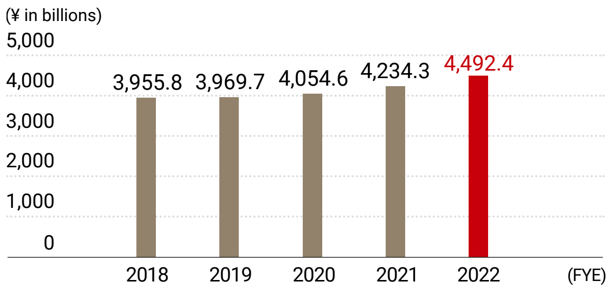
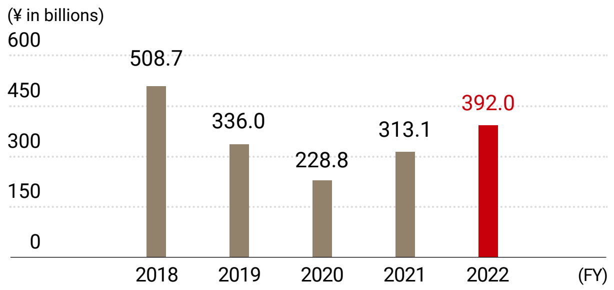
Financial and Non-Financial Highlights

Annualized Net Premium from Policies in Force



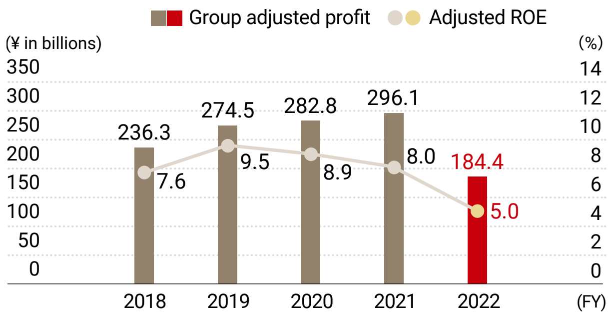
Annualized net premium from policies in force, which indicates annual premium income from policies in force, increased 6.1% year on year in fiscal 2022, mainly due to favorable sales at overseas subsidiaries.

New Business Annualized Net Premium



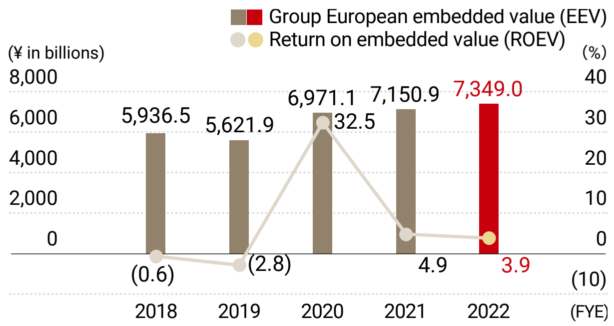
The new business annualized net premium, which represents the result of the year's sales activities, increased in fiscal 2022, rising 25.2% year on year. While Dai-ichi Life Insurance remained at a low level, Dai-ichi Frontier Life grew its sales significantly due to a rise in overseas interest rates.

Group Adjusted Profit/Adjusted ROE



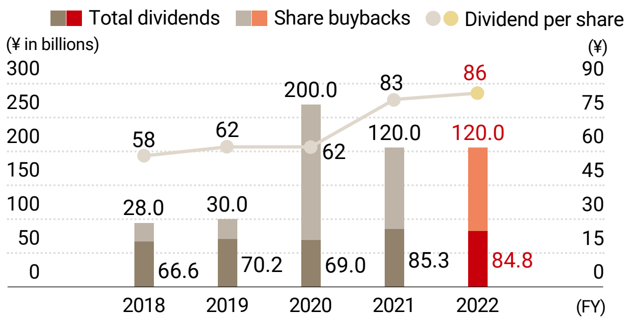
Group adjusted profit, the Company's own indicator of its source of funds for shareholder returns, decreased 37.7% year on year, mainly due to an increase in benefit payments related to COVID-19 in Japan and valuation losses from higher interest rates at overseas subsidiaries.

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



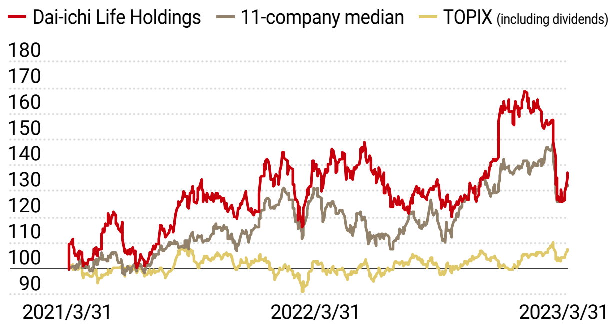
Group EEV, an economic value–based indicator of corporate value, increased 2.8% year on year, mainly due to an increase in the value of in-force business as a result of higher domestic interest rates.

Shareholder Returns
(Total Dividends/Share Buybacks/Dividend per Share)



The dividend per share based on fiscal 2022 results is set at ¥86, which exceeds the payout ratio of 30% compared to the Group adjusted profit average of the past three years, and the Company has also decided on a large-scale share buyback of up to ¥120 billion.

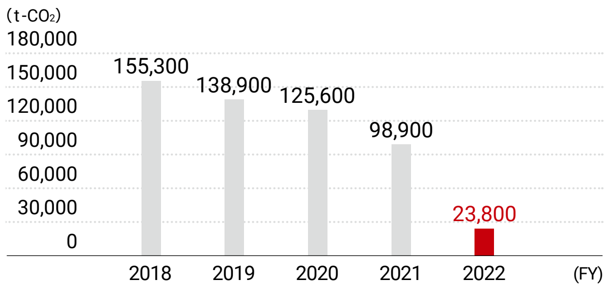
Relative Total Shareholder Return (TSR)



TSR, the total return on shareholders' investment counting both capital gains and income gains, as of March 31, 2023, had increased 37% versus March 31, 2021, ranking the Company fourth among 11 comparable companies.

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

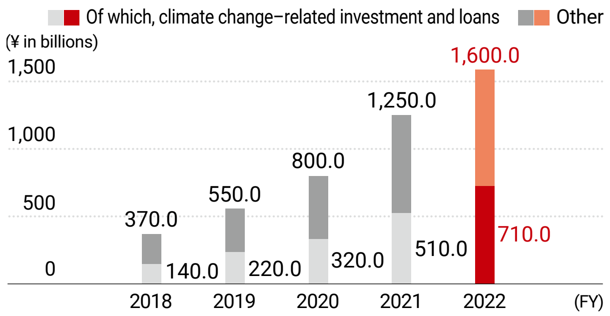
CO_2 Emissions[*1]



Toward net-zero emissions by fiscal 2040, we made progress toward an 83% reduction[*2] in fiscal 2022, exceeding our interim target of a 50% reduction in fiscal 2025. Dai-ichi Life Insurance achieved 100% renewable energy for electricity consumption in its business activities in fiscal 2022, which was a main contributing factor.

*1 Based on the Group's Scope 1 + 2 emissions. *2 Compared with fiscal 2019

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



ESG-themed investments and loans totaled approximately ¥1.6 trillion in fiscal 2022, compared to a cumulative target of ¥2 trillion in fiscal 2024. Investments and loans to help resolve climate change issues* increased to ¥710 billion in fiscal 2022 compared to a cumulative target of ¥1 trillion in fiscal 2024.

*Green bonds, investments in and loans to renewable energy power plant-related projects, etc.

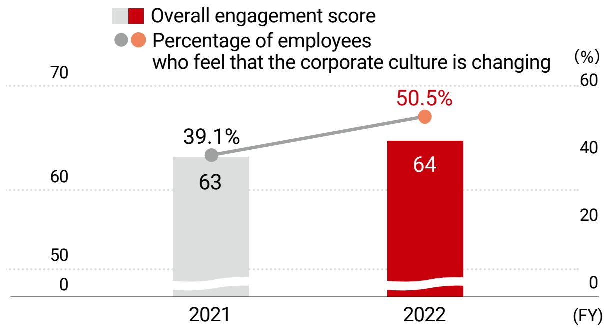
PRI Assessment Results (Dai-ichi Life)[*1]

	2021 (assessment period: Jan.–Dec. 2020)
	Our score
Investment and Stewardship Policy	5
Voting[*2]	4
Listed Equity—Incorporation[*2]	4.5
Fixed Income[*2]	4.75
Property	5

In the PRI's assessment of the implementation of responsible investment, we received the highest rating of 5 on two items in 2021.

*1 5-step assessment
*2 Voting and Listed Equity include the average assessment of two modules (fundamental / REITs, etc.) and Fixed Income includes the average assessment of four modules (SSA, corporate, private debt, and securitized).

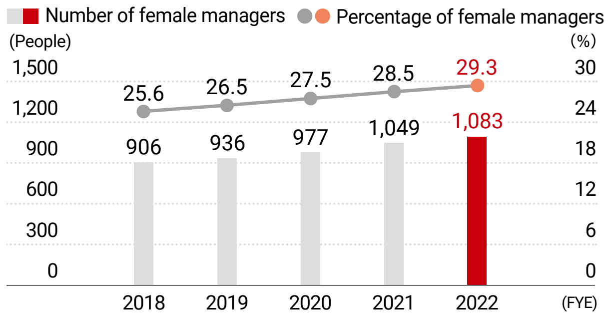
Engagement Survey Results*



We have positioned employee engagement as a key indicator and are actively working to improve engagement. In fiscal 2022, the overall score improved and the percentage of employees who feel that the corporate culture is changing also increased.

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

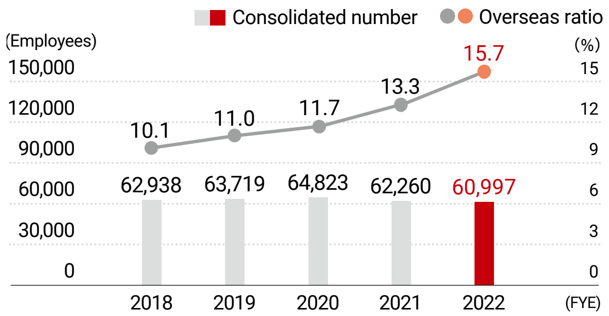
Number of Female Managers/ Percentage of Female Managers*



To develop female leaders (executives and organization heads) involved in organizational decision-making, the number of female managers who are candidates for such positions is steadily increasing to 29.3% in fiscal 2022.

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

Total Number of Employees/Overseas Ratio*



We are creating a corporate culture that leverages diversity on a global scale through initiatives such as an intragroup recruitment system and a global training program.

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

Industry Data

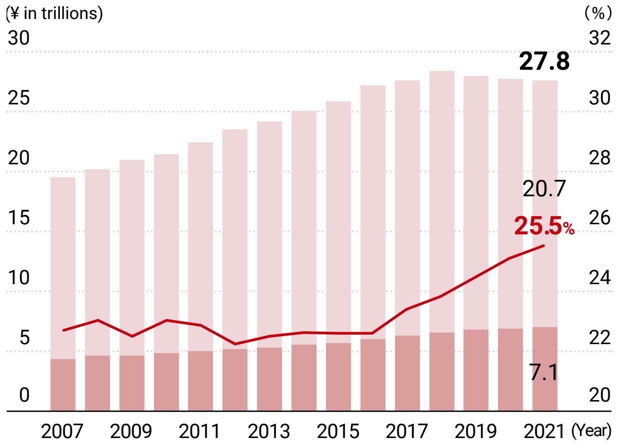
Japan Japanese life insurance market

Trends in the life insurance market

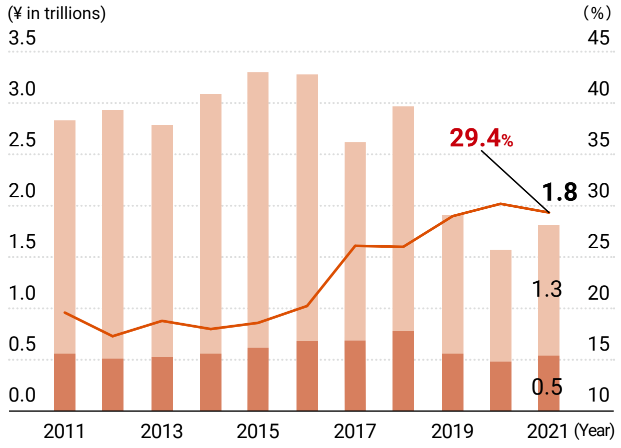
At the end of fiscal 2021, annualized net premiums from policies in force for individual life insurance and annuities (one year's worth of premium income assuming that premiums are paid uniformly over the policy period) were ¥27.8 trillion (a decrease of 0.2% year on year). Within this total, annualized premiums from third-sector products such as medical insurance were ¥7.1 trillion (an increase of 1.2% year on year), being solid. New business annualized net premiums increased for the first time in three years in 2021, partly due to the spread of sales activities combined with digital, while the impact of the spread of COVID-19 also diminished. The proportion of new business accounted for by third-sector products has been on the rise in recent years, 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)

In-force business annualized net premiums



New business annualized net premiums



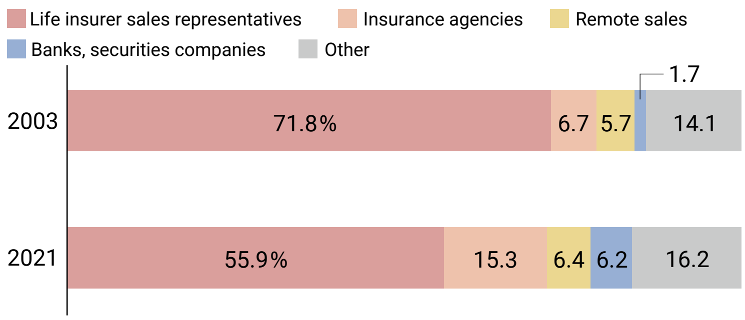
Data: The Life Insurance Association of Japan, Life Insurance Fact Book (2022)

Diversification of sales channels and high willingness to prepare for life security

According to a 2021 survey, 89.8% of households had taken out individual life insurance or annuities, with no significant change from the previous survey. However, 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, the survey on life security shows that between 50% and 70% of respondents intend to prepare new protection in the future for each coverage, and that protection is perceived as inadequate, especially in the areas of medical care, retirement, and long-term care.

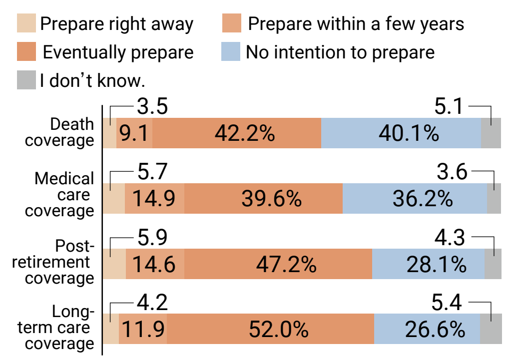
Life insurance & annuities: 89.8% of households covered (of which, 24.3% have annuities)

Enrollment channels for recently purchased policies
(excludes private insurance and Japan Post Insurance)



Data: Japan Institute of Life Insurance, Nationwide Life Insurance Survey

Future preparedness intention for life security (2022)



Data: Japan Institute of Life Insurance, Survey on Life Security

Overseas Overseas life insurance market

Trends in the life insurance market

Life insurance premiums worldwide in 2021 were US$2,997.5 billion, up 4.5% year on year.

The biggest life insurance markets are No. 1: the United States (20.3% share of total), No. 2: China (12.2%), and No. 3: Japan (9.9%).

Global life insurance market (top 10 countries in 2021, and countries in which the Company does business)

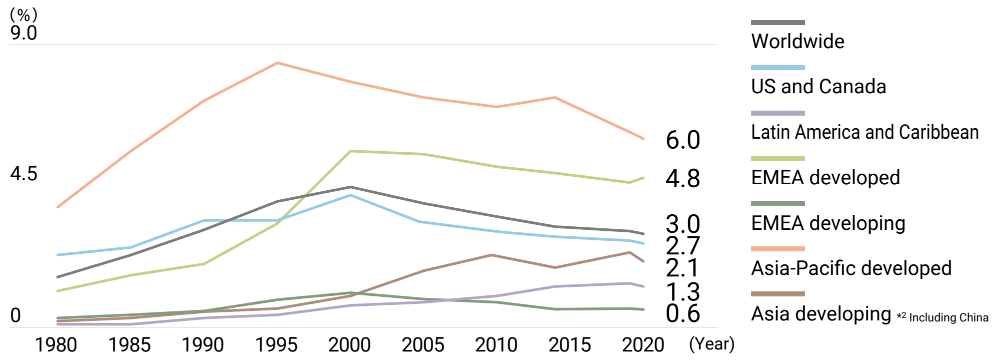
Dai-ichi Life Group presence*1	Rank	Country	Life insurance premium volume (USD in millions)	YoY change (inflation-adjusted)	Share of market	Premiums per capita (USD)	Life insurance penetration (as % of GDP)	Population (in millions)	Real GDP growth
		World	2,997,569	+ 4.5%	100.0%	382	3.0%	7,846.8	+ 6.0%
○	1	US	609,642	+ 2.7%	20.3%	1,837	2.6%	331.8	+ 5.8%
	2	China	365,456	(2.6%)	12.2%	253	2.1%	1,444.7	+ 8.8%
○	3	Japan	295,850	+ 4.1%	9.9%	2,347	6.1%	126.0	+ 1.8%
	4	UK	284,284	+ 8.0%	9.5%	4,234	8.9%	67.1	+ 8.3%
	5	France	185,445	+ 27.3%	6.2%	2,654	6.1%	67.7	+ 7.4%
	6	Italy	146,001	+ 6.0%	4.9%	2,467	6.9%	59.2	+ 7.0%
	7	Germany	109,961	(4.1%)	3.7%	1,321	2.6%	83.2	+ 3.1%
	8	South Korea	101,866	(3.6%)	3.4%	1,971	5.8%	51.7	+ 4.0%
○	9	India	96,679	+ 8.5%	3.2%	69	3.2%	1,395.1	+ 8.5%
	10	Taiwan	89,059	(9.2%)	3.0%	3,772	11.6%	23.6	+ 6.3%
○	24	Australia	16,036	(2.0%)	0.5%	623	1.0%	25.8	+ 4.8%
○	25	Thailand	15,783	+ 1.2%	0.5%	246	3.4%	70.0	+ 1.7%
○	30	Indonesia	13,210	+ 6.6%	0.4%	48	1.1%	276.7	+ 3.7%
○	34	Vietnam	6,814	+ 18.6%	0.2%	60	1.6%	98.1	+ 2.6%
○	48	New Zealand	2,058	+ 3.0%	0.1%	403	0.8%	5.1	+ 5.4%

*1 Excluding markets for which individual country data are not disclosed (Cambodia, Myanmar) Data: Swiss Re Institute Sigma No 4 / 2022 World insurance

More life insurance penetration expected in emerging countries in the future

In 2021, the global life insurance market growth rate was +4.5%, rebounding from the impact of the spread of COVID-19. Growth was particularly high at +6.7% in emerging economies, with the exception of China, where the impact of the zero-COVID policy was significant. In emerging countries, life insurance penetration (premiums as a percentage of GDP) is low compared to developed countries but is expected to further increase in the future against the backdrop of economic growth in each country.

World life insurance penetration (premiums as a percentage of GDP) through 2021



Data: sigma explorer - catastrophe and insurance market data | Swiss Re Institute (sigma-explorer.com)

Life insurance market growth rate (2021)

Worldwide
+ 4.5%

Developed countries
+ 5.4%

Developing countries
+ 6.7%*3

*3 Excluding China

Data: Swiss Re Institute Sigma No 4 / 2022 World insurance

Our Businesses Worldwide

Building a strong operational base with effective global reach

Group supervision	Country	Company name	Number of employees*1
第一生命ホールディングス	Japan	Dai-ichi Life Holdings, Inc.	801

Domestic Insurance Business	Country	Company name	Number of employees*1	Premium and other income*2	Major sales channels
	Japan	The Dai-ichi Life Insurance Company, Limited	49,112	¥2,296.8 billion	Sales representatives, Relationship Managers (staff for sales to corporations), insurance agencies
	Japan	The Dai-ichi Frontier Life Insurance Co., Ltd.	497	¥2,612.6 billion	Banks, securities firms, insurance agencies, walk-in shops, DL's sales representatives
	Japan	The Neo First Life Insurance Company, Limited	348	¥232.3 billion	Insurance agencies, walk-in shops, and banks
	Japan	ipet Holdings, Inc.*4	594	¥8.4 billion	Pet stores and the Internet
	Japan	Dai-ichi Smart Small-amount and Short-term Insurance Company, Limited	6	¥1.6 billion	Direct sales

Overseas insurance business	Country	Company name	Number of employees*1	Premium and other income*2	Major sales channels
	U.S.A.	Protective Life Corporation	3,725	¥809.5 billion	Independent advisors, Broker Dealer, bancassurance, P&C, Registered Investment Advisor
	Australia	TAL Dai-ichi Life Australia Pty Ltd.	2,963	¥663.6 billion	Independent advisors, direct sales, group insurance
	New Zealand	Partners Group Holdings Limited	364	¥39.2 billion	Independent advisors
	Vietnam	Dai-ichi Life Insurance Company of Vietnam, Limited	2,055	¥125.6 billion	Individual insurance agents and bancassurance
	Cambodia	Dai-ichi Life Insurance (Cambodia) PLC.	329	¥0.71 billion	Individual insurance agents and bancassurance
	Myanmar	Dai-ichi Life Insurance Myanmar Ltd.	163	¥0.19 billion	Individual insurance agents and bancassurance
	India	Star Union Dai-ichi Life Insurance Company Limited	6,619	¥94.2 billion	Bancassurance
	Indonesia	PT Panin Dai-ichi Life	280	¥19.0 billion	Individual insurance agents and bancassurance
	Thailand	OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED	1,661	¥55.8 billion	Individual insurance agents

Other businesses	Country	Company name	Number of employees*1	AUM
	Japan	Asset Management One Co., Ltd.	880*3	¥62 trillion
	Japan	Vertex Investment Solutions Co., Ltd.*5	22*3	¥433.7 billion
第一生命リアルティアセットマネジメント株式会社	Japan	Dai-ichi Life Realty Asset Management Co., Ltd.	19*3	¥103.0 billion

Regional 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
Overseas Affiliated Companies and Representative/Liaison Offices	
Dai-ichi Life International (Europe) Limited	U.K.
Beijing Representative Office	China
Shanghai Representative Office	China
Innovation Lab	
Dai-ichi Life Innovation Lab (Shibuya)	Japan

Innovation Lab	
Dai-ichi Life Innovation Lab (Silicon Valley)	U.S.A.
Dai-ichi Life Innovation Lab (London)	U.K.
Reinsurance	
Dai-ichi Life Reinsurance Bermuda Ltd.	Bermuda
Other Subsidiaries	
The Dai-ichi Life Research Institute INC.	Japan
QOLead, Limited	Japan
The Dai-ichi Building Co., Ltd.	Japan
SOHGO HOUSING CO., Ltd.	Japan

*1 As of March 31, 2023 *2 As of the end of fiscal 2022 at each company *3 Criteria: Full-time directors and employees (excluding part-time directors, executive officers, contract, temporary, dispatched, and part-time employees) only *4 Became a subsidiary in January 2023 *5 Established in August 2022

Domestic Insurance Business

In our domestic insurance business, we are working to reform our products and services to solve emerging social issues and capture the trend of digitalization, with the aim of becoming the insurance group chosen by customers. We have been promoting efforts to contribute to the well-being (happiness) of all through our CX Design Strategy, which maximizes the value of experience (CX*1) by delivering four experiential values (Protection; Asset Formation/Succession; Health and Medical Care; and Enhancing Connections) that go beyond the framework of conventional insurance and standing by the side of customers throughout their lives. We are focusing on expanding digital contact points and improving real channel consulting to realize the Group's concept of OMO*2 that combines the advantages of digital with the strengths of physical so that the value of each experience can be experienced on a daily basis.

Dai-ichi Life newly introduced the "New Total Life Plan," a life plan consulting service linked to the social security system, in July 2022, and renewed the product lineup at the same time. By providing more personalized consulting than ever before, Dai-ichi Life will play a complementary role to the social security system and carefully meet the diversifying needs of customers and provide them with reliable peace of mind.

In fiscal 2022, Dai-ichi Frontier Life flexibly introduced new products to meet a wide range of asset formation/succession needs, including the August launch of "Premier Present 3," a new product that, in addition to its function as a savings product, provides coverage for dementia and nursing care. With its sights set on the era of 100-year life society, Dai-ichi Frontier Life will strive to realize secure and prosperous lives for its customers and their precious families.

In fiscal 2022, Neo First Life promoted initiatives to support customers' "wellness of mind and body" by providing "Neo Coach," an application that supports improvement of health checkup results, and launching a cancer insurance policy, "Neo de Ganchiryo." Neo First Life will continue to support the "Wellness" of its customers and to provide a customer experience that exceeds expectations so that its customers can spend their days "more like themselves."

In March 2023, ipet Holdings became a wholly owned subsidiary through a tender offer by Dai-ichi Life Holdings and subsequent share sale request procedures. As a member of the Dai-ichi Life Group, ipet Holdings will continue to face the social issues related to pets and will sincerely do what it can do to make pets and their owners healthier and happier than ever before.

In fiscal 2022, Dai-ichi Smart launched the "Housekeeping expenses insurance," which compensates for the cost of housework and sitter services used in the event of a hospital visit due to hospitalization or injury. Dai-ichi Smart will continue to provide insurance that meets diversifying needs in a flexible and prompt manner through digital technology to support "your unique" lifestyle.

*1 An abbreviation for Customer Experience, meaning the value that customers experience through our products and services.
*2 An abbreviation for Online Merges with Offline.

Overseas Insurance Business Company Profiles

U.S.A.

Protective

Protective, which became a wholly owned subsidiary in 2015, employs a unique business model supported by the traditional retail business, including personal insurance and retirement solutions, and the acquisition business. In fiscal 2022, its fundamental profitability improved by sales increase of executive benefit products, along with progress toward enlarged business size and dispersed earnings sources, including the completed acquisition of AUL Corporation, which engages in asset protection business that greatly complements the company's existing businesses. Meanwhile, net income was about ¥18.4 billion due to losses from financial market fluctuations, etc.

As a core entity of our overseas business, Protective aims for a stable profit contribution to our group through expanding business scale and securing stable earnings.

Australia

TAL

We first invested in TAL in 2008 as the Group's first international expansion into a developed country. The company became a wholly owned subsidiary in 2011. With a focus on protection products, TAL has remained in a leadership position for the past 9 consecutive years (based on total in-force premium) within the Australian life insurance market. In recent years, TAL acquired two life insurance companies - Suncorp and Westpac Life, both major financial institutions in Australia. These acquisitions helped to further consolidate their customer base and grow net profit to approximately ¥36.6 billion for fiscal 2022, more than four times the total amount when TAL became a subsidiary in 2011.

TAL aims to continue to solidify its market share in the protection market and achieve further growth and profit generation.

New Zealand

partners life

Since its founding in August 2010, Partners Life has achieved high growth by expanding sales through the independent advisors channel, having the second-largest share of annual premium in-force in New Zealand as of March 31, 2023. It completed acquisition and consolidation of BNZ Life Insurance, affiliated with the Bank of New Zealand (BNZ), at the end of September 2022, and is working to increase earnings from an increase in in-force policies and acquire BNZ's customer base from an exclusive 10-year agreement for the referral of BNZ's customers.

Partners Life will keep expanding sales via its independent advisors channel, a strength that the company has had since its founding, as well as diversify its distribution channels and expand and stabilize its business size.

Vietnam

DAI-ICHI LIFE
Gắn bó dài lâu.

Dai-ichi Life Vietnam commenced its business as our wholly owned subsidiary and the first full-scale overseas business expansion of the Group in 2007, and has subsequently established its position as one of the major life insurance companies in Vietnam by enhancement of the agency channel through increasing core agents and expanding agency distribution network, development of an alternative distribution channel centered on banks and strengthening relations with partners, and promoting diversification of the product lineup. Dai-ichi Life Vietnam achieved steady growth by increasing its market share in total premium with growth exceeding the market average and ranked third in terms of first-year premium in fiscal 2022. As a result of these achievements and increase of in-force policies, Dai-ichi Life Vietnam contributed more than ¥15.0 billion of profit to our group in fiscal 2022.

Dai-ichi Life Vietnam is expected to contribute to our Group's capital circulation management, by gradually moving into the cash-generating phase from a rapid growth phase.

Cambodia

Dai-ichi Life
Cambodia

Dai-ichi Life Cambodia was established in 2018 as the first 100% subsidiary of a Japanese life insurance company in Cambodia and commenced operations centered in the capital of Phnom Penh from 2019. Subsequently, it has realized significant growth in the Cambodian life insurance market by concluding cross-sale agreements with banks and expanding to regional cities via the individual insurance agents channel.

Dai-ichi Life Cambodia will aim to grow further and expand its market share by continuing to support sales directed at existing partners and cooperating with new partners in its bancassurance channel, expanding to other regions via the individual insurance agents channel, making efforts in digital sales, and diversifying its products to ensure competitiveness.

Myanmar

Dai-ichi Life
Myanmar

Dai-ichi Life Myanmar became the only wholly-owned subsidiary of a Japanese life insurance company to obtain a life insurance business license in Myanmar in 2019, and commenced business operation mainly in Yangon from 2020. Dai-ichi Life Myanmar has steadily been able to build and strengthen its business foundation in the first three years, through focusing on development of sales structure in the individual insurance agents channel and enhancement of the administrative structure and internal controls in early years, and launching the bancassurance business in fiscal 2022.

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 in order to create a sustainable society in Myanmar.

India

Star Union Dai-ichi
Life Insurance

Star Union Dai-ichi Life is a joint venture established with two major state-owned banks in India in 2007. The company achieved one of the industry's highest growth results (+62% year on year) in first-year annualized net premiums in fiscal 2022 as a result of strong sales of individual and group insurance products by utilizing partner banks' vast networks within India.

Star Union Dai-ichi Life aims to achieve sustainable growth on the Indian market, which is expected to expand further, by continuing to focus on strengthening relations with major partner banks, pioneering new sales partners, expanding the individual agents channel, and generating new customer contacts through digital means.

Indonesia

PaninDai-ichiLife
By your side, for life

Panin Dai-ichi Life is a joint venture with the Indonesian financial group Panin Group and received investments from Dai-ichi Life Insurance in 2013. Panin Dai-ichi Life has been achieving solid growth via its individual insurance agents channel by enhancing initiatives related to hiring and training for staff expansion as well as developing traditional products that take into account market needs and new regulations on life insurance products, and also is realizing growth far above the market average via its bancassurance channel through sales of endowment insurance and other traditional products.

Panin Dai-ichi Life aims for sustainable growth through flexible product development that meets market needs, online sales, and digitization of operations.

Thailand

ไทยสมุทร
OCEAN LIFE
INSURANCE

OCEAN LIFE is a long-established Thai life insurance company with which Dai-ichi Life Insurance concluded a strategic business alliance agreement, including investments, in 2008. 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 insurance agents channel, which makes up the core of its business, while expanding the leadership team that will be responsible for these efforts as well as focusing on sales of medical insurance riders, for which there has been a growing market need in recent years.

OCEAN LIFE continues to aim for sustainable growth through improved well-being by training individual insurance agents who can propose and sell products according to customer needs as well as expanding its presence with regard to urban customers and developing more digital services.

Other Business (Asset Management Business)

Asset Management One

Providing products that meet diverse investor needs and promoting responsible investment

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 assets under management by bolstering high-value-added products and solution services. In addition, since its inception in 2016, Asset Management One has been committed to ESG investing, and as a responsible investment management institution is actively engaged in constructive dialogue (engagement) with portfolio companies and the exercise of its voting rights, as well as sustainable investment to achieve a sustainable society.

Vertex Investment Solutions

Providing new solutions that exceed expectations and contributing to the realization of a secure and sustainable society

Established in August 2022 as a wholly owned asset management subsidiary of the Company, Vertex Investment Solutions provides investment management functions and products to the Dai-ichi Life Group, and promotes product development and composition from the customer's perspective in the areas of asset formation/succession.

