Dai-ichi Life Holdings, Inc.

Annual Integrated Report

2021

How can we contribute to people's happiness?

While happiness may differ from person-to-person we believe that leading life in good health and being true to yourself is a common source of happiness. We also believe that protecting one's valuables and preparing for the future so that one can live with peace of mind is an important element of happiness.

Reimagining happiness

Based on such standpoint, the Dai-ichi Life Group can play a role in making people happy. For over 100 years, the Group has been helping people prepare for and deal with unlikely and unexpected life events. Going forward, we want to contribute even more to the happiness of all by helping them maintain financial security, good health, and stable relationships throughout their lives. We want to stand by our customers in any situation, and make sure that the Group upholds this obligation over next 100 years.

Our new resolve

Amid the COVID-19 pandemic, many things that had been taken for granted are no longer so. Now individuals and families are concerned about their health and living expenses more than ever. The bonds between people have changed and become fragmented.
Meanwhile, the global environment, on which our future depends, is being damaged day by day.

While staying a step ahead of these trends, all of us in the Dai-ichi Life Group are committed to changing for the better, having reflected on the relationship with our customers following a number of serious incidents of fraud occurred in recent years... the Group's management is shifting its focus from getting results to improving quality. We will explore new ways to support our customers and contribute to their happiness. And also help alleviate people's worries and create a brighter future for everyone. We will continue enhancing connections with all our stakeholders and make progress together in the years ahead.

"By your side, for life"

Contributing to the well-being of all and achieving a bright future in harmony with society in Japan and countries and regions around the world.

Mission — *By your side, for life*

Vision — *Protect and improve the well-being of all*

As a lifetime partner, we safeguard and contribute to the peace of mind, prosperity and wellness of all the people we serve.

Values — *Dai-ichi's Social Responsibility Charter*

(DSR Charter)

Brand Message — *People First*

Concept Behind the New Vision of Dai-ichi Life Group

In 2022, the Group will celebrate 120 years since its founding. We hope to continue contributing to the well-being of all , including future generations, to enable them to lead healthy and prosperous lives with peace of mind. To this end, we will stand by our customers' side even more than in the past by expanding our business in four domains of experiential values (protection, asset formation/succession, health and medical care and enhancing connections).

Our goal of well-being of all will be achieved first and foremost through a sustainable society. In recent years we have increased our efforts toward material issues related to ensuring local and social sustainability and have made achieving a sustainable society as a core part of our business operations.

Well-being of all, including future generations		Achieving a sustainable society over the next 100 years, which is essential for realizing the well-being of all
Material issues related to four experiential values		**Material issues related to ensuring local and social sustainability**

well-being

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Message From The President

We will reconnect with all stakeholders in a better manner and build a better future by contributing to the well-being of all.

Seiji Inagaki

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

Regarding the Cases of Fraud Occurred at Dai-ichi Life

Q Going forward, what policies and initiatives are you planning in response to the frauds at Dai-ichi Life?

The series of fraud by employees of Dai-ichi Life came to light recently have shaken confidence in the life insurance business we operate, and I take it very seriously as the top of management at both Dai-ichi Life and Dai-ichi Life Holdings. I sincerely apologize not only to our policyholders but also to a wider range of our stakeholders.

In response to the discovery of fraud, Dai-ichi Life has established and built up a system to eradicate the mishandling of cash. In addition, to reform awareness of all executive officers and employees and to prevent a recurrence, we have also launched a company-wide Business Management Quality Reform Task Force. We recognize that the reform of our corporate culture and character cannot be accomplished overnight. However, to regain the trust of our stakeholders and establish a new corporate culture and character, I am taking the lead in each and every initiative.

> P17: Overview of Cases of Fraud by Employees of The Dai-ichi Life Insurance Company, Limited ("Dai-ichi Life") and Status of Response

Review of the Previous Medium-Term Management Plan

Q Can you summarize the results of the previous medium-term management plan (MMP), "CONNECT 2020"?

During the three-year period from FY2018 to FY2020, covered by CONNECT 2020, we worked to improve customers' quality of life and to solve social issues. In addition, to fulfill our role as an insurance provider amid the spread of COVID-19, we of course continued to promptly pay insurance claims and provided various services such as applying accidental death benefits to death and severe disability caused by COVID-19, deferring insurance premium payments, and opening consulting services for customers regarding infectious disease. Moreover, we took on the challenge from both growth and discipline aspects by expanding our domestic and overseas business foundations, responding to digitalization, and establishing risk-reduction policies.

With regard to the quantitative targets, the Group further strengthened its three growth engines, namely the domestic life insurance business, the overseas life insurance business, and the asset management business, in light of changes in the surrounding environment, such as the rapid diversification of

■ **Group Key Performance Indicators (KPIs) and Results under "CONNECT 2020"**

	Indicators (Group Based)		Objectives and Goals	FY2018 Results	FY2019 Results	FY2020 Results
Objectives (Quantitative)	Accounting Profit	Adjusted Profit	Around ¥250bn (FY2020)	¥236.3bn	¥274.5bn	¥282.8bn
	Future Profit (Economic Value)	Value of New Business	Around ¥230bn (FY2020)	¥197.4bn	¥150.3bn	¥112.6bn
Medium- to Long-term Goals	Capital Efficiency	Average EV Growth (ROEV)	8% Average Growth	(0.6%)	(2.8%)	8.6% (3 year avg.)
	Financial Soundness	Solvency Ratio (Economic Value)	170% to 200% Range	169%	195%	203%

lifestyles that was accelerated by the spread of COVID-19 and changes in the economic and financial markets. As a result, in the initial two years, accounting profit and financial soundness indicators progressed steadily, although future profit and capital efficiency indicators were below targets due to financial market fluctuations.

However, in FY2020, the final fiscal year of the plan, we fell far short of our targets for the future profit indicator due to the impact of prolonged low interest rates and self-restraint of sales activities due to the spread of COVID-19 in Japan. On the other hand, as a result of accelerating risk reduction from the perspective of both assets and liabilities, which are not simply extensions of the conventional approach, the financial soundness indicator reached its medium- to long-term goal. In addition, accounting profit and the capital efficiency targets were achieved mainly due to the recovery in the market environment. However, the earnings structure, which is sensitive to financial market fluctuations, remained a challenge.

> P25: Group History Since Demutualization

Formulation of a New MMP and Group Vision

Q Please tell us about the background and intent behind the name of the new MMP, Re-connect 2023.

Our aim, under our new MMP, Re-connect 2023, is to use those three years from FY2021 to FY2023 to steadily realize the reforms we have initiated in response to various changes in the business environment. To this end, all executive officers and employees are expected to share the same values and reinforce their combined efforts. At the same time, we must review our existing approaches to all stakeholders, including policyholders, shareholders, investors, and business partners. "Re-connect" refers to these powerful ideas.

For example, with regard to connections with policyholders, there is a growing need for contactless and remote services due to the spread of COVID-19. With the decline in opportunities for face-to-face interaction with customers, Dai-ichi Life's major issue is how to leverage its long-standing strength of face-to-face consulting. Moreover, although Dai-ichi Life says it puts the customer first, customer satisfaction at Dai-ichi Life remains at the middle of the industry level. We recognize that further improvement of customer satisfaction, including restoration of trust lost due to the frauds, is a major issue. In addition, we also need to fundamentally reexamine the links between the company and the employees who are responsible for customer contact, including the aforementioned reforms to our corporate culture and character.

The same applies to our approach to capital markets. Since Dai-ichi Life Holdings was listed on the stock market, our stock price has not gone above a relatively low market valuation. One of the main factors behind this is the high cost of capital, which is attributable to the large amount of market risk to cover high assumed rate of return on legacy policies. I believe it is necessary to have firm resolution to formulate countermeasures to address this issue.

Q How do you view the relationship of your business with society and the environment?

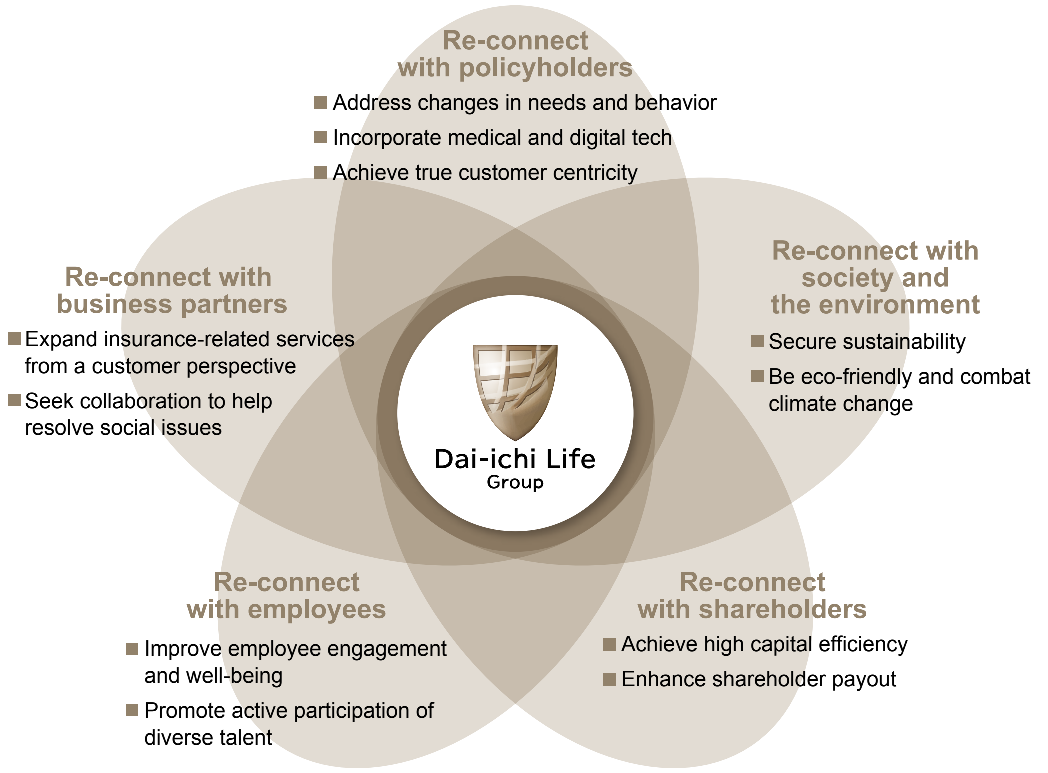
As we aim to re-connect with a diverse range of stakeholders through our business, being in harmony with society and the environment is indispensable. The economic growth model that has supported the development of humanity to date has become unsustainable globally, and it has brought about various social issues as shown in the SDGs, such as climate change, loss of biodiversity, and social fragmentation due to economic disparities. In addition, movements are emerging around the world to actively work on resolving these social issues and realizing a sustainable future society.

This awareness and these actions are particularly noticeable among the millennial and the Generation Z, who were born in the 1980s and later. While they play a central role in consumption and production, they are highly conscious of global sustainability, and great many of them think from this perspective about the products they purchase and the companies they work for. Amid these changes in social awareness, it is important for a company to be recognized as a company that contributes to both social and environmental sustainability. In addition, thorough transparency of business management is also necessary for this.

As French writer Saint-Exupéry said, "We do not inherit the Earth from our ancestors; we borrow it from our children," I myself strongly believe that we must not pass the cost of our growth on to our children's generations. When formulating the new MMP, we backcasted from the desired future of a sustainable society, which is the foundation of our business, and clearly stated that we will extend our efforts, more than ever before, to resolve material issues relating to the sustainability of society and the global environment.

> P19: Value Creation Process
> P27: New Medium-Term Management Plan Overview of Re-connect 2023

Our Approach to Stakeholders

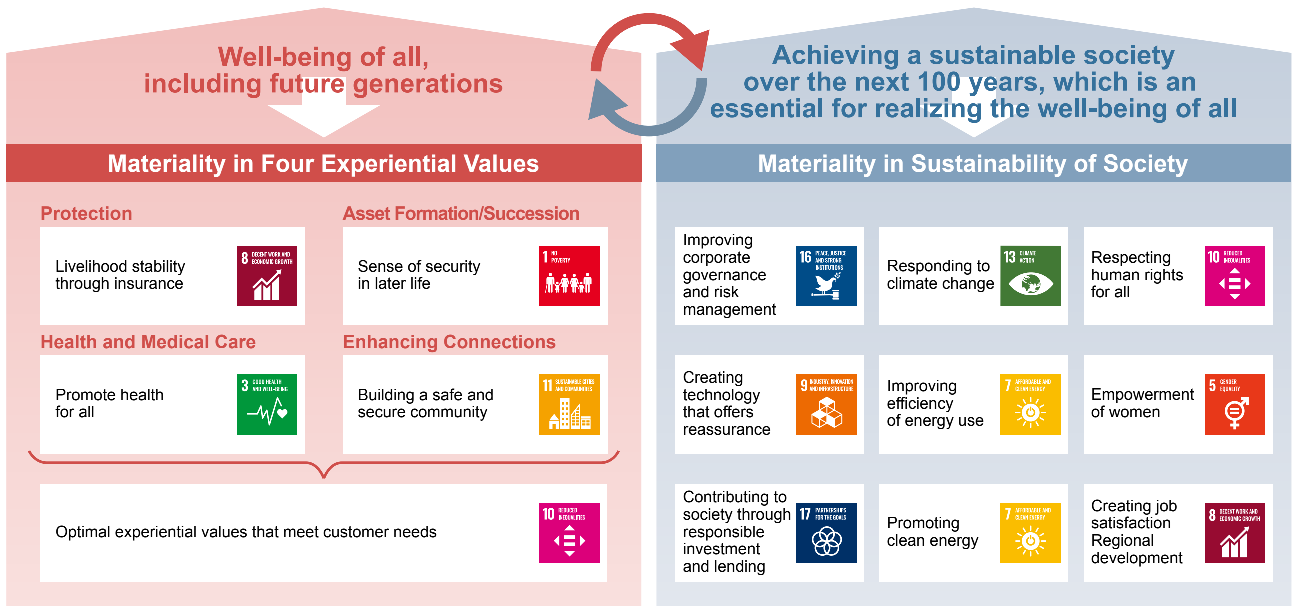


New Group Vision

Protect and improve the well-being of all

As a lifetime partner, we safeguard and contribute to the peace of mind, prosperity and wellness of all the people we serve.

Our Material Issues (Materiality)



Q Can you explain the background and intent behind the formulation of the new Group Vision?

In the previous MMP, we stated that through business development we should aim for improving people's quality of life. To redefine the term in a way that can resonate with as many people as possible, the new group vision of "Protect and improve the well-being of all" was decided during repeated discussions on the formulation of the new MMP from June last year.

Here the "well-being" refers to the total value we provide, such as peace of mind, wealth, and health. It also means "to live a safe, prosperous, and healthy life, and to be in a happy state." In this sense, I believe well-being is consistent with our desire to contribute to the happiness sought by each of our customers.

"Protect and improve" also embodies our desire to stand by our customers' side even more than in the past. Our group has an enormous amount of medical data and knowledge accumulated through many years of experience, in addition to strengths such as diverse customer contact points in nine countries, including Japan. Based on this new Group vision, we will leverage our Group strengths to contribute to the well-being of all people and the realization of a sustainable society.

> P5: Group Mission / Contents

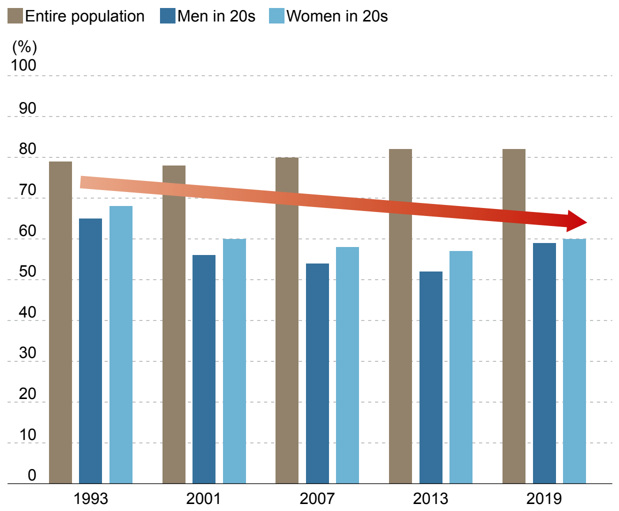
Q What would be your focus points for business development?

Under the previous MMP, we captured business domains by sales channel, which is the business partner of each operating company. In other words, we formulated business plans from the perspective of the insurance provider, that is to say, how to develop products and services for customers at the end of each sales channel. In the new plan, we changed our approach to classifying our business domains based on customer value (= experiential value), which is a major difference from the past. Going forward, we will consider our business strategy from the perspective of how to increase each experiential value.

The first experiential value is protection. While the social importance of private protection is increasing because the Japanese public security system by itself has limitations as a preparation for unexpected events. Nevertheless, insurance coverage among young people remains low. Elimination of this protection gap (the difference between the protection needed and the actual protection amount) is a major issue, particularly among the younger generation

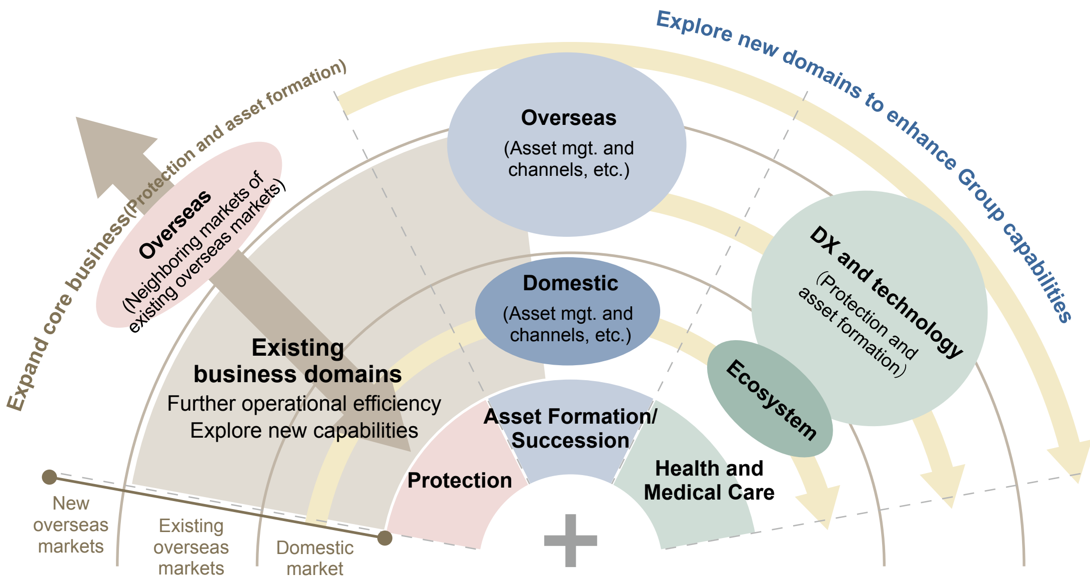
> P33: Protection

■ Life insurance coverage among population in 20s



Source: "Survey on Life Insurance Coverage," Japan Institute of Life Insurance

■ Our Business Domains to Expand and Explore



The second is asset formation/succession. While the low interest rate environment continues globally, average life expectancy is growing, and concern about securing funds for life in old age is heightening in this so-called "the 100-year life era." To prepare for this longevity risk, so to speak, providing a solid means of asset management is also an important mission.

> P35: Asset Formation/Succession

The third is health and medical care. Medical technology has evolved, but the gap between average life expectancy and healthy life span has not narrowed. Our mission is also to do as much as possible to contribute to enhancing the life span of our customers during which they are healthy and self-reliant, that is, to extend the healthy life span.

> P37: Health and Medical Care

The last is enhancing connections. Amid changes in the social structure, such as the increasing number of nuclear families and the rapid increase in single-person households, the power of approximately 40,000 sales representatives spreading across approximately 1,300 offices in Japan is enormous when creating bonds and ties with local communities. In particular, I believe that social ties and human connections are fundamental conditions for achieving well-being.

Q Can you also share your approach to the business portfolio?

In terms of our business portfolio strategy, I think that promoting ambidextrous management, management that combines expanding and exploring, in accordance with the growth stage and maturity of each business is fundamental.

In terms of expanding, we will pursue providing the best experiential value, particularly in mature domestic businesses. And we have a CX Design Strategy that will be at the heart of this effort. We recognize that not only rational values, such as the functions and prices of products and services, but also the marketing concept of customer experience (CX) that emphasizes emotional value in each phase, such as prior to purchase, using the product or service, and follow-up after purchase, is important in the life insurance.

Rational values are easy to commoditize. In particular, millennials and younger generations, also called digital natives, make full use of digital technologies to collect information from the internet and other sources when purchasing goods. These changes in consumer behavior have eliminated the past asymmetry of information between buyers and sellers, and the commoditization of products is proceeding in a variety of industries.

Life insurance is no exception. Originally, life insurance was an area in which asymmetry of information existed because of products that require complex expertise, but it is now becoming increasingly difficult to differentiate ourselves simply by providing rational values. The CX Design Strategy aims to boost and differentiate the overall value of the customer experience by adding emotional value to the conventional rational values. By delivering experiences and impressions that exceed expectations at all customer contact points, we will increase the number of fans and lead to business growth.

Q Can you share with us a little more about the CX Design Strategy?

It may seem like something new when you hear the term CX but, in fact, life insurance a customer signs up for is the result of various CX. For example, each of Total Life Plan Designers at Dai-ichi Life have met with customers and encourage them to think about things that are rarely thought about in their daily life, such as unlikely tragic events and longevity risk. This delivers emotional value and builds trust with the customer, and then Dai-ichi Life has built its corporate brand. However, the way we have done this work to date has inherent limitations: the quality and level of value delivered to our customers depends very much on the experience and skill of the individual sales representative.

The CX Design Strategy aims to provide unprecedented experiential value by establishing online customer contact points and merging the conventional "offline" (the physical, face-to-face channel), one of our strengths, with it. While being constantly connected with customers online to provide experiential value on a daily basis, we will leverage our offline strengths at important points, such as consulting on life plan design and final confirmation. In this way, we will realize our Group-wide concept of Online Merges with Offline (OMO), which will enable us to provide what customers want, when they want it in a natural manner.

The foundation of this strategy will be a CX Design System. This system will unify the vast amount of information assets dispersed within the Group, and then accumulate and analyze a variety of unstructured data*, such as customer preferences and behavior. In addition, we will integrate the products and service menus traditionally been provided separately by each group company, or by each customer contact point, such as sales representatives and contact centers, into a single communication interface. We anticipate expanding functionality after the system becomes operational, and adding products and services of domestic group companies and content of business partners as needed.

> P29: CX Design Strategy

* We aim to act from the customer's point of view and deliver experiential values that exceeds expectations. We will do this by accumulating and analyzing data about the customer's preferences and behavior, or reflecting the comments as received from the customer at various contact points, not just customer data accumulated to maintain and manage the insurance contract such as age and family composition. This will be done to deepen our understanding of our customers going forward.

Q Other than the CX Design Strategy, how will you utilize digital technology?

A major feature of digital technology is that it facilitates quick adaptation to diverse needs. In this sense, digitalization will become a catalyst that will cause a variety of changes in the game.

In April 2021, the Dai-ichi Smart Small-amount and Short-term Insurance Company, Limited, a completely online insurance company, commenced operations as our fourth domestic insurance vehicle. This company has launched a new product called "Special Infectious Diseases Insurance," which covers COVID-19 and other diseases. Premiums for this product are adjusted every 3 months depending on the prevalence of infectious diseases. Such agile adjustments were unthinkable for Dai-ichi Life products, but new entity can respond quickly without significant costs as a digitally integrated company, and therefore, it is possible to offer the product broadly through online tie-ups with various companies.

As in this case, through digitalization it will become possible for businesses to respond in a finely tuned manner that could not have been realized until now. In addition, the use of AI enables us to forecast future healthcare costs and enhance our ability to underwrite insurance for people suffering from specific diseases based on the analysis of past data. As such, I anticipate that digitalization will become an important tool for changing the game.

Based on this belief, we have positioned digitalization, including investment in human capital with data science and related expertise, as one of the priority investment areas in our new MMP, too. In addition to actively developing human capital internally and recruiting mid-career specialists with immediately deployable capabilities, we will actively develop collaborations with external players with skills and capabilities in the digitalization area that are not available in our Group, such as the collaboration with DeNA we announced in June.

> P31: Feature: Exploring the acquisition of new organizational capability

Currently, customer acceptance of remote communication is increasing due to the spread of COVID-19, and the environment is conducive to advancing service transformation through digitalization, so we intend to further accelerate it.

> P43: Driving Innovation

Q What kind of initiatives will you pursue in the area of "exploring" for growth?

To realize sustainable growth as a Group, we will focus on "exploration" aimed at augmenting our business domains in parallel with "expansion" of existing core businesses. Specifically, we are strengthening our efforts to develop new products and services in the domains of health and medical care and asset formation/succession. We do not intend to proceed with all of these efforts on our own. Our policy is to enhance innovative organizational capabilities by making flexible use of various ways of doing business based on circumstances, such as collaborating with external companies and key experts who have unique knowledge, know-how and strengths in each area, or strengthening investments in such companies.

Based on this thought, we have established an organizational unit within the Group with the mission of fostering innovation. At the same time, we are further strengthening our efforts to identify domestic and overseas startups, develop systems for strategic investment in such companies, and collaborate with organizations and institutions that have specialized knowledge and ideas. As a result of our exploration to date, we have launched new businesses that contribute to solving social issues, such as Healstep (pronounced "HealthStep"), a service that helps health insurance associations to streamline and control healthcare costs, and a health support app by our group company QOLead, which provides healthcare services.

> P38: Feature: Medical cost control support service for health insurance associations

Q How will you enhance the customer's experiential value?

In enhancing the customer's experiential value, the most important thing is to take the customer's perspective. In this sense, I think we need to be keenly aware of the Group's brand message: people first. This brand message was established at the time of demutualization in 2010, and I feel that it is really the time to think deeply about what this means.

The more experience people, including myself, accumulate, the more reflexive their judgments and actions regarding things become. Based on one's past experiences, people tend to think and act without thinking deeply, and just think "this is done this way." However, to create new value, it is important to stop and think again. I often use the phrase "know your customer as your customer knows himself/herself," referring to the importance of putting yourself in your customer's shoes. This is not limited to employees in the sales department, but is required of all employees. Each employee should be able to provide the best experiential value by not only enhancing the expertise of each division, but also by putting themselves in the customer's shoes.

Now that individual values are becoming increasingly diverse, if we collect data and continue to manage by taking averages, there is the risk that, we will only be able to provide products and services that do not resonate with anyone. We cannot provide products and services that resonate with customer without truly putting on the customer's shoes, which is to say, without sincerely thinking "people first." The importance of thinking from the viewpoint of the other person is the same for the colleagues and business partners we work with. Respecting diversity and accepting diverse values is a requirement for corporate growth.

In this age, when forecasting is becoming difficult , and diverse values and needs are existing, there will be a decisive difference between a company that thinks seriously and thoroughly about each customer and a company that does not. Our entire group will work together to be sincerely and truly a company that thinks "people first."

In addition, we believe that changing management values from a focus on quantity to an emphasis on quality is an important point to enhance experiential value. We will change our conventional mindset, which is focused on new business volume, the number of new Total Life Plan Designers and other quantitative factors, and once again be keenly aware that customer satisfaction is the ultimate goal we should pursue. Of course, the pursuit of quantitative goals is important for corporate growth, but it must come after the quality, and that order must not be changed.

In the digital age, quantity may increase discontinuously as quality improves. That's exactly what the CX Design Strategy aims for. If we improve the quality of the experiential value we provide and customers recognize and highly evaluate it, then sales volume should increase by itself. Going forward, what can be done by utilizing digital tools will be handled by digital tools, and people will focus on refining four experiential values and thoroughly improve quality.

Q How do you evaluate the current state of overseas operations and what future developments can we expect?

In FY2020 our overseas operations had temporary difficulties due to the impact of COVID-19, but each company is working to return to a growth trajectory.

At Protective in the U.S., we sought to improve customer convenience through online insurance claims settlement and other means, while acquiring an insurance company that handles non-life insurance and distributes its products and services under the Revolos brand. In addition, the strengthening of our business foundation continued even amid spread of COVID-19, as evidenced by the full-scale contribution of profits from the Great West insurance policies that we acquired in the past. At TAL in Australia, the surrender and lapse rates were favorable and new business remained solid. Although there was a deterioration in insurance revenue at some group insurance policies, the impact was limited and insurance premium rates were upwardly revised in the second half of the fiscal year. Also, companies operating in emerging markets in Asia are moving forward with digitalization and working to ensure and improve customer convenience amid the spread of COVID-19.

> P41: Feature: Utilization of digital technologies in the Group

Under the new MMP, we will continue to position the overseas business as the driver of the Group's growth. We will assess the growth stages of our business in each market and promote portfolio strategies accordingly. We will pursue sustainable earnings growth and capital efficiency in excess of cost of capital by simultaneously pursuing 3 basic strategies in a balanced manner: 1) stable growth and contributions to earnings at an early stage is expected from the U.S. and Australian businesses; 2) expanding business in emerging Asian markets which are expected to have high growth and contribution to earnings over the medium- to long-term and super-long-term; and 3) incorporating innovative business models in preparation for future changes in the competitive environment.

At the same time, we will accelerate the establishment of a global management framework. Through the Global Leaders Committee (GLC), which is composed of the management of overseas companies and Japanese executive officers mostly from Dai-ichi Life Holdings, we will support the evolution of overseas Group companies so that they can participate in group management more proactively, which will lead to the utilization of global expertise and the sophistication of management.

> P39: Overseas Business Strategy

Strengthening Human Capital

Q Can you talk about your measures to develop human capital?

Amid the increasingly rapid changes in the business environment, we believe that human capital is the most important management resource for transforming the company in response to these changes. To support customers' well-being and give them a valuable customer experience, it is a prerequisite to secure the well-being of each and every employee who acts in that role. I believe that we should be a company where all employees can feel that they are working in fulfilling jobs, which in turn leads to their own growth.

Dai-ichi Life's Employee Satisfaction (ES) survey shows that back-office employees and Total Life Plan Designers say that too often present tasks cannot be handled with their current knowledge and experience alone. It shows that there are not a few employees suffering from a burden of work due to lacking knowledge and experience. To address this issue, in addition to career support and cross-organizational cooperation systems, we plan to expand our flexible training system utilizing online methods. We will also focus on promoting diversity and inclusion, and supporting diverse work styles. Furthermore, in line with the promotion of the CX Design Strategy, we will promote operational efficiency through the use of digital technologies and position human capital in ways that will lead to expanding opportunities for individual growth and maximizing capabilities. I believe that there is absolutely nothing one can't overcome if he/she has the desire and courage to try a new job.

> P63: Human Capital Management Strategies
> P66: Diversity and Inclusion

Through these initiatives, we will create an environment in which employees can work energetically, connect with colleagues, and share knowledge and ideas to create synergies. By doing so, we will ensure the well-being of each and every employee and connect this to realizing customers' well-being. At the same time, under the new Group Vision, we will drastically reform our corporate culture to foster a new organizational atmosphere in which all employees can unite. We recognize that we cannot strengthen and reform our corporate culture and human capital overnight, but we are going to tackle this task with determination.

Financial Strategies

Q Can you also tell us about your financial and capital strategies?

Since our listing in 2010, we have successfully implemented a number of growth strategies, primarily overseas expansion, under an Enterprise Risk Management framework. However, our current stock price is not necessarily at a satisfactory level. When viewed in terms of stock price, we are not highly regarded by our shareholders and investors, and as top management I take this fact seriously.

Given the high market sensitivity of our stock price and other factors, we recognize that the cost of capital expected by the market has risen from 8% at the time of our listing to 10% currently. In light of this, in the new MMP we aim to grow earnings by raising capital efficiency, rather than simply increasing profits. The ultimate goal is to break away from an undervalued stock price by stably achieving capital productivity that exceeds the cost of capital. To this end, we will accelerate risk-reduction initiatives, revamp shareholder payout policies, and improve the level of IR disclosures and our dialogue with the market.

To build a financial position that is less sensitive to market fluctuations, it is necessary to reduce the ratio of equity holdings, which are subject to large price fluctuations. On the other hand, there is also the problem that, for example, domestic government bonds alone do not generate sufficient returns to cover the high assumed rate of return. To address this issue, we have recently been implementing structural reforms on the liability side by ceding the block of legacy policies with high assumed rate of return, to outside reinsurance companies. The reform takes time because of the terms and conditions of the reinsurance transactions, but through this measure we are accelerating the resolution of this issue.

I definitely want to achieve capital productivity in excess of the cost of capital. I hope that our decision to repurchase up to 200-billion-yen worth of shares, announced in March 2021, shows the capital market my commitment to financial transformation. Of course, we will not be able to achieve sustainable profit growth if we do not make our business itself a growth model. To this end, we will firmly implement the various measures outlined in our MMP.

> P45: Capital Management Policies and ERM

Initiatives for Sustainability

Q Can you explain your sustainability initiatives?

As mentioned earlier, the new MMP positions achieving harmony with society and the environment as a major premise of our business activities. Until now, our Group has participated in various initiatives aimed at ensuring the sustainability of society, starting with climate change countermeasures. We have not only contributed to resolving social issues as a corporate citizen, but also actively promoted contributions through ESG investments as an institutional investor.

We believe that it is not against our fiduciary responsibility to use the insurance premiums that policyholders pay for the benefit of the next generation, their children, for investment that contributes to the realization of a sustainable society. Going forward, not as an enforced obligation, but as our business' intent, we will continue and further expand our investment in companies and businesses that contribute to the realization of a sustainable society, such as investments that promote the realization of a decarbonized society and the utilization of renewable energy.

> P59: Feature: ESG Investment by Dai-ichi Life

As part of this effort, Dai-ichi Life became the first Asian institutional investor to join the Net Zero Asset Owner Alliance in February 2021. The Alliance is an international initiative of institutional investors with the shared goal of shifting to a portfolio of net-zero CO_2 emissions by 2050. Based on the guidelines published by the alliance, the Group set an high goal of 25% reduction of CO_2 emissions from publicly traded equities, corporate bonds, and real estate investees by 2025, compared to the end of March 2020.

> P53: Climate Change Initiatives — Response to TCFD

Group-wide efforts as well as a super-long-term perspective are important for sustainability issues. Previously, Dai-ichi Life, the Group's core operating company, was the focus of our activities. From now on, we intend to develop initiatives that are unique and involve domestic and overseas Group companies, with our eyes set on a sustainable society 100 years from now, from the 3 perspectives of initiatives in asset management, initiatives through the core life insurance business, and initiatives by employees. To this end, it is important to foster the awareness of the approximately 70,000 people in the Group and change their behavior. At a meeting held in April, the CEOs of Group companies gathered together, and I gave the message: "Let's get everyone with the same awareness of sustainability." While Group company CEOs already have a very high level of awareness, going forward we intend to roll out initiatives with a greater sense of unity, such as by setting common Group targets.

> P51: Sustainability

To Our Stakeholders

Q Finally, do you have any message for stakeholders?

When launching a new initiative, there is always the opinion that if one thing is started, something else isn't started. There have often been discussions about such trade-offs in the management of our group as well. For example, "if we seek only quality, volume will decline," or "we have to sacrifice the present to gain in future," or "which stakeholder's interest do we pursue, this one or that one?" However, I am worried that we will not move forward as long as we keep thinking about such trade-offs. Climate change and other environmental issues are definitely problems for us who are alive now. The concept of Creating Shared Value (CSV), which pursues economic value and social value simultaneously, is becoming the mainstream of corporate management.

For the younger generation, in particular, "trade-off" is becoming a kind of unacceptable word, a word they cannot identify with. Many of them are strongly committed to "trade-on" values, those of sharing abilities and money, such as crowdfunding, charity and fundraising activities, and volunteering, in order to build a better future. Likewise, I believe that insurance is the ultimate sharing business, and it is important for us to have the younger generations empathize with us by having highly transparent management.

Trade-on values are also consistent with the recent concept of "stakeholder capitalism." We believe that all of the stakeholders around a company, such as customers, shareholders and investors, business partners, and employees, are communities that are indispensable to us. Under the new MMP, we will strengthen our connections with all of our stakeholders without trading off the interests of one stakeholder for the benefit of another.

The name of Japan's new era, Reiwa, means beautiful harmony. Sustainable corporate management truly means aiming for beautiful harmony with all stakeholders. I think this is the foundation of management strategy in the Reiwa era. But, the "optimal balance" for achieving beautiful harmony cannot be solved with a simple equation. The optimal balance changes dynamically depending on the trends of the times and the state of the corporation, and pursuing the solution is an endless journey. However, I believe that this is the essence of corporate management.

In the spring of this year, we conducted a survey of all Dai-ichi Life employees and received responses from 43,000 of our approximately 55,000 employees. Partly due to the discovery of fraud, many comments in the free opinion field were tough, such as "connections across divisions are weak," "communication with executive officers and general managers is bad," and "it is difficult to give feedback to top sales representatives." On the other hand, about 90% of our employees expressed their understanding of the Group's philosophy of "customer first", "By your side, for life" and "The best rather than the largest." That is very encouraging for me, and I am renewing my determination to push forward with gradual reforms, tenaciously, to meet their hopes and expectations.

We will continue to engage in dialogue with all of our stakeholders, and the entire management team will continue to take on challenges while receiving a variety of opinions and advice. I look forward to your continued and wholehearted support.

Overview of Cases of Fraud by Employees of The Dai-ichi Life Insurance Company, Limited ("Dai-ichi Life") and Status of Response

Since fiscal 2020, a total of seven cases of fraud by employees of Dai-ichi Life have come to light. We would like to express our sincere apologies for the inconvenience and concern caused to the affected customers, policyholders, shareholders and other stakeholders. As a financial institution and a life insurance company, we take very seriously the fact that we have caused a series of frauds and have shaken the confidence in our life insurance business. In order to eradicate frauds, we, the holding company will continue to monitor the status of Dai-ichi Life's efforts to improve and enhance its systems, and will strive to regain the trust of the public.

1. Incidents That Occurred (as October 2020 to July 2021)

Period of action	Total amount of damage/number of people or cases	Summary
June 2002 to April 2020	Approx. 1,951 million yen/24 people	Fraudulent acquisition of money by offering fictitious financial transactions (Yamaguchi Prefecture)
January 2017 to October 2020	Approx. 59.9 million yen/24 people	Fraudulent acquisition of money paid into a customer's account by performing procedures related to a contract without the customer's permission (Wakayama Prefecture)
April 2019 to August 2019	Approx. 8.6 million yen/3 people	Fraudulent acquisition of money by offering fictitious financial transactions (Fukuoka Prefecture)
January 2020 to October 2020	Approx. 5 million yen/4 people	Fraudulent acquisition of money by seeking refunds of loans to policyholders that were never lent (Kanagawa Prefecture)
December 2014 to May 2020	Approx. 52.3 million yen/5 cases	Fraudulent acquisition of money by performing false administrative procedures for contracts that had not been claimed after the due date and were subject to the statute of limitations (administrative divisions)
April 2012 to December 2018	Approx. 6.5 million yen/3 people	Fraudulent acquisition of money as initial insurance premiums for fictitious insurance contract procedures (Hokkaido Prefecture)
August 2011 to August 2020	Approx. 48.3 million yen/8 people	Fraudulent acquisition of money by offering fictitious financial transactions (Nagano Prefecture)

2. Measures to Prevent Recurrence

In order to prevent similar incidents from occurring in the future, to regain the trust of customers and other stakeholders, and to establish a new corporate culture, Dai-ichi Life has launched the Business Management Quality Reform Task Force led by the President, and is implementing the following three main initiatives.

(1) General Inspection to Ensure That There Are no Similar Frauds

Dai-ichi Life will continue a general inspection to sincerely address the affected customers as a company and conduct a comprehensive check to see if there are any other similar cases of financial damage.

- In fiscal 2020, based on the incidents that have occurred to date, it first focused on confirming high-risk contracts with the potential for similar tactics, and have completed confirmation through individual notices and outbound calls for a total of approximately 610,000 contracts with outstanding policyholder loans, etc.
- In fiscal 2021, for the purpose of alerting customers and ensuring comprehensiveness, it expanded the scope of risk-focused confirmation to include contracts with no withdrawal history but a certain amount can be withdrawn, and have completed investigations for approximately 670,000 contracts.
- In addition, from May 2021, in order to confirm all policyholders, it has enclosed a notice in the Total Life Plan Report asking for confirmation and reminding policyholders. It is planning to complete the confirmation and reminder of 8 million cases by December by enclosing a notice in the Total Life Plan Report.

(2) Improvement and Enhancement of the System to Eradicate Fraud (to be Implemented in Fiscal 2020)

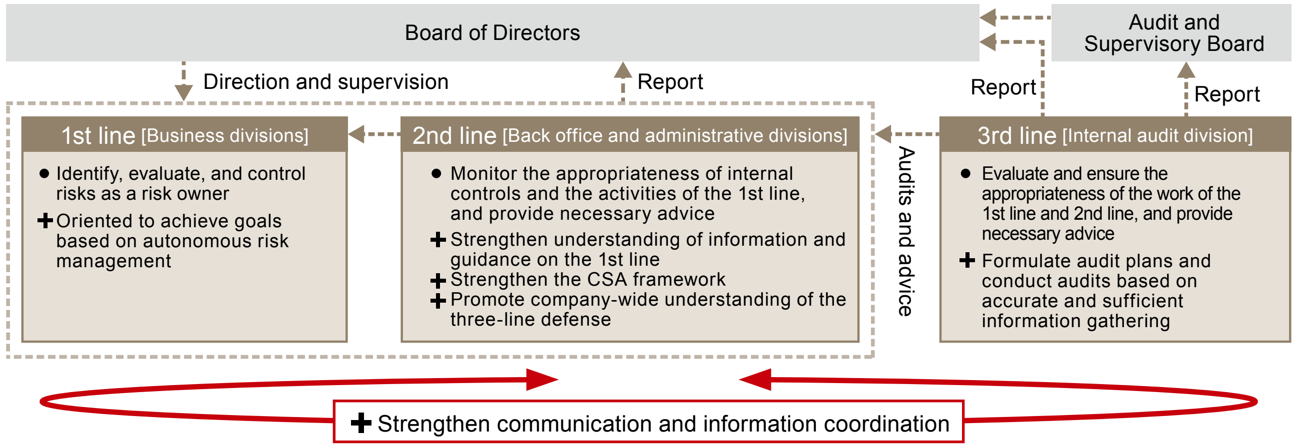
Dai-ichi Life recognizes that there are multiple causes for the occurrence of the series of incidents, and is implementing the following measures to prevent recurrence for each of them.

(1) Inadequate system to uniformly prohibit direct money transfers from customers
- Establish administrative procedures that prohibit its employees from receiving money directly from customers
- Confirmation that no money is received through compliance checks and daily self-checks

(2) Insufficient reminders that employees cannot handle cash, etc.
- In addition to the confirmation in the Total Life Plan Report, indication on the Dai-ichi Life's website and on the forms for requesting various types of withdrawals that "our employees cannot directly receive money from customers"
- Addition of a new question to the customer questionnaire that is filled in during procedures that asks customers to understand that there is no direct transfer of money from customers to employees of Dai-ichi Life

(3) Insufficient confirmation of the status of daily activities and understanding of predictive signs
- In addition to establishing a new organization to collect and analyze information related to compliance risks, expansion of the scope of monitoring that was previously conducted
- In order to establish a method to monitor the status of business activities of all sales representatives in a timely manner, take measures to introduce a system that enables the timely monitoring and management of sales representatives activities

Strengthening of the three-line defense at Dai-ichi Life



Through these efforts, Dai-ichi Life will further improve and enhance its internal control system to eradicate fraud (by reinforcing the autonomous risk control functions of business units and the check-and-balance functions of the compliance and internal audit divisions) and strengthen its three-line defense. The Company, as the holding company, will also closely monitor the efforts of Dai-ichi Life to address these issues and the status of improvement based on the opinions and advice of external experts and internal investigations, and will duly recognize the existence of issues in the operation of the internal control system for the management of the entire Group and will manage them appropriately.

(3) Reform of the Corporate Culture and Structure that Led to the Fraud

In the background of the series of fraud cases, Dai-ichi Life recognizes that there were problems with the corporate culture and structure itself, such as the fostering of a sense of privilege among sales representatives who handle the contracts of many customers, and the sense of reticence among its employees toward the top performers. Accordingly, in order to drastically reform these issues, it has started the following initiatives.

(1) Implementation of questionnaire for all employees
In January 2021, Dai-ichi Life conducted a questionnaire for all employees regarding the issues and ideal state of the organization. The issues identified in the questionnaire are also used in town hall meetings.

(2) Holding town hall meetings (dialogue between management and employees)
Starting in May 2021, Dai-ichi Life plans to hold a total of 56 town hall meetings with the management team for all employees. These meetings provide an opportunity to engage in open and frank dialogue and gather opinions on such issues as whether the corporate culture is diverging from the common sense of the world and whether there are any points where it is inward-looking rather than customer-oriented.

Dai-ichi Life recognizes that reforming the corporate culture and structure is not something that can be accomplished overnight, but requires a long-lasting effort. In the future, it will continue to implement and realize each of the initiatives in the Business Management Quality Reform Task Force, and take continuous action from a medium-to long-term perspective while implementing the PDCA cycle.

3. Approach to Management Responsibility

In each of the cases, while one of the causes was the actors' lack of awareness of ethics and compliance with laws and regulations, we also believe that the systems in place were insufficient to prevent damage to customers, including insufficient rules on money transfers and inadequate management and supervision of sales representatives.

To investigate the cause of the Yamaguchi Prefecture case and to determine the responsibility of the officers and employees, Dai-ichi Life had the case investigated and assessed by an external lawyer who has no vested interest in the Group, in order to ensure the perspective of a third party. In addition, the Audit and Supervisory Board of Dai-ichi Life and the Audit & Supervisory Committee of the Company, for which the majority of the members are outside members/directors, monitor in detail the appropriateness of the investigation and evaluation processes conducted by the executive officers and the relevant outside lawyers.

Based on these results, the responsibilities of the executive officers in charge of the divisions were clarified and their remuneration is reduced, and executive officers, including the Chairman and President, voluntarily returned their remuneration. In addition, Dai-ichi Life and the Company's current executive officers and above are also taking this matter seriously and will reduce their remuneration uniformly.

