
Financial Results for the Fiscal Year Ended March 31, 2023

The Dai-ichi Frontier Life Insurance Co., Ltd. (the "Company"; President: Mamoru Akashi) announces its financial results for the fiscal year ended March 31, 2023

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Please note that this is an unofficial translation of the original disclosure in Japanese.

1. Business Highlights

(1) Annualized Net Premiums

Policies in Force

(millions of yen except percentages)

	As of March 31, 2022		As of March 31, 2023	
		% of March 31, 2021 total		% of March 31, 2022 total
Individual insurance	496,071	118.5	549,672	110.8
Individual annuities	402,319	90.9	414,813	103.1
Total	898,391	104.3	964,485	107.4
Medical and survival benefits	3,064	193.8	5,397	176.1

New Policies

(millions of yen except percentages)

	Year ended March 31, 2022		Year ended March 31, 2023	
		% of March 31, 2021 total		% of March 31, 2022 total
Individual insurance	60,200	113.8	94,886	157.6
Individual annuities	57,737	234.3	125,860	218.0
Total	117,938	152.1	220,747	187.2
Medical and survival benefits	1,384	88.9	2,320	167.6

Note: 1. Annualized net premiums are calculated by multiplying the per-premium payments by a multiplier that depends on the premium payment terms. For single-premium contracts, the amount is calculated by dividing the premium by the duration of the policy.

2. “Medical and survival benefits” include annualized net premiums related to medical benefits (e.g. hospitalization and surgery benefits), survival benefits (e.g. specified illness and nursing care benefits), and premiums related to premium waiver benefits (e.g. excluding disability-related causes but including causes related to specified illness and nursing care).

(2) Policies in Force and New Policies

Policies in Force

	As of March 31, 2022				As of March 31, 2023			
	Number of policies		Amount		Number of policies		Amount	
	(thousands)	% of March 31, 2021 total	(millions of yen)	% of March 31, 2021 total	(thousands)	% of March 31, 2022 total	(millions of yen)	% of March 31, 2022 total
Individual insurance	827	112.8	6,037,397	117.1	910	110.0	6,649,740	110.1
Individual annuities	731	88.3	3,797,030	91.1	771	105.5	3,962,170	104.3
Group insurance	-	-	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-	-	-

Note: Policy amount in force for individual annuities is equal to the sum of (a) the amount required to fund annuity payments when they commence for annuities that have not yet commenced paying out and (b) policy reserves for annuities that have commenced paying out.

New Policies

Year ended March 31, 2023						
	Number of policies		Amount			
	(thousands)	% of March 31, 2022 total	(millions of yen)	% of March 31, 2022 total	New Business	Net increase from conversions
Individual insurance	188	231.6	1,218,704	200.0	1,218,704	-
Individual annuities	249	245.2	1,302,807	289.5	1,302,807	-
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-

Year ended March 31, 2022						
	Number of policies		Amount			
	(thousands)	% of March 31, 2021 total	(millions of yen)	% of March 31, 2021 total	New Business	Net increase from conversions
Individual insurance	81	117.1	609,396	117.4	609,396	-
Individual annuities	101	176.7	450,050	206.2	450,050	-
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-

Note: Amount of new policies (new business) for individual annuities is equal to the amount required to fund annuity payments when they commence.

2. Policies in Force as of March 31, 2023 by Benefit Type

	Individual Insurance		Individual annuities		Group Insurance		Total	
	Policies (thousands)	Amount (millions of yen)	Policies (thousands)	Amount (millions of yen)	Policies (thousands)	Amount (millions of yen)	Policies (thousands)	Amount (millions of yen)
Death benefits								
General	910	6,649,740	-	-	-	-	910	6,649,740
Accidental	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Survival benefits	-	-	771	3,962,170	-	-	771	3,962,170
Hospitalization benefits								
Accidental	-	-	-	-	-	-	-	-
Illness	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Injury benefits	-	-	-	-	-	-	-	-
Surgery benefits	-	-	-	-	-	-	-	-

	Group annuities		Financial insurance / Financial annuities		Total	
	Policies (thousands)	Amount (millions of yen)	Policies (thousands)	Amount (millions of yen)	Policies (thousands)	Amount (millions of yen)
Survival benefits	-	-	-	-	-	-

	Medical care insurance	
	Policies (thousands)	Amount (millions of yen)
Hospitalization benefits	-	-

	Group disability	
	Policies (thousands)	Amount (millions of yen)
Disability benefits	-	-

Note: Survival benefit amounts for individual annuities are the sum of (a) the amount required to fund annuity payments when they commence for annuities that have not yet commenced paying out and (b) policy reserves for annuities that have commenced paying out.

3. Investment of General Account Assets

(1) Overview of Investment of General Account Assets for the Fiscal Year ended March 31, 2023

A. Investment Environment

In FY2022, While the recovery from the Novel COVID-19 crisis continued, the pace of recovery remained moderate due to the effects by soaring global energy and food prices and global economic slowdown. Overseas economies slowed significantly as central banks accelerated monetary tightening due to drastic global inflation. Towards the end of the fiscal year, financial instability expanded globally; it changes in the financial market environment, such as rapidly rising interest rates, caused bankruptcies and business instability in the banking sector in the United States and Europe.

Amid these economic conditions, the operational environment was as follows.

[Domestic interest rates]

The yield on 10-year JGBs rose as the Bank of Japan (BOJ) announced to target the fluctuation range of its yield curve control (YCC) from "about $\pm 0.25\%$ " to "about $\pm 0.5\%$ ". On the other hand, since the beginning of the year, JGB yields declined as financial instability in the US and Europe spread, driven by significant monetary tightening by central banks abroad.

Yield on ten-year government bonds:	April 1, 2022	0.210%
	March 31, 2023	0.320%

[U.S. Interest Rates and Foreign Currency]

In the U.S., the ten-year U.S. Treasury Note yield briefly exceeded 4% as the central bank hiked interest rates at a historic pace in an effort to calm price increases, but the rate of increase narrowed in the second half of the year due to concerns about a slowing economy. The U.S. dollar against the Japanese yen briefly rose to a level above 150 yen for the first time in 32 years, partly due to the Bank of Japan's continued monetary easing policy.

Yield on ten-year U.S. government bonds:	April 1, 2022	2.338%
	March 31, 2023	3.468%
yen/U.S. dollar:	April 1, 2022	¥122.39
	March 31, 2023	¥133.53

[Australian Interest Rates and Foreign Currency]

In Australia, as the pace of interest rate hikes by the central bank in response to rising prices was relatively moderate, and due to other factors, the increase in the ten-year Australian government bond yield was limited compared to the U.S. The Australian dollar rose against the Japanese yen in the first half of the year following a rate hike by the Reserve Bank of Australia, but devalued in December after the Bank of Japan made some revisions to its monetary easing policy, and the exchange rate ended the year huddled around 90 yen.

