# INTEGRATED REPORT 2022



By Your Side, For Life



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# Editorial Policy

Message

Dai-ichi Life Holdings' Integrated Report is designed to inform customers, shareholders, investors, and other stakeholders of our efforts to solve social issues through our business and create sustainable value for our Group. In preparing the Integrated Report, we refer to the International Integrated Reporting Framework recommended by the IFRS Foundation, the Guidance for Collaborative Value Creation by the Ministry of Economy, Trade, and Industry, and the Sustainability Reporting Standards by the Global Reporting Initiative (GRI).

To better communicate the value creation story in this year's Integrated Report, we have enhanced our coverage of the value creation process, while also including a special feature on human capital considering the growing interest in this topic. We have also expanded the section on climate change, one of the most important issues.

This report constitutes disclosure materials (explanatory documents on business and property status) 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 the Insurance Business Act.



Addressing Climate Change: Responding to the TCFD

# Shareholders and Investors

- Financial Results and Management Briefing Documents Business Reports
- https://www.dai-ichi-life-hd.com/en/investor/index.html

Governance



Story



Strategies & Performance

A History of Innovations

Think about whether what we are doing will delight the people around us, or be dismissed as something they can live without.

Our founder, Tsuneta Yano, devoted himself not only to the development of his company but also to making the life insurance business something that "the people of the world would find useful and convenient." This principle has been passed down to us today as "customer first."

# Established in 1902

# The best rather than the largest.

Life insurance for customers through mutual help

# 1902

The first mutual company in Japan, Dai-ichi Mutual Life Insurance Company was established with the aim of providing life insurance for customers in the spirit of mutual help.

# 1932

Amid an order for financial institutions to postpone payment of claims after the Great Kanto Earthquake (1923), the company gained credibility through the prompt payment of claims to policyholders and increased the number of active policies, becoming the second-largest insurer in the industry.

# 1935

Established Hoseikai with the goal of treating and preventing tuberculosis, which was the main cause of death in Japan at the time.

# 1950s

The company helped stabilize household finances in the postwar period by providing protection-type insurance products for emergencies and made a social contribution in the areas of public health and measures against cardiovascular diseases (1950: "Health Culture Award" established; 1959: Cardiovascular Research Institute established).

# 1970

FALIA (Foundation for Asian Life Insurance Assistance) established to increase support for life insurance in Asia



"Dai-ichi Seimei Kan" building completed in 1938

1910



Plaque for the "Japan Quality Award" received in 2001

# Dai-ichi Life's in-force policies

(From 2007 the total of the three domestic life insurance companies)

1920

# 1990s-2000s

# **Total Life Plan and Quality** Management

# —— To deliver the best products and services

# 1997

In response to changes in the social structure and diversifying customer needs after the bursting of the bubble economy, launched the concept of "Total Life Plan" to provide customers with peace of mind throughout their lives (in 1999. we launched the industry's first "Waiver of Premium Payment Rider").

# 1998 and 2000

Formed alliances with the Industrial Bank of Japan (now Mizuho Financial Group) in 1998, and Yasuda Fire & Marine Insurance Company (now Sompo Japan Insurance Inc.) and American Family Life Insurance Company in 2000.

# 2001

Won the "Japan Quality Award" for the first time in the financial and insurance industry for our "Total Life Plan" philosophy based on the "Customer First" principle. 2006

Seizing the opportunity afforded by the lifting of the ban on bank sales of insurance products, established Dai-ichi

# Frontier Life and began a multi-brand rollout in Japan to meet the growing savings needs of an aging society.

# 2007

Began overseas insurance business development in the Asia-Pacific region (Thailand, Australia, India, and Indonesia), beginning with expansion into Vietnam.



# 2010s onward

# From a listed company (new foundation) to a holding company

 A secure future for every community we serve using the best of our local and global capabilities.

Changing to protect principles and

values which must remain the same

# 2010

Became the first major life insurance company to list on the Tokyo Stock Exchange.

# 2011 and 2015

In 2011, Tower Australia Group (now TAL) in Australia became a wholly owned subsidiary, and in 2015, Protective in the United States became a subsidiary through a public offering, accelerating the expansion of the overseas insurance business and resulting in more dynamic and sustainable growth.

# 2014

Sompo Japan DIY Life Insurance (now NeoFirst Life Insurance) became a wholly owned subsidiary, establishing a domestic business framework with three life insurance companies that accurately met customer needs by providing the best products through the best channels.

# 2016

Transitioned to a holding company structure and a company with an Audit & Supervisory committee to enable flexible allocation of management resources and rapid decisionmaking, and to achieve sustainable growth through further group synergies.

# 2018

Incorporated the Sustainable Development Goals (SDGs) into the Medium-term Management Plan, aiming for growth through the provision of value that improves customers' quality of life, including resolution of social issues.





Became the first major life insurance company to list on the Tokyo Stock Exchange.

Expanded business globally in eight countries

1990

1902

1980

In the rapidly changing times ahead, even as our business expands beyond insurance and into global markets, we will continue to demonstrate the spirit of our founder and strive to create what people demand in each new era.

# From QOL improvement to well-being

------ Providing the best experiential value (CX) to our customers

# 2018

- Introduced the industry's first "Health Checkup Discount" (kenshin wari)," which offered a discount on premiums through submission of health checkup results, raising customers' awareness of their health.
- To help create added value that extends healthy life expectancy and improves quality of life, established "QOLead" to provide health and medical care promotion services using new technology. Also established Dai-ichi Life Innovation Lab in Tokyo and Silicon Valley, U.S.A., as a system to drive global innovation, as well as identify trends in advanced technologies and discover promising start-ups.

# 2019 and 2021

In 2019, Dai-ichi Life became the first life insurance company in Japan to participate in the Renewable Energy 100% (RE 100) initiative, which aims to procure 100% of electricity consumed in business activities from renewable energy sources. In 2021, we joined the Net Zero Asset Owner Alliance (NZAOA) and committed to the transition to a carbon-neutral investment portfolio.

# 2021

Established the "CX Design Strategy" to deliver the best customer experience (CX) to our customers as our core strategy, and launched "Digi-ho," a service that allows customers to complete all procedures digitally through Dai-ichi Smart Small Amount & Short-Term Insurance. Launched "Mirashiru," a website for communication with customers in the digital space.

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Established the Dai-ichi Life Innovation Lab (Silicon Valley, U.S.A.).

Number of policies in force in 2021: 15.62 million

Group at a Glance

# **Market Presence**



# **Business Segments and Group Companies**

Domestic Life Insurance Business	Dai-ichi Life	Dai-ichi Fi
Establishment of a "multi- brand, multi-channel" structure in which four companies with strengths in diverse products and channels complement each other in response to diversifying customer needs	ー生意のパートナー 第一生命 愛Dai-ichi Life Group (Established 1902)	¥ 第────
Overseas Insurance Business	Protective (U.S.A.)	T/ (Aus
	Protective ကို	T/
Overseas business in eight countries at various stages of development,	(2015–)	(201
from developed countries (stable markets) to emerging countries	Dai-ichi Life Myanmar (Myanmar)	Star Dai-ich (Inc
(growth markets and early stage)	Dai-ichi Life Myanar enqualgiang (2020-)	Star U
Other Pusiness		
Other Business (Asset Management Business)	Asset Manag	gement One
Providing advanced asset management functions to support asset formation	<u> </u>	sset Janagement Dne ted 2016)
Industry Leading ESG R	atings	Over insu
MSCLESG Ratinds	S&P Global Corporate stainability Assessment	¥83
AA	ected as a Sustainability ′earbook Member 2022	
PRI (United Nations Prin Investment) A	ciples for Responsible Assessment	
Received the highest ration (Dai-ich	-	
3 Profit from other businesses includes the a domestic life insurance business or the ownerse of the ownerse own		as from the comp

Governance



# IIIIIII Message from the CEO

Message

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# Changes in the business environment and the role of life insurance

# Environmental changes during COVID-19 and discoveries

Let me start with a review of fiscal 2021. The spread of COVID-19 continued throughout the period, and the Russia-Ukraine conflict began in the second half. It was a year in which a global social divide emerged that significantly affected our lives. The Ukrainian crisis is worrying and has developed into a human rights issue. We are now seeing rising prices in our everyday lives, partly due to global supply chain disruptions.

During the spread of COVID-19, we saw further progress in social media and other digital communication technologies, giving us easy access to huge amounts of information. Meanwhile, it appears that social media encourages groups of people with specific views and values to come together. I believe this has exacerbated the divides between groups with

# Role and social value of life insurance

Life insurance is originally a business based on the spirit of sharing risk and mutual aid. I believe that preparing for risk is important in bridging the economic and social divides that arise when risks materialize.

To date, we have paid more than 100 billion yen of insurance benefits to policyholders in connection with COVID-19. This is only financial support. However, if these payments are of any help to the people receiving them, life

# Business model that earns trust and empathy suited to the current era

To continue our growth in the future, we need to heal the divides in society and operate a transparent business suited to the values of today's customers and society. At the same time, we must center our business on the essential role of life insurance. Our past business model of providing standard services to the entire market has been successful so far, but nowadays this approach is not always acceptable to all generations.

Today's customers have access to all the information on the Internet. The information gap between customers (consumers) and us (the supplier) is narrower than it was in the past. Consequently, customers now seek more sophisticated and diversified products and services. In particular, the young people who will play a central

We will transform our business model to earn trust and empathy from stakeholders and realize the well-being of all and a sustainable society.

President and Representative Director (CEO) Dai-ichi Life Holdings, Inc.

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different values. I see this as a major change in the external environment that will accelerate the diversification of people's values and lead to business challenges for our company.

However, I feel I made an important discovery during the pandemic. I discovered that our daily lives are supported by many essential workers. In the past, I had few opportunities to pay attention to their presence. Now, I have a renewed awareness that it is important for people to support each other, that society is built on such mutual support, and that it is vital for us to empathize with the weak. You might feel the same in some way. Mutual support is the origin of life insurance, and the pandemic served to reaffirm the importance of such support to us as a life insurance company.

insurance is playing a role, helping people return to their normal lives and economic stability.

Amid COVID-19, our staff at different locations across the country continued to closely serve customers. These activities do not always lead directly to revenue. However, our network is rooted in the communities and that connection helps bridge social divides. Our network provides value to society that is unique to our business model.

role in the future are not only digital natives but also inclined to attach value connection and empathy with other people who have shared values. In such circumstances, COVID-19 accelerated the diversification of values and segmentation of risk-sharing groups.

Going forward, we must flexibly enhance our products and services to reflect today's values and become a company chosen by customers. I am convinced that our efforts to closely serve individual customers throughout their live journeys and to deliver value to earn trust and empathy will bring joy and happiness to customers. In the end, it will be economically beneficial for us as well.

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# First year of Re-connect 2023

# Improving the well-being of customers through four experiential values

The CX Design Strategy is the core of the Re-connect 2023 Medium-term Management Plan, which was launched in fiscal 2021. Its goal is to deliver a superior customer experience (CX). As a lifelong partner, we aim to foster customers' wellbeing by providing four experiential values: protection, retirement, savings and asset management, health and medical care, and enhancing connections. Analyses show that money, health, and social connections are key assets for happiness and well-being in life. We believe that life insurance is the best business for providing them in a well-balanced manner. We provide economic support through protection and retirement, savings and asset management. We also offer our original psychological support from the perspectives of promoting health and enhancing connections. We understand that our close-knit economic and psychological services will contribute to the well-being of our customers. To be trusted and chosen by customers, we have designated this support as a major course of action. With Re-connect 2023, we aim to develop initiatives to deliver the four experiential values.

# Material issues and the Medium-term Management Plan



# [Domestic Business Strategy]

# Realizing OMO through the CX Design Strategy

Fiscal 2021 was a year of establishing and promoting systems that will put our domestic business back on a medium- and long-term growth track.

First, we developed "Mirashiru," a digital platform for our CX Design Strategy. Dai-ichi Life launched the Mirashiru website in December 2021 to facilitate communication with customers in the digital space. The name Mirashiru was coined by combining *mirai* (future) and *michi-shirube* (guidepost). It represents our will to support people moving toward the future. Mirashiru offers a wide variety of information about not only protection and asset formation but also healthcare and other everyday matters of interest. It is designed to personalize web pages for individual customers and increase convenience. In addition to chatting and online discussion, the site will enable people to connect with the individual web pages of our Total Life Plan Designers in the second half of fiscal 2022. This will pave the way for everyday online communication with more customers. We will use information on customers' interests and other data collected from the website to develop new products and services.

The fact is that COVID-19 led to advances in digital technology and a decline in face-to-face interactions with customers. However, I do not think face-to-face contact will disappear from the life insurance business. It is difficult to completely replace the human ability to understand and empathize with the difficulties that customers face with digital technologies. We are striving to realize OMO, the integration of online (digital) and offline (real-world) operations.

# Changes brought by digitalization

With digitalization, we launched the "Digi-ho" brand in April 2021, During the year, Dai-ichi Smart Small-amount and Short-term Insurance launched its first product, "Coronavirus Mini-Support Insurance (a specific infectious disease insurance policy)" covering COVID-19. It attracted more than 160,000 applications in January 2022 alone as Japan experienced the sixth wave of COVID-19. In the same month, Dai-ichi Life sold around 80,000 new policies. In other words, Dai-ichi Smart, which was just one year old, sold twice as many policies as Dai-ichi Life. While these results were supported by a rush in demand, our analyses also show that this product clearly highlighted mutual-aid relationships whereby self-employed and other people who would lose income if they became infected shared the risk with people in similar circumstances. It was a new attempt to apply dynamic pricing to insurance premiums, which vary depending on the number of new confirmed infections.

Digital technologies enable us to reduce the initial costs of such insurance products, making it possible to set the

# Transformation of the Total Life Plan Designers Channel

Transforming our Total Life Plan Designers channel, which supports our CX Design Strategy, is one of the significant changes in our domestic business.

In the past, our policy was to employ as many employees as possible to support customers throughout Japan. From fiscal 2021, under the head quarter leadership we shifted to a more selective recruitment controlling the number and timing of people being hired, placing greater emphasis on people's basic capabilities and aptitude. In addition, in fiscal 2022, we introduced a new training program with the establishment of the

Strategies & Performance

We do not expect face-to-face contact points to vanish. Rather, we strive to realize our onlinemerges-with-offline (OMO) strategy.

breakeven critical mass at a low level. This is a significant change. Meanwhile, we also recognized the difficulty of risk control, and decided to stop sales of this specific infectious disease insurance policy to new customers in July 2022. From a future business strategy standpoint, however, we learned that when we release a new product that best suits customers with specific needs at the right time in the right manner, it becomes popular surprisingly quickly. This was a valuable lesson. In addition, the fact that application procedures can easily be completed on a smartphone, our contact points with the younger generation have increased. Some of our specific infectious disease insurance policyholders went on to purchase Dai-ichi Life's comprehensive insurance policies. This demonstrated that "Digi-ho" has the potential to act as a gateway to more comprehensive insurance products.

While some are still in the experimental phase, we are also engaged in other efforts to incorporate digital technologies. Leveraging our strength in face-to-face consulting, we will work to create experiential values utilizing more convenient digital solutions.

Career College, which is dedicated to initial training. We will also improve ongoing training for existing Total Life Plan Designers. We will actively communicate online to massively improve the quality and duration of training to provide a more advanced and uniform education.

Besides, to support recruiting and the training of inexperienced staff, meanwhile, we will significantly revise our salary system in fiscal 2022. Under the former system, salaries varied significantly depending on sales performance. Under the new system, the percentage of the fixed salary portion is

Value Creation

Story

# **IIIIIIII** Message from the CEO

much higher for the first five years after recruitment, and salary levels are also higher than in the past. Our aim here is to secure competent employees at the recruitment phase and create an environment during initial training where new hires can concentrate on developing skills and building trust-based customer relationships with peace of mind.

Since this is an important business transformation on an unprecedented scale, it will take time until its tangible effects are seen. We will work to increase the number of skilled Total Life Plan Designers to steadily expand our customer base and achieve sales results and personal efficiency that exceed pre-COVID-19 levels.

The reform of management guality to eliminate monetary fraud continues to be one of Dai-ichi Life's top priority management issues. I am bitterly regretful that a new fraud was revealed in fiscal 2021. In response, we have established a new working group to carry out more fundamental efforts. All our officers and employees will profoundly understand the

significance of these efforts and implement them without fail. In so doing, we will build an organization to ensure that we can earn the confidence of our customers.

In fiscal 2021, we introduced two new key performance indicators. One is NPS® (Net Promoter Score), which reflects our customers' willingness to recommend us to others. The other is the number of customers. We monitor not only the overall NPS® score of the Company but also evaluate each daily contact point with customers and incorporate our findings into our sales activities. In the process, we will the improve the experiential values we provide based on the opinions of our customers. Currently, our NPS® score is at a mid-industry level. We will aim to improve this score to be in the top range and consequently increase the number of customers.

- ▶ P. 17: Initiatives to Reform Management Quality at Dai-ichi Life
- ▶ P. 39: Vision for CX Design Strategy

# [Overseas Business Strategy]

# Extensively providing four experiential values outside of Japan

Outside of Japan, there are as many as 1.7 billion people with poor access to financial services, mainly in emerging countries, and the insurance penetration rate is low as well. Given the aging population and falling birth rate in Japan, we strongly believe that we should proactively fulfill our mission outside of Japan as well. Since entering overseas markets in 2007, we have been aiming to operate businesses that suit local needs.

In fiscal 2021, our subsidiary TAL decided to acquire Westpac Life based in Australia. This solidified TAL's position as the largest market share holder in Australia's protection domain. Another subsidiary, Protective Life Corporation, also made AUL, a company based in the United States, into a subsidiary in its asset protection business. In fast-growing Vietnam, our strategy of diversifying sales channels to include agents and bancassurance produced positive results. We are now among the top three market share holders among private companies in that nation. In fiscal 2021, the adjusted profit of our overseas business reached a record-high figure, although it was partly

due to one-time items. Only 15 years after it started, the overseas business has now grown to earn at least a quarter of our group total profit.

In the overseas countries where we operate, the demographic composition is expected to remain unchanged even until 2050 in the wake of ongoing population growth. The demographic distribution in those countries will stay bell-shaped, with those in their 30s and younger occupying the center of gravity like in Japan during its economic growth. Therefore, we believe there is ample room in overseas markets to provide insurance and achieve future growth. In both Japan and overseas, we will extensively provide four experiential values-protection, retirement / savings and asset management, health and medical care, and enhancing connections-to drive future growth.

- ▶ P. 48: Creation of four experiential values in the overseas business
- ▶ P. 49: Overseas Business Strategy

# [Group Financial and Capital Strategies]

Capital circulation management emphasizing stable creation and utilization of capital and cash

Our capital and financial strategies have evolved significantly into "capital circulation management." Based on dialogue with shareholders and other investors over the past year, I feel we have received positive overall feedback, including about future

expectations. In particular, Dai-ichi Life's reduction of marketrelated risks marked a high achievement rate against the target for the three years of the Medium-term Management Plan. We effectively used freed-up capital from such risk reduction to

make disciplined strategic investments in future growth and increase shareholder payouts.

As a result, on an accounting basis, adjusted return on equity (ROE) remained at a constant level. The beta of our shares in the stock market, which is an element of the cost of capital, was found to be trending downward. Return on embedded value (ROEV), which indicates capital efficiency as economic value, remained at a low level following changes in

# Transforming our business portfolio and risk profile

When reviewing our business portfolio from the perspective of profit composition, we foresee that the share of our profits from our growing overseas business will undoubtedly expand, surpassing 50% in the long term. In addition to developed countries, we believe that emerging nations will also make greater contributions to group profit. However, the essence of our business portfolio does not lie solely in simple share of profit. The risk profile, or the composition of the risks involved in capital investments to earn profit, is also important. Reducing market-related risks has led to steady improvements in our risk profile.

# Strengthening foundations to support our financial and capital strategies

# Strengthening sustainable foundations

Sustainability is now a value shared globally by people of every generation. Among many issues, climate change was cited as the greatest risk at the World Economic Forum held in Davos last year. The Glasgow Financial Alliance for Net Zero (GFANZ) was officially established at the COP26 UN Climate Change Conference held in November 2021. As the only member from Asia, I joined its CEO Principals Group, which consists of leaders from 18 financial institutions around the world

Through GFANZ, I witnessed the enthusiasm of European and U.S. financial institutions, which are strongly committed to achieving net zero as a matter of social responsibility. The event gave me a firsthand look at the important roles we must play. Japan's life insurance industry holds nearly 410 trillion yen of assets under management and contributes to industrial development and economic revitalization through investing and lending. As institutional

financial market conditions and a revision of insurance requirements

However, stock valuation indicators, such as the price-toembedded value (P/EV) ratio and the price-to-book-value ratio (PBR), are still below one time. We will continue working to reduce risk to lower the cost of capital and adopt capital circulation management to quickly ensure that capital efficiency remains constantly higher than the cost of capital.

Currently, overseas interest rates are climbing sharply, and there are signs that domestic interest rates could change. Without depending too much on market outlooks, we will continue working steadily to reduce market-related risks. Also, we will proactively take insurance risks and expand fee-related businesses with limited risks in Japan and abroad. We are striving to achieve a 50:50 ratio of insurance risks to marketrelated risks to be comparable to other global insurance companies.

▶ P. 51: CFO Message

We will contribute to increase presence of Asia and Japan in realizing a net-zero society.



investors, life insurers play a significant role in the Japanese economy. As a representative of the industry, I will lead efforts in cooperation with companies in each country to help increase the presence of Asia and Japan in realizing a net-zero society.

Achieving sustainability of the social environment also requires us to address recent changes in customer needs In future business activities and the provision of goods and

Message from the

services, it will be vital to ensure business ethics and transparency. In the case of life insurance, for example, this refers to the ethical aspects and transparency of how we deploy and invest the insurance premiums we collect from customers. It can be compared to respect for human rights in manufacturers' supply chains. By protecting the planet through our business activities, we can leave a sound environment for future generations, eliminate economic inequality between generations, and establish a society that recognizes people's individuality and respects their human rights. We believe that our efforts, based on our values, will benefit our customers and serve their purposes. To date, the Group has actively pursued its cause of ESG-oriented investing and lending. Based on this cause, we will continue actively disseminating information on our actions in a wider range of areas.

- ▶ P. 61: Addressing Climate Change:
- Disclosure Based on the TCFD Recommendations -
- P. 69: GFANZ: Contributing to global climate change initiatives

# Increasing the diversity of our human capital and cultivating a proactive corporate culture

To survive in this era of drastic changes, we need to leverage our own strengths to ensure that our corporate management is resilient. Saying that our human capital is everything is not an exaggeration. Today, it is difficult to predict what will lead to success. A conventional homogeneous group might misjudge their course of action. Therefore, ensuring diversity is important to prevent biased management decision-making.

For instance, in our overseas business, leaders in different countries respect each other, learn from each other, and grow together through their regular discussions. Openly sharing information about their companies with others enables them to learn from practices in other regions and



Ensuring diversity is vital to enabling unbiased management decisionmaking and instilling a challengeoriented corporate culture. share different ideas and opinions. This way, they produce synergies from learning based on diversity. No business can permanently demonstrate its significance without a corporate culture in which employees with different views and strengths respect one another and try new things, unbound by conventional practices. In addition to enhance the development of females in managerial positions, we have defined the ratio of "those who are not male, new graduates, and/or Japanese citizens" as an indicator for diversity. We will work to increase this indicator in a bid to increase the diversity of employees. We are striving to entrench an organizational culture in which members respect each other, listen to differing opinions, and always explore the best outcomes.

I believe that visionary management is the ideal form of organizational leadership with respect to increasing employee engagement and enabling employees to further demonstrate their individual attributes. French poet Antoine de Saint-Exupéry wrote, "If you want to build a ship, don't drum up the men to gather wood, divide the work, and give orders. Instead, teach them to yearn for the vast and endless sea." Adhering to this philosophy, we emphasize management that communicates vision, delegates authority, and maximizes the strengths of individuals, rather than having supervisors dictate how to cut the trees or which trees to cut. I directly share these and other thoughts with employees on our intranet site, "#せいじのつぶやき" (#Seiji'sWords). We encourage employees and motivate them to work independently, instead of giving them orders and instructions. With this approach, we hope to promote human capital management and foster an open corporate culture. ▶ P. 71: Human Capital Management Strategies

# Looking further ahead

Message

# Creating values in collaboration with stakeholders

Today, a new concept of stakeholder capitalism has been spreading as a reaction to the excessive financial capitalism of the past, which led eventually to human rights violations and the destruction of natural capital. In our Annual Report 2021, I used the expression "trade-on" to describe our commitment to achieving a balance of interests. This means investing in human capital while fulfilling our responsibilities to nature and giving back our investment returns to both shareholders and employees. Our duties vary depending on the stakeholder, but there is no clearly superior or inferior stakeholder. Based on strong values, we should seek a future form of capitalism in which we will create value that equally benefits all stakeholders.

As I mentioned at the beginning, life insurance is originally a business based on risk sharing and mutual aid. One of its roles is bridging economic and social divides. Our Company's foundation is based on people mutually supporting each other and our relationships with customers, local communities, and society. Our business is built on our employees who provide peace of mind in the form of life insurance, our business partners who support our operations, our shareholders who provide necessary capital, the global

# Conclusion—Determination to transform the business model

As I have said, customers' values have been changing dramatically with the times, and COVID-19 has caused such change to accelerate. We already see disruptions in other industries, so the wave of change will surely come to the insurance industry someday.

Our founder said, "Consider whether people will be pleased with what we do or if they will find it unnecessary. A business that people find useful and convenient is bound to have its value recognized, and people will greatly develop that business. That is precisely why business is something that we do for the sake of people." These words have been passed down in our Company, and I keep them close to my environment needed for business continuity, and the connections between them all. The new stakeholder capitalism is consistent with our business model. Trust and empathy with all stakeholders will lead to collaborative new value creation.

To earn such trust and empathy, we will seek to ensure the transparency of business management. For this purpose, we must propose insurance products and services in a timely manner that best suits the diverse needs of customers. They must have easy-to-understand pricing and be transparent in the payment of claims and other benefits. We cannot earn real empathy unless we practice responsible asset management that fosters the sustainability of the global environment, community, and society while maintaining the promised interest rate. This is my impression of a sustainable form of our business. I will put it into practice so that our employees and business partners can empathize with our aspirations based on our social values. At the same time, I will strive to explain our road map for achieving both social and economic value to shareholders with a high degree of transparency.

heart in today's fast-changing times. The insurance business is a stock-type business that generates stable profit from existing policies in force. Accordingly, changes in external conditions will not cause profit to decline suddenly. However, it is undeniable that in some aspects of our business we are less sensitive to changes in the environment.

In this "new normal" world caused by COVID-19, we will not adhere too closely to our past traditions or successful experiences. Rather, we will respect them and change them for the better. We at the Dai-ichi Life Group will work as one in our ongoing quest to transform ourselves in brand-new ways. I look forward to your continued support.

Value Creation Story

# Initiatives to Reform Management Quality at Dai-ichi Life

Since October 2020, eight cases of monetary fraud have come to light at Dai-ichi Life, which is a breach of trust that we take extremely seriously as a life insurance company that is supposed to be close to and support the lives of our customers.

We consider it our top priority to sincerely engage with customers who were negatively affected by this, to strengthen our management and supervision systems, and to reform our corporate culture. As such, we will continue to implement and realize various drastic initiatives to eliminate fraud through the company-wide cross-sectional project, the Business Management Quality Reform Task Force, led by the President.

# **Review of the Business Management Quality Reform Task Force and challenges**

Dai-ichi Life established the Management Quality Reform Headquarters and started the Business Management Quality Reform Task Force in December 2020. First, we sent out individual notifications and made outbound calls to verify contracts at risk of damage similar to the fraud cases. In fiscal 2021, we expanded the scope of our investigations to cover about total 1.2 million contracts. After the investigations, we conducted notifications by enclosing a notice in the Total Life Plan reports that we send out to customers about their contracts. In this way, we notified a total of 7.47 million customers to monitor their contract information carefully.

Moreover, we strengthened the rule that prohibits receiving money from customers and enhanced our supervision and checking functions, for example, by establishing the Compliance Analysis Office to detect any sign of fraud. In addition, we have revised our systems that might encourage a sense of privilege as a person with excellent sales performance and implemented concrete measures to promote education and such, for example, by reviewing the positions and titles of sales representatives, improving the working environment, conducting training programs for persons with excellent performance based on the various causes of fraud and conducting assessments from customers' perspective.

However, I am bitterly regretful that a new instance of fraud was revealed in fiscal 2021. We therefore further strengthened our investigations to check whether similar misconduct still exists. In addition, we established the Senior Customer Working Group in the task force to verify contracts with senior customers and recommended that they register for the contract information sharing system that allows us to provide their family members with contract information, thereby ensuring peace of mind for our customers. Dai-ichi Life will continue to make company-wide efforts to prevent recurrences, further ensure the effectiveness of that, and recognize stronger internal control as a task to be addressed.

# Fiscal 2022 initiatives to reform management quality

# 1 Revising the sales representative system and management

Returning to our principle of "Customer First," Dai-ichi Life is advancing initiatives to train Total Life Plan Designers whom our customers want to choose for "By your side, for life."

# Reforming recruitment management, the salary system, and training programs

Starting with the recruitment of new sales representatives in fiscal 2021, we have shifted the recruitment cycle from monthly hires to quarterly hires controlled by headquarters to manage the number of recruits and ensure adequate time for assessing new hires for further improvement of our human resources. Taking this further in fiscal 2022, we introduced quantitative assessment for basic business skills and professional suitability, thereby making our hiring criteria more stringent. For the salary system, we raised and stabilized salary levels for first five years after recruitment, started from fiscal 2022, thus allowing excellent new hires who will be responsible for the next generation to join the company and work without worries toward becoming sales representatives who generate and embody customer experience (CX) value along with learning necessary literacies and skills that contribute to customer satisfaction. Regarding training programs, the first year after recruitment is regarded as an initial training period without sales result requirements. We thoroughly implement training with a new curriculum that also emphasizes business philosophy during a sufficiently long training period.

# Revising sales processes and target management

In terms of sales processes, we revised the Total Life Plan simulation that is used when consulting with customers to further improve customer satisfaction and make suitable product proposals. Providing the New Total Life Plan to customers is mandatory. In fiscal 2022, in addition to defining compliance-related indicators as the most important items in organizational evaluations, we do not set specific performance targets from the top down but rather operate from the bottom up where Total Life Plan Designers think about their career plan and set goals for themselves. We also reflect qualitative efforts that are customer-oriented in the extra pay, aiming for a condition that allows individuals and the organization to proactively and positively engage in growth and improvement. (▶P.39 Vision for CX Design Strategy)

# 2 Enhancing service for senior customers

Message

We are advancing the following initiatives so that senior customers can relievedly enter contracts and take procedures.

# Recommendation to register for the contract information sharing system and enhanced after-sales follow-up

Since February 2022, we have encouraged senior customers to register in the contract information sharing system where their family members can receive information on contract contents. Moreover, we will continue to promote after-sales follow-up for customers including seniors, such as regular contract checkup for peace of mind® with the Total Life Plan Report sent out every year as well as appropriate information about the reliable receipt of insurance claims and benefits and various services.

# Revising application age limits

We have already revised the sales and solicitation rules for contracts where the policyholder is 70 or older since October 2021 so that the presence of children and grandchildren is generally mandatory at the time of application. In addition, we lowered the upper age limit for some products in July 2022. By having customers consider and prepare for lifetime protection and retirement at an early stage, we aim as much as possible to eliminate the burden of procedures accompanying changes in contract contents and payment of additional insurance premiums after becoming a senior as well as situations that tend to occur when considering insurance at a senior age that lead to queries such as "I do not remember reviewing the contract" and "It is different from the contract contents that I expected," thus enabling better customer satisfaction.

# 3 Initiatives to improve corporate culture

Considering the cases of fraud that have occurred, we conducted a questionnaire survey for all employees and interviews for some, the results clearly showing some challenges such as "too much emphasis on results," "being too inward-facing," "tendency to let sleeping dogs lie," and "bad atmosphere between occupations and organizations." We are conducting the following initiatives to improve the corporate culture.

# Holding town hall meetings (dialogue between management and employees)

From May to July 2021, we held 56 town hall meetings where Dai-ichi Life's management team, including our executives, and employees engaged in dialogue. Since then, we have continued to set up opportunities for management and employees to exchange opinions throughout the fiscal year, and we have been actively and continuously discussing how we want the company to be.

# Introducing an engagement survey to reform employee awareness

In August 2021, we introduced an engagement survey to grasp the state of all employees and each organization in a more visual form, confirming the dissemination of awareness changes among employees and considering initiatives for drastic improvements. Based on the direct opinions of employees, Dai-ichi Life aims to be an organization where all employees can play an active role together with their colleagues with pride and motivation, as well as a place where employees respect and enhance each other's well-being. We set the corporate culture reform initiatives as major management evaluation indicators. We will review the target management, evaluations, remuneration, and communication structure, and promote continuous initiatives to reform business models and improve management leadership as part of the corporate culture reform. (P.71 Human Capital Management Strategies)

# Strengthening the governance of the Dai-ichi Life Group

In fiscal 2021, the Company's Board of Directors received a total of seven reports and held numerous discussions, including

The occurrence of cases of monetary fraud at Dai-ichi Life Insurance, a core subsidiary in Japan, is a serious issue that greatly undermines the social trust that the Group has cultivated over its history in Japan and overseas. The Company (Dai-ichi Life Holdings, Inc.) has been continuously monitoring the situation at Dai-ichi Life Insurance to see if there is steady progress toward establishing a system for the eradication of cases of monetary fraud and initiatives to reform its corporate culture, as well as whether the internal control system through three defensive lines (business divisions, indirect and administrative divisions, and an internal audit division) is sufficiently strengthened. opportunities to exchange opinions with the Audit & Supervisory Committee and the Board of Directors. We will continue to pay close attention to initiatives aimed at further ensuring effectiveness, strengthening internal controls, and implementing prerequisite reforms of the corporate culture, to strengthen our governance together with Dai-ichi Life.

Story

Message

Since incorporation, our Group has built a solid business foundation while contributing to the resolution of issues faced by customers and society through business operations based on a medium-term management plan that considers the social issues and business environment of the day. We will continue to contribute to the well-being of all by working to solve issues faced by our customers and society as a "lifelong partner."

# Pursuing Organic Growth at Each Business Based on the Global Business Foundations

C@NNECT2020 2018-2020

Toward growth through contribution to improving 001

# Achievements

Strengthened the ability to reach a diverse customer base through the diversification of sales channels and product supply under a domestic business framework with three life insurance companies: started expansion to new markets such as healthcare and small-amount and short-term insurance products

Maintained growth in the overseas business; achieved medium- to long-term target levels of financial soundness mainly through market risk reduction initiatives

Radically transforming the domestic insurance business based on each customer's perspective; responding to accelerated changes in society

Overcoming low capital efficiency and the globalization of group operations

# (¥ in billions)

# **Economic Solvency Ratio**

Although temporarily affected by the introduction of negative interest rates in Japan in fiscal 2015, we are steadily accumulating economic value, despite the fluctuating global economic and financial environment, while endeavoring to ensure our financial soundness through continuous reduction of market-related risk, and we have maintained the economic solvency ratio (ESR), which is an indicator of financial soundness, at a stable level.

# 2021-2023

Toward transformation with a stronger bond

Re-connect 2023

Striving for sustainable growth through four key strategic initiatives

# Domestic Business

Expand existing business while exploring opportunities beyond insurance

# **Overseas Business**

Build a business portfolio that drives growth

# Financial Capital

Improve the financial standing and disciplined capital management

# Sustainability & Busines

Create a universally bright future by fulfilling our part in enhancing sustainability

group adjusted profit, which determines the funds to be paid to shareholders, is increasing steadily.





**Return to Growth Trajectory** 

# Value up 2010

2008-2010

Securing fundamentals for growth and completion of public listing

# Achievements

Overcame financial instability (global financial crisis) and achieved demutualization and public listing in April 2010

Strengthened initiatives for third-sector products and savings-type products as growth areas in Japan and promoted overseas expansion into the Asia-Pacific region

# Issues

Strengthening of the financial foundation appropriate to a listed company: improving capital efficiency; establishing an internal risk control system

# Success 110 2011-2012

Our Long-Term Vision and Realization Road Map

Achieving recovery and growth

# Achievements

After the Great East Japan Earthquake (2011), contributed to the rebuilding and growth of Japan through reliable payment of insurance benefits and various special measures to fulfill our role as a life insurance company Improved operating expense efficiencies through a task

force for optimizing and

streamlining business

Responding to intensified competition in the Japanese market; accelerating overseas expansion; ensuring financial soundness as a global insurance group



Achieving sustainable advances

Toward Making Greater Advances and Achieving Sustainable Growth

-Ambitious

2015-2017

value creation

Strengthened the capability

of strategy execution through

management resources and

company structure, which enables flexible allocation of

rapid decision-making at

each Group company

Established a domestic

three life insurance

at Neo First Life)

ssues

Accelerated overseas

Achieving cash flow

business expansion and

expanded profit contribution

management appropriate to

a holding company structure;

strengthening ERM with a

interest market conditions

view to prolonged low-

business framework with

companies (start of business

Achievements

transition to a holding

# Achievements

Strengthened our presence in the Japanese market through enhancement of the product and service lineup (Dai-ichi Frontier Life became a market leader in the Japanese bancassurance market)

Provided a significant foothold for expanding the profit contribution from overseas business with the acquisition of Protective in the United States

Developing a new strategy for achieving sustainable growth; expanding business foundations

Maintaining a sufficient capital position given upcoming international regulations: enhancing shareholder returns



# Changes in Key Performance Indicators

# **In-Force Business Annualized Net Premiums**

We have established a domestic business framework with three life insurance companies to meet diversifying customer needs, with Dai-ichi Life, which is at the core of the domestic life insurance business; Dai-ichi Frontier Life, which is a market leader in the Japanese bancassurance market; and Neo First Life, which since opening has provided products mainly through its agency base. We are maintaining the expansion of our topline through proactive global expansion.

# EEV

Through the acquisition of new business from our domestic business framework with three life insurance companies, and the proactive expansion of our overseas insurance business, we have steadily accumulated corporate value despite fluctuations in the economic environment.

As a result, EEV, an indicator of corporate value, has more than doubled in the past 10 years.

# **Adjusted Profit**

In addition to stable profit generation in the domestic life insurance business, there is an increasing profit contribution from overseas insurance business expansion in developed countries such as the United States and Australia (including Protective in the United States) and in emerging Asian countries. As a result,

# 100.0

(%)





Note: Figures up to fiscal 2013 are based on pre-revision standards.

Story

**Business Model and Value Creation Process** 

**Dai-ichi Life Group Vision** 

# Protect and improve the well-being of all

Main Management Assets

# Human capital involved in well-being

Abundant human capital to deliver well-being to customers

- Specialized Total Life Plan Designers (Japan): approx. 37,000
- Agencies (Japan): 4,520 High-level expertise and experience
- Number of qualified CFPs: 403
- Number of gualified AFPs: 2,272
- MDRT members: 170 in Japan, 225 overseas
- Number of qualified actuaries: 116

# Group Employees

- Group employees at all business locations: approx. 62,000
- Overseas group employees: approx. 8,000 (13%)
- Employees with overseas experience: 502

# Know-how (intellectual capital) to create well-being

Ability to develop insurance products that meet the needs of the times (past and present) Ability to create synergy by utilizing domestic and overseas group networks

110 subsidiaries and 29 affiliates

Knowledge and experience of insurance company mergers and acquisitions in the U.S. market

Acquisition cases by Protective: 59

Medical big data More than 1.2 billion records (anonymized)

Innovation and well-being research through industry-academia collaboration

 Industry-academia collaboration and joint research with seven universities and institutions

# Ability to co-create well-being (social capital)

Customer base in nine countries including Japan

- Number of customers (Japan): approx. 11.53 million
- Number of corporate customers (Japan): approx. 160.000
- Number of policies in force (U.S.A.): approx. 12.8 million
- Number of customers (Australia): approx, 4.5 million
- Number of policies in force (Vietnam): approx. 1.36 million
- Strong alliances with diverse business partners - Enhancing the value provided to customers through the
- mutual supply of financial instruments - Building a cooperative system with partners who have
- strengths in non-insurance areas such as healthcare

# Ability to support well-being (financial capital)

• Assets: approx. ¥65.8 trillion

- Solid capital and financial base: Group EEV: ¥7.1 trillion Economic solvency ratio: 227%
- Capital investment for new value creation: Total strategic investment: approx. ¥1.2 trillion



# 

**Retirement**, savings and asset management for a 100-year life society and the next generation

> Retiremen Savings, and > P.43 Management

CX Design Strategy > P.37

Material issues > P.31



Enhancing connections that color each individual's life

Enhancing Connections > P.47 Foundation of Value Creation

# Contributing to the maintenance and support of the health of all people

Health and Medical Care > P.45

	<b>ERM</b> Financi	al and Capita	I Strategy	<b>&gt;</b> P.51
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Sustainability and Business Foundation > P.59

**Corporate Governance** 

> P.89

# Value Co-creation with Stakeholders

# Well-being of customers

# Protection

# Value Co-creation Story > P.25

- Providing diverse products and services based on the needs of society and customers
- Expanded domestic multi-brands into eight overseas countries including emerging countries
- Approximately 200,000 policies for the entire Digi-ho brand, using digital technology to meet the increasingly segmented needs of customers

# Retirement, savings, and asset management

# Long-term asset management according to customer needs and fund attributes

- Balance of group pensions under management: approx. ¥6.7 trillion (Dai-ichi Life)
- Balance of policy reserves under management: approx. ¥8.4 trillion (Dai-ichi Frontier Life)

# Health and medical care

- Development of medical cost optimization support services for health insurance associations
- Number of health insurance associations adopting Healstep<sup>®</sup> and number of user IDs (cumulative): 33 / approx. 170,000 members

# Enhancing connections

- Providing opportunities for enhancing connections among businesses and residents in areas with our group business presence
- Number of well-being-related programs held and number of participants: approx. 730 times / approx. 35,000 participants (Dai-ichi Life)
- Financial support of customers
- Insurance claim payments, etc.: approx. ¥5.8 trillion (Group-wide)

# **Employee well-being**

Active participation of diverse human capital

- Ratio of female managers: 17%
- Ratio of mid-career recruits (to total recruits): 34%
- Improved engagement
- Overall engagement survey score: 63
- Ratio of men taking parental leave: 92.3% Note: Total for domestic group (Dai-ichi Life Holdings, Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life)

## Societal and environmental well-being Value Co-creation Story > P.29

# Achieving carbon neutrality

- Reduction of CO<sub>2</sub> emissions from business activities (Scope 1 + 2):
- Down 28.8% (entire group, compared with fiscal 2019) Reduction of greenhouse gas emissions from asset management portfolio:

Down 18% (Dai-ichi Life, compared with 2020)

- Promotion of ESG investments and loans
- ESG-themed investments and loans (cumulative total): approx. ¥1.3 trillion (Dai-ichi Life)

# Building a financial base by co-creation with stakeholders

- Group adjusted profit: ¥296.1 billion; adjusted ROE: 8.0%
- Group new business value: ¥126.6 billion; ROEV: 4.9%
- HD cash generation: approx. ¥470 billion
- Total Shareholder Return (TSR): +36%

# Our Approach to Stakeholders

At our Group, we recognize our customers (including the next generation), our business partners, society and the environment, our employees, and our shareholders as stakeholders who are deeply involved in our business activities. Under "Re-connect 2023," our medium-term management plan, to fulfill our responsibility to all of our stakeholders, we aim to "reconnect in a better way" by revisiting our conventional approaches to engage with all stakeholders. Based on opinions and evaluations obtained through active communication with various stakeholders, we aim to promote higherquality activities and link those efforts to enhanced corporate value by reflecting our understanding of issues in our business activities.

# Re-connect with customers

Address changes in customer needs and behavior
 Incorporate medical and digital tech
 Achieve true customer centricity



Our respons	ibilities and
stakeholders'	expectations

In the event something unfortunate

should happen to a customer, our

Group will do its utmost to provide

financial support with prompt and

customer has purchased and will

customers and their families and

company, we aim to improve the

our strengths, such as retirement, savings, and health promotion.

restore a peaceful life.

appropriate payments for insurance

claims and benefits of the products the

endeavor to relieve the anxieties of our

In addition to providing the protection

that is a core function of an insurance

well-being of our customers in a wide range of areas where we can utilize

By building a cooperative system with

external partners, we will co-create

services that go beyond the areas

described above in which the Group

has strengths, to closely support our

customers in all aspects of their daily

In addition, to respond to increasingly

diversified and segmented needs, we

will partner with specific community

management organizations based on

to develop and provide products in a

flexible and agile manner.

common interests, tastes, and lifestyles

lives.

# Initiatives to fulfill our responsibilities to stakeholders and meet their expectations

- Developing products and expanding service areas to meet the ever-changing needs of customers
- Consulting closely with customers to consider together the life they want and to provide them with services they need
- Responding to diverse preferences and lifestyles of customers through the development of an infrastructure that enables contract procedures to be
- Performed at an appropriate time and in the manner each customer desiresEstablishing an operation structure and system for the prompt and appropriate
- payment for insurance claims and benefits Planning and implementing measures to analyze and improve customer
- satisfaction through measurement of  $\mathsf{NPS}^{\circ}$  related to our provision of services



 Building alliances with major Japanese financial groups in asset management and product development/supply

 Providing "Digi-ho" brand insurance products for freelance and essential workers through partnerships with operators in the relevant communities

	Our responsibilities and stakeholders' expectations
	We will utilize the Group's network across Japan to solve local issues by improving the well-being of local residents and building local communities. We will also promote carbon-neutral initiatives, ESG investments and loans, and stewardship activities to address climate change and social issues.
Society and Environment	
Employees	To respond to the diversified needs of our customers and society, we will promote diversity and inclusion among our employees and build a foundation in which diverse human resources can play an active role. In addition, we will promote the development of diverse and flexible work styles and the enhancement of job satisfaction so that our employees can envision their various desired careers, work enthusiastically, and improve their individual skills.
Shareholders and Investors	We will enhance two-way dialogue with our shareholders and investors to fulfill our accountability regarding group business strategies and financial performance, and to obtain opinions and requests that will contribute to the further enhancement of group management. In addition to statutory disclosure, we voluntarily and transparently disclose quantitative financial information and nonfinancial information such as governance and medium- to long-term corporate strategy.

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# Initiatives to fulfill our responsibilities to stakeholders and meet their expectations

 Collaborating and cooperating with local governments across Japan to promote crime prevention and disaster prevention for local residents, empowerment of women, and community revitalization

 Holding original programs at branch offices and sales offices to improve well-being of local residents, such as health promotion, childcare, and sports promotion

 Promoting efforts throughout the Group to achieve net-zero CO<sub>2</sub> emissions from business activities

 Promoting responsible investment initiatives in Dai-ichi Life's investment portfolio by enhancing ESG integration and ESG-themed investments, and expanding engagement with investee companies

 Promoting initiatives to switch to 100% renewable energy sources for electricity consumed in the business activities at Dai-ichi Life and group real estate affiliates



 We have set targets for the ratio of female department heads and the ratio of male employees taking childcare leave, and are promoting initiatives to raise them.

 To promote the employment of people with disabilities and support the work styles of employees with childcare or nursing care needs, we are expanding work options, designing systems and improving working environments to enable individual employees to balance work in their own environment.

 We will expand training programs to hone employees' expertise, promote career rotation, and design a personnel system that enables autonomous careers and secondary jobs.

• We will implement a PDCA cycle to

improve job satisfaction through

engagement surveys and town hall meetings.



 Held financial results and business briefings from top management for institutional investors and analysts (twice) and online briefings for individual investors (three times)\*

Conducted earnings conference calls (four times) and individual meetings with institutional investors in Japan and overseas (88 in Japan, 120 overseas)\*
 Held dialogues with shareholders at general meetings of shareholders and encouraged the exercise of voting rights

Disclosed information appropriately through websites and disclosure materials
 Reflected opinions and requests obtained through investor relations activities in group management by sharing them with the Executive Management Board and the Board of Directors





\*All fiscal 2021 results

Story

# Make our customers happy by "enhancing connections"

A meal with good friends, a sense of accomplishment at work, the birth of a new child... There are moments in life when we feel happiness through "products" and "services." On the other hand, some things support our happiness in invisible ways that we are not usually aware of. That is the power of "enhancing connections." We at the Dai-ichi Life Group help our customers achieve happiness under our mission, "By your side, for life." We connect with customers daily through face-to-face and digital interactions to help resolve their problems and

concerns. We also work with external partners to help customers achieve well-being. In this section, we introduce examples of how we are "enhancing connections" to support the happiness of our customers.

> **Total Life Plan Designers** 37,515 people

> > ital touch points\* 24.25 million

> > > Value co-creation story

Evervdav Support

# A partner who is always there for you, not just when you need us

# Concerns of a working family in their 30s raising small children

After taking out the trash in the morning. I drop my children off at daycare before going to work. My wife will pick up them in the evening, but tonight I will be in charge of bathing them and putting them to bed. I want to think carefully about our life plans, such as school fees for our children's future and what to do in case something happens to our family, but it is difficult to find the time... I just remembered that when I bought life insurance before, the person at Dai-ichi Life told me they could help with more than just insurance. I also recall receiving an invitation to an information site for subscribers. I have a business trip coming up next week, so I won't have time to meet in person this month, but I'll try to get in touch through the information site when I'm back.

# We always support our customers both online and in person

Traditionally, customers think about insurance companies only at the time of life events, such as employment and marriage, or in case of illness, injury, or other emergencies. Our aim is to provide new ways of connecting customers to the products and services they need anytime and anywhere. Once we have established a connection, whether online or in person, we can connect with the customer anytime, anywhere through our information site, "Mirashiru." We also offer various solutions to the problems and concerns that customers face every day and support them in their daily lives, demonstrating our commitment to be "By your side, for life,"

# Solutions to various problems through "Mirashiru"

One new way to connect is through our "Mirashiru" information site, which provides not only insurance products but also a variety of information content related to daily life, health, money, and other topics. For example, it provides information on health promotion options that help customers develop healthy lifestyle habits naturally, as well as information on seminars and community exchange events scheduled in the customer's vicinity. When customers want to consult directly, they can easily connect with us through chats and online interviews. By consulting with us during breaks in their busy schedules, customers will become more familiar with insurance as we help them resolve their minor worries and anxieties. Of course, customers who wish to make direct contact after communicating online can schedule in-person meetings and consultations through "Mirashiru."

\* As of April 2022. The number of digital touch points is a proprietary indicator representing the number of digital information provision and communication points with our customers.

# What is value co-creation at Dai-ichi Life?

In the age of a "100-year life society," there is a growing need for living arrangements that provide not only conventional death benefits but also pensions, medical care, and long-term care coverage, as people live longer. In the areas of "protection" and "retirement, savings, and asset management," we support customers, lives from an economic perspective by stabilizing their life foundations and extending the life expectancy of their assets. We also help customers develop sound mental and physical health that is essential for a happy life by extending healthy life expectancy and creating connections with people in their communities and regions. Our goal here is to create prosperous and secure lifestyles for people and society.

Story



# Life is different for everyone, so we support individuals to become the person they want to be

# Concerns of a 30-something living alone who is worried about his distant parents

A friend of mine told me that she took out life insurance after the birth of her child but the prospect of receiving insurance in case of emergency didn't seem right to me. More importantly, if I were to become ill and unable to work now, would I be able to continue my way of life? I am more worried about that. I want my parents, who live far away, to be healthy forever, but I also worry that I will eventually need to care for them. Even though teleworking has become more common, it is not realistic to move near my parents' house while continuing to work at my current job. I'm looking for someone who is willing to kindly listen to me and my parents about our health, savings, and asset management needs, as well as financial security in case something happens to me.

# We connect with our customers in ways that suit them

We offer a variety of ways to establish "connections" with our customers according to their lifestyles and needs. For customers who prefer face-to-face consultation on the right insurance coverage for them, our Total Life Plan Designers, known for their attention to detail, serve as the first point of contact, while Neo First Life, through agency channel, serves those who are more price-sensitive. For customers who prefer remote, digital solutions, our Dai-ichi Smart direct sales channel serves as the first point of contact. In such ways, we meet the diversified needs of customers. In addition, through customers' employers and others, we provide information about our group insurance and health association member services. Furthermore, Dai-ichi Frontier Life, in cooperation with financial institutions, proposes products and services for customers considering savings-type insurance products for asset formation.

# Consulting to meet individual needs

Each customer has a different family structure, life plan, and asset situation. Through our highly specialized consultants, we provide customers with personalized advice on protection, retirement, savings, and asset management, as well as health and medical care. We have strengthened the consulting capabilities of our Total Life Plan Designers, who deal with customers face-to-face, through initiatives like revamping their training programs and compensation structure while maintaining their traditional strength in accurately understanding the needs of each individual customer. In addition, another key feature is our ability to seamlessly provide non-medical services, such as health promotion and prevention of disease and serious illness, as well as medical services after onset of illness. Through our nationwide network, we also offer appropriate services to parents in distant locations. Furthermore, harnessing our Group-wide investment management know-how accumulated as one of the largest institutional investors in Japan, we provide consulting services to meet the various asset formation needs of our customers. We stay close to our customers throughout their lives, helping with asset succession to children and grandchildren as needed, building long and deep chains of relationships in the process



Akiko Yamada Total Life Plan Designe

# "Mirashiru" brings us closer to our customers.

I started my career as a Total Life Plan Designer because I experienced the loss of my father while in high school, which made me realize the importance of insurance firsthand. While I wanted to share my feelings about the "origin of insurance" with customers, I did not have much opportunity to talk with them face-to-face. Then I learned that we could deliver information to customers online through "Mirashiru." Using the site, I frankly shared my thoughts on insurance in my own words, along with a story about losing my father, which drew warm responses from more customers than I had imagined. Some customers shared my page with acquaintances, leading to the start of new relationships. Thanks to "Mirashiru," I feel that I've become closer to the hearts of customers, as I can convey my thoughts and feelings directly.



# Providing value beyond insurance through collaboration with multiple partners

# Concerns of a working person about ignoring one's own health.

Every day, I used my busy schedule as an excuse to be unhealthy. These days, I don't even go to the office every day because of telecommuting, so my physical activity has declined a lot. According to my smartphone, there are three days a week when I don't even walk 2.000 steps...that's not good. I'm scheduled for a physical examination the week after next. I'm sure they'll point out my lack of exercise, as I've gained five kilograms since last year. But I can't seem to motivate myself to exercise. My mother tells me that my health is the most important thing, but I don't have the discipline to maintain an exercise program. Just remembered that, I heard from a colleague about a health promotion app that seems interesting because it accumulates points and feels like a game. Maybe I should start by downloading it.

# Beyond insurance, we contribute to the physical and mental health of our customers

We promote collaboration with global innovation hubs and start-ups, as well as industry-academia partnerships with universities, to utilize various data obtained through our business and create services that lead to new experiential values for customers. Through a business alliance with DeNA, which has strengths in the digital domain, we launched "Haretoke," a community service that enriches women's lives, and "Karadamo," an app that supports healthy dieting, in the autumn of 2021. We also have partnership agreements with 47 prefectures and 267 municipalities across Japan and work hard to address local issues, such as youth development and education, as well as support for the elderly and promotion of health, women's activities, local revitalization, and sports. Through these activities, we demonstrate the value we place on relationships with the local communities where our customers live.

# Supporting the health initiatives of health insurance associations through "Healstep®"

To support health and medical care initiatives, our group and the Mizuho Financial Group teamed up to launch "Healstep®," a medical cost optimization support service for health insurance associations, in April 2021. We also offer a health promotion app called "QOLism" that uses AI-based analysis to visualize risks and outcomes, including forecasts of future medical costs. Based on analysis results, it formulates response policies, matches users with health guidance service providers, and promotes behavioral changes, such as lifestyle improvements. By offering these apps as a package, we deliver new experiential values to our customers.

# Our mission is to be "By your side, for life."

We are here to alleviate customers' anxiety and help them live a richer life. We will continue delivering these values to our customers.



omments from a representative of a heal surance association that adopted "QOLis

New-age app that changes formerly analog health services - effective for medical cost optimization and health management

"QOLism" is a novel app that departs from conventional analog health services. It allows users to take more than 20 body measurements, including abdominal circumference, by simply taking two photos with a smartphone. It also delivers exercise videos with personalized menus to help customers reach their target body weight and displays calorie calculations and nutrient intake information using photos of meals. We adopted it with the aim of not only approaching high-risk groups but also promoting behavioral changes among association members, including those who are indifferent to health. Another attractive feature of "QOLism" is that it complies with the indicators for excellent health management corporations recognized by the Ministry of Economy, Trade and Industry.

Hirovuki Yokomura. **Managing Director** Daito Trust Construction Health Insurance Society

# Creating a sustainable society in harmony with society and the environment

Connecting a sustainable society to the future is our responsibility to the next generation and a prerequisite for fostering the well-being of all people. Recognizing that our mission is to make the future sustainable, we will accelerate efforts to address climate change as well as other important local and social issues.

# Confront environmental challenges as a life insurance company and an institutional investor

Accelerate the transition to carbon neutrality through investment and lending

An important job of the life insurance business is to protect future generations as a bridge connecting the present and the future. As a "lifelong partner" with a mission of connecting current and future generations, we help realize a sustainable and resilient society by managing policyholders' assets as an institutional investor.

As an institutional investor, Dai-ichi Life manages approximately ¥38 trillion in funds in a wide range of assets entrusted over many years responsible investments with the aim of helping resolve important

**ESG-themed investment/** lending target (FY2024) ¥2 trillion

Value

co-creation

story

Investment/lending target for climate change solutions

¥950 billion

# **Responsible Investment and Top-Priority Themes**

Message

Dai-ichi Life will integrate ESG into all investment management policies and processes in accordance with the Principles for Responsible Investment (PRI) and the Principles for Responsible Institutional Investors (Japanese version of the Stewardship Code). Considering the mission and characteristics of the life insurance business, we will also work to make a positive impact in our quest to realize a sustainable society for the future.

issue for responsible investment. Through investment management as an institutional investor, we will provide investment and lending to help reduce greenhouse gas (GHG) emissions and transition to a decarbonized society, and thus resolve climate change issues. Through engagement-based stewardship activities, we will also encourage the decarbonization efforts of our investee companies.

# Create a positive impact

Dai-ichi Life is committed to creating a positive impact on society through investment and lending that help resolve social issues. In addition to investment and lending, we believe it is important to measure and understand how much positive social impact they have had after implementation. Through investment and lending in renewable energy power generation projects and issues of green bonds to date, we have made an annual GHG reduction contribution of 800,000 tons, equivalent to around 12% of the GHG emissions of our portfolio (listed stocks, bonds, and real estate).

# • Reduce GHG emissions in our investment portfolio

In February 2021, we became the first Japanese entity to join the Net Zero Asset Owner Alliance (NZAOA), making an external commitment to achieve a carbon-neutral investment portfolio by the year 2050. To fulfill this commitment, we have established interim five-year reduction targets and will monitor the progress of efforts to achieve those targets. Specifically, we have set a target of reducing GHG emissions by 25% by 2025 (compared with the 2020 level) in our listed equity, corporate bond, and real estate portfolios.

Promote investment and lending that help resolve climate change By increasing investment and lending that help address climate change. Dai-ichi Life will foster the transition to a low-carbon society and encourage the creation of environmental innovations. In addition to green bonds and renewable energy power generation projects, we are working to provide transition finance, impact investments, and other forms of financing to foster a shift to a low-carbon society. By the end of fiscal 2021, we had made cumulative investment and lending totaling ¥510 billion to address climate change, and our goal is to increase this amount to ¥950 billion by the end of fiscal 2024.

# Increase our impact through co-creation

# **Engaging with investees**

Dai-ichi Life participates in engagement activities with its investee companies in accordance with both the Stewardship Code and the Corporate Governance Code. Our objective is to support medium- to long-term improvements in corporate value by attending to management issues that differ from company to company. To address climate change, we have selected the top 50 GHG-emitting companies among our investee companies as priority engagement recipients, with which we promote corporate climate change initiatives and information disclosure. We also actively participate in domestic and international collaborative engagement groups and initiatives to exert our influence on society as a whole, including our investee companies.

# Efforts of group officers and employees

Serving as a company, an institutional investor, and as individual human beings, our Group is determined to help realize Our Group has approximately 60,000 employees, each of whom must develop an awareness and take actions dailyactions that will spread to their customers, families, friends, and others around them, leading to the realization of a

a decarbonized and sustainable society by taking a straightforward approach to the critical issue of climate change. decarbonized society. Based on these values, our Group is working together as one to implement various initiatives.

- Among the various currently faced social issues, we have positioned addressing climate change as a top priority

▶P.61 Addressing **Climate Change** 

Story

# Material Issues of the Dai-ichi Life Group

Based on the external environment and global initiatives, such as the SDGs, we have selected 14 key issues to focus on to address social challenges and ensure the sustainability of communities and society through our business. For each of these issues, we identify medium- and long-term risks and opportunities for our Group's business and reflect them in the business strategies of our medium-term management plan, Re-connect 2023.