Value Creation Process

Dai-ichi Life Group hopes to continue contributing to the well-being of all people into the future, regardless of generation, to enable them to lead healthy and prosperous lives with peace of mind. To this end, we will apply our collective strengths to creating four experiential values and ensuring local and societal sustainability through its business.

Creating Four Experiential Values through Our Business

Material Issues (Materiality)	Specific Social Issues (Sustainability Issues)
8 DECENT WORK AND ECONOMIC GROWTH — Livelihood stability through insurance	**Elimination of the protection gap** Japan: • Low insurance coverage rate in younger generation (currently 60%) • Insufficient amount of insurance among working age population on average by ¥10 million Overseas: • 1.7 billion people have difficulty accessing financial services mainly in developing countries (insurance penetration is also low)
1 NO POVERTY — Sense of security in later life in the 100-year Life Society	**Extending asset longevity** Japan: • Approx. 70% of people anxious about living expenses later in life • Improving financial literacy urgent issue *Approx. 60% of people have no plan for living expenses later in life *Only 20-30% of people have experienced purchasing risk assets Among these experienced, approx. 20% have insufficient knowledge about products
3 GOOD HEALTH AND WELL-BEING — Promote health for all	**Extension of healthy lifespan** Japan: • Increase in number of patients with chronic diseases (approx. 10 million with high blood pressure; approx. 3 million with diabetes) • Approx. half of population indifferent to health (insufficient exercise and lack of will to exercise) Overseas: • Maintenance of health to help reduce economic burden
11 SUSTAINABLE CITIES AND COMMUNITIES — Building a safe and secure community	**Enhancement of mental well-being** Japan and Overseas: • Social connection is the most significant predictor of longevity Japan: • Approx. 30% of people lack connections in their local community • Approx. 30% or more people anxious about future of their local community (lack of/decreased successor, transportation, and employment)
10 REDUCED INEQUALITIES — Optimal experiential values that meet customer needs	**Improve customer loyalty**

Business Strategy (Japan/Overseas)

▶ p29
▶ p39

Strengthening response to diverse values/lifestyles throughout society

Material Issues (Materiality)	Specific Social Issues (Sustainability Issues)
13 CLIMATE ACTION — Responding to climate change 7 AFFORDABLE AND CLEAN ENERGY — Improving efficiency of energy use Promoting clean energy	**Mitigating irreversible environmental changes due to global warming** Japan/Overseas: • Future temperature rise due to global warming: Maximum 4.8°C (forecast) **Promotion/establishment of new energy system** Japan: • Over 80% reliance on fossil fuels for energy
5 GENDER EQUALITY — Empowerment of women 16 PEACE, JUSTICE AND STRONG INSTITUTIONS — Improving corporate governance and risk management	**Improving diversity of human resources as a Japanese corporation based on global standards** Japan: • Japan's ranking on Global Gender Gap Index (2021) was 120 out of 156 countries • Percentage of female directors of listed companies: approx. 6%
10 REDUCED INEQUALITIES — Respecting human rights for all 8 DECENT WORK AND ECONOMIC GROWTH — Creating job satisfaction	**Improving job satisfaction regardless of age or occupation** Japan: • Approximately half (47%) of people not satisfied in current job • Percentage of non-regular employees: approx. 40%
17 PARTNERSHIPS FOR THE GOALS — Contributing to the development of society through responsible investment and lending 8 DECENT WORK AND ECONOMIC GROWTH — Regional development	**Contributing to innovation through investment and lending** Japan/Overseas: • Urgent need to develop industries/technologies for sustainable society **Securing sustainability of local communities** Japan: • Labor shortages and stagnation of industry due to depopulation in regions • Issues due to urbanization (weakening of communities, waiting lists for nurseries, etc.) • Deterioration of social infrastructure

Sustainability measures

▶ p51

Human Capital and Diversity Strategy
Strategic personnel placement and maximizing potential of each employee to support business model transformation
▶ p63

Capital/Financial Strategy
Improve financial standing and disciplined capital management
▶ p45

Corporate Governance
Continuous evolution of Group governance based on changes in business environment in Japan and overseas
▶ p69

Achieving well-being of all

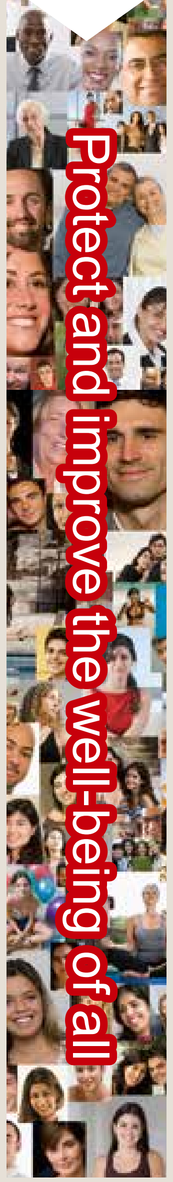
	Medium-term Goal (Dai-ichi Life Group)	Long-term Goal (Society)
Protection ▶ p33	• Creating experiential values for customers, including young people and working-age population · Review of processes related to customer touch points · Provision of topmost protection · Improving life design	• Reduction of protection gap in young people and working-age populations • Improve access to financial services (in countries where we operate)
Asset formation/ Succession ▶ p35	• Asset formation/Succession over the lifetime of customers (both physical and digital)	• Extending asset longevity for all • Improving financial literacy
Health and Medical Care ▶ p37	• Improving the health age of customers of all ages (aiming health age to be younger than actual age)	• Extension of healthy life expectancy of all (Japanese government target: extend by three years by 2040 (compared to 2016))
Enhancing Connections	• Participate in well-being initiatives through our business around Japan	• Improve well-being across Japan

• Improve NPS®*1 of domestic group companies and TAL
• Improve NPS®*1 of Group companies (including overseas companies)

Achieving a sustainable society over the next 100 years

	Medium-term Goal (Dai-ichi Life Group)	Long-term Goal (Society)
Environment ▶ p53	**Achieve carbon neutral to ensure the sustainability of the global environment** • Reduction in Group carbon emissions (Scope 1+2): 50% by FY2025 • Reduction in greenhouse gas emissions of investment portfolio*2:25% by 2025 *Targets of Group carbon emission reduction is compared to emissions in FY2019; investment portfolio emission reduction is compared to emissions as of the end of March 2020)	• Reduction in Group carbon emissions (Scope 1+2): 100% by FY2040 • Reduction in greenhouse gas emissions of investment portfolio*2:100% by 2050 • Achieve decarbonized society through new products and services
People ▶ p66	**Maximize the potential of each individual to realize the success of a diverse people** • Percentage of female department managers and heads by FY2023: 30% • Promote increased employment of mid-career and foreign employees	• Achieve diversity in managerial positions • Increase the percentage of female directors and executive officers
Society ▶ p59	**Expand investment and lending that contribute to creating a positive social impact** • Promoting ESG investments in Group companies	• Expand ESG investments

Achieve the Group Vision
▶ p5



*1 NPS® is a registered trademark of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.
*2 Includes listed stock, publicly offered corporate bonds and real estate

Management Resources Supporting Contribution to well-being

We will contribute to achieving well-being for all based on the strengths cultivated since our establishment - diverse talent, know-how and intellectual capital, a strong brand, and a strong financial position.

Human Capital

Diverse human capital responsible for creating experiential values to achieve well-being of all

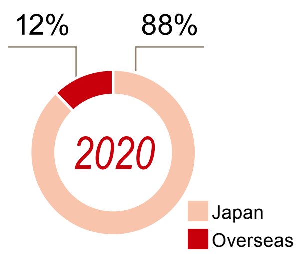
We aim to expand our talent pool by securing more diverse, innovative and resilient talent in future while ensuring the quantity of human capital needed to fully support our customers in each country we operate.

Group Employees **Approx. 70,000**

Overseas Group Employees **Approx. 10,000**

Sales representative (Japan) **Approx. 40,000**

Composition of Employees (As of Mar. 2021)



Diversity percentage (Japan)*1 **Approx. 22%**

*1 Percentage of non-"new graduate recruits, Japanese nationals and male" employee within administrative personnel in managerial positions

Mid-career recruits as a percentage of all new hires (FY 2020; Japan) **Approx. 30%**

Number of employees with disabilities (Japan) **Approx. 1,000**

High expertise and extensive experience to support creation of experiential values

In addition to continuing to secure talent with expertise to lead in the insurance field, we aim to nurture and expand our talent pool of highly skilled and experienced human capital to take the lead in driving greater innovation and expanding our business overseas and into health and medical care.

MDRT*2 Members **Japan 186 Overseas 162**
Deep knowledge and experience in the field of life insurance and financial services

Number of qualified actuaries **113**
Knowledge and experience in actuarial work
Number of full members of The Institute of Actuaries of Japan

Number of qualified CMAs (securities analysts) **600**
Knowledge and experience in asset management
Number of employees who passed Level II
The Securities Analysts Association of Japan exam

Number of employees with experience working in overseas businesses/sites **492**
Knowledge and experience in overseas insurance business

Other specialists **56**
Knowledge and experience related to IT, data science, legal affairs, taxation (Japan)

*2. Founded in 1927, Million Dollar Round Table (MDRT), The Premier Association of Financial Professionals®, is a global, independent association of more than 66,000 of the world's leading life insurance and financial services professionals from more than 500 companies in 72 nations and territories. MDRT members demonstrate exceptional professional knowledge, strict ethical conduct and outstanding client service. MDRT membership is recognized internationally as the standard of excellence in the life insurance and financial services business. For more information, please visit mdrt.org.

Financial Capital

A strong financial position sufficient to accept risks

While maintaining and securing a strong financial position sufficient to underwrite life insurance risks, we aim to achieve a high level of capital efficiency with a strong capital position as a prerequisite through sound dialogue with capital markets.

Financial soundness indicators

Economic solvency ratio **203%**

Consolidated solvency margin ratio **958.5%**

Corporate value indicator

European embedded value (EEV) **Approx. ¥6.9trillion**

Capital efficiency indicator

Return on embedded value (ROEV; average over last three years) **8.6%**

Connections with shareholders

Number of shareholders **Approx. 750,000**

Number of meetings held with investors (FY 2020) **171**

Ratings information*3

Rating & Investment Information Inc. (R&I)	AA-	Insurance Claims Paying Ability
Japan Credit Rating Agency, Ltd. (JCR)	AA-	Ability to Pay Insurance Claims
Standard & Poor's (S&P)	A+	Insurer Financial Strength Rating
Fitch Ratings, Inc.	A+	Insurer Financial Strength (IFS) Ratings

*3. Dai-ichi Life's rating as of the end of June 2021. Ratings are the opinion of the rating agency and are not a guarantee by the ratings company of payments of insurance benefits and claims. Also, the rating can be changed in the future by the rating agency.

Social and Relationship Capital

Deep and diverse relationships with stakeholders around the world

We will increase the sustainability of our business through "qualitative" improvements in social and relationship capital-that goes beyond the "quantitative" one cultivated so far, through our business activities -such as striving for greater customer satisfaction and contributing to solve social issues.

Strong customer base

Japan

Number of customers **Approx. 11.5million**

Corporate customers **Approx. 160,000**

U.S.A. No. of policies in force **Approx.11.7million**

Australia No. of customers **Approx. 4.5million**

Vietnam No. of policies in force **Approx. 1.28million**

Value proposition to customers

Insurance benefits and claims paid (consolidated) **¥5trillion**

Partnerships as an institutional investor

Companies engaged with (FY 2020) **248**

Evaluation of Dai-ichi Life's stewardship activities

A+ Signatory of: PRI Principles for Responsible Investment

Dai-ichi Life was rated A+, the highest rating possible, in an assessment of stewardship activities by the Principles for Responsible Investment (PRI) Secretariat (FY 2020). PRI is an international standard for responsible investment put forward by the United Nations.

Diverse alliances

MIZUHO, SOMPO JAPAN, Aflac, RESONA, JP INSURANCE かんぽ生命, DeNA HEALTHCARE, IBJ, FORVAL, つながりは、いつもここに 鎌倉新書 Kamakura Shinsho

Industry-academia alliance for innovation **6universities**

Local Cooperation Agreements Concluded in Japan (Dai-ichi Life) **All 47prefectures in Japan**

Intellectual Capital

We will work to increase added value and improve business efficiency in four domains of experiential values by proactively utilizing new technologies while making the most of the knowledge we have cultivated in the insurance industry over many years.

More than a century of history in the insurance industry

一生涯のパートナー 第一生命 Dai-ichi Life Group	Protective	TAL
1902-	1907-	1869-

Acquisition cases by Protective Life (M&A expertise and experience) **58deals**

Sizable amount of medical big data

Approx.1.3billion data records (anonymous data)

Utilization and implementation of innovations

Increasing process efficiencies through robotic process automation (RPA) (Cumulative total at Dai-ichi Life up to FY 2020)

Approx. 300,000hours 850processes

Natural Capital

As the current generation, fulfilling our duty to future generations

Maintaining the global environment and mitigating climate change through our business

Ensuring sustainability underpins everything we do as a Group that is striving for the well-being of all. To this end, we are strengthening our efforts to maintain natural capital, including the global environment.

Material Issues of the Dai-ichi Life Group

The Dai-ichi Life Group selected the following material social issues it will focus on to contribute to achieving the well-being of all. Specifically, we evaluated the priority and importance of the social issues the Group should tackle in the context of: (i) stakeholder expectations; (ii) affinity with the Group's philosophy and/or vision; and (iii) direction of business activities, and incorporated initiatives to tackle these social issues into the business strategy in the medium-term management plan, Re-connect 2023.

Selection Process for Material Issues

Step 1
Identifying and organizing social issues

- In order to study the priority and importance of the social issues to be tackled more specifically, we grouped the 17 goals and 169 targets of the SDGs according to their purposes, and came up with the 50 social issues as shown in Reference (1)

Reference (1) 50 Social Issue Themes

SDG					
1 No Poverty	Eradicating poverty	Respecting property rights			
2 Zero Hunger	Sustainable food production	Supplying safe and nutritionally adequate food	Fair and stable agricultural product transactions		
3 Good Health and Well-being	Safe pregnancy and childbirth	Preventing disease and infectious disease	Preventing drug and alcohol addiction	Reducing the number of people killed and injured in traffic accidents	Providing fair and high quality medical care and welfare
4 Quality Education	Providing high quality schools and vocational education	Providing education that promotes sustainable development			
5 Gender Equality	Ending gender discrimination and violence	Strengthening women's skills and social advancement			
6 Clean Water and Sanitation	Supplying water stably	Providing a sanitary environment	Preventing water pollution		
7 Affordable and Clean Energy	Supplying energy stably	Promoting clean energy	Improving efficiency of energy usage		
8 Decent Work and Economic Growth	Protecting workers' rights	Promoting sustainable economic growth	Regional development	Access to banks, insurance, and financial services	
9 Industry, Innovation and Infrastructure	Establishing public infrastructure	Creating and developing sustainable industries	Supporting R&D and innovation		
10 Reduced Inequalities	Eliminating inequality based on personal attributes	Establishing and implementing fair international rules			
11 Sustainable Cities and Communities	Providing safe and affordable housing and urban infrastructure	Protecting cultural and natural heritage	Reducing damage due to disasters	Reducing impact of air pollution	Promoting connections between urban and surrounding areas
12 Responsible Consumption and Production	Using natural resources sustainably	Reducing food loss	Reducing industrial waste		
13 Climate Action	Responding to climate change and global warming				
14 Life Below Water	Preventing marine pollution	Protecting marine and coastal ecosystems			
15 Life on Land	Protecting forests and soil	Protecting biodiversity			
16 Peace, Justice and Strong Institutions	Eradicating violence, crime, and terrorism	Promoting equal access to justice	Realizing fair and transparent lawmaking and government	Ensuring dissemination of information and access to information	Improving corporate governance and risk management
17 Partnerships for the Goals	Aiding developing countries and supporting economic development	Building a fair multi-lateral trade system	Building systems for macro-economic stability		

Toward Realization of the SDGs

The Dai-ichi Life Group will continue fulfilling our mission, "By your side, for life," going forward, by providing products and services that help to improve peoples' quality of life and thereby contributing to the realization of the SDGs. Specifically, in addition to economic protection, which is the traditional role of insurance, we will aim to increase the unique value provided by the Group that goes beyond the conventional insurance business model, such as promoting health and preventing illnesses from becoming serious, and aim to solve social issues such as extending asset longevity and healthy lifespans. Additionally, Dai-ichi Life will strive to realize the SDGs by proactively engaging in ESG investment as a responsible institutional investor and solving social issues around the world and in Japan.

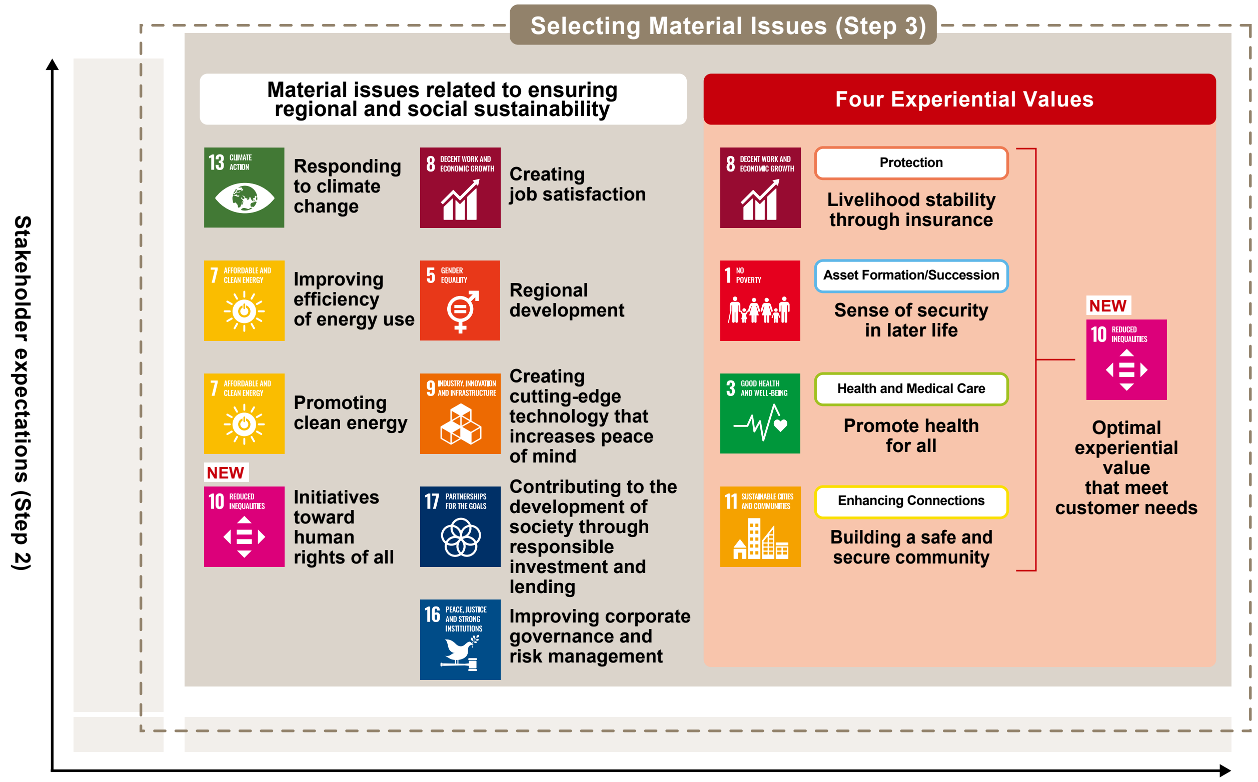
SUSTAINABLE DEVELOPMENT GOALS

Step 2
Evaluating Priority Level and Importance Level

- We ranked the priority level of the 50 social issues based on the expectations of stakeholders, including international organizations, bodies that formulate guidelines*1, NGOs, rating agencies that provide ESG information to investors*2, and industry groups.
  *1 ISO, GRI, SASB, etc.
  *2 MSCI ESG Indexes, FTSE4Good Index Series, etc.
- We ranked the importance level based on the social issues that insurance companies are tackling in Japan and overseas.

Step 3
Selecting Material Issues

- We identified material issues for an insurance company and incorporated relevance to Group philosophy and contribution to improving well-being of all people in to organize the positioning and expression of the individual material issues. Reference (2)
- After engaging in dialogue with outside experts, we selected 14 material issues.



Reference (2) Factors with a Big Impact on Life Satisfaction

The results of a survey on what has an impact on life satisfaction conducted by Japan's Cabinet Office listed seven factors with a big impact on satisfaction levels. Four of these factors are related to Asset Formation/Succession, Health and Medical Care, and Enhancing Connections. The Dai-ichi Life Group believes that working to improve these factors will pave the way to improving quality of life.

Factors that Impact Overall Subjective Satisfaction

Source: First Report and Second Report on the Survey on Satisfaction and Quality of Life (n = 10,293), Cabinet Office, 2019, processed by Dai-ichi Life Holdings

Group History Since Demutualization

History of Medium-term Management Plans

Return to Growth Trajectory | Towards Making Greater Advances and Achieving Sustainable Growth | Pursuing Organic Growth at Each Business Based on the Global Business Foundations

Value up 2010 (2008-2010)

Securing fundamentals for growth and completion of public listing

Achievements

Overcame financial instability (global financial crisis) and achieved demutualization and public listing in April 2010

Strengthened initiatives for third sector products and savings-type products as growth areas in Japan and promoted overseas expansion into Asia-Pacific region

Issues

Strengthening of financial foundation appropriate to a listed company; improvement of capital efficiency; establishment of internal risk control system

Success 110 (2011-2012)

Achieving Growth and Rebuilding

Achievements

After the Great East Japan Earthquake (2011), contributed to the rebuilding and growth of Japan through reliable payment of insurance benefits and various special measures to fulfill a role as a life insurance company

Improved efficiency of operating expenses through task force for optimizing and streamlining of business

Issues

Response to intensification of competition in Japanese market; acceleration of overseas expansion; ensuring financial soundness as a global insurance group

Action D (2013-2014)

Towards making greater advances

Achievements

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

Established a great foothold for expanding profit contribution from overseas business by acquisition of Protective in U.S.A.

Issues

New strategy for achieving sustainable growth; expansion of business foundations; sufficient capital position for upcoming international regulations; enhancement of shareholder returns

D-Ambitious (2015-2017)

Achieving sustainable value creation

Achievements

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

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

Accelerated overseas business expansion and expanded profit contribution

Issues

Achieving cash flow management appropriate to a holding company structure; strengthening ERM with a view to prolonged low-interest market conditions

CONNECT 2020 (2018-2020)

Towards growth through contribution to improving QOL

Achievements

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

Maintained growth in overseas business; achieved medium- to long-term target levels of financial soundness mainly through market risk reduction initiatives

Issues

- Business strategy and operation truly focused on customers
- Response to rapid and accelerated changes in society
- Improvement of business efficiency and overcoming low capital efficiency
- Globalization of Group operations

Timeline

	Initiatives Before Demutualization	Demutualization, Public Listing / 2010	2015	2020
Organizational Structure and Governance		•2010 New foundation as a listed company •2011 Introduced share remuneration-type stock options •2013 Established Advisory Board •2014 •Established Standards for the Independence of outside directors •Established the Internal Control Policy for the Dai-ichi Life Group •Commenced self-assessment of the effectiveness of the Board of Directors	•2015 •Established regional headquarters companies •Established a Basic Corporate Governance Policy •2016 •Transitioned to a holding company structure •Transitioned to a company with an Audit & Supervisory Committee (Dai-ichi Life Holdings) •Commenced self-assessment of the effectiveness of the Audit & Supervisory Committee •2017 Commenced self-assessment of the effectiveness of the Nominations Advisory Committee and Remuneration Advisory Committee •2018 Introduced a restricted stock remuneration scheme	•2020 Transitioned to governance structure whereby the Chairman of the Board of Directors does not serve concurrently as Representative Director, whose role as presiding officer of the Board of Directors is oversight of Company management
Enhancing Sustainability	•1998 Efforts to improve quality of management •2002 Full-scale integrated risk management •2005 CSR-based management	•2011 •Established environmental targets •DSR management •2014 •Implemented capital increase through public offering •Stewardship activities	•2015 Implemented InsTech •2018 •Incorporated sustainable development goals (SDGs) into the Medium-term Management Plan "CONNECT 2020" •Established QOLead (healthcare and services toward senior citizens) •Established Dai-ichi Life Innovation Lab	•2020 Set and announced various targets towards achieving carbon neutrality by 2050
Domestic Life Insurance Business	•1902 Established Dai-ichi Mutual Life •2006 Established Dai-ichi Frontier Life	•2014 Neo First Life commenced business Building and evolving a multi-brand/multi-channel system → Further enhancing insurance products and services to address diversifying customer needs →	Providing value aimed at contribution to improving quality of life →	•2020 Established Dai-ichi Smart Small-amount and Short-term Insurance
Overseas Life Insurance Business	•2007 Vietnam: Dai-ichi Life Vietnam became a subsidiary •2008 Thailand: Acquired share of OCEAN LIFE India: Established Star Union Dai-ichi Life Australia: Acquired share of Tower Australia Group Limited	•2011 Australia: Tower Australia Group Limited became a subsidiary (currently TAL Group) •2013 Indonesia: Acquired share of Panin Life (currently Panin Dai-ichi Life) Expanding profit contribution from overseas life insurance business → Expanding business into Asia-Pacific region →	•2015 U.S.A. Protective became a Subsidiary •2019 Dai-ichi Life Cambodia commenced business Expanding into countries in the early-stages of growth →	•2020 Dai-ichi Life Myanmar commenced business
Other Businesses	•1990s Strengthening of management based on integrated asset and liability management (ALM) •1999 Launched DIAM	•2012 Acquired share of Janus Capital Group Inc. Pursuing synergies in Group asset management capabilities → Expanding into overseas asset management business →	•2016 Launched Asset Management One • Integrated DIAM and investment trust asset management subsidiaries of Mizuho Financial Group •2017 Launched Janus Henderson Group plc • Integrated Janus Capital Group Inc. and Henderson Group plc	•2020 Dissolved capital ties, while also strengthening business partnership, with Janus Henderson Group plc

New Medium-Term Management Plan: Overview of Re-connect 2023

The new medium-term management plan, Re-connect 2023, revisits our approach to stakeholders - to meet their expectations - based on the achievements of the previous medium-term plan and current management challenges. Further, Re-connect 2023 strives for sustainable growth through four key initiatives - Domestic Business Strategy, Overseas Business Strategy, Finance/Capital Management Strategy, Sustainability & Business Foundation.

Achievements of Previous Management Plan

Creation and provision of products and services that meet customer needs
- Promoted initiatives towards improving customer QOL and solving social issues
- Promoted innovation and progressed in digitalization

Expansion of domestic and global business foundations
- Transformation to domestic business framework with three life insurance companies (multi-brand and multi-channel)
- Expansion of overseas business in both developed and developing countries

Progress in reduction of market risk
- Reduced interest rate risk and reduced holdings of domestic equities
- Achieved medium- to long-term target range of economic solvency margin ratio

Stabilization of operation of holding company
- Operated holding company with disciplined capital allocation and improved governance

Management Challenges

Business strategy and operation truly focused on customers
- Challenges related to corporate culture and systems following the serious misconduct that resulted in loss of customer trust
- Transformation of channels for a customer centric approach

Response to rapid and accelerated changes in society
- Impact of accelerating digitalization (DX) after COVID-19
- Response to deepened and diversified customer needs and sustainability

Improvement of business efficiency and overcoming low capital efficiency
- Securing capacity to respond to changes through improved business productivity
- Reduction in cost of capital and improvement of capital efficiency

Globalization of Group management
- Advancement of Group management in line with higher proportion of overseas business

New Medium-Term Management Plan — Re-connect 2023

Concept
- Revisit our approach to stakeholders and re-engage
- Harmonize values to transform with a stronger bond among all employees

Stakeholders: Policyholders, Business Partners, Society and Environment, Employees, Shareholders

Key Initiatives

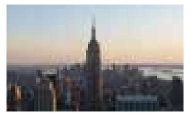
Domestic Business — Expand existing business while exploring for opportunities beyond insurance


Domestic business model transformation and CX boost by leveraging four experiential values


Structural reform of the sales representative channel and raise efficiency

CX Design Strategy ▶ p29
Protection ▶ p33
Asset formation/Succession ▶ p35
Health and Medical Care ▶ p37

Overseas Business — Build a business portfolio that drives growth


Increase profits in existing markets and further drive business


Leverage DX to increase CX and further enhance operational efficiency

Overseas Business Strategy ▶ p39
Feature: Utilization of digital technologies ▶ p41

Driving innovation ▶ p43

Financial/Capital Management Strategies — Improve financial standing and disciplined capital management


Drastically improve capital efficiency by mainly reducing market related risks


Strike a balance between disciplined capital allocation and strong shareholder payouts

Capital Management Policies and ERM ▶ p45

Sustainability & Business Foundation — Create a universally bright future by fulfilling our part in enhancing sustainability


Drive initiatives for carbon neutral


Group human capital strategy and group governance to support business foundation

Sustainability ▶ p51
Human Capital/Diversity ▶ p63
Corporate Governance ▶ p69

■Key Performance Indicators (KPIs) of the Group

	Item	Medium-Term (FY2023) Target Level	Long-Term Direction
Capital Efficiency (Accounting Profit)	Adjusted ROE	approx. 8%	approx. 9% (around FY2026)
Capital Efficiency (Economic Value)	ROEV	Medium- to Long-Term Target: approx. average 8% (around FY2026)	
Risk Profile Reform	Market Risk Reduction (Interest rate risk and equity risk vs March 31, 2021)	Risk Reduction of ¥560bn (equivalent to approx.20% of market risk as of March 31, 2021)	Additional Risk Reduction of ¥260bn (Total of approx. ¥820bn from March 31, 2021 to FY 2026)
Financial Soundness (Economic Value)	Economic Solvency Ratio (ESR)	Maintain a stable level of 170% to 200% in the long-term Reduction of sensitivity to financial market	
Market Evaluation	Relative Total Shareholder Return (TSR)	Build a relative advantage in comparison with 10 domestic and overseas competitors	
Profit Indicator	Adjusted Profit	Expected Range approx. ¥250bn to ¥280bn	

■Domestic Business KPIs

	Item	Target
Improve Customer Satisfaction	Net Promoter Score (NPS®) Number of Customers	NPS® for Dai-ichi Life: Top Level in Japan Total No. of Customers: approx. 12mn (by FY 2026 for all above targets)
Improve productivity	Fixed Cost Reduction Optimize Talent Placement	Reduction (Dai-ichi Life): reduce by approx.¥30bn Strategic Personnel Shift: around 3,100 ppl. (by FY 2026 for all above targets)

*The FY 2023 target levels and long-term directions are assuming the economic environment and other factors will not deviate significantly from the current (March 31, 2021) level

*NPS® is a registered trademark of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.

New Group Vision

Protect and improve the well-being of all

- Realize well-being of all
- Achieve a sustainable society over the next 100 years

CX Design Strategy

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

Mamoru Akashi
Director, Managing Executive Officer

The spread of COVID-19 has highlighted the importance of having a safeguard against an uncertain future. In this sense, we believe that the expected role for life insurance will become increasingly large. And value differentiation based only on high-quality products and services is becoming difficult amid such social trends as increasingly diversifying customer values and behavior, rise of the digital-native generation, and growing influence of information communicated over social media.

In the coming era, we believe it will be necessary to focus on the value of a series of customer experiences gained through products and services, including an emotional satisfaction, in addition to the value that those products and services provide.

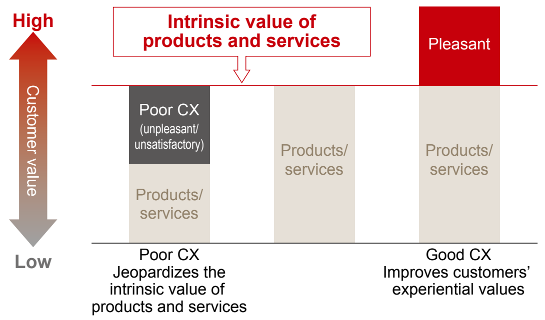
Alongside constructing a modern-day business model based on digitalization, Dai-ichi Life Group will deliver the very best experiential values and CX by forming an even deeper understanding of each customer and a meticulous grasp of increasingly diverse values and customer needs.

External environment

Growing awareness of preparedness for the future amid the spread of COVID-19 and other factors	Diversifying customer values	The rise of millennials and Generation Z (demographic changes)

What does "CX" refer to?

We define "CX" as the psychological and emotional value that customers experience through all points of contact with Dai-ichi Life Group. Focusing on CX enables us to address the improvement of value received by customers that goes beyond enhancing the value of products and services. It also leads to the identification and improvement of CX issues that could jeopardize the value of those products and services.

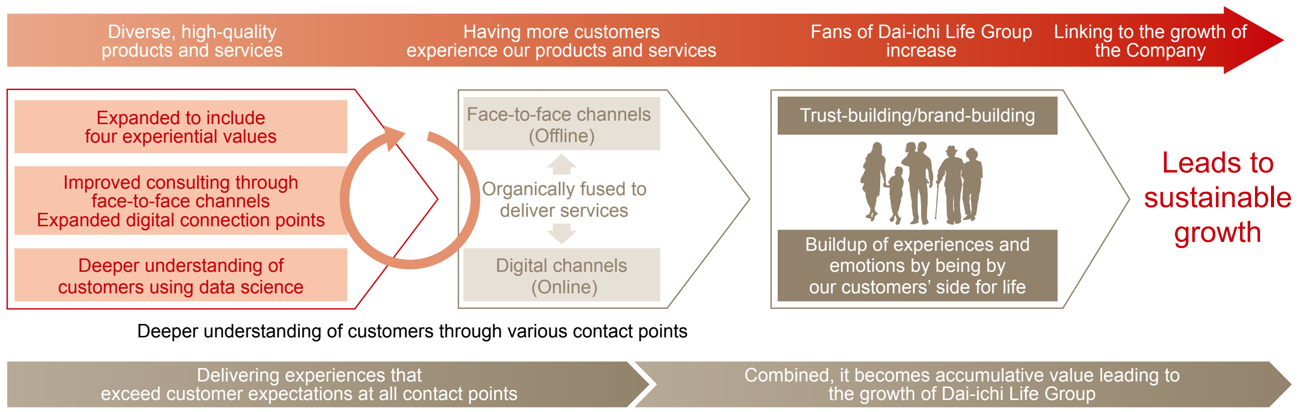


Source of diagram: "CX strategy: Experience value management that links to the customer's mind" by Tetsuo Tanaka, Nomura Research Institute. Published by Toyo Keizai Inc., September 14, 2018.

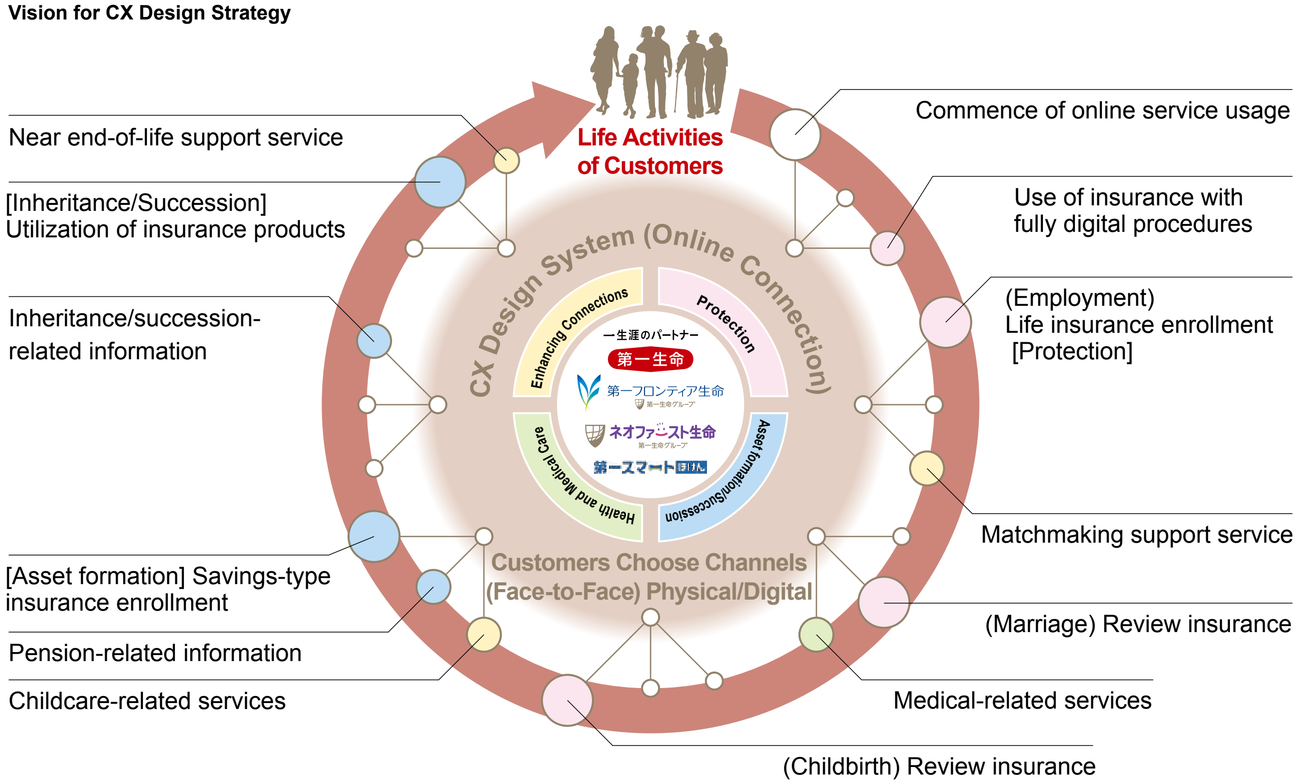
CX Design Strategy: Overview

In our domestic life insurance business, we will proceed to deliver four types of experiential values, namely protection, asset formation/succession, health and medical care, and enhancing connections, to address increasingly prominent social issues. By having our customers routinely experience this experiential values and emotions that exceed their expectations, we will increase fans of Dai-ichi Life Group that would lead to our sustainable growth. That is the state that we seek to realize under our CX Design Strategy. Our "CX Design System," which we are currently building with the aim to launch in fiscal 2022, is what will form the foundation of that strategy. This system will offer informative content related to four experiential values and an interface enabling communication with our customers. After launching the system, we will continue to successively enhance its functionality, expanding the value with non-insurance related content from our business partners in addition to content on insurance products and services from our domestic Group companies. Additionally, through diverse customer contact points over physical and digital platforms, we will deepen our understanding of each customer while utilizing technology to provide an optimal, high-quality CX as we move forward. Through our CX Design System, while leveraging the strengths of our "offline" face-to-face channels, we will proceed to unite our customer contact points by fusing those channels with their "online" counterparts, and realize a form of "OMO" (Online Merges with Offline) that enables our customers to use what they want, when they want it in a natural manner.

CX Design Strategy Process



Vision for CX Design Strategy



Special Feature:
Exploring the Acquisition of New Organizational Capability

The Challenge of Co-creation of New Customer Experiences and Resolution of Social Issues through a Strategic Business Partnership

Dai-ichi Life Holdings × DeNA HEALTHCARE

In June 2021, Dai-ichi Life Holdings announced that it entered a business partnership with DeNA Co., Ltd. (hereinafter DeNA), which utilizes internet to develop a diverse array of businesses. We sat down with Sho Segawa, Executive Officer and Deputy Head of the Healthcare Business Unit at DeNA, and Kentaro Tanaka from our Marketing Strategy Unit to discuss the background of our recent partnership and future prospects.

Sho Segawa
Executive Officer, Deputy Head of the Healthcare Business Unit
DeNA Co., Ltd.

Kentaro Tanaka
General Manager, Marketing Strategy Unit
Dai-ichi Life Holdings, Inc.

Offering customers experiences that exceed their expectations through a fusion of face-to-face and digital channels

Tanaka: While we had a connection with DeNA from before, it became deeper through the "Blue Star Project" that aimed to improve the rate of women undergoing cervical cancer examinations. Dai-ichi Life joined this project, which was being executed by DeNA and Roche Diagnostics K.K., in 2020. Given the fact that Dai-ichi Life Group endeavors to improve the quality of life of its customers, we felt a strong resonance with DeNA's corporate philosophy of "We delight people beyond their wildest dreams" and its position on social issues, and become a project sponsor.

Segawa: Originally, DeNA grew rapidly as a result of its games business. In recent years, however, we have also been focused on reinforcing our businesses that lead to the resolution of social issues. In line with that, it has become increasingly important for us to expand our points of contact in physical domains in addition to our preexisting virtual domains. Under the "Blue Star Project," by collaborating with members of different businesses with face-to-face contact points such as Dai-ichi Life, we had positive outcomes such as an increase in followers on our official social media accounts and higher awareness of cervical cancer examinations. I myself have a first-hand sense of how a fusion of online and offline channels enables the provision of high value-added.

Tanaka: Under the medium-term management plan of Dai-ichi Life Group, we cited the resolution of various issues to realize a sustainable society and contribute to the well-being of all as our goal, and aim to expand our business domains beyond insurance. A key initiative forming a part of that process is "the fusion of face-to-face and digital" capabilities. By building modern-day service processes, we intend to provide experiences and emotions that exceed expectations at all customer contact points, and contribute to the realization of people's well-being. To that end, we need to think through what "true customer expectations" are completely from the customer's perspective. At DeNA as a corporation that has engaged in the repeated development of services from a user standpoint, we would relish the opportunity to study their stance and expertise in that regard.

Segawa: Our strength lies in utilizing internet and AI to bring delight to each one of our customers. Similarly, my impression of Dai-ichi Life is that it utilizes digital platforms more than any other insurance company. Given that, if we can be of service to Dai-ichi Life, I believe that it would be in the area of user "retention" rather than digital technology. Over time, through developing a diverse array of businesses such as entertainment, sports, live streaming and healthcare, we have accumulated know-how in the area of "engagement science," which is retaining customers and compelling them to continue using our services with joy. We have expertise in triggering changes in user behavior by compelling them to continue using something because they find it to be interesting. If we can leverage that, I feel that we will be able to establish an ongoing connection between Dai-ichi Life and each of their customer.

Contributing to the resolution of social issues in a delightful way

Tanaka: As the first initiative of our business partnership, we will begin offering two services for women in fall 2021: a community service called "Haretoke" and an app that assists with healthy dieting called "Karadamo." As the majority of employees in Dai-ichi Life Group are women, we have focused on establishing a workplace environment where women can successfully contribute and on developing female leaders. Today, however, the work-life balance and career plan sought by individual employees is becoming increasingly diverse, and such shifts are widely visible not just in Dai-ichi Life Group, but elsewhere as well. Given that, we intend on establishing "supporting working women" as our initial theme and promoting female employees empowerment, a social issue that needs to be addressed to realize a sustainable society.

Launching two services that support working women in fall 2021

Segawa: In developing services, we are mindful of working women's ability to discover "a sense of themselves" within the limited amount of time that they have. While there are plenty of services that target women, the majority of such existing services are unable to fully meet the needs of working women. A common example is a service accompanied with incentive such as a free cup of coffee. Most women would prefer confectionaries over coffee in such a case. "Services that reflect me" are an accumulation of insights about users. In fact, that is where our true strength lies. While retention rates for services may not be that high at first, we are adept at boosting those rates by analyzing facts and refining services. That is why KPIs invariably improve a year after launching services. We are confident in that area.

Tanaka: The strength of Dai-ichi Life Group is our face-to-face channels accompanied by human warmth. Our Total Life Plan Designers, which is approximately 40,000 nationwide, even have knowledge of what our customers' pets' names are and whether they prefer coffee or tea. At the same time, our ability to reach the entire population of Japan through these methods is questionable. By working together with DeNA, we seek to realize connections with a wider user population, including millennials and members of Generation Z, and deliver "experiential values" in both the insurance and non-insurance domains. Additionally, while the insurance business till now has leaned towards "turning a negative into zero (by covering insurance losses)," I believe that going forward, initiatives for boosting value by "turning zero into a positive value" will have a greater importance.

Segawa: The phrase "resolving social issues" itself carries a negative image in the form of "turning a negative into zero." We at DeNA also seek to contribute to resolve social issues in a more positive, enjoyable and delightful fashion. With regard to healthcare as well, rather than taking the approach that our super-graying society and accompanying rise in medical costs are presenting difficulties, we are adopting initiatives that enable people to become healthy while enjoying themselves. I have a feeling that we can approach the resolution of social issues in the true sense of the phrase.

Tanaka: As part of our preparations in this business partnership, Dai-ichi Life Group formed multiple teams whose members conducted a series of weekly remote meetings with members from DeNA to carry out the project. Along the way, we were able to experience DeNA's free and open corporate culture, with our young employees in particular being considerably stimulated by the experience.

Segawa: We are also learning many things from Dai-ichi Life, such as systematic information-sharing and organized methods of implementing duties by involving departments likely to be connected to those duties in the future at an early stage.

Tanaka: Hopefully, this business partnership opportunity will lead to work style reforms and human capital development on both sides in addition to a synergy from a business aspect.

Protection

By enhancing products and services that accommodate increasingly diverse lifestyles and needs, we will co-create the life design of each customer and contribute to resolving the social issue known as the protection gap.

As anxiety over social security systems mounts against the backdrop of a population decline and the advent of an aging society, it is believed that the need to ensure protection based on self-help through such as medical and nursing care coverage to complement social security systems will increasingly grow as we move forward.

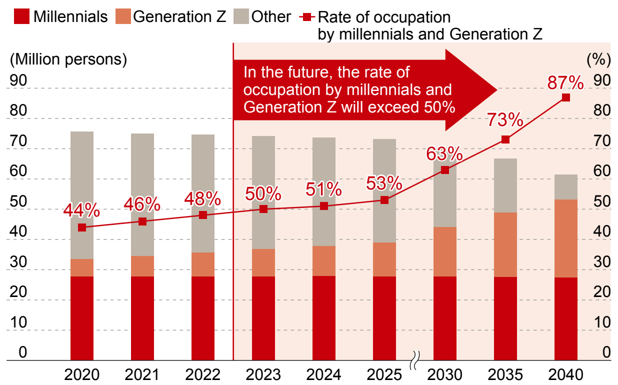
A generational shift is currently underway in which millennials and Generation Z will represent over half of the productive age population in Japan by 2023. Additionally, our social environment is also shifting considerably due to a rapid increase in non-face-to-face interaction and digitalization amid the spread of COVID-19.

