

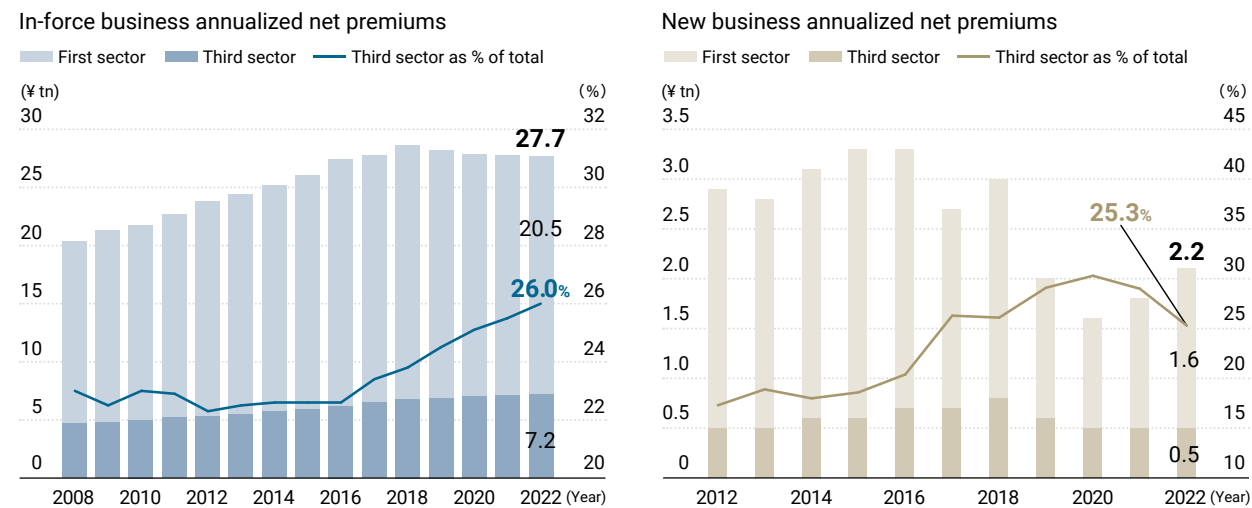
Industry Data

Japan Japanese life insurance market

Trends in the life insurance market

As of the end of FY2022, annualized net premiums from policies for in-force individual life insurance and annuities (one year's insurance premium income on the assumption that average insurance premiums are paid within the contract period) were ¥27.7tn (a decrease of 0.5% year on year). Of that amount, third-sector products annualized premiums such as medical insurance accounted for ¥7.2tn (an increase of 1.2% year on year), showing steady growth. In 2022, annualized net premiums for new businesses increased by 17.4% year on year, driven by first-sector products increases amid the lessening effects of the spread of COVID-19

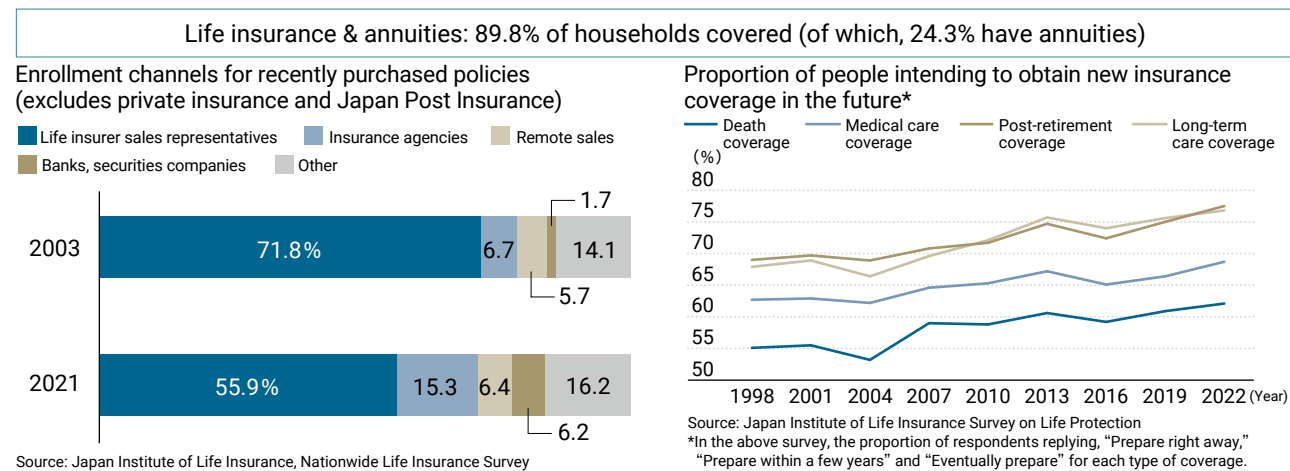
Life insurance market (individual life insurance and annuities)



Source: The Life Insurance Association of Japan, Life Insurance Fact Book 2023

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

The household enrollment rate for individual life insurance and annuities has not changed significantly from the 89.8% determined by survey in 2021, but the diversification of enrollment channels is progressing to include insurance agencies, online, remote sales, banks, and security companies in addition to life insurance company sales representatives. The household enrollment rate is high, but in the survey on Life Protection, the proportion of respondents showing an intent to obtain new death, medical care, post-retirement, and long-term care insurance coverage is shown to be increasing in the long term, so protection needs are rising.



Overseas Overseas life insurance market

Trends in the life insurance market

Life insurance premiums worldwide in 2022 were US\$2,813bn, down 3.1% year on year.

The biggest life insurance markets are No. 1: US (23.9% share of total), No. 2: China (13.0%), and No. 3: UK (8.8%).

Global life insurance market (top 10 countries in 2022, and countries in which the Group does business)

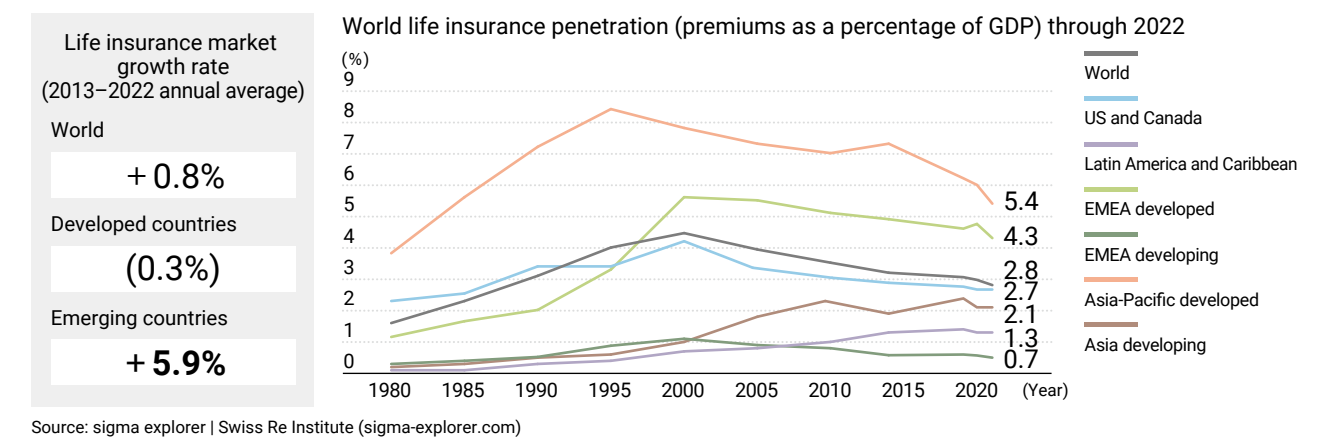
Dai-ichi Life Group presence*	Rank	Country	Life insurance premium volume (\$ mn)	YoY change (inflation-adjusted)	Share of market	Premiums per capita (\$)	Life insurance penetration (as % of GDP)	Population (mn)	Real GDP growth
		World	2,813,032	(3.1%)	100.0%	354	2.8%	7,953	+ 3.0%
○	1	US	672,006	+ 1.1%	23.9%	2,017	2.6%	333	+ 2.1%
	2	China	364,359	+ 2.0%	13.0%	255	2%	1,427	+ 3.0%
	3	UK	248,240	(0.2%)	8.8%	3,669	8.1%	68	+ 4.2%
○	4	Japan	243,892	(1.7%)	8.7%	1,942	5.9%	126	+ 1.0%
	5	France	157,179	(7.7%)	5.6%	2,239	5.5%	68	+ 2.6%
	6	Italy	115,938	(17.1%)	4.1%	1,966	5.8%	59	+ 3.9%
○	7	India	99,503	+ 8.2%	3.5%	70	3%	1,422	+ 7.2%
	8	Germany	99,164	(12.0%)	3.5%	1,182	2.4%	84	+ 1.9%
	9	South Korea	88,026	(0.7%)	3.1%	1,705	5.4%	52	+ 2.6%
	10	Canada	71,639	(0.4%)	2.5%	1,840	3.3%	39	+ 3.4%
○	24	Australia	15,852	+ 0.3%	0.6%	609	0.9%	26	+ 3.7%
○	28	Thailand	13,830	(7.8%)	0.5%	235	3.4%	72	+ 2.6%
○	29	Indonesia	11,751	(12.8%)	0.4%	43	0.9%	276	+ 5.3%
○	32	Vietnam	8,258	+ 17.6%	0.3%	66	1.6%	98	+ 8.0%
○	47	New Zealand	1,913	(3.3%)	0.1%	373	0.8%	5	+ 2.2%

*Excluding markets for which individual country data are not disclosed (Cambodia, Myanmar)

Source: Swiss Re Institute Sigma No 3 / 2023 World insurance

More life insurance penetration expected in emerging countries in the future

Between 2013 and 2022, the average annual growth rate of the global life insurance market was 0.8% with especially high rates of up to 5.9% in emerging economies. In addition, life insurance penetration (premiums as a percentage of GDP) is currently lower in emerging countries than developed countries. Against the backdrop of economic growth, we can expect even further expansion in emerging economies in the future.



Introduction to Group Companies

Building a strong operational base with effective global reach

Group supervision	Country	Number of employees*1
Dai-ichi Life Holdings, Inc.	Japan	895

Domestic insurance business	Country	Number of employees*1	Investment ratio*2	Business overview
The Dai-ichi Life Insurance Company, Limited	Japan	47,036	100%	Domestic core business company, founded in 1902. Provides a broad range of products and services, mainly life insurance, through sales rep channels. In addition to optimal life plan consulting regarding both Protection and Asset Formation/Succession, to be an even more integral part in a greater number of customers’ lives, Dai-ichi Life provides comprehensive services in the Health and Medical Care fields and seeks out ideal ways to enhance connections among people, regional communities, and society.
The Dai-ichi Frontier Life Insurance Co., Ltd.	Japan	529	100%	Provides saving insurance products related to Asset Formation/ Succession, such as individual annuities and whole life insurance, mainly through bancassurance channels, to contribute to Financial Well-being helping customers to achieve prosperous, economically secure lives. Began operations in August 2007.
The Neo First Life Insurance Company, Limited	Japan	505	100%	Based on the concept of “Be healthy with insurance,” provides products and services via agency channels that contribute to better health through sustained insurance coverage. Began providing products as a member of Dai-ichi Life Group in August 2015.
ipet Insurance Co., Ltd.	Japan	585	100%	Provides pet insurance through pet shop and Internet channels. Promotes initiatives with the aim of creating “a society where people and pets can live together in good health,” while dealing with pet-related social issues. Became a wholly owned subsidiary in March 2023.
Dai-ichi Smart Small-amount and Short-term Insurance Company, Limited	Japan	7	100%	Fast, agile direct-channel sales of insurance tailored to diverse needs to support individualistic lifestyles. Began operations in April 2021.

Overseas insurance business	Country	Number of employees*1	Investment ratio*2	Business overview
Protective Life Corporation	US	3,803	100%	American life insurance company that became a wholly owned subsidiary in 2015. Develops unique business models that pursue profit generation and business scale expansion though both traditional retail business such as individual/annuities insurance and acquisitions (agreement to acquire ShelterPoint Group, Inc., which operates in the US group insurance field, announced in April 2024).
TAL Dai-ichi Life Australia Pty Ltd.	Australia	3,003	100%	Leading company in the Australian protection market, which has maintained the top position in the industry for 10 consecutive years (based on annualized premiums held). In recent years has also carried out acquisitions of life insurance subsidiaries affiliated with major financial groups to expand its customer base, and currently provides protection to more than 5mn clients. Became a wholly owned subsidiary in 2011.
Partners Group Holdings Limited	New Zealand	381	100%	Second-largest life insurance company in New Zealand market (based on annualized premiums held). Following establishment in 2010 has achieved high growth rate by providing protection via independent advisor channels. Currently diversifying channels and expanding/stabilizing scale of operations through means such as complete acquisition and integration of Bank of New Zealand–affiliated life insurance company in 2022. Became a wholly owned subsidiary in 2022.
Dai-ichi Life Insurance Company of Vietnam, Limited	Vietnam	2,044	100%	As the first overseas expansion project of Dai-ichi Life Group, it became a wholly owned subsidiary in 2007. Provides insurance products in Vietnam through agent and bancassurance channels, achieving steady growth and establishing a position as one of the leading life insurance companies in the market. Ranked fourth in the industry in 2023 based on insurance premium income.

Overseas insurance business	Country	Number of employees*1	Investment ratio*2	Business overview
Dai-ichi Life Insurance (Cambodia) PLC.	Cambodia	364	100%	First Japanese life insurance company in Cambodia. Established as a wholly owned subsidiary in 2018 and began operations in 2019. Provides insurance products through agent and bancassurance channels.
Dai-ichi Life Insurance Myanmar Ltd.	Myanmar	272	100%	Only wholly owned Japanese life insurance subsidiary in Myanmar. Established as a wholly owned subsidiary in 2019. Began operations in 2020. Provides insurance products through the agent and bancassurance channels.
Star Union Dai-ichi Life Insurance Company Limited	India	6,816	45.9%	Joint venture company established with two major Indian state-owned banks in 2007. Provides individual and group insurance products leveraging an extensive domestic network of major Indian bank partners.
PT Panin Dai-ichi Life	Indonesia	364	40%	Joint venture with Indonesia’s Panin financial group. Initial investment made in 2013. Provides insurance products through agent and bancassurance channels.
OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED	Thailand	1,613	24%	Long-standing Thai life insurance company founded in 1949. Entered strategic business alliance including investment in 2008. Provides insurance products, mainly through the agent channel.

Non-insurance business (Asset management business/New fields of business)	Country	Number of employees*1	Investment ratio*2	Business overview
Asset Management One Co., Ltd.	Japan	860*3	49% (voting rights) 30% (economic interests)	One of Japan’s leading asset management companies, established in 2016 by joint investment from Dai-ichi Life Holdings and Mizuho Financial Group. Provides high-value-added products and solution services oriented toward institutional investors, including publicly offered investment trusts such as balanced funds and overseas stock funds.
Vertex Investment Solutions Co., Ltd.	Japan	33*3	100%	An asset management company with strengths in quantitative investment management. Established as a wholly owned subsidiary in August 2022. Making full use of cutting-edge financial technology and operational methods, provides Dai-ichi Life Group with asset management functions and products while promoting product development and product mixes from a customer-based perspective in the asset formation/succession field.
Dai-ichi Life Realty Asset Management Co., Ltd.	Japan	26*3	100%	Private REIT (2 investment corporations), private real estate fund asset management company founded in 2019 by investment from Dai-ichi Life Holdings and our Group company SOHGO HOUSING CO., Ltd. Making maximum use of real estate investment know-how and networks cultivated by Dai-ichi Life Group, creates excellent investment opportunities for institutional investors while contributing to customers’ secure, prosperous lifestyles and development of local communities.
Topaz Capital, Inc.	Japan	20*3	73.1%	One of Japan’s leading asset management companies in the private debt field. Invested in by Dai-ichi Life Holdings in 2023. While providing financing to companies with difficulties accessing traditional bank loans and capital market procurements, also offers attractive middle-risk, middle-return credit management opportunities for institutional investors.
Canyon Partners CP Newco LLC	US	225*3	19.9%	US alternative asset management company doing business internationally with a focus on credit investment in companies and real estate. Became an affiliated company in 2024. Manages funds for institutional investors such as pension funds and family offices through alternative investment products including private debt and real estate.
Benefit One Inc.	Japan	1,192*3	100%	Provides various services in the promotion of “creation of service distribution,” such as Benefit Station, the industry’s top-share welfare benefit membership service, the Kyutokubarai payroll deduction service, and medical examination and specific health guidance services. Became a wholly owned subsidiary in May 2024.

Regional Headquarters and Intermediate Holding Companies	
DLI NORTH AMERICA INC.	US
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	UK
Innovation Lab	
Dai-ichi Life Innovation Lab, Tokyo	Japan
Dai-ichi Life Innovation Lab, Silicon Valley	US
Dai-ichi Life Innovation Lab, London	UK

Reinsurance	
Dai-ichi Life Reinsurance Bermuda Ltd.	Bermuda
Other Subsidiaries	
The Dai-ichi Life Techno Cross Co., Ltd.	Japan
The Dai-ichi Life Research Institute INC.	Japan
QOLeaf, Limited	Japan
The Dai-ichi Building Co., Ltd.	Japan
SOHGO HOUSING CO., Ltd.	Japan

*1 As of March 31, 2024
*2 Total direct investment ratio by Dai-ichi Life Holdings and indirect investment ratio by subsidiary (as of end of June 2024)
*3 Criteria: full-time company officers and employees only (excludes non-full-time/executive officers and contract/temporary/dispatch/part-time workers)

Financial and Non-Financial Historical Data

(In ¥ mn)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Results of operations*1										
Ordinary revenues	7,252,242	7,333,947	6,456,796	7,037,827	7,184,093	7,114,099	7,827,806	8,209,708	9,508,766	11,028,166
Premium and other income	5,432,717	5,586,000	4,468,736	4,884,579	5,344,016	4,885,407	4,730,301	5,291,973	6,654,426	7,526,357
Investment income	1,444,012	1,344,852	1,626,177	1,802,626	1,583,228	1,876,634	2,719,584	2,551,112	2,280,869	3,033,982
Ordinary expenses	6,845,400	6,915,780	6,031,476	6,565,833	6,751,148	6,895,718	7,274,945	7,618,811	9,121,266	10,489,160
Benefits and claims	3,380,827	3,830,941	3,618,385	3,789,907	3,839,105	4,870,794	5,001,109	5,855,703	6,548,179	6,756,863
Provision for policy reserves and others	2,271,268	1,496,360	1,016,744	1,223,870	1,309,287	164,491	971,280	316,837	15,348	1,877,422
Investment expenses	168,935	524,041	342,102	548,957	541,541	821,971	326,626	381,136	1,145,908	603,877
Operating expenses	559,344	661,384	650,985	661,110	703,573	680,154	689,057	752,160	841,698	926,325
Ordinary profit	406,842	418,166	425,320	471,994	432,945	218,380	552,861	590,897	387,500	539,006
Provision for reserve for policyholder dividends	112,200	97,500	85,000	95,000	87,500	82,500	77,500	87,500	95,000	87,500
Net income attributable to shareholders of parent company	142,476	178,515	231,286	363,928	225,035	32,433	363,777	409,353	173,735	320,765
Financial condition*1										
Total assets	49,837,202	49,924,922	51,985,850	53,603,028	55,941,261	60,011,999	63,593,705	65,881,161	61,653,699	67,540,309
Total liabilities	46,247,274	46,991,963	48,848,583	49,853,756	52,227,668	56,235,081	58,786,576	61,472,654	58,991,935	63,658,152
Policy reserves	41,634,712	42,922,534	43,740,238	44,597,717	47,325,761	49,520,817	49,897,294	51,407,655	52,498,770	55,268,875
Total net assets	3,589,927	2,932,959	3,137,266	3,749,271	3,713,592	3,776,918	4,807,129	4,408,507	2,661,764	3,882,157
Total shareholders' equity	1,029,622	1,129,262	1,300,756	1,589,623	1,708,808	1,641,506	1,893,643	1,996,301	1,753,795	1,872,093
Net unrealized gains (losses) on securities, net of tax	2,528,262	1,840,084	1,906,091	2,238,159	2,101,587	2,283,198	3,056,350	2,397,969	740,292	1,733,897
Sales results*2										
Annualized net premium of new business (¥ bn)*3	339.1	387.2	440.7	406.4	508.7	336.0	228.8	313.1	393.6	502.9
Domestic Group companies (¥ bn)	309.6	294.8	371.9	319.4	418.9	220.4	151.2	206.7	280.5	378.7
Overseas Group companies (¥ bn)*3	29.5	92.4	68.8	87.0	89.8	115.5	77.5	106.3	113.0	124.2
Annualized net premium from policies in force (¥ bn)	3,217.0	3,396.2	3,633.4	3,671.1	3,955.8	3,969.7	4,054.6	4,234.3	4,525.0	4,810.8
Domestic Group companies (¥ bn)	2,493.2	2,634.8	2,865.3	2,895.5	3,092.4	3,057.8	3,078.5	3,090.1	3,119.6	3,263.4
Overseas Group companies (¥ bn)	723.8	761.3	768.1	775.6	863.4	911.9	975.9	1,144.1	1,405.3	1,547.4
Corporate value										
Group embedded value (EV) (¥ bn)*4	5,987.6	4,646.1	5,495.4	6,094.1	5,936.5	5,621.9	6,971.1	7,150.9	7,074.2	8,892.1
Value of new business (¥ bn)*4*5	286.1	216.1	145.5	190.2	197.4	150.3	119.6	98.6	77.7	54.5
New business margin (%)**5	5.53	3.92	2.94	4.3	3.78	3.32	3.56	2.36	1.48	0.88
Key financial indicators										
Return on equity (ROE) (%)*1	5.1	5.5	7.6	10.6	6	0.9	8.5	8.9	5.1	9.8
Return on embedded value (ROEV) (%)*6	28.8	(21.9)	20.3	13.1	(0.6)	(2.8)	32.5	4.9	3.9	26.8
Consolidated solvency margin ratio (%)	818.2	763.8	749.2	838.3	869.7	884.1	958.5	902.6	704.1	692.6
Adjusted ROE (%)*1	—	—	8.6	8.5	7.6	9.5	8.9	8.0	4.9	8.2
Economic solvency ratio (%)*7	147	98	151	170	169	195	203	227	212	226
Group adjusted profit (¥ bn)*1	214.7	204.6	210.1	243.2	236.3	274.5	282.8	296.1	170.5	319.3
Per share indicators										
Earnings per share (EPS) (¥)*1	124.94	150.53	196.62	310.69	194.43	28.53	325.61	383.15	171.01	329.68
Book value per share (BPS) (¥)*1	3,012.46	2,472.86	2,668.61	3,217.68	3,240.72	3,344.23	4,329.08	4,302.56	2,706.78	4,107.03
Dividend per share (DPS) (¥)	28	35	43	50	58	62	62	83	86	113
Key non-financial indicators										
Number of Group employees (people)	60,647	61,446	62,606	62,943	62,938	63,719	64,823	62,260	60,997	59,495
Domestic Group company employees (people)	55,982	56,503	57,262	57,339	56,565	56,691	57,228	53,992	51,398	48,706
Overseas Group company employees (people)	4,665	4,943	5,344	5,604	6,373	7,028	7,595	8,268	9,599	9,867
Percentage of women in managerial posts (%)*8	22.5	23.3	24.2	25.2	25.6	26.5	27.5	28.5	29.3	29.6
Number of employees with disabilities (people)*9	913	926	953	966	955	976	1,046	1,011	977	963
CO ₂ emissions (t-CO ₂)*10	168,000	178,100	171,900	166,000	155,300	113,300	88,700	71,200	44,800	42,700
Total paper usage (t)*11	6,509	6,559	6,967	6,475	6,474	6,092	4,794	5,425	4,774	4,348

*1 As TAL and PNZ have adopted IFRS 17 from FY2023, the figures for TAL and PNZ for FY2022 are restated on IFRS 17 basis.

*2 FY2014 figures are the total for Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life, TAL, and Dai-ichi Life Insurance Company of Vietnam. Figures for FY2015 to FY2018 are the total for Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life, Protective, TAL, and Dai-ichi Life Vietnam. Figures for FY2019 to FY2021 are the total for Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life, Protective, TAL, Dai-ichi Life Vietnam, Dai-ichi Life Cambodia, and Dai-ichi Life Myanmar. Figures from 2022 onward are the total for Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life, ipet, Protective, TAL, Partners Life, Dai-ichi Life Vietnam, Dai-ichi Life Cambodia, and Dai-ichi Life Myanmar.

*3 Starting with values for FY2019, values for TAL were tabulated after excluding change in in-force.

*4 Figures from FY2020 reflect changes made to Ultimate Forward Rates and the corporate bond spread used in the discount rate for Dai-ichi Frontier Life's debt valuation. For calculations from FY2022 concerning the three domestic Japanese companies (Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life), calculation methods have been changed in accordance with new regulations (economic value-based solvency regulations to be introduced in Japan at end of FY2025).

*5 Figures for FY2020 to FY2023 displayed reflecting retroactive amendment of miscalculated portion.

*6 For calculations from FY2023 concerning the three domestic Japanese companies (Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life), calculation methods have been changed in accordance with new regulations (economic value-based solvency regulations to be introduced in Japan at end of FY2025).

*7 Figures from FY2016 reflect the expected rate of return on assets at the time of insurance liability valuation. For figures from FY2019, measurement standards have been sophisticated based on the Insurance Capital Standard (ICS) and Japanese domestic economic value regulations. Figures from FY2020 reflect changes made to Ultimate Forward Rates and the corporate bond spread used in the discount rate for Dai-ichi Frontier Life's debt valuation. For figures from FY2022 concerning the three domestic Japanese companies (Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life), calculation methods have been changed in accordance with new regulations (economic value-based solvency regulations to be introduced in Japan at end of FY2025).

*8 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.

*9 Total for Dai-ichi Life Holdings, Dai-ichi Life, Dai-ichi Life Challenged, Dai-ichi Life Business Services, and Dai-ichi Life Techno Cross. Figures as of April 1 of the next fiscal year, which represent the percentage at the end of the previous fiscal year.

*10 Scope 1 & 2 base. Figures for FY2014 are for Dai-ichi Life. From FY2015 onward, figures are the total including domestic Japanese and overseas subsidiaries and affiliated companies (39 companies in FY2023). Calculations from FY2019 onward are based on market standards. From FY2019 onward, the calculation process is partially revised to include factors such as CO₂ emissions produced by private cars used by Dai-ichi Life sales reps and other workers for business purposes.

*11 Figures for FY2014 are for Dai-ichi Life. From FY2015 onward, figures are the total including domestic Japanese and overseas subsidiaries and affiliated companies (39 companies in FY2023).

Dialogue with Stakeholders

Basic approach

The Dai-ichi Life Group discloses information related to group management strategy, finances, and business performance in a fair, timely, and appropriate manner. In addition, through means such as constructive dialogue with shareholders, investors, and other stakeholders to deepen their understanding of our Group, we strive to achieve a firm understanding of all stakeholders' opinions and demands, which function as sources of invaluable feedback for our companies and their management teams, allowing us to improve management and increase corporate value.

Status of dialogue with shareholders and investors (FY2023)

At the Dai-ichi Life Group, we engage in dialogue with domestic and overseas shareholders and investors regularly through channels such as quarterly financial results conference calls and the half-year financial results conference, which are mainly conducted online. In FY2023, we conducted a theme-based conference on the topic of sustainability, at which the CSuO and outside directors answered questions regarding the Dai-ichi Life Group's sustainability management strategies.

