the separation of the investment and loan execution function from the administration function within the investment division, independence of the credit check function and implementation of the internal audits by the internal audit department. Furthermore, risks are managed integrally with profit and capital on an economic value basis by a committee in charge of ERM. Through the promotion and enhancement of ERM, the Group aims for steady and sustainable growth in its corporate value.

Market risks are properly controlled according to the risk characteristic of each asset based on a precise understanding of the sensitivity of investment assets to parameters reflecting changes in the investment environment, including interest rate, stock prices and exchange rates, as well as by reviewing asset allocation and risk hedging based on identification of the overall risk of the portfolio using the Value at Risk criterion (hereafter referred to as "VaR").

Credit risk of the entire portfolio is identified and controlled through its quantification by the use of VaR based on an internal rating for individual borrowers. Meanwhile, the aggregate amount of investment and loans is capped by each industry sector or by group of companies, according to the corresponding risks, whereby concentration of loans to specific industry sectors or groups of companies is restrained.

Liquidity risks are managed by ensuring a constant amount of liquidity based on the risk management department's precise understanding of the latest risk information, including the share of highly

liquid assets, cash flow situation, trends of the general financial/securities markets and status of individual financial instruments, as well as developing a management structure that enables smooth liquidation of assets for financing.

The fair value amounts were based on market prices. If market prices were not readily available, management estimated a fair value

using certain valuation methodologies. Estimation of fair value requires the use of certain assumptions and valuation methodologies. The use of different assumptions and valuation methodologies may have a significant effect on the derived fair value amounts. In addition, notional amounts of derivative financial instruments shown in the following table do not represent exposure to market risks.

The following tables show carrying amounts, fair value amounts and differences for financial instruments held as of March 31, 2015 and 2014. Financial instruments without readily obtainable fair value are not included.

As of March 31, 2015	Carrying amount	Fair value	Difference
	¥ millions		
Cash and deposits:			
Treated as securities	¥ 56,400	¥ 56,400	¥ —
Available-for-sale securities	56,400	56,400	—
Others	277,791	277,791	—
Total cash and deposits	334,191	334,191	—
Call loans	329,876	329,876	—
Monetary claims purchased:			
Treated as securities	338,576	344,488	5,911
Held-to-maturity bonds	82,471	88,383	5,911
Available-for-sale securities	256,104	256,104	—
Others	1,350	1,481	130
Total monetary claims purchased	339,927	345,969	6,042
Monetary trusts:			
Monetary trusts for trading purposes	9,260	9,260	—
Monetary trusts for held-to-maturity purposes	22,610	22,595	(14)
Monetary trusts for policy reserve-matching purposes	396,372	408,590	12,218
Monetary trusts for other than trading, held-to-maturity or policy reserve-matching purposes	9,379	9,379	—
Total monetary trusts	437,622	449,825	12,203
Securities:			
Trading securities	339,849	339,849	—
Held-to-maturity bonds	1,540,385	1,711,373	170,987
Policy reserve-matching bonds	2,687,767	3,001,339	313,572
Available-for-sale securities	6,062,467	6,062,467	—
Total securities	10,630,470	11,115,030	484,559
Loans:			
Policy loans *1	139,295	154,470	15,183
Commercial loans *1	1,724,542	1,775,315	52,553
Reserve for possible loan losses *2	(1,788)	—	—
Total loans	1,862,049	1,929,785	67,736
Total assets	13,934,137	14,504,679	570,541
Short-term debentures	2,999	2,999	—
Bonds	51,100	51,392	292
Borrowings within other liabilities	81,198	81,679	481
Total liabilities	135,297	136,071	773
Derivative financial instruments *3:			
Hedge accounting not applied	9,502	9,502	—
Hedge accounting applied	(40,495)	(39,683)	812
Total derivative financial instruments	¥ (30,993)	¥ (30,180)	¥ 812

As of March 31, 2015	US\$ thousands		
	Carrying amount	Fair value	Difference
Cash and deposits:			
Treated as securities	\$ 469,335	\$ 469,335	\$ —
Available-for-sale securities	469,335	469,335	—
Others	2,311,653	2,311,653	—
Total cash and deposits	2,780,988	2,780,988	—
Call loans	2,745,077	2,745,077	—
Monetary claims purchased:			
Treated as securities	2,817,477	2,866,672	49,194
Held-to-maturity bonds	686,293	735,488	49,194
Available-for-sale securities	2,131,184	2,131,184	—
Others	11,240	12,328	1,087
Total monetary claims purchased	2,828,718	2,879,000	50,281
Monetary trusts:			
Monetary trusts for trading purposes	77,057	77,057	—
Monetary trusts for held-to-maturity purposes	188,156	188,032	(124)
Monetary trusts for policy reserve-matching purposes	3,298,432	3,400,106	101,673
Monetary trusts for other than trading, held-to-maturity or policy reserve-matching purposes	78,048	78,048	—
Total monetary trusts	3,641,695	3,743,244	101,549
Securities:			
Trading securities	2,828,074	2,828,074	—
Held-to-maturity bonds	12,818,388	14,241,267	1,422,879
Policy reserve-matching bonds	22,366,376	24,975,783	2,609,406
Available-for-sale securities	50,449,095	50,449,095	—
Total securities	88,461,935	92,494,221	4,032,285
Loans:			
Policy loans *1	1,159,155	1,285,435	126,348
Commercial loans *1	14,350,853	14,773,364	437,322
Reserve for possible loan losses *2	(14,881)	—	—
Total loans	15,495,128	16,058,799	563,671
Total assets	115,953,544	120,701,332	4,747,788
Short-term debentures	24,959	24,959	—
Bonds	425,230	427,663	2,432
Borrowings within other liabilities	675,696	679,699	4,002
Total liabilities	1,125,887	1,132,322	6,435
Derivative financial instruments *3:			
Hedge accounting not applied	79,073	79,073	—
Hedge accounting applied	(336,984)	(330,225)	6,759
Total derivative financial instruments	\$ (257,911)	\$ (251,151)	\$ 6,759

*1: Difference indicates the difference between the amount after deducting the reserve for possible loan losses recorded in balance sheet and its current fair value.

*2: Reserve for possible loan losses for loans is deducted.

*3: Assets and liabilities arising from derivative transactions are shown at net value. (In the case of net liabilities, amounts are shown in parentheses.)

As of March 31, 2014	Carrying amount	Fair value	Difference
¥ millions			
Cash and deposits:			
Treated as securities	¥ 63,000	¥ 63,000	¥ —
Available-for-sale securities	63,000	63,000	—
Others	315,331	315,331	—
Total cash and deposits	378,331	378,331	—
Call loans	187,600	187,600	—
Monetary claims purchased:			
Treated as securities	449,674	455,444	5,769
Held-to-maturity bonds	93,291	99,061	5,769
Available-for-sale securities	356,382	356,382	—
Others	1,408	1,497	88
Total monetary claims purchased	451,083	456,941	5,858
Monetary trusts:			
Monetary trusts for trading purposes	14,689	14,689	—
Monetary trusts for held-to-maturity purposes	11,502	11,504	2
Monetary trusts for policy reserve-matching purposes	183,362	184,383	1,021
Monetary trusts for other than trading, held-to-maturity or policy reserve-matching purposes	4,053	4,053	—
Total monetary trusts	213,608	214,632	1,023
Securities:			
Trading securities	608,247	608,247	—
Held-to-maturity bonds	1,497,303	1,609,087	111,783
Policy reserve-matching bonds	2,558,611	2,740,808	182,197
Available-for-sale securities	5,212,578	5,212,578	—
Total securities	9,876,741	10,170,722	293,980
Loans:			
Policy loans *1	148,142	163,758	15,624
Commercial loans *1	1,730,332	1,776,166	47,797
Reserve for possible loan losses *2	(1,972)	—	—
Total loans	1,876,501	1,939,924	63,422
Total assets	12,983,866	13,348,151	364,285
Short-term debentures	2,999	2,999	—
Bonds	65,100	65,497	397
Borrowings within other liabilities	116,042	116,659	617
Total liabilities	184,141	185,156	1,014
Derivative financial instruments *3:			
Hedge accounting not applied	1,026	1,026	—
Hedge accounting applied	(33,560)	(32,629)	930
Total derivative financial instruments	¥ (32,533)	¥ (31,603)	¥ 930

*1: Difference indicates the difference between the amount after deducting the reserve for possible loan losses recorded in balance sheet and its current fair value.

*2: Reserve for possible loan losses for loans is deducted.

*3: Assets and liabilities arising from derivative transactions are shown at net value. (In the case of net liabilities, amounts are shown in parentheses.)

The following methods and assumptions were used to estimate the fair value of financial instruments.

Cash and deposits: Mainly recorded in book values as their market values are proximate to the book values.

Call loans: Recorded in book values as these are settled in a short period of time, thus their market values are proximate to the book values.

Monetary claims purchased: Those that are reasonably deemed appropriate to treat as securities are recorded in the same way as

securities, while others that are reasonably deemed appropriate to treat as loan receivable are recorded in the same way as loans.

Monetary trusts: Monetary trusts which are mainly invested in securities are recorded in the same way as securities. In addition, currency options and stock index option contracts are used as part of monetary trusts for investment purpose, and for these transactions, market values are calculated based on prices quoted by the financial institutions concerned.

Securities: Market values of securities are mainly based on their prices quoted on the stock exchange concerned, while those of bonds are based either on the statistics for reference published by the Japan Securities Dealers Association, or on the prices quoted by the underwriting financial institutions. Market values of investment trusts are based on the published base values.

Loans: For policy loans, market values are calculated by discounting by risk-free rate, the expected future cash flow derived from the repayment rate based on the past actual repayment performance. Commercial loans are basically recorded at book values as their market values are proximate to the book values, unless borrowers' credit standings significantly change after loans were provided. Market values of loans provided at fixed rates are calculated by discounting principal and interest by risk-free rates weighted by credit risks

involved. Since estimated bad debts associated with loans to Bankrupt Debtors, loans to Effectively Bankrupt Debtors and loans to Potentially Bankrupt Debtors, are calculated based on the present value of the estimated future cash flows, or estimated amounts recoverable through pledge or guarantee, their market values are proximate to consolidated balance sheet amounts less estimated bad debts as at the balance sheet date, which are recorded as market values. However, compound financial instruments are based on their prices quoted by the underwriting financial institutions.