In this environment, it is envisioned that values and lifestyles will further diversify, and customer needs will become increasingly personalized as well.

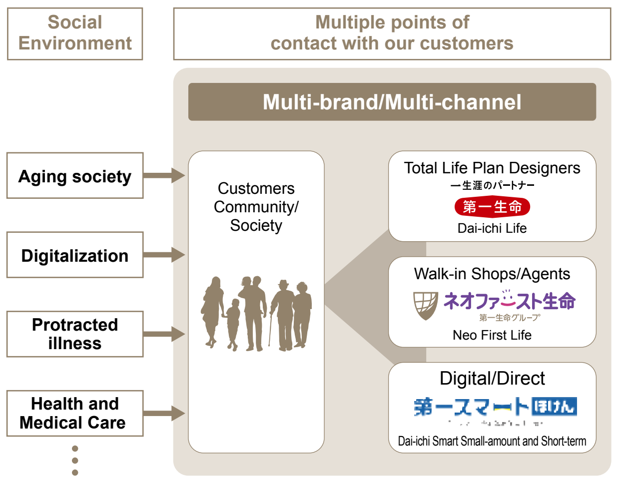
At the same time, it has been pointed out that the insurance coverage rate among the young generation in Japan is declining, revealing a tendency of turning away from insurance. We live in uncertain times, and it precisely for that reason that we recognize our social role as a life insurance company to raise awareness of the various risks in life and eliminate the protection gap (the shortage in insurance coverage amounts relative to necessary coverage amounts).

Going forward, we will continue to enhance products and services that accommodate diverse customer needs, unite across Dai-ichi Life Group to provide security in the form of "protection" and, in doing so, co-create the life plan design of each customer.

Projection of Productive Age Population in Japan



(Source) Prepared by Dai-ichi Life Holdings based on moderate-range birth and death projections in the "Population Projection for Japan (2017)," and National Institute of Population and Social Security Research



Initiatives of Dai-ichi Life

Through life plan design with a grasp of future social shifts and the diversification of lifestyles along with the provision of a full lineup of products, Dai-ichi Life assists each customer with improving their quality of life. To give some specific examples, we use a life plan simulation that takes social security into consideration to visualize possibility of longevity risk related to future income and expenses, provide coverage to prepare against risk in life through consultations with our Total Life Plan Designers and, in doing so, become a closer part of the lives of each customer.

Going forward, we will continue to propose experiential values that promote health and provide peace of mind to our customers through enhancing products and services that accommodate those customers' increasingly diversified and segmented needs and providing additional services that go beyond the limits of insurance.

Initiatives of Neo First Life

Neo First Life perceives "Nice to have in life" that customers themselves have yet to pick up on with a view to their "Wellness" (physical and mental satisfaction*1) and endeavors to provide new value through new ideas. Through walk-in shops, agencies and other distribution channels, Neo First Life supplies insurance products and services that contribute to the promotion of customer health such as insurance with premium discounts based on health age (Kenko Nenrei ®*2). In April 2021, it commenced sales of "Pitatto Lady," a product that safeguards against the physical and mental risks and anxiety specific to women.

Going forward, Neo First Life will continue to realize "wellness" by developing products and services that contribute to the promotion of health from the angle of "Become healthy through insurance."

*1 Neo First Life defines the stage of feeling physically and mentally satisfied with a view to a rich life as "wellness."
*2 Kenko Nenrei ® (Health Age) is a registered trademark of JMDC Inc.

Launching of the Product Brand "Digi-ho," an Insurance Offering with Fully Digital Procedures

In April 2021, Dai-ichi Life launched "Digi-ho" a new product brand whose concept is assisting younger generations who will shape the future, namely millennials and Generation Z, so that they can feel secure in taking a step forward. Simultaneously, the company also commenced operation of "Dai-ichi Smart Small-amount and Short-term Insurance Company, Limited." as a means of pursuing "a new form of insurance."

The selling point of Digi-ho is that all associated procedures, from application to the receipt of benefits, are completed on customer's smartphone or other devices, making this product a completely digital insurance that provides simple coverage with reasonable starting premiums.

In addition to continuing improving convenience through means such as paying benefits in the form of e-money, Dai-ichi Life will provide Digi-ho to communities operated by its various business partner companies, deliver order-made products and insurance experience that customers can join with ease, thus taking on the challenge of new initiatives that are not confined to preexisting forms of insurance.

*3 With "Digi-ho," all procedures from application up to the receipt of benefits are completed on a smartphone or other device.

Asset Formation/Succession

By combining the strengths and know-how of Dai-ichi Life Group and taking on the challenge of new initiatives, we will establish unique customer experiential values (CX) for asset formation/succession and improve the well-being of all customers.

Tetsuya Kikuta
Representative Director, Senior Managing Executive Officer

In a 100 year-life society, uneasiness surrounding assets for one's later life has grown further, with asset formation for later life through self-help and extension of asset life being recognized as social issues. To support the well-being of our customers as their "lifelong partner" amid such an environment, we believe that it necessary to be close to customers from the stage of asset formation to extension of asset life at post-retirement and the succession of assets to the next generation to provide solutions that are optimized for each customer.

Up to this point, Dai-ichi Life Group has built up its strengths and expertise in the various business domains related to asset formation/succession, which include individual savings business, group pension business, asset management business, bancassurance business and mutual fund business sold over bank counters.

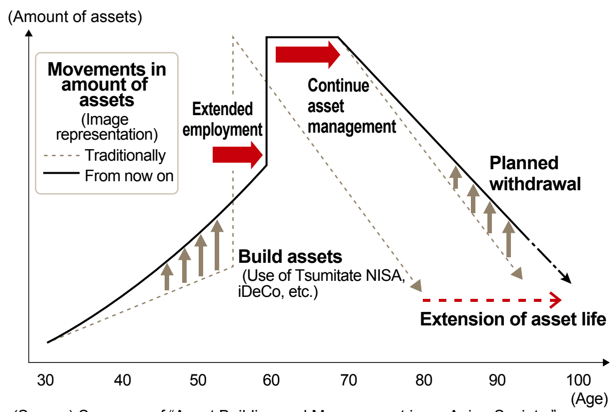
To face social issues and grow closer to our customers' lives, it is necessary to create new values as the entire Group while bringing together strengths and expertise of the Group and complementing them organically. Moreover, rather than promoting fragmented strategies for our products and sales channels, it is vital to expand services with a higher degree of convenience from the customer's perspective based on the unified operation of a value chain that also integrates the asset formation/succession domains.

After unified value chain operation, by also speedily reinforcing capabilities that are lacking in the Dai-ichi Life Group such as asset management based on digital platforms that is implemented through cooperation with external parties, we will prepare our infrastructure for creation of new value. In particular, by providing digital asset formation services, which have been lacking in our efforts so far, we have expanded contact points with new customers such as the young generation and realized more familiar support for existing customers.

In addition, by integrating with existing face-to-face channels, we will establish a CX in the asset formation/succession domains that is unique to Dai-ichi Life Group.

By aggressively taking on the challenge of such new initiatives, we will accelerate the transformation of Dai-ichi Life Group as we move forward. Moreover, by leveraging the Group's combined strengths, we will considerably enhance both our conventional main focus of "protection" and our CX from asset formation/succession. In doing so, we will aim to realize the well-being of our customers in their daily lives and aim to resolve social issues.

Asset Formation and Management in an Elderly Society



(Source) Summary of "Asset Building and Management in an Aging Society," Report of Working Group on Financial Markets, Financial System Council, Financial Services Agency

Easily Accessible Asset Formation Support on Daily Basis

As a form of easily accessible asset formation support offered through digital tools, Dai-ichi Life introduced smartphone app "DC No Sapuri" to customers who have joined defined contribution plans. This app provides education on investing and asset formation support through means such as visualizing annuity assets, illustrating risk based asset allocation with the use of an equipped robot advisor function, and yield estimations required in order to achieve targets. We are also planning to provide an "Retirement Account Dashboard (Future Planning Dashboard)" application that visualizes income and expenditure in later life, including public and corporate pensions, and will offer further support for customers' asset formation and the extension of those assets' lives.

Additionally, to enhance connections with customers, we are also looking into expanding new services such as adding customer account functionality and asset management tools. By utilizing such easily accessible tools along with providing consulting support through our existing face-to-face channels, we will accelerate creation of new experiential values for our customers.

* "DC" stands for "defined contribution plan."

Enhancement of Product Lineup

We are planning to enhance our product lineup to also include non-insurance domains to accommodate diverse customer needs in the asset formation/succession domains. We are exploring products and services that flexibly accommodate our customers' asset formation/succession needs, including considering the expansion of products that make use of preferential tax systems such as NISA (tax exemption system for small investments) and iDeCo (individual-type defined contribution pension plan) and development of products that offer returns based on actual investment performance and factor in ultra-low interest rate environments. As lifestyles become increasingly diverse, we will offer optimal solutions that suit each customer through reinforcing our products and consulting capabilities. Additionally, in providing experiential value in the asset formation/succession domains to our customers, we believe combining the strengths of Dai-ichi Life Group will also be important. We will leverage the strengths and expertise that the Group has cultivated over time, including the asset management capability of Group company Asset Management One and our business partner Janus Henderson, Dai-ichi Frontier Life's expertise in developing foreign currency and variable insurance products and the consulting capability using face-to-face channels of Dai-ichi Life. In doing so, we will unite across the Group to support the well-being of our customers as we move forward.

Asset Management		Individual Savings		Group Annuity
Asset management capability Investment and product development expertise Asset Management One Janus Henderson GROUP PLC Dai-ichi Life Realty Asset Management	×	Individual and over-the-counter sales capability Savings-type product development expertise Dai-ichi Life Dai-ichi Frontier Life	×	Corporate sales capability Annuity product development expertise (separate account, etc.) Dai-ichi Life

+ Related Domains (supplementary fields)

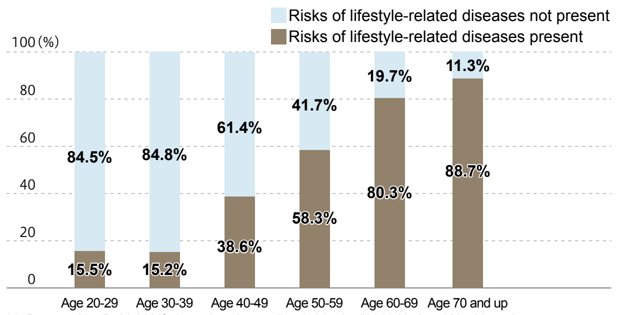
Health and Medical Care

To resolve social issues such as increasing medical costs and the growing gap between life expectancy and healthy lifespan, we will address commercializing illness prevention and undertake initiatives for controlling the worsening of symptoms for each citizen.

Munehiro Uryu
Managing Executive Director

"Well-being" is made up of three forms of happiness: physical, spiritual and social. Undoubtedly, it is health that serves as the door leading to well-being, and the overarching premise for making it a reality. In Japan, there is a tendency for people to seek treatment at medical facilities after they have developed symptoms of illness or the risk of those symptoms to worsen has grown. It is largely owing to the National Insurance System and relatively accessible medical resources compared to other countries. Once an illness worsens, medical treatment costs generally grow considerably. Currently, however, the habit of preventing symptoms before they occur or worsen has not sufficiently taken root. Due to developments in medical technology and the nation's aging society, medical costs assumed by government and health insurance associations are increasing year on year. Moreover, life expectancy is getting longer with every passing year, yet healthy lifespan is falling to keep up with that life expectancy growth, resulting in an enlarged gap between the two. We see this as one of the most serious social issues that Japan faces. The benefit of life insurance manifests itself "when people cease to be healthy," when they pass away or become sick or injured. Till now, Dai-ichi Life Group has offered protection for times "when people cease to be healthy" through life insurance products. However, I want us to contribute to the resolution of social issues such as increasing medical costs and the growing gap between life expectancy and healthy lifespan by safeguarding people's health. Going forward, we will explore solutions for early recognition of future health related risks and provide a seamless platform for easy access to the right medical facilities as a preventive measure or treatment. While providing experiential values that help prevent symptoms before they occur and worsen in cooperation with companies in the health and medical care sectors as well and modifying people's habits by promoting shifts in their awareness and behavior, we will contribution to the protection of people's health. The adoption of online means of doing things to cope with the COVID-19 pandemic has progressed at a rapid pace. We believe that adoption coupled with digitalization will also bring considerable progress in the health and medical care domains going forward. Additionally, with the Japanese government considering to increase the amount of fees for initial medical examinations at large hospitals, local medical clinics and other similar facilities will play an increasingly important role in the early diagnosis and treatment before illness symptoms worsen. While accommodating such rapid changes, Dai-ichi Life Group will collectively contribute to the realization of people's well-being through the creation of value in the health and medical care domains.

Presence of Risks of Lifestyle-Related Diseases According to Age Group (%)



*1: Prepared by Dai-ichi Life based on Appendix 49-1 in the "2019 National Health and Nutrition Survey" published by the Ministry of Health, Labour and Welfare
*2: Cases where at least one item applies to the below criteria have been included in "Risks of lifestyle-related diseases present"

Item	Blood lipids	Blood pressure	Blood glucose
Criteria	• HDL cholesterol level under 40mg/dL	・Systolic blood pressure level of 130mmHG or greater ・Diastolic blood pressure level of 85mmHG or greater	・Hemoglobin A1c (NGSP) level of 6.0% or greater

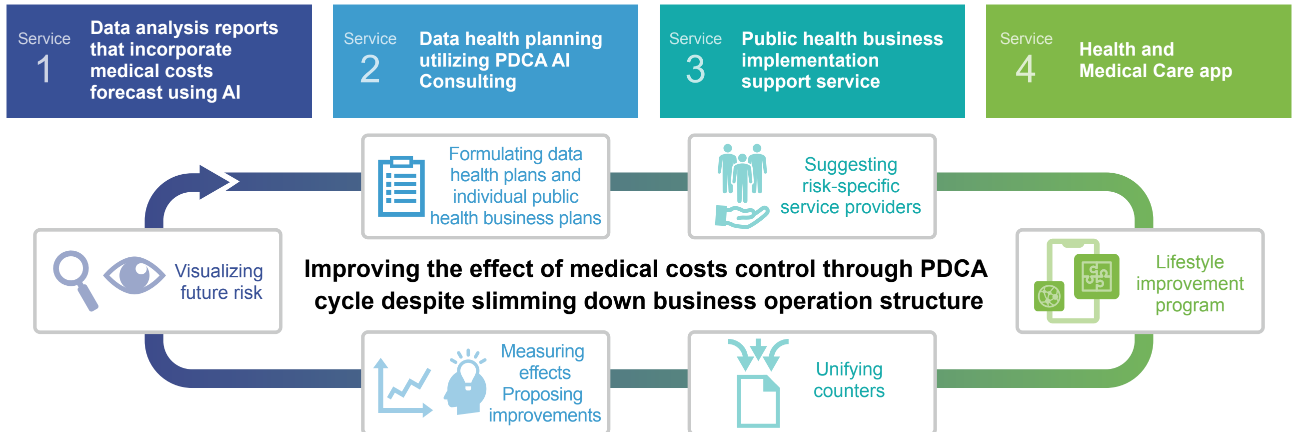
Special Feature:
Medical Cost Control Support Service for Health Insurance Associations

Start of Service for Health Insurance Associations in April 2021

While many health insurance associations (hereinafter "associations") recognize the challenge posed by increasing medical costs, they are also concerned about the effect of the implemented measures on medical costs control and how they can make their operations more efficient. An additional headwind is the spread of COVID-19, that is accompanied with new challenges such as restrictions on conventional face-to-face health guidance and the lack of exercise among association members. In such circumstances, to resolve the challenges faced by associations, Dai-ichi Life Group and the Mizuho Group joined forces to offer "Healstep SM," a service that helps associations with the long-term control of medical costs and the efficient and effective operation of their public health business all with a single package, starting in April 2021. "Healstep SM" broadly consists of the following four services: (1) visualization of future risks of developing an illness and forecasts of medical costs using AI, (2) formulation of a response policy based on visualized data, (3) assistance with online health guidance and other matters in cooperation with service providers, and (4) facilitation of behavior changes such as lifestyle improvements through a health and medical care app for association members.

At the "Data Health Prevention Service Trade Fair 2020" sponsored by the Ministry of Health, Labor and Welfare, which was held in December 2020, the health insurance associations, local governments, companies, etc. who visited the event recognized us with an "Excellence Award" as an exhibitor who has excellent solutions and services, expressing their wish to use our service.

Receiving the DH1 Grand Prize Excellence Award



Supporting Long-Term and Stable Operation of Health Insurance Associations

While "Healstep SM" is a long-term effort with health insurance associations to control medical costs, the ultimate goal is when "each member of health insurance association is healthy and energetic." We are confident that this business has a high affinity with the life insurance business, which the Group has been involved in as a "lifelong partner." To protect the health of association members even in five and 10 years down the road and to contribute to the stable operation of the health insurance association, in addition to responding to current issues, we will continue to evolve in line with the times and meet the expectations of our customers.


Nobuhiko Kawai, Line Manager, Corporate Planning Dept., Dai-ichi Life

Overseas Business Strategy

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

Atsuko Ochiai
Executive Officer

Since commencing our business in Vietnam in 2007, we have expanded into eight countries, namely Thailand, India, Australia, Indonesia, the United States, Cambodia and Myanmar. In fiscal 2020, 20% of our Group adjusted profit was contributed by our overseas insurance business. Through expansion of our business to developed and emerging Asian countries, while benefitting from stable contributions to our profits and medium- to long-term growth, we have engaged in the resolution of social issues faced by each country and the provision of peace of mind to their people through our business. Going forward, in order for our overseas insurance business to continue to be by the side of customers for life and drive forward the further growth of the Group, I believe that the following four challenges must be addressed.

First, we must further pursue our CX and improve productivity by actualizing our DX to flexibly accommodate shifts in our society and environment amid the spread of COVID-19 on a global scale. Currently, we are sharing know-how on DX at overseas Group companies on a Group-wide level, and are pushing forward with collaboration initiatives across the Group. By realizing Group-wide synergy, we will provide better services with greater speed and efficiency.

Second, we have to incorporate new business models that lead to the sustainable growth of the Group and the realization of our customers' well-being. For example, insurance companies with strong digital capabilities may possess wide-ranging expertise, such as in marketing based on social media and other data and insurance underwriting methods. As a driver of the transformation of Dai-ichi Life Group, our overseas insurance business will take on the challenge of creating new values that would have ripple effects within the Group in addition to traditional insurance business models.

Third, we require initiatives geared towards sustainability. Given the broadness of sustainability as a concept, the difference in the level of recognition of regional and social challenges across countries must be acknowledged when discussing the resolution of such challenges. As such, aligning the pace among our Group companies in that regard is no easy feat. An example is the reduction of greenhouse gases, which is considered a challenge shared by all nations. However, the positioning of each country and Group company differs with respect to that reduction. Amid such circumstances, having elicited agreement with our initiatives from overseas Group companies, we have commenced to cooperate for setting greenhouse gas emissions reduction targets.

Fourth and last, we need to globalize our organization and human capital. To resolve these challenges, reinforcing our global human capital is of the essence. To achieve that, normally, we would share our strategy and policy with the CEO of each overseas Group company and arrange discussion sessions. However, in the future, we will complement that with the preparation of a framework that enables our fellow employees at each overseas and Group company who possess diverse perspective and specialized knowledge to have independent and active involvement in Group management challenges. Our company's Group vision of "Protect and improve the well-being of all" was something that was discussed and developed together with our overseas Group companies as well.

While tackling the above four challenges will not be easy, we will keep on taking on the challenge of transformation to contribute to the realization of the well-being of our global customers and Group companies as well as our fellow employees who are active around the world.

Contributing to the Sustainable Growth of the Group

We are building a balanced business portfolio in regions with different market stages, such as markets in developed countries that can be counted on for early and steady profit contribution and markets in developing countries that exhibit high growth as well as emerging countries that are in their early phase and are anticipated to expand growth over the long-term.

In the US and Australian markets, we have realized sustainable growth based on the reinforcement and expansion of sales channels that accommodate changing market environments and through new acquisitions, and we anticipate further contributions to our profit in the future as well.

In emerging Asian countries, we anticipate high topline growth and profit contributions in the medium- to long-term in line with economic growth and higher insurance penetration rates.

In early stage markets, in addition to benefiting from first-mover benefits, we are aiming to realize further growth through efficient business operation that leverage knowledge and resources of regional headquarters and neighboring overseas Group companies.

Going forward, we will continue striving to achieve medium- to long-term growth within the Group through business management and support of the growth strategy at each overseas Group company. By deploying the expertise and skill that we accumulated through our existing businesses at other regions, we will aim to create Group synergy and explore opportunities for innovation as we move forward.

> For details, see "Special Feature: Utilization of digital platforms in the Group" on pp. 41-42.

Overseas Business Portfolio Strategy

Business Diversification	Market Development Phase Diversification	Regional Diversification	Expected Roles
Insurance Business (Expand)	Developed Market	US/AUS	Stable growth Contribution to profit in the "short-term"
	Developing Market	Vietnam/India/Indonesia/Thailand	Advanced growth Contribution to profit in the "medium-term"
	Early Phase	Cambodia/Myanmar	First-mover advantage Contribution to profit in the "long-term"
New Business Model (Explore)	Developed/Developing Markets	Existing/New Markets	Incorporation of innovation/new business

Increasing the Sophistication of Our Global Management Structure

Dai-ichi Life Group is working on joint initiatives aimed at the resolution of common challenges in the global group and the sharing of the Group's philosophy and policies for taking advantage of global knowledge and increasing the sophistication of our management. One means through which we are doing so is by establishing the Global Leaders Committee (GLC), comprised of management from overseas Group companies and domestic executive officers mostly from Dai-ichi Life Holdings. As our business portfolio is anticipated to become more diversified in the future, we will be required to formulate and promote more optimal strategies for the Group to adequately accommodate changes in the global environment and manage new businesses appropriately. With our medium-term management plan (MMP), through initiatives such as establishing a new body to discuss our overseas insurance business strategy at our intermediate holdings company, Dai-ichi Life International Holdings, we will aim to realize a management structure that incorporates greater global perspectives while leveraging our human capital at our domestic and overseas Group companies.

Scene from a GLC meeting that convened online

Special Feature: Utilization of Digital Technologies in the Group

Pursuing CX through DX Progress Overseas

Our various overseas Group companies are promoting services that utilize videoconferencing and other digital technologies in order to improve customer service and accommodate non-face-to-face consulting needs. Protective and TAL are pursuing the improvement of customer service through means such as online insurance claims settlement. At each Group company in emerging countries, amid restrictions on face-to-face sales activities due to the spread of COVID-19, we are working towards ensuring and improving convenience levels through initiatives such as promoting the digitalization of platforms aimed at customers and individual agencies and the adoption of online training for agency channels.

Sales Channel Digital Support

Improve customer satisfaction by improving the quality of services through the digitalization of the sales frontlines

Protective
New policy tool, "Velocity", for sales channel and customers
Makes applications and other procedures possible via online

TAL
Online advisor training program, "TAL Risk Academy"
Advisor support tool, "TAL Adviser Centre"
Assist with the improvement of advisors' skillset and sales efficiency

Star Union Dai-ichi Life Insurance
Functional enhancement of digital sales tool, "Digi Quick"
Improve operational efficiency and quality

Digital Healthcare Services

Create new experiential value by providing healthcare services utilizing digital data

TAL
Health support tool "Cora" (chatbot)
Prevention Program "Health Sense+"

DLI Asia Pacific Pte. Ltd.
Dai-ichi Life Group
Start examining health management services for emerging Asian countries

Enhanced Customer Convenience

Improve customer convenience with introduction of digital tools and mitigate the burden of procedures

TAL
Insurance claims settlement app, "Claims Assist"
Enables claims settlement via smartphone

DAI-ICHI LIFE Dai-ichi Life Vietnam
App for customers, "Dai-ichi Connect"
Provides online policy services such as premium payments and insurance claims settlement

We are pushing forward with the development of a digital platform that can be expanded to each Group company with a view to further improving customers' quality of life.

DLI Asia Pacific provides support to Group companies in the region to enable them to go beyond sales of life insurance to accelerate their initiatives in the health and wellness services and contribute to the further improvement of customers' quality of life. We are pushing forward with the development of a shared digital platform while referring to Dai-ichi Life's "Kenko-Daiichi" (Health First), and intend to equip that base platform with content tailored to customer needs in each country. While sharing successful practices, we are working towards offering a service that enables our customers to experience optimal value.

Vishal Shah (Group Head)
Digital Transformation & IT Group
Asia Pacific Regional HQ
DLI ASIA PACIFIC PTE. LTD.

DX initiatives at Protective Life

Support system for improving the digital experience of customers and the agencies that carry our products (Velocity)

"Velocity" is a suite of tools designed to help agencies and customers improve their digital experiences with Protective products. By eliminating paper processing and providing a digital completion mechanism, the timeline is significantly shortened compared to existing procedures.

Tool	Description	Result
EZ-App℠	**Online platform for insurance application** • Avoid data entry errors • Submit applications faster and more efficiently • Complete applications on desktop and mobile	**14 days** Saved time of application cycle
TeleLife®	**Client interview call** • Electronic applications are retrieved immediately • Client interview calls initiated within 24 hours • Confirmation text with the Terms and Conditions • Voice Signature is available	**2.7 days** Saved time with Voice Signature
Protective Life Underwriting Solution (PLUS)	**Tailored underwriting** • Labs and Attending Physician Statement may not be required • Designed to underwrite applicants with the least invasive requirements possible	**x 2** Speed of underwriting process compared to traditional underwriting
Protective Life Underwriting Solution (PLUS)	• Quick, easy and safe delivery method • Client can conveniently review their policy and track delivery status 24/7 • All documents are safely stored on secure website	**5 days** Saved time compared to paper delivery
E-Signature	Supports multiple digital signature solutions such as Adobe and Docusign, allowing customers and agents to sign any time, from anywhere	**4 types** Types of supporting E-Signatures

DX initiatives at TAL

"Claims Assist" insurance claims settlement app

This service, administered online, enables customers to make claims application and check on the progress of those procedures at any given time, thereby contributing to improved service by simplifying customers' claim procedures. The service also leads to the enhanced efficiency of administrative processes in claims payment departments partially by reducing inbound calls.

"TAL Risk Academy" online training for independent advisors

TAL extensively provides content that helps improve skills and knowledge pertaining to insurance sales activities over an online platform. More than 65,000 courses are available and are taken by over 10,000 independent advisors. Through enhancing the expertise of those advisors, TAL contributes to the provision of appropriate financial advice to customers and to the improvement of their sales efficiency.

Driving Innovation

Contributing to the well-being of people through provision of a new customer experience (CX), improved productivity (employee experience/EX) and expansion of our business domains via “InsTech” (insurance technology).

Hideo Teramoto
Representative Director, Vice Chairman

What is the ideal form that the insurance industry should take going forward? I believe that it should evolve into an industry that supports the “well-being” of people, their happiness and reason for living, and offers new experiential values.

In addition to shifts in industry structure, Dai-ichi Life Group also must adapt to changes in consumers’ lives brought about by the diversification and segmentation of lifestyles. In particular, I feel that there are two challenges that we face.

First, while we have engaged in trial and error up to this point as well, we must make maximum use of innovation and dramatically transform our CX and EX based on design thinking that places the focus on people. Second, we must spread our wings beyond conventional insurance to provide new value going forward.

I believe that in tackling such challenges, a major mission of the Innovation Team is to fully support intra-Group activities and give Group companies a supportive push forward. One example of that is the development of our “CX Design System,” a digital transformation (DX) initiative aimed at the creation of new experiential values.

My view of an ideal future world is one in which insurance products and services could be closer to people through digitalization, AI and other technology. For example, when a cause for insurance claims arises, rather than the traditional approach with the policyholder first contacting the insurance company, it would be ideal for the insurance company to appropriately provide information to the policyholders when they are about to be hospitalized or undergo surgery based on linked data. To accomplish this goal, given the limitations that insurance companies have, a response in the form of the digitalization of medical care and regional cooperation that involves wider society is needed. As such, I also hope to substantiate this going forward with the involvement of various interested parties.

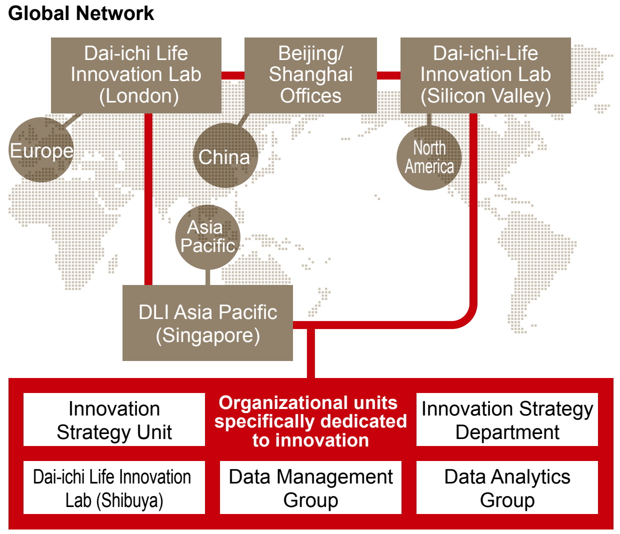
To engage individual customers and provide them with experiential values that suits each one of them, we need to have a deep understanding of those individual customers and decipher their latent issues and needs. And for that purpose, we will have to utilize data and create and improve upon services in a manner that only we are capable of.

These initiatives represent not only a considerable challenge, but also an endless journey of opportunities. Along that journey, the entire Dai-ichi Life Group will collectively continue to pursue creation of innovation to support the well-being of people and contribute to the creation of value.

Top:Dai-ichi Life Innovation Lab, Tokyo
Bottom:Dai-ichi Life Innovation Lab, Silicon Valley

Global Network Aimed at Promotion of Innovation

To identify global trends in these uncertain times, it is becoming increasingly important to build formidable networks and enhance capabilities for gathering reliable information. To complement our organizational units in Tokyo that are specifically dedicated to innovation, we have established dedicated labs in Silicon Valley and London. Simultaneously, in Asia, we have set up information-gathering sites for generating innovation in Singapore, Beijing and Shanghai as well. We are working towards identifying trends in advanced technologies as well as uncovering and cooperating with startups in a timely manner and on a more global scale that includes the entire European and American regions, Asia, and the Middle East.



Utilization of AI

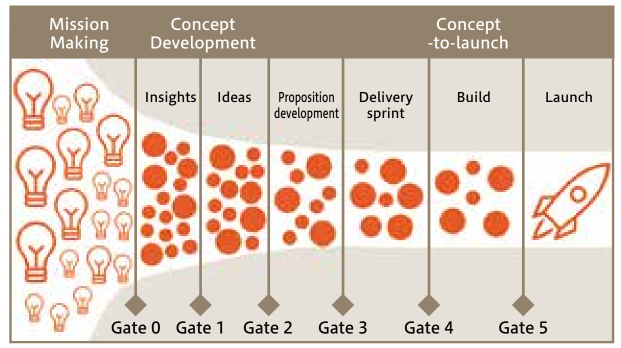
Digitalization and the evolution of AI technology have brought changes to the preexisting business structure and operational processes of life insurance companies. It is predicted that a world in which insurance products and services actively approach customers will be realized in the future.

At Dai-ichi Life, we are closely watching AI technology trends, and are continuously working to discover, verify, and introduce technologies and application examples that can transform existing businesses and lead to new business opportunities.

We are also deepening our collaboration with the various companies across Dai-ichi Life Group, including those based overseas, and held a three-day virtual workshop bringing together members from Japan, the United States and Australia who pursue innovation and data science. Through such efforts, we are accelerating the collaboration of data scientists in the Group by formulating the areas of AI technology utilization and basic principles for AI utilization as a Group.

Establishment of the Innovation Fund

To improve the customer experience and realize Group synergy, it is necessary to build up innovation capabilities across the Group from a medium- to long-term perspective and explore solutions that can be deployed in multiple regions. To flexibly implement these initiatives that benefit the entire Group, in fiscal 2021, we will establish an Innovation Fund that would help to overcome budgetary and other constraints at each Group company to assist with demonstration experiments and other efforts on a global basis that also involve overseas Group companies. Emphasizing a can-do spirit, we will contribute to the strategic execution of our new medium-term management plan by providing flexible financial support for proposals selected through an objective process that incorporates the opinions of outside experts.

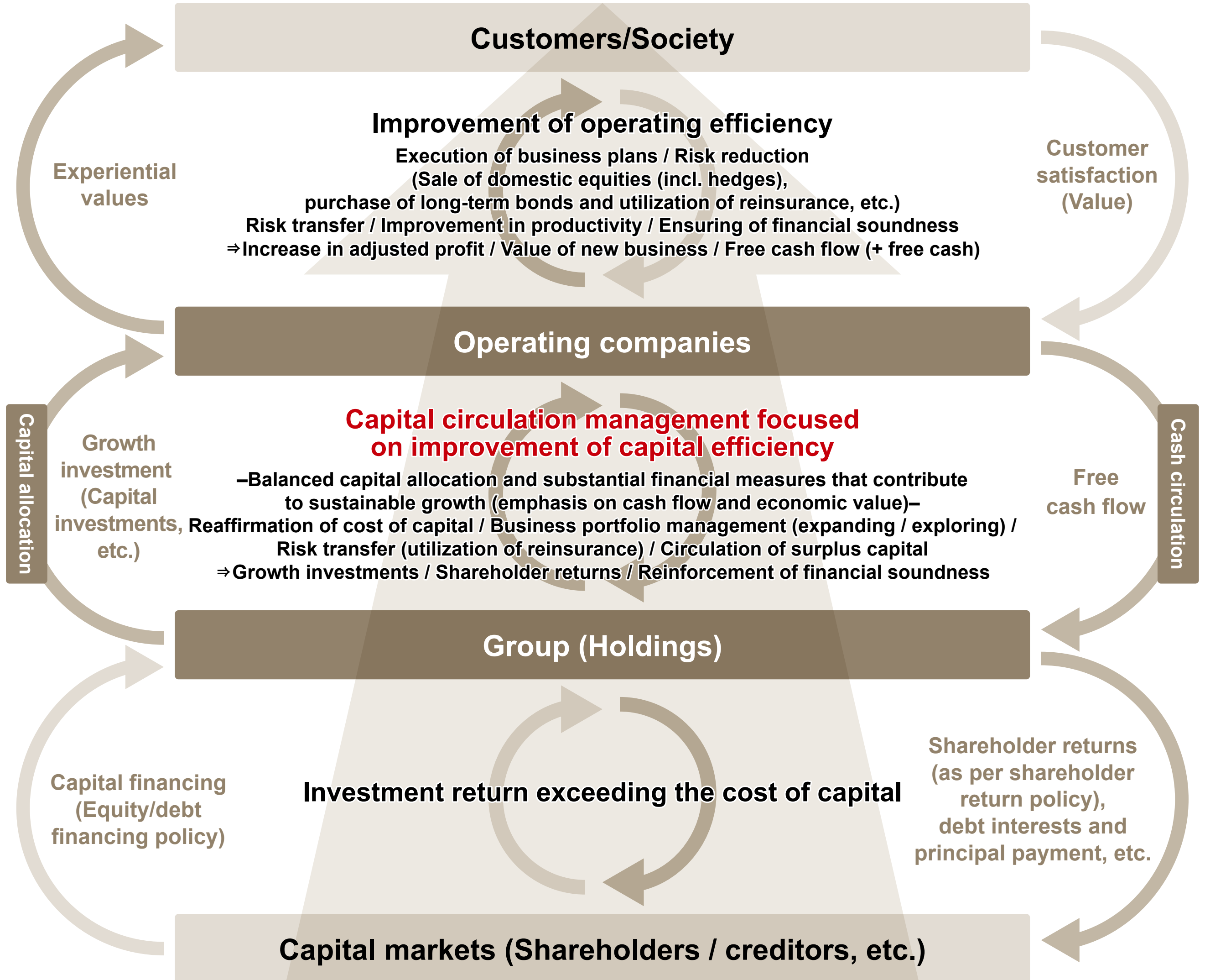


Capital Management Policies and ERM

Through capital allocation to highly capital-efficient and growth businesses, we promote disciplined capital management that enhances Group capital efficiency, cash generation and further improvement of shareholder returns.

Toshiaki Sumino
Director, Managing Executive Officer

Disciplined Capital Management



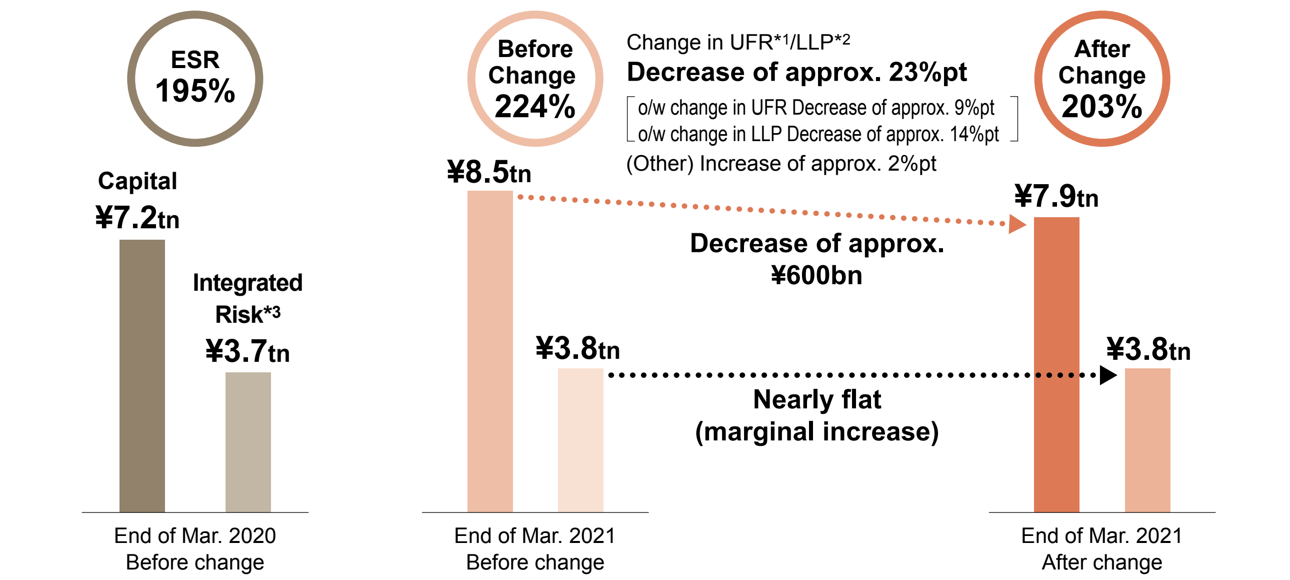
Basic Approach to Capital Management Policies

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

Under our mid-term management plan "Re-connect 2023," starting from fiscal 2021, we strive to achieve sustainable growth through executing "disciplined capital management" developed from our ERM cycle (profit, capital and risk). Disciplined capital management is the approach to enhance corporate value through the favorable circulation of capital and cash obtained from business operation and released by risk reduction within the Group by reallocating capital to highly capital-efficient businesses and growth businesses while ensuring financial soundness.

For our economic solvency ratio ("ESR" below), an indicator of financial soundness on an economic value basis, we have set our target range from 170% to 200%. While stably securing that target range, we aim to achieve higher capital efficiency early on that exceeds our cost of capital by improving our risk adjusted return. We implement our capital management policies in accordance with that ESR range and proactively consider investments in growth opportunities and/or flexible additional payouts to shareholders if ESR exceeds our target range.

ESR Before and After Change to UFR/LLP Standards



*1 UFR (ultimate forward rate) refers to a concept that assumes that future short-term rate (forward rate) will ultimately converge to a constant level. Generally, such level is set based on macroeconomic factors analysis and other assumptions.
*2 LLP (last liquid point) refers to the longest maturity for which the market of the relevant financial instrument (swaps or government bonds) is deemed to be deep, liquid and transparent.
*3 Refers to the amount of risk of the company overall integrated (calculated) by using statistical methods to measure insurance, investment and other risks maintained by the Group based on a standardized scale after considering the correlation among each type of risk and other factors.

ESR Level and Approach to Capital Management Policy

Above 200% (203%: Current (As of end of Mar. 2021))	• Consider stable dividends in line with profits • Actively consider growth investments and/or flexible additional payouts to shareholders
Target Level 170% to 200%	• Maintain stable dividends in line with profits • Consider growth investments and/or flexible additional payouts to shareholders based on financial soundness
130% – 170%	• Maintain stable dividends in line with profits • Consider growth investments and/or flexible additional payouts to shareholders based on prospect of improvement to medium-term target (Reconsider risk-taking and/or shareholder payouts as needed)
Below 130%	• Consider risk reduction and reconsider shareholder payouts (Consider recapitalization as needed)

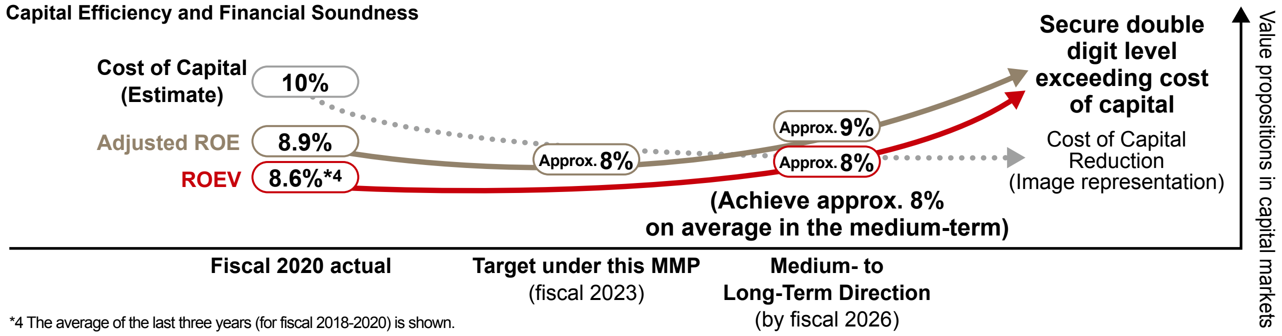
Assumptions behind Disciplined Capital Management with Focus on Capital Efficiency

(Revision of cost of capital (from 8% to 10%) and improvement of capital efficiency)

Amid the changes in the business environment, we revised our recognition of the cost of capital from 8% to 10%. In order to break away from the discounted level of our share price, we strive to improve our capital efficiency that stably exceeds the cost of capital based on a medium- to long-term goal by reducing the cost of capital through risk reduction and improving capital efficiency through the review of our business portfolio based on advanced capital allocation. For the improvement of capital efficiency, we newly introduced adjusted ROE as a valuation indicator to complement ROEV, and implement capital reallocation to higher capital-efficient and growth businesses.

More specifically, we revised our operation for business assessment based on the cost of capital of 8% across the board for all businesses (while adjusting the differences in domestic and overseas interest rates for overseas businesses) and applied a new cost of capital for each business that takes into consideration individual business risks and market risk premiums in each country for capital allocation and recovery decisions. As for the use of free cash generated through this operation, we will further refine the balance between securing financial soundness, growth investments, and shareholder returns.

Capital Efficiency and Financial Soundness



*4 The average of the last three years (for fiscal 2018-2020) is shown.

Main Initiatives for Materialization of Disciplined Capital Management

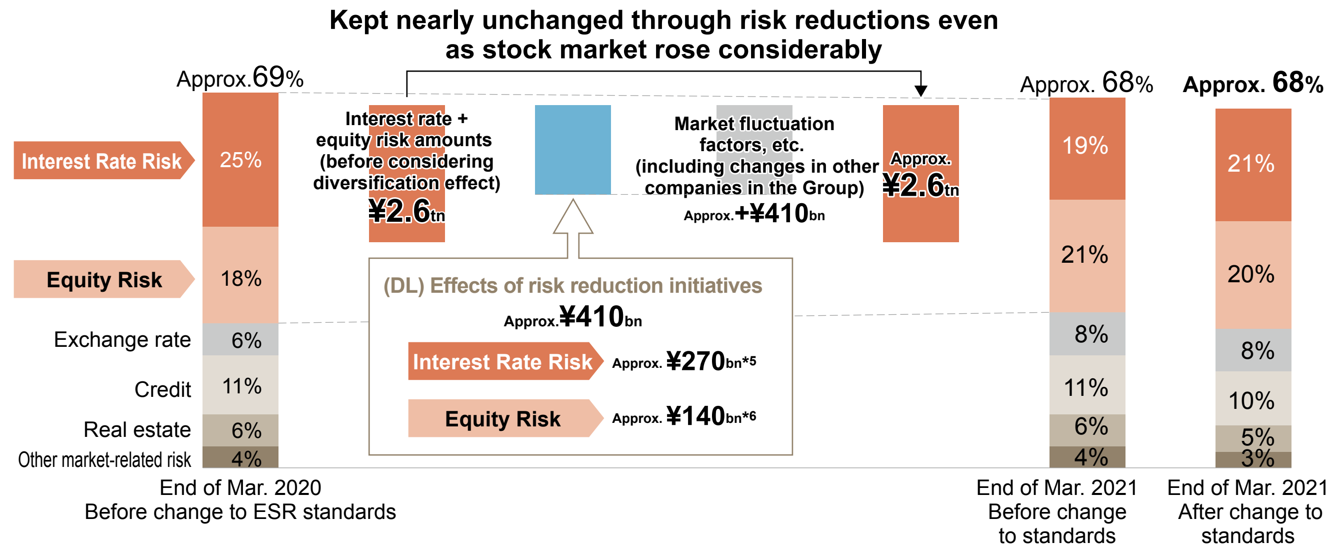
Risk Reduction Initiatives

With regard to risk reductions being implemented with the intention of reducing the cost of capital, our initiatives in fiscal 2020 made significant progress towards our previous target of reducing market-related risk until the end of fiscal 2023, which we formulated at the end of fiscal 2019. As a result of reducing market risk by approx. 410 billion yen, Dai-ichi Life kept risk amounts nearly unchanged even as stock market prices rose considerably. Additionally, as a result of reducing interest rate risk, our level of sensitivity to domestic interest rates for ESR has steadily declined.

