

Note: This is a translation of the Japanese language original for convenience purposes only, and in the event of any discrepancy, the Japanese language original shall prevail.

Date of commencement of electronic provision: May 15, 2024

**Other Matters Subject to Measures for Electronic Provision  
for the Annual General Meeting of Shareholders for the 14th Fiscal Year  
(Matters Omitted in the Delivered Paper Copy)**

(from April 1, 2023 to March 31, 2024)

**Dai-ichi Life Holdings, Inc**

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## Assets and Income of the Corporate Group and Insurance Holding Company (the Company)

### (1) Assets and income of the corporate group

Category	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023 (Current fiscal year)
				millions of yen
Consolidated ordinary revenues	7,827,806	8,209,708	9,508,766	<b>11,028,166</b>
Consolidated ordinary profit	552,861	590,897	387,500	<b>539,006</b>
Net Income attributable to shareholders of parent company	363,777	409,353	173,735	<b>320,765</b>
Consolidated comprehensive income	1,143,981	(130,395)	(1,344,017)	<b>1,425,209</b>
Consolidated total net assets	4,807,129	4,210,341	2,661,764	<b>3,882,157</b>
Consolidated total assets	63,593,705	65,896,142	61,653,699	<b>67,540,309</b>

(Note 1) In fiscal 2023, consolidated comprehensive income increased compared to the previous fiscal year due mainly to an increase in unrealized gains of securities at The Dai-ichi Life and Protective Life Corporation, reflecting the effects of changes in the economic environment and other factors.

(Note 2) Effective from the beginning of fiscal 2023, certain consolidated foreign subsidiaries and affiliated companies have adopted the accounting standard "Insurance Contracts" (AASB No. 17) (NZ IFRS No. 17) issued by the Australian Accounting Standards Board and the New Zealand Accounting Standards Board. Accordingly, net assets and total assets for fiscal 2021 and figures for fiscal 2022 have been retroactively restated.

**(2) Assets and income of the Insurance Holding Company**

Category	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023 (Current fiscal year)
Operating revenues	190,425	205,479	269,261	millions of yen <b>195,553</b>
Dividend income	180,347	193,794	255,392	<b>179,259</b>
Subsidiaries, etc. engaging in insurance business	172,114	187,318	249,593	<b>174,018</b>
Other subsidiaries, etc.	8,232	6,475	5,798	<b>5,241</b>
Net income for the year	216,513	167,237	249,633	<b>174,396</b>
Net income per share	¥193.80	¥156.53	¥245.71	<b>¥179.24</b>
Total assets	1,896,259	1,868,818	2,017,358	millions of yen <b>2,366,425</b>
Shares, etc. of subsidiaries, etc. engaging in insurance business	1,301,162	1,230,769	683,337	<b>641,455</b>
Shares, etc. of other subsidiaries, etc.	356,815	526,815	1,149,521	<b>1,139,307</b>

(Note) In fiscal 2022, “Shares, etc. of subsidiaries, etc. engaging in insurance business” decreased and “Shares, etc. of other subsidiaries, etc.” increased, year on year, because shares of Protective Life Corporation were transferred to Dai-ichi Life International Holdings LLC.

## Principal Offices of the Corporate Group

### [The Company]

Company name	Office name	Location	Date of establishment
Dai-ichi Life Holdings, Inc.	Head Office	Chiyoda-ku, Tokyo	September 15, 1902

### [Subsidiaries, etc.]

Sector	Company name	Office name	Location	Date of establishment
Domestic insurance business	The Dai-ichi Life Insurance Company, Limited	Head Office	Chiyoda-ku, Tokyo	April 1, 2016
	The Dai-ichi Frontier Life Insurance Co., Ltd.	Head Office	Minato-ku, Tokyo	December 1, 2006
	The Neo First Life Insurance Company, Limited	Head Office	Shinagawa-ku, Tokyo	April 23, 1999
	ipet Holdings, Inc.	Head Office	Koto-ku, Tokyo	October 1, 2020
Overseas insurance business	Protective Life Corporation	Head Office	Birmingham, U.S.A.	July 24, 1907
	TAL Dai-ichi Life Australia Pty Ltd	Head Office	Sydney, Australia	March 25, 2011
	Partners Group Holdings Limited	Head Office	Auckland, New Zealand	August 23, 2010
	Dai-ichi Life Insurance Company of Vietnam, Limited	Head Office	Ho Chi Minh, Vietnam	January 18, 2007
	Dai-ichi Life Insurance (Cambodia) PLC.	Head Office	Phnom Penh, Cambodia	March 14, 2018
	Dai-ichi Life Insurance Myanmar Ltd.	Head Office	Yangon, Myanmar	May 17, 2019
	Dai-ichi Life Reinsurance Bermuda Ltd.	Head Office	British Overseas Territory, Bermuda	September 25, 2020

(Note 1) The above table includes the Company and its major consolidated subsidiaries, etc.

(Note 2) The "Date of establishment" represents the dates on which the companies were founded.

## Employees of the Corporate Group

Sector	Previous fiscal year-end	Current fiscal year-end	Change
Domestic insurance business	50,565	<b>48,706</b>	Number of persons (1,859)
Overseas insurance business	9,599	<b>9,867</b>	268
Other businesses	833	<b>922</b>	89
Total	60,997	<b>59,495</b>	(1,502)

(Note) The above table includes the Company and its consolidated subsidiaries, etc.

Share Warrant, etc.

(1) Share warrant, etc. of the Insurance Holding Company Held by the Directors and the Audit & Supervisory Committee Members of the Insurance Holding Company at the Current Fiscal Year-End

Classification	Series	Number of stock acquisition rights (payment amount per share)	Class and number of shares to be issued upon exercise	Value of assets to be contributed upon exercise	Exercise period	Number of holders
Directors (excluding directors serving as Audit & Supervisory Committee members and Outside Directors)	2nd Series of Stock Acquisition Rights of The Dai-ichi Life Insurance Company, Limited Issued in August 2012	88 (¥76,638)	8,800 shares of common stock (100 shares per stock acquisition right)	¥1 per share	From August 17, 2012 to August 16, 2042	1 person
	3rd Series of Stock Acquisition Rights of The Dai-ichi Life Insurance Company, Limited Issued in August 2013	52 (¥130,030)	5,200 shares of common stock (100 shares per stock acquisition right)		From August 17, 2013 to August 16, 2043	1 person
	4th Series of Stock Acquisition Rights of The Dai-ichi Life Insurance Company, Limited Issued in August 2014	87 (¥136,600)	8,700 shares of common stock (100 shares per stock acquisition right)		From August 19, 2014 to August 18, 2044	2 persons
	5th Series of Stock Acquisition Rights of The Dai-ichi Life Insurance Company, Limited Issued in August 2015	90 (¥231,800)	9,000 shares of common stock (100 shares per stock acquisition right)		From August 18, 2015 to August 17, 2045	3 persons
	1st Series of Stock Acquisition Rights of Dai-ichi Life Holdings, Inc. Issued in October 2016	79 (¥134,400)	7,900 shares of common stock (100 shares per stock acquisition right)		From October 19, 2016 to October 18, 2046	3 persons
	2nd Series of Stock Acquisition Rights of Dai-ichi Life Holdings, Inc. Issued in August 2017	121 (¥156,800)	12,100 shares of common stock (100 shares per stock acquisition right)		From August 25, 2017 to August 24, 2047	3 persons
Directors serving as Audit & Supervisory Committee members	—	—	—	—	—	—
Outside Directors (excluding directors serving as Audit & Supervisory Committee members)	—	—	—	—	—	—

(Note 1) A person to whom stock acquisition rights are allotted ("Allottee") may exercise stock acquisition rights only within 10 days from the day immediately following the date on which he/she loses status as both a director (except Audit & Supervisory Committee members) and an executive officer of the Company, as both a director and an executive officer of The Dai-ichi Life Insurance Company, Limited, as both a director and an executive officer of The Dai-ichi Frontier Life Insurance Co., Ltd., and as both a director and an executive officer of The Neo First Life Insurance Company, Limited. Upon the death of an Allottee, the heir(s) of such Allottee may succeed to and exercise any stock acquisition rights which have not been exercised as of the date of occurrence of any event constituting grounds for inheritance. However, matters such as conditions

for the exercise of stock acquisition rights and the procedure for such exercise will be in accordance with the provisions of the stock acquisition right allotment agreement executed between the Company and each Allottee pursuant to any relevant resolution of the Board of Directors of the Company. Each Allottee must collectively exercise all of the stock acquisition rights allotted to the Allottee (or, if the Allottee has relinquished any stock acquisition right, then the stock acquisition rights remaining after such relinquishment) and may not exercise only a part thereof. An Allottee may not partly exercise any single stock acquisition right. Other conditions for the exercise of stock acquisition rights shall be stipulated in a stock acquisition rights allotment agreement to be concluded between the Company and the Allottee, based on resolutions of the Board of Directors of the Company.

**(2) Share Warrant, etc. of the Insurance Holding Company Allotted to Employees during the Current Fiscal Year**

Not applicable



## Independent Auditor

### (1) Independent Auditor

Name	Remuneration for the current fiscal year	Other
KPMG AZSA LLC  Yutaka Terasawa, Designated Limited Liability Partner  Hatsumi Fujiwara, Designated Limited Liability Partner  Yuta Kasuga, Designated Limited Liability Partner	¥108 million	- Based on the “Practical Guidance for Cooperation with Accounting Auditors” published by the Japan Audit and Supervisory Board Members Association, the Audit & Supervisory Committee has duly examined whether or not the contents of the Independent Auditor’s auditing plans, the status of the performance of duties regarding accounting audits, the basis for calculating the estimated remuneration, etc. are appropriate, and has given its consent to the amount of remuneration for the Independent Auditor as set forth in Article 399, Paragraph 1 of the Companies Act. - Services other than those provided in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-auditing services) include “advisory service relating to new regulations,” etc.

(Note 1) Given that the audit engagement agreement between the Company and the Independent Auditor does not clearly differentiate the amount of audit fees payable under the Companies Act from the amount of audit fees payable under the Financial Instruments and Exchange Act, remuneration for the current fiscal year is an aggregate of both amounts.

(Note 2) The total amount of monetary and other financial benefits payable to the Independent Auditor by the Company and its subsidiaries, etc. was 422 million yen.

### (2) Liability Limitation Agreement and Indemnity Agreement

Not applicable

### (3) Other Matters concerning Independent Auditor

- (i) (Policy for Determining the Dismissal or Non-reappointment of the Independent Auditor) If any of the causes provided in the Items of Article 340, Paragraph 1 of the Companies Act shall occur and all Audit & Supervisory Committee members approve, the Audit & Supervisory Committee may dismiss the Independent Auditor. Further, if the Audit & Supervisory Committee has checked the eligibility of the Independent Auditor, the appropriateness of the auditing plans, and the status of the implementation of audits, etc. in accordance with the policy for determining the election or dismissal of Independent Auditor stipulated by the Audit & Supervisory Committee, and has accordingly deemed that it would be difficult for the Independent Auditor to perform its duties in a fair and appropriate manner, or has otherwise judged there to be appropriate reasons, the Audit & Supervisory Committee will resolve the content of a proposal for the dismissal or non-reappointment of the Independent Auditor to be submitted to the general meeting of shareholders.
- (ii) The following companies (significant subsidiaries of the Company, etc.) are audited by audit corporations other than the Independent Auditor of the Company: Protective Life Corporation and the subsidiaries, etc. affiliated therewith; TAL Dai-ichi Life Australia Pty Ltd and subsidiaries, etc. affiliated therewith; Partners Group Holdings Limited and the subsidiaries, etc. affiliated therewith; Dai-ichi Life Insurance Company of Vietnam, Limited and subsidiaries, etc. affiliated therewith; Dai-ichi Life Insurance (Cambodia) PLC.; Dai-ichi Life Insurance Myanmar Ltd.; and Dai-ichi Life Reinsurance Bermuda Ltd.