	Material issues (Materiality)		Social issues we can address	Reasons for selecting the material issues	
			ling healthy life expectancy and zing medical expenses	Medical costs for the government and health insurance associations are increasing every year due to advances in	
	Promoting the health of people everywhere	Japan	<ul> <li>Widening gap between healthy life expectancy and increased life expectancy (9 years for men and 12 years for women)</li> <li>One in 4 of the population has no intention of improving their exercise and eating habits</li> </ul>	medical technology and Japan's aging society. While life expectancy is increasing, healthy life expectancy is not keeping pace with this growth, resulting in a widening gap th represents a serious social issue for the nation. To address the social issues of increasing medical costs and the wideni gap between life expectancy and healthy life expectancy, we	
		Overseas	Maintain health to help reduce economic burden	aim to help people maintain good health from the pre-diseas stage, in addition to financially guaranteeing medical expens after the onset of disease.	
		Improv	ring emotional well-being	Amid a dealining hithrate on aging periodition on increasing	
	Building a safe	Japan and overseas	<ul> <li>One of the greatest factors in determining longevity is "enhancing connections"</li> </ul>	Amid a declining birthrate, an aging population, an increasin digital society, and diversifying lifestyles, we are entering an era in which people seek spiritual enrichment in addition to physical enrichment. The spread of COVID-19 has also	
Building a safe and secure community		Japan	<ul> <li>About 30% of respondents do not have many friends in the community</li> <li>More than 30% of respondents are concerned about the future of the region (decrease in caregivers, transportation, and employment)</li> </ul>	reaffirmed the importance of "enhancing connections" between people. We will advance diverse initiatives that fost the enrichment of people's hearts and minds as a member of the community and society, together with local governments and business partners.	
	• Optimal experiential values that meet customer needs	Improv	ring customer loyalty	Amid diversification of values and behaviors, including those of the digital native generation, "asymmetry of information" has disappeared while the commoditization of products is progressing in various fields. The same applies to the life insurance sector, where in addition to the value that products and services provide, emotional values such as a customer's psychological satisfaction will be emphasized going forward. I carefully grasping customers' diversifying values and needs, are committed to delivering experiences and impressions that exceed their expectations at every point of contact.	
	Responding to climate change		ting irreversible environmental     e due to global warming     Future temperature increase due to     global warming is estimated to be as     high as 4.8°C	We recognize that environmental measures, such as the ne- to mitigate climate change and improve efficient energy use, must be addressed by the international community as a who This is an important business management issue that could	
	Improving efficiency of energy use	Disser syster	1	have a significant impact on the lives and health of our customers, as well as corporate activities and the sustainable of society. As a global insurance group, we will resolve this	
l	<ul> <li>Promoting clean energy</li> </ul>	Japan	<ul> <li>Dependence on fossil fuels for energy higher than 80%</li> </ul>	issue from our perspective as both an insurance provider an an institutional investor.	
	• Promoting the advancement of women		ving human capital diversity as a ese company considering global ırds	To address the ever-increasing speed of changes in busines conditions, our most important management resource for corporate transformation is our human capital. We believe th	
	• Improving corporate governance and risk management	Japan	<ul> <li>In the Gender Gap Index, Japan ranked 116th out of 146 countries surveyed</li> <li>The percentage of female executives in listed companies is about 7.5%</li> </ul>	utilizing the diverse personalities of employees and maximiz their abilities will lead to our sustainable growth. We are committed to building an organization where every one of ou 60,000 group employees can play an active role in demonstrating their individuality, while making diversity a corporate strength.	
	1 11 11 11 11 11 11 11 11 11 11 11 11 1		ving job satisfaction across ations, occupations, etc.	Respect for human rights is becoming increasingly importan	
	<ul> <li>Initiatives toward human rights for all</li> <li>Creating job satisfaction</li> </ul>	Japan	<ul> <li>About half of respondents do not feel "job satisfaction" at their current workplace</li> <li>The ratio of non-full-time employees is about 40%</li> </ul>	for companies as various risks arising from neglect of those issues materialize. Such respect is a crucial prerequisite for achieving our group goal, which is to ensure the well-being or all, including future generations, and realize a sustainable society, which we recognize to be our corporate social responsibility. By respecting the human rights of all group employees, we aim to provide them with job satisfaction.	
	Contributing to the		g create innovation through ment and lending	As members of local communities, and companies are	
	development of society through responsible	Japan and overseas	<ul> <li>Urgent need to foster industries and technologies that support a sustainable society</li> </ul>	increasingly expected to play a role in addressing the various issues facing such communities. To date, we hav helped meet social challenges through investment	
	investment and lending		ng the sustainability of local unities	management services that foster the development of new industries and the transformation of social infrastructure.	
	Regional development		<ul> <li>Shortage of labor force and stagnation of industry in rural areas due to depopulation</li> <li>Problems caused by the concentration of</li> </ul>	We have also worked to resolve issues through our life insurance business, with business presence all over Japa while forming various partnerships. We are committed to	
	Building a safe and secure	Japan	population in urban areas (e.g., diluted communities, children on daycare waiting lists)	creating affluent and secure lifestyles and communities ar moving forward sustainably together with local and international communities.	

Governance

# Potential Opportunities/Risks and Counter Strategies

# Expected future social and market trends

Key facts	Effects on customers and society	Opportunities and risks perceived by the Dai-ichi Life group
Percentage of digital natives in the world population 73.0 *1 73.0 *1 8y 2030, so-called digital natives millennials and Generation Z) will account for around 73% of the world's oopulation and play a central role in consumer behavior.	When digital natives become the core of society, communication without barriers between the real and virtual worlds will be commonplace, and people will favor businesses with more timely and convenient customer contact points regardless of industry. In addition, value perceptions of "social good" will prompt people to evaluate businesses more meticulously from the perspectives of social significance and business ethics.	<ul> <li>Opportunities</li> <li>Provide highly convenient means of communication to improve customer satisfaction</li> <li>Attract new customers via multiple contact points</li> <li>Risks</li> <li>Decline in customer support and satisfaction due to inadequate response to new communication preferences</li> <li>Reduced market presence due to lack of diverse customer contact points, including in non-insurance areas</li> </ul>
Average annual growth rate forecast for the Asian life insurance market (next 10 years) $B_1 g_{\%}^{*2}$ Over the decade to 2031, the Asian fie insurance market is expected to maintain a high average annual growth rate of 8.9% due to economic growth in various countries, post- bandemic risk awareness, and a growing interest in sustainability.	We expect the insurance market to grow significantly in the next decade, especially in emerging Asian countries. As countries grow economically, people will seek new forms of protection and savings due to rising incomes and changing lifestyles. In addition, we expect technological innovation to drive the rapid expansion and evolution of businesses in the periphery of insurance, such as health and medical care and financial services, in some countries and regions.	Opportunities         • Seize future growth opportunities by making flexible and promising investments in the Asia-Pacific and other regions         • Strengthen group synergies by expanding and reinforcing business foundations in regions with high growth potential         Risks         • Missed growth opportunities due to inability to make appropriate investments for financial, organizational, or other reasons         • Potential need to downsize or withdraw from businesses in certain regions due to misjudgment of business risks specific to a local region/market
Japan's ranking in the Global Gender Gap Index 116 <sup>*3</sup> Japan lags far behind the rest of the world in terms of gender equality. To address emerging values and create innovations, we need to not only eliminate gender disparities but also bolster efforts to develop and attract diverse human capital.	As its business becomes progressively more global in nature, we need to attract more diverse and specialized talent. The same applies to our business in Japan. To continue meeting the needs of our diverse clientele, we aim to be an attractive company with diversity in hiring channels and working styles, not to mention gender and nationality, as well as the ability to create new levels of employment and well-being.	Opportunities         • Acquire and accumulate various expertise, including in new areas, and demonstrate positive chemistry through human diversity         • Strengthen our business foundation by improving global management capabilities         Risks         • Stagnation or setback in business expansion/ entrenchment due to lack of necessary talent and skill sets         • Decline in competitiveness due to poor group governance and global management capabilities
Greenhouse gas emission target <b>Net zeco</b> Sustainability initiatives, including compliance with the 2050 target of net zero greenhouse gas emissions, are a universal commitment. In this context, the responsibilities of companies are increasing every year.	Responding to social issues conducive to global sustainability, such as addressing climate change and respecting human rights and diversity, will become even more essential and widespread than it is today. We believe that economic rationality and ethical orientation in consumption and purchasing are not trade-offs but should be compatible. This value perception will become more mainstream in the future, and new businesses could emerge as a result. In addition, the responsibility of companies to emphasize sustainability will increase, and how they fulfill their commitments will greatly affect their corporate value.	<ul> <li>Opportunities</li> <li>Secure and bolster earnings by increasing investment and financing opportunities that help resolve ESG and other issues</li> <li>Maintain a presence and strengthen our business foundation by taking initiatives to ensure sustainability</li> <li>Risks</li> <li>Damage to assets due to a decline in value stemming from inadequate sustainability measures</li> <li>Increase in claims and benefit payments due to a failure to avoid global warming and the resulting increase in natural disasters</li> </ul>

To ensure the sustainability of our business, we believe we must grasp opportunities to work with people and society to continuously co-create future "well-being" given forthcoming social and market trends. At the same time, we need to accurately grasp the risks that materialize and take steps to hedge those risks. To this end, we will secure the required management capital and expertise and build a financial base to enable appropriate growth-oriented investments. We will then incorporate essential elements, such as fulfilling our social responsibility, into the group strategy and proactively implement them through decisive measures.

# Strengthen the CX Design Strategy and digitalization







# Human capital management strategies for both domestic and global business development

P.71

\*1 UN Forecast \*2 Allianz Global Insurance Report 2021 \*3 WEF, Global Gender Gap Report 2022

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# Financial strategy to ensure appropriate responses to growth and investment opportunities

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Material issues related to the four experiential values > P.31



**Our Group Strategies** 



# Implement action plans to ensure sustainability

# **Strategy and Performance**

# Progress of the FY2021-2023 MMP Re-connect 2023

Fundamentally review the way we connect with stakeholders and "Re-connect with them in better ways"

# "Form stronger bonds"

so that all group officers and employees can embrace common values and mutual resonance

Under Re-connect 2023, our new MMP that started in fiscal 2021, we are reviewing how we should connect with customers and other stakeholders while working on four key initiatives: Domestic Business, Overseas Business, Financial/Capital Management Strategy, and Sustainability & Business Foundation.

## Management challenges Address changes in Expand insurance-related Secure sustainability Improve employee Achieve high capital needs and behavio services from a customer engagement and efficiency Be eco-friendly and perspective well-being Incorporate medical and combat climate change digital tech Seek collaboration to help Promote active payout participation of diverse resolve social issues Achieve true custome talent centricity Key initiatives · Domestic business model transformation and CX boost Expand existing business by leveraging four experiential values while exploring opportunities · Structural reform of the sales representative channel beyond insurance and raise efficiency CX: Customer experience • Increase profits in existing markets and further drive Build a business portfolio business Overseas Business Leverage DX to increase CX and further enhance that drives growth operational efficiency DX: Digital transformation · Drastically improve capital efficiency mainly by reducing Improve the financial market-related risks standing and disciplined Strike a balance between disciplined capital allocation capital management and strong shareholder payouts

Create a universally bright future by fulfilling our part in enhancing sustainability

- Promote group-wide sustainability improvement
- Group human capital strategy and group governance to support our business foundation

# Enhance shareholder





# Progress of the MMP (Review of fiscal 2021)

In fiscal 2021, the first year of the plan, we embarked on various challenges to realize our group vision in each of the four key initiatives and made good progress

# We emphasized CX by building a digital infrastructure and launching the "Digi-ho" brand

To implement a CX design strategy that delivers the four experiential values beyond customer expectations in the real and digital worlds, Dai-ichi Life launched a communication website called "Mirashiru." Through this site, we will accumulate and utilize data on customers' interests and behavior with the aim of providing high-quality experiential values tailored to each individual customer

In addition, Dai-ichi Smart launched the "Digi-ho" brand in April 2021. This brand uses digital technology to enable the provision of insurance products that meet the more segmented needs of customers, which was difficult to do with conventional insurance products.

# **Overseas Business**

# We addressed COVID-19 by leveraging our strength in business and sales channel diversification across our group companies

U.S.-based Protective posted a significant increase in individual insurance claim payments related to COVID-19, but the impact was mitigated by business diversification. Although its sales activities were constrained by lockdowns in major cities, Dai-ichi Life Vietnam achieved new business growth by diversifying sales channels between individual agents and banks. As a result, adjusted profit from the Overseas Business in fiscal 2021 reached a record-high ¥83.0 billion (although this includes some one-time items).

We also worked to complete M&As and integrations aimed at expanding our customer base and improving our risk profile. For example, we signed two attractive acquisition agreements, in Australia and the United States, that we expect to contribute to group earnings and capital efficiency.

# Steady progress in enhancing capital circulation management

We made steady progress in enhancing capital circulation management, an area of focus under our new MMP, in terms of both risk control and capital and cash generation.

Regarding risk control, we accelerated efforts to reduce market-related risks. As a result, we achieved 70% of our MMP reduction target while our economic solvency ratio, an indicator of financial soundness, increased year on year.

In terms of capital and cash generation, we expect to generate more than ¥500 billion in free cash in the two years through fiscal 2023 thanks to the improved profitability of group 0 companies and an increase in their remittance rate to the holding company. From the perspective of reallocating capital and cash, meanwhile, we selectively invested in attractive projects with high capital efficiency while enhancing shareholder returns through large-scale share buybacks and a dividend increase, for the second consecutive fiscal year.

# We are committed to reducing CO<sub>2</sub> emissions Sustainability & Business

As both an insurance provider and an institutional investor, we are engaged in efforts to achieve carbon neutrality. We also worked to raise employee awareness and promote behavioral change by holding environmental events (plastic-free activities) for our executive officers and employees. In addition, we made steady progress in promoting

diversity and inclusion, including the advancement of women and respect for human rights. Led by the Group Sustainability Committee, we are accelerating group-wide efforts to address material issues related to the sustainability of communities and society.

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Net zero

18 group companie

CX Design Strategy

Through a CX Design Strategy focused on customer experience (CX), we will inspire emotions that exceed the expectations of all.



Mamoru Akashi Director, Managing Executive Officer

# Why do we focus on CX?

The COVID-19 pandemic has accelerated the digitization of society. With the widespread use of the Internet and social networking services, a variety of information is readily available at any time. The younger generation, known as Generation Z, are called "digital natives" because they make full use of digital technology and gather sufficient information before making purchases. This change in consumer behavior is eliminating the "asymmetry of information" that once existed between sellers and buyers, leading to the progressive commoditization of products in various fields.

Originally, the field of life insurance required significant expertise and had a certain level of "asymmetry of information." As access to information becomes easier, however, it is increasingly difficult to differentiate products and services simply by the value they provide. We believe we need to also deliver "emotional value," including the psychological satisfaction that customers gain, to enhance the overall value of the customer experience and differentiate ourselves from our competitors.

In addition to creating business processes that focus on CX, we will increase the number of fans of our group by judiciously understanding the diversifying values and needs of individual customers and delivering experiences exceeding their expectations through all contact points. We believe this will lead to sustainable growth.



Message

To address emerging social issues, our Group delivers four types of experiential values that go beyond the framework of conventional insurance. Those values are protection, asset formation/succession, health and medical care, and enhancing connections. We also have a CX Design Strategy that drives our efforts to maximize the value of each customer's experience while standing by the side of our customers throughout their lives.

Our CX Design Strategy aims to provide emotional experiences exceeding customer's expectation by not only refining each of the experiential values but also delivering those values through daily life. To this end, we aim to realize

# Vision for CX Design Strategy



Through our CX Design Strategy, which delivers the four experiential values in an optimal form, we will help address emerging social issues and realize well-being for all people.



# What does "CX" refer to?

We define customer experience (CX) as the psychological and emotional value that customers experience through all points of contact with the Group.

Focusing on CX enables us to address the improvement of value received by customers that goes beyond enhancing the value of products and services. It also leads to the identification and improvement of CX issues that could jeopardize the value of those products and services.

Source of diagram: "CX strategy: Experience value management that links to the customer's mind" by Tatsuo Tanaka, Nomura Research Institute, Ltd., published by Toyo Keizai Inc., September 27, 2018.



the Group's concept of online-merges-with-offline (OMO), which connects all customer contact points by integrating digital channels (online) and real, face-to-face channels (offline). In addition to insurance, we will expand our services through collaboration with external business partners in various non-insurance areas that improve the well-being of our customers, such as marriage, housing, inheritance, and near end-of-life support.

We aim to deepen our understanding of individual customers and deliver what they want, when they want it, in a natural way. Here, we will utilize technology at the various customer contact points, both digital and physical.

# Initiatives to resolve issues Products/services Deliver personalized products and services Expand the lineup of new products and services that go beyond insurance Sales channels/consulting Establish sales channels best suited to customers' diversifying needs Sales representatives channel reform and improve consulting services Digital infrastructure

Realize OMO and data-driven business processes

Develop DX human resources to support digital transformation

TOPICS

# Vision for CX Design Strategy

To Be an Insurance Group Consistently Chosen by Customers

As customers' values diversify and their behavior changes, we believe it is crucial to transform our business processes to stand by our customers' values and enhance their CX.

Taking the customer satisfaction survey a step further, our Group has introduced a KPI called NPS® (Net Promoter Score), which measures the "promoter score" (degree to which customers would

recommend our services to friends and acquaintances), as a direct evaluation from our customers. To sustainably increase the number of customers that support our Group, we consider the number of domestic customers to be an important indicator. Accordingly, we have set "NPS®: Top level in Japan" and "Total number of domestic customers: 12 million" as our targets for fiscal 2026.



# Initiatives to achieve our vision for CX Design Strategy "Improve NPS<sup>®</sup> dramatically"

The NPS® involves surveying customers about products and services to arrive at an 11-point "promoter score" and converting it into an indicator. The difference between the percentage of "promoters" and the percentage of "critics" among total respondents is the NPS®. Products and services with a high NPS® (many promoters) have broad appeal and increased connections with new customers. Accordingly, NPS® is known to be highly correlated with a company's growth potential and profitability.

# NPS<sup>®</sup> survey structure in our Group (Dai-ichi Life)



At Dai-ichi Life, we conduct timely in-house point-of-contact NPS® surveys to investigate and understand the "voice of customers" at daily contact points. Once a year, we also conduct an in-house comprehensive NPS® survey that integrates a series of customer experiences to confirm the overall evaluation by customers.

In addition to these in-house NPS® surveys, we use thirdparty NPS® surveys for peer comparison, conducted by an

(FY)

# Dai-ichi Life's current status in NPS<sup>®</sup> survey results





\*Prepared by the company based on "MAT-kit® (finance panel)," which includes surveys planned and conducted by INTAGE Inc.

independent external research organization. Our aim here is to identify issues by clarifying the areas where we are supported by customers and areas with room for improvement, from an objective viewpoint.

Message

The NPS® of Dai-ichi Life currently ranks in the middle of the sector, with a gap against the top-ranking companies. The survey results revealed issues in the areas of "quality of proposal by the sales representative," "acceptability of premiums," "ease of

# Expansion of digital contacts

To achieve the vision of our CX Design Strategy, in fiscal 2021 we launched a website called "Mirashiru" to provide information related to people and their lives, health, money, and insurance. The site focuses on the four experiential values and daily communication with customers. In addition to our own service content, we are increasing the value offered through various business partners who support our customers throughout their lives. Our sales representatives, who have real contact with customers, will also connect with them through "Mirashiru" to address their various needs, including for insurance consultation. By promoting the fusion of the digital and real channels, we will provide customers what they want, when they want it, in a natural way.

# Improve consulting capabilities of sales representative channel

We are drastically transforming our sales representatives channel. This involves a major overhaul of the recruitment, compensation, and evaluation systems, as well as training education follow-up. We are also working on integrative reforms of consulting and

# Transforming the sales representative channel



Governance

understanding," and "ancillary services of products." Accordingly, we recognize the need to continue listening sincerely to customers and making improvements. We would like to improve our NPS® significantly by making repeated improvements through the rapid STPD (see, think, plan, do) cycle for issues related to customer contact, products, and services, as well as by gaining a deeper understanding of individual customers.

# Information site "Mirashiru"



products to evolve the channel into one that can deliver even avoid higher levels of CX

Through these initiatives, we will deliver the best value to our customers and create a virtuous cycle that will increase the number of customers, thereby realizing our vision for FY2026.

# Protection

# Social issues and vision

Against the backdrop of a declining population due to falling birthrates and an aging society, there is growing concern about the future of Japan's social security system. In addition, the COVID-19 pandemic has further accelerated behavioral change and the diversification of people's values, significantly affecting employment conditions and lifestyles. These circumstances have led to various economic and other social disparities and a divergence of values, which together hinder people's well-being and represent a social challenge.

While COVID-19 has raised people's health awareness and risk perception, a generational shift is currently under way in which millennials and Generation Z will represent more than half of the

productive age population in Japan by 2023, and these younger generations are increasingly turning away from insurance. If young people, who will lead the next generation, fail to prepare for risk because they cannot envision a clear future when they will be anxious about it, the "protection gap" will widen and anxiety about their lifestyle will increase further in future generations.

In such uncertain times, we will take a role to complement the social security system by co-creating life designs based on the dreams and aspirations of individual customers and providing peace of mind through financial security. In these ways, we will help to stabilize the lifestyle foundations of all people, including future generations.

on the relationship between dental health and dementia risk, it launched "Dementia Insurance to Smile" in December 2021, which introduced premium discounts according to customers' dental health for the first time in the industry. By providing new experiential values that foster health promotion and disease prevention in these ways, Neo First Life took action to help customers achieve wellness.

Message

Under our new product brand "Digi-ho," launched in April 2021, we started to offer fully digital insurance policies in which all processes are completed using smartphones and other devices. Dai-ichi Smart Small-amount and Short-term Insurance launched "Specific infectious diseases insurance," which covers COVID-19, and promoted the "Essential worker support insurance" project,

# Customers who purchased "Specific infectious diseases insurance" (by age group)



# Initiatives and results of this fiscal year

To satisfy the diversifying needs of customers with changing values and lifestyles, our Group provides "protection" through three domestic companies: Dai-ichi Life, Neo First Life, and Dai-ichi Smart Small-amount and Short-term Insurance.

In Dai-ichi Life, around 37,000 sales representatives nationwide provide consulting while standing by each customer and offer a product, "Just," that allows customers to choose only the coverage they need. In June 2021, we launched "Hospitalization insurance with lump sum benefit (simplified application type)," which is easy to purchase for customers with preexisting medical conditions or those with health concerns. This product helped to eliminate the protection gap for a wide range of generations, especially customers who have not been able to purchase life insurance for health reasons.

In the group insurance field, we offered the "Group medical

checkup discount," which is the first such offering in the life insurance industry, and launched "Group medical insurance with lump-sum benefit (Smart Iryo)," which provides lump-sum medical coverage in the event of hospitalization. In these ways, we have contributed to companies



enhancing their corporate health management and welfare programs.

Neo First Life is expanding its lineup of insurance products that help customers become more health conscious. It offers products and services to customers who prefer to compare through independent agencies such as walk-in shops. Focusing

# 



	ー生涯のパートナー 第一生命	マネオファジスト生命 ヨー±キグループ	第一スマート国加
Market	Core generation in need of protection	Comparison-oriented customers	Millennials and Generation Z
Products	Compreheisive lineup	Medical/ health promoting products	Fully digital insurance
Main distribution channel	Sales representatives	Independent agencies (e.g., walk-in shops)	Digital direct (e.g., smartphones)

Multi-brand (Three domestic companies)

# Medium- to long-term initiatives

The spread of COVID-19 and rapid advances in digital technology and online communications have accelerated changes in people's behavior and values. As a result, we are shifting to a "new normal" world. In this society, where people can obtain necessary information online at any time, people's values and needs are becoming more diversified and segmented. Accordingly, we need to evolve from providing products and services that comprehensively cover the entire market to personalized offerings that resonate with individual customers based on their own values.

In July 2022, Dai-ichi Life launched the "New total life design plan," which offers life plan consulting linked to Japan's social security system, and revamped its product lineup to integrate with its consulting services.

In December 2021, we launched "Mirashiru," an information site that delivers a variety of information related to money, health, and lifestyles, as well as our Group's services, in a digital space. By combining our digital contact points generated through "Mirashiru" with the strengths of our real, face-to-face channels, we will strive to realize our online-merges-with-offline (OMO) to Governance

which combines donations and insurance. In these ways, it strives to create new insurance experiential value that reflects social issues.

"Specific infectious diseases insurance" features dynamic pricing in which premiums fluctuate monthly according to the number of infected cases, as well as simple, easily understandable coverage details. It is a fully digital scheme allowing customers to complete processes online whenever they feel the need. As a result, it has gained the support of customers with a wide range of ages, leading to sales of approximately 200,000 policies.

As a result of these efforts to provide peace of mind to customers in need of coverage, the number of customers in the domestic business is now approximately 11.53 million.





deliver the best products, services, and information to our customers at the best time and through the best channel.

By supporting closely each customer going forward, we endeavor to foster the well-being of all people and be "By your side, for life," through continuing to provide reliable protection for the working-age population by co-creating life designs, resolving issues faced by seniors in an aging society, and supporting the next generation responsible for our future.

Total life design plan	5 収支・金融資産発高
第一太郎様 生涯設計プラン	
Canadra ( Televine ) Hart Televine ( Televine )	
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G, sa	

# Retirement, Savings and Asset Management

# Social issues and vision

Japan is said to be entering a "100-year life era" as its citizens live longer. Under such circumstances, people are becoming increasingly concerned about their retirement funds due to the risk that their asset life expectancy (the age when their financial assets, including bank deposits and pensions, are depleted) will not reach their life expectancy. Accordingly, building assets in retirement through self-help efforts and extending asset life expectancy have become social challenges

In addition, even though around 70% of people expressed concerns about their retirement funds, only 20%-30% of them

Initiatives and results of this year

Our Group aims to enhance its products and services to meet the needs of customers at each stage of their lives, providing support that includes asset formation for younger generations, asset life extension for middle-aged and older generations, and passing on assets to the next generation. Previously, each Group company developed its own business related to asset formation and succession. For example, Dai-ichi Life has individual savings, the mutual fund business, and group pension business, while Dai-ichi Frontier Life, through its over-the-counter sales business, is the leader in the Japanese bancassurance market. However, we have now shifted to a structure that combines and demonstrates the strengths of each company to demonstrate comprehensive Group strengths.

For example, Dai-ichi Life provides a smartphone application "DC No Sapuri" to customers who have joined defined contribution (DC) pension plans. This app provides investing education and asset formation support, including by visualizing annuity assets and illustrating risk-based asset allocation with the use of an equipped

have experience in asset management. In Japan, bank deposits are mostly for personal financial assets, and there are few opportunities to engage in asset management and formation. Furthermore, there are not enough opportunities and methods to learn about financial literacy (knowledge and analysis of finance and economics) and dealing with money.

Committed to embody "By your side, for life," our Group will rigorously address the needs of its customers regarding self-help asset formation and asset life extension. Our aim is to provide optimal solutions in line with individual needs

robot advisor function. In fiscal 2022, the service has been expanded to iDeCo customers. We also provide a "Retirement Account Dashboard (Future Planning Dashboard)" app that visualizes income and expenditures in later life, including public and corporate pensions, and we plan to expand our digital tools with a combination of services other than insurance. In these ways, we will step up support for customers with respect to asset formation and asset life extension

Dai-ichi Frontier Life, which handles savings-type products for individuals, enjoyed brisk sales of individual annuity insurance, a type of product that offers the possibility of increased future income according to investment performance while limiting the risk of loss of principal. To meet demand for asset formation through regular accumulation over the medium to long term, we have developed a level-premium foreign currency-denominated individual annuity called "Foreign currency-denominated Accumulation Individual Annuity." This is a savings-type product mainly for younger and working-age customers and was initiated by Dai-ichi Life's Total Life Plan Designers

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4.27-

685.677

609.360

+76.317

3.64

# Dai-ichi Frontier Life: New products in fiscal 2021

プレミア/ストーリー4	Whole life insurance products to meet various lifetime gift-related needs, such as "ensuring to take advantage of the basic exemption for gifts during one's lifetime," "making gifts in yen without exchange risk," and "specifying the receiving date of living benefits"
プレミア・ジャーニー	Annuity insurance products for individuals that can be augmented depending on the reference investment index, on top of a secured lump-sum premium payment as a foundation in a specified currency
外貨建 <u>つみたて</u> 個人年金	Level-premium annuity insurance products for individuals who wish to build assets by steadily paying insurance premiums every month

# Medium-term initiatives

Message

To address the diversifying needs and values of customers in asset formation and succession, we need to develop highly convenient services from the customer's perspective. To this end, we will expand our product lineup, strengthen digital connections with customers, and upgrade our consulting capabilities.

Dai-ichi Life and Asset Management One have accumulated significant medium- to long-term investment know-how and savingstype product development capabilities in the course of their histories. In addition to leveraging these features, we will utilize the expertise and mobility of a new asset management company, to be established in fiscal 2022, to strengthen our product lineup and contribute to our customers' asset formation and succession efforts.

With the digitization of services for individuals accelerating day by day, we believe it is essential to build an attractive digital platform

# Asset formation and management in an elderly society



30 years old Source: Summary of "Asset Building and Management in an Aging Society," Report of Working Group on Financial Markets, Financial System Council, Financial Services Agency

# **Comprehensive Group strengths**



that customers can use daily. With this in mind, we will utilize the services and capabilities of external entities with proven track records in the digital domain to provide customers with services that integrate life plan simulation tools and unique digital content.

We believe it is also important to improve our consulting services, especially for customers in their retirement years, who have a particularly strong need for asset management and succession support. Placing top priority on benefiting customers, we are developing and educating human resources who can provide value-added consulting that accurately reflects customers' needs.

By actively embracing new challenges in asset formation and succession, we will complement our expertise in "protection," our traditional focus, to greatly enhance CX from the "asset formation/ succession" perspective. Our aim is to realize customers' daily well-being and address social issues.

# Health and Medical Care

# Social issues and vision

Thanks to medical advances, Japan has the longest life expectancy in the world, but extension of healthy life expectancy has not kept pace, and the gap between the two is widening. As we enter the era of the "super-aging society," total national medical expenses continue to increase at more than ¥1 trillion annually, placing financial strain on health insurance associations and other insurers under Japan's National Insurance System.

With the benefit of our National Insurance System and relatively accessible medical resources compared to other

countries, people in Japan tend to seek medical care only after the onset of illness or increased risk of serious illness. Once an illness becomes severe, however, the cost of treatment typically grows significantly. In this sense, our Group is committed to extending healthy life expectancy by not only financially covering medical expenses after the onset of illness but also supporting the maintenance of good health from the early stages of illness. In these ways, we help improve the well-being of every customer into the future.

# Initiatives and results

To address current social issues, our Group and the Mizuho Financial Group joined forces in April 2021 to launch "Healstep®," a medical cost optimization support service for health insurance associations.

Healstep® broadly consists of four services: 1) Visualization of future disease risks and medical costs with a future medical cost prediction model (AI engine), 2) Formulation of a response policy based on visualized data, 3) Assistance with online health guidance and other matters in cooperation with service providers, and 4) "QOLism," a health promotion app for health insurance association members. Through these services, we offer a wide range of content to help individual customers improve their well-being, including through exercise, diet, and mental health

We have earned high praise from external organizations. For example, at the "Data Health Prevention Service Trade Fair" sponsored by the Ministry of Health, Labour, and Welfare, which was held in December 2021, representatives from health insurance associations, local governments, companies, and others who visited the event gave us the "Grand Prize" (first place out of 33 services exhibited) following the "Award of Excellence" in fiscal 2020.

In fiscal 2021, we introduced Healstep® at multiple health

# "QOLism" health promotion app **90 QOL**ead





Number of Healstep® subscriptions and user IDs for

QOLism's health promotion app

Notes: 1.FY2021 (result); Number of customers who adopted any of the 1) to 4) Healstep® services

2.Number of app IDs issued: Maximum number of people who can use the app

insurance associations and received many comments. For example, we found that some customers are facing unprecedented individual challenges, some are encouraging behavioral change among those who are indifferent to health, and some are struggling with efforts to promote collaborative health with companies. We will use this feedback to improve and evolve our services. We will also provide close-knit support to help customers raise the effectiveness of initiatives after introduction of the service.



# Medium-term initiatives

Message

To address such social issues as the widening gap between life expectancy and healthy life expectancy and increasing medical costs, it is important to encourage improved health and prevent the onset and severity of illnesses.

We are looking to offer a seamless platform that allows, for example, early recognition of future risks by the individual and easy access to appropriate medical facilities for preventive measures or medical care. By providing services not only to health insurance associations but also to a wider range of customers, we will advance our service capabilities in a way that accurately reflects

# Healstep® medical cost optimization support service



customer opinions and requests.

Due to the COVID-19 pandemic, the shift toward "onlineization" and digitalization is also transforming health and medical care. In this context, local medical clinics and other similar facilities will play an increasingly important role in the early diagnosis and treatment of illnesses before symptoms worsen. To address such changes, we will collaborate with various companies in the healthcare field to provide one-stop support ranging from "health promotion" to "pre-onset and serious illness prevention" through both face-to-face and digital services.

Story

# Enhancing Connections

# Social issues and our vision

Amid an aging, low-birthrate society and diversification of lifestyles, we are entering an era in which people seek not only physical wealth but also spiritual wealth as individuals pursue fulfillment and happiness. Meanwhile, the COVID-19 pandemic has led to increased health concerns and stress due to the lack of human connections and loneliness. Against this backdrop, social connections that are essential to people's health and longevity play an important role in improving the well-being of each individual. With the declining population and concentration of people in metropolitan areas, however, Japan's regional areas must meet the challenges of local development and activation. In terms of manpower and know-how, it is crucial that the private and public sectors work together to address issues faced by local communities related to support for the elderly, coping with the declining birthrate, and youth development.

We are committed to being "By your side, for life," and we have remained close to the lives of every customer. By earnestly addressing issues in each community and providing various "connections" and "connection spaces," we help create affluent and secure lifestyles and communities.

# Initiatives and results

Dai-ichi Life works to resolve issues specific to each region by leveraging its nationwide network of around 1,300 sales and branch offices and 37,000 sales representatives.

As of March 31, 2022, Dai-ichi Life had "Local Cooperation Agreements" with 40 prefectures and more than 250 local governments at the municipal level. Even before those agreements were concluded, our branches and sales offices across Japan worked closely with their local communities, earning significant trust and empathy that led to partnerships with many local governments. We are further deepening these connections through efforts to solve local issues related to health promotion, support for the elderly and childcare, the advancement of women, and community revitalization.

In fiscal 2021, we created connections between local businesses and residents by holding approximately 730 programs to benefit the well-being of customers nationwide. These were attended by around 35,000 people, ranging from children and students to senior citizens. In addition to region-specific programs arranged by each branch and sales office, we make full use of online programs offering a wealth of creative content drawn from the Group's accumulated know-how and initiatives in collaboration with business partners. For example, more than 500 customers participated in an online seminar we co-hosted with our partners, Yamada Escrow Trust Co., Ltd., and Kamakura Shinsho, Ltd., on inheritance and near-end-of-life planning.

# Medium-term initiatives

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To continue enhancing connections between communities and customers over the long term, we share examples within the Company of initiatives that help resolve local issues in each region. By incorporating ideas and knowledge from across the country, we will promote initiatives that will lead to new experiential values.

Through these efforts, we have strengthened ties with various communities and customers, and many local governments and community residents have expressed their appreciation. We believe that such a chain of connections will benefit the well-being of each individual and the development of local communities, while at the same time creating social and economic value for the Dai-ichi Life Group.



# Creation of four experiential values in the overseas business

We introduce here the initiatives we are carrying out at our overseas Group companies.

# Protection

Each overseas Group company is enhancing its product lineup to protect customers in the event of an emergency. For example, Protective Life Corporation delivers protection to its customers through a variety of death benefit products, including term insurance and universal insurance. In addition, the company is promoting cost savings through PLUS (Protective Life Underwriting Solution), an automated and sophisticated underwriting solution designed to increase the attractiveness of its products in terms of price.

# **Retirement, Savings and Asset Management**

To meet the financial needs of customers in retirement, etc., overseas Group companies are expanding their lineups of savings-type products, such as unit-linked insurance, endowment insurance, and annuities. For instance, Protective Life Corporation offers an assortment of fixed and variable annuity products to customers across the United States through a wide range of distribution partners, including banks and securities firms.

# Health and Medical Care

Overseas, each Group company continues to take on the challenge with health and medical care as a new operational domain. For example, TAL offers health and healthcare services providing care for customers' mental health in addition to Health Sense, a service that discounts premiums for customers with a healthy BMI. In addition, OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED contributes to the health of its customers through an application that allows customers to take advantage of certain privileges with points they have earned from walking and other activities.

# **Enhancing Connections**

Contributing to local communities and society and enhancing connections are essential elements for each overseas Group company that develops its business rooted in each region. For example, TAL conducts several social contribution activities, including support for young people and assistance for indigenous peoples, in collaboration with local partners through donations and volunteer activities by the TAL Community Foundation. In addition, Dai-ichi Life Insurance Company of Vietnam, Limited, through its CSR fund, donates medical equipment to healthcare professionals, contributes to the Vietnamese government's vaccine fund to combat COVID-19, and provides food supplies to economically disadvantaged children and orphans











Introduction

Message

# Overseas Business Strategy

As a driver of the sustainable growth of the Group, we contribute to the well-being of our global customers and Group companies as well as fellow employees who are active around the world.

Toshiaki Sumino Director, Managing Executive Officer

The Dai-ichi Life Group has now expanded its business into eight countries overseas. In the Overseas Business, the Group aims to drive sustainable profit growth while contributing to the well-being of each country through balanced business portfolio management in markets at different stages of growth, such as the United States and Australia, where stable growth is expected; Vietnam and India, where high growth is being achieved; and Cambodia, where profit growth is expected over a long-term horizon. In fiscal 2021, the overall adjusted profit (adjusted) of the Overseas Business came to 83 billion yen, reaching a record high and accounting for 28% of the Group's profit.

On the other hand, against a backdrop of environmental changes such as shifts in the global macroeconomic environment and the emergence of geopolitical risks, profits from the Overseas Business are expected to decrease from the previous year in fiscal 2022. Under these circumstances,



each of the existing businesses will aim to increase their contribution to profits in a sustainable manner by pursuing customer experience (CX) through digital transformation (DX), as they steadily execute growth strategies tailored to each company's growth stage and business challenges.

In new businesses, we will take on the challenge of achieving further growth by working on high-quality investment projects with high capital efficiency and on investment in, and partnership with, innovative businesses to acquire new organizational capabilities.

In terms of business operations, the Group is seeking to build a global management structure, including the establishment of a meeting body (GSB: Global Strategy Board) to provide advice on overseas strategies.



2021

Overseas business is driving the Group's growth.

2023

Target

(FY)



	Evicting	Execution of growth strategies in accordance with market growth stages
Changes in the macroeconomic environment	Existing businesses	<ul> <li>Pursuit of customer experience (CX) through digital transformation (DX)</li> </ul>
Changes in consumer		Improvement of capital efficiency
orientation	New	Incorporation of businesses with high capital efficiency
(Digitalization, etc.)	businesses	Pursuit of innovation and new business models
Prolonged COVID-19 impact		
Manifestation of	Business	<ul> <li>Sophistication of overseas business and human resource strategies through GLC and GSB</li> </ul>
geopolitical risks	operation	<ul> <li>Realization of global diversity through cross-regional promotio of human resources</li> </ul>

## Existing businesses Stable profit growth in the medium to long term

Protective Life Corporation in the United States continued to take steps to expand sales of its mainstay protection-type products and annuity products, while appropriately responding to the increase in insurance claim payments mainly due to the spread of COVID-19, as in the previous fiscal year. In the asset protection business, which is in the non-life insurance field, Protective Life Corporation decided to acquire AUL Corp. ("AUL"), which is highly complementary to its own businesses. This acquisition will further diversify Protective Life Corporation's business and stabilize its earnings and is expected to help improve its capital efficiency.

As a leading player in Australia's protection-type market, TAL worked to improve its basic earnings power by selling new products based on appropriate rate setting and revising insurance premium rates on certain group policies that had seen a deterioration in profitability in the previous fiscal year. In addition, TAL completed the integration process of Asteron Life (former Suncorp Life), which TAL acquired in fiscal 2018, and decided to acquire Westpac Life, a life insurance subsidiary of the Westpac Group, one of the Australia's leading banking groups. This will further strengthen TAL's business base in the protection-type market and is expected to contribute to the improvement of the Group's earnings and risk profile, among other things.

At Dai-ichi Life Insurance Company of Vietnam, Limited, sales activities were affected by social guarantine measures (lockdown) in major cities due to the spread of COVID-19, but the company achieved adjusted profit of more than 10 billion yen by diversifying sales channels between individual insurance agents and banks and strengthening digital services.

In other countries where the Group has a presence, the Group continued appropriate business operations, implementing growth strategies that take the situation in each country into consideration.

## New businesses Venturing into new business areas

efficiency and investment in, and partnership with, innovative and unique businesses to acquire new organizational capabilities. Especially in By continuing to branch out into new business in this way, we will not only reap direct financial rewards but also acquire an agile management style and advanced know-how and skills, and we will work to build a resilient business portfolio that is not affected by changes

We are exploring opportunities for new business expansion all around the world, including high-quality investment projects with high capital domains such as protection, asset formation and succession, and health and healthcare, we are considering a wide range of possibilities, focusing on innovative businesses for enhancing value in CX, with a view to creating new business models using digital technologies. In keeping with this idea, we have invested in YuLife, a U.K.-based online group life insurance company focusing on well-being and are working on enhancing the group life insurance business and business in the health and healthcare field at Group companies in Japan and overseas. in the environment

# **Business Operation** Strengthening the global management structure

To harness its global knowledge and upgrade its management, the Group has established the Global Leaders Committee (GLC), a meeting body consisting of the management of overseas Group companies and other domestic executives of Dai-ichi Life Holdings, to promote joint efforts to resolve issues common to the Group and share the Group's philosophy and policies. In addition, the Group has established a meeting body (GSB) to offer advice on overseas business strategies at intermediate holding companies.

The Group meanwhile aims to create a management structure that incorporates a more global perspective by, for example, appointing managers who have demonstrated management skills and who led growth at overseas Group companies, irrespective of their nationality, to serve as senior executives including as president of the Asia Pacific Regional HQ in Singapore.

2020

Introduction

Value Creation Story

Str Pe

Finance and Capital Strategy

By allocating capital to highly capital-efficient and growth businesses, we promote capital circulation management that enhances group capital efficiency, raises our cash generation capability, and improves shareholder returns.

> Tetsuya Kikuta Representative Director, Senior Managing Executive Officer & CFO

I was appointed chief financial officer (CFO) in April 2022. Starting this fiscal year, we have decided to establish a new CFO system (and Finance Planning Unit) to accelerate our transformation into a group with a robust financial structure and "capital circulation management" which is the basic concept of our capital policy.

Looking back on fiscal 2021, we took steady measures to return profits to shareholders, mainly by significantly fast-tracking our market risk reduction effort, increasing the dividend payout ratios of group subsidiaries, making strategic investments in blue-chip companies in Japan and overseas, and conducting a ¥200 billion share buyback program. As a result, we made good

Short- and medium-term risk profile (after transformation)



progress in achieving "capital circulation management" which contributes to medium- to long-term corporate value enhancement while improving capital efficiency. We also sought to lower the cost of capital by reducing market risk and changing the risk mix of our portfolio.

In fiscal 2022 and beyond, we will continue allocating dividends from domestic and overseas businesses to strategic investments in blue-chip companies and shareholder payouts to ensure an appropriate cycle for our capital strategy. By also reducing market risk, we aim to improve capital efficiency and build a stable financial base.



# Basic approach to capital management policies

Our Group bases its capital management policies on the enterprise risk management (ERM) framework, aiming for the sustainable enhancement of corporate value and further improvement of shareholder returns while ensuring financial soundness.

Message

Under our mid-term management plan "Re-connect 2023," starting from fiscal 2021, we strive to achieve sustainable growth through executing "capital circulation management" developed from our ERM cycle (profit, capital, and risk). Capital circulation management is the approach to enhance corporate value through the favorable circulation of capital and cash obtained from business operation and released by risk reduction within the Group by reallocating capital to highly capital-efficient





Governance

businesses and growth businesses while ensuring financial soundness.

Regarding the economic solvency ratio (ESR), an indicator of financial soundness based on economic value, we have set a target range of 170%–200%. If the ESR exceeds 200%, we will actively consider strategic investments and flexible and additional payouts, taking into consideration market conditions and other factors. While the level is currently above our target, we will strive to further enhance the capital and cash generation capabilities of our subsidiaries and increase dividend remittances to the holding company, while striking a balance between shareholder payouts and strategic investments to ensure more effective use of capital.



With respect to risk reduction efforts aimed at lowering the cost of capital, we made significant progress in fiscal 2021 toward achieving our market-related risk reduction target for the period of our current MMP (April 2021–March 2024), thanks to favorable economic conditions and other factors. (Dai-ichi Life reduced market risk by around ¥390 billion, or approximately 70% of the ¥560 billion reduction target for the three-year period.) Thanks also to interest rate risk reduction, our level of sensitivity to domestic interest rates for ESR has steadily declined.

As of March 31, 2022, however, insurance risk accounted for 31% of the Group's total integrated risk, while market-related risk, mainly interest rate and equity risks, accounted for 66%, so improving our financial position remains a challenge

Under our current MMP, we aim to further strengthen our

# Market-related risk reduction



\*2 Including risk reduction of approx. ¥400 billion from hedging positions on equities implemented during FY2020 to accelerate risk reduction during the current MMP

# Specific market risk reduction initiatives in fiscal 2021 (Dai-ichi Life)



\*3 Total hedging positions since fiscal 2020



\*1 From EEV calculation as of March 31, 2021, standard changes of UFR (Ultimate Forward Rate, 3.5% → 2.5%) and LLP (Last Liquid Point) were applied, and reflected corporate bond spreads in the discount rate at DFL

Note: Integrated risk is calculated based on an internal model with a confidence level of 99.5% (one year, after-tax)

# ESR level and approach to capital management policy

(	Maintain stable dividends in line with profits     Actively consider strategic investments and/or flexible additional shareholder payouts
Target level	Maintain stable dividends in line with profits
170% <b>–200</b> %	Consider strategic investments and/or flexible additional shareholder payouts with an awareness of financial soundness, etc.
(	<ul> <li>Maintain stable dividends in line with profits</li> <li>Consider strategic investments and/or flexible additional shareholder payouts based on the prospect of improvement toward our medium-term targets (reconsider risk-taking and/or shareholder payouts as needed)</li> </ul>
	Consider risk reduction and reconsider shareholder payouts (consider recapitalization as needed)

# Assumptions behind capital circulation management with a focus on capital efficiency

Amid the changes in the business environment, we revised our recognition of the cost of capital from 8% to 10% since fiscal 2021. We also strive to achieve capital efficiency that stably exceeds the cost of capital based over the medium to long term while reducing risk to lower the cost of capital. At the same time, we work to improve capital efficiency by reviewing our business portfolio based on advanced capital allocation management.

To improve capital efficiency, we will continue reallocating capital to highly capital-efficient and high-growth businesses, using adjusted ROE and ROEV as valuation indicators. More specifically, we apply a new cost of capital calculation method that takes into consideration individual business risks and market risk premiums in each country. We use the new method to evaluate business results and make capital allocation and recovery decisions.

Free cash generated through these operations is used to strike a finer balance between securing financial soundness, growth investments, and shareholder returns.

financial position by steadily pursuing our market risk reduction targets for the end of fiscal 2023, considering our forecast that global financial and economic uncertainty and instability will continue.

Specifically, we aim to reduce interest rate and equity risks, which account for most of the market-related risk, by 20% by the end of fiscal 2023 compared with the end of fiscal 2020 (prior to taking economic fluctuations, etc., into consideration). As for interest rate risk reduction (approx. ¥280 billion), we will take various measures, such as lengthening asset duration and using reinsurance and derivatives, and for equity risk reduction (approx. ¥280 billion), we will continue reducing equity holdings and using derivatives.

Progress Current MMP risk reduction target **70** (interest rate and equity risks total: ¥560 billion) ¥2.4 trillion Market fluctuation factors, etc. (including changes in group companies) Decrease of approx. ¥89 billion End of March 2022 Approx. ¥1.2 trillion (30-year JGB equivalent) Approx. ¥500 billion (ceded policy reserves) Approx. ¥250 billion (market value based on plan) Approx. ¥200 billion (put options, etc.)

Remittance operation based on free cash

The amount of dividends remitted to the holding company from operating subsidiaries is determined based on the free cash of those subsidiaries calculated after considering multiple perspectives and constraints, such as financial soundness on an economic value basis, regulatory requirements, and accounting constraints in each country. As a result, remittances from subsidiaries are increasing in

Major changes in cash position<sup>\*4,\*5</sup>

terms of both percentages and amounts. In fiscal 2021, for example, we increased the dividend payout ratio of Dai-ichi Life and initiated dividend payments from Dai-ichi Frontier Life. Going forward, Dai-ichi Life Vietnam is also expected to move into a cash-generating phase. In these ways, we are working steadily to upgrade our capital circulation management initiatives.



# FY2021

Cash remittances from subsidiaries (dividend remittances)

Remittance ratio <sup>7</sup> Approx. 95%		Remittance amount [Adjusted profit]	Remittance ratio	[FY2020]
	DL	¥199.7 billion [¥199.7 billion]	100%	91%
	DFL	¥40.0 billion [¥19.0 billion]	211%	0%
	PLC <sup>∗₅</sup>	238 million USD [477 million USD]	50%	50%
	TAL	210 million AUD [133 million AUD]	158%	39%
	Group	Approx. ¥280 billion [¥296.1 billion]	Approx. 95%	Approx. 67%

\*4 Including the balance and change in cash at the intermediate HD, as well as cash held to maintain liquidity at the HD.

\*5 Remittances from overseas subsidiaries such as PLC are accounted as if they are deposited in the next fiscal year of the HD similarly to domestic subsidiaries in this chart

\*6 Excluding interest expenses paid by the HD from remittances paid by subsidiaries \*7 Calculated by dividend remittances from a subsidiary to the HD divided by the adjusted profit.

# **Business portfolio transformation**

Under our current MMP, in addition to reviewing the business portfolios of existing investee companies, we will utilize generated free cash and internal reserves to expand our core businesses (protection, asset formation, and succession). At the same time, we will explore the expansion and diversification of our business portfolio by stepping up our pursuit of organizational capabilities through new investments in the digital, health and medical care, and other domains. Regarding existing investee companies, we manage our business portfolio with emphases on the medium- to long-term growth of the Group and the ongoing maintenance and improvement of capital efficiency. This includes strategic sales of existing

investments when it is difficult to realize the profitability and benefits assumed at the time of investment.

In fiscal 2021, we decided to acquire Australia-based Westpac Life through our Australian subsidiary, TAL. The contribution of overseas businesses to the Group adjusted profit is on an increasing trend, and we expect such businesses to remain a growth driver for the Group. To expand existing businesses and explore new fields, we will seek to continuously broaden and diversify our business portfolio by investing in projects that will lead to medium- and long-term improvements in corporate value in Japan and overseas.



Message



# Ensuring financial soundness

Over time, the Group has endeavored to ensure financial soundness by steadily accumulating capital from the stable profits of Dai-ichi Life and other sources and taking steps to reduce market-related risk. In fiscal 2021, we maintained and strengthened our capital base. For example, we procured perpetual subordinated debt at the holding company (in December 2021), part of which is earmarked to repay existing subordinated debt at Dai-ichi Life. As a result, we had an ESR of 227% at the end of fiscal 2021, exceeding our target range. In

# Targeting attractive shareholder returns

Under our current MMP, we will pay stable dividends commensurate with profits, targeting a dividend payout ratio of 30% or more (based on the past three-year average of the group adjusted profit; no reduction of dividend per share, in principle). In addition, we have set a medium-term average total payout ratio target of 50%. To this end, we will strategically consider and implement flexible additional payouts to shareholders through share buybacks and other means, taking ESR, cash flow conditions, growth investment opportunities, the Company's stock price, and other factors into account. In regard to strengthening shareholder returns, we will work to improve capital efficiency, which has been a challenge, in addition to returning profits to investors. In the future, when adjusted ROE and ROEV consistently

# Basic policy on shareholder payouts





in-house resources, time

business and corporate

# Confirm investment benefits

 Conduct rigorous due diligence (recognize risk, evaluate profit potential against the cost of capital) Compare investment benefits with share buybacks

# Action

- Decided to acquire Westpac Life (via TAL of Australia and make other investments in fiscal 2021
- Continued considering deals to enhance corporate value over the medium to long term

addition, the measures we are taking and the outcomes of past initiatives have earned widespread praise, prompting some rating agencies to increase our credit rating. We will continue engaging in sound financial management, including by working to reduce ESR volatility via lower market-related risk.

Financing of Group Subordinated Debt in Fiscal 2021				
Dai-ichi Life HD	Perpetual subordinated debt	¥80 billion		

exceed the cost of capital, we will target further growth in income per share (dividends) with a view to redirecting more of our capital to growth investments.

In fiscal 2021, we paid a total cash dividend of ¥83 per share, up ¥21 year on year. We also decided to conduct a share buyback worth a maximum of ¥120 billion to maintain a high level of shareholder returns

We aim to further improve shareholder returns by putting our business bases in Japan and overseas, which we have been expanding and diversifying up until now, onto a growth trajectory, as well as by strengthening the sustainable growth of group profit and our ability to generate capital and cash.



Cash dividend per share

\*8 Considering the ESR forecast, cash position, and other factors, the Board of Directors decided at its May 12, 2022, meeting to conduct a share buyback of up to ¥120 billion

# Financial and Nonfinancial Highlights

# Annualized Net Premium from Policies in Force



Annualized net premium from policies in force, which indicates annual premium income from policies in force, remained stable, driven by domestic multi-brand development and growth at overseas subsidiaries. As of the end of fiscal 2021, it was up 4.4% year on year.

# Group Adjusted Profit/Adjusted ROE



Group adjusted profit, the Company's own indicator of its source of funds for shareholder returns, increased 5% year on year owing to steady growth in the overseas life insurance business and a stable financial environment.

# Shareholder Returns

(Total Dividends/Share Buybacks/Dividend per Share)



The dividend per share has remained stable, in step with the increase in adjusted profit. We also provide additional payouts to shareholders in a flexible manner and as the opportunity arises, taking into consideration elements such as our economic solvency ratio, cash flows, and the presence of strategic investment opportunities.

# New Business Annualized Net Premium



The new business annualized net premium, which represents the result of the year's sales activities, declined in fiscal 2020 due to constraints on business amid COVID-19, but it recovered in fiscal 2021, rising 32% year on year.

# Group European Embedded Value (EEV)/ Return on Embedded Value (ROEV)



Group EEV, an economic value-based indicator of corporate value. increased 3% year on year, mainly in the overseas life insurance business, because of stable financial markets and yen depreciation.

# **Relative Total Shareholder Return (TSR)**



TSR, the total return on shareholders' investment counting both capital gains and income gains, as of March 31, 2022, had increased 36% versus March 31, 2021, the date that we unveiled the medium-term management plan, ranking the Company second among 11 comparable companies.

Notes: Indexation using the figures on March 31, 2021, as 100 (created by the Company with data from Bloomberg)

# CO<sub>2</sub> Emissions\*



We have set medium- to long-term targets for the entire Group of achieving a 50% reduction by fiscal 2025 (compared with fiscal 2019) and net zero emissions by fiscal 2040 as we work to help create a decarbonized world.

\*Based on Scope 1 + 2 emissions.

# **Cumulative Amount of ESG-Themed** Investment and Loans (Dai-ichi Life)



To create a positive impact through ESG investments and loans\*, we actively seek to make investments and loans that contribute to addressing priority social issues identified by Dai-ichi Life, such as climate change mitigation.

\*A method of investing in a way that takes environmental, social, and governance factors into account in addition to quantitative financial information.

# Number of Female Managers/ Percentage of Female Managers\*



Under senior management's leadership, we

are promoting female participation through

efforts that include creating appropriate

systems, and providing leadership

figures from the end of the previous fiscal year.

working environments, enhancing internal

development programs for female employees

Neo-First Life combined. Figures as of April 1 are represented as

\*Dai-ichi Life Holdings, Dai-ichi Life, Dai-ichi Frontier Life, and

number (Employees) 150.000 120,000 10.1 90.000 8.9

**Overseas Ratio\*** 



We are working on improving our human resource capabilities to be active on a global scale through initiatives like an intra-group recruitment system and a global training program.

\*Ratio of employee headcount of five overseas subsidiaries (Protective, TAL, Dai-ichi Life Vietnam, Dai-ichi Life Cambodia, and Dai-ichi Life Myanmar) to total consolidated employee headcount.



# **Total Paper Usage\***



We are stepping up our efforts to reduce paper usage, which includes cutting back on the volume of handouts at internal meetings and digitizing documents used in administrative processes. As of April 2022, Dai-ichi Life has shifted to digital expense requests for head office employees

\*Total for subsidiaries and affiliates in Japan and overseas (total of 33 companies in fiscal

# PRI Assessment Results (Dai-ichi Life)

	2020 (assessment period: Jan.–Dec. 2019)
Module	Our score (median)
Strategy and Governance	A+ (A)
Listed Equity—Incorporation	A+ (A)
Listed Equity—Active Ownership	A+ (B)
Fixed Income	A (B)
Property	A+ (B)

We received the highest rating of A+ in four modules and scored above the global median in all modules for a third consecutive year.

# Total Number of Employees/

# Number of Employees with **Disabilities\***



We promote the hiring of employees with disabilities and the expansion of their work opportunities at our various Group companies and aim to create workplaces that motivate and engage them in their careers.

\*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 the end of the previous fiscal year.

# **Group Sustainability and Business Foundation**

The well-being of all people (including future generations) that our Group aims for is something we believe can be realized only in a sustainable society.

Our Group considers the realization of such a sustainable society a major prerequisite for our business management as we work to resolve key sustainability challenges relating to ensuring regional and social sustainability, including the response to climate change and respect for the human rights and diversity of all people.

Our corporate action principles for pursuing sustainability (DSR charter) https://www.dai-ichi-life-hd.com/en/about/aims/mission.html

# Goals for realizing a sustainable society in 100 years

We have defined medium- and long-term goals for realizing a sustainable society, steadily advancing initiatives throughout our Group.

**F**+

 $\mathbf{N}$ 

			Medium-Term Goal	Long-Term Goal			
3 CLIMATE ACTION	Responding to climate change		Achieve carbon neutrality to ensure the sustainability of the global environment				
AFFORDABLE AND CLEAR ENERGY	Improving efficiency of energy use Promoting clean energy	Environment	<ul> <li>Reduce group carbon emissions (Scope 1 + 2): 50% by fiscal 2025 (compared with fiscal 2019)</li> <li>Reduce the greenhouse gas emissions of the important statistics.</li> </ul>	Reduce group carbon emissions (Scope 1 + 2): Fiscal 2040 net zero emissions (same)     Reduce the greenhouse gas emissions of			
	Empowering women		investment portfolio*: 25% by 2025 (compared with 2020) *Listed stocks, corporate bonds, real estate	the investment portfolio*: 2050 net zero emissions (same)			
6 PEACE, JUSTICE AND STRONG INSTITUTIONS	Improving corporate governance and risk management		Maximize the potential of everyone to rea	alize the success of a diverse people			
BEDUCED NEQUALITIES	Respecting human rights for all	People	<ul> <li>Percentage of female organization heads As of April 2024: 30%</li> <li>Promote further development of mid-career hires</li> </ul>	<ul> <li>Increase the ratio of women among directors and executive officers</li> <li>Improve the diversity ratio*</li> </ul>			
DECENT WORK AND ECONOME GROWTH	Creating job satisfaction		Engagement survey overall score As of April 2024: 67	*Percentage of non-male/new graduate/Japanese in managerial positions (Japan)			
PARTNERSHIPS FOR THE GOALS	Contributing to the development of society		Expand investment and lending that contrib	outes to creating a positive social impact			
DECENT WORK AND ECONOMIC GROWTH	through responsible investment and lending Regional development	Society	Promote ESG investments in group companies At least ¥2 trillion of ESG-themed investment by fiscal 2024	Expand ESG investments and loans			

# **Sustainability Promotion Structure**

Message

Our group is building a sustainability promotion structure centering on the Group Sustainability Promotion Committee to strongly contribute to the realization of a sustainable society. Moreover, starting in July 2022, we introduced sustainability indicators, including indicators relating to progress in  $CO_2$  emission reductions, to be part of the performance-linked remuneration for executive officers.

	Board of Dire				
Repo	irt				
	Executive Manage				
Reports and proposals	Gives advice and				
Group Sust	tainability Committee				
Chairperson President and Repr	esentative Director				
Members Chiefs of each unit, including Corporate Planning Unit, Insurance Business and CX Planning Unit, Overseas L Business Unit Presidents of Dai-ichi Life, Dai-ichi Frontier Life, Neo F Note: External experts and such are invited in accordance					
t	Collaboratio				
Domestic Group companies					
<ul> <li>Dai-ichi Life</li> <li>Employee Well-being Improvement Committee</li> <li>Responsible Investment Committee, etc.</li> </ul>					
Dai-ichi Frontier Life Neo First Life					

# **Group Sustainability Committee**

It discusses effective information dissemination, including group policies, strategies, and external commitments, and monitors the implementation status of initiatives at group companies, from cross-sectional, ultra-long-term perspectives. Items discussed by committees are reported and recommended to the Executive Management Board and the Board of Directors.

# Main discussions in fiscal 2021

Theme			
Sustainability (General)	<ul> <li>Current state and challenges as communication including informa</li> <li>Promoting intra-group initiatives to</li> <li>Upgrading stories about the creation</li> </ul>		
Individual themes			
individual anomes			
Responding to climate change	<ul> <li>Initiative policy (e.g., perspectives</li> <li>More sophisticated analysis of the</li> <li>Responding to expansion of disclosing to expansion of di</li></ul>		
Promoting diversity and inclusion	<ul> <li>Defining aims and promoting initia</li> <li>Outlining measures for group emp</li> <li>Promoting human rights due dilige</li> </ul>		
Measures to improve ESG ratings	• Initiative policy (e.g., strengthening		

▶ For details, see "Officer Remuneration" on P.95



# Details

well as future direction (setting targets, risk management, opportunities, tion sharing, governance perspectives) of the group's sustainability initiatives to disseminate sustainability

tion of four experiential values, etc.

# Details

es of institutional investors and business firms) ne insurance industry, investment portfolios, and impact closure, etc.

iatives for activating diverse human resources aployee health promotion gence, etc.

g initiatives that contribute to improved ratings, stance on expanded disclosure)

6

S

Story

# Addressing Climate Change: Disclosure Based on the TCFD Recommendations

# **Basic approach**

The Group's pursuit of "well-being of all including future generations" can only be achieved if a sustainable society exists with a 100-year future horizon. We have positioned the sustainability of society as the foundation of our business operations. To this end, we will work more actively than ever before to resolve material issues\*1.

Addressing climate change is a material issue recognized globally. Both as an insurance provider and an institutional investor, we are committed to ensuring the sustainability of the global environment, which is the foundation of people's lifestyles. We will continue strengthening our efforts to address climate change through our business operations, with the goal of achieving carbon neutrality.

In addition, we are working to take a leadership role in realizing global decarbonization by serving as a Principals Group member of GFANZ\*2, which promotes decarbonization efforts by financial institutions around the world.

As part of these efforts, we are focusing on proactive information disclosure based on the TCFD\*3 recommendations and in our Sustainability Reports.

Both as an insurance provider and an institutional investor, we will more strongly pursue initiatives (including information disclosure) that will serve as a model for the world to realize the aspirations\*4 of the group's vision. In doing so, we will continue contributing to decarbonization and, by extension, a sustainable society

# Roadmap to carbon neutrality (transition plan)



\*1 For the material issues of the Dai-ichi Life Group, please refer to "Material Issues of the Dai-ichi Life Group" on P.31.