However, as of the end of fiscal 2020, among integrated risk amounts held by the Group, market-related risk, mostly consisting of interest rate and equity risks, accounted for 68% and insurance risk under the Group's main business making up 29%. As such, the improvement of our risk profile remains a challenge. In our MMP, while also factoring in our forecast that the lack of transparency and stability in the global financial market and economy will persist going forward, we increased our target amount of market risk reduction until the end of fiscal 2023 and aim to further improve our financial strength.

Specifically, with regard to interest rate and equity risks, which constitute the majority of our market-related risk, we are aiming to reduce equivalent to approximately 20% (prior to taking financial and changes, etc. into consideration) compared to risk amounts at the end of fiscal 2020 by the end of fiscal 2023. For interest rate risk reductions (approx. 280 billion yen), we promote initiatives through lengthening asset duration and utilizing reinsurance and derivatives. Likewise, for equity risk reductions (approx. 280 billion yen), we continue reducing equity holdings and utilize derivatives.

Composition of Market-Related Risk Amounts



*5 Effects of initiatives including effects from the purchase of super-long-term bonds and the rolling of derivatives (approx. ¥30bn), which were implemented during the fiscal year ended Mar. 2020 as a means of accelerating risk reduction initiatives for the fiscal year ended Mar. 2021, amounted to approx. ¥300bn.
*6 Including ¥90bn of effects from a hedging position established with the aim of accelerating risk reduction benefits during the period of this MMP.

Result of Market Risk Reduction Initiatives at Dai-ichi Life in Fiscal 2020

Reduction of interest rate risk
Additional purchase of ultra-long-term bonds / Extension of asset duration / Hedging

- Steady accumulation of super-long-term bonds and replacement for lengthening duration based on financial market trends / Utilization of swaptions, etc. in accordance with situation

Additional purchase/replacement amount in fiscal 2020
Approx.¥1.7tn
(Converted into 30-year government bonds)

Using part of gains on sale of securities

Reduction of equity risk
Sale of equities / Hedging

- Reduction of equities held in line with plan and hedging through derivatives, etc.

Fiscal 2020 amount of sale of domestic shares
Approx.¥200bn (market value)

Establishment of hedging position*7
Approx. ¥400bn

*7 Accelerated initiatives during this MMP period

Reduction of interest rate risk
Reinsurance ceding of legacy liabilities with high assumed interest rate

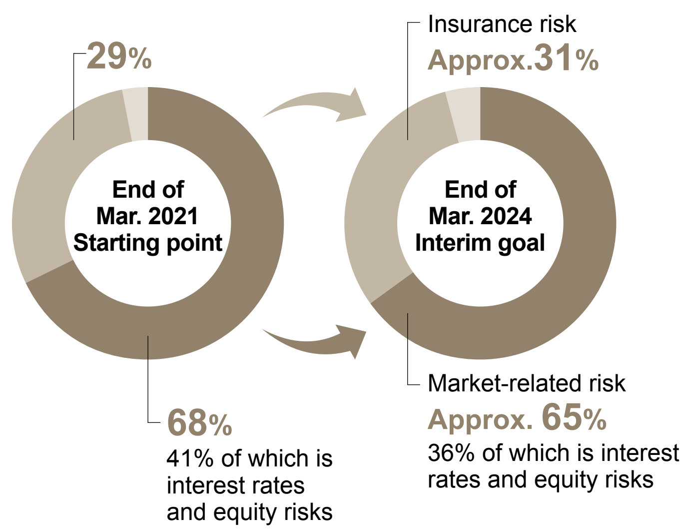
- Proactive restructuring of liabilities through strategic reinsurance ceding

Fiscal 2020 policy liabilities for reinsurance ceding (Total since start of initiatives)
Approx. ¥300bn (Approx. ¥600bn)

Utilization of part of capital gains from sale of equities (offset with reinsurance ceding related expenses)

Our ambition after risk profile transformation

Risk profile (After ESR standard change)



Market-related risk reduction targets

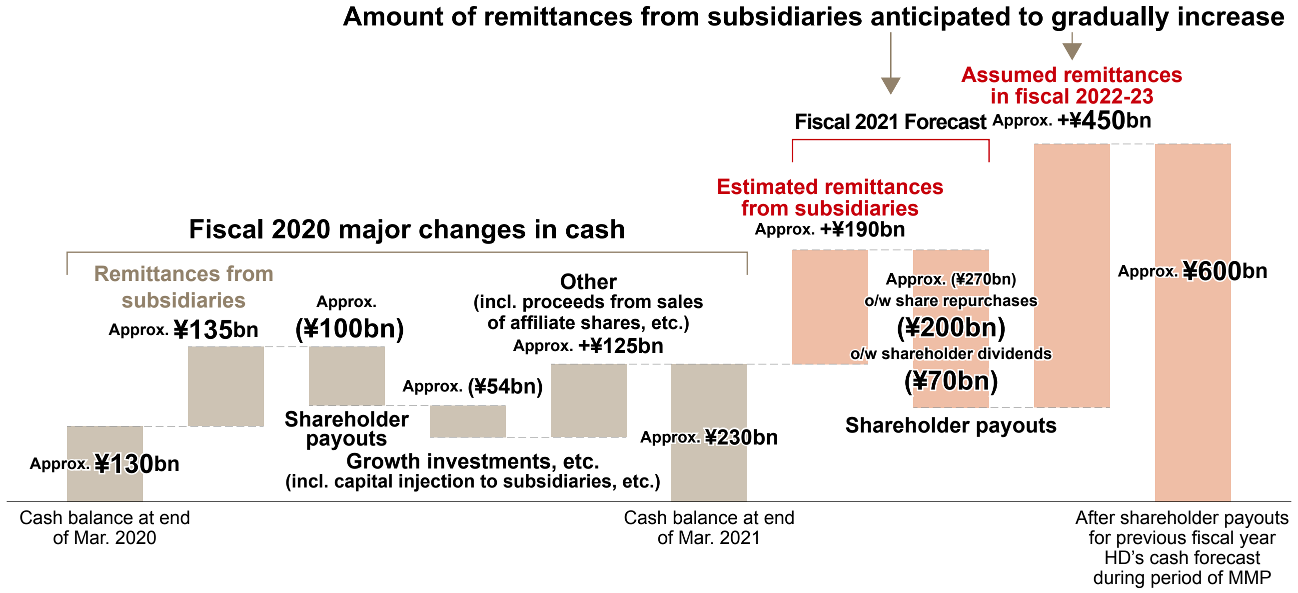
Interest rate risk amount	Equity risk amount	Amount of new interest rate & equity risk reduction initiatives
End of Mar. 2021 ¥1.4tn*8 (¥0.3tn decrease from Mar.2020)	End of Mar. 2021 ¥1.3tn*9 (¥0.3tn increase from Mar.2020) ¥3.5tn (market value) of domestic listed equities (+¥0.8tn since end of Mar. 2020)	Reductions equivalent to approx. 20% Target reduction amount of risk Approx. ¥560bn o/w interest rate risk ¥280bn o/w equity risk ¥280bn

*8 After change to ESR standards.
*9 Excluding effects of accelerated hedging position.

Transition to Remittance Operation Based on Free Cash

Up to this point, the amount of dividends remitted to the holding company from operating subsidiaries was determined based on the profit generated at each of those subsidiaries. Going forward, we will shift to remittance based on the free cash of those subsidiaries calculated after considering multiple perspectives and constraints, such as financial soundness on an economic value basis, regulatory requirements and accounting constraints in each country. We anticipate that remittances from subsidiaries will increase in terms of both percentages and amounts through this transition.

Movements in Holding Company's Cash Position*10

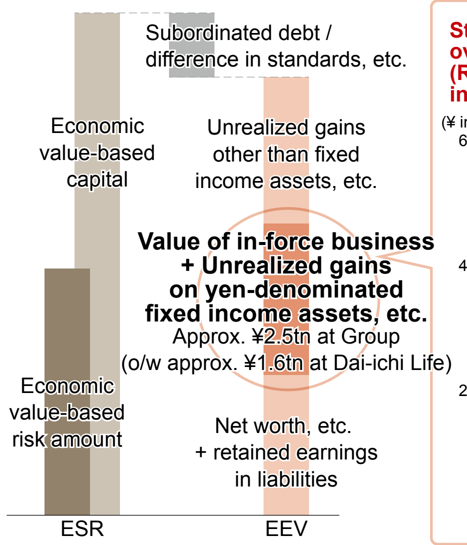


*10 Including the balance, changes in cash at the intermediate holding company and cash held to secure liquidity at the holding company. Additionally, remittances from the U.S.-based Protective and other overseas subsidiaries have been partially accounted for as if they are deposited in the next business year of holdings company in the same manner as domestic subsidiaries.

Reinforcement of Recurrent Profit of Life Insurance Business

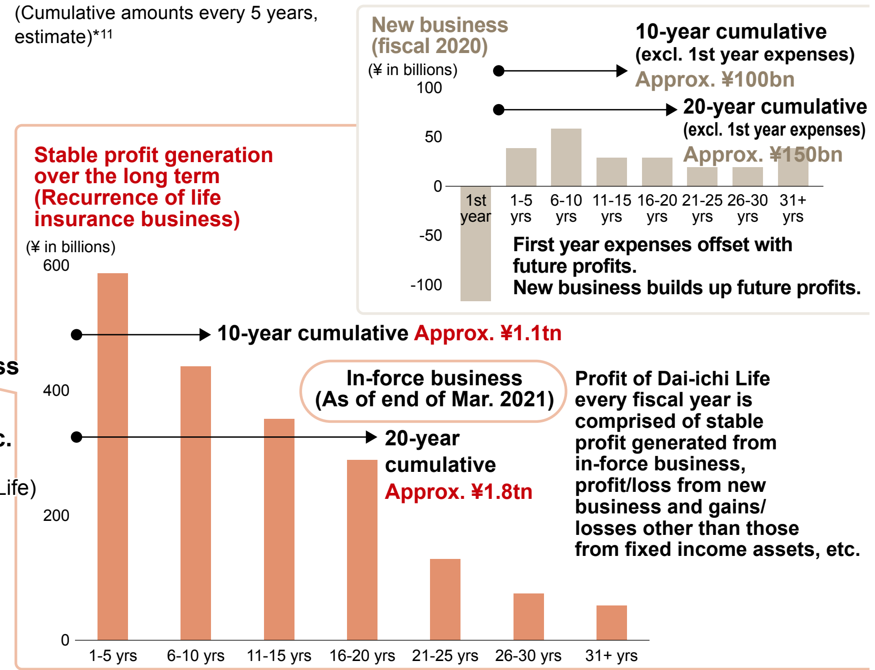
The life insurance business has a highly recurrent profit structure with a high degree of probability of future earnings based on in-force business over the long term. We leverage this advantage to reinforce the recurrence of profit generation through the accumulation of new business going forward.

Group Economic Value based on Capital and EEV capital



Future profit anticipated from life insurance business at Dai-ichi Life

(Cumulative amounts every 5 years, estimate)*11

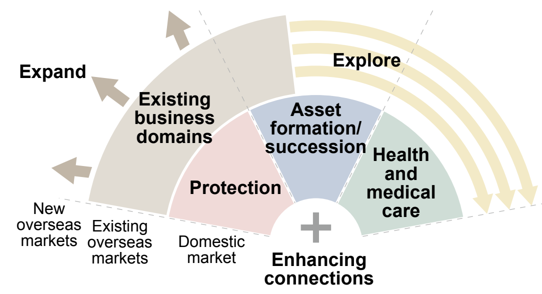


*11 Estimated value based on the assumption that fixed income assets are held until maturity and on adjustments to future interest income, etc.

Review of Business Portfolio

In fiscal 2020, we sold our stake in Janus Henderson based on the direction of our Group business strategy and financial and capital management strategies under our prior MMP, "Connect 2020." On the other hand, we made investments in good business opportunities with the improvement of capital efficiency and the control of risk (profit volatility), including the conversion of Sohgo Housing into a wholly owned subsidiary and the establishment of a new reinsurance company in the British Overseas Territory of Bermuda. Under the current MMP, by reviewing our existing business portfolio and utilizing generated free cash and internal reserves, we accelerate the expansion and diversification of our business portfolio through striving to deepen our core businesses (protection and asset formation/succession) and pursue the acquisition of new organizational capability in areas such as the digital, health and medical domains.

Expand Existing Business While Exploring for Opportunities Beyond Insurance



Ensuring financial soundness

Over time, we have endeavored to ensure our financial soundness through steady capital accumulation by recurring profit and initiatives for market-related risk reduction. Additionally, in fiscal 2020, we reinforced our capital base further through refinancing with an increase in the amount of Dai-ichi Life's perpetual subordinated loans (Oct. 2020), procuring perpetual subordinated debt at the holding company (Mar. 2021) and conducting financing at our overseas subsidiaries, among other efforts. As a result of these efforts, our ESR at the end of fiscal 2020 improved to 203%, exceeding our target range of 170% to 200%. In order to stay within that target range going forward, we engage in firm and strict financial management by controlling ESR volatility through market-related risk reduction, among other methods.

Financing of Group Subordinated Debt in Fiscal 2020

Dai-ichi Life	Perpetual subordinated loans	¥181bn
Dai-ichi Life HD	Perpetual subordinated debt	¥80bn

Towards Realizing Attractive Shareholder Returns

Regarding the total payout ratio of 40% that constitutes the shareholder payout policy under our previous MMP, we were able to adequately fulfill that ratio through a combination of cash dividends and share buybacks.

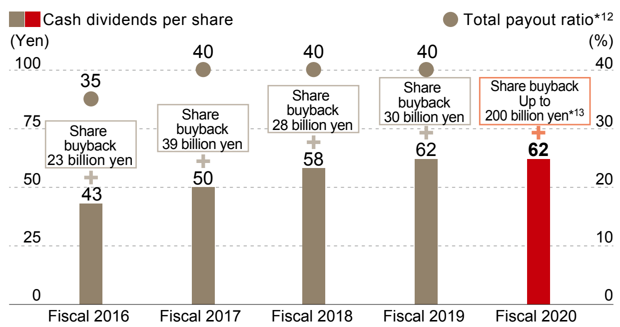
Under our current MMP, we will realize a stable dividend payout of at 30% or more (based on average of adjusted Group profit; basically no reduction of dividend per share) with a view to offering more attractive shareholder returns. In addition, we set a medium-term average total payout ratio target of 50% as a rough guide. We will strategically examine and implement flexible additional payouts to shareholders largely through share buyback after taking elements such as ESR and cash flow status, the presence of growth investment opportunities and our company stock price levels into total consideration.

For payouts to shareholders in fiscal 2020, we distributed cash dividends of 62 yen per share, the same amount as in the previous fiscal year. However, based on the above changes to our shareholder payouts policy, we decided to conduct share buyback in the amount of 200 billion yen, and achieved a significant increase in shareholder returns.

Going forward, we aim to further improve shareholder returns by putting our business base in Japan and overseas, which we have been expanding and diversifying up until now, onto a growth trajectory, as well as by strengthening the sustainable growth of Group profit and our ability to generate capital and cash.

Basic Policy on Shareholder Payouts

Stable dividends in accordance with profit (from fiscal 2021)	[Dividend payout ratio] 30% or more each fiscal year • Basically no reductions of dividend per share
+	
Considering flexible additional payouts to shareholders (from fiscal 2020)	• Scale, timing, etc. of implementation are strategically determined • Rough guide for total payout ratio: Medium-term average of 50%



*12 Total payout ratio = (Total dividends distributed to shareholders + total amount of share buybacks) / Group adjusted profit

*13 Based on our ESR forecast and other factors, we applied a review policy for flexible additional payouts to shareholders based on our new shareholder payout policy. The decision to conduct share buybacks of upto 200 billion yen was made at the meeting of Board of Directors held on March 31, 2021.

Sustainability

Dai-ichi Life Group aims to contribute to people's happiness and the resolution of social issues complementing social security. We will continue initiatives that are truly necessary for a better future.

Seiji Inagaki
Representative Director, President

Dai-ichi Life Group's Mission and Approach to Sustainability

Tsuneta Yano, the founder of Dai-ichi Life, said "Consider whether people will be pleased with what we do or find it unnecessary. Business that people find useful and convenient is bound to have its value recognized, and people will greatly nurture that business. That is precisely why business is a something that we do for the sake of people." Having inherited that DNA from Mr.Yano, the Group has grown along with the development of Japan by delivering peace of mind that complies with the needs of people in the prevailing era and pursuing the resolution of social issues throughout its history of over a century.

The Group will mark its 120th anniversary in 2022. As we head into the future, we will continue contributing to the well-being of all people delivering peace of mind across generations and fulfilling and healthy lives. It reflects the basic concept of life insurance business as being "mutual help" that we aim to realize through harmony with all of our stakeholders. Moreover, we would like to contribute to the well-being of all through a framework of mutual aid not being limited by conventional life insurance policy holders.

In addition to economic protection during illness or disability, the life insurance business serves as a bridge connecting current and future generations by accepting policyholders' insurance premiums and passing those assets to surviving family, children and grandchildren. In other words, being in close to customers and the community over the long-term as their partner for life through life insurance to realize the well-being of future generations could also be called our mission.

However, in recent years, the sustainability of society itself is being questioned amid the increase of natural disasters due to global warming and the spreading of COVID-19. Building an easy-to-live society where people can reside with peace of mind rather than leaving aside the issue of global warming or a world where hunger is prevalent to future generations is a critical issue. Therefore, we came to the conclusion that the realization of the well-being of all, including the future generations, is only possible in a sustainable society. We will therefore position the realization of sustainability as the overarching foundation of our business operations, and also tackle serious social issues to ensure the sustainability of communities addressing not only climate change but also respecting the human rights and diversity of all people at an even greater level.

As a "lifelong partner," based on our mission of connecting current and future generations, we will contribute to the realization of a sustainable and resilient society through insurance products and services as an insurer and managing policyholders' assets as an institutional investor.

Our Corporate Conduct Principles for Sustainability

In April 2011, the Group established the "Dai-ichi's Social Responsibility Charter," or DSR charter, to serve as its corporate conduct principles for continuing to meet the expectations of its customers, the community and all of its other stakeholders. Each of us will fulfill our social responsibility as we continue to create value in a way that only the Group can with a view to "realizing sustainability," the overarching premise of our business operation.

Items of DSR Charter	Reference
Customer satisfaction We provide high-quality products and services with the intention of standing by the side of our customers for life. In everything we do we strive to exceed our customers' expectation and achieve customer satisfaction with outstanding speed.	**P29 Business Strategy Including CX Design Strategy, Protection, Asset Formation/ Succession, Health and Medical Care** A Customer First Business Operation Policy (Japanese Only) https://www.dai-ichi-life-hd.com/about/customer_first/index.html SASB FIN-IN-270a.1-a.4, 000.A
Communication In addition to fulfilling our accountability to all stakeholders, we earnestly accept feedback from them and proactively reflect it in our corporate management.	**P94 Responding to Our Stakeholders** Initiatives for Stakeholders https://www.dai-ichi-life-hd.com/en/sustainability/important/initiatives.html SASB FIN-IN-270a.1-a.4
Compliance We engage in fair and sound business activities while maintaining a high level of ethics, and enforce compliance in all of our business activities.	**P80 Corporate Governance** Compliance https://www.dai-ichi-life-hd.com/en/about/control/in_control/compliance.html SASB FIN-IN-550a.1-a.3
Respect for human rights We respect culture and customs in all countries and regions and practice management that contributes to their forward development. We respect human rights and aggressively work on enlightening others on those rights.	**P63 Human Capital Strategies** **P66 Diversity & Inclusion** **P103 Financial Inclusion** Human Rights Awareness https://www.dai-ichi-life-hd.com/en/sustainability/governance/rights.html
Diversity and inclusion We respect the diversity of our human resources, ensure that we have a workplace environment where all of our employees can contribute and feel safe, secure and satisfaction in their work, and aggressively develop human resources.	
Environmental protection We see global environment protection as our social responsibility, and will continuously engage in activities to protect the environment.	**P53 Climate Change** SASB FIN-IN-410b.2, 450a.1-a.3 **P59 ESG Investment** SASB FIN-IN-410a.1-a.2 Initiatives for Community and Society https://www.dai-ichi-life-hd.com/en/sustainability/important/initiatives/society.html
Social contribution We engage in activities to contribute to society as we aim to develop alongside the community as a "good corporate citizen."	
Promoting health We will conduct business that contributes to the promotion of the health of communities, and promote mental and physical health of all of our employees.	**P37 Health and Medical Care** **P63 Human Resource Strategy** Promoting Employee Health https://www.dai-ichi-life.co.jp/english/dsr/employee/health.html SASB FIN-IN-410b.2
Creating sustainable corporate value Through the above eight principles, promotion of innovation, effective utilization of management resources and preservation and reinforcement of our financial base, we aim to create sustainable corporate value.	**P43 Promoting Innovation** **P21 Management Resources that Underpin Contributions to Well-Being** SASB FIN-IN-410b.2

Climate Change Initiatives—Response to TCFD

Basic Approach

The realization of the "well-being of all including future generations" pursued by the Group is predicated on the existence of a sustainable society with a view of 100 years down the road. By recognizing securing social sustainability as the foundation of our business operations, we will proactively address resolution of material issues*[1] related to social sustainability than ever before. In particular, addressing climate change is a material issue recognized globally. With a view to secure sustainability of global environment that is the foundation of people's lifestyles as both an insurance provider and an institutional investor, the Group has adopted goals for realizing carbon neutrality, and will reinforce its initiatives for addressing climate change through its business.

As part of these initiatives, we are focusing on the proactive disclosure of information based on the TCFD Recommendations*[2] on this page and in our sustainability reports. In particular, regarding the effects of climate change on the life insurance business (See "Topics" on p. 56), while there is currently still not an established theory on the subject from a global perspective, we are conducting our own research. While this research has just been initiated, through dialogue with various companies in the industry and government and academic institutions as well as with our investors, it produced the disclosure of analytical processes and analysis results aiming at advancing initiatives and information disclosure.

To realize the new vision of the Group*[3], as both insurance provider and institutional investor we will demonstrate leadership in promoting initiatives (including information disclosures) that could serve as a model for others as well. In doing so, we will continue contributing to realization of a carbon-free society leading to a sustainable society.

*1 Please see "Material Issues of the Dai-ichi Life Group" on p. 23 for information on those issues.
*2 Statement of Agreement with intent of said recommendations on Sep. 2018, Task Force on Climate-Related Financial Disclosures
*3 The Group's new vision is "Protect and improve the well-being of all." Please see the "Group Vision" on p. 5.

Status of Main Initiatives for Fiscal 2020

Having positioned its response to climate change as one of its material issues, the Group is methodically promoting various initiatives in-line with its business strategy.

Four Items Contained in TCFD Recommendations	Status of Initiatives	Page
Governance	• Establishment of Group Sustainability Committee • Configuration of climate-related items as part of KPI concerning officer remuneration at Dai-ichi Life, the core company of the Group	54
Risk Management	• Group ERM Committee regularly checks status of climate-related risk management and considers enhancements to risk management system • Risk Management Unit, etc. monitor status of each Group company's initiatives to deal with climate-related risk and share relevant information	54
Strategy (Risks and Opportunities)	• Establishment of risk quantification model for insurance claims and other payments and quantitative analysis of the impact • Measurement of CO_2 emissions and weighted average carbon intensity in Dai-ichi Life's investment portfolio	56 58
Indicators and Targets	• Establishment of CO_2 emission reduction targets that satisfy the Paris Agreement (limit global warming to 1.5℃) in our capacity as both an insurance provider and institutional investor Insurance Business: Scope 1+2 (Entire Group) Scope 3/RE100 implementation targets (both for Dai-ichi Life) Institutional investor: CO_2 emission reduction targets up to 2025 (For listed shares, bonds and real estate assets within Dai-ichi Life's investment portfolio)	55, 56 57

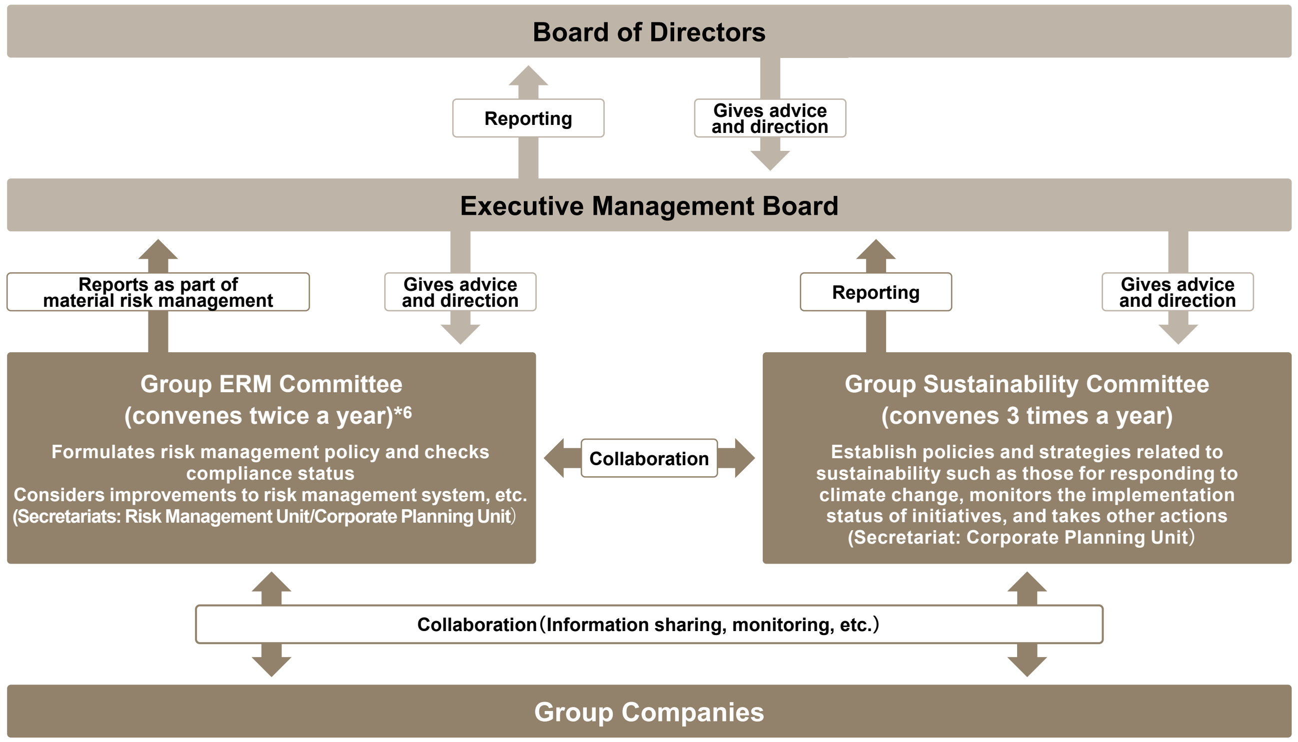
Stance on Governance/Risk Management

The Group regularly reports the status of initiatives addressing climate change (Group targets, policy and other indicators of initiatives, risk response, etc.) to the Executive Management Board and the Board of Directors*[4], and reinforces those initiatives depending on advice or direction received from Board members. At the same time, we promote the Board-led development of business plans related to climate change to form our stance for integrating climate-related risks into our management.

The Group is implementing risk management that takes appropriate measures at an early stage by specifying foreseeable risks with the potential to significantly impact its business as "material risks" and formulating business plans that take these risks into account.*[5] The Risk Management Unit identifies Group material risks based on the results of material risks identification at group companies and taking into consideration the degree of impact and the likelihood of occurrence. The Paris Agreement of 2016 has raised awareness of addressing environmental issues as a challenge that should be tackled by international community. The Group also recognizes addressing climate change as a material management risk that could considerably impact customers lives and health, corporate activities, social sustainability, etc. From fiscal 2019 we defined risk related to climate change as a "material risk," and have been reinforcing risk management. More specifically, in the course of Group ERM Committee meetings chaired by the officer in charge of risk management, we discuss methods of assessing and dealing with physical and transition risks and, if necessary, report them to the Executive Management Board and to the Board of Directors as well.

Furthermore, to reinforcing our Group governance, we established a "Group Sustainability Committee" chaired by the president in April 2021, and will establish policies and strategies related to sustainability such as responding to climate change, monitor the implementation status of initiatives, and take other actions going forward. In addition, we have set climate change-related items as one of the KPIs related to executive compensation of Dai-ichi Life, a core subsidiary of the Group.

Governance/Risk Management System Relating to Climate Change Response (As of April 2021)



*4 In fiscal 2020, climate-related topics were reported to the Board of Directors a total of three times. The main agenda are as follows.
•Status of Group response to climate change (including initiatives for climate-related risk, future direction, etc.)
•Response to climate change and other sustainability strategies under next MMP
*5 Visit the following webpage for details on risk management
https://www.dai-ichi-life-hd.com/en/about/control/in_control/administer.html
*6 The main agenda items related to climate change in fiscal 2020 were as follows.
•Status of response to climate-related risk
- Quantification of insurance claims and other payment risks
- Analysis of climate-related risk in Dai-ichi Life's investment portfolio

Recognition of Climate Change-Related Risk and Strategic Application

1. Climate-Related Risks and Opportunities and their Impact on Our Group's Business

We recognize that climate change may have the following effects in the medium- to long- term (result of analysis using business-as-usual and 2℃ scenarios), and therefore, promoting initiatives to enhance our control measures as an operating company and institutional investor and resilience of our business. Please also see "Topics" (next page) for details.

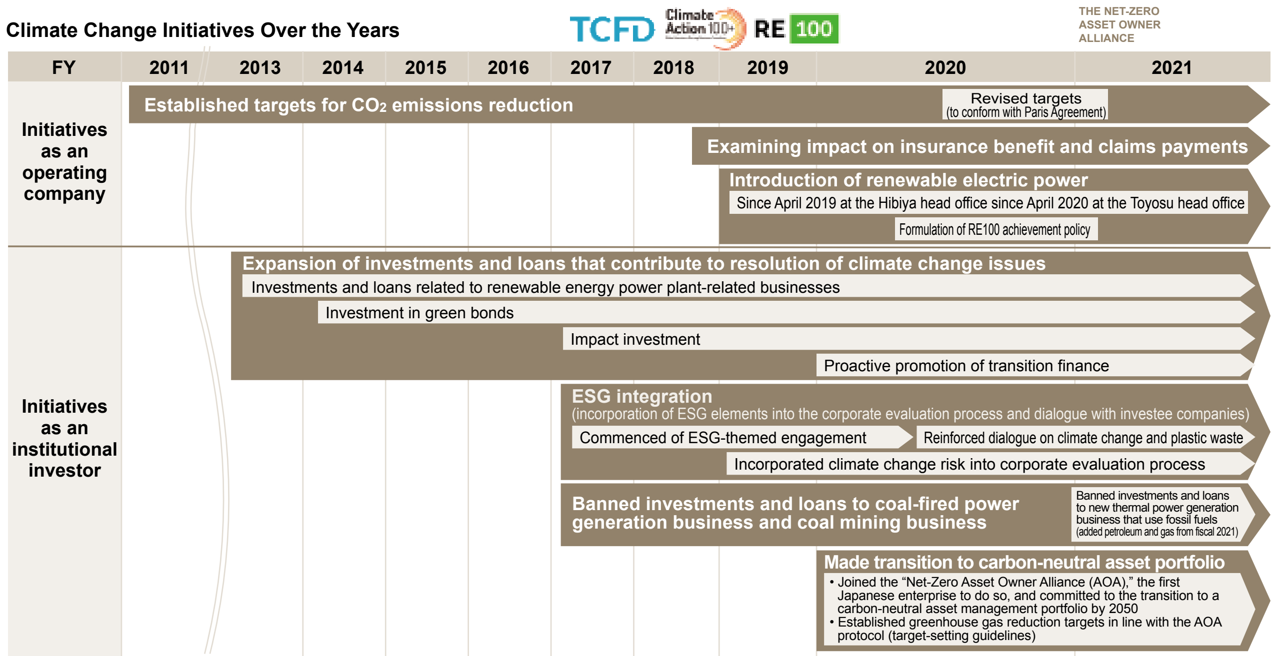
Risks*7	• Increase in insurance claims and benefits paid due to increase in heatstroke and infectious diseases associated with global warming • Increase in insurance claims and benefits paid due to increase in flooding due to typhoons, etc. • Decrease in corporate value of companies due to inadequate responses to environmental change, including the introduction of carbon taxes, damage to assets caused by market and social environment changes, development of new technologies, response to changes in consumer behavior, etc.
Opportunities*7	• Increase in investment and loan opportunities, such as renewable energy business, that contribute to solving climate change issues • Reduction alongside operating costs due to the introduction of infrastructure with high resource efficiency

*7 See the below website for details on main effects, timelines, etc. of risks and opportunities
https://www.dai-ichi-life-hd.com/en/sustainability/important/initiatives/ecology/climate.html

2. Specific Initiatives and Targets

As an operating company and institutional investor, in March 2021, the Group set medium- to long-term targets for the reduction of CO_2 emissions. With further accelerating various initiatives and contributing to earlier realization of decarbonized society, we will enhance the resilience of our life insurance and investment management businesses as we move forward.

Climate Change Initiatives Over the Years



<Initiatives and Targets as an Operating Company>

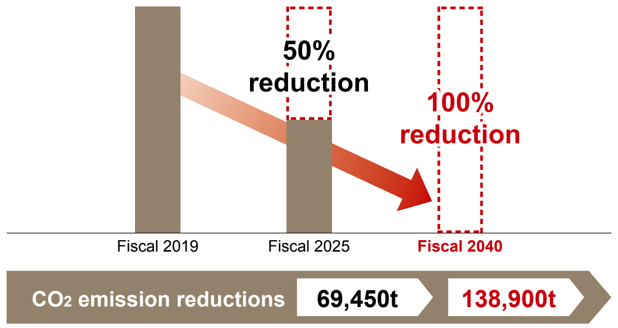
Originally, for our CO_2 emission reduction targets, we had applied Scope 1*8 and Scope 2*8. Then, we raised targets to conform with targets stated in the Paris Agreement (which calls for limiting the rise in average global temperature to under 1.5℃ compared to the time before the Industrial Revolution). In addition, for promoting initiatives which would unify all employees unify, Dai-ichi Life set CO_2 emission reductions under Scope 3*8 subject to "items that should be emphasized from the perspective of behavioral change of employees and businesses."

For actual CO_2 emission data up to fiscal 2020, please see the Dai-ichi Life website (Sustainability Data).

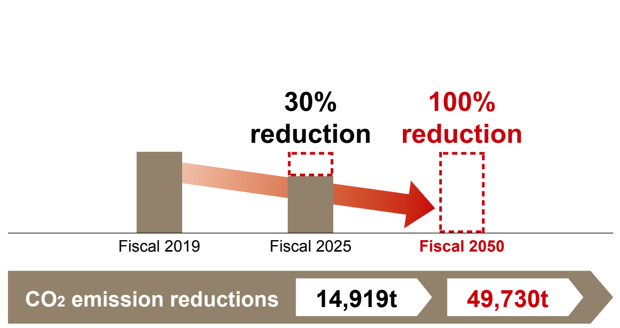
https://www.dai-ichi-life-hd.com/en/sustainability/library/data.html

*8 Scope 1: Direct emissions from Company. Scope 2: Indirect emissions accompanying use of electric power, etc. supplied from other company. Scope 3: Indirect emissions other than those under Scopes 1 or 2 (=emissions from other companies related to activities by Dai-ichi Life). Presently, the Company applies Category 1 (purchased products/services), Category 3 (fuel and energy activities not included in Scopes 1 or 2), Category 4 (transport/delivery (upstream)), Category 5 (waste generated by businesses), Category 6 (business travel), Category 7 (commuting by employees) and Category 12 (disposal of purchased products). It does not include Category 15 (investment).

Reduction of CO_2 Emissions at Dai-ichi Life Group (Scope 1 + 2)



Reduction of CO_2 Emissions at Dai-ichi Life Group (Scope 3)



In order to achieve the above targets for fiscal 2025 (under Scopes 1 + 2), Dai-ichi Life will promote "transition to 100% renewable energy by the end of fiscal 2023" (in particular, we will aim to achieve this goal for properties that Dai-ichi Life leases externally (real estate for investment)) in the course of fiscal 2021.*9

Additionally, at Protective and TAL as well, we are promoting initiatives for introduction of renewable energy and carbon offsetting, and will expand initiatives that the Group unifies behind.

*9 For details on initiatives, please see the below news release dated March 5, 2021. (Japanese only)
https://www.dai-ichi-life.co.jp/company/news/pdf/2020_097.pdf

[Topics] Research of Effects of Climate Change on Life Insurance Business

The Group is promoting initiatives to grasp risks related to payment of insurance claims and benefits to estimate the impact of climate change on life insurance business. While research on the impact global warming is conducted in various sectors, where the payment of insurance claims and benefits is concerned, changes in human health and natural disasters may have direct effects. According to a report (Assessment Report on Effects of Climate Change)*10 by the Ministry of Environment of Japan, an increase in heatstroke during the summer season, an increase in cardiovascular and respiratory diseases associated with production of photochemical oxidants, ozone and other pollutants. Moreover, report informs about the spread of infectious diseases due to the expanded habitat of mosquitos and mites and the intrusion of non-native species, an increase in heatstroke, infections and mental illness among disaster victims due to the prolonged living as refugees. As for natural disasters, the more frequently occurring flooding, inundation and landslide disasters may also have impact.

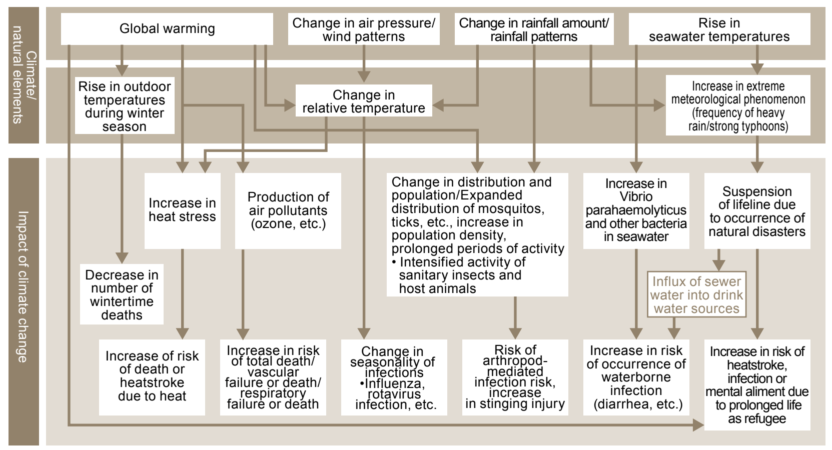
In recent years, documents concerning these effects have been published by a large number of research institutions, making them a growing subject of attention. In addition to investigating and analyzing such research results, the Group is promoting comprehensive grasp of risks and quantifying their effects after factoring in the attributes of the insurance products that it underwrites.

For initiatives for fiscal 2020, as a joint endeavor with Mizuho-DL Financial Technology, we analyzed the relationship between global warming and the payment of death insurance claims by Dai-ichi Life. In an analysis where focus was placed on the increase in health hazards caused by global warming during the summer season, using actual death insurance claim payments for the last several years, we inferred a relationship between peak temperatures across Japan and mortality.

The results of this analysis showed that if we applied a RCP8.5 scenario*10, relative to past results (for fiscal 2010 to fiscal 2019), the increase in mortality rate would be estimated at approx. 0.4% in the 2050s and approx. 1.0% in the 2090s. When these estimates are applied to actual death insurance claim payments by Dai-ichi Life in fiscal 2020 (approx. 400 billion yen), they amount to an increase of approx. 1.5 billion yen at a rate of 0.4% and an increase of approx. 4.0 billion yen at a rate of 1.0%.

The analysis and quantification of the effects of climate change on the life insurance business are recognized as being researched and analyzed by various companies through a process of trial and error, with no standard methods being established internationally at this time. The effects analysis recently performed by the Group is limited to a statistical analysis of the correlation between peak temperatures and death based on past results data at Dai-ichi Life using various researches as a reference.*11 We believe there are many challenges, such as investigations of the occurrence of various diseases, approaches from a medical viewpoint and impact investigations at our various overseas companies, and we will continue understanding risks across the entire Group as we move forward.

Assessment Report on Effects of Climate Change (Summary) (Ministry of Environment, Dec 2020)*12



*10 Scenario equivalent to maximum greenhouse gas emissions in 2100. Should measure surpassing current ones not be taken, using averages from the period between 1986 and 2005 as the standard, temperatures will rise between 1.4℃ and 2.6℃ close to 2050 (medium term) and between 2.6℃ and 4.8℃ close to 2090 (long term).
(Source) Assessment Report on Effects of Climate Change (Disclosed by Ministry of Environment on December 17, 2020

*11 For example: Antonio Gasparrini and others, in The Lancet Planetary Health, Volume 1, Issue 9, Projections of temperature-related excess mortality under climate change scenarios, Pages e360-e367 December 2017.

*12 Excerpt of outline drawing of envisioned effects from climate change (partially processed)
http://www.env.go.jp/press/files/jp/115261.pdf

<Initiatives and Targets as an Institutional Investor>

By positioning addressing climate change as its foremost issue under responsible investment, Dai-ichi Life is working to realize a carbon-neutral society. In February 2021, we joined the "Net-Zero Asset Owner Alliance" (AOA)*13 as the first Japanese entity, thereby making an external commitment to making the transition to a carbon-neutral investment portfolio by the year 2050. Additionally, we set forth the goal of carrying out a 25% reduction (over the end of March 2020) in greenhouse gas emissions in our listed shares, bonds and real estate portfolios by 2025 in accordance with the AOA protocol (target-setting guidelines). By principally engaging investee companies with considerable greenhouse gas emissions and supporting initiatives to address the issue of climate change in those companies, we will demonstrate leadership on a global level and aim to realize a carbon-neutral society.

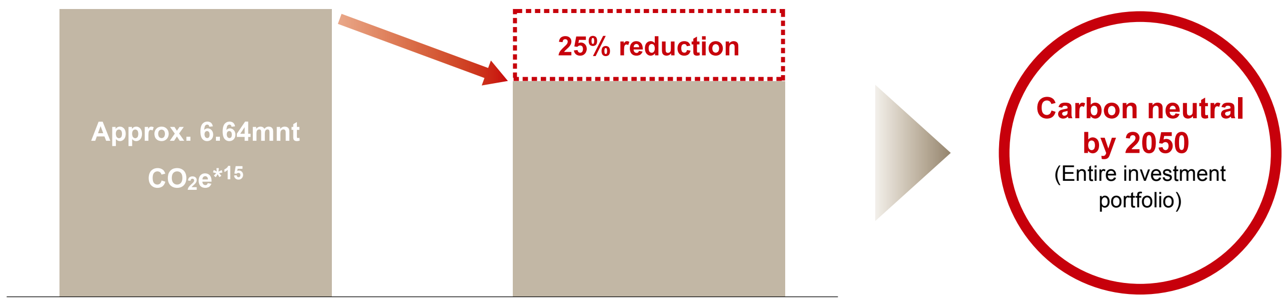
*13 Institutional investor organization that aims to make the transition to carbon-neutral asset portfolios by the year 2050

Main Initiatives Aimed at Realizing Carbon Neutrality

Setting reduction targets aimed at decarbonization by 2050	■ Set an interim target of a 25% reduction over levels at the end of March 2020 for listed shares, bonds and real estate by 2025 in accordance with the AOA protocol (target-setting guidelines) ■ Targets scheduled to be successively set for other assets based on consultations with AOA
Supporting initiatives by investment destination companies through engagement*14	■ Provided ESG analyst-issued reports and suggestions for climate change initiatives by corporations, promoted elevation of level of target-setting for reductions of GHG emissions and otherwise engaged 50 companies with top GHG emissions ■ Promoted disclosure of information based on TCFD Recommendations and agreement with TCFD through dialogue with investment destination corporations while simultaneously supporting initiatives by those corporations through Climate Action 100+ and other forms of cooperative engagement ■ Appropriately reflected results of engagement in investment judgment process
Supporting transition to low-carbon society and creation of environmental innovation	■ Proactively supplied capital for transition to low-carbon society through transition finance, impact investment and other means in addition to making investments and loans in green bonds and renewable energy power generation businesses ■ Will not engage in new project finance for thermal power generation (coal, petroleum and gas included) that uses fossil fuels

*14 For details on engagement activities, please see the Responsible Investment Report.
https://www.dai-ichi-life.co.jp/english/dsr/investment/ri-report.html

Total Carbon Emissions and Medium-Term Reduction Targets for Listed Shares, Bonds and Real Estate Portfolio

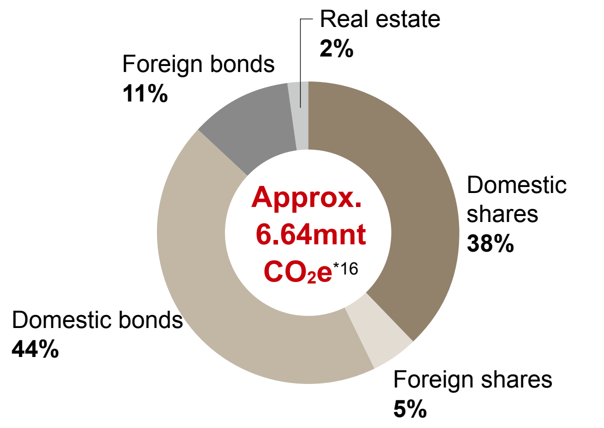


*15 Sum value of Scope 1 and Scope 2 for listed shares, bonds and real estate as of end of Mar. 2020
(Source) Listed shares, bonds: Prepared by Dai-ichi Life using data from S&P Trucost Limited. Real estate: Aggregated and prepared by Dai-ichi Life.

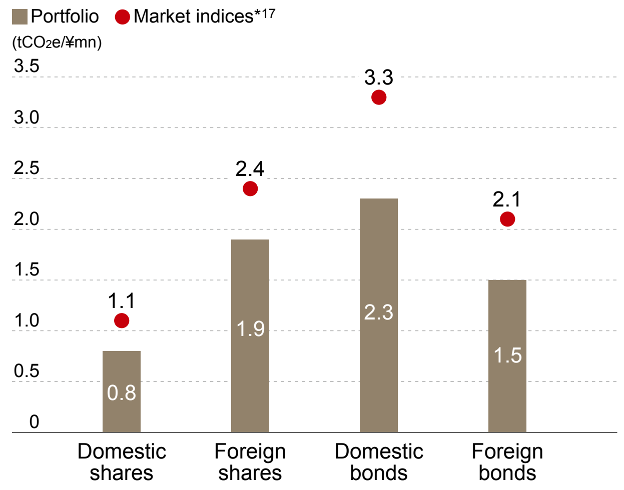
To assess the climate-related risks and opportunities at companies to invest in and loan to with respect to its domestic and foreign equity and bond portfolios, Dai-ichi Life performed total carbon emission and weighted average carbon intensity (WACI) analysis, the disclosure of which is recommended by TCFD. With WACI, a weighted average of greenhouse gases per unit sales of the company is obtained in accordance with the holding percentage for that company in the investment portfolio.

