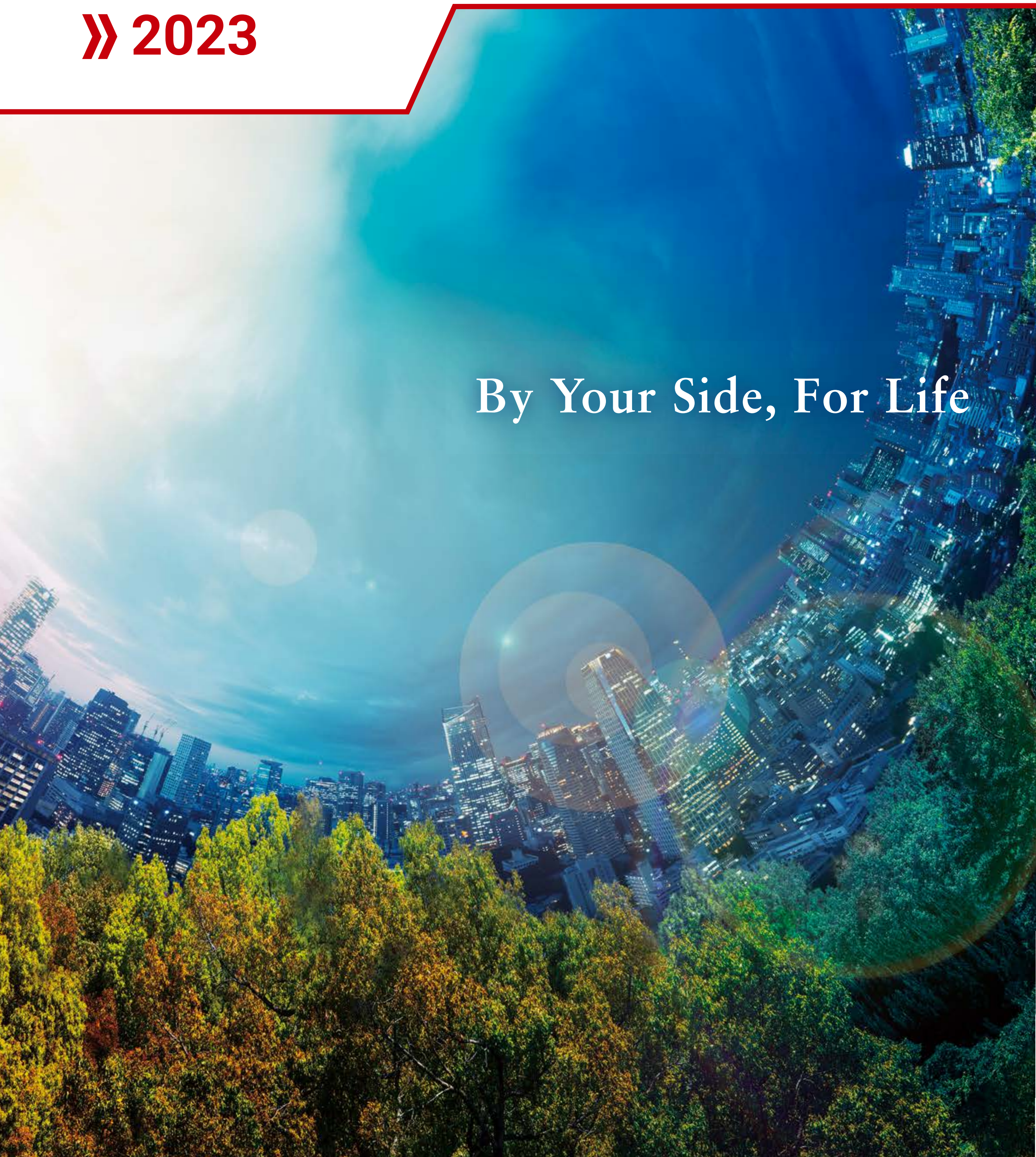
Dai-ichi Life Holdings

INTEGRATED REPORT
》2023



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Editorial Policy

Dai-ichi Life Holdings Integrated Report is designed to inform customers, shareholders, investors, and other stakeholders of our efforts to solve social issues through our business and create sustainable value for our Group. In preparing the Integrated Report, we refer to the International Integrated Reporting Framework recommended by the IFRS Foundation, the Guidance for Collaborative Value Creation by the Ministry of Economy, Trade, and Industry, and the Sustainability Reporting Standards by the Global Reporting Initiative (GRI). Through this report, we provide a deeper understanding of the Group's sustainable value creation efforts to realize our vision, "Protect and improve the well-being of all," by introducing our renewed value creation process. This is based on an awareness of risks and opportunities, as well as our efforts to co-create value in cooperation with stakeholders. We will endeavor to systematically summarize financial and non-financial information and communicate the Group's initiatives for sustainable value creation in a clear and comprehensible manner.

This report constitutes disclosure materials (explanatory documents on business and property status) prepared in accordance with Articles 271.25 and 272.40 of the Insurance Business Act and Articles 210.10.2 and 211.82 of the Enforcement Regulations of the Insurance Business Act.

Guidance for Collaborative Value Creation

Disclosure System

Our Story

Integrated Report

Finance | Future Finance

Information for Shareholders and Investors	Sustainability/ESG Information
Annual Securities Report* Summaries of Financial Results* Business Report* Medium-term Management Plan IR Website	Corporate Governance Report* Sustainability Report Sustainability Website

Comprehensiveness

*Legal disclosure and timely disclosure documents

Website Information

Please also see the information featured on our website.

Aims of the Dai-ichi Life Group

- The Dai-ichi Life Group's Philosophy

(Mission, Vision, Values, Brand Message)
Medium-term Management Plan "Re-connect 2023"

https://www.dai-ichi-life-hd.com/en/about/aims/index.html

External Evaluation

The Dai-ichi Life Group has been evaluated highly in Japan and overseas for efforts in interacting closely with customers and local communities, and disclosing ESG information through its business activities and social contribution activities.

■ ESG indices the Dai-ichi Life Group is included in *As of July 2023

FTSE4Good Index Series	FTSE Blossom Japan Index	S&P/JPX Carbon Efficient Index	MSCI Japan Empowering Women Select Index*	Dow Jones Sustainability Asia Pacific Index

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Abbreviations of Group Companies

Domestic Insurance Business

DL	Dai-ichi Life
DFL	Dai-ichi Frontier Life
NFL	Neo First Life
ipet	ipet

Overseas Insurance Business

PLC	Protective Protective Life Corporation
TAL	TAL TAL Dai-ichi Life Australia
PNZ	Partners Life Partners Group Holdings
DLVN	Dai-ichi Life Vietnam Dai-ichi Life Insurance Company of Vietnam
DLKH	Dai-ichi Life Cambodia Dai-ichi Life Insurance (Cambodia)
DLMM	Dai-ichi Life Myanmar Dai-ichi Life Insurance Myanmar
SUD	Star Union Dai-ichi Life Star Union Dai-ichi Life Insurance Company
PDL	Panin Dai-ichi Life PT Panin Dai-ichi Life
OLI	OCEAN LIFE OCEAN LIFE INSURANCE PUBLIC COMPANY
DLRe	Dai-ichi Re Dai-ichi Life Reinsurance Bermuda

Other Business (Asset Management Business)

AMOne	Asset Management One
VTX	Vertex Investment Solutions

Committed to

well-being

Under the Group Vision "Protect and improve the well-being of all," to continue to be "By your side, for life" with our customers and their loved ones, each group company contributes to the well-being of all people around the world, allowing them to lead prosperous and healthy lives with peace of mind for generations to come.

Group Mission

By your side, for life

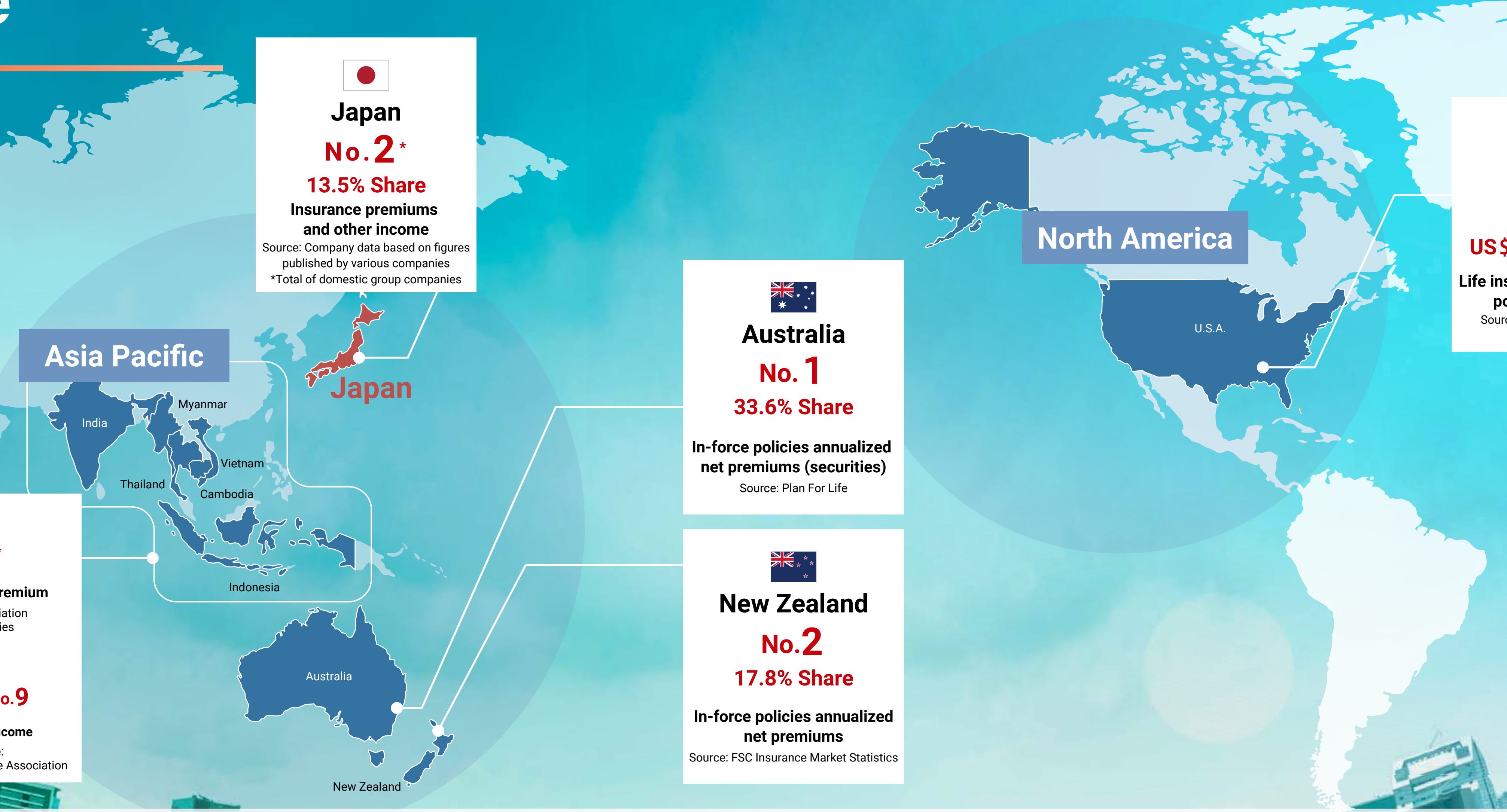
Vision Protect and improve the well-being of all

Values Dai-ichi's Social Responsibility Charter (DSR Charter)

Brand Message People First

Group at a Glance

Global insurance group with operations in 10 countries



Japan
No.2*
13.5% Share
Insurance premiums and other income
Source: Company data based on figures published by various companies
*Total of domestic group companies

Vietnam
No.4
12.3% Share
Premium income
Source: Insurance Association of Vietnam

Cambodia
No.6
First-year premium
Source: Insurance Association of Cambodia

Myanmar
No.7*
New business annualized net premium
Source: Myanmar Insurance Association
*Excluding state-owned companies

India
No.11
New business premium
Source: IRDAI

Indonesia
No.14
Premium income
Source: Indonesian Life Insurance Association

Thailand
No.9
Premium income
Source: Thai Life Insurance Association

Australia
No.1
33.6% Share
In-force policies annualized net premiums (securities)
Source: Plan For Life

New Zealand
No.2
17.8% Share
In-force policies annualized net premiums
Source: FSC Insurance Market Statistics

U.S.A.
No.13
US$993.7 billion
Life insurance amount of policies in force
Source: S&P Global Market Intelligence

Corporate Value

Market Capitalization	Group EEV	Total Shareholder Return (TSR)
¥2.4 trillion	¥7.3 trillion	+37% (March 31, 2021–March 31, 2023)

Strong and Stable Financial Soundness

Economic Solvency Ratio (ESR)	Consolidated Solvency Margin Ratio
226%	704.1%

Ratings (as of July 31, 2023)

Dai-ichi Life Holdings	Dai-ichi Life		
AA- (JCR)	AA (R&I, JCR)	AA- (Fitch)	A+ (S&P,A.M. Best)

Group Assets and Profit Scale

Total Consolidated Assets	Consolidated Net Assets	Consolidated Ordinary Revenues	Group Adjusted Profit	Consolidated Net Income	Group Adjusted ROE
¥61.5 trillion	¥2.8 trillion	¥9.5 trillion	¥184.4 billion	¥192.3 billion	5.0%

Industry Leading ESG Ratings

PRI	CDP (international environmental NGO)	DJSI
Won the highest rating of "5" for investment, stewardship policies, and real estate investments	Selected as an **A-list** company (the highest rating) in a climate change study	Selected as a constituent of the **Dow Jones Sustainability** Asia Pacific Index

Figures are as of the end of fiscal 2022, except where noted

Business Segments and Group Companies

Domestic Insurance Business

Domestic businesses aimed at solving emerging social issues and reforming products and services to align with the trend of digitalization

第一生命 / 第一フロンティア生命 / ネオファースト生命 / ipet HOLDINGS / 第一スマート少額短期保険 *1

Overseas Insurance Business

Expansion into nine countries at diverse stages of growth, from developed countries (stable markets) to emerging countries (growth markets and early stage)

Protective / TAL / partners life / DAI-ICHI LIFE / Dai-ichi Life Cambodia / Dai-ichi Life Myanmar / Star Union Dai-ichi Life Insurance *2 / PaninDai-ichiLife *2 / OCEAN LIFE *2

Other Business (Asset Management Business)

Providing advanced asset management functions to support asset formation

Asset Management One *2 / Vertex Investment Solutions / 第一生命リアルティアセットマネジメント株式会社 *1

*1 Non-consolidated subsidiary *2 Equity method affiliates

Our Long-Term Vision and the Road Map to Its Realization

Since going public in 2010, the Dai-ichi Life Group has contributed to the popularization and development of life insurance in many countries, while flexibly responding to diversifying customer needs through life insurance and other services. We will continue to grow, expand and explore new business opportunities while becoming a group that contributes to the well-being of people around the world by providing experiential values.

Value up 2010

2008–2010
Securing fundamentals for growth and completion of public listing

Flexible management strategies for value expansion in the future
Changed organization to a joint-stock company

Success 110

2011–2012
Achieving recovery and growth

After the Great East Japan Earthquake (2011), contributed to domestic recovery and growth through steady payment of insurance claims

Action D

2013–2014
Toward making greater advances

Accelerated global expansion by expanding into the U.S. market to promote life insurance

D-Ambitious

2015–2017
Achieving sustainable value creation

Transitioned to a holding company
Established three domestic life insurance systems to flexibly respond to diverse customer needs

CONNECT 2020

2018–2020
Toward growth through contribution to improving QOL

Began expansion to improve well-being across a range of areas including healthcare, small-amount and short-term insurance

Re-connect 2023

2021–2023
Toward transformation with a stronger bond

Started building digital infrastructure and transforming channels to provide the best Customer Experience (CX)

Protect and improve the well-being of all

Changes in Group EEV

Message from Our New CEO

With our inherent "DNA of change and challenge," we aim to become a global top-level insurance group

President and Representative Director (CEO)
Dai-ichi Life Holdings, Inc.

Tetsuya Kikuta

My name is Tetsuya Kikuta, and I was appointed president and CEO of Dai-ichi Life Holdings, Inc., in April 2023. I believe that my major roles are to oversee the entire Group, optimize the allocation of management resources within the Group, and respond to the expectations of various stakeholders including shareholders, through deep dialogue as a listed company.

When I became CEO, I set a goal of becoming one of the top global insurance groups by 2030. As a publicly listed company, our mission is to work to improve corporate value. My aspirations are to first achieve an industry-leading level of corporate value in Japan by the end of fiscal 2026, then reach a level on par with the world's top-tier insurance groups by 2030. Given our current position, these will not be easy to achieve. Nevertheless, I believe it is very important to verbalize our goals and demonstrate our enthusiasm in an easy-to-understand manner.

Rather than blindly following precedents, we should affirm new challenges as a whole company, keeping in mind the environmental changes that will occur in society and in the market. Instead of being afraid of a risk of failure, we should imagine the fruits of success and take action. In so doing, we will further empower the "DNA of change and challenge" that flows through the Dai-ichi Life Group, and then pursue to return to growth in our domestic business, expand our overseas business, and create new businesses. Through those efforts, we will become a driving force toward the future of the insurance industry.

On becoming CEO

Take on new challenges and keep moving forward

As an overseas business manager in the early 2000s, I worked hard to establish a foothold for our business in Vietnam, Thailand, India, Australia, and Indonesia. My overseas experiences at that time had a great impact on the formation of my values. Never stay in the same place, but always move forward, even in the tough period. This is what I always keep in mind.

COVID-19, which plunged the world into unprecedented turmoil, and the international discord triggered by the situation in Russia and Ukraine have not only heightened geopolitical risks but also caused great economic turbulence. On the other hand, it is needless to mention about the dramatic progress of technology including generative AI. Our business environment is undergoing significant changes, and the values and needs of our customers are becoming increasingly diverse. We need to change the products and services provided to our customers accordingly. If we cannot change, we will not remain trusted and supported by our customers. I do not mean to criticize our current situation, but if we remain stuck in past practices, our relative position will continuously decline. We must be willing to take on new challenges and keep moving forward. At the same time, we must keep our antennas wide and high, so that we can accommodate discontinuous events happening around the world.

Aiming to be a top global insurance group

As we strive to become a top global insurance group, I feel we have not been able to fully explain our situation to the capital market due to the complex nature of the life insurance business. I recognize that this is one of the reasons why our company has not been evaluated appropriately by the market. When I was in the investment management department, we asked our investee companies to provide us with transparent explanations and timelines of what they plan to do by when. From now on, I will remain aware of these points as I engage in dialogue with the market, and I look forward to hearing opinions from investors.

At the same time, it is also important to return to a growth path in the domestic market. Due to COVID-19 and the cases of monetary fraud identified since October 2020, momentum in our domestic business has been weak. The domestic market, with its declining birthrate, aging and shrinking population ahead of most of the rest of the world, is challenging for life insurance companies. Dai-ichi Life, which is currently working on sales reforms, is introducing a series of new initiatives, covering consulting process, setting targets for sales representatives, and even changing its hiring methods. This is a major shift from our traditional sales style and will involve temporary growing pains. However, I believe that the reforms we are undertaking now will be regarded as having created a new model for the domestic insurance industry in the future.

Looking ahead to the next medium-term management plan and the future

Expand existing business while exploring opportunities beyond insurance

To be recognized by all stakeholders as a top global insurance group in the future, I believe we must focus on four priorities.

The first is "service innovation," which means improving our insurance services by utilizing digital technology, and thus help improve convenience for people in society. The second is "customer satisfaction," which means measuring whether the company is the most supported, trusted, and recommended by customers. The third is "employee engagement," which means engaging with employees to achieve the industry's highest level of productivity and job satisfaction. And the fourth is increasing "corporate value." I believe that the fourth factor, corporate value, will increase sustainably as the

I believe that the reforms we are undertaking now will be regarded by future generations as having created a new model for the domestic insurance industry.

other three factors are positively evaluated by the capital market. We aim to achieve the top position in Japan for these four priorities by the end of fiscal 2026, the final year of the next medium-term management plan, then evolve and grow to the level of the world's top insurance groups by 2030.

To increase our corporate value, we need to implement both business and financial strategies in an integrated manner. In our business strategy, we will pursue "expanding existing business" and "explore opportunities" simultaneously. In "expand existing business," we aim to improve productivity and return to sustainable growth, especially in our domestic business. In "explore opportunities" we aim to expand the scope of our overseas business and develop new digital-related businesses. In our financial strategy, we will progress "capital circulation management" policy further, through which we aim to achieve both shareholder returns and strategic investments to utilize our capital more efficiently.

Returning to a growth trajectory in the domestic business

Seeking to reinforce our business focusing on quality and productivity, we are working to reform the business model of retail sales activities in Dai-ichi Life. Here, my vision is to "transform our business into a new type of business derived from insurance." We will be the side of our customer's life more than ever before. This means forming an ecosystem to seamlessly provide not only insurance services in the narrow sense of the term but also the four experiential values: Protection, Asset Formation/Succession, Health and Medical Care, and Enhancing Connections. Not necessarily being the form of financial institution, we aim to transform ourselves into a company like new insurance service provider. In fiscal 2022, we welcomed ipet, a major pet insurance company, to the Group, and we will continue working to expand our business portfolio.

Digital transformation (DX) is the key to significantly increasing customer experiential values and satisfaction through providing a wide range of services seamlessly. We will focus on the following three areas in particular.

1. Emphasize frequent two-way digital communication with customers
2. Provide digital support for the sales channel, mainly of sales representatives
3. Use data and AI to develop new products and services

Although we are not necessarily in a position to be ahead of the curve, we are moving quickly to invest in each of these areas to achieve industry-leading level on a global basis.

On the other hand, doing everything in digital is not realistic. The key point will be how to integrate face-to-face services and consulting by sales representatives with digital technology to deliver high experiential value to customers. I envision a world where our sales representatives, supported by digital technology, can make recommendations with high experiential value, in the best timing and best manner from the customer's perspective. As a result, it will also lead to a significant increase in productivity in the sales field.

Actively develop our overseas business

Next, I will talk about the “exploring opportunities” aspect of our business strategy. Beginning with Vietnam in 2007, we have been expanding overseas business ahead of other domestic insurance companies. Now we are running business in nine countries in overseas. In recent years, our Australian subsidiary, TAL Dai-ichi Life Australia Pty Limited (TAL), acquired Westpac Life Insurance Services Limited in fiscal 2021, thus solidifying TAL’s position as Australia’s largest life insurer. We then expanded into New Zealand with the acquisition of Partners Group Holdings Limited in fiscal 2022. Our overseas business already accounts for over 30% of the Group's adjusted profit. Especially in Vietnam, Australia, and the United States, we have already established large presence We expect our overseas business will account for about 50% of the Group’s total profit by 2030.

To further expand our overseas business, we must first achieve organic growth in existing businesses. In countries where we already have a presence, we will pursue market share and scale by offering products and services that exceed those of our global peers, in addition to adopting strategies that ensure we meet the needs of each market.

Inorganic growth through M&As is also essential to speed up business growth. M&A is the field that we can demonstrate our strength as a form of holding company. We will constantly monitor market trends, seize opportunities, and make prompt decisions to expand and diversify our business portfolio. In doing so, important perspective is whether there are the capabilities that we do not have. For example, strong digital capability, running businesses that are growing rapidly in short time periods, and are different from the traditional insurance industry. By inviting companies with such attributes and knowledge into the Group, we can create a stronger ecosystem. We will expand the scale and fields of our overseas business, with high growth expectation, and pursue new businesses, including non-insurance areas as peripheral insurance services utilizing digital technology.

In overseas countries, digital technology is proliferating more quickly than in Japan, leading to the emergence of companies offering experiential value that sets them apart from existing major players. In some cases, advanced business models have taken significant market share away from traditional insurance companies. In fiscal 2022, we invested in “exploration” to YuLife Holdings Limited, in U.K., which specializes in group insurance and handles all customer contacts digitally. This year, we also made an investment in RenewBuy, a digital insurance broker in India. By increasingly the connection with emerging companies that run high growth innovative business, we pursue both “expanding existing business” and “exploring opportunities” with a flexible manner.

Insurance business is localized because the regulation differs in each country, thus it is required to manage depending on the circumstances of each country. In principle, we delegate management of our overseas companies to local teams with in-depth market knowledge, and the holding company make sure that governance is effective. Close communication and speedy implementation of strategies have helped us grow and expand our overseas business. We have also resumed our meetings of CEOs from each country in fiscal 2023, which had been suspended due to COVID-19. It reminded me of the importance of face-to-face meetings, rather than talking to a screen.

We will continue to emphasize communication with local management and employees to promote group management with a sense of unity in order to share the same values and aim for value creation in all companies, in our group, both in Japan or overseas.

Promote “capital circulation management” and improve capital efficiency

The primary focus of our financial strategy is to improve capital efficiency. We transfer capital within the Group into the holding company to promote “capital circulation management,” through which we optimally allocate capital to capital-efficient businesses and shareholder return. In the process, we will improve ROE, which indicates the capital efficiency of the entire Group.

We recognize that the cost of capital that we currently disclose, i.e. what we consider to be the minimum return that the capital market expects from us, is 10%. However, our current ROE remains below our cost of capital. Our cost of capital which is around 10% is higher than that of a typical listed company. This is because our level of capital in terms of economic value is highly sensitive to macroeconomic conditions. If market risk can be reduced and the swing can be controlled, the cost of capital will decrease, and if ROE can be achieved in excess of that, the financial strategy will enter into a positive cycle. The goal of achieving a situation where ROE consistently exceeds the cost of capital during the period of next medium-term management plan period starting in fiscal 2024 is an intermediate milestone. When we achieve this, we can expect a certain increase in corporate value and retain more capital available for inorganic growth through M&As and the like. By deploying capital surplus generated, we can make larger and more aggressive strategic investments, thereby raising the speed and certainty of profit growth.

There are only seven years left until 2030. That is not long at all. To remain on track to become a top global insurance group, we will put the finishing touches on “Re-connect 2023,” our medium-term management plan, in the current fiscal year. We will then envision where we want to be in 2030 and work backward to define what we should do in the next medium-term management plan to make a better start in fiscal 2024.

➡ P.33 Re-connect 2023 ➡ P.35 Finance and Capital Strategy

Building a foundation for transformation

Empowerment of diverse talents

Since the transition to a holding company structure in 2016, Seiji Inagaki (now chairman) served as president of both Dai-ichi Life Holdings and Dai-ichi Life Insurance (operating company). Starting fiscal 2023, I serve as president of the holding company and Toshiaki Sumino serve as president of Dai-ichi Life Insurance. Dai-ichi Life Holdings will accelerate group-wide growth by optimizing governance and the business portfolios of its operating companies, while Dai-ichi Life Insurance will steadily grow its domestic life insurance business. By clarifying the roles of both companies in this way, we aim to go on to the next stage and become a global top-level insurance group that leads the future of Japanese insurance companies.

In fiscal 2023, we have significantly expanded CXOs roles, and revamped and rejuvenated our management team. Many of the members have experience working overseas and are mid-career hires. I'm proud that we have successfully built a diverse and highly professional management team that aligns with our expanding business domains. We will continue appointing the right professional talents to the right positions, from both internally and externally, to achieve bold change and growth with a sense of speed.

The business domains of our Group, including overseas and digital-related fields, are expanding. Accordingly, we will continue recruiting and promoting highly specialized talents, as we a need diversity in our employees to take on new challenges. In addition to hiring mid-career workers as a matter of course, we will actively and appropriately appoint outstanding internal human resources, while also improving the expertise of employees through reskilling. It is an important mission of management team to realize a corporate culture that is flat, free, and open-minded, where employees can experience their own growth and take pride and joy in their work.

As we demand our employees to increase productivity, we are considering to raise a compensation, including the introduction of a stock-based compensation program for our employees. It is very important that employees feel the merit of being a listed company, have the same mindset as our stakeholders, and share the effort to improve corporate value and enjoy the resulting economic benefits, through a stock-based compensation.

➡ P.16 Management Team with Diversity
➡ P.73 Human Capital Management Strategies

Provide sustainable well-being

Delivering value that helps resolve global environmental, regional, and social issues

Climate change is becoming more and more serious, to the extent that the sustainability of society itself is being concerned. In this context, our urgent mission is to pass on a livable planet where future generations can live with peace of mind, thus sustainability has become a common value shared by all stakeholders. Group has positioned climate change as one of its most important priorities and is working to address the issue from the perspective of both institutional investors and operating companies. In particular, Dai-ichi Life Insurance plays an important role as an institutional investor that manages around ¥34 trillion in assets entrusted by policyholders throughout Japan, by form of a wide range of long-term assets. We will foster the transition to a net-zero society by working with our investee companies to support their decarbonization efforts through active engagement, transition financing, and other means.

As our mission is "By your side, for life", we believe that sustainability is deeply linked to our company's DNA. We will work to deliver value that helps resolve global environmental, regional, and social issues, as well as strive to realize a sustainable society and ensure the well-being of the next generation. We will also steadily promote DE&I and human rights due diligence efforts to demonstrate our respect for human rights.

Conclusion: All aboard the Dai-ichi Life Group boat

There are two things I want to accomplish at all costs while I am CEO. The first is to achieve ROE above the cost of capital, and therefore improve our corporate value (market valuation). By achieving this goal, I hope to elevate the Group to a next stage where it can make strategic more aggressively to accelerate growth. The second is to take advantage of being a listed holding company, and make the Group's employees realize the benefits of being a listed company.

As I said at the beginning, my aspiration is to become one of the top global insurance groups by 2030. This will not be easy to achieve. Nevertheless, if all the Group's executives and employees, numbering more than 60,000, share the same vision and mindset, it will not be impossible.

As social issues become increasingly complex and diverse, my mission is to work together as a Group to enhance corporate value by addressing our diverse stakeholders, and lead the initiatives as head of the Group. I look forward to your support as we strive to meet your expectations.

Management Team with Diversity

The Dai-ichi Life Group launched a new management team, including CEO, on April 1, 2023. As we expand the share of Group profit coming from overseas businesses, we are strengthening our overseas management as well as considerably expanding corporate functions that support our global growth by enhancing a CXO organization, including outside professional recruitment.

Group Management Organization

President, Representative Director, CEO **Tetsuya Kikuta**

Business promotion functions

Corporate functions

- message P.35 — Finance and Capital (CFO) — **Taisuke Nishimura**
- New position — Risk Management (CRO*) *Chief Risk Officer — **Hideyuki Ohashi**
- New position / Outside recruitment / message P.81 — IT Governance/DX (CIO/CDO) — **Stephen Barnham**
- New position / Outside recruitment — Corporate Communications (CCmO*) *Chief Communication Officer — **Kyoko Wada**
- New position / Outside recruitment / message P.59 — Sustainability (CSuO) — **Hidehiko Sogano**
- New position / Outside recruitment — Compliance and Legal Affairs (CCpO*) *Chief Compliance Officer — **Webster Coates**

Business promotion functions:

- Protection Business and CX Planning Unit — **Ken Yamaguchi**
- Retirement, Savings and Asset Management Business Unit — **Takashi Iida**
- International Life Insurance Business Unit — **Hitoshi Yamaguchi**

Top Managements of Overseas Group Companies

- Protective — **Richard J. Bielen** — PLC
- TAL — **Brett Clark** — TAL
- partners life — **Naomi Ballantyne** — PNZ
- DAI-ICHI LIFE — **Dang Hong Hai** — DLVN
- Dai-ichi Life Cambodia — **Tola Ponlu** — DLKH
- Dai-ichi Life Myanmar — **Zarchi Tin** — DLMM
- Star Union Dai-ichi Life Insurance — **Abhay Tewari** — SUD
- PaninDai-ichiLife — **Fadjar Gunawan** — PDL
- Ocean Life Insurance — **Nusara Banyat-piyaphod** — OLI

Value Creation Process

Using Dai-ichi Life Group's strengths, including diverse talent, intellectual capital, and a solid customer base and financial foundation, we will contribute to the well-being of all and build a sustainable society for the future through our business activities and solving social issues.

Material issues concerning four experiential values P.29

Material issues concerning the global environment and local communities and society P.30

Expected Future Society and Market Trends

Business foundation that drives the growth of the Dai-ichi Life Group ▸P.19

Talent (Human Capital)

- Diverse talent worldwide: Approx. 61,000 people in 10 countries
- Candidates for the next generation of global leaders and female managers

Intellectual Capital

- Advanced expertise in life planning based on the social security system
- A wealth of medical care and health-related big data
- Advanced M&A insight and experience

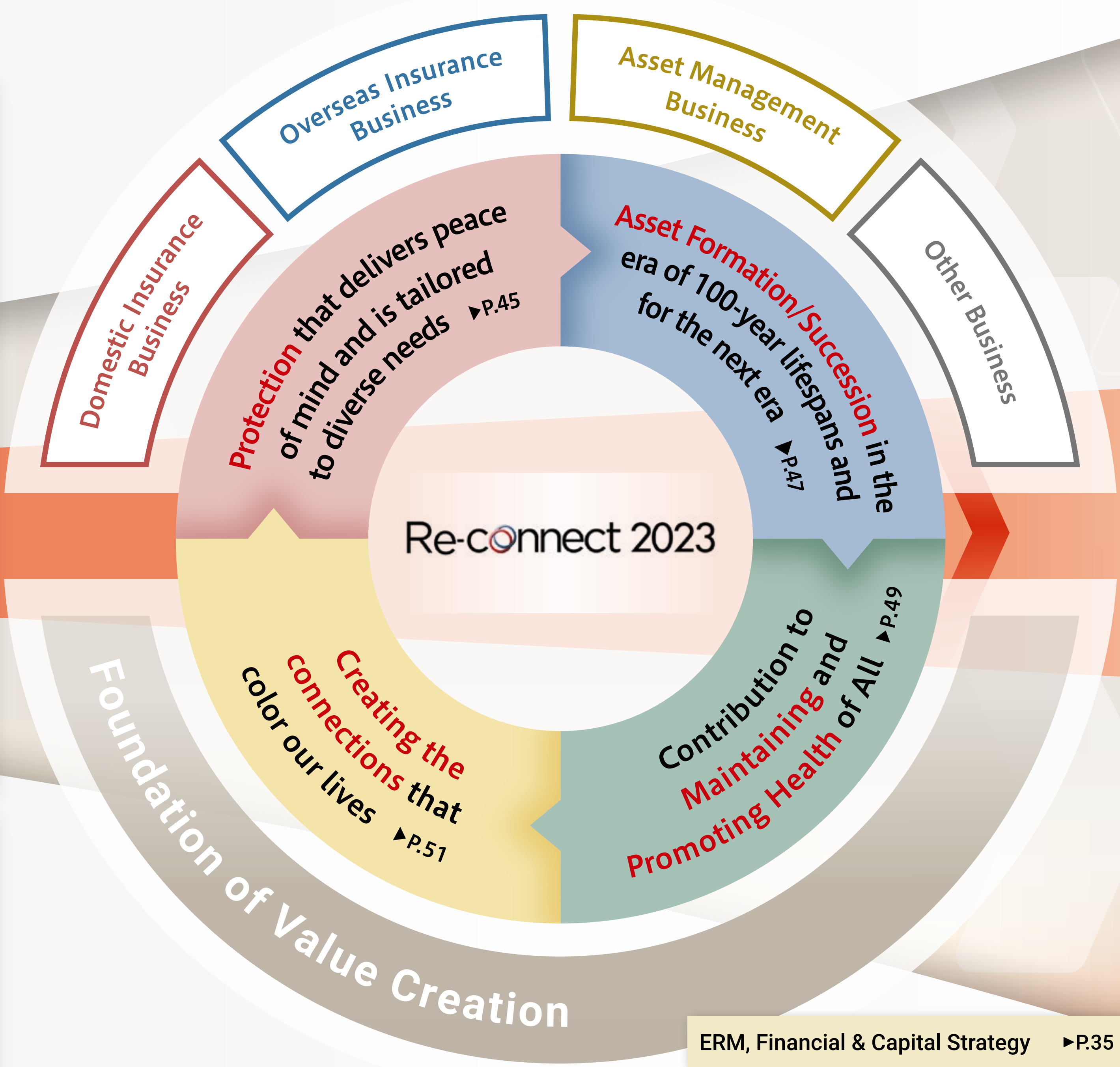
Social Capital

- Solid customer bases, both in Japan and overseas
- Firm alliances with diverse business partners and local communities
- A global network for creating innovation

Financial Capital*1

- Strong financial foundation and corporate value (Total assets: Approx. ¥61.5 trillion, Group EEV: ¥7.3 trillion)
- Robust capital and financial soundness (Economic solvency ratio: 226%, Credit rating*2 of Dai-ichi Life Holdings: A+ (JCR) Dai-ichi Life Life: AA (JCR, R&I), AA- (Fitch), A+ (S&P, A.M. Best)
- Investment into the creation of new value (Cumulative strategic investment: Approx. ¥1.5 trillion)

*1 Figures as of the end of March 2023 unless otherwise stated
*2 As of the end of July 2023



ERM, Financial & Capital Strategy ▸P.35

Sustainability and Business Foundation ▸P.59

Corporate Governance ▸P.89

Well-being Created by the Dai-ichi Life Group (Outcomes)

Customers

- Customers in Japan: 13.62 million
- Group pension funds under management: Approx. ¥6.6 trillion (Dai-ichi Life)
- Assets under management: Approx. ¥9.5 trillion (Dai-ichi Frontier Life)
- Payment of claims and benefits: Approx. ¥6.4 trillion (entire Group)

Business Partners

- Number of agencies (Japan) 4,129
- New M&As, alliances
- Acquisition of ipet Holdings Inc.
- Acquisition of Partners Life, New Zealand's second-largest life insurance provider
- Investment in YuLife, a U.K. tech-driven group insurance and well-being company

Global Environment, Local Communities, and Society

- CO_2 emissions from business activity (Scope 1 and 2): -83%
- Greenhouse gas emissions in the investment portfolio (Scope 3): -16%
- Climate change solutions investment: Approx. ¥710 billion
- Collaborative agreements with all 47 prefectures and more than 330 municipalities in Japan

Employees

- Engagement survey overall score: 64 (63 in previous year)
- Ratio of female organizational heads: 18.5% (ratio of female executives: 29.3%)
- Ratio/days of childcare leave taken by male: 100%/21.5 days

Financial Base*3

- Promoted capital circulation management (Group adjusted ROE: 5.0%, Group ROEV: 3.9%)
- Transformed the risk profile (Reduction of market-related risks: -¥530 billion*4)
- Achieved financial soundness and profit growth (Economic solvency rate: 226%, Group adjusted profit: ¥184.4 billion)
- Obtained an appropriate market evaluation (relative TSR: 4th place)

*3 Figures in parentheses represent key performance indicators (KPIs) for the Group and actual results for FY2022
*4 For the period after the start of the current medium-term management plan (April 1, 2021–March 31, 2023)

Dai-ichi Life Group Vision

Protect and improve the well-being of all

Capital of Dai-ichi Life Group

With Dai-ichi Life Insurance, which has been in business for more than 120 years in Japan, and by developing business in countries across the globe, we have acquired and capital, which is the source of competitiveness. Our aim is to maximize corporate value and achieve sustainable growth by combining our social capital, which is the foundation of our business, and our human and intellectual capital, consisting of originality and talent, with our robust financial capital.

		Indicators and initiatives	Importance to medium-to long-term corporate value creation
Human Capital	A wealth of talent and diversity	**Group employees** ● Group employees at all business locations: Approx. 61,000 ● Out of which, overseas Group employees: Approx. 9,600 (16%) **Abundant human resources that deliver well-being to customers** ● Dedicated sales representatives (Japan): Approx. 35,000 **Diverse employee talent that supports global business operations** ● Number of candidates for next-generation global management leaders: 286 ● Ratio of female managers: 29.3%	The most important management resource to promote transformation is employee talent. The Group has approximately 61,000 diverse and talented employees in 10 countries across the world, and they are working to enhance corporate value. In Japan, we have around 35,000 sales representatives that tailor our services to the diversifying lifestyles of customers through our “Life Plan” simulation, which was renewed in July 2022. Global employee talent is indispensable to the Group, as we expand globally. In achieving a “World of Opportunities,” thanks to the initiation of a number of human resource development programs, strategic placement of employee talent, and mid-career recruitment, we now have 286 candidates to be next-generation global management leaders. We also believe that improving the quality of our decision-making from the perspective of diversity is key, and as such, the Group promotes the empowerment of women. We are working to increase the percentage of female executives and organizational heads through various initiatives. These include rank-specific training and “cross 1 for 1” meetings with executives and general managers to help foster our female leaders.
	High levels of expertise	● Number of individuals CFP and AFP qualified: CFP: 412, AFP: 2,236 ● MDRT members: 162 domestic, 272 overseas ● Number of qualified actuaries*1: 116	
Intellectual Capital	Our track record of unique expertise and intellectual creation	**Consulting skills and capability to develop insurance products that capture customer needs** ● Agile and advanced product development capabilities of Group companies (Japan and overseas) ● Advanced expertise in life planning based on the social security system (Japan) **M&A insight and experience in the insurance industry and the U.S. market** ● Businesses acquired by Protective: 59 **Healthcare big data** ● More than 1.2 billion records (anonymized) **Innovation and well-being research through the collaboration of industry and academia** ● Industry-academia collaboration and joint research with six universities and institutions	Along with the social security system, our services, knowledge, and expertise related to different life events, including marriage, housing, inheritance, and near end-of-life support form the foundation of our CX design strategy, which aims to deliver four experiential values: (1) Protection, (2) Asset Formation/Succession, (3) Health and Medical Care, and (4) Enhancing Connections, which add value beyond insurance services. In addition, the Group collates and leverages big data, including medical data, based on extensive relationships with our 13.62 million customers in Japan. In addition, we roll out a number of digital content services that leverage cutting-edge technology, including Healstep®—a service that supports medical expense optimization–and our health promotion app QOLism. We comprehensively use these strengths and the expertise in our insurance product development of each Group company, as well as use the expertise from our domestic businesses to further develop overseas Group businesses.
	Ability to create synergies	**Ability to create synergies by utilizing domestic and overseas Group networks** ● 125 subsidiaries ● 30 affiliated companies	Starting with Dai-ichi Life, which has a 120-year history, we have developed a group that operates insurance businesses in 10 countries, including Japan. The Group includes companies engaged in asset management, healthcare services, and pet insurance. Through this network, we will seamlessly create value to improve the well-being of all and create synergies that further enhance those values.
Social Capital	Customer base	● Customers in Japan: Approx. 13.62 million ● Corporate clients in Japan: Approx. 160,000 ● Number of policies-in-force in the U.S.: Approx. 14.2 million ● Customers in Australia: Approx. 5 million ● Number of policies-in-force in Vietnam: Approx. 1.36 million	Through insurance sales by sales representatives, and our partner agencies, as well as follow-up activities for customers, we are building a solid customer base in Japan. Overseas, we are steadily growing our customer base by executing growth strategies tailored to the needs and level of penetration of life insurance in each country. Leveraging these foundations, we will also provide products and services other than life insurance that contribute to well-being, at the right time and through the best channels.
	Alliances with diverse business partners	● Agencies in Japan: 4,129 ● Enhance customer value through mutual provision of financial products ● Cooperate with partners with strengths in non-insurance fields, such as healthcare ● Create innovation via a global network	A network of diverse business partners is essential to allow us to grow and spread our wings in and outside the insurance field and deliver new value. The Group provides insurance products not only in Japan but also in countries throughout the world through banks and independent agencies. We are also building a cooperative structure with our partners to allow customers access to services such as healthcare and nursing care through the Group. In addition, we have established dedicated labs to spur innovation in Silicon Valley and London, and an Asia research base in Singapore.
	Value co-creation alongside local communities	● (Japan) Collaborative agreements and activities that contribute to local communities in all 47 prefectures and numerous municipalities in Japan ● (Overseas) Joint research with local universities, and work to improve local environments and medical services and support education	Our Group aims to protect and improve the well-being of all, and all Group companies work with people in local communities to address local and social challenges. In Japan, we have agreements with partners in all 47 prefectures and are collaborating in the areas of health support, sports promotion, and the empowerment of women. Overseas, we have partnered with the University of Alabama at Birmingham campus in the United States, where Protective’s HQ is located, and are working together on research into extended healthy life expectancy. In other countries, Group initiatives are in motion to support the improvement of environments and medical services.

Financial Capital*2	● Strong financial foundation and corporate value: Total assets: Approx. ¥61.5 trillion, Group EEV: ¥7.3 trillion ● Robust capital and financial soundness: Economic solvency ratio: 226%, Credit rating*3 of Dai-ichi Life Holdings: A+ (JCR) Dai-ichi Life: AA (JCR, R&I), AA- (Fitch), A+ (S&P, A.M. Best) ● Capital investment for the creation of new value: Cumulative total strategic investment, approx. ¥1.5 trillion	Through capital management policy based on a framework of Enterprise Risk Management (ERM), we are working to maintain financial soundness, sustainably increase our corporate value, and further strengthen shareholder returns. By investing capital into businesses with high capital efficiency and promising growth potential, we promote “capital circulation management” that will improve the Group’s capital efficiency and cash generation capability, as well as shareholder returns.

*1 Total of Dai-ichi Life Holdings and Dai-ichi Life (including career rotators) *2 Figures as of the end of March 2023 unless otherwise stated *3 As of the end of July 2023

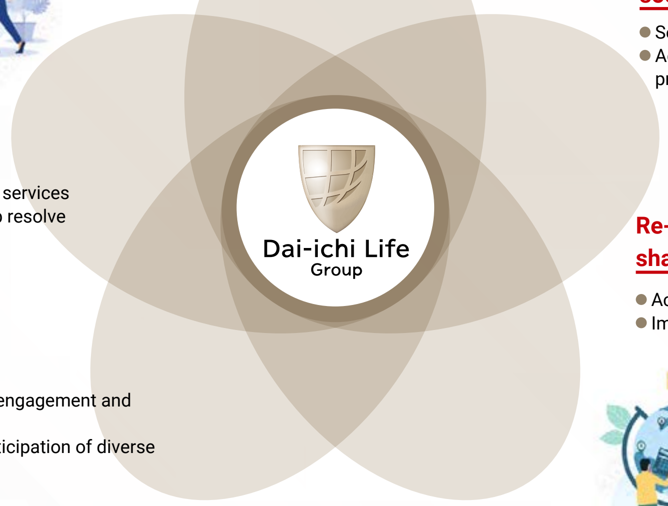
Stakeholder Expectations and Initiatives

Under our medium-term management plan, Re-connect 2023, we aim to meet the expectations of our all stakeholders by "re-connecting in a better way" to resolve new issues in the future.

Re-connect with customers
- Address changes in customer needs and behavior
- Incorporate medical and digital technology
- Achieve true customer centricity

Re-connect with society and the environment
- Secure sustainability
- Adopt eco-friendly measures and prevent climate change

Re-connect with business partners
- Expand insurance-related services
- Seek collaboration to help resolve social issues



Re-connect with shareholders
- Achieve high capital efficiency
- Improve shareholder payout

Re-connect with employees
- Improve employee engagement and well-being
- Promote active participation of diverse talent

Customers

Our responsibilities and stakeholders' expectations	Initiatives to meet expectations
• Pay claims and benefits promptly and appropriately • Provide products and services that help improve people's well-being, such as asset formation and health promotion offerings, in addition to insurance protection	• Develop products and expand service areas to meet diversifying customer needs • Provide customer-oriented consulting • Respond to diverse lifestyles by developing an infrastructure that enables procedures to be performed at an appropriate time and manner each customer desires • Establish an operation and system to make a prompt and appropriate payment of insurance claims and benefits • Plan and implement measures to analyze and improve customer satisfaction through measurement of NPS® related to our provision of products and services

Business Partners

Our responsibilities and stakeholders' expectations	Initiatives to meet expectations
• Collaborate with business partners to co-create social and financial value	• Build alliances with major Japanese financial groups in asset management and product development/offering • Collaborate with start-ups, online banks, and others to provide asset formation platforms • Collaborate with partners to develop and offer "Digi-ho" brand insurance products

Society and Environment

Our responsibilities and stakeholders' expectations	Initiatives to meet expectations
Society Improve the well-being of local residents and build local communities to resolve local issues	**Society** • Collaborate and cooperated with local governments across Japan to support the elderly, promote empowerment of women, revitalize local communities, and prevent crime and disasters in those communities • Hold original programs at branch offices and sales offices to improve the well-being of local residents, such as health promotion, childcare, and sports promotion
Environment Promote responsible investment, engage and collaborate with relevant stakeholders, and reduce emissions from business activities to help accelerate the transition to a decarbonized society	**Environment** • Promote efforts throughout the Group to achieve net-zero CO_2 emissions from business activities (Dai-ichi Life achieved 100% renewable energy conversion in fiscal 2022) • Promote responsible investment initiatives in Dai-ichi Life's investment portfolio by enhancement of ESG integration, expanding ESG-themed investments and loans, and strengthening engagement with investees • Disclose and implement a credible net-zero transition plan

Employees

Our responsibilities and stakeholders' expectations	Initiatives to meet expectations
• Promote diversity and inclusion to create an environment that empower diverse talents • Create an environment where employees can shape their desired careers, work vigorously, and improve their skills • Develop diverse and flexible work styles and improve employee's engagement	• Set targets for the ratio of female department heads and the ratio of male employees taking childcare leave and are promoting initiatives to raise them • Implement initiatives to expand work options to promote the employment of people with disabilities, and support the work styles of employees with childcare or nursing care needs, through development of systems enabling each of those employees to balance with their work as well as improving workplace • Expanded training programs to hone employees' expertise, promoting career rotation and providing a personnel system allowing employees to choose autonomous careers and take side jobs • Implemented a PDCA cycle to improve job satisfaction through engagement surveys and town hall meetings

Shareholders

Our responsibilities and stakeholders' expectations	Initiatives to meet expectations
• Fulfill our responsibility to explain the Group's business strategies and financial performance • Further advance the Group's management through two-way dialogue with shareholders and other investors • Ensure transparent and voluntary information dissemination (quantitative financial information, governance, and non-financial information, such as medium- to long-term management strategies)	• Held financial analyst conference from top management for institutional investors and analysts (twice) and online briefings for individual investors (five times)* • Conducted conference calls for financial results (four times) and held around 300 meetings with shareholders and investors in Japan and overseas* • Held dialogues with shareholders at general shareholders meeting and encouraged the exercise of voting rights • Disclose information appropriately through websites and disclosure materials • Reflect opinions and requests obtained through investor relations activities in Group management by sharing them with the Executive Management Board and the Board of Directors

*Fiscal 2022 results

Value Co-Creation Story

Customer

Improving the well-being of Every Customer through the Collective Efforts of the Group

Social Issues Facing the Dai-ichi Life Group

Stabilization of livelihoods

Extension of asset life expectancy

Extension of healthy life expectancy and optimization of medical expenses

Business activities

Providing products and services—including non-insurance ones—to realize well-being

In Japan, concerns about the future of the social security system are growing due to the declining population caused by a low birthrate and the arrival of a hyper-aging society.

As a consequence, the "protection" required by customers is changing, as they increasingly need not only conventional death benefits but also pensions, medical care, and long-term care coverage to meet their needs as they live longer. Moreover, with an aging population, the need to secure funds for retirement through self-help and to extend asset life expectancy is expected to increase in the future.

The Group aims to improve the well-being of those customers through products and services that can address these social issues and diversified needs of customers.

We aim to improve the well-being of our customers by seamlessly providing products and services in four business domains: "Protection" to support customers' livelihood in cases of emergency, "Asset Formation/Succession" to secure funds for retirement and to pass on to the next generation, and "Health and Medical Care" and "Enhancing Connections" to provide information that will help customers develop healthy lifestyle habits naturally from a pre-disease stage and to create interpersonal connections in the community and region.

We aim to provide products and services that meet the diverse values and needs of our customers, to address the challenges they face in their daily life, through both in person and online anytime and anywhere.

The Dai-ichi Life Group will realize the Group Vision, "Protect and improve the well-being of all" and help customers achieve well-being based on our mission: "By your side, for life"

Examples of initiatives

Case 1 Efforts to improve customer experiential value (CX)

In July 2022, Dai-ichi Life renewed its "Total Life Plan," a life plan simulation linked to the social security system, with the aim of providing consulting services more closely tailored to each customer than ever before. As a life insurance company, Dai-ichi Life is committed to playing a complementary role to the social security system and improving the well-being of every customer by co-creating their life design and providing peace of mind through high-quality products and services on the basis of our mission: "By your side, for life"

Case 2 ipet Holdings, Inc., joined the Group

In January 2023, ipet Holdings, that offers pet insurance, was newly joined the Group.

Pet owners view their pets as members of the family that have a significant impact on their well-being. The Group will work to improve the well-being of both pets and customers by providing value in the area of "Enhancing Connections," including the well-being of pets by providing insurance protections through consultation with customers, and resulting to providing opportunities for medical treatment to them.

ipet HOLDINGS | Dai-ichi Life Group

Providing value to society

Improving customers' **well-being**

Value Co-Creation Story

Environment

Accelerating the Transition to a Decarbonized Society through Investment Activities and Collaboration with Stakeholders

Social Issues Facing the Dai-ichi Life Group

Preventing environmental harm as a result of global warming

Business activities

Facing environmental issues as a life insurance company and an institutional investor

We believe that we have a responsibility to future generations to ensure a sustainable society and preserve the global environment. As such, we are aiming to achieving "sustainable well-being" for all stakeholders, society, and the global environment. To this end, we are accelerating efforts to contribute to resolving material issues on the global environment, local communities, and society, including climate change.

The life insurance business plays an important role in protecting future generations as a bridge between the present and the future. We will contribute to realizing a sustainable and resilient environment and society by investing the insurance premiums received from our customers as a responsible institutional investor, based on a comprehensive understanding of our social role and our mission: "By your side, for life," that links present and future generations.

Dai-ichi Life, the Group's core domestic subsidiary, manages approximately ¥34 trillion in funds entrusted by policyholders throughout Japan invested in a wide range of assets over the long term. Dai-ichi Life is working on responsible investment that contributes to resolving material issues on the global environment, local communities, and society while securing stable investment returns over the medium to long term.

Of the many environmental and social issues facing society, preventing climate change is a top priority for responsible investment. Dai-ichi Life will contribute to acceleration of the transition to a decarbonized society by investing in solutions that accelerate the decarbonization of society, actively investing to support the transition of high-emission industries, and effectively collaborating and engaging with its investee companies, financial institutions across the world, and other stakeholders.

Examples of initiatives

Case 1 Creating positive impacts through investments and loans

Dai-ichi Life is actively pursuing investment and loan opportunities that create positive environmental and social impacts. As to the issues for climate change, Dai-ichi Life is executing the investments and loans that contribute to resolve those issues, through the investments and loans that foster innovation, renewable energy power generation projects, green bonds, etc. Given the importance of promoting long-term transition strategies, particularly for GHG-intensive industries, we formulated and disclosed our "Policy on Transition Finance" in fiscal 2022 to make investments and loans that contribute to appropriate transitions that benefit the environment.

The cumulative total of investments and loans that contribute to resolving climate change issues reached approximately ¥710 billion as of the end of fiscal 2022 and will increase to ¥1 trillion by the end of fiscal 2024. The annual measurable GHG reduction contributions from these investments and loans are approximately 1.23 million tons-CO_2e (equivalent to about 27% of the company's financed emissions in fiscal 2022), and this amount will increase to 1.5 million tons-CO_2e in fiscal 2024.

Case 2 Accelerating decarbonization efforts through stakeholder engagement

Dai-ichi Life has selected around 50 of the top GHG-emitting investees as priority engagement targets. Our ESG analysts analyze and make recommendations on the companies' climate change initiatives, advise them to set GHG emission reduction targets consistent with the 1.5°C target, and encourage them develop and implement strategies to achieve their targets.

Collaboration with other financial institutions and other stakeholders is essential to decarbonize society. To reinforce and enhance the effectiveness of Dai-ichi Life's stand-alone engagement activities with its investees, Dai-ichi Life participates in collaborative engagement through multiple domestic and international initiatives. Dai-ichi Life was also among the first to take part in global initiatives such as GFANZ*, the world's largest coalition of financial institutions committed to net-zero emissions Dai-ichi Life engages in and contributes to global rulemaking aimed at accelerating the transition to net-zero emissions.

*Glasgow Finance Alliance for Net Zero (see pp. 71–72 for details)

Providing value to society

Contributing to accelerating the transition to a decarbonized society

Value Co-Creation Story

Society

Harmonizing with Local Communities and Regions to Achieve a Sustainable Society

Social Issues Facing the Dai-ichi Life Group

Ensuring the sustainability of society
Improving emotional well-being

Business activities

Community revitalization through social contribution and resolution of social issues

Against the backdrop of a declining population, an aging society with low birth rate and diversifying lifestyles, Japanese society today is seeking to offer more fulfillment and happiness to everyone. But at the same time, in part due to the COVID-19 pandemic, it has become increasingly difficult for people to connect with each other. In local communities in particular, many social issues have been piling up, including the long-standing problem of labor shortages.

The Group aims to create social and economic value through the resolution of social issues. For the Group, which aspires to secure people's well-being, ensuring sustainability is a foundation for business operations. We believe that we have a responsibility to connect and co-create with all stakeholders to make our business sustainable and contribute to resolving issues in local communities.

The Group has been developing initiatives in each region for "Enhancing Connections" with local communities and customers. The Group will continue to contribute to the well-being of every customer by deepening connections with people in various regions and creating diverse connections with society through a broad range of initiatives.

Examples of initiatives

Case 1 Opening of "SETAGAYA Qs-GARDEN," a town for well-being

In March 2023, the SETAGAYA Qs-GARDEN opened as a town that contributes to the well-being of local residents through health promotion, support for the elderly, community revitalization, childcare and education, sports promotion, security and disaster prevention, and more. Through this town, we aim to restore the connection among people and communities that have been weakened by the COVID-19 pandemic, bring back the well-being of local people, and provide value by revitalizing communities.

We will continue to help form a community with trust and happiness where people are constantly connected through music, sports, and other events to improve their well-being.

Case 2 Social contribution through the TAL Community Foundation

When promoting business in each country and region, it is essential for each overseas Group company to help revitalize local communities through social contributions and other activities aimed at resolving local issues. At TAL (Australia), the TAL Community Foundation has been engaged in various social contribution activities, such as support for young people and indigenous people, in cooperation with local partners and communities through donations and volunteer activities.

Through the foundation, we will continue to support meaningful community activities in Australia that improve people's well-being.

Providing value to society

Contributing to the well-being of local communities and society

Material Issues of the Dai-ichi Life Group

Based on the external environment and global initiatives, such as the SDGs, we have selected 14 key issues to focus on to address social challenges and ensure the sustainability of communities and society through our business. For each of these issues, we identify medium- and long-term risks and opportunities for our Group's business and reflect them in the business strategies of our medium-term management plan, Re-connect 2023.

STEP1 Identify and organize social issues
We grouped the 17 goals and 169 targets of the SDGs according to their purpose and came up with 50 social issues on which to focus.

STEP2 Evaluate priority/importance level
We assigned priority and importance ranking to the 50 social issues based on stakeholder expectations and level of importance for an insurance company.

STEP3 Select material issues
Among the issues prioritized and rated as important, we selected 14 issues based on their relevance to our Group philosophy and vision after discussion with outside experts.

Material issues related to the four experiential values

Material issues (Materiality)	Social issues our Group can address	Reasons for selecting material issues
● Creating livelihood stability through insurance	**Stabilizing livelihoods, including for the next generation** Japan: ● Low insurance coverage among young people (60%) ● Coverage for the working-age population is insufficient by more than ¥10 million Overseas: ● 1.7 billion people (mostly in emerging countries) have difficulty accessing financing (insurance penetration is also low)	Japan's declining population and aging society have led to growing concerns about the nation's social security system. Against this background, we believe that the need to ensure protection based on self-help will increase going forward. In these uncertain times, we aim to help stabilize the foundations of all people's lives by co-creating life designs based on each customer's dreams and aspirations, and by providing peace of mind through financial security.
● Promoting a sense of security in later life	**Extending asset life** Japan: ● About 70% of respondents were concerned about their retirement funds ● Urgent need to improve financial literacy	With the advent of the 100-year life society, people are becoming more concerned about their retirement funds. Accordingly, self-help efforts to build assets for retirement and extend asset life are regarded as social challenges. By combining and demonstrating our strengths in retirement, savings, and asset management, we will meticulously address the needs of customers from the accumulation stage of asset formation through retirement and beyond, to asset succession to the next generation. Through all stages, we will provide optimal solutions tailored to each individual's needs.
● Promoting the health of people everywhere	**Extending healthy life expectancy and optimizing medical expenses** Japan: ● Widening gap between healthy life expectancy and increased life expectancy (9 years for men and 12 years for women) ● One in four of the population has no intention of improving their exercise and eating habits Overseas: ● Maintain health to help reduce economic burden	Medical costs for the government and health insurance associations are increasing every year due to advances in medical technology and Japan's aging society. Although life expectancy is increasing, healthy life expectancy is not keeping pace with this growth, resulting in a widening gap that represents a serious social issue for the nation. To address the social issues of increasing medical costs and the widening gap between life expectancy and healthy life expectancy, we aim to help people maintain good health from the pre-disease stage, in addition to financially supporting medical expenses after the onset of disease.
● Building a safe and secure community	**Improving emotional well-being** Japan and overseas: ● One of the greatest factors in determining longevity is "connections" Japan: ● About 30% of respondents do not have many friends in the community ● More than 30% of respondents are concerned about the future of the community (decrease in caregivers, transportation, and employment)	Amid a declining birthrate, an aging population, progress toward a digital society, and diversifying lifestyles, we are entering an era in which people seek spiritual enrichment in addition to physical enrichment. The spread of COVID-19 has reaffirmed the importance of "connections" between people. We will take diverse initiatives that foster the enrichment of people's hearts and minds as a member of their community and society, together with local governments and business partners.
● Providing optimal experiential values that meet customer needs	**Improving customer loyalty**	Amid diversification of values and behaviors, including those of the digital native generation, "asymmetry of information" has disappeared while the commoditization of products is progressing in various fields. The same applies to the life insurance sector, where in addition to the value that products and services provide, emotional values such as a customer's psychological satisfaction will be emphasized going forward. By carefully grasping customers' diversifying values and needs, we are committed to delivering experiences and impressions that exceed their expectations at every point of contact.

