

(Unofficial Translation)
Consolidated Summary Report under Japanese GAAP
for the Fiscal Year Ended March 31, 2020

May 15, 2020

Company Name: Dai-ichi Life Holdings, Inc.

Code Number: 8750

Representative: Seiji Inagaki, President, Representative Director

For inquiry: Atsushi Nakamura, General Manager, Investor Relations Group, Corporate Planning Unit

TEL: (050)3780-6930

Stock exchange listings: Tokyo

URL: <https://www.dai-ichi-life-hd.com/>

General meeting of shareholders: June 22, 2020

Dividend payment date: June 23, 2020

Securities report issue date: June 23, 2020

Supplementary information for financial statements: Available

Explanatory meeting to be held: Yes (for institutional investors and analysts)

(Amounts of less than one million yen are truncated.)

1. Consolidated Financial Data for the Fiscal Year Ended March 31, 2020

(1) Consolidated results of operations

(% represents the change from the previous fiscal year)

	Ordinary Revenues		Ordinary Profit		Net Income attributable to shareholders of Parent Company	
Fiscal Year Ended	Unit: million yen	%	Unit: million yen	%	Unit: million yen	%
March 31, 2020	7,114,099	(1.0)	218,380	(49.6)	32,433	(85.6)
March 31, 2019	7,184,093	2.1	432,945	(8.3)	225,035	(38.2)

Note. Comprehensive income (loss) for the fiscal years ended March 31, 2020 and 2019 were 167,564 million yen (130.8% increase year-on-year) and 72,613 million yen (89.4% decrease year-on-year), respectively.

	Net Income per Share	Diluted Net Income per Share	Ratio of Net Income to Shareholders' Equity	Ratio of Ordinary Profits to Total Assets	Ratio of Ordinary Profits to Ordinary Revenues
Fiscal Year Ended	yen	yen	%	%	%
March 31, 2020	28.53	28.51	0.9	0.4	3.1
March 31, 2019	194.43	194.29	6.0	0.8	6.0

(Reference) Income (loss) from investment in affiliates (Equity method) March 31, 2020: (37,880) million yen March 31, 2019: 10,067 million yen

(2) Consolidated financial condition

	Total Assets	Total Net Assets	Ratio of Net Assets Attributable to the Company's shareholders to Total Assets	Total Net Assets per Share
As of	Unit: million yen	Unit: million yen	%	yen
March 31, 2020	60,011,999	3,776,918	6.3	3,344.23
March 31, 2019	55,941,261	3,713,592	6.6	3,240.72

(Reference) Net assets attributable to the Company's shareholders as of March 31, 2020 and 2019 were 3,775,854 million yen and 3,712,430 million yen, respectively.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the year
Fiscal Year Ended	Unit: million yen	Unit: million yen	Unit: million yen	Unit: million yen
March 31, 2020	590,084	(896,437)	784,869	1,697,582
March 31, 2019	1,696,993	(1,347,136)	(143,428)	1,237,077

2. Dividends on Common Stock

	Dividends per share					Total Dividends (Annual)	Dividend payout ratio (Consolidated)	Dividend on net assets ratio (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Annual			
Fiscal Year Ended	yen	yen	yen	yen	yen	million yen	%	%
March 31, 2019	-	0.00	-	58.00	58.00	66,442	29.8	1.8
March 31, 2020	-	0.00	-	62.00	62.00	70,001	217.3	1.9
March 31, 2021 (Forecast)	-	0.00	-	62.00	62.00		-	

Note. "Total dividends (Annual)" in the above table excludes dividends of 241 million yen for the fiscal year ended March 31, 2019 and dividends of 252 million yen for the fiscal year ended March 31, 2020 to shares held by the Stock Granting Trust (J-ESOP trust).

3. Consolidated Earnings Forecasts for the Fiscal Year ending March 31, 2021

The consolidated financial forecast for the fiscal year ending March 31, 2021 is withheld as the Group is currently unable to reasonably calculate the uncertain impact of the COVID-19 crisis. This information will be disclosed upon completion of the revised planning.

