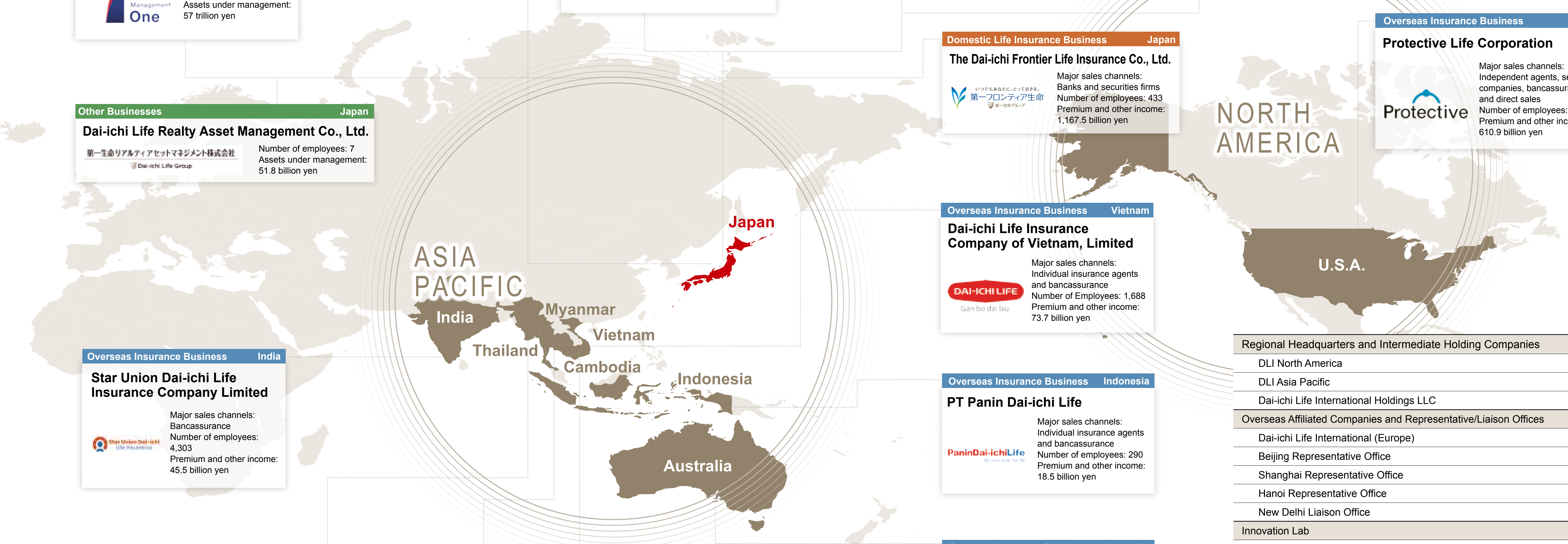
Building a Firm Operational Base with Effective Dispersion of our Businesses Worldwide

- Domestic life insurance business
- Overseas insurance business
- Other businesses



Group Supervision — Japan

Dai-ichi Life Holdings, Inc.

Number of employees: 726

Other Businesses — Japan

Asset Management One Co., Ltd.

Number of employees: 881
Assets under management: 57 trillion yen

Other Businesses — Japan

Dai-ichi Life Realty Asset Management Co., Ltd.

Number of employees: 7
Assets under management: 51.8 billion yen

Domestic Life Insurance Business — Japan

The Neo First Life Insurance Company, Limited

Major sales channels: Insurance agencies, walk-in shops, and banks
Number of employees: 312
Premium and other income: 159.5 billion yen

Domestic Life Insurance Business — Japan

The Dai-ichi Life Insurance Company, Limited

Major sales channels: Total Life Plan Designers (sales staff), Relationship Managers (staff for sales to corporations), insurance agencies
Number of employees: 55,757
Premium and other income: 2,285.4 billion yen

Domestic Life Insurance Business — Japan

Dai-ichi Smart Small-amount and Short-term Insurance Company, Limited

Major sales channels: Digital and direct sales
Number of employees: 13
Commenced operation in April 2021

Domestic Life Insurance Business — Japan

The Dai-ichi Frontier Life Insurance Co., Ltd.

Major sales channels: Banks and securities firms
Number of employees: 433
Premium and other income: 1,167.5 billion yen

Overseas Insurance Business — U.S.A.

Protective Life Corporation

Major sales channels: Independent agents, securities companies, bancassurance and direct sales
Number of employees: 3,477
Premium and other income: 610.9 billion yen

Overseas Insurance Business — Vietnam

Dai-ichi Life Insurance Company of Vietnam, Limited

Major sales channels: Individual insurance agents and bancassurance
Number of Employees: 1,688
Premium and other income: 73.7 billion yen

Overseas Insurance Business — India

Star Union Dai-ichi Life Insurance Company Limited

Major sales channels: Bancassurance
Number of employees: 4,303
Premium and other income: 45.5 billion yen

Overseas Insurance Business — Indonesia

PT Panin Dai-ichi Life

Major sales channels: Individual insurance agents and bancassurance
Number of employees: 290
Premium and other income: 18.5 billion yen

Overseas Insurance Business — Myanmar

Dai-ichi Life Insurance Myanmar Ltd.

Major sales channels: Individual insurance agents
Number of employees: 129
Premium and other income: 0.04 billion yen

Overseas Insurance Business — Thailand

OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED

Major sales channels: Individual insurance agents
Number of employees: 1,781
Premium and other income: 48.6 billion yen

Overseas Insurance Business — Cambodia

Dai-ichi Life Insurance (Cambodia) PLC.

Major sales channels: Individual insurance agents and bancassurance
Number of employees: 126
Premium and other income: 0.08 billion yen

Overseas Insurance Business — Australia

TAL Dai-ichi Life Australia Pty Ltd

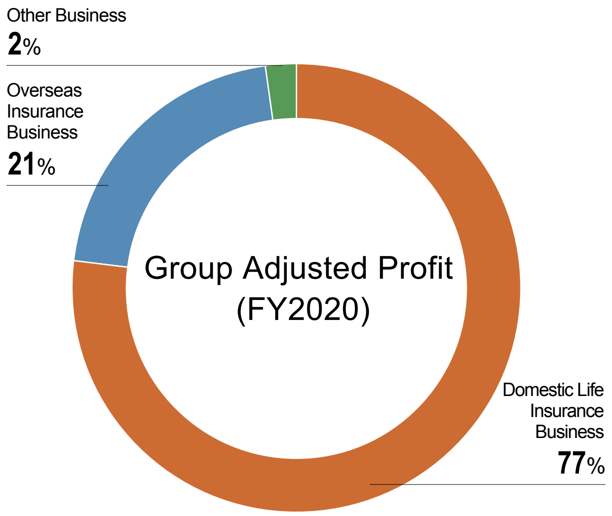
Major sales channels: Independent agents and direct sales
Number of employees: 2,175
Premium and other income: 478.3 billion yen

Regional Headquarters and Intermediate Holding Companies	
DLI North America	U.S.A.
DLI Asia Pacific	Singapore
Dai-ichi Life International Holdings LLC	Japan
Overseas Affiliated Companies and Representative/Liaison Offices	
Dai-ichi Life International (Europe)	U.K.
Beijing Representative Office	China
Shanghai Representative Office	China
Hanoi Representative Office	Vietnam
New Delhi Liaison Office	India
Innovation Lab	
Dai-ichi Life Innovation Lab (Shibuya)	Japan
Dai-ichi Life Innovation Lab (Silicon Valley)	U.S.A.
Dai-ichi Life Innovation Lab (London)	U.K.
Providing services in the health and medical care domain	
QOLead	Japan
Reinsurance	
Dai-ichi Life Reinsurance	Bermuda

Overview

In Dai-ichi Life Group, 12 insurance companies operating in Japan and overseas offer products and services to meet diverse customer needs. Through our Asset Management Business, we also accommodate a wide range of asset formation/succession needs of customers.

In our pursuit of the diversification and expansion of our business portfolio both domestically and overseas, we have built a solid, globally distributed business foundation, with overseas and other business constituting 20% of our Group adjusted profit for FY2020.



Domestic Life Insurance Business

To accommodate changes in the social environment and needs with speed and precision, Dai-ichi Life Group has established a multi-brand, multi-channel structure through which four domestic companies demonstrate their distinctive qualities that they respectively possess to deliver products and services that suit each individual customer through optimal channels.

Overseas Insurance Business

Dai-ichi Life Group has expanded its insurance business to eight countries in North American and the Asia-Pacific region, building a portfolio in its overseas life insurance business that strikes a balance between stable contribution to profits in developed markets and positive impact of growth over the medium- to long-term in emerging Asian markets.

Other Business
(Asset Management Business)

Through our Asset Management Business, which has a high affinity with our Life Insurance Business, we are promoting the unified operation of our value chain in the asset formation/succession domain, including the intra-Group application of our advanced asset management capability, to enhance our products and services.

Domestic Life Insurance Business

Initiatives at Each Group Company in FY2020

To fulfill their roles as insurance providers, Dai-ichi Life, Dai-ichi Frontier Life, and Neo First Life worked on continuing prompt claims payment and conducting sales activities with consideration to prevention of spread of COVID-19. Additionally, along with providing special treatment such as applying accidental death benefits in cases of death or severe disability caused by COVID-19 and the deferral of insurance premium payments considering customers' financial needs, they also provided consultation services on COVID-19 to customers.

Following incidents of fraud where a former employee of the Dai-Ichi Life Insurance Company illegally acquired money, in addition to performing internal investigations (comprehensive inspection) to analyze the causes for those incidents, we established and enhanced internal control structure to eliminate mishandling of cash and reform of our corporate culture and structure that led to such incidents. To implement these countermeasures, we also started up the "Business Management Quality Reform Task Force," a companywide cross-functional project headed by the President.

We also promoted the development and sales of insurance products to accommodate the needs of our domestic customers. The Dai-Ichi Life Insurance Company released products that provide coverage for shorter hospitalizations with benefit payments regardless of the length of hospitalization. Dai-ichi Frontier Life also revised its inheritance and asset succession-type products that accommodate asset succession needs. Neo First Life addressed the addition of extra payment riders to Kenko Nenrei® (Health Age)*-type product for cancer coverage to accommodate the latest treatment.

In addition, preparations were made for the business launch of The Dai-ichi Smart Small-amount and Short-term Insurance Company, a new domestic Group company. Through the digital channels of this company, we will reinforce our approach to the youth population referred to as millennials and Generation Z.

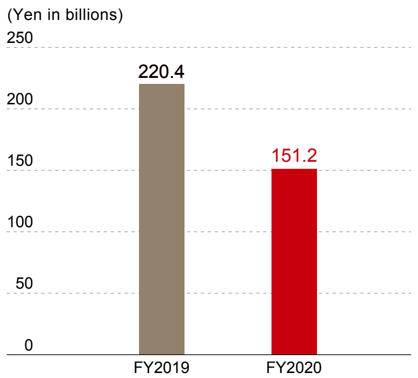
* Kenko Nenrei® (Health Age) is a registered trademark of JMDC Inc.


Scene of remote consulting (Fukuoka Sogo Branch Office, Dai-ichi Life)

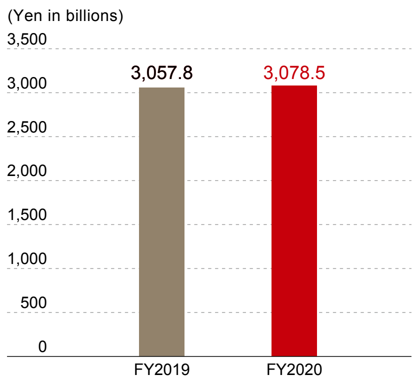
FY2020 Results

While new business annualized net premiums decreased significantly mainly due to self-restraint on sales activities at Dai-ichi Life in the first half, in the second half, with resumption of sales activities on condition that customers' consent is obtained, new policy acquisitions recovered to the level of the previous fiscal year. Consequently, new business annualized net premiums were down by 31.4% year-on-year and in-force policy annualized net premiums were at a similar level with an increase of 0.7% year-on-year. Group adjusted profit increased by 10.1% year-on-year mainly due to the growth of the positive spread at Dai-ichi Life that resulted from the recovery in financial markets.

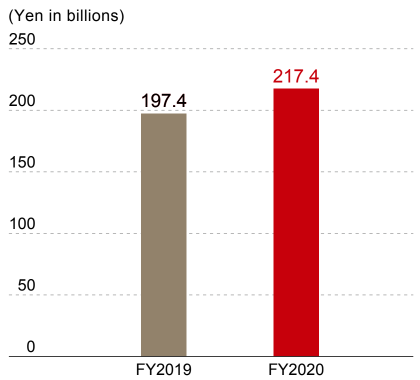
New Business Annualized Net Premiums



In-force Business Annualized Net Premiums



Adjusted Profit



Dai-ichi Life

Maintaining and expanding market share through initiatives that boost customer satisfaction

Through tailored consulting provided by the approximately 40,000 Total Life Plan Designers across Japan, Dai-ichi Life provides high value-added protection-type products and services that target a wide range of customer needs from younger population to senior citizens.

Also, Dai-ichi Life conducts investment management based on asset liability management (ALM), mainly by investing in fixed-income assets, to fulfill its obligation to pay out claims and benefits over the long-term in a stable manner. In addition, Dai-ichi Life is also focused on responsible investment based on its social responsibilities as an institutional investor. In the future, as Dai-ichi Life promotes improvement of its business productivity and capital efficiency, Dai-ichi Life will expand initiatives to elevate customer satisfaction and aim to maintain and expand our market share.

Dai-ichi Frontier Life

Improve the quality of products and services to contribute to the well-being of each customer

With a particular focus on savings-type products, Dai-ichi Frontier Life provides products and services that meet diverse needs, from asset formation/succession, preparing for peace of mind in this era of a 100 year-life society.

In FY2020, Dai-ichi Frontier Life released foreign currency-denominated and yen-denominated whole life insurance that covers dementia and nursing care. Dai-ichi Frontier Life also improved convenience by enhancing online procedures and remote training and support for agencies with the use of digital tools.

Going forward, Dai-ichi Frontier Life will continue to contribute to the well-being of each customer by providing special products and services from a customer-first perspective.

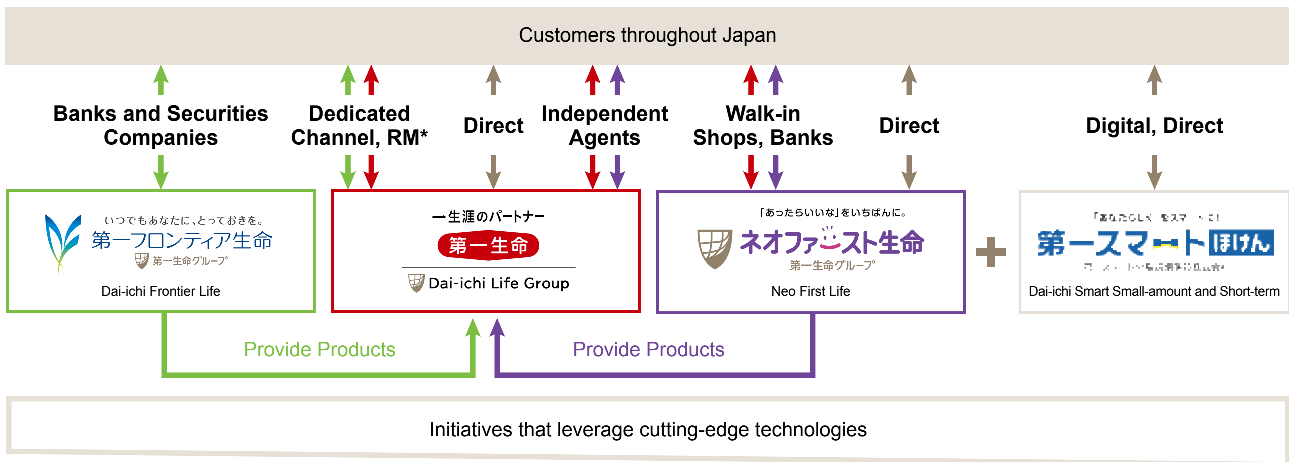
Neo First Life

Contributing to customer wellness through products and services that provide customer exceeding their expectations

Adopting "'Nice to have' for a better life, comes first" as its mission, Neo First Life provides products and services that incorporate the perspective of "Become healthy through insurance" through insurance agencies, its website, and other channels.

From FY2021, Neo First Life has established "Wellness: Supporting 'Your way more'" as its medium- to long-term vision. With a view to achieving this vision, the Company will ascertain changes in the times at an early stage to provide customer experiences (CX) that exceed customer expectations and, in doing so, strive to contribute to customer Wellness.

Multi-Brand and Multi-Channel Structure



* Relationship manager (sales representative for corporate customers)

Overseas Insurance Business

Initiatives at Each Group Company in FY2020

Overseas group companies worked on providing product explanations to customers utilizing digital technologies such as video calls to respond to needs for remote consulting amid the spread of COVID-19. In addition, they conducted appropriate business operations according to the situation in each country, including the promotion of working from home.

US-based Protective, in addition to initiatives that improve customer convenience, such as online insurance claims application, acquired a non-life insurance company that will be rolled out under the Revolos brand, and also strengthened its business foundation through full-scale profit contributions by in-force blocks of Great-West Life & Annuity Insurance Company, which Protective acquired in 2019.

Australia-based TAL aimed to improve customer convenience by digitalizing insurance benefits claiming processes, etc. Moreover, it reinforced profit base and continued stable business operation by reinforcing sound relationships with its various partners, including negotiating revisions of premiums with group insurance superannuation schemes whose claims experience has worsened significantly.

Our companies in emerging countries, amid restrictions on face-to-face sales activities, worked towards ensuring and improving the convenience of customers and other parties through promoting the digitalization of platforms for customers and individual insurance agents and online insurance agency channel training.

Scene from remote meeting (PT Panin Dai-ichi Life)

FY2020 Results

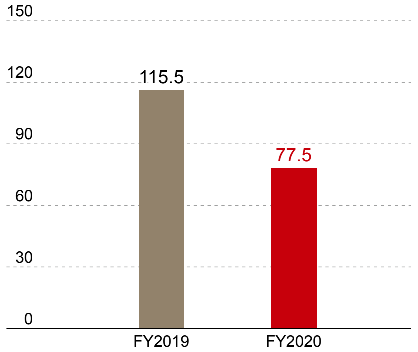
New business annualized net premiums fell by 32.9% year-on-year, reflecting a decrease after large-scale group insurance contract acquired by TAL in the previous fiscal year.

Amid the limited impact of COVID-19, in-force policy annualized net premiums increased by 7.0% year-on-year largely due to foreign exchange fluctuations.

Adjusted profit decreased by 14.4% year on year mainly as a result of the increase in insurance claims paid by Protective amid the spread of COVID-19 in addition to an increase in allowances for currently expected credit losses after changes in U.S. accounting standards.

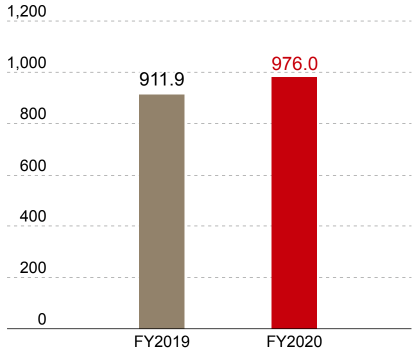
Annualized Net Premiums of New Business

(Yen in billions)



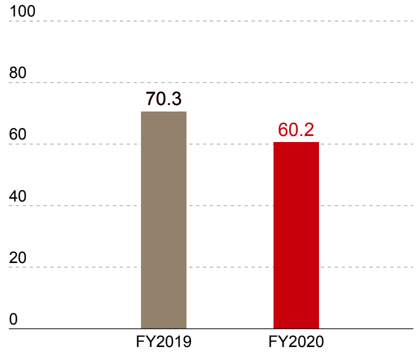
Annualized Net Premiums from Policies in Force

(Yen in billions)



Adjusted Profit

(Yen in billions)



Protective (U.S.A.)

Steady profit contribution driven by retail and acquisitions

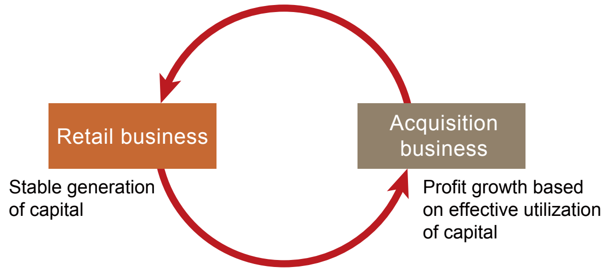
Protective achieved sustainable growth through its distinctive business model which involves generating capital through its retail business (life insurance and individual annuities) operated nationwide and utilizing the generated capital in its acquisition business.

For its retail business, Protective expanded channels and promoted the sales of products with low interest rate sensitivity to make stable contributions to Group profit. Additionally, Protective is tackling the improvement of CX with a particular focus on improving the quality of various processes and shortening of procedures through actively introducing digital tools.

For its acquisition business, Protective has been steadily and successfully expanding its operational scale and earnings. Since becoming part of the Dai-ichi Life Group, Protective made five acquisitions including the acquisition of Revolos that it disclosed in 2020. Protective will continue reinforcing its acquisition business and uncovering new acquisitions that also contribute to the improvement of capital efficiency.

Going forward, Protective will pursue further growth in North America and improved capital efficiency through a positive cycle brought forth by the dual axes of its retail and acquisition businesses.

Unique Business Model



TAL (Australia)

Top position for eight years in protection-type market

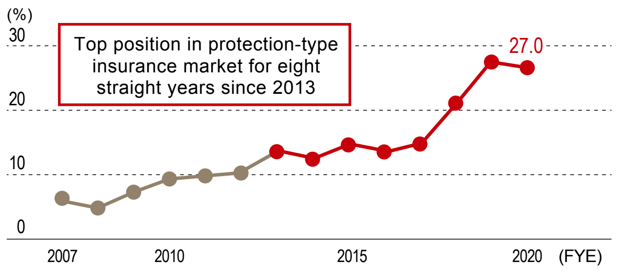
TAL has promoted a strategy of specialization in protection-type products and since 2013 has maintained the top position in terms of annualized net premiums from in-force policies in Australia's protection-type insurance market.

Such growth is underpinned by TAL's partners in each of its businesses (retail: independent insurance agents; direct: non-life insurance financial institutions and other industries; group insurance: superannuation schemes). TAL is working to preserve and reinforce the sound relationships that it currently has with its partners by improving the experiential values offered to customers and partners through supporting the training of independent insurance agents and making strategic investments in digital platforms.

In addition, TAL has also grown through acquisitions and the acquisition of Asteron Life & Superannuation Limited (formerly a member of the Suncorp Group), completed in February 2019, is yielding steady progress in the creation of synergy.

Going forward, TAL will continue aiming for stable profit generation and improved capital efficiency through adequate resource allocation and the diversification of its products in addition to the sound relationships with its partners.

TAL's Market Share in Protection-Type Insurance Market



* Based on annualized net premiums from in-force policies
Source: Strategic Insight (Plan for Life)

Dai-ichi Life Vietnam (Vietnam)

Sustainable growth to become major life insurer in Vietnamese market

Dai-ichi Life Vietnam has pursued the reinforcement of its core individual insurance agents channel through extensive training and expanding the sales network of the individual insurance agents. In addition, Dai-ichi Life Vietnam has expanded into alternative channels, strengthened cooperation with partners, and enhanced its product lineup. Since commencing its business in 2007, Dai-ichi Life Vietnam has steadily expanded its market share, and now it is among one of the top five major life insurers.

Going forward, Dai-ichi Life Vietnam will continue to improve customers' experiential values and support our sales structure largely through the promotion of various digital platforms, aiming for sustainable growth by expanding sales and improving operational quality.

Dai-ichi Life Cambodia (Cambodia)

Realizing steady growth through the reinforcement of a sales structure centered on individual insurance agents

Dai-ichi Life Cambodia was established in March 2018 as the first subsidiary of a Japanese life insurance company in Cambodia, and from April 2019 commenced operations centered in the capital Phnom Penh.

Dai-ichi Life Cambodia steadily grew mainly by establishing a sales structure of its individual agents channel and concluding new cross-sale agreements with banks. Going forward, Dai-ichi Life Cambodia will continue expansion of sales bases in its individual agents channel, reinforcement of its leader personnel, strengthening of sales support directed at existing partners and cooperation with new partners in its bancassurance channels, diversification of its products and various forms of digitalization as it aims to grow further and expand its market share.

Dai-ichi Life Myanmar (Myanmar)

Commenced operation as the only wholly-owned subsidiary of a Japanese life insurance company

In November 2019, Dai-ichi Life became the only Japanese life insurance company to acquire a permit to establish and operate a life insurance business in Myanmar as a wholly-owned subsidiary, and commenced operation in September 2020.

In FY2020, Dai-ichi Life Myanmar progressed with establishing a business foundation aimed at future growth through establishing a sales and administrative structure as well as internal controls in individual insurance agents channel.

In addition to continuing to be sufficiently mindful of domestic circumstances and administer operations with the employee safety as its first priority, Dai-ichi Life Myanmar will promote cooperation with each of our Group companies in the Southeast Asian region, provide peace of mind through life insurance and, in doing so, contribute to people's well-being and development of communities.

Star Union Dai-ichi Life (India)

Promotion of growth in earnings through digitalization and reinforcing bancassurance channels

By proactively promoting digitalization through means such as developing an app capable of application procedures for life insurance, Star Union Dai-ichi Life continued its non-face-to-face sales activities despite the spread of COVID-19, and increased premium and other income by 34.9% year-on-year.

Going forward, in addition to further strengthening its relationships with main partner banks and reinforcing sales through expanding its contact points with existing customers, Star Union Dai-ichi Life will continue to improve its productivity by leveraging its existing policy and to cultivate new markets with the use of digital platforms.

Panin Dai-ichi Life (Indonesia)

Sustainable growth by reinforcing sales channels

In our individual insurance agents channel, Panin Dai-ichi Life worked towards expanding its sales force through the recruitment of sales personnel, improving individual productivity through the reinforcement of training, and expanding promotions of younger talented personnel to higher positions, and achieved growth at a level that surpassed the market.

In bancassurance channel, Panin Dai-ichi Life is reinforcing our sales promotion structure while facilitating cooperation with banks. Also, Panin Dai-ichi Life is working on improving its operations through digitalization, such as enhancing the efficiency of sales activities and shortening after-sales procedures. Through such initiatives it aims to realize sustainable growth by connecting these initiatives to the improvement of its top line and profitability.

OCEAN LIFE (Thailand)

Positive growth through individual insurance agent channels development

OCEAN LIFE aims for sustainable growth through reinforcing the foundation for future growth that involves continuous recruitment and training of new personnel for its individual agents channel, expanding capabilities of leaders, and workplace development.

Going forward, the OCEAN LIFE will continue aiming stable profits and growth through accelerating medical riders that target market needs and further improving customer services through the enhancement of online services and other efforts.

Financial Inclusion

At our overseas Group companies, including those in Vietnam, India and Indonesia, we are tackling the resolution of challenges in each region, such as the provision of microinsurance that is easy to join for a small amount, aiming to realize financial inclusion (the popularization of insurance among a wide range of groups that includes low-income individuals).

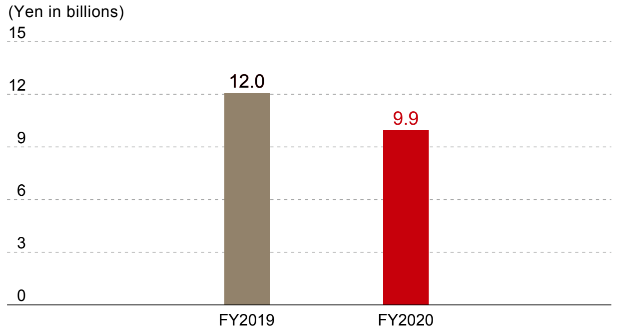
Other Business (Asset Management Business)

Initiatives at Each Group Company in FY2020

In the asset management business, while Asset Management One reported robust sales of publicly-offered investment trusts, Janus Henderson posted impairment losses on intangible fixed assets, etc. As a result, adjusted profit decreased by 17.5% compared to the previous fiscal year.

Dai-ichi Life Holdings terminated its capital affiliation with Janus Henderson and entered into a new Strategic Cooperation Agreement, reflecting the direction of the group business strategy and financial and capital strategies.

Adjusted Profit



Asset Management One

Meeting the diverse needs of investors as a total solutions provider

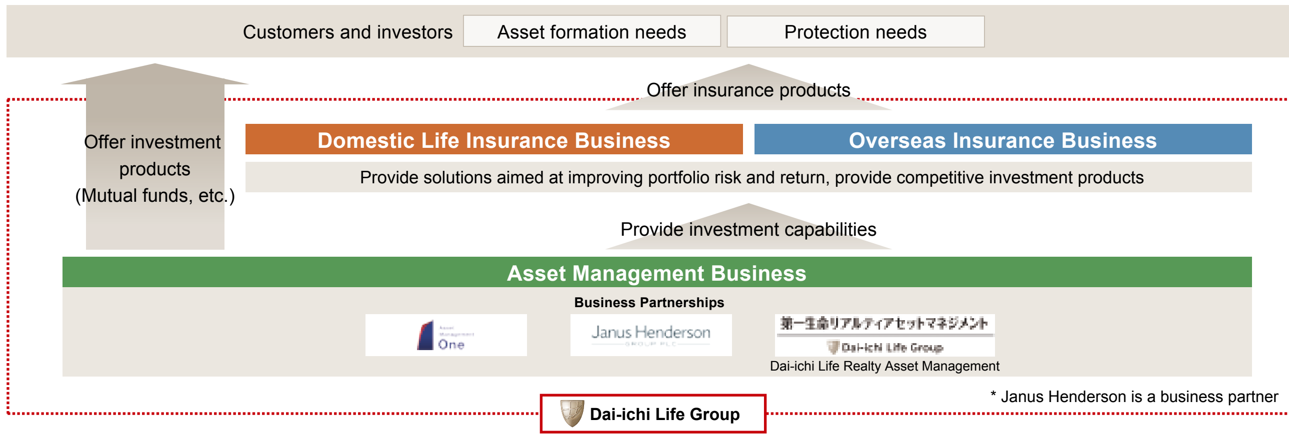
Asset Management One is an asset management company established by the Company and the Mizuho Financial Group. It provides investment management products and services that accommodate the diverse needs of both individual and institutional investors, from the active management and indexing of traditional assets and quant investment that makes full use of financial engineering in the management of alternative investment products. With the aim of becoming a “total solutions provider” that contributes to the well-being of its customers through asset management, Asset Management One focuses on providing high value-added services, capturing the growth of global markets, and promoting innovation.

Dai-ichi Life Realty Asset Management

Providing opportunities for quality real estate investment and contributing to improved quality of life and the realization of a sustainable society

Dai-ichi Life Realty Asset Management is a real estate asset management company established by the Company and Sohgo Housing Co., Ltd. in July 2019. It manages DL Life Partner REIT, Inc., a private-placement REIT aimed at qualified institutional investors whose investment targets are real estate that contributes to the improvement of quality of life of people, particularly residential properties that form the foundation of daily living. Taking advantage of the real estate development and investment expertise of Dai-ichi Life Group, Dai-ichi Life Realty Asset Management offers high-quality investment opportunities to institutional investors in Japan as well as promotes contributions to the improvement of quality of life of people and sustainability initiatives such as the acquisition of environmental certifications for investment properties.

Role of Asset Management Business

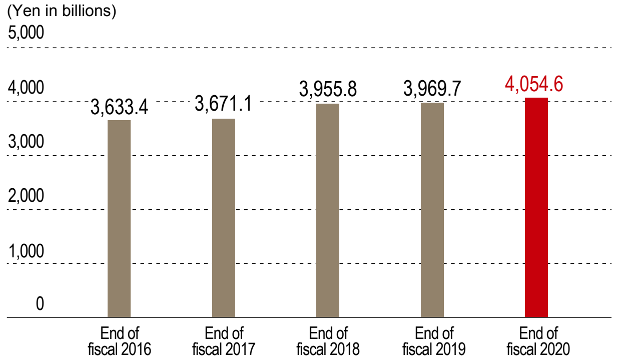


Financial and Non-Financial Highlights

Main Finance-Related Indicators

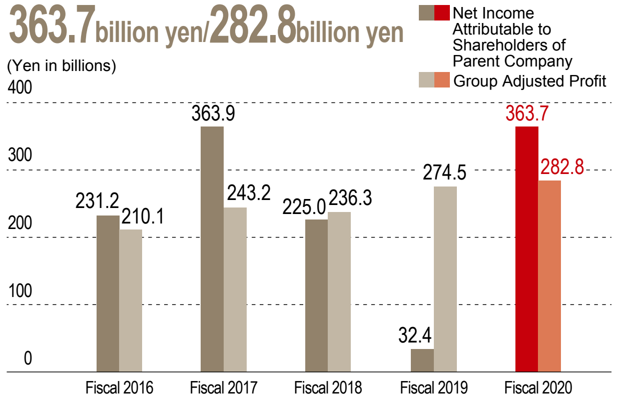
Annualized Net Premium from Policies in force

4,054.6 billion yen



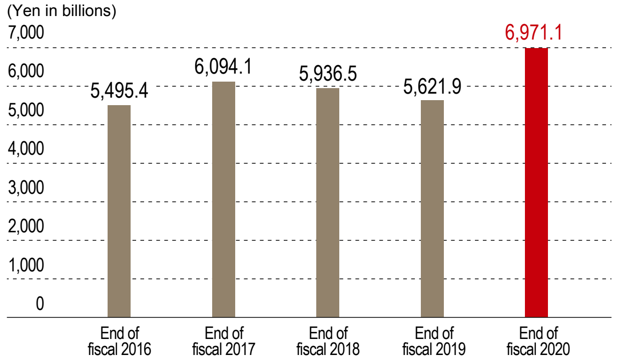
Net Income Attributable to Shareholders of Parent Company/ Group Adjusted Profit

363.7billion yen/282.8billion yen



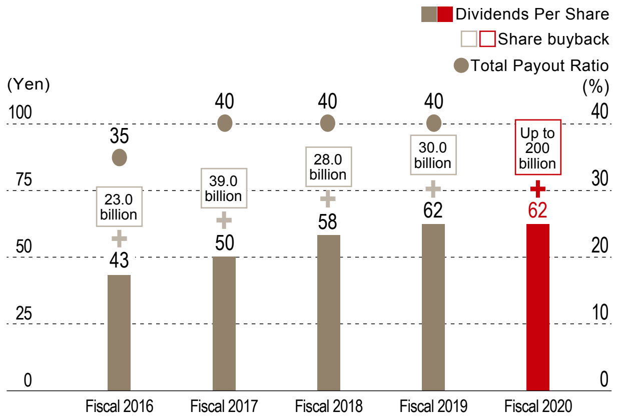
Group European Embedded Value (EEV)

6,971.1 billion yen



(Note) Starting with figures for fiscal 2020, changes to the ultimate forward rate, etc. and corporate bond spreads in the discount rate used for insurance liability valuation of Dai-ichi Frontier Life is reflected.

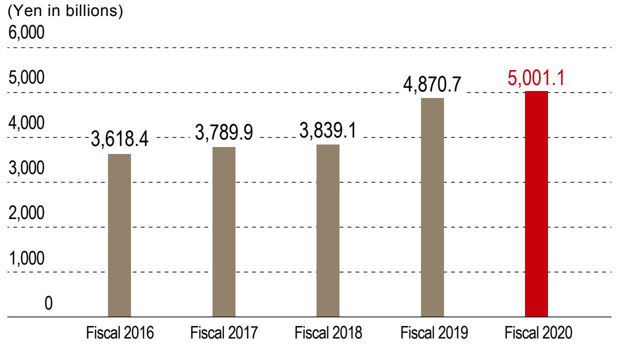
Total Shareholder Payout/Total Payout Ratio



As an Insurer

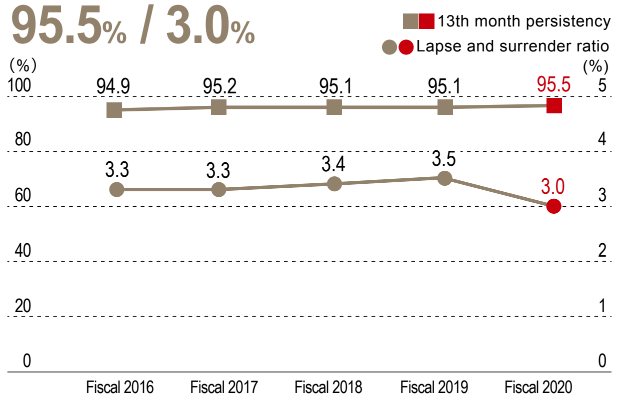
Benefits and Claims Paid (for the Group)

¥5,001.1billion



Persistency Ratio/Lapse and Surrender Ratio

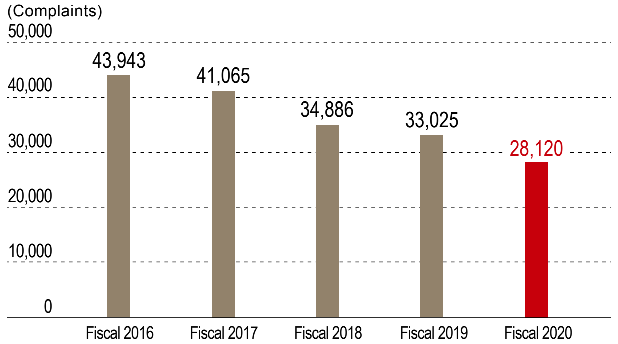
95.5% / 3.0%



(Note) Figures for Dai-ichi Life

Number of Complaints

28,120

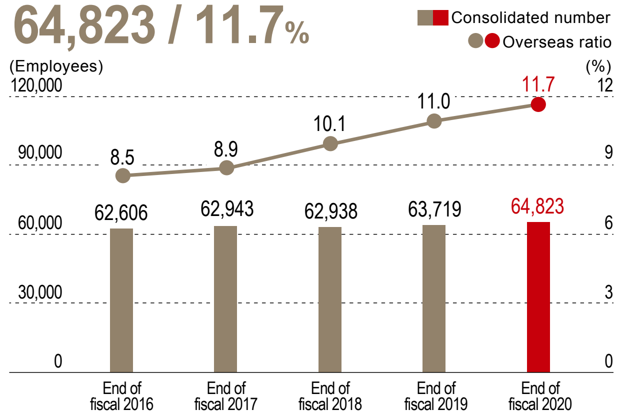


(Note) Figures for Dai-ichi Life

As an Employer

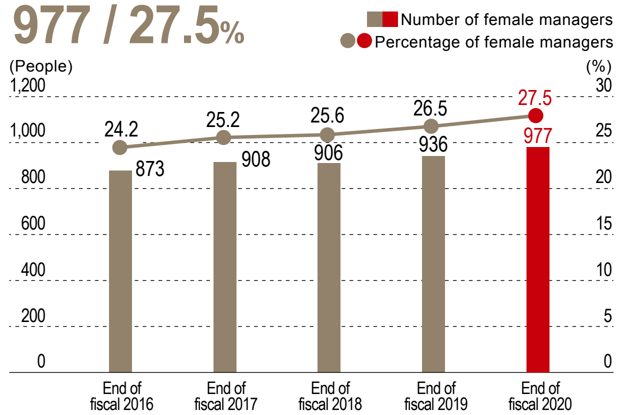
Consolidated Number of Employees/Overseas Ratio

64,823 / 11.7%



Number of Female Managers/Percentage of Female Managers

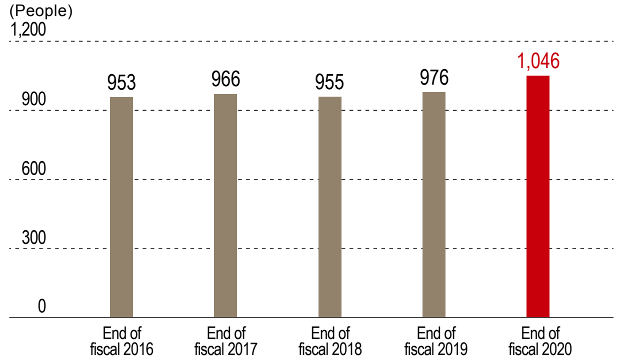
977 / 27.5%



(Note) Dai-ichi Life Holdings, Dai-ichi Life, Dai-ichi Frontier Life and Neo-First Life combined. Figures as of April 1 are represented as figures from end of previous fiscal year.

Number of Employees with Disabilities

1,046



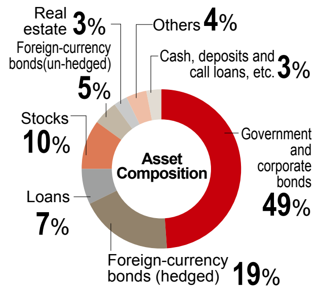
Dai-ichi Life Holdings, Dai-ichi Life, Dai-ichi Life Challenged, Dai-ichi Life Business Services and Dai-ichi Life Information Systems, combined. Figures as of April 1 are represented as figures from end of previous fiscal year.

