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Financial Results for the Six Months Ended September 30, 2015  
( With Notes to the Unaudited Consolidated Financial Statements )

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Sumitomo Life Insurance Company announces financial results for the six months ended September 30, 2015.

[Contents]

1. Unaudited Consolidated Financial Statements	P.2
a. Unaudited Consolidated Balance Sheets	P.2
b. Unaudited Consolidated Statements of Income	P.3
c. Unaudited Consolidated Statements of Comprehensive Income	P.4
d. Unaudited Consolidated Statements of Cash Flows	P.5
e. Unaudited Consolidated Statements of Changes in Net Assets	P.6
2. Solvency Margin Ratio on a Consolidated Basis	P.23
3. Non-Consolidated Financial Information	P.24
a. Overall Composition of Investments (General Account)	P.24
b. Fair Value Information of Securities (General Account)	P.25
c. Fair Value Information of Derivative Transactions (General Account)	P.26
d. Risk-Monitored Loans	P.28

[Note]

The Financial Results are summarized English translations of the original disclosure in Japanese.

## 1. Unaudited Consolidated Financial Statements

### a. Unaudited Consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2015	As of September 30, 2015
<b>ASSETS:</b>		
Cash and deposits	334,565	229,713
Call loans	365,000	452,900
Monetary claims bought	243,446	276,827
Securities	23,282,398	23,121,194
Loans	2,322,696	2,302,115
Tangible fixed assets	669,806	663,386
Intangible fixed assets	25,211	25,436
Due from agents	1	0
Reinsurance receivables	184	92
Other assets	237,958	300,082
Net defined benefit assets	9,800	11,218
Deferred tax assets	1,391	44,343
Allowance for possible loan losses	(1,757)	(1,601)
<b>Total assets</b>	<b>27,490,704</b>	<b>27,425,706</b>
<b>LIABILITIES:</b>		
Policy reserves and other reserves	24,059,522	24,135,653
Reserve for outstanding claims	132,122	144,281
Policy reserves	23,661,038	23,700,898
Policyholders' dividend reserves	266,361	290,474
Reinsurance payables	113	104
Corporate bonds	149,480	149,480
Other liabilities	1,025,457	1,111,439
Net defined benefit liabilities	35,310	37,991
Accrued retirement benefits for directors	12	7
Reserve for price fluctuation	252,308	314,422
Deferred tax liabilities	48,860	1,347
Deferred tax liabilities for land revaluation	19,343	19,230
<b>Total liabilities</b>	<b>25,590,408</b>	<b>25,769,675</b>
<b>NET ASSETS:</b>		
Foundation funds	270,000	200,000
Reserve for redemption of foundation funds	369,000	439,000
Reserve for revaluation	2	2
Surplus	402,827	304,556
Total funds, reserve and surplus	1,041,829	943,559
Net unrealized gains on available-for-sale securities	896,074	762,742
Deferred unrealized gains(losses) on derivatives under hedge accounting	-	(15,153)
Land revaluation differences	(61,310)	(61,548)
Foreign currency translation adjustments	9,891	8,019
Remeasurements of defined benefit plans	13,750	18,349
Total accumulated other comprehensive income	858,406	712,409
Non-controlling interests	60	61
<b>Total net assets</b>	<b>1,900,296</b>	<b>1,656,030</b>
<b>Total liabilities and net assets</b>	<b>27,490,704</b>	<b>27,425,706</b>

## b. Unaudited Consolidated Statements of Income

(Millions of Yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Ordinary income	1,695,300	1,833,394
Insurance premiums and other	1,256,906	1,490,829
Investment income	386,810	287,162
Interest, dividends and other income	270,037	283,019
Gains on trading securities	-	32
Gains on sales of securities	654	3,566
Investment gains on separate accounts	115,120	-
Other ordinary income	51,582	55,402
Ordinary expenses	1,606,043	1,729,617
Benefits and other payments	1,159,200	1,351,317
Claims paid	254,697	271,568
Annuity payments	378,399	277,713
Benefits payments	176,814	160,327
Surrender benefits	311,091	593,663
Provision for policy reserves and other reserves	114,858	52,221
Provision for reserve for outstanding claims	4,343	12,158
Provision for policy reserves	110,305	39,860
Provision for interest on policyholders' dividend reserves	209	202
Investment expenses	91,711	63,098
Interest expenses	3,758	2,392
Losses on sales of securities	707	2,096
Losses on valuation of securities	45	524
Investment losses on separate accounts	-	43,470
Operating expenses	163,972	162,905
Other ordinary expenses	76,300	100,075
Ordinary profit	89,256	103,777
Extraordinary gains	2,780	523
Gains on disposals of fixed assets	2,780	523
Extraordinary losses	33,683	63,804
Losses on disposals of fixed assets	705	289
Impairment losses	6,699	748
Provision for reserve for price fluctuation	25,716	62,113
Payments to social responsibility reserve	562	653
Surplus before income taxes	58,353	40,496
Income taxes		
Current	29,258	38,710
Deferred	(19,471)	(32,438)
Total income taxes	9,786	6,272
Net surplus	48,566	34,223
Net surplus attributable to non-controlling interests	(124)	1
Net surplus attributable to the Parent Company	48,690	34,221

**c. Unaudited Consolidated Statements of Comprehensive Income**

(Millions of Yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Net surplus	48,566	34,223
Other comprehensive income(loss)	185,601	(145,758)
Net unrealized gains(losses) on available-for-sale securities	182,989	(133,292)
Deferred unrealized gains(losses) on derivatives under hedge accounting	-	(15,153)
Foreign currency translation adjustments	(39)	13
Remeasurements of defined benefit plans	6,164	4,598
Share of other comprehensive income(loss) of associates accounted for under the equity method	(3,512)	(1,923)
Comprehensive income(loss)	234,167	(111,534)
Comprehensive income(loss) attributable to the Parent Company	234,261	(111,536)
Comprehensive income(loss) attributable to non-controlling interests	(93)	1