4. Notes

(1) Changes in significant subsidiaries during the fiscal year (changes in specified subsidiaries accompanying changes in scope of consolidation) : No

(2) Changes in accounting policies, accounting estimates and correction of past errors:

(A) Changes in accounting policies due to revision of accounting standards: Yes

(B) Changes in accounting policies due to reasons other than item (A) above: No

(C) Changes in accounting estimates: No

(D) Correction of past errors: No

For details, please refer to (Changes in Accounting Policies), (5) Notes to the Consolidated Financial Statements, under [3. Unaudited Consolidated Financial Statements] of the Appendix.

(3) Number of shares outstanding (common stock)

	As of March 31, 2020	As of March 31, 2019
(A) Total shares outstanding including treasury stock:	1,198,443,000	1,198,208,200
(B) Shares of treasury stock held:	69,378,825	52,650,425
	Year ended March 31, 2020	Year ended March 31, 2019
(C) Average outstanding shares:	1,136,702,108	1,157,398,266

Note.

1. For the number of shares used as the basis for the calculation of consolidated net income per share, please refer to (Per-share information), (5) Notes to the Consolidated Financial Statements, under [3. Unaudited Consolidated Financial Statements] of the Appendix.
2. The number of treasury stocks includes the shares of the Company (4,068,000 shares as of March 31, 2020 and 4,161,700 shares as of March 31, 2019) held by the Stock Granting Trust (J-ESOP trust).

(Reference) Non-consolidated Financial Data**1. Non-consolidated Financial Data for the Fiscal Year Ended March 31, 2020****(1) Non-consolidated results of operations**

(% represents the change from the previous fiscal year)

	Sales Revenues		Operating Profit	
Fiscal Year Ended	Unit: million yen	%	Unit: million yen	%
March 31, 2020	185,846	17.8	174,612	18.4
March 31, 2019	157,816	171.3	147,532	204.0

	Ordinary Profit		Net Income	
Fiscal Year Ended	Unit: million yen	%	Unit: million yen	%
March 31, 2020	171,555	17.8	87,126	(39.7)
March 31, 2019	145,683	198.3	144,494	151.0

	Net Income per Share		Diluted Net Income per Share	
Fiscal Year Ended	yen		yen	
March 31, 2020	76.65		76.60	
March 31, 2019	124.84		124.75	

(2) Non-consolidated financial condition

	Total Assets	Total Net Assets	Ratio of Net Assets Attributable to the Company's shareholders to Total Assets	Total Net Assets per Share
As of	Unit: million yen	Unit: million yen	%	yen
March 31, 2020	1,698,789	1,249,959	73.5	1,106.13
March 31, 2019	1,708,202	1,257,325	73.5	1,096.55

(Reference) Net assets attributable to the Company's shareholders as of March 31, 2020 and 2019 were 1,248,895 million yen and 1,256,162 million yen, respectively.

*This report is exempt from the audits of CPAs or Audit firms.

*Notes for using earnings forecast in this report and others:

This report contains forward-looking statements, such as earnings forecasts, regarding the intent, beliefs and current expectations of the Company and its management with respect to the expected financial condition and results of operations of the Company. These statements necessarily depend upon information currently available to the Company and its management and on assumptions that the Company and its management believe are appropriate. Forward-looking statements are not guarantees of future performance and actual results may differ materially from any future results expressed or implied by forward-looking statements. Forward-looking statements are subject to various risks and uncertainties, such as fluctuations in market conditions, including changes in the value of equity securities and changes in interest rates and forward exchange rates, the occurrence of illegal acts, operational and system risks, risks associated with general economic conditions in Japan and other factors. Important factors which may affect the Company's financial condition, results of operations and business performance are not limited to the factors described above. In light of the risks and uncertainties relating to forward-looking statements, investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this release.

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The Company plans to hold a conference call for institutional investors and analysts regarding its financial results for the fiscal year ended March 31, 2020 on May 15, 2020. The material for the conference call will be posted on TDnet and the Company's website.