We have implemented initiatives aimed at bolstering the resilience of our asset portfolio up to now, including the incorporation of transition risk such as a carbon tax being introduced or assets becoming stranded into assessment criteria for companies to invest in and loan to. Additionally, we plan on tackling the advancement of our analysis of climate-related risk and opportunities, including transition risk and physical risk and opportunities, in order to further reinforce our risk management stance.

Total Carbon Emissions for Listed Shares, Bonds and Real Estate Portfolio (Breakdown) (As of End of Mar. 2020)

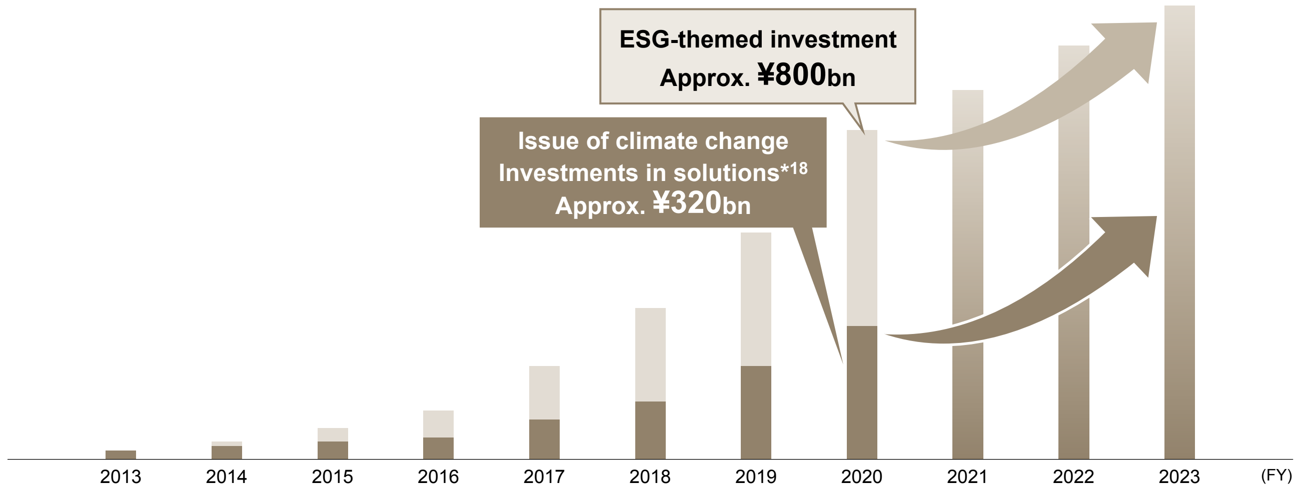


WACI for Listed Shares and Bonds (As of End of Mar. 2020)



*16 Sum value of Scope 1 and Scope 2 for listed shares, bonds and real estate as of end of Mar. 2020
*17 TOPIX, MSCI ACWI ex-Japan, S&P Japan Corporate Bond Index and S&P International Corporate Bond Index were used for market indices.
(Source) Listed shares, bonds: Prepared by Dai-ichi Life using data from S&P Trucost Limited. Real estate: Aggregated and prepared by Dai-ichi Life.

ESG-Themed Investment Cumulative Investment Results (As of End of March 2021)



*18 Investments and loans that help address the issue of climate change, including those made in green bonds and renewable energy power generation businesses

Feature: ESG Investment by Dai-ichi Life

Contributing to Realization of a Society Where Many Children Can Grow up Healthy through Impact Investing*1

As a universal owner that manages approx. 3.8 trillion yen in funds through investing in a wide range of assets, Dai-ichi Life proactively engages in ESG investment aimed at securing investment income and solving social issues. One of those investees is Unifa, a venture company that works towards reducing the burden related to childcare and improving the quality of childcare with the use of the latest technology in the form of IoT*2 and Artificial Intelligence (AI). Unifa Founder and CEO Yasuyuki Toki and Board Director and CFO Naoto Hoshi sat down with Yosuke Kawanishi of The Dai-ichi Life Insurance Co., Ltd.'s Alternative Investment Department to have a roundtable on the meaning and future prospects for ESG investment, among other themes.

*1 Investment method consisting of making investment judgments with the intention of simultaneously acquiring investment earnings and creating a social impact such as a shift in society's social structure.
*2 Abbreviation for "Internet of Things."

Social Impact

Addressing the issue of children on childcare facility waiting lists by eliminating the shortage of childcare workers by improving the working environment at childcare facilities

Yasuyuki Toki
Founder and CEO
Unifa

Naoto Hoshi
Director and CFO
Unifa

Yosuke Kawanishi
Manager
Alternative Investment Department
The Dai-ichi Life Insurance Co., Ltd.

Investing in Unifa based on its balance between earnings potential and sociality

Kawanishi: The Life insurance business has the role of "bridging generations" by accepting insurance premiums from policy holders and passing them to their children through insurance benefits. In that sense, children who belong to the next generation are our largest stakeholders. Realizing a society where children can have fulfilling lives and solving social issues indicated by SDGs is very important. While Dai-ichi Life Group has been selecting material issues that it should tackle based on that idea, we feel a strong affinity between our initiatives and the aims of Unifa, namely "the creation of environments at childcare facilities that are easy to work in" and "the improvement of the quality of childcare."

Toki: I first met Mr. Kawanishi about two years ago. At that time, I had a strong desire to contribute to the resolution of social issues as an entrepreneur, and was also aware that a similar large wave was approaching the investor side as well. I remember quite well my novel feeling of surprise at realizing that if I could inspire shareholders with the same ambitions to join us, all parties, shareholders, management, employees and customers included, could unify for tackling the challenge that social issues bring.

Hoshi: My prior job was at a foreign-owned securities company. Since I had roughly 12 years of experience in the market, I had a sense of the global trends surrounding ESG investment from five to six years back. I had just been blessed with a child myself, and wanted to do something that would positively serve my child's future. It was at that time that I met Mr. Toki, and ended up joining Unifa with a strong conviction in its social awareness and future potential. I felt that welcoming shareholders with an ESG viewpoint would prove to be considerably advantageous to us as well. Dai-ichi Life has been focusing on this field since the beginning of ESG investment. We believe that if we could inspire such a leader in the field to invest in our organization, we could get both public and market recognition of Unifa.

Kawanishi: I am extremely grateful to hear that. I should say, however, that in making an investment, the first thing we do is evaluate that investment from a financial investment standpoint. In that aspect as well, I recall having the strong impression that the business of Unifa was very elaborately build-up. While firmly building up its earnings stream through offering to watch over infants at childcare facilities during their naptime and various ICT (information and communications technology) services such as digital contact ledgers and childcare facility attendance management, Unifa sought to gain upside through a service that enable parents and guardians to make online purchases of photos and videos of children in childcare facilities. I am sure that Unifa continues to grow. Additionally, the company's agency strategy involving cooperation with childcare trading companies proved to be successful, giving it the attractive potential to establish dominant position in the childcare domain. Another aspect of Unifa that we highly valued next to its solid business was the social aspect of its business. It can be difficult to strike a balance between the earnings potential of a business and its social aspect in certain fields. In the case of Unifa, however, we believed that in addition to financial returns, we could count on the company to have a sizeable social impact. That optimal balance was the deciding factor in our investment.

Toki: Thank you. To be frank, upon receiving an investment from Dai-ichi Life, not only did we feel relieved at having a stable shareholder from a long-term perspective, but also examined the aspect of a business synergy between our companies. Dai-ichi Life pursues the promotion of high value-added with the use of digital technology in its insurance business. Moreover, as an institutional investor as well, the company carefully establishes a dialogue with its investee companies and extends its reach to even the deeper areas of those companies. Furthermore, Dai-ichi Life is also capable of engaging in deep discussion from an ESG perspective. That sense of overall balance, I feel, makes Dai-ichi Life an incomparable shareholder.

A partner that watches over its investee and accompanies them from a long-term perspective

Kawanishi: I am sure that assessing social impact in ESG investment proves to be difficult in certain areas. Not all elements can be measured in quantitative terms. At the same time, if those areas are not properly assessed, there will be no governance to speak of. To be frank, we regularly continue to look for better investment methods.

Hoshi: Our final goal is to realize our purpose of "making families happy." An example of one of the things we will do to reach that goal is improve the working environment of childcare workers and decrease their turnover rate, which is a medium-term goal. At the same time, while rarely discussed, there are various reasons for those workers to leave their jobs, and their working environment is not necessarily the sole problem. As such, even if we hypothetically set a target figure for the turnover rate, there would be difficulties in determining any direct relationship that turnover would have with the introduction of our services. Dai-ichi Life has an understanding of that reality while also having a very good understanding of the importance of climbing ladder one step at a time. Venture companies as a general rule are short on all management resources, be that people, money, or time. Within that situation, we feel that Dai-ichi Life is accompanying us from a long-term point of view.

Kawanishi: I'm very glad that you feel that way. The liability-side duration at a life insurance company is long, approaching as long as 19 years in our company's case. That is why we are able to invest with a long-term perspective. In that sense as well, we find our ESG investments to have a high degree of

Unifa: Using Digital Technology to Make Families Happier

Since being founded in 2013, Unifa has espoused "bringing forth new social infrastructure in the world that makes families happy" as its purpose, and has expanded its childcare support services that make use of IoT and AI across Japan. The company assists with the creation of environments that mitigate the burden of childcare-related tasks as well as increase the time that childcare workers have involvement with their children and help improve the quality of childcare.

Unifa currently promotes its "Smart Childcare Center." Its leading services include "Lookmee® Smart Baby Monitor" for keeping an eye on infants when they nap and "Lookmee® Photo" that allows photos and videos of children to be purchased online. As of June 2021, the cumulative number of childcare facilities across Japan that introduced "Lookmee®"-series services exceeded 11,000.

affinity with businesses similar to Unifa that involve social issues that will require a long time to be resolved.

Toki: Like Mr. Hoshi said, it will take a long time for us to reach the final goal. Right now, it is hard to claim that either the issue with waitlisted children or the issue with the shortage of childcare workers has been resolved yet. I roughly estimate that it will take at least 10 years to achieve the goals promoted with SDGs, including those that involve the health, welfare and education of children and gender-blindness. I believe that we have taken on the challenge of changing Japan's social framework. As the founder of Unifa, I am most grateful that a shareholder with a high aspiration such as Dai-ichi Life will be accompanying us as we carry out this long social transformation.

Hoshi: Being able to benefit from support over the long-term is also important from the financial aspect. We are always considering going public as an option to take with respect to our growth strategy and financial strategy. However, Dai-ichi Life will support us not from just a short-term perspective until we go public, but from a long-term one that would include the time after we go public. I believe that perspective perfectly matches our growth strategy. In June 2021 when we sought additional financing, Dai-ichi Life made an additional investment in us again.

Kawanishi: In having a long-term business relationship, mutual understanding will be important. By being an observer at Unifa's Board of Directors' meetings and maintaining contact with the company over phone and email, I believe that we are successfully communicating with a high degree of transparency. Actually, when spread of COVID-19 began, Unifa became unable to conduct face-to-face sales, which had been its main touch point. We therefore had concerns that the company would encounter harsh business conditions. However, Unifa cultivated new touch points with childcare facilities by using crowdfunding to hand out masks at those facilities free of charge, and enhanced bonds of trust with anxious parents and guardians by holding online seminars. In those ways, the company demonstrated its startup-like flexibility and mobility and maintained its growth. Simultaneously, Unifa carefully explained the status of its response to us, investors in the company, as well. Largely because of that, we were able to keep an eye on the situation while feeling completely at ease.

Hoshi: I see investors as being members of a single team that ride the same boat, that boat being Unifa. Therefore, I hope that we will also disclose things that don't proceed as expected or are negative in nature, and engage in constructive discussion moving forward. The good thing about being a private company is that the issuers can choose the shareholders. Dai-ichi Life empathized with our purpose and understood the various difficulties faced by a venture company based on addressing social issues, which makes it possible to engage in repeated constructive discussion from a medium- to long-term perspective and proceed together hand in hand. That is the kind of shareholder that Unifa now has on its team, and that is why we report information that is not positive as well.

Changing society means changing the flow of money

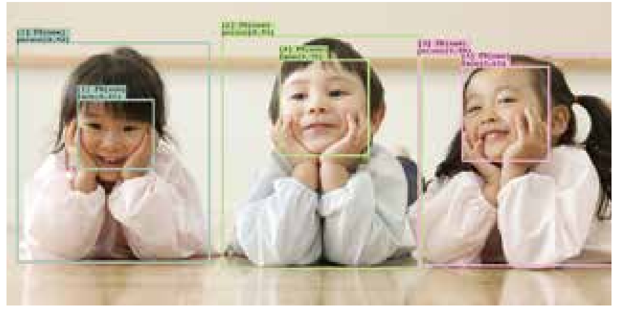
Kawanishi: We see Unifa as being poised to launch a full-fledged platform service that integrates its preexisting services from this summer on. I look forward to the company leading the pack by becoming synonymous with a DX for childcare among all people who are connected with childcare facilities, including childcare workers, parents and guardians, as well as eventually becoming a company that is capable of providing solutions that positively serve the frontlines of childcare, including households.

Toki: We will start by using the DX of the childcare industry to visualize the interest and developmental state of each individual child to make the frontlines of childcare more personalized. By establishing an environment that enables childcare workers to do their jobs while leveraging their expertise, we expect that both job satisfaction and value-added will go up. Additionally, the visualization of children's state will also lead to a change in how money is spent, as childrearing families will discover what kind of baby food suits their children and what kind of educational toys are the right ones. We want to create a system where part of that money can be given back to the childcare frontlines. I see our resolution to social issues eventually taking the form of "changing the flow of money." Changing that into shareholder value and corporate value is what management's job is all about. While a process of trial and error will continue for the time being, we hope to think about the question of how we will convey the value of our business to capital markets and how we will elicit recognition and understanding of that value along with Dai-ichi Life, and proceed to set a pioneering practice.

Hoshi: I feel that a perspective of tailor-made to the developmental state and interests of each individual child is an important element of their sound growth. Yet, that perspective seems to be missing in children's infancy. If an environment containing such a perspective can be realized with the use of our tools, it will play a huge role in the growth of children. What's more, I imagine that parents and guardians will want to leave their children in the care of a facility with that environment in place. Childcare facilities will also likely be able to offer better childcare. Both sides will experience mutual improvement, and society, I believe, will head in a more positive direction as a result. It would make me glad if we arrived at such a destination in the future.

Aiming to create a new ecosystem

Kawanishi: To make further dramatic leaps as we move forward, Unifa is also proactively addressing the reinforcement of its governance and promotion of diversity and inclusion. This June, Unifa made the transition to a company with an audit and supervisory committee. Simultaneously, it announced the inauguration of a female outside director. Moreover, the company is also focusing on developing an environment that our employees find easy to work in at an early stage.

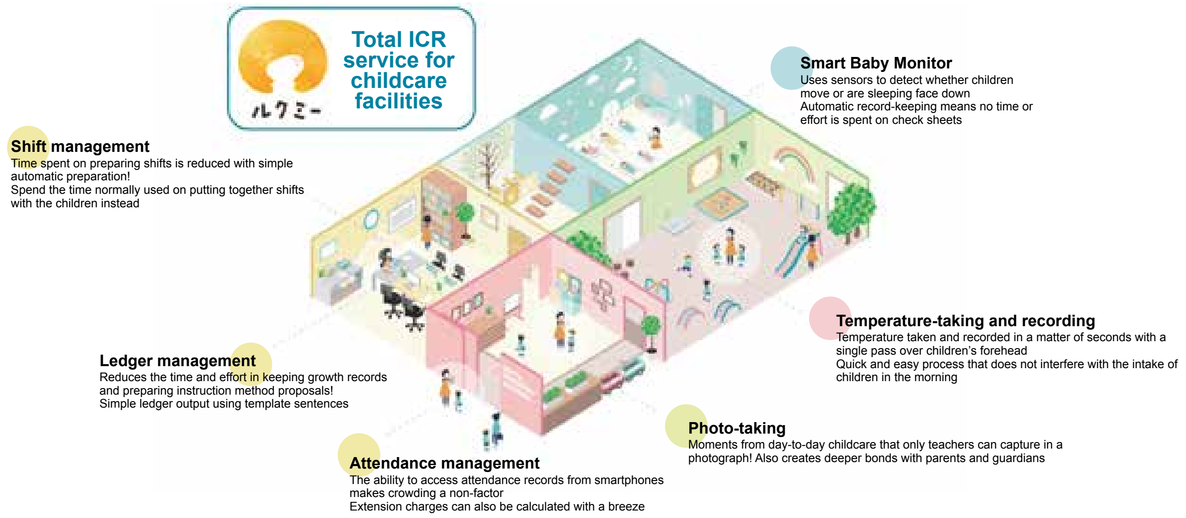


Over the medium to long term, while utilizing data accumulated on the development and growth of children since birth, we will be examining initiatives such as the provision of educational materials tailored to the developmental stage and interests of each child.

Hoshi: I believe that private venture companies that develop their governance frameworks on the same level as a listed company and willingly take action in that regard will help raise the level of venture companies as a whole. Additionally, my feeling is that in Japan, there has yet to be a fixed image of a successful example of ESG investment in a venture company based on the resolution of social issues. If we can succeed beyond a certain level as a venture company that has established a balance between economic potential and social aspect, I think that we will set an easy-to-understand example of a different entrepreneurial model, and the next generation of social entrepreneurs will increase rapidly. In that sense, I want to make sure Unifa succeeds as a company for the sake of establishing a next-generation ecosystem as well.

Toki: With our services having been introduced in over 11,000 facilities across Japan, as we proceed to develop a platform for our services on a full scale, we will likely need to cooperate and otherwise deal with members of other industry categories and, depending on the circumstances, local governments. Our forthcoming challenge, therefore, will be to establish a sales and marketing structure with a greater degree of formability than before and develop a "strong platform" in the true sense of the word. Moreover, in the future, I am eager for us to expand our business overseas. To give an example, in Southeast Asia, women are increasingly entering the workforce, causing the number of childcare facilities to grow dramatically. In addition to already conducting experiments at childcare facilities in Singapore, we already regularly receive inquiries and other contact from the region. We hope to join forces with Dai-ichi Life, who made an additional capital investment in Unifa, as well as with our other shareholders and stakeholders in order to build a new ecosystem and place ourselves on a more solid growth trajectory.

Kawanishi: We have great expectations for the ecosystem that you are aiming to realize. Moreover, we believe that there is significant potential for you to grow overseas as well as in Japan. ESG investment is continuing to gain speed. As the ESG strategy of various companies becomes increasingly refined, I believe that we at Dai-ichi Life must also rise to the occasion to become a "chosen investor." Thank you.



The "Lookmee®" series is an integrated ICT service for childcare facilities that makes use of the latest technology, including AI and IoT. Unifa is also expanding and promoting "Smart Childcare Center," a series of next-generation childcare facilities that mitigate the burden of clerical work and other tasks on the frontlines of childcare to give childcare workers some extra time and mental rest and also realize children's rich development and the happiness of families.

WEB Please see our Responsible Investment Report for information related to our ESG investment initiatives and promotional structure.
https://www.dai-ichi-life.co.jp/english/dsr/investment/ri-report.html

Human Capital Management Strategies

By realizing a "World of Opportunities" in which our employees all over the world can energetically demonstrate their authenticity and successfully contribute, we will enhance our group corporate value.

Hitoshi Yamaguchi
Executive Officer

In order to achieve our vision adopted in its new MMP, it is indispensable to fully reveal and leverage our most valuable assets the "human capital" who will realize the vision. Therefore, human resource departments representing our various group companies around the world have engaged in a continuous dialogue in the Group's four priority areas: career development, diversity and inclusion, health and well-being and social responsibility, and pursue the realization of a "World of Opportunities."

By earnestly pursuing these initiatives, we aim to improve productivity of our employees that would lead to enhanced human capital value along with the promotion of diverse talents to higher positions.

The result of our employee satisfaction survey for fiscal 2020 was 3.75, considerably surpassing the result for the previous fiscal year. However, while our various initiatives were positively accepted by our employees, the survey administered right after the incidents of fraudulent cash mishandlings by former Dai-ichi Life employees and disclosed in December 2020 revealed considerable criticism regarding our corporate culture and business structure.

Taking this criticism very seriously, management held an emergency offsite session with all executive officers, and has held 56 town hall meetings with all employees and officers since May 2021. Going forward, we will steadily pursue behavior change based on employee feedbacks, and by monitoring the results of employee engagement index we will aim continuous improvements. Additionally, by promoting group Employee Value Proposition (EVP) on a global level, we will aim to improve group employee engagement as we move forward.

Dai-ichi Group Human Capital Management Statement

We, the Dai-ichi Life Group, have defined our mission consistent with the spirit of "By Your Side, For Life." Based on this mission we see our primary purpose as contributing to the peace of mind and prosperity of our customers and contributing to the well-being of communities we serve.

Our strength is our people. They contribute and make a difference in the lives of our customers and in the success of our businesses. It is only through the efforts of our people across the Dai-ichi Life Group that we deliver our mission.

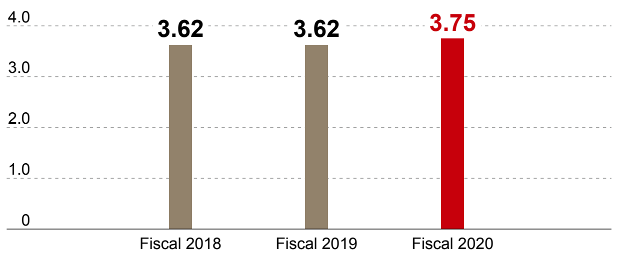
We recognize and support the uniqueness of each Dai-ichi Life group company, at the same time we commit to our Group Human Capital Management focus areas by sharing best practices, knowledge and designing a joint way forward.

We plan to achieve this through the promotion of four focus areas-Career Development, Diversity & Inclusion, Health & Wellbeing, and Social Responsibility.

Therefore, providing our people with opportunities to learn, grow and develop their careers in an inclusive and supportive environment that embraces diversity and encourages well-being.

We, the Dai-ichi Life Group, offer a "World of Opportunities."

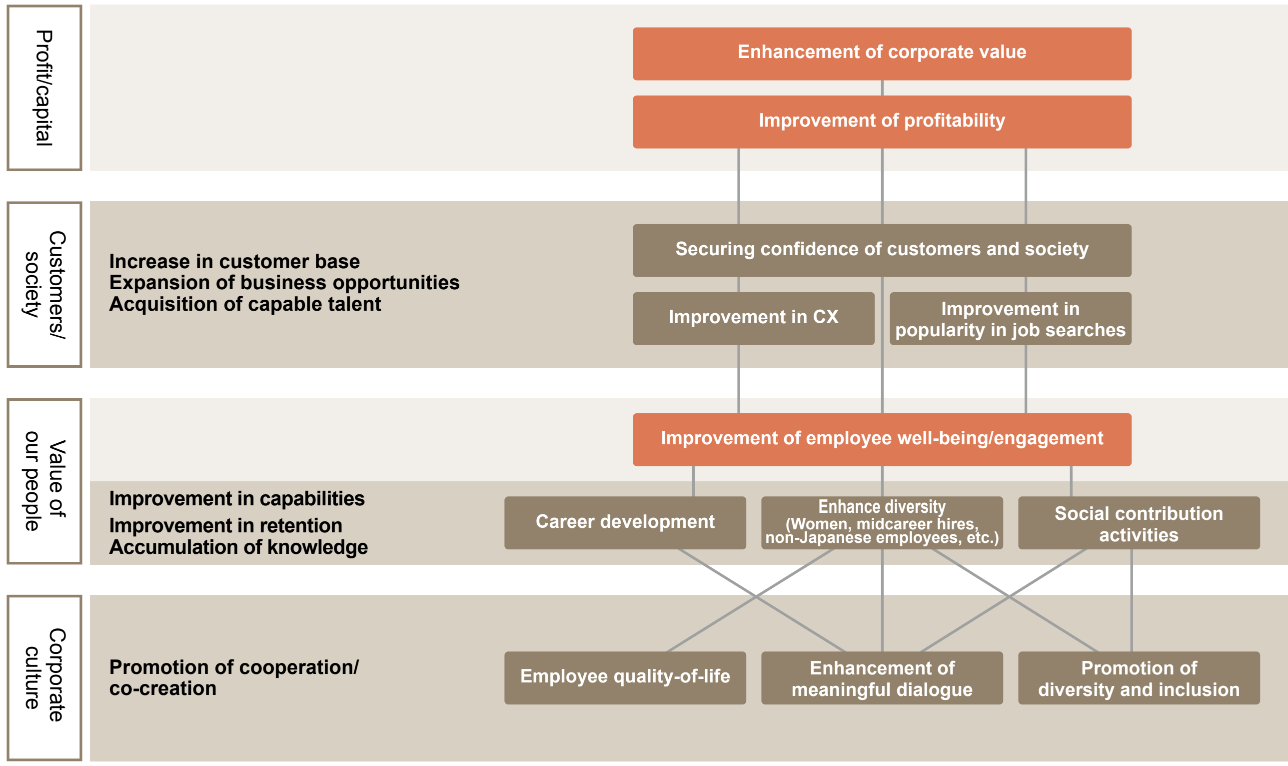
Employee Satisfaction Survey (Composite Indicator)*1



*1 Average value based on a five-point scale. Combined score for Dai-ichi Life Holdings and its three life insurance companies in Japan (Dai-ichi Life Insurance, Dai-ichi Frontier Life and Neo First Life).

Enhancement of Corporate Value through Human Capital Strategy

Nowadays, it is indispensable to invest in human capital, which is a cornerstone for company to maintain its competitive advantage over the long-term and continuously enhance its corporate value. We pursue improvement of well-being and engagement of our employees through various human capital strategies, that foster corporate culture that promotes cooperation and co-creation and improvement of human capital value by enhancing capabilities and retention. Through these efforts, the Group seeks to raise the confidence of its customers, society and other stakeholders and, in the process, enhance its corporate value.

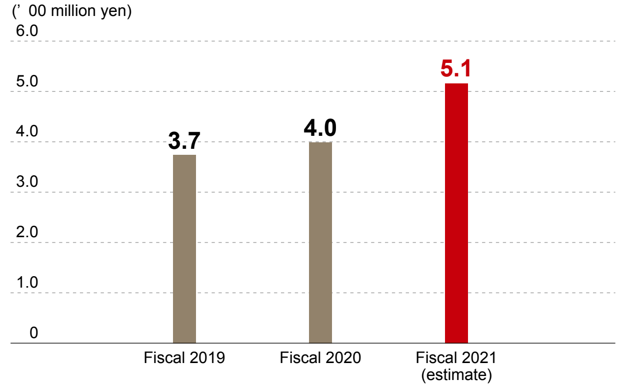


Career Development

Dai-ichi Life revised its HR policy and program to leverage and realize the fullest potential of each employee. Based on our newly-formulated "Human Capital Development Road Map," we seek to maximize employee potential largely through 1-for-1 and career design training systems. Also, in addition to expanding learning opportunities at Dai-ichi-life Net College, we have started investment aimed at providing training opportunities through linkage with our CX/DX and other business strategies and improving the leadership capabilities of our managers.

In addition, alongside with enhancement of existing business efficiency through transformation of business model, we moved forward with implementation of a new work style that is not tied to time or location while focusing on the expanding career opportunities through utilizing IT and allowing side jobs within and outside the company.

Change in Human Capital Development Expenses



Number of external side job applications*2

Number of applications	45 applications

*2 System commenced in April 2021. Cumulative number of applications between April and June 2021. Total for Dai-ichi Life Holdings and Dai-ichi Life.

External Side Job

Knowledge and Know-How Gained through the Side Job Can Also Be Leveraged in Main Job

Before joining Dai-ichi Life as a midcareer hire in November 2017, I had spent a long time working as a freelancer and being self-employed. After notice allowing engagement in a side job was issued, I was able to begin a side job in about a month's time. While my side job mainly consists of consulting for digital marketing, it also includes creative production and application development that accompanies that consulting. My experience of becoming a service provider in my side job, led to my deeper understanding of consulting firms and various vendors and I feel it also led to a smoother project management in my main job. Additionally, I managed to gain a direct sense of what I can provide to the market when I am not representing Dai-ichi Life and how my efforts are received when I do so. The feeling of satisfaction involved is different from the one that I gain through my main job.

Yohei Saito
Assistant Manager
Total Life Planning and Sales Training Dept.
The Dai-ichi Life Insurance Co., Ltd.

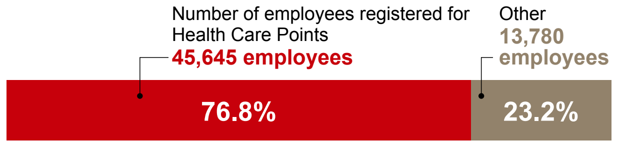
Diversity and Inclusion

In these times when stakeholder needs are becoming increasingly diverse and change is severe, we recognize that it is impossible to survive unless we leverage the diversity of our employees to enhance our value. We continue to support and develop our diverse people in order to help them lead our business.

Health and Well-Being

For improving well-being of our customers, it is essential for us to elevate the well-being of our employees, who deliver that value to customers. Through health care point system using our "Kenko-Daiichi" (Health First) app, health and medical care seminars, individual health assistance through Web interviews by occupational health staff and other initiatives, we proactively support our employee's health and medical care.

Number of Employees Registered in Health Care Point System*1



*1 As of end of March 2021

Social Responsibility

As part of its business, Dai-ichi Life promotes initiatives to resolve social issues in various regions, an example of which is the "Chiiki Iki-iki Project" (Regional Revitalization Project). Additionally, through voluntary activities conducted by employees themselves, we encourage contributing to the resolution of social issues through a side job as well as engaging in activities to contribute to society by taking "Quality of Life Improvement Leave."*2

*2 Work leave system to improve QOL of our employees. May be used in a wide range of cases, such as for performing volunteer work, engaging in self-development or infertility treatment, or undergoing a comprehensive medical checkup.

Cleanup volunteers at Lake Inawashiro
(Dai-ichi Life, Fukushima Branch Office)

Promotion of Human Rights Due Diligence

To respect human rights of all concerned stakeholders, including our supply chain, the Group continues to promote initiatives for human rights due diligence based on the following four steps: (1) establishment and commitment of the "Human Rights Policy of Dai-ichi Life Group," (2) identification of human rights risks and evaluation of their impact. (3) implementation of corrective and rescue measures and (4) disclosure of information and monitoring.

Diversity and Inclusion

Our 70,000 group employees are a driving force for our sustainable growth. We will establish a corporate culture where each of us can demonstrate our individuality and take on challenges with a high degree of motivation, and will contribute to the well-being of our customers and society.

Miki Kashizaki
Executive Officer

As part of our new MMP, the Group aims to continue contributing to the well-being of all people so that they have peace of mind and are able to live rich and healthy lives. And it is our 70,000 group employees that drive the realization of that aim. For us to be closer to our customers and provide them the very best products and services and contribute to communities to realize sustainable society, we require a workplace environment in which group employees find satisfaction in their work and able to do their jobs with high energy and motivation. We believe that leveraging diversity and realizing employees' fullest potential will lead to our sustainable growth. Based on such a viewpoint, the Group focuses on the promotion of diversity and inclusion in its initiatives. Under the top management leadership, we promote the achievements of the women who make up a majority of our employees, and have brought our ratio of female employees in managerial positions*3 to 27.5% through efforts such as establishing an appropriate work environment, enhancing offered systems, and providing leadership development training programs to our female employees. On the other hand, the ratio of women in position of a department or section head at our organization is only about 10%. We aim to bring this percentage up to 30% by April 2024, and will promote realization of diversity among the decision-makers at our company with greater speed through implementing succession planning under which women would account for 30% of the candidates listed up by our executive officers for the department in charge. As we will make diversity our strength going forward, we are pursuing initiatives such as expanding the work domain of employees with disabilities predominantly at our special subsidiary Dai-ichi Life Challenged and proactively hiring experienced talent to diversify our homogeneous workforce. At present, approx. 30% of the people whom we hire are mid-career hires. We will continue going beyond narrowly defined gender-based diversity and aggressively promote diversity that include hiring non-Japanese individuals and midcareer hires to core positions. Amid COVID-19 pandemic we have put the health of our employees, their family members and our customers first, and have established new work styles that take advantage of telecommuting. We will continue implementing new work styles that are not bound by time or place, and will enhance connections with customers and fellow employees within an environment that is conducive to communication and collaboration "anytime, anywhere, and with anyone." Simultaneously, we will aim to improve employee engagement through further enhancing productivity and enhancing work life balance. Going forward, we will continue contributing to the well-being of our customers and society with diversity and inclusion as the driving force of our sustainable growth.

*3 As of April 1, 2021. Total for Dai-ichi Life Holdings, Dai-ichi Life, Dai-ichi Frontier and Neo First Life.

Active Participation of Diverse Employees

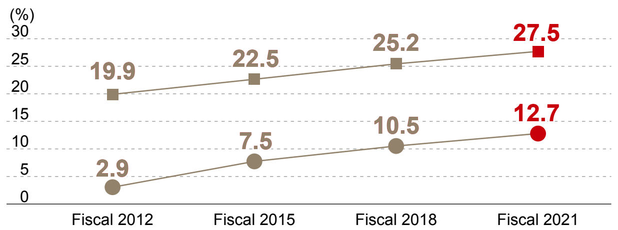
Promoting the Active Participation of Female Employees

As a means of developing the next generation female leaders, we provide various training to match specific goals and reinforced our development efforts through implementation and support at each department. In order to maximize and grow individual abilities, it is necessary to recognize biases in the ways one sees and perceives certain things that he or she is usually not aware of or consciously controls. In promoting the female employees, overcoming unconscious bias such as gender-fixed roles stereotypes, is critical. Given that, we are conducting unconscious bias trainings for all employees and the provide an "evaluation checklist" that encourages awareness of unconscious bias when performing performance evaluations to ensure fair and impartial evaluations.

Furthermore, in December 2019, we became a member of "30% Club Japan," which has set a goal to make the ratio of female executive officers 30% by 2030, and are reinforcing our pipeline of female leaders for realizing diversity among the decision-makers at our company. Being the first Japanese life insurance company to join the "30% Club Japan Investor Group,"*2 Dai-ichi Life is promoting gender diversity as an institutional investor as well.

*2 An institutional investor group that seeks to enhance the medium- to long-term corporate value of investees through promoting gender diversity.

Change in the Ratio of Female Employees in Managerial and Executive Officer Positions



*3 Figures as of April 1 displayed as figures for current fiscal year. Sum of figures for Dai-ichi Life Holdings, Dai-ichi Life, Dai-ichi Frontier and Neo First Life.
*4 Figures as of July 1 displayed as figures for current fiscal year. Sum of figures for Dai-ichi Life Holdings and Dai-ichi Life.

Global Diversity

To enhance our international competitiveness, we develop our people into those who can potentially contribute to our global business through initiatives such as recruiting non-Japanese international students, dispatching Japanese employees overseas as trainees or international students, and offering practical overseas business training. Simultaneously, we promote synergy and best practices sharing in the Group through exchanges among executive-class members of Japanese and overseas group companies. Additionally, at our overseas group companies, we will proactively recruit and promote diverse employees to key business positions.

Ratio of Overseas Employee Ratio*5

Ratio	11.7%

*5 As of end of March 2021. Ratio of employees from 5 overseas subsidiaries (Protective, TAL, Dai-ichi Life Vietnam, Dai-ichi Life Cambodia and Dai-ichi Life Myanmar) out of total consolidated employees.

Promoting Active Participation of Employees with Disabilities

While promoting the hiring of employees with disabilities and the expansion of their work opportunities at our various group companies including Dai-ichi Life's special subsidiary company Dai-ichi Life Challenged, we aim to create a workplace to motivate and engage them in their careers.

Our employees won first place in the 1st Challenge Coffee Barista (a barista competition for people with disabilities).

LGBT*6 Initiatives

As we endeavor to be an LGBT-friendly company, we continue to hold seminars to widen the circle of LGBT "allies" who understand and support LGBT individuals as well as training sessions in which human rights awareness is a key theme. Simultaneously, we are promoting the establishment of a framework through means such as setting up a consultation desk as we work to encourage employees' understanding.

Top Gold Rating on PRIDE Index Evaluation of LGBT Initiatives (2020)

*6 LGBT stands for "lesbian, gay, bisexual and transgender."

Realization of Diverse Work Styles

Promotion of Work Style Reforms

Aiming to realize workplace environments where our employees can freely choose where and when they work on their own and practice a more flexible workstyle, we are promoting initiatives that translate into the creation of value-added on an organizational and individual level as well as to the well-being of our employees. These initiatives include the application of telecommuting and the flextime system.

In fiscal 2020, we enhanced our systems through introduction of "Quality of Life Improvement Leave," a system which allows employees to take time off for a broad range of purposes such as volunteer work, infertility treatment and self-development, and "hourly-based holidays," where employees can take flexible hourly-based holidays.

Promotion of Diverse Work Styles

Flexible Choice in Time and Location Fosters Greater Innovation

"Dai-ichi Life Innovation Lab" members who lead innovation in the Group, pursue flexible work styles to promote collaborations with start-up enterprises and other entities inside and outside Japan.

Location

As the use of Teams and other Web meeting tools is promoted across the entire department, we can work from multiple locations, including home and co-working space in addition to office space. Generally, members individually choose the location where their productivity and motivation are enhanced.

At proof of concept (PoC), which substantiates new ideas in a short time frame, members may bring together involved parties at a co-working space to engage in discussion as they gather around a whiteboard. Conversely, they may wrap-up things without meeting in person. Based on the particularities of the matter at hand and their own situation, members select the optimal place to generate ideas and implement projects.

Time

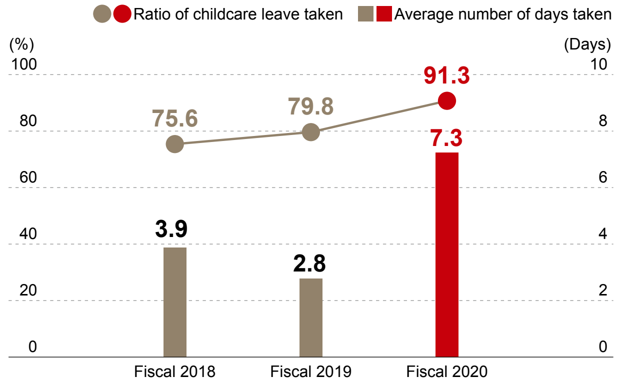
In creating innovation, the input of new information and networking are essential. That is why we proactively take part in seminars and pitch events, including those held overseas where there is a time difference. In cases when such events are held online early in the morning or late at night, we make full use of remote work, which enables us to take care of household duties when we have a chance.

Naho Yoshimura
Assistant Manager
Innovation Strategy Dept.
The Dai-ichi Life Insurance Co., Ltd.

Work-Life Management

We also promote work-life balance so that our employees can approach their work with energy. For example, we offer seminars regarding health issues particular to women, and support their career with childcare/nursing care. We also encourage fathers to take part in childcare by providing educational materials on taking childcare leave and supporting tools for managers to promote the participation of our male employees in childcare. Through company-wide encouragement, the rate of childcare leave taken by our male employees in fiscal 2020 was 91.3%, an 11.5% increase over the previous fiscal year.

Change in the Ratio of Childcare Leave Taken by Male Employees and Average Number of Days Taken*7



*7 Sum of figures for Dai-ichi Life Holdings and Dai-ichi Life (including those subject to "career rotation")

Story of Experience by Male Employee in Taking Childcare Leave

While sharing the burden of childcare with my family, I was able to see the growth of my child right by their side.

In 2019, upon the birth of my first child, I took childcare leave of about four months. The time that directly followed the birth of my child happened to fall upon a peak busy period at work, forcing me to leave unfamiliar tasks of childcare completely to my wife in addition to household duties. Therefore, I consulted with my superior about taking childcare leave upon a break in my workload. Because the duration of that leave would be long, I wrapped up any duties that I could on my own, and handed over any other duties to my colleagues. I am grateful to my superior and my colleagues for their support, without which I would not have been able to take childcare leave. After talking things over with my wife, we decided to leave cooking with my wife and split other household chores and childcare duties equally. Over my four months of childcare leave, I am confident that I became able to perform the full range of childcare duties, from bathing and clothing to putting my child to bed. I was able to get a real sense of just how challenging a childcare is and share that with my wife. Not only that, but I was also able to see my child growing right by my side, a wonderful experience that I would not trade for anything.
Plus, I had enough time to think about my family and myself, broadening my horizons.

Hideki Okada
Line Manager
Human Resources Dept.
The Dai-ichi Life Insurance Co., Ltd.

External Directors' Roundtable Discussion

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Yuriko Inoue
Outside Director

Koichi Maeda
Outside Director

Rieko Sato
Outside Director
(Audit & Supervisory Committee Member)

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Outside Director

Theme 1
Review of the Past Year
- Evolution and Challenges of Corporate Governance -

Shingai In last year's integrated annual report, we focused on the themes of governance and dialogue between members with supervision and execution roles, and I think it would be good to continue this year's discussion with the evolution of corporate governance (below, "CG").

We are one of the few listed life insurance companies in Japan, and as an institutional investor, we are in a position to promote CG, and we must take pride in our responsibility to set an example. The essence of CG is a mechanism for transparent, fair, prompt and resolute decision-making based on the stakeholder model.

First of all, with regard to transparency and fairness, it is unfortunate that incidents of fraudulent mishandling of cash by employees occurred at Dai-ichi Life. The Audit & Supervisory Committee Members and other outside directors have been committed to clarifying the facts, analyzing the true cause of these incidents, and clarifying responsibility, with the help of third parties. In response, the executives are now working diligently to formulate and thoroughly implement countermeasures, identify similar cases, and prevent recurrence over the medium- to long-term, including reforming the corporate culture, in a transparent manner.

Next, I believe that there is still some way to go in terms of speed and decisiveness. It is true that the new medium-term management plan has been evaluated by investors and shareholders as clearly showing the management's intentions. However there are expectations for us to implement and realize the plan quickly and decisively.

The life insurance business is a long-term business. Even if a company makes an omission, it does not mean that business performance will deteriorate drastically. For this reason, to put it harshly, it is an industry that is prone to so-called "boiled frogs."

To prevent this from happening and to fulfill our responsibility to our stakeholders, I would like to ask the executives to exercise self-discipline and to work tirelessly for transformation. We, the outside directors, have a responsibility to support them in this process. For this reason, I believe that continuous evolution is necessary for CG as well.

At the same time, outside directors also need to continuously refine themselves. During the previous fiscal year, the outside directors alone held 17 meetings and had two study sessions with investors and analysts. On top of

that, we are deeply involved in the formulation of the medium-term management plan and continue to hold dialogues with President Inagaki and other people within the Group, including individual discussions, to continuously improve corporate value over the long-term.

Maeda With regard to CG, while we will respond to the expectation and trust of multi-stakeholders based on the basic policy, to do so, I think it is important to achieve a balance between management supervision and business execution. Although the Company underwent a transformation from an insurance company to a holding company in 2016, I think that in some respects we have continued with our previous approach to governance. Over the past few years, the outside directors have had numerous discussions about the direction of CG as a holding company, and we have also been in discussions with the executives.

In the management of the Board of Directors, the chairman of the board was changed from the chairman and representative director to the chairman and director, to clarify the roles of supervision and execution. In addition, being a company with an Audit & Supervisory Committee, we have strengthened the Nominations Advisory Committee and the Remuneration Advisory Committee by allowing outside directors who do not belong to the respective committees to participate as observers, to enhance the effectiveness of the committees by incorporating more diverse opinions. However, it is necessary to go back to the basics of the holding company's roles and continue to work on the evolution of group governance.

Sato I think that the previous fiscal year was a landmark year in the history of the Dai-ichi Life Group. We, the outside directors, have been exchanging opinions and engaging in discussions with the executives with a great deal of awareness. The starting point for this was the fact that we found the opinions of shareholders that resonated with us. Therefore, we held a study session for outside directors only and discussed with the executives, which led to the formulation of the current medium-term management plan.

I am proud to say that we, outside directors, did our best, and I think we were also able to do this because the executives took our opinions seriously. After all, no matter what the outside directors say, if the executives do not listen, there will be no real discussions. In this way, I believe that the relationship between outside directors and executives has entered a different stage.

However, we should not be contented, because we are also institutional investor, and we need to set an example. In the current fiscal year, I hope to further discuss the future vision of the Group not only with the outside directors but also with the executives.

Masuda I also feel that the past year has been a period of the greatest progress in strengthening governance.

First of all, compared to the past, there have been more opportunities for internal and external directors to exchange opinions, and we have been able to communicate with many people, including President Inagaki. I believe that CG evolves through the accumulation of such opportunities, and I hope to be able to talk with many more people in the future.

In addition, since the previous fiscal year, there have been several incidents of fraud discovered at Dai-ichi Life, and I think this was one of the reasons why governance has been strengthened significantly. Although it can be very difficult to reform the corporate culture for a company with a long tradition, we need to strengthen and reform our governance with a greater sense of speed in light of the changing business environment.

For example, the proposed Corporate Sustainability Reporting Directive released by the European Commission in April will require companies to guarantee non-financial information such as climate-related risks from 2023. Although the directive only applies to listed companies in the EU, it will eventually be required of Japanese companies as well, so we need to collect and analyze the latest information and consider how to respond to it. As an outside director, I think it is necessary for us to stay informed of such major trends of the times and respond to them.

In addition, as the Board of Directors of a holding company, we need to discuss management control and resource allocation for the entire Group, which has a global business presence, from the perspective of increasing corporate value. When doing so, it is important to always be aware of stakeholders such as employees, business partners, and contractors, not to mention shareholders, and I think the challenge is to be able to disclose and explain our actions to society with sufficient care.

Inoue Last fiscal year was the year to formulate the new medium-term management plan, so it was a very important year to discuss the medium- to long-term management direction. Being aware of this point, the outside directors have been exchanging opinions about what issues should be discussed since the end of the year before last.

