

Financial Section

Financial Review

Indicators Showing the Main Results over the Last Five Fiscal Years

Summary of Operations

Accounting Concepts

1. Financial statements
2. Details of assets and liabilities
3. Income and loss details
4. Information about fair values, etc.

FINANCIAL REVIEW

Business development, results, etc.

During fiscal 2014, the Japanese economy showed a temporary decline attributable to the consumption tax increase. However, the economy then took a turn toward a moderate recovery under the large-scale monetary easing policy of the Japanese government and the Bank of Japan. Personal spending supported by low crude oil prices and improved employment conditions contributed to this upswing, together with increased exports on the back of the yen's depreciation.

The number of in-force earthquake insurance contracts and earthquake insurance premiums grew from the previous fiscal year due to the impact of new contracts associated with housing purchases ahead of the consumption tax increase in April and premium rate revisions in July. Earthquake insurance payouts and loss adjustment expenses decreased substantially from the previous fiscal year, reflecting steps taken toward the resolution of insurance payouts for the Great East Japan Earthquake in 2011.

Looking at asset management, earnings from investments fell far below the level posted in the previous fiscal year, reflecting the advanced redemption of high-yield bonds under the sustained condition of low interest rates. In this environment, during fiscal 2014, which was the final year of our third medium-term business plan, we steadily implemented initiatives with a focus on those aimed at strengthening our business continuity plan based on the damage predicted to be caused by an inland earthquake in the Tokyo metropolitan area. In each of the three years under the third medium-term business plan, we worked steadily to advance measures, concentrating on those for preparing for massive, consecutive earthquakes. Upon completing our business plan, we had achieved almost all of its targets.

Summary of earthquake insurance results

① Net premiums written and net claims paid

In the fiscal year under review, the number of in-force insurance contracts and premiums written increased and the government's share of reinsurance decreased after revisions to the reinsurance scheme. As a result, net premiums written rose sharply to 108.9 billion yen (up 18.2% year on year).

Meanwhile, net claims paid came to 9.5 billion yen (down 36.3% year on year), reflecting factors such as the Great East Japan Earthquake in 2011.

② Risk reserves and underwriting reserves

Risk reserves added totaled 48.4 billion yen (up 17.1% year on year), consisting of net premiums written of 46.8 billion yen, calculated by deducting assumed reinsurance commissions from net premiums written, and gains on investments of 1.5 billion yen.

Risk reserves at the end of the fiscal year under review came to 417 billion yen (up 10.3% year on year) as a result of the reversal of the provision for outstanding claims of 1.9 billion yen to risk reserves and the withdrawal from the reserves in the past year of net claims paid of 9.5 billion yen as stated above, loss assessment expenses of 1.4 billion yen, and advertising and publicity expenses of 0.3 billion yen.

Underwriting reserves at the end of the fiscal year under review amounted to 556.7 billion yen (up 11.5% year on year) as a result of the addition of unearned premium reserves to the risk reserves stated above. Repayment reserves were transferred to risk reserves with the expiration of monthly premium earthquake insurance contracts in fiscal 2014.

③ Risk reserves of direct insurance companies

A total of 4.3 billion yen (down 6.4% year on year), consisting of net premiums written and gains on in-

vestments, was added to the risk reserves of direct insurance companies recorded as entrusted reserves. The risk reserves of direct insurance companies at the end of the fiscal year under review came to 74.7 billion yen (up 3.0% year on year) as a result of the withdrawal of advertising and publicity expenses of 1 billion yen.

Outline of investments

Medium- to long-term domestic interest rates remained low due to the Bank of Japan's sustained policy of quantitative and qualitative monetary easing. Additional monetary easing through an asset purchase expansion announced by the Bank of Japan in October added momentum to the interest rate decline.

Looking at exchange rates, the yen weakened against the US dollar, reflecting differences in the monetary policies of Japan, where easy money continued, and the United States, which aimed to tighten credit. Meanwhile, the yen strengthened against the euro due to additional monetary easing by the European Central Bank. In these circumstances, we invested in assets with the top priority placed on safety and liquidity, followed by profitability. As a result, pre-tax profits from investments amounted to 1.5 billion yen in the business account and 0.2 billion yen in the entrusted reserves account. Consequently, investment assets totaled 624 billion yen at the end of the fiscal year under review.

Profit and loss for the fiscal year under review

Net income for the fiscal year under review totaled 3 million yen after the addition or deduction of other items to or from interest and dividends received, and the deduction of corporate and resident taxes.

INDICATORS SHOWING THE MAIN RESULTS OVER THE LAST FIVE FISCAL YEARS

(Yen in millions)

Division	Fiscal Year	2010	2011	2012	2013	2014
Net premiums written		71,532	83,671	92,996	92,248	108,994
Percentage change over the previous term		(1.0%)	17.0%	11.1%	(0.8%)	18.2%
Net claims paid		1,033	196,625	31,607	15,010	9,563
Percentage change over the previous term		(81.4%)	18,927.3%	(83.9%)	(52.5%)	(36.3%)
Ordinary income		175,903	286,812	110,370	104,703	119,822
Percentage change over the previous term		76.9%	63.1%	(61.5%)	(5.1%)	14.4%
Ordinary expenses		174,913	286,723	110,176	104,509	119,818
Percentage change over the previous term		77.6%	63.9%	(61.6%)	(5.1%)	14.6%
Ordinary profit		990	89	193	194	3
Percentage change over the previous term		4.1%	(91.0%)	117.5%	0.3%	(98.2%)
Net income (loss)		3	(5)	4	(82)	3
Percentage change over the previous term		(30.2%)	(239.9%)	-	(2,045.2%)	-
Common stock		1,000	1,000	1,000	1,000	1,000
Sum of shares issued		2 mil. shares	2 mil. shares	2 mil. shares	2 mil. shares	2 mil. shares
Net assets		1,634	1,631	1,633	1,544	1,543
Total assets		1,154,108	509,498	536,808	577,305	640,137
Underwriting reserves		515,981	430,700	461,480	499,274	556,727
Percentage change over the previous term		(11.9%)	(16.5%)	7.1%	8.2%	11.5%
Of the balance, risk reserves		424,401	331,499	352,830	378,041	417,056
Percentage change over the previous term		(14.6%)	(21.9%)	6.4%	7.1%	10.3%
Loans		-	-	-	-	-
Percentage change over the previous term		-	-	-	-	-
Securities		805,223	448,120	476,979	525,161	391,034
Percentage change over the previous term		(20.0%)	(44.3%)	6.4%	10.1%	(25.5%)
Non-consolidated solvency-margin ratio		124.7%	120.8%	160.0%	344.9%	354.5%
Dividend propensity		-	-	-	-	-
No. of employees		25	26	27	26	29

Note:

For a stricter risk measurement, revised laws and regulations concerning the calculation of the non-consolidated solvency-margin ratio have been applied since fiscal 2011. JER's solvency-margin ratio will not be used as a criterion for the administrative authorities' order for improvement. For details, please refer to page 40.