### Basic Policy on the Composition of Persons to Control Decision-Making over the Financial and Business Policies

Not applicable

## System for Ensuring Appropriate Operations

As a step to develop the Group's system for ensuring appropriate operations, the Board of Directors adopted a resolution to institute the Internal Control Policy for the Dai-ichi Life Group as of April 1, 2021, a summary of which is given below along with the implementation status of the internal control system.

### <Internal Control Policy for the Dai-ichi Life Group>

Dai-ichi Life Holdings, Inc. (hereinafter "the Company") shall establish Internal Control Policy for the Dai-ichi Life Group (comprising the Company and all of its subsidiaries and associated companies; "the Group") to define the general principle for establishment and operation of internal control system and framework of the Group in order to ensure effectiveness and efficiency of operation, and maintain and enhance its Group value.

#### 1. System for Ensuring Proper Operations within the Group

The Company shall implement and manage systems for ensuring proper operations within the Group.

- (1) The Company shall conduct business supervision of the Group companies in principle, based on the supervision category stipulated in the Business Supervision Regulations, according to individual Group companies' business specifics, size and importance in the Group's management strategy.
- (2) The Company shall establish basic policies for maintaining and operating the Group internal control system, make these policies known to the Group companies and shall have each Group company establish its own basic policies conforming to its business characteristics.
- (3) The Company shall establish rules for prior approval by the Company and reporting of the Group companies' important matters which affect the Group as a whole to the Company.
- (4) The Company shall establish the Group's basic policies for management of intra-group transactions, collaborative operations and the equivalent and implement their management.

#### 2. System for Ensuring Execution of Professional Duties in Accordance with Applicable Laws, Regulations and the Articles of Incorporation

The Company shall implement and manage systems for ensuring the execution of professional duties in accordance with applicable laws, regulations and the Articles of Incorporation, etc.

- (1) The Company shall establish a department supervising the Group compliance.
- (2) The Company shall establish the Group's basic policies and implement systems for Group compliance.
- (3) The Company shall have each Group company implement compliance systems and shall establish rules for prior approval by the Company and reporting of important compliance systems and misconducts by the Group companies to the Company.
- (4) The Company shall report the operation status of the Group's compliance systems to the board of directors or equivalent organization to the board of directors.
- (5) The Company shall establish the Group's basic policies for conflict of interest management and implement systems for such transactions.
- (6) The Company shall establish the Group's basic policies and implement systems for the protection of information assets.
- (7) The Company shall establish a department managing Group's actions against anti-social forces.
- (8) The Company shall establish the Group's basic policies for actions against anti-social forces and implement systems for such actions, and act as an organization against anti-social forces to break relationships with anti-social forces and take proper action towards unreasonable request from anti-social forces, collaborating with outside specialist bodies

### 3. System for Risk Management

The Company shall implement and manage systems to conduct Group's risk management.

- (1) The Company shall establish a department supervising the Group's risk management and comprehensively assess and measure various risks to be controlled.
- (2) The Company shall establish the Group's basic policies and implement systems for risk management.
- (3) The Company shall have each Group company implement risk management systems and shall establish rules for prior approval by the Company and reporting for important risk management systems and risk events by the Group companies to the Company.
- (4) The Company shall report the operation status of the Group's risk management systems to the board of directors or equivalent organization to Board of Directors.
- (5) The Company shall establish the Group's basic policies and implement systems for crisis management.

### 4. System for Ensuring Efficient Execution of Professional Duties

The Company shall implement systems for ensuring efficient execution of professional duties.

- (1) The Company shall formulate a medium-term management plan of the Group and evaluate its progress appropriately.
- (2) The Company shall construct an appropriate organizational structure, regulate division of responsibilities and authorities, and appropriately use and control its IT systems.
- (3) The Company shall establish an Executive Management Board which discusses important management and executive issues.

### 5. System for Ensuring Appropriateness and Reliability of Financial Reporting

The Company shall formulate the Internal Control over Financial Reporting Policy for the Dai-ichi Life Group and implement systems for ensuring the appropriateness and reliability of consolidated financial reporting.

### 6. System for Preserving and Managing Information Concerning Execution of Directors' and Executive Officers' Duties

To preserve and manage information concerning the execution of directors' and executive officers' duties, the Company shall establish systems necessary for preserving information relating the execution of duties by the directors and executive officers, such as minutes of important meetings and written approvals containing material information.

### 7. Systems for Ensuring Effective Internal Audits

The Company shall establish a department, independent from other audited organizations, to supervise the Group's internal audits, and establish basic policies and implement systems for the Group's internal audits.

### 8. Systems for the Execution of Duties of the Audit & Supervisory Committee

- (1) The Company shall establish systems concerning directors and employees with duties to assist the Audit & Supervisory Committee as set out below.
  - a. An office of the Audit & Supervisory Committee shall be set up and employees with duties to assist it shall be appointed.
  - b. With respect to personnel transfer, evaluation and others for these employees, their independence from directors shall be ensured through deliberations with the Audit & Supervisory Committee.
  - c. These employees shall engage in duties that they have been instructed to perform by the Audit & Supervisory Committee and in assisting with work that is necessary for audits. They are authorized to collect necessary information.

- (2) The Company shall establish systems for reporting to the Audit & Supervisory Committee as set out below.
  - a. In the event of any act that violates any law, ordinance, the Articles of Incorporation or other rules or any event that causes or may cause severe damage to the Company, any director, executive officer or employee shall deliver a timely and appropriate report to the Audit & Supervisory Committee.
  - b. In the event of any act that violates any law, ordinance, the Articles of Incorporation or other rules at any Group company or any event that causes or may cause severe damage to the Group company, any director, Audit & Supervisory Board member, executive officer or employee of the Group company or anyone notified by any of them shall deliver a timely and appropriate report to the Audit & Supervisory Committee.
  - c. The Company shall establish a system that prevents the delivery of any report to the Audit & Supervisory Committee pursuant to a. or b. from receiving any disadvantageous treatment for reason of the report.
- (3) The Company, upon request from the Audit & Supervisory Committee, shall establish systems for ensuring effectiveness of audits conducted by the Audit & Supervisory Committee, based on Audit & Supervision Policy and Audit & Supervisory Committee Regulation as set out below.
  - a. Directors, executive officers and employees shall establish a system for ensuring close cooperation between the Audit & Supervisory Committee and the department in charge of internal audit or the departments in charge of internal control within the Company as well as auditors and the departments in charge of internal audit or the departments in charge of internal control of the Group companies.
  - b. Directors, executive officers and employees shall establish a system under which a member of the Audit & Supervisory Committee may attend and make comments at any Board of Directors meeting or other important meeting of a Group company.
  - c. Directors, executive officers and employees shall establish a system that allows Audit & Supervisory Committee member to have access to the minutes of any important meeting at a Group company or any decision document on which directors and executive officers have made a decision or any equivalent document.
  - d. Directors, executive officers and employees shall report the matters relating to business execution and establish a system for proper reporting from any director, Audit & Supervisory Board member, executive officer or employee of a Group company to the Audit & Supervisory Committee.
  - e. The Company may not reject any claim for predetermined expenses requisite for any member of the Audit & Supervisory Committee to carry out his or her duties except where the expenses associated with the claim are deemed unnecessary to the execution of duties of the member of the Audit & Supervisory Committee.

9. Establishment and Revision

This Basic Policy shall be established and revised for each fiscal year by the Board of Directors. It shall be appropriately revised in accordance with environmental changes and other events.

However, if the revision is minor, the executive officer in charge of the Corporate Planning Unit shall make the decision.

<Implementation Status of Internal Control System (Summary)>

Items	Implementation Status of Internal Control System
1. Internal Control in General	<p>Dai-ichi Life Holdings, Inc. (hereinafter “the Company”) has established the Internal Control Policy for the Dai-ichi Life Group and works on the establishment and operation of internal control system and framework of the Group in order to ensure effectiveness and efficiency of operation, and maintain and enhance its Group value.</p>
2. System for Ensuring Proper Operations within the Group	<p>In order to ensure appropriate operations within the Group, the Company has set the supervision category for Group companies according to individual Group companies’ business specifics, size and importance in the Group’s management strategy. It conducts business supervision pursuant to global services agreements, etc. concluded with each of the Group companies. The Company has established basic policies for the Dai-ichi Life Group for important matters such as compliance and risk management in order to maintain and operate the Group internal control system, and makes these policies known to the Group companies. In addition, the Company has established and operated rules for prior approval by the Company of the Group companies’ important matters which affect the Group as a whole pursuant to global services agreements, etc.</p>
3. System for Ensuring Execution of Professional Duties in Accordance with Applicable Laws, Regulations and the Articles of Incorporation	<p>(1) Group Code of Conduct</p> <p>The Dai-ichi Life Group strives to create sustainable corporate value by practicing the Group Principles, working in unity on “business activities” and “creation of social value,” and realizing the expectations of all stakeholders.</p> <p>In order to practice the Group Principles, the Code of Conduct has been established as the most basic principle for all officers and employees to think and act on a principled basis.</p> <p>The Code of Conduct is not limited to compliance, but it also serves as a guide for promoting compliance.</p> <p>(2) Compliance Policies and Regulations</p> <p>Based on Internal Control Policy for the Dai-ichi Life Group, matters such as the basic approach to the promotion of group compliance are outlined in Basic Compliance Policy for the Dai-ichi Life Group, and specific approval and reporting systems as well as the management method are outlined in Compliance Regulations for the Dai-ichi Life Group.</p> <p>With regard to the protection of information property, the Policy on Group Information Safekeeping stipulates the philosophies underlying the safekeeping of group information, and the Rules on Group Information Safekeeping stipulates more specific approval and reporting systems and other management practices. In order to deal with the increasing ingenuity of cyber-attacks, the Company has set out Cybersecurity Policy for Dai-ichi Life Group, Group Rules for Cybersecurity, and Group Rules for Handling Cyber Incidents.</p> <p>(3) Risk-based Compliance Promotion</p> <p>The Company has established a system to ensure that the professional duties of directors, executive officers and employees are executed in accordance with applicable laws, regulations and the Articles of Incorporation. In order to precisely grasp important risks and potential conduct risks related to compliance in response to changes in the social environment and other factors, the Company maintains an appropriate risk-based management system with a forward-looking perspective. The Company has established a system whereby a Legal and Compliance Unit supervises matters related to Group compliance. The Legal and Compliance Unit establishes the Policy on Group Compliance Promotion Initiatives to provide guidance on initiatives for each Group company and monitors the status of compliance promotion, primarily regarding focal issues set by each Group company.</p> <p>In addition, the Legal and Compliance Unit has established a system whereby it reports to the Board of Directors, President, Executive Management Board, Audit &amp; Supervisory Committee, etc., of problems and events that occur according to their significance. In addition, the Company has established a Group Compliance Committee as an organ to discuss important matters related to the development and promotion of a system for Group compliance and has in place a system to enable the management to proactively practice the PDCA cycle.</p>