1. Consolidated Results of Operations

(1) Results of Operations and Financial Condition

(i) Results of Operations for the Fiscal Year Ended March 31, 2020

- Ordinary revenues of Dai-ichi Life Holdings, Inc. (hereinafter the “Company” or the “Parent Company”) and its consolidated subsidiaries (collectively, the “Group”) for the fiscal year ended March 31, 2020 decreased by 69.9 billion yen, or 1.0%, to 7,114.0 billion yen, consisting of (1) 4,885.4 billion yen (8.6% decrease) of premium and other income, (2) 1,876.6 billion yen (18.5% increase) of investment income, and (3) 352.0 billion yen (37.1% increase) of other ordinary revenues, compared to the prior fiscal year. Premium and other income was down due mainly to a decrease in sales at The Dai-ichi Frontier Life Insurance Co., Ltd.
- Meanwhile, the Group’s ordinary expenses for the fiscal year ended March 31, 2020 increased by 2.1%, to 6,895.7 billion yen, consisting of (1) 4,870.7 billion yen (26.9% increase) of benefits and claims, (2) 164.4 billion yen (87.4% decrease) of provision for policy reserves and others, (3) 821.9 billion yen (51.8% increase) of investment expenses, (4) 680.1 billion yen (3.3% decrease) of operating expenses, and (5) 358.3 billion yen (0.2% increase) of other ordinary expenses, compared to the prior fiscal year.
- Consequently, the Group’s ordinary profit for the fiscal year ended March 31, 2020, compared to the prior fiscal year, decreased by 214.5 billion yen or 49.6%, to 218.3 billion yen. Its net income attributable to shareholders of parent company for the fiscal year, which is ordinary profit after extraordinary gains and losses, provision for reserve for policyholder dividends, and total of corporate income taxes, decreased by 85.6%, to 32.4 billion yen.
- Net income attributable to shareholders of parent company for the fiscal year decreased compared to the prior fiscal year. The decrease was due mainly to losses from accrual of policy reserves resulting from market value adjustments (MVA) at The Dai-ichi Frontier Life Insurance Co., Ltd. affected by lower overseas interest rates and losses from one-time amortization of goodwill on Janus Henderson Group plc due to a fall in its stock price.

(ii) Financial Condition as of March 31, 2020

(a) Condition of assets, liabilities, and net assets

- The Group’s total assets as of March 31, 2020, compared to March 31, 2019, increased by 7.3%, to 60,011.9 billion yen, mainly consisting of 47,734.4 billion yen (1.4% increase) of securities, 3,715.7 billion yen (10.8% increase) of loans and 1,126.2 billion yen (1.7% decrease) of tangible fixed assets.
- The Group’s total liabilities as of March 31, 2020 increased by 7.7% to 56,235.0 billion yen, mainly consisting of 50,494.5 billion yen (4.6% increase) of policy reserves and others, compared to March 31, 2019.
- The Group’s total net assets as of March 31, 2020 increased by 1.7% to 3,776.9 billion yen. Net unrealized gains on securities, net of tax, as of March 31, 2020, which are included in the Group’s total net assets, increased by 8.6% to 2,283.1 billion yen.

(b) Cash flows

- Cash Flows from Operating Activities

The Company's net cash flows provided by operating activities for the fiscal year ended March 31, 2020 decreased by 1,106.9 billion yen to 590.0 billion yen, compared to the prior fiscal year.

- Cash Flows from Investing Activities

The Company's net cash flows used in investing activities for the fiscal year ended March 31, 2020 decreased by 450.6 billion yen to 896.4 billion yen, compared to the prior fiscal year.

- Cash Flows from Financing Activities

The Company's net cash flows provided by financing activities for the fiscal year ended March 31, 2020 increased by 928.2 billion yen to 784.8 billion yen, compared to the prior fiscal year.

- Cash and Cash Equivalents at the End of the Year

As a result, the Company's cash and cash equivalents as of March 31, 2020 increased by 460.5 billion yen to 1,697.5 billion yen from 1,237.0 billion yen at the end of the prior fiscal year.

(2) Forecasts

- The consolidated financial forecast for the fiscal year ending March 31, 2021 is withheld as the Group is currently unable to reasonably calculate the uncertain impact of the COVID-19 crisis. This information will be disclosed upon completion of the revised planning.

2. Basic Rationale for Selection of Accounting Standards

The Group is evaluating International Financial Reporting Standards (IFRS), assuming that the Group will adopt IFRS in the future.

Regarding the new accounting standards for insurance contracts which the International Accounting Standards Board (IASB) published, taking into account the potential effect on the method of creating financial statements, we are continuously examining their progress.