Vertex Investment Solutions will contribute to the realization of a secure future and a sustainable, prosperous society by providing new solutions that exceed its customers' expectations through the use of cutting-edge financial technology and investment techniques.

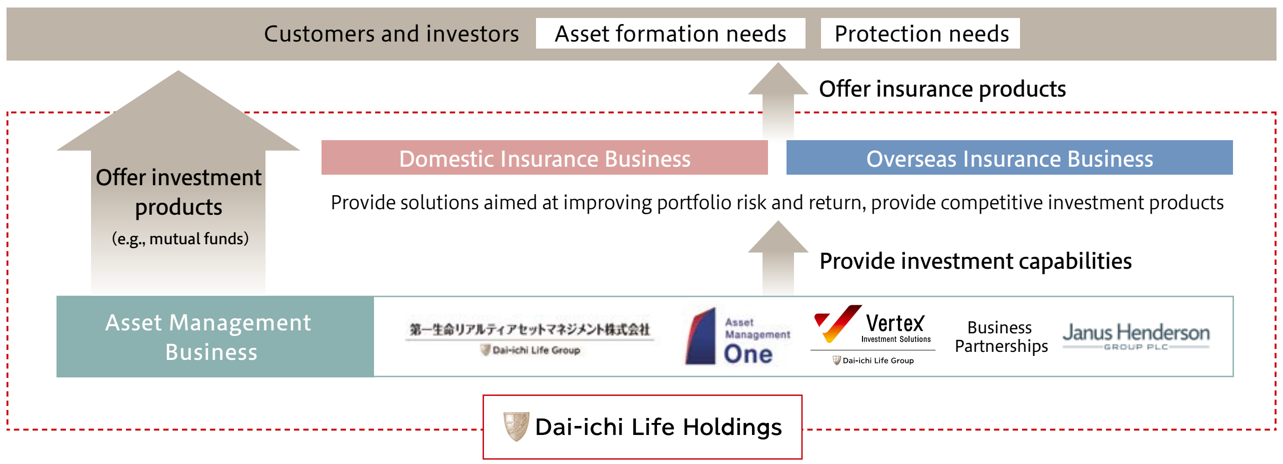
Dai-ichi Life Realty Asset Management

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

DL Life Partner REIT, Inc., a private-placement REIT for qualified institutional investors, has expanded its managed assets to approximately ¥103.0 billion through a fourth private placement and the acquisition of real estate through borrowing. In addition, it has established a private fund management structure to meet the wide-ranging investment needs of investors. It will continue to source properties from within and outside the Group, aiming to achieve 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), the acquisition of environmental certifications for investment properties, and borrowing based on the "Green Loan Framework*" in accordance with the Green Loan Principles.

*Acquired the highest rating of "Green 1" from "JCR Green Loan Evaluation," a third-party evaluation organization of JCR.

Role of the Asset Management Business



Summary of Consolidated Group Business Results

The annualized net premium of new business increased substantially year on year because Dai-ichi Frontier Life grew its sales significantly due to a rise in overseas interest rates, while Dai-ichi Life remained at a low level. The Overseas Insurance Business continued to perform well as in the previous fiscal year, including Dai-ichi Life Vietnam increasing its sales through the bank channel. As a result, the Group's annualized net premium from policies in-force increased compared with the end of the previous fiscal year.

Group adjusted profit*[1], a core profit indicator for the Group, decreased. The adjusted profit forecast has been lowered from the initial forecast mainly due to higher hedging costs for foreign currency–denominated bonds with foreign exchange hedges at Dai-ichi Life, an increase in benefit payments related to COVID-19, and valuation losses at Protective in the United States due to higher overseas interest rates. Net income attributable to shareholders of parent company decreased due to a decline in Group adjusted profit and the absence of one-off factors that contributed to an increase in income in the previous fiscal year, such as 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.

In fiscal 2023, we expect to see rebound from one-off factors that put downward pressure on results in fiscal 2022, serving as factors to increase profit, such as an improvement in gains from core insurance activities due to the reclassification of COVID-19 and a decrease in hedging cost burden due to a reduction in the balance of foreign currency–denominated bonds with foreign exchange hedges.

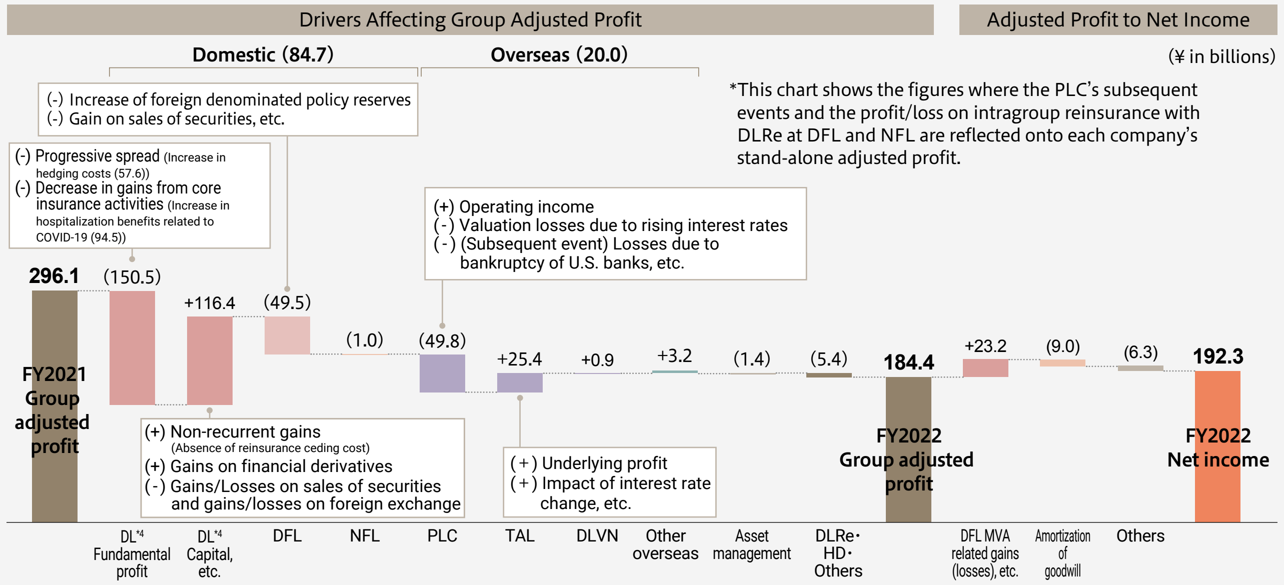
Group EEV, which represents the corporate value of economic value, increased mainly due to an increase in the value of in-force business due to higher domestic interest rates. The Group value of new business decreased from the previous fiscal year, mainly due to sluggish sales volume of Dai-ichi Life products, while sales of Dai-ichi Frontier Life products were strong against a backdrop of rising overseas interest rates.

Item	FY2021	FY2022	YoY change
Group new business annualized net premium	¥313.1 billion	¥392.0 billion	125.2%
Group in force business annualized net premium*[3]	¥4,234.3 billion	¥4,492.4 billion	106.1%
Net income attributable to shareholders of parent company	¥409.3 billion	¥192.3 billion	47.0%
Group adjusted profit	¥296.1 billion	¥184.4 billion	62.3%
Of which, domestic insurance business	¥210.6 billion	¥173.9 billion	82.6%
Of which, overseas insurance business	¥83.0 billion	¥76.3 billion	91.9%
Other business	¥2.3 billion	¥(65.8 billion)	-
Group EEV*[3]	¥7,150.9 billion	¥7,349.0 billion	102.8%
Group value of new business	¥98.6 billion	¥71.2 billion	72.2%

*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.

*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 surrender value when this value is received.

*3 Figures are as of the end of the fiscal year.



*4 Fundamental profit before tax. "DL Capital, etc." includes changes in corporate tax, net capital, and non-recurrent gains (losses).

Financial and Non-Financial Historical Data

(¥ in millions)

	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022
Results of Operations										
Ordinary revenues	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	**9,519,445**
Premium and other income	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	**6,635,483**
Investment income	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	**2,280,833**
Ordinary expenses	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	**9,108,545**
Benefits and claims	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	**6,443,986**
Provision for policy reserves and others	1,634,864	2,271,268	1,496,360	1,016,744	1,223,870	1,309,287	164,491	971,280	316,837	**98,544**
Investment expenses	234,950	168,935	524,041	342,102	548,957	541,541	821,971	326,626	381,136	**1,146,275**
Operating expenses	517,566	559,344	661,384	650,985	661,110	703,573	680,154	689,057	752,160	**831,345**
Ordinary profit	304,750	406,842	418,166	425,320	471,994	432,945	218,380	552,861	590,897	**410,900**
Provision for reserve for policyholder dividends	94,000	112,200	97,500	85,000	95,000	87,500	82,500	77,500	87,500	**95,000**
Net income attributable to shareholders of parent company	77,931	142,476	178,515	231,286	363,928	225,035	32,433	363,777	409,353	**192,301**
Financial Condition										
Total assets	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	**61,578,872**
Total liabilities	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	**58,705,757**
Policy reserves	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	**52,506,098**
Total net assets	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	**2,873,114**
Total shareholders' equity	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	**1,970,526**
Net unrealized gains (losses) on securities, net of tax	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	**742,700**
Sales Results*1										
Annualized net premium of new business (¥ in billions)*2	303.4	339.1	387.2	440.7	406.4	508.7	336.0	228.8	313.1	**392.0**
Domestic Group companies (¥ in billions)	230.5	309.6	294.8	371.9	319.4	418.9	220.4	151.2	206.7	**279.0**
Overseas Group companies (¥ in billions)*2	72.8	29.5	92.4	68.8	87.0	89.8	115.5	77.5	106.3	**113.0**
Annualized net premium from policies in force (¥ in billions)	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	**4,492.4**
Domestic Group companies (¥ in billions)	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	**3,087.1**
Overseas Group companies (¥ in billions)*3	215.6	723.8	761.3	768.1	775.6	863.4	911.9	976.0	1,144.1	**1,405.3**
Corporate Value										
Group European embedded value (EEV) (¥ in billions)*4	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	**7,349.0**
Value of new business (¥ in billions)*4	255.4	286.1	216.1	145.5	190.2	197.4	150.3	119.6	98.6	**71.2**
New business margin (%)*4	6.25	5.53	3.92	2.94	4.30	3.78	3.32	3.56	2.36	**1.32**
Key Financial Indicators										
Return on equity (ROE) (%)	4.3	5.1	5.5	7.6	10.6	6.0	0.9	8.5	8.9	**5.3**
Return on embedded value (ROEV) (%)	29.4	28.8	(21.9)	20.3	13.1	(0.6)	(2.8)	32.5	4.9	**3.9**
Consolidated solvency margin ratio (%)	756.9	818.2	763.8	749.2	838.3	869.7	884.1	958.5	902.6	**704.1**
Adjusted ROE (%)	–	–	–	8.6	8.5	7.6	9.5	8.9	8.0	**5.0**
Economic solvency ratio (%)*5	–	147	98	151	170	169	195	203	227	**226**
Group adjusted profit (¥ in billions)	116.0	214.7	204.6	210.1	243.2	236.3	274.5	282.8	296.1	**184.4**
Per Share Indicators*6										
Earnings per share (EPS) (yen)	78.58	124.94	150.53	196.62	310.69	194.43	28.53	325.61	383.15	**189.28**
Book value per share (BPS) (yen)	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	**2,921.75**
Dividend per share (DPS) (yen)	20	28	35	43	50	58	62	62	83	**86**
Key Non-Financial Indicators										
Number of Group employees	59,512	60,647	61,446	62,606	62,943	62,938	63,719	64,823	62,260	**60,997**
Domestic Group company employees (people)	57,462	55,982	56,503	57,262	57,339	56,565	56,691	57,228	53,992	**51,398**
Overseas Group company employees (people)	2,050	4,665	4,943	5,344	5,604	6,373	7,028	7,595	8,268	**9,599**
Percentage of women in managerial posts (%)*7	21.9	22.5	23.3	24.2	25.2	25.6	26.5	27.5	28.5	**29.3**
Number of employees with disabilities (people)*8	891	913	926	953	966	955	976	1,046	1,011	**977**
CO_2 emissions (t-CO_2)*9	175,000	168,000	178,100	171,900	166,000	155,300	138,900	125,600	98,900	**23,800**
Total paper usage (t)*10	8,116	6,509	6,559	6,967	6,475	6,474	6,092	4,794	5,425	**4,774**

*1 The values for 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 2018 are the total of Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life, Protective, TAL, and Dai-ichi Life Vietnam.
The values for fiscal 2019 are the total of Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life, Protective, TAL, Dai-ichi Life Vietnam, and Dai-ichi Life Cambodia.
*2 Starting with values for fiscal 2019, values for TAL were tabulated after excluding change in in-force.
*3 Calculated from fiscal 2011
*4 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.
*5 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.
*6 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.
*7 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.
*8 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.
*9 Based on Scope 1 + 2. Figures for fiscal 2012 to fiscal 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 2021). Figures are calculated on a market basis from fiscal 2019.
*10 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 2021).

Participation in External Initiatives

Through joining initiatives related to sustainability within and outside Japan, the Group is promoting initiatives for realizing a sustainable society

Sustainability Accounting Standards Board (SASB)

United Nations Global Compact (UNGC)

30% Club Japan

Japan Stewardship Initiative

Access to Medicine Foundation

International Corporate Governance Network (ICGN)

Women's Empowerment Principles (WEPs)

Principles for Responsible Investment (PRI)

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

Institutional Investors Collective Engagement Forum (IICEF)

Japan Impact-driven Financing Initiative

Climate Change–Related Initiatives

Task Force on Climate-related Financial Disclosures (TCFD)

RE100

Climate Action 100+

THE NET-ZERO ASSET OWNER ALLIANCE

Glasgow Financial Alliance for Net Zero

Taskforce on Nature-related Financial Disclosures (TNFD) Forum

Dialogue with Stakeholders

Basic approach

To ensure that our stakeholders have an accurate understanding of the Group's business activities, we will disclose information regarding the Group's management strategies, finances, and performance in a fair, timely, and appropriate manner, and will further enhance our dialogue with our stakeholders.

In addition, through constructive dialogue with shareholders and investors, including the management team, we strive to deepen their understanding of the Group and to gain an appropriate understanding of their views of the Company and the market environment. We will use the opinions and requests we receive to improve our management and further enhance our corporate value by providing feedback widely within the company, including the management team.

Status of dialogue with shareholders and investors (fiscal 2022)

The Company holds quarterly earnings conference calls and semiannual financial results and business briefings online to engage in dialogue with shareholders and investors in Japan and overseas. In particular, at the financial results and business briefing, the CEO and CFO responded to questions about the Group's business and financial strategies, taking into account the business environment in which the Group operates.

We also had individual interviews with more than 200 domestic and foreign shareholders and investors, mainly in an online format. In our dialogues with shareholders and investors, we discuss a wide range of topics, including corporate governance, risk management, and sustainability matters, in addition to dialogues on group performance. In fiscal 2022, we received many questions and opinions on the Company's CEO succession in particular. We also received many questions regarding our management's approach to "capital circulation management" with an awareness of capital efficiency.

We report and share the opinions we receive widely within the company, including feedback to management through the Board of Directors and the Executive Management Board, and incorporate them into management improvements.

Track record of dialogue with shareholders and investors (fiscal 2022)

- Number of conference calls and financial results and business briefings: 7
- Number of individual investor briefings*: 4
  Total number of participants: approx. 6,000
- Total number of IR interviews (domestic and foreign shareholders): approx. 300

*Number of times held online, number of participants includes archive viewers

Major Awards for the Group's Initiatives

ESG Finance Award Japan Gold Prize in Investor Category (Minister of the Environment Award)

2022 CDP Survey A-List company

Platinum Kurumin

Nadeshiko Brand/Semi-Nadeshiko

Work with Pride "PRIDE Index" Gold Award (2022)

Excellent Enterprise in the 2022 ESG Web Awards

Employer of Choice for Gender Equality (Australia)

Recipient	Organizer	Award	Summary
Protective	Great Place To Work®	Great Place To Work® Certification	Great Place To Work® evaluates job satisfaction in the workplace in about 100 countries around the world from perspectives including workplace culture, employee experience, and innovation. The company earned the certification for the first time last year with a score 32 points higher than the typical U.S. company score, and renewed it again this year. 
Star Union Dai-ichi Life	Institute of Directors	Golden Peacock HR Excellence Award	The Golden Peacock Awards for Corporate Leadership and Excellent Organization are prestigious awards with over 30 years of history. Among them, the HR Excellence Award is bestowed upon organizations that have achieved overall excellence in their HR and people management practices, thus contributing to the needs of business, the profession, employees, industry, and the nation. This is the second consecutive year that the company has received the Golden Peacock Award, following last year's Corporate Governance Award. 
TAL	Plan For Life, Actuaries & Researchers/ Association of Financial Advisers (AFA)	AFA Life Company of the Year Awards 2022	The AFA Life Company of the Year Awards recognize life insurance companies that have provided reliable and dependable service in Australia throughout the year, and for 2022, innovation and adaptation to a changing environment were key judging criteria. The company won top awards in three categories and was recognized as a top company in the Overall Platinum category, which is the overall award. Awarded the top award: • Innovation – Health and Wellness • Income Protection • Trauma

Overview and Organization of the Insurance Holding Company

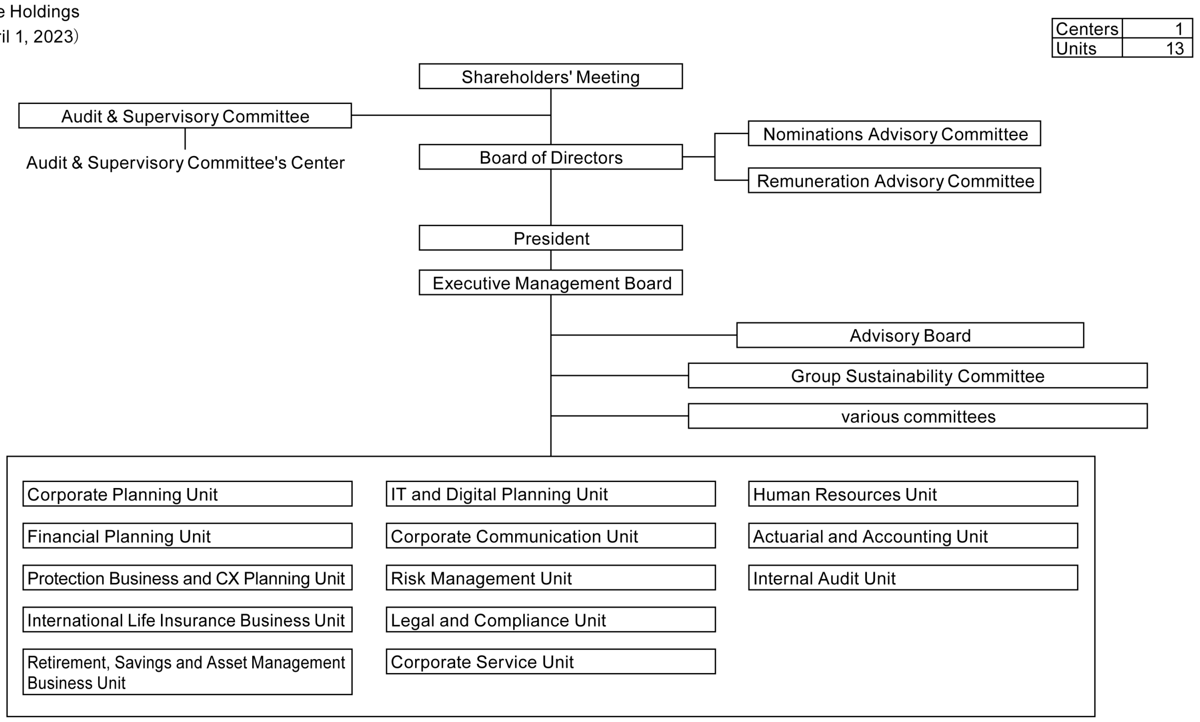
Corporate Profile

Trade name	Dai-ichi Life Holdings, Inc.
Date of Establishment	September 15, 1902
Head Office	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-8411, Japan
Phone number	81-(0)3-3216-1222
Official website	https://www.dai-ichi-life-hd.com/en/
Main Business	The purpose of the Company shall be to engage in the following businesses: (1) Business administration of life insurance companies, non-life insurance companies, and other companies operating as the Company's subsidiaries pursuant to the provisions of the Insurance Business Act; (2) Business activities incidental to the business listed in the preceding item; and (3) In addition to the business listed in the preceding two items, business activities that are permitted to be performed by an insurance holding company under the Insurance Business Act.
Capital stock	344.0 billion yen
Number of employees	801 persons

Management Organization

Organization Chart

Dai-ichi Life Holdings
(As of April 1, 2023)



Capital Stock and Number of Shares

1. Capital stock

Date	Increase in capital	Capital stock after increase	Details
April 1, 2010	210,200 million yen	210,200 million yen	Reconciliation of net assets associated with the change in corporate structure to a public company from a mutual company
April 2, 2012	7 million yen	210,207 million yen	Exercise of stock options
April 1, 2013	8 million yen	210,215 million yen	Exercise of stock options
June 21, 2013	9 million yen	210,224 million yen	Exercise of stock options
June 25, 2014	37 million yen	210,262 million yen	Exercise of stock options
July 23, 2014	124,178 million yen	334,440 million yen	Issuance of new shares by way of public offering
August 19, 2014	8,663 million yen	343,104 million yen	Third-party allotment associated with the secondary offering through over-allotment
April 1, 2015	42 million yen	343,146 million yen	Exercise of stock options
July 24, 2018	180 million yen	343,326 million yen	Third-party allotment associated with the stock remuneration scheme using restricted stocks
July 19, 2019	190 million yen	343,517 million yen	Third-party allotment associated with the stock remuneration scheme using restricted stocks
July 21, 2020	214 million yen	343,732 million yen	Third-party allotment associated with the stock remuneration scheme using restricted stocks
July 20, 2021	194 million yen	343,926 million yen	Third-party allotment associated with the stock remuneration scheme using restricted stocks
December 2, 2022	147 million yen	344,074 million yen	Third-party allotment associated with the stock remuneration scheme using restricted stocks

2. Number of shares and shareholders

(As of March 31, 2023)

Number of shares authorized to be issued	4,000,000 thousand shares
Number of issued shares	989,888 thousand shares
Number of shareholders	725,915 persons

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

3. Type of issued shares

(As of March 31, 2023)

Type	Number of issued shares	Details
Common stock	989,888 thousand shares	—

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

4. Major Shareholders (Top 10)

(As of March 31, 2023)

Name of shareholders	Ownership in the Company	
	Shares held	Percentage
	thousands of shares	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	158,136	16.02
Custody Bank of Japan, Ltd. (Trust Account)	62,773	6.35
Mizuho Bank, Ltd.	28,000	2.83
SMP PARTNERS (CAYMAN) LIMITED	24,500	2,48
Shinsei Trust & Banking Co., Ltd. ECM MF Trust Account 8299002	17,450	1.76
STATE STREET BANK WEST CLIENT – TREATY 505234	16,887	1.71
CGML PB CLIENT ACCOUNT/COLLATERAL	16,167	1,63
SMBC Nikko Securities Inc.	15,163	1,53
JPMorgan Securities Japan Co., Ltd.	13,233	1.34
J.P. MORGAN SECURITIES PLC FOR AND ON BEHALF OF ITS CLIENTS JPMSP RE CLIENT ASSETS-SEGR ACCT	12,865	1,30

(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

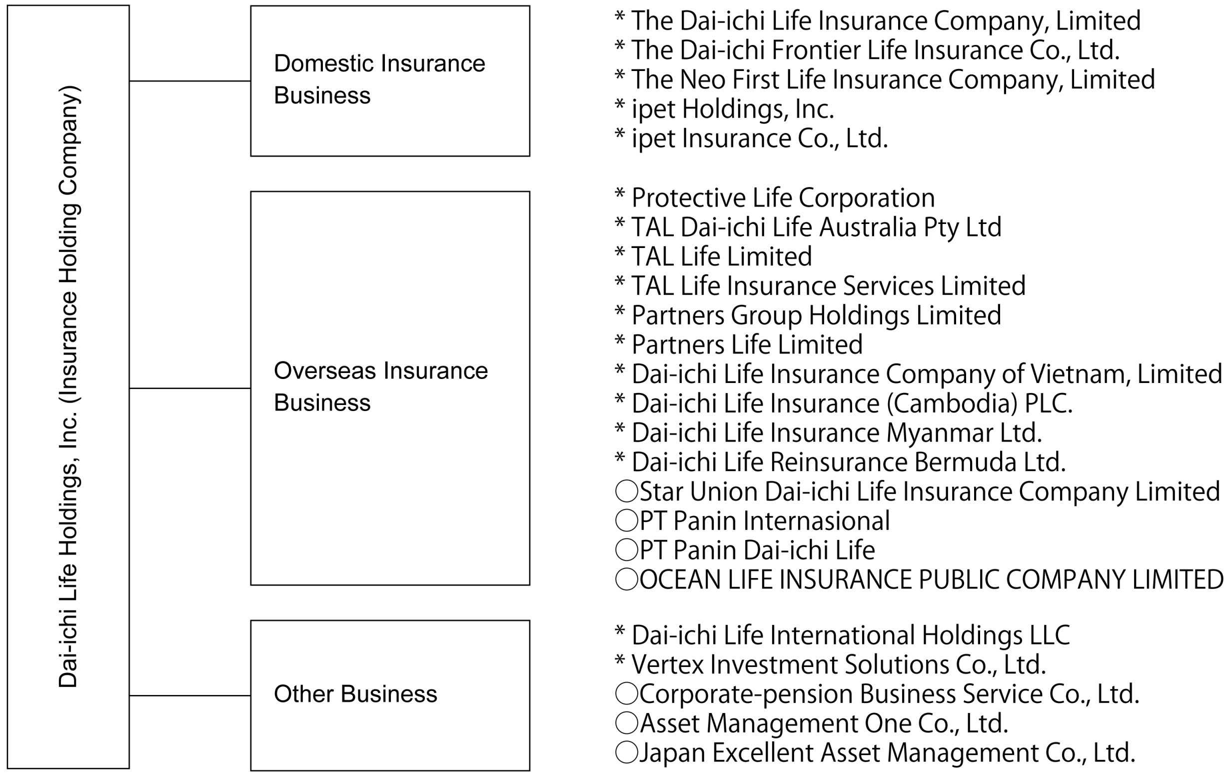
KPMG AZSA LLC

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

Main Businesses and Organization

Main businesses operated by the Company and its 125 subsidiaries and 30 affiliated companies, and the positioning of the group companies with respect to each of these businesses, are described as follows.

<Diagram of the Company and its Subsidiaries and Affiliated Companies>



(Notes) 1. Company names of principal subsidiaries and affiliated companies are shown.
2. Company names with "∗" are consolidated subsidiaries and "○" are affiliated companies under the equity method as of March 31, 2023.

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	Domestic insurance business	100.0%	0.0%
The Dai-ichi Frontier Life Insurance Co., Ltd.	December 1, 2006	Minato-ku, Tokyo	117.5 billion JPY	Domestic insurance business	100.0%	0.0%
The Neo First Life Insurance Company, Limited	April 23, 1999	Shinagawa-ku, Tokyo	47.5 billion JPY	Domestic insurance business	100.0%	0.0%
ipet Holdings, Inc.	October 1, 2020	Koto-ku, Tokyo	0.1 billion JPY	Domestic insurance business	100.0%	0.0%
ipet Insurance Co., Ltd.	May 11, 2004	Koto-ku, Tokyo	4.6 billion JPY	Domestic insurance business	0.0%	100.0%
Protective Life Corporation	July 24, 1907	Birmingham, U.S.A.	10 USD	Overseas insurance business	0.0%	100.0%
TAL Dai-ichi Life Australia Pty Ltd	March 25, 2011	Sydney, Australia	3,055 million AUD	Overseas insurance business	0.0%	100.0%
TAL Life Limited	October 11, 1990	Sydney, Australia	654 million AUD	Overseas insurance business	0.0%	100.0%
TAL Life Insurance Services Limited	August 4, 1986	Sydney, Australia	856 million AUD	Overseas insurance business	0.0%	100.0%
Partners Group Holdings Limited	August 23, 2010	Oakland, New Zealand	486 million NZD	Overseas insurance business	0.0%	100.0%
Partners Life Limited	August 23, 2010	Oakland, New Zealand	519 million NZD	Overseas insurance business	0.0%	100.0%
Dai-ichi Life Insurance Company of Vietnam, Limited	January 18, 2007	Ho Chi Minh City, Vietnam	9,797.5 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	0.0%	100.0%
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	135 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%
Vertex Investment Solutions Co., Ltd.	August 1, 2022	Chiyoda-ku, Tokyo	15 billion JPY	Other business	100.0%	0.0%

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)
(Affiliated Company Under the Equity Method)						
Star Union Dai-ichi Life Insurance Company Limited	September 25, 2007	Navi Mumbai, India	3,389 million 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,				
	2019	2020	2021	2022	2023
Ordinary revenues (million yen)	7,184,093	7,114,099	7,827,806	8,209,708	9,519,445
Ordinary profit (million yen)	432,945	218,380	552,861	590,897	410,900
Net income attributable to shareholders of parent company (million yen)	225,035	32,433	363,777	409,353	192,301
Comprehensive income (million yen)	72,613	167,564	1,143,981	(130,395)	(1,330,832)

	As of March 31,				
	2019	2020	2021	2022	2023
Total net assets (million yen)	3,713,592	3,776,918	4,807,129	4,408,507	2,873,114
Total assets (million yen)	55,941,261	60,011,999	63,593,705	65,881,161	61,578,872
Consolidated solvency margin ratio (%)	869.7	884.1	958.5	902.6	704.1

Outline of business

Ordinary revenues for the fiscal year ended March 31, 2023 increased by 16.0% compared to the previous fiscal year to ¥9,519.4 billion, consisting of ¥6,635.4 billion (25.4% increase) in premium and other income, ¥2,280.8 billion (10.6% decrease) in investment income, and ¥603.1 billion (64.5% increase) in other ordinary revenues. Meanwhile, ordinary expenses for the fiscal year ended March 31, 2023 increased by 19.6% compared to the previous fiscal year to ¥9,108.5 billion, consisting of ¥6,443.9 billion (10.0% increase) in benefits and claims, ¥98.5 billion (68.9% decrease) in provision for policy reserves and others, ¥1,146.2 billion (200.8% increase) in investment expenses, ¥831.3 billion (10.5% increase) in operating expenses, and ¥588.3 billion (88.0% increase) in other ordinary expenses.

As a result, ordinary profit for the fiscal year ended March 31, 2023 decreased by 30.5% compared to the previous fiscal year to ¥410.9 billion. 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, decreased by 53.0% to ¥192.3 billion. This was mainly due to an increase of COVID-19 related payments at Dai-ichi Life and valuation losses caused by rising interest rates at Protective Life Corporation.

Segment results were as follows:

(1) Domestic Insurance Business

Ordinary revenues for the domestic insurance business increased compared to the previous fiscal year by ¥1,495.9 billion, or 21.9%, to ¥8,341.0 billion mainly due to an increase in premium and other income at Dai-ichi Frontier Life in line with an increase in sales volume of foreign currency-denominated products resulting from the rising overseas interest rates, etc. Segment net income decreased compared to the previous fiscal year by ¥149.7 billion, or 30.3%, to ¥344.1 billion mainly due to an increase in COVID-19 related payments and losses on sales of securities at Dai-ichi Life while benefits and claims decreased due to an absence of ceding reinsurance commissions..

(2) Overseas Insurance Business

Ordinary revenues for the overseas insurance business increased compared to the previous fiscal year by ¥383.9 billion, or 17.1%, to ¥2,626.8 billion mainly due to an increase in reversal for policy reserve at Protective Life Corporation and an increase in premium and other income at TAL due to the completion of its acquisition of Westpac Life Insurance Services Limited (TAL Life Insurance Services Limited). Segment net income decreased compared to the previous fiscal year by ¥66.1 billion, or 70.1%, to ¥28.1 billion mainly caused by valuation losses due to rising interest rates at Protective Life Corporation.