#### d. Unaudited Consolidated Statements of Cash Flows

(Millions of Yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
<b>I Cash flows from operating activities:</b>		
Surplus before income taxes	58,353	40,496
Depreciation	13,026	12,783
Impairment losses	6,699	748
Amortization of goodwill	1,336	-
Increase(Decrease) in reserve for outstanding claims	4,343	12,158
Increase(Decrease) in policy reserves	110,305	39,860
Provision for interest on policyholders' dividend reserves	209	202
Increase(Decrease) in allowance for possible loan losses	(340)	(155)
Increase(Decrease) in net defined benefit liabilities	9,965	7,719
Increase(Decrease) in reserve for price fluctuation	25,716	62,113
Interest, dividends and other income	(270,037)	(283,019)
Losses(Gains) on securities	(33,599)	68,713
Interest expenses	3,758	2,392
Losses(Gains) on tangible fixed assets	(2,093)	187
Others, net	(72,235)	(4,188)
Subtotal	(144,592)	(39,989)
Interest, dividends and other income received	371,471	325,932
Interest paid	(3,666)	(2,316)
Policyholders' dividends paid	(37,012)	(35,448)
Others, net	(562)	(648)
Income taxes paid	(38,446)	(23,310)
Net cash provided by operating activities	147,191	224,220
<b>II Cash flows from investing activities:</b>		
Net decrease(increase) in deposits	(47,757)	94,106
Purchase of monetary claims bought	(102,082)	(242,097)
Proceeds from sales and redemption of monetary claims bought	149,157	208,325
Purchase of securities	(2,074,236)	(1,698,374)
Proceeds from sales and redemption of securities	1,561,208	1,495,660
Loans made	(82,605)	(120,238)
Proceeds from collection of loans	139,162	135,633
Others, net	325,860	(23,958)
Total investment activities ( II a)	(131,294)	(150,942)
[ I + II a ]	[ 15,897 ]	[ 73,277 ]
Purchase of tangible fixed assets	(5,501)	(7,476)
Proceeds from sales of tangible fixed assets	7,636	874
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	-	600
Others, net	(4,029)	(3,992)
Net cash used in investing activities	(133,188)	(160,936)
<b>III Cash flows from financing activities:</b>		
Redemption of foundation funds	-	(70,000)
Payment of interest on foundation funds	(3,449)	(3,371)
Others, net	(625)	(569)
Net cash used in financing activities	(4,074)	(73,940)
<b>IV Effect of foreign exchange rate changes on cash and cash equivalents</b>	(0)	(0)
<b>V Net increase(decrease) in cash and cash equivalents</b>	9,927	(10,658)
<b>VI Cash and cash equivalents at the beginning of the period</b>	37,890	52,724
<b>VII Cash and cash equivalents at the end of the period</b>	47,818	42,065

## e. Unaudited Consolidated Statements of Changes in Net Assets

Six months ended September 30, 2014

(Millions of Yen)

	Funds, reserve and surplus				
	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Surplus	Total funds, reserve and surplus
Beginning balance	270,000	369,000	2	366,640	1,005,643
Cumulative effect of change in accounting policies				(13,213)	(13,213)
Beginning balance after reflecting accounting policy changes	270,000	369,000	2	353,427	992,429
Changes in the period					
Additions to policyholders' dividend reserves				(60,141)	(60,141)
Payment of interest on foundation funds				(3,449)	(3,449)
Net surplus attributable to the Parent Company				48,690	48,690
Reversal of land revaluation differences				1,840	1,840
Net changes, excluding funds, reserve and surplus					
Net changes in the period	-	-	-	(13,059)	(13,059)
Ending balance	270,000	369,000	2	340,367	979,370

	Accumulated other comprehensive income(loss)						Non-controlling interests	Total net assets
	Net unrealized gains on available-for-sale securities	Deferred unrealized gains(losses) on derivatives under hedge accounting	Land revaluation differences	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Beginning balance	422,951	-	(74,963)	2,497	(14,042)	336,442	3,816	1,345,903
Cumulative effect of change in accounting policies								(13,213)
Beginning balance after reflecting accounting policy changes	422,951	-	(74,963)	2,497	(14,042)	336,442	3,816	1,332,689
Changes in the period								
Additions to policyholders' dividend reserves								(60,141)
Payment of interest on foundation funds								(3,449)
Net surplus attributable to the Parent Company								48,690
Reversal of land revaluation differences								1,840
Net changes, excluding funds, reserve and surplus	182,914	-	(1,840)	(3,507)	6,164	183,730	(3,758)	179,971
Net changes in the period	182,914	-	(1,840)	(3,507)	6,164	183,730	(3,758)	166,912
Ending balance	605,865	-	(76,803)	(1,010)	(7,878)	520,172	58	1,499,601

Six months ended September 30, 2015

(Millions of Yen)

	Funds, reserve and surplus				
	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Surplus	Total funds, reserve and surplus
Beginning balance	270,000	369,000	2	402,827	1,041,829
Changes in the period					
Additions to policyholders' dividend reserves				(59,358)	(59,358)
Additions to reserve for redemption of foundation funds		70,000		(70,000)	-
Payment of interest on foundation funds				(3,371)	(3,371)
Net surplus attributable to the Parent Company				34,221	34,221
Redemption of foundation funds	(70,000)				(70,000)
Reversal of land revaluation differences				238	238
Net changes, excluding funds, reserve and surplus					
Net changes in the period	(70,000)	70,000	-	(98,270)	(98,270)
Ending balance	200,000	439,000	2	304,556	943,559

	Accumulated other comprehensive income(loss)						Non-controlling interests	Total net assets
	Net unrealized gains on available-for-sale securities	Deferred unrealized gains(losses) on derivatives under hedge accounting	Land revaluation differences	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Beginning balance	896,074	-	(61,310)	9,891	13,750	858,406	60	1,900,296
Changes in the period								
Additions to policyholders' dividend reserves								(59,358)
Additions to reserve for redemption of foundation funds								-
Payment of interest on foundation funds								(3,371)
Net surplus attributable to the Parent Company								34,221
Redemption of foundation funds								(70,000)
Reversal of land revaluation differences								238
Net changes, excluding funds, reserve and surplus	(133,331)	(15,153)	(238)	(1,871)	4,598	(145,996)	1	(145,995)
Net changes in the period	(133,331)	(15,153)	(238)	(1,871)	4,598	(145,996)	1	(244,265)
Ending balance	762,742	(15,153)	(61,548)	8,019	18,349	712,409	61	1,656,030

## Notes to the Unaudited Consolidated Financial Statements

### Policies of Presenting the Unaudited Consolidated Financial Statements for the Six Months Ended September 30, 2015

#### 1. Consolidated subsidiaries

The number of consolidated subsidiaries was 11 as of September 30, 2015.

The subsidiaries as of September 30, 2015 were listed as follows:

Medicare Life Insurance Co., Ltd. (Japan)  
Sumisei Building Management Co., Ltd. (Japan)  
Sumisei Bussan K.K. (Japan)  
Sumisei Business Service Co., Ltd. (Japan)  
Shinjuku Green Building Kanri K.K. (Japan)  
SUMISEI Harmony K.K. (Japan)  
Sumitomo Life Information Systems Co., Ltd. (Japan)  
CSS Co., Ltd. (Japan)  
SUMISEI Insurance Service Corporation (Japan)  
Izumi Life Designers Co., Ltd. (Japan)  
SUMISEI-Support & Consulting Co., Ltd. (Japan)

Sumitomo Life Insurance Agency America, Inc. was excluded from the scope of the consolidation as SUMITOMO LIFE INSURANCE COMPANY ("the Company") disposed of its interest from the period ended September 30, 2015.