\*2 Glasgow Financial Alliance for Net Zero. Please refer to P.69 for details of this initiative and the Group's initiatives

\*3 Task Force on Climate-related Financial Disclosures, We endorsed the TFCD's recommendations in September 2018

\*4 The Group's vision is to "protect and improve the well-being of all" (please refer to P.3 for details)

\*5 Compared with fiscal 2019

\*6 Compared with fiscal 2019. Covers items that can be identified for emphasis from the perspective of driving behavioral changes in our business and among employees. \*7 Compared with 2020

\*8 Compared with fiscal 2020. Based on greenhouse gas (GHG) emissions per unit of ownership (intensity)

\*9 Cumulative total: Approx. ¥510 billion as of March 31, 2022

\*10 The UN-convened Net-Zero Asset Owner Alliance (association of institutional investors committed to achieving net-zero GHG emissions from their investment portfolios by 2050)

# Status of main initiatives in fiscal 2021

Message

TCFD Recommendations       Status of initiatives       Page         Governance       • Set sustainability indicators, including the rate of progress in reducing CO <sub>2</sub> emissions, as part of the performance inked share remuneration for officers       P63, P68         Strategy (Risks and Opportunities)       • Conduct advanced scenario analysis • Conduct advanced scenario analysis • Conduct advanced analysis in the life insurance business • Expand analysis for advanced recognition of climate change risk/impact       P63, P64         Risk Management       • Consider a more advanced risk recognition process       P62         • Progress toward reducing greenhouse gas (GHG) emissions • Scope 1 & 2: 28.8% reduction (compared with fiscal 2019, targets: 50% reduction by fiscal 2025, net zero by fiscal 2040) • Scope 3: (excluding investments/loans, Dai-ichi Life): 18% reduction (compared with fiscal 2030, net zero by fiscal 2050)       P65, P66, P66, P67         Metrics & Targets • New targets • Scope 3 (investments/loans, Dai-ichi Life): 18% reduction (compared with fiscal 2020, targets: 25% reduction by 2025, net zero by 2050)       P66, P67						
Governance       linked share remuneration for officers       P63, P68         • Proactively implement awareness-building efforts for group officers and employees       P63, P68         Strategy (Risks and Opportunities)       • Conduct advanced scenario analysis in the life insurance business       P63, P64         Opportunities)       • Conduct advanced scenario analysis in the life insurance business       P63, P64         Risk Management       • Consider a more advanced recognition of climate change risk/impact       P62         • Progress toward reducing greenhouse gas (GHG) emissions       • Scope 1 & 2: 28.8% reduction (compared with fiscal 2019, targets: 50% reduction by fiscal 2025, net zero by fiscal 2040)       • Scope 3: (excluding investments/loans, Dai-ichi Life): 6.3% reduction (compared with fiscal 2019, targets: 30% reduction (compared with fiscal 2050)       P65, P66, P65, P66, P67         Metrics & Targets       • Scope 3 (investments/loans, Dai-ichi Life): 15% reduction by 2025, net zero by 2050)       P65, P66, P67	Four Items Contained in the TCFD Recommendations	Status of Initiatives				
• Conduct advanced analysis in the life insurance business       • P63, P64         • Opportunities)       • Expand analysis for advanced recognition of climate change risk/impact       • P63, P64         Risk Management       • Consider a more advanced risk recognition process       • P62         • Progress toward reducing greenhouse gas (GHG) emissions       • Scope 1 & 2: 28.8% reduction (compared with fiscal 2019, targets: 50% reduction by fiscal 2025, net zero by fiscal 2040)       • Scope 3: (excluding investments/loans, Dai-ichi Life): 6.3% reduction (compared with fiscal 2019, targets: 30% reduction by fiscal 2030, net zero by fiscal 2050)       • P65, P66, P67         Metrics & Targets       • Scope 3 (investments/loans, Dai-ichi Life): 15% reduction of GHG emissions**** by the end of fiscal 2024       • P65, P66, P67	Governance	linked share remuneration for officers				
Metrics & Targets          • Progress toward reducing greenhouse gas (GHG) emissions         • Scope 1 & 2: 28.8% reduction (compared with fiscal 2019, targets: 50% reduction by fiscal 2025, net zero by fiscal 2040)         • Scope 3: (excluding investments/loans, Dai-ichi Life): 6.3% reduction (compared with fiscal 2019, targets: 30% reduction (compared with fiscal 2025)         • Scope 3 (investments/loans, Dai-ichi Life): 18% reduction by 2025, net zero by 2050)         • New targets         • Scope 3 (investments/loans, Dai-ichi Frontier Life): 15% reduction of GHG emissions**** by the end of fiscal 2024         • Scope 3 (investments/loans, Dai-ichi Frontier Life): 15% reduction of GHG emissions**** by the end of fiscal 2024	Strategy (Risks and Opportunities)	Conduct advanced analysis in the life insurance business				
Metrics & Targets <ul> <li>Scope 1 &amp; 2: 28.8% reduction (compared with fiscal 2019, targets: 50% reduction by fiscal 2025, net zero by fiscal 2040)</li> <li>Scope 3: (excluding investments/loans, Dai-ichi Life): 6.3% reduction (compared with fiscal 2019, targets: 30% reduction by fiscal 2030, net zero by fiscal 2050)</li> <li>Scope 3 (investments/loans, Dai-ichi Life): 15% reduction by 2025, net zero by 2025, net zero by 2025)</li> </ul> P65, P66, P67           • New targets         • Scope 3 (investments/loans, Dai-ichi Life): 15% reduction of GHG emissions**** by the end of fiscal 2024	Risk Management	Consider a more advanced risk recognition process				
	Metrics & Targets	As an insurance provider       • Scope 1 & 2: 28.8% reduction (compared with fiscal 2019, targets: 50% reduction by fiscal 2025, net zero by fiscal 2040)         As an institutional investor       • Scope 3 (investments/loans, Dai-ichi Life): 6.3% reduction (compared with fiscal 2050)         • New targets       • New targets	P66,			

# Governance/Risk Management

The Group regularly reports the status of initiatives addressing climate change (e.g., group targets, policy and other indicators of initiatives, risk response) to the Executive Management Board and the Board of Directors\*12 and reinforces those initiatives depending on advice or direction received from Board members. At the same time, we promote the Board-led development of business plans related to climate change to form our stance for integrating climaterelated risks into our management.

The Group is implementing risk management that takes appropriate measures at an early stage by specifying foreseeable risks with the potential to significantly impact its business as "material risks" and formulating business plans that take these risks into account\*13. The Risk Management Unit identifies group material risks based on the results of material risks identified at

# Governance/Risk Management System Relating to Climate Change Responses (as of April 2022)



\*11 Based on GHG emissions per unit of ownership (intensity)

\*12 In fiscal 2021, the Board of Directors received reports on climate-related topics four times. The main agenda items were as follows: Status of the Group's response to climate change (current status, issues and future initiatives, and enhancement of information disclosure) Setting the CO<sub>2</sub> reduction targets for each Group company

\*13 Visit the following webpage for details on risk management: https://www.dai-ichi-life-hd.com/en/about/control/in control/administer.html

\*14 The degree of impact takes into account economic loss, business continuity, and reputational factors.

group companies and conducts a four-stage evaluation of the degree of impact\*14 and the likelihood of occurrence, then uses a heat map to pinpoint material risks with high importance. Group material risks are reviewed every year.

The Paris Agreement of 2016 has raised awareness of addressing environmental issues as a challenge that should be tackled by the international community. The Group also recognizes addressing climate change as a material management risk that could considerably impact customers' lives and health, corporate activities, social sustainability, and the like. From fiscal 2019, we defined risk related to climate change as a "material risk" and have been reinforcing risk management. More specifically, during Group ERM Committee meetings chaired by the officer in charge of risk management, we discuss\*15 methods of assessing and dealing with

physical and transition risks and, if necessary, report them to the Executive Management Board and the Board of Directors.

To reinforce Group governance, we established a Group Sustainability Committee, chaired by the president, in April 2021. The Committee will establish policies and strategies related to

# Strategy/metrics and targets

sustainability, such as climate change responses, monitoring the implementation status of initiatives, and other actions. In July 2022, we set sustainability indicators, including indicators related to progress in reducing CO<sub>2</sub> emissions, as part of the performancelinked share remuneration for officers\*16.

# Climate-Related Risks and Opportunities and Their Impact on the Group's Business

Risks

We recognize that climate change could have the following effects in the medium to long term. Based on analyses using the RCP scenario (2.6 and 8.5)\*17 and the NGFS scenario\*18, we promote initiatives to enhance our control measures and the resilience of our business as an insurance provider and an institutional investor

- Increase in insurance claims and benefits paid due to increase in heatstroke and infectious diseases associated with global warming • Increase in insurance claims and benefits paid due to increase in flooding due to typhoons, etc.
- Decrease in corporate value due to inadequate responses to environmental changes, including the introduction of carbon taxes, damage to assets caused by market and social environment changes, the development of new technologies, and changes in consumer behavior
- Increase in investment and loan opportunities, including in the renewable energy business, that help resolve climate change issues • Reduced operating costs through the introduction of infrastructure with high resource efficiency

# Scenario analysis

Impact of climate change on the life insurance business

The Group works to identify risks related to insurance claims and benefit payments to estimate the impact of climate change on the life insurance business.

Research into rising temperatures is progressing in various fields, and many research institutes have published papers related to this issue, which is attracting more and more attention. In addition to investigating and analyzing such research results, the Group has worked to comprehensively identify risks and quantify their impact based on the characteristics of the insurance products it underwrites.

As part of this effort, we have been analyzing the relationship between global warming and Dai-ichi Life's claims and benefits since fiscal 2020 in collaboration with Mizuho-DL Financial Technology Co., Ltd.

Based on Dai-ichi Life's actual death benefit payments, in fiscal 2020 we conducted an analysis focusing on increased health hazards caused by rising summer temperatures, which indicated a relationship between peak temperatures across Japan and mortality. We then estimated the increase in insurance payments based on the assumption of future climate scenarios and disclosed the results\*19

In fiscal 2021, we updated our climate scenario to SSP5-8.5<sup>\*20</sup>. We also analyzed the impact on the increase in death benefit payments and income and expenses at the Group's three domestic life insurance companies (Dai-ichi Life Insurance, Dai-ichi Frontier Life Insurance, and Neo First Life). Under the new scenario, we estimated that deaths would increase by around 0.2% in the 2050s and 0.8% in the 2090s compared with historical results (2010-2019). Applying this to the actual death insurance claim payments paid by the three domestic life insurance companies in fiscal 2021 (approx. ¥580 billion), this corresponds to increases in claim payments of ¥1.3 billion in the 2050s (income/expense impact of ¥300 million) and ¥4.5 billion in the 2090s (income/expense impact of ¥1.2 billion).

In addition, in fiscal 2021 we analyzed the impact of rising summer temperatures on hospital admissions. After analyzing Dai-ichi Life's past payment records and estimating hospital admissions' relationship with maximum temperatures (and assuming the same climate scenario as for deaths), we estimated the rate of increase in hospitalizations associated with

\*15 The main climate change-related proposals for fiscal 2021 are as follows:

- Status of responses to climate-related risks by group companies

- Progress of new climate change risk measurement methodologies (climate value at risk (CVaR) and the "warming potential" methodology)
- Impact analysis on capital adequacy (based on the International Association of Insurance Supervisors (IAIS) report)
- Impact analysis on the life insurance business
- \*16 Please refer to P.95 for details on officer remuneration.
- \*17 Representative Concentration Pathways (climate change scenarios set by the Intergovernmental Panel on Climate Change (IPCC))
- \*18 Climate change scenarios set by the Network for Greening the Financial System (network of financial authorities on climate change risks, etc.)
- \*19 For details, please refer to P.56 of our Integrated Report 2021

\*20 The IPCC's Sixth Assessment Report uses Shared Socioeconomic Pathway (SSP) scenarios combined with radiative forcing, which assume trends in future socioeconomic development These are denoted as "SSPx-y," where "x" is the five SSPs and "y" is the approximate radiative forcing (around 2100 as in the RCP scenario). SSP5-8.5 is a high-level reference scenario that does not incorporate climate policies dependent on fossil fuel development.

(Prepared by the Company based on an explanatory document in "IPCC no Gaivo va Houkokusvo de Sivousareru Hvougen nado ni tsuite" (IPCC Summary and Expressions Used in the Report) (Ministry of the Environment, August 9, 2021))

\*21 Fiscal 2019 results are used here to eliminate the impact of increased payments due to COVID-19.

\*22 For example, "Gasparrini, A. et al. Projections of temperature-related excess mortality under climate change scenarios. The Lancet Planet Health. December 2017; 1(9):e360-e367."

heat-related illnesses. Applying this to the results of hospitalization benefits paid by the three Group domestic life insurance companies in fiscal 2019 (approx. ¥60 billion)\*21, we estimated the increase in hospitalization benefits in the 2090s to be ¥100 million-¥200 million.

Message

While this study produced limited results, our analysis of hospitalizations led to a trial calculation based on a considerable number of assumptions on mortality comparisons due to the wide variety of diseases, the amount of statistical data, and the paucity of previous studies. We also need to consider the emergence of new risks in the future.



# Analysis for further advancement of climate change risk/impact recognition

The Group is working to enhance its awareness of climate change risks and impacts to address climate change issues. In its report, "THE IMPACT OF CLIMATE CHANGE ON THE FINANCIAL STABILITY OF THE INSURANCE SECTOR," published in September 2021, the International Authority of Insurance Supervisors (IAIS) assessed that the expected investment losses due to climate change in the insurance sector as a whole can be largely absorbed by the capital held. The Group has also estimated the impact on the capital adequacy ratio (based on economic value) given the analysis in the same report and confirmed that the level is absorbable by the capital held.

We also analyzed policy risks and opportunities, as well as physical risks, using MSCI's climate value at risk (CVaR) methodology. Analysis by the temperature increase scenarios

CVaR	CVaR by temperature rise scenario				CVaR for the 1.5°C scenario		
(Impact ÷ Total assets covered)	Orderly 3° C	2° C	1.5° C	Disorderly 1.5° C	Portfolio	Benchmark	Difference
Transition risk	+ 0.1%	+ 0.3%	- 0.4%	- 19.1%	- 0.4%	- 1.8%	+ 1.4%
Policy risk	- 0.1%	- 1.0%	- 5.8%	- 31.6%	- 5.8%	- 6.3%	+ 0.5%
Opportunities	+ 0.3%	+ 1.3%	+ 5.4%	+ 12.4%	+ 5.4%	+ 4.5%	+ 0.9%
Physical risk	- 12.2%	- 7.1%	- 7.1%	- 7.1%	- 7.1%	- 7.7%	+ 0.6%
CVaR	- 12.1%	- 6.8%	- 7.5%	- 26.2%	- 7.5%	- 9.5%	+ 2.0%

# Warming Potential



There is still no internationally established method for analyzing and quantifying the impact of climate change on the life insurance business, and we recognize that each company is conducting research and analysis through a process of trial and error. The Group has begun statistically analyzing the correlation between Dai-ichi Life's past performance and maximum temperatures, using various published papers\*22 as reference. We will work to understand the risks for the entire Group while also considering investigating various disease outbreaks, approaches from a medical perspective, and impact studies of overseas Group companies.

Estimate future excess accruals

Estimates for the 2090s (total for group domestic life insurance companies)

 Increase in death benefits: ¥4.5 billion Increase in hospitalization benefits: ¥100 million-¥200 millior

shows that the impact of transition risk (which combines policy risk and opportunity) is small, whereas physical risk is large in the 3°C scenario, with a CVaR of -12.1% in the 3°C scenario, -6.8% in the 2°C scenario, and -7.5% in the 1.5°C scenario. In the "disorderly" scenario, where an orderly transition does not proceed and carbon prices soar, the transition risk is -19.1% and the CVaR is -26.2%. Compared to the benchmark, both transition risk and physical risk are superior. The Warming Potential, which evaluates the level of GHG emissions of a company on a scale of rising temperatures to determine the level of emissions that will cause global warming, was +3.48°C for the Group's portfolio.

While we recognize that analyses of climate change-related financial impacts are still in the research phase, we will continue working to understand the risks for the Group as a whole.

> The result of CVaR and Warming Potential is calculated from the data of group companies such as Dai-ichi Life (for equity and corporate bond) and Dai-ichi Frontier Life (for corporate bond) Benchmarks are NOMURA-BPI Corporate bonds (for domestic corporate bond), Barclays Global Corporate Bond Index (for foreign corporate bond), TOPIX (for domestic equity), and MSCI ACWI (for foreign equity). Source: Reproduced by permission of MSCI ESG Research LLC Data: As of March 31, 2022

# Initiatives and targets as an insurance provider

With respect to Scope  $1^{*_{23}}$  and Scope  $2^{*_{23}}$  CO<sub>2</sub> emissions, the Group has set targets of a 50% reduction by fiscal 2025 (compared with fiscal 2019) and net zero by fiscal 2040, in anticipation of the targets set in the Paris Agreement. To promote integrated efforts among all employees, Dai-ichi Life has set Scope 3\*23 targets (for items that should be emphasized from a perspective that leads to changes in business and staff behavior) of a 30% reduction by fiscal 2030 (compared with fiscal 2019) and net zero by fiscal 2050.

The Group's Scope 1 & 2 emissions in fiscal 2021 were around 98,900 tons (a 28.8% reduction from fiscal 2019), and Dai-ichi Life's Scope 3 emissions were around 46,600 tons (a 6.3% reduction from fiscal 2019), indicating good progress in our emission reduction efforts.

To achieve its Scope 1 & 2 reduction target, Dai-ichi Life is

targeting the use of 100% renewable energy (RE100) by the end of fiscal 2023. To this end, we achieved RE100 for our real estate investments in fiscal 2021. We also became the first Japanese financial institution to conclude a service agreement for an off-site corporate PPA\*24 aimed at securing long-term, stable power from renewable energy sources for our real estate holdinas.

In fiscal 2021, we actively supported three group real estate affiliates (Dai-ichi Building, SOHGO HOUSING, and Dai-ichi Life Realty Asset Management) in studying policies for introducing renewable energy, and each company has now formulated its own policies. Protective (U.S.A.) and TAL (Australia) are also promoting the use of renewable energy and carbon offsetting. In these ways, we will continue advancing group-wide initiatives.

FY2040

Net zero

# Initiatives as an institutional investor

Message

# By positioning climate change as its foremost issue for responsible investment, Dai-ichi Life is working to realize a carbon-neutral society. In February 2021, we became the first company in Japan to join the NZAOA\*9 and committed to transitioning to a carbonneutral investment portfolio by 2050. In accordance with the NZAOA Target Setting Protocol, we have set a target to reduce GHG emissions in our listed equity, corporate bond, and real estate portfolios by 25% by 2025 (compared with 2020). In 2021, total GHG emissions of our listed equity, corporate bond, and real estate portfolios were approximately 4.93 million tons, down 18% from the

# Main Initiatives Aimed at Realizing Carbon Neutrality (Dai-ichi Life)



GHG emissions of Dai-ichi Life (listed equity, corporate bond, and real estate portfolios) (tCO2e)



Source: Compiled by Dai-ichi Life based on S&P Trucost Limited data (for listed equities and corporate bonds) and Dai-ichi Life (for real estate)

- \*25 For more information on Dai-ichi Frontier Life's targets, please see that company's May 24, 2022, news release: https://www.d-frontier-life.co.jp/corporate/release/pdf/2022\_0003.pdf
- \*26 Renewable energy power generation projects for which the impact is disclosed
- S&P Trucost. This change is in line with the guidance of the Partnership for Carbon Accounting Financials (PCAF), an international framework.





Reduction of CO<sub>2</sub> Emissions at the Dai-ichi Life (Scope 3) (t)

Category 7 (commuting by employees), and Category 12 (disposal of purchased products).



\*23 Scope 1: Direct emissions from the Company. Scope 2: Indirect emissions accompanying the use of electric power, etc., supplied from another company. Scope 3: Indirect emissions

\*24 Electricity procurement method in which power generation facilities are installed at a location remote from the place of demand and the electricity generated is supplied to the place of

other than those under Scope 1 or 2 (emissions from other companies related to the activities of Dai-ichi Life). Presently, the Company applies Category 1 (purchased products/services),

Category 3 (fuel and energy activities not included in Scope 1 or 2), Category 4 (transport/delivery (upstream)), Category 5 (waste generated by businesses), Category 6 (business travel),

demand

2020 level of around 6.02 million tons. We attribute this to a combination of factors, including the curtailment of corporate activities following the spread of COVID-19, progress in GHG emission reduction efforts by investee companies, and market fluctuations that affect the calculation of GHG emissions applicable to the Company.

In May 2022, Dai-ichi Frontier Life set a 2025 target for reducing GHG emissions in its investment portfolio\*25 as part of its efforts as an institutional investor to realize a carbon-neutral society.

• In accordance with the NZAOA Target Setting Protocol, we set an interim target of reducing GHG emissions in our listed equity, corporate bond, and real estate portfolios by 25% by 2025 (compared with 2020), and we are taking steps to achieve this target (other assets will be set sequentially based on discussions with the NZAOA). • Engaged in international initiatives through participation in the GFANZ Principals Group meetings and working

• Provided ESG analyst-issued analyses and suggestions on corporate climate change initiatives for the top 50 GHG emitters, set GHG emission reduction targets consistent with the 1.5°C target, and promoted the

 Promoted appropriate disclosure based on the TCFD recommendations through dialogue with investee companies, and supported initiatives by those companies through Climate Action 100+ and other forms of

 Aggressively make investments and loans to help resolve climate change issues, targeting a cumulative total of ¥950 billion by fiscal 2024, compared with ¥510 billion (cumulative) as of the end of fiscal 2021 • Proactively supply capital for the transition to a low-carbon society through transition finance, impact investments, and other means in addition to making investments and loans in green bonds and renewable

Targeting a GHG emission reduction contribution\*<sup>26</sup> of 1.5 million tons by fiscal 2024 to provide positive impact

\*27 Total (Scope 1 & 2) for listed equities, corporate bonds, and estate. Our 2020 GHG emissions have been recalculated due to a change in the definition of the GHG emissions calculation at

Introduction

Value Creation Story

TOPICS

Message

# **Raising Awareness among Group Officers and Employees**

In addition to our activities as an insurance provider and institutional investor, we crucially need to raise the awareness and change the behavior of approximately 60,000 employees of the Dai-ichi Life Group to realize a decarbonized society. We believe this will help the Group demonstrate its unique attributes. Accordingly, we are pursuing various initiatives within the Group, some of which are introduced below.

# "ECOnnect Plastic-less Challenge"

During the year, we held "ECOnnect Plastic-less Challenge," a two-week group-wide environmental action event aimed at reducing plastic waste. Officers and employees of 18 group companies, mainly Dai-ichi Life and overseas operating companies, participated in the event, posting photos and information about their eco-friendly actions, including the use of non-plastic bottles and bags, on a special website. The event was a reminder that even though individual actions might be limited, the Dai-ichi Life Group can maximize its "eco" power and help address climate change by "connecting" with others. One participant commented, "Since we are making an effort to reduce plastic, we should not stop now but rather make it a habit to foster the happiness of future generations."

# "Zero Disposable Umbrella by 2030 Project"

Every year, approximately 80 million plastic disposable umbrellas are consumed in Japan, placing a huge burden on the global environment (they are difficult to recycle when collected as garbage). The "Zero Disposable Umbrella by 2030 Project" aims to reduce the use of such umbrellas to zero by 2030 through the "iKASA"

umbrella sharing service. It was launched in June 2022 as the first initiative in Japan to raise the issue and take action to solve it. The Dai-ichi Life Group endorses and is participating in the project together with eight companies.

Through participation in the program, the Group's officers and employees can use iKASA free of charge, which not only helps solve a social issue but also fosters awareness and changes the behavior throughout the Group.

# "Dai-ichi Life Forest"

In June 2022, Dai-ichi Life, in collaboration with a forest conservation organization called "more trees," started the "Dai-ichi Life Forest" project in the town of Ashoro, Hokkaido. By planting multiple tree species, including *mizunara* (quercus crispula), which are suited to the region, we aim to ensure the diversity of forests and

preserve biodiversity, while complementing the carbon dioxide absorption benefits of forests. Furthermore, through tree-planting activities with Ashoro townspeople and "more trees," we will use their expertise in forest conservation to cultivate forests while working closely with the local community.

At the same time, Dai-ichi Life will also purchase  $CO_2$  offset credits generated from forests in four towns in Hokkaido, including Ashoro, and use them to reduce its carbon footprint.

To assess the climate-related risks and opportunities of investee companies with respect to its portfolio of domestic and foreign equities and bonds, Dai-ichi Life performed a total carbon emission and WACI (Weighted Average Carbon Intensity) analysis, the disclosure of which is recommended by the TCFD. With the WACI, the GHG emissions per unit of sales of each company are weighted according to the percentage of ownership in the portfolio. We have sought to strengthen the

# GHG emissions for listed equities, corporate bonds, and real estate (breakdown)



resilience of our portfolio by incorporating transition risks, such as the introduction of a carbon tax and stranded assets, into the assessment criteria of investee companies. To further strengthen our risk management system, we plan to upgrade our analysis of climate-related risks and opportunities, including migration and physical risks and opportunities, using mechanisms such as climate value at risk (CVaR) as described in the previous section.

# WACI for listed equities and corporate bonds



change issues is the most important priority of our responsible

investments and loans that help solve climate change issues to

investment approach. With this in mind, we will increase

more than ¥950 billion by the end of fiscal 2024.

Source: Listed equities, corporate bonds: Prepared by Dai-ichi Life using data from S&P Trucost Limited. Real estate: Aggregated and prepared by Dai-ichi Life.

Dai-ichi Life's cumulative investments and loans aimed at addressing social issues reached approximately ¥1.3 trillion as of March 31, 2022. We will increase these investments and loans to more than ¥2 trillion by the end of fiscal 2024 to provide even more positive impacts on society. Strengthening our response to climate

# ESG-Themed Investments and Loans (Dai-ichi Life) Cumulative Investments/Loans & Targets



\*28 Total (Scope 1 & 2) for listed equities, corporate bonds, and real estate as of 2021

\*29 For market indexes, we used TOPIX, MSCI ACWI ex-Japan, S&P Japan Corporate Bond Index, and S&P International Corporate Bond Index. \*30 Investments and loans that help address climate change, including those made in green bonds and renewable energy power generation businesses







Stra



# Contributing to global climate change initiatives

The Group recognizes climate change initiatives as a material management risk that could impact the realization of a sustainable society. As a Group, we are actively participating in the activities of GFANZ (Glasgow Financial Alliance for Net Zero), a global initiative to promote the transition of financial institutions to net zero.

By partnering with financial institutions around the world and sharing our knowledge, we will contribute to the resolution of climate change issues and fulfill our obligation to future generations.



GFANZ is an organization that integrates net-zero financial sector– specific initiatives into a single industry-wide strategic alliance. Its membership comprises more than 450 financial institutions from 45 countries, with combined assets of more than \$130 trillion (as of November 2021).

GFANZ supports the formulation and effective implementation of financial sector-wide transition plans, provides funds to enable developing economies to decarbonize, and makes policy recommendations to realize its goal of "accelerating the transition to a global net-zero economy." Working groups tasked with conducting these activities effectively have been established.

In addition to being a member of the Principal Group that heads GFANZ, we participate in a Steering Group that supports the Principal Group as well as in some working groups.



Fast yet thoughtful decision-making A forum to discuss the hot topic of how to cool the planet.

Hiroshi Government Relations Group, OTA Dai-ichi Life Holdings, Inc.

I have been an active member of two GFANZ working groups since March 2022. Both working groups aim to provide guidance to financial institutions. One of my missions is to accurately represent the Japanese and Asian perspectives as the outcomes of the working groups' deliberations will be published in the form

represent the Japanese and Asian perspectives as the outcomes of the working groups' deliberations will be published in the form of reports and might be adopted as global standards in the future. I am acutely conscious of the responsibility that this entails.

The working groups comprise practitioners with diverse backgrounds from financial institutions that are members of GFANZ. I was previously in charge of capital policies in the planning department of The Dai-ichi Life Insurance Company, Limited, so I have an interest in the integration of sustainability strategies and financial and capital management strategies. If the activities of GFANZ enable us to establish and develop new financial institution management with climate change initiatives at its core, we can anticipate a virtuous cycle that will grow the number of financial institutions committed to net-zero.

Currently, there is a gap between the realistic outlook and the net-zero goal that financial institutions affiliated with GFANZ have set for themselves. To bridge this gap, we must calmly ascertain what needs to be done immediately and act swiftly to put ambitious plans into action. GFANZ will play a pivotal role in further accelerating financial institution initiatives. Governance

Data

In March 2022, I joined the subcommittee that provides support for GFANZ's highest-level conference attended by company presidents. We are the sole Japanese company at this top-level conference. Climate change initiatives are no longer the exclusive domain of companies with a high awareness of environmental issues. We need to expand the number of companies that are willing to support and collaborate with us to achieve the big target of net zero. How can we support them as a financial institution, and in what ways might we collaborate with the public sector? The passion of the participants in the GFANZ discussions comes across loud and clear.

GFANZ discussions are fast paced, and conclusions are reached quickly before moving to the next agenda item. It can be perplexing at times for those of us accustomed to the Japanese style of proceeding with careful deliberation and coordinating our views and opinions as we go. While speed is certainly important to address climate change initiatives that require immediate action, it is also important to make recommendations based on thoughtful discussions to ensure that they are acceptable to different governments and companies implementing the initiatives, so sometimes I offer comments from this perspective. Even though I find it challenging to strike a balance between the need for speed and the need for a more measured response, I enjoy engaging with people from various companies and countries because it allows me to feel a connection that transcends distance.


# Human Capital **Management Strategies**

We aim to increase group value by creating a "World of Opportunities" in which our people all over the world can energetically demonstrate their authenticity and successfully contribute.



Hitoshi Yamaguchi **Executive Officer** 

For the Dai-ichi Life Group, "customers first" is our fundamental management principle, and our mission is "By your side, for life." With this foundation, we see our primary purpose as contributing to the peace of mind and prosperity of our customers and contributing to the well-being of communities we serve. Our strength is our people. They contribute and make a difference in the lives of our customers and in the success of our businesses. It is only through the efforts of our people across the Dai-ichi Life Group that we deliver our mission.

As the Dai-ichi Life Group grows globally, we continue to open up a world of opportunities for all of our people. We are working collaboratively, strengthening our efforts to develop a path forward together with our colleagues in both overseas and domestic group companies. While respecting the independence of each group company, we learn and work together to create an environment where our people can actively contribute to the creation of our group value, regardless of gender, age, background, or nationality.

As part of these efforts, we have created our group employee philosophy in fiscal 2021. Our philosophy describes how we engage and motivate each other to deliver our best work by connecting our people to our purpose, values, and strategy. Through our philosophy we provide opportunities, challenges, and support so that our diverse talents can grow and create value together

## Dai-ichi Life Group Employee Philosophy Statement

Growth is not a solo endeavour. As over 100 years of experience has taught us, growth comes from belonging to something bigger than ourselves. At Dai-ichi Life Group, we are by your side, growing with you. Challenging you. Supporting you to prosper. Protecting the well-being of all, now and for the future. Wherever you are with us, and wherever you go in our group, we work together to open up a world of opportunities.

To achieve the vision embodied in our group medium-term management plan, it is essential to maximize the value of our people who contribute to achieve our vision. With "World of Opportunities," we have been working to increase the value of our employees and expand our human capital

Vision Human capital strategy that supports our business strategy	Increase the value expand our h	
	Current state (	April 2022)
Turning diversity into a strength	Percentage of female managers*	17%
Belong	Next-generation global business leader candidates*	241
Enabling a transformation	DX core employees*	100
Grow	Shift to new domains*	313
Improving	Overall engagement survey score*	63
employee well-being Be Well	Percentage completing secondary medical exams*	85.7%
bewen	Percentage taking paternity leave*	92.3%

## Initiatives to improve employee engagement

To achieve our "customers first" goal, the Dai-ichi Life Group aims to elevate the ties between the organization and employees, create an organization where employees can energetically and excitedly contribute with pride and a sense of purpose, and work together to respect and improve employee well-being.

To improve engagement, in 2021 we began holding town hall meetings to provide a forum for conversation between employees and all executives. In this fiscal year, we will continue to hold these as a platform where management can gather opinions from each employee, with a focus on improved two-way conversation. This will build a relationship of trust between employees and the organization through management listening to employees and employees hearing things directly from management, and lead to reformations in the organization

In fiscal 2021, the previously used employee satisfaction survey was replaced by an engagement survey as a means of regularly measuring engagement, or the strength of the connection between employees and the organization, and of improving such. To reach the target overall score on the engagement survey, we are particularly focusing on improving scores for components of engagement including "corporate philosophy," "corporate culture," and "health," which indicate quantity of work and reaction to stress. Also, from the results of last fiscal year's engagement survey, the "percentage of employees who feel that the corporate culture is changing" was just under 40% of the total, leading us to recognize that we need more initiatives targeted at "creating an organization where employees can energetically and excitedly contribute with pride and a sense of purpose." Engagement is something that is "created together," so along with pursuing initiatives for improvement based on conversations with employees, we will dig deeper into the data, such as analyzing the issues by organization or job position to facilitate targeted solutions. \*Average value of items that make up engagement, such as "professional duties" of



\*Covers cumulative data for Dai-ichi Life Holdings, Dai-ichi Life Insurance, Dai-ichi Frontier Life Insurance, and Dai-ichi Neo First Life Insurance

	FY2021
Overall engagement score*	63
Percentage of employees who feel that the corporate culture is changing	39.1%

"corporate philosophy.

Story

Global human capital strategy

#### Global Job Posting Program for all our group companies

The Dai-ichi Life Group is committed to investing in our people by helping them achieve their career aspirations and providing opportunities to develop their strengths within our Group. As one of our initiatives for a "World of Opportunities," we have launched a global job posting program in fiscal 2022. This program allows people across our Group, including overseas, to raise their hand and open their career opportunities by themselves.

When we launched the program, we sent out a video message from our president to all group companies, and eight positions from Japan, Singapore and India were posted. There was a vigorous response from all group companies.



From April 2022, members from Protective (US), TAL (Australia) and DLI ASIA PACIFIC (Singapore) are virtually working in Dai-ichi Life Holdings, and a member from Star Union Dai-ichi Life (India) is working in Singapore virtually. They are collaborating to create new values together.

Our group companies share positive results, saying that providing opportunities beyond the individual companies helps employees feel that they are a part of the larger group, which leads to enhance employees' engagement.

To realize a "World of Opportunities" where our group people can grow and play an active role, we are working and learning together with HR colleagues from group companies globally. It is also our important asset to

develop our group HR program and support our people.



Team meetings

#### **Employee voices**

Risk Management Unit, Taiga Ito, Dai-ichi Life Holdings, Inc.

Kate works at the Regional HQ in Singapore, where connections with other group companies are particularly strong. She provides us with timely, specific information on regulatory agencies in the

Asia Pacific region and trends in the life insurance market. This expands our understanding and leads to a higher level of risk management across the entire Group

Global talent development in Japan

who can contribute globally, to strengthen global governance

systems and expand the profit contribution from the overseas

There is an increased need to develop business leader candidates

Considering these needs, the medium-term management plan

aims to develop 300 employees (next-generation global business

Out of those 300 global talent 150 are expected to manage regions

leader candidates) with an eye to future overseas assignments.



#### Internal Audit Team, Kate Low, DLI ASIA PACIFIC

This program have allowed me to work with members outside my own functional area, and helped me better understanding some of the global

to get new knowledge and perspective. I'd definitely like to recommend my colleagues to participate and contribute to global initiatives



Specifically, these young people are given broad training with the goal of developing the basic capabilities needed to contribute in a global business environment to broaden our base of global human capital. We are also engaged in efforts such as programs to increase practical communication and management skills for mid- and executive-level management on the assumption that they will be involved in overseas business

# Strategic human capital shifts to new domains

This career rotation, a strategic human capital shift, is positioned as an investment in human capital. To cross the boundaries of

We are working to execute the strategic shift of around 3,100 employees by fiscal 2026 for the development of diverse human capital to support our four experiential values. We will strengthen our capabilities in CX design, driving DX, organizational design, and global business, and strengthen our human capital development, which is the driving force behind business model transformation. We are also working to place employees in domains and new businesses that will lead to stronger profitability across our group companies. insurance and progress into new business fields, we need diverse experiences and points of view beyond just the experience built up in the company. This career rotation system enables employees to spend a fixed amount of time at companies or government organizations outside our Group to have a variety of experiences, then return to the company as more developed employees and contribute more fully to the company, leading to increased company value.

By serving in companies or government organizations outside our Group, employees contribute to the sustainability of communities and society. We will continue to promote this initiative as a "win-win-win" scenario for the employees, our Group, and the outside companies or government organizations.

#### Career rotations outside our group by leveraging Japanese hometown tax program

In April 2022, we began career rotations at local government organizations, utilizing a temporary staffing style hometown tax agency. We placed one employee each with Hannan City, Osaka Prefecture, and Tokushima Prefecture (as of July 2022).

#### Employee's voice

#### Hannan City Hall City Promotion Manager and Yumiko Shimizu, Policy Joint Development Manager

The life insurance business is connected to solutions to social issues, but I thought I'd like to do some work even more closely related to solving such issues, so I applied to work in a local government organization.

My work is in promoting the Smart City and Smart Wellness City projects, as well as other things. Recently, I've been working on promotion of business utilizing the Digital Garden City Nation Promotion Grant (Rural Creation Telework Type).

Social issues affect many areas. I think that rather than being solved by a pippointed approach, it's often the case that initiatives that approach an issue from many angles yield a 清水 裕美子 synergistic effect. By attending study meetings to absorb knowledge, and studying the national policies, the conditions of the city, and examples from other governmental organizations, and using them in my work, I can develop a sequence of activities to apply to completing the work. I think this expands my perspective and teaches me a lot and gives me a motivation that's different from my work at Dai-ichi Life. I want to utilize the experience I've cultivated at the government agency when I return to Dai-ichi Life.

### Human capital development trainee at a venture company

From April 2022, we began human capital development training utilizing the venture company LoanDEAL.

We aim to stimulate a management perspective and provide experience in collaborative decision-making through experience at a venture company and development of mid-level personnel involved in DX promotion, targeted primarily at young and mid-level employees.

Employees working as trainees at Chikaku. (center)

business.



These employees are involved in activities including the Smart Wellness City initiative (in Hannan City) and regional promotion (in Tokushima Prefecture).





# DX human capital development

As customer needs become more and more diverse, it is essential to utilize the digital technology that has become a close companion to people in their everyday lives to create a customer experience that extends beyond the boundaries of insurance. Every employee needs to become the "DX human capital" that can support the realization of our four experiential values. We classify the skills of DX human capital into three levels: 1) DX user, 2) DX core, and 3) DX pro. We are working to provide human capital development appropriate for each of these levels. For DX users (those who can use digital tools), we work to improve DX literacy, primarily through a DX promotion manager appointed at each site. For



development of the DX core (those who can drive an organization with respect to digital technologies) and DX pros (those who can reform the business model), we will provide practical training through a specialized organization, and further promote speedy resource development through things like career rotations to companies outside our Group. As one specific example of an initiative for fiscal 2022, we are expanding the Agile Workshop, set up in fiscal 2021 to support agile developers, and strengthening our efforts in personnel development through practical experience. And to further develop DX resources, we plan to perform an external assessment on roughly 2,000 employees, targeting young personnel and the next-generation leaders in organizations relevant to DX. Based on assessment results, we will provide study grants and redistribute employees appropriately to further increase our capability level.

# My Career System

We have adopted the "My Career System" to enable employees to autonomously consider their own careers and forge their own career path. In addition to job positions within our Group, we have prepared positions at career rotation companies (outside our Group) where employees can contribute to a variety of fields outside the boundaries of insurance. This expands the environment where employees can challenge themselves in things that they want to do. The numbers of job positions, applicants, and successful candidates are increasing, and we are aiming for "an era where employees can choose their own careers."

In the year beginning in August 2021, we began posting jobs and improving the matching between job postings and applicants.

#### My Career System Number of job postings/Number of applicants/Number of successful candidates

••			
	Fiscal 2019	Fiscal 2020	Fiscal 2021
Number of job postings	131	175	222
Number of applicants	206	181	296
Number of successful candidates	71	73	93

# Participation of diverse employees

### **Developing female leaders**

In this current age where customer needs are changing dramatically, we need to break down the homogeneity of our management and leaders and achieve a state where diversity can lead to organizational reforms. With this value system, one important initiative in promoting diversity and inclusion is that we are encouraging the contribution of women, who make up more than half of our work force.

Aiming to have 30% of our executives be women by 2030, our goal is "30% of department heads should be women by April 2024." Along

with enhanced level-specific training, we are working on succession plans. When executives create a succession plan, where they name candidates for management posts in their organization, 30% or more of these should be women. Furthermore, to provide chances for executives to directly observe and train these candidates, in departments where there is normally no opportunity for interaction, we are crossassigning these candidates so that they can get one-on-one contact.

In December 2019, we became a member of the "30% Club Japan," an organization that campaigns globally to increase the number of female executives. We will continue to accelerate our efforts to increase diversity among the decisionmakers at our company.



### Utilizing experienced hires

Message

In addition to maintaining the skilled and specialized personnel we need for reforms in our business model in the future and developing new businesses, we are strengthening our efforts to hire experienced individuals to break down homogeneity and increase the diversity of knowledge, experience, and thought. In fiscal 2022, we began implementing the "buddy system" to improve follow-up after hiring. For the first six months after hiring, a "buddy" will stay in contact via chat applications or Sh similar technology to address any concerns or doubts of the experienced hire, with the goal of making the organization operate more smoothly. Through these sorts of initiatives, we aim to enhance the contribution of experienced hires in a variety of fields and improve the organizational capabilities.

#### Initiative aimed at normalization

All companies in our Group are working to proactively hire employees with disabilities and to put in place an environment where it is easy for all to work. At one special case among Dai-ichi Life subsidiaries, Dai-ichi Life Challenged, those with disabilities, particularly mental and emotional challenges, can utilize their individualities to perform a wide range of work including printing, shipping documents, data entry, custodial work, and running cafés. A variety of accommodations in work environments and work styles bring out the full potential and capabilities of each individual worker.

# Accommodating diverse work styles

## Adoption of full remote work

In April 2022, we adopted a full remote work option; 17 employees are trying out this new style of work. Among those whose work is limited to a particular region and does not require a move, employees for whom it is difficult to commute to work within 90 minutes, such as in Tokyo or Osaka, are able to perform work for the headquarters in a fully remote fashion, five days a week, from anywhere in Japan. Also, for those who have chosen short workdays for reasons such as childcare, the elimination of commute time due to remote work could allow them to choose to move to full time. A flexible work style that does not depend on time or location of residence is driving a diverse range of career options.

### Internal and external side jobs

Starting in April 2021, the restriction on side jobs outside the company was lifted. This policy enables the utilization of relevant skills and specialties outside the company and is intended to help in community building. The range of possible outside work is broad, including things like teaching seminars. Currently, about 150 employees are taking advantage of this opportunity.

Furthermore, internal side jobs were allowed beginning in December 2020. Each project can advertise jobs; gathering participants from various departments enables collaboration and innovation across department boundaries. Participants who have a chance to work on projects for other departments also get the opportunity to think about their own careers.

	Fiscal 2020	Fiscal 2021	Fiscal 2022*
Internal side jobs	15	10	39
External side jobs	_	106	146

hare	of	ex	per	ien	ced	hi	ires

Fiscal 201	9 Fiscal 202	0 Fiscal 2021
28%	27%	34%



Data entry



A Working for the headquarters from home in Fukuoka

\*As of July 2022



A side job teaching a seminar

### Creating an environment and culture where diverse employees can participate

We are promoting a variety of initiatives that lead to employee wellbeing, increase value added by the organization and individuals, and increase productivity. These include things like implementing telework and flextime policies; adoption of "hourly time off," where employees can take vacation on hourly basis; and eliminating core time. Such policies allow employees to freely decide for themselves where and when to work and aim to create a work environment that allows more flexibility in work styles.

Aiming to build a culture and work environment where diverse employees can participate and grow, we have instituted hands-on D&I Seminars. About 2,600 employees participated in these in fiscal 2021. This leads to encouraging an understanding of diverse employees and value systems, understanding of employees' health risks, and encouraging

Fiscal 2021 D&I seminar	
Working along with caregiving	Caregiving introductory course
Women's health issues	<ul> <li>Breast cancer, diseases of the uterus</li> <li>Menopause and MPS illnesses</li> <li>Conception and infertility treatments</li> </ul>
Promoting the taking of parental leave for men	Fatherhood preparation seminar
Promoting understanding of disabilities	<ul> <li>Stories of experiences from those with disabilities</li> </ul>
Promoting understanding of LGBTQ	LGBTQ awareness seminar

good work-life management. We recognize the need for all to respect and support diversity so that all can manifest their individuality as society changes and more diverse people participate with us. We will continue to work to create a culture that leads to a motivating and accommodating environment that maintains mental safety and good communication between managers, workers, and others by means of conversations, training, and seminars



We are undertaking a variety of policies to create a culture where all employees are motivated and can work energetically.

Atsuko Ochiai Executive Officer

This fiscal year, we are strengthening our initiatives with the goal that 100% of male employees will take a total of at least one month of parental leave

We are promoting measures that exceed what is required by law in terms of parental leave. For example, in October 2022 we will adopt a program that allows up to 20 days of accumulated paid time off for male employees who take parental leave, allowing them to take an active role in child-rearing and housework when their partner gives birth, or during particularly difficult periods in child-rearing. In encouraging men to take parental leave, it is necessary to overcome unconscious biases that foster awareness of stereotypes for gender roles, such as "child-rearing and housework should be done by women." This fiscal year, we aim to conduct a "family friendly boss's seminar" for upper management to initiate reforms among

management and strengthen teamwork.

For both men and women, taking parental leave to participate in housework and child-rearing not only leads to personal joy, happiness, and human development but also provides viewpoints and experiences that can be leveraged at work, leading to new ideas and increased productivity. We are promoting the creation of a work environment where everyone can create their own environment and ambience that allows the balancing of work and life, and where respect of and cooperation with diverse employees leads to reforms in the corporate culture, increased employee well-being, and members supporting each other.

Note: In Tokyo, we aim to change the mindset of society from parental leave being "taking time off work" to "taking time to raise children, the treasures of society"; to this end, we have nicknamed parental leave "rearing work." The rest of our Group endorses the intent of this nickname.

	Fiscal 2019	Fiscal 2020	Fiscal 2021
Acquisition rate	79.8%	91.3%	92.3%
Average number of days taken	9.5	11.5	11.8



# Initiatives to respect human rights

Story

#### Basic way of thinking

Message

The Dai-ichi Life Group has established a set of Group action principles (the DSR Charter) that enumerates the value system that all executives and employees cherish. One article of this charter declares that we work to have "respect for human rights" and establishes the "Dai-ichi Life Group Human Rights Policy." In addition, the core company of the Dai-ichi Life Group, Dai-ichi Life, includes content regarding human rights in its "Dai-ichi Life Action Model," prescribing that we do not approve of any violation of any human rights in the pursuit of business.

Along with our Group's early grasp of the trend in the international community for human rights respect, we aim to be a company rooted in a value system of "respect for human rights" that seeks happiness for all, and works to develop employees who act in all situations with a mind to constantly care for others and who correctly understand the principles and guidelines related to human rights.

In fiscal 2021, in endorsement of the Ministry of Justice's declaration that "companies, organizations, and individuals should declare their intent to take actions that respect human rights and aim to realize a society in which everyone respects human rights," we announced a "My Jinken Declaration" in the name of the company president.

#### Promotion of human rights due diligence

The Dai-ichi Life Group, recognizing that we should respect the human rights of all stakeholders involved in all business activities, including the supply chain, continually promotes human rights due diligence with the following four steps: 1) establishment of and commitment to the Group Human Rights Policy, 2) evaluation of the identification and influence of human rights risks, 3) the establishment of corrections and remedies, and 4) information disclosure and monitoring.

#### Dai-ichi Life example: Human rights due diligence initiative (PDCA cycle)



Commit to the declaration of the Group Human Rights Policy and promote thorough knowledge of it within the company



Periodically disclose the state of initiatives. and reflect the resulting opinions and evaluations back into the policy

#### Initiatives as an institutional investor

At Dai-ichi Life, we strive to create a positive social impact through assets investment and lending that contribute to solving social problems including the promotion of diversity and the respect for human rights, in accordance with the Basic Policy on Responsible Investment released in April 2022. Also, in stewardship activities centered on the exercise of voting rights and engagement (dialogue) with the companies with which we invest or lend, we emphasize the viewpoints of diversity and respect for human rights.





Dai-ichi Life Group Human Rights Policy https://www.dai-ichi-life-hd.com/en/ sustainability/initiatives/rights.html



Human rights due diligence initiatives https://www.dai-ichi-life-hd.com/en/sustainability/initiatives/rights.html

Responsible Investment Report

https://www.dai-ichi-life.co.jp/english/dsr/investment/ri-report2.html



Female Directors and Executives' Discussion

# Promoting the Advancement of Women to Foster Diversity and Inclusion (D&I)



**Rieko Sato** 

Member)

#### Takako Kitahori

(The Dai-ichi Life Insurance

Company, Limited)

Director and Managing Outside Director Executive Officer

Managing Executive Officer

(The Dai-ichi Life Insurance Company, Limited

Chieko Takahashi

Outside Director (Audit & Supervisory Committee

#### Executive Officer (The Dai-ichi Life Insurance Company, Limited)

Miki Kashizaki

Executive Officer (Dai-ichi Life Holdings, Inc.) (The Dai-ichi Life Insurance Company, Limited

Atsuko Ochiai

# Women's Advancement in Dai-ichi Life: Current Status and Changes and the Need for D&I

Takahashi: In 2015, I became the first woman executive of Dai-ichi Life. That was before we shifted to the current holding structure. At the time, I was the only woman among dozens of male executives. I was in such a minority that my hands trembled when I spoke up in a meeting. Now, however, female executives are speaking openly at Dai-ichi Life's management meetings, so things have since changed quite a bit. I would like to see more female executives going forward.

Yuriko Inoue

Sato: I am now in my seventh year as a member of the Board of Dai-ichi Life. When I joined, there were only two female executives. I remember thinking, "Almost all of our sales representatives are women, so why are there only two executives?" Now that we have more female executive officers. I think we have made about half a step forward in our D&I efforts, but I would like to see the number increase even further. Although opportunities for outside directors to

interact with employees are limited, I want to create more opportunities for dialogue with female employees in this context.

Message

Inoue: My original impression was that the Dai-ichi Life Group was actively engaged in D&I, so when I became an outside director five years ago I was surprised to see how few women were active in or close to management positions. At Dai-ichi Life Holdings, there were no female directors or executive officers at that time. Even in pre-briefings for Board meetings, female employees rarely took charge. While I'm happy to see the number of female executives increasing in our Group as a whole, there is still only one executive officer at Dai-ichi Life Holdings. Japan's revised Corporate Governance Code places greater emphasis on ensuring diversity in management, and we receive questions every year at our Annual General Meeting of Shareholders about the low number of women on our Board of Directors. I'd like to see women play more active roles in management as well. Kitahori: In terms of changes in D&I within our Group, I joined Dai-ichi Life as a career-track employee in 1994, when recruitment was still divided between career and regular positions. At that time, there were few female career-track positions. Because regular position employees wore uniforms and career-track employees wore plain clothes I was in an unusual position. Some people from other departments would even come to see who the female career-track employee was. I heard that my supervisor was also concerned about how to train the female career-track employee, including details of who we would have lunch with. Now, with the integration of job classifications, young people in particular feel no discomfort with working on an equal footing. This is a world apart. It is an amazing change

Kashizaki: I joined the same year as Ms. Kitahori in a regular position and was supposed to wear a uniform. At that time, Dai-ichi Life was just beginning to focus on developing the skills of women, and I was told to be in charge of corporate sales. I was the fourth generation of women who visit customers as corporate sales representatives. When I started, there were probably 20 or so women like myself who were involved in customer contact work, but since then the number has increased steadily. By 2011, when I became a manager, there were more than 500 women related to corporate sales and now there are about 2,000. The number of female managers has increased accordingly, and now stands at more than 1,000, with the ratio of female managers at 28.5%. The expansion of women's duties and the promotion of women to management positions have progressed in tandem. I feel that we have come this far through a series of repeated efforts and nurturing. Now that around half of the assistant manager positions are held by



#### Rieko Sato

Partner of Ishii Law Office. Ms. Sato has been an Outside Director of The Dai-ichi Life Insurance Company, Limited, since 2015 and Outside Director (Audit & Supervisory Committee Member) of Dai-ichi Life Holdings, Inc., since 2016. She also serves as an Outside Director of J. Front Retailing Co., Ltd., and as an Independent Audit & Supervisory Board Member of Mitsubishi Corporation

women, I feel we are making good progress in promoting women to decision-making positions, such as line (section) managers and general managers. On my first day on the job, I remember being handed a cloth and told, "Come first thing in the morning, wipe everyone's desks, and wash the ashtrays." Times have really changed since then. At first, when I visited customers, they were surprised to see a woman doing this kind of work. So, I think Dai-ichi Life has been a relative pioneer in the industry. When I first visited a customer instead of my male predecessor, I was asked "Why did they send a woman?" While working together since then, however, customers have often mentioned that they like women better.

Ochiai: In my case, I joined the Company in 1995 as a career-track employee. Of the 173 such employees in my year, 12 were women, in addition to 295 women in regular employment. I heard that there were discussions about how I would be treated before I arrived at my first assignment. Most of the 12 female career-track employees in my year have since left, so the small number of female executives is due in part to the small original population of female career-track employees. At that time, we had to accept that we would have to work a lot of overtime and be transferred across the country regardless of our wishes. I think that's why many of the female career-track employees had concerns. When I was in my 20s, I could not even imagine continuing to work after getting married and having children. I have since given birth to two children and taken childcare leave twice, so times have changed dramatically and the Company's systems

Value Creation Story Stra Per



#### Yuriko Inoue

Professor of Business Law, Hitotsubashi University Graduate School of Law. Ms. Inoue has been an Outside Director of Dai-ichi Life Holdings, Inc., since 2018. She also serves as an Outside Director of Nippon Signal Co., Ltd.

seem to have improved. In addition to promoting diversity, the Company has established a "Family Friendly System" to support a work-life balance and a "Family Relocation System" allowing region fixed employees to accompany spouses when they are relocated. Despite the availability of those systems, it took a lot of courage to take advantage of them. In my case, I felt that my career would be over if I took parental leave or shorter working hours. But I took leave anyway as if I didn't care. It is now commonplace for employees to take leave. Times have changed, and the Company has made a strong effort.

Sato: Awareness on the part of men has also changed. But I think we are still treated differently in the company simply because we are women. Men's values, which have traditionally encompassed our entire society, are also prevalent in business and decision-making, including with respect to drinking and golfing. But some women cannot enter such boys' clubs. This alone makes them different. The fact that, when Ms. Kitahori and Ms. Ochiai joined Dai-ichi Life, people around you wondered how you should be treated means that just being there is significant. Women have completely different points of view. There is no guesswork in women's remarks. Diversity is essential for corporate management because the organization becomes revitalized by the inclusion of non-male perspectives.

Takahashi: When I was first appointed as an executive and sitting in the management meeting room, I remember that someone said, "Hey you, what are you doing here?" At first, I was too shy to speak up at meetings, but then one day I thought about the meaning of my being there. I realized that Dai-ichi Life would not improve in the slightest with a culture of conformity and too much considerations, and I therefore opted not to have any constraints. A switch was flipped. I should say what I thought. Nowadays at management meetings, the first executives to raise their hands are often female members. I believe we should include opinions from completely different viewpoints, which will lead to new realizations and changes. At the same time, I often gain completely new insights from the male perspective at such meetings.

Kitahori: Since Ms. Ochiai and I were female career-track employees, who were different from others when we joined, we felt the need to adapt to the company's ways and conform to the "old boys' network." In recent years, the atmosphere has become more accepting of diversity and people are allowed to express their own opinions, but I still think it is important to have someone who supports you. Moreover, diversity is not limited to gender. To create something new, we also need ideas from experienced hires and other people who grew up in completely different industries. Ochiai: I totally agree. When I was younger, there was pressure to be like men and I felt conflicted about wanting to be myself, but the environment around me has now changed and I am able to be myself. Last year, as the person in charge of overseas business, I had many opportunities to explain things to outside directors. I wondered about what kind of questions they would ask me when I brought this project up, but I forged ahead anyway. By receiving opinions from outside directors that did not come up in internal meetings, I was able to take a step back and looked at the projects I was working on from an objective perspective. It was a great learning experience. I truly feel that the quality of decision-making can be improved by incorporating the perspectives of various people, even for the smallest of decisions in the normal course of business. It is often said that overseas leaders have a top-down approach to decision-making. Before making top-down decisions, however, they listen carefully to the opinions of people with various viewpoints. In the future, we will need leaders who make decisions after thoroughly exchanging diverse opinions, rather than adopting the Japanese style of waiting for everyone to agree

**Kashizaki:** To achieve great results as an organization, it is important for multiple people to express their opinions, not just one person. I feel that many women are capable of listening, and it would be good for management to take advantage of this ability to create an atmosphere that makes it easy to express varying opinions.

**Inoue:** The ratio of women in management and executive positions is often used as an indicator, so it is easy to make increasing diversity an end in itself. However, it is important

to understand why we need to increase diversity. With the external environment changing so rapidly and dramatically, the only ideas that emerge from groups of like-minded people are similar ideas. Transforming ourselves into an innovative

Message

# Challenges in Promoting Women's Advancement and D&I

**Kashizaki:** What I see and feel is that many women still lack confidence. If given the right position or opportunity, they can fulfill their responsibilities effectively, but they have not been able to raise their hands voluntarily. In this regard, we need to encourage and support such women.

I have recognized there is an opinion, "Why is there a training specifically for women?" I hope that the day will come when this training no longer exists. At present, however, we need to continue the training to give women a little encouragement and confidence. While younger generations are progressing without any concern for gender differences in their career steps after entering our Group. other generations still need this kind of support. From this fiscal year, we started encouraging men to take one month of parental leave, but the important thing is not to take one month. We have employees who are also dealing with various issues, such as nursing care or their own illnesses. I want our employees to use the company's leave systems to create a workplace where people help each other, support each other in the workplace, and allow each person to cherish his or her private life. Childcare works better when everyone is involved, regardless of gender or generation. As such, I hope we can create a culture in which everyone can work easily and with a sense of fulfillment through utilizing the leave systems including "Grandchild Birth Leave" and other programs.

**Sato:** I understand that men are reluctant to take parental leave due to concerns about the impact on their own careers. However, in reality, all young people want to take such leave, so the most important thing is for supervisors to change their mindset. Rather than sticking to old-fashioned ways, we need to embody the "respect each other" mindset valued by the Company. This is the most important starting point.

**Takahashi:** Ms. Sato's words are true. Many of our corporate clients set limits on the number of women to be recruited at the hiring stage, which is an issue for society as a whole. As for D&I, I think it would be good to promote experienced hiring to attract people with immediate and specialized skills. I also believe our initiatives, such as the mentoring program, are very supportive for new hires. We, organization requires greater diversity. It is also important to bring together people with different values and experiences to improve the quality of decision-making through constructive discussions from multiple perspectives.

women, also need to be aware that women can be part of management. Rather than thinking that nothing will change, we must enforce change by participating in the decisionmaking process ourselves.

**Kitahori:** Thanks to the efforts of Ms. Kashizaki and Ms. Ochiai, who have been in charge of D&I in the past, I believe that the younger generation is becoming conscious of the importance of equality. The challenge from now is how to increase the ratio of women among line (section) managers, general managers, and executives to 30%. I've always thought that in the process of career development for women, it is important for the employees who have aspirations for management to gain experience while relatively young at corporate and planning departments that require coordination with other departments, rather than staying in specific departments, such as administration or sales, for a long time. People who have worked hard and exceled in sales will find it difficult to be suddenly assigned as a line manager in a completely different field and will



#### Chieko Takahashi

Joined The Dai-ichi Mutual Life Insurance Company in 1980. After serving as General Manager of the Group Life Insurance Business Department and General Manager of the Public Sector Relations Department, Ms. Takahashi became the first female Executive Officer of The Dai-ichi Life Insurance Company, Limited, in 2015. She continues to serve as an Executive Officer of Dai-ichi Life, mainly in charge of the Corporate Relations Department.

Value Creation Story Stra



#### Miki Kashizaki

Joined The Dai-ichi Mutual Life Insurance Company in 1994. After serving as General Manager of the Public Sector Relations Department, Ms. Kashizaki was appointed Executive Officer of Dai-ichi Life Holdings, Inc., and The Dai-ichi Life Insurance Company, Limited, in 2021. She currently serves as an Executive Officer of Dai-ichi Life Insurance Company, mainly in charge of the Corporate Relations Department. need appropriate support from those around them. To achieve the 30% female ratio target for line (section) managers, we need to make some further adjustments in personnel transfers.

**Sato:** Yes, that's right. As Ms. Kitahori says, it is important to gain experience in multiple departments, such as planning, on a rotational basis, even if you are in a region fixed position. It's important to develop specific expertise but if you don't get wide-ranging experience from a young age, you won't understand management. It would be tough to get promoted up to the executive level without having such experience. Therefore, I also agree that it is better to experience a variety of operations from an early age to gain a company-wide perspective and the concept of company-wide optimization.

# Promoting the Advancement of Women and D&I: Responses and Direction

Ochiai: It is important to give people a variety of experiences through personnel transfers. On the other hand, there is a trend in the world that the job-based system, rather than the conventional seniority system, is better for accurately evaluating human capital. In life insurance, each field is deeply specialized, so traditionally there are many cases where people are appointed to the same field for long periods of time. However, the management level requires a wide range of perspectives, so experience in varying departments is an advantage. How we should confront this is a challenge when considering personnel transfers. Another is that women themselves must change their own attitudes. I am the head of my department and we have female employees, but quite a few of the best ones do not want to be in management. There is a strong impression that being in a managerial position is a burden, both mentally and time-wise. So as a company, we really need to change the way we work, including addressing the issue of long working hours. What Ms. Sato said about the need to change the mindset of supervisors is also true. Last year, when one of the men under my supervision took a year of parental leave, I saw a couple of employees express a desire to take leave and actually took extended leaves. We must recognize that young people's attitudes are changing faster than we could imagine.