We also engaged in dialogue with more than 200 individual shareholders and investors in Japan and overseas. In speaking with them, we discussed a wide variety of topics, covering not only business performance but also corporate governance, risk management, and sustainability. In FY2023, we received many valuable opinions regarding the new mid-term management plan as well as questions about the TOB for Benefit One and Dai-ichi Life Holdings' capital efficiency-focused capital circulation management philosophy.


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.

In addition, in FY2024 we have introduced a stock compensation system. To convey messages from the capital market to a greater number of employees and promote working together as one to improve corporate value, a company internal IR briefing for all management levels was held with roughly 1,500 participants. We are conducting dialogue to improve operations while continuing to share messages from the capital market.


Track record of dialogue with shareholders and investors (FY2023)

- Number of conference calls and financial results and business conferences: 9
- Media distribution for individual investors: ca. 100,000 viewers
- Total number of IR interviews (domestic and foreign shareholders): ca. 300


Major Awards for the Group's Initiatives




Platinum Kurumin Plus




2024 KENKO Investment for Health Stock Selection




FY2023 Nadeshiko Brand




Work with Pride "PRIDE Index" Gold Award (2023)






Employer of Choice for Gender Equality (Australia)



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



3rd Nikkei Integrated Report Award for Excellence

Recipient	Organizer	Award	Summary
Protective	Newsweek	America's Best Customer Service	Newsweek's America's Best Customer Service ranks companies based on independent customer feedback of those who have used their services or requested more information in the past three years. The survey evaluates companies on the Likelihood of Recommendation, Quality of Communication, Professional Competence, Range of Services and Customer Focus and Accessibility. In the survey, Protective took first place in the U.S. life insurance category with an overall score of 91.89. <div></div>
Dai-ichi Life Cambodia	Charlton Media Group	Insurance Asia Awards	The Insurance Asia Awards honor Asian Pacific insurance companies that contribute to improving their customers' quality of life through insurance products, services, and solutions. For the second consecutive year, Dai-ichi Life Cambodia received the Cambodian Insurance Company of the Year Award. Dai-ichi Life Cambodia will continue to contribute to societal value by providing innovative, attainable products and related services. <div></div>
OCEAN LIFE	Office of Insurance Commission (OIC)	Life Insurance Company with Outstanding Sustainability Development Award	In 2023, OCEAN LIFE received "The Life Insurance Company with Outstanding Sustainability Development Award," sponsored by the Office of Insurance Commission (OIC), Thailand's insurance regulatory authority. This award is given to the most outstanding insurance company in terms of sustainability-related environmental and social action and governance. OCEAN LIFE was highly praised for its commitment to sustainability initiatives based on its "Sustainable with Love" business policy. <div></div>

Participation in External Initiatives

By participating in initiatives related to sustainability within and outside Japan, we are promoting initiatives for realizing a sustainable society.



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



Women's Empowerment Principles (WEPs)



United Nations Global Compact (UNGC)



Principles for Responsible Investment (PRI)



Access to Medicine Foundation



International Corporate Governance Network (ICGN)



Japan Stewardship Initiative



Institutional Investors Collective Engagement Forum (IICEF)



IFRS Sustainability Alliance




30% Club Japan




Japan Impact-driven Financing Initiative

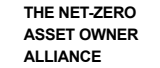
Climate Change-Related Initiatives




RE100




Climate Action 100+




THE NET-ZERO ASSET OWNER ALLIANCE




Glasgow Financial Alliance for Net Zero



Spring



Taskforce on Nature-related Financial Disclosures (TNFD) Forum



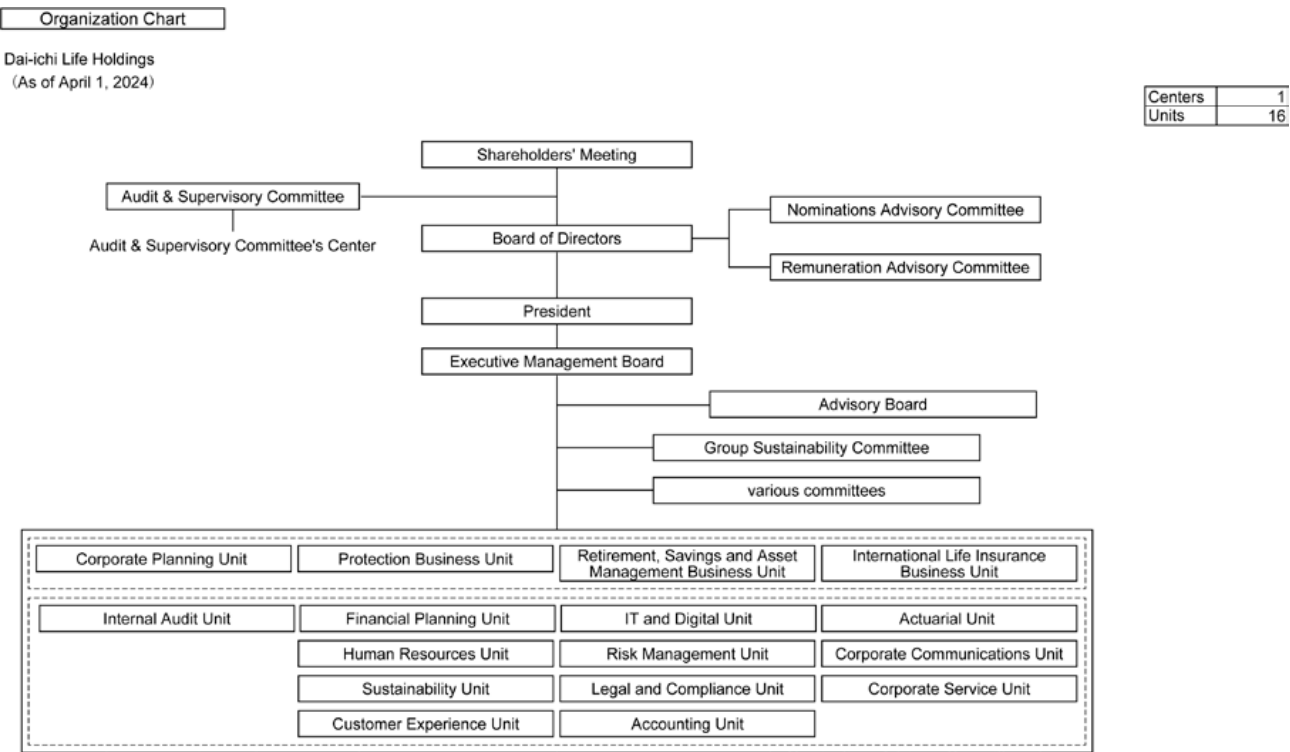
GX Acceleration Agency

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	344.2 billion yen
Number of employees	895 persons

Management Organization



Capital Stock and Number of Shares

1. Capital stock

Date	Increase in capital	Capital stock after increase	Details
April 1, 2010	210,200 million yen	210,200 million yen	Reconciliation of net assets associated with the change in corporate structure to a public company from a mutual company
April 2, 2012	7 million yen	210,207 million yen	Exercise of stock options
April 1, 2013	8 million yen	210,215 million yen	Exercise of stock options
June 21, 2013	9 million yen	210,224 million yen	Exercise of stock options
June 25, 2014	37 million yen	210,262 million yen	Exercise of stock options
July 23, 2014	124,178 million yen	334,440 million yen	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
March 4, 2024	130 million yen	344,205 million yen	Third-party allotment associated with the stock remuneration scheme using restricted stocks

2. Number of shares and shareholders

(As of March 31, 2024)

Number of shares authorized to be issued	4,000,000 thousand shares
Number of issued shares	952,672 thousand shares
Number of shareholders	705,043 persons

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

3. Type of issued shares

(As of March 31, 2024)

Type	Number of issued shares	Details
Common stock	952,672 thousand shares	—

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

4. Major Shareholders (Top 10)

(As of March 31, 2024)

Name of shareholders	Ownership in the Company	
	Shares held	Percentage
	thousands of shares	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	144,530	15.23
Custody Bank of Japan, Ltd. (Trust Account)	57,304	6.03
Mizuho Bank, Ltd.	28,000	2.95
SMP PARTNERS (CAYMAN) LIMITED	24,500	2.58
SMBC Nikko Securities Inc.	18,249	1.92
Shinsei Trust & Banking Co., Ltd. ECM MF Trust Account 8299002	17,450	1.83
JPMorgan Securities Japan Co., Ltd.	17,188	1.81
STATE STREET BANK WEST CLIENT – TREATY 505234	17,132	1.80
CGML PB CLIENT ACCOUNT/COLLATERAL	16,982	1.78
JP MORGAN CHASE BANK 385781	13,221	1.39

(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. Status of Accounting Audit

(1) Independent Auditor

KPMG AZSA LLC

(2) Details of audit fees, etc.

① Details of Remuneration to Auditing Certified Public Accountants, etc.

Classification	The fiscal year ended March 31, 2023		The fiscal year ended March 31, 2024	
	Fees based on audit certification services (Unit: million yen)	Fees for non-audit services (Unit: million yen)	Fees based on audit certification services (Unit: million yen)	Fees for non-audit services (Unit: million yen)
Submitting company	99	4	102	6
Consolidated subsidiary	235	22	292	22
Total	334	26	394	28

(The fiscal year ended March 31, 2023)

The Company's non-audit services include "Advisory services related to accounting standards", etc.

Non-audit services provided by consolidated subsidiaries include "Assurance services for systems related to corporate pension fund commissioned services", etc.

(The fiscal year ended March 31, 2024)

The Company's non-audit services include "Advisory services related to new regulations", etc.

Non-audit services provided by consolidated subsidiaries include "Assurance services for systems related to corporate pension fund commissioned services", etc.

② Fees to the same network (KPMG member firms) as the CPAs (excluding ①)

Classification	The fiscal year ended March 31, 2023		The fiscal year ended March 31, 2024	
	Fees based on audit certification services (Unit: million yen)	Fees for non-audit services (Unit: million yen)	Fees based on audit certification services (Unit: million yen)	Fees for non-audit services (Unit: million yen)
Submitting company	-	11	-	11
Consolidated Subsidiary	1,203	138	1,652	186
Total	1,203	150	1,652	198

(The fiscal year ended March 31, 2023)

The Company's non-audit services include "Tax advisory services", etc.

Non-audit services provided by consolidated subsidiaries include "Actuarial advisory services", etc.

(The fiscal year ended March 31, 2024)

The Company's non-audit services include "Tax advisory services", etc.

Non-audit services provided by consolidated subsidiaries include "Actuarial advisory services", etc.

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

Main Businesses and Organization

Main businesses operated by the Company and its 154 subsidiaries and 47 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, 2024.

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	56 million USD	Overseas insurance business	0.0%	100.0%
Dai-ichi Life Insurance Myanmar Ltd.	May 17, 2019	Yangon, Myanmar	67 million USD	Overseas insurance business	0.0%	100.0%
Dai-ichi Life Reinsurance Bermuda Ltd.	September 25, 2020	Hamilton, Bermuda	195 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%
Benefit One Inc.	March 15, 1996	Shinjuku-ku, Tokyo	1.5 billion JPY	Other business	37.3%	0.0%
Japan Excellent Asset Management Co., Ltd.	April 14, 2005	Minato-ku, Tokyo	400 million JPY	Other business	0.0%	36.0%
Japan Investor Solutions & Technologies Co., Ltd.	August 11, 1999	Yokohama-shi, Kanagawa	25.8 billion JPY	Other business	0.0%	18.6%

(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,				
	2020	2021	2022	2023	2024
Ordinary revenues (million yen)	7,114,099	7,827,806	8,209,708	9,508,766	11,028,166
Ordinary profit (million yen)	218,380	552,861	590,897	387,500	539,006
Net income attributable to shareholders of parent company (million yen)	32,433	363,777	409,353	173,735	320,765
Comprehensive income (million yen)	167,564	1,143,981	(130,395)	(1,344,017)	1,425,209

	As of March 31,				
	2020	2021	2022	2023	2024
Total net assets (million yen)	3,776,918	4,807,129	4,210,341	2,661,764	3,882,157
Total assets (million yen)	60,011,999	63,593,705	65,896,142	61,653,699	67,540,309
Consolidated solvency margin ratio (%)	884.1	958.5	902.6	704.1	692.6

(Note) As mentioned in "NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2024," certain consolidated overseas subsidiaries have applied Accounting Standards "Insurance Contracts" (AASB No. 17) (NZ IFRS No. 17) issued by the Australian Accounting Standards Board and the New Zealand Accounting Standards Board. Accordingly, figures for Fiscal Year Ended March 31, 2023 are restated. In addition, total net assets and total assets as of March 31, 2022 and 2023 are also restated.

Outline of business

Ordinary revenues for the fiscal year ended March 31, 2024 increased by 16.0% compared to the previous fiscal year to ¥11,028.1 billion, consisting of ¥7,526.3 billion (13.1% increase) in premium and other income, ¥3,033.9 billion (33.0% increase) in investment income, and ¥467.8 billion (18.4% decrease) in other ordinary revenues. Meanwhile, ordinary expenses for the fiscal year ended March 31, 2024 increased by 18.0% compared to the previous fiscal year to ¥10,489.1 billion, consisting of ¥6,756.8 billion (3.2% increase) in benefits and claims, ¥1,877.4 billion (¥15.3 billion at the previous fiscal year) in provision for policy reserves and others, ¥603.8 billion (47.3% decrease) in investment expenses, ¥926.3 billion (10.1% increase) in operating expenses, and ¥324.6 billion (43.1% decrease) in other ordinary expenses.

As a result, ordinary profit for the fiscal year ended March 31, 2024 increased by 39.1% compared to the previous fiscal year to ¥539.0 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, increased by 84.6% to ¥320.7 billion. This was mainly due to rebound from temporary downside factors at the previous fiscal year such as an increase in hedging cost of foreign currency hedged bonds and COVID-19 related payments at Dai-ichi Life.

Segment results were as follows:

(1) Domestic Insurance Business

Ordinary revenues in the domestic insurance business increased by ¥441.8 billion compared to the previous consolidated fiscal year, amounting to ¥8,782.9 billion (5.3% increase). This increase was mainly due to an increase in premium and other income because of strong sales resulting from a rise in domestic and overseas interest rate at Dai-ichi Frontier Life as well as significant gains on foreign exchange resulting from the depreciation of the yen.

Segment profit increased by ¥62.8 billion compared to the previous consolidated fiscal year, reaching ¥407.0 billion (18.3% increase). This was mainly due to a significant decrease in COVID-19 related benefit payments at Dai-ichi Life and a reduction in provision for standard policy reserves for foreign currency-denominated insurance and new contract expenses at Dai-ichi Frontier Life following changes in the financial market environment and reinsurance of new contracts.

(2) Overseas Insurance Business

Ordinary revenues in the overseas insurance business increased by ¥531.1 billion compared to the previous consolidated fiscal year, amounting to ¥3,149.8 billion (20.3% increase). This increase was mainly due to a rise in premium and other income at TAL following the successful acquisition of TAL Life Insurance Services Limited (formerly Westpac Life Insurance Services Limited) in August 2022, as well as a significant improvement in gains and losses on trading securities at Protective due to changes in the financial market environment.

Segment profit increased by ¥122.6 billion compared to the previous consolidated fiscal year, reaching ¥127.3 billion (¥4.7 billion at the previous fiscal year). This increase was mainly due to profit contributions from Partners Life in New Zealand, which was acquired in November 2022, and an improvement in gains and losses on trading securities at Dai-ichi Life Reinsurance Bermuda Ltd. compared to the previous fiscal year.

(3) Other Business

Ordinary revenues in the other business decreased by ¥67.4 billion compared to the previous consolidated fiscal year, amounting to ¥226.8 billion (22.9% decrease). This decrease was mainly due to a reduction in dividend income from group companies such as Dai-ichi Life and Dai-ichi Frontier Life. Segment profit decreased by ¥69.7 billion compared to the previous consolidated fiscal year, reaching ¥199.2 billion (25.9% decrease).

Consolidated Balance Sheet

	(Unit: million yen)		(Unit: million US dollars)
	As of March 31,		
	2023	2024	2024
(ASSETS)			
Cash and deposits	1,619,087	2,064,416	13,634
Call loans	966,900	719,300	4,750
Receivables under resale agreements	—	58,136	383
Monetary claims bought	246,105	226,450	1,495
Money held in trust	911,246	888,720	5,869
Securities	46,711,704	51,781,703	341,996
Loans	4,348,495	4,719,209	31,168
Tangible fixed assets	1,239,953	1,224,456	8,087
Land	883,225	861,010	5,686
Buildings	330,802	341,248	2,253
Leased assets	3,580	2,510	16
Construction in progress	6,352	3,178	20
Other tangible fixed assets	15,992	16,507	109
Intangible fixed assets	736,712	708,383	4,678
Software	129,394	129,811	857
Goodwill	117,236	115,206	760
Other intangible fixed assets	490,082	463,364	3,060
Reinsurance receivable	1,623,872	1,853,137	12,239
Other assets	2,884,851	3,124,314	20,634
Deferred tax assets	334,573	178,914	1,181
Customers' liabilities for acceptances and guarantees	48,987	16,417	108
Reserve for possible loan losses	(17,863)	(22,803)	(150)
Reserve for possible investment losses	(927)	(448)	(2)
Total assets	61,653,699	67,540,309	446,075
(LIABILITIES)			
Policy reserves and others	54,276,174	57,152,350	377,467
Reserves for outstanding claims	1,353,999	1,460,832	9,648
Policy reserves	52,498,770	55,268,875	365,027
Reserve for policyholder dividends	423,403	422,642	2,791
Reinsurance payable	584,172	476,386	3,146
Short-term bonds payable	43,062	53,088	350
Bonds payable	906,612	922,198	6,090
Other liabilities	2,362,537	4,171,547	27,551
Payables under repurchase agreements	432,210	1,360,914	8,988
Other liabilities	1,930,326	2,810,632	18,563
Net defined benefit liabilities	367,808	212,173	1,401
Reserve for retirement benefits of directors, executive officers and corporate auditors	794	674	4
Reserve for possible reimbursement of prescribed claims	800	1,000	6
Reserves under the special laws	305,588	324,391	2,142
Reserve for price fluctuations	305,588	324,391	2,142
Deferred tax liabilities	25,199	258,858	1,709
Deferred tax liabilities for land revaluation	70,197	69,064	456
Acceptances and guarantees	48,987	16,417	108
Total liabilities	58,991,935	63,658,152	420,435

Consolidated Balance Sheet (Continued)

	(Unit: million yen)		(Unit: million US dollars)
	As of March 31,		
	2023	2024	2024
(NET ASSETS)			
Capital stock	344,074	344,205	2,273
Capital surplus	330,407	330,538	2,183
Retained earnings	1,093,232	1,214,608	8,021
Treasury stock	(13,918)	(17,258)	(113)
Total shareholders' equity	1,753,795	1,872,093	12,364
Net unrealized gains (losses) on securities, net of tax	740,292	1,733,897	11,451
Deferred hedge gains (losses)	(38,114)	(101,756)	(672)
Reserve for land revaluation	30,369	28,223	186
Foreign currency translation adjustments	149,749	247,433	1,634
Accumulated remeasurements of defined benefit plans	22,778	117,420	775
Net unrealized gains (losses) on total policy reserves and other reserves of foreign subsidiaries, net of tax	2,407	(15,457)	(102)
Total accumulated other comprehensive income	907,483	2,009,761	13,273
Stock acquisition rights	483	302	1
Non-controlling interests	1	—	—
Total net assets	2,661,764	3,882,157	25,640
Total liabilities and net assets	61,653,699	67,540,309	446,075

Consolidated Statement of Earnings

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2023	2024	2024
ORDINARY REVENUES	9,508,766	11,028,166	72,836
Premium and other income	6,654,426	7,526,357	49,708
Investment income	2,280,869	3,033,982	20,038
Interest and dividends	1,431,356	1,430,988	9,451
Gains on money held in trust	—	20,505	135
Gains on investments in trading securities	—	385,902	2,548
Gains on sale of securities	571,788	435,076	2,873
Gains on redemption of securities	19,182	8,238	54
Derivative transaction gains	27,138	—	—
Foreign exchange gains	227,065	539,088	3,560
Reversal of reserve for possible loan losses	100	—	—
Reversal of reserve for possible investment losses	—	46	0
Other investment income	4,236	6,660	43
Gains on investments in separate accounts	—	207,475	1,370
Other ordinary revenues	573,470	467,827	3,089
ORDINARY EXPENSES	9,121,266	10,489,160	69,276
Benefits and claims	6,548,179	6,756,863	44,626
Claims	1,768,898	1,832,297	12,101
Annuities	865,135	1,068,105	7,054
Benefits	761,238	667,575	4,409
Surrender values	1,989,215	1,735,306	11,460
Other refunds	1,163,691	1,453,577	9,600
Provision for policy reserves and others	15,348	1,877,422	12,399
Provision for reserves for outstanding claims	7,043	28,722	189
Provision for policy reserves	—	1,840,259	12,154
Provision for interest on policyholder dividends	8,305	8,440	55
Investment expenses	1,145,908	603,877	3,988
Interest expenses	33,000	39,675	262
Losses on money held in trust	2,303	—	—
Losses on investments in trading securities	392,938	—	—
Losses on sale of securities	516,578	356,612	2,355
Losses on valuation of securities	21,750	7,866	51
Losses on redemption of securities	5,934	3,684	24
Derivative transaction losses	—	99,258	655
Provision for reserve for possible loan losses	—	5,100	33
Provision for reserve for possible investment losses	486	—	—
Write-down of loans	1,513	4,394	29
Depreciation of real estate for rent and others	13,682	14,044	92
Other investment expenses	72,358	73,240	483
Losses on investments in separate accounts	85,361	—	—
Operating expenses	841,698	926,325	6,117
Other ordinary expenses	570,130	324,672	2,144
Ordinary profit	387,500	539,006	3,559
EXTRAORDINARY GAINS	4,584	6,646	43
Gains on disposal of fixed assets	4,550	6,543	43
Other extraordinary gains	34	103	0
EXTRAORDINARY LOSSES	39,805	31,153	205
Losses on disposal of fixed assets	5,562	6,523	43
Impairment losses on fixed assets	15,939	5,307	35
Provision for reserve for price fluctuations	18,202	18,803	124
Other extraordinary losses	101	520	3
Provision for reserve for policyholder dividends	95,000	87,500	577
Income before income taxes	257,280	426,998	2,820
Corporate income taxes-current	41,746	96,764	639
Corporate income taxes-deferred	41,798	9,448	62
Total of corporate income taxes	83,544	106,212	701
Net Income	173,735	320,786	2,118
Net income attributable to non-controlling interests	0	21	0
Net income attributable to shareholders of parent company	173,735	320,765	2,118

Consolidated Statement of Comprehensive Income

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2023	2024	2024
Net income	173,735	320,786	2,118
Other comprehensive income			
Net unrealized gains (losses) on securities, net of tax	(1,651,766)	991,026	6,545
Deferred hedge gains (losses)	(21,888)	(64,624)	(426)
Foreign currency translation adjustments	142,589	92,740	612
Remeasurements of defined benefit plans, net of tax	14,575	94,641	625
Net unrealized gains (losses) on total policy reserves and other reserves of foreign subsidiaries, net of tax	2,104	(17,864)	(117)
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	(3,368)	8,504	56
Total other comprehensive income	(1,517,753)	1,104,423	7,294
Comprehensive income	(1,344,017)	1,425,209	9,412
(Details)			
Attributable to shareholders of parent company	(1,344,017)	1,425,188	9,412
Attributable to non-controlling interests	0	21	0

Consolidated Statement of Changes in Net Assets

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
Cumulative effect of changes in accounting policies, etc.			(198,165)		(198,165)
Balance at the beginning of the year after reflecting the effect of changes in accounting policies, etc.	343,926	330,259	1,136,668	(12,718)	1,798,136
Changes for the year					
Issuance of new shares	147	147			295
Dividends			(85,030)		(85,030)
Net income attributable to shareholders of parent company			173,735		173,735
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	(43,436)	(1,199)	(44,341)
Balance at the end of the year	344,074	330,407	1,093,232	(13,918)	1,753,795

	(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
Cumulative effect of changes in accounting policies, etc.	(302)				
Balance at the beginning of the year after reflecting the effect of changes in accounting policies, etc.	2,397,666	(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	(1,657,373)	(22,581)	13,726	145,516	14,580
Total changes for the year	(1,657,373)	(22,581)	13,726	145,516	14,580
Balance at the end of the year	740,292	(38,114)	30,369	149,749	22,778

	(Unit: million yen)				
	Accumulated other comprehensive income				
	Net unrealized gains (losses) on total policy reserves and other reserves of foreign subsidiaries, net of tax	Total accumulated other comprehensive income	Stock acquisition rights	Non-controlling interests	Total net assets
Balance at the beginning of the year	—	2,411,510	694	—	4,408,507
Cumulative effect of changes in accounting policies, etc.	302	—			(198,165)
Balance at the beginning of the year after reflecting the effect of changes in accounting policies, etc.	302	2,411,510	694	—	4,210,341
Changes for the year					
Issuance of new shares					295
Dividends					(85,030)
Net income attributable to shareholders of parent company					173,735
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	2,104	(1,504,027)	(211)	1	(1,504,236)
Total changes for the year	2,104	(1,504,027)	(211)	1	(1,548,577)
Balance at the end of the year	2,407	907,483	483	1	2,661,764

Consolidated Statement of Changes in Net Assets (Continued)

Year ended March 31, 2024

	(Unit: million yen)				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	344,074	330,407	1,093,232	(13,918)	1,753,795
Cumulative effect of changes in accounting policies, etc.					—
Balance at the beginning of the year after reflecting the effect of changes in accounting policies, etc.	344,074	330,407	1,093,232	(13,918)	1,753,795
Changes for the year					
Issuance of new shares	130	130			261
Dividends			(84,554)		(84,554)
Net income attributable to shareholders of parent company			320,765		320,765
Purchase of treasury stock				(120,000)	(120,000)
Disposal of treasury stock		(229)		485	255
Cancellation of treasury stock		(116,175)		116,175	—
Transfer from retained earnings to capital surplus		116,405	(116,405)		—
Transfer from reserve for land revaluation			2,145		2,145
Others			(574)		(574)
Net changes of items other than shareholders' equity					
Total changes for the year	130	130	121,376	(3,339)	118,298
Balance at the end of the year	344,205	330,538	1,214,608	(17,258)	1,872,093

	(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	740,292	(38,114)	30,369	149,749	22,778
Cumulative effect of changes in accounting policies, etc.					
Balance at the beginning of the year after reflecting the effect of changes in accounting policies, etc.	740,292	(38,114)	30,369	149,749	22,778
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	993,604	(63,642)	(2,145)	97,684	94,642
Total changes for the year	993,604	(63,642)	(2,145)	97,684	94,642
Balance at the end of the year	1,733,897	(101,756)	28,223	247,433	117,420

	(Unit: million yen)				
	Accumulated other comprehensive income				
	Net unrealized gains (losses) on total policy reserves and other reserves of foreign subsidiaries, net of tax	Total accumulated other comprehensive income	Stock acquisition rights	Non-controlling interests	Total net assets
Balance at the beginning of the year	2,407	907,483	483	1	2,661,764
Cumulative effect of changes in accounting policies, etc.		—			—
Balance at the beginning of the year after reflecting the effect of changes in accounting policies, etc.	2,407	907,483	483	1	2,661,764
Changes for the year					
Issuance of new shares					261
Dividends					(84,554)
Net income attributable to shareholders of parent company					320,765
Purchase of treasury stock					(120,000)
Disposal of treasury stock					255
Cancellation of treasury stock					—
Transfer from retained earnings to capital surplus					—
Transfer from reserve for land revaluation					2,145
Others					(574)
Net changes of items other than shareholders' equity	(17,864)	1,102,277	(181)	(1)	1,102,095
Total changes for the year	(17,864)	1,102,277	(181)	(1)	1,220,393
Balance at the end of the year	(15,457)	2,009,761	302	—	3,882,157

