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Dai-ichi Life
Holdings

INTEGRATED REPORT 2025

Data Book

Overview and Organization of the Insurance Holding Company

Corporate Profile

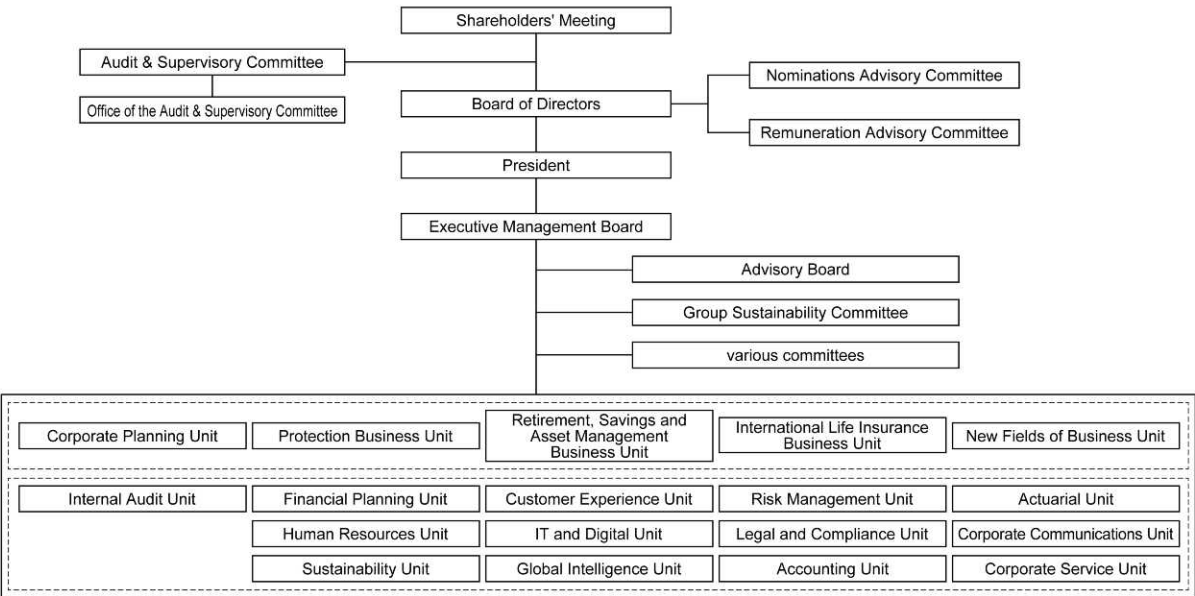
Trade name	Dai-ichi Life Holdings, Inc.
Date of Establishment	September 15, 1902
Head Office	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-8411, Japan
Phone number	81-(0)3-3216-1222
Official website	https://www.dai-ichi-life-hd.com/en/
Main Business	The purpose of the Company shall be to engage in the 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	344.3 billion yen
Number of employees	490 persons

Management Organization

Organization Chart

Dai-ichi Life Holdings
(As of April 1, 2025)

Office	1
Units	18



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
July 19, 2024	143 million yen	344,349 million yen	Third-party allotment associated with the stock remuneration scheme using restricted stocks
March 4, 2025	4 million yen	344,353 million yen	Third-party allotment associated with the stock remuneration scheme using restricted stocks

2. Number of shares and shareholders

(As of March 31, 2025)

Number of shares authorized to be issued	4,000,000 thousand shares
Number of issued shares	925,099 thousand shares
Number of shareholders	704,449 persons

(Notes) 1. Numbers of shares less than one thousand are truncated.
2. The Company conducted 4-for-1 stock splits on its common stock, as of April 1, 2025. Consequently, the total number of shares issued increased by 2,775,298,800 shares to 3,700,398,400 shares.
In addition, at the Company's 15th Annual General Meeting of Shareholders which was held on June 23, 2025, a partial amendment to the Articles of Incorporation was approved. This amendment sets the total number of shares authorized to be issued and the total number of shares of common stock authorized to be issued, as stipulated in Article 6 of the Articles of Incorporation, at 7,000,000,000 shares each.

3. Type of issued shares

(As of March 31, 2025)

Type	Number of issued shares	Details
Common stock	925,099 thousand shares	—

(Notes) 1. Numbers of shares less than one thousand are truncated.
2. The Company conducted 4-for-1 stock splits on its common stock, as of April 1, 2025. Consequently, the total number of shares issued increased by 2,775,298,800 shares to 3,700,398,400 shares.

4. Major Shareholders (Top 10)

(As of March 31, 2025)

Name of shareholders	Ownership in the Company	
	Shares held	Percentage
	shares	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	141,552,700	15.31
Custody Bank of Japan, Ltd. (Trust Account)	50,022,350	5.41
SMP PARTNERS (CAYMAN) LIMITED	24,500,000	2.65
STATE STREET BANK WEST CLIENT - TREATY 505234	18,681,552	2.02
STATE STREET BANK AND TRUST COMPANY 505001	18,339,545	1.98
Shinsei Trust & Banking Co., Ltd. ECM MF Trust Account 8299002	17,450,000	1.88
CGML PB CLIENT ACCOUNT/COLLATERAL	16,167,100	1.74
GOVERNMENT OF NORWAY	14,340,050	1.55
Mizuho Bank, Ltd.	14,000,000	1.51
J.P. MORGAN SECURITIES PLC FOR AND ON BEHALF OF ITS CLIENTS JPMSP RE CLIENT ASSETS—SEGR ACCT	12,750,000	1.37

(Notes) 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.Directors and Executive Officers

(1)Directors

(As of June 19, 2025)

Name	Position and responsibility	Significant concurrent positions
Seiji Inagaki	Director and Chair of the Board	Director and Chair of the Board, The Dai-ichi Life Insurance Company, Limited Outside Audit & Supervisory Board Member, TOKYU CORPORATION
Tetsuya Kikuta	Representative Director and President Group Chief Executive Officer	Director, The Dai-ichi Life Insurance Company, Limited
Hitoshi Yamaguchi	Representative Director and Senior Managing Executive Officer Business Head, International Life Insurance Business	
Takako Kitahori	Director and Managing Executive Officer Group Chief Customer Experience Officer (Japan)	
Toshiaki Sumino	Director	Representative Director and President, The Dai-ichi Life Insurance Company, Limited
Hidehiko Sogano	Director	
Yuriko Inoue	Outside Director	Outside Director, NIPPON SIGNAL CO., LTD.
Yasushi Shingai	Outside Director	Representative Director, Igalphan Corporation Representative Director, Shingai Management Institute Co., Ltd. Outside Director, ExaWizards Inc.
Bruce Miller	Outside Director	Outside Director, INPEX CORPORATION
Ichiro Ishii	Outside Director	Representative Director, troisH Co., Ltd. Outside Director, NS Solutions Corporation
Takahiro Shibagaki	Director (Audit & Supervisory Committee Member (Full-Time))	Outside Auditor, SHIZUOKA GAS CO., LTD.
Kenji Yamakoshi	Director (Audit & Supervisory Committee Member (Full-Time))	
Rieko Sato	Outside Director (Audit & Supervisory Committee Member)	Partner, Ishii Law Office Independent Director (Audit & Supervisory Committee Member), Mitsubishi Corporation
Koichi Masuda	Outside Director (Audit & Supervisory Committee Member)	Advisor, The Japanese Institute of Certified Public Accountants
Satoshi Nagase	Outside Director (Audit & Supervisory Committee Member)	

(2)Executive Officers

(As of June 19, 2025)

Position and responsibility	Name
Senior Managing Executive Officer Group Chief Information Officer & Group Chief Digital Officer	Stephen Barnham
Senior Managing Executive Officer	Mamoru Akashi
Senior Managing Executive Officer	Brett Clark
Senior Managing Executive Officer	Norio Shiraishi
Senior Managing Executive Officer Business Head, Protection (Japan)	Kohei Kai
Managing Executive Officer Group Chief Internal Audit Officer	Hiroshi Shoji
Managing Executive Officer Business Head, Retirement, Savings and Asset Management	Takashi Iida
Managing Executive Officer Group Chief Risk Officer	Hideyuki Ohashi
Managing Executive Officer	Satoshi Takemoto
Executive Officer	Atsuko Yasuda
Executive Officer	Makoto Hishida
Executive Officer	Yuichiro Abe
Executive Officer	Shinichiro Kaneko
Executive Officer Group Chief Financial Officer	Taisuke Nishimura
Executive Officer Group Chief Human Resources Officer	Yotaro Numata
Executive Officer Business Head, New Fields of Business	Akifumi Kai
Executive Officer Group Chief Compliance Officer	Webster Coates
Executive Officer Group Chief Communications Officer	Kyoko Wada
Executive Officer	Ken Niimura
Executive Officer	Takashi Uehara
Executive Officer	Isamu Ando
Executive Officer	Katsushi Makiuchi
Executive Officer Group Chief Data and AI Officer	Figen Ulgen
Executive Officer Group Chief Brand and Culture Officer	Kaori Sakamoto
Executive Officer Group Chief Sustainability Officer	Yukiko Sakai
Expert Executive Officer Group Chief Information Security Officer	Fred Stute
Expert Executive Officer Group Chief Accounting Officer	Hiroataka Noji

6. 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, 2024		The fiscal year ended March 31, 2025	
	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	102	6	137	93
Consolidated subsidiary	292	22	295	37
Total	394	28	433	130

(The fiscal year ended March 31, 2024)

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, 2025)

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, 2024		The fiscal year ended March 31, 2025	
	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	-	3
Consolidated Subsidiary	1,652	186	1,942	131
Total	1,652	198	1,942	135

(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.

(The fiscal year ended March 31, 2025)

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

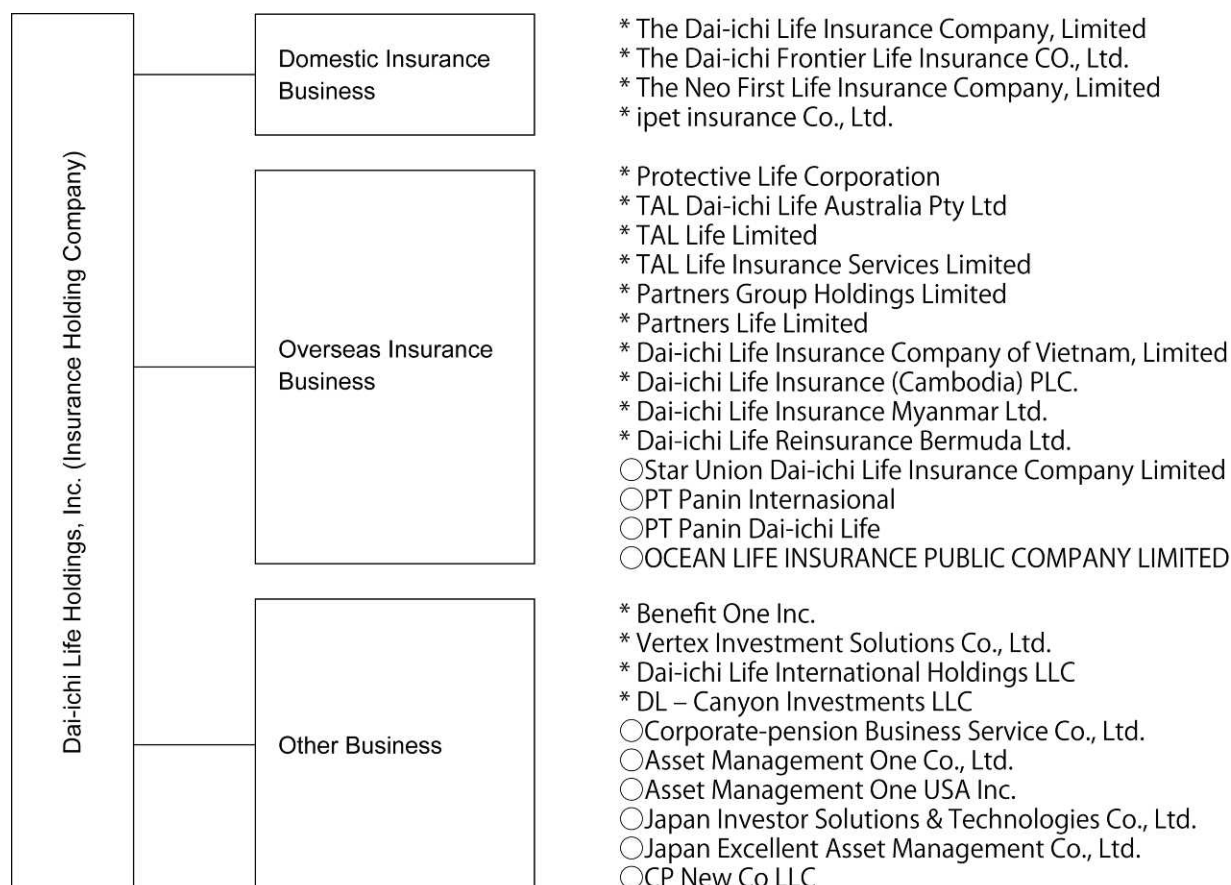
Non-audit services provided by consolidated subsidiaries include "Actuarial advisory services", etc.

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

Main Businesses and Organization

Main businesses operated by the Company and its 181 subsidiaries and 124 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, 2025.
 3. Regarding OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED, as of the date of this disclosure, it is no longer an affiliate of the Company due to the transfer of shares held by Dai-ichi Life International Holdings LLC in May 2025.

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 Insurance Co., Ltd.	May 11, 2004	Koto-ku, Tokyo	4.6 billion JPY	Domestic insurance business	100.0%	0.0%
Protective Life Corporation	July 24, 1907	Birmingham, U.S.A.	10 USD	Overseas insurance business	0.0%	100.0%
TAL Daiichi 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	68 million USD	Overseas insurance business	0.0%	100.0%
Dai-ichi Life Insurance Myanmar Ltd.	May 17, 2019	Yangon, Myanmar	79 million USD	Overseas insurance business	0.0%	100.0%
Dai-ichi Life Reinsurance Bermuda Ltd.	September 25, 2020	Hamilton, Bermuda	342 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	1.5 billion JPY	Other business	100.0%	0.0%
Benefit One Inc.	March 15, 1996	Shinjuku-ku, Tokyo	1.5 billion JPY	Other business	100.0%	0.0%
DL – Canyon Investments LLC	May 10, 2024	Wilmington, U.S.A.	271 million USD	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	3,572 million INR	Overseas insurance business	0.0%	47.4%
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 (Note 3)	January 11, 1949	Bangkok, Thailand	2,360 million THB	Overseas insurance business	0.0%	24.0%
Corporate-Pension Business Service Co., Ltd.	October 1, 2001	Osaka-shi, Osaka	100 million JPY	Other business	0.0%	50.0%
Asset Management One Co., Ltd.	July 1, 1985	Chiyoda-ku, Tokyo	2.0 billion JPY	Other business	49.0%	0.0%
Japan Excellent Asset Management Co., Ltd.	April 14, 2005	Minato-ku, Tokyo	450 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%
Asset Management One USA Inc.	June 3, 1994	New York City, U.S.A.	4 million USD	Other business	49.0%	0.0%
CP New Co LLC	February 6, 2024	Dover, U.S.A.	336 million USD	Other business	0.0%	19.9%

(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."

3. Regarding OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED, as of the date of this disclosure, it is no longer an affiliate of the Company due to the transfer of shares held by Dai-ichi Life International Holdings LLC in May 2025.

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

Key Management Indicators

	Fiscal Year Ended March 31,				
	2021	2022	2023	2024	2025
Ordinary revenues (million yen)	7,827,806	8,209,708	9,508,766	11,028,166	9,873,251
Ordinary profit (million yen)	552,861	590,897	387,500	539,006	719,072
Net income attributable to shareholders of parent company (million yen)	363,777	409,353	173,735	320,765	429,613
Comprehensive income (million yen)	1,143,981	(130,395)	(1,344,017)	1,425,209	(148,338)

	As of March 31,				
	2021	2022	2023	2024	2025
Total net assets (million yen)	4,807,129	4,210,341	2,661,764	3,882,157	3,469,707
Total assets (million yen)	63,593,705	65,896,142	61,653,699	67,540,309	69,592,967
Consolidated solvency margin ratio (%)	958.5	902.6	704.1	692.6	643.4

(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, 2025 decreased by 10.5% compared to the previous fiscal year to ¥9,873.2 billion, consisting of ¥6,795.9 billion (9.7% decrease) in premium and other income, ¥2,528.4 billion (16.7% decrease) in investment income, and ¥548.9 billion (17.3% increase) in other ordinary revenues. Meanwhile, ordinary expenses for the fiscal year ended March 31, 2025 decreased by 12.7% compared to the previous fiscal year to ¥9,154.1 billion, consisting of ¥6,581.3 billion (2.6% decrease) in benefits and claims, ¥414.6 billion (77.9% decrease) in provision for policy reserves and others, ¥810.2 billion (34.2% increase) in investment expenses, ¥989.7 billion (6.8% increase) in operating expenses, and ¥358.1 billion (10.3% increase) in other ordinary expenses.

As a result, ordinary profit for the fiscal year ended March 31, 2025 increased by 33.4% compared to the previous fiscal year to ¥719.0 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 33.9% to ¥429.6 billion. This was mainly due to an increase in interest and dividend income, supported by rising interest rates and favorable financial market conditions at Dai-ichi Life.

Segment results were as follows:

(1) Domestic Insurance Business

Ordinary revenues in the domestic insurance business decreased by ¥699.0 billion compared to the previous consolidated fiscal year, amounting to ¥8,083.8 billion (8.0% decrease). This decrease was mainly due to an decrease in premium and other income because of a slowdown in sales at Dai-ichi Frontier Life caused by the impact of lower overseas interest rates.

Segment profit increased by ¥177.5 billion compared to the previous consolidated fiscal year, reaching ¥584.5 billion (43.6% increase). This was mainly due to an increase in interest and dividend income, supported by rising interest rates and favorable financial market conditions at Dai-ichi Life.

(2) Overseas Insurance Business

Ordinary revenues in the overseas insurance business increased by ¥519.2 billion compared to the previous consolidated fiscal year, amounting to ¥3,669.0 billion (16.5% increase). This increase was mainly due to higher investment income at Protective, driven by the depreciation of the yen compared to the previous consolidated fiscal year and an increase in interest and dividend income supported by favorable financial market conditions.

Segment profit increased by ¥55.7 billion compared to the previous consolidated fiscal year, reaching ¥183.1 billion (43.7% increase). This increase was mainly due to the removal of bond valuation losses and losses related to the bankruptcy of a U.S. financial institution that were recorded in the previous consolidated fiscal year at Protective.

(3) Other Business

Ordinary revenues in the other business increased by ¥103.6 billion compared to the previous consolidated fiscal year, amounting to ¥330.5 billion (45.7% increase). This increase was mainly due to an increase in dividend income from group companies such as Dai-ichi Life and TAL, as well as the contribution to earnings from Benefit One, which became a consolidated subsidiary during the current fiscal year.

Segment profit increased by ¥21.7 billion compared to the previous consolidated fiscal year, reaching ¥221.0 billion (10.9% increase).

Consolidated Balance Sheet

	(Unit: million yen)		(Unit: million US dollars)
	As of March 31,		
	2024	2025	2025
(ASSETS)			
Cash and deposits	2,064,416	1,889,228	12,635
Call loans	719,300	566,500	3,788
Receivables under resale agreements	58,136	—	—
Monetary claims bought	226,450	207,197	1,385
Money held in trust	888,720	899,485	6,015
Securities	51,781,703	53,033,910	354,694
Loans	4,719,209	5,130,891	34,315
Tangible fixed assets	1,224,456	1,273,200	8,515
Land	861,010	881,367	5,894
Buildings	341,248	342,470	2,290
Leased assets	2,510	8,432	56
Construction in progress	3,178	8,496	56
Other tangible fixed assets	16,507	32,432	216
Intangible fixed assets	708,383	1,107,255	7,405
Software	129,811	138,717	927
Goodwill	115,206	328,427	2,196
Leased assets	—	3	0
Other intangible fixed assets	463,364	640,106	4,281
Reinsurance receivables	1,853,137	2,048,027	13,697
Other assets	3,124,314	3,275,889	21,909
Deferred tax assets	178,914	170,990	1,143
Customers' liabilities for acceptances and guarantees	16,417	11,192	74
Reserve for possible loan losses	(22,803)	(20,374)	(136)
Reserve for possible investment losses	(448)	(427)	(2)
Total assets	67,540,309	69,592,967	465,442
(LIABILITIES)			
Policy reserves and others	57,152,350	59,566,205	398,382
Reserves for outstanding claims	1,460,832	1,432,294	9,579
Policy reserves	55,268,875	57,701,859	385,913
Reserve for policyholder dividends	422,642	432,050	2,889
Reinsurance payable	476,386	301,779	2,018
Short-term bonds payable	53,088	41,874	280
Bonds payable	922,198	1,153,124	7,712
Other liabilities	4,171,547	4,379,528	29,290
Payables under repurchase agreements	1,360,914	1,699,129	11,363
Other liabilities	2,810,632	2,680,399	17,926
Net defined benefit liabilities	212,173	157,929	1,056
Reserve for retirement benefits of directors, executive officers and corporate auditors	674	613	4
Reserve for possible reimbursement of prescribed claims	1,000	1,300	8
Reserves under the special laws	324,391	342,194	2,288
Reserve for price fluctuations	324,391	342,194	2,288
Deferred tax liabilities	258,858	97,710	653
Deferred tax liabilities for land revaluation	69,064	69,806	466
Acceptances and guarantees	16,417	11,192	74
Total liabilities	63,658,152	66,123,260	442,236

Consolidated Balance Sheet (Continued)

	(Unit: million yen)		(Unit: million US dollars)
	As of March 31,		
	2024	2025	2025
(NET ASSETS)			
Capital stock	344,205	344,353	2,303
Capital surplus	330,538	330,686	2,211
Retained earnings	1,214,608	1,349,528	9,025
Treasury stock	(17,258)	(9,938)	(66)
Total shareholders' equity	1,872,093	2,014,630	13,473
Net unrealized gains (losses) on securities, net of tax	1,733,897	1,054,503	7,052
Deferred hedge gains (losses)	(101,756)	(124,157)	(830)
Reserve for land revaluation	28,223	48,984	327
Foreign currency translation adjustments	247,433	379,148	2,535
Accumulated remeasurements of defined benefit plans	117,420	126,449	845
Net unrealized gains (losses) on total policy reserves and other reserves of foreign subsidiaries, net of tax	(15,457)	(30,109)	(201)
Total accumulated other comprehensive income	2,009,761	1,454,819	9,729
Stock acquisition rights	302	257	1
Total net assets	3,882,157	3,469,707	23,205
Total liabilities and net assets	67,540,309	69,592,967	465,442

Consolidated Statement of Earnings

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2024	2025	2025
ORDINARY REVENUES	11,028,166	9,873,251	66,032
Premium and other income	7,526,357	6,795,905	45,451
Investment income	3,033,982	2,528,416	16,910
Interest and dividends	1,430,988	1,585,938	10,606
Gains on money held in trust	20,505	—	—
Gains on investments in trading securities	385,902	331,097	2,214
Gains on sale of securities	435,076	570,776	3,817
Gains on redemption of securities	8,238	23,236	155
Foreign exchange gains	539,088	—	—
Reversal of reserve for possible loan losses	—	4,778	31
Reversal of reserve for possible investment losses	46	—	—
Other investment income	6,660	12,588	84
Gains on investments in separate accounts	207,475	—	—
Other ordinary revenues	467,827	548,929	3,671
ORDINARY EXPENSES	10,489,160	9,154,178	61,223
Benefits and claims	6,756,863	6,581,327	44,016
Claims	1,832,297	1,998,461	13,365
Annuities	1,068,105	1,063,768	7,114
Benefits	667,575	728,415	4,871
Surrender values	1,735,306	1,637,819	10,953
Other refunds	1,453,577	1,152,863	7,710
Provision for policy reserves and others	1,877,422	414,614	2,772
Provision for reserves for outstanding claims	28,722	—	—
Provision for policy reserves	1,840,259	406,177	2,716
Provision for interest on policyholder dividends	8,440	8,437	56
Investment expenses	603,877	810,289	5,419
Interest expenses	39,675	49,312	329
Losses on money held in trust	—	1,284	8
Losses on sale of securities	356,612	457,799	3,061
Losses on valuation of securities	7,866	22,313	149
Losses on redemption of securities	3,684	10,502	70
Derivative transaction losses	99,258	45,839	306
Foreign exchange losses	—	126,738	847
Provision for reserve for possible loan losses	5,100	—	—
Provision for reserve for possible investment losses	—	292	1
Write-down of loans	4,394	6,562	43
Depreciation of real estate for rent and others	14,044	14,257	95
Other investment expenses	73,240	71,716	479
Losses on investments in separate accounts	—	3,668	24
Operating expenses	926,325	989,777	6,619
Other ordinary expenses	324,672	358,169	2,395
Ordinary profit	539,006	719,072	4,809
EXTRAORDINARY GAINS	6,646	19,020	127
Gains on disposal of fixed assets	6,543	18,881	126
Other extraordinary gains	103	139	0
EXTRAORDINARY LOSSES	31,153	75,793	506
Losses on disposal of fixed assets	6,523	25,927	173
Impairment losses on fixed assets	5,307	2,243	15
Provision for reserve for price fluctuations	18,803	17,802	119
Second career special support expenses	—	28,883	193
Other extraordinary losses	520	936	6
Provision for reserve for policyholder dividends	87,500	100,000	668
Income before income taxes	426,998	562,299	3,760
Corporate income taxes-current	96,764	124,754	834
Corporate income taxes-deferred	9,448	7,931	53
Total of corporate income taxes	106,212	132,686	887
Net Income	320,786	429,613	2,873
Net income attributable to non-controlling interests	21	—	—
Net income attributable to shareholders of parent company	320,765	429,613	2,873