SUMMARY OF OPERATIONS

Item: earthquake

1 Indicators relating to insurance underwriting

1. Net premiums written

(Yen in millions)

Division	Fiscal Year	2012	2013	2014
Premiums written		185,568	197,919	222,014
Return premiums		2,642	3,271	4,341
Assumed net premiums written (A)		182,895	194,628	217,661
Reinsurance premiums ceded (B)		89,899	102,379	108,666
Net premiums written (A - B)		92,996	92,248	108,994

Notes:

- Return premiums: Return premiums of receiving reinsurance.
- Assumed net premiums: Produced by deducting return premiums from premiums written.
- Net premiums written: Produced by deducting the reinsurance premiums ceded from the assumed net premiums written.

2. Rate of premiums written by domestic and overseas contracts

Division	Fiscal Year	2012	2013	2014
Domestic contract		100%	100%	100%

3. Net claims paid

(Yen in millions)

Division	Fiscal Year	2012	2013	2014
Assumed net claims paid (A)		55,883	22,014	13,287
Reinsurance claims recovered (B)		24,276	7,003	3,723
Net claims paid (A - B)		31,607	15,010	9,563

Notes:

- Assumed net claims paid: Produced by deducting surrender value from ceded insurance claims paid
- Net claims paid: Produced by deducting reinsurance claims recovered from assumed net claims paid

4. Net loss ratio, net expense ratio and their combined ratio

(Yen in millions)

Division	Fiscal Year	2012	2013	2014
Net loss ratio		39.2%	18.7%	10.1%
Underwriting expenses		38,867	41,134	44,026
Insurance related operating, general and administrative expenses		725	722	710
Commissions and brokerage fees		38,141	40,411	43,315
Net expense ratio		41.8%	44.6%	40.4%
Combined ratio		81.0%	63.3%	50.5%

Notes:

1. Net loss ratio: (Net claims paid + loss adjustment expenses) / net premiums written
2. Net expense ratio: (Commissions and brokerage fees + Insurance-related operating and general administrative expenses) / net premiums written
3. Combined ratio: Net loss ratio + net expense ratio

5. Rate of damage occurrence, the expenses ratio and rate of sum total before ceded insurance deduction

Not applicable

6. Changes in ordinary income or loss against a rise in the loss rate

There are no changes in ordinary income or loss in earthquake insurance because increases in insurance payments are set off through the reversal of underwriting reserves in accordance of the principle of no loss and no profit.

7. Underwriting profit

(Yen in millions)

Division	Fiscal Year	2012	2013	2014
Underwriting income		106,333	96,358	112,468
Underwriting expenses		105,420	95,447	111,757
Operating and general administrative expenses		725	722	710
Other income and expenses		(186)	(188)	-
Underwriting profit		-	-	-

Notes:

1. The above operating, general and administrative expenses are those relating to the underwriting of insurances mentioned in the operating, general and administrative expenses in a statement of profits and losses.
2. Other income and expenses are those equivalent to corporate taxes mentioned in a statement of earthquake insurance profits and losses.

8. No. of reinsurers that ceded insurance contracts and top five reinsurers for ceded reinsurance premiums

Division	Fiscal Year	2012	2013	2014
No. of reinsurers that ceded insurance contracts		13	11	10
Rate of top five reinsurers' ceded insurance premiums		81.9%	81.9%	90.4%

Note:

The number of reinsurers that ceded insurance contracts is the number who ceded treaty reinsurance contracts of 10 million or more yen.

9. Ratio of ceded insurance premiums by rating

Not applicable

10. Contractor dividend

Not applicable

11. Conditions at the end of the current fiscal year (runoff result) of outstanding claims (estimated amount) at the beginning of the term

Not applicable to earthquake insurance.

12. Amount of estimated final damages associated with the elapse of a period from the occurrence of accidents

Not applicable to earthquake insurance.

② Investments

1. Investments policy

Because we have to pay a substantial amount of claims promptly in the event of a natural disaster such as a major earthquake, we put in principle the highest priority on safety and liquidity followed by profitability to increase risk reserves. The risk management division is engaged in monitoring and controlling risks of all kinds, independently of the transactions execution division.

2. Total assets and investments assets

Division	Year	As of the end of fiscal 2012		As of the end of fiscal 2013		As of the end of fiscal 2014	
		Amount	Percentage distribution (%)	Amount	Percentage distribution (%)	Amount	Percentage distribution (%)
Deposits		25,938	4.8	23,892	4.1	34,119	5.3
Call loans		21,137	3.9	14,634	2.5	84,898	13.3
Monetary receivables bought		-	-	-	-	113,991	17.8
Money trusts		-	-	-	-	-	-
Securities		476,979	88.9	525,161	91.0	391,034	61.1
Buildings		33	0.0	31	0.0	28	0.0
Total of investments assets		524,088	97.6	563,719	97.6	624,072	97.5
Total assets		536,808	100.0	577,305	100.0	640,137	100.0

3. Amount of interest and dividend received and investment assets yield (income yield)

Division	Fiscal Year	2012		2013		2014	
		Amount	Yield (%)	Amount	Yield (%)	Amount	Yield (%)
Deposits		32	0.18	23	0.09	28	0.10
Call loans		8	0.05	7	0.04	23	0.03
Monetary receivables bought		-	-	-	-	15	0.10
Money trusts		-	-	-	-	-	-
Securities		4,549	0.96	3,248	0.66	2,642	0.59
Buildings		-	-	-	-	-	-
Total		4,589	0.90	3,279	0.61	2,710	0.47

Note:

Investment assets yield (income yield): indicator showing the result of investment assets from a point of income (interest and dividend income) (which has been disclosed)

The numerator is composed of interest and dividend income from investment assets while the denominator is an acquisition cost based assets.