Objective Evolving into an insurance group that remains trusted and chosen by customers, through contributions to their well-being
- NPS®*1 (Dai-ichi Life): Top level in Japan by fiscal 2026
- Number of customers (total of domestic business): 15 million by around fiscal 2026

Material issues related to ensuring regional and social sustainability

Material issues (Materiality)	Social issues we can address	Reasons for selecting the material issues
● Responding to climate change ● Improving efficiency of energy use ● Promoting clean energy	**Preventing irreversible environmental change due to global warming** Japan and overseas: ● Future temperature increase due to global warming is estimated to be as high as 4.8°C **Disseminating and establishing new energy systems** Japan: ● Dependence on fossil fuels for energy is higher than 80%	We recognize that the action for environmental issues, such as the need to mitigate climate change and improve efficient energy use, must be addressed by the international community as a whole. This is an important business management issue that could have a significant impact on the lives and health of our customers, as well as corporate activities and the sustainability of society. As a global insurance group, we will resolve this issue from our perspective as both an insurance provider and an institutional investor.
● Promoting the empowerment of women ● Improving corporate governance and risk management	**Improving human capital diversity as a Japanese company considering global standards** Japan: ● In the Gender Gap Index, Japan ranked 125th out of 146 countries surveyed ● The percentage of female executives in listed companies is about 9.1%	To address the ever-increasing speed of changes in business conditions, our most important management resource for corporate transformation is our human capital. We believe that utilizing the diverse personalities of employees and maximizing their abilities will lead to our sustainable growth. We are committed to building an organization where every one of our 60,000 Group employees can play an active role in demonstrating their individuality, while making diversity a corporate strength.
● Promoting initiatives toward human rights for all ● Creating job satisfaction	**Respecting the human rights of all business-related stakeholders and enhancing job satisfaction across generations and occupations** Japan: ● The need to promote human rights due diligence in accordance with the UN Guiding Principles on Business and Human Rights ● About half of respondents do not feel "job satisfaction" at their current workplace ● The ratio of non-full-time employees is about 40%	Respect for human rights is becoming increasingly important for companies as various risks arising from neglect of those issues materialize. Such respect is a crucial prerequisite for achieving our Group goal, which is to ensure the well-being of all, including future generations, and realize a sustainable society, which we recognize to be our corporate social responsibility. By promoting human rights due diligence in accordance with the UN Guiding Principles on Business and Human Rights, we will respect the human rights of all stakeholders, including those in our supply chain, and create job satisfaction for our employees.
● Contributing to the development of society through responsible investment and lending ● Promoting regional development ● Building a safe and secure community	**Helping create innovation through investment and lending** Japan and overseas: ● Urgent need to foster industries and technologies that support a sustainable society **Ensuring the sustainability of local communities** Japan: ● Shortage of labor force and stagnation of industry in rural areas due to depopulation ● Problems caused by the concentration of population in urban areas (e.g., diluted communities, children on daycare waiting lists) ● Aging social infrastructure	As members of local communities, companies are increasingly expected to play a role in addressing the various issues that communities are facing. To date, we have helped meet social challenges through investment that fosters the development of new industries and the transformation of social structure. We have also worked to resolve issues through our life insurance business, with a business presence throughout Japan, while forming various partnerships. We are committed to creating affluent and secure lifestyles and communities, and moving toward sustainable growth together with local and international communities.

Objective

Achieve net-zero emissions to ensure the sustainability of the global environment
- Group CO_2 emission reduction (Scope 1 and 2)*2: –50% by fiscal 2025; net zero by fiscal 2040
- Investee companies'*3 greenhouse gas emission reduction*4: –25% by 2025; –50% by 2030; net zero by 2050

Maximize the potential of each individual to realize diverse employee empowerment
- Ratio of female organization heads: 30% by April 2024; increase in the ratio of women at director and executive officer levels
- Improve the diversity ratio*5
- Engagement survey overall score: 67 (April 2024)

Expand investments/loans that lead to positive impacts on society
- Expand ESG investments/loans: ESG-themed investments/loans totaling at least ¥2 trillion by fiscal 2024

*1 "Net Promoter Score" is a registered trademark of Bain & Company, Fred Reichheld, and SatMetrix Systems. *2 Compared with fiscal 2019 *3 Listed equities, corporate bonds, and real estate (including loans in 2030) *4 Compared with 2020 *5 Percentage of those other than "males, new graduates, and Japanese nationals" in internal management positions (Japan)

Expected Future Social and Market Trends

We believe that adopting strategies that accurately capture opportunities and risks associated with material issues identified by the Group will help ensure the sustainability of our business. We consider the following items to be particularly important due to not only their high probability but also their impacts being global in scale and long-lasting for the future.

	Key facts	Effects on customers and society	Opportunities and risks perceived by the Dai-ichi Life Group
2030	**Percentage of digital natives in the world population** **73.0%** [*1] By 2030, so-called digital natives (millennials and Generation Z) will account for around 73% of the world's population and play a central role in consumer behavior.	• Providing optimal experiential values that meet customer needs When digital natives become the core of society, communication without barriers between the real and virtual worlds will be commonplace, and people will favor businesses with more timely and convenient customer contact points regardless of industry. In addition, value perceptions of "social good" will prompt people to evaluate businesses more meticulously from the perspectives of social significance and business ethics.	**Opportunities** ▪ Provide highly convenient means of communication to improve customer satisfaction ▪ Attract new customers via multiple contact points **Risks** ▪ Decline in customer support and satisfaction due to inadequate response to new communication preferences ▪ Reduced market presence due to lack of diverse customer contact points, including in non-insurance areas
Until 2033	**Average annual growth rate forecast for the Asian life insurance market** (next 10 years) **8.1%** [*2] Over the decade to 2033, the Asian life insurance market is expected to maintain a high average annual growth rate of 8.1% due to economic growth in various countries, post-pandemic risk awareness, and a growing interest in sustainability. Note: the Asian life insurance market above excludes Japan and China.	• Stabilizing livelihoods through insurance We expect the insurance market to grow significantly in the next decade, especially in emerging Asian countries. As the economies of these countries grow, people will seek new forms of protection and savings due to rising incomes and changing lifestyles. In addition, we expect technological innovation to drive the rapid expansion and evolution of businesses in the periphery of insurance, such as health and medical care and financial services, in some countries and regions.	**Opportunities** ▪ Seize future growth opportunities by making flexible and promising investments in the Asia-Pacific and other regions ▪ Strengthen Group synergies by expanding and reinforcing business foundations in regions with high growth potential **Risks** ▪ Missed growth opportunities due to inability to make appropriate investments for financial, organizational, or other reasons ▪ Potential need to downsize or withdraw from businesses in certain regions due to misjudgment of business risks specific to a local region/market
2023	**Japan's ranking in the Global Gender Gap Index** **125th** [*3] Japan lags far behind the rest of the world in terms of gender equality. To address emerging values and create innovations, we need to not only eliminate gender disparities but also bolster efforts to develop and attract diverse human capital.	• Promoting the empowerment of women • Improving corporate governance and risk management As our business becomes progressively more global in nature, we need to attract more diverse and specialized talent. The same applies to our business in Japan. To continue meeting the needs of our diverse clientele, we aim to be an attractive company with diversity in hiring channels and work styles, not to mention gender and nationality, as well as the ability to create new levels of employment and well-being.	**Opportunities** ▪ Acquire and accumulate various expertise, including in new areas, and demonstrate positive chemistry through human diversity ▪ Strengthen our business foundation by improving global management capabilities **Risks** ▪ Stagnation or setback in business expansion due to lack of necessary talent and skill sets ▪ Decline in competitiveness due to poor Group governance and global management capabilities
2050	**Greenhouse gas emission target** **Net 0** Sustainability initiatives, including those in line with the 2050 target of net-zero greenhouse gas emissions, are a universal commitment. In this context, the responsibilities of companies are increasing every year.	• Responding to climate change • Promoting initiatives toward human rights for all Responding to social issues in relation to global sustainability, such as addressing climate change and respecting human rights and diversity, will become even more essential and widespread. We believe that economic rationality and ethical orientation in consumption and purchasing are not trade-offs but rather should be compatible. This value perception will become more mainstream in the future, and new businesses could emerge as a result. In addition, the responsibility of companies to ensure sustainability will increase, and how they fulfill their commitments will greatly affect their corporate value.	**Opportunities** ▪ Secure and bolster earnings by increasing investment and financing opportunities that help resolve ESG and other issues ▪ Maintain a presence and strengthen our business foundation by taking initiatives to ensure sustainability **Risks** ▪ Damage to assets due to a decline in value stemming from inadequate sustainability initiatives ▪ Increase in claims and benefit payments due to a failure to avoid global warming and the resulting increase in natural disasters

Our Group Strategies

Based on our recognition of opportunities and risks, we will incorporate into the Group's strategy the need to secure necessary management capital and know-how, build a financial base that enables appropriate growth investments, and fulfill our social responsibility. We will take bold and proactive measures to achieve these objectives.

Strengthen the CX Design Strategy and digitalization

P.41

Financial strategy to ensure appropriate responses to growth and investment opportunities

P.35

Material issues related to the four experiential values P.29

Human capital management strategies for both domestic and global business development

P.73

Implement action plans to ensure sustainability

P.59

Material issues related to ensuring regional and social sustainability P.30

*1 UN Forecast *2 Allianz Global Insurance Report 2023 *3 WEF, Global Gender Gap Report 2023

Strategies & Performance

FY2021–2023 Medium-term Management Plan (MMP) Re-connect 2023

Review of past medium-term management plans

2013–2014

Action D

Toward making greater advances

Achievements

Strengthened our presence in the Japanese market through enhancement of the product and service lineup (Dai-ichi Frontier Life became a market leader in the Japanese bancassurance market)

Provided a significant foothold for expanding the profit contribution from overseas business with the acquisition of Protective in the United States

Issues

Developing a new strategy for achieving sustainable growth; expanding business foundations

Maintaining the sufficient capital position assurance required of a global insurance group; enhancing shareholder returns

2015–2017

D-Ambitious

Achieving sustainable value creation

Achievements

Strengthened our capabilities in strategy execution through a transition to a holding company structure, which enables the flexible allocation of management resources and rapid decision-making at each Group company

Established a domestic business framework with three life insurance companies (Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life)

Accelerated overseas business expansion and expanded profit contribution, which also contributed to achieving the total payout ratio target.

Issues

Providing financial resources for growth areas and innovation by achieving cash flow management

Strengthening ERM with a view to prolonged low-interest market conditions

2018–2020

CONNECT 2020

Toward growth through contribution to improving QOL

Achievements

Strengthened the ability to reach a diverse customer base through the diversification of sales channels and product supply under a domestic business framework with three life insurance companies; started expansion to new markets such as healthcare and small-amount and short-term insurance products

Achieved medium- to long-term target levels of financial soundness mainly through market risk reduction initiatives, which are not an extension of the conventional approaches

Issues

Radically transforming the domestic insurance business based on each customer's perspective; responding to accelerated changes in society

Overcoming high cost of capital and low capital efficiency and the globalization of Group operations

FY2021–2023 Medium-term Management Plan (MMP) Re-connect 2023

Under Re-connect 2023, our new MMP that started in fiscal 2021, we are reviewing how we should connect with customers and other stakeholders while working on initiatives in four key areas—Domestic Business, Overseas Business, Financial/Capital Management Strategy, and Sustainability & Business Foundation—based not only on the achievements and issues recognized in past medium-term management plans but also on the recognition of the environment whereby COVID-19 forced the breakup and transformation of some of our relationships with stakeholders, and people's values and the nature of society changing at an accelerated pace.

Management challenges

Customers	Business partners	Society and the environment	Employees	Shareholders
• Address changes in needs and behavior • Incorporate medical and digital tech • Achieve true customer centricity	• Expand insurance-related services from a customer perspective • Seek collaboration to help resolve social issues	• Secure sustainability • Be eco-friendly and combat climate change	• Improve employee engagement and well-being • Promote active participation of diverse talent	• Achieve high capital efficiency • Enhance shareholder payout

Domestic Business — **Expand existing business while exploring opportunities beyond insurance**

- Transform the domestic business model and boost CX by leveraging our four experiential values
- Structurally reform the sales representative channel and raise efficiency

CX : Customer Experience

Overseas Business — **Build a business portfolio that drives growth**

- Increase profits in existing markets and further drive business
- Leverage DX to increase CX and further enhance operational efficiency

DX : Digital Transformation

Finance/ Capital Management — **Improve the financial standing and capital circulation management**

- Drastically improve capital efficiency mainly by reducing market-related risks
- Strike a balance between disciplined capital allocation and strong shareholder payouts

Sustainability & Management Base — **Create a universally bright future by fulfilling our part in enhancing sustainability**

- Promote Group-wide sustainability improvement
- Promote the Group's human capital strategy and governance to support our business foundation

Progress of the FY2021–2023 MMP

Review of fiscal 2022

Although efforts to improve the business portfolio and market risk reduction made steady progress, financial indicators such as adjusted profit fell short of targets, in part due to increased payments related to COVID-19 and the impact of higher overseas interest rates. Although the external environment continues to be volatile, we will achieve the target level we were aiming for when we formulated the MMP through steady business operations, including the recovery of domestic new business results, which have been a challenge.

Domestic Business: While efforts to create the 4 experiential values, including the expansion of the "Enhancing Connections" area through the acquisition of ipet Holdings, are making progress, the new business results of Dai-ichi Life are significantly below the pre-COVID-19 level, and we are working on a quick recovery.

Overseas Business: Through the investment in YuLife in the United Kingdom and the acquisition of Partners Life in New Zealand, we have made steady progress in building a balanced business portfolio, and the share of the Overseas Business in Group adjusted profit has increased to approximately 34%.

Finance/ Capital Management: Market risk reduction under capital circulation management has progressed steadily, achieving 95% of the target set in the MMP. In addition, along with strategic investments, we have made large-scale share buybacks and increased dividends to enhance shareholder payouts.

Sustainability & Management Base: We have been selected for inclusion in the S&P's Dow Jones Sustainability Asia Pacific Index and have received high external acclaim for our Group-wide efforts to realize a sustainable society.

Progress on KPIs

Capital efficiency

Group adjusted ROE (accounting)	FY2022 result	5.0% (unachieved level)
	FY2023 target	Approx. 8%
Group ROEV (economic value)	FY2022 result	3.9% (unachieved level)
	Medium- to long-term target level	Average around 8%

Risk control

Market risk reduction (vs. March-end 2021)	FY2022 result	Approx. ¥530 billion (95% of 3-year progress)
	FY2023 target	¥560 billion
Economic solvency ratio (ESR)	FY2022 result	226%
	Medium- to long-term target level	170%–200%

Accounting profit

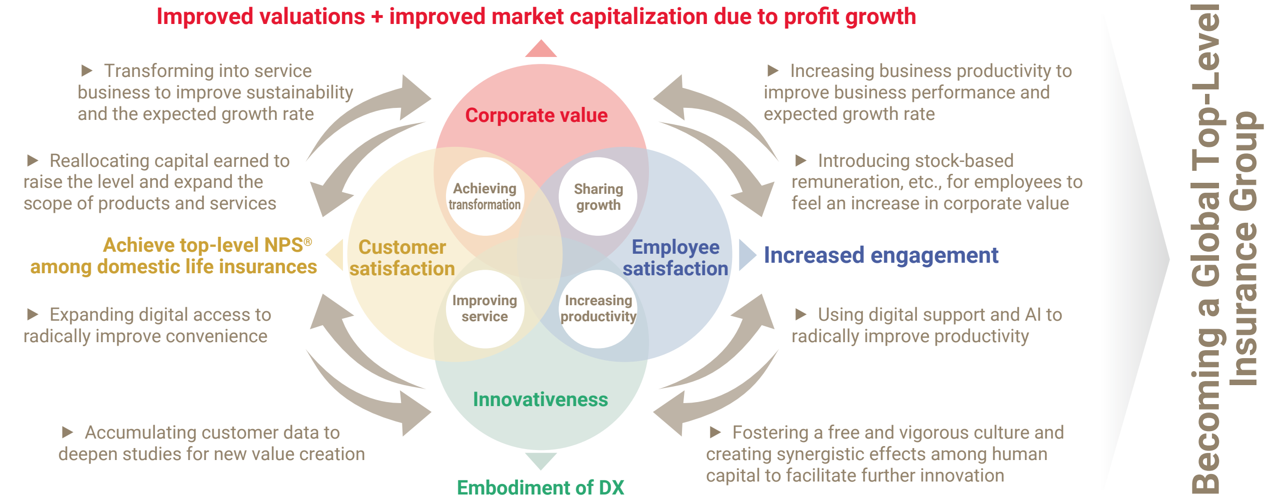
Group adjusted profit	FY2022 result	¥184.4 billion (unachieved level)
	FY2023 target	¥250 billion–¥280 billion

Market valuation

Relative TSR	FY2022 result	4th place
	Medium- to long-term target level	Relative advantage over 10 domestic and overseas competitors

Direction for the new MMP

To grow into one of the top global insurance groups by 2030, we aim to raise the level of "Service Innovation," "Customer Satisfaction," "Employee Satisfaction," and "Corporate Value" to the top level in Japan by fiscal 2026, the final year of the new MMP. To achieve these goals by executing both business and financial strategies in an integrated manner, we are working to materialize the strategies of the new MMP.



Message from the CFO

Finance and Capital Strategy

Through capital allocation to highly capital efficient and growth businesses, we promote capital circulation management that enhances Group capital efficiency, raises our cash generation capability, and improves shareholder returns.

Executive Officer, Chief Financial Officer Taisuke Nishimura

I was appointed chief financial officer (CFO) in April 2023. As CFO, I will do my utmost to enhance corporate value, especially shareholder value, while maintaining financial discipline. Here, I would like to explain our financial strategy, which I aim to implement.

In our current medium-term management plan (MMP) "Re-connect 2023," we set achieving high capital efficiency and reducing the cost of capital as priorities, and we are focusing on the promotion of risk control, enhancement of cash generation capability, expansion of shareholder payouts, and disciplined execution of strategic investment, under the financial strategy slogan "capital circulation management." From fiscal 2021, in light of changes in the market environment, actual business conditions, and other factors, we revised our recognition of the cost of capital for the first time since our listing from 8% to 10%. We then set ourselves a medium- to long-term goal of realizing capital efficiency that stably surpasses capital costs and decided to focus on improving capital efficiency through a review of our business portfolio while at the same time lowering the cost of capital through risk reduction.

During fiscal 2021 and 2022, we made faster progress than planned on reducing market risk, especially interest rate risk. As a result, we succeeded in reducing the volatility of the economic solvency ratio (ESR), which is an indicator of financial soundness based on economic value, and were able to implement initiatives to reduce the cost of capital. I have also engaged in dialogue with market participants through public announcements and so forth and feel proud that we have received some recognition for these initiatives.

In terms of business results, fiscal 2022 was a tough year in which we reported a decline in profit due to a variety of factors including insurance payments related to COVID-19 and rising overseas interest rates; however, we shored up the cash position of the holding company through the reduction of market risk at subsidiaries and encouragement of the use of reinsurance within the Group, and succeeded in realizing strategic investments that will lead to future growth, such as the acquisitions of New Zealand Partners Life and Japanese ipet Holdings as subsidiaries and, more recently, in achieving improvement in capital efficiency through share buybacks.

New challenges and business opportunities have also emerged recently, such as a decline in the value of new business at Dai-ichi Life, growing uncertainty in the economic environment, rapid advances in generative AI, and rising inflationary pressure in Japan. Continuous improvement in productivity and promotion of DX are essential to respond to such challenges and opportunities. I also believe we need to focus on implementation of market risk reduction initiatives, which we have ramped up in anticipation of the economic value–based solvency regime to be introduced in Japan in 2025, and on business portfolio transformation that will lead to sustainable improvement in capital efficiency. We are implementing a range of initiatives to transform our business portfolio, including deepening core businesses (protection and asset formation), extending our business wings, and exploring the acquisition of new organizational capabilities in areas such as digital, and we are laying the foundations for realizing sustainable growth in the future. To this end, through the proposal of financial strategies aligned with business strategies and the execution of capital allocations, we will implement initiatives aimed at realizing the kind of business portfolio we as a Group should aim for.

Given the challenges outlined above, I as CFO am committed to implementing capital circulation management through close cooperation with subsidiaries in Japan and overseas. I will also strive to improve internal control and corporate governance generally and do my utmost to realize sustainable business growth based on sound financial operations. At the same time, I will endeavor to gain the trust of investors by actively engaging in dialogue with shareholders and investors and promoting transparency and accountability. By taking feedback and suggestions from shareholders and investors seriously, reflecting market opinions in Group management, and effectively implementing a PDCA cycle, I will strive to improve corporate value based on constructive two-way engagement.

Please accept my sincere thanks for all your support and cooperation.

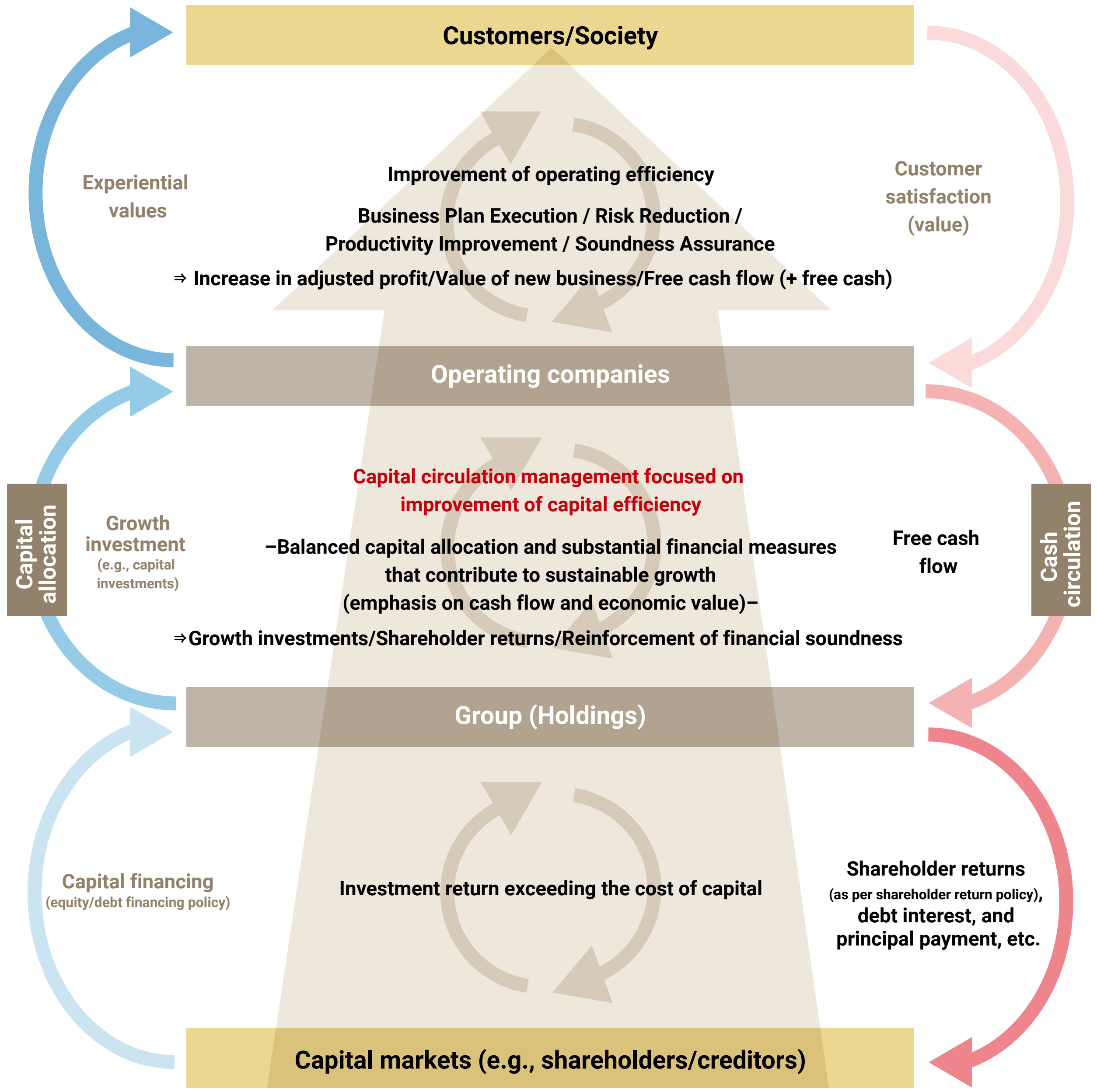
Basic approach to capital management policies

Our Group bases its capital management policies on the enterprise risk management (ERM) framework, aiming for the sustainable enhancement of corporate value and further improvement of shareholder returns while ensuring financial soundness.

Under our current MMP "Re-connect 2023," we strive to achieve sustainable growth through the implementation of "capital circulation management." Capital circulation management is the approach to enhance corporate value through the favorable circulation of capital and cash obtained from business operation and released by risk reduction within the Group by reallocating capital to highly capital-efficient businesses and growth businesses while ensuring financial soundness.

Regarding the economic solvency ratio (ESR), an indicator of financial soundness based on economic value, we have set a target range of 170%–200%. If the ESR exceeds 200%, we will actively consider strategic investments and flexible and additional payouts, taking into consideration market conditions and other factors.

Capital circulation management



ESR level and approach to capital management policy

- Maintain stable dividends in line with profits
- Actively consider strategic investments and/or flexible additional shareholder payouts

200%

Target level 170%–200%

- Maintain stable dividends in line with profits
- Consider strategic investments and/or flexible additional shareholder payouts with an awareness of financial soundness

170%

- Maintain stable dividends in line with profits
- Consider strategic investments and/or flexible additional shareholder payouts based on the prospect of improvement toward our medium-term targets (reconsider risk-taking and/or shareholder payouts as needed)

130%

- Consider risk reduction and reconsider shareholder payouts (consider recapitalization as needed)

Economic Solvency Ratio (ESR)

ESR is an indicator used to ascertain the financial soundness of insurance companies and, unlike the current solvency margin ratio, which is premised on accounting balance sheets, ESR is premised on economic value–based balance sheets.

Economic value includes unrealized gains and losses on assets and liabilities that are off-balance-sheet items for accounting purposes. Accordingly, ESR is an indicator that enables more consistent evaluation of assets and liabilities based on the same measure, that is, economic value, and encompasses fluctuations in the market value of liabilities as a result of interest rate changes, which cannot be understood from accounting information.

In initiatives to evaluate economic value, we began disclosing embedded value (EV) when we listed our shares on the Tokyo Stock Exchange in 2010, and we began disclosing ESR after setting a target range from 170% to 200% in our MMP covering fiscal 2015 to fiscal 2017. Since introducing EV and ESR, we have worked to improve our measurement techniques in accordance with changes in the external environment including reflecting actual operating conditions as appropriate and capital solvency requirements.

Currently, the Insurance Capital Standard (ICS), which applies to internationally active insurance groups (IAIGs) and is being developed by the International Association of Insurance Supervisors (IAIS), and the economic value–based solvency regime due to be introduced in Japan (the new regime) are still in the process of finalization.
Against this backdrop and in anticipation of finalization of the ICS and the new regime, we need to further improve our financial capital strategy through measures such as utilization of the new standards in operations and refinement of our measurement techniques.

Realization of capital circulation management

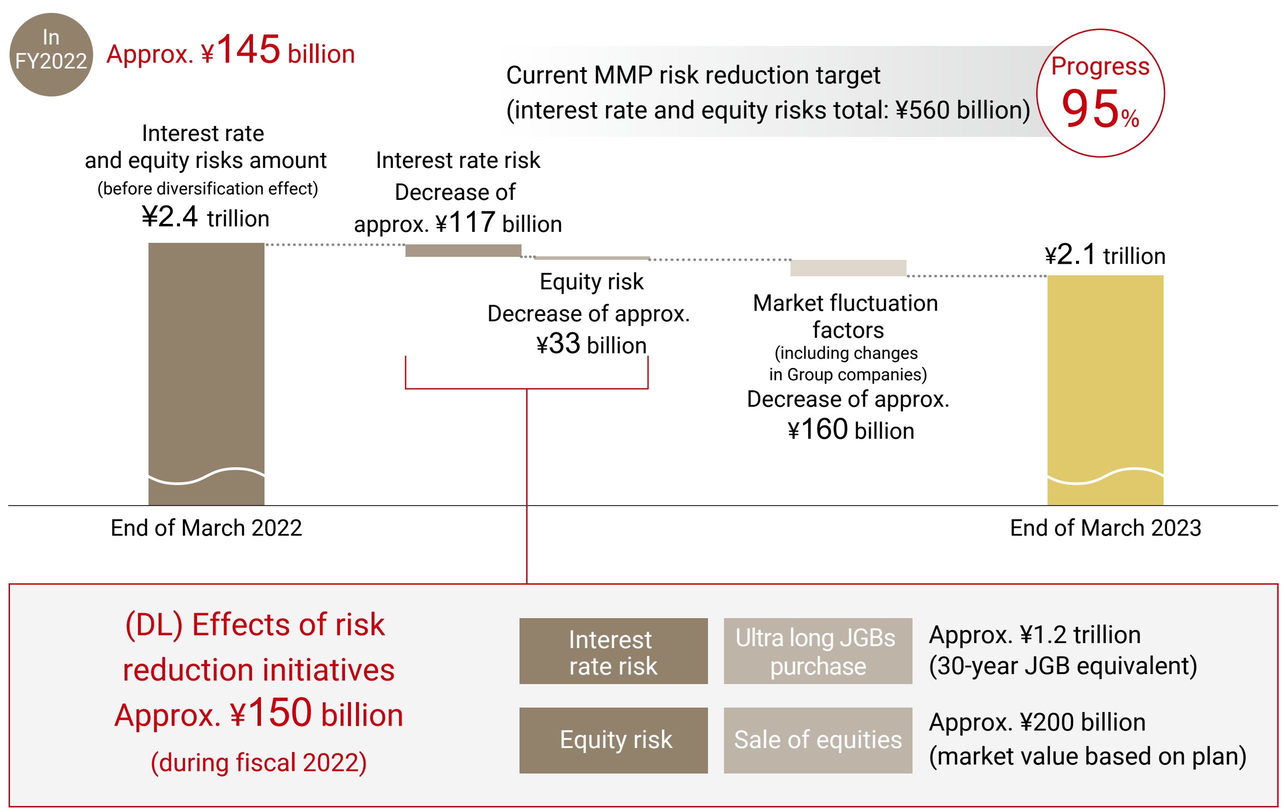
To pursue capital circulation management, we have sought to improve capital efficiency by reducing market-related risk at Dai-ichi Life and raising the rate of remittances from subsidiaries and by applying the surplus capital generated from this to shareholder returns including share buybacks, and we have exercised discipline in allocating capital to strategic investments for future growth. We will also pursue the capital circulation management required to realize sustainable growth in the future by continuously allocating capital to growing markets where even higher growth is expected, while simultaneously stably generating cash flow from mature markets such as Japan. At the same time, we will strive for further evolution of capital circulation management by optimizing capital utilization and increasing earnings retained within the Group through intragroup finance including reinsurance.

Main strategies for realizing capital circulation management—risk reduction initiatives

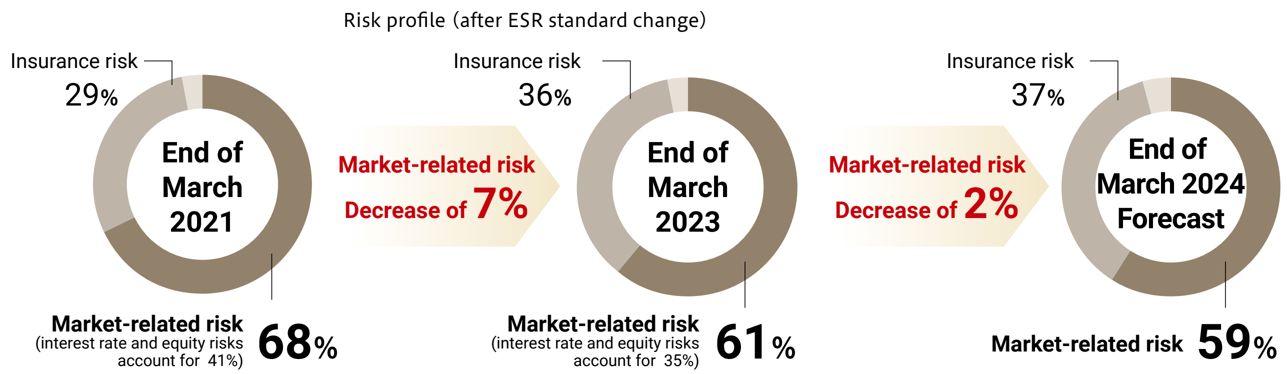
Aiming to lower the cost of capital, we are making steady progress on the reduction of interest rate risk and the reduction of equity risk in accordance with our risk reduction plan. Under the MMP covering fiscal 2021 and fiscal 2022, we reduced risk by around ¥530 billion in total and made progress of 95% toward the market-related risk reduction target under this MMP formulated at the end of fiscal 2020. Furthermore, as a result of steady efforts to reduce interest rate risk, the sensitivity of our ESR to domestic and overseas interest rates has continuously improved, leading to greater stability.

With the introduction of the economic value–based solvency regime slated for 2025, we will go beyond simply reducing risk in the future and shift to risks that promise to deliver even greater capital efficiency and, through this and other measures, we will work to ramp up capital circulation management that will lead to enhancement of our corporate value.

Market-related risk reduction



Short-and medium-term risk profile (after transformation)



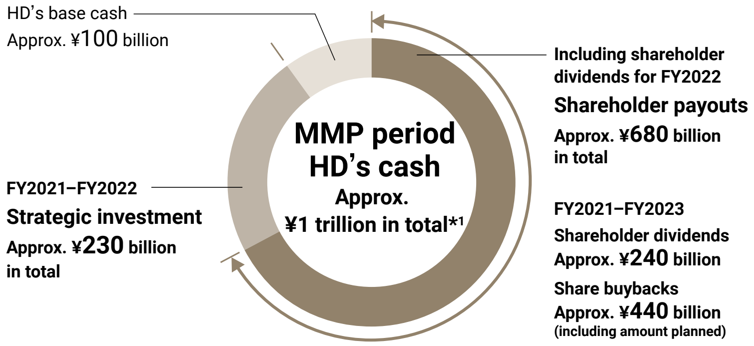
Main initiatives for realization of capital circulation management - Utilization of intragroup finance

Intragroup finance, especially intragroup reinsurance, implemented as part of efforts to ramp up capital circulation management has increased significantly since we established a reinsurance company in 2021. In fiscal 2022, Dai-ichi Frontier Life and Neo First Life were both impacted by insurance payments related to COVID-19 and rising overseas interest rates but utilization of intragroup reinsurance has efficiently improved the solvency margin ratio and is leading to more effective utilization of capital. Moreover, in the case of TAL, the utilization of intragroup reinsurance to cover risk that had previously been ceded to an outside reinsurer made it possible to retain within the Group earnings that would otherwise have flowed out of the Group. We will continue pursuing capital circulation management by implementing a range of measures including effective utilization of capital through reinsurance.

Remittance operation based on free cash

The amount of dividends remitted to the holding company from operating subsidiaries is determined based on the ESR range that we determine and the free cash of those subsidiaries calculated taking the solvency regime and accounting constraints in each country into consideration. The amount of dividends remitted in fiscal 2022 was ¥260 billion, exceeding the initial forecast of ¥240 billion, and as a result, the rate of remittances to Group adjusted profit was around 140%. Our Group adjusted profit forecast for fiscal 2023 is around ¥270 billion and, assuming a remittance rate of around 90%, we currently forecast remittances based on free cash of around ¥250 billion.

Holding company's utilization of cash during current MMP period



Fiscal 2022 cash remittances (dividend remittances) from subsidiaries

	Remittance amount
DL	¥215.6 billion
PLC*2,*3	Approx. ¥9.3 billion [US$69 million]
TAL*3	Approx. ¥22.4 billion [AU$250 million]
Group	Approx. ¥260 billion

*1 Incl. the balance and change in cash at the intermediate HD, as well as cash held to maintain liquidity at HD.
*2 Remittances from overseas subsidiaries such as PLC are accounted as if they are deposited in the next fiscal year of the HD similarly to domestic subsidiaries in this chart.
*3 Yen value is based on the exchange rate at March 31, 2023.

Business portfolio transformation

Under our current MMP, alongside the deepening of our core businesses (protection, asset formation, and succession), we aim to expand and diversify our business portfolio through the pursuit of organizational capabilities in new fields such as digital, health, and medical care.

In fiscal 2022, we completed the acquisition of Westpac Life through TAL in Australia, acquired Partners Life in New Zealand, and invested in the British firm YuLife. Our overseas business accounts for an increasingly large share of Group adjusted profit and continues to drive Group growth. Meanwhile, we are also extending our wings in our domestic business through moves such as the acquisition of ipet Holdings. We will continue expanding our existing businesses and exploring new business domains, constantly striving for expansion and diversification of our business portfolio.

Ensuring financial soundness

The Group has been working to ensure financial soundness through a wide array of measures including accumulating capital via the generation of profit and reducing risk. In fiscal 2022, we stably maintained our capital base through initiatives such as the voluntary repayment of Dai-ichi Life's existing perpetual subordinated debt and the procurement of new perpetual subordinated debt. These initiatives also led to improvement in some of our external ratings.

We will continue conducting stable financial operations through risk reduction and other measures going forward.

Financing of Group Subordinated Debt in Fiscal 2022		
Dai-ichi Life	Perpetual subordinated loan	¥64 billion

Targeting attractive shareholder returns

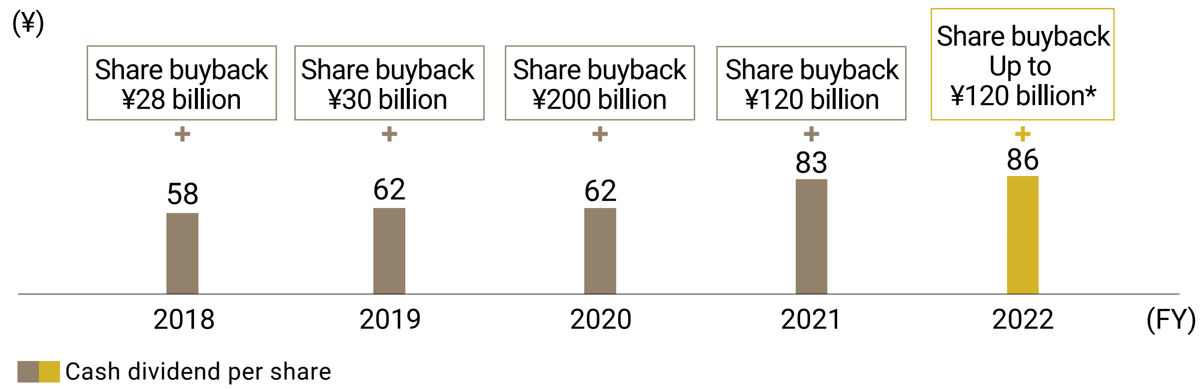
During the period of our current MMP, we have paid dividends at a dividend payout ratio of 30% or more and have strategically considered and implemented flexible additional payouts through share buybacks, based on comprehensive consideration of a wide range of factors including ESR, cash flow, growth investment opportunities, and our stock price level, setting a medium-term average total payout ratio target of 50% as a rough guide.

For payouts to shareholders in fiscal 2022, we distributed cash dividends of ¥86 per share, an increase of ¥3 from the previous fiscal year. In addition, we decided to repurchase as much as ¥120 billion of our stock, which will mean large-scale share buybacks for three consecutive years.

We will aim for further enhancement of shareholder payouts by strengthening sustainable growth of Group profit and our ability to generate capital and cash.

Basic policy on shareholder payouts

Stable dividends commensurate with profit (from fiscal 2021)	+	Consider flexible additional payouts to shareholders (from fiscal 2020)
[Dividend payout ratio] 30% or more each fiscal year ・No reduction of dividend per share, in principle		・Strategically determine the scale and timing of implementation ・Rough guide for total payout ratio: 50% (medium-term average)



*Considering the ESR forecast, cash position, and other factors, the Board of Directors decided at its May 15, 2023, meeting to conduct a share buyback of up to ¥120 billion.

CX Design Strategy

Through a CX Design Strategy focused on customer experience (CX), we will inspire emotions that exceed the expectations of all.

Why do we focus on CX?

With the widespread use of the Internet and social networking services, a variety of information is readily available at any time. The younger generation, known as Generation Z, are called "digital natives" because they utilize digital technology and gather sufficient information before making purchases. This change in consumer behavior is eliminating the "asymmetry of information" that once existed between sellers and buyers, leading to the progressive commoditization of products in various fields. Originally, the field of life insurance required significant expertise and had a certain level of "asymmetry of information." As access to information becomes easier, however, it is increasingly difficult to differentiate products and services simply by the value they provide. We believe we need to also deliver "emotional value," including the psychological satisfaction that customers gain, to enhance the overall value of the customer experience and differentiate ourselves from our competitors. In addition to creating business processes that focus on CX, we will increase the number of fans of our Group by judiciously understanding the diversifying values and needs of individual customers and delivering experiences exceeding their expectations through all contact points. We believe this will lead to sustainable growth.

Overview of CX Design Strategy

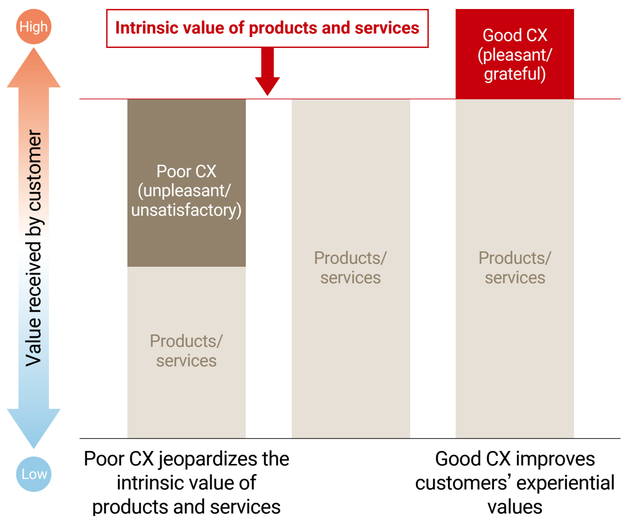
To address emerging social issues, our Group delivers four experiential values that go beyond the framework of conventional insurance. Those values are Protection, Asset Formation/Succession, Health and Medical Care, and Enhancing Connections. Drivers to maximize each of those experiential values while standing by the side of our customers throughout their lives is CX Design Strategy.

What does "CX" refer to?

We define customer experience (CX) as the psychological and emotional value that customers experience through all points of contact with the Group.

Focusing on CX enables us to address the improvement of value received by customers that goes beyond enhancing the value of products and services. It also leads to the identification and improvement of CX issues that could jeopardize the value of those products and services.

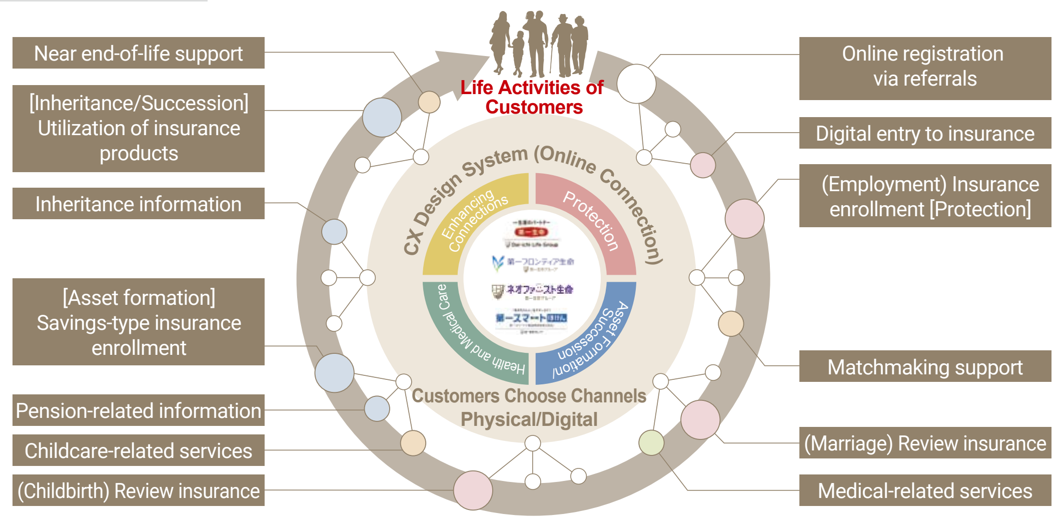
Source of diagram: "CX strategy: Experience value management that links to the customer's mind" by Tatsuo Tanaka, Nomura Research Institute, Ltd., published by Toyo Keizai Inc., September 27, 2018.



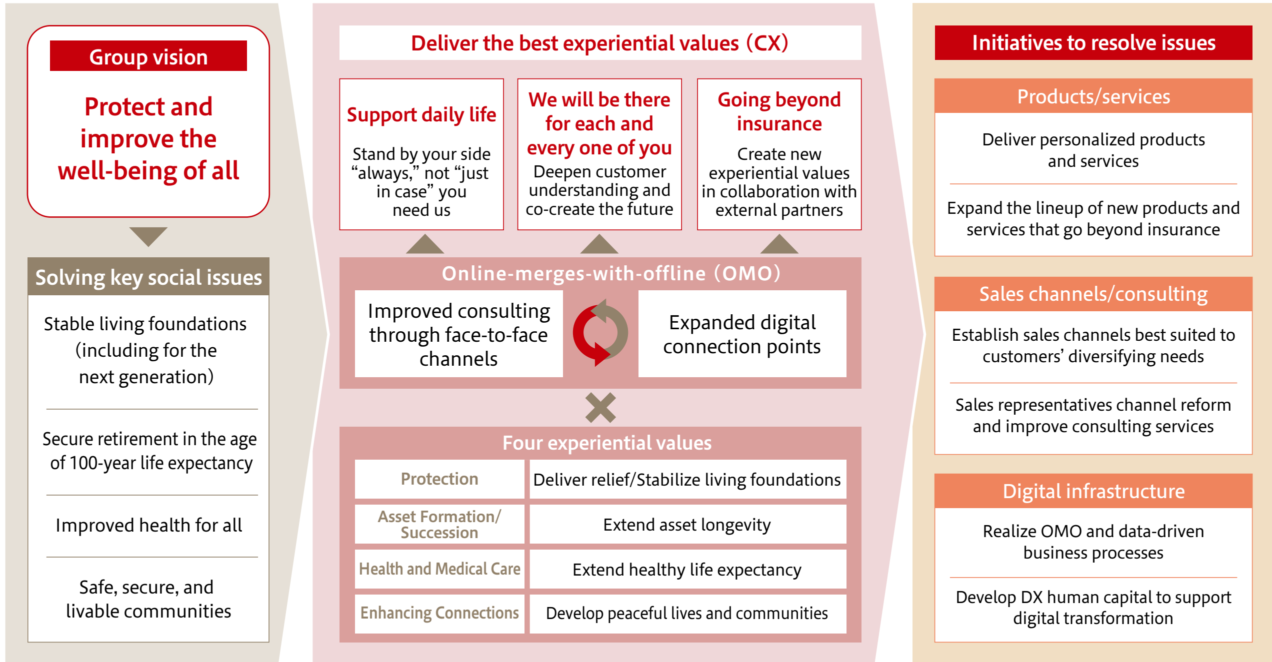
Our CX Design Strategy aims to provide emotional experiences exceeding customers' expectations by not only refining each of the experiential values but also delivering those values through daily life. To this end, we aim to realize the Group's concept of online-merges-with-offline (OMO), which connects all customer contact points by integrating digital channels (online) and real face-to-face channels (offline). In addition to insurance, we will expand our services through collaboration with external business partners in various non-insurance areas that improve the well-being of our customers, such as marriage, housing, inheritance, and near end-of-life support.

We aim to deepen our understanding of individual customers and deliver what they want, when they want it, in a natural way. Here, we will utilize technology at the various customer contact points, both digital and physical.

Vision for CX Design Strategy



Through our CX Design Strategy, which delivers the four experiential values in an optimal form, we will contribute to address emerging social issues and realize the well-being for all people.



TOPICS

Vision for CX Design Strategy

To Be an Insurance Group Consistently Chosen by Customers

As customers' values diversify and their behavior changes, we believe it is crucial to transform our business processes to stand by our customers' values and enhance their CX.

Taking the customer satisfaction survey a step further, our Group has introduced a KPI called NPS® (Net Promoter Score), which measures the "promoter score" (degree to which customers would recommend our services to friends and acquaintances), as a direct evaluation from our customers. To sustainably increase the number of customers that support our Group, we consider the number of domestic customers to be an important indicator. From fiscal 2023, however, the target includes not only the number of customers in the insurance area but also the number of customers served by products and services in the non-insurance area. By implementing the CX Design Strategy, we aim to achieve "Top-level NPS® in Japan" and "15 million total domestic customers" by fiscal 2026.

	NPS® (Net Promoter Score, an indicator of customer evaluation/recommendation)	Number of domestic customers (total of domestic business)
Target for FY2026	Top level in Japan	Approx. 15 million
Current status (as of FY2022)	Medium rank in sector (49.1) (slight improvement from previous year)	Approx. 13.62 million people

NPS® concept and score calculation method

Q Would you recommend Dai-ichi Life to your family or friends if they asked you for advice about buying life insurance?

Critics: 0 1 2 3 4 5 6 | Neutrals: 7 8 | Promoters: 9 10

Don't fully agree … Very much agree

NPS® (Net Promoter Score) = Percentage of promoters − Percentage of critics

* NPS® (acronym for Net Promoter Score) is a registered trademark of Bain & Company, Inc., Fred Reichheld, and Satmetrix Systems, Inc. This indicator is used not only for customer satisfaction surveys but also to promote improvements in corporate activities from a more customer-oriented perspective by gaining an accurate understanding of potential customer opinions and other measures.

Initiatives to achieve our vision for CX Design Strategy "Improve NPS® dramatically"

The NPS® involves surveying customers about products and services to arrive at an 11-point "promoter score" and converting it into an indicator. The difference between the percentage of "promoters" and the percentage of "critics" among total respondents is the NPS®. Products and services with a high NPS® (many promoters) have broad appeal and increased connections with new customers. Accordingly, NPS® is known to be highly correlated with a company's growth potential and profitability.

At Dai-ichi Life, we conduct timely in-house point-of-contact NPS® surveys to investigate and understand the "voice of customers" at daily contact points. Once a year, we also conduct an in-house comprehensive NPS® survey that integrates a series of customer experiences to confirm the overall evaluation by customers.

In addition to these in-house NPS® surveys, we use external NPS® surveys for peer comparison, conducted by an external research organization. Our aim here is to identify issues by clarifying the areas where we are supported by customers and areas with room for improvement, from an objective viewpoint.

The NPS® of Dai-ichi Life currently ranks in the middle of the sector. The survey results revealed issues in the areas of "ease of understanding of products" and "ability to make proposals and expertise." Accordingly, we recognize the need to continue listening sincerely to customers and making improvements. We would like to improve our NPS® significantly by making repeated improvements rapidly for issues related to customer contact, products, and services, as well as by gaining a deeper understanding of individual customers.

NPS® survey structure in Dai-ichi Life

Competitor comparison NPS® survey
Statistical analysis by an external research organization

Confirm our relative position (strengths and weaknesses)

In-house NPS® survey (comprehensive)
Analysis for overall evaluation of a series of customer experiences

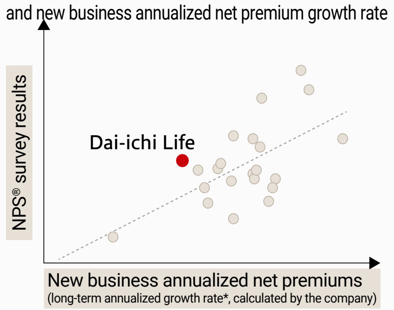
Improve experiential values through the early STPD* cycle

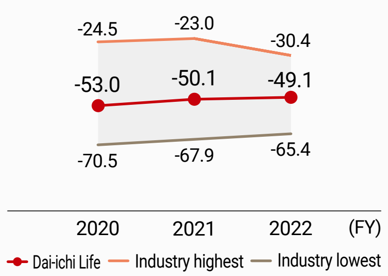
Identify priority issues and assess the effectiveness of initiatives

In-house NPS® survey (contact points)
Obtain timely and specific feedback from the voice of customers at daily contact points

*Management method based on "See," "Think," "Plan," and "Do."

Dai-ichi Life's current status of NPS® survey results



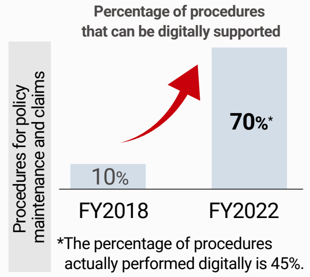


*Prepared by the company based on "MAT-kit® (finance panel)," which includes surveys planned and conducted by INTAGE Inc.

Expansion of digital contacts

To achieve the vision of our CX Design Strategy, Dai-ichi Life operates a website called "Mirashiru" to provide information related to people and their lives, health, money, and insurance. The site focuses on the four experiential values and daily communication with customers. In fiscal 2022, we expanded the functions so that our sales representatives, who have real contact with customers, could connect with them through "Mirashiru" to address their various needs, including for insurance consultation. We will further improve communication with customers by delivering optimal content, products, and services based on analysis of digital information such as site visits. We are also actively promoting the digitization of various procedures for customer contracts. By expanding our digital contacts and promoting the fusion of the digital and real channels, we will provide customers what they want, when they want it, in a natural way.

Information site "Mirashiru"



*The percentage of procedures actually performed digitally is 45%.

Improve consulting capabilities of sales representative channel

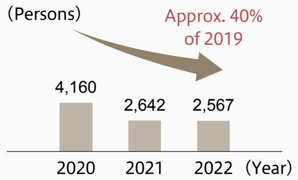
We are drastically transforming our sales representatives channel. This involves a major overhaul of the recruitment, compensation, and evaluation systems, as well as training education follow-up. We are also working on integrative reforms of consulting and products to evolve the channel into one that can deliver even higher levels of CX.

Through these initiatives, we will deliver the best value to our customers and create a virtuous cycle that will increase the number of customers, thereby realizing our vision for fiscal 2026.

Transforming the sales representative channel

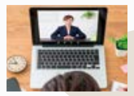
Narrowing down candidates for hire

- Narrow down candidates with a limit on the number of hires and focus on performance and job aptitude



Increase training quality and quantity

- Expand the initial education period to one year
- Revamp the initial training system and newly establish the "Career College"



Increase remote trainings led by the head office

Significantly extend the training period

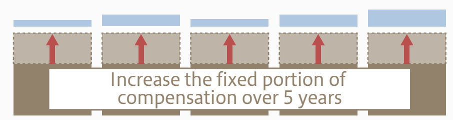
Before revision	After revision
4 months	1 year

Sophisticated and homogeneous training

Stable salary system allowing skill specialization

Reform of the compensation system

- Set attractive salary levels that attract excellent talent
- Create a stable compensation system that allows focusing on skill proficiency and building a customer base



Protection

Social issues and vision

Against the backdrop of a declining population due to falling birthrates and an aging society, there is growing concern about the future of Japan's social security system. In addition, the COVID-19 pandemic has further accelerated behavioral change and the diversification of people's values, significantly affecting employment conditions and lifestyles. These circumstances have led to various economic and other social disparities and a divergence of values, which together hinder people's well-being and represent a social challenge.

While COVID-19 has raised people's health awareness and risk perception, the emergence of millennials and Generation Z in Japan's working-age population has led to a generational shift, and these younger generations are increasingly turning away from insurance. If young people, who will lead the next generation, fail to prepare for risk because they cannot envision a clear future when they will be anxious about it, the "protection gap" will widen and anxiety about their lifestyle will increase further in future generations.

In such uncertain times, we will take a role to complement the social security system by co-creating life designs based on the dreams and aspirations of individual customers and providing peace of mind through financial security. In these ways, we will help to stabilize the lifestyle foundations of all people, including future generations.

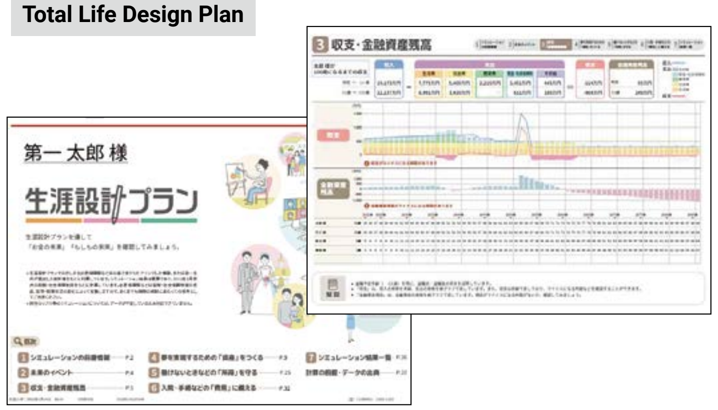
Initiatives and results of this fiscal year

To satisfy the diversifying needs of customers with changing values and lifestyles, our Group provides "protection" through three domestic companies: Dai-ichi Life, Neo First Life, and Dai-ichi Smart Small-amount and Short-term Insurance.

In Dai-ichi Life, around 35,000 sales representatives nationwide provide consulting while standing by each customer and offer a product, "Just," that allows customers to choose only the coverage they need. In July 2022, we renewed the "Total Life Design Plan," a life plan simulation linked to the social security system, and at the same time revamped our product lineup. We will play a complementary role to the social security system through consulting services that are more closely tailored to each individual customer than ever before and will respond to diversifying customer needs in a more detailed manner.

In the group insurance field, we have begun offering "Anshin My Package," the life insurance industry's first package of multiple insurance products as a corporate welfare program that allows each employee to select the coverage that he or she needs, thereby meeting the diversifying needs of companies and employees and contributing to the enhancement of welfare programs.

Total Life Design Plan



Neo First Life is expanding its insurance products and services that help customers become more health conscious. It offers products and services mainly to customers who prefer to compare through independent agencies. In July 2022, it launched "Neo Coach," an application that helps to improve health checkup results, and in September, it launched "Neo de Gan-chiryo," which allows customers to choose coverage corresponding to diversified cancer treatments and discounts premiums according to smoking status. By providing new experiential values that foster health promotion and disease prevention in these ways, Neo First Life took action to help customers achieve wellness.

Dai-ichi Smart Small-amount and Short-term Insurance offers fully digital insurance policies in which all processes are completed through smartphones and other devices. In addition to expanding its product lineup, the company has launched a new claims payment service using electronic money. In these ways, it strives to create new insurance experiential value.

Through this multi-brand structure of domestic companies, we will deliver products and services to meet the diverse needs of our customers through their respective channels.

Multi-brand (Three domestic companies)

	一生涯のパートナー 第一生命	ネオファースト生命	第一スマート ほけん
Market	Core generation in need of protection	Comparison-oriented customers	Millennials and Generation Z
Products	Comprehensive lineup	Medical/ health promoting products	Fully digital insurance
Main distribution channel	Sales representatives	Independent agencies (e.g., walk-in shops)	Digital direct (e.g., smartphones)

Medium- to long-term initiatives

The spread of COVID-19 and rapid advances in digital technology and online communications have accelerated changes in people's behavior and values. As a result, we are shifting to a "new normal" world. In this society, where people can obtain necessary information online at any time, people's values and needs are becoming more diversified and segmented. Accordingly, we need to evolve from providing products and services that comprehensively cover the entire market to personalized offerings that resonate with individual customers based on their own values.

To appropriately respond to these changes, Dai-ichi Life is undertaking a fundamental transformation of its sales representatives channel by improving its consulting services and significantly revising its recruitment, salary, and evaluation systems, and training and follow-up systems.

In addition, we are enhancing our online services by operating "Mirashiru," an information site that delivers a variety of information related to money, health, and lifestyle, as well as our Group's services, in a digital space, and by digitizing various customer procedures. By combining the advantages of our digital contact points with the strengths of our real, face-to-face channels, we strive to realize our online-merges-with-offline (OMO) to deliver the best products, services, and information to our customers at the best time and through the best channel.

By supporting closely each customer going forward, we endeavor to foster the well-being of all people and be "By your side, for life," through continuing to provide reliable protection for the working-age population by co-creating life designs, resolving issues faced by seniors in an aging society, and supporting the next generation responsible for our future.

Asset Formation/Succession

Social issues and vision

Japan is said to be entering a “100-year life era” as its citizens live longer. Under such circumstances, people are becoming increasingly concerned about their retirement funds due to the risk that their asset life expectancy (the age when their financial assets, including bank deposits and pensions, are depleted) will not reach their life expectancy. Accordingly, building assets in retirement through self-help efforts and extending asset life expectancy have become social challenges.

In Japan, while people’s concerns about their retirement funds are growing, the government formulated the “Doubling Asset-based Income Plan” in November 2022, in consideration of the current situation in which cash and deposits account for the majority of personal financial assets. The plan calls for a shift in personal financial assets from cash and deposits to investments in order to double asset income.

Committed to embody “By your side, for life,” the Group will rigorously address the needs of its customers regarding self-help asset formation and extension of asset life expectancy. Our aim is to provide optimal solutions in line with individual needs.

Initiatives and results this year

The Group aims to bring together and leverage the strengths of each of its businesses in the area of asset formation and succession, including the savings and mutual fund business for individuals, the group annuities business, and the over-the-counter sales business, as a means to enhance the products and services that support the needs of our customers at each stage of their lives, including asset formation for younger generations, extending the asset life expectancy of middle-aged and older generations, and passing assets down to the next generation.

In one specific initiative, Dai-ichi Life began offering a new plan for iDeCo, “Dai-ichi Life’s iDeCo Mirai-Deco,” in October 2022. Moreover, Dai-ichi Life launched “Asset Formation Plus,” a digital platform service that uses digital functions to provide advice and information to individual customers on how to extend their asset life expectancy, and to prompt people to think about asset formation and succession from a more familiar, everyday perspective. “Asset Formation Plus” also provides net banking services using Banking as a Service (BaaS) provided by SBI Sumishin Net Bank, Ltd., and Rakuten Bank, Ltd.

Dai-ichi Frontier Life, which provides savings products for individuals, introduced new products to meet a broad range of customers’ needs in the areas of asset formation and succession, including the August 2022 launch of “Premier Present 3,” which, in addition to functioning as a savings product, provides protection against costs arising from dementia and nursing care. Dai-ichi Life’s sales representatives also handle some of Dai-ichi Frontier Life’s products, thereby delivering the experiential value of asset formation and succession to an even greater number of customers as part of the Group as a whole.

In addition, Vertex Investment Solutions has been established as a new asset management subsidiary of the Company. This company provides asset management functions and solutions using the latest asset management technology.

New Products in FY2022

Digital Platform Service: Asset Formation Plus

Medium- to long-term initiatives

To address the diversifying needs and values of customers in the asset formation and succession area, we believe it is important to develop highly convenient services from the customer’s perspective. To this end, we will further accelerate efforts to expand our service lineup, strengthen our digital links with customers, and upgrade our consulting capabilities.

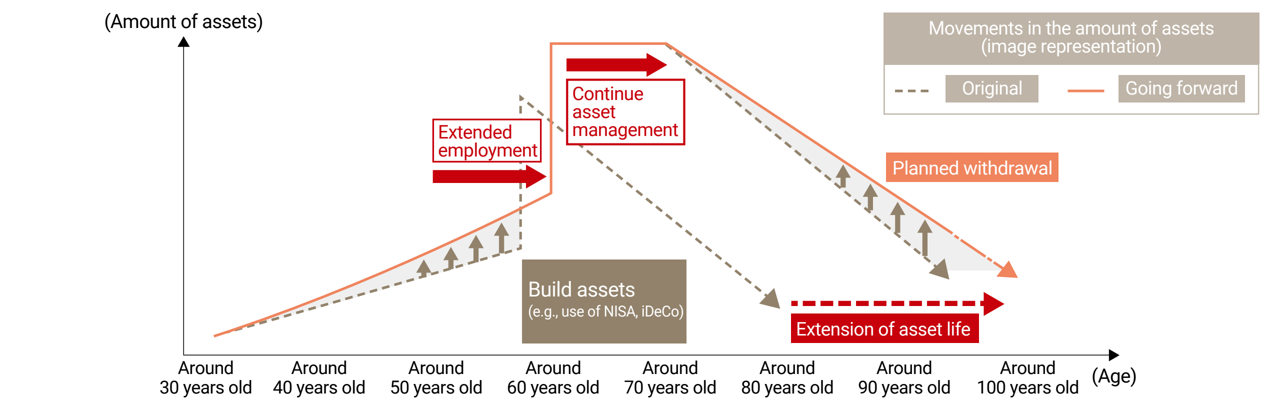
In addition to the medium- to long-term investment knowledge and savings product development capabilities of Dai-ichi Life, Asset Management One, and other companies, we will leverage the expertise and mobility of Vertex Investment Solutions, which was established in fiscal 2022, to expand our product lineup and thereby contribute our customers’ asset formation and succession. We will also work to develop and strengthen a structure that allows us to offer the best possible product proposals, including the use of iDeCo and NISA, among others.

To evolve into a more convenient and attractive service that customers can use on a daily basis, Dai-ichi Life’s digital platform service, “Asset Formation Plus,” will strive to offer further support for customers’ asset formation and succession, while using external services and functions that have a proven track record in the digital field.