Consolidated Statement of Comprehensive Income

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2024	2025	2025
Net income	320,786	429,613	2,873
Other comprehensive income			
Net unrealized gains (losses) on securities, net of tax	991,026	(684,015)	(4,574)
Deferred hedge gains (losses)	(64,624)	(24,636)	(164)
Reserve for land revaluation	—	(2,249)	(15)
Foreign currency translation adjustments	92,740	128,565	859
Remeasurements of defined benefit plans, net of tax	94,641	9,030	60
Net unrealized gains (losses) on total policy reserves and other reserves of foreign subsidiaries, net of tax	(17,864)	(14,652)	(97)
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	8,504	10,005	66
Total other comprehensive income	1,104,423	(577,951)	(3,865)
Comprehensive income	1,425,209	(148,338)	(992)
(Details)			
Attributable to shareholders of parent company	1,425,188	(148,338)	(992)
Attributable to non-controlling interests	21	—	—

Consolidated Statement of Changes in Net Assets

Year ended March 31, 2024

(Unit: million yen)

	Shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	
Balance at the beginning of the year	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				Accumulated remeasurements of defined benefit plans
	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)	Reserve for land revaluation	Foreign currency translation adjustments	
Balance at the beginning of the year	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				Total net assets
	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	
Balance at the beginning of the year	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, 2025

(Unit: million yen)

	Shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	
Balance at the beginning of the year	344,205	330,538	1,214,608	(17,258)	1,872,093
Changes for the year					
Issuance of new shares	148	148			296
Dividends			(162,939)		(162,939)
Net income attributable to shareholders of parent company			429,613		429,613
Purchase of treasury stock				(101,849)	(101,849)
Disposal of treasury stock		(152)		278	125
Cancellation of treasury stock		(108,890)		108,890	—
Transfer from retained earnings to capital surplus		109,043	(109,043)		—
Transfer from reserve for land revaluation			(23,010)		(23,010)
Others			300		300
Net changes of items other than shareholders' equity					
Total changes for the year	148	148	134,920	7,319	142,537
Balance at the end of the year	344,353	330,686	1,349,528	(9,938)	2,014,630

(Unit: million yen)

	Accumulated other comprehensive income				Accumulated remeasurements of defined benefit plans
	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)	Reserve for land revaluation	Foreign currency translation adjustments	
Balance at the beginning of the year	1,733,897	(101,756)	28,223	247,433	117,420
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	(679,393)	(22,400)	20,760	131,714	9,029
Total changes for the year	(679,393)	(22,400)	20,760	131,714	9,029
Balance at the end of the year	1,054,503	(124,157)	48,984	379,148	126,449

(Unit: million yen)

	Accumulated other comprehensive income				Total net assets
	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	
Balance at the beginning of the year	(15,457)	2,009,761	302	—	3,882,157
Changes for the year					
Issuance of new shares					296
Dividends					(162,939)
Net income attributable to shareholders of parent company					429,613
Purchase of treasury stock					(101,849)
Disposal of treasury stock					125
Cancellation of treasury stock					—
Transfer from retained earnings to capital surplus					—
Transfer from reserve for land revaluation					(23,010)
Others					300
Net changes of items other than shareholders' equity	(14,652)	(554,941)	(45)	—	(554,986)
Total changes for the year	(14,652)	(554,941)	(45)	—	(412,449)
Balance at the end of the year	(30,109)	1,454,819	257	—	3,469,707

Consolidated Statement of Changes in Net Assets (Continued)

Year ended March 31, 2025

(Unit: million US dollars)

	Shareholders' equity			
	Capital stock	Capital surplus	Retained earnings	Treasury stock
Balance at the beginning of the year	2,302	2,210	8,123	(115)
Changes for the year				
Issuance of new shares	0	0		
Dividends			(1,089)	
Net income attributable to shareholders of parent company			2,873	
Purchase of treasury stock				(681)
Disposal of treasury stock		(1)		1
Cancellation of treasury stock		(728)		728
Transfer from retained earnings to capital surplus		729	(729)	
Transfer from reserve for land revaluation			(153)	
Others			2	
Net changes of items other than shareholders' equity				
Total changes for the year	0	0	902	48
Balance at the end of the year	2,303	2,211	9,025	(66)

(Unit: million US dollars)

	Accumulated other comprehensive income			
	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)	Reserve for land revaluation	Foreign currency translation adjustments
Balance at the beginning of the year	11,596	(680)	188	1,654
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	(4,543)	(149)	138	880
Total changes for the year	(4,543)	(149)	138	880
Balance at the end of the year	7,052	(830)	327	2,535

(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
Balance at the beginning of the year	(103)	13,441	2	—
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	(97)	(3,711)	0	—
Total changes for the year	(97)	(3,711)	0	—
Balance at the end of the year	(201)	9,729	1	—

Consolidated Statement of Cash Flows

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2024	2025	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income taxes	426,998	562,299	3,760
Depreciation of real estate for rent and others	14,044	14,257	95
Depreciation	75,392	92,290	617
Impairment losses on fixed assets	5,307	2,243	15
Amortization of goodwill	9,620	25,230	168
Increase (decrease) in reserves for outstanding claims	13,140	(5,227)	(34)
Increase (decrease) in policy reserves	1,699,747	554,868	3,710
Provision for interest on policyholder dividends	8,440	8,437	56
Provision for (reversal of) reserve for policyholder dividends	87,500	100,000	668
Increase (decrease) in reserve for possible loan losses	3,938	(4,715)	(31)
Increase (decrease) in reserve for possible investment losses	(478)	(21)	(0)
Write-down of loans	4,394	6,562	43
Increase (decrease) in net defined benefit liabilities	(24,894)	(41,678)	(278)
Increase (decrease) in reserve for retirement benefits of directors, executive officers and corporate auditors	(119)	(60)	(0)
Increase (decrease) in reserve for possible reimbursement of prescribed claims	200	300	2
Increase (decrease) in reserve for price fluctuations	18,803	17,802	119
Interest and dividends	(1,430,988)	(1,585,938)	(10,606)
Securities related losses (gains)	(668,528)	(430,826)	(2,881)
Interest expenses	39,675	49,312	329
Foreign exchange losses (gains)	(539,088)	126,738	847
Losses (gains) on disposal of fixed assets	(930)	1,100	7
Equity in losses (income) of affiliates	(9,531)	(3,526)	(23)
Losses (gains) on sale of stocks of subsidiaries and affiliated companies	2	—	—
Decrease (increase) in reinsurance receivable	(121,340)	5,253	35
Decrease (increase) in other assets unrelated to investing and financing activities	(162,593)	(103,552)	(692)
Increase (decrease) in reinsurance payable	(24,706)	(192,710)	(1,288)
Increase (decrease) in other liabilities unrelated to investing and financing activities	236,206	(187,853)	(1,256)
Others, net	127,492	70,704	472
Subtotal	(212,295)	(918,710)	(6,144)
Interest and dividends received	1,610,065	1,812,356	12,121
Interest paid	(42,710)	(49,724)	(332)
Policyholder dividends paid	(96,702)	(99,028)	(662)
Others, net	(267,843)	(50,563)	(338)
Corporate income taxes (paid) refunded	6,864	(101,750)	(680)
Net cash flows provided by (used in) operating activities	997,377	592,578	3,963

Consolidated Statement of Cash Flows (Continued)

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2024	2025	2025
CASH FLOWS FROM INVESTING ACTIVITIES			
Net decrease (increase) in cash and deposits	2,971	(19,328)	(129)
Purchases of monetary claims bought	(40,438)	(20,465)	(136)
Proceeds from sale and redemption of monetary claims bought	50,992	33,458	223
Purchases of money held in trust	(250,337)	(263,790)	(1,764)
Proceeds from decrease in money held in trust	293,607	251,365	1,681
Purchases of securities	(13,392,710)	(13,549,721)	(90,621)
Proceeds from sale and redemption of securities	11,884,649	12,807,996	85,660
Origination of loans	(1,195,175)	(1,265,718)	(8,465)
Proceeds from collection of loans	974,322	1,050,850	7,028
Net increase (decrease) in short-term investing	1,125,207	286,211	1,914
Total of net cash provided by (used in) investment transactions	(546,911)	(689,142)	(4,609)
Total of net cash provided by (used in) operating activities and investment transactions	450,466	(96,563)	(645)
Acquisition of tangible fixed assets	(51,139)	(60,115)	(402)
Proceeds from sale of tangible fixed assets	38,781	47,011	314
Acquisition of intangible fixed assets	(42,012)	(44,347)	(296)
Proceeds from sale of intangible fixed assets	3,319	—	—
Acquisitions of stock of subsidiaries resulting in change in scope of consolidation	—	(233,785)	(1,563)
Payments from sales of investments in subsidiaries resulting in change in scope of consolidation	(155)	—	—
Acquisitions of stock of subsidiaries	(3,530)	—	—
Payments for fulfillment of assets retirement obligations	—	(81)	(0)
Net cash flows provided by (used in) investing activities	(601,649)	(980,460)	(6,557)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	200,230	—	—
Repayment of borrowings	(9,052)	(1,720)	(11)
Proceeds from issuing bonds	—	316,230	2,114
Redemption of bonds	—	(111,718)	(747)
Repayment of financial lease obligations	(3,412)	(11,141)	(74)
Net increase (decrease) in short-term financing	(128,754)	(813)	(5)
Purchase of treasury stock	(120,000)	(101,849)	(681)
Cash dividends paid	(84,313)	(162,356)	(1,085)
Acquisitions of stock of subsidiaries that do not result in change in scope of consolidation	(460)	(200)	(1)
Others, net	0	0	0
Net cash flows provided by (used in) financing activities	(145,763)	(73,570)	(492)
Effect of exchange rate changes on cash and cash equivalents	5,120	2,610	17
Net increase (decrease) in cash and cash equivalents	255,085	(458,841)	(3,068)
Cash and cash equivalents at the beginning of the year	2,517,285	2,772,370	18,541
Cash and cash equivalents at the end of the year	2,772,370	2,313,529	15,473

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2025

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 ¥149.52=US\$1.00, the foreign exchange rate on March 31, 2025, 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, 2025: 93

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 Insurance Co., Ltd. ("ipet"), Benefit One Inc. ("Benefit One"), 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"), DL - Canyon Investments LLC ("DCI"), Dai-ichi Life International Holdings LLC ("DLIHD") and Vertex Investment Solutions Co., Ltd. ("VTX").

Effective August 27, 2025, TAL Dai-ichi Life Australia Pty Ltd changed its name to TAL Daiichi Life Australia Pty Ltd.

Effective the fiscal year ended March 31, 2025, one affiliated company of TDLA was included in the scope of consolidation as it had become a subsidiary of the Company.

Effective the fiscal year ended March 31, 2025, five affiliated companies of Protective Life were included in the scope of consolidation as they had become subsidiaries of the Company.

Effective the fiscal year ended March 31, 2025, eleven companies which are Benefit One and its ten affiliated companies were included in the scope of consolidation as they had become subsidiaries of the Company and after that, one affiliated company of Benefit One was excluded from the scope of consolidation.

Effective the fiscal year ended March 31, 2025, DCI was included in the scope of consolidation as it was established in the fiscal year ended March 31, 2025.

Effective the fiscal year ended March 31, 2025, ipet Holdings, Inc. was excluded from the scope of consolidation.

Effective the fiscal year ended March 31, 2025, two affiliated companies of Protective Life were excluded from the scope of consolidation.

Effective the fiscal year ended March 31, 2025, one affiliated company of TDLA was excluded from the scope of consolidation.

(2) The number of non-consolidated subsidiaries as of March 31, 2025: 88

The main subsidiaries that are not consolidated for the purposes of financial reporting are The Dai-ichi Life Techno Cross Co., Ltd., THE DAI-ICHI BUILDING CO., LTD. and First U Anonymous Association.

The eighty-eight non-consolidated subsidiaries as of March 31, 2025 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, 2025 was 0.

The number of affiliated companies under the equity method as of March 31, 2025 was 116. The affiliated companies included Asset Management One Co., Ltd., Asset Management One USA Inc., Corporate-pension Business Service Co., Ltd., Japan Excellent Asset Management Co., Ltd., Japan Investor Solutions&Technologies Co., LTD., OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED ("Ocean Life"), Star Union Dai-ichi Life Insurance Company Limited, PT Panin Internasional and CP New Co LLC.

Effective the fiscal year ended March 31, 2025, ninety-eight companies, which are CP New Co LLC and its ninety-seven affiliated companies, were included in the scope of the equity method as they had become affiliated companies of the Company and after that, five affiliated companies of CP New Co LLC were excluded from the scope of the equity method.

Effective the fiscal year ended March 31, 2025, eleven companies, which are Benefit One and its ten affiliated companies, were excluded from the scope of the equity method as they had become subsidiaries of the Company due to the acquisition of

additional shares.

Effective the fiscal year ended March 31, 2025, one affiliated company of Asset Management One Co., Ltd. was excluded from the scope of the equity method.

The Company decided to sell all shares of Ocean Life, an affiliated company of the Company, and entered into an agreement on May 10, 2025 concerning the share transfer. Further information regarding this matter is included in XXI.4.

The non-consolidated subsidiaries (The Dai-ichi Life Techno Cross 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 with no Market Price, etc.

Available-for-sale securities other than stocks with no market price, etc., are valued at fair value at the end of the fiscal year, with cost determined by the moving average method.

ii) Stocks with no Market Price, etc.

Stocks with no market price, etc., 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 method.

(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) Accounting policies for significant reserves and allowances

a) 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 departments 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 obligors 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, 2024 and 2025 were ¥1 million and ¥1 million (US\$0 million), respectively.

For certain consolidated overseas subsidiaries, reserve for lifetime expected credit losses is recognized for relevant claims on day one of the asset's acquisition.

b) Reserve for Possible Investment Losses

In order to provide for future investment losses, a reserve for possible investment losses is established for stocks with no market price, etc., and ownership stakes in partnerships, etc. It is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

c) 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.

d) 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.

(5) 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, 2025. 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 benefits for the fiscal year ended March 31, 2025.

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 the corridor approach.

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

(6) 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.

(7) 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.

(8) 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 and certain bonds payable; ii) the currency allotment method and the deferral hedge method using foreign currency swaps, foreign currency forward contracts and foreign currency-denominated monetary claims are used for cash flow hedges against exchange rate fluctuations in certain foreign currency-denominated bonds, certain loans, loans 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 on bonds is used for hedges against interest-rate fluctuations in certain foreign currency-denominated bonds; v) the deferral hedge method and fair value hedge method using equity options and equity forward contracts are used for hedges against price fluctuations in the value of certain domestic stocks and foreign currency-denominated 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, bonds payable, insurance liabilities
Foreign currency swaps	Foreign currency-denominated bonds, foreign currency-denominated loans, foreign currency-denominated loans, foreign currency-denominated bonds payable, foreign currency-denominated forecast transactions
Foreign currency forward contracts	Foreign currency-denominated bonds, foreign currency-denominated term deposits, foreign currency-denominated forecast transactions
Foreign currency-denominated monetary claims	Foreign currency-denominated forecast transactions
Currency options	Foreign currency-denominated bonds
Bond over-the-counter options	Foreign currency-denominated bonds
Equity options	Domestic stocks, foreign currency-denominated forecast transactions
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.

(9) 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.

(10) 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.

(11) 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.

(12) 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 certain 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.

(13) 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 has 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").

The Company therefore recorded 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 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.

(14) 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 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.

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.

Premium and other income and benefits and claims include amounts of certain consolidated overseas life insurance companies that have applied the accounting standard "Insurance Contracts" (AASB No. 17) (NZ IFRS No.17) issued by the Australian Accounting Standards Board and the New Zealand Accounting Standards Board, as shown in the table below.

	As of March 31,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Premium and other income			
Income related to direct insurance contracts	639,069	627,751	4,198
Income related to reinsurance contracts	159,773	129,091	863
Benefits and claims			
Expenses related to direct insurance contracts	417,288	449,783	3,008
Expenses related to reinsurance contracts	167,272	155,822	1,042

(15) Significant Accounting Estimates

a) Evaluation of goodwill

i) Amounts recognized on the consolidated financial statements in the fiscal year ended March 31, 2025

Goodwill presented on the consolidated balance sheets as of March 31, 2024 and 2025 comprises goodwill of ¥55,479 and ¥91,154 million (US\$609 million) arising from the acquisition of Protective Life and the acquisition business of Protective Life's acquisition segment, goodwill of ¥26,773 and ¥21,858 million (US\$146 million) arising from the

acquisition of TDLA, goodwill of ¥ 18,652 and ¥ 16,635 million (US\$111 million) arising from the acquisition of PNZ, goodwill of ¥ 14,300 and ¥ 13,231 million (US\$88 million) arising from the acquisition of ipet, and goodwill of ¥ 185,548 million (US\$1,240 million) arising from the acquisition of Benefit One.

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

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

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

First, Protective Life 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, Protective Life has omitted the test for an impairment indicator and proceeded to the quantitative impairment test described below for all or a part of its 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 Protective Life 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 Protective Life 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 (e.g., discount rates, incidence rates, persistency rates, and others) are used. 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, ipet and Benefit One 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 and Benefit One, 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, 2025.

b) Evaluation of intangible fixed assets

i) Amounts recognized on the consolidated financial statements in the fiscal year ended March 31, 2025

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"), and asset representing the value of cash flows generated from the continued relationship with existing customers, namely a customer-related intangible assets.

The balance of VOBA as of March 31, 2024 and 2025 consist of ¥ 287,996 and ¥ 314,319 million (US\$2,102 million) is derived from the acquisition of Protective Life and the acquisition business of Protective Life's acquisition segment, the balance of VIF as of March 31, 2024 and 2025 consist of ¥ 34,201 and ¥ 30,501 million (US\$203 million) is derived from the acquisition of PNZ through DLIHD an intermediary holding company of the Company, the balance of VIF in the amount of ¥ 21,608 and ¥ 19,138 million (US\$127 million) is derived from the acquisition of ipet by the Company, and the balance of customer-related intangible assets as of March 31, 2024 and 2025 consist of ¥ 0 million and ¥ 103,937 million (US\$695 million) is derived from the acquisition of Benefit One by the Company, respectively.

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 Protective Life 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, Protective Life 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.

Protective Life assesses whether the VOBA arising from traditional insurance contracts is impaired concurrently with performing a 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, 2025.

The Company periodically assesses the VIF arising from the acquisitions of PNZ and ipet and customer-related intangible assets arising from the acquisitions of Benefit One as to whether there is any impairment indicator 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, 2025, the Company determined that there was no indication that the VIF and customer-related intangible assets are impaired, as with the result of the goodwill impairment test.

(16) Policy Acquisition Costs

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

(17) Accounting Standard and Guidance Not Yet Adopted

1. 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.

2. Accounting standard and guidance for leases

- "Accounting Standards for Leases" (ASBJ Statement No. 34, September 13, 2024)
- "Guidelines for Accounting Standards for Leases" (ASBJ Guidance No. 33, September 13, 2024)

Amendments to other related ASCBs, ASCB Guidance, Practical Reports and Transfer Guidelines

- a) Outline

Similar to international accounting standards, this stipulates the treatment of recording assets and liabilities for all leases of lessees

- b) Scheduled date for application

This is scheduled to be applied from the beginning of the fiscal year starting on April 1, 2027.

- c) Impact of applying the standard and guidance

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

(Additional information)

Incentive Programs for Employees

The Company conducts transactions by granting its stocks to its employees using a trust scheme ("the Stock Granting Trust (J-ESOP)") to incentivize its employees to improve stock prices and financial results. Since May 16, 2024, the Company has adopted the Stock Granting Trust (J-ESOP) for senior management (employees in managerial and supervisory positions) ("J-ESOP (Granted While in Service)") and discontinued granting new points for the existing Stock Granting Trust (J-ESOP) adopted in 2011 in which its stock is vested at the time of retirement ("J-ESOP (Granted upon Retirement)"), after final vesting of

points in fiscal year 2023.

a) Overview of the transactions

The Stock Granting Trust (J-ESOP) is a program to grant stocks of the Company to the employees who fulfill requirements under the Stock Granting Regulations of the Company and its group companies. The Company vests points to each employee based on her/his contribution, and under the J-ESOP (Granted While in Service), a right to receive stock is obtained immediately after points are vested and shares of the Company corresponding to the vested points are granted. Under J-ESOP (Granted upon Retirement), stocks of the Company corresponding to the vested points are granted at the time of retirement. However, following the adoption of J-ESOP (Granted While in Service), granting new points for the J-ESOP (Granted upon Retirement) was discontinued after final vesting of points in fiscal year 2023.

Such stocks, including stocks to be granted in the future, are purchased by money held in the J-ESOP trust, managed separately from the financial records of the Company.

b) Stocks of the Company remaining in the trust

Stocks of the Company remaining in the trust were recorded at the book value of the stocks of the Company (excluding the amount of incidental costs) within the trust as the treasury stock in net assets. Book value and the number of treasury stocks as of March 31, 2024 and 2025 are ¥5,755 and ¥7,517 million (US\$50 million), 15,228 and 16,903 thousand shares, respectively.

The Company conducted a 1:4 share split of common stock on April 1, 2025. This share split is taken into account in the above number of stocks.

c) Book value of borrowings recorded due to application of the gross method

Not applicable.

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,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Securities	2,144,726	2,459,802	16,451
Cash and Deposits	10,600	12,180	81
Total	2,155,326	2,471,982	16,532

The amounts of secured liabilities were as follows:

	As of March 31,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Payables under repurchase agreements	1,360,914	1,699,129	11,363
Cash collateral for securities lending transactions	221,007	224,044	1,498
Total	1,581,922	1,923,173	12,862

The amount of "Securities" sold under repurchase agreements and for securities lending transactions with cash collateral as of March 31, 2024 and 2025 were ¥1,639,240 million and ¥2,105,728 million (US\$14,083 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, 2024 and 2025 were ¥2,902,560 million and ¥2,975,409 million (US\$19,899 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, 2024 and 2025

- 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, 2024 and 2025

- 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,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Stocks	266,333	153,779	1,028
Capital	253,823	362,515	2,424
Total	520,157	516,294	3,453

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,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Claims against bankrupt and quasi-bankrupt obligors (*1)	88	86	0
Claims with collection risk (*2)	2,586	2,611	17
Claims that are overdue for three months or more (*3)	5,345	2,940	19
Claims with repayment relief (*4)	—	3,310	22
Total	8,020	8,948	59

(*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 relief 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, 2024 and 2025 were ¥1 million and ¥1 million (US\$0 million), respectively.

6. Commitment Line

As of March 31, 2024 and 2025, there were unused commitment line agreements under which the Company and its consolidated subsidiaries were the lenders of ¥236,063 million and ¥181,037 million (US\$1,210 million), respectively.

7. Accumulated Depreciation of Tangible Fixed Assets

The amounts of accumulated depreciation of tangible fixed assets as of March 31, 2024 and 2025 were ¥631,382 million and ¥613,099 million (US\$4,100 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, 2024 and 2025 were ¥2,161,473 million and ¥1,875,728 million (US\$12,544 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,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Balance at the beginning of the year	423,403	422,642	2,826
Dividends paid during the year	96,702	99,028	662
Interest accrual during the year	8,440	8,437	56
Provision for reserve for policyholder dividends	87,500	100,000	668
Balance at the end of the year	422,642	432,050	2,889

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, 2024 and 2025, bonds payable included foreign-currency-denominated subordinated bonds of ¥764,679 million and ¥982,675 million (US\$6,572million), respectively, whose repayment is subordinated to other obligations.