In March of last year, the outside directors informed the president of our recognition of the two main issues: future management strategy issues and governance issues. There are four points as management strategy issues: changing our risk-taking policy and securing resources for business investment, reforming our domestic business, future growth strategies including global business, and renewing our corporate culture and behavioral patterns. The following six points were raised as governance issues: strengthening the leadership of the president as the top executive officer, improving the effectiveness of governance by the Board of Directors, whether the president of the holding company should serve concurrently as president of Dai-ichi Life which is an operating company, simplifying the global business supervision system, whether the C-Suite* system should be introduced, and appointing and selecting next generation leadership.

We were able to achieve a certain results with regard to our financial strategy in the new medium-term management plan, and we will continue to hold free and vigorous discussions on these issues at meetings of outside directors and between outside directors and the executives in order to achieve steady results this fiscal year.

*A top management positions beginning with the letter "C," such as CEO and CFO.

Olcott I agree that the previous fiscal year was a year of great significance for the Company because we were able to have solid discussions toward the formulation of the medium-term management plan.

It is said that at Japanese companies, traditionally Board of Directors approves what executives have formulated without much discussion. This is even true when it comes to important matters such as the medium-term management plan. In the case of our Company, I don't think this was the case when we formulated our previous medium-term management plan, but looking back now, I feel that the previous medium-term management plan seems to be an extension of our traditional strategy, and this time we were able to have more in-depth discussions through a more thorough review process.

In addition, this time we were able to analyze the competitive environment, benchmark not only domestic but also overseas competitors, and thoroughly discuss the cost of capital and capital allocation, which resulted in, for example, the decision to sell shares in Janus Henderson and a large-scale share buyback.

Through this process, I think the way of engagement between outside directors and the executives, especially the president, has changed a lot. Although I have served as an outside director of many companies, I don't think there is any company where the president and outside directors have such a constructive dialogue.

Although results have yet to be seen, I hope that we can look back in five years' time and say that the last year was a turning point.

Shu The first main point regarding governance is the dialogue with shareholders. I think that the executives actively responded to the shareholders' viewpoints. However, what is particularly commendable is that they did not just respond on the surface, but took it very seriously in terms of what the shareholders' requests were and how the Company should change itself to incorporate them.

The second point is that we were able to give the impression to shareholders and the market that the current medium-term management plan has taken a step in a direction that is not an extension of the past, and in the process, top management played a significant role and outside directors were able to provide reasonable cooperation. I think it will continue to be an extremely important point in governance for outside directors to contribute to the creation of an environment in which the entire executive team is unified under the leadership of top

management.

In terms of governance in general, while corporate management is supposed to be for the benefit of all stakeholders, not just specific stakeholders, it is important to know how to evaluate whether or not a company is successfully providing value to all stakeholders. If the provision of value to all stakeholders is circulating well, then the corporate value as a going concern should at least exceed the value of dissolution. If this is not the case, then it is clear that the company's ability to provide value to customers, employees, and society will be limited in the medium- to long-term. Recognizing that a company's emphasis on social contribution is not an excuse for damage to shareholder value should be the starting point for the governance issues facing Japanese companies today.

Theme 2

Process of Formulating the Medium-Term Management Plan

Shingai Let's look back at the process of formulating the medium-term management plan. While I am a believer in the stakeholder model, ever since I became an outside director in 2019, I have believed that being on the same page with shareholders is not sufficient. In particular, the low price-to-book value ratio (PBR) is a major problem. In order to solve this problem, ROE exceeding the cost of capital and future growth scenarios are essential.

With regard to the former, we had numerous dialogues with the executives, and they started reviewing the cost of capital and recognized a higher cost of capital, and then committed to achieving ROE that exceeds the cost of capital. As the first step of this action, we made it clear that we would aim to improve our risk profile by boldly reducing market risks. By doing so, we wanted to reduce our beta of the CAPM formula and deploy the generated

capital for investment in business growth and shareholder payout policies.

On the other hand, although the outline of the growth scenario is becoming clearer, we believe that there are still many things to be considered in order to realize it. From this perspective, although the Group has seen the light at the end of the tunnel for the financial turnaround, the realization of the business transformation is still an important issue going forward. In this era of VUCA, I believe that we will be required to constantly think and act while running.

Shu At the root of it all, there was a recognition that we needed to make a medium-term management plan that would lead to the creation of solid corporate value, and I think it was appropriate to focus on lowering the cost of capital to achieve this. With regard to the reduction of the cost of capital, there was a lot of discussion about the target and the time frame for risk reduction. Naturally, whether or not to reduce risk is also affected by the market environment, so we will continue to work on this issue with a greater sense of speed than we have discussed so far, while the market environment is favorable.

In addition, we need to continue to have disciplined discussions on what to do with the generated capital as a result of risk reduction, how to strike a balance between shareholders returns and growth investment, and how to prioritize areas for growth investment.

Olcott The current medium-term management plan focuses on improving the balance sheet, especially reducing market-related risks such as eliminating duration mismatches and reducing equity exposure. However, to improve stock price valuation, we must also be aware of the income statement. In particular, because margin pressure is increasing in the mature domestic life insurance market, a challenge for us is to make our management more conscious of our ability to earn profits by exploring new business opportunities and reducing fixed costs.

Also, we have not been able to fully discuss the organization related matters. In order to realize our vision the medium- to long-term, for example, five years from now, we need to not only set numerical targets, but also determine what kind of organizational development we should pursue.

Sato The structure of a stock company is similar to the system in which the electorate elects the members of the Diet, the members elect the prime minister, and the prime minister assembles the Cabinet. Because we are elected and entrusted by our shareholders, I think it is important that we give attention to our shareholders first.

The medium-term management plan is based on issues we should be aware of when we face all of our stakeholders. In fact, based on the opinions of our shareholders, we have raised issues with our executives regarding the valuation of our stock price including cost of capital and the inadequate level of customer satisfaction.

I believe that the reason for making customer experience as one of the basic strategies in the medium-term management plan is because the executives felt the necessity to more sincerely contemplate customers.

In this way, we directors recognize the importance of keeping a close eye on all directions, including shareholders, customers, employees, and the global environment, and listening carefully to the voices of each. After that, we need to exchange opinions with the executives on these various points, and monitor whether the executives are able to fulfill their duties accordingly.

Maeda In formulating the medium-term management plan, outside directors and President along with other executive officers have had a series of discussions since June last year, and I believe that the ideas of the outside directors have been incorporated in essential areas.

In the convocation notice of the Annual General Meeting of Shareholders, it was announced that a total of 13 discussions were held, but I think the quality of discussions worth more attention than the quantity of discussions held. We started discussing financial strategies such as cost of capital and risk reduction plans, which were also raised as issues at the outside directors' meeting, and once we had some sense of financial strategy direction, we moved on to discuss growth strategies, which I think also lead to smooth flow of discussion.

In addition, during this period, there were fraud incidents that could harm the trust in the entire Group, and the outside directors raised the issue of the need for not only preventive measures but also a fundamental review of the corporate culture to firmly address the problem, and I

believe this view is reflected in the core of the medium-term management plan. In terms of the specific issues, while I think there is still room for improvement in the risk and cost reduction plans for the entire Group, I do think it is important to improve them by following the process, even if it is while running.

Masuda I think the most important role and function of outside directors is to contribute to improving the reputation from the capital market. Although our stock price has risen as a result of various measures, I don't think it is high enough yet.

Corporate valuation is an evaluation of a company's performance and its business plans, including its business and financial strategies. On the other hand, many shareholders believe that stock price is determined by total return, which is the combination of dividends and share buybacks. In any case, even though we have been making reasonable efforts to increase corporate value, I think we are still lacking speed.

If we take cost reduction as an example, perhaps this is something that we can achieve more quickly. In terms of new business development, probably there is still room for speedy improvements, such as how to organize the sales channels of the three life insurance companies in Japan and how to sort out the issues of product overlap and cannibalization. I am sure we will continue to discuss various issues as we follow up on the progress of the medium-term management plan, and I would like to keep asking the executives to address these points.

Inoue The most significant achievement was the financial strategy, where we were able to present an in-depth plan that sets us apart from the past. Each of our seven outside directors has different expertise. Although the finance and accounting of life insurance is unique, I think it was significant that the outside directors, who are well versed in the finance and accounting of the life insurance business, took the lead in the discussions on the formulation of the financial strategy, asked the executives for the necessary data, and after the outside directors as a whole had digested the data, we were able to hold high-quality discussions with the executive team. We were able to do this because the executive team showed us all the weaknesses at the draft stage and engaged in sincere discussions.

The balance between growth and returns is also a difficult issue. Although our announcement of a share buyback of 200 billion yen, or 10% of our market capitalization of over 2 trillion yen, was well received by the market, it is also important to actively allocate capital to growth and strategic investments to avoid falling into a contractionary equilibrium. In order to do so, we need to present a story of how we can improve the corporate value of the entire Group from a long-term perspective and gain the understanding of the market. I feel that dialogue with the market will become increasingly important.

Theme 3:
Expectations and Challenges for the Executives in Implementing the Medium-Term Management Plan

Shingai In the previous fiscal year, we formulated our medium-term management plan amid the spread of COVID-19, and we recognized that the business environment has accelerated efforts to address social issues, particularly digital transformation (DX), climate change, and environmental issues. This trend will continue to accelerate further.

In the age of VUCA, a medium-term management plan begins to become outdated just after the moment it is created. For this reason, I believe that we need a process of constantly rolling out what we will do in the future and what we will do in the medium term, always with an eye on the long-term.

This means (1) creating a concrete vision of the future that we want to achieve, and checking it constantly. Based on the prospective view of the demographic changes that already occurred, we need to review the constantly changing and accelerating megatrends, and constantly check and refine the picture of the future we want to achieve. This also means (2) a dynamic approach to the process of backcasting, recognizing the gap between the current situation and the future, renewing the management issues on a daily basis, and creating strategies to deal with them now.

In this process of examining and formulating strategies for coping with the current situation, I would like the executives to involve young people with high integrity and ability, who are full of an ownership mindset, and who have the potential to lead the next generations of management. This is because consistent and organizational will is necessary for successful transformation.

On the other hand, while the expansion of overseas business is a major pillar of our growth strategy, our next challenge is the evolution of group governance. From the Company's point of view, I would like to see digital technology used to promote decision-making in overseas businesses and the visualization of management and risk information. From my experience, I can say that it will lead to a greater transfer of authority to individual overseas companies, while strengthening the self-governance of each company. This is because individual companies will try to straighten themselves out when they are being monitored.

Lastly, I would like to talk about expectations. In addition to financial literacy, I would like the future executive team to improve their digital literacy. Keeping up to date with the possibilities of individual digital technologies and what they can do at this point in time, and improving their ability to utilize them will be essential in brushing up their picture of the future.

Olcott As I mentioned earlier, we need to think about our future state, and I think we need to be aware of the three "states" when we discuss them.

The first is the state of the world. Considering the trends in the domestic market and the progress of digitalization, the world will probably be very different in five to ten years. We need to determine what that will look like and think about what will be the source of our competitiveness.

The second is the state of the organization. What kind of organization do we need to be successful in the future? We need to think about what kind of management resources we need and how we will acquire them. If the source of growth is overseas business, then we need the management resources and skills to do business overseas. In terms of human capital, we need to develop global literacy, that is, employees who can be active on a global scale. Great human capital exists overseas, but Japanese companies, not just ours, are not fully utilizing it. In addition, Japanese companies are still very domestic, and there is a lack of Japanese human capital with overseas experience. There is a shortage of human capital who have expertise not only in the business side, but also on things such as internal control, as well as knowledge of overseas markets. Therefore, it is necessary to develop human capital for an aggressive approach, for defense, and to enhance global literacy.

Finally, there is the state of CG. There will be no going back from trend of the times to have board with a majority of outside directors. Japanese companies are lagging behind their competitors in advanced countries in this regard. In order to create maximum value for all stakeholders, especially shareholders, it is necessary to have a more diverse and independent board of directors that not only provides decisive leadership in setting future strategies, but also thoroughly monitors the progress of the business.

Shu I believe that many Japanese companies have rely too much on a bottom-up process when formulating their medium-term plans, and as a result, the vector for changing the current situation has not worked. As I mentioned earlier, it was a good thing that our Company showed leadership at the management level this time, rather than leaving it up to the field. In the process of execution, which requires delivering results, I would like everyone to be more conscious than ever of the need to demonstrate leadership from the management level.

Secondly, I think we need to continue to work on improving our mindset. If the emphasis on employee value and customer value is not leading to the realization of shareholder value, then we need to change the way we provide customer value and employee value, respectively. I hope that we can create a system to tackle this issue with determination.

Finally, in order to secure the human capital necessary for global strategy, expansion into areas other than life insurance such as asset management, and acceleration of digitalization, it is important to have access to a diverse and broad range of human capital beyond the internal pool of personnel. I think it will be extremely important for us to promote diversity in terms of experience rather than diversity in terms of attributes to carry out the strategies we have set.

Sato What I would like to see from the executives in the medium-term management plan is to become more customer-focused. Actually, when I first became involved in Dai-ichi Life, I thought marketing was not something that was very important. The reason is that although I received many explanations, I could not see the customers beyond those sales channel strategies.

However, in this medium-term management plan, I feel that we have taken a big step in the direction of facing customers directly by emphasizing the customer experience and including the Net Promoter Score (NPS) in key performance indicators (KPIs). At least, this is the case with domestic sales, and I have very high expectations for this change.

Nowadays, young people have less interest in insurance, and many of them are not at home, regardless of their age, which makes it difficult for sales staff to contact them. Then there are those who do not want to go to the trouble of visiting an agent or bank counter, and want to select insurance easier through digital channels. The needs of customers and how they purchase insurance will continue to diversify going forward. Because life insurance exists for the benefit of the customer, I would like the executives to have a more thorough understanding of who the customers are and what they are looking for. I strongly believe that we need to promote more customer-oriented products and ways to provide products that will further satisfy customers.

I think there is still a lot of room for development in the domestic life insurance business. Although young people also need insurance, I think the reality is that they are not

being reached. Rather than relying on past successes, I hope that we can change our mindset and come up with new mechanisms and new ways of doing things based on the ideas of young people. I would like to see such flexibility on the part of the current executives. The domestic life insurance business in particular is the root of the Group and we have many fans, so I hope that we can be a company that can fully support them.

Maeda In formulating the medium-term management plan, we had a lot of discussions about KPIs. As a holding company, our KPIs are focused on the indicators to be achieved by the entire Group, while each operating company focuses on the indicators to be achieved by its own business, and I think we have achieved a certain level of organization in this regard.

As a matter of course, the holding company will focus on financial strategic indicators, while NPS and other indicators will be classified as KPIs for the operating companies. However, the holding company will be required to work on achieving KPIs for the entire Group and at the same time monitor the progress of KPIs for each operating company. In this sense, I believe that the meetings between outside directors and the executives to exchange opinions, particularly on the monitoring of the medium-term management plan, will become increasingly important. In addition, as a precondition for this, I hope that we can go back to the basics and have thorough discussions about the functions and ideal form of the holding company in order to promote group strategies and global strategies.

Masuda We have chosen a company with an Audit & Supervisory Committee as an organization under the Companies Act, and I hope that this form of governance will be viewed favorably as an advanced governance system that is comparable to companies with committees in Europe and the United States. Because it is human beings who operate the governance system, the form is important, but the substance is more important. This is my first expectation for the executives. My second expectation is to utilize the holding company structure. As a holding company, we need to effectively manage and allocate resources to the entire Group, including strategic investments such as new businesses. I think we need to have a proper discussion about what is the most important thing now and what should be prioritized, and put in practice governance with substance.

Although this medium-term management plan is for the entire Group, the main focus is on the three life insurance companies in Japan. In terms of growth areas such as overseas business, I feel that the strategic positioning and capital investment in early-stage businesses have not been fully discussed yet, compared to Protective and TAL, which are in mature markets. Although I think that the announcement of a large share buyback, taking into account the level of the stock price, has had an effect on the stock price, I think that we need to thoroughly discuss the capital that should be invested in growth businesses with an overall sense.

Inoue I appreciate that the CX Design Strategy in the new medium-term management plan is based on the concept of market-in rather than product-out, which is based on products and channels, and that the concept is based on the customer's perspective.

How do we understand the values, awareness, and emotions of our customers? Three domestic companies have adopted NPS as a KPI, and we will be monitoring it. NPS is said to capture not only the functional value of products and services, but also emotional satisfaction, making it an effective indicator for measuring customer loyalty. However, there are a few points to keep in mind when using this indicator.

Based on demographic trends, the percentage of millennials and Generation Z will grow significantly in the next 10 years. Individual values will also change, from ownership to usership and a growing interest in products people feel empathy with. We need to develop strategies that anticipate changes in the values and attitudes of not only existing customers but also our potential customers.

In addition, the true value of insurance products can be realized by customers when they receive insurance benefits in a distant future when the insurance event has occurred. In economic sense insurance is a "trust," and it is difficult for customers to objectively evaluate the quality of the products, so NPS alone cannot fully capture the evaluation of the company by customers. Keeping these points in mind, we really need to manage business from a true customer perspective.

The implementation of the CX Design Strategy, which integrates the digital and real worlds, will require a different way of thinking, so enhancing the dynamic capability of the organization is an important medium- to long-term issue. The CG Code calls for ensuring diversity, including gender, nationality, work experience, and age, and I believe that increasing diversity is becoming even more important.

Theme 4
Dialogue with Stakeholders

Shingai The life insurance business requires a sound financial position over the very long-term. Therefore, implementing strategies with insight into the very long-term is a top priority for management. However, we must not forget that we are kept alive by the capital market. In other words, management is required to achieve a balance between long-term soundness and business growth with short-term results. And to achieve this, I think we need to maintain an attitude of openness in which we continue to engage in sincere dialogue with our shareholders and incorporating the insights received from them with outmost openness.

At the same time, we have set up a vision to protect and enhance the happiness of all people. While the four experiential values are important, it is also very important to address the SDGs and ESGs. In doing so, we must always go back to what lies at the root of the SDGs, which is the realization of human rights to be able to live as human beings with dignity and equality, and to heal and make the earth safe. As part of this, I believe that we must consider the relationship with our stakeholders, such as society, customers, employees, shareholders, investees, and business partners, and fulfill our responsibilities and increase satisfaction of each of them.

Whenever we are confused about what is right in our daily work, it is important to broaden our perspective and ask ourselves what is required of us from the perspective of the larger community.

For example, when thinking about measures to reduce greenhouse gas emissions, or when in doubt about how to engage with investment partners or business partners, I hope that employees act with courage, thinking not about their own company's interests or the interests of their own department, but about the entire planet.

As I have experienced, the closer you get to the top of management, there are fewer employees in the company who express opinions that are painful to hear. Meanwhile, in this age of VUCA, the business environment is changing. That's why it is essential for managers to have humble dialogue with stakeholders, including young people who will lead the future generation, to correct their own behavior and constantly renew the yardstick in managing the company.

Sato I agree with you. The term "stakeholders" refers to the holders of stakes, which means that all interested parties are included. I believe that nowadays it is considered that everyone that has any kind of relationship with anyone is a stakeholder, not only shareholders, employees and customers, but also local communities, governments, and the global community.

If a company thinks only of specific stakeholders, it will not be able to exist at all. A good example is a company that has recently neglected dialogue with its shareholders. I think it is the most important point.

Employees are also important, and I am aware that various efforts are already being made in this area, such as setting up a contact point for internal and external reporting.

Customers are also important because they determine the very existence of a company, so we must not make mistakes in the way we interact with them.

There are many other important matters, so I would like the executives to have a broad perspective and wide point of view, and to acquire the ability to conceptualize. I hope that they will do so in order to consider all stakeholders and respond to future changes in society.

Masuda As a listed company, we are evaluated by investors, and as an institutional investor, we are also in a position to evaluate the performance of our investees, so I think we need to enhance our dialogue on sustainability with our stakeholders from both perspectives.

Currently, when Japanese companies talk about sustainability in their integrated reporting, they tend to focus only on environmental and climate issues, but in Europe and the United States, the issues are expanding to include human rights issues. For this reason, first of all, as an institutional investor, I think we need to be more sensitive than ever to the sustainability of the companies we invest in and lend to. In addition, listed companies need to be aware of the fact that they will soon be required to disclose non-financial information as well as financial information in accordance with certain standards, and may be subject to assurances and audits.

In the VUCA era, the business environment is changing rapidly on a global scale. We cannot avoid the impact of global trends, so I would like the Company to be sensitive to them.

Inoue The new group vision is “the happiness of all people, including future generations” and “the realization of a sustainable society over the next 100 years.” Because life insurance is an super-long term product, we have always managed our business with future generations in mind, but how to reflect the interests of these future stakeholders in our strategy is a difficult question. This is because although we can talk to the current generation of stakeholders, we cannot directly listen to the voices of future generations.

What may be helpful is an experimental economics method called future design. If we use our imagination, we can see our grandchildren’s grandchildren as an extension of ourselves. This method involves envisioning a hypothetical future generation group as if they were your grandchildren’s grandchildren, or seven generations after you, and designing super-long term policies and strategies through negotiation role-plays with the current generation group. This method was devised to eliminate the various biases that can arise when trying to think from a super-long term perspective as much as possible, and I hope that the Group will also devise ways to design our future based on the interests of our stakeholders 100 years in the future.

Maeda In this medium-term management plan, we have adopted the concept of reconnecting, which literally means to go back to the basics and enhance connections with each stakeholder. In particular, for our customers, we will never let another incident of fraud like this one happen, we will always be aware of the level of customer satisfaction through NPS and other measures, and we will quickly build a foundation that can provide the most appropriate experience value for each customer. Another example is the adoption of TSR as a KPI to reflect interests of our shareholders. It is time for us to make bold reforms in the way our employees work, and I hope that they will make full use of DX tools to realize a way of working that is appropriate for the Group.

Also, as an institutional investor, I am aware that we have been making steady efforts from early on, including ESG-conscious investments and company-wide efforts to become carbon neutral. In addition to this integrated report, I think we need to strengthen our efforts to further deepen our recognition through various media.

Olcott It has been 11 years since we were listed on the stock exchange, and the biggest issue for the Company to survive for the next 20 years is to improve our stock price evaluation. In the six years I have served as a director of the company, I am aware that the executive team has taken various measures to improve corporate value. Nonetheless, we have not always been able to obtain sufficient recognition from the capital market.

In light of this fact, in formulating the medium-term management plan last year, I felt that the executive team was more determined than ever to resolve issues that had hindered the rise of the stock price, such as improving the balance sheet problem, which can be said to be a characteristic of Japanese life insurance companies, and that the measures taken to solve the problem were more in-depth. I believe that this has led to an improvement in the capital market’s evaluation and support for our stock.

Now that we have completed our medium-term management plan, we have a good foundation for improving our corporate value. We now need to refocus on our earning power, while continuing our risk reduction efforts. For the long-term prosperity of the Group and all our stakeholders, we will keep a close eye on the steady implementation of the plan.

Basic Approach to Corporate Governance

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

Initiatives to Strengthen Corporate Governance

The Dai-ichi Life Insurance Company, Limited

Fiscal 2010
- Listed its stock on the Tokyo Stock Exchange (First Section)

Fiscal 2011
- Introduced share remuneration-type stock options

Fiscal 2013
- Established the Advisory Board

Fiscal 2014
- Established Independence Standards for Outside Directors
- Established an Internal Control Policy for Dai-ichi Life Group
- Commenced self-assessment of effectiveness of the Board of Directors

Fiscal 2015
- Established a Basic Corporate Governance Policy

Dai-ichi Life Holdings, Inc.

Fiscal 2016
- Transitioned to a holding company structure (October 2016)
- Transitioned to a company with an Audit & Supervisory Committee (October 2016)
- Commenced self-assessment of the effectiveness of the Audit & Supervisory Committee

Fiscal 2017
- Commenced self-assessment of the effectiveness of Nominations Advisory Committee and Remuneration Advisory Committee

Fiscal 2018
- Introduced a restricted stock remuneration scheme

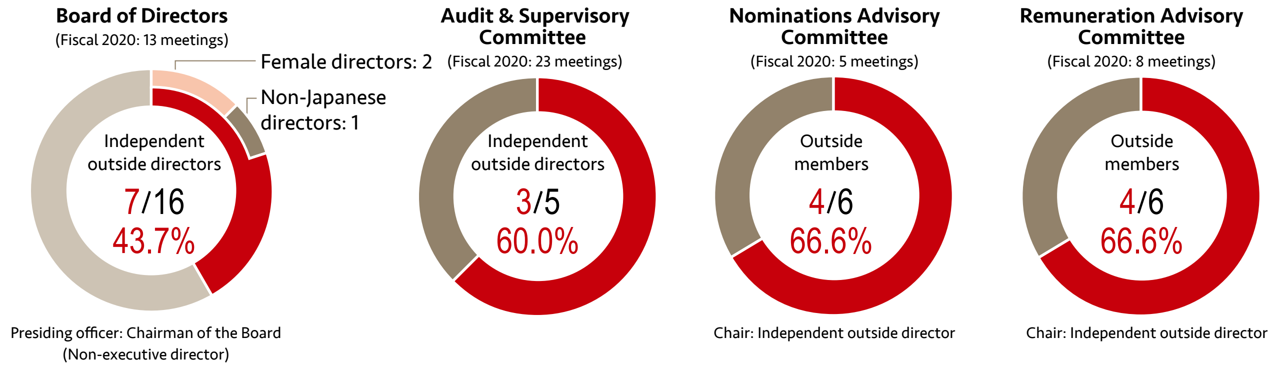
Corporate Governance Structure

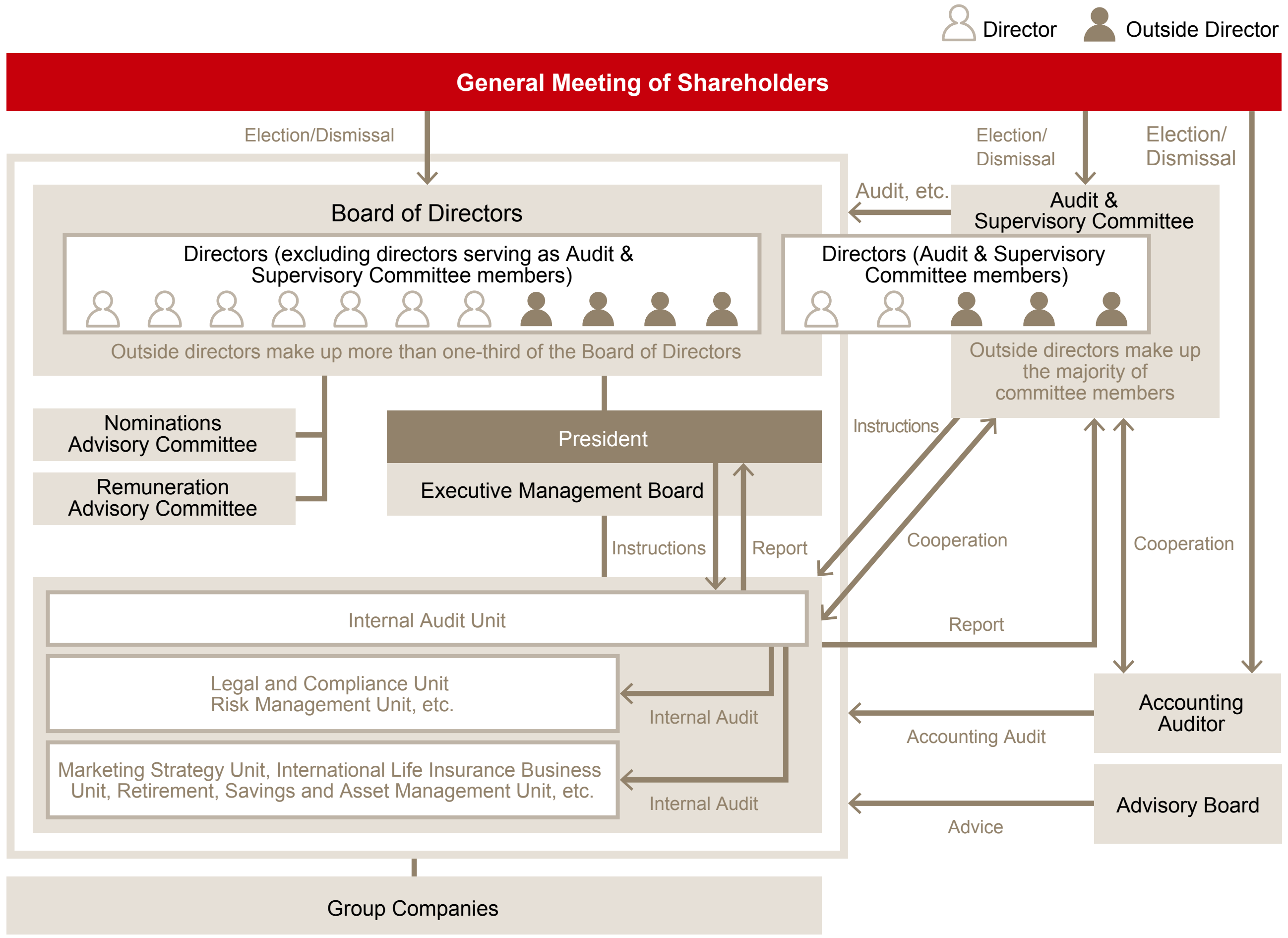
In addition to establishing an Audit and Supervisory Committee, the Company has appointed outside directors (more than one-third of its directors) and established voluntary committees (whose majority consists of outside directors). Through this and other means, the Company forms an effective corporate governance structure founded on external perspectives.

Overview of the Corporate Governance Structure

As of June 21, 2021

Corporate governance model	Company with an Audit & Supervisory Committee
Term of office for directors	1 year (2 years for Audit & Supervisory Committee members)
Limit on duration of term	Outside directors: 8 years Directors serving as Audit & Supervisory Committee members: 12 years
Voluntary advisory bodies for the Board of Directors	Nominations Advisory Committee, Remuneration Advisory Committee
Remuneration systems for directors and officers	(1) Basic remuneration, (2) Performance-linked remuneration, (3) Restricted stock remuneration (see p. 89)
Independent auditor	KPMG AZSA LLC





Board of Directors

The Board of Directors is responsible for making important decisions on the Group's management strategy, management plan, etc. and supervises business operations execution. The Board of Directors consists of internal directors with knowledge and experience necessary to manage in an accurate, fair, and efficient manner and outside directors with the deep insight, rich experience, and independence necessary to fully demonstrate supervisory functions. In principle, outside directors make up more than one-third of the board. The diversity of the Board of Directors is also taken into consideration.

Audit & Supervisory Committee

As an independent body from the Board of Directors, the Audit & Supervisory Committee audits the execution of duties by directors and the development and implementation status of Group internal control systems from a legal and appropriateness standpoint. It is also responsible for supervisory functions over the Board of Directors by expressing opinions on their appointment and remuneration. The Audit & Supervisory Committee includes at least one member with considerable knowledge about finance and accounting. It consists of internal members with knowledge about the life insurance business and outside members with excellent insight, rich experience, and independence.

Nominations Advisory Committee/ Remuneration Advisory Committee

To further enhance management transparency, these committees are established as voluntary advisory committees for the Board of Directors to refer proposals to the Board of Directors after deliberating and deciding on the following.

- Nominations Advisory Committee: election and dismissal of directors
- Remuneration Advisory Committee: issues related to remuneration

These committees are made up of the chairman of the Board, president, and outside directors, who constitute a majority of the committee members.

The establishment of the Nominations Advisory Committee and the Remuneration Advisory Committee are stipulated in the Articles of Incorporation.

Nominations Advisory Committee

Title	Name
Outside Director	Koichi Maeda*
Outside Director	George Olcott
Outside Director	Yuriko Inoue
Outside Director (Audit & Supervisory Committee Member)	Rieko Sato
Director, Chairman of the Board	Koichiro Watanabe
Representative Director, President	Seiji Inagaki

Remuneration Advisory Committee

Title	Name
Outside Director	Koichi Maeda*
Outside Director	Yasushi Shingai
Outside Director (Audit & Supervisory Committee Member)	Ungyong Shu
Outside Director (Audit & Supervisory Committee Member)	Koichi Masuda
Director, Chairman of the Board	Koichiro Watanabe
Representative Director, President	Seiji Inagaki

* The chairman of the Nominations Advisory Committee and the Remuneration Advisory Committee.

Executive Management Board

The Executive Management Board, consisting of the president and executive officers appointed by the president, meets to consider important management and executive matters.

Advisory Board

To further strengthen and enhance governance the Company has established an Advisory Board to seek extensive advice from outside experts on a medium- to long-term perspective regarding general management matters.

Leadership (As of June 21, 2021)

Directors

Koichiro Watanabe

Director, Chairman of the Board
Assumed office in July 2001
Age: 68
Board of Directors meetings attended: 13/13
Other major occupations:

- Director, Chairman of the Board, The Dai-ichi Life Insurance Company, Limited
- Chairman, Central Council for Education, Ministry of Education, Culture, Sports, Science and Technology, Government of Japan
- Vice Chair, Subdivision on Universities, Central Council for Education, Ministry of Education, Culture, Sports, Science and Technology, Government of Japan
- Vice Chair, Director of Japan Business Federation
- Chair of Committee on Education Reform, Japan Business Federation
- Chair of Committee on Consumer Affairs, Japan Business Federation
- Vice President, The Japan Quality Award Council, Japan Productivity Center

His experiences as a member of the Group have covered a wide range of engagements in the Company's businesses, including corporate planning, human resources management, public relations and government relations, and he has deep experience and knowledge in the life insurance business. He has duly performed his duties as a member of the Board of Directors since July 2001 by making use of his abundant experience and insight. In addition, he has promoted business strategy for the growth of the Group through his service as director, chairman of the Board since April 2017. The Company believes he is qualified to be a member of the Board of Directors, and therefore appointed him as a director.

Apr. 1976 Joined The Dai-ichi Mutual Life Insurance Company
Jul. 2001 Director
Apr. 2004 Managing Director
Jul. 2004 Managing Executive Officer
Jul. 2007 Director, Managing Executive Officer
Apr. 2008 Director, Senior Managing Executive Officer
Apr. 2010 Representative Director, President, The Dai-ichi Life Insurance Company, Limited
Oct. 2016 Representative Director, President, Dai-ichi Life Holdings, Inc.
Apr. 2017 Representative Director, Chairman of the Board
Jun. 2020 Director, Chairman of the Board (to present)

Seiji Inagaki

Representative Director, President
Assumed office in June 2016
Age: 58
Board of Directors meetings attended: 13/13
Other major occupations:

- Representative Director, President, The Dai-ichi Life Insurance Company, Limited
- Chair of Business and Industry Advisory Committee to the OECD Japan, Japan Business Federation
- Vice Chair of Executive Board, Business at OECD (BIAC)

His experiences as a member of the Group have covered a wide range of engagements in the Company's businesses, including corporate planning and investment planning, and he has deep experience and knowledge in the life insurance business. He played a central role in the demutualization of the Company in 2010 and led the development of a system to implement the Group's growth strategy. In addition, he has duly performed his duties as a member of the Board of Directors since June 2016 and as a representative director and president since April 2017. He has developed a growth strategy to further strengthen and expand the Group's business foundation. The Company believes he is qualified to be a member of the Board of Directors, and therefore appointed him as a director.

Apr. 1986 Joined The Dai-ichi Mutual Life Insurance Company
Apr. 2012 Executive Officer, The Dai-ichi Life Insurance Company, Limited
Apr. 2015 Managing Executive Officer
Jun. 2016 Director, Managing Executive Officer
Oct. 2016 Director, Managing Executive Officer, Dai-ichi Life Holdings, Inc.
Apr. 2017 Representative Director, President (to present)

Hideo Teramoto

Representative Director, Vice Chairman
Assumed office in June 2012
Age: 61
Board of Directors meetings attended:13/13
Other major occupations: Not applicable

His experiences as a member of the Group have covered a wide range of engagements in the Company's businesses, including corporate planning, marketing planning and IT planning, and he has deep experience and knowledge in the life insurance business. In addition, he has duly performed his duties as a member of the Board of Directors since June 2012. The Company believes he is qualified to be a member of the Board of Directors, and therefore appointed him as a director.

Apr. 1983 Joined The Dai-ichi Mutual Life Insurance Company
Apr. 2009 Executive Officer
Apr. 2010 Executive Officer, The Dai-ichi Life Insurance Company, Limited
Apr. 2011 Managing Executive Officer
Jun. 2012 Director, Managing Executive Officer
Apr. 2015 Director, Senior Managing Executive Officer
Oct. 2016 Director, Senior Managing Executive Officer, Dai-ichi Life Holdings, Inc.
Apr. 2017 Director
Apr. 2020 Director, Vice Chairman
Apr. 2021 Representative Director, Vice Chairman (to present)

Tetsuya Kikuta

Representative Director, Senior Managing Executive Officer
Assumed office in June 2020
Age: 56
Board of Directors meetings attended: 10/10
Other major occupations: Not applicable

His experiences as a member of the Group have covered a wide range of engagements in the Company's businesses, including asset management business, and he has deep experience and knowledge in the life insurance business. In addition, he has duly performed his duties in overseas life insurance companies as a member of the Board of Directors of Dai-ichi Life Vietnam and Tower (currently TAL), and as a member of the Board of Directors of The Dai-ichi Life Insurance Company, Limited since April 2018. The Company believes he is qualified to be a member of the Board of Directors, and therefore appointed him as a director.

Apr. 1987 Joined The Dai-ichi Mutual Life Insurance Company
Jun. 2014 Executive Officer, The Dai-ichi Life Insurance Company, Limited*
Oct. 2016 Executive Officer, The Dai-ichi Life Insurance Company, Limited*
Apr. 2017 Managing Executive Officer
Apr. 2018 Managing Executive Officer, Dai-ichi Life Holdings, Inc.
Jun. 2020 Director, Managing Executive Officer
Apr. 2021 Representative Director, Senior Managing Executive Officer (to present)

* Due to the transition to a holding company structure on October 1, 2016, The Dai-ichi Life Insurance Company, Limited until September 30, 2016 and that from October 1, 2016 are different companies.

Leadership (As of June 21, 2021)

Directors

Hiroshi Shoji

Director, Managing Executive Officer
Assumed office in June 2021
Age: 57
Other major occupations: Not applicable

His experiences as a member of the Group have covered a wide range of engagements in the Company's businesses, including profit management and actuarial duties, and he has deep experience and knowledge in the life insurance business. In addition, he has duly performed his duties as a member of the Board of Directors of The Dai-ichi Life Insurance Company, Limited since October 2016. The Company believes he is qualified to be a member of the Board of Directors, and therefore appointed him as a director.

Apr. 1988 Joined The Dai-ichi Mutual Life Insurance Company
Apr. 2015 Executive Officer, The Dai-ichi Life Insurance Company, Limited
Oct. 2016 Executive Officer, Dai-ichi Life Holdings, Inc.
Apr. 2017 Managing Executive Officer
Jun. 2021 Director, Managing Executive Officer (to present)

Mamoru Akashi

Director, Managing Executive Officer
Assumed office in June 2021
Age: 56
Other major occupations:
Director, Managing Executive Officer, The Dai-ichi Life Insurance Company, Limited

His experiences as a member of the Group have covered a wide range of engagements in the Company's businesses, including marketing planning and over-the-counter sales, and he has deep experience and knowledge in the life insurance business. In addition, he has duly performed his duties as a member of the Board of Directors of The Dai-ichi Frontier Life Insurance Co., Ltd. since April 2013 and as a member of the Board of Directors of The Dai-ichi Life Insurance Company, Limited since April 2020. The Company believes he is qualified to be a member of the Board of Directors, and therefore appointed him as a director.

Apr. 1988 Joined The Dai-ichi Mutual Life Insurance Company
Apr. 2013 Director, The Dai-ichi Frontier Life Insurance Co., Ltd.
Apr. 2015 Director, Managing Executive Officer
Apr. 2016 Representative Director, Vice President
Apr. 2020 Managing Executive Officer, Dai-ichi Life Holdings, Inc.
Jun. 2021 Director, Managing Executive Officer (to present)

Toshiaki Sumino

Director, Managing Executive Officer
Assumed office in June 2021
Age: 51
Other major occupations: Not applicable

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

Apr. 1992 Joined The Dai-ichi Mutual Life Insurance Company
Oct. 2016 Executive Officer, Dai-ichi Life Holdings, Inc.
Apr. 2020 Managing Executive Officer
Jun. 2021 Director, Managing Executive Officer (to present)

George Olcott

Outside Director
Assumed office in June 2015
Age: 66
Board of Directors meetings attended: 13/13
Other major occupations:
• Outside Director, Kirin Holdings Company, Limited
• Outside Director, Member of the Board, DENSO CORPORATION

He is an expert on human resources management and corporate governance of global companies, based on the knowledge he gained through a wide range of experiences, such as acting as managing director of financial institutions and as outside director of other corporations. He has also brought significant benefits to the Company by supervising and advising on various matters of corporate management based on his global and objective viewpoint at the Board of Directors meetings and other occasions. The Company has the expectation that he will continue to share his experience and expertise on oversight of management of the Group, and therefore appointed him as an outside director.

Jul. 1986 Joined S.G. Warburg & Co., Ltd.
Nov. 1991 Director
Sep. 1993 Executive Director, Equity Capital Market Group, S.G. Warburg Securities London
Apr. 1997 Head of Tokyo Office, SBC Warburg
Apr. 1998 Vice President, LTCB-UBS-Brinson Asset Management
Feb 1999 President, UBS Asset Management (Japan) President, Japan UBS Brinson
Jun. 2000 Managing Director, Equity Capital Market, SBC Warburg Tokyo
Sep. 2001 Judge Business School, University of Cambridge
Mar. 2005 FME Teaching Fellow
Mar. 2008 Senior Fellow
Sep. 2010 Project Professor, Research Center for Advanced Science and Technology, The University of Tokyo
Apr. 2014 Guest Professor, Keio University, Faculty of Business and Commerce (to present)
Jun. 2015 Outside Director, The Dai-ichi Life Insurance Company, Limited
Oct. 2016 Outside Director, Dai-ichi Life Holdings, Inc. (to present)

Koichi Maeda

Outside Director
Assumed office in October 2016
Age: 69
Board of Directors meetings attended: 13/13
Other major occupations: Not applicable

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

Apr. 1975 Joined Nippon Telegraph and Telephone Public Corporation
Jul. 1999 General Manager, Kagoshima Branch, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION
Jul. 2000 General Manager, Planning Department, Consumer & Office Division, NTT Communications Corporation
Jun. 2002 General Manager, Consumer & Office Division
Jun. 2004 Director, Senior Vice President, General Manager, Consumer & Office Division
Aug. 2006 Director, Senior Vice President, Deputy General Manager, Net Business Division
Jun. 2008 Director, Executive Vice President, Deputy General Manager, Net Business Division
Jun. 2009 Representative Director, Senior Executive Vice President, General Manager, Consumer Business Promotion Division, NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION; Representative Director, President, NTT EAST PROPERTIES, INC.
Jun. 2012 Representative Director, President, NTT FINANCE CORPORATION
Jun. 2016 Director, Chief Executive Counselor
Oct. 2016 Outside Director, Dai-ichi Life Holdings, Inc. (to present)
Jul. 2017 Chief Executive Counselor, NTT FINANCE CORPORATION
Jul. 2018 Advisor to the President
Jul. 2021 Advisor, NTT FACILITIES, INC. (to present)

Yuriko Inoue

Outside Director
Assumed office in June 2018
Age: 58
Board of Directors meetings attended: 13/13
Other major occupations:
• Outside Director, NIPPON SIGNAL CO., LTD.

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

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

Yasushi Shingai

Outside Director
Assumed office in June 2019
Age: 65
Board of Directors meetings attended: 13/13
Other major occupations:
• Outside Director, Asahi Group Holdings, Ltd.
• Member of the Board of Directors (Outside Director), Mitsubishi UFJ Financial Group, Inc.

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

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

Morinobu Nagahama

Director
(Audit & Supervisory Committee Member (Full-Time)) Assumed office in June 2014
Age: 64
Board of Directors meetings attended: 13/13
Audit & Supervisory Committee meetings attended: 23/23
Other major occupations:
• Director, The Dai-ichi Life Insurance Company, Limited
• Outside Corporate Auditor, Sekisui Kasei Co., Ltd.

His experiences as a member of the Group have covered a wide range of engagements in the Company's businesses, including compliance, internal audits, legal affairs, secretarial administration and general affairs, and he has deep experience and knowledge in the life insurance business. In addition, he has duly performed his duties in the auditing work as an Audit & Supervisory Committee member (full-time) since October 2016. The Company believes he has the qualifications necessary to strengthen the effectiveness of the supervisory and auditing function over the management of the Group by making use of his experience and knowledge. Therefore, the Company appointed him as a director serving as Audit & Supervisory Committee member.

Apr. 1979 Joined The Dai-ichi Mutual Life Insurance Company
Sep. 2008 Executive Officer
Apr. 2010 Executive Officer, The Dai-ichi Life Insurance Company, Limited
Apr. 2013 Managing Executive Officer
Jun. 2014 Director, Managing Executive Officer
Apr. 2016 Director, Senior Managing Executive Officer
Oct. 2016 Director (Audit & Supervisory Committee Member (full-time)), Dai-ichi Life Holdings, Inc. (to present)

Leadership (As of June 21, 2021)

Directors

Fusakazu Kondo

Director
(Audit & Supervisory Committee Member
(Full-Time))
Assumed office in October 2016
Age: 60
Board of Directors meetings attended: 13/13
Audit & Supervisory Committee meetings
attended: 23/23
Other major occupations:
• AIDA ENGINEERING, LTD., Statutory Auditor (External Auditor)

His experiences as a member of the Group have covered a wide range of engagements in the Company's businesses, including profit management and finance, and he has deep experience and knowledge in the life insurance business. In addition, he has duly performed his duties in the auditing work as a Senior Audit and Supervisory Board member (full-time) of The Dai-ichi Life Insurance Company, Limited from June 2012 to September 2016 and as an Audit & Supervisory Committee member (full-time) of the Company since October 2016. The Company believes he has the qualifications necessary to strengthen the effectiveness of the supervisory and auditing function over the management of the Group by making use of his experience and knowledge. Therefore, the Company appointed him as a director serving as Audit & Supervisory Committee member.