Numerator = Interest and dividend income (including the amount equivalent to interest and dividend income of profit (or loss) from monetary trust operation)

Denominator = Acquisition cost or depreciation based average balance

4. Asset management yield (realized yield)

Division	Fiscal Year	2012			2013			2014		
		Amount of numerator	Amount of denominator	Yield on working assets (%)	Amount of numerator	Amount of denominator	Yield on working assets (%)	Amount of numerator	Amount of denominator	Yield on working assets (%)
Deposits		32	17,636	0.18	23	24,974	0.09	28	29,824	0.10
Call loans		8	18,067	0.05	7	19,385	0.04	23	77,058	0.03
Monetary receivables bought		-	-	-	-	-	-	15	15,513	0.10
Money trusts		-	-	-	-	-	-	-	-	-
Securities		4,548	473,767	0.96	3,346	490,629	0.68	2,642	450,256	0.59
Public and corporate bonds		1,711	325,550	0.53	1,054	356,649	0.30	791	312,640	0.25
Stocks		-	-	-	-	-	-	-	-	-
Foreign securities		2,837	148,217	1.91	2,292	133,980	1.71	1,850	137,615	1.34
Other securities		-	-	-	-	-	-	-	-	-
Loans		-	-	-	-	-	-	-	-	-
Buildings		-	35	-	-	33	-	-	31	-
Derivatives		(2,836)	-	-	(7,336)	-	-	(6,447)	-	-
Others		2,783	-	-	7,691	-	-	6,153	-	-
Total		4,536	509,507	0.89	3,731	535,023	0.70	2,416	572,684	0.42

Notes:

1. Asset management yield (realized yield): indicator to show the result of managing of assets from the point of contribution to the current profit and loss. The numerator is realized profit and loss while the denominator is an acquisition cost based assets.

Numerator = profit from asset management + investment income on savings premiums – expenses of assets management

Denominator = acquisition cost or writing-off cost based average balance

2. Profit and loss from derivatives principally involve foreign exchange forward contracts with the remainder primarily involving currency exchange of foreign currency-denominated bonds. JER deals in foreign exchange forward contracts and other transactions for the purpose of hedging risks associated with foreign currency-denominated bonds.

5. Market-price based overall yield (for reference)

(Yen in millions)

Division	2012			2013			2014		
	Amount of numerator	Amount of denominator	Yield on working assets (%)	Amount of numerator	Amount of denominator	Yield on working assets (%)	Amount of numerator	Amount of denominator	Yield on working assets (%)
Deposits	32	17,636	0.18	23	24,974	0.09	28	29,824	0.10
Call loans	8	18,067	0.05	7	19,385	0.04	23	77,058	0.03
Monetary receivables bought	-	-	-	-	-	-	15	15,513	0.10
Money trusts	-	-	-	-	-	-	-	-	-
Securities	4,067	478,421	0.85	2,182	494,802	0.44	3,030	453,264	0.67
Public and corporate bonds	1,666	327,480	0.51	898	358,533	0.25	1,253	314,369	0.40
Stocks	-	-	-	-	-	-	-	-	-
Foreign securities	2,401	150,940	1.59	1,284	136,268	0.94	1,777	138,895	1.28
Other securities	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
Buildings	-	35	-	-	33	-	-	31	-
Derivatives	(2,836)	-	-	(7,336)	-	-	(6,447)	-	-
Others	2,783	-	-	7,691	-	-	6,153	-	-
Total	4,055	514,160	0.79	2,567	539,196	0.48	2,804	575,693	0.49

Notes:

1. *Market-price based overall yield*: indicator showing the efficiency of operation on a market price basis. The numerator reflects realized profit and loss and fluctuations in market price appraisal while the denominator is market-price based assets.

Numerator = (income from operated assets management + investment income on savings premium – expenses for assets management) + (after-tax unrealized gain for the year – after-tax unrealized gain for previous year)* + fluctuation in deferred hedge profit and loss

Denominator = acquisition cost or write-off based average balance + after-tax unrealized gain for previous year of other securities + profit and loss for the previous year related to securities for transaction

* Based on the amount before tax effect deduction

2. Profit and loss from derivatives principally involve foreign exchange forward contracts with the remainder primarily involving currency exchange of foreign currency-denominated bonds. JER deals in foreign exchange forward contracts and other transactions for the purpose of hedging risks associated with foreign currency-denominated bonds.

6. Balance, percentage distribution and yield of Foreign Loans & Investments

(Yen in millions)

Division	Year	As of the end of fiscal 2012		As of the end of fiscal 2013		As of the end of fiscal 2014	
		Amount	Percentage distribution (%)	Amount	Percentage distribution (%)	Amount	Percentage distribution (%)
Foreign currency denominated							
Foreign public and corporate bonds		36,347	28.2	70,357	49.7	93,638	64.8
Yen denominated							
Foreign public and corporate bonds		92,494	71.8	71,164	50.3	50,763	35.2
Total		128,842	100.0	141,522	100.0	144,401	100.0
Yield on foreign loans & investments							
Investment assets yield (income yield)			1.91%		1.71%		1.34%
Assets management (realized yield)			1.91%		1.71%		1.34%
Market-price based overall yield (for reference)			1.59%		0.94%		1.28%

Note:

Of the yield on foreign loans & investments, the investment assets yield was calculated in the same manner as 3., Amount of interest and dividend received and yield on investment assets (income yield) in connection with the assets involving foreign investments.

③ Information on the non-consolidated solvency-margin ratio (the ratio that shows the ability to pay out claims)

Division	(Yen in millions)		
	Year	As of the end of fiscal 2013	As of the end of fiscal 2014
Total amount of non-consolidated solvency-margin		381,954	421,385
Common stock, etc.		1,536	1,539
Price fluctuation reserves		5	5
Risk reserves		-	-
Catastrophe reserves		378,041	417,056
Reserves for ordinary bad debts		-	-
Unrealized gain / loss on available-for-sale securities (prior to tax effect deductions)		2,370	2,783
(A) Unrealized gain and loss included land holdings		-	-
Surplus such as premium reserves		-	-
Funding instruments with a debt-like nature		-	-
Surplus such as premium reserves and funding instruments with a debt-like nature that are not included in the margin		-	-
Items deductible		-	-
Others		-	-
Total amount of non-consolidated risk $\sqrt{(R1 + R2)^2 + (R3 + R4)^2} + R5 + R6$		221,459	237,717
General underwriting risk (R1)		-	-
Underwriting risk in third-area insurance (R2)		-	-
(B) Anticipated rate of return risk (R3)		-	-
Investment risk (R4)		11,017	8,355
Management risk (R5)		4,342	4,661
Catastrophe risk (R6)		206,100	224,700
(C) Non-consolidated solvency-margin ratio $\frac{(A)}{[(B) \times 1 / 2]} \times 100$		344.9%	354.5%

Note:

Amounts and other figures presented above are calculated on the basis of the provisions of Article 86 and Article 87 of the Enforcement Regulations for the Insurance Business Act and Notification No. 50 of the Ministry of Finance issued in 1996.