Details of bonds payable were as follows:

Issuer	Description	Issuance date	Balance as of April 1, 2024	Balance as of March 31, 2025	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 Jan 16, 2025	368,715 [3,500 mil US\$]	576,780 [4,500 mil US\$]	From 4.00 to 6.20	None	Perpetual
Protective Life	Foreign currency (US dollar) denominated bonds	From October 6, 2009 to September 20, 2019	149,700 [1,055 mil US\$]	162,989 [1,030 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 14, 2023 To December 27, 2024	53,088 [374 mil US\$]	41,874 [264 mil US\$]	From 4.65 to 5.60	None	From January 2, 2024 to January 22, 2025
(*1)	Foreign currency (US dollar) denominated subordinated bonds	From August 10, 2017 to May 1, 2018	85,964 [606 mil US\$]	95,895 [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	7,818 [80 mil Au\$]	7,460 [80 mil Au\$]	7.22	None	December 23, 2026
Total	—	—	975,287	1,194,999	—	—	—

- Note: 1. The above (*1) represents the total of bonds issued by the following consolidated overseas subsidiaries: Protective Life and Protective Life Insurance company.
2. Figures in [] are the amounts denominated in foreign currency.
3. Foreign currency (US dollar) commercial paper of ¥41,874 million yen (US\$280 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, 2025.

	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	41,917	7,504	—	63,272	—
	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	280	50	—	423	—

12. Subordinated Debt and Other Liabilities

As of March 31, 2024 and 2025, other liabilities included subordinated debt of ¥245,000 million and ¥245,000 million (US\$1,638 million), respectively, whose repayment is subordinated to other obligations.

Details of borrowings and lease obligations were as follows:

Category	Balance as of April 1, 2024	Balance as of March 31, 2025	Average interest rate (%)	Maturity	Balance as of April 1, 2024	Balance as of March 31, 2025
(Unit: million yen)			(Unit: million US dollars)			
Short-term borrowings	—	66	2.9	—	—	0
Current portions of long-term borrowings	17,536	39,793	5.7	—	115	266
Current portions of lease obligations	2,380	1,728	—	—	15	11
Long-term borrowings (excluding current portion)	844,872	834,375	1.6	Sep 2026~ perpetual	5,580	5,580
Lease obligations (excluding current portion)	2,467	15,593	—	January 2026 ~ February 2037	16	104
Other interest-bearing liabilities						
Payables under repurchase agreements (current portion)	1,360,914	1,699,129	0.5	—	8,988	11,363
Total	2,228,172	2,590,686		—	14,716	17,326

- 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, 2025. As for lease obligations, the average interest rate 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, 2025:

	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	345,908	17,444	103,552	1,000
Lease obligations	1,696	1,540	1,566	10,218
	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	2,313	116	692	6
Lease obligations	11	10	10	68

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, 2024 and 2025, the market value of the securities which were not sold or pledged as collateral was ¥190,320 million and ¥134,190 million (US\$897 million), respectively. None of the securities were pledged as collateral as of March 31, 2024 and 2025, respectively.

14. Organizational Change Surplus

As of March 31, 2024 and 2025, the amounts of organizational change surplus stipulated in Article 91 of the Insurance Business Act were ¥117,776 million and ¥117,776 million (US\$787 million), respectively.

IV. NOTES TO THE CONSOLIDATED STATEMENT OF EARNINGS

1. Operating Expenses

Details of operating expenses for the fiscal years ended March 31, 2024 and 2025 were as follows:

	Year ended March 31,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Sales activity expenses	315,985	331,790	2,219
Sales management expenses	102,464	107,582	719
General management expenses	507,875	550,404	3,681

2. Gains on Disposal of Fixed Assets

Details of gains on disposal of fixed assets for the fiscal years ended March 31, 2024 and 2025 were as follows:

	Year ended March 31,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Land	6,055	16,621	111
Buildings	480	1,959	13
Leased assets	3	—	-
Other tangible fixed assets	2	300	2
Other assets	1	—	-
Total	6,543	18,881	126

3. Losses on Disposal of Fixed Assets

Details of losses on disposal of fixed assets for the fiscal years ended March 31, 2024 and 2025 were as follows:

	Year ended March 31,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Land	1,491	4,519	30
Buildings	3,999	13,958	93
Leased assets	25	1,334	8
Other tangible fixed assets	71	170	1
Software	312	507	3
Other intangible fixed assets	166	108	0
Other assets	456	5,328	35
Total	6,523	25,927	173

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, 2024 and 2025 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 write-off 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, 2024 were as follows:

Asset Group	Place	Number of properties	Impairment Losses		
			Land	Buildings	Total

(Unit: million yen)

Real estate not in use	Chiyoda-ku, Tokyo Prefecture and others	16	4,063	1,243	5,307
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Impairment losses by asset group for the fiscal year ended March 31, 2025 were as follows:

Asset Group	Place	Number of properties	Impairment Losses					
			Land	Buildings	Total	Land	Buildings	Total

(Unit: million yen) (Unit: million US dollars)

Real estate not in use	Asahikawa city, Hokkaido Prefecture and others	25	1,455	788	2,243	9	5	15
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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 1.89% and 1.85% for the years ended March 31, 2024 and 2025, 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.

5. Second Career Special Support Expense

Second career special support expenses included special support allowance and re-employment support expenses for employees who retire using Second Career Special Support Framework implemented at DL during the fiscal year ended March 31, 2025.

6. Income Taxes for Global Minimum Tax

Income taxes for global minimum tax included in corporate income taxes-current are ¥2,816 million (US\$ 18 million).

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,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Net unrealized gains (losses) on securities, net of tax			
Amount incurred during the year	1,498,034	(504,109)	(3,371)
Amount reclassified	(133,397)	(399,118)	(2,669)
Before tax adjustment	1,364,636	(903,228)	(6,040)
Tax effect	(373,610)	219,213	1,466
Net unrealized gains (losses) on securities, net of tax	991,026	(684,015)	(4,574)
Deferred hedge gains (losses)			
Amount incurred during the year	(91,512)	(42,413)	(283)
Amount reclassified	1,859	7,486	50
Amount adjusted for asset acquisition cost	—	(1,147)	(7)
Before tax adjustment	(89,653)	(36,075)	(241)
Tax effect	25,028	11,438	76
Deferred hedge gains (losses)	(64,624)	(24,636)	(164)
Reserve for land revaluation			
Amount incurred during the year	—	—	—
Amount reclassified	—	—	—
Before tax adjustment	—	—	—
Tax effect	—	(2,249)	(15)
Reserve for land revaluation	—	(2,249)	(15)
Foreign currency translation adjustments			
Amount incurred during the year	92,740	128,565	859
Amount reclassified	—	—	—
Before tax adjustment	92,740	128,565	859
Tax effect	—	—	—
Foreign currency translation adjustments	92,740	128,565	859
Remeasurements of defined benefit plans, net of tax			
Amount incurred during the year	139,314	39,822	266
Amount reclassified	(7,991)	(25,729)	(172)
Before tax adjustment	131,322	14,093	94
Tax effect	(36,681)	(5,063)	(33)
Remeasurements of defined benefit plans, net of tax	94,641	9,030	60
Net unrealized gains (losses) on total policy reserves and other reserves of foreign subsidiaries, net of tax			
Amount incurred during the year	(17,864)	(14,652)	(97)
Amount reclassified	—	—	—
Before tax adjustment	(17,864)	(14,652)	(97)
Tax effect	—	—	—
Net unrealized gains (losses) on total policy reserves and other reserves of foreign subsidiaries, net of tax	(17,864)	(14,652)	(97)
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method			
Amount incurred during the year	8,838	10,688	71
Amount reclassified	(334)	(682)	(4)
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	8,504	10,005	66
Total other comprehensive income	1,104,423	(577,951)	(3,865)

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

1. 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 of shares)			
Common stock ⁽¹⁾⁽²⁾⁽³⁾	989,888	81	37,298	952,672
Treasury stock ⁽¹⁾⁽⁴⁾⁽⁵⁾	6,699	38,295	37,494	7,500

(*1) 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.

(*2) The increase of 81 thousand shares of outstanding common stock was due to the issuance of new shares under stock remuneration scheme.

(*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

(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
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.

b) Dividends paid during the fiscal year ended 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
Dividends per share	¥113
Record date	March 31, 2024
Effective date	June 25, 2024
Dividend resource	Retained earnings

(*) Total dividends did not include ¥430 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, 2025

(1) Type and Number of Shares Outstanding

	Year ended March 31, 2025			
	At the beginning of the year	Increase during the year	Decrease during the year	At the end of the year
	(Unit: thousands of shares)			
Common stock ⁽²⁾⁽³⁾	952,672	73	27,645	925,099
Treasury stock ⁽¹⁾⁽⁴⁾⁽⁵⁾	7,500	25,102	27,762	4,840

(*1) Treasury stock at the beginning and the end of the fiscal year ended March 31, 2025, includes 3,807 thousand shares and 4,225 thousand shares held by the trust fund through the J-ESOP, respectively.

(*2) The increase of 73 thousand shares of outstanding common stock was due to the issuance of new shares under stock remuneration scheme.

(*3) The decrease of 27,645 thousand shares of outstanding common stock was due to the cancellation of treasury stock.

(*4) The increase of 25,102 thousand shares of treasury stock was due to the purchase of treasury stock of 24,627 thousand shares, the acquisition of a trust account for J-ESOP of 473 thousand shares, and the acquisition of restricted stock without consideration and the purchase of shares less than one unit of 1 thousand shares.

(*5) The decrease of 27,762 thousand shares of treasury stock represents the sum of (1) 61 thousand shares due to the exercise of stock acquisition rights (stock options), (2) 54 thousand shares granted to eligible employees at retirement by the J-ESOP, and (3) 27,645 thousand shares due to the cancellation of treasury stock.

(*6) The Company conducted a 1:4 share split of common stock on April 1, 2025. However, matters described in this note are based on the number of shares before the share split.

(2) Stock acquisition rights

Issuer	Details	Balance as of March 31, 2025 (Unit: million yen)
The Company	Stock acquisition rights in the form of stock options	257(US\$1 million)

(3) Dividends on Common Stock

a) Dividends paid during the fiscal year ended 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\$714 million)
Dividends per share	¥113 (US\$0.75)
Record date	March 31, 2024
Effective date	June 25, 2024
Dividend resource	Retained earnings
Date of resolution	November 14, 2024 (at the Board of Directors meeting)
Type of shares	Common stock
Total dividends(*)	¥56,135 million (US\$375 million)
Dividends per share	¥61 (US\$0.40)
Record date	September 30, 2024
Effective date	December 5, 2024
Dividend resource	Retained earnings

(*) Total dividends did not respectively include ¥430 million (US\$2 million) and ¥257 million (US\$1 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, 2025, to be paid out in the year ending March 31, 2026

Date of resolution	June 23, 2025 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends(*1)	¥69,939 million (US\$467 million)
Dividends per share	¥76 (US\$0.50)
Record date	March 31, 2025
Effective date	June 24, 2025
Dividend resource	Retained earnings

(*1) Total dividends did not include ¥321 million (US\$2 million) of dividends to the J-ESOP trust, as the Company recognized the shares held by the trust as treasury shares.

(*2) The Company conducted a 1:4 share split of common stock on April 1, 2025. However, as the record date is March 31, 2025, the amount is based on the number of shares before the share split.

VII. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

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

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

	As of March 31,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Cash and deposits	2,064,416	1,889,228	12,635
Call loans	719,300	566,500	3,788
Receivables under resale agreements	58,136	-	-
Securities	51,781,703	53,033,910	354,694
Term deposits exceeding three months and others	(70,083)	(142,199)	(951)
Securities other than cash equivalents	(51,781,103)	(53,033,910)	(354,694)
Cash and cash equivalents	2,772,370	2,313,529	15,473

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 Benefit One Inc. and ShelterPoint Group, Inc. due to the acquisition of shares, and the relationship between the acquisition cost of shares, etc. and the expenditure for the acquisition (net amount) is as follows:

(1) Benefit One Inc.

	The fiscal year ended March 31, 2025	
	(Unit: million yen)	(Unit: million US dollars)
Assets	182,870	1,223
Cash and deposits	48,233	322
Goodwill	200,592	1,341
Liabilities	(93,862)	(627)
Other liabilities	(61,741)	(412)
Acquisition costs of subsidiary shares	289,600	1,936
Equity method carrying amount prior to acquisition of control	(126,467)	(845)
Cash and cash equivalents of subsidiary	(48,233)	(322)
Difference: Expenditures for acquisition of shares of subsidiary	114,899	768

(2) ShelterPoint Group, Inc.

	The fiscal year ended March 31, 2025	
	(Unit: million yen)	(Unit: million US dollars)
Assets	140,558	940
Cash and deposits	3,847	25
Goodwill	33,815	226
Liabilities	(51,640)	(345)
Policy reserves and others	(33,634)	(224)
Acquisition costs of subsidiary shares	122,732	820
Cash and cash equivalents of subsidiary	(3,847)	(25)
Difference: Expenditures for acquisition of shares of subsidiary	118,885	795

VIII. LEASE TRANSACTIONS

1. Finance Leases (As Lessee)

For the fiscal years ended March 31, 2024 and 2025, information regarding finance leases (as lessee) is omitted due to the immateriality on the consolidated financial statements.

2. Operating Leases

Future minimum lease payments under non-cancellable operating leases as of March 31, 2024 and 2025 were as follows:

(As Lessee)

	As of March 31,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Due within one year	2,717	3,346	22
Due after one year	25,773	24,248	162
Total	28,490	27,594	184

(As Lessor)

	As of March 31,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Due within one year	623	889	5
Due after one year	12,852	11,920	79
Total	13,475	12,810	85

IX. FINANCIAL INSTRUMENTS AND OTHERS

1. Financial Instruments

(1) Policies in Utilizing Financial Instruments

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 and maintain financial soundness. 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, 2024 and 2025 were as follows.

As of March 31, 2024			
	Carrying amount	Fair value	Unrealized gains (losses)
(Unit: million yen)			
(1) Monetary claims bought	226,450	226,450	-
(2) Money held in trust	888,720	888,720	-
(3) Securities(※2) (※3)			
a. Trading securities	7,367,280	7,367,280	-
b. Held-to-maturity bonds	111,391	106,581	(4,809)
c. Policy-reserve-matching bonds	20,471,469	19,610,247	(861,222)
d. Stocks of subsidiaries and affiliated companies	137,061	134,922	(2,139)
e. Available-for-sale securities	22,471,672	22,471,672	-
(4) Loans	4,719,209		
Reserves for possible loan losses (※4)	(20,548)		
	4,698,660	4,547,323	(151,336)
Total assets	56,372,708	55,353,200	(1,019,507)
(1) Bonds payable	922,198	874,584	(47,613)
(2) Payables under repurchase agreements	1,360,914	1,360,793	(121)
(3) Long-term borrowings	862,409	865,092	2,683
Total liabilities	3,145,523	3,100,470	(45,052)
Derivative transactions (※5)			
a. Hedge accounting not applied	3,749	3,749	-
b. Hedge accounting applied	[162,700]	[161,499]	1,200
Total derivative transactions	[158,950]	[157,750]	1,200

(※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)
Stocks and other securities without market prices ^(*) (⁽³⁾)	211,592
Ownership stakes in partnerships, etc. ⁽²⁾ (⁽³⁾)	1,011,233

(*)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 ¥1,888 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.

As of March 31, 2025

	Carrying amount	Fair value	Gains (losses)	Carrying amount	Fair value	Unrealized gains (losses)
	(Unit: million yen)			(Unit: million US dollars)		
(1) Call loans	566,500	566,545	45	3,788	3,789	0
(2) Monetary claims bought	207,197	207,197	-	1,385	1,385	-
(3) Money held in trust	899,485	899,485	-	6,015	6,015	-
(4) Securities(※2) (※3)						
a. Trading securities	8,504,026	8,504,026	-	56,875	56,875	-
b. Held-to-maturity bonds	181,275	171,422	(9,852)	1,212	1,146	(65)
c. Policy-reserve-matching bonds	20,708,240	18,353,254	(2,354,985)	138,498	122,747	(15,750)
d. Stocks of subsidiaries and affiliated companies	1,879	1,879	-	12	12	-
e. Available-for-sale securities	22,219,258	22,219,258	-	148,603	148,603	-
(5) Loans	5,130,891			34,315		
Reserves for possible loan losses (※4)	(17,955)			(120)		
	5,112,935	4,802,170	(310,764)	34,195	32,117	(2,078)
Total assets	58,400,799	55,725,241	(2,675,557)	390,588	372,694	(17,894)
(1) Bonds payable	1,153,124	1,111,813	(41,310)	7,712	7,435	(276)
(2) Payables under repurchase agreements	1,699,129	1,699,280	150	11,363	11,364	1
(3) Long-term borrowings	874,235	866,494	(7,740)	5,846	5,795	(51)
Total liabilities	3,726,489	3,677,588	(48,900)	24,923	24,595	(327)
Derivative transactions (※5)						
a. Hedge accounting not applied	1,361	1,361	-	9	9	-
b. Hedge accounting applied	[166,000]	[163,895]	2,105	[1,110]	[1,096]	14
Total derivative transactions	[164,638]	[162,533]	2,105	[1,101]	[1,087]	14

(※1) Cash and deposits and short-term bonds payable are omitted 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 (4) Securities.

(※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, 2025

	Carrying amount
	(Unit: million yen)
Stocks and other securities without market prices ^(*) (⁽³⁾)	251,310
Ownership stakes in partnerships, etc. ⁽²⁾ (⁽³⁾)	1,167,919

(*)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 September 13, 2024).

(*)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 ¥19,015 million (US\$127 million) was recognized in the fiscal year ended March 31, 2025.

(※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, 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

(*) 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, ¥545,957 million of loans without maturities were not included.

As of March 31, 2025				
	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	1,884,639	2,969	1,075	553
Call loans	566,500	-	-	-
Monetary claims bought	2,941	59,466	27,323	125,408
Securities:				
Held-to-maturity bonds (bonds)	4,400	106,800	29,100	33,800
Held-to-maturity bonds (foreign securities)	100	7,562	-	-
Policy-reserve-matching bonds (bonds)	169,769	1,127,475	2,346,637	14,605,747
Policy-reserve-matching bonds (foreign securities)	159,577	1,095,117	411,949	1,369,574
Available-for-sale securities with maturities (bonds)	198,839	1,034,433	514,718	752,097
Available-for-sale securities with maturities (foreign securities)	608,747	2,272,001	3,753,253	8,742,759
Available-for-sale securities with maturities (other securities)	1,686	553,025	295,037	84,158
Loans ^(*)	670,887	1,986,455	1,031,361	888,173

As of March 31, 2025				
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
(Unit: million US dollars)				
Cash and deposits	12,604	19	7	3
Call loans	3,788	-	-	-
Monetary claims bought	19	397	182	838
Securities:				
Held-to-maturity bonds (bonds)	29	714	194	226
Held-to-maturity bonds (foreign securities)	0	50	-	-
Policy-reserve-matching bonds (bonds)	1,135	7,540	15,694	97,684
Policy-reserve-matching bonds (foreign securities)	1,067	7,324	2,755	9,159
Available-for-sale securities with maturities (bonds)	1,329	6,918	3,442	5,030
Available-for-sale securities with maturities (foreign securities)	4,071	15,195	25,102	58,472
Available-for-sale securities with maturities (other securities)	11	3,698	1,973	562
Loans ^(*)	4,486	13,285	6,897	5,940

(*) 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, ¥552,910 million (US\$3,697 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, 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

(*) ¥678,715 million of bonds payable without maturities were not included.

(*) ¥245,000 million of long term borrowings without maturities were not included.

As of March 31, 2025

	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 ^(*)	41,917	7,504	-	63,272	-	188,347
Payables under repurchase agreements	1,699,129	-	-	-	-	-
Long term borrowings ^(*)	39,860	345,908	17,444	103,552	1,000	121,500

As of March 31, 2025

	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 ^(*)	280	50	-	423	-	1,259
Payables under repurchase agreements	11,363	-	-	-	-	-
Long term borrowings ^(*)	266	2,313	116	692	6	812

(*) ¥886,780 million (US\$5,930 million) of bonds payable without maturities were not included.

(*) ¥245,000 million (US\$1,638 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, 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

(*) 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. 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.

As of March 31, 2025	Fair value			
	Level 1	Level 2	Level 3	Total
	(Unit: million yen)			
Monetary claims bought	-	-	207,197	207,197
Money held in trust	395,033	504,452	-	899,485
Securities(*)				
Trading securities	3,996,220	4,421,901	85,905	8,504,026
Available-for-sale securities				
Government bonds	947,447	-	-	947,447
Local government bonds	-	33,159	-	33,159
Corporate bonds	-	1,790,624	5,241	1,795,865
Domestic stocks	3,281,627	23	-	3,281,651
Foreign bonds	333,588	13,083,251	612,073	14,028,913
Other foreign securities	564,718	389,370	63,231	1,017,320
Other securities	5,266	956,355	40,470	1,002,092
Derivative transactions				
Currency-related	484	61,252	-	61,736
Interest-related	-	14,543	-	14,543
Stock-related	19,643	138,419	-	158,062
Bond-related	1,912	146	-	2,059
Others	-	915	107,346	108,262
Total assets	9,545,942	21,394,415	1,121,467	32,061,825
Corporate bonds	-	7,460	-	7,460
Payables under repurchase agreements	-	62,492	-	62,492
Long-term borrowings	-	77,791	-	77,791
Derivative transactions				
Currency-related	-	131,953	-	131,953
Interest-related	-	71,873	-	71,873
Stock-related	1,169	97,697	-	98,867
Bond-related	2,520	15,153	-	17,674
Others	-	-	188,934	188,934
Total liabilities	3,690	464,422	188,934	657,047

As of March 31, 2025	Fair value			
	Level 1	Level 2	Level 3	Total
	(Unit: million US dollars)			
Monetary claims bought	-	-	1,385	1,385
Money held in trust	2,642	3,373	-	6,015
Securities(*)				
Trading securities	26,726	29,573	574	56,875
Available-for-sale securities				
Government bonds	6,336	-	-	6,336
Local government bonds	-	221	-	221
Corporate bonds	-	11,975	35	12,010
Domestic stocks	21,947	0	-	21,947
Foreign bonds	2,231	87,501	4,093	93,826
Other foreign securities	3,776	2,604	422	6,803
Other securities	35	6,396	270	6,702
Derivative transactions				
Currency-related	3	409	-	412
Interest-related	-	97	-	97
Stock-related	131	925	-	1,057
Bond-related	12	0	-	13
Others	-	6	717	724
Total assets	63,843	143,087	7,500	214,431
Corporate bonds	-	49	-	49
Payables under repurchase agreements	-	417	-	417

Long-term borrowings	-	520	-	520
Derivative transactions				
Currency-related	-	882	-	882
Interest-related	-	480	-	480
Stock-related	7	653	-	661
Bond-related	16	101	-	118
Others	-	-	1,263	1,263
Total liabilities	24	3,106	1,263	4,394

(*) 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 ¥112,808million(US\$754 million). Reconciliation between the beginning and ending balance and breakdown of restriction on cancellation as of March 31,2025 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, 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, 2025	Fair value			
	Level 1	Level 2	Level 3	Total
(Unit: million yen)				
Call loans	-	566,545	-	566,545
Securities				
Held-to-maturity bonds				
Government bonds	34,507	-	-	34,507
Corporate bonds	-	129,323	-	129,323
Foreign bonds	-	4,138	3,453	7,591
Policy-reserve-matching bonds				
Government bonds	14,261,292	-	-	14,261,292
Local government bonds	-	101,109	-	101,109
Corporate bonds	-	1,230,175	-	1,230,175
Foreign bonds	356,213	2,404,463	-	2,760,677
Stocks of subsidiaries and affiliated companies	-	682	1,197	1,879
Loans	-	-	4,802,170	4,802,170
Total assets	14,652,013	4,436,438	4,806,821	23,895,273
Bonds payable	-	1,091,030	13,323	1,104,353
Payables under repurchase agreements	-	1,636,788	-	1,636,788
Long-term borrowings	-	6,273	782,428	788,702
Total liabilities	-	2,734,092	795,752	3,529,844

As of March 31, 2025	Fair value			
	Level 1	Level 2	Level 3	Total
(Unit: million US dollars)				
Call loans	-	3,789	-	3,789
Securities				
Held-to-maturity bonds				
Government bonds	230	-	-	230
Corporate bonds	-	864	-	864
Foreign bonds	-	27	23	50
Policy-reserve-matching bonds				
Government bonds	95,380	-	-	95,380

Local government bonds	-	676	-	676
Corporate bonds	-	8,227	-	8,227
Foreign bonds	2,382	16,081	-	18,463
Stocks of subsidiaries and affiliated companies	-	4	8	12
Loans	-	-	32,117	32,117
Total assets	97,993	29,671	32,148	159,813
Bonds payable	-	7,296	89	7,385
Payables under repurchase agreements	-	10,946	-	10,946
Long-term borrowings	-	41	5,232	5,274
Total liabilities	-	18,285	5,322	23,607

Note 1: Description of the evaluation methods and inputs used to measure fair value

Assets

Call loans

The fair value of call loans is calculated by discounting future cash flow at a discount rate using an interest rate based on the remaining maturity and is classified into Level 2.

