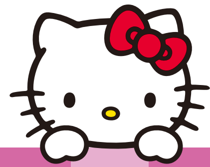

ANNUAL REPORT 2019

YEAR ENDED MARCH 31, 2019

FUKOKU MUTUAL LIFE INSURANCE COMPANY

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Financial Highlights (Non-consolidated)

As of March 31,	2018	2019	2019
	Millions of yen		Millions of U.S. dollars
Life insurance in force	¥42,507,060	¥42,466,826	$382,618
Total assets	6,626,609	6,684,576	60,226
Securities	5,458,790	5,567,876	50,165
Loans	593,734	561,138	5,055
Tangible fixed assets	218,549	216,974	1,954
Total liabilities	6,035,126	6,087,901	54,850
Policy reserves	5,650,879	5,692,082	51,284
Subordinated bonds	191,935	191,935	1,729
Total net assets	591,482	596,674	5,375
For the years ended March 31,			
Total ordinary revenues	749,706	718,300	6,471
Premium and other income	567,210	525,605	4,735
Investment income	173,641	183,473	1,653
Total ordinary expenses	693,237	664,984	5,991
Net surplus for the year	40,868	36,834	331
Solvency margin ratio (%)	1,081.2	1,189.7	—
Employees	12,654	12,689	—

Notes 1. U.S. dollar amounts are converted from yen, for convenience only, at the rate of U.S.$1=¥110.99, the rate of exchange on March 31, 2019.
2. Yen and U.S. dollar amounts are rounded down to the nearest million yen or million dollars.

Message from the President

I would like to begin by offering my sincere gratitude to all our stakeholders for your continued support of Fukoku Mutual Life Insurance Company.

This, our annual report issued in 2019, explains our performance based on the financial results achieved in fiscal 2018 (ended March 31, 2019), and our efforts to adhere to customer-centered values. We hope the report helps increase your understanding of the Company.

Looking Back over the Past Year

The Japanese economy continued its modest recovery during the first half of fiscal 2018, with indications of a standstill in the recovery visible in the second half of the fiscal year. In financial and capital markets, initially the trend was toward a generally weaker yen and higher stock prices. But, starting in October, instabilities—including growing concern about the future prospects of the global economy—caused stock prices to plummet, although markets gradually stabilized toward the end of the fiscal year. At the same time, there were changes in the environment surrounding the life insurance industry. These included further population declines, due to falling birthrates, and an aging population. In addition, advances in technologies, such as AI and fintech, intensified the need for a response to the changes.

We made an effort to meet the increasingly diverse customer needs through launching Anshin Care Double (nursing care annuity rider [dementia supplement] 2018) as a new rider added to our core product Mirai no Tobira in October, and Medical HOPE medical insurance for corporations and organizations (new group medical insurance) in the same month.

In this environment, the combined fundamental profit of Fukoku Mutual Life Insurance Company and subsidiary Fukokushinrai Life Insurance Co., Ltd. amounted to ¥91.2 billion, the sixth consecutive year profits had been in the ¥90.0 billion range. Further, our consolidated solvency margin ratio, an indicator of financial soundness, has remained high at 1,236.4%.

Life insurance involves a spirit of mutual assistance, in which policyholders comprise an insurance group and help each other, with insurance premiums received by policyholders provided as insurance payouts to customers who need them. In fiscal 2018, along with Fukokushinrai Life, we paid a total of ¥436.1 billion in insurance claims, pensions, and benefits. We will continue to be prompt to pay insurance claims at any time.

Customer-centered Values

As a mutual company, we work to ensure that our management and employees maintain customer-centered values in all aspects of business and operations. The customer-centered values, which we endeavor to make a starting point from which to build new ideas and plan new activities, embody our philosophy of putting ourselves in our customers' shoes and creating services and experiences that only we can offer.

To this end, we are working to develop human resources that can put our customer-centered approach into practice in accordance with our basic policy for human resource development, which provides the foundation for our philosophy regarding personnel development.

With regard to initiatives based on our customer-centered business management policy announced in June 2017, we are engaged in ongoing improvements and disclose the results of these efforts each fiscal year.

Centenary Project

In November 2018, Fukoku Life commemorated 95 years since our founding, and we are now working on our centenary project based on a concept, called THE MUTUAL, that imagines Fukoku Life as we approach 100 years in business.

The concept refers to the next generation of mutual assistance that will evolve over the coming 100 years, as well as our aim to be an organization embodying true mutual assistance by deepening our connection to, and mutual support for, each and every person involved in Fukoku Life.

Our centenary project will explore and communicate next-generation mutual assistance through encounters with a variety of people and values. And, by broadening our circle, we aim to become a company that, with a smile, is able to empathize with everyone involved in Fukoku Life as we approach our 100th anniversary.

Yoshiteru Yoneyama
President

Medium-term Management Plan

With the appreciation of quality over quantity in our DNA, Fukoku Life conducted a medium-term management plan (fiscal 2016 to fiscal 2018) based on the goal of becoming the most valued company through true differentiation. Although we are only halfway to realizing this goal, we have increased customer numbers since the plan's launch and, according to external research, have improved our industry ranking for customer satisfaction.

Under our new medium-term management plan (fiscal 2019 to fiscal 2021), we will continue to pursue the goal announced in our previous medium-term management plan, as well as establish a virtuous cycle for sustainable growth. We will link improvements in employee satisfaction and customer satisfaction, while engaging in initiatives connected with our core theme of achieving our long-term vision of becoming the number one Company in terms of customer satisfaction within the next 10 years.

Improving Financial Soundness, Dividend Payouts

To maintain financial soundness regardless of the operating environment, we are working to strengthen our capital. Our basic policy for strengthening capital is to accumulate internal reserves, which are the source of net surplus, in combination with external financing, including the raising of foundation funds and the issuing of subordinated bonds. In fiscal 2018, we built up additional reserves, as well as increased both our contingency and price fluctuation reserves.

In terms of policyholder dividends, we strive to increase them in line with the expectations of our policyholders. Anticipating an increase in health-mindedness, since fiscal 2005 we have offered a dividend (healthy dividend) to medical insurance policyholders with no hospitalization benefit payouts. In fiscal 2018, we increased this dividend, marking the seventh consecutive year we had raised personal insurance dividends.

Our Mission as a Mutual Company

Since our establishment in 1923, we have taken the form of a mutual company. Our mission as a mutual company is to provide customers with effective reductions in insurance premiums through dividend payouts, and to be able to pay out insurance claims at any time. We will continue to carry out this mission.

We look forward to your continued support and cooperation.

Yoshiteru Yoneyama

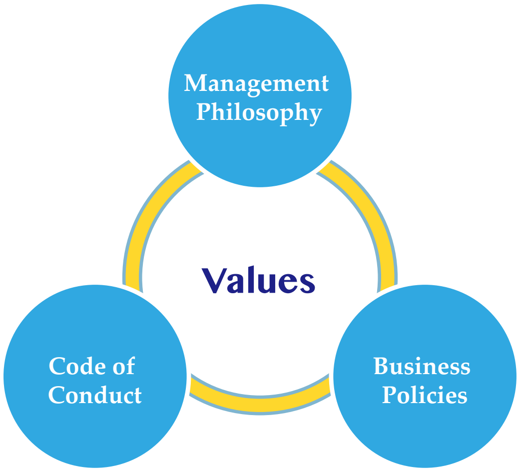
Yoshiteru Yoneyama
President

Management Principles of Fukoku Life

Values

Our Customer-Centered Values

Possessing customer-centered values means creating and providing distinctive services and experiences that provide true peace of mind to customers based on the assumption that all employees treat customers as they themselves would like to be treated.



Management Philosophy

Fukoku Life will continue adhering to its original management philosophy of protecting the interests of policyholders and contributing to society.
In addition, we will continue to help our employees achieve personal fulfillment.

- **To protect the interests of our policyholders**
- **To contribute to society**
- **To help our employees achieve personal fulfillment**

Code of Conduct

A customer-centered code of conduct to be reflected in the attitudes of all executives and employees as they carry out their daily business.

We believe that having customer-centered values requires us to do the following:

❖ Remember the importance of teamwork
❖ Deserve the trust of each and every customer
❖ Work with enthusiastic and pride
❖ Apply common sense in our work
❖ Emphasize the importance of life insurance
❖ Overcome every difficulty
❖ Create a friendly work environment

Business Policies

1. Foster personnel with customer-centered values
To provide customers with peace of mind, foster confident and proud employees who have the ability to adopt a customer's perspective.

2. Reinforce how sales representatives structure activities
To ensure meticulous service to customers, reinforce the structure according to which sales personnel conduct face-to-face sales activities.

3. Attain a net increase in the number of policyholders
To earn the trust of a growing number of customers, strengthen insurance product presentation design, provision, and follow-up services to meet customer needs.

4. Enhance business efficiency
To achieve stable growth, improve the efficiency of the Company's wide range of business activities.

Overview

Based on our management philosophy, which aims to protect the interests of our policyholders, contribute to society and help our employees achieve personal fulfillment, all Fukoku Life executives and employees strove to manage and conduct business with customer-centered values as the starting point for all our ideas and actions, creating and providing distinctive services and experiences while always treating customers the way they themselves would like to be treated.

Additionally, in accordance with our basic human resources policy, we focused on developing human resources that meet our three requirements of self-motivation, creativity and altruism in an effort to train personnel capable of implementing our customer-centered values.

In addition, operating in a low-interest-rate environment that appears likely to continue, we have continued striving to develop and sell products that meet customers' changing needs, offer increasingly sophisticated asset investment and promote enterprise risk management (ERM).

Centenary Project

We celebrated the 95th year since our founding in November 2018. We launched our centenary project based on THE MUTUAL, a conceptual image of Fukoku Life as it welcomes its 100th anniversary in five years. THE MUTUAL represents mutual assistance that has been developed to meet the standards and requirements of the next 100 years. Additionally, it represents our determination to establish organizations that embody true mutual assistance, which involves deepening the support-based relationships we have with all individuals that share a connection with us.

As part of the project, our employees will search for examples of THE MUTUAL throughout Japan, participating in FIND THE MUTUAL activities that entail spreading these examples through posters (advertisements), Facebook, websites and other means. A total of 62 branch offices in 47 prefectures will collaborate as Fukoku Life employees play a central role in searching for and sharing examples of what defines next-generation mutual assistance, thereby greatly expanding Fukoku Life's circle of mutual understanding. Furthermore, actor Takumi Saitoh has taken on the role of ambassador for the project and will share THE MUTUAL with others through his own words and experience.

Medium-term Management Plan

Our philosophy of quality over quantity is what makes up our DNA, and we consistently work to distinguish our management while emphasizing quality. In the medium-term management plan that ended on March 31, 2019, all vision was to become the most highly regarded company among all consumers through true differentiation. Working to bring ourselves closer to achieving this vision, we engaged in efforts aimed at establishing a virtuous cycle of sustainable growth and raising both the quality of operational processes and the awareness of all employees.

It is true that we are still only halfway toward achieving our vision of becoming the most valued company among all consumers through true differentiation. However, since we adopted this vision in the fiscal year ended March 31, 2017, we have increased our customer numbers and raised our position in industrial customer satisfaction rankings in studies conducted by external research companies. On the other hand, we will engage in initiatives based on two key themes that we continue to regard important issues under the new medium-term management plan that begins in the fiscal year ending on March 31, 2020. The first theme is the construction of a virtuous cycle of sustainable growth that links employee satisfaction (ES) with customer satisfaction (CS). The second theme involves enhancing our sales staff and consulting capabilities, which will allow us to focus on face-to-face sales.

Under this next medium-term management plan, we will pursue initiatives aimed at achieving our long-term management vision, an ideal that involves us becoming the life insurance with the highest degree of customer satisfaction.

Spreading and Implementing Customer-Centered Values

We are working to spread and implement customer-centered values based on "Our Customer-Centered Values," principles of action that express the attitudes and approaches of our executives and employees as they engage in daily business operations.

We are implementing customer-centered value training activities targeting all employees in an effort to encourage awareness and consciousness that enables them to ground their efforts in customer-centered values. We have reaffirmed that these activities will function as a starting point for a wide variety of corporate activities that require all contributing participants to place utmost importance on customer-centered values.

Offering Responsible and Optimal Insurance Products and Services that Meet Customer Needs

We are promoting the construction of a highly flexible product scheme that allows customers to secure just the amount of coverage that is necessary to meet their individual needs. At the center of these efforts is "Mirai no Tobira," a core product that enables customers to establish coverage, without agreeing to base policies, through the free combination of special riders.

In October, we launched Anshin Care Double (Lifelong nursing care annuity special rider [addition-type rider for cases of dementia]), a new special rider that can be attached to "Mirai no Tobira." Through this special rider, we have enabled reliable coverage of long-term nursing expenses and established generous support for victims of dementia.

Enhancing the Information We Provide to Customers

We work to ensure that customers can select insurance products based on correct information by releasing a variety of appropriate booklets and brochures in addition to our product pamphlet, including "The Perfect Way to Think about Security" and serial publications that share morbidity and disease information that is relevant to our insurance products.

Developing Human Resources That Can Implement Customer-Centered Values

By further spreading our founding philosophy, we are working to develop human resources that are capable of implementing customer-centered values. Additionally, our president continued to hold regular round-table meetings through which he directly communicated his ideas regarding customer-centered values. These meetings provided an environment in which participants could once again consider what customer-centered value-based activities they were capable of performing.

In an effort to further implement consulting based on customer inclinations, we also worked to develop customer advisors that could take charge of face-to-face sales by encouraging them to become qualified financial planners or acquire other certifications.

Furthermore, we conducted human resource development based on an awareness of diversity to create a working environment that allows active contribution from female employees while also accommodating a diverse range of other human resources.

Overseas Business

We have three asset management subsidiaries, Fukoku Life International (U.K.) Ltd., Fukoku Life International (America) Inc. and Fukoku Life Investments Singapore Pte. Ltd. The subsidiary in Singapore also has a research function for financial markets and insurance markets in Asian countries.

By enhancing our global asset management system, we will be able to maintain sufficient investment returns well into the future. At the same time, we will raise our level of sophistication in asset management through the cultivation of human resources well-versed in global financial markets and asset management business.

Business Performance in FY 2018

Life Insurance in Force

At fiscal year-end, life insurance in force, which comprises individual life insurance, individual annuities, and group insurance, amounted to ¥42,466.8 billion, down 0.1% compared with the previous fiscal year-end. Within this amount, life insurance for individuals declined 0.7%, to ¥22,608.0 billion, individual annuities decreased 4.4%, to ¥2,552.3 billion. The year-end balance of life insurance in force for groups increased 1.4%, to ¥17,306.4 billion.

Group annuities in force (policy reserve) rose 0.4%, to ¥2,189.0 billion.

Annualized Premiums for New Policies and Policies in Force

In the year under review, annualized premiums for new policies decreased 1.4% compared with the previous fiscal year, to ¥15.2 billion. Within this amount, individual insurance was down 1.5%, to ¥14.6 billion, and individual annuities up 0.1%, to ¥0.6 billion. Annualized premiums from medical insurance and living benefit insurance decreased 3.4%, to ¥7.4 billion.

Annualized premiums for policies in force fell 2.0%, ¥396.4 billion. Within this amount, individual insurance decreased 0.8%, to ¥272.4 billion, and individual annuities declined 4.3%, ¥124.0 billion. Annualized premiums from medical insurance and living benefit insurance increased 1.2%, to ¥112.0 billion.

Premium Income and Payments

In the year under review, premium and other income decreased 7.3% compared with the previous fiscal year, to ¥525.6 billion.

Meanwhile, claims and other payments, which represent the total of payments under insurance policies, fell 6.6%, to ¥467.9 billion.

Performance of Fukoku Life Group (Fukoku Life and Fukokushinrai Life Insurance)

Annualized premiums for new policies of the Fukoku Life Group, including Fukokushinrai Life Insurance, rose 9.6% year on year, or ¥1.5 billion, to ¥17.8 billion. This increase was due to favorable sales of Fukokushinrai Life Insurance "Interest Rate Renewal Type Single Premium Whole Life" launched in October 2018. Within this amount, annualized premiums from medical insurance and living benefit insurance decreased 3.0%, or ¥0.2 billion, to ¥7.6 billion.

At fiscal year-end, annualized premiums for policies in force decreased 1.8%, or ¥10.2 billion, to ¥559.0 billion. Annualized premiums from medical insurance and living benefit insurance were up 1.2%, or ¥1.3 billion, to ¥113.8 billion.

The total value of premium and other income fell 3.3%, or ¥19.7 billion, to ¥577.4 billion.

Assets, Liabilities, and Net Assets

The outstanding balance of non-consolidated total assets, including separate accounts, increased 0.9%, or ¥57.9 billion, to ¥6,684.5 billion. Within this amount, general account assets rose 1.1%, to ¥6,612.9 billion.

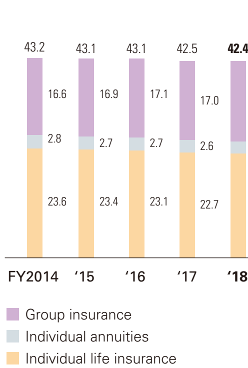
The year-end balance of securities stood at ¥5,567.8 billion, an increase of ¥109.0 billion, or 2.0%, compared with the previous fiscal year-end.

Total liabilities increased 0.9%, or ¥52.7 billion, to ¥6,087.9 billion.

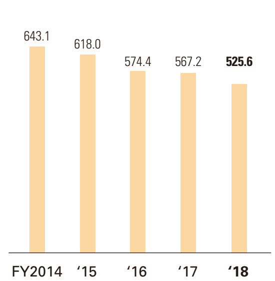
Net assets amounted to ¥596.6 billion, up 0.9% compared with the previous fiscal year-end.

On a consolidated basis, total assets rose 0.3%, to ¥8,514.7 billion, and net assets increased 1.1%, to ¥613.1 billion.

Life insurance in force
(¥ trillions)



Premium and other income
(¥ billions)



Strengthening Our Capital Base

The basic policy we apply when strengthening our capital base entails timely external procurement and places paramount importance on maintaining an adequate balance between the payment of dividends and the accumulation of net surplus.

Dividends

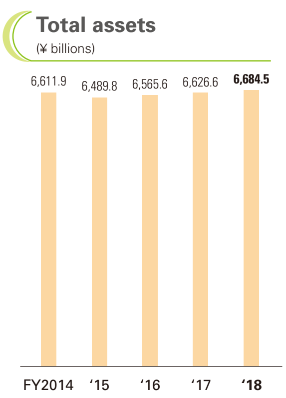
We are working to provide dividends based on customer expectations. Accordingly, we aim to effectively reduce insurance premium burdens by issuing dividends according to total payment of insurance claims and benefits. When settling accounts for the fiscal year ended March 31, 2019, we raised dividends issued to medical insurance policyholders who have not received hospitalization benefits (healthy dividends). With this action, fiscal 2018 became the seventh consecutive year in which we raised personal insurance dividends.