Furthermore, to provide optimal solutions to each customer, we believe it is important to provide consulting services that are tailored to the customer’s lifetime with regard to both protection and asset formation/succession. In particular, it will be critical for us to refine our consulting services for customers in the pre- and post-retirement periods, when the need for asset management and asset succession is growing. We are promoting the development and education for human capital capable of providing value-added consulting services that precisely meet the needs of our customers with the highest priority on their benefits.

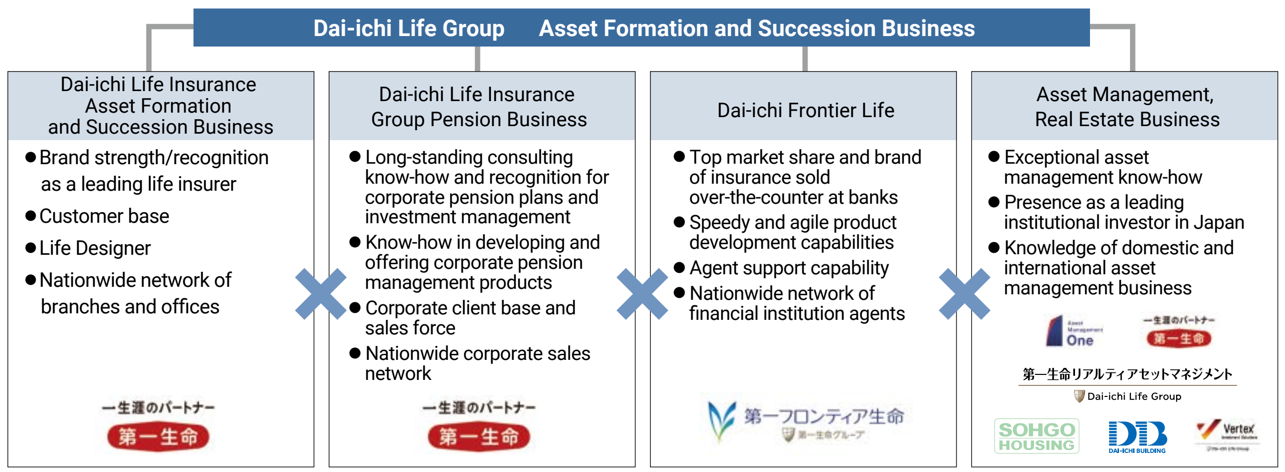
By combining the strengths of the Group, actively considering alliances and M&A with companies outside the Group, and embarking on new initiatives while strengthening the value chain, we will remarkably enhance our CX in the area of asset formation and succession, seeking to realize our customers’ everyday well-being and address social issues.

Asset formation and management in an elderly society



Source: Summary of “Asset Building and Management in an Aging Society,” Report of Working Group on Financial Markets, Financial System Council, Financial Services Agency

Comprehensive Group strengths



Health and Medical Care

Social issues and vision

As Japan faces a super-aging society, the growing gap between life expectancy and healthy life expectancy and the financial strain on health insurance associations and other insurers due to the high level of national healthcare costs are becoming social issues.

While everyone can access medical care with peace of mind thanks to a well-developed medical system that includes universal health insurance, people tend to visit medical institutions after an illness shows symptoms or when the risk of serious illness has increased, driving up the costs of medical care in Japan.

By supporting health from the early stages of illness, the Group is working to optimize medical costs and extend healthy life expectancy, thereby improving the well-being of all of our customers for years to come.

Initiatives and results

Based on an understanding of current social issues, we provide "Healstep®" as a medical cost optimization support service for health insurance associations.

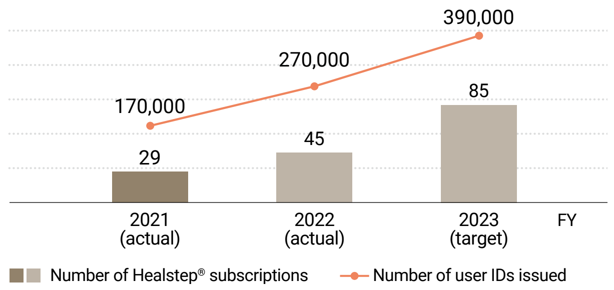
"Healstep®" broadly consists of four services:
(1) Visualization of future disease risks and medical costs with a future medical cost prediction model (AI engine),
(2) Formulation of a response policy based on visualized data,
(3) Assistance with online health guidance and other matters in cooperation with service providers, and (4) "QOLism," a health promotion app for health insurance association members.
Through these services, we offer a wide range of content to help individual customers improve their well-being, including through exercise, diet, and mental health.

At the 2021 Data Health and Prevention Service Trade Fair (sponsored by the Ministry of Health, Labour, and Welfare), we won the "Grand Prize" being acknowledged by health insurance associations, local governments, companies, and other organizations. QOLism has also been well-received externally, including by the Good Design Award (sponsored by the Japan Institute of Design Promotion) in 2022. The number of health insurance associations that have adopted Healstep® has been steadily increasing, and we have also begun to provide part of our services to support health management for employers.
In fiscal 2022, we held "Healstep Meetings" for health insurance associations using Healstep® and "Healstep Webinars" for insurers and employers. While the Japanese government plans to launch the third Data Health Plan* in fiscal 2024, we have received positive feedback from our customers about the opportunities for them to interact with other customers and obtain the latest information from industry experts.

We will continue to listen to our customers, further expand our services, and provide support to boost the effectiveness of our initiatives.

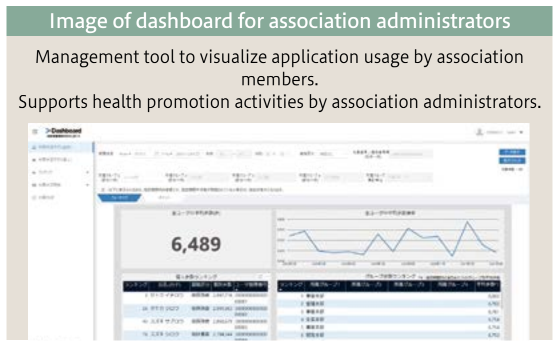
*Data Health Plan: A business plan to effectively and efficiently conduct health insurance business based on the analysis of data derived from health examinations and receipt information through the PDCA cycle.

Number of Healstep® subscriptions and QOLism health promotion application user IDs issued (cumulative results and cumulative targets)



*Number of Healstep® subscriptions: Number of customers who have adopted any of the Healstep® services (1) to (4)
*Number of User IDs issued: Maximum number of people who can use the app

"QOLism" health promotion app



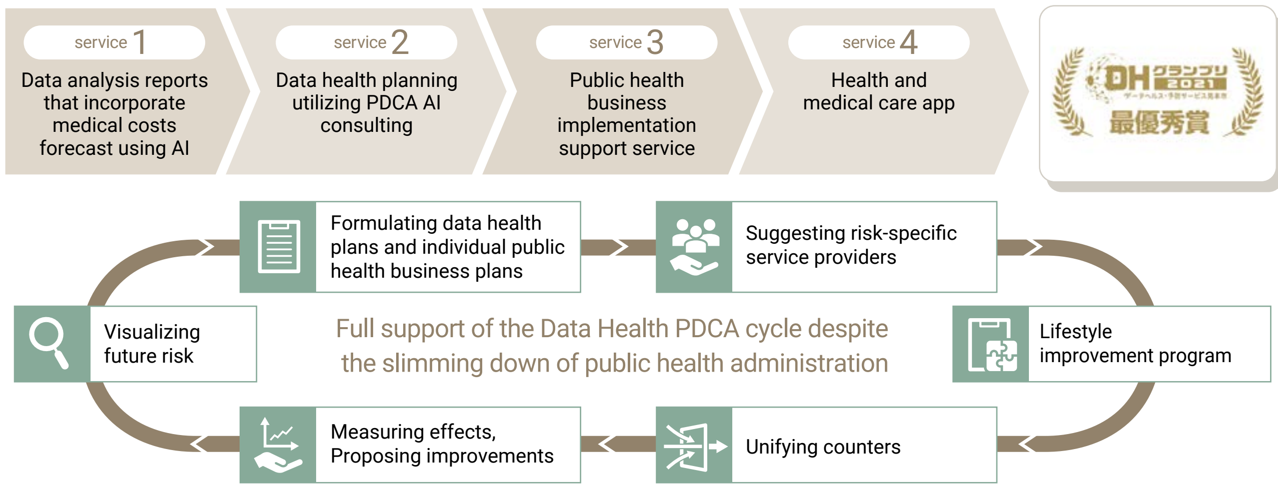
Medium-to long-term initiatives

To solve social issues such as the widening gap between life expectancy and healthy life expectancy and the increasing cost of medical care, we believe it is vital to promote people's health and prevent the onset of severe illness.

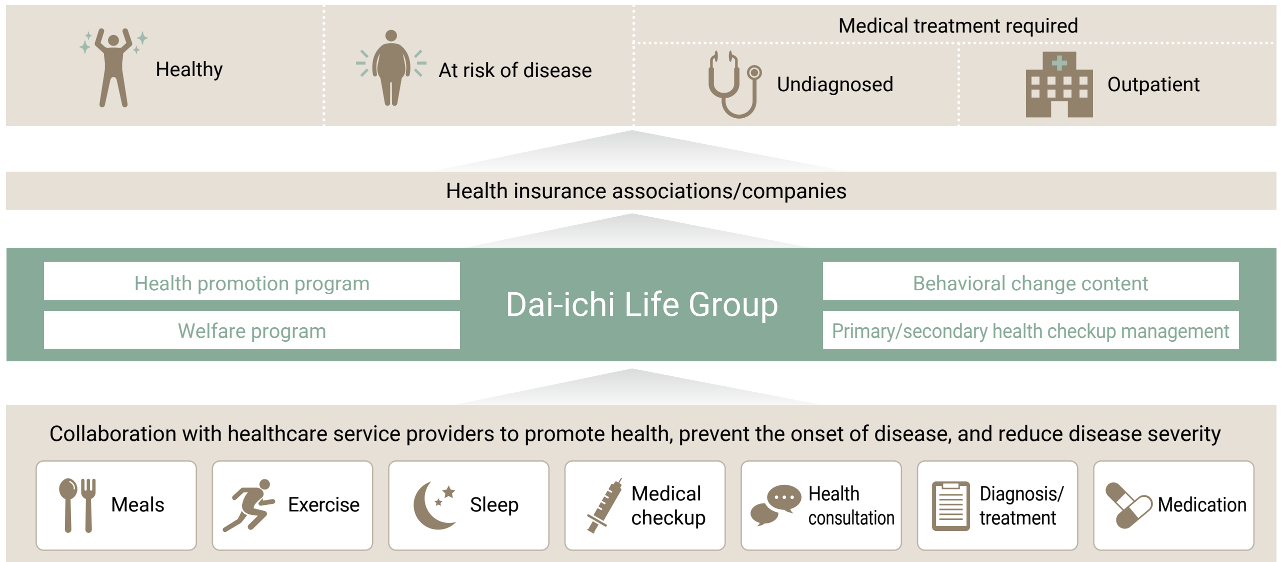
In the medium to long term for example, we are considering providing a seamless platform that allows individuals to identify future risks at an early stage and easily access appropriate medical institutions as a preventive measure or engage in preventive medical care by themselves. In addition, we will seek to improve our services by reflecting customer opinions and requests through the provision of services to a wider range of customers, including employers and health insurance associations.

Since the coronavirus pandemic, great strides have been made in the health and medical fields in terms of online access and digitalization. In keeping with these global changes, we will provide one-stop support from health promotion to prevention of disease onset and reduction of disease severity through face-to-face and digital services in collaboration with companies in various healthcare fields. We will continue to strengthen our Group strategy to have a greater social impact in areas such as extension of healthy life expectancy.

"Healstep®," a medical cost optimization support service



Initiatives in the health & medical care domain



Enhancing Connections

Social issues and our vision

Against the backdrop of a declining birthrate, aging population, digitalization, and diversifying lifestyles, we are entering an era in which people seek not only tangible wealth but also spiritual wealth, with each individual seeking fulfillment and happiness in life.

Social connections that are essential to people's health and longevity play an important role in improving the well-being of each individual. With the declining population and concentration of people in metropolitan areas, however, Japan's regional areas must meet the challenges of local development and activation. Collaboration and co-creation with local governments and business partners are key to solving these issues while raising each customer's QOL.

With our mission "By your side, for life," we stay close to each our customers throughout their lives, and through collaboration and co-creation with external parties, we are addressing issues in each region and realizing the value of experiences that can improve our customers' QOL. And by providing various connections, we are helping to create affluent and secure lives and society.

Initiatives and results

Dai-ichi Life is leveraging its regional network of 1,245 sales offices and branch offices and approximately 35,000 sales representatives around the country to resolve issues specific to each region. As of March 31, 2023, we had "Local Cooperation Agreements" with 47 prefectures and more than 330 local governments at the municipal level. The trust and goodwill that our branches and sales offices across Japan have generated through their efforts to solve local issues has culminated in partnerships with many local governments, and we are further deepening these ties through efforts to solve local issues including health improvement, support for the elderly, childcare, promotion of women's activities and community revitalization.

We have also been expanding our partnerships with financial institutions and companies in other industries with the goal of providing new experiential value that raises QOL for our customers. With each individual's sense of values diversifying, we began collaborating with new business partners to introduce services related to housekeeping and a hometown tax program in 2022 to deliver customer experience value that goes beyond the framework of insurance.

In January 2023, we made ipet Holdings a subsidiary as a novel initiative in the "Enhancing Connections" area. As such, we are striving to provide peace of mind to families and their pets, while creating new experiential value.

Medium-to long-term initiatives

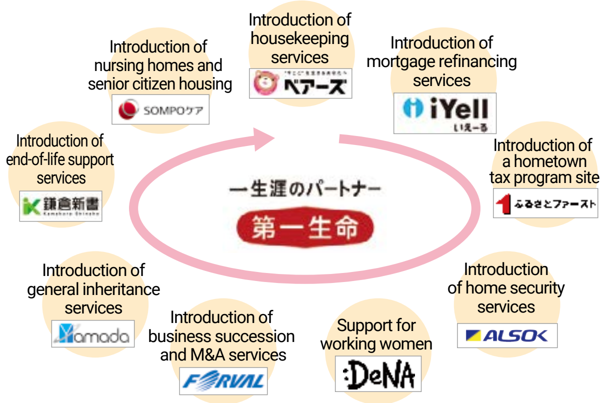
Continuing our efforts on "Enhancing Connections" between communities and customers over the long term, we are promoting initiatives that lead to new experiential value by sharing within the company initiatives that contribute to solving local issues and incorporating ideas and knowledge. Moreover, through collaboration and co-creation with local governments and business partners, we believe that we can create social and economic value for the Group by remaining close to our customers in their daily lives, helping them raise their level of well-being, and solving social issues without being bound by the framework of insurance, while creating a chain of connections.

Local problem-solving initiatives at branch and sales offices nationwide

Kyoto General Branch Office
Promoting local sports and education to improve the QOL of local residents

Okayama Branch Office
Carrying out educational activities to prevent victims of phone fraud in cooperation with the Okayama Prefectural Police

Expansion of QOL services at Dai-ichi Life



Special Feature: Acquisition of ipet Holdings as a Subsidiary

ipet HOLDINGS

The Best Partner in the "Enhancing Connections" Area

In March 2023, ipet Holdings became a wholly owned subsidiary of the Group. We began a business alliance with ipet Insurance, a subsidiary of ipet Holdings, in 2019 and have since built a relationship of trust through sales of pet insurance and the exchange of employees in the form of Dai-ichi Life's sales representatives.

In recent years, the status of pets in the home has changed dramatically as nuclear families have become the norm. Pets have become as important as family, hobbies, and health in improving people's QOL. We judged that ipet Holdings, for which the management philosophy seeks to protect the health of pets and create a society where pets and people can live together in good health, would be the best partner for our Group in the area of "Enhancing Connections."

Providing value beyond the life insurance business domain

With pets becoming ever more important members of the household, the pet-related market is continuing to grow steadily, and pet insurance in particular is a market that is showing strong growth. Through the acquisition of ipet Holdings as a subsidiary, the Group has expanded its business wing into pet insurance, which is unusual in Japan in that it is a coverage market with a high growth rate. Furthermore, we will be positioning this acquisition as a new initiative to provide value to our customers beyond the conventional life insurance business domain, from the perspective of "Enhancing Connections."

Employee Comments Dai-ichi Life Holdings Corporate Planning Unit Juntaro Inamasu

We are very pleased to welcome ipet Holdings to the Group. ipet Holdings and Dai-ichi Life have been collaborating mainly in the area of pet insurance sales since the alliance began in 2019. With the addition of ipet Holdings as a Group company, we intend to redouble our efforts as a unified group to deliver peace of mind to families with pets as we respond to the diverse needs of our customers.

Overseas Business Strategy

As a driver of the sustainable growth of the Group, we contribute to the well-being of our global customers and Group companies as well as fellow employees who are active around the world.

History

We considered overseas business as a major up-and-coming growth area and started operations in Vietnam as the first Japanese life insurer in 2007, which paved the way for our full-scale overseas business expansion.

We invested in and concluded a strategic business alliance with Thailand insurer OCEAN LIFE in 2008 and started operations of Star Union Dai-ichi Life in India, which was founded as a joint venture together with two India's leading state-owned banks, in 2009. Moreover, we expanded our operations within the Asia-Pacific region by completing the acquisition of Australian insurer TAL's equity, which became a wholly owned subsidiary in 2011, and investing in Indonesian insurer Panin Dai-ichi Life in 2013.

We acquired U.S. insurer Protective in 2015, thereby further diversifying our business portfolio in terms of regions and market growth stages as well as accelerating our overseas expansion strategy through entering the world's largest market. Moreover, we enhanced the functions of our Group headquarters in Tokyo and established two regional headquarters in New York and Singapore to form a global trilateral structure as a way to enhance Group governance/management and support the sustainable growth of our overseas Group companies.

During the past few years, we launched operations in Cambodia in 2019 and in Myanmar in 2020 through establishing new subsidiaries. Moreover, we acquired New Zealand insurer Partners Life in 2022, which is the ninth country outside of Japan where our Group companies operate. We also invested in YuLife, a U.K.-based insurtech company in the same year, which contributed to our balanced business portfolio.

Review of fiscal 2022

Adjusted profit from our overseas business was ¥62.9 billion in fiscal 2022. Although the adjusted profit decreased from the previous fiscal year due to rising overseas interest rates and declining bond prices after the U.S. bank failures in March 2023, the overseas business accounts for about 34% of the Group's total adjusted profit and continues to drive the Group's sustainable growth.

Overview of our overseas business strategy

The major mission of our overseas business is to contribute to the well-being of the people around the world and to increase the overall Group's sustainable corporate value by generating free cash promoting our growth strategy and pursuing capital efficiency.

Existing businesses aim to expand sustainable profit contributions by supporting the steady implementation of our growth strategy in accordance with the growth stage and business challenges of each overseas Group company.

Moreover, we will pursue high-quality investment opportunities with high capital efficiency to achieve further growth while we expand our life insurance business through advancing into new countries and exploring new business fields.

In addition, we are working to enhance and sophisticate the management system that supports sustainable business growth by holding various meetings attended by the senior management of overseas Group companies.

New initiatives

Initiatives toward further growth

In our overseas business, we continue our efforts to achieve further growth for the overall Group by pursuing high-quality investment opportunities with high capital efficiency, while expanding the life insurance business and exploring ways to make new value propositions.

To expand the life insurance business, we are working to increase the profit scale by broadening the traditional life insurance business with our know-how and extend into new regions. Moreover, with regard to exploring ways to make new value propositions, we are seeking out new opportunities across the world, including investment in and partnerships with innovative and unique start-ups that have cutting-edge digital technologies.

Through these initiatives, we aim to acquire an agile management style and advanced know-how, and will build a resilient business portfolio that would not easily be affected by changes in the external environment.

As a result of these efforts, we were able to make the following acquisition and investment in fiscal 2022, which will lead to the improvement of the risk profile and profit growth of the Group.

Acquisition of Partners Life

In November 2022, we acquired 100% of the shares of Partners Life to make it a wholly owned subsidiary. Partners Life is a life insurance company group that grew to become the second largest insurer in the New Zealand market in about 10 years since its founding by offering simple and advanced protection products via an independent financial advisor channel.

Although New Zealand is a developed market, the insurance penetration (life insurance premiums as a percentage of GDP) is relatively low, and despite being small in size, it is a market with stable growth potential.

The acquisition of Partners Life is expected to further diversify the geographical deployment of our business and contribute to supplementing and stabilizing the profits of the Group. Moreover, it improves the Group's risk profile by incorporating Partners Life's risk features, centering on insurance risk, and facilitates the acquisition of the organizational capabilities that we need, such as agile development and the operation of cloud-based systems and outstanding digital capabilities, which have been the driving force behind the company's rapid growth.

Investment into YuLife

In July 2022, we invested in YuLife, an online group insurance and well-being company that has been growing rapidly by leveraging digital technology since its establishment in the United Kingdom in 2016.

In addition to the protection function of group insurance, the company's products and services are designed to enable members to receive various benefits (points that can be exchanged for goods, miles, and vouchers) in return for continuous health promotion activities through its all-in-one app. The benefits are also devised to encourage continuous changes in behavior among members by utilizing the latest behavioral science knowledge.

Moreover, members can manage group insurance policies and additionally enroll in individual insurance, and this is unique in that it provides group insurance, individual insurance, and well-being experience in an integrated manner.

Furthermore, YuLife has the flexible and agile culture typical of start-ups. While learning from its successes including its culture, we will promote initiatives to enhance our existing domestic and overseas business, build synergies, and create new businesses by utilizing the company's digital capability and knowledge.

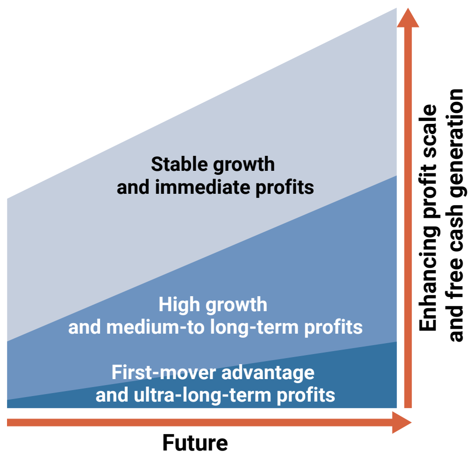
Existing businesses

Business portfolio management

In our overseas business, we aim to contribute to the well-being of our customers and all people through the business activities of overseas Group companies. We are expanding our business broadly in markets at different stages of growth, such as the United States and Australia, where stable growth is expected; Vietnam and India, where high growth is being achieved; and Cambodia and Myanmar, where profit growth is expected over a long-term horizon.

Characteristically, by supporting the business growth of overseas Group companies, we are building a business portfolio that can create value of new business and profits in a well-balanced manner.

While ensuring the financial soundness of our overseas Group companies, we will contribute to enhancing the Group's corporate value by reallocating surplus capital, which is generated from business operation and risk reduction, to businesses expected to have higher capital efficiency and higher growth.



Business strategy of Protective

The United States is the world's largest life insurance market and is expected to stably grow in the future with an increasing population and a growing economy.

The recent business environment has seen significant economic changes such as rising interest rates, heightened inflationary pressure, and collapse of some U.S. banks. Amid these conditions, Protective intends to expand the size and profitability of its business via a unique business model that stably generates capital from retail business and effectively utilizes its capital in the acquisition business.

In the retail business, Protective offers protection products centered on term insurance and a wide range of fixed and variable annuities in savings-type products that provide solutions to meet various customer needs.

Protective is strengthening traditional distribution channels such as independent agents, actively developing new distribution channels such as non-life insurance agents, and reinforcing the wholesaler functions that support those channels.

Furthermore, Protective pursues initiatives such as digitalizing the customer process of application for a new contract to improve customer convenience, while reducing operating costs.

In the acquisition business, Protective aims to strengthen its profit base by continually executing mergers and acquisitions based on its rich know-how accumulated through past acquisitions experience, targeting existing individual insurance block, annuity block and entities operating asset protection business.

Even under an uncertain economic environment, Protective strives to continuously contribute to stable profits for the Group as a core entity in the overseas business by enhancing its risk management system while absorbing asset management know-how provided from the Group.

Business strategy of TAL

Australia is a developed country with an established life insurance market. The current market outlook indicates a stable profitability profile and stable economic growth together with a growing population.

TAL aims to provide customers with flexibility in product and benefit selection, enabling each customer to meet their life plan through the combination of protections. Furthermore, TAL places importance on the health and well-being of all customers and offers a range of initiatives to facilitate improved customer health outcomes through a range of discounts on insurance premiums focused on each customer's BMI and mental well-being.

TAL pursues a multichannel strategy centered on retail, direct, and group life insurance (superannuation funds) and will continue to grow and strengthen relationships with new and existing distribution partners. In August 2022, TAL acquired Westpac Life, a life insurance subsidiary of Westpac Banking Corporation, one of Australia's leading financial groups, enabling TAL to offer greater life insurance access to more Australians through the Westpac banking channels.

TAL places considerable focus on DX having recently automated the underwriting process and launched a digital capability for customers filing a claim; this also includes the ability for customers to check their own claims status. In addition, a range of other improvements are under way that aim to enhance the customer experience across the value chain and improve process efficiency through the adoption of digital technology.

As the leading life insurer in Australia, TAL strives to generate stable profits and places a continued focus on growing the business through new and existing partnerships and scoping additional growth opportunities.

Business strategy of Dai-ichi Life Vietnam

Vietnam's life insurance market continued its double-digit growth in total Premiums and is expected to continue to expand due to the large young population, low penetration of life insurance, and high economic growth.

Dai-ichi Life Vietnam's main products are universal life insurance, which allows customers to flexibly adjust premium payments according to their life stage, and unit-linked life insurance, which allows customers to choose their investment methods, while also expanding the offering of riders such as those for healthcare.

With regard to the distribution channel, Dai-ichi Life Vietnam focuses on recruiting agents among young people and developing those agents for extended careers via a revamped training program and enhanced digitalization. An alternative distribution channel centered on banks promotes initiatives to strengthen relationships with partners through various training programs and digital technology.

Dai-ichi Life Vietnam continues to improve the customer experience by promoting the digitalization of customer service through apps and cashless premium payments, etc.

Under the corporate mission of "Lifetime Partner," Dai-ichi Life Vietnam aims for sustainable corporate value growth through increasing market share in total Premiums by providing the best life insurance products and customer service.

Business operation

Enhancement of the global management system

With the aims of utilizing our global knowledge and enhancing our management, the Group has established a meeting body (Global Leaders Committee: GLC) consisting of the senior management of overseas Group companies and Dai-ichi Life Holdings' executives to discuss medium- to long-term overseas business strategies. Through these meetings, we are promoting joint initiatives to solve common Group issues and sharing the Group's philosophy and policies. In fiscal 2022, we welcomed the CEO of Partners Life, a new member of the Group, and had even more active and open discussions.

In addition, with a view to further developing our business portfolio, we have established a meeting body (Global Strategy Board: GSB) to discuss and offer advice on overseas strategies from overall optimization perspectives as a Group. Our senior management, including the former management of overseas Group companies, gathers to deepen discussions centered on strategies related to overseas business and overseas human capital.

Our regional headquarters in the Asia Pacific and North America have been strengthening appropriate governance, business management, and support systems in their respective regions.

In particular, at the regional headquarters for the Asia-Pacific region, we are working to enhance the management system by incorporating more global perspectives, for example, by appointing executives regardless of their nationality who have driven growth in overseas Group companies.

Commemorative tree planting by GLC members at the Sogo Memorial Hall (former residence of our founder)

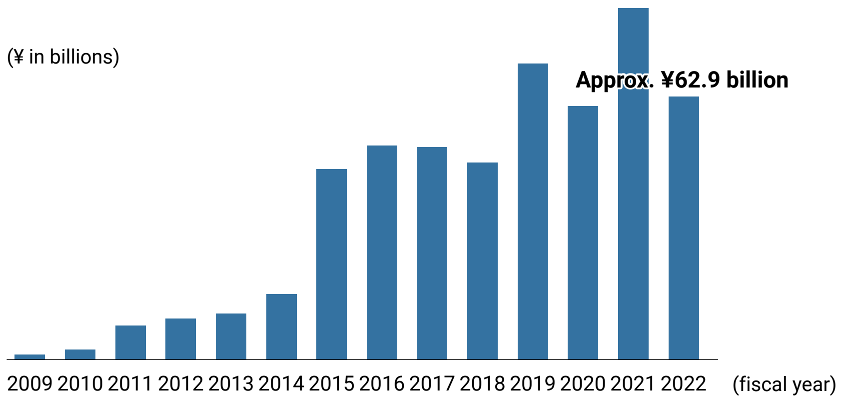
Outlook

Future outlook of the overseas business

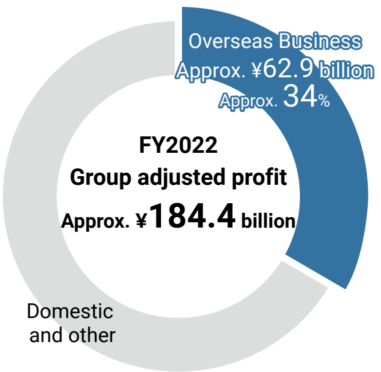
The overseas business is entering an era of rapid change where future prospects are difficult to predict. The market environment remains unstable, with global inflation and subsequent interest rate hikes, and further measures will be required to accommodate regulations such as the International Capital Standards (ICS) and trends related to climate change. Moreover, it is necessary to keep paying close attention to changes in consumer behavior in the post-COVID era as well as to geopolitical and human rights risks.

To respond appropriately to these urgent issues and continue to deliver value to our stakeholders, we will drive the sustainable profit growth of the Group by expanding the profit contributions of existing businesses and exploring new initiatives. Leveraging the life insurance know-how that we have cultivated over some 120 years, we will continue to pursue sustainable value creation from a global perspective while cooperating and collaborating with overseas Group companies.

Adjusted profit in the overseas business



Contribution of the overseas business to Group total adjusted profit



4 Experiential Values in CX in the Overseas Business

Protection

The overseas Group companies are enhancing their lineup of protection products while utilizing digital technologies to improve the customer experience. For example, TAL has introduced the capability for customers to file claims online, upload the necessary documents, and check the status of their claims. Currently, approximately 50% of Group life insurance claims are processed online. TAL also utilizes AI to improve the efficiency and speed of underwriting and claims processes and continues to enhance its cybersecurity measures to deliver customers peace of mind in using these services.

Furthermore, TAL places significant focus on listening to customers through its established NPS® program, which helps identify customer experience improvement insights and opportunities.

Asset Formation/Succession

To meet customers' various asset formation needs, we are expanding the variety of savings-type insurance products at overseas Group companies. For example, Star Union Dai-ichi Life in India, a country expected to see a high level of economic growth in the future, offers traditional endowment and annuity insurance as well as unit-linked insurance, where the insurance amount fluctuates depending on investment performance, and supports asset formation by suggesting insurance products based on each customer's goals, asset status, risk preferences, and other factors.

Health and medical care

Overseas Group companies are also pursuing initiatives that contribute to people's health and medical care in various ways. For example, Dai-ichi Life Vietnam has conducted virtual run events in recent years, in addition to existing activities such as installing water purifying systems for schools and charity support for cataract surgeries. Dai-ichi Life Vietnam donated approximately 5 billion đồng (about ¥30 million) in 2022 to the economically disadvantaged for exercise such as walking and jogging by participants and continues to promote corporate social responsibility and contributions to people's health in Vietnam.

Enhancing Connections

Overseas Group companies also contribute to solving issues and developing local communities through connections with each community and its residents. For example, Protective provides grants for research activities related to extending healthy life expectancy at the University of Alabama at Birmingham and supports efforts to solve challenges facing the aging society through Protective Life Foundation. Moreover, it continues to provide support through scholarships, awards for excellent achievers, sponsorships for sporting events, donations to various NPOs, and volunteer activities.

Message from the CSuO

Sustainability Promotion

By promoting sustainability, we demonstrate our commitment to the "sustainable well-being" of all stakeholders, society, and the global environment.

Director, Managing Executive Officer,
Chief Sustainability Officer Hidehiko Sogano

My name is Hidehiko Sogano, and I was appointed Chief Sustainability Officer (CSuO) in April 2023. To further strengthen the Group's sustainability efforts, this CSuO position was created in the CXO system and Sustainability Office was established within the Corporate Planning Unit in the current fiscal year.

Promoting sustainability encompasses a wide variety of topics, including addressing climate change, biodiversity, and other environmental issues, as well as respect for human rights and diversity, and governance. In addressing these issues, we aim to provide the "sustainable well-being" to all stakeholders, the society they comprise, and the global environment that surrounds them. Even if we focus on only environmental issues, for example, unless the individuals who are trying to resolve the issues feel a sense of security across generations and a sense of well-being to lead a rich and healthy life, the efforts will not last long. If the society supports such efforts, it will spark a movement that will spread and become a force for ensuring the sustainability of the entire planet.

Based on these ideas, the Group places importance on the well-being of each and every officer and employee and strives to maintain an environment that ensures diversity, fair and equitable evaluations, and the freedom to work in a way that allows each individual to think freely. In such an environment, we ask officers and employees to always consider what will foster the well-being of customers and all other stakeholders. In fiscal 2022, the Group Sustainability Committee, which actively incorporates the opinions of outside experts, engaged in discussions about the ways to ensure the sustainability of society by providing the Four Experiential Values, customer experience that extends beyond the boundaries of insurance.

The global environment is changing all the time, and the international community is becoming more uncertain. We need to think independently about what we can do for the sustainability of society and the global environment and then take action. As the core subsidiary, Dai-ichi Life has already set a goal of achieving net-zero emissions by 2050 and is taking steady action to achieve that goal. This fiscal year, we formulated our Net Zero Transition Plan as a clear roadmap for reaching our target. We have formulated action plans, mainly focusing on the activities of Dai-ichi Life, of what we have been working on and what we plan to work on to "promote net-zero transition of the real economy through investment and financing activities" and "achieve net-zero emissions from business activities" as a financial institution.

In addition, we are a member of various international organizations that develop guidelines for such action plans and actively participate in the drafting of new frameworks from the outset. Since the establishment of GFANZ*, for example, we have actively participated in various working groups, with the cooperation of the Group's overseas office. In addition, this fiscal year's Integrated Report includes a new section on promoting biodiversity. We also engage in human rights due diligence efforts to ensure respect for such rights.

These wide-ranging initiatives related to sustainability have evolved into Groupwide initiatives as we share best practices among Group companies. Also, the outcomes of such efforts are discussed by internal officers and employees, as well as all Board members. In these ways, we have been challenging ourselves to promote sustainability in every direction.

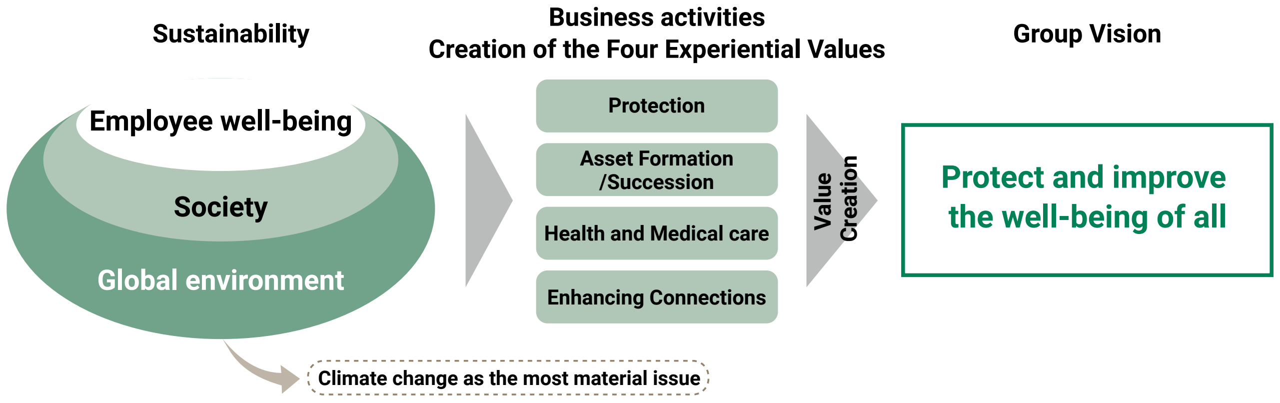
Through the aforementioned efforts, we are confident that the Group will continue benefiting all stakeholders in a sustainable manner. In the following pages, we provide details on initiatives promoted by the Group in the hope that you understand and support our commitment to sustainability. We would also like to receive your honest feedback, so please do not hesitate to contact us.

* Glasgow Financial Alliance for Net Zero: The world's largest alliance of financial institutions committed to net-zero emissions.

Positioning of Sustainability in the Dai-ichi Life Group

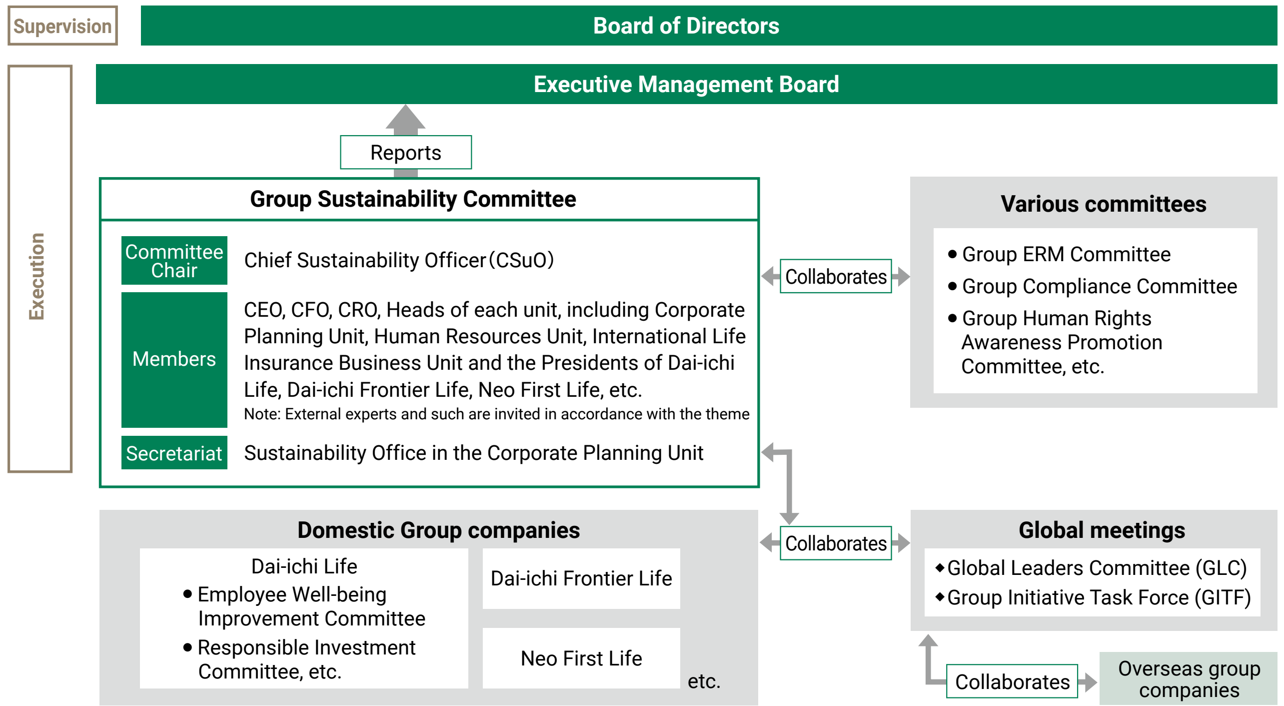
In our medium-term management plan "Re-connect 2023," we have positioned sustainability initiatives aimed at tackling "material issues related to the global environment, local communities and society," and for the promotion of "the well-being of employees," who are dealing with the material issues, as the foundation of our business activities.

For example, in the area of global environmental initiatives, we have identified climate change as the most important issue, and are aiming to achieve "Net Zero" from the perspectives of both an institutional investor (through investment of premiums received from policyholders) and an insurance provider (through operations and management related to the insurance business, etc.). In addition, we are working with local governments across Japan to resolve region-specific issues, such as health promotion, education and the empowerment of women. These activities are now also carried out at overseas group companies in the United States, Oceania and Southeast Asia.



Sustainability Promotion Structure

The Group is building a sustainability promotion structure centered around the Group Sustainability Committee to make meaningful contributions to the realization of a sustainable society. In April 2023, a new position of Chief Sustainability Officer (CSuO) was created for an individual tasked with promoting the Group sustainability strategy and chairing the Group Sustainability Committee. A number of initiatives, including those designed to tackle climate change, are discussed by the committee and reported regularly for review to the Executive Management Board and the Board of Directors. Further, the Group includes sustainability criteria, including indicators related to progress in reducing CO_2 emissions, as part of evaluation criteria for performance-linked stock-based remuneration for directors and officers.



Group Sustainability Committee

The Group Sustainability Committee discusses Group policies and strategies regarding sustainability, effective publication of information including external commitments, and monitoring of the implementation of initiatives at each Group company, from a medium- to long-term perspective throughout the Group. These discussions all consider the opinions of several external experts. The Committee then reports its discussions to the Executive Management Board and the Board of Directors.

Recent topics of discussion

Month	Overview
June 2022	• Resolving social issues in the areas of "Protection" and "Asset Formation/Succession" • Promoting Diversity and Inclusion (D&I) • Expansion of climate-related disclosure
September 2022	• Resolving social issues in the area of "Health and Medical Care" • Promoting sustainability via the life insurance business
December 2022	• Resolving social issues in the area of "Enhancing Connections" • Promoting D&I and other human capital strategies • Review of external ESG assessments and future challenges
February 2023	• Resolving social issues in the area of "Health and Medical Care"" • Human rights due-diligence initiatives • Response to climate change and future issues • Sustainability Promotion Structure
May 2023	• Sustainability initiatives and the positioning of business activities • Transition finance initiatives at Dai-ichi Life • Expansion of climate-related disclosure (Transition Plan)

Main external experts*

Yoshiki Ishikawa

Representative Director, Well-being for Planet Earth Foundation

Toshiya Hoshino

Director, ESG Integration Research Center, Graduate School of Osaka University

Peter David Pedersen

Co-founder of E-Square Inc. and Representative Director of NELIS

*Participants are invited as appropriate based on the theme of each session.

Message from External Expert

Representative Director, Well-being for Planet Earth Foundation **Yoshiki Ishikawa**

Ph.D. in Medicine from Jichi Medical University after graduating from Faculty of Medicine, University of Tokyo and Harvard School of Public Health. Researcher in the field of preventive medicine. Specializes in preventive medicine, behavioral science, computational creation science and conceptual evolution. Conducts interdisciplinary research with companies and universities on the theme of "What is the meaning of a Good Life?"

I have been participating in the Dai-ichi Life Group's Sustainability Committee as an external expert since fiscal 2021. The Group is committed to continuously improving its corporate value under the vision of "Protect and improve the well-being of all." At the committee, we have been discussing the Group's value creation story, materiality organization and business connections in order to achieve this vision. The outcomes of these discussions can be seen objectively in the Dow Jones Sustainability Indices and other indices, which compare Dai-ichi Life Holdings' progress in promoting sustainability to other companies.

The Dai-ichi Life Group will continue to make further efforts to demonstrate its uniqueness (competitive advantage) and communicate how it aims to perform well in terms of both financial and non-financial KPIs in an easily comprehensible manner to all stakeholders. It goes without saying that the Dai-ichi Life Group has placed a high value on the "spirit of mutual support" since its foundation. The Group will continue to work steadily toward "sustainable well-being" for people, society and the Earth through dialogue and cooperation with its stakeholders. We look forward to your candid feedback on this topic.

Further information disclosure regarding sustainability

We have created the "Sustainability Report" to provide a deeper understanding of the Group's approach to sustainability and our major initiatives in this regard. In addition, in August 2023, we formulated and disclosed our "Net Zero Transition Plan" as an action plan to achieve net-zero emissions. We will continue to publicize further information by disclosing the latest information on our website.

https://www.dai-ichi-life-hd.com/en/sustainability/report/index.html

https://www.dai-ichi-life-hd.com/en/sustainability/environment/nztransitionplan.html

Initiatives to Respect Human Rights

Basic way of thinking

The Dai-ichi Life Group has established a set of Group action principles (the DSR Charter) that enumerates the value system that all executives and employees cherish. One article of this charter declares that we work to have "respect for human rights" and establishes the "Dai-ichi Life Group Human Rights Policy." In addition, the core company of the Dai-ichi Life Group, Dai-ichi Life, includes content regarding human rights in its "Code of Conduct," prescribing that we do not approve of any violation of any human rights in the pursuit of business.

Along with our Group's early grasp of the trend in the international community for human rights respect, we aim to be a company rooted in a value system of "respect for human rights" that seeks happiness for all, and works to develop employees who act in all situations with a mind to constantly care for others and who correctly understand the principles and guidelines related to human rights.

Dai-ichi Life Group Human Rights Policy
https://www.dai-ichi-life-hd.com/en/sustainability/initiatives/rights.html

Promotion of human rights due diligence

Committed to respecting the human rights of all business-related stakeholders, including those in the supply chain, the Dai-ichi Life Group pursues ongoing human rights due diligence initiatives in the following ways.

Dai-ichi Life example: Human rights due diligence initiative (PDCA cycle)

- **P** Commit to the declaration of the Group Human Rights Policy and promote thorough knowledge of it within the company
- **D** Perform periodic evaluation of identification and influence of human rights risks related to business in every organization in the company
- **C** Take measures to prevent/mitigate human rights risks, correct/remedy human rights violations when they occur, and measure the effectiveness of measures taken
- **A** Periodically disclose the state of initiatives, and reflect the resulting opinions and evaluations back into the policy

In promoting human rights due diligence, we have put the following systems in place.

Promotion system for respecting human rights		
Name	Group Sustainability Promotion Committee	Group Human Rights Awareness Promotion Committee
Committee Chair	Chief Sustainability Officer(CSuO)	Executive officer in charge of Human Capital
Committee members	Appointed executive officers	Appointed department heads
Frequency	Three times a year in principle (and as needed)	Once a year in principle (and as needed)
Matters discussed	Share understanding of changing environment related to sustainability (including human rights issues), as well as status of and issues related to Group initiatives, and formulate, revise, and abolish measures to address them	Share understanding of changing environment related to human rights awareness, as well as status of and issues related to Group initiatives, and formulate, revise, and abolish measures to address them

Human rights due diligence initiatives
https://www.dai-ichi-life-hd.com/en/sustainability/initiatives/rights.html

Initiatives as an institutional investor

At Dai-ichi Life, we strive to create a positive social impact through asset investment and lending that contribute to solving social problems including the promotion of diversity and the respect for human rights, in accordance with the Basic Policy on Responsible Investment released in April 2022. Also, in stewardship activities centered on the exercise of voting rights and engagement (dialogue) with the companies with which we invest or lend, we emphasize the viewpoints of diversity and respect for human rights.

Responsible Investment Report
https://www.dai-ichi-life.co.jp/english/dsr/investment/ri-report2.html

Addressing Climate Change: Disclosure Based on the TCFD Recommendations

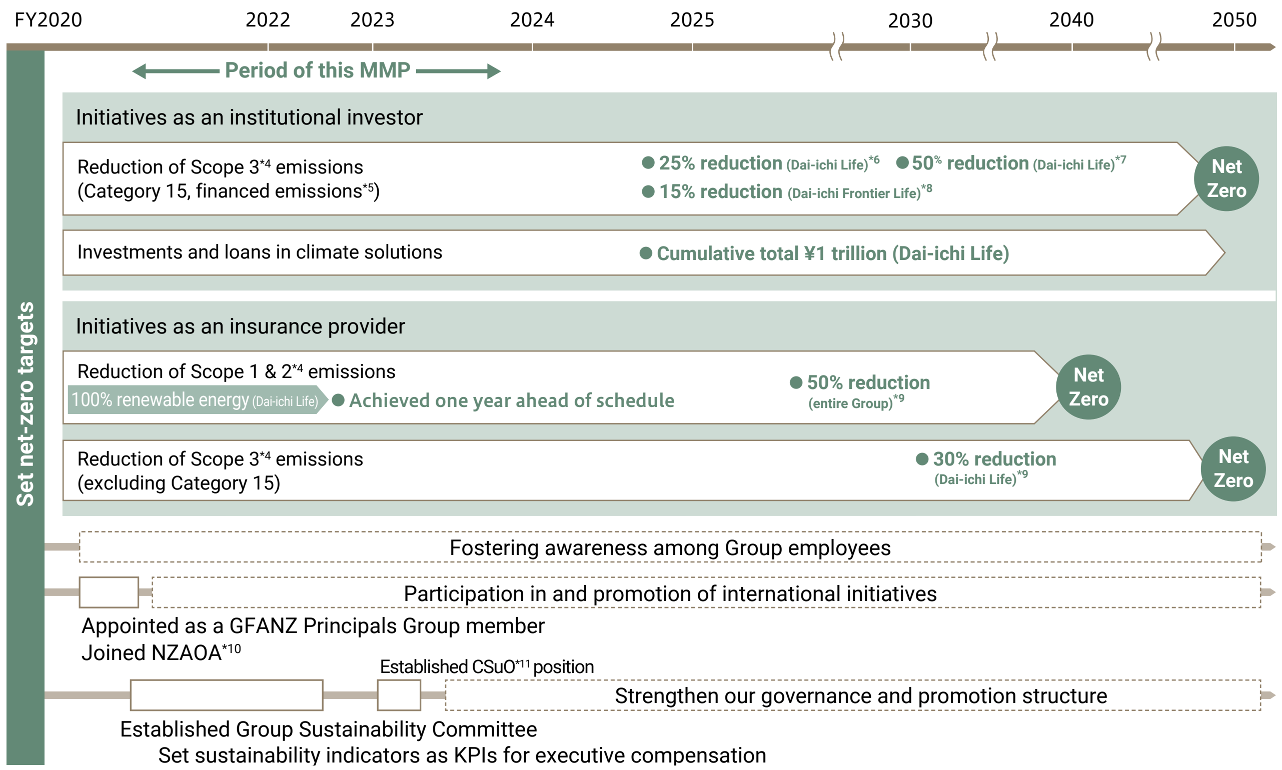
Our stance

The Group's pursuit of "well-being of all including future generations" can only be achieved if a sustainable society exists with a 100-year future horizon. We have positioned the sustainability of society as the foundation of our business operations. To this end, we will work more actively than ever before to resolve material issues[*1].

To ensure the sustainability of the global environment, which is the foundation of people's lives, the Group, as an insurance provider and institutional investor, has set targets for contributing to the realization of a decarbonized society. We will continue stepping up efforts to address climate change through our business. We will also actively participate in domestic and international initiatives, such as GFANZ[*2], the world's largest coalition of financial institutions committed to the goal of Net Zero, to share our views and contribute assertively to the global rulemaking process.

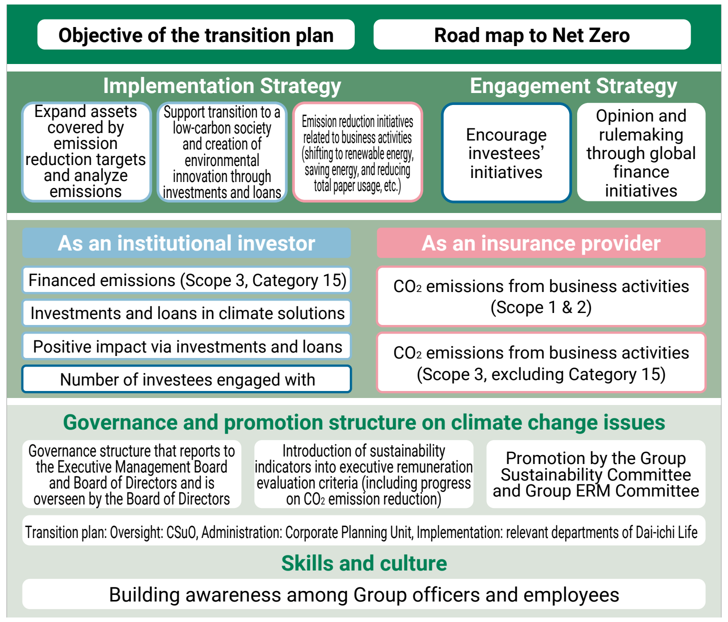
To realize the aspirations[*3] of the Group's vision, we will demonstrate stronger leadership as an institutional investor and insurance provider by pursuing initiatives (including information disclosure) that will serve as a model for the rest of the world. In these ways, we will contribute to achieving a decarbonized society and, by extension, a sustainable society.

Road map to Net Zero



*1 For the material issues of the Dai-ichi Life Group, please refer to "Material Issues of the Dai-ichi Life Group" on P.29.
*2 Glasgow Financial Alliance for Net Zero. Please refer to P.71 for details of this initiative and the Group's initiatives.
*3 The Group's vision: "Protect and improve the well-being of all"
*4 Scope 1: Direct emissions by the Company; Scope 2: Indirect emissions associated with the use of electricity, etc., supplied by other companies; Scope 3: Indirect emissions other than Scope 1 and 2 emissions). Dai-ichi Life's Scope 3 (excluding Category 15) emissions include Category 1 (Purchased goods and services), Category 3 (Fuel- and energy-activities (not included in Scope 1 and 2)), Category 4 (Upstream transportation and distribution), Category 5 (Waste generated in operations), Category 6 (Business travel), Category 7 (Employee commuting), and Category 12 (Processing of sold products).
*5 Greenhouse gas (GHG) emissions of investees (Scope 3, Category 15)
*6 Compared with 2020 (listed equities, corporate bonds, and real estate portfolios)
*7 Compared with 2020 (listed equities, corporate bonds, real estate, and loan portfolios)
*8 Compared with FY2020, based on GHG emissions per unit of assets held (intensity)
*9 Compared with FY2019
*10 UN-convened Net-Zero Asset Owner Alliance (association of institutional investors committed to transitioning their investment portfolios to net-zero GHG emissions by 2050)
*11 Chief Sustainability Officer
*12 Please see P.95 for details on the remuneration system for directors and executive officers.
*13 Please refer to the following webpage for details on risk management: https://www.dai-ichi-life-hd.com/en/about/control/in_control/administer.html
*14 Degree of impact is based on economic loss, reputational damage (impact on sales, management responsibility, and stock price), and other factors.

Net Zero Transition Plan (Summary)



As a financial institution, we produced and disclosed our Net Zero Transition Plan in August 2023 to promote a more integrated response to climate issues aimed at transitioning to Net Zero in the real economy. This plan was formulated in reference to the transition plan guidance of GFANZ, etc.

The current transition plan is formulated mainly focusing on the activities of Dai-ichi Life, the Group's core operating entity in Japan. It is overseen by the CSuO and administered by the Corporate Planning Unit, with relevant departments of Dai-ichi Life in charge of promoting their respective initiatives. Its implementation progress is monitored and discussed by the Group Sustainability Committee, which reports its findings to the Executive Management Board and is supervised by the Board of Directors.

This plan clearly states our priorities for achieving net zero. The contents of the plan will be updated on an ongoing basis.

Full text of the Net Zero Transition Plan
https://www.dai-ichi-life-hd.com/en/sustainability/environment/nztransitionplan.html

Governance/Risk Management

Roles of the Executive Management Board and Board of Directors

The Group pursues climate-related initiatives through the Group Sustainability Committee and the Group ERM Committee. These efforts are supervised by the Board of Directors and are based on business plans related to climate change which are formulated under the leadership of the Executive Management Board. The progress status of initiatives (Direction of initiatives including Group targets, responses to risks, etc.) is reported regularly to the Executive Management Board and the Board of Directors, and the Board of Directors provides supervision to further strengthen climate change initiatives.

Initiatives to strengthen governance structure

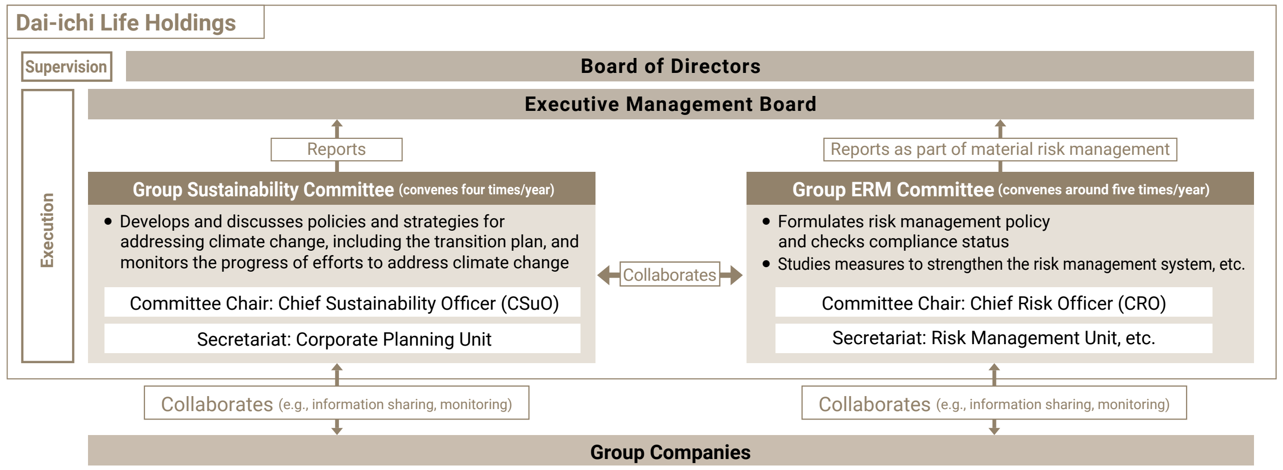
In April 2021, we established the Group Sustainability Committee to formulate policies and strategies related to sustainability, including climate change, and to monitor the implementation of initiatives. In April 2023, we established a new position of Chief Sustainability Officer. We are further refining the sustainability promotion functions of the Sustainability Office of the Corporate Planning Unit to strengthen our structure for fostering a decarbonized society. In addition, we have set sustainability indicators, including progress in reducing CO_2 emissions, as evaluation criteria for performance-linked stock-based remuneration for directors and officers (introduced in July 2022)[*12].

Risk Management System

The Group is implementing risk management that takes appropriate measures at an early stage by specifying foreseeable risks with the potential to significantly impact its business as "material risks" and formulating business plans that take these risks into account[*13].

The Risk Management Unit identifies group material risks based on the results of material risks identified at group companies and conducts a four-stage evaluation of the degree of impact[*14] and the likelihood of occurrence, then uses a heat map to pinpoint material risks with high importance. Group material risks are reviewed every year. The Paris Agreement of 2016 has raised awareness of addressing environmental issues as a challenge that should be tackled by the international community. The Group also recognizes addressing climate change as a material management risk that could considerably impact customers' lives and health, corporate activities, social sustainability, and the like. From fiscal 2019, we defined risk related to climate change as a material risk and have been reinforcing risk management. Specifically, the Group ERM Committee, chaired by the Chief Risk Officer, discusses how to assess and respond to physical and transition risks, and reports to the Executive Management Board and Board of Directors as necessary.

Governance/Risk Management System Relating to Climate Change Responses (as of April 2023)



Strategy/metrics and targets

Climate-related risks and opportunities

The Group recognizes that climate change may bring several impacts (shown on the right) over the medium to long term. Based on the results of analyses using the SSP scenario*15 (5–8.5), the NGFS scenarios*16, and other scenarios, the Group, as an insurance provider and institutional investor, will strive to ensure resilience to climate change and seize related opportunities.

Risks	• Increase in insurance claims and benefits paid due to increase in heatstroke and infectious diseases associated with global warming • Increase in insurance claims and benefits paid due to increase in flooding due to typhoons, etc. • Decrease in corporate value due to inadequate responses to environmental changes, including significant changes in carbon taxes, damage to assets due to changes in the market and social environment, development of new technologies, and changes in consumer behavior
Opportunities	• Increase in investment and loan opportunities, including in the renewable energy business, that contribute to resolving climate change issues • Greater resilience of the investment portfolio resulting from proper assessment of climate risks and opportunities by investees • Reduced operating costs through the introduction of infrastructure with high resource efficiency

Scenario analysis

We expect that climate risks will have a wide range of repercussions and may materialize over various time frames. Based on the TCFD recommendations, the Group classifies climate risks into two categories—transition risk*17 and physical risk*18—and recognizes them by our risk category.

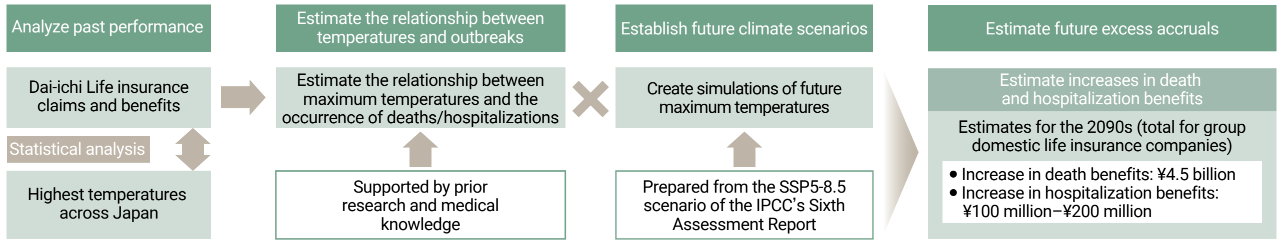
The Group regards the examples shown in the table on the right as climate risks that may materialize over a time horizon of about 3 years (short term) and more than 10 years (long term) and conducts scenario analyses for underwriting risk and market/credit risk. There is still no internationally established method for analyzing the financial impact of climate change on the life insurance business, and we recognize that each company conducts research and analysis on a trial-and-error basis. We will continue working to identify risks throughout the Group.

Risk categories	Examples of major physical and transition risks
Underwriting risk	**[Physical risk]** Risk of an increase in insurance claims and benefits paid due to an increase in mortality, etc. caused by the spread of heat stroke and infectious diseases resulting from rising temperatures ⇒ See "(1) Impact of climate change on the life insurance business" on the next page
Market/credit risk	**[Transition risk]** Risk that the prices of assets held will decline as businesses are affected by decarbonization and as society increasingly chooses to invest in decarbonization **[Physical risk]** Risk of deterioration in the financial condition of a creditee counterparty due to damage to business facilities caused by extreme weather or disruption of supply chains in the manufacturing industry, etc. ⇒ See "(2) Analysis of climate value-at-risk (CVaR)" on the next page
Liquidity risk	**[Physical risk]** Risk of increased insurance payouts due to extreme weather conditions and risk of inability to conduct sufficient market transactions due to market disruptions caused by natural disasters, etc.
Operational risk	**[Transition risk]** Risk of financial losses due to fines, lawsuits, etc., stemming from inadequate measures to address climate change **[Physical risk]** Risk of damage to data centers, business offices, and other locations necessary for operations due to extreme weather conditions, resulting in the suspension of operations
Reputational risk	**[Transition risk]** Risk that our business will be negatively impacted by being evaluated as inappropriate by stakeholders (due to our inadequate climate change initiatives), continued relationships with business partners that are insufficiently environmentally conscious, or other factors.