3. Unaudited Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Unit: million yen)

	As of March 31, 2019	As of March 31, 2020
ASSETS		
Cash and deposits	920,177	1,205,507
Call loans	335,500	513,800
Monetary claims bought	199,193	221,147
Money held in trust	559,474	1,039,062
Securities	47,065,031	47,734,406
Loans	3,353,268	3,715,750
Tangible fixed assets	1,145,267	1,126,269
Land	787,421	765,160
Buildings	348,900	339,716
Leased assets	2,440	6,821
Construction in progress	149	197
Other tangible fixed assets	6,355	14,374
Intangible fixed assets	444,869	472,990
Software	96,631	106,696
Goodwill	48,926	39,497
Other intangible fixed assets	299,311	326,797
Reinsurance receivable	155,320	1,523,297
Other assets	1,692,127	2,403,292
Deferred tax assets	17,154	11,859
Customers' liabilities for acceptances and guarantees	55,515	47,065
Reserve for possible loan losses	(1,248)	(1,641)
Reserve for possible investment losses	(390)	(807)
Total assets	55,941,261	60,011,999

(Unit: million yen)

	As of March 31, 2019	As of March 31, 2020
LIABILITIES		
Policy reserves and others	48,279,458	50,494,544
Reserves for outstanding claims	555,517	573,984
Policy reserves	47,325,761	49,520,817
Reserve for policyholder dividends	398,178	399,742
Reinsurance payable	379,568	781,980
Bonds payable	1,062,252	1,135,336
Other liabilities	1,420,986	2,723,157
Net defined benefit liabilities	422,346	440,874
Reserve for retirement benefits of directors, executive officers and corporate auditors	1,298	1,188
Reserve for possible reimbursement of prescribed claims	900	800
Reserves under the special laws	218,259	240,796
Reserve for price fluctuations	218,259	240,796
Deferred tax liabilities	311,059	296,142
Deferred tax liabilities for land revaluation	76,023	73,195
Acceptances and guarantees	55,515	47,065
Total liabilities	52,227,668	56,235,081
NET ASSETS		
Capital stock	343,326	343,517
Capital surplus	329,723	329,860
Retained earnings	1,134,392	1,094,483
Treasury stock	(98,634)	(126,356)
Total shareholders' equity	1,708,808	1,641,506
Net unrealized gains (losses) on securities, net of tax	2,101,587	2,283,198
Deferred hedge gains (losses)	3,803	20,437
Reserve for land revaluation	(13,488)	(17,978)
Foreign currency translation adjustments	(77,457)	(123,850)
Accumulated remeasurements of defined benefit plans	(10,824)	(27,458)
Total accumulated other comprehensive income	2,003,621	2,134,348
Subscription rights to shares	1,162	1,063
Total net assets	3,713,592	3,776,918
Total liabilities and net assets	55,941,261	60,011,999

(2) Consolidated Statement of Earnings and Comprehensive Income

[Consolidated Statement of Earnings]

(Unit: million yen)

	Year ended March 31, 2019	Year ended March 31, 2020
ORDINARY REVENUES	7,184,093	7,114,099
Premium and other income	5,344,016	4,885,407
Investment income	1,583,228	1,876,634
Interest and dividends	1,244,255	1,302,807
Gains on investments in trading securities	-	259,620
Gains on sale of securities	279,220	300,753
Gains on redemption of securities	21,146	11,707
Reversal of reserve for possible loan losses	237	-
Other investment income	1,692	1,746
Gains on investments in separate accounts	36,676	-
Other ordinary revenues	256,848	352,057
ORDINARY EXPENSES	6,751,148	6,895,718
Benefits and claims	3,839,105	4,870,794
Claims	1,164,756	1,158,590
Annuities	818,785	1,128,768
Benefits	502,606	561,102
Surrender values	672,578	751,919
Other refunds	680,379	1,270,412
Provision for policy reserves and others	1,309,287	164,491
Provision for reserves for outstanding claims	12,553	58,255
Provision for policy reserves	1,288,468	97,989
Provision for interest on policyholder dividends	8,265	8,245
Investment expenses	541,541	821,971
Interest expenses	43,306	44,335
Losses on money held in trust	448	21,365
Losses on investments in trading securities	85,306	-
Losses on sale of securities	141,762	74,928
Losses on valuation of securities	11,151	60,928
Losses on redemption of securities	3,569	7,638
Derivative transaction losses	41,586	24,835
Foreign exchange losses	162,354	491,107
Provision for reserve for possible loan losses	-	398
Provision for reserve for possible investment losses	37	504
Write-down of loans	120	128
Depreciation of real estate for rent and others	13,254	13,074
Other investment expenses	38,642	42,386
Losses on investments in separate accounts	-	40,338
Operating expenses	703,573	680,154
Other ordinary expenses	357,641	358,306
Ordinary profit	432,945	218,380