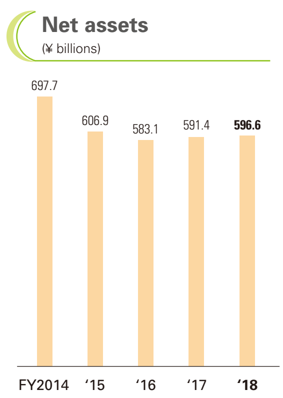
Solvency Margin

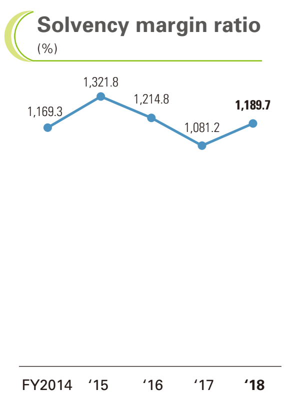
Fukoku Life's solvency margin ratio at fiscal year-end rose 108.5 percentage points to 1,189.7%, far above 200%, which is one standard for measuring soundness.

Ratings

Fukoku Life relies on three neutral and unbiased rating organizations to provide an objective assessment of the Company's ability to meet insurance payments. As of July 1, 2019, we have received ratings of AA- from Rating and Investment Information, A from Standard & Poor's and A2 from Moody's. These ratings represent strong evaluations of the Company's soundness and profitability. Going forward, we will continue striving to maintain and further improve our high financial ratings.







Investment Performance in Fiscal 2018 (General Account)

Overview

In fiscal 2018, ended March 31, 2019, the Japanese economy gradually recovered during the first half but was impacted by slowing global economic growth caused by factors such as trade friction between the US and China in the second half, resulting in weaknesses in exports and production that brought recovery to a standstill. Performance in global economies was strong overall during the first half, driven primarily by favorable results in the US, thanks in part to large-scale tax cuts. However, global economic growth was hindered during the second half due to the rising sense of economic slowdown in China caused in part by trade friction with the US and sluggish growth in Europe due to slowing exports. Under these conditions, the Federal Reserve Board (FRB) worked to normalize its monetary policies, raising interest rates in June, September and December, while the European Central Bank (ECB) ended its policy of quantitative easing in December. However, both organizations have implied that they would leave policy interest rates unchanged during 2019, indicating a shift to a more cautious stance concerning the normalization of monetary policy. In Japan, the Bank of Japan (BOJ) implemented forward guidance at the end of July, requiring the maintenance of short- and long-term interest rates at their current levels, while prospects for the achievement of its 2% price stability target remained murky. BOJ additionally resolved to allow wide fluctuations in long-term interest rates.

With regard to our asset management, we conducted restructuring within an environment of prolonged ultralow interest rates with the goal of strengthening initiatives aimed at maintaining stable profitability through appropriate risk-taking. We consolidated our control over corporate loans and domestic and overseas corporate bond investments to enhance credit investment in terms of risk and return. Furthermore, in response our rising share of assets denominated in foreign currencies, we are working to ensure proper control of foreign exchange rate risks by establishing a specialized group targeting more flexible and efficient hedging operations.

As for bond investment, which form the core of asset management, we continued to reduce investment in yen-denominated bonds and allocated funds to foreign currency denominated bonds as domestic interest rates remained ultra low. With regard to foreign currency denominated bonds, we increased unhedged foreign currency denominated bonds during the first half, focusing primarily on those denominated in U.S. dollars, which have relatively high interest rates, while observing carefully trends in the foreign exchange market. However, we held back on the accumulation of unhedged foreign currency denominated bonds during the second half, as the outlook of the financial and capital market became more uncertain while investing in euro-denominated hedged bonds with low currency hedging costs. We also worked to reduce foreign exchange risk by converting our unhedged positions into hedged positions. In terms of domestic stocks, we sold a portion of stocks with unrealized gains that increased significantly in accordance with our rebalancing plan, which we formulated in response to an increased share caused by rising stock prices.

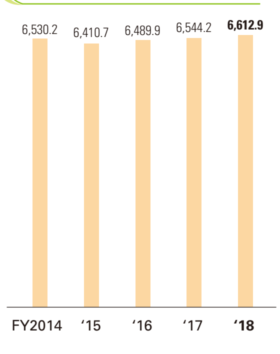
As a signatory to the U.N. Principles for Responsible Investment (PRI), we are actively conducting ESG investment and financing aimed at establishing sustainable societies while ensuring profitability. These activities included investment in bonds such as targeting the reduction of poverty in developing countries and financing for renewable energy projects.

As part of our stewardship activities, we held "purpose-driven engagement dialogue" with major investee companies. During these engagement dialogue, we aimed to achieve understanding regarding strategies from a medium- to long-term perspectives while making proposals aimed at improving corporate value. Within the Stewardship Committee, which is chaired by a member from outside of the company, we discussed issues such as the status concerning the implementation of these engagement dialogues and the exercising of voting rights. At the same time, worked to further improve the effectiveness of stewardship activities through discussions covering all of our activities.

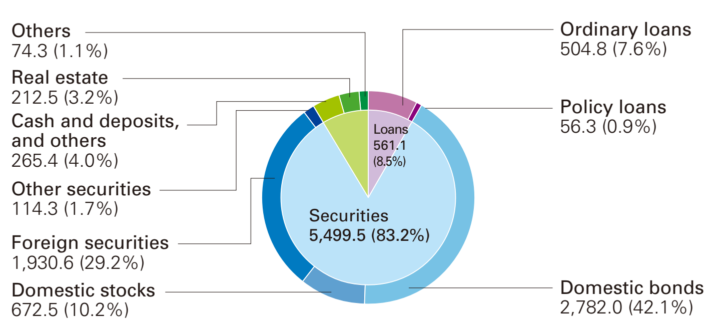
In addition to these initiatives, we are striving to strengthen investment capability as an institutional investor by dispatching some of our employees to external asset managers, primarily including Payden & Rygel. We are also actively working to develop our employees who have global perspectives and can practice advanced asset management.

Investment income increased ¥15.4 billion (9.2%) year on year to ¥182.5 billion, due primarily to an increase in gain on sales of securities caused by selling domestic stocks associated with our rebalancing efforts. The total interest, dividends and other income within this figure increased ¥0.5 billion (0.4%) year on year to ¥155.4 billion including that from trading securities, reaching the highest level since 1992. This increase was primarily due to higher interest from foreign bonds caused by accumulating those bonds despite a decrease in dividends from

General account assets
(¥ billions)



Breakdown of general account assets (Fiscal year ended March 31, 2019)
(¥ billions)



Total: ¥6,612.9 billion

Note: This total includes cash and deposits, call loans, monetary claims bought and money held in trust.

foreign stocks and other securities.

Investment expenses rose ¥8.9 billion (22.6%) year on year to ¥48.5 billion, due to loss on sales of securities primarily associated with foreign bonds.

As a result, net investment income rose ¥6.4 billion (5.1%) year on year to ¥133.9 billion.

Domestic Bonds

Domestic bonds fell ¥36.6 billion (1.3%) year on year to ¥2,782.0 billion as we curtailed investment in response to ongoing low domestic interest rates.

Foreign Securities

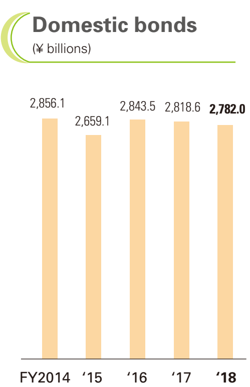
With regard to foreign bonds, we increased unhedged foreign currency denominated bonds during the first half, focusing primarily on those denominated in U.S. dollars, which have relatively high interest rates, while observing trends in the foreign exchange market. However, we held back on the accumulation of unhedged foreign currency denominated bonds during the second half, as the prospect of the financial and capital market became more uncertain while investing in euro-denominated hedged bonds with low currency hedging costs. We also worked to reduce foreign exchange risk by converting our unhedged positions into hedged positions. Under these conditions, foreign bonds rose ¥180.0 billion (12.5%) year on year to ¥1,614.4 billion, due primarily to an increase in the balance of foreign bonds and an increase in market value caused by lower overseas interest rates and the weakening of the yen against the U.S. dollar. Foreign stocks and other securities increased ¥36.7 billion (13.1%) year on year to ¥316.1 billion, primarily due to investing in American and European corporate bond funds managed by sophisticated asset managers we have partnership and an accumulation of stocks in American and European companies that are expected to high dividend yields.

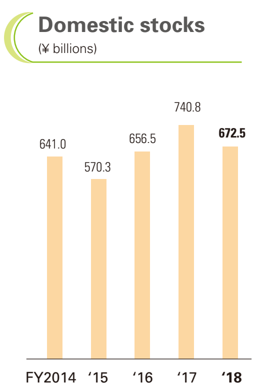
Domestic Stocks

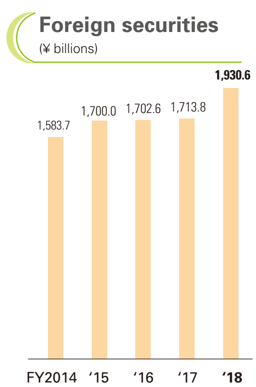
Domestic stocks fell ¥68.2 billion (9.2%) year on year to ¥672.5 billion, mainly due to the sale of a portion of stocks with unrealized gains that increased significantly in accordance with our rebalancing plan and falling stock prices.

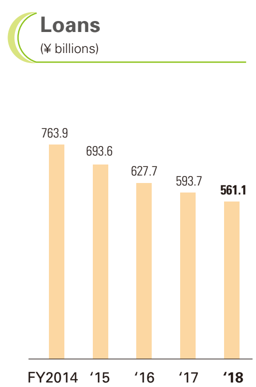
Ordinary Loans

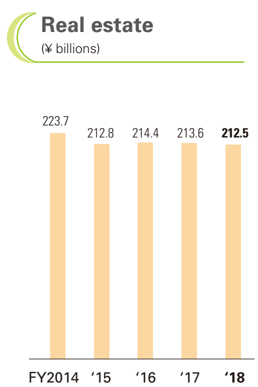
Loans dropped ¥31.7 billion (5.9%) year on year to ¥504.8 billion, due to tight profitability conditions caused by ultra low interest rates.











Investment Policies for Fiscal 2019

Investment Environment

In fiscal 2019, ending March 31, 2020, we project that the global economy will be able to avoid a downturn thanks to relaxed monetary policy stances from world major central banks. However, we project that growth will continue to slow due to trade friction between the U.S. and China and sluggish IT-related demand. We expect ongoing trends of weakness in the Japanese economy, caused by continuously slumping exports and slowing growth in capital investment due to growing uncertainty going forward. Under these economic conditions, we project that long-term interest rates will be susceptible to downward pressure based on uncertainty and expectation regarding additional monetary easing by BOJ. Growth in stock prices is expected to be sluggish due to stagnant corporate earnings caused by trade friction between the U.S. and China and a strong yen. In terms of foreign exchange rate, we expect the value of the yen against the U.S. dollar to remain within a certain range but also acknowledge the likelihood that the yen rate will be susceptible to upward pressure caused by economic uncertainty.

Domestic Bonds

Our policy is to continue to curtail investment in government bonds and accumulate corporate bonds with relatively high yields while watching carefully interest rate environment.

Domestic Stocks

We will accumulate stocks selectively that will provide stable dividends.

Foreign Securities

Our policy is to increase foreign currency bonds, focusing primarily on hedged foreign currency denominated bonds. We will accumulate excellent foreign stocks selectively in terms of risk and return.

Business Management System

Corporate Governance Enhancement Initiatives

We have formulated a Basic Policy on Corporate Governance to foster an understanding of our perspective to enhance corporate governance. We publicize this policy, along with our Corporate Governance Report.

Basic Approach to Corporate Governance

Our mutual company's insurance business is a business of our policyholders that have entrusted the management of this business to us. No matter the circumstances, we must survive as a life insurance company to continue fulfilling our responsibility of reliably paying insurance claims and benefits. To this end, we will establish a corporate governance system based on this fundamental policy in an effort to stabilize and ensure the stability our business while providing policyholders with peace of mind.

Establishment of Management Control Measures

The Board of Directors makes important business decisions and monitors business execution. The two external directors bring an outside perspective to the deliberations of the board. In April 2009, Fukoku Life introduced an executive officer system. Under this system, we have separated and strengthened decision-making and business execution functions, with the Board of Directors fulfilling decision-making and supervisory functions. The Board of Full-Time Directors, comprising the president and executive officer and other titled executive officers, deliberates important business execution policy for the Company. Meanwhile, various committees have been established beneath the Board of Directors in an effort to strengthen internal controls.

Members of the Audit & Supervisory Board attend meetings of the Board of Directors, the Board of Full-Time Directors and other important boards, auditing the execution of operations by directors. The internal audit department performs internal audits, verifies the appropriateness of corporate operations and strives to ensure the soundness of business operations.

Enhancement of Internal Control System

We are a mutual company that operates a highly public life insurance business with the goal of protecting the livelihoods of policyholders. As such, we have established a "Basic Internal Control System Policy" aimed at ensuring the suitability of our operations, with the ultimate goal of achieving sound and appropriate management. Based on this policy, we are working to enhance our internal control systems, which include our risk management and compliance systems.

Enterprise risk management (ERM)

Life insurance is a "promise" to pay insurance claims and benefits in the event of an unforeseen emergency, a lifetime commitment to customers that can even span generations.

Events may occur, such as drastic changes in the economic environment or other catastrophes, during the many months and years in which we accompany customers on their life journey. When this happens, the role of life insurance companies becomes even more important.

Only after keeping this promise with unwavering reliability regardless of the circumstances can customers enjoy peace of mind. To maintain this reliability into the future, Fukoku Life promotes enterprise risk management (ERM) for overall management of a diverse range of complicated risks from a strategic perspective based on the recognition that each executive officer and employee is responsible for risk management commensurate with their position.

At Fukoku Life, the Board of Directors has established the Risk Management Committee to perform enterprise risk management (ERM). Several subcommittees have been established under the Risk Management Committee to manage the various risks that arise in business operations, and to conduct asset and liability management (ALM). The Risk Management Committee consolidates and evaluates these risks at the corporate level, and considers the appropriate level of acceptable risk and risk response. Furthermore, the Risk Management Committee has established a specialized risk management committee to help enhance enterprise risk management.

Full-time directors are members of the Risk Management Committee, which is chaired by the president. Other directors chair subcommittees, creating a risk management structure that is led by top management.

The specialized risk management committee is central to understanding the Group's overall risk management situation. At Fukokushinrai Life Insurance, the Company's Risk Management Committee secretariat and the secretariats of various subcommittees directly monitor the management status of risks under their jurisdiction.

Furthermore, the audit department verifies that the risk management system is functioning effectively.

Compliance System

As members of the community, all executives and employees undergo ongoing training in compliance-related matters so that they not only observe laws and regulations, but also comply with protocols and social conventions. This training is also aimed at enhancing the spirit of compliance. To this end, as well as improving and reinforcing the compliance system, we hold hands-on compliance training on an ongoing basis.

However, we recognize that even the most robust of systems cannot guarantee the complete elimination of improper conduct. We believe that it is important to detect any improper conduct early, deal with it swiftly and appropriately, and make constant improvements and work to rectify the situation in order to prevent a recurrence. Accordingly, we believe that continuous improvement and correction are important.

The Compliance Committee, comprising full-time directors and other executives and chaired by the president, has the Board of Directors' mandate to deliberate matters related to compliance promotion and to promote compliance. The Compliance Control Department serves as secretariat for this committee. Furthermore, the chief compliance officer and compliance officers are stationed at headquarters to perform regular compliance checks.

Protection of Personal Information

As an insurance company that is trusted by its customers, Fukoku Life recognizes the handling of personal information as a topmost priority. Accordingly, we take great care in handling personal information. We comply with the Act on the Protection of Personal Information, which came into force in September 2015, as well as other related legislation and guidelines, and we will continue endeavoring to appropriately handle and protect personal information going forward. The Company has also formulated its own privacy policy, which describes its policy on the protection of personal information, and a basic policy on the handling of specific personal information. In these ways, we work to appropriately manage the important personal information entrusted to us by our customers. We also strive to respond swiftly and appropriately to any questions, consultations or requests from customers with regard to personal information.

As rules for managing personal information appropriately, we have formulated Regulations on the Handling of Personal Information and Regulations on the Handling of Corporate Customers' Information. In addition, we appropriately manage information by conducting spot checks on the status of personal information and other safety management measures by subcontractors.

Contribution to Society

In accordance with the highly public nature of the life insurance business, Fukoku Life believes that the sound management of its business is its first priority in terms of fulfilling its corporate social responsibility (CSR). Furthermore, we believe that the Company should engage proactively in a range of social contribution activities aimed at helping to build a better society.

Fukoku Life Concerts

This activity began in fiscal 1989 with a Fukoku Salon Concert, held in the lobby of our headquarters building in Uchisaiwaicho.

Fukoku Life holds Visiting Concerts, which are held at schools and institutions for people with disabilities, enabling them to enjoy genuine classical music performed by professional musicians. We also hold Charity Concerts, which are held as a community benefit event and on which Fukoku Life executives collaborate in fund-raising. These concerts are held in cooperation with the regions where they are held.

・Visiting Concerts

Begun in fiscal 2002, Visiting Concerts are performed by Charity Concert musicians who visit schools and institutions for people with disabilities in communities where Charity Concerts are also being held.

Visiting Concert

・Charity Concerts

In fiscal 1993, we began holding free-admission Charity Concerts, which also raise funds through the cooperation of charity donations by customers at concert venues. The funds raised in this manner are contributed to social welfare councils and other community organizations, thereby assisting communities' social welfare.

From their start in fiscal 2002 through March 31, 2019, Visiting Concerts had been held in 244 locations, while Charity Concerts had been held 290 times from their beginning in 1993 through the end of the fiscal year.

Smile Gallery

To support the creation of art by children with disabilities, in the shopping mall located in the second-floor basement of our head office building in Uchisaiwaicho, we operate the Smile Gallery. In this gallery, we display artworks by students of special-education schools from around Japan. This activity began in fiscal 2002 as an offshoot of the Visiting Concerts, which visit special-education schools.

We also use the artworks provided to create calendars, which we distribute to employees and customers.

Smile Gallery

Hello Kitty Hospital Visit Program

Under this program, Fukoku Life's brand mascot Hello Kitty—which is a popular character worldwide—makes visits to children's hospitals and pediatric wards to support hospitalized children and their families. Commemorative photos with Hello Kitty are taken, placed in frames that are handmade at Fukoku Life and given to children as presents.

Activities to Support Reconstruction in Disaster-Affected Areas

・Disaster-Area Visits and Support Concerts, Visiting Concerts in Disaster-Affected Areas

It will still be some time before recovery following the Great East Japan Earthquake is complete. To cheer on the recovery, Fukoku Life continues to hold disaster-area events and Support Concerts, as well as Visiting Concerts in disaster-affected areas. We are conducting these activities in the three prefectures affected by the earthquake: Fukushima, Miyagi and Iwate.

A portion of the donations received from Charity Concerts are donated to areas affected by the Great East Japan Earthquake and the Kumamoto earthquakes.

In fiscal 2018, Visiting Concerts in disaster-affected areas were held at 11 schools and Support Concerts were held at Sendai branch office, Fukushima branch office and Kumamoto branch office.

・Events to Sell Specialty Products from Disaster-Affected Regions

At an open space in the first basement floor of our headquarters in Uchisaiwaicho and in the first-floor entrance lobby at our Chiba New Town headquarters, we hold events to sell specialty products from the three prefectures affected by the Great East Japan Earthquake: Fukushima, Miyagi and Iwate, as well as Kumamoto, which was damaged in the Kumamoto Earthquake.