Items	Implementation Status of Internal Control System
	<p>(4) Initiatives Toward More Sophisticated Systems in Each Group Company  The Legal and Compliance Unit offers instructions and support to each Group company to ensure more sophisticated compliance systems as well as improved awareness of compliance and enriched education and training.  For example, with regard to the prevention of money laundering and the financing of terrorism and prevent bribery and corruption, in addition to strengthening the systems of domestic Group companies, considering the risk that the relevant laws and regulations of foreign countries will be applied to areas beyond their jurisdiction as a result of global business development, we are also working to clarify priority matters for strengthening the systems of overseas Group companies, based on the investigation of their current status, and revise the guidelines to provide more specific content, indicating the level of systems required of each company.</p> <p>(5) Operation of Whistle-blowing System  Furthermore, the Company has established a whistleblowing desk whereby the officers, employees, etc. of each Group company can directly report and consult on compliance matters including illegal activity. The Company has also set up outside contact points (offices of external lawyers) independent from management and has developed a system whereby matters are reported to management members according to their significance.</p> <p>(6) Handling of Antisocial Forces  With regard to the handling of antisocial forces, the Group Basic Policy on Handling of Antisocial Forces stipulates basic approaches and policies to halt the development of any relationships with antisocial forces in order to prevent any damage, and the Group Antisocial Forces Handling Regulations stipulates specific managerial methods, etc. The Company has designated the Legal and Compliance Unit and the General Affairs Unit to be in charge of establishing systems to block the development of any relationships with antisocial forces or to prevent damage that may occur, taking into account the attributes of each company. Regular reporting is conducted to the Board of Directors and the Executive Management Board concerning the handling status of efforts to sever ties with antisocial forces.</p>
4. System for Risk Management	<p>(1) Risk Management Policies and Regulations  Based on the Internal Control Policy for the Dai-ichi Life Group, the Risk Management Policy for the Dai-ichi Life Group stipulates basic matters when implementing group risk management, and the Risk Management Regulations for the Dai-ichi Life Group stipulates specific approval and reporting systems, and management methods.</p> <p>(2) Risk Management Initiatives  The Risk Management Unit coordinates and implements group-wide risk management systems. The Risk Management Unit also takes a central role for monitoring/controlling the status of risk management and financial soundness across the group.  Also the Group ERM Committee is held regularly to confirm compliance status regarding risk management policy and consider initiatives aimed at strengthening risk management systems.</p> <p>(3) Promotion of ERM  As the initiative related to the promotion of ERM, the Risk Management Unit verifies the validity of business plans, capital strategy, etc. when formulating them. In addition, the Risk Management Unit appropriately promotes ERM for the entire group through activities such as setting and managing for risk tolerance.</p>
5. System for Ensuring Efficient Execution of Professional Duties	<p>The Company has formulated internal regulations related to decision-making, organization, and the division of responsibilities and authorities to ensure the efficient execution of professional duties by directors, executive officers and employees. The Company has also established an Executive Management Board which discusses important management and executive issues. The Company has also formulated a medium-term management plan for the Dai-ichi Life Group, and the Board of Directors and Executive Management Board, etc. confirm and evaluate the performance of the plan.</p>
6. System for Ensuring Appropriateness and Reliability of Financial Reporting	<p>The Company has formulated the Internal Control over Financial Reporting Policy for the Dai-ichi Life Group, in accordance with the Internal Control Policy for the Dai-ichi Life Group, that stipulates basic matters regarding the establishment and operation of systems for ensuring the appropriateness and reliability of the Group's financial reporting, whereby evaluating the effectiveness of internal controls, such as important processes related to financial reporting and the system for preparing financial reports.</p>

Items	Implementation Status of Internal Control System
7. System for Preserving and Managing Information Concerning Execution of Directors' and Executive Officers' Duties	To preserve and manage information concerning the execution of directors' and executive officers' duties, the Company establishes internal regulations necessary for preserving information relating the execution of duties by the directors and executive officers, such as minutes of important meetings such as the Board of Directors and the Executive Management Board, and written approvals containing material information, and preserve and manage information accordingly.
8. System for Ensuring Effective Internal Audits	(1) Policies and Regulations, etc. Associated with Internal Audits Based on the Internal Control Policy for the Dai-ichi Life Group, the Company stipulates basic matters such as core philosophies for internal audits in the Internal Audit Policy for the Dai-ichi Life Group. The Company also stipulates basic matters necessary for the steady and effective implementation of internal audits for the Group in the Internal Audit Regulations for the Dai-ichi Life Group, Internal Audit Regulations, and Internal Audit Operational Regulations, respectively.
	(2) Initiatives for Internal Audits To ensure sound and appropriate business operations of the Group, internal audits are conducted to verify the appropriateness and effectiveness of the Group's internal control framework and activities. The Company has set up the Internal Audit Unit as an independent organization that acts as a check and balance on the audited organizations. The Internal Audit Unit monitors the developments and operations of the internal audit system of Group companies and provides advice and support as necessary. Through internal audits of Group companies, the Unit also verifies the appropriateness and effectiveness of internal control, identifies and evaluates issues, and provides recommendations for improvement. The internal audit results are reported to the President, Board of Directors, Executive Management Board, and Audit & Supervisory Committee.
9. System for the Execution of Duties of the Audit & Supervisory Committee	Based on the Audit & Supervision Policy and the Audit & Supervisory Committee Regulations established by the Audit & Supervisory Committee, the Company has a system in place to ensure the effectiveness of audits by the Audit & Supervisory Committee as follows. 1) The Company has set up an office of the Audit & Supervisory Committee and appoints employees with duties to assist it. With respect to personnel transfer, evaluation and others for these employees, their independence from directors is ensured. These employees are authorized to collect information necessary for audit purpose under the supervision of the Audit & Supervisory Committee. 2) The Company adopts a whistle-blowing system in which the department in charge of internal control acts as the contact point. The operational status of said system is regularly reported to full-time Audit & Supervisory Committee members. The Company has established a system for a timely and appropriate report to the Audit & Supervisory Committee in the event of any act that violates any law, ordinance, the Articles of Incorporation or other rules or any event that causes or may cause severe damage to the Company or Group companies. 3) The Company has established a system whereby full-time Audit & Supervisory Committee members attend important meetings including meetings of the Executive Management Board, and verify the developmental and operational status of the internal control system. In addition, the Company has also established a system whereby matters for discussion from an auditing viewpoint are reported to full-time Audit & Supervisory Committee members or the Audit & Supervisory Committee to ensure the implementation of effective audits. 4) The Company has established a system whereby Audit & Supervisory Committee members regularly hear opinions from directors, etc. to collect information while inviting directors, etc. to the meetings of the Audit & Supervisory Committee to exchange opinions. The Company has also established a system whereby full-time Audit & Supervisory Committee members work to ensure the effectiveness and efficiency of audits by close collaboration with departments in charge of internal control, internal audit and the Independent Auditor, etc. through regular collection of information and exchange of opinions.

**Specified Wholly Owned Subsidiaries**

Not applicable

**Transactions with the Parent Company**

Not applicable

**Accounting Advisor**

Not applicable

**Others**

Not applicable



## Consolidated Statement of Changes in Net Assets for the Fiscal Year Ended March 31, 2024

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	344,074	330,407	1,309,963	(13,918)	1,970,526
Cumulative effect of changes in accounting policies, etc.			(216,731)		(216,731)
Balance at the beginning of the year after reflecting the effect of changes in accounting policies, etc.	344,074	330,407	1,093,232	(13,918)	1,753,795
Changes for the year					
Issuance of new shares	130	130			261
Dividends			(84,554)		(84,554)
Net income attributable to shareholders of parent company			320,765		320,765
Purchase of treasury stock				(120,000)	(120,000)
Disposal of treasury stock		(229)		485	255
Cancellation of treasury stock		(116,175)		116,175	–
Transfer from retained earnings to capital surplus		116,405	(116,405)		–
Transfer from reserve for land revaluation			2,145		2,145
Others			(574)		(574)
Net changes of items other than shareholders' equity					
Total changes for the year	130	130	121,376	(3,339)	118,298
Balance at the end of the year	344,205	330,538	1,214,608	(17,258)	1,872,093

(Unit: million yen)

	Accumulated other comprehensive income						
	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)	Reserve for land revaluation	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Valuation difference on reserve for insurance policy liabilities of foreign subsidiaries	Total accumulated other comprehensive income
Balance at the beginning of the year	742,700	(38,260)	30,369	144,515	22,778	—	902,102
Cumulative effect of changes in accounting policies, etc.	(2,407)	146		5,234		2,407	5,380
Balance at the beginning of the year after reflecting the effect of changes in accounting policies, etc.	740,292	(38,114)	30,369	149,749	22,778	2,407	907,483
Changes for the year							
Issuance of new shares							
Dividends							
Net income attributable to shareholders of parent company							
Purchase of treasury stock							
Disposal of treasury stock							
Cancellation of treasury stock							
Transfer from retained earnings to capital surplus							
Transfer from reserve for land revaluation							
Others							
Net changes of items other than shareholders' equity	993,604	(63,642)	(2,145)	97,684	94,642	(17,864)	1,102,277
Total changes for the year	993,604	(63,642)	(2,145)	97,684	94,642	(17,864)	1,102,277
Balance at the end of the year	1,733,897	(101,756)	28,223	247,433	117,420	(15,457)	2,009,761

(Unit: million yen)

	Subscription rights to shares	Non-controlling interests	Total net assets
Balance at the beginning of the year	483	1	2,873,114
Cumulative effect of changes in accounting policies, etc.			(211,350)
Balance at the beginning of the year after reflecting the effect of changes in accounting policies, etc.	483	1	2,661,764
Changes for the year			
Issuance of new shares			261
Dividends			(84,554)
Net income attributable to shareholders of parent company			320,765
Purchase of treasury stock			(120,000)
Disposal of treasury stock			255
Cancellation of treasury stock			—
Transfer from retained earnings to capital surplus			—
Transfer from reserve for land revaluation			2,145
Others			(574)
Net changes of items other than shareholders' equity	(181)	(1)	1,102,095
Total changes for the year	(181)	(1)	1,220,393
Balance at the end of the year	302	—	3,882,157

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

## (GUIDELINES FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS)

### 1. Scope of Consolidation

#### (1) Number of consolidated subsidiaries as of March 31, 2024: 80

The consolidated financial statements include the accounts of Dai-ichi Life Holdings, Inc. (the "Company") and its consolidated subsidiaries (collectively, "the Group"), including The Dai-ichi Life Insurance Company, Limited ("DL"), The Dai-ichi Frontier Life Insurance Co., Ltd. ("DFLI"), The Neo First Life Insurance Company, Limited ("Neo First Life"), ipet Holdings, Inc. ("ipet"), Dai-ichi Life Insurance Company of Vietnam, Limited ("DLVN"), TAL Dai-ichi Life Australia Pty Ltd ("TDLA"), Protective Life Corporation ("Protective Life"), Dai-ichi Life Insurance (Cambodia) PLC., Dai-ichi Life Insurance Myanmar Ltd., Dai-ichi Life Reinsurance Bermuda Ltd. ("DLRe"), Partners Group Holdings Limited ("PNZ"), Dai-ichi Life International Holdings LLC ("DLIHD") and Vertex Investment Solutions Co., Ltd ("VTX").

Effective the fiscal year ended March 31, 2024, four affiliated companies of TDLA were included in the scope of consolidation as they had become subsidiaries of the Company.

Effective the fiscal year ended March 31, 2024, one affiliated company of Protective Life Corporation was included in the scope of consolidation as it had become subsidiaries of the Company.

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

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

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

Effective the fiscal year ended March 31, 2024, three affiliated companies of Partners Group Holdings Limited were excluded from the scope of consolidation.

#### (2) Number of non-consolidated subsidiaries as of March 31, 2024: 74

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

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

The seventy-four non-consolidated subsidiaries as of March 31, 2024 had, individually and in the aggregate, a minimal impact on the consolidated financial statements in terms of total assets, sales, net income (loss) (amount corresponding to equity interest), retained earnings (amount corresponding to equity interest), cash flows, and others.