Short term debentures: Recorded in book values as these are settled in a short period of time, thus their market values are proximate to the book values.

Bonds and borrowings: Market values are calculated by discounting principal and interest by risk-free rates weighted by credit risks involved.

The carrying amounts of financial instruments without readily obtainable fair value held as of March 31, 2015 and 2014 are summarized as follows:

As of March 31,	¥ millions		US\$ thousands
	2015	2014	2015
Investments in affiliates	¥ 306	¥ 272	\$ 2,554
Available-for-sale securities:			
Unlisted stocks	16,570	124,441	137,892
Foreign securities	187,004	193,528	1,556,163
Other securities	13,047	16,297	108,573
Total available-for-sale securities	¥216,621	¥334,266	\$1,802,628

Note: Impairment losses with respect to the unlisted stocks without readily obtainable fair value for the years ended March 31, 2015 and 2014 in the amount of ¥1,047 million (\$8,714 thousand) and ¥1,369 million, respectively, were charged to expenses.

The carrying amounts or principal amounts at March 31, 2015 and 2014, of monetary claims and fixed maturity securities by contractual maturity date are as follows:

As of March 31, 2015	¥ millions			
	Due in one year or less	Due after one year through five years	Due after five years through 10 years	Due after 10 years
Deposits	¥333,718	¥ 100	¥ —	¥ —
Call loans	329,876	—	—	—
Monetary claims purchased	143,606	5,806	293	180,556
Securities:				
Held-to-maturity bonds				
Government bonds	101,435	242,904	290,953	609,170
Municipal bonds	—	13,595	700	39,196
Corporate bonds	14,616	14,835	55,585	184,383
Policy reserve-matching bonds				
Government bonds	22,176	81,444	205,780	1,447,075
Municipal bonds	23,061	47,163	14,110	99,230
Corporate bonds	59,280	117,694	107,380	451,630
Available-for-sale fixed maturity securities				
Government bonds	125,803	35,150	94,992	187,037
Municipal bonds	47,056	155,154	8,869	22,266
Corporate bonds	102,550	588,561	234,006	152,899
Foreign securities	104,021	564,183	1,334,715	336,993
Other securities	—	25	21	—
Loans	253,687	762,957	466,683	215,698

	US\$ thousands			
As of March 31, 2015	Due in one year or less	Due after one year through five years	Due after five years through 10 years	Due after 10 years
Deposits	\$2,777,049	\$ 832	\$ —	\$ —
Call loans	2,745,077	—	—	—
Monetary claims purchased	1,195,029	48,315	2,440	1,502,507
Securities:				
Held-to-maturity bonds				
Government bonds	844,095	2,021,336	2,421,178	5,069,239
Municipal bonds	—	113,138	5,825	326,176
Corporate bonds	121,627	123,450	462,553	1,534,356
Policy reserve-matching bonds				
Government bonds	184,538	677,739	1,712,407	12,041,898
Municipal bonds	191,903	392,469	117,416	825,746
Corporate bonds	493,301	979,395	893,567	3,758,259
Available-for-sale fixed maturity securities				
Government bonds	1,046,881	292,502	790,480	1,556,437
Municipal bonds	391,584	1,291,121	73,805	185,287
Corporate bonds	853,375	4,897,744	1,947,299	1,272,356
Foreign securities	865,621	4,694,879	11,106,898	2,804,303
Other securities	—	210	178	—
Loans	2,111,070	6,348,981	3,883,529	1,794,946

Note: Securities without contractual maturity date at March 31, 2015 in the amount of ¥543,671 million (\$4,524,188 thousand) are not included. Also loans without contractual maturity date such as policy loans at March 31, 2015 in the amount of ¥164,772 million (\$1,371,159 thousand) are not included.

	¥ millions			
As of March 31, 2014	Due in one year or less	Due after one year through five years	Due after five years through 10 years	Due after 10 years
Deposits	¥377,477	¥ 400	¥ —	¥ —
Call loans	187,600	—	—	—
Monetary claims purchased	223,661	8,744	2,150	208,630
Securities:				
Held-to-maturity bonds				
Government bonds	70,348	84,409	459,301	572,541
Municipal bonds	—	100	14,195	39,744
Corporate bonds	16,497	26,851	58,185	183,375
Policy reserve-matching bonds				
Government bonds	12,545	99,459	164,478	1,370,350
Municipal bonds	33,408	67,424	16,910	83,430
Corporate bonds	49,750	115,874	106,780	428,830
Available-for-sale fixed maturity securities				
Government bonds	105,126	115,634	87,354	191,865
Municipal bonds	97,527	157,876	50,010	22,030
Corporate bonds	100,961	519,414	318,475	163,559
Foreign securities	120,183	445,200	910,294	372,605
Other securities	7	82	39	—
Loans	244,298	871,380	395,876	208,254

Note: Securities without contractual maturity date at March 31, 2014 in the amount of ¥387,026 million are not included. Also loans without contractual maturity date such as policy loans at March 31, 2014 in the amount of ¥158,643 million are not included.

The carrying amounts of bonds and borrowings at March 31, 2015 and 2014, by contractual maturity date, are as follows:

							¥ millions
As of March 31, 2015	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years	
Short-term debenture	¥ 3,000	¥ —	¥ —	¥ —	¥ —	¥ —	
Bonds	—	—	—	—	—	—	51,100
Borrowings within other liabilities	11,104	8,560	6,794	4,425	2,183		48,132

							US\$ thousands
As of March 31, 2015	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years	
Short-term debenture	\$24,964	\$ —	\$ —	\$ —	\$ —	\$ —	
Bonds	—	—	—	—	—	—	425,230
Borrowings within other liabilities	92,402	71,232	56,536	36,822	18,165		400,536

							¥ millions
As of March 31, 2014	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years	
Short-term debenture	¥3,000	¥ —	¥ —	¥ —	¥ —	¥ —	
Bonds	—	—	—	—	—	—	65,100
Borrowings within other liabilities	11,364	8,566	6,022	4,256	1,884		83,950

Note 21 Investments in Securities

Investments in securities held by the Company and its consolidated subsidiaries as of March 31, 2015 and 2014 are summarized as follows:

(1) Trading securities

As of March 31,	¥ millions		US\$ thousands
	2015	2014	2015
Valuation difference charged to earnings (losses)	¥(5,595)	¥7,479	\$(46,562)

(2) Held-to-maturity bonds

				¥ millions
As of March 31, 2015	Carrying amount	Fair value	Difference	
Items with fair value exceeding carrying amount:				
Domestic bonds:				
Government bonds	¥1,158,829	¥1,290,582	¥131,753	
Municipal bonds	54,156	60,861	6,704	
Corporate bonds	261,935	294,512	32,577	
Total domestic bonds	1,474,921	1,645,956	171,035	
Other securities	82,471	88,383	5,911	
Total	1,557,392	1,734,340	176,947	
Items with fair value not exceeding carrying amount:				
Domestic bonds:				
Government bonds	65,464	65,416	(48)	
Municipal bonds	—	—	—	
Corporate bonds	—	—	—	
Total domestic bonds	65,464	65,416	(48)	
Other securities	—	—	—	
Total	65,464	65,416	(48)	
Grand total	¥1,622,857	¥1,799,756	¥176,899	

As of March 31, 2015	US\$ thousands		
	Carrying amount	Fair value	Difference
Items with fair value exceeding carrying amount:			
Domestic bonds:			
Government bonds	\$ 9,643,248	\$10,739,641	\$1,096,393
Municipal bonds	450,667	506,461	55,793
Corporate bonds	2,179,705	2,450,799	271,094
Total domestic bonds	12,273,621	13,696,902	1,423,281
Other securities	686,293	735,488	49,194
Total	12,959,914	14,432,390	1,472,476
Items with fair value not exceeding carrying amount:			
Domestic bonds:			
Government bonds	544,766	544,364	(402)
Municipal bonds	—	—	—
Corporate bonds	—	—	—
Total domestic bonds	544,766	544,364	(402)
Other securities	—	—	—
Total	544,766	544,364	(402)
Grand total	\$13,504,681	\$14,976,755	\$1,472,073

Note: Other securities include beneficiary trust certificates amounting to ¥82,471 million (\$686,293 thousand) that are represented as monetary claims purchased in the consolidated balance sheet as of March 31, 2015.

As of March 31, 2014	¥ millions		
	Carrying amount	Fair value	Difference
Items with fair value exceeding carrying amount:			
Domestic bonds:			
Government bonds	¥1,118,347	¥1,205,275	¥ 86,927
Municipal bonds	54,754	58,809	4,055
Corporate bonds	277,453	298,604	21,151
Total domestic bonds	1,450,555	1,562,689	112,134
Other securities	91,291	97,067	5,775
Total	1,541,846	1,659,756	117,909
Items with fair value not exceeding carrying amount:			
Domestic bonds:			
Government bonds	46,748	46,398	(350)
Municipal bonds	—	—	—
Corporate bonds	—	—	—
Total domestic bonds	46,748	46,398	(350)
Other securities	2,000	1,994	(6)
Total	48,748	48,392	(356)
Grand total	¥1,590,595	¥1,708,148	¥117,553

Note: Other securities include beneficiary trust certificates amounting to ¥93,291 million that are represented as monetary claims purchased in the consolidated balance sheet as of March 31, 2014.