We receive substantial cooperation for events to sell specialty products from disaster-affected regions from people outside the Company, as well as from within the organization.

Environmental Protection Initiatives

・Flora Preservation

Since fiscal 2006, we have been conducting the Fukoku Life (Inochi) Forest project, mainly as a measure to counter damage from bamboo. This forest provides a venue for participation in and hands-on experience of environmental preservation activities.

Currently, a growing number of forests in Japan are being left to grow unchecked due to the lack of people willing to take over forestry businesses. One particular problem is uncontrolled groves of Moso bamboo, which invades the forests needed to absorb CO_2—a greenhouse gas—as well as farmland. Due to the shallowness of its roots, bamboo can make ground slippery and contribute to topsoil erosion. It can also devastate mountainous forests and cause landslides. Measures are therefore needed to counter this "bamboo damage," to protect the environment and respond to disaster.

In the Fukoku Life (Inochi) Forest project, Company executives and employees take part in cutting away bamboo forests in order to protect mountainous forest land owned by the Company. In addition to forest regeneration, this thinning also aims to restore the bamboo forests themselves to health. These activities are mainly carried out by Company volunteers organized as the Usami Club. In fiscal 2018, these activities were conducted 10 times, with 113 executives and employees and their family members participating as volunteers.

Flora Preservation

Other Activities

・Art Promotion

Fukoku Life is a sponsor of the MET: Live in High Definition series of screenings by the New York Metropolitan Opera (MET), which are distributed by Shochiku Co., Ltd. By giving members of the general public the opportunity to see some of the finest opera performances in the world, we help promote the arts and culture.

・Lobby Sales Events

The lobby sales events at Visit & Charity Concerts sponsored by our Uchisaiwaicho and Chiba New Town headquarters have led to regular bakery shop sales events operated by institutions for people with disabilities. The Company's employees participate as sales staff at these traveling events. Thus we provide a sales location and cooperate in institutions' activities. At the same time, through this participation we promote better understanding within the Company of people with disabilities.

MET Live Viewing 2018–2019
Cilea–Adriana lecouvreur
© Vincent Peters/Metropolitan Opera

Communication with Society

Our Customer Advisors gather feedback directly from customers and strive to offer better services, which we believe to be most the most effective means of advertising and communication. We also provide information through various advertising and public relations activities to deepen communication between customers and Customer Advisors and encourage a better understanding of the Company.

・Alliance with Sanrio

The Hello Kitty character, owned by Sanrio Co., Ltd., has attained worldwide popularity. Fukoku Life has adopted this widely loved character as its brand mascot, and features Hello Kitty in many communications media, including Fukoku Life posters and brochures, and in video on our website.

In fiscal 2014, we created an original Gotochi Kitty character ("Gotochi" referring to a specific region), which we use in numerous situations to evoke an even greater sense of closeness with customers.

We also provide the Sanrio Character Boat Ride as a friendly-company attraction at Sanrio Puroland and Harmonyland.

・Providing Information

Fukoku Life publishes a variety of materials for its stakeholders. Publications that provide information on the Company's business activities include the Japanese-language annual disclosure report. "Disclosure" (and abridged versions thereof), booklets written for policyholders, and this English-language annual report. Our diverse lineup of public relations and advertising activities include the production of a variety of publications as needed, in order to strengthen the channels of communication between the Company, its policyholders, and its many other customers.

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

Fukoku Mutual Life Insurance Company
As of March 31, 2018 and 2019

	As of March 31,		
	2018	2019	2019
	Millions of yen		Millions of U.S. dollars
Assets:			
Cash and deposits:			
Cash	¥ 166	¥ 172	$ 1
Bank deposits	66,093	66,599	600
	66,260	66,771	601
Call loans	176,000	176,000	1,585
Monetary claims bought	443	299	2
Money held in trust	31,502	23,850	214
Securities:			
Government bonds	2,030,971	2,030,510	18,294
Local government bonds	114,036	102,277	921
Corporate bonds	702,661	670,914	6,044
Stocks	768,000	696,181	6,272
Foreign securities	1,735,580	1,953,608	17,601
Other securities	107,540	114,384	1,030
	5,458,790	5,567,876	50,165
Loans:			
Policy loans	57,181	56,332	507
Ordinary loans	536,553	504,806	4,548
	593,734	561,138	5,055
Tangible fixed assets:			
Land	125,278	125,180	1,127
Buildings	86,343	84,441	760
Lease assets	1,565	1,241	11
Construction in progress	2,052	2,933	26
Other tangible fixed assets	3,309	3,177	28
	218,549	216,974	1,954
Intangible fixed assets:			
Software	21,651	20,891	188
Other intangible fixed assets	2,049	1,410	12
	23,701	22,301	200
Reinsurance receivables	167	119	1
Other assets:			
Accounts receivable	7,268	5,558	50
Prepaid expenses	2,055	1,987	17
Accrued income	28,570	29,898	269
Deposits	2,281	2,195	19
Differential account for futures trading	98	—	—
Derivatives	12,190	4,302	38
Suspense payments	2,373	3,145	28
Lease investment assets	700	666	6
Rest of the other asset	3,968	3,585	32
	59,508	51,341	462
Allowance for possible loan losses	(2,049)	(2,096)	(18)
Total assets	¥6,626,609	¥6,684,576	$60,226

	As of March 31,		
	2018	2019	2019
	Millions of yen		Millions of U.S. dollars
Liabilities:			
Policy reserves:			
Reserve for outstanding claims	¥ 19,295	¥ 20,322	$ 183
Policy reserve	5,578,187	5,613,583	50,577
Reserve for dividends to policyholders	53,395	58,176	524
	5,650,879	5,692,082	51,284
Reinsurance payables	56	55	0
Subordinated bonds	191,935	191,935	1,729
Other liabilities:			
Corporate income tax payable	2,445	4,422	39
Accounts payable	2,381	2,561	23
Accrued expenses	10,834	10,802	97
Unearned income	369	381	3
Deposits received	5,756	5,987	53
Guarantee deposits received	14,087	14,041	126
Derivatives	3,052	7,641	68
Cash collateral received for financial instruments	2,712	1,051	9
Asset retirement obligations	3,088	2,892	26
Suspense receipts	1,336	1,596	14
	46,066	51,377	462
Reserve for employees' retirement benefits	25,417	24,517	220
Reserve for price fluctuation	95,798	111,279	1,002
Deferred tax liabilities	10,733	2,429	21
Deferred tax liabilities for land revaluation	14,241	14,225	128
Total liabilities	6,035,126	6,087,901	54,850
Net assets:			
Foundation funds	10,000	10,000	90
Accumulated foundation funds redeemed	106,000	106,000	955
Reserve for revaluation	112	112	1
Surplus:			
Legal reserve for future losses	2,954	3,071	27
Other surplus:			
Reserve for redemption of foundation funds	6,000	8,000	72
Reserve for dividend allowances	20,000	20,000	180
Accumulated fund for price fluctuation	41,000	41,000	369
Reserve for advanced depreciation of real estate for tax purpose	255	210	1
Other reserves	767	767	6
Unappropriated surplus	64,561	60,633	546
	132,584	130,611	1,176
	135,538	133,682	1,204
Total foundation funds, surplus and others	251,650	249,794	2,250
Net unrealized gains (losses) on available-for-sale securities, net of tax	335,658	342,748	3,088
Revaluation reserve for land, net of tax	4,173	4,132	37
Total valuation and translation adjustments	339,831	346,880	3,125
Total net assets	591,482	596,674	5,375
Total liabilities and net assets	¥6,626,609	¥6,684,576	$60,226

See notes to the non-consolidated financial statements.

Non-consolidated Statements of Operations

Fukoku Mutual Life Insurance Company
For the years ended March 31, 2018 and 2019

	Year ended March 31,		
	2018	2019	2019
	Millions of yen		Millions of U.S. dollars
Ordinary revenues:			
Premium and other income:			
Premium income	¥566,924	¥525,407	$4,733
Reinsurance income	286	198	1
	567,210	525,605	4,735
Investment income:			
Interest, dividends and other income:			
Interest on deposits	22	35	0
Interest and dividends on securities	124,480	126,834	1,142
Interest on loans	10,054	9,329	84
Income from real estate for rent	14,541	14,876	134
Other interest and dividends	120	114	1
	149,219	151,190	1,362
Gains on money held in trust, net	1,769	—	—
Gains on trading securities, net	—	3,276	29
Gains on sales of securities	15,280	27,729	249
Other investment income	819	315	2
Gains on separate accounts, net	6,553	962	8
	173,641	183,473	1,653
Other ordinary revenues:			
Fund receipt from annuity rider	1,150	730	6
Proceeds from deferred insurance	3,854	4,771	42
Reversal of reserve for outstanding claims	237	—	—
Reversal of reserve for employees' retirement benefits	371	898	8
Others	3,240	2,820	25
	8,854	9,220	83
Total ordinary revenues	749,706	718,300	6,471
Ordinary expenses:			
Claims and other payments:			
Claims	126,371	104,702	943
Annuities	166,137	160,900	1,449
Benefits	106,399	111,533	1,004
Surrenders	73,651	63,787	574
Other payments	28,357	26,754	241
Reinsurance premiums	264	239	2
	501,181	467,917	4,215
Provision of policy reserve and others:			
Provision of reserve for outstanding claims	—	1,026	9
Provision of policy reserve	44,643	35,395	318
Provision of interest portion of reserve for dividends to policyholders	12	12	0
	¥ 44,655	¥ 36,434	$ 328

	Year ended March 31, 2018	2019	2019
	Millions of yen		Millions of U.S. dollars
Investment expenses:			
Interest expenses	¥ 4,216	¥ 3,864	$ 34
Losses on money held in trust, net	—	371	3
Losses on trading securities, net	1,498	—	—
Losses on sales of securities	4,977	11,610	104
Losses on valuation of securities	0	39	0
Losses on derivative instruments, net	225	5,875	52
Foreign exchange losses, net	16,013	13,396	120
Provision of allowance for possible loan losses	279	88	0
Depreciation of real estate for rent and other assets	4,271	4,165	37
Other investment expenses	8,158	9,186	82
	39,640	48,599	437
Operating expenses	88,477	90,655	816
Other ordinary expenses:			
Deferred annuity payments	5,488	5,595	50
Taxes	6,216	6,220	56
Depreciation	6,677	8,615	77
Others	899	945	8
	19,282	21,377	192
Total ordinary expenses	693,237	664,984	5,991
Ordinary profits	56,469	53,315	480
Extraordinary gains:			
Gains on disposal of fixed assets	288	3	0
Others	—	60	0
Total extraordinary gains	288	63	0
Extraordinary losses:			
Losses on disposal of fixed assets	547	142	1
Impairment losses	141	228	2
Provision of reserve for price fluctuation	13,334	15,481	139
Losses on advanced depreciation of real estate for tax purpose	3	—	—
Total extraordinary losses	14,025	15,851	142
Surplus before income taxes	42,731	37,527	338
Income taxes:			
Current	11,374	11,752	105
Deferred	(9,511)	(11,059)	(99)
Total income taxes	1,862	693	6
Net surplus for the year	¥ 40,868	¥ 36,834	$ 331

See notes to the non-consolidated financial statements.

Non-consolidated Statements of Changes in Net Assets

Fukoku Mutual Life Insurance Company
For the years ended March 31, 2018 and 2019

Millions of yen

	Foundation funds, surplus and others												
				Surplus									
					Other surplus								
For the year ended March 31, 2018	Foundation funds	Accumulated foundation funds redeemed	Reserve for revaluation	Legal reserve for future losses	Reserve for redemption of foundation funds	Reserve for dividend allowances	Accumulated fund for price fluctuation	Reserve for advanced depreciation of real estate for tax purpose	Reserve for special account for advanced depreciation of real estate for tax purpose	Other reserves	Unappropriated surplus	Total surplus	Total foundation funds, surplus and others
Balance at the beginning of the fiscal year	¥10,000	¥106,000	¥112	¥2,849	¥4,000	¥20,000	¥41,000	¥257	¥100	¥767	¥60,453	¥129,427	¥245,539
Changes in the fiscal year													
Additions to reserve for dividends to policyholders											(34,592)	(34,592)	(34,592)
Additions to legal reserve for future losses				105							(105)	—	—
Payment of interest on foundation funds											(100)	(100)	(100)
Net surplus for the fiscal year											40,868	40,868	40,868
Additions to reserve for redemption of foundation funds					2,000						(2,000)	—	—
Reversal of reserve for advanced depreciation of real estate for tax purpose								(1)			1	—	—
Reversal of reserve for special account for advanced depreciation of real estate for tax purpose									(100)		100	—	—
Reversal of revaluation reserve for land, net of tax											(65)	(65)	(65)
Net changes, excluding foundation funds, surplus and others													
Total changes in the fiscal year	—	—	—	105	2,000	—	—	(1)	(100)	—	4,107	6,110	6,110
Balance at the end of the fiscal year	¥10,000	¥106,000	¥112	¥2,954	¥6,000	¥20,000	¥41,000	¥255	—	¥767	¥64,561	¥135,538	¥251,650

Millions of yen

	Valuation and translation adjustments			
For the year ended March 31, 2018	Net unrealized gains (losses) on available-for-sale securities, net of tax	Revaluation reserve for land, net of tax	Total valuation and translation adjustments	Total net assets
Balance at the beginning of the fiscal year	¥333,545	¥4,107	¥337,652	¥583,192
Changes in the fiscal year				
Additions to reserve for dividends to policyholders				(34,592)
Additions to legal reserve for future losses				—
Payment of interest on foundation funds				(100)
Net surplus for the fiscal year				40,868
Additions to reserve for redemption of foundation funds				—
Reversal of reserve for advanced depreciation of real estate for tax purpose				—
Reversal of reserve for special account for advanced depreciation of real estate for tax purpose				—
Reversal of revaluation reserve for land, net of tax				(65)
Net changes, excluding foundation funds, surplus and others	2,113	65	2,178	2,178
Total changes in the fiscal year	2,113	65	2,178	8,289
Balance at the end of the fiscal year	¥335,658	¥4,173	¥339,831	¥591,482

	Millions of yen											
	Foundation funds, surplus and others											
				Surplus								
					Other surplus							
For the year ended March 31, 2019	Foundation funds	Accumulated foundation funds redeemed	Reserve for revaluation	Legal reserve for future losses	Reserve for redemption of foundation funds	Reserve for dividend allowances	Accumulated fund for price fluctuation	Reserve for advanced depreciation of real estate for tax purpose	Other reserves	Unappropri-ated surplus	Total surplus	Total foundation funds, surplus and others
Balance at the beginning of the fiscal year	¥10,000	¥106,000	¥112	¥2,954	¥6,000	¥20,000	¥41,000	¥255	¥767	¥64,561	¥135,538	¥251,650
Changes in the fiscal year												
Additions to reserve for dividends to policyholders										(38,630)	(38,630)	(38,630)
Additions to legal reserve for future losses				117						(117)	—	—
Payment of interest on foundation funds										(100)	(100)	(100)
Net surplus for the fiscal year										36,834	36,834	36,834
Additions to reserve for redemption of foundation funds					2,000					(2,000)	—	—
Reversal of reserve for advanced depreciation of real estate for tax purpose								(45)		45	—	—
Reversal of revaluation reserve for land, net of tax										41	41	41
Net changes, excluding foundation funds, surplus and others												
Total changes in the fiscal year	—	—	—	117	2,000	—	—	(45)	—	(3,927)	(1,855)	(1,855)
Balance at the end of the fiscal year	¥10,000	¥106,000	¥112	¥3,071	¥8,000	¥20,000	¥41,000	¥210	¥767	¥60,633	¥133,682	¥249,794

	Millions of yen			
	Valuation and translation adjustments			
For the year ended March 31, 2019	Net unrealized gains (losses) on available-for-sale securities, net of tax	Revaluation reserve for land, net of tax	Total valuation and translation adjustments	Total net assets
Balance at the beginning of the fiscal year	¥335,658	¥4,173	¥339,831	¥591,482
Changes in the fiscal year				
Additions to reserve for dividends to policyholders				(38,630)
Additions to legal reserve for future losses				—
Payment of interest on foundation funds				(100)
Net surplus for the fiscal year				36,834
Additions to reserve for redemption of foundation funds				—
Reversal of reserve for advanced depreciation of real estate for tax purpose				—
Reversal of revaluation reserve for land, net of tax				41
Net changes, excluding foundation funds, surplus and others	7,089	(41)	7,048	7,048
Total changes in the fiscal year	7,089	(41)	7,048	5,192
Balance at the end of the fiscal year	¥342,748	¥4,132	¥346,880	¥596,674

	Millions of U.S. dollars											
	Foundation funds, surplus and others											
				Surplus								
					Other surplus							
For the year ended March 31, 2019	Foundation funds	Accumulated foundation funds redeemed	Reserve for revaluation	Legal reserve for future losses	Reserve for redemption of foundation funds	Reserve for dividend allowances	Accumulated fund for price fluctuation	Reserve for advanced depreciation of real estate for tax purpose	Other reserves	Unappropri-ated surplus	Total surplus	Total foundation funds, surplus and others
Balance at the beginning of the fiscal year	$90	$955	$1	$26	$54	$180	$369	$2	$6	$581	$1,221	$2,267
Changes in the fiscal year												
Additions to reserve for dividends to policyholders										(348)	(348)	(348)
Additions to legal reserve for future losses				1						(1)	—	—
Payment of interest on foundation funds										(0)	(0)	(0)
Net surplus for the fiscal year......										331	331	331
Additions to reserve for redemption of foundation funds.................					18					(18)	—	—
Reversal of reserve for advanced depreciation of real estate for tax purpose								(0)		0	—	—
Reversal of revaluation reserve for land, net of tax										0	0	0
Net changes, excluding foundation funds, surplus and others												
Total changes in the fiscal year	—	—	—	1	18	—	—	(0)	—	(35)	(16)	(16)
Balance at the end of the fiscal year....	$90	$955	$1	$27	$72	$180	$369	$1	$6	$546	$1,204	$2,250

	Millions of U.S. dollars			
	Valuation and translation adjustments			
For the year ended March 31, 2019	Net unrealized gains (losses) on available-for-sale securities, net of tax	Revaluation reserve for land, net of tax	Total valuation and translation adjustments	Total net assets
Balance at the beginning of the fiscal year	$3,024	$37	$3,061	$5,329
Changes in the fiscal year				
Additions to reserve for dividends to policyholders				(348)
Additions to legal reserve for future losses				—
Payment of interest on foundation funds...				(0)
Net surplus for the fiscal year				331
Additions to reserve for redemption of foundation funds				—
Reversal of reserve for advanced depreciation of real estate for tax purpose				—
Reversal of revaluation reserve for land, net of tax				0
Net changes, excluding foundation funds, surplus and others..............	63	(0)	63	63
Total changes in the fiscal year	63	(0)	63	46
Balance at the end of the fiscal year..	$3,088	$37	$3,125	$5,375

Non-consolidated Proposed Appropriations of Surplus

Fukoku Mutual Life Insurance Company
For the years ended March 31, 2018 and 2019

	Year ended March 31,		
	2018	2019	2019
	Millions of yen		Millions of U.S. dollars
Unappropriated surplus	¥64,561	¥60,633	$546
Reversal of voluntary surplus reserve:			
Reversal of reserve for advanced depreciation of real estate for tax purpose	45	1	0
	45	1	0
Total	64,606	60,635	546
Appropriation of surplus			
Reserve for dividends to policyholders	38,630	34,671	312
Net surplus:			
Legal reserve for future losses	117	105	0
Interest payment for foundation funds	100	100	0
Voluntary surplus reserve			
Reserve for redemption of foundation funds	2,000	2,000	18
	2,000	2,000	18
	2,217	2,205	19
Total appropriation of surplus	40,848	36,876	332
Unappropriated surplus carried forward	¥23,758	¥23,758	$214

Note: Net surplus is calculated by deducting reserve for dividends to policyholders from the sum of unappropriated surplus and reversal of voluntary surplus reserve.