### 2. Application of the Equity Method

#### (1) Number of non-consolidated subsidiaries under the equity method as of March 31, 2024: 0

#### (2) The number of affiliated companies under the equity method as of March 31, 2024: 35

The affiliated companies included Asset Management One Co., Ltd., Corporate-pension Business Service Co., Ltd., Japan Excellent Asset Management Co., Ltd., Japan Investor Solutions&Technologies Co., LTD., Benefit One Inc., OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED, Star Union Dai-ichi Life Insurance Company Limited and PT Panin Internasional.

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

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

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

#### (3) 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. 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.

## (NOTES TO THE CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2024)

### 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.

(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 with no Market Price, etc.

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

b) Stocks with no Market Price, etc.

Stocks with no market price, etc., are valued at cost determined by the moving average method.

Net unrealized gains or losses on these available-for-sale securities are presented as a separate component of net assets and not in the consolidated statement of earnings.

Securities held by certain consolidated overseas subsidiaries are stated at cost determined by the first-in first-out.

### 2. 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:

- a) individual life insurance and annuities (with the exception of certain types),
- b) non-participating single premium whole life insurance (without duty of medical disclosure),
- c) financial insurance and annuities,
- d) 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
- e) 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:

- a) individual life insurance and annuities (yen-denominated), and
- b) individual life insurance and annuities (U.S. dollar-denominated), with the exception of certain types and contracts.

### 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.

(1) Date of revaluation: March 31, 2001

(2) 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 Enforcement Ordinance 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 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

Tangible fixed assets other than land and buildings 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.

(2) Amortization of Intangible Fixed Assets Excluding Leased Assets

The Company and its consolidated subsidiaries use the straight-line method for amortization of intangible fixed assets excluding leased assets.

Intangible fixed assets acquired through the acquisition, etc. of consolidated overseas subsidiaries are amortized over a period during which their effect is estimated to persist, in proportion to the manner in which their effect is realized.

Software for internal use is amortized by the straight-line method based on the estimated useful lives of two to sixteen years.

(3) 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) Accumulated Depreciation of Tangible Fixed Assets

The amount of accumulated depreciation of tangible fixed assets as of March 31, 2024 was ¥631,382 million.

#### 6. Translation of Assets and Liabilities Denominated in Foreign Currencies into Yen

The Company and its domestic consolidated subsidiaries translate foreign currency-denominated assets and liabilities (excluding stocks of its non-consolidated subsidiaries and affiliated companies which are not accounted for under the equity method) into yen at the prevailing exchange rates at the end of the year. Stocks of non-consolidated subsidiaries and affiliated companies which are not accounted for under the equity method are translated into yen at the exchange rates on the dates of acquisition. Assets, liabilities, revenues, and expenses of the Company's consolidated overseas subsidiaries are translated into yen at the exchange rates at the end of their fiscal year. Translation adjustments associated with the consolidated overseas subsidiaries are included in foreign currency translation adjustments in the net assets section of the consolidated balance sheet.

For certain consolidated subsidiaries of the Company, changes in fair value of bonds, etc., included in foreign currency-denominated available-for-sale securities related to foreign currency-denominated insurance contracts are divided into two: changes in fair value due to changes in market prices in their original currencies are accounted for as "net unrealized gains (losses) on securities", and the remaining changes are reported in "foreign exchange gains (losses)", etc.

## **7. Reserve for Possible Loan Losses**

The reserve for possible loan losses of consolidated subsidiaries that operate a life insurance business in Japan is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

For loans to and claims on obligors that have already experienced bankruptcy, reorganization, or other formal legal failure (hereafter, “bankrupt obligors”) and loans to and claims on obligors that have suffered substantial business failure (hereafter, “substantially bankrupt obligors”), the reserve is calculated by deducting the estimated recoverable amount of the collateral or guarantees from the book value of the loans and claims after the direct write-off described below.

For loans to and claims on obligors that have not yet suffered business failure but are considered highly likely to fail (hereafter, “obligors at risk of bankruptcy”), the reserve is calculated, taking into account a) the recoverable amount covered by the collateral or guarantees and b) an overall assessment of the obligor’s ability to repay.

For other loans and claims, the reserve is calculated by multiplying the actual rate or other appropriate rate of losses during a certain period in the past by the amount of the loans and claims.

For all loans and claims, the relevant department in each subsidiary performs an asset quality assessment based on the internal rules for self-assessment, and an independent audit department audits the result of the assessment. The above reserves are established based on the result of this assessment.

For loans and claims to bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The amount written off during the fiscal year ended March 31, 2024 was ¥1 million.

For certain consolidated overseas subsidiaries, reserve for their estimate of contractual cash flows not expected to be collected is recognized for relevant claims on day one of the asset’s acquisition.

## **8. Reserve for Possible Investment Losses**

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

## **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 of certain consolidated subsidiaries 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 provided by deducting the pension assets from the projected benefit obligations based on the estimated amounts as of March 31, 2024. The accounting treatment for retirement benefits is as follows.

### **(1) Allocation of Estimated Retirement Benefits**

In calculating the projected benefit obligations, the benefit formula basis is adopted to allocate estimated retirement benefit for the fiscal year ended March 31, 2024.

### **(2) Amortization of Actuarial Differences and Past Service Cost**

Past service cost is amortized under the straight-line method through a certain period (seven years) within the employees’ average remaining service period as of the time of its occurrence.

Actuarial differences are amortized under the straight-line method through a certain period (seven years) within the employees’ average remaining service period, starting from the following year. Certain consolidated overseas subsidiaries apply corridor approach.

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

## **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 and its certain domestic consolidated subsidiaries, hedging transactions are accounted for in accordance with the “Accounting Standards for Financial Instruments” (ASBJ Statement No. 10). Primarily, i) special hedge accounting and the deferral hedge method for interest rate swaps are used for cash flow hedges of certain loans, government and corporate bonds, loans payable and bonds payable; ii) the currency allotment method and the deferral hedge method using foreign currency swaps and foreign currency forward contracts are used for cash flow hedges against exchange rate fluctuations

in certain foreign currency-denominated bonds, certain loans, loans payable and bonds payable and certain foreign currency-denominated forecasted transaction and term deposits and; iii) the fair value hedge method using currency options and foreign currency forward contracts is used for hedges against exchange rate fluctuations in the value of certain foreign currency-denominated bonds; iv) the deferral hedge method for over-the-counter options on bonds is used for hedges against interest-rate fluctuations in certain foreign currency-denominated bonds; v) the deferral hedge method and fair value hedge method using equity options and equity forward contracts are used for hedges against price fluctuations in the value of certain domestic stocks and foreign currency-denominated forecasted transaction, and vi) the deferral hedge method using interest rate swaps is used for hedges against interest-rate fluctuations in certain insurance liabilities, under the “Accounting and Auditing Treatment of Application of Accounting Standard for Financial Instruments to Insurance Operators” (Industry-specific Committee Practical Guidelines No. 26 issued by JICPA).

(2) Hedging Instruments and Hedged Items

Hedging instruments	Hedged items
Interest rate swaps.....	Loans, government and corporate bonds, loans payable, bonds payable, insurance liabilities
Foreign currency swaps.....	Foreign currency-denominated bonds, foreign currency-denominated loans, foreign currency-denominated loans payable, foreign currency-denominated bonds payable, foreign currency-denominated forecasted transaction
Foreign currency forward contracts ...	Foreign currency-denominated bonds, foreign currency-denominated term deposits, foreign currency-denominated forecasted transaction
Currency options .....	Foreign currency-denominated bonds
Bond over-the-counter options.....	Foreign currency-denominated bonds
Equity options .....	Domestic stocks, foreign currency-denominated forecasted transaction
Equity forward contracts.....	Domestic stocks

(3) Hedging Policies

The Company and its certain domestic consolidated subsidiaries conduct hedging transactions with regard to certain market risk, foreign currency risk and interest rate risk of underlying assets to be hedged, in accordance with the internal investment policy and procedure guidelines.

(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.

Among the above hedging relationships, the exceptional treatment prescribed in the “Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR” (ASBJ PITF No. 40 issued on March 17, 2022) is applied to all hedging relationships included in the scope of the application of the said Treatment. The details of hedging relationships to which the Treatment is applied are as follows:

Hedge accounting method: Deferral hedge method, currency allotment method

Hedging instruments: Interest rate swaps, foreign currency swaps

Hedged items: Loans, foreign currency-denominated loans

Type of hedging transactions: Transactions that fix cash flow

**14. Calculation of National and Local Consumption Tax**

The Company and its domestic consolidated subsidiaries account for national and local consumption tax mainly by the tax-exclusion method. Deferred consumption tax included in non-recoverable consumption tax on certain assets is capitalized as other assets and amortized equally over five years in accordance with the Enforcement Ordinance of the Corporation Tax Act, and such taxes other than deferred consumption tax are recognized as an expense when incurred.

**15. Policy Reserves**

Policy reserves of consolidated subsidiaries that operate a life insurance business in Japan are established in accordance with the methods stated in the statement of calculation procedures for policy reserves (Article 4, Paragraph 2, Item 4 of the Insurance Business Act) pursuant to Article 116, Paragraph 1 of the Insurance Business Act, for insurance contracts under which the insurer’s liability has started as of the end of the fiscal year, in preparation for the performance of future obligations under the insurance contracts.

Of policy reserves, insurance premium reserves are calculated by the following methods.

(1) 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).



(2) Reserves for other policies are established based on the net level premium method.

If, through an estimation of future income based on most recent actual figures, the policy reserves set aside are found likely to be insufficient to cover the performance of future obligations, additional policy reserves need to be set aside in accordance with Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act. Policy reserves include additional policy reserves for some whole life insurance policies in accordance with Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act.

Contingency reserves included in policy reserves are set aside in accordance with Article 69, Paragraph 1, Item 3 of the Ordinance for Enforcement of the Insurance Business Act to cover risks that may accrue in the future in order to ensure the performance of future obligations under insurance contracts.

Policy reserves of consolidated subsidiaries that operate a life insurance business in the U.S. are set aside in accordance with US GAAP in amounts calculated by estimated future cash flows based on actuarial assumptions determined at times such as when the contracts are concluded, including interest rates, mortality rates, persistency rates, etc. If the policy reserves set aside are found likely to be insufficient to cover the performance of future obligations due to a significant gap between the estimation and the most recent actual figures, additional policy reserves need to be set aside by way of amendment to the assumptions.

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

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

## 16. Reserves for outstanding claims

With respect to a certain reserve for incurred but not reported cases for individual insurance policies (referring to claims for which the occurrence of the insured events have not been reported but the Company finds that insured events have already occurred; hereinafter the same) provided by certain consolidated subsidiaries that operate a life insurance business in Japan, the special scope of payment of hospitalization benefits with respect to those diagnosed as COVID-19 and were under the care of a doctor and the like at an accommodation facility or at home ("deemed hospitalization") was terminated on or after May 8, 2023. As a result of this change, an appropriate amount of reserves cannot be obtained with the calculation method set forth in the main rules in Article 1, Paragraph 1 of the Notification of the Minister of Finance No.234, 1998 ("IBNR Notification"). 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.

(Overview of the calculation method)

The Group first deducts an amount pertaining to deemed hospitalization of policy holders from a required amount of reserves for incurred but not reported cases and the amount of claim payments for all the fiscal years, as set forth in the main rules in Article 1, Paragraph 1 of IBNR Notification, and then calculates in the same manner as in the main rules in Article 1, Paragraph 1 of IBNR Notification.