Inoue: Certainly, the values of younger generations, both male and female, are changing. The Showa period (1926-1989) was one of lifetime employment, where people were willing to work hard to be recognized by their organizations. Nowadays, people are becoming less company-centered, and more and more of them feel a desire to proactively contribute to society through the companies they work for. It is difficult for the current generation of executives and managers to completely free themselves from their past values and personal experiences, so even if they try to increase diversity, they might not come up with good ideas. What kind of work does the younger generation, who will support our company in the future, want to do, and what kind of organization do they seek? I would like to see initiatives taken based on the thinking of the younger generation. I believe this will foster a change in the mindset of older-generation managers. Kitahori: This might be different from the theme of increasing the ratio of female managers, but my ideal world is one where individuals can choose their own ways of working and be respected for their choices. When considering training programs, we tend to assume that young employees will stay with us forever, but that is not how young people feel. Also, each person has a different approach to work styles. Ideally, individuals would choose their own way of working. Some

might aim for higher positions and some might prioritize family or hobbies. One day, we might suddenly realize that, already, more than 30% of line managers and above are women, and this has evolved naturally. The number of female managers is currently low, and our priority should be to train and increase the number of such managers. However, we need the younger generation to create a society in which more than 30% of managers are always women as a sequel to their own choices of lifestyles and work styles. This requires making line (section) positions more attractive as well. There are multiple role models available, and we should refer to them. Right now, the general attitude is. "Let's all aim for the top," Ideally, however, people should be able to choose for themselves what kind of lifestyles and work styles they want to embrace. Inoue: I agree with Ms. Kitahori about the importance of respecting each person's lifestyle and choices. At this point, we need to promote women to managerial positions so we can reach our 30% target. However, the ultimate goal of diversity management perhaps should be to foster a corporate culture that values the diverse values of individuals. Kitahori: If that happens, I think more experienced people will come in

**Kashizaki:** In that sense, I endeavor to lower the psychological hurdles for the women who might follow me. I do not want colleagues to think that we cannot work in this way. In a recent conversation with female employees, for example, I was told, "I made lunch for my junior high school daughter this morning and came to work all flustered. In my private life, I participate in a mothers' volleyball team, and I go home early on practice days." From these private talks, I realized that many people agree that work is just one of life's many elements. In addition, I hope to create a workplace where people can work in a positive and fun way, work with a sense of purpose, and produce results. In the process, I hope that men will also think that female bosses are surprisingly good people. This will lead to an increase in people supporting the advancement of women. If everyone can

# Promoting the Advancement of Women and D&I Globally

**Ochiai:** Japanese companies are said to have few women in their executive positions, but TAL in Australia and Protective in the United States, for example, have not reached 30% female executives. Below executive positions, however, the percentage of women in management positions at TAL is steadily increasing (nearly 50%), so its Board receives a

choose to work hard and move up to a higher position without giving up on their private life, then, as Ms. Kitahori said, people looking from the outside will also want to work for us. I want to make that kind of company.

**Inoue:** From a slightly different perspective, Japan's revised Corporate Governance Code requires companies to disclose information on human capital in an easy-to-understand manner that is consistent with their management strategy. I think it is important to present facts about our current D&I status from multiple perspectives and use those facts to clearly illustrate how promoting D&I leads to sustainable corporate growth. Enhancing disclosure in this way should encourage the interest of highly motivated and diverse individuals who want to work for us.



#### Takako Kitahori

Joined The Dai-ichi Mutual Life Insurance Company in 1994. After working as General Manager of the Marketing Strategy Department, Ms. Kitahori was appointed Executive Officer of The Dai-ichi Life Insurance Company, Limited, in 2020. Currently, she serves as Director and Managing Executive Officer of Dai-ichi Life, mainly in charge of the Marketing Strategy Department.

considerable diversity of ideas and input before entering discussions. Therefore, I think that Japan differs greatly from other countries, where management teams already have opinions and information from various perspectives at the decision-making stage. As Ms. Kitahori mentioned earlier about experienced hiring, many Japanese companies,

#### Management Messages from Overseas Group Companies

new graduates are hired in batches and employed for their entire careers under a seniority system. However, such practices do not exist overseas, where turnover is high and organizations are managed on the premise that human capital can readily be replaced by new ones. At overseas companies, management teams enthusiastically communicate their messages, including about corporate philosophy and vision, and thus attract new human capital who feel empathy for those messages. I believe we can learn a lot from such organizational management. Takahashi: In terms of systems and initiatives to support women, I don't think there is much difference between Japan and other countries. In fact, I think our company has a good selection of such systems and initiatives. However, I feel that our system for absorbing everyone's opinions before decision-making is still weaker than in other countries. To be honest, I sometimes have my doubts about whether the various opinions are fully reflected in the decision-making process. Also, I think that creating a comfortable working environment for women will ultimately make it easier for men to work as well. In fact, I hear that the entry of women into what used to be a male-dominated society has brought about a major change in the attitudes of men, which had remained unchanged for many years. Overseas companies have a culture enabling both men and women to easily settle in. From this perspective. I want to look at our overseas group companies for inspiration.

including Dai-ichi Life, have employment frameworks where

Inoue: Japan ranks 121st out of 146 countries in "Economic Participation and Opportunity," one of the indicators used to calculate the World Economic Forum's Gender Gap Index. The scores of countries where group companies are located are as follows: United States (22nd) and Australia (38th) among developed nations and Vietnam (31st), India (143rd), Indonesia (80th), Thailand (15th), Myanmar (101st), and Cambodia (61st) in Asia. Although we do not have any group subsidiaries in Europe, the European Union is looking to mandate that women account for at least 40% of outside directors or 33% of all directors of listed companies by 2026, and one-third of EU nations have already achieved these targets. From a global perspective, I am keenly aware that Japan is really lagging in the advancement of women in society.

Sato: After all, Japanese companies have been inwardlooking. There is a term called "groupthink" where consensus building in an organization can lead to irrational conclusions and actions. I think this is pretty much the case for Japanese companies. I believe that breaking through this collective shallowness will be a major factor in the advancement of our Group as it moves to the next phase of

globalization. The basic premise of inclusion is to have a diverse group of people and to create an environment where individuals can freely and openly express their diverse opinions without any discernment. After receiving such opinions, management should then engage in discussions before making decisions.

Inoue: Psychological security is a key factor in providing an environment where people can freely and openly express their opinions. A woman alone with a group of men and established employees might find it difficult to speak out frankly. It is also said that having minorities account for 30% of employees ensures psychological security and promotes free and emergent discussions. There is some debate about the pros and cons of a quota system for appointing women to management positions based on such indicators as a 30% target. However, setting such targets would be one way to foster an environment that breaks through collective shallowness.

The active participation of diverse human capital, including women, is essential for reforming our corporate culture and achieving sustainable growth. In the age of VUCA (volatile, uncertain, complex, ambiguous), this is more important than ever. As a good corporate citizen, it is also our responsibility to pursue D&I initiatives based on the concept of respecting the way of life and values of each individual. I would like to have more rigorous discussions at Board of Directors' meetings so we can further promote diversity management under the strong leadership of top management.



Atsuko Ochiai

Joined The Dai-ichi Mutual Life Insurance Company in 1995. After serving as head of the Overseas Life Insurance Business Unit of Dai-ichi Life Holdings, Inc., she was appointed as Executive Officer of Dai-ichi Life Holdings, Inc., in 2021. She continues to serve as an Executive Officer of both Dai-ichi Life Holdings and Dai-ichi Life Insurance Company in charge of D&I-related matters, in addition to Policy Service and Claims Departments at Dai-ichi Life Insurance Company.



Ms. Zarchi Tin Chief Executive Officer, Dai-ichi Life Insurance Mvanmar Ltd.

I find that when women reach a certain managerial level, they often do not continue to climb the corporate ladder to higher positions such as that of CEO. One of the biggest reasons I believe is due to both invisible and visible barriers, which include a lack of support from home, the company culture, and society.

The support I had when I was younger from my family was the guiding star in my pursuit to be in a position of influence where I can not only drive and empower women but also youth and the people of Myanmar. At the same time, a modern workplace culture and supportive colleagues are equally important; my previous company was one of the reasons I am where I am today. I am fortunate to work at a company like the Dai-ichi Life Group and to have colleagues who have been wonderfully supportive and are advocates of equality. In addition to external factors, the mindset is also crucial for one's development. When women equip themselves with a resilient mindset, a long-term view, and continuous hard work while acquiring technical skills, it will help them reach milestones in their careers

To encourage more females' participation in the corporate world, it is essential that the workplace provides the flexibility that they need for further education, career advancement, and a work-life balance. Furthermore, creating a secure work environment for women, such as the availability of mentoring groups in which a group of people share insights and experiences, can also encourage female participation in the workplace.

In Thailand, women have proven their potential to take on key leading roles that are equal to men in terms of knowledge, capabilities, confidence, and leadership that are culturally accepted. Moreover, women leaders have an advantage in using soft powers such as love, empathy, kindness, gentleness, and caring to gain the love and respect of their team. At Ocean Life, we use "the Power of Love Mindset" to drive the passion to work and we use love in our sustainability.

As the leader of Ocean Life. I believe in human capital as one of the most important factors in driving success, and we continue to make Ocean Life "the Happy Workplace and the Second Home" to our employees. Currently, we have 1,700 employees with 66% females and 34% males. We support equality and help promote LGBTQIA+ persons such that all are treated equally and given fair opportunities in career advancement. We have 19 staff with disabilities, which account for 1% of our employees. We introduced sign language training to staff so that they can communicate with the disabled staff to make them feel inclusive as part of our team. All this has resulted in Ocean Life receiving the Outstanding Award for Empowering People with Disabilities and Equality in 2021 from the Ministry of Social Development and Human Security. I believe that the leader who has empathy, love, and passion and can balance hard power with soft power will be the dream leader of future generations who will bring great changes to the world.



Ms. Wendy Evesque Executive Vice President and Chief Human Resources Officer, PLC

Protective has a renewed focus on diversity and inclusion. We've been intentional about understanding where we are in our journey and where we need to focus. Our diversity and inclusion goals include developing leaders who build agile and collaborative teams, creating an inclusive environment that will drive performance, and increasing gender and racial diversity.

One of the ways we have built a more inclusive environment is through Inclusive Leadership Training. This leadership skill helps us keep pace with rapidly diversifying markets, evolving customer needs and changing talent expectations. Additionally, we have taken steps to evolve our hiring practices, reduce unconscious bias and increase outreach efforts to grow our diverse talent pools.

An inclusive environment creates a sense of belonging for our employees, enabling them to feel seen and heard. When employees feel more connected at work, their level of engagement and effectiveness is higher. To provide our employees with a space to share their stories and allow for discussion, we launched our Diversity Month Series. We also introduced Growth Networks, which are communities that bring together employees of like identities, shared life experiences, and their allies, to connect, learn, and grow. Lastly, we remain focused on diversifying our suppliers, creating more opportunity for minority-, women-owned and disadvantaged businesses. As we continue our journey to develop a culture of inclusion and belonging, we look forward to learning from our fellow group companies. With Dai-ichi Life Group's global footprint, we can open a world of opportunities for all our employees by being by their side and growing with them.

At TAL, creating an inclusive and equitable workplace where diversity is valued and respected is both good for our people, and good for our business. It enables our people to have rewarding careers and to deliver their best for our customers, partners, and community. The Diversity and Inclusion Council, chaired by the TAL Group CEO, promotes an inclusive culture for all, while currently focussing on three areas: Gender equality; LGBTIQ+ inclusion; and respect for Aboriginal and Torres Strait Islander people

TAL was recently recognised as an Employer of Choice for the eighth year in a row by the Australian Workplace Gender Equality Agency. Our target is to achieve at least 40% representation of women in leadership roles by 2025. To support this, the TAL recruitment process requires at least 40% of candidates interviewed for roles to be women and interview panels must be gender balanced. TAL is also committed to gender pay equity, and conducts a pay analysis at least twice a year to identify gender pay gaps. In addition, the TAL Female Leader Sponsorship Program builds active sponsorship for the development and advocacy for our female leaders. Flexible ways of working are offered to our people to support them in balancing their commitments at work and outside of work

Collaborating and sharing knowledge across Dai-ichi Life Group will enable us to learn and grow, and promote the advancement of equity and inclusion, leading to better outcomes for our people, and our customers and partners.

Governance



Banyatpiyaphod Chief Executive Officer, OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED



Ms. Ceri Ittensohn Chief People & Culture Officer, TAL

Global network aimed at

promotion of innovation

capabilities for gathering reliable information.

# Driving Innovation

In the changing industrial structure, diverse lifestyles, and increasing uncertainty, as one Group, we will continue innovating to support the well-being of all and contribute to value creation.



Takehiko Eguchi Executive Officer

What is the ideal form of the insurance industry going forward? When I joined Dai-ichi Life Holdings from another company last spring, our Group was already on the cusp of taking a big step toward answering that question. That is, the development of the Mirashiru website, which went live in December 2021, was reaching a climax.

Under the belief that we should become an industry that supports the well-being of all—their happiness and reason for living—and that offers new experiential values, and thus realizing that dramatically transforming our CX (customer experience) and EX (employee experience) based on people-centric design principles is a key challenge in this regard, we developed the Mirashiru CX Design System. We intend to continue upgrading this system as we enhance experiential values for our customers.

Another challenge our innovation team faces as we seek to contribute to the well-being of all is that of going above and beyond traditional insurance models to offer new value amid changes in the industrial structure, increasingly diverse lifestyles, and rising uncertainty around the world.

In tackling these issues, we must naturally draw on the full power of our imagination to envision what lies ahead and continue to put together strategies with single-minded determination, while at the same time we must remain agile and flexible in our approach. That is, we need to know when to bear down and when

Strategic issues Digital Digitalization Infrastructure Integration DX Transformation Robust, flexible approach to Refine existing business Transform CX to a new UI/UX based on the latest realizing innovation insurance business model middleware/software to break free of legacy systems Div **Diversification** 1 Intelligence Disruption Investment Diversify business to support Develop more capable and Greatly expand R&D and make Prepare for destructive efficient human capital strategic investments to acquire well-being creation pursue information strategy the capabilities we lack

to ease up, when to persist with an approach and when to change up things.

I want to unleash the potential of every one of our 60,000 employees, including those in our overseas groups, turning them into a major source of creativity. One of our specific initiatives in this regard was to launch the Innovation Fund in fiscal 2021. We spent several years laying the groundwork for this fund, which provides funding for original ideas with global collaborative creation. This fiscal year, we will welcome people from our overseas group companies to plan and manage the fund, and to help foster a culture of innovation. We are a veritable hive of activity on both the funding and personnel fronts.

To set ourselves up for agile and flexible innovation, last fiscal year we introduced specific agile development methods, and this fiscal year we will work on making improvements in areas where issues are evident while also expanding the scope of these activities. Looking to the future, I want us to pursue our activities in a way that sets us up to go beyond just development to adopt agile ways of working and agile organizational practices that will resonate throughout the Company.

These initiatives represent a considerable challenge, but our group will continue to work as one to generate innovation to support the well-being of all and contribute to the creation of value.

#### are specifically dedicated to innovation, we have established dedicated labs in Silicon Valley and London. In Asia, as well, we have set up sites in Singapore, Beijing, and Shanghai.

These locations are well positioned as information-gathering sites for generating innovation, allowing us to keep track of trends in advanced technologies and uncover and collaborate with start-ups in a timely manner and on a global scale.

To identify global trends in these uncertain times, it is becoming

increasingly important to build formidable networks and enhance

To complement our organizational units in Tokyo that

#### **Operation of the Innovation Fund**

To improve the customer experience and realize group synergies, it is necessary to build up innovation capabilities across our Group from a medium- to long-term perspective and explore solutions that can be deployed in multiple regions.

Since fiscal 2021, we have run the Innovation Fund, which provides flexible support for demonstration experiments on a global basis, overcoming the various constraints of each group company, including overseas companies, for initiatives that benefit the entire Group.

The fund held two rounds of funding in fiscal 2021,

attracting 29 ideas from eight countries. Of those, 16 passed the initial stage of selections and were presented at a pitch event where more than 130 internal and external relevant parties attended, with eight ideas ultimately being selected to receive funding support. This initiative allowed us to evaluate several bold and disruptive ideas, and we have made great strides in realizing innovation and

This initiative allowed us to evaluate several bold and disruptive synergies within the Group.

## Pursuing customer value via the Agile Studio

In today's rapidly changing world, companies need to understand their customers' challenges and needs and rapidly deliver value offerings (products and services) that solve those challenges. They must also continuously improve those offerings in response to customer feedback.

To enable us to see things even more clearly from the customer's perspective and continuously deliver value that truly reflects customer feedback, Dai-ichi Life has launched the Agile Studio and begun developing products and services designed with the CX in mind from the ground up. Everything starts with and is focused on the CX, from product design fully geared toward value for customers through to the development of systems for delivering that value.

At Agile Studio, we are also working to foster a culture of placing emphasis on the CX. Through customer feedback–driven efforts to improve our value offerings, we aim to cultivate DX human capital who will develop our next generation of products.

#### The Agile Studio vision

Hypothesis testing-driven development that uses short development cycles to release products and services with high frequency, improving them based on customer feedback each time



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#### Corporate governance structure

# **Corporate Governance**

#### Basic approach to corporate governance

We have developed a corporate governance system as stipulated in the Basic Corporate Governance Policy to ensure transparent, fair, prompt, and bold decision-making while balancing supervision and management, to respond to the entrustment of our multiple stakeholders, such as customers, shareholders, society, and employees, and to achieve sustainable growth and enhancement of corporate value over the medium to long term.

#### Initiatives to strengthen corporate governance

	2010	2011	2013	2014	2015	2016	2017	2018	2020	2021	2022
Corporate governance		stock on the T (First Sectior			Establishe	ed the Basic	Corporate Go	overnance P	olicy		
structure/ model	Company Committe	with an Audit e	& Supervisor	ry			ed to a holdir ed to a compa	• • •		ctober) sory Committe	ee (October)
Separation of management and execution				Establishe Outside D	d Independer irectors	nce Standard	s for		which the Board doe	ed to a struct chairman of t es not concurr epresentative	he rently
			Establishe	ed the Adviso		ssment of the	e effectivenes	ss of the Boa	ard of Directo	ors	
Effectiveness							ed self-asses & Supervisor			ess of	
							Nominatio	ns Advisory	ssment of the Committee a y Committee		ss of the
Group governance				Establishe	d the Internal	Control Polic	y for the Dai-i	chi Life Grou	p		
Remuneration system		Introduced stock optic	d share remu ons	ineration-typ	e	Introduce		ance-linked	stock remun	ock remunerat eration schen elative TSR as	ne 🔴

#### Corporate governance structure

In addition to establishing an Audit & Supervisory Committee, we have appointed outside directors and established voluntary committees. Through this and other means, we form an effective corporate governance structure founded on external perspectives.

#### Overview of the Corporate Governance Structure (As of June 20, 2022)

		_
Corporate governance model	Company with an Audit & Supervisory Committee	
Term of office for directors	1 year (2 years for Audit & Supervisory Committee members)	_
Limit on duration of term	Outside directors: 8 years Directors serving as Audit & Supervisory Committee members: 12 years	_
Voluntary advisory bodies for the Board of Directors	Nominations Advisory Committee Meetings in fiscal 2021: 6, with 6 members (4 of whom were outside members) Remuneration Advisory Committee Meetings in fiscal 2021: 12, with 6 members (4 of whom were outside members)	
Remuneration systems for directors and officers	<ol> <li>Basic remuneration 2) Single-year performance- linked remuneration 3) Restricted stock remuneration</li> <li>Performance-linked stock remuneration</li> </ol>	_
Independent auditor	KPMG AZSA LLC	-





#### Board of Directors' functions/composition

The Board of Directors is responsible for making important decisions on our group management strategy, management plan, etc., and supervises business operations execution. The Board of Directors consists of internal directors with knowledge and experience necessary to manage in an accurate, fair, and efficient manner and outside directors with the deep insight, rich experience, and the independence necessary to fully demonstrate supervisory functions. In principle, outside directors make up more than one-third of the board. The diversity of the Board of Directors is also taken into consideration. Meanwhile, the Company has not instituted any restrictions other than the upper limit on the Board of Directors headcount stipulated in the Articles of Incorporation and, as such, it places emphasis on ensuring that the Board of Directors is composed of an adequate number of people with the requisite skills and experience to strengthen corporate governance and increase the Board's effectiveness in a manner that contributes to increasing the Company's corporate value over the medium to long term.

#### Roles

Audit & Supervisory Committee	As a body independent of the Board of Dire auditing the execution of duties by directors appropriateness standpoint, and for perform the expression of opinions on their appointr includes at least one member with consider internal members with knowledge about the insight, rich experience, and independence.
Nominations Advisory Committee/ Remuneration Advisory Committee	To further enhance management transparer committees for the Board of Directors. Each subsequently refers proposals to the Board the Board are as follows. Nominations Advisory Committee: elect Remuneration Advisory Committee: iss
Executive Management Board	The Executive Management Board, consisti president, meets to consider important man
Advisory Board	To further strengthen and enhance governance advice from outside experts on a medium- to I

\*Chaired by an outside director

ectors, the Audit & Supervisory Committee is responsible for rs and our group internal control systems from a legal and ming a supervisory function over the Board of Directors through tment and remuneration. The Audit & Supervisory Committee erable knowledge about finance and accounting. It consists of e life insurance business and outside members with excellent

ency, these committees are established as voluntary advisory ch committee deliberates and decides on certain matters, and d of Directors. The main matters on which each committee advises

ction and dismissal of directors ssues related to remuneration

ting of the president and executive officers appointed by the nagement and executive matters.

nce, the Company has established an Advisory Board to seek extensive long-term perspective regarding general management matters.

#### **Director skill matrix**

To perform its supervisory role as a holdings company and properly carry out its medium-term management plan, the Company sets forth the skill set and experience required of its directors as follows. Specifically, the Company identifies items (1)-(7) as constituting the skill set and experience required of directors of an insurance holding company in view of the peculiar nature of the life insurance business, and items (8)-(10) as constituting the skill set and experience relevant to important business strategies and management issues that lie ahead in view of the Company's medium-term management plan.

					K	nowledge a	nd experiend	ce			
Name	Title	1 Corporate	2 Global		(4) Accounting (	5	6	⑦ Risk	8	9 Innovation	10
		Corporate management	management	Finance	Accounting / Actuarial Affairs	Legal affairs	Compliance	RISK management	ICT/DX*	(New business development)	Sustainability
Koichiro Watanabe	Director, Chairman of the Board	$\checkmark$	$\checkmark$	$\checkmark$	$\checkmark$		$\checkmark$	$\checkmark$			
Seiji Inagaki	Representative Director, President (CEO)	$\checkmark$	$\checkmark$	$\checkmark$	$\checkmark$		$\checkmark$	$\checkmark$			
Fetsuya Kikuta	Representative Director, Senior Managing Executive Officer (CFO)	$\checkmark$	$\checkmark$	$\checkmark$	$\checkmark$					$\checkmark$	$\checkmark$
Hiroshi Shoji	Director, Managing Executive Officer	$\checkmark$		$\checkmark$	$\checkmark$						
Mamoru Akashi	Director, Managing Executive Officer	$\checkmark$		$\checkmark$					$\checkmark$	$\checkmark$	
Foshiaki Sumino	Director, Managing Executive Officer	$\checkmark$	$\checkmark$	$\checkmark$	$\checkmark$	$\checkmark$		$\checkmark$			$\checkmark$
Koichi Maeda	Director	$\checkmark$	$\checkmark$	$\checkmark$			$\checkmark$		$\checkmark$		
Yuriko Inoue	Director					$\checkmark$	$\checkmark$		$\checkmark$		$\checkmark$
Yasushi Shingai	Director	$\checkmark$	$\checkmark$		$\checkmark$	$\checkmark$	$\checkmark$	$\checkmark$	$\checkmark$	$\checkmark$	$\checkmark$
Bruce Miller	Director		$\checkmark$	$\checkmark$		$\checkmark$		$\checkmark$			$\checkmark$
Fakahiro Shibagaki	Director (Audit & Supervisory Committee Member (Full-Time))	$\checkmark$		$\checkmark$							
Fusakazu Kondo	Director (Audit & Supervisory Committee Member (Full-Time))	$\checkmark$		$\checkmark$	$\checkmark$						
Rieko Sato	Director (Audit & Supervisory Committee Member)					$\checkmark$	$\checkmark$	$\checkmark$			
Jngyong Shu	Director (Audit & Supervisory Committee Member)	$\checkmark$	$\checkmark$	$\checkmark$				$\checkmark$			
Koichi Masuda	Director (Audit & Supervisory Committee Member)	$\checkmark$			$\checkmark$						

#### The succession plan

Message

The succession plan of the Company is discussed at meetings of the Nominations Advisory Committee as prescribed in the Company's Articles of Incorporation.

After verifying the election and discharge of members of the Board of Directors from the standpoint of eligibility and reviewing and deciding on its proposals, the Nominations Advisory Committee submits them to the Board of Directors for review. As part of this, the committee also make use of third-party candidate evaluations and take steps to enhance the committee's effectiveness by, for example, setting up opportunities for candidates to meet with Nominations Advisory Committee members. The members of this Committee include the chairman and the president as well as outside members who are selected by the Board of Directors. Moreover, to ensure the independence of this committee, more than half of its members are outside members, and to facilitate the mutual sharing of information with the Remuneration Advisory Committee and the consideration of diverse views as part of committee discussions, outside directors who are not members of the committee also participate in committee meetings as observers.

#### Developing the next generation of leaders

With the business environment changing at an increasing speed, we aim to build a system for continuously and strategically developing Specifically, since fiscal 2020, we have been formulating a succession plan to systematically develop and promote candidates for

management leaders capable of leading reforms and driving our operations forward to achieve sustainable growth for our Group. management posts (general manager level, line (section) manager level). Clarifying the requirements (e.g., experience, skills) of each post and formulating a specific succession plan will enable us to strategically develop human capital and implement employee rotations in a way that continuously strengthens our organization. As part of our efforts to develop suitable candidates, we are expanding the range of training programs that we offer, including sending employees to external training and graduate school programs, and we are implementing initiatives by which our executives are directly involved in training people.

We are also promoting diversity in our management posts to ensure that a diverse range of people participate in decision-making, changing our organizational culture and leading to value creation. As of April 2022, our diversity percentage (percentage of employees who are not male, new graduates, or Japanese nationals in administrative (non-sales) management positions) was 25.6%, and we will continue working to increase this figure.

\*ICT: Information and communication technology: DX: Digital transformation

Note: Check marks indicate that the director has specialized knowledge/experience in that area or career experience managing business in that field.

#### Basic Corporate Governance Policy (Excerpt)

#### **Nominations Advisory Committee**

(1)Role

The Nominations Advisory Committee, as an advisory committee of the Board of Directors, confirms procedures of elections and discharge of directors of the Company and The Dai-ichi Life Insurance Company, Limited, from the perspective of eligibility, and deliberates on and determines committee proposals. Matters related to the Company are proposed to the Board of Directors and matters related to The Dai-ichi Life Insurance Company, Limited, are submitted to its board of directors.

#### (2) Overall composition

The members of the Nominations Advisory Committee include the chairman, the president and outside members, and the Board of Directors elects outside members. Moreover, to ensure the independence of this Committee, more than half of the members shall be outside members.

Major themes for deliberation by the Nominations **Advisory Committee** 

- Proposal of director candidates
- Matters pertaining to the succession plan

Story

### Evaluations of the effectiveness of the Board of Directors

#### Initiatives to Enhance the Effectiveness of the Board of Directors Based on Surveys Evaluating Board of Director Effectiveness

To strengthen corporate governance, the Board of Directors has self-evaluated its effectiveness each year since fiscal 2014 to ensure the effectiveness of the Board of Directors' decision-making and other aspects.

The results of each year's assessment are used to improve operation in the following fiscal year and beyond. More specifically, an anonymous questionnaire regarding the overall governance structure, including the Audit & Supervisory Committee, the Nominations Advisory Committee, and the Remuneration Advisory Committee, in addition to the Board of Directors, is administered to all directors, with the results tabulated and analyzed by a third-party agency. We then discuss and implement improvement measures for the challenges identified.

The results of analysis and improvement measures are reported to the Board of Directors, after which they are disclosed on the Company's website.

Issues	Improvement measures
Strengthening of supe functions and further enhancement of discu on important matters	<ul> <li>Further scruting of the agenda to secure time for more discussion on particularly important matters such as business</li> </ul>
Enhancement of communication betwee inside and outside dir	
lssues	Improvement measures
	<ul> <li>Accord priority to securing opportunities and time for discussing agenda items concerning supervision through the further careful review of the agenda submitted to the board</li> </ul>
Further reinforcement supervisory function as	<ul> <li>Elevate the level of materials by explicitly presenting points of</li> </ul>
monitoring board	Conduct progress monitoring of the medium-term management plan through multiple meeting bodies that concern the Board of Directors
Further enhancement communication betwee internal and outside di	• Utilize opinion exchange meetings and executive sessions to further increase opportunities for communication
Issues	Improvement measures
Pursue initiatives to re the corporate culture	• Formulate action plans and arrange for regular monitoring by the Board of Directors to ensure proper execution
Consider structures fo	All and a second the second seco
Consider structures fo strengthening corpora governance	r or Remuneration Advisory Committees are to participate in
strengthening corpora	r te or Remuneration Advisory Committees are to participate in those committees as observers on an ongoing basis • Continue to discuss the Company's governance structure,
strengthening corpora	r       or Remuneration Advisory Committees are to participate in those committees as observers on an ongoing basis         • Continue to discuss the Company's governance structure, including the Board of Directors composition         • To enhance the level of discussion, provide necessary and sufficient information to directors through summaries that clarify points of discussion, etc.         • Carefully review the themes and timing of agenda items

#### **Survey Overview**

#### Oconduct a self-assessment survey

Respondents All directors
Response style Anonymous
Main items assessed Operation of the Board of Directors and initiatives
aimed at enhancing deliberations
<ul> <li>Composition of the Board of Directors</li> </ul>
Role and state of operation of each committee
<ul> <li>Encouragement of communication among directors</li> </ul>
<ul> <li>General effectiveness of the governance system</li> </ul>

and the Board of Directors

#### Examples of improvement measures undertaken in fiscal 2021 based on the fiscal 2020 evaluation

We monitored progress on the medium-term management plan according to the following schedule. To coincide with quarterly financial results, at the Board of Directors meetings and preliminary briefings for Board of Directors meetings, we confirmed each business's progress based on specific KPIs and a road map for the business (eight times). At such times, directors would, for example, ask the executive officer in charge of the business in question to present additional data to facilitate further discussion, ensuring that progress was properly monitored throughout the year. Issues identified through monitoring are incorporated into the following fiscal year's plan.

#### Medium-term management plan progress monitoring schedule



2

As part of efforts to strengthen supervisory functions directors who are not members of the Nominations of Remuneration Advisory Committees participate in co meetings as observers and express their opinions as In fiscal 2021, we held additional committee meeting necessary and sufficient discussion on additional top the usual themes of discussion. In the case of the No Advisory Committee, this included the topic of outsid succession, and for the Remuneration Advisory Con included the remuneration system for directors and

3

As a means of enhancing communication between internal and outside directors, we hold preliminary briefings for meetings of the Board of Directors as well as opinion exchange sessions. As a general rule, these are held before and after Board meetings. We also hold independent outside director meetings (including executive sessions) multiple times throughout the year.

	minary briefings for meetings e Board of Directors	Preliminary briefings on important matters	
Opin	ion exchange session	Will consist of easy and frank but constructive discussions on matters suitable for the monitoring board that cover medium-term, long-term and ultra-long-term perspectives. These discussions will be held with sufficient time allotted.	
Independent outside director meetings Meeting bodies consisting		Meeting bodies consisting solely of outside directors	18 times
	Sessions with executive officers	Will consist of exchanges of opinions between attending executive officers in charge of topics requested by outside directors	4 times

Strategies & Performance

#### **O** Results analysis and improvement plan formulation

Collection and analysis of survey responses by a third party Create a draft assessment of an effectiveness and improvement plan based on the analysis results

Exchange of opinions between the third parties and outside directors, etc.

#### 

The results of the assessment and the improvement plan are disclosed on the Company's website after being reported to the Board of Directors

Preliminary	the Board of	reliminary	the Board	of of
	Directors		Director	S
s, outside or committee				
as appropriate. gs to facilitate		FY	2020	FY2021
pics beyond Iominations	Nominations Advisory Committe	e 51	times	6 times
de director mmittee, this	Remuneration Advisory Committe	e 8 1	times	12 times
officers.			,	

Story

### Officer remuneration

We recognize the remuneration system for directors and officers as a critical component of "fair treatment" for the directors and officers responsible for achieving our group vision. Therefore, we set up a basic policy and basic principles, as well as a decision-making process, as follows.

#### **Basic Policy**

- · Framework that facilitates the sharing of values with stakeholders from a medium- to long-term perspective
- · Fair remuneration system offering an appropriate level of remuneration reflecting the size of the person's role and responsibilities and the extent to which those duties are performed
- · Reward the contribution of each director/officer by linking remuneration to the Company and individual performance, encouraging the creation of the values on which our Group focuses

#### **Basic Principles**

- 1. Remuneration according to responsibilities and expectations
- 2. Consistency with the strategies on which our Group focuses
- 3. Linked to the Company and individual performance
- 4. Shares interests with all stakeholders
- 5. Proper level of remuneration
- 6. Ensures objectivity and transparency

#### **Decision-Making Process**

Remuneration for internal directors (excluding non-executive directors such as the chairman of the board and excluding directors who are Audit & Supervisory Committee members) is designed to provide an incentive to work toward sustained growth and thus consists of basic remuneration, single-year performance-linked remuneration (company performancelinked and individual performance-linked remuneration), and stock remuneration (restricted stock remuneration and performance-linked stock remuneration). Outside directors and directors who are Audit & Supervisory Committee members receive basic remuneration only. Of the internal directors (excluding those who are Audit & Supervisory Committee members), those who are non-executive directors, such as the chairman of the board, do not receive single-year performancelinked remuneration or performance-linked stock remuneration. The amount of these remuneration portions is established with reference to third-party research on remuneration for management roles at other companies, considering the industry type and other characteristics. Moreover, the "Policy for Determining Remuneration of Directors and Executive Officers" that includes the aforementioned Basic Policy for Remuneration of Directors and Officers and Basic Principles for Remuneration of Directors and Officers were determined by the Board of Directors following deliberation by the Remuneration Advisory Committee where outside directors make up a majority of the committee members.

Director	remuneration	structure
----------	--------------	-----------

	directors Audit & S	(excluding serving as upervisory members)		Remarks
	Internal	Outside	members)	
Basic amount	0	0	0	Remuneration according to duties and responsibilities
Amount linked to single- year performance	O *1	_	_	Linked to the level of KPI achievement for the fiscal year
Restricted stock amount	0	_	_	Set as an incentive to achieve management objectives and share profits with shareholders over the medium to long term
Performance-linked stock remuneration	O *1,*2	_	_	Set as an incentive to increase corporate value, linked to achievement of indicators selected based on management goals

\*1 Excludes non-executive directors such as the chairman of the board

\*2 The Company has in place clawback provisions with respect to performance-linked stock remuneration that require remuneration recipients to return to the Company common stock issued or disposed of (or an amount of move equivalent to the value of that stock), even after the performance evaluation period has ended and the Company has issued or disposed of the stock, if the Board of Directors determines that, for example, the balance sheet is subject to a material downward revision or the remuneration recipient has committed serious legal violations, or for other reasons determined by the Board of Directors.

#### Main KPIs for single-year performance-linked remuneration

Category	KPI
Accounting profit	Group adjusted profit
Future profit (economic value)	Group value of new business
Soundness (economic value)	Economic Solvency Ratio (ESR)
Free cash	Free cash flow

\*3 Relative TSR is a comparison with the following 10 companies ("HD" denotes "Holdings."): five domestic insurance companies (Japan Post Insurance, T&D HD, Tokio Marine HD\_MS&AD Insurance Group HD\_and SOMPO HD) and five overseas insurance group companies focusing on life insurance and competing with the Dai-ichi Life Group in the U.S. and Japanese markets (Aflac, AXA, Manulife, MetLife, and Prudential (US)

#### Main KPIs for performance-linked stock remuneration

Category	KPI
Market valuation	Relative TSR <sup>-</sup> <sup>3</sup>
Capital efficiency	Group adjusted ROE
Capital efficiency (economic value)	Group ROEV
Sustainability indicators	Set of multiple sustainability indicators including CO <sub>2</sub> emissions

Message



#### Targets and actual values for main KPIs related to the company performance-linked remuneration (fiscal 2019 and fiscal 2020)\*1

Business perspective	KPI	Target (FY2018) (FY2019)	Actual (FY2018) (FY2019)
Capital efficiency	EV growth rate (Group ROEV)	<u> </u>	(3%) 8%
Financial soundness	ESR (economic value)	100% or higher 100% or higher	178% 203%
Deafthindiantan	Group adjusted profit	Approx. ¥240.0 billion Approx. ¥250.0 billion	¥274.5 billion ¥282.8 billion
Profit indicators	Group value of new business	Approx. ¥180.0 billion Approx. ¥230.0 billion	¥152.0 billion ¥114.7 billion
Market evaluation	Stock price (benchmark comparison)*2	Exceeded benchmark Exceeded benchmark	(3%) 15%

\*1 In fiscal 2020, we evaluated performance based on targets set when we formulated CONNECT 2020, the medium-term management plan covering FY2018-FY2020.

#### Details of total remuneration for fiscal 2021

		Remuneration components (¥ in millions)					
Officer type	Total remuneration	Basic	Performance-linked remuneration		Nonmonetary remuneration	Number of board	
	(¥ in millions)		Company performance amount	Individual performance amount	(Stock remuneration)	Other	members
Directors (excluding members of the Audit & Supervisory Committee and outside directors)	343	189	65	22	65	0	10
Outside Directors (excluding members of the Audit & Supervisory Committee)	62	62	-	-	_	_	4
Directors serving as members of the Audit and Supervisory Committee (excluding outside directors)	76	76	-	-	-	0	2
Outside directors serving as members of the Audit & Supervisory Committee	55	55	-	-	_	_	3

1 The performance-linked remuneration amounts indicated in the above chart are the total of remuneration for the three-month period between April 2021 and June 2021 based on actual results for fiscal 2019 and the total of remuneration for the nine-month period between July 2021 and March 2022 based on actual results for fiscal 2020.

 Stock remuneration is nonmonetary remuneration with a restriction on transfer, the purpose of which is to motivate contributions to improving shareholder value and to promote shared value with shareholders for as long a period as possible. The period of the restriction on transfer for said stock remuneration with a restriction on transfer shall be 30 years, and shall be accompanied by the following and other conditions: 1) Should the executive officer in question resign or withdraw from his/her position of executive officer or any other position at the Company or certain group company due to the

\*2 The stock price (benchmark comparison) is a comparison of the percentage change in the Company's stock price during the fiscal year with the percentage change in the benchmark for the same period (average of TOPIX (Tokyo Stock Price Index) and Tokyo Stock Exchange (TSE) insurance industry-specific stock price indicator).

expiration of term of service, mandatory retirement, or other reason deemed to be reasonable by the Board of Directors of the Company during said period of the restriction on transfer, the restriction on transfer shall be rescinded directly after said resignation or withdrawal, 2) In cases where a Director who received stock remuneration under this scheme is imprisoned or subject to greater punishment or falls under a serious legal violation or certain other reason, and the Board of Directors deems it to be reasonable the Company reserves the right to acquire said shares without consideration.

3. There is no compensation other than remuneration received by outside directors from the Company. There is also no remuneration received by outside directors from the parent of the Company, etc.

4.The above includes three directors who resigned from the Company and three directors who assumed their posts on June 21, 2021.

#### Stra Per

## Establishment of the internal control and its operation

We have an Internal Control Policy that stipulates the core requirements for the establishment and operation of internal control to ensure the integrity and appropriate conduct of business activities of our Group and to maintain and build corporate value.

In addition, in view of the multiple incidents of the fraudulent mishandling of cash that have come to light at The Dai-ichi Life Insurance Company, we, as the holding company, recognize the issues in the operation of the internal control system for the management of the entire Group. By reinforcing communication and information linkages between our three lines of defense (business divisions, back office and administrative divisions, and the Internal Audit division), we are endeavoring to boost the level of our internal control structure.

At the same time, we implement internal control selfassessments that also cover group companies to raise the effectiveness of internal controls. These assessments promote appropriate business operations by identifying major risks in each business process, evaluating the importance of each risk in terms of impact and size of losses incurred if it were to become evident, and then reinforcing risk controls and business process improvement.

Through these endeavors, our business divisions will engage in their business based on autonomous risk management, and our back office and administrative divisions, as well as the Internal Audit division, will conduct monitoring and management reporting based on broad information-gathering. In doing so, we will adequately operate our internal control systems.

#### Internal Control Policy for the Dai-ichi Life Group

- 1. System for ensuring proper operations within the Group
- System for ensuring execution of professional duties in accordance with applicable laws, regulations, and the articles of incorporation
- 3. System for risk management
- 4. System for ensuring efficient execution of professional duties
- 5. System for ensuring appropriateness and reliability of financial reporting
- System for preserving and managing information concerning execution of directors' and executive officers' duties
- 7. Systems for ensuring effective internal audits
- 8. Systems for the execution of duties of the audit and supervisory committee

More information about the group Internal Control Policy https://www.dai-ichi-life-hd.com/en/about/control/ in\_control/index.html

#### **Risk Management**

Message

Our Group practices enterprise risk management (ERM), which is an approach to improve financial soundness and enhance corporate value simultaneously. As part of these efforts, we believe that the role of the Risk Management Department is to comprehensively grasp not only current risks but also future ones, while avoiding and suppressing losses by reinforcing responses to those risks. The department also promotes initiatives to accept risks appropriately and proactively as a source of profit and capital. Specifically, we aim to ensure financial soundness by maintaining the risk amount within the amount of capital as we boost corporate value by improving returns against risk, which is achieved by efficiently allocating capital.

In our Group, we control financial soundness by integrating the various risks of economic value, accounting, and regulatory bases, and comparing the amount of risk to our amount of capital. In internal risk control, we practice risk management while placing a high emphasis on an economic value–based approach. For example, we are enhancing our measurement models for the calculation of capital and risk amounts on an economic value basis considering the Insurance Capital Standard (ICS), scheduled for adoption in 2025, and the discussions for economic value–based regulation in Japan. In addition, we have incorporated an economic value–based approach in our Group's allocation of capital and product design as we pursue management that is consistent with risk

#### Compliance

As the globalization of the businesses of our Group has advanced, there have been increasing calls for us to take appropriate action according to global regulations such as anti-money laundering, anti-bribery, and anti-corruption, and tightening regulations on the safeguarding of personal information and consumer protection in Japan and overseas, as well as to address social and customer demands. In these circumstances, it is getting more important to ensure appropriateness from a legal and compliance perspective, to strengthen the soundness of the management, and to improve the corporate value based on it.

Our Group adheres to laws, regulations, and the Articles of Incorporation, while following social norms and market rules. At the same time, we work to identify potential conduct risks. We are pursuing risk-based compliance amid the changing business environment surrounding us, including through efforts to identify potential conduct risks from a forward-looking perspective.

The Legal and Compliance Unit is responsible for ascertaining serious risks pertaining to compliance and conducts monitoring and guidance at each group company. Important matters concerning compliance are discussed by the Group Compliance Committee, then reported to the Board of Directors, the Audit & Supervisory Committee, and other management bodies to receive instruction.

In fiscal 2021, in addition to enhancing our compliance management system for compliance with global regulations and for insurance sales, we ensured the appropriateness of our business operation by monitoring:

- the implementation status of an array of improvement initiatives, led by Dai-ichi Life's Business Management Quality Reform Task Force, aimed at eradicating fraud;
- efforts to strengthen internal data management, including the building of a database in the domestic life insurance business in anticipation of amendments to the Act on the Protection of Personal Information taking effect; and
- sales staff compliance with rules related to risks in the domestic life insurance business, beyond those associated with insurance sales activities, expected to arise in relation to the CX Design Strategy.

### Group Tax Governance

The tax landscape is changing as international organizations and national governments make moves to formulate international taxation rules and stakeholders take an increasing interest in taxation. In addition, as our business activities become more diverse, we are involved in an increasing range of transactions and activities on a group basis, making appropriate tax conduct increasingly important.

Considering these circumstances, to further enhance group tax governance, we have a Group Tax Policy that stipulates the core philosophies and implementation policies for tax that group companies should adhere to, with the approval of the Board of Directors.

By adhering to the policy, we shall satisfy corporate social responsibility and achieve sustainable growth and enhancement of corporate value over the mid- to long term through proper tax payments in all countries and regions of business.

measurement principles. At the same time, when we identify and assess risk phenomena that cannot be entirely quantified with our models, we use past events, such as financial market turmoil and large-scale disasters, as well as future scenario analysis, to estimate the worst cases, and then carry out stress tests. We report results of stress tests along with an analysis of the impact on our financial soundness to the Board of Directors, and consider strengthening our monitoring, management, and financial responses.

Furthermore, our Group engages in appropriate risk management that begins from early signs of risks by identifying foreseeable risks that could have a major impact on our business as "Material risks," and formulating business plans that take those risks into account. The global economic outlook is uncertain due to heightened geopolitical risks amid Russia's invasion of Ukraine and concerns about accelerated monetary tightening in the United States and other countries. When the COVID-19 pandemic might eventually end also remains unclear. Accordingly, we have identified risks related to financial crises and pandemics as "Material risks," and carried out stress tests based on scenarios involving major stressors such as the worsening of financial markets and the deterioration of insurance revenue and expenditures. The test results confirmed that no major problem would occur with overall group financial soundness.



More information about risk management https://www.dai-ichi-life-hd.com/en/about/control/ in control/administer.html

#### **Group Tax Policy**

- 1. Adhering to the basic tax policy
- 2. Complying with tax laws
- 3. Establishing a system
- 4. Building and maintaining relationships with tax authorities
- 5. Ensuring transparency
- 6. Dealing with tax risk
- 7. Nurturing an attitude toward prevention of tax avoidance
- 8. Engaging in appropriate transfer pricing
- 9. Clarifying tax strategy/Enhancing corporate value



More information about the Basic Group Tax Policy https://www.dai-ichi-life-hd.com/en/about/control/ tax\_governance/index.html **IT Governance** 

Amid the rapid changes in the environment surrounding companies, information technology (IT) has formed an important field that is closely linked to management strategy. Our Group has developed an IT strategy that is in line with the Group's management strategy, and we are pursuing our initiatives under this strategy, aiming to achieve sustainable growth.

#### **IT Governance**

While IT has an increasing impact on management, achieving the management strategy requires that we control the use and application of IT appropriately to maximize the value provided by IT for business while minimizing its risk.

Our Group established the "Group IT Governance Basic Policy," and this is shared throughout the Group to promote preparedness for IT governance based on COBIT5<sup>\*1</sup>. With the promotion of IT governance, we continuously facilitate the sharing of information by regularly holding conferences attended by IT supervisors from group companies in Japan and overseas, and we promote collaborative efforts between group companies in line with the issues faced by each company. Through these efforts, we aim to generate group synergies and utilize IT in a way that contributes to the global management of our operations.

#### **Cybersecurity Measures**

Our Group aims for further evolution in the areas of people and organizations, processes, and technologies, so as to protect the information assets of the Group from cyberattacks, which grow more sophisticated with each day, and continue to deliver a sense of security, safety, and stability to our customers and other stakeholders.

We have established the "Cybersecurity Policy for the Dai-ichi Life Group" and are sharing cybersecurity measures among all Group companies. In addition, we have established a "CSIRT"\*<sup>2</sup> consisting mainly of dedicated personnel with advanced expertise to bolster intra-Group preparation through means such as laying down rules and regulations regarding response to cybersecurity incidents and educating employees. Furthermore, we collect the latest security updates from multiple external agencies and share this information within the Group. Through these efforts, for our information systems, we take action against new threats as needed, such as combining multiple systems to detect unauthorized access viruses, and other threats to protect from them. Through these initiatives, we are working to optimize cybersecurity measures for the entire Group.

\*1 COBIT5 is a global standard framework for IT governance that is advocated by the Information Systems Audit and Control Association and the IT Governance Institute of the United States.
\*2 Computer Security Incident Response Team

Digital Transformation Certification The company has acquired "Digital Transformation Certification" based on the DX certification system set forth by the Ministry of Economy, Trade, and Industry (METI) as a corporation that perceives business and IT systems in a unified manner and has formulated a management vision and business model based on the changes that digital technology has brought to society and the competitive environment and is ready to realize that vision and model.

#### **Internal Audits**

With a view to ensuring sound and adequate business operations in our Group, the Internal Audit Unit, an independent organizational unit, performs internal audit activities on the supervision of operational execution and control to ensure satisfactory internal controls in the Group. Considering the multiple incidents of the fraudulent mishandling of cash that have come to light at Dai-ichi Life since fiscal 2020, among other factors, we recognize the importance of initiatives that contribute to the further enhancement of internal controls.

Based on that recognition, our internal audit activities verify the appropriateness and effectiveness of the internal control system and its operation and, in addition to identifying and observing problematic areas, conduct efforts such as issuing suggestions that pertain to the evaluation and improvement of internal control and following up throughout the improvement process. In addition, through regularly performing the analysis and verification of all business risks in the Group, we are working to realize more effective risk-based internal audits.

The results of these internal audits, the status of improvements to any problems and other issues discovered, and the results of risk analysis and other information are regularly reported to the Board of Directors, the Executive Management Board, and the Audit & Supervisory Committee. Simultaneously, we endeavor to further enhance the internal control system across the entire Group while cooperating with related departments and other parties.

## Equity holdings other than those held solely for the purpose of investment

Under the Insurance Business Act, insurance companies are required to set aside insurance premiums and investment income as policy reserves to ensure that liabilities on long-term insurance policies are fulfilled.

Message

We believe that we should conduct investment management from a long-term perspective with regard to the amount of policy reserves that are substantially attributable to policyholders.

Each life insurance company in our Group invests assets based on ALM (integrated assets and liabilities management), focusing on fixed income assets. However, there is not a sufficiently developed market for super-long-term bonds that correspond to super-long-term liabilities. Therefore, Dai-ichi Life, which has long-term stable and large-scale insurance liabilities, is focusing on the diversification effect among asset classes in the portfolio, and conducts balanced investment in which risky assets such as equities are included in the investment portfolio considering corporate analysis, diversification of industries and brands, and risk management.

#### Number of companies for which equity shares are held for strategic purposes and amounts\*

Number of companies	Total amount on the balance sheet	Ratio to the company's consolidated net assets (as of March-end 2022)
7	¥66.6 billion	1.5%

\*Investment shares held by the Company and Dai-ichi Life (a company whose investment equities amount reported on its balance sheet is the largest among the Company and other consolidated subsidiaries) as of the end of March 2022 for purposes other than pure investment.

#### (Reference) Deemed equity holdings\*

Number of companies	Total amount on the balance sheet	Ratio to the company's consolidated net assets (as of March-end 2022)
2	¥35.0 billion	0.8%

\*Shares that Dai-ichi Life (a company whose investment equities amount reported on its balance sheet is the largest among the Company's consolidated subsidiaries) contributed to a retirement benefit trust and for which it holds the right to exercise the voting rights where such holding is for purposes other than pure investment as of the end of March 2022.

In this way, holding equities in the investment portfolio at each group company engaged in the life insurance business is, in principle, conducted for pure investment purposes as part of investment management. However, they partially hold shares that have combined pure investment and strategic purposes based on group strategy, such as strengthening relationships through business alliances. After performing a verification based on the holding purpose and the cost of capital, it is decided whether to reduce the holdings. For listed stocks, in particular, the content of verification by the Board of Directors is disclosed annually.

Strategically held shares shall be sold in case the rationale of holding such shares, either in terms of strategic holding or investment purposes, is confirmed.



Equity holdings other than those held solely for the purpose of investment https://www.dai-ichi-life-hd.com/en/about/control/ governance/reference.html

Introduction

Message Value Creation Story Stra

Leadership (As of August 1, 2022)







#### Directors

Koichiro Watanabe	Age: 69 Number of shares held: 140,629	Director, Chairman of the Board

His experience as a member of the Group has covered a wide range of engagements in the Company's businesses, including corporate planning, human resources management, public relations, and government relations, and he has deep experience and knowledge in the life insurance business. He has duly performed his duties as a member of the Board of Directors since July 2001 by making use of his abundant experience and insight. In addition, he has promoted business strategy for the growth of the Group through his service as director. chairman of the Board since April 2017. The Company believes he is qualified to be a member of the Board of Directors and therefore appointed him as a director.

Tetsuya         Age: 57           Kikuta         Number of shares held: 34,529	Representative Director, Senior Managing Executive Officer (Chief Financial Officer)
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His experience as a member of the Group has covered a wide range of engagements in the Company's businesses, including the asset management business, and he has deep experience and knowledge in the life insurance business. In addition, he has duly performed his duties in overseas life insurance companies as a member of the Board of Directors of Dai-ichi Life Vietnam and Tower (currently TAL), and as a member of the Board of Directors of The Dai-ichi Life Insurance Company, Limited, since June 2020. The Company believes he is qualified to be a member of the Board of Directors and therefore appointed him as a director.

Mamoru Akashi         Age: 57 Number of shares held: 28,852         Director, Managing Executive Officer
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His experience as a member of the Group has covered a wide range of engagements in the Company's businesses, including marketing planning and over-the-counter sales, and he has deep experience and knowledge in the life insurance business. In addition, he has duly performed his duties as a member of the Board of Directors of The Dai-ichi Frontier Life Insurance Co., Ltd., since April 2013 and as a member of the Board of Directors of the Company, since June 2021. The Company believes he is qualified to be a member of the Board of Directors and therefore appointed him as a director

Koichi Age: 71 Maeda Number of shares held: 7,960 Outside Director	
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al 2021 Attended 12 of 12 Board of Directors meetings

He has deep experience and insight gained through acting as a business executive of highly public enterprises. He has also brought significant benefits to the Company by supervising and advising on various matters of corporate management based on his global and objective viewpoint at the Board of Directors meetings and other occasions. The Company has the expectation that he will continue to share his experience and expertise on oversight of management of the Group and therefore appointed him as an outside director

Executive Vice President, General

TELEGRAPH AND TELEPHONE

Representative Director. President

NTT EAST PROPERTIES, INC.

NTT FINANCE CORPORATION

FINANCE CORPORATION

Managing

Executive

Officers

Kyoichi Saito

Hidehiko Sogano

Shoji Takeuchi

present)

Executive Officers (excluding those who are directors)

Masamitsu Nambu

Masao Taketomi

Takashi Fuiii

Yuji Tokuoka

Manager, Consumer Business

Promotion Division, NIPPON

EAST CORPORATION

Apr. 1975 Joined Nippon Telegraph and Jun. 2009 Representative Director, Senior Telephone Public Corporation Jul. 1999 General Manager, Kagoshima Branch, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION Jul. 2000 General Manager, Planning Department, Consumer & Office Jun. 2012 Representative Director, President Division, NTT Communications Corporation Jun. 2002 General Manager, Consumer & Office Jun 2016 Director, Chief Executive Counselo Oct. 2016 Outside Director, Dai-ichi Life Division Holdings, Inc. (to present) Jul. 2017 Chief Executive Counselor, NTT Jun. 2004 Director, Senior Vice President General Manager, Consumer & Office Division Aug. 2006 Director, Senior Vice President, Jul. 2018 Advisor to the President Deputy General Manager, Net Jul. 2020 Advisor, NTT FACILITIES, INC, (to Business Division Jun 2008 Director Executive Vice President Deputy General Manager,

Net Business Division

#### Seiji Age: 59 Number of shares held: 102,537 Inagaki

His experience as a member of the Group has covered a wide range of engagements in the Company's businesses, including corporate planning and investment planning, and he has deep experience and knowledge in the life insurance business. He played a central role in the demutualization of the Company in 2010 and led the development of a system to implement the Group's growth strategy. In addition, he has duly performed his duties as a member of the Board of Directors since June 2016 and as a representative director and president since April 2017. He has developed a growth strategy to further strengthen and expand the Group's business foundation. The Company believes he is gualified to be a member of the Board of Directors and therefore appointed him as a director

Representative Director,

(Chief Executive Officer)

Hiroshi Age: 58 Director, Shoji Number of shares held: 36,982 Executiv
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His experience as a member of the Group has covered a wide range of engagements in the Company's businesses, including profit management and actuarial duties, and he has deep experience and knowledge in the life insurance business. In addition, he has duly performed his duties as a member of the Board of Directors of the Company, since June 2021. The Company believes he is qualified to be a member of the Board of Directors and therefore appointed him as a director.

Toshiaki Age: 52	Director, Managing
Sumino Number of shares held: 19,806	Executive Officer

His experience as a member of the Group has covered a wide range of engagements in the Company's businesses, including corporate planning and investment planning, and he has deep experience and knowledge in the life insurance business. In addition, he has duly performed his duties in overseas life insurance companies as a member of the Board of Directors of Protective Life Corporation, as CEO of DLI NORTH AMERICA and as a member of the Board of Directors of the Company since June 2021. The Company believes he is qualified to be a member of the Board of Directors and therefore appointed him as a director

Yuriko Inoue	Age: 59 Number of shares held: 6,520	Outside Director
Activities in fiscal 202	1 Attended 12 of 12 Board of D	irectors meetings
Other major occupatio	Outside Director, NIPPON SI	GNAL CO., LTD.
Reason for appointme	nt	

She is an experienced and trusted professor specializing in intellectual property law, and she has a wide range of knowledge about IT-related systems and policies. She brings significant benefits to the Company by supervising management and advising on various legal matters and data governance in IT strategies of the Company based on her objective viewpoint. The Company has the expectation that she will continue to share her experience and expertise on oversight of management of the Group and therefore appointed her as an outside director.

Nov. 1993 Lecturer, University of Tokyo Graduate Schools for Law and

- Politics Apr. 1995 Associate Professor, University of Tsukuba Graduate School of
- Business Administration & Public Policy Apr. 2001 Associate Professor, University of Tsukuba Graduate School of
- of Graduate School of Law
- Business Sciences Sen 2002 Associate Professor Kobe University Graduate School of Law

Executive

Officers

Apr. 2004 Professor Oct. 2010 Professor, Hitotsubashi University Graduate School of International Corporate Strategy Apr. 2018 Professor, Business Law Department

(to present) Jun. 2018 Outside Director, Dai-ichi Life Holdings, Inc. (to present)

Hitoshi Yamaguchi Takehiko Eguchi

Koichi Nishiyama Hideyuki Ohashi

Jun Kuroda

Atsuko Ochiai

Yasushi Age: 66 Shingai Number of shares held: 300

Outside Director

Attended 12 of 12 Board of Directors meetings

Representative Director, Shingai Management Institute Co., Ltd. Outside Director, ExaWizards Inc.

Message

Outside Director, Olympus Corporation Member of the Board of Directors (Outside Director), Mitsubishi UFJ Financial Group, Inc

In addition to his deep experience and insight gained through acting as a business executive of a global company, he has rich experience and sophisticated and expert knowledge of corporate finance and mergers & acquisitions as the finance officer. The Company believes that he brings significant benefits to the Company by supervising management and advising on various matters of corporate management based on his global and objective viewpoint at Board of Directors meetings and on other occasions. The Company has the expectation that he will continue to share his experience and expertise on oversight of management of the Group and therefore appointed him as an outside director.

	Profile Apr. 1980 Joined the Japan Toba	cco and Salt Public	Jun. 2011 R	epresentative Director and		
	Corporation (presently Jul. 2001 Vice President, Finance		Executive Vice President, Japan Tobacco Inc.			
	Jul. 2004 Senior Vice President, C	•	-	lember of the Board		
,	Jun. 2005 Member of the Boar President, and Chief		Jun. 2019 Outside Director, Dai-ichi Life Holdings, Inc. (to present) Apr. 2022 Representative Director, Shingai			
	Jun. 2006 Member of the Boar					
	Tobacco Inc., Execu President, JT Intern			lanagement Institute Co., Ltd. o present)		
Takahiro Age: 57 Shibagaki Number of shares h			neld: 30,386	Director (Audit & Supervisory Committee Member (Full-Time))		

His experience as a member of the Group has covered a wide range of engagements in the Company's businesses, including secretariat work, public relations, and domestic corporate insurance, and he has extensive experience and knowledge in the life insurance business In addition, he has been engaged in corporate management as a member of the Board of Directors of The Dai-ichi Frontier Life Insurance Co., Ltd., since April 2018. The Company believes he has the qualifications necessary to strengthen the effectiveness of the supervisory and auditing function over the management of the Group, making use of his experience and knowledge. The Company therefore appointed him as a director serving as an Audit & Supervisory Committee member

Rieko Age: 65 Sato Number of shares held: 9,792	Outside Director (Audit & Supervisory Committee Member)
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Attended 12 of 12 Board of Directors meetings Attended 25 of 25 Audit & Supervisory Committee meetings Partner, Ishii Law Office

Outside Director, J. FRONT RETAILING Co., Ltd. Outside Audit & Supervisory Board Member, Mitsubishi

Corporation

She is an experienced and trusted attorney, and she has had a wide range of experience serving as an outside Director and outside Audit & Supervisory Board member of various corporations She has also brought significant benefits to the Company by supervising and auditing management as well as advising on various legal matters of the Company based on her objective viewpoint at the Board of Directors meetings and on other occasions. The Company has the expectation that she will continue to use her experience to good advantage in conducting audits and supervision of the Group's management and therefore appointed her as an outside director serving as an Audit & Supervisory Committee member

Apr. 1984 Registered as Attorney-at-Law Oct. 2016 Outside Director (Audit & Supervison Jun. 1989 Shearman & Sterling LLP Committee Member), Dai-ichi Life Jul. 1998 Partner, Ishii Law Office (to present) Jun. 2015 Outside Director, The Dai-ichi Life Holdings, Inc. (to present)

Insurance Company, Limited

Masuda

Koichi

Outside Director Age: 78 Number of shares held: 12,227 (Audit & Supervisory Committee Member

Attended 11 of 12 Board of Directors meetings Attended 24 of 25 Audit & Supervisory Committee meetings

## Other major occ

He is an experienced and trusted Certified Public Accountant, and he has had a wide range of experience serving as outside Director (Audit & Supervisory Committee member) and outside Audit & Supervisory Board member of various corporations. He has also brought significant benefits to the Company by supervising and auditing management and advising on various financial matters of the Company based on his objective viewpoint at the Board of Directors meetings and on other occasions The Company has the expectation that he will continue to use his experience to good advantage in conducting audits and supervision of the Group's management and therefore appointed him as an outside director serving as an Audit & Supervisory Committee member.