I. Presentation of the Non-consolidated Financial Statements

1. Basis of presentation

The accompanying non-consolidated financial statements have been prepared from the accounts maintained by Fukoku Mutual Life Insurance Company (the "Company") in accordance with the provisions set forth in the Insurance Business Act of Japan and its related rules and regulations and in conformity with accounting principles generally accepted in Japan, which are different in certain respects from accounting principles generally accepted in countries and jurisdictions other than Japan.

In addition, the notes to the non-consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

Amounts of less than one million yen have been rounded down. As a result, the totals do not add up.

The translations of yen amounts into U.S. dollar amounts are included solely for the convenience of the reader and have been made, as a matter of arithmetical computation only, at the rate of ¥110.99 = US$1.00, the effective rate of exchange at the balance sheet date of March 31, 2019. The translations should not be construed as representations that such yen amounts have been or could in the future be, converted into U.S. dollars at that or any other rates.

II. Notes to the Non-consolidated Balance Sheets

1. (1) The valuation of securities, including bank deposits and monetary claims bought which are equivalent to securities, and securities managed as trust assets in money held in trust, is as follows:
   i. Trading securities are stated at fair market value. Costs of their sales are determined by the moving average method.
   ii. Held-to-maturity debt securities are stated at amortized cost under the straight-line method, cost being determined by the moving average method.
   iii. Policy-reserve-matching bonds are stated at amortized cost under the straight-line method, cost being determined by the moving average method in accordance with "Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry" (Industry Audit Committee Report No.21 issued by the Japanese Institute of Certified Public Accountants on November 16, 2000).
   iv. Investments in subsidiaries and affiliates are stated at cost, cost being determined by the moving average method.
   v. Available-for-sale securities with fair market value are stated at fair market value based on the market prices at the end of the fiscal year. Costs of their sales are determined by the moving average method. Net unrealized gains or losses on these available-for-sale securities, net of taxes, are recorded as a separate component of net assets.
   vi. Available-for-sale securities whose market value are deemed extremely difficult to obtain are stated at cost, cost being determined by the moving average method, except for public and corporate bonds including foreign bonds, of which the difference between acquisition cost and face value is considered to be an adjustment of interest. Such bonds are stated at amortized cost under the straight-line method, cost being determined by the moving average method.

(2) Derivative instruments are stated at fair market value.

(3) The Company revalued the land used in the operations based on the Act for Revaluation of Land (Act No.34 promulgated on March 31, 1998). The difference between fair value and book value resulting from the revaluation, net of related taxes, is recorded as revaluation reserve for land as a separate component of net assets and the related tax is recorded as deferred tax liabilities for land revaluation.
- Date of revaluation: March 31, 2002
- Method of revaluation as prescribed for in Article 3 Paragraph 3 of the said Act:
  Calculation is based on the appraisal value for property tax set forth in Article 2 item 3 of the Enforcement Ordinance of the Act for Revaluation of Land (Government Ordinance No.119 promulgated on March 31, 1998) and the road rate set forth in Article 2 item 4 of the said Ordinance with certain reasonable adjustments.

(4) Depreciation of tangible fixed assets is calculated by the following methods.
- Tangible fixed assets (excluding lease assets): Declining-balance method
  However, buildings (excluding building attachments and structures acquired on or before March 31, 2016) acquired on or after April 1, 1998 are depreciated using Straight-line method.
- Lease assets related to finance lease transactions that do not transfer ownership: Straight-line method over the lease term with no residual value.

Other tangible fixed assets acquired for ¥100,000 or more but less than ¥200,000 are depreciated equally over three years.

(5) Assets and liabilities denominated in foreign currencies, except for investments in subsidiaries and affiliates, are translated into Japanese yen at the effective exchange rate prevailing at the balance sheet date. Investments in subsidiaries and affiliates are translated into Japanese yen at the exchange rate on the date of acquisition.

(6) Allowance for possible loan losses is provided in accordance with the Company's standards of self-assessment and write-offs and reserves on credit quality:

i. For the credits of borrowers who are legally bankrupt such as being in the proceedings of bankruptcy or civil rehabilitation (hereinafter called "legally bankrupt borrowers") and who are substantially bankrupt (hereinafter called "substantially bankrupt borrowers"), the Company provides the remaining amount of credits after the direct write-off described below and the deductions of the amount expected to be collected through the disposal of collateral or the execution of guarantees.

ii. For the credits of borrowers who are not currently bankrupt but have a high possibility of bankruptcy (hereinafter called "not currently bankrupt borrowers"), the Company provides the amounts deemed as necessary considering the borrowers' ability to pay, within the amounts after deductions of the amount expected to be collected through the disposal of collateral or the execution of guarantees.

iii. For the credits of borrowers other than the above, the Company provides the amounts calculated by multiplying the borrowers' balance by the actual ratio of bad debt losses on defaults during a certain past period.

All credits are assessed by the relevant departments in accordance with the Company's standards of self-assessment on credit quality. The results of the assessment are reviewed by the audit department, which is independent of business-related divisions. Subsequently, the allowance for possible loan losses is provided based on the results of these assessments.

For the credits of legally bankrupt borrowers and substantially bankrupt borrowers, the amounts remaining after deductions of collateral value or the amounts collectible through the execution of guarantees are written-off directly from the borrowers' balances as the estimated uncollectible amounts. The amount written-off as of March 31, 2018 and 2019 were ¥1 million and ¥1 million (US$9 thousand), respectively.

(7) Reserve for employees' retirement benefits is presented based on projected benefit obligations and pension plan assets at the balance sheet date.

The Company uses the following methods for amortizing retirement benefit obligations and retirement benefit expenses:

- Method for allocation of projected retirement benefits ....Benefit formula basis
- Amortization period of actuarial gains and losses...10 years
- Amortization period of prior service cost................10 years

(8) Reserve for price fluctuation is calculated in accordance with Article 115 of the Insurance Business Act.

(9) As for the finance lease transactions where the Company is a lessor, the lease fee is recorded in "Interest, dividends and other income" at the time of receiving lease fee. The corresponding cost of the lease transactions is recorded in "Other investment expenses", which is calculated by deducting an amount equivalent to the interest allocated over the lease term from the lease fee received.

(10) Hedge accounting is based on "Accounting Standards for Financial Instruments" (ASBJ Statement No. 10, March 10, 2008). The Company applies a fair value hedge accounting as a hedge against the risk of foreign exchange fluctuation in relation to bonds denominated in foreign currencies and against the risk of price fluctuation in relation to domestic stocks, and a designated hedge accounting ("Furiate shori") for foreign currency swaps as a hedge against the risk of foreign exchange fluctuation in relation to bonds denominated in foreign currencies issued by the Company.

For assessing the effectiveness of hedge used, ratio analysis of comparing the fluctuations in the fair value or cash flows of hedged items and hedging instruments is mainly applied.

(11) Accounting of unrecognized actuarial differences and unrecognized prior service costs related to employees' retirement benefits is different to the methods used for these items in the consolidated financial statements.

(12) The Company accounts for consumption taxes by the tax-exclusion method. The consumption taxes on certain assets, which are not deductible from consumption taxes withheld and that are stipulated to be deferred under the Tax Act, are deferred as prepaid expenses and amortized equally over five years. Consumption taxes other than deferred consumption taxes are recognized as an expense when incurred.

(13) Policy reserve is based on Article 116 of the Insurance Business Act, and the premium reserve is calculated by the following method:

i. In regard to the policies subject to the standard policy reserve, the method as prescribed by the Commissioner of Financial Services Agency (Ministry of Finance Ordinance No. 48, 1996) is applied.

ii. In regard to the policies not subject to the standard policy reserve, the net level premium method is applied.

Based on the provision of Article 69, paragraph 5, of the Enforcement Regulation of the Insurance Business Act, the Company includes additional funded policy reserves as follows.

Among individual annuity insurance policies with an assumed interest rate of 5.00% or higher, policies that have an annuity commencement date on or prior to March 31, 2018 (excluding wife's annuity insurance additional rider), the Company reduced the assumed interest rate to 1.00% and funded additional policy reserves. As of March 31, 2018, the balance of these policy reserves was ¥73,222 million.

The Company also funded additional policy reserves for certain individual annuity insurance policies, whole life insurance policies that include distribution of surplus every five years and highly advanced medical riders. As of March 31, 2018, the balance of these policy reserves was ¥5,628 million.

Of the above, the amount funded as of March 31, 2018 was ¥13,574 million. As a result, compared to the amount without this additional funding, provision of policy reserve increased ¥13,574 million, while ordinary profit and surplus before income taxes decreased ¥13,574 million.

Among individual annuity insurance policies with an assumed interest rate of 5.00% or higher, for policies that have begun paying annuities (excluding wife's annuity insurance additional rider), the Company reduced the assumed interest rate to 1.00% and funded additional policy reserves. As of March 31, 2019, the balance of these policy reserves was ¥73,836 million (US$665 million).

The Company also funded additional policy reserves for certain individual annuity insurance policies, whole life insurance policies that include distribution of surplus every five years, new cancer riders and highly advanced medical riders. As of March 31, 2019, the balance of these policy reserves was ¥13,391 million (US$120 million).

(14) The software for internal use is amortized based on straight-line method over the estimated useful lives.

(15) Of the bonds corresponding to the sub-groups of individual insurance and annuities which are set by insurance types and investment policies, the bonds that are held to match the duration of liabilities are classified as policy-reserve-matching bonds in accordance with "Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in Insurance Industry" (Industry Audit Committee Report No. 21 issued by the Japanese Institute of Certified Public Accountants on November 16, 2000).

2. Asset management of the general accounts other than the separate accounts stipulated in Article 118 Paragraph 1 of the Insurance Business Act is conducted on the principle of prudent and profitable investments, considering public and social responsibilities of the insurance business. Based on this policy, the Company allocates the fund, securing its liquidity, from the medium-to-long term viewpoints. The Company is diversifying investments in assets such as foreign securities, stocks and real estates within the acceptable range of risks in order to enhance the profitability, although yen-denominated interest bearing assets including debt securities such as Japanese government bonds and loans are the cores of the portfolios under the asset liability management. Derivatives are mainly used to hedge the market risk regarding spot-priced assets and liabilities. Major financial instruments including securities, loans and derivatives are exposed to market risk and credit risk.

The Company manages its asset management risk by establishing internal control systems including various rules pursuant to the "Three Basic Rules related to Enterprise Risk Management" established by the Board of Directors. Specifically, the Company eliminates excessive risk deviating from the basic principle and secures the safety of the assets by utilizing control functions of the Financial and Investment Risk Management Department towards the asset management sections, monitoring the status of market risk and credit risk periodically on a daily or monthly basis. In addition, the Company quantifies the market risk and credit risk using value-at-risk (VaR) method in order to control the possible maximum losses which may arise from the holding assets within a certain range of risk buffers.

The carrying amounts, fair values and their related differences of major financial assets and liabilities in the general account were as follows:

(1) Cash, deposits (excluding financial instruments treated as securities based on "Accounting Standards for Financial Instruments" (ASBJ Statement No.10, March 10, 2008)) and call loans:
The fair values of cash, deposits and call loans are based on their book values since fair values approximate book values due to their short maturities.

(2) Securities including deposits and monetary claims bought which are treated as securities based on "Accounting Standards for Financial Instruments" (ASBJ Statement No.10, March 10, 2008) and securities managed as trust assets in money held in trust:
The fair values of marketable securities are measured at the quoted market prices at the balance sheet date. The fair values of other securities without the quoted market prices are based on the prices reasonably calculated such as the prices offered by the information vendors or counterparty financial institutions.

Investments in subsidiaries and affiliates, unlisted stocks and investments in partnerships whereby partnership assets consist of unlisted stocks whose fair values are deemed extremely difficult to obtain, are excluded from above securities. The carrying amounts of investments in subsidiaries and affiliates, unlisted stocks and investments in partnerships were ¥64,837 million, ¥5,697 million, and ¥23,609 million as of March 31, 2018, and ¥64,787 million (US$583 million), ¥5,696 million (US$51 million), and ¥27,318 million (US$246 million) as of March 31, 2019, respectively.

(3) Loans and monetary claims bought treated as loans:
The fair values of policy loans are deemed to approximate book values, considering estimated repayment period and interest rate conditions since their repayment deadlines have not been set up due to the characteristics that the loans are

	As of March 31, 2018		
	Millions of yen		
	Carrying amount	Fair value	Difference
Cash and deposits:			
Cash and deposits not treated as securities	¥ 64,462	¥ 64,462	¥ —
Total cash and deposits	64,462	64,462	—
Call loans	176,000	176,000	—
Monetary claims bought:			
Claims treated as loans	443	474	30
Total monetary claims bought	443	474	30
Money held in trust:			
Trading securities	30,502	30,502	—
Total money held in trust	30,502	30,502	—
Securities:			
Trading securities	149,265	149,265	—
Held-to-maturity debt securities	758,872	897,574	138,702
Policy-reserve-matching bonds	973,736	1,134,148	160,412
Available-for-sale securities	3,404,811	3,404,811	—
Total securities	5,286,686	5,585,800	299,114
Loans:			
Policy loans	57,181	57,181	(0)
Ordinary loans	536,553	558,957	22,404
Total loans	593,734	616,138	22,404
Assets total	6,151,829	6,473,379	321,549
Subordinated bonds[1]	191,935	200,774	8,839
Liabilities total	191,935	200,774	8,839
Derivative instruments[2]:			
Hedge accounting not applied	(534)	(534)	—
Hedge accounting applied	9,672	9,672	—
Total derivative instruments	¥ 9,138	¥ 9,138	¥ —

	As of March 31, 2019			2019		
	Millions of yen			Millions of U.S. dollars		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Cash and deposits:						
Cash and deposits not treated as securities	¥ 65,282	¥ 65,282	¥ —	$ 588	$ 588	$ —
Total cash and deposits	65,282	65,282	—	588	588	—
Call loans	176,000	176,000	—	1,585	1,585	—
Monetary claims bought:						
Claims treated as loans	299	319	20	2	2	0
Total monetary claims bought	299	319	20	2	2	0
Money held in trust:						
Trading securities	22,850	22,850	—	205	205	—
Total money held in trust	22,850	22,850	—	205	205	—
Securities:						
Trading securities	97,110	97,110	—	874	874	—
Held-to-maturity debt securities	759,519	899,819	140,300	6,843	8,107	1,264
Policy-reserve-matching bonds	938,273	1,111,124	172,850	8,453	10,011	1,557
Available-for-sale securities	3,606,817	3,606,817	—	32,496	32,496	—
Total securities	5,401,721	5,714,871	313,150	48,668	51,489	2,821
Loans:						
Policy loans	56,332	56,331	(0)	507	507	(0)
Ordinary loans	504,806	530,223	25,417	4,548	4,777	229
Total loans	561,138	586,555	25,416	5,055	5,284	229
Assets total	6,227,291	6,565,879	338,588	56,106	59,157	3,050
Subordinated bonds[1]	191,935	198,912	6,977	1,729	1,792	62
Liabilities total	191,935	198,912	6,977	1,729	1,792	62
Derivative instruments[2]:						
Hedge accounting not applied	(107)	(107)	—	(0)	(0)	—
Hedge accounting applied	(3,230)	(3,230)	—	(29)	(29)	—
Total derivative instruments	¥ (3,338)	¥ (3,338)	¥ —	$ (30)	$ (30)	$ —

Notes: 1. The fair value of derivative instruments that are currency swaps under designated hedge accounting is included in the fair value of subordinated bonds because it is accounted for as an integral part of the subordinated bonds that are the hedge items.
2. Assets and liabilities generated by derivative instruments are offset and presented net. Net liabilities in total are presented in brackets.

limited to the amount of cash surrender values. Therefore, the book values are used as the fair values of policy loans.

The fair values of floating interest rate loans among the ordinary loans and monetary claims bought treated as loans approximate the book values because the market interest rates are reflected in future cash flows in a short period. Therefore, the fair values of floating interest rate loans and monetary claims bought treated as loans are based on their book values. The fair values of fixed interest rate loans are measured by discounting the future cash flows to the present values.

The fair values of loans from legally bankrupt borrowers, substantially bankrupt borrowers and not currently bankrupt borrowers and monetary claims bought treated as loans are computed by deducting the amount of the allowance for possible loan losses from the book values before direct write-offs.

(4) Subordinated bonds:

Subordinated bonds issued by the Company are stated at fair market values.

(5) Derivative instruments:

i. The fair values of the futures and options traded at the exchange are measured at the settlement price of the exchange.
ii. The fair values of forward contracts, options and swaps traded over the counter are based on the quoted prices offered by counterparty financial institutions.
iii. The fair values of foreign currency forward contracts are determined based on the spot exchange rate and forward contract rate.

3. The Company holds investment and rental properties such as office buildings in Tokyo and other areas. The carrying amounts and the fair values of investment and rental properties were ¥172,740 million and ¥295,454 million as of March 31, 2018, and ¥172,520 million (US$1,554 million) and ¥314,115 million (US$2,830 million) as of March 31, 2019, respectively. The fair value is mainly based on the value calculated by the Company in accordance with real estate appraisal standards which includes some adjustments using the reference prices.

   The amount corresponding to asset retirement obligations included in the carrying amount of investment and rental properties were ¥841 million as of March 31, 2018, and ¥697 million (US$6 million) as of March 31, 2019, respectively.

4. The amounts of securities lent under lending agreements were ¥254,467 million and ¥299,194 million (US$2,695 million) as of March 31, 2018 and 2019, respectively.

5. The total amounts of credits to bankrupt borrowers, delinquent loans, delinquent loans past 3 months or more and restructured loans, which were included in loans, were ¥1,033 million as of March 31, 2018, and ¥940 million (US$8 million) as of March 31, 2019, respectively;
   i. The balances of credits to bankrupt borrowers were ¥168 million and ¥157 million (US$1 million) as of March 31, 2018 and 2019, respectively.
   ii. The balances of delinquent loans were ¥865 million and ¥782 million (US$7 million) as of March 31, 2018 and 2019, respectively.
   iii. There were no balances of delinquent loans past 3 months or more and restructured loans as of March 31, 2018 and 2019.

   The direct write-offs related to loans decreased credits to bankrupt borrowers described above by ¥1 million as of March 31, 2018, and ¥1 million (US$9 thousand) as of March 31, 2019, respectively.

   Credits to bankrupt borrowers represent loans, excluding the balances already written-off, which meet the conditions prescribed in Article 96 Paragraph 1 item 3 and 4 of the Enforcement Regulations of the Corporate Tax Act. Moreover, accrued interest on these loans is not recorded as income after determining that principal of or interest on these loans is unlikely to be collected due to the significant delay in repayment of principal or interest payment or for some other reasons.