(Unit: million yen)

	Year ended March 31, 2019	Year ended March 31, 2020
EXTRAORDINARY GAINS	2,512	4,941
Gains on disposal of fixed assets	2,476	4,929
Other extraordinary gains	36	11
EXTRAORDINARY LOSSES	28,607	39,557
Losses on disposal of fixed assets	4,064	13,271
Impairment losses on fixed assets	1,801	3,556
Provision for reserve for price fluctuations	22,462	22,536
Other extraordinary losses	279	192
Provision for reserve for policyholder dividends	87,500	82,500
Income before income taxes	319,349	101,264
Corporate income taxes-current	99,814	112,292
Corporate income taxes-deferred	(5,501)	(43,460)
Total of corporate income taxes	94,313	68,831
Net income	225,035	32,433
Net income attributable to shareholders of parent company	225,035	32,433

[Consolidated Statement of Comprehensive Income]

(Unit: million yen)

	Year ended March 31, 2019	Year ended March 31, 2020
Net income	225,035	32,433
Other comprehensive income		
Net unrealized gains (losses) on securities, net of tax	(134,626)	178,039
Deferred hedge gains (losses)	13,452	16,633
Foreign currency translation adjustments	(21,674)	(46,006)
Remeasurements of defined benefit plans, net of tax	(2,350)	(16,566)
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	(7,223)	3,030
Total other comprehensive income	(152,421)	135,130
Comprehensive income	72,613	167,564
(Details)		
Attributable to shareholders of the parent company	72,613	167,564

(3) Consolidated Statement of Changes in Net Assets

Year ended March 31, 2019

(Unit: million yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)
Balance at the beginning of the year	343,146	329,653	976,899	(60,076)	1,589,623	2,238,159	(9,649)
Cumulative effect of changes in accounting policies			(9,420)		(9,420)	(1,192)	
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	343,146	329,653	967,479	(60,076)	1,580,202	2,236,967	(9,649)
Changes for the year							
Issuance of new shares	180	180			360		
Dividends			(58,239)		(58,239)		
Net income attributable to shareholders of parent company			225,035		225,035		
Purchase of treasury stock				(39,000)	(39,000)		
Disposal of treasury stock		(109)		441	331		
Change in scope of equity method					-		
Transfer from reserve for land revaluation			1,064		1,064		
Others			(947)		(947)		
Net changes of items other than shareholders' equity						(135,379)	13,452
Total changes for the year	180	70	166,913	(38,558)	128,605	(135,379)	13,452
Balance at the end of the year	343,326	329,723	1,134,392	(98,634)	1,708,808	2,101,587	3,803

(Unit: million yen)

	Accumulated other comprehensive income				Subscription rights to shares	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	(12,423)	(49,201)	(8,584)	2,158,300	1,348	3,749,271
Cumulative effect of changes in accounting policies				(1,192)		(10,612)
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	(12,423)	(49,201)	(8,584)	2,157,108	1,348	3,738,659
Changes for the year						
Issuance of new shares						360
Dividends						(58,239)
Net income attributable to shareholders of parent company						225,035
Purchase of treasury stock						(39,000)
Disposal of treasury stock						331
Change in scope of equity method						-
Transfer from reserve for land revaluation						1,064
Others						(947)
Net changes of items other than shareholders' equity	(1,064)	(28,255)	(2,239)	(153,486)	(185)	(153,672)
Total changes for the year	(1,064)	(28,255)	(2,239)	(153,486)	(185)	(25,066)
Balance at the end of the year	(13,488)	(77,457)	(10,824)	2,003,621	1,162	3,713,592