Senior Managing Executive Officers

	uce ller	Age: 61 Number of shares he	ld: 0	Outside Director	
Activi	ities in fiscal 2	2021 —			
Other I	major occupa	tions —			
Reaso	n for appoint	ment			
deep ins of the C manage oversigh	sight into the lit ompany. The C ment from a glo nt of manageme	fe insurance business as a company expects that he work obal and objective viewpoin ent of the Group and there	a Non-Exec vill actively p nt and share	gained extensive experience and utive Director of TAL, a subsidiar rovide opinions regarding overall his experience and expertise on ed him as an outside director.	у
	Profile				
Feb. 198		istralian Government f Foreign Affairs and		Australian Ambassador to Japan Director-General, Australian Government Office of National	
Jan. 200	1 Assistant Sec	retary, Strategic Policy		Assessments	
Apr. 200	Branch 3 Assistant Sec	retary, North East Asia	Sep. 2018	Distinguished Policy Fellow, Australian National University	
Aua. 200	Branch )4 Minister-Cour	sellor (Political),	Aug. 2020	Chair, Australia-Japan Foundation (to present)	
-	Australian Err 9 Deputy Direct	nbassy Tokyo or-General, Australian Office of National	Jun. 2022	Director, Dai-ichi Life Holdings, Inc. (to present)	
Fu	Isakazu	Age: 61		Director	
	ondo	Number of shares he	ld: 22,313	(Audit & Supervisory Committe Member (Full-Time))	ee
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#### Leadership

Corporation\*

Oct. 1993 Representative Partner, Asahi Audit

https://www.dai-ichi-life-hd.com/en/about/company/ executives/index.html

Committee Member), Dai-ichi Life

\*Presently, KPMG AZSA LLC

Holdings, Inc. (to present)

## Data

#### **Industry Data**

Japan

Japanese life insurance market

#### Trends in the life insurance market

At the end of fiscal 2020, annualized net premiums from policies in force for individual life insurance and annuities (one year's worth of premium income assuming that premiums are paid uniformly over the policy period) were ¥27.9 trillion (a decrease of 1.0% year on year). Within this total, annualized premiums from third-sector products such as medical insurance were ¥7.0 trillion (an increase of 0.9% year on year), indicating an uptrend. New business annualized net premiums were affected by the decline in sales of foreign currency-denominated savings-type products amid the decline in overseas interest rates since 2019, and in 2020, constraints on sales associated with the spread of COVID-19 also had an impact. The proportion of new business accounted for by third-sector products is rising, and customer needs with respect to medical insurance and the like are changing in the face of Japan's declining birthrate and aging population.

#### Life insurance market (individual life insurance and annuities)



Source: The Life Insurance Association of Japan. Life Insurance Fact Book

#### Diversification of life insurance sales channels

According to a 2021 survey, 89.8% of households had taken out individual life insurance or annuities (of which, 24.3% of households had annuities).

People are enrolling in insurance through an increasingly diverse range of channels in recent years. In addition to life insurer sales representatives, these channels include insurance agencies, online and other remote sales channels, and banks and securities companies. Although a high proportion of households have coverage, only about 54% of survey respondents said they felt their coverage was "adequate" or "mostly adequate," indicating that people recognize that they might not necessarily have arranged sufficient protection for future events.



#### **Overseas**

(%)

45

40

35

30

25

20

15

10

**Overseas life insurance market** 

#### Trends in the life insurance market

Life insurance premiums worldwide in 2020 were 2,797 billion dollars (a decrease of 4.4% year on year). The biggest life insurance markets are No. 1: the United States (22.6% share of total), No. 2: China (12.4%), and No. 3: Japan (10.5%).

#### Global life insurance market (top 10 countries in 2020, and countries in which the Company does business)

Dai-ichi Life Group presence*	Rank	Country	Life insurance premium volume (USD in millions)	YoY change (inflation- adjusted)	Share of market	Premiums per capita (USD)	Life insurance penetration (as % of GDP)	Population (in millions)	Real GDP growth
		World	2,797,436	(4.4%)	100.0%	360	3.3%	7,770.6	(3.7%)
0	1	US	632,687	(1.4%)	22.6%	1,918	3.0%	329.8	(3.5%)
	2	China	347,545	+ 2.8%	12.4%	241	2.4%	1,439.9	+ 2.0%
0	3	Japan	294,497	(7.7%)	10.5%	2,329	5.8%	126.5	(4.8%)
	4	UK	238,890	(12.0%)	8.5%	3,574	8.8%	66.8	(9.9%)
	5	France	136,611	(20.5%)	4.9%	1,959	5.1%	67.3	(8.3%)
	6	Italy	118,612	(6.2%)	4.2%	1,972	6.3%	60.2	(8.9%)
	7	Germany	106,571	(0.5%)	3.8%	1,281	2.8%	83.2	(5.3%)
	8	South Korea	106,143	+ 4.0%	3.8%	2,050	6.4%	51.8	(0.9%)
	9	Taiwan	91,155	(10.3%)	3.3%	3,861	14.0%	23.6	+ 2.7%
0	10	India	81,251	(1.2%)	2.9%	59	3.2%	1,381.7	(7.5%)
0	24	Thailand	17,029	(4.4%)	0.6%	244	3.4%	69.8	(6.2%)
0	25	Indonesia	14,866	(8.4%)	0.5%	54	1.4%	273.9	(2.0%)
0	26	Australia	14,575	(30.5%)	0.5%	568	1.1%	25.7	(2.8%)
0	34	Vietnam	5,490	+ 15.8%	0.2%	56	1.6%	97.3	+ 2.9%

\*Excluding markets for which individual country data are not disclosed (Cambodia, Myanmar) Source: Swiss Re Institute Sigma No 3/2021, World insurance

#### Life insurance penetration set to rise further

Life insurance market growth rates in emerging countries are high amid population and economic growth, and life insurance penetration (premiums as a percentage of GDP) continues to follow a moderate uptrend, but it remains low in comparison to developed countries.

## World life insurance penetration (premiums as a percentage of GDP) (%) 9.0



Source: sigma explorer - catastrophe and insurance market data | Swiss Re Institute (sigma-explorer.com)

	Worldwide
	US and Canada
6.2	Latin America and Caribbear
4.6	EMEA developed
3.3	EMEA developing
3.1 2.3	Asia-Pacific developed
2.3 1.4	Asia developing
0.7	
0 (Year)	

Life insurance market growth rate

#### Worldwide

2010-19: +1.7% 2020: (4.4%)

Developed countries

2010-19: +0.8% 2020: (5.7%)

Developing countries

2010-19: +6.4% 2020: +0.3%

# Our Businesses Worldwide

# Building a strong operational base with effective global reach



egies & ormance	Sustainability and Business Foundation	Governance	Data
	Dom	estic life insurance l	ousiness
	Over	seas insurance busi	ness
	Othe	er businesses	



U.S.A.

egional Headquarters and Intermediate Holding Companies	
DLI NORTH AMERICA INC.	U.S.A.
DLI ASIA PACIFIC PTE. LTD.	Singapore
Dai-ichi Life International Holdings LLC	Japan
verseas Affiliated Companies and Representative/Liaison Off	fices
Dai-ichi Life International (Europe) Limited	U.K.
Beijing Representative Office	China
Shanghai Representative Office	China
Hanoi Representative Office	Vietnam
New Delhi Liaison Office	India
novation 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.
einsurance	
Dai-ichi Life Reinsurance Bermuda Ltd.	Bermuda
ther Subsidiaries	
The Dai-ichi Life Research Institute INC.	Japan
QOLead, Limited	Japan
The Dai-ichi Building Co., Ltd.	Japan
SOHGO HOUSING CO., Ltd.	Japan

#### Stra

# Domestic Life Insurance Business

#### Initiatives at each group in fiscal 2021

In our domestic life insurance business, guided by the Reconnect 2023 medium-term management plan, we have been working to create four types of experiential value that represent an expansion beyond our traditional business domains protection; retirement, savings, and asset management; health and medical care; and enhancing connections—to address increasingly prominent social issues, as well as the CX Design Strategy, to deliver these experiential values as part of a CX (customer experience) that exceeds customer expectations. Our group companies in Japan have also been digitalizing their operations with a view to providing contactless services and working to address customers' diverse sets of values and needs.

We are enhancing our lineup of products to support our customers' health and peace of mind. Dai-ichi Life launched the lump-sum benefit hospitalization insurance (simplified application) that is more accessible to people with chronic disease and health concerns, and Neo First Life launched the Dementia Insurance to Smile product designed with consideration of dental health and dementia in mind. Dai-ichi Frontier Life has been working to expand its lineup of products and add-on services to ensure it can serve people's retirement, savings, and asset management needs across a broad range of generations in the era of 100-year life society.

With the launch of our new "Digi-ho" product brand, the Dai-ichi Smart Small-amount and Short-term Insurance Company has been offering fully digital insurance products that let customers handle all insurance procedures via their smartphone or other device, from policy application through to benefit payouts.

Dai-ichi Life has also launched Mirashiru, an information portal website designed to facilitate everyday communication with customers in a digital format. Mirashiru provides information

relevant to customers' interests and concerns and facilitates online insurance consultations and the like. We will continue to expand the site's services going forward.



#### Dai-ichi Life

# Reforms geared to developing Total Life Plan Designers who resonate with customers

With 37,000 Total Life Plan Designers across Japan, Dai-ichi Life provides highly personalized consulting to customers and aims to evolve this face-to-face channel into one that offers a CX embodying even greater levels of financial, digital, and product literacy than ever before. In addition to making fundamental reforms that include revising recruiting methods, as well as the pay and performance evaluation systems, and enhancing sales training and follow-up programs, Dai-ichi Life is working on integrated reforms of its life plan consulting and product lineups in line with the social security system. Dai-ichi Life will continue striving to offer a face-to-face channel that customers can resonate with.

### Dai-ichi Frontier Life

## Launch of a service geared to family ties in the era of 100-year life society

In fiscal 2021, Dai-ichi Frontier Life began offering the Frontier Family Safety Support Service. This free service allows a nominated family member of a policyholder to act on his/her behalf (as the policyholder's legal representative) to, for example, complete insurance procedures and confirm policy details, if the policyholder is unable to handle his/her own insurance affairs. As of the end of March 2022, the service was in use on around 230,000 policies. Dai-ichi Frontier Life will continue to provide peace of mind and support so that customers and their loved ones can live fulfilling lives.

## Neo First Life

# Industry first! Launch of a new dementia insurance product tied to dental health

In fiscal 2021, alongside the launch of Dementia Insurance to Smile, which offers the industry's first insurance premium discounts based on dental health levels, Neo First Life also began offering its OralCareSupport service, designed to help people maintain and improve their oral health. By virtue of delivering products and services that not only protect customers in emergencies but also promote good health, Neo First Life had surpassed 620,000 policies in force as of the end of March 2022. Neo First Life will continue to support the wellness of its customers to help them lead fulfilling lives.

#### Multi-Brand and Multi-Channel Structure



#### Fiscal 2021 Results

Dai-ichi Life's operating environment improved and its lump-sum benefit hospitalization insurance (simplified application) sold well among customers from a broad range of age groups, including younger generations. At Dai-ichi Frontier Life, sales increased in the fiscal second half owing in part to the impact of rising interest rates overseas. At Neo First Life, sales volumes were solid thanks to a revision of its mainstay medical insurance products. Consequently, new business annualized net premiums in the domestic business were up 36.7% year on year and in-force business annualized net premiums were up 0.4% year on year. Group adjusted profit was down 3.0% year on year, reflecting the impact of one-time expenses and other factors at Dai-ichi Frontier Life and despite an increase in positive spread and improvement in net capital gains at Dai-ichi Life.



\*Relationship manager (sales representative for corporate customers)

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# Overseas Insurance Business

## Initiatives at Each Group Company in Fiscal 2021

Overseas Group companies are expanding their profit contribution to the Dai-ichi Life Group by steadily executing growth strategies tailored to their business stages. In addition, to pursue CX through DX, each company is working on its own digital strategy, and the Asia Pacific Regional HQ in Singapore and Dai-ichi Life Insurance Company of Vietnam, Limited are considering jointly developing a healthcare platform application to create Group synergies.

In pursuit of opportunities to achieve high capital efficiency for further growth in addition to existing businesses, TAL and Protective Life Corporation decided to acquire Westpac Life Insurance Services Limited and AUL Corp., respectively.



#### **Fiscal 2021 Results**

New business annualized premiums of overseas subsidiaries in fiscal 2021 increased 37% year on year to 106,300 million yen, and in-force annualized net premiums increased 17.2% from the end of the previous fiscal year to 1.14 trillion yen, due to strong sales of insurance products for corporate customers and variable annuity products, as well as the bolstering of sales channels through an alliance with a bank at Dai-ichi Life Insurance Company of Vietnam, Limited.

Insurance claim payments increased in some regions due to the spread of COVID-19, but adjusted profit in the Overseas Insurance Business increased 38% from the previous year to 83 billion yen, mainly on the strength of improved investment income at Protective Life Corporation, given that the investment environment and other factors were on a track for recovery worldwide.



## Protective

### U.S.A.

# 

Although the retail business recorded a loss in fiscal 2021 due to an increase in claims payments related to COVID-19 and other factors, Protective continued to make efforts to expand channels and promote sales growth of products with low interest rate sensitivity, thereby making a contribution to Group profits.

Protective also expanded the size and profitability of its business by working to strengthen its acquisition capabilities. Given that Protective decided in March 2022 to acquire AUL, which operates an asset protection business that is highly complementary to its existing businesses, a further strengthening of its earnings base is expected. In addition, Protective is working to improve CX by proactively introducing digital tools.

#### **Unique Business Model**



TAL Australia



Based on a strong foundation in the Australian protection-type market, TAL offers products and services that enable more customers to lead affluent lives by growing its retail (independent financial advisor), direct (non-life insurance financial institutions and other industries), and group insurance (superannuation scheme) businesses in a balanced manner.

In August 2021, TAL decided to acquire Westpac Life, a life insurance subsidiary of Westpac Banking Corporation ("Westpac"), and enter into an exclusive 20-year strategic alliance with Westpac for life insurance, with the aim of further expanding its business in Australia.



Source: Plan for Life. Based on annualized net premiums from in-force policies as of September 2021.

# Steady profit contribution driven by retail and acquisitions



# Promotion of further business growth in the protection-type market



Dai-ichi Life Vietnam

Vietnam



Dai-ichi Life Cambodia Cambodia



DAI-ICHI LIFE

Gàn bộ đài làu



Dai-ichi Life Myanmar Myanmar





# Sustainable growth to become a major life insurer in the Vietnamese market

Dai-ichi Life Vietnam has sought to reinforce its core individual insurance agents channel through extensive training and a broader sales network of individual insurance agents. In addition, Dai-ichi Life Vietnam has expanded into alternative channels centering on banks, strengthened cooperation with partners, and enhanced its product lineup resulting in adjusted profit exceeding ¥10 billion in fiscal 2021.

Dai-ichi Life Vietnam will continue to improve the experiential values of each stakeholder through the promotion of a range of digital platforms, aiming for sustainable growth through steady growth and improved operational quality.

### 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 of Phnom Penh. Dai-ichi Life Cambodia achieved above-market growth mainly since the outset by establishing a sales structure for the individual agents channel and concluding new cross-sale agreements with banks.

Dai-ichi Life Cambodia will continue to expand sales bases to major cities in its individual agents channel and reinforce the leadership team, strengthen sales support directed at existing partners and cooperate with new partners in its bancassurance channel, and make efforts in digital sales and the diversification of its products to ensure competitiveness, as it aims to grow further and expand its market share.

# Continued efforts to establish a business foundation

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 fiscal 2021, Dai-ichi Life Myanmar continuously progressed with establishing a business foundation from the previous fiscal year, aimed at future growth through establishing a sales and administrative structure as well as internal controls in the individual insurance agents channel.

While paying attention to local social conditions and other factors, Dai-ichi Life Myanmar will continue to contribute to people's well-being and the development of local communities by providing peace of mind through life insurance to contribute to the creation of a sustainable society in Myanmar.

# Star Union Dai-ichi Life

Message





Panin Dai-ichi Life

PaninDai-ichiLife By your side, for life



OCEAN LIFE Thailand





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).

# Achieved the industry's highest growth by strengthening support for sales channels

Star Union Dai-ichi Life achieved the industry's highest year-onyear growth (+84%) in first-year annualized net premiums as a result of strong sales of individual and group products by strengthening support for sales to major partner banks and other measures.

In addition to further strengthening its relationships with its main partner banks, Star Union Dai-ichi Life will continue to cultivate new markets by securing new sales partners and expanding new contact points with existing customers with the use of individual agents and digital platforms.

# Sustainable growth by reinforcing sales channels

In our individual insurance agents channel, Panin Dai-ichi Life aims to increase its industry share in this channel by working to expand its sales force through the recruitment of sales personnel, improve individual productivity through the reinforcement of training, and expand promotions of younger talented personnel to higher positions.

In the bancassurance channel, Panin Dai-ichi Life is reinforcing our sales promotion structure while facilitatiang 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.

### Aiming to expand market share by selling medical riders mainly through the individual agent channel

OCEAN LIFE is working on the continuous recruitment and training of new personnel through further enhancements to its web seminars and initial education in the individual agents channel, while expanding the leadership team that will be responsible for these efforts. OCEAN LIFE will aim to expand its market share by focusing on sales of riders that will meet the growing demand for medical coverage against the backdrop of COVID-19, as well as by developing individual agents who can evoke customer needs and propose and sell products.

# Other Business (Asset Management Business)

### Initiatives at Each Group Company in Fiscal 2021

In the asset management business, although Asset Management One posted record profits due to an increase in assets under management, adjusted profit declined 48% year on year due to the deconsolidation of Janus Henderson. In addition, Dai-ichi Life Realty Asset Management achieved higher net income than the previous fiscal year due to high investor demand in the domestic private REIT market.



Adjusted Profit (asset management business)

### **Asset Management One**

#### Providing products that meet diverse investor needs and promoting responsible investment

(¥ in billions)

Regarding publicly offered investment trusts, Asset Management One is expanding sales of balanced funds, overseas stock funds, and other products that contribute to medium- and long-term asset building for individuals, while for institutional investors, it is increasing the number of trusts by bolstering high-value-added products and consulting services. It is also enhancing responsible investment by means such as participating as a founding member of the "Net Zero Asset Managers initiative," an international initiative targeting net-zero greenhouse gas emissions.

#### **Dai-ichi Life Realty Asset** Management

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

DL Life Partner REIT, Inc., a private-placement REIT for qualified institutional investors, has expanded its managed assets to approximately 79 billion yen through a third private placement and acquisition of real estate through borrowing. It will continue to source properties from within and outside the Group, aiming to increase the scale of assets under management to around 100 billion yen by 2023 while achieving sustainable growth. It also aims to create a sustainable society by promoting a wide range of ESG initiatives, including participation in the REIT industry's first "RE Action" (Renewable Energy 100 Declaration) and the acquisition of environmental certifications for investment properties.

#### **Role of the Asset Management Business**



# **Summary of Consolidated Group Business Results**

New business annualized net premiums increased substantially in Japan, where business is recovering toward pre-COVID-19 levels, but also due to the previous fiscal year's pandemic sales restrictions. Sales remained steady overseas, as in the previous fiscal year. As a result, the Group's in-force business annualized net premiums at the end of fiscal 2021 increased compared with the end of the previous fiscal year. Group adjusted profit\*1, a core profit indicator for the Group, increased due to the generally stable financial environment, especially in the first half of the fiscal year. In the domestic life insurance business, Dai-ichi Life posted a slight decrease in profit due to one-off expenses, despite an increase in positive spread and a significant recovery in gains/losses on derivative financial transactions. In the overseas insurance business, Protective was affected by an increase in claims due to COVID-19, but profit increased due to a reversal of the allowance for the previous year's CECL as the economic environment improved, alongside other factors. In other areas, income decreased mainly due to the

deconsolidation of a Group company.

Net income attributable to shareholders of the parent company increased significantly mainly due to one-off factors, in addition to the increase in Group adjusted profit. Looking at the details, there was a reversal of policy reserve related to market value adjustment (MVA)\*2 at Dai-ichi Frontier Life due to a rise in overseas interest rates and a one-off gain resulting from the introduction of the Group Tax Sharing System Group EEV, which represents the corporate value of economic value, increased compared with the end of the previous fiscal year, mainly due to an increase in the overseas insurance business. The Group value of new business remained almost unchanged from the previous fiscal year, despite impact from the deterioration of the sales product mix at Dai-ichi Life and other factors.

Item	FY2020	FY2021	YoY change
Group new business annualized net premium	¥228.8 billion	¥313.1 billion	136.8%
Group In-force business annualized net premium*3	¥4,054.6 billion	¥4,234.3 billion	104.4%
Net income attributable to shareholders of parent company	¥363.7 billion	¥409.3 billion	112.5%
Group adjusted profit	¥282.8 billion	¥296.1 billion	104.7%
Of which, domestic life insurance business	¥217.4 billion	¥210.6 billion	96.9%
Of which, overseas insurance business	¥60.2 billion	¥83.0 billion	137.9%
Other business*4	¥5.1 billion	¥2.3 billion	46.3%
Group EEV*3	¥6,971.1 billion	¥7,150.9 billion	102.6%
Group value of new business	¥127.1 billion	¥126.6 billion	99.6%

\*1 Group adjusted profit is a unique indicator used by the Company that determines funds to be paid to shareholders and constitutes the sum of adjusted profits of 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

value when this value is received

\*3 Figures are as of the end of the fiscal year

\*4 In addition to the asset management business, this includes the Company (holding company), subsidiaries, and affiliates that do not fall under either the domestic life insurance business or the overseas insurance business.



\*5 Fundamental profit before tax. "DL Capital, etc." includes changes in corporate tax, net capital, and non-recurrent gains (losses) [HD: Dai-ichi Life Holdings, DL: Dai-ichi Life, DFL: Dai-ichi Frontier Life, NFL: Neo First Life, PLC: Protective Life Corporation, TAL: TAL Dai-ichi Life Australia, DL Re: Dai-ichi Life Reinsurance Bermuda]

\*2 Market Value Adjustment (MVA) is a mechanism whereby changes in the price of invested assets in accordance with market interest rates are reflected in the amount of sur

Historical Data

	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021
Results of Operations										
Ordinary revenues	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	8,209,708
Premium and other income	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	5,291,973
Investment income	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	2,551,112
Ordinary expenses	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	7,618,811
Benefits and claims	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	5,855,703
Provision for policy reserves and others	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	316,837
Investment expenses	221,738	234,950	168,935	524,041	342,102	548,957	541,541	821,971	326,626	381,136
Operating expenses	486,419	517,566	559,344	661,384	650,985	661,110	703,573	680,154	689,057	752,160
Ordinary profit	157,294	304,750	406,842	418,166	425,320	471,994	432,945	218,380	552,861	590,897
Provision for reserve for policyholder dividends	86,000	94,000	112,200	97,500	85,000	95,000	87,500	82,500	77,500	87,500
Net income attributable to shareholders of parent company	32,427	77,931	142,476	178,515	231,286	363,928	225,035	32,433	363,777	409,353
Financial Condition	,	,		,			,		,	,
Total assets	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	65,881,161
Total liabilities	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	61,472,654
Policy reserves	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	51,407,655
Total net assets	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	4,408,507
Total shareholders' equity	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	1,996,301
Net unrealized gains (losses) on securities, net of tax	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	2,397,969
Sales Results <sup>1</sup>	1,000,001	1,022,101	2,020,202	1,010,001	1,000,001	2,200,100	2,101,001	2,200,100	0,000,000	2,001,000
Annualized net premium of new business (¥ in billions) <sup>2</sup>	244.3	303.4	339.1	387.2	440.7	406.4	508.7	336.0	228.8	313.1
Domestic Group companies (¥ in billions)	210.4	230.5	309.6	294.8	371.9	319.4	418.9	220.4	151.2	206.7
Overseas Group companies (¥ in billions) <sup>2</sup>	33.8	72.8	29.5	92.4	68.8	87.0	89.8	115.5	77.5	106.3
Annualized net premium from policies in force (¥ in billions)	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	4,234.3
Domestic Group companies (¥ in billions)	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	3,090.1
Overseas Group companies (¥ in billions)	162.2	2,344.0	723.8	761.3	768.1	775.6	863.4	911.9	976.0	1,144.1
Corporate Value	102.2	215.0	725.0	701.5	700.1	115.0	003.4	511.5	570.0	1,144.1
Group European embedded value (EEV) (¥ in billions) <sup>3</sup>	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	7,150.9
Value of new business (¥ in billions) <sup>3</sup>	211.2	255.4	286.1	216.1	145.5	190.2	197.4	150.3	127.1	126.6
New business margin (%) <sup>3</sup>	5.86	6.25	5.53	3.92	2.94	4.30	3.78	3.32	3.78	3.00
Key Financial Indicators	5.00	0.25	5.55	5.52	2.34	4.50	5.70	5.52	5.76	5.00
Return on equity (ROE) (%)	2.5	4.3	5.1	5.5	7.6	10.6	6.0	0.9	8.5	8.9
Return on embedded value (ROEV) (%)	25.5	29.4	28.8	(21.9)	20.3	13.1	(0.6)	(2.8)	32.5	4.9
Consolidated solvency margin ratio (%)	702.4	756.9	818.2	763.8	749.2	838.3	869.7	884.1	958.5	902.6
Adjusted ROE (%)	-		-	-	8.6	8.5	7.6	9.5	8.9	8.0
-			147	98		170	169	195	203	227
Economic solvency ratio (%) <sup>4</sup>				204.6			236.3	274.5	203	
Group adjusted profit (¥ in billions) Per Share Indicators⁵	100.0	116.0	214.7	204.0	210.1	243.2	230.3	274.5	202.0	296.1
	20.75	70 50	404.04	450.50	400.00	240.00	404.42	00.50	205.04	202.45
Earnings per share (EPS) (yen)	32.75	78.58	124.94	150.53	196.62	310.69	194.43	28.53	325.61	383.15
Book value per share (BPS) (yen)	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	4,302.56
Dividend per share (DPS) (yen)	16	20	28	35	43	50	58	62	62	83
Key Non-financial Indicators	aa == /	50.540		<b>04 440</b>			00.000			
Number of Group employees	60,771	59,512	60,647	61,446	62,606	62,943	62,938	63,719	64,823	62,260
Domestic Group company employees	58,875	57,462	55,982	56,503	57,262	57,339	56,565	56,691	57,228	53,992
Overseas Group company employees	1,896	2,050	4,665	4,943	5,344	5,604	6,373	7,028	7,595	8,268
Percentage of women in managerial posts (%) <sup>6</sup>	-	21.9	22.5	23.3	24.2	25.2	25.6	26.5	27.5	28.5
Number of employees with disabilities (people) <sup>7</sup>	865	891	913	926	953	966	955	976	1,046	1,011
CO <sub>2</sub> emissions (t-CO <sub>2</sub> ) <sup>8</sup>	153,500	175,000	168,000	178,100	171,900	166,000	155,300	138,900	125,600	98,900
Total paper usage (t) <sup>9</sup>	9,849	8,116	6,509	6,559	6,967	6,475	6,474	6,092	4,794	5,425

1. The values for fiscal 2012 to fiscal 2013 are the total 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 2015 to fiscal 2018 are the total of Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life, Neo First Life, Neo First Life, Vietnam. The values for fiscal 2015 to fiscal 2015 to fiscal 2018 are the total of Dai-ichi Life, Dai-ichi Frontier Life, Neo First L 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. Dai-ichi Life Myanmar was added from fiscal 2020.

117 Dai-ichi Life Holdings

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 the Japanese interest rate is changed from a method taking into account the yield curve of the Japanese swap rate to a method

using the 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.

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 the previous fiscal year.
 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 the previous fiscal year. 8. Based on Scope 1+2. Figures for fiscal 2012 to 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 33 companies in fiscal

Figures for fiscal 2012 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 33 companies in fiscal 2012).

Sustainability and

Business Foundation

#### (¥ in millions)

thejapantimes

Story

# Participation in External Initiatives

Through joining initiatives related to sustainability within and outside Japan, the Group is promoting initiatives for realizing a sustainable society



#### FTSE4Good FTSE Blossom Ja Index Series Index

apan	S&P/JPX Ca
	Efficient Inc



MSCI Japan ESG Select Leaders Index





## Major Awards for the Group's Initiatives

Message

Sustainable Japan A Sustainable Japan ES Award		Platinum Kurumin		
Award Award 2021		Excellence Awa		
	nternet IR Awards in 2021			
Recipient	Organizer	Award		
Dai-ichi Frontier Life	The Ministry of Education, Culture, Sports, Science and Technology Japan (MEXT)	2021 "Award for Companies Promoting Experience-based Learning Activities for Youth" Judging Committee's Excellence Award		
Dai-ichi Life Insurance Company of Vietnam	Enterprise Asia	Asia Pacific Enterprise Awards 2021 (APEA 2021)		
Star Union Dai-ichi Life	Institute of Directors	Golden Peacock Award for Excellence in Corporate Governance		
OCEAN LIFE	Department of Empowerment of Persons with Disabilities, Ministry of Social Development and Human Security	Outstanding Award for Empowering People with Disabilities and Equality		

Governance



Nadeshiko Brand/Semi-Nadeshiko



Excellent Enterprise in the 2021 ESG Web Awards



Work with Pride "PRIDE Index" Gold Award (2021)



Employer of Choice for Gender Equality (Australia)

#### Summary

The company's promotion of financial literacy through the use of its "Frontier World Life Simulation Game" (a game where players can learn how to build assets according to their needs and life cycle while having fun) was awarded for being a rewarding corporate practice and for providing an excellent, hands-on activity for young people.

Through its "Connect to Love" campaign, Dai-ichi Life Insurance Company of Vietnam was the only insurance company in Vietnam to win both the "Corporate Excellence Award" and the "Inspirational Brand Award" for its consistent work to maintain sustainable growth while strengthening corporate social responsibility to improve the lives of local communities

All directors except the CEO appointed from outside the company (seven from three shareholder companies and three independent directors). The company was given the award in recognition of its high level of transparency in regard to corporate governance and its efforts to raise corporate value by establishing a system to control and monitor business execution.

This award recognizes the company's contributions to the community of persons with disabilities by providing equal employment opportunities, stable incomes, and opportunities for independence, and by taking care of the families of persons with disabilities and their communities.









## 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	<ul> <li>The purpose of the Company shall be to engage in the following businesses:</li> <li>(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</li> <li>(2) Other business activities incidental to the business listed in the preceding item.</li> </ul>
Capital stock	343.9 billion yen
Number of employees	801 persons

#### Management Organization



#### 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	lssuance 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
July 20, 2021	194 million yen	343,926 million yen	Third-party allotment associated with the stock remuneration scheme using restricted stocks

#### 2. Number of shares and shareholders

#### (As of March 31, 2022)

	(710 01 110101 01, 2022)
Number of shares authorized to be issued	4,000,000 thousand shares
Number of issued shares	1,031,348 thousand shares
Number of shareholders	727,690 persons
Number of shareholders	<i>,</i> , ,

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

#### 3. Type of issued shares

Туре	Number of issued shares	Details
Common stock	1,031,348 thousand shares	_

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

#### (As of March 31, 2022)

#### 4. Major Shareholders (Top 10)

		(As of March 31, 2022)
	Ownership in	the Company
Name of shareholders	Shares held	Percentage
	thousands of shares	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	171,041	16.63
Custody Bank of Japan, Ltd. (Trust Account)	65,940	6.41
Mizuho Bank, Ltd.	28,000	2.72
SMP PARTNERS (CAYMAN) LIMITED	24,500	2.38
Shinsei Trust & Banking Co., Ltd. ECM MF Trust Account 8299002	17,450	1.69
STATE STREET BANK WEST CLIENT – TREATY 505234	17,223	1.67
STATE STREET BANK AND TRUST COMPANY 505001	14,623	1.42
SMBC Nikko Securities Inc.	13,821	1.34
SSBTC CLIENT OMNIBUS ACCOUNT	13,302	1.29
JPMorgan Securities Japan Co., Ltd.	13,060	1.27

(Notes) 1. Numbers of shares less than one thousand are truncated.
 2. 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 110 subsidiaries and 29 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 "O" are affiliated companies under the equity method as of March 31, 2022.

\* The Dai-ichi Life Insurance Company, Limited \* The Dai-ichi Frontier Life Insurance Co., Ltd. \* The Neo First Life Insurance Company, Limited

\* TAL Dai-ichi Life Australia Pty Ltd \* TAL Dai-ichi Life Group Pty Ltd \* TAL Life Limited \* Asteron Life & Superannuation Limited \* Dai-ichi Life Insurance Company of Vietnam, Limited \* Dai-ichi Life Insurance (Cambodia) PLC. \* Dai-ichi Life Insurance Myanmar Ltd. \* Dai-ichi Life Reinsurance Bermuda Ltd. OStar Union Dai-ichi Life Insurance Company Limited OPT Panin Internasional ○PT Panin Dai-ichi Life

OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED

\* Dai-ichi Life International Holdings LLC OCorporate-pension Business Service Co., Ltd. OAsset Management One Co., Ltd. ○Japan Excellent Asset Management Co., Ltd.

#### 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	0.0%	100.0%
TAL Dai-ichi Life Group Pty Ltd	March 25, 2011	Sydney, Australia	2.270 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	33 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	100.0%	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,						
Γ	2018	2019	2020	2021	2022		
Ordinary revenues (million yen)	7,037,827	7,184,093	7,114,099	7,827,806	8,209,708		
Ordinary profit (million yen)	471,994	432,945	218,380	552,861	590,897		
Net income attributable to shareholders of parent company (million yen)	363,928	225,035	32,433	363,777	409,353		
Comprehensive income (million yen)	684,757	72,613	167,564	1,143,981	(130,395)		

	As of March 31,						
	2018	2019	2020	2021	2022		
Total net assets (million yen)	3,749,271	3,713,592	3,776,918	4,807,129	4,408,507		
Total assets (million yen)	53,603,028	55,941,261	60,011,999	63,593,705	65,881,161		
Consolidated solvency margin ratio (%)	838.3	869.7	884.1	958.5	902.6		

#### Outline of business

Ordinary revenues for the fiscal year ended March 31, 2022 increased by 4.9% compared to the previous fiscal year to 8,209.7 billion yen, consisting of 5,291.9 billion yen (11.9% increase) in premium and other income, 2,551.1 billion yen (6.2% decrease) in investment income, and 366.6 billion yen (3.0% decrease) in other ordinary revenues.

Meanwhile, ordinary expenses for the fiscal year ended March 31, 2022 increased by 4.7% compared to the previous fiscal year to 7,618.8 billion yen, consisting of 5,855.7 billion yen (17.1% increase) in benefits and claims, 316.8 billion yen (67.4% decrease) in provision for policy reserves and others, 381.1 billion yen (16.7% increase) in investment expenses, 752.1 billion yen (9.2% increase) in operating expenses, and 312.9 billion yen (9.1% increase) in other ordinary expenses.

As a result, ordinary profit for the fiscal year ended March 31, 2022 increased by 6.9% compared to the previous fiscal year to 590.8 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 409.3 billion yen (12.5% increase). This was mainly due to an improvement in profit related to market value adjustment (MVA) at Dai-ichi Frontier Life, one-time gains related to Group Tax Sharing System introduction and reversal of allowance for expected credit losses at Protective Life Corporation.

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 663.9 billion yen, or 10.7%, to 6,845.1 billion yen mainly due to an increase in policy reserve reversals by reinsurance transaction contract as part of market risk reduction efforts at Dai-ichi Life. Segment profit increased compared to the previous fiscal year by 19.6 billion yen, or 4.1%, to 493.9 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 374.7 billion yen, or 20.1%, to 2,242.9 billion yen mainly due to an increase in premium and other income and investment income at Protective Life Corporation. Segment profit increased compared to the previous fiscal year by 21.3 billion yen, or 29.2%, to 94.3 billion yen mainly due to the reversal of allowance for 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 22.8 billion yen, or 11.8%, to 216.3 billion yen mainly because of an increase in dividends income from the group companies. Segment profit increased compared to the previous fiscal year by 19.7 billion yen, or 11.1%, to 197.5 billion yen.

## Consolidated Balance Sheet

# Consolidated Statement of Earnings

	<b></b>		(Unit: million
	Unit: milli	,	US dollars)
	2021	As of March 31, 2022	2022
ASSETS)	2021	2022	2022
Cash and deposits	1,884,141	2,183,874	17,843
Call loans	403,700	479,900	3,921
lonetary claims bought	252,140	255,902	2,090
oney held in trust	1,130,920	1,106,918	9,044
ecurities	50,879,947	51,504,749	420,824
bans	3,762,666	3,978,577	32,507
angible fixed assets	1,113,299	1,159,741	9,475
Land	761,546	808,368	6,604
Buildings	331,138	332,376	2,715
Leased assets	5,186	4,499	36
Construction in progress	2,168	551	4
Other tangible fixed assets	13,258	13,944	113
angible fixed assets	445,163	502,795	4,108
Software	117,231	124,331	1,015
Goodwill	42,696	56,245	459
Other intangible fixed assets	285,235	322,218	2,632
einsurance receivable	1,668,969	1,924,898	15,727
her assets	2,016,733	2,748,965	22,460
eferred tax assets	12,014	9,378	76
ustomers' liabilities for acceptances and guarantees	52,861	45,745	373
eserve for possible loan losses	(28,224)	(19,505)	(159)
eserve for possible investment losses	(627)	(779)	(6)
Total assets	63,593,705	65,881,161	538,288
_IABILITIES)			
olicy reserves and others	51,051,420	52,745,988	430,966
Reserves for outstanding claims	753,126	925,110	7,558
Policy reserves	49,897,294	51,407,655	420,031
Reserve for policyholder dividends	400,999	413,222	3,376
einsurance payable	796,523	895,123	7,313
onds payable	899,770	870,383	7,111
ther liabilities	4,671,205	5,906,787	48,262
Payables under repurchase agreements	2,346,988	3,115,017	25,451
Other liabilities	2,324,216	2,791,770	23,431
et defined benefit liabilities		392,522	3,207
eserve for retirement benefits of directors.	418,546	392,322	5,207
executive officers and corporate auditors	998	929	7
eserve for possible reimbursement of prescribed claims	800	800	6
eserves under the special laws	264,454	287,358	2,347
Reserve for price fluctuations	264,454	287,358	2,347
eferred tax liabilities	204,454 558,387	256,364	2,347 2,094
eferred tax liabilities for land revaluation	71,606	70,652	2,094
cceptances and guarantees	52,861	45,745	373
Total liabilities	58,786,576	61,472,654	502,268
JET ASSETS)			
IET ASSETS) apital stock	343,732	343,926	2,810
apital surplus	330,065	330,259	2,698
etained earnings	1,375,805	1,334,834	10,906
easury stock	(155,959)	(12,718)	(103)
al shareholders' equity	1,893,643	1,996,301	16,310
et unrealized gains (losses) on securities, net of tax	3,056,350	2,397,969	19,592
ferred hedge gains (losses)	(2,916)	(15,532)	(126)
eserve for land revaluation	(22,026)	16,643	135
preign currency translation adjustments	(108,830)	4,232	34
ccumulated remeasurements of defined benefit plans	(10,012)	8,197	66
otal accumulated other comprehensive income	2,912,564	2,411,510	19,703
ubscription rights to shares	920	694	5
		00-	
Total net assets	4,807,129	4,408,507	36,020

ORDINARY REVENUES Premium and other income Investment income Interest and dividends Gains on money held in trust Gains on investments in trading securities Gains on sale of securities Gains on redemption of securities Foreign exchange gains Reversal of reserve for possible loan losses Other investment income Gains on investments in separate accounts Other ordinary revenues ORDINARY EXPENSES Benefits and claims Claims Annuities	2021 7,827,806 4,730,301 2,719,584 1,347,865 28,179 132,406 471,363 15,662 444,926 	<b>2022</b> 8,209,708 5,291,973 2,551,112 1,386,792 	2022 67,07 43,23 20,84 11,33 - 1,68 3,21 17 3,70 9 2 2 62 2,99
Premium and other income Investment income Interest and dividends Gains on money held in trust Gains on investments in trading securities Gains on sale of securities Gains on redemption of securities Foreign exchange gains Reversal of reserve for possible loan losses Other investment income Gains on investments in separate accounts Other ordinary revenues ORDINARY EXPENSES Benefits and claims Claims	7,827,806 4,730,301 2,719,584 1,347,865 28,179 132,406 471,363 15,662 444,926 — 1,533 277,646 377,921 7,274,945	8,209,708 5,291,973 2,551,112 1,386,792  206,378 393,503 21,230 453,064 11,340 2,718 76,084 366,622	67,07 43,23 20,84 11,33 - 1,68 3,21 17 3,70 9 2 2 62
Premium and other income Investment income Interest and dividends Gains on money held in trust Gains on investments in trading securities Gains on sale of securities Gains on redemption of securities Foreign exchange gains Reversal of reserve for possible loan losses Other investment income Gains on investments in separate accounts Other ordinary revenues ORDINARY EXPENSES Benefits and claims Claims	4,730,301 2,719,584 1,347,865 28,179 132,406 471,363 15,662 444,926 	5,291,973 2,551,112 1,386,792 	43,23 20,84 11,33 - 1,68 3,21 17 3,70 9 2 62
Investment income Interest and dividends Gains on money held in trust Gains on investments in trading securities Gains on sale of securities Gains on redemption of securities Foreign exchange gains Reversal of reserve for possible loan losses Other investment income Gains on investments in separate accounts Other ordinary revenues ORDINARY EXPENSES Benefits and claims Claims	2,719,584 1,347,865 28,179 132,406 471,363 15,662 444,926 	2,551,112 1,386,792 	20,84 11,33 - 1,68 3,21 17 3,70 9 2 62
Gains on money held in trust Gains on investments in trading securities Gains on sale of securities Gains on redemption of securities Foreign exchange gains Reversal of reserve for possible loan losses Other investment income Gains on investments in separate accounts Other ordinary revenues ORDINARY EXPENSES Benefits and claims Claims	1,347,865 28,179 132,406 471,363 15,662 444,926 — 1,533 277,646 377,921 7,274,945	1,386,792  206,378 393,503 21,230 453,064 11,340 2,718 76,084 366,622	11,33 - 1,68 3,21 17 3,70 9 2 62
Gains on money held in trust Gains on investments in trading securities Gains on sale of securities Gains on redemption of securities Foreign exchange gains Reversal of reserve for possible loan losses Other investment income Gains on investments in separate accounts Other ordinary revenues ORDINARY EXPENSES Benefits and claims Claims	28,179 132,406 471,363 15,662 444,926 	206,378 393,503 21,230 453,064 11,340 2,718 76,084 366,622	1,68 3,21 17 3,70 9 2 62
Gains on investments in trading securities Gains on sale of securities Gains on redemption of securities Foreign exchange gains Reversal of reserve for possible loan losses Other investment income Gains on investments in separate accounts Other ordinary revenues ORDINARY EXPENSES Benefits and claims Claims	132,406 471,363 15,662 444,926 	393,503 21,230 453,064 11,340 2,718 76,084 366,622	3,21 17 3,70 9 2 62
Gains on sale of securities Gains on redemption of securities Foreign exchange gains Reversal of reserve for possible loan losses Other investment income Gains on investments in separate accounts Other ordinary revenues ORDINARY EXPENSES Benefits and claims Claims	471,363 15,662 444,926 — 1,533 277,646 377,921 7,274,945	393,503 21,230 453,064 11,340 2,718 76,084 366,622	3,21 17 3,70 9 2 62
Foreign exchange gains Reversal of reserve for possible loan losses Other investment income Gains on investments in separate accounts Other ordinary revenues ORDINARY EXPENSES Benefits and claims Claims	15,662 444,926 — 1,533 277,646 377,921 7,274,945	21,230 453,064 11,340 2,718 76,084 366,622	17 3,70 9 2 62
Foreign exchange gains Reversal of reserve for possible loan losses Other investment income Gains on investments in separate accounts Other ordinary revenues ORDINARY EXPENSES Benefits and claims Claims	444,926 	453,064 11,340 2,718 76,084 366,622	9 2 62
Reversal of reserve for possible loan losses Other investment income Gains on investments in separate accounts Other ordinary revenues ORDINARY EXPENSES Benefits and claims Claims	1,533 277,646 377,921 7,274,945	11,340 2,718 76,084 366,622	2 62
Gains on investments in separate accounts Other ordinary revenues ORDINARY EXPENSES Benefits and claims Claims	277,646 377,921 7,274,945	2,718 76,084 366,622	62
Other ordinary revenues ORDINARY EXPENSES Benefits and claims Claims	377,921 7,274,945	366,622	
ORDINARY EXPENSES	7,274,945		2,99
Benefits and claims Claims		7,618,811	
Claims	5,001,109		62,25
	, ,	5,855,703	47,84
Annuities	1,264,692	1,397,477	11,41
	775,379	778,494	6,36
Benefits	571,161	653,894	5,34
Surrender values	1,084,700	1,363,354	11,13
Other refunds	1,305,176	1,662,483	13,58
Provision for policy reserves and others	971,280	316,837	2,58
Provision for reserves for outstanding claims	1,253	48,203	39
Provision for policy reserves	961,808	260,369	2,12
Provision for interest on policyholder dividends	8,218	8,264	6
Investment expenses	326,626	381,136	3,11
Interest expenses	33,476	26,704	21
Losses on money held in trust	—	1,572	1
Losses on sale of securities	127,053	234,564	1,91
Losses on valuation of securities	14,300	7,817	6
Losses on redemption of securities	6,314	3,545	2
Derivative transaction losses	68,095	40,176	32
Provision for reserve for possible loan losses	17,225	_	-
Provision for reserve for possible investment losses	295	247	
Write-down of loans	369	459	
Depreciation of real estate for rent and others	13,188	13,458	10
Other investment expenses	46,306	52,590	42
Operating expenses Other ordinary expenses	689,057 286,870	752,160 312,973	6,14 2,55
	,		
Ordinary profit	552,861	590,897	4,82
EXTRAORDINARY GAINS	40,480	10,766	8
Gains on disposal of fixed assets	5,471	10,404	8
Gains on sale of stocks of subsidiaries and affiliated companies	34,994	—	-
Other extraordinary gains	14	362	
EXTRAORDINARY LOSSES	33,301	39,792	32
Losses on disposal of fixed assets	6,899	12,966	10
Impairment losses on fixed assets	2,552	3,850	3
Provision for reserve for price fluctuations	23,658	22,903	18
Other extraordinary losses	190	72	
Provision for reserve for policyholder dividends	77,500	87,500	71
Income before income taxes	482,540	474,371	3,87
Corporate income taxes-current	116,138	136,131	1,11
Corporate income taxes-deferred	2,624	(71,113)	(58
Total of corporate income taxes	118,763	65,018	53
Net Income	363,777	409,353	3,34
Net income attributable to shareholders of parent company	363,777	409,353	3,34

# Consolidated Statement of Comprehensive Income

			(Unit: million
	(Unit: millio	on yen)	US dollars)
_	Ye	,	
-	2021	2022	2022
Net income	363,777	409,353	3,344
Other comprehensive income			
Net unrealized gains (losses) on securities, net of tax	773,016	(653,967)	(5,343)
Deferred hedge gains (losses)	(24,731)	(11,381)	(92)
Reserve for land revaluation	_	(25)	(0)
Foreign currency translation adjustments	12,338	110,026	898
Remeasurements of defined benefit plans, net of tax	17,424	18,185	148
Share of other comprehensive income of subsidiaries and			
affiliates accounted for under the equity method	2,157	(2,586)	(21)
Total other comprehensive income	780,204	(539,749)	(4,410)
Comprehensive income	1,143,981	(130,395)	(1,065)
(Details)		. ,	, ,
Attributable to shareholders of parent company	1,143,981	(130,395)	(1,065)

# Consolidated Statement of Changes in Net Assets

Year ended March 31, 2021	. <u></u>		Charabald	_	(Unit: million yen)
	Qualitat	Qualitat	Shareholders' equity	<b>T</b>	Tatalahambaldan
	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	343,517	329,860	1,079,333	(126,356)	1,626,355
changes in accounting policies	•••••••		.,	(	.,
Changes for the year Issuance of new shares	214	214			429
Dividends	214	214	(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
Cancellation of treasury stock					-
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	214	204	296,472	(29,603)	267,287
Total changes for the year Balance at the end of the year	343,732	330,065	1,375,805	(155,959)	1,893,643
		000,000	1,070,000	(100,000)	1,000,040
				(Unit: million yen)	
		Accumulated other co	mprehensive income		
	Net unrealized			Foreign currency	
	gains (losses) on	Deferred hedge	Reserve for land	translation	
	securities, net	gains (losses)	revaluation	adjustments	
Balance at the beginning of the year	of tax 2,283,198	20,437	(17,978)	(123,850)	
Cumulative effect of changes in accounting policies	2,200,100	20,401	(17,070)	(120,000)	
Balance at the beginning of the year after reflecting the effect of	0.000.400	00.407	(47.070)	(400.050)	
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					
Cancellation of treasury stock					
Transfer from retained earnings to capital surplus					
Transfer from reserve for land revaluation					
Others	770 450	(00.050)	(1.0.10)	15 000	
Net changes of items other than shareholders' equity	773,152	(23,353)	(4,048)	15,020	
Total changes for the year Balance at the end of the year	773,152 3,056,350	(23,353) (2,916)	(4,048) (22,026)	15,020 (108,830)	
	3,000,000	(2,010)	(22,020)	(100,000)	
				(Unit: million yen)	
		ated other		(or maniform your)	
		sive income	Outerstation	Tatalaat	
	Accumulated remeasurements	Total accumulated other	Subscription rights to shares	Total net assets	
	of defined benefit	comprehensive	lights to shales	855615	
	plans	income			
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	
unanges for the year				429	
Issuance of new shares				(70,001)	
Issuance of new shares Dividends					
Issuance of new shares Dividends Net income attributable to shareholders of parent company				363,777	
Issuance of new shares Dividends Net income attributable to shareholders of parent company Purchase of treasury stock				363,777 (29,999)	
Issuance of new shares Dividends Net income attributable to shareholders of parent company Purchase of treasury stock Disposal of treasury stock				363,777	
Issuance of new shares Dividends Net income attributable to shareholders of parent company Purchase of treasury stock Disposal of treasury stock Cancellation of treasury stock				363,777 (29,999)	
Issuance of new shares Dividends Net income attributable to shareholders of parent company Purchase of treasury stock Disposal of treasury stock Cancellation of treasury stock Transfer from retained earnings to capital surplus				363,777 (29,999) 311 —	
Issuance of new shares Dividends Net income attributable to shareholders of parent company Purchase of treasury stock Disposal of treasury stock Cancellation of treasury stock Transfer from retained earnings to capital surplus Transfer from reserve for land revaluation				363,777 (29,999) 311  4,048	
Issuance of new shares Dividends Net income attributable to shareholders of parent company Purchase of treasury stock Disposal of treasury stock Cancellation of treasury stock Transfer from retained earnings to capital surplus Transfer from reserve for land revaluation Others	17,445	778,215	(142)	363,777 (29,999) 311 —	
Dividends Net income attributable to shareholders of parent company Purchase of treasury stock Disposal of treasury stock Cancellation of treasury stock Transfer from retained earnings to capital surplus Transfer from reserve for land revaluation	<u> </u>	778,215	(142)	363,777 (29,999) 311  4,048 (1,277)	

## Consolidated Statement of Changes in Net Assets (Continued)

#### Year ended March 31, 2022

	Shareholders' equity					
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	
Balance at the beginning of the year	343,732	330,065	1,375,805	(155,959)	1,893,643	
Cumulative effect of changes in accounting policies					_	
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	343,732	330,065	1,375,805	(155,959)	1,893,643	
Changes for the year						
Issuance of new shares	194	194			389	
Dividends			(68,833)		(68,833)	
Net income attributable to shareholders of parent company			409,353		409,353	
Purchase of treasury stock				(199,999)	(199,999)	
Disposal of treasury stock		(104)		365	261	
Cancellation of treasury stock		(342,874)		342,874	_	
Transfer from retained earnings to capital surplus		342,979	(342,979)		_	
Transfer from reserve for land revaluation			(38,695)		(38,695)	
Others			182		182	
Net changes of items other than shareholders' equity						
Total changes for the year	194	194	(40,971)	143,241	102,658	
Balance at the end of the year	343,926	330,259	1,334,834	(12,718)	1,996,301	

				(Unit: million yen)
		Accumulated other c	omprehensive 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 Cumulative effect of changes in accounting policies	3,056,350	(2,916)	(22,026)	(108,830)
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	3,056,350	(2,916)	(22,026)	(108,830)

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 Cancellation of treasury stock Transfer from retained earnings to capital surplus Transfer from reserve for land revaluation

Others				
Net changes of items other than shareholders' equity	(658,381)	(12,615)	38,669	113,062
Total changes for the year	(658,381)	(12,615)	38,669	113,062
Balance at the end of the year	2,397,969	(15,532)	16,643	4,232

				(Unit: million yen)
	Accumul	ated other		
	comprehen	isive 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	(10,012)	2,912,564	920	4,807,129
Cumulative effect of changes in accounting policies				_
Balance at the beginning of the year after reflecting the effect of changes in accounting policies Changes for the year	(10,012)	2,912,564	920	4,807,129
Issuance of new shares				389
Dividends				(68,833)
Net income attributable to shareholders of parent company				409,353
Purchase of treasury stock				(199,999)
Disposal of treasury stock				261
Cancellation of treasury stock				_
Transfer from retained earnings to capital surplus				_
Transfer from reserve for land revaluation				(38,695)
Others				182
Net changes of items other than shareholders' equity	18,210	(501,053)	(225)	(501,279)
Total changes for the year	18,210	(501,053)	(225)	(398,621)
Balance at the end of the year	8,197	2,411,510	694	4,408,507

# Consolidated Statement of Changes in Net Assets (Continued)

#### Year ended March 31, 2022

(Unit: million yen)

Year ended March 31, 2022				(Ui	nit: million US dollars)
			Shareholders' equity		
	Capital	Capital	Retained	Treasury	Total shareholders
Balance at the beginning of the year		surplus 2,696	earnings 11,241	stock (1,274)	equity 15,472
Cumulative effect of changes in accounting policies	2,000	2,000	,	(.,,)	
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	2,808	2,696	11,241	(1,274)	15,472
Changes for the year Issuance of new shares	1	1			3
Dividends	1	I	(562)		(562)
Net income attributable to shareholders of parent company			3,344		3,344
Purchase of treasury stock			- , -	(1,634)	(1,634)
Disposal of treasury stock		(0)		2	2
Cancellation of treasury stock		(2,801)		2,801	_
Transfer from retained earnings to capital surplus		2,802	(2,802)		_
Transfer from reserve for land revaluation			(316)		(316)
Others			1		1
Net changes of items other than shareholders' equity otal changes for the year	1	1	(334)	1,170	838
Balance at the end of the year	2,810	2,698	10,906	(103)	16,310
,					
		-			
		Accumulated other co	mprehensive income		-
	Net unrealized	Deferred hedre	Decence feelend	Foreign currency	
	gains (losses) on securities, net	Deferred hedge gains (losses)	Reserve for land revaluation	translation	
	of tax	gains (iosses)	revaluation	adjustments	
Balance at the beginning of the year	24,972	(23)	(179)	(889)	-
Cumulative effect of changes in accounting policies Balance at the beginning of the year after reflecting the effect of				. ,	
changes in accounting policies Changes for the year	24,972	(23)	(179)	(889)	
Issuance of new shares					
Dividends Net income attributable to shareholders of parent company					
Purchase of treasury stock					
Disposal of treasury stock					
Cancellation of treasury stock					
Transfer from retained earnings to capital surplus					
Transfer from reserve for land revaluation Others					
Net changes of items other than shareholders' equity	(5,379)	(103)	315	923	
Fotal changes for the year	(5,379)	(103)	315	923	-
Balance at the end of the year	19,592	(126)	135	34	-
	Accumul	ated other	(Un	it: million US dollars)	-
		isive income			
	Accumulated	Total accumulated	Subscription	Total net	
	remeasurements	other	rights to shares	assets	
	of defined benefit	comprehensive			
alance at the beginning of the year	plans (81)	income 23,797	7	39,277	-
Cumulative effect of changes in accounting policies Balance at the beginning of the year after reflecting the effect of	(81)	23,797	7		
changes in accounting policies hanges for the year	(01)	23,131	r	53,211	
Issuance of new shares				3	
Dividends				(562)	
Net income attributable to shareholders of parent company				3,344	
Purchase of treasury stock				(1,634)	
Disposal of treasury stock				2	
Cancellation of treasury stock Transfer from retained earnings to capital surplus				_	
Transfer from reserve for land revaluation				(316)	
Others				(010)	
Net changes of items other than shareholders' equity	148	(4,093)	(1)	(4,095)	_
Total changes for the year	<u> </u>	(4,093)	(1)	(3,256)	-

(Unit: million US dollars)

## Consolidated Statement of Cash Flows

			(Unit: million	
	(Unit: mill	ion yen)	US dollars)	
	Y	ear ended March 31		
	2021	2022	2022	
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income taxes	482,540	474,371	3,875	
Depreciation of real estate for rent and others	13,188	13,458	109	
Depreciation	56,086	71,352	582	
Impairment losses on fixed assets	2,552	3,850	31	
Amortization of goodwill	4,039	5,154	42	
Increase (decrease) in reserves for outstanding claims	94,552	117,139	957	
Increase (decrease) in policy reserves	829,507	293,034	2,394	
Provision for interest on policyholder dividends	8,218	8,264	67	
Provision for (reversal of) reserve for policyholder dividends	77,500	87,500	714	
Increase (decrease) in reserve for possible loan losses	17,238	(11,595)	(94)	
Increase (decrease) in reserve for possible investment losses	(180)	152	1	
Write-down of loans	369	459	3	
Increase (decrease) in net defined benefit liabilities	2,804	(2,420)	(19)	
Increase (decrease) in reserve for retirement benefits of directors,	(100)	(60)	(0)	
executive officers and corporate auditors	(190)	(69)	(0)	
Increase (decrease) in reserve for price fluctuations	23,658	22,903	187	
Interest and dividends	(1,347,865)	(1,386,792)	(11,330)	
Securities related losses (gains)	(749,410)	(451,269)	(3,687)	
Interest expenses	33,476	26,704	218	
Foreign exchange losses (gains)	(444,926)	(453,064)	(3,701)	
Losses (gains) on disposal of fixed assets	1,125	2,191	17	
Equity in losses (income) of affiliates	(10,643)	(5,529)	(45)	
Losses (gains) on sale of stocks of subsidiaries and affiliated				
companies	(34,994)	_		
Decrease (increase) in reinsurance receivable	(212,668)	(78,519)	(641)	
Decrease (increase) in other assets unrelated to investing and				
financing activities	(54,059)	(251,517)	(2,055)	
Increase (decrease) in reinsurance payable	(55,660)	76,163	622	
Increase (decrease) in other liabilities unrelated to investing and				
financing activities	65,816	(25,677)	(209)	
Others, net	107,459	87,547	715	
Subtotal	(1,090,465)	(1,376,207)	(11,244)	
Interest and dividends received	1,487,427	1,554,969	12,705	
Interest paid	(43,394)	(32,077)	(262)	
Policyholder dividends paid	(84,461)	(83,541)	(682)	
Others, net	(304,509)	(383,791)	(3,135)	
Corporate income taxes (paid) refund	(44,500)	(141,428)	(1,155)	
Net cash flows provided by (used in) operating activities	(79,904)	(462,076)	(3,775)	
CASH FLOWS FROM INVESTING ACTIVITIES		((	( )	
Net decrease (increase) in cash and deposits	(4,234)	(19,326)	(157)	
Purchases of monetary claims bought	(48,967)	(47,029)	(384)	
Proceeds from sale and redemption of monetary claims bought	15,459	40,290	329	
Purchases of money held in trust	(226,019)	(69,896)	(571)	
Proceeds from decrease in money held in trust	162,283	92,300	754	
Purchases of securities	(11,675,124)	(10,457,617)	(85,445)	
Proceeds from sale and redemption of securities	10,923,203	10,932,077	89,321	
Origination of loans	(788,869)	(940,561)	(7,684)	
Proceeds from collection of loans	676,611	863,640	7,056	
Net increase (decrease) in short-term investing	1,587,013	672,886	5,497	
Total of net cash provided by (used in) investment transactions	621,355	1,066,764	8,716	
Total of net cash provided by (used in) operating activities and				
investment transactions	541,450	604,688	4,940	
Acquisition of tangible fixed assets	(38,166)	(99,465)	(812)	
Proceeds from sale of tangible fixed assets	23,283	31,910	260	
Acquisition of intangible fixed assets	(38,310)	(49,547)	(404)	
Proceeds from sale of intangible fixed assets	1	694	5	
Proceeds from acquisitions of stock of subsidiaries resulting in				
change in scope of consolidation	_	12,919	105	
Acquisition of stock of subsidiaries	(16,800)	_	_	
Net cash flows provided by (used in) investing activities	551,362	963,276	7,870	

# Consolidated Statement of Cash Flows (Continued)

CAS	SH FLOWS FROM FINANCING ACTIVITIES
F	Proceeds from borrowings
F	Repayment of borrowings
F	Proceeds from issuing bonds
F	Redemption of bonds
F	Repayment of financial lease obligations
1	Net increase (decrease) in short-term financing
F	Purchase of treasury stock
(	Cash dividends paid
s	Acquisitions of stock of subsidiaries that do not result in change in scope of consolidation Others, net
	Net cash flows provided by (used in) financing activities
Effe	ect of exchange rate changes on cash and cash equivalents
Net	increase (decrease) in cash and cash equivalents
Cas	sh and cash equivalents at the beginning of the year
Cas	sh and cash equivalents at the end of the year

(Unit: million yen)         US dollars)           Year ended March 31,         2021         2022         2022
· · · · · · · · · · · · · · · · · · ·
2021 <b>2022 2022</b>
256,789 330,130 2,697
(182,470) (298,308) (2,437)
79,440 79,453 649
(2,132) (129,858) (1,061)
(2,966) (3,302) (26)
17,281 109,976 898
(29,999) (199,999) (1,634)
(69,855) (68,678) (561)
(500) (120) (0)
0 0 0
65,587 (180,707) (1,476)
28,283 33,341 272
565,328 353,833 2,891
1,697,582 2,262,910 18,489
2,262,910 2,616,743 21,380

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022

#### 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 ¥122.39=US\$1.00, the foreign exchange rate on March 31, 2022, 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

#### (1) The number of consolidated subsidiaries as of March 31, 2022: 75

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" ).

#### (2) The number of non-consolidated subsidiaries as of March 31, 2022: 35

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-five non-consolidated subsidiaries as of March 31, 2022 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, 2022 was 0.