*15 Shared Socioeconomic Pathways: Climate change scenarios set by the Intergovernmental Panel on Climate Change (IPCC)
*16 Climate change scenarios set by the Network for Greening the Financial System (network of financial authorities on climate risks, etc.)
*17 Risks arising from new government policies, technological innovation, market changes, etc., in the process of transitioning to a low-carbon economy
*18 Risks of direct damage to real estate and other assets due to long-term climate change factors, such as rising temperatures and sea levels, as well as typhoons and other natural disasters

(1) Impact of climate change on the life insurance business

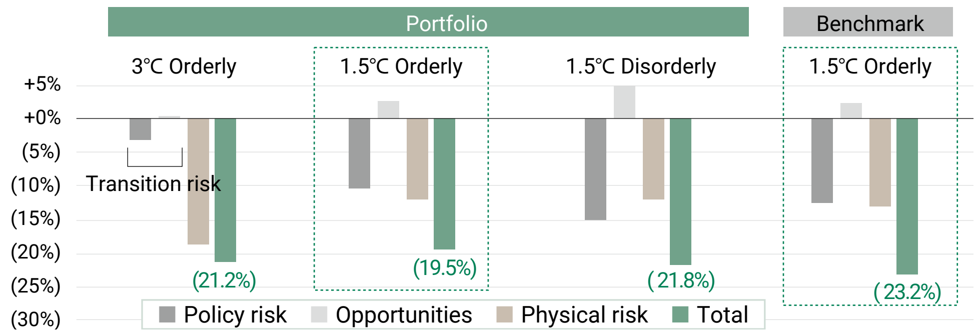
As part of our efforts to understand risks related to claims and benefit payments, we have analyzed the relationship between air temperature and Dai-ichi Life's claims and benefits since fiscal 2020 in cooperation with Mizuho–DL Financial Technology Co., Ltd. Specifically, we conducted an analysis focusing on the increase in health hazards due to rising summer temperatures based on Dai-ichi Life's past benefit payment records to estimate the correlation between them and maximum temperatures. We then assumed future climate scenarios to analyze the impact of maximum temperatures on deaths and hospitalizations for the Group's three domestic life insurance companies*19,*20. The analysis results (see figure below) were limited, but it is noted that the analysis for hospitalization is based on considerable assumptions compared to mortality due to the wide variety of diseases and the paucity of statistical data and previous studies.



(2) Analysis of Climate Value-at-Risk (CVaR)

We used MSCI's CVaR methodology to analyze transition risk and physical risk related to our investment assets. The aggregated CVaR was −19.5% for the 1.5˚C Orderly scenario*21, −21.2% for the 3˚C Orderly scenario*21 with high physical risk, and −21.8% for the 1.5˚C Disorderly scenario*21 with high transition risk. In comparison to the benchmark, the 1.5˚C Orderly scenario showed superior results in terms of both transition and physical risks. The methodology for measuring climate-related risks and opportunities is still in its developmental stage, and the results have changed significantly due to the revision of MSCI's methodology and the enhancement of scenario data. Dai-ichi Life will continue analyzing climate-related risks and opportunities, including CVaR, to strengthen the resilience of its investment and loan portfolio.

CVaR (impact/amount of subject assets)



Subject assets are Dai-ichi Life's equities and corporate bonds and Dai-ichi Frontier Life's corporate bonds, totaling approximately ¥8 trillion. Benchmarks are NOMURA-BPI corporate bonds (for domestic corporate bonds), Barclays Global Corporate Bond Index (for foreign corporate bonds), TOPIX (for domestic equities), and MSCI ACWI (for foreign equities).
Data: As of March 31, 2023
Source: Reproduced by permission of MSCI ESG Research LLC

Initiatives as an insurance provider

With respect to Scope 1 and Scope 2 CO_2 emissions, the Group has set targets of a 50% reduction by fiscal 2025 (compared with fiscal 2019) and Net Zero by fiscal 2040, in anticipation of the targets set in the Paris Agreement. To promote integrated efforts among all employees, Dai-ichi Life has set Scope 3 (excluding Category 15) target (for items that should be emphasized from a perspective that leads to changes in business and staff behavior) of a 30% reduction by fiscal 2030 (compared with fiscal 2019) and Net Zero by fiscal 2050.

*19 Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life
*20 Please refer to P.63–64 of our Integrated Report 2022 for details on assumptions and other related matters used in the analysis.
*21 Orderly scenario: Orderly transition scenario
Disorderly scenario: Orderly transition does not proceed and carbon price soars
*22 International initiative aiming to procure 100% of electricity consumed in business activities from renewable energy sources
*23 Method of procuring electricity utilizing a scheme in which a solar power generation facility dedicated to Dai-ichi Life is installed on land remote from where the demand is located, and the electricity thus generated is sent to the demand location along with its environmental value.

The Group's CO_2 (Scope 1 & 2) emissions in fiscal 2022 were approximately 23,800 tons (down around 83% from fiscal 2019). Since becoming the first Japanese life insurance company to join the RE100[*22] in 2019, we have been reviewing our electricity supply and demand contracts and promoting the use of environmental values, such as off-site PPA services[*23] and non-fossil certificates. As a result, Dai-ichi Life achieved its renewable energy consumption target of 100% in its business activities in fiscal 2022, one year ahead of its target[*24]. We are also encouraging the introduction of renewable energy at other Group companies in Japan and overseas.

In addition, Dai-ichi Life's Scope 3 emissions (excluding Category 15) totaled approximately 46,600 tons in fiscal 2022 (down around 6% from fiscal 2019) through sequential reductions in office paper consumption and other measures.

We will continue making Group-wide efforts to achieve net-zero emissions.

Initiatives as an institutional investor

Dai-ichi Life, the Group's core domestic subsidiary (approximately ¥34 trillion in total assets as of March 31, 2023), has positioned climate change as the most important issue for responsible investment and has been working to realize a decarbonized society. In February 2021, we became the first Japanese company to join NZAOA, demonstrating our commitment to achieving a net-zero investment and loan portfolio by 2050. To achieve this, we set an interim GHG emission reduction target (25% reduction by 2025 (compared with 2020)) for our listed equity, corporate bond, and real estate portfolio in accordance with the NZAOA Protocol (target-setting guidelines).

GHG emissions from Dai-ichi Life's listed equity, corporate bond, and real estate portfolio in 2022 were approximately 4.5 million t-CO_2e, down around 16% from the 5.37 million t-CO_2e[*25] emitted in 2020. We attribute this to a combination of factors, including progress of GHG emission reduction efforts by our investees and market fluctuations that affect the calculation of GHG emissions allocated to us. To further advance our net-zero efforts, we have set a new interim reduction target for 2030 (50% reduction in GHG emissions in our investment and loan portfolio[*26] by 2030 (compared with 2020)).

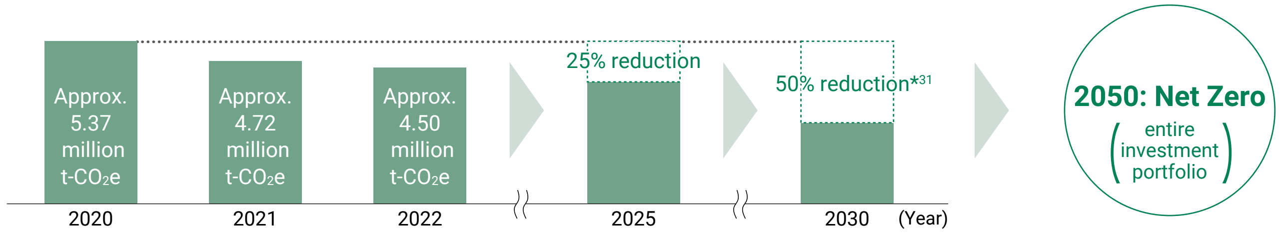
We are also taking steps to strengthen the resilience of our portfolio by incorporating transition risks, such as significant changes in carbon taxes and stranded assets, into our evaluation criteria for investees. We will continue analyzing climate-related risks (including transition and physical risks) and opportunities, using CVaR and other methodologies.

[Dai-ichi Life] Major initiatives to achieve Net Zero

Formulate Net Zero transition plan	• Developed a transition plan to achieve net-zero portfolio with reference to GFANZ guidance, etc.
Set reduction targets and promote initiatives to achieve net-zero emissions by 2050	• Updated our previously announced interim GHG emission reduction target[*27] for 2025 in accordance with the NZAOA Protocol, setting a new target of a 50% reduction from our listed equity, corporate bond, real estate, and loan portfolio by 2030 (compared with 2020) • Engage in international initiatives through participation in the GFANZ Principals Group meetings and workstreams
Encourage initiatives by investees through engagement	• Provide analyses and suggestions by our ESG analysts on climate change initiatives of around 50 of the top GHG emitting investees, encourage them to set GHG emission reduction targets consistent with the 1.5°C target and to develop and implement strategies to achieve the targets • Encourage the decarbonization efforts of investee companies through collaborative engagement frameworks, such as Climate Action 100+ and the Life Insurance Association of Japan
Support the transition to a low-carbon society and the creation of environmental innovation	• Aggressively make investments and loans to contribute to resolving climate change issues, targeting a cumulative total of ¥1 trillion by the end of fiscal 2024 (cumulative balance of investments and loans at the end of fiscal 2022: ¥710 billion) • Proactively supply capital for the transition to a low-carbon society through transition finance[*28], impact investments, and other means in addition to making investments and loans in green bonds and renewable energy power generation businesses • Set a GHG emission reduction contribution[*29] target of 1.5 million tons CO_2e by fiscal 2024 to provide positive impact through investments and loans • Developed and disclosed the "Policy on Transition Finance" to support the transition to a low-carbon society

*24 For more information, please visit the following website (only in Japanese) https://www.dai-ichi-life.co.jp/company/news/pdf/2023_019.pdf
*25 GHG emission results for 2020 have been revised due to a change in vendor used (from S&P Trucost Limited to MSCI ESG Research LLC). GHG emissions in 2022 using S&P Trucost Limited were approximately 4.7 million t-CO_2e (2020: approximately 6.02 million t-CO_2e).
*26 In accordance with the NZAOA Protocol, we added loans to the assets covered under the new interim reduction target. The year for the interim reduction target for our listed equity, corporate bond, real estate, and loan portfolio is 2030.
*27 Reduce GHG emissions in our listed equity, corporate bond, and real estate portfolio by 25% by 2025 (compared with 2020)
*28 Transition finance is a new financing method that aims to support the efforts of companies that are steadily reducing GHG emissions in accordance with their long-term strategies targeting a decarbonized society
*29 Renewable energy power generation projects for which the impact is disclosed

GHG emissions[*30] of Dai-ichi Life (listed equity, corporate bond, and real estate portfolio)



Dai-ichi Life conducted an analysis of total carbon emissions and weighted average carbon intensity (WACI), which the TCFD recommends for disclosure purposes, in order to assess the climate-related risks and opportunities of investees in relation to Dai-ichi Life's portfolio of domestic and foreign equities and domestic and foreign corporate bonds. For WACI, the GHG emissions per unit of sales of the investees are weighted according to Dai-ichi Life's percentage of ownership. For domestic corporate bonds, the WACI tends to be relatively high, and our analysis indicates that this is partly due to the relatively high proportion of the power sector, which has high emissions in the domestic corporate bond market.

[Dai-ichi Life] GHG emissions and WACI by asset

	GHG emissions (million t-CO_2e)	WACI (t-CO_2e/¥ million)[*32]	(Reference) 2020
Domestic equities	2	0.7	0.8
Foreign equities	0.19	1.2	1.8
Domestic corporate bonds	1.9	2.4	2.6
Foreign corporate bonds	0.31	0.6	0.7
Real estate	0.1	-	-

To realize a decarbonized society, it is important to promote long-term transition strategies, particularly in GHG-intensive sectors. With this in mind, Dai-ichi Life announced its "Policy on Transition Finance" in September 2022. While our transition finance efforts may possibly lead to a temporary increase in our financed emissions, since decarbonization of GHG-intensive sectors is essential for society as a whole to achieve net-zero emissions, then, if a potential investment is deemed to contribute to appropriate transition, we will actively support such transition to contribute to realizing a decarbonized society.

[Dai-ichi Life] Policy on Transition Finance

① Dai-ichi Life chooses to take investment actions prioritizing the realization of long term carbon neutrality for society as a whole.

② When making investment decisions, Dai-ichi Life independently examines the validity and feasibility of companies' Transition strategies in terms of ensuring investment returns in addition to alignment with key Transition Finance guidelines.

③ Dai-ichi Life will continuously review its decision criteria used in examining companies' Transition strategies in light of the external environments surrounding the Transition, situations of technological innovations and other elements.

④ Based on the insights obtained in the detailed examination process of Transition Finance, Dai-ichi Life facilitates improvements in companies' Transition strategies and more effective initiatives through such engagement.

Full text of Dai-ichi Life's "Policy on Transition Finance"
https://www.dai-ichi-life.co.jp/english/dsr/investment/pdf/ri-report_008.pdf

*30 Total (Scope 1 & 2) for the listed equity, corporate bond, and real estate portfolio. Figures for listed equities and corporate bonds are compiled by Dai-ichi Life based on data from MSCI ESG Research LLC. The figure for the real estate portfolio was compiled by Dai-ichi Life. The following calculation standards were used for measurement.
GHG emissions = Σ (GHG emissions per individual company × Dai-chi Life's percentage ownership)
Dai-chi Life's percentage ownership = Investment value ÷ Enterprise value (Market capitalization + Interest-bearing debt)
*31 Loans have been included in assets covered by the new interim reduction target for 2030.
*32 WACI figures for 2020 have been revised due to a change in vendor used (from S&P Trucost Limited to MSCI ESG Research LLC).

Dai-ichi Life's cumulative investments and loans aimed at addressing social issues reached approximately ¥1.6 trillion as of the end of fiscal 2022. We will increase these investments and loans to ¥2 trillion by the end of fiscal 2024 to provide even more positive impacts on society.

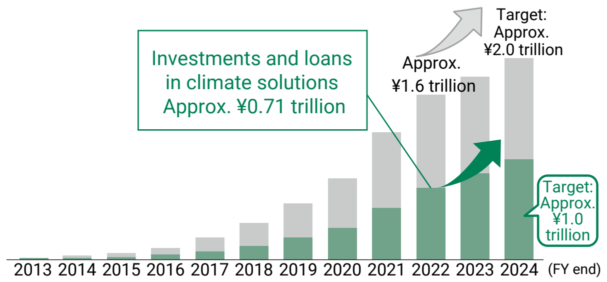
Strengthening its responses to climate change issues is the most important priority of its responsible investment approach. With this in mind, Dai-ichi Life will increase investments and loans that contribute to resolving climate change issues*33 to ¥1 trillion by the end of fiscal 2024 (approximately ¥710 billion at the end of fiscal 2022).

As part of its integration efforts of climate change factors into investment and loan decisions, Dai-ichi Life conducts both quantitative and qualitative analyses in evaluations of investees.

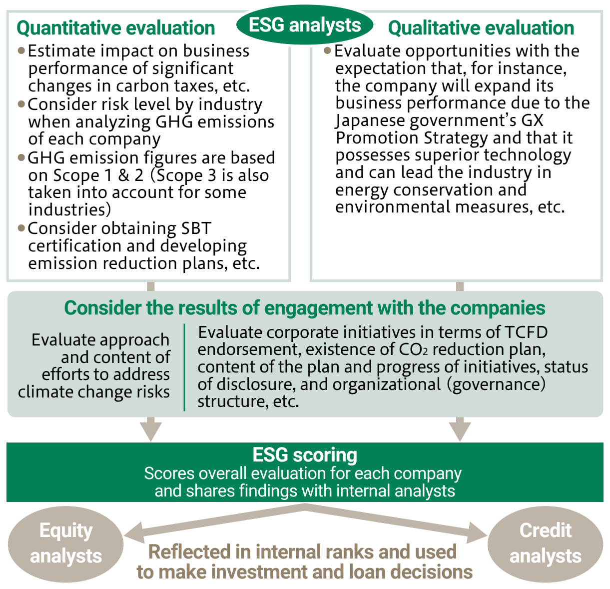
Specifically, ESG analysts evaluate companies (ESG scoring) based on the estimated impact on business performance of significant changes in carbon taxes, etc. (transition risk), the presence or absence of environment-related technologies, etc. (opportunities) that could lead to future earnings gains, and investees' climate-related risk initiatives and governance status, which are confirmed through engagement activities. By reflecting the results of this ESG scoring in internal rankings used by analysts who examine each asset to make investment and loan decisions, Dai-ichi Life incorporates climate-related risks and opportunities into the evaluation criteria for investees and thus strengthen the resilience of its portfolio.

Details of Dai-ichi Life's ESG integration and engagement efforts (Responsible Investment Report)
https://www.dai-ichi-life.co.jp/english/dsr/investment/ri-report2.html

[Dai-ichi Life] Cumulative amounts and target amounts of investments and loans for resolving social issues



[Dai-ichi Life] Climate change integration scheme



TOPICS [Dai-ichi Frontier Life] Efforts to reduce GHG emissions

Dai-ichi Frontier Life (which mainly sells savings products through bancassurance channels) has approximately ¥7.9 trillion of investment assets, which are mainly public and corporate bonds. In fiscal 2022, the company set a target to reduce GHG emissions*34 in its investment portfolio by 15% by March 31, 2025 (compared with March 31, 2021). Its reduction efforts include ESG engagement where it encourages investee companies to achieve their reduction targets and reduce more emissions. As of March 31, 2023, Dai-ichi Frontier Life achieved an 8.7% reduction (compared with March 31, 2021).

Fostering awareness among officers and employees

In addition to our activities as an insurance provider and institutional investor, we crucially need to raise the awareness and change the behavior of our officers and employees to realize a decarbonized society, and we believe this will help the Group demonstrate its unique attributes. As part of this, we held the "ECO Action Relay," a Group-wide environmental event, in FY2022.

The ECO Action Relay is a relay-type program of environmental initiatives at Group companies in Japan and overseas, and more than 4,000 officers and employees from 22 Group companies participated. Through the event, participants shared details of initiatives and effective implementation methods that take advantage of the individuality of each company and department. As a result, each and every executive and employee became more motivated about environmental initiatives.

*33 Investments and loans that contribute to resolving climate change issues, such as investing in green bonds and renewable energy power plant-related projects
*34 GHG emissions per unit of assets held (intensity basis)

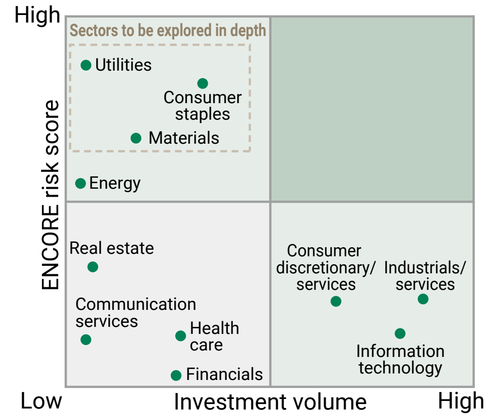
TOPICS Analysis of nature-related risks

In the "Environmental Action Policy for the Dai-ichi Life Group*35," we clearly state that it regards the preservation of natural capital and biodiversity as our corporate social responsibility. With this in mind, we endorsed the philosophy of the TNFD*36, which aims to establish a framework for the systematic identification and disclosure of nature-related risks, and in October 2022 we joined the TNFD Forum.

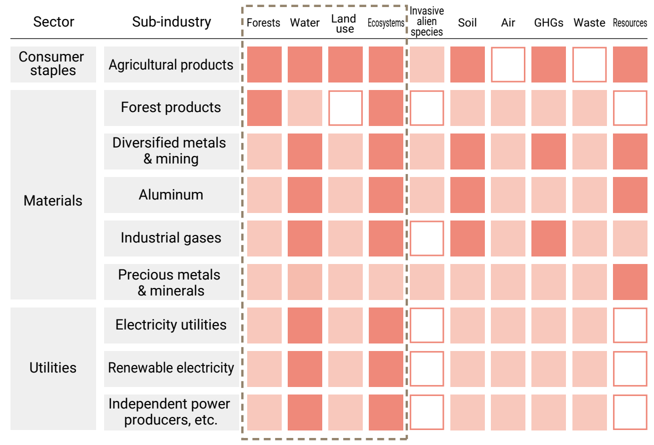
To better understand nature-related impacts and dependencies, we first analyzed nature-related risks and opportunities associated with the equity portfolio of our core domestic subsidiary, Dai-ichi Life, in accordance with the LEAP*37 approach proposed by the TNFD.

First, using the ENCORE*38, a nature risk assessment tool, we selected three sectors for analysis—consumer staples, materials, and utilities—all of which have significant risks, then we identified important nature-related themes in each sector. We also studied examples of risk cases related to these themes in the value chains of our investees and evaluated their potential business impacts. As a result, among the nature-related risks that could affect our investee companies' businesses, we identified four areas that require closer attention—forests, water, land use, and ecosystems—as cases of conflict were found in the past in those areas.

Dai-ichi Life's investment volumes and nature-related risk level



Heat map of high-risk sub-industries in the three selected sectors (impact)



Examples of major risks and opportunities in the three selected sectors (consumer staples, materials, and utilities)

TNFD's risk classification	Potential events	Examples of business risks in the three sectors	Examples of business opportunities in the three sectors
Transition risk	Rising raw material prices	[Common] Increased costs of responding to various regulations and criticisms [Commodities and materials] Soaring procurement costs due to increased demand for certified raw materials	[Consumer staples and materials] Use of certified raw materials can increase the added value and profitability of our products
Physical risk	Decrease in biological resources	[Consumer staples and materials] Instability of supply and price hikes due to stricter regulations on land development and over-extraction of natural raw materials	[Consumer staples and materials] Switching to alternative resources can ensure long-term, stable, and sustainable supplies
Systemic risk	Raw material crop failure due to ecosystem collapse	[Consumer staples and materials] A combination of factors, such as extinction of certain species (keystone species) that play an important role in the ecosystem of origin or contamination by pesticides, can cause the loss of ecosystem functions necessary for the production of raw materials, making it difficult to procure them	[Common] Development of Nature-based Solutions can lead to the creation of new values and markets

We recognize that the analyses above are in the early trial stage (in line with the LEAP approach) and that there is much room for future development. Nevertheless, we believe that insights and knowledge about nature-related risks and opportunities in our investees' businesses, gained through these analyses, contribute to qualitative improvements in our engagement activities with investees, which will help us strengthen the resilience of our investment and loan portfolio in the future. We will continue trying to contribute to realizing a nature-positive economy by reflecting the results of these kinds of analyses in our engagement with investees and analyses of the investees.

*35 https://www.dai-ichi-life-hd.com/en/sustainability/environment/initiative.html
*36 Taskforce on Nature-related Financial Disclosures
*37 Acronym for Locate (locate interface with nature), Evaluate (evaluate dependencies and impacts), Assess (assess risks and opportunities), and Prepare (prepare to respond to risks and opportunities and report). The aim of the LEAP approach is to enable companies and financial institutions to assess nature-related risks and opportunities.
*38 A nature-related risk analysis tool developed by the Natural Capital Finance Alliance (NCFA), an international finance industry association for the natural capital area, etc.

(Reference) Other initiatives related to natural capital and biodiversity
https://www.dai-ichi-life-hd.com/en/sustainability/environment/contribution.html

Contribution To International Rulemaking To Address Climate Change

The Group recognizes that addressing climate change is an important management issue for realizing a sustainable society. Through GFANZ, which is the world's largest coalition of financial institutions with net-zero commitments (consisting of more than 550 financial institutions in 50 countries as of November 2022), we have been contributing to international rulemaking to achieve a decarbonized society.

To realize its objective of "accelerating the global net-zero transition" GFANZ works in various areas. These include supporting the development and effective implementation of net-zero transition plans across the financial industry, mobilizing capital for emerging markets and developing economies, and policy advocacy. It also focuses on responses at the regional level, having established the Asia-Pacific (APAC) Network in June 2022, the Africa Network in September 2022, and the Japan Chapter, the first GANZ country chapter, launched as part of the APAC Network in June 2023.

GFANZ Glasgow Financial Alliance for Net Zero

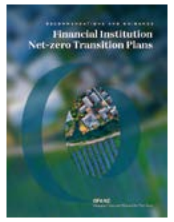
Co-Chairs: Mark Carney, Michael Bloomberg
Vice Chair: Mary Schapiro

Principals Group Dai-ichi Life
- Sets strategic directions and priorities and monitors progress

Steering Group Dai-ichi Life
- Supports the Principals Group

Workstreams Dai-ichi Life
- Involved in specific tasks, such as guidance development

(Sample activity)
Financial Institution Net-zero Transition Plans – Fundamentals, Recommendations, and Guidance (published in November 2022)



Recommendations on elements required for a credible net-zero transition plan for financial institutions to decarbonize the real economy, as well as key transition finance strategies to achieve the transition

Secretariat

Other regional network, etc.

APAC Network Dai-ichi Life
- Launched in June 2022
- Supports the acceleration of net-zero transition in the APAC region

(Sample activity)
Draft guidance on financing the managed phaseout of coal-fired power plants in APAC (published in June 2023; for public consultation)

Recommendations on the coal-fired power phase-out process in terms of what should be considered with respect to the credibility of the transition and phase-out plan, social and economic impacts, and transparency and accountability

Japan Chapter Dai-ichi Life
- Launched in June 2023 (the first GFANZ country chapter in the world)
- Supports collaboration among domestic financial institutions, relevant authorities and companies to accelerate the transition to net-zero in Japan
- Seiji Inagaki (Director, Chair of the Board, Dai-ichi Life Holdings, Inc.) appointed as the first Chair of the GFANZ Japan Chapter Consultative Group*

Net-zero alliances, including NZAOA (asset owners), NZBA (banks), and NZAM (asset managers)

* Based on information available when this document was prepared
* Advisory organization consisting of representatives of financial institutions and government agencies, etc.

One of my favorite sayings is, "If you want to go fast, go alone. If you want to go far, go together." To achieve a sustainable future, I want to work hand-in-hand with the world's financial institutions to accelerate the global transition toward decarbonization. With this in mind, I have served as a member of the GFANZ Principals Group, which has determined the direction and priorities of GFANZ since its inception.

At Principals Group meetings, formed by the chairs of GFANZ and heads of various financial institutions, we actively discuss strategic directions for effectively accelerating the global decarbonization transition. At those meetings, I have emphasized the need to consider the characteristics of each country and region and the importance of transition finance for decarbonization in the APAC region.

It is very significant that the GFANZ APAC Network was established in June 2022 and the Japan Chapter, the first GFANZ country chapter in the world, was launched in June 2023. The Japan Chapter is essential to furthering Japan's leadership in combating climate change, and I am honored to serve as the first Chair of its Consultative Group.

I am devoted to making every effort to realize a decarbonized society and economy and to enhance the presence of Asia and Japan with the collaboration with various stakeholders including other financial institutions and government agencies.

Director, Chair of the Board, Dai-ichi Life Holdings, Inc.
GFANZ Principals Group Member
GFANZ Japan Chapter Consultative Group Chair
Seiji Inagaki

GFANZ Glasgow Financial Alliance for Net Zero

Senior Sustainability Specialists
Insurance Research Team
Dai-ichi Life International (Europe)

Katsuki Tsuboi, Yuki Hoshihara

We take the co-leaders role of "Mainstream Transition Finance," a GFANZ workstream. This workstream promotes more financial institutions and investees to develop transition plans for achieving net-zero emissions. It also discusses what transition finance should be for accelerating net-zero in society by financing.

While a united global approach is required to achieve net-zero emissions, we should tailor our efforts to the circumstances of each country and region. The workstream includes financial institutions from a diverse range of countries and regions, including Europe, the United States, Africa, and Asia.

As a co-leader, we find it challenging, yet rewarding, to listen carefully to the voices of participating members and organize discussions on the way forward for the financial industry, taking into account the different socioeconomic conditions and industrial and energy structures in each country and region.

The Dai-ichi Life Group will accelerate its efforts to achieve net-zero emissions and lead the global efforts of the financial industry. We are at the forefront of these efforts and will contribute to the realization of the challenging global goal of achieving a net-zero society by 2050.

Managing Director
GFANZ APAC Network
Yuki Yasui

The Japan Chapter began operations in June 2023 as the first GFANZ country chapter in the world. I am grateful to Seiji Inagaki of Dai-ichi Life for chairing the Consultative Group, which is composed of experts, in the chapter's first year.

The Japan Chapter will address common issues related to net zero in the Japanese financial industry with the leadership and innovation of Dai-ichi Life and the rest of the financial industry. It will also hold workshops on financial institutions' net-zero transition plans, engage in dialogue with financial institutions that are not yet GFANZ members, and hold annual summits. We sincerely look forward to working together with the Japanese financial industry, which shares our desire to achieve net-zero emissions.

Human Capital Management Strategies

We strive to increase group value by creating a "World of Opportunities" in which our people all over the world can energetically demonstrate their authenticity and successfully contribute.

Amid an increasingly complex and ever-changing business environment, human capital is the driving force for implementing our management strategies. The Dai-ichi Life Group's human capital management strategy consists of four pillars: Grow, Belong, Be Well, and Protect. Through our Employee Philosophy Statement, we share our thoughts and feelings, which we have cherished as a lifelong partner for more than 100 years, with employees in 10 countries around the world, including Japan.

To realize a World of Opportunities and enhance corporate value, we are working to develop and strategically allocate diverse human capital while reforming our organizational culture to help employees maximize their potential.

Status of human capital value enhancement

Four human capital strategy pillars	Main human capital activities	Main indicators*5	April 2022	April 2023	Target (April 2024)	Connection to corporate value creation	
Grow	Business transformation Acquisition and development of our people	Human capital shift (including natural attrition)	682 persons	1,211 persons	1,974 persons	Implement business strategies	Dai-ichi Life Group that is continuously chosen by customers
		Number of core DX talents*1	100 persons	254 persons	300 persons		
		Number of candidates for future global management leaders	241 persons	286 persons	300 persons		
	Autonomous career advancement	My Career program applicants	302 persons	371 persons		Organizational culture that thrives on diversity	
		Number of global job-posting positions	8 postings	16 postings			
Belong	Turning diversity into a strength	Percentage of female executives*2	12.1%	13.4%	30% (2030)		
		Percentage of female managers*3	16.5%	18.5%	30%		
Be Well	Flexible work styles	Male parental leave uptake rate/number of days*4	92.3% 11.8 days	100.0%*4 21.5 days	100%	Employee well-being	
	Health and safety	Percentage completing secondary medical exams	85.7%	87.6%	100%		
Protect	Contributing to local communities	Number of employees dispatched, including through corporate hometown tax program (temporary staffing)	12 persons	100 persons			

*1 We classify our DX human talents into three levels: (1) DX user group, (2) DX main group, and (3) DX professional group. Those in the more highly skilled (2) and (3) categories, who can lead our organization and bring about change, are defined as "DX core talents."
*2 Sum of the Company and Dai-ichi Life
*3 Sum of line (section) managers and line general managers who head organizations among management positions at the Company and three domestic life insurance companies.
*4 Sum of the Company, three domestic life insurance companies, and ipet Holdings as of March 31, 2023. Calculated using the standard for calculating the percentage of employees taking childcare leave, etc., the disclosure of which is mandated (announced under the revised Child Care and Family Care Leave Law, effective April 2023). Results exceeding 100% are disclosed as 100%.
*5 Sum of the Company and three domestic life insurance companies (excludes *2–*4 and global job postings)

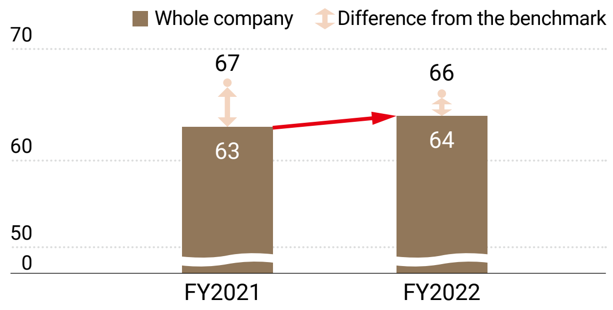
Initiatives to improve employee engagement

Employee engagement

Employee engagement is our important indicator to understand how our employees work proactively. It is also important for improving corporate value because it relates to not only productivity and corporate performance but also improving CX, which is a core Group strategy.

The Company and the three domestic life insurers introduced engagement surveys in 2021, conducting pulse surveys monthly last year and bimonthly this year. We have also been working actively to improve engagement, leading to improvement in the overall score.

Overall engagement scores and comparison to the benchmark

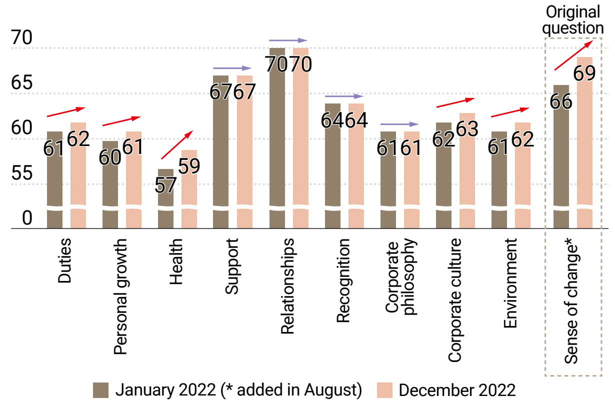


Category-specific scores and improvement efforts

The surveys are conducted by an external research company. Since an incident of fraud was uncovered at Dai-ichi Life, we added an original question about "sense of change," which indicates the degree of change employees feel in our corporate culture and atmosphere. The score for this question improved significantly over the past year. In addition, we achieved improved scores in five of the nine categories, indicating that our engagement efforts are paying off.

On the other hand, the score for "corporate philosophy," which indicates the level of understanding and empathy for our business direction, remained mostly unchanged. Therefore, we will continue pursuing initiatives to deepen understanding and empathy for our management strategy by providing opportunities for dialogue between employees and management, such as town hall meetings and small-group talks with executives.

Category-specific score comparisons



Case study **Improving engagement from the bottom up** (Actuarial Dept., Dai-ichi Life)

We believe that sharing and working toward the common goals of both our organization and each individual employee will lead to greater engagement. Accordingly, we are paying particular attention to human capital development and organizational culture, which we regard as "two cornerstones for business execution." To continue these efforts as an organization, in April 2022 we established the DSR Committee within the Actuarial Dept., which meets once a month to monitor progress and share good practices. Under this committee, we also formed three project teams (focusing on human capital development, organizational culture, and business execution, respectively) to study specific measures.

Case study **Fostering a sense of unity through interaction across departments and positions** (Dai-ichi Frontier Life)

To foster a greater sense of unity, we hold small-group town hall meetings with the president, "cross 1 for 1" dialogues that transcend departments and positions, and roundtable discussions with young employees and career hires. In our engagement surveys, we are beginning see good results, including a five-point year-on-year improvement in the "interdepartmental cooperation" score in the "corporate culture" category. We also send questionnaires to participants of these small-group forums in an ongoing effort to improve engagement.

Note: Fourteen town hall meetings have been held, attended by around 240 participants.

Grow

To enable employees to continue developing new skills and motivation, the Group works to create an environment where individual employees are encouraged to grow and everyone can improve and create new possibilities for each other. In particular, we believe that it is necessary for employees to always think of customers, consider their own careers, and work autonomously. With this in mind, we hold “1 for 1” meetings (Dai-ichi Life version “one-on-one”), an initiative by supervisors to support the growth of subordinates. These meetings have permeated throughout the Company as a forum for employees to connect their desires and aspirations to their personal career development.

We are increasing our investments in employee training each year to address rapid changes in the business environment both in Japan and overseas. As people’s behavior and values change, we always focus on what our customers want and help our employees shape their own aspirations and continue improving themselves through acquiring a variety of skills and experiences.

Total investment in employee training

2021	2022	2023
¥440 million	¥500 million	¥660 million (plan)

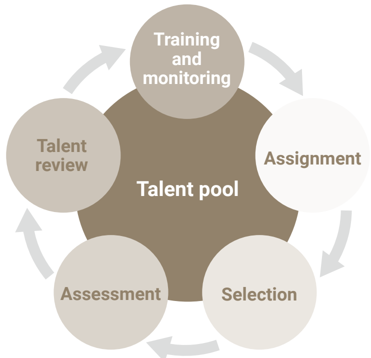
* Investment in self-development support and Company-initiated training, including internal and external online training, undertaken by in-house employees. Approx. ¥61,000 per employee. (Excludes investments in individual initiatives by each division or in sales staff, such as sales representatives.)

Major initiatives

- 1 for 1 (Dai-ichi Life version of one-on-one)
- Talent management program
- Career design training by generation
- My Career program (internal recruitment)
- Secondary jobs inside and outside the Company
- Future leadership development program
- DX talents development program
- Global Job Posting program
- Global leadership development program
- Self-development program (language training, Udemy, DL NetCollege, etc.)

Key example: Domestic and Global Talent Management Programs

One of our management strategies is to work continuously to identify and develop next-generation leaders. Therefore, we continue implementing various processes for each major position, from identifying candidates, external assessment, and periodic talent reviews throughout year to development and monitoring. Through this management cycle, we also actively appoint external talent to the positions of directors and other key organization managers to address changes in the business environment.



Domestic talent management

Each year, the Human Capital Committee reviews and confirms the pool of potential successors for each key position and develops candidates through external assessments, training, and assignment opportunities. We pay particular attention to appointing women and mid-career hires to head our organizations. Here, our aim is to change our organizational culture through decision-making by diverse people. We are also stepping up efforts to swiftly select and train young talent in order to develop and produce next-generation management leaders in a stable and systematic manner.

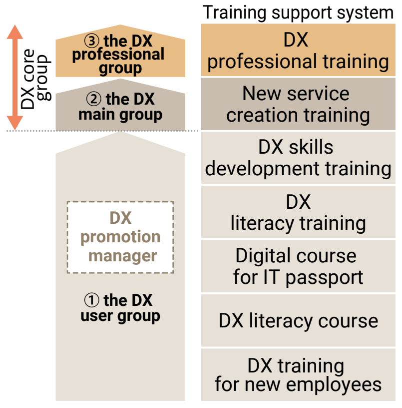
Global talent management

We launched a global talent management program for overall group companies under a common framework. This reflects the growing importance we place on identifying and developing the next generation of leaders globally. To create synergies within the Group, we have also begun efforts to identify and develop global talent who can contribute to our global business beyond their country.

Dai-ichi Life Group: Building and expanding our talent pool

Key example: DX talents development

Digital skills are essential for delivering customer experience (CX) value that transcends the insurance domain. With this in mind, the Group has divided its DX human capital into three categories for all employees to work on: (1) the DX user group who understand and can utilize digital technology, centered on “DX promotion staff” assigned to various organizations (around 800 people in total) to raise the overall level of the Company; (2) the DX main group who can lead our organizations; and (3) the DX professional group who can change our business model with DX. To identify and develop personnel in categories (2) and (3), we conducted an external assessment of around 2,000 people, mainly from organizations involved in DX. We use the results of the assessment to foster a DX-driven culture and help employees learn and embrace challenges by offering a wide range of experiences. These include practical training, transfers to gain practical experience, career rotations to companies outside the Group, and temporary transfers to venture companies. (The Company and Dai-ichi Life are certified as “DX Certified Business Operators.”)



Comments from person in charge

Manager, Human Resources Development Office, Human Resources Department, Dai-ichi Life
Makoto Murakami

To meet the changing needs of our customers, we ourselves must change. Because DX is essential to improve CX, each employee must become a DX advocate. Therefore, we at Dai-ichi Life are strengthening DX human capital development to enable all employees to think about their careers with digital utilization in mind.

Key example: Domestic and global public recruitment system

To help employees achieve their career ambitions, we provide opportunities for them to demonstrate their strengths.

In Japan, we introduced the My Career program to encourage employees to think about and shape their own careers autonomously. We also offer a wide range of positions in companies inside and outside the Group that enable employees to work in diverse fields beyond insurance. The number of open positions, applicants, and successful candidates is increasing every year, and the “era of employees choosing their careers” is becoming a reality.

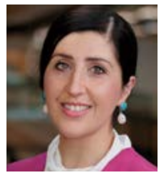
Japan: My Career Program (as of April)

	2021	2022	2023
Number of job postings	175	222	301
Number of applicants	188	302	371
Number of successful candidates	73	93	141

Globally, we launched the Global Job Posting Program, which encourages employees to raise their hands for global opportunities to demonstrate their expertise across countries. The number and scope of applications have expanded, with applicants from the United States, Australia, Singapore, and India applying for postings in Japan, Singapore, India, Thailand, and the United Kingdom. This helps us create a culture in which group people grow together, enhance each other, and support each other’s success.

Employee voices

TAL, Head of Cyber Transformation, Information Security and Cyber
Samer Fouani



(Participation in the Global IT Collaboration project)
I have the opportunity to challenge myself, consider effective ways to work at scale, and think outside the box. I feel that I am part of a global team as a project leader.

Star Union Dai-ichi Life
Manager
Ashok Kumar Sharma

(Participation in the Innovation Fund project)
This opportunity helps me in lot of ways at personal as well as career level. In addition to strengthening my skills and knowledge about working globally, it has given me the opportunity to think about our industry at the social level and prolonged information horizon towards industry.

Belong

We are accelerating our diversity and inclusion (D&I) efforts aimed at creating a world where people with diverse values, perspectives, abilities, experiences, and expertise can share their opinions, demonstrate their collective strengths, and participate in decision-making. In addition to increasing the ratio of women in management and other decision-making positions, we are working to increase the ratio of mid-career hires to head our organizations in Japan. We also encourage diverse people to make decisions that change our organizational culture.

I believe that creating a working environment and culture where employees can work with vigor and high motivation, and where they can make the most of their diverse personalities and maximize their abilities, will lead to the sustainable growth of the Company. In this time of rapid changes and diversifying customer needs, we will raise the quality of decision-making from the perspective of diversity, thereby making it easier and more rewarding to work, and thus create a strong group of human capital.

Key measures

- Training for females by layer
- "Cross 1 for 1" meetings with executives and department heads to develop female leaders
- Exchange meetings with female role model
- Targets for ratio of female leaders by layer and succession planning
- Advancement of people with disabilities
- Global D&I activities
- Onboarding support for mid-career hires
- Communications to promote D&I within the Company

The Dai-ichi Life Group's D&I goals

Achieving sustainable growth together with diverse colleagues

Leveraging connections to create value

Connections	Respect for individuality
Positive influence on surroundings unbound by organization/company	Understanding and respecting diverse values lead to value creation
Ever-changing business environment	Diversifying customer values and needs

Key example: Global D&I activities

Although our D&I activities vary depending on the environment in each country, we began D&I activities as a Group in 2022 and held our first Global D&I Summit online in November 2022.

The aim of the event, titled "Learning Together," was to create a Group-wide culture that respects diverse values, embraces differences, and promotes people's well-being. It was attended by 59 leaders from 13 Group companies from Japan, the United States, Australia, Singapore, Vietnam, Cambodia, Myanmar, India, Thailand, and Indonesia. In addition to sharing their understanding of D&I and learning about global trends through lectures by external professor, participants were divided into small groups and actively exchanged opinions on future initiatives they would like to implement and ideas for the Group as a whole. By having diverse people assemble and share their thoughts, we continuously foster Group's D&I understanding and actions to create an organizational culture that makes the most of diversity.

Key example: Promoting the advancement of women

The domestic Group companies are stepping up efforts to achieve a 30% ratio of female executives by 2030. In addition to enhancing training by layer, department directors make sure that 30% of the candidates for each management post in their departments are women. As an opportunity to see and develop candidates directly, department directors also have 1 for 1 meetings with candidates from departments with which they do not normally have contact on a regular basis.

Other Group companies are also promoting the advancement of women. For example, TAL holds a company-wide Female Leaders Sponsorship Program to develop female leaders. Under the program, female employees selected as candidates for leadership positions spend six months working on assignments while developing a business sense and managerial perspective. By having directors and department heads acting as sponsors, participants can enhance their personal brand, boost their confidence, and build cross-functional relationships with management. The program also provides an opportunity for management to understand potential next-generation female leaders and foster a culture of sponsorship. As a result of this program, TAL has increased the percentage of female leaders to more than 40% (as of 2023).

By learning from each other's successful initiatives, we also promote synergies within the Group.

Voices of Cross 1 for 1 and Female Sponsorship Program participants

Line Manager, Neo First Life
Noriko Matsuda

In my 1 for 1 sessions with Executive Officer Atsuko Ochiai, who has a different division and career from me, I received advice from multiple and objective viewpoints, which broadened my knowledge and perspective and taught me how to work in a different way than before. I had just arrived in a new department where I had no experience and little knowledge or relationships, so Ms. Ochiai's advice on how to manage and gather information and tips on negotiating were very useful in my new job. It was also a good opportunity to think about what I need to learn in the future.

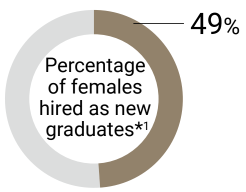
Executive Officer
Atsuko Ochiai

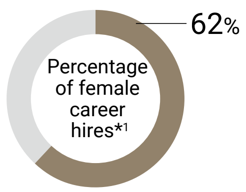
Ms. Matsuda had just been transferred from a line manager position to a field in which she had no experience and was trying to understand the situation and identify issues. In our 1 for 1 sessions, she talked with a smile on her face from start to finish, which left an impression on me. Each time, I asked her to share her concerns and challenges, so we spent time together thinking about the next steps. As the sessions progressed, she became more familiar with the workplace, expanded her perspectives, and steadily gained confidence. The opportunity to hear diverse perspectives and workplace situations was a learning experience for me as well.

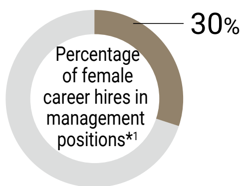
TAL, General Manager **Samantha Holt**

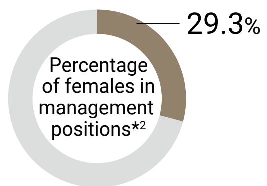
My sponsors were so keen to be a part of this program and it showed in the time they spent meeting with the participants and providing valuable insights and advice. It was fantastic to be able to dedicate some time to our personal and professional development in our otherwise busy workday. I also learned a lot about how to leverage more from professional relationships especially sponsorship, the importance of our personal brand. It was a very meaningful experience.

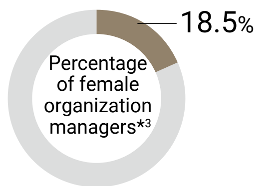
Reference data for expanding the female leadership base

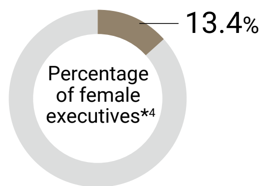








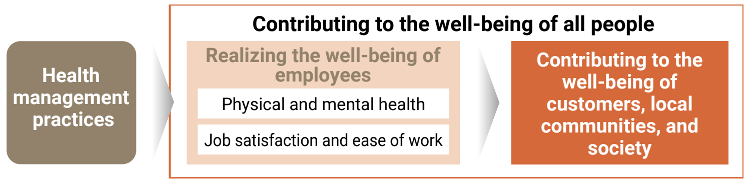




*1 Sum of in-house positions of the Company and three domestic life insurance companies
*2 Sum of the Company and three domestic life insurance companies
*3 Sum of line (section) managers and line general managers who head organizations among management positions at the Company and three domestic life insurance companies
*4 Total of the Company and Dai-ichi Life

Be Well

By practicing "health management" that helps improve the health of customers, local communities, and society, the Group aims to foster the well-being of all people. Here, the well-being of our employees is paramount, and for this reason we must continue and strengthen our workplace health and safety initiatives while creating a worker-friendly environment and culture. We contribute to the Group and society by emphasizing the well-being of our employees and our organizational culture of overcoming challenges in a positive manner.

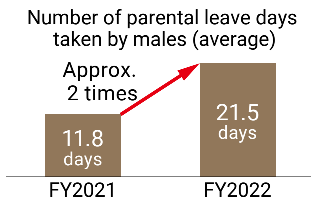


Major initiatives

- Subsidies for physical examinations and various cancer screenings
- Nationwide mammography bus tours
- Seminars on employee safety and health
- Promoting use of QOLism (health promotion smartphone app)
- Provision of self-care tools
- Encouraging uptake of parental leave by males
- Strengthening support system for balancing childcare and work
- Full-remote working arrangement
- Leave of absence system to support diverse work styles

Key example: Encouraging male employees to take parental leave

Since 2022, we have been pursuing our goal of 100% of male employees taking at least one month of accumulated parental leave. This initiative goes beyond legal compliance and includes raising awareness through pre-fatherhood education seminars to help male employees be close to their partners after childbirth or at the peak of childcare anxiety and proactively engage in childcare and housework. Here, superiors and subordinates together make written parental leave plans, with employees granted up to 20 days of paid leave. We also hold "family-friendly boss seminars" for upper management and work to create a mutually supportive work environment by gaining the understanding and cooperation of diverse employees.



Employee voices Assistant Manager, Dai-ichi Life **Junya Hasegawa**

During the parental leave period, I gained a full range of childcare experiences and acquired solo-parenting skills. Raising a child is a challenge that people cannot understand without experiencing it. The experience changed my appreciation for my partner and my own approach to child-rearing and family. In terms of work, I am now more conscious of efficiency than before and strive to achieve better results in a limited amount of time. If I hear that a colleague's partner is pregnant, I would encourage him to take parental leave without hesitation.
Length of parental leave available to males: (1) immediately after childbirth, and (2) taken in portions when partner returns to work (31 days in total)

Key example: Seminars on employee health and safety

To help employees work safely, healthily, and vigorously, we provide support for (1) disease prevention, (2) prevention of serious illness, and (3) mental health measures. This support includes hosting training and interviews by our occupational health staff, as well as a wide variety of seminars. We also promote the health of our customers and local communities through seminars and other programs conducted by the National Center and the Dai-ichi Life Research Institute. In fiscal 2022, we co-hosted a panel discussion with participants from other companies, outside experts, and our own management on the theme of hormonal disorders common to both men and women. This provided a valuable opportunity to consider the importance of viewing health as a workplace issue and creating comfortable working environments.

Main health-related seminars

- Women's health and compatibility with diseases specific to women
- Hormonal changes and menopause
- Mental health measures
- Sleeping well
- How to read health checkup items
- Treating various types of cancer
- Dementia
- Frailty
- Dietary habits

Comments received after seminars

- It is important to have a work environment where people can talk about health, regardless of gender, age, or other barriers.
- I felt that talking to someone else made me feel better, instead of trying to solve the problem on my own.
- It is important to reduce anxiety by having the right knowledge.

Protect

Committed to building a sustainable society, now and into the future, the Group supports its customers, local communities, and all employees.

The Group's core business is life insurance, which has a high social and public influence. Therefore, one important pillar of our human capital management strategy is to encourage employees to engage in activities aimed at building a sustainable society. By providing employees with opportunities to contribute to more customers and local communities, we foster the advancement of such communities.

Companies in the Group are pursuing measures in line with themes that align closely with the life insurance business, such as health promotion, environmental protection, and the creation of a next-generation society. In these ways, they are expanding efforts to build a sustainable society with deep roots in each country and region.

Major initiatives

- Community contribution activities at each location (volunteer work, children's cafeteria, support for women in poverty, financial literacy education for local children, etc.)
- Health and medical seminars held throughout Japan
- Environmental protection activities
- Corporate hometown tax program (temporary staffing)
- Local women's exchange meetings
- Community contribution through employee health promotion and environmental protection activities
- Participation in the Ministry of Health, Labour and Welfare's Corporate Action Program for Promoting Cancer Prevention

Key example: Career rotation to other companies (temporary staffing under the corporate hometown tax program)

From 2022, we started participating in the "corporate hometown tax program (temporary staffing)" as an initiative to address regional issues throughout Japan. As of June 1, 2023, we had dispatched 67 employees in a wide range of positions in 64 local governments. In recognition of these efforts, we received the Minister's Award for the Fiscal 2022 Taxation System to Support Regional Development (corporate hometown tax program) from the Cabinet Office.

The dispatched employees are engaged in work that helps resolve local issues, such as tourism promotion, childcare support, and improvement of local welfare, thereby contributing to regional and social sustainability. By participating in this program, we will promote collaboration based on a three-way "win-win" situation for local communities, our employees, and our company.

Employee voices Tourism Promotion Division, Tourism Bureau, Nara Prefectural Government **Shoko Nakamura**

I am in charge of promotion activities aimed at attracting visitors to Nara Prefecture. In my job, we take advantage of Nara's strong tourism resources, such as shrines, temples, and history. We also engage in accommodation promotion projects by highlighting the appeal of Nara's cuisine. In addition to outcomes, we need to appreciate the social significance and impact of projects implemented by public agencies. This gave me a different learning experience from that of Dai-ichi Life and opened a new avenue to my personal growth.

Key example: Contributing to local communities through employee health promotion activities

Under the slogan "Healthy to Connect—Healthy to Love," Dai-ichi Life Vietnam is conducting a virtual run event called "Dai-ichi Life—The Route of Love" as part of its strategy to promote people's health and well-being. Under this initiative, participants record more than 50 sports, such as swimming and yoga, on a smartphone app aimed at improving their health. Based on the distance they walk or run, they also donate money to plant trees and help those in need. The event was held in four major Vietnamese cities, with a total of 24,475 participants (customers, personal representatives, and Dai-ichi Life Vietnam employees from all over the country). The distance covered was 8,567,551 kilometers, which was recognized by the Vietnam Records Organisation (VietKings) as the longest-distance virtual sporting event and raised approximately 5 billion đồng (¥30 million). Through these activities, we help people maintain healthy and happy lives.

Message from the CIO/CDO

DX & Innovation Promotion

In this era of major change sparked by technology, we will foster a strong digital culture across the Group, thereby turning it into digital-driven, high-growth organization.

Senior Managing Executive Officer,
Chief Information Officer/Chief Digital Officer
Stephen Barnham

My name is Stephen Barnham, and I was appointed Chief Information Officer and Chief Digital Officer (CIO/CDO) in April 2023. After a journey stretching more than three decades in global fintech, I was delighted and privileged to join the Dai-ichi family earlier this year.

In 2022, we faced unprecedented challenges and opportunities due to the COVID-19 pandemic, which accelerated the digital transformation of our industry and society. We responded swiftly and effectively to the changing needs and expectations of our customers and staff by developing tools to support them during those difficult times. An example of this was the enablement of remote sales, using a combination of video technology and AI tools, we created a chatbot and an online platform to facilitate sales when our sales representatives could not meet customers in person.

We also enabled flexible working for our teams and have further extended the adoption of these new ways of working on a permanent basis. This has created a wonderful working environment in which staff can more effectively balance their work and private lives.

We made significant progress in our strategic priorities of enhancing our digital capabilities, expanding our product portfolio, diversifying our distribution channels and strengthening our partnerships. An example of this is the strong partnership with the U.K.-based insurtech company YuLife. This partnership will not only potentially provide us with new ways to serve and support our customers but also have a positive impact on deepening the digital culture of the firm.

TAL also illustrated this, with the launch of a new digital insurance platform for its group insurance business. The OpenAPI-based, cloud native platform will enhance user experience while streamlining policy management and claims processing for its partners.

As a further example, Protective Life also deployed a new cloud telephony engagement platform. Natural language interactive voice response capabilities enable customers to complete transactions without speaking with a representative. This is also effective at connecting our customers with the correct service professional when direct human interaction is needed.

In a further example of how we align with our customers' long-term well-being, Star Union Dai-ichi in India deployed "YouMatter." This is a customer engagement app enabling physical, mental and financial wellness for customers.

These are excellent examples of how we are using technology to remove friction from our customer experiences, make our staffs' jobs easier and build a robust and secure digital infrastructure.

One of the key factors that enabled us to achieve these results has been our digital culture. In an age of exponential growth in digital transformation, a strong digital culture is critical. This is achieved not only through the deployment of cutting-edge technology but also through developing talent with contemporary skills and ensuring the democratization of digital across all levels of the organization. We believe that digital culture is not only a source of competitive advantage but also a driver of employee satisfaction and retention.

As we look forward to this year, we will continue the journey to build Dai-ichi into a high-growth, digitally-driven organization. We will continue to deploy digital tools, develop our talent and improve our ways of working. We will particularly make extra effort across our global footprint to bring us closer together as one Dai-ichi team and more effectively use our amazing talent.

With our staff and customers firmly at the center of our thinking, we will continue to explore new business models and cutting-edge digital solutions. This will include extending our research in areas such as AI and embedded insurance.

During these times of significant change driven by technology, I look forward to applying all my experience and expertise to lead Dai-ichi to become a top global insurance player.

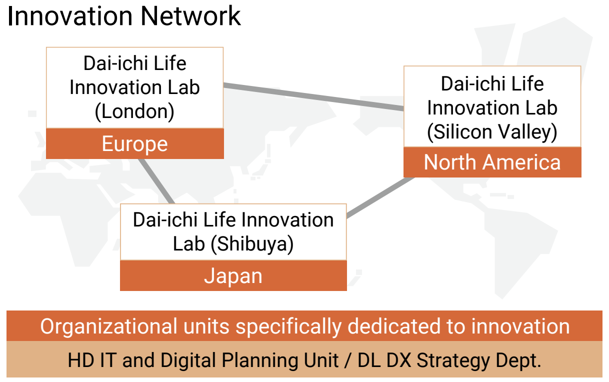
Promotion of global innovation and fostering of a digital culture

To complement our organizational units in Tokyo that are specifically dedicated to innovation, we have established bases in Silicon Valley and London to conduct networking with local companies and research. Through these bases, we are working to keep track of trends in advanced technologies and uncover and collaborate with start-ups in a timely manner and on a global scale.

On the other hand, to introduce and embed such advanced technologies within the Group, and to link them to the enhancement of the customer experience (CX), it is essential to instill a strong digital culture in all organizations. To this end, it is essential for each and every employee to enhance their DX literacy, and we offer various reskilling programs to further foster a sense of pride and satisfaction in their work.

By spreading digital culture throughout the Group, we will create innovative digitally-driven services and businesses from the perspective of improving CX, and contribute to our company becoming a global top-level insurance group.

Innovation Network



Operation of the Innovation Fund

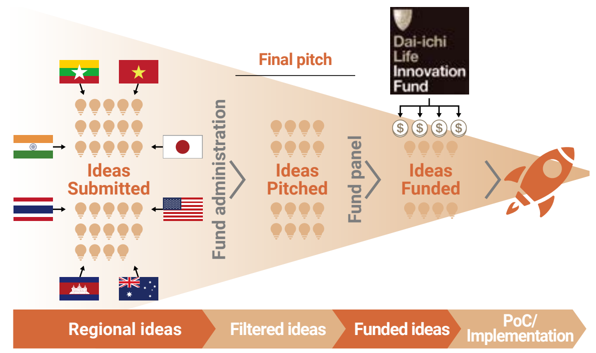
As the transformation of the insurance industry through innovation accelerates globally, a group-wide transformation of innovative organization is necessary to achieve sustainable growth.

Toward this transformation, we launched an innovation fund in fiscal 2021 with the themes of fostering a culture of innovation, improving customer experience, and identifying new business opportunities.

This initiative supports the demonstration experiments of innovative business ideas that contribute to the sustainable growth of the Group over the medium to long term, overcoming the various constraints of each group company, including overseas business.

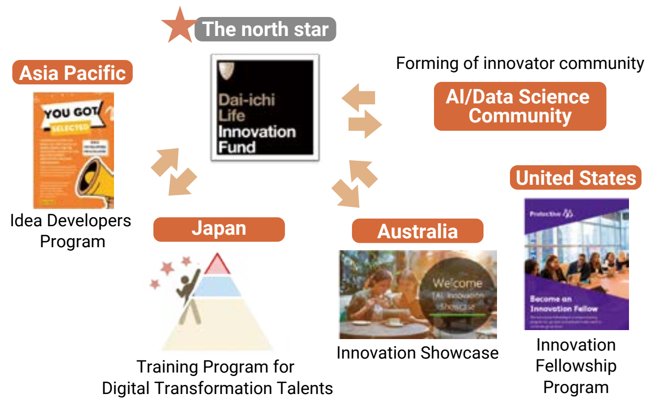
In fiscal 2022, the second year of the program, the fund held two rounds of funding, attracting 14 ideas from four countries. Of those, 11 passed the initial stage of selections and were presented at a pitch event where more than 100 internal and external relevant parties attended, with nine ideas ultimately being selected to receive funding support. Of the 17 ideas that we have funded so far, three have completed demonstration experiments and are continuing to be considered for implementation.

This initiative not only led to the creation of several innovative ideas, including advanced ideas that respond to the latest regulatory trends and ideas that utilize cutting-edge technologies, but also contributed to the embodiment of group synergies, such as the initiation of collaborative projects among group companies across countries.



Initiatives around the Innovation Fund

The Innovation Fund was the starting point, leading to the systematization of peripheral measures in each group company. For example, Protective (U.S.A.) and TAL (Australia) have implemented their own programs for developing innovative human capital and ideas. We are accelerating our efforts to foster a culture of innovation and develop human capital including the APAC region and Japan. Participants in these programs became those who challenge the Innovation Fund, and this initiative serves as a "North Star" for employees of group companies.



Discussion with Directors

Seiji Inagaki
Chair of the Board of Directors

Rieko Sato
Audit & Supervisory Committee

Koichi Masuda
Chair of the Nominations Advisory Committee

Koichi Maeda
Chair of the Remuneration Advisory Committee

Fiscal 2022 was a year of progress for group governance. For example, we appointed an outside director as Chair of the Audit & Supervisory Committee, and we elected a new president, ending the situation in which one person served concurrently as president of both Dai-ichi Life Holdings and The Dai-ichi Life Insurance Company (Dai-ichi Life). In this section, our directors who chair the board or each committee reviewed our governance efforts and discussed future objectives.

Theme 1 Review of Fiscal 2022: Evolution of Group Governance

Masuda From a governance perspective, the appointment of Ms. Sato, who is an outside director, as Chair of the Audit & Supervisory Committee was our most important achievement. I would like to focus on the impact of this appointment.

Inagaki I feel the same way. I believe that the appointment of outside directors as committee chairpersons has been the driving force behind the significant progress we have made over the past year. This means that all committee chairpersons are now outside directors.

Sato I feel I have been asked to play a major role. The Audit & Supervisory Committee is responsible for auditing the directors' execution of their duties as stipulated in Japan's Companies Act. It is also responsible for ensuring that internal control systems, such as risk management and compliance, are functioning effectively. Over the past year, we paid particular attention to whether the directors are fulfilling the role expected of them by the market.

As part of this effort, we have initiated dialogues between outside directors and internal directors and executive officers. Each dialogue takes around two hours. I have questioned them about their roles, missions, and duties and gained a good understanding of the challenges and issues faced by our company. This was a good outcome.

I also told the Audit & Supervisory Committee and the Audit & Supervisory Committee's Office that we intend to play a proactive role in the Group's governance. As for execution, there are various decisions that can be made depending on the situation. For example, some identified issues can be put off and discussed later. In all cases, however, the findings of audits and dialogues with people on the executive side, during those in which we question the appropriateness of their judgments, are fed back to them.

One of the biggest challenges we face is our domestic business. I believe that our future challenge is which direction we take our domestic business as a whole, including the issue of Dai-ichi Life's new business being sluggish, as pointed out by investors and analysts as well.

Maeda Looking back on the past year, I would like to talk about the remuneration system for directors and executive officers. In the second quarter of fiscal 2022, we launched a remuneration system based on job value grades, with the basic aim of being able to provide clear explanations to external parties, including about remuneration system for directors and executives.

During the year, the Remuneration Advisory Committee also discussed the process for determining remuneration for directors and executives. In the past, it was unclear from the outside which responsibilities and authority were the basis of evaluation and how remuneration was determined. Now, we have changed the system to evaluate the scale of duties after listening to the opinions of outside consultants and determining the grade of each duty.

Another major reform is the introduction of the Long-Term Incentive (LTI), a compensation system that conducts evaluations based on longer time horizons. Here, Board members and executive officers are asked to work on a medium- to long-term basis over a span of three years. To evaluate them more effectively, we also adopted relative total shareholder return (TSR) as an indicator, which was strongly requested by our shareholders. This system enables management to take more responsibility for the Company's stock price because they can see how well they are performing against similar companies we benchmark.

PROFILE
Partner at Ishii Law Office. Outside director (Audit & Supervisory Committee member) of the Company since 2016. Drawing on her knowledge of corporate legal affairs, Ms. Sato actively expresses her opinions from an objective perspective at Board of Directors and other meetings and plays a role in supervising and auditing management of the Company.