(3) Other Business

Ordinary revenues for other business increased compared to the previous fiscal year by ¥78.0 billion, or 36.1%, to ¥294.3 billion mainly due to an increase in dividend income from group companies. Segment net income increased compared to the previous fiscal year by ¥71.4 billion, or 36.1%, to ¥268.9 billion.

Consolidated Balance Sheet

	(Unit: million yen)		(Unit: million US dollars)
	As of March 31,		
	2022	**2023**	**2023**
(ASSETS)			
Cash and deposits	2,183,874	1,619,087	12,125
Call loans	479,900	966,900	7,241
Monetary claims bought	255,902	246,105	1,843
Money held in trust	1,106,918	911,246	6,824
Securities	51,504,749	46,711,704	349,821
Loans	3,978,577	4,349,867	32,575
Tangible fixed assets	1,159,741	1,239,953	9,285
Land	808,368	883,225	6,614
Buildings	332,376	330,802	2,477
Leased assets	4,499	3,580	26
Construction in progress	551	6,352	47
Other tangible fixed assets	13,944	15,992	119
Intangible fixed assets	502,795	761,682	5,704
Software	124,331	129,394	969
Goodwill	56,245	119,545	895
Other intangible fixed assets	322,218	512,742	3,839
Reinsurance receivable	1,924,898	1,659,438	12,427
Other assets	2,748,965	2,834,798	21,229
Deferred tax assets	9,378	247,891	1,856
Customers' liabilities for acceptances and guarantees	45,745	48,987	366
Reserve for possible loan losses	(19,505)	(17,863)	(133)
Reserve for possible investment losses	(779)	(927)	(6)
Total assets	65,881,161	61,578,872	461,161
(LIABILITIES)			
Policy reserves and others	52,745,988	53,946,359	404,001
Reserves for outstanding claims	925,110	1,016,857	7,615
Policy reserves	51,407,655	52,506,098	393,215
Reserve for policyholder dividends	413,222	423,403	3,170
Reinsurance payable	895,123	597,703	4,476
Short-term bonds payable	—	43,062	322
Bonds payable	870,383	906,612	6,789
Other liabilities	5,906,787	2,373,148	17,772
Payables under repurchase agreements	3,115,017	432,210	3,236
Other liabilities	2,791,770	1,940,937	14,535
Net defined benefit liabilities	392,522	367,808	2,754
Reserve for retirement benefits of directors, executive officers and corporate auditors	929	794	5
Reserve for possible reimbursement of prescribed claims	800	800	5
Reserves under the special laws	287,358	305,588	2,288
Reserve for price fluctuations	287,358	305,588	2,288
Deferred tax liabilities	256,364	44,694	334
Deferred tax liabilities for land revaluation	70,652	70,197	525
Acceptances and guarantees	45,745	48,987	366
Total liabilities	61,472,654	58,705,757	439,644
(NET ASSETS)			
Capital stock	343,926	344,074	2,576
Capital surplus	330,259	330,407	2,474
Retained earnings	1,334,834	1,309,963	9,810
Treasury stock	(12,718)	(13,918)	(104)
Total shareholders' equity	1,996,301	1,970,526	14,757
Net unrealized gains (losses) on securities, net of tax	2,397,969	742,700	5,562
Deferred hedge gains (losses)	(15,532)	(38,260)	(286)
Reserve for land revaluation	16,643	30,369	227
Foreign currency translation adjustments	4,232	144,515	1,082
Accumulated remeasurements of defined benefit plans	8,197	22,778	170
Total accumulated other comprehensive income	2,411,510	902,102	6,755
Subscription rights to shares	694	483	3
Non-controlling interests	—	1	0
Total net assets	4,408,507	2,873,114	21,516
Total liabilities and net assets	65,881,161	61,578,872	461,161

Consolidated Statement of Earnings

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2022	**2023**	**2023**
ORDINARY REVENUES	8,209,708	9,519,445	71,290
Premium and other income	5,291,973	6,635,483	49,692
Investment income	2,551,112	2,280,833	17,081
Interest and dividends	1,386,792	1,431,356	10,719
Gains on investments in trading securities	206,378	—	—
Gains on sale of securities	393,503	571,788	4,282
Gains on redemption of securities	21,230	19,182	143
Derivative transaction gains	—	27,103	202
Foreign exchange gains	453,064	227,065	1,700
Reversal of reserve for possible loan losses	11,340	100	0
Other investment income	2,718	4,236	31
Gains on investments in separate accounts	76,084	—	—
Other ordinary revenues	366,622	603,127	4,516
ORDINARY EXPENSES	7,618,811	9,108,545	68,213
Benefits and claims	5,855,703	6,443,986	48,258
Claims	1,397,477	1,571,782	11,771
Annuities	778,494	866,271	6,487
Benefits	653,894	862,291	6,457
Surrender values	1,363,354	1,989,215	14,897
Other refunds	1,662,483	1,154,425	8,645
Provision for policy reserves and others	316,837	98,544	737
Provision for reserves for outstanding claims	48,203	90,239	675
Provision for policy reserves	260,369	—	—
Provision for interest on policyholder dividends	8,264	8,305	62
Investment expenses	381,136	1,146,275	8,584
Interest expenses	26,704	33,000	247
Losses on money held in trust	1,572	2,303	17
Losses on investments in trading securities	—	392,938	2,942
Losses on sale of securities	234,564	516,578	3,868
Losses on valuation of securities	7,817	21,750	162
Losses on redemption of securities	3,545	5,934	44
Derivative transaction losses	40,176	—	—
Provision for reserve for possible investment losses	247	486	3
Write-down of loans	459	1,513	11
Depreciation of real estate for rent and others	13,458	13,682	102
Other investment expenses	52,590	72,725	544
Losses on investments in separate accounts	—	85,361	639
Operating expenses	752,160	831,345	6,225
Other ordinary expenses	312,973	588,392	4,406
Ordinary profit	590,897	410,900	3,077
EXTRAORDINARY GAINS	10,766	4,584	34
Gains on disposal of fixed assets	10,404	4,550	34
Other extraordinary gains	362	34	0
EXTRAORDINARY LOSSES	39,792	39,805	298
Losses on disposal of fixed assets	12,966	5,562	41
Impairment losses on fixed assets	3,850	15,939	119
Provision for reserve for price fluctuations	22,903	18,202	136
Other extraordinary losses	72	101	0
Provision for reserve for policyholder dividends	87,500	95,000	711
Income before income taxes	474,371	280,679	2,101
Corporate income taxes-current	136,131	41,937	314
Corporate income taxes-deferred	(71,113)	46,440	347
Total of corporate income taxes	65,018	88,377	661
Net Income	409,353	192,301	1,440
Net income attributable to non-controlling interests	—	0	0
Net income attributable to shareholders of parent company	409,353	192,301	1,440

Consolidated Statement of Comprehensive Income

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2022	**2023**	**2023**
Net income	409,353	192,301	1,440
Other comprehensive income			
Net unrealized gains (losses) on securities, net of tax	(653,967)	(1,649,661)	(12,354)
Deferred hedge gains (losses)	(11,381)	(22,034)	(165)
Reserve for land revaluation	(25)	—	—
Foreign currency translation adjustments	110,026	137,354	1,028
Remeasurements of defined benefit plans, net of tax	18,185	14,575	109
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	(2,586)	(3,368)	(25)
Total other comprehensive income	(539,749)	(1,523,134)	(11,406)
Comprehensive income	(130,395)	(1,330,832)	(9,966)
(Details)			
Attributable to shareholders of parent company	(130,395)	(1,330,832)	(9,966)
Attributable to non-controlling interests	—	0	0

Consolidated Statement of Changes in Net Assets

Year ended March 31, 2022

(Unit: million yen)

	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
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 comprehensive income			
	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)	Reserve for land revaluation	Foreign currency translation adjustments
Balance at the beginning of the year	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)

	Accumulated other comprehensive income		Subscription rights to shares	Non-controlling interests	Total net assets
	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the year	(10,012)	2,912,564	920	—	4,807,129
Changes for the year					
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, 2023

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	343,926	330,259	1,334,834	(12,718)	1,996,301
Changes for the year					
Issuance of new shares	147	147			295
Dividends			(85,030)		(85,030)
Net income attributable to shareholders of parent company			192,301		192,301
Purchase of treasury stock				(120,000)	(120,000)
Disposal of treasury stock		(143)		405	262
Cancellation of treasury stock		(118,394)		118,394	—
Transfer from retained earnings to capital surplus		118,538	(118,538)		—
Transfer from reserve for land revaluation			(13,726)		(13,726)
Others			122		122
Net changes of items other than shareholders' equity					
Total changes for the year	147	147	(24,870)	(1,199)	(25,775)
Balance at the end of the year	344,074	330,407	1,309,963	(13,918)	1,970,526

(Unit: million yen)

	Accumulated other comprehensive income				
	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)	Reserve for land revaluation	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans
Balance at the beginning of the year	2,397,969	(15,532)	16,643	4,232	8,197
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	(1,655,268)	(22,728)	13,726	140,282	14,580
Total changes for the year	(1,655,268)	(22,728)	13,726	140,282	14,580
Balance at the end of the year	742,700	(38,260)	30,369	144,515	22,778

(Unit: million yen)

	Accumulated other comprehensive income	Subscription rights to shares	Non-controlling interests	Total net assets
	Total accumulated other comprehensive income			
Balance at the beginning of the year	2,411,510	694	—	4,408,507
Changes for the year				
Issuance of new shares				295
Dividends				(85,030)
Net income attributable to shareholders of parent company				192,301
Purchase of treasury stock				(120,000)
Disposal of treasury stock				262
Cancellation of treasury stock				—
Transfer from retained earnings to capital surplus				—
Transfer from reserve for land revaluation				(13,726)
Others				122
Net changes of items other than shareholders' equity	(1,509,407)	(211)	1	(1,509,617)
Total changes for the year	(1,509,407)	(211)	1	(1,535,392)
Balance at the end of the year	902,102	483	1	2,873,114

Consolidated Statement of Changes in Net Assets (Continued)

Year ended March 31, 2023

(Unit: million US dollars)

	Shareholders' equity: Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	2,575	2,473	9,996	(95)	14,950
Changes for the year					
Issuance of new shares	1	1			2
Dividends			(636)		(636)
Net income attributable to shareholders of parent company			1,440		1,440
Purchase of treasury stock				(898)	(898)
Disposal of treasury stock		(1)		3	1
Cancellation of treasury stock		(886)		886	—
Transfer from retained earnings to capital surplus		887	(887)		—
Transfer from reserve for land revaluation			(102)		(102)
Others			0		0
Net changes of items other than shareholders' equity					
Total changes for the year	1	1	(186)	(8)	(193)
Balance at the end of the year	2,576	2,474	9,810	(104)	14,757

(Unit: million US dollars)

	Accumulated other comprehensive income: Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)	Reserve for land revaluation	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans
Balance at the beginning of the year	17,958	(116)	124	31	61
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	(12,396)	(170)	102	1,050	109
Total changes for the year	(12,396)	(170)	102	1,050	109
Balance at the end of the year	5,562	(286)	227	1,082	170

(Unit: million US dollars)

	Accumulated other comprehensive income: Total accumulated other comprehensive income	Subscription rights to shares	Non-controlling interests	Total net assets
Balance at the beginning of the year	18,059	5	—	33,015
Changes for the year				
Issuance of new shares				2
Dividends				(636)
Net income attributable to shareholders of parent company				1,440
Purchase of treasury stock				(898)
Disposal of treasury stock				1
Cancellation of treasury stock				—
Transfer from retained earnings to capital surplus				—
Transfer from reserve for land revaluation				(102)
Others				0
Net changes of items other than shareholders' equity	(11,303)	(1)	0	(11,305)
Total changes for the year	(11,303)	(1)	0	(11,498)
Balance at the end of the year	6,755	3	0	21,516

Consolidated Statement of Cash Flows

	(Unit: million yen) Year ended March 31, 2022	2023	(Unit: million US dollars) 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income taxes	474,371	280,679	2,101
Depreciation of real estate for rent and others	13,458	13,682	102
Depreciation	71,352	86,510	647
Impairment losses on fixed assets	3,850	15,939	119
Amortization of goodwill	5,154	7,030	52
Increase (decrease) in reserves for outstanding claims	117,139	47,472	355
Increase (decrease) in policy reserves	293,034	(722,309)	(5,409)
Provision for interest on policyholder dividends	8,264	8,305	62
Provision for (reversal of) reserve for policyholder dividends	87,500	95,000	711
Increase (decrease) in reserve for possible loan losses	(11,595)	(3,643)	(27)
Increase (decrease) in reserve for possible investment losses	152	147	1
Write-down of loans	459	1,513	11
Increase (decrease) in net defined benefit liabilities	(2,420)	(6,004)	(44)
Increase (decrease) in reserve for retirement benefits of directors, executive officers and corporate auditors	(69)	(134)	(1)
Increase (decrease) in reserve for price fluctuations	22,903	18,202	136
Interest and dividends	(1,386,792)	(1,431,356)	(10,719)
Securities related losses (gains)	(451,269)	431,593	3,232
Interest expenses	26,704	33,000	247
Foreign exchange losses (gains)	(453,064)	(227,065)	(1,700)
Losses (gains) on disposal of fixed assets	2,191	498	3
Equity in losses (income) of affiliates	(5,529)	(6,184)	(46)
Decrease (increase) in reinsurance receivable	(78,519)	558,710	4,184
Decrease (increase) in other assets unrelated to investing and financing activities	(251,517)	(12,076)	(90)
Increase (decrease) in reinsurance payable	76,163	(307,989)	(2,306)
Increase (decrease) in other liabilities unrelated to investing and financing activities	(25,677)	50,448	377
Others, net	87,547	35,088	262
Subtotal	(1,376,207)	(1,032,942)	(7,735)
Interest and dividends received	1,554,969	1,621,166	12,140
Interest paid	(32,077)	(36,066)	(270)
Policyholder dividends paid	(83,541)	(93,123)	(697)
Others, net	(383,791)	(436,527)	(3,269)
Corporate income taxes (paid) refund	(141,428)	(154,975)	(1,160)
Net cash flows provided by (used in) operating activities	(462,076)	(132,468)	(992)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net decrease (increase) in cash and deposits	(19,326)	4,460	33
Purchases of monetary claims bought	(47,029)	(25,989)	(194)
Proceeds from sale and redemption of monetary claims bought	40,290	29,995	224
Purchases of money held in trust	(69,896)	(92,105)	(689)
Proceeds from decrease in money held in trust	92,300	285,464	2,137
Purchases of securities	(10,457,617)	(10,719,051)	(80,274)
Proceeds from sale and redemption of securities	10,932,077	14,073,919	105,398
Origination of loans	(940,561)	(1,000,871)	(7,495)
Proceeds from collection of loans	863,640	842,473	6,309
Net increase (decrease) in short-term investing	672,886	(2,764,354)	(20,702)
Total of net cash provided by (used in) investment transactions	1,066,764	633,940	4,747
Total of net cash provided by (used in) operating activities and investment transactions	604,688	501,472	3,755
Acquisition of tangible fixed assets	(99,465)	(117,860)	(882)
Proceeds from sale of tangible fixed assets	31,910	56,547	423
Acquisition of intangible fixed assets	(49,547)	(43,821)	(328)
Proceeds from sale of intangible fixed assets	694	—	—
Acquisitions of stock of subsidiaries resulting in change in scope of consolidation	—	(218,369)	(1,635)
Proceeds from acquisitions of stock of subsidiaries resulting in change in scope of consolidation	12,919	—	—
Net cash flows provided by (used in) investing activities	963,276	310,437	2,324

Consolidated Statement of Cash Flows (Continued)

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2022	**2023**	**2023**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	330,130	103,673	776
Repayment of borrowings	(298,308)	(205,632)	(1,539)
Proceeds from issuing bonds	79,453	—	—
Redemption of bonds	(129,858)	—	—
Proceeds from issuing common stock	—	147	1
Repayment of financial lease obligations	(3,302)	(3,147)	(23)
Net increase (decrease) in short-term financing	109,976	(13,599)	(101)
Purchase of treasury stock	(199,999)	(120,000)	(898)
Cash dividends paid	(68,678)	(84,814)	(635)
Acquisitions of stock of subsidiaries that do not result in change in scope of consolidation	(120)	(2,075)	(15)
Others, net	0	0	0
Net cash flows provided by (used in) financing activities	(180,707)	(325,447)	(2,437)
Effect of exchange rate changes on cash and cash equivalents	33,341	48,019	359
Net increase (decrease) in cash and cash equivalents	353,833	(99,458)	(744)
Cash and cash equivalents at the beginning of the year	2,262,910	2,616,743	19,596
Cash and cash equivalents at the end of the year	2,616,743	2,517,285	18,851

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

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 ¥133.53=US$1.00, the foreign exchange rate on March 31, 2023, 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, 2023: 87

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"), ipet Holdings, Inc. ("ipet"), 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"), Partners Group Holdings Limited ("PNZ"), Dai-ichi Life International Holdings LLC ("DLIHD")and Vertex Investment Solutions Co., Ltd ("VTX").

Effective the fiscal year ended March 31, 2023, three companies, which are ipet Holdings, Inc. and its two affiliated companies, and eight companies, which are Partners Group Holdings Limited and its seven affiliated companies, were included in the scope of consolidation as they had become subsidiaries of the Company.

Effective the fiscal year ended March 31, 2023, Vertex Investment Solutions Co., Ltd., which was established in the fiscal year ended March 31, 2023, was included in the scope of consolidation.

Effective the fiscal year ended March 31, 2023, two affiliated companies of TDLA were included in the scope of consolidation as they had become subsidiaries of the Company.

Effective the fiscal year ended March 31, 2023, four affiliated companies of Protective Life Corporation were included in the scope of consolidation as they had become subsidiaries of the Company.

Effective the fiscal year ended March 31, 2023, six affiliated companies of TDLA were excluded from the scope of consolidation.

(2) The number of non-consolidated subsidiaries as of March 31, 2023: 38

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-eight non-consolidated subsidiaries as of March 31, 2023 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, 2023 was 0.

The number of affiliated companies under the equity method as of March 31, 2023 was 23. 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, 2023, 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.

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

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

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

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

e) Available-for-sale Securities

i) Available-for-sale Securities other than stocks and other securities without market prices

Available-for-sale securities other than stocks and other securities without market prices are valued at fair value at the end of the fiscal year, with cost determined by the moving average method.

ii) Stocks and other securities without market prices

Stocks and other securities without market prices are valued at cost determined by the moving average method.

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

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

(2) Valuation Method of Derivative Transactions

Derivative transactions are reported at fair value.

(3) Depreciation of Depreciable Assets

a) Depreciation of Tangible Fixed Assets Excluding Leased Assets

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

Estimated useful lives of major assets are as follows:

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

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

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

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

b) Amortization of Intangible Fixed Assets Excluding Leased Assets

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

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

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

c) Depreciation of Leased Assets

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

(4) Reserve for Possible Loan Losses

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

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

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

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

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

For loans and claims to bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The amounts written off during the fiscal years ended March 31, 2022 and 2023 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, 2023. 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, 2023.

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 certain 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, certain loans, certain loans payable and bonds payable and certain foreign currency-denominated stocks (forecasted transaction) and term deposits; iii) the fair value hedge method using currency options and foreign currency forward contracts is used for hedges against exchange rate fluctuations in the value of certain foreign currency-denominated bonds; iv) the deferral hedge method for bond over-the-counter options is used for hedges against interest-rate fluctuations in certain foreign currency-denominated bonds; v) the deferral hedge method and fair value hedge method using equity options and equity forward contracts are used for hedges against price fluctuations in the value of certain domestic stocks and foreign currency-denominated stocks (forecasted transaction), and vi) the deferral hedge method using interest rate swaps is used for hedges against interest rate fluctuations in certain insurance liabilities, under the "Accounting and Auditing Treatment of Application of Accounting Standard for Financial Instruments to Insurance Operators" (Industry Audit Committee Report No. 26 issued by JICPA).

b) Hedging Instruments and Hedged Items

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

c) Hedging Policies

Certain domestic consolidated subsidiaries conduct hedging transactions with regard to certain market risk, foreign currency risk and interest rate 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 cash and have an insignificant risk of changes in value.

(14) Calculation of National and Local Consumption Tax

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

(15) Policy Reserves

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

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

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

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

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

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

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

(16) Reserves for Outstanding Claims

With respect to reserves for incurred but not reported cases for individual insurance policies (referring to claims for which the occurrence of the insured events have not been reported but the Company finds that insured events have already occurred; hereinafter the same) provided by certain consolidated subsidiaries that operate a life insurance business in Japan, the scope of payment of hospitalization benefits was changed in the fiscal year ended March 31, 2023 with respect to those diagnosed as COVID-19 and were under the care of a doctor and the like at an accommodation facility or at home ("deemed hospitalization"). As a result of this change, an appropriate amount of reserves cannot be obtained with the calculation method set forth in the main rules in Article 1, Paragraph 1 of the Notification of the Minister of Finance No.234, 1998 ("IBNR Notification"). The Group therefore records the amount that was calculated using the following method, pursuant to provisions in the proviso of Article 1, Paragraph 1 of IBNR Notification (the "Proviso").

(Overview of the calculation method)

The Group first deducts an amount pertaining to deemed hospitalization of policy holders other than those with high risk of severity ("4 categories") from a required amount of reserves for incurred but not reported cases and the amount of claim payments for all the fiscal years, as set forth in the main rules in Article 1, Paragraph 1 of IBNR Notification, and then calculates in the same manner as in the main rules in Article 1, Paragraph 1 of IBNR Notification.

An amount pertaining to deemed hospitalization of the 4 categories, which was used to estimate an amount pertaining to deemed hospitalization of those other than the 4 categories diagnosed prior to September 25, 2022, was estimated by either of the following methods: multiplying the ratio of the accumulated payments to the 4 categories diagnosed on or after September 26, 2022 and the accumulated payments for deemed hospitalization of those aged 65 years old or higher, one of the 4 categories, with an amount pertaining to deemed hospitalization of those aged 65 years old or higher diagnosed prior to September 25, 2022; or obtaining a ratio accounted for by the number of deemed hospitalization of the 4 categories paid by the Company to the number of new cases of infection nationwide on or after September 26, 2022, which is to be divided by a ratio accounted for by the number of deemed hospitalization paid by the Company to the number of new cases of infection nationwide prior to September 25, 2022, and then multiplying the obtained ratio by the amount of deemed hospitalization to those diagnosed prior to September 25, 2022.

(17) 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.

(18) Significant Accounting Estimates

a) Evaluation of goodwill

i) Amounts recognized on the consolidated financial statements in the fiscal year ended March 31, 2023

Goodwill presented on the consolidated balance sheets as of March 31, 2022 and 2023 were ¥24,152 million and ¥55,535 million (US$415 million) arising from the acquisition of PLC and the acquisition business of PLC's acquisition segment, and goodwill of ¥32,093 million and ¥27,803 million (US$208 million) arising from the acquisition of TDLA, goodwill of ¥－million and ¥20,482 million (US$153 million) arising from the acquisition of PNZ and goodwill of ¥－million and ¥15,724 million (US$117 million) arising from the acquisition of ipet.

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

Goodwill arising from acquisitions of Protective Life and TDLA is recorded on the consolidated financial statements of these consolidated subsidiaries and is subject to judgment on recording impairment losses on goodwill to be examined by each subsidiary in accordance with the local accounting standards of each subsidiary.

PLC periodically assesses whether or not to record an impairment loss on goodwill.

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 omitted the test for an impairment indicator and proceeded to the quantitative impairment test described below for all or a part 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., business income and expense projections 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 determines whether or not to record an impairment loss on goodwill by comparing book value with recoverable amount in each cash generating unit to which goodwill is allocated (the quantitative impairment test). 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 whether or not to record an impairment loss on goodwill in accordance with the accounting standards in Japan, considering the results of the judgments made by each subsidiary.

Goodwill arising from acquisitions of PNZ and ipet is recorded on the consolidated financial statements of the Company and is subject to judgment on recording impairment losses on goodwill to be examined by the Company in accordance with the accounting standards in Japan.

First, the Company examines whether or not there is any impairment indicator in an asset group that includes goodwill. Whether or not there is any impairment indicator is comprehensively examined in consideration of the presence of deterioration in economic and market environments surrounding PNZ and ipet, the presence of factors that have a negative impact on future profits or cash flows, the presence of deterioration in overall business performance, the presence of a significant drop in substantive value, and other events specific to each asset group.

Next, if it is concluded that there is an impairment indicator of goodwill, the Company estimates future cash flows, etc. expected to be generated from the asset group that includes goodwill, and compares the total of cash flows with the book value. If the amount of future cash flows is less than the book value, the Company records an impairment loss. Then, the Company calculates a recoverable amount of the asset group that includes goodwill, for which an impairment loss is recorded, to conduct comparison with the book value. The key assumptions used in the calculation of the recoverable amount (e.g., business income and expense projections, discount rates and actuarial assumptions) 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, impairment losses on goodwill may be recorded in the following fiscal year.

No impairment losses on goodwill are recorded in the fiscal year ended March 31, 2023.

b) Evaluation of value of in-force insurance contracts

i) Amounts recognized on the consolidated financial statements in the fiscal year ended March 31, 2023

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, 2022 and 2023 were ¥207,570 million and ¥308,608 million (US$2,311 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, 2022 and 2023 were ¥23,259 million and ¥20,188 million (US$151 million) derived from the acquisitions of TDLA, the balance of VIF as of March 31, 2022 and 2023 were ¥－million and ¥35,793 million (US$268 million) derived from the acquisitions of PNZ, and the balance of VIF as of March 31, 2022 and 2023 were ¥－million and ¥24,077 million (US$180 million) derived from the acquisitions of ipet 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 lapse and others, updates them if necessary, and accordingly increases or decreases amortization amount of the VOBA. Where increase or decrease in estimated gross margins is expected due to the change in lapse, the update of actuarial assumptions may result in acceleration of amortization in the following fiscal year.

PLC assesses whether the VOBA arising from traditional insurance contracts is impaired concurrently with performing liability adequacy test of relevant policy reserves in addition to the predetermined amortization. The VOBA arising from traditional insurance contracts may result in impairment losses in the following fiscal year prior to providing additional policy reserves where the estimated future cash flows based on the underlying actuarial assumptions determined upon conclusion of contract, such as interest rate, mortality rate, and discontinuances and others 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, 2023.

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, 2023 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.

The Company assesses the VIF arising from the acquisitions of PNZ and ipet as to whether there is any impairment indicator of the VIF at the same time as goodwill impairment test is performed. For the fiscal year ended March 31, 2023, the Company determined that there was no indication that the VIF is impaired, as with the result of the goodwill impairment test.

(19) 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.

(20) Changes in Accounting Policies

Effective the fiscal year ended March 31, 2023, the Company and its domestic consolidated subsidiaries have applied "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31 revised on June 17, 2021,).

In accordance with the transitional treatment set forth in Item 27-2 of "Implementation Guidance on Accounting Standard for Fair Value Measurement", the Company and its domestic consolidated subsidiaries have applied new accounting policies since the beginning of the fiscal year ended March 31, 2023.

(21) 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.

A consolidated subsidiary in Bermuda has early applied the amendments in this Update from the fiscal year ended on December 31, 2022.

iii) Impact of applying the standard and guidance

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

The early adoption of the standard and guidance by the consolidated subsidiary in Bermuda has only a minimal impact to the consolidated financial statements.

b) Insurance Contracts (AASB 17) (NZ IFRS17)

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 and New Zealand IFRS ("NZ IFRS") issued by New Zealand 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 NZ IFRS, 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.

(Additional information)

Incentive Programs for Employees

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

a) Overview of the transactions

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

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

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

i) Book value of the stocks of the Company within the trust as of March 31, 2022 and 2023 were ¥5,895 million and ¥ 5,838 million (US$43 million), respectively. These stocks were recorded as the treasury stock in the total shareholders' equity.

ii) The number of stocks within the trust as of March 31, 2022 and 2023 were 3,899 thousand shares and 3,862 thousand shares, and the average number of stocks within the trust for the fiscal years ended March 31, 2022 and 2023 were 3,903 thousand shares and 3,865 thousand shares, respectively. The number of shares at the year-end and the average number of stocks were included in the treasury stock, which is deducted when calculating per-share information.

Ⅲ. NOTES TO THE CONSOLIDATED BALANCE SHEET

1. Assets Pledged as Collateral / Secured Liabilities

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

	As of March 31,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Securities	3,683,194	683,609	5,119
Deposits	13,255	8,589	64
Total	3,696,450	692,198	5,183

The amounts of secured liabilities were as follows:

	As of March 31,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Payables under repurchase agreements	3,115,017	432,210	3,236
Cash collateral for securities lending transactions	260,531	150,117	1,124
Total	3,375,548	582,328	4,361

The amount of "Securities" pledged as collateral under repurchase agreements and for securities lending transactions with cash collateral as of March 31, 2022 and 2023 were ¥3,217,022 million and ¥576,344 million (US$4,316 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, 2022 and 2023 were ¥5,198,144 million and ¥2,928,052 million (US$21,928 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, 2022 and 2023
i) individual life insurance and annuities (with the exception of certain types),
ii) non-participating single premium whole life insurance (without duty of medical disclosure),
iii) financial insurance and annuities, and annuities
iv) group annuities (defined contribution corporate pension insurance; defined contribution corporate pension insurance II and certain corporate pension insurances of which the type can be changed to defined contribution corporate pension insurance II), and
v) group annuities 2 (defined benefit corporate pension insurance, employees' pension fund insurance II, new corporate pension insurance II)

The sub-groups of insurance products of DFLI are:

Years ended March 31, 2022 and 2023
i) individual life insurance and annuities (yen-denominated), and
ii) individual life insurance and annuities (U.S. dollar-denominated), with the exception of certain types and contracts.

(Additional Information)

Given the reduction of assumed interest rate for certain group annuities in DL, effective the fiscal year ended March 31, 2023, DL has divided the existing sub-group of group annuities and set a new sub-group in order to conduct investment management according to characteristics of risk and return.

There is no impact of this change on the consolidated financial statements.

4. Stocks of Subsidiaries and Affiliated Companies

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

	As of March 31,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Stocks	116,821	114,519	857
Capital	189,350	197,585	1,479
Total	306,172	312,104	2,337

5. Risk-managed claims

As of March 31, 2023, 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,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Claims against bankrupt and quasi-bankrupt obligors (*1)	79	87	0
Claims with collection risk (*2)	7,273	2,552	19
Claims that are overdue for three months or more (*3)	–	–	–
Claims with repayment relaxation (*4)	1,108	–	–
Total	8,460	2,639	19

(*1) Claims against bankrupt and quasi-bankrupt obligors are claims 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 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.

(*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, the decrease in claims against bankrupt and quasi-bankrupt obligors as of March 31, 2022 and 2023 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, 2022 and 2023 were ¥9,284,129 million and ¥7,355,064 million (US$55,081 million), respectively.

6. Commitment Line

As of March 31, 2022 and 2023, there were unused commitment line agreements under which the Company and its consolidated subsidiaries were the lenders of ¥157,611 million and ¥174,785 million (US$1,308 million), respectively.

7. Accumulated Depreciation of Tangible Fixed Assets

The amounts of accumulated depreciation of tangible fixed assets as of March 31, 2022 and 2023 were ¥632,076 million and ¥620,391 million (US$4,646 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, 2022 and 2023 were ¥2,690,773 million and ¥2,338,524 million (US$17,513 million), respectively. Separate account liabilities were the same amount as the separate account assets.

9. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	Year ended March 31,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Balance at the beginning of the year	400,999	413,222	3,094
Dividends paid during the year	83,541	93,123	697
Interest accrual during the year	8,264	8,305	62
Provision for reserve for policyholder dividends	87,500	95,000	711
Balance at the end of the year	413,222	423,403	3,170

10. 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).