(3) Policy reserve-matching bonds

			¥ millions
As of March 31, 2015	Carrying amount	Fair value	Difference
Items with fair value exceeding carrying amount:			
Domestic bonds:			
Government bonds	¥1,743,670	¥1,959,031	¥215,360
Municipal bonds	183,367	202,535	19,167
Corporate bonds	693,401	772,540	79,138
Total	2,620,440	2,934,107	313,667
Items with fair value not exceeding carrying amount:			
Domestic bonds:			
Government bonds	24,007	23,922	(84)
Municipal bonds	—	—	—
Corporate bonds	43,319	43,309	(10)
Total	67,326	67,231	(95)
Grand total	¥2,687,767	¥3,001,339	¥313,572

			US\$ thousands
As of March 31, 2015	Carrying amount	Fair value	Difference
Items with fair value exceeding carrying amount:			
Domestic bonds:			
Government bonds	\$14,510,034	\$16,302,169	\$1,792,135
Municipal bonds	1,525,904	1,685,409	159,504
Corporate bonds	5,770,173	6,428,729	658,556
Total	21,806,112	24,416,309	2,610,197
Items with fair value not exceeding carrying amount:			
Domestic bonds:			
Government bonds	199,777	199,075	(701)
Municipal bonds	—	—	—
Corporate bonds	360,487	360,398	(88)
Total	560,264	559,473	(790)
Grand total	\$22,366,376	\$24,975,783	\$2,609,406

			¥ millions
As of March 31, 2014	Carrying amount	Fair value	Difference
Items with fair value exceeding carrying amount:			
Domestic bonds:			
Government bonds	¥1,570,687	¥1,687,404	¥116,716
Municipal bonds	198,968	214,088	15,119
Corporate bonds	693,501	744,468	50,967
Total	2,463,157	2,645,961	182,803
Items with fair value not exceeding carrying amount:			
Domestic bonds:			
Government bonds	86,174	85,637	(536)
Municipal bonds	1,800	1,777	(22)
Corporate bonds	7,479	7,433	(46)
Total	95,453	94,847	(606)
Grand total	¥2,558,611	¥2,740,808	¥182,197

(4) Available-for-sale securities

As of March 31, 2015	Carrying amount	Acquisition cost	¥ millions Difference
Items with carrying amount exceeding acquisition cost:			
Domestic bonds:			
Government bonds	¥ 439,470	¥ 395,753	¥ 43,716
Municipal bonds	244,095	232,260	11,835
Corporate bonds	1,062,582	1,013,352	49,229
Total domestic bonds	1,746,148	1,641,366	104,781
Domestic equities	737,744	339,545	398,198
Foreign securities:			
Foreign bonds	2,558,836	2,315,650	243,185
Foreign equities	17,775	15,600	2,174
Foreign other securities	525,095	469,961	55,134
Total foreign securities	3,101,707	2,801,212	300,495
Other securities	243,884	198,780	45,103
Total	5,829,484	4,980,905	848,579
Items with carrying amount not exceeding acquisition cost:			
Domestic bonds:			
Government bonds	50,320	50,325	(4)
Municipal bonds	1,678	1,678	(0)
Corporate bonds	87,511	87,703	(192)
Total domestic bonds	139,510	139,708	(197)
Domestic equities	3,121	3,330	(209)
Foreign securities:			
Foreign bonds	139,836	145,291	(5,455)
Foreign equities	1,657	1,717	(60)
Foreign other securities	27,991	28,790	(798)
Total foreign securities	169,485	175,799	(6,314)
Other securities	233,369	234,978	(1,608)
Total	545,487	553,816	(8,328)
Grand total	¥6,374,972	¥5,534,721	¥840,250

As of March 31, 2015	US\$ thousands		
	Carrying amount	Acquisition cost	Difference
Items with carrying amount exceeding acquisition cost:			
Domestic bonds:			
Government bonds	\$ 3,657,071	\$ 3,293,281	\$ 363,790
Municipal bonds	2,031,255	1,932,767	98,487
Corporate bonds	8,842,324	8,432,657	409,667
Total domestic bonds	14,530,650	13,658,705	871,945
Domestic equities	6,139,174	2,825,545	3,313,628
Foreign securities:			
Foreign bonds	21,293,471	19,269,789	2,023,682
Foreign equities	147,915	129,817	18,098
Foreign other securities	4,369,608	3,910,804	458,804
Total foreign securities	25,810,996	23,310,411	2,500,585
Other securities	2,029,494	1,654,160	375,334
Total	48,510,316	41,448,822	7,061,493
Items with carrying amount not exceeding acquisition cost:			
Domestic bonds:			
Government bonds	418,748	418,789	(41)
Municipal bonds	13,968	13,970	(1)
Corporate bonds	728,229	729,828	(1,598)
Total domestic bonds	1,160,946	1,162,588	(1,641)
Domestic equities	25,974	27,715	(1,740)
Foreign securities:			
Foreign bonds	1,163,653	1,209,048	(45,394)
Foreign equities	13,794	14,296	(502)
Foreign other securities	232,932	239,578	(6,646)
Total foreign securities	1,410,380	1,462,923	(52,543)
Other securities	1,941,997	1,955,381	(13,384)
Total	4,539,298	4,608,608	(69,309)
Grand total	\$53,049,615	\$46,057,431	\$6,992,184

Note: Other securities include certificates of deposit amounting to ¥ 56,400 million (\$469,335 thousand) that are represented as cash and deposits, commercial paper amounting to ¥143,541 million (\$1,194,490 thousand) and beneficiary trust certificates amounting to ¥112,562 million (\$936,693 thousand) that are represented as monetary claims purchased in the consolidated balance sheet as of March 31, 2015.

As of March 31, 2014	Carrying amount	Acquisition cost	Difference
¥ millions			
Items with carrying amount exceeding acquisition cost:			
Domestic bonds:			
Government bonds	¥ 434,391	¥ 402,133	¥ 32,258
Municipal bonds	341,766	328,236	13,529
Corporate bonds	1,092,772	1,041,628	51,144
Total domestic bonds	1,868,931	1,771,998	96,932
Domestic equities	570,070	316,163	253,907
Foreign securities:			
Foreign bonds	1,561,845	1,456,428	105,417
Foreign equities	9,873	8,143	1,730
Foreign other securities	381,082	344,310	36,772
Total foreign securities	1,952,802	1,808,881	143,920
Other securities	198,270	173,617	24,652
Total	4,590,074	4,070,661	519,412
Items with carrying amount not exceeding acquisition cost:			
Domestic bonds:			
Government bonds	102,445	102,463	(17)
Municipal bonds	—	—	—
Corporate bonds	70,659	71,586	(927)
Total domestic bonds	173,105	174,050	(944)
Domestic equities	5,062	5,760	(698)
Foreign securities:			
Foreign bonds	502,949	513,031	(10,081)
Foreign equities	12,608	12,916	(307)
Foreign other securities	56,314	57,995	(1,681)
Total foreign securities	571,872	583,943	(12,070)
Other securities	291,846	292,294	(447)
Total	1,041,886	1,056,048	(14,161)
Grand total	¥5,631,961	¥5,126,710	¥505,251

Note: Other securities include certificates of deposit amounting to ¥63,000 million that are represented as cash and deposits, commercial paper amounting to ¥223,593 million and beneficiary trust certificates amounting to ¥132,789 million that are represented as monetary claims purchased in the consolidated balance sheet as of March 31, 2014.

(5) The sales of securities classified as held-to-maturity bonds

There were no sales of securities classified as held-to-maturity bonds for the year ended March 31, 2015.

Year ended March 31, 2014	Costs of sales	Proceeds on sales	Gross gains	Gross losses
¥ millions				
Domestic bonds:				
Government bonds	¥5,968	¥6,702	¥733	¥—
Municipal bonds	—	—	—	—
Corporate bonds	—	—	—	—
Total	¥5,968	¥6,702	¥733	¥—

Reason for sales: T&D Financial Life sold securities classified as held-to-maturity bonds under rebalancing activity to better match the cash flows of assets with the retirement benefit obligations in response to changes in the calculation method for retirement benefit obligations and past service costs.

(6) The sales of securities classified as policy reserve-matching bonds

	¥ millions		
Year ended March 31, 2015	Proceeds on sales	Gross gains	Gross losses
Domestic bonds:			
Government bonds	¥12,687	¥360	¥ 0
Municipal bonds	—	—	—
Corporate bonds	—	—	—
Total	¥12,687	¥360	¥ 0

	US\$ thousands		
Year ended March 31, 2015	Proceeds on sales	Gross gains	Gross losses
Domestic bonds:			
Government bonds	\$105,583	\$3,001	\$ 0
Municipal bonds	—	—	—
Corporate bonds	—	—	—
Total	\$105,583	\$3,001	\$ 0

	¥ millions		
Year ended March 31, 2014	Proceeds on sales	Gross gains	Gross losses
Domestic bonds:			
Government bonds	¥106,942	¥4,054	¥207
Municipal bonds	—	—	—
Corporate bonds	2,813	267	—
Total	¥109,756	¥4,322	¥207

(7) The sales of securities classified as available-for-sale securities

	¥ millions		
Year ended March 31, 2015	Proceeds on sales	Gross gains	Gross losses
Domestic bonds:			
Government bonds	¥ 17,488	¥ 21	¥ 256
Municipal bonds	—	—	—
Corporate bonds	16,318	1,528	89
Total domestic bonds	33,806	1,550	345
Domestic equities	83,557	5,340	549
Foreign securities:			
Foreign bonds	420,667	18,175	5,350
Foreign equities	8,896	1,838	23
Foreign other securities	30,146	5,416	685
Total foreign securities	459,710	25,429	6,059
Other securities	24,241	1,751	18
Total	¥601,315	¥34,072	¥6,972

Year ended March 31, 2015	US\$ thousands		
	Proceeds on sales	Gross gains	Gross losses
Domestic bonds:			
Government bonds	\$ 145,528	\$ 178	\$ 2,133
Municipal bonds	—	—	—
Corporate bonds	135,794	12,723	745
Total domestic bonds	281,323	12,902	2,878
Domestic equities			
	695,328	44,444	4,569
Foreign securities:			
Foreign bonds	3,500,602	151,247	44,524
Foreign equities	74,030	15,295	195
Foreign other securities	250,864	45,072	5,704
Total foreign securities	3,825,497	211,615	50,424
Other securities			
	201,722	14,576	152
Total	\$5,003,872	\$283,538	\$58,024

Year ended March 31, 2014	¥ millions		
	Proceeds on sales	Gross gains	Gross losses
Domestic bonds:			
Government bonds	¥114,632	¥ 295	¥ 992
Municipal bonds	528	12	—
Corporate bonds	35,390	742	266
Total domestic bonds	150,551	1,050	1,258
Domestic equities			
	64,975	8,864	1,825
Foreign securities:			
Foreign bonds	419,362	4,218	14,095
Foreign equities	2,571	979	23
Foreign other securities	71,360	5,627	19
Total foreign securities	493,294	10,825	14,138
Other securities			
	47,660	4,700	204
Total	¥756,482	¥25,439	¥17,426

(8) Impairment of securities

The Company and its consolidated subsidiaries recognized ¥18 million (\$150 thousand) and ¥3,940 as impairment losses for the available-for-sale securities with readily obtainable fair value for the fiscal years

ended March 31, 2015 and 2014, respectively. The Company and its consolidated subsidiaries recognize impairment losses on securities if fair value as of the end of the fiscal year declines by 30% or more from their acquisition cost.