In addition, we incorporated a sustainability index into our LTI system. This will help us evaluate the sustainability-related initiatives of directors and executive officers from the perspective of remuneration. While we will likely need to adjust the system in the future, the fact that we were able to launch a new remuneration system was significant.

The Remuneration Advisory Committee operates in the same way as the Nominations Advisory Committee, as both committees clarify the decision-making process, engage in deliberations, and submit the results to the Board for final decisions. I believe this sequence is one of the most important things for ensuring the effectiveness of the Board of Directors.

Theme 2 CEO Succession Plan

Inagaki Our biggest challenge in fiscal 2022 was our succession plan. I served concurrently as president of both Dai-ichi Life Holdings and Dai-ichi Life until fiscal 2022, but I decided to separate the roles in light of the former's business expansion and the weight of issues faced by the latter. The Nominations Advisory Committee took up this issue in fiscal 2021. After sorting out what we wanted from top management of Dai-ichi Life Holdings and Dai-ichi Life, respectively, we began selecting people for the position in fiscal 2022.

As the top executive, I made a list of candidates, which allowed the Nominations Advisory Committee to engage in highly transparent discussions. The Board of Directors regards this succession process as highly satisfactory and a major achievement in terms of governance.

Masuda I became chair of the Nominations Advisory Committee in June 2022. At that time, not only myself but also four outside directors were reappointed as Committee members. Because some of those directors had little contact with the listed candidates, we first conducted interviews with each candidate. In addition to Nominations Advisory Committee members, all other outside directors, as well as full-time members of the Audit & Supervisory Committee, were invited to join as observers to deepen the discussion on potential successors. Before starting discussions, we asked candidates to make preliminary presentations, even on weekends, and exchanged opinions with them to get to know their personalities. Thanks to the transparency of this selection process, the Nominations Advisory Committee was able to operate in a fair, neutral, and independent manner.

Sato The fact that then President Inagaki recommended several candidates was significant in deepening discussion about the succession. Rather than make decisions on their own, the outside directors were able to communicate and engage in dialogue with the executive side while considering who would be best suited to handle management issues at Dai-ichi Life Holdings.

After more than two hours of dialogue between only the outside directors and each candidate, we could guess why the president recommended these candidates. The best part was our ability to discuss the issues from multiple layers and perspectives, starting with 360-degree evaluations from an outside consultant, followed by discussions by the Nominations Advisory Committee and then the Board of Directors. While I have experience to be engaged in the succession of another company, it was my first time to see the process worked in such a good manner.

Maeda I was appointed as an outside director of Dai-ichi Life Holdings when it was established in 2016. Since then, I have also expressed my opinion that the concurrent presidency of Dai-ichi Life Holdings and Dai-ichi Life might be problematic from a governance standpoint. At that time, however, those companies were two sides of the same coin, and considering the smooth transition to a holding company structure, we needed to monitor the progress of transition.

For this succession, Mr. Inagaki quickly decided to proceed on the premise of separation. We also discussed the possibility of eliminating the concurrent roles of directors and executive officers as much as possible, so that both companies can monitor and execute their own operations respectively, which is an ideal form of the structure.

As you already mentioned, I think it is groundbreaking that both companies followed such a careful process in making decisions on top management appointments. This enables us to explain the process to stakeholders with confidence.

Inagaki Immediately after transitioning to a holding company structure in 2016, various issues were concentrated in Dai-ichi Life. Over time, as the number of group companies increased and our business area expanded, we began to get a sense of direction regarding Dai-ichi Life's major structural issues. Because we will start a new medium-term management plan in fiscal 2024, I felt that this was the right time to appoint new presidents of Dai-ichi Life Holdings and Dai-ichi Life. I decided that both new presidents should exchange views and launch a new beginning based on a common perspective, instead of me remaining in that role.

Masuda The Dai-ichi Life Group's business is centered on insurance, but it is broadening its business domains and is also actively expanding overseas. I believe that Mr. Inagaki and the executive team felt that the time had come to reevaluate the position of the Dai-ichi Life Holdings to achieve sustainable improvements in corporate value.

For future successions, the Board of Directors discusses what type of person is desirable based on the current business situation. In this age of volatility, uncertainty, complexity, and ambiguity (VUCA), external conditions are changing rapidly, and I feel we need to review the situation each time. Decisions about succession should incorporate multiple perspectives, including from outside organizations such as an external consultant, as was the case in Mr. Kikuta's succession this time.

Theme 3 Expectations for Our Executive Structure Led by the New CEO

Inagaki We were well prepared to make a solid start under our new management structure in April 2023. Having decided in fiscal 2022 that Mr. Kikuta would become president of Dai-chi Life Holdings, I asked him to first submit a personnel proposal. The Nominations Advisory Committee shared my desire to have Mr. Kikuta start with the structure he had in mind, which included the expansion of the CXO system, so we got off to a smooth start.

Mr. Kikuta is strongly passionate about making the Dai-ichi Life Group a globally competitive entity. Accordingly, he placed high priority on digitalization and building a robust systems infrastructure, and to this end he assigned Stephen Barnham as chief information officer (CIO) and chief digital officer (CDO). He also appointed Hidehiko Sogano, a mid-career hire from a bank who joined the Dai-ichi Life Group in 2015, as chief sustainability officer (CSuO).

The insurance business is unique in that the way compliance is practiced varies depending on the maturity stage and culture of each country, so he felt strongly that people with global experience should be on our management team. With this in mind, he appointed Webster Coates as chief compliance officer (CCpO) in June 2023. For the position of chief communications officer (CCmO), who is responsible for promoting corporate communications that contribute to Group management and proliferate our corporate brand, we appointed Kyoko Wada, who has extensive experience in Japan and overseas, in July 2023. I feel that Mr. Kikuta's proactive approach to including these outside perspectives is testament to the direction and value of his management style.

Maeda In one fell swoop, Mr. Kikuta hired a CIO/CDO, CCpO, and CCmO from outside the company. I feel he has a strong desire to quickly create a system for conveying his management intentions to the entire Group, including globally, while incorporating outside cultures. As outside directors, we also believe that in order for the CXO system to take root and operate effectively, the responsibilities and authority given to the CXOs must function well so that they can fully demonstrate their duties. With this in mind, we recently began exchanging views with the CXOs through the dialogue with the executive side hosted by the Audit & Supervisory Committee, showing that we support the CXOs in all aspects.

Chair of the Remuneration Advisory Committee

Koichi Maeda

PROFILE

After serving as Executive Vice President and Representative Director of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION and President and Representative Director of NTT FINANCE CORPORATION, Mr. Maeda became an outside director of the Company in 2016. He actively expresses his opinions on management from a global and objective perspective at Board meetings and other forums and plays a role in supervising management of the Company.

Theme 4 Enhancing the Group's Governance Structure

Inagaki The majority of people working at Dai-ichi Life Holdings are originally from Dai-ichi Life. There are positive aspects to this, of course, but there is also the possibility of negative effects if employees cling to the past successful experiences and paradigms, especially in the time of uncertainty for the future. Therefore, it is important to incorporate diverse perspectives into the Group.

In this sense, having Audit & Supervisory Committee members convey their external perceptions and thoughts directly to the executive side would definitely be beneficial. Unfortunately, we still have work to do with respect to spreading diversity in Dai-ichi Life Holdings, so for now we are depending on the voices of outside directors. I have the impression that Mr. Kikuta feels the same way and is taking firm steps to address this issue.

Sato I believe that communication is the key to fostering trust and is the most important aspect of group governance. As Mr. Inagaki mentioned, Dai-ichi Life has had successful experiences, but if it remains unchanged can it really help increase the corporate value of Dai-ichi Life Holdings? We need to increase corporate value through comprehensive optimization.

Here, we need to take action, such as establishing a forum for communication between Dai-ichi Life's executive officers and the outside directors of Dai-ichi Life Holdings. In fact, we engage in such dialogue once every two or three weeks. We also visit our wholly owned subsidiaries for onsite inspections to ensure proper communication. Our policy is to visit the three important life insurance subsidiaries and each direct subsidiary of Dai-ichi Life Holdings, as well as our wholly owned life insurance subsidiaries overseas.

Masuda To be honest, there had been an information gap at Dai-ichi Life Holdings between its Audit & Supervisory Committee's member and its other outside directors. Since Ms. Sato became chair of the Audit & Supervisory Committee, however, outside directors who are not members of that committee have been participating in the dialogue with executive officers. As a result, we have come to understand each other's personalities. This is necessary for the development of the Group as a whole.

Maeda We, the outside directors of Dai-ichi Life Holdings, are under the assumption that we will not intervene in detail about business execution at Dai-ichi Life. However, I feel we need to transform our domestic business together with Dai-ichi Life while maintaining a relationship of trust and tension.

One of Dai-ichi Life's business challenges is the decline in its value of new business. Will it continue this way or can it make a successful recovery? Meanwhile, Dai-ichi Life Holdings needs to consider how to make improvements with the same direction in mind. For example, Dai-ichi Life's Net Promoter Score (NPS®), a measure of customer engagement, is declining, which may cause a reputational risk to outside. With this in mind, the top executives of Dai-ichi Life and Dai-ichi Life Holdings share their thoughts, and the Board of Directors of Dai-ichi Life Holdings monitors the situation as well.

We are also monitoring whether the corporate culture reforms that we are promoting in the wake of misconduct at Dai-ichi Life have been instilled to the very end of the organization. Without going into specific issues, we are monitoring key factors and discussing with the Board of Directors whether the results are being achieved. I also believe that monitoring global operations will become increasingly important going forward.

Theme 5 Strengthening Our Management Structure for Globalization

Inagaki I believe that overseas experience is an important part of global business management. Mr. Fujii, who served as president and chair of Dai-ichi Life Vietnam, the top of DLI Asia Pacific, retired in March 2023. He did an excellent job of simplifying and visualizing business management tools. After determining what was important in the Asia-Pacific region, which has many emerging economies, he set precise KPIs and worked to penetrate the market. Mr. Fujii, who hails from Vietnam, is a good example of talent who joined the Group from the outside and played an active role. To develop such human resources within the Group, we need to hire people from outside and actively promote internal transfers. This will enable us to increase the mobility of human resources and strengthen our global management system.

PROFILE
After serving as Chair of the Japanese Institute of Certified Public Accountants (JICPA), Mr. Masuda became an advisor to that organization. He was appointed as an outside director (Audit & Supervisory Committee member) of the Company in 2016. Drawing on his financial expertise, he actively expresses his opinions from an objective perspective at Board of Directors and other meetings and plays a role in supervising and auditing management of the Company.

Sato The Dai-ichi Life Group has many exceptional human resources among its foreign employees, including people in top management of overseas subsidiaries. I met Mr. Fujii when I went to Singapore for an audit, and I could tell that he was a trustworthy person. Similar to Mr. Fujii, we have many capable people in the United States, Australia, and elsewhere, and I believe that our global management structure will evolve as these people take on new positions within the Group. How exactly to promote this evolution is an issue that is still under discussion and will be addressed in the future. As Mr. Inagaki and Mr. Masuda mentioned, insurance legislation is different in each country, so we cannot proceed in a uniform manner. On the other hand, we may be able to unify various business management tools, KPIs, and the like and are exploring various possibilities in that regard.

Masuda According to the population decline, the overall market size of domestic life insurance business is shrinking. Therefore, global expansion is essential. In Asia, where we see particular growth, attracting and training global human resources is a major challenge. At that time, discussions is brought up at Board of Directors, such as whether or not English should be the language of communication. Some other companies I work for hold their Board of Directors meetings in English and include simultaneous interpretation, and Dai-ichi Life Holdings may need to do so as well. As the number of foreign nationals among our employees increases, there is also the issue of whether our internal communication should be in English.

Amid rapidly changing external conditions, however, we have no time to train employees in Japan slowly. We cannot simply transfer them to a subsidiary and have them develop slowly over a period of years. We need to address this as soon as possible.

Maeda Many Japanese companies face the issue of human resources as they move forward with globalization, but the Dai-ichi Life Group has been working on globalization for the past 20 years. We have people like Mr. Inagaki and Mr. Kikuta, who are leading our business globally, and as Mr. Inagaki mentioned earlier that we have outstanding people among our overseas Group companies, so I'm not too worried about our current management team. However, overseas business accounts for around 30% of the Dai-ichi Life Group's profit and is expected to reach nearly 50%. As a global company, we urgently need to create a management structure to address this.

By putting in place a CXO system that includes overseas human resources, we are now taking on the challenge of developing new group management. We have also begun designing various systems, including a remuneration system for scouting and hiring foreign human resources, while considering how personnel exchanges with employees of overseas group companies should be handled. As an outside director, I'm very keen to join these discussions with a sense of anticipation.

PROFILE
Mr. Inagaki became President and Representative Director of the Company in 2017 and Chair of the Board in 2023. He has extensive business knowledge and experience in corporate planning and investment planning as a member of the Group. He has played a central role in the transition to a holding company structure and has developed and implemented its growth strategy.

Theme 6 Message to Stakeholders

Masuda With the exception of Dai-ichi Life, most major life insurance companies in Japan are mutual companies. Dai-ichi Life is a top-class Japanese insurance company and should be more confident about its progress. However, the real challenge starts now. We have entered the phase of going global and competing with other industries in order to survive. I hope that stakeholders will pay close attention to how the Dai-ichi Life Group fares in the future.

Maeda Choosing to become a stock company naturally means that we are exposed to the market. For this reason, we must increase corporate value to meet the expectations of shareholders. As outside directors, we must always listen to the market and give feedback to the executive side.

Although stock companies have many more challenging aspects than mutual companies, we have turned to a group-based management style toward globalization. As a global insurance group, we need to make this structure successful at all costs. To this end, I would like to raise my voice, sometimes with critical opinions, through discussions with the executive side.

Sato The Audit & Supervisory Committee will monitor the actions of the executive side from the perspective of stakeholders, especially shareholders. We will always provide feedback and work alongside them to achieve even higher goals.

On the other hand, some stakeholders, such as policyholders and employees, may be concerned about the slow performance of our new business and the monetary fraud case. Both the executive side and outside directors will keep a close eye on this, so our employees can be confident and proud of their work and our policyholders can have peace of mind.

Inagaki Dai-ichi Life Insurance was established as the first mutual company in Japan and its founder, Tsuneta Yano, was obsessed with "firsts." It takes careful research, deliberation, and courage to make the first move. That makes it all worthwhile. His son, Ichiro Yano, later became the fourth president. Around the time of our 50th anniversary, he wondered, "Are our founding principles still in place?" This shows that Dai-ichi Life has a strong appetite for challenge at its core. Everyone who works at Dai-ichi Life put a value on a challenge. As president for six years, I was fulfilled with this mind.

The fact that we are embracing the challenge of succession and our remuneration system is testament to that spirit. Mr. Kikuta, the new head of our company, is also passionate about changing and taking on new challenges. Indeed, our "founding principles" are still alive today.

Giving shape to this spirit requires a strong governance structure, and I believe that Dai-ichi Life Holdings' governance structure is ahead of the curve in the insurance industry. Some of the comments we receive may be harsh, but they certainly make us stronger. We will further enhance our governance structure to meet the expectations of our shareholders.

Corporate Governance

We have developed a corporate governance system as stipulated in the Basic Corporate Governance Policy to ensure transparent, fair, prompt, and bold decision-making while balancing supervision and management, to respond to the entrustment of our multiple stakeholders, such as customers, shareholders, society, and employees, and to achieve sustainable growth and enhancement of corporate value over the medium to long term.

Basic Approach to Corporate Governance

Initiatives to strengthen corporate governance

	Former Dai-ichi Life	Dai-ichi Life Holdings
Corporate governance structure/ model/Group governance	2010 Listed its stock on the Tokyo Stock Exchange (First Section) 2013 Established the Advisory Board 2014 Established the Internal Control Policy for the Dai-ichi Life Group 2015 Established the Basic Corporate Governance Policy	2016 Transitioned to a holding company structure/company with an Audit & Supervisory Committee 2023 Terminated the practice of the president of the Company concurrently serving as the president of Dai-ichi Life
Effectiveness/ Separation of supervision and execution	2014 Established Independence Standards for Outside Directors 2014 Commenced self-assessment of the Board of Directors	2016 Commenced self-assessment of the Audit & Supervisory Committee 2017 Commenced self-assessment of the Nominations Advisory Committee and the Remuneration Advisory Committee 2020 Transitioned to a structure in which the chair of the Board does not concurrently serve as representative director
Remuneration system	2011 Introduced share remuneration-type stock options	2018 Introduced a restricted stock remuneration scheme 2021 Adopted relative TSR as a KPI 2022 Introduced a performance-linked stock remuneration scheme

Corporate Governance Structure

In addition to establishing an Audit & Supervisory Committee, we have appointed outside directors and established voluntary committees. Through this and other means, we form an effective corporate governance structure founded on external perspectives.

Overview of the Corporate Governance Structure (as of June 26, 2023)

Corporate governance model	Company with an Audit & Supervisory Committee
Term of office for directors	1 year 2 years for directors serving as Audit & Supervisory Committee members
Limit on duration of term	Outside directors: 8 years Directors serving as Audit & Supervisory Committee members: 12 years

Breakdown of remuneration for directors	1) Basic remuneration 2) Single-year performance-linked remuneration 3) Restricted stock remuneration 4) Performance-linked stock remuneration
Voluntary advisory bodies	Nominations Advisory Committee and Remuneration Advisory Committee
Independent auditor	KPMG AZSA LLC

Board of Directors

Number of meetings held	18
Chairperson	Seiji Inagaki (Director, Chair of the Board)

Independence: Independent outside directors (7/15) 46.6%

Diversity: Non-male, non-Japanese (3/15) 20.0%

Audit & Supervisory Committee

Number of meetings held	25
Chairperson	Rieko Sato (Outside Director)

Independence: Outside members (3/5) 60.0%

Diversity: Non-male, non-Japanese (1/5) 20.0%

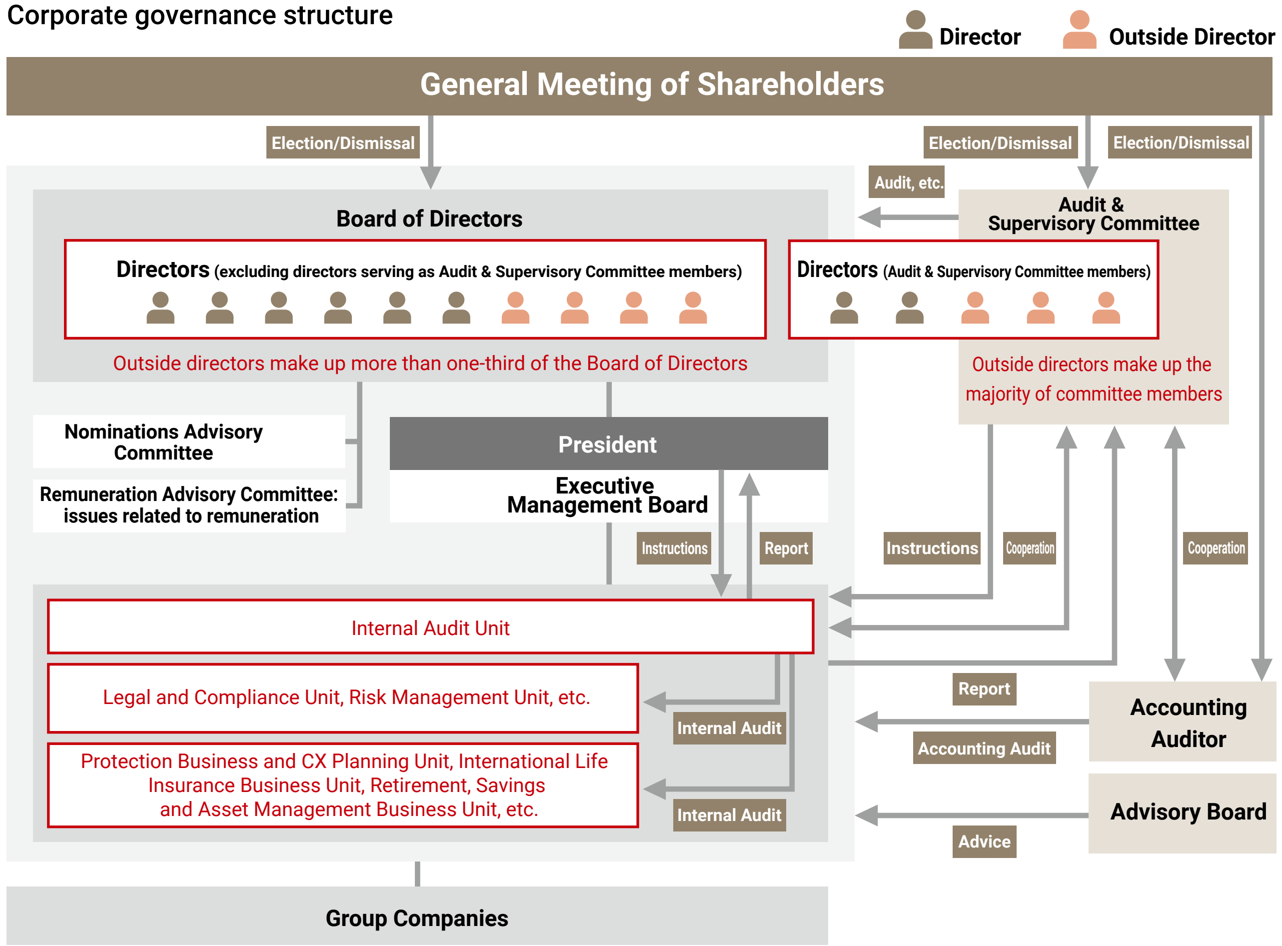
Voluntary advisory bodies

Nominations Advisory Committee		Remuneration Advisory Committee
12	Number of meetings held	11
Koichi Masuda (Outside Director)	Chairperson	Koichi Maeda (Outside Director)

Nominations Advisory Committee — Independence: Outside members (4/6) 66.6%

Remuneration Advisory Committee — Independence: Outside members (4/6) 66.6%

Corporate governance structure



Board of Directors' functions/composition

The Board of Directors is responsible for making important decisions on our group management strategy, management plan, etc., and supervises business operations execution. The Board of Directors consists of internal directors with knowledge and experience necessary to manage in an accurate, fair, and efficient manner and outside directors with the deep insight, rich experience, and the independence necessary to fully demonstrate supervisory functions. In principle, outside directors make up at least one-third of the board. The diversity of the Board of Directors is also taken into consideration. Meanwhile, the Company has not instituted any restrictions other than the upper limit on the Board of Directors headcount stipulated in the Articles of Incorporation and, as such, it places emphasis on ensuring that the Board of Directors is composed of an adequate number of people with the requisite skills and experience to strengthen corporate governance and increase the Board's effectiveness in a manner that contributes to increasing the Company's corporate value over the medium to long term.

Roles

Audit & Supervisory Committee*	As a body independent of the Board of Directors, the Audit & Supervisory Committee is responsible for auditing the execution of duties by directors and our group internal control systems from a legal and appropriateness standpoint, and for performing a supervisory function over the Board of Directors through the expression of opinions on their appointment and remuneration. The Audit & Supervisory Committee includes at least one member with considerable knowledge about finance and accounting. It consists of internal members with knowledge about the life insurance business and outside members with excellent insight, rich experience, and independence. The Audit & Supervisory Committee has appointed Ms. Rieko Sato, an independent outside director, as the chairperson.
Nominations Advisory Committee*/ Remuneration Advisory Committee:* issues related to remuneration	To further enhance management transparency, these committees are established as voluntary advisory committees for the Board of Directors. Each committee deliberates and decides on certain matters, and subsequently refers proposals to the Board of Directors. The main matters on which each committee advises the Board are as follows. • Nominations Advisory Committee: Election and dismissal of directors of the Company and Dai-ichi Life, Limited and Audit and Supervisory Board members of Dai-ichi Life • Remuneration Advisory Committee: issues related to remuneration
Executive Management Board	The Executive Management Board, consisting of the president and executive officers appointed by the president, meets to consider important management and executive matters.
Advisory Board	To further strengthen and enhance governance, the Company has established an Advisory Board to seek extensive advice from outside experts on a medium- to long-term perspective regarding general management matters.

* Chaired by an outside director

Knowledge and Experience of the Company's Directors (Director skill matrix)

The Company defines knowledge and experience necessary for directors as follows in order to fulfill its supervisory function as a holding company and to appropriately implement its medium-term management plan. Specifically, the Company defines (1) to (7) below as knowledge and experience required for directors of an insurance holding company based on the characteristics of the life insurance business, and (8) to (10) as knowledge and experience regarding important future business strategies and management issues based on the medium-term management plan. A list of the (planned) Directors of the Company after the Annual General Meeting of Shareholders for the 13th Fiscal Year is as follows.

The following is a list of the Company's directors.

Name	Title	(1) Corporate management	(2) Global management	(3) Finance	(4) Accounting/ Actuarial Affairs	(5) Legal affairs	(6) Compliance	(7) Risk management	(8) ICT/ DX*	(9) Innovation (New business development)	(10) Sustainability
Seiji Inagaki	Director, Chair of the Board	✓	✓	✓	✓		✓	✓			
Tetsuya Kikuta	Representative Director, President, CEO	✓	✓	✓	✓					✓	✓
Hitoshi Yamaguchi	Representative Director, Managing Executive Officer	✓	✓	✓	✓						
Hiroshi Shoji	Director, Managing Executive Officer	✓		✓	✓						
Hidehiko Sogano	Director, Managing Executive Officer, CSuO	✓	✓	✓							✓
Toshiaki Sumino	Director	✓	✓	✓	✓	✓		✓			✓
Koichi Maeda	Outside Director	✓	✓	✓			✓		✓		
Yuriko Inoue	Outside Director					✓	✓		✓		✓
Yasushi Shingai	Outside Director	✓	✓		✓	✓	✓	✓	✓	✓	✓
Bruce Miller	Outside Director		✓	✓		✓		✓			✓
Takahiro Shibagaki	Director (Audit & Supervisory Committee Member (Full-Time))	✓		✓							
Fusakazu Kondo	Director (Audit & Supervisory Committee Member (Full-Time))	✓		✓	✓						
Rieko Sato	Outside Director (Audit & Supervisory Committee Member)					✓	✓	✓			
Ungyong Shu	Outside Director (Audit & Supervisory Committee Member)	✓	✓	✓				✓			
Koichi Masuda	Outside Director (Audit & Supervisory Committee Member)	✓			✓						

*ICT stands for information and communication technology, and DX stands for digital transformation.
Note: The relevant item is checked if a director has expertise and experience or has a background as a business manager in the respective field.

The Succession Plan

The succession plan of the Company including president is discussed at meetings of the Nominations Advisory Committee as prescribed in the Company's Articles of Incorporation.

After verifying the election and discharge of members of the Board of Directors from the standpoint of eligibility and reviewing and deciding on its proposals, the Nominations Advisory Committee submits them to the Board of Directors for review. As part of this, the committee also makes use of third-party candidate evaluations and takes steps to enhance its effectiveness by, for example, setting up opportunities for candidates to meet with Nominations Advisory Committee members. The members of this Committee include the chairperson and the president as well as outside members who are selected by the Board of Directors. Moreover, to ensure the independence of this committee, more than half of its members are outside members, and to facilitate the mutual sharing of information with the Remuneration Advisory Committee and the consideration of diverse views as part of committee discussions, outside directors who are not members of the committee also participate in committee meetings as observers.

Basic Corporate Governance Policy (Excerpt)

Nominations Advisory Committee

(1) Role

The Nominations Advisory Committee, as an advisory committee to the Board of Directors, shall confirm procedures of elections and discharge of directors of the Company and the Dai-ichi Life Insurance Company, Limited and Audit and Supervisory Board Member of the Dai-ichi Life Insurance Company, Limited from the perspective of eligibility, and shall deliberate and determine committee proposals. The committee proposals are submitted to the Board of Directors.

(2) Composition

The members of the Nominations Advisory Committee shall be comprised of the Chairman, the President and outside members, and the Board of Directors shall elect outside members from the outside directors or outside experts. Moreover, to ensure the independence of this Committee, more than half of the members shall be outside members.

Major themes for deliberation by the Nominations Advisory Committee

- Succession of president
- Proposal of director candidates

Succession of President

We started a full-fledged discussion on the succession of president in fiscal 2021 and deliberated on "the qualities required of top management." In the last succession, the final candidates were selected after interviews by outside directors, with reference to the results of the third-party assessment based on the "the qualities required of top management," and after the Nominations Advisory Committee made a decision on the committee's proposal in November 2022, the Board of Directors made a formal decision in December 2022.

Qualities required of top management

- ☑ Be prepared to change the status, and be able to embody and promote reforms
- ☑ Know what our shareholders and the market expect from the Company
- ☑ Have a strong belief in the globalization of the Group

Developing the Next Generation of Leaders

With the business environment changing at an increasing speed, we aim to build a system for continuously and strategically developing management leaders capable of leading reforms and driving our operations forward to achieve sustainable growth for our Group.

Specifically, since fiscal 2020, we have been formulating a succession plan to systematically develop and promote candidates for management posts (general manager level, line (section) manager level). Clarifying the requirements (e.g., experience, skills) of each post and formulating a specific succession plan will enable us to strategically develop human capital and implement employee rotations in a way that continuously strengthens our organization. As part of our efforts to develop suitable candidates, we are expanding the range of training programs that we offer, including sending employees to external training and graduate school programs, and we are implementing initiatives by which our executives are directly involved in training people.

We are also promoting diversity in our management posts to ensure that a diverse range of people participate in decision-making, changing our organizational culture and leading to value creation. As of April 2023, our diversity percentage (percentage of employees who are not male, new graduates, or Japanese nationals in administrative (non-sales) management positions) was 29.1%, and we will continue working to increase this figure.

Initiatives for Improving the Effectiveness of the Board of Directors

For further strengthening of corporate governance, the Company has been conducting an annual self-assessment regarding the effectiveness of the Board of Directors since fiscal 2014 to ensure the validity of decision-making by the Board of Directors, and has utilized this for improvements in the following fiscal year and thereafter.

More specifically, an anonymous questionnaire regarding the overall governance structure, including the Audit & Supervisory Committee, the Nominations Advisory Committee, and the Remuneration Advisory Committee, in addition to the Board of Directors, is administered to all directors, with the results tabulated and analyzed by a third-party agency. We then discuss and implement improvement measures for the challenges identified.

Furthermore, since fiscal 2023, in order to obtain more candid opinions, in addition to the questionnaire, we have received suggestions about evaluations, future issues and directions for action from a third-party agency based on one-hour individual interviews with all directors before considering and implementing improvement measures.

Fiscal 2021

Issues	Measures for improvement
Further reinforcement of the supervisory function as a monitoring board	• Secure opportunities and time for discussion with a focus on proposals related to supervision by examining items to be proposed in more detail. • Create better materials such as by stipulating the points of contention at the Board of Directors' meetings. • Discuss the monitoring status of progress in the medium-term management plan at multiple meeting bodies associated with the Board of Directors.
Further enhancement of communication between internal and outside directors	• Further increase opportunities to communicate, utilizing opinion exchange sessions, executive sessions and other forums.

Fiscal 2022

Issues	Measures for improvement
Promotion of initiatives to renew corporate culture	• Establishment of an action plan and periodic monitoring by the Board of Directors to ensure its implementation.
Examination of systems to strengthen corporate governance	• Continue participation of outside directors who are not members of the Nominations/ Remuneration Advisory Committees as observers. • Continue to discuss governance system, including the composition of the Board of Directors.
Further improvement of operations of the Board of Directors meetings	• Provide sufficient information to directors through the use of summaries that clarify discussion points, etc., in order to enhance discussions. • Focus on important issues by preparing an annual schedule in advance after carefully examining the themes to be discussed and the timing of discussions. • Deepen discussions by holding small-group discussions on specific themes.

Fiscal 2023

Issues	Measures for improvement
Enhance group governance structure	• Share awareness of significant issues for group governance and deepen discussions on management indicators that should be monitored as a board of a shareholding company, which will be reflected in the formulation of the next medium-term management plan.
Deliberate and engage in an ideal shape of the Board of Directors in the pursuit of growth of corporate value	• Clarify points in question in strategic discussions to utilize expertise of outside directors and provide information and prepare materials conducive to active discussions. • Continue to offer opportunities for outside directors to deepen understanding of the Company's business through off-site meetings, etc. • Share awareness periodically among directors as to themes requiring discussions. • Provide more opportunities for communications between outside directors and executive officers.

Examples of improvement measures undertaken in fiscal 2022 based on the fiscal 2021 evaluation

1 Pursue initiatives to reform the corporate culture

An action plan was established by incorporating perspectives of external advisors toward achieving the goal. Based on the plan, monitoring was conducted in the interim period and at the fiscal year-end.

The Board of Directors reported the progress of initiatives based on the evaluation indicators determined at the time of establishing the action plan. In the reporting, discussions were held as to the adequacy of the evaluation indicators, among others, thereby appropriate monitoring was conducted. Issues identified through the monitoring are reflected in the following year's initiatives.

2022.5	2022.9	2023.3
Action plan established	Interim reporting Update of action plan	Year-end reporting Initiatives for next year

2 Consider structures for strengthening corporate governance

Outside directors who are not members of the Nominations or Remuneration Advisory Committees participate in committee meetings as observers and express their opinions as appropriate on an ongoing basis.

In addition to the chair of the Nominations or Remuneration Advisory Committees, the chair of the Audit & Supervisory Committee is served by an outside director since June 2022 to further strengthen the supervisory function. In fiscal 2022, highly objective and transparent discussions were held primarily regarding succession of president at the Nominations Advisory Committee and operation of a new remuneration system for officers at the Remuneration Advisory Committee.

	FY2020	FY2021	FY2022
Nominations Advisory Committee	5 times	6 times	12 times
Remuneration Advisory Committee	8 times	12 times	11 times

3 Make further improvements to the operation of the Board of Directors

The "Board of Directors Office" was newly established as a dedicated organization to assist the Board of Directors and strengthen its operation.

In addition, at the Board of Directors, explanation was thoroughly made using summaries that clarified the issues, which shortened the time required for explaining the agenda and led to enhanced discussions.

Objective	Details of initiatives
Strengthen the support system to improve the effectiveness of the Board of Directors	• Established the "Board of Directors Office" as a dedicated organization to support the Board of Directors (October 1, 2022) • Appointed the "General Manager of the Board of Directors Office" at the time of establishment
Enhance and activate discussions	• Provided explanation thoroughly using summaries that clarify the main points of discussion, etc. • Changed the seats at random in every meeting of the Board of Directors • Held subcommittee meetings with members grouped at random, after the Board of Directors or opinion exchange sessions
Promote outside directors' understanding of the Group's business	• Dialogue between outside directors and executive officers (Held 4 times in FY2021; 19 times in FY2022)

Officer Remuneration

We recognize the remuneration system for directors and officers as a critical component of "fair treatment" for the directors and officers responsible for achieving our group vision. Therefore, we set up a basic policy and basic principles, as well as a decision-making process, as follows.

Basic Policy

- Framework that facilitates the sharing of values with stakeholders from a medium- to long-term perspective
- Fair remuneration system offering an appropriate level of remuneration reflecting the size of the person's role and responsibilities and the extent to which those duties are performed
- Reward the contribution of each director/officer by linking remuneration to the Company and individual performance, encouraging the creation of the values on which our Group focuses

Basic Principles

1. Remuneration according to responsibilities and expectations
2. Consistency with the strategies on which our Group focuses
3. Linked to the Company and individual performance
4. Shares interests with all stakeholders
5. Proper level of remuneration
6. Ensures objectivity and transparency

Decision-Making Process

Remuneration for internal directors (excluding non-executive directors such as the chair of the board and excluding directors who are Audit & Supervisory Committee members) is designed to provide an incentive to work toward sustained growth and thus consists of basic remuneration, single-year performance-linked remuneration (company performance-linked and individual performance-linked remuneration), and stock remuneration (restricted stock remuneration and performance-linked stock remuneration). Outside directors and directors who are Audit & Supervisory Committee members receive basic remuneration only. Of the internal directors (excluding those who are Audit & Supervisory Committee members), those who are non-executive directors, such as the chair of the board, do not receive single-year performance-linked remuneration or performance-linked stock remuneration. The amount of these remuneration portions is established with reference to third-party research on remuneration for management roles at other companies, considering the industry type and other characteristics. Moreover, the "Policy for Determining Remuneration of Directors and Executive Officers" that includes the aforementioned Basic Policy for Remuneration of Directors and Officers and Basic Principles for Remuneration of Directors and Officers were determined by the Board of Directors following deliberation by the Remuneration Advisory Committee where outside directors make up a majority of the committee members.

Director remuneration structure

	Directors (excluding directors serving as Audit & Supervisory Committee members)		Directors (Audit & Supervisory Committee members)	Remarks
	Internal	Outside		
Basic amount	○	○	○	Remuneration according to duties and responsibilities
Amount linked to single-year performance	○*1	—	—	Linked to the level of KPI achievement for the fiscal year
Restricted stock amount	○	—	—	Set as an incentive to achieve management objectives and share profits with shareholders over the medium to long term
Performance-linked stock remuneration	○*1,2	—	—	Set as an incentive to increase corporate value, linked to achievement of indicators selected based on management goals

*1 Excludes non-executive directors such as the chair of the board

*2 The Company has in place clawback provisions with respect to performance-linked stock remuneration that require remuneration recipients to return to the Company common stock issued or disposed of (or an amount of money equivalent to the value of that stock), even after the performance evaluation period has ended and the Company has issued or disposed of the stock, if the Board of Directors determines that, for example, the balance sheet is subject to a material downward revision or the remuneration recipient has committed serious legal violations, or for other reasons determined by the Board of Directors.

Main KPIs for single-year performance-linked remuneration

Category	KPI
Accounting profit	Group adjusted profit
Future profit (economic value)	Group value of new business
Soundness (economic value)	Economic Solvency Ratio (ESR)
Free cash	Free cash flow

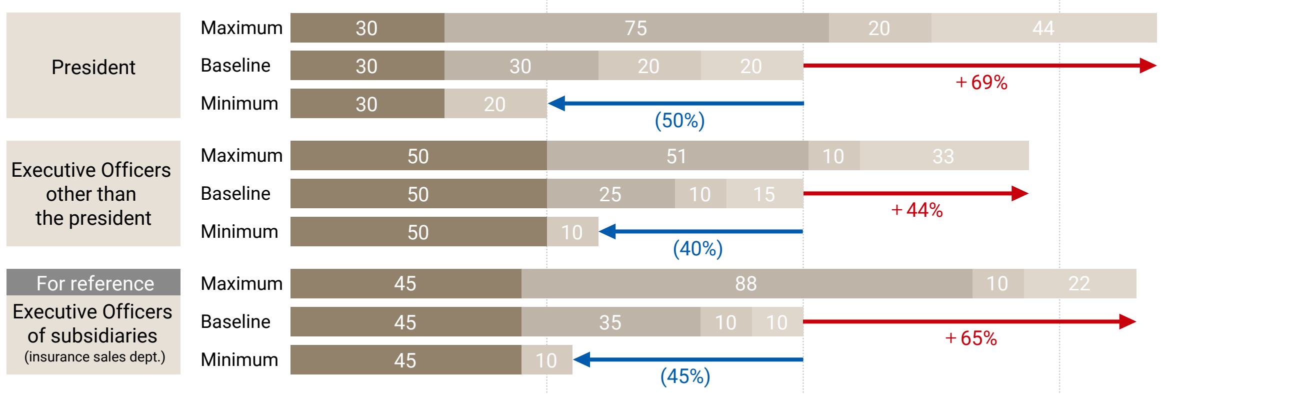
*3 Relative TSR is a comparison with the following 10 companies ("HD" denotes "Holdings."): five domestic insurance companies (Japan Post Insurance, T&D HD, Tokio Marine HD, MS&AD Insurance Group HD, and SOMPO HD) and five overseas insurance group companies focusing on life insurance and competing with the Dai-ichi Life Group in the U.S. and Japanese markets (Aflac, AXA, Manulife, MetLife, and Prudential (US)).

Main KPIs for performance-linked stock remuneration

Category	KPI
Market valuation	Relative TSR*3
Capital efficiency	Group adjusted ROE
Capital efficiency (economic value)	Group ROEV
Sustainability indicators	Set of multiple sustainability indicators including CO_2 emissions

Conceptual illustration of executive remuneration

Note: A value of 100 indicates that the KPI baseline levels were achieved. We have switched from a system of remuneration for executive officers and the like based on job position to one based on job responsibilities.



Targets and actual values for main KPIs related to the company performance-linked remuneration

Business perspective	KPI	Target (FY2020)	Actual (FY2020)
Capital efficiency	Group ROEV	8%	8%
Financial soundness	ESR (economic value)	100% or higher	203%
Profit indicators	Group adjusted profit	Approx. ¥250.0 billion	¥282.8 billion
	Group value of new business*1	Approx. ¥230.0 billion	¥107.1 billion
Market evaluation	Stock price (benchmark comparison)*2	Exceeded benchmark	15%

*1 Value of new business is an indicator representing the value when acquiring new policies in each fiscal year. The figures are the total of group companies' value of new business, that mainly operate life insurance business.

*2 The stock price (benchmark comparison) is a comparison of the percentage change in the Company's stock price during the fiscal year with the percentage change in the benchmark for the same period (average of TOPIX (Tokyo Stock Price Index) and Tokyo Stock Exchange (TSE) insurance industry-specific stock price indicator).

Business perspective	KPI	Target (FY2021)	Actual (FY2021)
Economic value	Group ROEV	3.8%	4.9%
	Group value of new business	Approx. ¥160.0 billion	¥98.8 billion
Free cash	Market-related risk reduction	Approx.(¥280.0 billion)	(¥392.9 billion)
	Free cash flow	Approx. ¥310.0 billion	¥333.6 billion
Accounting profit	Adjusted ROE	7.1%	8.0%
	Group adjusted profit	Approx. ¥260.0 billion	¥296.1 billion
Market evaluation	Relative TSR	Sixth	Second
Financial soundness	Group economic Solvency Ratio (ESR)	130% or higher	227%

Details of total remuneration

Officer type	Total remuneration (¥ in millions)	Remuneration components (¥ in millions)						Number of board members
		Basic remuneration	Single-year performance-linked remuneration, etc.		Nonmonetary remuneration (Stock remuneration)		Other	
			Company performance amount	Individual performance amount	Restricted stock amount	Performance-linked stock amount		
Directors (excluding members of the Audit & Supervisory Committee and outside directors)	329	194	43	17	58	15	0	7
Outside Directors (excluding members of the Audit & Supervisory Committee)	67	67	-	-	-	-	-	5
Directors serving as members of the Audit and Supervisory Committee (excluding outside directors)	97	97	-	-	-	-	0	3
Outside directors serving as members of the Audit & Supervisory Committee	68	68	-	-	-	-	-	3

Notes:
1. The performance-linked amount shown in the table above is the total of remuneration for the 3 months from April 2022 to June 2022 based on the results for the fiscal year ended March 31, 2021, and the remuneration for the 9 months from July 2022 to March 2023 based on the results for the fiscal year ended March 31, 2022.
2. The performance-linked stock amount shown in the table above is the total for the period from April 2022 to March 2023 of an amount recorded as expenses as remuneration and an amount paid in cash as performance-linked stock remuneration to changes in the rank of directors.
3. Stock remuneration, which is positioned as nonmonetary remuneration or remuneration equivalent thereto, consists of restricted stock remuneration of the Company for the purpose of boosting the directors' morale and desire to contribute to the enhancement of shareholder value of the Dai-ichi Life Group as a whole and promoting the sharing of value with shareholders for as long as possible; and performance-linked stock-based remuneration of the Company as an incentive to enhance corporate value that is linked to the level of achievement of performance indicators selected based on management objectives of the Dai-ichi Life Group, including the medium-term management plan. The restriction-on-transfer period for the said restricted stock is 3 years for directors (excluding outside directors and the Company's directors concurrently serving as Audit & Supervisory Committee members), and its terms include the following: (1) If the eligible director retires or resigns from office as a director, etc. of the Company or a certain group company due to expiration of his or her term of office, reaching retirement age, or any other reasons deemed reasonable by the Company's Board of Directors, the restriction on transfer shall be removed immediately after the retirement or resignation; (2) If, during the restriction-on-transfer period, the eligible director is sentenced to imprisonment without work or a heavier punishment, or is determined to be in material violation of laws and regulations or fall under other certain conditions, and it is deemed reasonable by the Company's Board of Directors, the Company may acquire the said shares of restricted stock without consideration; and (3) Establish clawback clauses after the removal of the restrictions. The performance evaluation period for the said performance-linked stock remuneration is the three fiscal years, and its terms include the following: Directors (excluding directors serving as Audit & Supervisory Committee members and outside directors) determined by the Company's Board of Directors shall (1) have continuously remained in the position of either director or other positions of the Company determined by the Company's Board of Directors throughout the performance evaluation period; (2) have not engaged in violations of laws and regulations or any other misconduct as defined by the Company's Board of Directors; (3) satisfy requirements deemed necessary to achieve the purpose of the performance-linked stock remuneration scheme; and (4) establish clawback that has been issued or disposed of, even when the performance evaluation period has already ended and the shares of common stock of the Company have been issued or disposed.
4. Outside directors did not receive any compensation other than remuneration from the Company or receive any remuneration from the parent of the Company, etc.
5. The above figures include two directors excluding directors serving as Audit & Supervisory Committee members (include one outside director) and one director serving as Audit & Supervisory Committee member who retired from the Company on June 20, 2022, and one director serving as Audit & Supervisory Committee member who assumed office on June 20, 2022.

Establishment of Internal Control and Its Operation

We have an Internal Control Policy that stipulates the core requirements for the establishment and operation of internal control to ensure the integrity and appropriate conduct of business activities of our Group and to maintain and build corporate value.

In addition, in view of the past incidents of the fraudulent mishandling of cash that came to light at Dai-ichi Life, we, as the holding company, also improve the level of the Group's internal control system, and establish communication and information linkages between our three lines of defense (business divisions, back office and administrative divisions, and the Internal Audit division). Each line regularly reports to the Board of Directors and the Executive Management Board on the status of initiatives and monitoring in light of their respective functions.

At the same time, we implement internal control self-assessments that also cover group companies to raise the effectiveness of the Group's internal controls. These assessments promote appropriate business operations by identifying major risks in each business process and evaluating and analyzing the importance of each risk in terms of impact and size of losses incurred if it were to become evident as well as the effectiveness of risk control measures.

Through these endeavors, we will continue to operate our internal control system to realize an effective risk-based Group internal control system based on the three lines of defense.

Internal Control Policy for the Dai-ichi Life Group

1. System for ensuring proper operations within the Group
2. System for ensuring execution of professional duties in accordance with applicable laws, regulations, and the articles of incorporation
3. System for risk management
4. System for ensuring efficient execution of professional duties
5. System for ensuring appropriateness and reliability of financial reporting
6. System for preserving and managing information concerning execution of directors' and executive officers' duties
7. Systems for ensuring effective internal audits
8. Systems for the execution of duties of the audit and supervisory committee

More information about the Group Internal Control Policy
https://www.dai-ichi-life-hd.com/en/about/control/in_control/index.html

Compliance

As the globalization of the businesses of our Group has advanced, there have been increasing calls for us to take appropriate action according to global regulations such as anti-money laundering, anti-bribery, and anti-corruption, and regulations on the safeguarding of personal information and consumer protection in Japan and overseas, as well as to address social and customer demands. In these circumstances, it is getting more important to ensure appropriateness from a legal and compliance perspective, to strengthen the soundness of management, and to improve the corporate value based on it.

Our Group adheres to laws, regulations, and the Articles of Incorporation, while following social norms and market rules. At the same time, we work to identify potential conduct risks. We are pursuing compliance according to risk amid the changing business environment surrounding us, including through efforts to identify potential conduct risks from a forward-looking perspective.

The Legal and Compliance Unit is responsible for ascertaining serious risks pertaining to compliance and conducts monitoring and guidance at each group company. Important matters concerning compliance are discussed by the Group Compliance Committee, then reported to the Board of Directors, the Audit & Supervisory Committee, and other management bodies to receive instruction.

In fiscal 2022, in addition to strengthening the framework in light of global regulations and enhancing our compliance management system for insurance sales, we are also checking on the efforts of the Business Management Quality Reform Task Force established within Dai-ichi Life in light of the incidents of the fraudulent mishandling of cash by employees and former employees of Dai-ichi Life and the progress of improvement measures to eliminate monetary fraud at other Group companies, and providing guidance and support as necessary.

Risk Management

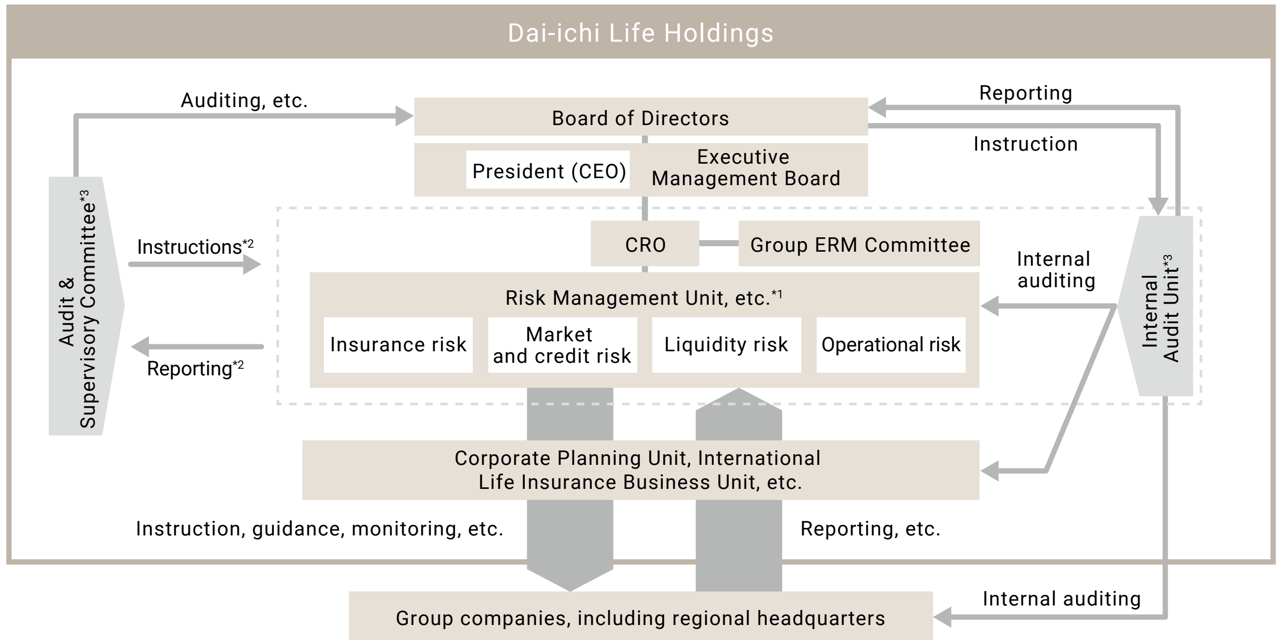
Our Group practices enterprise risk management (ERM), which is an approach to improve financial soundness and enhance corporate value simultaneously. As part of these efforts, we believe that the role of the Risk Management Department is to comprehensively grasp not only current risks but also future ones, while avoiding and suppressing losses by reinforcing responses to those risks. The department also promotes initiatives to accept risks appropriately and proactively as a source of profit and capital. Specifically, we aim to ensure financial soundness by maintaining the risk amount within the amount of capital as we boost corporate value by improving returns against risk, which is achieved by efficiently allocating capital.

In our Group, we control financial soundness by integrating the various risks of economic value, accounting, and regulatory bases, and comparing the amount of risk to our amount of capital. In internal risk control, we practice risk management while placing a high emphasis on an economic value–based approach. For example, we are enhancing our measurement models for the calculation of capital and risk amounts on an economic value basis considering the Insurance Capital Standard (ICS), scheduled for adoption in 2025, and the discussions for economic value–based regulation in Japan. In addition, we have incorporated an economic value–based approach in our Group's allocation of capital and product design as we pursue management that is consistent with risk measurement principles. At the same time, when we identify and assess risk phenomena that cannot be entirely quantified with our models, we use past events, such as financial market turmoil and large-scale disasters, as well as future scenario analysis, to estimate the worst cases, and then carry out stress tests. We report results of stress tests along with an analysis of the impact on our financial soundness to the Board of Directors, and consider strengthening our monitoring, management, and financial responses.

Furthermore, our Group identifies foreseeable risks that could have a major impact on our business as "Material risks." In identifying material risks, we evaluate the impact*1 and possibilities of each risk on a scale of 1 to 4, based on the results of material risks identified by each group company. Using a heat map, important risks are identified as group-based material risks and reviewed annually. In addition, "emerging risks*2" are also identified every fiscal year as risks that are not currently material but are expected to emerge. Risks are taken into account for business planning and are managed appropriately from the time any evidence is recognized. Our Group regularly reports the status of these "Material risks" to the Executive Management Board and the Board of Directors and strives to avoid these risks and takes appropriate countermeasures when such risks occur.

*1 Impact is based on economic loss, reputation (impact on sales, management responsibility, and stock price), and other factors
*2 Risks that are expected to emerge due to changes in the environment and other factors

More information about risk management
https://www.dai-ichi-life-hd.com/en/about/control/in_control/administer.html



*1 Risk Management Unit and other departments in charge of each type of risk *2 Dotted frame shows the entities which Audit & Supervisory Committee makes instruction to, and receives reporting from. *3 Audit & Supervisory Committee and Internal Audit Unit coordinate with each other.

IT Governance

Today's technology in the digital domain is advancing at a rapid pace, and new businesses and services are being created one after another. In such a world, we believe that IT is an essential element for our Group to transform our business model for sustainable growth. "IT Governance" is a mechanism for management to exercise leadership and integrate IT and business strategies to transform companies and increase corporate values.

IT Governance

Our Group established the "Group IT Governance Basic Policy" and promotes IT Governance based on COBIT5[*1]. In addition, we strengthened our global management system by inviting management personnel from outside the company to serve as CIO and CDO in this fiscal year. Under the new leadership, through regular meetings with top IT executives from domestic and overseas Group companies, we aim to share the Group's IT strategy and accelerate collaboration within the Group, so that IT can contribute to the increase of corporate value.

While we aim to improve corporate value through IT, we are thoroughly committed to managing "System Risk," which is the risk of losses incurred by the Company due to downtime or malfunction caused by inadequate IT systems or unauthorized use of computers, affecting customer trust and our business operations. With regard to system risk, we established policies, management systems, and processes, and continuously evaluate and improve their effectiveness at group companies, in accordance with the "Group System Management Regulations."

Cybersecurity Measures

Our Group aims for further evolution in the areas of people and organizations, processes, and technologies, so as to protect the information assets of the Group from cyberattacks, which grow more sophisticated with each day, and to continue to deliver a sense of security, safety, and stability to our customers and other stakeholders.
We have established the "Cybersecurity Policy for the Dai-ichi Life Group" and are sharing cybersecurity measures among all Group companies. In addition, we have established a "CSIRT"[*2] consisting mainly of dedicated personnel with advanced expertise to bolster intragroup preparation through means such as laying down rules and regulations regarding response to cybersecurity incidents and educating employees. Furthermore, we collect the latest security updates from multiple external agencies and share this information within the Group. Through these efforts, for our information systems, we take action against new threats as needed, such as combining multiple systems to detect unauthorized access viruses, and other threats to protect from them. Through these initiatives, we are working to optimize cybersecurity measures for the entire Group.

*1 COBIT5 is a global standard framework for IT governance that is advocated by the Information Systems Audit and Control Association and the IT Governance Institute of the United States.
*2 Computer Security Incident Response Team

DX認定

The company has acquired "Digital Transformation Certification" based on the DX certification system set forth by the Ministry of Economy, Trade, and Industry (METI) as a corporation that perceives business and IT systems in a unified manner and has formulated a management vision and business model based on the changes that digital technology has brought to society and the competitive environment and is ready to realize that vision and model.

Group Tax Governance

The tax landscape is changing as international organizations and national governments make moves to formulate international taxation rules and stakeholders take an increasing interest in taxation. In addition, as our business activities become more diverse, we are involved in an increasing range of transactions and activities on a group basis, making appropriate tax conduct increasingly important.

Considering these circumstances, to further enhance group tax governance, we have a Group Tax Policy that stipulates the core philosophies and implementation policies for tax that group companies should adhere to, with the approval of the Board of Directors.

By adhering to the policy, we shall satisfy corporate social responsibility and achieve sustainable growth and enhancement of corporate value over the medium- to long term through proper tax payments in all countries and regions of business.

Group Tax Policy

1. Adhering to the basic tax policy
2. Complying with tax laws
3. Establishing a system
4. Building and maintaining relationships with tax authorities
5. Ensuring transparency
6. Dealing with tax risk
7. Nurturing an attitude toward prevention of tax avoidance
8. Engaging in appropriate transfer pricing
9. Clarifying tax strategy/Enhancing corporate value

More information about the Basic Group Tax Policy
https://www.dai-ichi-life-hd.com/en/about/control/tax_governance/index.html

Internal Audits

With a view to ensuring sound and adequate business operations in our Group, the Internal Audit Unit, an independent organizational unit, performs internal audit activities on the supervision of operational execution and control to ensure satisfactory internal controls in the Group. We recognize the importance of initiatives that contribute to the further enhancement of internal controls.

Based on that recognition, our internal audit activities verify the appropriateness and effectiveness of the internal control system and its operation and, in addition to identifying and observing problematic areas, conduct efforts such as issuing suggestions that pertain to the evaluation and improvement of internal control and following up throughout the improvement process. In addition, through regularly performing the analysis and verification of all business risks in the Group, we are working to realize more effective risk-based internal audits.

The results of these internal audits, the status of improvements to any problems and other issues discovered, and the results of risk analysis and other information are regularly reported to the Board of Directors, the Executive Management Board, and the Audit & Supervisory Committee. Simultaneously, we endeavor to further enhance the internal control system across the entire Group while cooperating with related departments and other parties.

Equity Holdings Other Than Those Held Solely for the Purpose of Investment

Under the Insurance Business Act, insurance companies are required to set aside insurance premiums and investment income as policy reserves to ensure that liabilities on long-term insurance policies are fulfilled.

We believe that we should conduct investment management from a long-term perspective with regard to the amount of policy reserves that are substantially attributable to policyholders.

Each life insurance company in our Group invests assets based on ALM (Asset-Liability Management), focusing on fixed income assets. However, there is not a sufficiently developed market for super-long-term bonds that correspond to super-long-term liabilities. Therefore, Dai-ichi Life, which has long-term stable and large-scale insurance liabilities, is focusing on the diversification effect among asset classes in the portfolio, and conducts balanced investment in which risky assets such as equities are included in the investment portfolio considering corporate analysis, diversification of industries and brands, and risk management.

In this way, holding equities in the investment portfolio at each group company engaged in the life insurance business is, in principle, conducted for pure investment purposes as part of investment management. However, they partially hold shares that have combined pure investment and strategic purposes based on group strategy, such as strengthening relationships through business alliances. After performing a verification based on the holding purpose and the cost of capital, it is decided whether to reduce the holdings. For listed stocks, in particular, the content of verification by the Board of Directors is disclosed annually.

Strategically held shares shall be sold unless the rationale of holding such shares, either in terms of strategic holding or investment purposes, is confirmed.

Equity holdings other than those held solely for the purpose of investment
https://www.dai-ichi-life-hd.com/en/about/control/governance/reference.html

Number of companies for which equity shares are held for strategic purposes and amounts*

Number of companies	Total amount on the balance sheet	Ratio to the company's consolidated net assets (as of March-end 2023)
7	¥80.9 billion	2.8%

*Investment shares held by the Company and Dai-ichi Life (a company whose investment equities amount reported on its balance sheet is the largest among the Company and other consolidated subsidiaries) as of the end of March 2023 for purposes other than pure investment.

(Reference) Deemed equity holdings*

Number of companies	Total amount on the balance sheet	Ratio to the company's consolidated net assets (as of March-end 2023)
1	¥12.9 billion	0.5%

*Shares that Dai-ichi Life (a company whose investment equities amount reported on its balance sheet is the largest among the Company's consolidated subsidiaries) contributed to a retirement benefit trust and for which it holds the right to exercise the voting rights where such holding is for purposes other than pure investment as of the end of March 2023.

Business Management Quality Reform

Dai-ichi Life's initiatives to become a company consistently chosen by customers

Dai-ichi Life, a core subsidiary in Japan, takes seriously the incidents of the fraudulent mishandling of cash that occurred in the past and is working to earn further trust and confidence from customers and society by strengthening its customer-oriented initiatives to become a company consistently chosen by customers. We will continue our efforts to deliver "peace of mind" through life insurance and realize "happiness" beyond that, so that we can stand by the side of individual customers.

Pledge to Customers and Society (Dai-ichi Life's "Voluntary Declaration of Consumer Orientation")

Dai-ichi Life is working to realize activities from the customers' and consumers' perspective in order to realize a sales representative structure that can respond to the trust of customers and society. Based on the premise of our "Customer First" principle, the "Voluntary Declaration of Consumer Orientation," which was revised in 2021, is kept in the hearts and minds of all executives and employees as the foundation for their daily business activities.

Based on this "Pledge to Customers and Society," we are making company-wide efforts to strengthen initiatives to incorporate customer feedback into management and improve services, and are implementing continuous improvement initiatives based on "customer feedback" to enhance the quality of operations that lead to "Customer First."

Strengthening the governance of the Dai-ichi Life Group

The Company (Dai-ichi Life Holdings, Inc.) is continuously monitoring whether the internal control system by the three defensive lines (business divisions, indirect and administrative divisions, and an internal audit division) is sufficiently functioning at Dai-ichi Life.

In fiscal 2022, the Company's Board of Directors received a total of five reports and held numerous discussions, including opportunities to exchange opinions with the Audit & Supervisory Committee and the Board of Directors. We will continue to pay close attention to initiatives aimed at further ensuring effectiveness, strengthening internal controls, and implementing prerequisite reforms of the corporate culture, to strengthen our governance together with Dai-ichi Life.

Delivering reliable peace of mind

Dai-ichi Life revised "Total Life Plan" and is striving to provide rational proposals that will elevate customer satisfaction by enhancing consulting based on the customer's life plan, social security system, etc.

After the policy is signed, the "Total Life Plan Report" is sent to the policyholder once a year, which describes the details of the policy and other information. In conjunction with the arrival of the "Total Life Plan Report" and other information, sales representatives conduct the "Regular Policy Checkup for Peace of Mind," in which "three checkups" are conducted face-to-face or non-face-to-face in accordance with customers' wishes.

Three checkups

Checkup (1) Confirmation of contract information
Checkup (2) Confirmation of insured events for payment eligibility and payment history
Checkup (3) Confirmation of registered details (recipient, address information, etc.)

In addition, we have established a system to ensure that insurance claims and benefits are received reliably and promptly, and we will continue to utilize digital tools to ensure that procedures are tailored to the customer and that payments are made accurately and fairly.

Leadership

(As of August 1, 2023)

Outside Director
Bruce Miller

Director (Audit & Supervisory Committee Member (Full-Time))
Fusakazu Kondo

Representative Director, Managing Executive Officer
Hitoshi Yamaguchi

Outside Director
Koichi Maeda

Outside Director
Yasushi Shingai

Director, Managing Executive Officer
Hiroshi Shoji

Director (Audit & Supervisory Committee Member (Full-Time))
Takahiro Shibagaki

Outside Director (Audit & Supervisory Committee Member)
Koichi Masuda

Director, Managing Executive Officer, CSuO
Hidehiko Sogano

Outside Director (Audit & Supervisory Committee Member)
Rieko Sato

Director, Chair of the Board
Seiji Inagaki

Representative Director, President, CEO
Tetsuya Kikuta

Outside Director
Yuriko Inoue

Director
Toshiaki Sumino

Outside Director (Audit & Supervisory Committee Member)
Ungyong Shu

Director

Seiji Inagaki

Age: 60
Number of shares held: 123,237
Director, Chair of the Board

Reason for appointment

His experiences as a member of the Group have covered a wide range of engagements in the Company's businesses, including corporate planning and investment planning, and he has deep experience and knowledge in the life insurance business. He has duly performed his duties as a member of the Board of Directors since June 2016 and as a representative director and president since April 2017. He has developed a growth strategy to further strengthen and expand the Group's business foundation. The Company believes he is qualified to be a member of the Board of Directors and therefore appointed him as a director.