Call loans with short repayment terms are deemed to have a fair value close to book value. Therefore, their book value is deemed as the fair value, and their fair value is classified into Level 2.

Monetary claims bought

The fair value of monetary claims bought is measured mainly 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, 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.
As of March 31, 2025	Valuation method	Significant unobservable input	Range
Securities			
Trading Securities	Discounted cash flow	Discount rate Paydown rate	(0.47)% - 7.00% 5.90% - 20.23%
Available-for-sale securities			
Foreign bonds	Discount cash flow	Discount rate Paydown rate	(0.47)% - 7.00% 5.90% - 20.23%
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, 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)

(*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.

As of March 31, 2025	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	226,450	(1,688)	(4,577)	(12,987)	-	-	207,197	(1,661)	
Securities									
Trading securities	84,102	861	5,574	(4,633)	-	-	85,905	885	
Available-for-sale securities									
Corporate bonds	8,909	(902)	(526)	(2,238)	-	-	5,241	937	
Foreign bonds	479,252	(4,243)	36,320	86,439	25,056	(10,753)	612,073	12,069	
Other foreign securities	51,608	(54)	(1,994)	13,671	-	-	63,231	-	
Other securities	34,892	-	578	4,999	-	-	40,470	-	
Derivative transactions									
Other (Embedded derivatives)	(98,983)	28,806	(11,410)	-	-	-	(81,587)	28,806	

As of March 31, 2025	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	1,514	(11)	(30)	(86)	-	-	1,385	(11)
Securities								
Trading securities	562	5	37	(30)	-	-	574	5
Available-for-sale securities								
Corporate bonds	59	(6)	(3)	(14)	-	-	35	6
Foreign bonds	3,205	(28)	242	578	167	(71)	4,093	80
Other foreign securities	345	(0)	(13)	91	-	-	422	-
Other securities		-	3	33	-	-	270	-
Derivative transactions	233							
Other (Embedded derivatives)	(662)	192	(76)	-	-	-	(545)	192

(*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, 2025.

(*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, 2025.

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,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Gains (losses) on valuation of trading securities	386,761	(51,156)	(342)

2. Held-to-maturity Bonds

	As of March 31, 2024		
	Carrying amount	Fair value	Unrealized gains (losses)
	(Unit: million yen)		
Held-to-maturity securities with unrealized gains:			
(1) Bonds	4,454	4,480	25
a. Government bonds	—	—	—
b. Local government bonds	—	—	—
c. Corporate bonds	4,454	4,480	25
(2) Foreign securities	—	—	—
a. Foreign bonds	—	—	—
Subtotal	4,454	4,480	25
Held-to-maturity securities with unrealized losses:			
(1) Bonds	100,070	95,271	(4,799)
a. Government bonds	6,102	5,584	(517)
b. Local government bonds	—	—	—
c. Corporate bonds	93,968	89,686	(4,282)
(2) Foreign securities	6,866	6,830	(36)
a. Foreign bonds	6,866	6,830	(36)
Subtotal	106,937	102,101	(4,835)
Total	111,391	106,581	(4,809)

	As of March 31, 2025					
	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	—	—	—	—	—	—
a. Government bonds	—	—	—	—	—	—
b. Local government bonds	—	—	—	—	—	—
c. Corporate bonds	—	—	—	—	—	—
(2) Foreign securities	—	—	—	—	—	—
a. Foreign bonds	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—
Held-to-maturity securities with unrealized losses:						
(1) Bonds	173,620	163,831	(9,789)	1,161	1,095	(65)
a. Government bonds	35,975	34,507	(1,467)	240	230	(9)
b. Local government bonds	—	—	—	—	—	—
c. Corporate bonds	137,645	129,323	(8,322)	920	864	(55)
(2) Foreign securities	7,654	7,591	(62)	51	50	(0)
a. Foreign bonds	7,654	7,591	(62)	51	50	(0)
Subtotal	181,275	171,422	(9,852)	1,212	1,146	(65)
Total	181,275	171,422	(9,852)	1,212	1,146	(65)

3. Policy-reserve-matching Bonds

As of March 31, 2024			
	Carrying amount	Fair value	Unrealized gains (losses)
(Unit: million yen)			
Policy-reserve-matching bonds with unrealized gains:			
(1) Bonds	8,000,753	8,823,827	823,074
a. Government bonds	7,650,010	8,457,796	807,786
b. Local government bonds	50,783	54,681	3,898
c. Corporate bonds	299,960	311,350	11,389
(2) Foreign Securities	385,190	392,195	7,005
a. Foreign bonds	385,190	392,195	7,005
Subtotal	8,385,944	9,216,023	830,079
Policy-reserve-matching bonds with unrealized losses:			
(1) Bonds	9,140,481	7,714,783	(1,425,697)
a. Government bonds	7,911,379	6,597,404	(1,313,975)
b. Local government bonds	75,562	65,703	(9,858)
c. Corporate bonds	1,153,539	1,051,675	(101,863)
(2) Foreign Securities	2,945,044	2,679,440	(265,603)
a. Foreign bonds	2,945,044	2,679,440	(265,603)
Subtotal	12,085,525	10,394,224	(1,691,301)
Total	20,471,469	19,610,247	(861,222)

As of March 31, 2025						
	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	4,866,364	5,104,575	238,211	32,546	34,139	1,593
a. Government bonds	4,749,422	4,984,204	234,782	31,764	33,334	1,570
b. Local government bonds	15,432	16,156	724	103	108	4
c. Corporate bonds	101,508	104,213	2,704	678	696	18
(2) Foreign securities	257,147	262,316	5,169	1,719	1,754	34
a. Foreign bonds	257,147	262,316	5,169	1,719	1,754	34
Subtotal	5,123,511	5,366,892	243,380	34,266	35,894	1,627
Policy-reserve-matching bonds with unrealized losses:						
(1) Bonds	12,854,601	10,488,000	(2,366,600)	85,972	70,144	(15,827)
a. Government bonds	11,489,836	9,277,087	(2,212,748)	76,844	62,045	(14,799)
b. Local government bonds	101,899	84,952	(16,947)	681	568	(113)
c. Corporate bonds	1,262,865	1,125,961	(136,904)	8,446	7,530	(915)
(2) Foreign securities	2,730,127	2,498,360	(231,766)	18,259	16,709	(1,550)
a. Foreign bonds	2,730,127	2,498,360	(231,766)	18,259	16,709	(1,550)
Subtotal	15,584,728	12,986,361	(2,598,366)	104,231	86,853	(17,378)
Total	20,708,240	18,353,254	(2,354,985)	138,498	122,747	(15,750)

4. Available-for-sale Securities

As of March 31, 2024			
	Carrying amount	Acquisition cost	Unrealized gains (losses)
(Unit: million yen)			
Available-for-sale securities with unrealized gains:			
(1) Bonds	1,654,846	1,523,599	131,246
a. Government bonds	857,469	791,771	65,697
b. Local government bonds	24,050	20,958	3,091
c. Corporate bonds	773,326	710,869	62,457
(2) Domestic stocks	3,964,576	1,116,287	2,848,288
(3) Foreign securities	4,911,716	4,335,776	575,940
a. Foreign bonds	4,181,022	3,832,461	348,561
b. Other foreign securities	730,694	503,315	227,379
(4) Other securities	540,783	474,484	66,299
Subtotal	11,071,923	7,450,148	3,621,775
Available-for-sale securities with unrealized losses:			
(1) Bonds	1,176,516	1,207,875	(31,358)
a. Government bonds	196,749	212,424	(15,675)
b. Local government bonds	6,654	6,703	(48)
c. Corporate bonds	973,112	988,746	(15,634)
(2) Domestic stocks	24,671	29,028	(4,357)
(3) Foreign securities	9,665,289	10,928,208	(1,262,918)
a. Foreign bonds	9,057,745	10,288,153	(1,230,408)
b. Other foreign securities	607,544	640,054	(32,509)
(4) Other securities	852,467	881,163	(28,696)
Subtotal	11,718,945	13,046,275	(1,327,330)
Total	22,790,868	20,496,423	2,294,444

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 and ¥92,745 million, respectively, as of March 31, 2024. The aggregate acquisition cost and carrying amount of trust beneficiary rights were ¥228,260 million and ¥226,450 million, respectively, as of March 31, 2024.

As of March 31, 2025

	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	1,176,755	1,112,852	63,903	7,870	7,442	427
a. Government bonds	596,151	576,133	20,017	3,987	3,853	133
b. Local government bonds	14,154	13,987	166	94	93	1
c. Corporate bonds	566,450	522,731	43,718	3,788	3,496	292
(2) Domestic stocks	3,192,659	935,270	2,257,388	21,352	6,255	15,097
(3) Foreign securities	4,290,386	3,889,056	401,330	28,694	26,010	2,684
a. Foreign bonds	3,684,311	3,434,304	250,007	24,640	22,968	1,672
b. Other foreign securities	606,075	454,752	151,323	4,053	3,041	1,012
(4) Other securities	862,115	798,190	63,925	5,765	5,338	427
Subtotal	9,521,918	6,735,369	2,786,548	63,683	45,046	18,636
Available-for-sale securities with unrealized losses:						
(1) Bonds	1,599,716	1,677,833	(78,116)	10,699	11,221	(522)
a. Government bonds	351,295	391,214	(39,918)	2,349	2,616	(266)
b. Local government bonds	19,005	19,320	(315)	127	129	(2)
c. Corporate bonds	1,229,415	1,267,298	(37,883)	8,222	8,475	(253)
(2) Domestic stocks	88,991	104,524	(15,533)	595	699	(103)
(3) Foreign securities	10,868,655	12,325,671	(1,457,015)	72,690	82,434	(9,744)
a. Foreign bonds	10,407,330	11,833,403	(1,426,073)	69,604	79,142	(9,537)
b. Other foreign securities	461,325	492,267	(30,942)	3,085	3,292	(206)
(4) Other securities	440,026	454,427	(14,401)	2,942	3,039	(96)
Subtotal	12,997,389	14,562,456	(1,565,066)	86,927	97,394	(10,467)
Total	22,519,307	21,297,826	1,221,481	150,610	142,441	8,169

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 ¥92,861 million (US\$621 million) and ¥92,851 million (US\$620 million), respectively, as of March 31, 2025. The aggregate acquisition cost and carrying amount of trust beneficiary rights were ¥213,585 million (US\$1,428 million) and ¥207,197 million (US\$1,385 million), respectively, as of March 31, 2025.

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, 2024 and 2025.

6. Policy-reserve-matching Bonds Sold

Policy-reserve-matching bonds sold during the fiscal years ended March 31, 2024 and 2025 were as follows:

Year ended March 31, 2024			
	Amounts sold	Realized gains	Realized losses
(Unit: million yen)			
(1) Bonds	764,817	39,792	47,114
a. Government bonds	643,269	39,117	25,829
b. Local government bonds	—	—	—
c. Corporate bonds	121,547	674	21,285
(2) Foreign securities	435,169	678	40,672
a. Foreign bonds	435,169	678	40,672
b. Other foreign securities	—	—	—
Total	1,199,986	40,471	87,787

Year ended March 31, 2025						
	Amounts sold	Realized gains	Realized losses	Amounts sold	Realized gains	Realized losses
(Unit: million yen)			(Unit: million US dollars)			
(1) Bonds	818,893	11,020	242,394	5,476	73	1,621
a. Government bonds	720,348	11,001	207,400	4,817	73	1,387
b. Local government bonds	3,767	—	1,882	25	—	12
c. Corporate bonds	94,777	19	33,111	633	0	221
(2) Foreign securities	360,545	636	40,702	2,411	4	272
a. Foreign bonds	360,545	636	40,702	2,411	4	272
b. Other foreign securities	—	—	—	—	—	—
Total	1,179,439	11,657	283,096	7,888	77	1,893

7. Available-for-sale Securities Sold

Available-for-sale securities sold during the fiscal years ended March 31, 2024 and 2025 were as follows:

Year ended March 31, 2024			
	Amounts sold	Realized gains	Realized losses
(Unit: million yen)			
(1) Bonds	678,524	938	6,972
a. Government bonds	158,756	—	1,268
b. Local government bonds	4,745	9	68
c. Corporate bonds	515,023	929	5,634
(2) Domestic stocks	393,018	218,249	5,734
(3) Foreign securities	3,834,006	172,853	210,188
a. Foreign bonds	3,162,246	95,885	173,287
b. Other foreign securities	671,760	76,968	36,901
(4) Other securities	276,251	2,309	45,929
Total	5,181,801	394,350	268,825

Year ended March 31, 2025						
	Amounts sold	Realized gains	Realized losses	Amounts sold	Realized gains	Realized losses
(Unit: million yen)			(Unit: million US dollars)			
(1) Bonds	240,350	223	10,096	1,607	1	67
a. Government bonds	30,346	—	5,054	202	—	33
b. Local government bonds	7,111	—	2	47	—	0
c. Corporate bonds	202,892	223	5,039	1,356	1	33
(2) Domestic Stocks	639,059	418,638	5,734	4,274	2,799	38
(3) Foreign securities	2,783,031	139,343	149,596	18,613	931	1,000
a. Foreign bonds	2,252,503	37,739	127,461	15,064	252	852
b. Other foreign securities	530,528	101,603	22,134	3,548	679	148
(4) Other securities	253,807	913	9,275	1,697	6	62
Total	3,916,248	559,119	174,702	26,192	3,739	1,168

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, 2024 and 2025 were ¥5,978 million and ¥3,298 million (US\$22 million), respectively.

XI. MONEY HELD IN TRUST

1. Money Held in Trust for Trading

	As of March 31,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Carrying amount on the consolidated balance sheet	838,627	676,261	4,522
Gains (losses) on valuation of money held in trust	17,027	(5,407)	(36)

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,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Carrying amount on the consolidated balance sheet	50,092	223,223	1,492
Acquisition cost	49,073	221,618	1,482
Unrealized gains(losses)	1,018	1,605	10
Other Money Held in Trust with unrealized gains	1,018	1,605	10
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, 2024				
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
(Unit: million yen)				
Exchange-traded transactions:				
Currency futures:				
Sold	23,963	—	(471)	(471)
British pound / U.S. dollar	12,717	—	(190)	(190)
Euro / U.S. dollar	7,312	—	(168)	(168)
Yen / U.S. dollar	3,932	—	(112)	(112)
Over-the-counter transactions:				
Foreign currency forward contracts:				
Sold	1,504,191	—	(26,000)	(26,000)
U.S. dollar	599,545	—	(10,711)	(10,711)
Australian dollar	385,228	—	(5,898)	(5,898)
Euro	238,206	—	(4,407)	(4,407)
British pound	195,199	—	(3,951)	(3,951)
Canadian dollar	59,543	—	(1,078)	(1,078)
Others	26,468	—	47	47
Bought	386,845	—	(1)	(1)
U.S. dollar	220,430	—	(12)	(12)
Euro	53,646	—	(123)	(123)
British pound	42,757	—	3	3
Australian dollar	25,934	—	88	88
Canadian dollar	19,281	—	82	82
Others	24,794	—	(40)	(40)
Currency swaps:				
Receipts foreign currency, payments yen	361,538	333,986	55,895	55,895
Australian dollar	325,538	310,486	43,319	43,319
U.S. dollar	36,000	23,500	12,575	12,575
Receipts yen, payments foreign currency	5,651	3,005	(2,049)	(2,049)
U.S. dollar	5,651	3,005	(2,049)	(2,049)
Receipts foreign currency, payments foreign currency	168,626	168,626	(998)	(998)
Australian dollar / U.S. dollar	153,655	153,655	(964)	(964)
Australian dollar / Euro	14,970	14,970	(34)	(34)
Currency options:				
Sold:				
Call	2,788	—		
[10]		—	—	10
Norwegian Kroner	2,788	—		
[10]		—	—	10
Put	2,943	—		
[—]		—	—	—
Swedish Krona	2,943	—		
[—]		—	—	—
Bought				
Call	5,177	—		
[43]		—	22	(20)
Norwegian Kroner	2,788	—		
[29]		—	0	(29)
Polish Zlotych	1,632	—		
[—]		—	—	—
U.S. dollar	757	—		

	[13]	—	22	8
Put	194,510	—		
	[3,577]	—	15	(3,562)
U.S. dollar	190,019	—		
	[3,563]	—	2	(3,561)
Swedish Krona	2,858	—		
	[—]	—	—	—
Euro	1,632	—		
	[14]	—	12	(1)
Total return swaps:				
Foreign currency index linked	88,617	—	17,683	17,683
Total	—	—	—	40,484

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, 2025

	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
	(Unit: million yen)				(Unit: million US dollars)			
Exchange-traded transactions:								
Currency futures:								
Sold	27,058	—	484	484	180	—	3	3
British pound / U.S. dollar	14,022	—	215	215	93	—	1	1
Euro / U.S. dollar	8,600	—	116	116	57	—	0	0
Yen / U.S. dollar	4,436	—	152	152	29	—	1	1
Over-the-counter transactions:								
Foreign currency forward contracts:								
Sold	1,267,421	—	6,299	6,299	8,476	—	42	42
U.S. dollar	619,691	—	7,380	7,380	4,144	—	49	49
Australian dollar	253,091	—	4,172	4,172	1,692	—	27	27
Euro	216,826	—	(4,685)	(4,685)	1,450	—	(31)	(31)
British pound	111,366	—	(1,962)	(1,962)	744	—	(13)	(13)
Canadian dollar	61,748	—	1,389	1,389	412	—	9	9
Others	4,696	—	3	3	31	—	0	0
Bought	160,349	—	36	36	1,072	—	0	0
U.S. dollar	56,547	—	(48)	(48)	378	—	(0)	(0)
Euro	38,817	—	69	69	259	—	0	0
British pound	29,044	—	312	312	194	—	2	2
Australian dollar	28,873	—	(301)	(301)	193	—	(2)	(2)
Canadian dollar	2,654	—	17	17	17	—	0	0
Others	4,411	—	(13)	(13)	29	—	(0)	(0)
Currency swaps:								
Receipts foreign currency, payments yen	273,473	273,473	33,869	33,869	1,829	1,829	226	226
Australian dollar	247,773	247,773	25,375	25,375	1,657	1,657	169	169
U.S. dollar	25,700	25,700	8,494	8,494	171	171	56	56
Receipts yen, payments foreign currency	127,882	124,877	(2,564)	(2,564)	855	835	(17)	(17)
U.S. dollar	127,882	124,877	(2,564)	(2,564)	855	835	(17)	(17)
Receipts foreign currency, payments foreign currency	224,961	224,961	(11,317)	(11,317)	1,504	1,504	(75)	(75)
Australian dollar / U.S. dollar	203,308	203,308	(11,170)	(11,170)	1,359	1,359	(74)	(74)
Australian dollar / Euro	21,653	21,653	(146)	(146)	144	144	(0)	(0)
Currency options:								
Sold:								
Call	10,892	—			72	—		
	[7]	—	0	7	(0)	—	0	0
Australian dollar	9,397	—			62	—		
	[1]	—	0	1	(0)	—	0	0
U.S. dollar	1,495	—			9	—		
	[5]	—	—	5	(0)	—	—	0
Bought								
Call	38,433	—			257	—		
	[128]	—	2	(125)	(0)	—	0	(0)
Australian dollar	24,432	—			163	—		
	[87]	—	0	(86)	(0)	—	0	(0)
U.S. dollar	13,561	—			90	—		
	[38]	—	2	(36)	—	—	0	(0)
Mexican Peso	439	—			2	—		
	[2]	—	0	(2)	(0)	—	0	(0)
Put	11,345	—			75	—		
	[29]	—	0	(29)	(0)	—	0	(0)
Euro	11,345	—			75	—		
	[29]	—	0	(29)	(0)	—	0	(0)
Total	—	—	—	26,659	—	—	—	178

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, 2024				
	(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	70,463	70,463	(2,237)	(2,237)
Receipts floating, Payments fixed	49,003	49,003	689	689
Total return swaps:				
Foreign interest rate index linked	416,377	416,377	(4)	(4)
Yen interest rate swaptions:				
Bought:				
Receipts fixed, Payments floating	21,274 [74]	— —	62	(11)
Receipts floating, Payments fixed	1,584,460 [22,695]	1,180,000 [20,119]	14,507	(8,188)
Total	—	—	—	(9,751)

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, 2025								
	(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	153,191	153,191	(1,561)	(1,561)	1,024	1,024	(10)	(10)
Receipts floating, Payments fixed	53,799	43,999	4	4	359	294	0	0
Total return swaps:								
Foreign interest rate index linked	236,428	236,428	(79)	(79)	1,581	1,581	(0)	(0)
Yen interest rate swaptions:								
Bought:								
Receipts fixed, Payments floating	9,490 [118]	— —	0	(117)	63 [0]	— —	0	(0)
Receipts floating, Payments fixed	1,151,072 [20,604]	1,010,000 [18,626]	13,103	(7,501)	7,698 [137]	6,754 [124]	87	(50)
Interest rate options								
Bought:								
Put	15,818 [381]	15,818 [381]	175	(205)	105 [2]	105 [2]	1	(1)
Total	—	—	—	(9,461)	—	—	—	(63)

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, 2024				
	(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	2,935	—	(24)	(24)
Bought	8,175	—	161	161
Foreign currency-denominated stock index futures:				
Sold	20,226	—	(741)	(741)
Bought	75,709	—	1,321	1,321
Yen stock index options:				
Bought:				
Put	464,297	—		
	[10,731]	—	3,298	(7,432)
Foreign currency-denominated stock index options:				
Sold:				
Call	464,920	—		
	[31,856]	—	53,234	(21,378)
Put	8,359	—		
	[208]	—	54	153
Bought:				
Call	448,532	—		
	[40,244]	—	64,623	24,379
Put	49,709	6,970		
	[1,521]	[489]	833	(687)
Over-the-counter transactions:				
Yen stock index options:				
Bought:				
Put	2,362	—		
	[777]	—	14	(762)
Foreign currency-denominated stock index options:				
Sold:				
Call	390,042	116		
	[23,299]	[2]	41,267	(17,967)
Put	19,290	—		
	[574]	—	115	459
Bought:				
Call	436,627	23,281		
	[37,462]	[1,035]	57,692	20,229
Put	177,599	92,608		
	[14,809]	[8,003]	7,381	(7,428)
Total return swaps:				
Foreign currency-denominated stock index linked	93,851	179	(1,575)	(1,575)
Multi Asset index futures				
Bought	35,320	—	259	259
Total	—	—	—	(11,034)

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, 2025								
	(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	28,743	—	920	920	192	—	6	6
Bought	9,523	—	(73)	(73)	63	—	(0)	(0)
Foreign currency-denominated stock index futures:								
Sold	2,791	—	71	71	18	—	0	0
Bought	59,997	—	(1,005)	(1,005)	401	—	(6)	(6)
Yen stock index options:								
Bought:								
Put	390,357	—			2,610	—		
	[13,831]	—	16,860	3,029	[92]	—	112	20
Foreign currency-denominated stock index options:								
Sold:								
Call	819,525	—			5,481	—		
	[45,587]	—	73,038	(27,450)	[304]	—	488	(183)
Put	21,030	—			140	—		
	[406]	—	145	261	[2]	—	0	1
Bought:								
Call	783,638	—			5,241	—		
	[65,671]	—	98,910	33,238	[439]	—	661	222
Put	53,197	14,856			355	99		
	[2,853]	[925]	1,899	(953)	[19]	[6]	12	(6)
Over-the-counter transactions:								
Foreign currency-denominated stock index options:								
Sold:								
Call	253,701	—			1,696	—		
	[16,039]	—	23,051	(7,012)	[107]	—	154	(46)
Put	13,241	—			88	—		
	[305]	—	166	138	[2]	—	1	0
Bought:								
Call	305,634	36,549			2,044	244		
	[22,746]	[1,650]	28,905	6,158	[152]	[11]	193	41
Put	223,530	123,059			1,494	823		
	[17,620]	[10,896]	9,086	(8,533)	[117]	[72]	60	(57)
Total return swaps:								
Foreign currency-denominated stock index linked	113,294	155	965	965	757	1	6	6
Multi Asset index futures								
Bought	45,301	—	(951)	(951)	302	—	(6)	(6)
Multi Asset index option								
Bought								
Call	4,345	—			29	—		
	[23]	—	7	(15)	[0]	—	0	(0)
Total	—	—	—	(1,212)	—	—	—	(8)

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, 2024				
	(A) Notional amount/ contract value	Over 1 year included in(A)	Fair value	Gains (losses)
(Unit: million yen)				
Exchange-traded transactions:				
Yen bond futures:				
Bought	104,075	—	78	78
Foreign currency-denominated bond futures:				
Sold	198,978	—	(3,680)	(3,680)
Bought	562,556	—	4,014	4,014
Over-the-counter transactions:				
Foreign currency-denominated bond forward contracts:				
Sold	13,967	—	5	5
Bought	229,282	5,619	5,577	5,577
Yen bond OTC options:				
Sold:				
Call	74,630	—		
	[88]	—	351	(262)
Bought:				
Put	74,630	—		
	[117]	—	301	184
Total	—	—	—	5,916

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)".