Consolidated Statement of Changes in Net Assets (Continued)

Year ended March 31, 2024

	(Unit: million US dollars)				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	2,272	2,182	7,220	(91)	11,583
Cumulative effect of changes in accounting policies, etc.					—
Balance at the beginning of the year after reflecting the effect of changes in accounting policies, etc.	2,272	2,182	7,220	(91)	11,583
Changes for the year					
Issuance of new shares	0	0			1
Dividends			(558)		(558)
Net income attributable to shareholders of parent company			2,118		2,118
Purchase of treasury stock				(792)	(792)
Disposal of treasury stock		(1)		3	1
Cancellation of treasury stock		(767)		767	—
Transfer from retained earnings to capital surplus		768	(768)		—
Transfer from reserve for land revaluation			14		14
Others			(3)		(3)
Net changes of items other than shareholders' equity					
Total changes for the year	0	0	801	(22)	781
Balance at the end of the year	2,273	2,183	8,021	(113)	12,364

	(Unit: million US dollars)				
	Accumulated other comprehensive income				
	Net unrealizedgains (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	4,889	(251)	200	989	150
Cumulative effect of changes in accounting policies, etc.					
Balance at the beginning of the year after reflecting the effect of changes in accounting policies, etc.	4,889	(251)	200	989	150
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	6,562	(420)	(14)	645	625
Total changes for the year	6,562	(420)	(14)	645	625
Balance at the end of the year	11,451	(672)	186	1,634	775

	(Unit: million US dollars)				
	Accumulated other comprehensive income				
	Net unrealized gains (losses) on total policy reserves and other reserves of foreign subsidiaries, net of tax	Total accumulated other comprehensive income	Stock acquisition rights	Non-controlling interests	Total net assets
Balance at the beginning of the year	15	5,993	3	0	17,579
Cumulative effect of changes in accounting policies, etc.		—			—
Balance at the beginning of the year after reflecting the effect of changes in accounting policies, etc.	15	5,993	3	0	17,579
Changes for the year					
Issuance of new shares					1
Dividends					(558)
Net income attributable to shareholders of parent company					2,118
Purchase of treasury stock					(792)
Disposal of treasury stock					1
Cancellation of treasury stock					—
Transfer from retained earnings to capital surplus					—
Transfer from reserve for land revaluation					14
Others					(3)
Net changes of items other than shareholders' equity	(117)	7,280	(1)	(0)	7,278
Total changes for the year	(117)	7,280	(1)	(0)	8,060
Balance at the end of the year	(102)	13,273	1	—	25,640

Consolidated Statement of Cash Flows

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2023	2024	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income taxes	257,280	426,998	2,820
Depreciation of real estate for rent and others	13,682	14,044	92
Depreciation	84,023	75,392	497
Impairment losses on fixed assets	15,939	5,307	35
Amortization of goodwill	7,030	9,620	63
Increase (decrease) in reserves for outstanding claims	89,668	13,140	86
Increase (decrease) in policy reserves	(809,048)	1,699,747	11,226
Provision for interest on policyholder dividends	8,305	8,440	55
Provision for (reversal of) reserve for policyholder dividends	95,000	87,500	577
Increase (decrease) in reserve for possible loan losses	(3,643)	3,938	26
Increase (decrease) in reserve for possible investment losses	147	(478)	(3)
Write-down of loans	1,513	4,394	29
Increase (decrease) in net defined benefit liabilities	(6,004)	(24,894)	(164)
Increase (decrease) in reserve for retirement benefits of directors, executive officers and corporate auditors	(134)	(119)	(0)
Increase (decrease) in reserve for possible reimbursement of prescribed claims	—	200	1
Increase (decrease) in reserve for price fluctuations	18,202	18,803	124
Interest and dividends	(1,431,356)	(1,430,988)	(9,451)
Securities related losses (gains)	431,593	(668,528)	(4,415)
Interest expenses	33,000	39,675	262
Foreign exchange losses (gains)	(227,065)	(539,088)	(3,560)
Losses (gains) on disposal of fixed assets	498	(930)	(6)
Equity in losses (income) of affiliates	(6,184)	(9,531)	(62)
Losses (gains) on sale of stocks of subsidiaries and affiliated companies	—	2	0
Decrease (increase) in reinsurance receivable	543,710	(121,340)	(801)
Decrease (increase) in other assets unrelated to investing and financing activities	87,721	(162,593)	(1,073)
Increase (decrease) in reinsurance payable	(292,520)	(24,706)	(163)
Increase (decrease) in other liabilities unrelated to investing and financing activities	48,887	236,206	1,560
Others, net	6,787	127,492	842
Subtotal	(1,032,966)	(212,295)	(1,402)
Interest and dividends received	1,621,166	1,610,065	10,633
Interest paid	(36,066)	(42,710)	(282)
Policyholder dividends paid	(93,123)	(96,702)	(638)
Others, net	(436,527)	(267,843)	(1,768)
Corporate income taxes (paid) refund	(154,975)	6,864	45
Net cash flows provided by (used in) operating activities	(132,492)	997,377	6,587

Consolidated Statement of Cash Flows (Continued)

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2023	2024	2024
CASH FLOWS FROM INVESTING ACTIVITIES			
Net decrease (increase) in cash and deposits	4,460	2,971	19
Purchases of monetary claims bought	(25,989)	(40,438)	(267)
Proceeds from sale and redemption of monetary claims bought	29,995	50,992	336
Purchases of money held in trust	(92,105)	(250,337)	(1,653)
Proceeds from decrease in money held in trust	285,464	293,607	1,939
Purchases of securities	(10,719,051)	(13,392,710)	(88,453)
Proceeds from sale and redemption of securities	14,073,919	11,884,649	78,493
Origination of loans	(1,000,847)	(1,195,175)	(7,893)
Proceeds from collection of loans	842,473	974,322	6,434
Net increase (decrease) in short-term investing	(2,764,354)	1,125,207	7,431
Total of net cash provided by (used in) investment transactions	633,964	(546,911)	(3,612)
Total of net cash provided by (used in) operating activities and investment transactions	501,472	450,466	2,975
Acquisition of tangible fixed assets	(117,860)	(51,139)	(337)
Proceeds from sale of tangible fixed assets	56,547	38,781	256
Acquisition of intangible fixed assets	(43,821)	(42,012)	(277)
Proceeds from sale of intangible fixed assets	—	3,319	21
Acquisitions of stock of subsidiaries resulting in change in scope of consolidation	(218,369)	—	—
Payments from sales of investments in subsidiaries resulting in change in scope of consolidation	—	(155)	(1)
Acquisitions of stock of subsidiaries	—	(3,530)	(23)
Net cash flows provided by (used in) investing activities	310,460	(601,649)	(3,973)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	103,673	200,230	1,322
Repayment of borrowings	(205,632)	(9,052)	(59)
Proceeds from issuing common stock	147	—	—
Repayment of financial lease obligations	(3,147)	(3,412)	(22)
Net increase (decrease) in short-term financing	(13,599)	(128,754)	(850)
Purchase of treasury stock	(120,000)	(120,000)	(792)
Cash dividends paid	(84,814)	(84,313)	(556)
Acquisitions of stock of subsidiaries that do not result in change in scope of consolidation	(2,075)	(460)	(3)
Others, net	0	0	0
Net cash flows provided by (used in) financing activities	(325,447)	(145,763)	(962)
Effect of exchange rate changes on cash and cash equivalents	48,019	5,120	33
Net increase (decrease) in cash and cash equivalents	(99,458)	255,085	1,684
Cash and cash equivalents at the beginning of the year	2,616,743	2,517,285	16,625
Cash and cash equivalents at the end of the year	2,517,285	2,772,370	18,310

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2024

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 ¥151.41=US\$1.00, the foreign exchange rate on March 31, 2024, 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, 2024: 80

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 (“Protective Life”), Dai-ichi Life Insurance (Cambodia) PLC., Dai-ichi Life Insurance Myanmar Ltd., 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, 2024, four 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, 2024, one affiliated company of Protective Life was included in the scope of consolidation as it had become subsidiaries of the Company.

Effective the fiscal year ended March 31, 2024, one affiliated company of ipet was excluded from the scope of consolidation.

Effective the fiscal year ended March 31, 2024, two affiliated companies of TDLA were excluded from the scope of consolidation.

Effective the fiscal year ended March 31, 2024, six affiliated companies of Protective Life were excluded from the scope of consolidation.

Effective the fiscal year ended March 31, 2024, three affiliated companies of PNZ were excluded from the scope of consolidation.

On June 28, 2024, ipet Holdings and ipet Insurance Co., Ltd merged through an absorption-type merger in which ipet Insurance Co., Ltd. will be a surviving company and ipet Holdings will be an absorbed company.

(2) The number of non-consolidated subsidiaries as of March 31, 2024: 74

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.

Effective April 1, 2024, The Dai-ichi Life Information Systems Co., Ltd. changed its name to The Dai-ichi Life Techno Cross Co., Ltd.

The seventy-four non-consolidated subsidiaries as of March 31, 2024 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, 2024 was 0.

The number of affiliated companies under the equity method as of March 31, 2024 was 35. The affiliated companies included Asset Management One Co., Ltd., Corporate-pension Business Service Co., Ltd., Japan Excellent Asset Management Co., Ltd., Japan Investor Solutions&Technologies Co., LTD., Benefit One Inc., 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, 2024, Japan Investor Solutions&Technologies Co., LTD. was included in the scope of the equity method as it had become an affiliated company of the Company.

Effective the fiscal year ended March 31, 2024, twelve companies, which are Benefit One Inc. and its eleven affiliated companies, were included in the scope of the equity method as they had become affiliated companies of the Company.

Effective the fiscal year ended March 31, 2024, one affiliated company of Asset Management One Co., Ltd. was excluded from

the scope of the equity method.

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 acquisition, etc. of consolidated subsidiaries are amortized over a period during which their effect is estimated to persist, 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 sixteen 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 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, 2023 and 2024 were ¥1 million and ¥1 million (US\$0 million), respectively.

For certain consolidated overseas subsidiaries, reserve for possible loan losses is recognized as an estimate of lifetime expected credit losses on 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, 2024. 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, 2024.

b) Amortization of Actuarial Differences and Past Service Cost

Past service cost is amortized under the straight-line method through 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 through 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 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, etc., 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)", etc.

(11) Hedge Accounting

a) Methods for Hedge Accounting

As for the Company and its certain domestic consolidated subsidiaries, hedging transactions are accounted for in accordance with the "Accounting Standards for Financial Instruments" (ASBJ Statement No. 10). Primarily, i) special hedge accounting and the deferral hedge method for interest rate swaps are used for cash flow hedges of certain loans, certain government and corporate bonds, certain loans payable and bonds payable; ii) the currency allotment method and the deferral hedge method using foreign currency swaps and foreign currency forward contracts are used for cash flow hedges against exchange rate fluctuations in certain foreign currency-denominated bonds, certain loans, loans payable and bonds payable and certain foreign currency-denominated forecasted transaction and term deposits and; 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 certain foreign currency-denominated 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-specific Committee Practical Guidelines 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-denominated forecasted transaction
Foreign currency forward contracts	Foreign currency-denominated bonds, foreign currency-denominated term deposits, foreign currency-denominated forecasted transaction
Currency options	Foreign currency-denominated bonds
Bond over-the-counter options	Foreign currency-denominated bonds
Equity options	Domestic stocks, foreign currency-denominated forecasted transaction
Equity forward contracts	Domestic stocks

c) Hedging Policies

The Company and its 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" (ASBJ PITF No. 40 issued on March 17, 2022) is applied to all hedging relationships included in the scope of the application of the Treatment. The details of hedging relationships to which the Treatment is applied are as follows:

Hedge accounting method: Deferral hedge method, currency allotment method

Hedging instruments: Interest rate swaps, foreign currency swaps

Hedged items: Loans, foreign currency-denominated 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 Enforcement Ordinance 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.

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 interest rates, mortality rates, persistency rates, etc. If the policy reserves set aside are found likely to be insufficient to cover the performance of future obligations due to a significant gap 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 consolidated subsidiaries that operate a life insurance business in Australia and New Zealand are set aside in accordance with IFRS, in the total amounts of the amount calculated by estimated future cash flows based on actuarial assumptions determined as of the end of the fiscal year, including interest rates, mortality rates, persistency rates, expense rates, etc., reflecting the time value of money, financial risks and uncertainties of cash flows arising from insurance contracts, and the amount of unearned profits expected to arise from insurance contracts as of the end of the fiscal year. For certain insurance contracts that meet certain conditions, such as having an insurance term of one year or less, the amounts of premiums corresponding to the unexpired period as of the end of the fiscal year are reserved, without estimating future cash flows.

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

(16) Reserves for Outstanding Claims

With respect to a certain reserve 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 special scope of payment of hospitalization benefits 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") was terminated on or after May 8, 2023. 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"). They 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.

(Overview of the calculation method)

They first deducts an amount pertaining to deemed hospitalization of policy holders 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.

As of the end of the previous fiscal year, instead of the amount related to deemed hospitalization, the amount related to deemed hospitalization other than for persons with a high risk of severity was excluded. However, due to the termination of the treatment of hospitalization benefits for deemed hospitalization of policy holders during the fiscal year ended March 31, 2024, the method of calculation was revised to exclude the amount related to such deemed hospitalization.

(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 life insurance companies are aggregated and presented as premium and other income and benefits and claims, with necessary adjustments for the purpose of consolidation for items recorded in accordance with the accounting standards of each country.

AASB No. 17 and NZ IFRS No. 17 have been applied by certain consolidated overseas life insurance companies from the financial year ended March 31, 2024 and the items relating to AASB No. 17 and NZ IFRS No. 17 have been aggregated and presented in the appropriate accounts.

Premium and other income and benefits and claims include amounts of certain consolidated overseas life insurance companies that have applied AASB No. 17 and NZ IFRS No.17, as shown in the table below.

	As of March 31,		2024 (Unit: million US dollars)
	2023	2024	
	(Unit: million yen)		
Premium and other income			
Income related to direct insurance contracts	513,328	639,069	4,220
Income related to reinsurance contracts	151,094	159,773	1,055
Benefits and claims			
Expenses related to direct insurance contracts	399,403	417,288	2,756
Expenses related to reinsurance contracts	133,435	167,272	1,104

(18) Significant Accounting Estimates

a) Evaluation of goodwill

i) Amounts recognized on the consolidated financial statements in the fiscal year ended March 31, 2024

Goodwill presented on the consolidated balance sheets as of March 31, 2023 and 2024 consist of ¥55,535 million and ¥55,479 million (US\$366 million) arising from the acquisition of PLC and the acquisition business of PLC's acquisition segment, ¥27,803 million and ¥26,773 million (US\$176 million) arising from the acquisition of TDLA, ¥20,482 million and ¥18,652 million (US\$123 million) arising from the acquisition of PNZ as well as ¥15,724 million and ¥14,300 million (US\$94 million) arising from the acquisition of ipet, respectively.

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

Goodwill arising from acquisitions of PLC 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 rates, morbidity, persistency rates, 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 in the asset group that includes goodwill, 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 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 recognize the difference between the book value and the recoverable amount as an impairment loss. 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.

The Company has determined that there is no impairment indicator of goodwill, and therefore no impairment losses on goodwill are recorded in the fiscal year ended March 31, 2024.

b) Evaluation of value of in-force insurance contracts

i) Amounts recognized on the consolidated financial statements in the fiscal year ended March 31, 2024

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, 2023and 2024 consist of ¥308,608 million and ¥287,996 million (US\$1,902 million) derived from the acquisition of PLC and the acquisition business of PLC's acquisition segment, the balance of VIF as of March 31, 2023 and 2024 consist of ¥35,793 million and ¥34,200 million (US\$225 million) derived from the acquisitions of PNZ through DLHD an intermediary holding company of the Company as well as ¥24,077 million and ¥21,608 million (US\$142 million) derived from the acquisition of ipet by the Company, respectively.

The balance of VIF derived from the acquisitions of TDLA (in the amount of ¥20,188 million) as of March 31, 2023 was fully amortized following the adoption of AASB No. 17 "Insurance Contracts."

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

The value of in-force insurance contracts arising from acquisitions 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 rates, persistency rates, 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 persistency rates, the update of actuarial assumptions may result in acceleration or deceleration 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, persistency rates, 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, 2024.

The Company periodically 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. If there is any impairment indicator that is attributable to the deterioration of circumstances or the occurrence of events, impairment losses may be recorded in the following fiscal year.For the fiscal year ended March 31, 2024, 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

From the beginning of the current fiscal year, certain consolidated overseas subsidiaries have applied Accounting Standards "Insurance Contracts" (AASB No. 17) (NZ IFRS No. 17) issued by Australian Accounting Standards Board and New Zealand Accounting Standards Board.

Policy reserves and others is recognized by reflecting the time value of money, the financial risk of cash flows arising from insurance contracts, and the effect of uncertainty of cash flows arising from insurance contracts.

This change in accounting policy has been applied retrospectively, and the new accounting policy was reflected in the consolidated financial statements for the previous fiscal year ended March 31, 2023.

As a result, compared with the figures before the retrospective application, both ordinary profit and income before income taxes for the previous fiscal year, decreased by ¥23,399 million. Policy reserves and others for the previous fiscal year increased by ¥329,814 million, and other assets for the previous fiscal year increased by ¥50,053 million, respectively. In addition, as the cumulative impact was reflected in the net assets at the beginning of the previous fiscal year, the beginning balance of retained earnings decreased by ¥198,165 million.

The impact on the figures in per-share information is stated in the relevant section.

(Additional information)

Effective the fiscal year ended March 31, 2024, the Group has partially revised the calculation methods for Policy reserves and others, as a result, the consolidated balance sheet as of March 31, 2023 disclosed in the consolidated summary report for the three months ended June 30, 2023 was restated. As a result of the restatement, other assets for the previous fiscal year increased by ¥26,497 million, policy reserves and others for the previous fiscal year increased by ¥35,758 million, and retained earnings for the previous fiscal year decreased by ¥6,263 million, respectively.

The impact on the figures in per-share information is considered to be immaterial.

(21) Accounting Standard and Guidance Not Yet Adopted

- Financial Services - Insurance (Topic 944) (ASU No. 2018-12 issued on August 15, 2018, ASU No. 2019-09 issued on November 15, 2019, and ASU No. 2020-11 issued on November 5, 2020)
- a) Outline
- The amendments in this update are mainly designed to make improvements of 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).
- b) 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.
- c) 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.

(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, 2023 and 2024 were ¥5,838 million and ¥5,755 million (US\$38 million), respectively. These stocks were recorded as the treasury stock in the shareholders' equity.
- ii) The number of stocks within the trust as of March 31, 2023 and 2024 were 3,862 thousand shares and 3,807 thousand shares, and the average number of stocks within the trust for the fiscal years ended March 31, 2023 and 2024 were 3,865 thousand shares and 3,817 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,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Securities	683,609	2,144,726	14,165
Cash and Deposits	8,589	10,600	70
Total	692,198	2,155,326	14,235

The amounts of secured liabilities were as follows:

	As of March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Payables under repurchase agreements	432,210	1,360,914	8,988
Cash collateral for securities lending transactions	150,117	221,007	1,459
Total	582,328	1,581,922	10,447

The amount of "Securities" sold under repurchase agreements and for securities lending transactions with cash collateral as of March 31, 2023 and 2024 were ¥576,344 million and ¥1,639,240 million (US\$10,826 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, 2023 and 2024 were ¥2,928,052 million and ¥2,902,560 million (US\$19,170 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, 2023 and 2024
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,
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, 2023 and 2024
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.

4. Stocks of Subsidiaries and Affiliated Companies

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

	As of March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Stocks	114,519	266,333	1,759
Capital	197,585	253,823	1,676
Total	312,104	520,157	3,435

5. 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,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Claims against bankrupt and quasi-bankrupt obligors (*1)	87	88	0
Claims with collection risk (*2)	2,552	2,586	17
Claims that are overdue for three months or more (*3)	—	5,345	35
Claims with repayment relaxation (*4)	—	—	—
Total	2,639	8,020	52

(*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, 2023 and 2024 were ¥1 million and ¥1 million (US\$0 million), respectively.

6. Commitment Line

As of March 31, 2023 and 2024, there were unused commitment line agreements under which the Company and its consolidated subsidiaries were the lenders of ¥174,785 million and ¥236,063 million (US\$1,559 million), respectively.

7. Accumulated Depreciation of Tangible Fixed Assets

The amounts of accumulated depreciation of tangible fixed assets as of March 31, 2023 and 2024 were ¥620,391 million and ¥631,382 million (US\$4,170 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, 2023 and 2024 were ¥2,338,524 million and ¥2,161,473 million (US\$14,275 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,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Balance at the beginning of the year	413,222	423,403	2,796
Dividends paid during the year	93,123	96,702	638
Interest accrual during the year	8,305	8,440	55
Provision for reserve for policyholder dividends	95,000	87,500	577
Balance at the end of the year	423,403	422,642	2,791

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, 2023 and 2024, bonds payable included foreign currency-denominated subordinated bonds of ¥759,127 million and ¥764,679 million (US\$5,050 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, 2023	Balance as of March 31, 2024	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 to 1.22	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	140,409 [1,058 mil US\$]	149,700 [1,055 mil US\$]	From 3.40 to 8.45	None	From September 30, 2028 to October 15, 2039
	Foreign currency (US dollar) commercial paper	From December 13, 2022 To December 22, 2023	43,062 [324 mil US\$]	53,088 [374 mil US\$]	From 4.65 to 5.60	None	From January 3, 2023 to January 18, 2024
(*1)	Foreign currency (US dollar) denominated subordinated bonds	From August 10, 2017 to May 1, 2018	80,412 [605 mil US\$]	85,964 [606 mil US\$]	From 3.55 to 5.35	None	From May 1, 2038 to August 10, 2052
PNZ	Foreign currency (Australian dollar) denominated bonds	December 23, 2021	7,075 [80 mil Au\$]	7,818 [80 mil Au\$]	7.22	None	December 23, 2026
Total	—	—	949,674	975,287	—	—	—

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. Foreign currency (US dollar) commercial paper of ¥53,088 million yen (US\$350 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, 2024.

	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	53,186	—	7,893	—	56,732
	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	351	—	52	—	374

12. Subordinated Debt and Other Liabilities

As of March 31, 2023 and 2024, other liabilities included subordinated debt of ¥245,000 million and ¥245,000 million (US\$1,618 million), respectively, whose repayment is subordinated to other obligations.

Details of borrowings and lease obligations were as follows:

Category	Balance as of April 1, 2023	Balance as of March 31, 2024	Average interest rate (%)	Maturity	Balance as of April 1, 2023	Balance as of March 31, 2024
(Unit: million yen)			(Unit: million US dollars)			
Short-term borrowings	—	—	—	—	—	—
Current portions of long-term borrowings	8,074	17,536	5.4	—	60	115
Current portions of lease obligations	2,735	2,380	—	—	20	15
Long-term borrowings (excluding current portion)	649,684	844,872	1.7	April 2025~ perpetual	4,865	5,580
Lease obligations (excluding current portion)	4,301	2,467	—	January 2025 ~ February 2037	32	16
Other interest-bearing liabilities						
Payables under repurchase agreements (current portion)	432,210	1,360,914	0.1	—	3,236	8,988
Total	1,097,007	2,228,172	—	—	8,215	14,716

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, 2024. 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, 2024:

	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	40,989	335,258	—	103,666
Lease obligations	907	359	149	82
	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	270	2,214	—	684
Lease obligations	5	2	0	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, 2023 and 2024, the market value of the securities which were not sold or pledged as collateral was ¥178,669 million and ¥190,320 million (US\$1,256 million), respectively. None of the securities were pledged as collateral as of March 31, 2023 and 2024, respectively.

14. Organizational Change Surplus

As of March 31, 2023 and 2024, the amounts of organizational change surplus stipulated in Article 91 of the Insurance Business Act were ¥117,776 million and ¥117,776 million (US\$777 million), respectively.

IV. NOTES TO THE CONSOLIDATED STATEMENT OF EARNINGS

1. Operating Expenses

Details of operating expenses for the fiscal years ended March 31, 2023 and 2024 were as follows:

	Year ended March 31,		
	2023	2024	2024
		(Unit: million yen)	
		(Unit: million US dollars)	
Sales activity expenses	319,449	315,985	2,086
Sales management expenses	101,636	102,464	676
General management expenses	420,612	507,875	3,354

2. Gains on Disposal of Fixed Assets

Details of gains on disposal of fixed assets for the fiscal years ended March 31, 2023 and 2024 were as follows:

	Year ended March 31,		
	2023	2024	2024
		(Unit: million yen)	
		(Unit: million US dollars)	
Land	2,394	6,055	39
Buildings	2,154	480	3
Leased assets	—	3	0
Other tangible fixed assets	1	2	0
Other assets	—	1	0
Total	4,550	6,543	43

3. Losses on Disposal of Fixed Assets

Details of losses on disposal of fixed assets for the fiscal years ended March 31, 2023 and 2024 were as follows:

	Year ended March 31,		
	2023	2024	2024
		(Unit: million yen)	
		(Unit: million US dollars)	
Land	2,463	1,491	9
Buildings	2,443	3,999	26
Leased assets	31	25	0
Other tangible fixed assets	109	71	0
Software	315	312	2
Other intangible fixed assets	—	166	1
Other assets	198	456	3
Total	5,562	6,523	43

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, 2023 and 2024 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, 2023 were as follows:

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

Impairment losses by asset group for the fiscal year ended March 31, 2024 were as follows:

Asset Group	Place	Number	Impairment Losses					
			Land	Buildings	Total	Land	Buildings	Total
			(Unit: million yen)			(Unit: million US dollars)		
Real estate not in use	Chiyoda-ku, Tokyo Prefecture and others	16	4,083	1,243	5,307	26	8	35

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 2.00% and 1.89% for the years ended March 31, 2023 and 2024, 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,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Net unrealized gains (losses) on securities, net of tax			
Amount incurred during the year	(2,160,984)	1,498,034	9,893
Amount reclassified	(6,536)	(133,397)	(881)
Before tax adjustment	(2,167,520)	1,364,636	9,012
Tax effect	515,754	(373,610)	(2,467)
Net unrealized gains (losses) on securities, net of tax	(1,651,766)	991,026	6,545
Deferred hedge gains (losses)			
Amount incurred during the year	(26,836)	(91,512)	(604)
Amount reclassified	9,344	1,859	12
Amount adjusted for asset acquisition cost	(13,907)	—	—
Before tax adjustment	(31,399)	(89,653)	(592)
Tax effect	9,510	25,028	165
Deferred hedge gains (losses)	(21,888)	(64,624)	(426)
Foreign currency translation adjustments			
Amount incurred during the year	142,589	92,740	612
Amount reclassified	—	—	—
Before tax adjustment	142,589	92,740	612
Tax effect	—	—	—
Foreign currency translation adjustments	142,589	92,740	612
Remeasurements of defined benefit plans, net of tax			
Amount incurred during the year	10,228	139,314	920
Amount reclassified	9,955	(7,991)	(52)
Before tax adjustment	20,184	131,322	867
Tax effect	(5,608)	(36,681)	(242)
Remeasurements of defined benefit plans, net of tax	14,575	94,641	625
Net unrealized gains (losses) on total policy reserves and other reserves of foreign subsidiaries, net of tax			
Amount incurred during the year	2,104	(17,864)	(117)
Amount reclassified	—	—	—
Before tax adjustment	2,104	(17,864)	(117)
Tax effect	—	—	—
Net unrealized gains (losses) on total policy reserves and other reserves of foreign subsidiaries, net of tax	2,104	(17,864)	(117)
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method			
Amount incurred during the year	(3,151)	8,838	58
Amount reclassified	(216)	(334)	(2)
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	(3,368)	8,504	56
Total other comprehensive income	(1,517,753)	1,104,423	7,294

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

1. For the Year Ended March 31, 2023

(1) Type and Number of Shares Outstanding				
	Year ended March 31, 2023			
	At the beginning	Increase during	Decrease during	At the end
	of the year	the year	the year	of the year
	(Unit: thousands of shares)			
Common stock ⁽¹⁾⁽³⁾	1,031,348	121	41,581	989,888
Treasury stock ⁽²⁾⁽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

(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
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.