Tetsuya Kikuta

Age: 58
Number of shares held: 40,186
Representative Director, President, CEO

Reason for appointment

His experiences as a member of the Group have covered a wide range of engagements in the Company's businesses, including asset management business and overseas business, and he has deep experience and knowledge in the life insurance business. In addition, he has led the growth of the Group's business and duly performed his duties as a member of the Board of Directors of the Company since June 2020, as CFO since April 2022 and as Representative Director and President (CEO) since April 2023. The Company believes he is qualified to be a member of the Board of Directors and therefore appointed him as a director.

Hitoshi Yamaguchi

Age: 57
Number of shares held: 9,971
Representative Director, Managing Executive Officer

Reason for appointment

His experiences as a member of the Group have covered a wide range of engagements in the Company's businesses, including corporate planning, personnel affairs, and international life insurance business, and he has deep experience and knowledge in the life insurance business. In addition, he duly performed his duties in corporate management of overseas life insurance companies as vice president of Star Union Dai-ichi Life Insurance Company Limited. The Company believes he is qualified to be a member of the Board of Directors and therefore appointed him as a director.

Hiroshi Shoji

Age: 59
Number of shares held: 41,716
Director, Managing Executive Officer

Reason for appointment

His experience as a member of the Group has covered a wide range of engagements in the Company's businesses, including profit management and financial planning and actuarial duties, and he has deep experience and knowledge in the life insurance business. In addition, he has duly performed his duties as a member of the Board of Directors of the Company, since June 2021. The Company believes he is qualified to be a member of the Board of Directors and therefore appointed him as a director.

Hidehiko Sogano

Age: 62
Number of shares held: 26,544
Director, Managing Executive Officer, CSuO

Reason for appointment

His experiences as a member of the Group have covered a wide range of engagements in the Company's businesses, including international life insurance business, and he has deep experience and knowledge in the life insurance business. In addition, he has deep experience at a financial institution and insight into global insurance regulations and SDGs among others, and has led the sustainability management of the Group as CSuO since April 2023. The Company believes he is qualified to be a member of the Board of Directors and therefore appointed him as a director.

Toshiaki Sumino

Age: 53
Number of shares held: 24,015
Director

Reason for appointment

His experiences as a member of the Group have covered a wide range of engagements in the Company's businesses, including corporate planning and investment planning, and he has deep experience and knowledge in the life insurance business. In addition, he has engaged in corporate management of overseas life insurance companies as a member of the Board of Directors of Protective Life Corporation and as a CEO of DLI NORTH AMERICA INC., and has duly performed his duties as a member of the Board of Directors of the Company since June 2021. The Company believes he is qualified to be a member of the Board of Directors and therefore appointed him as a director.

Koichi Maeda

Age: 72
Number of shares held: 9,098
Outside Director

Activities in fiscal 2022 Attended 18 of 18 Board of Directors meetings

Other major occupations —

Reason for appointment

He has deep experience and insight gained through acting as a business executive of highly public enterprises. He has also brought significant benefits to the Company by supervising and advising on various matters of corporate management based on his global and objective viewpoint at the Board of Directors meetings and other occasions. The Company has the expectation that he will continue to share his experience and expertise on oversight of management of the Group and therefore appointed him as an outside director.

Profile

- Apr. 1975 Joined Nippon Telegraph and Telephone Public Corporation
- Jul. 1999 General Manager, Kagoshima Branch, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION
- Jul. 2000 General Manager, Planning Department, Consumer & Office Division, NTT Communications Corporation
- Jun. 2002 General Manager, Consumer & Office Division
- Jun. 2004 Director, Senior Vice President, General Manager, Consumer & Office Division
- Aug. 2006 Director, Senior Vice President, Deputy General Manager, Net Business Division
- Jun. 2008 Director, Executive Vice President, Deputy General Manager, Net Business Division
- Jun. 2009 Representative Director, Senior Executive Vice President, General Manager, Consumer Business Promotion Division, NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION
  Representative Director, President, NTT EAST PROPERTIES, INC.
- Jun. 2012 Representative Director, President, NTT FINANCE CORPORATION
- Jun. 2016 Director, Chief Executive Counselor
- Oct. 2016 Outside Director, Dai-ichi Life Holdings, Inc. (to present)
- Jul. 2017 Chief Executive Counselor, NTT FINANCE CORPORATION
- Jul. 2018 Advisor to the President
- Jul. 2020 Advisor, NTT FACILITIES, INC.

Yuriko Inoue

Age: 60
Number of shares held: 8,100
Outside Director

Activities in fiscal 2022 Attended 18 of 18 Board of Directors meetings

Other major occupations Outside Director, NIPPON SIGNAL CO., LTD.

Reason for appointment

She is an experienced and trusted professor specializing in intellectual property law, and she has a wide range of knowledge about IT-related systems and policies. She has also brought significant benefits to the Company by supervising management and advising on various legal matters and data governance in IT strategies of the Company based on her objective viewpoint. The Company has the expectation that she will continue to share her experience and expertise on oversight of management of the Group and therefore appointed her as an outside director.

Profile

- Nov. 1993 Lecturer, University of Tokyo Graduate Schools for Law and Politics
- Apr. 1995 Associate Professor, University of Tsukuba Graduate School of Business Administration & Public Policy
- Apr. 2001 Associate Professor, University of Tsukuba Graduate School of Business Sciences
- Sep. 2002 Associate Professor, Kobe University Graduate School of Law
- Apr. 2004 Professor
- Oct. 2010 Professor, Hitotsubashi University Graduate School of International Corporate Strategy
- Apr. 2018 Professor, Business Law Department of Graduate School of Law (to present)
- Jun. 2018 Outside Director, Dai-ichi Life Holdings, Inc. (to present)

Executive Officers (excluding those who are directors)

Senior Managing Executive Officers
Yuji Tokuoka
Stephen Barnham (CIO/CDO)

Managing Executive Officers
Mamoru Akashi
Takashi Iida
Ken Yamaguchi

Executive Officers
Koichi Nishiyama
Hideyuki Ohashi (CRO)
Atsuko Yasuda
Makoto Hishida
Yuichiro Abe
Shinichiro Kaneko
Taisuke Nishimura (CFO)
Yotaro Numata
Akifumi Kai
Webster Coates (CCpO)
Kyoko Wada (CCmO)

Yasushi Shingai

Age: 67
Number of shares held: 300
Outside Director

Activities in fiscal 2022 Attended 18 of 18 Board of Directors meetings

Other major occupations
Representative Director, Shingai Management Institute Co., Ltd.
Outside Director, ExaWizards Inc.
Outside Director, Olympus Corporation

Reason for appointment

In addition to his deep experience and insight gained through acting as a business executive of a global company, he has rich experience and sophisticated and expert knowledge of corporate finance and mergers & acquisitions as the finance officer. The Company believes that he brings significant benefits to the Company by supervising management and advising on various matters of corporate management based on his global and objective viewpoint at Board of Directors meetings and on other occasions. The Company has the expectation that he will continue to share his experience and expertise on oversight of management of the Group and therefore appointed him as an outside director.

Profile

- Apr. 1980 Joined the Japan Tobacco and Salt Public Corporation (presently Japan Tobacco Inc.)
- Jul. 2001 Vice President, Finance Planning Division
- Jul. 2004 Senior Vice President, Chief Financial Officer
- Jun. 2005 Member of the Board, Senior Vice President, and Chief Financial Officer
- Jun. 2006 Member of the Board of Japan Tobacco Inc., Executive Vice President, JT International S.A.
- Jun. 2011 Representative Director and Executive Vice President, Japan Tobacco Inc.
- Jan. 2018 Member of the Board
- Jun. 2019 Outside Director, Dai-ichi Life Holdings, Inc. (to present)
- Apr. 2022 Representative Director, Shingai Management Institute Co., Ltd. (to present)

Bruce Miller

Age: 62
Number of shares held: 0
Outside Director

Activities in fiscal 2022 Attended 15 of 15 Board of Directors meetings

Other major occupations —

Reason for appointment

He is a specialist in global politics and economy and has rich experience and deep insight into the life insurance business as a Non-Executive Director of TAL, a subsidiary of the Company. He has also brought significant benefits to the Company by supervising management and giving advice on various matters of corporate management based on his global and objective viewpoint at the Board of Directors meetings and other occasions. The Company expects that he will continue to share his experience and expertise on oversight of management of the Group and therefore appointed him as an outside director.

Profile

- Feb. 1986 Joined the Australian Government Department of Foreign Affairs and Trade
- Jan. 2001 Assistant Secretary, Strategic Policy Branch
- Apr. 2003 Assistant Secretary, North East Asia Branch
- Aug. 2004 Minister-Counsellor (Political), Australian Embassy Tokyo
- May 2009 Deputy Director-General, Australian Government Office of National Assessments
- Aug. 2011 Australian Ambassador to Japan
- Jan. 2017 Director-General, Australian Government Office of National Assessments
- Sep. 2018 Senior Policy Fellow, Australian National University
- Aug. 2020 Chair, Australia-Japan Foundation (to present)
- Apr. 2022 Chair, the Foreign Investment Review Board, Australia (to present)
- Jun. 2022 Director, Dai-ichi Life Holdings, Inc. (to present)

Takahiro Shibagaki

Age: 58
Number of shares held: 31,180
Director (Audit & Supervisory Committee Member (Full-Time))

Reason for appointment

His experiences as a member of the Group have covered a wide range of engagements in the Company's businesses, including secretariat work, public relations, and domestic corporate insurance, and he has deep experience and knowledge in the life insurance business. In addition, he has been engaged in corporate management as a member of the Board of Directors of The Dai-ichi Frontier Life Insurance Co., Ltd., since April 2018. The Company believes he has the qualifications necessary to strengthen the effectiveness of the supervisory and auditing function over the management of the Group, making use of his experience and knowledge. Therefore, the Company appointed him as a director serving as an Audit & Supervisory Committee member.

Fusakazu Kondo

Age: 62
Number of shares held: 23,318
Director (Audit & Supervisory Committee Member (Full-Time))

Reason for appointment

His experience as a member of the Group has covered a wide range of engagements in the Company's businesses, including profit management and finance, and he has deep experience and knowledge in the life insurance business. In addition, he has duly performed his duties in the auditing work as a Senior Audit and Supervisory Board member (full-time) of The Dai-ichi Life Insurance Company, Limited from June 2012 to September 2016 and as an Audit & Supervisory Committee member (full-time) of the Company since October 2016. The Company believes he has the qualifications necessary to strengthen the effectiveness of the supervisory and auditing function over the management of the Group by making use of his experience and knowledge. Therefore, the Company appointed him as a director serving as an Audit & Supervisory Committee member.

Rieko Sato

Age: 66
Number of shares held: 10,981
Outside Director (Audit & Supervisory Committee Member)

Activities in fiscal 2022
Attended 18 of 18 Board of Directors meetings
Attended 25 of 25 Audit & Supervisory Committee meetings

Other major occupations
Partner, Ishii Law Office
Outside Director, J. FRONT RETAILING Co., Ltd.
Outside Audit & Supervisory Board Member, Mitsubishi Corporation

Reason for appointment

She is an experienced and trusted attorney, and she has had a wide range of experience serving as an outside Director and outside Audit & Supervisory Board member of various corporations. She has also brought significant benefits to the Company by supervising and auditing management as well as advising on various legal matters of the Company based on her objective viewpoint at the Board of Directors meetings and on other occasions. The Company has the expectation that she will continue to use her experience to good advantage in conducting audits and supervision of the Group's management and therefore appointed her as an outside director serving as an Audit & Supervisory Committee member.

Profile

- Apr. 1984 Registered as Attorney-at-Law
- Jun. 1989 Shearman & Sterling LLP
- Jul. 1998 Partner, Ishii Law Office (to present)
- Jun. 2015 Outside Director, The Dai-ichi Life Insurance Company, Limited
- Oct. 2016 Outside Director (Audit & Supervisory Committee Member), Dai-ichi Life Holdings, Inc. (to present)

Ungyong Shu

Age: 60
Number of shares held: 5,489
Outside Director (Audit & Supervisory Committee Member)

Activities in fiscal 2022
Attended 18 of 18 Board of Directors meetings
Attended 24 of 25 Audit & Supervisory Committee meetings

Other major occupations
President & CEO, Core Value Management, Co., Ltd.
Outside Director, Sojitz Corporation
Outside Director, Monex Group, Inc.

Reason for appointment

He has a wide range of experience as a managing director of financial institutions. He has also brought significant benefits to the Company by supervising and auditing management as well as advising on various matters of corporate management based on his global and objective viewpoint at the Board of Directors meetings and other occasions. The Company has the expectation that he will continue to use his experience to good advantage in conducting audits and supervision of the Group's management and therefore appointed him as an outside director serving as an Audit & Supervisory Committee member.

Profile

- Apr. 1986 Joined Morgan Guaranty Trust Company of New York, a subsidiary of J.P. Morgan & Company, Inc.
- May 2001 Managing Director, JP Morgan Securities
- Jul. 2005 Head of Financial Institutions Division
- May 2007 Chairman of Financial Institutions Group, Merrill Lynch Japan Securities Ltd.
- Jul. 2010 Co-Head of Investment Banking Division
- Jul. 2011 Vice Chairman
- Nov. 2013 President & CEO, Core Value Management, Co., Ltd. (to present)
- Jun. 2015 Outside Director, The Dai-ichi Life Insurance Company, Limited
- Oct. 2016 Outside Director (Audit & Supervisory Committee Member), Dai-ichi Life Holdings, Inc. (to present)
- Sep. 2022 Visiting Professor, Hitotsubashi University Graduate School of Business Administration (to present)

Koichi Masuda

Age: 79
Number of shares held: 14,421
Outside Director (Audit & Supervisory Committee Member)

Activities in fiscal 2022
Attended 18 of 18 Board of Directors meetings
Attended 25 of 25 Audit & Supervisory Committee meetings

Other major occupations —

Reason for appointment

He is an experienced and trusted Certified Public Accountant, and he has had a wide range of experience serving as outside Director (Audit & Supervisory Committee member) and outside Audit & Supervisory Board member of various corporations. He has also brought significant benefits to the Company by supervising and auditing management and advising on various financial matters of the Company based on his objective viewpoint at the Board of Directors meetings and on other occasions. The Company has the expectation that he will continue to use his experience to good advantage in conducting audits and supervision of the Group's management and therefore appointed him as an outside director serving as an Audit & Supervisory Committee member.

Profile

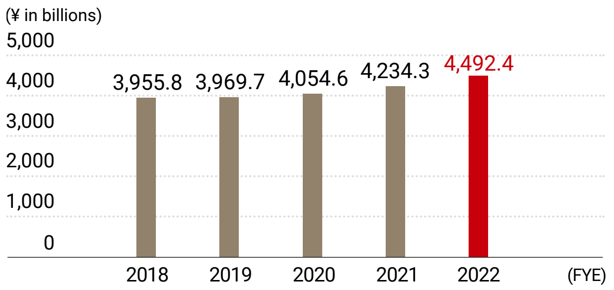
- Apr. 1966 Yoshiji Tanaka CPA Office
- Jan. 1970 Otemachi Kaikei Jimusho Audit Corporation
- Jan. 1975 Shinwa Audit Corporation*
- Sep. 1978 Partner
- Jul. 1992 Representative Partner, Asahi Shinwa Audit Corporation*
- Oct. 1993 Representative Partner, Asahi Audit Corporation*
- Jan. 2004 Representative Partner, KPMG AZSA & Co.*
- Jul. 2007 Chairman and President, The Japanese Institute of Certified Public Accountants
- Jul. 2010 Advisor (to present)
- Oct. 2016 Outside Director (Audit & Supervisory Committee Member), Dai-ichi Life Holdings, Inc. (to present)

*Presently, KPMG AZSA LLC

Leadership
https://www.dai-ichi-life-hd.com/en/about/company/executives/index.html

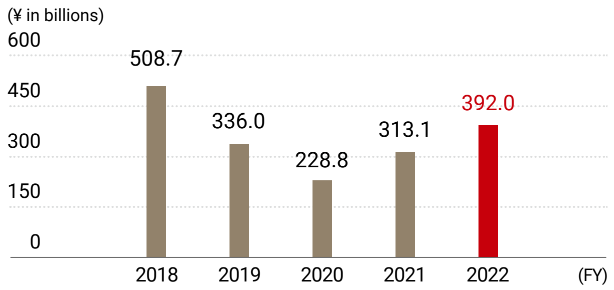
Financial and Non-Financial Highlights

Annualized Net Premium from Policies in Force



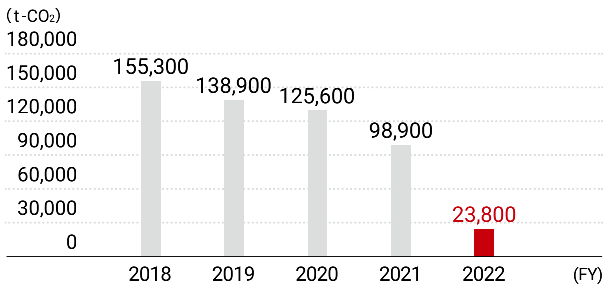
Annualized net premium from policies in force, which indicates annual premium income from policies in force, increased 6.1% year on year in fiscal 2022, mainly due to favorable sales at overseas subsidiaries.

New Business Annualized Net Premium



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

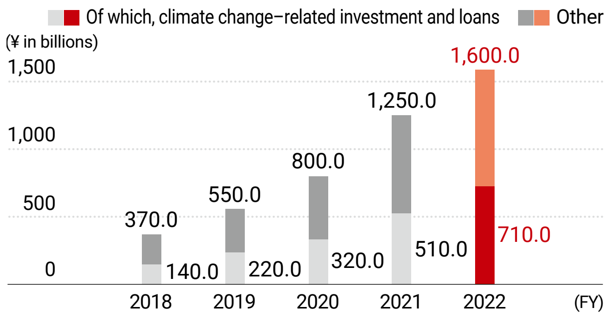
CO_2 Emissions*1



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

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

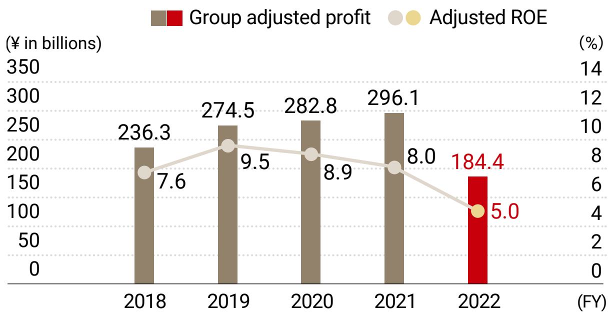
Cumulative Amount of ESG-Themed Investment and Loans (Dai-ichi Life)



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

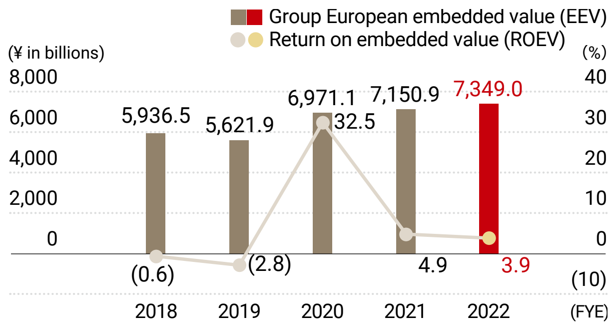
*Green bonds, investments in and loans to renewable energy power plant-related projects, etc.

Group Adjusted Profit/Adjusted ROE



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

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



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

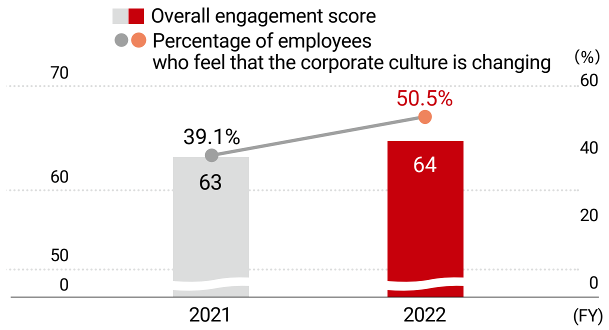
PRI Assessment Results (Dai-ichi Life)*1

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

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

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

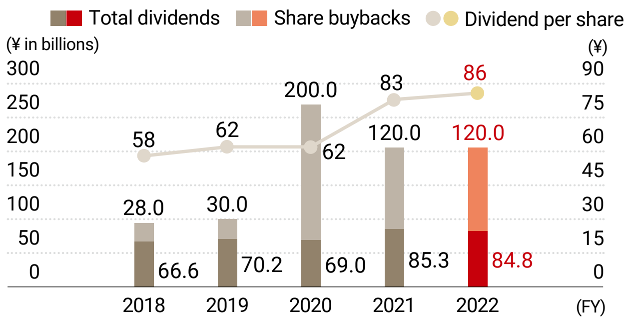
Engagement Survey Results*



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

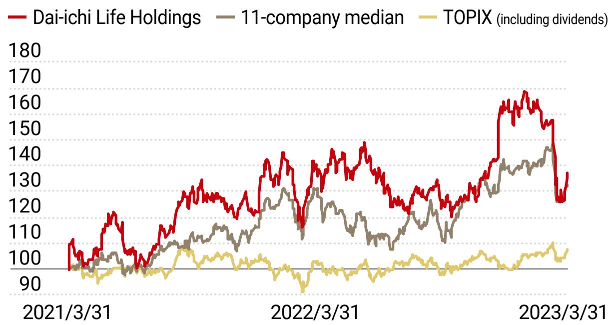
*Covers cumulative data for Dai-ichi Life Holdings, Dai-ichi Life Insurance, Dai-ichi Frontier Life, and Neo First Life

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



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

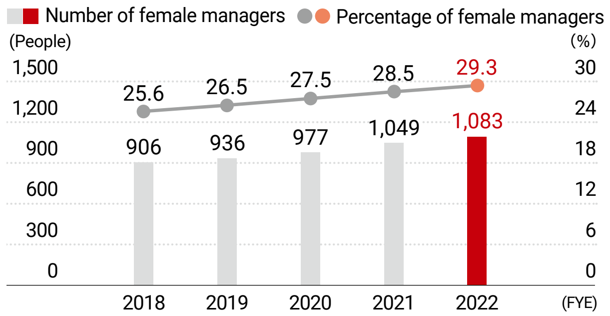
Relative Total Shareholder Return (TSR)



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

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

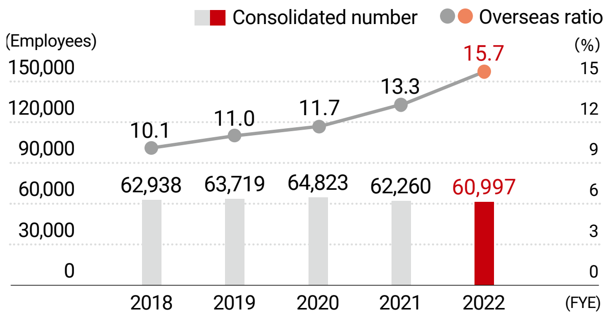
Number of Female Managers/ Percentage of Female Managers*



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

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

Total Number of Employees/Overseas Ratio*



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

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

Industry Data

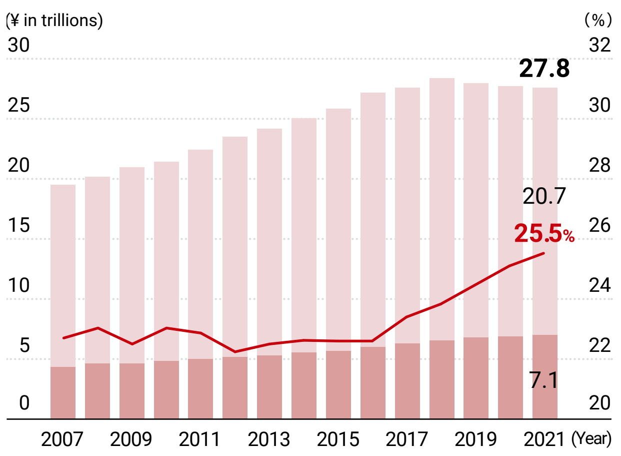
Japan　Japanese life insurance market

Trends in the life insurance market

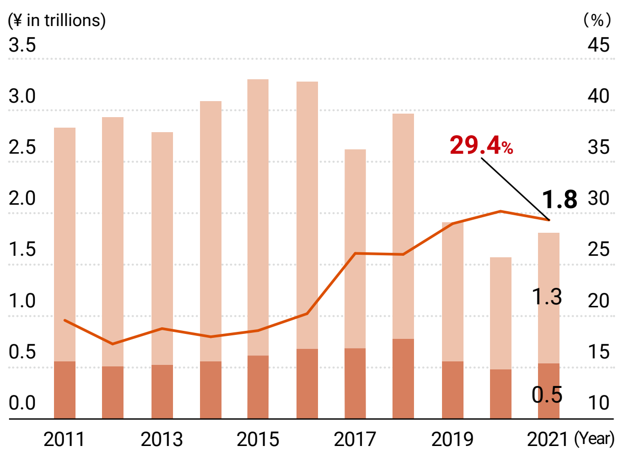
At the end of fiscal 2021, annualized net premiums from policies in force for individual life insurance and annuities (one year's worth of premium income assuming that premiums are paid uniformly over the policy period) were ¥27.8 trillion (a decrease of 0.2% year on year). Within this total, annualized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

Life insurance market (individual life insurance and annuities)

In-force business annualized net premiums



New business annualized net premiums



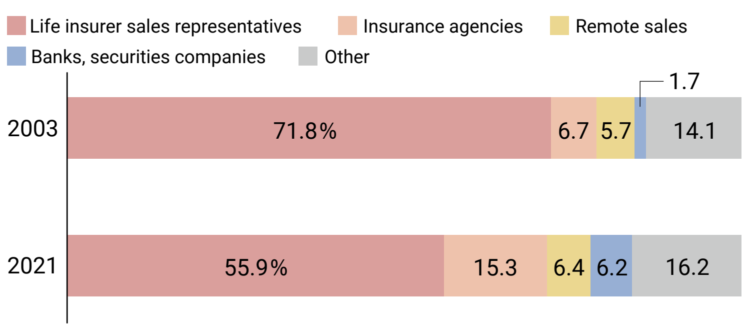
Data: The Life Insurance Association of Japan, Life Insurance Fact Book (2022)

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

According to a 2021 survey, 89.8% of households had taken out individual life insurance or annuities, with no significant change from the previous survey. However, people are enrolling in insurance through an increasingly diverse range of channels in recent years. In addition to life insurer sales representatives, these channels include insurance agencies, online and other remote sales channels, and banks and securities companies. Although a high proportion of households have coverage, the survey on life security shows that between 50% and 70% of respondents intend to prepare new protection in the future for each coverage, and that protection is perceived as inadequate, especially in the areas of medical care, retirement, and long-term care.

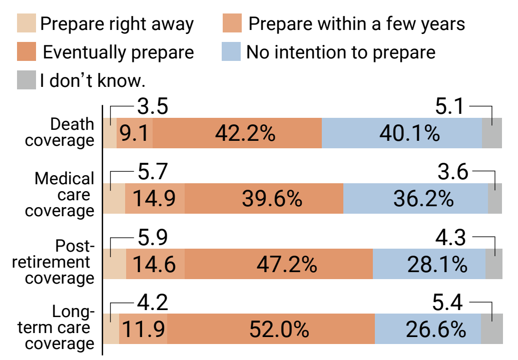
Life insurance & annuities: 89.8% of households covered (of which, 24.3% have annuities)

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



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

Future preparedness intention for life security (2022)



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

Overseas　Overseas life insurance market

Trends in the life insurance market

Life insurance premiums worldwide in 2021 were US$2,997.5 billion, up 4.5% year on year.
The biggest life insurance markets are No. 1: the United States (20.3% share of total), No. 2: China (12.2%), and No. 3: Japan (9.9%).

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

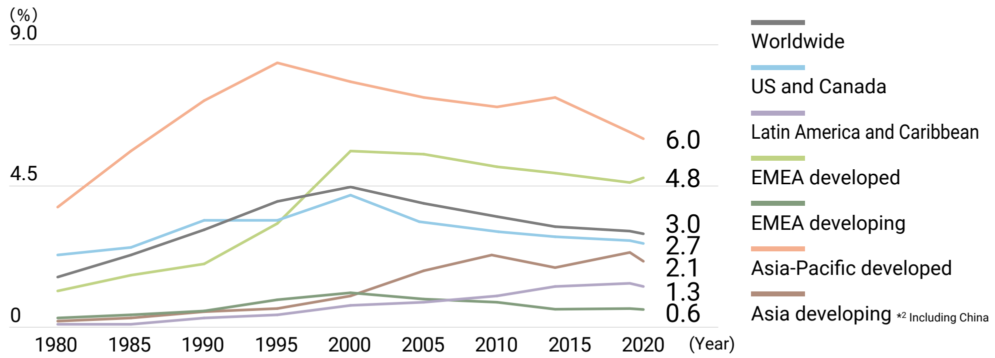
Dai-ichi Life Group presence*1	Rank	Country	Life insurance premium volume (USD in millions)	YoY change (inflation-adjusted)	Share of market	Premiums per capita (USD)	Life insurance penetration (as % of GDP)	Population (in millions)	Real GDP growth
		World	2,997,569	+ 4.5%	100.0%	382	3.0%	7,846.8	+ 6.0%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

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

More life insurance penetration expected in emerging countries in the future

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

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



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

Life insurance market growth rate (2021)

Worldwide
+ 4.5%

Developed countries
+ 5.4%

Developing countries
+ 6.7%*3

*3 Excluding China

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

Our Businesses Worldwide

Building a strong operational base with effective global reach

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

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

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

Other businesses	Country	Company name	Number of employees[*1]	AUM
	Japan	Asset Management One Co., Ltd.	880[*3]	¥62 trillion
	Japan	Vertex Investment Solutions Co., Ltd.[*5]	22[*3]	¥433.7 billion
	Japan	Dai-ichi Life Realty Asset Management Co., Ltd.	19[*3]	¥103.0 billion

Regional Headquarters and Intermediate Holding Companies	
DLI NORTH AMERICA INC.	U.S.A.
DLI ASIA PACIFIC PTE. LTD.	Singapore
Dai-ichi Life International Holdings LLC	Japan
Overseas Affiliated Companies and Representative/Liaison Offices	
Dai-ichi Life International (Europe) Limited	U.K.
Beijing Representative Office	China
Shanghai Representative Office	China
Innovation Lab	
Dai-ichi Life Innovation Lab (Shibuya)	Japan

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

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

Domestic Insurance Business

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

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

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

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

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

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

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

Overseas Insurance Business Company Profiles

U.S.A.

Protective

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

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

Australia

TAL

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

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

New Zealand

partners life

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

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

Vietnam

DAI-ICHI LIFE
Gắn bó dài lâu.

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

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

Cambodia

Dai-ichi Life Cambodia

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

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

Myanmar

Dai-ichi Life Myanmar

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

Dai-ichi Life Myanmar will continue to contribute to people's well-being and the development of local communities by providing peace of mind through life insurance in order to create a sustainable society in Myanmar.

India

Star Union Dai-ichi Life Insurance

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

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

Indonesia

PaninDai-ichiLife
By your side, for life

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

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

Thailand

OCEAN LIFE INSURANCE

OCEAN LIFE is a long-established Thai life insurance company with which Dai-ichi Life Insurance concluded a strategic business alliance agreement, including investments, in 2008. OCEAN LIFE is working on the continuous recruitment and training of new personnel through further enhancements to its web seminars and initial education in the individual insurance agents channel, which makes up the core of its business, while expanding the leadership team that will be responsible for these efforts as well as focusing on sales of medical insurance riders, for which there has been a growing market need in recent years.

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

Other Business (Asset Management Business)

Asset Management One

Providing products that meet diverse investor needs and promoting responsible investment

Regarding publicly offered investment trusts, Asset Management One is expanding sales of balanced funds, overseas stock funds, and other products that contribute to medium- and long-term asset building for individuals, while for institutional investors, it is increasing assets under management by bolstering high-value-added products and solution services. In addition, since its inception in 2016, Asset Management One has been committed to ESG investing, and as a responsible investment management institution is actively engaged in constructive dialogue (engagement) with portfolio companies and the exercise of its voting rights, as well as sustainable investment to achieve a sustainable society.

Vertex Investment Solutions

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

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

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

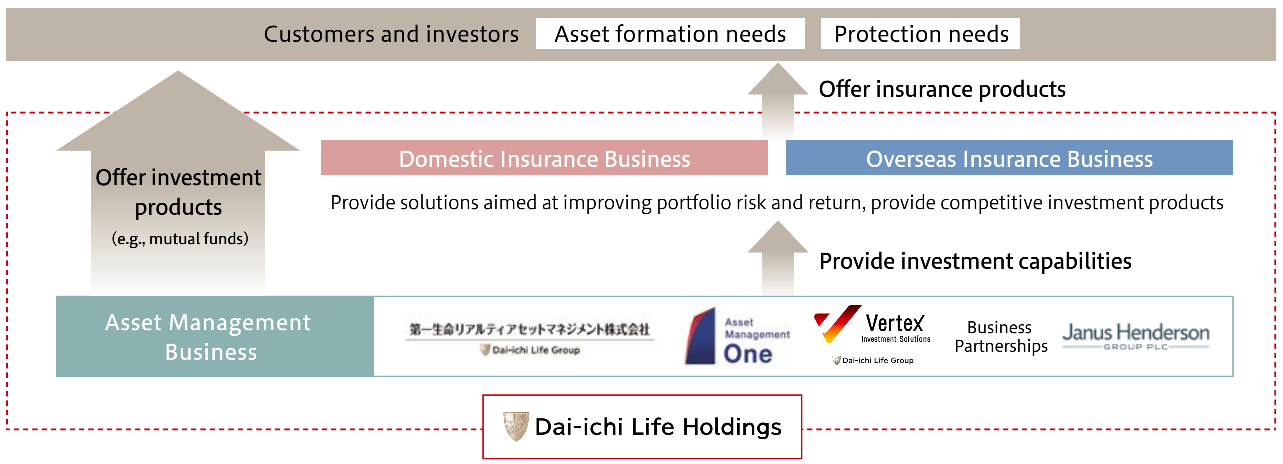
Dai-ichi Life Realty Asset Management

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

DL Life Partner REIT, Inc., a private-placement REIT for qualified institutional investors, has expanded its managed assets to approximately ¥103.0 billion through a fourth private placement and the acquisition of real estate through borrowing. In addition, it has established a private fund management structure to meet the wide-ranging investment needs of investors. It will continue to source properties from within and outside the Group, aiming to achieve sustainable growth. It also aims to create a sustainable society by promoting a wide range of ESG initiatives, including participation in the REIT industry's first "RE Action" (Renewable Energy 100 Declaration), the acquisition of environmental certifications for investment properties, and borrowing based on the "Green Loan Framework*" in accordance with the Green Loan Principles.

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

Role of the Asset Management Business



Summary of Consolidated Group Business Results

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

Group adjusted profit*1, a core profit indicator for the Group, decreased. The adjusted profit forecast has been lowered from the initial forecast mainly due to higher hedging costs for foreign currency–denominated bonds with foreign exchange hedges at Dai-ichi Life, an increase in benefit payments related to COVID-19, and valuation losses at Protective in the United States due to higher overseas interest rates. Net income attributable to shareholders of parent company decreased due to a decline in Group adjusted profit and the absence of one-off factors that contributed to an increase in income in the previous fiscal year, such as a reversal of policy reserve related to market value adjustment (MVA)*2 at Dai-ichi Frontier Life due to a rise in overseas interest rates.

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

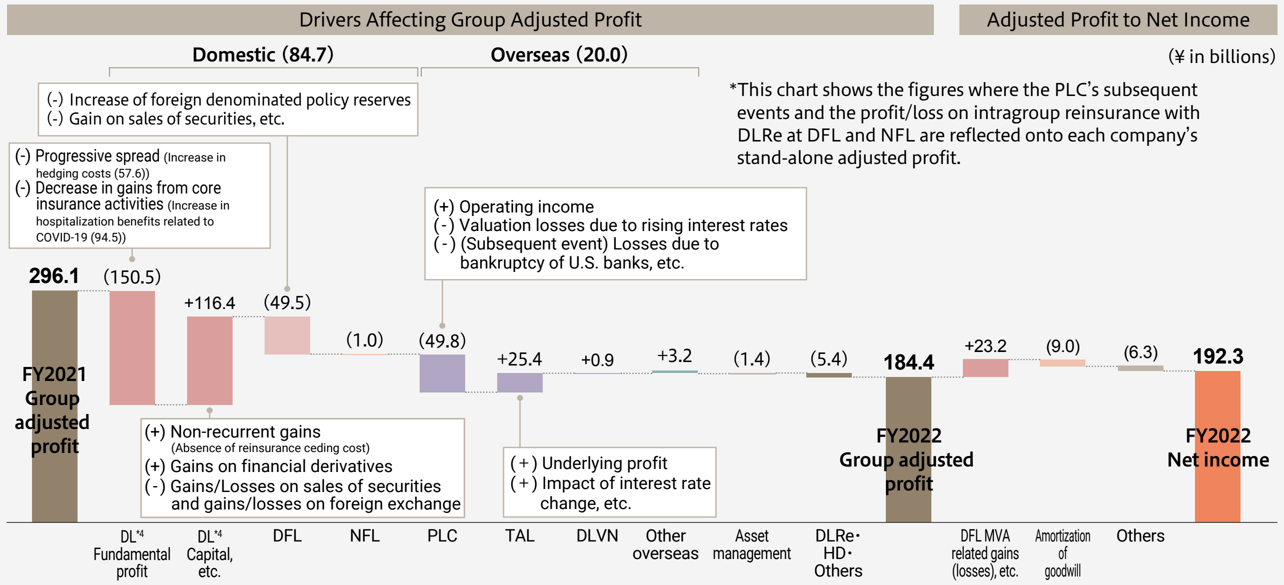
Group EEV, which represents the corporate value of economic value, increased mainly due to an increase in the value of in-force business due to higher domestic interest rates. The Group value of new business decreased from the previous fiscal year, mainly due to sluggish sales volume of Dai-ichi Life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

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

*1 Group adjusted profit is a unique indicator used by the Company that determines funds to be paid to shareholders and constitutes the sum of adjusted profits of each Group company. Adjusted profit at each Group company generally indicates profit on a cash basis. As a holding company, the Company conducts shareholder returns based largely on the dividends that it receives from each Group company.

*2 Market Value Adjustment (MVA) is a mechanism whereby changes in the price of invested assets in accordance with market interest rates are reflected in the amount of surrender value when this value is received.

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



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

Financial and Non-Financial Historical Data

(¥ in millions)

	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022
Results of Operations										
Ordinary revenues	6,044,955	7,252,242	7,333,947	6,456,796	7,037,827	7,184,093	7,114,099	7,827,806	8,209,708	**9,519,445**
Premium and other income	4,353,229	5,432,717	5,586,000	4,468,736	4,884,579	5,344,016	4,885,407	4,730,301	5,291,973	**6,635,483**
Investment income	1,320,066	1,444,012	1,344,852	1,626,177	1,802,626	1,583,228	1,876,634	2,719,584	2,551,112	**2,280,833**
Ordinary expenses	5,740,205	6,845,400	6,915,780	6,031,476	6,565,833	6,751,148	6,895,718	7,274,945	7,618,811	**9,108,545**
Benefits and claims	2,903,587	3,380,827	3,830,941	3,618,385	3,789,907	3,839,105	4,870,794	5,001,109	5,855,703	**6,443,986**
Provision for policy reserves and others	1,634,864	2,271,268	1,496,360	1,016,744	1,223,870	1,309,287	164,491	971,280	316,837	**98,544**
Investment expenses	234,950	168,935	524,041	342,102	548,957	541,541	821,971	326,626	381,136	**1,146,275**
Operating expenses	517,566	559,344	661,384	650,985	661,110	703,573	680,154	689,057	752,160	**831,345**
Ordinary profit	304,750	406,842	418,166	425,320	471,994	432,945	218,380	552,861	590,897	**410,900**
Provision for reserve for policyholder dividends	94,000	112,200	97,500	85,000	95,000	87,500	82,500	77,500	87,500	**95,000**
Net income attributable to shareholders of parent company	77,931	142,476	178,515	231,286	363,928	225,035	32,433	363,777	409,353	**192,301**
Financial Condition										
Total assets	37,705,176	49,837,202	49,924,922	51,985,850	53,603,028	55,941,261	60,011,999	63,593,705	65,881,161	**61,578,872**
Total liabilities	35,757,563	46,247,274	46,991,963	48,848,583	49,853,756	52,227,668	56,235,081	58,786,576	61,472,654	**58,705,757**
Policy reserves	32,574,923	41,634,712	42,922,534	43,740,238	44,597,717	47,325,761	49,520,817	49,897,294	51,407,655	**52,506,098**
Total net assets	1,947,613	3,589,927	2,932,959	3,137,266	3,749,271	3,713,592	3,776,918	4,807,129	4,408,507	**2,873,114**
Total shareholders' equity	628,538	1,029,622	1,129,262	1,300,756	1,589,623	1,708,808	1,641,506	1,893,643	1,996,301	**1,970,526**
Net unrealized gains (losses) on securities, net of tax	1,322,731	2,528,262	1,840,084	1,906,091	2,238,159	2,101,587	2,283,198	3,056,350	2,397,969	**742,700**
Sales Results[*1]										
Annualized net premium of new business (¥ in billions)[*2]	303.4	339.1	387.2	440.7	406.4	508.7	336.0	228.8	313.1	**392.0**
Domestic Group companies (¥ in billions)	230.5	309.6	294.8	371.9	319.4	418.9	220.4	151.2	206.7	**279.0**
Overseas Group companies (¥ in billions)[*2]	72.8	29.5	92.4	68.8	87.0	89.8	115.5	77.5	106.3	**113.0**
Annualized net premium from policies in force (¥ in billions)	2,560.3	3,217.0	3,396.2	3,633.4	3,671.1	3,955.8	3,969.7	4,054.6	4,234.3	**4,492.4**
Domestic Group companies (¥ in billions)	2,344.6	2,493.2	2,634.8	2,865.3	2,895.5	3,092.4	3,057.8	3,078.5	3,090.1	**3,087.1**
Overseas Group companies (¥ in billions)[*3]	215.6	723.8	761.3	768.1	775.6	863.4	911.9	976.0	1,144.1	**1,405.3**
Corporate Value										
Group European embedded value (EEV) (¥ in billions)[*4]	4,294.7	5,987.6	4,646.1	5,495.4	6,094.1	5,936.5	5,621.9	6,971.1	7,150.9	**7,349.0**
Value of new business (¥ in billions)[*4]	255.4	286.1	216.1	145.5	190.2	197.4	150.3	119.6	98.6	**71.2**
New business margin (%)[*4]	6.25	5.53	3.92	2.94	4.30	3.78	3.32	3.56	2.36	**1.32**
Key Financial Indicators										
Return on equity (ROE) (%)	4.3	5.1	5.5	7.6	10.6	6.0	0.9	8.5	8.9	**5.3**
Return on embedded value (ROEV) (%)	29.4	28.8	(21.9)	20.3	13.1	(0.6)	(2.8)	32.5	4.9	**3.9**
Consolidated solvency margin ratio (%)	756.9	818.2	763.8	749.2	838.3	869.7	884.1	958.5	902.6	**704.1**
Adjusted ROE (%)	–	–	–	8.6	8.5	7.6	9.5	8.9	8.0	**5.0**
Economic solvency ratio (%)[*5]	–	147	98	151	170	169	195	203	227	**226**
Group adjusted profit (¥ in billions)	116.0	214.7	204.6	210.1	243.2	236.3	274.5	282.8	296.1	**184.4**
Per Share Indicators[*6]										
Earnings per share (EPS) (yen)	78.58	124.94	150.53	196.62	310.69	194.43	28.53	325.61	383.15	**189.28**
Book value per share (BPS) (yen)	1,962.05	3,012.46	2,472.86	2,668.61	3,217.68	3,240.72	3,344.23	4,329.08	4,302.56	**2,921.75**
Dividend per share (DPS) (yen)	20	28	35	43	50	58	62	62	83	**86**
Key Non-Financial Indicators										
Number of Group employees	59,512	60,647	61,446	62,606	62,943	62,938	63,719	64,823	62,260	**60,997**
Domestic Group company employees (people)	57,462	55,982	56,503	57,262	57,339	56,565	56,691	57,228	53,992	**51,398**
Overseas Group company employees (people)	2,050	4,665	4,943	5,344	5,604	6,373	7,028	7,595	8,268	**9,599**
Percentage of women in managerial posts (%)[*7]	21.9	22.5	23.3	24.2	25.2	25.6	26.5	27.5	28.5	**29.3**
Number of employees with disabilities (people)[*8]	891	913	926	953	966	955	976	1,046	1,011	**977**
CO_2 emissions (t-CO_2)[*9]	175,000	168,000	178,100	171,900	166,000	155,300	138,900	125,600	98,900	**23,800**
Total paper usage (t)[*10]	8,116	6,509	6,559	6,967	6,475	6,474	6,092	4,794	5,425	**4,774**

*1 The values for fiscal 2013 are the total of Dai-ichi Life, Dai-ichi Frontier Life, TAL, and Dai-ichi Life Vietnam. The values for fiscal 2014 are the total of Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life, TAL, and Dai-ichi Life Vietnam. The values for fiscal 2015 to fiscal 2018 are the total of Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life, Protective, TAL, and Dai-ichi Life Vietnam.
The values for fiscal 2019 are the total of Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life, Protective, TAL, Dai-ichi Life Vietnam, and Dai-ichi Life Cambodia.
*2 Starting with values for fiscal 2019, values for TAL were tabulated after excluding change in in-force.
*3 Calculated from fiscal 2011
*4 From fiscal 2014, the extrapolation method beyond the last liquid data point of the Japanese interest rate is changed from a method taking into account the yield curve of the Japanese swap rate to a method using the ultimate forward rate.
Starting with figures for fiscal 2020, changes to the ultimate forward rate, etc., and corporate bond spreads in the discount rate used for insurance liability valuation by Dai-ichi Frontier Life will be reflected.
*5 From fiscal 2016, figures reflect expected rate of return on investments when evaluating insurance liabilities. For figures from fiscal 2019, measurement standards have been upgraded based on the development of Insurance Capital Standard (ICS) and economic value regulations in Japan. Starting with figures for fiscal 2020, changes to the ultimate forward rate, etc., and corporate bond spreads in the discount rate used for insurance liability valuation by Dai-ichi Frontier Life will be reflected.
*6 Dai-ichi Life Holdings conducted a 1:100 share split on October 1, 2013. Adjustments are made to per share indicators prior to the share split.
*7 Total of Dai-ichi Life Holdings, Dai-ichi Life, Dai-ichi Frontier Life, and Neo First Life. Figures as of April 1 of the next fiscal year, which represent the percentage at the end of the previous fiscal year.
*8 Total of Dai-ichi Life Holdings, Dai-ichi Life, Dai-ichi Life Challenged, Dai-ichi Life Business Services, and Dai-ichi Life Information Systems. Figures as of April 1 of the next fiscal year, which represent the number at the end of the previous fiscal year.
*9 Based on Scope 1 + 2. Figures for fiscal 2012 to fiscal 2014 are those for Dai-ichi Life. Figures for fiscal 2015 and beyond are sums of those for subsidiaries and affiliates in Japan (total of 33 companies in fiscal 2021). Figures are calculated on a market basis from fiscal 2019.
*10 Figures for fiscal 2012 to fiscal 2014 are for Dai-ichi Life only. Figures for fiscal 2015 and beyond are sums of those for subsidiaries and affiliates in Japan (total of 33 companies in fiscal 2021).

Participation in External Initiatives

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

Sustainability Accounting Standards Board (SASB)	United Nations Global Compact (UNGC)	30% Club Japan	Japan Stewardship Initiative	Access to Medicine Foundation

International Corporate Governance Network (ICGN)	Women's Empowerment Principles (WEPs)	Principles for Responsible Investment (PRI)	Principles for Financial Action Towards a Sustainable Society (Principles for Financial Action for the 21st Century)	Institutional Investors Collective Engagement Forum (IICEF)	Japan Impact-driven Financing Initiative

Climate Change–Related Initiatives

Task Force on Climate-related Financial Disclosures (TCFD)	RE100	Climate Action 100+	THE NET-ZERO ASSET OWNER ALLIANCE	Glasgow Financial Alliance for Net Zero	Taskforce on Nature-related Financial Disclosures (TNFD) Forum

Dialogue with Stakeholders

Basic approach

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

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

Status of dialogue with shareholders and investors (fiscal 2022)

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

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

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

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

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

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

Major Awards for the Group's Initiatives

ESG Finance Award Japan Gold Prize in Investor Category (Minister of the Environment Award)	2022 CDP Survey A-List company	Platinum Kurumin	Nadeshiko Brand/Semi-Nadeshiko

Work with Pride "PRIDE Index" Gold Award (2022)	Excellent Enterprise in the 2022 ESG Web Awards	Employer of Choice for Gender Equality (Australia)

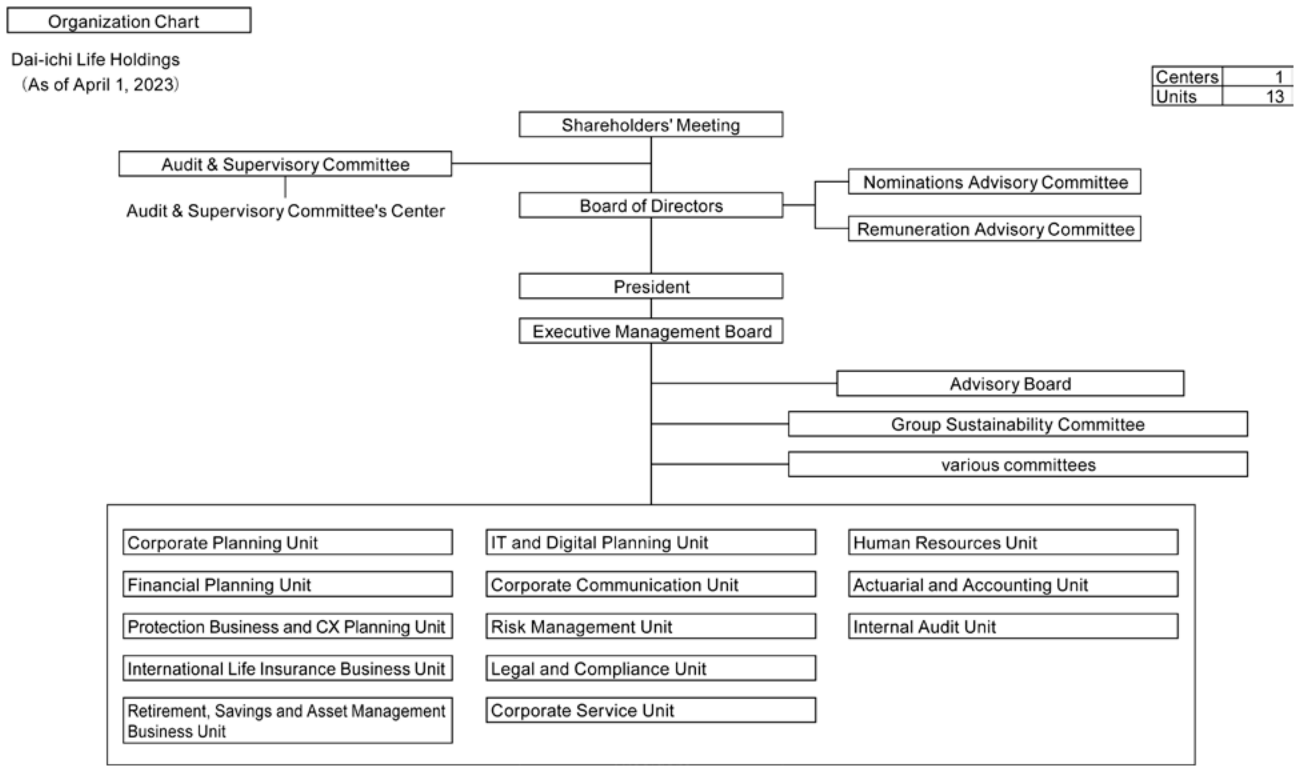
Recipient	Organizer	Award	Summary
Protective	Great Place To Work®	Great Place To Work® Certification	Great Place To Work® evaluates job satisfaction in the workplace in about 100 countries around the world from perspectives including workplace culture, employee experience, and innovation. The company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

Overview and Organization of the Insurance Holding Company

Corporate Profile

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

Management Organization



Capital Stock and Number of Shares

1. Capital stock

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

2. Number of shares and shareholders

(As of March 31, 2023)

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

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

3. Type of issued shares

(As of March 31, 2023)

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

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

4. Major Shareholders (Top 10)

(As of March 31, 2023)

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

(Notes) 1. Numbers of shares less than one thousand are truncated.
2. Percentage figures of ownership are calculated after deducting the number of treasury stock from the number of issued shares, and figures less than the second decimal place are truncated.

5. Independent Auditor

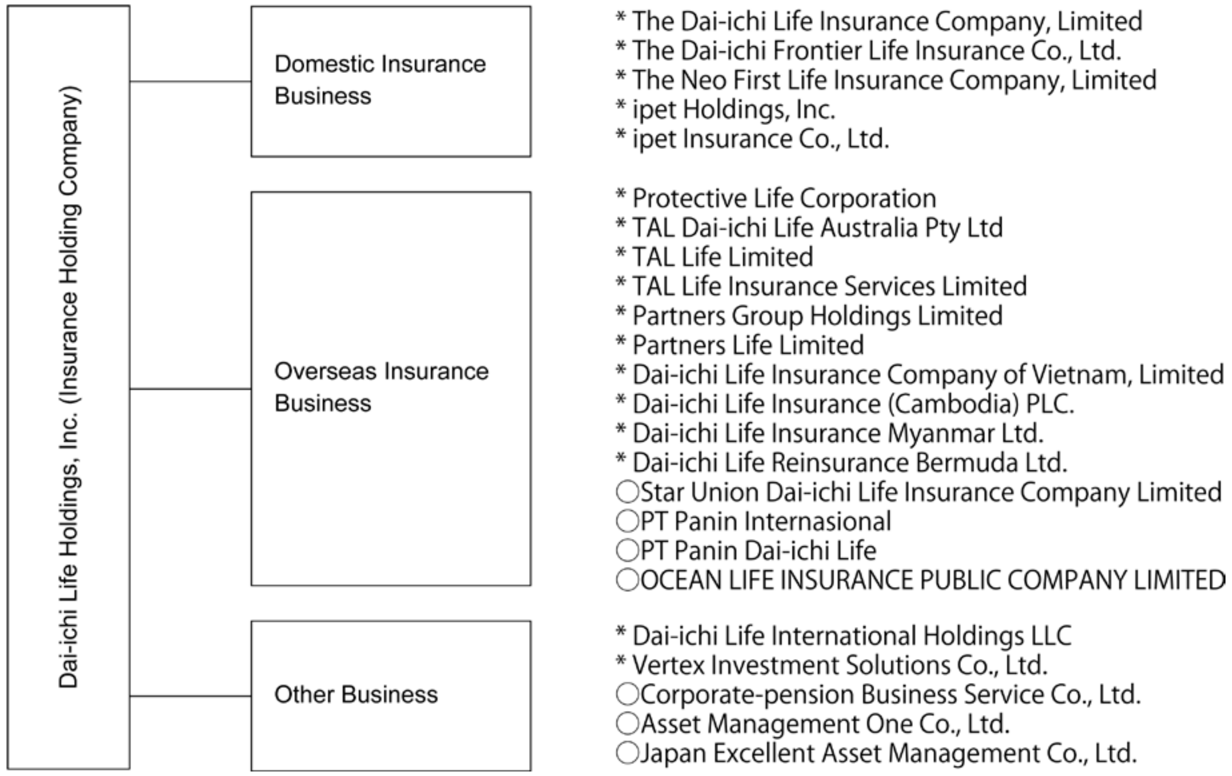
KPMG AZSA LLC

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

Main Businesses and Organization

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

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



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

List of Group Companies

Company Name	Date of Establishment	Location	Capital	Principal Business (Note 1)	Percentage of voting rights of subsidiaries, etc. held by the Company (%)	Percentage of voting rights of subsidiaries, etc. held by Group companies (%) (Note 2)
(Consolidated Subsidiary)						
The Dai-ichi Life Insurance Company, Limited	April 1, 2016	Chiyoda-ku, Tokyo	60.0 billion JPY	Domestic insurance business	100.0%	0.0%
The Dai-ichi Frontier Life Insurance Co., Ltd.	December 1, 2006	Minato-ku, Tokyo	117.5 billion JPY	Domestic insurance business	100.0%	0.0%
The Neo First Life Insurance Company, Limited	April 23, 1999	Shinagawa-ku, Tokyo	47.5 billion JPY	Domestic insurance business	100.0%	0.0%
ipet Holdings, Inc.	October 1, 2020	Koto-ku, Tokyo	0.1 billion JPY	Domestic insurance business	100.0%	0.0%
ipet Insurance Co., Ltd.	May 11, 2004	Koto-ku, Tokyo	4.6 billion JPY	Domestic insurance business	0.0%	100.0%
Protective Life Corporation	July 24, 1907	Birmingham, U.S.A.	10 USD	Overseas insurance business	0.0%	100.0%
TAL Dai-ichi Life Australia Pty Ltd	March 25, 2011	Sydney, Australia	3,055 million AUD	Overseas insurance business	0.0%	100.0%
TAL Life Limited	October 11, 1990	Sydney, Australia	654 million AUD	Overseas insurance business	0.0%	100.0%
TAL Life Insurance Services Limited	August 4, 1986	Sydney, Australia	856 million AUD	Overseas insurance business	0.0%	100.0%
Partners Group Holdings Limited	August 23, 2010	Oakland, New Zealand	486 million NZD	Overseas insurance business	0.0%	100.0%
Partners Life Limited	August 23, 2010	Oakland, New Zealand	519 million NZD	Overseas insurance business	0.0%	100.0%
Dai-ichi Life Insurance Company of Vietnam, Limited	January 18, 2007	Ho Chi Minh City, Vietnam	9,797.5 billion VND	Overseas insurance business	100.0%	0.0%
Dai-ichi Life Insurance (Cambodia) PLC.	March 14, 2018	Phnom Penh, Cambodia	33 million USD	Overseas insurance business	0.0%	100.0%
Dai-ichi Life Insurance Myanmar Ltd.	May 17, 2019	Yangon, Myanmar	49 million USD	Overseas insurance business	0.0%	100.0%
Dai-ichi Life Reinsurance Bermuda Ltd.	September 25, 2020	Hamilton, Bermuda	135 million USD	Overseas insurance business	100.0%	0.0%
Dai-ichi Life International Holdings LLC	June 22, 2020	Chiyoda-ku, Tokyo	5 million JPY	Other business	100.0%	0.0%
Vertex Investment Solutions Co., Ltd.	August 1, 2022	Chiyoda-ku, Tokyo	15 billion JPY	Other business	100.0%	0.0%

Company Name	Date of Establishment	Location	Capital	Principal Business (Note 1)	Percentage of voting rights of subsidiaries, etc. held by the Company (%)	Percentage of voting rights of subsidiaries, etc. held by Group companies (%) (Note 2)
(Affiliated Company Under the Equity Method)						
Star Union Dai-ichi Life Insurance Company Limited	September 25, 2007	Navi Mumbai, India	3,389 million INR	Overseas insurance business	0.0%	45.9%
PT Panin Internasional	July 24, 1998	Jakarta, Indonesia	1,022.5 billion IDR	Overseas insurance business	0.0%	36.8%
PT Panin Dai-ichi Life	July 19, 1974	Jakarta, Indonesia	1,067.3 billion IDR	Overseas insurance business	5.0%	95.0%
OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED	January 11, 1949	Bangkok, Thailand	2.360 billion THB	Overseas insurance business	0.0%	24.0%
Corporate-Pension Business Service Co., Ltd.	October 1, 2001	Osaka-shi, Osaka	6.0 billion JPY	Other business	0.0%	50.0%
Asset Management One Co., Ltd.	July 1, 1985	Chiyoda-ku, Tokyo	2.0 billion JPY	Other business	49.0%	0.0%
Japan Excellent Asset Management Co., Ltd.	April 14, 2005	Minato-ku, Tokyo	400 million JPY	Other business	0.0%	36.0%

(Notes) 1. "Principal Business" is categorized with the three reportable segments of the Company.
2. "Percentage of voting rights of subsidiaries, etc. held by Group companies" represent percentages including the those of indirect voting rights, which in turn include the percentages of "voting rights held by any persons who are found to exercise their voting rights in the same manner as the intent of the subject person due to their close ties with the subject person in terms of contribution, personnel affairs, funds, technology, transactions, etc. and those held by any persons who have given their consent to exercising their voting rights in the same manner as the intent of the subject person."

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

Key Management Indicators

	Fiscal Year Ended March 31,				
	2019	2020	2021	2022	2023
Ordinary revenues (million yen)	7,184,093	7,114,099	7,827,806	8,209,708	9,519,445
Ordinary profit (million yen)	432,945	218,380	552,861	590,897	410,900
Net income attributable to shareholders of parent company (million yen)	225,035	32,433	363,777	409,353	192,301
Comprehensive income (million yen)	72,613	167,564	1,143,981	(130,395)	(1,330,832)

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

Outline of business

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

As a result, ordinary profit for the fiscal year ended March 31, 2023 decreased by 30.5% compared to the previous fiscal year to ¥410.9 billion. Net income attributable to shareholders of parent company, which is ordinary profit after extraordinary gains and losses, provision for reserve for policyholder dividends and total of corporate income taxes, decreased by 53.0% to ¥192.3 billion. This was mainly due to an increase of COVID-19 related payments at Dai-ichi Life and valuation losses caused by rising interest rates at Protective Life Corporation.