Year ended March 31, 2020

(Unit: million yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)
Balance at the beginning of the year	343,326	329,723	1,134,392	(98,634)	1,708,808	2,101,587	3,803
Cumulative effect of changes in accounting policies			(5,639)		(5,639)		
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	343,326	329,723	1,128,753	(98,634)	1,703,168	2,101,587	3,803
Changes for the year							
Issuance of new shares	190	190			381		
Dividends			(66,442)		(66,442)		
Net income attributable to shareholders of parent company			32,433		32,433		
Purchase of treasury stock				(27,999)	(27,999)		
Disposal of treasury stock		(53)		278	225		
Change in scope of equity method			(146)		(146)		
Transfer from reserve for land revaluation			4,489		4,489		
Others			(4,603)		(4,603)		
Net changes of items other than shareholders' equity						181,610	16,633
Total changes for the year	190	137	(34,269)	(27,721)	(61,662)	181,610	16,633
Balance at the end of the year	343,517	329,860	1,094,483	(126,356)	1,641,506	2,283,198	20,437

(Unit: million yen)

	Accumulated other comprehensive income				Subscription rights to shares	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	(13,488)	(77,457)	(10,824)	2,003,621	1,162	3,713,592
Cumulative effect of changes in accounting policies						(5,639)
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	(13,488)	(77,457)	(10,824)	2,003,621	1,162	3,707,952
Changes for the year						
Issuance of new shares						381
Dividends						(66,442)
Net income attributable to shareholders of parent company						32,433
Purchase of treasury stock						(27,999)
Disposal of treasury stock						225
Change in scope of equity method						(146)
Transfer from reserve for land revaluation						4,489
Others						(4,603)
Net changes of items other than shareholders' equity	(4,489)	(46,393)	(16,633)	130,727	(99)	130,627
Total changes for the year	(4,489)	(46,393)	(16,633)	130,727	(99)	68,965
Balance at the end of the year	(17,978)	(123,850)	(27,458)	2,134,348	1,063	3,776,918

(4) Consolidated Statement of Cash Flows

(Unit: million yen)

	Year ended March 31, 2019	Year ended March 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income taxes	319,349	101,264
Depreciation of real estate for rent and others	13,254	13,074
Depreciation	50,914	47,753
Impairment losses on fixed assets	1,801	3,556
Amortization of goodwill	4,390	3,459
Increase (decrease) in reserves for outstanding claims	35,993	60,945
Increase (decrease) in policy reserves	1,155,292	(97,358)
Provision for interest on policyholder dividends	8,265	8,245
Provision for (reversal of) reserve for policyholder dividends	87,500	82,500
Increase (decrease) in reserve for possible loan losses	(239)	401
Increase (decrease) in reserve for possible investment losses	(46)	417
Write-down of loans	120	128
Increase (decrease) in net defined benefit liabilities	6,112	(3,662)
Increase (decrease) in reserve for retirement benefits of directors, executive officers and corporate auditors	(85)	(109)
Increase (decrease) in reserve for possible reimbursement of prescribed claims	-	(100)
Increase (decrease) in reserve for price fluctuations	22,462	22,536
Interest and dividends	(1,244,255)	(1,302,807)
Securities related losses (gains)	(95,253)	(388,245)
Interest expenses	43,306	44,335
Foreign exchange losses (gains)	162,354	491,107
Losses (gains) on disposal of fixed assets	527	8,110
Equity in losses (income) of affiliates	(10,067)	37,880
Decrease (increase) in reinsurance receivable	(50,501)	(158,655)
Decrease (increase) in other assets unrelated to investing and financing activities	(87,727)	(220,309)
Increase (decrease) in reinsurance payable	158,963	433,398
Increase (decrease) in other liabilities unrelated to investing and financing activities	(85,831)	89,323
Others, net	83,869	95,031
Subtotal	580,470	(627,778)
Interest and dividends received	1,424,532	1,516,727
Interest paid	(50,442)	(51,120)
Policyholder dividends paid	(96,237)	(89,181)
Others, net	8,247	(14,750)
Corporate income taxes paid	(169,576)	(143,811)
Net cash flows provided by (used in) operating activities	1,696,993	590,084

(Unit: million yen)