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
Dividends per share	¥86
Record date	March 31, 2023
Effective date	June 27, 2023
Dividend resource	Retained earnings

(*) Total dividends did not include ¥332 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, 2024

(1) Type and Number of Shares Outstanding

	Year ended March 31, 2024			
	At the beginning	Increase during	Decrease during	At the end
	of the year	the year	the year	of the year
	(Unit: thousands of shares)			
Common stock ⁽¹⁾⁽³⁾	989,888	81	37,298	952,672
Treasury stock ⁽²⁾⁽⁴⁾⁽⁵⁾	6,699	38,295	37,494	7,500

(*1) The increase of 81 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, 2024, includes 3,862 thousand shares and 3,807 thousand shares held by the trust fund through the J-ESOP, respectively.
(*3) The decrease of 37,298 thousand shares of outstanding common stock was due to the cancellation of treasury stock.
(*4) The increase of 38,295 thousand shares of treasury stock was due to the purchase of treasury stock of 38,291 thousand shares and the acquisition of restricted stock without consideration of 3 thousand shares.
(*5) The decrease of 37,494 thousand shares of treasury stock represents the sum of (1) 141 thousand shares due to the exercise of stock acquisition rights (stock options), (2) 55 thousand shares granted to eligible employees at retirement by the J-ESOP, and (3) 37,298 thousand shares due to the cancellation of treasury stock.

(2) Stock acquisition rights

Issuer	Details	Balance as of March 31, 2024 (Unit: million yen)
The Company	Stock acquisition rights in the form of stock options	302(US\$1 million)

(3) Dividends on Common Stock

a) Dividends paid during the fiscal year ended 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\$558 million)
Dividends per share	¥86 (US\$0.56)
Record date	March 31, 2023
Effective date	June 27, 2023
Dividend resource	Retained earnings

(*) Total dividends did not include ¥332 million (US\$ 2million) 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, 2024, to be paid out in the year ending March 31, 2025

Date of resolution	June 24, 2024 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends(*)	¥106,804 million (US\$705 million)
Dividends per share	¥113 (US\$0.74)
Record date	March 31, 2024
Effective date	June 25, 2024
Dividend resource	Retained earnings

(*) Total dividends did not include ¥430 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

	As of March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Cash and deposits	1,619,087	2,064,416	13,634
Call loans	966,900	719,300	4,750
Receivables under resale agreements	–	58,136	383
Securities	46,711,704	51,781,703	341,996
Term deposits exceeding three months and others	(68,702)	(70,083)	(462)
Securities other than cash equivalents	(46,711,704)	(51,781,103)	(341,992)
Cash and cash equivalents	2,517,285	2,772,370	18,310

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:

Effective the fiscal year ended March 31 2024, the Group has determined a provisional accounting method pertaining to business combination. The change in accounting policy has been applied retrospectively as presented in Change in Accounting Policy and the new accounting policy was reflected in the consolidated financial statements for the previous fiscal year ended March 31, 2023.

	The fiscal year ended March 31, 2023	
	(Unit: million yen)	(Unit: million US dollars)
Assets	409,574	2,705
Cash and deposits	17,259	113
Liabilities	(323,668)	(2,137)
Policy reserves and others	(297,473)	(1,964)
Acquisition costs of subsidiary shares	85,905	567
Cash and cash equivalents of subsidiary	(17,259)	(113)
Difference: Expenditures for acquisition of shares of subsidiary	68,645	453

	The fiscal year ended March 31, 2023	
	(Unit: million yen)	(Unit: million US dollars)
Assets	130,539	862
Cash and deposits	23,855	157
Goodwill	18,451	121
Liabilities	(62,948)	(415)
Policy reserves and others	(24,988)	(165)
Acquisition costs of subsidiary shares	86,042	568
Cash and cash equivalents of subsidiary	(4,048)	(26)
Difference: Expenditures for acquisition of shares of subsidiary	81,994	541

	The fiscal year ended March 31, 2023	
	(Unit: million yen)	(Unit: million US dollars)
Assets	50,370	332
Cash and deposits	13,986	92
Goodwill	15,990	105
Liabilities	(27,343)	(180)
Policy reserves and others	(17,027)	(112)
Acquisition costs of subsidiary shares	39,015	257
Cash and cash equivalents of subsidiary	(13,986)	(92)
Difference: Expenditures for acquisition of shares of subsidiary	25,029	165

VIII. LEASE TRANSACTIONS

1. Finance Leases (As Lessee)

For the fiscal years ended March 31, 2023 and 2024, 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, 2023 and 2024 were as follows:

	As of March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Due within one year	3,147	2,717	17
Due after one year	20,163	25,773	170
Total	23,310	28,490	188

	As of March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Due within one year	484	623	4
Due after one year	12,159	12,852	84
Total	12,644	13,475	88

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.

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" (Industry-specific Committee Practical Guidelines No. 26 issued by JICPA), 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 hedge foreign currency risks associated with bonds. 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, 2023 and 2024 were as follows.

	As of March 31, 2023		
	Carrying amount	Fair value	Gains (losses)
	(Unit: million yen)		
(1) Monetary claims bought	246,105	246,105	—
(2) Money held in trust	911,246	911,246	—
(3) Securities ^{(※2)(※3)}			
a. Trading securities	5,788,023	5,788,023	—
b. Held-to-maturity bonds	148,240	145,192	(3,047)
c. Policy-reserve-matching bonds	19,265,186	19,591,271	326,084
d. Stocks of subsidiaries and affiliated companies	1,368	1,368	—
e. Available-for-sale securities	20,560,545	20,560,545	—
(4) Loans	4,348,495		
Reserves for possible loan losses ^(※4)	(14,742)		
	4,333,752	4,182,038	(151,714)
Total assets	51,254,471	51,425,793	171,322
(1) Bonds payable	906,612	840,698	(65,913)
(2) Long-term borrowings	657,759	653,772	(3,986)
Total liabilities	1,564,371	1,494,471	(69,900)
Derivative transactions ^(※5)			
a. Hedge accounting not applied	25,094	25,094	—
b. Hedge accounting applied	[100,575]	[99,318]	1,257
Total derivative transactions	[75,481]	[74,223]	1,257

(※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)		
Stocks and other securities without market prices ^(*) (^(*))		181,754
Ownership stakes in partnerships, etc. ^(*) (^(*))		766,583
^(*) 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 issued on June 17, 2021). ^(*) 3) Impairment loss of ¥780 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.		

As of March 31, 2024						
	Carrying amount	Fair value	Gains (losses)	Carrying amount	Fair value	Gains (losses)
	(Unit: million yen)			(Unit: million US dollars)		
(1) Monetary claims bought	226,450	226,450	-	1,495	1,495	-
(2) Money held in trust	888,720	888,720	-	5,869	5,869	-
(3) Securities(※2) (※3)						
a. Trading securities	7,367,280	7,367,280	-	48,657	48,657	-
b. Held-to-maturity bonds	111,391	106,581	(4,809)	735	703	(31)
c. Policy-reserve-matching bonds	20,471,469	19,610,247	(861,222)	135,205	129,517	(5,688)
d. Stocks of subsidiaries and affiliated companies	137,061	134,922	(2,139)	905	891	(14)
e. Available-for-sale securities	22,471,672	22,471,672	-	148,416	148,416	-
(4) Loans	4,719,209			31,168		
Reserves for possible loan losses (※4)	(20,548)			(135)		
	4,698,660	4,547,323	(151,336)	31,032	30,033	(999)
Total assets	56,372,708	55,353,200	(1,019,507)	372,318	365,584	(6,733)
(1) Bonds payable	922,198	874,584	(47,613)	6,090	5,776	(314)
(2)Payables under repurchase agreements	1,360,914	1,360,793	(121)	8,988	8,987	(0)
(3) Long-term borrowings	862,409	865,092	2,683	5,695	5,713	17
Total liabilities	3,145,523	3,100,470	(45,052)	20,774	20,477	(297)
Derivative transactions (※5)						
a. Hedge accounting not applied	3,749	3,749	-	24	24	-
b. Hedge accounting applied	[162,700]	[161,499]	1,200	[1,074]	[1,066]	7
Total derivative transactions	[158,950]	[157,750]	1,200	[1,049]	[1,041]	7

(※1) Cash and deposits, call loans, receivables under resale agreements, and short-term bonds payable 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 31,2024		
Carrying amount		
	(Unit: million yen)	(Unit: million US dollars)
Stocks and other securities without market prices ^(*) (^(*))	211,592	1,397
Ownership stakes in partnerships, etc. ^(*) (^(*))	1,011,233	6,678
^(*) 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 ¥1,888 million (US\$12 million) was recognized in the fiscal year ended March 31, 2024. ^(*) 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, 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

(*) Loans for which interest or principal payments cannot be forecasted, such as credit to bankrupt obligors, substantially bankrupt obligors and obligors at risk of bankruptcy, amounted to ¥86 million were not included. Also, ¥539,742 million of loans without maturities were not included.

As of March 31, 2024				
	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	2,054,906	8,566	808	141
Call loans	719,300	-	-	-
Receivables under resale agreements	58,136	-	-	-
Monetary claims bought	4,155	51,137	30,998	141,858
Securities:				
Held-to-maturity bonds (bonds)	4,900	49,300	16,100	34,400
Held-to-maturity bonds (foreign securities)	800	5,054	1,000	-
Policy-reserve-matching bonds (bonds)	82,460	823,630	2,382,505	14,085,449
Policy-reserve-matching bonds (foreign securities)	58,325	1,015,329	855,248	1,441,853
Available-for-sale securities with maturities (bonds)	214,637	1,052,726	568,883	661,324
Available-for-sale securities with maturities (foreign securities)	733,890	2,924,565	3,596,844	6,942,982
Available-for-sale securities with maturities (other securities)	72,893	572,572	260,700	44,767
Loans ^(*)	567,822	1,619,855	1,025,332	957,333

As of March 31, 2024				
	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	13,571	56	5	0
Call loans	4,750	—	—	—
Receivables under resale agreements	383	—	—	—
Monetary claims bought	27	337	204	936
Securities:				
Held-to-maturity bonds (bonds)	32	325	106	227
Held-to-maturity bonds(foreign securities)	5	33	6	—
Policy-reserve-matching bonds (bonds)	544	5,439	15,735	93,028
Policy-reserve-matching bonds (foreign securities)	385	6,705	5,648	9,522
Available-for-sale securities with maturities (bonds)	1,417	6,952	3,757	4,367
Available-for-sale securities with maturities (foreign securities)	4,847	19,315	23,755	45,855
Available-for-sale securities with maturities (other securities)	481	3,781	1,721	295
Loans ^(*)	3,750	10,698	6,771	6,322

(*) 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 million) were not included. Also, ¥545,957 million (US\$3,605 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, 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 ^(*)	43,062	—	—	7,170	—	211,088
Payables under repurchase agreements	432,210	—	—	—	—	—
Long term borrowings ^(*)	8,190	16,008	37,339	329,812	23	21,551

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

As of March 31, 2024						
	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 ^(*)	53,186	-	7,893	-	56,732	168,879
Payables under repurchase agreements	1,360,914	-	-	-	-	-
Long term borrowings ^(*)	17,536	40,989	335,258	-	103,666	120,000

As of March 31, 2024						
	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 ^(*)	351	—	52	—	374	1,115
Payables under repurchase agreements	8,988	—	—	—	—	—
Long term borrowings ^(*)	115	270	2,214	—	684	792

(*)1) ¥678,715 million (US\$4,482 million) of bonds payable without maturities were not included.
(*)2) ¥245,000 million (US\$1,618 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, 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

(*) 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. 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.

As of March 31, 2024	Fair value			
	Level 1	Level 2	Level 3	Total
	(Unit: million yen)			
Monetary claims bought	-	-	226,450	226,450
Money held in trust	584,966	303,753	-	888,720
Securities(*)				
Trading securities	3,115,525	4,167,652	84,102	7,367,280
Available-for-sale securities				
Government bonds	1,054,218	-	-	1,054,218
Local government bonds	-	30,704	-	30,704
Corporate bonds	-	1,737,530	8,909	1,746,439
Domestic stocks	3,989,223	23	-	3,989,247
Foreign bonds	388,756	12,327,769	479,252	13,195,778
Other foreign securities	852,580	411,638	51,608	1,315,827
Other securities	5,985	1,033,177	34,892	1,074,055
Derivative transactions				
Currency-related	-	81,688	-	81,688
Interest-related	-	16,593	-	16,593
Stock-related	5,518	130,370	-	135,888
Bond-related	4,418	7,431	-	11,850
Others	-	1,101	75,640	76,742
Total assets	10,001,193	20,249,436	960,856	31,211,486
Corporate bonds	-	7,818	-	7,818
Payables under repurchase agreements	-	277,402	-	277,402
Long-term borrowings	-	81,632	-	81,632
Derivative transactions				
Currency-related	471	155,240	-	155,712
Interest-related	-	48,157	-	48,157
Stock-related	797	96,517	-	97,314
Bond-related	3,909	1,995	-	5,904
Others	-	-	174,624	174,624
Total liabilities	5,178	668,765	174,624	848,568

As of March 31, 2024	Fair value			
	Level 1	Level 2	Level 3	Total
	(Unit: million US dollars)			
Monetary claims bought	—	—	1,495	1,495
Money held in trust	3,863	2,006	—	5,869
Securities(*)				
Trading securities	20,576	27,525	555	48,657
Available-for-sale securities				
Government bonds	6,962	—	—	6,962
Local government bonds	—	202	—	202
Corporate bonds	—	11,475	58	11,534
Domestic stocks	26,347	0	—	26,347
Foreign bonds	2,567	81,419	3,165	87,152
Other foreign securities	5,630	2,718	340	8,690
Other securities	39	6,823	230	7,093
Derivative transactions				
Currency-related	—	539	—	539
Interest-related	—	109	—	109
Stock-related	36	861	—	897
Bond-related	29	49	—	78
Others	—	7	499	506
Total assets	66,053	133,739	6,346	206,138
Corporate bonds	—	51	—	51
Payables under repurchase agreements	—	1,832	—	1,832
Long-term borrowings	—	539	—	539
Derivative transactions				
Currency-related	3	1,025	—	1,028
Interest-related	—	318	—	318
Stock-related	5	637	—	642
Bond-related	25	13	—	38
Others	—	—	1,153	1,153
Total liabilities	34	4,416	1,153	5,604

(*) 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 ¥65,401 million(US\$431 million). Reconciliation between the beginning and ending balance and breakdown of restriction on cancellation as of March 31, 2024 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, 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	—	—	4,182,038	4,182,038
Total assets	15,528,397	4,207,027	4,184,446	23,919,871
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, 2024	Fair value			
	Level 1	Level 2	Level 3	Total
	(Unit: million yen)			
Securities				
Held-to-maturity bonds				
Government bonds	5,584	-	-	5,584
Corporate bonds	-	94,166	-	94,166
Foreign bonds	-	4,966	1,863	6,830
Policy-reserve-matching bonds				
Government bonds	15,055,200	-	-	15,055,200
Local government bonds	-	120,385	-	120,385
Corporate bonds	-	1,363,025	-	1,363,025
Foreign bonds	348,527	2,720,843	2,265	3,071,635
Stocks of subsidiaries and affiliated companies	128,448	5,361	1,112	134,922
Loans	-	-	4,547,323	4,547,323
Total assets	15,537,762	4,308,748	4,552,564	24,399,075
Bonds payable	-	854,759	12,006	866,765
Payables under repurchase agreements	-	1,083,390	-	1,083,390
Long-term borrowings	-	-	783,460	783,460
Total liabilities	-	1,938,150	795,466	2,733,616

As of March 31, 2024	Fair value			
	Level 1	Level 2	Level 3	Total
	(Unit: million US dollars)			
Securities				
Held-to-maturity bonds				
Government bonds	36	—	—	36
Corporate bonds	—	621	—	621
Foreign bonds	—	32	12	45
Policy-reserve-matching bonds				
Government bonds	99,433	—	—	99,433
Local government bonds	—	795	—	795
Corporate bonds	—	9,002	—	9,002
Foreign bonds	2,301	17,970	14	20,286
Stocks of subsidiaries and affiliated companies	848	35	7	891
Loans	—	—	30,033	30,033
Total assets	102,620	28,457	30,067	161,145
Bonds payable	—	5,645	79	5,724
Payables under repurchase agreements	—	7,155	—	7,155
Long-term borrowings	—	—	5,174	5,174
Total liabilities	—	12,800	5,253	18,054

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.

Payables under repurchase agreements

The fair value of payables under repurchase agreements is calculated by discounting future cash flows at a discount rate using an interest rate based on the remaining maturity and is classified into Level 2.

Payables under repurchase agreements with short repayment terms are deemed to have a fair value close to book value. Therefore, their book value is recorded as the fair value, and their fair value is classified into Level 2.

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, 2023	Valuation method	Significant unobservable input	Range
Securities			
Trading securities	Discounted cash flow	Discount rate Paydown rate	0.76% to 4.60% 15.52% to 18.62%
Available-for-sale securities			
Foreign bonds	Discounted cash flow	Discount rate Paydown rate	0.43% to 4.80% 15.52% to 18.62%
Derivative transactions			
Other (Embedded derivatives)	Actuarial cash flow model	Mortality Lapse Withdrawal rate	Disclosed mortality that takes into account assumptions. Lapse based on the policy period, etc. Withdrawal rates that take into account assumptions for the minimum amount of withdrawals, etc.
As of March 31, 2024	Valuation method	Significant unobservable input	Range
Securities			
Trading Securities	Discounted cash flow	Discount rate Paydown rate	1.10% - 7.00% 15.20% - 19.80%
Available-for-sale securities			
Foreign bonds	Discount cash flow	Discount rate Paydown rate	0.91% - 7.00% 15.20% - 19.80%
Derivative transactions			
Other (Embedded derivatives)	Actuarial cash flow model	Mortality Lapse Withdrawal rate	Disclosed mortality that takes into account assumptions Lapse based on the policy period, etc. 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

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)					
(Unit: million yen)								
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

(*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. The transfer was recognized 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 recognized at the end of fiscal year ended March 31, 2023.

As of March 31, 2024	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)					
(Unit: million yen)								
Monetary claims bought	246,105	(58)	(634)	(18,962)	-	-	226,450	-
Securities								
Trading securities	52,968	937	3,173	27,023	-	-	84,102	21
Available-for-sale securities								
Corporate bonds	10,001	624	(139)	(1,577)	-	-	8,909	1,839
Foreign bonds	430,378	7,462	31,486	6,282	5,056	(1,414)	479,252	17,090
Other foreign securities	46,145	242	(3,202)	8,422	-	-	51,608	-
Other securities	32,240	-	651	1,999	-	-	34,892	-
Derivative transactions								
Other (Embedded derivatives)	(56,581)	-	(42,401)	-	-	-	(98,983)	(38,509)

As of March 31, 2024	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)					

(Unit: million US dollars)

Monetary claims bought	1,625	(0)	(4)	(125)	—	—	1,495	—
Securities								
Trading securities	349	6	20	178	—	—	555	0
Available-for-sale securities								
Corporate bonds	66	4	(0)	(10)	—	—	58	12
Foreign bonds	2,842	49	207	41	33	(9)	3,165	112
Other foreign securities	304	1	(21)	55	—	—	340	—
Other securities	212	—	4	13	—	—	230	—
Derivative transactions								
Other (Embedded derivatives)	(373)	—	(280)	—	—	—	(653)	(254)

(*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. The transfer was recognized at the end of fiscal year ended March 31, 2024.

(*4) Transfer from Level 3 to Level 2 due to the availability of observable inputs.The transfer was recognized at the end of fiscal year ended March 31, 2024.

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,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Gains (losses) on valuation of trading securities	(740,909)	386,761	2,554

2. Held-to-maturity Bonds

As of March 31, 2023			
	Carrying amount	Fair value	Unrealized gains (losses)
(Unit: million yen)			
Held-to-maturity securities with unrealized gains:			
(1) Bonds	55,840	56,174	334
a. Government bonds	50,835	51,151	315
b. Local government bonds	—	—	—
c. Corporate bonds	5,005	5,023	18
(2) Foreign securities	1,500	1,501	1
a. Foreign bonds	1,500	1,501	1
Subtotal	57,340	57,676	335
Held-to-maturity securities with unrealized losses:			
(1) Bonds	83,118	79,769	(3,349)
a. Government bonds	3,084	3,028	(56)
b. Local government bonds	—	—	—
c. Corporate bonds	80,033	76,740	(3,292)
(2) Foreign securities	7,781	7,747	(34)
a. Foreign bonds	7,781	7,747	(34)
Subtotal	90,900	87,516	(3,383)
Total	148,240	145,192	(3,047)

	As of March 31, 2024					
	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	4,454	4,480	25	29	29	0
a. Government bonds	—	—	—	—	—	—
b. Local government bonds	—	—	—	—	—	—
c. Corporate bonds	4,454	4,480	25	29	29	0
(2) Foreign securities	—	—	—	—	—	—
a. Foreign bonds	—	—	—	—	—	—
Subtotal	4,454	4,480	25	29	29	0
Held-to-maturity securities with unrealized losses:						
(1) Bonds	100,070	95,271	(4,799)	660	629	(31)
a. Government bonds	6,102	5,584	(517)	40	36	(3)
b. Local government bonds	—	—	—	—	—	—
c. Corporate bonds	93,968	89,686	(4,282)	620	592	(28)
(2) Foreign securities	6,866	6,830	(36)	45	45	(0)
a. Foreign bonds	6,866	6,830	(36)	45	45	(0)
Subtotal	106,937	102,101	(4,835)	706	674	(31)
Total	111,391	106,581	(4,809)	735	703	(31)

3. Policy-reserve-matching Bonds

As of March 31, 2023			
	Carrying amount	Fair value	Unrealized gains (losses)
(Unit: million yen)			
Policy-reserve-matching bonds with unrealized gains:			
(1) Bonds	9,449,766	10,777,210	1,327,444
a. Government bonds	9,028,369	10,329,614	1,301,245
b. Local government bonds	57,999	65,113	7,114
c. Corporate bonds	363,398	382,482	19,084
(2) Foreign Securities	376,516	385,372	8,856
a. Foreign bonds	376,516	385,372	8,856
Subtotal	9,826,283	11,162,583	1,336,300
Policy-reserve-matching bonds with unrealized losses:			
(1) Bonds	6,806,811	6,011,485	(795,326)
a. Government bonds	5,608,614	4,907,328	(701,286)
b. Local government bonds	77,891	72,017	(5,874)
c. Corporate bonds	1,120,305	1,032,139	(88,165)
(2) Foreign Securities	2,632,092	2,417,202	(214,889)
a. Foreign bonds	2,632,092	2,417,202	(214,889)
Subtotal	9,438,903	8,428,687	(1,010,215)
Total	19,265,186	19,591,271	326,084

As of March 31, 2024						
	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	8,000,753	8,823,827	823,074	52,841	58,277	5,436
a. Government bonds	7,650,010	8,457,796	807,786	50,525	55,860	5,335
b. Local government bonds	50,783	54,681	3,898	335	361	25
c. Corporate bonds	299,960	311,350	11,389	1,981	2,056	75
(2) Foreign securities	385,190	392,195	7,005	2,544	2,590	46
a. Foreign bonds	385,190	392,195	7,005	2,544	2,590	46
Subtotal	8,385,944	9,216,023	830,079	55,385	60,867	5,482
Policy-reserve-matching bonds with unrealized losses:						
(1) Bonds	9,140,481	7,714,783	(1,425,697)	60,369	50,952	(9,416)
a. Government bonds	7,911,379	6,597,404	(1,313,975)	52,251	43,573	(8,678)
b. Local government bonds	75,562	65,703	(9,858)	499	433	(65)
c. Corporate bonds	1,153,539	1,051,675	(101,863)	7,618	6,945	(672)
(2) Foreign securities	2,945,044	2,679,440	(265,603)	19,450	17,696	(1,754)
a. Foreign bonds	2,945,044	2,679,440	(265,603)	19,450	17,696	(1,754)
Subtotal	12,085,525	10,394,224	(1,691,301)	79,819	68,649	(11,170)
Total	20,471,469	19,610,247	(861,222)	135,205	129,517	(5,688)

4. Available-for-sale Securities

As of March 31, 2023			
	Carrying amount	Acquisition cost	Unrealized gains (losses)
(Unit: million yen)			
Available-for-sale securities with unrealized gains:			
(1) Bonds	1,624,370	1,483,752	140,618
a. Government bonds	1,053,246	947,271	105,975
b. Local government bonds	23,267	21,390	1,877
c. Corporate bonds	547,856	515,090	32,766
(2) Domestic stocks	3,045,443	1,080,409	1,965,033
(3) Foreign securities	3,348,759	2,978,982	369,777
a. Foreign bonds	2,754,085	2,519,450	234,634
b. Other foreign securities	594,674	459,531	135,142
(4) Other securities	323,249	297,571	25,678
Subtotal	8,341,823	5,840,715	2,501,107
Available-for-sale securities with unrealized losses:			
(1) Bonds	981,739	1,002,398	(20,658)
a. Government bonds	67,885	73,349	(5,463)
b. Local government bonds	4,882	4,904	(22)
c. Corporate bonds	908,971	924,144	(15,172)
(2) Domestic stocks	116,780	134,535	(17,755)
(3) Foreign securities	10,804,802	12,437,610	(1,632,807)
a. Foreign bonds	10,295,281	11,871,092	(1,575,810)
b. Other foreign securities	509,521	566,517	(56,996)
(4) Other securities	634,182	653,666	(19,483)
Subtotal	12,537,505	14,228,210	(1,690,705)
Total	20,879,328	20,068,926	810,402

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 and ¥72,677 million, respectively, as of March 31, 2023. The aggregate acquisition cost and carrying amount of trust beneficiary rights were ¥247,281 million and ¥246,105 million, respectively, as of March 31, 2023.