Non-consolidated solvency-margin ratio

The non-life insurance companies deposit reserves in case that they pay insurance money for any insurance accident that occurred or refund depository insurance at maturity. It is also necessary for them to maintain a satisfactory ability to make payments or solvency even in case of unusual, unforeseeable risk, including a huge disaster or sharp drop in price of such assets as owned by them.

The rate of “Non-life insurance company’s ability to make payments by owned assets and reserves (A in the above table) over any risk unforeseeable (B in the above table)” is indicated as the non-consolidated solvency-margin ratio (C in the above table) which is calculated according to the pertinent rules, including the Insurance Business Law.

[Unforeseeable risk] (Total of risks): Sum of 1–5

- 1. General underwriting risk:** risk associated with an insurance accident rate that is higher than normally predictable (other than the risk associated with a huge disaster).
- 2. Anticipated ratio of return risk:** the risk that may arise for saving-type insurance if the actual yield from operations is lower than it was when calculating depository insurance premiums.
- 3. Investment risk:** management risk that might arise when the value of assets owned including securities changes in an unforeseeable manner.
- 4. Management risk:** risk that might arise on business management in an unforeseeable manner, other than 1–3 and 5.
- 5. Catastrophe risk:** risk that might arise with a huge disaster (such as the Great Kanto Earthquake) which is normally unforeseeable.

Capability of payment by non-life insurance company owned capital and reserves (total amount of non-consolidated solvency-margin) is the total of capital owned by a non-life insurance company, various reserves (price fluctuation reserve, catastrophe reserve, etc.), part of latent profit from land, and so on.

The solvency-margin ratio is one of the indicators used when the administrative authorities check insurance companies to determine the soundness of management for supervisory purposes. When the rate is 200% or more, the insurance company is deemed satisfactory in terms of its ability to make insurance and other payouts.

© JER has entered into a reinsurance contract with the government of Japan for earthquake insurance in accordance with Law concerning Earthquake Insurance. The law stipulates in addition that the government takes responsibility for support and for lending funds for the payment of insurance money. Because this is a form of special business, JER’s solvency-margin ratio is not usable as a figure to enable the administrative authorities to trigger an order for improvement, irrespective of the above solvency-margin ratio, as provided for in Paragraph 4, Article 3, Order to specify the division stated in Paragraph 2, Article 132, Insurance Business Law.

Note: The article is as follows.

[In the event that an insurance company has entered into a reinsurance contract with the government as stated in Paragraph 1, Article 3, Law concerning Earthquake Insurance (law No. 73, 1966), any order to be issued according to the listed division in Section 1 of the Article applicable to the insurance company shall be issued in accordance with the list of inapplicable division.]

ACCOUNTING CONCEPTS

① Financial statements

1. Balance sheets

(ASSETS)

Item	(Yen in millions)	
	Fiscal Year	
	2013 (As of March 31, 2014)	2014 (As of March 31, 2015)
Cash and deposits	23,892	34,119
Deposits	23,892	34,119
Call loans	14,634	84,898
Monetary receivables bought	-	113,991
Securities	525,161	391,034
Government bonds	378,735	181,570
Municipal bonds	-	2,891
Corporate bonds	4,904	62,170
Foreign securities	141,522	144,401
Tangible fixed assets	84	91
Buildings	31	28
Other tangible fixed assets	52	62
Intangible fixed assets	158	167
Software	156	165
Other intangible fixed assets	1	1
Other assets	13,375	15,834
Reinsurance accounts receivable	11,519	12,660
Accounts receivable	-	84
Uncollected income	1,690	1,438
Deposits	47	47
Suspense payments	61	33
Derivatives	55	1,568
Total assets	577,305	640,137

(LIABILITIES)

Item	(Yen in millions)	
	Fiscal Year	
	2013 (As of March 31, 2014)	2014 (As of March 31, 2015)
Underwriting funds	502,854	558,377
Outstanding claims	3,579	1,650
Underwriting reserves	499,274	556,727
Entrusted reserves	59,243	63,012
Other liabilities	10,502	13,629
Reinsurance accounts payable	7,636	7,764
Income taxes payable	214	167
Deposits payable	3	3
Accrued amounts payable	128	100
Derivatives	2,518	5,593
Reserve for retirement benefits	116	130
Reserve for directors' retirement benefits	18	22
Reserve for bonus payments	20	21
Reserves under the special law	5	5
Reserve for price fluctuation	5	5
Net unrealized gains on available-for-sale securities of earthquake insurance	2,996	3,390
Deferred tax liabilities	3	1
Total liabilities	575,761	638,593

(NET ASSETS)

Item	(Yen in millions)	
	Fiscal Year	
	2013 (As of March 31, 2014)	2014 (As of March 31, 2015)
Common stock	1,000	1,000
Retained earnings	542	545
Legal reserve of retained earnings	1	1
Other legal reserve of retained earnings	541	544
Special reserves	17	17
Special price fluctuation reserves	39	39
Retained earnings carried forward	484	487
Treasury Stock	(5)	(5)
Total shareholders' equity	1,536	1,539
Net unrealized gains on available-for-sale securities	7	4
Total valuation and translation adjustments	7	4
Total net assets	1,544	1,543
Total liabilities and net assets	577,305	640,137

Notes for fiscal 2014

- Appraisal standards and method of securities, and method of indication
 - Of available-for-sale securities, those to which the market price is applicable is appraised according to the market price at term end.
 - With respect to the unrealized gain of assets corresponding to the underwriting reserves and entrusted reserves of earthquake insurance, the amount before tax effect deduction is shown as Net unrealized gains on other securities of earthquake insurance in Liabilities on the form attached to the Enforcement Rules of Insurance Business Act. For other unrealized gains, the amount after tax effect deduction is processed entirely according to the direct capital injection method and indicated in Shareholders' Equity. The calculation of the sales price is based on the moving average method.
- The appraisal of derivatives is done on the basis of market price.
- Although depreciation of tangible fixed assets is calculated using the declining balance method, buildings (excluding equipment attached to buildings) that were acquired on and after April 1, 1998 were depreciated using the straight-line method.
- Software for in-house use that is recorded as an intangible fixed asset is amortized using the straight-line method over the estimated usable life (five years).
- The conversion of foreign currency assets and liabilities into Japanese currency is processed according to the accounting standards for foreign currency transactions.

6. Writing standards of reserves

(1) Reserve for bad debts

Reserve for bad debts is written as follows against losses from bad debts in accordance with the self-appraisal standard of assets and depreciation and reserve standards.