As an Institutional Investor (Dai-ichi Life)

Asset Balance

Assets under management

Approx. 38 trillion yen



*As of end of fiscal 2020

ESG-Themed Investment

Total amount invested

Approx.¥800 billion

Approx. 320 billion yen of which is investments in solutions for climate change issues

SDG bonds Approx. ¥280 billion	SDGs projects Approx. ¥340 billion
Impact investment Approx.¥8.2 billion (20 projects)	Regional revitalization Approx. ¥150 billion

*As of end of fiscal 2020

Engagement

No. of companies engaged

248

Executive interview ratio

Approx. 63%

*Fiscal 2020

Percentage of domestic stock portfolio companies engaged

3-year cumulative

Approx. 86%

Fiscal 2020

Approx. 58%

(Based on market price of shares held)

Participation in External Initiatives

Through joining initiatives related to sustainability within and outside Japan, we are promoting initiatives for realizing a sustainable society

Sustainability Accounting Standards Board (SASB)

United Nations Global Compact (UNGC)

International Corporate Governance Network (ICGN)

Women's Empowerment Principles (WEPs)

30% Club Japan

Principles for Financial Action Towards a Sustainable Society (Principles for Financial Action for the 21st Century)

Principles for Responsible Investment (PRI)

Access to Medicine Foundation

Japan Stewardship Initiative

Institutional Investors Collective Engagement Forum (IICEF)

Climate Change Initiatives

Task Force on Climate-related Financial Disclosures (TCFD)

RE100

Climate Action 100+

THE NET-ZERO ASSET OWNER ALLIANCE

The Glasgow Financial Alliance for Net Zero

Evaluations by External Parties

Incorporation into ESG Indices

Dai-ichi Life Group is putting evaluations by the world's primary ESG evaluation organs to use in improving its sustainability initiatives. The Group has been incorporated into composites for the below ESG indices (as of July 2021).

FTSE4Good

FTSE Blossom Japan

S&P/JPX Carbon Efficient Index

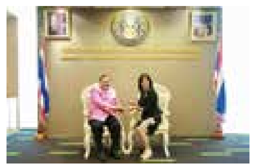
2021 MSCI ESG Leaders Indexes Constituent

2021 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

2021 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

Main Awards Recognizing Sustainability Initiatives

Having pursued initiatives in close proximity with customers and communities in the various countries where we are developing our operations, Dai-ichi Life Group has been recognized with awards.
(As of March 2021)

Recipient	Organizer	Award	Summary
Neo First Life	HDI-Japan	"Quality" HDI rating benchmark	Neo First Life's contact center was recognized for the quality in its close-proximity reception of customers, and was granted the highest rank of "Three Stars" for 14 years straight.
TAL	Workplace Gender Equality Agency	Employer of Choice for Gender Equality	Having satisfied strict standards for gender equality in the workplace, TAL was recognized for its proactive initiatives aimed at achieving that equality, receiving this award for seven consecutive years.
OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED	Ministry Of Social Development And Human Security	"M-SOCIETY Concern for COVID 19"	As part of COVID-19 countermeasures, OCEAN LIFE produced more than 5,000 handmade face shields to safeguard essential workers from the virus and supplied them to the Ministry Of Social Development And Human Security, resulting in the receipt of this award. 

Financial and Non-Financial Historical Data

(Yen in millions)

	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020
Results of Operations										
Ordinary revenues	4,931,781	5,283,989	6,044,955	7,252,242	7,333,947	6,456,796	7,037,827	7,184,093	7,114,099	**7,827,806**
Premium and other income	3,539,579	3,646,831	4,353,229	5,432,717	5,586,000	4,468,736	4,884,579	5,344,016	4,885,407	**4,730,301**
Investment income	1,035,662	1,335,120	1,320,066	1,444,012	1,344,852	1,626,177	1,802,626	1,583,228	1,876,634	**2,719,584**
Ordinary expenses	4,705,860	5,126,695	5,740,205	6,845,400	6,915,780	6,031,476	6,565,833	6,751,148	6,895,718	**7,274,945**
Benefits and claims	2,688,419	2,795,355	2,903,587	3,380,827	3,830,941	3,618,385	3,789,907	3,839,105	4,870,794	**5,001,109**
Provision for policy reserves and others	718,673	1,191,953	1,634,864	2,271,268	1,496,360	1,016,744	1,223,870	1,309,287	164,491	**971,280**
Investment expenses	380,315	221,738	234,950	168,935	524,041	342,102	548,957	541,541	821,971	**326,626**
Operating expenses	471,061	486,419	517,566	559,344	661,384	650,985	661,110	703,573	680,154	**689,057**
Ordinary profit	225,920	157,294	304,750	406,842	418,166	425,320	471,994	432,945	218,380	**552,861**
Provision for reserve for policyholder dividends	69,000	86,000	94,000	112,200	97,500	85,000	95,000	87,500	82,500	**77,500**
Net income attributable to shareholders of parent company	20,357	32,427	77,931	142,476	178,515	231,286	363,928	225,035	32,433	**363,777**
Financial Condition										
Total assets	33,468,670	35,694,411	37,705,176	49,837,202	49,924,922	51,985,850	53,603,028	55,941,261	60,011,999	**63,593,705**
Total liabilities	32,476,924	34,045,391	35,757,563	46,247,274	46,991,963	48,848,583	49,853,756	52,227,668	56,235,081	**58,786,576**
Policy reserves	29,862,729	31,012,539	32,574,923	41,634,712	42,922,534	43,740,238	44,597,717	47,325,761	49,520,817	**49,897,294**
Total net assets	991,745	1,649,020	1,947,613	3,589,927	2,932,959	3,137,266	3,749,271	3,713,592	3,776,918	**4,807,129**
Total shareholders' equity	569,253	563,340	628,538	1,029,622	1,129,262	1,300,756	1,589,623	1,708,808	1,641,506	**1,893,643**
Net unrealized gains (losses) on securities, net of tax	483,446	1,099,351	1,322,731	2,528,262	1,840,084	1,906,091	2,238,159	2,101,587	2,283,198	**3,056,350**
Sales Results[1]										
Annualized net premium of new business (billions of yen)[2]	205.3	244.3	303.4	339.1	387.2	440.7	406.4	508.7	336.0	**228.8**
Domestic Group companies (billions of yen)	175.2	210.4	230.5	309.6	294.8	371.9	319.4	418.9	220.4	**151.2**
Overseas Group companies (billions of yen)	30.1	33.8	72.8	29.5	92.4	68.8	87.0	89.8	115.5	**77.5**
Annualized net premium from policies in force (billions of yen)[2]	2,322.3	2,425.7	2,560.3	3,217.0	3,396.2	3,633.4	3,671.1	3,955.8	3,969.7	**4,054.6**
Domestic Group companies (billions of yen)	2,198.1	2,263.5	2,344.6	2,493.2	2,634.8	2,865.3	2,895.5	3,092.4	3,057.8	**3,078.5**
Overseas Group companies (billions of yen)	124.1	162.2	215.6	723.8	761.3	768.1	775.6	863.4	911.9	**976.0**
Corporate Value										
Group European embedded value (EEV) (billions of yen)[3]	2,661.5	3,341.9	4,294.7	5,987.6	4,646.1	5,495.4	6,094.1	5,936.5	5,621.9	**6,971.1**
Value of new business (billions of yen)[3]	187.7	211.2	255.4	286.1	216.1	145.5	190.2	197.4	150.3	**127.1**
New business margin (%)[3]	5.89	5.86	6.25	5.53	3.92	2.94	4.30	3.78	3.32	**3.78**
Key Financial Indicators										
Return on equity (ROE) (%)	2.4	2.5	4.3	5.1	5.5	7.6	10.6	6.0	0.9	**8.5**
Return on embedded value (ROEV) (%)	10.6	25.5	29.4	28.8	(21.9)	20.3	13.1	(0.6)	(2.8)	**32.5**
Consolidated solvency margin ratio (%)	563.2	702.4	756.9	818.2	763.8	749.2	838.3	869.7	884.1	**958.5**
Adjusted ROE (%)	–	–	–	–	–	8.6	8.5	7.6	9.5	**8.9**
Economic solvency ratio (%)[4]	–	–	–	147	98	151	170	169	195	**203**
Group adjusted profit (billions of yen)	–	100.0	116.0	214.7	204.6	210.1	243.2	236.3	274.5	**282.8**
Per Share Indicators[5]										
Earnings per share (EPS) (yen)	20.61	32.75	78.58	124.94	150.53	196.62	310.69	194.43	28.53	**325.61**
Book value per share (BPS) (yen)	993.76	1,657.14	1,962.05	3,012.46	2,472.86	2,668.61	3,217.68	3,240.72	3,344.23	**4,329.08**
Dividends per share (DPS) (yen)	16	16	20	28	35	43	50	58	62	**62**
Key Non-financial Indicators										
Number of Group employees	60,305	60,771	59,512	60,647	61,446	62,606	62,943	62,938	63,719	**64,823**
Domestic Group company employees	58,825	58,875	57,462	55,982	56,503	57,262	57,339	56,565	56,691	**57,228**
Overseas Group company employees	1,480	1,896	2,050	4,665	4,943	5,344	5,604	6,373	7,028	**7,595**
Percentage of women in managerial posts (%)[6]	–	–	21.9	22.5	23.3	24.2	25.2	25.6	26.5	**27.5**
Number of employees with disabilities (people)[7]	846	865	891	913	926	953	966	955	976	**1,046**
CO_2 emissions ($t\text{-}CO_2$)[8]	129,000	153,500	175,000	168,000	178,100	171,900	166,000	155,300	138,900	**129,600**
Total paper usage (t)[9]	9,922	9,849	8,116	6,509	6,559	6,967	6,475	6,474	6,092	**4,794**

1. The values for fiscal 2011 to fiscal 2013 are the totals of Dai-ichi Life, Dai-ichi Frontier Life, TAL, and Dai-ichi Life Vietnam. The values for fiscal 2014 are the total of Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life, TAL, and Dai-ichi Life Vietnam. The values for fiscal 2015 to fiscal 2018 are the totals of Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life, Protective, TAL, and Dai-ichi Life Vietnam. The values for fiscal 2019 are the total of Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life, Protective, TAL, Dai-ichi Life Vietnam, and Dai-ichi Life Cambodia.
2. Starting with values for fiscal 2019, values for TAL were tabulated after excluding change in in-force.
3. From fiscal 2014, the extrapolation method beyond the last liquid data point of Japanese interest rate is changed from a method taking into account the yield curve of Japanese swap rate to a method using an ultimate forward rate. Starting with figures for fiscal 2020, changes to the ultimate forward rate, etc. and corporate bond spreads in the discount rate used for insurance liability valuation by Dai-ichi Frontier Life will be reflected.
4. From fiscal 2016, figures reflect expected rate of return on investments when evaluating insurance liabilities. For figures from fiscal 2019, measurement standards have been upgraded based on the development of Insurance Capital Standard (ICS) and economic value regulations in Japan. Starting with figures for fiscal 2020, changes to the ultimate forward rate, etc. and corporate bond spreads in the discount rate used for insurance liability valuation by Dai-ichi Frontier Life will be reflected.
5. Dai-ichi Life Holdings conducted a 1:100 share split on October 1, 2013. Adjustments are made to per share indicators prior to the share split.
6. Total of Dai-ichi Life Holdings, Dai-ichi Life, Dai-ichi Frontier Life, and Neo First Life. Figures as of April 1 of the next fiscal year, which represent the percentage at the end of previous fiscal year.
7. Total of Dai-ichi Life Holdings, Dai-ichi Life, Dai-ichi Life Challenged, Dai-ichi Life Business Services and Dai-ichi Life Information Systems. Figures as of April 1 of the next fiscal year, which represent the number at the end of previous fiscal year.
8. Based on Scope (1+2). Figures for the fiscal years between 2010 and 2014 are those for Dai-ichi Life. Figures for fiscal 2015 and beyond are sums of those for subsidiaries and affiliates in Japan (total of 24 companies in fiscal 2020).
9. Figures for fiscal 2010 to fiscal 2014 are for Dai-ichi Life only. Figures for fiscal 2015 and beyond are sums of those for subsidiaries and affiliates in Japan (total of 24 companies in fiscal 2020).

SASB Information Index

In order to deepen understanding of Dai-ichi Life Group's business sustainability, we publish sustainability indicators specific to the insurance industry based on the insurance standards of the Sustainability Accounting Standards Board (SASB).

Note: Unless otherwise specified, disclosed data refers to Dai-ichi Life, the biggest operating company in the Dai-ichi Life Group. The base date for data is March 31, 2021.
Information is disclosed based on the business environment in Japan and other factors referencing the current SASB standards.

1. Initiatives for Customers

(referenced SASB standards: FN-IN-270a.1 – 270a.4)

Going forward, the Dai-ichi Life Group will continue to provide high-quality products and services pursuing customer satisfaction while providing support for customers based on "By your side, for life," our Group mission that we have worked towards over time. To respond flexibly to diversifying customer needs, the Group will work together while taking advantage of the characteristics of each Group company going forward.

Additionally, the policy retention and lapse and surrender rates are also covered in this report.

▶ P106 Financial and Non-Financial Highlights

A Customer-First Business Operation Policy

In accordance with the customer-first business operation policy established by the Dai-ichi Life Group, we disclose the status of initiatives at each Group company.

Reference websites

- Dai-ichi Life (Japanese Only) https://www.dai-ichi-life.co.jp/dsr/customer_first/
- Dai-ichi Frontier Life (Japanese Only) https://www.d-frontier-life.co.jp/corporate/customer-first/index.html
- Neo First Life (Japanese Only) http://neofirst.co.jp/customer-first.html

Listening to Customer Feedback

The Dai-ichi Life Group takes the results of customer satisfaction surveys and feedback from customers seriously and uses them to improve customer satisfaction.

Reference websites

- Dai-ichi Life https://www.dai-ichi-life.co.jp/english/dsr/stakeholder/satisfied.html
- Dai-ichi Frontier Life (Japanese Only) https://www.d-frontier-life.co.jp/corporate/voice/index.html
- Neo First Life (Japanese Only) http://neofirst.co.jp/voc/complaint.html

Utilizing Customer Feedback in Management

We have introduced a structure for collecting a wide range of feedback from customers and incorporating it into management and operations.

Reference websites

- Dai-ichi Life https://www.dai-ichi-life.co.jp/english/dsr/stakeholder/customer.html
- 2021 Report on Initiatives to Leverage Customer Feedback (Japanese Only)
  https://www.dai-ichi-life.co.jp/dsr/hakusho/index.html

Initiatives Related to Payment of Insurance Claims and Benefits

The Dai-ichi Life Group makes various efforts to contact customers at each stage of the claims process-when receiving a claim, approving payment, and after payment-in order to fully provide information on insurance claims that can be paid and other potential payable benefits. We also continually strive to strengthen our payment management systems based on the results of customer surveys and the opinions of outside experts.

Reference websites

- Dai-ichi Life https://www.dai-ichi-life.co.jp/english/dsr/customer/example.html
- Dai-ichi Frontier Life (Japanese only) https://www.d-frontier-life.co.jp/corporate/payment/index.html
- Neo First Life (Japanese only) https://download.neofirst.co.jp/voc/resultofpayment.html

2. Asset Management based on an ESG Perspective

(referenced SASB standards: FN-IN-410a.1 – 410a.2)

Our Group mission has been "By your side, for life" ever since our establishment in 1902. We recognize that as a lifelong partner, it is our obligation to approach customer needs and social issues with sincerity and contribute to realize the well-being of all people and a sustainable society with a view to 100 years down the road through our products and services, as well as contribute to improving quality of life for our customers in our management of the insurance premiums they entrust to us. Thus, we believe it is important for us to meet customer needs and contribute to solving social issues in both insurance underwriting and asset management operations that are unique to life insurance. Based on this perception, we proactively promote ESG investment.

ESG Investment at Dai-ichi Life

As a universal owner managing approximately 38 trillion yen in funds, entrusted by roughly 10 million policy holders throughout Japan, across a wide range of assets, Dai-ichi Life recognizes the need to manage assets while considering the interest of various stakeholders. Also, based on our social role as a life insurance company, we believe that it is our obligation to not only to gain returns on our investments, but also to contribute to solving social issues. In November 2015, Dai-ichi Life became a signatory to the United Nations Principles for Responsible Investment (PRI), which advocates incorporating ESG factors into the asset management process. Moreover, in April 2020, we formulated and published our Basic Policy on ESG Investment as a commitment to strongly promoting ESG investment initiatives and set targets for the incorporation of ESG into all our asset management policies and investment processes. In addition, in February 2021, we became the first Japanese entity to join the "Net-Zero Asset Owner Alliance," an international initiative by institutional investors who seek to make the transition to an investment portfolio containing essentially zero greenhouse gas emission by 2050. Details on our initiatives are also described in this report.

▶ P59 Feature: ESG Investment by Dai-ichi Life
▶ P57 Climate Change

Reference websites

- Dai-ichi Life https://www.dai-ichi-life.co.jp/english/dsr/investment/esg.html
- 2020 Responsible Investment Report https://www.dai-ichi-life.co.jp/english/dsr/investment/pdf/ri-report_002.pdf

Assets under Management

We disclose assets under management by sector at Dai-ichi Life.

Reference websites

- Notice of Dai-ichi Life Insurance financial results for the year ended March 31, 2021, and supplementary materials
- https://www.dai-ichi-life.co.jp/english/investor/financial/results/2020/pdf/index_005.pdf
  (Refer to p. 6 and thereafter.)
- https://www.dai-ichi-life.co.jp/english/investor/financial/results/2020/pdf/index_006.pdf
  (Refer primarily to pp. 3 and 5.)

ESG Information Index

We organize information related to the Group's sustainability from an ESG perspective to help with ESG research, etc.

Reference website

- Dai-ichi Life Holdings https://www.dai-ichi-life-hd.com/en/sustainability/library/esg.html

3. Initiatives for Responsible Business Conduct

(referenced SASB standards: FN-IN-410b.2)

The Dai-ichi Life Group seeks to contribute to the well-being of all people as we head into the future. It also means that all people have total peace of mind, live rich and healthy lives, and are in a state of happiness. For that reason, we expanded our operational domains to the four types of experiential values that comprise well-being.

Additionally, as the happiness of all people as sought by the Dai-ichi Life Group could be only realized in sustainable society, we will position that realization as the overarching premise of our business operation as we tackle key issues that pertain to ensuring the sustainability of communities. Details on our initiatives are also described in this report.

▶ P29- CX Design Strategy, Protection, Asset formation/ Succession, Health and Medical Care
▶ P51 Sustainability
▶ P53 Climate Change Initiatives

4. Exposure to Environmental Risks

(referenced SASB standards: FN-IN-450a.1 – 450a.3)

We manage risk appropriately from the prediction stage by identifying the predictable risks that could have a material impact on the Dai-ichi Life Group's management as material risks and formulating business plans based on these risks. The material risks include risk related to climate change and risk related to large-scale disasters.

Reference website

- Dai-ichi Life Holdings https://www.dai-ichi-life-hd.com/en/investor/share/business_risk.html

Risks and Opportunities Related to Climate Change and Impact on the Group's Business

This report describes climate change initiatives at the Dai-ichi Life Group and at Dai-ichi Life.

▶ P53 Climate Change Initiatives

Risk of Loss Related to Natural Disaster

In calculating the solvency margin ratio*, which is one indicator of financial soundness, we calculate an amount for catastrophe risk as one of the risks in accordance with the relevant laws and regulations, including the Insurance Business Act.

▶ P150 Status of Enhancement of Payment Capacity for Benefits, Etc. for Insurance Holding Companies and Their Subsidiaries, Etc.

* Solvency margin ratio: one of the regulatory supervision indicators for determining the level of claims payment capacity (solvency margin) in preparation for risks that arise above and beyond normal expectations, such as disasters and stock market crashes.

5. Systemic Risk Management

(referenced SASB standards: FN-IN-550a.1 – 550a.3)

To secure sound and appropriate business operations and to ensure fulfillment of obligations as an insurer, the Dai-ichi Life Group identifies and assesses various risks within the Group and responds appropriately based on the characteristics of each risk as well as managing risks in an integrated manner. We also strive for Group-wide management of our financial base, which includes these risks and shareholders' equity, to improve financial soundness. Furthermore, we have been developing management systems for crises and large-scale disasters that cannot be handled using conventional risk management alone.

Reference website

- Dai-ichi Life Holdings https://www.dai-ichi-life-hd.com/en/about/control/in_control/administer.html

Derivative Transactions

Derivative transaction gains and losses (listed and over-the-counter) at Dai-ichi Life (general account) are as below.
Gains on listed derivative transactions: 1,268 million yen
Over-the-counter derivative transactions losses: 316,479 million yen
In addition, pursuant to Article 156-62 of the Financial Instruments and Exchange Act, Dai-ichi Life pledged the following cash and securities to Japan Securities Clearing Corporation as its liabilities related to some over-the-counter derivative transactions subject to mandatory central counterparty (CCP) clearing.
Cash: 30,813 million yen
Securities: 52,174 million yen

Reference websites

- Supplementary Materials for the Fiscal Year Ended March 31, 2021
  Dai-ichi Life Holdings
  https://www.dai-ichi-life-hd.com/en/investor/library/press/2020/pdf/index_016.pdf

Total of Collateral Assets Related to Securities Lending

The total of collateral assets related to securities lending by Dai-ichi Life (general account) is as follows.
Cash: 2,301,762 million yen
Securities: 1,945,314 million yen
The above collateral assets related to securities lending are not reinvested.

Non-Insurance Business Activities

Asset Management One, which engages in the asset management business of the Group, mainly invests in securities with high market liquidity, and liquidity problems are limited.

At present, the asset management business accounts for less than 1% of the Group's consolidated ordinary profit and 4% of adjusted profit.

6. Activity Metrics

(referenced SASB standards: FN-IN-000.A)

This report includes information on the Dai-ichi Life Group's in-force policies. The report also discloses the status of the Group's insurance policies (annualized net premium from policies in force, total amount of policies in force, etc.)

▶ P22 Management Resources Supporting Contribution to Well-Being(Social and Relationship Capital)

Reference website

- Dai-ichi Life Holdings https://www.dai-ichi-life-hd.com/en/investor/library/press/2020/pdf/index_014.pdf

Overview and Organization of the Insurance Holding Company

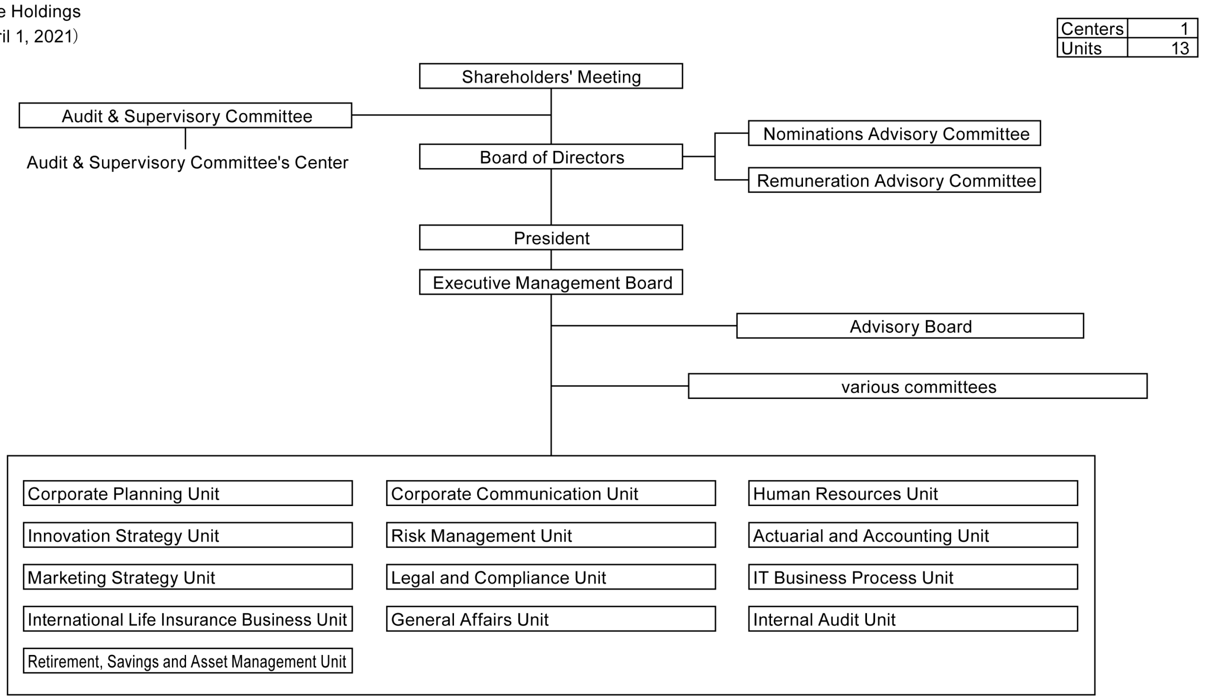
Corporate Profile

Trade name	Dai-ichi Life Holdings, Inc.
Date of Establishment	September 15, 1902
Head Office	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-8411, Japan
Phone number	81-(0)3-3216-1222
Official website	https://www.dai-ichi-life-hd.com/en/
Main Business	The purpose of the Company shall be to engage in the following businesses: (1) Business administration of life insurance companies, non-life insurance companies, and other companies operating as the Company's subsidiaries pursuant to the provisions of the Insurance Business Act, and (2) Other business activities incidental to the business listed in the preceding item.
Capital stock	343.7 billion yen
Number of employees	726 persons

Management Organization

Organization Chart

Dai-ichi Life Holdings
(As of April 1, 2021)



Capital Stock and Number of Shares

1. Capital stock

Date	Increase in capital	Capital stock after increase	Details
April 1, 2010	210,200 million yen	210,200 million yen	Reconciliation of net assets associated with the change in corporate structure to a public company from a mutual company
April 2, 2012	7 million yen	210,207 million yen	Exercise of stock options
April 1, 2013	8 million yen	210,215 million yen	Exercise of stock options
June 21, 2013	9 million yen	210,224 million yen	Exercise of stock options
June 25, 2014	37 million yen	210,262 million yen	Exercise of stock options
July 23, 2014	124,178 million yen	334,440 million yen	Issuance of new shares by way of public offering
August 19, 2014	8,663 million yen	343,104 million yen	Third-party allotment associated with the secondary offering through over-allotment
April 1, 2015	42 million yen	343,146 million yen	Exercise of stock options
July 24, 2018	180 million yen	343,326 million yen	Third-party allotment associated with the stock remuneration scheme using restricted stocks
July 19, 2019	190 million yen	343,517 million yen	Third-party allotment associated with the stock remuneration scheme using restricted stocks
July 21, 2020	214 million yen	343,732 million yen	Third-party allotment associated with the stock remuneration scheme using restricted stocks

2. Number of shares and shareholders

(As of March 31, 2021)

Number of shares authorized to be issued	4,000,000 thousand shares
Number of issued shares	1,198,755 thousand shares
Number of shareholders	745,797 persons

(Note) Numbers of shares less than one thousand are truncated.

3. Type of issued shares

(As of March 31, 2021)

Type	Number of issued shares	Details
Common stock	1,198,755 thousand shares	—

(Note) Numbers of shares less than one thousand are truncated.

4. Major Shareholders (Top 10)

(As of March 31, 2021)

Name of shareholders	Ownership in the Company	
	Shares held	Percentage
	thousands of shares	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	84,075	7.54
Custody Bank of Japan, Ltd. (Trust Account)	67,254	6.03
Mizuho Bank, Ltd.	28,000	2.51
SMP PARTNERS (CAYMAN) LIMITED	24,500	2.19
SMBC Nikko Securities Inc.	23,760	2.13
Custody Bank of Japan, Ltd. (Trust Account 7)	22,991	2.06
GOLDMAN SACHS INTERNATIONAL	21,762	1.95
Shinsei Trust & Banking Co., Ltd. ECM MF Trust Account 8299002	17,450	1.56
STATE STREET BANK WEST CLIENT – TREATY 505234	16,457	1.47
JPMorgan Securities Japan Co., Ltd.	16,016	1.43

(Notes) 1. The treasury stock held by the Company (84,598 thousands of shares) is excluded from the above Major Shareholders.
2. Numbers of shares less than one thousand are truncated.
3. Percentage figures of ownership are calculated after deducting the number of treasury stock from the number of issued shares, and figures less than the second decimal place are truncated.

5. Independent Auditor

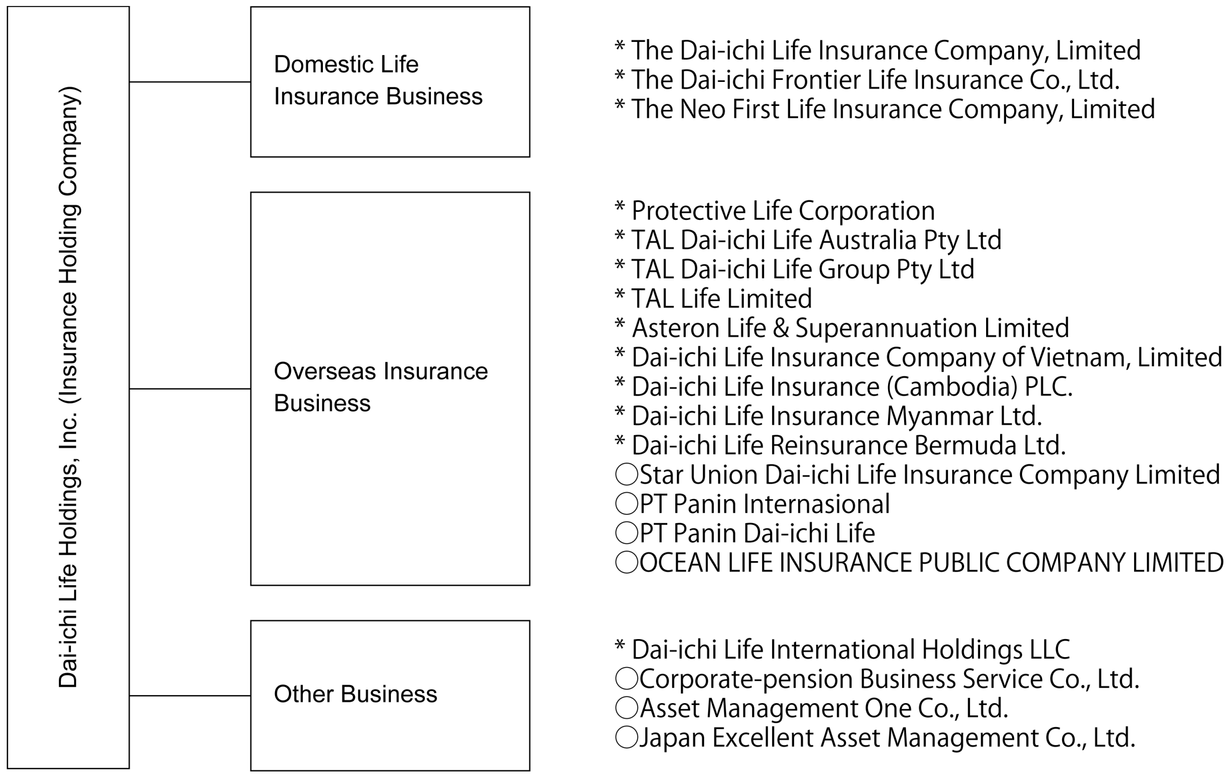
KPMG AZSA LLC

Overview of the Insurance Holding Company and its Subsidiaries and Affiliated Companies

Main Businesses and Organization

Main businesses operated by the Company and its 108 subsidiaries and 28 affiliated companies, and the positioning of the group companies with respect to each of these businesses, are described as follows.

〈Diagram of the Company and its Subsidiaries and Affiliated Companies〉



(Notes) 1. Company names of principal subsidiaries and affiliated companies are shown.
2. Company names with "＊" are consolidated subsidiaries and "○" are affiliated companies under the equity method as of March 31, 2021.

List of Group Companies

Company Name	Date of Establishment	Location	Capital	Principal Business (Note 1)	Percentage of voting rights of subsidiaries, etc. held by the Company (%)	Percentage of voting rights of subsidiaries, etc. held by Group companies (%) (Note 2)
(Consolidated Subsidiary)						
The Dai-ichi Life Insurance Company, Limited	April 1, 2016	Chiyoda-ku, Tokyo	60.0 billion JPY	Life insurance business in Japan	100.0%	0.0%
The Dai-ichi Frontier Life Insurance Co., Ltd.	December 1, 2006	Shinagawa-ku, Tokyo	117.5 billion JPY	Life insurance business in Japan	100.0%	0.0%
The Neo First Life Insurance Company, Limited	April 23, 1999	Shinagawa-ku, Tokyo	47.5 billion JPY	Life insurance business in Japan	100.0%	0.0%
Protective Life Corporation	July 24, 1907	Birmingham, U.S.A.	10 USD	Overseas insurance business	100.0%	0.0%
TAL Dai-ichi Life Australia Pty Ltd	March 25, 2011	Sydney, Australia	2.130 billion AUD	Overseas insurance business	100.0%	0.0%
TAL Dai-ichi Life Group Pty Ltd	March 25, 2011	Sydney, Australia	2.267 billion AUD	Overseas insurance business	0.0%	100.0%
TAL Life Limited	October 11, 1990	Sydney, Australia	0.654 billion AUD	Overseas insurance business	0.0%	100.0%
Asteron Life & Superannuation Limited	June 14, 1996	Sydney, Australia	0.804 billion AUD	Overseas insurance business	0.0%	100.0%
Dai-ichi Life Insurance Company of Vietnam, Limited	January 18, 2007	Ho Chi Minh City, Vietnam	7,697.5 billion VND	Overseas insurance business	100.0%	0.0%
Dai-ichi Life Insurance (Cambodia) PLC.	March 14, 2018	Phnom Penh, Cambodia	26 million USD	Overseas insurance business	100.0%	0.0%
Dai-ichi Life Insurance Myanmar Ltd.	May 17, 2019	Yangon, Myanmar	49 million USD	Overseas insurance business	0.0%	100.0%
Dai-ichi Life Reinsurance Bermuda Ltd.	September 25, 2020	Hamilton, Bermuda	65 million USD	Overseas insurance business	100.0%	0.0%
Dai-ichi Life International Holdings LLC	June 22, 2020	Chiyoda-ku, Tokyo	5 million JPY	Other business	99.9%	0.0%
(Affiliated Company Under the Equity Method)						
Star Union Dai-ichi Life Insurance Company Limited	September 25, 2007	Navi Mumbai, India	2.589 billion INR	Overseas insurance business	0.0%	45.9%
PT Panin Internasional	July 24, 1998	Jakarta, Indonesia	1,022.5 billion IDR	Overseas insurance business	0.0%	36.8%
PT Panin Dai-ichi Life	July 19, 1974	Jakarta, Indonesia	1,067.3 billion IDR	Overseas insurance business	5.0%	95.0%
OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED	January 11, 1949	Bangkok, Thailand	2.360 billion THB	Overseas insurance business	0.0%	24.0%
Corporate-Pension Business Service Co., Ltd.	October 1, 2001	Osaka-shi, Osaka	6.0 billion JPY	Other business	0.0%	50.0%
Asset Management One Co., Ltd.	July 1, 1985	Chiyoda-ku, Tokyo	2.0 billion JPY	Other business	49.0%	0.0%
Japan Excellent Asset Management Co., Ltd.	April 14, 2005	Minato-ku, Tokyo	400 million JPY	Other business	0.0%	36.0%

(Notes) 1. "Principal Business" is categorized with the three reportable segments of the Company.
2. "Percentage of voting rights of subsidiaries, etc. held by Group companies" represent percentages including the those of indirect voting rights, which in turn include the percentages of "voting rights held by any persons who are found to exercise their voting rights in the same manner as the intent of the subject person due to their close ties with the subject person in terms of contribution, personnel affairs, funds, technology, transactions, etc. and those held by any persons who have given their consent to exercising their voting rights in the same manner as the intent of the subject person."

Main Businesses of the Insurance Holding Company and its Subsidiaries and Affiliated Companies

Key Management Indicators

	Fiscal Year Ended March 31,				
	2017	2018	2019	2020	2021
Ordinary revenues (million yen)	6,456,796	7,037,827	7,184,093	7,114,099	7,827,806
Ordinary profit (million yen)	425,320	471,994	432,945	218,380	552,861
Net income attributable to shareholders of parent company (million yen)	231,286	363,928	225,035	32,433	363,777
Comprehensive income (million yen)	264,969	684,757	72,613	167,564	1,143,981

	As of March 31,				
	2017	2018	2019	2020	2021
Total net assets (million yen)	3,137,266	3,749,271	3,713,592	3,776,918	4,807,129
Total assets (million yen)	51,985,850	53,603,028	55,941,261	60,011,999	63,593,705
Consolidated solvency margin ratio (%)	749.2	838.3	869.7	884.1	958.5

Outline of business

Ordinary revenues for the fiscal year ended March 31, 2021 increased by 10.0% compared to the previous fiscal year to 7,827.8 billion yen, consisting of 4,730.3 billion yen (3.2% decrease) in premium and other income, 2,719.5 billion yen (44.9% increase) in investment income, and 377.9 billion yen (7.3% increase) in other ordinary revenues.

Meanwhile, ordinary expenses for the fiscal year ended March 31, 2021 increased by 5.5% compared to the previous fiscal year to 7,274.9 billion yen, consisting of 5,001.1 billion yen (2.7% increase) in benefits and claims, 971.2 billion yen (490.5% increase) in provision for policy reserves and others, 326.6 billion yen (60.3% decrease) in investment expenses, 689.0 billion yen (1.3% increase) in operating expenses, and 286.8 billion yen (19.9% decrease) in other ordinary expenses.

As a result, ordinary profit for the fiscal year ended March 31, 2021 increased by 153.2% compared to the previous fiscal year to 552.8 billion yen.Net income attributable to shareholders of parent company, which is ordinary profit after extraordinary gains and losses, provision for reserve for policyholder dividends and total of corporate income taxes, increased to 363.7 billion yen (32.4 billion yen in the previous consolidated fiscal year). This was mainly due to an increase in investment income from market factors at Dai-ichi Life and Dai-ichi Frontier Life, and an improvement in profit related to market value adjustment (MVA) at Dai-ichi Frontier Life.

Segment results were as follows:

(1) Domestic Life Insurance Business

Ordinary revenues for the domestic life insurance business increased compared to the previous fiscal year by 307.9 billion yen, or 5.2%, to 6,181.2 billion yen mainly due to an increase in gains on sale of securities at Dai-ichi Life and due to an increase in foreign exchange gains from fluctuations in foreign exchange rates at Dai-ichi Frontier Life. Segment profit increased compared to the previous fiscal year by 294.3 billion yen, or 163.6%, to 472.2 billion yen mainly due to an increase in profit related to market value adjustments (MVA) at Dai-ichi Frontier Life.

(2) Overseas Insurance Business

Ordinary revenues for the overseas insurance business increased compared to the previous fiscal year by 13.7 billion yen, or 0.7%, to 1,868.1 billion yen mainly due to an increase in premium and other income at TAL Dai-ichi Life Australia Pty Ltd. Segment profit decreased compared to the previous fiscal year by 9.2 billion yen, or 11.2%, to 73.0 billion yen mainly due to the provision of allowance for currently expected credit losses in the commercial mortgage loan at Protective Life Corporation.

(3) Other Business

Ordinary revenues for other business increased compared to the previous fiscal year by 3.6 billion yen, or 1.9%, to 193.4 billion yen mainly because of an increase in dividends income from the group companies. Segment profit increased compared to the previous fiscal year by 54.2 billion yen, or 44.0%, to 177.7 billion yen mainly due to record extraordinary gains from sales of ordinary shares of Janus Henderson Group plc.