As of March 31, 2024						
	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	1,654,846	1,523,599	131,246	10,929	10,062	866
a. Government bonds	857,469	791,771	65,697	5,663	5,229	433
b. Local government bonds	24,050	20,958	3,091	158	138	20
c. Corporate bonds	773,326	710,869	62,457	5,107	4,694	412
(2) Domestic stocks	3,964,576	1,116,287	2,848,288	26,184	7,372	18,811
(3) Foreign securities	4,911,716	4,335,776	575,940	32,439	28,635	3,803
a. Foreign bonds	4,181,022	3,832,461	348,561	27,613	25,311	2,302
b. Other foreign securities	730,694	503,315	227,379	4,825	3,324	1,501
(4) Other securities	540,783	474,484	66,299	3,571	3,133	437
Subtotal	11,071,923	7,450,148	3,621,775	73,125	49,205	23,920
Available-for-sale securities with unrealized losses:						
(1) Bonds	1,176,516	1,207,875	(31,358)	7,770	7,977	(207)
a. Government bonds	196,749	212,424	(15,675)	1,299	1,402	(103)
b. Local government bonds	6,654	6,703	(48)	43	44	(0)
c. Corporate bonds	973,112	988,746	(15,634)	6,426	6,530	(103)
(2) Domestic stocks	24,671	29,028	(4,357)	162	191	(28)
(3) Foreign securities	9,665,289	10,928,208	(1,262,918)	63,835	72,176	(8,341)
a. Foreign bonds	9,057,745	10,288,153	(1,230,408)	59,822	67,948	(8,126)
b. Other foreign securities	607,544	640,054	(32,509)	4,012	4,227	(214)
(4) Other securities	852,467	881,163	(28,696)	5,630	5,819	(189)
Subtotal	11,718,945	13,046,275	(1,327,330)	77,398	86,165	(8,766)
Total	22,790,868	20,496,423	2,294,444	150,524	135,370	15,153

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 ¥92,751 million (US\$612 million) and ¥92,745 million (US\$612 million), respectively, as of March 31, 2024. The aggregate acquisition cost and carrying amount of trust beneficiary rights were ¥228,260 million (US\$1,507 million) and ¥226,450 million (US\$1,495 million), respectively, as of March 31, 2024.

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, 2023 and 2024.

6. **Policy-reserve-matching Bonds Sold**

Policy-reserve-matching bonds sold during the fiscal years ended March 31, 2023 and 2024 were as follows:

Year ended March 31, 2023			
	Amounts sold	Realized gains	Realized losses
	(Unit: million yen)		
(1) Bonds	824,090	71,292	1,997
a. Government bonds	754,274	70,639	330
b. Local government bonds	3,471	118	14
c. Corporate bonds	66,344	534	1,652
(2) Foreign securities	442,523	273	38,565
a. Foreign bonds	442,523	273	38,565
b. Other foreign securities	—	—	—
Total	1,266,614	71,565	40,562

Year ended March 31, 2024						
	Amounts sold	Realized gains	Realized losses	Amounts sold	Realized gains	Realized losses
	(Unit: million yen)			(Unit: million US dollars)		
(1) Bonds	764,817	39,792	47,114	5,051	262	311
a. Government bonds	643,269	39,117	25,829	4,248	258	170
b. Local government bonds	—	—	—	-	-	-
c. Corporate bonds	121,547	674	21,285	802	4	140
(2) Foreign securities	435,169	678	40,672	2,874	4	268
a. Foreign bonds	435,169	678	40,672	2,874	4	268
b. Other foreign securities	—	—	—	-	-	-
Total	1,199,986	40,471	87,787	7,925	267	579

7. Available-for-sale Securities Sold

Available-for-sale securities sold during the fiscal years ended March 31, 2023 and 2024 were as follows:

Year ended March 31, 2023						
	Amounts sold	Realized gains	Realized losses			
	(Unit: million yen)					
(1) Bonds	1,596,530	118,704	25,967			
a. Government bonds	955,692	115,957	302			
b. Local government bonds	—	—	—			
c. Corporate bonds	640,837	2,747	25,664			
(2) Domestic stocks	265,715	143,065	5,127			
(3) Foreign securities	5,954,794	234,892	431,598			
a. Foreign bonds	5,468,350	153,886	407,571			
b. Other foreign securities	486,444	81,006	24,026			
(4) Other securities	277,663	3,560	13,323			
Total	8,094,704	500,223	476,016			

Year ended March 31, 2024						
	Amounts sold	Realized gains	Realized losses	Amounts sold	Realized gains	Realized losses
	(Unit: million yen)			(Unit: million US dollars)		
(1) Bonds	678,524	938	6,972	4,481	6	46
a. Government bonds	158,756	—	1,268	1,048	-	8
b. Local government bonds	4,745	9	68	31	0	0
c. Corporate bonds	515,023	929	5,634	3,401	6	37
(2) Domestic Stocks	393,018	218,249	5,734	2,595	1,441	37
(3) Foreign securities	3,834,006	172,853	210,188	25,322	1,141	1,388
a. Foreign bonds	3,162,246	95,885	173,287	20,885	633	1,144
b. Other foreign securities	671,760	76,968	36,901	4,436	508	243
(4) Other securities	276,251	2,309	45,929	1,824	15	303
Total	5,181,801	394,350	268,825	34,223	2,604	1,775

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, 2023 and 2024 were ¥20,970 million and ¥5,978 million (US\$39 million), respectively.

XI. MONEY HELD IN TRUST

1. Money Held in Trust for Trading

	As of March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Carrying amount on the consolidated balance sheet	911,246	838,627	5,538
Gains (losses) on valuation of money held in trust	(2,999)	17,027	112

2. Other Money Held in Trust (other than Money Held in Trust for Trading, Held-to-Maturity, and Policy-Reserve-Matching)

	As of March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Carrying amount on the consolidated balance sheet	-	50,092	330
Acquisition cost	-	49,073	324
Unrealized gains(losses)	-	1,018	6
Other Money Held in Trust with unrealized gains	-	1,018	6
Other Money Held in Trust with unrealized losses	-	-	-

XII. DERIVATIVE TRANSACTIONS

1. Derivative Transactions (Hedge Accounting Not Applied) (1) Currency-related transactions

As of March 31, 2023				
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
(Unit: million yen)				
Exchange-traded transactions:				
Currency futures:				
Sold	20,040	—	(64)	(64)
British pound / U.S. dollar	9,216	—	176	176
Euro / U.S. dollar	7,818	—	(101)	(101)
Yen / U.S. dollar	3,005	—	(139)	(139)
Over-the-counter transactions:				
Foreign currency forward contracts:				
Sold	1,123,673	—	(10,908)	(10,908)
U.S. dollar	493,884	—	(3,904)	(3,904)
Australian dollar	268,371	—	1,669	1,669
Euro	135,072	—	(3,545)	(3,545)
British pound	125,642	—	(5,061)	(5,061)
Canadian dollar	41,635	—	0	0
Others	59,067	—	(67)	(67)
Bought	162,641	—	392	392
U.S. dollar	98,714	—	55	55
British pound	23,971	—	201	201
Euro	11,735	—	78	78
Canadian dollar	5,217	—	14	14
Australian dollar	3,846	—	7	7
Others	19,155	—	35	35
Currency swaps:				
Receipts foreign currency, payments yen	437,940	422,481	29,629	29,629
Australian dollar	355,640	340,181	18,015	18,015
U.S. dollar	82,300	82,300	11,614	11,614
Receipts yen, payments foreign currency	7,590	5,651	(1,343)	(1,343)
U.S. dollar	7,590	5,651	(1,343)	(1,343)
Receipts foreign currency, payments foreign currency	75,904	73,028	(1,071)	(1,071)
Australian dollar / U.S. dollar	60,109	59,411	(1,048)	(1,048)
Australian dollar / Euro	15,794	13,616	(23)	(23)
Currency options:				
Sold:				
Call	49,272	—		
[311]		—	115	195
U.S. dollar	49,272	—		
[311]		—	115	195
Bought				
Put	188,951	—		
[4,283]		—	1,345	(2,938)
U.S. dollar	138,564	—		
[3,109]		—	829	(2,279)
Australian dollar	50,387	—		
[1,174]		—	515	(659)
Total return swaps:				
Foreign currency index linked	111,216	80,601	9,369	9,369
Total	—	—	—	23,260

Note: 1. Figures in [] are amounts of option premiums which are included in the consolidated balance sheet.

2. Fair value for futures, 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, 2024								
	(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	23,963	—	(471)	(471)	158	—	(3)	(3)
British pound / U.S. dollar	12,717	—	(190)	(190)	83	—	(1)	(1)
Euro / U.S. dollar	7,312	—	(168)	(168)	48	—	(1)	(1)
Yen / U.S. dollar	3,932	—	(112)	(112)	25	—	(0)	(0)
Over-the-counter transactions:								
Foreign currency forward contracts:								
Sold	1,504,191	—	(26,000)	(26,000)	9,934	—	(171)	(171)
U.S. dollar	599,545	—	(10,711)	(10,711)	3,959	—	(70)	(70)
Australian dollar	385,228	—	(5,898)	(5,898)	2,544	—	(38)	(38)
Euro	238,206	—	(4,407)	(4,407)	1,573	—	(29)	(29)
British pound	195,199	—	(3,951)	(3,951)	1,289	—	(26)	(26)
Canadian dollar	59,543	—	(1,078)	(1,078)	393	—	(7)	(7)
Others	26,468	—	47	47	174	—	0	0
Bought	386,845	—	(1)	(1)	2,554	—	(0)	(0)
U.S. dollar	220,430	—	(12)	(12)	1,455	—	(0)	(0)
Euro	53,646	—	(123)	(123)	354	—	(0)	(0)
British pound	42,757	—	3	3	282	—	0	0
Australian dollar	25,934	—	88	88	171	—	0	0
Canadian dollar	19,281	—	82	82	127	—	0	0
Others	24,794	—	(40)	(40)	163	—	(0)	(0)
Currency swaps:								
Receipts foreign currency, payments yen	361,538	333,986	55,895	55,895	2,387	2,205	369	369
Australian dollar	325,538	310,486	43,319	43,319	2,150	2,050	286	286
U.S. dollar	36,000	23,500	12,575	12,575	237	155	83	83
Receipts yen, payments foreign currency	5,651	3,005	(2,049)	(2,049)	37	19	(13)	(13)
U.S. dollar	5,651	3,005	(2,049)	(2,049)	37	19	(13)	(13)
Receipts foreign currency, payments foreign currency	168,626	168,626	(998)	(998)	1,113	1,113	(6)	(6)
Australian dollar / U.S. dollar	153,655	153,655	(964)	(964)	1,014	1,014	(6)	(6)
Australian dollar / Euro	14,970	14,970	(34)	(34)	98	98	(0)	(0)
Currency options:								
Sold:								
Call	2,788	—			18	—		
[10]		—	—	10	[0]	—	—	0
Norwegian Kroner	2,788	—	—	10	18	—	—	0
[10]		—	—	10	[0]	—	—	0
Put	2,943	—	—	—	19	—	—	—
[—]		—	—	—	[—]	—	—	—
Swedish Krona	2,943	—	—	—	19	—	—	—
[—]		—	—	—	[—]	—	—	—
Bought								
Call	5,177	—			34	—		
[43]		—	22	(20)	[0]	—	0	(0)
Norwegian Kroner	2,788	—			18	—		
[29]		—	0	(29)	[0]	—	0	(0)
Polish Zlotych	1,632	—			10	—		
[—]		—	—	—	[—]	—	—	—
U.S. dollar	757	—			4	—		
[13]		—	22	8	[0]	—	0	0
Put	194,510	—			1,284	—		
[3,577]		—	15	(3,562)	[23]	—	0	(23)
U.S. dollar	190,019	—			1,254	—		

	[3,563]	—	2	(3,561)	[23]	—	0	(23)
Swedish Krona	2,858	—			18	—		
	[—]	—	—	—	[—]	—	—	—
Euro	1,632	—			10	—		
	[14]	—	12	(1)	[0]	—	0	(0)
Total return swaps:								
Foreign currency index linked	88,617	—	17,683	17,683	585	—	116	116
Total	—	—	—	40,484	—	—	—	267

Note: 1. Figures in [] are amounts of option premiums which are included in the consolidated balance sheet.
2. Fair value for futures, forward contracts and swaps, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".

(2) Interest-related transactions

As of March 31, 2023				
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
(Unit: million yen)				
Over-the-counter transactions:				
Yen interest rate swaps:				
Receipts fixed, Payments floating	27,446	27,446	(1,232)	(1,232)
Receipts floating, Payments fixed	10,000	10,000	338	338
Yen interest rate swaptions:				
Bought:				
Receipts fixed, Payments floating	140,206 [371]	— —	75	(295)
Receipts floating, Payments fixed	1,873,766 [20,670]	635,000 [7,108]	34,028	13,358
Total	—	—	—	12,168

Note: 1. Figures in [] are amounts of option premiums which are included in the consolidated balance sheet.
2. Fair value for swaps, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".

As of March 31, 2024								
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
	(Unit: million yen)				(Unit: million US dollars)			
Over-the-counter transactions:								
Yen interest rate swaps:								
Receipts fixed, Payments floating	70,463	70,463	(2,237)	(2,237)	465	465	(14)	(14)
Receipts floating, Payments fixed	49,003	49,003	689	689	323	323	4	4
Total return swaps:								
Foreign interest rate index linked	416,377	416,377	(4)	(4)	2,749	2,749	(0)	(0)
Yen interest rate swaptions:								
Bought:								
Receipts fixed, Payments floating	21,274 [74]	— —	62	(11)	140 [0]	— —	0	(0)
Receipts floating, Payments fixed	1,584,460 [22,695]	1,180,000 [20,119]	14,507	(8,188)	10,464 [149]	7,793 [132]	95	(54)
Total	—	—	—	(9,751)	—	—	—	(64)

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

As of March 31, 2023				
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
(Unit: million yen)				
Exchange-traded transactions:				
Yen stock index futures:				
Sold	7,832	—	29	29
Bought	8,782	—	(67)	(67)
Foreign currency-denominated stock index futures:				
Sold	41,364	—	(579)	(579)
Bought	66,306	—	552	552
Yen stock index options:				
Bought:				
Put	335,865	2,452		
	[4,826]	[386]	2,636	(2,189)
Foreign currency-denominated stock index options:				
Sold:				
Call	499,892	—		
	[32,119]	—	12,776	19,343
Put	17,159	—		
	[863]	—	584	278
Bought:				
Call	474,773	—		
	[40,721]	—	17,881	(22,839)
Put	76,932	9,726		
	[3,474]	[250]	2,876	(597)
Over-the-counter transactions:				
Yen stock index options:				
Bought:				
Put	2,210	2,210		
	[727]	[727]	110	(617)
Foreign currency-denominated stock index options:				
Sold:				
Call	378,527	—		
	[27,078]	—	13,605	13,473
Put	7,260	—		
	[412]	—	305	106
Bought:				
Call	427,637	36,711		
	[36,426]	[1,662]	18,578	(17,847)
Put	89,696	39,032		
	[12,838]	[6,448]	7,835	(5,002)
Total return swaps:				
Foreign currency-denominated stock index linked	67,061	5,513	448	448
Total	—	—	—	(15,508)

Note: 1. Figures in [] are amounts of option premiums which are included in the consolidated balance sheet.

2. Fair value for futures 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, 2024

	(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	2,935	—	(24)	(24)	19	—	(0)	(0)
Bought	8,175	—	161	161	53	—	1	1
Foreign currency-denominated stock index futures:								
Sold	20,226	—	(741)	(741)	133	—	(4)	(4)
Bought	75,709	—	1,321	1,321	500	—	8	8
Yen stock index options:								
Bought:								
Put	464,297	—			3,066	—		
	[10,731]	—	3,298	(7,432)	[70]	—	21	(49)
Foreign currency-denominated stock index options:								
Sold:								
Call	464,920	—			3,070			
	[31,856]	—	53,234	(21,378)	[210]	—	351	(141)
Put	8,359	—			55	—		
	[208]	—	54	153	[1]	—	0	1
Bought:								
Call	448,532	—			2,962	—		
	[40,244]	—	64,623	24,379	[265]	—	426	161
Put	49,709	6,970			328	46		
	[1,521]	[489]	833	(687)	[10]	[3]	5	(4)
Over-the-counter transactions:								
Yen stock index options:								
Bought:								
Put	2,362	—			15	—		
	[777]	—	14	(762)	[5]	—	0	(5)
Foreign currency-denominated stock index options:								
Sold:								
Call	390,042	116			2,576	0		
	[23,299]	[2]	41,267	(17,967)	[153]	[0]	272	(118)
Put	19,290	—			127	—		
	[574]	—	115	459	[3]	—	0	3
Bought:								
Call	436,627	23,281			2,883	153		
	[37,462]	[1,035]	57,692	20,229	[247]	[6]	381	133
Put	177,599	92,608			1,172	611		
	[14,809]	[8,003]	7,381	(7,428)	[97]	[52]	48	(49)
Total return swaps:								
Foreign currency-denominated stock index linked	93,851	179	(1,575)	(1,575)	619	1	(10)	(10)
Multi Asset index futures								
Bought	35,320	—	259	259	233	—	1	1
Total	—	—	—	(11,034)	—	—	—	(72)

Note: 1. Figures in [] are amounts of option premiums which are included in the consolidated balance sheet.

2. Fair value for futures and swaps, 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, 2023				
	(A) Notional amount/ contract value	Over 1 year included in(A)	Fair value	Gains (losses)
(Unit: million yen)				
Exchange-traded transactions:				
Yen bond futures:				
Sold	34,941	—	(310)	(310)
Bought	63,695	—	1,033	1,033
Foreign currency-denominated bond futures:				
Sold	52,694	—	343	343
Bought	394,754	—	321	321
Over-the-counter transactions:				
Foreign currency-denominated bond forward contracts:				
Bought	204,873	—	(4,121)	(4,121)
Yen bond OTC options:				
Sold:				
Call	29,124	—		
	[25]	—	72	(47)
Put	95,842	—		
	[341]	—	102	239
Bought:				
Call	95,842	—		
	[296]	—	554	257
Put	29,124	—		
	[33]	—	0	(32)
Total	—	—	—	(2,315)

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, 2024								
	(A) Notional amount/ contract value	Over 1 year included in(A)	Fair value	Gains (losses)	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 bond futures:								
Bought	104,075	—	78	78	687	—	0	0
Foreign currency-denominated bond futures:								
Sold	198,978	—	(3,680)	(3,680)	1,314	—	(24)	(24)
Bought	562,556	—	4,014	4,014	3,715	—	26	26
Over-the-counter transactions:								
Foreign currency-denominated bond forward contracts:								
Sold	13,967	—	5	5	92	—	0	0
Bought	229,282	5,619	5,577	5,577	1,514	37	36	36
Yen bond OTC options:								
Sold:								
Call	74,630	—			492	—		
	[88]	—	351	(262)	(0)	—	2	(1)
Bought:								
Put	74,630	—			492	—		
	[117]	—	301	184	(0)	—	1	1
Total	—	—	—	5,916	—	—	—	39

Note: 1. Figures in [] are amounts of option premiums which are included in the consolidated balance sheet.
2. Fair value for futures and forward contracts, and differences between the option premiums paid/received and fair value of the option, are shown in "Gains (losses)".

(5) Others

As of March 31, 2023				
	(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	85,134	41,548	596	596
Bought protection	7,000	7,000	(40)	(40)
Others:				
Embedded derivatives	2,603,690	2,603,690	(56,581)	(56,581)
Total	—	—	—	(56,025)

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, 2024								
	(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	91,154	57,997	1,101	1,101	602	383	7	7
Others:								
Embedded derivatives	2,799,434	2,799,434	(98,983)	(98,983)	18,489	18,489	(653)	(653)
Total	—	—	—	(97,882)	—	—	—	(646)

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, 2023			
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value
(Unit: million yen)			
Deferral hedge:			
Currency swaps to hedge foreign currency-denominated bonds:			
Receipts yen, payments foreign			
currency	310,111	297,161	(15,273)
U.S. dollar	207,737	205,890	(11,073)
Euro	82,801	71,698	(5,074)
British pound	19,572	19,572	873
Currency swaps to hedge foreign currency risks associated with funding agreement:			
Receipts foreign currency, payments			
foreign currency	15,549	15,549	(2,018)
Norway krone / U.S. dollar	15,549	15,549	(2,018)
Fair value hedge:			
Foreign currency forward contracts to hedge foreign currency-denominated bonds:			
Sold	2,243,706	—	(57,587)
U.S. dollar	998,694	—	(42,438)
Australian dollar	640,128	—	1,316
Euro	480,482	—	(14,633)
Canadian dollar	36,023	—	(769)
British pound	34,167	—	(1,325)
Others	54,210	—	262
Bought	94,813	—	973
Euro	42,573	—	1,035
U.S. dollar	36,963	—	(26)
Canadian dollar	13,472	—	(67)
British pound	567	—	26
Australian dollar	67	—	(1)
Others	1,169	—	8
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	—	
U.S. dollar	5,000	—	
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	22,878	12,958	
Foreign currency-denominated loans:			
U.S. dollar	22,878	12,958	

As of March 31, 2024						
	(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:						
Foreign currency forward contracts to hedge foreign currency-forecasted transaction:						
Bought	33,879	—	723	223	—	4
U.S. dollar	33,879	—	723	223	—	4
Currency swaps to hedge foreign currency-denominated bonds:						
Receipts yen, payments foreign currency	755,553	724,883	(88,727)	4,990	4,787	(586)
U.S. dollar	550,187	537,205	(61,534)	3,633	3,548	(406)
Euro	172,839	155,150	(23,294)	1,141	1,024	(153)
British pound	27,215	27,215	(3,652)	179	179	(24)
Canadian dollar	4,360	4,360	(181)	28	28	(1)
Australian dollar	950	950	(63)	6	6	(0)
Currency swaps to hedge foreign currency-denominated bonds and risks associated with funding agreement:						
Receipts foreign currency, payments foreign currency	85,752	85,752	1,051	566	566	6
British pound/U.S. dollar	60,576	60,576	3,967	400	400	26
Norway krone/U.S. dollar	16,619	16,619	(2,840)	109	109	(18)
U.S. dollar/Euro	8,556	8,556	(75)	56	56	(0)
Fair value hedge:						
Foreign currency forward contracts to hedge foreign currency-denominated bonds:						
Sold	1,139,616	—	(31,173)	7,526	—	(205)
U.S. dollar	549,072	—	(16,172)	3,626	—	(106)
Australian dollar	425,188	—	(8,780)	2,808	—	(57)
Euro	136,283	—	(5,461)	900	—	(36)
British pound	11,521	—	(286)	76	—	(1)
Canadian dollar	1,834	—	(25)	12	—	(0)
Others	15,715	—	(446)	103	—	(2)
Bought	573	—	7	3	—	0
U.S. dollar	417	—	5	2	—	0
Euro	30	—	0	0	—	0
Australian dollar	29	—	(0)	0	—	(0)
British pound	7	—	0	0	—	0
Others	89	—	0	0	—	0
Foreign currency forward contracts, etc., allocated to and/or combined with corresponding hedged items:						
Foreign currency forward contracts to hedge foreign currency-denominated term deposits:						
Sold	10,001	—		66	—	
U.S. dollar	10,001	—		66	—	
Currency swaps to hedge foreign currency-denominated bonds payable and loans:						
Receipts foreign currency, payments yen	368,715	260,550		2,435	1,720	
Foreign currency-denominated bonds payable:						
U.S. dollar	368,715	260,550		2,435	1,720	
Receipts yen, payments foreign currency	10,260	10,260		67	67	
Foreign currency-denominated loans:						
U.S. dollar	10,260	10,260		67	67	

(2) Interest-related transactions

As of March 31, 2023			
	(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	710,600	710,600	(27,155)
Special hedge accounting:			
Yen interest rate swaps to hedge loans:			
Receipts fixed, payments floating	8,300	2,300	53
Yen interest rate swaps to hedge loans payable:			
Receipts floating, payments fixed	245,000	245,000	1,204

As of March 31, 2024						
	(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	(44,427)	4,693	4,693	(293)
Yen interest rate swaps to hedge loans and risks associated with funding agreement:						
Receipts floating, payments fixed	230,473	187,924	(716)	1,522	1,241	(4)
Special hedge accounting:						
Yen interest rate swaps to hedge loans:						
Receipts fixed, payments floating	2,300	2,300	30	15	15	0
Yen interest rate swaps to hedge loans payable:						
Receipts floating, payments fixed	245,000	245,000	1,169	1,618	1,618	7

(3) Interest and currency-related transactions

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

As of March 31, 2024						
	(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	7,659	7,659	561	50	50	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,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Beginning balance of the projected benefit obligations	728,888	709,968	4,689
Service cost	26,878	25,836	170
Interest cost	3,339	4,254	28
Accruals of actuarial (gains) and losses	(10,404)	(77,293)	(510)
Payment of retirement benefits	(45,326)	(38,675)	(255)
Others	6,592	4,171	27
Ending balance of the projected benefit obligation	709,968	628,261	4,149

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,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Beginning balance of pension assets	336,366	342,159	2,259
Estimated return on assets	4,490	4,346	28
Accruals of actuarial (gains) and losses	(247)	62,285	411
Contributions from the employer	8,965	15,697	103
Payment of retirement benefits	(13,449)	(10,838)	(71)
Others	6,034	2,438	16
Ending balance of pension assets	342,159	416,088	2,748

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

	Year ended March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Projected benefit obligation for funded pensions	388,213	350,940	2,317
Pension assets	(342,159)	(416,088)	(2,748)
	46,053	(65,148)	(430)
Projected benefit obligation for unfunded pensions	321,754	277,321	1,831
Net of assets and liabilities recorded in the consolidated balance sheet	367,808	212,173	1,401
Net defined benefit liabilities	367,808	212,173	1,401
Net defined benefit assets	—	—	—
Net of assets and liabilities recorded in the consolidated balance sheet	367,808	212,173	1,401

(4) Amount of the components of retirement benefit expenses

	Year ended March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Service cost	26,878	25,836	170
Interest cost	3,339	4,254	28
Expected return on assets	(4,490)	(4,346)	(28)
Expense of actuarial (gains) and losses	9,605	(8,200)	(54)
Amortization of past service cost	175	176	1
Others	218	101	0
Retirement benefit expenses for defined benefit plans	35,728	17,822	117

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,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Past service cost	172	172	1
Actuarial gains (losses)	20,011	131,149	866
Total	20,184	131,322	867

(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,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Unrecognized past service cost	1,015	842	5
Unrecognized actuarial gains (losses)	(32,819)	(163,941)	(1,082)
Total	(31,803)	(163,098)	(1,077)

(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,	
	2023	2024
Stocks	50%	53%
Bonds	22%	26%
Assets under joint management	16%	11%
Life insurance general account	3%	4%
Others	9%	6%
Total	100%	100%

Note: The proportion of retirement benefit trust that has been set for the unfunded retirement benefit plans to total pension assets as of March 31, 2023 and 2024 were 52% and 57%, 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,	
	2023	2024
Discount rate	0.30 to 5.09%	1.42 to 4.92%
Expected long-term rate of return		
Defined benefit corporate pension	1.40 to 6.75%	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, 2023 and 2024 were ¥3,217 million and ¥3,648 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 years ended March 31, 2023 and 2024 were ¥27,555million and ¥46,101 million (US\$304 million), respectively.