The number of affiliated companies under the equity method as of March 31, 2022 was 22. 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, 2022, one affiliated company of Asset Management One Co., Ltd. was included in the scope of the equity method as it had become an affiliated company of 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 December 31 or March 31. In preparing the consolidated financial statements, the financial statements as of these dates are used, and necessary adjustments are made when significant transactions take place between these dates and the account closing date 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.
- 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 other than stocks and other securities without market prices end of the fiscal year, with cost determined by the moving average method.
- ii) Stocks and other securities without market prices

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: Buildinas 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 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

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

Available-for-sale securities other than stocks and other securities without market prices are valued at fair value at the

Stocks and other securities without market prices are valued at cost determined by the moving average method.

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

(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, 2021 and 2022 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 stocks and other securities without market prices and ownership stakes in partnerships, etc. 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, 2022. 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, 2022.

#### 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 enployees' 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

riouging mod amondo	
Interest rate swaps	Loans, governme payable, insurane
Foreign currency swaps	Foreign currency loans, foreign cur foreign currency-
Foreign currency forward contracts	Foreign currency term deposits, for (forecasted trans
Foreign currency-denominated monetary claims	Foreign currency
Currency options	Foreign currency
Bond over-the-counter options	Foreign currency
Equity options	Domestic stocks, (forecasted trans
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.

(Hedging relationships to which the "Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" is applied)

Among the above hedging relationships, the exceptional treatment prescribed in the "Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (PITF No. 40 revised on March 17, 2022) is applied to all hedging relationships included in the scope of the application of the said Treatment. The details of hedging relationships to which the Treatment is applied are as follows:

Hedge accounting method: Special hedge accounting for interest rate swaps Hedging instruments: Interest rate swaps Hedged items: Loans

Type of hedging transactions: Transactions that fix cash flow

#### (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

#### Hedged items

ernment and corporate bonds, loans payable, bonds surance liabilities

rency-denominated bonds, foreign currency-denominated gn currency-denominated loans payable, ency-denominated bonds payable

rency-denominated bonds, foreign currency-denominated its, foreign currency-denominated stocks transaction)

rency-denominated stocks (forecasted transaction)

rency-denominated bonds

rency-denominated bonds

tocks, foreign currency-denominated stocks transaction)

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).

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.

#### (17) Significant Accounting Estimates

a) Evaluation of goodwill

i) Amounts recognized on the consolidated financial statements in the fiscal year ended March 31, 2022 Goodwill presented on the consolidated balance sheets as of March 31, 2021 and 2022 were ¥10,030 million and ¥24,152 million (US\$197 million) arising from the acquisition of PLC and the acquisition business of PLC's acquisition segment, and ¥32,666 million and ¥32,093 million (US\$262 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.

First, PLC evaluates qualitative factors, which is an 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. In accordance with the accounting standards, PLC has an unconditional option to bypass the qualitative assessment and directly proceeded to the quantitative impairment test described below for all or some of reporting units. 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.

Next, if it is concluded that there is an impairment indicator of goodwill or it is selected not to conduct the test for impairment indicator, a comparison of the book value of the reporting units that include goodwill to its fair value (the quantitative impairment test) is performed. The key assumptions used in the calculation of fair value (e.g., projected cash flows and discount rates) are subject to the uncertainty of estimation.

If there is any impairment indicator that is attributable to the deterioration of circumstances or the occurrence of events, or if the key assumptions used in the comparison of book value to fair value (the quantitative impairment test) change, 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, 2022 as the Company determined that there was no impairment indicator on goodwill.

b) Evaluation of value of in-force insurance contracts

Other intangible fixed assets presented in the Company's consolidated balance sheet 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 as of March 31, 2021 and 2022 were ¥186,370 million and ¥207,570 million (US\$1,695 million) derived from the acquisition of PLC and the acquisition business of PLC's acquisition segment, and the balance of VIF as of March 31, 2021 and 2022 were ¥23,666 million and ¥23,259 million (US\$190 million) 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

PLC periodically assesses whether or not to record an impairment loss on goodwill.

i) Amounts recognized on the consolidated financial statements in the fiscal year ended March 31, 2022

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 2022

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, 2022 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 -Accounting Standard for Fair Value Measurement

Effective the fiscal year ended March 31, 2022, the Company and its domestic consolidated subsidiaries have applied "Accounting Standard for Fair Value Measurement" (ASBJ Statement No.30, issued on July 4, 2019) and others.

In accordance with the transitional provision set forth in Paragraph 19 of "Accounting Standards for Fair Value Measurement" and Paragraph 44-2 of "Accounting Standard for Financial Instruments" (ASBJ Statement No.10, revised on July 4, 2019), the Company and its domestic consolidated subsidiaries have applied the new accounting policies since the beginning of the fiscal year ended March 31, 2022. As a result, in principle, while fair value of domestic stocks was previously determined based on the average market price over the month preceding the consolidated balance sheet date, from the end of the fiscal year ended March 31, 2022, fair value of domestic stocks is determined based on the market price as of the consolidated balance sheet date

Also, the Company has disclosed matters concerning fair value of financial instruments and breakdown by input level in IX. FINANCIAL INSTRUMENTS AND OTHERS.

However, the Company has omitted matters concerning fair value of financial instruments and breakdown by input level in the fiscal year ended March 31, 2021, in accordance with the transitional provision set forth in Paragraph 7-4 of the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, revised on July 4, 2019).

#### (20) Accounting Standard and Guidance Not Yet Adopted

a) 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)

i) Outline

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

Privately owned companies that have adopted US GAAP will apply the amendments in this Update from the end of the fiscal year beginning on or after December 16, 2024 (early adoption is permitted).

ii) Scheduled date for adoption

Certain consolidated overseas subsidiaries have adopted US GAAP, and the amendments in this Update will be applied from the end of the fiscal year ending on December 31, 2025.

iii) Impact of applying the standard and guidance

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

b) Insurance Contracts (AASB No. 17)

i) Outline

This accounting standard prescribes the recognition, measurement, presentation, etc., of insurance contracts.

Companies that have adopted Australian Accounting Standards ("AAS") issued by the Australian Accounting Standards Board will apply this accounting standard from the fiscal year beginning on or after January 1, 2023.

ii) Scheduled date for adoption

Certain overseas consolidated subsidiaries have adopted AAS, and this accounting standard will be applied from the fiscal year beginning on April 1, 2023.

iii) Impact of applying the standard and guidance

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

#### (21) Change in Presentation

Effective the fiscal year ended March 31, 2022, the amount of "payables under repurchase agreements," which was included in "other liabilities" in the fiscal year ended March 31, 2021, is presented separately due to its increased importance in terms of amount

For the purpose of reflecting this change in presentation, consolidated financial statements in the fiscal year ended March 31, 2021, were reclassified.

(Additional information)

Incentive Programs for Employees

- (J-ESOP)") to incentivize its employees to improve stock prices and financial results.
  - a) Overview of the transactions

  - 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 shareholders' equity
  - information.

The Company conducts transactions by granting its stocks to its employees using trust scheme ("the Stock Granting Trust

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

i) Book value of the stocks of the Company within the trust as of March 31, 2021 and 2022 were ¥5,960 million and ¥5,895 million (US\$48 million), respectively. These stocks were recorded as the treasury stock in the total

ii) The number of stocks within the trust as of March 31, 2021 and 2022 were 3,942 thousand shares and 3,899 thousand shares, and the average number of stocks within the trust for the fiscal years ended March 31, 2021 and 2022 were 3,991 thousand shares and 3,903 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
# 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,		
	2021	2022	2022	
	(Unit: m	(Unit: million yen)		
Securities	2,616,478	3,683,194	30,093	
Deposits	15,211	13,255	108	
Total	2,631,690	3,696,450	30,202	

The amounts of secured liabilities were as follows:

	As of March 31,			
	2021	2022	2022	
	(Unit: million yen)		(Unit: million US dollars)	
Payables under repurchase agreements	2,346,988	3,115,017	25,451	
Cash collateral for securities lending transactions	239,987	260,531	2,128	
Total	2,586,976	3,375,548	27,580	

The amount of "Securities" pledged as collateral under repurchase agreements and for securities lending transactions with cash collateral as of March 31, 2021 and 2022 were ¥2,342,603 million and ¥3,217,022 million (US\$26,285 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, 2021 and 2022 were ¥2,644,610 million and ¥5,198,144 million (US\$42,471 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, 2021 and 2022

#### 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, 2021 and 2022

i) individual life insurance and annuities (yen-denominated),

ii) individual life insurance and annuities (U.S. dollar-denominated), and

with the exception of certain types and contracts.

#### (Additional Information)

Effective the fiscal year ended March 31, 2022, DFLI discontinued the sub-group of "individual life insurance and annuities (New Zealand dollar-denominated)", and policy-reserve-matching bonds held in this sub-group were reclassified into available-for-sale securities.

This is mainly due to the fact that the significance of reflecting the actual situation of interest rate risk management using asset-liability matching in the financial statements has diminished given a decrease in the balance of policy reserves balance and shorter durations for this sub-group.

The impact of this change on the consolidated financial statements is immaterial.

# 4. Stocks of Subsidiaries and Affiliated Companies

follows

		As of March 31,		
	2021	2022	2022	
	(Unit: mi	(Unit: million yen)		
Stocks	119,024	116,821	954	
Capital	167,113	189,350	1,547	
Total	286,138	306,172	2,501	

#### 5. Risk-managed claims

As of March 31, 2022, the amounts of claims against bankrupt and quasi-bankrupt obligors, claims with collection risk, claims that are overdue for three months or more, and claims with repayment relaxation, which were included in claims, were as follows: As of March 31

Claims against bankrupt and quasi-bankrupt obligors (*1)
Claims with collection risk (*2)
Claims that are overdue for three months or more (*3)
Claims with repayment relaxation (*4)
Total

proceedings and other borrowers in serious financial difficulties

(\*2) Claims with collection risk are claims to obligors (other than bankrupt and quasi-bankrupt obligors) with deteriorated financial condition and results of operations from which it is unlikely that the principal and interest on the claims will be recovered.

- payment date. This category excludes claims against bankrupt and guasi-bankrupt obligors and claims with collection risk.
- obligors, claims with collection risk and claims that are overdue for three months or more.

As a result of the direct write-off of claims, the decrease in claims against bankrupt and quasi-bankrupt obligors as of March 31, 2021 and 2022 were ¥1 million and ¥1 million (US\$0 million).

(\*5) Claims against normal obligors who don't have any specific problems with financial conditions and operations, are all other claims excluding claims mentioned in above. The amounts of Claims against normal obligors as of March 31, 2021 and 2022 were ¥6,483,589 million and ¥9,284,129 million (US\$75,856 million), respectively.

#### 6. Commitment Line

As of March 31, 2021 and 2022, there were unused commitment line agreements under which the Company and its consolidated subsidiaries were the lenders of ¥161,391 million and ¥157,611 million (US\$1,287 million), respectively.

## 7. Accumulated Depreciation of Tangible Fixed Assets

The amounts of accumulated depreciation of tangible fixed assets as of March 31, 2021 and 2022 were ¥633,461 million and ¥632,076 million (US\$5,164 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, 2021 and 2022 were ¥2,613,313 million and ¥2,690,773 million (US\$21,985 million), respectively. Separate account liabilities were the same amount as the separate account assets.

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

	AS OF MAICH ST,	
2021	2022	2022
(Unit: mill	ion yen)	(Unit: million US dollars)
67	79	0
3,216	7,273	59
_	-	-
1,016	1,108	9
4,300	8,460	69

(\*1) Claims against bankrupt and quasi-bankrupt obligors are claims to borrowers who are subject to bankruptcy, corporate reorganization or rehabilitation or other similar

(\*3) Claims that are overdue for three months or more are loans for which payment of principal or interest is delayed for three months or more from the day following the contracted

(\*4) Claims with repayment relaxation are loans for which certain concessions favorable to the debtor, such as interest rate reduction and exemption, interest payment deferment, principal repayment deferment, debt waiver, etc., for the purpose of rebuilding or supporting the debtor. This category excludes claims against bankrupt and quasi-bankrupt

#### 9. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	Year ended March 31,		
	2021	2021 2022	
	(Unit: million yen)		(Unit: million US dollars)
Balance at the beginning of the year	399,742	400,999	3,276
Dividends paid during the year	(84,461)	(83,541)	(682)
Interest accrual during the year	8,218	8,264	67
Provision for reserve for policyholder dividends	77,500	87,500	714
Balance at the end of the year	400,999	413,222	3,376

#### 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, 2021 and 2022 were ¥59,304 million and ¥61,110 million (US\$499 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, 2021 and 2022, bonds payable included foreign currency-denominated subordinated bonds of ¥789,533 million and ¥748,398 million (US\$6,114 million), respectively, whose repayment is subordinated to other obligations. Details of bonds payable were as follows:

Issuer	Description	lssuance date	Balance as of April 1, 2021	Balance as of March 31, 2022	Interest rate (%)	Collateral	Maturity date
			(Unit: million yer	ו)			
The Company	From 1st to 4th series perpetual subordinated bond	- )	230,000	310,000	From 0.90 to1.22	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\$]	368,715 [3,500 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	110,236 [1,065 mil US\$]	121,985 [1,060 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	62,689 [605 mil US\$]	69,683 [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	20,567 [243 mil AUD]	-	6.00	None	March 31, 2027
Total	_	-	899,770	870,383	-	-	_

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. There is no scheduled redemption amount within 5 years after the consolidated settlement date.

## 13. Subordinated Debt and Other Liabilities

As of March 31, 2021 and 2022, other liabilities included subordinated debt of ¥390,600 million and ¥325,000 million (US\$2,655 million), respectively, whose repayment is subordinated to other obligations. Details of borrowings and lease obligations were as follows:

Details of bottowings and lea	se obligations we					
		Balance as of	Average			Balance as of
	Balance as of	March 31,	interest rate		Balance as of	March 31,
Category	April 1, 2021	2022	(%)	Maturity	April 1, 2021	2022
	(L	Jnit: million yen	)		(Unit: million	US dollars)
Short-term borrowings	19,665	31,630	1.1	-	177	258
Current portions of long-term borrowings	265,948	21,906	2.0	_	2,402	178
Current portions of lease obligations	2,875	3,044	-	-	25	24
Long-term borrowings (excluding current portion)	415,035	691,451	1.0	February 2024~ perpetual	3,748	5,649
Lease obligations (excluding current portion)	6,553	5,407	-	April 2023 ~ March 2027	59	44
Other interest-bearing liabilities						
Payables under repurchase agreements (current portion)	2,346,988	3,115,017	(0.1)	_	21,199	25,451
Total	3,057,067	3,868,457		_	27,613	31,607

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, 2022. 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

sequent t	o March 31, 2022:						
	Due after one year	Due after two years	Due after three years	Due after four years			
	through two years	through three years	through four years	through five years			
	(Unit: million yen)						
	8,080	9,200	8,080	319,012			
	2,611	2,049	650	95			
	Due after one year	Due after two years	Due after three years	Due after four years			
	through two years	through three years	through four years	through five years			
		(Unit: millior	n US dollars)				
	66	75	66	2,606			
	21	16	5	0			

	Due after one year	Due after two years	Due after three years	Due after four years
	through two years	through three years	through four years	through five years
		(Unit: m	illion yen)	
Long-term borrowings	8,080	9,200	8,080	319,012
Lease obligations	2,611	2,049	650	95
	Due after one year	Due after two years	Due after three years	Due after four years
	through two years	through three years	through four years	through five years
		(Unit: millio	n US dollars)	
Long-term borrowings	66	75	66	2,606
Lease obligations	21	16	5	0

#### 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, 2021 and 2022, the market value of the securities which were not sold or pledged as collateral was ¥117,720 million and ¥141,423 million (US\$1,155 million), respectively. None of the securities were pledged as collateral as of March 31, 2021 and 2022, respectively.

#### 15. Organizational Change Surplus

As of March 31, 2021 and 2022, the amounts of organizational change surplus stipulated in Article 91 of the Insurance Business Act were ¥117,776 million and ¥117,776 million (US\$962 million), respectively

# IV. NOTES TO THE CONSOLIDATED STATEMENT OF EARNINGS

#### 1. Operating Expenses

Details of operating expenses for the fiscal years ended March 31, 2021 and 2022 were as follows:

	Year ended March 31,		
	2021	2022	2022
	(Unit: mil	(Unit: million yen)	
Sales activity expenses	273,519	290,652	2,374
Sales management expenses	92,204	99,290	811
General management expenses	323,334	362,217	2,959

#### 2. Gains on Disposal of Fixed Assets

Details of gains on disposal of fixed assets for the fiscal years ended March 31, 2021 and 2022 were as follows:

	Year ended March 31,			
	2021	2022	2022	
	(Unit: mil	(Unit: million US dollars)		
Land	5,258	10,048	82	
Buildings	210	153	1	
Other tangible fixed assets	1	1	0	
Other intangible fixed assets	_	201	1	
Other assets	0	_	-	
Total	5,471	10,404	85	

#### 3. Losses on Disposal of Fixed Assets

Details of losses on disposal of fixed assets for the fiscal years ended March 31, 2021 and 2022 were as follows:

	Year ended March 31,			
	2021	2022	2022	
	(Unit: mil	lion yen)	(Unit: million US dollars)	
Land	1,536	3,437	28	
Buildings	4,824	8,503	69	
Leased assets	7	18	0	
Other tangible fixed assets	227	435	3	
Software	62	532	4	
Other intangible fixed assets	187	-	_	
Other assets	53	39	0	
Total	6,899	12,966	105	

#### 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, 2021 and 2022 were as follows:

#### a) Method of Grouping Assets

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, 2021 were as follows:

	Asset Group	Place	Number	
_	· ····			Lar
	Real estate	Morioka city, lwate		
	for rent	Prefecture	1	25
_	Real estate	Takamatsu		
	not in use	city,Kagawa Prefecture		
	not in use	and others	22	1,74
	Total	_		
			23	1,7

#### Impairment losses by asset group for the fiscal year ended March 31, 2022 were as follows:

Asset Group	Place	Number			Impairme	nt Losses	1	
			Land	Buildings	Total	Land	Buildings	Total
			(U	nit: million y	ven)	(Unit:	million US d	ollars)
Real estate	Morioka city, Iwate							
for rent	Prefecture	1	1	2	3	0	0	0
Real estate	Yokohama							
not in use	city,Kanagawa							
not in use	Prefecture and others	18	1,035	2,811	3,846	8	22	31
Total	_	19	1,036	2,813	3,850	8	22	31

#### 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 2.17% and 2.11% for the years ended March 31, 2021 and 2022, 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.

```
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,
```

Impairment Losses and Buildings Total (Unit: million yen) 25 31 57

741 752 2,494 767 784 2,552

# 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,		
	2021	2022	2022
			(Unit: million
	(Unit: millio	on yen)	US dollars)
Net unrealized gains (losses) on securities, net of tax			
Amount incurred during the year	1,324,450	(752,029)	(6,144)
Amount reclassified	(278,014)	(143,891)	(1,175)
Before tax adjustment	1,046,436	(895,920)	(7,320)
Tax effect	(273,419)	241,952	1,976
Net unrealized gains (losses) on securities, net of tax	773,016	(653,967)	(5,343)
Deferred hedge gains (losses)		(***,***)	(-,)
Amount incurred during the year	(34,448)	(16,662)	(136)
Amount reclassified	34	1,846	15
Amount adjusted for asset acquisition cost	79	_	_
Before tax adjustment	(34,334)	(14,816)	(121)
Tax effect	9,602	3,434	28
Deferred hedge gains (losses)	(24,731)	(11,381)	(92)
Reserve for land revaluation		( ) )	(- )
Amount incurred during the year	_	_	_
Amount reclassified	_	_	_
Before tax adjustment	_	_	_
Tax effect	_	(25)	(0)
Reserve for land revaluation	_	(25)	(0)
Foreign currency translation adjustments		(-)	(-)
Amount incurred during the year	12.338	110.026	898
Amount reclassified		_	_
Before tax adjustment	12.338	110.026	898
Tax effect	_	_	_
Foreign currency translation adjustments	12,338	110,026	898
Remeasurements of defined benefit plans, net of tax	,	,	
Amount incurred during the year	17,991	19,868	162
Amount reclassified	6,322	5,231	42
Before tax adjustment	24,314	25,100	205
Tax effect	(6,890)	(6,915)	(56)
Remeasurements of defined benefit plans, net of tax	17,424	18,185	148
Share of other comprehensive income of subsidiaries and affiliates	,	,	
accounted for under the equity method			
Amount incurred during the year	(5,415)	(1,539)	(12
Amount reclassified	7,572	(1,047)	(8)
Share of other comprehensive income of subsidiaries and	0 457	(0.500)	(04)
affiliates accounted for under the equity method	2,157	(2,586)	(21)
Total other comprehensive income	780,204	(539,749)	(4,410)

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

#### 1. For the Year Ended March 31, 2021

#### (1) Type and Number of Shares Outstanding

			Year ended N	/larch 31, 2021	
		At the beginning	Increase during	Decrease during	At the end
		of the year	the year	the year	of the year
			(Unit: thousa	nds of shares)	
Common stock <sup>(*1)</sup>		1,198,443	312	-	1,198,755
Treasury stock (*2)(*3)(*4)		69,378	19,400	238	88,541
consideration of 6 thous (*4) The decrease of 238 tho	housand shares of tr and shares of restric usand shares of treat	easury stock was due to the reput ted stock. Isury stock represents the sum of loyees at retirement by the J-ESC	(1) 112 thousand shares due	Ū	
(2) Stock Acquis	sition Rights			Deleverent	lawah 04, 0004
Issuer		Details		Balance as of M (Unit: milli	,
The Company	Stock acquisiti	on rights in the form of stoc	k options	(Orne final	920
( <b>3) Dividends or</b> a) Dividends		<b>ck</b> fiscal year ended March 3	31, 2021		
Date of res	olution	June 22, 2020 (at t	he Annual General M	eeting of Shareholders	)
Type of sh	ares	Common stock			
Total divide	ends(*)	¥70,001 million			
Dividends	per share	¥62			
Record dat		March 31, 2020			
Effective d	ate	June 23, 2020			

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

Retained earnings

Dividend resource

Date of resolution	June 21, 2021 (at the A
Type of shares	Common stock
Total dividends(*)	¥68,833 million
Dividends per share	¥62
Record date	March 31, 2021
Effective date	June 22, 2021
Dividend resource	Retained earnings
(*) Total dividends did not include ¥2// m	illion of dividends to the LESOP

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(\*) 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.

Annual General Meeting of Shareholders)

(\*) Total dividends did not include ¥244 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, 2022

## (1) Type and Number of Shares Outstanding

	Year ended March 31, 2022				
	At the beginning	Increase during	Decrease during	At the end	
	of the year	the year	the year	of the year	
	(Unit: thousands of shares)				
Common stock <sup>(*1)</sup>	1,198,755	183	167,591	1,031,348	
Treasury stock <sup>(*2)(*3)(*4)(*5)</sup>	88,541	86,130	167,784	6,886	

(\*1) The increase of 183 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, 2022, includes 3,942 thousand shares and 3,899 thousand shares held by the trust fund

through the J-ESOP, respectively. (\*3) The decrease of 167,591 thousand shares of outstanding common stock was due to the cancellation of treasury stock.

(\*4) The increase of 86,130 thousand shares of treasury stock was due to the purchase of treasury stock.

(\*5) The decrease of 167,784 thousand shares of treasury stock represents the sum of (1) 151 thousand shares due to the exercise of stock acquisition rights (stock options), (2) 42 thousand shares granted to eligible employees at retirement by the J-ESOP, and (3) 167,591 thousand shares due to the cancellation of treasury stock.

#### (2) Stock Acquisition Rights

Issuer	Details	Balance as of March 31, 2022 (Unit: million yen)
The Company	Stock acquisition rights in the form of stock options	694(US\$5 million)

#### (3) Dividends on Common Stock

a) Dividends paid during the fiscal year ended 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\$562 million)
Dividends per share	¥62 (US\$0.50)
Record date	March 31, 2021
Effective date	June 22, 2021
Dividend resource	Retained earnings
(*) Total dividends did not include ¥244 shares.	4 million (US\$1 million) of dividends to the J-ESOP trust, as the Company recognized the shares held by the trust as treasury

b) Dividends, the record date of which was March 31, 2022, to be paid out in the year ending March 31, 2023

Date of resolution	June 20, 2022 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends(*)	¥85,030 million (US\$694 million)
Dividends per share	¥83 (US\$0.67)
Record date	March 31, 2022
Effective date	June 21, 2022
Dividend resource	Retained earnings

(\*) Total dividends did not include ¥323 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:

Cash and deposits Call loans Term deposits exceeding three months and others

Cash and cash equivalents

2021	2022	2022
(Unit: m	illion yen)	(Unit: million US dollars)
1,884,141	2,183,874	17,843
403,700	479,900	3,921
(24,931)	(47,030)	(384)
2,262,910	2,616,743	21,380

# **WE. LEASE TRANSACTIONS**

#### 1. Finance Leases (As Lessee)

For the fiscal years ended March 31, 2021 and 2022, 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, 2021 and 2022 were as follows:

#### (As Lessee)

	As of March 31,		
	2021	2022	2022
	(Unit: million yen)		(Unit: million US dollars)
Due within one year	1,666	2,670	21
Due after one year	9,128	19,028	155
Total	10,794	21,699	177

(As Lessor)

	As of March 31,			
	2021	2021 2022		
	(Unit: million yen)		(Unit: million US dollars)	
Due within one year	357	417	3	
Due after one year	4,136	12,644	103	
Total	4,494	13,061	106	

# 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 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 "XII. DERIVATIVE TRANSACTIONS", 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, 2021 and 2022 were as follows.

	As of March 31, 2021			
	Carrying amount	Fair value	Gains (losses)	
	(	Unit: million yen)		
(1) Monetary claims bought	252,140	252,140	_	
(2) Money held in trust	1,130,920	1,130,920	-	
(3) Securities <sup>(32)</sup>				
a. Trading securities	4,343,031	4,343,031	-	
b. Held-to-maturity bonds	110,171	111,589	1,418	
c. Policy-reserve-matching bonds	16,734,673	19,129,396	2,394,723	
d. Stocks of subsidiaries and affiliated companies	1,041	1,150	108	
e. Available-for-sale securities	29,193,968	29,193,968	_	
(4) Loans	3,762,666			
Reserves for possible loan losses (**3)	(23,842)			
	3,738,823	3,877,221	138,398	
Total assets	55,504,769	58,039,418	2,534,648	
(1) Bonds payable	899,770	947,004	47,233	
(2) Long-term borrowings	700,648	701,211	562	
Total liabilities	1,600,419	1,648,215	47,795	
Derivative transactions (#4)				
a. Hedge accounting not applied	[99,077]	[99,077]	_	
b. Hedge accounting applied	[296,206]	[296,828]	(621)	
Total derivative transactions	[395,284]	[395,906]	(621)	

(X1) Cash and deposits, call loans, and payables under repurchase agreements are not included since they are mainly due within a short period of time or have no maturity, and their fair value is close to the carrying amount.

(%2) Financial instruments whose fair value is extremely difficult to recognize are as follows and are not included in the fair value of (3) Securities.

#### 1. Unlisted domestic stocks (\*1)(\*2)

- 2. Unlisted foreign stocks (\*1)(\*2)
- 3. Other foreign securities (\*1)(\*2)
- 4. Other securities (\*1)(\*2)

#### Total

(\*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 year ended March 31, 2021, impairment charges of ¥1,192 million was recorded. (%3) Excluding general reserves for possible loan losses and specific reserves for possible loan losses related to loans. (%4) Credits/debts from derivative transactions are presented on a net basis. Figures in [ ] are net debts.

	As of March 31, 2022					
	Carrying		Gains	Carrying		Gains
	amount	Fair value	(losses)	amount	Fair value	(losses)
	(	(Unit: million yen)			million US do	llars)
(1) Monetary claims bought	255,902	255,902	_	2,090	2,090	-
(2) Money held in trust	1,106,918	1,106,918	_	9,044	9,044	_
(3) Securities(※2)						
a. Trading securities	4,901,534	4,901,534	_	40,048	40,048	_
b. Held-to-maturity bonds	129,424	129,339	(84)	1,057	1,057	(0)
c. Policy-reserve-matching bonds	17,850,947	19,350,082	1,499,135	145,852	158,101	12,248
<ul> <li>d. Stocks of subsidiaries and affiliated companies</li> </ul>	1,157	1,157	-	9	9	-
e. Available-for-sale securities	27,815,759	27,815,759	_	227,271	227,271	-
(4) Loans	3,978,577			32,507		
Reserves for possible loan losses (※3)	(16,653)			(136)		
	3,961,923	4,053,566	91,643	32,371	33,120	748
Total assets	56,023,567	57,614,261	1,590,694	457,746	470,743	12,996
(1) Bonds payable	870,383	886,396	16,012	7,111	7,242	130
(2) Long-term borrowings	744,988	746,971	1,983	6,087	6,103	16
Total liabilities	1,615,372	1,633,368	17,996	13,198	13,345	147
Derivative transactions (※4)						
a. Hedge accounting not applied	[110,586]	[110,586]	_	[903]	[903]	-
b. Hedge accounting applied	[469,562]	[468,977]	584	[3,836]	[3,831]	4
Total derivative transactions	[580,148]	[579,563]	584	[4,740]	[4,735]	2

(×1) Cash and deposits, call loans, and payables under repurchase agreements are not included since they are mainly due within a short period of time or have no maturity, and their fair value is close to the carrying amount.

(X2) The carrying amount of stocks and other securities without market prices and ownership stakes in partnerships, etc. on the consolidated balance sheet are as follows. They are not included in the fair value of (3) Securities.

#### Stocks and other securities without market prices (\*1)(\*3)

Ownership stakes in partnerships, etc. (12)(13)

(\*1) Stocks and other securities without market prices include unlisted stocks, etc., and are not subject to disclosure of fair value in accordance with Paragraph 5 of the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19 revised on March 31, 2020).

(\*2) Ownership stakes in partnerships, etc. mainly include stakes in anonymous associations and investment partnerships. They are not subject to disclosure of fair value in accordance with Paragraphs 26 or 27 of the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31 issued on July 4, 2019). (\*3) Impairment loss of ¥1,155 million (US\$9 million) was recognized in the fiscal year ended March 31, 2022.

(X3) Excluding general reserves for possible loan losses and specific reserves for possible loan losses related to loans

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

As of March 31,2021	
Carrying amount	
(Unit: million yen)	
	104,421
	66,716
	100,889
	225,035
	497,061

As of Mar	ch 31,2022
Carrying	g amount
(Unit: million yen)	(Unit: million US dollars)
166,235	1,358
639.692	5.226

# Note 1: Scheduled redemptions of monetary claims and securities with maturities

	As of March 31, 2021					
	Due in 1 year	Due in 1 year Due after 1 year		Due after		
	or less	through 5 years	through 10 years	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		

(\*) 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 were not included. Also, ¥243, 180 million of loans without maturities were not included.

		As of Marc	ch 31, 2022	
	Due in 1 year	Due after 1 year	Due after 5 years	Due after
	or less	through 5 years	through 10 years	10 years
		(Unit: mi	illion yen)	
Cash and deposits	2,169,025	14,851	-	-
Call loans	479,900	-	-	_
Monetary claims bought	3,350	56,217	21,942	171,440
Securities:				
Held-to-maturity bonds (bonds)	2,100	70,200	19,300	24,100
Held-to-maturity bonds(foreign securities)	4,700	8,455	600	-
Policy-reserve-matching bonds (bonds)	23,010	724,113	2,090,038	12,538,374
Policy-reserve-matching bonds (foreign securities)	43,937	514,463	1,257,123	590,985
Available-for-sale securities with maturities (bonds)	119,802	1,044,973	834,563	1,084,231
Available-for-sale securities with maturities (foreign securities)	666,658	4,183,466	4,338,823	8,266,268
Available-for-sale securities with maturities (other securities)	1,213	371,788	269,338	20,345
Loans <sup>(*)</sup>	470,341	1,328,652	858,178	788,909

		As of March 31, 2022					
	Due in 1 year	Due after 1 year	Due after 5 years	Due after			
	or less	through 5 years	through 10 years	10 years			
	(Unit: million US dollars)						
Cash and deposits	17,722	121	-	-			
Call loans	3,921	-	_	-			
Monetary claims bought	27	459	179	1,400			
Securities:							
Held-to-maturity bonds (bonds)	17	573	157	196			
Held-to-maturity bonds(foreign securities)	38	69	4	-			
Policy-reserve-matching bonds (bonds)	188	5,916	17,076	102,446			
Policy-reserve-matching bonds (foreign securities)	358	4,203	10,271	4,828			
Available-for-sale securities with maturities (bonds)	978	8,538	6,818	8,858			
Available-for-sale securities with maturities (foreign securities)	5,446	34,181	35,450	67,540			
Available-for-sale securities with maturities (other securities)	9	3,037	2,200	166			
Loans (*)	3,842	10,855	7,011	6,445			

(\*) 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 ¥4,575 million (US\$ 37million) were not included. Also, ¥521,093 million (US\$4,257 million) of loans without maturities were not included.

# Note 2: Scheduled maturities of bonds, long term borrowings, and other interest-bearing liabilities

		As of March 31, 2021					
	Due in 1 year	Due after 1 year	Due after 2 years	Due after 3 years	Due after 4 years	Due after	
	or less	through 2 years	through 3 years	through 4 years	through 5 years	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	-	_	

 
 Due in 1 year or less
 Due after 1 year through 2 years
 Due through 2 years

 Bonds payable (\*1)
 –
 –

 Payables under repurchase agreements
 3,115,017
 –

 Long term borrowings (\*2)
 53,511
 8,080

	Due in 1 year	Due after 1 year	Due after 2 years	Due after 3 years	Due after 4 years	Due after
	or less	through 2 years	through 3 years	through 4 years	through 5 years	5 years
			(Unit: million L	JS dollars)		
Bonds payable (*1)	-	-	-	-	-	1,494
Payables under repurchase agreements	25,451	-	-	-	-	-
Long term borrowings (*2)	437	66	75	66	2,606	180

(\*1) ¥678,715 million (US\$5,545 million) of bonds payable without maturities were not included. (\*2) ¥325,000 million (US\$2,655 million) of long term borrowings without maturities were not included.

#### As of March 31, 2022

ie after 2 years	Due after 3 years	Due after 4 years	Due after
rough 3 years	through 4 years	through 5 years	5 years
(Unit: millio	n yen)		
-	-	-	182,964
-	-	-	-
9,200	8,080	319,012	22,080

#### As of March 31, 2022

ne fair values of financial instruments are classified into the following three levels based on the observability and significance of	a) Financial assets and liabilit	ies measured at fair value	on the consolidated I	balance sheet	
inputs used to measure fair value:	As of March 21, 2022		Fair val	ue	
Fair value determined based on the observable inputs, such as quoted prices in active markets for identical	As of March 31, 2022	Level 1	Level 2	Level 3	Total
assets or liabilities			(Unit: millio	n yen)	
<ul> <li>Fair value determined based on observable inputs other than Level 1 inputs</li> <li>Evidential determined based on observable inputs other than Level 1 inputs</li> </ul>	Monetary claims bought	-	_	255,902	255
13: Fair value determined based on significant unobservable inputs	Money held in trust(*)	909,599	195,345	-	1,10
Itiple inputs with a significant impact are used for the fair value measurement of a financial instrument, the financial instrument	Securities(*)				
ssified into the lowest priority level of fair value measurement in which each input belongs.	Trading securities	2,480,386	1,137,804	33,848	3,65
	Available-for-sale securities				
	Government bonds	2,005,060	-	-	2,00
	Local government bonds	-	29,376	-	:
	Corporate bonds	-	1,600,684	7,966	1,6
	Domestic stocks	3,251,456	-	-	3,2
	Foreign bonds	2,695,782	15,124,911	427,637	18,2
	Other foreign securities	475,397	148,500	13,539	6
	Other securities	3,064	-	-	
	Derivative transactions				
	Currency-related	43	133,085	-	1
	Interest-related	-	38,189	-	
	Stock-related	12,590	117,372	-	1
	Bond-related	13,368	1,807	-	
	Others	-	390	27,972	
	Total assets	11,846,750	18,527,467	766,867	31,1
	Long-term borrowings Derivative transactions	-	69,401	-	
	Currency-related	242	577,259	-	5
	Interest-related	-	6,966	-	
	Stock-related	9,355	91,746	-	1
	Bond-related	17,737	2,311	-	
	Others	_	20	219,329	2
	Total liabilities	27,334	747,704	219,329	99
			Fair val	ue	
	As of March 31, 2022	Level 1	Level 2	Level 3	Tota
			(Unit: million U	S dollars)	
	Monetary claims bought	_	-	2,090	
	Money held in trust(*)	7,431	1,596		
	Securities(*)	1,101	1,000		
	Trading securities	20,266	9,296	276	:
	Available-for-sale securities	;	-,		
	Government bonds	16,382	_	_	
	Local government bonds	-	240	_	
	Corporate bonds	_	13,078	65	
	Domestic stocks	26,566	_	_	
	Foreign bonds	22,026	123,579	3,494	1
	Other foreign securities	3,884	1,213	110	
	Other securities	25	-	-	
	Derivative transactions				
	Currency-related	0	1,087	-	
	Interest-related	-	312	-	
	Stock-related	102	958	-	
	Bond-related	109	14	-	
	Others	-	3	228	
	Total assets	96,795	151,380	6,265	25
	Long-term borrowings Derivative transactions	_	567	-	
	Currency-related	1	4,716	_	
	Interest-related	-	56	_	
	Stock-related	76	749	_	
	Bond-related	144	18	_	
		177			
	Others	_	0	1,792	

(\*) In accordance with Paragraph 26 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31 issued on July 4, 2019), mutual funds to which transitional provisions were applied are not included in the table above. The amounts of such mutual funds on the consolidated balance sheet are ¥1,974 million (US\$16 million) in money held in trust and ¥3,281,874 million (US\$26,814 million) in securities.

#### b) Financial assets and liabilities not measured at fair value on the consolidated balance sheet

A (Marsh 04, 0000		Fair va	lue	
As of March 31, 2022 —	Level 1	Level 2	Level 3	Total
		(Unit: millio	n yen)	
Securities				
Held-to-maturity bonds				
Government bonds	48,407	-	_	48,407
Corporate bonds	-	67,170	-	67,170
Foreign bonds	_	12,605	1,155	13,760
Policy-reserve-matching bonds				
Government bonds	15,436,289	-	_	15,436,289
Local government bonds	_	132,312	_	132,312
Corporate bonds	_	1,327,433	_	1,327,433
Foreign bonds	44,091	2,409,955	_	2,454,047
Stocks of subsidiaries and affiliated companies	_	300	857	1,157
Loans	_	-	4,053,566	4,053,566
Total assets	15,528,788	3,949,777	4,055,580	23,534,147
Bonds payable	_	873,051	13,345	886,396
Long-term borrowings	_	-	677,570	677,570
Total liabilities	-	873,051	690,915	1,563,967

Ac of March 24, 2022		Fair va	lue	
As of March 31, 2022 —	Level 1	Level 2	Level 3	Total
		(Unit: million l	JS dollars)	
Securities				
Held-to-maturity bonds				
Government bonds	395	-	-	395
Corporate bonds	-	548	-	548
Foreign bonds	-	102	9	112
Policy-reserve-matching bonds				
Government bonds	126,123	-	-	126,123
Local government bonds	-	1,081	-	1,081
Corporate bonds	-	10,845	-	10,845
Foreign bonds	360	19,690	-	20,051
Stocks of subsidiaries and affiliated companies	-	2	7	9
Loans	_	_	33,120	33,120
Total assets	126,879	32,272	33,136	192,288
Bonds payable	_	7,133	109	7,242
Long-term borrowings	-	-	5,536	5,536
Total liabilities	_	7,133	5,645	12,778

Note 1: Description of the evaluation methods and inputs used to measure fair value

#### Assets

#### Monetary claims bought

The fair value of monetary claims bought is measured using the price obtained by outside contractors and counterparty financial institutions. Since significant unobservable inputs are used for the price obtained, the fair value of monetary claims bought is classified into Level 3.

#### Money held in trust

The fair value of money held in trust is classified into Level 1 in cases where unadjusted quoted market prices in active markets can be used. If the market is not active, the fair value of money held in trust is classified into Level 2, irrespective of whether disclosed quoted market prices are used.

The fair value of money held in trust for which quoted market prices are not used as fair value is measured using prices obtained from outside contractors and counterparty financial institutions, and classified into either Level 1 or Level 2, based on the level of the primary components of trust assets. Of the components of trust assets, mutual funds are not classified into any level, applying the transitional provisions in accordance with Paragraph 26 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31 issued on July 4, 2019).

#### Securities

The fair value of securities for which unadjusted quoted market prices in active markets are available is classified into Level 1. These include stocks and government bonds, among others. If the market is not active, the fair value of securities is classified into Level 2, irrespective of whether disclosed quoted market prices are used.

The fair value of bonds for which quoted market prices are not used as fair value is measured mainly using prices obtained from outside contractors and counterparty financial institutions. The present value of these prices is calculated by discounting future cash flows at a discount rate (i.e., a risk-free interest rate that takes into account credit spread). The fair value of bonds is classified into Level 2 if observable inputs are used in the calculation, and Level 3 if significant unobservable

inputs are used.

The fair value of asset-backed securities of certain foreign consolidated subsidiaries is based on the price obtained from outside contractors. The fair value of such asset-backed securities is classified into Level 2 if observable inputs are used in the calculation, and Level 3 if significant unobservable inputs are used. The fair value of mutual funds is based on prices obtained from counterparty financial institutions and are not classified into any level, applying the transitional measures in accordance with Paragraph 26 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31 issued on July 4, 2019). Notes regarding securities by purpose of holding are described in "X. Securities" below.

#### Loans

The fair value of loans is calculated by discounting future cash flows at a discount rate (i.e., an interest rate corresponding to internal credit ratings and remaining periods which is assumed to be applied to new loans to the borrower and an interest rate assumed to be applied to new loans that take into account market risk and liquidity risk). The fair value of loans is classified into Level 3.

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 and classified into Level 3.

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 and classified into Level 3.

#### Liabilities

#### Bonds payable

The fair value of bonds payable for which quoted market prices can be used is based on the quoted market prices. For bonds payable for which quoted market prices are not available, the fair value is calculated by discounting future cash flows at a discount rate based on market yields for similar instruments. When quoted market prices and observable inputs are used in the calculation, the fair value of bonds payable is classified into Level 2. Otherwise, the fair value of bonds payable is classified into Level 3.

#### Long-term borrowings

The fair value of long-term borrowings is calculated by discounting the total amount of principal and interest, using interest rates corresponding to the internal credit rating and remaining periods which are assumed to be applied to new borrowings. The fair value of long-term borrowings is classified into Level 2 when observable inputs are used in the calculation, and Level 3 when significant unobservable inputs are used. Also, certain long-term borrowings are deemed to have fair value close to book value, taking into account interest rates and other factors. Therefore, their book value is recorded as the fair value, and their fair value is classified into Level 3.

#### **Derivative Transactions**

The fair value of listed derivative transactions for which unadjusted quoted market prices in active markets are available is classified into Level 1. These mainly include stock-related transactions and bond-related transactions. If the market is not active, the fair value of listed derivative transactions is classified into Level 2, irrespective of whether disclosed quoted market prices are used.

The fair value of over-the-counter derivative transactions is mainly based on the prices calculated using discounted present values obtained from outside contractors and counterparty financial institutions and option valuation models, etc. The inputs used in the valuation method for calculating the price of over-the-counter derivative transactions are mainly interest rate, foreign exchange rate, and volatility. Since no significant unobservable inputs are used or their effects are not significant, the fair value of over-the-counter derivative transactions is classified into Level 2.

The fair value of embedded derivatives at certain foreign consolidated subsidiaries is calculated using actuarial cash flow models. The main inputs used in those valuation methods are mortality, lapse, and withdrawal rates of insurance contracts. Since significant unobservable inputs are used, the fair value of such embedded derivatives is classified into Level 3.

fair	value and cla	assified into Leve tion on Significa	el 3		s measureu a	חים שמופים טח		ated balance sheet at			Gains (losse comprehensive the current fisc						Gains (losses) on valuation of financial assets
a) Quantita		•	ation method	·	Significar unobservable			Range					<ul> <li>Variable amount (net</li> </ul>				and liabilities held at the
Securities						•				Balance at the	Gains (losses)	Amount	amount)	Transfer to	Transfer	Balance at	consolidated balance sheet
Trading secur	rities	Discou	inted cash flow	/	Discount ra			% to 4.00%		beginning	recorded in	recorded in	by	Level 3(*3)	from Level	the end of	date out of
Available-for-	aala aaauritia				Paydown ra	ate	11.20	% to 13.41%		of the year	consolidated	other comprehensive	purchase, sale, issue	( )	3(*4)	the year	amounts
Foreign bon			inted cash flow	/	Discount ra	ate	0.00	% to 4.00%			statement of	income	and				recognized in
i oreigii boli	105	Discot			Paydown ra			% to 13.41%			earnings (*1)	(*2)	settlement				consolidated statement of
		Т	rade Price		Discount ra			% to 1.10%			(1)						earnings(*1)
Derivative trans	actions																0 ( )
Other		Actuarial	cash flow mo	del	Mortality	,		nortality that takes	<b>.</b>				(Unit: millio	n US dollars)			
(Embedded d	erivatives)				,			int assumptions. sed on the policy	Monetary claims bought	2,060	(14)	(9)	55	-	-	2,090	(14)
					Lapse		•	riod, etc.	Securities								
							•	al rates that take	Trading	070			(10)		(0)	070	2
					Withdrawal	rate		t assumptions for	securities	278	(9)	29	(42)	30	(9)	276	2
						ato		num amount of	Available-for-sale	9							
							WILLIC	rawals, etc.	securities Corporate								
b) Reconc	iliation betwe	een the beginnir	na and endina	balance, an	d net unrealize	ed gains (los	sses) recoani	zed in the earnings of	bonds	66	6	(0)	(8)	-	-	65	5
the current fis			.g			<b>3</b> (	····) ····5···		Foreign bonds	2,798	36	187	212	285	(26)	3,494	68
		Gains (losse	s) or other					Gains (losses)	Other foreign	28	_	3	78	_	_	110	_
		comprehensive						on valuation of	securities	20		Ũ	10			110	
		the current fisc	al year	Variable				financial assets and	Derivative transactions								
				amount				liabilities held	Other								
	Delense et	Caina		(net				at the	(Embedded	(1,645)	264	(183)	-	-	-	(1,563)	264
	Balance at the	Gains (losses)	Amount	amount)	Transfer to	Transfer	Balance at	consolidated	derivatives)								
	beginning	recorded in	recorded in	by	Level 3(*3)	from Level	the end of	balance sheet	(*1) Gain/Loss record					•		6 Other a community	
	of the year	consolidated	other comprehensive	purchase, sale, issue		3(*4)	the year	date out of amounts	(*2) Gain/Loss record statement of com			n securities, net of	tax and foreign o	currency translatio	on adjustments o	of Other comprehe	ensive income in consoli
		statement of	income	and				recognized in				he observability of	innuts as a resul	t of the change in	the fair value m	easurement meth	nod and the lack of obser
		earnings (*1)	(*2)	settlement				consolidated	( 0) Hansia nom 20 market data due t		÷	no observability er		t of the ondinge in			
								statement of	(*4) Transfer from Lev	vel 3 to Level 2 due	e to the availability of	observable inputs					
								earnings(*1)									
				(Unit: m	illion yen)				, , ,		r value valuatior	•					
/lonetary claims	252,140	(1,831)	(1,174)	6,769	-	_	255,902	(1,777)		•	•	•		0		, ,	e fair value level in
ought	202,140	(1,001)	(1,174)	0,700			200,002	(1,777)		0 1				-		0	ent service departn by level. For such
Securities												,					ne fair value and
Trading securities	34,084	(1,190)	3,655	(5,254)	3,695	(1,140)	33,848	344									e quoted market pr
Available-for-sale															,	0	mation of the valua
securities									method a	nd inputs use	d and comparis	on with the fai	, ir value of sim	ilar financial i	instruments.		
Corporate	8,182	774	(4)	(985)	_	_	7,966	682									
bonds Eoroign bonds	342,481	4,496	22,937	25,969	34,964	(3,210)	427,637	8,421	d) Explana	ation of the se	ensitivity of the fa	air value to ch	anges in sign	ificant unobse	ervable input		
Foreign bonds Other foreign	-	4,490			-	(3,210)	-	0,421	Securities								
securities	3,545	-	394	9,599	-	-	13,539	_	Discour							inn anily of a li	
Derivative																•	quidity premium, w nstruments, and a
ransactions												•					et risk associated
Other (Embedded	(201,337)	32,389	(22,409)	_	_	_	(191,357)	32,389		•		•	-				a significant decre
derivatives)	(201,007)	02,000	(22,400)				(101,007)	02,000		) in the fair va	-	.,		,			
									Paydow	/n rate							
									The pa	aydown rate i	s the expected	annual rate o	of principal re	payment. In g	general, a si	gnificant incr	ease (decrease) in
													,	projected we	eighted aver	age life of th	e financial instrum
									-	-	t increase (decr	ease) in the fa	air value.				
									·	nbedded deriv	vatives)						
									Mortality			1 4 ·					
										-							n general, a signific additional affects the
									Increase	(Uecrease) In	me mortality res	suus in a sidni	ucant decrea	se uncrease)	in the tair va	we of the ligh	muy and attects the

nificant increase (decrease) in the mortality results in a significant decrease (increase) in the fair value of the liability and affects the fair value of the embedded derivatives. Lapse

The lapse is the percentage of people in a certain group who have surrendered insurance policies or whose insurance policies have lapsed in a certain period of time. In general, a significant increase (decrease) in the lapse results in a significant decrease (increase) in the fair value of the liability and affects the fair value of the embedded derivatives.

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## Withdrawal rate

The withdrawal rate is the percentage of policy reserves that are withdrawn in a certain period of time. In general, a significant increase (decrease) in the withdrawal rate results in a significant increase (decrease) in the fair value of the liability and affects the fair value of the embedded derivatives.

# X. SECURITIES

# 1. Trading Securities

Gains (losses) on valuation of trading securities

# 2. Held-to-maturity Bonds

	As	of March 31, 20	)21
	Carrying	Fair	Unrealized
	amount	value	gains (losses)
	(	Unit: million yer	1)
Held-to-maturity securities with unrealized	zed gains:		
(1) Bonds	63,777	65,531	1,754
a. Government bonds	47,221	48,896	1,675
b. Local government bonds	-	-	-
c. Corporate bonds	16,556	16,635	78
(2) Foreign securities	4,998	5,023	24
a. Foreign bonds	4,998	5,023	24
Subtotal	68,776	70,554	1,778
Held-to-maturity securities with unrealized	zed losses:		
(1) Bonds	35,450	35,101	(349)
a. Government bonds	_	_	_
b. Local government bonds	_	_	_
c. Corporate bonds	35,450	35,101	(349)
(2) Foreign securities	5,943	5,932	(11)
a. Foreign bonds	5,943	5,932	(11)
Subtotal	41,394	41,034	(360)
Total	110,171	111,589	1,418
			As of March 31, 202
	Carrying amount	Fair Ur value	nrealized gains losses)
	(Ur	nit: million yen)	(

			As of Marc	h 31, 2022		
	Carrying amount	Fair value	Unrealized gains (losses)	Carrying amount	Fair value	Unrealized gains (losses)
	(U	Init: million y	en)	(Unit:	million US o	lollars)
Held-to-maturity securities with unrealiz	ed gains:					
(1) Bonds	53,142	54,053	911	434	441	7
a. Government bonds	47,522	48,407	884	388	395	7
b. Local government bonds	-	-	_	_	-	-
c. Corporate bonds	5,619	5,645	26	45	46	0
(2) Foreign securities	3,999	4,009	9	32	32	0
a. Foreign bonds	3,999	4,009	9	32	32	0
Subtotal	57,141	58,062	920	466	474	7
Held-to-maturity securities with unrealiz	ed losses:					
(1) Bonds	62,505	61,525	(980)	510	502	(8)
a. Government bonds	-	-	_	_	-	-
b. Local government bonds	-	-	_	_	-	-
c. Corporate bonds	62,505	61,525	(980)	510	502	(8)
(2) Foreign securities	9,776	9,751	(24)	79	79	(0)
a. Foreign bonds	9,776	9,751	(24)	79	79	(0)
Subtotal	72,282	71,276	(1,005)	590	582	(8)
Total	129,424	129,339	(84)	1,057	1,056	(0)

	Year	ended March	31,
2	2021	2022	2022
	(Unit: million	yen)	(Unit: million US dollars)
30	08,566	62,845	513

# 3. Policy-reserve-matching Bonds

	As	of March 31, 20	21
	Carrying	Fair	Unrealized
	amount	value	gains (losses)
	(	Unit: million yen	)
Policy-reserve-matching bonds with unr	ealized gains:		
(1) Bonds	11,892,201	14,233,910	2,341,708
a. Government bonds	10,861,367	13,126,091	2,264,723
b. Local government bonds	105,165	120,563	15,397
c. Corporate bonds	925,668	987,255	61,587
(2) Foreign Securities	1,925,023	2,080,862	155,839
a. Foreign bonds	1,925,023	2,080,862	155,839
Subtotal	13,817,224	16,314,772	2,497,547
Policy-reserve-matching bonds with unr	ealized losses:		
(1) Bonds	2,528,228	2,443,575	(84,653)
a. Government bonds	2,202,802	2,125,823	(76,979)
b. Local government bonds	20,744	20,253	(490)
c. Corporate bonds	304,681	297,498	(7,183)
(2) Foreign Securities	389,219	371,048	(18,171)
a. Foreign bonds	389,219	371,048	(18,171)
Subtotal	2,917,448	2,814,623	(102,824)
Total	16,734,673	19,129,396	2,394,723

			As of March	31, 2022		
	Carrying	Fair	Unrealized	Carrying	Fair	Unrealized
	amount	value	gains (losses)	amount	value	gains (losses
	(	(Unit: million y	en)	(Unit:	million US of	lollars)
Policy-reserve-matching bonds with un	realized gains:					
(1) Bonds	9,914,633	11,746,601	1,831,967	81,008	95,976	14,968
a. Government bonds	9,178,839	10,964,961	1,786,122	74,996	89,590	14,593
b. Local government bonds	81,443	92,513	11,069	665	755	90
c. Corporate bonds	654,350	689,125	34,774	5,346	5,630	284
(2) Foreign securities	1,389,880	1,431,470	41,590	11,356	11,695	339
a. Foreign bonds	1,389,880	1,431,470	41,590	11,356	11,695	339
Subtotal	11,304,513	13,178,071	1,873,557	92,364	107,672	15,308
Policy-reserve-matching bonds with un	realized losses:					
(1) Bonds	5,461,096	5,149,434	(311,662)	44,620	42,073	(2,546)
a. Government bonds	4,757,101	4,471,327	(285,773)	38,868	36,533	(2,334)
b. Local government bonds	41,564	39,798	(1,766)	339	325	(14)
c. Corporate bonds	662,430	638,308	(24,122)	5,412	5,215	(197)
(2) Foreign securities	1,085,336	1,022,576	(62,759)	8,867	8,355	(512)
a. Foreign bonds	1,085,336	1,022,576	(62,759)	8,867	8,355	(512)
Subtotal	6,546,433	6,172,011	(374,421)	53,488	50,429	(3,059)
Total	17,850,947	19,350,082	1,499,135	145,852	158,101	12,248

# 4. Available-for-sale Securities

	A	As of March 31, 2021				
	Carrying	Acquisition	Unrealized			
	amount	cost	gains (losses			
		(Unit: million yen	)			
Available-for-sale securities with unrea	lized gains:					
(1) Bonds	3,536,414	3,101,166	435,248			
a. Government bonds	2,065,744	1,709,051	356,693			
b. Local government bonds	28,080	26,607	1,473			
c. Corporate bonds	1,442,589	1,365,507	77,082			
(2) Domestic stocks	3,271,329	1,115,683	2,155,646			
(3) Foreign securities	17,315,237	15,096,152	2,219,085			
a. Foreign bonds	16,206,052	14,233,241	1,972,810			
b. Other foreign securities	1,109,185	862,911	246,274			
(4) Other securities	689,223	621,708	67,514			
Subtotal	24,812,204	19,934,710	4,877,494			
Available-for-sale securities with unrea	lized losses:					
(1) Bonds	381,823	384,641	(2,818)			
a. Government bonds	11,324	11,710	(386)			
b. Local government bonds	_	_	_			
c. Corporate bonds	370,498	372,930	(2,431)			
(2) Domestic stocks	248,451	292,493	(44,042)			
(3) Foreign securities	3,662,248	3,833,968	(171,719)			
a. Foreign bonds	3,152,640	3,310,207	(157,566)			
b. Other foreign securities	509,608	523,760	(14,152)			
(4) Other securities	412,378	432,755	(20,377)			
Subtotal	4,704,901	4,943,858	(238,956)			
Total	29,517,106	24,878,568	4,638,537			

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 and ¥70,997 million, respectively, as of March 31, 2021. The aggregate acquisition cost and carrying amount of trust beneficiary rights were ¥246,377 million and ¥252,140 million, respectively, as of March 31, 2021.

			As of March	31, 2022		
	Carrying amount	Acquisition cost	Unrealized gains (losses)	Carrying amount	Acquisition cost	Unrealized gains (losses)
	(	Unit: million ye	n)	(Unit	: million US d	ollars)
Available-for-sale securities with unreal	ized gains:					
(1) Bonds	2,932,663	2,574,532	358,130	23,961	21,035	2,926
a. Government bonds	1,956,537	1,658,432	298,104	15,986	13,550	2,435
b. Local government bonds	26,378	24,628	1,750	215	201	14
c. Corporate bonds	949,747	891,471	58,275	7,760	7,283	476
(2) Domestic stocks	3,043,447	1,046,476	1,996,970	24,866	8,550	16,316
(3) Foreign securities	15,255,704	13,514,995	1,740,709	124,648	110,425	14,222
a. Foreign bonds	14,441,202	12,946,417	1,494,784	117,993	105,780	12,213
b. Other foreign securities	814,501	568,577	245,924	6,654	4,645	2,009
(4) Other securities	636,384	590,965	45,419	5,199	4,828	371
Subtotal	21,868,199	17,726,969	4,141,230	178,676	144,840	33,836
Available-for-sale securities with unreal	ized losses:					
(1) Bonds	710,425	723,630	(13,204)	5,804	5,912	(107)
a. Government bonds	48,523	50,552	(2,029)	396	413	(16)
b. Local government bonds	2,998	3,006	(7)	24	24	(0)
c. Corporate bonds	658,903	670,071	(11,167)	5,383	5,474	(91)
(2) Domestic stocks	208,009	243,138	(35,128)	1,699	1,986	(287)
(3) Foreign securities	4,913,834	5,205,122	(291,288)	40,148	42,528	(2,379)
a. Foreign bonds	4,471,039	4,730,109	(259,069)	36,531	38,647	(2,116)
b. Other foreign securities	442,794	475,013	(32,218)	3,617	3,881	(263)
(4) Other securities	455,690	464,202	(8,512)	3,723	3,792	(69)
Subtotal	6,287,959	6,636,094	(348,134)	51,376	54,220	(2,844)
Total	28,156,158	24,363,063	3,793,095	230,052	199,060	30,991

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 ¥64,500 million (US\$690 million) and ¥64,497 million (US\$690 million), respectively, as of March 31, 2022. The aggregate acquisition cost and carrying amount of trust beneficiary rights were ¥251,314 million (US\$2,053 million) and ¥255,902 million (US\$2,090 million), respectively, as of March 31, 2022.

### 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, 2021 and 2022.

# 6. Policy-reserve-matching Bonds Sold

Policy-reserve-matching bonds sold during the fiscal years ended March 31, 2021 and 2022 were as follows:

	Year	ended March 31, 2	2021
	Amounts sold	Realized gains	Realized losses
	(		
(1) Bonds	606,251	77,800	168
a. Government bonds	523,160	72,922	18
b. Local government bonds	2,491	102	12
c. Corporate bonds	80,600	4,775	138
(2) Foreign securities	207,427	24,649	619
a. Foreign bonds	207,427	24,649	619
b. Other foreign securities	-	_	-
Total	813,679	102,449	787

	Amounts sold	Realized gains	Realized losses	Amounts sold	Realized gains	Realized losses
	(U	Init: million ye	en)	(Unit:	million US de	ollars)
(1) Bonds	782,720	72,633	22,625	6,395	593	184
a. Government bonds	682,245	69,783	21,166	5,574	570	172
b. Local government bonds	1,540	67	_	12	0	_
c. Corporate bonds	98,934	2,782	1,458	808	22	11
(2) Foreign securities	280,243	9,604	5,182	2,289	78	42
a. Foreign bonds	280,243	9,604	5,182	2,289	78	42
b. Other foreign securities	_	_	_	_	_	_
Total	1,062,964	82,237	27,808	8,685	671	227

# Year ended March 31, 2022

# 7. Available-for-sale Securities Sold

Available-for-sale securities sold during the fiscal years ended March 31, 2021 and 2022 were as follows:

	Year	Year ended March 31, 2021				
	Amounts sold	Realized gains	Realized losses			
	(	Unit: million yen)				
(1) Bonds	584,191	3,998	617			
a. Government bonds	95,218	573	207			
b. Local government bonds	36,466	-	15			
c. Corporate bonds	452,507	3,425	395			
(2) Domestic stocks	244,203	145,738	4,147			
(3) Foreign securities	2,919,618	215,712	90,486			
a. Foreign bonds	2,229,627	130,689	43,286			
b. Other foreign securities	689,991	85,022	47,200			
(4) Other securities	194,619	3,463	31,013			
Total	3,942,633	368,913	126,265			

	Year ended March 31, 2022							
	Amounts sold	Realized gains	Realized losses	Amounts sold	Realized gains	Realized losses		
	(L	Init: million ye	en)	(Unit:	million US de	ollars)		
(1) Bonds	501,380	3,331	1,292	4,096	27	10		
a. Government bonds	6,801	96	0	55	0	0		
b. Local government bonds	815	0	_	6	0	_		
c. Corporate bonds	493,763	3,235	1,291	4,034	26	10		
(2) Domestic Stocks	328,773	166,752	8,104	2,686	1,362	66		
(3) Foreign securities	3,871,570	138,254	168,491	31,633	1,129	1,376		
a. Foreign bonds	2,843,392	52,560	130,292	23,232	429	1,064		
b. Other foreign securities	1,028,177	85,694	38,199	8,400	700	312		
(4) Other securities	308,303	2,926	28,868	2,519	23	235		
Total	5,010,028	311,266	206,756	40,934	2,543	1,689		

#### 8. 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, 2021 and 2022 were ¥13,108 million and ¥6,662 million (US\$54 million) (¥1,777 million (US\$14 million) of monetary claims bought and ¥4,885 million (US\$39 million) of securities), respectively.