#### 2. Affiliates

The number of affiliates accounted for by the equity method was 8 as of September 30, 2015.

The major affiliates as of September 30, 2015 were listed as follows:

Sumitomo Mitsui Asset Management Company, Limited (Japan)  
Nippon Building Fund Management Ltd. (Japan)  
Japan Pension Navigator Co., Ltd. (Japan)  
Bao Viet Holdings (Vietnam)  
PT BNI Life Insurance (Indonesia)

One subsidiary and one affiliate of Bao Viet Holdings were excluded from affiliates accounted for by the equity method as those companies were excluded from affiliates from the period ended September 30, 2015.

Japan Pension Service Co., Ltd., is excluded from affiliates accounted for by the equity method because its effect is immaterial, individually and in aggregate, on the consolidated net income and consolidated surplus.



3. Interim closing date of a consolidated subsidiary

The interim closing date of CSS Co., Ltd. is September 25.

The consolidated financial statements include the accounts of the subsidiary as of its interim closing date, with appropriate adjustments made for material transactions occurring between its interim closing date and the balance sheet date.

## Notes to the Unaudited Consolidated Balance Sheet as of September 30, 2015

1. Securities held by the Company are classified and accounted for as follows:

Trading securities are stated at market value on the balance sheet date. The cost of trading securities sold is calculated using the moving average method.

Held-to-maturity debt securities are stated at amortized cost and the cost of these securities sold is calculated using the moving average method. Amortization is calculated using the straight-line method.

Policy-reserve-matching bonds (refer to Note 2) are stated at amortized cost in accordance with Industry Audit Committee Report No. 21, "Temporary Treatment of Accounting and Auditing Concerning Policy-Reserve-Matching Bonds in the Insurance Industry", issued by the Japanese Institute of Certified Public Accountants. The cost of these bonds sold is calculated using the moving average method and amortization is calculated using the straight-line method.

Investments in unconsolidated subsidiaries and affiliated companies (defined in Article 110 Clause 2 of the Insurance Business Act) are stated at cost.

Equity securities with readily determinable market values classified as available-for-sale securities are stated at market value which is determined as the average of the market value during the final month of the period ended September 30, 2015. The other available-for-sale securities with readily determinable market values are stated at market value on the balance sheet date. Available-for-sale securities for which determination of fair value is impracticable are stated mainly at cost. The cost of these securities sold is calculated using the moving average method.

Certain demand deposits, monetary claims bought and securities in money-held-in-trusts deemed equivalent to investment in securities are stated using the same methods described above.

Unrealized gains and losses on available-for-sale securities are reported net of income taxes, as a separate component of Net Assets in the consolidated balance sheets.

2. With regard to debt securities held in order to match their duration to the duration of the corresponding subsections - segregated by type of insurance, remaining coverage period and investment policy - of the liabilities provided for future payments of insurance claims in individual insurance, individual annuities and group annuities, the Company classifies those securities as policy-reserve-matching bonds in accordance with Industry Audit Committee Report No. 21, "Temporary Treatment of Accounting and Auditing Concerning Policy-Reserve-Matching Bonds in the Insurance Industry", issued by the Japanese Institute of Certified Public Accountants.

3. The Company revalued certain parcels of land owned for operating use as of March 31, 2001, as permitted by the Act on Revaluation of Land.

The difference in value before and after revaluation is directly included in Net Assets and presented as Land revaluation differences, net of income taxes presented as deferred tax liabilities for land revaluation in the consolidated balance sheets.

The revaluation method is stipulated in Article 3 Clause 3 of the Act on Revaluation of Land.

Pursuant to the Article, the Company used the publicly announced appraisal value with certain adjustments (detailed in Article 2 Paragraph 1 of the Order for Enforcement of the Act on Revaluation of Land (the "Order")) and appraisal value (detailed in Article 2 Paragraph 5 of the Order) for the

revaluation.

4. Tangible fixed assets owned by the Company are depreciated as follows:
  - 1) Buildings  
Calculated using the straight-line method.
  - 2) Lease assets related to financial leases where ownership is not transferred  
Calculated using the straight-line method over the lease period.
  - 3) Other tangible fixed assets  
Calculated using the declining-balance method.
5. Assets and liabilities denominated in foreign currencies, except for investments in unconsolidated subsidiaries and affiliates, are translated into Japanese Yen at the exchange rates prevailing on the balance sheet date. Investments in unconsolidated subsidiaries and affiliates are translated into Japanese Yen at the exchange rates on the dates of acquisition.
6. The Company's allowance for possible loan losses is provided pursuant to its standards for self-assessment of asset quality and internal rules for write-offs of loans and allowance for possible loan losses.

For loans to borrowers that are legally bankrupt (hereafter, "bankrupt borrowers") and for loans to borrowers that are not yet legally bankrupt but substantially bankrupt (hereafter, "substantially bankrupt borrowers"), an allowance is provided based on the total amount of the loans after deduction of charge-offs and any amounts expected to be collected through the disposal of collateral and the execution of guarantees. For loans to borrowers that are likely to become bankrupt (hereafter, "borrowers likely to become bankrupt"), an allowance is provided at the amount deemed necessary based on an overall solvency assessment, net of the expected collection by disposal of collateral and by executing guarantees. For the other loans, an allowance is provided by multiplying the claim amount by an anticipated default rate calculated based on the Company's actual default experience for a certain period in the past.

All loans are assessed based on the Company's standards for the self-assessment of asset quality and the assessment results are reviewed by a department independent of the department that performs and is responsible for the self-assessment. The allowance for possible loan losses is provided based on the assessment results.

For loans to bankrupt borrowers and substantially bankrupt borrowers, the amount of loans exceeding the value of estimated recovery through disposal of collateral or execution of guarantees is deemed uncollectible and written off. The amount of loans written off for the period was ¥298 million.

An allowance for possible loan losses of the consolidated subsidiaries is provided pursuant to their standards for self-assessment of asset quality and internal rules for write-offs of loans and allowance for possible loan losses which each consolidated subsidiary sets and maintains consistently with those of the Company.
7. Net defined benefit liabilities, supposed to be incurred as of September 30, 2015, are provided based

on the projected benefit obligations and plan assets as of the balance sheet date in accordance with the accounting standards for retirement benefits (“Statement on Establishing Accounting Standards for Retirement Benefits” ).