As of March 31, 2025

	(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	107,816	—	273	273	721	—	1	1
Foreign currency-denominated bond futures:								
Sold	340,302	—	3,841	3,841	2,275	—	25	25
Bought	796,075	—	(8,463)	(8,463)	5,324	—	(56)	(56)
Over-the-counter transactions:								
Foreign currency-denominated bond forward contracts:								
Bought	242,796	—	(11,275)	(11,275)	1,623	—	(75)	(75)
Yen bond OTC options:								
Sold:								
Call	81,787	—			546	—		
	[128]	—	105	23	[0]	—	0	0
Put	486	—			3	—		
	[1]	—	0	0	[0]	—	0	0
Bought:								
Call	486	—			3	—		
	[0]	—	1	0	[0]	—	0	0
Put	81,787	—			546	—		
	[163]	—	112	(50)	[1]	—	0	(0)
Total	—	—	—	(15,650)	—	—	—	(104)

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, 2024				
	(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	91,154	57,997	1,101	1,101
Others:				
Embedded derivatives	2,799,434	2,799,434	(98,983)	(98,983)
Total	—	—	—	(97,882)

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, 2025								
	(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	106,783	36,083	915	915	714	241	6	6
Others:								
Embedded derivatives	3,105,011	3,105,011	(81,587)	(81,587)	20,766	20,766	(545)	(545)
Total	—	—	—	(80,672)	—	—	—	(539)

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, 2024			
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value
(Unit: million yen)			
Deferral hedge:			
Foreign currency forward contracts to hedge foreign currency-forecasted transactions:			
Bought	33,879	—	723
U.S. dollar	33,879	—	723
Currency swaps to hedge foreign currency-denominated bonds:			
Receipts yen, payments foreign currency	755,553	724,883	(88,727)
U.S. dollar	550,187	537,205	(61,534)
Euro	172,839	155,150	(23,294)
British pound	27,215	27,215	(3,652)
Canadian dollar	4,360	4,360	(181)
Australian dollar	950	950	(63)
Currency swaps to hedge foreign currency-denominated bonds and risks associated with funding agreements:			
Receipts foreign currency, payments foreign currency	85,752	85,752	1,051
British pound/U.S. dollar	60,576	60,576	3,967
Norway krone/U.S. dollar	16,619	16,619	(2,840)
U.S. dollar/Euro	8,556	8,556	(75)
Fair value hedge:			
Foreign currency forward contracts to hedge foreign currency-denominated bonds:			
Sold	1,139,616	—	(31,173)
U.S. dollar	549,072	—	(16,172)
Australian dollar	425,188	—	(8,780)
Euro	136,283	—	(5,461)
British pound	11,521	—	(286)
Canadian dollar	1,834	—	(25)
Others	15,715	—	(446)
Bought	573	—	7
U.S. dollar	417	—	5
Euro	30	—	0
Australian dollar	29	—	(0)
British pound	7	—	0
Others	89	—	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	—	
U.S. dollar	10,001	—	
Currency swaps to hedge foreign currency-denominated bonds payable and loans:			
Receipts foreign currency, payments yen	368,715	260,550	
Foreign currency-denominated bonds payable:			
U.S. dollar	368,715	260,550	
Receipts yen, payments foreign currency	10,260	10,260	
Foreign currency-denominated loans:			
U.S. dollar	10,260	10,260	

As of March 31, 2025

	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value
	(Unit: million yen)			(Unit: million US dollars)		
Deferral hedge:						
Currency swaps to hedge foreign currency-denominated bonds:						
Receipts yen, payments foreign currency	871,775	811,577	(97,838)	5,830	5,427	(654)
U.S. dollar	661,004	607,083	(70,246)	4,420	4,060	(469)
Euro	168,673	162,396	(23,073)	1,128	1,086	(154)
British pound	26,579	26,579	(4,516)	177	177	(30)
Canadian dollar	13,099	13,099	(23)	87	87	(0)
Australian dollar	2,418	2,418	22	16	16	0
Currency swaps to hedge foreign currency-denominated bonds and risks associated with funding agreements:						
Receipts foreign currency, payments foreign currency	153,563	153,563	(3,631)	1,027	1,027	(24)
British pound/U.S. dollar	117,552	117,552	529	786	786	3
Norway krone/U.S. dollar	18,535	18,535	(4,798)	123	123	(32)
U.S. dollar/Euro	17,476	17,476	637	116	116	4
Fair value hedge:						
Foreign currency forward contracts to hedge foreign currency-denominated bonds:						
Sold	779,716	—	3,916	5,214	—	26
U.S. dollar	456,787	—	5,370	3,055	—	35
Euro	173,680	—	(1,914)	1,161	—	(12)
Australian dollar	69,440	—	536	464	—	3
Canadian dollar	30,946	—	684	206	—	4
British pound	11,354	—	(420)	75	—	(2)
Others	37,506	—	(339)	250	—	(2)
Bought	11,890	—	525	79	—	3
Norway krone	11,864	—	525	79	—	3
Euro	13	—	0	0	—	0
U.S. dollar	13	—	(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	10,009	—		66	—	
U.S. dollar	10,009	—		66	—	
Currency swaps to hedge foreign currency-denominated bonds payable and loans:						
Receipts foreign currency, payments yen	576,780	576,780		3,857	3,857	
Foreign currency-denominated bonds payable:						
U.S. dollar	576,780	576,780		3,857	3,857	
Receipts yen, payments foreign currency	10,260	10,260		68	68	
Foreign currency-denominated loans:						
U.S. dollar	10,260	10,260		68	68	

(2) Interest-related transactions

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

As of March 31, 2025						
	(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	(69,203)	4,752	4,752	(462)
Yen interest rate swaps to hedge loans and risks associated with funding agreement:						
Receipts floating, payments fixed	257,042	189,816	(125)	1,719	1,269	(0)
Special hedge accounting:						
Yen interest rate swaps to hedge loans:						
Receipts fixed, payments floating	2,300	-	4	15	-	0
Yen interest rate swaps to hedge loans payable:						
Receipts floating, payments fixed	245,000	64,000	2,100	1,638	428	14

(3) Interest and currency-related transactions

As of March 31, 2024			
	(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	7,659	7,659	561

As of March 31, 2025						
	(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	7,216	7,216	355	48	48	2

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 plans and defined contribution plans.

Certain domestic consolidated subsidiaries have established and maintained a retirement lump sum grant plan as a defined benefit plan and calculate net defined benefit liabilities and retirement benefit expenses using the simplified method. Furthermore, 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,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Beginning balance of the projected benefit obligations	709,968	628,261	4,201
Service cost	25,836	21,833	146
Interest cost	4,254	10,817	72
Accruals of actuarial (gains) and losses	(77,293)	(23,640)	(158)
Payment of retirement benefits	(38,675)	(48,663)	(325)
Others	4,171	7,012	46
Ending balance of the projected benefit obligation	628,261	595,622	3,983

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,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Beginning balance of pension assets	342,159	416,088	2,782
Estimated return on assets	4,346	5,184	34
Accruals of actuarial (gains) and losses	62,285	16,166	108
Contributions from the employer	15,697	5,017	33
Payment of retirement benefits	(10,838)	(10,010)	(66)
Others	2,438	5,245	35
Ending balance of pension assets	416,088	437,692	2,927

(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,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Projected benefit obligation for funded pensions	350,940	333,648	2,231
Pension assets	(416,088)	(437,692)	(2,927)
	(65,148)	(104,043)	(695)
Projected benefit obligation for unfunded pensions	277,321	261,973	1,752
Net of assets and liabilities recorded in the consolidated balance sheet	212,173	157,929	1,056
Net defined benefit liabilities	212,173	157,929	1,056
Net defined benefit assets	—	—	—
Net of assets and liabilities recorded in the consolidated balance sheet	212,173	157,929	1,056

(4) Amount of the components of retirement benefit expenses

	Year ended March 31,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Service cost	25,836	21,833	146
Interest cost	4,254	10,817	72
Expected return on assets	(4,346)	(5,184)	(34)
Expense of actuarial (gains) and losses	(8,200)	(25,812)	(172)
Amortization of past service cost	176	177	1
Others	101	54	0
Retirement benefit expenses for defined benefit plans	17,822	1,886	12

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 effects) was as follows:

	Year ended March 31,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Past service cost	172	175	1
Actuarial gains (losses)	131,149	13,918	93
Total	131,322	14,093	94

(6) Accumulated remeasurements of defined benefit plans

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

	Year ended March 31,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Unrecognized past service cost	842	667	4
Unrecognized actuarial gains (losses)	(163,941)	(177,818)	(1,189)
Total	(163,098)	(177,151)	(1,184)

(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,	
	2024	2025
Stocks	53%	57%
Bonds	26%	25%
Assets under joint management	11%	11%
Life insurance general account	4%	4%
Others	6%	3%
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, 2024 and 2025 were 57% and 58%, 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 used in the actuarial calculation as of the fiscal year-end were as follows:

	Year ended March 31,	
	2024	2025
Discount rate	1.42 to 4.92%	1.42 to 5.64%
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, 2024 and 2025 were ¥3,648 million and ¥4,065 million (US\$27 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, 2024 and 2025 were ¥46 million and ¥58 million (US\$0 million), respectively.

(1) Funding status for the entire plan

	Year ended March 31,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Amount of pension assets	93,049	111,073	742
Total of actuarial liability for pension financing calculation and amount of minimum policy reserve	90,531	107,875	721
Difference	2,517	3,197	21

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

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

Fiscal year ended March 31, 2025: 0.23% (From April 1, 2024 to March 31, 2025)

(3) Supplementary Explanation

The main factors for the difference in (1) above are special reserve for pension financing calculation of ¥2,517 million (US\$16 million) and a surplus of ¥679 million (US\$4 million) for the fiscal year ended March 31, 2025.

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 2nd Series of Stock Acquisition Rights	The Dai-ichi Life Insurance Company, Limited 3rd Series of Stock Acquisition Rights	The Dai-ichi Life Insurance Company, Limited 4th Series of Stock Acquisition Rights
Granted persons	11 directors (except outside directors) and 16 executive officers of the Company	11 directors (except outside directors) and 17 executive officers of the Company	11 directors (except outside directors) and 17 executive officers of the Company
Class and total number (*1)	318,700 shares of common stock	183,700 shares of common stock	179,000 shares of common stock
Grant date	August 16, 2012	August 16, 2013	August 18, 2014
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, 2012 to August 16, 2042	From August 17, 2013 to August 16, 2043	From August 19, 2014 to August 18, 2044
	The Dai-ichi Life Insurance Company, Limited 5th Series of Stock Acquisition Rights	Dai-ichi Life Holdings, Inc. 1st Series of Stock Acquisition Rights	Dai-ichi Life Holdings, Inc. 2nd Series of Stock Acquisition Rights
Granted persons	11 directors (except outside directors) and 18 executive officers of the Company	10 directors (except directors serving as Audit & Supervisory Committee members and outside directors) and 15 executive officers of the Company, and 38 directors, etc. of the Company's subsidiaries	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)	110,600 shares of common stock	269,600 shares of common stock	215,800 shares of common stock
Grant date	August 17, 2015	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.	The acquisition rights are vested on the above grant date.
Service period covered	N/A	N/A	N/A
Exercise period (*2)	From August 18, 2015 to August 17, 2045	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. On April 1, 2025, the Company conducted a stock split at a ratio of four shares for each common share. However, the matters stated in the relevant notes are based on the number of shares prior to the stock 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, 2025 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		
	2nd Series of Stock Acquisition Rights	3rd Series of Stock Acquisition Rights	4th 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	17,600	15,600	18,700
Vested	—	—	—
Exercised	8,800	5,200	5,000
Forfeited	—	—	—
Outstanding at the end of the fiscal year	8,800	10,400	13,700

	The Dai-ichi Life Insurance Company, Limited	Dai-ichi Life Holdings, Inc.	Dai-ichi Life Holdings, Inc.
	5th Series of Stock Acquisition Rights	1st Series of Stock Acquisition Rights	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	18,000	62,300	75,200
Vested	—	—	—
Exercised	6,200	18,000	18,300
Forfeited	—	—	—
Outstanding at the end of the fiscal year	11,800	44,300	56,900

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. On April 1, 2025, the Company conducted a stock split at a ratio of four shares for each common share. However, the matters stated in the relevant notes are based on the number of shares prior to the stock split.

b) Price information

	The Dai-ichi Life Insurance Company, Limited		
	2nd Series of Stock Acquisition Rights	3rd Series of Stock Acquisition Rights	4th 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	¥3,742 (US\$25)	¥3,742 (US\$25)	¥3,742 (US\$25)
Fair value at the grant date	¥766 (US\$5)	¥1,300 (US\$8)	¥1,366 (US\$9)

	The Dai-ichi Life Insurance Company, Limited	Dai-ichi Life Holdings, Inc.	
	5th Series of Stock Acquisition Rights	1st Series of Stock Acquisition Rights	2nd 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	¥3,742 (US\$25)	¥3,742 (US\$25)	¥3,742 (US\$25)
Fair value at the grant date	¥2,318 (US\$15)	¥1,344 (US\$8)	¥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. On April 1, 2025, the Company conducted a stock split at a ratio of four shares for each common share. However, the matters stated in the relevant notes are based on the number of shares prior to the stock 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,		
		2024	2025	2025
		(Unit: million yen)		(Unit: million US dollars)
Deferred tax assets:				
Policy reserves and others		482,835	477,706	3,194
Net unrealized gains (losses) on securities	Note:2	185,858	213,885	1,430
Tax losses carried forward		185,630	161,815	1,082
Reserve for price fluctuations		90,636	98,628	659
Net defined benefits liabilities		88,759	75,914	507
Others		159,575	132,264	884
Subtotal of deferred tax assets		1,193,294	1,160,215	7,759
Valuation allowance on tax losses carried forward	Note:2	(21,922)	(24,041)	(160)
Valuation allowance on total deductible temporary differences		(88,946)	(41,341)	(276)
Subtotal of valuation allowances	Note:1	(110,869)	(65,383)	(437)
Total		1,082,425	1,094,832	7,322
Deferred tax liabilities:				
Net unrealized gains (losses) on securities		(924,333)	(735,730)	(4,920)
Other intangible fixed assets		(97,670)	(160,156)	(1,071)
Evaluation difference related to business combination		(36,484)	(45,907)	(307)
Others		(103,882)	(79,757)	(533)
Total		(1,162,370)	(1,021,552)	(6,832)
Net deferred tax assets (liabilities)		(79,944)	73,280	490

Note: 1. Valuation allowances decreased by ¥45,486 million (US\$304 million).

This decrease is mainly due to the reversal of the valuation allowance related to transitional measures based on the corporate income tax system in Bermuda, which is scheduled to be applied from the fiscal year ending March 31, 2026, and was recorded by certain consolidated overseas subsidiaries in the previous fiscal year.

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

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

(*1) Tax loss carried forward is calculated by multiplying statutory effective tax rate.

(*2) Deferred tax assets of ¥163,707 million are recorded for tax losses carried forward of ¥185,630 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, 2025

(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)	841	4,009	1,216	99	4,833	150,815	161,815
Valuation allowance	(832)	(3,998)	(1,182)	(58)	(4,762)	(13,207)	(24,041)
Deferred tax assets	8	10	33	41	71	137,608	(*2) 137,774

(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	26	8	0	32	1,008	1,082
Valuation allowance	(5)	(26)	(7)	(0)	(31)	(88)	(160)
Deferred tax assets	0	0	0	0	0	920	(*2) 921

(*1) Tax loss carried forward is calculated by multiplying statutory effective tax rate.

(*2) Deferred tax assets of ¥137,774 million (US\$921 million) are recorded for tax losses carried forward of ¥161,815 million (US\$1,082 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,	
	2024	2025
Statutory effective tax rate	30.62%	30.62%
(Adjustments)		
Difference in tax rate of subsidiaries	(4.83%)	(5.42%)
Impact of changes in corporate tax rates	—	(3.54%)
Permanent differences such as specified foreign subsidiary consolidation taxation	0.37%	1.63%
Others	(1.29%)	0.30%
Actual effective tax rate after considering deferred taxes	24.87%	23.60%

3. Adjustment of deferred tax assets and liabilities due to changes in corporate tax rates

As a result of the enactment of the "Act for Partial Revision of the Income Tax Act, etc." (Act No. 13 of 2025), the statutory effective tax rate applied in the calculation of deferred tax assets and deferred tax liabilities has been revised from 30.62% to 31.51% for periods expected to be realized or settled on or after April 1, 2026. Accordingly, deferred tax liabilities (net of deferred tax assets) for the current consolidated fiscal year increased by ¥2,256 million (US\$15 million), and deferred tax liabilities related to revaluation increased by ¥2,249 million (US\$15 million). In addition, the adjustment to income taxes has resulted in a decrease of ¥19,913 million (US\$133 million).

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

The Company and certain 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

Benefit One

(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 determined that the participation of Benefit One in the Group and strong collaboration between both companies will enable the improvement in the corporate value of Benefit One and consequently, synergies with the Group by using the Group's broad customer base and channel network and providing flexible capital support. Furthermore, by integrating the Group's services into the unique offerings of Benefit One and providing comprehensive employee benefits solutions for business issues, it will be able to offer support for human capital management and health and productivity management by companies and provide products and services that correspond to the various lifestyles of employees.

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

Unchanged

f) Ratio of voting rights acquired

100%

g) Main reason for determining the controlling company

The Company was determined to be the controlling company as it owns 100% of voting rights in Benefit One.

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

From July 1, 2024 to March 31, 2025

(3) Acquisition costs

Consideration for the acquisition	Cash	¥292,056million
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Acquisition costs		¥292,056million
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(4) Major acquisition-related expenses

Advisory fees, etc. ¥3,403 million

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

a) Amount of goodwill

¥200,592 million

b) Reason for recognition of goodwill

The investment value reflecting the future profit expected in the calculation of the acquisition price exceeded the net amount of assets received and liabilities assumed at the business combination.

c) Amortization method and period

Amortized over 10 years under the straight-line method.

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

Total assets	¥182,870million
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[Intangible fixed assets]	¥115,799million
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Total liabilities	¥93,862million
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[Other liabilities]	¥61,741million
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(7) Amount allocated to intangible fixed assets other than goodwill, breakdown by type and total weighted average amortization period by type

Type	Amount	Weighted average amortization period
Customer-related intangible assets	¥107,290million	24 years
Total	¥107,290million	

(8) Allocation of acquisition costs

As the allocation of acquisition costs have not been completed, tentative accounting treatment have been applied based on the reasonable information available at that point.

ShelterPoint Group, Inc.

(1) Overview of the business combination

a) Name and business of the acquired company

Company name: ShelterPoint Group, Inc.

Business: Group insurance business

b) Purpose of the business combination

ShelterPoint Group, Inc. 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 which is a consolidated subsidiary of the Company, 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.

c) Date of business combination

November 1, 2024

d) Legal form of the business combination

Purchase of shares

e) Name of the acquired company after the combination

ShelterPoint Group, Inc.

f) Ratio of voting rights acquired

100%

g) Main reason for determining the controlling company

Protective Life, a consolidated subsidiary of the Company, was determined to be the controlling company as it owns 100% of voting rights in ShelterPoint Group, Inc. through its wholly owned insurance subsidiary.

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

From November 1, 2024 to December 31, 2024

(3) Acquisition costs

Consideration for the acquisition	Cash (including accounts payable)	US\$776million
Acquisition costs		US\$776million

(Note) Acquisition costs include contingent consideration (earn-out consideration) of USD24 million, which is not yet finalized at this point.

(4) Major acquisition-related expenses

Advisory fees, etc. US\$11 million

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

a) Amount of goodwill

US\$214 million

b) Reason for recognition of goodwill

The investment value reflecting the future profit expected in the calculation of the acquisition price exceeded the net amount of assets received and liabilities assumed at the business combination.

c) Amortization method and period

Amortized over 17 years under the straight-line method.

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

Total assets	US\$889	million
[Securities]	US\$436	million
[Intangible fixed assets]	US\$349	million
Total liabilities	US\$326	million
[Policy reserves and others]	US\$212	million

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

Type	Amount	Weighted average amortization period
Sales channel-related assets	US\$270million	17 years
Trade name	US\$46million	8 years
Technology	US\$7million	4 years

License	US\$9million	—
Total	US\$332million	

(8) Allocation of acquisition costs

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

(9) Details of contingent consideration specified in the business combination contract and accounting policy from the fiscal year ended March 31, 2025

The contract stipulates that contingent consideration is paid depending on the occurrence of a certain event relating to the business such as the formulation of local laws and regulations after the date of the business combination. Contingent consideration is recognized based on US GAAP.

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

A 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, 2024 and 2025 were ¥23,578 million and ¥25,881 million (US\$173 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, 2024 and 2025 were ¥1,632 million and ¥8,819 million (US\$58 million), respectively. Impairment losses on rental real estate as extraordinary losses for the fiscal year ended March 31, 2024 and 2025 were ¥5,307 million and ¥2,243 million (US\$15 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,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Carrying amount:			
Beginning balance	937,941	924,722	6,184
Net change during year	(13,218)	29,738	198
Ending balance	924,722	954,461	6,383
Market value	1,280,150	1,365,464	9,132

- 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 ¥38,819 million and ¥92,348 million (US\$617 million), sale of the real estate of ¥38,101 million and ¥45,940 million (US\$307 million), depreciation expense of ¥13,951 million and ¥14,183 million (US\$94 million), impairment loss of ¥5,307 million and ¥2,243 million (US\$15 million), for the fiscal year ended March 31, 2024 and 2025, respectively.
3. Certain domestic consolidated subsidiary calculate the market value of the majority of the rental real estate based on real estate appraisal standards by an independent appraiser, and others based on 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 non-insurance businesses (asset management business and new fields of 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, 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

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

2. Adjusted amounts were as follows.

a) Adjustment for ordinary revenues of ¥(547,197) million was mainly related to ordinary revenues including other ordinary revenues of ¥456,702 million and derivative transaction gains of ¥43,763 million reconciled to provision for policy reserves and derivative transaction losses in the Consolidated Statement of Earnings.

b) Adjustment for segment income (loss) of ¥(194,638) million was mainly related to elimination of dividend income from subsidiaries and affiliated companies.

c) Adjustment for segment assets of ¥(3,240,238) million was mainly related to elimination of stocks of subsidiaries and affiliated companies.

d) Adjustment for segment liabilities of ¥(641,221) 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, 2025:

	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)	7,708,824	3,621,288	43,217	11,373,330	(1,500,079)	9,873,251
Intersegment transfers	375,004	47,760	287,291	710,056	(710,056)	—
Total	8,083,828	3,669,049	330,508	12,083,387	(2,210,135)	9,873,251
Segment income (loss)	584,547	183,109	221,000	988,656	(269,583)	719,072
Segment assets	44,373,610	24,925,185	4,090,987	73,389,783	(3,796,815)	69,592,967
Segment liabilities	41,621,890	24,007,095	1,370,698	66,999,684	(876,423)	66,123,260
Other relevant information						
Depreciation of real estate for rent and others	14,247	9	—	14,257	—	14,257
Depreciation	54,278	34,033	3,977	92,290	—	92,290
Amortization of goodwill	1,069	9,116	15,044	25,230	—	25,230
Interest and dividend income	972,962	616,590	275,940	1,865,493	(279,555)	1,585,938
Interest expenses	13,456	32,971	10,193	56,621	(7,308)	49,312
Equity in income (loss) of affiliates	—	3,081	445	3,526	—	3,526
Extraordinary gains	18,580	439	—	19,020	—	19,020
Extraordinary losses	74,855	77	860	75,793	—	75,793
(Impairment losses)	(2,243)	(—)	(—)	(2,243)	(—)	(2,243)
Taxes	92,235	34,145	6,305	132,686	—	132,686
Investments in affiliated companies accounted for under the equity method	—	75,981	85,427	161,408	—	161,408
Increase in tangible fixed assets and intangible fixed assets	148,846	21,433	956	171,236	—	171,236

	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)	51,557	24,219	289	76,065	(10,032)	66,032
Intersegment transfers	2,508	319	1,921	4,748	(4,748)	—
Total	54,065	24,538	2,210	80,814	(14,781)	66,032
Segment income (loss)	3,909	1,224	1,478	6,612	(1,802)	4,809
Segment assets	296,773	166,701	27,360	490,835	(25,393)	465,442
Segment liabilities	278,370	160,561	9,167	448,098	(5,861)	442,236
Other relevant information						
Depreciation of real estate for rent and others	95	0	—	95	—	95
Depreciation	363	227	26	617	—	617
Amortization of goodwill	7	60	100	168	—	168
Interest and dividend income	6,507	4,123	1,845	12,476	(1,869)	10,606
Interest expenses	89	220	68	378	(48)	329
Equity in income (loss) of affiliates	—	20	2	23	—	23
Extraordinary gains	124	2	—	127	—	127
Extraordinary losses	500	0	5	506	—	506
(Impairment losses)	(15)	(—)	(—)	(15)	(—)	(15)
Taxes	616	228	42	887	—	887
Investments in affiliated companies	—	508	571	1,079	—	1,079
Increase in tangible fixed assets and intangible fixed assets	995	143	6	1,145	—	1,145

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

2. Adjusted amounts were as follows.

- Adjustment for ordinary revenues of ¥(1,500,079) million (US\$(10,032) million) was mainly related to ordinary revenues including other ordinary revenues of ¥1,469,082 million (US\$9,825 million) and ordinary expenses including losses on investments in trading securities of ¥8,611 million (US\$57 million) reconciled to provision for policy reserves and gains on investments trading securities in the Consolidated Statement of Earnings.
 - Adjustment for segment income (loss) of ¥(269,583) million (US\$(1,802) million) was mainly related to elimination of dividend income from subsidiaries and affiliated companies.
 - Adjustment for segment assets of ¥(3,796,815) million (US\$(25,393) million) was mainly related to elimination of stocks of subsidiaries and affiliated companies.
 - Adjustment for segment liabilities of ¥(876,423) million (US\$ (5,861) 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, 2024:

(1) Product (Service) Segment Information

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

(2) Geographic Segment Information

a) Ordinary Revenues

	Year ended March 31, 2024
	(Unit: million yen)
Ordinary revenues	
Japan	7,349,252
United States of America	1,936,588
Other Areas	1,742,325
Total	11,028,166

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, 2025

(1) Product (Service) Segment Information

	Year ended March 31, 2025	
	(Unit: million yen)	(Unit: million US dollars)
Premium and other income		
Domestic Insurance Business	4,954,281	33,134
Overseas Insurance Business	1,841,624	12,316
Other Business	—	—
Total	6,795,905	45,451

(2) Geographic Segment Information

a) Ordinary Revenues

	Year ended March 31, 2025	
	(Unit: million yen)	(Unit: million US dollars)
Ordinary revenues		
Japan	5,782,981	38,676
United States of America	2,204,903	14,746
Other Areas	1,885,366	12,609
Total	9,873,251	66,032

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, 2024 and 2025

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, 2024:

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

For the fiscal year ended March 31, 2025:

Year ended March 31, 2025				
(Unit: million yen)			(Unit: million US dollars)	
	Amortization of goodwill	Unamortized amount of goodwill	Amortization of goodwill	Unamortized amount of goodwill
Domestic Insurance Business	1,069	13,231	7	88
Overseas Insurance Business	9,116	129,648	60	867
Other Business	15,044	185,548	100	1,240
Total	25,230	328,427	168	2,196

5. Gain on Negative Goodwill by Reporting Segment

For the fiscal years ended March 31, 2024 and 2025

Not applicable

6. Related Party Transactions

For the fiscal years ended March 31, 2024 and 2025

There are no significant transactions to be disclosed.