	Year ended March 31, 2019	Year ended March 31, 2020
CASH FLOWS FROM INVESTING ACTIVITIES		
Net decrease (increase) in cash and deposits	3,708	(3,136)
Purchases of monetary claims bought	(34,317)	(44,550)
Proceeds from sale and redemption of monetary claims bought	32,131	22,702
Purchases of money held in trust	(117,960)	(554,729)
Proceeds from decrease in money held in trust	81,781	53,676
Purchases of securities	(10,790,799)	(9,121,274)
Proceeds from sale and redemption of securities	9,677,088	9,006,260
Origination of loans	(738,590)	(936,951)
Proceeds from collection of loans	914,523	713,194
Others, net	(279,306)	94,604
Total of net cash provided by (used in) investment transactions	(1,251,739)	(770,203)
Total of net cash provided by (used in) operating activities and investment transactions	445,253	(180,118)
Acquisition of tangible fixed assets	(58,163)	(43,485)
Proceeds from sale of tangible fixed assets	22,833	37,973
Acquisition of intangible fixed assets	(34,757)	(35,974)
Proceeds from sale of intangible fixed assets	295	33
Acquisition of stock of subsidiaries resulting in change in scope of consolidation	(30,334)	(4,348)
Acquisition of stock of subsidiaries	(881)	(640)
Proceeds from transfer of business	1,343	-
Payments for acquisition of business	-	(79,793)
Proceeds from acquisition of business	4,268	-
Net cash flows provided by (used in) investing activities	(1,347,136)	(896,437)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	65,860	72,345
Repayment of borrowings	(197,715)	(65,000)
Proceeds from issuing bonds	146,055	147,321
Redemption of bonds	(40,169)	(62,703)
Repayment of financial lease obligations	(1,331)	(2,633)
Net increase (decrease) in short-term financing	(16,808)	789,923
Purchase of treasury stock	(39,000)	(27,999)
Cash dividends paid	(58,100)	(66,287)
Acquisitions of stock of subsidiaries that do not result in change in scope of consolidation	(2,219)	(95)
Others, net	0	0
Net cash flows provided by (used in) financing activities	(143,428)	784,869
Effect of exchange rate changes on cash and cash equivalents	(2,373)	(19,127)
Net increase (decrease) in cash and cash equivalents	204,054	459,389
Cash and cash equivalents at the beginning of the year	1,033,022	1,237,077
Increase (decrease) in cash and cash equivalents due to changes in the subsidiaries included in the scope of consolidation	-	1,115
Cash and cash equivalents at the end of the year	1,237,077	1,697,582

(5) Notes to the Consolidated Financial Statements

(Notes on Going-Concern Assumptions)

None

(Changes in Accounting Policies)

Effective the fiscal year ended March 31, 2020, certain consolidated overseas subsidiaries adopted Accounting Standards Update ("ASU") No. 2017-08 - Premium Amortization on Purchased Callable Debt Securities issued by the Financial Accounting Standards Board.

The update requires the premiums of callable debt securities to be amortized to the earliest call date.

In accordance with the amendments in this update applied on a modified retrospective basis, a cumulative effect adjustment to retained earnings was recorded at the beginning of the fiscal year ended March 31, 2020.

As a result, retained earnings decreased by ¥5,639 million at the beginning of the fiscal year ended March 31, 2020. There was no significant impact on the figures in the consolidated statement of earnings for the fiscal year ended March 31, 2020.

(Segment Information and Others)

[Segment Information]

1 Overview of reporting segments

The reporting 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 reporting segments are the Domestic Life Insurance Business, the Overseas Insurance Business, and Other Business.

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

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

Figures for reporting segment income are based on ordinary profit.

Intersegment revenue is mainly based on market prices.

3 Information on ordinary revenues, income or loss, assets and liabilities, and others by reporting segment

For the fiscal year ended March 31, 2020

(Unit: million yen)

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

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

2. Adjusted amounts were as follows.

- (1) Adjustment for ordinary revenues of ¥(618,692) million was mainly related to ordinary revenues including other ordinary revenues of ¥541,163 million and derivative transaction gains of ¥51,944 million reconciled to provision for policy reserves and derivative transaction losses in the Consolidated Statement of Earnings.
- (2) Adjustment for segment income (loss) of ¥(167,217) million was mainly related to elimination of dividend income from subsidiaries and affiliated companies.
- (3) Adjustment for segment assets of ¥(1,575,016) million was mainly related to elimination of stocks of subsidiaries and affiliated companies.
- (4) Adjustment for segment liabilities of ¥(60,532) million was mainly related to elimination of intersegment receivables and payables.
- (5) Adjustment for others was mainly related to elimination of intersegment transactions.