Consolidated Balance Sheet

	(Unit: million yen)		(Unit: million US dollars)
	As of March 31,		
	2020	**2021**	**2021**
(ASSETS)			
Cash and deposits	1,205,507	1,884,141	17,018
Call loans	513,800	403,700	3,646
Monetary claims bought	221,147	252,140	2,277
Money held in trust	1,039,062	1,130,920	10,215
Securities	47,734,406	50,879,947	459,578
Loans	3,715,750	3,762,666	33,986
Tangible fixed assets	1,126,269	1,113,299	10,055
Land	765,160	761,546	6,878
Buildings	339,716	331,138	2,991
Leased assets	6,821	5,186	46
Construction in progress	197	2,168	19
Other tangible fixed assets	14,374	13,258	119
Intangible fixed assets	472,990	445,163	4,020
Software	106,696	117,231	1,058
Goodwill	39,497	42,696	385
Other intangible fixed assets	326,797	285,235	2,576
Reinsurance receivable	1,523,297	1,668,969	15,075
Other assets	2,403,292	2,016,733	18,216
Deferred tax assets	11,859	12,014	108
Customers' liabilities for acceptances and guarantees	47,065	52,861	477
Reserve for possible loan losses	(1,641)	(28,224)	(254)
Reserve for possible investment losses	(807)	(627)	(5)
Total assets	60,011,999	63,593,705	574,416
(LIABILITIES)			
Policy reserves and others	50,494,544	51,051,420	461,127
Reserves for outstanding claims	573,984	753,126	6,802
Policy reserves	49,520,817	49,897,294	450,702
Reserve for policyholder dividends	399,742	400,999	3,622
Reinsurance payable	781,980	796,523	7,194
Bonds payable	1,135,336	899,770	8,127
Other liabilities	2,723,157	4,671,205	42,193
Net defined benefit liabilities	440,874	418,546	3,780
Reserve for retirement benefits of directors, executive officers and corporate auditors	1,188	998	9
Reserve for possible reimbursement of prescribed claims	800	800	7
Reserves under the special laws	240,796	264,454	2,388
Reserve for price fluctuations	240,796	264,454	2,388
Deferred tax liabilities	296,142	558,387	5,043
Deferred tax liabilities for land revaluation	73,195	71,606	646
Acceptances and guarantees	47,065	52,861	477
Total liabilities	56,235,081	58,786,576	530,996
(NET ASSETS)			
Capital stock	343,517	343,732	3,104
Capital surplus	329,860	330,065	2,981
Retained earnings	1,094,483	1,375,805	12,427
Treasury stock	(126,356)	(155,959)	(1,408)
Total shareholders' equity	1,641,506	1,893,643	17,104
Net unrealized gains (losses) on securities, net of tax	2,283,198	3,056,350	27,606
Deferred hedge gains (losses)	20,437	(2,916)	(26)
Reserve for land revaluation	(17,978)	(22,026)	(198)
Foreign currency translation adjustments	(123,850)	(108,830)	(983)
Accumulated remeasurements of defined benefit plans	(27,458)	(10,012)	(90)
Total accumulated other comprehensive income	2,134,348	2,912,564	26,308
Subscription rights to shares	1,063	920	8
Total net assets	3,776,918	4,807,129	43,420
Total liabilities and net assets	60,011,999	63,593,705	574,416

Consolidated Statement of Earnings

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2020	**2021**	**2021**
ORDINARY REVENUES	7,114,099	7,827,806	70,705
Premium and other income	4,885,407	4,730,301	42,726
Investment income	1,876,634	2,719,584	24,564
Interest and dividends	1,302,807	1,347,865	12,174
Gains on money held in trust	—	28,179	254
Gains on investments in trading securities	259,620	132,406	1,195
Gains on sale of securities	300,753	471,363	4,257
Gains on redemption of securities	11,707	15,662	141
Foreign exchange gains	—	444,926	4,018
Other investment income	1,746	1,533	13
Gains on investments in separate accounts	—	277,646	2,507
Other ordinary revenues	352,057	377,921	3,413
ORDINARY EXPENSES	6,895,718	7,274,945	65,711
Benefits and claims	4,870,794	5,001,109	45,173
Claims	1,158,590	1,264,692	11,423
Annuities	1,128,768	775,379	7,003
Benefits	561,102	571,161	5,159
Surrender values	751,919	1,084,700	9,797
Other refunds	1,270,412	1,305,176	11,789
Provision for policy reserves and others	164,491	971,280	8,773
Provision for reserves for outstanding claims	58,255	1,253	11
Provision for policy reserves	97,989	961,808	8,687
Provision for interest on policyholder dividends	8,245	8,218	74
Investment expenses	821,971	326,626	2,950
Interest expenses	44,335	33,476	302
Losses on money held in trust	21,365	—	—
Losses on sale of securities	74,928	127,053	1,147
Losses on valuation of securities	60,928	14,300	129
Losses on redemption of securities	7,638	6,314	57
Derivative transaction losses	24,835	68,095	615
Foreign exchange losses	491,107	—	—
Provision for reserve for possible loan losses	398	17,225	155
Provision for reserve for possible investment losses	504	295	2
Write-down of loans	128	369	3
Depreciation of real estate for rent and others	13,074	13,188	119
Other investment expenses	42,386	46,306	418
Losses on investments in separate accounts	40,338	—	—
Operating expenses	680,154	689,057	6,223
Other ordinary expenses	358,306	286,870	2,591
Ordinary profit	218,380	552,861	4,993
EXTRAORDINARY GAINS	4,941	40,480	365
Gains on disposal of fixed assets	4,929	5,471	49
Gains on sale of stocks of subsidiaries and affiliated companies	—	34,994	316
Other extraordinary gains	11	14	0
EXTRAORDINARY LOSSES	39,557	33,301	300
Losses on disposal of fixed assets	13,271	6,899	62
Impairment losses on fixed assets	3,556	2,552	23
Provision for reserve for price fluctuations	22,536	23,658	213
Other extraordinary losses	192	190	1
Provision for reserve for policyholder dividends	82,500	77,500	700
Income before income taxes	101,264	482,540	4,358
Corporate income taxes-current	112,292	116,138	1,049
Corporate income taxes-deferred	(43,460)	2,624	23
Total of corporate income taxes	68,831	118,763	1,072
Net Income	32,433	363,777	3,285
Net income attributable to shareholders of parent company	32,433	363,777	3,285

Consolidated Statement of Comprehensive Income

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2020	**2021**	**2021**
Net income	32,433	363,777	3,285
Other comprehensive income			
Net unrealized gains (losses) on securities, net of tax	178,039	773,016	6,982
Deferred hedge gains (losses)	16,633	(24,731)	(223)
Foreign currency translation adjustments	(46,006)	12,338	111
Remeasurements of defined benefit plans, net of tax	(16,566)	17,424	157
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	3,030	2,157	19
Total other comprehensive income	135,130	780,204	7,047
Comprehensive income	167,564	1,143,981	10,333
(Details)			
Attributable to shareholders of parent company	167,564	1,143,981	10,333

Consolidated Statement of Changes in Net Assets

Year ended March 31, 2020

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	343,326	329,723	1,134,392	(98,634)	1,708,808
Cumulative effect of changes in accounting policies			(5,639)		(5,639)
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	343,326	329,723	1,128,753	(98,634)	1,703,168
Changes for the year					
Issuance of new shares	190	190			381
Dividends			(66,442)		(66,442)
Net income attributable to shareholders of parent company			32,433		32,433
Purchase of treasury stock				(27,999)	(27,999)
Disposal of treasury stock		(53)		278	225
Change in scope of equity method			(146)		(146)
Transfer from retained earnings to capital surplus					—
Transfer from reserve for land revaluation			4,489		4,489
Others			(4,603)		(4,603)
Net changes of items other than shareholders' equity					
Total changes for the year	190	137	(34,269)	(27,721)	(61,662)
Balance at the end of the year	343,517	329,860	1,094,483	(126,356)	1,641,506

(Unit: million yen)

	Accumulated other comprehensive income			
	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)	Reserve for land revaluation	Foreign currency translation adjustments
Balance at the beginning of the year	2,101,587	3,803	(13,488)	(77,457)
Cumulative effect of changes in accounting policies				
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	2,101,587	3,803	(13,488)	(77,457)
Changes for the year				
Issuance of new shares				
Dividends				
Net income attributable to shareholders of parent company				
Purchase of treasury stock				
Disposal of treasury stock				
Change in scope of equity method				
Transfer from retained earnings to capital surplus				
Transfer from reserve for land revaluation				
Others				
Net changes of items other than shareholders' equity	181,610	16,633	(4,489)	(46,393)
Total changes for the year	181,610	16,633	(4,489)	(46,393)
Balance at the end of the year	2,283,198	20,437	(17,978)	(123,850)

(Unit: million yen)

	Accumulated other comprehensive income			
	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	Subscription rights to shares	Total net assets
Balance at the beginning of the year	(10,824)	2,003,621	1,162	3,713,592
Cumulative effect of changes in accounting policies				(5,639)
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	(10,824)	2,003,621	1,162	3,707,952
Changes for the year				
Issuance of new shares				381
Dividends				(66,442)
Net income attributable to shareholders of parent company				32,433
Purchase of treasury stock				(27,999)
Disposal of treasury stock				225
Change in scope of equity method				(146)
Transfer from retained earnings to capital surplus				—
Transfer from reserve for land revaluation				4,489
Others				(4,603)
Net changes of items other than shareholders' equity	(16,633)	130,727	(99)	130,627
Total changes for the year	(16,633)	130,727	(99)	68,965
Balance at the end of the year	(27,458)	2,134,348	1,063	3,776,918

Consolidated Statement of Changes in Net Assets (Continued)

Year ended March 31, 2021

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	343,517	329,860	1,094,483	(126,356)	1,641,506
Cumulative effect of changes in accounting policies			(15,150)		(15,150)
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	343,517	329,860	1,079,333	(126,356)	1,626,355
Changes for the year					
Issuance of new shares	214	214			429
Dividends			(70,001)		(70,001)
Net income attributable to shareholders of parent company			363,777		363,777
Purchase of treasury stock				(29,999)	(29,999)
Disposal of treasury stock		(85)		396	311
Change in scope of equity method					—
Transfer from retained earnings to capital surplus		74	(74)		—
Transfer from reserve for land revaluation			4,048		4,048
Others			(1,277)		(1,277)
Net changes of items other than shareholders' equity					
Total changes for the year	214	204	296,472	(29,603)	267,287
Balance at the end of the year	343,732	330,065	1,375,805	(155,959)	1,893,643

(Unit: million yen)

	Accumulated other comprehensive income			
	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)	Reserve for land revaluation	Foreign currency translation adjustments
Balance at the beginning of the year	2,283,198	20,437	(17,978)	(123,850)
Cumulative effect of changes in accounting policies				
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	2,283,198	20,437	(17,978)	(123,850)
Changes for the year				
Issuance of new shares				
Dividends				
Net income attributable to shareholders of parent company				
Purchase of treasury stock				
Disposal of treasury stock				
Change in scope of equity method				
Transfer from retained earnings to capital surplus				
Transfer from reserve for land revaluation				
Others				
Net changes of items other than shareholders' equity	773,152	(23,353)	(4,048)	15,020
Total changes for the year	773,152	(23,353)	(4,048)	15,020
Balance at the end of the year	3,056,350	(2,916)	(22,026)	(108,830)

(Unit: million yen)

	Accumulated other comprehensive income			
	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	Subscription rights to shares	Total net assets
Balance at the beginning of the year	(27,458)	2,134,348	1,063	3,776,918
Cumulative effect of changes in accounting policies				(15,150)
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	(27,458)	2,134,348	1,063	3,761,768
Changes for the year				
Issuance of new shares				429
Dividends				(70,001)
Net income attributable to shareholders of parent company				363,777
Purchase of treasury stock				(29,999)
Disposal of treasury stock				311
Change in scope of equity method				—
Transfer from retained earnings to capital surplus				—
Transfer from reserve for land revaluation				4,048
Others				(1,277)
Net changes of items other than shareholders' equity	17,445	778,215	(142)	778,073
Total changes for the year	17,445	778,215	(142)	1,045,360
Balance at the end of the year	(10,012)	2,912,564	920	4,807,129

Consolidated Statement of Changes in Net Assets (Continued)

Year ended March 31, 2021

(Unit: million US dollars)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	3,102	2,979	9,886	(1,141)	14,827
Cumulative effect of changes in accounting policies			(136)		(136)
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	3,102	2,979	9,749	(1,141)	14,690
Changes for the year					
Issuance of new shares	1	1			3
Dividends			(632)		(632)
Net income attributable to shareholders of parent company			3,285		3,285
Purchase of treasury stock				(270)	(270)
Disposal of treasury stock		0		3	2
Change in scope of equity method					—
Transfer from retained earnings to capital surplus		0	0		—
Transfer from reserve for land revaluation			36		36
Others			(11)		(11)
Net changes of items other than shareholders' equity					
Total changes for the year	1	1	2,677	(267)	2,414
Balance at the end of the year	3,104	2,981	12,427	(1,408)	17,104

(Unit: million US dollars)

	Accumulated other comprehensive income			
	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)	Reserve for land revaluation	Foreign currency translation adjustments
Balance at the beginning of the year	20,623	184	(162)	(1,118)
Cumulative effect of changes in accounting policies				
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	20,623	184	(162)	(1,118)
Changes for the year				
Issuance of new shares				
Dividends				
Net income attributable to shareholders of parent company				
Purchase of treasury stock				
Disposal of treasury stock				
Change in scope of equity method				
Transfer from retained earnings to capital surplus				
Transfer from reserve for land revaluation				
Others				
Net changes of items other than shareholders' equity	6,983	(210)	(36)	135
Total changes for the year	6,983	(210)	(36)	135
Balance at the end of the year	27,606	(26)	(198)	(983)

(Unit: million US dollars)

	Accumulated other comprehensive income			
	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	Subscription rights to shares	Total net assets
Balance at the beginning of the year	(248)	19,278	9	34,115
Cumulative effect of changes in accounting policies				(136)
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	(248)	19,278	9	33,978
Changes for the year				
Issuance of new shares				3
Dividends				(632)
Net income attributable to shareholders of parent company				3,285
Purchase of treasury stock				(270)
Disposal of treasury stock				2
Change in scope of equity method				—
Transfer from retained earnings to capital surplus				—
Transfer from reserve for land revaluation				36
Others				(11)
Net changes of items other than shareholders' equity		7,029	(1)	7,028
Total changes for the year	157	7,029	(1)	9,442
Balance at the end of the year	157	7,029	(1)	43,420

Consolidated Statement of Cash Flows

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2020	**2021**	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income taxes	101,264	482,540	4,358
Depreciation of real estate for rent and others	13,074	13,188	119
Depreciation	47,753	56,086	506
Impairment losses on fixed assets	3,556	2,552	23
Amortization of goodwill	3,459	4,039	36
Increase (decrease) in reserves for outstanding claims	60,945	94,552	854
Increase (decrease) in policy reserves	(97,358)	829,507	7,492
Provision for interest on policyholder dividends	8,245	8,218	74
Provision for (reversal of) reserve for policyholder dividends	82,500	77,500	700
Increase (decrease) in reserve for possible loan losses	401	17,238	155
Increase (decrease) in reserve for possible investment losses	417	(180)	(1)
Write-down of loans	128	369	3
Increase (decrease) in net defined benefit liabilities	(3,662)	2,804	25
Increase (decrease) in reserve for retirement benefits of directors, executive officers and corporate auditors	(109)	(190)	(1)
Increase (decrease) in reserve for possible reimbursement of prescribed claims	(100)	—	—
Increase (decrease) in reserve for price fluctuations	22,536	23,658	213
Interest and dividends	(1,302,807)	(1,347,865)	(12,174)
Securities related losses (gains)	(388,245)	(749,410)	(6,769)
Interest expenses	44,335	33,476	302
Foreign exchange losses (gains)	491,107	(444,926)	(4,018)
Losses (gains) on disposal of fixed assets	8,110	1,125	10
Equity in losses (income) of affiliates	37,880	(10,643)	(96)
Losses (gains) on sale of stocks of subsidiaries and affiliated companies	—	(34,994)	(316)
Decrease (increase) in reinsurance receivable	(158,655)	(212,668)	(1,920)
Decrease (increase) in other assets unrelated to investing and financing activities	(220,309)	(54,059)	(488)
Increase (decrease) in reinsurance payable	433,398	(55,660)	(502)
Increase (decrease) in other liabilities unrelated to investing and financing activities	89,323	65,816	594
Others, net	95,031	107,459	970
Subtotal	(627,778)	(1,090,465)	(9,849)
Interest and dividends received	1,516,727	1,487,427	13,435
Interest paid	(51,120)	(43,394)	(391)
Policyholder dividends paid	(89,181)	(84,461)	(762)
Others, net	(14,750)	(304,509)	(2,750)
Corporate income taxes (paid) refund	(143,811)	(44,500)	(401)
Net cash flows provided by (used in) operating activities	590,084	(79,904)	(721)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net decrease (increase) in cash and deposits	(3,136)	(4,234)	(38)
Purchases of monetary claims bought	(44,550)	(48,967)	(442)
Proceeds from sale and redemption of monetary claims bought	22,702	15,459	139
Purchases of money held in trust	(554,729)	(226,019)	(2,041)
Proceeds from decrease in money held in trust	53,676	162,283	1,465
Purchases of securities	(9,121,274)	(11,675,124)	(105,456)
Proceeds from sale and redemption of securities	9,006,260	10,923,203	98,665
Origination of loans	(936,951)	(788,869)	(7,125)
Proceeds from collection of loans	713,194	676,611	6,111
Net increase (decrease) in short-term investing	94,604	1,587,013	14,334
Total of net cash provided by (used in) investment transactions	(770,203)	621,355	5,612
Total of net cash provided by (used in) operating activities and investment transactions	(180,118)	541,450	4,890
Acquisition of tangible fixed assets	(43,485)	(38,166)	(344)
Proceeds from sale of tangible fixed assets	37,973	23,283	210
Acquisition of intangible fixed assets	(35,974)	(38,310)	(346)
Proceeds from sale of intangible fixed assets	33	1	0
Acquisition of stock of subsidiaries resulting in change in scope of consolidation	(4,348)	—	—
Acquisition of stock of subsidiaries	(640)	(16,800)	(151)
Payments for acquisition of business	(79,793)	—	—
Net cash flows provided by (used in) investing activities	(896,437)	551,362	4,980

Consolidated Statement of Cash Flows (Continued)

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2020	**2021**	**2021**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	72,345	256,789	2,319
Repayment of borrowings	(65,000)	(182,470)	(1,648)
Proceeds from issuing bonds	147,321	79,440	717
Redemption of bonds	(62,703)	(2,132)	(19)
Repayment of financial lease obligations	(2,633)	(2,966)	(26)
Net increase (decrease) in short-term financing	789,923	17,281	156
Purchase of treasury stock	(27,999)	(29,999)	(270)
Cash dividends paid	(66,287)	(69,855)	(630)
Acquisitions of stock of subsidiaries that do not result in change in scope of consolidation	(95)	(500)	(4)
Others, net	0	0	0
Net cash flows provided by (used in) financing activities	784,869	65,587	592
Effect of exchange rate changes on cash and cash equivalents	(19,127)	28,283	255
Net increase (decrease) in cash and cash equivalents	459,389	565,328	5,106
Cash and cash equivalents at the beginning of the year	1,237,077	1,697,582	15,333
Increase (decrease) in cash and cash equivalents due to changes in the subsidiaries included in the scope of consolidation	1,115	—	—
Cash and cash equivalents at the end of the year	1,697,582	2,262,910	20,439

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2021

Ⅰ. BASIS FOR PRESENTATION

The accompanying consolidated financial statements have been prepared from the accounts maintained by Dai-ichi Life Holdings, Inc. (the “Company”) and its consolidated subsidiaries in accordance with the provisions set forth in the Financial Instruments and Exchange Act, and in conformity with accounting principles generally accepted in Japan (“Japanese GAAP”) which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards.

Certain items presented in the consolidated financial statements are reclassified for the convenience of readers outside Japan. The notes to the consolidated financial statements include information which is not required under Japanese GAAP but is presented herein as additional information.

The amounts indicated in millions of yen are rounded down by truncating the figures below one million. Totals may not add up exactly because of such truncation. Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥110.71=US$1.00, the foreign exchange rate on March 31, 2021, has been used for translation of the truncated figures in Japanese yen. The inclusion of such amounts is not intended to imply that Japanese yen has been or could be readily converted, realized or settled into U.S. dollars at that rate or any other rate.

Ⅱ. PRINCIPLES OF CONSOLIDATION

1. Scope of Consolidation

The Number of consolidated subsidiaries as of March 31, 2021 was seventy-five.The consolidated financial statements include the accounts of the Company and its consolidated subsidiaries (collectively, “the Group”), including The Dai-ichi Life Insurance Company, Limited (“DL”), The Dai-ichi Frontier Life Insurance Co., Ltd. (“DFLI”), The Neo First Life Insurance Company, Limited (“Neo First Life”), Dai-ichi Life Insurance Company of Vietnam, Limited (“DLVN”), TAL Dai-ichi Life Australia Pty Ltd (“TDLA”), Protective Life Corporation (“PLC”), Dai-ichi Life Insurance (Cambodia) PLC. (“DLKH”), Dai-ichi Life Insurance Myanmar Ltd.(“DLMM”), Dai-ichi Life Reinsurance Bermuda Ltd. (“DLRe”) and Dai-ichi Life International Holdings LLC (“DLIHD”).

Effective the fiscal year ended March 31, 2021, DLIHD, which was established during the fiscal year ended March 31, 2021, was included in the scope of consolidation.

Effective the fiscal year ended March 31, 2021, DLRe, which was established during the fiscal year ended March 31, 2021 was included in the scope of consolidation.

Effective the fiscal year ended March 31, 2021, four subsidiaries of TDLA were included in the scope of consolidation.

Effective the fiscal year ended March 31, 2021, ten subsidiaries of PLC were included in the scope of consolidation.

Effective the fiscal year ended March 31, 2021, two subsidiaries of TDLA were excluded from the scope of consolidation.

Effective the fiscal year ended March 31, 2021, seven subsidiaries of PLC were excluded from the scope of consolidation.

The number of non-consolidated subsidiaries as of March 31, 2021 was thirty-three. The main subsidiaries that are not consolidated for the purposes of financial reporting are The Dai-ichi Life Information Systems Co., Ltd., THE DAI-ICHI BUILDING CO., LTD. and First U Anonymous Association.

The thirty-three non-consolidated subsidiaries as of March 31, 2021 had, individually and in the aggregate, a minimal impact on the consolidated financial statements in terms of total assets, sales, net income (loss) (amount corresponding to equity interest), retained earnings (amount corresponding to equity interest), cash flows, and others.

2. Application of the Equity Method

The number of non-consolidated subsidiaries under the equity method as of March 31, 2021 was zero.

The number of affiliated companies under the equity method as of March 31, 2021 was twenty-one. The affiliated companies included Asset Management One Co., Ltd., Corporate-pension Business Service Co., Ltd., Japan Excellent Asset Management Co., Ltd., OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED, Star Union Dai-ichi Life Insurance Company Limited and PT Panin Internasional.

Effective the fiscal year ended March 31, 2021, one affiliated company of PT Panin Internasional was included in the scope of the equity method as it had become an affiliated company of the Company.

Effective the fiscal year ended March 31, 2021, seven affiliated companies of Janus Henderson Group plc were included in the scope of the equity method as it had become an affiliated company of the Company.

Effective the fiscal year ended March 31, 2021, thirteen affiliated companies of Janus Henderson Group plc were excluded from the scope of the equity method.

Effective the fiscal year ended March 31, 2021, the total ninety-nine companies of Janus Henderson Group plc were excluded from the scope of the equity method because of selling the shares held by the Company.

The non-consolidated subsidiaries (The Dai-ichi Life Information Systems Co., Ltd., THE DAI-ICHI BUILDING CO.,LTD. and First U Anonymous Association and others), as well as affiliated companies (Mizuho-DL Financial Technology Co., Ltd., NIHONBUSSAN Corporation and others) were not accounted for under the equity method. These companies had, individually and in the aggregate, a minimal impact on the consolidated financial statements, in terms of the net income (loss) (amount corresponding to equity interest), retained earnings (amount corresponding to equity interest) and others.

3. Year-end Dates of Consolidated Subsidiaries

Among the consolidated subsidiaries, the closing dates of consolidated overseas subsidiaries are September 30, December 31 or March 31. For those with a closing date of September 30, financial information based on the provisional closing performed on December 31 is used to prepare the consolidated financial statements. For those with a closing date of December 31 or March 31, financial information as of those closing dates is used to prepare the consolidated financial statements.

Necessary adjustments are made when significant transactions take place between the account closing date of an individual subsidiary and that of the consolidated financial statements.

4. Summary of Significant Accounting Policies

(1) Valuation Methods of Securities

Securities held by the Company and its consolidated subsidiaries including cash and deposits and monetary claims bought which are equivalent to marketable securities, and marketable securities managed as trust assets in money held in trust, are carried as explained below:

The amortization of premiums and accretion of discounts is calculated by the straight-line method.

a) Trading Securities

Trading securities are carried at fair value with cost determined by the moving average method.

b) Held-to-maturity Bonds

Held-to-maturity bonds are stated at amortized cost determined by the moving average method.

c) Policy-reserve-matching Bonds (in accordance with the Industry Audit Committee Report No.21 "Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry" issued by the Japanese Institute of Certified Public Accountants (JICPA))

Policy-reserve-matching bonds are stated at amortized cost determined by the moving average method.

d) Stocks of Non-consolidated Subsidiaries and Affiliated Companies Not Accounted for under the Equity Method

Stocks of non-consolidated subsidiaries and affiliated companies not accounted for under the equity method are stated at cost determined by the moving average method.

e) Available-for-sale Securities

i) Available-for-sale Securities with Fair Values

Available-for-sale securities which have market value are valued at fair value at the end of the fiscal year (for domestic stocks, the average market value during March), with cost determined by the moving average method.

ii) Available-for-sale Securities Whose Fair Values Are Extremely Difficult to Recognize

a. Government/Corporate Bonds (including Foreign Bonds), Whose Premium or Discount Represents the Interest Adjustment

Government/corporate bonds (including foreign bonds), whose premium or discount represents the interest adjustment are valued at the amortized cost determined by the moving average method.

b. Others

All others are valued at cost determined by the moving average method.

Net unrealized gains or losses on these available-for-sale securities are presented as a separate component of net assets and not in the consolidated statement of earnings.

Securities held by certain consolidated overseas subsidiaries are stated at cost determined by the first-in first-out.

(2) Valuation Method of Derivative Transactions

Derivative transactions are reported at fair value.

(3) Depreciation of Depreciable Assets

a) Depreciation of Tangible Fixed Assets Excluding Leased Assets

Depreciation of tangible fixed assets excluding leased assets of the Company and its domestic consolidated subsidiaries is calculated by the declining balance method (the depreciation of buildings (other than facilities attached to buildings and structures that were acquired on or before March 31, 2016) is calculated by the straight-line method).

Estimated useful lives of major assets are as follows:

Buildings	two to sixty years
Other tangible fixed assets	two to twenty years

Other tangible fixed assets that were acquired for ¥100,000 or more but less than ¥200,000 are depreciated at equal amounts over three years.

With respect to tangible fixed assets that were acquired on or before March 31, 2007 and that were fully depreciated to their original depreciable limit, effective the fiscal year ended March 31, 2008, the remaining values are depreciated at equal amounts over five years from the following fiscal year of the year in which they reached the original depreciable limit.

Depreciation of tangible fixed assets owned by consolidated overseas subsidiaries is primarily calculated by the straight-line method.

b) Amortization of Intangible Fixed Assets Excluding Leased Assets

The Company and its consolidated subsidiaries use the straight-line method for amortization of intangible fixed assets excluding leased assets.

Intangible fixed assets acquired through the business combination of consolidated overseas subsidiaries are amortized over a period during which their effect is estimated, in proportion to the manner in which their effect is realized.

Software for internal use is amortized by the straight-line method based on the estimated useful lives of two to ten years.

c) Depreciation of Leased Assets

Depreciation of leased assets with regard to finance leases whose ownership does not transfer to the lessees is computed under the straight-line method assuming zero salvage value and using the lease period as the useful life.

(4) Reserve for Possible Loan Losses

The reserve for possible loan losses of consolidated subsidiaries that operate a life insurance business in Japan is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

For loans to and claims on obligors that have already experienced bankruptcy, reorganization, or other formal legal failure (hereafter, "bankrupt obligors") and loans to and claims on obligors that have suffered substantial business failure (hereafter, "substantially bankrupt obligors"), the reserve is calculated by deducting the estimated recoverable amount of the collateral or guarantees from the book value of the loans and claims after the direct write-off described below.

For loans to and claims on obligors that have not yet suffered business failure but are considered highly likely to fail (hereafter, "obligors at risk of bankruptcy"), the reserve is calculated, taking into account a) the recoverable amount covered by the collateral or guarantees and b) an overall assessment of the obligor's ability to repay.

For other loans and claims, the reserve is calculated by multiplying the actual rate or other appropriate rate of losses from bad debts during a certain period in the past by the amount of the loans and claims.

For all loans and claims, the relevant department in each subsidiary performs an asset quality assessment based on the internal rules for self-assessment, and an independent audit department audits the result of the assessment. The above reserves are established based on the result of this assessment.

For loans and claims to bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The amounts written off during the fiscal years ended March 31, 2020 and 2021 were ¥1 million and ¥1 million (US$0 million), respectively.

For certain consolidated overseas subsidiaries, reserve for their estimate of contractual cash flows not expected to be collected is recognized for relevant claims on the date of the asset's acquisition.

(5) Reserve for Possible Investment Losses

In order to provide for future investment losses, a reserve for possible investment losses is established for securities whose fair values are extremely difficult to recognize. It is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

(6) Reserve for Retirement Benefits of Directors, Executive Officers and Corporate Auditors

For the reserve for retirement benefits of directors, executive officers and corporate auditors, an estimated amount for future payment in accordance with the internal policies of certain consolidated subsidiaries is provided.

(7) Reserve for Possible Reimbursement of Prescribed Claims

To prepare for the reimbursement of claims for which prescription periods had expired, an estimated amount for reserve for possible reimbursement of prescribed claims based on past reimbursement experience is provided.

(8) Net Defined Benefit Liabilities

For the net defined benefit liabilities, the amount is provided by deducting the pension assets from the projected benefit obligations based on the estimated amounts as of March 31, 2021. The accounting treatment for retirement benefits is as follows.

a) Allocation of Estimated Retirement Benefits

In calculating the projected benefit obligations, the benefit formula basis is adopted to allocate estimated retirement benefit for the fiscal year ended March 31, 2021.

b) Amortization of Actuarial Differences and Past Service Cost

Past service cost is amortized under the straight-line method over a certain period (seven years) within the employees' average remaining service period as of the time of its occurrence.

Actuarial differences are amortized under the straight-line method over a certain period (seven years) within the employees' average remaining service period, starting from the following year. Certain consolidated overseas subsidiaries apply corridor approach.

Certain consolidated overseas subsidiaries applied the simplified method in calculating their projected benefit obligations.

(9) Reserve for Price Fluctuations

A reserve for price fluctuations is calculated based on the book value of stocks and other securities at the end of the year in accordance with the provisions of Article 115 of the Insurance Business Act.

(10) Translation of Assets and Liabilities Denominated in Foreign Currencies into Yen

The Company and its domestic consolidated subsidiaries translate foreign currency-denominated assets and liabilities (excluding stocks of its non-consolidated subsidiaries and affiliated companies which are not accounted for under the equity method) into yen at the prevailing exchange rates at the end of the year. Stocks of non-consolidated subsidiaries and affiliated companies which are not accounted for under the equity method are translated into yen at the exchange rates on the dates of acquisition. Assets, liabilities, revenues, and expenses of the Company's consolidated overseas subsidiaries are translated into yen at the exchange rates at the end of their fiscal year.

Translation adjustments associated with the consolidated overseas subsidiaries are included in foreign currency translation adjustments in the net assets section of the consolidated balance sheet.

For certain consolidated subsidiaries of the Company, changes in fair value of bonds included in foreign currency-denominated available-for-sale securities related to foreign currency-denominated insurance contracts are divided into two: changes in fair value due to changes in market prices in their original currencies are accounted for as "net unrealized gains (losses) on securities", and the remaining changes are reported in "foreign exchange gains (losses)".

(11) Hedge Accounting

a) Methods for Hedge Accounting

As for the Company and certain of its domestic consolidated subsidiaries, hedging transactions are accounted for in accordance with the "Accounting Standards for Financial Instruments" (ASBJ Statement No.10 issued on March 10, 2008). Primarily, i) special hedge accounting and the deferral hedge method for interest rate swaps are used for cash flow hedges of certain loans, government and corporate bonds, loans payable and bonds payable; ii) the currency allotment method and the deferral hedge method using foreign currency swaps, foreign currency forward contracts and foreign currency-denominated monetary claims are used for cash flow hedges against exchange rate fluctuations in certain foreign currency-denominated bonds, loans, loans payable and bonds payable and certain foreign currency-denominated term deposits and stocks (forecasted transaction); iii) the fair value hedge method using currency options and foreign currency forward contracts is used for hedges against exchange rate fluctuations in the value of certain foreign currency-denominated bonds; iv) the deferral hedge method for bond over-the-counter options is used for hedges against interest-rate fluctuations in certain foreign currency-denominated bonds; v) the deferral hedge method and fair value hedge method using equity options and equity forward contracts are used for hedges against price fluctuations in the value of certain domestic stocks and foreign currency-denominated stocks (forecasted transaction), and vi) the deferral hedge method using interest rate swaps is used for hedges against interest rate fluctuations in certain insurance liabilities, under the "Accounting and Auditing Treatment of Application of Accounting Standard for Financial Instruments to Insurance Operators" (Industry Audit Committee Report No. 26 issued by JICPA).

b) Hedging Instruments and Hedged Items

Hedging instruments	Hedged items
Interest rate swaps	Loans, government and corporate bonds, loans payable, bonds payable, insurance liabilities
Foreign currency swaps	Foreign currency-denominated bonds, foreign currency-denominated loans, foreign currency-denominated loans payable, foreign currency-denominated bonds payable
Foreign currency forward contracts	Foreign currency-denominated bonds, foreign currency-denominated term deposits, foreign currency-denominated stocks (forecasted transaction)
Foreign currency-denominated monetary claims	Foreign currency-denominated stocks (forecasted transaction)
Currency options	Foreign currency-denominated bonds
Bond over-the-counter options	Foreign currency-denominated bonds
Equity options	Domestic stocks, foreign currency-denominated stocks (forecasted transaction)
Equity forward contracts	Domestic stocks

c) Hedging Policies

The Company and certain of its domestic consolidated subsidiaries conduct hedging transactions with regard to certain market risk and foreign currency risk of underlying assets to be hedged, in accordance with the internal investment policy and procedure guidelines.

d) Assessment of Hedge Effectiveness

Hedge effectiveness is assessed primarily by a comparison of fluctuations in cash flows or fair value of hedged items to those of hedging instruments.

(12) Amortization of Goodwill

Goodwill is amortized over an effective period up to 20 years under the straight-line method. The entire amount is expensed as incurred if the amount is immaterial.

(13) Scope of Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statement of cash flows consist of cash on hand, demand deposits and short-term investments with a maturity of three months or less from the date of acquisition, which are readily convertible into cash and have an insignificant risk of changes in value.

(14) Calculation of National and Local Consumption Tax

The Company and its domestic consolidated subsidiaries account for national and local consumption tax mainly by the tax-exclusion method. Deferred consumption tax included in non-recoverable consumption tax on certain assets is capitalized as other assets and amortized equally over five years in accordance with the Order for Enforcement of the Corporation Tax Act, and such taxes other than deferred consumption tax are recognized as an expense when incurred.

(15) Policy Reserves

Policy reserves of consolidated subsidiaries that operate a life insurance business in Japan are established in accordance with the methods stated in the statement of calculation procedures for policy reserves (Article 4, Paragraph 2, Item 4 of the Insurance Business Act) pursuant to Article 116, Paragraph 1 of the Insurance Business Act, for insurance contracts under which the insurer's liability has started as of the end of the fiscal year, in preparation for the performance of future obligations under the insurance contracts. Concretely, policy reserves are calculated based on the future cash flows estimated using the assumptions, such as future mortality rates (assumed mortality rates), return on investment (assumed interest rates) and operating expense ratios (assumed operating expense ratios).

Of policy reserves, insurance premium reserves are calculated by the following methods.

a) Reserves for policies subject to the standard policy reserve rules are calculated based on the methods stipulated by the Commissioner of Financial Services Agency (Notification of the Minister of Finance No. 48, 1996).
b) Reserves for other policies are established based on the net level premium method.

If, through an estimation of future income based on most recent actual figures, the policy reserves set aside are found likely to be insufficient to cover the performance of future obligations, additional policy reserves need to be set aside in accordance with Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act. Policy reserves include additional policy reserves for some whole life insurance policies in accordance with Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act.

Contingency reserves included in policy reserves are set aside in accordance with Article 69, Paragraph 1, Item 3 of the Ordinance for Enforcement of the Insurance Business Act to cover risks that may accrue in the future in order to ensure the performance of future obligations under insurance contracts.

Policy reserves of consolidated subsidiaries that operate a life insurance business in the U.S. are set aside in accordance with US GAAP in amounts calculated by estimated future cash flows based on actuarial assumptions determined at times such as when the contracts are concluded, including future investment yields, mortality and lapse rates. If the policy reserves set aside are found likely to be insufficient to cover the performance of future obligations due to a significant difference between the estimation and the most recent actual figures, additional policy reserves need to be set aside by way of amendment to the assumptions.

Policy reserves of other overseas subsidiaries are calculated based on the each country's accounting standard.

(16) Premium and Other Income and Benefits and Claims for Consolidated Subsidiaries That Operate a Life Insurance Business in Japan

a) Premium and other income (excluding reinsurance income)

Premium and other income (excluding reinsurance income) is recorded for insurance contracts for which insurance premium has been received and under which the insurer's liability has commenced by the relevant amounts received.

Of premium and other income (excluding reinsurance income), the portion corresponding to the period that has yet to pass as of the end of the fiscal year is set aside as policy reserves in accordance with Article 69, Paragraph 1, Item 2 of the Ordinance for Enforcement of the Insurance Business Act.

b) Reinsurance Income

Reinsurance income is recorded as amounts equivalent to the portion reinsured under reinsurance contracts out of the amounts paid as claims, etc. under direct insurance contracts at the time when those claims, etc. are paid.

For certain transactions of modified coinsurance that do not involve cash settlements, amounts received under the reinsurance contracts as part of amounts equivalent to acquisition costs related to direct insurance contracts are recorded as reinsurance income while the same amounts are recorded as unamortized ceded premium commissions in reinsurance receivable and are amortized over the period of the reinsurance contracts.

c) Benefits and Claims (excluding ceding reinsurance commissions)

Benefits and claims (excluding ceding reinsurance commissions) are recorded for contracts for which amounts calculated under policy conditions have been paid in the occurrence of insured events under the policy conditions by the relevant amounts paid.

In accordance with Article 117 of the Insurance Business Act, reserves for outstanding claims are set aside for claims, etc. for which the Company has a payment due but has not paid, or for which the occurrence of the insured events have not been reported but the Company finds that insured events have already occurred, as of the end of the fiscal year.

d) Ceding reinsurance commissions

Ceding reinsurance commissions are recorded in agreed amounts in accordance with reinsurance contracts at the time either when insurance premiums under direct insurance contracts are received, or when the reinsurance contracts are entered into.

Part of policy reserves and reserves for outstanding claims corresponding to insurance contracts which have been reinsured is not set aside in accordance with Article 71, Paragraph 1 and Article 73, Paragraph 3 of the Ordinance for Enforcement of the Insurance Business Act.

Premium and other income, and benefits and claims, of consolidated overseas subsidiaries are recorded based on the each country's accounting standard, such as US GAAP.

(Additional information)

Effective the fiscal year ended March 31, 2021, the Company discloses "principles and procedures of the accounting treatment adopted in cases where the provisions of relevant accounting standards, etc. are unclear" with the adoption of the "Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections" (ASBJ Statement No. 24 revised on March 31, 2020), in the consolidated financial statements.

(17) Significant Accounting Estimates

a) Evaluation of goodwill

i) Amounts recognized on the consolidated financial statements in the fiscal year ended March 31, 2021

Goodwill presented on the consolidated balance sheets in the fiscal year ended March 31, 2021 comprises goodwill of ¥10,030 million (US$90 million) arising from the acquisition of PLC and the acquisition business of PLC's acquisition segment and goodwill of ¥32,666 million (US$295 million) arising from the acquisition of TDLA.

ii) Information on the contents of significant accounting estimates related to identified items

Goodwill arising from acquisitions and acquisition business is recorded on the consolidated financial statements of these consolidated subsidiaries and is subject to judgement on recognition of impairment losses on goodwill to be examined by each subsidiary in accordance with the local accounting standards of each subsidiary.

PLC evaluates qualitative factors, which is examination on whether or not there is any impairment indicator, to consider whether or not there is a 50 percent or greater probability that book value exceeds fair value of each reporting unit that has goodwill. Whether or not there is any impairment indicator is comprehensively examined in consideration of the presence of deterioration in economic and market environments surrounding PLC and its reporting units, the presence of factors that have a negative impact on future profits or cash flows, the presence of deterioration in overall business performance, and other events specific to PLC and its reporting units. If there is any impairment indicator which is attributable to the deterioration of circumstances or the occurrence of events, impairment losses on goodwill may be recorded in the following fiscal year.

TDLA performs quantitative impairment test by comparing book value with recoverable amount in each cash generating unit to which goodwill is allocated. Recoverable amount is calculated based on embedded values, etc. For calculating the embedded values, underlying actuarial assumptions are used such as discount rates, mortality, morbidity, discontinuances and others. If recoverable amount reduces due to the update of underlying actuarial assumptions, impairment losses on goodwill may be recorded in the following fiscal year.

The Company judges as to whether or not there is any impairment indicator of goodwill in accordance with the accounting standards in Japan, considering the results of the judgements made by each subsidiary. No impairment losses on goodwill are recorded in the fiscal year ended March 31, 2021 as the Company determined that there was no impairment indicator on goodwill.

b) Evaluation of value of in-force insurance contracts

i) Amounts recognized on the consolidated financial statements in the fiscal year ended March 31, 2021

Other intangible fixed assets presented in the Company's consolidated balance sheet in the fiscal year ended March 31, 2021 includes assets regarding the present value of in-force insurance contracts, namely Value of Business Acquired (“VOBA”) or Value In-force (“VIF”). The balance of VOBA in the amount of ¥186,370 million (US$1,683 million) is derived from the acquisition of PLC and the acquisition business of PLC's acquisition segment, and the balance of VIF in the amount of ¥23,666 million (US$213 million) is derived from the acquisitions of TDLA, respectively.

ii) Information on the contents of significant accounting estimates related to identified items

The value of in-force insurance contracts arising from acquisitions and acquisition business is calculated as the present value of future profits to be earned from future cash flows arising from in-force insurance contracts and investment type insurance contracts at the acquisition date, and is recorded on the consolidated financial statements of these consolidated subsidiaries while the value of in-force insurance contracts is amortized over a period during which its effect is estimated, in proportion to the manner in which its effect is realized.

The VOBA of PLC is amortized based on future gross premiums, estimated gross margins, contractual terms and/or others.