(1) Funding status for the entire plan

	Year ended March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Amount of pension assets	77,272	93,049	614
Total of actuarial liability for pension financing calculation and amount of minimum policy reserve	75,263	90,531	597
Difference	2,008	2,517	16

(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)
Fiscal year ended March 31, 2024: 0.19% (From April 1, 2023 to March 31, 2024)

(3) Supplementary Explanation

The main factors for the difference in (1) above are special reserve for pension financing calculation of ¥2,008 million (US\$13 million) and a surplus of ¥509 million (US\$3 million) for the fiscal year ended March 31, 2024.
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. 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
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
Class and total number (*1)	179,000 shares of common stock	110,600 shares of common stock
Grant date	August 18, 2014	August 17, 2015
Vesting conditions	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
Exercise period (*2)	From August 19, 2014 to August 18, 2044	From August 18, 2015 to August 17, 2045

	Dai-ichi Life Holdings, Inc. 1st Series of Stock Acquisition Rights	Dai-ichi Life Holdings, Inc. 2nd Series of Stock Acquisition Rights
Granted persons	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	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)	269,600 shares of common stock	215,800 shares of common stock
Grant date	October 18, 2016	August 24, 2017
Vesting conditions	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
Exercise period (*2)	From October 19, 2016 to October 18, 2046	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, 2024 and the total number of stock options is translated to the number of shares of common stock.

a) Number of the stock options (shares)

	The Dai-ichi Life Insurance Company, Limited		
	1st Series of Stock Acquisition Rights	2nd Series of Stock Acquisition Rights	3rd Series of Stock Acquisition Rights
Before vesting			
Outstanding at the end of prior fiscal year	—	—	—
Granted	—	—	—
Forfeited	—	—	—
Vested	—	—	—
Outstanding at the end of the fiscal year	—	—	—
After vesting			
Outstanding at the end of prior fiscal year	13,100	50,200	34,800
Vested	—	—	—
Exercised	13,100	32,600	19,200
Forfeited	—	—	—
Outstanding at the end of the fiscal year	—	17,600	15,600

	The Dai-ichi Life Insurance Company, Limited	
	4th Series of Stock Acquisition Rights	5th 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	37,100	29,000
Vested	—	—
Exercised	18,400	11,000
Forfeited	—	—
Outstanding at the end of the fiscal year	18,700	18,000

	Dai-ichi Life Holdings, Inc. 1st Series of Stock Acquisition Rights	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	84,100	100,500
Vested	—	—
Exercised	21,800	25,300
Forfeited	—	—
Outstanding at the end of the fiscal year	62,300	75,200

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	¥2,752 (US\$18)	¥2,668 (US\$17)	¥2,668 (US\$17)
Fair value at the grant date	¥885 (US\$5)	¥766 (US\$5)	¥1,300 (US\$8)

	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	¥2,667 (US\$17)	¥2,656 (US\$17)	¥2,655 (US\$17)
Fair value at the grant date	¥1,366 (US\$9)	¥2,318 (US\$15)	¥1,344 (US\$8)

	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	¥2,588(US\$17)
Fair value at the grant date	¥1,568 (US\$10)

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

2. Method to Estimate the Number of Stock Options Vested

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

XV. DEFERRED TAX ACCOUNTING

1. Major Components of Deferred Tax Assets and Liabilities

		As of March 31,		
		2023	2024	2024
		(Unit: million yen)		(Unit: million US dollars)
Deferred tax assets:				
Policy reserves and others		484,410	482,835	3,188
Net unrealized gains (losses) on securities		211,468	185,858	1,227
Tax losses carried forward	Note:3	196,925	185,630	1,226
Reserve for price fluctuations		85,380	90,636	598
Net defined benefits liabilities		132,496	88,759	586
Others		87,681	159,575	1,053
Subtotal of deferred tax assets		1,198,362	1,193,294	7,881
Valuation allowance on tax losses carried forward	Note:3	(28,186)	(21,922)	(144)
Valuation allowance on total deductible temporary differences		(26,329)	(88,946)	(587)
Subtotal of valuation allowance	Note:2	(54,515)	(110,869)	(732)
Total		1,143,847	1,082,425	7,148
Deferred tax liabilities:				
Net unrealized gains (losses) on securities		(574,047)	(924,333)	(6,104)
Other intangible fixed assets		(85,601)	(97,670)	(645)
Evaluation difference related to business combination		(48,636)	(36,484)	(240)
Others		(126,187)	(103,882)	(686)
Total		(834,473)	(1,162,370)	(7,676)
Net deferred tax assets (liabilities)		309,373	(79,944)	(527)

Note: 1. Effective the fiscal year ended March 31 2024, the change in accounting policy has been applied retrospectively as presented in Change in Accounting Policy and the new accounting policy was reflected in the previous fiscal year ended March 31, 2023.
2. Valuation allowance increased by ¥56,353 million (US\$372 million). This increase is mainly caused by that the certain consolidated overseas subsidiaries recognized part of valuation allowance for transitional measures based on the corporate income tax system in Bermuda adopted from the fiscal year ending March 31, 2026.
3. Tax loss carried forward and the deferred tax assets by carry forward period as follows:

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	190,802	196,925
Valuation allowance	(375)	(435)	(256)	(4,452)	(3)	(22,663)	(28,186)
Deferred tax assets	30	17	33	434	82	168,139	(*2) 168,739

(*1) Tax loss carried forward is calculated by multiplying statutory effective tax rate.
(*2) Deferred tax assets of ¥168,739 million are recorded for tax losses carried forward of ¥196,925 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, 2024

	(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)	879	284	5,471	52	88	178,853	185,630
Valuation allowance	(857)	(272)	(2,869)	0	(44)	(17,878)	(21,922)
Deferred tax assets	22	11	2,602	52	44	160,974	(*2) 163,707

	(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)	5	1	36	0	0	1,181	1,226
Valuation allowance	(5)	(1)	(18)	0	(0)	(118)	(144)
Deferred tax assets	0	0	17	0	0	1,063	1,081

(*1) Tax loss carried forward is calculated by multiplying statutory effective tax rate.
(*2) Deferred tax assets of ¥163,707 million (US\$1,081 million) are recorded for tax losses carried forward of ¥185,630 million (US\$1,226 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,	
	2023	2024
Statutory effective tax rate	30.62%	30.62%
(Adjustments)		
Difference in tax rate of subsidiaries	(3.56%)	(4.83%)
Increase (decrease) in valuation allowance	(1.62%)	(0.89%)
Permanent differences such as dividends received	(1.59%)	(0.84%)
Others	8.62%	0.81%
Actual effective tax rate after considering deferred taxes	32.47%	24.87%

Note: Effective the fiscal year ended March 31 2024, the change in accounting policy has been applied retrospectively as presented in Change in Accounting Policy and the new accounting policy was reflected in the previous fiscal year ended March 31, 2023.

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

The Company and its domestic consolidated subsidiaries have adopted the Group Tax Sharing System, in which the Company is the tax sharing parent company. The Company has applied the accounting treatment of corporate tax and local corporate tax, as well as applied the accounting and disclosure treatment of 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

The business combination with Partners Group Holdings Limited on November 30, 2022 was tentatively accounted for in the previous fiscal year, but was finalized in the fiscal year ended March 31, 2024.

With the finalization of this provisional accounting treatment, a significant revision was reflected in the initial allocation of acquisition costs in the comparative information included in the consolidated financial statements for the fiscal year ended March 31, 2024. As a result, the provisional goodwill amount of NZ\$247 million was reduced by NZ\$27 million to NZ\$219 million.

In addition, the business combination with ipet Holdings, Inc. on January 17, 2023 was tentatively accounted for in the previous fiscal year, but was finalized in the fiscal year ended March 31, 2024. There is no change in the amount due to the finalization of this tentative accounting treatment.

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, 2023 and 2024 were ¥25,607 million and ¥23,578 million (US\$155 million), respectively. The rental income was included in investment income and the rental expense was included in investment expenses. Gains on sale of rental real estate as extraordinary gains for the fiscal year ended March 31, 2023 and 2024 were ¥602 million and ¥1,632 million(US\$10 million), respectively. Impairment losses on rental real estate as extraordinary losses for the fiscal year ended March 31, 2023 and 2024 were ¥15,829 million and ¥5,307 million (US\$35 million), respectively.

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

	Year ended March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Carrying amount:			
Beginning balance	859,937	937,941	6,194
Net change during year	78,003	(13,218)	(87)
Ending balance	937,941	924,722	6,107
Market value	1,284,841	1,280,150	8,454

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 ¥153,805 million, sale of the real estate of ¥55,995 million, depreciation expense of ¥13,631 million, impairment loss of ¥15,829 million, during the fiscal year ended March 31, 2023.

Net change in carrying amount included cost of acquisition of the real estate of ¥38,819 million (US\$256 million), sale of the real estate of ¥38,101 million (US\$251 million), depreciation expense of ¥13,951 million (US\$92 million), impairment loss of ¥5,307 million (US\$35 million), during the fiscal year ended March 31, 2024.

3. Certain domestic consolidated subsidiary calculates 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.
- (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, 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	2,584,254	7,226	10,828,924	(1,320,158)	9,508,766
Intersegment transfers	103,615	34,432	287,155	425,204	(425,204)	—
Total	8,341,059	2,618,687	294,381	11,254,129	(1,745,362)	9,508,766
Segment income (loss)	344,147	4,773	268,948	617,869	(230,368)	387,500
Segment assets	43,377,249	18,184,846	3,297,784	64,859,880	(3,206,180)	61,653,699
Segment liabilities	41,028,862	17,654,954	709,768	59,393,585	(401,649)	58,991,935
Other relevant information						
Depreciation of real estate for rent and others	13,660	22	—	13,682	—	13,682
Depreciation	48,307	35,455	259	84,023	—	84,023
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	16,350	2,036	83,544	—	83,544
Investments in affiliated companies accounted for under the equity method	—	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
Note: 1. Ordinary revenues, instead of sales, are presented here.						
2. Adjusted amounts were as follows.						
a) Adjustment for ordinary revenues of ¥(1,320,158) million was mainly related to ordinary expenses including provision for policy reserves of ¥1,159,128 million and foreign exchange losses of ¥82,290 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 was mainly related to elimination of dividend income from subsidiaries and affiliated companies.						
c) Adjustment for segment assets of ¥(3,206,180) million was mainly related to elimination of stocks of subsidiaries and affiliated companies.						
d) Adjustment for segment liabilities of ¥(401,649) 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.						

For the fiscal year ended March 31, 2024:

	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)	8,471,714	3,092,703	10,945	11,575,363	(547,197)	11,028,166
Intersegment transfers	311,213	57,100	215,936	584,250	(584,250)	—
Total	8,782,927	3,149,804	226,882	12,159,614	(1,131,447)	11,028,166
Segment income (loss)	407,033	127,382	199,229	733,644	(194,638)	539,006
Segment assets	45,699,790	21,551,988	3,528,768	70,780,547	(3,240,238)	67,540,309
Segment liabilities	42,437,218	20,773,635	1,088,518	64,299,373	(641,221)	63,658,152
Other relevant information						
Depreciation of real estate for rent and others	14,029	15	—	14,044	—	14,044
Depreciation	53,705	21,389	296	75,392	—	75,392
Amortization of goodwill	1,066	8,554	—	9,620	—	9,620
Interest and dividend income	925,774	510,179	201,791	1,637,746	(206,757)	1,430,988
Interest expenses	8,804	29,388	5,084	43,277	(3,602)	39,675
Equity in income (loss) of affiliates	—	3,072	6,458	9,531	—	9,531
Extraordinary gains	6,470	176	—	6,646	—	6,646
Extraordinary losses	30,957	196	—	31,153	—	31,153
(Impairment losses)	(5,307)	(—)	(—)	(5,307)	(—)	(5,307)
Taxes	78,750	28,255	(793)	106,212	—	106,212
Investments in affiliated companies accounted for under the equity method	—	57,450	174,559	232,010	—	232,010
Increase in tangible fixed assets and intangible fixed assets	89,872	5,704	27	95,604	—	95,604

	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)	55,952	20,426	72	76,450	(3,614)	72,836
Intersegment transfers	2,055	377	1,426	3,858	(3,858)	—
Total	58,007	20,803	1,498	80,309	(7,472)	72,836
Segment income (loss)	2,688	841	1,315	4,845	(1,285)	3,559
Segment assets	301,828	142,341	23,306	467,476	(21,400)	446,075
Segment liabilities	280,280	137,201	7,189	424,670	(4,234)	420,435
Other relevant information						
Depreciation of real estate for rent and others	92	0	—	92	—	92
Depreciation	354	141	1	497	—	497
Amortization of goodwill	7	56	—	63	—	63
Interest and dividend income	6,114	3,369	1,332	10,816	(1,365)	9,451
Interest expenses	58	194	33	285	(23)	262
Equity in income (loss) of affiliates	—	20	42	62	—	62
Extraordinary gains	42	1	—	43	—	43
Extraordinary losses	204	1	—	205	—	205
(Impairment losses)	(35)	—	—	(35)	—	(35)
Taxes	520	186	(5)	701	—	701
Investments in affiliated companies	—	379	1,152	1,532	—	1,532
Increase in tangible fixed assets and intangible fixed assets	593	37	0	631	—	631

Note: 1. Ordinary revenues, instead of sales, are presented here.

2. Adjusted amounts were as follows.

- Adjustment for ordinary revenues of ¥(547,197) million (US\$(3,614) million) was mainly related to ordinary revenues including other ordinary revenues of ¥456,702 million (US\$3,016 million) and derivative transaction gains of ¥43,763 million (US\$289 million) reconciled to provision for policy reserves and derivative transaction losses in the Consolidated Statement of Earnings.
- Adjustment for segment income (loss) of ¥(194,638) million (US\$(1,285) million) was mainly related to elimination of dividend income from subsidiaries and affiliated companies.
- Adjustment for segment assets of ¥(3,240,238) million (US\$(21,400) million) was mainly related to elimination of stocks of subsidiaries and affiliated companies.
- Adjustment for segment liabilities of ¥(641,221) million (US\$ (4,234) million) was mainly related to elimination of intersegment receivables and payables.
- 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, 2023:

(1) Product (Service) Segment Information

Year ended March 31, 2023	
(Unit: million yen)	
Premium and other income	
Domestic Insurance Business	5,053,959
Overseas Insurance Business	1,600,467
Other Business	—
Total	6,654,426

(2) Geographic Segment Information

a) Ordinary Revenues

Year ended March 31, 2023	
(Unit: million yen)	
Ordinary revenues	
Japan	6,377,801
United States of America	1,726,353
Other Areas	1,404,610
Total	9,508,766

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.

For the fiscal year ended March 31, 2024

(1) Product (Service) Segment Information

Year ended March 31, 2024		
	(Unit: million yen)	(Unit: million US dollars)
Premium and other income		
Domestic Insurance Business	5,734,557	37,874
Overseas Insurance Business	1,791,799	11,834
Other Business	—	—
Total	7,526,357	49,708

(2) Geographic Segment Information

a) Ordinary Revenues

Year ended March 31, 2024		
	(Unit: million yen)	(Unit: million US dollars)
Ordinary revenues		
Japan	7,349,252	48,538
United States of America	1,936,588	12,790
Other Areas	1,742,325	11,507
Total	11,028,166	72,836

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, 2023 and 2024

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, 2023:

Year ended March 31, 2023		
	(Unit: million yen)	
	Amortization of goodwill	Unamortized amount of goodwill
Domestic Insurance Business	266	15,724
Overseas Insurance Business	6,764	101,511
Other Business	—	—
Total	7,030	117,236

For the fiscal year ended March 31, 2024:

Year ended March 31, 2024				
	(Unit: million yen)		(Unit: million US dollars)	
	Amortization of goodwill	Unamortized amount of goodwill	Amortization of goodwill	Unamortized amount of goodwill
Domestic Insurance Business	1,066	14,300	7	94
Overseas Insurance Business	8,554	100,906	56	666
Other Business	—	—	—	—
Total	9,620	115,206	63	760

5. Gain on Negative Goodwill by Reporting Segment

For the fiscal years ended March 31, 2023 and 2024

Not applicable

6. Related Party Transactions

For the fiscal years ended March 31, 2023 and 2024

There are no significant transactions to be disclosed.

XX. PER SHARE INFORMATION

	As of / Year ended March 31,		
	2023	2024	2024
	(Unit: yen)		(Unit: US dollars)
Net assets per share	2,706.78	4,107.03	27.12
Net income per share	171.01	329.68	2.17
Diluted net income per share	170.94	329.60	2.17

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,

	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Net income per share			
Net income attributable to shareholders of parent company	173,735	320,765	2,118
Net income attributable to other than shareholders of common stock	—	—	—
Net income attributable to shareholders of common stock	173,735	320,765	2,118
Average number of common stock outstanding	1,015,963 thousand shares	972,971 thousand shares	972,971 thousand shares
Diluted net income per share			
Adjustments to net income	—	—	—
Increase in the number of common stock	363 thousand shares	232 thousand shares	232 thousand shares
[Increase in the number of common stock attributable to stock acquisition rights]	[363 thousand shares]	[232 thousand shares]	[232 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,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Net assets	2,661,764	3,882,157	25,640
Adjustments	(485)	(302)	(1)
Stock acquisition rights	(483)	(302)	(1)
Non-controlling interests	(1)	(—)	(—)
Net assets attributable to common stock	2,661,278	3,881,854	25,638
Number of outstanding common stock	983,188 thousand shares	945,172 thousand shares	945,172 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, 2023 and 2024 was 3,865 thousand shares and 3,817 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, 2023 and 2024 was 3,862 thousand shares and 3,807 thousand shares, respectively.

Note: 4. Effective the fiscal year ended March 31 2024, the change in accounting policy has been applied retrospectively as presented in Change in Accounting Policy and the new accounting policy was reflected in the consolidated financial statements for the previous fiscal year ended March 31, 2023.As a result, compared with the figures before the retrospective application, the net assets per share for the fiscal year ended March 31, 2023 decreased by ¥214.96. The net income per share and the diluted net income per share for the fiscal year ended March 31, 2023 decreased by ¥18.27 respectively.

XXI. SUBSEQUENT EVENTS

1. On April 9, 2024, Protective Life Corporation, a consolidated subsidiary of the Company, decided to acquire ShelterPoint Group, Inc. ("ShelterPoint"), a U.S.-based group insurance company, from its shareholders and entered into an agreement concerning the acquisition transaction. The transaction is expected to close from October to December 2024, subject to the approval of the regulatory authorities in Japan and the U.S.

(1) Purpose of the acquisition

ShelterPoint was founded in 1972 in the U.S. and is primarily engaged in the sale and underwriting of Disability Benefits Law insurance (“DBL”), which is mandatory for companies and organizations in New York State and other states, Paid Family Leave insurance (“PFL”), Paid Family and Medical Leave insurance (“PFML”), which combines both DBL and PFL coverage, and has established a leading position in DBL and PFL in New York

State. This acquisition is a new business line acquisition for Protective Life Corporation, and it is expected to contribute to the diversification of its business and the stabilization of its earnings. In addition, the number of states adopting PFML is expected to increase in the future, and further expansion of the customer base is anticipated.

(2) Overview of the acquired company

Company name: ShelterPoint Group, Inc.
Business:Group insurance business

(3) Acquisition price

The acquisition price is undisclosed due to an agreement between the parties.
The acquisition price is determined based on a comprehensive consideration of the valuation by a third-party calculation agent and other factors.

(4) Completion of acquisition

Subject to approval by the regulatory authorities in Japan and the U.S., the transaction is expected to be completed from October to December 2024.
This acquisition transaction has no particular impact on the consolidated financial results of the Company for the fiscal year ended March 31, 2024. The Company is currently investigating the impact of the transaction on the consolidated financial results of the Company for the following fiscal year and thereafter.

2. The Company passed a resolution, at its board of directors meeting held on February 8, 2024, to acquire the common stock (the “Target Company Shares”) of Benefit One Inc. (“Benefit One”) through a tender offer (meaning a tender offer under the Financial Instruments and Exchange Act; the “Tender Offer”) and conducted the Tender Offer from February 9, 2024 to March 11, 2024. As a rusult, Benefit One became an equity-method affiliate of the Company on March 18, 2024 (commencement date of settlement for the Tender Offer).In addition, the Company requested to Benefit One to implement a share consolidation as a series of transactions to ensure that Benefit One will become a wholly-owned subsidiary of the Company, in response to the Company’s request, Benefit One implement a share consolidation effective as of May 22, 2024, and Pasona Group and the Company became the only shareholders of Benefit One.Subsequently, Benefit One implemented the Share Repurchase from Pasona Group on May 23, 2024. As a result, Benefit One became a wholly owned subsidiary of the Company as of the same date.

(1) Overview of the business combination

- a) Name and business of the acquired company
Company name: Benefit One Inc.
Business: Employee benefit service business
- b) Purpose of the business combination
The Company considered that by Benefit One participate in the Company's Group through strong collaboration between both companies, it will be able to achieve, improvement of the corporate value of Benefit One thorough provision of the extensive customer base and channel network of the Company group and agile capital support, in other words, synergies with the Company Group thorough integrating the Company Group’s services on the Benefit One offerings and providing it to customers, as well as the development of comprehensive employee benefits business solutions, it will be able to support human capital management by companies and provide products and services that correspond to the various lifestyles of each employee.
- c) Date of business combination
May 23, 2024
- d) Legal form of the business combination
Purchase of shares
- e) Name of the acquired company after the combination
No change in the company name

f) Ratio of voting rights acquired	
Share of existing voting rights before the date of business combination	37.38%
Share of additional voting rights acquired on the date of business combination	62.62%
Share of voting rights after completion of the transaction	100.00%
(*)Share of existing voting rights before the date of business combination is as of March 31, 2024.	

g) Main reason for determining the controlling company
The Company acquired 100% of voting rights of Benefit One Inc. through the acquisition of shares for consideration in cash.

(2) Acquisition costs

Consideration for the acquisition	Cash	¥ 292,056 million
Acquisition costs		¥ 292,056 million

3. The board of directors of the Company has resolved, at its meeting held on March 29, 2024, 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.
This concludes the repurchase of the Company's shares in accordance with the resolution made at the meeting of its board of directors held on March 29, 2024.

(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 50,000,000 shares
- c) Aggregate price of shares to be repurchased
Up to ¥100 billion (US\$660 million)
- d) Period of repurchase of shares
From April 1, 2024 to March 31, 2025
- e) Method of repurchase of shares
Open-market repurchase by the discretionary trading method

(3) Details of the share repurchases made by (September 9, 2024) as approved by the board of directors on March 29, 2024 are as follows.

- a) Number of shares repurchased
24,627,000 shares
- a) Aggregate number of shares to be repurchased
¥ 99,999,944,500

XXII. (Unaudited) QUARTERLY INFORMATION

	Three months ended June 30, 2023	Six months ended September 30, 2023	Nine months ended December 31, 2023	Year ended March 31, 2024
Ordinary revenues (million yen)	3,003,428	5,536,713	7,767,381	11,028,166
Income before income taxes (million yen)	89,733	211,474	295,266	426,998
Net income attributable to shareholders of parent company (million yen)	67,323	157,454	217,945	320,765
Net income attributable to shareholders of parent company per share (yen)	68.47	160.13	222.18	329.68

	Three months ended June 30, 2023	Three months ended September 30, 2023	Three months ended December 31, 2023	Three months ended March 31, 2024
Net income attributable to shareholders of parent company per share (yen)	68.47	91.66	61.96	108.34

	Three months ended June 30, 2023	Six months ended September 30, 2023	Nine months ended December 31, 2023	Year ended March 31, 2024
Ordinary revenues (million US dollars)	19,836	36,567	51,300	72,836
Income before income taxes (million US dollars)	592	1,396	1,950	2,820
Net income attributable to shareholders of parent company (million US dollars)	444	1,039	1,439	2,118
Net income attributable to shareholders of parent company per share (US dollars)	0.45	1.05	1.46	2.17

	Three months ended June 30, 2023	Three months ended September 30, 2023	Three months ended December 31, 2023	Three months ended March 31, 2024
Net income attributable to shareholders of parent company per share (US dollars)	0.45	0.60	0.40	0.71

Independent Auditor's Report

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

Report on the Audit of the Consolidated Financial Statements

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, 2024, 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, 2024, 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 accounting treatment related to the adoption of IFRS 17 by TDLA and PNZ	
The key audit matter	How the matter was addressed in our audit
As described in Note II. "PRINCIPLES OF CONSOLIDATION" under 4. "Summary of Significant Accounting Policies": (20) "Changes in Accounting Policies" to the consolidated financial statements, TAL Dai-ichi Life Australia Pty. Ltd. (hereinafter "TDLA") and Partner Group Holdings Limited (hereinafter "PNZ") have adopted AASB 17 "Insurance Contracts" issued by the Australian Accounting Standards Board and NZ IFRS 17 "Insurance Contracts" issued by New Zealand Accounting Standards Board, respectively, (hereinafter, both standards are individually referred to as "IFRS 17") since the beginning of the current fiscal year. As described in the above note, IFRS 17 has been applied retrospectively from the transition	<p>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.</p> <p>The audit procedures to assess the appropriateness of TDLA and PNZ's adoption of IFRS 17 were performed with the assistance of actuarial specialists employed by the component auditors. The audit procedures performed by the component auditors on which we particularly focused included the</p>

Appropriateness of the accounting treatment related to the adoption of IFRS 17 by TDLA and PNZ	
The key audit matter	How the matter was addressed in our audit
<p>date of April 1, 2022. As a result, Retained earnings as of the beginning of the previous fiscal year (April 1, 2023) were reduced by the cumulative effect of ¥198,165 million to ¥1,136,668 million.</p> <p>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 are measured to reflect the time value of money, the financial risks associated with future cash flows arising from insurance contracts and any uncertainties in those future cash flows under IFRS 17.</p> <p>In particular, the initial application of IFRS 17 required significant management judgement as well as a high level of expertise in actuarial valuation in determining the matters set out below, among others, related to the accounting policies adopted upon the transition to the new accounting standard and the measurement of policy reserves at the transition date.</p> <ul style="list-style-type: none"> Determination of the appropriate transition approach adopted for each group of insurance contracts; Determination of the appropriate measurement model to apply to each group, in particular, as to whether management would be able to use the Premium Allocation Approach; Determination of the appropriate method of calculating the fair value at the transition date, where the fair value approach was adopted; and Determination and application of the appropriate actuarial models and assumptions, such as discount rates, mortality/morbidity, lapse rates and expense ratios, to estimate the policy reserve which includes risk adjustments. <p>We, therefore, determined that our assessment of the appropriateness of the accounting treatment related to the adoption of IFRS 17 by TDLA and PNZ 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.</p>	<p>following:</p> <ul style="list-style-type: none"> assessment of whether management's determinations related to the adopted accounting policies and the measurement of policy reserves, among others, were appropriate and in accordance with IFRS 17, by inspecting relevant internal documents and inquiring of management and relevant personnel; and evaluation of the relevance of the actuarial models including those for risk adjustments used in the calculation and the appropriateness of the assumptions, such as discount rates, mortality/morbidity, lapse rates and expense ratios. <p>In addition, we performed a reconciliation to assess whether TDLA and PNZ's consolidated financial statements, that adopted IFRS 17, were accurately consolidated into the Group's consolidated financial statements. We also assessed whether the financial impacts of such change of accounting policies were appropriately disclosed in the notes.</p>