11. Bonds Payable

As of March 31, 2022 and 2023, bonds payable included foreign currency-denominated subordinated bonds of ¥748,398 million and ¥759,127 million (US$5,685 million), respectively, whose repayment is subordinated to other obligations.

Details of bonds payable were as follows:

Issuer	Description	Issuance date	Balance as of April 1, 2022	Balance as of March 31, 2023	Interest rate (%)	Collateral	Maturity date
			(Unit: million yen)				
The Company	From 1st to 4th series perpetual subordinated bond	From March 19, 2019 To December 23, 2021	310,000	310,000	From 0.90 to1.22	None	Perpetual
DL	Foreign currency (US dollar) denominated perpetual subordinated bonds	From October 28, 2014 To July 20, 2016	368,715 [3,500 mil US$]	368,715 [3,500 mil US$]	From 4.00 to 5.10	None	Perpetual
PLC	Foreign currency (US dollar) denominated bonds	From October 6, 2009 to September 20, 2019	121,985 [1,060 mil US$]	140,409 [1,058 mil US$]	From 3.40 to 8.45	None	From September 30, 2028 to October 15, 2039
	From 1st to 8th series foreign currency (US dollar) commercial paper	From December 13, 2022 To December 28,2022	–	43,062 [324 mil US$]	From 4.65 to 4.80	None	From January 3, 2023 to January 25, 2023
(*)	Foreign currency (US dollar) denominated subordinated bonds	From August 10, 2017 to May 1, 2018	69,683 [605 mil US$]	80,412 [605 mil US$]	From 3.55 to 5.35	None	From May 1, 2038 to August 10, 2052
PNZ	Foreign currency (Australian dollar) denominated subordinated bonds	December 23, 2021	–	7,075 [80 mil Au$]	7.22	None	December 23, 2026
Total	–	–	870,383	949,674	–	–	–

Note: 1. The above (*1) 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. From 1st to 8th series foreign currency (US dollar) commercial paper of ¥43,062 million yen (US$322 million) are due in one year or less.
4. The following table shows the maturities of long-term subordinated bonds for the 5 years subsequent to March 31, 2023.

	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
	(Unit: million yen)				
Bonds payable	43,062	—	—	7,170	–

	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
	(Unit: million US dollars)				
Bonds payable	322	—	—	53	–

12. Subordinated Debt and Other Liabilities

As of March 31, 2022 and 2023, other liabilities included subordinated debt of ¥325,000 million and ¥245,000 million (US$1,834 million), respectively, whose repayment is subordinated to other obligations.

Details of borrowings and lease obligations were as follows:

Category	Balance as of April 1, 2022	Balance as of March 31, 2023	Average interest rate (%)	Maturity	Balance as of April 1, 2022	Balance as of March 31, 2023
	(Unit: million yen)				(Unit: million US dollars)	
Short-term borrowings	31,630	–	–	–	258	–
Current portions of long-term borrowings	21,906	8,074	3.3	–	178	60
Current portions of lease obligations	3,044	2,735	–	–	24	20
Long-term borrowings (excluding current portion)	691,451	649,684	1.6	May 2024~ perpetual	5,649	4,865
Lease obligations (excluding current portion)	5,407	4,301	–	January 2024 ~ February 2037	44	32
Other interest-bearing liabilities Payables under repurchase agreements (current portion)	3,115,017	432,210	1.0	–	25,451	3,236
Total	3,868,457	1,097,007	–	–	31,607	8,215

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, 2023. As for lease obligations, the average interest rate of is not presented above because interests of certain lease obligations are included in the total amount of lease payments.
3. The following table shows the maturities of long-term borrowings (excluding the current portion or those without maturities) and lease obligations (excluding the current portion) for the 5 years subsequent to March 31, 2023:

	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
	(Unit: million yen)			
Long-term borrowings	16,008	37,339	329,812	23
Lease obligations	2,201	779	267	78

	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
	(Unit: million US dollars)			
Long-term borrowings	119	279	2,469	0
Lease obligations	16	5	1	0

13. 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, 2022 and 2023, the market value of the securities which were not sold or pledged as collateral was ¥141,423 million and ¥178,669 million (US$1,338 million), respectively. None of the securities were pledged as collateral as of March 31, 2022 and 2023, respectively.

14. Organizational Change Surplus

As of March 31, 2022 and 2023, the amounts of organizational change surplus stipulated in Article 91 of the Insurance Business Act were ¥117,776 million and ¥117,776 million (US$882 million), respectively.

Ⅳ. NOTES TO THE CONSOLIDATED STATEMENT OF EARNINGS

1. Operating Expenses

Details of operating expenses for the fiscal years ended March 31, 2022 and 2023 were as follows:

	Year ended March 31,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Sales activity expenses	290,652	319,766	2,394
Sales management expenses	99,290	101,690	761
General management expenses	362,217	409,888	3,069

2. Gains on Disposal of Fixed Assets

Details of gains on disposal of fixed assets for the fiscal years ended March 31, 2022 and 2023 were as follows:

	Year ended March 31,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Land	10,048	2,394	17
Buildings	153	2,154	16
Other tangible fixed assets	1	1	0
Other intangible fixed assets	201	―	―
Total	10,404	4,550	34

3. Losses on Disposal of Fixed Assets

Details of losses on disposal of fixed assets for the fiscal years ended March 31, 2022 and 2023 were as follows:

	Year ended March 31,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Land	3,437	2,463	18
Buildings	8,503	2,443	18
Leased assets	18	31	0
Other tangible fixed assets	435	109	0
Software	532	315	2
Other assets	39	198	1
Total	12,966	5,562	41

4. Impairment Losses on Fixed Assets

Details of impairment losses on fixed assets of the consolidated subsidiaries that operate an insurance business in Japan for the years ended March 31, 2022 and 2023 were as follows:

a) Method of Grouping Assets

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

b) Background for Recognition of Impairment Losses

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

c) Breakdown of Impairment Losses

Impairment losses by asset group for the fiscal year ended March 31, 2022 were as follows:

Asset Group	Place	Number	Impairment Losses		
			Land	Buildings	Total
			(Unit: million yen)		
Real estate for rent	Morioka city,Iwate Prefecture	1	1	2	3
Real estate not in use	Yokohama city,Kanagawa Prefecture and others	18	1,035	2,811	3,846
Total	–	19	1,036	2,813	3,850

Impairment losses by asset group for the fiscal year ended March 31, 2023 were as follows:

Asset Group	Place	Number	Impairment Losses							
			Land	Leasehold rights	Buildings	Total	Land	Leasehold rights	Buildings	Total
			(Unit: million yen)				(Unit: million US dollars)			
Real estate for rent	Hachioji city,Tokyo Prefecture	1	―	―	57	57	―	―	0	0
Real estate not in use	Chuo-ku, Tokyo Prefecture and others	19	9,082	3,402	3,396	15,881	68	25	25	118
Total	–	20	9,082	3,402	3,454	15,939	68	25	25	119

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 2.11% and 2.00% for the years ended March 31, 2022 and 2023, respectively, were applied for discounting future cash flows in the calculation of value in use. Estimated disposal value, appraisal value based on real estate appraisal standards, or appraisal value based on publicly assessed land value for tax purposes is used as the net sale value.

Ⅴ. NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2023
	(Unit: million yen)		(Unit: million US dollars)
Net unrealized gains (losses) on securities, net of tax			
Amount incurred during the year	(752,029)	(2,158,879)	(16,167)
Amount reclassified	(143,891)	(6,536)	(48)
Before tax adjustment	(895,920)	(2,165,416)	(16,216)
Tax effect	241,952	515,754	3,862
Net unrealized gains (losses) on securities, net of tax	(653,967)	(1,649,661)	(12,354)
Deferred hedge gains (losses)			
Amount incurred during the year	(16,662)	(26,982)	(202)
Amount reclassified	1,846	9,344	69
Amount adjusted for asset acquisition cost	–	(13,907)	(104)
Before tax adjustment	(14,816)	(31,545)	(236)
Tax effect	3,434	9,510	71
Deferred hedge gains (losses)	(11,381)	(22,034)	(165)
Reserve for land revaluation			
Amount incurred during the year	–	–	–
Amount reclassified	–	–	–
Before tax adjustment	–	–	–
Tax effect	(25)	–	–
Reserve for land revaluation	(25)	–	–
Foreign currency translation adjustments			
Amount incurred during the year	110,026	137,354	1,028
Amount reclassified	–	–	–
Before tax adjustment	110,026	137,354	1,028
Tax effect	–	–	–
Foreign currency translation adjustments	110,026	137,354	1,028
Remeasurements of defined benefit plans, net of tax			
Amount incurred during the year	19,868	10,228	76
Amount reclassified	5,231	9,955	74
Before tax adjustment	25,100	20,184	151
Tax effect	(6,915)	(5,608)	(41)
Remeasurements of defined benefit plans, net of tax	18,185	14,575	109
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method			
Amount incurred during the year	(1,539)	(3,151)	(23)
Amount reclassified	(1,047)	(216)	(1)
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	(2,586)	(3,368)	(25)
Total other comprehensive income	(539,749)	(1,523,134)	(11,406)

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

1. 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
	Year ended March 31, 2022 (Unit: thousands of shares)			
Common stock(*1)	1,198,755	183	167,591	1,031,348
Treasury stock(*2)(*3)(*4)	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

(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
Dividends per share	¥62
Record date	March 31, 2021
Effective date	June 22, 2021
Dividend resource	Retained earnings

(*) 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.

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
Dividends per share	¥83
Record date	March 31, 2022
Effective date	June 21, 2022
Dividend resource	Retained earnings

(*) Total dividends did not include ¥323 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, 2023

(1) Type and Number of Shares Outstanding

	Year ended March 31, 2023			
	At the beginning of the year	Increase during the year	Decrease during the year	At the end of the year
	(Unit: thousands of shares)			
Common stock(*1)	1,031,348	121	41,581	989,888
Treasury stock(*2)(*3)(*4)(*5)	6,886	41,585	41,772	6,699

(*1) The increase of 121 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, 2023, includes 3,899 thousand shares and 3,862 thousand shares held by the trust fund through the J-ESOP, respectively.
(*3) The decrease of 41,581 thousand shares of outstanding common stock was due to the cancellation of treasury stock.
(*4) The increase of 41,585 thousand shares of treasury stock was due to the purchase of treasury stock of 41,581 thousand shares and the acquisition of restricted stock without consideration of 3 thousand shares.
(*5) The decrease of 41,772 thousand shares of treasury stock represents the sum of (1) 152 thousand shares due to the exercise of stock acquisition rights (stock options), (2) 37 thousand shares granted to eligible employees at retirement by the J-ESOP, and (3) 41,581 thousand shares due to the cancellation of treasury stock.

(2) Stock Acquisition Rights

Issuer	Details	Balance as of March 31, 2023 (Unit: million yen)
The Company	Stock acquisition rights in the form of stock options	483(US$3 million)

(3) Dividends on Common Stock

a) Dividends paid during the fiscal year ended 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$636 million)
Dividends per share	¥83 (US$0.62)
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.

b) Dividends, the record date of which was March 31, 2023, to be paid out in the year ending March 31, 2024

Date of resolution	June 26, 2023 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends(*)	¥84,554 million (US$633 million)
Dividends per share	¥86 (US$0.64)
Record date	March 31, 2023
Effective date	June 27, 2023
Dividend resource	Retained earnings

(*) Total dividends did not include ¥332 million (US$2 million) of dividends to the J-ESOP trust, as the Company recognized the shares held by the trust as treasury shares.

Ⅶ. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

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

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

	As of March 31,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Cash and deposits	2,183,874	1,619,087	12,125
Call loans	479,900	966,900	7,241
Term deposits exceeding three months and others	(47,030)	(68,702)	(514)
Cash and cash equivalents	2,616,743	2,517,285	18,851

2. Breakdown of Increased Assets and Liabilities of the newly consolidated company as a result of stock acquisition

Breakdown of assets and liabilities at the time of the consolidation of TAL Life Insurance Services Limited, Partners Group Holdings Limited, and ipet Holdings, Inc. due to the acquisition of shares, and the relationship between the acquisition cost of shares, etc. and the expenditure for the acquisition (net amount) is as follows:

(1) TAL Life Insurance Services Limited

	(Unit: million yen)	(Unit: million US dollars)
Assets	314,365	2,354
Cash and deposits	17,259	129
Liabilities	(228,460)	(1,710)
Policy reserves and others	(217,540)	(1,629)
Acquisition costs of subsidiary shares	85,905	643
Cash and cash equivalents of subsidiary	(17,259)	(129)
Difference: Expenditures for acquisition of shares of subsidiary	68,645	514

(2) Partners Group Holdings Limited

	(Unit: million yen)	(Unit: million US dollars)
Assets	164,622	1,232
Cash and deposits	23,855	178
Goodwill	20,796	155
Liabilities	(99,376)	(744)
Policy reserves and others	(46,745)	(350)
Acquisition costs of subsidiary shares	86,042	644
Cash and cash equivalents of subsidiary	(4,048)	(30)
Difference: Expenditures for acquisition of shares of subsidiary	81,994	614

(3) ipet Holdings, Inc.

	(Unit: million yen)	(Unit: million US dollars)
Assets	50,370	377
Cash and deposits	13,986	104
Goodwill	15,990	119
Liabilities	(27,343)	(204)
Policy reserves and others	(17,027)	(127)
Acquisition costs of subsidiary shares	39,015	292
Cash and cash equivalents of subsidiary	(13,986)	(104)
Difference: Expenditures for acquisition of shares of subsidiary	25,029	187

Ⅷ. LEASE TRANSACTIONS

1. Finance Leases (As Lessee)

For the fiscal years ended March 31, 2022 and 2023, 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, 2022 and 2023 were as follows:

(As Lessee)

	As of March 31,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Due within one year	2,670	3,147	23
Due after one year	19,028	20,163	150
Total	21,699	23,310	174

(As Lessor)

	As of March 31,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Due within one year	417	484	3
Due after one year	12,644	12,159	91
Total	13,061	12,644	94

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 loans receivable and payable, b) equity forward contracts to hedge market fluctuation risks associated with certain 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, 2022 and 2023 were as follows.

	As of March 31, 2022		
	Carrying amount	Fair value	Gains (losses)
	(Unit: million yen)		
(1) Monetary claims bought	255,902	255,902	–
(2) Money held in trust	1,106,918	1,106,918	–
(3) Securities(※2)			
a. Trading securities	4,901,534	4,901,534	–
b. Held-to-maturity bonds	129,424	129,339	(84)
c. Policy-reserve-matching bonds	17,850,947	19,350,082	1,499,135
d. Stocks of subsidiaries and affiliated companies	1,157	1,157	–
e. Available-for-sale securities	27,815,759	27,815,759	–
(4) Loans	3,978,577		
Reserves for possible loan losses (※3)	(16,653)		
	3,961,923	4,053,566	91,643
Total assets	56,023,567	57,614,261	1,590,694
(1) Bonds payable	870,383	886,396	16,012
(2) Long-term borrowings	744,988	746,971	1,983
Total liabilities	1,615,372	1,633,368	17,996
Derivative transactions (※4)			
a. Hedge accounting not applied	[110,586]	[110,586]	–
b. Hedge accounting applied	[469,562]	[468,977]	584
Total derivative transactions	[580,148]	[579,563]	584

(※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.
(※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.

	As of March 31,2022
	Carrying amount
	(Unit: million yen)
Stocks and other securities without market prices (*1)(*3)	166,235
Ownership stakes in partnerships, etc. (*2)(*3)	639,692

(*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 Item 26 or 27 of "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 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, 2023					
	Carrying amount	Fair value	Gains (losses)	Carrying amount	Fair value	Gains (losses)
	(Unit: million yen)			(Unit: million US dollars)		
(1) Monetary claims bought	246,105	246,105	—	1,843	1,843	—
(2) Money held in trust	911,246	911,246	—	6,824	6,824	—
(3) Securities(※2) (※3)						
a. Trading securities	5,788,023	5,788,023	—	43,346	43,346	—
b. Held-to-maturity bonds	148,240	145,192	(3,047)	1,110	1,087	(22)
c. Policy-reserve-matching bonds	19,265,186	19,591,271	326,084	144,276	146,718	2,442
d. Stocks of subsidiaries and affiliated companies	1,368	1,368	—	10	10	—
e. Available-for-sale securities	20,560,545	20,560,545	—	153,976	153,976	—
(4) Loans	4,349,867			32,575		
Reserves for possible loan losses (※4)	(14,742)			(110)		
	4,335,125	4,183,411	(151,714)	32,465	31,329	(1,136)
Total assets	51,255,843	51,427,166	171,322	383,852	385,135	1,283
(1) Bonds payable	906,612	840,698	(65,913)	6,789	6,295	(493)
(2) Long-term borrowings	657,759	653,772	(3,986)	4,925	4,896	(29)
Total liabilities	1,564,371	1,494,471	(69,900)	11,715	11,192	(523)
Derivative transactions (※5)						
a. Hedge accounting not applied	25,094	25,094	—	187	187	—
b. Hedge accounting applied	[100,575]	[99,318]	1,257	[753]	[743]	9
Total derivative transactions	[75,481]	[74,223]	1,257	[565]	[555]	9

(※1) Cash and deposits, call loans, short-term bonds payable, 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) Net asset value of certain mutual funds is regarded as the fair value in accordance with generally accepted accounting standard, and included in the table above.
(※3) 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.

	As of March 31,2023	
	Carrying amount	
	(Unit: million yen)	(Unit: million US dollars)
Stocks and other securities without market prices (*1)(*3)	181,754	1,361
Ownership stakes in partnerships, etc. (*2)(*3)	766,583	5,740

(*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 Item 24-16 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31 revised on June 17, 2021).
(*3) Impairment loss of ¥780 million (US$5 million) was recognized in the fiscal year ended March 31, 2023.
(※4) Excluding general reserves for possible loan losses and specific reserves for possible loan losses related to loans.
(※5) Credits/debts from derivative transactions are presented on a net basis. Figures in [ ] are net debts.

Note 1: Scheduled redemptions of monetary claims and securities with maturities

As of March 31, 2022

	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
	(Unit: million yen)			
Cash and deposits	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 (*)	470,341	1,328,652	858,178	788,909

(*) 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 were not included. Also, ¥521,093 million of loans without maturities were not included.

As of March 31, 2023

	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
	(Unit: million yen)			
Cash and deposits	1,609,940	8,499	650	—
Call loans	966,900	—	—	—
Monetary claims bought	3,012	54,414	24,627	165,102
Securities:				
Held-to-maturity bonds (bonds)	54,600	33,000	17,100	34,400
Held-to-maturity bonds (foreign securities)	5,100	4,180	—	—
Policy-reserve-matching bonds (bonds)	103,952	814,835	2,117,931	13,291,023
Policy-reserve-matching bonds (foreign securities)	99,309	613,026	1,142,418	1,157,380
Available-for-sale securities with maturities (bonds)	141,000	1,019,841	507,889	645,200
Available-for-sale securities with maturities (foreign securities)	424,553	3,163,264	3,338,188	7,117,538
Available-for-sale securities with maturities (other securities)	26,880	313,045	175,396	32,024
Loans (*)	428,271	1,555,158	1,055,480	765,397

As of March 31, 2023

	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
	(Unit: million US dollars)			
Cash and deposits	12,056	63	4	—
Call loans	7,241	—	—	—
Monetary claims bought	22	407	184	1,236
Securities:				
Held-to-maturity bonds (bonds)	408	247	128	257
Held-to-maturity bonds(foreign securities)	38	31	—	—
Policy-reserve-matching bonds (bonds)	778	6,102	15,861	99,535
Policy-reserve-matching bonds (foreign securities)	743	4,590	8,555	8,667
Available-for-sale securities with maturities (bonds)	1,055	7,637	3,803	4,831
Available-for-sale securities with maturities (foreign securities)	3,179	23,689	24,999	53,302
Available-for-sale securities with maturities (other securities)	201	2,344	1,313	239
Loans (*)	3,207	11,646	7,904	5,732

(*) Loans for which interest or principal payments cannot be forecasted, such as credit to bankrupt obligors, substantially bankrupt obligors and obligors at risk of bankruptcy, amounted to ¥86 million (US$ 0.6million) were not included. Also, ¥541,115 million (US$4,052 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, 2022

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
	(Unit: million yen)					
Bonds payable (*1)	–	–	–	–	–	182,964
Payables under repurchase agreements	3,115,017	–	–	–	–	–
Long term borrowings (*2)	53,511	8,080	9,200	8,080	319,012	22,080

(*1) ¥678,715 million of bonds payable without maturities were not included.
(*2) ¥325,000 million of long term borrowings without maturities were not included.

As of March 31, 2023

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
	(Unit: million yen)					
Bonds payable (*1)	43,062	—	—	7,170	—	211,088
Payables under repurchase agreements	432,210	—	—	—	—	—
Long term borrowings (*2)	8,190	16,008	37,339	329,812	23	21,551

As of March 31, 2023

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
	(Unit: million US dollars)					
Bonds payable (*1)	322	—	—	53	—	1,580
Payables under repurchase agreements	3,236	—	—	—	—	—
Long term borrowings (*2)	61	119	279	2,469	0	161

(*1) ¥678,715 million (US$5,082 million) of bonds payable without maturities were not included.
(*2) ¥245,000 million (US$1,834 million) of long term borrowings without maturities were not included.

3: Matters Concerning Fair Value of Financial Instruments and Breakdown by Input Level

The fair values of financial instruments are classified into the following three levels based on the observability and significance of the inputs used to measure fair value:

Level 1: Fair value determined based on the observable inputs, such as quoted prices in active markets for identical assets or liabilities

Level 2: Fair value determined based on observable inputs other than Level 1 inputs

Level 3: Fair value determined based on significant unobservable inputs

If multiple inputs with a significant impact are used for the fair value measurement of a financial instrument, the financial instrument is classified into the lowest priority level of fair value measurement in which each input belongs.

a) Financial assets and liabilities measured at fair value on the consolidated balance sheet

As of March 31, 2022	Fair value			
	Level 1	Level 2	Level 3	Total
	(Unit: million yen)			
Monetary claims bought	–	–	255,902	255,902
Money held in trust(*)	909,599	195,345	–	1,104,944
Securities(*)				
Trading securities	2,480,386	1,137,804	33,848	3,652,039
Available-for-sale securities				
Government bonds	2,005,060	–	–	2,005,060
Local government bonds	–	29,376	–	29,376
Corporate bonds	–	1,600,684	7,966	1,608,651
Domestic stocks	3,251,456	–	–	3,251,456
Foreign bonds	2,695,782	15,124,911	427,637	18,248,332
Other foreign securities	475,397	148,500	13,539	637,437
Other securities	3,064	–	–	3,064
Derivative transactions				
Currency-related	43	133,085	–	133,128
Interest-related	–	38,189	–	38,189
Stock-related	12,590	117,372	–	129,962
Bond-related	13,368	1,807	–	15,176
Others	–	390	27,972	28,362
Total assets	11,846,750	18,527,467	766,867	31,141,085
Long-term borrowings	–	69,401	–	69,401
Derivative transactions				
Currency-related	242	577,259	–	577,502
Interest-related	–	6,966	–	6,966
Stock-related	9,355	91,746	–	101,101
Bond-related	17,737	2,311	–	20,048
Others	–	20	219,329	219,350
Total liabilities	27,334	747,704	219,329	994,369

As of March 31, 2023	Fair value			
	Level 1	Level 2	Level 3	Total
	(Unit: million yen)			
Monetary claims bought	―	―	246,105	246,105
Money held in trust(*)	716,700	194,546	―	911,246
Securities(*)				
Trading securities	2,571,530	3,163,524	52,968	5,788,023
Available-for-sale securities				
Government bonds	1,121,132	―	―	1,121,132
Local government bonds	―	28,149	―	28,149
Corporate bonds	―	1,446,827	10,001	1,456,828
Domestic stocks	3,162,223	―	―	3,162,223
Foreign bonds	505,773	12,072,200	430,378	13,008,352
Other foreign securities	613,732	436,558	46,145	1,096,436
Other securities	14,536	591,227	32,240	638,004
Derivative transactions				
Currency-related	176	61,179	―	61,356
Interest-related	―	34,928	―	34,928
Stock-related	6,925	45,570	―	52,495
Bond-related	2,463	1,013	―	3,477
Others	―	726	71,028	71,754
Total assets	8,715,194	18,076,452	888,868	27,680,514
Corporate bonds	―	7,075	―	7,075
Long-term borrowings	―	82,010	―	82,010
Derivative transactions				
Currency-related	240	107,788	―	108,029
Interest-related	―	28,387	―	28,387
Stock-related	1,839	27,625	―	29,465
Bond-related	1,422	4,407	―	5,830
Others	―	169	127,610	127,779
Total liabilities	3,503	257,465	127,610	388,578

As of March 31, 2023	Fair value			
	Level 1	Level 2	Level 3	Total
	(Unit: million US dollars)			
Monetary claims bought	―	―	1,843	1,843
Money held in trust	5,367	1,456	―	6,824
Securities(*)				
Trading securities	19,258	23,691	396	43,346
Available-for-sale securities				
Government bonds	8,396	―	―	8,396
Local government bonds	―	210	―	210
Corporate bonds	―	10,835	74	10,910
Domestic stocks	23,681	―	―	23,681
Foreign bonds	3,787	90,408	3,223	97,418
Other foreign securities	4,596	3,269	345	8,211
Other securities	108	4,427	241	4,777
Derivative transactions				
Currency-related	1	458	―	459
Interest-related	―	261	―	261
Stock-related	51	341	―	393
Bond-related	18	7	―	26
Others	―	5	531	537
Total assets	65,267	135,373	6,656	207,298
Corporate bonds	―	52	―	52
Long-term borrowings	―	614	―	614
Derivative transactions				
Currency-related	1	807	―	809
Interest-related	―	212	―	212
Stock-related	13	206	―	220
Bond-related	10	33	―	43
Others	―	1	955	956
Total liabilities	26	1,928	955	2,910

(*) Certain Mutual funds whose net asset value are regarded as the fair value in accordance with Item 24-3 and 9 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31, revised on June 17, 2021) are not included in the table above. The amount of such mutual funds on the consolidated balance sheet is ¥49,418 million(US$370 million). Reconciliation between the beginning and ending balance and breakdown of restriction on cancellation as of March 31,2023 have been omitted as the amount of such mutual funds is immaterial

b) Financial assets and liabilities not measured at fair value on the consolidated balance sheet

As of March 31, 2022	Fair value			
	Level 1	Level 2	Level 3	Total
	(Unit: million 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

As of March 31, 2023	Fair value			
	Level 1	Level 2	Level 3	Total
	(Unit: million yen)			
Securities				
Held-to-maturity bonds				
Government bonds	54,179	—	—	54,179
Corporate bonds	—	81,764	—	81,764
Foreign bonds	—	7,873	1,374	9,248
Policy-reserve-matching bonds				
Government bonds	15,236,943	—	—	15,236,943
Local government bonds	—	137,131	—	137,131
Corporate bonds	—	1,414,622	—	1,414,622
Foreign bonds	237,275	2,565,300	—	2,802,575
Stocks of subsidiaries and affiliated companies	—	336	1,032	1,368
Loans	—	—	4,183,411	4,183,411
Total assets	15,528,397	4,207,027	4,185,818	23,921,244
Bonds payable	—	822,664	10,958	833,623
Long-term borrowings	—	—	571,762	571,762
Total liabilities	—	822,664	582,721	1,405,385

As of March 31, 2023	Fair value			
	Level 1	Level 2	Level 3	Total
	(Unit: million US dollars)			
Securities				
Held-to-maturity bonds				
Government bonds	405	—	—	405
Corporate bonds	—	612	—	612
Foreign bonds	—	58	10	69
Policy-reserve-matching bonds				
Government bonds	114,108	—	—	114,108
Local government bonds	—	1,026	—	1,026
Corporate bonds	—	10,594	—	10,594
Foreign bonds	1,776	19,211	—	20,988
Stocks of subsidiaries and affiliated companies	—	2	7	10
Loans	—	—	31,329	31,329
Total assets	116,291	31,506	31,347	179,145
Bonds payable	—	6,160	82	6,242
Long-term borrowings	—	—	4,281	4,281
Total liabilities	—	6,160	4,363	10,524

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.

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 without market prices is based on net asset value unless there is no significant restriction on cancellation. The fair value is classified into either Level 2 or Level 3, mainly based on constituents held in trust.

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.

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.

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

a) Quantitative Information on Significant Unobservable Inputs

As of March 31, 2022	Valuation method	Significant unobservable input	Range
Securities			
Trading securities	Discounted cash flow	Discount rate	0.00% to 4.00%
		Paydown rate	11.20% to 13.41%
Available-for-sale securities			
Foreign bonds	Discounted cash flow	Discount rate	0.00% to 4.00%
		Paydown rate	11.20% to 13.41%
	Trade Price	Discount rate	1.03% to 1.10%
Derivative transactions			
Other (Embedded derivatives)	Actuarial cash flow model	Mortality	Disclosed mortality that takes into account assumptions.
		Lapse	Lapse based on the policy period, etc.
		Withdrawal rate	Withdrawal rates that take into account assumptions for the minimum amount of withdrawals, etc.

As of March 31, 2023	Valuation method	Significant unobservable input	Range
Securities			
Trading securities	Discounted cash flow	Discount rate	0.76% to 4.60%
		Paydown rate	15.52% to 18.62%
Available-for-sale securities			
Foreign bonds	Discounted cash flow	Discount rate	0.43% to 4.80%
		Paydown rate	15.52% to 18.62%
Derivative transactions			
Other (Embedded derivatives)	Actuarial cash flow model	Mortality	Disclosed mortality that takes into account assumptions.
		Lapse	Lapse based on the policy period, etc.
		Withdrawal rate	Withdrawal rates that take into account assumptions for the minimum amount of withdrawals, etc.

b) Reconciliation between the beginning and ending balance, and net unrealized gains (losses) recognized in the earnings of the current fiscal year

(Unit: million yen)

As of March 31, 2022	Balance at the beginning of the year	Gains (losses) or other comprehensive income in the current fiscal year		Variable amount (net amount) by purchase, sale, issue and settlement	Transfer to Level 3(*3)	Transfer from Level 3(*4)	Balance at the end of the year	Gains (losses) on valuation of financial assets and liabilities held at the consolidated balance sheet date out of amounts recognized in consolidated statement of earnings(*1)
		Gains (losses) recorded in consolidated statement of earnings (*1)	Amount recorded in other comprehensive income (*2)					
Monetary claims bought	252,140	(1,831)	(1,174)	6,769	–	–	255,902	(1,777)
Securities								
Trading securities	34,084	(1,190)	3,655	(5,254)	3,695	(1,140)	33,848	344
Available-for-sale securities								
Corporate bonds	8,182	774	(4)	(985)	–	–	7,966	682
Foreign bonds	342,481	4,496	22,937	25,969	34,964	(3,210)	427,637	8,421
Other foreign securities	3,545	–	394	9,599	–	–	13,539	–
Derivative transactions								
Other (Embedded derivatives)	(201,337)	32,389	(22,409)	–	–	–	(191,357)	32,389

(*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 and foreign currency translation adjustments of Other comprehensive income in consolidated statement of comprehensive income.

(*3) Transfer from Level 2 to Level 3 due to the change in the observability of inputs as a result of the change in the fair value measurement method and the lack of observable market data due to decreased market activity.

(*4) Transfer from Level 3 to Level 2 due to the availability of observable inputs.