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

## 17. Significant Accounting Estimates

(1) Evaluation of goodwill

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

Goodwill presented on the consolidated balance sheets as of March 31, 2024 comprises goodwill of ¥55,479 million arising from the acquisition of Protective Life, the acquisition business of Protective Life's acquisition segment and goodwill of ¥26,773 million arising from the acquisition of TDLA, goodwill of ¥18,652 million arising from the acquisition of PNZ and goodwill of ¥14,300 million arising from the acquisition of ipet.

b) 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.

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

First, Protective Life evaluates qualitative factors, which is an examination on whether or not there is any impairment indicator to consider whether or not there is a 50 percent or greater probability that book value exceeds fair value of each reporting unit that has goodwill. In accordance with the accounting standards, Protective Life has omitted the test for an impairment indicator and proceeded to the quantitative impairment test described below for all or a part of reporting units. Whether or not there is any impairment indicator is comprehensively examined in consideration of the presence of deterioration in economic and market environments surrounding Protective Life and its reporting units, the presence of factors that have a negative impact on future profits or cash flows, the presence of deterioration in overall business performance, and other events specific to Protective Life and its reporting units.

Next, if it is concluded that there is an impairment indicator of goodwill or it is selected not to conduct the test for impairment indicator, a comparison of the book value of the reporting units that include goodwill to its fair value (the quantitative impairment test) is performed. The key assumptions used in the calculation of fair value (e.g., business income and expense projections and discount rates) are subject to the uncertainty of estimation.

If there is any impairment indicator that is attributable to the deterioration of circumstances or the occurrence of events, or if the key assumptions used in the comparison of book value to fair value (the quantitative impairment test) change, impairment losses on goodwill may be recorded in the following fiscal year.

TDLA determines whether or not to record an impairment loss on goodwill by comparing book value with recoverable amount in each cash generating unit to which goodwill is allocated (the quantitative impairment test). Recoverable amount is calculated based on embedded values, etc. For calculating the embedded values, underlying actuarial assumptions 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 in the asset group that includes goodwill, and other events specific to each asset group.

Next, if it is concluded that there is an impairment indicator of goodwill, the Company estimates future cash flows expected to be generated from the asset group that includes goodwill, and compares the total of cash flows with the book value. If the amount of future cash flows is less than the book value, the Company records an impairment loss. Then, the Company calculates a recoverable amount of the asset group that includes goodwill, for which an impairment loss is recorded, to recognize the difference between the book value and the recoverable amount as an impairment loss. The key assumptions used in the calculation of the recoverable amount (e.g., business income and expense projections, discount rates and actuarial assumptions) are subject to the uncertainty of estimation.

If there is any impairment indicator that is attributable to the deterioration of circumstances or the occurrence of events, impairment losses on goodwill may be recorded in the following fiscal year.

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

(2) Evaluation of value of in-force insurance contracts

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

Other intangible fixed assets presented in the Company's consolidated balance sheet as of March 31, 2024 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 in the amount of ¥287,996

million is derived from the acquisition of Protective Life and the acquisition business of Protective Life's acquisition segment, the balance of VIF in the amount of ¥34,200 million is derived from the acquisition of PNZ through DLIHD an intermediary holding company of the Company, and the

balance of VIF in the amount of ¥21,608 million is derived from the acquisition of ipet by the Company, respectively.

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

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

The value of in-force insurance contracts arising from acquisitions is calculated as the present value of future profits to be earned from future cash flows arising from in-force insurance contracts and investment type insurance contracts at the acquisition date, and is recorded on the consolidated financial statements of these consolidated subsidiaries while the value of in-force insurance contracts is amortized over a period during which its effect is estimated, in proportion to the manner in which its effect is realized.

The VOBA of Protective Life is amortized based on future gross premiums, estimated gross margins, contractual terms and/or others.

With regards to the VOBA arising from investment type insurance contracts, Protective Life regularly reviews actuarial assumptions such as interest rate, 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.

Protective Life 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, 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, 2024.

The Company periodically assesses the VIF arising from the acquisitions of PNZ and ipet as to whether there is any impairment indicator of the VIF at the same time as goodwill impairment test is performed. If there is any impairment indicator that is attributable to the deterioration of circumstances or the occurrence of events, impairment losses may be recorded in the following fiscal year. For the fiscal year ended March 31, 2024, the Company determined that there was no indication that the VIF is impaired, as with the result of the goodwill impairment test.

## 18. Application of Accounting Standard for Insurance Contracts (AASB No. 17) (NZ IFRS No. 17)

Effective the fiscal year ended March 31, 2024, certain consolidated overseas subsidiaries have applied Accounting Standards "Insurance Contracts" (AASB No. 17) (NZ IFRS No. 17) issued by the Australian Accounting Standards Board and the New Zealand Accounting Standards Board.

Policy reserves and others is recognized by reflecting the time value of money, the financial risk of cash flows arising from insurance contracts, and the effect of uncertainty of cash flows arising from insurance contracts. This change in accounting policy has been applied retrospectively, as the cumulative impact is reflected in the net assets at the beginning of the fiscal year, the beginning balance of retained earnings decreased by ¥216,731 million.

## 19. Accounting Standard and Guidance Not Yet Adopted

Financial Services - Insurance (Topic 944) (ASU No. 2018-12 issued on August 15, 2018, ASU No. 2019-09 issued on November 15, 2019, and ASU No. 2020-11 issued on November 5, 2020)

a) Outline

The amendments in this Update are mainly designed to make improvements of the accounting treatment of the liability for future policy benefits, the measurement of benefits with market risks at fair value, and the amortization methods of deferred acquisition costs of insurance contracts.

Privately owned companies that have adopted US GAAP will apply the amendments in this Update from the end of the fiscal year beginning on or after December 16, 2024 (early adoption is permitted).

b) Scheduled date for adoption

Certain consolidated overseas subsidiaries have adopted US GAAP, and the amendments in this Update will be applied from the end of the fiscal year ending on December 31, 2025.

A consolidated subsidiary in Bermuda has early applied the amendments in this Update from the fiscal year ended on December 31, 2022.

c) Impact of applying the standard and guidance

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

The early adoption of the standard and guidance by the consolidated subsidiary in Bermuda has only a minimal impact to the consolidated financial statements.

## 20. Financial Instruments and Others

(1) Financial Instruments

a) Policies in Utilizing Financial Instruments

The Group mainly operates in life insurance business and, in an effort to manage investment assets in a manner appropriate to liabilities, which arise from the insurance policies underwritten, engages in asset liability management, or ALM, which considers the long-term balance between assets and liabilities to ensure stable returns. With this strategy, the Group holds fixed income investments, including bonds and loans, as the core of its asset portfolio. While placing its financial soundness first, the Group also holds stocks and foreign securities within its tolerable risk to enhance its profitability and facilitate diversification of investment risks.

The Group uses derivatives primarily to hedge market risks associated with its existing asset portfolio.

With respect to financing, the Group has raised capital directly from the capital markets by issuing subordinated bonds as well as indirectly from banks in order to strengthen its capital base. To avoid impact from interest-rate fluctuations, the Group utilizes derivative transactions in hedging some of such financial liabilities and adopts hedge accounting.

#### b) 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 (i) interest rate swaps to hedge interest rate risk associated with certain of its 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 adopts hedge accounting.

In addition, certain consolidated subsidiaries utilize (i) interest rate swaps to hedge interest rate risk associated with certain insurance liabilities, under the “Accounting and Auditing Treatment of Application of Accounting Standard for Financial Instruments to Insurance Operators” (Industry-specific Committee Practical Guidelines No. 26 issued by JICPA), and (ii) 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), 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.

#### c) 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.

##### i) 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.

###### (a) 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.

###### (b) 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.

###### (c) 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.

(d) Derivative transactions

For derivative transactions, DL has established internal check system by segregating (i) the executing department, (ii) the department which engages in assessment of hedge effectiveness, and (iii) the back-office. Additionally, in order to limit speculative use of derivatives, it has put restrictions on utilization purpose, such as hedging, and establishes position limits for each asset class.

The consolidated subsidiaries other than DL have established appropriate risk management systems in accordance with the Group's basic policy for risk management, etc.

DFLI utilizes derivatives in order to hedge foreign currency risks associated with bonds. The risk management section is in charge of managing overall risks including risks associated with the guaranteed minimum maturity benefits, and periodically reports the status of such management to the board of directors, etc.

ii) 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.

d) Supplementary Explanation for Fair Value of Financial Instruments

As the calculation of those values adopts certain assumptions, those values may vary in case different assumptions are applied.

## (2) Fair Values of Financial Instruments

The carrying amount on the consolidated balance sheet, fair value and differences between carrying amount and fair value as of March 31, 2024 were as follows.

As of March 31, 2024	Carrying amount	Fair value	Gains (Losses)
	(Unit: million yen)		
(1) Monetary claims bought.....	226,450	226,450	–
(2) Money held in trust .....	888,720	888,720	–
(3) Securities (*2)(*3) .....			
a. Trading securities.....	7,367,280	7,367,280	–
b. Held-to-maturity bonds .....	111,391	106,581	(4,809)
c. Policy-reserve-matching bonds.....	20,471,469	19,610,247	(861,222)
d. Stocks of subsidiaries and affiliated companies.....	137,061	134,922	(2,139)
e. Available-for-sale securities .....	22,471,672	22,471,672	–
(4) Loans.....	4,719,209		
Reserve for possible loan losses (*4) .....	(20,548)		
	4,698,660	4,547,323	(151,336)
<b>Total assets .....</b>	<b>56,372,708</b>	<b>55,353,200</b>	<b>(1,019,507)</b>
(1) Bonds payable .....	922,198	874,584	(47,613)
(2) Payables under repurchase agreements .....	1,360,914	1,360,793	(121)
(3) Long-term borrowings.....	862,409	865,092	2,683
<b>Total liabilities .....</b>	<b>3,145,523</b>	<b>3,100,470</b>	<b>(45,052)</b>

### Derivative transactions (\*5)

a. Hedge accounting not applied .....	3,749	3,749	–
b. Hedge accounting applied .....	[162,700]	[161,499]	1,200
<b>Total derivative transactions .....</b>	<b>[158,950]</b>	<b>[157,750]</b>	<b>1,200</b>

(\*1) Cash and deposits, call loans, receivables under resale agreements and short-term bonds payable are omitted since they are mainly due within a short period of time or have no maturity, and their fair value is close to the carrying amount.

(\*2) Net asset value of certain mutual funds is regarded as the fair value in accordance with generally accepted accounting standard, and included in the table above.

(\*3) The carrying amount of stocks with no market price, etc. and ownership stakes in partnerships, etc. on the consolidated balance sheet are as follows. They are not included in “Assets (3) Securities” in the above information on fair values of financial instruments.

Classification	Carrying amount on the consolidated balance sheet (Unit: million yen)
Stocks with no market price, etc. (*1) (*3)	211,592
Ownership stakes in partnerships, etc. (*2) (*3)	1,011,233

(\*1) Stocks with no market price, etc. 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 Paragraph 24-16 of the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31 issued on June 17, 2021).

(\*3) Impairment loss of ¥1,888 million was recognized in the fiscal year ended March 31, 2024.

(\*4) Excluding general reserves for possible loan losses and specific reserves for possible loan losses related to loans.

(\*5) Credits/debts from derivative transactions are presented on a net basis. Figures in [ ] are net debts.