In connection with claims against debtors who have gone bankrupt legally and formally, including bankruptcy, special liquidation or disposition by suspension of business at a clearing house, or debtors who are effectively bankrupt, the rest of any of the claims deducting an estimated amount of disposable mortgage and a deductible amount by guarantee was appropriated for such reserves.

In connection with the other claims, the rate of bad debts calculated according to past bad debts and other factors is multiplied by the amount of claims to appropriate for reserves. In addition, all claims are written after the finance department appraises the assets, and the result is audited by the planning and controller department independent of the finance department to appropriate the appraisal for reserves.

There are no assets in the current term that are to be appropriated for reserves and no reserve is required.

(2) Reserve for retirement benefits

For employees' retirement and severance benefits, reserve is appropriated according to estimated retirement allowance liabilities at the end of the term.

Retirement allowance liabilities are calculated using a simple method on the basis of the allowance to be supplied at the end of the term for any employee who retires for his/her own reasons.

(3) Reserve for directors' retirement benefits

For reserve for directors' retirement benefits, the benefits to be paid at the end of the term are recorded according to the relevant in-house rules.

(4) Reserve for bonus payments

Reserve for bonus payments is calculated according to the standards for the estimated bonuses payable as of the end of the fiscal year under review.

(5) Reserve for price fluctuation

To prepare for a loss from price changes of shares and others, reserve is appropriated according to Article 115, Insurance Business Law.

7. Financial instruments and fair values of financial instruments

(1) Situation of financial instruments

We mainly hold highly rated short- and medium-term Japanese and foreign bonds in preparation for reinsurance payouts. We manage assets by attaching top priority to liquidity and safety and giving additional consideration to profitability. It is our policy to engage in derivatives trading or forward exchange contracts to reduce the market risks of foreign-currency receivables associated with exchange fluctuations, within the limits of actual demand. In addition, we maintain an understanding of market risks, credit risks and liquidity risks and manage current quotations and credit information on a regular basis in this regard.

(2) Fair values of financial instruments

The table below shows the balance sheet amounts and fair values of financial instruments and the differences between them as of March 31, 2015.

(Yen in millions)

	Balance sheet amount	Fair value	Difference
(i) Cash and deposits	34,119	34,119	-
(ii) Call loans	84,898	84,898	-
(iii) Monetary receivables bought	113,991	113,991	-
(iv) Securities Available-for-sale securities	391,034	391,034	-
Total assets	624,043	624,043	-
(v) Derivatives* to which hedge accounting is not applied	(4,024)	(4,024)	-
Derivatives total	(4,024)	(4,024)	-

*Derivatives recorded in other assets and other liabilities.
Net claims and debts derived from derivatives represent the net amounts, and items whose net balance becomes debts are stated in brackets.

Note: Methods for calculating the fair values of financial instruments

- (i) Cash and deposits
Cash and deposits are settled in the short term and their fair values are based on their carrying values as their fair values and carrying values are similar.
- (ii) Call loans
Call loans are settled in the short term and their fair values are based on their carrying values as their fair values and carrying values are similar.
- (iii) Monetary receivables bought
Monetary receivables bought are settled in the short term and their fair values are based on their carrying values as their fair values and carrying values are similar.
- (iv) Securities
The fair values of securities are based on their market prices at term end, which are reference prices in the trading statistics of the Japan Securities Dealers Association or market prices obtained from outside vendors or brokers.
- (v) Derivatives
The fair values of derivatives are determined by prices offered by correspondent financial institutions.

8. Taxes are included when preparing accounts for consumption tax and other items.
9. Risk reserves contained in Underwriting reserves have been deposited based on instructions for the calculation of underwriting reserves by accumulating the amounts that result from subtracting an amount equivalent to corporate taxes from the net premiums written and profit from operating the assets.
10. The accumulated depreciation of tangible fixed assets is 162 million yen.
11. See below for a breakdown of outstanding claims.

(Yen in millions)	
Outstanding claims (before the deduction of outstanding reinsurance claims)	2,458
Outstanding reinsurance claims related to the above claims	808
Net outstanding claims	1,650

12. Total deferred tax assets amount to 174 million yen, while total deferred tax liabilities come to 1 million yen. Deferred tax assets are all deducted from the total amount for a valuation reserve.
- A breakdown of deferred tax assets reveals tax loss carried forward of 73 million yen, a reserve for retirement benefits of 37 million yen, unpaid business taxes of 27 million yen and unpaid special local corporate tax of 20 million yen. Deferred tax liabilities resulted mainly from unrealized gains on securities of 1 million yen.
13. Corrections made to the amounts of deferred tax assets and deferred tax liabilities in response to changes in corporate and other tax rates are as follows:
- Corporate and other tax rates fell from each fiscal year commencing on or after April 1, 2015 as a result of the promulgation of the Act on Partial Revision of the Income Tax Act, Etc. (Act No. 9 of 2015) on March 31, 2015.
- With this change, the legal effective tax rate used for calculating deferred tax assets and deferred tax liabilities related to temporary differences and the like expected for resolution in or after the fiscal year commencing on April 1, 2015 fell from the previous level of 30.78% to 28.85%. Deferred tax liabilities decreased less than 1 million yen as a result of this tax rate change. The tax cut produced no effect on net income.

14. Net assets per share are 776.41 yen. The basis for this calculation is that net assets are 1,543 million yen, net assets accrued from ordinary shares are 1,543 million yen and the number of ordinary shares at the end of the term is 1.988 million.
15. No events that could significantly affect assets or income or loss for the next fiscal years and beyond have taken place since the last day of the fiscal year under review.
16. Each amount is rounded down to the nearest whole unit.

2. Statements of income

Item	(Yen in millions)	
	Fiscal Year	2013 (from April 1, 2013 to March 31, 2014)
	Amount	Amount
Ordinary income	104,703	119,822
Underwriting income	96,358	112,468
Net premiums written	92,248	108,994
Investment income on savings premiums	2,761	1,544
Reversal of outstanding claims	1,348	1,929
Investment income	8,339	7,353
Interest and dividend income	3,279	2,710
Gains on sales of securities	100	-
Foreign exchange gains	7,712	6,180
Other investment income	8	7
Transfer of investment income on savings premiums	(2,761)	(1,544)
Other ordinary income	6	0
Ordinary expenses	104,509	119,818
Underwriting expenses	95,447	111,757
Net claims paid	15,010	9,563
Loss adjustment expenses	2,230	1,425
Commissions and brokerage fees	40,411	43,315
Provision of underwriting reserves	37,794	57,453
Investment expenses	7,368	6,481
Losses on sales of securities	2	-
Losses on derivatives	7,336	6,447
Other investment expenses	29	34
Operating, general and administrative expenses	1,289	1,322
Other ordinary expenses	404	257
Interest paid	404	257
Ordinary profit	194	3
Extraordinary losses	0	0
Losses on disposal fixed assets	0	0
Provision of price fluctuation reserves	0	0
Net income before income taxes	194	3
Income taxes	184	0
Deferred income taxes	92	-
Total income taxes	277	0
Net income (loss)	(82)	3

Notes for fiscal 2014

1. See below for a breakdown of net premiums written.

(Yen in millions)	
Premiums written:	217,661
Reinsurance premiums ceded:	108,666
Net premiums written:	108,994

2. See below for a breakdown of net claims paid.

(Yen in millions)	
Claims paid:	13,287
Reinsurance claims recovered:	3,723
Net claims paid:	9,563

3. See below for a breakdown of the provision of outstanding claims (figures in parentheses are the reversal of outstanding claims).