Assumptions used in accounting for the defined benefit plans for the period ended September 30, 2015 were as follows:

Method of attributing benefits to period of service	Benefits formula basis
Amortization period for actuarial losses (Commencing in the following year after they are incurred)	8 years

8. Under accounting principles generally accepted in Japan (“Japanese GAAP”), several hedge accounting methods are allowed.

Two fundamental approaches are the deferred hedge method and the fair value hedge method.

Under the fair value hedge method, which is allowed only with respect to available-for-sale securities being the hedged item, gains and losses on changes in fair value of the hedging instrument are recognized in earnings together with the corresponding gains or losses of the hedged item attributable to the risk being hedged.

In addition, for certain derivative instruments, exceptional treatments are allowed under Japanese GAAP.

Assets and liabilities denominated in foreign currencies and hedged by foreign exchange forward contracts and currency swaps are allowed to be translated at the foreign exchange rate stipulated in the forward contract agreements and the currency swap agreements. Accordingly, the foreign exchange forward contracts and the currency swaps used as hedging instruments are not recognized as an asset or liability measured at fair value either at the initial recognition or subsequent reporting dates (the allocation method).

Interest rate swaps that qualify for hedge accounting and meet specific matching criteria are not remeasured at fair value, but the net paid or received under the swap agreements is recognized and included in interest expense or income of hedged items (the exceptional method).

The Company adopts mainly the fair value hedge method or the allocation method to hedge foreign currency risks of assets and liabilities denominated in foreign currencies.

The Company also adopts the deferred hedge method to hedge foreign currency risks of stocks (forecasted transaction) denominated in foreign currency.

The Company also adopts the exceptional method to hedge interest rate risk primarily of floating rate loans.

Hedge effectiveness is assessed by comparing the cumulative changes in fair values or cash flows of the hedged item and the hedging instrument.

9. Derivatives are stated at fair value.
10. Reserve for price fluctuation is calculated pursuant to Article 115 of the Insurance Business Act.
11. National and local consumption taxes of the Company are accounted for using the tax-excluded method. Non-deductible consumption taxes are recognized as expenses for the period, except for

those relating to purchases of depreciable fixed assets which are not charged to expense but deferred as other assets and amortized over a five-year period on the straight-line basis pursuant to the Corporation Tax Act.

12. Policy reserves of the Company are provided pursuant to Article 116 of the Insurance Business Act. Premium reserves, a main component of policy reserves, are calculated according to the following methods:

- 1) For contracts that are subject to the standard policy reserve requirements, premium reserves are calculated using the method stipulated by the Commissioner of Financial Services Agency (Ministry of Finance Notification No. 48, in 1996).

- 2) For contracts that are not subject to the standard policy reserve requirements, premium reserves are calculated using the net level premium method.

The Company adopted its accounting policy for premium reserves for existing individual annuity contracts whose annuity payments commenced on or after April 1, 2006, effective from the year ended March 31, 2007, as follows:

In terms of individual annuity contracts which commenced on or after April 1, 2006, the Company has regarded their commencement dates of annuity payments as the contract dates, and applied the calculation basis stipulated by the Commissioner of Financial Services Agency (Ministry of Finance Notification No. 48 in 1996). (For contracts which commenced by March 31, 2007, assumed mortality rates on the 2007 life insurance standard life table have been used.)

13. Capitalized software for internal use owned by the Company (included in Intangible fixed assets as of September 30, 2015) is amortized using the straight-line method over the estimated useful lives.
14. The corporate income taxes and inhabitant taxes of the Company for the period are calculated based on the assumption of additions to policyholders' dividend reserves and payment of interest on foundation funds due to appropriation of surplus in the current fiscal year.
15. "Revised Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013; hereafter the "Business Combinations Accounting Standard"), "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013; hereafter the "Consolidation Accounting Standard"), and "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013; hereafter the "Business Divestitures Accounting Standard") have been applied from the beginning of the period ended September 30, 2015.

Accordingly, the accounting method has been changed that the difference associated with changes in equity in subsidiaries remaining under the control of the Company is recorded as surplus, and acquisition-related costs are recorded as expenses for the period in which the costs are incurred. For business combinations implemented on or after the beginning of the period ended September 30, 2015, the accounting method has been changed to reflect the adjustments to the allocated amount of acquisition costs on the finalization of provisional accounting

treatment in the consolidated financial statements for the period containing the date of the business combinations. In addition, the presentation method of net surplus was changed as well as the name change from "minority interests" to "non-controlling interests".

In the consolidated statement of cash flows for the period ended September 30, 2015, cash flows related to acquisition or sale of shares of subsidiaries not affecting the scope of consolidation are classified into "Cash flows from financing activities", while cash flows related to expenses arising from acquisition of shares of subsidiaries affecting the scope of consolidation or expenses arising from acquisition or sale of shares of subsidiaries not affecting the scope of consolidation are classified into "Cash flows from operating activities".

With respect to the application of the Accounting Standards regarding business combinations, the transitional treatments prescribed in Article 58-2(4) of the Business Combinations Accounting Standard, Article 44-5(4) of the Consolidation Accounting Standard and Article 57-4(4) of the Business Divestitures Accounting Standard have been applied prospectively on and after the beginning of the period ended September 30, 2015. The effect of this change is immaterial.

16. The following table summarizes the carrying amounts in the consolidated balance sheet and the fair values of financial instruments as of September 30, 2015 together with their differences.

	Millions of Yen		
	Balance sheet amount	Fair value	Difference
Cash and deposits	229,713	229,713	—
[Available-for-sale securities] *1	[119,974]	[119,974]	—
Call loans	452,900	452,900	—
Monetary claims bought	276,827	279,027	2,200
[Available-for-sale securities] *1	[237,916]	[237,916]	—
Securities *2	22,574,245	24,403,273	1,829,028
Trading securities	1,849,072	1,849,072	—
Held-to-maturity debt securities	2,103,997	2,424,937	320,940
Policy-reserve-matching bonds	11,230,784	12,740,437	1,509,652
Investments in unconsolidated subsidiaries and affiliated companies	31,979	30,414	(1,564)
Available-for-sale securities	7,358,411	7,358,411	—
Loans	2,302,115		
Allowance for possible loan losses *3	(1,070)		
	2,301,044	2,362,745	61,700
Corporate bonds	149,480	154,108	4,628
Payables under securities borrowing transactions	678,839	678,839	—
Derivative transactions *4	(72,551)	(72,551)	—
Hedge accounting not applied	19,837	19,837	—
Hedge accounting applied	(92,389)	(92,389)	—

\*1 Available-for-sale securities are shown in [ ].