Yield on ten-year Australian government bonds:	April 1, 2022	2.840%
	March 31, 2023	3.297%
yen/Australian dollar:	April 1, 2022	¥92.00
	March 31, 2023	¥89.69

B. Investment Policies

In view of the liability characteristics of life insurance policies, assets in the general account are invested in accordance with asset-liability management (ALM) principles with the primary objective of steadily paying annuities, insurance proceeds, and benefits over the long term. As to the yen- and foreign currency-denominated fixed products, those assets are primarily invested in yen-denominated bonds and foreign currency-denominated bonds.

The Company also conducts transactions to reduce guaranteed minimum benefit risk related to individual variable annuities, and otherwise hedge foreign currency risk related to bonds.

C. Investment Results

〈 Assets 〉

The Company invested primarily in yen-denominated bonds. Foreign-currency denominated insurance were invested in foreign-currency denominated bonds. The Company also entered into derivative transactions to reduce the guaranteed minimum benefit risk related to individual variable annuities, and otherwise hedge foreign currency risk related to bonds.

〈 Investment Income and Expenses 〉

① Investment income was 507,560 million yen mainly due to foreign exchange gains (308,908 million yen), interest and dividends received (175,743 million yen), and gains on sale of securities (22,488 million yen). Investment expenses were 155,272 million yen, mainly due to losses on sale of securities (127,625 million yen), derivative transaction losses (23,158 million yen), and losses on money held in trust (2,256 million yen).

(2) Asset Composition

(millions of yen except percentages)

	As of March 31, 2022		As of March 31, 2023	
	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	1,051,750	11.7	749,050	9.4
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	16,006	0.2	21,550	0.3
Trading account securities	-	-	-	-
Money held in trust	1,074,756	11.9	904,519	11.3
Securities	6,394,899	71.0	6,060,001	76.0
Domestic bonds	1,663,559	18.5	1,833,660	23.0
Domestic stocks	-	-	-	-
Foreign securities	4,559,118	50.6	4,114,497	51.6
Foreign bonds	4,559,118	50.6	4,114,497	51.6
Foreign stocks and other securities	-	-	-	-
Other securities	172,221	1.9	111,843	1.4
Loans	-	-	-	-
Real estate	795	0.0	737	0.0
Deferred tax assets	42,680	0.5	52,685	0.7
Others	430,490	4.8	184,087	2.3
Reserve for possible loan losses	(16)	(0.0)	(59)	(0.0)
Total	9,011,363	100.0	7,972,573	100.0
Foreign currency-denominated assets	5,300,105	58.8	4,337,627	54.4

(3) Changes (Increase/Decrease) in Assets

(millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Cash, deposits, and call loans	265,917	(302,699)
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	-	-
Monetary claims bought	16,006	5,544
Trading account securities	-	-
Money held in trust	(48,447)	(170,237)
Securities	(86,646)	(334,897)
Domestic bonds	17,783	170,100
Domestic stocks	-	-
Foreign securities	(91,546)	(444,620)
Foreign bonds	(91,546)	(444,620)
Foreign stocks and other securities	-	-
Other securities	(12,884)	(60,377)
Loans	-	-
Real estate	699	(57)
Deferred tax assets	42,680	10,005
Others	160,266	(246,403)
Reserve for possible loan losses	(1)	(43)
Total	350,474	(1,038,789)
Foreign currency-denominated assets	87,068	(962,477)

(4) Investment Income

(millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Interest and dividends	173,112	175,743
Interest from bank deposits	29	1,371
Interest and dividends from securities	172,612	173,621
Interest from loans	-	-
Rental income	-	-
Other interest and dividends	470	749
Gains on trading account securities	-	-
Gains on money held in trust	-	-
Gains on investment in trading securities	-	-
Gains on sale of securities	36,972	22,488
Gains on sale of domestic bonds	3,369	17,585
Gains on sale of domestic stocks	-	-
Gains on sale of foreign securities	33,603	4,902
Others	-	-
Gains on redemption of securities	1,022	419
Derivative transaction gains	-	-
Foreign exchange gains	465,724	308,908
Reversal of reserve for possible loan losses	-	-
Other investment income	3	0
Total	676,835	507,560

(5) Investment Expenses

(millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Interest expenses	13	5
Losses on trading account securities	-	-
Losses on money held in trust	2,365	2,256
Losses on investment in trading securities	-	-
Losses on sale of securities	12,827	127,625
Losses on sale of domestic bonds	1,498	6,328
Losses on sale of domestic stocks	-	-
Losses on sale of foreign securities	11,329	121,296
Others	-	-
Losses on valuation of securities	-	-
Losses on valuation of domestic bonds	-	-
Losses on valuation of domestic stocks	-	-
Losses on valuation of foreign securities	-	-
Others	-	-
Losses on redemption of securities	0	305
Derivative transaction losses	5,822	23,158
Foreign exchange losses	-	-
Provision for reserve for possible loan losses	1	43
Write-down of loans	-	-
Depreciation of rented real estate and others	-	-
Other investment expenses	663	1,878
Total	21,695	155,272

(6) Other Information on Investments

A. Rates of return

	(%)	
	Year ended March 31, 2022	Year ended March 31, 2023
Cash, deposits, and call loans	1.11	0.86
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	-	-
Monetary claims bought	1.26	1.00
Trading account securities	-	-
Money held in trust	(0.22)	(0.24)
Securities	10.90	6.47
Domestic bonds	3.92	3.65
Domestic stocks	-	-
Foreign securities	13.84	7.91
Loans	-	-
Real Estate	-	-
Total	8.13	4.62
Foreign investments	13.93	7.85

Notes: 1. Rates of return above were calculated by dividing the net investment income included in net surplus from operations by the average daily balance on a book value basis.

2. "Foreign investments" include yen-denominated assets.

B. Valuation Gains and Losses on Trading Securities

	(millions of yen)			
	As of March 31, 2022		As of March 31, 2023	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings
Trading securities	1,074,756	(2,365)	904,519	(2,256)

Note: Figures in this table include money held in trust and other instruments classified as trading securities.

C. Fair Value Information on Securities (Other than trading securities)

(millions of yen)