With regards to the VOBA arising from investment type insurance contracts, PLC regularly reviews actuarial assumptions, such as interest rates, mortality and lapse rates, and updates them if necessary, and accordingly increases or decreases amortization amount of the VOBA. Where increase or decrease in estimated gross margins is expected due to the change in lapse, the update of actuarial assumptions may result in acceleration of amortization in the following fiscal year.

PLC assesses whether the VOBA arising from traditional insurance contracts is impaired concurrently with performing liability adequacy test of relevant policy reserves in addition to the predetermined amortization. The VOBA arising from traditional insurance contracts may result in impairment losses in the following fiscal year prior to providing additional policy reserves where the estimated future cash flows based on the underlying actuarial assumptions determined upon conclusion of contract, such as future investment yields, mortality and lapse rates differ significantly from actual and it is recognized that there is a risk of disabling to fulfill future obligations. No impairment losses on the VOBA are recorded in the fiscal year ended March 31, 2021.

TDLA assesses the VIF arising from the acquisition of TDLA as to whether there is any impairment indicator of the VIF at the same time as goodwill impairment test is performed because impairment of goodwill indicates impairment of the VIF. No impairment losses are recognized in the fiscal year ended March 31, 2021 as the TDLA determined that there was no indication that the VIF is impaired based on the result of the quantitative impairment test on goodwill.

(18) Policy Acquisition Costs

The costs of acquiring and renewing policies, which include agent commissions and certain other costs directly related to the acquisition of policies, are expensed when incurred as the Insurance Business Act in Japan does not permit insurance companies to defer and amortize these costs.

(19) Changes in Accounting Policies - Measurement of Credit Losses on Financial Instruments

Effective the fiscal year ended March 31, 2021, certain consolidated overseas subsidiaries adopted Accounting Standards Update (“ASU”) No. 2016-13 – Financial Instruments – Measurement of Credit Losses on Financial Instruments issued by the Financial Accounting Standards Board.

The update is mainly applied to financial instruments valued at amortized cost and introduce a new current expected credit loss model. This model requires that an entity recognize as an allowance its estimate of contractual cash flows not expected to be collected on day one of the asset's acquisition.

In accordance with the amendments in this update applied on a modified retrospective basis, a cumulative effect adjustment to retained earnings was recorded at the beginning of the fiscal year ended March 31, 2021.

As a result, reserve for possible loan losses increased by ¥9,953 million (US$91 million), and retained earnings decreased by ¥15,150 million (US$139 million). In addition, ordinary profit and income before income taxes each declined by ¥15,207 million (US$137 million).

The impact on the figures in per share information is described XIX. PER SHARE INFORMATION.

(20) Accounting Standard and Guidance Not Yet Adopted

Financial Services - Insurance (Topic 944) (ASU No. 2018-12 issued on August 15, 2018, ASU No. 2019-09 issued on November 15, 2019, and ASU No. 2020-11 issued on November 5, 2020)

a) Outline

The amendments in this Update are mainly designed to make improvements of (i) the accounting treatment of the liability for future policy benefits, (ii) the measurement of benefits with market risks at fair value, and (iii) the amortization methods of deferred acquisition costs of insurance contracts.

Companies that have adopted US GAAP will apply the amendments in this Update from the fiscal year beginning after December 15, 2022 (early adoption is permitted).

b) Scheduled date for adoption

Certain consolidated overseas subsidiaries that have adopted US GAAP will apply the amendments in this Update, but the date for application is undetermined.

c) Impact of applying the standard and guidance

The impact of applying the standard and guidance is currently under assessment.

(21) Changes in Presentation Method

Effective the fiscal year ended March 31, 2021, the Company has adopted Accounting Standard for Disclosure of Accounting Estimates (ASBJ Statement No.31 issued on March 31, 2020), and accordingly discloses the notes to significant accounting estimates in the consolidated financial statements.

Regarding this note, in accordance with transitional treatment stipulated in provision of Paragraph 11 of the said Accounting Standard, the contents for the fiscal year ended March 31, 2020 are not disclosed.

(Additional information)

Incentive Programs for Employees

The Company conducts transactions by granting its stocks to its employees using trust scheme ("the Stock Granting Trust (J-ESOP)") to incentivize its employees to improve stock prices and financial results.

a) Overview of the transactions

J-ESOP is a program to grant stocks of the Company to the employees who fulfill requirements under the Stock Granting Regulations of the Company and its group companies. The Company vests points to each managerial level employee based on her/his contribution, and vests stocks based on total points at retirement. Such stocks, including stocks to be granted in the future, are purchased by money held in the J-ESOP trust, managed separately from book of the Company.

b) While adopting "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts." (ASBJ PITF No. 30), the Company applies the same accounting treatment as before.

c) Information related to the stocks of the Company which the trusts hold

i) Book value of the stocks of the Company within the trust as of March 31, 2020 and 2021 were ¥6,149 million and ¥5,960 million (US$53 million), respectively. These stocks were recorded as the treasury stock in the total shareholders' equity.

ii) The number of stocks within the trust as of March 31, 2020 and 2021 were 4,068 thousand shares and 3,942 thousand shares, and the average number of stocks within the trust for the fiscal years ended March 31, 2020 and 2021 were 4,097 thousand shares and 3,991 thousand shares, respectively. The number of shares at the year-end and the average number of stocks were included in the treasury stock, which is deducted when calculating per-share information.

Ⅲ. NOTES TO THE CONSOLIDATED BALANCE SHEET

1. Assets Pledged as Collateral / Secured Liabilities

The amounts of securities and deposits pledged as collateral were as follows:

	As of March 31, 2020	As of March 31, 2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Securities	1,136,039	2,616,478	23,633
Deposits	4,429	15,211	137
Total	1,140,468	2,631,690	23,771

The amounts of secured liabilities were as follows:

	As of March 31, 2020	As of March 31, 2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Payables under repurchase agreements	870,747	2,346,988	21,199
Cash collateral for securities lending transactions	113,966	239,987	2,167
Total	984,714	2,586,976	23,367

The amount of "Securities" pledged as collateral under repurchase agreements and for securities lending transactions with cash collateral as of March 31, 2020 and 2021 were ¥918,475 million and ¥2,342,603 million (US$21,159 million), respectively.

2. Securities Lending

Securities lent under lending agreements are included in the consolidated balance sheet. The total balance of securities lent as of March 31, 2020 and 2021 were ¥2,428,696 million and ¥2,644,610 million (US$23,887 million), respectively.

3. Risk Management Policy of Policy-reserve-matching Bonds

Certain domestic consolidated subsidiaries categorize their insurance products into sub-groups by the attributes of each product and, in order to manage risks properly, formulate their policies on investments and resource allocation based on the balance of the sub-groups. Moreover, they periodically check that the duration gap between policy-reserve-matching bonds and policy reserves stays within a certain range.

The sub-groups of insurance products of DL are:

Years ended March 31, 2020 and 2021

i) individual life insurance and annuities,
ii) non-participating single premium whole life insurance (without duty of medical disclosure),
iii) financial insurance and annuities, and
iv) group annuities,
with the exception of certain types.

The sub-groups of insurance products of DFLI are:

Years ended March 31, 2020 and 2021

i) individual life insurance and annuities (yen-denominated),
ii) individual life insurance and annuities (U.S. dollar-denominated),and
iii) individual life insurance and annuities (New Zealand dollar-denominated)
with the exception of certain types and contracts.

4. Stocks of Subsidiaries and Affiliated Companies

The amounts of stocks of and stakes in non-consolidated subsidiaries and affiliated companies of the Company held were as follows:

	As of March 31, 2020	As of March 31, 2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Stocks	158,827	119,024	1,075
Capital	95,995	167,113	1,509
Total	254,822	286,138	2,584

5. Problem Loans

The amounts of credits to bankrupt borrowers, delinquent loans, loans past due for three months or more, and restructured loans, which were included in loans, were as follows:

	As of March 31, 2020	As of March 31, 2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Credits to bankrupt borrowers (*1)	79	67	0
Delinquent loans (*2)	3,013	3,216	29
Loans past due for three months or more (*3)	–	–	–
Restructured loans (*4)	413	1,016	9
Total	3,506	4,300	38

(*1) Credits to bankrupt borrowers represent non-accrual loans, excluding the balances already written off, which meet the conditions prescribed in Article 96, Paragraph 1, Item 3, (a) to (e) or 4 of the Order for Enforcement of the Corporation Tax Act. Interest accruals of such loans are suspended since the principal of or interest on such loans is unlikely to be collected.
(*2) Delinquent loans are credits that are delinquent other than credits to bankrupt borrowers and loans for which interest payments have been suspended to assist and support the borrowers in the restructuring of their businesses.
(*3) Loans past due for three months or more are loans for which interest or principal payments are delinquent for three months or more under the terms of the loans excluding those classified as credits to bankrupt borrowers or delinquent loans.
(*4) Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reductions or exemptions, postponement of principal or interest payments, release from repayment or other agreements have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their businesses. This category excludes loans classified as credits to bankrupt borrowers, delinquent loans, and loans past due for three months or more.

As a result of the direct write-off of loans, decreases in credits to bankrupt borrowers and delinquent loans were as follows:

	As of March 31, 2020	As of March 31, 2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Credits to bankrupt borrowers	1	1	0
Delinquent loans	–	–	–

6. Commitment Line

As of March 31, 2020 and 2021, there were unused commitment line agreements under which the Company and its consolidated subsidiaries were the lenders of ¥169,338 million and ¥161,391 million (US$1,457 million), respectively.

7. Accumulated Depreciation of Tangible Fixed Assets

The amounts of accumulated depreciation of tangible fixed assets as of March 31, 2020 and 2021 were ¥621,069 million and ¥633,461 million (US$5,721 million), respectively.

8. Assets and Liabilities Held in Separate Accounts

The total amounts of assets held in separate accounts defined in Article 118, Paragraph 1 of the Insurance Business Act as of March 31, 2020 and 2021 were ¥2,468,426 million and ¥2,613,313 million (US$23,605 million), respectively. Separate account liabilities were the same amount as the separate account assets.

9. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	Year ended March 31, 2020	Year ended March 31, 2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Balance at the beginning of the year	398,178	399,742	3,610
Dividends paid during the year	(89,181)	(84,461)	(762)
Interest accrual during the year	8,245	8,218	74
Provision for reserve for policyholder dividends	82,500	77,500	700
Balance at the end of the year	399,742	400,999	3,622

10. Obligations to the Life Insurance Policyholders Protection Corporation of Japan

The estimated future obligations of consolidated companies that operate a life insurance business in Japan to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Act as of March 31, 2020 and 2021 were ¥56,575 million and ¥59,304 million (US$535 million), respectively. These obligations will be recognized as operating expenses for the years in which they are paid.

11. Revaluation of Land

Based on the "Act on Revaluation of Land" (Act No. 34, March 31, 1998), land for business use was revalued. The difference between the fair value and book value resulting from the revaluation, net of related deferred taxes, is recorded as a reserve for land revaluation as a separate component of net assets and the related deferred tax liability is recorded as deferred tax liabilities for land revaluation.

- Date of revaluation: March 31, 2001
- Method stipulated in Article 3, Paragraph 3 of the Act on Revaluation of Land:

The fair value was determined based on the appraisal value publicly announced for tax assessment purposes with certain reasonable adjustments in accordance with Article 2-1 and 2-4 of the Order for Enforcement of the Act on Revaluation of Land (Publicly Issue Cabinet Order No. 119, March 31, 1998).

12. Bonds Payable

As of March 31, 2020 and 2021, bonds payable included foreign currency-denominated subordinated bonds of ¥709,077 million and ¥789,533 million (US$7,131 million), respectively, whose repayment is subordinated to other obligations.

Details of bonds payable were as follows:

Issuer	Description	Issuance date	Balance as of April 1, 2020	Balance as of March 31, 2021	Interest rate (%)	Collateral	Maturity date
			(Unit: million yen)				
The Company	1st series perpetual subordinated bond	March 19, 2019	85,000	85,000	1.22	None	Perpetual
The Company	2nd series perpetual subordinated bond	September 11,2019	65,000	65,000	1.00	None	Perpetual
The Company	3rd series perpetual subordinated bond	March 17, 2021	–	80,000	1.12	None	Perpetual
DL	Foreign currency (US dollar) denominated perpetual subordinated bonds	From March 15, 2011 To July 20, 2016	476,277 [4,800 mil US$]	476,277 [4,800 mil US$]	From 4.00 to 7.25	None	Perpetual
(*1)	Foreign currency (US dollar) denominated bonds	From August 15, 1994 to September 20, 2019	426,259 [3,890 mil US$]	110,236 [1,065 mil US$]	From 3.40 to 8.45	None	From August 15, 2024 to October 15, 2039
(*2)	Foreign currency (US dollar) denominated subordinated bonds	From August 10, 2017 to May 1, 2018	66,345 [605 mil US$]	62,689 [605 mil US$]	From 3.55 to 5.35	None	From May 1, 2038 to August 10, 2052
TDLA	Foreign currency (Australian dollar) denominated subordinated bonds	March 31, 2017	16,454 [248 mil AUD]	20,567 [243 mil AUD]	6.00	None	March 31, 2027
Total	–	–	1,135,336	899,770	–	–	–

Note: 1. The above (*1) represents the total of bonds issued by the following consolidated overseas subsidiaries: PLC, Golden Gate II Captive Insurance Company, Golden Gate V Vermont Captive Insurance Company, MONY Life Insurance Company and Golden Gate Captive Insurance Company.
The above (*2) represents the total of bonds issued by the following consolidated overseas subsidiaries: PLC and Protective Life Insurance company.
2. Figures in [ ] are the amounts denominated in foreign currency.
3. The following table shows the maturities of long-term subordinated bonds for the 5 years subsequent to March 31, 2021

	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
	(Unit: million yen)				
Bonds payable	–	–	–	195	–

	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
	(Unit: million US dollars)				
Bonds payable	–	–	–	1	–

13. Subordinated Debt and Other Liabilities

As of March 31, 2020 and 2021, other liabilities included subordinated debt of ¥283,000 million and ¥390,600 million (US$3,528 million), respectively, whose repayment is subordinated to other obligations.

Details of borrowings and lease obligations were as follows:

Category	Balance as of April 1, 2020	Balance as of March 31, 2021	Average interest rate (%)	Maturity	Balance as of April 1, 2020	Balance as of March 31, 2021
	(Unit: million yen)				(Unit: million US dollars)	
Short-term borrowings	–	19,665	1.2	–	–	177
Current portions of long-term borrowings	–	265,948	0.5	–	–	2,402
Current portions of lease obligations	2,674	2,875	–	–	24	25
Long-term borrowings (excluding current portion)	623,400	415,035	1.3	February 2023~ perpetual	5,728	3,748
Lease obligations (excluding current portion)	8,068	6,553	–	January 2022 ~ March 2027	74	59
Other interest-bearing liabilities Payables under repurchase agreements (current portion)	870,747	2,346,988	(0.1)	–	8,000	21,199
Total	1,504,891	3,057,067	–	–	13,827	27,613

Note: 1. Those borrowings, lease obligations and payables under repurchase agreements above are included in the "other liabilities" on the consolidated balance sheet.
2. The average interest rate represents the weighted-average rate applicable to the balance as of March 31, 2021. As for lease obligations, the average interest rate of is not presented above because interests of certain lease obligations are included in the total amount of lease payments.
3. The following table shows the maturities of long-term borrowings (excluding the current portion or those without maturities) and lease obligations (excluding the current portion) for the 5 years subsequent to March 31, 2021:

	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
	(Unit: million yen)			
Long-term borrowings	20,063	7,409	62,100	–
Lease obligations	2,451	2,100	1,643	356

	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
	(Unit: million US dollars)			
Long-term borrowings	181	66	560	–
Lease obligations	22	18	14	3

14. Securities Borrowing

Securities borrowed under borrowing agreements and securities received as collateral of reinsurance transactions can be sold or pledged as collateral. As of March 31, 2020 and 2021, the market value of the securities which were not sold or pledged as collateral was ¥196,122 million and ¥117,720 million (US$1,063 million), respectively. None of the securities were pledged as collateral as of March 31, 2020 and 2021, respectively.

15. Organizational Change Surplus

As of March 31, 2020 and 2021, the amounts of organizational change surplus stipulated in Article 91 of the Insurance Business Act were ¥117,776 million and ¥117,776 million (US$1,063 million), respectively.

Ⅳ. NOTES TO THE CONSOLIDATED STATEMENT OF EARNINGS

1. Operating Expenses

Details of operating expenses for the fiscal years ended March 31, 2020 and 2021 were as follows:

	Year ended March 31,		
	2020	2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Sales activity expenses	276,472	273,519	2,470
Sales management expenses	93,756	92,204	832
General management expenses	309,925	323,334	2,920

2. Gains on Disposal of Fixed Assets

Details of gains on disposal of fixed assets for the fiscal years ended March 31, 2020 and 2021 were as follows:

	Year ended March 31,		
	2020	2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Land	4,359	5,258	47
Buildings	545	210	1
Other tangible fixed assets	8	1	0
Other intangible fixed assets	15	–	–
Other assets	–	0	0
Total	4,929	5,471	49

3. Losses on Disposal of Fixed Assets

Details of losses on disposal of fixed assets for the fiscal years ended March 31, 2020 and 2021 were as follows:

	Year ended March 31,		
	2020	2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Land	10,478	1,536	13
Buildings	2,356	4,824	43
Leased assets	2	7	0
Other tangible fixed assets	187	227	2
Software	210	62	0
Other intangible fixed assets	0	187	1
Other assets	36	53	0
Total	13,271	6,899	62

4. Impairment Losses on Fixed Assets

Details of impairment losses on fixed assets of the consolidated subsidiaries that operate a life insurance business in Japan for the years ended March 31, 2020 and 2021 were as follows:

a) Method of Grouping Assets

Real estate and other assets used for insurance business purposes are recognized as one asset group for each consolidated company. Each property for rent and property not in use, which is not used for insurance business purposes, is deemed to be an independent asset group.

b) Background for Recognition of Impairment Losses

As a result of significant declines in profitability or market value of some asset groups, the consolidated subsidiaries wrote down the book value of these assets to the recoverable value, and reported such write-off as impairment losses in extraordinary losses.

c) Breakdown of Impairment Losses

Impairment losses by asset group for the fiscal year ended March 31, 2020 were as follows:

Asset Group	Place	Number	Impairment Losses		
			Land	Buildings	Total
			(Unit: million yen)		
Real estate for rent	Morioka city,Iwate Prefecture	1	29	35	64
Real estate not in use	Nishinomiya city,Hyogo Prefecture and others	22	2,238	1,253	3,491
Total	–	23	2,267	1,288	3,556

Impairment losses by asset group for the fiscal year ended March 31, 2021 were as follows:

Asset Group	Place	Number	Impairment Losses					
			Land	Buildings	Total	Land	Buildings	Total
			(Unit: million yen)			(Unit: million US dollars)		
Real estate for rent	Morioka city,Iwate Prefecture	1	25	31	57	0	0	0
Real estate not in use	Takamatsu city,Kagawa Prefecture and others	22	1,741	752	2,494	15	6	22
Total	–	23	1,767	784	2,552	15	7	23

d) Calculation of Recoverable Value

Value in use or net sale value is used as the recoverable value of real estate for rent, and net sale value is used as the recoverable value of real estate not in use. Discount rates of 2.22% and 2.17% for the years ended March 31, 2020 and 2021, respectively, were applied for discounting future cash flows in the calculation of value in use. Estimated disposal value, appraisal value based on real estate appraisal standards, or appraisal value based on publicly assessed land value for tax purposes is used as the net sale value.

Ⅴ. NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The amount reclassified and tax effect amounts related to other comprehensive income were as follows:

	Year ended March 31,		
	2020	2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Net unrealized gains (losses) on securities, net of tax			
Amount incurred during the year	251,482	1,324,450	11,963
Amount reclassified	(42,665)	(278,014)	(2,511)
Before tax adjustment	208,817	1,046,436	9,452
Tax effect	(30,778)	(273,419)	(2,469)
Net unrealized gains (losses) on securities, net of tax	178,039	773,016	6,982
Deferred hedge gains (losses)			
Amount incurred during the year	22,949	(34,448)	(311)
Amount reclassified	481	34	0
Amount adjusted for asset acquisition cost	(266)	79	0
Before tax adjustment	23,164	(34,334)	(310)
Tax effect	(6,530)	9,602	86
Deferred hedge gains (losses)	16,633	(24,731)	(223)
Foreign currency translation adjustments			
Amount incurred during the year	(46,006)	12,338	111
Amount reclassified	–	–	–
Before tax adjustment	(46,006)	12,338	111
Tax effect	–	–	–
Foreign currency translation adjustments	(46,006)	12,338	111
Remeasurements of defined benefit plans, net of tax			
Amount incurred during the year	(22,070)	17,991	162
Amount reclassified	(699)	6,322	57
Before tax adjustment	(22,770)	24,314	219
Tax effect	6,204	(6,890)	(62)
Remeasurements of defined benefit plans, net of tax	(16,566)	17,424	157
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method			
Amount incurred during the year	3,412	(5,415)	(48)
Amount reclassified	(381)	7,572	68
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	3,030	2,157	19
Total other comprehensive income	135,130	780,204	7,047

Ⅵ. NOTES TO THE CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

1. For the Year Ended March 31, 2020

(1) Type and Number of Shares Outstanding

	Year ended March 31, 2020			
	At the beginning of the year	Increase during the year	Decrease during the year	At the end of the year
	(Unit: thousands of shares)			
Common stock(*1)	1,198,208	234	–	1,198,443
Treasury stock(*2)(*3)(*4)	52,650	16,894	165	69,378

(*1) The increase of 234 thousand shares of outstanding common stock was due to the issuance of new shares under stock remuneration scheme.
(*2) Treasury stock at the beginning and the end of the fiscal year ended March 31, 2020, includes 4,161 thousand shares and 4,068 thousand shares held by the trust fund through the J-ESOP, respectively.
(*3) The increase of 16,894 thousand shares of treasury stock was due to the repurchase of outstanding common stock.
(*4) The decrease of 165 thousand shares of treasury stock represents the sum of (1) 72 thousand shares due to the exercise of stock acquisition rights (stock options) and (2) 93 thousand shares granted to eligible employees at retirement by the J-ESOP.

(2) Stock Acquisition Rights

Issuer	Details	Balance as of March 31, 2020 (Unit: million yen)
The Company	Stock acquisition rights in the form of stock options	1,063

(3) Dividends on Common Stock

a) Dividends paid during the fiscal year ended March 31, 2020

Date of resolution	June 21, 2019 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends(*)	¥66,442 million
Dividends per share	¥58
Record date	March 31, 2019
Effective date	June 24, 2019
Dividend resource	Retained earnings

(*) Total dividends did not include ¥241 million of dividends to the J-ESOP trust, as the Company recognized the shares held by the trust as treasury shares.

b) Dividends, the record date of which was March 31, 2020, to be paid out in the year ending March 31, 2021

Date of resolution	June 22, 2020 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends(*)	¥70,001 million
Dividends per share	¥62
Record date	March 31, 2020
Effective date	June 23, 2020
Dividend resource	Retained earnings

(*) Total dividends did not include ¥252 million of dividends to the J-ESOP trust, as the Company recognized the shares held by the trust as treasury shares.

2. For the Year Ended March 31, 2021

(1) Type and Number of Shares Outstanding

	Year ended March 31, 2021			
	At the beginning of the year	Increase during the year	Decrease during the year	At the end of the year
	(Unit: thousands of shares)			
Common stock(*1)	1,198,443	312	–	1,198,755
Treasury stock(*2)(*3)(*4)	69,378	19,400	238	88,541

(*1) The increase of 312 thousand shares of outstanding common stock was due to the issuance of new shares under stock remuneration scheme.
(*2) Treasury stock at the beginning and the end of the fiscal year ended March 31, 2021, includes 4,068 thousand shares and 3,942 thousand shares held by the trust fund through the J-ESOP, respectively.
(*3) The increase of 19,400 thousand shares of treasury stock was due to the repurchase of 19,394 thousand shares of outstanding common stock and acquisition without consideration of 6 thousand shares of restricted stock.
(*4) The decrease of 238 thousand shares of treasury stock represents the sum of (1) 112 thousand shares due to the exercise of stock acquisition rights (stock options) and (2) 125 thousand shares granted to eligible employees at retirement by the J-ESOP.

(2) Stock Acquisition Rights

Issuer	Details	Balance as of March 31, 2021 (Unit: million yen)
The Company	Stock acquisition rights in the form of stock options	920(US$8 million)

(3) Dividends on Common Stock

a) Dividends paid during the fiscal year ended March 31, 2021

Date of resolution	June 22, 2020 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends(*)	¥70,001 million (US$632 million)
Dividends per share	¥62 (US$0.56)
Record date	March 31, 2020
Effective date	June 23, 2020
Dividend resource	Retained earnings

(*) Total dividends did not include ¥252 million (US$2 million) of dividends to the J-ESOP trust, as the Company recognized the shares held by the trust as treasury shares.

b) Dividends, the record date of which was March 31, 2021, to be paid out in the year ending March 31, 2022

Date of resolution	June 21, 2021 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends(*)	¥68,833 million (US$621 million)
Dividends per share	¥62 (US$0.56)
Record date	March 31, 2021
Effective date	June 22, 2021
Dividend resource	Retained earnings

(*) Total dividends did not include ¥244 million (US$2 million) of dividends to the J-ESOP trust, as the Company recognized the shares held by the trust as treasury shares.

Ⅶ. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

1. Reconciliations of Cash and Cash Equivalents to Consolidated Balance Sheet Accounts

Details of reconciliations of cash and cash equivalents to consolidated balance sheet accounts were as follows:

	As of March 31,		
	2020	2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Cash and deposits	1,205,507	1,884,141	17,018
Call loans	513,800	403,700	3,646
Term deposits exceeding three months and others	(21,725)	(24,931)	(225)
Cash and cash equivalents	1,697,582	2,262,910	20,439

2. Breakdown of Increased Assets and Liabilities as a Result of the Acquisition of business

Effective the fiscal year ended March 31, 2020, associated with the acquired in-force blocks of individual insurance and annuities under a reinsurance agreement from Great-West Life & Annuity Insurance Company to Protective Life Corporation, a consolidated subsidiary of the Company, the breakdown of the increased assets and liabilities and the reconciliation of the acquisition costs with net cash flow for the acquisition of business were as follows:

	(Unit: million yen)
Assets	2,400,713
Cash and cash deposits included in the above assets	3,816
Liabilities	(2,311,680)
Policy reserves and others included in the above liabilities	(2,279,508)
Acquisition costs	89,033
Contingent consideration	(5,423)
Cash and cash equivalents included in acquired assets	(3,816)
Net cash flow for the acquisition	79,793

Ⅷ. LEASE TRANSACTIONS

1. Finance Leases (As Lessee)

For the fiscal years ended March 31, 2020 and 2021, information regarding finance leases (as lessee) is omitted due to the importance on the consolidated financial statements.

2. Operating Leases

Future minimum lease payments under non-cancellable operating leases as of March 31, 2020 and 2021 were as follows:

(As Lessee)

	As of March 31,		
	2020	2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Due within one year	1,395	1,666	15
Due after one year	7,277	9,128	82
Total	8,673	10,794	97

(As Lessor)

	As of March 31,		
	2020	2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Due within one year	336	357	3
Due after one year	3,431	4,136	37
Total	3,767	4,494	40

Ⅸ. FINANCIAL INSTRUMENTS AND OTHERS

1. Financial Instruments

(1) Policies in Utilizing Financial Instrument

The Group mainly operates in life insurance business and, in an effort to manage investment assets in a manner appropriate to liabilities, which arise from the insurance policies underwritten, engages in asset liability management, or ALM, which considers the long-term balance between assets and liabilities to ensure stable returns. With this strategy, the Group holds fixed income investments, including bonds and loans, as the core of its asset portfolio. While placing its financial soundness first, the Group also holds stocks and foreign securities within its tolerable risk to enhance its profitability and facilitate diversification of investment risks.

The Group uses derivatives primarily to hedge market risks associated with its existing asset portfolio and to mitigate the risks associated with guaranteed minimum maturity benefits of individual variable annuity insurance.

With respect to financing, the Group has raised capital directly from the capital markets by issuing subordinated bonds as well as indirectly from banks in order to strengthen its capital base. To avoid impact from interest-rate fluctuations, the Group utilizes derivative transactions in hedging some of such financial liabilities and adopts hedge accounting.

(2) Financial Instruments Used and Their Risks

Securities included in financial assets of the Group, mainly stocks and bonds, are exposed to market fluctuation risk, credit risk and interest-rate risk and some of the securities denominated in foreign currency are exposed to foreign currency risk. Also, loans are exposed to credit risk arising from the defaults of obligors.

The Group might be exposed to liquidity risk in certain circumstance in which it cannot make timely payments of principal, interest or other amounts due to unpredictable cash outflows or is forced to raise capital with interest rates substantially higher than usual. Also, some of its loans payable and bonds payable which are floating interest rate based and denominated in foreign currency are exposed to interest-rate risk and foreign currency risk.

The Group utilizes a) interest rate swaps to hedge interest rate risk associated with certain of its loans receivable and payable, b) equity forward contracts to hedge market fluctuation risks associated with domestic stocks, and c) foreign currency forward contracts, currency options and foreign currency swaps to hedge foreign currency risks associated with certain foreign currency-denominated bonds, foreign currency-denominated short-term deposits and foreign currency-denominated debts, etc. and adopts hedge accounting.

In addition, certain consolidated subsidiaries utilize a) interest rate swaps to hedge interest rate risk associated with certain insurance liabilities, under the "Accounting and Auditing Treatment of Application of Accounting Standard for Financial Instruments to Insurance Operators" (JICPA Industry Audit Committee Report No. 26), and b) foreign currency swaps to hedge foreign currency risks associated with funding agreements and adopts hedge accounting.

In applying the hedge accounting, in order to fulfill requirements stipulated in accounting standards such as the "Accounting Standards for Financial Instruments" (ASBJ Statement No. 10 issued on March 10, 2008), the Group has established investment policy and procedure guidelines and clarified the transactions to be hedged, the risk of underlying assets to be hedged and derivative instruments to be used, and conducted pre- and post-effectiveness tests of the transactions.

(3) Risk Management

The Group manages risk in accordance with a basic policy for risk management, rules for management procedures, etc. defined by the board of directors, etc.

a) Market risk management

Under the internal investment policy and market risk management policy, DL manages market risk by conducting mid- to long-term asset allocation in a manner appropriate to its liabilities. Therefore, it categorizes its portfolio into sub-groups, based on their investment purpose, and manages them taking into account each of their risk characteristics.

i) Interest rate risk

DL keeps track of interest rates and durations of its assets and liabilities, monitors its internal analyses on duration gap and interest rate sensitivity, and periodically reports its findings to the board of directors, etc.

ii) Currency risk

DL keeps track of currency composition of its financial assets and liabilities, conducts sensitivity analyses, and periodically reports its findings to the board of directors, etc.

iii) Fluctuation in market values

DL defines risk management policies and management procedures for each component of its overall portfolio, including securities, based on the risk characteristics of the categories, and sets and manages upper limits of each asset balance and asset allocation weight.

Such management conditions are periodically reported by its risk management sections to the board of directors, etc.

iv) Derivative transactions

For derivative transactions, DL has established internal check system by segregating (i) the executing department, (ii) the department which engages in assessment of hedge effectiveness, and (iii) the back-office. Additionally, in order to limit speculative use of derivatives, it has put restrictions on utilization purpose, such as hedging, and establishes position limits for each asset class.

The consolidated subsidiaries other than DL have established appropriate risk management systems in accordance with the Group's basic policy for risk management, etc.

DFLI utilizes derivatives in order to reduce the risk associated with guaranteed minimum maturity benefits of individual variable annuities and hedge foreign currency risks associated with bonds. For derivatives used to reduce the risk associated with guaranteed minimum maturity benefits of individual variable annuities, in accordance with its internal regulations to manage the risks associated with its guaranteed minimum maturity benefits, it (i) assesses the hedge effectiveness of derivative transactions, (ii) manages gains and losses from derivative transactions on a daily basis, and (iii) periodically checks its progress on reducing the risk associated with its guaranteed minimum maturity benefits and measures estimated losses based on VaR (value-at-risk). The risk management section is in charge of managing overall risks including risks associated with the guaranteed minimum maturity benefits, and periodically reports the status of such management to the board of directors, etc.

b) Credit Risk Management

In accordance with the internal investment policy and credit risk management procedure guidelines, DL has established a credit management system related to loans, such as preliminary reviews on individual transactions, credit limit setting, credit information management, internal credit rating, attachment of guarantees and collateral, and follow-ups on problem loans. For corporate bond investment, the credit section sets investment caps on individual issuers taking into account internal credit ratings and other factors. Excessive risk-taking is restricted since front offices make investment within those caps. Policies and frameworks for large-lot borrowers have been formulated in order to prevent credit concentration by monitoring compliance, etc. That credit management has been conducted by the credit and risk management sections, and has been periodically reported to its board of directors, etc. Additionally, the internal audit section has also checked credit management status.

Credit risk of security issuers and counterparty risk with respect to derivative transactions are managed by the credit section, which sets upper limits for each counterparty and financial instrument and periodically monitors credit information, and by the risk management section, which periodically monitors current exposures.

The consolidated subsidiaries other than DL have established appropriate risk management systems in accordance with the Group's basic policy for risk management, etc.

(4) Supplementary Explanation for Fair Value of Financial Instruments

As well as the values based on market prices, fair value of financial instruments includes values which are reasonably calculated in case market prices do not exist. As the calculation of those values adopts certain assumptions, those values may vary in case different assumptions are applied. Also, for the contract value regarding derivative transactions described in "2. Fair Value of Financial Instruments", the "Notional amount/contract value" itself does not indicate market risk related to derivative transactions.

2. Fair Values of Financial Instruments

The carrying amount on the consolidated balance sheet, fair value and differences between carrying amount and fair value as of March 31, 2020 and 2021 were as follows.

The following tables do not include financial instruments whose fair value is extremely difficult to recognize (please refer to Note 2).

	As of March 31, 2020		
	Carrying amount	Fair value	Gains (losses)
	(Unit: million yen)		
(1) Cash and deposits	1,205,507	1,205,507	–
(2) Call loans	513,800	513,800	–
(3) Monetary claims bought	221,147	221,147	–
(4) Money held in trust	1,039,062	1,039,062	–
(5) Securities			
a. Trading securities	4,076,103	4,076,103	–
b. Held-to-maturity bonds	391,053	415,340	24,286
c. Policy-reserve-matching bonds	15,389,092	18,351,016	2,961,923
d. Stocks of subsidiaries and affiliated companies	54,565	52,133	(2,432)
e. Available-for-sale securities	27,426,443	27,426,443	–
(6) Loans	3,715,750		
Reserves for possible loan losses (*1)	(712)		
	3,715,037	3,791,794	76,756
(7) Reinsurance receivable	1,523,297	1,523,297	–
Total assets	55,555,110	58,615,645	3,060,535
(1) Bonds payable	1,135,336	1,174,593	39,257
(2) Payables under repurchase agreements	870,747	870,747	–
(3) Long-term borrowings	623,400	616,519	(6,880)
Total liabilities	2,629,484	2,661,861	32,376
Derivative transactions (*2)			
a. Hedge accounting not applied	[52,574]	[52,574]	–
b. Hedge accounting applied	67,897	66,356	(1,540)
Total derivative transactions	15,322	13,782	(1,540)

(*1) Excluding general reserves for possible loan losses and specific reserves for possible loan losses related to loans.
(*2) Credits/debts from derivative transactions are presented on a net basis. Figures in [ ] are net debts.

	As of March 31, 2021					
	Carrying amount	Fair value	Gains (losses)	Carrying amount	Fair value	Gains (losses)
	(Unit: million yen)			(Unit: million US dollars)		
(1) Cash and deposits	1,884,141	1,884,141	–	17,018	17,018	–
(2) Call loans	403,700	403,700	–	3,646	3,646	–
(3) Monetary claims bought	252,140	252,140	–	2,277	2,277	–
(4) Money held in trust	1,130,920	1,130,920	–	10,215	10,215	–
(5) Securities						
a. Trading securities	4,343,031	4,343,031	–	39,228	39,228	–
b. Held-to-maturity bonds	110,171	111,589	1,418	995	1,007	12
c. Policy-reserve-matching bonds	16,734,673	19,129,396	2,394,723	151,157	172,788	21,630
d. Stocks of subsidiaries and affiliated companies	1,041	1,150	108	9	10	0
e. Available-for-sale securities	29,193,968	29,193,968	–	263,697	263,697	–
(6) Loans	3,762,666			33,986		
Reserves for possible loan losses (*1)	(23,842)			(215)		
	3,738,823	3,877,221	138,398	33,771	35,021	1,250
(7) Reinsurance receivable	1,668,969	1,668,969	–	15,075	15,075	–
Total assets	59,461,580	61,996,229	2,534,648	537,093	559,987	22,894
(1) Bonds payable	899,770	947,004	47,233	8,127	8,553	426
(2) Payables under repurchase agreements	2,346,988	2,346,988	–	21,199	21,199	–
(3) Long-term borrowings	700,648	701,211	562	6,328	6,333	5
Total liabilities	3,947,408	3,995,204	47,795	35,655	36,087	431
Derivative transactions (*2)						
a. Hedge accounting not applied	[99,077]	[99,077]	–	[894]	[894]	–
b. Hedge accounting applied	[296,206]	[296,828]	(621)	[2,675]	[2,681]	(5)
Total derivative transactions	[395,284]	[395,906]	(621)	[3,570]	[3,576]	(5)

(*1) Excluding general reserves for possible loan losses and specific reserves for possible loan losses related to loans.
(*2) Credits/debts from derivative transactions are presented on a net basis. Figures in [ ] are net debts.

Note 1: Notes to Methods for Calculating Fair Value of Financial Instruments, Securities and Derivative Transactions

Assets

(1) Cash and deposits

Since deposits are mainly close to maturity or have no maturity and their fair value is close to the carrying amounts, fair value is based on the carrying amount.

(2) Call loans

Since all call loans are close to due date and their fair value is close to carrying amounts, fair value of call loans is based on their carrying amount.

(3) Monetary claims bought

The fair value of monetary claims bought is based on the reasonably calculated price.

(4) Money held in trust

The fair value of stocks is based on the price on stock exchanges and that of bonds is based on the price on bond markets or price presented by counterparty financial institutions. The fair value of mutual funds is based on unit price.

For details on derivative transactions of money held in trust, please refer to XII. DERIVATIVE TRANSACTIONS.

(5) Securities

The fair value of stocks is based on the price on stock exchanges and that of bonds is based on the price on bond markets or price presented by counterparty financial institutions. The fair value of mutual funds is based on unit price. As for ownership stakes in partnerships, the amount equivalent to partnership interest in fair value of the partnership assets is recorded as fair value of the stake in the partnership. Additionally, notes for the securities for each investment purpose are described in X. SECURITIES.

(6) Loans

The fair value of loans is calculated by discounting future cash flows of the subject loan, using interest rates corresponding to the internal credit rating and remaining period which are assumed to be applied to new loans to the subject borrower.

Additionally, for risk-monitored loans, reserve for possible loan losses is calculated based on the present value of estimated future cash flows or the amount deemed recoverable from collateral and guarantees and the fair value is close to the carrying amount on the consolidated balance sheet minus reserve for possible loan losses at the end of the fiscal year. Therefore, that amount (the carrying amount on the consolidated balance sheet minus reserve for possible loan losses) is recorded as the fair value of risk-monitored loans.

Also, loans without a due date because of their characteristics that their exposure is limited to the amount of their collaterals, are deemed to have fair value close to book value, taking into account estimated repayment period and interest rates. Therefore, their book value is recorded as the fair value.

(7) Reinsurance receivable

Since the fair value of reinsurance receivable is close to the carrying amounts, fair value is based on the carrying amount.

Liabilities

(1) Bonds payable

The fair value of bonds is based on the price on the bond market.

(2) Payables under repurchase agreements

Since the terms of all payables under repurchase agreements are short and their fair value is close to the carrying amounts, fair value is based on the carrying amount.

(3) Long-term borrowings

The fair value of long-term borrowings is calculated by discounting future cash flows, using interest rates corresponding to internal credit rating and remaining periods which are assumed to be applied to new borrowing. Also, certain of long-term borrowings are deemed to have fair value close to book value, taking into account interest rates. Therefore, their book value is recorded as the fair value.

Derivative Instruments

For details on derivative transactions, please refer to XII. DERIVATIVE TRANSACTIONS.

Note 2: Financial instruments whose fair value is extremely difficult to recognize are as follows and are not included in the fair value of (5) Securities in Note 1

	As of March 31,		
	2020	2021	2021
	Carrying amount		
	(Unit: million yen)		(Unit: million US dollars)
1. Unlisted domestic stocks (*1)(*2)	86,447	104,421	943
2. Unlisted foreign stocks (*1)(*2)	70,369	66,716	602
3. Other foreign securities (*1)(*2)	83,496	100,889	911
4. Other securities (*1)(*2)	156,834	225,035	2,032
Total	397,148	497,061	4,489

(*1) These securities cannot be assigned a market value because of unavailability of tradable markets, and they are excluded from disclosure of fair value.
(*2) For the fiscal years ended March 31, 2020 and 2021, impairment charges of ¥501 million and ¥1,192 million (US$10 million), respectively, were recorded.