   Delinquent loans are credits which accrued interest is not recorded as income due to the same reasons as described above, and exclude credits to bankrupt borrowers and loans for which interest payments have been suspended and rescheduled to assist and support the borrowers in the restructuring of their business.

   Delinquent loans past 3 months or more are loans for which interest payments or repayments of principal are delinquent for 3 months or more from the due date under the terms of the related loan agreements, excluding those loans classified as credits to bankrupt borrowers and delinquent loans.

   Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reduction or exemption, rescheduling of due date for repayments of principal or interest payment, waiver of claim or other terms, have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their business. This category excludes loans classified as credits to bankrupt borrowers, delinquent loans and delinquent loans past 3 months or more.

6. Accumulated depreciation of tangible fixed assets were ¥163,520 million and ¥167,181 million (US$1,506 million) as of March 31, 2018 and 2019, respectively.

7. Total assets in separate accounts provided for in Article 118 of the Insurance Business Act were ¥82,347 million and ¥71,585 million (US$644 million) as of March 31, 2018

and 2019, respectively. The amounts of separate account liabilities were the same as separate account assets.

8. The total amounts of receivables from/payables to subsidiaries were ¥2,466 million and ¥1,687 million as of March 31, 2018, and ¥3,204 million (US$28 million) and ¥1,837 million (US$16 million) as of March 31, 2019, respectively.

9. Deferred tax assets and deferred tax liabilities as of March 31, 2018 were ¥127,044 million and ¥133,230 million, respectively. Valuation allowance for deferred tax assets was ¥4,547 million.

   Major components of deferred tax assets were ¥79,506 million of policy reserves, ¥26,823 million of reserve for price fluctuation and ¥12,343 million of reserve for employees' retirement benefits as of March 31, 2018.

   Major component of deferred tax liabilities was ¥128,972 million of net unrealized gains on available-for- sale securities as of March 31, 2018.

   The statutory tax rate and the actual effective tax rate for the year ended March 31, 2018 were 28.2% and 4.4%, respectively. The difference between the statutory tax rate and the actual effective tax rate was attributable mainly to -25.5% of reserve for dividends to the policyholders.

   Deferred tax assets and deferred tax liabilities as of March 31, 2019 were ¥137,650 million (US$1,240 million) and ¥135,958 million (US$1,224 million), respectively. Valuation allowance for deferred tax assets was ¥4,121 million (US$37 million).

   Major components of deferred tax assets were ¥86,377 million (US$778 million) of policy reserves, ¥31,158 million (US$280 million) of reserve for price fluctuation and ¥12,091 million (US$108 million) of reserve for employees' retirement benefits as of March 31, 2019.

   Major component of deferred tax liabilities was ¥131,712 million (US$1,186 million) of net unrealized gains on available-for-sale securities as of March 31, 2019.

   The statutory tax rate and the actual effective tax rate for the year ended March 31, 2019 were 28.0% and 1.8%, respectively. The difference between the statutory tax rate and the actual effective tax rate was attributable mainly to -25.9% of reserve for dividends to the policyholders.

10. Changes in reserve for dividends to policyholders were as follows:

	Year ended March 31,		
	2018	2019	2019
	Millions of yen		Millions of U.S. dollars
Balance at the beginning of the fiscal year	¥50,929	¥53,395	$481
Transfer from surplus in the previous fiscal year	34,592	38,630	348
Dividend payments to policyholders during the fiscal year	(32,138)	(33,862)	(305)
Increase in interest	12	12	0
Balance at the end of the fiscal year	¥53,395	¥58,176	$524

11. The amount of stocks of subsidiaries were ¥64,837 million and ¥64,787 million (US$583 million) as of March 31, 2018 and 2019, respectively.

12. Assets pledged as collateral as of March 31, 2018 were ¥25,447 million of securities and ¥1,378 million of bank deposits. Secured debts as of March 31, 2018, were ¥5,174 million.

   Assets pledged as collateral as of March 31, 2019 were ¥17,839 million (US$160 million) of securities and ¥744 million (US$6 million) of bank deposits. Secured debts as of March 31, 2019, were ¥5,387 million (US$48 million).

13. Reserve for outstanding claims for the reinsurance contracts provided in accordance with Article 71 Paragraph 1 of the Enforcement Regulation of the Insurance Business Act (hereinafter called "reserve for outstanding claims for ceded reinsurance") were ¥10 million and ¥2 million (US$22 thousand) as of March 31, 2018 and 2019, respectively.

   Policy reserve for the reinsurance contracts provided in accordance with Article 71 Paragraph 1 of the Enforcement Regulation of the Insurance Business Act (hereinafter called "policy reserve for ceded reinsurance") were ¥31 million and ¥30 million (US$271 thousand) as of March 31, 2018 and 2019, respectively.

14. The total amounts of adjustment items for redemption of foundation funds and appropriation of net surplus defined in Article 30 Paragraph 2 of the Enforcement Regulation of the Insurance Business Act were ¥339,944 million and ¥346,992 million (US$3,126 million) as of March 31, 2018 and 2019, respectively.

15. There were unused commitment line agreements under

which the Company is the lender of ¥2,490 million and ¥5,994 million (US$54 million) as of March 31, 2018 and 2019, respectively.

16. Repayments of subordinated bonds are subordinated to other obligations.

17. The future contribution to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Act was estimated at ¥8,972 million and ¥8,506 million (US$76 million) as of March 31, 2018 and 2019, respectively.

The contribution is recognized as operating expenses when contributed.

18. Matters Related to Employees' Retirement Benefits

(1) Overview of Employees' Retirement Benefit Plan

As for a defined benefit plan for office-based employees, the Company has a defined benefit corporate pension plan and retirement lump-sum payments. As for a defined contribution plan for these employees, the Company also has a defined contribution pension plan.

As for a defined benefit plan for sales employees, the Company has retirement lump-sum payments.

The Company places a retirement benefit trust in relation to the retirement lump-sum grant plan for sales employees.

The simplified method for calculating retirement benefit obligation is applied to a portion of the Company's retirement lump-sum grant plans.

(2) Defined Benefit Plan

i. Reconciliation of beginning and end of balance of retirement benefit obligation

	As of March 31,		
	2018	2019	2019
	Millions of yen		Millions of U.S. dollars
Retirement benefit obligation at the beginning of the fiscal year	¥85,277	¥86,201	$776
Service cost	3,493	3,552	32
Interest cost	511	516	4
Actuarial differences occurred during the fiscal year	1,232	1,080	9
Retirement benefit payments	(4,313)	(4,289)	(38)
Retirement benefit obligation at the end of the fiscal year	¥86,201	¥87,060	$784

ii. Reconciliation of beginning and end of balance of pension plan assets

	As of March 31,		
	2018	2019	2019
	Millions of yen		Millions of U.S. dollars
Pension plan assets at the beginning of the fiscal year	¥46,654	¥52,372	$471
Expected return on pension plan assets	732	972	8
Actuarial differences occurred during the fiscal year	3,386	145	1
Contributions by the employer	2,679	2,693	24
Retirement benefit payments	(1,080)	(1,304)	(11)
Pension plan assets at the end of the fiscal year	¥52,372	¥54,880	$494

iii. Reconciliation of retirement benefit obligation and pension plan assets with reserve for employees' retirement benefits presented on the non-consolidated balance sheet

	As of March 31,		
	2018	2019	2019
	Millions of yen		Millions of U.S. dollars
a. Funded plan retirement benefit obligation	¥74,783	¥75,659	$681
b. Pension plan assets	(52,372)	(54,880)	(494)
c. (a + b)	22,410	20,778	187
d. Unfunded plan retirement benefit obligation	11,417	11,401	102
e. Unrecognized actuarial differences	(8,657)	(7,833)	(70)
f. Unrecognized prior service cost	247	171	1
g. Reserve for employees' retirement benefits (c + d + e + f)	¥25,417	¥24,517	$220

iv. Breakdown of retirement benefit gains and losses

	As of March 31,		
	2018	2019	2019
	Millions of yen		Millions of U.S. dollars
Service cost	¥3,493	¥3,552	$32
Interest cost	511	516	4
Expected return on pension plan assets	(732)	(972)	(8)
Amortization of actuarial differences	2,345	1,759	15
Amortization of prior service cost	(76)	(76)	(0)
Retirement benefit expenses related to defined benefit plan	¥5,541	¥4,779	$43

v. Breakdown of pension plan assets

The breakdown of asset categories as a percentage of total pension plan assets were as follows:

	As of March 31,	
	2018	2019
Domestic stocks	47.7%	44.3%
Life insurance general account	32.9%	33.3%
Domestic bonds	7.5%	9.6%
Foreign stocks	7.8%	7.7%
Foreign bonds	2.7%	3.0%
Others	1.4%	2.1%
Total	100.0%	100.0%

Within the total of pension assets as of March 31, 2019, 37.4% of this amount is accounted for by the retirement benefit trust established in relation to the retirement lump-sum payments plan for sales employees.

vi. Method for setting the expected long-term rate of return

To set the expected long-term rate of return on pension plan assets, the Company takes into account the present and future allocation of pension plan assets, and the present and expected future long-term rate of return on a variety of assets that makes up the pension assets.

vii. Underlying actuarial assumptions
Main underlying actuarial assumptions were as follows:

	As of March 31,	
	2018	2019
Discount rate	0.6%	0.6%
Expected long-term rate of return on pension plan assets		
Defined benefit corporate pension plan	2.5%	3.0%
Retirement benefit trust	0.0%	0.0%

(3) Defined Contribution Plan
The required contribution amounts by the Company to the defined contribution plan were ¥213 million and ¥215 million (US$1 million) as of March 31, 2018 and 2019, respectively.

III. Notes to the Non-consolidated Statements of Operations

1. The total amounts of revenues and expenses in connection with subsidiaries were ¥780 million and ¥8,586 million for the year ended March 31, 2018, and ¥871 million (US$7 million) and ¥8,823 million (US$79 million) for the year ended March 31, 2019, respectively.

2. Major items of gains on sales of securities were as follows:

	Year ended March 31,		
	2018	2019	2019
	Millions of yen		Millions of U.S. dollars
Domestic bonds	¥4,903	¥ 1,424	$ 12
Domestic stocks and others	1,798	24,393	219
Foreign securities	¥8,578	¥ 1,911	$ 17

3. Major items of losses on sales of securities were as follows:

	Year ended March 31,		
	2018	2019	2019
	Millions of yen		Millions of U.S. dollars
Domestic bonds	¥ 391	¥1,582	$14
Domestic stocks and others	1,095	2,563	23
Foreign securities	¥3,421	¥7,464	$67

4. Major items of losses on valuation of securities were as follows:

	Year ended March 31,		
	2018	2019	2019
	Millions of yen		Millions of U.S. dollars
Domestic stocks and others	¥0	¥39	$0

5. For the year ended March 31, 2018, in calculating the reversal of reserve for outstanding claims, a provision of reserves for outstanding claims reinsured of ¥7 million was added. In calculating the provision of policy reserves, a provision of reserves for policy reserves reinsured of ¥0 million was deducted.

For the year ended March 31, 2019, in calculating the provision of reserve for outstanding claims, a reversal of reserves for outstanding claims reinsured of ¥8 million (US$75 thousand) was added. In calculating the provision of policy reserves, a reversal of reserves for policy reserves reinsured of ¥1 million (US$11 thousand) was added.

6. Major items of (losses) gains on trading securities were as follows:

	Year ended March 31,		
	2018	2019	2019
	Millions of yen		Millions of U.S. dollars
Interest, dividends and other income	¥ 5,647	¥ 4,225	$ 38
Gains on redemption of trading securities	—	3,400	30
Losses on valuation of trading securities	¥(7,938)	¥(4,530)	$(40)

7. Gains on money held in trust for the year ended March 31, 2018 included valuation gains of ¥0 million.

Losses on money held in trust for the year ended March 31, 2019 included valuation gains of ¥0 million (US$0 thousand).

8. Losses on derivative instruments for the year ended March 31, 2018 included valuation losses of ¥454 million.

Losses on derivative instruments for the year ended March 31, 2019 included valuation gains of ¥124 million (US$1 million).

Report of Independent Auditors

May 21, 2019

The Board of Directors of
Fukoku Mutual Life Insurance Company

Kisaragi Audit Corporation

Designated Engagement Partner
Certified Public Accountant
Yuichi Yasuda
Yuichi Yasuda

Designated Engagement Partner
Certified Public Accountant
Osamu Sano
Osamu Sano

We have audited the accompanying non-consolidated balance sheet of Fukoku Mutual Life Insurance Company (the "Company") as of March 31, 2019 and the related non-consolidated statement of operations, and changes in net assets, and the non-consolidated proposed appropriation of surplus for the year then ended, and notes, all expressed in Japanese yen.

Management's Responsibility for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in conformity with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation and fair presentation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion independently on these non-consolidated financial statements based on our audits. We conducted our audits in conformity with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the non-consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the non-consolidated financial statements referred to above present fairly, in all material respects, the non-consolidated financial position of Fukoku Mutual Life Insurance Company as of March 31, 2019 and the non-consolidated result of its operations for the year then ended in conformity with the applicable Japanese laws and regulations and accounting principles for non-consolidated financial statements generally accepted in Japan.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

Convenience Translation

The amounts expressed in U.S. dollars, which are provided solely for the convenience of the reader, have been translated on the basis set forth in Note I.1 to the accompanying non-consolidated financial statements with respect to the year ended March 31, 2019.

Consolidated Financial Statements

Consolidated Balance Sheets

Fukoku Mutual Life Insurance Company and consolidated subsidiaries
As of March 31, 2018 and 2019

	As of March 31,		
	2018	2019	2019
	Millions of yen		Millions of U.S. dollars
Assets:			
Cash and deposits	¥ 157,703	¥ 153,017	$ 1,378
Call loans	176,000	176,000	1,585
Monetary claims bought	443	299	2
Money held in trust	31,502	23,850	214
Securities	7,203,196	7,287,916	65,662
Loans	597,285	564,778	5,088
Tangible fixed assets:			
Land	125,278	125,180	1,127
Buildings	86,548	84,624	762
Lease assets	1,565	1,241	11
Construction in progress	2,052	2,933	26
Other tangible fixed assets	3,450	3,413	30
	218,895	217,393	1,958
Intangible fixed assets:			
Software	24,643	23,169	208
Goodwill	37	—	—
Lease assets	11,226	9,532	85
Other intangible fixed assets	2,148	1,553	13
	38,056	34,254	308
Agency receivables	0	1	0
Reinsurance receivables	221	173	1
Other assets	67,341	58,813	529
Net defined benefit asset	107	177	1
Deferred tax assets	166	185	1
Allowance for possible loan losses	(2,049)	(2,096)	(18)
Total assets	¥8,488,872	¥8,514,764	$76,716

	As of March 31,		
	2018	2019	2019
	Millions of yen		Millions of U.S. dollars
Liabilities:			
Policy reserves:			
Reserve for outstanding claims	¥ 22,166	¥ 24,584	$ 221
Policy reserve	7,391,773	7,393,634	66,615
Reserve for dividends to policyholders	53,395	58,176	524
Reserve for dividends to policyholders (subsidiary)	539	465	4
	7,467,875	7,476,860	67,365
Agency payables	70	117	1
Reinsurance payables	75	88	0
Subordinated bonds	191,935	191,935	1,729
Other liabilities	59,509	62,838	566
Net defined benefit liabilities	34,019	32,470	292
Reserve for price fluctuation	105,521	121,357	1,093
Deferred tax liabilities	8,875	1,743	15
Deferred tax liabilities for land revaluation	14,241	14,225	128
Total liabilities	7,882,122	7,901,637	71,192
Net assets:			
Foundation funds	10,000	10,000	90
Accumulated foundation funds redeemed	106,000	106,000	955
Reserve for revaluation	112	112	1
Consolidated surplus	139,621	137,669	1,240
Total foundation funds, surplus and others	255,733	253,781	2,286
Net unrealized gains (losses) on available-for-sale securities, net of tax	344,585	352,453	3,175
Revaluation reserve for land, net of tax	4,173	4,132	37
Foreign currency translation adjustment	(377)	(496)	(4)
Accumulated remeasurements of defined benefit plans	(6,055)	(5,517)	(49)
Total accumulated other comprehensive income	342,326	350,571	3,158
Non-controlling interests	8,690	8,774	79
Total net assets	606,750	613,127	5,524
Total liabilities and net assets	¥8,488,872	¥8,514,764	$76,716

Consolidated Statements of Operations

Fukoku Mutual Life Insurance Company and consolidated subsidiaries
For the years ended March 31, 2018 and 2019

	Year ended March 31,		
	2018	2019	2019
	Millions of yen		Millions of U.S. dollars
Ordinary revenues:			
Premium and other income	¥597,178	¥577,450	$5,202
Investment income:			
Interest, dividends and other income	173,481	174,763	1,574
Gains on money held in trust, net	1,769	—	—
Gains on trading securities, net	—	3,276	29
Gains on sales of securities	16,780	29,281	263
Other investment income	811	315	2
Gains on separate accounts, net	6,553	962	8
	199,395	208,598	1,879
Other ordinary revenues	9,890	10,685	96
Total ordinary revenues	806,464	796,734	7,178
Ordinary expenses:			
Claims and other payments:			
Claims	132,639	110,872	998
Annuities	167,565	200,064	1,802
Benefits	119,468	125,198	1,128
Surrenders	113,367	101,023	910
Other payments	28,840	27,231	245
	561,881	564,389	5,085
Provision of policy reserve and others:			
Provision of reserve for outstanding claims	—	2,418	21
Provision of policy reserve	26,588	1,860	16
Provision of interest portion of reserve for dividends to policyholders	12	12	0
Provision of interest portion of reserve for dividends to policyholders (subsidiary)	0	0	0
	26,600	4,291	38
Investment expenses:			
Interest expenses	4,232	3,892	35
Losses on money held in trust, net	—	371	3
Losses on trading securities, net	1,498	—	—
Losses on sales of securities	4,977	11,610	104
Losses on valuation of securities	0	39	0
Losses on derivative instruments, net	225	5,875	52
Foreign exchange losses, net	16,012	13,397	120
Provision of allowance for possible loan losses	280	88	0
Depreciation of real estate for rent and other assets	4,271	4,165	37
Other investment expenses	6,781	7,829	70
	38,278	47,271	425
Operating expenses	98,725	99,232	894
Other ordinary expenses	22,623	26,362	237
Total ordinary expenses	748,109	741,547	6,681
Ordinary profits	¥ 58,354	¥ 55,187	$ 497

	Year ended March 31, 2018	2019	2019
	Millions of yen		Millions of U.S. dollars
Extraordinary gains:			
Gains on disposal of fixed assets	¥ 288	¥ 3	$ 0
Others	—	60	0
Total extraordinary gains	288	63	0
Extraordinary losses:			
Losses on disposal of fixed assets	552	213	1
Impairment losses	141	228	2
Provision of reserve for price fluctuation	13,693	15,836	142
Losses on advanced depreciation of real estate for tax purpose	3	—	—
Total extraordinary losses	14,390	16,278	146
Provision of reserve for dividends to policyholders (subsidiary)	336	337	3
Surplus before income taxes	43,916	38,635	348
Income taxes:			
Current	12,377	12,345	111
Deferred	(9,722)	(10,450)	(94)
Total income taxes	2,655	1,895	17
Net surplus	41,261	36,739	331
Net surplus attributable to non-controlling interests	100	1	0
Net surplus attributable to the parent company	¥41,161	¥36,738	$331