	Book value	Fair value	Gains (losses)		
			Gains	Losses	
As of March 31, 2023					
Bonds held to maturity	-	-	-	-	-
Policy-reserve-matching bonds	4,355,670	4,137,776	(217,893)	29,122	247,016
Stocks of subsidiaries and affiliates	-	-	-	-	-
Securities available for sale	1,786,466	1,725,882	(60,583)	4,211	64,795
Domestic bonds	429,092	422,997	(6,095)	643	6,738
Domestic stocks	-	-	-	-	-
Foreign securities	1,221,519	1,169,490	(52,028)	3,554	55,583
Foreign bonds	1,221,519	1,169,490	(52,028)	3,554	55,583
Foreign stocks and other securities	-	-	-	-	-
Other securities	113,812	111,843	(1,968)	13	1,981
Monetary claims bought	22,041	21,550	(491)	-	491
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	6,142,136	5,863,658	(278,477)	33,334	311,811
Domestic bonds	1,839,755	1,821,640	(18,115)	21,150	39,266
Domestic stocks	-	-	-	-	-
Foreign securities	4,166,526	3,908,624	(257,902)	12,170	270,072
Foreign bonds	4,166,526	3,908,624	(257,902)	12,170	270,072
Foreign stocks and other securities	-	-	-	-	-
Other securities	113,812	111,843	(1,968)	13	1,981
Monetary claims bought	22,041	21,550	(491)	-	491
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
As of March 31, 2022					
Bonds held to maturity	-	-	-	-	-
Policy-reserve-matching bonds	3,593,287	3,610,856	17,568	88,436	70,867
Stocks of subsidiaries and affiliates	-	-	-	-	-
Securities available for sale	2,829,756	2,817,617	(12,139)	35,550	47,689
Domestic bonds	472,367	475,886	3,518	7,213	3,694
Domestic stocks	-	-	-	-	-
Foreign securities	2,171,136	2,153,503	(17,632)	26,261	43,893
Foreign bonds	2,171,136	2,153,503	(17,632)	26,261	43,893
Foreign stocks and other securities	-	-	-	-	-
Other securities	170,145	172,221	2,076	2,076	-
Monetary claims bought	16,107	16,006	(101)	-	101
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	6,423,044	6,428,474	5,429	123,987	118,557
Domestic bonds	1,660,040	1,702,940	42,900	54,715	11,815
Domestic stocks	-	-	-	-	-
Foreign securities	4,576,750	4,537,305	(39,444)	67,195	106,639
Foreign bonds	4,576,750	4,537,305	(39,444)	67,195	106,639
Foreign stocks and other securities	-	-	-	-	-
Other securities	170,145	172,221	2,076	2,076	-
Monetary claims bought	16,107	16,006	(101)	-	101
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-

Note: The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Act.

*The book value of stocks and other securities without market value and of investment partnerships etc. are as follows

Not applicable.

D. Fair value Information on Money Held in Trust

(millions of yen)

	Carrying value on the balance sheet	Fair value	Gains (losses)	
			Gains	Losses
As of March 31, 2023	904,519	904,519	(2,256)	4,113
As of March 31, 2022	1,074,756	1,074,756	(2,365)	4,786

Notes: 1. Fair value equivalents appearing in this table are based on prices calculated using a reasonable method by trustees of money held in trust.

2. Gains (losses) are valuation gains (losses) that were included in the statement of earnings.

*Information on money held in trust for investment purposes is as follows:

(millions of yen)

	As of March 31, 2022		As of March 31, 2023	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statements of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statements of earnings
Money held in trust for investment purposes	1,074,756	(2,365)	904,519	(2,256)

*Information on money held in trust classified as held-to-maturity, policy-reserve-matching, or other money held in trust are as follows:

Not applicable.

4. Unaudited Balance Sheet

(millions of yen)

	As of	As of		As of	As of
	March 31,	March 31,		March 31,	March 31,
	2022	2023		2022	2023
	Amount	Amount		Amount	Amount
(ASSETS)			(LIABILITIES)		
Cash and deposits	1,052,181	758,582	Policy reserves and others	8,523,795	7,650,331
Cash	0	-	Reserves for outstanding claims	24,668	29,529
Bank deposits	1,052,181	758,582	Policy reserves	8,499,126	7,620,802
Monetary claims bought	16,006	21,550	Reinsurance payable	636,869	498,907
Money held in trust	1,074,756	904,519	Other liabilities	473,476	250,554
Securities	7,311,446	6,714,344	Payable under securities lending transactions	239,933	128,604
Government bonds	518,921	551,236	Corporate income tax payable	3,247	-
Local government bonds	46,372	46,413	Accounts payable	64,476	13,728
Corporate bonds	1,098,265	1,236,011	Accrued expenses	7,966	16,026
Foreign securities	4,570,290	4,124,858	Deposits received	234	76
Other securities	1,077,596	755,825	Guarantee deposits received	73,917	55,394
Tangible fixed assets	1,361	1,152	Defferential account for futures trading	-	93
Buildings	795	737	Derivatives	31,966	11,153
Leased assets	155	106	Cash collateral received for financial instruments	46,927	19,253
Other tangible fixed assets	410	308	Lease liabilities	172	119
Intangible fixed assets	15,416	16,370	Suspense receipts	4,633	6,105
Software	15,416	16,370	Reserve for price fluctuations	36,894	42,094
Reinsurance receivables	104,651	43,046	Total liabilities	9,671,036	8,441,887
Other assets	318,601	126,198	(NET ASSETS)		
Accounts receivable	171,889	20,561	Capital stock	117,500	117,500
Prepaid expenses	1,318	1,366	Capital surplus	67,500	67,500
Accrued revenue	43,333	39,412	Legal capital surplus	67,500	67,500
Deposits	2,874	13,955	Retained earnings	90,084	56,582
Margin money for futures trading	1,680	3,173	Retained Earnings Reserves	-	8,000
Defferential account for futures trading	813	-	Other retained earnings	90,084	48,582
Derivatives	89,813	44,835	Retained earnings brought forward	90,084	48,582
Cash collateral paid for financial instruments	6,003	401	Total shareholders' equity	275,084	241,582
Suspense payments	513	2,123	Net unrealized gains on securities, net of tax	(9,033)	(45,080)
Other assets	361	368	Total of valuation and translation adjustments	(9,033)	(45,080)
Deferred tax assets	42,680	52,685	Total net assets	266,050	196,502
Reserve for possible loan losses	(16)	(59)	Total liabilities and net assets	9,937,086	8,638,390
Total assets	9,937,086	8,638,390			

Notes to the Unaudited Balance Sheet as of March 31,2023

- 1 Securities (including those monetary claims bought conforming to marketable securities, and also those marketable securities managed as trust assets in money held in trust) are valued as follows:
 - (a) Trading securities are valued at fair value (sales cost is calculated with the moving-average method).
 - (b) Policy-reserve-matching bonds (bonds defined by the Japanese Institute of Certified Public Accountants (JICPA) Industry Audit Committee Report No.21 entitled Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry) are valued using the moving-average amortized cost (straight line) method.
 - (c) Other securities are valued at fair value using market prices as of the first half of the year (sales cost is calculated with the moving-average method).Valuation differences on other securities are reported as a component of net assets.
- 2 Risk management policies regarding policy-reserve matching bonds are as follows:

The Company categorizes its insurance products into sub-groups by the attributes of each product and, in order to manage risks properly, formulates its policy 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 are:

 - (a) Individual insurance and annuities (JP yen-denominated)
 - (b) Individual insurance and annuities (US dollar-denominated)with the exception of certain types and policies.
- 3 Derivative transactions (including those attributable to money held in trust) are reported at fair value.
- 4 Depreciation of tangible fixed assets is as follows:
 - (a) Tangible fixed assets (excluding leased assets)

Annual amount of depreciation estimated by declining balance method (straight-line method being applied to buildings, with the exception of those buildings and accompanying facilities acquired prior to March 31, 2016), is reported pro rata in accordance with the life. Declining balance method is applied. However, other tangible fixed assets that were acquired for 100,000 yen or more but less than 200,000 yen are depreciated in an equal installment over three years.
 - (b) 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 residual value and with the lease period being deemed as useful life.
- 5 Amortization of intangible fixed assets is calculated by the straight-line method. Amortization of software for internal use is based on the estimated useful life.
- 6 Foreign currency-denominated assets and liabilities are translated into the yen at market exchange rates as of the book closing date. Changes in market values of bonds included in foreign currency-denominated other securities are divided into two, and the portion attributable to changes in the securities' nominal market prices in their local currencies is included in "valuation difference" on other securities, and the rest in "foreign exchange gains/losses."
- 7 Reserve for possible loan losses is calculated by multiplying the value of loan claims by the historical loan loss rates calculated from actual losses, pursuant rules on the self-assessment of assets as well as rules on the write-offs on and provisioning of reserves for assets. Relevant departments assess all loan claims based on the self-assessment rules, and an independent department responsible for auditing assets audits the assessment results. Provisions to the reserve for possible loan losses are determined based
- 8 Reserve for price fluctuations is calculated pursuant to Article 115 of the Insurance Business Act.