Note 3: Scheduled redemptions of monetary claims and securities with maturities

As of March 31, 2020

	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
	(Unit: million yen)			
Cash and deposits	1,202,254	3,258	–	–
Call loans	513,800	–	–	–
Monetary claims bought	–	4,387	36,828	171,542
Securities:				
Held-to-maturity bonds (bonds)	–	54,500	7,900	11,800
Held-to-maturity bonds(foreign securities)	–	8,100	200	301,070
Policy-reserve-matching bonds (bonds)	47,290	290,535	1,863,555	10,937,063
Policy-reserve-matching bonds (foreign securities)	9,704	350,588	1,310,165	473,564
Available-for-sale securities with maturities (bonds)	177,494	701,155	1,110,419	1,158,212
Available-for-sale securities with maturities (foreign securities)	624,258	3,665,348	4,820,959	7,140,072
Available-for-sale securities with maturities (other securities)	13,254	238,372	529,058	19,844
Loans (*)	356,467	1,195,120	863,011	740,346

(*) Loans for which interest or principal payments cannot be forecasted, such as credit to bankrupt obligors, substantially bankrupt obligors and obligors at risk of bankruptcy, amounted to ¥86 million were not included. Also, ¥546,840 million of loans without maturities were not included.

As of March 31, 2021

	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
	(Unit: million yen)			
Cash and deposits	1,870,672	13,472	–	–
Call loans	403,700	–	–	–
Monetary claims bought	–	31,055	32,543	182,629
Securities:				
Held-to-maturity bonds (bonds)	700	61,500	15,700	21,700
Held-to-maturity bonds(foreign securities)	–	10,832	100	–
Policy-reserve-matching bonds (bonds)	21,812	510,840	2,431,592	11,431,371
Policy-reserve-matching bonds (foreign securities)	29,558	463,056	1,226,552	523,613
Available-for-sale securities with maturities (bonds)	90,433	773,815	1,106,464	1,078,666
Available-for-sale securities with maturities (foreign securities)	735,608	4,191,940	4,294,477	7,839,076
Available-for-sale securities with maturities (other securities)	720	276,293	318,182	8,382
Loans (*)	438,660	1,242,856	854,132	725,373

As of March 31, 2021

	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
	(Unit: million US dollars)			
Cash and deposits	16,897	121	–	–
Call loans	3,646	–	–	–
Monetary claims bought	–	280	293	1,649
Securities:				
Held-to-maturity bonds (bonds)	6	555	141	196
Held-to-maturity bonds(foreign securities)	–	97	0	–
Policy-reserve-matching bonds (bonds)	197	4,614	21,963	103,255
Policy-reserve-matching bonds (foreign securities)	266	4,182	11,078	4,729
Available-for-sale securities with maturities (bonds)	816	6,989	9,994	9,743
Available-for-sale securities with maturities (foreign securities)	6,644	37,864	38,790	70,807
Available-for-sale securities with maturities (other securities)	6	2,495	2,874	75
Loans (*)	3,962	11,226	7,715	6,552

(*) Loans for which interest or principal payments cannot be forecasted, such as credit to bankrupt obligors, substantially bankrupt obligors and obligors at risk of bankruptcy, amounted to ¥633 million (US$ 5 million) were not included. Also, ¥243,180 million (US$2,196 million) of loans without maturities were not included.

Note 4: Scheduled maturities of bonds, long term borrowings, and other interest-bearing liabilities

As of March 31, 2020

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
	(Unit: million yen)					
Bonds payable (*1)	–	–	–	–	119	493,468
Payables under repurchase agreements	870,747	–	–	–	–	–
Long term borrowings (*2)	–	262,413	5,804	5,804	65,736	–

(*1) ¥626,277 million of bonds payable without maturities were not included.
(*2) ¥283,000 million of long term borrowings without maturities were not included.

As of March 31, 2021

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
	(Unit: million yen)					
Bonds payable (*1)	–	–	–	195	–	184,885
Payables under repurchase agreements	2,346,988	–	–	–	–	–
Long term borrowings (*2)	285,510	20,063	7,409	62,100	–	–

As of March 31, 2021

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
	(Unit: million US dollars)					
Bonds payable (*1)	–	–	–	1	–	1,669
Payables under repurchase agreements	21,199	–	–	–	–	–
Long term borrowings (*2)	2,578	181	66	560	–	–

(*1) ¥706,277 million (US$6,379 million) of bonds payable without maturities were not included.
(*2) ¥325,000 million (US$2,935 million) of long term borrowings without maturities were not included.

X. SECURITIES

1. Trading Securities

	Year ended March 31, 2020	2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Gains (losses) on valuation of trading securities	(162,339)	308,566	2,787

2. Held-to-maturity Bonds

As of March 31, 2020	Carrying amount	Fair value	Unrealized gains (losses)
	(Unit: million yen)		
Held-to-maturity securities with unrealized gains:			
(1) Bonds	52,139	54,604	2,465
a. Government bonds	46,919	49,337	2,417
b. Local government bonds	–	–	–
c. Corporate bonds	5,219	5,267	48
(2) Foreign securities	312,683	334,817	22,134
a. Foreign bonds	312,683	334,817	22,134
Subtotal	364,822	389,422	24,599
Held-to-maturity securities with unrealized losses:			
(1) Bonds	21,209	20,932	(276)
a. Government bonds	–	–	–
b. Local government bonds	–	–	–
c. Corporate bonds	21,209	20,932	(276)
(2) Foreign securities	5,021	4,985	(36)
a. Foreign bonds	5,021	4,985	(36)
Subtotal	26,231	25,918	(313)
Total	391,053	415,340	24,286

As of March 31, 2021	Carrying amount	Fair value	Unrealized gains (losses)	Carrying amount	Fair value	Unrealized gains (losses)
	(Unit: million yen)			(Unit: million US dollars)		
Held-to-maturity securities with unrealized gains:						
(1) Bonds	63,777	65,531	1,754	576	591	15
a. Government bonds	47,221	48,896	1,675	426	441	15
b. Local government bonds	–	–	–	–	–	–
c. Corporate bonds	16,556	16,635	78	149	150	0
(2) Foreign securities	4,998	5,023	24	45	45	0
a. Foreign bonds	4,998	5,023	24	45	45	0
Subtotal	68,776	70,554	1,778	621	637	16
Held-to-maturity securities with unrealized losses:						
(1) Bonds	35,450	35,101	(349)	320	317	(3)
a. Government bonds	–	–	–	–	–	–
b. Local government bonds	–	–	–	–	–	–
c. Corporate bonds	35,450	35,101	(349)	320	317	(3)
(2) Foreign securities	5,943	5,932	(11)	53	53	(0)
a. Foreign bonds	5,943	5,932	(11)	53	53	(0)
Subtotal	41,394	41,034	(360)	373	370	(3)
Total	110,171	111,589	1,418	995	1,007	12

3. Policy-reserve-matching Bonds

As of March 31, 2020	Carrying amount	Fair value	Unrealized gains (losses)
	(Unit: million yen)		
Policy-reserve-matching bonds with unrealized gains:			
(1) Bonds	12,547,115	15,390,717	2,843,601
a. Government bonds	11,522,196	14,277,260	2,755,063
b. Local government bonds	130,220	149,359	19,139
c. Corporate bonds	894,697	964,096	69,398
(2) Foreign Securities	1,842,364	1,988,155	145,790
a. Foreign bonds	1,842,364	1,988,155	145,790
Subtotal	14,389,480	17,378,872	2,989,392
Policy-reserve-matching bonds with unrealized losses:			
(1) Bonds	642,625	630,709	(11,916)
a. Government bonds	415,117	407,037	(8,080)
b. Local government bonds	6,877	6,750	(127)
c. Corporate bonds	220,630	216,921	(3,709)
(2) Foreign Securities	356,987	341,434	(15,552)
a. Foreign bonds	356,987	341,434	(15,552)
Subtotal	999,612	972,143	(27,468)
Total	15,389,092	18,351,016	2,961,923

As of March 31, 2021	Carrying amount	Fair value	Unrealized gains (losses)	Carrying amount	Fair value	Unrealized gains (losses)
	(Unit: million yen)			(Unit: million US dollars)		
Policy-reserve-matching bonds with unrealized gains:						
(1) Bonds	11,892,201	14,233,910	2,341,708	107,417	128,569	21,151
a. Government bonds	10,861,367	13,126,091	2,264,723	98,106	118,562	20,456
b. Local government bonds	105,165	120,563	15,397	949	1,088	139
c. Corporate bonds	925,668	987,255	61,587	8,361	8,917	556
(2) Foreign securities	1,925,023	2,080,862	155,839	17,387	18,795	1,407
a. Foreign bonds	1,925,023	2,080,862	155,839	17,387	18,795	1,407
Subtotal	13,817,224	16,314,772	2,497,547	124,805	147,364	22,559
Policy-reserve-matching bonds with unrealized losses:						
(1) Bonds	2,528,228	2,443,575	(84,653)	22,836	22,071	(764)
a. Government bonds	2,202,802	2,125,823	(76,979)	19,897	19,201	(695)
b. Local government bonds	20,744	20,253	(490)	187	182	(4)
c. Corporate bonds	304,681	297,498	(7,183)	2,752	2,687	(64)
(2) Foreign securities	389,219	371,048	(18,171)	3,515	3,351	(164)
a. Foreign bonds	389,219	371,048	(18,171)	3,515	3,351	(164)
Subtotal	2,917,448	2,814,623	(102,824)	26,352	25,423	(928)
Total	16,734,673	19,129,396	2,394,723	151,157	172,788	21,630

4. Available-for-sale Securities

	As of March 31, 2020		
	Carrying amount	Acquisition cost	Unrealized gains (losses)
	(Unit: million yen)		
Available-for-sale securities with unrealized gains:			
(1) Bonds	3,593,207	3,119,608	473,598
a. Government bonds	2,220,509	1,808,835	411,673
b. Local government bonds	29,060	27,487	1,573
c. Corporate bonds	1,343,637	1,283,285	60,352
(2) Domestic stocks	2,322,097	949,288	1,372,809
(3) Foreign securities	15,432,362	13,936,461	1,495,900
a. Foreign bonds	14,961,850	13,573,865	1,387,985
b. Other foreign securities	470,511	362,596	107,915
(4) Other securities	788,374	733,499	54,875
Subtotal	22,136,042	18,738,858	3,397,184
Available-for-sale securities with unrealized losses:			
(1) Bonds	540,029	546,342	(6,313)
a. Government bonds	7,340	7,484	(144)
b. Local government bonds	–	–	–
c. Corporate bonds	532,689	538,858	(6,169)
(2) Domestic stocks	416,863	528,593	(111,730)
(3) Foreign securities	4,197,544	4,446,022	(248,477)
a. Foreign bonds	3,548,774	3,748,225	(199,450)
b. Other foreign securities	648,769	697,796	(49,026)
(4) Other securities	468,105	485,842	(17,736)
Subtotal	5,622,543	6,006,800	(384,257)
Total	27,758,585	24,745,658	3,012,926

Note: Other securities include (1) certificates of deposit and (2) trust beneficiary rights, which were recorded as cash and deposits and monetary claims bought on the consolidated balance sheet, respectively. The aggregate acquisition cost and carrying amount of such certificates of deposit were ¥111,000 million and ¥110,994 million, respectively, as of March 31, 2020. The aggregate acquisition cost and carrying amount of trust beneficiary rights were ¥212,889 million and ¥221,147 million, respectively, as of March 31, 2020.

	As of March 31, 2021					
	Carrying amount	Acquisition cost	Unrealized gains (losses)	Carrying amount	Acquisition cost	Unrealized gains (losses)
	(Unit: million yen)			(Unit: million US dollars)		
Available-for-sale securities with unrealized gains:						
(1) Bonds	3,536,414	3,101,166	435,248	31,943	28,011	3,931
a. Government bonds	2,065,744	1,709,051	356,693	18,659	15,437	3,221
b. Local government bonds	28,080	26,607	1,473	253	240	13
c. Corporate bonds	1,442,589	1,365,507	77,082	13,030	12,334	696
(2) Domestic stocks	3,271,329	1,115,683	2,155,646	29,548	10,077	19,471
(3) Foreign securities	17,315,237	15,096,152	2,219,085	156,401	136,357	20,044
a. Foreign bonds	16,206,052	14,233,241	1,972,810	146,382	128,563	17,819
b. Other foreign securities	1,109,185	862,911	246,274	10,018	7,794	2,224
(4) Other securities	689,223	621,708	67,514	6,225	5,615	609
Subtotal	24,812,204	19,934,710	4,877,494	224,118	180,062	44,056
Available-for-sale securities with unrealized losses:						
(1) Bonds	381,823	384,641	(2,818)	3,448	3,474	(25)
a. Government bonds	11,324	11,710	(386)	102	105	(3)
b. Local government bonds	–	–	–	–	–	–
c. Corporate bonds	370,498	372,930	(2,431)	3,346	3,368	(21)
(2) Domestic stocks	248,451	292,493	(44,042)	2,244	2,641	(397)
(3) Foreign securities	3,662,248	3,833,968	(171,719)	33,079	34,630	(1,551)
a. Foreign bonds	3,152,640	3,310,207	(157,566)	28,476	29,899	(1,423)
b. Other foreign securities	509,608	523,760	(14,152)	4,603	4,730	(127)
(4) Other securities	412,378	432,755	(20,377)	3,724	3,908	(184)
Subtotal	4,704,901	4,943,858	(238,956)	42,497	44,655	(2,158)
Total	29,517,106	24,878,568	4,638,537	266,616	224,718	41,898

Note: Other securities include (1) certificates of deposit and (2) trust beneficiary rights, which were recorded as cash and deposits and monetary claims bought on the consolidated balance sheet, respectively. The aggregate acquisition cost and carrying amount of such certificates of deposit were ¥71,000 million (US$641 million) and ¥70,997 million (US$641 million), respectively, as of March 31, 2021. The aggregate acquisition cost and carrying amount of trust beneficiary rights were ¥246,377 million (US$2,225 million) and ¥252,140 million (US$2,277 million), respectively, as of March 31, 2021.

5. Held-to-maturity Bonds Sold

The Company and its consolidated subsidiaries sold no held-to-maturity bonds during the fiscal years ended March 31, 2020 and 2021.

6. Policy-reserve-matching Bonds Sold

Policy-reserve-matching bonds sold during the fiscal years ended March 31, 2020 and 2021 were as follows:

	Year ended March 31, 2020		
	Amounts sold	Realized gains	Realized losses
	(Unit: million yen)		
(1) Bonds	507,657	72,346	6
a. Government bonds	495,224	71,648	–
b. Local government bonds	1,258	44	2
c. Corporate bonds	11,174	653	4
(2) Foreign securities	552,914	57,502	501
a. Foreign bonds	552,914	57,502	501
b. Other foreign securities	–	–	–
Total	1,060,572	129,848	507

	Year ended March 31, 2021					
	Amounts sold	Realized gains	Realized losses	Amounts sold	Realized gains	Realized losses
	(Unit: million yen)			(Unit: million US dollars)		
(1) Bonds	606,251	77,800	168	5,476	702	1
a. Government bonds	523,160	72,922	18	4,725	658	0
b. Local government bonds	2,491	102	12	22	0	0
c. Corporate bonds	80,600	4,775	138	728	43	1
(2) Foreign securities	207,427	24,649	619	1,873	222	5
a. Foreign bonds	207,427	24,649	619	1,873	222	5
b. Other foreign securities	–	–	–	–	–	–
Total	813,679	102,449	787	7,349	925	7

7. Available-for-sale Securities Sold

Available-for-sale securities sold during the fiscal years ended March 31, 2020 and 2021 were as follows:

	Year ended March 31, 2020		
	Amounts sold	Realized gains	Realized losses
	(Unit: million yen)		
(1) Bonds	208,431	2,121	437
a. Government bonds	62,972	1,015	–
b. Local government bonds	3,888	55	33
c. Corporate bonds	141,571	1,050	403
(2) Domestic stocks	143,781	67,319	9,299
(3) Foreign securities	2,392,406	99,308	57,661
a. Foreign bonds	2,037,208	67,719	34,687
b. Other foreign securities	355,197	31,588	22,974
(4) Other securities	129,616	2,155	7,022
Total	2,874,236	170,904	74,421

	Year ended March 31, 2021					
	Amounts sold	Realized gains	Realized losses	Amounts sold	Realized gains	Realized losses
	(Unit: million yen)			(Unit: million US dollars)		
(1) Bonds	584,191	3,998	617	5,276	36	5
a. Government bonds	95,218	573	207	860	5	1
b. Local government bonds	36,466	–	15	329	–	0
c. Corporate bonds	452,507	3,425	395	4,087	30	3
(2) Domestic Stocks	244,203	145,738	4,147	2,205	1,316	37
(3) Foreign securities	2,919,618	215,712	90,486	26,371	1,948	817
a. Foreign bonds	2,229,627	130,689	43,286	20,139	1,180	390
b. Other foreign securities	689,991	85,022	47,200	6,232	767	426
(4) Other securities	194,619	3,463	31,013	1,757	31	280
Total	3,942,633	368,913	126,265	35,612	3,332	1,140

8. Reclassification of Securities

Effective the fiscal year ended March 31, 2020, policy-reserve-matching bonds held in the sub-group of individual life insurance and annuities (Australian dollar-denominated) were reclassified into available-for-sale securities.

Due to this change, as of the time of reclassification, securities, net unrealized gains (losses) on securities and deferred tax liabilities increased by ¥204,207 million, ¥147,029 million, and ¥57,177 million, respectively. This change had no impact on profit and loss.

9. Securities Written Down

The Company and its consolidated subsidiaries write down the balance of certain available-for-sale securities with fair values (1) when the fair value of such securities declines by 50%, or more, of its purchase cost or (2) when the fair value of such securities without a certain level of creditworthiness declines by 30% or more, but less than 50%, of its purchase cost unless it is deemed that there is a possibility that the fair value of the security could recover to equal or exceed the purchase cost. The aggregate amounts written down from the balance of available-for-sale securities with fair value for the fiscal years ended March 31, 2020 and 2021 were ¥60,427 million and ¥13,108 million (US$118 million), respectively.

XI. MONEY HELD IN TRUST

1. Money Held in Trust for Trading

	As of March 31,		
	2020	2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Carrying amount on the consolidated balance sheet	1,039,062	1,130,920	10,215
Gains (losses) on valuation of money held in trust	(20,279)	26,327	237

XII. DERIVATIVE TRANSACTIONS

1. Derivative Transactions (Hedge Accounting Not Applied)

(1) Currency-related transactions

As of March 31, 2020

	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
	(Unit: million yen)			
Exchange-traded transactions:				
Currency futures:				
Sold	29,022	–	(186)	(186)
Euro / U.S. dollar	12,828	–	(150)	(150)
British pound / U.S. dollar	8,240	–	(51)	(51)
Yen / U.S. dollar	7,953	–	14	14
Over-the-counter transactions:				
Foreign currency forward contracts:				
Sold	3,017,409	–	47,317	47,317
U.S. dollar	1,276,055	–	761	761
Euro	1,131,536	–	3,248	3,248
Australian dollar	251,215	–	21,878	21,878
British pound	119,241	–	6,240	6,240
Canadian dollar	52,885	–	3,263	3,263
Others	186,475	–	11,925	11,925
Bought	1,202,893	–	3,885	3,885
U.S. dollar	527,440	–	8,873	8,873
Euro	493,521	–	188	188
British pound	64,013	–	(2,524)	(2,524)
Australian dollar	49,030	–	(1,068)	(1,068)
Canadian dollar	24,060	–	(1,172)	(1,172)
Others	44,825	–	(410)	(410)
Currency swaps:				
Receipts foreign currency, payments yen	544,077	544,077	(31,308)	(31,308)
Australian dollar	465,777	465,777	(38,102)	(38,102)
U.S. dollar	78,300	78,300	6,794	6,794
Receipts foreign currency, payments foreign currency	36,697	36,697	(3,567)	(3,567)
Australian dollar / U.S. dollar	24,849	24,849	(3,524)	(3,524)
Australian dollar / Euro	11,848	11,848	(42)	(42)
Currency options:				
Sold:				
Put	41,021 [39]	–	87	(48)
British pound	41,021 [39]	–	87	(48)
Bought:				
Put	648,053 [10,392]	–	13,800	3,407
U.S. dollar	607,032 [9,015]	–	13,675	4,660
British pound	41,021 [1,377]	–	125	(1,252)
Total return swaps:				
Foreign currency index linked	160,110	160,110	(32,244)	(32,244)
Total	–	–	–	(12,744)

Note: 1. (1) Fair value of currency futures listed above is based on the closing exchange-traded prices and the prices quoted from counterparty financial institutions.
(2) Forward exchange rates at the end of the year are used for fair value calculation of foreign currency forward contracts.
(3) Fair value of currency swaps is calculated by discounting expected cash flows.
(4) An option pricing model is used for fair value calculation of currency options or the prices quoted from counterparty financial institutions.
(5) Fair value of total return swaps is based on fair value calculated by referred index of 31 March, 2020.
2. Figures in [ ] are amounts of option premiums which are included in the consolidated balance sheet.
3. Fair value for forward contracts and swaps, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".

As of March 31, 2021

	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
	(Unit: million yen)				(Unit: million US dollars)			
Exchange-traded transactions:								
Currency futures:								
Sold	27,362	–	(373)	(373)	247	–	(3)	(3)
Euro / U.S. dollar	15,051	–	(126)	(126)	135	–	(1)	(1)
British pound / U.S. dollar	7,985	–	(223)	(223)	72	–	(2)	(2)
Yen / U.S. dollar	4,325	–	(24)	(24)	39	–	(0)	(0)
Over-the-counter transactions:								
Foreign currency forward contracts:								
Sold	1,165,895	–	(32,216)	(32,216)	10,531	–	(290)	(290)
U.S. dollar	589,044	–	(20,316)	(20,316)	5,320	–	(183)	(183)
Australian dollar	195,411	–	(5,244)	(5,244)	1,765	–	(47)	(47)
Euro	194,388	–	(1,152)	(1,152)	1,755	–	(10)	(10)
British pound	105,818	–	(3,802)	(3,802)	955	–	(34)	(34)
Canadian dollar	39,901	–	(1,582)	(1,582)	360	–	(14)	(14)
Others	41,331	–	(118)	(118)	373	–	(1)	(1)
Bought	565,818	–	1,639	1,639	5,110	–	14	14
U.S. dollar	318,324	–	2,366	2,366	2,875	–	21	21
Euro	153,735	–	(1,635)	(1,635)	1,388	–	(14)	(14)
British pound	48,033	–	604	604	433	–	5	5
Australian dollar	26,646	–	16	16	240	–	0	0
Canadian dollar	12,391	–	270	270	111	–	2	2
Others	6,687	–	16	16	60	–	0	0
Currency swaps:								
Receipts foreign currency, payments yen	540,477	540,477	67,965	67,965	4,881	4,881	613	613
Australian dollar	454,177	454,177	63,597	63,597	4,102	4,102	574	574
U.S. dollar	86,300	86,300	4,367	4,367	779	779	39	39
Receipts yen, payments foreign currency	27,165	27,165	(743)	(743)	245	245	(6)	(6)
U.S. dollar	27,165	27,165	(743)	(743)	245	245	(6)	(6)
Receipts foreign currency, payments foreign currency	50,242	50,242	570	570	453	453	5	5
Australian dollar / U.S. dollar	35,118	35,118	554	554	317	317	5	5
Australian dollar / Euro	15,123	15,123	16	16	136	136	0	0
Currency options:								
Sold:								
Put	108,807 [159]	–	0	158	982 [1]	–	0	1
U.S. dollar	108,807 [159]	–	0	158	982 [1]	–	0	1
Bought:								
Put	512,231 [4,631]	–	645	(3,985)	4,626 [41]	–	5	(35)
U.S. dollar	512,231 [4,631]	–	645	(3,985)	4,626 [41]	–	5	(35)
Total return swaps:								
Foreign currency index linked	176,528	176,528	3,001	3,001	1,594	1,594	27	27
Total	–	–	–	36,015	–	–	–	325

Note: 1. (1) Fair value of currency futures listed above is based on the closing exchange-traded prices and the prices quoted from counterparty financial institutions.
(2) Forward exchange rates at the end of the year are used for fair value calculation of foreign currency forward contracts.
(3) Fair value of currency swaps is calculated by discounting expected cash flows.
(4) An option pricing model is used for fair value calculation of currency options.
(5) Fair value of total return swaps is based on fair value calculated by referred index of 31 March, 2021.
2. Figures in [ ] are amounts of option premiums which are included in the consolidated balance sheet.

3. Fair value for forward contracts and swaps, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".

(2) Interest-related transactions

As of March 31, 2020

	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
	(Unit: million yen)			
Over-the-counter transactions:				
Yen interest rate swaps:				
Receipts fixed, payments floating	256,082	256,082	12,386	12,386
Receipts floating, payments fixed	45,728	45,728	(1,035)	(1,035)
Yen interest rate swaptions:				
Bought:				
Receipts fixed, payments floating	830,000	460,000		
	[18,202]	[11,993]	27,507	9,305
Receipts floating, payments fixed	1,560,000	1,110,000		
	[6,316]	[3,454]	312	(6,003)
Total	–	–	–	14,653

Note: 1. (1) Fair value of yen interest rate swaps listed above is present value of expected cash flows, discounted by the interest rates at the end of the year or the prices quoted from counterparty financial institutions.
(2) An option pricing model is used for fair value calculation of yen interest rate swaptions.
2. Figures in [ ] are amounts of option premiums which are included in the consolidated balance sheet.
3. Fair value for swaps, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".

As of March 31, 2021

	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
	(Unit: million yen)				(Unit: million US dollars)			
Over-the-counter transactions:								
Yen interest rate swaps:								
Receipts fixed, payments floating	300,467	300,467	19,714	19,714	2,714	2,714	178	178
Receipts floating, payments fixed	22,775	22,775	(217)	(217)	205	205	(1)	(1)
Yen interest rate swaptions:								
Sold								
Receipts fixed, payments floating	20,000				180			
	[236]	–	13	222	[2]	–	0	2
Bought:								
Receipts fixed, payments floating	480,000	10,000			4,335	90		
	[12,300]	[70]	1,724	(10,575)	[111]	[0]	15	(95)
Receipts floating, payments fixed	1,895,000	1,095,000			17,116	9,890		
	[9,216]	[6,243]	6,072	(3,143)	[83]	[56]	54	(28)
Total	–	–	–	5,998	–	–	–	54

Note: 1. (1) Fair value of yen interest rate swaps listed above is present value of expected cash flows, discounted by the interest rates at the end of the year or the prices quoted from counterparty financial institutions etc.
(2) Fair value of foreign currency-denominated bond forward contracts is based on the price quoted by information vendors.
2. Figures in [ ] are amounts of option premiums which are included in the consolidated balance sheet.
3. Fair value for swaps, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".

(3) Stock-related transactions

As of March 31, 2020

	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
	(Unit: million yen)			
Exchange-traded transactions:				
Yen stock index futures:				
Sold	43,843	–	(3,418)	(3,418)
Bought	3,264	–	46	46
Foreign currency-denominated stock index futures:				
Sold	164,254	–	(12,167)	(12,167)
Bought	16,071	–	560	560
Yen stock index options:				
Bought:				
Put	156,667	4,449		
	[4,917]	[562]	24,221	19,303
Foreign currency-denominated stock index options:				
Sold:				
Call	314,676	1,018		
	[15,400]	[67]	30,251	(14,850)
Put	982			
	[33]	–	14	19
Bought:				
Call	304,339	977		
	[20,899]	[90]	37,833	16,933
Put	80,363	25,548		
	[6,155]	[2,492]	5,494	(660)
Over-the-counter transactions:				
Yen stock index options:				
Bought:				
Put	5,226	1,825		
	[1,392]	[600]	331	(1,060)
Foreign currency-denominated stock index options:				
Sold:				
Call	208,869			
	[8,664]	–	16,716	(8,051)
Put	4,396			
	[149]	–	67	82
Bought:				
Call	218,868	8,285		
	[13,561]	[401]	22,860	9,299
Put	137,723	94,367		
	[15,375]	[11,449]	9,101	(6,274)
Total return swaps:				
Foreign currency-denominated stock index linked	93,065	29,870	(250)	(250)
Total	–	–	–	(489)

Note: 1. (1) Yen stock index futures, foreign currency-denominated stock index futures, yen stock index options, and foreign currency-denominated stock index options
Fair value is based on the closing exchange-traded prices and the prices quoted from counterparty financial institutions.
(2) Total return swaps
Fair value is based on the prices quoted from counterparty financial institutions.
2. Figures in [ ] are amounts of option premiums which are included in the consolidated balance sheet.
3. Fair value for forward contracts, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".

	As of March 31, 2021							
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
	(Unit: million yen)				(Unit: million US dollars)			
Exchange-traded transactions:								
Yen stock index futures:								
Sold	9,954	–	(353)	(353)	89	–	(3)	(3)
Bought	11,006	–	150	150	99	–	1	1
Foreign currency-denominated stock index futures:								
Sold	29,230	–	(464)	(464)	264	–	(4)	(4)
Bought	79,655	–	158	158	719	–	1	1
Yen stock index options:								
Bought:								
Put	277,518	3,436			2,506	31		
	[6,012]	[425]	4,441	(1,570)	[54]	[3]	40	(14)
Foreign currency-denominated stock index options:								
Sold:								
Call	444,633				4,016			
	[26,678]	–	69,555	(42,876)	[240]	–	628	(387)
Put	5,990				54			
	[443]	–	125	317	[4]	–	1	2
Bought:								
Call	427,265				3,859			
	[33,565]	–	81,166	47,600	[303]	–	733	429
Put	42,157	16,672			380	150		
	[3,012]	[1,897]	3,949	937	[27]	[17]	35	8
Over-the-counter transactions:								
Yen stock index options:								
Bought:								
Put	1,724	1,724			15	15		
	[567]	[567]	177	(389)	[5]	[5]	1	(3)
Foreign currency-denominated stock index options:								
Sold:								
Call	115,176				1,040			
	[6,619]	–	16,611	(9,991)	[59]	–	150	(90)
Put	3,338				30			
	[213]	–	68	144	[1]	–	0	1
Bought:								
Call	146,388	29,808			1,322	269		
	[10,469]	[1,521]	21,853	11,384	[94]	[13]	197	102
Put	120,948	79,643			1,092	719		
	[14,985]	[11,181]	10,632	(4,353)	[135]	[100]	96	(39)
Total return swaps:								
Foreign currency-denominated stock index linked	120,150	47,364	(1,313)	(1,313)	1,085	427	(11)	(11)
Total	–	–	–	(619)	–	–	–	(5)

Note: 1. (1) Yen stock index futures, foreign currency-denominated stock index futures, yen stock index options and foreign currency-denominated stock index options.
Fair value is based on the closing exchange-traded prices and the prices quoted from counterparty financial institutions.
(2) Total return swaps
Fair value is based on the prices quoted from counterparty financial institutions.
2. Figures in [ ] are amounts of option premiums which are included in the consolidated balance sheet.
3. Fair value for forward contracts, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".

(4) Bond-related transactions

	As of March 31, 2020		
	Notional amount/ contract value	Fair value	Gains (losses)
	(Unit: million yen)		
Exchange-traded transactions:			
Yen bond futures:			
Sold	928	13	13
Bought	67,814	(988)	(988)
Foreign currency-denominated bond futures:			
Sold	551,634	(5,761)	(5,761)
Bought	1,061,366	5,867	5,867
Over-the-counter transactions:			
Foreign currency-denominated bond forward contracts			
Sold	88,387	(1,146)	(1,146)
Bought	83,442	1,466	1,466
Yen bond OTC options:			
Sold:			
Put	37,350		
	[218]	329	(110)
Bought:			
Call	37,350		
	[205]	98	(107)
Total	–	–	(767)

Note: 1. (1) Fair value of yen bond futures is based on the closing exchange-traded prices.
(2) Fair value of foreign currency-denominated bond futures is based on the closing exchange-traded prices or the price presented by counterparty financial institutions.
(3) Fair value of foreign currency-denominated bond forward contracts is based on the price quoted by information vendors.
(4) Fair value of yen bond OTC options is based on the price calculated by the option pricing model.
2. Figures in [ ] are amounts of option premiums which are included in the consolidated balance sheet.
3. Fair value for futures and forward contracts, and differences between the option premiums paid/received and fair value of the option, are shown in "Gains (losses)".
4. There were no transactions with maturity of more than one year in the table above.

	As of March 31, 2021					
	Notional amount/ contract value	Fair value	Gains (losses)	Notional amount/ contract value	Fair value	Gains (losses)
	(Unit: million yen)			(Unit: million US dollars)		
Exchange-traded transactions:						
Yen bond futures:						
Sold	20,232	(23)	(23)	182	(0)	(0)
Bought	18,001	(13)	(13)	162	(0)	(0)
Foreign currency-denominated bond futures:						
Sold	681,030	9,766	9,766	6,151	88	88
Bought	1,160,057	(9,951)	(9,951)	10,478	(89)	(89)
Over-the-counter transactions:						
Foreign currency-denominated bond forward contracts						
Sold	41,532	137	137	375	1	1
Bought	78,944	(133)	(133)	713	(1)	(1)
Yen bond OTC options:						
Sold:						
Call	6,555			59		
	[33]	31	2	[0]	0	0
Put	36,871			333		
	[134]	35	98	[1]	0	0
Bought:						
Call	36,871			333		
	[107]	170	63	[0]	1	0
Put	6,555			59		
	[37]	32	(4)	[0]	0	(0)
Total	–	–	(58)	–	–	(0)

Note: 1. (1) Fair value of yen bond futures is based on the closing exchange-traded prices.
(2) Fair value of foreign currency-denominated bond futures is based on the closing exchange-traded prices or the price presented by counterparty financial institutions.
(3) Fair value of foreign currency-denominated bond forward contracts is based on the price quoted by information vendors.
(4) Fair value of yen bond OTC options is based on the price quoted by information vendors.
2. Figures in [ ] are amounts of option premiums which are included in the consolidated balance sheet.
3. Fair value for futures and forward contracts, and differences between the option premiums paid/received and fair value of the option, are shown in "Gains (losses)".
4. There were no transactions with maturity of more than one year in the table above.

(5) Others

	As of March 31, 2020			
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
	(Unit: million yen)			
Over-the-counter transactions:				
Credit default swaps:				
Sold protection	50,739	40,239	416	416
Bought protection	40,066	40,066	44	44
Others:				
Embedded derivatives	1,839,326	1,839,326	(126,599)	(126,599)
Total	–	–	–	(126,138)

Note: 1. Embedded derivatives are guaranteed minimum portion and others of variable annuity products, which are classified as embedded derivatives by certain overseas subsidiaries under local accounting standards.
2. Fair value listed above is based on the present value of estimated future cash flows.
3. Fair value is shown in "Gains (losses)".

	As of March 31, 2021							
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
	(Unit: million yen)				(Unit: million US dollars)			
Over-the-counter transactions:								
Credit default swaps:								
Sold protection	46,763	45,763	754	754	422	413	6	6
Bought protection	11,300	11,300	(215)	(215)	102	102	(1)	(1)
Others:								
Embedded derivatives	1,878,646	1,878,646	(201,337)	(201,337)	16,969	16,969	(1,818)	(1,818)
Total	–	–	–	(200,799)	–	–	–	(1,813)

Note: 1. Embedded derivatives are guaranteed minimum portion and others of variable annuity products, which are classified as embedded derivatives by certain overseas subsidiaries under local accounting standards.
2. Fair value listed above is based on the present value of estimated future cash flows.
3. Fair value is shown in "Gains (losses)".

2. Derivative Transactions (Hedge Accounting Applied)

(1) Currency-related transactions

	As of March 31, 2020		
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value
	(Unit: million yen)		
Deferral hedge:			
Currency swaps to hedge foreign currency-denominated bonds:			
Receipts yen, payments foreign currency	230,320	212,466	4,725
U.S. dollar	148,990	133,183	59
Euro	69,227	67,181	3,376
British pound	12,101	12,101	1,289
Currency swaps to hedge foreign currency risks associated with funding agreement:			
Receipts foreign currency, payments foreign currency	12,838	12,838	(1,246)
Norway krone / U.S. dollar	12,838	12,838	(1,246)
Fair value hedge:			
Foreign currency forward contracts to hedge foreign currency-denominated bonds:			
Sold	5,430,501	–	31,536
U.S. dollar	2,599,200	–	(63,756)
Euro	1,559,276	–	(2,621)
Australian dollar	374,676	–	36,802
British pound	286,852	–	15,306
Canadian dollar	91,583	–	6,221
Others	518,912	–	39,582
Bought	226,362	–	(9,507)
British pound	136,055	–	(5,176)
U.S. dollar	3,316	–	9
Euro	718	–	2
Others	86,272	–	(4,342)
Foreign currency forward contracts, etc., allocated to and/or combined with corresponding hedged items:			
Foreign currency forward contracts to hedge foreign currency-denominated term deposits:			
Sold	239,165	–	(*1)
U.S. dollar	89,727	–	(*1)
Others	149,437	–	(*1)
Currency swaps to hedge foreign currency-denominated bonds payable and loans:			
Receipts foreign currency, payments yen	476,277	476,277	(*2)
Foreign currency-denominated bonds payable:			
U.S. dollar	476,277	476,277	(*2)
Receipts yen, payments foreign currency	32,605	32,605	(*2)
Foreign currency-denominated loans:			
U.S. dollar	26,641	26,641	(*2)
Euro	5,964	5,964	(*2)

Note: (1) Fair value of currency swaps is calculated by discounting expected cash flows or the price presented by counterparty financial institutions.
(*2) As foreign currency swaps which apply the currency allotment method are accounted for as combined with foreign currency-denominated bonds payable and loans as hedged items, their fair value is included in the fair value of such foreign currency-denominated bonds payable and loans.
(2) Forward exchange rates at the end of the year are used for fair value calculation of foreign currency forward contracts.
(*1) As foreign currency forward contracts which apply the currency allotment method are accounted for as combined with foreign currency-denominated term deposits as hedged items, their fair value is included in the fair value of such foreign currency-denominated term deposits.

	As of March 31, 2021					
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value
	(Unit: million yen)			(Unit: million US dollars)		
Deferral hedge:						
Currency swaps to hedge foreign currency-denominated bonds:						
Receipts yen, payments foreign currency	196,770	185,116	(7,530)	1,777	1,672	(68)
U.S. dollar	114,235	108,781	(3,676)	1,031	982	(33)
Euro	70,488	64,288	(3,478)	636	580	(31)
British pound	12,046	12,046	(375)	108	108	(3)
Currency swaps to hedge foreign currency risks associated with funding agreement:						
Receipts foreign currency, payments foreign currency	12,127	12,127	(1,054)	109	109	(9)
Norway krone / U.S. dollar	12,127	12,127	(1,054)	109	109	(9)
Fair value hedge:						
Foreign currency forward contracts to hedge foreign currency-denominated bonds:						
Sold	6,454,969	–	(306,980)	58,305	–	(2,772)
U.S. dollar	3,160,414	–	(177,109)	28,546	–	(1,599)
Euro	1,344,897	–	(42,286)	12,147	–	(381)
Australian dollar	835,833	–	(43,597)	7,549	–	(393)
Canadian dollar	344,654	–	(24,746)	3,113	–	(223)
British pound	162,460	–	(3,242)	1,467	–	(29)
Others	606,709	–	(15,997)	5,480	–	(144)
Bought	11,563	–	285	104	–	2
U.S. dollar	7,928	–	229	71	–	2
Australian dollar	3,585	–	53	32	–	0
Canadian dollar	49	–	1	0	–	0
Foreign currency forward contracts, etc., allocated to and/or combined with corresponding hedged items:						
Foreign currency forward contracts to hedge foreign currency-denominated term deposits:						
Sold	242,002	–	(*1)	2,185	–	(*1)
U.S. dollar	92,002	–	(*1)	831	–	(*1)
Others	150,000	–	(*1)	1,354	–	(*1)
Currency swaps to hedge foreign currency-denominated bonds payable and loans:						
Receipts foreign currency, payments yen	476,277	368,715	(*2)	4,302	3,330	(*2)
Foreign currency-denominated bonds payable:						
U.S. dollar	476,277	368,715	(*2)	4,302	3,330	(*2)
Receipts yen, payments foreign currency	30,366	30,366	(*2)	274	274	(*2)
Foreign currency-denominated loans:						
U.S. dollar	25,594	25,594	(*2)	231	231	(*2)
Euro	4,771	4,771	(*2)	43	43	(*2)

Note: (1) Fair value of currency swaps is calculated by discounting expected cash flows or the price presented by counterparty financial institutions.
(*2) As foreign currency swaps which apply the currency allotment method are accounted for as combined with foreign currency-denominated bonds payable and loans as hedged items, their fair value is included in the fair value of such foreign currency-denominated bonds payable and loans.
(2) Forward exchange rates at the end of the year are used for fair value calculation of foreign currency forward contracts.
(*1) As foreign currency forward contracts which apply the currency allotment method are accounted for as combined with foreign currency-denominated term deposits as hedged items, their fair value is included in the fair value of such foreign currency-denominated term deposits.

(2) Interest-related transactions

	As of March 31, 2020		
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value
	(Unit: million yen)		
Deferral hedge:			
Yen interest rate swaps to hedge loans and insurance liabilities:			
Receipts fixed, payments floating	714,350	714,350	42,388
Yen interest rate swaps to hedge foreign currency risks associated with funding agreement:			
Receipts floating, payments fixed	38,346	–	–
Special hedge accounting:			
Yen interest rate swaps to hedge loans:			
Receipts fixed, payments floating	15,300	12,300	167
Yen interest rate swaps to hedge loans payable:			
Receipts floating, payments fixed	283,000	144,000	(1,708)

Note: Fair value listed above is present values of expected cash flows, discounted by the interest rates at the end of the fiscal year or the prices quoted from counterparty financial institutions.