\*2 This table does not include financial instruments for which fair values are not practically

determinable, such as unlisted securities. The consolidated balance sheet amount of these securities was ¥546,948 million as of September 30, 2015.

\*3 The allowance for possible loan losses earmarked for loans is deducted from the carrying amount of loans.

\*4 Debits and credits arising from derivative transactions are netted, and the net credit position is shown in ( ).

#### Note 1: Valuation methods for financial instruments

##### Assets

###### 1) Cash and deposits and call loans

In principle, the book value is deemed as the fair value.

As for certain deposits regarded as securities pursuant to “Accounting Standards for Financial Instruments” (ASBJ Statement No. 10), fair value is measured based on the closing market price on the balance sheet date.

###### 2) Monetary claims bought

Fair value is measured based on the closing market price on the balance sheet date.

###### 3) Securities

As for stocks with market prices, fair value is measured based on the average market price during the final month of the period.

As for the other securities with market prices, fair value is measured based on the closing market price on the balance sheet date.

###### 4) Loans

As for policy loans, the book value is deemed as the fair value since the book value approximates the fair value, considering that the loan amount is limited within surrender value with no contractual maturity and given their estimated repayment period and interest rate terms.

As for general loans, the fair value is measured mainly as the present value of estimated future cash flows from the loans.

With regard to loans to debtors that are legally or substantially bankrupt and doubtful debtors, the fair values are, in principle, measured as the carrying amounts less the allowance for possible loan losses.

##### Liabilities

###### 1) Corporate bonds

Fair value is measured based on the closing market price on the balance sheet date.

###### 2) Payables under securities borrowing transactions

The book value is deemed as the fair value since the fair value approximates the book value.

##### Derivative transactions

Fair value is measured based on the closing market price on the balance sheet date.

The fair values of foreign currency forward contracts and currency swaps accounted for by the

allocation method are included in the fair values of related securities, loans and corporate bonds since they are accounted for as integrated transactions.

The fair values of certain interest rate swaps accounted for by the exceptional method are included in the fair values of related loans since they are accounted for as integrated transactions.

Note 2: Matters related to securities, including certain deposits regarded as securities pursuant to “Accounting Standards for Financial Instruments” (ASBJ Statement No. 10)

The following tables show the carrying amounts in the consolidated balance sheet, the fair values and their differences of held-to-maturity debt securities and policy-reserve-matching bonds as of September 30, 2015.

1) Held-to-maturity debt securities

Millions of Yen				
	Type	Balance sheet amount	Fair value	Difference
Fair value exceeds the balance sheet amount	Bonds	541,635	574,974	33,339
	Foreign securities (bonds)	1,544,412	1,832,126	287,713
Fair value does not exceed the balance sheet amount	Bonds	16,949	16,855	(93)
	Foreign securities (bonds)	1,000	980	(19)
Total		2,103,997	2,424,937	320,940

2) Policy-reserve-matching bonds

Millions of Yen				
	Type	Balance sheet amount	Fair value	Difference
Fair value exceeds the balance sheet amount	Bonds	11,018,694	12,524,866	1,506,172
	Foreign securities (bonds)	100,993	105,508	4,515
Fair value does not exceed the balance sheet amount	Bonds	108,897	107,874	(1,023)
	Foreign securities (bonds)	2,200	2,188	(11)
Total		11,230,784	12,740,437	1,509,652

The following tables show the acquisition costs (or amortized costs), the carrying amounts in the consolidated balance sheet and their differences of available-for-sale securities as of September 30, 2015.



3) Available-for-sale securities

Millions of Yen				
	Type	Acquisition costs or amortized costs	Balance sheet amount	Difference
	Negotiable certificates of deposit	—	—	—
	Monetary claims bought	158,086	169,934	11,847
Balance sheet	Bonds	1,149,644	1,205,595	55,951
amount exceeds	Stocks	691,977	1,362,568	670,591
acquisition costs	Foreign securities	3,513,509	3,839,207	325,697
or amortized costs	Foreign bonds	3,512,860	3,838,521	325,661
	Other foreign securities	649	685	36
	Other securities	20,952	28,881	7,929
	Negotiable certificates of deposit	120,000	119,974	(25)
Balance sheet	Monetary claims bought	67,987	67,982	(4)
amount does not	Bonds	102,644	102,201	(442)
exceed acquisition	Stocks	80,647	70,470	(10,177)
costs or amortized	Foreign securities	743,255	737,888	(5,366)
costs	Foreign bonds	736,424	731,352	(5,072)
	Other foreign securities	6,830	6,536	(294)
	Other securities	12,968	11,598	(1,370)
	Total	6,661,673	7,716,303	1,054,630

17. As of September 30, 2015, the note of fair value of investment and rental properties was omitted since there were no significant changes in the balance sheet amounts and fair values of investment and rental properties from the end of the previous fiscal year.

18. As of September 30, 2015, the aggregate amount of risk-monitored loans, which was comprised of loans to bankrupt borrowers, loans in arrears, loans in arrears for three months or longer, and restructured loans, was ¥1,006 million.

The amount of loans to bankrupt borrowers was nil and the amount of loans in arrears was ¥1,006 million. The amount of loans deemed uncollectible and directly deducted from the loans in the consolidated balance sheet was ¥31 million for loans in arrears.

Loans to bankrupt borrowers represent the loans on which interest is not accrued due to unlikeliness of repayment of principal or interest resulting from delinquency of principal or interest for a certain period or other reasons ("non-accrual loans") and also meet the conditions stipulated in Article 96 Paragraph 1 Item 3 or 4 of Order for Enforcement of the Corporation Tax Act (Cabinet Order No. 97 of 1965). Loans in arrears represent non-accrual loans excluding the loans to bankrupt borrowers (defined in the above) and loans of which interest payments are postponed in order to support these borrowers recovering from financial difficulties. Loans in arrears also include the non-accrual loans to borrowers classified as "substantially bankrupt borrowers" or "borrowers likely to become bankrupt" in self-assessment of asset quality.

The amount of loans in arrears for three months or longer was nil.

Loans in arrears for three months or longer represent the loans on which payments of principal or interest are past due over three months from the day following the contractual due date.

Loans in arrears for three months or longer do not include loans classified as loans to bankrupt borrowers or loans in arrears.

The amount of restructured loans was nil.

Restructured loans represent the loans which have been restructured to provide relief to the borrowers by reducing or waiving interest payments, by rescheduling repayments of principal or payments of interest, or by waiving claims for borrowers in order to support their recovery from financial difficulties. Restructured loans do not include loans classified as loans in arrears for three months or longer, loans in arrears or loans to bankrupt borrowers.