**(Note 1) Scheduled redemptions of monetary claims and securities with maturities**

As of March 31, 2024	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
		(Unit: million yen)		
Cash and deposits .....	2,054,906	8,566	808	141
Call loans .....	719,300	—	—	—
Receivables under resale agreements	58,136	—	—	—
Monetary claims bought .....	4,155	51,137	30,998	141,858
Securities:				
Held-to-maturity bonds (bonds) .....	4,900	49,300	16,100	34,400
Held-to-maturity bonds (foreign securities) .....	800	5,054	1,000	—
Policy-reserve-matching bonds (bonds) .....	82,460	823,630	2,382,505	14,085,449
Policy-reserve-matching bonds (foreign securities) .....	58,325	1,015,329	855,248	1,441,853
Available-for-sale securities with maturities (bonds) .....	214,637	1,052,726	568,883	661,324
Available-for-sale securities with maturities (foreign securities) .....	733,890	2,924,565	3,596,844	6,942,982
Available-for-sale securities with maturities (other securities) .....	72,893	572,572	260,700	44,767
Loans (*) .....	567,822	1,619,855	1,025,332	957,333

(\*) Loans for which interest or principal payments cannot be forecasted, such as credit to bankrupt obligors, substantially bankrupt obligors and obligors at risk of bankruptcy, amounting to ¥86 million, were not included. Also, ¥545,957 million of loans without maturities were not included.

**(Note 2) Scheduled maturities of bonds, long-term borrowings, and other interest-bearing liabilities**

As of March 31, 2024	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
	(Unit: million yen)					
Bonds payable (*1)	53,186	—	7,893	—	56,732	168,879
Payables under repurchase agreements	1,360,914	—	—	—	—	—
Long-term borrowings (*2)	17,536	40,989	335,258	—	103,666	120,000

(\*1) ¥678,715 million of bonds payable without maturities were not included.

(\*2) ¥245,000 million of long-term borrowings without maturities were not included.

### (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

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

(\*) 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, June 17, 2021) are not included in the table above. The amount of such mutual funds on the interim consolidated balance sheet is ¥65,401 million. Reconciliation between the beginning and ending balance and breakdown of restriction on cancellation as of March 31, 2024 have been omitted as the amount of such mutual funds is immaterial.



b) Financial assets and liabilities not measured at fair value on the consolidated balance sheet

Classification	Fair value			Total
	Level 1	Level 2	Level 3	
	(Unit: million yen)			
Securities: .....				
Held-to-maturity bonds .....				
Government bonds .....	5,584	—	—	5,584
Corporate bonds .....	—	94,166	—	94,166
Foreign bonds .....	—	4,966	1,863	6,830
Policy-reserve-matching bonds .....				
Government bonds .....	15,055,200	—	—	15,055,200
Local government bonds .....	—	120,385	—	120,385
Corporate bonds .....	—	1,363,025	—	1,363,025
Foreign bonds .....	348,527	2,720,843	2,265	3,071,635
Stocks of subsidiaries and affiliated companies .....	128,448	5,361	1,112	134,922
Loans .....	—	—	4,547,323	4,547,323
<b>Total assets .....</b>	<b>15,537,762</b>	<b>4,308,748</b>	<b>4,552,564</b>	<b>24,399,075</b>
Bonds payable .....	—	854,759	12,006	866,765
Payables under repurchase agreements .....	—	1,083,390	—	1,083,390
Long-term borrowings .....	—	—	783,460	783,460
<b>Total liabilities .....</b>	<b>—</b>	<b>1,938,150</b>	<b>795,466</b>	<b>2,733,616</b>

**(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 “(4) Securities” below.

## Loans

The fair value of loans is calculated by discounting future cash flows at a discount rate (i.e., an interest rate corresponding to internal credit ratings and remaining periods which is assumed to be applied to new loans to the borrower and an interest rate assumed to be applied to new loans that take into account market risk and liquidity risk). The fair value of loans is classified into Level 3.

Additionally, for risk-monitored loans, reserve for possible loan losses is calculated based on the present value of estimated future cash flows or the amount deemed recoverable from collateral and guarantees and the fair value is close to the carrying amount on the consolidated balance sheet minus reserve for possible loan losses at the end of the fiscal year. Therefore, that amount (the carrying amount on the consolidated balance sheet minus reserve for possible loan losses) is recorded as fair value for risk-monitored loans and classified into Level 3.

Also, loans without a due date because of their characteristics that their exposure is limited to the amount of their collaterals, are deemed to have fair value close to book value, taking into account estimated repayment period and interest rates. Therefore, their book value is recorded as the fair value and classified into Level 3.

## ● Liabilities

### Bonds payable

The fair value of bonds payable for which quoted market prices can be used is based on the quoted market prices. For bonds payable for which quoted market prices are not available, the fair value is calculated by discounting future cash flows at a discount rate based on market yields for similar instruments. When quoted market prices and observable inputs are used in the calculation, the fair value of bonds payable is classified into Level 2. Otherwise, the fair value of bonds payable is classified into Level 3.

### Payables under repurchase agreements

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

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

### Long-term borrowings

The fair value of long-term borrowings is calculated by discounting the total amount of principal and interest, using interest rates corresponding to the internal credit rating and remaining periods which are assumed to be applied to new borrowings. The fair value of long-term borrowings is classified into Level 2 when observable inputs are used in the calculation, and Level 3 when significant unobservable inputs are used. Also, certain long-term borrowings are deemed to have fair value close to book value, taking into account interest rates and other factors. Therefore, their book value is recorded as the fair value, and their fair value is classified into Level 3.

## ● Derivative Transactions

The fair value of listed derivative transactions for which unadjusted quoted market prices in active markets are available is classified into Level 1. These mainly include stock-related transactions and bond-related transactions. If the market is not active, the fair value of listed derivative transactions is classified into Level 2, irrespective of whether disclosed quoted market prices are used.

The fair value of over-the-counter derivative transactions is mainly based on the prices calculated using discounted present values obtained from outside contractors and counterparty financial institutions and option valuation models, etc. The inputs used in the valuation method for calculating the price of over-the-counter derivative transactions are mainly interest rate, foreign exchange rate, and volatility. Since no significant unobservable inputs are used or their effects are not significant, the fair value of over-the-counter derivative transactions is classified into Level 2.

The fair value of embedded derivatives at certain foreign consolidated subsidiaries is calculated using actuarial cash flow models. The main inputs used in those valuation methods are mortality, lapse, and withdrawal rates of insurance contracts. Since significant unobservable inputs are used, the fair value of such embedded derivatives is classified into Level 3.

**(Note 2) Quantitative information about financial assets and liabilities measured and stated on the consolidated balance sheet at fair value and classified into Level 3**

a) Quantitative Information on Significant Unobservable Inputs

Classification	Valuation method	Significant unobservable input	Range
Securities			
Trading securities	Discounted cash flow	Discount rate	1.10% - 7.00%
		Paydown rate	15.20% - 19.80%
Available-for-sale securities			
Foreign bonds	Discounted cash flow	Discount rate	0.91% - 7.00%
		Paydown rate	15.20% - 19.80%
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

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

(\*1) These amounts are included in “investment income” and “investment expenses” in the consolidated statement of earnings.

(\*2) Transfer from Level 2 to Level 3 due to the change in the observability of inputs as a result of the change in the fair value measurement method. The transfer was made at the end of the accounting period.

(\*3) Transfer from Level 3 to Level 2 due to the availability of observable inputs. The transfer was made at the end of the accounting period.

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.

(4) Securities

a) Trading securities

	Year ended March 31, 2024
	(Unit: million yen)
Gains (losses) on valuation of trading securities.....	386,761

b) Held-to-maturity Bonds

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

c) Policy-reserve-matching Bonds

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

d) Available-for-sale Securities

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

(Note) Other securities include (a) certificates of deposit and (b) trust beneficiary rights, which were recorded as cash and deposits and monetary claims bought on the consolidated balance sheet, respectively. The aggregate acquisition cost and carrying amount of such certificates of deposit were ¥92,751 million and ¥92,745 million, respectively, as of March 31, 2024. The aggregate acquisition cost and carrying amount of trust beneficiary rights were ¥228,260 million and ¥226,450 million, respectively, as of March 31, 2024.

e) Held-to-maturity Bonds Sold

The Company and its consolidated subsidiaries sold no held-to-maturity bonds during the fiscal year ended March 31, 2024.

f) Policy-reserve-matching Bonds Sold

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

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

g) Available-for-sale Securities Sold

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

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

h) Securities Written Down

The Company and its consolidated subsidiaries write down the balance of certain available-for-sale securities with fair values i) when the fair value of such securities declines by 50% or more, of its purchase cost or ii) 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 amount written down from the balance of available-for-sale securities with fair value for the fiscal year ended March 31, 2024 was ¥5,978 million.

(5) Money Held in Trust

(i) Money Held in Trust for Trading

As of March 31, 2024 (Unit: million yen)

Carrying amount on the consolidated balance sheet.....	838,627
Gains (losses) on valuation of money held in trust.....	17,027

(ii) Money Held in Trust (other than for trading, held-to-maturity, and policy-reserve-matching)

As of March 31, 2024 (Unit: million yen)

Carrying amount on the consolidated balance sheet.....	50,092
Acquisition cost.....	49,073
Unrealized gains (losses).....	1,018
Money held in trust with unrealized gains.....	1,018
Money held in trust with unrealized losses .....	—

**21. Real Estate for Rent**

Certain domestic consolidated subsidiaries own a number of commercial buildings, including land, for rent in various locations including Tokyo. Net rental income from such real estate for rent for the fiscal year ended March 31, 2024 was ¥23,578 million. The rental income was included in investment income and the rental expense was included in investment expenses. Certain domestic consolidated subsidiaries recorded gains on sale of ¥1,632 million on rental real estate as extraordinary gains and impairment loss of ¥5,307 million on rental real estate as extraordinary losses for the fiscal year ended March 31, 2024.

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

Fiscal year ended March 31, 2024	(Unit: million yen)
Carrying amount	
Beginning balance .....	937,941
Net change during year .....	(13,218)
Ending balance.....	924,722
Market value .....	1,280,150

(\*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 includes cost of acquisition of the real estate of ¥38,819 million, sale of the real estate of ¥38,101 million, depreciation expense of ¥13,951 million, and impairment loss of ¥5,307 million during the fiscal year ended March 31, 2024.
- (\*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.

## **22. Securities Lending**

Securities lent under lending agreements are included in the consolidated balance sheet. The total balance of securities lent as of March 31, 2024 was ¥2,902,560 million.

### 23. Problem Loans

As of March 31, 2024, 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:

	(Unit: million yen)
Claims against bankrupt and quasi-bankrupt obligors .....	88
Claims with collection risk.....	2,586
Claims that are overdue for three months or more.....	5,345
Claims with repayment relaxation.....	—
<u>Total.....</u>	<u>8,020</u>

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.

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.

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.

Claims with repayment relaxation are loans for which certain concessions favorable to borrowers, such as interest reductions or exemptions, postponement of principal or interest payments, release from repayment or other agreements have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their businesses. This category excludes claims against bankrupt and quasi-bankrupt obligors, claims with collection risk, or claims that are overdue for three months or more.

As a result of the direct write-off of loans described in Note 7, the decreases in claims against bankrupt and quasi-bankrupt obligors were ¥1 million.

### 24. Assets and Liabilities Held in Separate Accounts

The total amount of assets held in separate accounts defined in Article 118, Paragraph 1 of the Insurance Business Act was ¥2,161,473 million. Separate account liabilities were the same amount as the separate account assets.