- 9 National and local consumption taxes are recorded with the tax-exclusion method. Non-recoverable consumption tax on certain assets is capitalized as a prepaid expense and amortized equally over five years in accord with corporate taxation law, and such taxes other than deferred consumption tax are recognized as an expense in the year in which they are incurred.
- 10 Policy reserves have been calculated and set aside for those insurance policies for which contractual obligations have commenced as of the end of the fiscal year, so as to prepare for the future performance of obligations under those insurance policies, in accordance with the formula specified in the statement of calculation procedures (as set forth in Article 4, Paragraph 2, Item (iv) of the Insurance Business Act) and pursuant to Article 116, Paragraph 1 of the Insurance Business Act.
Insurance premium reserves included in the policy reserves are calculated using the following formula:
(a) For policies subject to the Standard Policy Reserve Method: Method stipulated by the Financial Services Agency Commissioner (Ministry of Finance Notification No. 48, 1996)
(b) For policies not subject to the Standard Policy Reserve Method: Net level premium reserve method
Contingency reserves included in the policy reserves have been set aside pursuant to Article 69, Paragraph 1, Item (iii) of the Ordinance for Enforcement of the Insurance Business Act, for covering risks which may accrue in the future, so as to secure performance of future obligations under insurance contracts.
- 11 Effective since the beginning of the fiscal year ended March 31, 2023, the Company and its domestic consolidated subsidiaries have applied “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021). In accordance with the transitional treatment set forth in Item 27-2 of “Implementation Guidance on Accounting Standard for Fair Value Measurement,” the Company and its domestic consolidated subsidiaries have applied new accounting policies prospectively since the beginning of the fiscal year ended March 31, 2023.

- 12 In view of the liability characteristics of life insurance policies, assets in the general account (i.e., not in separate accounts as defined by Article 118, paragraph 1, of the Insurance Business Act) are invested primarily in fixed-income assets (government and corporate bonds) in accordance with asset-liability management (ALM) principles with the primary objective of steadily paying annuities, insurance proceeds, and benefits over the long term. To mitigate the guaranteed minimum benefit risk on individual variable annuities and for the purpose of hedging against the foreign exchange risk on the bond holdings, the Company engages in derivative transactions (foreign exchange forward contracts, currency futures contracts, stock-index futures contracts, securities futures contract, etc.). The Company’s holdings of financial instruments, mainly securities and derivatives, are subject to market

Market Risk Management: Under its internal investment policy and market risk management rules, the Company manages market risk by making medium- to long-term investments in a manner appropriate to its liabilities, constantly confirming the consistency of its portfolio positions and investment policies and measuring VaR (value-at-Risk) .

Credit Risk Management: Under its internal investment policy and credit risk management rules, the Company manages credit risk by establishing credit limits designed to avoid excessive concentration of risk toward a specific company or group. Each individual transaction is screened before credit is extended and follow-up checks are conducted regularly. In addition, the Company measures VaR as part of its effort to better grasp and analyze credit risk exposure.

Derivative transactions used by the Company to mitigate the guaranteed minimum benefit risk on individual variable annuities are conducted in accordance with the Company’s policy and internal rules on managing guaranteed minimum benefit risk. In addition to verifying the effectiveness of hedge positions and managing gains and losses generated by derivative transactions on a daily basis, the Company regularly monitors reductions in guaranteed minimum benefit risk and gauges its VaR .

The risk management department reports regularly to the Board of Directors on the status of the Company’s entire risk position.

Amounts of financial instruments recorded on the balance sheet, their fair values, and differences between the two are as follows:
(millions of yen)

	Carrying amount on balance sheet	Fair value	Difference
(1) Monetary claims bought	21,550	21,550	-
(2) Money held in trust	904,519	904,519	-
(3) Securities	6,714,344	6,496,450	(217,893)
(a) Trading securities	654,342	654,342	-
(b) Policy-reserve-matching bonds	4,355,670	4,137,776	(217,893)
(c) Other securities	1,704,331	1,704,331	-
Assets total	7,640,414	7,422,520	(217,893)
Derivative transactions *2			
(a) Derivative transactions to which hedge accounting is not applied	33,682	33,682	-
Derivative transactions total	33,682	33,682	-

- (*1) Since cash and deposits are cash or are settled in a short period of time, their book values approximate their fair values, and notes are accordingly omitted.
- (*2) Net derivative assets and liabilities arising from derivative transactions are reported as a net value. A negative total indicates a net liability.

13 Details of the fair values of financial instruments are described by level below.

The fair value of financial instruments is classified into the following three levels in accordance with the observability and materiality of inputs used in calculations:

Level 1 fair value: Fair value calculated using those quoted prices of the measured assets or liabilities that are formed in active markets from among observable valuation inputs.

Level 2 fair value: Fair value calculated using inputs other than inputs included within Level 1 from among observable valuation inputs.

Level 3 fair value: Fair values calculated using important unobservable valuation inputs.

Where there are multiple inputs that have a material impact on the calculation of fair value, the Company classifies fair value in accordance with the level that is lowest in the order of priority in the calculation of fair value selecting from among the respective levels of each of the inputs involved.

(1) Financial instruments reported at fair value in the balance sheet for the fiscal year ended March 31, 2023.

(millions of yen)

	Fair value			Total
	Level 1	Level 2	Level 3	
Monetary claims bought	-	-	21,550	21,550
Money held in trust	712,488	192,031	-	904,519
Securities*				
Other securities	55,716	1,643,800	4,815	1,704,331
Government bonds	37,528	-	-	37,528
Local government bonds	-	14,075	-	14,075
Corporate bonds	-	371,393	-	371,393
Foreign public and corporate bonds	18,188	1,146,487	4,815	1,169,490
Other bonds	-	111,843	-	111,843
Derivative transactions				
Currency-related	-	44,555	-	44,555
Interest-rate-related	-	83	-	83
Stock-related	45	-	-	45
Others	-	150	-	150
Assets total	768,250	1,880,621	26,365	2,675,237
Derivative transactions				
Currency-related	-	10,036	-	10,036
Interest-rate-related	-	893	-	893
Stock-related	222	-	-	222
Total liabilities	222	10,930	-	11,153

(2) Financial instruments other than those reported at fair value in the balance sheet for the fiscal year ended March 31, 2023.