19. The total amount of assets held in separate accounts defined in Article 118 of the Insurance Business Act was ¥1,996,126 million as of September 30, 2015. The total amount of separate account liabilities was the same as this figure.

20. Changes in policyholders' dividend reserves for the period ended September 30, 2015 were as follows:

	Millions of Yen
Balance at the beginning of the period	266,361
Transfer from surplus in the previous fiscal year	59,358
Dividend payments to policyholders during the period	(35,448)
Interest accrued during the period	202
Balance at the end of the period	290,474

21. Assets pledged as collateral were securities in the amount of ¥595,654 million as of September 30, 2015.

22. On August 11, 2015, the Company entered into a definitive agreement to acquire Symetra Financial Corporation ("Symetra"), a U.S. life insurance group, with Symetra's management. On November 5, 2015, the transaction was approved by Symetra's shareholders.

1) Purpose of the acquisition

The Company intends to enhance its financial and earnings foundation as it will expand the size of overseas revenues, leading to diversify revenue base, and enabling the Company to build a well-balanced overseas business portfolio across Asia and the United States.

2) Outline of Symetra

a. Name

Symetra Financial Corporation

b. Headquarters

Bellevue, Washington, USA

c. Business description

Insurance and insurance related business \*1

\*1 Symetra is a holding company and its subsidiaries operate insurance business, etc.

d. Premiums (consolidated basis, for the fiscal year ended December 31, 2014)

US\$629 million

e. Total assets (consolidated basis, as of December 31, 2014)

US\$33,002 million

3) Schedule of acquisition

It is anticipated that the transaction will close late in the 4th quarter of the fiscal year ending March 31, 2016, or early in the 1st quarter of the fiscal year ending March 31, 2017. The purchase price is approximately US\$3,732 million (approximately ¥466.6 billion \*1), and we will utilize our cash and deposits for the acquisition. Symetra is being merged with a newly formed, wholly-owned special purpose company in Delaware, US, which the Company has established solely for the purpose of the merger. The merger will be subject to approval of relevant Japanese and U.S. regulatory authorities. After the merger, Symetra will be the surviving company.

\*1 The exchange rate used to calculate the yen-denominated amount is US\$1 = ¥125.

23. The Company redeemed ¥70,000 million of foundation funds and transferred the same amount of reserve for fund redemption to reserve for redemption of foundation funds as prescribed in Article 56 of the Insurance Business Act.
24. Securities loaned under security lending agreements amounted to ¥1,415,743 million as of September 30, 2015.
25. The amount of loan commitments outstanding was ¥12,506 million as of September 30, 2015.
26. Corporate bonds in liabilities are subordinated bonds and foreign currency-denominated subordinated bonds, the repayments of which are subordinated to other obligations.
27. Other liabilities included payables under securities borrowing transactions of ¥678,839 million as of September 30, 2015.
28. The Company estimated future contributions to the Life Insurance Policyholders Protection Corporation in the amount of ¥42,933 million as of September 30, 2015, pursuant to Article 259 of the Insurance Business Act.  
These contributions are recognized as operating expenses when they are made.

## Notes to the Unaudited Consolidated Statement of Income for the Six Months Ended September 30, 2015

1. Major components of gains on sales of securities were as follows:

	Millions of Yen
Domestic bonds including national government bonds	228
Domestic stocks	3,265
Foreign securities	49

Major components of losses on sales of securities were as follows:

	Millions of Yen
Domestic bonds including national government bonds	738
Domestic stocks	498
Foreign securities	856

Major components of losses on valuation of securities were as follows:

	Millions of Yen
Domestic stocks	524

2. The details of the impairment losses on fixed assets were as follows:

Accumulated impairment losses on fixed assets are directly reduced from amounts of their respective assets.

### 1) Method for grouping the assets

The Company groups all the fixed assets held and utilized for its insurance business as one asset group for the impairment test.

For real estate for investment and idle assets, each item is treated as an independent asset group for the impairment test.

### 2) Description of impairment losses recognized

For the period ended September 30, 2015, the Company recognized impairment losses on real estate for investment that experienced the deterioration of profitability and on the idle assets that experienced the decline in fair value. For these assets, the Company reduced the carrying amount to a recoverable amount, and recognized impairment losses as extraordinary losses in the consolidated statement of income.

### 3) Details of fixed assets causing impairment losses

Asset Group	Asset Categories	Millions of Yen
Real estate for investment	Land and buildings	140
Idle assets	Land and buildings	607
Total		748

### 4) The recoverable amount

The recoverable amounts of real estate for investment are determined at net realizable value or value in use. The recoverable amounts for idle assets are determined at net realizable value. Net realizable value is calculated based on an estimated selling value, appraisal value based on the Real Estate Appraisal Standards, or publicly announced value. Value in use is determined as the estimated net future cash flows discounted at 5.0%.

**Notes to the Unaudited Consolidated Statement of Cash Flows for the Six Months Ended September 30, 2015**

- 1. For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents are comprised of cash on hand and bank deposits bearing no interest.
  
- 2. Reconciliation of cash and deposits in the consolidated balance sheet and cash and cash equivalents in the consolidated statement of cash flows as of September 30, 2015 was as follows:

	Millions of Yen
Cash and deposits	229,713
Deposits bearing interest	(187,647)
Cash and cash equivalents	42,065

## 2. Solvency Margin Ratio on a Consolidated Basis

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
Solvency margin gross amount (A)	3,422,644	3,306,142
Foundation funds and others	979,159	912,718
Reserve for price fluctuation	252,308	314,422
Contingency reserve	315,804	343,726
Unusual contingency reserve	-	-
General allowance for possible loan losses	1,154	1,069
Net unrealized gains on available-for-sale securities × 90% (Multiplied by 100% if losses)	1,130,761	962,250
Net unrealized gains on real estate × 85% (Multiplied by 100% if losses)	(44,936)	(34,149)
Total amount of unrecognized actuarial gains (losses) and unrecognized past service costs	19,328	25,783
Excess of continued Zillmerized reserve	633,128	635,137
Qualifying subordinated debt	149,480	149,480
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculation	-	-
Deduction clause	(89,583)	(81,781)
Others	76,039	77,484
Total amount of risk $\sqrt{(\sqrt{R_1^2 + R_5^2 + R_8 + R_9})^2 + (R_2 + R_3 + R_7)^2} + R_4 + R_6$ (B)	705,494	744,186
Insurance risk $R_1$	79,337	78,403
General insurance risk $R_5$	-	-
Large disaster risk $R_6$	-	-
Third-sector insurance risk $R_8$	51,286	52,124
Insurance risk of small-amount, short-term insurer $R_9$	-	-
Risk of assumed yield $R_2$	215,482	213,166
Minimum guarantee risk $R_7^{**}$	32,738	36,558
Investment risk $R_3$	428,634	465,732
Operational risk $R_4$	16,149	16,919
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	970.2%	888.5%

※ The standard method is used for the calculation of the amount equivalent to minimum guarantee risk.