	As of March 31, 2021					
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value
	(Unit: million yen)			(Unit: million US dollars)		
Deferral hedge:						
Yen interest rate swaps to hedge loans and insurance liabilities:						
Receipts fixed, payments floating	714,250	714,250	19,072	6,451	6,451	172
Special hedge accounting:						
Yen interest rate swaps to hedge loans:						
Receipts fixed, payments floating	12,300	8,300	124	111	74	1
Yen interest rate swaps to hedge loans payable:						
Receipts floating, payments fixed	325,000	325,000	(746)	2,935	2,935	(6)

Note: Fair value listed above is based on the price quoted by information vendors.

XIII. EMPLOYEES' RETIREMENT BENEFITS

1. Overview of Employees' Retirement Benefit Plan of the Group

As a defined benefit plan for its sales representatives, DL has established and maintained a benefit plan consisting of retirement lump sum grants and company administered pension. For its administrative personnel, DL has established and maintained a benefit plan consisting of defined benefit corporate pension and retirement lump sum grants as a defined benefit plan and defined contribution pension as a defined contribution plan.

Certain consolidated overseas subsidiaries have maintained their defined benefit plan and defined contribution plan.

2. Defined Benefit Plans

(1) Reconciliations of beginning and ending balances of projected benefit obligations

	Year ended March 31,		
	2020	2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Beginning balance of the projected benefit obligations	728,569	727,391	6,570
Service cost	28,709	27,449	247
Interest cost	3,490	3,164	28
Accruals of actuarial (gains) and losses	3,816	10,617	95
Payment of retirement benefits	(34,678)	(35,701)	(322)
Accruals of past service cost	(958)	2,160	19
Others	(1,556)	(3,268)	(29)
Ending balance of the projected benefit obligation	727,391	731,812	6,610

Note: Retirement benefit expenses for consolidated subsidiaries adopting the simplified method are included in "Service cost".

(2) Reconciliations of beginning and ending balances of pension assets

	Year ended March 31,		
	2020	2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Beginning balance of pension assets	306,222	286,517	2,587
Estimated return on assets	3,806	3,717	33
Accruals of actuarial (gains) and losses	(19,009)	30,736	277
Contributions from the employer	8,962	7,971	71
Payment of retirement benefits	(13,098)	(13,829)	(124)
Others	(365)	(1,847)	(16)
Ending balance of pension assets	286,517	313,266	2,829

(3) Reconciliations of year-end balance of projected benefit obligations and pension assets, and net defined benefit liabilities and assets that have been recorded in the consolidated balance sheet

	Year ended March 31,		
	2020	2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Projected benefit obligation for funded pensions	404,390	404,880	3,657
Pension assets	(286,517)	(313,266)	(2,829)
	117,873	91,614	827
Projected benefit obligation for unfunded pensions	323,001	326,932	2,953
Net of assets and liabilities recorded in the consolidated balance sheet	440,874	418,546	3,780
Net defined benefit liabilities	440,874	418,546	3,780
Net defined benefit assets	–		
Net of assets and liabilities recorded in the consolidated balance sheet	440,874	418,546	3,780

(4) Amount of the components of retirement benefit expenses

	Year ended March 31, 2020	Year ended March 31, 2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Service cost	28,709	27,449	247
Interest cost	3,490	3,164	28
Expected return on assets	(3,806)	(3,717)	(33)
Expense of actuarial (gains) and losses	(797)	5,972	53
Amortization of past service cost	–	(136)	(1)
Others	190	587	5
Retirement benefit expenses for defined benefit plans	27,787	33,318	300

Note: Retirement benefit expenses for consolidated subsidiaries adopting the simplified method are included in "Service cost".

(5) Remeasurements of defined benefit plans

Breakdown of items recorded in remeasurements of defined benefit plans (before applicable tax effect) was as follows:

	Year ended March 31, 2020	Year ended March 31, 2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Past service cost	958	(2,297)	(20)
Actuarial gains (losses)	(23,728)	26,611	240
Total	(22,770)	24,314	219

(6) Accumulated remeasurements of defined benefit plans

Breakdown of items recorded in accumulated remeasurements of defined benefit plans (before applicable tax effect) was as follows:

	Year ended March 31, 2020	Year ended March 31, 2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Unrecognized past service cost	(958)	1,339	12
Unrecognized actuarial gains (losses)	38,540	11,877	107
Total	37,582	13,216	119

(7) Pension assets

a) The main components of the pension assets

Ratios of the major assets to the total pension assets were as follows:

	Year ended March 31, 2020	Year ended March 31, 2021
Stocks	54%	69%
Assets under joint management	23%	14%
Bonds	12%	6%
Life insurance general account	4%	4%
Others	7%	7%
Total	100%	100%

Note: The proportion of retirement benefit trust to total pension assets that has been set for the unfunded retirement benefit plans as of March 31, 2020 and 2021 were 45% and 47%, respectively.

b) The method of setting the expected long-term rate of return on pension assets

To determine the expected long-term rate of return on pension assets, the consolidated subsidiaries have taken into account the allocation of pension assets at present and in future, and long-term rate of return on a variety of assets that make up the pension assets at present and in future.

(8) Calculation basis of actuarial gains and losses

Major assumptions of basis of actuarial calculation as of the fiscal year-end were as follows:

	Year ended March 31, 2020	Year ended March 31, 2021
Discount rate	0.30 to 3.12%	0.30 to 2.55%
Expected long-term rate of return		
Defined benefit corporate pension	1.40 to 7.00%	1.40 to 7.00%
Employee pension trust	0.00%	0.00%

3. Defined Contribution Plans

Required amounts of contribution to defined contribution plans of consolidated subsidiaries for the fiscal years ended March 31, 2020 and 2021 were ¥2,552 million and ¥2,586 million (US$23 million), respectively.

XIV. STOCK OPTIONS

1. Details of the Stock Options Granted

(1) Details of the stock options

	The Dai-ichi Life Insurance Company, Limited 1st Series of Stock Acquisition Rights	The Dai-ichi Life Insurance Company, Limited 2nd Series of Stock Acquisition Rights	The Dai-ichi Life Insurance Company, Limited 3rd Series of Stock Acquisition Rights
Granted persons	10 directors (except outside directors) and 16 executive officers of the Company	11 directors (except outside directors) and 16 executive officers of the Company	11 directors (except outside directors) and 17 executive officers of the Company
Class and total number (*1)	169,800 shares of common stock	318,700 shares of common stock	183,700 shares of common stock
Grant date	August 16, 2011	August 16, 2012	August 16, 2013
Vesting conditions	The acquisition rights are vested on the above grant date.	The acquisition rights are vested on the above grant date.	The acquisition rights are vested on the above grant date.
Service period covered	N/A	N/A	N/A
Exercise period (*2)	From August 17, 2011 to August 16, 2041	From August 17, 2012 to August 16, 2042	From August 17, 2013 to August 16, 2043

	The Dai-ichi Life Insurance Company, Limited 4th Series of Stock Acquisition Rights	The Dai-ichi Life Insurance Company, Limited 5th Series of Stock Acquisition Rights	Dai-ichi Life Holdings, Inc. 1st Series of Stock Acquisition Rights
Granted persons	11 directors (except outside directors) and 17 executive officers of the Company	11 directors (except outside directors) and 18 executive officers of the Company	10 directors (except directors serving as Audit & Supervisory Committee members and outside directors) and 15 executive officers of the Company, and 38 directors, etc. of the Company's subsidiaries
Class and total number (*1)	179,000 shares of common stock	110,600 shares of common stock	269,600 shares of common stock
Grant date	August 18, 2014	August 17, 2015	October 18, 2016
Vesting conditions	The acquisition rights are vested on the above grant date.	The acquisition rights are vested on the above grant date.	The acquisition rights are vested on the above grant date.
Service period covered	N/A	N/A	N/A
Exercise period (*2)	From August 19, 2014 to August 18, 2044	From August 18, 2015 to August 17, 2045	From October 19, 2016 to October 18, 2046

	Dai-ichi Life Holdings, Inc. 2nd Series of Stock Acquisition Rights
Granted persons	6 directors (except directors serving as Audit & Supervisory Committee members and outside directors) and 15 executive officers of the Company, and 37 directors, etc. of the Company's subsidiaries
Class and total number (*1)	215,800 shares of common stock
Grant date	August 24, 2017
Vesting conditions	The acquisition rights are vested on the above grant date.
Service period covered	N/A
Exercise period (*2)	From August 25, 2017 to August 24, 2047

(*1) It has been described in terms of the number of shares. The Company conducted a 1:100 share split on October 1, 2013. It is translated into the number of shares that takes into account the share split.
(*2) A granted person can exercise stock acquisition rights only within 10 days from the day on which she/he loses status as any of a director (except director serving as Audit & Supervisory Committee member) or an executive officer of the Company, DL, DFLI and Neo First Life. For stock options granted before the shift to a holding company structure, the terms and conditions for the exercise period have been changed due to the shift to a holding company structure effective on October 1, 2016.

(2) Figures relating to the stock options

The following table covers stock options which existed during the fiscal year ended March 31, 2020 and the total number of stock options is translated to the number of shares of common stock.

a) Number of the stock options (shares)

	The Dai-ichi Life Insurance Company, Limited		
	1st Series of Stock Acquisition Rights	2nd Series of Stock Acquisition Rights	3rd Series of Stock Acquisition Rights
Before vesting			
Outstanding at the end of prior fiscal year	–	–	–
Granted	–	–	–
Forfeited	–	–	–
Vested	–	–	–
Outstanding at the end of the fiscal year	–	–	–
After vesting			
Outstanding at the end of prior fiscal year	49,800	117,200	81,700
Vested	–	–	–
Exercised	13,000	23,700	15,200
Forfeited	–	–	–
Outstanding at the end of the fiscal year	36,800	93,500	66,500

	The Dai-ichi Life Insurance Company, Limited		Dai-ichi Life Holdings, Inc.
	4th Series of Stock Acquisition Rights	5th Series of Stock Acquisition Rights	1st Series of Stock Acquisition Rights
Before vesting			
Outstanding at the end of prior fiscal year	–	–	–
Granted	–	–	–
Forfeited	–	–	–
Vested	–	–	–
Outstanding at the end of the fiscal year	–	–	–
After vesting			
Outstanding at the end of prior fiscal year	88,200	70,300	190,900
Vested	–	–	–
Exercised	14,600	8,900	27,300
Forfeited	–	–	–
Outstanding at the end of the fiscal year	73,600	61,400	163,600

	Dai-ichi Life Holdings, Inc.
	2nd Series of Stock Acquisition Rights
Before vesting	
Outstanding at the end of prior fiscal year	–
Granted	–
Forfeited	–
Vested	–
Outstanding at the end of the fiscal year	–
After vesting	
Outstanding at the end of prior fiscal year	180,700
Vested	–
Exercised	10,100
Forfeited	–
Outstanding at the end of the fiscal year	170,600

Note: The Company conducted a 1:100 share split on October 1, 2013. It is translated into the number of shares that takes into account the share split.

b) Price information

	The Dai-ichi Life Insurance Company, Limited		
	1st Series of Stock Acquisition Rights	2nd Series of Stock Acquisition Rights	3rd Series of Stock Acquisition Rights
Exercise price	¥1 per stock option	¥1 per stock option	¥1 per stock option
Average stock price at the time of exercise	¥1,358 (US$12)	¥1,358 (US$12)	¥1,358 (US$12)
Fair value at the grant date	¥885 (US$7)	¥766 (US$6)	¥1,300 (US$11)

	The Dai-ichi Life Insurance Company, Limited		Dai-ichi Life Holdings, Inc.
	4th Series of Stock Acquisition Rights	5th Series of Stock Acquisition Rights	1st Series of Stock Acquisition Rights
Exercise price	¥1 per stock option	¥1 per stock option	¥1 per stock option
Average stock price at the time of exercise	¥1,358 (US$12)	¥1,358 (US$12)	¥1,463 (US$13)
Fair value at the grant date	¥1,366 (US$12)	¥2,318 (US$20)	¥1,344 (US$12)

	Dai-ichi Life Holdings, Inc.
	2nd Series of Stock Acquisition Rights
Exercise price	¥1 per stock option
Average stock price at the time of exercise	¥1,565 (US$14)
Fair value at the grant date	¥1,568 (US$14)

Note: The Company conducted a 1:100 share split on October 1, 2013. It is translated into the number of shares that takes into account the share split.

2. Method to Estimate the Number of Stock Options Vested

Only the actual number of forfeited stock options is considered, because it is difficult to rationally estimate the number of stock options to be forfeited in the future.

XV. DEFERRED TAX ACCOUNTING

1. Major Components of Deferred Tax Assets and Liabilities

	As of March 31,		
	2020	2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Deferred tax assets:			
Policy reserves and others	501,246	505,943	4,569
Net defined benefits liabilities	155,080	147,069	1,328
Reserve for price fluctuations	67,250	73,860	667
Tax losses carried forward	68,621	54,678	493
Others	84,305	67,407	608
Subtotal of deferred tax assets	876,506	848,959	7,668
Valuation allowance on tax losses carried forward	(64,956)	(52,360)	(472)
Valuation allowance on total deductible temporary differences	(40,103)	(55,742)	(503)
Subtotal of valuation allowance	(105,060)	(108,102)	(976)
Total	771,445	740,856	6,691
Deferred tax liabilities:			
Net unrealized gains (losses) on securities, net of tax	(857,714)	(1,122,319)	(10,137)
Other intangible fixed assets	(71,488)	(67,525)	(609)
Evaluation difference related to business combination	(54,115)	(29,241)	(264)
Others	(72,410)	(68,143)	(615)
Total	(1,055,729)	(1,287,229)	(11,627)
Net deferred tax assets (liabilities)	(284,283)	(546,373)	(4,935)

Note: 1. Tax loss carried forward and the deferred tax assets by carry forward period as follows:

As of March 31, 2020

(Unit: million yen)

	Within 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years	Total
Tax losses carried forward (*1)	303	21	20	24	798	67,453	68,621
Valuation allowance	(294)	(4)	(3)	(3)	(791)	(63,859)	(64,956)
Deferred tax assets	9	17	16	21	6	3,594	(*2) 3,665

(*1) Tax loss carried forward is calculated by multiplying statutory effective tax rate.
(*2) Deferred tax assets of ¥3,665 million are recorded for tax losses carried forward of ¥68,621 million (calculated using the statutory effective tax rate). They are deemed to be recoverable as it is expected that there will be taxable income in the future.

As of March 31, 2021

(Unit: million yen)

	Within 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years	Total
Tax losses carried forward (*1)	26	17	16	800	1,383	52,433	54,678
Valuation allowance	(6)	(2)	(2)	(791)	(1,378)	(50,179)	(52,360)
Deferred tax assets	20	14	14	9	5	2,254	(*2) 2,318

(Unit: million US dollars)

	Within 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years	Total
Tax losses carried forward (*1)	0	0	0	7	12	473	493
Valuation allowance	(0)	(0)	(0)	(7)	(12)	(453)	(472)
Deferred tax assets	0	0	0	0	0	20	(*2) 20

(*1) Tax loss carried forward is calculated by multiplying statutory effective tax rate.
(*2) Deferred tax assets of ¥2,318 million (US$20 million) are recorded for tax losses carried forward of ¥54,678 million (US$493 million) (calculated using the statutory effective tax rate). They are deemed to be recoverable as it is expected that there will be taxable income in the future.

2. The Principal Reasons for the Difference between the Statutory Effective Tax Rate and Actual Effective Tax Rate after Considering Deferred Taxes

	As of March 31, 2020	2021
Statutory effective tax rate	30.62%	30.62%
(Adjustments)		
Difference in tax rate of subsidiaries	(8.57)	(3.12)
Increase (decrease) in valuation allowance	31.92	(2.94)
Others	13.99	0.06
Actual effective tax rate after considering deferred taxes	67.97	24.61

XVI. ASSET RETIREMENT OBLIGATIONS

1. Overview of Asset Retirement Obligations

The note is omitted because the balance of the asset retirement obligations as of the beginning and that as of the end of the current fiscal year were 1% or less than the total balance of the liabilities and the net assets as of the beginning and that as of the end of the current fiscal year, respectively.

XVII. REAL ESTATE FOR RENT

Certain domestic consolidated subsidiary owns a number of commercial buildings, including land, for rent in various locations including Tokyo. Net rental income from such real estate for rent for the fiscal year ended March 31, 2020 and 2021 were ¥36,821 million and ¥35,836 million (US$323 million), respectively. The rental income was included in investment income and the rental expense was included in investment expenses. Impairment losses on rental real estate as extraordinary losses for the fiscal year ended March 31, 2020 and 2021 were ¥2,481 million and ¥2,528 million (US$22 million), respectively. Losses on sale of rental real estate as extraordinary losses was ¥7,386 million for the fiscal year ended March 31, 2020.Gains on sale of rental real estate as extraordinary gains was ¥2,548 million (US$23 million) for the fiscal year ended March 31, 2021.

The carrying amount, net change during the year and the market value of such rental real estate were as follows:

	Year ended March 31, 2020	2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Carrying amount:			
Beginning balance	814,908	788,201	7,119
Net change during year	(26,707)	(814)	(7)
Ending balance	788,201	787,387	7,112
Market value	1,040,527	1,056,203	9,540

Note: 1. The carrying amount of rental real estate on the consolidated balance sheet was acquisition costs net of accumulated depreciation and impairments.
2. Net change in carrying amount included cost of acquisition of the real estate of ¥29,412 million, sale of the real estate of ¥45,125 million, depreciation expense of ¥13,049 million, impairment loss of ¥2,481 million, during the fiscal year ended March 31, 2020.
Net change in carrying amount included cost of acquisition of the real estate of ¥30,668 million (US$277 million), sale of the real estate of ¥19,468 million (US$175 million), depreciation expense of ¥13,165 million (US$118 million), impairment loss of ¥2,528 million (US$22 million), during the fiscal year ended March 31, 2021.
3. Certain domestic consolidated subsidiaries calculate the market value of the majority of the rental real estate based on real estate appraisal standards by an independent appraiser, and others based on the internal but reasonable estimates.

XVIII. SEGMENT INFORMATION AND OTHERS

1. Segment Information

(1) Overview of reportable segments

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

The Company is a holding company which manages life insurance companies in Japan and elsewhere as well as other subsidiaries and affiliated companies. These companies are subject to regulations of the Insurance Business Act. The Company's operations are therefore segmented based on the operations of its subsidiaries and affiliated companies and the Company's three reportable segments are the Domestic Life Insurance Business, the Overseas Insurance Business, and Other Business.

The Domestic Life Insurance Business consists of subsidiaries that engage in the life insurance business in Japan. The Overseas Insurance Business consists of subsidiaries and affiliated companies that engage in the insurance business overseas. The Company, subsidiaries and affiliated companies that do not operate either the Domestic Life Insurance Business or the Overseas Insurance Business are segmented as Other Business and mainly consist of the asset management related business.

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

The method of accounting for the reportable segments is the same as that described in "Principles of Consolidation". Figures for reportable segment profit are based on ordinary profit.

Intersegment revenue is based on market prices.

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

For the fiscal year ended March 31, 2020:

	Reportable Segment				Adjustments (Note 2)	Amount on consolidated financial statements (Note 4)
	Domestic Life Insurance Business	Overseas Insurance Business	Other Business	Total		
	(Unit: million yen)					
Ordinary revenues (Note 1)	5,866,619	1,853,592	12,579	7,732,791	(618,692)	7,114,099
Intersegment transfers	6,698	824	177,306	184,830	(184,830)	–
Total	5,873,318	1,854,416	189,886	7,917,622	(803,523)	7,114,099
Segment income (loss)	179,927	82,222	123,448	385,598	(167,217)	218,380
Segment assets	45,699,222	14,073,268	1,814,524	61,587,015	(1,575,016)	60,011,999
Segment liabilities	42,912,187	12,932,048	451,377	56,295,613	(60,532)	56,235,081
Other relevant information						
Depreciation of real estate for rent and others	13,059	15	–	13,074	–	13,074
Depreciation	35,078	12,524	150	47,753	–	47,753
Amortization of goodwill	–	3,459	–	3,459	–	3,459
Interest and dividend income	963,422	340,575	167,386	1,471,384	(168,576)	1,302,807
Interest expenses	12,536	30,402	2,653	45,592	(1,257)	44,335
Equity in income (loss) of affiliates (Note 3)	–	2,079	(39,959)	(37,880)	–	(37,880)
Extraordinary gains	4,906	34	–	4,941	–	4,941
Extraordinary losses	39,453	103	–	39,557	–	39,557
(Impairment losses)	(3,556)	(–)	(–)	(3,556)	(–)	(3,556)
Taxes	50,576	17,272	982	68,831	–	68,831
Investments in affiliated companies	–	52,260	88,966	141,226	–	141,226
Increase in tangible fixed assets and intangible fixed assets	81,042	5,172	25	86,241	–	86,241

Note: 1. Ordinary revenues, instead of sales, are presented here.
2. Adjusted amounts were as follows.
a) Adjustment for ordinary revenues of ¥(618,692) million was mainly related to ordinary revenues including other ordinary revenues of ¥541,163 million and derivative transaction gains of ¥51,944 million reconciled to provision for policy reserves and derivative transaction losses in the Consolidated Statement of Earnnings.
b) Adjustment for segment income (loss) of ¥(167,217) million was mainly related to elimination of dividend income from subsidiaries and affiliated companies.
c) Adjustment for segment assets of ¥(1,575,016) million was mainly related to elimination of stocks of subsidiaries and affiliated companies.
d) Adjustment for segment liabilities of ¥(60,532) million was mainly related to elimination of intersegment receivables and payables.
e) Adjustment for others was mainly related to elimination of intersegment transactions.
3. Equity in income (loss) of affiliates included one-time amortization of goodwill of ¥(48,545) million on affiliated company under the equity method.
4. Segment income is reconciled with Ordinary profit booked in the Consolidated Statement of Earnings.

For the fiscal year ended March 31, 2021:

	Reportable Segment				Adjustments (Note 2)	Amount on consolidated financial statements (Note 3)
	Domestic Life Insurance Business	Overseas Insurance Business	Other Business	Total		
			(Unit: million yen)			
Ordinary revenues (Note 1)	6,145,157	1,858,044	11,500	8,014,702	(186,895)	7,827,806
Intersegment transfers	36,077	10,130	181,992	228,200	(228,200)	–
Total	6,181,235	1,868,175	193,493	8,242,903	(415,096)	7,827,806
Segment income (loss)	474,296	73,005	177,745	725,048	(172,187)	552,861
Segment assets	48,978,484	14,329,028	2,347,968	65,655,481	(2,061,775)	63,593,705
Segment liabilities	45,490,141	12,931,882	542,841	58,964,865	(178,288)	58,786,576
Other relevant information						
Depreciation of real estate for rent and others	13,171	17	–	13,188	–	13,188
Depreciation	39,989	15,962	134	56,086	–	56,086
Amortization of goodwill	–	4,039	–	4,039	–	4,039
Interest and dividend income	1,016,947	330,981	173,337	1,521,267	(173,401)	1,347,865
Interest expenses	12,372	19,332	2,848	34,554	(1,077)	33,476
Equity in income (loss) of affiliates	–	1,572	9,071	10,643	–	10,643
Extraordinary gains	5,469	15	34,994	40,480	–	40,480
Extraordinary losses	33,224	76	–	33,301	–	33,301
(Impairment losses)	(2,552)	(–)	(–)	(2,552)	(–)	(2,552)
Taxes	100,853	18,614	(704)	118,763	–	118,763
Investments in affiliated companies	–	53,817	35,486	89,304	–	89,304
Increase in tangible fixed assets and intangible fixed assets	76,562	4,075	6	80,643	–	80,643

	Reportable Segment				Adjustments (Note 2)	Amount on consolidated financial statements (Note 3)
	Domestic Life Insurance Business	Overseas Insurance Business	Other Business	Total		
			(Unit: million US dollars)			
Ordinary revenues (Note 1)	55,506	16,782	103	72,393	(1,688)	70,705
Intersegment transfers	325	91	1,643	2,061	(2,061)	–
Total	55,832	16,874	1,747	74,454	(3,749)	70,705
Segment income (loss)	4,284	659	1,605	6,549	(1,555)	4,993
Segment assets	442,403	129,428	21,208	593,040	(18,623)	574,416
Segment liabilities	410,894	116,808	4,903	532,606	(1,610)	530,996
Other relevant information						
Depreciation of real estate for rent and others	118	0	–	119	–	119
Depreciation	361	144	1	506	–	506
Amortization of goodwill	–	36	–	36	–	36
Interest and dividend income	9,185	2,989	1,565	13,741	(1,566)	12,174
Interest expenses	111	174	25	312	(9)	302
Equity in income (loss) of affiliates	–	14	81	96	–	96
Extraordinary gains	49	0	316	365	–	365
Extraordinary losses	300	0	–	300	–	300
(Impairment losses)	(23)	(–)	(–)	(23)	(–)	(23)
Taxes	910	168	(6)	1,072	–	1,072
Investments in affiliated companies	–	486	320	806	–	806
Increase in tangible fixed assets and intangible fixed assets	691	36	0	728	–	728

Note: 1. Ordinary revenues, instead of sales, are presented here.
2. Adjusted amounts were as follows.
a) Adjustment for ordinary revenues of ¥(186,895) million (US$(1,688) million) was mainly related to ordinary revenues including derivative transaction gains of ¥122,761 million (US$1,108 million) and ordinary expenses including foreign exchange losses of ¥34,552 million (US$312 million) reconciled to derivative transaction losses and foreign exchange gains in the Consolidated Statement of Earnings.
b) Adjustment for segment income (loss) of ¥(172,187) million (US$(1,555) million) was mainly related to elimination of dividend income from subsidiaries and affiliated companies.
c) Adjustment for segment assets of ¥(2,061,775) million (US$(18,623) million) was mainly related to elimination of stocks of subsidiaries and affiliated companies.
d) Adjustment for segment liabilities of ¥(178,288) million (US$ (1,610) million) was mainly related to elimination of intersegment receivables and payables.
e) Adjustment for others was mainly related to elimination of intersegment transactions.
3. Segment income(loss) is reconciled with Ordinary profit booked in the Consolidated Statement of Earnings.

2. Other Related Information

For the fiscal year ended March 31, 2020:

(1) Product (Service) Segment Information

	Year ended March 31, 2020
	(Unit: million yen)
Premium and other income	
Domestic Life Insurance Business	3,844,945
Overseas Insurance Business	1,040,461
Other Business	–
Total	4,885,407

(2) Geographic Segment Information

a) Ordinary Revenues

	Year ended March 31, 2020
	(Unit: million yen)
Ordinary revenues	
Japan	5,096,081
United States of America	1,399,839
Other Areas	618,178
Total	7,114,099

Note: 1. Ordinary revenues, instead of sales, are presented here.
2. Geographic area is classified into "Japan," "United States of America" or "Other Areas" mainly based on locations of customers.

b) Tangible fixed assets

The geographic segment information has been omitted as more than 90% of the Group's tangible fixed assets derive from its business unit in Japan.

(3) Major Customer Information

The major customer information has been omitted as no single customer accounts for 10% or more of the Group's ordinary revenues.

For the fiscal year ended March 31, 2021:

(1) Product (Service) Segment Information

	Year ended March 31, 2021	
	(Unit: million yen)	(Unit: million US dollars)
Premium and other income		
Domestic Life Insurance Business	3,577,998	32,318
Overseas Insurance Business	1,152,302	10,408
Other Business	–	–
Total	4,730,301	42,726

(2) Geographic Segment Information

a) Ordinary Revenues

	Year ended March 31, 2021	
	(Unit: million yen)	(Unit: million US dollars)
Ordinary revenues		
Japan	5,493,689	49,622
United States of America	1,256,877	11,352
Other Areas	1,077,239	9,730
Total	7,827,806	70,705

Note: 1. Ordinary revenues, instead of sales, are presented here.
2. Based on the location of customers,ordinary revenues are classified by country or region.

b) Tangible fixed assets

The geographic segment information has been omitted as more than 90% of the Group's tangible fixed assets derive from its business unit in Japan.

(3) Major Customer Information

The major customer information has been omitted as no single customer accounts for 10% or more of the Group's ordinary revenues.

3. Impairment Losses on Fixed Assets by Reporting Segment

For the fiscal years ended March 31, 2020 and 2021

The information on impairment losses on fixed assets by reporting segment has been omitted as it is explained in the segment information section.

4. Amortization of Goodwill and Unamortized Amount of Goodwill by Reporting Segment

For the fiscal year ended March 31, 2020:

	Year ended March 31, 2020	
	(Unit: million yen)	
	Amortization of goodwill	Unamortized amount of goodwill
Domestic Life Insurance Business	–	–
Overseas Insurance Business	3,459	39,497
Other Business	–	–
Total	3,459	39,497

For the fiscal year ended March 31, 2021:

	Year ended March 31, 2021			
	(Unit: million yen)		(Unit: million US dollars)	
	Amortization of goodwill	Unamortized amount of goodwill	Amortization of goodwill	Unamortized amount of goodwill
Domestic Life Insurance Business	–	–	–	–
Overseas Insurance Business	4,039	42,696	36	385
Other Business	–	–	–	–
Total	4,039	42,696	36	385

5. Gain on Negative Goodwill by Reporting Segment

For the fiscal years ended March 31, 2020 and 2021

Not applicable

6. Related Party Transactions

For the fiscal years ended March 31, 2020 and 2021

There are no significant transactions to be disclosed.

XIX. PER SHARE INFORMATION

	As of / Year ended March 31,		
	2020	2021	2021
	(Unit: yen)		(Unit: US dollars)
Net assets per share	3,344.23	4,329.08	39.10
Net income per share	28.53	325.61	2.94
Diluted net income per share	28.51	325.41	2.93

Note: 1. Underlying basis for the calculation of the net income per share and the diluted net income per share was as follows:

	Year ended March 31,		
	2020	2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Net income per share			
Net income attributable to shareholders of parent company	32,433	363,777	3,285
Net income attributable to other than shareholders of common stock	–	–	–
Net income attributable to shareholders of common stock	32,433	363,777	3,285
Average number of common stock outstanding	1,136,702 thousand shares	1,117,211 thousand shares	1,117,211 thousand shares
Diluted net income per share			
Adjustments to net income	–	–	
Increase in the number of common stock	782 thousand shares	691 thousand shares	691 thousand shares
[Increase in the number of common stock attributable to subscription rights to shares]	[782 thousand shares]	[691 thousand shares]	[691 thousand shares]
Outline of the dilutive shares which are not counted in the basis of calculation of diluted net income per share because they do not have dilutive effect	–	–	–

Note: 2. Underlying basis for the calculation of the net assets per share was as follows:

	As of March 31,		
	2020	2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Net assets	3,776,918	4,807,129	43,420
Adjustments	(1,063)	(920)	(8)
Subscription rights to shares	(1,063)	(920)	(8)
Net assets attributable to common stock	3,775,854	4,806,208	43,412
Number of outstanding common stock	1,129,064 thousand shares	1,110,214 thousand shares	1,110,214 thousand shares

Note: 3. As described in the "Changes in Accounting Policies", ASU No. 2016-13 - Financial Instruments - Measurement of Credit Losses on Financial Instruments was adopted from the fiscal year ended March 31, 2021 and this update applied on a modified retrospective basis.
As a result, net assets per share was decreased ¥23.71 (US$0.21) during the fiscal year ended March 31, 2021. Net income per share and diluted net income per share were decreased ¥10.76 (US$0.09) and ¥10.75 (US$0.09) during the fiscal year ended March 31, 2021.
4. For the calculation of net income per share, the treasury stock which includes shares held by "the Stock Granting Trust (J-ESOP)" was excluded from the average number of common shares outstanding. The average number of treasury stocks during the year ended March 31, 2020 and 2021 was 4,097 thousand shares and 3,991 thousand shares, respectively. For the calculation of net assets per share, the treasury stock which includes shares held by the J-ESOP was excluded from the total number of issued and outstanding shares. The number of treasury stocks as of March 31, 2020 and 2021 was 4,068 thousand shares and 3,942 thousand shares, respectively.

XX. SUBSEQUENT EVENTS

The board of directors of the Company has resolved, at its meeting held on March 31, 2021, to repurchase the Company's shares under the provision of Article 156 of the Companies Act of Japan, as applied pursuant to Article 165, Paragraph 3 of the same, and the Company repurchased the Company's shares, as follows.

In addition, we hereby cancelled 82,000,000 shares of treasury stock the Company held on May 31, 2021.

(1) Reason for repurchase of the Company's shares

To enhance shareholder return through the implementation of a flexible capital policy and the improvement of capital efficiency.

(2) Details of the Repurchase

a) Class of shares to be repurchased
Shares of common stock

b) Aggregate number of shares to be repurchased
Up to 170,000,000 shares (15.25% of the total issued and outstanding shares excluding treasury stock)

c) Aggregate price of shares to be repurchased
Up to ¥200 billion (US$1,806 million)

d) Period of repurchase of shares
From April 1, 2021 to March 31, 2022

e) Method of repurchase of shares
Open-market repurchase by the discretionary trading method

(3) Details of the share repurchases made by July 31, 2021 as approved by the board of directors on March 31, 2021 are as follows.

a) Number of shares repurchased
19,210,000 shares

b) Aggregate number of shares to be repurchased
¥41,548,167,100 (US$375 million)

XXI. (Unaudited) QUARTERLY INFORMATION

	Three months ended June 30, 2020	Six months ended September 30, 2020	Nine months ended December 31, 2020	Year ended March 31, 2021
Ordinary revenues (million yen)	1,791,356	3,363,159	5,085,037	7,827,806
Income before income taxes (million yen)	54,158	113,015	221,654	482,540
Net income attributable to shareholders of parent company (million yen)	40,838	83,329	165,210	363,777
Net income attributable to shareholders of parent company per share (yen)	36.17	74.12	147.57	325.61

	Three months ended June 30, 2020	Three months ended September 30, 2020	Three months ended December 31, 2020	Three months ended March 31, 2021
Net income attributable to shareholders of parent company per share (yen)	36.17	37.96	73.75	178.86

	Three months ended June 30, 2020	Six months ended September 30, 2020	Nine months ended December 31, 2020	Year ended March 31, 2021
Ordinary revenues (million US dollars)	16,180	30,378	45,931	70,705
Income before income taxes (million US dollars)	489	1,020	2,002	4,358
Net income attributable to shareholders of parent company (million US dollars)	368	752	1,492	3,285
Net income attributable to shareholders of parent company per share (US dollars)	0.32	0.66	1.33	2.94

	Three months ended June 30, 2020	Three months ended September 30, 2020	Three months ended December 31, 2020	Three months ended March 31, 2021
Net income attributable to shareholders of parent company per share (US dollars)	0.32	0.34	0.66	1.61

Independent Auditor's Report

To the Board of Directors of Dai-ichi Life Holdings, Inc.:

Opinion

We have audited the accompanying consolidated financial statements of Dai-ichi Life Holdings, Inc. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2021, and the consolidated statement of earnings, the consolidated statement of comprehensive income, the consolidated statement of changes in net assets and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Appropriateness of the judgement on the recognition of an impairment loss on goodwill recorded in overseas subsidiaries

The key audit matter	How the matter was addressed in our audit
In the consolidated balance sheet of the Group, Goodwill of ¥42,696 million is presented for the current fiscal year, which includes goodwill of ¥10,030 million arising from the acquisition of Protective Life Corporation (herein after "PLC") and its acquisition business and goodwill of ¥32,666 million arising from the acquisition of TAL Dai-ichi Life Australia Pty. Ltd. (hereinafter "TDLA"). As described in Note II. "PRINCPLES OF CONSOLIDATION" under 4. "Summary of Significant Accounting Policies": (17) Significant Accounting Estimates a) "Evaluation of goodwill" to the consolidated financial statements, goodwill arising from acquisitions and the acquisition business is recorded on the consolidated financial statements of the respective consolidated subsidiaries, and is assessed whether an impairment loss should be recognized at each consolidated subsidiary in accordance with the accounting standards of the country in which each consolidated subsidiary resides. In addition, the Company evaluates whether there is any impairment indicator for goodwill in accordance with the accounting standards in Japan, considering the results of the assessment made at each consolidated subsidiary. If the acquisitions and the acquisition business do not bring in benefits as expected and there is a significant deterioration in the value of the acquired business, the recognition of an impairment loss may be required. **(1) Judgement made at consolidated subsidiaries on the recognition of an impairment loss on goodwill** (i) Goodwill arising from the acquisition of PLC and its acquisition business PLC assesses, on a regular basis, qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit to which goodwill has been allocated is less than its carrying amount including goodwill (qualitative assessment for impairment indicators). Impairment indicators are evaluated in a comprehensive manner, considering whether there are: deterioration in economic environment and market conditions surrounding PLC and each reporting unit; factors that may have an adverse impact on future profits or cash flows; deterioration in overall business performance; and other events or issues specific to PLC and each reporting unit. In particular, the future business performance of PLC and each reporting unit, that provides the basis for concluding whether there is any impairment indicator, is susceptible to economic conditions and trends. Accordingly, the projections of future business performance involve significant management judgement. (ii) Goodwill arising from the acquisition of TDLA TDLA performs, on a regular basis, a quantitative impairment test in which it compares the carrying amount of a cash generating unit to which goodwill has been allocated with its recoverable amount (quantitative impairment test). The	We primarily performed the following procedures: **(1) Judgement made at consolidated subsidiaries on the recognition of an impairment loss on goodwill** We requested the component auditors of the respective subsidiaries to perform audits, communicated with them in a timely manner about the status of the work performed by them, and evaluated their reports that summarized the results of their audit procedures. We also inspected relevant working papers prepared by them and concluded on the sufficiency of the audit procedures performed by them. The audit procedures performed by the component auditors to which we particularly focused on included the following: (i) Goodwill arising from the acquisition of PLC and its acquisition business Assessment, in accordance with our group audit instructions, of the design and operating effectiveness of certain controls implemented by PLC over its process to determine whether there was any impairment indicator, with a special focus on controls over the preparation of documentation supporting the determination of whether an impairment loss should be recognized on goodwill and those over approval on the conclusion. The substantive audit procedures set out below, among others, were performed to assess the appropriateness of PLC's determination of whether there was any impairment indicator for goodwill. In performing these procedures, a particular attention was given to the effect, if any, of the spread of the novel coronavirus infections on the performance of PLC and each reporting unit. • inquiry of management and relevant personnel; • inspection of relevant internal documents; and • assessment of the reliability of historical financial information used in the determination. (ii) Goodwill arising from the acquisition of TDLA Assessment, in accordance with our group audit instructions, of the design and operating effectiveness of certain controls implemented by TDLA over the quantitative impairment test, with a special focus on controls over the preparation of documentation supporting the impairment test and those over approval on the conclusion. The substantive procedures set out below, among others, were performed to evaluate the recoverable amount used in the quantitative impairment test. In performing these procedures,

Appropriateness of the judgement on the recognition of an impairment loss on goodwill recorded in overseas subsidiaries	
The key audit matter	**How the matter was addressed in our audit**
recoverable amount was calculated based on the embedded value, among others. The actuarial assumptions used to calculate the embedded value, such as discount rates, mortality/morbidity, lapse rates, involved significant estimation uncertainty, and the actuarial calculations requires a high level of expertise in actuarial valuation. **(2) Judgement made by the Company as to whether there is any impairment indicator for goodwill** The Company evaluates, on a regular basis, whether there is any impairment indicator for goodwill, by considering if: the cash flows generated from the asset group that includes goodwill have not been negative for consecutive periods; the recoverable amount of the asset group that includes goodwill has not significantly decreased; or the business environments surrounding the asset group that includes goodwill has not significantly deteriorated. This impairment assessment by the Company also involves significant management judgement. We, therefore, determined that our assessment of the appropriateness of the judgement on the recognition of an impairment loss on goodwill recorded in overseas subsidiaries was one of the most significant in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	a particular attention was given to the effect, if any, of the spread of the novel coronavirus infections on the performance of TDLA and each cash generating unit. ・ evaluation of the relevance of valuation models used and confirmation of the consistency with the models used in the past; and ・ evaluation of the reasonableness of actuarial assumptions used in the calculation, such as discount rates, mortality/morbidity and lapse rates, with the assistance of actuarial specialists within the component auditors' firm. **(2) Judgement made by the Company as to whether there is any impairment indicator for goodwill** We assessed the design and operating effectiveness of certain controls over the Company's process to determine whether there is any impairment indicator for goodwill. In this assessment, we focused on controls over the preparation of documentation supporting the determination of whether there was any impairment indicator for goodwill and those over approval on the conclusion. In addition, we primarily performed the substantive procedures set out below to assess the appropriateness of the Company's determination of whether there was any impairment indicator for goodwill. In performing these procedures, a particular attention was given to the effect, if any, of the spread of the novel coronavirus infections on the performance of the respective consolidated subsidiaries. ・ inquiry of management and relevant personnel; ・ inspection of relevant internal documents; and ・ assessment of the reliability of historical financial information used in the determination.