(Yen in millions)	
Provision of outstanding claims (before the deduction of outstanding reinsurance claims)	(2,685)
Provision of outstanding reinsurance claims related to the above claims	(756)
Net provision of outstanding claims	(1,929)

4. The interest and dividend income are given below by category:

(Yen in millions)	
Deposits:	28
Call loans:	23
Monetary receivables bought:	15
Securities:	2,642
Total:	2,710

5. Paper profit/loss involved in the losses on derivatives is a loss of 4,024 million yen.

6. Net income per share is 1.53 yen.

The basis for this calculation is such that net income is 3 million yen, net income accrued from common stocks is 3 million yen and the term average number of common stocks amount to 1.988 million.

7. The legal effective tax rate at the end of the term is 30.78%, and the corporate tax burden after applying the tax effect is 8.69%. The difference is explained by the following breakdown: valuation reserve 2,970.25%, the amount of the write-off carried from publicity expenses related to risk reserves (3,009.11%).

8. Each amount is rounded down to the nearest whole unit.

3. Statements of cash flow

Item	(Yen in millions)	
	Fiscal Year	
	2013 (from April 1, 2013 to March 31, 2014)	2014 (from April 1, 2014 to March 31, 2015)
	Amount	Amount
Cash flow from operating activities		
Net income before income taxes	194	3
Depreciation	134	97
Increase (decrease) in outstanding claims	(1,348)	(1,929)
Increase (decrease) in underwriting reserves	37,794	57,453
Increase (decrease) in entrusted reserves	4,115	3,769
Increase (decrease) in reserve for retirement benefits	(4)	14
Increase (decrease) in reserve for directors' retirement benefits	4	3
Increase (decrease) in reserve for bonus payments	(0)	1
Increase (decrease) in reserve for price fluctuation	0	0
Interest and dividend income	(3,279)	(2,710)
Losses (gains) on investment in securities	(98)	-
Foreign exchange losses (gains)	(6,790)	(5,906)
Losses (gains) on tangible fixed assets	0	0
Decrease (increase) in other assets (other than investment and financial activities related)	(1,104)	(1,198)
Increase (decrease) in other liabilities (other than investment and financial activities related)	1,272	99
Others	404	1,606
Subtotal	31,294	51,304
Interest and dividends received	4,088	4,483
Income taxes paid	(130)	(92)
Net cash provided by operating activities	35,252	55,694
Cash flow from investing activities		
Purchase of monetary receivables bought	-	(19,995)
Purchase of securities	(628,856)	(633,191)
Proceeds from sales and redemption of securities	585,053	772,089
Others	28	-
Total investment assets activities	(43,774)	118,903
Total operating activities and investment assets activities	(8,522)	174,598
Acquisition of tangible fixed assets	(0)	(36)
Others	(25)	(76)
Net cash provided by investing activities	(43,801)	118,790
Cash flow in financing activities		
Effect of exchange rate changes on cash and cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	(8,548)	174,485
Cash and cash equivalents at the beginning of the year	36,075	27,526
Cash and cash equivalents at the end of the year	27,526	202,011

Notes for fiscal 2014

1. Relationship of cash and cash equivalents at the end of the year with the amounts mentioned in the relevant balance sheet item.

	(Yen in millions)	
	(As of March 31, 2014)	(As of March 31, 2015)
Cash and deposits	23,892	34,119
Call loans	14,634	84,898
Monetary receivables bought	-	113,991
Securities	525,161	391,034
Deposits of a depository period over three months	(11,000)	(11,000)
Monetary receivables bought other than cash equivalents	-	(19,997)
Securities other than cash equivalent	(525,161)	(391,034)
Cash and cash equivalents	27,526	202,011

2. Cash flow in investing activities includes cash flow from the investment assets operations in the insurance business.

4. Statement of Changes in Shareholders' Equity

Fiscal 2013 (from April 1, 2013 to March 31, 2014)

(Yen in millions)

	Shareholder's equity						Valuation and translation adjustments:		Total net assets		
	Common stock	Retained earnings				Treasury stock	Total shareholders' equity	Net unrealized gains on available-for-sale securities		Total valuation and translation adjustments	
		Legal reserve of retained earnings	Other legal reserve of retained earnings		Total retained earnings						
		Special reserves	Special price fluctuation reserves	Retained earnings carried forward							
Balance at the beginning of the period	1,000	1	17	39	567	625	(5)	1,619	13	13	1,633
Changes during the period											
Net income (loss)					(82)	(82)		(82)			(82)
Net changes other than shareholders' equity									(5)	(5)	(5)
Total changes					(82)	(82)		(82)	(5)	(5)	(88)
Balance at the end of the period	1,000	1	17	39	484	542	(5)	1,536	7	7	1,544

Fiscal 2014 (from April 1, 2014 to March 31, 2015)

(Yen in millions)

	Shareholder's equity						Valuation and translation adjustments:		Total net assets		
	Common stock	Retained earnings				Treasury stock	Total shareholders' equity	Net unrealized gains on available-for-sale securities		Total valuation and translation adjustments	
		Legal reserve of retained earnings	Other legal reserve of retained earnings		Total retained earnings						
		Special reserves	Special price fluctuation reserves	Retained earnings carried forward							
Balance at the beginning of the period	1,000	1	17	39	484	542	(5)	1,536	7	7	1,544
Changes during the period											
Net income (loss)					3	3		3			3
Net changes other than shareholders' equity									(3)	(3)	(3)
Total changes					3	3		3	(3)	(3)	(0)
Balance at the end of the period	1,000	1	17	39	487	545	(5)	1,539	4	4	1,543

Notes for fiscal 2014

- Matters related to the types and total number of stocks outstanding and the types and number of treasury stock

		(Stock)			
		Balance as of the end of fiscal 2013	Increase in fiscal 2014	Decrease in fiscal 2014	Balance as of the end of fiscal 2014
Issued stock	Ordinary stock	2,000,000	-	-	2,000,000
	Total	2,000,000	-	-	2,000,000
Treasury stock	Ordinary stock	11,400	-	-	11,400
	Total	11,400	-	-	11,400

- Each amount is rounded down to the nearest whole unit.