Note 22 Investments in Monetary Trusts

Monetary trusts held by the Company and its consolidated subsidiaries for trading purposes as of March 31, 2015 and 2014 are summarized as follows:

		¥ millions	US\$ thousands
As of March 31,	2015	2014	2015
Valuation difference charged to earnings (losses)	¥5,198	¥2,279	\$43,260

Monetary trusts held by the Company and its consolidated subsidiaries for held-to-maturity purposes as of March 31, 2015 and 2014 are summarized as follows:

		¥ millions	
As of March 31, 2015	Carrying amount	Fair value	Difference
Monetary trusts	¥22,610	¥22,595	¥(14)

		US\$ thousands	
As of March 31, 2015	Carrying amount	Fair value	Difference
Monetary trusts	\$188,156	\$188,032	\$(124)

		¥ millions	
As of March 31, 2014	Carrying amount	Fair value	Difference
Monetary trusts	¥11,502	¥11,504	¥2

Monetary trusts held by the Company and its consolidated subsidiaries for policy reserve-matching purpose as of March 31, 2015 and 2014 are summarized as follows:

		¥ millions	
As of March 31, 2015	Carrying amount	Fair value	Difference
Monetary trusts	¥396,372	¥408,590	¥12,218

		US\$ thousands	
As of March 31, 2015	Carrying amount	Fair value	Difference
Monetary trusts	\$3,298,432	\$3,400,106	\$101,673

		¥ millions	
As of March 31, 2014	Carrying amount	Fair value	Difference
Monetary trusts	¥183,362	¥184,383	¥1,021

Monetary trusts other than trading, held-to-maturity or policy reserve-matching purposes as of March 31, 2015 and 2014 are summarized as follows:

		¥ millions	
As of March 31, 2015	Carrying amount	Acquisition cost	Difference
Monetary trusts	¥9,379	¥9,151	¥228

		US\$ thousands	
As of March 31, 2015	Carrying amount	Acquisition cost	Difference
Monetary trusts	\$78,048	\$76,151	\$1,897

		¥ millions	
As of March 31, 2014	Carrying amount	Acquisition cost	Difference
Monetary trusts	¥4,053	¥4,037	¥16

Note 23 Derivative Financial Instruments

(1) Derivative financial instruments for which hedge accounting is not applied
a. Currency-related transactions

¥ millions				
As of March 31, 2015	Notional amount		Fair value	Valuation gains (losses)
	Total	Over one year		
Over-the-counter transactions:				
Foreign exchange contracts:				
Sold	¥155,094	¥—	¥1,889	¥1,889
U.S. dollar	138,857	—	1,435	1,435
Euro	11,972	—	242	242
Australian dollar	4,264	—	212	212
Bought	1,824	—	8	8
U.S. dollar	826	—	3	3
Euro	998	—	4	4
Currency swaps:				
Receive foreign, pay yen	45,808	—	(692)	(692)
U.S. dollar	6,068	—	73	73
Australian dollar	39,739	—	(766)	(766)
Total				¥1,205

US\$ thousands				
As of March 31, 2015	Notional amount		Fair value	Valuation gains (losses)
	Total	Over one year		
Over-the-counter transactions:				
Foreign exchange contracts:				
Sold	\$1,290,622	\$—	\$15,727	\$15,727
U.S. dollar	1,155,505	—	11,944	11,944
Euro	99,628	—	2,014	2,014
Australian dollar	35,488	—	1,767	1,767
Bought	15,185	—	68	68
U.S. dollar	6,874	—	29	29
Euro	8,310	—	39	39
Currency swaps:				
Receive foreign, pay yen	381,200	—	(5,763)	(5,763)
U.S. dollar	50,503	—	613	613
Australian dollar	330,697	—	(6,376)	(6,376)
Total				\$10,032

Notes 1: Forward exchange rates are used as the year-end exchange rates. The fair value of the currency swaps used in management trusts is calculated based on the price obtained from the trustee companies.

2: Assets and liabilities denominated in foreign currencies, which have fixed settlement amounts in yen under forward exchange contracts and are disclosed in yen amounts in the consolidated balance sheet, are not subject to this disclosure.

3: The fair value of foreign exchange contracts represents the net settlement amount. Valuation gains (losses) for currency swaps indicate the fair value or the present value.

As of March 31, 2014	Notional amount		Fair value	Valuation gains (losses)
	Total	Over one year		
Over-the-counter transactions:				
Foreign exchange contracts:				
Sold	¥148,739	¥—	¥(717)	¥(717)
U.S. dollar	123,308	—	(638)	(638)
Euro	23,958	—	(73)	(73)
British pound	1,473	—	(5)	(5)
Bought	2,877	—	(0)	(0)
U.S. dollar	2,877	—	(0)	(0)
Currency swaps:				
Receive foreign, pay yen	12,757	—	294	294
Australian dollar	12,757	—	294	294
Total				¥(423)

Notes 1: Forward exchange rates are used as the year-end exchange rates. The fair value of the currency swaps used in management trusts is calculated based on the price obtained from the trustee companies.

2: Assets and liabilities denominated in foreign currencies, which have fixed settlement amounts in yen under forward exchange contracts and are disclosed in yen amounts in the consolidated balance sheet, are not subject to this disclosure.

3: The fair value of foreign exchange contracts represents the net settlement amount. Valuation gains (losses) for currency swaps indicate the fair value or the present value.

b. Interest-related transactions

As of March 31, 2015	Notional amount		Fair value	Valuation gains (losses)
	Total	Over one year		
Over-the-counter transactions:				
Interest rate swaps:				
Receive fixed, pay floating	¥44,841	¥42,581	¥8,620	¥8,620
Total				¥8,620

As of March 31, 2015	Notional amount		Fair value	Valuation gains (losses)
	Total	Over one year		
Over-the-counter transactions:				
Interest rate swaps:				
Receive fixed, pay floating	\$373,148	\$354,347	\$71,739	\$71,739
Total				\$71,739

Note: The fair value of the interest rate swaps is calculated by discounting future cash flows to the present value based on the interest rate at the end of the fiscal year or based on prices obtained from counterparty financial institutions.

As of March 31, 2014	Notional amount		Fair value	Valuation gains (losses)
	Total	Over one year		
Over-the-counter transactions:				
Interest rate swaps:				
Receive fixed, pay floating	¥12,956	¥12,361	¥1,534	¥1,534
Total				¥1,534

Note: The fair value of the interest rate swaps is calculated by discounting future cash flows to the present value based on the interest rate at the end of the fiscal year or based on prices obtained from counterparty financial institutions.

c. Others

As of March 31, 2015	Notional amount		Fair value	Valuation gains (losses)
	Total	Over one year		
Over-the-counter transactions:				
Compound financial instruments	¥3,000	¥3,000	¥2,675	¥(324)
Total				¥(324)

As of March 31, 2015	Notional amount		Fair value	Valuation gains (losses)
	Total	Over one year		
Over-the-counter transactions:				
Compound financial instruments	\$24,964	\$24,964	\$22,265	\$(2,698)
Total				\$(2,698)

Notes 1: Fair value amounts are based on quotations provided by the financial institutions dealing with those transactions.

2: Compound financial instruments are those of which embedded derivatives are not rationally separated from compound financial instruments.

3: Contracted value or notional principal amount indicates purchase amount of compound financial instruments.

As of March 31, 2014	Notional amount		Fair value	Valuation gains (losses)
	Total	Over one year		
Over-the-counter transactions:				
Compound financial instruments	¥3,000	¥3,000	¥2,915	¥(84)
Total				¥(84)

Notes 1: Fair value amounts are based on quotations provided by the financial institutions dealing with those transactions.

2: Compound financial instruments are those of which embedded derivatives are not rationally separated from compound financial instruments.

3: Contracted value or notional principal amount indicates purchase amount of compound financial instruments.

T&D Financial Life uses monetary trusts to execute derivative transactions. The following tables show a summary of the notional amounts and fair values of derivative financial instruments held as of March 31, 2015 and 2014.

As of March 31, 2015	Notional amount		Fair value	Valuation gains (losses)
	Total	Over one year		
Over-the-counter transactions:				
Currency-related transactions:				
Currency options:				
Bought:				
Put	¥ 6,682	¥ 4,777		
	[1,421]	[1,083]	¥ 438	¥ (983)
U.S. dollar	3,748	2,731		
	[879]	[677]	202	(677)
Euro	2,933	2,046		
	[542]	[406]	236	(306)
Stock-related transactions:				
Stock index options:				
Bought:				
Call	126	102		
	[42]	[34]	109	66
Put	48,534	31,485		
	[10,188]	[7,124]	2,018	(8,170)
Total				¥(9,087)

As of March 31, 2015	Notional amount		Fair value	US\$ thousands
	Total	Over one year		Valuation gains (losses)
Over-the-counter transactions:				
Currency-related transactions:				
Currency options:				
Bought:				
Put	\$ 55,607	\$ 39,758		
	[11,832]	[9,019]	\$ 3,645	\$ (8,186)
U.S. dollar	31,192	22,732		
	[7,317]	[5,634]	1,681	(5,636)
Euro	24,415	17,026		
	[4,514]	[3,385]	1,964	(2,550)
Stock-related transactions:				
Stock index options:				
Bought:				
Call	1,049	849		
	[355]	[287]	910	554
Put	403,880	262,010		
	[84,783]	[59,286]	16,794	(67,988)
Total				\$(75,620)

Notes 1: Fair value amounts are based on prices obtained from counterparty financial institutions.

2: Figures in brackets represent option premiums that are reported on the consolidated balance sheet.