Appropriateness of the judgement on amortization or the recognition of a loss in value of acquired in-force insurance contracts recorded in overseas subsidiaries	
The key audit matter	**How the matter was addressed in our audit**
In the consolidated balance sheet of the Group, Other intangible fixed assets of ¥285,235 million are presented for the current fiscal year, which included assets representing the present value of acquired in-force insurance contracts, namely a Value of Business Acquired (hereinafter "VOBA") or a Value In-force (hereinafter "VIF"). A VOBA in the amount of ¥186,370 million was derived from the acquisition of PLC and its acquisition business, and a VIF in the amount of ¥23,666 million was derived from the acquisition of TDLA. As described in Note II. "PRINCIPLES OF CONSOLIDATION" under 4. "Summary of Significant Accounting Policies": (17) Significant Accounting Estimates b) "Evaluation of value of in-force insurance contracts" to the consolidated financial statements, the value of in-force insurance contracts arising from acquisitions and the acquisition business is determined based on an actuarial calculation of the present value of future profits to be earned from cash flows from acquired in-force insurance contracts and investment-type insurance contracts at the acquisition date, and is recorded on the consolidated financial statements of the respective consolidated subsidiaries. In addition, as described in Note II. "PRINCIPLES OF CONSOLIDATION" under 4. "Summary of Significant Accounting Policies": (3) Depreciation of Depreciable Assets b) "Amortization of Intangible Fixed Assets Excluding Leased Assets" to the consolidated financial statements, the value of acquired in-force insurance contracts is amortized over a period during which their benefits are expected to last in a manner that reflects the pattern in which they are realized, based on the projected future profits to be earned from the in-force insurance contracts at each reporting date and their contractual terms, among others. Any deviations in actuarial assumptions from the initial estimates may result in changes in amortization expense or the recognition of a loss in value of the in-force insurance contracts. More specifically, the value of acquired in-force insurance contracts is assessed in accordance with the accounting standards of the country in which each consolidated subsidiary resides as follows: **(1) Amortization of the VOBA which is assessed by updating underlying actuarial assumptions** The VOBA arising mainly from acquired investment-type insurance products of PLC is	We requested the component auditors of the respective subsidiaries to perform audits, communicated with them in a timely manner about the status of the work performed by them, and evaluated their reports that summarized the results of their audit procedures. We also inspected relevant working papers prepared by them and concluded on the sufficiency of the audit procedures performed by them. The audit procedures performed by the component auditors to which we particularly focused on included the following: **(1) Amortization of the VOBA which was assessed by updating underlying actuarial assumptions** Assessment, in accordance with our group audit instructions, of the design and operating effectiveness of certain controls implemented by PLC over the VOBA arising mainly from acquired investment-type insurance products of PLC, with a special focused on controls over the recognition and measurement of amortization expense for the VOBA. The substantive procedures set out below, among others, were performed to assess the accuracy and reasonableness of amortization of the VOBA, with the assistance of actuarial specialists within the component auditors' firm. In performing these procedures, a particular attention was given to the effect, if any, of the spread of the novel coronavirus infections on future profits expected from investment-type insurance products of PLC. ・ evaluation of the relevance of amortization models; and ・ evaluation of the reasonableness of updated actuarial assumptions, such as interest rates, mortality and lapse rates. **(2) Recognition of a loss in value of the VOBA which was assessed together with the determination on the sufficiency of policy reserves** Assessment, in accordance with our group audit instruction, of whether there was a decline in the value of the VOBA arising mainly from traditional insurance products of PLC, concurrently with the assessment of the determination on the sufficiency of policy reserves.

Appropriateness of the judgement on amortization or the recognition of a loss in value of acquired in-force insurance contracts recorded in overseas subsidiaries	
The key audit matter	**How the matter was addressed in our audit**
amortized based on the estimated gross profits and their contractual terms, among others. PLC reviews, on a regular basis, actuarial assumptions, such as interest rates, mortality and lapse rates, and updates them as necessary, and accordingly adjusts amortization expense for the VOBA. Especially when changes in the estimated gross profits and others are expected due to changes in lapse rates, amortization expense may increase or decrease by updating underlying actuarial assumptions. These actuarial assumptions involve significant estimation uncertainty and requires a high level of expertise in actuarial valuation. **(2) Recognition of a loss in value of the VOBA which is assessed together with the determination on the sufficiency of policy reserves** The VOBA arising mainly from acquired traditional insurance products may result in the recognition of a loss in value, prior to providing for an additional policy reserve, if actual experience deteriorates compared to the actuarial assumptions, such as future investment yields, mortality and lapse rates. Therefore, PLC assesses, on a regular basis, whether there in a decline in the value of the VOBA, concurrently with the determination on the sufficiency of policy reserves. As described in the Key Audit Matter, "Appropriateness of the judgement on the sufficiency of policy reserves," the testing to validate the sufficiency of policy reserves requires significant management judgement in estimating future cash flows as well as a high level of expertise in actuarial valuation. **(3) Recognition of an impairment loss on the VIF which is assessed together with the determination of whether an impairment loss should be recognized on goodwill** TDLA evaluates, on a regular basis, the VIF arising from the acquisition of TDLA concurrently with the determination of whether an impairment loss should be recognized on goodwill because any goodwill impairment may be an impairment indicator for the VIF. As described in the Key Audit Matter, "Appropriateness of the judgement on the recognition of an impairment loss on goodwill recognized in overseas subsidiaries," in determining the recoverable amount for the	More specifically, assessment, in accordance with our group audit instructions, of the design and operating effectiveness of relevant controls implemented by PLC, with a special focus on controls over determining whether there was a decline in value of the VOBA. The substantive procedures set out below, among others, were performed with the assistance of actuarial specialists within the component auditors' firm. In performing these procedures, a particular attention was given to the effect, if any, of the spread of the novel coronavirus infections on future cash flows expected from traditional insurance products of PLC. ・ evaluation of the reasonableness of actuarial assumptions, such as future investment yields, mortality and lapse rates, used to estimate future cash flows; and ・ evaluation of whether the testing to validate the sufficiency of policy reserves was performed in accordance with applicable accounting standards. **(3) Recognition of an impairment loss on the VIF which was assessed together with the determination of whether an impairment loss should be recognized on goodwill** Assessment, in accordance with our group audit instructions, of whether there were impairment indicators for the VIF arising from the acquisition of TDLA, concurrently with the assessment of the determination on whether an impairment loss should be recognized on goodwill. More specifically, the control assessment and substantive procedures listed under (1)(ii) in the audit response section of the Key Audit Matter, "Appropriateness of the judgement on the recognition of an impairment loss on goodwill recorded in overseas subsidiaries" were performed.

Appropriateness of the judgement on amortization or the recognition of a loss in value of acquired in-force insurance contracts recorded in overseas subsidiaries	
The key audit matter	**How the matter was addressed in our audit**
goodwill impairment testing, the actuarial assumptions used to calculate the embedded value involves significant estimation uncertainty and require a high level of expertise in actuarial valuation. We, therefore, determined that our assessment of the appropriateness of the judgement on amortization or the recognition of a loss in value of acquired in-force insurance contracts recorded in overseas subsidiaries was one of the most significant in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	

Appropriateness of the judgement on the sufficiency of policy reserves	
The key audit matter	**How the matter was addressed in our audit**
In the consolidated balance of the Group, Policy reserves of ¥49,897,294 million is presented for the current fiscal year, which accounts for approximately 78% of total liabilities and net assets. Of this amount, policy reserves for the individual insurance block and the individual annuity block recorded by The Dai-ichi Life Insurance Company, Limited (hereinafter “DL”) and The Dai-ichi Frontier Life Insurance Co., Ltd (hereinafter “DFLI”), and policy reserves for traditional insurance products recorded by PLC are of quantitative significance. Policy reserves, which account for a majority of total liabilities of insurance companies, are provided for the future fulfillment of obligations under insurance contracts, and are actuarially calculated using specific methods and assumptions based on the requirements of regulations and accounting standards in the country where the entities underwriting the insurance contracts are located. As described in Note II. “PRINCIPLES OF CONSOLIDATION” under 4. “Summary of Significant Accounting Policies”: (15) “Policy Reserves” to the consolidated financial statements, policy reserves of consolidated domestic subsidiaries that operate a life insurance business are provided as a reserve pursuant to Article 116 of the Insurance Business Act for an amount calculated using a certain methodology, while policy reserves of consolidated foreign life insurance subsidiaries are calculated based on the accounting standards of each country, including U.S. generally accepted accounting principles. In addition, the testing to validate the sufficiency of policy reserve is required to be performed in each country. **(1) Policy reserves recognized by DL and DFLI** Policy reserves of DL and DFLI are provided for in compliance with the statements of calculation methodology approved by the Financial Services Agency in Japan. More specifically, policy reserves are calculated based on the future cash flows estimated using the assumptions, such as future mortality rates (assumed mortality rates), return on investment (assumed interest rates) and operating expense ratios (assumed operating expense ratios), stipulated in the statements of calculation methodology. If recent actual results deviate significantly from the estimates and there is deemed to be a risk of fulfilling future obligations, an additional policy reserve must be provided for in accordance with Article 69, Paragraph 5 of Ordinance	We primarily performed the following procedures: **(1) Policy reserves recognized by DL and DFLI** We assessed the design and operating effectiveness of certain controls implemented by DL and DFLI over policy reserves for the individual insurance block and the individual annuity block. In this assessment, we focused on controls to ensure that all relevant data in the contract master files was reflected completely in the calculation of policy reserves and that approved actuarial assumptions were properly used in the calculation of policy reserves. We primarily performed the following substantive procedures to evaluate the sufficiency of policy reserves of each consolidated subsidiary: ・ analysis of overall consistency between changes in the balances of policy reserves for the individual insurance block and the individual annuity block and the factors contributing to the changes in policy reserves, such as premium income, benefit and claim payments, operating expenses and the results of profit source analysis, among others, using a recurrence formula; and ・ reconciliation of the balance of additional policy reserves recognized by DL to the amount on the document output from the relevant system, and comparison of the current-year provision for additional policy reserves with the reserve plan. We also primarily performed the substantive procedures set out below to assess the appropriateness of the judgement made at each consolidated subsidiary in performing the testing to validate the sufficiency of policy reserves (i.e., an analysis on future income and expenses, and a stress test for third sector products), with the assistance of actuarial specialists within our firm. In performing these procedures, a particular attention was given to the effect, if any, of the spread of the novel coronavirus infections on future cash flows of each consolidated subsidiary. ・ assessment of whether the testing to validate the sufficiency of policy reserves was performed in compliance with the relevant laws and regulations, the “Standard of Practice

Appropriateness of the judgement on the sufficiency of policy reserves	
The key audit matter	**How the matter was addressed in our audit**
for Enforcement of the Insurance Business Act. The policy reserves recorded by DL include additional policy reserves for certain whole life insurance contracts in accordance with the Ordinance. Assessment on the sufficiency of policy reserves is of quantitative significance. The contents and results of the testing to validate the sufficiency of policy reserves (an analysis on future income and expenses, and a stress test for third sector products) are described in the opinion and supplementary reports of the appointed actuary, and the testing requires significant management judgement in estimating future cash flows as well as a high level of expertise in actuarial valuation. **(2) Policy reserves recognized by PLC** Policy reserves for traditional insurance products of PLC are calculated, in accordance with U.S. generally accepted accounting principles, based on the future cash flows estimated using actuarial assumptions, such as future investment yields, mortality and lapse rates. If recent actual results deviate significantly from the estimate and there is deemed to be a risk of fulfilling future obligations, the assumptions need to be updated and an additional policy reserve must be provided for. As described in the Key Audit Matter, “Appropriateness of the judgement on amortization or the recognition of a loss in value of acquired in-force insurance contracts recorded in overseas subsidiaries,” prior to providing for an additional policy reserve, a loss in value of the VOBA may have to be recognized. Therefore, PLC assesses it concurrently with the determination on amortization or the recognition of a loss in value of the VOBA. Assessment of the adequacy of policy reserves is of quantitative significance. The testing to validate the adequacy of policy reserves requires significant management judgement in estimating future cash flows as well as a high level of expertise in actuarial valuation. We, therefore, determined that our assessment of the appropriateness of the judgement on the sufficiency of policy reserves was one of the most significant in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	for Appointed Actuaries of Life Insurance Companies” (the Institute of Actuaries of Japan) and the internal company rules, and comparison of the calculation results with those in the prior year; ・ review of the contents and results described in the opinion and supplementary reports of the appointed actuary, including the assessment of whether an additional policy reserve was necessary, and inquiry of the appointed actuary; and ・ comparison the interest rate scenarios used in the analysis on future income and expenses described in the opinion and supplementary reports of the appointed actuary with interest rate information we obtained from independent sources. **(2) Policy reserves recognized by PLC** We requested the component auditors of PLC to perform an audit, communicated with them in a timely manner about the status of the work performed by them, and evaluated their report that summarized the results of their audit procedures. We also inspected relevant working papers prepared by them and concluded on the sufficiency of the audit procedures performed by them. More specifically, the control assessment and substantive procedures listed under (2) in the audit response section of the Key Audit Matter, “Appropriateness of the judgement on amortization or the recognition of a loss in value of acquired in-force insurance contracts recorded in overseas subsidiaries” were performed.

Appropriateness of the judgement on the recoverability of deferred tax assets	
The key audit matter	**How the matter was addressed in our audit**
In the consolidated balance sheet of the Group, Deferred tax assets of ¥12,014 million and Deferred tax liabilities of ¥558,387 million are presented for the current fiscal year, which are the amounts net of deferred tax assets considered recoverable. As described in Note XV. "DEFERRED TAX ACCOUNTING" under 1. "Major Components of Deferred Tax Assets and Liabilities" to the consolidated financial statements, the amount of gross deferred tax assets considered recoverable amounted to ¥740,856 million. In particular, deferred tax assets of ¥684,385 million recognized by DL, a consolidated subsidiary, accounts for a majority of the gross deferred tax assets and is of quantitative significance. Major components of deferred tax assets include policy reserves and others, net defined benefits liabilities and reserve for price fluctuations. The recoverability of deferred tax assets recorded in DL is dependent upon the appropriateness of the company classification, the sufficiency of future taxable income and assumptions used in the scheduling of years in which deductible temporary differences are expected to reverse, as stipulated in the "Implementation Guidance on Recoverability of Deferred Tax Assets" (Implementation Guidance No. 26 issued by the Accounting Standards Board of Japan). This recoverability assessment requires significant management judgments and estimates. We, therefore, determined that our assessment of the appropriateness of the judgement on the recoverability of deferred tax assets was one of the most significant in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	We primarily performed the following procedures to assess the appropriateness of the determination on the recoverability of deferred tax assets recorded in DL: **(1) Internal control testing** We assessed the design and operating effectiveness of relevant controls implemented by DL. In this assessment, we focused on controls over the preparation of documentation supporting the determination on the recoverability of deferred tax assets and those over approval on the conclusion. **(2) Judgement made by DL on the recoverability of deferred tax assets** We primarily performed the substantive procedures set out below. In performing these procedures, a particular attention was given to the effect, if any, of the spread of the novel coronavirus infections on the company classification, estimated future taxable income and the scheduling: ・ evaluation of the appropriateness of the company classification determined in accordance with the Implementation Guidance No. 26, especially whether significant changes in business environment are expected in the near term; ・ confirmation that the mid-term business plan as the basis for estimating future taxable income used in determining the recoverability of deferred tax assets was approved by the board of directors; ・ evaluation of the reasonableness and feasibility of future taxable income by comparing future taxable income estimated in the prior year with actual taxable income in the current fiscal year; and ・ evaluation of the reasonableness of key assumptions used in the scheduling of years in which deductible temporary difference were expected to reverse, by inspecting relevant internal documents, confirming the consistency in amounts between the documents and inquiring of management and relevant personnel.

Responsibilities of Management and the Audit & Supervisory Committee for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit & Supervisory Committee is responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit & Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit & Supervisory Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2021 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note I to the consolidated financial statements.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Yutaka Terasawa
Designated Engagement Partner
Certified Public Accountant

Takanobu Miwa
Designated Engagement Partner
Certified Public Accountant

Kenji Seki
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
August 6, 2021

Notes to the Reader of Independent Auditor's Report:
This is a copy of the Independent Auditor's Report and the original copies are kept separately by the Company and KPMG AZSA LLC.

Consolidated Balance Sheet of The Dai-ichi Life Insurance Company, Limited

	(Unit: million yen)	(Unit: million US dollars)
	As of March 31,	
	2021	2021
(ASSETS)		
Cash and deposits	383,214	3,461
Call loans	403,700	3,646
Monetary claims bought	252,140	2,277
Money held in trust	7,716	69
Securities	33,462,279	302,251
Loans	2,576,064	23,268
Tangible fixed assets	1,086,447	9,813
Land	758,555	6,851
Buildings	315,822	2,852
Leased assets	5,145	46
Construction in progress	2,161	19
Other tangible fixed assets	4,762	43
Intangible fixed assets	119,638	1,080
Software	97,081	876
Other intangible fixed assets	22,557	203
Reinsurance receivable	28,084	253
Other assets	554,045	5,004
Customers' liabilities for acceptances and guarantees	52,861	477
Reserve for possible loan losses	(2,358)	(21)
Reserve for possible investment losses	(627)	(5)
Total assets	38,923,206	351,578
(LIABILITIES)		
Policy reserves and others	30,844,451	278,605
Reserves for outstanding claims	148,071	1,337
Policy reserves	30,295,380	273,646
Reserve for policyholder dividends	400,999	3,622
Reinsurance payable	1,048	9
Bonds payable	476,277	4,302
Other liabilities	3,340,298	30,171
Payables under repurchase agreements	2,301,762	20,790
Other liabilities	1,038,536	9,380
Net defined benefit liabilities	406,894	3,675
Reserve for retirement benefits of directors, executive officers and corporate auditors	998	9
Reserve for possible reimbursement of prescribed claims	800	7
Reserve for price fluctuations	233,453	2,108
Deferred tax liabilities	310,360	2,803
Deferred tax liabilities for land revaluation	71,606	646
Acceptances and guarantees	52,861	477
Total liabilities	35,739,051	322,816
(NET ASSETS)		
Capital stock	60,000	541
Capital surplus	370,000	3,342
Retained earnings	247,446	2,235
Total shareholders' equity	677,446	6,119
Net unrealized gains (losses) on securities, net of tax	2,536,608	22,912
Deferred hedge gains (losses)	(3,501)	(31)
Reserve for land revaluation	(22,026)	(198)
Foreign currency translation adjustments	497	4
Accumulated remeasurements of defined benefit plans	(4,869)	(43)
Total accumulated other comprehensive income	2,506,708	22,642
Total net assets	3,184,154	28,761
Total liabilities and net assets	38,923,206	351,578

Consolidated Statement of Earnings of The Dai-ichi Life Insurance Company, Limited

	(Unit: million yen)	(Unit: million US dollars)
	Year ended March 31,	
	2021	2021
Ordinary revenues	3,811,851	34,430
Premium and other income	2,285,515	20,644
Investment income	1,357,203	12,259
Interest and dividends	836,660	7,557
Gains on money held in trust	4,849	43
Gains on sale of securities	371,297	3,353
Gains on redemption of securities	15,370	138
Other investment income	1,202	10
Gains on investments in separate accounts	127,823	1,154
Other ordinary revenues	169,132	1,527
Ordinary expenses	3,439,065	31,063
Benefits and claims	2,364,632	21,358
Claims	616,314	5,566
Annuities	486,953	4,398
Benefits	378,685	3,420
Surrender values	392,747	3,547
Other refunds	489,930	4,425
Provision for policy reserves and others	28,898	261
Provision for reserves for outstanding claims	20,679	186
Provision for interest on policyholder dividends	8,218	74
Investment expenses	408,404	3,688
Interest expenses	12,358	111
Losses on sale of securities	125,323	1,131
Losses on valuation of securities	1,285	11
Losses on redemption of securities	6,175	55
Derivative transaction losses	172,879	1,561
Foreign exchange losses	31,837	287
Provision for reserve for possible loan losses	1,813	16
Provision for reserve for possible investment losses	295	2
Write-down of loans	43	0
Depreciation of real estate for rent and others	13,171	118
Other investment expenses	43,219	390
Operating expenses	404,407	3,652
Other ordinary expenses	232,723	2,102
Ordinary profit	372,786	3,367
Extraordinary gains	5,469	49
Gains on disposal of fixed assets	5,469	49
Extraordinary losses	27,554	248
Losses on disposal of fixed assets	6,810	61
Impairment losses on fixed assets	2,552	23
Provision for reserve for price fluctuations	18,000	162
Other extraordinary losses	190	1
Provision for reserve for policyholder dividends	77,500	700
Income before income taxes	273,201	2,467
Corporate income taxes-current	77,701	701
Corporate income taxes-deferred	439	3
Total of corporate income taxes	78,141	705
Net income	195,059	1,761
Net income attributable to shareholders of parent company	195,059	1,761

Consolidated Statement of Comprehensive Income of The Dai-ichi Life Insurance Company, Limited

	(Unit: million yen)	(Unit: million US dollars)
	Year ended March 31,	
	2021	2021
Net income	195,059	1,761
Other comprehensive income	614,980	5,554
Net unrealized gains (losses) on securities, net of tax	620,191	5,601
Deferred hedge gains (losses)	(24,814)	(224)
Foreign currency translation adjustments	592	5
Remeasurements of defined benefit plans, net of tax	19,011	171
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	0	0
Comprehensive income	810,040	7,316
Attributable to shareholders of parent company	810,040	7,316

Consolidated Statement of Cash Flows of The Dai-ichi Life Insurance Company, Limited

	(Unit: million yen)	(Unit: million US dollars)
	Year ended March 31,	
	2021	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income taxes	273,201	2,467
Depreciation of real estate for rent and others	13,171	118
Depreciation	36,489	329
Impairment losses on fixed assets	2,552	23
Increase (decrease) in reserves for outstanding claims	20,679	186
Increase (decrease) in policy reserves	(908)	(8)
Provision for interest on policyholder dividends	8,218	74
Provision for (reversal of) reserve for policyholder dividends	77,500	700
Increase (decrease) in reserve for possible loan losses	1,798	16
Increase (decrease) in reserve for possible investment losses	(180)	(1)
Write-down of loans	43	0
Increase (decrease) in net defined benefit liabilities	2,134	19
Increase (decrease) in reserve for retirement benefits of directors ,executive officers and corporate auditors	(190)	(1)
Increase (decrease) in reserve for price fluctuations	18,000	162
Interest and dividends	(836,660)	(7,557)
Securities related losses (gains)	(381,706)	(3,447)
Interest expenses	12,358	111
Foreign exchange losses (gains)	31,837	287
Losses (gains) on disposal of fixed assets	1,038	9
Equity in losses (income) of affiliates	181	1
Decrease (increase) in reinsurance receivable	(21,366)	(192)
Decrease (increase) in other assets unrelated to investing and financing activities	8,834	79
Increase (decrease) in reinsurance payable	(134,441)	(1,214)
Increase (decrease) in other liabilities unrelated to investing and financing activities	(48,673)	(439)
Others, net	208,950	1,887
Subtotal	(707,138)	(6,387)
Interest and dividends received	859,457	7,763
Interest paid	(15,809)	(142)
Policyholder dividends paid	(84,461)	(762)
Others, net	(333,890)	(3,015)
Corporate income taxes (paid) refund	(65,561)	(592)
Net cash flows provided by (used in) operating activities	(347,404)	(3,137)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of monetary claims bought	(48,967)	(442)
Proceeds from sale and redemption of monetary claims bought	15,459	139
Proceeds from decrease in money held in trust	31,348	283
Purchases of securities	(7,450,592)	(67,298)
Proceeds from sale and redemption of securities	6,185,137	55,867
Origination of loans	(616,958)	(5,572)
Proceeds from collection of loans	586,560	5,298
Net increase (decrease) in short-term investing	1,460,596	13,192
Total of net cash provided by (used in) investment transactions	162,583	1,468
Total of net cash provided by (used in) operating activities and investment transactions	(184,820)	(1,669)
Acquisition of tangible fixed assets	(35,988)	(325)
Proceeds from sale of tangible fixed assets	23,282	210
Acquisition of intangible fixed assets	(29,591)	(267)
Proceeds from sale of intangible fixed assets	1	0
Acquisition of stock of subsidiaries and affiliates	(966)	(8)
Net cash flows provided by (used in) investing activities	119,321	1,077
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	246,600	2,227
Repayment of borrowings	(139,000)	(1,255)
Repayment of financial lease obligations	(1,809)	(16)
Cash dividends paid	(151,078)	(1,364)
Net cash flows provided by (used in) financing activities	(45,288)	(409)
Effect of exchange rate changes on cash and cash equivalents	920	8
Net increase (decrease) in cash and cash equivalents	(272,450)	(2,460)
Cash and cash equivalents at the beginning of the year	1,059,365	9,568
Cash and cash equivalents at the end of the year	786,914	7,107

Consolidated Statement of Changes in Net Assets of The Dai-ichi Life Insurance Company, Limited

Year ended March 31, 2021

(Unit: million yen)

	Shareholders' equity				Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)
Balance at the beginning of the year	60,000	370,000	199,422	629,422	1,916,417	21,312
Changes for the year						
Dividends			(151,084)	(151,084)		
Net income attributable to shareholders of parent company			195,059	195,059		
Transfer from reserve for land revaluation			4,048	4,048		
Net changes of items other than shareholders' equity					620,191	(24,814)
Total changes for the year	-	-	48,023	48,023	620,191	(24,814)
Balance at the end of the year	60,000	370,000	247,446	677,446	2,536,608	(3,501)

(Unit: million yen)

	Accumulated other comprehensive income				
	Reserve for land revaluation	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	Total net assets
Balance at the beginning of the year	(17,978)	(94)	(23,880)	1,895,776	2,525,199
Changes for the year					
Dividends					(151,084)
Net income attributable to shareholders of parent company					195,059
Transfer from reserve for land revaluation					4,048
Net changes of items other than shareholders' equity	(4,048)	592	19,011	610,931	610,931
Total changes for the year	(4,048)	592	19,011	610,931	658,955
Balance at the end of the year	(22,026)	497	(4,869)	2,506,708	3,184,154

Year ended March 31, 2021

(Unit: million US dollars)

	Shareholders' equity				Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)
Balance at the beginning of the year	541	3,342	1,801	5,685	17,310	192
Changes for the year						
Dividends			(1,364)	(1,364)		
Net income attributable to shareholders of parent company			1,761	1,761		
Transfer from reserve for land revaluation			36	36		
Net changes of items other than shareholders' equity					5,601	(224)
Total changes for the year	-	-	433	433	5,601	(224)
Balance at the end of the year	541	3,342	2,235	6,119	22,912	(31)

(Unit: million US dollars)

	Accumulated other comprehensive income				
	Reserve for land revaluation	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	Total net assets
Balance at the beginning of the year	(162)	(0)	(215)	17,123	22,809
Changes for the year					
Dividends					(1,364)
Net income attributable to shareholders of parent company					1,761
Transfer from reserve for land revaluation					36
Net changes of items other than shareholders' equity	(36)	5	171	5,518	5,518
Total changes for the year	(36)	5	171	5,518	5,952
Balance at the end of the year	(198)	4	(43)	22,642	28,761

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2021

Ⅰ. BASIS FOR PRESENTATION

The accompanying financial statements have been prepared from the accounts maintained by The Dai-ichi Life Insurance Company, Limited (the "Company") and its consolidated subsidiary in accordance with the provisions set forth in the Insurance Business Act and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP") which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards.

Certain items presented in the consolidated financial statements are reclassified for the convenience of readers outside Japan. The notes to the consolidated financial statements include information which is not required under Japanese GAAP but is presented herein as additional information.

The amounts indicated in millions of yen are rounded down by truncating the figures below one million. Totals may not add up exactly because of such truncation. Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥110.71=US$1.00, the foreign exchange rate on March 31, 2021, has been used for translation of the truncated figures in Japanese yen. The inclusion of such amounts is not intended to imply that Japanese yen has been or could be readily converted, realized or settled into U.S. dollars at that rate or any other rate.

Ⅱ. GUIDELINES FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Scope of Consolidation

(1) The number of consolidated subsidiaries as of March 31, 2021: 1

The subsidiary of the Company included:

- Dai-ichi Life Insurance Myanmar Ltd.

(2) The number of non-consolidated subsidiaries as of March 31, 2021: 23

The main subsidiaries that are not consolidated for the purposes of financial reporting are The Dai-ichi Life Information Systems Co., Ltd., Dai-ichi Life Business Services Co., Ltd. and First U Anonymous Association.

The twenty-three non-consolidated subsidiaries had, individually and in the aggregate, a minimal impact on the consolidated financial statements in terms of total assets, sales, net income (loss) (amount corresponding to equity interest), retained earnings (amount corresponding to equity interest), cash flows, and others.

2. Application of the Equity Method

(1) The number of non-consolidated subsidiaries under the equity method as of March 31, 2021: 0

(2) The number of affiliated companies under the equity method as of March 31, 2021: 2

The affiliated companies of the Company included:

- Corporate-pension Business Service Co., Ltd.,
- Japan Excellent Asset Management Co., Ltd.,

(3) The non-consolidated subsidiaries (The Dai-ichi Life Information Systems Co., Ltd., Dai-ichi Life Business Services Co., Ltd., First U Anonymous Association and others), as well as affiliated companies (Mizuho-DL Financial Technology Co., Ltd., and Rifare Management K.K.) were not accounted for under the equity method. These companies had, individually and in the aggregate, a minimal impact on the consolidated financial statements, in terms of net income (loss) (amount corresponding to equity interest), retained earnings (amount corresponding to equity interest) and others.

3. Year-end Dates of a Consolidated Subsidiary

The closing date of a consolidated subsidiary is September 30. Financial information as of December 31 is used to prepare the consolidated financial statements, although necessary adjustments are made when significant transactions take place between the account closing date of an individual subsidiary and that of the consolidated financial statements.

Ⅲ. NOTES TO THE CONSOLIDATED BALANCE SHEET

1. Valuation Methods of Securities

Securities held by the Company and its consolidated subsidiary including cash and deposits and monetary claims bought which are equivalent to marketable securities, and marketable securities managed as trust assets in money held in trust, are carried as explained below:

The amortization of premiums and accretion of discounts is calculated by the straight-line method.

(1) Trading Securities

Trading securities are carried at fair value with cost determined by the moving average method.

(2) Held-to-maturity Bonds
Held-to-maturity bonds are stated at amortized cost determined by the moving average method.

(3) Policy-reserve-matching Bonds (in accordance with the Industry Audit Committee Report No. 21 "Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry" issued by the Japanese Institute of Certified Public Accountants (JICPA))
Policy-reserve-matching bonds are stated at amortized cost determined by the moving average method.

(4) Stocks of Non-Consolidated Subsidiaries and Affiliated Companies Not Accounted for under the Equity Method
Stocks of non-consolidated subsidiaries and affiliated companies not accounted for under the equity method are stated at cost determined by the moving average method.

(5) Available-for-sale Securities
a) Available-for-sale Securities with Fair Values
Available-for-sale securities which have market value are valued at fair value at the end of the fiscal year (for domestic stocks, the average market value during March), with cost determined by the moving average method.

b) Available-for-sale Securities Whose Fair Values Are Extremely Difficult to Recognize
i) Government/Corporate bonds (including Foreign Bonds), Whose Premium or Discount Represents the Interest Adjustment
Government/Corporate bonds (including foreign bonds) whose premium or discount represents the interest adjustment are valued at the amortized cost determined by the moving average method.
ii) Others
All others are valued at cost determined by the moving average method.

Net unrealized gains or losses on these available-for-sale securities are presented as a separate component of net assets and not in the consolidated statement of earnings.
Securities held by a consolidated overseas subsidiary are stated at cost determined by the first-in first-out.

2. Risk Management Policy of Policy-Reserve-Matching Bonds

The Company categorizes its insurance products into sub-groups by the attributes of each product and, in order to manage risks properly, formulates its policies on investments and resource allocation based on the balance of the sub-groups. Moreover, the Company periodically checks that the duration gap between policy-reserve-matching bonds and policy reserves stays within a certain range.

The sub-groups of insurance products of the Company are:
• individual life insurance and annuities,
• non-participating single premium whole life insurance (without duty of medical disclosure),
• financial insurance and annuities, and
• group annuities,
with the exception of certain types.

3. Valuation Method of Derivative Transactions

Derivative transactions are reported at fair value.

4. Revaluation of Land

Based on the "Act on Revaluation of Land" (Act No. 34, March 31, 1998), land for business use was revalued. The difference between the fair value and book value resulting from the revaluation, net of related deferred taxes, is recorded as a reserve for land revaluation as a separate component of net assets and the related deferred tax liability is recorded as deferred tax liabilities for land revaluation.
• Date of revaluation: March 31, 2001
• Method stipulated in Article 3 Paragraph 3 of the Act on Revaluation of Land:
The fair value was determined based on the appraisal value publicly announced for tax assessment purposes with certain reasonable adjustments in accordance with Articles 2-1 and 2-4 of the Order for Enforcement of the Act on Revaluation of Land (Publicly Issue Cabinet Order No.119, March 31, 1998).

5. Depreciation of Depreciable Assets

(1) Depreciation of Tangible Fixed Assets Excluding Leased Assets
Depreciation of tangible fixed assets excluding leased assets of the Company is calculated by the declining balance method (the depreciation of buildings (other than facilities attached to buildings and structures that were acquired on or before March 31, 2016) is calculated by the straight-line method).

Estimated useful lives of major assets are as follows:

Buildings	two to sixty years
Other tangible fixed assets	two to twenty years

Other tangible fixed assets that were acquired for ¥100,000 or more but less than ¥200,000 are depreciated at equal amounts over three years.
With respect to tangible fixed assets that were acquired on or before March 31, 2007 and that were fully depreciated to their original depreciable limit, effective the fiscal year ended March 31, 2008, the remaining values are depreciated at equal amounts over five years from the following fiscal year of the year in which they reached the original depreciable limit.
Depreciation of tangible fixed assets owned by a consolidated overseas subsidiary is calculated by the straight-line method.

(2) Amortization of Intangible Fixed Assets Excluding Leased Assets
The Company and its consolidated subsidiary use the straight-line method for amortization of intangible fixed assets excluding leased assets.
Software for internal use is amortized by the straight-line method based on the estimated useful lives of five years.

(3) Depreciation of Leased Assets
Depreciation for leased assets with regard to finance leases whose ownership does not transfer to the lessees is computed under the straight-line method assuming zero salvage value and using the lease period as the useful life.

(4) Accumulated Depreciation of Tangible Fixed Assets
Accumulated depreciation of tangible fixed assets as of March 31, 2021 was ¥622,564 million (US$5,623 million).

6. Translation of Assets and Liabilities Denominated in Foreign Currencies into Yen

The Company translates foreign currency-denominated assets and liabilities (excluding stocks of its non-consolidated subsidiaries and affiliated companies which are not accounted for under the equity method) into yen at the prevailing exchange rates at the end of the fiscal year. Stocks of non-consolidated subsidiaries and affiliated companies which are not accounted for under the equity method are translated into yen at the exchange rates on the dates of acquisition. Assets, liabilities, revenues, and expenses of the Company's consolidated overseas subsidiary are translated into yen at the exchange rates at its account closing date. Translation adjustments associated with the consolidated overseas subsidiary are included in foreign currency translation adjustments in the net assets section of the consolidated balance sheet.

7. Reserve for Possible Loan Losses

The reserve for possible loan losses is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.
For loans to and claims on obligors that have already experienced bankruptcy, reorganization, or other formal legal failure (hereafter, "bankrupt obligors") and loans to and claims on obligors that have suffered substantial business failure (hereafter, "substantially bankrupt obligors"), the reserve is calculated by deducting the estimated recoverable amount of the collateral or guarantees from the book value of the loans and claims after the direct write-off described below.
For loans to and claims on obligors that have not yet suffered business failure but are considered highly likely to fail (hereafter, "obligors at risk of bankruptcy") the reserve is calculated, taking into account (1) the recoverable amount covered by the collateral or guarantees and (2) an overall assessment of the obligor's ability to repay.
For other loans and claims, the reserve is calculated by multiplying the actual rate or other appropriate rate of losses from bad debts during a certain period in the past by the amount of the loans and claims.
For all loans and claims, the relevant department in the Company performs an asset quality assessment based on the internal rules for self-assessment, and an independent audit department audits the result of the assessment. The above reserves are established based on the result of this assessment.
For loans and claims to bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The amount written off during the fiscal year ended March 31, 2021 was ¥1 million (US$0 million).

8. Reserve for Possible Investment Losses

In order to provide for future investment losses, a reserve for possible investment losses is established for securities whose fair values are extremely difficult to recognize. It is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

9. Reserve for Retirement Benefits of Directors, Executive Officers and Corporate Auditors

For the reserve for retirement benefits of directors, executive officers and corporate auditors, an estimated amount for future payment in accordance with the internal policies is provided.

10. Reserve for Possible Reimbursement of Prescribed Claims

To prepare for the reimbursement of claims for which prescription periods had expired, an estimated amount for reserve for possible reimbursement of prescribed claims based on past reimbursement experience is provided.

11. Net Defined Benefit Liabilities

For the net defined benefit liabilities, the amount is provided by deducting the pension assets from the projected benefit obligations based on the estimated amounts as of March 31, 2021. The accounting treatment for retirement benefits is as follows.

(1) Allocation of Estimated Retirement Benefits

In calculating the projected benefit obligations, the benefit formula basis is adopted to allocate estimated retirement benefit for the fiscal year ended March 31, 2021.

(2) Amortization of Actuarial Differences and Past Service Cost

Past service cost is amortized under the straight-line method over a certain period (seven years) within the employees' average remaining service period as of the time of its occurrence.

Actuarial differences are amortized under the straight-line method over a certain period (seven years) within the employees' average remaining service period, starting from the following year.

12. Reserve for Price Fluctuations

A reserve for price fluctuations is calculated based on the book value of stocks and other securities at the end of the year in accordance with the provisions of Article 115 of the Insurance Business Act.

13. Hedge Accounting

(1) Methods for Hedge Accounting

As for the Company, hedging transactions are accounted for in accordance with the "Accounting Standards for Financial Instruments" (ASBJ Statement No. 10 issued on March 10, 2008). Primarily, (a) special hedge accounting and the deferral hedge method for interest rate swaps are used for cash flow hedges of certain loans, government and corporate bonds, loans payable and bonds payable; (b) the currency allotment method and the deferral hedge method using foreign currency swaps and foreign currency forward contracts are used for cash flow hedges against exchange rate fluctuations in certain foreign currency-denominated bonds, loans, loans payable and bonds payable and certain foreign currency-denominated term deposits and stocks (forecasted transaction); (c) the fair value hedge method using currency options and foreign currency forward contracts is used for hedges against exchange rate fluctuations in the value of certain foreign currency-denominated bonds; (d) the deferral hedge method for over-the-counter options on bonds is used for hedges against interest-rate fluctuations in certain foreign currency-denominated bonds; (e) the deferral hedge method and fair value hedge method using equity options and equity forward contracts are used for hedges against price fluctuations in the value of certain domestic stocks and foreign currency-denominated stocks (forecasted transaction), and (f) the deferral hedge method using interest rate swaps is used for hedges against interest-rate fluctuations in certain insurance liabilities, under the "Accounting and Auditing Treatment of Application of Accounting Standard for Financial Instruments to Insurance Operators" (Industry Audit Committee Report No.26 issued by JICPA).

(2) Hedging Instruments and Hedged Items

Hedging instruments	Hedged items
Interest rate swaps	Loans, government and corporate bonds, loans payable, bonds payable, insurance liabilities
Foreign currency swaps	Foreign currency-denominated bonds, foreign currency-denominated loans, foreign currency-denominated loans payable, foreign currency-denominated bonds payable
Foreign currency forward contracts	Foreign currency-denominated bonds, foreign currency-denominated term deposits, foreign currency-denominated stocks (forecasted transaction)
Currency options	Foreign currency-denominated bonds
Bond over-the-counter options	Foreign currency-denominated bonds
Equity options	Domestic stocks, foreign currency-denominated stocks (forecasted transaction)
Equity forward contracts	Domestic stocks

(3) Hedging Policies

The Company conducts hedging transactions with regard to certain market risk and foreign currency risk of underlying assets to be hedged, in accordance with the internal investment policy and procedure guidelines.

(4) Assessment of Hedge Effectiveness

Hedge effectiveness is assessed primarily by a comparison of fluctuations in cash flows or fair value of hedged items to those of hedging instruments.

14. Calculation of National and Local Consumption Tax

The Company accounts for national and local consumption tax by the tax-exclusion method. Deferred consumption tax included in non-recoverable consumption tax on certain assets is capitalized as other assets and amortized equally over five years in accordance with the Order for Enforcement of the Corporation Tax Act, and such taxes other than deferred consumption tax are recognized as an expense when incurred.

15. Policy Reserves

Policy reserves of the Company are established in accordance with the methods stated in the statement of calculation procedures for policy reserves (Article 4, Paragraph 2, Item 4 of the Insurance Business Act) pursuant to Article 116, Paragraph 1 of the Insurance Business Act, for insurance contracts under which the insurer's liability has started as of the end of the fiscal year, in preparation for the performance of future obligations under the insurance contracts.

Of policy reserves, insurance premium reserves are calculated by the following methods:

a) Reserves for policies subject to the standard policy reserve rules are calculated based on the methods stipulated by the Commissioner of Financial Services Agency (Notification of the Minister of Finance No. 48, 1996).
b) Reserves for other policies are established based on the net level premium method.

If, through an estimation of future income based on most recent actual figures, the policy reserves set aside are found likely to be insufficient to cover the performance of future obligations, additional policy reserves need to be set aside in accordance with Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act. Policy reserves include additional policy reserves for some whole life insurance policies in accordance with Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act.