Segment results were as follows:

(1) Domestic Insurance Business

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

(2) Overseas Insurance Business

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

(3) Other Business

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

Consolidated Balance Sheet

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

Consolidated Statement of Earnings

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

Consolidated Statement of Comprehensive Income

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

Consolidated Statement of Changes in Net Assets

Year ended March 31, 2022

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	343,732	330,065	1,375,805	(155,959)	1,893,643
Changes for the year					
Issuance of new shares	194	194			389
Dividends			(68,833)		(68,833)
Net income attributable to shareholders of parent company			409,353		409,353
Purchase of treasury stock				(199,999)	(199,999)
Disposal of treasury stock		(104)		365	261
Cancellation of treasury stock		(342,874)		342,874	—
Transfer from retained earnings to capital surplus		342,979	(342,979)		—
Transfer from reserve for land revaluation			(38,695)		(38,695)
Others			182		182
Net changes of items other than shareholders' equity					
Total changes for the year	194	194	(40,971)	143,241	102,658
Balance at the end of the year	343,926	330,259	1,334,834	(12,718)	1,996,301

(Unit: million yen)

	Accumulated other comprehensive income			
	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)	Reserve for land revaluation	Foreign currency translation adjustments
Balance at the beginning of the year	3,056,350	(2,916)	(22,026)	(108,830)
Changes for the year				
Issuance of new shares				
Dividends				
Net income attributable to shareholders of parent company				
Purchase of treasury stock				
Disposal of treasury stock				
Cancellation of treasury stock				
Transfer from retained earnings to capital surplus				
Transfer from reserve for land revaluation				
Others				
Net changes of items other than shareholders' equity	(658,381)	(12,615)	38,669	113,062
Total changes for the year	(658,381)	(12,615)	38,669	113,062
Balance at the end of the year	2,397,969	(15,532)	16,643	4,232

(Unit: million yen)

	Accumulated other comprehensive income		Subscription rights to shares	Non-controlling interests	Total net assets
	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the year	(10,012)	2,912,564	920	—	4,807,129
Changes for the year					
Issuance of new shares					389
Dividends					(68,833)
Net income attributable to shareholders of parent company					409,353
Purchase of treasury stock					(199,999)
Disposal of treasury stock					261
Cancellation of treasury stock					—
Transfer from retained earnings to capital surplus					—
Transfer from reserve for land revaluation					(38,695)
Others					182
Net changes of items other than shareholders' equity	18,210	(501,053)	(225)	—	(501,279)
Total changes for the year	18,210	(501,053)	(225)	—	(398,621)
Balance at the end of the year	8,197	2,411,510	694	—	4,408,507

Consolidated Statement of Changes in Net Assets (Continued)

Year ended March 31, 2023

(Unit: million yen)

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

(Unit: million yen)

	Accumulated other comprehensive income				
	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)	Reserve for land revaluation	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans
Balance at the beginning of the year	2,397,969	(15,532)	16,643	4,232	8,197
Changes for the year					
Issuance of new shares					
Dividends					
Net income attributable to shareholders of parent company					
Purchase of treasury stock					
Disposal of treasury stock					
Cancellation of treasury stock					
Transfer from retained earnings to capital surplus					
Transfer from reserve for land revaluation					
Others					
Net changes of items other than shareholders' equity	(1,655,268)	(22,728)	13,726	140,282	14,580
Total changes for the year	(1,655,268)	(22,728)	13,726	140,282	14,580
Balance at the end of the year	742,700	(38,260)	30,369	144,515	22,778

(Unit: million yen)

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

Consolidated Statement of Changes in Net Assets (Continued)

Year ended March 31, 2023

(Unit: million US dollars)

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

(Unit: million US dollars)

	Accumulated other comprehensive income				
	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)	Reserve for land revaluation	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans
Balance at the beginning of the year	17,958	(116)	124	31	61
Changes for the year					
Issuance of new shares					
Dividends					
Net income attributable to shareholders of parent company					
Purchase of treasury stock					
Disposal of treasury stock					
Cancellation of treasury stock					
Transfer from retained earnings to capital surplus					
Transfer from reserve for land revaluation					
Others					
Net changes of items other than shareholders' equity	(12,396)	(170)	102	1,050	109
Total changes for the year	(12,396)	(170)	102	1,050	109
Balance at the end of the year	5,562	(286)	227	1,082	170

(Unit: million US dollars)

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

Consolidated Statement of Cash Flows

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

Consolidated Statement of Cash Flows (Continued)

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

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

Ⅰ. BASIS FOR PRESENTATION

The accompanying consolidated financial statements have been prepared from the accounts maintained by Dai-ichi Life Holdings, Inc. (the "Company") and its consolidated subsidiaries in accordance with the provisions set forth in the Financial Instruments and Exchange Act, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP") which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards.

Certain items presented in the consolidated financial statements are reclassified for the convenience of readers outside Japan. The notes to the consolidated financial statements include information which is not required under Japanese GAAP but is presented herein as additional information.

The amounts indicated in millions of yen are rounded down by truncating the figures below one million. Totals may not add up exactly because of such truncation. Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥133.53=US$1.00, the foreign exchange rate on March 31, 2023, has been used for translation of the truncated figures in Japanese yen. The inclusion of such amounts is not intended to imply that Japanese yen has been or could be readily converted, realized or settled into U.S. dollars at that rate or any other rate.

Ⅱ. PRINCIPLES OF CONSOLIDATION

1. Scope of Consolidation

(1) The number of consolidated subsidiaries as of March 31, 2023: 87

The consolidated financial statements include the accounts of the Company and its consolidated subsidiaries (collectively, "the Group"), including The Dai-ichi Life Insurance Company, Limited ("DL"), The Dai-ichi Frontier Life Insurance Co., Ltd. ("DFLI"), The Neo First Life Insurance Company, Limited ("Neo First Life"), ipet Holdings, Inc. ("ipet"), Dai-ichi Life Insurance Company of Vietnam, Limited ("DLVN"), TAL Dai-ichi Life Australia Pty Ltd ("TDLA"), Protective Life Corporation ("PLC"), Dai-ichi Life Insurance (Cambodia) PLC. ("DLKH"), Dai-ichi Life Insurance Myanmar Ltd.("DLMM"), Dai-ichi Life Reinsurance Bermuda Ltd. ("DLRe"), Partners Group Holdings Limited ("PNZ"), Dai-ichi Life International Holdings LLC ("DLIHD")and Vertex Investment Solutions Co., Ltd ("VTX").

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

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

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

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

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

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

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

The thirty-eight non-consolidated subsidiaries as of March 31, 2023 had, individually and in the aggregate, a minimal impact on the consolidated financial statements in terms of total assets, sales, net income (loss) (amount corresponding to equity interest), retained earnings (amount corresponding to equity interest), cash flows, and others.

2. Application of the Equity Method

The number of non-consolidated subsidiaries under the equity method as of March 31, 2023 was 0.

The number of affiliated companies under the equity method as of March 31, 2023 was 23. The affiliated companies included Asset Management One Co., Ltd., Corporate-pension Business Service Co., Ltd., Japan Excellent Asset Management Co., Ltd., OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED, Star Union Dai-ichi Life Insurance Company Limited and PT Panin Internasional.

Effective the fiscal year ended March 31, 2023, one affiliated company of Asset Management One Co., Ltd. was included in the scope of the equity method as it had become an affiliated company of the Company.

The non-consolidated subsidiaries (The Dai-ichi Life Information Systems Co., Ltd., THE DAI-ICHI BUILDING CO.,LTD. and First U Anonymous Association and others), as well as affiliated companies (Mizuho-DL Financial Technology Co., Ltd., NIHONBUSSAN Corporation and others) were not accounted for under the equity method. These companies had, individually and in the aggregate, a minimal impact on the consolidated financial statements, in terms of the net income (loss) (amount corresponding to equity interest), retained earnings (amount corresponding to equity interest) and others.

3. Year-end Dates of Consolidated Subsidiaries

Among the consolidated subsidiaries, the closing dates of consolidated overseas subsidiaries are December 31 or March 31. In preparing the consolidated financial statements, the financial statements as of these dates are used, and necessary adjustments are made when significant transactions take place between these dates and the account closing date of the consolidated financial statements.

4. Summary of Significant Accounting Policies

(1) Valuation Methods of Securities

Securities held by the Company and its consolidated subsidiaries including cash and deposits and monetary claims bought which are equivalent to marketable securities, and marketable securities managed as trust assets in money held in trust, are carried as explained below:

The amortization of premiums and accretion of discounts is calculated by the straight-line method.

a) Trading Securities

Trading securities are carried at fair value with cost determined by the moving average method.

b) Held-to-maturity Bonds

Held-to-maturity bonds are stated at amortized cost determined by the moving average method.

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

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

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

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

e) Available-for-sale Securities

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

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

ii) Stocks and other securities without market prices

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

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

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

(2) Valuation Method of Derivative Transactions

Derivative transactions are reported at fair value.

(3) Depreciation of Depreciable Assets

a) Depreciation of Tangible Fixed Assets Excluding Leased Assets

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

Estimated useful lives of major assets are as follows:

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

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

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

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

b) Amortization of Intangible Fixed Assets Excluding Leased Assets

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

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

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

c) Depreciation of Leased Assets

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

(4) Reserve for Possible Loan Losses

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

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

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

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

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

For loans and claims to bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The amounts written off during the fiscal years ended March 31, 2022 and 2023 were ¥1 million and ¥1 million (US$0 million), respectively.

For certain consolidated overseas subsidiaries, reserve for their estimate of contractual cash flows not expected to be collected is recognized for relevant claims on the date of the asset's acquisition.

(5) Reserve for Possible Investment Losses

In order to provide for future investment losses, a reserve for possible investment losses is established for stocks and other securities without market prices and ownership stakes in partnerships, etc. It is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

(6) Reserve for Retirement Benefits of Directors, Executive Officers and Corporate Auditors

For the reserve for retirement benefits of directors, executive officers and corporate auditors, an estimated amount for future payment in accordance with the internal policies of certain consolidated subsidiaries is provided.

(7) Reserve for Possible Reimbursement of Prescribed Claims

To prepare for the reimbursement of claims for which prescription periods had expired, an estimated amount for reserve for possible reimbursement of prescribed claims based on past reimbursement experience is provided.

(8) Net Defined Benefit Liabilities

For the net defined benefit liabilities, the amount is provided by deducting the pension assets from the projected benefit obligations based on the estimated amounts as of March 31, 2023. The accounting treatment for retirement benefits is as follows.

a) Allocation of Estimated Retirement Benefits

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

b) Amortization of Actuarial Differences and Past Service Cost

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

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

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

(9) Reserve for Price Fluctuations

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

(10) Translation of Assets and Liabilities Denominated in Foreign Currencies into Yen

The Company and its domestic consolidated subsidiaries translate foreign currency-denominated assets and liabilities (excluding stocks of its non-consolidated subsidiaries and affiliated companies which are not accounted for under the equity method) into yen at the prevailing exchange rates at the end of the year. Stocks of non-consolidated subsidiaries and affiliated companies which are not accounted for under the equity method are translated into yen at the exchange rates on the dates of acquisition. Assets, liabilities, revenues, and expenses of the Company's consolidated overseas subsidiaries are translated into yen at the exchange rates at the end of their fiscal year.

Translation adjustments associated with the consolidated overseas subsidiaries are included in foreign currency translation adjustments in the net assets section of the consolidated balance sheet.

For certain consolidated subsidiaries of the Company, changes in fair value of bonds included in foreign currency-denominated available-for-sale securities related to foreign currency-denominated insurance contracts are divided into two: changes in fair value due to changes in market prices in their original currencies are accounted for as "net unrealized gains (losses) on securities", and the remaining changes are reported in "foreign exchange gains (losses)".

(11) Hedge Accounting

a) Methods for Hedge Accounting

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

b) Hedging Instruments and Hedged Items

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

c) Hedging Policies

Certain domestic consolidated subsidiaries conduct hedging transactions with regard to certain market risk, foreign currency risk and interest rate risk of underlying assets to be hedged, in accordance with the internal investment policy and procedure guidelines.

d) Assessment of Hedge Effectiveness

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

(Hedging relationships to which the "Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" is applied)

Among the above hedging relationships, the exceptional treatment prescribed in the "Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (PITF No. 40 revised on March 17, 2022) is applied to all hedging relationships included in the scope of the application of the said Treatment. The details of hedging relationships to which the Treatment is applied are as follows:

Hedge accounting method: Special hedge accounting for interest rate swaps

Hedging instruments: Interest rate swaps

Hedged items: Loans

Type of hedging transactions: Transactions that fix cash flow

(12) Amortization of Goodwill

Goodwill is amortized over an effective period up to 20 years under the straight-line method. The entire amount is expensed as incurred if the amount is immaterial.

(13) Scope of Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statement of cash flows consist of cash on hand, demand deposits and short-term investments with a maturity of three months or less from the date of acquisition, which are readily convertible into cash and have an insignificant risk of changes in value.

(14) Calculation of National and Local Consumption Tax

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

(15) Policy Reserves

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

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

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

b) Reserves for other policies are established based on the net level premium method.

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

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

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

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

(16) Reserves for Outstanding Claims

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

(Overview of the calculation method)

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

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

(17) Premium and Other Income and Benefits and Claims for Consolidated Subsidiaries That Operate a Life Insurance Business in Japan

a) Premium and other income (excluding reinsurance income)

Premium and other income (excluding reinsurance income) is recorded for insurance contracts for which insurance premium has been received and under which the insurer's liability has commenced by the relevant amounts received.

Of premium and other income (excluding reinsurance income), the portion corresponding to the period that has yet to pass as of the end of the fiscal year is set aside as policy reserves in accordance with Article 69, Paragraph 1, Item 2 of the Ordinance for Enforcement of the Insurance Business Act.

b) Reinsurance Income

Reinsurance income is recorded as amounts equivalent to the portion reinsured under reinsurance contracts out of the amounts paid as claims, etc. under direct insurance contracts at the time when those claims, etc. are paid.

For certain transactions of modified coinsurance that do not involve cash settlements, amounts received under the reinsurance contracts as part of amounts equivalent to acquisition costs related to direct insurance contracts are recorded as reinsurance income while the same amounts are recorded as unamortized ceded premium commissions in reinsurance receivable and are amortized over the period of the reinsurance contracts.

c) Benefits and Claims (excluding ceding reinsurance commissions)

Benefits and claims (excluding ceding reinsurance commissions) are recorded for contracts for which amounts calculated under policy conditions have been paid in the occurrence of insured events under the policy conditions by the relevant amounts paid.

In accordance with Article 117 of the Insurance Business Act, reserves for outstanding claims are set aside for claims, etc. for which the Company has a payment due but has not paid, or for which the occurrence of the insured events have not been reported but the Company finds that insured events have already occurred, as of the end of the fiscal year.

d) Ceding reinsurance commissions

Ceding reinsurance commissions are recorded in agreed amounts in accordance with reinsurance contracts at the time either when insurance premiums under direct insurance contracts are received, or when the reinsurance contracts are entered into.

Part of policy reserves and reserves for outstanding claims corresponding to insurance contracts which have been reinsured is not set aside in accordance with Article 71, Paragraph 1 and Article 73, Paragraph 3 of the Ordinance for Enforcement of the Insurance Business Act.

Premium and other income, and benefits and claims, of consolidated overseas subsidiaries are recorded based on the each country's accounting standard, such as US GAAP.

(18) Significant Accounting Estimates

a) Evaluation of goodwill

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

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

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

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

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

First, PLC evaluates qualitative factors, which is an examination on whether or not there is any impairment indicator to consider whether or not there is a 50 percent or greater probability that book value exceeds fair value of each reporting unit that has goodwill. In accordance with the accounting standards, PLC has omitted the test for an impairment indicator and proceeded to the quantitative impairment test described below for all or a part of reporting units. Whether or not there is any impairment indicator is comprehensively examined in consideration of the presence of deterioration in economic and market environments surrounding PLC and its reporting units, the presence of factors that have a negative impact on future profits or cash flows, the presence of deterioration in overall business performance, and other events specific to PLC and its reporting units.

Next, if it is concluded that there is an impairment indicator of goodwill or it is selected not to conduct the test for impairment indicator, a comparison of the book value of the reporting units that include goodwill to its fair value (the quantitative impairment test) is performed. The key assumptions used in the calculation of fair value (e.g., business income and expense projections and discount rates) are subject to the uncertainty of estimation.

If there is any impairment indicator that is attributable to the deterioration of circumstances or the occurrence of events, or if the key assumptions used in the comparison of book value to fair value (the quantitative impairment test) change, impairment losses on goodwill may be recorded in the following fiscal year.

TDLA determines whether or not to record an impairment loss on goodwill by comparing book value with recoverable amount in each cash generating unit to which goodwill is allocated (the quantitative impairment test). Recoverable amount is calculated based on embedded values, etc. For calculating the embedded values, underlying actuarial assumptions are used such as discount rates, mortality, morbidity, discontinuances and others. If recoverable amount reduces due to the update of underlying actuarial assumptions, impairment losses on goodwill may be recorded in the following fiscal year.

The Company judges whether or not to record an impairment loss on goodwill in accordance with the accounting standards in Japan, considering the results of the judgments made by each subsidiary.

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

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

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

If there is any impairment indicator that is attributable to the deterioration of circumstances or the occurrence of events, impairment losses on goodwill may be recorded in the following fiscal year.

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

b) Evaluation of value of in-force insurance contracts

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

Other intangible fixed assets presented in the Company's consolidated balance sheet includes assets regarding the present value of in-force insurance contracts, namely Value of Business Acquired (“VOBA”) or Value In-force (“VIF”). The balance of VOBA as of March 31, 2022 and 2023 were ¥207,570 million and ¥308,608 million (US$2,311 million) derived from the acquisition of PLC and the acquisition business of PLC's acquisition segment, and the balance of VIF as of March 31, 2022 and 2023 were ¥23,259 million and ¥20,188 million (US$151 million) derived from the acquisitions of TDLA, the balance of VIF as of March 31, 2022 and 2023 were ¥－million and ¥35,793 million (US$268 million) derived from the acquisitions of PNZ, and the balance of VIF as of March 31, 2022 and 2023 were ¥－million and ¥24,077 million (US$180 million) derived from the acquisitions of ipet respectively.

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

The value of in-force insurance contracts arising from acquisitions and acquisition business is calculated as the present value of future profits to be earned from future cash flows arising from in-force insurance contracts and investment type insurance contracts at the acquisition date, and is recorded on the consolidated financial statements of these consolidated subsidiaries while the value of in-force insurance contracts is amortized over a period during which its effect is estimated, in proportion to the manner in which its effect is realized.

The VOBA of PLC is amortized based on future gross premiums, estimated gross margins, contractual terms and/or others.

With regards to the VOBA arising from investment type insurance contracts, PLC regularly reviews actuarial assumptions, such as interest rates, mortality lapse and others, updates them if necessary, and accordingly increases or decreases amortization amount of the VOBA. Where increase or decrease in estimated gross margins is expected due to the change in lapse, the update of actuarial assumptions may result in acceleration of amortization in the following fiscal year.

PLC assesses whether the VOBA arising from traditional insurance contracts is impaired concurrently with performing liability adequacy test of relevant policy reserves in addition to the predetermined amortization. The VOBA arising from traditional insurance contracts may result in impairment losses in the following fiscal year prior to providing additional policy reserves where the estimated future cash flows based on the underlying actuarial assumptions determined upon conclusion of contract, such as interest rate, mortality rate, and discontinuances and others differ significantly from actual and it is recognized that there is a risk of disabling to fulfill future obligations. No impairment losses on the VOBA are recorded in the fiscal year ended March 31, 2023.

TDLA assesses the VIF arising from the acquisition of TDLA as to whether there is any impairment indicator of the VIF at the same time as goodwill impairment test is performed because impairment of goodwill indicates impairment of the VIF. No impairment losses are recognized in the fiscal year ended March 31, 2023 as the TDLA determined that there was no indication that the VIF is impaired based on the result of the quantitative impairment test on goodwill.

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

(19) Policy Acquisition Costs

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

(20) Changes in Accounting Policies

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

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

(21) Accounting Standard and Guidance Not Yet Adopted

a)Financial Services - Insurance (Topic 944) (ASU No. 2018-12 issued on August 15, 2018, ASU No. 2019-09 issued on November 15, 2019, and ASU No. 2020-11 issued on November 5, 2020)

i) Outline

The amendments in this Update are mainly designed to make improvements of the accounting treatment of the liability for future policy benefits, the measurement of benefits with market risks at fair value, and the amortization methods of deferred acquisition costs of insurance contracts.

Privately owned companies that have adopted US GAAP will apply the amendments in this Update from the end of the fiscal year beginning on or after December 16, 2024 (early adoption is permitted).

ii) Scheduled date for adoption

Certain consolidated overseas subsidiaries have adopted US GAAP, and the amendments in this Update will be applied from the end of the fiscal year ending on December 31, 2025.

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

iii) Impact of applying the standard and guidance

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

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

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

i) Outline

This accounting standard prescribes the recognition, measurement, presentation, etc., of insurance contracts.

Companies that have adopted Australian Accounting Standards ("AAS") issued by the Australian Accounting Standards Board and New Zealand IFRS ("NZ IFRS") issued by New Zealand Accounting Standards Board will apply this accounting standard from the fiscal year beginning on or after January 1, 2023.

ii) Scheduled date for adoption

Certain overseas consolidated subsidiaries have adopted AAS and NZ IFRS, and this accounting standard will be applied from the fiscal year beginning on April 1, 2023.

iii) Impact of applying the standard and guidance

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

(Additional information)

Incentive Programs for Employees

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

a) Overview of the transactions

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

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

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

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

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

Ⅲ. NOTES TO THE CONSOLIDATED BALANCE SHEET

1. Assets Pledged as Collateral / Secured Liabilities

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

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

The amounts of secured liabilities were as follows:

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

The amount of "Securities" pledged as collateral under repurchase agreements and for securities lending transactions with cash collateral as of March 31, 2022 and 2023 were ¥3,217,022 million and ¥576,344 million (US$4,316 million), respectively.

2. Securities Lending

Securities lent under lending agreements are included in the consolidated balance sheet. The total balance of securities lent as of March 31, 2022 and 2023 were ¥5,198,144 million and ¥2,928,052 million (US$21,928 million), respectively.

3. Risk Management Policy of Policy-reserve-matching Bonds

Certain domestic consolidated subsidiaries categorize their insurance products into sub-groups by the attributes of each product and, in order to manage risks properly, formulate their policies on investments and resource allocation based on the balance of the sub-groups. Moreover, they periodically check that the duration gap between policy-reserve-matching bonds and policy reserves stays within a certain range.

The sub-groups of insurance products of DL are:

Years ended March 31, 2022 and 2023
i) individual life insurance and annuities (with the exception of certain types),
ii) non-participating single premium whole life insurance (without duty of medical disclosure),
iii) financial insurance and annuities, and annuities
iv) group annuities (defined contribution corporate pension insurance; defined contribution corporate pension insurance II and certain corporate pension insurances of which the type can be changed to defined contribution corporate pension insurance II), and
v) group annuities 2 (defined benefit corporate pension insurance, employees' pension fund insurance II, new corporate pension insurance II)

The sub-groups of insurance products of DFLI are:

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

(Additional Information)

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

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

4. Stocks of Subsidiaries and Affiliated Companies

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

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

5. Risk-managed claims

As of March 31, 2023, the amounts of claims against bankrupt and quasi-bankrupt obligors, claims with collection risk, claims that are overdue for three months or more, and claims with repayment relaxation, which were included in claims, were as follows:

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

(*1) Claims against bankrupt and quasi-bankrupt obligors are claims to borrowers who are subject to bankruptcy, corporate reorganization or rehabilitation or other similar proceedings and other borrowers in serious financial difficulties.

(*2) Claims with collection risk are claims to obligors (other than bankrupt and quasi-bankrupt obligors) with deteriorated financial condition and results of operations from which it is unlikely that the principal and interest on the claims will be recovered.

(*3) Claims that are overdue for three months or more are loans for which payment of principal or interest is delayed for three months or more from the day following the contracted payment date. This category excludes claims against bankrupt and quasi-bankrupt obligors and claims with collection risk.

(*4) Claims with repayment relaxation are loans for which certain concessions favorable to the debtor, such as interest rate reduction and exemption, interest payment deferment, principal repayment deferment, debt waiver, etc., for the purpose of rebuilding or supporting the debtor. This category excludes claims against bankrupt and quasi-bankrupt obligors, claims with collection risk and claims that are overdue for three months or more.

As a result of the direct write-off of claims, the decrease in claims against bankrupt and quasi-bankrupt obligors as of March 31, 2022 and 2023 were ¥1 million and ¥1 million (US$0 million).

(*5) Claims against normal obligors who don't have any specific problems with financial conditions and operations, are all other claims excluding claims mentioned in above. The amounts of Claims against normal obligors as of March 31, 2022 and 2023 were ¥9,284,129 million and ¥7,355,064 million (US$55,081 million), respectively.

6. Commitment Line

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

7. Accumulated Depreciation of Tangible Fixed Assets

The amounts of accumulated depreciation of tangible fixed assets as of March 31, 2022 and 2023 were ¥632,076 million and ¥620,391 million (US$4,646 million), respectively.

8. Assets and Liabilities Held in Separate Accounts

The total amounts of assets held in separate accounts defined in Article 118, Paragraph 1 of the Insurance Business Act as of March 31, 2022 and 2023 were ¥2,690,773 million and ¥2,338,524 million (US$17,513 million), respectively. Separate account liabilities were the same amount as the separate account assets.

9. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

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

10. Revaluation of Land

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

・ Date of revaluation: March 31, 2001

・ Method stipulated in Article 3, Paragraph 3 of the Act on Revaluation of Land:

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

11. Bonds Payable

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

Details of bonds payable were as follows:

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

Note: 1. The above (*1) represents the total of bonds issued by the following consolidated overseas subsidiaries: PLC and Protective Life Insurance company.
2. Figures in [ ] are the amounts denominated in foreign currency.
3. From 1st to 8th series foreign currency (US dollar) commercial paper of ¥43,062 million yen (US$322 million) are due in one year or less.
4. The following table shows the maturities of long-term subordinated bonds for the 5 years subsequent to March 31, 2023.

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

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

12. Subordinated Debt and Other Liabilities

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

Details of borrowings and lease obligations were as follows:

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

Note: 1. Those borrowings, lease obligations and payables under repurchase agreements above are included in the "other liabilities" on the consolidated balance sheet.
2. The average interest rate represents the weighted-average rate applicable to the balance as of March 31, 2023. As for lease obligations, the average interest rate of is not presented above because interests of certain lease obligations are included in the total amount of lease payments.
3. The following table shows the maturities of long-term borrowings (excluding the current portion or those without maturities) and lease obligations (excluding the current portion) for the 5 years subsequent to March 31, 2023:

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

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

13. Securities Borrowing

Securities borrowed under borrowing agreements and securities received as collateral of reinsurance transactions can be sold or pledged as collateral. As of March 31, 2022 and 2023, the market value of the securities which were not sold or pledged as collateral was ¥141,423 million and ¥178,669 million (US$1,338 million), respectively. None of the securities were pledged as collateral as of March 31, 2022 and 2023, respectively.

14. Organizational Change Surplus

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

Ⅳ. NOTES TO THE CONSOLIDATED STATEMENT OF EARNINGS

1. Operating Expenses

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

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

2. Gains on Disposal of Fixed Assets

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

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

3. Losses on Disposal of Fixed Assets

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

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

4. Impairment Losses on Fixed Assets

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

a) Method of Grouping Assets

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

b) Background for Recognition of Impairment Losses

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

c) Breakdown of Impairment Losses

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

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

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

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

d) Calculation of Recoverable Value

Value in use or net sale value is used as the recoverable value of real estate for rent, and net sale value is used as the recoverable value of real estate not in use. Discount rates of 2.11% and 2.00% for the years ended March 31, 2022 and 2023, respectively, were applied for discounting future cash flows in the calculation of value in use. Estimated disposal value, appraisal value based on real estate appraisal standards, or appraisal value based on publicly assessed land value for tax purposes is used as the net sale value.

Ⅴ. NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

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

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

1. For the Year Ended March 31, 2022

(1) Type and Number of Shares Outstanding

	Year ended March 31, 2022			
	At the beginning of the year	Increase during the year	Decrease during the year	At the end of the year
	(Unit: thousands of shares)			
Common stock(*1)	1,198,755	183	167,591	1,031,348
Treasury stock(*2)(*3)(*4)	88,541	86,130	167,784	6,886

(*1) The increase of 183 thousand shares of outstanding common stock was due to the issuance of new shares under stock remuneration scheme.
(*2) Treasury stock at the beginning and the end of the fiscal year ended March 31, 2022, includes 3,942 thousand shares and 3,899 thousand shares held by the trust fund through the J-ESOP, respectively.
(*3) The decrease of 167,591 thousand shares of outstanding common stock was due to the cancellation of treasury stock.
(*4) The increase of 86,130 thousand shares of treasury stock was due to the purchase of treasury stock.
(*5) The decrease of 167,784 thousand shares of treasury stock represents the sum of (1) 151 thousand shares due to the exercise of stock acquisition rights (stock options), (2) 42 thousand shares granted to eligible employees at retirement by the J-ESOP, and (3) 167,591 thousand shares due to the cancellation of treasury stock.

(2) Stock Acquisition Rights

Issuer	Details	Balance as of March 31, 2022 (Unit: million yen)
The Company	Stock acquisition rights in the form of stock options	694

(3) Dividends on Common Stock

a) Dividends paid during the fiscal year ended March 31, 2022

Date of resolution	June 21, 2021 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends(*)	¥68,833 million
Dividends per share	¥62
Record date	March 31, 2021
Effective date	June 22, 2021
Dividend resource	Retained earnings

(*) Total dividends did not include ¥244 million of dividends to the J-ESOP trust, as the Company recognized the shares held by the trust as treasury shares.

b) Dividends, the record date of which was March 31, 2022, to be paid out in the year ending March 31, 2023

Date of resolution	June 20, 2022 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends(*)	¥85,030 million
Dividends per share	¥83
Record date	March 31, 2022
Effective date	June 21, 2022
Dividend resource	Retained earnings

(*) Total dividends did not include ¥323 million of dividends to the J-ESOP trust, as the Company recognized the shares held by the trust as treasury shares.

2. For the Year Ended March 31, 2023

(1) Type and Number of Shares Outstanding

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

(*1) The increase of 121 thousand shares of outstanding common stock was due to the issuance of new shares under stock remuneration scheme.
(*2) Treasury stock at the beginning and the end of the fiscal year ended March 31, 2023, includes 3,899 thousand shares and 3,862 thousand shares held by the trust fund through the J-ESOP, respectively.
(*3) The decrease of 41,581 thousand shares of outstanding common stock was due to the cancellation of treasury stock.
(*4) The increase of 41,585 thousand shares of treasury stock was due to the purchase of treasury stock of 41,581 thousand shares and the acquisition of restricted stock without consideration of 3 thousand shares.
(*5) The decrease of 41,772 thousand shares of treasury stock represents the sum of (1) 152 thousand shares due to the exercise of stock acquisition rights (stock options), (2) 37 thousand shares granted to eligible employees at retirement by the J-ESOP, and (3) 41,581 thousand shares due to the cancellation of treasury stock.

(2) Stock Acquisition Rights

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

(3) Dividends on Common Stock

a) Dividends paid during the fiscal year ended March 31, 2023

Date of resolution	June 20, 2022 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends(*)	¥85,030 million (US$636 million)
Dividends per share	¥83 (US$0.62)
Record date	March 31, 2022
Effective date	June 21, 2022
Dividend resource	Retained earnings

(*) Total dividends did not include ¥323 million (US$2 million) of dividends to the J-ESOP trust, as the Company recognized the shares held by the trust as treasury shares.

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

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

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

Ⅶ. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

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

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

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

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

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

(1) TAL Life Insurance Services Limited

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

(2) Partners Group Holdings Limited

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

(3) ipet Holdings, Inc.

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

Ⅷ. LEASE TRANSACTIONS

1. Finance Leases (As Lessee)

For the fiscal years ended March 31, 2022 and 2023, information regarding finance leases (as lessee) is omitted due to the importance on the consolidated financial statements.

2. Operating Leases

Future minimum lease payments under non-cancellable operating leases as of March 31, 2022 and 2023 were as follows:

(As Lessee)

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

(As Lessor)

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

Ⅸ. FINANCIAL INSTRUMENTS AND OTHERS

1. Financial Instruments

(1) Policies in Utilizing Financial Instrument

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

The Group uses derivatives primarily to hedge market risks associated with its existing asset portfolio and to mitigate the risks associated with guaranteed minimum maturity benefits of individual variable annuity insurance.

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

(2) Financial Instruments Used and Their Risks

Securities included in financial assets of the Group, mainly stocks and bonds, are exposed to market fluctuation risk, credit risk and interest-rate risk and some of the securities denominated in foreign currency are exposed to foreign currency risk. Also, loans are exposed to credit risk arising from the defaults of obligors.

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

The Group utilizes a) interest rate swaps to hedge interest rate risk associated with certain loans receivable and payable, b) equity forward contracts to hedge market fluctuation risks associated with certain domestic stocks, and c) foreign currency forward contracts, currency options and foreign currency swaps to hedge foreign currency risks associated with certain foreign currency-denominated bonds, foreign currency-denominated short-term deposits and foreign currency-denominated debts, etc. and adopts hedge accounting.

In addition, certain consolidated subsidiaries utilize a) interest rate swaps to hedge interest rate risk associated with certain insurance liabilities, under the "Accounting and Auditing Treatment of Application of Accounting Standard for Financial Instruments to Insurance Operators" (JICPA Industry Audit Committee Report No. 26), and b) foreign currency swaps to hedge foreign currency risks associated with funding agreements and adopts hedge accounting.

In applying the hedge accounting, in order to fulfill requirements stipulated in accounting standards such as the "Accounting Standards for Financial Instruments" (ASBJ Statement No. 10 issued on March 10, 2008), the Group has established investment policy and procedure guidelines and clarified the transactions to be hedged, the risk of underlying assets to be hedged and derivative instruments to be used, and conducted pre- and post-effectiveness tests of the transactions.

(3) Risk Management

The Group manages risk in accordance with a basic policy for risk management, rules for management procedures, etc. defined by the board of directors, etc.

a) Market risk management

Under the internal investment policy and market risk management policy, DL manages market risk by conducting mid- to long-term asset allocation in a manner appropriate to its liabilities. Therefore, it categorizes its portfolio into sub-groups, based on their investment purpose, and manages them taking into account each of their risk characteristics.

i) Interest rate risk

DL keeps track of interest rates and durations of its assets and liabilities, monitors its internal analyses on duration gap and interest rate sensitivity, and periodically reports its findings to the board of directors, etc.

ii) Currency risk

DL keeps track of currency composition of its financial assets and liabilities, conducts sensitivity analyses, and periodically reports its findings to the board of directors, etc.

iii) Fluctuation in market values

DL defines risk management policies and management procedures for each component of its overall portfolio, including securities, based on the risk characteristics of the categories, and sets and manages upper limits of each asset balance and asset allocation weight.

Such management conditions are periodically reported by its risk management sections to the board of directors, etc.

iv) Derivative transactions

For derivative transactions, DL has established internal check system by segregating (i) the executing department, (ii) the department which engages in assessment of hedge effectiveness, and (iii) the back-office. Additionally, in order to limit speculative use of derivatives, it has put restrictions on utilization purpose, such as hedging, and establishes position limits for each asset class.

The consolidated subsidiaries other than DL have established appropriate risk management systems in accordance with the Group's basic policy for risk management, etc.

DFLI utilizes derivatives in order to reduce the risk associated with guaranteed minimum maturity benefits of individual variable annuities and hedge foreign currency risks associated with bonds. For derivatives used to reduce the risk associated with guaranteed minimum maturity benefits of individual variable annuities, in accordance with its internal regulations to manage the risks associated with its guaranteed minimum maturity benefits, it (i) assesses the hedge effectiveness of derivative transactions, (ii) manages gains and losses from derivative transactions on a daily basis, and (iii) periodically checks its progress on reducing the risk associated with its guaranteed minimum maturity benefits and measures estimated losses based on VaR (value-at-risk). The risk management section is in charge of managing overall risks including risks associated with the guaranteed minimum maturity benefits, and periodically reports the status of such management to the board of directors, etc.

b) Credit Risk Management

In accordance with the internal investment policy and credit risk management procedure guidelines, DL has established a credit management system related to loans, such as preliminary reviews on individual transactions, credit limit setting, credit information management, internal credit rating, attachment of guarantees and collateral, and follow-ups on problem loans. For corporate bond investment, the credit section sets investment caps on individual issuers taking into account internal credit ratings and other factors. Excessive risk-taking is restricted since front offices make investment within those caps. Policies and frameworks for large-lot borrowers have been formulated in order to prevent credit concentration by monitoring compliance, etc. That credit management has been conducted by the credit and risk management sections, and has been periodically reported to its board of directors, etc. Additionally, the internal audit section has also checked credit management status.

Credit risk of security issuers and counterparty risk with respect to derivative transactions are managed by the credit section, which sets upper limits for each counterparty and financial instrument and periodically monitors credit information, and by the risk management section, which periodically monitors current exposures.

The consolidated subsidiaries other than DL have established appropriate risk management systems in accordance with the Group's basic policy for risk management, etc.

(4) Supplementary Explanation for Fair Value of Financial Instruments

As the calculation of those values adopts certain assumptions, those values may vary in case different assumptions are applied. Also, for the contract value regarding derivative transactions described in "XII. DERIVATIVE TRANSACTIONS", the "Notional amount/contract value" itself does not indicate market risk related to derivative transactions.

2. Fair Values of Financial Instruments

The carrying amount on the consolidated balance sheet, fair value and differences between carrying amount and fair value as of March 31, 2022 and 2023 were as follows.

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

(※1) Cash and deposits, call loans, and payables under repurchase agreements are not included since they are mainly due within a short period of time or have no maturity, and their fair value is close to the carrying amount.
(※2) Financial instruments whose fair value is extremely difficult to recognize are as follows and are not included in the fair value of (3) Securities.

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

(*1) Stocks and other securities without market prices include unlisted stocks, etc., and are not subject to disclosure of fair value in accordance with Paragraph 5 of the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19 revised on March 31, 2020).
(*2) Ownership stakes in partnerships, etc. mainly include stakes in anonymous associations and investment partnerships. They are not subject to disclosure of fair value in accordance with Item 26 or 27 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31 issued on July 4, 2019).
(*3) Impairment loss of ¥1,155 million was recognized in the fiscal year ended March 31, 2022
(※3) Excluding general reserves for possible loan losses and specific reserves for possible loan losses related to loans.
(※4) Credits/debts from derivative transactions are presented on a net basis. Figures in [ ] are net debts.

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

(※1) Cash and deposits, call loans, short-term bonds payable, and payables under repurchase agreements are not included since they are mainly due within a short period of time or have no maturity, and their fair value is close to the carrying amount.
(※2) Net asset value of certain mutual funds is regarded as the fair value in accordance with generally accepted accounting standard, and included in the table above.
(※3) The carrying amount of stocks and other securities without market prices and ownership stakes in partnerships, etc. on the consolidated balance sheet are as follows. They are not included in the fair value of (3) Securities.

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

(*1) Stocks and other securities without market prices include unlisted stocks, etc., and are not subject to disclosure of fair value in accordance with Paragraph 5 of the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19 revised on March 31, 2020).
(*2) Ownership stakes in partnerships, etc. mainly include stakes in anonymous associations and investment partnerships. They are not subject to disclosure of fair value in accordance with Item 24-16 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31 revised on June 17, 2021).
(*3) Impairment loss of ¥780 million (US$5 million) was recognized in the fiscal year ended March 31, 2023.
(※4) Excluding general reserves for possible loan losses and specific reserves for possible loan losses related to loans.
(※5) Credits/debts from derivative transactions are presented on a net basis. Figures in [ ] are net debts.

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

As of March 31, 2022

	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
	(Unit: million yen)			
Cash and deposits	2,169,025	14,851	–	–
Call loans	479,900	–	–	–
Monetary claims bought	3,350	56,217	21,942	171,440
Securities:				
Held-to-maturity bonds (bonds)	2,100	70,200	19,300	24,100
Held-to-maturity bonds(foreign securities)	4,700	8,455	600	–
Policy-reserve-matching bonds (bonds)	23,010	724,113	2,090,038	12,538,374
Policy-reserve-matching bonds (foreign securities)	43,937	514,463	1,257,123	590,985
Available-for-sale securities with maturities (bonds)	119,802	1,044,973	834,563	1,084,231
Available-for-sale securities with maturities (foreign securities)	666,658	4,183,466	4,338,823	8,266,268
Available-for-sale securities with maturities (other securities)	1,213	371,788	269,338	20,345
Loans (*)	470,341	1,328,652	858,178	788,909

(*) Loans for which interest or principal payments cannot be forecasted, such as credit to bankrupt obligors, substantially bankrupt obligors and obligors at risk of bankruptcy, amounted to ¥4,575 million were not included. Also, ¥521,093 million of loans without maturities were not included.

As of March 31, 2023

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

As of March 31, 2023

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

(*) Loans for which interest or principal payments cannot be forecasted, such as credit to bankrupt obligors, substantially bankrupt obligors and obligors at risk of bankruptcy, amounted to ¥86 million (US$ 0.6million) were not included. Also, ¥541,115 million (US$4,052 million) of loans without maturities were not included.

Note 2: Scheduled maturities of bonds, long term borrowings, and other interest-bearing liabilities

As of March 31, 2022

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

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

As of March 31, 2023

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

As of March 31, 2023

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

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

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

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

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

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

Level 3: Fair value determined based on significant unobservable inputs

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

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

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

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

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

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

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

As of March 31, 2022	Fair value			
	Level 1	Level 2	Level 3	Total
	(Unit: million yen)			
Securities				
Held-to-maturity bonds				
Government bonds	48,407	–	–	48,407
Corporate bonds	–	67,170	–	67,170
Foreign bonds	–	12,605	1,155	13,760
Policy-reserve-matching bonds				
Government bonds	15,436,289	–	–	15,436,289
Local government bonds	–	132,312	–	132,312
Corporate bonds	–	1,327,433	–	1,327,433
Foreign bonds	44,091	2,409,955	–	2,454,047
Stocks of subsidiaries and affiliated companies	–	300	857	1,157
Loans	–	–	4,053,566	4,053,566
Total assets	15,528,788	3,949,777	4,055,580	23,534,147
Bonds payable	–	873,051	13,345	886,396
Long-term borrowings	–	–	677,570	677,570
Total liabilities	–	873,051	690,915	1,563,967

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

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

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

Assets

Monetary claims bought

The fair value of monetary claims bought is measured using the price obtained by outside contractors and counterparty financial institutions. Since significant unobservable inputs are used for the price obtained, the fair value of monetary claims bought is classified into Level 3.

Money held in trust

The fair value of money held in trust is classified into Level 1 in cases where unadjusted quoted market prices in active markets can be used. If the market is not active, the fair value of money held in trust is classified into Level 2, irrespective of whether disclosed quoted market prices are used.

The fair value of money held in trust for which quoted market prices are not used as fair value is measured using prices obtained from outside contractors and counterparty financial institutions, and classified into either Level 1 or Level 2, based on the level of the primary components of trust assets.

Securities

The fair value of securities for which unadjusted quoted market prices in active markets are available is classified into Level 1. These include stocks and government bonds, among others. If the market is not active, the fair value of securities is classified into Level 2, irrespective of whether disclosed quoted market prices are used.

The fair value of bonds for which quoted market prices are not used as fair value is measured mainly using prices obtained from outside contractors and counterparty financial institutions. The present value of these prices is calculated by discounting future cash flows at a discount rate (i.e., a risk-free interest rate that takes into account credit spread). The fair value of bonds is classified into Level 2 if observable inputs are used in the calculation, and Level 3 if significant unobservable inputs are used.

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

The fair value of asset-backed securities of certain foreign consolidated subsidiaries is based on the price obtained from outside contractors. The fair value of such asset-backed securities is classified into Level 2 if observable inputs are used in the calculation, and Level 3 if significant unobservable inputs are used.

Notes regarding securities by purpose of holding are described in "X. Securities" below.

Loans

The fair value of loans is calculated by discounting future cash flows at a discount rate (i.e., an interest rate corresponding to internal credit ratings and remaining periods which is assumed to be applied to new loans to the borrower and an interest rate assumed to be applied to new loans that take into account market risk and liquidity risk). The fair value of loans is classified into Level 3.

Additionally, for risk-monitored loans, reserve for possible loan losses is calculated based on the present value of estimated future cash flows or the amount deemed recoverable from collateral and guarantees and the fair value is close to the carrying amount on the consolidated balance sheet minus reserve for possible loan losses at the end of the fiscal year. Therefore, that amount (the carrying amount on the consolidated balance sheet minus reserve for possible loan losses) is recorded as fair value for risk-monitored loans and classified into Level 3.

Also, loans without a due date because of their characteristics that their exposure is limited to the amount of their collaterals, are deemed to have fair value close to book value, taking into account estimated repayment period and interest rates. Therefore, their book value is recorded as the fair value and classified into Level 3.

Liabilities

Bonds payable

The fair value of bonds payable for which quoted market prices can be used is based on the quoted market prices. For bonds payable for which quoted market prices are not available, the fair value is calculated by discounting future cash flows at a discount rate based on market yields for similar instruments. When quoted market prices and observable inputs are used in the calculation, the fair value of bonds payable is classified into Level 2. Otherwise, the fair value of bonds payable is classified into Level 3.

Long-term borrowings

The fair value of long-term borrowings is calculated by discounting the total amount of principal and interest, using interest rates corresponding to the internal credit rating and remaining periods which are assumed to be applied to new borrowings. The fair value of long-term borrowings is classified into Level 2 when observable inputs are used in the calculation, and Level 3 when significant unobservable inputs are used. Also, certain long-term borrowings are deemed to have fair value close to book value, taking into account interest rates and other factors. Therefore, their book value is recorded as the fair value, and their fair value is classified into Level 3.

Derivative Transactions

The fair value of listed derivative transactions for which unadjusted quoted market prices in active markets are available is classified into Level 1. These mainly include stock-related transactions and bond-related transactions. If the market is not active, the fair value of listed derivative transactions is classified into Level 2, irrespective of whether disclosed quoted market prices are used.

The fair value of over-the-counter derivative transactions is mainly based on the prices calculated using discounted present values obtained from outside contractors and counterparty financial institutions and option valuation models, etc. The inputs used in the valuation method for calculating the price of over-the-counter derivative transactions are mainly interest rate, foreign exchange rate, and volatility. Since no significant unobservable inputs are used or their effects are not significant, the fair value of over-the-counter derivative transactions is classified into Level 2.

The fair value of embedded derivatives at certain foreign consolidated subsidiaries is calculated using actuarial cash flow models. The main inputs used in those valuation methods are mortality, lapse, and withdrawal rates of insurance contracts. Since significant unobservable inputs are used, the fair value of such embedded derivatives is classified into Level 3.

Note 2: Quantitative information about financial assets and liabilities measured and stated on the consolidated balance sheet at fair value and classified into Level 3

a) Quantitative Information on Significant Unobservable Inputs

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

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

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

(Unit: million yen)

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

(*1) Gain/Loss recorded as investment income and investment expenses in consolidated statement of earnings.

(*2) Gain/Loss recorded in net unrealized gains (losses) on securities, net of tax and foreign currency translation adjustments of Other comprehensive income in consolidated statement of comprehensive income.

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

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

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

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

(*1) Gain/Loss recorded as investment income and investment expenses in consolidated statement of earnings.

(*2) Gain/Loss recorded in net unrealized gains (losses) on securities, net of tax and foreign currency translation adjustments of Other comprehensive income in consolidated statement of comprehensive income.

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

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

c) Description of the fair value valuation process

The Group has established policies and procedures for measuring the fair value and classifying the fair value level in the accounting department. In accordance with these policies and procedures, the investment management service department selects the fair value valuation model, and then measures the fair value and classifies the fair value by level. For such fair value, the appropriateness of the valuation methods and inputs used in the measurement of the fair value and the appropriateness of the classification of the level of fair value are verified. In addition, when using the quoted market prices obtained from a third party as fair value, the validity is verified by appropriate methods such as confirmation of the valuation method and inputs used and comparison with the fair value of similar financial instruments.

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

Securities

Discount rate

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

Paydown rate

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

Other (Embedded derivatives)

Mortality

The mortality is the percentage of deaths in a certain group of people in a certain period of time. In general, a significant increase (decrease) in the mortality results in a significant decrease (increase) in the fair value of the liability and affects the fair value of the embedded derivatives.

Lapse

The lapse is the percentage of people in a certain group who have surrendered insurance policies or whose insurance policies have lapsed in a certain period of time. In general, a significant increase (decrease) in the lapse results in a significant decrease (increase) in the fair value of the liability and affects the fair value of the embedded derivatives.

Withdrawal rate

The withdrawal rate is the percentage of policy reserves that are withdrawn in a certain period of time. In general, a significant increase (decrease) in the withdrawal rate results in a significant increase (decrease) in the fair value of the liability and affects the fair value of the embedded derivatives.

X. SECURITIES

1. Trading Securities

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

2. Held-to-maturity Bonds

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

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

3. Policy-reserve-matching Bonds

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

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

4. Available-for-sale Securities

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

Note: Other securities include (1) certificates of deposit and (2) trust beneficiary rights, which were recorded as cash and deposits and monetary claims bought on the consolidated balance sheet, respectively. The aggregate acquisition cost and carrying amount of such certificates of deposit were ¥84,500 million and ¥84,497 million, respectively, as of March 31, 2022. The aggregate acquisition cost and carrying amount of trust beneficiary rights were ¥251,314 million and ¥255,902 million, respectively, as of March 31, 2022.

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

Note: Other securities include (1) certificates of deposit and (2) trust beneficiary rights, which were recorded as cash and deposits and monetary claims bought on the consolidated balance sheet, respectively. The aggregate acquisition cost and carrying amount of such certificates of deposit were ¥72,680 million (US$544 million) and ¥72,677 million (US$544 million), respectively, as of March 31, 2023. The aggregate acquisition cost and carrying amount of trust beneficiary rights were ¥247,281 million (US$1,851 million) and ¥246,105 million (US$1,843 million), respectively, as of March 31, 2023.

5. Held-to-maturity Bonds Sold

The Company and its consolidated subsidiaries sold no held-to-maturity bonds during the fiscal years ended March 31, 2022 and 2023.

6. Policy-reserve-matching Bonds Sold

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

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

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

7. Available-for-sale Securities Sold

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

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

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

8. Securities Written Down

The Company and its consolidated subsidiaries write down the balance of certain available-for-sale securities with fair values (1) when the fair value of such securities declines by 50%, or more, of its purchase cost or (2) when the fair value of such securities without a certain level of creditworthiness declines by 30% or more, but less than 50%, of its purchase cost unless it is deemed that there is a possibility that the fair value of the security could recover to equal or exceed the purchase cost. The aggregate amounts written down from the balance of available-for-sale securities with fair value for the fiscal years ended March 31, 2022 and 2023 were ¥6,662 million and ¥20,970 million (US$157 million) (¥20,970 million (US$157 million) of securities), respectively.

XI. MONEY HELD IN TRUST

1. Money Held in Trust for Trading

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

XII. DERIVATIVE TRANSACTIONS

1. Derivative Transactions (Hedge Accounting Not Applied)

(1) Currency-related transactions

As of March 31, 2022

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

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

As of March 31, 2023

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

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

"Gains (losses)".

(2) Interest-related transactions

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

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

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

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

(3) Stock-related transactions

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

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

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

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

(4) Bond-related transactions

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

Note: 1. Figures in [ ] are amounts of option premiums which are included in the consolidated balance sheet.
2. Fair value for futures and forward contracts, and differences between the option premiums paid/received and fair value of the option, are shown in "Gains (losses)".
3. There were no transactions with maturity of more than one year in the table above.

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

Note: 1. Figures in [ ] are amounts of option premiums which are included in the consolidated balance sheet.
2. Fair value for futures and forward contracts, and differences between the option premiums paid/received and fair value of the option, are shown in "Gains (losses)".
3. There were no transactions with maturity of more than one year in the table above.

(5) Others

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

Note: 1. Embedded derivatives are guaranteed minimum portion and others of variable annuity products, which are classified as embedded derivatives by certain overseas subsidiaries under local accounting standards.
2. Fair value is shown in "Gains (losses)".

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

Note: 1. Embedded derivatives are guaranteed minimum portion and others of variable annuity products, which are classified as embedded derivatives by certain overseas subsidiaries under local accounting standards.
2. Fair value is shown in "Gains (losses)".

2. Derivative Transactions (Hedge Accounting Applied)

(1) Currency-related transactions

	As of March 31, 2022		
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value
	(Unit: million yen)		
Deferral hedge:			
Foreign currency forward contracts to hedge foreign currency-denominated bonds			
Bought	74,637	—	10,310
Australian dollar	74,637	—	10,310
Currency swaps to hedge foreign currency-denominated bonds:			
Receipts yen, payments foreign currency	192,809	175,356	(13,639)
U.S. dollar	115,499	104,077	(8,735)
Euro	65,382	59,351	(4,488)
British pound	11,927	11,927	(415)
Currency swaps to hedge foreign currency risks associated with funding agreement:			
Receipts foreign currency, payments foreign currency	13,477	13,477	(1,461)
Norway krone / U.S. dollar	13,477	13,477	(1,461)
Fair value hedge:			
Foreign currency forward contracts to hedge foreign currency-denominated bonds:			
Sold	5,839,213	—	(474,485)
U.S. dollar	2,940,436	—	(273,968)
Euro	1,302,139	—	(47,364)
Australian dollar	806,327	—	(92,374)
Canadian dollar	412,680	—	(34,194)
British pound	154,103	—	(9,791)
Others	223,525	—	(16,791)
Bought	151,085	—	10,230
U.S. dollar	109,969	—	7,484
Australian dollar	10,488	—	475
Canadian dollar	7,823	—	160
British pound	618	—	3
Euro	477	—	22
Others	21,707	—	2,082
Foreign currency forward contracts, etc., allocated to and/or combined with corresponding hedged items:			
Foreign currency forward contracts to hedge foreign currency-denominated term deposits:			
Sold	223,000	—	
New Zealand dollar	150,000	—	
U.S. dollar	73,000	—	
Currency swaps to hedge foreign currency-denominated bonds payable and loans:			
Receipts foreign currency, payments yen	368,715	368,715	
Foreign currency-denominated bonds payable:			
U.S. dollar	368,715	368,715	
Receipts yen, payments foreign currency	26,877	23,608	
Foreign currency-denominated loans:			
U.S. dollar	24,491	23,608	
Euro	2,385	—	

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

(2) Interest-related transactions

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

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

(3) Interest and currency-related transactions

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

XIII. EMPLOYEES' RETIREMENT BENEFITS

1. Overview of Employees' Retirement Benefit Plan of the Group

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

Certain consolidated overseas subsidiaries have maintained their defined benefit plan and defined contribution plan.

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

2. Defined Benefit Plans

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

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

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

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

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

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

	Year ended March 31,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Projected benefit obligation for funded pensions	402,530	388,213	2,907
Pension assets	(336,366)	(342,159)	(2,562)
	66,164	46,053	344
Projected benefit obligation for unfunded pensions	326,357	321,754	2,409
Net of assets and liabilities recorded in the consolidated balance sheet	392,522	367,808	2,754
Net defined benefit liabilities	392,522	367,808	2,754
Net defined benefit assets	–	–	–
Net of assets and liabilities recorded in the consolidated balance sheet	392,522	367,808	2,754

(4) Amount of the components of retirement benefit expenses

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

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

(5) Remeasurements of defined benefit plans

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

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

(6) Accumulated remeasurements of defined benefit plans

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

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

(7) Pension assets

a) The main components of the pension assets

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

	Year ended March 31,	
	2022	2023
Stocks	64%	50%
Assets under joint management	19%	16%
Bonds	6%	22%
Life insurance general account	1%	3%
Others	10%	9%
Total	100%	100%

Note: The proportion of retirement benefit trust to total pension assets that has been set for the unfunded retirement benefit plans as of March 31, 2022 and 2023 were 49% and 52%, respectively.

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

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

(8) Calculation basis of actuarial gains and losses

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

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

3. Defined Contribution Plans

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

4. Plans Administered by Multiple Employers

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

(1) Funding status for the entire plan

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

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

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

(3) Supplementary Explanation

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

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

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

XIV. STOCK OPTIONS

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

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

2. Details of the Stock Options Granted

(1) Details of the stock options

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

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

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

(*1) It has been described in terms of the number of shares. The Company conducted a 1:100 share split on October 1, 2013. It is translated into the number of shares that takes into account the share split.

(*2) A granted person can exercise stock acquisition rights only within 10 days from the day on which she/he loses status as any of a director (except director serving as Audit & Supervisory Committee member) or an executive officer of the Company, DL, DFLI and Neo First Life. For stock options granted before the shift to a holding company structure, the terms and conditions for the exercise period have been changed due to the shift to a holding company structure effective on October 1, 2016.

(2) Figures relating to the stock options

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

a) Number of the stock options (shares)

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

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

	Dai-ichi Life Holdings, Inc. 2nd Series of Stock Acquisition Rights
Before vesting	
Outstanding at the end of prior fiscal year	—
Granted	—
Forfeited	—
Vested	—
Outstanding at the end of the fiscal year	—
After vesting	
Outstanding at the end of prior fiscal year	131,500
Vested	—
Exercised	31,000
Forfeited	—
Outstanding at the end of the fiscal year	100,500

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

b) Price information

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

	The Dai-ichi Life Insurance Company, Limited		Dai-ichi Life Holdings, Inc.
	4th Series of Stock Acquisition Rights	5th Series of Stock Acquisition Rights	1st Series of Stock Acquisition Rights
Exercise price	¥1 per stock option	¥1 per stock option	¥1 per stock option
Average stock price at the time of exercise	¥2,553 (US$19)	¥2,553 (US$19)	¥2,574 (US$19)
Fair value at the grant date	¥1,366 (US$10)	¥2,318 (US$17)	¥1,344 (US$10)

	Dai-ichi Life Holdings, Inc.
	2nd Series of Stock Acquisition Rights
Exercise price	¥1 per stock option
Average stock price at the time of exercise	¥2,572(US$19)
Fair value at the grant date	¥1,568 (US$11)

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

3. Method to Estimate the Number of Stock Options Vested

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

XV. DEFERRED TAX ACCOUNTING

1. Major Components of Deferred Tax Assets and Liabilities

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

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

As of March 31, 2022

(Unit: million yen)

	Within 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years	Total
Tax losses carried forward (*1)	107	407	1,243	1,402	7,132	39,175	49,469
Valuation allowance	(84)	(388)	(1,233)	(1,378)	(6,995)	(26,895)	(36,974)
Deferred tax assets	22	19	10	24	137	12,280	(*2) 12,494

(*1) Tax loss carried forward is calculated by multiplying statutory effective tax rate.
(*2) Deferred tax assets of ¥12,494 million are recorded for tax losses carried forward of ¥49,469 million (calculated using the statutory effective tax rate). They are deemed to be recoverable as it is expected that there will be taxable income in the future.

As of March 31, 2023

(Unit: million yen)

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

(Unit: million US dollars)

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

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

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

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

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

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

Effective the fiscal year ended March 31, 2023, the Company and its certain domestic consolidation subsidiaries have adopted the Group Tax Sharing System, in which the Company is the tax sharing parent company. The Company and its certain domestic consolidation subsidiaries have applied the accounting and disclosure treatment of corporate tax, local corporate tax and deferred tax accounting in accordance with "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ PITF No. 42 issued on August 12, 2021).

XVI. BUSINESS COMBINATION AS A RESULT OF ACQUISITION

(1) TAL Life Insurance Services Limited

a) Overview of the business combination

i) Name and business of the acquired company

Company name: TAL Life Insurance Services Limited (*)

Business: Life insurance and related businesses

ii) Purpose of the business combination

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

iii) Date of business combination

August 1, 2022

iv) Legal form of the business combination

Purchase of shares

v) Name of the acquired company after the combination

TAL Life Insurance Services Limited (*)

vi) Ratio of voting rights acquired

100%

vii) Main reason for determining the controlling company

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

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

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

From August 1, 2022 to March 31, 2023

c) Acquisition costs

Consideration for the acquisition	Cash	AUD957 million
Acquisition costs		AUD957 million

d) Major acquisition-related expenses

Advisory fees, etc. AUD23 million

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

No goodwill or bargain purchase have been recognized.

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

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

(g) Allocation of acquisition cost

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

(2) Partners Group Holdings Limited

a) Overview of the business combination

i) Name and business of the acquired company

Company name: Partners Group Holdings Limited

Business: Life insurance and related businesses (*)

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

ii) Purpose of the business combination

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

iii) Date of business combination

November 30, 2022

iv) Legal form of the business combination

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

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

c) Acquisition costs

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

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

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

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

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

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

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

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

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

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

c) Acquisition costs

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

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

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

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

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

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

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

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

XVII. ASSET RETIREMENT OBLIGATIONS

1. Overview of Asset Retirement Obligations

The note is omitted because the balance of the asset retirement obligations as of the beginning and that as of the end of the current fiscal year were 1% or less than the total balance of the liabilities and the net assets as of the beginning and that as of the end of the current fiscal year, respectively.

XVIII. REAL ESTATE FOR RENT

Certain domestic consolidated subsidiary owns a number of commercial buildings, including land, for rent in various locations including Tokyo. Net rental income from such real estate for rent for the fiscal year ended March 31, 2022 and 2023 were ¥32,303 million and ¥25,607 million (US$191 million), respectively. The rental income was included in investment income and the rental expense was included in investment expenses. Impairment losses on rental real estate as extraordinary losses for the fiscal year ended March 31, 2022 and 2023 were ¥3,848 million and ¥15,829 million (US$118 million), respectively. Losses on sale of rental real estate as extraordinary losses was ¥4,127 million for the fiscal year ended March 31, 2022.Gains on sale of rental real estate as extraordinary gains was ¥602 million (US$4 million) for the fiscal year ended March 31, 2023.

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

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

Note: 1. The carrying amount of rental real estate on the consolidated balance sheet was acquisition costs net of accumulated depreciation and impairments.
2. Net change in carrying amount included cost of acquisition of the real estate of ¥98,927 million, sale of the real estate of ¥24,096 million, depreciation expense of ¥13,423 million, impairment loss of ¥3,848 million, during the fiscal year ended March 31, 2022.
Net change in carrying amount included cost of acquisition of the real estate of ¥153,805 million (US$1,151 million), sale of the real estate of ¥55,995 million (US$419 million), depreciation expense of ¥13,631 million (US$102 million), impairment loss of ¥15,829 million (US$118 million), during the fiscal year ended March 31, 2023.
3. Certain domestic consolidated subsidiaries calculate the market value of the majority of the rental real estate based on real estate appraisal standards by an independent appraiser, and others based on the internal but reasonable estimates.

XIX. SEGMENT INFORMATION AND OTHERS

1. Segment Information

(1) Overview of reportable segments

The reportable segments of the Company are components of the Company about which separate financial information is available. The segments are subject to periodic review to enable the Company's Board of Directors to decide on allocation of business resources and evaluate business performance.

The Company is a holding company which manages life insurance companies in Japan and elsewhere as well as other subsidiaries and affiliated companies. These companies are subject to regulations of the Insurance Business Act.

The Company's operations are therefore segmented based on the operations of its subsidiaries and affiliated companies and the Company's three reportable segments are the Domestic Insurance Business, the Overseas Insurance Business, and Other Business.

The Domestic Insurance Business consists of subsidiaries that engage in the insurance business in Japan. The Overseas Insurance Business consists of subsidiaries and affiliated companies that engage in the insurance business overseas. The Company, subsidiaries and affiliated companies that do not operate either the Domestic Insurance Business or the Overseas Insurance Business are segmented as Other Business and mainly consist of business administration of the group companies and the asset management business.

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

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

The method of accounting for the reportable segments is the same as that described in "Principles of Consolidation". Figures for reportable segment profit are based on ordinary profit.

Intersegment revenue is based on market prices.

(3) Information on ordinary revenues, income or loss, assets and liabilities, and others by reportable segment

For the fiscal year ended March 31, 2022:

	Reportable Segment				Adjustments (Note 2)	Amount on consolidated financial statements (Note 3)
	Domestic Insurance Business	Overseas Insurance Business	Other Business	Total		
	(Unit: million yen)					
Ordinary revenues (Note 1)	6,789,525	2,222,658	9,209	9,021,393	(811,684)	8,209,708
Intersegment transfers	55,628	20,270	207,107	283,006	(283,006)	—
Total	6,845,154	2,242,928	216,317	9,304,400	(1,094,691)	8,209,708
Segment income (loss)	493,936	94,324	197,539	785,800	(194,903)	590,897
Segment assets	49,031,612	16,628,585	2,518,212	68,178,411	(2,297,249)	65,881,161
Segment liabilities	45,985,742	15,173,762	607,939	61,767,443	(294,789)	61,472,654
Other relevant information						
Depreciation of real estate for rent and others	13,439	19	—	13,458	—	13,458
Depreciation	44,646	26,520	186	71,352	—	71,352
Amortization of goodwill	—	5,154	—	5,154	—	5,154
Interest and dividend income	1,004,619	380,242	198,943	1,583,805	(197,013)	1,386,792
Interest expenses	10,391	14,378	3,904	28,673	(1,969)	26,704
Equity in income (loss) of affiliates	—	1,365	4,163	5,529	—	5,529
Extraordinary gains	10,402	364	—	10,766	—	10,766
Extraordinary losses	39,431	361	—	39,792	—	39,792
(Impairment losses)	(3,850)	(—)	(—)	(3,850)	(—)	(3,850)
Taxes	45,810	18,256	950	65,018	—	65,018
Investments in affiliated companies	—	50,987	36,300	87,287	—	87,287
Increase in tangible fixed assets and intangible fixed assets	157,222	6,875	5	164,102	—	164,102

Note: 1. Ordinary revenues, instead of sales, are presented here.
2. Adjusted amounts were as follows.
a) Adjustment for ordinary revenues of ¥(811,684) million was mainly related to ordinary revenues including other ordinary revenues ncluding other ordinary revenues of ¥768,037 million and ordinary expenses including foreign exchange losses of ¥15,046 million reconciled to provision for policy reserves and foreign exchange gains in the Consolidated Statement of Earnings.
b) Adjustment for segment income (loss) of ¥(194,903) million was mainly related to elimination of dividend income from subsidiaries and affiliated companies.
c) Adjustment for segment assets of ¥(2,297,249) million was mainly related to elimination of stocks of subsidiaries and affiliated companies.
d) Adjustment for segment liabilities of ¥(294,789) million was mainly related to elimination of intersegment receivables and payables.
e) Adjustment for others was mainly related to elimination of intersegment transactions.
3. Segment income is reconciled with Ordinary profit booked in the Consolidated Statement of Earnings.