As of March 31, 2014	Notional amount		Fair value	¥ millions
	Total	Over one year		Valuation gains (losses)
Over-the-counter transactions:				
Currency-related transactions:				
Currency options:				
Bought:				
Put	¥ 9,373	¥ 6,682		
	[1,858]	[1,421]	¥ 812	¥ (1,045)
U.S. dollar	5,162	3,748		
	[1,141]	[879]	546	(594)
Euro	4,210	2,933		
	[717]	[542]	266	(451)
Stock-related transactions:				
Stock index options:				
Bought:				
Call	150	126		
	[50]	[42]	97	47
Put	103,865	51,673		
	[19,639]	[11,135]	6,473	(13,165)
Total				¥(14,164)

Notes 1: Fair values are based on prices obtained from counterparty financial institutions.

2: Figures in brackets represent option premiums that are reported on the consolidated balance sheet.

(2) Derivative financial instruments for which hedge accounting is applied

a. Currency-related transactions

¥ millions				
As of March 31, 2015	Hedged item	Notional amount		Fair value
		Total	Over one year	
Recognition of valuation gains/losses on hedged items:				
Foreign exchange contracts:				
Foreign currency-denominated assets				
Sold		¥2,317,781	¥—	¥(41,105)
U.S. dollar		1,702,995	—	(64,743)
Euro		457,389	—	20,569
British pound		98,671	—	2,402
Canadian dollar		25,521	—	(9)
Australian dollar		30,170	—	678
Mexican peso		3,033	—	(3)
Bought		29,633	—	388
U.S. dollar		29,633	—	388
Recognition of gains and losses on foreign monetary rights or obligations by foreign exchange contracts:				
Certificates of deposit in foreign currencies				
Foreign exchange contracts:				
Sold		70,000	—	—
U.S. dollar		35,000	—	—
Australian dollar		35,000	—	—
Total				¥(40,716)

US\$ thousands				
As of March 31, 2015	Hedged item	Notional amount		Fair value
		Total	Over one year	
Recognition of valuation gains/losses on hedged items:				
Foreign exchange contracts:				
Foreign currency-denominated assets				
Sold		\$19,287,523	\$—	\$(342,057)
U.S. dollar		14,171,556	—	(538,762)
Euro		3,806,183	—	171,172
British pound		821,102	—	19,990
Canadian dollar		212,375	—	(78)
Australian dollar		251,066	—	5,649
Mexican peso		25,239	—	(30)
Bought		246,600	—	3,233
U.S. dollar		246,600	—	3,233
Recognition of gains and losses on foreign monetary rights or obligations by foreign exchange contracts:				
Certificates of deposit in foreign currencies				
Foreign exchange contracts:				
Sold		582,508	—	—
U.S. dollar		291,254	—	—
Australian dollar		291,254	—	—
Total				\$(338,824)

Notes 1: Forward exchange rates are used as the year-end foreign exchange rates.

2: The fair value of those derivative instruments to which recognition of gains and losses on foreign monetary rights or obligations by foreign exchange contracts is applied, is included in fixed deposit in foreign currency because these instruments are accounted for as a single product together with fixed deposit in foreign currency.

3: The fair value of foreign exchange contracts represents the net settlement amount.

				¥ millions
As of March 31, 2014	Hedged item	Notional amount		Fair value
		Total	Over one year	
Recognition of valuation gains/losses on hedged items:				
Foreign exchange contracts:		Foreign currency-denominated assets		
Sold		¥1,895,804	¥—	¥(34,476)
U.S. dollar		1,069,279	—	(18,134)
Euro		486,419	—	(10,009)
British pound		114,688	—	(2,685)
Canadian dollar		86,437	—	2,572
Australian dollar		138,980	—	(6,219)
Bought		1,605	—	0
U.S. dollar		1,605	—	0
Recognition of gains and losses on foreign monetary rights or obligations by foreign exchange contracts:		Certificates of deposit in foreign currency		
Foreign exchange contracts:				
Sold		82,000	—	—
U.S. dollar		43,500	—	—
Australian dollar		38,500	—	—
Total				¥(34,476)

Notes 1: Forward exchange rates are used as the year-end foreign exchange rates.

2: The fair value of those derivative instruments to which recognition of gains and losses on foreign monetary rights or obligations by foreign exchange contracts is applied, is included in fixed deposit in foreign currency because these instruments are accounted for as a single product together with fixed deposit in foreign currency.

3: The fair value of foreign exchange contracts represents the net settlement amount.

b. Interest-related transactions

				¥ millions
As of March 31, 2015	Hedged item	Notional amount		Fair value
		Total	Over one year	
Special treatment for interest rate swaps:		Loans		
Interest rate swaps:				
Receive fixed, pay floating		¥90,830	¥73,187	¥812
Total				¥812

				US\$ thousands
As of March 31, 2015	Hedged item	Notional amount		Fair value
		Total	Over one year	
Special treatment for interest rate swaps:		Loans		
Interest rate swaps:				
Receive fixed, pay floating		\$755,851	\$609,036	\$6,759
Total				\$6,759

Note: The fair value of the interest rate swaps is calculated by discounting future cash flows to the present value based on the interest rate at the end of the fiscal year or prices obtained from counterparty financial institutions.

				¥ millions
As of March 31, 2014	Hedged item	Notional amount		Fair value
		Total	Over one year	
Special treatment for interest rate swaps:		Loans		
Interest rate swaps:				
Receive fixed, pay floating		¥86,486	¥60,602	¥930
Total				¥930

Note: The fair value of the interest rate swaps is calculated by discounting future cash flows to the present value based on the interest rate at the end of the fiscal year or prices obtained from counterparty financial institutions.

c. Stock-related transactions

				¥ millions
		Notional amount		
As of March 31, 2015	Hedged item	Total	Over one year	Fair value
Recognition of valuation gains/losses on hedged items:				
Forward contracts:				
	Sold	¥54,647	¥—	¥1,212
	Total			¥1,212

				US\$ thousands
		Notional amount		
As of March 31, 2015	Hedged item	Total	Over one year	Fair value
Recognition of valuation gains/losses on hedged items:				
Forward contracts:				
	Sold	\$454,748	\$—	\$10,092
	Total			\$10,092

Note: Fair value amounts are calculated based on prices obtained from counterparty financial institutions.

				¥ millions
		Notional amount		
As of March 31, 2014	Hedged item	Total	Over one year	Fair value
Recognition of valuation gains/losses on hedged items:				
Future contracts:				
	Sold	¥75,276	¥—	¥(395)
	Total			¥(395)

Note: Fair value amounts are calculated based on prices obtained from counterparty financial institutions.

d. Bond-related transactions

				¥ millions
As of March 31, 2015	Hedged item	Notional amount		Fair value
		Total	Over one year	
Deferral hedge:	Domestic bonds			
Bond options:				
Sold:				
Call		¥146,507	¥ –	
		[1,554]	[–]	¥2,395
Bought:				
Put		146,507	–	
		[2,210]	[–]	1,404
Total				¥3,799

				US\$ thousands
As of March 31, 2015	Hedged item	Notional amount		Fair value
		Total	Over one year	
Deferral hedge:	Domestic bonds			
Bond options:				
Sold:				
Call		\$1,219,169	\$ –	
		[12,935]	[–]	\$19,937
Bought:				
Put		1,219,169	–	
		[18,397]	[–]	11,684
Total				\$31,621

Notes 1: Fair value amounts are based on closing prices on major exchanges.

2: Figures in brackets represent option premiums that are reported on the consolidated balance sheet.

				¥ millions
As of March 31, 2014	Hedged item	Notional amount		Fair value
		Total	Over one year	
Deferral hedge:	Domestic bonds			
Bond options:				
Sold:				
Call		¥186,483	¥ –	
		[865]	[–]	¥ 547
Bought:				
Put		186,483	–	
		[1,713]	[–]	1,858
Total				¥2,405

Notes 1: Fair value amounts are based on closing prices on major exchanges.

2: Figures in brackets represent option premiums that are reported on the consolidated balance sheet.

Note 24 Employees' Retirement Benefits

(1) Outline of the retirement benefit plan adopted by the T&D Life Group

Domestic consolidated subsidiaries have defined benefit retirement plans such as a defined benefit corporate pension plan, a retirement pension plan, and a retirement lump-sum payment plan. Further, certain subsidiaries have defined contribution pension plans as their defined contribution retirement plan as well as retirement benefit trusts.

(2) Defined benefit retirement plan

a. Changes in the balance of retirement benefit obligations are as follows:

Years ended March 31,	¥ millions		US\$ thousands
	2015	2014	2015
Balance at the beginning of the year	¥141,071	¥147,410	\$1,173,932
Cumulative effects of changes in accounting policies	—	(922)	—
Restated balance	141,071	146,487	1,173,932
Service cost	5,911	6,489	49,193
Interest cost	1,800	1,786	14,980
Actuarial gains and losses	3,416	(2,032)	28,428
Retirement benefit paid	(8,537)	(8,822)	(71,046)
Past service cost	—	(1,144)	—
Others	—	(1,693)	—
Balance at the end of the year	¥143,661	¥141,071	\$1,195,487

Note: Retirement benefit expense for consolidated subsidiaries using the simplified method is included in service cost.

b. Changes in the balance of plan assets are as follows:

Years ended March 31,	¥ millions		US\$ thousands
	2015	2014	2015
Balance at the beginning of the year	¥89,415	¥88,160	\$744,072
Expected return on plan assets	1,034	901	8,612
Net actuarial gains and losses	3,783	977	31,480
Employer contribution	5,256	5,168	43,740
Benefit obligation paid	(6,098)	(5,793)	(50,751)
Balance at the end of the year	¥93,390	¥89,415	\$777,154

c. A reconciliation of retirement benefit obligation and plan assets to net defined benefit liability and net defined benefit asset stated in the consolidated balance sheet is as follows:

As of March 31,	¥ millions		US\$ thousands
	2015	2014	2015
Retirement benefit obligations for a funded plans	¥116,893	¥113,649	\$ 972,737
Plan assets	(93,390)	(89,415)	(777,154)
Employee pension trusts	[(57,591)]	[(57,392)]	[(479,251)]
	23,503	24,233	195,582
Retirement benefit obligations for an unfunded plans	26,767	27,422	222,750
Net amount of defined benefit liability and defined benefit asset stated in the consolidated balance sheet	50,271	51,656	418,333
Defined benefit liability	50,271	51,656	418,333
Defined benefit asset	—	—	—
Net value for defined benefit liability and defined benefit asset stated in the consolidated balance sheet	¥ 50,271	¥ 51,656	\$ 418,333

d. The components of retirement benefit expense are as follows:

Years ended March 31,	¥ millions		US\$ thousands
	2015	2014	2015
Service cost	¥ 5,911	¥ 6,489	\$49,193
Interest cost	1,800	1,786	14,980
Expected return on plan assets	(1,034)	(901)	(8,612)
Recognized actuarial gains and losses	(366)	(3,010)	(3,051)
Recognized past service cost	—	(1,144)	—
Others	8	(134)	73
Retirement benefit expense relating to defined benefit retirement plan	¥ 6,318	¥ 3,086	\$52,582

Note: Retirement benefit expense for consolidated subsidiaries using the simplified method is included in service cost.

e. The components of plan assets are as follows:

As of March 31,	2015	2014
Bonds	71.8%	73.6%
General account	15.6	15.0
Foreign securities	6.6	6.4
Stocks	5.1	4.3
Joint assets	0.8	0.7
Cash and deposits	0.0	0.0
Others	0.0	0.0
Total	100.0%	100.0%

Note: The total includes 61.7% and 64.2% of employee pension trusts set up for corporate pension plans for the fiscal years ended March 31, 2015 and 2014, respectively.

The long-term expected rate of return on plan assets is set by considering the present and the prospective asset allocation for plan assets, as well as the present and the expected long-term rate of return arising from various assets that comprise the plan assets.

Assumptions used in accounting for the plan assets were as follows:

Years ended March 31,	2015	2014
Discount rate	0.32% – 1.60%	0.48% – 1.60%
Expected long-term rate of return on plan assets	0.80% – 1.81%	0.73% – 1.65%

(3) Defined contribution retirement plans

The required contribution for the defined contribution retirement plan of the T&D Life Group amounted to ¥229 million (\$1,913 thousand) and ¥154 million for the fiscal years ended March 31, 2015 and 2014, respectively.

Note 25 Stock Options

(1) Amount of expenses related to stock options

Years ended March 31,	2015	¥ millions	2014	US\$ thousands
Operating expenses	¥266	¥269		\$2,219

(2) Details, size and status of stock options

a. Details of stock options

T&D Holdings, Inc. stock subscription rights (1st series)	
Title and number of grantees	Directors (excluding outside directors) and executive officers of the Company: 7 Directors (excluding outside directors) and executive officers of subsidiaries of the Company: 40
Number of stock options by class*	Common stock: 449,600 shares
Grant date	July 31, 2012
Conditions for vesting	Stock options are vested on the grant date.
Requisite service period	Not applicable
Exercise period	August 1, 2012 to July 31, 2042

* Translated to the number of common stock.

T&D Holdings, Inc. stock subscription rights (2nd series)	
Title and number of grantees	Directors (excluding outside directors) and executive officers of the Company: 7 Directors (excluding outside directors) and executive officers of subsidiaries of the Company: 39
Number of stock options by class*	Common stock: 235,500 shares
Grant date	August 1, 2013
Conditions for vesting	Stock options are vested on the grant date.
Requisite service period	Not applicable
Exercise period	August 2, 2013 to August 1, 2043

* Translated to the number of common stock.

T&D Holdings, Inc. stock subscription rights (3rd series)	
Title and number of grantees	Directors (excluding outside directors) and executive officers of the Company: 6 Directors (excluding outside directors) and executive officers of subsidiaries of the Company: 41
Number of stock options by class*	Common stock: 231,300 shares
Grant date	August 1, 2014
Conditions for vesting	Stock options are vested on the grant date.
Requisite service period	Not applicable
Exercise period	August 2, 2014 to August 1, 2044

* Translated to the number of common stock.

b. Size and status of stock options

For stock options which existed during the consolidated fiscal year ended March 31, 2015 the number of stock options is translated to the number of common stock.

(i) Number of stock options

	T&D Holdings, Inc. stock subscription rights (1st series)	T&D Holdings, Inc. stock subscription rights (2nd series)	T&D Holdings, Inc. stock subscription rights (3rd series)
Before vesting:			
At the end of previous fiscal year	—	—	—
Granted	—	—	231,300 shares
Forfeited	—	—	—
Vested	—	—	231,300 shares
Outstanding	—	—	—
After vesting:			
At the end of previous fiscal year	371,800 shares	235,500 shares	—
Vested	—	—	231,300 shares
Exercised	31,100 shares	17,700 shares	—
Forfeited	—	—	2,600 shares
Exercisable	340,700 shares	217,800 shares	228,700 shares

(ii) Unit price information

	T&D Holdings, Inc. stock subscription rights (1st series)	T&D Holdings, Inc. stock subscription rights (2nd series)	T&D Holdings, Inc. stock subscription rights (3rd series)
Exercise price	1.00 yen	1.00 yen	1.00 yen
Average stock price at the time of exercise	1,259.00 yen	1,322.00 yen	—
Fair value at the granted date	685.00 yen	1,143.00 yen	1,153.00 yen

(3) Method for estimating the fair value of stock options

The method for estimating the fair value of stock options granted during the consolidated fiscal year ended March 31, 2015 is as follows:

a. Valuation method

Black-Scholes model

b. Principal parameters used and their estimation method

	T&D Holdings, Inc. stock subscription rights (3rd series)
Stock price volatility (Note 1)	40.54%
Expected remaining period (Note 2)	5.61 years
Expected dividends (Note 3)	25.00 yen
Risk-free interest rate (Note 4)	0.176%

Notes 1: Calculated based on the daily closing price of the Company's common stock in regular transactions from December 21, 2008 to August 1, 2014.

2: A period from the grant date to the average time when options are expected to be exercised is applied.

3: Calculated based on the actual dividends for the fiscal year ended March 31, 2014.

4: Based on Japanese government bond yield with a maturity corresponding to the expected remaining period.

(4) Method for estimating the number of stock options vested

Only the actual number of forfeited stock options is reflected because it is difficult to rationally estimate the actual number of stock options that will be forfeited in the future.

Note 26 ▶ Asset Retirement Obligations

Asset retirement obligations recorded in the consolidated balance sheet as of March 31, 2015 and 2014 are as follows:

Asbestos removal obligations for our office buildings and rental properties are classified as asset retirement obligations. For the estimation of the present value of asset retirement obligations, 50 years from the acquisition of buildings is used as the estimated period before the cost to be incurred and 2.11% as the discount rate.

Years ended March 31,	¥ millions		US\$ thousands
	2015	2014	2015
Balance at the beginning of the year	¥1,838	¥1,800	\$15,297
Time progress adjustment	38	38	323
Balance at the end of the year	¥1,877	¥1,838	\$15,620

Note 27 ▶ Real Estate for Rent

The Company and certain consolidated subsidiaries own real estate for rent, consisting mainly of office buildings in major cities in Japan. Their carrying amount, net increase/decrease and fair value for the years ended March 31, 2015 and 2014 are as follows:

Years ended March 31,	¥ millions		US\$ thousands
	2015	2014	2015
Carrying amount:			
Balance at the beginning of the year	¥188,392	¥182,277	\$1,567,715
Net increase (decrease)	6,774	6,115	56,374
Balance at the end of the year	195,166	188,392	1,624,090
Fair value at the end of the year	¥225,957	¥216,342	\$1,880,317

Notes 1: The carrying amount represents acquisition cost less accumulated depreciation and accumulated impairment loss. Balances at the end of the year for the years ended March 31, 2015 and 2014 include amounts related to asset retirement obligations of ¥247 million (\$2,055 thousand) and ¥288 million, respectively.

2: For the year ended March 31, 2015, the net increase mainly consisted of purchase of real estate totaling ¥9,047 million (\$75,289 thousand) and the net decrease mainly consisted of depreciation totaling ¥4,479 million (\$37,278 thousand). For the year ended March 31, 2014, the net increase mainly consisted of purchase of real estate totaling ¥18,206 million and the net decrease mainly consisted of sales of real estate and depreciation totaling ¥7,756 million and ¥4,079 million, respectively.

3: The fair value of major properties is calculated based on their appraisal value. The fair value of other properties is calculated based on the posted price.

Gains (losses) on real estate for rent for the years ended March 31, 2015 and 2014 are as follows:

Years ended March 31,	¥ millions		US\$ thousands
	2015	2014	2015
Ordinary revenues	¥14,278	¥13,735	\$118,815
Ordinary expenses	9,921	9,214	82,562
Ordinary profit	4,356	4,521	36,253
Other losses	(2,155)	(4,560)	(17,934)

Notes 1: Ordinary revenues and ordinary expenses constitute income from lease and corresponding expenses, such as depreciation, repair expenses, insurance expenses and taxes. These amounts are reported in investment income and investment expenses.

2: Other losses are reported in extraordinary losses. These are mainly impairment losses for the year ended March 31, 2015 and losses on disposal of fixed assets and impairment losses for the year ended March 31, 2014.

Note 28 Segment Information

(1) Overview of reportable segments

The reportable segments of the Company are components of the Company about which separate financial information is available. These segments are subject to periodic review to enable the Company's Board of Directors to decide on allocation of business resources and evaluate business performance.

The Company is a holding company which manages life insurance companies and other subsidiaries and affiliated companies in accordance with the Insurance Business Act. The Three Life Insurance Companies, with unique product strategies and sales strategies under the Company, operate life insurance business as the Group's core business.

The Company's operations are therefore segmented by each of the life insurance companies and the Company's three reportable

segments are the Taiyo Life Insurance Company segment, the Daido Life Insurance Company segment and the T&D Financial Life Insurance Company segment.

Each of the Three Life Insurance Companies focuses on different markets. Taiyo Life focuses on the retail households market, Daido Life focuses on the small- and medium-sized entities market and T&D Financial Life focuses on over-the-counter sales at financial institutions and other agents, etc. Each company also has different products under its unique marketing strategy.