Contingency reserves included in policy reserves are set aside in accordance with Article 69, Paragraph 1, Item 3 of the Ordinance for Enforcement of the Insurance Business Act to cover risks that may accrue in the future in order to ensure the performance of future obligations under insurance contracts.

16. Policy Acquisition Costs

The costs of acquiring and renewing policies, which include agent commissions and certain other costs directly related to the acquisition of policies, are expensed when incurred as the Insurance Business Act in Japan does not permit insurance companies to defer and amortize these costs.

17. Financial Instruments and Others

(1) Financial Instruments

a) Policies in Utilizing Financial Instruments

In an effort to manage investment assets in a manner appropriate to liabilities, which arise from the insurance policies underwritten, the Company engages in asset liability management, or ALM, which considers the long-term balance between assets and liabilities to ensure stable returns. With this strategy, the Company holds fixed income investments, including bonds and loans, as the core of its asset portfolio. While placing its financial soundness first, the Company also holds stocks and foreign securities within its tolerable risk to enhance its profitability and facilitate diversification of investment risks.

The Company uses derivatives primarily to hedge market risks associated with its existing asset portfolio and supplement its investment objectives to the extent necessary, taking into account the exposure of underlying assets.

With respect to financing, the Company has raised capital directly from the capital markets by issuing subordinated bonds as well as indirectly from banks in order to strengthen its capital base. To avoid impact from interest-rate fluctuations, the Company utilizes derivative transactions in hedging some of such financial liabilities and adopts hedge accounting.

b) Financial Instruments Used and Their Risks

Securities included in financial assets of the Company, mainly stocks and bonds, are categorized by its investment objectives such as held-to-maturity, policy-reserve-matching securities and available-for-sale securities. Those securities are exposed to market fluctuation risk, credit risk and interest rate risk and some of the securities denominated in foreign currency are exposed to foreign currency risk. Also, loans are exposed to credit risk arising from the defaults of obligors.

The Company might be exposed to liquidity risk in certain circumstances in which it cannot make timely payments of principal, interest or other amounts due to unpredictable cash outflows or is forced to raise capital with interest rates substantially higher than usual. Also, some of its loans payable and bonds payable which are floating interest rate based and denominated in foreign currency are exposed to interest rate risk and foreign currency risk.

The Company utilizes i) interest rate swaps to hedge interest rate risk associated with certain of its loans receivable and payable, ii) equity forward contracts to hedge market fluctuation risks associated with domestic stocks, and iii) foreign currency forward contracts, currency options and foreign currency swaps to hedge foreign currency risks associated with certain foreign currency-denominated bonds, foreign currency-denominated short-term deposits and foreign currency-denominated debts, etc. and adopt hedge accounting.

In addition, the Company utilizes iv) interest rate swaps to hedge interest rate risk associated with certain insurance liabilities, under the "Accounting and Auditing Treatment of Application of Accounting Standard for Financial Instruments to Insurance Operators" (JICPA Industry Audit Committee Report No. 26).

In applying the hedge accounting, in order to fulfill requirements stipulated in the "Accounting standards for financial instruments" (ASBJ Statement No. 10 on March 10, 2008), the Company has established investment policy and procedure guidelines and clarified the transactions to be hedged, the risk of underlying assets to be hedged and derivative instruments to be used, and conducted pre- and post-effectiveness tests of the transactions.

c) Risk Management

The risk management system of the Company is as follows:

i) Market Risk Management

Under the internal investment policy and market risk management policy, the Company manages market risk by conducting mid- to long-term asset allocation in a manner appropriate to its liabilities. Therefore, it categorizes its portfolio into sub-groups, based on their investment purpose, and manages them taking into account each of their risk characteristics.

(a) Interest rate risk

The Company keeps track of interest rates and durations of its assets and liabilities, monitors its internal analyses on duration gap and interest rate sensitivity, and periodically reports its findings to the board of directors, etc.

(b) Currency risk

The Company keeps track of currency composition of its financial assets and liabilities, conducts sensitivity analyses, and periodically reports its findings to the board of directors, etc.

(c) Fluctuation in market values

The Company defines risk management policies and management procedures for each component of its overall portfolio, including securities, based on the risk characteristics of the categories, and set and manages upper limits of each asset balance and asset allocation weight.

Such management conditions are periodically reported by its risk management sections to the board of directors, etc.

(d) Derivative transactions

For derivative transactions, the Company has established internal check system by segregating i) executing department, ii) the department which engages in assessment of hedge effectiveness, and iii) the back-office. Additionally, in order to limit speculative use of derivatives, the Company has put restrictions on utilization purpose, such as hedging, and establishes position limits for each asset class.

ii) Credit Risk Management

In accordance with the internal investment policy and credit risk management procedure guidelines, the Company has established a credit management system related to loans, such as preliminary reviews on individual transactions, credit limit setting, credit information management, internal credit rating, attachment of guarantees and collateral, and follow-ups on problem loans. For corporate bond investment, the credit section sets investment caps on individual issuers taking into account internal credit ratings and other factors. Excessive risk-taking is restricted since front offices make investment within those caps. Policies and framework for large-lot borrowers have been formulated in order to prevent credit concentration by monitoring compliance, etc. That credit management has been conducted by the credit and risk management sections, and has been periodically reported to the board of directors, etc. Additionally, the internal audit section has also checked credit management status.

Credit risk of security issuers and counterparty risk with respect to derivative transactions are managed by the credit section, which sets upper limits for each counterparty and financial instrument and periodically monitors credit information, and by the risk management section, which periodically monitors current exposures.

d) Supplementary Explanation for Fair Value of Financial Instruments

As well as the value based on market prices, fair values of financial instruments include values which are reasonably calculated in case market prices do not exist. As the calculation of those values adopts certain assumptions, those values may vary in case different assumptions are applied.

(2) Fair Value of Financial Instruments

The carrying amount on the consolidated balance sheet, fair value and differences between carrying amount and fair value as of March 31, 2021 were as follows. The following table does not include financial instruments whose fair value is extremely difficult to recognize. (Please refer to (Note 2).)

As of March 31, 2021	Carrying amount	Fair value	Gains (Losses)	Carrying amount	Fair value	Gains (Losses)
		(Unit: million yen)			(Unit: million US dollars)	
(1) Cash and deposits	383,214	383,214	-	3,461	3,461	-
(2) Call loans	403,700	403,700	-	3,646	3,646	-
(3) Monetary claims bought	252,140	252,140	-	2,277	2,277	-
(4) Money held in trust	7,716	7,716	-	69	69	-
(5) Securities						
a. Trading securities	936,743	936,743	-	8,461	8,461	-
b. Held-to-maturity bonds	48,646	50,321	1,675	439	454	15
c. Policy-reserve-matching bonds	13,332,171	15,520,087	2,187,915	120,424	140,186	19,762
d. Stock of subsidiaries and affiliate companies	343	451	108	3	4	0
e. Available-for-sale securities	18,844,324	18,844,324	-	170,213	170,213	-
(6) Loans	2,576,064			23,268		
Reserve for possible loan losses (*1)	(850)			(7)		
	2,575,213	2,633,115	57,901	23,260	23,783	522
Total assets	36,784,211	39,031,813	2,247,601	332,257	352,559	20,301
(1) Bonds payable	476,277	509,676	33,399	4,302	4,603	301
(2) Payable under repurchase agreements	2,301,762	2,301,762	-	20,790	20,790	-
(3) Long-term borrowings	390,600	390,394	(205)	3,528	3,526	(1)
Total liabilities	3,168,639	3,201,832	33,193	28,621	28,920	299
Derivative transactions (* 2)						
a. Hedge accounting not applied	[5,691]	[5,691]	-	[51]	[51]	-
b. Hedge accounting applied	[295,152]	[295,773]	(621)	[2,665]	[2,671]	(5)
Total derivative transactions	[300,843]	[301,465]	(621)	[2,717]	[2,723]	(5)

(*1) Excluding general reserves for possible loan losses and specific reserves for possible loan losses related to loans.

(*2) Credits/debts from derivative transactions are presented on a net basis. Figures in [ ] are net debts.

(Note 1) Notes to Methods for Calculating Fair Value of Financial Instruments, Securities and Derivative Transactions

Assets

(1) Cash and deposits

Since deposits are close to maturity or have no maturity and their fair value is close to the carrying amounts, fair value is based on the carrying amount.

(2) Call loans

Since all call loans are close to due date and their fair value is close to the carrying amounts, fair value of call loans is based on their carrying amount.

(3) Monetary claims bought

The fair value of monetary claims bought is based on the reasonably calculated price.

(4) Money held in trust

The fair value of stocks is based on the price on stock exchanges and that of bonds is based on the price on bond markets or price presented by counterparty financial institutions. The fair value of mutual funds is based on unit price.

(5) Securities

The fair value of stocks is based on the price on stock exchanges and that of bonds is based on the price on bond markets or price presented by counterparty financial institutions. The fair value of mutual funds is based on unit price. As for ownership stakes in partnerships, the amount equivalent to partnership interest in fair value of the partnership assets is recorded as fair value of the stake in the partnership.

(6) Loans

The fair value of loans is calculated by discounting future cash flows of the subject loan, using interest rates corresponding to the internal credit rating and remaining period which are assumed to be applied to new loans to the subject borrower.

Additionally, for risk-monitored loans, reserve for possible loan losses is calculated based on the present value of estimated future cash flows or the amount deemed recoverable from collateral and guarantees and the fair value is close to the carrying amount on the consolidated balance sheet minus reserve for possible loan losses at the end of the fiscal year. Therefore, that amount (the carrying amount on the consolidated balance sheet minus reserve for possible loan losses) is recorded as fair value for risk-monitored loans.

Also, loans without a due date because of their characteristics that their exposure is limited to the amount of their collaterals, are deemed to have fair value close to book value, taking into account estimated repayment period and interest rates. Therefore, their book value is recorded as the fair value.

Liabilities

(1) Bonds payable

The fair value of bonds is based on the price on the bond market.

(2) Payables under repurchase agreements

Since the terms of all payables under repurchase agreements are short and their fair value is close to the carrying amounts, fair value is based on the carrying amount.

(3) Long-term borrowings

The fair value of long-term borrowings is calculated by discounting future cash flows, using interest rates corresponding to internal credit rating and remaining periods which are assumed to be applied to new borrowings.

Derivative Transactions

The breakdown of derivative transactions is (1) currency-related transactions; (2) interest-related transactions; (3) stock-related transactions; and (4) bond-related transactions, etc. The fair value of the instruments is based on the closing exchange-traded prices and the prices quoted from financial institutions, etc.

(Note 2) Financial instruments whose fair value is extremely difficult to recognize were as follows and are not included in the fair value of (5) Securities in (Note 1)

As of March 31, 2021	Carrying amount	
	(Unit: million yen)	(Unit: million US dollars)
1. Unlisted domestic stocks (*1)(*2)	49,781	449
2. Unlisted foreign stocks(*1)(*2)	25,234	227
3. Other foreign securities(*1)(*2)	-	-
4. Other securities(*1)(*2)	225,035	2,032
Total	300,051	2,710

(*1) These securities cannot be assigned a market value because of unavailability of tradable markets, and they are excluded from disclosure of fair value.

(*2) The Company recorded impairment charges of ¥1,192 million (US$10 million) for the fiscal year ended March 31, 2021

18. Real Estate for Rent

The Company owns a number of commercial buildings, including land, for rent in various locations, including Tokyo. Net rental income from such real estate for rent for the fiscal year ended March 31, 2021 was ¥35,836 million (US$323 million). The rental income was included in investment income and the rental expense was included in investment expenses. The Company recorded gains on sale of ¥2,548 million (US$23 million) and impairment loss of ¥2,528 million (US$22 million). on rental real estate as extraordinary gains and extraordinary losses respectively for the fiscal year ended March 31, 2021.

The carrying amount, net change during the year and the fair value of such rental real estate, were as follows:

	(Unit: million yen)	(Unit: million US dollars)
Carrying amount		
Beginning balance	788,201	7,119
Net change for the year	(814)	(7)
Ending balance	787,387	7,112
Fair value	1,056,203	9,540

(*1) The carrying amount of rental real estate on the consolidated balance sheet was acquisition costs net of accumulated depreciation and impairments.

(*2) Net change in the carrying amount included cost of acquisition of the real estate of ¥30,668 million (US$277 million), sale of the real estate of ¥19,468 million (US$175 million), depreciation expense of ¥13,165 million (US$118 million), and impairment loss of ¥2,528 million (US$22 million).

(*3) The Company calculates the fair value of the majority of the rental real estate based on real estate appraisal standards and assessment by an independent appraiser, and others based on internal but reasonable estimates.

19. Securities Lending

Securities lent under lending agreements are included in the consolidated balance sheet. The total balance of securities lent as of March 31, 2021 was ¥2,246,652 million (US$20,293 million).

20. Problem Loans

As of March 31, 2021, the amounts of credits to bankrupt borrowers, delinquent loans, loans past due for three months or more, and restructured loans, which were included in loans, were as follows:

	(Unit: million yen)	(Unit: million US dollars)
Credits to bankrupt borrowers (*1)	67	0
Delinquent loans (*2)	3,216	29
Loans past due for three months or more (*3)	-	-
Restructured loans (*4)	833	7
Total	4,117	37

(*1) Credits to bankrupt borrowers represent non-accrual loans, excluding the balances already written off, which meet the conditions prescribed in Article 96, Paragraph 1, Item 3 (a) to (e) or Item 4 of t the Order for Enforcement of the Corporation Tax Act (Cabinet Order 97,1965). Interest accruals of such loans are suspended since the principal of or interest on such loans is unlikely to be collected.

(*2) Delinquent loans are credits that are delinquent other than credits to bankrupt borrowers and loans for which interest payments have been suspended to assist and support the borrowers in the restructuring of their businesses.

(*3) Loans past due for three months or more are loans for which interest or principal payments are delinquent for three months or more under the terms of the loans excluding those classified as credits to bankrupt borrowers or delinquent loans.

(*4) Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reductions or exemptions, postponement of principal or interest payments, release from repayment or other agreements have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their businesses. This category excludes loans classified as credits to bankrupt borrowers, delinquent loans, and loans past due for three months or more.

As a result of the direct write-off of loans described in Note 7, the decreases in credits to bankrupt borrowers and delinquent loans were as follows:

	(Unit: million yen)	(Unit: million US dollars)
Credits to bankrupt borrowers	1	0
Delinquent loans	-	-

21. Assets and Liabilities Held in Separate Accounts

The total amount of assets held in separate accounts defined in Article 118 Paragraph 1 of the Insurance Business Act was ¥1,575,100 million (US$14,227 million). Separate account liabilities were the same amount as the separate account assets.

22. Contingent Liabilities

Guarantee for debt obligations of a separate company were as follows:

	(Unit: million yen)	(Unit: million US dollars)
Dai-ichi Life Holdings, Inc.	250,002	2,258

23. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	(Unit: million yen)	(Unit: million US dollars)
Balance at the beginning of the fiscal year	399,742	3,610
Dividends paid during the fiscal year	84,461	762
Interest accrual during the fiscal year	8,218	74
Provision for reserve for policyholder dividends	77,500	700
Balance at the end of the fiscal year	400,999	3,622

24. Stock of Subsidiaries and Affiliated Companies

The amount of stocks of and stakes in non-consolidated subsidiaries and affiliated companies the Company held as of March 31, 2021 were as follows:

	(Unit: million yen)	(Unit: million US dollars)
Stocks	4,788	43
Capital	166,145	1,500
Total	170,933	1,543

25. Organizational Change Surplus

As of March 31,2021, the amount of organizational change surplus stipulated in Article 91 of the Insurance Business Act was ¥117,776 million (US$1,063 million).

26. Assets Pledged as Collateral / Secured Liabilities

The amounts of securities and cash and deposits pledged as collateral were as follows:

	(Unit: million yen)	(Unit: million US dollars)
Securities	2,308,573	20,852
Cash and deposits	86	0
Total	2,308,659	20,853

The amounts of secured liabilities were as follows:

	(Unit: million yen)	(Unit: million US dollars)
Payables under repurchase agreements	2,301,762	20,790

The amounts of "Securities" pledged as collateral under repurchase agreements as of March 31, 2021 was ¥2,074,617 million (US$18,739 million).

27. Net Assets per Share

The amount of net assets per share of the Company as of March 31, 2021 was ¥530,692,467.11 (US$4,793,536.87 million).

28. Employees' Retirement Benefits

(1) Overview of Employees' Retirement Benefit Plan of the Company

As a defined benefit plan for its sales representatives, the Company has established and maintained a benefit plan consisting of retirement lump sum grants and company administered pension. For its administrative personnel, the Company has established and maintained a benefit plan consisting of defined benefit corporate pension and retirement lump sum grants as a defined benefit plan and defined contribution pension as a defined contribution plan.

(2) Defined Benefit Plans

a) Reconciliations of beginning and ending balances of projected benefit obligations

		(Unit: million yen)	(Unit: million US dollars)
a.	Beginning balance of the projected benefit obligations	684,256	6,180
b.	Service cost	25,769	232
c.	Interest cost	2,050	18
d.	Accruals of actuarial (gains) and losses	5,543	50
e.	Payment of retirement benefits	(32,125)	(290)
f.	Accuruals of past service cost	2,160	19
g.	Others	(883)	(7)
h.	Ending balance of the projected benefit obligation (a + b + c + d + e + f + g)	686,771	6,203

b) Reconciliations of beginning and ending balances of pension assets

		(Unit: million yen)	(Unit: million US dollars)
a.	Beginning balance of pension assets	253,121	2,286
b.	Estimated return on assets	1,753	15
c.	Accruals of actuarial (gains) and losses	28,511	257
d.	Contribution from the employer	6,746	60
e.	Payment of retirement benefits	(10,254)	(92)
f.	Ending balance of pension assets (a + b + c + d + e)	279,877	2,528

c) Reconciliations of year-end balance of projected benefit obligations and pension assets, and net defined benefit liabilities and assets that have been recorded in the consolidated balance sheet

		(Unit: million yen)	(Unit: million US dollars)
a.	Projected benefit obligation for funded pensions	365,467	3,301
b.	Pension assets	(279,877)	(2,528)
c.	Subtotal (a + b)	85,590	773
d.	Projected benefit obligation for unfunded pensions	321,304	2,902
e.	Net of assets and liabilities recorded in the consolidated balance sheet (c + d)	406,894	3,675
f.	Net defined benefit liabilities	406,894	3,675
g.	Net defined benefit assets	-	-
h.	Net of assets and liabilities recorded in the balance sheet (f + g)	406,894	3,675

d) Amount of the components of retirement benefit expenses

		(Unit: million yen)	(Unit: million US dollars)
a.	Service cost	25,769	232
b.	Interest cost	2,050	18
c.	Expected return on assets	(1,753)	(15)
d.	Expense of actuarial (gains) and losses	5,618	50
e.	Expense of past service cost	(136)	(1)
f.	Others	190	1
g.	Retirement benefit expenses for defined benefit plans (a + b + c + d + e + f)	31,738	286

e) Remeasurements of defined benefit plans

Breakdown of items recorded in remeasurements of defined benefit plans (before applicable tax effect) was as follows:

	(Unit: million yen)	(Unit: million US dollars)
Past service cost	(2,297)	(20)
Actuarial gains (losses)	28,672	258
Total	26,375	238

f) Accumulated remeasurements of defined benefit plans

Breakdown of items recorded in accumulated remeasurements of defined benefit plans (before applicable tax effect) was as follows:

	(Unit: million yen)	(Unit: million US dollars)
Unrecognized past service cost	1,339	12
Unrecognized actuarial gains (losses)	5,416	48
Total	6,755	61

g) Pension assets

i The main components of the pension assets

Ratios of the major assets to the total pension assets were as follows:

Stocks	70%
Assets under joint management	15%
Life insurance general account	4%
Bonds	3%
Others	8%
Total	100%

Note: The proportion of retirement benefit trust to total pension assets that has been set for the unfunded retirement benefit plans as of March 31, 2021 was 53%.

ii The method of setting the expected long-term rate of return on pension assets

To determine the expected long-term rate of return on pension assets, the Company has taken into account the allocation of pension assets at present and in future, and long-term rate of return on a variety of assets that make up the pension assets at present and in future.

h) Calculation basis of actuarial gains and losses

Major assumptions of basis of actuarial calculation as of the fiscal year-end were as follows:

Discount rate	0.30%
Expected long-term rate of return	
Defined benefit corporate pension	1.40%
Employee pension trust	0.00%

i) Defined Contribution Plans

Required amounts of contribution to defined contribution plans of the Company for the fiscal years ended March 31, 2021 was ¥1,566million (US$14 million).

29. Securities Borrowing

Securities borrowed under borrowing agreements can be sold or pledged as collateral. As of March 31, 2021, the market value of the securities which were not sold or pledged as collateral was ¥ 2,343 million (US$21 million). None of the securities were pledged as collateral as of March 31, 2021.

30. Commitment Line

As of March 31, 2021, there were unused commitment line agreements, under which the Company was the lenders, of ¥ 78,478 million (US$708 million).

31. Subordinated Debt and Other Liabilities

As of March 31, 2021, other liabilities included subordinated debt of ¥390,600 million (US$3,528 million), whose repayment is subordinated to other obligations.

32. Bonds Payable

As of March 31, 2021, bonds payable included foreign currency-denominated subordinated bonds of ¥476,277 million (US$4,302 million), whose repayment is subordinated to other obligations.

33. Obligations to the Life Insurance Policyholders Protection Corporation of Japan

The estimated future obligations of the Company to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Act as of March 31, 2021 were ¥44,307 million (US$400 million). These obligations will be recognized as operating expenses for the years in which they are paid.

Ⅳ. NOTES TO THE CONSOLIDATED STATEMENT OF EARNINGS

1. Accounting Policies for Premium and Other Income and Benefits and Claims for the Company

(1) Premium and other income (excluding reinsurance income)

Premium and other income (excluding reinsurance income) is recorded for insurance contracts for which insurance premium has been received and the insurer's liability under the insurance contracts has commenced by the relevant amounts received.

Of premium and other income (excluding reinsurance income), the portion corresponding to the period that has yet to pass as of the end of the fiscal year is set aside as policy reserves in accordance with Article 69, Paragraph 1, Item 2 of the Ordinance for Enforcement of the Insurance Business Act.

(2) Benefits and claims (excluding ceding reinsurance commissions)

Benefits and claims (excluding ceding reinsurance commissions) are recorded for contracts for which amounts calculated under policy conditions have been paid in the occurrence of insured events under the policy conditions by the relevant amounts paid.

In accordance with Article 117 of the Insurance Business Act, reserves for outstanding claims are set aside for claims, etc. for which the Company has a payment due but has not paid, or for which the occurrence of the insured events have not been reported but the Company finds that insured events have already occurred, as of the end of the fiscal year.

(Additional information)

Effective the fiscal year ended March 31, 2021, the Company discloses "principles and procedures of the accounting treatment adopted in cases where the provisions of relevant accounting standards, etc. are unclear" with the adoption of the "Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections" (ASBJ Statement No. 24 revised on March 31, 2020), in the consolidated financial statements.

2. Net Income per Share

Net income per share for the fiscal year ended March 31, 2021 was ¥32,509,940.19 (US$293,649.53 million). Diluted net income per share for the same period is not presented because there were no existing diluted shares.

3. Impairment Losses on Fixed Assets

Details of impairment losses on fixed assets for the fiscal year ended March 31, 2021 were as follows:

(1) Method of Grouping Assets

Real estate and other assets used for insurance business purposes are recognized as one asset group. Each property for rent and property not in use, which is not used for insurance business purposes, is deemed to be an independent asset group.

(2) Background for Recognition of Impairment Losses

As a result of significant declines in profitability or market value of some asset groups, the Company wrote down the book value of these assets to the recoverable value, and reported such write-off as impairment losses in extraordinary losses.

(3) Breakdown of Impairment Losses

Impairment losses by asset group for the fiscal year ended March 31, 2021 were as follows:

Asset Group	Place	Number	Impairment Losses					
			Land	Buildings	Total	Land	Buildings	Total
			(Unit: million yen)			(Unit: million US dollars)		
Real estate for rent	Morioka city, Iwate Prefecture	1	25	31	57	0	0	0
Real estate not in use	Takamatsu city, Kagawa Prefecture and others	22	1,741	752	2,494	15	6	22
Total	-	23	1,767	784	2,552	15	7	23

(4) Calculation of Recoverable Value

Value in use or net sale value is used as the recoverable value of real estate for rent, and net sale value is used as the recoverable value of real estate not in use. A discount rate of 2.17% for the fiscal year ended March 31, 2021 was applied for discounting future cash flows in the calculation of value in use. Estimated disposal value, appraisal value based on real estate appraisal standards, or appraisal value based on publicly assessed land value for tax purposes is used as the net sale value.

V. NOTES TO THE CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

1. The amounts of comprehensive income and other comprehensive income

The amounts of comprehensive income and other comprehensive income for the fiscal years ended March 31, 2020 were as follows:

(1) Comprehensive income

	(Unit: million yen)
Comprehensive income attributable to shareholders of parent company	(163,148)
Total	(163,148)

(2) Other comprehensive income

	(Unit: million yen)
Net unrealized gains (losses) on securities, net of tax	(294,730)
Deferred hedge gains (losses)	17,854
Remeasurements of defined benefit plans, net of tax	(14,767)
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	(0)
Total	(291,643)

2. The amount reclassified and tax effect amounts related to other comprehensive income

The amount reclassified and tax effect amounts related to other comprehensive income were as follows:

	Year ended March 31,	
	2021	2021
	(Unit: million yen)	(Unit: million US dollars)
Net unrealized gains (losses) on securities, net of tax		
Amount incurred during the year	1,078,176	9,738
Amount reclassified	(217,755)	(1,966)
Before tax adjustment	860,420	7,771
Tax effect	(240,229)	(2,169)
Net unrealized gains (losses) on securities, net of tax	620,191	5,601
Deferred hedge gains (losses)		
Amount incurred during the year	(34,139)	(308)
Amount reclassified	(286)	(2)
Before tax adjustment	(34,426)	(310)
Tax effect	9,611	86
Deferred hedge gains (losses)	(24,814)	(224)
Foreign currency translation adjustments		
Amount incurred during the year	592	5
Amount reclassified	-	-
Before tax adjustment	592	5
Tax effect	-	-
Foreign currency translation adjustments	592	5
Remeasurements of defined benefit plans, net of tax		
Amount incurred during the year	20,816	188
Amount reclassified	5,558	50
Before tax adjustment	26,375	238
Tax effect	(7,363)	(66)
Remeasurements of defined benefit plans, net of tax	19,011	171
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method		
Amount incurred during the year	0	0
Amount reclassified	-	-
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	0	0
Total other comprehensive income	614,980	5,554

Ⅵ. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

1. Scope of Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statement of cash flows consist of cash on hand, demand deposits and short-term investments with a maturity of three months or less from the date of acquisition, which are readily convertible into cash and have an insignificant risk of changes in value.

Ⅶ. NOTES TO THE CONSOLIDATED STATEMENT OF CHANGE IN NET ASSETS

1. Type and Number of Shares Outstanding

Year ended March 31, 2021

	At the beginning of the year	Increase during the year	Decrease during the year	At the end of the year
	(Unit: thousands shares)			
Common stock	6	-	-	6

2. Dividends on Common Stock

(1) Cash Dividends

Date of resolution	June 17, 2020 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥101,079 million (US$913 million)
Dividends per share	¥16,846,500 (US$152,167)
Record date	March 31, 2020
Effective date	June 18, 2020
Dividend resource	Retained earnings

Date of resolution	August 12, 2020 (at the Extraordinary General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥49,999 million (US$451 million)
Dividends per share	¥8,333,300 (US$75,271)
Record date	-
Effective date	August 13, 2020
Dividend resource	Retained earnings

(2) Dividends in Kind

Date of resolution	August 12, 2020 (at the Extraordinary General Meeting of Shareholders) (*)
Type of shares	Common stock
Type of the dividend property	Securities
Book value of the dividend property	¥5,740,000 (US$51,847)
Record date	-
Effective date	August 31, 2020
Dividend resource	Retained earnings

(*)At the Extraordinary General Meeting of Shareholders on August 12, 2020, the Company decided to transfer the securities the Company had held to Dai-ichi life Holdings, Inc. as a dividend in kind, and carried it out on August 31, 2020.

(3) Dividends, the record date of which was March 31, 2021, to be paid out in the year ending March 31, 2022

Date of resolution	June 16, 2021 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥158,716 million (US$1,433 million)
Dividends per share	¥26,452,800 (US$238,937)
Record date	March 31, 2021
Effective date	June 17, 2021
Dividend resource	Retained earnings

Date of resolution	June 16, 2021 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥49,999 million (US$451 million)
Dividends per share	¥8,333,300 (US$75,271)
Record date	March 31, 2021
Effective date	June 17, 2021
Dividend resource	Capital surplus

Independent Auditor's Report

To the Board of Directors of The Dai-ichi Life Insurance Company, Limited:

Opinion

We have audited the accompanying consolidated financial statements of The Dai-ichi Life Insurance Company, Limited. ("the Company") and its consolidated subsidiary (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2021, the consolidated statement of earnings, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Audit and Supervisory Board Members and the Audit and Supervisory Board for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit and Supervisory Board Members and the Audit and Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether

- due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit and Supervisory Board Members and the Audit and Supervisory Board regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2021 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note I to the consolidated financial statements.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Yutaka Terasawa
Designated Engagement Partner
Certified Public Accountant

Takanobu Miwa
Designated Engagement Partner
Certified Public Accountant

Kenji Seki
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
August 6, 2021

Notes to the Reader of Independent Auditor's Report:
This is a copy of the Independent Auditor's Report and the original copies are kept separately by the Company and KPMG AZSA LLC.

Solvency Margin Ratio

(1) Dai-ichi Life Holdings, Inc.

Consolidated Solvency Margin Ratio

(Unit: million yen)

	As of March 31, 2020	As of March 31, 2021
Total solvency margin (A)	7,446,612	8,937,263
Common stock, etc. (*1)	1,226,073	1,519,154
Reserve for price fluctuations	240,796	264,454
Contingency reserve	693,191	712,999
Catastrophe loss reserve	—	—
General reserve for possible loan losses	125	340
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% (*2)	2,826,140	3,757,933
Net unrealized gains (losses) on real estate × 85% (*2)	243,896	255,652
Sum of unrecognized actuarial differences and unrecognized past service cost	(37,746)	(12,855)
Policy reserves in excess of surrender values	2,270,703	2,323,356
Qualifying subordinated debt	909,277	1,031,277
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(762,096)	(731,488)
Excluded items	(241,174)	(255,788)
Others	77,427	72,228
Total risk $\sqrt{(\sqrt{R_1^2+R_5^2}+R_8+R_9)^2+(R_2+R_3+R_7)^2}+R_4+R_6$ (B)	1,684,405	1,864,810
Insurance risk R_1	132,429	140,083
General insurance risk R_5	4,893	3,971
Catastrophe risk R_6	1,463	1,327
3rd sector insurance risk R_8	192,382	189,994
Small amount and short-term insurance risk R_9	—	—
Assumed investment yield risk R_2	245,702	230,346
Guaranteed minimum benefit risk R_7 (*3)	70,664	67,185
Investment risk R_3	1,295,296	1,493,251
Business risk R_4	38,856	42,523
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$	884.1%	958.5%

*1: Expected disbursements of capital to outside the Company and accumulated other comprehensive income, etc. are excluded.
*2: Multiplied by 100% if losses.
*3: Calculated by standard method.

Note: The above figures are calculated based on Article 210-11-3 and 210-11-4 of the Enforcement Regulations of Insurance Business Act, and Notification of the Financial Services Agency No. 23, 2011.

(2) The Dai-ichi Life Insurance Company, Limited

Solvency Margin Ratio (Unit: million yen)

	As of March 31, 2020	As of March 31, 2021
Total solvency margin (A)	6,251,174	6,990,487
Total risk (B)	1,270,019	1,491,653
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$	984.4%	937.2%

Note:The figures are calculated based on Articles 86, 87 of the Enforcement Regulations of Insurance Business Act, and Announcement No. 50, Ministry of Finance, 1996.

Consolidated Solvency Margin Ratio (Unit: million yen)

	As of March 31, 2020	As of March 31, 2021
Total solvency margin (A)	6,121,744	6,817,494
Total risk (B)	1,238,988	1,438,710
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$	988.1%	947.7%

Note: The figures are calculated based on Article 86-2 and 88 of the Enforcement Regulations of Insurance Business Act, and Notification of the Financial Services Agency No. 23, 2011.

(3) The Dai-ichi Frontier Life Insurance Co., Ltd.

Solvency Margin Ratio (Unit: million yen)

	As of March 31, 2020	As of March 31, 2021
Total solvency margin (A)	476,465	570,750
Total risk (B)	197,263	200,614
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$	483.0%	569.0%

Note: The figures are calculated based on Articles 86, 87 of the Enforcement Regulations of Insurance Business Act, and Announcement No. 50, Ministry of Finance, 1996.

(4) The Neo First Life Insurance Company, Limited

Solvency Margin Ratio (Unit: million yen)

	As of March 31, 2020	As of March 31, 2021
Total solvency margin (A)	9,388	39,806
Total risk (B)	3,013	2,158
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$	623.1%	3,688.8%

Note: The figures are calculated based on Articles 86, 87 of the Enforcement Regulations of Insurance Business Act, and Announcement No. 50, Ministry of Finance, 1996.

(5) Dai-ichi Smart Small-amount and Short-term Insurance Company, Limited.

Solvency Margin Ratio

Not applicable

Glossary of Terms

Adjusted profit/ Adjusted group profit	A unique indicator used by the Company that determines funds to be paid to shareholders. Constitutes the sum of adjusted profit at each Group company. Adjusted profit at each Group company generally indicates profit on a cash basis. As a holding company, the Company conducts shareholder returns based largely on the dividends that it receives from each Group company.
Adjusted ROE/ Adjusted group ROE	Return on Equity. Adjusted Group ROE=Adjusted profit÷(Net assets-(goodwill+unrealized gains or losses on fixed-income assets (net of tax)+cumulative gains or losses on market value adjustment (MVA) (net of tax), etc.))
CAPM	The Capital Asset Pricing Model (CAPM) describes the relationship between systematic risk(β) and expected return for assets, and is widely used for pricing risky securities and generating expected returns for assets given the risk of those assets and cost of capital.
CSA	Control Self-Assessment (CSA) is a set of activities performed by managers and personnel in charge who are familiar with the tasks to identify inherent risks and to perform self-assessments on the significance and strength of risk control, and pursue to curb risk and make necessary operational improvements.
CX	Customer Experience is concept that put emphasis on psychological and emotional value experienced by customers through all contact points with the Group.
DX	Digital Transformation (DX) is a concept of promoting advanced IT technologies to transform and improve people's quality of life.
Ecosystem	A system in which multiple enterprises form a partnership through means such as product development or business activities and go beyond the boundaries of their respective industries or countries to widely co-exist and co-prosper while taking advantage of each other's technologies and capital.
ERM	Enterprise Risk Management (ERM) is a set of activities for formulating corporate plans, capital policies, etc. in accordance with capital, risk and profit positions based on the attribution, type and characteristics of risk, and promoting business activities accordingly. More specifically, ERM is a management concept in which risk is properly controlled in an effort to secure soundness while capital is allocated to operations, etc. that can be anticipated to yield greater profit in order to materialize improved capital efficiency and corporate value.
ESR	Economic Solvency Ratio (ESR) is a solvency indicator valuing assets and liabilities based on market interest rates, etc. Indicates economic capital relative to the risk amount under a certain stress scenario.
EV/EEV	(European) Embedded Value (EEV) is an indicator of corporate value attributable to shareholders. EEV is the sum of "adjusted net worth following necessary revisions to the amount of net assets on the balance sheet" and "value of in-force business, which represents the present value of future profits on in-force business, net of tax."
EX	Employee Experience (EX) is a concept that put emphasis on necessity to improve experiential values obtained by employees in order to improve productivity and provide better products and services to customers.
Free cash	Surplus capital under the strictest standards among accounting capital and solvency regulations.
InsTech	Insurance Technology (InsTech) is set of initiatives for creating innovation unique to the life insurance business by fusing insurance and technology.
NPS®*	Net Promoter Score (NPS) is an indicator of customer loyalty (the degree of attachment and confidence in a company or brand) in and provides a measurement for the degree of recommending (products, services, brand) to friends or acquaintances, thereby going deeper than a customer satisfaction metric. * NPS® is a registered trademark of Bain & Company, Fred Reichheld and Satmetrix Systems.
QOL	Quality of Life (QOL) is a concept that encompasses the richness of overall living standard including spiritual aspects and self-actualization in addition to material wealth and individual activities for self-care. Quality of life improvements refers to the realization of the desired life or way of living.
ROEV	Return on Embedded Value (ROEV) is and indicator measuring the growth of corporate value with increments in EV that is considered to be profit after taking into account the special nature of life insurance accounting.
TSR	Total Shareholder Return (TSR) is a total investment return for shareholders after adding capital gains and dividend income.
VUCA	VUCA stands for volatility, uncertainty, complexity, and ambiguity. It describes the situation of constant, unpredictable change that is now the norm in certain industries and areas of the business world.
Well-being	"Well-being" refers to living a prosperous and healthy life with peace of mind, and being in a state of happiness. The Group aims to contribute to the well-being of all, including future generations, through four experiential values.

*Listed in alphabetical order

A Note on the Publication of This Report

Thank you for reading this report all the way through.

In the new medium-term management plan that we started this fiscal year, the entire Group will embark on a transformation with a new resolve. It seems just like yesterday that we were deeply discussing what sort of language we should use in this integrated report in order to convey in best way our view behind that resolve and the thought process involved.

As a result, we made the bold choice not to include the usual introduction part about our history (which even included the photo of our founder Tsuneta Yano), and instead attempted to share our two-page view on the upcoming future. We hope this left a positive impression on you.

In addition, we also were concerned about the extent up to which we, as a holding company, should cover the incident of fraudulent cash mishandlings that took place at one of our operating companies. And whether our approach content creation in a business issue-oriented manner rather than an achievement-oriented manner was the right call. With encouraging words from our President Inagaki, who is promoting greater transparency among management, we attempted such approach.

And despite finishing final proofreading of this report, areas of improvement such as certain thoughts not being organized and lack of reader's perspective in some parts have already been uncovered. Some features even covered initiatives that did not lead to concrete plans. For our next report, we sincerely hope to benefit from your feedbacks. Please share your candid opinions and suggestions.

Finally, allow me to thank you for your ongoing support for Dai-ichi Life Group.

Atsushi Nakamura
Head of IR Group
Corporate Planning Unit

Editorial Policy

Coverage of This Report

- Period covered: April 1, 2020 to March 31, 2021 (including some activities on and after April 1, 2021)
- Organizations covered: Dai-ichi Life Holdings, Inc. and its subsidiaries and affiliates

Timing of Publication

Published every September

Reference

- International Integrated Reporting Council (IIRC) "International Integrated Reporting Framework"
- Global Reporting Initiative (GRI) "Sustainability Reporting Standards"
- Sustainability Accounting Standards Board (SASB) standards
- Ministry of Economy, Trade and Industry "Guidance for Collaborative Value Creation"

Page Structure based on Guidance for Collaborative Value Creation

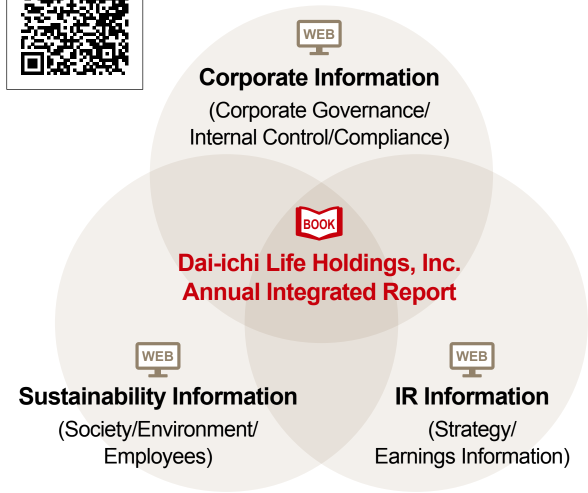
This publication organizes information systematically and comprehensively to help in dialogue with shareholders and investors. The framework of the Guidance for Collaborative Value Creation is also used to show the Dai-ichi Life Group's mechanisms for value creation as a story while connecting the respective information appropriately.

Environment Social Governance
Guidance for Collaborative Value Creation

This report constitutes disclosure materials prepared in accordance with Articles 271.25 and 272.40 of the Insurance Business Act and Articles 210.10.2 and 211.82 of the Enforcement Regulations of Insurance Business Act (Explanatory Documents on Business and Property Status).

Positioning of This Report

In order to provide understanding of the Dai-ichi Life Group by all stakeholders, material information in this report is summarized. Please visit our website for further details.
▸ *https://www.dai-ichi-life-hd.com/en/index.html*



Forward-looking Statements

Statements contained herein that relate to the future operating performance of the Company are forward-looking statements. Forward-looking statements may include-but are not limited to-words such as "believe," "anticipate," "plan," "strategy," "expect," "forecast," "predict," "possibility" and similar words that describe future operating activities, business performance, events or conditions. Forward-looking statements are based on judgments made by the Company's management based on information that is currently available and are subject to significant assumptions. As such, these forward-looking statements are subject to various risks and uncertainties and actual business results may vary substantially from the forecasts expressed or implied in forward-looking statements. Consequently, you are cautioned not to place undue reliance on forward-looking statements. The Company disclaims any obligation to revise forward-looking statements in light of new information, future events or other findings.