(millions of yen)

	Fair value			Total
	Level 1	Level 2	Level 3	
Securities				
Policy-reserve-matching bonds	763,628	3,374,147	-	4,137,776
Government bonds	526,353	-	-	526,353
Local government bonds	-	31,329	-	31,329
Corporate bonds	-	840,960	-	840,960
Foreign public and corporate bonds	237,275	2,501,858	-	2,739,133
Assets total	763,628	3,374,147	-	4,137,776

Note 1. Explanation of methodologies and inputs employed in fair value calculation

Asset

Monetary claims bought

The fair value of monetary claims bought are determined using the prices obtained from financial institutions. The inputs used for those prices thus obtained include material non-observable inputs and therefore monetary claims bought are classified as Level 3.

Money held in trust

For money held in trust, fair value is classified as Level 1 in cases where unadjusted quoted prices in active markets can be used. This includes Japanese Government bonds. If the market is not active, fair value is classified as Level 2, irrespective of whether publicly disclosed quoted prices are used.

For money held in trust where fair value is not based on quoted market prices, fair value is measured based on prices obtained from external brokers and financial institutions, and is classified as Level 2.

Securities

For securities, fair value is classified as Level 1 in cases where unadjusted quoted prices in active markets can be used. This includes Japanese Government Bonds. If the market is not active then fair value is classified as Level 2, regardless of whether publicly disclosed quoted prices are used.

For bonds where fair value is not based on quoted market prices, fair value is measured based mainly on prices obtained from external brokers and financial institutions, and is classified as Level 2. For these prices, present values are calculated by discounting their future cash flows at a risk-free rate adjusted to their credit spreads. When measuring, fair value is classified as Level 2 in cases where observable inputs are used, and classified as Level 3 where material non-observable inputs are used.

In addition, for mutual funds for which there is no market trading price, the unit price is the fair value if there are no significant restrictions on cancellation, etc. for which market participants seek consideration for risk, and the funds are classified as Level 2 fair value or Level 3 fair value based on the level of the components of main trust assets.

Derivative transactions

For exchange-traded derivative transactions, fair value is classified as Level 1 in cases where unadjusted quoted prices in active markets can be used. This includes stock-related derivative transactions.

For OTC (over-the-counter) derivatives, fair value is determined using amounts discounted to present value obtained from external brokers and financial institutions as well as prices calculated using evaluation techniques such as the discounted cash flow method in accordance with the type of transaction and the maturity period. Since inputs used for evaluation techniques for calculating OTC derivative prices are mainly interest rates, exchange rates, and the like, and material non-observable inputs are not used or their impacts are not material, OTC derivatives are classified as Level 2.

Note 2. Information on the financial instruments classified as Level 3, from among those reported at fair value in the balance sheet for the fiscal year ended March 31, 2023.

(1) Table on the adjustment from the outstanding balance as of the beginning of the fiscal year to the balance as of fiscal year end (March 31, 2023), and valuation gains or losses recognized in the current fiscal year.

	Balance at the beginning of the year	Profit (losses) or net unrealized gains on securities, net of tax		(Net) changes for the year due to purchases, sales, issuance, and settlement	Balance as of March 31, 2023
		Recorded under profit (losses) *	Recorded under net unrealized gains (losses) on securities, net of tax		
Monetary claims bought	16,006	-	(389)	5,933	21,550
Securities					
Other securities	5,190	511	(209)	(677)	4,815
Foreign public and corporate bonds	5,190	511	(209)	(677)	4,815

(millions of yen)

*Included in "Investment income" and "Investment expenses" of the Statement of Earnings for the fiscal year ended March 31, 2023.

(2) Explanation of fair value valuation process

The Company determines the policies and processes for fair value calculations and fair value level classifications at its business unit in charge of the preparing financial statements. In accordance with the said policies and processes, the Company's operational and administrative divisions select the fair value valuation model and thereby calculate fair values and classify them into the relevant levels. When the Company obtains a market quoted price from a third party, and uses this as a fair value, the Company verifies the appropriateness of the valuation methodology and inputs employed, through appropriate means involving comparative analyses of the fair values of similar financial products.

- 14 Accumulated depreciation on tangible fixed assets is 783 million yen.
- 15 Securities lent under lending agreements are included in the non-consolidated balance sheet. Total balance of securities lent as of March 31, 2023 was 508,033 million yen.
- 16 Assets in separate accounts, as defined by Article 118 of the Insurance Business Act, total 665,816 million yen. Liabilities in separate accounts total the same amount.

- 17 The total amount of financial credits against affiliated companies is 152 million yen, and the total amount of financial debts is 2 million yen.
- 18 Deferred tax assets totaled 63,511 million yen, while deferred tax liabilities totaled 478 million yen. Of deferred tax assets, 10,347 million yen was deducted as the amount of valuation reserves.
The deferred tax assets were primarily due to policy reserves and others of 28,175 million yen and reserve for price fluctuations and of 11,786 million yen and unused tax loss carryforward of 5,291 million yen.
Of the reversal of valuation reserves against deferred tax assets, the valuation reserves against unused tax loss carryforward were 5,291 million yen, and the valuation reserves related to the total of deductible temporary differences, etc. were 5,055 million yen. The primary reason for the change in the amount deducted from deferred tax assets as valuation reserves was the change in policy and other reserves, and reserve for price fluctuations.
Unused tax loss carryforward and the related deferred tax asset amounts by carryforward expiration date are as follows:

(millions of yen)

	1 year or less	Over 1 year to 5 years or less	Over 5 years	Total
Unused tax loss carryforward (*)	-	-	5,291	5,291
Valuation reserves	-	-	(5,291)	(5,291)
Deferred tax assets	-	-	-	-

(*) The unused tax loss carryforward amount is obtained by multiplying by the statutory effective tax rate.

- 19 The effective statutory tax rate for the fiscal year ended March 31, 2023, was 28.00%, and the Company's corporate income tax burden (corporate income tax as a percentage of pretax income) was 25.96%. The difference was due mainly to the impact of a valuation allowance (2.31)%.
- 20 Since the fiscal year under review, the Company has applied the group tax-sharing system under which Dai-ichi Life Holdings, Inc. is the tax-sharing parent company. The accounting for and disclosure of income taxes, local income taxes, and tax effect accounting are in accordance with "Accounting and Disclosure under the Group Tax-Sharing System" (Practical Issues Task Force No. 42, August 12, 2021).
- 21 The value of assets (marketable securities) pledged as collateral is 146,347 million yen. The amounts of secured liabilities were 128,604 million yen.
- 22 Assets for which rights held can be freely disposed of by means of sale or collateralization are available-for-sale securities that have been accepted as collateral of reinsurance dealings and derivative transactions, and in this period ownership was maintained for total market value of 150,290 million yen as of March 31, 2023, and we have no assets pledged as a re-collateral.
- 23 Reserves for outstanding claims attributable to the portion of reinsurance specified in Article 71, paragraph 1, of the Ordinance for Enforcement of the Insurance Business Act, applied under Article 73, paragraph 3 of said Ordinance ("reserves for outstanding ceding insurance claims"), amount to 413 million yen. Policy reserves attributable to the portion of reinsurance specified in Article 71, paragraph 1 of said Ordinance ("ceding reinsurance policy reserves") amount to 2,241,185 million yen.
- 24 Net assets per share is 106,217,396.42 yen.
- 25 As of fiscal year end (March 31, 2023), undepreciated balance of the fee of the reinsurance contract, as stipulated in the Ministry of Finance Notification No. 50, 1996, Article 1, Paragraph 5, is 13,995 million yen.