Apr. 1983 Joined The Dai-ichi Mutual Life Insurance Company
Jun. 2012 Senior Audit and Supervisory Board Member (full-time), The Dai-ichi Life Insurance Company, Limited
Oct. 2016 Director (Audit & Supervisory Committee Member (full-time)), Dai-ichi Life Holdings, Inc. (to present)

Rieko Sato

Outside Director (Audit & Supervisory
Committee Member)
Assumed office in June 2015
Age: 64
Board of Directors meetings attended: 13/13
Audit & Supervisory Committee meetings
attended: 23/23
Other major occupations:
• Partner, Ishii Law Office
• Outside Director, J. FRONT RETAILING Co., Ltd.
• Outside Corporate Auditor, NTT DATA CORPORATION
• Outside Audit & Supervisory Board Member, Mitsubishi Corporation

She is an experienced and trusted attorney, and she has had a wide range of experiences serving as outside Audit and Supervisory Board member of various corporations. She has also brought significant benefits to the Company by supervising and auditing management as well as advising on various legal matters of the Company based on her objective viewpoint at the Board of Directors meetings and other occasions. The Company has the expectation that she will continue to use her experience to good advantage in conducting audits and supervision of the Group's management, and therefore appointed her as an outside director serving as Audit & Supervisory Committee member.

Apr. 1984 Registered as Attorney-at-Law
Jun. 1989 Shearman & Sterling LLP
Jul. 1998 Partner, Ishii Law Office (to present)
Jun. 2015 Outside Director, The Dai-ichi Life Insurance Company, Limited
Oct. 2016 Outside Director (Audit & Supervisory Committee Member), Dai-ichi Life Holdings, Inc. (to present)

Ungyong Shu

Outside Director
(Audit & Supervisory Committee Member)
Assumed office in June 2015
Age: 58
Board of Directors meetings attended: 13/13
Audit & Supervisory Committee meetings
attended: 23/23
Other major occupations:
• President & CEO, Core Value Management, Co., Ltd.

He has a wide range of experiences as a managing director of financial institutions. He has also brought significant benefits to the Company by supervising and auditing management as well as advising on various matters of corporate management based on his global and objective viewpoint at the Board of Directors meetings and other occasions. The Company has the expectation that he will continue to use his experience to good advantage in conducting audits and supervision of the Group's management, and therefore appointed him as an outside director serving as Audit & Supervisory Committee member.

Apr. 1986 Joined Morgan Guaranty Trust Company of New York, a subsidiary of J.P. Morgan & Company, Inc.
May. 2001 Managing Director, JP Morgan Securities
Jul. 2005 Head of Financial Institutions Division
May. 2007 Managing Director and Chairman of Financial Institutions Group, Merrill Lynch Japan Securities Ltd.
Jul. 2010 Co-Head of Investment Banking Division
Jul. 2011 Vice Chairman
Nov. 2013 President & CEO, Core Value Management, Co., Ltd. (to present)
Jun. 2015 Outside Director, The Dai-ichi Life Insurance Company, Limited
Oct. 2016 Outside Director (Audit & Supervisory Committee Member), Dai-ichi Life Holdings, Inc. (to present)

Koichi Masuda

Outside Director
(Audit & Supervisory Committee Member)
Assumed office in October 2016
Age: 77
Board of Directors meetings attended: 12/13
Audit & Supervisory Committee meetings
attended: 22/23
Other major occupations:
• Director (Outside), Audit and Supervisory Committee Member, Daishi Hokuetsu Financial Group, Inc.

He is an experienced and trusted certified public accountant, and he has had a wide range of experiences serving as Outside Director (Audit and Supervisory Committee member) and Outside Audit & Supervisory Board member of various corporations. He has also brought significant benefits to the Company by supervising and auditing management and advising on various financial matters of the Company based on his objective viewpoint at the Board of Directors meetings and other occasions. The Company has the expectation that he will continue to use his experience to good advantage in conducting audits and supervision of the Group's management, and therefore appointed him as an outside director serving as Audit & Supervisory Committee member.

Apr. 1966 Yoshiji Tanaka CPA Office
Jan. 1970 Otemachi Kaikei Jimusho Audit Corporation
Jan. 1975 Shinwa Audit Corporation *
Sep. 1978 Partner
Jul. 1992 Representative Partner, Asahi Shinwa Audit Corporation *
Oct. 1993 Representative Partner, Asahi Audit Corporation *
Jan. 2004 Representative Partner, KPMG AZSA & Co. *
Jul. 2007 Chairman and President, The Japanese Institute of Certified Public Accountants
Jul. 2010 Advisor (to present)
Oct. 2016 Outside Director (Audit & Supervisory Committee Member), Dai-ichi Life Holdings, Inc. (to present)
* Presently, KPMG AZSA LLC

Executive Officers (excluding those who are directors)

Senior Managing Executive Officers
Masamitsu Nambu
Masao Taketomi
Yuji Tokuoka

Managing Executive Officers
Hideo Hatanaka
Munehiro Uryu
Tatsusaburo Yamamoto
Norimitsu Kawahara
Ichiro Okamoto
Hidehiko Sogano

Executive Officers
Tsuyoshi Kawamoto
Takashi Iida
Hitoshi Yamaguchi
Koichi Nishiyama
Miki Kashizaki
Atsuko Ochiai

Director Skill Matrix

The Company sets forth the skill set and experience required of its directors in the following table. The skill set and experience possessed by the directors of the Company are as follows.

Name	Gender	Title	Knowledge and experience									
			Corporate management	Internationality	Money markets	Finance/ accounting/ mathematics	Legal affairs	Compliance	Risk management	ICT*/DX	Innovation (New business development)	Sustainability
Koichiro Watanabe	Male	Director, Chairman of the Board	✓	✓	✓	✓		✓	✓			
Seiji Inagaki	Male	Representative Director, President	✓	✓	✓	✓		✓	✓			
Hideo Teramoto	Male	Representative Director Vice Chairman	✓		✓	✓		✓	✓	✓	✓	
Tetsuya Kikuta	Male	Representative Director Senior Managing Executive Officer	✓	✓	✓	✓					✓	✓
Hiroshi Shoji	Male	Director Managing Executive Officer	✓		✓	✓						
Mamoru Akashi	Male	Director Managing Executive Officer	✓		✓					✓	✓	
Toshiaki Sumino	Male	Director Managing Executive Officer	✓	✓	✓	✓	✓		✓			✓
George Olcott	Male	Outside Director	✓	✓	✓							✓
Koichi Maeda	Male	Outside Director	✓	✓	✓			✓		✓		
Yuriko Inoue	Female	Outside Director					✓	✓		✓		✓
Yasushi Shingai	Male	Outside Director	✓	✓		✓	✓	✓	✓	✓	✓	✓
Morinobu Nagahama	Male	Director (Audit & Supervisory Committee Member (Full-Time))	✓		✓		✓	✓	✓			✓
Fusakazu Kondo	Male	Director (Audit & Supervisory Committee Member (Full-Time))	✓		✓	✓						
Rieko Sato	Female	Outside Director (Audit & Supervisory Committee Member)					✓	✓	✓			
Ungyong Shu	Male	Outside Director (Audit & Supervisory Committee Member)	✓	✓	✓				✓			
Koichi Masuda	Male	Outside Director (Audit & Supervisory Committee Member)	✓			✓						

* ICT: Information and Communication Technology

Succession Plan

The succession plan of the Company is discussed at meetings of the Nominations Advisory Committee prescribed in the Company's Articles of Incorporation. After verifying the election and discharge of members of the Board of Directors from the standpoint of eligibility and reviewing and deciding on its proposals, the Nominations Advisory Committee submits them to the Board of Directors for review. The members of this Committee are comprised of the chairman and the president as well as outside members who are elected by the Board of Directors. Moreover, to ensure the independence of this committee, more than half of its members are outside members.

Major themes for deliberation
• Proposal of director candidates
• Matters pertaining to succession plan

Basic Corporate Governance Policy (Excerpt)

4.Nominations Advisory Committee

(1) Role

Nominations Advisory Committee, as an advisory committee of the Board of Directors, confirm procedures of elections and discharge of directors of the Company and The Dai-ichi Life Insurance Company, Limited from the perspective of eligibility, and deliberates and determines committee proposals. Matters related to the Company are proposed to the Board of Directors and matters related to The Dai-ichi Life Insurance Company, Limited are submitted to its board of directors.

(2) Overall composition

The members of the Nominations Advisory Committee are comprised of the Chairman, the President and outside members, and the Board of Directors elects outside members. Moreover, to ensure the independence of this Committee, more than a half of the members shall be outside members.

Measures Based on Evaluating the Effectiveness of the Board of Directors

To strengthen corporate governance, the Board of Directors has self-evaluated its effectiveness each year since fiscal 2014 to ensure the effectiveness of the Board of Directors decision-making and other aspects. The results of each year's assessment are used to improve operation in the following fiscal year and beyond. More specifically, an anonymous questionnaire regarding the overall governance structure, including the Audit and Supervisory Committee, the Nominations Advisory Committee, and the Remuneration Advisory Committee in addition to the Board of Directors, is administered to all directors, with the results tabulated and analyzed by a third-party agency. Improvement measures are then examined and implemented for identified challenges. The results of analysis and improvement measures are reported to the Board of Directors, after which they are disclosed on the Company website.

WEB Self-assessment of the Board of Directors

https://www.dai-ichi-life-hd.com/en/about/control/governance/structure.html

Survey Overview

1 Conduct self-assessment survey

Respondents

All directors

Response style

Anonymous

Main items assessed

- Operation of the Board of Directors and initiatives aimed at enhancing deliberations
- Composition of the Board of Directors
- Role and state of operation of each committee
- Encouragement of communication among directors
- General effectiveness of governance system and Board of Directors

2 Results analysis and improvement plan formulation

- Collection and analysis of survey responses by a third party
- Create a draft assessment of effectiveness and improvement plan based on the analysis results
- Exchange of opinions between the third parties and outside directors, etc.

3 Report to Board of Directors and disclosure of results

- The results of the assessment and the improvement plan are disclosed on the Company's website after being reported to the Board of Directors

Fiscal 2019

Issues	Improvement measures
• Clarification of matters such as content of agenda and reporting items, deliberation and discussion points, etc.	• Be sure to clarify matters such as content of agenda and reporting items, and deliberation and discussion points in the summary of Board meeting materials and provide only a summary as explanation
• Further deepening of discussions on important matters	• Be sure to provide supplementary oral information on discussion points at executive departments, such as the Executive Management Board • Share and follow up on items for consideration and separate reports at Board meetings • Provide opportunities for exchanges of opinions involving only outside directors

Fiscal 2020

Issues	Improvement measures
• Strengthening of supervisory functions and further enhancement of discussions on important matters	• Further scrutiny of agenda to secure time for more discussion on particularly important matters such as business strategy and M&A
• Enhancement of communication between inside and outside directors	• Hold preliminary briefings for Board of Directors meetings, opinion exchange meetings and outside director meetings as forms of communication outside of the Board of Directors meetings

Fiscal 2021

Issues	Improvement measures
• Further reinforcement of supervisory function as a monitoring board	• Accord priority to securing opportunities and time for discussing agenda concerning supervision through the further careful review of agenda submitted to the board • Elevate level of materials by explicitly presenting point of discussions at meetings of Board of Directors • Conduct progress monitoring for new medium-term management plan through multiple meeting bodies that concern the Board of Directors
• Further enhancement of communication between inside and outside directors	Utilize opinion exchange meetings and executive sessions to further increase opportunities for communication

Examples of improvement measures undertaken in fiscal 2020

■ With regard to securing time for the review of important matters, we commenced discussions of the "development of the medium-term management plan (MMP)" in June 2020. A total of 13 discussions were held until the resolution of the plan at the end of March 2021.

- Late Jun. Opinion exchange session **Discussion points for the next MMP**
- Early Aug. Offsite meeting **Outline of the MMP**
- Mid-Sep. Offsite meeting **Financial strategy**
- Mid-Nov. Preliminary briefing for meeting of Board of Directors **Domestic business strategy**
- Late Nov. Meeting of Board of Directors **Domestic business strategy**
- Mid-Dec. Preliminary briefing for meeting of Board of Directors **Basic strategy**
- Late Dec. Meeting of Board of Directors **Basic strategy**
- Mid-Feb. Opinion exchange session **Capital policy/ overseas business strategy**
- Late Feb. Preliminary briefing for meeting of Board of Directors **Domestic business strategy**
- Early Mar. Opinion exchange session **Domestic business strategy**
- Mid-Mar. Offsite Meeting **Roadmap**
- Late Mar. Preliminary briefing for meeting of Board of Directors **Overall plan**
- End of Mar. Meeting of Board of Directors **Resolution on MMP "Re-connect 2023" covering fiscal 2021-2023**

■ We enhanced communication between inside and outside directors to improve the effectiveness of the Board of Directors.

Preliminary briefings for meetings of Board of Directors	Held 12 times	For the purpose of enhancing reviews by the Board of Directors, three business days prior to meetings of the Board, preliminary briefings were given from officers in charge to Outside directors on important matters, etc.
Opinion exchange session	Held 10 times	For the purpose of conducting the free and easy exchange of opinions at the initial stages of mainly medium- to long-term themes and important matters to be submitted to the Board of Directors in the future, exchanges of opinions were held among members of the Board of Directors as a general rule following meetings of the Board.
Outside Director meetings	Held 24 times	Meetings were held for the purpose of having Outside Directors engage in the frank exchange of opinions and communication. The President and the officer in charge of corporate planning also attend these meetings if necessary.

Areas for improvement in fiscal 2021 versus fiscal 2020

Meeting bodies concerning the Board of Directors that convened in fiscal 2020 will be changed in the below fashion. In order to enhance reviews of important agenda (progress monitoring for the new medium-term management plan, strategies under various businesses, etc.) by the Board of Directors, discussions are scheduled to be held by these meeting bodies both before and after meetings of the Board.

Preliminary briefings for meetings of Board of Directors	Will be held on an ongoing basis for a longer holding time.
Opinion exchange sessions	Will consist of easy and frank but constructive discussions on matters suitable for the monitoring board that cover medium, long term and ultra-long-term perspectives. These discussions will be held with sufficient time allotted.
Independent outside director meetings	Will be held on an ongoing basis as meeting bodies consisting solely of outside directors.
Sessions with executive officers	Will consist of exchanges of opinions between attending executive officers in charge of topics requested by outside directors.

Officer Remuneration

We recognized the remuneration system for directors and officers to be a critical component of "fair treatment" for directors and officers responsible for the development of the Group. Therefore, we set up the basic policy and basic principles for director and officer remuneration as well as the decision process as follows.

Basic Policy

- Based on fair treatment
- Evaluate and rewards directors and officers for their contributions to the achievement of sustainable value creation for the Group
- Offer proper structure and competitive level remuneration

Basic Principles

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

Decision Process

Remuneration for directors (excluding outside directors and directors who are Audit & Supervisory Committee members) consists of basic remuneration, performance-linked remuneration (company performance and individual performance), and restricted stock remuneration. Outside directors and directors who are Audit & Supervisory Committee members receive basic remuneration only. The amount of these remuneration portions is established using third party research on remuneration for management roles at Japanese companies. Moreover, the "Policy for Determining Remuneration of Directors and Executive Officers" that includes the aforementioned Basic Policy for Remuneration of Directors and Officers and Basic Principles for Remuneration of Directors and Officers were determined by the Board of Directors following deliberation by the Remuneration Advisory Committee where outside directors make a majority of committee members.

Director Remuneration Structure

	Directors (excluding directors serving as Audit & Supervisory Committee members)		Directors (Audit & Supervisory Committee members)	Remarks
	Internal	Outside		
Basic amount	○	○	○	Remuneration according to duties and responsibilities
Performance-linked amount (company performance and individual performance) (short-term incentive)	○	—	—	Linked to the level performance indicators achievement
Restricted stock amount (long-term incentive)	○	—	—	Set as an incentive to achieve management objectives and enhance corporate value in the medium- to long-term

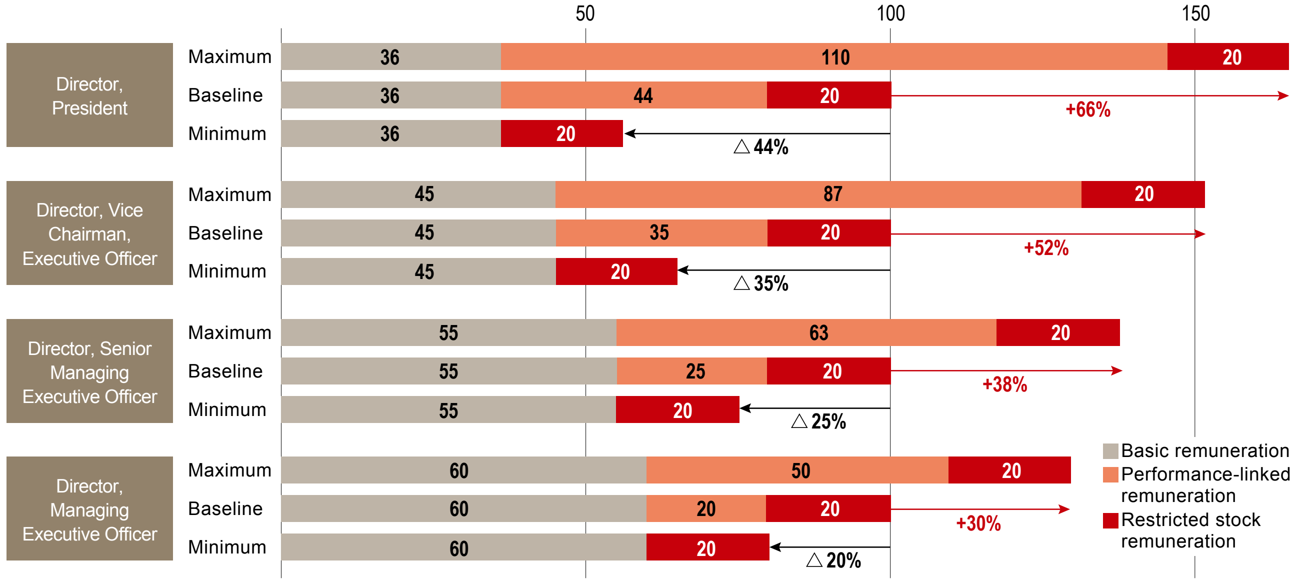
KPI (Key Performance Indicators) for performance-linked remuneration under "Re-connect 2023" medium-term management plan for fiscal 2021-2023

Perspective	KPI	Reasons for selection
Economic value	Group ROEV Group value of new business	Consistent with items cited in medium-term management plan. Particularly serves to instill awareness in Directors of improving capital efficiency on an economic value basis and securing future profit.
Free cash	Market risk reduction Free cash flow	Consistent with items cited in medium-term management plan. Particularly serves to instill awareness in Directors of ensuring flexibility and stability in financial and business strategies with a view to sustainable improvements in corporate value.
Accounting profit	Group adjusted ROE Group adjusted profit	Consistent with items cited in medium-term management plan. Particularly serves to instill awareness in Directors of enhancing capital efficiency on an accounting basis with a view to improving corporate value and securing funds to be returned to stakeholders.
Market valuation	Relative TSR	Consistent with items cited in medium-term management plan. Particularly serves to enhance relationship between fluctuations in shareholder value due to market assessments of business activities and shared interest with Director remuneration and to raise Director awareness of improving corporate value.
Soundness	ESR (economic solvency ratio)	Consistent with items cited in medium-term management plan. Particularly serves to instill awareness in Directors of boosting stress tolerance for changes in the market environment, etc. with a view to implementing stable corporate strategy.

(Note 1) The above are performance-linked KPI that are linked to company performance.
(Note 2) Group adjusted ROE is calculated using the following formula: "Adjusted profit ÷ (Net assets - (goodwill + unrealized gains (losses) on fixed-income assets (after tax) + market value adjustment (MVA) gains (losses) balance (after tax), etc.))"
(Note 3) Free cash is surplus capital under the strictest criteria among accounting capital, capital requirement regulations, and economic value-basis Economic Solvency Ratio (ESR).
(Note 4) TSR, which stands for Total Shareholder Return, indicates the total investment yield to shareholders, including capital gains and dividends.
(Note 5) Relative TSR is a comparison with the following ten companies ("HD" denotes Holdings."): five domestic insurance companies (Japan Post Insurance, T&D HD, Tokio Marine HD, MS&AD Insurance Group HD and SOMPO HD) and five overseas insurance group companies focusing on life insurance and competing with Dai-ichi Life Group in U.S and Japanese markets (Aflac, AXA, Manulife, MetLife and Prudential (US)).

Variations in Remuneration for Each Position

The chart below shows how the composition of remuneration for each position would vary if theoretical minimum, baseline, and maximum levels of KPIs were achieved. Higher positions have a larger ratio of performance-linked pay, so the potential variation is greater, resulting in a system that encourages commitment to achieving business performance.



(Note) Average achievement of KPIs for each position has been set as 100.

Target and actual values for company performance-linked remuneration

Business Perspective	KPI	Target (Fiscal 2018) (Fiscal 2019)	Actual (Fiscal 2018) (Fiscal 2019)
Capital efficiency	EV growth rate (Group ROEV)	8%	(1%)
		8%	(3%)
Financial soundness	ESR (Economic value)	100% or higher	169%
		100% or higher	178%
Profit indicators	Group adjusted profit	Approx. 230.0 billion yen	236.3 billion yen
		Approx. 240.0 billion yen	274.5 billion yen
	Group value of new business*1	Approx. 190.0 billion yen	198.7 billion yen
		Approx. 180.0 billion yen	152.0 billion yen
Market evaluation	Stock price (benchmark comparison)*2	Exceeded benchmark	(15%)
		Exceeded benchmark	(3%)

*1: The value of new business is an indicator that represents the value of new business upon its acquisition for each fiscal year. Note that in principle, actual values for this indicator are the total of actual values for Group subsidiaries, whose main business is life insurance.
*2: The stock price (benchmark comparison) is a comparison of the percentage change in the Company's stock price during the fiscal year with the percentage change in the benchmark for the same period (average of TOPIX (Tokyo Stock Price Index) and Tokyo Stock Exchange (TSE) insurance industry-specific stock price indicator.

Details of Total Remuneration for Fiscal 2020

Officer Type	Total remuneration (Millions of yen)	Remuneration components (Millions of yen)					Number of board members
		Basic remuneration	Performance-linked remuneration		Stock remuneration	Others	
			Company performance amount	Individual performance amount			
Directors (excluding members of Audit and Supervisory Committee and outside directors)	383	183	96	27	75	1	9
Outside Directors (excluding members of Audit and Supervisory Committee)	63	63	—	—	—	—	4
Directors serving as members of Audit and Supervisory Committee (excluding outside directors)	78	78	—	—	—	0	2
Outside directors serving as members of Audit and Supervisory Committee	50	50	—	—	—	—	3

(Note 1) The performance-linked renumeration, etc. indicated in the above chart are the total of remuneration, etc. for the three-month period between April 2020 and June 2020 based on actual results for fiscal 2018 and the total of remuneration, etc. for the nine-month period between July 2020 and March 2021 based on actual results for fiscal 2019.
(Note 2) Stock remuneration is a nonmonetary remuneration with a restriction on transfer, the purpose of which is to motivate contribution to improving shareholder value and to promote shared value with shareholders for as long a period as possible. The period of the restriction on transfer for said stock remuneration with a restriction on transfer shall be 30 years, and shall be accompanied by the following and other conditions: (1) Should the executive officer in question resign or withdraw from their position of executive officer or any other position at the Company or certain Group companies due to the expiration of their term of service, mandatory retirement or other reason deemed to be reasonable by the Board of Directors of the Company during said period of the restriction on transfer, the restriction on transfer shall be rescinded directly after said resignation or withdrawal. (2) In cases where a Director who received stock remuneration under this scheme is imprisoned or subject to greater punishment or falls under a serious legal violation or certain other reason, and the Board of Directors deems it to be reasonable, the Company reserves the right to acquire said shares without consideration.
(Note 3) There is no compensation other than remuneration received by outside directors from the Company. There is also no remuneration received by outside directors from the parent of the Company, etc.
(Note 4) The above includes two directors who resigned from the Company and two directors who assumed their posts on June 22, 2020.

Shares Held for Strategic Purposes

Under the Insurance Business Act of Japan, insurance companies are required to build policy reserves from premiums and investment earnings to steadily fulfill insurance policy contracts over long periods of time. Because policy reserves essentially belong to policyholders, investments should be made from a long-term perspective. While, in principle, each of the Group's life insurance companies practice asset liability management focused on fixed income assets, for Dai-ichi Life in particular, which has long-term, stable, large-scale insurance liabilities, there is not a sufficiently developed super-long-term bond market to meet its super-long-term liabilities. Therefore, it is practicing balanced investment management that incorporates equities and other assets into its portfolio, in an approach that fully considers factors such as company analysis, diversifying industries and companies, and risk management, with a focus on realizing a diversifying effect through different assets. In this way, in principle, the Group companies engaged in the life insurance business hold equities for pure investment purpose as a part of their investment management. However, they partially hold shares which have combined pure investment and strategic purpose based on Group strategy, such as strengthening relationships through business alliances. Each Group company judges whether or not to reduce those holdings after performing an assessment based on the holding purpose and the cost of capital. In particular, for listed stocks, the result of the assessment at meetings of the Board of Directors are disclosed. If the appropriateness or rationale of holding such stock in terms of strategic purpose is not confirmed, and there is no meaning to hold it for pure investment purpose, it is sold.

Number of company whose equity shares are held for strategic-purpose *

Number of companies	Total amounts on balance sheet
7	77.0 billion yen

* Investment shares held by the Company or The Dai-ichi Life Insurance Company as of the end of March 2021 for purposes other than pure investment.

WEB Shares Held for Strategic Purposes

https://www.dai-ichi-life-hd.com/en/about/control/governance/reference.html

Improvement in the Internal Control System and its Operation

Dai-ichi Life Group has an internal control policy that stipulates the core philosophies for the establishment of internal control system and its operation to ensure the soundness and appropriateness of business activities in order for us to maintain and build corporate value. However, since 2020, after multiple incidents of the fraudulent mishandling of cash have come to light at The Dai-ichi Life Insurance Company, we, as the holding company, also recognize the existence of issues in the operation of the internal control system for the management of the entire Group. Through reinforcing communication and information linkage between our three lines of defense (business divisions, back office and administrative divisions and internal audit division), we will endeavor to boost the level of our internal control structure. Additionally, we implement internal control self-assessments that also cover Group companies to raise the effectiveness of internal controls. These assessments promote appropriate business operations by identifying major risks in each business process, evaluating the importance of each risk in terms of impact and size of losses incurred if it were to become evident, and then advancing further risk controls or business improvement measures. Through these endeavors, our business divisions will engage in their business based on autonomous risk management and our back office and administrative divisions as well as internal audit division will conduct monitoring and management reporting based on broad information-gathering. In doing so, we will adequately operate our internal control systems.

Internal Control Policy for Dai-ichi Life Group

1. System for Ensuring Proper Operations within the Group
2. System for Ensuring Execution of Professional Duties in Accordance with Applicable Laws, Regulations and the Articles of Incorporation
3. System for Risk Management
4. System for Ensuring Efficient Execution of Professional Duties
5. System for Ensuring Appropriateness and Reliability of Financial Reporting
6. System for Preserving and Managing Information Concerning Execution of Directors' and Executive Officers' Duties
7. System for Ensuring Effective Internal Audits
8. System for Execution of Duties of the Audit & Supervisory Committee

WEB Details of the Internal Control Policy for Dai-ichi Life Group

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

Compliance

As the globalization of the businesses of Dai-ichi Life Group has advanced, there have been increasing calls for the Group to take appropriate action towards the reinforcement of global anti-money laundering, anti-bribery, and anti-corruption regulations and regulations on the safeguarding of personal information and consumer protection in Japan and overseas as well as towards social and customer demands. Given that, it has become more important to ensure the appropriateness of legal compliance in business operation and to support and enhance sound operations and corporate value.

Dai-ichi Life Group adheres to laws, regulations, and the Articles of Incorporation, while following social norms and market rules. At the same time, we work to identify potential conduct risks.

We will continue pursuing forward-looking risk-based compliance amid the changing business environment that surrounds us.

In fiscal 2020, in response to the COVID-19 pandemic, each Group company made preparations for business operations in a remote environment, and managed insurance procedures through means such as verifying the sufficiency of explanations provided to customer through non-face-to-face consulting. With a view to ensuring the appropriateness of business across the Group in this fashion, the Legal and Compliance Unit ascertained serious risks pertaining to compliance, and is conducting monitoring and guidance at each Group company. Important matters concerning compliance are discussed by the Group Compliance Committee, then reported to the Board of Directors, Audit & Supervisory Committee and other management bodies in order to receive instructions. In fiscal 2020, we recognized that the multiple incidents of the fraudulent mishandling of cash that came to light at The Dai-ichi Life Insurance Company constitute serious events that compromise the confidence that our customers and all other stakeholders have in us. Through means such as reporting to the abovementioned management bodies and monitoring subsequent endeavors, we verify the appropriateness of those endeavors.

Risk Management

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

At Dai-ichi Life Group, we control financial soundness by integrating the various risks on economic value, accounting, and regulatory bases respectively, and comparing the amount of risk with our amount of capital. In internal risk control, we practice risk management while placing a high emphasis on an economic-value basis approach. For example, we are enhancing our measurement models for calculation of capital and risk amounts on an economic value basis in light of the Insurance Capital Standard (ICS), scheduled for adoption in 2025, and the discussions for economic valued-based regulation in Japan. Additionally, we have also incorporated an economic-value basis approach in Dai-ichi Life Group's allocation of capital and product design as we pursue management that is consistent with risk measurement principles.

At the same time, when we identify and assess risk phenomena that cannot be entirely quantified with our models, we use past events, such as financial market turmoil and large-scale disasters, as well future scenario analysis to estimate worst cases, and then carry out stress tests. We report results of stress tests along with an analysis of the impact on financial soundness to the Board of Directors, and consider strengthening our monitoring, management, and financial responses.

Furthermore, Dai-ichi Life Group engages in appropriate risk management that begins from early signs of risks by identifying foreseeable risks that could have a major impact on our business and formulating business plans that take those risks into account.

Dai-ichi Life Group is exposed to risks such as unpredictable insurance claims in the event of widespread infectious diseases like COVID-19 and new strains of influenza. Consequently, we have identified such pandemic-related risks as material risks. Moreover, to safeguard against the further spread of COVID-19 and its prolonged effects, we carried out stress tests as part of risk management from a forward-looking perspective. The tests were based on a pandemic scenario applying major stress such as the deterioration of insurance revenue and expenditures and the worsening of financial markets. The test results confirmed that no major problem would occur with overall Group financial soundness.

Internal Audits

With a view to ensuring sound and adequate business operations in the Group, the Internal Audit Unit, an independent organizational unit, performs internal audit activities on the supervision of operational execution and control to ensure satisfactory internal controls in the Group. In light of the multiple incidents of the fraudulent mishandling of cash that came to light at The Dai-ichi Life Insurance Company in fiscal 2020, among other factors, we recognize the importance of initiatives that contribute to the further enhancement of internal controls. Based on that recognition, as part of our internal audit activities, we verify the appropriateness and effectiveness of internal control system and its operation and, in addition to identifying and observing problematic areas, conduct efforts such as issuing suggestions that pertain to the evaluation and improvement of internal control. Additionally, through regularly performing the analysis and verification of all business risks in the Group, we are working towards realizing more effective risk-based internal audits. The results of these internal audits and risk analysis and other information are regularly reported to the Board of Directors, the Executive Management Board and the Audit & Supervisory Board. Simultaneously, we endeavor to further enhance internal control system across the entire Group while cooperating with related departments and other parties.

IT Governance and Cyber-Security Measures

As our business environment changes significantly, IT is becoming a key field that has a close relationship with corporate strategy. In order to realize sustainable growth, Dai-ichi Life Group is formulating IT strategies in line with its corporate strategies and is promoting associated initiatives.

IT Governance

As the influence of IT on business management continues to grow, promoting the maximization of the value that IT brings to business and the minimization of accompanying risk through the adequate control of IT utilization will be indispensable in realizing corporate strategy. At Dai-ichi Life Group, "Group IT Governance Basic Policy" is established and shared among the Group to promote preparedness for IT governance based on COBIT5*1. Based on the promotion of IT governance, we are exchanging opinions and sharing information on various IT initiatives both in Japan and overseas to create a synergy as we aim to realize IT utilization that contributes to global management. Additionally, we ask IT supervisors at Group companies in Japan and overseas to conduct a conference once a year, and are also moving forward with the examination of joint initiatives and other endeavors.

Digital Transformation Certification

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

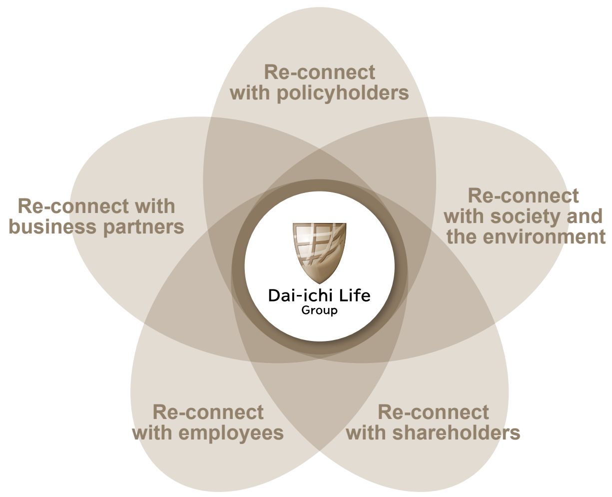
Cyber-Security Measures

In order to safeguard information assets within the Group from cyber-attacks that become increasingly sophisticated by the day and to continue providing safety, security and stability to our customers and other stakeholders, we are currently striving to enhance our cyber-security measures in domains related to human resources and organizations, processes and technology. We have established a "Group Cyber-security Policy" and are sharing items to promote under cyber-security measures among all Group companies. Additionally, we have established a "CSIRT"*2 consisting mainly of dedicated personnel with advanced expertise to bolster intra-Group preparation through means such as laying down rules and regulations regarding response to cyber-security incidents and educating employees. Furthermore, we are making efforts to share and utilize security information through cooperating with external agencies. In doing so, from a systems aspect, we have introduced multiple systems for the detection and protection from illegal access, viruses and so forth while simultaneously pushing forward with the development of depth defense and otherwise taking countermeasures against new threats as the occasion arises. Through these initiatives, we are working toward optimizing cyber-security measures for the entire Group.

*1: COBIT5 is a framework for gauging the level of maturity of IT governance advocated by the US-based Information Systems Audit and Control Association (ISACA) and the IT Governance Institute (ITGI).
*2: Computer Security Incident Response Team

For Stakeholders

At Dai-ichi Life Group, we recognize our customers, business partners, society and the environment, our employees and our shareholders as stakeholders who are deeply involved in our business activities. Under "Re-connect 2023," our medium-term management plan, to fulfill our responsibility to all of our stakeholders, we will aim to "reconnect in a better way" by revisiting our conventional approaches to engage with all stakeholders. Additionally, based on opinions and evaluations obtained through active communication with various stakeholders, we aim to promote higher-quality activities and link those efforts to enhanced corporate value by reflecting our understanding of issues in our business activities.



Dialogue with Shareholders and Investors

We are working to enhance dialogue with shareholders and investors through investor relations activities led by our executive management team. Opinions and requests obtained through investor relations activities are shared with the Executive Management Board and Board of Directors in an effort to enhance corporate value.

Examples of specific activities (Fiscal 2020)

- Management briefing on financial results for institutional investors and analysts (2 times)
- Financial results teleconference (5 times)
- Meetings with domestic institutional investors (79 times)
- Meetings with overseas institutional investors (92 times)
- Company briefings and seminars for individual investors (1 time)

Securing the Rights and Equal Treatment of Shareholders at the General Meeting of Shareholders (the "Meeting")

We recognize that the Meeting serves as a place for productive dialogue, and we are taking measures to develop an environment in which the rights of shareholders are ensured and appropriately exercised.

Specific examples of activities

- Prompt dispatch of convocation notices (three weeks prior to the Meeting) and website publication (approx. five weeks prior to the Meeting, including an English version)
- Holding the Meeting on days and at times that avoid conflicting with shareholders' meetings of other companies
- Adopting an electronic voting rights execution platform for institutional investors
- Accepting questions in advance through the website and disclosing answers
- Simultaneous streaming of the Meeting over the Internet
- Prompt disclosure of summary minutes of the Meeting and the voting results

Annual General Meeting of Shareholders

WEB General Meeting of Shareholders

https://www.dai-ichi-life-hd.com/en/investor/share/meeting/index.html

Securing Appropriate Information Disclosure and Transparency

In an effort to ensure management transparency, Dai-ichi Life Group discloses information in a fair, timely and appropriate manner following its Basic Information Disclosure Policy. In addition to statutory disclosure, we proactively disclose information on management, quantitative financial information, and non-financial information such as governance and medium to long-term corporate strategy in both Japanese and English.

IR Site Ranking GOLD 2020 | AAA Corporate Websites 2020 | Internet IR Commendation Award 2020

WEB IR Library

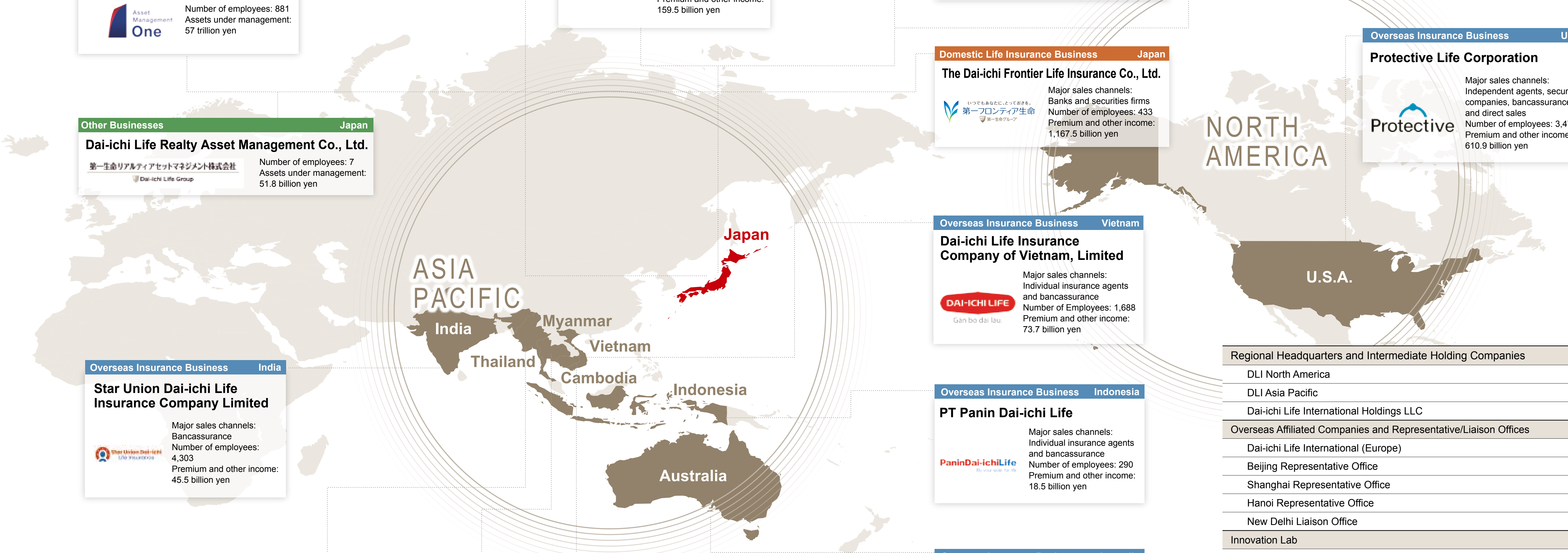
Japanese: *https://www.dai-ichi-life-hd.com/investor/library/index.html*
English: *https://www.dai-ichi-life-hd.com/en/investor/library/index.html*

WEB Information Disclosure

https://www.dai-ichi-life-hd.com/en/about/control/governance/disclosure.html

Building a Firm Operational Base with Effective Dispersion of our Businesses Worldwide

- Domestic life insurance business
- Overseas insurance business
- Other businesses



Group Supervision — Japan

Dai-ichi Life Holdings, Inc.

Dai-ichi Life Holdings

Number of employees: 726

Other Businesses — Japan

Asset Management One Co., Ltd.

Number of employees: 881
Assets under management: 57 trillion yen

Other Businesses — Japan

Dai-ichi Life Realty Asset Management Co., Ltd.

Number of employees: 7
Assets under management: 51.8 billion yen

Domestic Life Insurance Business — Japan

The Neo First Life Insurance Company, Limited

Major sales channels: Insurance agencies, walk-in shops, and banks
Number of employees: 312
Premium and other income: 159.5 billion yen

Domestic Life Insurance Business — Japan

The Dai-ichi Life Insurance Company, Limited

Major sales channels: Total Life Plan Designers (sales staff), Relationship Managers (staff for sales to corporations), insurance agencies
Number of employees: 55,757
Premium and other income: 2,285.4 billion yen

Domestic Life Insurance Business — Japan

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

Major sales channels: Digital and direct sales
Number of employees: 13
Commenced operation in April 2021

Domestic Life Insurance Business — Japan

The Dai-ichi Frontier Life Insurance Co., Ltd.

Major sales channels: Banks and securities firms
Number of employees: 433
Premium and other income: 1,167.5 billion yen

Overseas Insurance Business — U.S.A.

Protective Life Corporation

Major sales channels: Independent agents, securities companies, bancassurance and direct sales
Number of employees: 3,477
Premium and other income: 610.9 billion yen

Overseas Insurance Business — Vietnam

Dai-ichi Life Insurance Company of Vietnam, Limited

Major sales channels: Individual insurance agents and bancassurance
Number of Employees: 1,688
Premium and other income: 73.7 billion yen

Overseas Insurance Business — India

Star Union Dai-ichi Life Insurance Company Limited

Major sales channels: Bancassurance
Number of employees: 4,303
Premium and other income: 45.5 billion yen

Overseas Insurance Business — Indonesia

PT Panin Dai-ichi Life

Major sales channels: Individual insurance agents and bancassurance
Number of employees: 290
Premium and other income: 18.5 billion yen

Overseas Insurance Business — Myanmar

Dai-ichi Life Insurance Myanmar Ltd.

Major sales channels: Individual insurance agents
Number of employees: 129
Premium and other income: 0.04 billion yen

Overseas Insurance Business — Thailand

OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED

Major sales channels: Individual insurance agents
Number of employees: 1,781
Premium and other income: 48.6 billion yen

Overseas Insurance Business — Cambodia

Dai-ichi Life Insurance (Cambodia) PLC.

Major sales channels: Individual insurance agents and bancassurance
Number of employees: 126
Premium and other income: 0.08 billion yen

Overseas Insurance Business — Australia

TAL Dai-ichi Life Australia Pty Ltd

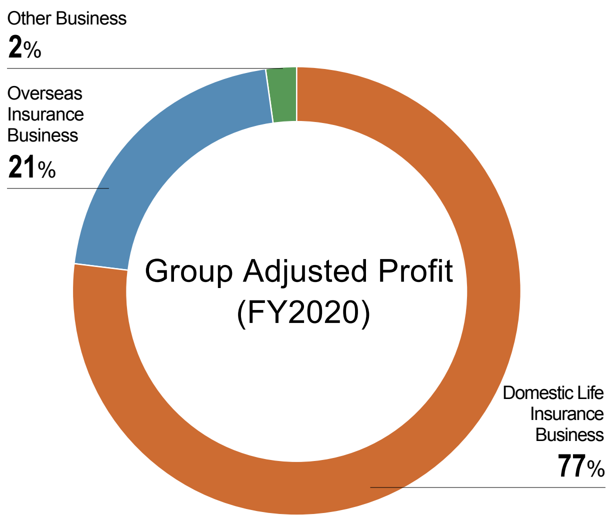
Major sales channels: Independent agents and direct sales
Number of employees: 2,175
Premium and other income: 478.3 billion yen

Regional Headquarters and Intermediate Holding Companies	
DLI North America	U.S.A.
DLI Asia Pacific	Singapore
Dai-ichi Life International Holdings LLC	Japan
Overseas Affiliated Companies and Representative/Liaison Offices	
Dai-ichi Life International (Europe)	U.K.
Beijing Representative Office	China
Shanghai Representative Office	China
Hanoi Representative Office	Vietnam
New Delhi Liaison Office	India
Innovation Lab	
Dai-ichi Life Innovation Lab (Shibuya)	Japan
Dai-ichi Life Innovation Lab (Silicon Valley)	U.S.A.
Dai-ichi Life Innovation Lab (London)	U.K.
Providing services in the health and medical care domain	
QOLead	Japan
Reinsurance	
Dai-ichi Life Reinsurance	Bermuda

Overview

In Dai-ichi Life Group, 12 insurance companies operating in Japan and overseas offer products and services to meet diverse customer needs. Through our Asset Management Business, we also accommodate a wide range of asset formation/succession needs of customers.

In our pursuit of the diversification and expansion of our business portfolio both domestically and overseas, we have built a solid, globally distributed business foundation, with overseas and other business constituting 20% of our Group adjusted profit for FY2020.



Domestic Life Insurance Business

To accommodate changes in the social environment and needs with speed and precision, Dai-ichi Life Group has established a multi-brand, multi-channel structure through which four domestic companies demonstrate their distinctive qualities that they respectively possess to deliver products and services that suit each individual customer through optimal channels.

Overseas Insurance Business

Dai-ichi Life Group has expanded its insurance business to eight countries in North American and the Asia-Pacific region, building a portfolio in its overseas life insurance business that strikes a balance between stable contribution to profits in developed markets and positive impact of growth over the medium- to long-term in emerging Asian markets.

Other Business
(Asset Management Business)

Through our Asset Management Business, which has a high affinity with our Life Insurance Business, we are promoting the unified operation of our value chain in the asset formation/succession domain, including the intra-Group application of our advanced asset management capability, to enhance our products and services.

Domestic Life Insurance Business

Initiatives at Each Group Company in FY2020

To fulfill their roles as insurance providers, Dai-ichi Life, Dai-ichi Frontier Life, and Neo First Life worked on continuing prompt claims payment and conducting sales activities with consideration to prevention of spread of COVID-19. Additionally, along with providing special treatment such as applying accidental death benefits in cases of death or severe disability caused by COVID-19 and the deferral of insurance premium payments considering customers' financial needs, they also provided consultation services on COVID-19 to customers.