Note: The amounts and figures in the table above are calculated based on Article 130 of the Insurance Business Act, Article 86-2 and Article 88 of the Ordinance for Enforcement of the Insurance Business Act and Financial Services Agency Public Notice No.23 of 2011.

### 3. Non-Consolidated Financial Information

#### a. Overall Composition of Investments (General Account)

(Millions of yen, %)

	As of March 31, 2015		As of September 30, 2015	
	Amount	% of total	Amount	% of total
Cash, deposits and call loans	551,413	2.2	535,918	2.1
Monetary claims bought	243,446	1.0	276,827	1.1
Investments in securities	20,991,510	83.9	21,210,076	83.7
Domestic bonds	12,748,042	51.0	12,864,578	50.8
Domestic stocks	1,644,083	6.6	1,536,944	6.1
Foreign securities	6,563,751	26.2	6,766,818	26.7
Foreign bonds	5,983,458	23.9	6,218,480	24.5
Other foreign securities	580,292	2.3	548,338	2.2
Other securities	35,633	0.1	41,734	0.2
Loans	2,322,696	9.3	2,302,115	9.1
Policy loans	323,711	1.3	318,591	1.3
Industrial and consumer loans	1,998,985	8.0	1,983,524	7.8
Real estate	661,398	2.6	655,727	2.6
Investment property	464,290	1.9	460,597	1.8
Deferred tax assets	-	-	50,466	0.2
Other assets	244,064	1.0	308,016	1.2
Allowance for possible loan losses	(1,757)	(0.0)	(1,601)	(0.0)
Total	25,012,772	100.0	25,337,546	100.0
Foreign currency denominated assets	4,473,488	17.9	4,773,327	18.8

Note: Real estate is recorded as the sum total of land, buildings and construction in progress.



## b. Fair Value Information of Securities (General Account)

### (1) Net Valuation Gains and Losses on Trading Securities

No net valuation gains and losses as of March 31, 2015 or September 30, 2015.

### (2) Fair Value Information of Securities (With Fair Value except for Trading Securities)

(Millions of yen)

	As of March 31, 2015					As of September 30, 2015				
	Book value	Fair value	Net gains (losses)	Net gains (losses)		Book value	Fair value	Net gains (losses)	Net gains (losses)	
				Gains	Losses				Gains	Losses
Held-to-maturity debt securities	2,059,190	2,383,300	324,109	324,244	(134)	2,047,547	2,362,234	314,687	314,780	(93)
Policy-reserve-matching bonds	11,209,377	12,711,116	1,501,738	1,502,085	(346)	11,230,784	12,740,437	1,509,652	1,510,687	(1,034)
Investments in subsidiaries and affiliated companies	33,173	23,372	(9,801)	-	(9,801)	33,173	30,414	(2,759)	-	(2,759)
Available-for-sale securities	6,109,247	7,344,762	1,235,515	1,242,124	(6,609)	6,593,333	7,643,185	1,049,851	1,067,234	(17,383)
Domestic bonds	1,091,825	1,139,283	47,458	47,638	(180)	1,184,013	1,234,851	50,838	51,277	(438)
Domestic stocks	773,544	1,542,884	769,339	775,208	(5,868)	772,560	1,432,866	660,306	670,483	(10,177)
Foreign securities	3,928,950	4,325,405	396,455	396,996	(541)	4,256,764	4,577,096	320,331	325,697	(5,366)
Foreign bonds	3,927,074	4,323,648	396,574	396,960	(386)	4,249,285	4,569,874	320,589	325,661	(5,072)
Other foreign securities	1,876	1,757	(118)	36	(155)	7,479	7,221	(257)	36	(294)
Other securities	24,589	34,626	10,036	10,036	-	33,920	40,479	6,558	7,929	(1,370)
Monetary claims bought	190,337	202,579	12,241	12,244	(2)	226,074	237,916	11,842	11,847	(4)
Negotiable certificates of deposit	100,000	99,983	(16)	-	(16)	120,000	119,974	(25)	-	(25)
Others	-	-	-	-	-	-	-	-	-	-
Total	19,410,990	22,462,552	3,051,562	3,068,453	(16,891)	19,904,840	22,776,272	2,871,432	2,892,702	(21,270)
Domestic bonds	12,700,583	14,272,895	1,572,311	1,572,927	(615)	12,813,739	14,396,719	1,582,980	1,584,516	(1,536)
Domestic stocks	773,544	1,542,884	769,339	775,208	(5,868)	772,560	1,432,866	660,306	670,483	(10,177)
Foreign securities	5,621,934	6,309,582	687,648	698,037	(10,388)	5,938,544	6,548,315	609,770	617,926	(8,156)
Foreign bonds	5,586,884	6,284,453	697,569	698,000	(431)	5,897,891	6,510,678	612,787	617,890	(5,102)
Other foreign securities	35,050	25,129	(9,920)	36	(9,957)	40,653	37,636	(3,017)	36	(3,053)
Other securities	24,589	34,626	10,036	10,036	-	33,920	40,479	6,558	7,929	(1,370)
Monetary claims bought	190,337	202,579	12,241	12,244	(2)	226,074	237,916	11,842	11,847	(4)
Negotiable certificates of deposit	100,000	99,983	(16)	-	(16)	120,000	119,974	(25)	-	(25)
Others	-	-	-	-	-	-	-	-	-	-

Note: The table above includes securities that are deemed appropriate as securities under the Financial Instruments and Exchange Act in Japan.

**Book values of securities whose fair value is not practically determinable are as follows:**

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
Held-to-maturity debt securities	-	-
Unlisted foreign bonds	-	-
Others	-	-
Policy-reserve-matching bonds	-	-
Investments in subsidiaries and affiliated companies	115,403	114,739
Available-for-sale securities	515,935	483,999
Unlisted domestic stocks (excluding over-the-counter stocks)	24,573	27,451
Unlisted foreign stocks (excluding over-the-counter stocks)	490,321	455,258
Unlisted foreign bonds	-	-
Others	1,040	1,288
<b>Total</b>	<b>631,338</b>	<b>598,738</b>

**c. Fair Value Information of Derivative Transactions (General Account)**

**(1) Net Gains and Losses on Derivatives**

(Millions of yen)

	As of March 31, 2015						As of September 30, 2015					
	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	1,259	(162,558)	-	-	-	(161,298)	1,016	(88,473)	-	-	-	(87,456)
Hedge accounting not applied	(1,813)	(27,582)	(13,591)	-	-	(42,988)	(1,651)	11,880	7,132	-	-	17,361
<b>Total</b>	<b>(554)</b>	<b>(190,140)</b>	<b>(13,591)</b>	<b>-</b>	<b>-</b>	<b>(204,287)</b>	<b>(634)</b>	<b>(76,593)</b>	<b>7,132</b>	<b>-</b>	<b>-</b>	<b>(70,095)</b>

Notes: Net gains (losses) from derivatives with hedge accounting (fair value hedge method) applied, and net gains (losses) from derivatives with hedge accounting not applied are recorded on the statement of income.