Appropriateness of the judgement on the recognition of an impairment loss on goodwill	
The key audit matter	How the matter was addressed in our audit
<p>In the consolidated balance sheet of the Group, Goodwill of ¥115,206 million is presented for the current fiscal year, which includes goodwill of ¥55,479 million arising from the acquisition of Protective Life Corporation (hereinafter “PLC”) and its acquisition business, goodwill of ¥26,773 million arising from the acquisition of TDLA, goodwill of ¥18,652 million arising from the acquisition of PNZ, and goodwill of ¥14,300 million arising from the acquisition of ipet Holdings, Inc. (hereinafter “ipet”).</p> <p>As described in Note II. “PRINCIPLES 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 of PLC and TDLA 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 accordance with the accounting standards of the country in which each consolidated subsidiary resides. Then, the Company evaluates whether an impairment loss should be recognized on goodwill in the Group’s consolidated financial statements in accordance with the accounting standards in Japan, considering the results of the assessment made at each consolidated subsidiary. In addition, goodwill arising from acquisitions of PNZ and ipet is recorded on the consolidated financial statements of the Group and is assessed as to whether an impairment loss should be recognized in accordance with the accounting standards in Japan. If the acquisitions 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.</p> <p>(1) Judgement made at consolidated subsidiaries on the recognition of an impairment loss on goodwill</p> <p>(i) Goodwill arising from the acquisition of PLC and its acquisition business</p> <p>PLC assesses, on a regular basis, whether an impairment loss should be recognized on goodwill.</p> <p>PLC first assesses qualitative factors to determine whether it is more likely than not that</p>	<p>We primarily performed the following procedures:</p> <p>(1) Judgement made at consolidated subsidiaries on the recognition of an impairment loss on goodwill</p> <p>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.</p> <p>The audit procedures performed by the component auditors on which we particularly focused included the following:</p> <p>(i) Goodwill arising from the acquisition of PLC and its acquisition business</p> <p>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.</p> <p>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.</p> <ul style="list-style-type: none"> • inquiry of management and relevant personnel; • inspection of relevant internal documents; and • assessment of the reliability of historical financial information used in the determination. <p>(ii) Goodwill arising from the acquisition of TDLA</p> <p>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</p>

Appropriateness of the judgement on the recognition of an impairment loss on goodwill	
The key audit matter	How the matter was addressed in our audit
<p>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.</p> <p>If it is determined that it is more likely than not that an impairment of goodwill exists or PLC elects to bypass the qualitative assessment for impairment indicators, PLC then compares the fair value of the reporting unit to which the goodwill has been allocated with its carrying amount including goodwill (quantitative impairment test). Key assumptions used to calculate the fair value, such as projected cash flows and discount rates, involve significant estimation uncertainty, and the fair value calculations require a high level of expertise in actuarial valuation and corporate evaluation.</p> <p>(ii) Goodwill arising from the acquisition of TDLA</p> <p>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</p>	<p>impairment test and those over approval on the conclusion.</p> <p>The substantive procedures set out below, among others, were performed to evaluate the recoverable amount used in the quantitative impairment test.</p> <ul style="list-style-type: none"> • 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. <p>(2) Judgement made by the Company on the recognition of an impairment loss on goodwill</p> <p>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.</p> <p>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.</p> <ul style="list-style-type: none"> • inquiry of management and relevant personnel; • inspection of relevant internal documents and assessment of 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	
The key audit matter	How the matter was addressed in our audit
<p>expertise in actuarial valuation.</p> <p>(2) Judgement made by the Company on the recognition of an impairment loss on goodwill</p> <p>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.</p> <p>If it is determined that there is an impairment indicator, the Company estimates the total cash flows generated from the asset group that includes goodwill and compares them with the carrying amount in the consolidated financial statements to determine whether an impairment loss should be recognized on goodwill. As a result of the comparison, if it is determined that an impairment loss should be recognized, the carrying amount of the asset group shall be reduced to its recoverable amount calculated by the respective consolidated subsidiaries or the Company, and this reduction shall be recorded as an impairment loss. Key assumptions used to calculate the recoverable amount such as projected cash flows, discount rates, and actuarial calculations involve significant estimation uncertainty and require a high level of expertise in actuarial valuation.</p> <p>We, therefore, determined that our assessment of the appropriateness of the judgement on the recognition of an impairment loss on goodwill 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.</p>	

Appropriateness of the judgement on amortization or the recognition of a loss in value of acquired in-force insurance contracts derived primarily from the acquisitions	
The key audit matter	How the matter was addressed in our audit
<p>In the consolidated balance sheet of the Group, Other intangible fixed assets of ¥463,364 million are presented for the current fiscal year. 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, Other intangible fixed assets include 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 ¥287,996 million was derived from the acquisition of PLC and its acquisition business, a VIF in the amount of ¥34,200 million was derived from the acquisition of PNZ through Dai-ichi Life International Holdings, LLC (hereinafter “DLIHD”), an intermediary holding company of the Company, and a VIF in the amount of ¥21,608 million was derived from the acquisition of ipet. The VIF derived from the acquisition of TDLA in the amount of ¥20,188 million as of the end of the previous fiscal year (March 31, 2023) was fully amortized following its adoption of AASB No. 17 “Insurance Contracts.”</p> <p>As also 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 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</p>	<p>We requested the component auditors of the consolidated 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.</p> <p>The audit procedures performed by the component auditors on which we particularly focused included the following:</p> <p>(1) Amortization of the VOBA which was assessed by updating the underlying actuarial assumptions</p> <p>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.</p> <p>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.</p> <ul style="list-style-type: none"> • evaluation of the relevance of amortization models; and • evaluation of the appropriateness of updated actuarial assumptions, such as interest rates, mortality and lapse rates. <p>(2) Recognition of a loss in value of the VOBA which was assessed together with the determination on the sufficiency of policy reserves</p> <p>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.</p> <p>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</p>

Appropriateness of the judgement on amortization or the recognition of a loss in value of acquired in-force insurance contracts derived primarily from the acquisitions

The key audit matter	How the matter was addressed in our audit
<p>actuarial assumptions from the initial estimates may result in changes in the amortization expense or the recognition of a loss in value of the in-force insurance contracts.</p> <p>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:</p> <p>(1) Amortization of the VOBA which is assessed by updating the underlying actuarial assumptions</p> <p>The VOBA arising mainly from acquired investment-type insurance products of PLC is 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.</p> <p>(2) Recognition of a loss in value of the VOBA which is assessed together with the determination on the sufficiency of policy reserves</p> <p>The VOBA arising mainly from acquired traditional insurance products of PLC may result in the recognition of a loss in value, prior to providing for an additional policy reserve, if the 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.</p> <p>(3) Recognition of an impairment loss on the VIF which is assessed together with the</p>	<p>controls over determining whether there was a decline in value of the VOBA.</p> <p>The substantive procedures set out below, among others, were performed to assess the appropriateness of the judgement on the recognition of a loss in value of acquired in-force insurance contracts, with the assistance of actuarial specialists employed by the component auditor.</p> <ul style="list-style-type: none"> • 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. <p>(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</p> <p>We assessed whether there were impairment indicators for the VIF arising from the acquisitions of PNZ and ipet, concurrently with the assessment of the determination on whether an impairment loss should be recognized on goodwill.</p> <p>More specifically, we performed the control assessment and substantive procedures listed under (2) in the audit response section of the Key Audit Matter, “Appropriateness of the judgement on the recognition of an impairment loss on goodwill.”</p>

Appropriateness of the judgement on amortization or the recognition of a loss in value of acquired in-force insurance contracts derived primarily from the acquisitions

The key audit matter	How the matter was addressed in our audit
<p>determination of whether an impairment loss should be recognized on goodwill</p> <p>The Company evaluates, on a regular basis, the VIF arising from the acquisitions of PNZ and ipet concurrently with the determination of whether an impairment loss should be recognized on goodwill. As described in the Key Audit Matter, “Appropriateness of the judgement on the recognition of an impairment loss on goodwill,” determining whether there are impairment indicators in the evaluation of goodwill involves significant management judgement.</p> <p>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 derived primarily from the acquisitions 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.</p>	

Appropriateness of the judgement on the sufficiency of policy reserves

The key audit matter	How the matter was addressed in our audit
<p>In the consolidated balance of the Group, Policy reserves of ¥55,268,875 million are presented for the current fiscal year, which accounts for approximately 82% 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 mainly traditional insurance products recorded by PLC are of quantitative significance.</p> <p>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</p>	<p>We primarily performed the following procedures:</p> <p>(1) Policy reserves recognized by DL and DFLI</p> <p>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.</p> <p>We primarily performed the following substantive procedures to evaluate the sufficiency of policy reserves of each consolidated subsidiary:</p> <ul style="list-style-type: none"> • analysis of the 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

Appropriateness of the judgement on the sufficiency of policy reserves	
The key audit matter	How the matter was addressed in our audit
<p>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.</p> <p>(1) Policy reserves recognized by DL and DFLI</p> <p>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 life insurance contracts in accordance with the Ordinance.</p> <p>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.</p> <p>(2) Policy reserves recognized by PLC</p> <p>Policy reserves for mainly 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</p>	<p>a recurrence formula; and</p> <ul style="list-style-type: none"> 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. <p>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.</p> <ul style="list-style-type: none"> 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 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. <p>(2) Policy reserves recognized by PLC</p> <p>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.</p> <p>More specifically, the control assessment and substantive procedures listed under (2) in the audit response section of the Key Audit Matter,</p>

Appropriateness of the judgement on the sufficiency of policy reserves	
The key audit matter	How the matter was addressed in our audit
<p>value of acquired in-force insurance contracts derived primarily from the acquisitions,” prior to providing for an additional policy reserve, a loss in value of the VOBA may have to be recognized. Therefore, PLC assesses the sufficiency of policy reserves concurrently with the determination on amortization or the recognition of a loss in value of the VOBA.</p> <p>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.</p> <p>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.</p>	<p>“Appropriateness of the judgement on amortization or the recognition of a loss in value of acquired in-force insurance contracts derived primarily from the acquisitions” were performed.</p>

Appropriateness of the judgement regarding the recoverability of deferred tax assets	
The key audit matter	How the matter was addressed in our audit
<p>In the consolidated balance sheet of the Group, Deferred tax assets of ¥178,914 million, which were the amount considered recoverable after being offset by applicable deferred tax liabilities, and Deferred tax liabilities of ¥258,858 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 ¥1,082,425 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, ¥722,484 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, and was of quantitative significance. Major components of gross deferred tax assets included policy reserves and others, reserve for price fluctuations, and net defined benefits liabilities.</p> <p>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</p>	<p>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:</p> <p>(1) Internal control testing</p> <p>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.</p> <p>(2) Judgement made by the Company on the recoverability of deferred tax assets</p> <p>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:</p> <ul style="list-style-type: none"> evaluation of the appropriateness of the company classification of the Tax Sharing Group determined in accordance with the Implementation Guidance No. 26, especially as

Appropriateness of the judgement regarding the recoverability of deferred tax assets	
The key audit matter	How the matter was addressed in our audit
<p>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.</p> <p>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.</p>	<p>to whether significant changes in business environment were expected in the near term;</p> <ul style="list-style-type: none"> 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, comparing 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, assessing the consistency in amounts between the documents and inquiring of management and relevant personnel.

Other Information

The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements, the financial statements, and our auditor’s reports thereon. Management is responsible for the preparation and presentation of the other information. The Audit & Supervisory Committee is responsible for overseeing the directors’ performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are

free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- 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, actions taken to eliminate threats or safeguards applied.

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.

Fee-related Information

Fees paid or payable to our firm and to other firms within the same network as our firm for audit and non-audit services provided to the Company and its subsidiaries are described in "5. Status of Accounting Audit" included in "Overview and Organization of the Insurance Holding Company" of the Annual Report.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2024 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

Hatsumi Fujiwara
Designated Engagement Partner
Certified Public Accountant

Yuta Kasuga
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
September 30, 2024

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

	(Unit: million yen)		(Unit: million US dollars)
	As of March 31,		
	2023	2024	2024
(ASSETS)			
Cash and deposits	156,649	168,292	1,111
Call loans	966,900	719,300	4,750
Monetary claims bought	224,555	206,210	1,361
Money held in trust	6,727	8,872	58
Securities	27,969,810	29,729,749	196,352
Loans	2,715,410	3,109,085	20,534
Tangible fixed assets	1,204,006	1,189,320	7,854
Land	879,314	857,124	5,660
Buildings	311,101	321,611	2,124
Leased assets	3,443	2,404	15
Construction in progress	6,352	3,165	20
Other tangible fixed assets	3,794	5,014	33
Intangible fixed assets	124,837	120,824	797
Software	97,645	95,570	631
Other intangible fixed assets	27,191	25,254	166
Reinsurance receivable	74,788	63,216	417
Other assets	681,186	654,262	4,321
Deferred tax assets	81,661	-	-
Customers' liabilities for acceptances and guarantees	48,987	16,417	108
Reserve for possible loan losses	(3,328)	(3,927)	(25)
Reserve for possible investment losses	(927)	(448)	(2)
Total assets	34,251,265	35,981,176	237,640
(LIABILITIES)			
Policy reserves and others	29,877,146	29,589,330	195,425
Reserves for outstanding claims	199,267	191,481	1,264
Policy reserves	29,254,475	28,975,206	191,369
Reserve for policyholder dividends	423,403	422,642	2,791
Reinsurance payable	428	456	3
Bonds payable	368,715	368,715	2,435
Other liabilities	1,141,293	2,146,268	14,175
Payables under repurchase agreements	304,005	1,082,401	7,148
Other liabilities	837,287	1,063,867	7,026
Net defined benefit liabilities	358,992	205,149	1,354
Reserve for retirement benefits of directors, executive officers and corporate auditors	794	674	4
Reserve for possible reimbursement of prescribed claims	800	1,000	6
Reserve for price fluctuations	263,453	276,453	1,825
Deferred tax liabilities	-	292,667	1,932
Deferred tax liabilities for land revaluation	70,197	69,064	456
Acceptances and guarantees	48,987	16,417	108
Total liabilities	32,130,808	32,966,198	217,728
(NET ASSETS)			
Capital stock	60,000	60,000	396
Capital surplus	320,000	248,560	1,641
Retained earnings	200,362	242,598	1,602
Total shareholders' equity	580,363	551,158	3,640
Net unrealized gains (losses) on securities, net of tax	1,523,596	2,420,163	15,984
Deferred hedge gains (losses)	(37,654)	(103,039)	(680)
Reserve for land revaluation	30,369	28,223	186
Foreign currency translation adjustments	(525)	(279)	(1)
Accumulated remeasurements of defined benefit plans	24,307	118,751	784
Total accumulated other comprehensive income	1,540,093	2,463,818	16,272
Total net assets	2,120,456	3,014,977	19,912
Total liabilities and net assets	34,251,265	35,981,176	237,640

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

	(Unit: million yen)	(Unit: million US dollars)	
	Year ended March 31,		
	2023	2024	2024
Ordinary revenues	4,140,030	4,090,389	27,015
Premium and other income	2,297,086	2,290,407	15,127
Investment income	1,379,358	1,303,949	8,612
Interest and dividends	804,922	720,205	4,756
Gains on money held in trust	-	2,155	14
Gains on sale of securities	551,678	418,537	2,764
Gains on redemption of securities	18,763	8,227	54
Reversal of reserve for possible investment losses	-	46	0
Other investment income	3,993	2,013	13
Gains on investments in separate accounts	-	152,763	1,008
Other ordinary revenues	463,585	496,033	3,276
Ordinary expenses	3,787,626	3,697,194	24,418
Benefits and claims	2,451,381	2,560,471	16,910
Claims	682,450	659,101	4,353
Annuities	581,814	602,316	3,978
Benefits	575,987	467,252	3,086
Surrender values	503,395	654,546	4,323
Other refunds	107,734	177,253	1,170
Provision for policy reserves and others	22,906	8,440	55
Provision for reserves for outstanding claims	14,600	-	-
Provision for interest on policyholder dividends	8,305	8,440	55
Investment expenses	669,100	491,785	3,248
Interest expenses	9,759	8,789	58
Losses on money held in trust	39	-	-
Losses on sale of securities	433,394	271,966	1,796
Losses on valuation of securities	3,731	3,204	21
Losses on redemption of securities	5,629	3,625	23
Derivative transaction losses	16,971	99,156	654
Foreign exchange losses	81,871	25,624	169
Provision for reserve for possible loan losses	400	1,816	11
Provision for reserve for possible investment losses	486	-	-
Write-down of loans	57	729	4
Depreciation of real estate for rent and others	13,660	14,029	92
Other investment expenses	56,246	62,845	415
Losses on investments in separate accounts	46,852	-	-
Operating expenses	396,126	386,433	2,552
Other ordinary expenses	248,111	250,063	1,651
Ordinary profit	352,404	393,195	2,596
Extraordinary gains	4,548	6,397	42
Gains on disposal of fixed assets	4,548	6,397	42
Extraordinary losses	34,486	24,798	163
Losses on disposal of fixed assets	5,503	6,389	42
Impairment losses on fixed assets	15,881	5,307	35
Provision for reserve for price fluctuations	13,000	13,000	85
Other extraordinary losses	101	101	0
Provision for reserve for policyholder dividends	95,000	87,500	577
Income before income taxes	227,467	287,293	1,897
Corporate income taxes-current	28,556	67,075	443
Corporate income taxes-deferred	34,368	14,480	95
Total of corporate income taxes	62,925	81,556	538
Net income	164,542	205,737	1,358
Net income attributable to shareholders of parent company	164,542	205,737	1,358

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

	(Unit: million yen)	(Unit: million US dollars)	
	Year ended March 31,		
	2023	2024	2024
Net income	164,542	205,737	1,358
Other comprehensive income	(609,618)	925,870	6,114
Net unrealized gains (losses) on securities, net of tax	(606,817)	896,567	5,921
Deferred hedge gains (losses)	(16,033)	(65,385)	(431)
Foreign currency translation adjustments	(79)	245	1
Remeasurements of defined benefit plans, net of tax	13,311	94,444	623
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	(0)	0	0
Comprehensive income	(445,076)	1,131,608	7,473
Attributable to shareholders of parent company	(445,076)	1,131,608	7,473

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

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2023	2024	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income taxes	227,467	287,293	1,897
Depreciation of real estate for rent and others	13,660	14,029	92
Depreciation	41,577	42,795	282
Impairment losses on fixed assets	15,881	5,307	35
Increase (decrease) in reserves for outstanding claims	14,600	(7,785)	(51)
Increase (decrease) in policy reserves	(279,401)	(279,277)	(1,844)
Provision for interest on policyholder dividends	8,305	8,440	55
Provision for (reversal of) reserve for policyholder dividends	95,000	87,500	577
Increase (decrease) in reserve for possible loan losses	(3,173)	599	3
Increase (decrease) in reserve for possible investment losses	147	(478)	(3)
Write-down of loans	57	729	4
Increase (decrease) in net defined benefit liabilities	(5,602)	(22,797)	(150)
Increase (decrease) in reserve for retirement benefits of directors, executive officers and corporate auditors	(134)	(119)	(0)
Increase (decrease) in reserve for possible reimbursement of prescribed claims	-	200	1
Increase (decrease) in reserve for price fluctuations	13,000	13,000	85
Interest and dividends	(804,922)	(720,205)	(4,756)
Securities related losses (gains)	(80,834)	(300,732)	(1,986)
Interest expenses	9,759	8,789	58
Foreign exchange losses (gains)	81,871	25,624	169
Losses (gains) on disposal of fixed assets	445	(917)	(6)
Equity in losses (income) of affiliates	733	(2,871)	(18)
Decrease (increase) in reinsurance receivable	(16,220)	9,562	63
Decrease (increase) in other assets unrelated to investing and financing activities	25,793	15,239	100
Increase (decrease) in reinsurance payable	(170,287)	338	2
Increase (decrease) in other liabilities unrelated to investing and financing activities	44,461	(6,588)	(43)
Others, net	85,528	158,782	1,048
Subtotal	(682,285)	(663,544)	(4,382)
Interest and dividends received	837,061	724,155	4,782
Interest paid	(13,558)	(11,803)	(77)
Policyholder dividends paid	(93,123)	(96,702)	(638)
Others, net	(368,713)	(239,199)	(1,579)
Corporate income taxes (paid) refund	(106,173)	4,267	28
Net cash flows provided by (used in) operating activities	(426,793)	(282,826)	(1,867)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net decrease (increase) in cash and deposits	(1,100)	1,181	7
Purchases of monetary claims bought	(16,989)	(37,438)	(247)
Proceeds from sale and redemption of monetary claims bought	26,929	46,707	308
Proceeds from decrease in money held in trust	5,380	-	-
Purchases of securities	(5,071,736)	(5,791,373)	(38,249)
Proceeds from sale and redemption of securities	8,856,848	5,666,880	37,427
Origination of loans	(808,863)	(1,295,831)	(8,558)
Proceeds from collection of loans	658,183	935,497	6,178
Net increase (decrease) in short-term investing	(2,650,775)	778,395	5,140
Total of net cash provided by (used in) investment transactions	997,877	304,017	2,007
Total of net cash provided by (used in) operating activities and investment transactions	571,083	21,190	139
Acquisition of tangible fixed assets	(115,408)	(48,458)	(320)
Proceeds from sale of tangible fixed assets	56,546	37,460	247
Acquisition of intangible fixed assets	(31,673)	(30,685)	(202)
Proceeds from sale of intangible fixed assets	-	3,319	21
Net cash flows provided by (used in) investing activities	907,340	265,653	1,754
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	64,000	-	-
Repayment of borrowings	(144,000)	-	-
Repayment of financial lease obligations	(1,427)	(1,367)	(9)
Cash dividends paid	(199,776)	(215,646)	(1,424)
Acquisitions of stock of subsidiaries and affiliates that do not result in change in scope of consolidation	(1,435)	(180)	(1)
Net cash flows provided by (used in) financing activities	(282,638)	(217,193)	(1,434)
Effect of exchange rate changes on cash and cash equivalents	204	191	1
Net increase (decrease) in cash and cash equivalents	198,112	(234,175)	(1,546)
Cash and cash equivalents at the beginning of the year	924,255	1,122,368	7,412
Cash and cash equivalents at the end of the year	1,122,368	888,192	5,866

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

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, 2024	(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	200,362	580,363	1,523,596	(37,654)
Changes for the year						
Dividends		(71,440)	(165,646)	(237,087)		
Net income attributable to shareholders of parent company			205,737	205,737		
Transfer from reserve for land revaluation			2,145	2,145		
Others			0	0		
Net changes of items other than shareholders' equity					896,567	(65,385)
Total changes for the year	-	(71,440)	42,236	(29,204)	896,567	(65,385)
Balance at the end of the year	60,000	248,560	242,598	551,158	2,420,163	(103,039)

(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	30,369	(525)	24,307	1,540,093	2,120,456
Changes for the year					
Dividends					(237,087)
Net income attributable to shareholders of parent company					205,737
Transfer from reserve for land revaluation					2,145
Others					0
Net changes of items other than shareholders' equity	(2,145)	245	94,444	923,725	923,725
Total changes for the year	(2,145)	245	94,444	923,725	894,521
Balance at the end of the year	28,223	(279)	118,751	2,463,818	3,014,977

Year ended March 31, 2024

Balance at the beginning of the year
Changes for the year
Dividends
Net income attributable to shareholders of parent company
Transfer from reserve for land revaluation
Others
Net changes of items other than shareholders' equity
Total changes for the year
Balance at the end of the year

(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)
396	2,113	1,323	3,833	10,062	(248)
	(471)	(1,094)	(1,565)		
		1,358	1,358		
		14	14		
		0	0		
				5,921	(431)
-	(471)	278	(192)	5,921	(431)
396	1,641	1,602	3,640	15,984	(680)

Balance at the beginning of the year
Changes for the year
Dividends
Net income attributable to shareholders of parent company
Transfer from reserve for land revaluation
Others
Net changes of items other than shareholders' equity
Total changes for the year
Balance at the end of the year

(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	
200	(3)	160	10,171	14,004
				(1,565)
				1,358
				14
				0
(14)	1	623	6,100	6,100
(14)	1	623	6,100	5,907
186	(1)	784	16,272	19,912

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2024

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 ¥151.41=US\$1.00, the foreign exchange rate on March 31, 2024, 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, 2024: 1

- The subsidiary of the Company included:
- Dai-ichi Life Insurance Myanmar Ltd.

(2) The number of non-consolidated subsidiaries as of March 31, 2024: 34

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

The thirty-four 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, 2024: 0

(2) The number of affiliated companies under the equity method as of March 31, 2024: 3

The affiliated companies of the Company included:

- Corporate-pension Business Service Co., Ltd.
- Japan Excellent Asset Management Co., Ltd.
- Japan Investor Solutions & Technologies Co., Ltd.

Effective the fiscal year ended March 31, 2024, Japan Investor Solutions & Technologies Co., Ltd. was included in the scope of the equity method as it had become an affiliated company of the Company.

(3) The non-consolidated subsidiaries (Dai-ichi Life Business Services Co., Ltd., Dai-ichi Life Challenged 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, formulate 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)).

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, 2023 and 2024 were ¥599,320 million and ¥605,113 million (US\$3,996 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 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, 2023 and 2024 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, 2024. 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, 2024.
- (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, certain government and corporate bonds, certain loans payable and bonds payable; (b) the currency allotment method and the deferral hedge method using foreign currency swaps and foreign currency forward contracts are used for cash flow hedges against exchange rate fluctuations in certain foreign currency-denominated bonds, certain foreign currency-denominated loans, foreign currency-denominated loans payable and bonds payable, certain foreign currency-denominated 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 certain foreign currency-denominated 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-specific Committee Practical Guidelines 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-denominated forecasted transaction |
| Foreign currency forward contracts | Foreign currency-denominated bonds, foreign currency-denominated term deposits, foreign currency-denominated forecasted transaction |
| Currency options | Foreign currency-denominated bonds |
| Bond over-the-counter options | Foreign currency-denominated bonds |
| Equity options | Domestic stocks, foreign currency-denominated 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 Treatment. The details of hedging relationships to which the Treatment is applied are as follows:

- Hedging accounting method: The deferral hedge method and the currency allotment method
- Hedging instruments: Interest rate swaps and foreign currency swaps
- Hedged items: Loans and foreign currency-denominated 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 payment of hospitalization benefits 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") was terminated on May 8, 2023. 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.

(Overview of the calculation method)

The Company first deducts an amount pertaining to deemed hospitalization of all policy holders 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.

As of the end of the previous fiscal year, the company deducted an amount pertaining to deemed hospitalization of policy holders other than those with high risk of severity, however, in the fiscal year ended March 31, 2024, the payment of hospitalization benefits with respect to "deemed hospitalization" was terminated. Therefore, the company has revised its calculation method to deducting the amount pertaining to deemed hospitalization of all policy holders.

17. Policy Acquisition Costs

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

18. Financial Instruments

- (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" (Industry-specific Committee Practical Guidelines No. 26 issued by JICPA).

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, 2023 and 2024 were as follows.

As of March 31, 2023			
	Carrying amount	Fair value	Gains(Losses)
(Unit: million yen)			
(1) Monetary claims bought	224,555	224,555	-
(2) Money held in trust	6,727	6,727	-
(3) Securities(*2) (*3)			
a. Trading securities	963,741	963,741	-
b. Held-to-maturity bonds	49,199	49,375	176
c. Policy-reserve-matching bonds	14,909,516	15,453,495	543,978
d. Available-for-sale securities	11,225,442	11,225,442	-
(4) Loans	2,715,410		
Reserve for possible loan losses (*4)	(1,509)		
	2,713,900	2,674,871	(39,029)
Total assets	30,093,083	30,598,208	505,125
(1) Bonds payable	368,715	347,041	(21,673)
(2) Long-term borrowings	390,600	368,629	(21,970)
Total liabilities	759,315	715,670	(43,644)
Derivative transactions (*5)			
a. Hedge accounting not applied	32,161	32,161	-
b. Hedge accounting applied	[99,043]	[97,785]	1,257
Total derivative transactions	[66,881]	[65,624]	1,257

(*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)	
Stocks and other securities without market prices (*a)(*c)	56,040
Ownership stakes in partnerships, etc.(*b)(*c)	765,870
(*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 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.