### 25. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	(Unit: million yen)
Balance at the beginning of the year .....	423,403
Dividends paid during the year .....	96,702
Interest accrual during the year .....	8,440
Provision for reserve for policyholder dividends.....	87,500
<u>Balance at the end of the year.....</u>	<u>422,642</u>

### 26. 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:

	(Unit: million yen)
Stocks .....	266,333
Capital .....	253,823
<u>Total.....</u>	<u>520,157</u>

### 27. Organizational Change Surplus

As of March 31, 2024, the amount of organizational change surplus stipulated in Article 91 of the Insurance Business Act was ¥117,776 million.

### 28. Assets Pledged as Collateral / Secured Liabilities

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

	(Unit: million yen)
Securities.....	2,144,726
Cash and deposits.....	10,600
<u>Total.....</u>	<u>2,155,326</u>

The amounts of secured liabilities were as follows:

	(Unit: million yen)
Payables under repurchase agreements .....	1,360,914
Cash collateral for securities lending transactions .....	221,007
<u>Total.....</u>	<u>1,581,922</u>

The amount of “Securities” pledged as collateral under repurchase agreements and for securities lending transactions with cash collateral as of March 31, 2024 was ¥1,639,240 million.

## 29. Net Assets per Share

The amount of net assets per share of the Company as of March 31, 2024 was ¥4,107.03.

## 30. Subsequent Events

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

### (1) Purpose of the acquisition

ShelterPoint was founded in 1972 in the U.S. and is primarily engaged in the sale and underwriting of Disability Benefits Law insurance (“DBL”), which is mandatory for companies and organizations in New York State and other states, Paid Family Leave insurance (“PFL”), Paid Family and Medical Leave insurance (“PFML”), which combines both DBL and PFL coverage, and has established a leading position in DBL and PFL in New York State. This acquisition is a new business line acquisition for Protective Life Corporation, and it is expected to contribute to the diversification of its business and the stabilization of its earnings. In addition, the number of states adopting PFML is expected to increase in the future, and further expansion of the customer base is anticipated.

### (2) Overview of the acquired company

Company name: ShelterPoint Group, Inc.

Business: Group insurance business

### (3) Acquisition price

The acquisition price is undisclosed due to an agreement between the parties.

The acquisition price is determined based on a comprehensive consideration of the valuation by a third-party calculation agent and other factors.

### (4) Completion of acquisition

Subject to approval by the regulatory authorities in Japan and the U.S., the transaction is expected to be completed from October to December 2024.

This acquisition transaction has no particular impact on the consolidated financial results of the Company for the fiscal year ended March 31, 2024. The Company is currently investigating the impact of the transaction on the consolidated financial results of the Company for the following fiscal year and thereafter.

### 31. Stock Options

(1) Details of the stock options granted for the fiscal year ended March 31, 2024

a) 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 (excluding 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 (excluding 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 (excluding 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.

b) Figures relating to the stock options

The following table covers stock options which existed during the fiscal year ended March 31, 2024 and the total number of stock options is translated to the number of shares of common stock.

i) Number of the stock options (shares)

	The Dai-ichi Life Insurance Company, Limited				
	1st Series of Stock Acquisition Rights	2nd Series of Stock Acquisition Rights	3rd Series of Stock Acquisition Rights	4th Series of Stock Acquisition Rights	5th Series of Stock Acquisition Rights
Before vesting					
Outstanding at the end of prior fiscal year	–	–	–	–	–
Granted	–	–	–	–	–
Forfeited	–	–	–	–	–
Vested	–	–	–	–	–
Outstanding at the end of the fiscal year	–	–	–	–	–
After vesting					
Outstanding at the end of prior fiscal year	13,100	50,200	34,800	37,100	29,000
Vested	–	–	–	–	–
Exercised	13,100	32,600	19,200	18,400	11,000
Forfeited	–	–	–	–	–
Outstanding at the end of the fiscal year	–	17,600	15,600	18,700	18,000

	Dai-ichi Life Holdings, Inc.	
	1st Series of Stock Acquisition Rights	2nd Series of Stock Acquisition Rights
Before vesting		
Outstanding at the end of prior fiscal year	–	–
Granted	–	–
Forfeited	–	–
Vested	–	–
Outstanding at the end of the fiscal year	–	–
After vesting		
Outstanding at the end of prior fiscal year	84,100	100,500
Vested	–	–
Exercised	21,800	25,300
Forfeited	–	–
Outstanding at the end of the fiscal year	62,300	75,200

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

ii) 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	4th Series of Stock Acquisition Rights	5th Series of Stock Acquisition Rights
Exercise price	¥1 per stock option	¥1 per stock option	¥1 per stock option	¥1 per stock option	¥1 per stock option
Average stock price at the time of exercise	¥2,752	¥2,668	¥2,668	¥2,667	¥2,656
Fair value at the grant date	¥885	¥766	¥1,300	¥1,366	¥2,318

	Dai-ichi Life Holdings, Inc.	
	1st Series of Stock Acquisition Rights	2nd Series of Stock Acquisition Rights
Exercise price	¥1 per stock option	¥1 per stock option
Average stock price at the time of exercise	¥2,655	¥2,588
Fair value at the grant date	¥1,344	¥1,568

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

(2) Method to estimate the number of stock options vested

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

### 32. Business Combination as a Result of Acquisition

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

With the finalization of this provisional accounting treatment, a significant revision was reflected in the initial allocation of acquisition costs. As a result, the provisional goodwill amount of NZ\$247 million was reduced by NZ\$27 million to NZ\$219 million.

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

### 33. Employees' Retirement Benefits

#### (1) Overview of Employees' Retirement Benefit Plan of the Group

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

Certain consolidated overseas subsidiaries have maintained their defined benefit plans and defined contribution plans.

Certain domestic consolidated subsidiaries 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

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

(Unit: million yen)

a.	Beginning balance of the projected benefit obligations .....	709,968
b.	Service cost .....	25,836
c.	Interest cost .....	4,254
d.	Accruals of actuarial (gains) and losses .....	(77,293)
e.	Payment of retirement benefits .....	(38,675)
f.	Others .....	4,171
g.	<u>Ending balance of the projected benefit obligation (a + b + c + d + e + f).....</u>	<u>628,261</u>

(Note) Retirement benefit expenses for consolidated subsidiaries adopting the simplified method are included in "Service cost."



b) Reconciliations of beginning and ending balances of pension assets

(Unit: million yen)

a.	Beginning balance of pension assets .....	342,159
b.	Estimated return on assets .....	4,346
c.	Accruals of actuarial (gains) and losses .....	62,285
d.	Contribution from the employer .....	15,697
e.	Payment of retirement benefits .....	(10,838)
f.	Others .....	2,438
g.	<u>Ending balance of pension assets (a + b + c + d + e + f) .....</u>	<u>416,088</u>

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

(Unit: million yen)

a.	Projected benefit obligation for funded pensions .....	350,940
b.	<u>Pension assets .....</u>	<u>(416,088)</u>
c.	Subtotal (a + b) .....	(65,148)
d.	Projected benefit obligation for unfunded pensions .....	277,321
e.	<u>Net of assets and liabilities recorded in the consolidated balance sheet (c + d) .....</u>	<u>212,173</u>
f.	Net defined benefit liabilities .....	212,173
g.	<u>Net defined benefit assets .....</u>	<u>-</u>
h.	<u>Net of assets and liabilities recorded in the consolidated balance sheet (f + g) .....</u>	<u>212,173</u>

d) Amount of the components of retirement benefit expenses

(Unit: million yen)

a.	Service cost .....	25,836
b.	Interest cost .....	4,254
c.	Expected return on assets .....	(4,346)
d.	Expense of actuarial (gains) and losses .....	(8,200)
e.	Amortization of past service cost .....	176
f.	Others .....	101
g.	<u>Retirement benefit expenses for defined benefit plans (a + b + c + d + e) .....</u>	<u>17,822</u>

(Note) Retirement benefit expenses for consolidated subsidiaries adopting the simplified method are included in "Service cost."

e) Remeasurements of defined benefit plans

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

(Unit: million yen)

a.	Past service cost .....	172
b.	<u>Actuarial gains (losses) .....</u>	<u>131,149</u>
c.	<u>Total .....</u>	<u>131,322</u>

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:

(Unit: million yen)

a.	Unrecognized past service cost .....	842
b.	<u>Unrecognized actuarial gains (losses) .....</u>	<u>(163,941)</u>
c.	<u>Total .....</u>	<u>(163,098)</u>

g) Pension assets

i) The main components of the pension assets

Ratios of the major assets to the total pension assets were as follows:

Stocks.....	53%
Bonds .....	26%
Asset under joint management .....	11%
Life insurance general account .....	4%
Others.....	6%
<u>Total .....</u>	<u>100%</u>

The proportion of retirement benefit trust to total pension assets that has been set for the unfunded retirement benefit plans as of March 31, 2024 was 57%.

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 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.

h) Calculation basis of actuarial gains and losses

Major assumptions of basis of actuarial calculation as of March 31, 2024 were as follows:

Discount rate.....	1.42% to 4.92%
Expected long-term rate of return	
Defined benefit corporate pension .....	1.40% to 6.75%
Employee pension trust .....	0.00%

(3) Defined Contribution Plans

Required amount of contribution to defined contribution plans of consolidated subsidiaries for the fiscal year ended March 31, 2024 was ¥3,648 million.

(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, 2024 was ¥46,101 million.

i) Funding status for the entire plan

	(Unit: million yen)
Amount of pension assets.....	93,049
Total of actuarial liability for pension financing calculation and amount of minimum policy reserve	90,531
<u>Difference .....</u>	<u>2,517</u>

ii) Percentage of contributions by the Group to the entire plan

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

iii) Percentage of contributions by the Group to the entire plan

The main factors for the difference in i) above are special reserve for pension financing calculation of ¥2,008 million and a surplus of ¥509 million for the fiscal year ended March 31, 2024.

The percentage in ii) 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.

### 34. Securities Borrowing

Securities borrowed under borrowing agreements and securities received as collateral of reinsurance transactions can be sold or pledged as collateral. As of March 31, 2024, the market value of the securities which were not sold or pledged as collateral was ¥190,320 million. None of the securities were pledged as collateral as of March 31, 2024.

### 35. Commitment Line

As of March 31, 2024, there were unused commitment line agreements, under which the Company and its consolidated subsidiaries were the lenders, of ¥236,063 million.

### 36. Subordinated Debt and Other Liabilities

As of March 31, 2024, other liabilities included subordinated debt of ¥245,000 million, whose repayment is subordinated to other obligations.

### **37. Bonds Payable**

As of March 31, 2024, bonds payable included subordinated bonds of ¥764,679 million, whose repayment is subordinated to other obligations.

### **38. 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.

(1) 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 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.

(2) 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.

(3) 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, 2024 was ¥5,755 million.

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, 2024 was 3,807 thousand shares, and the average number of stocks within the trust for the fiscal year ended March 31, 2024 was 3,817 thousand shares. 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.

### **39. Calculation of corporate and local income taxes and deferred tax accounting related to these taxes**

The Company has adopted the Group Tax Sharing System, in which the Company is the tax sharing parent company. The Company has applied the accounting treatment of corporate tax and local corporate tax, as well as applied the accounting and disclosure treatment of deferred tax accounting, in accordance with Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System (ASBJ PITF No. 42 issued on August 12, 2021).

**(NOTES TO THE CONSOLIDATED STATEMENT OF EARNINGS FOR THE FISCAL YEAR ENDED MARCH 31, 2024)**

**1. Premium and Other Income and Benefits and Claims for Consolidated Subsidiaries That Operate a Life Insurance Business in Japan**

**(1) Premium and other income (excluding reinsurance income)**

Premium and other income (excluding reinsurance income) is recorded for insurance contracts for which insurance premium has been received and the insurer's liability under the insurance contracts has commenced by the relevant amounts received.