3. Equity in income (loss) of affiliates included one-time amortization of goodwill of ¥(48,545) million on affiliated company under the equity method.

4. Segment income is reconciled with ordinary profit booked in the Consolidated Statement of Earnings.

[Other Related Information]

For the fiscal year ended March 31, 2020

1 Product (Service) Segment Information

(Unit: million yen)

	Domestic Life Insurance Business	Overseas Insurance Business	Other Business	Total
Premium and other income	3,844,945	1,040,461	-	4,885,407

2 Geographic Segment Information

(1) Ordinary Revenues

(Unit: million yen)

Japan	United States of America	Other Areas	Total
5,096,081	1,399,839	618,178	7,114,099

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.

(2) Tangible fixed assets

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

3 Major Customer Information

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

[Impairment Losses on Fixed Assets by Reporting Segment]

For the fiscal year ended March 31, 2020

Information on impairment losses on fixed assets by reporting segments is disclosed in [Segment Information].

[Amortization of Goodwill and Unamortized Amount of Goodwill by Reporting Segment]

For the fiscal year ended March 31, 2020

(Unit: million yen)

	Domestic Life Insurance Business	Overseas Insurance Business	Other Business	Total
Amortization of goodwill	-	3,459	-	3,459
Unamortized amount of goodwill	-	39,497	-	39,497

[Gain on Negative Goodwill by Reporting Segment]

For the fiscal year ended March 31, 2020

Not applicable

(Per-share Information)

Net assets per share as of March 31, 2020:	¥ 3,344.23
Net income per share for the year ended March 31, 2020:	¥ 28.53
Diluted net income per share for the year ended March 31, 2020:	¥ 28.51

Note.

1. Reconciliation of net income per share and diluted net income per share was as follows:

<u>Year ended March 31, 2020</u>	<u>(Unit: million yen)</u>
Net income per share	
Net income attributable to shareholders of parent company	¥ 32,433
Net income attributable to other than shareholders of common stock	-
Net income attributable to shareholders of parent company of common stock ...	¥ 32,433
Average number of common stock outstanding: 1,136,702 thousand shares	
Diluted net income per share	
Adjustments to net income attributable to shareholders of parent company	-
Increase in the number of common stock: 782 thousand shares	
(Increase in the number of common stock attributable to subscription rights to shares: 782 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: Not applicable	

2. Reconciliation of net assets per share was as follows:

<u>As of March 31, 2020</u>	<u>(Unit: million yen)</u>
Net assets	¥ 3,776,918
Adjustments	¥ 1,063
Subscription rights to shares	¥ 1,063
Net assets attributable to common stock	¥ 3,775,854
Number of common stock outstanding: 1,129,064 thousand shares	

3. For the calculation of net income per share, the shares held by "the Stock Granting Trust (J-ESOP)" were included in treasury stock excluded from the average number of common stock outstanding. The average number of the shares held by the J-ESOP during the year ended March 31, 2020 was 4,097 thousand shares. For the calculation of net assets per share, the shares held by the J-ESOP were included in treasury stock excluded from the number of common stock outstanding. The number of the shares held by the J-ESOP as of March 31, 2020 was 4,068 thousand shares.

(Subsequent Events)

On May 15, 2020, the board of directors of the Company resolved the establishment of an intermediate holding company.

(1) Purpose of Establishing an Intermediate Holding Company

The overseas life insurance business is one of the Dai-ichi Life Group's (hereinafter Group) growth strategy pillars, with presence in eight overseas countries.

The intermediate holding company to be established in Japan, is to provide management support to overseas life insurance subsidiaries and affiliates (hereinafter overseas life companies) in cooperation with overseas regional headquarters. By incorporating overseas management capabilities at Intermediate Holding Company, the Company aims to accelerate further growth of the overseas life insurance business and further enhance the global governance system.

The intermediate holding company will be established as a subsidiary of the Company, and a portion of the overseas life companies' shares held by the Company will be transferred to the intermediate holding company (*).

(*) Transfer is subject to an approval by the supervisory authority of each country.

(2) Next steps

June 2020 (planned): Establishment of an Intermediate Holding Company

October 2020 (planned): Transfer a portion of the shares of overseas life companies to the Intermediate Holding Company

-Subject to approval from FSA.