(Unit: million yen)

As of March 31, 2023	Balance at the beginning of the year	Gains (losses) or other comprehensive income in the current fiscal year		Variable amount (net amount) by purchase, sale, issue and settlement	Transfer to Level 3(*3)	Transfer from Level 3(*4)	Balance at the end of the year	Gains (losses) on valuation of financial assets and liabilities held at the consolidated balance sheet date out of amounts recognized in consolidated statement of earnings(*1)
		Gains (losses) recorded in consolidated statement of earnings (*1)	Amount recorded in other comprehensive income (*2)					
Monetary claims bought	255,902	1,722	(5,763)	(5,756)	—	—	246,105	—
Securities								
Trading securities	46,448	(1,772)	3,758	4,293	351	(111)	52,968	(893)
Available-for-sale securities								
Corporate bonds	7,966	528	35	1,469	—	—	10,001	1,213
Foreign bonds	438,393	2,704	(1,999)	1,272	6,408	(16,401)	430,378	10,320
Other foreign securities	47,132	546	1,821	(3,354)	—	—	46,145	546
Other securities	28,543	—	3,697	(0)	—	—	32,240	—
Derivative transactions								
Other (Embedded derivatives)	(191,357)	164,189	(29,414)	—	—	—	(56,581)	164,189

(Unit: million US dollars)

As of March 31, 2023	Balance at the beginning of the year	Gains (losses) or other comprehensive income in the current fiscal year		Variable amount (net amount) by purchase, sale, issue and settlement	Transfer to Level 3(*3)	Transfer from Level 3(*4)	Balance at the end of the year	Gains (losses) on valuation of financial assets and liabilities held at the consolidated balance sheet date out of amounts recognized in consolidated statement of earnings(*1)
		Gains (losses) recorded in consolidated statement of earnings (*1)	Amount recorded in other comprehensive income (*2)					
Monetary claims bought	1,916	12	(43)	(43)	—	—	1,843	—
Securities								
Trading securities	347	(13)	28	32	2	(0)	396	(6)
Available-for-sale securities								
Corporate bonds	59	3	0	11	—	—	74	9
Foreign bonds	3,283	20	(14)	9	47	(122)	3,223	77
Other foreign securities	352	4	13	(25)	—	—	345	4
Other securities	213	—	27	(0)	—	—	241	—
Derivative transactions								
Other (Embedded derivatives)	(1,433)	1,229	(220)	—	—	—	(423)	1,229

(*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 and foreign currency translation adjustments of Other comprehensive income in consolidated statement of comprehensive income.

(*3) Transfer from Level 2 to Level 3 due to the change in the observability of inputs as a result of the change in the fair value measurement method and the lack of observable market data due to decreased market activity.The transfer was made at the end of fiscal year ended March 31, 2023.

(*4) Transfer from Level 3 to Level 2 due to the availability of observable inputs.The transfer was made at the end of fiscal year ended March 31, 2023.

c) Description of the fair value valuation process

The Group has 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.

d) Explanation of the sensitivity of the fair value to changes in significant unobservable input

Securities

Discount rate

The discount rate is an adjustment rate to the base market interest rate and consists primarily of a liquidity premium, which adjusts the discount rate by reflecting the uncertainty of cash flows and the liquidity of financial instruments, and a risk premium, which adjusts the discount rate by reflecting the issuer's credit risk and the overall market risk associated with similar financial instruments. In general, a significant increase (decrease) in the discount rate results in a significant decrease (increase) in the fair value.

Paydown rate

The paydown rate is the expected annual rate of principal repayment. In general, a significant increase (decrease) in the paydown rate is accompanied by a decrease (increase) in the projected weighted average life of the financial instrument, resulting in a significant increase (decrease) in the fair value.

Other (Embedded derivatives)

Mortality

The mortality is the percentage of deaths in a certain group of people in a certain period of time. In general, a significant 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.

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

	Year ended March 31,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Gains (losses) on valuation of trading securities	62,845	(740,909)	(5,548)

2. Held-to-maturity Bonds

	As of March 31, 2022		
	Carrying amount	Fair value	Unrealized gains (losses)
	(Unit: million yen)		
Held-to-maturity securities with unrealized gains:			
(1) Bonds	53,142	54,053	911
a. Government bonds	47,522	48,407	884
b. Local government bonds	–	–	–
c. Corporate bonds	5,619	5,645	26
(2) Foreign securities	3,999	4,009	9
a. Foreign bonds	3,999	4,009	9
Subtotal	57,141	58,062	920
Held-to-maturity securities with unrealized losses:			
(1) Bonds	62,505	61,525	(980)
a. Government bonds	–	–	–
b. Local government bonds	–	–	–
c. Corporate bonds	62,505	61,525	(980)
(2) Foreign securities	9,776	9,751	(24)
a. Foreign bonds	9,776	9,751	(24)
Subtotal	72,282	71,276	(1,005)
Total	129,424	129,339	(84)

	As of March 31, 2023					
	Carrying amount	Fair value	Unrealized gains (losses)	Carrying amount	Fair value	Unrealized gains (losses)
	(Unit: million yen)			(Unit: million US dollars)		
Held-to-maturity securities with unrealized gains:						
(1) Bonds	55,840	56,174	334	418	420	2
a. Government bonds	50,835	51,151	315	380	383	2
b. Local government bonds	–	–	–	—	—	—
c. Corporate bonds	5,005	5,023	18	37	37	0
(2) Foreign securities	1,500	1,501	1	11	11	0
a. Foreign bonds	1,500	1,501	1	11	11	0
Subtotal	57,340	57,676	335	429	431	2
Held-to-maturity securities with unrealized losses:						
(1) Bonds	83,118	79,769	(3,349)	622	597	(25)
a. Government bonds	3,084	3,028	(56)	23	22	(0)
b. Local government bonds	–	–	–	—	—	—
c. Corporate bonds	80,033	76,740	(3,292)	599	574	(24)
(2) Foreign securities	7,781	7,747	(34)	58	58	(0)
a. Foreign bonds	7,781	7,747	(34)	58	58	(0)
Subtotal	90,900	87,516	(3,383)	680	655	(25)
Total	148,240	145,192	(3,047)	1,110	1,087	(22)

3. Policy-reserve-matching Bonds

	As of March 31, 2022		
	Carrying amount	Fair value	Unrealized gains (losses)
	(Unit: million yen)		
Policy-reserve-matching bonds with unrealized gains:			
(1) Bonds	9,914,633	11,746,601	1,831,967
a. Government bonds	9,178,839	10,964,961	1,786,122
b. Local government bonds	81,443	92,513	11,069
c. Corporate bonds	654,350	689,125	34,774
(2) Foreign Securities	1,389,880	1,431,470	41,590
a. Foreign bonds	1,389,880	1,431,470	41,590
Subtotal	11,304,513	13,178,071	1,873,557
Policy-reserve-matching bonds with unrealized losses:			
(1) Bonds	5,461,096	5,149,434	(311,662)
a. Government bonds	4,757,101	4,471,327	(285,773)
b. Local government bonds	41,564	39,798	(1,766)
c. Corporate bonds	662,430	638,308	(24,122)
(2) Foreign Securities	1,085,336	1,022,576	(62,759)
a. Foreign bonds	1,085,336	1,022,576	(62,759)
Subtotal	6,546,433	6,172,011	(374,421)
Total	17,850,947	19,350,082	1,499,135

	As of March 31, 2023					
	Carrying amount	Fair value	Unrealized gains (losses)	Carrying amount	Fair value	Unrealized gains (losses)
	(Unit: million yen)			(Unit: million US dollars)		
Policy-reserve-matching bonds with unrealized gains:						
(1) Bonds	9,449,766	10,777,210	1,327,444	70,768	80,710	9,941
a. Government bonds	9,028,369	10,329,614	1,301,245	67,613	77,358	9,744
b. Local government bonds	57,999	65,113	7,114	434	487	53
c. Corporate bonds	363,398	382,482	19,084	2,721	2,864	142
(2) Foreign securities	376,516	385,372	8,856	2,819	2,886	66
a. Foreign bonds	376,516	385,372	8,856	2,819	2,886	66
Subtotal	9,826,283	11,162,583	1,336,300	73,588	83,596	10,007
Policy-reserve-matching bonds with unrealized losses:						
(1) Bonds	6,806,811	6,011,485	(795,326)	50,975	45,019	(5,956)
a. Government bonds	5,608,614	4,907,328	(701,286)	42,002	36,750	(5,251)
b. Local government bonds	77,891	72,017	(5,874)	583	539	(43)
c. Corporate bonds	1,120,305	1,032,139	(88,165)	8,389	7,729	(660)
(2) Foreign securities	2,632,092	2,417,202	(214,889)	19,711	18,102	(1,609)
a. Foreign bonds	2,632,092	2,417,202	(214,889)	19,711	18,102	(1,609)
Subtotal	9,438,903	8,428,687	(1,010,215)	70,687	63,122	(7,565)
Total	19,265,186	19,591,271	326,084	144,276	146,718	2,442

4. Available-for-sale Securities

	As of March 31, 2022		
	Carrying amount	Acquisition cost	Unrealized gains (losses)
	(Unit: million yen)		
Available-for-sale securities with unrealized gains:			
(1) Bonds	2,932,663	2,574,532	358,130
a. Government bonds	1,956,537	1,658,432	298,104
b. Local government bonds	26,378	24,628	1,750
c. Corporate bonds	949,747	891,471	58,275
(2) Domestic stocks	3,043,447	1,046,476	1,996,970
(3) Foreign securities	15,255,704	13,514,995	1,740,709
a. Foreign bonds	14,441,202	12,946,417	1,494,784
b. Other foreign securities	814,501	568,577	245,924
(4) Other securities	636,384	590,965	45,419
Subtotal	21,868,199	17,726,969	4,141,230
Available-for-sale securities with unrealized losses:			
(1) Bonds	710,425	723,630	(13,204)
a. Government bonds	48,523	50,552	(2,029)
b. Local government bonds	2,998	3,006	(7)
c. Corporate bonds	658,903	670,071	(11,167)
(2) Domestic stocks	208,009	243,138	(35,128)
(3) Foreign securities	4,913,834	5,205,122	(291,288)
a. Foreign bonds	4,471,039	4,730,109	(259,069)
b. Other foreign securities	442,794	475,013	(32,218)
(4) Other securities	455,690	464,202	(8,512)
Subtotal	6,287,959	6,636,094	(348,134)
Total	28,156,158	24,363,063	3,793,095

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 ¥84,500 million and ¥84,497 million, respectively, as of March 31, 2022. The aggregate acquisition cost and carrying amount of trust beneficiary rights were ¥251,314 million and ¥255,902 million, respectively, as of March 31, 2022.

	As of March 31, 2023					
	Carrying amount	Acquisition cost	Unrealized gains (losses)	Carrying amount	Acquisition cost	Unrealized gains (losses)
	(Unit: million yen)			(Unit: million US dollars)		
Available-for-sale securities with unrealized gains:						
(1) Bonds	1,624,370	1,483,752	140,618	12,164	11,111	1,053
a. Government bonds	1,053,246	947,271	105,975	7,887	7,094	793
b. Local government bonds	23,267	21,390	1,877	174	160	14
c. Corporate bonds	547,856	515,090	32,766	4,102	3,857	245
(2) Domestic stocks	3,045,443	1,080,409	1,965,033	22,807	8,091	14,716
(3) Foreign securities	3,348,759	2,978,982	369,777	25,078	22,309	2,769
a. Foreign bonds	2,754,085	2,519,450	234,634	20,625	18,868	1,757
b. Other foreign securities	594,674	459,531	135,142	4,453	3,441	1,012
(4) Other securities	323,249	297,571	25,678	2,420	2,228	192
Subtotal	8,341,823	5,840,715	2,501,107	62,471	43,740	18,730
Available-for-sale securities with unrealized losses:						
(1) Bonds	981,739	1,002,398	(20,658)	7,352	7,506	(154)
a. Government bonds	67,885	73,349	(5,463)	508	549	(40)
b. Local government bonds	4,882	4,904	(22)	36	36	(0)
c. Corporate bonds	908,971	924,144	(15,172)	6,807	6,920	(113)
(2) Domestic stocks	116,780	134,535	(17,755)	874	1,007	(132)
(3) Foreign securities	10,804,802	12,437,610	(1,632,807)	80,916	93,144	(12,228)
a. Foreign bonds	10,295,281	11,871,092	(1,575,810)	77,100	88,902	(11,801)
b. Other foreign securities	509,521	566,517	(56,996)	3,815	4,242	(426)
(4) Other securities	634,182	653,666	(19,483)	4,749	4,895	(145)
Subtotal	12,537,505	14,228,210	(1,690,705)	93,892	106,554	(12,661)
Total	20,879,328	20,068,926	810,402	156,364	150,295	6,069

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 ¥72,680 million (US$544 million) and ¥72,677 million (US$544 million), respectively, as of March 31, 2023. The aggregate acquisition cost and carrying amount of trust beneficiary rights were ¥247,281 million (US$1,851 million) and ¥246,105 million (US$1,843 million), respectively, as of March 31, 2023.

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, 2022 and 2023.

6. Policy-reserve-matching Bonds Sold

Policy-reserve-matching bonds sold during the fiscal years ended March 31, 2022 and 2023 were as follows:

	Year ended March 31, 2022		
	Amounts sold	Realized gains	Realized losses
	(Unit: million yen)		
(1) Bonds	782,720	72,633	22,625
a. Government bonds	682,245	69,783	21,166
b. Local government bonds	1,540	67	—
c. Corporate bonds	98,934	2,782	1,458
(2) Foreign securities	280,243	9,604	5,182
a. Foreign bonds	280,243	9,604	5,182
b. Other foreign securities	—	—	—
Total	1,062,964	82,237	27,808

	Year ended March 31, 2023					
	Amounts sold	Realized gains	Realized losses	Amounts sold	Realized gains	Realized losses
	(Unit: million yen)			(Unit: million US dollars)		
(1) Bonds	824,090	71,292	1,997	6,171	533	14
a. Government bonds	754,274	70,639	330	5,648	529	2
b. Local government bonds	3,471	118	14	25	0	0
c. Corporate bonds	66,344	534	1,652	496	3	12
(2) Foreign securities	442,523	273	38,565	3,314	2	288
a. Foreign bonds	442,523	273	38,565	3,314	2	288
b. Other foreign securities	—	—	—	—	—	—
Total	1,266,614	71,565	40,562	9,485	535	303

7. Available-for-sale Securities Sold

Available-for-sale securities sold during the fiscal years ended March 31, 2022 and 2023 were as follows:

	Year ended March 31, 2022		
	Amounts sold	Realized gains	Realized losses
	(Unit: million yen)		
(1) Bonds	501,380	3,331	1,292
a. Government bonds	6,801	96	0
b. Local government bonds	815	0	—
c. Corporate bonds	493,763	3,235	1,291
(2) Domestic stocks	328,773	166,752	8,104
(3) Foreign securities	3,871,570	138,254	168,491
a. Foreign bonds	2,843,392	52,560	130,292
b. Other foreign securities	1,028,177	85,694	38,199
(4) Other securities	308,303	2,926	28,868
Total	5,010,028	311,266	206,756

	Year ended March 31, 2023					
	Amounts sold	Realized gains	Realized losses	Amounts sold	Realized gains	Realized losses
	(Unit: million yen)			(Unit: million US dollars)		
(1) Bonds	1,596,530	118,704	25,967	11,956	888	194
a. Government bonds	955,692	115,957	302	7,157	868	2
b. Local government bonds	—	—	—	—	—	—
c. Corporate bonds	640,837	2,747	25,664	4,799	20	192
(2) Domestic Stocks	265,715	143,065	5,127	1,989	1,071	38
(3) Foreign securities	5,954,794	234,892	431,598	44,595	1,759	3,232
a. Foreign bonds	5,468,350	153,886	407,571	40,952	1,152	3,052
b. Other foreign securities	486,444	81,006	24,026	3,642	606	179
(4) Other securities	277,663	3,560	13,323	2,079	26	99
Total	8,094,704	500,223	476,016	60,620	3,746	3,564

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, 2022 and 2023 were ¥6,662 million and ¥20,970 million (US$157 million) (¥20,970 million (US$157 million) of securities), respectively.

XI. MONEY HELD IN TRUST

1. Money Held in Trust for Trading

	As of March 31,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Carrying amount on the consolidated balance sheet	1,106,918	911,246	6,824
Gains (losses) on valuation of money held in trust	(1,826)	(2,999)	(22)

XII. DERIVATIVE TRANSACTIONS

1. Derivative Transactions (Hedge Accounting Not Applied)

(1) Currency-related transactions

As of March 31, 2022

	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
	(Unit: million yen)			
Exchange-traded transactions:				
Currency futures:				
Sold	21,246	—	(198)	(198)
Euro / U.S. dollar	10,401	—	(58)	(58)
British pound / U.S. dollar	7,762	—	(184)	(184)
Yen / U.S. dollar	3,082	—	43	43
Over-the-counter transactions:				
Foreign currency forward contracts:				
Sold	1,969,641	—	(75,461)	(75,461)
U.S. dollar	884,748	—	(35,441)	(35,441)
Australian dollar	589,928	—	(27,597)	(27,597)
Euro	171,095	—	(4,816)	(4,816)
British pound	139,978	—	(2,663)	(2,663)
Canadian dollar	75,940	—	(3,553)	(3,553)
Others	107,948	—	(1,388)	(1,388)
Bought	793,145	—	15,246	15,246
U.S. dollar	523,260	—	7,962	7,962
Euro	117,246	—	2,790	2,790
Australian dollar	41,591	—	2,036	2,036
British pound	34,661	—	561	561
Canadian dollar	23,375	—	1,380	1,380
Others	53,009	—	513	513
Currency swaps:				
Receipts foreign currency, payments yen	551,332	551,232	70,221	70,221
Australian dollar	465,032	464,932	60,917	60,917
U.S. dollar	86,300	86,300	9,303	9,303
Receipts yen, payments foreign currency	27,165	21,795	(2,969)	(2,969)
U.S. dollar	27,165	21,795	(2,969)	(2,969)
Receipts foreign currency, payments foreign currency	54,792	20,139	(325)	(325)
Australian dollar / U.S. dollar	38,299	17,905	(338)	(338)
Australian dollar / Euro	16,493	2,234	13	13
Currency options:				
Sold:				
Call	10,581 [—]	—	—	—
U.S. dollar	10,581 [—]	—	—	—
Put	10,561 [227]	—	66	160
Euro	10,561 [227]	—	66	160
Bought:				
Call	52,905 [—]	—	—	—
U.S. dollar	52,905 [—]	—	—	—
Put	239,967 [837]	—	333	(503)
U.S. dollar	130,202 [256]	—	0	(256)
Euro	109,765 [580]	—	333	(246)
Total return swaps:				
Foreign currency index linked	183,394	183,394	17,893	17,893
Total	–	–	–	24,062

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)".

As of March 31, 2023

	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
	(Unit: million yen)				(Unit: million US dollars)			
Exchange-traded transactions:								
Currency futures:								
Sold	20,040	—	(64)	(64)	150	—	(0)	(0)
British pound / U.S. dollar	9,216	—	176	176	69	—	1	1
Euro / U.S. dollar	7,818	—	(101)	(101)	58	—	(0)	(0)
Yen / U.S. dollar	3,005	—	(139)	(139)	22	—	(1)	(1)
Foreign currency forward contracts:								
Sold	1,123,673	—	(10,908)	(10,908)	8,415	—	(81)	(81)
U.S. dollar	493,884	—	(3,904)	(3,904)	3,698	—	(29)	(29)
Australian dollar	268,371	—	1,669	1,669	2,009	—	12	12
Euro	135,072	—	(3,545)	(3,545)	1,011	—	(26)	(26)
British pound	125,642	—	(5,061)	(5,061)	940	—	(37)	(37)
Canadian dollar	41,635	—	0	0	311	—	0	0
Others	59,067	—	(67)	(67)	442	—	(0)	(0)
Bought	162,641	—	392	392	1,218	—	2	2
U.S. dollar	98,714	—	55	55	739	—	0	0
British pound	23,971	—	201	201	179	—	1	1
Euro	11,735	—	78	78	87	—	0	0
Canadian dollar	5,217	—	14	14	39	—	0	0
Australian dollar	3,846	—	7	7	28	—	0	0
Others	19,155	—	35	35	143	—	0	0
Currency swaps:								
Receipts foreign currency, payments yen	437,940	422,481	29,629	29,629	3,279	3,163	221	221
Australian dollar	355,640	340,181	18,015	18,015	2,663	2,547	134	134
U.S. dollar	82,300	82,300	11,614	11,614	616	616	86	86
Receipts yen, payments foreign currency	7,590	5,651	(1,343)	(1,343)	56	42	(10)	(10)
U.S. dollar	7,590	5,651	(1,343)	(1,343)	56	42	(10)	(10)
Receipts foreign currency, payments foreign currency	75,904	73,028	(1,071)	(1,071)	568	546	(8)	(8)
Australian dollar / U.S. dollar	60,109	59,411	(1,048)	(1,048)	450	444	(7)	(7)
Australian dollar / Euro	15,794	13,616	(23)	(23)	118	101	(0)	(0)
Currency options:								
Sold:								
Call	49,272 [311]	—	115	195	368 [2]	—	0	1
U.S. dollar	49,272 [311]	—	115	195	368 [2]	—	0	1
Bought								
Put	188,951 [4,283]	—	1,345	(2,938)	1,415 [32]	—	10	(22)
U.S. dollar	138,564 [3,109]	—	829	(2,279)	1,037 [23]	—	6	(17)
Australian dollar	50,387 [1,174]	—	515	(659)	377 [8]	—	3	(4)
Total return swaps:								
Foreign currency index linked	111,216	80,601	9,369	9,369	832	603	70	70
Total	–	–	–	23,260	–	–	–	174

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 transactions

	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
	As of March 31, 2022			
	(Unit: million yen)			
Over-the-counter transactions:				
Yen interest rate swaps:				
Receipts fixed, Payments floating	344,395	344,395	7,573	7,573
Receipts floating, Payments fixed	15,751	15,751	(163)	(163)
Yen interest rate swaptions:				
Bought:				
Receipts floating, Payments fixed	1,340,000 [7,698]	1,030,000 [7,216]	24,329	16,630
Total	–	–	–	24,040

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)".

	(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)
	As of March 31, 2023							
	(Unit: million yen)				(Unit: million US dollars)			
Over-the-counter transactions:								
Yen interest rate swaps:								
Receipts fixed, Payments floating	27,446	27,446	(1,232)	(1,232)	205	205	(9)	(9)
Receipts floating, Payments fixed	10,000	10,000	338	338	74	74	2	2
Yen interest rate swaptions:								
Bought:								
Receipts fixed, Payments floating	140,206 [371]	[—]	75	(295)	1,049 [2]	[—]	0	(2)
Receipts floating, Payments fixed	1,873,766 [20,670]	635,000 [7,108]	34,028	13,358	14,032 [154]	4,755 [53]	254	100
Total	–	–	–	12,168	–	–	–	91

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)".

(3) Stock-related transactions

	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
	As of March 31, 2022			
	(Unit: million yen)			
Exchange-traded transactions:				
Yen stock index futures:				
Sold	37,350	—	(3,754)	(3,754)
Bought	7,066	—	497	497
Foreign currency-denominated stock index futures:				
Sold	61,368	—	(4,084)	(4,084)
Bought	67,819	—	2,921	2,921
Yen stock index options:				
Bought:				
Put	326,849 [7,554]	4,915 [645]	3,670	(3,883)
Foreign currency-denominated stock index options:				
Sold:				
Call	616,379 [32,972]	—	63,964	(30,991)
Put	11,392 [494]	—	227	266
Bought:				
Call	596,866 [42,644]	—	76,863	34,219
Put	74,726 [5,119]	21,990 [1,940]	3,654	(1,465)
Over-the-counter transactions:				
Yen stock index options:				
Bought:				
Put	1,916 [630]	1,916 [630]	118	(511)
Foreign currency-denominated stock index options:				
Sold:				
Call	179,179 [9,281]	—	24,446	(15,165)
Put	3,285 [122]	—	74	47
Bought:				
Call	226,983 [15,405]	20,578 [1,011]	32,806	17,400
Put	138,870 [17,842]	70,898 [10,593]	8,457	(9,384)
Total return swaps:				
Foreign currency-denominated stock index linked	161,861	4,237	(3,577)	(3,577)
Total	–	–	–	(17,464)

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)".

	As of March 31, 2023							
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
	(Unit: million yen)				(Unit: million US dollars)			
Exchange-traded transactions:								
Yen stock index futures:								
Sold	7,832	—	29	29	58	—	0	0
Bought	8,782	—	(67)	(67)	65	—	(0)	(0)
Foreign currency-denominated stock index futures:								
Sold	41,364	—	(579)	(579)	309	—	(4)	(4)
Bought	66,306	—	552	552	496	—	4	4
Yen stock index options:								
Bought:								
Put	335,865	2,452			2,515	18		
	[4,826]	[386]	2,636	(2,189)	[36]	[2]	19	(16)
Foreign currency-denominated stock index options:								
Sold:								
Call	499,892				3,743			
	[32,119]	—	12,776	19,343	[240]	—	95	144
Put	17,159				128			
	[863]	—	584	278	[6]	—	4	2
Bought:								
Call	474,773				3,555			
	[40,721]	—	17,881	(22,839)	[304]	—	133	(171)
Put	76,932	9,726			576	72		
	[3,474]	[250]	2,876	(597)	[26]	[1]	21	(4)
Over-the-counter transactions:								
Yen stock index options:								
Bought:								
Put	2,210	2,210			16	16		
	[727]	[727]	110	(617)	[5]	[5]	0	(4)
Foreign currency-denominated stock index options:								
Sold:								
Call	378,527				2,834			
	[27,078]	—	13,605	13,473	[202]	—	101	100
Put	7,260				54			
	[412]	—	305	106	[3]	—	2	0
Bought:								
Call	427,637	36,711			3,202	274		
	[36,426]	[1,662]	18,578	(17,847)	[272]	[12]	139	(133)
Put	89,696	39,032			671	292		
	[12,838]	[6,448]	7,835	(5,002)	[96]	[48]	58	(37)
Total return swaps:								
Foreign currency-denominated stock index linked	67,061	5,513	448	448	502	41	3	3
Total	–	–	–	(15,508)	–	–	–	(116)

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, 2022		
	Notional amount/ contract value	Fair value	Gains (losses)
	(Unit: million yen)		
Exchange-traded transactions:			
Yen bond futures:			
Sold	27,048	102	102
Bought	62,543	(268)	(268)
Foreign currency-denominated bond futures:			
Sold	481,516	11,606	11,606
Bought	628,681	(14,638)	(14,638)
Over-the-counter transactions:			
Foreign currency-denominated bond forward contracts			
Sold	87,693	2,357	2,357
Bought	126,811	(3,872)	(3,872)
Yen bond OTC options:			
Sold:			
Call	19,200		
	[48]	16	31
Put	41,988		
	[181]	246	(64)
Bought:			
Call	41,988		
	[154]	41	(112)
Put	19,200		
	[53]	60	7
Total	–	–	(4,850)

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.

	As of March 31, 2023					
	Notional amount/ contract value	Fair value	Gains (losses)	Notional amount/ contract value	Fair value	Gains (losses)
	(Unit: million yen)			(Unit: million US dollars)		
Exchange-traded transactions:						
Yen bond futures:						
Sold	34,941	(310)	(310)	261	(2)	(2)
Bought	63,695	1,033	1,033	477	7	7
Foreign currency-denominated bond futures:						
Sold	52,694	343	343	394	2	2
Bought	394,754	321	321	2,956	2	2
Over-the-counter transactions:						
Foreign currency-denominated bond forward contracts						
Bought	204,873	(4,121)	(4,121)	1,534	(30)	(30)
Yen bond OTC options:						
Sold:						
Call	29,124			218		
	[25]	72	(47)	[0]	0	(0)
Put	95,842			717		
	[341]	102	239	[2]	0	1
Bought:						
Call	95,842			717		
	[296]	554	257	[2]	4	1
Put	29,124			218		
	[33]	0	(32)	[0]	0	(0)
Total	–	–	(2,315)	–	–	(17)

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 31, 2022			
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
	(Unit: million yen)			
Over-the-counter transactions:				
Credit default swaps:				
Sold protection	46,842	9,862	390	390
Bought protection	3,000	—	(20)	(20)
Others:				
Embedded derivatives	2,193,280	2,193,280	(191,357)	(191,357)
Total	–	–	–	(190,987)

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 March 31, 2023							
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
	(Unit: million yen)				(Unit: million US dollars)			
Over-the-counter transactions:								
Credit default swaps:								
Sold protection	85,134	41,548	596	596	637	311	4	4
Bought protection	7,000	7,000	(40)	(40)	52	52	(0)	(0)
Others:								
Embedded derivatives	2,603,690	2,603,690	(56,581)	(56,581)	19,498	19,498	(423)	(423)
Total	–	–	–	(56,025)	–	–	–	(419)

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, 2022		
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value
	(Unit: million yen)		
Deferral hedge:			
Foreign currency forward contracts to hedge foreign currency-denominated bonds			
Bought	74,637	—	10,310
Australian dollar	74,637	—	10,310
Currency swaps to hedge foreign currency-denominated bonds:			
Receipts yen, payments foreign currency	192,809	175,356	(13,639)
U.S. dollar	115,499	104,077	(8,735)
Euro	65,382	59,351	(4,488)
British pound	11,927	11,927	(415)
Currency swaps to hedge foreign currency risks associated with funding agreement:			
Receipts foreign currency, payments foreign currency	13,477	13,477	(1,461)
Norway krone / U.S. dollar	13,477	13,477	(1,461)
Fair value hedge:			
Foreign currency forward contracts to hedge foreign currency-denominated bonds:			
Sold	5,839,213	—	(474,485)
U.S. dollar	2,940,436	—	(273,968)
Euro	1,302,139	—	(47,364)
Australian dollar	806,327	—	(92,374)
Canadian dollar	412,680	—	(34,194)
British pound	154,103	—	(9,791)
Others	223,525	—	(16,791)
Bought	151,085	—	10,230
U.S. dollar	109,969	—	7,484
Australian dollar	10,488	—	475
Canadian dollar	7,823	—	160
British pound	618	—	3
Euro	477	—	22
Others	21,707	—	2,082
Foreign currency forward contracts, etc., allocated to and/or combined with corresponding hedged items:			
Foreign currency forward contracts to hedge foreign currency-denominated term deposits:			
Sold	223,000	—	
New Zealand dollar	150,000	—	
U.S. dollar	73,000	—	
Currency swaps to hedge foreign currency-denominated bonds payable and loans:			
Receipts foreign currency, payments yen	368,715	368,715	
Foreign currency-denominated bonds payable:			
U.S. dollar	368,715	368,715	
Receipts yen, payments foreign currency	26,877	23,608	
Foreign currency-denominated loans:			
U.S. dollar	24,491	23,608	
Euro	2,385	—	

	As of March 31, 2023					
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value
	(Unit: million yen)			(Unit: million US dollars)		
Deferral hedge:						
Currency swaps to hedge foreign currency-denominated bonds:						
Receipts yen, payments foreign currency	310,111	297,161	(15,273)	2,322	2,225	(114)
U.S. dollar	207,737	205,890	(11,073)	1,555	1,541	(82)
Euro	82,801	71,698	(5,074)	620	536	(37)
British pound	19,572	19,572	873	146	146	6
Currency swaps to hedge foreign currency risks associated with funding agreement:						
Receipts foreign currency, payments foreign currency	15,549	15,549	(2,018)	116	116	(15)
Norway krone / U.S. dollar	15,549	15,549	(2,018)	116	116	(15)
Fair value hedge:						
Foreign currency forward contracts to hedge foreign currency-denominated bonds:						
Sold	2,243,706	—	(57,587)	16,803	—	(431)
U.S. dollar	998,694	—	(42,438)	7,479	—	(317)
Australian dollar	640,128	—	1,316	4,793	—	9
Euro	480,482	—	(14,633)	3,598	—	(109)
Canadian dollar	36,023	—	(769)	269	—	(5)
British pound	34,167	—	(1,325)	255	—	(9)
Others	54,210	—	262	405	—	1
Bought	94,813	—	973	710	—	7
Euro	42,573	—	1,035	318	—	7
U.S. dollar	36,963	—	(26)	276	—	(0)
Canadian dollar	13,472	—	(67)	100	—	(0)
British pound	567	—	26	4	—	0
Australian dollar	67	—	(1)	0	—	(0)
Others	1,169	—	8	8	—	0
Foreign currency forward contracts, etc., allocated to and/or combined with corresponding hedged items:						
Foreign currency forward contracts to hedge foreign currency-denominated term deposits:						
Sold	5,000	—		37	—	
U.S. dollar	5,000	—		37	—	
Currency swaps to hedge foreign currency-denominated bonds payable and loans:						
Receipts foreign currency, payments yen	368,715	368,715		2,761	2,761	
Foreign currency-denominated bonds payable:						
U.S. dollar	368,715	368,715		2,761	2,761	
Receipts yen, payments foreign currency	22,878	12,958		171	97	
Foreign currency-denominated loans:						
U.S. dollar	22,878	12,958		171	97	

(2) Interest-related transactions

	As of March 31, 2022		
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value
	(Unit: million yen)		
Deferral hedge:			
Yen interest rate swaps to hedge loans and insurance liabilities:			
Receipts fixed, payments floating	714,600	710,600	(516)
Special hedge accounting:			
Yen interest rate swaps to hedge loans:			
Receipts fixed, payments floating	8,300	8,300	81
Yen interest rate swaps to hedge loans payable:			
Receipts floating, payments fixed	325,000	181,000	503

	As of March 31, 2023					
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value
	(Unit: million yen)			(Unit: million US dollars)		
Deferral hedge:						
Yen interest rate swaps to hedge loans and insurance liabilities:						
Receipts fixed, payments floating	710,600	710,600	(27,155)	5,321	5,321	(203)
Special hedge accounting:						
Yen interest rate swaps to hedge loans:						
Receipts fixed, payments floating	8,300	2,300	53	62	17	0
Yen interest rate swaps to hedge loans payable:						
Receipts floating, payments fixed	245,000	245,000	1,204	1,834	1,834	9

(3) Interest and currency-related transactions

	As of March 31, 2023					
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value
	(Unit: million yen)			(Unit: million US dollars)		
Deferral hedge:						
Interest rate and Currency swaps to hedge bonds payable:						
Receipts floating, payments fixed	7,085	7,085	485	53	53	3

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.