Of premium and other income (excluding reinsurance income), the portion corresponding to the period that has yet to pass as of the end of the fiscal year is set aside as policy reserves in accordance with Article 69, Paragraph 1, Item 2 of the Ordinance for Enforcement of the Insurance Business Act.

**(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.

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.

**(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 have 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.

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

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

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

(Unit: million yen)

Premium and other income	
Income related to direct insurance contracts.....	639,069
Income related to reinsurance contracts.....	159,773
Benefits and claims	
Expenses related to direct insurance contracts.....	417,288
Expenses related to reinsurance contracts.....	167,272

**2. Net Income per Share**

Net income per share for the fiscal year ended March 31, 2024 was ¥329.68. Diluted net income per share for the same period was ¥329.60.

### 3. 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 fiscal year ended March 31, 2024 were as follows:

#### (1) Method of Grouping Assets

Real estate and other assets used for insurance business purposes are recognized as one asset group 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.

#### (2) 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.

#### (3) Breakdown of Impairment Losses

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

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

#### (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. A discount rate of 1.89% for the fiscal year ended March 31, 2024 was 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.

**(NOTES TO THE CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS FOR THE FISCAL YEAR ENDED MARCH 31, 2024)**

**1. Type and Number of Shares Outstanding**

	At the beginning of the year	Increase during the year	Decrease during the year	At the end of the year
(Unit: thousand shares)				
Common stock.....	989,888	81	37,298	952,672
Treasury stock.....	6,699	38,295	37,494	7,500

(\*1) Treasury stock at the beginning and the end of the fiscal year ended March 31, 2024, includes 3,862 thousand shares and 3,807 thousand shares held by the trust fund through the J-ESOP, respectively.

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

(\*3) The decrease of 37,298 thousand shares of outstanding common stock was due to the cancellation of treasury stock.

(\*4) The increase of 38,295 thousand shares of treasury stock was due to the purchase of treasury stock of 38,291 thousand shares, and the acquisition of restricted stock without consideration and the purchase of shares less than one unit of 3 thousand shares.

(\*5) The decrease of 37,494 thousand shares of treasury stock represents the sum of (1) 141 thousand shares due to the exercise of stock acquisition rights (stock options), (2) 55 thousand shares granted to eligible employees at retirement by the J-ESOP, and (3) 37,298 thousand shares due to the cancellation of treasury stock.

**2. Stock Acquisition Rights**

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

**3. Dividends on Common Stock**

(1) Dividends paid during the fiscal year ended March 31, 2024

Date of resolution      June 26, 2023 (at the Annual General Meeting of Shareholders)

Type of shares          Common stock

Total dividends (\*)    ¥84,554 million

Dividends per share    ¥86

Record date            March 31, 2023

Effective date          June 27, 2023

Dividend resource      Retained earnings

(\*) Total dividends did not include ¥332 million of dividends to the J-ESOP trust as the Company recognized the shares held by the trust as treasury shares.

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

Date of resolution      June 24, 2024 (at the Annual General Meeting of Shareholders to be held)

Type of shares          Common stock

Total dividends (\*)    ¥106,804 million

Dividends per share    ¥113

Record date            March 31, 2024

Effective date          June 25, 2024

Dividend resource      Retained earnings

(\*) Total dividends did not include ¥430 million of dividends to the J-ESOP trust as the Company recognized the shares held by the trust as treasury shares.

## Non-Consolidated Statement of Changes in Net Assets for the Fiscal Year Ended March 31, 2024

(Unit: million yen)

	Shareholders' equity										
	Capital stock	Capital surplus			Retained earnings					Treasury stock	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings		
						Fund for price fluctuation allowance	Reserve for specified business investment	Retained earnings brought forward			
Balance at the beginning of the year	344,074	344,074	-	344,074	5,600	65,000	200	565,669	636,469	(13,918)	1,310,700
Changes for the year											
Issuance of new shares	130	130		130							261
Dividends								(84,554)	(84,554)		(84,554)
Net income								174,396	174,396		174,396
Purchase of treasury stock										(120,000)	(120,000)
Disposal of treasury stock			(229)	(229)						485	255
Cancellation of treasury stock			(116,175)	(116,175)						116,175	-
Transfer from retained earnings to capital surplus			116,405	116,405				(116,405)	(116,405)		-
Transfer from reserve for specified business investment							(200)	200	-		-
Net changes of items other than shareholders' equity											
Total changes for the year	130	130	-	130	-	-	(200)	(26,363)	(26,563)	(3,339)	(29,641)
Balance at the end of the year	344,205	344,205	-	344,205	5,600	65,000	-	539,306	609,906	(17,258)	1,281,059

(Unit: million yen)

	Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)	Total valuation and translation adjustments		
Balance at the beginning of the year	(5)	-	(5)	483	1,311,178
Changes for the year					
Issuance of new shares					261
Dividends					(84,554)
Net income					174,396
Purchase of treasury stock					(120,000)
Disposal of treasury stock					255
Cancellation of treasury stock					-
Transfer from retained earnings to capital surplus					-
Transfer from reserve for specified business investment					-
Net changes of items other than shareholders' equity	356	502	858	(181)	677
Total changes for the year	356	502	858	(181)	(28,963)
Balance at the end of the year	351	502	853	302	1,282,215

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

**(NOTES TO SIGNIFICANT ACCOUNTING POLICIES)**

**1. Valuation Methods of Assets**

(1) Valuation Methods of Securities

Stocks of subsidiaries and affiliated companies are stated at cost determined by the moving average method.

Available-for-sale securities that are stocks with no market price, etc., are stated at cost determined by the moving average method.

Stocks with no market price, etc., are tested for impairment based on the net asset value at the end of the fiscal year. However, when there is a reasonable reason that a value other than the net asset value should be adopted as substantive value and if such a value can be reasonably determined, they are tested for impairment based on such a value instead of the net asset value. Those values other than the net asset value include one based on the future excess profitability.

(2) Valuation Methods of Derivative Transactions

Derivative transactions are reported at fair value.

**2. 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).

(2) Amortization of Intangible Fixed Assets Excluding Leased Assets

The Company uses the straight-line method for amortization of intangible fixed assets.

(3) 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.

**3. Other Basic Accounting Policies for Preparing Financial Statements**

(1) Accounting Treatment of Deferred Assets

Bond issuance expenses are amortized at equal amounts in accordance with a lapse of time over a period up to the first date when the Company may redeem the bond at its discretion.

(2) Methods for Hedge Accounting

The deferred hedge accounting method is applied to forward exchange contract for foreign currency-denominated forecasted transaction.

(3) 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 a prepaid expense and amortized equally over five years in accordance with the Enforcement Ordinance of the Corporation Tax Act, and such taxes other than deferred consumption tax are recognized as an expense when incurred.

**(ADDITIONAL INFORMATION)**

With respect to transactions granting the Company's stocks to its employees using trust schemes, notes are omitted because the same contents are stated in the consolidated financial statements.

**(NOTES TO NON-CONSOLIDATED BALANCE SHEET)**

1. Accumulated Depreciation of Tangible Fixed Assets

The accumulated depreciation of tangible fixed assets was ¥117 million.

2. Receivables from and Payables to Subsidiaries and Affiliated Companies (except for those presented separately)

	(Unit: million yen)
Short-term receivables .....	7,365
Short-term payables .....	2,538



**(NOTES TO THE NON-CONSOLIDATED STATEMENT OF EARNINGS)**

## Revenues and Expenses from Transactions with Subsidiaries and Affiliated Companies

	(Unit: million yen)
Sales revenues .....	195,553
Sales expenses .....	6,059
Non-operating revenues .....	1,033
Non-operating expenses .....	847

**(NOTES TO THE NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS)**

Class and number of treasury stock as of March 31, 2024	
Shares of common stock .....	7,500,154
(Note) The number of shares of common stock as of March 31, 2024 stated above includes 3,807,100 shares of the Company shares held by trust account under the J-ESOP.	

**(NOTES TO DEFERRED TAX ACCOUNTING)**

## 1. Major components of deferred tax assets and deferred tax liabilities

	(Unit: million yen)
Deferred tax assets:	
Stocks of subsidiaries and affiliated companies .....	511,579
Losses on valuation of securities .....	32,408
Tax losses carried forward .....	9,883
Others .....	455
Deferred tax assets (subtotal) .....	554,327
Valuation allowances pertaining to tax losses carried forward ...	(7,332)
Valuation allowances pertaining to total deductible temporary difference .....	(544,136)
Valuation allowances (subtotal).....	(551,468)
Total deferred tax assets .....	2,858
Deferred tax liabilities:	
Losses on valuation of securities .....	(1,757)
Net unrealized gains (losses) on securities .....	(155)
Deferred hedge gains (losses).....	(221)
Others.....	(2)
Total deferred tax liabilities.....	(2,136)
Deferred tax assets, net .....	722

## 2. The principal reasons for the difference between the statutory effective tax rate and the actual effective tax rate after considering deferred taxes

Statutory effective tax rate .....	30.62%
(Adjustments)	
Dividend income and other items excluded from taxable revenue .....	(32.93)%
Increase (decrease) in valuation allowances.....	1.20%
Others .....	(0.41)%
Actual effective tax rate after considering deferred taxes .....	(1.52)%

## 3. Accounting treatment for corporate tax and local corporate tax or deferred tax accounting related to these taxes

The Company adopts the group tax sharing system, in which the Company is the tax sharing parent company. The Company applies the accounting and disclosure treatment of corporate tax and local corporate tax, as well as deferred tax accounting pursuant to the Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System (ASBJ PITF No. 42 issued on August 12, 2021).

**(NOTES TO TRANSACTIONS WITH RELATED PARTIES)**

Type	Company name	Ownership (owned) percentage	Relationship	Description of transaction	Transaction amount (million yen)	Items	Balance at the end of fiscal year (million yen)
Subsidiary	The Dai-ichi Life Insurance Company, Limited	Direct ownership 100%	Interlocking directors; business administration, etc.	Payment of contribution for secondment (* 1)	4,110	Accrued expenses	251
				Lending of funds (* 2) (* 3)	-	Long-term loans receivable from subsidiaries and affiliated companies	145,600
				Receipt of interest (* 3)	1,033	Current assets Other	247
				Borrowing of funds (* 4)	290,000	Short-term loans payable to subsidiaries and affiliated companies	170,000
						Long-term loans payable to subsidiaries and affiliated companies	120,000
				Payment of interest (*4)	821	Accrued expenses	465
Repayment of borrowing	117,267	Current portion of long-term loans payable to subsidiaries and affiliated companies	7,267				
		Long-term loans payable to subsidiaries and affiliated companies	14,532				
Subsidiary	Dai-ichi Life International Holdings LLC	Direct ownership 100%	Interlocking directors, etc.	Transfer of loan receivables (* 2)	145,600	-	-
Subsidiary	DLI ASIA PACIFIC PTE. LTD.	Direct ownership 100%	Interlocking directors, etc.	Payment of business entrustment fees (* 5)	2,602	Current assets Other	729

Transaction condition and policy for determining transaction condition

(\* 1) Determined in consideration of personnel expenses of employees seconded to the Company.

(\* 2) Subordinated loan receivables from Dai-ichi Life Insurance Company, Limited held by Dai-ichi Life International Holdings LLC were transferred to the Company through a refund of investment.

(\* 3) Determined in consideration of market interest rates.

(\* 4) Determined in consideration of market interest rates. No collateral is provided.

(\* 5) Determined in accordance with business entrustment agreements.

**(NOTES TO PER SHARE INFORMATION)**

	(Unit: yen)
Net assets per share .....	1,356.27
Net income per share .....	179.24