XX. PER SHARE INFORMATION

	As of / Year ended March 31,		
	2024	2025	2025
	(Unit: yen)		(Unit: US dollars)
Net assets per share	1,026.76	942.52	6.30
Net income per share	82.42	115.95	0.77
Diluted net income per share	82.40	115.93	0.77

Note: 1. The Company conducted a 1:4 share split on April 1, 2025. Net assets per share, net income per share and diluted net income per share are calculated assuming that the share split was conducted at the beginning of the current fiscal year.

Note: 2. 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,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Net income per share			
Net income attributable to shareholders of parent company	320,765	429,613	2,873
Net income attributable to other than shareholders of common stock	—	—	—
Net income attributable to common shareholders of the parent company	320,765	429,613	2,873
Average number of common stock outstanding	3,891,886	3,705,314	3,705,314
	thousand shares	thousand shares	thousand shares
Diluted net income per share			
Adjustments to net income	—	—	—
Increase in the number of common stock	928 thousand shares	583 thousand shares	583 thousand shares
[Increase in the number of common stock attributable to stock acquisition rights]	[928 thousand shares]	[583 thousand shares]	[583 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: 3. Underlying basis for the calculation of the net assets per share was as follows:

	As of March 31,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Net assets	3,882,157	3,469,707	23,205
Adjustments	(302)	(257)	(1)
Stock acquisition rights	(302)	(257)	(1)
Non-controlling interests	(—)	(—)	(—)
Net assets attributable to common stock	3,881,854	3,469,449	23,203
Number of outstanding common stock	3,780,688	3,681,036	3,681,036
	thousand shares	thousand shares	thousand shares

Note: 4. For the calculation of net income per share, the treasury stock which includes shares held by "the Stock Granting Trust (J-ESOP)" was excluded from the average number of common shares outstanding. The average number of treasury stocks during the year ended March 31, 2024 and 2025 was 15,270 thousand shares and 16,760 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, 2024 and 2025 was 15,228 thousand shares and 16,903 thousand shares, respectively.

XXI. SUBSEQUENT EVENTS

1. On March 6, 2025 (local time), Protective Life, a consolidated subsidiary of the Company, through its insurance subsidiaries, has entered into a master transaction agreement with Resolution Life about reinsurance transactions to cede a portion of Protective Life's in-force secondary guaranteed universal life insurance and structured settlement policies (the "Reinsurance Transaction"). Policy reserves related to the policies ceded by Protective Life based on the Reinsurance Transaction amount to approximately US\$9.7 billion (based on U.S. statutory accounting).

A portion of the Reinsurance Transaction was completed on April 8, 2025 (local time), with completion of the remaining portion expected by third quarter 2025, subject to closing conditions and regulatory approvals.

The Reinsurance Transaction has no impact on the consolidated financial results of the Company for the fiscal year ended March 31, 2025. 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. On April 4, 2025, TDLA, a subsidiary of the Company in Australia, entered into an agreement to acquire a shareholding of Challenger Limited ("Challenger"), from MS&AD Insurance Group Holdings ("MS&AD"). Further, on June 16, 2025, TDLA entered into an agreement to acquire a shareholding of Challenger, from AP Liberty GP, LLC as general partner of AP Liberty, L.P. controlled by Apollo Global Management, Inc ("Apollo"). On August 1, 2025, TDLA completed the acquisition of shareholding in Challenger. As a result, Challenger became an equity-method affiliate of the Company effective the same day.

(1) Purpose of the Investment

TDLA recognizes the evolving needs of Australia's retirement market where we expect to benefit from the anticipated market growth.

(2) Overview of Challenger

- a) Company name: Challenger Limited
- b) Business: Annuities and investment management business
- c) Contributed equity: AUD 2,547 million (as of December 31, 2024)

(3) Timing of Share Acquisition

From MS&AD: August 1, 2025
From Apollo: July 17, 2025

(4) Number of Shares to be acquired, Investment Price and Shareholding Ratio after the Investment

- a) Number of shares to be acquired:
 - From MS&AD: 104,353,125 shares
 - From Apollo: 33,234,618 shares
- b) Acquisition price:
 - From MS&AD: JPY 80 billion
 - From Apollo: AUD 247 million (approx. JPY 22.9 billion)
 - (*) Converted at an exchange rate of AUD 1 = JPY 92.63
- c) Shareholding ratio after acquisition: 19.9%

3. On May 7, 2025, the Company has decided to make an additional investment of approximately 10.3% (the "Investment") in Capula Investment Management LLP and Capula Management Limited (hereinafter collectively referred to as the "Capula Group," including both companies and their subsidiaries), a leading UK-based alternative management firm with world-class expertise in fixed-income arbitrage, crisis alpha and global macro strategies. DL, a wholly-owned subsidiary of the Company, already holds approximately a 4.7% stake in Capula Group. As a result of the Investment, the combined equity interest of the Company and DL will exceed 15%. Following the appointment of a Board of Partners member from the Company to Capula Group, Capula Group will become an equity-method affiliate of the Company.

(1) Purpose of the Investment

The Company has been exploring inorganic growth opportunities in the capital-light asset management business, with the aim of achieving its long-term group performance goals. The Investment is expected to contribute to the further growth of the Company's asset management business through the diversification of business risks and the synergy created by jointly developing products.

(2) Overview of Capula Group

- a) Company Name
 - Capula Investment Management LLP
 - Capula Management Limited
- b) Business Description
 - Investment management of Capula Group's funds
- c) Assets under management (As of December 31, 2024)
 - US\$ 31.8 billion

(3) Completion of the Investment

The Investment was completed on May 14, 2025.

(4) Investment Price and Shareholding Ratio after the Investment

- a) Investment Price
 - The investment price is undisclosed due to an agreement between the parties.
- b) Shareholding Ratio after the Investment
 - 15.0%

(5) Impact on the consolidated financial results

This acquisition transaction has no impact on the consolidated financial results of the Company for the fiscal year ended March 31, 2025. 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.

4. The Company decided to sell all shares (investment ratio: 24.0%) of Ocean Life, an affiliated company of the Company, held by DLIHD, an intermediary holding company of the Group, to a related corporation of the founding family which is a controlling shareholder of Ocean Life and entered into an agreement on May 10, 2025 concerning the share transfer.

(1) Purpose of sale of shares

Since the start of our strategic business collaboration with Ocean Life in 2008, including investment in Ocean life, we have been working to improve Ocean Life's corporate value, contribute to the development of the Thai life insurance market, and provide group insurance products to Japanese companies operating in Thailand over 15 years. After reconsidering our future overseas insurance business strategy based on our mid-term management plan and holding discussions with our shareholders, we have come to the conclusion that the best course of action for both is to transfer all shares in Ocean Life held by DLIHD to the founding family of Ocean Life and reached agreement with the founding family.

(2) Schedule of sale

May 20, 2025 (Japan time)

(3) Name and business of the affiliated company

- a) Company name: OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED
- b) Business: Life insurance business

(4) Impact on the consolidated financial results and percentage of ownership after the sale

- a) Impact on the consolidated financial results
This divestment has no impact on the consolidated financial results of the Company for the fiscal year ended March 31, 2025. 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.
- b) Percentage of ownership after the sale: -%

5. On May 30, 2025, the Company has decided to establish a new long-term strategic partnership and acquire a shareholding of approximately 15% (the "Investment") in M&G plc. ("M&G"), which has strengths in life insurance and asset management. The Investment is subject to regulatory approvals, and the Company plans to appoint a financial institution to facilitate its acquisition of M&G shares and assist with risk management in relation thereto. Furthermore, upon the satisfaction of certain conditions after the Investment, the Company will have the right to appoint a director to the Board of M&G, and by exercising this right, M&G is expected to become an equity-method affiliate of the Company.

(1) Purpose of the Investment

With this Investment, the Company expects to accelerate its global strategy and contribute to the achievement of its long-term group performance goals by expanding access to the European market, jointly developing products, and expanding sales channels.

(2) Overview of M&G

- a) Company Name
M&G plc.
- b) Business Description
Life insurance and asset management
- c) Total assets (As of December 31, 2024)
GBP 184.2 billion

(3) Timing of Share Acquisition

The Company plans to acquire M&G's shares in stages from June 2025.

(4) Investment Price and Shareholding Ratio after the Investment

- a) Investment Price
To be determined, as the acquisition is planned to be carried out in stages.
- b) Shareholding Ratio after the Investment
Approximately 15%

(5) Impact on the consolidated financial results

This acquisition transaction has no impact on the consolidated financial results of the Company for the fiscal year ended March 31, 2025. 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.

6. The Company has resolved at the Board of Directors meeting held on February 14, 2025 to conduct a share split and conducted the share split on April 1, 2025.

(1) Purpose of share split

The purpose of the share split is to reduce the minimum investment unit, thereby creating an environment in which investors can easily invest in our shares and expanding our investor base.

(2) Outline of share split

a) Method of the share split

The record date of the share split was March 31, 2025. Each share of the common stock held by shareholders listed or recorded on the closing register on the record date was split into four shares.

b) Number of shares to be increased by the share split

Total number of issued shares prior to the share split: 925,099,600 shares

Number of shares to be increased by the share split: 2,775,298,800 shares

Total number of issued shares after the share split: 3,700,398,400 shares

Total number of shares authorized to be issued after the share split: 4,000,000,000 shares (Note)

(Note) In line with the share split, the Company resolved a proposal for partial amendments to the Articles of Incorporation to increase the total number of authorized shares, at the Annual General Meeting of Shareholders held on June 23, 2025.

c) Schedule of the share split

Date of public notice of record date: March 8, 2025

Record date: March 31, 2025

Effective date: April 1, 2025

d) Impact on per share information

The impact on per share information is described in (XX. PER SHARE INFORMATION).

7. The board of directors of the Company has resolved, at its meeting held on May 15, 2025, 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 Article, and the Company repurchased the Company's shares, as follows.

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

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

(2) Details of the Repurchase

a) Class of shares to be repurchased

Shares of common stock

b) Aggregate number of shares to be repurchased

Up to 200,000,000 shares

c) Aggregate price of shares to be repurchased

Up to ¥100 billion (US\$668 million)

d) Period of repurchase of shares

From May 16, 2025 to March 31, 2026

e) Method of repurchase of shares

Open-market repurchase by the discretionary trading method

(3) Details of the share repurchases made by August 31, 2025 as approved by the board of directors on May 15, 2025 are as follows.

a) Number of shares repurchased

38,167,700 shares

b) Aggregate price of shares repurchased

¥43,095,662,500

Note: The Company conducted a 1:4 share split of common stock on April 1, 2025.

8. On February 28, 2025, the Company and Marubeni Corporation ("Marubeni") entered into an Execution of Business Consolidation Agreement Relating to Consolidation of Domestic Real Estate Businesses and Shareholders Agreement, and completed the consolidation of the domestic real estate business of the Company and Marubeni ("Business Consolidation") on July 1, 2025. Upon completion, a holding company named Dai-ichi Life Marubeni Real Estate Co., Ltd., which the Company and Marubeni each jointly holds a 50% stake of, was established.

(1) Overview of the Transaction

a) Type and Description of the Businesses Involved

Business Type & Description	the Company	Marubeni
Asset Management	Dai-ichi Life Realty Asset Management Co., Ltd.	Marubeni REIT Advisors Co., Ltd. Marubeni Asset Management Co., Ltd.
Real Estate Development & Ownership/Leasing	Sohgo Housing Co., Ltd.	Marubeni Real Estate Development Co., Ltd. Marubeni's Domestic Development & Ownership/Leasing business
Property Management	The Dai-ichi Building Co., Ltd.	Marubeni Real Estate Management Co., Ltd.

b) Date of Business Consolidation

July 1, 2025

c) Legal Structure of the Business Consolidation

Business Consolidation has been implemented under the following legal structure.

(i) Prior to the Business Consolidation date, Marubeni established a new company ("New Marubeni Real Estate Development Co., Ltd.") as a wholly owned subsidiary of Marubeni Real Estate Development Co., Ltd. ("Former Marubeni Real Estate Development Co., Ltd.).

(ii) The Former Marubeni Real Estate Development Co., Ltd. was renamed Dai-ichi Life Marubeni Real Estate Co., Ltd. on July 1, 2025. Through the Absorption-Type Company Split having Marubeni as the splitting company and Dai-ichi Life Marubeni Real Estate Co., Ltd. as the succeeding company, Marubeni's Domestic Development & Ownership/Leasing business and all shares of subsidiaries subject to Business Consolidation, (Marubeni REIT Advisors Co., Ltd., Marubeni Asset Management Co., Ltd., and Marubeni Real Estate Management Co., Ltd.) were transferred to Dai-ichi Life Marubeni Real Estate Co., Ltd.

(iii) After the Absorption-Type Company Split, with Dai-ichi Life Marubeni Real Estate Co., Ltd. as the parent company resulting from a partial share exchange and Dai-ichi Life Realty Asset Management Co., Ltd., Sohgo Housing Co., Ltd., and The Dai-ichi Building Co., Ltd. as the subsidiary companies resulting from a partial share exchange, Dai-ichi Life Marubeni Real Estate Co., Ltd. conducted a share transfer. The Company transferred all shares of the three subsidiaries to Dai-ichi Life Marubeni Real Estate Co., Ltd. and acquired the shares of Dai-ichi Life Marubeni Real Estate Co., Ltd. as consideration for the transfer.

(iv) Following the share acquisition, through the Absorption-Type Company Split having Dai-ichi Life Marubeni Real Estate Co., Ltd. as the splitting company and New Marubeni Real Estate Development Co., Ltd. as the succeeding company, Dai-ichi Life Marubeni Real Estate Co., Ltd. transferred its Real Estate Development & Ownership/Leasing business (including the business of Former Marubeni Real Estate Development Co., Ltd. and the Domestic Development & Ownership/Leasing business that was transferred to Dai-ichi Life Marubeni Real Estate Co., Ltd. from Marubeni through the Absorption-Type Company Split) to New Marubeni Real Estate Development Co., Ltd..

d) Name of the established company after Business Consolidation

Dai-ichi Life Marubeni Real Estate Co., Ltd.

e) Other Transaction Details

The Company plans to evolve into an "insurance-related service provider" by expanding beyond life insurance into Retirement, Savings and Asset Management business and non-insurance businesses. As part of this initiative, the Company has partnered with Marubeni to leverage both companies' domestic real estate platforms to create new value, achieve scale advantages, complement business domains, and promote talent exchange. This aims to accelerate growth in domestic real estate centered on asset management and enhance our corporate and social value.

f) Reason for Judging the Business Consolidation as the Formation of a Jointly Controlled Entity

The Shareholders agreement was signed between the Company and Marubeni to establish Dai-ichi Life Marubeni Real Estate Co., Ltd. as a jointly controlled entity. No other facts indicating control exist. Therefore, the Company judges that this business consolidation is the formation of a jointly controlled entity.

(2) Overview of Accounting Treatment to Be Applied

In accordance with the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, issued on January 16, 2019) and the "Implementation Guidance on Accounting Standards for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, issued on September 13, 2024), this transaction is planned to be treated as the formation of a jointly controlled entity.

As a result of this business consolidation, Dai-ichi Life Marubeni Real Estate Co., Ltd. qualifies as a jointly controlled entity, and therefore, the Company plans to apply an accounting treatment in accordance with the equity method of accounting.

XXII. (Unaudited) SEMIANNUAL INFORMATION

	Six months ended September 30, 2024	Year ended March 31, 2025
Ordinary revenues (million yen)	5,191,244	9,873,251
Income before income taxes (million yen)	316,196	562,299
Net income attributable to shareholders of parent company (million yen)	233,188	429,613
Net income attributable to shareholders of parent company per share (yen)	62.52	115.95

	Six months ended September 30, 2024	Year ended March 31, 2025
Ordinary revenues (million US dollars)	34,719	66,032
Income before income taxes (million US dollars)	2,114	3,760
Net income attributable to shareholders of parent company (million US dollars)	1,559	2,873
Net income attributable to shareholders of parent company per share (US dollars)	0.41	0.77

Note: The Company conducted a 1:4 share split on April 1, 2025. Net assets per share, net income per share and diluted net income per share are calculated assuming that the share split was conducted at the beginning of the current fiscal year.

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, 2025, 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, 2025, 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 business combination accounting treatment and related fair value measurements for the acquisition of Benefit One Inc.	
The key audit matter	How the matter was addressed in our audit
On May 23, 2024, the Company acquired the shares of Benefit One Inc. (hereinafter "Benefit One"), thereby making Benefit One a consolidated subsidiary of the Company. In this business combination, the acquisition consideration was determined through negotiation considering the stock value calculated, by engaging an external specialist, based on the business plan of Benefit One. The acquisition consideration in a business combination is allocated to the identifiable assets acquired and the liabilities assumed based on the respective fair values of these assets and liabilities as	We primarily performed the following procedures to assess the appropriateness of the accounting treatment for the business combination with Benefit One: (1) Internal control testing We assessed the design and operating effectiveness of certain of the Company's controls relevant to the business combination with Benefit One. In this assessment, we focused on controls to ensure that the acquisition consideration is appropriately determined and that the business combination is appropriately accounted for.

Appropriateness of the business combination accounting treatment and related fair value measurements for the acquisition of Benefit One Inc.

The key audit matter	How the matter was addressed in our audit
<p>of the acquisition date. If the acquisition consideration exceeds the net amount allocated to the identifiable assets and liabilities, the excess amount is recognized as goodwill. The Company, in allocating the acquisition consideration, recognizes and measures the identifiable assets acquired and the identifiable liabilities assumed based on the result of the valuation performed by external specialists.</p> <p>The acquisition consideration for the shares of Benefit One was ¥292,056 million. As a result of allocating the acquisition consideration, customer-related intangible assets of ¥107,290 million were identified, and goodwill of ¥200,592 million was recognized in the consolidated financial statements. The amortization period for goodwill was determined to be ten years considering the payback period of the investment based on the business plan. This business combination is further described in Note XVI. “BUSINESS COMBINATION AS A RESULT OF ACQUISITION” to the consolidated financial statements.</p> <p>Business combinations are not transactions that occur on a regular basis, and assessing the appropriateness of the acquisition consideration and the allocation of the acquisition consideration requires complex considerations as well as a high degree of valuation expertise. In addition, key assumptions used to calculate the stock value and the fair value of customer-related intangible assets, such as sales growth rate and discount rates, involve significant estimation uncertainty due to changes in economic environment, requiring significant management judgement.</p> <p>We, therefore, determined that our assessment of the appropriateness of the business combination accounting treatment and related fair value measurements for the acquisition of Benefit One 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>(2) Appropriateness of the business combination accounting treatment and related fair value measurements</p> <p>We primarily performed the substantive procedures set out below to assess the appropriateness of the fair value measurements and related accounting treatment for the business combination.</p> <ul style="list-style-type: none"> • inspection of relevant documents including contracts and management meeting materials, and inquiry of relevant personnel to obtain an understanding of the content and purpose of the transaction; • assessment of the sales growth rate, which was a key assumption underlying the business plan that formed the basis for the stock value calculation, through a trend analysis using historical data, an analysis using independently developed stress scenarios, and comparison with available external data; • evaluation of the appropriateness of the method used to calculate the stock value and the discount rates with the assistance of valuation specialists within our network firms; • evaluation of the reasonableness and appropriateness of the amortization period for goodwill (i.e. a period over which the effect of goodwill is expected to last) based on the business plan which formed the basis for the stock value calculation and external data; • evaluation of the appropriateness of the model used to calculate the fair value of customer-related intangible assets and key assumptions used to estimate the present value of future profits, such as discount rates and customer attrition rates, with the assistance of valuation specialists within our network firms; and • assessment of the consistency of the business plan used to estimate the fair value of customer-related intangible asset with that used to calculate the stock value.