For the fiscal year ended March 31, 2023:

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

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

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

2. Adjusted amounts were as follows.

a) Adjustment for ordinary revenues of ¥(1,317,670) million (US$(9,867) million) was mainly related to ordinary expenses including provision for policy reserves of ¥1,156,635 million (US$8,661 million) and foreign exchange losses of ¥82,290 million (US$616 million) reconciled to ordinary revenues including other ordinary revenues and foreign exchange gains in the Consolidated Statement of Earnings.

b) Adjustment for segment income (loss) of ¥(230,368) million (US$(1,725) million) was mainly related to elimination of dividend income from subsidiaries and affiliated companies.

c) Adjustment for segment assets of ¥(3,206,047) million (US$(24,009) million) was mainly related to elimination of stocks of subsidiaries and affiliated companies.

d) Adjustment for segment liabilities of ¥(401,796) million (US$ (3,009) million) was mainly related to elimination of intersegment receivables and payables.

e) Adjustment for others was mainly related to elimination of intersegment transactions.

3. Segment income(loss) is reconciled with Ordinary profit booked in the Consolidated Statement of Earnings.

2. Other Related Information

For the fiscal year ended March 31, 2022:

(1) Product (Service) Segment Information

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

(2) Geographic Segment Information

a) Ordinary Revenues

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

Note: 1. Ordinary revenues, instead of sales, are presented here.
2. Geographic area is classified into "Japan," "United States of America" or "Other Areas" mainly based on locations of customers.

b) Tangible fixed assets

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

(3) Major Customer Information

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

For the fiscal year ended March 31, 2023

(1) Product (Service) Segment Information

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

(2) Geographic Segment Information

a) Ordinary Revenues

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

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

b) Tangible fixed assets

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

(3) Major Customer Information

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

3. Impairment Losses on Fixed Assets by Reporting Segment

For the fiscal years ended March 31, 2022 and 2023

The information on impairment losses on fixed assets by reporting segment has been omitted as it is explained in the segment information section.

4. Amortization of Goodwill and Unamortized Amount of Goodwill by Reporting Segment

For the fiscal year ended March 31, 2022:

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

For the fiscal year ended March 31, 2023:

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

5. Gain on Negative Goodwill by Reporting Segment

For the fiscal years ended March 31, 2022 and 2023

Not applicable

6. Related Party Transactions

For the fiscal years ended March 31, 2022 and 2023

There are no significant transactions to be disclosed.

XX. PER SHARE INFORMATION

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

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

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

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

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

Note: 3. For the calculation of net income per share, the treasury stock which includes shares held by "the Stock Granting Trust (J-ESOP)" was excluded from the average number of common shares outstanding. The average number of treasury stocks during the year ended March 31, 2022 and 2023 was 3,903 thousand shares and 3,865 thousand shares, respectively. For the calculation of net assets per share, the treasury stock which includes shares held by the J-ESOP was excluded from the total number of issued and outstanding shares. The number of treasury stocks as of March 31, 2022 and 2023 was 3,899 thousand shares and 3,862 thousand shares, respectively.

XXI. SUBSEQUENT EVENTS

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

(1) The Company's policy

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

(2) Impairment losses

USD 91 million, pre-tax

2. The board of directors of the Company has resolved, at its meeting held on May 15, 2023, to repurchase the Company's shares under the provision of Article 156 of the Companies Act of Japan, as applied pursuant to Article 165, Paragraph 3 of the same, and the Company repurchased the Company's shares, as follows.

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

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

(2) Details of the Repurchase

a) Class of shares to be repurchased
Shares of common stock

b) Aggregate number of shares to be repurchased
Up to 90,000,000 shares

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

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

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

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

a) Number of shares repurchased
0 shares

a) Aggregate number of shares to be repurchased
¥0

XXII. (Unaudited) QUARTERLY INFORMATION

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

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

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

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

Independent Auditor's Report

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

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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

Appropriateness of the judgement on the recognition of an impairment loss on goodwill recorded in overseas subsidiaries	
The key audit matter	**How the matter was addressed in our audit**
accordance with the accounting standards of the country in which each consolidated subsidiary resides. In addition, the Company evaluates whether an impairment loss should be recognized on goodwill in the consolidated financial statements in accordance with the accounting standards in Japan, considering the results of the assessment made at each consolidated subsidiary. If the acquisitions and the acquisition business do not generate benefits as expected and there is a significant deterioration in the value of the acquired business, the recognition of an impairment loss may be required. **(1) Judgement made at consolidated subsidiaries on the recognition of an impairment loss on goodwill** (i) Goodwill arising from the acquisition of PLC and its acquisition business PLC assesses, on a regular basis, whether an impairment loss should be recognized on goodwill. PLC first assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit to which goodwill has been allocated is less than its carrying amount including goodwill (qualitative assessment for impairment indicators). In accordance with the accounting standards, PLC has an unconditional option to bypass the qualitative assessment for any reporting unit and proceed directly to performing a quantitative impairment test described in the following paragraph. Impairment indicators are evaluated in a comprehensive manner, considering whether there has been: deterioration in the economic environment and market conditions surrounding PLC and each reporting unit; factors that may have an adverse impact on future profits or cash flows; deterioration in overall business performance; and other events or issues specific to PLC and each reporting unit. In particular, the future business performance of PLC and each reporting unit, that provides the basis for concluding whether there is any impairment indicator, is susceptible to economic conditions and trends. Accordingly, the projections of future business performance involve significant management judgement. If it is determined that it is more likely than not that impairment of goodwill exists or PLC elects to bypass the qualitative assessment for impairment indicators, PLC then compares the	(i) Goodwill arising from the acquisition of PLC and its acquisition business Assessment, in accordance with our group audit instructions, of the design and operating effectiveness of certain controls implemented by PLC over its process to determine whether an impairment loss should be recognized on goodwill, with a special focus on controls over the preparation of documentation supporting the determination of whether an impairment loss should be recognized on goodwill and those over approval on the conclusion. The substantive audit procedures set out below, among others, were performed to assess the appropriateness of PLC's determination of whether an impairment loss should be recognized on goodwill. • inquiry of management and relevant personnel; • inspection of relevant internal documents; and • assessment of the reliability of historical financial information used in the determination. (ii) Goodwill arising from the acquisition of TDLA Assessment, in accordance with our group audit instructions, of the design and operating effectiveness of certain controls implemented by TDLA over the quantitative impairment test, with a special focus on controls over the preparation of documentation supporting the impairment test and those over approval on the conclusion. The substantive procedures set out below, among others, were performed to evaluate the recoverable amount used in the quantitative impairment test • evaluation of the relevance of the valuation models used and assessment of the appropriateness of changes from the previous year made in the current year; and • evaluation of the appropriateness of actuarial assumptions used in the calculation, such as discount rates, mortality/morbidity and lapse rates, with the assistance of actuarial specialists employed by the component auditor.

Appropriateness of the judgement on the recognition of an impairment loss on goodwill recorded in overseas subsidiaries	
The key audit matter	**How the matter was addressed in our audit**
fair value of the reporting unit to which the goodwill has been allocated with its carrying amount including goodwill (quantitative impairment test). Key assumptions used to calculate the fair value, such as projected cash flows and discount rates, involve significant estimation uncertainty, and the fair value calculations require a high level of expertise in actuarial valuation and economic valuation. (ii) Goodwill arising from the acquisition of TDLA TDLA performs, on a regular basis, a quantitative impairment test in which it compares the carrying amount of a cash generating unit to which goodwill has been allocated with its recoverable amount (quantitative impairment test) to assess whether an impairment loss should be recognized on goodwill. The recoverable amount is calculated based on the embedded value, among others. The actuarial assumptions used to calculate the embedded value, such as discount rates, mortality/morbidity, lapse rates, involve significant estimation uncertainty, and the actuarial calculations require a high level of expertise in actuarial valuation. **(2) Judgement made by the Company on the recognition of an impairment loss on goodwill** The Company evaluates, on a regular basis, whether there is any impairment indicator for goodwill, by considering if: the cash flows generated from the asset group that includes goodwill have been negative for consecutive periods; the recoverable amount of the asset group that includes goodwill has significantly decreased; or the business environments surrounding the asset group that includes goodwill has significantly deteriorated. This impairment assessment by the Company also involves significant management judgement. If it is determined that there is an impairment indicator, the Company compares the carrying amount of the asset group that includes goodwill with its recoverable amount calculated by the consolidated subsidiaries to determine whether an impairment loss should be recognized on goodwill. As a result of the comparison, if the recoverable amount of the asset group is less than its carrying amount, the carrying amount of the asset group shall be reduced to its recoverable amount, and this reduction shall be recorded as	**(2) Judgement made by the Company on the recognition of an impairment loss on goodwill** We assessed the design and operating effectiveness of certain controls over the Company's process to determine whether an impairment loss should be recognized on goodwill. In this assessment, we focused on controls over the preparation of documentation supporting the determination of whether an impairment loss should be recognized on goodwill and those over approval on the conclusion. In addition, we primarily performed the substantive procedures set out below to assess the appropriateness of the Company's determination of whether an impairment loss should be recognized on goodwill. • inquiry of management and relevant personnel; • inspection of relevant internal documents and confirming the consistency in amounts between those documents; and • assessment of the reliability of historical financial information used in the determination.

Appropriateness of the judgement on the recognition of an impairment loss on goodwill recorded in overseas subsidiaries	
The key audit matter	**How the matter was addressed in our audit**
an impairment loss. We, therefore, determined that our assessment of the appropriateness of the judgement on the recognition of an impairment loss on goodwill recorded in overseas subsidiaries was one of the most significant matters in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	

Appropriateness of the judgement on amortization or the recognition of a loss in value of acquired in-force insurance contracts recorded in overseas subsidiaries	
The key audit matter	**How the matter was addressed in our audit**
In the consolidated balance sheet of the Group, Other intangible fixed assets of ¥512,742 million are presented for the current fiscal year, which included assets representing the present value of acquired in-force insurance contracts, namely a Value of Business Acquired (hereinafter "VOBA") or a Value In-force (hereinafter "VIF"). A VOBA in the amount of ¥308,608 million was derived from the acquisition of PLC and its acquisition business, and a VIF in the amount of ¥20,188 million was derived from the acquisition of TDLA. As described in Note II. "PRINCIPLES OF CONSOLIDATION" under 4. "Summary of Significant Accounting Policies": (18) "Significant Accounting Estimates", b) "Evaluation of value of in-force insurance contracts" to the consolidated financial statements, the value of in-force insurance contracts arising from acquisitions and the acquisition business is determined based on an actuarial calculation of the present value of future profits to be earned from cash flows from acquired in-force insurance contracts and investment-type insurance contracts at the acquisition date, and is recorded on the consolidated financial statements of the respective consolidated subsidiaries. In addition, as described in Note II. "PRINCIPLES OF CONSOLIDATION" under 4. "Summary of Significant Accounting Policies": (3) "Depreciation of Depreciable Assets", b) "Amortization of Intangible Fixed Assets Excluding Leased Assets" to the consolidated financial statements, the value of acquired in-force insurance contracts is amortized over a period during which their benefits are expected to last in a manner that reflects the pattern in which they are realized, based on the projected future profits to be earned from the in-force insurance contracts at each reporting date and their contractual terms, among others. Any deviations in actuarial assumptions from the initial estimates may result in changes in amortization expense or the recognition of a loss in value of the in-force insurance contracts. More specifically, the value of acquired in-force insurance contracts is assessed in accordance with the accounting standards of the country in which each consolidated subsidiary resides as follows: **(1) Amortization of the VOBA which is assessed by updating the underlying actuarial assumptions** The VOBA arising mainly from acquired investment-type insurance products of PLC is	We requested the component auditors of the respective subsidiaries to perform audits, communicated with them in a timely manner about the status of the work performed by them, and evaluated their reports that summarized the results of their audit procedures. We also inspected relevant working papers prepared by them and concluded on the sufficiency of the audit procedures performed by them. The audit procedures performed by the component auditors on which we particularly focused included the following: **(1) Amortization of the VOBA which was assessed by updating the underlying actuarial assumptions** Assessment, in accordance with our group audit instructions, of the design and operating effectiveness of certain controls implemented by PLC over the VOBA arising mainly from acquired investment-type insurance products of PLC, with a special focus on controls over the recognition and measurement of amortization expense for the VOBA. The substantive procedures set out below, among others, were performed to assess the accuracy and reasonableness of the amortization of the VOBA, with the assistance of actuarial specialists employed by the component auditor. ・ evaluation of the relevance of amortization models; and ・ evaluation of the appropriateness of updated actuarial assumptions, such as interest rates, mortality and lapse rates. **(2) Recognition of a loss in value of the VOBA which was assessed together with the determination on the sufficiency of policy reserves** Assessment, in accordance with our group audit instructions, of whether there was a decline in the value of the VOBA arising mainly from traditional insurance products of PLC, concurrently with the assessment of the determination on the sufficiency of policy reserves. More specifically, assessment, in accordance with our group audit instructions, of the design and operating effectiveness of relevant controls implemented by PLC, with a special focus on

Appropriateness of the judgement on amortization or the recognition of a loss in value of acquired in-force insurance contracts recorded in overseas subsidiaries	
The key audit matter	**How the matter was addressed in our audit**
amortized based on the estimated gross profits and their contractual terms, among others. PLC reviews, on a regular basis, actuarial assumptions, such as interest rates, mortality and lapse rates, and updates them as necessary, and accordingly adjusts the amortization expense for the VOBA. Especially when changes in the estimated gross profits and others are expected due to changes in lapse rates, the amortization expense may increase or decrease by updating the underlying actuarial assumptions. These actuarial assumptions involve significant estimation uncertainty and require a high level of expertise in actuarial valuation. **(2) Recognition of a loss in value of the VOBA which is assessed together with the determination on the sufficiency of policy reserves** The VOBA arising mainly from acquired traditional insurance products may result in the recognition of a loss in value, prior to providing for an additional policy reserve, if actual experience deteriorates compared to the actuarial assumptions, such as future investment yields, mortality and lapse rates. Therefore, PLC assesses, on a regular basis, whether there has been a decline in the value of the VOBA, concurrently with the determination on the sufficiency of policy reserves. As described in the Key Audit Matter, "Appropriateness of the judgement on the sufficiency of policy reserves," the testing to validate the sufficiency of policy reserves requires significant judgement in estimating future cash flows as well as a high level of expertise in actuarial valuation. **(3) Recognition of an impairment loss on the VIF which is assessed together with the determination of whether an impairment loss should be recognized on goodwill** TDLA evaluates, on a regular basis, the VIF arising from the acquisition of TDLA concurrently with the determination of whether an impairment loss should be recognized on goodwill, as the impairment of goodwill may be an impairment indicator for the VIF. As described in the Key Audit Matter, "Appropriateness of the judgement on the recognition of an impairment loss on goodwill recognized in overseas subsidiaries," in determining the recoverable amount for the goodwill impairment testing, the actuarial	controls over determining whether there was a decline in value of the VOBA. The substantive procedures set out below, among others, were performed with the assistance of actuarial specialists employed by the component auditor. • evaluation of the appropriateness of actuarial assumptions, such as future investment yields, mortality and lapse rates, used to estimate future cash flows; and • evaluation of whether the testing to validate the sufficiency of policy reserves was performed in accordance with applicable accounting standards. **(3) Recognition of an impairment loss on the VIF which was assessed together with the determination of whether an impairment loss should be recognized on goodwill** Assessment, in accordance with our group audit instructions, of whether there were impairment indicators for the VIF arising from the acquisition of TDLA, concurrently with the assessment of the determination on whether an impairment loss should be recognized on goodwill. More specifically, the control assessment and substantive procedures listed under (1)(ii) in the audit response section of the Key Audit Matter, "Appropriateness of the judgement on the recognition of an impairment loss on goodwill recorded in overseas subsidiaries" were performed.

Appropriateness of the judgement on amortization or the recognition of a loss in value of acquired in-force insurance contracts recorded in overseas subsidiaries	
The key audit matter	**How the matter was addressed in our audit**
assumptions used to calculate the embedded value involve significant estimation uncertainty and require a high level of expertise in actuarial valuation. We, therefore, determined that our assessment of the appropriateness of the judgement on amortization or the recognition of a loss in value of acquired in-force insurance contracts recorded in overseas subsidiaries was one of the most significant matters in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	

Appropriateness of the judgement on the sufficiency of policy reserves

The key audit matter	How the matter was addressed in our audit
In the consolidated balance of the Group, Policy reserves of ¥52,506,098 million is presented for the current fiscal year, which accounts for approximately 85% of total liabilities and net assets. Of this amount, policy reserves for the individual insurance block and the individual annuity block recorded by The Dai-ichi Life Insurance Company, Limited (hereinafter "DL") and The Dai-ichi Frontier Life Insurance Co., Ltd (hereinafter "DFLI"), and policy reserves for traditional insurance products recorded by PLC are of quantitative significance. Policy reserves, which account for a majority of total liabilities of insurance companies, are provided for the future fulfillment of obligations under insurance contracts, and are actuarially calculated using specific methods and assumptions based on the requirements of regulations and accounting standards in the country where the entities underwriting the insurance contracts are located. As described in Note II. "PRINCIPLES OF CONSOLIDATION" under 4. "Summary of Significant Accounting Policies": (15) "Policy Reserves" to the consolidated financial statements, policy reserves of consolidated domestic subsidiaries that operate a life insurance business are provided as a reserve pursuant to Article 116 of the Insurance Business Act for an amount calculated using a certain methodology, while policy reserves of consolidated foreign life insurance subsidiaries are calculated based on the accounting standards of each country, including U.S. generally accepted accounting principles (US GAAP). In addition, the testing to validate the sufficiency of policy reserve is required to be performed in each country. **(1) Policy reserves recognized by DL and DFLI** Policy reserves of DL and DFLI are provided for in compliance with the statements of calculation methodology approved by the Financial Services Agency in Japan. More specifically, policy reserves are calculated based on the future cash flows estimated using the assumptions, such as future mortality rates (assumed mortality rates), return on investment (assumed interest rates) and operating expense ratios (assumed operating expense ratios), stipulated in the statements of calculation methodology. If recent actual results deviate significantly from the estimates and there is deemed to be a risk of fulfilling future obligations, an additional policy reserve must be provided for in accordance with Article 69, Paragraph 5 of Ordinance for Enforcement of the Insurance Business Act. The policy reserves recorded by DL include additional policy reserves for certain whole life insurance contracts in accordance with the Ordinance. Assessing the sufficiency of policy reserves is of quantitative importance. The contents and results of the testing to validate the sufficiency of policy reserves (i.e., an analysis on future income and expenses, and a stress test for third sector products) are described in the opinion and supplementary reports of the appointed actuary, and the testing requires significant judgement in estimating future cash flows as well as a high level of expertise in actuarial valuation. **(2) Policy reserves recognized by PLC** Policy reserves for traditional insurance products of PLC are calculated, in accordance with US GAAP, based on the future cash flows estimated using actuarial assumptions, such as future investment yields, mortality and lapse rates. If recent actual results deviate significantly from the estimate and there is deemed to be a risk of fulfilling future obligations, the assumptions need to be updated and an additional policy reserve must be provided for. As described in the Key Audit Matter, "Appropriateness of the judgement on amortization or the recognition of a loss in value of acquired in-force insurance contracts recorded in overseas subsidiaries," prior to providing for an additional policy reserve, a loss in value of the VOBA may have to be recognized. Therefore, PLC assesses it concurrently with the determination on amortization or the recognition of a loss in value of the VOBA. Assessing the adequacy of policy reserves is of quantitative importance. The testing to validate the adequacy of policy reserves requires significant judgement in estimating future cash flows as well as a high level of expertise in actuarial valuation. We, therefore, determined that our assessment of the appropriateness of the judgement on the sufficiency of policy reserves was one of the most significant matters in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	We primarily performed the following procedures: **(1) Policy reserves recognized by DL and DFLI** We assessed the design and operating effectiveness of certain controls implemented by DL and DFLI over policy reserves for the individual insurance block and the individual annuity block. In this assessment, we focused on controls to ensure that all relevant data in the contract master files was reflected completely in the calculation of policy reserves and that the approved actuarial assumptions were properly used in the calculation of policy reserves. We primarily performed the following substantive procedures to evaluate the sufficiency of policy reserves of each consolidated subsidiary: • analysis of overall consistency between changes in the balances of policy reserves for the individual insurance block and the individual annuity block and the factors contributing to the changes in policy reserves, such as premium income, benefit and claim payments, operating expenses and the results of profit source analysis, among others, using a recurrence formula; and • reconciliation of the balance of additional policy reserves recognized by DL to the amount on the document output from the relevant system, and comparison of the current-year provision for additional policy reserves with the reserve plan. We also primarily performed the substantive procedures set out below to assess the appropriateness of the judgement made at each consolidated subsidiary in performing the testing to validate the sufficiency of policy reserves (i.e., an analysis on future income and expenses, and a stress test for third sector products), with the assistance of actuarial specialists within our firm. • assessment of whether the testing to validate the sufficiency of policy reserves was performed in compliance with the relevant laws and regulations, the "Standard of Practice for Appointed Actuaries of Life Insurance Companies" (the Institute of Actuaries of Japan) and the internal company rules, and comparison of the calculation results with those in the prior year; • review of the contents and results described in the opinion and supplementary reports of the appointed actuary, including the assessment of whether an additional policy reserve was necessary, and inquiry of the appointed actuary; and • comparison of the interest rate scenarios used in the analysis on future income and expenses described in the opinion and supplementary reports of the appointed actuary with the interest rate information we obtained from independent sources. **(2) Policy reserves recognized by PLC** We requested the component auditors of PLC to perform an audit, communicated with them in a timely manner about the status of the work performed by them, and evaluated their report that summarized the results of their audit procedures. We also inspected relevant working papers prepared by them and concluded on the sufficiency of the audit procedures performed by them. More specifically, the control assessment and substantive procedures listed under (2) in the audit response section of the Key Audit Matter, "Appropriateness of the judgement on amortization or the recognition of a loss in value of acquired in-force insurance contracts recorded in overseas subsidiaries" were performed.

Appropriateness of the judgement regarding the recoverability of deferred tax assets	
The key audit matter	**How the matter was addressed in our audit**
In the consolidated balance sheet of the Group, Deferred tax assets of ¥247,891 million, which were the amount considered recoverable after being offset by applicable deferred tax liabilities, and Deferred tax liabilities of ¥44,694 million are presented for the current fiscal year. As described in Note XV. "DEFERRED TAX ACCOUNTING" under 1. "Major Components of Deferred Tax Assets and Liabilities" to the consolidated financial statements, the amount of gross deferred tax assets considered recoverable amounted to ¥1,039,316 million. As described in Note XV. "DEFERRED TAX ACCOUNTING" under 3. "Accounting for corporate tax and local corporate tax or deferred tax accounting relating to these taxes" to the consolidated financial statements, ¥745,436 million of the total gross deferred tax assets was recognized by the Company and certain of its domestic consolidated subsidiaries (hereinafter the "Tax Sharing Group"), which have elected to apply the Group Tax Sharing System from the fiscal year ending March 31, 2023, and was of quantitative significance. Major components of gross deferred tax assets included policy reserves and others, net defined benefits liabilities and reserve for price fluctuations. The recoverability of deferred tax assets related to corporate tax and local corporate tax recorded by the Tax Sharing Group is determined primarily based on the estimated taxable income of the Tax Sharing Group that reflects future profitability of the Tax Sharing Group as a whole, and such determination is dependent upon the appropriateness of the company classification, the sufficiency of future taxable income and assumptions used in the scheduling of years in which deductible temporary differences are expected to reverse, assessed for the Tax Sharing Group as a whole, as stipulated in the "Implementation Guidance on Recoverability of Deferred Tax Assets" (Implementation Guidance No. 26 issued by the Accounting Standards Board of Japan). This recoverability assessment requires significant management judgment and estimates. We, therefore, determined that our assessment of the appropriateness of the judgement regarding the recoverability of deferred tax assets was one of the most significant matters in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	We primarily performed the following procedures to assess the appropriateness of the judgment regarding the recoverability of deferred tax assets recorded by the Tax Sharing Group: **(1) Internal control testing** We assessed the design and operating effectiveness of relevant controls implemented by the Company and DL. In this assessment, we focused on controls over the preparation of documentation supporting the recoverability of deferred tax assets and those over approval on the conclusion. **(2) Judgement made by the Company on the recoverability of deferred tax assets** We primarily performed the substantive procedures set out below. In performing these procedures, particular attention was given to the effect, if any, of changes in the market conditions including interest rates on the company classification, estimated future taxable income and the scheduling of the Tax Sharing Group as a whole: • evaluation of the appropriateness of the company classification of the Tax Sharing Group determined in accordance with the Implementation Guidance No. 26, especially as to whether significant changes in business environment were expected in the near term; • confirmation that the business plan of the Tax Sharing Group which was the basis for estimating future taxable income used in determining the recoverability of deferred tax assets was approved by the board of directors; • evaluation of the appropriateness of key assumptions used to prepare the business plan, by inspecting relevant internal documents, comparison with available external data and inquiring of management and relevant personnel; • evaluation of the reasonableness and feasibility of future taxable income of the Tax Sharing Group by comparing future taxable income estimated in the prior year with actual taxable income in the current fiscal year; and • evaluation of the appropriateness of key assumptions used in the scheduling of years in which deductible temporary difference were expected to reverse, by inspecting relevant internal documents, confirming the consistency in amounts between the documents and inquiring of management and relevant personnel.

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

Other Information

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

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

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

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

We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2023 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note I to the consolidated financial statements.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Yutaka Terasawa
Designated Engagement Partner
Certified Public Accountant

Takanobu Miwa
Designated Engagement Partner
Certified Public Accountant

Hatsumi Fujiwara
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
September 28, 2023

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

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

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

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

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

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

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

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

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

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

Year ended March 31, 2022

(Unit: million yen)

	Shareholders' equity				Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)
Balance at the beginning of the year	60,000	370,000	247,446	677,446	2,536,608	(3,501)
Changes for the year						
Dividends		(49,999)	(158,716)	(208,716)		
Net income attributable to shareholders of parent company			199,287	199,287		
Transfer from reserve for land revaluation			(38,695)	(38,695)		
Others			0	0		
Net changes of items other than shareholders' equity					(406,195)	(18,119)
Total changes for the year	-	(49,999)	1,875	(48,124)	(406,195)	(18,119)
Balance at the end of the year	60,000	320,000	249,321	629,322	2,130,413	(21,621)

(Unit: million yen)

	Accumulated other comprehensive income				Total net assets
	Reserve for land revaluation	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at the beginning of the year	(22,026)	497	(4,869)	2,506,708	3,184,154
Changes for the year					
Dividends					(208,716)
Net income attributable to shareholders of parent company					199,287
Transfer from reserve for land revaluation					(38,695)
Others					0
Net changes of items other than shareholders' equity	38,669	(942)	15,864	(370,722)	(370,722)
Total changes for the year	38,669	(942)	15,864	(370,722)	(418,847)
Balance at the end of the year	16,643	(445)	10,995	2,135,985	2,765,307

Year ended March 31, 2023

(Unit: million yen)

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

(Unit: million yen)

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

Year ended March 31, 2023

(Unit: million US dollars)

	Shareholders' equity				Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)
Balance at the beginning of the year	449	2,396	1,867	4,712	15,954	(161)
Changes for the year						
Dividends			(1,496)	(1,496)		
Net income attributable to shareholders of parent company			1,232	1,232		
Transfer from reserve for land revaluation			(102)	(102)		
Others			0	0		
Net changes of items other than shareholders' equity					(4,544)	(120)
Total changes for the year	-	-	(366)	(366)	(4,544)	(120)
Balance at the end of the year	449	2,396	1,500	4,346	11,410	(281)

(Unit: million US dollars)

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

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

Ⅰ. BASIS FOR PRESENTATION

The accompanying financial statements have been prepared from the accounts maintained by The Dai-ichi Life Insurance Company, Limited (the "Company") and its consolidated subsidiary in accordance with the provisions set forth in the Insurance Business Act and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP") which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards.

Certain items presented in the consolidated financial statements are reclassified for the convenience of readers outside Japan. The notes to the consolidated financial statements include information which is not required under Japanese GAAP but is presented herein as additional information.

The amounts indicated in millions of yen are rounded down by truncating the figures below one million. Totals may not add up exactly because of such truncation. Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥133.53=US$1.00, the foreign exchange rate on March 31, 2023, has been used for translation of the truncated figures in Japanese yen. The inclusion of such amounts is not intended to imply that Japanese yen has been or could be readily converted, realized or settled into U.S. dollars at that rate or any other rate.

Ⅱ. GUIDELINES FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Scope of Consolidation

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

The subsidiary of the Company included:

- Dai-ichi Life Insurance Myanmar Ltd.

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

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

The twenty-eight non-consolidated subsidiaries had, individually and in the aggregate, a minimal impact on the consolidated financial statements in terms of total assets, sales, net income (loss) (amount corresponding to equity interest), retained earnings (amount corresponding to equity interest), cash flows, and others.

2. Application of the Equity Method

(1) The number of non-consolidated subsidiaries under the equity method as of March 31, 2023: 0

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

The affiliated companies of the Company included:

- Corporate-pension Business Service Co., Ltd.,
- Japan Excellent Asset Management Co., Ltd.,

(3) The non-consolidated subsidiaries (The Dai-ichi Life Information Systems Co., Ltd., Dai-ichi Life Business Services Co., Ltd., First U Anonymous Association and others), as well as affiliated companies (Mizuho-DL Financial Technology Co., Ltd., and Rifare Management K.K.) were not accounted for under the equity method. These companies had, individually and in the aggregate, a minimal impact on the consolidated financial statements, in terms of net income (loss) (amount corresponding to equity interest), retained earnings (amount corresponding to equity interest) and others.

3. Year-end Dates of a Consolidated Subsidiary

The closing date of a consolidated subsidiary is March 31.

Ⅲ. NOTES TO THE CONSOLIDATED BALANCE SHEET

1. Valuation Methods of Securities

Securities held by the Company and its consolidated subsidiary including cash and deposits and monetary claims bought which are equivalent to marketable securities, and marketable securities managed as trust assets in money held in trust, are carried as explained below:

The amortization of premiums and accretion of discounts is calculated by the straight-line method.

(1) Trading Securities

Trading securities are carried at fair value with cost determined by the moving average method.

(2) Held-to-maturity Bonds

Held-to-maturity bonds are stated at amortized cost determined by the moving average method.

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

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

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

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

(5) Available-for-sale Securities

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

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

b) Stocks and other securities without market prices

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

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

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

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

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

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

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

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

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

3. Valuation Method of Derivative Transactions

Derivative transactions are reported at fair value.

4. Revaluation of Land

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

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

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

5. Depreciation of Depreciable Assets

(1) Depreciation of Tangible Fixed Assets Excluding Leased Assets

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

Estimated useful lives of major assets are as follows:

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

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

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

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

(2) Amortization of Intangible Fixed Assets Excluding Leased Assets

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

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

(3) Depreciation of Leased Assets

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

(4) Accumulated Depreciation of Tangible Fixed Assets

The amounts of accumulated depreciation of tangible fixed assets as of March 31, 2022 and 2023 were ¥616,128 million and ¥599,320 million (US$4,488 million), respectively.

6. Translation of Assets and Liabilities Denominated in Foreign Currencies into Yen

The Company translates foreign currency-denominated assets and liabilities (excluding stocks of its non-consolidated subsidiaries and affiliated companies which are not accounted for under the equity method) into yen at the prevailing exchange rates at the end of the fiscal year. Stocks of non-consolidated subsidiaries and affiliated companies which are not accounted for under the equity method are translated into yen at the exchange rates on the dates of acquisition. Assets, liabilities, revenues, and expenses of the Company's consolidated overseas subsidiary are translated into yen at the exchange rates at its account closing date. Translation adjustments associated with the consolidated overseas subsidiary are included in foreign currency translation adjustments in the net assets section of the consolidated balance sheet.

7. Reserve for Possible Loan Losses

The reserve for possible loan losses is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

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

For loans to and claims on obligors that have not yet suffered business failure but are considered highly likely to fail (hereafter, "obligors at risk of bankruptcy") the reserve is calculated, taking into account (1) the recoverable amount covered by the collateral or guarantees and (2) an overall assessment of the obligor's ability to repay.

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

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

For loans and claims to bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The amounts written off during the fiscal years ended March 31, 2022 and 2023 were ¥1 million and ¥1 million (US$0 million), respectively.

8. Reserve for Possible Investment Losses

In order to provide for future investment losses, a reserve for possible investment losses is established for stocks and other securities without market prices and ownership stakes in partnerships, etc. It is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

9. Reserve for Retirement Benefits of Directors, Executive Officers and Corporate Auditors

For the reserve for retirement benefits of directors, executive officers and corporate auditors, an estimated amount for future payment in accordance with the internal policies is provided.

10. Reserve for Possible Reimbursement of Prescribed Claims

To prepare for the reimbursement of claims for which prescription periods had expired, an estimated amount for reserve for possible reimbursement of prescribed claims based on past reimbursement experience is provided.

11. Net Defined Benefit Liabilities

For the net defined benefit liabilities, the amount is considered to have been rationally incurred during the period provided by deducting the pension assets from the projected benefit obligations based on the estimated amounts as of March 31, 2023. The accounting treatment for retirement benefits is as follows.

(1) Allocation of Estimated Retirement Benefits

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

(2) Amortization of Actuarial Differences and Past Service Cost

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

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

12. Reserve for Price Fluctuations

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

13. Hedge Accounting

(1) Methods for Hedge Accounting

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

(2) Hedging Instruments and Hedged Items

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

(3) Hedging Policies

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

(4) Assessment of Hedge Effectiveness

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

(Hedging relationships to which the "Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" is applied)

Among the above hedging relationships, the exceptional treatment prescribed in the "Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (PITF No. 40, revised on March 17, 2022) is applied to all hedging relationships included in the scope of the application of the said Treatment. The details of hedging relationships to which the Treatment is applied are as follows:

Hedging accounting method: Special hedge accounting for interest rate swaps
Hedging instruments: Interest rate swaps
Hedged items: Loans
Type of hedging transactions: Transactions that fix cash flow

14. Calculation of National and Local Consumption Tax

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

15. Policy Reserves

Policy reserves of the Company are established in accordance with the methods stated in the statement of calculation procedures for policy reserves (Article 4, Paragraph 2, Item 4 of the Insurance Business Act) pursuant to Article 116, Paragraph 1 of the Insurance Business Act, for insurance contracts under which the insurer's liability has started as of the end of the fiscal year, in preparation for the performance of future obligations under the insurance contracts.

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

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

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

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

16. Reserves for Outstanding Claims

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

(Overview of the calculation method)

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

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

17. Changes in Accounting Policies

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

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

18. Policy Acquisition Costs

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

19. Financial Instruments and Others

(1) Financial Instruments

a) Policies in Utilizing Financial Instruments

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

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

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

b) Financial Instruments Used and Their Risks

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

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

The Company utilizes i) interest rate swaps to hedge interest rate risk associated with certain loans receivable and payable, ii) equity forward contracts to hedge market fluctuation risks associated with certain domestic stocks, and iii) foreign currency forward contracts, currency options and foreign currency swaps to hedge foreign currency risks associated with certain foreign currency-denominated bonds, foreign currency-denominated short-term deposits and foreign currency-denominated debts, etc. and adopt hedge accounting.

In addition, the Company utilizes iv) interest rate swaps to hedge interest rate risk associated with certain insurance liabilities, under the "Accounting and Auditing Treatment of Application of Accounting Standard for Financial Instruments to Insurance Operators" (JICPA Industry Audit Committee Report No. 26).

In applying the hedge accounting, in order to fulfill requirements stipulated in the "Accounting standards for financial instruments" (ASBJ Statement No. 10 issued on March 10, 2008), the Company has established investment policy and procedure guidelines and clarified the transactions to be hedged, the risk of underlying assets to be hedged and derivative instruments to be used, and conducted pre- and post-effectiveness tests of the transactions.

c) Risk Management

The risk management system of the Company is as follows:

i) Market Risk Management

Under the internal investment policy and market risk management policy, the Company manages market risk by conducting mid- to long-term asset allocation in a manner appropriate to its liabilities. Therefore, it categorizes its portfolio into sub-groups, based on their investment purpose, and manages them taking into account each of their risk characteristics.

(a) Interest rate risk

The Company keeps track of interest rates and durations of its assets and liabilities, monitors its internal analyses on duration gap and interest rate sensitivity, and periodically reports its findings to the board of directors, etc.

(b) Currency risk

The Company keeps track of currency composition of its financial assets and liabilities, conducts sensitivity analyses, and periodically reports its findings to the board of directors, etc.

(c) Fluctuation in market values

The Company defines risk management policies and management procedures for each component of its overall portfolio, including securities, based on the risk characteristics of the categories, sets and manages upper limits of each asset balance and asset allocation weight.

Such management conditions are periodically reported by its risk management sections to the board of directors, etc.

(d) Derivative transactions

For derivative transactions, the Company has established internal check system by segregating i) executing department, ii) the department which engages in assessment of hedge effectiveness, and iii) the back-office.

Additionally, in order to limit speculative use of derivatives, the Company has put restrictions on utilization purpose, such as hedging, and establishes position limits for each asset class.

ii) Credit Risk Management

In accordance with the internal investment policy and credit risk management procedure guidelines, the Company has established a credit management system related to loans, such as preliminary reviews on individual transactions, credit limit setting, credit information management, internal credit rating, attachment of guarantees and collateral, and follow-ups on problem loans. For corporate bond investment, the credit section sets investment caps on individual issuers taking into account internal credit ratings and other factors. Excessive risk-taking is restricted since front offices make investment within those caps. Policies and framework for large-lot borrowers have been formulated in order to prevent credit concentration by monitoring compliance, etc. That credit management has been conducted by the credit and risk management sections, and has been periodically reported to the board of directors, etc. Additionally, the internal audit section has also checked credit management status.

Credit risk of security issuers and counterparty risk with respect to derivative transactions are managed by the credit section, which sets upper limits for each counterparty and financial instrument and periodically monitors credit information, and by the risk management section, which periodically monitors current exposures.

d) Supplementary Explanation for Fair Value of Financial Instruments

As the calculation of those values adopts certain assumptions, those values may vary in case different assumptions are applied.

(2) Fair Values of Financial Instruments

The carrying amount on the consolidated balance sheet, fair value and differences between carrying amount and fair value as of March 31, 2022 and 2023 were as follows.

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

(*1) Cash and deposits, call loans, and payables under repurchase agreements are not included since they are mainly due within a short period of time or have no maturity, and their fair value is close to the carrying amounts.

(*2) The carrying amount of stocks and other securities without market prices and ownership stakes in partnerships, etc. on the consolidated balance sheet are as follows. They are not included in the fair value of (3) Securities.

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

(*a) Stocks and other securities without market prices include unlisted stocks, etc. and are not subject to disclosure of fair value in accordance with Paragraph 5 of the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19 revised on March 31, 2020).
(*b) Ownership stakes in partnerships, etc. mainly include stakes in anonymous associations and investment partnerships. They are not subject to disclosure of fair value in accordance with Paragraphs 26 or 27 of the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31 issued on July 4, 2019).
(*c) Impairment loss of ¥1,155 million was recognized in the fiscal year ended March 31, 2022.

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

As of March 31, 2023

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

(*1) Cash and deposits, call loans, and payables under repurchase agreements are not included since they are mainly due within a short period of time or have no maturity, and their fair value is close to the carrying amounts.
(*2) Net asset value of certain mutual funds is regarded as the fair value in accordance with generally accepted accounting standard, and included in the table above.
(*3) The carrying amount of stocks and other securities without market prices and ownership stakes in partnerships, etc. on the consolidated balance sheet are as follows. They are not included in the fair value of (3) Securities.

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

(*a) Stocks and other securities without market prices include unlisted stocks, etc. and are not subject to disclosure of fair value in accordance with Paragraph 5 of the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19 revised on March 31, 2020).
(*b) Ownership stakes in partnerships, etc. mainly include stakes in anonymous associations and investment partnerships. They are not subject to disclosure of fair value in accordance with Item 24-16 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31 revised on June 17, 2021).
(*c) Impairment loss of ¥780 million (US$5 million) was recognized in the fiscal year ended March 31, 2023.

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

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

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

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

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

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

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

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

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

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

As of March 31, 2022	Fair value			
	Level 1	Level 2	Level 3	Total
	(Unit: million yen)			
Securities				
Held-to-maturity bonds				
Government bonds	48,407	-	-	48,407
Foreign bonds	-	-	1,155	1,155
Policy-reserve-matching bonds				
Government bonds	14,992,503	-	-	14,992,503
Local government bonds	-	99,600	-	99,600
Corporate bonds	-	576,876	-	576,876
Foreign bonds	-	70,244	-	70,244
Loans	-	-	2,596,244	2,596,244
Total assets	15,040,910	746,722	2,597,400	18,385,033
Bonds payable	-	371,486	-	371,486
Long-term borrowings	-	-	465,819	465,819
Total liabilities	-	371,486	465,819	837,305

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

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

Assets

Monetary claims bought

The fair value of monetary claims bought is measured using the price obtained by outside contractors and counterparty financial institutions. Since significant unobservable inputs are used for the price obtained, the fair value of monetary claims bought is classified into Level 3.

Money held in trust

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

Securities

The fair value of securities for which unadjusted quoted market prices in active markets are available is classified into Level 1. These include stocks and government bonds, among others. If the market is not active, the fair value of securities is classified into Level 2, irrespective of whether disclosed quoted market prices are used.

The fair value of bonds for which quoted market prices are not used as fair value is measured mainly using prices obtained from outside contractors and counterparty financial institutions. The present value of these prices is calculated by discounting future cash flows at a discount rate (i.e., a risk-free interest rate that takes into account credit spread). The fair value of bonds is classified into Level 2 if observable inputs are used in the calculation, and Level 3 if significant unobservable inputs are used.

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

Loans

The fair value of loans is calculated by discounting future cash flows of the subject loan, using interest rates corresponding to the internal credit rating and remaining periods which are assumed to be applied to new loans to the subject borrower. Loans are classified into Level 3.

Additionally, for risk-monitored loans, reserve for possible loan losses is calculated based on the present value of estimated future cash flows or the amount deemed recoverable from collateral and guarantees and the fair value is close to the carrying amount on the consolidated balance sheet minus reserve for possible loan losses as of March 31, 2023. Therefore, that amount (the carrying amount on the consolidated balance sheet minus reserve for possible loan losses) is recorded as fair value for risk-monitored loans and classified into Level 3.

Also, loans without a due date because of their characteristics that their exposure is limited to the amount of their collaterals, are deemed to have fair value close to book value, taking into account estimated repayment period and interest rates. Therefore, their book value is recorded as the fair value and classified into Level 3.

Liabilities

Bonds payable

The fair value of bonds payable for which quoted market prices can be used is based on the quoted market prices. Bonds payable are classified into Level 2.

Long-term borrowings

The fair value of long-term borrowings is calculated by discounting future cash flows, using interest rates corresponding to the internal credit rating and remaining periods which are assumed to be applied to new borrowings. Long-term borrowings are classified into Level 3.

Derivative Transactions

The fair value of listed derivative transactions for which unadjusted quoted market prices in active markets are available is classified into Level 1. These mainly include stock-related transactions and bond-related transactions. If the market is not active, the fair value of listed derivative transactions is classified into Level 2, irrespective of whether disclosed quoted market prices are used.

The fair value of over-the-counter derivative transactions is mainly based on the prices calculated using discounted present values obtained from outside contractors and counterparty financial institutions and option valuation models, etc. The inputs used in the valuation method for calculating the price of over-the-counter derivative transactions are mainly interest rate, foreign exchange rate, and volatility. Since no significant unobservable inputs are used or their effects are not significant, the fair value of over-the-counter derivative transactions is classified into Level 2.

(Note 2) Quantitative information about financial assets and liabilities measured and stated on the consolidated balance sheet at fair value and classified into Level 3

(i) Quantitative information on significant unobservable inputs

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

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

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

As of March 31, 2022	Balance at the beginning of the year	Gains (losses) or other comprehensive income in the current fiscal year		Variable amount (net amount) by purchase, sale, issue and settlement	Transfer to Level 3(*3)	Balance at the end of the year	Gains (losses) on valuation of financial assets and liabilities held at the consolidated balance sheet date out of amounts recognized in consolidated statement of earnings(*1)
		Gains (losses) recorded in consolidated statement of earnings (*1)	Amount recorded in other comprehensive income (*2)				
				(Unit: million yen)			
Monetary claims bought	252,140	(1,831)	(1,073)	(9,338)	-	239,896	(1,777)
Securities							
Trading securities	-	-	-	-	12	12	-
Available-for-sale securities							
Corporate bonds	8,182	774	(4)	(985)	-	7,966	682
Foreign bonds	145,943	3,853	3,993	2,176	-	155,966	8,610
Other foreign securities	20,248	-	2,483	(1,875)	-	20,855	-
Other securities	-	-	-	-	-	-	-

(*1) Gain/Loss recorded as investment income and investment expenses in consolidated statement of earnings.
(*2) Gain/Loss recorded in net unrealized gains (losses) on securities, net of tax of Other comprehensive income in consolidated statement of comprehensive income.
(*3) Transfer from Level 2 to Level 3 due to the lack of observable market data due to decreased market activity.

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

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

(*1) Gain/Loss recorded as investment income and investment expenses in consolidated statement of earnings.
(*2) Gain/Loss recorded in net unrealized gains (losses) on securities, net of tax of Other comprehensive income in consolidated statement of comprehensive income.
(*3) Transfer from Level 2 to Level 3 due to the change in the observability of inputs as a result of the change in the fair value measurement method as of March 31, 2023.

(iii) Description of the fair value valuation process

The Company and its subsidiaries have established policies and procedures for measuring the fair value and classifying the fair value level in the accounting department. In accordance with these policies and procedures, the investment management service department selects the fair value valuation model, and then measures the fair value and classifies the fair value by level. For such fair value, the appropriateness of the valuation methods and inputs used in the measurement of the fair value and the appropriateness of the classification of the level of fair value are verified. In addition, when using the quoted market prices obtained from a third party as fair value, the validity is verified by appropriate methods such as confirmation of the valuation method and inputs used and comparison with the fair value of similar financial instruments.

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

Discount rate is an adjustment rate to the base market interest rate and adjusted by reflecting the uncertainty of cash flows and the liquidity of financial instruments. In general, a significant increase (decrease) in the discount rate results in a significant decrease (increase) in the fair value.

20. Real Estate for Rent

The Company owns a number of commercial buildings, including land, for rent in various locations, including Tokyo. Net rental income from such real estate for rent for the fiscal year ended March 31, 2022 and 2023 were ¥32,303 million and ¥25,607 million (US$191 million), respectively. The rental income was included in investment income and the rental expense was included in investment expenses. Gains on sale as extraordinary gains for the fiscal year ended March 31, 2022 and 2023 were ¥4,127 million and ¥602 million (US$4 million), respectively. Impairment losses on rental real estate as extraordinary losses for the fiscal year ended March 31, 2022 and 2023 were ¥3,848 million and ¥15,829 million (US$118 million), respectively.

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

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

(*1) The carrying amount of rental real estate on the consolidated balance sheet was acquisition costs net of accumulated depreciation and impairments.

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

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

21. Securities Lending

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

22. Risk-managed claims

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

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

(*1) Claims against bankrupt and quasi-bankrupt obligors are loans to borrowers who are subject to bankruptcy, corporate reorganization or rehabilitation or other similar proceedings and other borrowers in serious financial difficulties.

(*2) Claims with collection risk are loans to obligors (other than bankrupt and quasi-bankrupt obligors) with deteriorated financial condition and results of operations from which it is unlikely that the principal and interest on the loans will be recovered.

(*3) Claims that are overdue for three months or more are loans for which payment of principal or interest is delayed for three months or more from the day following the contracted payment date. This category excludes claims against bankrupt and quasi-bankrupt obligors and claims with collection risk.

(*4) Claims with repayment relaxation are loans for which certain concessions favorable to the debtor, such as interest rate reduction and exemption, interest payment deferment, principal repayment deferment, debt waiver, etc., for the purpose of rebuilding or supporting the debtor. This category excludes claims against bankrupt and quasi-bankrupt obligors, claims with collection risk and claims that are overdue for three months or more.

As a result of the direct write-off of claims described in Note 7, the decreases in claims against bankrupt and quasi-bankrupt obligors as of March 31, 2022 and 2023 were ¥1 million and ¥1 million (US$0 million), respectively.

23. Assets and Liabilities Held in Separate Accounts

The total amounts of assets held in separate accounts defined in Article 118 Paragraph 1 of the Insurance Business Act as of March 31, 2022 and 2023 were ¥1,765,033 million and ¥1,672,707 million (US$12,526 million), respectively. Separate account liabilities were the same amount as the separate account assets.

24. Contingent Liabilities

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

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

25. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

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

26. Stocks of Subsidiaries and Affiliated Companies

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

	As of March 31,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Stocks	4,337	4,985	37
Capital	188,193	196,216	1,469
Total	192,531	201,202	1,506

27. Organizational Change Surplus

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

28. Assets Pledged as Collateral / Secured Liabilities

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

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

The amounts of secured liabilities were as follows:

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

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

29. Net Assets per Share

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

30. Employees' Retirement Benefits

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

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

(2) Defined Benefit Plans

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

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

b) Reconciliations of beginning and ending balances of pension assets

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

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

		Year ended March 31,		
		2022	2023	2023
		(Unit: million yen)		(Unit: million US dollars)
a.	Projected benefit obligation for funded pensions	359,773	349,975	2,620
b.	Pension assets	(297,107)	(306,718)	(2,296)
c.	Subtotal (a + b)	62,665	43,256	323
d.	Projected benefit obligation for unfunded pensions	320,399	315,736	2,364
e.	Net of assets and liabilities recorded in the consolidated balance sheet (c + d)	383,065	358,992	2,688
f.	Net defined benefit liabilities	383,065	358,992	2,688
g.	Net defined benefit assets	-	-	-
h.	Net of assets and liabilities recorded in the balance sheet (f + g)	383,065	358,992	2,688

d) Amount of the components of retirement benefit expenses

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

e) Remeasurements of defined benefit plans

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

	Year ended March 31,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Past service cost	151	172	1
Actuarial gains (losses)	21,860	18,298	137
Total	22,012	18,470	138

f) Accumulated remeasurements of defined benefit plans

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

	Year ended March 31,		
	2022	2023	2023
	(Unit: million yen)		(Unit: million US dollars)
Unrecognized past service cost	1,187	1,015	7
Unrecognized actuarial gains (losses)	(16,443)	(34,742)	(260)
Total	(15,256)	(33,727)	(252)

g) Pension assets

i The main components of the pension assets

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

	Year ended March 31,	
	2022	2023
Stocks	64%	50%
Assets under joint management	21%	20%
Bonds	2%	18%
Life insurance general account	1%	3%
Others	12%	9%
Total	100%	100%

Note: The proportion of retirement benefit trust to total pension assets that has been set for the unfunded retirement benefit plans as of March 31, 2022 and 2023 were 56% and 59%, respectively.

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

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

h) Calculation basis of actuarial gains and losses

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

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

i) Defined Contribution Plans

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

31. Securities Borrowing

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

32. Commitment Line

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

33. Subordinated Debt and Other Liabilities

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

34. Bonds Payable

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

35. Application of the Group Tax Sharing System

Effective the fiscal year ended March 31, 2023, the Company has adopted the Group Tax Sharing System, in which Dai-ichi Life Holdings, Inc. is the tax sharing parent company. The Company has applied the accounting and disclosure treatment of corporate tax, local corporate tax and deferred tax accounting in accordance with "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ PITF No. 42, issued on August 12, 2021).

Ⅳ. NOTES TO THE CONSOLIDATED STATEMENT OF EARNINGS

1. Accounting Policies for Premium and Other Income and Benefits and Claims for the Company

(1) Premium and other income (excluding reinsurance income)

Premium and other income (excluding reinsurance income) are recorded for insurance contracts for which insurance premium has been received and the insurer's liability under the insurance contracts has commenced by the relevant amounts received.

Of premium and other income (excluding reinsurance income), the portion corresponding to the period that has yet to pass as of the end of the fiscal year is set aside as policy reserves in accordance with Article 69, Paragraph 1, Item 2 of the Ordinance for Enforcement of the Insurance Business Act.

(2) Reinsurance Income

Reinsurance income is recorded as amounts equivalent to the portion reinsured under reinsurance contracts out of the amounts paid as claims, etc. under direct insurance contracts at the time when those claims, etc. are paid.

(3) Benefits and claims (excluding ceding reinsurance commissions)

Benefits and claims (excluding ceding reinsurance commissions) are recorded for contracts for which amounts calculated under policy conditions have been paid in the occurrence of insured events under the policy conditions by the relevant amounts paid.

In accordance with Article 117 of the Insurance Business Act, reserves for outstanding claims are set aside for claims, etc. for which the Company has a payment due but has not paid, or for which the occurrence of the insured events has not been reported but the Company finds that insured events have already occurred, as of the end of the fiscal year.

(4) Ceding reinsurance commissions

Ceding reinsurance commissions are recorded in agreed amounts in accordance with reinsurance contracts at the time either when insurance premiums under direct insurance contracts are received, or when the reinsurance contracts are entered into.

Part of policy reserves and reserves for outstanding claims corresponding to insurance contracts which have been reinsured is not set aside in accordance with Article 71, Paragraph 1 and Article 73, Paragraph 3 of the Ordinance for Enforcement of the Insurance Business Act.

2. Net Income per Share

Net income per share for the fiscal year ended March 31, 2022 and 2023 were ¥33,214,545.02 and ¥27,423,671.54 (US$205,374.60), respectively. Diluted net income per share for the same period is not presented because there were no existing diluted shares.

3. Impairment Losses on Fixed Assets

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

(1) Method of Grouping Assets

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

(2) Background for Recognition of Impairment Losses

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

(3) Breakdown of Impairment Losses

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

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

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

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

(4) Calculation of Recoverable Value

Value in use or net sale value is used as the recoverable value of real estate for rent, and net sale value is used as the recoverable value of real estate not in use. Discount rates of 2.11% and 2.00% for the fiscal year ended March 31, 2022 and 2023, respectively, were applied for discounting future cash flows in the calculation of value in use. Estimated disposal value, appraisal value based on real estate appraisal standards, or appraisal value based on publicly assessed land value for tax purposes is used as the net sale value.

V. NOTES TO THE CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

Ⅵ. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

1. Scope of Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statement of cash flows consist of cash on hand, demand deposits and short-term investments with a maturity of three months or less from the date of acquisition, which are readily convertible into cash and have an insignificant risk of changes in value.

Ⅶ. NOTES TO THE CONSOLIDATED STATEMENT OF CHANGE IN NET ASSETS

1. For the Year Ended March 31, 2022

(1) Type and Number of Shares Outstanding

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

(2) Dividends on Common Stock

(a) Cash Dividends

Date of resolution	June 16, 2021 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥158,716 million
Dividends per share	¥26,452,800
Record date	March 31, 2021
Effective date	June 17, 2021
Dividend resource	Retained earnings

Date of resolution	June 16, 2021 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥49,999 million
Dividends per share	¥8,333,300
Record date	March 31, 2021
Effective date	June 17, 2021
Dividend resource	Capital surplus

(b) Dividends, the record date of which was March 31, 2022, to be paid out in the year ending March 31, 2023

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

2. For the Year Ended March 31, 2023

(1) Type and Number of Shares Outstanding

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

(2) Dividends on Common Stock

(a) Cash Dividends

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

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

a) Dividends

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

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

b) Dividends in Kind

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

Independent Auditor's Report

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

Opinion

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

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

Basis for Opinion

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

Other Information

The other information comprises the information included in the disclosure documents that contain or accompany the audited financial statements, but does not include the financial statements, and our auditor's report thereon.

We do not perform any work on the other information as we determine such information does not exist.

Responsibilities of Management and Audit and Supervisory Board Members and the Audit and Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Audit and Supervisory Board Members and the Audit and Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

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

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

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

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

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

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2023 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note I to the consolidated financial statements.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Yutaka Terasawa
Designated Engagement Partner
Certified Public Accountant

Takanobu Miwa
Designated Engagement Partner
Certified Public Accountant

Hatsumi Fujiwara
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
September 28, 2023

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

Solvency Margin Ratio

(1) Dai-ichi Life Holdings, Inc.

Consolidated Solvency Margin Ratio

(Unit: million yen)

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

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

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

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

Solvency Margin Ratio (Unit: million yen)

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

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

Consolidated Solvency Margin Ratio (Unit: million yen)

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

Note: The figures are calculated based on Article 86-2 and 88 of the Enforcement Regulations of Insurance Business Act, and Notification of the Financial Services Agency No. 23, 2011.

(3) The Dai-ichi Frontier Life Insurance Co., Ltd.

Solvency Margin Ratio (Unit: million yen)

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

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

(4) The Neo First Life Insurance Company, Limited

Solvency Margin Ratio (Unit: million yen)

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

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

(5) ipet Holdings, Inc.

Consolidated Solvency Margin Ratio (Unit: million yen)

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

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

(6) ipet Insurance Co., Ltd.

Solvency Margin Ratio (Unit: million yen)

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

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

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

Solvency Margin Ratio (Unit: million yen)

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

Note: The figures are calculated based on Article 211-59 and 211-60 of the Enforcement Regulations of Insurance Business Act, and Notification of the Financial Services Agency No. 14, 2006.

Glossary of Terms

Adjusted ROE/ Group adjusted ROE	Group adjusted ROE = Adjusted profit ÷ (Net assets − (goodwill + unrealized gains or losses on fixed-income assets (net of tax) + cumulative gains or losses on market value adjustment (MVA) (net of tax), etc.))
Adjusted profit/ Group adjusted profit	A unique indicator used by the Company that determines funds to be paid to shareholders. Constitutes the sum of adjusted profit at each group company. Adjusted profit at each group company generally indicates profit on a cash basis. As a holding company, the Company conducts shareholder returns based largely on the dividends that it receives from each group company.
Free cash	Surplus capital under the strictest standards among accounting capital, financial soundness and economic solvency regulations.
CSA	Control Self-Assessment (CSA) is a set of activities performed by managers and personnel in charge who are familiar with the tasks to identify inherent risks and to perform self-assessments on the significance and strength of risk control and attempt to curb risks and make necessary operational improvements.
CX	Customer Experience (CX) is a concept that emphasizes the psychological and emotional value experienced by customers through all contact points with our Group.
DX	Digital Transformation (DX) is a concept of promoting advanced IT technologies to transform and improve people's quality of life.
ERM	Enterprise Risk Management (ERM) is a set of activities for formulating corporate plans, capital policies, etc., in accordance with capital, risk, and profit positions based on the attribution, type, and characteristics of risk, and promoting business activities accordingly. More specifically, ERM is a management concept in which risk is properly controlled to secure financial soundness while capital is allocated to operations, etc., that can be anticipated to yield greater profit to materialize improved capital efficiency and corporate value.
ESR	Economic Solvency Ratio (ESR) is a solvency indicator valuing assets and liabilities based on a fair value (mark-to-market) basis. Indicates economic capital relative to the risk amount under a certain stress scenario.
EV／EEV	(European) Embedded Value (EEV) is an indicator of corporate value attributable to shareholders. EEV is the sum of adjusted net worth following necessary revisions to the amount of net assets on the balance sheet and the value of in-force business, which represents the present value of future profits on in-force business, net of tax.
GHG	Greenhouse gases (GHG) such as carbon dioxide, methane, dinitrogen monoxide, and chlorofluorocarbons that absorb heat from the sun (infrared radiation) reflected from the earth's surface, and which contribute to global warming when they accumulate in the atmosphere.
LGBTQ／LGBTIQ+／LGBTQIA+	An acronym of Lesbian, Gay, Bisexual, Transgender (including gender identity disorder), Queer/Questioning (undetermined or undefined gender identity or sexual orientation), Intersex, Asexual, and others.
NPS®*	Net Promoter Score (NPS®) is an indicator of customer loyalty (the degree of attachment and confidence in a company or brand) and provides a measurement for the degree of recommending (products, services, brand) to friends or acquaintances, thereby going deeper than a customer satisfaction metric. *NPS® is a registered trademark of Bain & Company, Fred Reichheld, and Satmetrix Systems.
QOL	Quality of Life (QOL) is a concept that encompasses the richness of overall living standards including spiritual aspects and self-actualization in addition to material wealth and individual activities for self-care. Quality-of-life improvements refer to the realization of the desired life or way of living.
ROEV	Return on Embedded Value (ROEV) is an indicator measuring the growth of corporate value with increments in EV that are considered to be profit after taking into account the special nature of life insurance accounting.
TSR	Total Shareholder Return (TSR) is a total investment return for shareholders after adding capital gains and dividend income.
well-being	"Well-being" refers to living a prosperous and healthy life with peace of mind and being in a state of happiness. The Group aims to contribute to the well-being of all, including future generations, through four experiential values.

Alphabetical order

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

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

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

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

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

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

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

Executive Officer Akifumi Kai

Third-Party Warranty

To improve the reliability of the information contained in this report, our Group has received assurances and other guarantees from independent third parties*1*2 regarding the following information. Please refer to the following links for details.

Scope of Guarantee	CO_2 emissions*1	Percentage of female managers*2
	P.68, P.108, P.118	P.18, P.19, P.77, P.108, P.118

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

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

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Forward-Looking Statements

Statements contained herein that relate to the future operating performance of the Company are forward-looking statements. Forward-looking statements might include, but are not limited to, words such as "believe," "anticipate," "plan," "strategy," "expect," "forecast," "predict," "possibility," and similar words that describe future operating activities, business performance, events, or conditions. Forward-looking statements are based on judgments made by the Company's management based on information that is currently available and are subject to significant assumptions. As such, these forward-looking statements are subject to various risks and uncertainties and actual business results could vary substantially from the forecasts expressed or implied in forward-looking statements. Consequently, you are cautioned not to place undue reliance on forward-looking statements. The Company disclaims any obligation to revise forward-looking statements given new information, future events, or other findings.

Dai-ichi Life Holdings

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Dai-ichi Life
Group

Dai-ichi Life Holdings

The logo depicts the form of a shield used in the Middle Ages on which a design expressing the Earth is featured. This is an expression of the commitment of the Dai-ichi Life Group's companies to protect customers from disasters through concerted efforts in their global operations.
In addition, the upward curving latitudinal lines of the Earth express the bright future of our customers and the Dai-ichi Life Group's determination to grow in order to continue standing by the side of our customers for life. We will continue to stand by the side of our customers and their loved ones, for life, and make concerted efforts to deliver a secure future for every community we serve, using the best of our local and global capabilities.

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