(2) Method of calculating ordinary revenues, income or loss, assets and liabilities and others by reportable segment

The method of accounting for the reportable segments is the same as that described in "Summary of Significant Accounting Policies."

(3) Information on ordinary revenues, income or loss, assets and liabilities, and others by reportable segment

Year ended March 31, 2015	Reportable segment					Others	Total	Adjustments	Amount on consolidated financial statements ¥ millions
	Taiyo Life	Daido Life	T&D Financial Life	Subtotal					
Ordinary revenues	¥1,060,084	¥ 980,700	¥ 382,110	¥ 2,422,896	¥ 28,298	¥ 2,451,195	¥ (39,029)	¥ 2,412,165	
Intergroup transfers	1,062	351	—	1,414	48,492	49,906	(49,906)	—	
Total	1,061,146	981,052	382,110	2,424,310	76,790	2,501,101	(88,935)	2,412,165	
Segment income (loss)	67,606	97,464	22,457	187,528	28,333	215,861	(26,918)	188,943	
Segment assets	7,217,901	5,977,975	1,387,624	14,583,500	901,070	15,484,571	(819,865)	14,664,705	
Segment liabilities	6,658,543	5,297,596	1,319,425	13,275,565	113,837	13,389,402	(69,647)	13,319,755	
Others									
Depreciation of real estate for rent	2,285	2,891	—	5,176	—	5,176	—	5,176	
Depreciation	5,808	3,910	47	9,766	730	10,497	(191)	10,305	
Provision for (reversal of) policy reserve	281,957	229,805	(29,349)	482,413	193	482,607	—	482,607	
Provision for (reversal of) reserve for policyholder dividends	18,093	14,462	(0)	32,555	—	32,555	—	32,555	
Interest, dividends and income from real estate for rent	151,768	130,291	7,184	289,243	26,880	316,124	(28,158)	287,966	
Interest expenses	1,813	19	2	1,835	29	1,865	(24)	1,841	
Equity in net income of affiliated companies	—	—	—	—	—	—	38	38	
Extraordinary gains	170	—	—	170	61	231	(5)	225	
Extraordinary losses	5,419	2,653	174	8,247	83	8,331	—	8,331	
Impairment losses	1,995	—	—	1,995	—	1,995	—	1,995	
Provision for reserve for price fluctuations	2,747	2,263	139	5,150	—	5,150	—	5,150	
Taxes	16,309	29,168	7,636	53,114	727	53,842	60	53,903	
Investments in affiliated companies	—	100	—	100	—	100	—	100	
Increase in tangible fixed assets and intangible fixed assets	¥ 15,990	¥ 7,399	¥ 407	¥ 23,797	¥ 269	¥ 24,067	¥ (119)	¥ 23,948	

Year ended March 31, 2015	Reportable segment						Adjustments	US\$ thousands
	Taiyo Life	Daido Life	T&D Financial Life	Subtotal	Others	Total		Amount on consolidated financial statements
Ordinary revenues	\$ 8,821,540	\$ 8,160,945	\$ 3,179,753	\$ 20,162,239	\$ 235,488	\$ 20,397,728	\$ (324,782)	\$ 20,072,946
Intergroup transfers	8,838	2,928	—	11,767	403,529	415,296	(415,296)	—
Total	8,830,379	8,163,874	3,179,753	20,174,006	639,018	20,813,024	(740,078)	20,072,946
Segment income (loss)	562,593	811,053	186,877	1,560,524	235,775	1,796,300	(224,002)	1,572,298
Segment assets	60,064,085	49,745,991	11,547,174	121,357,251	7,498,295	128,855,547	(6,822,548)	122,032,998
Segment liabilities	55,409,368	44,084,184	10,979,655	110,473,208	947,300	111,420,508	(579,571)	110,840,936
Others								
Depreciation of real estate for rent	19,017	24,060	—	43,078	—	43,078	—	43,078
Depreciation	48,332	32,542	398	81,272	6,081	87,353	(1,595)	85,758
Provision for (reversal of) policy reserve	2,346,323	1,912,338	(244,233)	4,014,427	1,608	4,016,036	—	4,016,036
Provision for (reversal of) reserve for policyholder dividends	150,563	120,350	(0)	270,912	—	270,912	—	270,912
Interest, dividends and income from real estate for rent	1,262,948	1,084,223	59,783	2,406,956	223,689	2,630,645	(234,322)	2,396,323
Interest expenses	15,088	164	23	15,276	248	15,524	(199)	15,324
Equity in net income of affiliated companies	—	—	—	—	—	—	317	317
Extraordinary gains	1,415	—	—	1,415	508	1,923	(44)	1,878
Extraordinary losses	45,098	22,079	1,454	68,632	697	69,329	—	69,329
Impairment losses	16,607	—	—	16,607	—	16,607	—	16,607
Provision for reserve for price fluctuations	22,860	18,838	1,164	42,863	—	42,863	—	42,863
Taxes	135,722	242,723	63,550	441,996	6,057	448,054	502	448,557
Investments in affiliated companies	—	832	—	832	—	832	—	832
Increase in tangible fixed assets and intangible fixed assets	\$ 133,068	\$ 61,576	\$ 3,390	\$ 198,034	\$ 2,244	\$ 200,279	\$ (990)	\$ 199,288

Notes 1: Ordinary revenues, instead of net sales, are presented here.

2: Adjustments are as follows:

(1) The downward adjustment of ¥39,029 million (\$324,782 thousand) to ordinary revenues is the transferred amount which mainly consists of reversal of policy reserve of ¥29,349 million (\$244,233 thousand) and gains from derivatives, net of ¥6,151 million (\$51,193 thousand) of ordinary revenues which is included in ordinary expenses in the consolidated statement of operation as provision for policy reserves and losses from derivatives, net, respectively.

(2) The downward adjustment of ¥26,918 million (\$224,002 thousand) to segment income (loss) is mainly due to the elimination of dividends from subsidiaries and affiliates.

(3) The downward adjustment of ¥819,865 million (\$6,822,548 thousand) to segment assets is mainly due to the elimination of investments in stocks of subsidiaries and affiliates.

(4) The downward adjustment of ¥69,647 million (\$579,571 thousand) to segment liabilities is mainly due to the elimination of intersegment receivables and payables.

3: Segment income (loss) is adjusted to align with the ordinary revenues set forth in the consolidated statement of operation.

Year ended March 31, 2014	Reportable segments						Adjustments	¥ millions
	Taiyo Life	Daido Life	T&D Financial Life	Subtotal	Others	Total		Amount on consolidated financial statements
Ordinary revenues	¥ 856,155	¥ 892,933	¥ 468,628	¥ 2,217,717	¥ 28,190	¥ 2,245,908	¥(160,173)	¥ 2,085,734
Intergroup transfers	1,116	384	41	1,542	43,131	44,673	(44,673)	—
Total	857,272	893,318	468,669	2,219,260	71,321	2,290,582	(204,847)	2,085,734
Segment income (loss)	72,257	91,309	20,910	184,477	18,952	203,430	(17,206)	186,224
Segment assets	6,760,825	5,572,800	1,393,592	13,727,217	914,603	14,641,821	(837,601)	13,804,219
Segment liabilities	6,360,611	5,041,936	1,340,493	12,743,041	128,417	12,871,459	(87,564)	12,783,895
Others								
Depreciation of real estate for rent	2,258	2,545	—	4,803	—	4,803	—	4,803
Depreciation	6,228	3,014	2	9,245	1,301	10,546	(186)	10,360
Provision for (reversal of) policy reserve	52,420	119,602	(151,430)	20,593	204	20,797	—	20,797
Provision for (reversal of) reserve for policyholder dividends	17,688	13,951	(2)	31,638	—	31,638	—	31,638
Interest, dividends and income from real estate for rent	153,956	127,803	7,060	288,819	18,246	307,066	(19,578)	287,487
Interest expenses	2,000	10	2	2,013	50	2,064	(26)	2,037
Equity in net income of affiliated companies	—	—	—	—	—	—	37	37
Extraordinary gains	4	210	—	215	227	442	(24)	417
Extraordinary losses	12,935	17,621	398	30,954	199	31,154	—	31,154
Impairment losses	977	2,688	301	3,967	—	3,967	—	3,967
Provision for reserve for price fluctuations	10,130	13,873	96	24,100	—	24,100	—	24,100
Taxes	15,282	23,987	4,604	43,875	787	44,662	49	44,711
Investments in affiliated companies	—	100	—	100	—	100	—	100
Increase in tangible fixed assets and intangible fixed assets	¥ 24,184	¥ 7,000	¥ 409	¥ 31,594	¥ 1,314	¥ 32,908	¥ (1,895)	¥ 31,012

Notes 1: Ordinary revenues, instead of net sales, are presented here.

2: Adjustments are as follows:

(1) The downward adjustment of ¥160,173 million to ordinary revenues is the transferred amount which mainly consists of reversal of policy reserve of ¥151,430 million and reversal of reserve for outstanding claims of ¥6,146 million of ordinary revenues which is included in ordinary expenses in the consolidated statement of operation as provision for policy reserves and provision for reserve for outstanding claims, respectively.

(2) The downward adjustment of ¥17,206 million to segment income (loss) is mainly to eliminate dividends on investments in subsidiaries and affiliates.

(3) The downward adjustment of ¥837,601 million to segment assets is mainly to eliminate investments in subsidiaries and affiliates.

(4) The downward adjustment of ¥87,564 million to segment liabilities is mainly to eliminate intersegment receivables and payables.

3: Segment income (loss) is adjusted to align with the ordinary revenues set forth in the consolidated statement of operation.