Certain domestic consolidated subsidiaries participate in corporate pension fund plans administered by multiple employers. As the amount of pension assets corresponding to their contributions cannot be reasonably calculated, they are accounted for in the same manner as the defined contribution plans.

2. Defined Benefit Plans

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

	Year ended March 31,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Beginning balance of the projected benefit obligations	731,812	728,888	5,458
Service cost	28,343	26,878	201
Interest cost	2,990	3,339	25
Accruals of actuarial (gains) and losses	(781)	(10,404)	(77)
Payment of retirement benefits	(37,579)	(45,326)	(339)
Others	4,102	6,592	49
Ending balance of the projected benefit obligation	728,888	709,968	5,316

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

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

	Year ended March 31,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Beginning balance of pension assets	313,266	336,366	2,519
Estimated return on assets	4,131	4,490	33
Accruals of actuarial (gains) and losses	19,594	(247)	(1)
Contributions from the employer	8,319	8,965	67
Payment of retirement benefits	(12,661)	(13,449)	(100)
Others	3,716	6,034	45
Ending balance of pension assets	336,366	342,159	2,562

(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,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Projected benefit obligation for funded pensions	402,530	388,213	2,907
Pension assets	(336,366)	(342,159)	(2,562)
	66,164	46,053	344
Projected benefit obligation for unfunded pensions	326,357	321,754	2,409
Net of assets and liabilities recorded in the consolidated balance sheet	392,522	367,808	2,754
Net defined benefit liabilities	392,522	367,808	2,754
Net defined benefit assets	–	–	–
Net of assets and liabilities recorded in the consolidated balance sheet	392,522	367,808	2,754

(4) Amount of the components of retirement benefit expenses

	Year ended March 31,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Service cost	28,343	26,878	201
Interest cost	2,990	3,339	25
Expected return on assets	(4,131)	(4,490)	(33)
Expense of actuarial (gains) and losses	4,798	9,605	71
Amortization of past service cost	174	175	1
Others	258	218	1
Retirement benefit expenses for defined benefit plans	32,434	35,728	267

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

(5) Remeasurements of defined benefit plans

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

	Year ended March 31,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Past service cost	151	172	1
Actuarial gains (losses)	24,948	20,011	149
Total	25,100	20,184	151

(6) Accumulated remeasurements of defined benefit plans

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

	Year ended March 31,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Unrecognized past service cost	1,187	1,015	7
Unrecognized actuarial gains (losses)	(12,920)	(32,819)	(245)
Total	(11,733)	(31,803)	(238)

(7) Pension assets

a) The main components of the pension assets

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

	Year ended March 31,	
	2022	2023
Stocks	64%	50%
Assets under joint management	19%	16%
Bonds	6%	22%
Life insurance general account	1%	3%
Others	10%	9%
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, 2022 and 2023 were 49% and 52%, respectively.

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

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

(8) Calculation basis of actuarial gains and losses

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

	Year ended March 31,	
	2022	2023
Discount rate	0.30to 2.95%	0.30 to 5.09%
Expected long-term rate of return		
Defined benefit corporate pension	1.40 to 7.00%	1.40 to 6.75%
Employee pension trust	0.00%	0.00%

3. Defined Contribution Plans

Required amounts of contribution to defined contribution plans of consolidated subsidiaries for the fiscal years ended March 31, 2022 and 2023 were ¥2,873 million and ¥3,217 million (US$24 million), respectively.

4. Plans Administered by Multiple Employers

Required amount of contribution to corporate pension fund plans, which are accounted for in the same manner as the defined contribution plans, for the fiscal year ended March 31, 2023 was ¥27,555 million (US$206 million).

(1) Funding status for the entire plan

	Year ended March 31,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Amount of pension assets	―	77,272	578
Total of actuarial liability for pension financing calculation and amount of minimum policy reserve	―	75,263	563
Difference	―	2,008	15

(2) Percentage of contributions by the Group to the entire plan

Fiscal year ended March 31, 2023: 0.14% (From April 1, 2022 to March 31, 2023)

(3) Supplementary Explanation

The main factors for the difference in (1) above are special reserve for pension financing calculation of ¥1,617 million (US$12 million) and a surplus of ¥390 million (US$2 million) for the fiscal year ended March 31, 2023.

The percentage in (2) above does not match the actual percentage borne by the Group.

The above data was prepared based on the latest information available as of the date of preparation of the consolidated financial statements.

XIV. STOCK OPTIONS

1. Amount recorded as revenue due to forfeiture of stock options as a result of non-exercise of stock options

	As of March 31, 2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Other ordinary revenues	21	—	—

2. Details of the Stock Options Granted

(1) Details of the stock options

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

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

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

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

(2) Figures relating to the stock options

The following table covers stock options which existed during the fiscal year ended March 31, 2023 and the total number of stock options is translated to the number of shares of common stock.

a) Number of the stock options (shares)

	The Dai-ichi Life Insurance Company, Limited 1st Series of Stock Acquisition Rights	The Dai-ichi Life Insurance Company, Limited 2nd Series of Stock Acquisition Rights	The Dai-ichi Life Insurance Company, Limited 3rd Series of Stock Acquisition Rights
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	23,800	69,800	52,600
Vested	—	—	—
Exercised	10,700	19,600	17,800
Forfeited	—	—	—
Outstanding at the end of the fiscal year	13,100	50,200	34,800

	The Dai-ichi Life Insurance Company, Limited 4th Series of Stock Acquisition Rights	The Dai-ichi Life Insurance Company, Limited 5th Series of Stock Acquisition Rights	Dai-ichi Life Holdings, Inc. 1st Series of Stock Acquisition Rights
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	59,100	44,900	119,800
Vested	—	—	—
Exercised	22,000	15,900	35,700
Forfeited	—	—	—
Outstanding at the end of the fiscal year	37,100	29,000	84,100

	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	131,500
Vested	—
Exercised	31,000
Forfeited	—
Outstanding at the end of the fiscal year	100,500

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.

b) Price information

	The Dai-ichi Life Insurance Company, Limited		
	1st Series of Stock Acquisition Rights	2nd Series of Stock Acquisition Rights	3rd Series of Stock Acquisition Rights
Exercise price	¥1 per stock option	¥1 per stock option	¥1 per stock option
Average stock price at the time of exercise	¥2,552 (US$19)	¥2,552 (US$19)	¥2,552 (US$19)
Fair value at the grant date	¥885 (US$6)	¥766 (US$5)	¥1,300 (US$9)

	The Dai-ichi Life Insurance Company, Limited		Dai-ichi Life Holdings, Inc.
	4th Series of Stock Acquisition Rights	5th Series of Stock Acquisition Rights	1st Series of Stock Acquisition Rights
Exercise price	¥1 per stock option	¥1 per stock option	¥1 per stock option
Average stock price at the time of exercise	¥2,553 (US$19)	¥2,553 (US$19)	¥2,574 (US$19)
Fair value at the grant date	¥1,366 (US$10)	¥2,318 (US$17)	¥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	¥2,572(US$19)
Fair value at the grant date	¥1,568 (US$11)

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, 2022	As of March 31, 2023	As of March 31, 2023
	(Unit: million yen)	(Unit: million yen)	(Unit: million US dollars)
Deferred tax assets:			
Policy reserves and others	475,841	484,410	3,627
Net unrealized gains (losses) on securities, net of tax	3,459	211,468	1,583
Net defined benefits liabilities	139,537	132,496	992
Reserve for price fluctuations	80,284	85,380	639
Tax losses carried forward	49,469	49,383	369
Others	121,477	130,692	978
Subtotal of deferred tax assets	870,070	1,093,831	8,191
Valuation allowance on tax losses carried forward	(36,974)	(28,186)	(211)
Valuation allowance on total deductible temporary differences	(22,030)	(26,329)	(197)
Subtotal of valuation allowance	(59,005)	(54,515)	(408)
Total	811,065	1,039,316	7,783
Deferred tax liabilities:			
Net unrealized gains (losses) on securities, net of tax	(880,970)	(574,047)	(4,299)
Other intangible fixed assets	(72,925)	(93,935)	(703)
Evaluation difference related to business combination	(29,992)	(48,636)	(364)
Others	(74,162)	(119,499)	(894)
Total	(1,058,050)	(836,119)	(6,261)
Net deferred tax assets (liabilities)	(246,985)	203,196	1,521

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

As of March 31, 2022

(Unit: million yen)

	Within 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years	Total
Tax losses carried forward (*1)	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

(*1) Tax loss carried forward is calculated by multiplying statutory effective tax rate.
(*2) Deferred tax assets of ¥12,494 million are recorded for tax losses carried forward of ¥49,469 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, 2023

(Unit: million yen)

	Within 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years	Total
Tax losses carried forward (*1)	406	453	290	4,887	85	43,260	49,383
Valuation allowance	(375)	(435)	(256)	(4,452)	(3)	(22,663)	(28,186)
Deferred tax assets	30	17	33	434	82	20,597	(*2) 21,197

(Unit: million US dollars)

	Within 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years	Total
Tax losses carried forward (*1)	3	3	2	36	0	323	369
Valuation allowance	(2)	(3)	(1)	(33)	(0)	(169)	(211)
Deferred tax assets	0	0	0	3	0	154	(*2) 158

(*1) Tax loss carried forward is calculated by multiplying statutory effective tax rate.
(*2) Deferred tax assets of ¥21,197 million (US$158 million) are recorded for tax losses carried forward of ¥49,383 million (US$369 million) (calculated using the statutory effective tax rate). They are deemed to be recoverable as it is expected that there will be taxable income in the future.

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

	As of March 31,	
	2022	2023
Statutory effective tax rate	30.62%	—
(Adjustments)		
Increase (decrease) in valuation allowance	(10.63)%	—
Difference in tax rate of subsidiaries	(3.78)%	—
Reversal of revaluation reserve for land	(2.40)%	—
Others	(0.10)%	—
Actual effective tax rate after considering deferred taxes	13.71	—

Note: The note of the fiscal year ended March 31, 2023 is omitted because the difference between the statutory effective tax rate and actual effective tax rate after considering deferred taxes were 5% or less than the statutory effective tax rate as of the end of the current fiscal year.

3. Accounting for corporate tax and local corporate tax or deferred tax accounting relating to these taxes.

Effective the fiscal year ended March 31, 2023, the Company and its certain domestic consolidation subsidiaries have adopted the Group Tax Sharing System, in which the Company is the tax sharing parent company. The Company and its certain domestic consolidation subsidiaries have applied the accounting and disclosure treatment of corporate tax, local corporate tax and deferred tax accounting 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).

XVI. BUSINESS COMBINATION AS A RESULT OF ACQUISITION

(1) TAL Life Insurance Services Limited

a) Overview of the business combination

i) Name and business of the acquired company

Company name: TAL Life Insurance Services Limited (*)

Business: Life insurance and related businesses

ii) Purpose of the business combination

The acquisition aims for business expansion by accessing the Westpac Banking Corporation’s customer base and the reduction of capital cost and profit growth through the expansion of risk-taking focusing on insurance risk.

iii) Date of business combination

August 1, 2022

iv) Legal form of the business combination

Purchase of shares

v) Name of the acquired company after the combination

TAL Life Insurance Services Limited (*)

vi) Ratio of voting rights acquired

100%

vii) Main reason for determining the controlling company

TAL Dai-ichi Life Australia Pty Limited (“TDLA”), a consolidated subsidiary of the Company, was determined to be the controlling company as it owns 100% of voting rights in TAL Life Insurance Services Limited (*).

(*) TAL Life Insurance Services Limited changed its name from Westpac Life Insurance Services Limited after the acquisition.

b) The period for which the results of the acquired company were included in the consolidated financial statements

From August 1, 2022 to March 31, 2023

c) Acquisition costs

Consideration for the acquisition	Cash	AUD957 million
Acquisition costs		AUD957 million

d) Major acquisition-related expenses

Advisory fees, etc. AUD23 million

e) Amount of goodwill, reason for recognition of goodwill, amortization method and period

No goodwill or bargain purchase have been recognized.

f) Assets received and liabilities assumed on the date of the business combination

Total assets	AUD3,505 million
[Securities	AUD1,685 million]
[Other assets	AUD875 million]
Total liabilities	AUD2,547 million
[Policy reserves and others	AUD2,425 million]

(g) Allocation of acquisition cost

Since TDLA has not yet completed the allocation of acquisition cost, a tentative accounting treatment was made, based on reasonable information available at that point.

(2) Partners Group Holdings Limited

a) Overview of the business combination

i) Name and business of the acquired company

Company name: Partners Group Holdings Limited

Business: Life insurance and related businesses (*)

(*) Partners Group Holdings Limited is a holding company, and its subsidiary is engaged in life insurance business, etc.

ii) Purpose of the business combination

The acquisition aims to build a platform for stable growth in a developed market, strengthen the overseas business portfolio through geographic diversification, and improve risk profile and achieve profit growth through the expansion of risk-taking focusing on insurance risk.

iii) Date of business combination

November 30, 2022

iv) Legal form of the business combination

Purchase of shares
v) Name of the acquired company after the combination
Partners Group Holdings Limited
vi) Ratio of voting rights acquired
100%
vii) Main reason for determining the controlling company
Dai-ichi Life International Holdings LLC ("DLIHD"), a consolidated subsidiary of the Company, was determined to be the controlling company as it owns 100% of voting rights in Partners Group Holdings Limited.

b) The period for which the results of the acquired company were included in the consolidated financial statements
From January 1, 2023 to March 31, 2023

c) Acquisition costs

Consideration for the acquisition	Cash	NZD1,002 million
Acquisition costs		NZD1,002 million

d) Major acquisition-related expenses
Advisory fees, etc. NZD25 million

e) Amount of goodwill, reason for recognition of goodwill, amortization method and period
i) Amount of goodwill
NZD247 million
ii) Reason for recognition of goodwill
The investment value reflecting the future profit expected in the calculation of the acquisition price exceeded the net amount of assets received and liabilities assumed at the business combination.
iii) Amortization method and period
Amortized over 20 years under the straight-line method.

f) Assets received and liabilities assumed on the date of the business combination

Total assets	NZD2,209 million
[Other assets	NZD1,105 million]
Total liabilities	NZD1,184million
[Policy reserves and others	NZD556 million]

g) Amount allocated to intangible fixed assets other than goodwill, its breakdown by type and total weighted average amortization period by type

Type	Amount	Weighted average amortization period
Value of in-force insurance contracts	NZD433 million	20 years
Total	NZD433 million	

h) Allocation of acquisition cost
Since DLIHD has not yet completed the allocation of acquisition cost, a tentative accounting treatment was made, based on reasonable information available at that point.

(3) ipet Holdings, Inc.
a) Overview of the business combination
i) Name and business of the acquired company
Company name: ipet Holdings, Inc.
Business: Pet insurance and related businesses (*)
(*) ipet Holdings, Inc. is a holding company, and its subsidiary is engaged in pet insurance business, etc.
ii) Purpose of the business combination
The Group has set in its medium-term management plan the four areas (protection, asset formation and succession, health promotion, and enhancing connections) in its domestic business. In the area of "enhancing connections", which comprises non-life insurance and QOL areas, the Group aims to contact customers who had been out of reach in the "protection" area that focuses on conventional life insurance.
iii) Date of business combination
January 17, 2023
iv) Legal form of the business combination
Purchase of shares
v) Name of the acquired company after the combination
ipet Holdings, Inc.
vi) Ratio of voting rights acquired
100%
vii) Main reason for determining the controlling company
The Company was determined to be the controlling company as it owns 100% of voting rights in ipet Holdings, Inc.

b) The period for which the results of the acquired company were included in the consolidated financial statements
From January 1, 2023 to March 31, 2023

c) Acquisition costs

Consideration for the acquisition	Cash	¥39,015 million
Acquisition costs		¥39,015 million

d) Major acquisition-related expenses
Advisory fees, etc. ¥751 million

e) Amount of goodwill, reason for recognition of goodwill, amortization method and period
i) Amount of goodwill
¥15,990 million
ii) Reason for recognition of goodwill
The investment value reflecting the future profit expected in the calculation of the acquisition price exceeded the net amount of assets received and liabilities assumed at the business combination.
iii) Amortization method and period
Amortized over 15 years under the straight-line method.

f) Assets received and liabilities assumed on the date of the business combination

Total assets	¥50,370 million
[Intangible fixed assets	¥25,335 million]
Total liabilities	¥27,343 million
[Policy reserves and others	¥17,027 million]

g) Amount allocated to intangible fixed assets other than goodwill, its breakdown by type and total weighted average amortization period by type

Type	Amount	Weighted average amortization period
Value of in-force insurance contracts	¥24,695 million	10 years
Total	¥24,695 million	

h) Allocation of acquisition cost
Since the Company has not yet completed the allocation of acquisition cost, a tentative accounting treatment was made, based on reasonable information available at that point.

XVII. 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.

XVIII. 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, 2022 and 2023 were ¥32,303 million and ¥25,607 million (US$191 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, 2022 and 2023 were ¥3,848 million and ¥15,829 million (US$118 million), respectively. Losses on sale of rental real estate as extraordinary losses was ¥4,127 million for the fiscal year ended March 31, 2022.Gains on sale of rental real estate as extraordinary gains was ¥602 million (US$4 million) for the fiscal year ended March 31, 2023.

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

	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2023
	(Unit: million yen)		(Unit: million US dollars)
Carrying amount:			
Beginning balance	787,387	859,937	6,440
Net change during year	72,549	78,003	584
Ending balance	859,937	937,941	7,024
Market value	1,144,726	1,284,841	9,622

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 ¥98,927 million, sale of the real estate of ¥24,096 million, depreciation expense of ¥13,423 million, impairment loss of ¥3,848 million, during the fiscal year ended March 31, 2022.
Net change in carrying amount included cost of acquisition of the real estate of ¥153,805 million (US$1,151 million), sale of the real estate of ¥55,995 million (US$419 million), depreciation expense of ¥13,631 million (US$102 million), impairment loss of ¥15,829 million (US$118 million), during the fiscal year ended March 31, 2023.
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.

XIX. 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 Insurance Business, the Overseas Insurance Business, and Other Business.

The Domestic Insurance Business consists of subsidiaries that engage in the 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 Insurance Business or the Overseas Insurance Business are segmented as Other Business and mainly consist of business administration of the group companies and the asset management business.

Effective the fiscal year ended March 31, 2023, the name of the reportable segment previously the Domestic Life Insurance Business has been changed to the Domestic Insurance Business. This change is only a name change and has no impact on segment information.

(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, 2022:

	Reportable Segment				Adjustments (Note 2)	Amount on consolidated financial statements (Note 3)
	Domestic Insurance Business	Overseas Insurance Business	Other Business	Total		
	(Unit: million 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

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 was mainly related to ordinary revenues including other ordinary revenues ncluding other ordinary revenues of ¥768,037 million and ordinary expenses including foreign exchange losses of ¥15,046 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 was mainly related to elimination of dividend income from subsidiaries and affiliated companies.
c) Adjustment for segment assets of ¥(2,297,249) million was mainly related to elimination of stocks of subsidiaries and affiliated companies.
d) Adjustment for segment liabilities of ¥(294,789) 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.

For the fiscal year ended March 31, 2023:

	Reportable Segment				Adjustments (Note 2)	Amount on consolidated financial statements (Note 3)
	Domestic Insurance Business	Overseas Insurance Business	Other Business	Total		
	(Unit: million yen)					
Ordinary revenues (Note 1)	8,237,443	2,592,445	7,226	10,837,115	(1,317,670)	9,519,445
Intersegment transfers	103,615	34,432	287,155	425,204	(425,204)	—
Total	8,341,059	2,626,878	294,381	11,262,319	(1,742,874)	9,519,445
Segment income (loss)	344,147	28,172	268,948	641,268	(230,368)	410,900
Segment assets	43,377,249	18,110,166	3,297,504	64,784,920	(3,206,047)	61,578,872
Segment liabilities	41,028,862	17,369,204	709,488	59,107,554	(401,796)	58,705,757
Other relevant information						
Depreciation of real estate for rent and others	13,660	22	—	13,682	—	13,682
Depreciation	48,307	37,942	259	86,510	—	86,510
Amortization of goodwill	266	6,764	—	7,030	—	7,030
Interest and dividend income	981,081	451,248	275,869	1,708,199	(276,842)	1,431,356
Interest expenses	9,772	21,317	4,606	35,695	(2,695)	33,000
Equity in income (loss) of affiliates	—	3,394	2,789	6,184	—	6,184
Extraordinary gains	4,548	36	—	4,584	—	4,584
Extraordinary losses	39,751	53	—	39,805	—	39,805
(Impairment losses)	(15,939)	(—)	(—)	(15,939)	(—)	(15,939)
Taxes	65,156	21,184	2,036	88,377	—	88,377
Investments in affiliated companies	—	47,604	35,481	83,085	—	83,085
Increase in tangible fixed assets and intangible fixed assets	207,316	4,822	146	212,284	—	212,284

	Reportable Segment				Adjustments (Note 2)	Amount on consolidated financial statements (Note 3)
	Domestic Insurance Business	Overseas Insurance Business	Other Business	Total		
	(Unit: million US dollars)					
Ordinary revenues (Note 1)	61,689	19,414	54	81,158	(9,867)	71,290
Intersegment transfers	775	257	2,150	3,184	(3,184)	—
Total	62,465	19,672	2,204	84,342	(13,052)	71,290
Segment income (loss)	2,577	210	2,014	4,802	(1,725)	3,077
Segment assets	324,850	135,626	24,694	485,171	(24,009)	461,161
Segment liabilities	307,263	130,077	5,313	442,653	(3,009)	439,644
Other relevant information						
Depreciation of real estate for rent and others	102	0	—	102	—	102
Depreciation	361	284	1	647	—	647
Amortization of goodwill	1	50	—	52	—	52
Interest and dividend income	7,347	3,379	2,065	12,792	(2,073)	10,719
Interest expenses	73	159	34	267	(20)	247
Equity in income (loss) of affiliates	—	25	20	46	—	46
Extraordinary gains	34	0	—	34	—	34
Extraordinary losses	297	0	—	298	—	298
(Impairment losses)	(119)	(—)	(—)	(119)	(—)	(119)
Taxes	487	158	15	661	—	661
Investments in affiliated companies	—	356	265	622	—	622
Increase in tangible fixed assets and intangible fixed assets	1,552	36	1	1,589	—	1,589

Note: 1. Ordinary revenues, instead of sales, are presented here.
2. Adjusted amounts were as follows.
a) Adjustment for ordinary revenues of ¥(1,317,670) million (US$(9,867) million) was mainly related to ordinary expenses including provision for policy reserves of ¥1,156,635 million (US$8,661 million) and foreign exchange losses of ¥82,290 million (US$616 million) reconciled to ordinary revenues including other ordinary revenues and foreign exchange gains in the Consolidated Statement of Earnings.
b) Adjustment for segment income (loss) of ¥(230,368) million (US$(1,725) million) was mainly related to elimination of dividend income from subsidiaries and affiliated companies.
c) Adjustment for segment assets of ¥(3,206,047) million (US$(24,009) million) was mainly related to elimination of stocks of subsidiaries and affiliated companies.
d) Adjustment for segment liabilities of ¥(401,796) million (US$ (3,009) 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, 2022:

(1) Product (Service) Segment Information

	Year ended March 31, 2022
	(Unit: million yen)
Premium and other income	
Domestic Insurance Business	3,916,438
Overseas Insurance Business	1,375,535
Other Business	—
Total	5,291,973

(2) Geographic Segment Information

a) Ordinary Revenues

	Year ended March 31, 2022
	(Unit: million yen)
Ordinary revenues	
Japan	5,434,237
United States of America	1,545,530
Other Areas	1,229,940
Total	8,209,708

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, 2023

(1) Product (Service) Segment Information

	Year ended March 31, 2023	
	(Unit: million yen)	(Unit: million US dollars)
Premium and other income		
Domestic Insurance Business	5,053,959	37,848
Overseas Insurance Business	1,581,524	11,843
Other Business	—	—
Total	6,635,483	49,692

(2) Geographic Segment Information

a) Ordinary Revenues

	Year ended March 31, 2023	
	(Unit: million yen)	(Unit: million US dollars)
Ordinary revenues		
Japan	6,380,289	47,781
United States of America	1,726,353	12,928
Other Areas	1,412,801	10,580
Total	9,519,445	71,290

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

b) Tangible fixed assets

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

(3) Major Customer Information

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

3. Impairment Losses on Fixed Assets by Reporting Segment

For the fiscal years ended March 31, 2022 and 2023

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, 2022:

	Year ended March 31, 2022	
	(Unit: million yen)	
	Amortization of goodwill	Unamortized amount of goodwill
Domestic Insurance Business	—	—
Overseas Insurance Business	5,154	56,245
Other Business	—	—
Total	5,154	56,245

For the fiscal year ended March 31, 2023:

	Year ended March 31, 2023			
	(Unit: million yen)		(Unit: million US dollars)	
	Amortization of goodwill	Unamortized amount of goodwill	Amortization of goodwill	Unamortized amount of goodwill
Domestic Insurance Business	266	15,724	1	117
Overseas Insurance Business	6,764	103,821	50	777
Other Business	—	—	—	—
Total	7,030	119,545	52	895

5. Gain on Negative Goodwill by Reporting Segment

For the fiscal years ended March 31, 2022 and 2023

Not applicable

6. Related Party Transactions

For the fiscal years ended March 31, 2022 and 2023

There are no significant transactions to be disclosed.

XX. PER SHARE INFORMATION

	As of / Year ended March 31,		
	2022	2023	2023
	(Unit: yen)		(Unit: US dollars)
Net assets per share	4,302.56	2,921.75	21.88
Net income per share	383.15	189.28	1.41
Diluted net income per share	382.96	189.21	1.41

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

	Year ended March 31,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Net income per share			
Net income attributable to shareholders of parent company	409,353	192,301	1,440
Net income attributable to other than shareholders of common stock	–	–	–
Net income attributable to shareholders of common stock	409,353	192,301	1,440
Average number of common stock outstanding	1,068,380 thousand shares	1,015,963 thousand shares	1,015,963 thousand shares
Diluted net income per share			
Adjustments to net income	–	–	–
Increase in the number of common stock	529 thousand shares	363 thousand shares	363 thousand shares
[Increase in the number of common stock attributable to subscription rights to shares]	[529 thousand shares]	[363 thousand shares]	[363 thousand shares]
Outline of the dilutive shares which are not counted in the basis of calculation of diluted net income per share because they do not have dilutive effect	–	–	–

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

	As of March 31,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Net assets	4,408,507	2,873,114	21,516
Adjustments	(694)	(485)	(3)
Subscription rights to shares	(694)	(483)	(3)
Non-controlling interests	(-)	(1)	(0)
Net assets attributable to common stock	4,407,812	2,872,629	21,512
Number of outstanding common stock	1,024,462 thousand shares	983,188 thousand shares	983,188 thousand shares

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 stocks during the year ended March 31, 2022 and 2023 was 3,903 thousand shares and 3,865 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, 2022 and 2023 was 3,899 thousand shares and 3,862 thousand shares, respectively.

XXI. SUBSEQUENT EVENTS

1. First Republic Bank ("FRC") was seized by federal regulators on May 1, 2023.

(1) The Company's policy

The Company recognized impairment losses associated with securities of FRC held by its foreign subsidiary during the three months ended June 30, 2023.

(2) Impairment losses

USD 91 million, pre-tax

2. The board of directors of the Company has resolved, at its meeting held on May 15, 2023, 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

c) Aggregate price of shares to be repurchased
Up to ¥120 billion (US$890 million)

d) Period of repurchase of shares
From May16, 2023 to March 31, 2024

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

(3) Details of the share repurchases made by (August 31, 2023) as approved by the board of directors on May 15, 2023 are as follows.

a) Number of shares repurchased
0 shares

a) Aggregate number of shares to be repurchased
¥0

XXII. (Unaudited) QUARTERLY INFORMATION

	Three months ended June 30, 2022	Six months ended September 30, 2022	Nine months ended December 31, 2022	Year ended March 31, 2023
Ordinary revenues (million yen)	2,867,710	5,615,070	7,844,248	9,519,445
Income before income taxes (million yen)	119,155	151,767	204,569	280,679
Net income attributable to shareholders of parent company (million yen)	81,112	108,205	144,464	192,301
Net income attributable to shareholders of parent company per share (yen)	79.17	105.61	141.14	189.28

	Three months ended June 30, 2022	Three months ended September 30, 2022	Three months ended December 31, 2022	Three months ended March 31, 2023
Net income attributable to shareholders of parent company per share (yen)	79.17	26.44	35.50	48.16

	Three months ended June 30, 2022	Six months ended September 30, 2022	Nine months ended December 31, 2022	Year ended March 31, 2023
Ordinary revenues (million US dollars)	21,476	42,050	58,745	71,290
Income before income taxes (million US dollars)	892	1,136	1,532	2,101
Net income attributable to shareholders of parent company (million US dollars)	607	810	1,081	1,440
Net income attributable to shareholders of parent company per share (US dollars)	0.59	0.79	1.05	1.41

	Three months ended June 30, 2022	Three months ended September 30, 2022	Three months ended December 31, 2022	Three months ended March 31, 2023
Net income attributable to shareholders of parent company per share (US dollars)	0.59	0.19	0.26	0.36

Independent Auditor's Report

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

Opinion

We have audited the accompanying consolidated financial statements of Dai-ichi Life Holdings, Inc. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2023, the consolidated statement of earnings, the consolidated statement of comprehensive income, the consolidated statement of changes in net assets and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

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

Key Audit Matters

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

Appropriateness of the judgement on the recognition of an impairment loss on goodwill recorded in overseas subsidiaries	
The key audit matter	**How the matter was addressed in our audit**
In the consolidated balance sheet of the Group, Goodwill of ¥119,545 million is presented for the current fiscal year, which includes goodwill of ¥55,535 million arising from the acquisition of Protective Life Corporation (hereinafter "PLC") and its acquisition business, and goodwill of ¥27,803 million arising from the acquisition of TAL Dai-ichi Life Australia Pty. Ltd. (hereinafter "TDLA"). As described in Note II. "PRINCPLES OF CONSOLIDATION" under 4. "Summary of Significant Accounting Policies": (18) "Significant Accounting Estimates", a) "Evaluation of goodwill" to the consolidated financial statements, goodwill arising from acquisitions and the acquisition business is recorded on the consolidated financial statements of the respective consolidated subsidiaries, and is assessed as to whether an impairment loss should be recognized at each consolidated subsidiary in	We primarily performed the following procedures: **(1) Judgement made at consolidated subsidiaries on the recognition of an impairment loss on goodwill** We requested the component auditors of the respective subsidiaries to perform audits, communicated with them in a timely manner about the status of the work performed by them, and evaluated their reports that summarized the results of their audit procedures. We also inspected relevant working papers prepared by them and concluded on the sufficiency of the audit procedures performed by them. The audit procedures performed by the component auditors on which we particularly focused included the following:

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

The key audit matter	How the matter was addressed in our audit
accordance with the accounting standards of the country in which each consolidated subsidiary 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. **(1) Judgement made at consolidated subsidiaries on the recognition of an impairment loss on goodwill** (i) Goodwill arising from the acquisition of PLC and its acquisition business PLC assesses, on a regular basis, whether an impairment loss should be recognized on goodwill. PLC first assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit to which goodwill has been allocated is less than its carrying amount including goodwill (qualitative assessment for impairment indicators). In accordance with the accounting standards, PLC has an unconditional option to bypass the qualitative assessment for any reporting unit and proceed directly to performing a quantitative 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 performance; and other events or issues specific to PLC and each reporting unit. In particular, the future business performance of PLC and each reporting unit, that provides the basis for concluding whether there is any impairment indicator, is susceptible to economic conditions and trends. Accordingly, the projections of future business performance involve significant management judgement. If it is determined that it is more likely than not that impairment of goodwill exists or PLC elects to bypass the qualitative assessment for impairment indicators, PLC then compares the	(i) Goodwill arising from the acquisition of PLC and its acquisition business Assessment, in accordance with our group audit instructions, of the design and operating effectiveness of certain controls implemented by PLC over its process to determine whether 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. The substantive audit procedures set out below, among others, were performed to assess the appropriateness of PLC's determination of whether an impairment loss should be recognized on goodwill. ・ inquiry of management and relevant personnel; ・ inspection of relevant internal documents; and ・ assessment of the reliability of historical financial information used in the determination. (ii) Goodwill arising from the acquisition of TDLA Assessment, in accordance with our group audit instructions, of the design and operating effectiveness of certain controls implemented by TDLA over the quantitative impairment test, with a special focus on controls over the preparation of documentation supporting the impairment test and those over approval on the conclusion. The substantive procedures set out below, among others, were performed to evaluate the recoverable amount used in the quantitative impairment test ・ 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.