5. Unaudited Statement of Earnings

(millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
	Amount	Amount
ORDINARY REVENUES	2,214,625	3,999,241
Premium and other income	1,503,071	2,612,666
Premium income	1,024,466	2,180,642
Reinsurance Income	478,604	432,024
Investment Revenue	711,518	507,560
Interest and dividends	173,112	175,743
Interest from bank deposits	29	1,371
Interest and dividends from securities	172,612	173,621
Other interest and dividends	470	749
Gains on sale of securities	36,972	22,488
Gains on redemption of securities	1,022	419
Foreign exchange gains	465,724	308,908
Other investment revenue	3	0
Gains on investment in separate accounts	34,683	-
Other ordinary revenues	36	879,014
Reversal of policy reserve	-	878,324
Other ordinary revenues	36	690
ORDINARY EXPENSES	2,091,498	3,985,258
Benefits and claims	1,695,389	3,679,587
Claims	136,513	177,314
Annuities	172,692	217,543
Benefits	138,400	159,865
Surrender values	757,531	1,369,594
Other refunds	4,386	10,323
Ceding reinsurance commissions	485,863	1,744,945
Provision for policy reserves and other	310,461	4,860
Provision for reserves for outstanding claims	769	4,860
Provision for policy reserves	309,692	-
Investment expenses	21,695	193,781
Interest expenses	13	5
Losses on money held in trust	2,365	2,256
Losses on sale of securities	12,827	127,625
Losses on redemption of securities	0	305
Derivative transaction losses	5,822	23,158
Provision for reserves for possible loan losses	1	43
Other investment expenses	663	1,878
Losses on investment in separate accounts	-	38,509
Operating expenses	51,886	88,939
Other ordinary expenses	12,066	18,089
National and local taxes	7,540	13,747
Depreciation	3,861	4,339
Other ordinary expenses	664	2
ORDINARY GAIN	123,126	13,982
EXTRAORDINARY LOSSES	5,968	5,204
Losses on disposal of fixed assets	68	4
Provision for reserves for price fluctuations	5,900	5,200
Profit before income taxes	117,158	8,777
Corporate income taxes - current	18,035	(113)
Corporate income taxes-deferred	(39,575)	2,392
Total of corporate income taxes	(21,539)	2,279
Net profit for the year	138,698	6,498

Notes to the Unaudited Statement of Earnings for the fiscal year ended March 31, 2023

1 The accounting standards for reporting premium and other income, and for benefits and claims, are as follows:

a) Premium and Other Income (Excluding Reinsurance Income)

Premium and other income (excluding reinsurance income) that has been received and for which contractual obligations have commenced, are recorded in accordance with the amounts received.

Of the premium and other income (excluding reinsurance income) received, however, the portion corresponding to the unexpired period as of the end of the fiscal year, has been transferred to policy reserves, pursuant to Article 69, Paragraph 1, Item (ii) of the Ordinance for Enforcement of the Insurance Business Act.

b) Reinsurance Income

Of the amount paid as insurance benefits and claims related to the primary insurance contract, the amount reinsured is, pursuant to the reinsurance agreement, recorded as reinsurance income at the time of payment of said insurance benefits and claims.

In some modified coinsurance transactions involving no cash transfer, pursuant to the reinsurance agreement, the amount to be received as a portion of the amount equivalent to new contract expenses of the primary insurance contract, is recorded as reinsurance income. In addition, the same amount is recorded under reinsurance receivables as the undepreciated balance of the fee of the reinsurance contract, and is to be amortized over the period of the reinsurance contract.

c) Benefits and Claims (Excluding Ceding Reinsurance Commissions)

Benefits and claims (excluding ceding reinsurance commissions), the amount of which is calculated and paid in accordance with the insurance contract, are recorded in cases when reasons for payment provided for in insurance contracts have arisen.

Pursuant to Article 117 of the Insurance Business Act, the Company has set aside, as reserves for outstanding claims, insurance proceeds that are due and payable as of the end of the fiscal year but payment is yet to have been made, and insurance proceeds in cases where reasons for payment are deemed to have arisen but reports concerning the reasons for payment are yet to be received.

d) Ceding Reinsurance Commissions

Ceding reinsurance commissions are recorded, upon receipt of the insurance premium related to the primary insurance contract as agreed upon pursuant to the reinsurance agreement or at the time of the conclusion of the reinsurance agreement concerned.

Note that pursuant to Article 71, Paragraph 1 and Article 73, Paragraph 3 of the Ordinance for Enforcement of the Insurance Business Act, the Company has opted not to set aside policy reserves and the reserves for outstanding

- 2 The total amounts of expenses from transactions with affiliated companies were 553 million yen, respectively.
- 3 Gains on sale of securities included gains on sales of domestic bonds and foreign securities of 17,585 million yen and 4,902 million yen, respectively.
- 4 Losses on sale of securities included losses on sales of domestic bonds and foreign securities of 6,328 million yen and 121,296 million yen, respectively.
- 5 In calculating the provision for reserves for outstanding claims, a provision for reserves for outstanding ceding insurance claims of 172 million was subtracted. In calculating the provision for policy reserves, a provision for ceding reinsurance policy reserves of 1,379,448 million was subtracted.
- 6 Losses on money held in trust included a valuation loss of 2,256 million yen.
- 7 Derivative transaction losses included a valuation loss of 25,451 million yen.
- 8 Net income per share for the fiscal year ended March 31, 2023 was 3,512,471.85 yen.
- 9 Reinsurance income includes 1,453 million yen increase in the undepreciated balance of the fee of reinsurance contract, as stipulated in the Ministry of Finance Notification No. 50, 1996, Article 1, Paragraph 5.
- 10 Ceding reinsurance commissions includes 12,088 million yen decrease in the undepreciated balance of the fee of reinsurance contract, as stipulated in the Ministry of Finance Notification No. 50, 1996, Article 1, Paragraph 5.
- 11 Details of transactions with related parties are as follows:

Attributes	Name of company, etc.	Percentage of voting rights, etc. holding/held	Relationship with related parties	Details of transactions	Amount of transaction (million yen)	Subject	Balance at the end of the year (million yen)
Subsidiary of the parent company	Dai-ichi Life Reinsurance Bermuda LTD.	-	Reinsurance counterparty	Reinsurance income	30,808	Reinsurance receivables	12,463
				Ceding reinsurance commissions	1,129,917	Reinsurance payable	-

(Terms and conditions of transactions and policy for determining terms and conditions of transactions, etc.)