[Related information]

For the year ended March 31, 2015

(1) Information by product and service

Sales to external customers

Year ended March 31, 2015	¥ millions				
	Taiyo Life	Daido Life	T&D Financial Life	Others	Total
Income from insurance premiums	¥865,232	¥792,715	¥297,755	¥2,352	¥1,958,055
Insurance premiums	864,995	791,738	297,664	2,352	1,956,751
Individual insurance and individual annuities	708,776	718,944	297,485	—	1,725,206
Group insurance	32,762	27,370	—	—	60,132
Group annuities	122,115	44,454	154	—	166,724
Others	1,340	969	24	2,352	4,687
Ceded reinsurance recoveries	¥ 236	¥ 977	¥ 90	¥ —	¥ 1,304

Year ended March 31, 2015	US\$ thousands				
	Taiyo Life	Daido Life	T&D Financial Life	Others	Total
Income from insurance premiums	\$7,200,066	\$6,596,618	\$2,477,784	\$19,579	\$16,294,050
Insurance premiums	7,198,095	6,588,486	2,477,031	19,579	16,283,193
Individual insurance and individual annuities	5,898,113	5,982,730	2,475,536	—	14,356,380
Group insurance	272,630	227,763	—	—	500,393
Group annuities	1,016,192	369,927	1,287	—	1,387,408
Others	11,158	8,064	207	19,579	39,010
Ceded reinsurance recoveries	\$ 1,971	\$ 8,132	\$ 753	\$ —	\$ 10,856

Note: Income from insurance premiums, instead of net sales, is presented here.

(2) Information by geographic area

a. Net sales

Information by geographic area is omitted, as net sales (ordinary revenues) to external customers in Japan exceed 90% of net sales (ordinary revenues) in the consolidated statement of operation.

b. Tangible fixed assets

Information by geographic area is omitted, as the amount of tangible fixed assets in Japan exceeds 90% of the amount of tangible fixed assets in the consolidated balance sheet.

(3) Information by major customer

Information by major customer is omitted, as there are no customers to whom sales exceed 10% of net sales (ordinary revenues) in the consolidated statement of operation.

For the year ended March 31, 2014

(1) Information by product and service

Sales to external customers

Year ended March 31, 2014					¥ millions
	Taiyo Life	Daido Life	T&D Financial Life	Others	Total
Income from insurance premiums	¥655,233	¥712,866	¥239,777	¥1,854	¥1,609,732
Insurance premiums	655,102	712,058	239,469	1,854	1,608,485
Individual insurance and individual annuities	538,310	636,514	239,274	—	1,414,099
Group insurance	32,781	28,418	—	—	61,200
Group annuities	82,637	46,236	169	—	129,043
Others	1,372	889	25	1,854	4,142
Ceded reinsurance recoveries	¥ 131	¥ 807	¥ 308	¥ —	¥ 1,247

Note: Income from insurance premiums, instead of net sales, is presented here.

(2) Information by geographic area

a. Net sales

Information by geographic area is omitted, as net sales (ordinary revenues) to external customers in Japan exceed 90% of net sales (ordinary revenues) in the consolidated statement of operation.

b. Tangible fixed assets

Information by geographic area is omitted, as the amount of tangible fixed assets in Japan exceeds 90% of the amount of tangible fixed assets in the consolidated balance sheet.

(3) Information by major customer

Information by major customer is omitted, as there are no customers to whom sales exceed 10% of net sales (ordinary revenues) in the consolidated statement of operation.

[Information on impairment losses on fixed assets by reportable segment]

For the years ended March 31, 2015 and 2014

Information on impairment losses on fixed assets by reportable segment is disclosed in "Segment information."

[Information on amortization of goodwill and unamortized balance of goodwill by reportable segment]

For the year ended March 31, 2015 and 2014

Not applicable.

[Information on gains on negative goodwill by reportable segment]

For the years ended March 31, 2015 and 2014

Not applicable.

Note 29 Per Share Information

		¥ millions	US\$ thousands
Years ended March 31,	2015	2014	2015
Net assets per share	¥2,018.12	¥1,513.46	\$16.79
Net income per share	141.35	117.42	1.17
Net income per share (fully diluted)	141.18	117.31	1.17

A summary of the net income per share and the net income per share (fully diluted) computations is as follows:

		¥ millions	US\$ thousands
Years ended March 31,	2015	2014	2015
Net income per share:			
Net income	¥94,215	¥78,982	\$784,021
Net income not attributable to common stockholders	—	—	—
Net income attributable to common stockholders	¥94,215	¥78,982	\$784,021

		Shares
Weighted-average number of common stocks outstanding	666,540,650	672,633,900

		¥ millions	US\$ thousands
Years ended March 31,	2015	2014	2015
Net income per share (fully diluted):			
Adjusted net income	¥—	¥—	\$—

		Shares
Increase in common stock	795,192	622,806
Subscription rights to shares	795,192	622,806
Summary of potential shares that are not included in computation of net income per share (fully diluted) due to lack of dilution effect	—	—

A summary of the net assets per share computations is as follows:

		¥ millions	US\$ thousands
As of March 31,	2015	2014	2015
Net assets	¥1,344,950	¥1,020,324	\$11,192,061
Deduction from net assets	3,211	2,876	26,726
Subscription rights to shares	746	523	6,208
Minority interests	2,465	2,352	20,518
Net assets available to common stockholders	¥1,341,738	¥1,017,448	\$11,165,335

		Shares
The number of common stock outstanding	664,847,265	672,267,706

Note 30 Subsequent Events

(1) Issuance of Convertible Bonds

The Company, at a meeting of the Board of Directors held on May 20, 2015, resolved the issuance of Zero Coupon Convertible Bonds due 2020 (bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakuken-tsuki shasai*) and the payment was completed on June 5, 2015 (London time, unless stated otherwise, the same shall apply hereinafter). The summary of the issuance is as follows:

a. Type of issue

Zero Coupon Convertible Bonds due 2020 (bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakukentsuki shasai*) (the "Convertible Bonds," which in turn shall, unless the context requires otherwise, be composed of "Bonds" and "Stock Acquisition Rights") of T&D Holdings, Inc. (the "Company").

b. Issue price (paid-in amount)

100.5% of the principal amount of the Bonds (denomination of ¥10 million each)

c. Offer price

103.0% of the principal amount of the Bonds

d. Aggregate amount of issue of the Bonds

The total of ¥30,150 million plus an aggregate paid-in amount of the Bonds related to the replacement certificates of the Bonds

e. Interest rate of the Bonds

The Bonds shall not bear interest.

f. Payment date and issuance date

June 5, 2015

g. Redemption method and maturity date

The Company will redeem the Bonds at 100% of the principal amount on June 5, 2020. However, certain rules are stated in the offering circular.

h. Particulars of the Stock Acquisition Rights

(i) Class, details, and number of shares subject to the Stock Acquisition Rights

(a) Class and details

Non-assessable shares of common stock of the Company (share unit: 100)

(b) Number of shares

The number of shares to be delivered upon the exercise of the Stock Acquisition Rights shall be determined by dividing the aggregate principal amount of the Bonds related to the Stock Acquisition Rights concerned by the conversion price set forth in (iii) below. However, fractions of shares will not be issued and no adjustment or cash payment will be made in respect thereof.

(ii) Aggregate number of the Stock Acquisition Rights to be issued

The aggregate of 3,000, plus the number obtained by dividing an aggregate principal amount of the Bonds related to the replacement certificates of the Bonds by ¥10 million.

(iii) Amount to be paid upon exercise of the Stock Acquisition Rights

(a) Upon exercise of each Stock Acquisition Right, the Bond related to the Stock Acquisition Right concerned shall be a subscription of capital and the amount of the Bond concerned shall be equal to the principal amount of the Bond.

(b) The initial conversion price shall be ¥2,713.0 per share.

(iv) Exercise period

Each Stock Acquisition Right may be exercised at any time during the period from, and including, June 19, 2015 to, and including, the close of business (at the place where the Stock Acquisition Rights are to be exercised) on May 22, 2020. However, certain rules are stated in the offering circular.

(v) The increase in capital and capital surplus in case of the issuance of shares due to the exercise of the Stock Acquisition Rights

The increase in capital in case of the issuance of shares due to the exercise of Stock Acquisition Rights, one-half of the "maximum capital and other increase amount" as calculated pursuant to Article 17 of the Rules of Account Settlement of Corporations (Ordinance of Ministry of Justice No. 13 of 2006, as amended) in respect of such exercise (with any fraction of less than one yen being rounded up) shall be accounted for as stated capital, and the rest of such amount shall be accounted for as additional paid-in capital.

(vi) Grant of new Stock Acquisition Rights by the successor company, etc., in case of corporate reorganization, etc., by the Company
Certain rules are stated in the offering circular.

i. Purchase of the Convertible Bonds by the Company
Certain rules are stated in the offering circular.

j. Collateral and guarantees
The Bonds are not backed by collateral or guarantees.

k. Use of proceeds
The net proceeds of the issue of the Convertible Bonds are planned to be used for the acquisition of treasury stock by September 18, 2015 in order to enhance profit return to shareholders through the implementation of a flexible capital policy and the improvement of capital efficiency. For the acquisition of treasury stock implemented before the payment date, the net proceeds of the issue of the Convertible Bonds were appropriated to the portion of the cash reserves which was used for the acquisition of treasury stock concerned. Further, since the acquisition of treasury stock is implemented considering the market environment etc., the aggregate amount of the purchase amount may not reach the amount of the net proceeds stated above. In such case, the net proceeds stated above shall be appropriated to general working capital.

(2) Acquisition of treasury stock

The Company's Board of Directors has resolved at its meeting held on May 20, 2015 the acquisition of treasury stock and the details of acquisition under the provisions of Article 156 of the Companies Act of Japan, as applied pursuant to Article 165, Paragraph 3 of the same, are as follows:

a. Reason for the acquisition of treasury stock
To enhance profit return to shareholders through the implementation of a flexible capital policy and the improvement of capital efficiency.

b. Details of the acquisition

- (i) Class of shares to be acquired:
Shares of common stock
- (ii) Aggregate number of shares to be acquired:
Up to 20,000,000 shares
- (iii) Aggregate cost to be acquired:
Up to ¥30,000 million (\$249,646 thousand)
- (iv) Period of acquisition of treasury stock:
From May 21, 2015 to September 18, 2015
- (v) Method of acquisition of treasury stock:
Open-market acquisition by the trust method

c. Results of the acquisition as of May 29, 2015 (on the basis of execution date)

- (i) Aggregate number of acquired shares:
1,149,400 shares
- (ii) Aggregate cost of acquisition:
¥2,128 million (\$17,714 thousand)
- (iii) Period of acquisition:
From May 21, 2015 to May 29, 2015 (on the basis of execution date)