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 ¥328,427 million is presented for the current fiscal year. As described in Note II. “PRINCIPLES OF CONSOLIDATION” under 4. “Summary of Significant Accounting Policies”: (15) “Significant Accounting Estimates”, a) “Evaluation of goodwill” to the consolidated financial statements, included therein are goodwill of ¥185,548 million arising from the acquisition of Benefit One, goodwill of ¥91,154 million arising from the acquisition of Protective Life Corporation (hereinafter “Protective Life”) and its acquisition business, goodwill of ¥21,858 million arising from the acquisition of TAL Dai-ichi Life Australia Pty. Ltd. (hereinafter “TDLA”), goodwill of ¥16,635 million arising from the acquisition of Partner Group Holdings Limited (hereinafter “PNZ”) and goodwill of ¥13,231 million arising from the acquisition of ipet Insurance Co., Ltd. (hereinafter “ipet”).</p> <p>As also described in Note II. “PRINCIPLES OF CONSOLIDATION” under 4. “Summary of Significant Accounting Policies”: (15) “Significant Accounting Estimates”, a) “Evaluation of goodwill” to the consolidated financial statements, goodwill arising from acquisitions of Protective Life 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, ipet and Benefit One 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>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 performed the audit procedures set out below, among others, by involving the component auditors of the respective subsidiaries, including the direction and supervision of the component auditor and the review of their work:</p> <p>(i) Goodwill arising from the acquisition of Protective Life and its acquisition business</p> <p>We assessed the design and operating effectiveness of certain of the controls implemented by Protective Life 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 Protective Life’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>We assessed the design and operating effectiveness of certain of the controls implemented by TDLA over the quantitative impairment test, with a special focus on controls over the preparation of documentation supporting the impairment test and those over approval on the conclusion.</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

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>(i) Goodwill arising from the acquisition of Protective Life and its acquisition business</p> <p>Protective Life assesses, on a regular basis, whether an impairment loss should be recognized on goodwill.</p> <p>Protective Life first assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit to which goodwill has been allocated is less than its carrying amount including goodwill (qualitative assessment for impairment indicators). In accordance with the U.S. generally accepted accounting principles (US GAAP), Protective Life 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 Protective Life 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 Protective Life and each reporting unit. In particular, the future business performance of Protective Life 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 Protective Life elects to bypass the qualitative assessment for impairment indicators, Protective Life 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>models used and assessment of the appropriateness of changes made from the previous year to the current year; and</p> <ul style="list-style-type: none"> • evaluation of the appropriateness of actuarial assumptions used in the calculation, such as discount rates, incidence rates and lapse rates, with the assistance of actuarial specialists employed by the component auditor of TDLA.
<p>(ii) Goodwill arising from the acquisition of TDLA</p> <p>TDLA performs, on a regular basis, a quantitative impairment test in which it</p>	<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 of the Company's controls over the 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>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, incidence rates, lapse rates, involve significant estimation uncertainty, and the actuarial calculations require a high level of 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, actuarial assumptions, involve significant estimation uncertainty, and the actuarial calculations 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 on intangible fixed assets 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 ¥640,106 million are presented for the current fiscal year. As described in Note II. “PRINCIPLES OF CONSOLIDATION” under 4. “Summary of Significant Accounting Policies”: (15) “Significant Accounting Estimates”, b) “Evaluation of intangible fixed assets” to the consolidated financial statements, Other intangible fixed assets include assets representing the value of acquired in-force insurance contracts, namely a Value of Business Acquired (hereinafter “VOBA”) or a Value In-force (hereinafter “VIF”), and asset representing the value of cash flows generated from the continued relationship with existing customers, namely a customer-related intangible assets. A VOBA in the amount of ¥314,319 million was derived from the acquisition of Protective Life and its acquisition business. A customer-related intangible assets in the amount of ¥103,937 million was derived from the acquisition of Benefit One. A VIF in the amount of ¥30,501 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 ¥19,138 million was derived from the acquisition of ipet.</p> <p>As also described in Note II. “PRINCIPLES OF CONSOLIDATION” under 4. “Summary of Significant Accounting Policies”: (15) “Significant Accounting Estimates”, b) “Evaluation of intangible fixed assets” 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. A VOBA derived from the acquisition of Protective Life and its acquisition business is recorded on the consolidated financial statements of Protective Life. A VIF derived from the acquisition of PNZ and ipet is recorded on the consolidated financial statements of the Company. The customer-related intangible assets derived from the acquisition of Benefit One was calculated as the present value of future profits to be earned from cash flows which are expected to be generated from the continuing relationships with existing customers at the acquisition date, and is recorded on the consolidated financial statements of the Company.</p>	<p>We primarily performed the following procedures:</p> <p>(1) Judgement made by Protective Life on amortization or the recognition of a loss on the VOBA</p> <p>We performed the audit procedures set out below, among others, by involving the component auditor of Protective Life, including the direction and supervision of the component auditor and the review of its work.</p> <p>(i) Amortization of the VOBA which was assessed by updating the underlying actuarial assumptions</p> <p>We assessed the design and operating effectiveness of certain of the controls implemented by Protective Life over the VOBA arising mainly from acquired investment-type insurance products of Protective Life, 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>(ii) Recognition of a loss in value of the VOBA which was assessed together with the determination on the sufficiency of policy reserves</p> <p>We assessed whether there was a decline in the value of the VOBA arising mainly from traditional insurance products of Protective Life, concurrently with the assessment of the determination on the sufficiency of policy reserves.</p> <p>More specifically, we assessed the design and operating effectiveness of relevant controls implemented by Protective Life, with a special focus on 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</p>

Appropriateness of the judgement on amortization or the recognition of a loss on intangible fixed assets derived primarily from the acquisitions

The key audit matter	How the matter was addressed in our audit
<p>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 and the customer-related intangible assets are 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 and the customer-related intangible assets at each reporting date and their contractual terms, among others. Any deviations in 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 and the customer-related intangible assets.</p> <p>(1) Judgement made by Protective Life on amortization or the recognition of a loss on the VOBA</p> <p>VOBA recorded on the consolidated financial statements of Protective Life is assessed in accordance with the US GAAP as follows:</p> <p>(i) 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 Protective Life is amortized based on the estimated gross profits and their contractual terms, among others. Protective Life 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>(ii) Recognition of a loss in value of the VOBA</p>	<p>appropriateness of the judgement on the recognition of a loss in value of the VOBA, 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 used to estimate future cash flows, such as future investment yields, mortality and lapse rates; and • evaluation of whether the testing to validate the sufficiency of policy reserves was performed in accordance with applicable accounting standards. <p>(2) Judgement made by the Company on the recognition of an impairment loss on the VIF and the customer-related intangible assets</p> <p>We assessed whether there were impairment indicators for the VIF arising from the acquisitions of PNZ and ipet as well as the customer-related intangible assets arising from the acquisition of Benefit One, 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 on intangible fixed assets derived primarily from the acquisitions

The key audit matter	How the matter was addressed in our audit
<p>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 Protective Life 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, Protective Life 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 valuation 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>(2) Judgement made by the Company on the recognition of an impairment loss on the VIF and the customer-related intangible assets</p> <p>The Company evaluates, on a regular basis, the VIF arising from the acquisitions of PNZ and ipet as well as the customer-related intangible assets arising from the acquisition of Benefit One 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 on intangible fixed assets 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 valuation of policy reserves	
The key audit matter	How the matter was addressed in our audit
<p>In the consolidated balance sheet of the Group, Policy reserves of ¥57,701,859 million are presented for the current fiscal year, which accounts for approximately 83% 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”), policy reserves for mainly traditional insurance products recorded by Protective Life and insurance contract liabilities (policy reserves) recorded by TDLA 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”: (12) “Policy Reserves” to the consolidated financial statements, policy reserves of consolidated domestic subsidiaries that operate a life insurance business are provided as a reserve pursuant to Article 116 of the Insurance Business Act for an amount calculated using a certain methodology, while policy reserves of consolidated foreign life insurance subsidiaries are calculated based on the accounting standards of each country, including US GAAP and International Financial Reporting Standards (IFRS). 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</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 of the 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 were 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 a recurrence formula; and reconciliation of the balance of additional policy reserves recognized by DL to the amount on the document output from the relevant system, and comparison of the current-year provision for additional policy reserves with the reserve plan. <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;

Appropriateness of the valuation of policy reserves	
The key audit matter	How the matter was addressed in our audit
<p>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 Protective Life</p> <p>Policy reserves for mainly traditional insurance products of Protective Life 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 on intangible fixed assets 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, Protective Life 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>(3) Policy reserves recognized by TDLA</p> <p>Policy reserves of TDLA are calculated, in accordance with IFRS, in the total amount comprising the amount calculated as the estimates of future cash flows based on actuarial assumptions as of the end of the current fiscal year, such as interest rates, mortality rates, lapse rates and expense ratios, reflecting the time value of money, financial risk and uncertainties of cash</p>	<ul style="list-style-type: none"> inspection 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 Protective Life</p> <p>We performed control assessment and substantive procedures listed under (1) in the audit response section of the Key Audit Matter, “Appropriateness of the judgement on amortization or the recognition of a loss on intangible fixed assets derived primarily from the acquisitions” by involving the component auditor of Protective Life, including the direction and supervision of the component auditor and the review of its work.</p> <p>(3) Policy reserves recognized by TDLA</p> <p>We performed the audit procedures set out below, among others, by involving the component auditor of TDLA, including the direction and supervision of the component auditor and the review of its work.</p> <p>We assessed the design and operating effectiveness of certain of the controls implemented by TDLA over the calculation of policy reserves. In this assessment, we focused on controls relevant to determining the actuarial assumptions and to ensure that the approved actuarial assumptions were properly used in the calculation of policy reserves.</p> <p>We also primarily performed the substantive procedures set out below to assess the appropriateness of the valuation of policy reserves with the assistance of actuarial specialists within the component auditor’s firm.</p> <ul style="list-style-type: none"> evaluation of the relevance of the actuarial models used and assessment of the appropriateness of changes made from the previous year to the current year; and evaluation of the appropriateness of the actuarial assumptions, such as discount rates,

Appropriateness of the valuation of policy reserves	
The key audit matter	How the matter was addressed in our audit
<p>flows arising from insurance contracts, and the amount of unearned profits expected to arise from insurance contracts as of the end of the current fiscal year.</p> <p>The actuarial assumptions used for the estimates of future cash flows need to be reflected of the most recent experience and the characteristics of policyholders within each group of insurance contracts. The estimates of future cash flows require significant judgement and a high level of expertise in actuarial valuation.</p> <p>We, therefore, determined that our assessment of the appropriateness of the valuation 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>incidence rates, lapse rates and expense ratios.</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 ¥170,990 million, which were the amount considered recoverable after being offset by applicable deferred tax liabilities, and Deferred tax liabilities of ¥97,710 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 ¥1,094,832 million. As described in Note XV. “DEFERRED TAX ACCOUNTING” under 4. “Accounting for corporate tax and local corporate tax or deferred tax accounting relating to these taxes” to the consolidated financial statements, ¥726,912 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 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>We primarily performed the following procedures to assess the appropriateness of the judgement 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 to whether significant changes in business environment were expected in the near term; • confirmation that the business plan of the Tax Sharing Group, which was the basis for estimating future taxable income used in determining the recoverability of deferred tax assets, was approved by the board of directors; • evaluation of the appropriateness of key assumptions used to prepare the business plan, by inspecting relevant internal documents, 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 differences were

Appropriateness of the judgement regarding the recoverability of deferred tax assets	
The key audit matter	How the matter was addressed in our audit
	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 and 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose 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, 2025 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.

Isao Kamizuka
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, 2025

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

	(Unit: million yen)		(Unit: million US dollars)
	As of March 31,		
	2024	2025	2025
(ASSETS)			
Cash and deposits	168,292	247,419	1,654
Call loans	719,300	530,300	3,546
Monetary claims bought	206,210	191,855	1,283
Money held in trust	8,872	8,530	57
Securities	29,729,749	28,722,848	192,100
Loans	3,109,085	3,423,017	22,893
Tangible fixed assets	1,189,320	1,219,805	8,158
Land	857,124	876,430	5,861
Buildings	321,611	320,989	2,146
Leased assets	2,404	8,105	54
Construction in progress	3,165	8,496	56
Other tangible fixed assets	5,014	5,783	38
Intangible fixed assets	120,824	120,169	803
Software	95,570	95,025	635
Other intangible fixed assets	25,254	25,144	168
Reinsurance receivable	63,216	47,296	316
Other assets	654,262	616,442	4,122
Customers' liabilities for acceptances and guarantees	16,417	11,192	74
Reserve for possible loan losses	(3,927)	(2,752)	(18)
Reserve for possible investment losses	(448)	(427)	(2)
Total assets	35,981,176	35,135,696	234,989
(LIABILITIES)			
Policy reserves and others	29,589,330	28,892,056	193,232
Reserves for outstanding claims	191,481	181,327	1,212
Policy reserves	28,975,206	28,278,678	189,129
Reserve for policyholder dividends	422,642	432,050	2,889
Reinsurance payable	456	531	3
Bonds payable	368,715	576,780	3,857
Other liabilities	2,146,268	2,568,791	17,180
Payables under repurchase agreements	1,082,401	1,618,921	10,827
Other liabilities	1,063,867	949,870	6,352
Net defined benefit liabilities	205,149	150,132	1,004
Reserve for retirement benefits of directors, executive officers and corporate auditors	674	601	4
Reserve for possible reimbursement of prescribed claims	1,000	1,300	8
Reserve for price fluctuations	276,453	288,453	1,929
Deferred tax liabilities	292,667	107,386	718
Deferred tax liabilities for land revaluation	69,064	69,806	466
Acceptances and guarantees	16,417	11,192	74
Total liabilities	32,966,198	32,667,031	218,479
(NET ASSETS)			
Capital stock	60,000	60,000	401
Capital surplus	248,560	198,560	1,327
Retained earnings	242,598	319,335	2,135
Total shareholders' equity	551,158	577,896	3,865
Net unrealized gains (losses) on securities, net of tax	2,420,163	1,842,611	12,323
Deferred hedge gains (losses)	(103,039)	(125,972)	(842)
Reserve for land revaluation	28,223	48,984	327
Foreign currency translation adjustments	(279)	352	2
Accumulated remeasurements of defined benefit plans	118,751	124,792	834
Total accumulated other comprehensive income	2,463,818	1,890,768	12,645
Total net assets	3,014,977	2,468,664	16,510
Total liabilities and net assets	35,981,176	35,135,696	234,989

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

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2024	2025	2025
Ordinary revenues	4,090,389	4,416,574	29,538
Premium and other income	2,290,407	2,140,340	14,314
Investment income	1,303,949	1,352,235	9,043
Interest and dividends	720,205	770,473	5,152
Gains on money held in trust	2,155	-	-
Gains on sale of securities	418,537	551,883	3,691
Gains on redemption of securities	8,227	23,216	155
Reversal of reserve for possible loan losses	-	1,166	7
Reversal of reserve for possible investment losses	46	-	-
Other investment income	2,013	1,842	12
Gains on investments in separate accounts	152,763	3,653	24
Other ordinary revenues	496,033	923,998	6,179
Ordinary expenses	3,697,194	3,879,771	25,948
Benefits and claims	2,560,471	2,663,162	17,811
Claims	659,101	653,300	4,369
Annuities	602,316	642,819	4,299
Benefits	467,252	493,082	3,297
Surrender values	654,546	655,986	4,387
Other refunds	177,253	217,972	1,457
Provision for policy reserves and others	8,440	8,437	56
Provision for interest on policyholder dividends	8,440	8,437	56
Investment expenses	491,785	551,086	3,685
Interest expenses	8,789	13,333	89
Losses on money held in trust	-	325	2
Losses on sale of securities	271,966	375,278	2,509
Losses on valuation of securities	3,204	4,770	31
Losses on redemption of securities	3,625	10,458	69
Derivative transaction losses	99,156	14,687	98
Foreign exchange losses	25,624	53,311	356
Provision for reserve for possible loan losses	1,816	-	-
Provision for reserve for possible investment losses	-	292	1
Write-down of loans	729	38	0
Depreciation of real estate for rent and others	14,029	14,247	95
Other investment expenses	62,845	64,342	430
Operating expenses	386,433	412,363	2,757
Other ordinary expenses	250,063	244,721	1,636
Ordinary profit	393,195	536,803	3,590
Extraordinary gains	6,397	18,580	124
Gains on disposal of fixed assets	6,397	18,580	124
Extraordinary losses	24,798	68,932	461
Losses on disposal of fixed assets	6,389	25,751	172
Impairment losses on fixed assets	5,307	2,243	15
Provision for reserve for price fluctuations	13,000	12,000	80
Second career special support expenses	-	28,883	193
Other extraordinary losses	101	54	0
Provision for reserve for policyholder dividends	87,500	100,000	668
Income before income taxes	287,293	386,451	2,584
Corporate income taxes-current	67,075	72,433	484
Corporate income taxes-deferred	14,480	10,388	69
Total of corporate income taxes	81,556	82,822	553
Net income	205,737	303,629	2,030
Net income attributable to shareholders of parent company	205,737	303,629	2,030

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

		(Unit: million yen)	(Unit: million US dollars)
	Year ended March 31,		
	2024	2025	2025
Net income	205,737	303,629	2,030
Other comprehensive income	925,870	(596,060)	(3,986)
Net unrealized gains (losses) on securities, net of tax	896,567	(577,551)	(3,862)
Deferred hedge gains (losses)	(65,385)	(22,932)	(153)
Reserve for land revaluation	-	(2,249)	(15)
Foreign currency translation adjustments	245	632	4
Remeasurements of defined benefit plans, net of tax	94,444	6,040	40
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	0	0	0
Comprehensive income	1,131,608	(292,431)	(1,955)
Attributable to shareholders of parent company	1,131,608	(292,431)	(1,955)

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

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2024	2025	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income taxes	287,293	386,451	2,584
Depreciation of real estate for rent and others	14,029	14,247	95
Depreciation	42,795	42,484	284
Impairment losses on fixed assets	5,307	2,243	15
Increase (decrease) in reserves for outstanding claims	(7,785)	(10,155)	(67)
Increase (decrease) in policy reserves	(279,277)	(696,566)	(4,658)
Provision for interest on policyholder dividends	8,440	8,437	56
Provision for (reversal of) reserve for policyholder dividends	87,500	100,000	668
Increase (decrease) in reserve for possible loan losses	599	(1,174)	(7)
Increase (decrease) in reserve for possible investment losses	(478)	(21)	(0)
Write-down of loans	729	38	0
Increase (decrease) in net defined benefit liabilities	(22,797)	(44,747)	(299)
Increase (decrease) in reserve for retirement benefits of directors, executive officers and corporate auditors	(119)	(73)	(0)
Increase (decrease) in reserve for possible reimbursement of prescribed claims	200	300	2
Increase (decrease) in reserve for price fluctuations	13,000	12,000	80
Interest and dividends	(720,205)	(770,473)	(5,152)
Securities related losses (gains)	(300,732)	(188,245)	(1,258)
Interest expenses	8,789	13,333	89
Foreign exchange losses (gains)	25,624	53,311	356
Losses (gains) on disposal of fixed assets	(917)	1,329	8
Equity in losses (income) of affiliates	(2,871)	1,037	6
Decrease (increase) in reinsurance receivable	9,562	15,758	105
Decrease (increase) in other assets unrelated to investing and financing activities	15,239	(19,080)	(127)
Increase (decrease) in reinsurance payable	338	78	0
Increase (decrease) in other liabilities unrelated to investing and financing activities	(6,588)	33,202	222
Others, net	158,782	42,287	282
Subtotal	(663,544)	(1,003,995)	(6,714)
Interest and dividends received	724,155	751,382	5,025
Interest paid	(11,803)	(13,074)	(87)
Policyholder dividends paid	(96,702)	(99,028)	(662)
Others, net	(239,199)	(62,415)	(417)
Corporate income taxes (paid) refund	4,267	(89,514)	(598)
Net cash flows provided by (used in) operating activities	(282,826)	(516,646)	(3,455)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net decrease (increase) in cash and deposits	1,181	-	-
Purchases of monetary claims bought	(37,438)	(20,465)	(136)
Proceeds from sale and redemption of monetary claims bought	46,707	28,831	192
Purchases of securities	(5,791,373)	(4,630,596)	(30,969)
Proceeds from sale and redemption of securities	5,666,880	4,919,759	32,903
Origination of loans	(1,295,831)	(1,343,072)	(8,982)
Proceeds from collection of loans	935,497	1,012,854	6,774
Net increase (decrease) in short-term investing	778,395	486,519	3,253
Total of net cash provided by (used in) investment transactions	304,017	453,831	3,035
Total of net cash provided by (used in) operating activities and investment transactions	21,190	(62,815)	(420)
Acquisition of tangible fixed assets	(48,458)	(57,032)	(381)
Proceeds from sale of tangible fixed assets	37,460	46,672	312
Acquisition of intangible fixed assets	(30,685)	(31,944)	(213)
Proceeds from sale of intangible fixed assets	3,319	-	-
Payments for fulfillment of assets retirement obligations	-	(74)	(0)
Net cash flows provided by (used in) investing activities	265,653	411,453	2,751
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuing bonds	-	316,230	2,114
Redemption of bonds	-	(108,165)	(723)
Repayment of financial lease obligations	(1,367)	(9,479)	(63)
Cash dividends paid	(215,646)	(253,881)	(1,697)
Acquisitions of stock of subsidiaries and affiliates that do not result in change in scope of consolidation	(180)	(200)	(1)
Net cash flows provided by (used in) financing activities	(217,193)	(55,495)	(371)
Effect of exchange rate changes on cash and cash equivalents	191	215	1
Net increase (decrease) in cash and cash equivalents	(234,175)	(160,473)	(1,073)
Cash and cash equivalents at the beginning of the year	1,122,368	888,192	5,940
Cash and cash equivalents at the end of the year	888,192	727,719	4,867

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

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, 2025

(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	248,560	242,598	551,158	2,420,163	(103,039)
Changes for the year						
Dividends		(49,999)	(203,881)	(253,881)		
Net income attributable to shareholders of parent company			303,629	303,629		
Transfer from reserve for land revaluation			(23,010)	(23,010)		
Others			(0)	(0)		
Net changes of items other than shareholders' equity					(577,551)	(22,932)
Total changes for the year	-	(49,999)	76,737	26,737	(577,551)	(22,932)
Balance at the end of the year	60,000	198,560	319,335	577,896	1,842,611	(125,972)

(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	28,223	(279)	118,751	2,463,818	3,014,977
Changes for the year					
Dividends					(253,881)
Net income attributable to shareholders of parent company					303,629
Transfer from reserve for land revaluation					(23,010)
Others					(0)
Net changes of items other than shareholders' equity	20,760	632	6,040	(573,050)	(573,050)
Total changes for the year	20,760	632	6,040	(573,050)	(546,312)
Balance at the end of the year	48,984	352	124,792	1,890,768	2,468,664

Year ended March 31, 2025

 (Unit: million
US dollars)

	Shareholders' equity				Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)
Balance at the beginning of the year	401	1,662	1,622	3,686	16,186	(689)
Changes for the year						
Dividends		(334)	(1,363)	(1,697)		
Net income attributable to shareholders of parent company			2,030	2,030		
Transfer from reserve for land revaluation			(153)	(153)		
Others			(0)	(0)		
Net changes of items other than shareholders' equity					(3,862)	(153)
Total changes for the year	-	(334)	513	178	(3,862)	(153)
Balance at the end of the year	401	1,327	2,135	3,865	12,323	(842)

 (Unit: million
US dollars)

	Accumulated other comprehensive income				Total net assets
	Reserve for land revaluation	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at the beginning of the year	188	(1)	794	16,478	20,164
Changes for the year					
Dividends					(1,697)
Net income attributable to shareholders of parent company					2,030
Transfer from reserve for land revaluation					(153)
Others					(0)
Net changes of items other than shareholders' equity	138	4	40	(3,832)	(3,832)
Total changes for the year	138	4	40	(3,832)	(3,653)
Balance at the end of the year	327	2	834	12,645	16,510

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2025

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 ¥149.52=US\$1.00, the foreign exchange rate on March 31, 2025, 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, 2025: 1

The subsidiary of the Company included:

- Dai-ichi Life Insurance Myanmar Ltd.

On May 14, 2025, the Company's Board of Directors approved a resolution to transfer all shares of Dai-ichi Life Insurance Myanmar Ltd. to Dai-ichi Life Holdings Inc., the parent company. Further information regarding this matter is included in Note 36.

(2) The number of non-consolidated subsidiaries as of March 31, 2025: 41

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 41 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, 2025: 0

(2) The number of affiliated companies under the equity method as of March 31, 2025: 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.

(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, 2024 and 2025 were ¥605,113 million and ¥579,161 million (US\$3,873 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, 2024 and 2025 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, 2025. 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, 2025.

(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.

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 certain 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 has 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.

17. Accounting Standard and Guidance Not Yet Adopted

Matters related to accounting standards, etc. that have not yet been applied are as follows.

- "Accounting Standard for Leases" (ASBJ Statement No. 34, September 13, 2024)
 - "Implementation Guidance on Accounting Standard for Leases" (ASBJ Guidance No. 33, September 13, 2024)
- Amendments to other related ASCBs, ASCB Guidance, Practical Reports and Transfer Guidelines

(1) Overview

Similar to international accounting standards, this stipulates the treatment of recording assets and liabilities for all leases of lessees.

(2) Planned application date

This is scheduled to be applied from the beginning of the fiscal year starting on April 1, 2027.

(3) Impact of application of the said accounting standards, etc.

The impact of application of the said accounting standards, etc. is currently being evaluated.

18. Policy Acquisition Costs

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

19. Financial Instruments

(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, 2024 and 2025 were as follows.

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

(*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)
Stocks and other securities without market prices (*a)(*c)	63,198
Ownership stakes in partnerships, etc.(*b)(*c)	1,010,393

(*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 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.

	As of March 31, 2025					
	Carrying amount	Fair value	Gains (Losses)	Carrying amount	Fair value	Gains (Losses)
	(Unit: million yen)			(Unit: million US dollars)		
(1) Call loans	530,300	530,345	45	3,546	3,546	0
(2) Monetary claims bought	191,855	191,855	-	1,283	1,283	-
(3) Money held in trust	8,530	8,530	-	57	57	-
(4) Securities(*2) (*3)						
a. Trading securities	1,094,430	1,094,430	-	7,319	7,319	-
b. Held-to-maturity bonds	3,453	3,453	-	23	23	-
c. Policy-reserve-matching bonds	16,145,478	14,104,424	(2,041,053)	107,982	94,331	(13,650)
d. Available-for-sale securities	10,252,022	10,252,022	-	68,566	68,566	-
(5) Loans	3,423,017			22,893		
Reserve for possible loan losses (*4)	(2,165)			(14)		
	3,420,852	3,266,959	(153,893)	22,878	21,849	(1,029)
Total assets	31,646,923	29,452,021	(2,194,901)	211,656	196,977	(14,679)
(1) Bonds payable	576,780	574,309	(2,470)	3,857	3,841	(16)
(2) Payables under repurchase agreements	1,618,921	1,619,072	150	10,827	10,828	1
(3) Long-term borrowings	390,600	384,161	(6,438)	2,612	2,569	(43)
Total liabilities	2,586,301	2,577,542	(8,758)	17,297	17,238	(58)
Derivative transactions (*5)						
a. Hedge accounting not applied	32,577	32,577	-	217	217	-
b. Hedge accounting applied	[162,598]	[160,493]	2,105	[1,087]	[1,073]	14
Total derivative transactions	[130,021]	[127,916]	2,105	[869]	[855]	14

(*1) Cash and deposits 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 (4) Securities.