The terms and conditions of the above transactions are determined based on market interest rates or market values.

6. Breakdown of Ordinary Profit (Fundamental Profit)

(millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Fundamental revenues	2,270,820	3,964,439
Premium and other income	1,503,071	2,612,666
Investment income	208,821	176,163
[Interest and dividends]	173,112	175,743
Other ordinary revenues	36	859,500
Other fundamental revenues (a)	558,891	316,109
Fundamental expenses	2,226,910	3,987,662
Benefits and claims	1,695,389	3,679,587
Provision for policy reserves and others	307,636	-
Investment expenses	686	40,739
Operating expenses	51,886	88,939
Other ordinary expenses	12,066	18,089
Other fundamental expenses (b)	159,245	160,307
Fundamental profit (loss)	A	43,909
		(23,222)

Capital gains	661,942	438,439
Gains on sale of securities	36,972	22,488
Foreign exchange gains	465,724	308,908
Others (c)	159,245	107,042
Capital losses	551,025	467,194
Losses on money held in trust	2,365	2,256
Losses on sale of securities	12,827	127,625
Derivative transaction losses	5,822	23,158
Others (d)	530,009	314,154
Net capital gains (losses)	B	110,917
Fundamental profit plus net capital gains (losses)	A + B	154,827
		(51,977)
Other one-time gains	6	67,917
Reversal of contingency reserve	-	14,653
Reversal of specific reserve for possible loan losses	6	-
Others (e)	-	53,264
Other one-time losses	31,706	1,956
Provision for contingency reserve	2,824	-
Provision for specific reserve for possible loan losses	-	1
Others (f)	28,882	1,955
Other one-time profits (losses)	C	(31,700)
Ordinary profit	A + B + C	123,126
		13,982

Note: Effective from FY2022 ending March 31, 2023, the disclosure method for the Breakdown of Ordinary Profit

(Fundamental Profit) has been changed as it relates to forex hedge cost and gains and losses from cancellation of mutual trusts. Therefore, the corresponding figures for the FY2021 ended March 31, 2022, have been recalculated and restated in accordance with the new method.

Consequently, Fundamental profit for the FY2021 ended March 31, 2022 was reduced by 43 million yen, while Net capital gains (losses) increased by 43 million yen.

(Reference)

Breakdown of other fundamental revenues, etc.

(millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Other fundamental revenues (a)	558,891	316,109
Gains and losses from cancellation of mutual funds	-	1,107
Impact from market rate fluctuations of foreign exchange on foreign-currency denominated insurance policies	515,371	295,804
Interest received and/or paid related to currency swap and interest rate swap contracts covering foreign-currency denominated insurance policies	14,638	17,242
Amount of Reinsurance Premium for Cancellation of Existing Reinsurance	28,882	1,955
Other fundamental expenses (b)	159,245	160,307
Forex hedge cost	14	1,644
Gains and losses from cancellation of mutual funds	28	3
Profit and loss associated with ceding reinsurance of the outstanding contracts	-	53,264
Impact from increase or decrease in surrender values in accordance with Market Value Adjustment (MVA)	147,729	104,600
Impact from assets held in money trusts and others related to reinsurance dealings	11,473	793
The impact on fundamental profit (a) - (b)	399,645	155,802
Other capital gains (c)	159,245	107,042
Forex hedge cost	14	1,644
Gains and losses from cancellation of mutual funds	28	3
Impact from increase or decrease in surrender values in accordance with Market Value Adjustment (MVA)	147,729	104,600
Impact from assets held in money trusts and others related to reinsurance dealings	11,473	793
Other capital losses (d)	530,009	314,154
Gains and losses from cancellation of mutual funds	-	1,107
Impact from market rate fluctuations of foreign exchange on foreign-currency denominated insurance policies	515,371	295,804
Interest received and/or paid related to currency swap and interest rate swap contracts covering foreign-currency denominated insurance policies	14,638	17,242
The impact on net capital gains (losses) (c) - (d)	11,473	(207,111)
Other one-time gains (e)	-	53,264
Profit and loss associated with ceding reinsurance of the outstanding contracts	-	53,264
Other one-time losses (f)	28,882	1,955
Amount of Reinsurance Premium for Cancellation of Existing Reinsurance	28,882	1,955
The impact other one-time profits (losses) (e) - (f)	(28,882)	51,308

7. Unaudited Statement of Changes in Net Assets

Year ended March 31, 2023

(millions of yen)

	Shareholders' equity					Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings			
		Legal capital surplus	Retained Earnings Reserves	Other retained earnings Retained earnings brought forward	Total retained earnings	
Balance at the beginning of the year	117,500	67,500	-	90,084	90,084	275,084
Changes for the year						
Dividends			8,000	(48,000)	(40,000)	(40,000)
Net gain				6,498	6,498	6,498
Net changes of items other than shareholders' equity						
Total changes for the year	-	-	8,000	(41,501)	(33,501)	(33,501)
Balance at the end of the year	117,500	67,500	8,000	48,582	56,582	241,582

	Valuation and translation adjustments		Total net assets
	Net unrealized gains on securities, net of tax	Total valuation and translation adjustments	
Balance at the beginning of the year	(9,033)	(9,033)	266,050
Changes for the period			
Dividends			(40,000)
Net gain			6,498
Net changes of items other than shareholders' equity	(36,046)	(36,046)	(36,046)
Total changes for the period	(36,046)	(36,046)	(69,548)
Balance at the end of the period	(45,080)	(45,080)	196,502

Year ended March 31, 2022

(millions of yen)

	Shareholders' equity					Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings			
		Legal capital surplus	Retained Earnings Reserves	Other retained earnings Retained earnings brought forward	Total retained earnings	
Balance at the beginning of the year	117,500	67,500	-	(48,613)	(48,613)	136,386
Changes for the period						
Net gain				138,698	138,698	138,698
Net changes of items other than shareholders' equity						
Total changes for the period	-	-	-	138,698	138,698	138,698
Balance at the end of the period	117,500	67,500	-	90,084	90,084	275,084

	Valuation and translation adjustments		Total net assets
	Net unrealized gains on securities, net of tax	Total valuation and translation adjustments	
Balance at the beginning of the year	145,772	145,772	282,158
Changes for the period			
Net gain			138,698
Net changes of items other than shareholders' equity	(154,806)	(154,806)	(154,806)
Total changes for the period	(154,806)	(154,806)	(16,108)
Balance at the end of the period	(9,033)	(9,033)	266,050

Notes to Non-Consolidated Statement of Changes in Net assets for the fiscal year ended March 31, 2023

1. Number of outstanding shares by class

(shares)

	No. shares as of April 1, 2022	Increase in number of shares	Decrease in number of shares	No. shares as of March 31, 2023
Outstanding shares				
Common stock	1,850	-	-	1,850