# XI. MONEY HELD IN TRUST

#### 1. Money Held in Trust for Trading

		As of March 31,	
	2021	2022	2022
	(Unit: m	(Unit: million US dollars)	
Carrying amount on the consolidated balance sheet	1,130,920	1,106,918	9,044
Gains (losses) on valuation of money held in trust	26,327	(1,826)	(14)

# XII. DERIVATIVE TRANSACTIONS

#### 1. Derivative Transactions (Hedge Accounting Not Applied)

(1) Currency-related transactions As of March 31, 20

			,
	(A)	Over	
	Notional		Fair
	amount/	1 year included	value
	contract		value
	value	in (A)	
		(Unit: milli	on yen
Exchange-traded transactions:			
Currency futures:			
Sold	27,362	_	(3
Euro / U.S. dollar	15,051	_	(1
British pound / U.S. dollar	7,985	_	(2
Yen / U.S. dollar	4,325	_	(
Over-the-counter transactions:	1,020		(
Foreign currency forward			
contracts:			
Sold	1,165,895		(32,2
		_	•
U.S. dollar	589,044	_	(20,3
Australian dollar	195,411	_	(5,2
Euro	194,388	-	(1,1
British pound	105,818	-	(3,8
Canadian dollar	39,901	-	(1,5
Others	41,331	-	(1
Bought	565,818	-	1,6
U.S. dollar	318,324	-	2,3
Euro	153,735	_	(1,6
British pound	48,033	_	6
Australian dollar	26,646	_	
Canadian dollar	12,391	_	2
Others	6,687	_	
Currency swaps:	- ,		
Receipts foreign currency,			
payments yen	540,477	540,477	67,9
Australian dollar	454,177	454,177	63,5
U.S. dollar	86,300	86,300	4,3
Receipts yen,	00,000	00,000	1,5
payments foreign currency	27,165	27,165	(7
U.S. dollar	27,165	27,165	(7
Receipts foreign currency,	27,105	27,105	(7
payments foreign currency,	50 242	50 242	
Australian dollar / U.S.	50,242	50,242	Ę
dollar	35,118	35,118	Ę
Australian dollar / Euro	15,123	15,123	
Currency options:	10,120	10,120	
Sold:			
Put	108,807		
Ful	-		
	[159]	-	
U.S. dollar	108,807		
	[159]	-	
Bought:			
Put	512,231		
	[4,631]	-	6
U.S. dollar	512,231		
	[4,631]	-	6
Total return swaps:			
Foreign currency index	176,528	176,528	3,0
linked	110,020	110,020	5,0
Total	-	_	_

Note: 1. Figures in [ ] are amounts of option premiums which are included in the consolidated balance sheet. 2. 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)".

2021	
air Ilue	Gains (losses)
/en)	
(373) (126) (223) (24)	(373) (126) (223) (24)
2,216) 0,316) 5,244) 1,152) 3,802) 1,582) (118) 1,639 2,366 1,635) 604 16 270 16	(32,216) (20,316) (5,244) (1,152) (3,802) (1,582) (118) 1,639 2,366 (1,635) 604 16 270 16
67,965 63,597 4,367	67,965 63,597 4,367
(743) (743)	(743) (743)
570	570
554	554
16	16
0 0	158 158
645	(3,985)
645	(3,985)
3,001	3,001
-	36,015

As of Ma	rch 31	2022
AS OF Ma		2022

			As o	f March 31, 2	2022			
	(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: milli	on yen)		(l	Jnit: million I	JS dollars)	
Exchange-traded transactions:								
Currency futures:								
Sold	21,246	-	(198)	(198)	173	-	(1)	(1
Euro / U.S. dollar	10,401	_	(58)	(58)	84	_	(0)	(0
British pound / U.S. dollar	7,762	_	(184)	(184)	63	_	(1)	(1
Yen / U.S. dollar	3,082	_	43	43	25	_	0	
Over-the-counter transactions: Foreign currency forward contracts:								
Sold	1,969,641	_	(75,461)	(75,461)	16,093	_	(616)	(616
U.S. dollar	884,748	_	(35,441)	(35,441)	7,228	_	(289)	(289
Australian dollar	589,928	_	, ,	(33,441) (27,597)	4,820	_	(205)	(205
			(27,597)	. ,				
Euro	171,095	_	(4,816)	(4,816)	1,397	_	(39)	(39
British pound	139,978	_	(2,663)	(2,663)	1,143	_	(21)	(21
Canadian dollar	75,940	_	(3,553)	(3,553)	620	_	(29)	(29
Others	107,948	-	(1,388)	(1,388)	882	-	(11)	(11
Bought	793,145	-	15,246	15,246	6,480	-	124	12
U.S. dollar	523,260	-	7,962	7,962	4,275	-	65	6
Euro	117,246	-	2,790	2,790	957	-	22	2
Australian dollar	41,591	-	2,036	2,036	339	-	16	1
British pound	34,661	-	561	561	283	-	4	
Canadian dollar	23,375	_	1,380	1,380	190	_	11	1
Others	53,009	_	513	513	433	_	4	
Currency swaps:								
Receipts foreign currency,								
payments yen	551,332	551,232	70,221	70,221	4,504	4,503	573	57
Australian dollar		-		-	-	-		
	465,032	464,932	60,917	60,917	3,799	3,798	497	49
U.S. dollar	86,300	86,300	9,303	9,303	705	705	76	7
Receipts yen,			(0.000)	(0.000)			(2.1)	(0)
payments foreign currency	27,165	21,795	(2,969)	(2,969)	221	178	(24)	(24
U.S. dollar	27,165	21,795	(2,969)	(2,969)	221	178	(24)	(24
Receipts foreign currency,								
payments foreign currency	54,792	20,139	(325)	(325)	447	164	(2)	(2
Australian dollar / U.S.	38,299	17,905	(338)	(338)	312	146	(2)	(2
dollar								
Australian dollar / Euro Currency options: Sold:	16,493	2,234	13	13	134	18	0	
Call	10,581				86			
	[-]	_	_	_	[-]	_	_	-
U.S. dollar	ر ا 10,581							
0.3. dollar					86			
D. A	[-]	_	_	_	[-]	_	_	-
Put	10,561				86			
_	[227]	-	66	160	[1]	-	0	
Euro	10,561				86			
	[227]	_	66	160	[1]	_	0	
Bought:								
Call	52,905				432			
	[-]	-	-	-	[-]	-	_	-
U.S. dollar	52,905				432			
	[-]	_	_	_	[-]	_	_	-
Put	239,967				1,960			
	[837]	_	333	(503)	[6]	_	2	(4
U.S. dollar	130,202		000	(000)	1,063		2	(-
0.0. dona	[256]	_	0	(256)	[2]	_	0	(2
Fure			0	(200)			0	(2
Euro	109,765				896			
	[580]		333	(246)	[4]		2	(2

	urn swaps: gn currency index	183,394	183,394	17,893	17,893	1,498	1,498	146	146
Total		_	-	-	24,062	-	_	_	196
Note: 1 Figure	s in [ ] are amounts of option	on premiums which	are included in	the consolidate	d balance sheet				

 Note: 1. Figures in [] are amounts of option premiums which are included in the consolidated balance sheet.

 2. 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 transaction	s						
	As of March 31, 2021						
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)			
		(Unit: milli	on yen)				
Over-the-counter transactions:							
Yen interest rate swaps:							
Receipts fixed, payments							
floating	300,467	300,467	19,714	19,714			
Receipts floating, payments							
fixed	22,775	22,775	(217)	(217)			
Yen interest rate swaptions:							
Sold							
Receipts fixed, payments floating	20,000						
	[236]	_	13	222			
Bought:							
Receipts fixed, payments							
floating	480,000	10,000					
-	[12,300]	[70]	1,724	(10,575			
Receipts floating,				. ,			
payments fixed	1,895,000	1,095,000					
	[9,216]	[6,243]	6,072	(3,143)			
Total			_	5 998			

 Total
 5,998

 Note: 1. Figures in [] are amounts of option premiums which are included in the consolidated balance sheet.
 2. 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	n 31, 2022			
	(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: milli	on yen)		(	Unit: million	US dollars)	
Over-the-counter transactions:								
Yen interest rate swaps:								
Receipts fixed, payments								
floating	344,395	344,395	7,573	7,573	2,813	2,813	61	61
Receipts floating, payments								
fixed	15,751	15,751	(163)	(163)	128	128	(1)	(1)
Yen interest rate swaptions:								
Bought:								
Receipts floating,								
Payments fixed	1,340,000	1,030,000			10,948	8,415		
	[7,698]	[7,216]	24,329	16,630	[62]	[58]	198	135
Total	_	_	_	24,040	_	_	_	196

 Note:
 I.
 Figures in [
 ] are amounts of option premiums which are included in the consolidated balance sheet.

 2.
 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

	ock-related transactions				As of March 31, 2022		
	(A) Notional	As of Marcl Over 1 year	n 31, 2021 Fair	Gains	(A) Over (A) Over Notional 1 year Fair Gains Amount/ contract (A) Over 1 year Fair Gains Amount/ included value (losses) amount/ contract (A) Over 1 year fair Gains (Included) contract (A) Over	Fair value	Gai (loss
	amount/ contract value	included in (A)	value	(losses)	in (A) value value value		
	value	(Unit: mill	lion (on)		(Unit: million yen) (Unit: millio	n US dolla	rs)
		(Unit. Init	ion yen)		Exchange-traded transactions:		
xchange-traded transactions:					Yen stock index futures:		
Yen stock index futures:					Sold 37,350 - (3,754) (3,754) 305 -	(30)	)
Sold	9,954	-	(353)	(353)	Bought 7,066 - 497 497 57 -	4	,
Bought Foreign currency-denominated	11,006	_	150	150	Foreign currency-denominated stock index futures:	(0.0)	
stock index futures:	~~~~~		(10.1)	(10.1)	Sold 61,368 - (4,084) (4,084) 501 -	(33)	
Sold	29,230	-	(464)	(464)	Bought 67,819 - 2,921 2,921 554 -	23	)
Bought	79,655	-	158	158	Yen stock index options:		
Yen stock index options:					Bought:		
Bought:					Put 326,849 4,915 2,670 40		9
Put	277,518	3,436			[7,554] [645] 3,670 (3,883) [61] [5]	29	)
Foreign currency-denominated stock index options:	[6,012]	[425]	4,441	(1,570)	Foreign currency-denominated stock index options: Sold:		
Sold:					Call 616,379 5,036		
Call	444,633				[32,972] — 63,964 (30,991) [269] —	522	2
	[26,678]	_	69,555	(42,876)	Put 11,392 93		
Put	5,990		,		[494] — 227 266 [4] —	1	i
	[443]	_	125	317	Bought:		
Bought:	[]		.20	0.11	Call 596,866 4,876		
Call	427,265				[42,644] - 76,863 34,219 [348] -	628	ł
	[33,565]	_	81,166	47,600	Put 74,726 21,990 610 179		
Put	42,157	16,672	01,100		[5,119] [1,940] 3,654 (1,465) [41] [15]		<b>,</b>
	[3,012]	[1,897]	3,949	937	Over-the-counter transactions:	25	
ver-the-counter transactions:	[0,012]	[1,001]	0,010	001	Yen stock index options:		
Yen stock index options:							
Bought:					Bought:		
Put	1,724	1,724			Put 1,916 1,916 15 15		
Füt	[567]	[567]	177	(389)	[630] [630] 118 (511) [5] Foreign currency-denominated	0	1
Foreign currency-denominated stock index options:	[507]	[507]	177	(309)	stock index options: Sold:		
Sold:					Call 179,179 1,464		
Call	115,176				[9,281] - 24,446 (15,165) [75] -	199	9
	[6,619]	_	16,611	(9,991)	Put 3,285 26		
Put	3,338		,	(0,000)	[122] - 74 47 [0] -	0	)
i de	[213]	_	68	144	Bought:	0	
Bought:	[210]		00	111			
Call	146,388	29,808					2
Jan			21 052	11 29/	[15,405] [1,011] 32,806 17,400 [125] [8]		
Dut	[10,469]	[1,521]	21,853	11,384	Put 138,870 70,898 1,134 579		、
Put	120,948	79,643	10 000	(4.252)	[17,842] [10,593] 8,457 (9,384) [145] [86]	69	Ţ.
Total return swaps:	[14,985]	[11,181]	10,632	(4,353)	Total return swaps: Foreign currency-denominated stack index linked 161,861 4,237 (3,577) (3,577) 1,322 34	(29)	)
Foreign currency-denominated	120,150	47,364	(1,313)	(1,313)	Stock index initied		
stock index linked Total			. /	(619)	Total       –       –       (17,464)       –         Note: 1.       Figures in [] are amounts of option premiums which are included in the consolidated balance sheet.		

Note: 1. Figures in [ ] are amounts of option premiums which are included in the consolidated balance sheet. 2. 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, 2021				
	Notional amount/ contract value	Fair value	Gains (losses)		
	(Un	it: million yen	)		
Exchange-traded transactions:					
Yen bond futures:					
Sold	20,232	(23)	(23)		
Bought	18,001	(13)	(13)		
Foreign currency-denominated bond futures:					
Sold	681,030	9,766	9,766		
Bought	1,160,057	(9,951)	(9,951)		
Over-the-counter transactions: Foreign currency-denominated bond forward contracts					
Sold	41,532	137	137		
Bought	78,944	(133)	(133)		
Yen bond OTC options: Sold:					
Call	6,555				
	[33]	31	2		
Put	36,871				
	[134]	35	98		
Bought:					
Call	36,871				
	[107]	170	63		
Put	6,555				
	[37]	32	(4)		
Total	_	-	(58)		

			As of Mare	ch 31, 2022		
	Notional amount/ contract value	Fair value	Gains (losses)	Notional amount/ contract value	Fair value	Gains (losses)
	(Ur	nit: million yen	)	(Unit: r	nillion US dol	lars)
Exchange-traded transactions:						
Yen bond futures:						
Sold	27,048	102	102	220	0	(
Bought	62,543	(268)	(268)	511	(2)	(2
Foreign currency-denominated bond futures:			, , , , , , , , , , , , , , , , , , ,			,
Sold	481,516	11,606	11,606	3,934	94	94
Bought	628,681	(14,638)	(14,638)	5,136	(119)	(119
Over-the-counter transactions: Foreign currency-denominated bond forward contracts						
Sold	87,693	2,357	2,357	716	19	1
Bought	126,811	(3,872)	(3,872)	1,036	(31)	(31
Yen bond OTC options:						
Sold:						
Call	19,200			156		
	[48]	16	31	[0]	0	
Put	41,988			343		
	[181]	246	(64)	[1]	2	(0
Bought:						
Call	41,988			343		
	[154]	41	(112)	[1]	0	(0
Put	19,200		. ,	156		,
	[53]	60	7	[0]	0	
Total		_	(4,850)		_	(39

 Note: 1. Figures in [ ] are amounts of option premiums which are included in the consolidated balance sheet.

 2. 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)".

 3. There were no transactions with maturity of more than one year in the table above.

 Note: 1. Figures in [] are amounts of option premiums which are included in the consolidated balance sheet.

 2. 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)".

 3. There were no transactions with maturity of more than one year in the table above.

# (5) Others

· · ·		As of March	n 31, 2021	
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
		(Unit: mill	ion yen)	
Over-the-counter transactions:				
Credit default swaps:				
Sold protection	46,763	45,763	754	754
Bought protection	11,300	11,300	(215)	(215)
Others:				
Embedded derivatives	1,878,646	1,878,646	(201,337)	(201,337)
Total	-	-	-	(200,799)

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 is shown in "Gains (losses)".

				As of Marcl	h 31, 2022			
	(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: mill	ion yen)		(	Unit: million	JS dollars)	
Over-the-counter transactions:								
Credit default swaps:								
Sold protection	46,842	9,862	390	390	382	80	3	3
Bought protection	3,000	_	(20)	(20)	24	-	(0)	(0)
Others:								
Embedded derivatives	2,193,280	2,193,280	(191,357)	(191,357)	17,920	17,920	(1,563)	(1,563)
Total	_	_	_	(190,987)	_	_	_	(1,560)

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 is shown in "Gains (losses)".

# 2. Derivative Transactions (Hedge Accounting Applied)

(1) Currency-related transactions

	As of	March 31, 202	21
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value
	(Ur	it: million yen)	
Deferral hedge:			
Currency swaps to hedge foreign curre	ncy-denominated	bonds:	
Receipts yen, payments foreign			
currency	196,770	185,116	(7,530
U.S. dollar	114,235	108,781	(3,676
Euro	70,488	64,288	(3,478
British pound	12,046	12,046	(375
Currency swaps to hedge foreign curre agreement:	-	ted with fundir	ıg
Receipts foreign currency, payments		10.10-	<i></i>
foreign currency	12,127	12,127	(1,054
Norway krone / U.S. dollar	12,127	12,127	(1,054
Fair value hedge:			
Foreign currency forward contracts to h		rency-denomir	
Sold	6,454,969	-	(306,980
U.S. dollar	3,160,414	-	(177,109
Euro	1,344,897	-	(42,286
Australian dollar	835,833	-	(43,597
Canadian dollar	344,654	_	(24,746
British pound	162,460	_	(3,242
Others	606,709	_	(15,997
Bought	11,563	_	285
U.S. dollar	7,928	_	229
Australian dollar	3,585	_	53
Canadian dollar	49	_	
Foreign currency forward contracts, etc., corresponding hedged items: Foreign currency forward contracts to h			
deposits:			
Sold	242,002	-	
U.S. dollar	92,002	-	
Others	150,000	-	
Currency swaps to hedge foreign curre loans:	ncy-denominated	l bonds payab	e and
Receipts foreign currency, payments yen	476,277	368,715	
Foreign currency-denominated	410,211	000,710	
bonds payable:			
U.S. dollar	476,277	368,715	
Receipts yen, payments foreign			
currency	30,366	30,366	
Foreign currency-denominated loans:		<b>•</b> • •	
U.S. dollar	25,594	25,594	
Euro	4,771	4,771	

	(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
		nit: million yen)			million US dolla	ars)
Deferral hedge:	( -	, j,		ζ-		,
Foreign currency forward contracts to h	nedae foreian cur	rencv-denomir	ated bonds			
Bought	74,637	, _	10,310	609	_	84
Australian dollar	74,637	_	10,310	609	_	84
Currency swaps to hedge foreign curre	,	l bonds:	,			
Receipts yen, payments foreign	ney denominated	bondo.				
currency	192,809	175,356	(13,639)	1,575	1,432	(111)
U.S. dollar	115,499	104,077	(8,735)	943	850	(71)
Euro	65,382	59,351	(4,488)	534	484	(36)
British pound	11,927	11,927	(415)	97	97	(3)
Currency swaps to hedge foreign curre Receipts foreign currency, payments		ted with fundir	ig agreement:			
foreign currency	13,477	13,477	(1,461)	110	110	(11)
Norway krone / U.S. dollar	13,477	13,477	(1,461)	110	110	(11)
Fair value hedge:						
Foreign currency forward contracts to h		rency-denomir				
Sold	5,839,213	-	(474,485)	47,709	-	(3,876)
U.S. dollar	2,940,436	-	(273,968)	24,025	-	(2,238)
Euro	1,302,139	_	(47,364)	10,639	_	(386)
Australian dollar	806,327	_	(92,374)	6,588	_	(754)
Canadian dollar	412,680	_	(34,194)	3,371	_	(279)
British pound	154,103	_	(9,791)	1,259	_	(79)
Others	223,525	_	(16,791)	1,826	_	(137)
Bought	151,085	_	10,230	1,234	_	83
U.S. dollar	109,969	_	7,484	898	_	61
Australian dollar	10,488	_	475	85	_	3
Canadian dollar	7,823	_	160	63	_	1
British pound	618	_	3	5	_	0
Euro	477	_	22	3	_	0
Others	21,707	-	2,082	177	-	17
Foreign currency forward contracts, etc.,	allocated to and/o	or combined w	ith correspond	ing hedged iten	ns:	
Foreign currency forward contracts to h	nedge foreign cur	rency-denomir	ated term dep	osits:		
Sold	223,000	_		1,822	_	
New Zealand dollar	150,000	-		1,225	-	
U.S. dollar	73,000	-		596	-	
Currency swaps to hedge foreign curre Receipts foreign currency,	ncy-denominated	l bonds payab	e and loans:			
payments yen Foreign currency-denominated	368,715	368,715		3,012	3,012	
bonds payable: U.S. dollar	368,715	368,715		3,012	3,012	
Receipts yen, payments foreign currency Foreign currency-denominated	26,877	23,608		219	192	
loans:	24 404	22 609		200	100	
U.S. dollar Euro	24,491 2,385	23,608		200 19	192	

	As o	f March 31, 20	21			
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value			
	(U	nit: million yen	)			
Deferral hedge:						
Yen interest rate swaps to hedge loans	s and insurance	liabilities:				
Receipts fixed, payments floating	714,250	714,250	19,072			
Special hedge accounting:						
Yen interest rate swaps to hedge loans:						
Receipts fixed, payments floating	12,300	8,300	124			
Yen interest rate swaps to hedge loans	payable:					
Receipts floating, payments fixed	325,000	325,000	(746)			
			As of March	n 31. 2022		
	(A) Notional amount/ contract value	Over 1 year included in (A)	As of March Fair value	A 31, 2022 (A) Notional amount/ contract value	Over 1 year included in (A)	Fair value
	Notional amount/ contract value	1 year included	Fair value	(A) Notional amount/ contract value	1 year included	value
Deferral hedge:	Notional amount/ contract value	1 year included in (A)	Fair value	(A) Notional amount/ contract value	1 year included in (A)	value
Deferral hedge: Yen interest rate swaps to hedge loans	Notional amount/ contract value (U	1 year included in (A) nit: million yen	Fair value	(A) Notional amount/ contract value	1 year included in (A)	value
<b>v</b>	Notional amount/ contract value (U	1 year included in (A) nit: million yen	Fair value	(A) Notional amount/ contract value	1 year included in (A)	value ars)
Yen interest rate swaps to hedge loans Receipts fixed, payments floating	Notional amount/ contract value (U s and insurance	1 year included in (A) nit: million yen	Fair value )	(A) Notional amount/ contract value (Unit:	1 year included in (A) million US doll	value ars)
Yen interest rate swaps to hedge loans Receipts fixed, payments floating	Notional amount/ contract value (U s and insurance 714,600	1 year included in (A) nit: million yen	Fair value )	(A) Notional amount/ contract value (Unit:	1 year included in (A) million US doll	value ars)
Yen interest rate swaps to hedge loans Receipts fixed, payments floating Special hedge accounting:	Notional amount/ contract value (U s and insurance 714,600	1 year included in (A) nit: million yen	Fair value )	(A) Notional amount/ contract value (Unit:	1 year included in (A) million US doll	value ars) (4
Yen interest rate swaps to hedge loans Receipts fixed, payments floating Special hedge accounting: Yen interest rate swaps to hedge loans:	Notional amount/ contract value (U s and insurance 714,600 8,300	1 year included in (A) nit: million yen liabilities: 710,600	Fair value ) (516)	(A) Notional amount/ contract value (Unit: 5,838	1 year included in (A) million US doll 5,806	value

# 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

	Y	ear ended March	31,
	2021	2022	2022
	(Unit: mi	llion yen)	(Unit: million US dollars)
Beginning balance of the projected benefit obligations	727,391	731,812	5,979
Service cost	27,449	28,343	231
Interest cost	3,164	2,990	24
Accruals of actuarial (gains) and losses	10,617	(781)	(6)
Payment of retirement benefits	(35,701)	(37,579)	(307)
Accruals of past service cost	2,160	-	_
Others	(3,268)	4,102	33
Ending balance of the projected benefit obligation	731,812	728,888	5,955

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

	Y	ear ended March	31,
	2021	2022	2022
	(Unit: mil	llion yen)	(Unit: million US dollars)
Beginning balance of pension assets	286,517	313,266	2,559
Estimated return on assets	3,717	4,131	33
Accruals of actuarial (gains) and losses	30,736	19,594	160
Contributions from the employer	7,971	8,319	67
Payment of retirement benefits	(13,829)	(12,661)	(103)
Others	(1,847)	3,716	30
Ending balance of pension assets	313,266	336,366	2,748

#### (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,
	2021	2022	2022
	(Unit: m	illion yen)	(Unit: million US dollars)
Projected benefit obligation for funded pensions	404,880	402,530	3,288
Pension assets	(313,266)	(336,366)	(2,748)
-	91,614	66,164	540
Projected benefit obligation for unfunded pensions	326,932	326,357	2,666
Net of assets and liabilities recorded in the consolidated balance sheet	418,546	392,522	3,207
Net defined benefit liabilities	418,546	392,522	3,207
Net defined benefit assets	_	_	-
Net of assets and liabilities recorded in the consolidated balance sheet	418,546	392,522	3,207

#### (4) Amount of the components of retirement benefit expenses

Service cost
Interest cost
Expected return on assets
Expense of actuarial (gains) and losses
Amortization of past service cost
Others
Retirement benefit expenses for defined benefit plans

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

#### (5) Remeasurements of defined benefit plans

Past service cost	
Actuarial gains (losses)	

Total

#### (6) Accumulated remeasurements of defined benefit plans

as follows:

#### Unrecognized past service cost

Unrecognized actuarial gains (losses) Total

### (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	Year ended March 31,		
	2021	2022		
Stocks	69%	64%		
Assets under joint management	14%	19%		
Bonds	6%	6%		
Life insurance general account	4%	1%		
Others	7%	10%		
Total	100%	100%		

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

#### Discount rate

Expected long-term rate of return

Defined benefit corporate pension

Employee pension trust

Year ended March 31,					
2021	2022	2022			
(Unit: mill	ion yen)	(Unit: million US dollars)			
27,449	28,343	231			
3,164	2,990	24			
(3,717)	(4,131)	(33)			
5,972	4,798	39			
(136)	174	1			
587	258	2			
33,318	32,434	265			

#### Breakdown of items recorded in remeasurements of defined benefit plans (before applicable tax effect) was as follows: Veen and ad Manah 24

Year ended March 31,					
2021	2022	2022			
(Unit: mill	(Unit: million US dollars)				
(2,297)	151	1			
26,611	24,948	203			
24,314	25,100	205			

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

Year ended March 31,				
2021	2022	2022		
(Unit: mil	lion yen)	(Unit: million US dollars)		
1,339	1,187	9		
11,877	(12,920)	(105)		
13,216	(11,733)	(95)		

and 2022 were 47% and

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

Year ended March 31,					
2021	2022				
0.30 to 2.55%	0.30 to 2.95%				
1.40 to 7.00%	1.40 to 7.00%				
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, 2021 and 2022 were ¥2,586 million and ¥2,873 million (US\$23 million), respectively.

# XIV. STOCK OPTIONS

# Other ordinary revenues

# 2. Details of the Stock Options Granted

### (1) Details of the stock options

., <u></u>			
	The Dai-ichi Life Insurance	The Dai-ichi Life Insurance	The Dai-ichi Life Insurance
	Company, Limited	Company, Limited	Company, Limited
	1st Series of	2nd Series of	3rd Series of
	Stock Acquisition Rights	Stock Acquisition Rights	Stock Acquisition Rights
Granted persons	10 directors (except outside	11 directors (except outside	11 directors (except outside
	directors) and 16 executive	directors) and 16 executive	directors) and 17 executive
	officers of the Company	officers of the Company	officers of the Company
Class and total	169,800 shares of common stock	318,700 shares of common stock	183,700 shares of common stock
number (*1)			· ·
Grant date	August 16, 2011	August 16, 2012	August 16, 2013
Vesting conditions	The acquisition rights are vested	The acquisition rights are vested	The acquisition rights are vested
Ŭ	on the above grant date.	on the above grant date.	on the above grant date.
Service period	N/A	N/A	N/A
covered			
Exercise period (*2)	From August 17, 2011 to August	From August 17, 2012 to August	From August 17, 2013 to August
	16, 2041	16, 2042	16, 2043
	,	,	10,2010
	The Dai-ichi Life Insurance	The Dai-ichi Life Insurance	Dai-ichi Life Holdings, Inc.
	Company, Limited	Company, Limited	1st Series of
	4th Series of	5th Series of	Stock Acquisition Rights
	Stock Acquisition Rights	Stock Acquisition Rights	
Granted persons	11 directors (except outside	11 directors (except outside	10 directors (except directors
	directors) and 17 executive	directors) and 18 executive	serving as Audit & Supervisory
	officers of the Company	officers of the Company	Committee members and outside
			directors) and 15 executive officers
			of the Company, and 38 directors,
			etc. of the Company's subsidiaries
Class and total	179,000 shares of common stock	110,600 shares of common stock	269,600 shares of common stock
number (*1)			
Grant date	August 18, 2014	August 17, 2015	October 18, 2016
Vesting conditions	The acquisition rights are vested	The acquisition rights are vested	The acquisition rights are vested
	on the above grant date.	on the above grant date.	on the above grant date.
Service period	N/A	N/A	N/A
covered			
Exercise period (*2)	From August 19, 2014 to August	From August 18, 2015 to August	From October 19, 2016 to October
	18, 2044	17, 2045	18, 2046
	10, 2044	17,2043	10, 2040
	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	215,800 shares of common stock		
number (*1)			
Grant date	August 24, 2017		
Vesting conditions	The acquisition rights are vested		
	on the above grant date.		
Service period	N/A		
covered			
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.

	As of March 31,					
2021	2022	2022				
(Unit: mi	llion yen)	(Unit: million US dollars)				
_	21	0				

### 1. Amount recorded as revenue due to forfeiture of stock options as a result of non-exercise of stock options

# (2) Figures relating to the stock options

The following table covers stock options which existed during the fiscal year ended March 31, 2022 and the total number of stock options is translated to the number of shares of common stock.

a) Number of the stock options (shares)

· · ·	<b></b>		
	The Da	ai-ichi Life Insurance Company	
	1st Series of	2nd Series of	3rd Series of
	Stock Acquisition Rights	Stock Acquisition Rights	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	36,800	93,500	66,500
Vested	-	-	-
Exercised	13,000	23,700	13,900
Forfeited	_	-	_
Outstanding at the end			
of the fiscal year	23,800	69,800	52,600
	The Dai-ichi Life Insur	ance Company Limited	Dai-ichi Life Holdings Inc

	The Dai-ichi Life Insura	ance Company, Limited	Dai-ichi Life Holdings, Inc.
	4th Series of	5th Series of	1st Series of
	Stock Acquisition Rights	Stock Acquisition Rights	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	73,600	61,400	163,600
Vested	-	-	-
Exercised	14,500	13,700	38,200
Forfeited	-	2,800	5,600
Outstanding at the end			
of the fiscal year	59,100	44,900	119,800

	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	170,600
Vested	-
Exercised	34,100
Forfeited	5,000
Outstanding at the end	
of the fiscal year	131,500

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.

	The Dai	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	¥2,052 (US\$16)	¥2,052 (US\$16)	¥2,052 (US\$16)			
Fair value at the grant date	¥885 (US\$7)	¥766 (US\$6)	¥1,300 (US\$10)			
	The Dai-ichi Life Insura	Dai-ichi Life Holdings, Inc.				
	4th Series of         5th Series of           Stock Acquisition Rights         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	¥2,052 (US\$16)	¥2,052 (US\$16)	¥2,061 (US\$16)			
Fair value at the grant date	¥1,366 (US\$11)	¥2,318 (US\$18)	¥1,344 (US\$10)			
	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	¥2,063(US\$16)					
Fair value at the grant date	¥1,568 (US\$12)					

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.

# 3. 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,		
	2021	2022	2022
	(Unit: n	nillion yen)	(Unit: million US dollars)
Deferred tax assets:			
Policy reserves and others	505,943	475,841	3,887
Net defined benefits liabilities	147,069	139,537	1,140
Reserve for price fluctuations	73,860	80,284	655
Tax losses carried forward	54,678	49,469	404
Others	67,407	124,936	1,020
Subtotal of deferred tax assets	848,959	870,070	7,108
Valuation allowance on tax losses carried forward	(52,360)	(36,974)	(302)
Valuation allowance on total deductible temporary differences	(55,742)	(22,030)	(179)
Subtotal of valuation allowance	(108,102)	(59,005)	(482)
Total	740,856	811,065	6,626
Deferred tax liabilities:			
Net unrealized gains (losses) on securities, net of tax	(1,122,319)	(880,970)	(7,198)
Other intangible fixed assets	(67,525)	(72,925)	(595)
Others	(97,384)	(104,154)	(851)
Total	(1,287,229)	(1,058,050)	(8,644)
Net deferred tax assets (liabilities)	(546,373)	(246,985)	(2,018)

Note: 1. Valuation allowance decreased by ¥49,097 million (US\$401 million). This decrease is mainly caused by that the Company and its domestic consolidated subsidiaries did not recognize part of valuation allowance in accordance with expected taxable income that is based on the group tax sharing system adopted from the fiscal year ending March 31, 2023.

Note: 2. Tax loss carried forward and the deferred tax assets by carry forward period as follows:

#### As of March 31, 2021

							(Unit: million yen)
	Within 1 year	Over 1 to 2	Over 2 to 3	Over 3 to 4	Over 4 to 5	Over 5 years	Total
		years	years	years	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

(\*1) Tax loss carried forward is calculated by multiplying statutory effective tax rate. (\*2) Deferred tax assets of ¥2,318 million are recorded for tax losses carried forward of ¥54,678 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, 2022

							(Unit: million yen)
	Within 1 year	Over 1 to 2	Over 2 to 3	Over 3 to 4	Over 4 to 5	Over 5 years	Total
	within rycar	years	years	years	years	Over 5 years	Total
Tax losses carried forward (*1)	107	407	1,243	1,402	7,132	39,175	49,469
Valuation allowance	(84)	(388)	(1,233)	(1,378)	(6,995)	(26,895)	(36,974)
Deferred tax assets	22	19	10	24	137	12,280	(*2) 12,494

						(Unit:	million US dollars)
	Within 1 year	Over 1 to 2	Over 2 to 3	Over 3 to 4	Over 4 to 5	Over 5 years	Total
	within year	years	years	years	years	Over 5 years	TOTAL
Tax losses carried forward (*1)	0	3	10	11	58	320	404
Valuation allowance	(0)	(3)	(10)	(11)	(57)	(219)	(302)
Deferred tax assets	0	0	0	0	1	100	(*2) 102

(\*1) Tax loss carried forward is calculated by multiplying statutory effective tax rate.

(\*2) Deferred tax assets of ¥12,494 million (US\$102 million) are recorded for tax losses carried forward of ¥49,469 million (US\$404 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**

Statutory effective tax rate
(Adjustments)
Increase (decrease) in valuation allowance
Difference in tax rate of subsidiaries
Reversal of revaluation reserve for land
Others
Actual effective tax rate after considering deferred taxes

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

Since the Company and its domestic consolidated subsidiaries will adopt the group tax sharing system from the fiscal year ending March 31, 2023, in which the Company will be the tax sharing parent company, the Company has applied the accounting and disclosure treatment of deferred tax accounting related to corporate tax and local corporate tax assuming the application of the group tax sharing system in accordance with Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System (ASBJ PITF No. 42 issued on August 12, 2021) since the end of the fiscal year ended March 31, 2022.

## 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, 2021 and 2022 were ¥35,836 million and ¥32,303 million (US\$263 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, 2021 and 2022 were ¥2,528 million and ¥3,848 million (US\$31 million), respectively. Losses on sale of rental real estate as extraordinary losses was ¥2,548 million for the fiscal year ended March 31, 2021. Gains on sale of rental real estate as extraordinary gains was ¥4,127 million (US\$33 million) for the fiscal year ended March 31, 2022. The carrying amount, net change during the year and the market value of such rental real estate were as follows:

Beginning balance

Net change during year

Ending balance

#### Market value

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 ¥30,668 million, sale of the real estate of ¥19,468 million, depreciation expense of ¥ 13,165 million, impairment loss of ¥2,528 million, during the fiscal year ended March 31, 2021. Net change in carrying amount included cost of acquisition of the real estate of ¥98,927 million (US\$808 million), sale of the real estate of ¥24.096 million (US\$196 million), depreciation expense of ¥13,423 million (US\$109 million), impairment loss of ¥3,848 million (US\$31 million), during the fiscal year ended March 31, 2022. 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

As of March 31,		
2021	2022	
30.62%	30.62%	
(2.94)	(10.63)	
(3.12)	(3.78)	
0.02	(2.40)	
0.03	(0.10)	
24.61	13.71	

Year ended March 31,					
2021	2022	2022			
(Unit: mi	illion yen)	(Unit: million US dollars)			
788,201	787,387	6,433			
(814)	72,549	592			
787,387	859,937	7,026			
1,056,203	1,144,726	9,353			

# 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, 2021:

		Reportable	e Segment		_	Amount on
	Domestic Life Insurance Business	Overseas Insurance Business	Other Business	Total	Adjustments (Note 2)	consolidated financial statements (Note 3)
			(Unit: mi	lion 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

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 was mainly related to ordinary revenues including other ordinary revenues of ¥122,761 million and derivative transaction gains of ¥34,552 million reconciled to provision for policy reserves and derivative transaction losses in the Consolidated Statement of Earnings.

b) Adjustment for segment income (loss) of ¥(172,187) million was mainly related to elimination of dividend income from subsidiaries and affiliated companies. c) Adjustment for segment assets of ¥(2,061,775) million was mainly related to elimination of stocks of subsidiaries and affiliated companies.

d) Adjustment for segment liabilities of ¥(178,288) 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 is reconciled with Ordinary profit booked in the Consolidated Statement of Earnings.

		Reportable	e Segment			Amount on consolidated financial statements (Note 3)
	Domestic Life Insurance Business	Overseas Insurance Business	Other Business	Total	Adjustments (Note 2)	
			(Unit: mil	lion yen)		
Ordinary revenues (Note 1)	6,789,525	2,222,658	9,209	9,021,393	(811,684)	8,209,708
Intersegment transfers	55,628	20,270	207,107	283,006	(283,006)	-
Total	6,845,154	2,242,928	216,317	9,304,400	(1,094,691)	8,209,708
Segment income (loss)	493,936	94,324	197,539	785,800	(194,903)	590,897
Segment assets	49,031,612	16,628,585	2,518,212	68,178,411	(2,297,249)	65,881,161
Segment liabilities	45,985,742	15,173,762	607,939	61,767,443	(294,789)	61,472,654
Other relevant information						
Depreciation of real estate for rent and others	13,439	19	_	13,458	-	13,458
Depreciation	44,646	26,520	186	71,352	_	71,352
Amortization of goodwill	-	5,154	-	5,154	_	5,154
Interest and dividend income	1,004,619	380,242	198,943	1,583,805	(197,013)	1,386,792
Interest expenses	10,391	14,378	3,904	28,673	(1,969)	26,704
Equity in income (loss) of affiliates	-	1,365	4,163	5,529	_	5,529
Extraordinary gains	10,402	364	-	10,766	-	10,766
Extraordinary losses	39,431	361	_	39,792	_	39,792
(Impairment losses)	(3,850)	(-)	(-)	(3,850)	(-)	(3,850)
Taxes	45,810	18,256	950	65,018	_	65,018
Investments in affiliated companies	_	50,987	36,300	87,287	-	87,287
Increase in tangible fixed assets and intangible fixed assets	157,222	6,875	5	164,102	-	164,102

For the fiscal year ended March 31, 2022:

		Reportable	e Segment			Amount on
	Domestic Life Insurance Business	Overseas Insurance Business	Other Business	Total	Adjustments (Note 2)	consolidated financial statements (Note 3)
			(Unit: million	US dollars)		
Ordinary revenues (Note 1)	55,474	18,160	75	73,710	(6,631)	67,078
Intersegment transfers	454	165	1,692	2,312	(2,312)	-
Total	55,929	18,326	1,767	76,022	(8,944)	67,078
Segment income (loss)	4,035	770	1,614	6,420	(1,592)	4,82
Segment assets	400,617	135,865	20,575	557,058	(18,769)	538,28
Segment liabilities	375,731	123,978	4,967	504,677	(2,408)	502,26
Other relevant information						
Depreciation of real estate for rent and others	109	0	-	109	-	10
Depreciation	364	216	1	582	_	58
Amortization of goodwill	_	42	_	42	_	42
Interest and dividend income	8,208	3,106	1,625	12,940	(1,609)	11,33
Interest expenses	84	117	31	234	(16)	21
Equity in income (loss) of affiliates	_	11	34	45	-	4
Extraordinary gains	84	2	-	87	-	8
Extraordinary losses	322	2	-	325	-	32
(Impairment losses)	(31)	-	-	(31)	-	(31
Taxes	374	149	7	531	-	53
Investments in affiliated companies	_	416	296	713	_	71
Increase in tangible fixed assets and intangible fixed assets	1,284	56	0	1,340	-	1,340

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

2. Adjusted amounts were as follows.

a) Adjustment for ordinary revenues of ¥(811,684) million (US\$(6,631) million) was mainly related to ordinary revenues including other ordinary revenues of ¥768,037 million (US\$6,275 million) and ordinary expenses including foreign exchange losses of ¥15,046 million (US\$122 million) reconciled to provision for policy reserves and foreign exchange gains in the Consolidated Statement of Earnings.
b) Adjustment for segment income (loss) of ¥(194,903) million (US\$(1,592) million) was mainly related to elimination of dividend income from subsidiaries and

affiliated companies.

c) Adjustment for segment assets of ¥(2,297,249) million (US\$(18,769) million) was mainly related to elimination of stocks of subsidiaries and affiliated companies.

d) Adjustment for segment liabilities of ¥(294,789) million (US\$ (2,408) 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, 2021:

(1) Product (Service) Segment Information

	Year ende
	(Unit
Premium and other income	
Domestic Life Insurance Business	
Overseas Insurance Business	
Other Business	
Total	

#### (2) Geographic Segment Information

a) Ordinary Revenues	
	Year e
	(L
Ordinary revenues	
Japan	
United States of America	
Other Areas	
Total	

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, 2022

#### (1) Product (Service) Segment Information

	Year ended March 31, 2022			
	(Unit: million yen)	(Unit: million US dollars)		
Premium and other income				
Domestic Life Insurance Business	3,916,438	31,999		
Overseas Insurance Business	1,375,535	11,238		
Other Business	_	-		
Total	5,291,973	43,238		

#### (2) Geographic Segment Information

a) Ordinary Revenues

#### (Uni

#### Ordinary revenues

Japan

United States of America

Other Areas

Total

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

from its business unit in Japan.

ed March 31, 2021
it: million yen)
3,577,998
1,152,302
-
4,730,301

ended March 31, 2021 Unit: million yen)

5,493,689	
1,256,877	
1,077,239	
7,827,806	

Year ended Marc	ch 31, 2022
it: million yen) (Unit: million US dollars)	
5,434,237	44,400
1,545,530	12,627
1,229,940	10,049
8,209,708	67,078

#### The geographic segment information has been omitted as more than 90% of the Group's tangible fixed assets derive

## (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, 2021 and 2022

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, 2021:

-	Year ended March 31, 2021		
	(Unit: million yen)		
	Amortization of Unamortize goodwill goodwill		
Domestic Life Insurance Business	-	-	
Overseas Insurance Business	4,039	42,696	
Other Business	-	-	
Total	4,039	42,696	

For the fiscal year ended March 31, 2022:

	Year ended March 31, 2022			
	(Unit: million yen) (Unit: million US dollars)			US dollars)
	Amortization of goodwill	Unamortized amount of goodwill	Amortization of goodwill	Unamortized amount of goodwill
Domestic Life Insurance Business	-	_	-	_
Overseas Insurance Business	5,154	56,245	42	459
Other Business	_	_	_	_
Total	5,154	56,245	42	459

## 5. Gain on Negative Goodwill by Reporting Segment

For the fiscal years ended March 31, 2021 and 2022 Not applicable

#### 6. Related Party Transactions

For the fiscal years ended March 31, 2021 and 2022 There are no significant transactions to be disclosed.

# XIX. PER SHARE INFORMATION

	As	As of / Year ended March 31,	
	2021	2022	2022
	(Ur	nit: yen)	(Unit: US dollars
Net assets per share	4,329.08	4,302.56	35.15
Net income per share	325.61	383.15	3.13
Diluted net income per share	325.41	382.96	3.12
Note: 1. Underlying basis for the calculation of the net income per sha	are and the diluted	net income per sha	are was as follows:
		Year ended March	31,
	2021	2022	2022
	(Unit: r	nillion yen)	(Unit: million US dollars)
Net income per share			
Net income attributable to shareholders of parent company Net income attributable to other than shareholders of common stock	363,777	409,353	3,344
Net income attributable to shareholders of common stock	363,777	409,353	3,344
Average number of common stock outstanding	1,117,211	1,068,380	1,068,380
	thousand shares	thousand shares	thousand shares
Diluted net income per share			
Adjustments to net income	_		
Increase in the number of common stock	691 thousand	529 thousand	529 thousand
	shares	shares	shares
<ul> <li>[Increase in the number of common stock attributable to subscription rights to shares]</li> <li>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</li> </ul>	[691 thousand shares]	[529 thousand shares]	[529 thousand shares]

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

Net assets

Adjustments

Subscription rights to shares

Net assets attributable to common stock

Number of outstanding common stock

Note: 3. 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 stock during the year ended March 31, 2021 and 2022 was 3,991 thousand shares and 3,003 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, 2021 and 2022 was 3,942 thousand shares and 3,899 thousand shares, respectively.

# XX. SUBSEQUENT EVENTS

1. The board of directors of the Company has resolved, at its meeting held on May 12, 2022, 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.

# (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 90,000,000 shares (8.75% of the total issued and outstanding shares excluding treasury stock)

2021	2022	2022
(Unit: million yen)		(Unit: million US dollars)
4,807,129	4,408,507	36,020
(920)	(694)	(5)
(920)	(694)	(5)
4,806,208	4,407,812	36,014
1,110,214	1,024,462	1,024,462
thousand shares	thousand shares	thousand shares

- c) Aggregate price of shares to be repurchased Up to ¥120 billion (US\$980 million)
- d) Period of repurchase of shares From May13, 2022 to March 31, 2023
- e) Method of repurchase of shares Open-market repurchase by the discretionary trading method

# (3) Details of the share repurchases made by August 31, 2022 as approved by the board of directors on May 12, 2022 are

#### as follows.

- a) Number of shares repurchased 0 shares
- b) Aggregate number of shares to be repurchased ¥0

2. TDLA, a consolidated subsidiary of the Company, had signed an agreement with Westpac Banking Corporation ("Westpac") on name to TAL Life Insurance Services Limited on August 1, 2022.

#### (1) Overview of business combination

a)

Name and business of the	acquired company
Company name	TAL Life Insurance Services
Business	Life insurance and related se

# b) Purpose of the acquisition

- c) Date of business combination
  - August 1, 2022
- d) Legal form of business combination Purchase of shares
- e) Name of the acquired company after the business combination TAL Life Insurance Services Limited
- f) Percentage share of voting rights acquired 100%
- g) Controlling company TDLA is the controlling company as TDLA acquired 100% of voting rights of Westpac Life.

#### (2) Acquisition costs

Consideration paid in cash	900
Total acquisition costs	900

3. The Company, through DLIHD, a consolidated subsidiary of the Company, has decided to acquire Partners Group Holdings Limited ("Partners Life"), a life insurance holding company in New Zealand on August 12, 2022.

#### (1) Overview of business combination

)	Name and business of the	acquired company
	Company name	Partners Life Group Holding
	Business	Life insurance and related se

b) Purpose of the acquisition

The Group aims for acquiring a platform with stable growth through market expansion in the developed market, strengthening the overseas business portfolio through geographical diversification and the improvement of group risk profile and profit growth through the expansion of risk-taking focusing on insurance risk.

- c) Expected date of business combination From December 2022 to April 2023 (\*) (\*) Subject to approvals by the relevant authorities of Japan and New Zealand and is subject to change.
- d) Legal form of business combination Purchase of shares
- e) Percentage share of voting rights acquired 100%
- f) Controlling company DLIHD will be the controlling company as DLIHD will acquire 100% of voting rights of Partners Life.

#### (2) Acquisition costs

Consideration paid in cash	980
Total acquisition costs	980

August 8, 2021 to acquire Westpac Life Insurance Services Limited ("Westpac Life"), an Australian life insurance company and a 20-year exclusive strategic alliance to sell life insurance products through Westpac's banking network in Australia. TDLA has finally acquired Westpac Life since all prescribed conditions of this acquisition have been fulfilled. Westpac Life has changed its

> s Limited services

The Group aims for the expansion of business in Australia leveraging the access to the Westpac's customer base and the reduction of capital cost and profit growth through the expansion of risk-taking focusing on insurance risk.

million AU dollars

million AU dollars

as Limited services

million NZ dollars

million NZ dollars

# XXI. (Unaudited) QUARTERLY INFORMATION

nonths ended mber 30, 2021 3,765,781 234,334 178,474	Nine months ended December 31, 2021 5,673,748 381,799	Year ended March 31, 2022 8,209,708 474,371
3,765,781 234,334	5,673,748	8,209,708
234,334		, ,
,	381,799	474,371
170 /7/		
170 171		
170,474	292,907	409,353
163.45	271.12	383.15
months onded	Three menths and ad	Three months ended
		March 31, 2022
111DEI 30, 2021	December 51, 2021	Watch 51, 2022
37.00	108.24	112.79
57.09	100.24	112.75
nonthe onded	Nino months and ad	Year ended
		March 31, 2022
,	,	,
30,768	40,307	67,078
		0.075
1,914	3,119	3,875
4 450	0.000	0.044
1,458	2,393	3,344
4.00		0.40
1.33	2.21	3.13
months ended	Three months ended	Three months ended
mber 30, 2021	December 31, 2021	March 31, 2022
0.30	0.88	0.92
n	163.45 months ended nber 30, 2021 37.09 onths ended nber 30, 2021 30,768 1,914 1,458 1.33 months ended nber 30, 2021	163.45         271.12           months ended         Three months ended           nber 30, 2021         December 31, 2021           37.09         108.24           onths ended         Nine months ended           nber 30, 2021         December 31, 2021           30,768         46,357           1,914         3,119           1,458         2,393           1.33         2.21           months ended         Three months ended

# Independent Auditor's Report

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

## В

# K

pinion		
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, 2022, 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.		
our opinion, the accompanying consolidated financial e consolidated financial position of the Group as at l erformance and its consolidated cash flows for the ye inciples generally accepted in Japan.	March 31, 2022, and its consolidated financial	
as is for Opinion		
Ve conducted our audit in accordance with auditing super- sponsibilities under those standards are further descri- e Consolidated Financial Statements section of our super- cordance with the ethical requirements that are relev- atements in Japan, and we have fulfilled our other et- quirements. We believe that the audit evidence we have	ribed in the <i>Auditor's Responsibilities for the Audit of</i> report. We are independent of the Group in vant to our audit of the consolidated financial	
usis for our opinion.		
ey Audit Matters	sional judgment, were of most significance in our	
ey Audit Matters ey audit matters are those matters that, in our profess idit of the consolidated financial statements of the cu ontext of our audit of the consolidated financial state ind we do not provide a separate opinion on these mat Appropriateness of the judgement on the recognition	irrent period. These matters were addressed in the ments as a whole, and in forming our opinion thereo tters.	
ey Audit Matters ey audit matters are those matters that, in our profess idit of the consolidated financial statements of the cu ontext of our audit of the consolidated financial state ad we do not provide a separate opinion on these mat Appropriateness of the judgement on the recognition overseas subsidiaries	urrent period. These matters were addressed in the ments as a whole, and in forming our opinion thereo tters.	
ey Audit Matters ey audit matters are those matters that, in our profess idit of the consolidated financial statements of the cu ontext of our audit of the consolidated financial state ind we do not provide a separate opinion on these mat Appropriateness of the judgement on the recognition	irrent period. These matters were addressed in the ments as a whole, and in forming our opinion thereo tters.	

Appropriateness of the judgement on the recognition overseas subsidiaries	on of an impairment loss on goodwill recorded in		
The key audit matter	How the matter was addressed in our audit		
assessed whether an impairment loss should be recognized at each consolidated subsidiary in	focused on included the following:		
accordance with the accounting standards of the country in which each consolidated subsidiary	<ul> <li>Goodwill arising from the acquisition of PLC and its acquisition business</li> </ul>		
resides. In addition, the Company evaluates whether an impairment loss should be recognized on goodwill in the consolidated financial statements 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 generate 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.	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 an impairment loss should be recognized on goodwill, 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.		
(1) Judgement made at consolidated subsidiaries on the recognition of an impairment loss on goodwill	The substantive audit procedures set out below, among others, were performed to assess the appropriateness of PLC's determination of		
<ul> <li>Goodwill arising from the acquisition of PLC and its acquisition business</li> </ul>	whether an impairment loss should be recognized on goodwill and also assess the valuation of the fair value used in the		
PLC assesses, on a regular basis, whether an impairment loss should be recognized on goodwill.	quantitative impairment test. In performing these procedures, a particular attention was given to the effect, if any, of the spread of		
PLC first assesses qualitative factors to determine whether it is more likely than not that	COVID-19 infections on the performance of PLC and each reporting unit.		
the fair value of a reporting unit to which goodwill has been allocated is less than its carrying amount including goodwill (qualitative	<ul> <li>inquiry of management and relevant personnel;</li> </ul>		
assessment for impairment indicators). In accordance with the accounting standards, PLC	• inspection of relevant internal documents;		
has an unconditional option to bypass the qualitative assessment for any reporting unit and proceed directly to performing a quantitative	<ul> <li>assessment of the reliability of historical financial information used in the determination;</li> </ul>		
impairment test described in the following paragraph. Impairment indicators are evaluated in a comprehensive manner, considering whether there has been: deterioration in the 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	<ul> <li>evaluation of the appropriateness of key assumptions adopted in preparing the projected cash flows which were used in the calculation of the fair value, by inspecting relevant internal documents, comparing with available external data and inquiring of management and relevant personnel; and</li> </ul>		
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	• evaluation of the appropriateness of the valuation models and underlying key assumptions, such as the projected cash flows and the discount rates, used in the calculation of the fair value, with the assistance of actuarial specialists and economic valuation specialists employed by the component auditor.		
management judgement.	(ii) Goodwill arising from the acquisition of TDLA		
If it is determined that it is more likely than not that impairment of goodwill exists or PLC	Assessment, in accordance with our group audit		

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

#### The key audit matter

elects to bypass the qualitative assessment for impairment indicators, PLC then compares the fair value of the reporting unit to which the goodwill has been allocated with its carrying amount including goodwill (quantitative impairment test). Key assumptions used to calculate the fair value, such as projected cash flows and discount rates, involve significant estimation uncertainty, and the fair value calculations require a high level of expertise in actuarial valuation and economic valuation.

#### (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) to assess whether an impairment loss should be recognized on goodwill. The 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, involve significant estimation uncertainty, and the actuarial calculations require a high level of expertise in actuarial valuation.

# (2) Judgement made by the Company on the recognition of an impairment loss on 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 been negative for consecutive periods; the recoverable amount of the asset group that includes goodwill has significantly decreased; or the business environments surrounding the asset group that includes goodwill has significantly deteriorated. This impairment assessment by the Company also involves significant management judgement.

If it is determined that there is an impairment indicator, the Company compares the carrying amount of the asset group that includes goodwill with its recoverable amount calculated by the consolidated subsidiaries to determine whether an impairment loss should be recognized on goodwill. As a result of the comparison, if the recoverable amount of the asset group is less than its carrying amount, the carrying amount of the How the matter was addressed in our 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, a particular attention was given to the effect, if any, of the spread of COVID-19 infections on the performance of TDLA and each cash generating unit.

- evaluation of the relevance of the valuation models used and assessment of the appropriateness of changes from the previous year made in the current year; and
- evaluation of the appropriateness of actuarial assumptions used in the calculation, such as discount rates, mortality/morbidity and lapse rates, with the assistance of actuarial specialists employed by the component auditor.

# (2) Judgement made by the Company on the recognition of an impairment loss on goodwill

We assessed the design and operating effectiveness of certain controls over the Company's process to determine whether an impairment loss should be recognized on goodwill. In this assessment, we focused 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.

In addition, we primarily performed the substantive procedures set out below to assess the appropriateness of the Company's determination of whether an impairment loss should be recognized on goodwill. In performing these procedures, a particular attention was given to the effect, if any, of the spread of COVID-19 infections on the performance of the respective consolidated subsidiaries.

inquiry of management and relevant personnel;

overseas subsidiaries			
The key audit matter	How the matter was addressed in our audit		
asset group shall be reduced to its recoverable amount, and this reduction shall be recorded as an impairment loss. 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 matters in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	<ul> <li>inspection of relevant internal documents and confirming the consistency in amounts between those documents; and</li> <li>assessment of the reliability of historical financial information used in the determination.</li> </ul>		

Appropriateness of the judgement on amortization force insurance contracts recorded in overseas subs	
The key audit matter	I
In the consolidated balance sheet of the Group, Other intangible fixed assets of ¥322,218 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 ¥207,570 million was derived from the acquisition of PLC and its acquisition business, and a VIF in the amount of ¥23,259 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	

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 amortized based on the estimated gross profits

# Appropriateness of the judgement on amortization or the recognition of a loss in value of acquired inforce insurance contracts recorded in overseas subsidiaries

# How the matter was addressed in our audit

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 focus 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 employed by the component auditor. In performing these procedures, a particular attention was given to the effect, if any, of the spread of COVID-19 infections on future profits expected from investment-type insurance products of PLC.

- evaluation of the relevance of amortization models; and
- evaluation of the appropriateness 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 instructions, 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

Appropriateness of the judgement on amortization or the recognition of a loss in value of acquired in-	
force insurance contracts recorded in overseas subsidiaries	

reserves.

The key audit matter 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 require 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 has been 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 goodwill impairment testing, the actuarial

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.

How the matter was addressed in our audit

The substantive procedures set out below, among others, were performed with the assistance of actuarial specialists employed by the component auditor. In performing these procedures, a particular attention was given to the effect, if any, of the spread of COVID-19 infections on future cash flows expected from traditional insurance products of PLC.

- · evaluation of the appropriateness 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.

# force insurance contracts recorded in overseas subsidiaries The key audit matter

assumptions used to calculate the embedded value involve 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 matters in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.

Appropriateness of the judgement on amortization or the recognition of a loss in value of acquired in-How the matter was addressed in our audit

Integrated Report 206

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 $\$51,407,655$ million is presented for the	We primarily performed the following procedures: (1) Policy reserves recognized by DL and DFLI		
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	<ul> <li>(1) Policy reserves recognized by DL and DFLI</li> <li>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.</li> <li>We primarily performed the following substantive procedures to evaluate the sufficiency of policy reserves of each consolidated</li> </ul>		
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.	<ul> <li>subsidiary:</li> <li>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</li> <li>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.</li> </ul>		
(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 for Enforcement of the Insurance Business Act. The policy reserves recorded by DL include additional policy reserves for certain whole	<ul> <li>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 COVID-19 infections on future cash flows of each consolidated subsidiary.</li> <li> 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 for Appointed Actuaries of Life Insurance Companies" (the Institute of Actuaries of Japan) and the internal company</li> </ul>		

#### Appropriateness of the judgement on the sufficiency of policy reserves The key audit matter

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 matters in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.

#### How the matter was addressed in our audit 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 of 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 ¥9.378 million, which were the amount considered recoverable offset by applicable deferred tax liabilities, and Deferred tax liabilities of ¥256,364 million are presented for the current fiscal year. 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 ¥811,065 million. As described in Note XV. "DEFERRED TAX ACCOUNTING" under 3. "The Principal Reasons for the Difference between the Statutory Effective Tax Rate and Actual Effective Tax Rate after Considering Deferred Taxes" to the consolidated financial statements, deferred tax assets of ¥762,704 million recognized by the Company and its domestic consolidated subsidiaries (hereinafter the "Tax Sharing Group"), which have elected to adopt the Group Tax Sharing System from the fiscal year ending March 31, 2023, accounted for a majority of the gross deferred tax assets and were of quantitative significance. Major components of deferred tax assets included policy reserves and others, net defined benefits liabilities and reserve for price fluctuations.

The recoverability of deferred tax assets related to corporate tax and local corporate tax recorded by the Tax Sharing Group is mainly determined based on the estimated taxable income of the Tax Sharing Group that reflects future profitability of the Tax Sharing Group as a whole, and it 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 determined for the Tax Sharing Group, 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 judgment 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 matters 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 by the Tax Sharing Group:

#### (1) Internal control testing

We assessed the design and operating effectiveness of relevant controls implemented by the Company and 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 the Company 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 COVID-19 infections on the company classification, estimated future taxable income and the scheduling of the Tax Sharing Group as a whole:

- evaluation of the appropriateness of the company classification of the Tax Sharing Group determined in accordance with the Implementation Guidance No. 26, especially whether significant changes in business environment were expected in the near term;
- confirmation that the business plan of the Tax Sharing Group 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 appropriateness of key assumptions used to prepare the business plan, by inspecting relevant internal documents, comparison with available external data and inquiring of management and relevant personnel;
- evaluation of the reasonableness and feasibility of future taxable income of the Tax Sharing Group by comparing future taxable income estimated in the prior year with actual taxable income in the current fiscal year; and
- evaluation of the appropriateness 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.