	As of March 31, 2025	
	Carrying amount	
	(Unit: million yen)	(Unit: million US dollars)
Stocks and other securities without market prices (*a)(*c)	60,932	407
Ownership stakes in partnerships, etc.(*b)(*c)	1,166,530	7,801

(*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 September 13, 2024).

(*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 ¥1,736 million (US\$11 million) was recognized in the fiscal year ended March 31, 2025.

(*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, 2024	Fair value			
	Level 1	Level 2	Level 3	Total
	(Unit: million yen)			
Monetary claims bought	-	-	206,210	206,210
Money held in trust	5,913	2,958	-	8,872
Securities(*1)				
Trading securities	669,566	397,040	37,042	1,103,648
Available-for-sale securities				
Government bonds	1,022,597	-	-	1,022,597
Local government bonds	-	15,303	-	15,303
Corporate bonds	-	1,306,777	8,909	1,315,686
Domestic stocks	3,987,770	23	-	3,987,793
Foreign bonds	291,117	3,212,481	144,512	3,648,111
Other foreign securities	488,731	411,638	39,702	940,072
Other securities	5,985	883,807	34,892	924,685
Derivative transactions				
Currency-related	-	1,087	-	1,087
Interest-related	-	15,099	-	15,099
Stock-related	4,038	549	-	4,588
Bond-related	1,013	305	-	1,318
Others	-	752	-	752
Total assets	6,476,733	6,247,825	471,269	13,195,827
Derivative transactions				
Currency-related	-	141,965	-	141,965
Interest-related	-	45,116	-	45,116
Stock-related	30	269	-	299
Bond-related	537	384	-	922
Total liabilities	567	187,736	-	188,303

(*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. 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.

As of March 31, 2025	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	-	-	191,855	191,855	-	-	1,283	1,283
Money held in trust	5,723	2,806	-	8,530	38	18	-	57
Securities(*1)								
Trading securities	636,047	422,105	36,278	1,094,430	4,253	2,823	242	7,319
Available-for-sale securities								
Government bonds	907,729	-	-	907,729	6,070	-	-	6,070
Local government bonds	-	19,947	-	19,947	-	133	-	133
Corporate bonds	-	1,313,597	5,241	1,318,838	-	8,785	35	8,820
Domestic stocks	3,276,226	23	-	3,276,249	21,911	0	-	21,911
Foreign bonds	217,393	2,737,746	123,924	3,079,064	1,453	18,310	828	20,592
Other foreign securities	314,558	389,370	48,329	752,258	2,103	2,604	323	5,031
Other securities	5,266	754,488	40,470	800,225	35	5,046	270	5,351
Derivative transactions								
Currency-related	-	19,130	-	19,130	-	127	-	127
Interest-related	-	13,020	-	13,020	-	87	-	87
Stock-related	17,870	352	-	18,223	119	2	-	121
Bond-related	1,433	146	-	1,579	9	0	-	10
Others	-	656	-	656	-	4	-	4
Total assets	5,382,248	5,673,392	446,099	11,501,740	35,996	37,944	2,983	76,924
Derivative transactions								
Currency-related	-	110,092	-	110,092	-	736	-	736
Interest-related	-	69,207	-	69,207	-	462	-	462
Stock-related	252	1,295	-	1,547	1	8	-	10
Bond-related	1,640	143	-	1,783	10	0	-	11
Total liabilities	1,892	180,739	-	182,632	12	1,208	-	1,221

(*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 ¥97,708 million (US\$653 million). Reconciliation between the beginning and ending balance and breakdown of restriction on cancellation as of the fiscal year ended March 31, 2025 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, 2024	Fair value			
	Level 1	Level 2	Level 3	Total
(Unit: million yen)				
Securities				
Held-to-maturity bonds				
Foreign bonds	-	-	1,863	1,863
Policy-reserve-matching bonds				
Government bonds	14,409,799	-	-	14,409,799
Local government bonds	-	101,297	-	101,297
Corporate bonds	-	497,129	-	497,129
Foreign bonds	-	51,553	-	51,553
Loans	-	-	3,083,659	3,083,659
Total assets	14,409,799	649,979	3,085,523	18,145,303
Bonds payable	-	357,629	-	357,629
Payables under repurchase agreements	-	1,082,279	-	1,082,279
Long-term borrowings	-	-	389,892	389,892
Total liabilities	-	1,439,909	389,892	1,829,801

As of March 31, 2025	Fair value							
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
(Unit: million yen)					(Unit: million US dollars)			
Call loans	-	530,345	-	530,345	-	3,546	-	3,546
Securities								
Held-to-maturity bonds								
Foreign bonds	-	-	3,453	3,453	-	-	23	23
Policy-reserve-matching bonds								
Government bonds	13,580,047	-	-	13,580,047	90,824	-	-	90,824
Local government bonds	-	86,963	-	86,963	-	581	-	581
Corporate bonds	-	394,422	-	394,422	-	2,637	-	2,637
Foreign bonds	-	42,990	-	42,990	-	287	-	287
Loans	-	-	3,266,959	3,266,959	-	-	21,849	21,849
Total assets	13,580,047	1,054,722	3,270,412	17,905,183	90,824	7,054	21,872	119,751
Bonds payable	-	574,309	-	574,309	-	3,841	-	3,841
Payables under repurchase agreements	-	1,619,072	-	1,619,072	-	10,828	-	10,828
Long-term borrowings	-	-	384,161	384,161	-	-	2,569	2,569
Total liabilities	-	2,193,381	384,161	2,577,542	-	14,669	2,569	17,238

(Note 1) Description of the evaluation methods and inputs used to measure fair value

Assets

Call loans

The fair value of call loans is calculated by discounting future cash flows, using interest rate corresponding to the remaining periods of the Call loans. Call loans are classified into Level 2.

Also, call loans with short expected repayment period, the fair value is deemed to have fair value close to book value. Therefore, their book value is deemed as the fair value and classified into Level 2

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, 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	-

(*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.

As of March 31, 2025	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	206,210	(1,688)	(4,305)	(8,360)	191,855	(1,661)
Securities						
Trading securities	37,042	788	-	(1,552)	36,278	885
Available-for-sale securities						
Corporate bonds	8,909	(902)	(526)	(2,238)	5,241	937
Foreign bonds	144,512	(4,324)	136	(16,399)	123,924	11,965
Other foreign securities	39,702	-	(3,367)	11,993	48,329	-
Other securities	34,892	-	578	4,999	40,470	-

As of March 31, 2025	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	1,379	(11)	(28)	(55)	1,283	(11)
Securities						
Trading securities	247	5	-	(10)	242	5
Available-for-sale securities						
Corporate bonds	59	(6)	(3)	(14)	35	6
Foreign bonds	966	(28)	0	(109)	828	80
Other foreign securities	265	-	(22)	80	323	-
Other securities	233	-	3	33	270	-

(*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.

20. Real Estate for Rent

The Company owns a number of commercial buildings, including land, for rent in various locations, including Tokyo. Net rental income from such real estate for rent for the fiscal year ended March 31, 2024 and 2025 were ¥23,578 million and ¥25,881 million (US\$173 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, 2024 and 2025 were ¥1,632 million and ¥8,819 million (US\$58 million), respectively. Impairment losses on rental real estate as extraordinary losses for the fiscal year ended March 31, 2024 and 2025 were ¥5,307 million and ¥2,243 million (US\$15 million), respectively.

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

	As of March 31,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Carrying amount			
Beginning balance	937,941	924,722	6,184
Net change for the year	(13,218)	29,738	198
Ending balance	924,722	954,461	6,383
Fair value	1,280,150	1,365,464	9,132

(*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 for the fiscal year ended March 31, 2024 and 2025 were ¥38,819 million and ¥92,348 million (US\$617 million), respectively. Sale of the real estate for the fiscal year ended March 31, 2024 and 2025 were ¥38,101 million and ¥45,940 million (US\$307 million), respectively. Depreciation expense for the fiscal year ended March 31, 2024 and 2025 were ¥13,951 million and ¥14,183 million (US\$94 million), respectively. Impairment loss for the fiscal year ended March 31, 2024 and 2025 were ¥5,307 million and ¥2,243 million (US\$15 million), respectively.

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

21. Securities Lending

Securities lent under lending agreements are included in the consolidated balance sheet. The total balance of securities lent as of March 31, 2024 and 2025 were ¥2,452,734 million and ¥2,478,838 million (US\$16,578 million), respectively.

22. Risk-managed claims

The amounts of claims against bankrupt and quasi-bankrupt obligors, claims with collection risk, claims that are overdue for three months or more, and claims with repayment relief, which were included in claims, were as follows:

	As of March 31,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Claims against bankrupt and quasi-bankrupt obligors(*1)	88	86	0
Claims with collection risk (*2)	2,586	2,611	17
Claims that are overdue for three months or more (*3)	-	-	-
Claims with repayment relief (*4)	-	-	-
Total	2,674	2,697	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 relief 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, 2024 and 2025 were ¥1 million and ¥1 million (US\$0 million), respectively.

23. Assets and Liabilities Held in Separate Accounts

The total amounts of assets held in separate accounts defined in Article 118 Paragraph 1 of the Insurance Business Act as of March 31, 2024 and 2025 were ¥1,729,011 million and ¥1,643,638 million (US\$10,992 million), respectively. Separate account liabilities were the same amount as the separate account assets.

24. Contingent Liabilities

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

	As of March 31,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Dai-ichi Life Holdings, Inc.	250,007	250,002	1,672

25. Changes in Reserves for Policyholder Dividends

Changes in reserves for policyholder dividends were as follows:

	As of March 31,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Balance at the beginning of the fiscal year	423,403	422,642	2,826
Dividends paid during the fiscal year	96,702	99,028	662
Interest accrual during the fiscal year	8,440	8,437	56
Provision for reserve for policyholder dividends	87,500	100,000	668
Balance at the end of the fiscal year	422,642	432,050	2,889

26. 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,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Stocks	11,563	10,675	71
Capital	242,617	312,530	2,090
Total	254,181	323,205	2,161

27. Organizational Change Surplus

As of March 31, 2024 and 2025, the amounts of organizational change surplus stipulated in Article 91 of the Insurance Business Act were ¥117,776 million and ¥117,776 million (US\$787 million), respectively.

28. Assets Pledged as Collateral / Secured Liabilities

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

	As of March 31,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Securities	1,525,614	2,094,782	14,010
Cash and deposits	86	86	0
Total	1,525,701	2,094,869	14,010

The amounts of secured liabilities were as follows:

	As of March 31,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Payables under repurchase agreements	1,082,401	1,618,921	10,827

The amounts of "Securities" sold under repurchase agreements as of March 31, 2024 and 2025 were ¥1,047,109 million and ¥1,785,558 million (US\$11,941 million), respectively.

29. Net Assets per Share

The amounts of net assets per share of the Company as of March 31, 2024 and 2025 were ¥502,496,298.00 and ¥411,444,157.28 (US\$2,751,766.70), respectively.

30. Employees' Retirement Benefits

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

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

(2) Defined Benefit Plans

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

Year ended March 31,			
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
a. Beginning balance of the projected benefit obligations	665,711	575,733	3,850
b. Service cost	23,205	18,626	124
c. Interest cost	1,995	8,163	54
d. Accruals of actuarial (gains) and losses	(79,609)	(21,581)	(144)
e. Payment of retirement benefits	(35,037)	(44,790)	(299)
f. Others	(531)	(897)	(5)
g. Ending balance of the projected benefit obligation (a + b + c + d + e + f)	575,733	535,253	3,579

b) Reconciliations of beginning and ending balances of pension assets

Year ended March 31,			
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
a. Beginning balance of pension assets	306,718	370,583	2,478
b. Estimated return on assets	1,780	1,876	12
c. Accruals of actuarial (gains) and losses	59,646	14,523	97
d. Contribution from the employer	9,641	5,017	33
e. Payment of retirement benefits	(7,203)	(6,881)	(46)
f. Ending balance of pension assets (a + b + c + d + e)	370,583	385,120	2,575

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,			
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
a. Projected benefit obligation for funded pensions	305,435	281,076	1,879
b. Pension assets	(370,583)	(385,120)	(2,575)
c. Subtotal (a + b)	(65,148)	(104,043)	(695)
d. Projected benefit obligation for unfunded pensions	270,298	254,176	1,699
e. Net of assets and liabilities recorded in the consolidated balance sheet (c + d)	205,149	150,132	1,004
f. Net defined benefit liabilities	205,149	150,132	1,004
g. Net defined benefit assets	-	-	-
h. Net of assets and liabilities recorded in the balance sheet (f + g)	205,149	150,132	1,004

d) Amount of the components of retirement benefit expenses

	Year ended March 31,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
a. Service cost	23,205	18,626	124
b. Interest cost	1,995	8,163	54
c. Expected return on assets	(1,780)	(1,876)	(12)
d. Expense of actuarial (gains) and losses	(8,295)	(25,960)	(173)
e. Expense of past service cost	176	177	1
f. Others	101	54	0
g. Retirement benefit expenses for defined benefit plans (a + b + c + d + e + f)	15,404	(815)	(5)

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,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Past service cost	172	175	1
Actuarial gains (losses)	130,871	10,093	67
Total	131,044	10,269	68

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,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Unrecognized past service cost	842	667	4
Unrecognized actuarial gains (losses)	(165,614)	(175,708)	(1,175)
Total	(164,771)	(175,041)	(1,170)

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,	
	2024	2025
Stocks	53%	57%
Bonds	25%	24%
Assets under joint management	13%	13%
Life insurance general account	5%	5%
Others	4%	1%
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, 2024 and 2025 were 64% and 66%, 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 used in the actuarial calculation as of the fiscal year-end were as follows:

	Year ended March 31,	
	2024	2025
Discount rate	1.42%	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, 2024 and 2025 were ¥1,598 million and ¥1,740 million (US\$11 million), respectively.

31. Securities Borrowing

As of March 31, 2024 and 2025, the market 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 ¥51,117 million and ¥59,200 million (US\$395 million), respectively.

32. Commitment Line

As of March 31, 2024 and 2025, there were unused commitment line agreements, under which the Company was the lender, of ¥40,180 million and ¥31,543 million (US\$210 million), respectively.

33. Subordinated Debt and Other Liabilities

As of March 31, 2024 and 2025, other liabilities included subordinated debt of ¥390,600 million and ¥390,600 million (US\$2,612 million), respectively, whose repayment is subordinated to other obligations.

34. Bonds Payable

As of March 31, 2024 and 2025, bonds payable included foreign currency-denominated subordinated bonds of ¥368,715 million and ¥576,780 million (US\$3,857 million), respectively, whose repayment is subordinated to other obligations.

35. 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).

36. Significant Subsequent Events

(1) Significant changes in the scope of consolidation

On May 14, 2025, the Company's Board of Directors approved a resolution to transfer all shares of Dai-ichi Life Insurance Myanmar Ltd. (hereafter, "DLMM") to Dai-ichi Life Holdings Inc., the parent company in June 2025, as part of the group reorganization. As a result, DLMM will be excluded from the Company's scope of consolidation.

(2) Effect of the changes

Following the transfer of shares, DLMM, the Company's only consolidated subsidiary will be excluded from the Company's scope of consolidation. The impact of this transaction on the consolidated financial results is minimal.

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, 2024 and 2025 were ¥34,289,589.08 and ¥50,604,868.11 (US\$338,448.82), 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, 2024 and 2025 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, 2024 were as follows:

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

Impairment losses by asset group for the fiscal year ended March 31, 2025 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	Asahikawa city, Hokkaido prefecture and others	25	1,455	788	2,243	9	5	15

(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 1.89% and 1.85% for the fiscal year ended March 31, 2024 and 2025, 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.

4. Second Career Special Support Expenses

Second career special support expenses included special support allowance and re-employment support expenses for employees who retire using Second Career Special Support Framework implemented during the fiscal year ended March 31, 2025.

5. Transactions with Related Parties

Matters with regard to related party transactions are as follows:

Category	Name of company	Owned percentage	Relationship	Description of transactions	Transaction amounts (Unit: million yen)	Items	Balance at the end of the fiscal year (Unit: million yen)
Parent company	Dai-ichi Life Holdings, Inc.	Owned direct 100%	Lending of funds; Interlocking Directors, etc.	Lending of funds(※)	396,230	Ordinary loans	530,762
				Collection of funds	177,267		
				Receiving interest (※)	4,149	Accrued revenue	2,484

(※)Determined in consideration of market interest rates.

Category	Name of company	Owned percentage	Relationship	Description of transactions	Transaction amounts (Unit: million US dollars)	Items	Balance at the end of the fiscal year (Unit: million US dollars)
Parent company	Dai-ichi Life Holdings, Inc.	Owned direct 100%	Lending of funds; Interlocking Directors, etc.	Lending of funds(※)	2,650	Ordinary loans	3,549
				Collection of funds	1,185		
				Receiving interest (※)	27	Accrued revenue	16

(※)Determined in consideration of market interest rates.

V. NOTES TO THE CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended March 31,		
	2024	2025	2025
	(Unit: million yen)		(Unit: million US dollars)
Net unrealized gains (losses) on securities, net of tax			
Amount incurred during the year	1,412,475	(336,935)	(2,253)
Amount reclassified	(168,453)	(431,068)	(2,883)
Before tax adjustment	1,244,022	(768,003)	(5,136)
Tax effect	(347,455)	190,451	1,273
Net unrealized gains (losses) on securities, net of tax	896,567	(577,551)	(3,862)
Deferred hedge gains (losses)			
Amount incurred during the year	(94,180)	(44,397)	(296)
Amount reclassified	3,455	10,511	70
Before tax adjustment	(90,725)	(33,886)	(226)
Tax effect	25,339	10,953	73
Deferred hedge gains (losses)	(65,385)	(22,932)	(153)
Reserve for land revaluation			
Amount incurred during the year	-	-	-
Amount reclassified	-	-	-
Before tax adjustment	-	-	-
Tax effect	-	(2,249)	(15)
Reserve for land revaluation	-	(2,249)	(15)
Foreign currency translation adjustments			
Amount incurred during the year	245	632	4
Amount reclassified	-	-	-
Before tax adjustment	245	632	4
Tax effect	-	-	-
Foreign currency translation adjustments	245	632	4
Remeasurements of defined benefit plans, net of tax			
Amount incurred during the year	139,130	36,146	241
Amount reclassified	(8,086)	(25,877)	(173)
Before tax adjustment	131,044	10,269	68
Tax effect	(36,600)	(4,228)	(28)
Remeasurements of defined benefit plans, net of tax	94,444	6,040	40
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	925,870	(596,060)	(3,986)

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, 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
Dividends per share	¥27,607,800
Record date	March 31, 2023
Effective date	June 22, 2023
Dividend source	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 source	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
Dividends per share	¥3,412,274
Record date	March 31, 2023
Effective date	June 22, 2023
Dividend source	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
Dividends per share	¥161,160
Record date	-
Effective date	March 1, 2024
Dividend source	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
Dividends per share	¥33,980,300
Record date	March 31, 2024
Effective date	June 20, 2024
Dividend source	Retained earnings

2. For the Year Ended March 31, 2025

(1) Type and Number of Shares Outstanding

	Year ended March 31, 2025			
	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) Amount of dividends

Date of resolution	June 19, 2024 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥203,881 million (US\$1,363 million)
Dividends per share	¥33,980,300 (US\$227,262)
Record date	March 31, 2024
Effective date	June 20, 2024
Dividend source	Retained earnings
Date of resolution	November 13, 2024 (at the Meeting of the Board of Directors)
Type of shares	Common stock
Total dividends	¥49,999 million (US\$334 million)
Dividends per share	¥8,333,300 (US\$55,733)
Record date	September 30, 2024
Effective date	December 2, 2024
Dividend source	Capital surplus

(b) Dividends, the record date of which was March 31, 2025, to be paid out in the year ending March 31, 2026

a) Cash Dividends

Date of resolution	June 18, 2025 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥237,052 million (US\$1,585 million)
Dividends per share	¥39,508,800 (US\$264,237)
Record date	March 31, 2025
Effective date	June 19, 2025
Dividend source	Retained earnings

b) Dividends in Kind

Date of resolution	June 18, 2025 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Type of the dividend property	Securities
Book value of the dividend property	¥15,357 million (US\$102 million)
Dividends per share	¥2,559,553 (US\$17,118)
Record date	March 31, 2025
Effective date	June 26, 2025
Dividend source	Capital surplus

Independent Auditor's Report

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

Opinion

We have audited the accompanying consolidated financial statements of The Dai-ichi Life Insurance Company, Limited ("the Company") and its consolidated subsidiary (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2025, 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, 2025, 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 and 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose 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, 2025 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.

Isao Kamizuka
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, 2025

Solvency Margin Ratio

(1) Dai-ichi Life Holdings, Inc.

Consolidated Solvency Margin Ratio

(Unit: million yen)

	As of March 31, 2024	As of March 31, 2025
Total solvency margin (A)	7,046,400	6,362,819
Common stock, etc. (*1)	1,209,325	996,486
Reserve for price fluctuations	324,391	342,194
Contingency reserve	690,964	679,914
Catastrophe loss reserve	6,567	7,339
General reserve for possible loan losses	3,227	2,007
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% (*2)	2,161,578	1,341,778
Net unrealized gains (losses) on real estate × 85% (*2)	388,716	454,158
Sum of unrecognized actuarial differences and unrecognized past service cost	163,389	178,159
Policy reserves in excess of surrender values	2,345,292	2,356,284
Qualifying subordinated debt	923,715	1,131,780
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(740,322)	(726,500)
Total margin related to small amount and short-term insurance	0	0
Excluded items	(483,270)	(468,324)
Others	52,822	67,540
Total risk $\sqrt{(\sqrt{R_1^2+R_5^2+R_6^2+R_9^2}+(R_2+R_3+R_7)^2+R_4+R_8)(B)}$	2,034,497	1,977,730
Insurance risk R_1	160,563	171,346
General insurance risk R_5	23,020	27,823
Catastrophe risk R_6	1,773	2,109
3rd sector insurance risk R_9	181,665	179,217
Small amount and short-term insurance risk R_9	0	0
Assumed investment yield risk R_2	217,828	209,097
Guaranteed minimum benefit risk R_7 (*3)	77,468	88,821
Investment risk R_3	1,660,968	1,599,621
Business risk R_4	46,465	45,560
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	692.6%	643.4%

*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, 2024	As of March 31, 2025
Total solvency margin (A)	6,558,659	5,778,369
Total risk (B)	1,516,310	1,354,848
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	865.0%	852.9%

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.

Consolidated Solvency Margin Ratio

(Unit: million yen)

	As of March 31, 2024	As of March 31, 2025
Total solvency margin (A)	6,470,979	5,627,725
Total risk (B)	1,437,866	1,254,862
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	900.0%	896.9%

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, 2024	As of March 31, 2025
Total solvency margin (A)	541,111	588,131
Total risk (B)	257,672	279,927
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	419.9%	420.2%

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

(4) The Neo First Life Insurance Company, Limited

Solvency Margin Ratio

(Unit: million yen)

	As of March 31, 2024	As of March 31, 2025
Total solvency margin (A)	39,064	31,400
Total risk (B)	2,640	3,017
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	2,958.5%	2,081.5%

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, 2024	As of March 31, 2025
Total solvency margin (A)	13,754	—
Total risk (B)	9,617	—
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	286.0%	—

Notes 1. 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. ipet Insurance Co., Ltd. completed an absorption-type merger in June 2024, with ipet Insurance Co., Ltd. as the surviving company and ipet Holdings Inc as the absorbed company.

(6) ipet Insurance Co., Ltd.

Solvency Margin Ratio

(Unit: million yen)

	As of March 31, 2024	As of March 31, 2025
Total solvency margin (A)	13,993	15,954
Total risk (B)	9,617	10,616
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	290.9%	300.5%

Notes 1. 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.

2. ipet Insurance Co., Ltd. completed an absorption-type merger in June 2024, with ipet Insurance Co., Ltd. as the surviving company and ipet Holdings Inc as the absorbed company.

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

Solvency Margin Ratio

(Unit: million yen)

	As of March 31, 2024	As of March 31, 2025
Total solvency margin (A)	767	548
Total risk (B)	0	0
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1,946,181.8%	229,204.5%

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.



Dai-ichi Life
Holdings

Dai-ichi Life Holdings, Inc.

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