As of March 31, 2024						
	Carrying amount	Fair value	Gains (Losses)	Carrying amount	Fair value	Gains (Losses)
	(Unit: million yen)			(Unit: million US dollars)		
(1) Monetary claims bought	206,210	206,210	-	1,361	1,361	-
(2) Money held in trust	8,872	8,872	-	58	58	-
(3) Securities(*2) (*3)						
a. Trading securities	1,103,648	1,103,648	-	7,289	7,289	-
b. Held-to-maturity bonds	1,863	1,863	-	12	12	-
c. Policy-reserve-matching bonds	15,630,993	15,059,779	(571,214)	103,236	99,463	(3,772)
d. Available-for-sale securities	11,919,651	11,919,651	-	78,724	78,724	-
(4) Loans	3,109,085			20,534		
Reserve for possible loan losses (*4)	(3,376)			(22)		
	3,105,709	3,083,659	(22,049)	20,511	20,366	(145)
Total assets	31,976,948	31,383,685	(593,263)	211,194	207,276	(3,918)
(1) Bonds payable	368,715	357,629	(11,085)	2,435	2,361	(73)
(2) Payables under repurchase agreements	1,082,401	1,082,279	(121)	7,148	7,148	(0)
(3) Long-term borrowings	390,600	389,892	(707)	2,579	2,575	(4)
Total liabilities	1,841,716	1,829,801	(11,914)	12,163	12,085	(78)
Derivative transactions (*5)						
a. Hedge accounting not applied	[1,136]	[1,136]	-	[7]	[7]	-
b. Hedge accounting applied	[164,320]	[163,120]	1,200	[1,085]	[1,077]	7
Total derivative transactions	[165,456]	[164,256]	1,200	[1,092]	[1,084]	7

(*1) Cash and deposits, and call loans 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, 2024		
Carrying amount		
	(Unit: million yen)	(Unit: million US dollars)
Stocks and other securities without market prices (*a)(*c)	63,198	417
Ownership stakes in partnerships, etc.(*b)(*c)	1,010,393	6,673
(*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 ¥1,888 million (US\$12 million) was recognized in the fiscal year ended March 31, 2024.		

(*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, 2023	Fair value			
	Level 1	Level 2	Level 3	Total
	(Unit: million yen)			
Monetary claims bought	-	-	224,555	224,555
Money held in trust	4,212	2,514	-	6,727
Securities(*1)				
Trading securities	551,676	398,162	13,902	963,741
Available-for-sale securities				
Government bonds	1,083,604	-	-	1,083,604
Local government bonds	-	14,074	-	14,074
Corporate bonds	-	1,073,589	10,001	1,083,591
Domestic stocks	3,160,770	-	-	3,160,770
Foreign bonds	437,029	3,772,078	141,063	4,350,171
Other foreign securities	463,743	436,558	57,993	958,295
Other securities	14,536	479,383	32,240	526,160
Derivative transactions				
Currency-related	-	16,623	-	16,623
Interest-related	-	34,359	-	34,359
Stock-related	3,889	0	-	3,890
Bond-related	2,119	909	-	3,029
Others	-	575	-	575
Total assets	5,721,583	6,228,831	479,756	12,430,171
Derivative transactions				
Currency-related	-	95,733	-	95,733
Interest-related	-	27,493	-	27,493
Stock-related	589	19	-	608
Bond-related	1,172	182	-	1,354
Others	-	169	-	169
Total liabilities	1,761	123,598	-	125,360

(*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. 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.

As of March 31, 2024	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	-	-	206,210	206,210	-	-	1,361	1,361
Money held in trust	5,913	2,958	-	8,872	39	19	-	58
Securities(*1)								
Trading securities	669,566	397,040	37,042	1,103,648	4,422	2,622	244	7,289
Available-for-sale securities								
Government bonds	1,022,597	-	-	1,022,597	6,753	-	-	6,753
Local government bonds	-	15,303	-	15,303	-	101	-	101
Corporate bonds	-	1,306,777	8,909	1,315,686	-	8,630	58	8,689
Domestic stocks	3,987,770	23	-	3,987,793	26,337	0	-	26,337
Foreign bonds	291,117	3,212,481	144,512	3,648,111	1,922	21,217	954	24,094
Other foreign securities	488,731	411,638	39,702	940,072	3,227	2,718	262	6,208
Other securities	5,985	883,807	34,892	924,685	39	5,837	230	6,107
Derivative transactions								
Currency-related	-	1,087	-	1,087	-	7	-	7
Interest-related	-	15,099	-	15,099	-	99	-	99
Stock-related	4,038	549	-	4,588	26	3	-	30
Bond-related	1,013	305	-	1,318	6	2	-	8
Others	-	752	-	752	-	4	-	4
Total assets	6,476,733	6,247,825	471,269	13,195,827	42,776	41,264	3,112	87,152
Derivative transactions								
Currency-related	-	141,965	-	141,965	-	937	-	937
Interest-related	-	45,116	-	45,116	-	297	-	297
Stock-related	30	269	-	299	0	1	-	1
Bond-related	537	384	-	922	3	2	-	6
Total liabilities	567	187,736	-	188,303	3	1,239	-	1,243

(*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 ¥65,401 million (US\$431 million). Reconciliation between the beginning and ending balance and breakdown of restriction on cancellation as of the fiscal year ended March 31, 2024 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, 2023	Fair value			
	Level 1	Level 2	Level 3	Total
(Unit: million yen)				
Securities				
Held-to-maturity bonds				
Government bonds	48,000	-	-	48,000
Foreign bonds	-	-	1,374	1,374
Policy-reserve-matching bonds				
Government bonds	14,710,589	-	-	14,710,589
Local government bonds	-	105,801	-	105,801
Corporate bonds	-	573,661	-	573,661
Foreign bonds	-	63,441	-	63,441
Loans	-	-	2,674,871	2,674,871
Total assets	14,758,590	742,905	2,676,246	18,177,741
Bonds payable	-	347,041	-	347,041
Long-term borrowings	-	-	368,629	368,629
Total liabilities	-	347,041	368,629	715,670

As of March 31, 2024	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								
Foreign bonds	-	-	1,863	1,863	-	-	12	12
Policy-reserve-matching bonds								
Government bonds	14,409,799	-	-	14,409,799	95,170	-	-	95,170
Local government bonds	-	101,297	-	101,297	-	669	-	669
Corporate bonds	-	497,129	-	497,129	-	3,283	-	3,283
Foreign bonds	-	51,553	-	51,553	-	340	-	340
Loans	-	-	3,083,659	3,083,659	-	-	20,366	20,366
Total assets	14,409,799	649,979	3,085,523	18,145,303	95,170	4,292	20,378	119,842
Bonds payable	-	357,629	-	357,629	-	2,361	-	2,361
Payables under repurchase agreements	-	1,082,279	-	1,082,279	-	7,148	-	7,148
Long-term borrowings	-	-	389,892	389,892	-	-	2,575	2,575
Total liabilities	-	1,439,909	389,892	1,829,801	-	9,509	2,575	12,085

(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 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. Bonds payable are classified into Level 2.

Payables under repurchase agreements

The fair value of payables under repurchase agreements is calculated by discounting future cash flows at a discount rate using an interest rate based on the remaining maturity and is classified into Level 2.

Payables under repurchase agreements with short repayment terms are deemed to have a fair value close to book value. Therefore, their book value is recorded as the fair value, and their fair value is 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) 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, 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	-

(*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.

As of March 31, 2024	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	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	224,555	(58)	(609)	(17,677)	206,210	-
Securities						
Trading securities	13,902	914	-	22,225	37,042	21
Available-for-sale securities						
Corporate bonds	10,001	624	(139)	(1,577)	8,909	1,839
Foreign bonds	141,063	6,099	5,466	(8,117)	144,512	16,349
Other foreign securities	57,993	-	(3,814)	(14,475)	39,702	-
Other securities	32,240	-	651	1,999	34,892	-

As of March 31, 2024	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	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	1,483	(0)	(4)	(116)	1,361	-
Securities						
Trading securities	91	6	-	146	244	0
Available-for-sale securities						
Corporate bonds	66	4	(0)	(10)	58	12
Foreign bonds	931	40	36	(53)	954	107
Other foreign securities	383	-	(25)	(95)	262	-
Other securities	212	-	4	13	230	-

(*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.

(ii) 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.

19. Real Estate for Rent

The Company owns a number of commercial buildings, including land, for rent in various locations, including Tokyo. Net rental income from such real estate for rent for the fiscal year ended March 31, 2023 and 2024 were ¥25,607 million and ¥23,578 million (US\$155 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, 2023 and 2024 were ¥602 million and ¥1,632 million (US\$10 million), respectively. Impairment losses on rental real estate as extraordinary losses for the fiscal year ended March 31, 2023 and 2024 were ¥15,829 million and ¥5,307 million (US\$35 million), respectively.

	As of March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Carrying amount			
Beginning balance	859,937	937,941	6,194
Net change for the year	78,003	(13,218)	(87)
Ending balance	937,941	924,722	6,107
Fair value	1,284,841	1,280,150	8,454

- (*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 ¥153,805 million, sale of the real estate of ¥55,995 million, depreciation expense of ¥13,631 million, and impairment loss of ¥15,829 million, during the fiscal year ended March 31, 2023.
- Net change in the carrying amount included cost of acquisition of the real estate of ¥38,819 million (US\$256 million), sale of the real estate of ¥38,101 million (US\$251 million), depreciation expense of ¥13,951 million (US\$92 million), and impairment loss of ¥5,307 million (US\$35 million), during the fiscal year ended March 31, 2024.
- (*3) The Company calculates the fair value of the majority of the rental real estate based on real estate appraisal standards and assessment by an independent appraiser, and others based on internal but reasonable estimates.

20. Securities Lending

Securities lent under lending agreements are included in the consolidated balance sheet. The total balance of securities lent as of March 31, 2023 and 2024 were ¥2,399,254 million and ¥2,452,734 million (US\$16,199million), respectively.

21. 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,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Claims against bankrupt and quasi-bankrupt obligors(*1)	87	88	0
Claims with collection risk (*2)	2,552	2,586	17
Claims that are overdue for three months or more (*3)	-	-	-
Claims with repayment relaxation(*4)	-	-	-
Total	2,639	2,674	17

- (*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, 2023 and 2024 were ¥1 million and ¥1 million (US\$0 million), respectively.

22. Assets and Liabilities Held in Separate Accounts

The total amounts of assets held in separate accounts defined in Article 118 Paragraph 1 of the Insurance Business Act as of March 31, 2023 and 2024 were ¥1,672,707 million and ¥1,729,011 million (US\$11,419 million), respectively. Separate account liabilities were the same amount as the separate account assets.

23. Contingent Liabilities

	As of March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Dai-ichi Life Holdings, Inc.	250,002	250,007	1,651

24. Changes in Reserve for Policyholder Dividends

	As of March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Balance at the beginning of the fiscal year	413,222	423,403	2,796
Dividends paid during the fiscal year	93,123	96,702	638
Interest accrual during the fiscal year	8,305	8,440	55
Provision for reserve for policyholder dividends	95,000	87,500	577
Balance at the end of the fiscal year	423,403	422,642	2,791

25. Stocks of Subsidiaries and Affiliated Companies

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

	As of March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Stocks	4,985	11,563	76
Capital	196,216	242,617	1,602
Total	201,202	254,181	1,678

26. Organizational Change Surplus

As of March 31, 2023 and 2024, the amounts of organizational change surplus stipulated in Article 91 of the Insurance Business Act were ¥117,776 million and ¥117,776 million (US\$777 million), respectively.

27. Assets Pledged as Collateral / Secured Liabilities

	As of March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Securities	370,019	1,525,614	10,076
Cash and deposits	86	86	0
Total	370,106	1,525,701	10,076

The amounts of secured liabilities were as follows:			
	As of March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Payables under repurchase agreements	304,005	1,082,401	7,148
The amounts of "Securities" sold under repurchase agreements as of March 31, 2023 and 2024 were ¥292,786 million and ¥1,047,109 million (US\$6,915 million), respectively.			

28. Net Assets per Share

The amounts of net assets per share of the Company as of March 31, 2023 and 2024 were ¥353,409,439.53 and ¥502,496,298.00 (US\$3,318,778.79 million), respectively.

29. Employees' Retirement Benefits

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

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

(2) Defined Benefit Plans

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

	Year ended March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
a. Beginning balance of the projected benefit obligations	680,173	665,711	4,396
b. Service cost	24,329	23,205	153
c. Interest cost	2,038	1,995	13
d. Accruals of actuarial (gains) and losses	(868)	(79,609)	(525)
e. Payment of retirement benefits	(39,066)	(35,037)	(231)
f. Accruals of past service cost	-	-	-
g. Others	(895)	(531)	(3)
h. Ending balance of the projected benefit obligation (a + b + c + d + e + f + g)	665,711	575,733	(3,802)

b) Reconciliations of beginning and ending balances of pension assets

	Year ended March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
a. Beginning balance of pension assets	297,107	306,718	2,025
b. Estimated return on assets	1,832	1,780	11
c. Accruals of actuarial (gains) and losses	8,273	59,646	393
d. Contribution from the employer	6,697	9,641	63
e. Payment of retirement benefits	(7,191)	(7,203)	(47)
f. Ending balance of pension assets (a + b + c + d + e)	306,718	370,583	2,447

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,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
a. Projected benefit obligation for funded pensions	349,975	305,435	2,017
b. Pension assets	(306,718)	(370,583)	(2,447)
c. Subtotal (a + b)	43,256	(65,148)	(430)
d. Projected benefit obligation for unfunded pensions	315,736	270,298	1,785
e. Net of assets and liabilities recorded in the consolidated balance sheet (c + d)	358,992	205,149	1,354
f. Net defined benefit liabilities	358,992	205,149	1,354
g. Net defined benefit assets	-	-	-
h. Net of assets and liabilities recorded in the balance sheet (f + g)	358,992	205,149	1,354

d) Amount of the components of retirement benefit expenses

	Year ended March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
a. Service cost	24,329	23,205	153
b. Interest cost	2,038	1,995	13
c. Expected return on assets	(1,832)	(1,780)	(11)
d. Expense of actuarial (gains) and losses	9,122	(8,295)	(54)
e. Expense of past service cost	175	176	1
f. Others	101	101	0
g. Retirement benefit expenses for defined benefit plans (a + b + c + d + e + f)	33,934	15,404	101

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,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Past service cost	172	172	1
Actuarial gains (losses)	18,298	130,871	864
Total	18,470	131,044	865

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,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Unrecognized past service cost	1,015	842	5
Unrecognized actuarial gains (losses)	(34,742)	(165,614)	(1,093)
Total	(33,727)	(164,771)	(1,088)

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,	
	2023	2024
Stocks	50%	53%
Bonds	18%	25%
Assets under joint management	20%	13%
Life insurance general account	3%	5%
Others	9%	4%
Total	100%	100%

Note: The proportion of retirement benefit trust that has been set for the unfunded retirement benefit plans to total pension assets as of March 31, 2023 and 2024 were 59% and 64%, 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,	
	2023	2024
Discount rate	0.30%	1.42%
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, 2023 and 2024 were ¥1,475 million and ¥1,598 million (US\$10 million), respectively.

30. **Securities Borrowing**
- As of March 31, 2023 and 2024, the maket value of the securities borrowed under borrowing agreements which can be sold or pledged as collateral but were not sold or pledged as collateral, were ¥28,379 million and ¥51,117 million (US\$337million), respectively.
31. **Commitment Line**
- As of March 31, 2023 and 2024, there were unused commitment line agreements, under which the Company was the lenders, of ¥47,237 million and ¥40,180 million (US\$265 million), respectively.
32. **Subordinated Debt and Other Liabilities**
- As of March 31, 2023 and 2024, other liabilities included subordinated debt of ¥390,600 million and ¥390,600 million (US\$2,579 million), respectively, whose repayment is subordinated to other obligations.
33. **Bonds Payable**
- As of March 31, 2023 and 2024, bonds payable included foreign currency-denominated subordinated bonds of ¥368,715 million and ¥368,715 million (US\$2,435 million), respectively, whose repayment is subordinated to other obligations.
34. **Accounting for corporate tax and local corporate tax or deferred tax accounting relating to these taxes**
- 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 treatment of corporate tax and local corporate tax, as well as applied the accounting and disclosure treatment of deferred tax accounting, in accordance with Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System (ASBJ PITF No. 42, 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, 2023 and 2024 were ¥27,423,671.54 and ¥34,289,589.08 (US\$226,468.45), 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, 2023 and 2024 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, 2023 were as follows:

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

Impairment losses by asset group for the fiscal year ended March 31, 2024 were as follows:

Asset Group	Place	Number	Impairment Losses					
			Land	Buildings	Total	Land	Buildings	Total
			(Unit: million yen)			(Unit: million US dollars)		
Real estate not in use	Chiyoda-ku, Tokyo and others	16	4,063	1,243	5,307	26	8	35

(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 2.00% and 1.89% for the fiscal year ended March 31, 2023 and 2024, 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,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Net unrealized gains (losses) on securities, net of tax			
Amount incurred during the year	(737,999)	1,412,475	9,328
Amount reclassified	(103,983)	(168,453)	(1,112)
Before tax adjustment	(841,983)	1,244,022	8,216
Tax effect	235,165	(347,455)	(2,294)
Net unrealized gains (losses) on securities, net of tax	(606,817)	896,567	5,921
Deferred hedge gains (losses)			
Amount incurred during the year	(31,422)	(94,180)	(622)
Amount reclassified	9,175	3,455	22
Before tax adjustment	(22,246)	(90,725)	(599)
Tax effect	6,213	25,339	167
Deferred hedge gains (losses)	(16,033)	(65,385)	(431)
Foreign currency translation adjustments			
Amount incurred during the year	(79)	245	1
Amount reclassified	-	-	-
Before tax adjustment	(79)	245	1
Tax effect	-	-	-
Foreign currency translation adjustments	(79)	245	1
Remeasurements of defined benefit plans, net of tax			
Amount incurred during the year	9,141	139,130	918
Amount reclassified	9,329	(8,086)	(53)
Before tax adjustment	18,470	131,044	865
Tax effect	(5,158)	(36,600)	(241)
Remeasurements of defined benefit plans, net of tax	13,311	94,444	623
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	(609,618)	925,870	6,114

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, 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
Dividends per share	¥33,296,000
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
Dividends per share	¥27,607,800
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
Dividends per share	¥8,333,300
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	Common stock
Type of the dividend property	Securities
Book value of the dividend property	¥20,473 million
Record date	March 31, 2023
Effective date	June 22, 2023
Dividend resource	Capital surplus

2. For the Year Ended March 31, 2024

(1) Type and Number of Shares Outstanding

Year ended March 31, 2024				
	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 21, 2023 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥165,646 million (US\$1,094 million)
Dividends per share	¥27,607,800 (US\$182,338)
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\$330 million)
Dividends per share	¥8,333,300 (US\$55,037)
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	Common stock
Type of the dividend property	Securities
Book value of the dividend property	¥20,473 million (US\$135 million)
Dividends per share	¥3,412,274 (US\$22,536)
Record date	March 31, 2023
Effective date	June 22, 2023
Dividend resource	Capital surplus
Date of resolution	December 18, 2023 (at the Extraordinary General Meeting of Shareholders) (*)
Type of shares	Common stock
Type of the dividend property	Securities
Book value of the dividend property	¥966 million (US\$6 million)
Dividends per share	¥161,160 (US\$1,064)
Record date	-
Effective date	March 1, 2024
Dividend resource	Capital surplus

(*) At the Extraordinary General Meeting of Shareholders on December 18, 2023, the Company decided to transfer the securities the Company held to Dai-ichi life Holdings, Inc. as a dividend in kind, and carried it out on March 1, 2024.

(c) Dividends, the record date of which was March 31, 2024, to be paid out in the year ending March 31, 2025

Date of resolution	June 19, 2024 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥203,881 million (US\$1,346 million)
Dividends per share	¥33,980,300 (US\$224,425)
Record date	March 31, 2024
Effective date	June 20, 2024
Dividend resource	Retained earnings

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, 2024, 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, 2024, 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, 2024 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

Hatsumi Fujiwara
Designated Engagement Partner
Certified Public Accountant

Yuta Kasuga
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
September 30, 2024

Solvency Margin Ratio

(1) Dai-ichi Life Holdings, Inc.

Consolidated Solvency Margin Ratio

(Unit: million yen)

	As of March 31, 2023	As of March 31, 2024
Total solvency margin (A)	5,975,158	7,046,400
Common stock, etc. (*1)	1,279,814	1,209,325
Reserve for price fluctuations	305,588	324,391
Contingency reserve	700,768	690,964
Catastrophe loss reserve	5,431	6,567
General reserve for possible loan losses	1,506	3,227
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% (*2)	994,789	2,161,578
Net unrealized gains (losses) on real estate × 85% (*2)	378,466	388,716
Sum of unrecognized actuarial differences and unrecognized past service cost	32,338	163,389
Policy reserves in excess of surrender values	2,305,927	2,345,292
Qualifying subordinated debt	923,715	923,715
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(732,013)	(740,322)
Total margin related to small amount and short-term insurance	0	0
Excluded items	(285,591)	(483,270)
Others	64,416	52,822
Total risk $\sqrt{(\sqrt{R_1^2+R_2^2+R_3^2+R_4^2}+R_5+R_6+R_7+R_8+R_9)^2+(R_2+R_3+R_4)^2+R_4+R_6}(B)$	1,697,186	2,034,497
Insurance risk R_1	166,136	160,563
General insurance risk R_5	14,892	23,020
Catastrophe risk R_6	1,788	1,773
3rd sector insurance risk R_8	188,213	181,665
Small amount and short-term insurance risk R_9	0	0
Assumed investment yield risk R_2	207,478	217,828
Guaranteed minimum benefit risk $R_7(*3)$	74,625	77,468
Investment risk R_3	1,335,020	1,660,968
Business risk R_4	39,763	46,465
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	704.1%	692.6%

*1: Expected disbursements of capital to outside the Company and accumulated other comprehensive income, etc. are excluded.

*2: Multiplied by 100% if losses.

*3: Calculated by standard method.

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

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

Solvency Margin Ratio (Unit: million yen)		
	As of March 31, 2023	As of March 31, 2024
Total solvency margin (A)	5,522,299	6,558,659
Total risk (B)	1,276,100	1,516,310
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	865.4%	865.0%

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.

Consolidated Solvency Margin Ratio (Unit: million yen)		
	As of March 31, 2023	As of March 31, 2024
Total solvency margin (A)	5,359,924	6,470,979
Total risk (B)	1,214,222	1,437,866
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	882.8%	900.0%

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, 2023	As of March 31, 2024
Total solvency margin (A)	465,567	541,111
Total risk (B)	211,351	257,672
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	440.5%	419.9%

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.

(4) The Neo First Life Insurance Company, Limited

Solvency Margin Ratio (Unit: million yen)		
	As of March 31, 2023	As of March 31, 2024
Total solvency margin (A)	49,368	39,064
Total risk (B)	2,280	2,640
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	4,329.0%	2,958.5%

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.

(5) ipet Holdings, Inc.

Consolidated Solvency Margin Ratio (Unit: million yen)		
	As of March 31, 2023	As of March 31, 2024
Total solvency margin (A)	11,074	13,754
Total risk (B)	8,666	9,617
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	255.5%	286.0%

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, 2023	As of March 31, 2024
Total solvency margin (A)	11,828	13,993
Total risk (B)	8,666	9,617
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	272.9%	290.9%

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, 2023	As of March 31, 2024
Total solvency margin (A)	829	767
Total risk (B)	0	0
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	2,922,192.9%	1,946,181.8%

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 profit/ Group adjusted profit	A unique indicator used by the Company that determines funds to be paid to shareholders. Constitutes the sum of adjusted profit at each group company. Adjusted profit at each group company generally indicates profit on a cash basis. As a holding company, the Company conducts shareholder returns based largely on the dividends that it receives from each group company.
Adjusted ROE/ Group adjusted ROE	Group adjusted ROE = Adjusted profit ÷ (Net assets – (goodwill + unrealized gains or losses on fixed-income assets (net of tax) + cumulative gains or losses on market value adjustment (MVA) (net of tax), etc.))
CSA	Control Self-Assessment (CSA) is a set of activities performed by managers and personnel in charge who are familiar with the tasks to identify inherent risks and to perform self-assessments on the significance and strength of risk control and attempt to curb risks and make necessary operational improvements.
CX	Customer Experience (CX) is a concept that emphasizes the psychological and emotional value experienced by customers through all contact points with our Group.
DE&I	Diversity, Equity & Inclusion (DE&I) is a concept aimed at creating an environment in which all employees are treated equitably, and in which there is respect among diverse employees to demonstrate their individual strengths.
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	Embedded Value (EV) is an indicator of corporate value attributable to shareholders. EV 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.
Financial Well-being	Financial well-being is a state of financial security whereby there is the freedom to choose how to enjoy one's life.
Free cash	Surplus capital under the strictest standards among accounting capital, financial soundness and economic solvency ratio.
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.
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.
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 specificity 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

Note on the Publication of the Dai-ichi Life Holdings Integrated Report 2024

For more than 120 years since our founding in 1902 as Japan's first mutual company, the Group has woven a history of value creation through transformational change in collaboration with a diverse range of stakeholders. To deepen understanding about the story of the Group's medium- to long-term value creation among all our stakeholders, we have issued an integrated report since FY2016, when we shifted to a holding company structure following our demutualization as a company limited. Based on the opinions of institutional investors and those involved in the capital markets, evaluations by external organizations, and guidelines set by the government and other organizations, we have made a series of improvements in order to communicate our ideas in an easier-to-understand manner.

There are two major points that we would like to emphasize. The first is about the value-creation process. In addition to the Group's newly formulated corporate philosophy, which coincides with the start of the new mid-term management plan, we have redefined "Core Materiality" as a key issue to be addressed by the Group on a priority basis and have reviewed the organizational structure to clarify the Group's Vision for FY2030 and the link to management strategies to achieve this vision.

The second point relates to Benefit One, which became a wholly owned subsidiary of the Company in May 2024. The process from the release of the TOB notice in December 2023 to the acquisition of the company as a wholly owned subsidiary involved a series of twists and turns, and in this year's integrated report, we asked the directors to talk about what went on behind the scenes of the deal, focusing on discussions at the board meetings, in the "Roundtable Discussion by the Directors" section. Also, as of the time of the publication of this report, we are amid conducting PMI, but I have asked Mr. Shiraishi, the president of Benefit One, to discuss his vision for the future toward the realization of synergies in the discussion section of the report. The contents of each of these sections are presented in their original form with minimal editing by the secretariat. We hope you will enjoy reading them.

Lastly, as the executive officer responsible for editing this report, I would like to state that the process used to prepare the integrated report is legitimate and the information contained in it is accurate. We will continue to use this report to deepen our understanding with as many of our stakeholders as possible through ongoing dialogue with them.

We will continue to consider the question of what information investors, shareholders and other stakeholders are seeking and what kind of expectations they have of us. We will strive to make further progress and improvements in the content of our disclosures. We appreciate your honest feedback and suggestions.

Executive Officer

Akihiko Kai

Sustainability Data/Third-Party Warranty

Please visit our website for detailed sustainability data and third-party guarantees.

Sustainability data



<https://www.dai-ichi-life-hd.com/en/sustainability/data/index.htm>



Third-party warranty



• Japan Quality Assurance Organization
https://www.dai-ichi-life-hd.com/en/sustainability/data/pdf/index_002.pdf



• The Association for NFI-Assurance
https://www.dai-ichi-life-hd.com/en/sustainability/data/pdf/index_003.pdf



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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.