## **Other Information**

The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements, the financial statements, and our auditor's reports thereon. Management is responsible for the preparation and presentation of the other information. The Audit & Supervisory Committee is responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### 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:

- due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit 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

Identify and assess the risks of material misstatement of the consolidated financial statements, whether evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a

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, 2022 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

Hatsumi Fujiwara Designated Engagement Partner Certified Public Accountant

KPMG AZSA LLC Tokyo Office, Japan September 28, 2022

<u>Notes to the Reader of Independent Auditor's Report</u>: 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) As of March 31,		(Unit: million US dollars)	
	2021	2022	2022	
(ASSETS)				
Cash and deposits	383,214	444,435	3,631	
Call loans	403,700	479,900	3,921	
Monetary claims bought	252,140	239,896	1,960	
Money held in trust	7,716	12,164	99	
Securities	33,462,279	32,735,396	267,467	
Loans	2,576,064	2,569,190	20,991	
Tangible fixed assets	1,086,447	1,128,321	9,219	
Land	758,555	805,044	6,577	
Buildings	315,822	315,106	2,574	
Leased assets	5,145	4,342	35	
Construction in progress	2,161	551	4	
Other tangible fixed assets	4,762	3,277	26	
ntangible fixed assets	119,638	128,772	1,052	
Software	97,081	98,823	807	
Other intangible fixed assets	22,557	29,949	244	
Reinsurance receivable	28,084	56,701	463	
Other assets	554,045	845,759	6,910	
			373	
Customers' liabilities for acceptances and guarantees	52,861	45,745		
Reserve for possible loan losses	(2,358)	(6,501)	(53)	
Reserve for possible investment losses	(627)	(779)	(6)	
Total assets	38,923,206	38,679,002	316,030	
(LIABILITIES)				
Policy reserves and others	30,844,451	30,131,766	246,194	
Reserves for outstanding claims	148,071	184,666	1,508	
Policy reserves	30,295,380	29,533,878	241,309	
Reserve for policyholder dividends	400,999	413,222	3,376	
Reinsurance payable	1,048	170,408	1,392	
Bonds payable	476,277	368,715	3,012	
Other liabilities	3,340,298	4,371,423	35,717	
Payables under repurchase agreements	2,301,762	2,954,780	24,142	
Other liabilities	1,038,536	1,416,642	11,574	
Net defined benefit liabilities	406,894	383,065	3,129	
Reserve for retirement benefits of directors, executive officers and corporate auditors	998	929	7	
•	800	800	6	
Reserve for possible reimbursement of prescribed claims			2,046	
Reserve for price fluctuations	233,453	250,453		
Deferred tax liabilities	310,360	119,735	978	
Deferred tax liabilities for land revaluation	71,606	70,652	577	
Acceptances and guarantees	52,861	45,745	373	
Total liabilities	35,739,051	35,913,694	293,436	
NET ASSETS)				
Capital stock	60,000	60,000	490	
Capital surplus	370,000	320,000	2,614	
Retained earnings	247,446	249,321	2,037	
Fotal shareholders' equity	677,446	629,322	5,141	
Net unrealized gains (losses) on securities, net of tax	2,536,608	2,130,413	17,406	
Deferred hedge gains (losses)	(3,501)	(21,621)	(176)	
Reserve for land revaluation	(22,026)	16,643	135	
Foreign currency translation adjustments	497	(445)	(3)	
Accumulated remeasurements of defined benefit plans	(4,869)	10,995	89	
Total accumulated other comprehensive income	2,506,708	2,135,985	17,452	
Total net assets	3,184,154	2,765,307	22,594	
Total liabilities and net assets	38,923,206			
ו טנמו וומטווונוכס מווע ווכו מססכנס	30,923,200	38,679,002	316,030	

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

Ordinary revenues	
Premium and other income	
Investment income	
Interest and dividends	
Gains on money held in trust	
Gains on sale of securities	
Gains on redemption of securities	
Other investment income	
Gains on investments in separate accounts	
Other ordinary revenues	
Ordinary expenses	
Benefits and claims	
Claims	
Annuities	
Benefits	
Surrender values	
Other refunds	
Provision for policy reserves and others	
Provision for reserves for outstanding claims	
Provision for interest on policyholder dividends	
Investment expenses	
Interest expenses	
Losses on sale of securities	
Losses on valuation of securities	
Losses on redemption of securities	
Derivative transaction losses	
Foreign exchange losses	
Provision for reserve for possible loan losses	
Provision for reserve for possible investment losses	
Write-down of loans	
Depreciation of real estate for rent and others	
Other investment expenses	
Operating expenses	
Other ordinary expenses	
Ordinary profit	
Extraordinary gains	
Gains on disposal of fixed assets	
Extraordinary losses	
Losses on disposal of fixed assets	
Impairment losses on fixed assets	
Provision for reserve for price fluctuations	
Other extraordinary losses	
Provision for reserve for policyholder dividends	
Income before income taxes	
Corporate income taxes-current	
Corporate income taxes-deferred	
Total of corporate income taxes	
Net income	
INEL INCOME	

		(Unit: million
(Unit: m	illion yen)	US dollars)
	Year ended March 31,	
 2021	2022	2022
3,811,851	4,450,973	36,367
 2,285,515	2,276,222	18,598
1,357,203	1,247,130	10,189
836,660	831,209	6,791
4,849	795	6
371,297	351,106	2,868
15,370	20,207	165
1,202	2,410	19
127,823	41,401	338
169,132	927,619	7,579
 3,439,065	4,072,541	33,275
 2,364,632	3,015,988	24,642
616,314	637,451	5,208
486,953	553,586	4,523
378,685	427,247	3,490
392,747	544,342	4,447
489,930	853,361	6,972
28,898	44,859	366
20,679	36,595	299
8,218	8,264	67
408,404	361,303	2,952
12,358	10,375	84
125,323	221,597	1,810
1,285	8,479	69
6,175	3,545	28
172,879	38,627	315
31,837	10,113	82
1,813	4,393	35
295	247	2
43	41	0
13,171	13,439	109
43,219	50,442	412
404,407	410,696	3,355
232,723	239,692	1,958
 372,786	378,431	3,092
 5,469	10,402	84
 5,469	10,402	84
 27,554	33,425	273
 6,810	12,506	102
2,552	3,850	31
18,000	17,000	138
190	68	0
77,500	87,500	714
273,201	267,909	2,188
77,701	102,283	835
439	(33,661)	(275)
 78,141	68,622	560
 195,059	199,287	1,628
 195,059	199,287	1,628
 	. 30,201	1,020
# Consolidated Statement of Comprehensive Income of The Dai-ichi Life Insurance Company, Limited

			(Unit: million
	(Unit: millio	US dollars)	
	Ye	ear ended March 31	Ι,
-	2021	2022	2022
Net income	195,059	199,287	1,628
Other comprehensive income	614,980	(409,417)	(3,345)
Net unrealized gains (losses) on securities, net of tax	620,191	(406,195)	(3,318)
Deferred hedge gains (losses)	(24,814)	(18,119)	(148)
Reserve for land revaluation	-	(25)	(0)
Foreign currency translation adjustments	592	(942)	(7)
Remeasurements of defined benefit plans, net of tax	19,011	15,864	129
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	0	(0)	(0)
Comprehensive income	810,040	(210,130)	(1,716)
Attributable to shareholders of parent company	810,040	(210,130)	(1,716)

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

CASH FLOWS FROM OPERATING ACTIVITIES	
Income (loss) before income taxes Depreciation of real estate for rent and others	
Depreciation	
Impairment losses on fixed assets	
Increase (decrease) in reserves for outstanding claims	
Increase (decrease) in policy reserves	
Provision for interest on policyholder dividends Provision for (reversal of) reserve for policyholder dividends	
Increase (decrease) in reserve for possible loan losses	
Increase (decrease) in reserve for possible investment losses	
Write-down of loans	
Increase (decrease) in net defined benefit liabilities	
Increase (decrease) in reserve for retirement benefits of directors ,executive officers and corporate auditors	
Increase (decrease) in reserve for price fluctuations	
Interest and dividends	
Securities related losses (gains)	
Interest expenses	
Foreign exchange losses (gains)	
Losses (gains) on disposal of fixed assets Equity in losses (income) of affiliates	
Decrease (increase) in reinsurance receivable	
Decrease (increase) in other assets unrelated to investing and	
financing activities	
Increase (decrease) in reinsurance payable	d
Increase (decrease) in other liabilities unrelated to investing an financing activities	a
Others, net	
Subtotal	-
Interest and dividends received	
Interest paid	
Policyholder dividends paid Others, net	
Corporate income taxes (paid) refund	
Net cash flows provided by (used in) operating activities	-
CASH FLOWS FROM INVESTING ACTIVITIES	_
Net decrease (increase) in cash and deposits	
Purchases of monetary claims bought Proceeds from sale and redemption of monetary claims bought	•
Purchases of money held in trust	L
Proceeds from decrease in money held in trust	
Purchases of securities	
Proceeds from sale and redemption of securities	
Origination of loans Proceeds from collection of loans	
Net increase (decrease) in short-term investing	
Total of net cash provided by (used in) investment transactions	-
Total of net cash provided by (used in) operating activities and	-
investment transactions	-
Acquisition of tangible fixed assets	
Proceeds from sale of tangible fixed assets Acquisition of intangible fixed assets	
Proceeds from sale of intangible fixed assets	
Acquisition of stock of subsidiaries and affiliates	
Net cash flows provided by (used in) investing activities	-
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from borrowings	
Repayment of borrowings	
Redemption of bonds Repayment of financial lease obligations	
Cash dividends paid	
Acquisitions of stock of subsidiaries and affiliates that do not re	sult in
change in scope of consolidation	-
Net cash flows provided by (used in) financing activities	-
Effect of exchange rate changes on cash and cash equivalents	-
Net increase (decrease) in cash and cash equivalents Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the end of the year	-
each and sach equivalents at the end of the year	=

			(Unit: million
	(Unit: millio	on yen)	US dollars)
_	Ye	ear ended March 31,	
	2021	2022	2022
	273,201	267,909	2,188
	13,171	13,439	109
	36,489	39,815	325
	2,552	3,850	31
	20,679	36,595	299
	(908)	(761,501)	(6,221)
	8,218	8,264	67
	77,500	87,500	714
	1,798	4,143	33
	(180)	152	1
	<u>4</u> 3	41	0
	2,134	(1,816)	(14)
	(190)	(69)	(0)
	18,000	17,000	138
	(836,660)	(831,209)	(6,791)
	(381,706)	(179,092)	(1,463)
	12,358	10,375	84
	31,837	10,113	82
	1,038	1,733	14
	181	352	2
	(21,366)	(28,542)	(233)
	8,834	(98,852)	(807)
	(134,441)	169,359	1,383
	(48,673)	(32,782)	(267)
_	208,950	84,076	686
_	(707,138)	(1,179,145)	(9,634)
	859,457	858,307	7,012
	(15,809) (84,461)	(14,613) (83,541)	(119)
	(333,890)	(353,395)	(682) (2,887)
	(65,561)	(87,244)	(2,007)
_	(347,404)	(859,632)	(7,023)
_		(90)	(0)
	(48,967)	(80) (30,229)	(0) (246)
	15,459	39,597	323
	15,455	(5,000)	(40)
	31,348	1,321	10
	(7,450,592)	(6,325,117)	(51,680)
	6,185,137	6,991,915	57,128
	(616,958)	(684,636)	(5,593)
	\$586,560	697,277	5,697
_	1,460,596	653,018	5,335
_	162,583	1,338,068	10,932
_	(184,820)	478,435	3,909
	(35,988)	(96,724)	(790)
	23,282	31,899	260
	(29,591)	(38,936)	(318)
	1 (966)	694 -	5
_	119,321	1,235,000	10,090
	246,600 (139,000)	80,000	653
	(100,000)	(107,562)	(878)
	(1,809)	(1,747)	(14)
in <sup></sup>	(151,078)	(208,716)	(1,705)
	-	(120)	(0)
_	(45,288)	(238,145)	(1,945)
-	920 (272,450)	<u> </u>	0 1,122
_	1,059,365	786,914	6,429
_	786,914	924,255	7,551
=	100,014	52-7,200	7,001

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

### Year ended March 31, 2021 (Unit: million yen) Accumulated other Shareholders' equity comprehensive income Net unrealized Total Deferred hedge Retained gains (losses) Capital stock Capital surplus shareholders' on securities, gains (losses) earnings equity net of tax 21,312 60,000 370,000 629,422 1,916,417 Balance at the beginning of the year 199,422 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 Others 620,191 Net changes of items other than shareholders' equity (24,814) Total changes for the year 48,023 48,023 620,191 (24,814) 370,000 Balance at the end of the year 60,000 247,446 677,446 2,536,608 (3,501)

	A	Accumulated other co	omprehensive incom	ne	
	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
Others					-
Net changes of items other than shareholders' equity	(4,048)	592	19,011	610,931	610,931
otal 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, 2022						(Unit: million yen)	
		Sharehold	ers' 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	247,446	677,446	2,536,608	(3,501)	
Changes for the year							
Dividends		(49,999)	(158,716)	(208,716)			
Net income attributable to shareholders of parent company			199,287	199,287			
Transfer from reserve for land revaluation			(38,695)	(38,695)			
Others			0	0			
Net changes of items other than shareholders' equity					(406,195)	(18,119)	
Total changes for the year	-	(49,999)	1,875	(48,124)	(406,195)	(18,119)	
Balance at the end of the year	60,000	320,000	249,321	629,322	2,130,413	(21,621)	

					(Unit: million yen)		
	A	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	(22,026)	497	(4,869)	2,506,708	3,184,154		
Changes for the year							
Dividends					(208,716)		
Net income attributable to shareholders of parent company					199,287		
Transfer from reserve for land revaluation					(38,695)		
Others					0		
Net changes of items other than shareholders' equity	38,669	(942)	15,864	(370,722)	(370,722)		
Total changes for the year	38,669	(942)	15,864	(370,722)	(418,847)		
Balance at the end of the year	16,643	(445)	10,995	2,135,985	2,765,307		

Year ended March 31, 2022						(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	490	3,023	2,021	5,535	20,725	(28)	
Changes for the year							
Dividends		(408)	(1,296)	(1,705)			
Net income attributable to shareholders of parent company			1,628	1,628			
Transfer from reserve for land revaluation			(316)	(316)			
Others			0	0			
Net changes of items other than shareholders' equity					(3,318)	(148)	
Total changes for the year	-	(408)	15	(393)	(3,318)	(148)	
Balance at the end of the year	490	2,614	2,037	5,141	17,406	(176)	
					(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	(179)	4	(39)	20,481	26,016		
Changes for the year							
Dividends					(1,705)		
Net income attributable to shareholders of parent company					1,628		
Transfer from reserve for land revaluation					(316)		
Others					0		
Net changes of items other than shareholders' equity	315	(7)	129	(3,029)	(3,029)		
Total changes for the year	315	(7)	129	(3,029)	(3,422)		
Balance at the end of the year	135	(3)	89	17,452	22,594		

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022

# 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 ¥122.39=US\$1.00, the foreign exchange rate on March 31, 2022, 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.

# I. GUIDELINES FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

# 1. Scope of Consolidation

(1) The number of consolidated subsidiaries as of March 31, 2022: 1

- The subsidiary of the Company included:
- Dai-ichi Life Insurance Myanmar Ltd.

(2) The number of non-consolidated subsidiaries as of March 31, 2022: 25

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-five 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, 2022: 0

(2) The number of affiliated companies under the equity method as of March 31, 2022: 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 March 31.

# 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.

- 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 determined by the moving average method.

# (5) Available-for-sale Securities

- a) Available-for-sale Securities other than stocks and other securities without market prices of the fiscal year, with cost determined by the moving average method.
- b) Stocks and other securities without market prices

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: (Publicly Issue Cabinet Order No. 119, March 31, 1998)

# 5. Depreciation of Depreciable Assets

(1) Depreciation of Tangible Fixed Assets Excluding Leased Assets March 31, 2016) is calculated by the straight-line 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

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

Available-for-sale Securities other than stocks and other securities without market prices are valued at fair value at the end

Stocks and other securities without market prices are valued at cost determined by the moving average method.

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

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

Estimated useful lives of majo	r 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

The amounts of accumulated depreciation of tangible fixed assets as of March 31, 2021 and 2022 were ¥622,564 million and ¥616,128 million (US\$5,034 million), respectively.

### 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 amounts written off during the fiscal years ended March 31, 2021 and 2022 were ¥1 million and ¥1 million (US\$0 million), respectively.

### 8. **Reserve for Possible Investment Losses**

In order to provide for future investment losses, a reserve for possible investment losses is established for stocks and other securities without market prices and ownership stakes in partnerships, etc. 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

(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, 2022.

(2) Amortization of Actuarial Differences and Past Service Cost 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	-
Interest rate swaps	Loans, government and liabilities
Foreign currency swaps	Foreign currency-denomi currency-denominated loa
Foreign currency forward contracts	Foreign currency-denomi foreign currency-denomin
Currency options	Foreign currency-denomin
Bond over-the-counter options	Foreign currency-denoming
Equity options	Domestic stocks, foreign
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

those of hedging instruments.

(Hedging relationships to which the "Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" is applied) Among the above hedging relationships, the exceptional treatment prescribed in the "Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (PITF No. 40, revised on March 17, 2022) is applied to all hedging relationships included in the scope of the application of the said Treatment. The details of hedging relationships to which the Treatment is applied are as follows:

Hedging accounting method: Special hedge accounting for interest rate swaps Hedging instruments: Interest rate swaps

Hedged items: Loans Type of hedging transactions: Transactions that fix cash flow

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

obligations based on the estimated amounts as of March 31, 2021. The accounting treatment for retirement benefits is as follows.

- Past service cost is amortized under the straight-line method over a certain period (seven years) within the employees'

Hedged items corporate bonds, loans payable, bonds payable, insurance

ninated bonds, foreign currency-denominated loans, foreign pans payable, foreign currency-denominated bonds payable ninated bonds, foreign currency-denominated term deposits, inated stocks (forecasted transaction) ninated bonds

ninated bonds

currency-denominated stocks (forecasted transaction)

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

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. Changes in Accounting Policies

Effective the fiscal year ended March 31, 2022, the Company have applied "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, issued on July 4, 2019) and others.

In accordance with the transitional provision set forth in Item 19 of "Accounting Standards for Fair Value Measurement" and Item 44-2 of "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, revised on July 4, 2019), the Company have applied new accounting policies since the beginning of the fiscal year ended March 31, 2022. As a result, in principle, while fair value of domestic stocks was previously determined based on the average market price over the month preceding the consolidated balance sheet date, from the end of the fiscal year ended March 31, 2022, fair value of domestic stocks is determined based on the market price as of the consolidated balance sheet date.

Also, the Company has disclosed matters concerning fair value of financial instruments and breakdown by input level in "18. Financial Instruments and Others".

### **17. 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.

# 18. 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 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 issued 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.

elc.

# (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 the calculation of those values adopts certain assumptions, those values may vary in case different assumptions are
 applied.

# (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, 2021 and 2022 were as follows.

	As	of March 31, 202	1
	Carrying amount	Fair value	Gains (losses)
	(	Unit: million yen)	
(1) Monetary claims bought	252,140	252,140	-
(2) Money held in trust	7,716	7,716	-
(3) Securities(*2)			
a. Trading securities	936,743	936,743	-
b. Held-to-maturity bonds	48,646	50,321	1,675
c. Policy-reserve-matching bonds	13,332,171	15,520,087	2,187,915
d. Stocks of subsidiaries and affiliated companies	343	451	108
e. Available-for-sale securities	18,844,324	18,844,324	-
(4) Loans	2,576,064		
Reserves for possible loan losses(*3)	(850)		
	2,575,213	2,633,115	57,901
Total assets	35,997,297	38,244,898	2,247,601
(1) Bonds payable	476,277	509,676	33,399
(2) Long-term borrowings	390,600	390,394	(205)
Total liabilities	866,877	900,070	33,193
Derivative transactions(*4)			
a. Hedge accounting not applied	[5,691]	[5,691]	_
b. Hedge accounting applied	[295,152]	[295,773]	(621)
Total derivative transactions	[300,843]	[301,465]	(621)

(\*) Sub-rate appoint, but hans, and parallel inter reprinted agreements are net maded and any are many are

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

(\*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 year ended March 31, 2021, impairment charges of ¥1,192 million was recorded.

(\*3) Excluding general reserves for possible loan losses and specific reserves for possible loan losses related to loans. (\*4) Credits/debts from derivative transactions are presented on a net basis. Figures in [] are net debts.

	Carrying amount	Fair value	Gains (Losses)	Carrying amount	Fair value	Gains (Losses)		
		(Unit: million yen)		(Un	it: million US doll	ars)		
(1) Monetary claims bought	239,896	239,896	-	1,960	1,960	-		
(2) Money held in trust	12,164	12,164	-	99	99	-		
(3) Securities(*2)								
<ul> <li>a. Trading securities</li> </ul>	1,043,161	1,043,161	-	8,523	8,523	-		
<ul> <li>b. Held-to-maturity bonds</li> </ul>	48,678	49,563	884	397	404	7		
<ul> <li>c. Policy-reserve-matching bonds</li> </ul>	14,257,659	15,739,225	1,481,566	116,493	128,598	12,105		
<ul> <li>Available-for-sale securities</li> </ul>	16,695,365	16,695,365	-	136,411	136,411	-		
(4) Loans	2,569,190			20,991				
Reserve for possible loan losses (*3)	(4,819)			(39)				
	2,564,371	2,596,244	31,873	20,952	21,212	260		
Total assets	34,861,295	36,375,620	1,514,324	284,837	297,210	12,372		
(1) Bonds payable	368,715	371,486	2,771	3,012	3,035	22		
(2) Long-term borrowings	470,600	465,819	(4,780)	3,845	3,806	(39		
Total liabilities	839,315	837,305	(2,009)	6,857	6,841	(16		
Derivative transactions (*4)								
a. Hedge accounting not applied	[15,423]	[15,423]	-	[126]	[126]			
b. Hedge accounting applied	[478,410]	[477,826]	584	[3,908]	[3,904]	4		
Total derivative transactions	[493,834]	[493,250]	584	[4,034]	[4,030]			

and (\*2) The carrying amount of stocks and other securities without market prices and ownership stakes in partnerships, etc. on the consolidated balance sheet are as follows. They are not included in the fair value of (3) Securities.

# Stocks and other securities without market prices

(\*a)(\*c)

# Ownership stakes in partnerships, etc.(\*b)(\*c)

(\*a) Stocks and other securities without market prices include unlisted stocks, etc. and are not subject to disclosure of fair value in accordance with Paragraph 5 of the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19 revised on March 31, 2020). (\*b) Ownership stakes in partnerships, etc. mainly include stakes in anonymous associations and investment partnerships. They are not subject to disclosure of fair value in accordance with Paragraphs 26 or 27 of the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31 issued on July 4, 2019).

(\*c) Impairment loss of ¥1,155 million (US\$9 million) was recognized in the fiscal year ended March 31, 2022.

(\*3) Excluding general reserves for possible loan losses and specific reserves for possible loan losses related to loans. (\*4) Credits/debts from derivative transactions are presented on a net basis. Figures in [] are net debts.

As of March 31 2022

As of March 31, 2022				
Carrying am	ount			
(Unit: million yen)	(Unit: million US dollars)			
51,463	420			
639,068	5,221			
ks, etc. and are not subject to disclosure of f	air value in accordance with Paragraph 5 of the			

ers Concerning Fair Value of Financial Instruments and Breakdown by Input Level e fair values of financial instruments are classified into the following three levels based on the observability and	(i) Financiai assets and liabilities m		easured at fair value on the consolidated balance sheet Fair value			
icance of the inputs used to measure fair value:	As of March 31, 2022	Level 1	Level 2	Level 3	Total	
		Level I			TOLAT	
1: Fair value determined based on the observable inputs, such as quoted prices in active markets for identical assets			(Unit: millio			
lities.	Monetary claims bought	-	-	239,896	239,89	
ar value determined based on observable inputs other than Level 1 inputs	Money held in trust(*1)	8,334	1,855	-	10,19	
	Securities(*1)					
value determined based on significant unobservable inputs	Trading securities	582,361	127,840	12	710,21	
puts with a significant impact are used for the fair value measurement of a financial instrument, the financial	Available-for-sale securities					
classified into the lowest priority level of fair value measurement in which each input belongs.	Government bonds	1,896,749	-	-	1,896,74	
	Local government bonds	-	15,782	-	15,78	
	Corporate bonds	-	1,246,704	7,966	1,254,6	
	Domestic stocks	3,249,996	-	-	3,249,9	
	Foreign bonds	2,331,995	5,398,685	155,966	7,886,0	
	Other foreign securities	358,940	148,500	20,855	528,2	
	Other securities	3,064	-	-	3,0	
	Derivative transactions				,	
	Currency-related	-	33,200	-	33,2	
	Interest-related	-	29,942	-	29,	
	Stock-related	6,354	20,012	-	6	
	Bond-related	12,847	1,807	-	0, 14,	
	Others	12,047	150	-	14,	
	Total assets	8,450,643	7,004,472	424,697	15,879	
	Derivative transactions	0,700,040	1,007,712	1001	10,079	
	Currency-related	-	545,905	-	545,	
	Interest-related	-	6,129	-	545, 6,	
	Stock-related	- 6 51/				
		6,514	30	-	6, 10	
	Bond-related	17,229	2,311	-	19,	
	Others	-	20	-		
	Total liabilities	23,743	554,397	-	578,1	
	As of March 21, 2022	Fair value				
	As of March 31, 2022	Level 1	Level 2	Level 3	Total	
			(Unit: million L	JS dollars)		
	Monetary claims bought	-	-	1,960	1,9	
	Money held in trust(*1)	68	15	-	۰,	
	Securities(*1)	00	10	-		
	Trading securities	4,758	1,044	0	5,	
	Available-for-sale securities	7,750	1,044	0	Э,	
	Government bonds	15,497	-	-	15	
	Local government bonds		- 128			
	Corporate bonds	-	128	- 65	10	
	Domestic stocks	- 06 EEA				
		26,554	-	-	26	
	Foreign bonds	19,053	44,110	1,274	64	
	Other foreign securities	2,932	1,213	170	4	
	Other securities	25	-	-		
	Derivative transactions		- · ·			
	Currency-related	-	271	-		
	Interest-related	-	244	-		
	Stock-related	51	0	-		
	Bond-related	104	14	-		
	Others	-	1	-		
	Total assets	69,046	57,230	3,470	129,	
	Derivative transactions					
	Currency-related	-	4,460	-	4,	
	Interest-related	-	50	-		
	Stock-related	53	0	-		
	Bond-related	140	18	-		
			-			
	Others	-	0	-		

As of Marsh 24, 2022		Fair va	lue	
As of March 31, 2022	Level 1	Level 2	Level 3	Total
		(Unit: millio	n yen)	
Monetary claims bought	-	-	239,896	239,89
Money held in trust(*1)	8,334	1,855	-	10,19
Securities(*1)				
Trading securities	582,361	127,840	12	710,21
Available-for-sale securities				
Government bonds	1,896,749	-	-	1,896,74
Local government bonds	-	15,782	-	15,78
Corporate bonds	-	1,246,704	7,966	1,254,67
Domestic stocks	3,249,996	-	-	3,249,99
Foreign bonds	2,331,995	5,398,685	155,966	7,886,64
Other foreign securities	358,940	148,500	20,855	528,29
Other securities	3,064	-	-	3,06
Derivative transactions				
Currency-related	-	33,200	-	33,20
Interest-related	-	29,942	-	29,94
Stock-related	6,354	1	-	6,35
Bond-related	12,847	1,807	-	14,65
Others	-	150	-	15
Total assets	8,450,643	7,004,472	424,697	15,879,81
Derivative transactions				
Currency-related	-	545,905	-	545,90
Interest-related	-	6,129	-	6,12
Stock-related	6,514	30	-	6,54
Bond-related	17,229	2,311	-	19,54
Others	-	20	-	2
Total liabilities	23,743	554,397	-	578,14
As of March 31, 2022		Fair val		<b>-</b> · · ·
	Level 1	Level 2	Level 3	Total
		(Unit: million U		
Monetary claims bought	-	-	1,960	1,96
Money held in trust(*1)	68	15	-	8
Securities(*1)				
Trading securities	4,758	1,044	0	5,80
Available-for-sale securities				
Government bonds	15,497	-	-	15,49
Local government bonds	-	128	-	12
Corporate bonds	-	10,186	65	10,25
Domestic stocks	26,554	-	-	26,55
Foreign bonds	19,053	44,110	1,274	64,43
Other foreign securities	2,932	1,213	170	4,31
Other securities	25	-	-	2
Derivative transactions				
Currency-related	-	271	-	27
Interest-related	-	244	-	24
Stock-related	51	0	-	5
Bond-related	104	14	-	11
Others	-	1	-	
Total assets	69,046	57,230	3,470	129,74
Derivative transactions				
Currency-related	-	4,460	-	4,46
Interest-related	-	50	-	5
Stock-related	53	0	-	5
Bond-related	140	18	-	15
		0	_	
Others	- 193	4,529	-	4,72

2019), mutual funds to which transitional provisions were applied are not included in the table above. The amounts of such mutual funds on the consolidated balance sheet are ¥1,974 million (US\$16 million) in money held in trust and ¥2,193,105 million (US\$17,918 million) in securities.

# (ii) Financial assets and liabilities not measured at fair value on the consolidated balance sheet

	Fair value					
As of March 31, 2022	Level 1	Level 2	Level 3	Total		
	(Unit: million yen)					
Securities						
Held-to-maturity bonds						
Government bonds	48,407	-	-	48,407		
Foreign bonds	-	-	1,155	1,155		
Policy-reserve-matching bonds						
Government bonds	14,992,503	-	-	14,992,503		
Local government bonds	-	99,600	-	99,600		
Corporate bonds	-	576,876	-	576,876		
Foreign bonds	-	70,244	-	70,244		
Loans	-	-	2,596,244	2,596,244		
Total assets	15,040,910	746,722	2,597,400	18,385,033		
Bonds payable	-	371,486	-	371,486		
Long-term borrowings	-	-	465,819	465,819		
Total liabilities	-	371,486	465,819	837,305		

As af Marsh 24, 2022		Fair value					
As of March 31, 2022	Level 1	Level 2	Level 2 Level 3				
		(Unit: million L	JS dollars)				
Securities							
Held-to-maturity bonds							
Government bonds	395	-	-	395			
Foreign bonds	-	-	9	9			
Policy-reserve-matching bonds							
Government bonds	122,497	-	-	122,497			
Local government bonds	-	813	-	813			
Corporate bonds	-	4,713	-	4,713			
Foreign bonds	-	573	-	573			
Loans	-	-	21,212	21,212			
Total assets	122,893	6,101	21,222	150,216			
Bonds payable	-	3,035	-	3,035			
Long-term borrowings	-	-	3,806	3,806			
Total liabilities	-	3,035	3,806	6,841			

(Note 1) Description of the evaluation methods and inputs used to measure fair value

Assets

# Monetary claims bought

The fair value of monetary claims bought is measured using the price obtained by outside contractors and counterparty financial institutions. Since significant unobservable inputs are used for the price obtained, the fair value of monetary claims bought is classified into Level 3.

## Money held in trust

The fair value of money held in trust is measured using the price obtained by counterparty financial institutions. Money held in trust is classified into either Level 1 or Level 2, mainly based on constituents held in trust. Of the components of trust assets, mutual funds are not classified into any level, applying the transitional provisions in accordance with Paragraph 26 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31 issued on July 4, 2019).

### Securities

The fair value of securities for which unadjusted quoted market prices in active markets are available is classified into Level 1. These include stocks and government bonds, among others. If the market is not active, the fair value of securities is classified into Level 2, irrespective of whether disclosed quoted market prices are used.

The fair value of bonds for which quoted market prices are not used as fair value is measured mainly using prices obtained from outside contractors and counterparty financial institutions. The present value of these prices is calculated by discounting future cash flows at a discount rate (i.e., a risk-free interest rate that takes into account credit spread). The fair value of bonds is classified into Level 2 if observable inputs are used in the calculation, and Level 3 if significant unobservable inputs are used.

The fair value of mutual funds is based on prices obtained from counterparty financial institutions and are not classified into any level, applying the transitional measures in accordance with Paragraph 26 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31 issued on July 4, 2019).

### 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 periods which are assumed to be applied to new loans to the subject borrower

# Loans are classified into Level 3.

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 as of March 31, 2022. 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 and classified into Level 3.

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 and classified into Level 3.

# Liabilities

### Bonds payable

The fair value of bonds payable for which quoted market prices can be used is based on the quoted market prices. Bonds payable are classified into Level 2.

### Long-term borrowings

The fair value of long-term borrowings is calculated by discounting future cash flows, using interest rates corresponding to the internal credit rating and remaining periods which are assumed to be applied to new borrowings. Long-term borrowings are classified into Level 3.

# **Derivative Transactions**

The fair value of listed derivative transactions for which unadjusted quoted market prices in active markets are available is classified into Level 1. These mainly include stock-related transactions and bond-related transactions. If the market is not active, the fair value of listed derivative transactions is classified into Level 2, irrespective of whether disclosed quoted market prices are used. The fair value of over-the-counter derivative transactions is mainly based on the prices calculated using discounted present values obtained from outside contractors and counterparty financial institutions and option valuation models, etc. The inputs used in the valuation method for calculating the price of over-the-counter derivative transactions are mainly interest rate, foreign exchange rate, and volatility. Since no significant unobservable inputs are used or their effects are not significant, the fair value of

over-the-counter derivative transactions is classified into Level 2.

# (Note 2) Quantitative information about financial assets and liabilities measured and stated on the consolidated balance sheet at fair value and classified into Level 3

(i) Quantitative information on significant unobservable inputs

20,248

securities

	Valuation method	Significant unobservable input	Range
Securities			
Available-for-sale securities			
Other foreign securities	Discounted cash flow	Discount rate	5.87%

(ii) Reconciliation between the beginning and ending balance, and net unrealized gains (losses) recognized in the earnings of the current fiscal year

		comprehen	es) or other sive income nt fiscal year	Variable			Gains (losses) on valuation of financial assets	
	Balance at the beginning of the year	Gains (losses) recorded in consolidated statement of earnings (*1)	Amount recorded in other comprehensive income (*2)	amount (net amount) by purchase, sale, issue and settlement	Transfer to Level 3(*3)	Balance at the end of the year	and liabilities held at the consolidated balance sheet date out of amounts recognized in consolidated statement of earnings(*1)	
				(Unit: million	yen)			
Monetary claims bought Securities	252,140	(1,831)	(1,073)	(9,338)	-	239,896	(1,777)	
Trading securities Available-for-sale securities	-	-	-	-	12	12	-	
Corporate bonds	8,182	774	(4)	(985)	-	7,966	682	
Foreign bonds	145,943	3,853	3,993	2,176	-	155,966	8,610	
Other foreign	20 248	-	2 483	(1 875)		20.855		

2,483

	Gains (loss comprehens in the currer		Variable			Gains (losses) on valuation of financial assets
Balance at the beginning of the year	Gains (losses) recorded in consolidated statement of earnings (*1)	Amount recorded in other comprehensive income (*2)	amount (net amount) by purchase, sale, issue and settlement	Transfer to Level 3(*3)	Balance at the end of the year	and liabilities held at the consolidated balance sheet date out of amounts recognized in consolidated statement of earnings(*1)

(1,875)

20,855

			(Unit: I	million US doll	ars)		
Monetary claims bought Securities	2,060	(14)	(8)	(76)	-	1,960	(14)
Trading securities Available-for-sale securities	-	-	-	-	0	0	-
Corporate bonds	66	6	(0)	(8)	-	65	5
Foreign bonds	1,192	31	32	17	-	1,274	70
Other foreign securities	165	-	20	(15)	-	170	-

(\*1) Gain/Loss recorded as investment income and investment expenses in consolidated statement of earnings.

(\*2) Gain/Loss recorded in net unrealized gains (losses) on securities, net of tax of Other comprehensive income in consolidated statement of comprehensive income (\*3) Transfer from Level 2 to Level 3 due to the lack of observable market data due to decreased market activity.

(iii) Description of the fair value valuation process

The Company and its subsidiaries have established policies and procedures for measuring the fair value and classifying the fair value level in the accounting department. In accordance with these policies and procedures, the investment management service department selects the fair value valuation model, and then measures the fair value and classifies the fair value by level. For such fair value, the appropriateness of the valuation methods and inputs used in the measurement of the fair value and the appropriateness of the classification of the level of fair value are verified. In addition, when using the quoted market prices obtained from a third party as fair value, the validity is verified by appropriate methods such as confirmation of the valuation method and inputs used and comparison with the fair value of similar financial instruments.

(iv) Explanation of the sensitivity of the fair value to changes in significant unobservable input Discount rate is an adjustment rate to the base market interest rate and adjusted by reflecting the uncertainty of cash flows and the liquidity of financial instruments. In general, a significant increase (decrease) in the discount rate results in a significant decrease (increase) in the fair value.

# 19. 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 and 2022 were ¥35,836 million and ¥32,303 million (US\$263 million), respectively. The rental income was included in investment income and the rental expense was included in investment expenses. Gains on sale as extraordinary gains for the fiscal year ended March 31, 2021 and 2022 were ¥2,548 million and ¥4,127 million (US\$33 million), respectively. Impairment losses on rental real estate as extraordinary losses for the fiscal year ended March 31, 2021 and 2022 were ¥2,528 million and ¥3,848 million (US\$31 million), respectively. The carrying amount, net change during the year and the fair value of such rental real estate, were as follows:

	As of March 31,			
	2021	2022	2022	
	(Unit: m	illion yen)	(Unit: millior US dollars)	
Carrying amount				
Beginning balance	788,201	787,387	6,433	
Net change for the year	(814)	72,549	592	
Ending balance	787,387	859,937	7,026	
Fair value	1,056,203	1,144,726	9,353	

(\*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, sale of the real estate of ¥19,468 million, depreciation expense of ¥13,165 million, and impairment loss of ¥2,528 million, during the fiscal year ended March 31, 2021.

Net change in the carrying amount included cost of acquisition of the real estate of ¥98,927 million (US\$808 million), sale of the real estate of ¥24,096 million (US\$196 million), depreciation expense of ¥13,423 million (US\$109 million), and impairment loss of ¥3,848 million (US\$31 million), during the fiscal year ended March 31, 2022.

(\*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.

# 20. 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 and 2022 were ¥2,246,652 million and ¥4,669,012 million (US\$38,148 million), respectively.

# 21. Risk-managed claims

The amounts of claims against bankrupt and guasi-bankrupt obligors, claims with collection risk, claims that are overdue for three months or more, and claims with repayment relaxation, which were included in claims, were as follows:

Claims against bankrupt and quasi-bankrupt obligors(*1)
Claims with collection risk (*2)
Claims that are overdue for three months or more (*3)
Claims with repayment relaxation(*4)
Total

(\*1) Claims against bankrupt and quasi-bankrupt obligors are loans to borrowers who are subject to bankruptcy, corporate reorganization or rehabilitation or other similar proceedings and other borrowers in serious financial difficulties. (\*2) Claims with collection risk are loans to obligors (other than bankrupt and quasi-bankrupt obligors) with deteriorated financial

		,	
	As	of March 31	1,
2021		2022	2022
(L	Jnit: million y	(Unit: million US dollars)	
	67	79	0
3,2	16	7,273	59
	-	-	-
8	33	1,108	9
4,1	17	8,460	69

condition and results of operations from which it is unlikely that the principal and interest on the loans will be recovered.

- (\*3) Claims that are overdue for three months or more are loans for which payment of principal or interest is delayed for three months or more from the day following the contracted payment date. This category excludes claims against bankrupt and quasi-bankrupt obligors and claims with collection risk.
- (\*4) Claims with repayment relaxation are loans for which certain concessions favorable to the debtor, such as interest rate reduction and exemption, interest payment deferment, principal repayment deferment, debt waiver, etc., for the purpose of rebuilding or supporting the debtor. This category excludes claims against bankrupt and quasi-bankrupt obligors, claims with collection risk and claims that are overdue for three months or more.

As a result of the direct write-off of claims described in Note 7, the decreases in claims against bankrupt and quasi-bankrupt obligors as of March 31, 2021 and 2022 were ¥1 million and ¥1 million (US\$0 million), respectively.

(\*5) Claims against normal obligors who don't have any specific problems with financial conditions and operations, are all other claims excluding claims mentioned in above. The amounts of Claims against normal obligors as of March 31, 2021 and 2022 were ¥4,885,696 million and ¥7,317,803 million (US\$59,790 million), respectively.

# 22. 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, 2021 and 2022 were ¥1,575,100 million and ¥1,765,033 million (US\$14,421 million), respectively. Separate account liabilities were the same amount as the separate account assets.

# 23. Contingent Liabilities

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

		As of March 31,	
	2021	2022	2022
	(Unit: million ven)		(Unit: million US dollars)
Dai-ichi Life Holdings, Inc.	250,002	250,002	2,042

# 24. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	As of March 31,		
	2021	2022	2022
	(Unit: mil	llion yen)	(Unit: million US dollars)
Balance at the beginning of the fiscal year	399,742	400,999	3,276
Dividends paid during the fiscal year	84,461	83,541	682
Interest accrual during the fiscal year	8,218	8,264	67
Provision for reserve for policyholder dividends	77,500	87,500	714
Balance at the end of the fiscal year	400,999	413,222	3,376

# 25. Stocks of Subsidiaries and Affiliated Companies

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

		As of March 31,	
	2021	2022	2022
	(Unit: million yen)		(Unit: million US dollars)
Stocks	4,788	4,337	35
Capital	166,145	188,193	1,537
Total	170,933	192,531	1,573

# 26. Organizational Change Surplus

As of March 31, 2021 and 2022, the amounts of organizational change surplus stipulated in Article 91 of the Insurance Business Act were ¥117,776 million and ¥117,776 million (US\$962 million), respectively.

# 27. Assets Pledged as Collateral / Secured Liabilities The amounts of securities and cash and deposits pledged as collateral were as follows:

Securities Cash and deposits

Total

The amounts of secured liabilities were as follows:

# Payables under repurchase agreements

The amounts of "Securities" pledged as collateral under repurchase agreements as of March 31, 2021 and 2022 were ¥2,074,617 million and ¥2,797,311 million (US\$22,855 million), respectively.

### 28. Net Assets per Share

The amounts of net assets per share of the Company as of March 31, 2021 and 2022 were ¥530,692,467.11 and ¥460,884,611.14(US\$3,765,704.80 million), respectively.

### 29. 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

# a. Beginning balance of the projected benefit obligations

- b. Service cost
- c. Interest cost
- d. Accruals of actuarial (gains) and losses
- e. Payment of retirement benefits
- f. Accuruals of past service cost
- g. Others
- h. Ending balance of the projected benefit obligation (a + b + c + d + e + f + g)

b) Reconciliations of beginning and ending balances of pension assets

- a. Beginning balance of pension assets
- b. Estimated return on assets
- C. Accruals of actuarial (gains) and losses
- d. Contribution from the employer
- e. Payment of retirement benefits
- f. Ending balance of pension assets (a + b + c + d + e)

	As of March 31,	
2021	2022	2022
(Unit: m	illion yen)	(Unit: million US dollars)
2,308,573	3,227,718	26,372
86	86	0
2,308,659	3,227,805	26,373

	As of March 31,	
2021	2022	2022
(Unit: mi	llion yen)	(Unit: million US dollars)
2,301,762	2,954,780	24,142

Y	ear ended March	31,
2021	2022	2022
(Unit: mi	illion yen)	(Unit: million US dollars)
684,256	686,771	5,611
25,769	26,177	213
2,050	2,058	16
5,543	(577)	(4)
(32,125)	(33,345)	(272)
2,160	-	-
(883)	(911)	(7)
686,771	680,173	5,557

١	ear ended March	31,
2021	2022	2022
(Unit: mi	llion yen)	(Unit: million US dollars)
253,121	279,877	2,286
1,753	1,837	15
28,511	17,103	139
6,746	6,719	54
(10,254)	(8,430)	(68)
279,877	297,107	2,427

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

	Year ended March 31,		
	2021	2022	2022
	(Unit: million yen)		(Unit: million US dollars)
a. Projected benefit obligation for funded pensions	365,467	359,773	2,939
b. Pension assets	(279,877)	(297,107)	(2,427)
c. Subtotal (a + b)	85,590	62,665	512
<ol> <li>Projected benefit obligation for unfunded pensions</li> </ol>	321,304	320,399	2,617
<ul> <li>Net of assets and liabilities recorded in the consolidated balance sheet (c + d)</li> </ul>	406,894	383,065	3,129
f. Net defined benefit liabilities	406,894	383,065	3,129
9. Net defined benefit assets	-	-	-
h. Net of assets and liabilities recorded in the balance sheet (f + g)	406,894	383,065	3,129

d) Amount of the components of retirement benefit expenses

		Year ended March 31,		
		2021	2022	2022
		(Unit: million yen)		(Unit: million US dollars)
a.	Service cost	25,769	26,177	213
b.	Interest cost	2,050	2,058	16
C.	Expected return on assets	(1,753)	(1,837)	(15)
d.	Expense of actuarial (gains) and losses	5,618	4,114	33
e.	Expense of past service cost	(136)	174	1
f.	Others	190	68	0
g.	Retirement benefit expenses for defined benefit plans (a + b + c + d + e + f)	31,738	30,755	251

e) 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,		
	2021	2022	2022
	(Unit: million yen)		(Unit: million US dollars)
Past service cost	(2,297)	151	1
Actuarial gains (losses)	28,672	21,860	178
Total	26,375	22,012	179

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:

	Year ended March 31,		
	2021	2022	2022
	(Unit: million yen)		(Unit: million US dollars)
Unrecognized past service cost	1,339	1,187	9
Unrecognized actuarial gains (losses)	5,416	(16,443)	(134)
Total	6,755	(15,256)	(124)

# g) Pension assets

i The main components of the pension assets Ratios of the major assets to the total pension assets were as follows:

	Year ended March 31,		
	2021	2022	
Stocks	70%	64%	
Assets under joint management	15%	21%	
Life insurance general account	4%	1%	
Bonds	3%	2%	
Others	8%	12%	
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, 2021 and 2022 were 53% and 56%, respectively.

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

Expected long-term rate of return

Defined benefit corporate pension

Employee pension trust

i) Defined Contribution Plans

Required amounts of contribution to defined contribution plans of the Company for the fiscal years ended March 31, 2021 and 2022 were ¥1,566 million and ¥1,602 million (US\$13 million), respectively.

# 30. Securities Borrowing

Securities borrowed under borrowing agreements can be sold or pledged as collateral. As of March 31, 2021 and 2022, the market value of the securities which were not sold or pledged as collateral were ¥ 2,343 million and ¥4,692 million (US\$38 million). None of the securities were pledged as collateral as of March 31, 2021 and 2022, respectively.

# 31. Commitment Line

As of March 31, 2021 and 2022, there were unused commitment line agreements, under which the Company was the lenders, of ¥ 78,478 million and ¥ 43,321 million (US\$353 million), respectively.

# 32. Subordinated Debt and Other Liabilities

As of March 31, 2021 and 2022, other liabilities included subordinated debt of ¥390,600 million and ¥470,600 million (US\$3,845 million), respectively, whose repayment is subordinated to other obligations.

# 33. Bonds Payable

As of March 31, 2021 and 2022, bonds payable included foreign currency-denominated subordinated bonds of ¥476,277 million and ¥368,715 million (US\$3,012 million), respectively, whose repayment is subordinated to other obligations.

# 34. 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 and 2022 were ¥44,307 million and ¥47,066 million (US\$384 million), respectively. These obligations will be recognized as operating expenses for the years in which they are paid.

# 35. Application of the Group Tax Sharing System

Since the Company will adopt the group tax sharing system from the fiscal year ending March 31, 2023, in which Dai-ichi Life Holdings, Inc. will be the tax sharing parent company, the Company has applied the accounting and disclosure treatment of deferred tax accounting related to corporate tax and local corporate tax assuming the application of the group tax sharing system in accordance with Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System (ASBJ PITF No. 42 issued on August 12, 2021) since the end of the fiscal year ended March 31, 2022.

Year ended March 31,				
2021	2022			
0.30%	0.30%			
1.40%	1.40%			
0.00%	0.00%			

# 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) 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.

# (3) 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.

# (4) 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.

# 2. Net Income per Share

Net income per share for the fiscal year ended March 31, 2021 and 2022 were ¥32,509,940.19 and ¥33,214,545.02 (US\$271,382.83), respectively. 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 and 2022 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 Lo		osses	
		Number	Land	Buildings	Total	
			(Ui	nit: million ye	en)	
Real estate for rent	Morioka city, Iwate Prefecture	1	25	31	57	
Real estate not in use	Takamatsu city, Kagawa Prefecture and others	22	1,741	752	2,494	
Total	-	23	1,767	784	2,552	

Impairment losses by asset group for the fiscal year ended March 31, 2022 were as follows:

Asset Group	Place	NumberImpairme			nt Losses			
Asset Gloup	Flace		Land	Buildings	Total	Land	Buildings	Total
			(U	nit: million y	en)	(Unit:	million US o	dollars)
Real estate for rent	Morioka city, Iwate Prefecture	1	1	2	3	0	0	0
Real estate not in use	Yokohama city, Kanagawa Prefecture and others	18	1,035	2,811	3,846	8	22	31
Total	-	19	1,036	2,813	3,850	8	22	31

### (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. Discount rates of 2.17% and 2.11% for the fiscal year ended March 31, 2021 and 2022, 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 STATEMENTS OF COMPREHENSIVE INCOME

	Year ended March 31,		
-	2021	2022	2022
_	(Unit: m	illion yen)	(Unit: million US dollars)
Net unrealized gains (losses) on securities, net of tax			
Amount incurred during the year	1,078,176	(444,239)	(3,629)
Amount reclassified	(217,755)	(119,023)	(972)
Before tax adjustment	860,420	(563,263)	(4,602)
Tax effect	(240,229)	157,068	1,283
Net unrealized gains (losses) on securities, net of tax	620,191	(406,195)	(3,318)
Deferred hedge gains (losses)			
Amount incurred during the year	(34,139)	(26,870)	(219)
Amount reclassified	(286)	1,728	14
Before tax adjustment	(34,426)	(25,142)	(205)
Tax effect	9,611	7,022	57
 Deferred hedge gains (losses)	(24,814)	(18,119)	(148)
Reserve for land revaluation	. ,	. ,	. ,
Amount incurred during the year	-	-	-
Amount reclassified	-	-	-
Before tax adjustment	-	-	-
Tax effect	-	(25)	(0)
Reserve for land revaluation	-	(25)	(0)
Foreign currency translation adjustments			
Amount incurred during the year	592	(942)	(7)
Amount reclassified	-	-	-
Before tax adjustment	592	(942)	(7)
Tax effect	-	-	-
Foreign currency translation adjustments	592	(942)	(7)
Remeasurements of defined benefit plans, net of tax			
Amount incurred during the year	20,816	17,681	144
Amount reclassified	5,558	4,330	35
Before tax adjustment	26,375	22,012	179
Tax effect	(7,363)	(6,147)	(50)
Remeasurements of defined benefit plans, net of tax	19,011	15,864	129
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method			
Amount incurred during the year	0	(0)	(0)
Amount reclassified	-	(0)	(0)
Share of other comprehensive income of subsidiaries and	-	-	-
affiliates accounted for under the equity method	0	(0)	(0)
Total other comprehensive income	614,980	(409,417)	(3,345)

# 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. For the Year Ended March 31, 2021

# (1) Type and Number of Shares Outstanding

Year ended March 31, 202	21
	- '

	At the beginning of the year	Increase during the year	Decrease during the year	At the end of the year
		(Unit: thous	ands shares)	
Common stock	6	-	-	

# (2) Dividends on Common Stock

(a) 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
Dividends per share	¥16,846,500
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
Dividends per share	¥8,333,300
Record date	
Effective date	August 13, 2020
Dividend resource	Retained earnings
(b) 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
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.

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

c) Dividenda, the record date	of which was March 51, 2021, to be paid out in the year chaing march 51,
Date of resolution	June 16, 2021 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥158,716 million
Dividends per share	¥26,452,800
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
Dividends per share	¥8,333,300
Record date	March 31, 2021
Effective date	June 17, 2021
Dividend resource	Capital surplus

# 2. For the Year Ended March 31, 2022

# (1) Type and Number of Shares Outstanding

	At the beginning of the year	Increase during the year	Decrease during the year	At the end of the year
		(Unit: thous	ands shares)	
Common stock	6	-	-	
(2) Dividends on Comn	non Stock			
(a) Cash Dividends				
Date of resolution	June 16, 2021 (a	at the Annual General M	eeting of Shareholders)	
Type of shares	Common stock			
Total dividends	¥158,716 million	(US\$1,296 million)		
Dividends per share	¥26,452,800 (US	S\$216,135)		
Record date	March 31, 2021			
Effective date	June 17, 2021			
Dividend resource	Retained earning	gs		
Date of resolution	June 16, 2021 (a	at the Annual General M	eeting of Shareholders)	
Type of shares	Common stock			
Total dividends	¥49,999 million (	(US\$408 million)		
Dividends per share	¥8,333,300 (US	\$68,088)		
Record date	March 31, 2021			
Effective date	June 17, 2021			
Dividend resource	Capital surplus			
(b) Dividends, the record	date of which was March	31, 2022, to be paid out	in the year ending March	31, 2023
Date of resolution	June 15, 2022 (a	at the Annual General M	eeting of Shareholders)	
Type of shares	Common stock			
Total dividends	¥199,776 million	(US\$1,632 million)		
Dividends per share	¥33,296,000 (US	\$\$272,048)		
Record date	March 31, 2022			
Effective date	June 16, 2022			
Dividend resource	Retained earning	as		

# Year ended March 31, 2022

# 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, 2022, 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, 2022, 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.

# Other Information

The other information comprises the information included in the disclosure documents that contain or accompany the audited financial statements, but does not include the financial statements and our auditor 's report thereon.

We do not perform any work on the other information as we determine such information does not exist.

# 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 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 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 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, 2022 are presented solely for convenience. Our audit also included the translation of ven 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.

evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a

the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to

business activities within the Group to express an opinion on the consolidated financial statements. We

# Solvency Margin Ratio

# (1) Dai-ichi Life Holdings, Inc. Consolidated Solvency Margin Ratio

		As af Marsh 24, 2024	(Unit: million ye
		As of March 31, 2021	As of March 31, 2022
otal solvency margin (A)		8,937,263	8,344,432
Common stock, etc. (*1)		1,519,154	1,561,364
Reserve for price fluctuations		264,454	287,358
Contingency reserve		712,999	715,990
Catastrophe loss reserve		—	_
General reserve for possible loan los	sses	340	276
(Net unrealized gains (losses) on se (before tax) and deferred hedge gain (losses) (before tax) ) × 90% (*2)	IS	3,757,933	2,946,332
Net unrealized gains (losses) on rea × 85% (*2)		255,652	361,793
Sum of unrecognized actuarial differ and unrecognized past service cost	ences	(12,855)	11,999
Policy reserves in excess of surrend	er values	2,323,356	2,250,869
Qualifying subordinated debt		1,031,277	1,003,715
Excluded portion of policy reserves i of surrender values and qualifying subordinated debt	n excess	(731,488)	(582,596)
Excluded items		(255,788)	(278,668)
Others		72,228	65,998
tal risk $\sqrt{(\sqrt{R_1^2+R_5^2}+R_8+R_9)^2+(R_2+R_3+R_7)^2}$	+R4+R6(B)	1,864,810	1,848,774
Insurance risk	R1	140,083	149,541
General insurance risk	R₅	3,971	4,196
Catastrophe risk	R <sub>6</sub>	1,327	1,599
3rd sector insurance risk	R₀	189,994	185,479
Small amount and short-ter insurance risk	<sup>m</sup> R₀	_	15
Assumed investment yield risk	R <sub>2</sub>	230,346	209,933
Guaranteed minimum benefit risk	R <sub>7</sub> (*3)	67,185	76,193
Investment risk	R₃	1,493,251	1,487,381
Business risk	R4	42,523	42,286
blvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$		958.5%	902.6%

\*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.

# 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

Hatsumi Fujiwara Designated Engagement Partner Certified Public Accountant

KPMG AZSA LLC Tokyo Office, Japan September 28, 2022

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.

# (2) The Dai-ichi Life Insurance Company, Limited

Solvency Margin Ratio		(Unit: million yen)
	As of March 31, 2021	As of March 31, 2022
Total solvency margin (A)	6,990,487	6,483,789
Total risk (B)	1,491,653	1,429,122
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	937.2%	907.3%

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, 2021	As of March 31, 2022
Total solvency margin (A)	6,817,494	6,310,480
Total risk (B)	1,438,710	1,369,500
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	947.7%	921.5%

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, 2021	As of March 31, 2022
Total solvency margin (A)	570,750	508,974
Total risk (B)	200,614	196,970
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	569.0%	516.8%

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.

# (4) The Neo First Life Insurance Company, Limited

# Solvency Margin Ratio

Solvency Margin Ratio		(Unit: million yen)
	As of March 31, 2021	As of March 31, 2022
Total solvency margin (A)	39,806	14,057
Total risk (B)	2,158	2,528
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	3,688.8%	1,111.8%

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		(Unit: million yen)	
	As of March 31, 2021	As of March 31, 2022	
Total solvency margin (A)	—	162	
Total risk (B)	—	16	
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	_	1,964.6%	

Note: The figures are calculated based on Article 211-59 and 211-60 of the Enforcement Regulations of Insurance Business Act, and Notification of the Financial Services Agency No. 14, 2006.

Message

Value Creation Story

# **Glossary of Terms**

Adjusted profit/ Group adjusted 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/ Group adjusted ROE	Group adjusted 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.))
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 attempt to curb risks and make necessary operational improvements.
сх	Customer Experience (CX) is a concept that emphasizes the psychological and emotional value experienced by customers through all contact points with our Group.
DX	Digital Transformation (DX) is a concept of promoting advanced IT technologies to transform and improve people's quality of life.
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 to secure financial soundness while capital is allocated to operations, etc., that can be anticipated to yield greater profit to materialize improved capital efficiency and corporate value.
ESR	Economic Solvency Ratio (ESR) is a solvency indicator valuing assets and liabilities based on fair value (mark-to-market) basis. 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 emphasizes the necessity of improving the experiential values obtained by employees to improve productivity and provide better products and services to customers.
Free cash	Surplus capital under the strictest standards among accounting capital, financial soundness and economic solvency regulations.
GHG	Greenhouse gases (GHG) such as carbon dioxide, methane, dinitrogen monoxide, and chlorofluorocarbons that absorb heat from the sun (infrared radiation) reflected from the earth's surface, and which contribute to global warming when they accumulate in the atmosphere.
InsTech	Insurance Technology (InsTech) is a set of initiatives for creating innovation unique to the life insurance business by fusing insurance and technology.
LGBTQ/LGBTIQ+/ LGBTQIA+	An acronym of Lesbian, Gay, Bisexual, Transgender (including gender identity disorder), Queer/Questioning (undetermined or undefined gender identity or sexual orientation), Intersex, Asexual, and others.
NPS <sup>⊚</sup> *	Net Promoter Score (NPS <sup>®</sup> ) is an indicator of customer loyalty (the degree of attachment and confidence in a company or brand) 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 <sup>®</sup> 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 standards including spiritual aspects and self-actualization in addition to material wealth and individual activities for self-care. Quality of life improvements refer to the realization of the desired life or way of living.
ROEV	Return on Embedded Value (ROEV) is an indicator measuring the growth of corporate value with increments in EV that are 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.
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.

# A Note on the Publication of the Dai-ichi Life Holdings Integrated Report 2022

This is the sixth Integrated Report published since our transition to a holding company structure in 2016. To date, we have aimed to communicate effectively with our shareholders, investors, and other stakeholders by describing our medium- to long-term value creation story and using the report to pass on information about our Group.

In this Integrated Report, we look back on the progress and challenges of the past year in the context of our medium-term management plan that began in fiscal 2021. This report was created with an eye to conveying the company's value creation story with reference to insights gained through dialogue: First, we took a fresh look at the value creation process and presented the process-from management resources to outcomes-in a visual, easy-to-understand way. There is also a new section on the recognition of "risks and opportunities"—a prerequisite for value creation—to more persuasively convey the background of our chosen strategy. In addition, by presenting specific examples of value created in the form of stories of value co-creation from the perspective of customers, society and the environment, we aimed to make our social value creation as a life insurance company more accessible to the public.

While there is still room for improvement, I believe we have taken a step forward in how we communicate our value creation story to stakeholders in a way that is easy to understand. As the CFO responsible for overseeing the production of this report, I would like to state here that the process used to create this integrated annual report was legitimate and the content is accurate. We will use this report when engaging with stakeholders to help them understand our company and deepen our understanding of what information they require and what expectations they have of us, such that we are able to further improve the report.

We look forward to receiving your honest feedback.

# Third-Party Warranty

To improve the reliability of the information contained in this report, our Group has received assurances and other guarantees from independent third parties\*1\*2 regarding the following information. Please refer to the following links for details.

Scope of Guarantee

CO<sub>2</sub> emissions\*1 PP. 58, 65 and 118



\*1 Japan Quality Assurance Organization

https://www.dai-ichi-life-hd.com/en/sustainability/data/#anc06

CO

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# Abbreviations of Group Companies

Domestic Life Insurance

Business DL

DFL

NFL

tic Life Insurance ss	Overse	as Insurance Business		
Dai-ichi Life Insurance	PLC	Protective Protective Life Corporation	SUD	Star Union Dai-ichi Life India Star Union Dai-ichi Life Insurance Company
Dai-ichi Frontier Life	TAL	<b>TAL</b> TAL Dai-ichi Life Australia	PDL	Panin Dai-ichi Life PT Panin Dai-ichi Life
Neo First Life	DLVN	Dai-ichi Life Vietnam Dai-ichi Life Insurance Company of Vietnam	OLI	OCEAN LIFE OCEAN LIFE INSURANCE PUBLIC COMPANY
	DLKH	Dai-ichi Life Cambodia Dai-ichi Life Insurance (Cambodia)	DLRe	Dai-ichi Re Dai-ichi Life Reinsurance Bermuda
	DLMM	Dai-ichi Life Myanmar Dai-ichi Life Insurance Myanmar		

# Inquiries

# Dai-ichi Life Holdings, Inc.

IR Group, Corporate Planning Unit, 13-1, Yurakucho 1-chome, Chiyoda-ku, Tokvo 100-8411, Japan 81-(0)3-3216-1222 (representative)

https://www.dai-ichi-life-hd.com/en/contact.html

Alphabetical order

Representative Director and Chief Financial Officer (CFO) Tutunya Wikuta



Percentage of female managers\*2 PP. 7, 58, and 118



\*2 The Association for Non-Financial Information Assurance https://www.dai-ichi-life-hd.com/en/sustainability/data/index.html

(Asset Management Business)	Other Business
	(Asset Management Business)

AMOne Asset Management One

# **Forward-Looking Statements**

Statements contained herein that relate to the future operating performance of the Company are forward-looking statements. Forward-looking statements might 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 could 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 given new information, future events, or other findings



# Dai-ichi Life Holdings, Inc.

13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-8411, Japan 81-(0)3-3216-1222 (representative)



# **Dai-ichi Life Holdings**

The logo depicts the form of a shield used in the Middle Ages on which a design expressing the Earth is featured. This is an expression of the commitment of the Dai-ichi Life Group's companies to protect customers from disasters through concerted efforts in their global operations.

In addition, the upward curving latitudinal lines of the Earth express the bright future of our customers and the Dai-ichi Life Group's determination to grow in order to continue standing by the side of our customers for life. Going forward, we will continue to stand by the side of our customers and their loved ones, for life, and make concerted efforts to deliver a secure future for every community we serve, using the best of our local and global capabilities.