5. Dividend per share and total assets per employee

(Yen in millions)

Division	Fiscal Year		
	2012	2013	2014
Dividend per share	-	-	-
Net income (loss) per share	2.14 yen	(41.63 yen)	1.53 yen
Dividend propensity	-	-	-
Net assets per share	821.18 yen	776.66 yen	776.41 yen
Total assets per employee	19,881	22,204	22,073

Notes:

- Net income (loss) per share comes from net income (loss) / term average number of shares
- The number of treasury stock is deducted from producing information per share
- The total assets per employee come from the total assets at the end of the term / number of employees at the end of the term.

② Details of assets and liabilities

1. Deposits

(Yen in millions)				
Division	Year	As of the end of fiscal 2012	As of the end of fiscal 2013	As of the end of fiscal 2014
Deposits		25,938	23,892	34,119
Ordinary deposits		8,908	3,832	559
Time deposits		17,030	20,060	33,560

2. Average balance and trading amount of commodity securities

Not applicable

3. Balance of securities by category and percentage distribution

(Yen in millions)							
Division	Year	As of the end of fiscal 2012		As of the end of fiscal 2013		As of the end of fiscal 2014	
		Percentage distribution (%)		Percentage distribution (%)		Percentage distribution (%)	
Government bonds		328,071	68.8	378,735	72.1	181,570	46.4
Municipal bonds		-	-	-	-	2,891	0.7
Corporate bonds		20,065	4.2	4,904	0.9	62,170	15.9
Stocks		-	-	-	-	-	-
Foreign securities		128,842	27.0	141,522	26.9	144,401	36.9
Other securities		-	-	-	-	-	-
Total		476,979	100.0	525,161	100.0	391,034	100.0

4. Yield on securities held

(%)				
Division	Fiscal Year			
	2012	2013	2014	
Investment assets yield (income yield)				
Public & corporate bonds	0.53	0.27	0.25	
Stocks	-	-	-	
Foreign securities	1.91	1.71	1.34	
Other securities	-	-	-	
Total	0.96	0.66	0.59	
Assets management yield (realized yield)				
Public & corporate bonds	0.53	0.30	0.25	
Stocks	-	-	-	
Foreign securities	1.91	1.71	1.34	
Other securities	-	-	-	
Total	0.96	0.68	0.59	
Market-price based overall yield (for reference)				
Public & corporate bonds	0.51	0.25	0.40	
Stocks	-	-	-	
Foreign securities	1.59	0.94	1.28	
Other securities	-	-	-	
Total	0.85	0.44	0.67	

Note:

Public & corporate bonds include government bonds, municipal bonds, and corporate bonds.

5. Balance Current Maturity of securities by category

As of the end of fiscal 2013

(Yen in millions)							
Division	Up to 1 year	1 over up to 3 years	3 over up to 5 years	5 over up to 7 years	7 over up to 10 years	Over 10 years	Total
Government bonds	246,622	31,744	50,414	41,312	1,052	7,587	378,735
Municipal bonds	-	-	-	-	-	-	-
Corporate bonds	2,302	2,601	-	-	-	-	4,904
Stocks	-	-	-	-	-	-	-
Foreign securities	31,138	89,794	20,589	-	-	-	141,522
Other securities	-	-	-	-	-	-	-
Total	280,063	124,141	71,004	41,312	1,052	7,587	525,161

As of the end of fiscal 2014

(Yen in millions)							
Division	Up to 1 year	1 over up to 3 years	3 over up to 5 years	5 over up to 7 years	7 over up to 10 years	Over 10 years	Total
Government bonds	48,226	54,312	26,830	37,677	5,839	8,685	181,570
Municipal bonds	2,891	-	-	-	-	-	2,891
Corporate bonds	36,031	26,139	-	-	-	-	62,170
Stocks	-	-	-	-	-	-	-
Foreign securities	26,272	104,917	13,211	-	-	-	144,401
Other securities	-	-	-	-	-	-	-
Total	113,421	185,368	40,041	37,677	5,839	8,685	391,034

6. Amount of stocks held by type of business

There are no stocks.

7. Loans

There are no notes with the following items; amount of stocks held by type of business, balance current maturity of loan by remaining life, balance of loans by type of collateral secured, balance and percentage distribution of loan by designated use, balance of loan by industry and its ratio to the total, and balance of amortization of loans.

8. Risk management credits

Not applicable

9. Present conditions of loans involving trust with contact for replacement of losses

Not applicable

10. Credits classified in accordance with debtor classification

Not applicable

11. Self-appraisal of assets

We categorize assets in accordance with the level of risk associated with collection and the level of risk of a loss in the value by carrying out self-appraisal and individually examining holding assets. There were no category assets (II through IV categories) as of March 31, 2015.

12. Tangible fixed assets by category

(Yen in millions)

Division	Year	As of the end of fiscal 2012	As of the end of fiscal 2013	As of the end of fiscal 2014
Land		-	-	-
for underwriting		-	-	-
for investment		-	-	-
Buildings		33	31	28
for underwriting		33	31	28
for investment		-	-	-
Construction in progress		-	-	-
for underwriting		-	-	-
for investment		-	-	-
Total of property		33	31	28
for underwriting		33	31	28
for investment		-	-	-
Leased assets		-	-	-
Other tangible fixed assets		84	52	62
Total		117	84	91

13. Unearned claims paid

Not applicable

14. Special account

Not applicable

15. Underwriting funds

(Yen in millions)

Division	Year	As of the end of fiscal 2012	As of the end of fiscal 2013	As of the end of fiscal 2014
Outstanding claims		4,927	3,579	1,650
Underwriting reserves		461,480	499,274	556,727
Risk reserves		352,830	378,041	417,056
Unearned premium reserves		107,140	119,727	139,671
Repayment reserves		1,509	1,505	-
Total		466,407	502,854	558,377

16. Level of underwriting reserves

There is no target contact.