Net gains (losses) from derivatives with hedge accounting (fair value hedge method) applied amounted to loss of ¥ 157,797 million and loss of ¥ 71,106 million as of March 31, 2015 and September 30, 2015, respectively.

**(2) Interest-related**

(Millions of yen)

Type	As of March 31, 2015				As of September 30, 2015			
	Notional amount/ contract value	Over 1 year	Fair value	Net gains (losses)	Notional amount/ contract value	Over 1 year	Fair value	Net gains (losses)
Over-the-counter transactions								
Interest rate swaps								
Receipts fixed, payments floating	56,121	45,532	1,259	1,259	54,827	39,051	1,016	1,016
Interest rate swaptions								
Bought								
Receipts floating, payments fixed	240,000	120,000	427	(1,813)	280,000	160,000	525	(1,651)
	[2,241]				[2,176]			
<b>Total</b>				<b>(554)</b>				<b>(634)</b>

Notes: 1. Option fees are shown in [ ].

2. Net gains (losses) represent the fair values for interest rate swaps and the difference between the option fees and the fair values for interest rate swaptions.

**(Reference)****Interest rate swaps by contractual maturity dates**

[As of September 30, 2015]

(Millions of yen, %)

	Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
Notional amount (receipts fixed, payments floating)	15,776	21,672	17,188	132	57	-	54,827
Average fixed rate (receipt)	1.91	1.81	0.62	1.14	0.96	-	1.46
Average floating rate (payment)	0.32	0.38	0.31	0.79	0.72	-	0.34

**(3) Currency-related**

(Millions of yen)

Type	As of March 31, 2015				As of September 30, 2015			
	Notional amount/ contract value	Over 1 year	Fair value	Net gains (losses)	Notional amount/ contract value	Over 1 year	Fair value	Net gains (losses)
Over-the-counter transactions								
Foreign currency forward contracts								
Sold	3,599,075	1,025,354	(185,110)	(185,110)	3,886,172	794,887	(58,618)	(58,618)
(U.S. dollar)	1,396,146	543,023	(134,324)	(134,324)	1,546,372	300,824	(80,950)	(80,950)
(Australian dollar)	1,266,522	302,024	(83,894)	(83,894)	1,346,084	494,062	23,249	23,249
(Euro)	877,043	180,306	36,354	36,354	896,727	-	(1,798)	(1,798)
Bought	165,605	-	(269)	(269)	500,557	-	(21,891)	(21,891)
(U.S. dollar)	165,605	-	(269)	(269)	470,780	-	(21,203)	(21,203)
Total				(185,380)				(80,509)

- Notes: 1. Regarding assets and liabilities which are denominated in foreign currencies but have fixed settlement in yen under foreign currency forward contracts and currency swaps and are reported in yen amounts in the balance sheets, those foreign currency forward contracts and currency swaps are excluded from the table above.
2. Net gains (losses) represent the fair values for foreign currency forward contracts.

**(4) Stock-related**

(Millions of yen)

Type	As of March 31, 2015				As of September 30, 2015			
	Notional amount/ contract value	Over 1 year	Fair value	Net gains (losses)	Notional amount/ contract value	Over 1 year	Fair value	Net gains (losses)
Exchange-traded transactions								
Stock index futures								
Sold	107,788	-	(1,537)	(1,537)	105,965	-	1,444	1,444
Over-the-counter transactions								
Stock index forwards								
Sold	104,122	-	(11,548)	(11,548)	89,928	-	5,688	5,688
Stock index options								
Sold								
Put	423	-	0	0	-	-	-	-
[1]	[1]				[-]			
Bought								
Put	19,503	-	23	(506)	-	-	-	-
[529]	[529]				[-]			
Total				(13,591)				7,132

- Notes: 1. Option fees are shown in [ ].
2. Net gains (losses) represent the fair values for future tradings and forward tradings and the difference between the option fees and the fair values for option transactions.

#### d. Risk-Monitored Loans

(Millions of yen, %)

	As of March 31, 2015	As of September 30, 2015
Loans to bankrupt borrowers	-	-
Loans in arrears	1,066	1,006
Loans in arrears for three months or longer	0	-
Restructured loans	-	-
Total	1,066	1,006
(Percentage of total loans)	(0.05)	(0.04)
(Percentage of total assets)	(0.00)	(0.00)

- Notes: 1. For loans to bankrupt borrowers and substantially bankrupt borrowers, the amount of loans exceeding the value of estimated recovery through disposal of collateral or execution of guarantees is deemed uncollectible and directly deducted. The amount of loans in arrears directly deducted as of March 31, 2015 and September 30, 2015 amounted to ¥ 34 million and ¥ 31 million, respectively.
2. Loans to bankrupt borrowers represent the loans on which interest is not accrued due to unlikelihood of repayment of principal or interest resulting from delinquency of principal or interest for a certain period or other reasons ("non-accrual loans") and also meet the conditions stipulated in Article 96 Paragraph 1 Items 3 and 4 of Order for Enforcement of the Corporation Tax Act (Cabinet Order No.97 of 1965).
3. Loans in arrears represent non-accrual loans excluding the loans to bankrupt borrowers (defined in the above) and loans of which interest payments are postponed in order to support these borrowers recovering from financial difficulties. Loans in arrears also include the non-accrual loans to borrowers classified as "borrowers substantially bankrupt" or "borrowers likely to become bankrupt" in the self-assessment of asset quality.
4. Loans in arrears for three months or longer represent the loans on which payments of principal or interest are past due over three months from the day following the contractual due date. Loans in arrears for three months or longer do not include loans classified as loans to bankrupt borrowers or loans in arrears.
5. Restructured loans represent the loans which have been restructured to provide relief to the borrowers by reducing or waiving interest payments, by rescheduling repayments of principal or payments of interest, or by waiving claims for borrowers in order to support their recovery from financial difficulties. Restructured loans do not include loans classified as loans in arrears for three months or longer, loans in arrears or loans to bankrupt borrowers.