Consolidated Statements of Comprehensive Income

Fukoku Mutual Life Insurance Company and consolidated subsidiaries
For the years ended March 31, 2018 and 2019

	Year ended March 31, 2018	2019	2019
	Millions of yen		Millions of U.S. dollars
Net surplus	¥41,261	¥36,739	$331
Other comprehensive income:			
Net unrealized gains (losses) on available-for-sale securities, net of tax	2,115	7,957	71
Foreign currency translation adjustments	56	(119)	(1)
Remeasurements of defined benefit plan, net of tax	3,184	538	4
	5,356	8,376	75
Comprehensive income:			
Comprehensive income attributable to the parent company	46,518	45,024	405
Comprehensive income attributable to non-controlling interests	100	92	0
	¥46,618	¥45,116	$406

Consolidated Statements of Cash Flows

Fukoku Mutual Life Insurance Company and consolidated subsidiaries
For the years ended March 31, 2018 and 2019

	Year ended March 31,		
	2018	2019	2019
	Millions of yen		Millions of U.S. dollars
Cash flows from operating activities:			
Surplus before income taxes	¥ 43,916	¥ 38,635	$ 348
Depreciation of real estate for rent and other assets	4,271	4,165	37
Depreciation	8,830	12,147	109
Impairment losses	141	228	2
Amortization of goodwill	763	37	0
Increase (decrease) in reserve for outstanding claims	(56)	2,418	21
Increase (decrease) in policy reserve	26,588	1,860	16
Provision of interest portion of reserve for dividends to policyholders	12	12	0
Provision of interest portion of reserve for dividends to policyholders (subsidiary)	0	0	0
Provision of reserve for dividends to policyholders (subsidiary)	336	337	3
Increase (decrease) in allowance for possible loan losses	273	46	0
Increase (decrease) in net defined benefit liabilities	(390)	(870)	(7)
Increase (decrease) in reserve for price fluctuation	13,693	15,836	142
Interest, dividends and other income	(173,481)	(174,763)	(1,574)
Losses (gains) on securities, net	(18,402)	(15,622)	(140)
Interest expenses	4,232	3,892	35
Foreign exchange losses (gains), net	16,012	13,397	120
Losses (gains) on tangible fixed assets, net	(63)	145	1
Decrease (increase) in agency receivable	3	(1)	(0)
Decrease (increase) in reinsurance receivable	(20)	47	0
Decrease (increase) in other assets except from investing and financing activities	(1,875)	(878)	(7)
Increase (decrease) in agency payable	(28)	47	0
Increase (decrease) in reinsurance payable	(4)	13	0
Increase (decrease) in other liabilities except from investing and financing activities	1,642	915	8
Others	17,202	18,544	167
Subtotal	(56,403)	(79,406)	(715)
Interest, dividends and other income received	180,718	178,314	1,606
Interest expenses paid	(4,491)	(3,866)	(34)
Dividends to policyholders paid	(32,138)	(33,862)	(305)
Dividends to policyholders paid (subsidiary)	(395)	(412)	(3)
Corporate income tax (paid) refunded	(14,492)	(10,790)	(97)
Net cash provided by (used in) operating activities (a)	72,798	49,976	450
Cash flows from investing activities:			
Net decrease (increase) in deposits	225	138	1
Proceeds from sales and redemption of monetary claims bought	271	144	1
Increase in money held in trust	(8,800)	(2,000)	(18)
Decrease in money held in trust	8,800	9,263	83
Payments for purchase of securities	(916,556)	(644,228)	(5,804)
Proceeds from sales and redemption of securities	821,149	607,481	5,473
Payments for additions to loans	(83,642)	(89,212)	(803)
Proceeds from collections of loans	108,673	113,336	1,021
Proceeds from and payments for settlements of derivatives, net	22,930	(28,014)	(252)
Others	(5,897)	(6,735)	(60)
Subtotal (b)	(52,845)	(39,825)	(358)
(a + b)	¥ 19,952	¥ 10,151	$ 91

	Year ended March 31,		
	2018	2019	2019
	Millions of yen		Millions of U.S. dollars
Payments for purchase of tangible fixed assets	¥ (7,376)	¥ (6,398)	$ (57)
Proceeds from sales of tangible fixed assets	551	95	0
Payments for purchase of intangible fixed assets	(6,479)	(5,119)	(46)
Net cash provided by (used in) investing activities	(66,150)	(51,247)	(461)
Cash flows from financing activities:			
Proceeds from issuance of subordinated bonds	30,000	—	—
Redemption of subordinated bonds	(30,000)	—	—
Payment of interest on foundation funds	(100)	(100)	(0)
Dividends paid to non-controlling interests	(13)	(7)	(0)
Payments for lease obligations	(1,526)	(2,915)	(26)
Net cash provided by (used in) financing activities	(1,641)	(3,023)	(27)
Effect of exchange rate changes on cash and cash equivalents	(643)	(180)	(1)
Net increase (decrease) in cash and cash equivalents	4,363	(4,475)	(40)
Cash and cash equivalents at the beginning of the fiscal year	328,236	332,599	2,996
Cash and cash equivalents at the end of the fiscal year	¥332,599	¥328,124	$2,956

Consolidated Statements of Changes in Net Assets

Fukoku Mutual Life Insurance Company and consolidated subsidiaries
For the years ended March 31, 2018 and 2019

	Millions of yen				
	Foundation funds, surplus and others				
For the year ended March 31, 2018	Foundation funds	Accumulated foundation funds redeemed	Reserve for revaluation	Consolidated surplus	Total foundation funds, surplus and others
Balance at the beginning of the fiscal year	¥10,000	¥106,000	¥112	¥133,217	¥249,329
Changes in the fiscal year					
Additions to reserve for dividends to policyholders				(34,592)	(34,592)
Payment of interest on foundation funds				(100)	(100)
Net surplus attributable to the parent company for the fiscal year				41,161	41,161
Reversal of revaluation reserve for land, net of tax				(65)	(65)
Net changes, excluding foundation funds, surplus and others					
Total changes in the fiscal year	—	—	—	6,403	6,403
Balance at the end of the fiscal year	¥10,000	¥106,000	¥112	¥139,621	¥255,733

	Millions of yen						
	Accumulated other comprehensive income						
For the year ended March 31, 2018	Net unrealized gains (losses) on available-for-sale securities, net of tax	Revaluation reserve for land, net of tax	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at the beginning of the fiscal year	¥342,470	¥4,107	¥(433)	¥(9,240)	¥336,904	¥8,603	¥594,837
Changes in the fiscal year							
Additions to reserve for dividends to policyholders							(34,592)
Payment of interest on foundation funds							(100)
Net surplus attributable to the parent company for the fiscal year							41,161
Reversal of revaluation reserve for land, net of tax							(65)
Net changes, excluding foundation funds, surplus and others	2,115	65	56	3,184	5,422	86	5,508
Total changes in the fiscal year	2,115	65	56	3,184	5,422	86	11,912
Balance at the end of the fiscal year	¥344,585	¥4,173	¥(377)	¥(6,055)	¥342,326	¥8,690	¥606,750

For the year ended March 31, 2019	Foundation funds	Accumulated foundation funds redeemed	Reserve for revaluation	Consolidated surplus	Total foundation funds, surplus and others
	Millions of yen				
	Foundation funds, surplus and others				
Balance at the beginning of the fiscal year	¥10,000	¥106,000	¥112	¥139,621	¥255,733
Changes in the fiscal year					
Additions to reserve for dividends to policyholders				(38,630)	(38,630)
Payment of interest on foundation funds				(100)	(100)
Net surplus attributable to the parent company for the fiscal year				36,738	36,738
Reversal of revaluation reserve for land, net of tax				41	41
Net changes, excluding foundation funds, surplus and others					
Total changes in the fiscal year	—	—	—	(1,951)	(1,951)
Balance at the end of the fiscal year	¥10,000	¥106,000	¥112	¥137,669	¥253,781

For the year ended March 31, 2019	Net unrealized gains (losses) on available-for-sale securities, net of tax	Revaluation reserve for land, net of tax	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
	Millions of yen						
	Accumulated other comprehensive income						
Balance at the beginning of the fiscal year	¥344,585	¥4,173	¥(377)	¥(6,055)	¥342,326	¥8,690	¥606,750
Changes in the fiscal year							
Additions to reserve for dividends to policyholders							(38,630)
Payment of interest on foundation funds							(100)
Net surplus attributable to the parent company for the fiscal year							36,738
Reversal of revaluation reserve for land, net of tax							41
Net changes, excluding foundation funds, surplus and others	7,867	(41)	(119)	538	8,244	84	8,329
Total changes in the fiscal year	7,867	(41)	(119)	538	8,244	84	6,377
Balance at the end of the fiscal year	¥352,453	¥4,132	¥(496)	¥(5,517)	¥350,571	¥8,774	¥613,127

For the year ended March 31, 2019	Millions of U.S. dollars				
	Foundation funds, surplus and others				
	Foundation funds	Accumulated foundation funds redeemed	Reserve for revaluation	Consolidated surplus	Total foundation funds, surplus and others
Balance at the beginning of the fiscal year	$90	$955	$1	$1,257	$2,304
Changes in the fiscal year					
Additions to reserve for dividends to policyholders				(348)	(348)
Payment of interest on foundation funds				(0)	(0)
Net surplus attributable to the parent company for the fiscal year				331	331
Reversal of revaluation reserve for land, net of tax				0	0
Net changes, excluding foundation funds, surplus and others					
Total changes in the fiscal year	—	—	—	(17)	(17)
Balance at the end of the fiscal year	$90	$955	$1	$1,240	$2,286

For the year ended March 31, 2019	Millions of U.S. dollars						
	Accumulated other comprehensive income						
	Net unrealized gains (losses) on available-for-sale securities, net of tax	Revaluation reserve for land, net of tax	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at the beginning of the fiscal year	$3,104	$37	$(3)	$(54)	$3,084	$78	$5,466
Changes in the fiscal year							
Additions to reserve for dividends to policyholders							(348)
Payment of interest on foundation funds							(0)
Net surplus attributable to the parent company for the fiscal year							331
Reversal of revaluation reserve for land, net of tax							0
Net changes, excluding foundation funds, surplus and others	70	(0)	(1)	4	74	0	75
Total changes in the fiscal year	70	(0)	(1)	4	74	0	57
Balance at the end of the fiscal year	$3,175	$37	$(4)	$(49)	$3,158	$79	$5,524

I. Presentation of the Consolidated Financial Statements

1. Basis of Presentation

The accompanying consolidated financial statements have been prepared from the accounts maintained by Fukoku Mutual Life Insurance Company (the "Company") and its consolidated subsidiaries in accordance with the provisions set forth in the Insurance Business Act of Japan and its related rules and regulations and in conformity with accounting principles generally accepted in Japan, which are different in certain respects from accounting principles generally accepted in countries and jurisdictions other than Japan.

In addition, the notes to the consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

Amounts of less than one million yen have been rounded down. As a result, the totals do not add up.

The translations of yen amounts into U.S. dollar amounts are included solely for the convenience of the reader and have been made, as a matter of arithmetical computation only, at the rate of ¥110.99 = US$1.00, the effective rate of exchange at the balance sheet date of March 31, 2019. The translations should not be construed as representations that such yen amounts have been or could in the future be, converted into U.S. dollars at that or any other rates.

2. Principles of Consolidation

(1) Scope of Consolidation

Consolidated subsidiaries as of March 31, 2018 and 2019 are listed below:

Fukoku Capital Management, Inc.
Fukokushinrai Life Insurance Co., Ltd.
Fukoku Information Systems Co., Ltd.
Fukoku Life International (U.K.) Ltd.
Fukoku Life International (America) Inc.
Fukoku Life Investments Singapore Pte. Ltd.

Major unconsolidated subsidiary is Fukoku Business Service Company Limited.

Four subsidiaries are excluded from the scope of consolidation, as each one of them is small in its total assets, amount of sales, net surplus for the period and surplus and are sufficiently insignificant to reasonable judgement on their impact on the financial position and results of operation of the Company's group.

(2) Application of Equity Method

Unconsolidated subsidiaries (such as Fukoku Business Service Company Limited, etc.) are insignificant in their impact on net surplus attributable to the parent company and consolidated surplus, and also immaterial as a whole, therefore, application of equity method is not applied.

There are no affiliates for the year ended March 31, 2018 and 2019.

(3) Fiscal Year of Consolidated Subsidiaries

Among the subsidiaries to be consolidated, fiscal year-end of overseas subsidiaries is December 31. For the preparation of consolidated financial statements, financial statements as of that date are used and concerning any important transaction taking place in between December 31 and the consolidated closing date, necessary adjustments for consolidation are made.

(4) Amortization of Goodwill

Goodwill is amortized by the straight-line method over a period of 10 years and in case of the immaterial amount of goodwill, such amount is fully charged to operating expenses when incurred.

II. Notes to the Consolidated Balance Sheets

1. (1) The valuation of securities, including bank deposits and monetary claims bought which are equivalent to securities, and securities managed as trust assets in money held in trust, is as follows:
   - i. Trading securities are stated at fair market value. Costs of their sales are determined by the moving average method.
   - ii. Held-to-maturity debt securities are stated at amortized cost under the straight-line method, cost being determined by the moving average method.
   - iii. Policy-reserve-matching bonds are stated at amortized cost under the straight-line method, cost being determined by the moving average method in accordance with "Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry" (Industry Audit Committee Report No.21 issued by the Japanese Institute of Certified Public Accountants on November 16, 2000).
   - iv. Investments in unconsolidated subsidiaries and affiliates which are not accounted for under the equity method are stated at cost, cost being determined by the moving average method.
   - v. Available-for-sale securities with fair market value are stated at fair market value based on the market prices at the end of the fiscal year. Costs of their sales are determined by the moving average method. Net unrealized gains or losses on these available-for-sale securities, net of taxes, are recorded as a separate component of net assets.
   - vi. Available-for-sale securities whose market value are deemed extremely difficult to obtain are stated at cost, cost being determined by the moving average method, except for public and corporate bonds including foreign bonds, of which the difference between acquisition cost and face value is considered to be an adjustment of interest. Such bonds are stated at amortized cost under the straight-line method, cost being determined by the moving average method.

(2) Derivative instruments are stated at fair market value.

(3) The Company revalued the land used in the operations based on the Act for Revaluation of Land (Act No.34 promulgated on March 31, 1998). The difference between fair value and book value resulting from the revaluation, net of related taxes, is recorded as revaluation reserve for land as a separate component of net assets and the related tax is recorded as deferred tax liabilities for land revaluation.
- Date of revaluation: March 31, 2002
- Method of revaluation as prescribed for in Article 3 Paragraph 3 of the said Act:
  Calculation is based on the appraisal value for property tax set forth in Article 2 item 3 of the Enforcement Ordinance of the Act for Revaluation of Land (Government Ordinance No.119 promulgated on March 31, 1998) and the road rate set forth in Article 2 item 4 of the said Ordinance with certain reasonable adjustments.

(4) Depreciation of the Company's tangible fixed assets is calculated by the following methods.
- Tangible fixed assets (excluding lease assets): Declining-balance method
  However, buildings (excluding building attachments and structures acquired on or before March 31, 2016) acquired on or after April 1, 1998 are depreciated using Straight-line method.
- Lease assets related to finance lease transactions that do not transfer ownership: Straight-line method over the lease term with no residual value.

Other tangible fixed assets acquired for ¥100,000 or more but less than ¥200,000 are depreciated equally over three years.

(5) Assets and liabilities denominated in foreign currencies, except for investments in unconsolidated subsidiaries and affiliates, are translated into Japanese yen at the effective exchange rate prevailing at the balance sheet date. Investments in unconsolidated subsidiaries and affiliates are translated into Japanese yen at the exchange rate on the date of acquisition.

(6) Allowance for possible loan losses for the Company is provided in accordance with the standards of self-assessment and write-offs and reserves on credit quality:
- i. For the credits of borrowers who are legally bankrupt such as being in the proceedings of bankruptcy or civil rehabilitation (hereinafter called "legally bankrupt borrowers") and who are substantially bankrupt (hereinafter called "substantially bankrupt borrowers"), the Company provides the remaining amount of credits after the direct write-off described below and the deductions of the amount expected to be collected through the disposal of collateral or the execution of guarantees.
- ii. For the credits of borrowers who are not currently bankrupt but have a high possibility of bankruptcy (hereinafter called "not currently bankrupt borrowers"), the Company provides the amounts deemed as necessary considering the borrowers' ability to pay, within the amounts after deductions of the amount expected to be collected through the disposal of collateral or the execution of guarantees.
- iii. For the credits of borrowers other than the above, the Company provides the amounts calculated by multiplying the borrowers' balance by the actual ratio of bad debt losses on defaults during a certain past period.

All credits are assessed by the relevant departments in accordance with the Company's standards of self-assessment on credit quality. The results of the assessment are reviewed by the audit department, which is independent of business-related divisions. Subsequently, the allowance for possible loan losses is provided based on the results of these assessments.

For the credits of legally bankrupt borrowers and substantially bankrupt borrowers, the amounts remaining after deductions of collateral value or the amounts collectible through the execution of guarantees are written-off directly from the borrowers' balances as the estimated uncollectible amounts. The amount written-off as of March 31, 2018 and 2019 were ¥1 million and ¥1 million (US$9 thousand), respectively.

(7) Net defined benefit liability, which is provided for employees' retirement benefits, is calculated by deducting the amount of pension assets from the amount of retirement benefit obligations incurred as of the balance sheet date based on the projected retirement benefits as of the current fiscal year end.

The Company uses the following methods of accounting in relation to retirement benefits:

- Method for allocation of projected retirement benefits .....Benefit formula basis
- Amortization period of actuarial gains and losses ...10 years
- Amortization period of prior service cost.................10 years

(8) Reserve for price fluctuation is calculated in accordance with Article 115 of the Insurance Business Act.

(9) As for the finance lease transactions where the Company is a lessor, the lease fee is recorded in "Interest, dividends and other income" at the time of receiving lease fee. The corresponding cost of the lease transactions is recorded in "Other investment expenses", which is calculated by deducting an amount equivalent to the interest allocated over the lease term from the lease fee received.

(10) Hedge accounting is based on "Accounting Standards for Financial Instruments" (ASBJ Statement No. 10, March 10, 2008). The Company applies a fair value hedge accounting as a hedge against the risk of foreign exchange fluctuation in relation to bonds denominated in foreign currencies and against the risk of price fluctuation in relation to domestic stocks, and a designated hedge accounting ("Furiate shori") for foreign currency swaps as a hedge against the risk of foreign exchange fluctuation in relation to bonds denominated in foreign currencies issued by the Company.

For assessing the effectiveness of hedge used, ratio analysis of comparing the fluctuations in the fair value or cash flows of hedged items and hedging instruments is mainly applied.

(11) The Company accounts for consumption taxes by the tax-exclusion method. The consumption taxes on certain assets, which are not deductible from consumption taxes withheld and that are stipulated to be deferred under the Tax Act, are deferred as prepaid expenses and amortized equally over five years. Consumption taxes other than deferred consumption taxes are recognized as an expense when incurred.