17. Detailed listing of liability reserves

As of the end of fiscal 2013

(Yen in millions)

Division	Balance as of the end of fiscal 2012	Increase in fiscal 2013	Decrease in fiscal 2013	Balance as of the end of fiscal 2013
Reserve for ordinary bad debts	-	-	-	-
Reserve for individual bad debts	-	-	-	-
Reserve for specific foreign securities	-	-	-	-
Reserve for retirement benefits	120	19	23	116
Reserve for directors' retirement benefits	14	4	0	18
Reserve for bonus payments	21	20	21	20
Reserve for price fluctuation	5	0	-	5
Total	161	44	45	161

As of the end of fiscal 2014

(Yen in millions)

Division	Balance as of the end of fiscal 2013	Increase in fiscal 2014	Decrease in fiscal 2014	Balance as of the end of fiscal 2014
Reserve for ordinary bad debts	-	-	-	-
Reserve for individual bad debts	-	-	-	-
Reserve for specific foreign securities	-	-	-	-
Reserve for retirement benefits	116	19	5	130
Reserve for directors' retirement benefits	18	3	0	22
Reserve for bonus payments	20	21	20	21
Reserve for price fluctuation	5	0	-	5
Total	161	45	26	180

18. Detailed listing of shareholders' equity

Please refer to the statement of changes in shareholders' equity on page 46.

③ Income and loss details

1. Gains on sales of securities by category

(Yen in millions)

Division	Fiscal Year	2012	2013	2014
Government bonds		–	100	–
Foreign securities		–	–	–
Total		–	100	–

2. Losses on sales of securities by category

(Yen in millions)

Division	Fiscal Year	2012	2013	2014
Government bonds		–	2	–
Foreign securities		0	–	–
Total		0	2	–

3. Losses on valuation of securities

Not applicable

4. Gains on disposal of fixed assets

Not applicable

5. Losses on disposal of fixed assets

(Yen in millions)

Division	Fiscal Year	2012	2013	2014
Land		–	–	–
Buildings		–	–	–
Other tangible fixed assets		0	0	0
Total		0	0	0

6. Business expenses (inclusive of loss adjustment)

(Yen in millions)

Division	Fiscal Year	2012	2013	2014
Personnel expenses		1,031	496	417
Non personnel expenses		4,881	2,773	2,037
Taxes		252	249	293
Commissions and brokerage fees		38,141	40,411	43,315
Total		44,307	43,931	46,063

Note:

Business expenses are the total of loss adjustment expense, operating, general and administrative expenses, commissions and brokerage fees as shown in the income statement.

7. Depreciation expenses by category

As of the end of fiscal 2013

(Yen in millions)

Type of asset	Acquisition cost	Depreciation in fiscal 2013	Aggregated depreciations	Balance as the end of fiscal 2013	Rate of aggregated depreciations %
Tangible fixed assets					
Buildings	101	2	70	31	68.9
for underwriting	101	2	70	31	68.9
for investment	–	–	–	–	–
Other tangible fixed assets	115	32	62	52	54.1
Total	217	34	132	84	61.1
Intangible fixed assets					
Software	562	100	405	156	72.1
Other intangible fixed assets	1	0	0	1	12.7
Total	563	100	405	158	72.0
Grand total	780	134	538	242	68.9

As of the end of fiscal 2014

(Yen in millions)

Type of asset	Acquisition cost	Depreciation in fiscal 2014	Aggregated depreciations	Balance as the end of fiscal 2014	Rate of aggregated depreciations %
Tangible fixed assets					
Buildings	101	2	72	28	71.6
for underwriting	101	2	72	28	71.6
for investment	–	–	–	–	–
Other tangible fixed assets	151	27	89	62	58.8
Total	253	29	162	91	63.9
Intangible fixed assets					
Software	415	67	249	165	60.1
Other intangible fixed assets	1	–	–	1	0.0
Total	416	67	249	167	59.9
Grand total	670	97	411	258	61.4

4 Information about fair values, etc.

1. Matters related to financial instruments

For matters related to the status of financial instruments and matters related to the fair values of financial instruments, please refer to Note 7 on the balance sheet (page 42).

2. Securities

- (i) Securities held for trading purposes
Not applicable
- (ii) Securities to be held to maturity
Not applicable

(iii) Available-for-sale securities

At the end of fiscal 2013

(Yen in millions)

Division	Type	Acquisition cost	Book value	Difference
Securities whose carrying amount exceeds their cost	Public & corporate bonds	190,481	192,232	1,750
	Stocks	-	-	-
	Foreign securities	121,335	127,001	5,665
	Others	-	-	-
	Subtotal	311,817	319,233	7,415
Securities whose carrying amount does not exceed their cost	Public & corporate bonds	191,429	191,407	(21)
	Stocks	-	-	-
	Foreign securities	14,561	14,520	(40)
	Others	-	-	-
	Subtotal	205,990	205,928	(62)
Total		517,808	525,161	7,353

At the end of fiscal 2014

(Yen in millions)

Division	Type	Acquisition cost	Book value	Difference
Securities whose carrying amount exceeds their cost	Public & corporate bonds	152,926	155,186	2,259
	Stocks	-	-	-
	Foreign securities	127,162	138,778	11,615
	Others	-	-	-
	Subtotal	280,089	293,964	13,874
Securities whose carrying amount does not exceed their cost	Public & corporate bonds	91,516	91,446	(69)
	Stocks	-	-	-
	Foreign securities	5,780	5,623	(157)
	Others	113,991	113,991	-
	Subtotal	211,288	211,061	(226)
Total		491,378	505,026	13,648

Note:

On the balance sheet, commercial paper treated as monetary receivables bought is included in Other.

(iv) Available-for-sale securities sold at the term

(Yen in millions)

Type	Fiscal 2013			Fiscal 2014		
	Sales price	Total of gains on sale	Total of losses on sale	Sales price	Total of gains on sale	Total of losses on sale
Total	7,541	100	2	-	-	-

3. Money trust

Not applicable

4. Derivative transactions

- (i) Derivative transactions to which hedge accounting is not applied
Currency related

At the end of fiscal 2013

(Yen in millions)

Type	Contract amount		Market price	Appraisal profit and loss
		1 year or longer ones		
Over-the-counter transactions				
Forward foreign exchange contracts				
Short positions				
US dollar	28,819	-	(564)	(564)
Euro	36,703	-	(1,899)	(1,899)
Total			(2,463)	(2,463)

At the end of fiscal 2014

(Yen in millions)

Type	Contract amount		Market price	Appraisal profit and loss
		1 year or longer ones		
Over-the-counter transactions				
Forward foreign exchange contracts				
Short positions				
US dollar	59,455	-	(5,568)	(5,568)
Euro	28,159	-	1,543	1,543
Total			(4,024)	(4,024)

Notes:

- Currency related derivative transactions other than the above are omitted as there is no applicable item.
- Calculating a market price: Foreign exchange rates using forward exchange rate.

- (ii) Derivative transactions to which hedge accounting is applied
Not applicable