2 Dividends on Common Stock

Date of resolution	Type of shares	Total dividends	Dividends per share	Record date	Effective date	Dividend resource
June 16, 2022 (at the Annual General Meeting of Shareholders)	Common stock	¥40,000 million	¥21,621,622	March 31, 2022	June 17, 2022	Retained earnings

8. Status of loans pursuant to the Insurance Business Act

(millions of yen except percentages)

	As of March 31, 2022	As of March 31, 2023
Claims against bankrupt and quasi-bankrupt obligors	-	-
Claims with collection risk	-	-
Three-month delinquent loans	-	-
Restructured loans	-	-
Subtotal	-	-
[Percentage]	[-]	[-]
Claims against normal obligors	529,225	508,207
Total	529,225	508,207

- Notes: 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 (excluding the loans mentioned in note 1).
3. Three-month delinquent loans are those loans for which either repayments of the principal or interest payments have not been made for more than three months since the day after the agreed payment date (this excludes the loans mentioned in notes 1 and 2).
4. Restructured loans are those loans for which the terms and conditions have been modified in a way that is favorable to the borrower (including interest reductions or exemptions, grace periods for interest payments, grace periods for principal repayments, or the waiving of loan repayments), with the aim of supporting the borrower or facilitating their rehabilitation (this excludes the loans mentioned in notes 1, 2, and 3)
5. Normal loans are loans made to borrowers who have no particular issues with their financial position and business performance, and include all loans other than those mentioned in notes 1, 2, 3, and 4.

9. Solvency Margin Ratio

(millions of yen)

	As of March 31, 2022	As of March 31, 2023
Total solvency margin (A)	508,974	465,567
Common stock, etc.	235,084	241,582
Reserve for price fluctuations	36,894	42,094
Contingency reserve	114,151	99,497
General reserve for possible loan losses	15	57
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% *	(12,139)	(60,583)
Net unrealized gains (losses) on real estate × 85% *	-	-
Policy reserves in excess of surrender values	118,601	124,026
Qualifying subordinated debt	-	-
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	-	-
Excluded items	-	-
Other	16,366	18,893
Total Risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	196,970	211,351
Insurance risk R_1	220	216
3rd sector insurance risk R_8	-	6
Assumed investment yield risk R_2	44,180	51,232
Guaranteed minimum benefit risk R_7	2,812	1,898
Investment risk R_3	146,111	154,071
Business risk R_4	3,866	4,148
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	516.8%	440.5%

*: Multiplied by 100% if losses.

Notes: 1. The above figures are calculated based on Articles 86 and 87 of the Enforcement Regulations of Insurance Business Act, and Announcement No.50, Ministry of Finance, 1996.

2. Common stock, etc. excludes the expected disbursements from capital outside the Company and valuation and translation adjustments.

3. Guaranteed minimum benefit risk is calculated by the standard method.

10. Status of Separate Account for the Fiscal Year ended March 31, 2023

(1) Separate Account Assets by Product

(millions of yen)

	As of March 31, 2022		As of March 31, 2023	
	Amount		Amount	
Individual variable insurance	29,920		14,099	
Individual variable annuities	895,819		651,717	
Group annuities	-		-	
Separate account total	925,740		665,816	

(2) Individual Variable Insurance (Separate Account)

A. Policies in force

	As of March 31, 2022		As of March 31, 2023	
	Number of policies (thousands)	Amount (millions of yen)	Number of policies (thousands)	Amount (millions of yen)
Variable insurance (defined term type)	-	-	-	-
Variable insurance (whole life type)	37	339,673	32	285,619
Total	37	339,673	32	285,619

Note: The outstanding policies in force for individual variable insurance include those managed in general account.

B. Breakdown of separate account assets for individual variable insurance

(millions of yen except percentages)

	As of March 31, 2022		As of March 31, 2023	
	Amount	%	Amount	%
Cash, deposits, and call loans	152	0.5	46	0.3
Securities	29,710	99.3	14,047	99.6
Domestic bonds	-	-	-	-
Domestic stocks	-	-	-	-
Foreign securities	-	-	-	-
Foreign bonds	-	-	-	-
Foreign stocks and other securities	-	-	-	-
Other securities	29,710	99.3	14,047	99.6
Loans	-	-	-	-
Others	57	0.2	5	0.0
Reserve for possible loan losses	-	-	-	-
Total	29,920	100.0	14,099	100.0

C. Investment gains and losses on separate accounts for individual variable insurance

(millions of yen)

	Year ended March 31, 2022		Year ended March 31, 2023	
	Amount		Amount	
Interest and dividends	7,326		6,143	
Gains on sale of securities	-		-	
Gains on redemption of securities	-		-	
Gains on valuation of securities	-		-	
Foreign exchange gains	-		-	
Derivative transaction gains	-		-	
Other investment income	-		-	
Losses on sale of securities	-		-	
Losses on redemption of securities	-		-	
Losses on valuation of securities	1,031		9,888	
Foreign exchange losses	-		-	
Derivative transaction losses	-		-	
Other investment losses	0		23	
Net investment income	6,295		(3,768)	

(3) Individual Variable Annuities (Separate Account)

A. Policies in force

	As of March 31, 2022		As of March 31, 2023	
	Number of policies (thousands)	Amount (millions of yen)	Number of policies (thousands)	Amount (millions of yen)
Individual variable annuities	418	2,349,412	297	1,570,738

Notes: 1. Total policy amount in force for individual annuities is equal to the sum of (a) the amount required to fund annuity payments when they commence for annuities that have not yet commenced paying out and (b) policy reserves for annuities that have commenced paying out.

2. The outstanding policies in force for individual variable annuities include those managed in general account.

B. Breakdown of separate account assets for individual variable annuities

(millions of yen except percentages)

	As of March 31, 2022		As of March 31, 2023	
	Amount	%	Amount	%
Cash, deposits, and call loans	278	0.0	9,485	1.5
Securities	886,836	99.0	640,294	98.2
Domestic bonds	-	-	-	-
Domestic stocks	-	-	-	-
Foreign securities	11,171	1.2	10,361	1.6
Foreign bonds	-	-	-	-
Foreign stocks and other securities	11,171	1.2	10,361	1.6
Other securities	875,664	97.8	629,933	96.7
Loans	-	-	-	-
Others	8,704	1.0	1,937	0.3
Reserve for possible loan losses	-	-	-	-
Total	895,819	100.0	651,717	100.0

C. Investment gains and losses on separate accounts for individual variable annuities

(millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
	Amount	Amount
Interest and dividends	39,955	47,792
Gains on sale of securities	-	-
Gains on redemption of securities	-	-
Gains on valuation of securities	-	-
Foreign exchange gains	-	-
Derivative transaction gains	-	-
Other investment income	-	-
Losses on sale of securities	-	-
Losses on redemption of securities	-	-
Losses on valuation of securities	11,249	79,634
Foreign exchange losses	-	-
Derivative transaction losses	-	-
Other investment losses	318	2,899
Net investment income	28,387	(34,741)

11. Consolidated Financial Summary

Not applicable.