(12) Policy reserve is based on Article 116 of the Insurance Business Act, and the premium reserve is calculated by the following method:

i. In regard to the policies subject to the standard policy reserve, the method as prescribed by the Commissioner of Financial Services Agency (Ministry of Finance Ordinance No. 48, 1996) is applied.

ii. In regard to the policies not subject to the standard policy reserve, the net level premium method is applied.

Based on the provision of Article 69, paragraph 5, of the Enforcement Regulation of the Insurance Business Act, the Company includes additional funded policy reserves as follows.

Among individual annuity insurance policies with an assumed interest rate of 5.00% or higher, policies that have an annuity commencement date on or prior to March 31, 2018 (excluding wife's annuity insurance additional rider), the Company reduced the assumed interest rate to 1.00% and funded additional policy reserves. As of March 31, 2018, the balance of these policy reserves was ¥73,222 million.

The Company also funded additional policy reserves for certain individual annuity insurance policies, whole life insurance policies that include distribution of surplus every five years and highly advanced medical riders. As of March 31, 2018, the balance of these policy reserves was ¥5,628 million.

Of the above, the amount funded as of March 31, 2018 was ¥13,574 million. As a result, compared to the amount without this additional funding, provision of policy reserve increased ¥13,574 million, while ordinary profit and surplus before income taxes decreased ¥13,574 million.

Among individual annuity insurance policies with an assumed interest rate of 5.00% or higher, for policies that have begun paying annuities (excluding wife's annuity insurance additional rider), the Company reduced the assumed interest rate to 1.00% and funded additional policy reserves. As of March 31, 2019, the balance of these policy reserves was ¥73,836 million (US$665 million).

The Company also funded additional policy reserves for certain individual annuity insurance policies, whole life insurance policies that include distribution of surplus every five years, new cancer riders and highly advanced medical riders. As of March 31, 2019, the balance of these policy reserves was ¥13,391 million (US$120 million).

(13) Intangible fixed assets are amortized as follows:
  i. Software for internal use is amortized based on the straight-line method over the estimated useful lives.
  ii. Lease assets are amortized based on the straight-line method over the lease term.

(14) Of the bonds corresponding to the sub-groups of individual insurance and annuities which are set by insurance types and investment policies, the bonds that are held to match the duration of liabilities are classified as policy-reserve-matching bonds by the Company in accordance with "Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in Insurance Industry" (Industry Audit Committee Report No. 21 issued by the Japanese Institute of Certified Public Accountants on November 16, 2000).

2. Asset management of the general accounts other than the separate accounts stipulated in Article 118 Paragraph 1 of the Insurance Business Act is conducted on the principle of prudent and profitable investments by the Company, considering public and social responsibilities of the insurance business. Based on this policy, the Company allocates the fund, securing its liquidity, from the medium-to-long term viewpoints. The Company is diversifying investments in assets such as foreign securities, stocks and real estates within the acceptable range of risk in order to enhance the profitability, although yen-denominated interest bearing assets including debt securities such as Japanese government bonds and loans are the cores of the portfolios under the asset liability management. Derivatives are mainly used to hedge the market risk regarding spot-priced assets and liabilities. Major financial instruments including securities, loans and derivatives are exposed to market risk and credit risk.

The Company manages its asset management risk by establishing internal control systems including various rules pursuant to the "Three Basic Rules related to Enterprise Risk Management" established by the Board of Directors. Specifically, the Company eliminates excessive risk deviating from the basic principle and secures the safety of the assets by utilizing control functions of the Financial and Investment Risk Management Department towards the asset management sections, monitoring the status of market risk and credit risk periodically on a daily or monthly basis. In addition, the Company quantifies the market risk and credit risk using value-at-risk (VaR) method in order to control the possible maximum losses which may arise from the holding assets within a certain range of risk buffers.

The carrying amounts, fair values and their related differences of major financial assets and liabilities in the general account were as follows:

(1) Cash, deposits (excluding financial instruments treated as securities based on "Accounting Standards for Financial Instruments" (ASBJ Statement No.10, March 10, 2008)) and call loans:

The fair values of cash, deposits and call loans are based on their book values since fair values approximate book values due to their short maturities.

(2) Securities including deposits and monetary claims bought which are treated as securities based on "Accounting Standards for Financial Instruments" (ASBJ Statement No.10, March 10, 2008) and securities managed as trust assets in money held in trust:

The fair values of marketable securities are measured at the quoted market prices at the balance sheet date. The fair values of other securities without the quoted market prices are based on the prices reasonably calculated such as the prices offered by the information vendors or counterparty financial institutions.

Investments in unconsolidated subsidiaries and affiliates, unlisted stocks and investments in partnerships whereby partnership assets consist of unlisted stocks whose fair values are deemed extremely difficult to obtain, are excluded from above securities. The carrying amounts of investments in unconsolidated subsidiaries and affiliates, unlisted stocks and investments in partnerships were ¥454 million, ¥5,697 million, and ¥23,609 million as of March 31, 2018 and ¥404 million (US$3 million), ¥5,696 million (US$51 million), and ¥27,318 million (US$246 million) as of March 31, 2019, respectively.

(3) Loans and monetary claims bought treated as loans:
The fair values of policy loans are deemed to approximate book values, considering estimated repayment period and interest rate conditions since their repayment deadlines have not been set up due to the characteristics that the loans are limited to the amount of cash surrender values. Therefore, the book values are used as the fair values of policy loans.

The fair values of floating interest rate loans among the ordinary loans and monetary claims bought treated as loans approximate the book values because the market interest rates are reflected in future cash flows in a short period. Therefore, the fair values of floating interest rate loans and monetary claims bought treated as loans are based on their book values. The fair values of fixed interest rate loans are measured by discounting the future cash flows to the present values.

The fair values of loans from legally bankrupt borrowers, substantially bankrupt borrowers and not currently bankrupt borrowers and monetary claims bought treated as loans are computed by deducting the amount of the allowance for possible loan losses from the book values before direct write-offs.

	As of March 31, 2018		
	Millions of yen		
	Carrying amount	Fair value	Difference
Cash and deposits:			
Cash and deposits not treated as securities	¥ 155,905	¥ 155,905	¥ —
Total cash and deposits	155,905	155,905	—
Call loans	176,000	176,000	—
Monetary claims bought:			
Claims treated as loans	443	474	30
Total monetary claims bought	443	474	30
Money held in trust:			
Trading securities	30,502	30,502	—
Total money held in trust	30,502	30,502	—
Securities:			
Trading securities	149,265	149,265	—
Held-to-maturity debt securities	1,237,461	1,475,318	237,857
Policy-reserve-matching bonds	2,011,805	2,254,443	242,638
Available-for-sale securities	3,696,942	3,696,942	—
Total securities	7,095,474	7,575,970	480,495
Loans:			
Policy loans	60,732	60,732	(0)
Ordinary loans	536,553	558,957	22,404
Total loans	597,285	619,690	22,404
Assets total	8,055,612	8,558,543	502,930
Subordinated bonds[1]	191,935	200,774	8,839
Liabilities total	191,935	200,774	8,839
Derivative instruments[2] :			
Hedge accounting not applied	(534)	(534)	—
Hedge accounting applied	9,672	9,672	—
Total derivative instruments	¥ 9,138	¥ 9,138	¥ —

	As of March 31, 2019			2019		
	Millions of yen			Millions of U.S. dollars		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Cash and deposits:						
Cash and deposits not treated as securities	¥ 151,527	¥ 151,527	¥ —	$ 1,365	$ 1,365	$ —
Total cash and deposits	151,527	151,527	—	1,365	1,365	—
Call loans	176,000	176,000	—	1,585	1,585	—
Monetary claims bought:						
Claims treated as loans	299	319	20	2	2	0
Total monetary claims bought	299	319	20	2	2	0
Money held in trust:						
Trading securities	22,850	22,850	—	205	205	—
Total money held in trust	22,850	22,850	—	205	205	—
Securities:						
Trading securities	97,110	97,110	—	874	874	—
Held-to-maturity debt securities	1,256,418	1,505,773	249,355	11,320	13,566	2,246
Policy-reserve-matching bonds	1,923,187	2,174,682	251,494	17,327	19,593	2,265
Available-for-sale securities	3,909,427	3,909,427	—	35,223	35,223	—
Total securities	7,186,144	7,686,993	500,849	64,745	69,258	4,512
Loans:						
Policy loans	59,972	59,971	(0)	540	540	(0)
Ordinary loans	504,806	530,223	25,417	4,548	4,777	229
Total loans	564,778	590,195	25,416	5,088	5,317	229
Assets total	8,101,599	8,627,886	526,286	72,993	77,735	4,741
Subordinated bonds[1]	191,935	198,912	6,977	1,729	1,792	62
Liabilities total	191,935	198,912	6,977	1,729	1,792	62
Derivative instruments[2] :						
Hedge accounting not applied	(107)	(107)	—	(0)	(0)	—
Hedge accounting applied	(3,230)	(3,230)	—	(29)	(29)	—
Total derivative instruments	¥ (3,338)	¥ (3,338)	¥ —	$ (30)	$ (30)	$ —

Notes: 1. The fair value of derivative instruments that are currency swaps under designated hedge accounting is included in the fair value of subordinated bonds because it is accounted for as an integral part of the subordinated bonds that are the hedge items.
2. Assets and liabilities generated by derivative instruments are offset and presented net. Net liabilities in total are presented in brackets.

(4) Subordinated bonds:
Subordinated bonds issued by the Company are stated at fair market values.

(5) Derivative instruments:
i. The fair values of the futures and options traded at the exchange are measured at the settlement price of the exchange.
ii. The fair values of forward contracts, options and swaps traded over the counter are based on the quoted prices offered by counterparty financial institutions.
iii. The fair values of foreign currency forward contracts are determined based on the spot exchange rate and forward contract rate.

3. The Company holds investment and rental properties such as office buildings in Tokyo and other areas. The carrying amounts and the fair values of investment and rental properties were ¥171,415 million and ¥294,210 million as of March 31, 2018 and ¥171,231 million (US$1,542 million) and ¥312,797 million (US$2,818 million) as of March 31, 2019, respectively. The fair value is mainly based on the value calculated by the Company in accordance with real estate appraisal standards which includes some adjustments using the reference prices.

The amount corresponding to asset retirement obligations included in the carrying amount of investment and rental properties were ¥839 million and ¥695 million (US$6 million) as of March 31, 2018 and 2019, respectively.

4. The amount of securities lent under lending agreements were ¥254,467 million and ¥299,194 million (US$2,695 million) as of March 31, 2018 and 2019, respectively.

5. The total amounts of credits to bankrupt borrowers, delinquent loans, delinquent loans past 3 months or more and restructured loans, which were included in loans, were ¥1,045 million and ¥954 million (US$8 million) as of March 31, 2018 and 2019, respectively;
i. The balances of credits to bankrupt borrowers were ¥180 million and ¥172 million (US$1 million) as of March 31, 2018 and 2019, respectively.
ii. The balances of delinquent loans were ¥865 million and ¥782 million (US$7 million) as of March 31, 2018 and 2019, respectively.
iii. There were no balances of delinquent loans past 3 months or more and restructured loans as of March 31, 2018 and 2019, respectively.

The direct write-offs related to loans decreased credits to bankrupt borrowers described above by ¥1 million and ¥1 million (US$9 thousand) as of March 31, 2018 and 2019, respectively.

Credits to bankrupt borrowers represent loans, excluding the balances already written-off, which meet the conditions prescribed in Article 96 Paragraph 1 item 3 and 4 of the Enforcement Regulations of the Corporate Tax Act. Moreover, accrued interest on these loans is not recorded as income after determining that principal of or interest on these loans is unlikely to be collected due to the significant delay in repayment of principal or interest payment or for some other reasons.

Delinquent loans are credits which accrued interest is not recorded as income due to the same reasons as described above, and exclude credits to bankrupt borrowers and loans for which interest payments have been suspended and rescheduled to assist and support the borrowers in the restructuring of their business.

Delinquent loans past 3 months or more are loans for which interest payments or repayments of principal are delinquent for 3 months or more from the due date under the terms of the related loan agreements, excluding those loans classified as credits to bankrupt borrowers and delinquent loans.

Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reduction or exemption, rescheduling of due date for repayments of principal or interest payment, waiver of claim or other terms, have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their business. This category excludes loans classified as credits to bankrupt borrowers, delinquent loans and delinquent loans past 3 months or more.

6. Accumulated depreciation of tangible fixed assets were ¥164,086 million and ¥167,799 million (US$1,511 million) as of March 31, 2018 and 2019, respectively.

7. Total assets in separate accounts provided for in Article 118 of the Insurance Business Act were ¥82,347 million and ¥71,585 million (US$644 million) as of March 31, 2018 and 2019, respectively. The amounts of separate account liabilities were the same as separate account assets.

8. The total amounts of receivables from/payables to unconsolidated subsidiaries were ¥2,338 million and ¥110 million as of March 31, 2018 and ¥3,093 million (US$27 million) and ¥36 million (US$327 thousand) as of March 31, 2019, respectively.

9. Deferred tax assets and deferred tax liabilities as of March 31, 2018 were ¥133,323 million and ¥137,309 million, respectively. Valuation allowance for deferred tax assets was ¥4,723 million.

Major components of deferred tax assets were ¥80,174 million of policy reserves, ¥29,546 million of reserve for price fluctuation and ¥14,756 million of net defined benefit liability as of March 31, 2018.

Major component of deferred tax liabilities was ¥132,998 million of net unrealized gains on availablefor-sale securities as of March 31, 2018.

The statutory tax rate and the actual effective tax rate for the year ended March 31, 2018 were 28.2% and 6.0%, respectively. The difference between the statutory tax rate and the actual effective tax rate was attributable mainly to -24.8% of reserve for dividends to the policyholders.

Deferred tax assets and deferred tax liabilities as of March 31, 2019 were ¥143,826 million (US$1,295 million) and ¥141,111 million (US$1,271 million), respectively. Valuation allowance for deferred tax assets was ¥4,274 million (US$38 million).

Major components of deferred tax assets were ¥87,060 million (US$784 million) of policy reserves, ¥33,980 million (US$306 million) of reserve for price fluctuation and ¥14,325 million (US$129 million) of net defined benefit liability as of March 31, 2019.

Major component of deferred tax liabilities was ¥136,073 million (US$1,225 million) of net unrealized gains on available-for-sale securities as of March 31, 2019.

The statutory tax rate and the actual effective tax rate for the year ended March 31, 2019 were 28.0% and 4.9%, respectively. The difference between the statutory tax rate and the actual effective tax rate was attributable mainly to -25.1% of reserve for dividends to the policyholders.

10. Changes in reserve for dividends to policyholders were as follows:

	Year ended March 31,		
	2018	2019	2019
	Millions of yen		Millions of U.S. dollars
Balance at the beginning of the fiscal year	¥50,929	¥53,395	$481
Transfer from surplus in the previous fiscal year	34,592	38,630	348
Dividend payments to policyholders during the fiscal year	(32,138)	(33,862)	(305)
Increase in interest	12	12	0
Balance at the end of the fiscal year	¥53,395	¥58,176	$524

11. Changes in reserve for dividends to policyholders (Fukokushinrai Life Insurance Co., Ltd.) were as follows:

	Year ended March 31,		
	2018	2019	2019
	Millions of yen		Millions of U.S. dollars
Balance at the beginning of the fiscal year	¥598	¥539	$4
Dividend payments to policyholders during the fiscal year	(395)	(412)	(3)
Increase in interest	0	0	0
Provision for reserve for dividends to policyholders	336	337	3
Balance at the end of the fiscal year	¥539	¥465	$4

12. The amount of stocks of unconsolidated subsidiaries were ¥454 million and ¥404 million (US$3 million) as of March 31, 2018 and 2019, respectively.

13. Assets pledged as collateral as of March 31, 2018 were ¥25,447 million of securities and ¥1,378 million of bank deposits. Secured debts as of March 31, 2018, were ¥5,174 million.

Assets pledged as collateral as of March 31, 2019 were ¥17,839 million (US$160 million) of securities and ¥744 million (US$6 million) of bank deposits. Secured debts as of March 31, 2019, were ¥5,387 million (US$48 million).

14. Reserve for outstanding claims for the reinsurance contracts provided in accordance with Article 71 Paragraph 1 of the Enforcement Regulation of the Insurance Business Act (hereinafter called "reserve for outstanding claims for ceded reinsurance") were ¥10 million and ¥70 million (US$632 thousand) as of March 31, 2018 and 2019, respectively.

Policy reserve for the reinsurance contracts provided in accordance with Article 71 Paragraph 1 of the Enforcement Regulation of the Insurance Business Act (hereinafter called "policy reserve for ceded reinsurance") were ¥53 million and ¥54 million (US$489 thousand) as of March 31, 2018 and 2019, respectively.

15. There were unused commitment line agreements under which the Company is the lender of ¥2,490 million and ¥5,994 million (US$54 million) as of March 31, 2018 and 2019, respectively.

16. Repayments of subordinated bonds are subordinated to other obligations.

17. The future contribution to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Act was estimated at ¥11,039 million and ¥10,530 million (US$94 million) as of March 31, 2018 and 2019, respectively.

The contribution is recognized as operating expenses when contributed.

18. Matters Related to Employees' Retirement Benefits

(1) Overview of Employees' Retirement Benefit Plan

As for a defined benefit plan for office-based employees, the Company and its consolidated subsidiaries have a defined benefit corporate pension plan and retirement lump-sum payments. As for a defined contribution plan for these employees, the Company also has a defined contribution pension plan.

As for a defined benefit plan for sales employees, the Company has retirement lump-sum payments.

The Company places a retirement benefit trust in relation to the retirement lump-sum grant plan for sales employees.

The simplified method for calculating retirement benefit obligation is applied to a portion of the Company and some consolidated subsidiaries' retirement lump-sum grant plans.