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

The key audit matter	How the matter was addressed in our audit
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 is 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 asset group shall be reduced to its recoverable amount, and this reduction shall be recorded as	**(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. ・ inquiry of management and relevant personnel; ・ inspection of relevant internal documents and confirming the consistency in amounts between those documents; and ・ assessment of the reliability of historical financial information used in the determination.

Appropriateness of the judgement on the recognition of an impairment loss on goodwill recorded in overseas subsidiaries	
The key audit matter	**How the matter was addressed in our audit**
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.	

Appropriateness of the judgement on amortization or the recognition of a loss in value of acquired in-force insurance contracts recorded in overseas subsidiaries	
The key audit matter	**How the matter was addressed in our audit**
In the consolidated balance sheet of the Group, Other intangible fixed assets of ¥512,742 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 ¥308,608 million was derived from the acquisition of PLC and its acquisition business, and a VIF in the amount of ¥20,188 million was derived from the acquisition of TDLA. As described in Note II. “PRINCIPLES OF CONSOLIDATION” under 4. “Summary of Significant Accounting Policies”: (18) “Significant Accounting Estimates”, b) “Evaluation of value of in-force insurance contracts” to the consolidated financial statements, the value of in-force insurance contracts arising from acquisitions and the acquisition business is determined based on an actuarial calculation of the present value of future profits to be earned from cash flows from acquired in-force insurance contracts and investment-type insurance contracts at the acquisition date, and is recorded on the consolidated financial statements of the respective consolidated subsidiaries. In addition, as described in Note II. “PRINCIPLES OF CONSOLIDATION” under 4. “Summary of Significant Accounting Policies”: (3) “Depreciation of Depreciable Assets”, b) “Amortization of Intangible Fixed Assets Excluding Leased Assets” to the consolidated financial statements, the value of acquired in-force insurance contracts is amortized over a period during which their benefits are expected to last in a manner that reflects the pattern in which they are realized, based on the projected future profits to be earned from the in-force insurance contracts at each reporting date and their contractual terms, among others. Any deviations in actuarial assumptions from the initial estimates may result in changes in amortization expense or the recognition of a loss in value of the in-force insurance contracts. More specifically, the value of acquired in-force insurance contracts is assessed in accordance with the accounting standards of the country in which each consolidated subsidiary resides as follows: **(1) Amortization of the VOBA which is assessed by updating the underlying actuarial assumptions** The VOBA arising mainly from acquired investment-type insurance products of PLC is	We requested the component auditors of the respective subsidiaries to perform audits, communicated with them in a timely manner about the status of the work performed by them, and evaluated their reports that summarized the results of their audit procedures. We also inspected relevant working papers prepared by them and concluded on the sufficiency of the audit procedures performed by them. The audit procedures performed by the component auditors on which we particularly focused included the following: **(1) Amortization of the VOBA which was assessed by updating the 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 the amortization of the VOBA, with the assistance of actuarial specialists employed by the component auditor. ・ 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 reserves. 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

<table>
<tr><th colspan="2">Appropriateness of the judgement on amortization or the recognition of a loss in value of acquired in-force insurance contracts recorded in overseas subsidiaries</th></tr>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>amortized based on the estimated gross profits and their contractual terms, among others. PLC reviews, on a regular basis, actuarial assumptions, such as interest rates, mortality and lapse rates, and updates them as necessary, and accordingly adjusts the amortization expense for the VOBA. Especially when changes in the estimated gross profits and others are expected due to changes in lapse rates, the amortization expense may increase or decrease by updating the 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 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, as the impairment of goodwill 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</td><td>controls over determining whether there was a decline in value of the VOBA.

The substantive procedures set out below, among others, were performed with the assistance of actuarial specialists employed by the component auditor.

・ 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.</td></tr>
</table>

<table>
<tr><th colspan="2">Appropriateness of the judgement on amortization or the recognition of a loss in value of acquired in-force insurance contracts recorded in overseas subsidiaries</th></tr>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>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.</td><td></td></tr>
</table>

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 ¥52,506,098 million is presented for the current fiscal year, which accounts for approximately 85% of total liabilities and net assets. Of this amount, policy reserves for the individual insurance block and the individual annuity block recorded by The Dai-ichi Life Insurance Company, Limited (hereinafter “DL”) and The Dai-ichi Frontier Life Insurance Co., Ltd (hereinafter “DFLI”), and policy reserves for traditional insurance products recorded by PLC are of quantitative significance. Policy reserves, which account for a majority of total liabilities of insurance companies, are provided for the future fulfillment of obligations under insurance contracts, and are actuarially calculated using specific methods and assumptions based on the requirements of regulations and accounting standards in the country where the entities underwriting the insurance contracts are located. As described in Note II. “PRINCIPLES OF CONSOLIDATION” under 4. “Summary of Significant Accounting Policies”: (15) “Policy Reserves” to the consolidated financial statements, policy reserves of consolidated domestic subsidiaries that operate a life insurance business are provided as a reserve pursuant to Article 116 of the Insurance Business Act for an amount calculated using a certain methodology, while policy reserves of consolidated foreign life insurance subsidiaries are calculated based on the accounting standards of each country, including U.S. generally accepted accounting principles (US GAAP). In addition, the testing to validate the sufficiency of policy reserve is required to be performed in each country. **(1) Policy reserves recognized by DL and DFLI** Policy reserves of DL and DFLI are provided for in compliance with the statements of calculation methodology approved by the Financial Services Agency in Japan. More specifically, policy reserves are calculated based on the future cash flows estimated using the assumptions, such as future mortality rates (assumed mortality rates), return on investment (assumed interest rates) and operating expense ratios (assumed operating expense ratios), stipulated in the statements of calculation methodology. If recent actual results deviate significantly from the estimates and there is deemed to be a risk of fulfilling future obligations, an additional policy reserve must be provided for in accordance with Article 69, Paragraph 5 of Ordinance for Enforcement of the Insurance Business Act. The policy reserves recorded by DL include additional policy reserves for certain whole	We primarily performed the following procedures: **(1) Policy reserves recognized by DL and DFLI** We assessed the design and operating effectiveness of certain controls implemented by DL and DFLI over policy reserves for the individual insurance block and the individual annuity block. In this assessment, we focused on controls to ensure that all relevant data in the contract master files was reflected completely in the calculation of policy reserves and that the approved actuarial assumptions were properly used in the calculation of policy reserves. We primarily performed the following substantive procedures to evaluate the sufficiency of policy reserves of each consolidated subsidiary: ・ analysis of overall consistency between changes in the balances of policy reserves for the individual insurance block and the individual annuity block and the factors contributing to the changes in policy reserves, such as premium income, benefit and claim payments, operating expenses and the results of profit source analysis, among others, using a recurrence formula; and ・ reconciliation of the balance of additional policy reserves recognized by DL to the amount on the document output from the relevant system, and comparison of the current-year provision for additional policy reserves with the reserve plan. We also primarily performed the substantive procedures set out below to assess the appropriateness of the judgement made at each consolidated subsidiary in performing the testing to validate the sufficiency of policy reserves (i.e., an analysis on future income and expenses, and a stress test for third sector products), with the assistance of actuarial specialists within our firm. ・ 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 rules, and comparison of the calculation results with those in the prior year; ・ review of the contents and results described in

Appropriateness of the judgement on the sufficiency of policy reserves	
The key audit matter	**How the matter was addressed in our audit**
life insurance contracts in accordance with the Ordinance. Assessing the sufficiency of policy reserves is of quantitative importance. The contents and results of 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) are described in the opinion and supplementary reports of the appointed actuary, and the testing requires significant 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 US GAAP, 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. Assessing the adequacy of policy reserves is of quantitative importance. The testing to validate the adequacy of policy reserves requires significant 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.	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 the 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 regarding 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 ¥247,891 million, which were the amount considered recoverable after being offset by applicable deferred tax liabilities, and Deferred tax liabilities of ¥44,694 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 ¥1,039,316 million. As described in Note XV. "DEFERRED TAX ACCOUNTING" under 3. "Accounting for corporate tax and local corporate tax or deferred tax accounting relating to these taxes" to the consolidated financial statements, ¥745,436 million of the total gross deferred tax assets was recognized by the Company and certain of its domestic consolidated subsidiaries (hereinafter the "Tax Sharing Group"), which have elected to apply the Group Tax Sharing System from the fiscal year ending March 31, 2023, and was of quantitative significance. Major components of gross 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 determined primarily based on the estimated taxable income of the Tax Sharing Group that reflects future profitability of the Tax Sharing Group as a whole, and such determination 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, assessed for the Tax Sharing Group as a whole, 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 regarding 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 judgment regarding 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 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, particular attention was given to the effect, if any, of changes in the market conditions including interest rates 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 as to whether significant changes in business environment were expected in the near term; • confirmation that the business plan of the Tax Sharing Group which was 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.

Appropriateness of the fair value measurements of acquired in-force insurance contracts arising as a result of the acquisitions of Partners Group Holdings Limited and ipet Holdings, Inc.	
The key audit matter	**How the matter was addressed in our audit**
The Group acquired the shares of Partners Group Holdings Limited (hereinafter "PNZ"), through its subsidiary intermediary holding company, Dai-ichi Life International Holdings, LLC., on November 30, 2022, and also the shares of ipet Holdings, Inc. (hereinafter "ipet") on January 17, 2023. As a result, the two companies became consolidated subsidiaries of the Group. In the consolidated balance sheet of the Group, Other intangible fixed assets of ¥512,742 million are presented for the current fiscal year, which included the values of acquired in-force insurance contracts, namely a VIF, of ¥35,793 million and ¥24,077 million, respectively, arising as a result of the above acquisitions Details of each business combination are described in Note XVI. "BUSINESS COMBINATION AS A RESULT OF ACQUISITION" to the consolidated financial statements. As described in Note XVI. "BUSINESS COMBINATION AS A RESULT OF ACQUISITION", the fair values of acquired in-force insurance contracts are determined based on an actuarial calculation of the present value of future profits to be earned from cash flows from acquired in-force contracts at the respective acquisition dates of PNZ and ipet. The process of calculating future profits to be earned requires significant management judgement in estimating future cash flows as well as a high level of expertise in actuarial valuation. We, therefore, determined that appropriateness of the fair value measurements of acquired in-force insurance contracts arising as a result of the acquisitions of PNZ and ipet 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 fair value measurements of acquired in-force insurance contracts arising as a result of the acquisitions of PNZ and ipet: **(1) Internal control testing** We assessed the design and operating effectiveness of relevant controls over the fair value measurements of acquired in-force insurance contracts. In this assessment, we focused on controls over review and approval of documentation supporting the fair value measurements of acquired in-force insurance contracts. **(2) Appropriateness of the fair value measurements of acquired in-force insurance contracts** We primarily performed the substantive procedures set out below: • inspection of relevant documents including contracts and management meeting materials, and inquiry of relevant personnel to understand the content and purpose of the transactions; and • evaluation of the valuation models used by management and the actuarial assumptions used in the calculation, such as mortality/morbidity and lapse rates, with the assistance of actuarial specialists employed by us or the component auditors.

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:

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

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

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

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

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2023 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, 2023

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

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

	(Unit: million yen)		(Unit: million US dollars)
	As of March 31,		
	2022	**2023**	**2023**
(ASSETS)			
Cash and deposits	444,435	156,649	1,173
Call loans	479,900	966,900	7,241
Monetary claims bought	239,896	224,555	1,681
Money held in trust	12,164	6,727	50
Securities	32,735,396	27,969,810	209,464
Loans	2,569,190	2,715,410	20,335
Tangible fixed assets	1,128,321	1,204,006	9,016
Land	805,044	879,314	6,585
Buildings	315,106	311,101	2,329
Leased assets	4,342	3,443	25
Construction in progress	551	6,352	47
Other tangible fixed assets	3,277	3,794	28
Intangible fixed assets	128,772	124,837	934
Software	98,823	97,645	731
Other intangible fixed assets	29,949	27,191	203
Reinsurance receivable	56,701	74,788	560
Other assets	845,759	681,186	5,101
Deferred tax assets	-	81,661	611
Customers' liabilities for acceptances and guarantees	45,745	48,987	366
Reserve for possible loan losses	(6,501)	(3,328)	(24)
Reserve for possible investment losses	(779)	(927)	(6)
Total assets	38,679,002	34,251,265	256,506
(LIABILITIES)			
Policy reserves and others	30,131,766	29,877,146	223,748
Reserves for outstanding claims	184,666	199,267	1,492
Policy reserves	29,533,878	29,254,475	219,085
Reserve for policyholder dividends	413,222	423,403	3,170
Reinsurance payable	170,408	428	3
Bonds payable	368,715	368,715	2,761
Other liabilities	4,371,423	1,141,293	8,547
Payables under repurchase agreements	2,954,780	304,005	2,276
Other liabilities	1,416,642	837,287	6,270
Net defined benefit liabilities	383,065	358,992	2,688
Reserve for retirement benefits of directors, executive officers and corporate auditors	929	794	5
Reserve for possible reimbursement of prescribed claims	800	800	5
Reserve for price fluctuations	250,453	263,453	1,972
Deferred tax liabilities	119,735	-	-
Deferred tax liabilities for land revaluation	70,652	70,197	525
Acceptances and guarantees	45,745	48,987	366
Total liabilities	35,913,694	32,130,808	240,626
(NET ASSETS)			
Capital stock	60,000	60,000	449
Capital surplus	320,000	320,000	2,396
Retained earnings	249,321	200,362	1,500
Total shareholders' equity	629,322	580,363	4,346
Net unrealized gains (losses) on securities, net of tax	2,130,413	1,523,596	11,410
Deferred hedge gains (losses)	(21,621)	(37,654)	(281)
Reserve for land revaluation	16,643	30,369	227
Foreign currency translation adjustments	(445)	(525)	(3)
Accumulated remeasurements of defined benefit plans	10,995	24,307	182
Total accumulated other comprehensive income	2,135,985	1,540,093	11,533
Total net assets	2,765,307	2,120,456	15,879
Total liabilities and net assets	38,679,002	34,251,265	256,506

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

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2022	**2023**	**2023**
Ordinary revenues	4,450,973	4,140,030	31,004
Premium and other income	2,276,222	2,297,086	17,202
Investment income	1,247,130	1,379,358	10,329
Interest and dividends	831,209	804,922	6,028
Gains on money held in trust	795	-	-
Gains on sale of securities	351,106	551,678	4,131
Gains on redemption of securities	20,207	18,763	140
Other investment income	2,410	3,993	29
Gains on investments in separate accounts	41,401	-	-
Other ordinary revenues	927,619	463,585	3,471
Ordinary expenses	4,072,541	3,787,626	28,365
Benefits and claims	3,015,988	2,451,381	18,358
Claims	637,451	682,450	5,110
Annuities	553,586	581,814	4,357
Benefits	427,247	575,987	4,313
Surrender values	544,342	503,395	3,769
Other refunds	853,361	107,734	806
Provision for policy reserves and others	44,859	22,906	171
Provision for reserves for outstanding claims	36,595	14,600	109
Provision for interest on policyholder dividends	8,264	8,305	62
Investment expenses	361,303	669,100	5,010
Interest expenses	10,375	9,759	73
Losses on money held in trust	-	39	0
Losses on sale of securities	221,597	433,394	3,245
Losses on valuation of securities	8,479	3,731	27
Losses on redemption of securities	3,545	5,629	42
Derivative transaction losses	38,627	16,971	127
Foreign exchange losses	10,113	81,871	613
Provision for reserve for possible loan losses	4,393	400	2
Provision for reserve for possible investment losses	247	486	3
Write-down of loans	41	57	0
Depreciation of real estate for rent and others	13,439	13,660	102
Other investment expenses	50,442	56,246	421
Losses on investments in separate accounts	-	46,852	350
Operating expenses	410,696	396,126	2,966
Other ordinary expenses	239,692	248,111	1,858
Ordinary profit	378,431	352,404	2,639
Extraordinary gains	10,402	4,548	34
Gains on disposal of fixed assets	10,402	4,548	34
Extraordinary losses	33,425	34,486	258
Losses on disposal of fixed assets	12,506	5,503	41
Impairment losses on fixed assets	3,850	15,881	118
Provision for reserve for price fluctuations	17,000	13,000	97
Other extraordinary losses	68	101	0
Provision for reserve for policyholder dividends	87,500	95,000	711
Income before income taxes	267,909	227,467	1,703
Corporate income taxes-current	102,283	28,556	213
Corporate income taxes-deferred	(33,661)	34,368	257
Total of corporate income taxes	68,622	62,925	471
Net income	199,287	164,542	1,232
Net income attributable to shareholders of parent company	199,287	164,542	1,232

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

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2022	**2023**	**2023**
Net income	199,287	164,542	1,232
Other comprehensive income	(409,417)	(609,618)	(4,565)
Net unrealized gains (losses) on securities, net of tax	(406,195)	(606,817)	(4,544)
Deferred hedge gains (losses)	(18,119)	(16,033)	(120)
Reserve for land revaluation	(25)	-	-
Foreign currency translation adjustments	(942)	(79)	(0)
Remeasurements of defined benefit plans, net of tax	15,864	13,311	99
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	(0)	(0)	(0)
Comprehensive income	(210,130)	(445,076)	(3,333)
Attributable to shareholders of parent company	(210,130)	(445,076)	(3,333)

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

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2022	**2023**	**2023**
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income taxes	267,909	227,467	1,703
Depreciation of real estate for rent and others	13,439	13,660	102
Depreciation	39,815	41,577	311
Impairment losses on fixed assets	3,850	15,881	118
Increase (decrease) in reserves for outstanding claims	36,595	14,600	109
Increase (decrease) in policy reserves	(761,501)	(279,401)	(2,092)
Provision for interest on policyholder dividends	8,264	8,305	62
Provision for (reversal of) reserve for policyholder dividends	87,500	95,000	711
Increase (decrease) in reserve for possible loan losses	4,143	(3,173)	(23)
Increase (decrease) in reserve for possible investment losses	152	147	1
Write-down of loans	41	57	0
Increase (decrease) in net defined benefit liabilities	(1,816)	(5,602)	(41)
Increase (decrease) in reserve for retirement benefits of directors ,executive officers and corporate auditors	(69)	(134)	(1)
Increase (decrease) in reserve for price fluctuations	17,000	13,000	97
Interest and dividends	(831,209)	(804,922)	(6,028)
Securities related losses (gains)	(179,092)	(80,834)	(605)
Interest expenses	10,375	9,759	73
Foreign exchange losses (gains)	10,113	81,871	613
Losses (gains) on disposal of fixed assets	1,733	445	3
Equity in losses (income) of affiliates	352	733	5
Decrease (increase) in reinsurance receivable	(28,542)	(16,220)	(121)
Decrease (increase) in other assets unrelated to investing and financing activities	(98,852)	25,793	193
Increase (decrease) in reinsurance payable	169,359	(170,287)	(1,275)
Increase (decrease) in other liabilities unrelated to investing and financing activities	(32,782)	44,461	332
Others, net	84,076	85,528	640
Subtotal	(1,179,145)	(682,285)	(5,109)
Interest and dividends received	858,307	837,061	6,268
Interest paid	(14,613)	(13,558)	(101)
Policyholder dividends paid	(83,541)	(93,123)	(697)
Others, net	(353,395)	(368,713)	(2,761)
Corporate income taxes (paid) refund	(87,244)	(106,173)	(795)
Net cash flows provided by (used in) operating activities	(859,632)	(426,793)	(3,196)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net decrease (increase) in cash and deposits	(80)	(1,100)	(8)
Purchases of monetary claims bought	(30,229)	(16,989)	(127)
Proceeds from sale and redemption of monetary claims bought	39,597	26,929	201
Purchases of money held in trust	(5,000)	-	-
Proceeds from decrease in money held in trust	1,321	5,380	40
Purchases of securities	(6,325,117)	(5,071,736)	(37,981)
Proceeds from sale and redemption of securities	6,991,915	8,856,848	66,328
Origination of loans	(684,636)	(808,863)	(6,057)
Proceeds from collection of loans	697,277	658,183	4,929
Net increase (decrease) in short-term investing	653,018	(2,650,775)	(19,851)
Total of net cash provided by (used in) investment transactions	1,338,068	997,877	7,473
Total of net cash provided by (used in) operating activities and investment transactions	478,435	571,083	4,276
Acquisition of tangible fixed assets	(96,724)	(115,408)	(864)
Proceeds from sale of tangible fixed assets	31,899	56,546	423
Acquisition of intangible fixed assets	(38,936)	(31,673)	(237)
Proceeds from sale of intangible fixed assets	694	-	-
Net cash flows provided by (used in) investing activities	1,235,000	907,340	6,795
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	80,000	64,000	479
Repayment of borrowings	-	(144,000)	(1,078)
Redemption of bonds	(107,562)	-	-
Repayment of financial lease obligations	(1,747)	(1,427)	(10)
Cash dividends paid	(208,716)	(199,776)	(1,496)
Acquisitions of stock of subsidiaries and affiliates that do not result in change in scope of consolidation	(120)	(1,435)	(10)
Net cash flows provided by (used in) financing activities	(238,145)	(282,638)	(2,116)
Effect of exchange rate changes on cash and cash equivalents	118	204	1
Net increase (decrease) in cash and cash equivalents	137,340	198,112	1,483
Cash and cash equivalents at the beginning of the year	786,914	924,255	6,921
Cash and cash equivalents at the end of the year	924,255	1,122,368	8,405

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

Year ended March 31, 2022

(Unit: million yen)

	Shareholders' equity				Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)
Balance at the beginning of the year	60,000	370,000	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)

	Accumulated other comprehensive income				Total net assets
	Reserve for land revaluation	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	
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, 2023

(Unit: million yen)

	Shareholders' equity				Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)
Balance at the beginning of the year	60,000	320,000	249,321	629,322	2,130,413	(21,621)
Changes for the year						
Dividends			(199,776)	(199,776)		
Net income attributable to shareholders of parent company			164,542	164,542		
Transfer from reserve for land revaluation			(13,726)	(13,726)		
Others			1	1		
Net changes of items other than shareholders' equity					(606,817)	(16,033)
Total changes for the year	-	-	(48,959)	(48,959)	(606,817)	(16,033)
Balance at the end of the year	60,000	320,000	200,362	580,363	1,523,596	(37,654)

(Unit: million yen)

	Accumulated other comprehensive income				Total net assets
	Reserve for land revaluation	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at the beginning of the year	16,643	(445)	10,995	2,135,985	2,765,307
Changes for the year					
Dividends					(199,776)
Net income attributable to shareholders of parent company					164,542
Transfer from reserve for land revaluation					(13,726)
Others					1
Net changes of items other than shareholders' equity	13,726	(79)	13,311	(595,891)	(595,891)
Total changes for the year	13,726	(79)	13,311	(595,891)	(644,851)
Balance at the end of the year	30,369	(525)	24,307	1,540,093	2,120,456

Year ended March 31, 2023

(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	449	2,396	1,867	4,712	15,954	(161)
Changes for the year						
Dividends			(1,496)	(1,496)		
Net income attributable to shareholders of parent company			1,232	1,232		
Transfer from reserve for land revaluation			(102)	(102)		
Others			0	0		
Net changes of items other than shareholders' equity					(4,544)	(120)
Total changes for the year	-	-	(366)	(366)	(4,544)	(120)
Balance at the end of the year	449	2,396	1,500	4,346	11,410	(281)

(Unit: million US dollars)

	Accumulated other comprehensive income				Total net assets
	Reserve for land revaluation	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at the beginning of the year	124	(3)	82	15,996	20,709
Changes for the year					
Dividends					(1,496)
Net income attributable to shareholders of parent company					1,232
Transfer from reserve for land revaluation					(102)
Others					0
Net changes of items other than shareholders' equity	102	(0)	99	(4,462)	(4,462)
Total changes for the year	102	(0)	99	(4,462)	(4,829)
Balance at the end of the year	227	(3)	182	11,533	15,879

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

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 ¥133.53=US$1.00, the foreign exchange rate on March 31, 2023, has been used for translation of the truncated figures in Japanese yen. The inclusion of such amounts is not intended to imply that Japanese yen has been or could be readily converted, realized or settled into U.S. dollars at that rate or any other rate.

Ⅱ. GUIDELINES FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Scope of Consolidation

(1) The number of consolidated subsidiaries as of March 31, 2023: 1

The subsidiary of the Company included:

- Dai-ichi Life Insurance Myanmar Ltd.

(2) The number of non-consolidated subsidiaries as of March 31, 2023: 28

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-eight 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, 2023: 0

(2) The number of affiliated companies under the equity method as of March 31, 2023: 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.

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

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

(4) Stocks of Non-Consolidated Subsidiaries and Affiliated Companies Not Accounted for under the Equity Method

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

(5) Available-for-sale Securities

a) Available-for-sale Securities other than stocks and other securities without market prices

Available-for-sale Securities other than stocks and other securities without market prices are valued at fair value at the end of the fiscal year, with cost determined by the moving average method.

b) Stocks and other securities without market prices

Stocks and other securities without market prices are valued at cost determined by the moving average method.

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

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

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

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

The sub-groups of insurance products of the Company are:

- individual life insurance and annuities (the exception of certain types),
- non-participating single premium whole life insurance (without duty of medical disclosure),
- financial insurance and annuities,
- group annuities (defined contribution corporate pension insurance; defined contribution corporate pension insurance II and certain corporate pension insurances of which the type can be changed to defined contribution corporate pension insurance II), and
- group annuities 2 (defined benefit corporate pension insurance, employees' pension fund insurance (II) and new corporate pension insurance (II)).

Given the reduction of assumed interest rate for certain group annuities in the Company, effective the fiscal year ended March 31, 2023, the Company has divided the existing sub-group of group annuities and set a new sub-group in order to conduct investment management according to characteristics of risk and return.

There is no impact of this change on the consolidated financial statements.

3. Valuation Method of Derivative Transactions

Derivative transactions are reported at fair value.

4. Revaluation of Land

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

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

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

5. Depreciation of Depreciable Assets

(1) Depreciation of Tangible Fixed Assets Excluding Leased Assets

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

Estimated useful lives of major assets are as follows:

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

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

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

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

(2) Amortization of Intangible Fixed Assets Excluding Leased Assets

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

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

(3) Depreciation of Leased Assets

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

(4) Accumulated Depreciation of Tangible Fixed Assets

The amounts of accumulated depreciation of tangible fixed assets as of March 31, 2022 and 2023 were ¥616,128 million and ¥599,320 million (US$4,488 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, 2022 and 2023 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 considered to have been rationally incurred during the period provided by deducting the pension assets from the projected benefit obligations based on the estimated amounts as of March 31, 2023. The accounting treatment for retirement benefits is as follows.

(1) Allocation of Estimated Retirement Benefits

In calculating the projected benefit obligations, the benefit formula basis is adopted to allocate estimated retirement benefit for the fiscal year ended March 31, 2023.

(2) Amortization of Actuarial Differences and Past Service Cost

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

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

12. Reserve for Price Fluctuations

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

13. Hedge Accounting

(1) Methods for Hedge Accounting

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

(2) Hedging Instruments and Hedged Items

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

(3) Hedging Policies

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

(4) Assessment of Hedge Effectiveness

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

(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 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. Reserves for Outstanding Claims

With respect to reserves for incurred but not reported cases for individual insurance policies (referring to claims for which the occurrence of the insured events have not been reported but the Company finds that insured events have already occurred; hereinafter the same) provided by the companies that operate a life insurance business in Japan, the scope of payment of hospitalization benefits was changed in the fiscal year ended March 31, 2023 with respect to those diagnosed as COVID-19 and were under the care of a doctor and the like at an accommodation facility or at home ("deemed hospitalization"). As a result of this change, an appropriate amount of reserves cannot be obtained with the calculation method set forth in the main rules in Article 1, Paragraph 1 of the Notification of the Minister of Finance No.234, 1998 ("IBNR Notification"). The Company therefore records the amount that was calculated using the following method, pursuant to provisions in the proviso of Article 1, Paragraph 1 of IBNR Notification (the "Proviso").

(Overview of the calculation method)

The Company first deducts an amount pertaining to deemed hospitalization of policy holders other than those with high risk of severity ("4 categories") from a required amount of reserves for incurred but not reported cases and the amount of claim payments for all the fiscal years, as set forth in the main rules in Article 1, Paragraph 1 of IBNR Notification, and then calculates in the same manner as in the main rules in Article 1, Paragraph 1 of IBNR Notification.

An amount pertaining to deemed hospitalization of the 4 categories, which was used to estimate an amount pertaining to deemed hospitalization of those other than the 4 categories diagnosed prior to September 25, 2022, was estimated by the following methods: multiplying the ratio of the accumulated payments to the 4 categories diagnosed on or after September 26, 2022 and the accumulated payments for deemed hospitalization of those aged 65 years old or higher, one of the 4 categories, with an amount pertaining to deemed hospitalization of those aged 65 years old or higher diagnosed prior to September 25, 2022.

17. Changes in Accounting Policies

Effective the fiscal year ended March 31, 2023 the Company has applied "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31 revised on June 17, 2021).

In accordance with the transitional treatment set forth in Item 27-2 of "Implementation Guidance on Accounting Standard for Fair Value Measurement", the Company has applied new accounting policies since the beginning of fiscal year ended March 31, 2023.

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. Financial Instruments and Others

(1) Financial Instruments

a) Policies in Utilizing Financial Instruments

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

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

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

b) Financial Instruments Used and Their Risks

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

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

The Company utilizes i) interest rate swaps to hedge interest rate risk associated with certain loans receivable and payable, ii) equity forward contracts to hedge market fluctuation risks associated with certain 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, 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.

(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, 2022 and 2023 were as follows.