(2) Defined Benefit Plan

i. Reconciliation of beginning and end of balance of retirement benefit obligation

	As of March 31,		
	2018	2019	2019
	Millions of yen		Millions of U.S. dollars
Retirement benefit obligation at the beginning of the fiscal year	¥85,446	¥86,420	$778
Service cost	3,548	3,667	33
Interest cost	511	516	4
Actuarial differences occurred during the fiscal year	1,232	1,080	9
Retirement benefit payments	(4,317)	(4,301)	(38)
Retirement benefit obligation at the end of the fiscal year	¥86,420	¥87,382	$787

ii. Reconciliation of beginning and end of balance of pension plan assets

	As of March 31,		
	2018	2019	2019
	Millions of yen		Millions of U.S. dollars
Pension plan assets at the beginning of the fiscal year	¥46,721	¥52,509	$473
Expected return on pension plan assets	732	972	8
Actuarial differences occurred during the fiscal year	3,386	145	1
Contributions by the employer	2,750	2,768	24
Retirement benefit payments	(1,081)	(1,306)	(11)
Others	0	1	0
Pension plan assets at the end of the fiscal year	¥52,509	¥55,090	$496

iii. Reconciliation of retirement benefit obligation and pension plan assets with net defined benefit liabilities and assets presented on the consolidated balance sheets

	As of March 31,		
	2018	2019	2019
	Millions of yen		Millions of U.S. dollars
a. Funded plan retirement benefit obligation	¥74,811	¥75,691	$681
b. Pension plan assets	(52,509)	(55,090)	(496)
c. (a + b)	22,302	20,601	185
d. Unfunded plan retirement benefit obligation	11,608	11,691	105
e. Net amount of liabilities and assets presented on the consolidated balance sheet	33,911	32,292	290
f. Net defined benefit liabilities	34,019	32,470	292
g. Net defined benefit assets	(107)	(177)	(1)
h. Net amount of liabilities and assets presented on the consolidated balance sheet	¥33,911	¥32,292	$290

iv. Breakdown of retirement benefit gains and losses

	As of March 31,		
	2018	2019	2019
	Millions of yen		Millions of U.S. dollars
Service cost	¥3,548	¥3,667	$33
Interest cost	511	516	4
Expected return on pension plan assets	(732)	(972)	(8)
Amortization of actuarial differences	2,345	1,759	15
Amortization of prior service cost	(76)	(76)	(0)
Others	(0)	(1)	(0)
Retirement benefit expenses related to defined benefit plan	¥5,595	¥4,892	$44

v. Remeasurements of defined benefit plan

Remeasurements of defined benefit plan (before tax effects) comprised the following:

	As of March 31,		
	2018	2019	2019
	Millions of yen		Millions of U.S. dollars
Amortization of actuarial differences	¥4,499	¥823	$7
Amortization of prior service cost	(76)	(76)	(0)
Total	¥4,422	¥747	$6

vi. Accumulated remeasurements of defined benefit plan

Accumulated remeasurements of defined benefit plan (before tax effects) comprised the following:

	As of March 31,		
	2018	2019	2019
	Millions of yen		Millions of U.S. dollars
Unrecognized actuarial differences	¥(8,657)	¥(7,833)	$(70)
Unrecognized prior service cost	247	171	1
Total	¥(8,410)	¥(7,662)	$(69)

vii. Breakdown of pension plan assets

The breakdown of asset categories as a percentage of total pension plan assets were as follows:

	As of March 31,	
	2018	2019
Domestic stocks	47.6%	44.1%
Life insurance general account	33.0%	33.5%
Domestic bonds	7.5%	9.6%
Foreign stocks	7.8%	7.7%
Foreign bonds	2.7%	3.0%
Others	1.4%	2.1%
Total	100.0%	100.0%

Within the total of pension assets as of March 31, 2019, 37.3% of this amount is accounted for by the retirement benefit trust established in relation to the retirement lump-sum payments plan for sales employees.

viii. Method for setting the expected long-term rate of return

To set the expected long-term rate of return on pension plan assets, the Company takes into account the present and future allocation of pension plan assets, and the present and expected future long-term rate of return on a variety of assets that makes up the pension assets.

ix. Underlying actuarial assumptions

Main underlying actuarial assumptions were as follows:

	As of March 31,	
	2018	2019
Discount rate	0.6%	0.6%
Expected long-term rate of return on pension plan assets		
Defined benefit corporate pension plan	2.5%	3.0%
Retirement benefit trust	0.0%	0.0%

(3) Defined Contribution Plan

The required contribution amounts by the Company and its consolidated subsidiaries to the defined contribution plan were ¥318 million and ¥324 million (US$2 million) as of March 31, 2018 and 2019, respectively.

III. Notes to the Consolidated Statements of Operations

1. The total amounts of revenues and expenses in connection with unconsolidated subsidiaries were ¥95 million and ¥2,027 million for the year ended March 31, 2018 and ¥83 million (US$756 thousand) and ¥1,806 million (US$16 million) for the year ended March 31, 2019, respectively.

2. For the year ended March 31, 2018, in calculating the reversal of reserve for outstanding claims, a provision of reserves for outstanding claims reinsured of ¥5 million was added. In calculating the provision of policy reserves, a reversal of reserves for policy reserves reinsured of ¥0 million was added.

   For the year ended March 31, 2019, in calculating the provision of reserve for outstanding claims, a provision of reserves for outstanding claims reinsured of ¥59 million (US$533 thousand) was deducted. In calculating the provision of policy reserves, a provision of reserves for policy reserves reinsured of ¥0 million (US$8 thousand) was deducted.

IV. Notes to the Consolidated Statements of Comprehensive Income

1. Other Comprehensive Income

The reclassification adjustments and tax effect amounts related to other comprehensive income were as follows:

i. Net unrealized gains (losses) on available-for-sale securities, net of tax

	Year ended March 31,		
	2018	2019	2019
	Millions of yen		Millions of U.S. dollars
Amount incurred during the fiscal year	¥20,802	¥34,935	$314
Reclassification adjustments	(17,598)	(23,903)	(215)
Before tax adjustments	3,204	11,032	99
Tax effects	(1,088)	(3,074)	(27)
Net unrealized gains (losses) on available-for-sale securities, net of tax	¥ 2,115	¥ 7,957	$71

ii. Foreign currency translation adjustments

	Year ended March 31,		
	2018	2019	2019
	Millions of yen		Millions of U.S. dollars
Amount incurred during the fiscal year	¥56	¥(119)	$(1)
Reclassification adjustments	—	—	—
Before tax adjustments	56	(119)	(1)
Tax effects	—	—	—
Foreign currency translation adjustments	¥56	¥(119)	$(1)

iii. Remeasurements of defined benefit plans, net of tax

	Year ended March 31,		
	2018	2019	2019
	Millions of yen		Millions of U.S. dollars
Amount incurred during the fiscal year	¥2,153	¥ (935)	$ (8)
Reclassification adjustments	2,269	1,683	15
Before tax adjustments	4,422	747	6
Tax effects	(1,238)	(209)	(1)
Remeasurements of defined benefit plans, net of tax	3,184	538	4
Total other comprehensive income	¥5,356	¥8,376	$75

V. Notes to the Consolidated Statements of Cash Flows

1. Cash and cash equivalents as of March 31, 2018 and 2019 consist of "Cash," "Deposits in transfer account," "Current deposits," "Ordinary deposits," "Notice deposits," "Time deposits maturing within 3 months of the date of acquisition," "Foreign currency deposits maturing within 3 months of the date of acquisition," "Negotiable certificate of deposits maturing within 3 months of the date of acquisition," "Call loans" and "Monetary claims bought maturing within 3 months of the date of acquisition."

2. Reconciliations of cash and cash equivalents in the consolidated statements of cash flows to the consolidated balance sheet accounts were as follows:

	Year ended March 31,		
	2018	2019	2019
	Millions of yen		Millions of U.S. dollars
Cash and deposits	¥157,703	¥153,017	$1,378
Call loans	176,000	176,000	1,585
Monetary claims bought	443	299	2
Time deposits maturing over 3 months of the date of acquisition	(100)	(100)	(0)
Foreign currency deposits maturing over 3 months of the date of acquisition	(1,003)	(792)	(7)
Monetary claims bought maturing over 3 months of the date of acquisition	(443)	(299)	(2)
Cash and cash equivalents	¥332,599	¥328,124	$2,956

Management's Report on Internal Control over Financial Reporting

1. Matters relating to the basic framework of internal control over financial reporting

Yoshiteru Yoneyama, President of Fukoku Mutual Life Insurance Company (the Company), is responsible for the design and operation of internal control over financial reporting for the Company's financial statements, namely, consolidated balance sheet and the related consolidated statements of operations, comprehensive income, cash flows, changes in net assets and a summary of significant accounting policies and other explanatory information for the year ended March 31, 2019, prepared in accordance with Article 110 Paragraph 2 of the Insurance Business Act. The Company designs and operates its internal control over financial reporting in accordance with the basic framework of internal control set forth in the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting (Council Opinions) issued by the Business Accounting Council of the Financial Service Agency of Japan.

Internal control aims at achieving the objectives to a reasonable extent with the organized and integrated function of individual components of internal control as a whole. Therefore, internal control over financial reporting cannot always ensure the prevention or detection of misstatements in the presentation of financial reporting.

2. Matters relating to the scope of assessment, the basis date of assessment and the assessment procedures

The Company performed an assessment of internal control over financial reporting for its consolidated financial statements as of the end of the fiscal year, March 31, 2019 in accordance with generally accepted assessment standards in Japan for internal control over financial reporting.

In the assessment of internal control over financial reporting, the Company first assessed internal controls that have a material impact on overall consolidated financial reporting (company-level controls) and, based on the results, the Company selected the business processes to be assessed. In assessing those business processes, the Company analyzed selected business processes, identified a key control that would have a material impact on the reliability of financial reporting, and assessed the establishment and operation with regard to the key control. The Company assessed the effectiveness of internal control by the aforementioned procedures.

For the Company and its consolidated subsidiaries, the Company determined the scope of assessment of internal control over financial reporting from the perspective of their materiality to the reliability of financial reporting. The materiality to the reliability of financial reporting is determined in light of their degree of quantitative and qualitative impact. The Company rationally determined the scope of assessment of internal controls incorporated into business processes (process-level controls) based on the results of assessment of company-level controls regarding the Company and one consolidated subsidiary. Other than those indicated above, five consolidated subsidiaries were determined to be immaterial from quantitative and qualitative perspectives. Consequently, they are excluded from the scope of assessment of company-level controls.

With respect to the scope of assessment of process-level controls, the locations or business units were selected in descending order of ordinary revenues (after elimination of inter-company transactions) in the previous fiscal year until their combined amount reached about two-thirds of consolidated ordinary revenues. As a result, two companies (the Company and its consolidated subsidiary) were selected as significant locations or business units. At selected significant locations and business units, business processes related to accounting items that were closely associated with the company's business objectives, including securities, ordinary loans and policy reserves, as well as premium and other income and claims and other payments, which have a material impact on the calculation of policy reserves, were determined to be within the scope of assessment. Furthermore, at selected significant locations and business units and any other locations and business units, added to the scope of assessment were business processes relating to important accounting items that have a high possibility of material misstatements and involve estimates and judgments, and business processes relating to businesses or operations dealing with high-risk transactions.

3. Matters relating to the results of the assessment

As a result of performing the assessment, the Company concluded that the design and operation of internal control over financial reporting for the Company were effective as of March 31, 2019.

4. Supplementary information

Not applicable

5. Other special information

Not applicable

May 17, 2019
Yoshiteru Yoneyama
President
Fukoku Mutual Life Insurance Company

Report of Independent Auditors

May 21, 2019

The Board of Directors of
Fukoku Mutual Life Insurance Company

Kisaragi Audit Corporation

Designated Engagement Partner
Certified Public Accountant
Yuichi Yasuda

Designated Engagement Partner
Certified Public Accountant
Osamu Sano

<Financial Statements Audit>

We have audited the accompanying consolidated balance sheet of Fukoku Mutual Life Insurance Company (the "Company") and its consolidated subsidiaries as of March 31, 2019 and the related consolidated statements of operations, comprehensive income, and cash flows, and changes in net assets for the year then ended, and notes all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in conformity with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion independently on these consolidated financial statements based on our audits. We conducted our audits in conformity with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Fukoku Mutual Life Insurance Company and its consolidated subsidiaries as of March 31, 2019 and the consolidated results of their operations and their cash flows for the year then ended, in conformity with the applicable Japanese laws and regulations and accounting principles for consolidated financial statements generally accepted in Japan.

Convenience Translation

The amounts expressed in U.S. dollars, which are provided solely for the convenience of the reader, have been translated on the basis set forth in Note I.1 to the accompanying consolidated financial statements with respect to the year ended March 31, 2019.

＜Internal Control Audit＞

We also have audited management's report on internal control over financial reporting, namely, the accompanying consolidated balance sheet of the Company and its consolidated subsidiaries as of March 31, 2019 and the related consolidated statements of operations, comprehensive income, and cash flows, and changes in net assets for the year then ended, and notes.

Management's Responsibility for the Report on Internal Control

Management is responsible for designing and operating effective internal control over financial reporting and for the preparation and fair presentation of its report on internal control in conformity with assessment standards for internal control over financial reporting generally accepted in Japan.

There is a possibility that misstatements may not be completely prevented or detected by internal control over financial reporting.

Auditor's Responsibility

Our responsibility is to express an opinion on management's report on internal control based on our internal control audit. We conducted our internal control audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether management's report on internal control is free from material misstatement.

An internal control audit involves performing procedures to obtain audit evidence about the results of the assessment of internal control over financial reporting in management's report on internal control. The procedures selected depend on our judgment, including the significance of effects on reliability of financial reporting. An internal control audit includes examining representations on the scope, procedures and results of the assessment of internal control over financial reporting made by management, as well as evaluating the overall presentation of management's report on internal control.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, management's report on internal control referred to above, which represents that the internal control over financial reporting of the consolidated financial statements of Fukoku Mutual Life Insurance Company as of March 31, 2019 is effectively maintained, presents fairly, in all material respects, the results of the assessment of internal control over financial reporting in conformity with assessment standards for internal control over financial reporting generally accepted in Japan.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

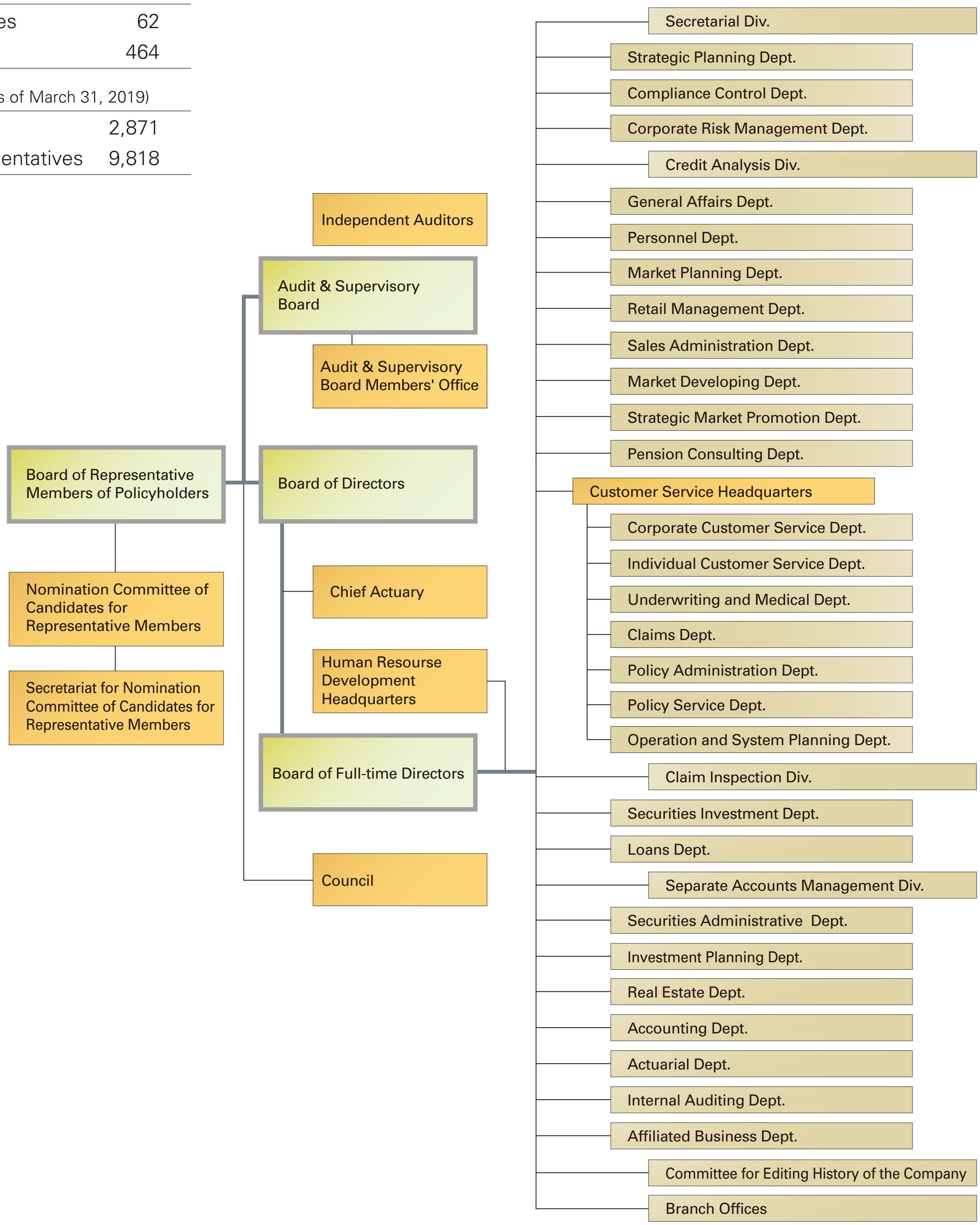
Corporate Organization

Domestic Offices (As of April 1, 2019)

Branch Offices	62
Field Offices	464

Employees (As of March 31, 2019)

Office Staff	2,871
Sales Representatives	9,818



Directors, Audit & Supervisory Board Members and Executive Officers

President and Chief Executive Officer
Yoshiteru Yoneyama*

Deputy President and Executive Officer
Toshihide Fujiwara

Director and Senior Managing Executive Officer
Yuuki Sakurai

Director and Senior Managing Executive Officer
Toshikatsu Hayashi

Director
Hiroto Yoshimura**

Director
Masanori Yanagi**

Director and Executive Officer
Yasuyuki Kitamura

Director and Executive Officer
Takehiko Watabe

Director and Executive Officer
Keiichi Kurota

Director and Executive Officer
Naoyuki Torii

Audit & Supervisory Board Member
Yoshizumi Nezu***

Audit & Supervisory Board Member
Yoshikazu Sashida***

Audit & Supervisory Board Member
Kyohei Takahashi***

Audit & Supervisory Board Member (Standing)
Kei Yoshizawa

Audit & Supervisory Board Member (Standing)
Shinji Nakao

Managing Executive Officer
Osamu Suzuki

Executive Officer
Chikashi Ichikawa

Executive Officer
Takeshi Oomori

Executive Officer
Chikao Arita

Executive Officer
Ichiro Yamada

Executive Officer
Takeshi Kondou

Executive Officer
Naoki Sunamoto

Executive Officer
Naoyuki Asami

Executive Officer
Hideaki Shigematsu

Executive Officer
Mitsuhiro Hoshino

Executive Officer
Hirotaka Kurihara

*Representative Director
**External Directors
***External Audit & Supervisory Board Member

(As of July 2, 2019)

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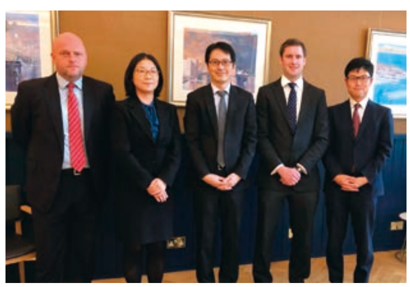

Fukoku Life International (U.K.) Ltd.
From left: J. Doran, K. Sato, E. Noma,
T. Keevil and T. Shintani

Fukoku Life International (America) Inc.
From left: A. Chang, T. Hirai, T. Yamamoto,
S. Lester and M. Xu

Fukoku Life Investments Singapore Pte. Ltd.
From left: H. Itoh, I. Chan, J. Nishimaki,
M. Wan and Y. Maeda

▲ Tokyo Head Office

▲ Osaka Fukoku Mutual Life Insurance Building

▲ Sapporo Fukokuseimei Koshiyama Building

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