	As of March 31, 2022		
	Carrying amount	Fair value	Gains (losses)
	(Unit: million yen)		
(1) Monetary claims bought	239,896	239,896	-
(2) Money held in trust	12,164	12,164	-
(3) Securities(*2)			
a. Trading securities	1,043,161	1,043,161	-
b. Held-to-maturity bonds	48,678	49,563	884
c. Policy-reserve-matching bonds	14,257,659	15,739,225	1,481,566
d. Available-for-sale securities	16,695,365	16,695,365	-
(4) Loans	2,569,190		
Reserve for possible loan losses (*3)	(4,819)		
	2,564,371	2,596,244	31,873
Total assets	34,861,295	36,375,620	1,514,324
(1) Bonds payable	368,715	371,486	2,771
(2) Long-term borrowings	470,600	465,819	(4,780)
Total liabilities	839,315	837,305	(2,009)
Derivative transactions(*4)			
a. Hedge accounting not applied	[15,423]	[15,423]	-
b. Hedge accounting applied	[478,410]	[477,826]	584
Total derivative transactions	[493,834]	[493,250]	584

(*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 amounts.

(*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.

	As of March 31, 2022
	Carrying amount
	(Unit: million yen)
Stocks and other securities without market prices (*a)(*c)	51,463
Ownership stakes in partnerships, etc.(*b)(*c)	639,068

(*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 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, 2023

	Carrying amount	Fair value	Gains (Losses)	Carrying amount	Fair value	Gains (Losses)
		(Unit: million yen)			(Unit: million US dollars)	
(1) Monetary claims bought	224,555	224,555	-	1,681	1,681	-
(2) Money held in trust	6,727	6,727	-	50	50	-
(3) Securities(*2) (*3)						
a. Trading securities	963,741	963,741	-	7,217	7,217	-
b. Held-to-maturity bonds	49,199	49,375	176	368	369	1
c. Policy-reserve-matching bonds	14,909,516	15,453,495	543,978	111,656	115,730	4,073
d. Available-for-sale securities	11,225,442	11,225,442	-	84,066	84,066	-
(4) Loans	2,715,410			20,335	-	-
Reserve for possible loan losses (*4)	(1,509)			(11)	-	-
	2,713,900	2,674,871	(39,029)	20,324	20,031	(292)
Total assets	30,093,083	30,598,208	505,125	225,365	229,148	3,782
(1) Bonds payable	368,715	347,041	(21,673)	2,761	2,598	(162)
(2) Long-term borrowings	390,600	368,629	(21,970)	2,925	2,760	(164)
Total liabilities	759,315	715,670	(43,644)	5,686	5,359	(326)
Derivative transactions (*5)						
a. Hedge accounting not applied	32,161	32,161	-	240	240	-
b. Hedge accounting applied	[99,043]	[97,785]	1,257	[741]	[732]	9
Total derivative transactions	[66,881]	[65,624]	1,257	[500]	[491]	9

(*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 amounts.
(*2) Net asset value of certain mutual funds is regarded as the fair value in accordance with generally accepted accounting standard, and included in the table above.
(*3) 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.

	As of March 31, 2023	
	Carrying amount	
	(Unit: million yen)	(Unit: million US dollars)
Stocks and other securities without market prices (*a)(*c)	56,040	419
Ownership stakes in partnerships, etc.(*b)(*c)	765,870	5,735

(*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 Item 24-16 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31 revised on June 17, 2021).
(*c) Impairment loss of ¥780 million (US$5 million) was recognized in the fiscal year ended March 31, 2023.

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

(3) Matters Concerning Fair Value of Financial Instruments and Breakdown by Input Level

The fair values of financial instruments are classified into the following three levels based on the observability and significance of the inputs used to measure fair value:

Level 1: Fair value determined based on the observable inputs, such as quoted prices in active markets for identical assets or liabilities.
Level 2: Fair value determined based on observable inputs other than Level 1 inputs
Level 3: Fair value determined based on significant unobservable inputs

If multiple inputs with a significant impact are used for the fair value measurement of a financial instrument, the financial instrument is classified into the lowest priority level of fair value measurement in which each input belongs.

(i) Financial assets and liabilities measured at fair value on the consolidated balance sheet

As of March 31, 2022	Fair value			
	Level 1	Level 2	Level 3	Total
		(Unit: million yen)		
Monetary claims bought	-	-	239,896	239,896
Money held in trust(*1)	8,334	1,855	-	10,190
Securities(*1)				
Trading securities	582,361	127,840	12	710,213
Available-for-sale securities				
Government bonds	1,896,749	-	-	1,896,749
Local government bonds	-	15,782	-	15,782
Corporate bonds	-	1,246,704	7,966	1,254,671
Domestic stocks	3,249,996	-	-	3,249,996
Foreign bonds	2,331,995	5,398,685	155,966	7,886,647
Other foreign securities	358,940	148,500	20,855	528,296
Other securities	3,064	-	-	3,064
Derivative transactions				
Currency-related	-	33,200	-	33,200
Interest-related	-	29,942	-	29,942
Stock-related	6,354	1	-	6,356
Bond-related	12,847	1,807	-	14,655
Others	-	150	-	150
Total assets	8,450,643	7,004,472	424,697	15,879,813
Derivative transactions				
Currency-related	-	545,905	-	545,905
Interest-related	-	6,129	-	6,129
Stock-related	6,514	30	-	6,545
Bond-related	17,229	2,311	-	19,540
Others	-	20	-	20
Total liabilities	23,743	554,397	-	578,140

As of March 31, 2023	Fair value							
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	(Unit: million yen)				(Unit: million US dollars)			
Monetary claims bought	-	-	224,555	224,555	-	-	1,681	1,681
Money held in trust	4,212	2,514	-	6,727	31	18	--	50
Securities(*1)								
Trading securities	551,676	398,162	13,902	963,741	4,131	2,981	104	7,217
Available-for-sale securities								
Government bonds	1,083,604	-	-	1,083,604	8,115	-	-	8,115
Local government bonds	-	14,074	-	14,074	-	105	-	105
Corporate bonds	-	1,073,589	10,001	1,083,591	-	8,040	74	8,114
Domestic stocks	3,160,770	-	-	3,160,770	23,670	-	-	23,670
Foreign bonds	437,029	3,772,078	141,063	4,350,171	3,272	28,248	1,056	32,578
Other foreign securities	463,743	436,558	57,993	958,295	3,472	3,269	434	7,176
Other securities	14,536	479,383	32,240	526,160	108	3,590	241	3,940
Derivative transactions								
Currency-related	-	16,623	-	16,623	-	124	-	124
Interest-related	-	34,359	-	34,359		257	-	257
Stock-related	3,889	0	-	3,890	29	0	-	29
Bond-related	2,119	909	-	3,029	15	6	-	22
Others	-	575	-	575	-	4	-	4
Total assets	5,721,583	6,228,831	479,756	12,430,171	42,848	46,647	3,592	93,088
Derivative transactions								
Currency-related	-	95,733	-	95,733	-	716	-	716
Interest-related	-	27,493	-	27,493	-	205	-	205
Stock-related	589	19	-	608	4	0	-	4
Bond-related	1,172	182	-	1,354	8	1	-	10
Others	-	169	-	169	-	1	-	1
Total liabilities	1,761	123,598	-	125,360	13	925	-	938

(*1) Certain Mutual funds whose net asset value are regarded as the fair value in accordance with Item 24-3 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31 revised on June 17, 2021) are not included in the table above. The amount of such mutual funds on the consolidated balance sheet is ¥48,773 million (US$365 million). Reconciliation between the beginning and ending balance and breakdown of restriction on cancellation as of the fiscal year ended March 31, 2023 have been omitted as the amount of such mutual funds is immaterial.

(ii) Financial assets and liabilities not measured at fair value on the consolidated balance sheet

As of March 31, 2022	Fair value			
	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 of March 31, 2023	Fair value							
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	(Unit: million yen)				(Unit: million US dollars)			
Securities								
Held-to-maturity bonds								
Government bonds	48,000	-	-	48,000	359	-	-	359
Foreign bonds	-	-	1,374	1,374	-	-	10	10
Policy-reserve-matching bonds								
Government bonds	14,710,589	-	-	14,710,589	110,166	-	-	110,166
Local government bonds	-	105,801	-	105,801	-	792	-	792
Corporate bonds	-	573,661	-	573,661	-	4,296	-	4,296
Foreign bonds	-	63,441	-	63,441	-	475	-	475
Loans	-	-	2,674,871	2,674,871	-	-	20,031	20,031
Total assets	14,758,590	742,905	2,676,246	18,177,741	110,526	5,563	20,042	136,132
Bonds payable	-	347,041	-	347,041	-	2,598	-	2,598
Long-term borrowings	-	-	368,629	368,629	-	-	2,760	2,760
Total liabilities	-	347,041	368,629	715,670	-	2,598	2,760	5,359

(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 based on the price presented by counterparty financial institutions. Money held in trust is classified into either Level 1 or Level 2, mainly based on constituents held in trust.

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 without market prices is based on net asset value unless there is no significant restriction on cancellation. The fair value is classified into either Level 2 or Level 3, mainly based on constituents held in trust.

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, 2023. 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

As of March 31, 2022	Valuation method	Significant unobservable input	Range
Securities			
Available-for-sale securities			
Other foreign securities	Discounted cash flow	Discount rate	5.87%

As of March 31, 2023	Valuation method	Significant unobservable input	Range
Securities			
Available-for-sale securities			
Other foreign securities	Discounted cash flow	Discount rate	7.25%

(ii) Reconciliation between the beginning and ending balance, and net unrealized gains (losses) recognized in the earnings of the current fiscal year

As of March 31, 2022	Balance at the beginning of the year	Gains (losses) or other comprehensive income in the current fiscal year		Variable amount (net amount) by purchase, sale, issue and settlement	Transfer to Level 3(*3)	Balance at the end of the year	Gains (losses) on valuation of financial assets and liabilities held at the consolidated balance sheet date out of amounts recognized in consolidated statement of earnings(*1)
		Gains (losses) recorded in consolidated statement of earnings (*1)	Amount recorded in other comprehensive income (*2)				
				(Unit: million yen)			
Monetary claims bought	252,140	(1,831)	(1,073)	(9,338)	-	239,896	(1,777)
Securities							
Trading securities	-	-	-	-	12	12	-
Available-for-sale securities							
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 securities	20,248	-	2,483	(1,875)	-	20,855	-
Other securities	-	-	-	-	-	-	-

(*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.

As of March 31, 2023	Balance at the beginning of the year	Gains (losses) or other comprehensive income in the current fiscal year		Variable amount (net amount) by purchase, sale, issue and settlement	Transfer to Level 3(*3)	Balance at the end of the year	Gains (losses) on valuation of financial assets and liabilities held at the consolidated balance sheet date out of amounts recognized in consolidated statement of earnings(*1)
		Gains (losses) recorded in consolidated statement of earnings (*1)	Amount recorded in other comprehensive income (*2)				
				(Unit: million yen)			
Monetary claims bought	239,896	1,722	(5,373)	(11,690)	-	224,555	-
Securities							
Trading securities	12,612	(1,547)	-	2,837	-	13,902	(974)
Available-for-sale securities							
Corporate bonds	7,966	528	35	1,469	-	10,001	1,213
Foreign bonds	166,722	1,773	(4,510)	(28,494)	5,572	141,063	10,313
Other foreign securities	54,448	-	(369)	3,914	-	57,993	-
Other securities	28,543	-	3,697	(0)	-	32,240	-

As of March 31, 2023	Balance at the beginning of the year	Gains (losses) or other comprehensive income in the current fiscal year		Variable amount (net amount) by purchase, sale, issue and settlement	Transfer to Level 3(*3)	Balance at the end of the year	Gains (losses) on valuation of financial assets and liabilities held at the consolidated balance sheet date out of amounts recognized in consolidated statement of earnings(*1)
		Gains (losses) recorded in consolidated statement of earnings (*1)	Amount recorded in other comprehensive income (*2)				
				(Unit: million US dollars)			
Monetary claims bought	1,796	12	(40)	(87)	-	1,681	-
Securities							
Trading securities	94	(11)	-	21	-	104	(7)
Available-for-sale securities							
Corporate bonds	59	3	0	11	-	74	9
Foreign bonds	1,248	13	(33)	(213)	41	1,056	77
Other foreign securities	407	-	(2)	29	-	434	-
Other securities	213	-	27	(0)	-	241	-

(*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 change in the observability of inputs as a result of the change in the fair value measurement method as of March 31, 2023.

(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.

20. 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, 2022 and 2023 were ¥32,303 million and ¥25,607 million (US$191 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, 2022 and 2023 were ¥4,127 million and ¥602 million (US$4 million), respectively. Impairment losses on rental real estate as extraordinary losses for the fiscal year ended March 31, 2022 and 2023 were ¥3,848 million and ¥15,829 million (US$118 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,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Carrying amount			
Beginning balance	787,387	859,937	6,440
Net change for the year	72,549	78,003	584
Ending balance	859,937	937,941	7,024
Fair value	1,144,726	1,284,841	9,622

(*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 ¥98,927 million, sale of the real estate of ¥24,096 million, depreciation expense of ¥13,423 million, and impairment loss of ¥3,848 million, during the fiscal year ended March 31, 2022.
Net change in the carrying amount included cost of acquisition of the real estate of ¥153,805 million (US$1,151 million), sale of the real estate of ¥55,995 million (US$419 million), depreciation expense of ¥13,631 million (US$102 million), and impairment loss of ¥15,829 million (US$118 million), during the fiscal year ended March 31, 2023.

(*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.

21. Securities Lending

Securities lent under lending agreements are included in the consolidated balance sheet. The total balance of securities lent as of March 31, 2022 and 2023 were ¥4,669,012 million and ¥2,399,254 million (US$17,967million), respectively.

22. Risk-managed claims

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,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Claims against bankrupt and quasi-bankrupt obligors(*1)	79	87	0
Claims with collection risk (*2)	7,273	2,552	19
Claims that are overdue for three months or more (*3)	-	-	-
Claims with repayment relaxation(*4)	1,108	-	-
Total	8,460	2,639	19

(*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 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, 2022 and 2023 were ¥1 million and ¥1 million (US$0 million), respectively.

23. 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, 2022 and 2023 were ¥1,765,033 million and ¥1,672,707 million (US$12,526 million), respectively. Separate account liabilities were the same amount as the separate account assets.

24. Contingent Liabilities

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

	As of March 31,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Dai-ichi Life Holdings, Inc.	250,002	250,002	1,872

25. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	As of March 31,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Balance at the beginning of the fiscal year	400,999	413,222	3,094
Dividends paid during the fiscal year	83,541	93,123	697
Interest accrual during the fiscal year	8,264	8,305	62
Provision for reserve for policyholder dividends	87,500	95,000	711
Balance at the end of the fiscal year	413,222	423,403	3,170

26. 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,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Stocks	4,337	4,985	37
Capital	188,193	196,216	1,469
Total	192,531	201,202	1,506

27. Organizational Change Surplus

As of March 31, 2022 and 2023, the amounts of organizational change surplus stipulated in Article 91 of the Insurance Business Act were ¥117,776 million and ¥117,776 million (US$882 million), respectively.

28. Assets Pledged as Collateral / Secured Liabilities

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

	As of March 31,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Securities	3,227,718	370,019	2,771
Cash and deposits	86	86	0
Total	3,227,805	370,106	2,771

The amounts of secured liabilities were as follows:

	As of March 31,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Payables under repurchase agreements	2,954,780	304,005	2,276

The amounts of "Securities" pledged as collateral under repurchase agreements as of March 31, 2022 and 2023 were ¥2,797,311 million and ¥292,786 million (US$2,192 million), respectively.

29. Net Assets per Share

The amounts of net assets per share of the Company as of March 31, 2022 and 2023 were ¥460,884,611.14 and ¥353,409,439.53 (US$2,646,666.96 million), respectively.

30. 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

		Year ended March 31,		
		2022	2023	2023
		(Unit: million yen)		(Unit: million US dollars)
a.	Beginning balance of the projected benefit obligations	686,771	680,173	5,093
b.	Service cost	26,177	24,329	182
c.	Interest cost	2,058	2,038	15
d.	Accruals of actuarial (gains) and losses	(577)	(868)	(6)
e.	Payment of retirement benefits	(33,345)	(39,066)	(292)
f.	Accuruals of past service cost	-	-	-
g.	Others	(911)	(895)	(6)
h.	Ending balance of the projected benefit obligation (a + b + c + d + e + f + g)	680,173	665,711	4,985

b) Reconciliations of beginning and ending balances of pension assets

		Year ended March 31,		
		2022	2023	2023
		(Unit: million yen)		(Unit: million US dollars)
a.	Beginning balance of pension assets	279,877	297,107	2,225
b.	Estimated return on assets	1,837	1,832	13
c.	Accruals of actuarial (gains) and losses	17,103	8,273	61
d.	Contribution from the employer	6,719	6,697	50
e.	Payment of retirement benefits	(8,430)	(7,191)	(53)
f.	Ending balance of pension assets (a + b + c + d + e)	297,107	306,718	2,296

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,		
		2022	2023	2023
		(Unit: million yen)		(Unit: million US dollars)
a.	Projected benefit obligation for funded pensions	359,773	349,975	2,620
b.	Pension assets	(297,107)	(306,718)	(2,296)
c.	Subtotal (a + b)	62,665	43,256	323
d.	Projected benefit obligation for unfunded pensions	320,399	315,736	2,364
e.	Net of assets and liabilities recorded in the consolidated balance sheet (c + d)	383,065	358,992	2,688
f.	Net defined benefit liabilities	383,065	358,992	2,688
g.	Net defined benefit assets	-	-	-
h.	Net of assets and liabilities recorded in the balance sheet (f + g)	383,065	358,992	2,688

d) Amount of the components of retirement benefit expenses

		Year ended March 31,		
		2022	2023	2023
		(Unit: million yen)		(Unit: million US dollars)
a.	Service cost	26,177	24,329	182
b.	Interest cost	2,058	2,038	15
c.	Expected return on assets	(1,837)	(1,832)	(13)
d.	Expense of actuarial (gains) and losses	4,114	9,122	68
e.	Expense of past service cost	174	175	1
f.	Others	68	101	0
g.	Retirement benefit expenses for defined benefit plans (a + b + c + d + e + f)	30,755	33,934	254

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,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Past service cost	151	172	1
Actuarial gains (losses)	21,860	18,298	137
Total	22,012	18,470	138

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,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Unrecognized past service cost	1,187	1,015	7
Unrecognized actuarial gains (losses)	(16,443)	(34,742)	(260)
Total	(15,256)	(33,727)	(252)

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,	
	2022	2023
Stocks	64%	50%
Assets under joint management	21%	20%
Bonds	2%	18%
Life insurance general account	1%	3%
Others	12%	9%
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, 2022 and 2023 were 56% and 59%, 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:

	Year ended March 31, 2022	Year ended March 31, 2023
Discount rate	0.30%	0.30%
Expected long-term rate of return		
Defined benefit corporate pension	1.40%	1.40%
Employee pension trust	0.00%	0.00%

i) Defined Contribution Plans

Required amounts of contribution to defined contribution plans of the Company for the fiscal years ended March 31, 2022 and 2023 were ¥1,602 million and ¥1,475 million (US$11 million), respectively.

31. Securities Borrowing

Securities borrowed under borrowing agreements can be sold or pledged as collateral. As of March 31, 2022 and 2023, the market value of the securities which were not sold or pledged as collateral were ¥4,692 million and ¥28,379 million (US$212 million). None of the securities were pledged as collateral as of March 31, 2022 and 2023, respectively.

32. Commitment Line

As of March 31, 2022 and 2023, there were unused commitment line agreements, under which the Company was the lenders, of ¥43,321 million and ¥47,237 million (US$353 million), respectively.

33. Subordinated Debt and Other Liabilities

As of March 31, 2022 and 2023, other liabilities included subordinated debt of ¥470,600 million and ¥390,600 million (US$2,925 million), respectively, whose repayment is subordinated to other obligations.

34. Bonds Payable

As of March 31, 2022 and 2023, bonds payable included foreign currency-denominated subordinated bonds of ¥368,715 million and ¥368,715 million (US$2,761 million), respectively, whose repayment is subordinated to other obligations.

35. Application of the Group Tax Sharing System

Effective the fiscal year ended March 31, 2023, the Company has adopted the Group Tax Sharing System, in which Dai-ichi Life Holdings, Inc. is the tax sharing parent company. The Company has applied the accounting and disclosure treatment of corporate tax, local corporate tax and deferred tax accounting 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).

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) are 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 has 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, 2022 and 2023 were ¥33,214,545.02 and ¥27,423,671.54 (US$205,374.60), 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, 2022 and 2023 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, 2022 were as follows:

Asset Group	Place	Number	Impairment Losses: Land	Leasehold right	Buildings	Total
			(Unit: million yen)			
Real estate for rent	Morioka city, Iwate Prefecture	1	1	-	2	3
Real estate not in use	Yokohama city, Kanagawa Prefecture and others	18	1,035	-	2,811	3,846
Total	-	19	1,036	-	2,813	3,850

Impairment losses by asset group for the fiscal year ended March 31, 2023 were as follows:

Asset Group	Place	Number	Impairment Losses							
			Land	Leasehold right	Buildings	Total	Land	Leasehold right	Buildings	Total
			(Unit: million yen)				(Unit: million US dollars)			
Real estate not in use	Chuo-ku, Tokyo and others	19	9,082	3,402	3,396	15,881	68	25	25	118

(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 2.11% and 2.00% for the fiscal year ended March 31, 2022 and 2023, 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,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Net unrealized gains (losses) on securities, net of tax			
Amount incurred during the year	(444,239)	(737,999)	(5,526)
Amount reclassified	(119,023)	(103,983)	(778)
Before tax adjustment	(563,263)	(841,983)	(6,305)
Tax effect	157,068	235,165	1,761
Net unrealized gains (losses) on securities, net of tax	(406,195)	(606,817)	(4,544)
Deferred hedge gains (losses)			
Amount incurred during the year	(26,870)	(31,422)	(235)
Amount reclassified	1,728	9,175	68
Before tax adjustment	(25,142)	(22,246)	(166)
Tax effect	7,022	6,213	46
Deferred hedge gains (losses)	(18,119)	(16,033)	(120)
Reserve for land revaluation			
Amount incurred during the year	-	-	-
Amount reclassified	-	-	-
Before tax adjustment	-	-	-
Tax effect	(25)	-	-
Reserve for land revaluation	(25)	-	-
Foreign currency translation adjustments			
Amount incurred during the year	(942)	(79)	(0)
Amount reclassified	-	-	-
Before tax adjustment	(942)	(79)	(0)
Tax effect	-	-	-
Foreign currency translation adjustments	(942)	(79)	(0)
Remeasurements of defined benefit plans, net of tax			
Amount incurred during the year	17,681	9,141	68
Amount reclassified	4,330	9,329	69
Before tax adjustment	22,012	18,470	138
Tax effect	(6,147)	(5,158)	(38)
Remeasurements of defined benefit plans, net of tax	15,864	13,311	99
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	-	-	-
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	(0)	(0)	(0)
Total other comprehensive income	(409,417)	(609,618)	(4,565)

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, 2022

(1) Type and Number of Shares Outstanding

	Year ended March 31, 2022			
	At the beginning of the year	Increase during the year	Decrease during the year	At the end of the year
	(Unit: thousands shares)			
Common stock	6	-	-	6

(2) Dividends on Common Stock

(a) Cash Dividends

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

(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 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥199,776 million
Dividends per share	¥33,296,000
Record date	March 31, 2022
Effective date	June 16, 2022
Dividend resource	Retained earnings

2. For the Year Ended March 31, 2023

(1) Type and Number of Shares Outstanding

	Year ended March 31, 2023			
	At the beginning of the year	Increase during the year	Decrease during the year	At the end of the year
	(Unit: thousands shares)			
Common stock	6	-	-	6

(2) Dividends on Common Stock

(a) Cash Dividends

Date of resolution	June 15, 2022 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥199,776 million (US$1,496 million)
Dividends per share	¥33,296,000 (US$249,352)
Record date	March 31, 2022
Effective date	June 16, 2022
Dividend resource	Retained earnings

(b) Dividends, the record date of which was March 31, 2023, to be paid out in the year ending March 31, 2024

a) Dividends

Date of resolution	June 21, 2023 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥165,646 million (US$1,240 million)
Dividends per share	¥27,607,800 (US$206,753)
Record date	March 31, 2023
Effective date	June 22, 2023
Dividend resource	Retained earnings

Date of resolution	June 21, 2023 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥49,999 million (US$374 million)
Dividends per share	¥8,333,300 (US$62,407)
Record date	March 31, 2023
Effective date	June 22, 2023
Dividend resource	Capital surplus

b) Dividends in Kind

Date of resolution	June 21, 2023 (at the Annual General Meeting of Shareholders)
Type of shares	Preferred stock
Type of the dividend property	Securities
Book value of the dividend property	¥20,473 million (US$153 million)
Record date	March 31, 2023
Effective date	June 22, 2023
Dividend resource	Capital surplus

Independent Auditor's Report

To the Board of Directors of The Dai-ichi Life Insurance Company, Limited:

Opinion

We have audited the accompanying consolidated financial statements of The Dai-ichi Life Insurance Company, Limited ("the Company") and its consolidated subsidiary (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2023, 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, 2023, 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 evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2023 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, 2023

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

Solvency Margin Ratio

(1) Dai-ichi Life Holdings, Inc.

Consolidated Solvency Margin Ratio

(Unit: million yen)

	As of March 31, 2022	As of March 31, 2023
Total solvency margin (A)	8,344,432	5,975,158
Common stock, etc. (*1)	1,561,364	1,279,814
Reserve for price fluctuations	287,358	305,588
Contingency reserve	715,990	700,768
Catastrophe loss reserve	—	5,431
General reserve for possible loan losses	276	1,506
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% (*2)	2,946,332	994,789
Net unrealized gains (losses) on real estate × 85% (*2)	361,793	378,466
Sum of unrecognized actuarial differences and unrecognized past service cost	11,999	32,338
Policy reserves in excess of surrender values	2,250,869	2,305,927
Qualifying subordinated debt	1,003,715	923,715
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(582,596)	(732,013)
Excluded items	(278,668)	(285,591)
Others	65,998	64,416
Total risk $\sqrt{(\sqrt{R_1^2+R_5^2}+R_8+R_9)^2+(R_2+R_3+R_7)^2}+R_4+R_6$ (B)	1,848,774	1,697,186
Insurance risk R_1	149,541	166,136
General insurance risk R_5	4,196	14,892
Catastrophe risk R_6	1,599	1,788
3rd sector insurance risk R_8	185,479	188,213
Small amount and short-term insurance risk R_9	15	0
Assumed investment yield risk R_2	209,933	207,478
Guaranteed minimum benefit risk R_7 (*3)	76,193	74,625
Investment risk R_3	1,487,381	1,335,020
Business risk R_4	42,286	39,763
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$	902.6%	704.1%

*1: Expected disbursements of capital to outside the Company and accumulated other comprehensive income, etc. are excluded.
*2: Multiplied by 100% if losses.
*3: Calculated by standard method.

Note: The above figures are calculated based on Article 210-11-3 and 210-11-4 of the Enforcement Regulations of Insurance Business Act, and Notification of the Financial Services Agency No. 23, 2011.

(2) The Dai-ichi Life Insurance Company, Limited

Solvency Margin Ratio (Unit: million yen)

	As of March 31, 2022	As of March 31, 2023
Total solvency margin (A)	6,483,789	5,522,299
Total risk (B)	1,429,122	1,276,100
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$	907.3%	865.4%

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, 2022	As of March 31, 2023
Total solvency margin (A)	6,310,480	5,359,924
Total risk (B)	1,369,500	1,214,222
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$	921.5%	882.8%

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, 2022	As of March 31, 2023
Total solvency margin (A)	508,974	465,567
Total risk (B)	196,970	211,351
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$	516.8%	440.5%

Note: The figures are calculated based on Articles 86, 87 of the Enforcement Regulations of Insurance Business Act, and Announcement No. 50, Ministry of Finance, 1996.

(4) The Neo First Life Insurance Company, Limited

Solvency Margin Ratio (Unit: million yen)

	As of March 31, 2022	As of March 31, 2023
Total solvency margin (A)	14,057	49,368
Total risk (B)	2,528	2,280
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$	1,111.8%	4,329.0%

Note: The figures are calculated based on Articles 86, 87 of the Enforcement Regulations of Insurance Business Act, and Announcement No. 50, Ministry of Finance, 1996.

(5) ipet Holdings, Inc.

Consolidated Solvency Margin Ratio (Unit: million yen)

	As of March 31, 2022	As of March 31, 2023
Total solvency margin (A)	9,193	11,074
Total risk (B)	7,446	8,666
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$	246.9%	255.5%

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

(6) ipet Insurance Co., Ltd.

Solvency Margin Ratio (Unit: million yen)

	As of March 31, 2022	As of March 31, 2023
Total solvency margin (A)	9,804	11,828
Total risk (B)	7,338	8,666
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$	267.2%	272.9%

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.

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

Solvency Margin Ratio (Unit: million yen)

	As of March 31, 2022	As of March 31, 2023
Total solvency margin (A)	162	829
Total risk (B)	16	0
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$	1,964.6%	2,922,192.9%

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.

Glossary of Terms

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.))
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.
Free cash	Surplus capital under the strictest standards among accounting capital, financial soundness and economic solvency regulations.
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.
CX	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 a 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 the value of in-force business, which represents the present value of future profits on in-force business, net of tax.
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.
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®*	Net Promoter Score (NPS®) 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® 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.

Alphabetical order

A Note on the Publication of the Dai-ichi Life Holdings Integrated Report 2023

Dai-ichi Life Holdings was founded in 1902 as Japan's first mutual company, and has since grown together with its customers, society, and the economy. Our history of more than 120 years is a story of value creation through transformation in collaboration with diverse stakeholders, despite the many challenges we have faced. Since our demutualization in 2010, we have welcomed shareholders, institutional investors, and other market participants as new stakeholders. We have been publishing the Integrated Report since fiscal 2016, the year we transitioned to a holding company structure, as a means of helping all stakeholders deepen their understanding of the Group's medium- to long-term value creation story from both financial and non-financial perspectives. We have continued to improve the report each year after publication to make it easier to understand and to better communicate our thoughts, taking into account the opinions of institutional investors and other market participants, evaluations by external organizations, and guidelines set by the government and other organizations.

In the "Integrated Report 2023," under the Group vision of "Protect and improve the well-being of all," we have clarified the value creation process from inputs to outcomes and have tried to convey in greater detail our recognition of the management resources that are the source of our sustainable value creation.

In addition, in April 2023, for the first time since the transition to a holding company structure, the Company had a succession in which the president of the Company, a holding company, does not concurrently serve as the president of The Dai-ichi Life Insurance Company, Limited, an operating company. For this year's Integrated Report, we asked the Chair of the Board, Mr. Inagaki, and the Chairs of the Nominations Advisory Committee, Remuneration Advisory Committee, and Audit & Supervisory Committee to discuss the Company's governance, including behind-the-scenes details of the succession, in a roundtable discussion. We hope you will enjoy reading their discussions, which contain almost all of the original discussions of the day, with minimal editing by the secretariat.

As the Executive Officer responsible for editing this report, I would like to state that the process used to prepare this report is legitimate and that the information contained in it is accurate.

We will continue to use this document to engage in dialogue with as many stakeholders as possible to deepen their understanding of our company.

Our integrated report is still in the process of being improved. We will continue to reflect on the question of what information our stakeholders need and what their expectations are, and will seek to further enhance the content of our disclosures. We would appreciate your frank opinions and suggestions.

Executive Officer

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_2 emissions*1	Percentage of female managers*2
	P.68, P.108, P.118	P.18, P.19, P.77, P.108, P.118

*1 Japan Quality Assurance Organization
https://www.dai-ichi-life-hd.com/sustainability/data/index.html#anc06

*2 The Association for Non-Financial Information Assurance
https://www.dai-ichi-life-hd.com/en/sustainability/data/index.html#anc06

Inquiries

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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.