Following incidents of fraud where a former employee of the Dai-Ichi Life Insurance Company illegally acquired money, in addition to performing internal investigations (comprehensive inspection) to analyze the causes for those incidents, we established and enhanced internal control structure to eliminate mishandling of cash and reform of our corporate culture and structure that led to such incidents. To implement these countermeasures, we also started up the "Business Management Quality Reform Task Force," a companywide cross-functional project headed by the President.

We also promoted the development and sales of insurance products to accommodate the needs of our domestic customers. The Dai-Ichi Life Insurance Company released products that provide coverage for shorter hospitalizations with benefit payments regardless of the length of hospitalization. Dai-ichi Frontier Life also revised its inheritance and asset succession-type products that accommodate asset succession needs. Neo First Life addressed the addition of extra payment riders to Kenko Nenrei® (Health Age)*-type product for cancer coverage to accommodate the latest treatment.

In addition, preparations were made for the business launch of The Dai-ichi Smart Small-amount and Short-term Insurance Company, a new domestic Group company. Through the digital channels of this company, we will reinforce our approach to the youth population referred to as millennials and Generation Z.

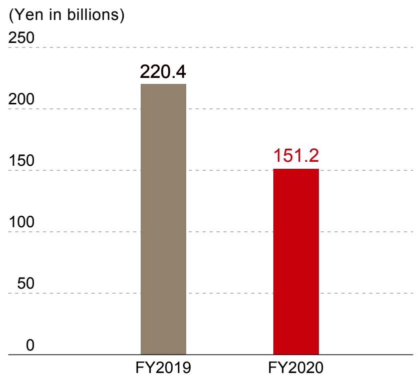
* Kenko Nenrei® (Health Age) is a registered trademark of JMDC Inc.


Scene of remote consulting (Fukuoka Sogo Branch Office, Dai-ichi Life)

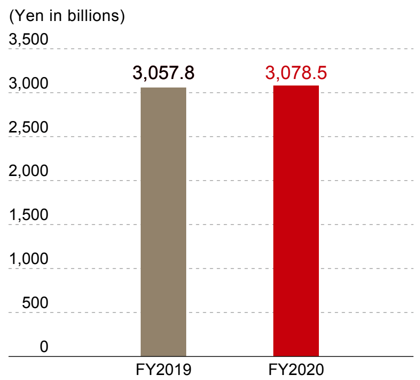
FY2020 Results

While new business annualized net premiums decreased significantly mainly due to self-restraint on sales activities at Dai-ichi Life in the first half, in the second half, with resumption of sales activities on condition that customers' consent is obtained, new policy acquisitions recovered to the level of the previous fiscal year. Consequently, new business annualized net premiums were down by 31.4% year-on-year and in-force policy annualized net premiums were at a similar level with an increase of 0.7% year-on-year. Group adjusted profit increased by 10.1% year-on-year mainly due to the growth of the positive spread at Dai-ichi Life that resulted from the recovery in financial markets.

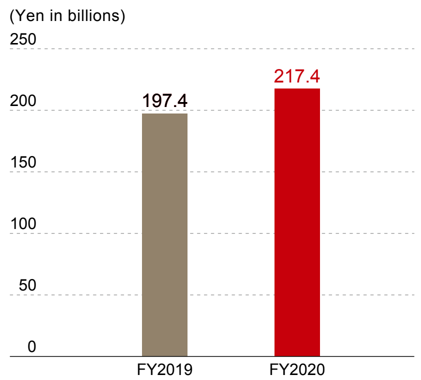
New Business Annualized Net Premiums



In-force Business Annualized Net Premiums



Adjusted Profit



Dai-ichi Life

Maintaining and expanding market share through initiatives that boost customer satisfaction

Through tailored consulting provided by the approximately 40,000 Total Life Plan Designers across Japan, Dai-ichi Life provides high value-added protection-type products and services that target a wide range of customer needs from younger population to senior citizens.

Also, Dai-ichi Life conducts investment management based on asset liability management (ALM), mainly by investing in fixed-income assets, to fulfill its obligation to pay out claims and benefits over the long-term in a stable manner. In addition, Dai-ichi Life is also focused on responsible investment based on its social responsibilities as an institutional investor. In the future, as Dai-ichi Life promotes improvement of its business productivity and capital efficiency, Dai-ichi Life will expand initiatives to elevate customer satisfaction and aim to maintain and expand our market share.

Dai-ichi Frontier Life

Improve the quality of products and services to contribute to the well-being of each customer

With a particular focus on savings-type products, Dai-ichi Frontier Life provides products and services that meet diverse needs, from asset formation/succession, preparing for peace of mind in this era of a 100 year-life society.

In FY2020, Dai-ichi Frontier Life released foreign currency-denominated and yen-denominated whole life insurance that covers dementia and nursing care. Dai-ichi Frontier Life also improved convenience by enhancing online procedures and remote training and support for agencies with the use of digital tools.

Going forward, Dai-ichi Frontier Life will continue to contribute to the well-being of each customer by providing special products and services from a customer-first perspective.

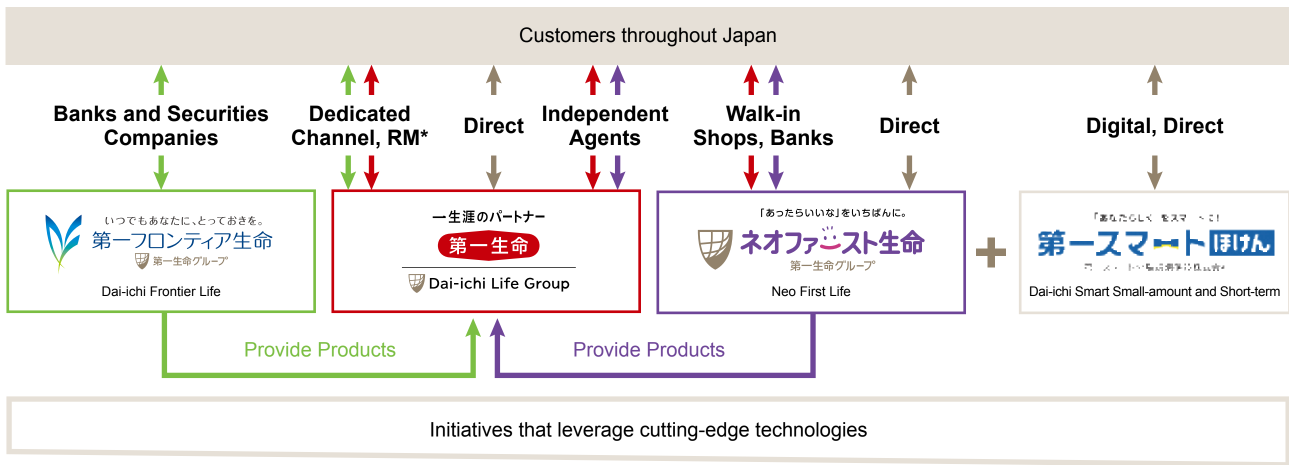
Neo First Life

Contributing to customer wellness through products and services that provide customer exceeding their expectations

Adopting "'Nice to have' for a better life, comes first" as its mission, Neo First Life provides products and services that incorporate the perspective of "Become healthy through insurance" through insurance agencies, its website, and other channels.

From FY2021, Neo First Life has established "Wellness: Supporting 'Your way more'" as its medium- to long-term vision. With a view to achieving this vision, the Company will ascertain changes in the times at an early stage to provide customer experiences (CX) that exceed customer expectations and, in doing so, strive to contribute to customer Wellness.

Multi-Brand and Multi-Channel Structure



* Relationship manager (sales representative for corporate customers)

Overseas Insurance Business

Initiatives at Each Group Company in FY2020

Overseas group companies worked on providing product explanations to customers utilizing digital technologies such as video calls to respond to needs for remote consulting amid the spread of COVID-19. In addition, they conducted appropriate business operations according to the situation in each country, including the promotion of working from home.

US-based Protective, in addition to initiatives that improve customer convenience, such as online insurance claims application, acquired a non-life insurance company that will be rolled out under the Revolos brand, and also strengthened its business foundation through full-scale profit contributions by in-force blocks of Great-West Life & Annuity Insurance Company, which Protective acquired in 2019.

Australia-based TAL aimed to improve customer convenience by digitalizing insurance benefits claiming processes, etc. Moreover, it reinforced profit base and continued stable business operation by reinforcing sound relationships with its various partners, including negotiating revisions of premiums with group insurance superannuation schemes whose claims experience has worsened significantly.

Our companies in emerging countries, amid restrictions on face-to-face sales activities, worked towards ensuring and improving the convenience of customers and other parties through promoting the digitalization of platforms for customers and individual insurance agents and online insurance agency channel training.

Scene from remote meeting (PT Panin Dai-ichi Life)

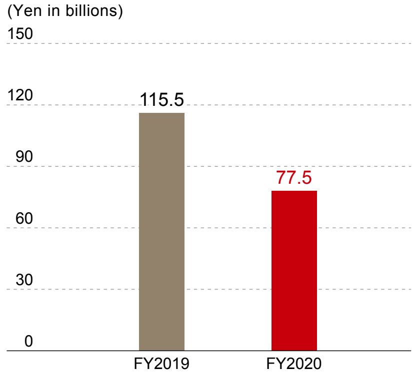
FY2020 Results

New business annualized net premiums fell by 32.9% year-on-year, reflecting a decrease after large-scale group insurance contract acquired by TAL in the previous fiscal year.

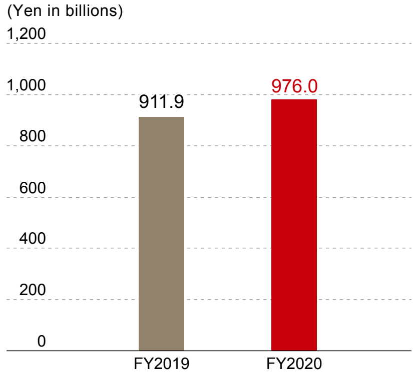
Amid the limited impact of COVID-19, in-force policy annualized net premiums increased by 7.0% year-on-year largely due to foreign exchange fluctuations.

Adjusted profit decreased by 14.4% year on year mainly as a result of the increase in insurance claims paid by Protective amid the spread of COVID-19 in addition to an increase in allowances for currently expected credit losses after changes in U.S. accounting standards.

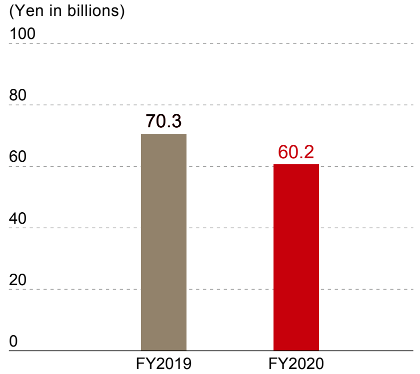
Annualized Net Premiums of New Business



Annualized Net Premiums from Policies in Force



Adjusted Profit



Protective (U.S.A.)

Steady profit contribution driven by retail and acquisitions

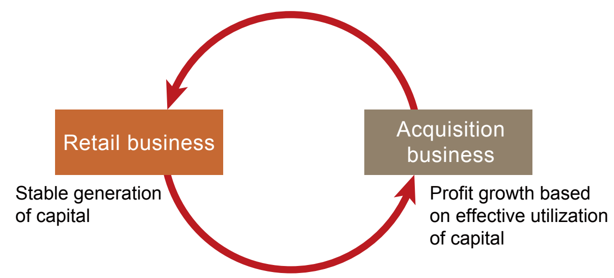
Protective achieved sustainable growth through its distinctive business model which involves generating capital through its retail business (life insurance and individual annuities) operated nationwide and utilizing the generated capital in its acquisition business.

For its retail business, Protective expanded channels and promoted the sales of products with low interest rate sensitivity to make stable contributions to Group profit. Additionally, Protective is tackling the improvement of CX with a particular focus on improving the quality of various processes and shortening of procedures through actively introducing digital tools.

For its acquisition business, Protective has been steadily and successfully expanding its operational scale and earnings. Since becoming part of the Dai-ichi Life Group, Protective made five acquisitions including the acquisition of Revolos that it disclosed in 2020. Protective will continue reinforcing its acquisition business and uncovering new acquisitions that also contribute to the improvement of capital efficiency.

Going forward, Protective will pursue further growth in North America and improved capital efficiency through a positive cycle brought forth by the dual axes of its retail and acquisition businesses.

Unique Business Model



TAL (Australia)

Top position for eight years in protection-type market

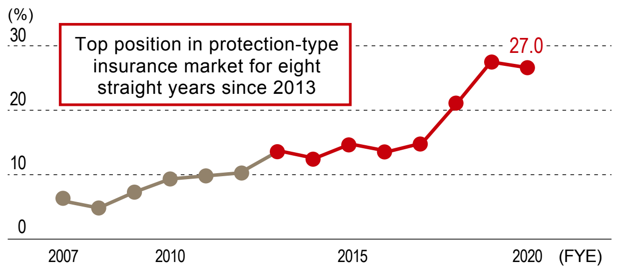
TAL has promoted a strategy of specialization in protection-type products and since 2013 has maintained the top position in terms of annualized net premiums from in-force policies in Australia's protection-type insurance market.

Such growth is underpinned by TAL's partners in each of its businesses (retail: independent insurance agents; direct: non-life insurance financial institutions and other industries; group insurance: superannuation schemes). TAL is working to preserve and reinforce the sound relationships that it currently has with its partners by improving the experiential values offered to customers and partners through supporting the training of independent insurance agents and making strategic investments in digital platforms.

In addition, TAL has also grown through acquisitions and the acquisition of Asteron Life & Superannuation Limited (formerly a member of the Suncorp Group), completed in February 2019, is yielding steady progress in the creation of synergy.

Going forward, TAL will continue aiming for stable profit generation and improved capital efficiency through adequate resource allocation and the diversification of its products in addition to the sound relationships with its partners.

TAL's Market Share in Protection-Type Insurance Market



* Based on annualized net premiums from in-force policies
Source: Strategic Insight (Plan for Life)

Dai-ichi Life Vietnam (Vietnam)

Sustainable growth to become major life insurer in Vietnamese market

Dai-ichi Life Vietnam has pursued the reinforcement of its core individual insurance agents channel through extensive training and expanding the sales network of the individual insurance agents. In addition, Dai-ichi Life Vietnam has expanded into alternative channels, strengthened cooperation with partners, and enhanced its product lineup. Since commencing its business in 2007, Dai-ichi Life Vietnam has steadily expanded its market share, and now it is among one of the top five major life insurers.

Going forward, Dai-ichi Life Vietnam will continue to improve customers' experiential values and support our sales structure largely through the promotion of various digital platforms, aiming for sustainable growth by expanding sales and improving operational quality.

Dai-ichi Life Cambodia (Cambodia)

Realizing steady growth through the reinforcement of a sales structure centered on individual insurance agents

Dai-ichi Life Cambodia was established in March 2018 as the first subsidiary of a Japanese life insurance company in Cambodia, and from April 2019 commenced operations centered in the capital Phnom Penh.

Dai-ichi Life Cambodia steadily grew mainly by establishing a sales structure of its individual agents channel and concluding new cross-sale agreements with banks. Going forward, Dai-ichi Life Cambodia will continue expansion of sales bases in its individual agents channel, reinforcement of its leader personnel, strengthening of sales support directed at existing partners and cooperation with new partners in its bancassurance channels, diversification of its products and various forms of digitalization as it aims to grow further and expand its market share.

Dai-ichi Life Myanmar (Myanmar)

Commenced operation as the only wholly-owned subsidiary of a Japanese life insurance company

In November 2019, Dai-ichi Life became the only Japanese life insurance company to acquire a permit to establish and operate a life insurance business in Myanmar as a wholly-owned subsidiary, and commenced operation in September 2020.

In FY2020, Dai-ichi Life Myanmar progressed with establishing a business foundation aimed at future growth through establishing a sales and administrative structure as well as internal controls in individual insurance agents channel.

In addition to continuing to be sufficiently mindful of domestic circumstances and administer operations with the employee safety as its first priority, Dai-ichi Life Myanmar will promote cooperation with each of our Group companies in the Southeast Asian region, provide peace of mind through life insurance and, in doing so, contribute to people's well-being and development of communities.

Star Union Dai-ichi Life (India)

Promotion of growth in earnings through digitalization and reinforcing bancassurance channels

By proactively promoting digitalization through means such as developing an app capable of application procedures for life insurance, Star Union Dai-ichi Life continued its non-face-to-face sales activities despite the spread of COVID-19, and increased premium and other income by 34.9% year-on-year.

Going forward, in addition to further strengthening its relationships with main partner banks and reinforcing sales through expanding its contact points with existing customers, Star Union Dai-ichi Life will continue to improve its productivity by leveraging its existing policy and to cultivate new markets with the use of digital platforms.

Panin Dai-ichi Life (Indonesia)

Sustainable growth by reinforcing sales channels

In our individual insurance agents channel, Panin Dai-ichi Life worked towards expanding its sales force through the recruitment of sales personnel, improving individual productivity through the reinforcement of training, and expanding promotions of younger talented personnel to higher positions, and achieved growth at a level that surpassed the market.

In bancassurance channel, Panin Dai-ichi Life is reinforcing our sales promotion structure while facilitating cooperation with banks. Also, Panin Dai-ichi Life is working on improving its operations through digitalization, such as enhancing the efficiency of sales activities and shortening after-sales procedures. Through such initiatives it aims to realize sustainable growth by connecting these initiatives to the improvement of its top line and profitability.

OCEAN LIFE (Thailand)

Positive growth through individual insurance agent channels development

OCEAN LIFE aims for sustainable growth through reinforcing the foundation for future growth that involves continuous recruitment and training of new personnel for its individual agents channel, expanding capabilities of leaders, and workplace development.

Going forward, the OCEAN LIFE will continue aiming stable profits and growth through accelerating medical riders that target market needs and further improving customer services through the enhancement of online services and other efforts.

Financial Inclusion

At our overseas Group companies, including those in Vietnam, India and Indonesia, we are tackling the resolution of challenges in each region, such as the provision of microinsurance that is easy to join for a small amount, aiming to realize financial inclusion (the popularization of insurance among a wide range of groups that includes low-income individuals).

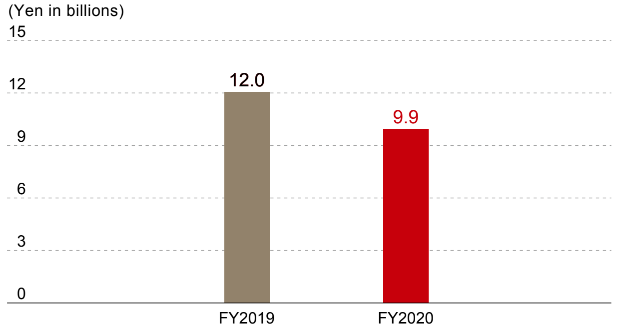
Other Business (Asset Management Business)

Initiatives at Each Group Company in FY2020

In the asset management business, while Asset Management One reported robust sales of publicly-offered investment trusts, Janus Henderson posted impairment losses on intangible fixed assets, etc. As a result, adjusted profit decreased by 17.5% compared to the previous fiscal year.

Dai-ichi Life Holdings terminated its capital affiliation with Janus Henderson and entered into a new Strategic Cooperation Agreement, reflecting the direction of the group business strategy and financial and capital strategies.

Adjusted Profit



Asset Management One

Meeting the diverse needs of investors as a total solutions provider

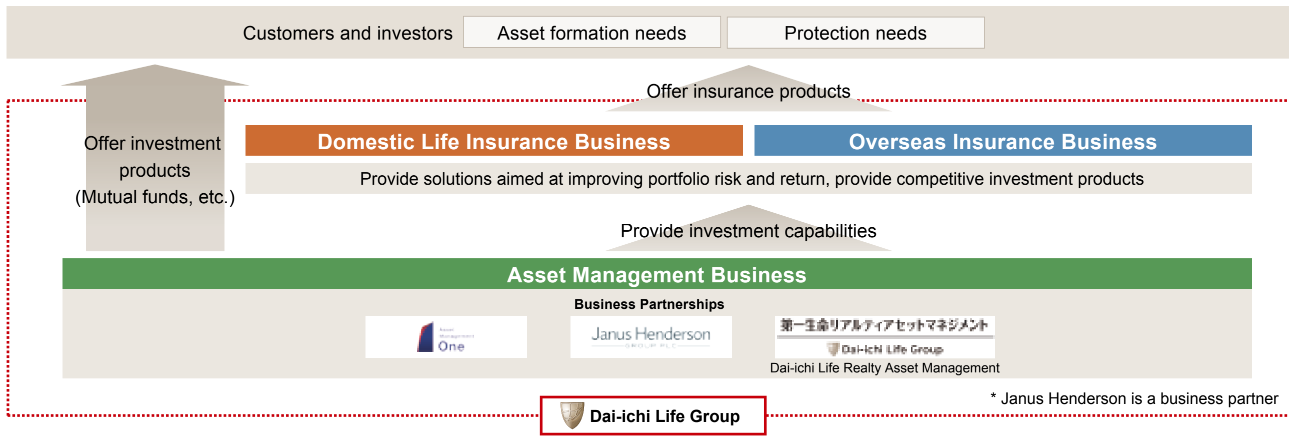
Asset Management One is an asset management company established by the Company and the Mizuho Financial Group. It provides investment management products and services that accommodate the diverse needs of both individual and institutional investors, from the active management and indexing of traditional assets and quant investment that makes full use of financial engineering in the management of alternative investment products. With the aim of becoming a "total solutions provider" that contributes to the well-being of its customers through asset management, Asset Management One focuses on providing high value-added services, capturing the growth of global markets, and promoting innovation.

Dai-ichi Life Realty Asset Management

Providing opportunities for quality real estate investment and contributing to improved quality of life and the realization of a sustainable society

Dai-ichi Life Realty Asset Management is a real estate asset management company established by the Company and Sohgo Housing Co., Ltd. in July 2019. It manages DL Life Partner REIT, Inc., a private-placement REIT aimed at qualified institutional investors whose investment targets are real estate that contributes to the improvement of quality of life of people, particularly residential properties that form the foundation of daily living. Taking advantage of the real estate development and investment expertise of Dai-ichi Life Group, Dai-ichi Life Realty Asset Management offers high-quality investment opportunities to institutional investors in Japan as well as promotes contributions to the improvement of quality of life of people and sustainability initiatives such as the acquisition of environmental certifications for investment properties.

Role of Asset Management Business

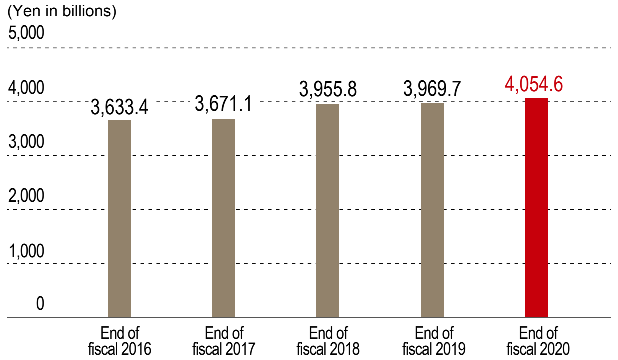


Financial and Non-Financial Highlights

Main Finance-Related Indicators

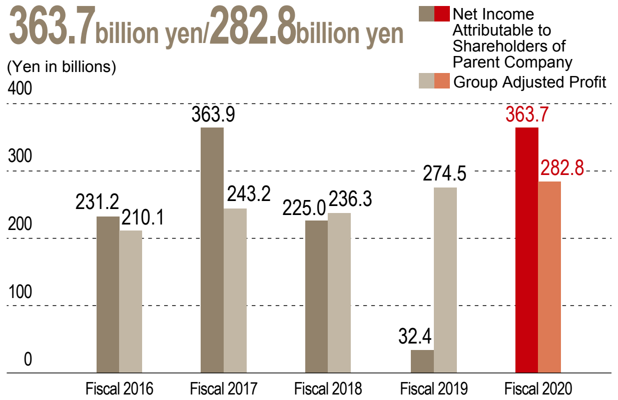
Annualized Net Premium from Policies in force

4,054.6 billion yen



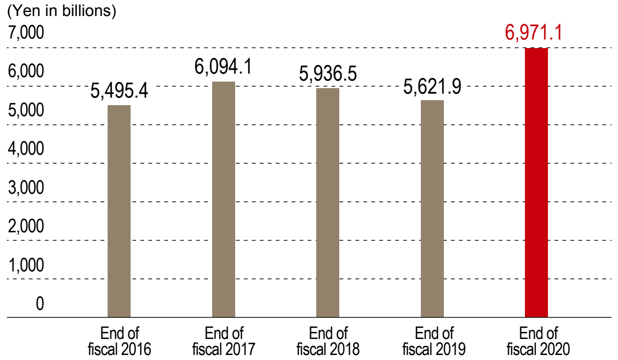
Net Income Attributable to Shareholders of Parent Company/ Group Adjusted Profit

363.7billion yen/282.8billion yen



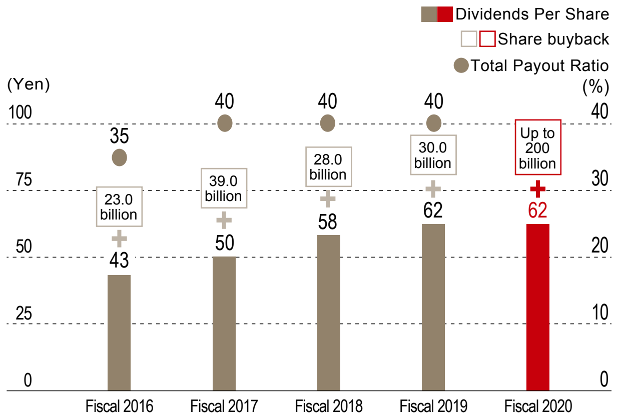
Group European Embedded Value (EEV)

6,971.1 billion yen



(Note) Starting with figures for fiscal 2020, changes to the ultimate forward rate, etc. and corporate bond spreads in the discount rate used for insurance liability valuation of Dai-ichi Frontier Life is reflected.

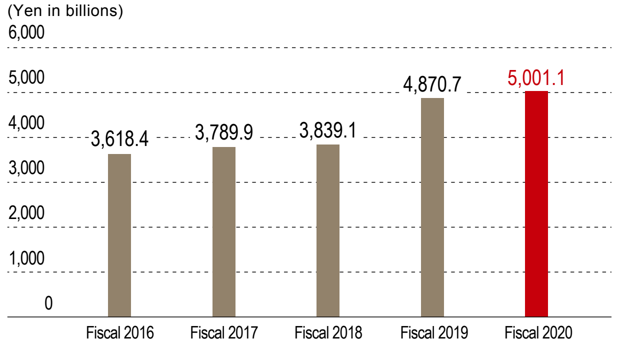
Total Shareholder Payout/Total Payout Ratio



As an Insurer

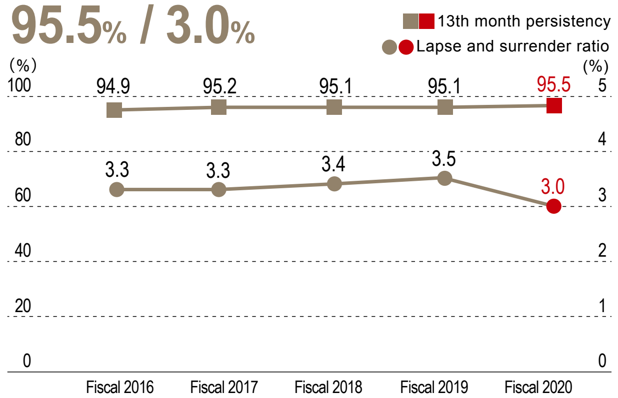
Benefits and Claims Paid (for the Group)

¥5,001.1billion



Persistency Ratio/Lapse and Surrender Ratio

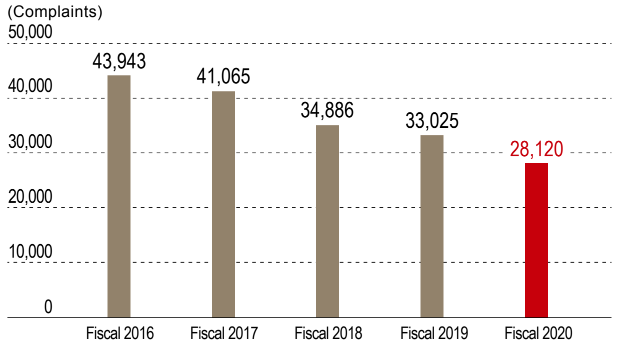
95.5% / 3.0%



(Note) Figures for Dai-ichi Life

Number of Complaints

28,120

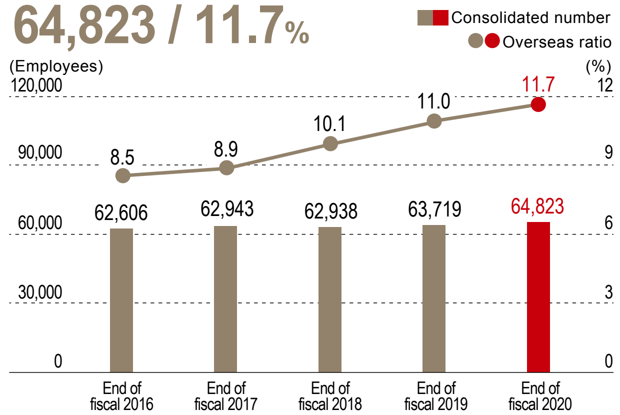


(Note) Figures for Dai-ichi Life

As an Employer

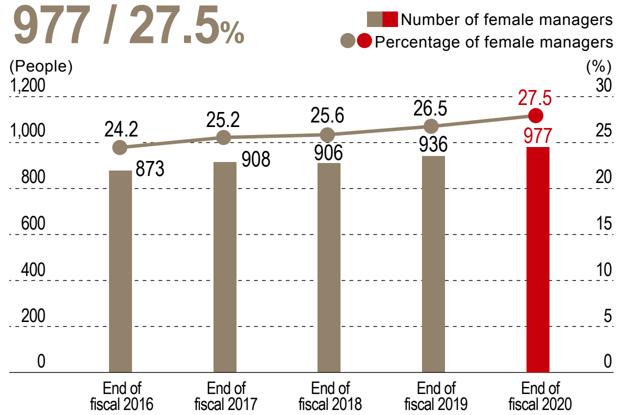
Consolidated Number of Employees/Overseas Ratio

64,823 / 11.7%



Number of Female Managers/Percentage of Female Managers

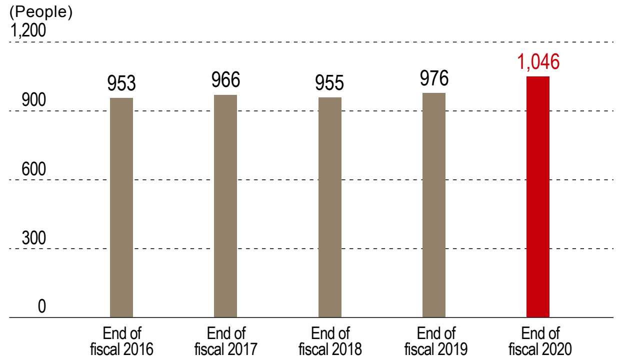
977 / 27.5%



(Note) Dai-ichi Life Holdings, Dai-ichi Life, Dai-ichi Frontier Life and Neo-First Life combined. Figures as of April 1 are represented as figures from end of previous fiscal year.

Number of Employees with Disabilities

1,046



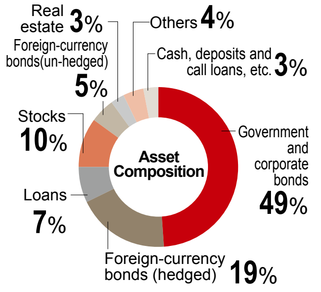
Dai-ichi Life Holdings, Dai-ichi Life, Dai-ichi Life Challenged, Dai-ichi Life Business Services and Dai-ichi Life Information Systems, combined. Figures as of April 1 are represented as figures from end of previous fiscal year.

As an Institutional Investor (Dai-ichi Life)

Asset Balance

Assets under management

Approx. 38 trillion yen



*As of end of fiscal 2020

ESG-Themed Investment

Total amount invested

Approx. ¥800 billion

Approx. 320 billion yen of which is investments in solutions for climate change issues

SDG bonds	SDGs projects
Approx. ¥280 billion	Approx. ¥340 billion
Impact investment Approx. ¥8.2 billion (20 projects)	Regional revitalization Approx. ¥150 billion

*As of end of fiscal 2020

Engagement

No. of companies engaged

248

Executive interview ratio

Approx. 63%

*Fiscal 2020

Percentage of domestic stock portfolio companies engaged

3-year cumulative

Approx. 86%

Fiscal 2020

Approx. 58%

(Based on market price of shares held)

Participation in External Initiatives

Through joining initiatives related to sustainability within and outside Japan, we are promoting initiatives for realizing a sustainable society

Sustainability Accounting Standards Board (SASB)

United Nations Global Compact (UNGC)

International Corporate Governance Network (ICGN)

Women's Empowerment Principles (WEPs)

30% Club Japan

Principles for Financial Action Towards a Sustainable Society (Principles for Financial Action for the 21st Century)

Principles for Responsible Investment (PRI)

Access to Medicine Foundation

Japan Stewardship Initiative

Institutional Investors Collective Engagement Forum (IICEF)

Climate Change Initiatives

Task Force on Climate-related Financial Disclosures (TCFD)

RE100

Climate Action 100+

THE NET-ZERO ASSET OWNER ALLIANCE

The Glasgow Financial Alliance for Net Zero

Evaluations by External Parties

Incorporation into ESG Indices

Dai-ichi Life Group is putting evaluations by the world's primary ESG evaluation organs to use in improving its sustainability initiatives. The Group has been incorporated into composites for the below ESG indices (as of July 2021).

FTSE4Good

FTSE Blossom Japan

S&P/JPX Carbon Efficient Index

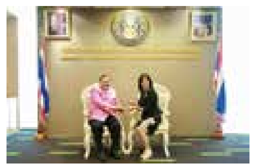
2021 MSCI ESG Leaders Indexes Constituent

2021 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

2021 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

Main Awards Recognizing Sustainability Initiatives

Having pursued initiatives in close proximity with customers and communities in the various countries where we are developing our operations, Dai-ichi Life Group has been recognized with awards.
(As of March 2021)

Recipient	Organizer	Award	Summary
Neo First Life	HDI-Japan	"Quality" HDI rating benchmark	Neo First Life's contact center was recognized for the quality in its close-proximity reception of customers, and was granted the highest rank of "Three Stars" for 14 years straight.
TAL	Workplace Gender Equality Agency	Employer of Choice for Gender Equality	Having satisfied strict standards for gender equality in the workplace, TAL was recognized for its proactive initiatives aimed at achieving that equality, receiving this award for seven consecutive years.
OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED	Ministry Of Social Development And Human Security	"M-SOCIETY Concern for COVID 19"	As part of COVID-19 countermeasures, OCEAN LIFE produced more than 5,000 handmade face shields to safeguard essential workers from the virus and supplied them to the Ministry Of Social Development And Human Security, resulting in the receipt of this award. 

Financial and Non-Financial Historical Data

(Yen in millions)

	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020
Results of Operations										
Ordinary revenues	4,931,781	5,283,989	6,044,955	7,252,242	7,333,947	6,456,796	7,037,827	7,184,093	7,114,099	**7,827,806**
Premium and other income	3,539,579	3,646,831	4,353,229	5,432,717	5,586,000	4,468,736	4,884,579	5,344,016	4,885,407	**4,730,301**
Investment income	1,035,662	1,335,120	1,320,066	1,444,012	1,344,852	1,626,177	1,802,626	1,583,228	1,876,634	**2,719,584**
Ordinary expenses	4,705,860	5,126,695	5,740,205	6,845,400	6,915,780	6,031,476	6,565,833	6,751,148	6,895,718	**7,274,945**
Benefits and claims	2,688,419	2,795,355	2,903,587	3,380,827	3,830,941	3,618,385	3,789,907	3,839,105	4,870,794	**5,001,109**
Provision for policy reserves and others	718,673	1,191,953	1,634,864	2,271,268	1,496,360	1,016,744	1,223,870	1,309,287	164,491	**971,280**
Investment expenses	380,315	221,738	234,950	168,935	524,041	342,102	548,957	541,541	821,971	**326,626**
Operating expenses	471,061	486,419	517,566	559,344	661,384	650,985	661,110	703,573	680,154	**689,057**
Ordinary profit	225,920	157,294	304,750	406,842	418,166	425,320	471,994	432,945	218,380	**552,861**
Provision for reserve for policyholder dividends	69,000	86,000	94,000	112,200	97,500	85,000	95,000	87,500	82,500	**77,500**
Net income attributable to shareholders of parent company	20,357	32,427	77,931	142,476	178,515	231,286	363,928	225,035	32,433	**363,777**
Financial Condition										
Total assets	33,468,670	35,694,411	37,705,176	49,837,202	49,924,922	51,985,850	53,603,028	55,941,261	60,011,999	**63,593,705**
Total liabilities	32,476,924	34,045,391	35,757,563	46,247,274	46,991,963	48,848,583	49,853,756	52,227,668	56,235,081	**58,786,576**
Policy reserves	29,862,729	31,012,539	32,574,923	41,634,712	42,922,534	43,740,238	44,597,717	47,325,761	49,520,817	**49,897,294**
Total net assets	991,745	1,649,020	1,947,613	3,589,927	2,932,959	3,137,266	3,749,271	3,713,592	3,776,918	**4,807,129**
Total shareholders' equity	569,253	563,340	628,538	1,029,622	1,129,262	1,300,756	1,589,623	1,708,808	1,641,506	**1,893,643**
Net unrealized gains (losses) on securities, net of tax	483,446	1,099,351	1,322,731	2,528,262	1,840,084	1,906,091	2,238,159	2,101,587	2,283,198	**3,056,350**
Sales Results[1]										
Annualized net premium of new business (billions of yen)[2]	205.3	244.3	303.4	339.1	387.2	440.7	406.4	508.7	336.0	**228.8**
Domestic Group companies (billions of yen)	175.2	210.4	230.5	309.6	294.8	371.9	319.4	418.9	220.4	**151.2**
Overseas Group companies (billions of yen)	30.1	33.8	72.8	29.5	92.4	68.8	87.0	89.8	115.5	**77.5**
Annualized net premium from policies in force (billions of yen)[2]	2,322.3	2,425.7	2,560.3	3,217.0	3,396.2	3,633.4	3,671.1	3,955.8	3,969.7	**4,054.6**
Domestic Group companies (billions of yen)	2,198.1	2,263.5	2,344.6	2,493.2	2,634.8	2,865.3	2,895.5	3,092.4	3,057.8	**3,078.5**
Overseas Group companies (billions of yen)	124.1	162.2	215.6	723.8	761.3	768.1	775.6	863.4	911.9	**976.0**
Corporate Value										
Group European embedded value (EEV) (billions of yen)[3]	2,661.5	3,341.9	4,294.7	5,987.6	4,646.1	5,495.4	6,094.1	5,936.5	5,621.9	**6,971.1**
Value of new business (billions of yen)[3]	187.7	211.2	255.4	286.1	216.1	145.5	190.2	197.4	150.3	**127.1**
New business margin (%)[3]	5.89	5.86	6.25	5.53	3.92	2.94	4.30	3.78	3.32	**3.78**
Key Financial Indicators										
Return on equity (ROE) (%)	2.4	2.5	4.3	5.1	5.5	7.6	10.6	6.0	0.9	**8.5**
Return on embedded value (ROEV) (%)	10.6	25.5	29.4	28.8	(21.9)	20.3	13.1	(0.6)	(2.8)	**32.5**
Consolidated solvency margin ratio (%)	563.2	702.4	756.9	818.2	763.8	749.2	838.3	869.7	884.1	**958.5**
Adjusted ROE (%)	–	–	–	–	–	8.6	8.5	7.6	9.5	**8.9**
Economic solvency ratio (%)[4]	–	–	–	147	98	151	170	169	195	**203**
Group adjusted profit (billions of yen)	–	100.0	116.0	214.7	204.6	210.1	243.2	236.3	274.5	**282.8**
Per Share Indicators[5]										
Earnings per share (EPS) (yen)	20.61	32.75	78.58	124.94	150.53	196.62	310.69	194.43	28.53	**325.61**
Book value per share (BPS) (yen)	993.76	1,657.14	1,962.05	3,012.46	2,472.86	2,668.61	3,217.68	3,240.72	3,344.23	**4,329.08**
Dividends per share (DPS) (yen)	16	16	20	28	35	43	50	58	62	**62**
Key Non-financial Indicators										
Number of Group employees	60,305	60,771	59,512	60,647	61,446	62,606	62,943	62,938	63,719	**64,823**
Domestic Group company employees	58,825	58,875	57,462	55,982	56,503	57,262	57,339	56,565	56,691	**57,228**
Overseas Group company employees	1,480	1,896	2,050	4,665	4,943	5,344	5,604	6,373	7,028	**7,595**
Percentage of women in managerial posts (%)[6]	–	–	21.9	22.5	23.3	24.2	25.2	25.6	26.5	**27.5**
Number of employees with disabilities (people)[7]	846	865	891	913	926	953	966	955	976	**1,046**
CO_2 emissions (t-CO_2)[8]	129,000	153,500	175,000	168,000	178,100	171,900	166,000	155,300	138,900	**129,600**
Total paper usage (t)[9]	9,922	9,849	8,116	6,509	6,559	6,967	6,475	6,474	6,092	**4,794**

1. The values for fiscal 2011 to fiscal 2013 are the totals of Dai-ichi Life, Dai-ichi Frontier Life, TAL, and Dai-ichi Life Vietnam. The values for fiscal 2014 are the total of Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life, TAL, and Dai-ichi Life Vietnam. The values for fiscal 2015 to fiscal 2018 are the totals of Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life, Protective, TAL, and Dai-ichi Life Vietnam. The values for fiscal 2019 are the total of Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life, Protective, TAL, Dai-ichi Life Vietnam, and Dai-ichi Life Cambodia.
2. Starting with values for fiscal 2019, values for TAL were tabulated after excluding change in in-force.
3. From fiscal 2014, the extrapolation method beyond the last liquid data point of Japanese interest rate is changed from a method taking into account the yield curve of Japanese swap rate to a method using an ultimate forward rate. Starting with figures for fiscal 2020, changes to the ultimate forward rate, etc. and corporate bond spreads in the discount rate used for insurance liability valuation by Dai-ichi Frontier Life will be reflected.
4. From fiscal 2016, figures reflect expected rate of return on investments when evaluating insurance liabilities. For figures from fiscal 2019, measurement standards have been upgraded based on the development of Insurance Capital Standard (ICS) and economic value regulations in Japan. Starting with figures for fiscal 2020, changes to the ultimate forward rate, etc. and corporate bond spreads in the discount rate used for insurance liability valuation by Dai-ichi Frontier Life will be reflected.
5. Dai-ichi Life Holdings conducted a 1:100 share split on October 1, 2013. Adjustments are made to per share indicators prior to the share split.
6. Total of Dai-ichi Life Holdings, Dai-ichi Life, Dai-ichi Frontier Life, and Neo First Life. Figures as of April 1 of the next fiscal year, which represent the percentage at the end of previous fiscal year.
7. Total of Dai-ichi Life Holdings, Dai-ichi Life, Dai-ichi Life Challenged, Dai-ichi Life Business Services and Dai-ichi Life Information Systems. Figures as of April 1 of the next fiscal year, which represent the number at the end of previous fiscal year.
8. Based on Scope (1+2). Figures for the fiscal years between 2010 and 2014 are those for Dai-ichi Life. Figures for fiscal 2015 and beyond are sums of those for subsidiaries and affiliates in Japan (total of 24 companies in fiscal 2020).
9. Figures for fiscal 2010 to fiscal 2014 are for Dai-ichi Life only. Figures for fiscal 2015 and beyond are sums of those for subsidiaries and affiliates in Japan (total of 24 companies in fiscal 2020).

SASB Information Index

In order to deepen understanding of Dai-ichi Life Group's business sustainability, we publish sustainability indicators specific to the insurance industry based on the insurance standards of the Sustainability Accounting Standards Board (SASB).

Note: Unless otherwise specified, disclosed data refers to Dai-ichi Life, the biggest operating company in the Dai-ichi Life Group. The base date for data is March 31, 2021.
Information is disclosed based on the business environment in Japan and other factors referencing the current SASB standards.

1. Initiatives for Customers

(referenced SASB standards: FN-IN-270a.1 – 270a.4)

Going forward, the Dai-ichi Life Group will continue to provide high-quality products and services pursuing customer satisfaction while providing support for customers based on "By your side, for life," our Group mission that we have worked towards over time. To respond flexibly to diversifying customer needs, the Group will work together while taking advantage of the characteristics of each Group company going forward.

Additionally, the policy retention and lapse and surrender rates are also covered in this report.

▶ P106 Financial and Non-Financial Highlights

A Customer-First Business Operation Policy

In accordance with the customer-first business operation policy established by the Dai-ichi Life Group, we disclose the status of initiatives at each Group company.

Reference websites

- Dai-ichi Life (Japanese Only) https://www.dai-ichi-life.co.jp/dsr/customer_first/
- Dai-ichi Frontier Life (Japanese Only) https://www.d-frontier-life.co.jp/corporate/customer-first/index.html
- Neo First Life (Japanese Only) http://neofirst.co.jp/customer-first.html

Listening to Customer Feedback

The Dai-ichi Life Group takes the results of customer satisfaction surveys and feedback from customers seriously and uses them to improve customer satisfaction.

Reference websites

- Dai-ichi Life https://www.dai-ichi-life.co.jp/english/dsr/stakeholder/satisfied.html
- Dai-ichi Frontier Life (Japanese Only) https://www.d-frontier-life.co.jp/corporate/voice/index.html
- Neo First Life (Japanese Only) http://neofirst.co.jp/voc/complaint.html

Utilizing Customer Feedback in Management

We have introduced a structure for collecting a wide range of feedback from customers and incorporating it into management and operations.

Reference websites

- Dai-ichi Life https://www.dai-ichi-life.co.jp/english/dsr/stakeholder/customer.html
- 2021 Report on Initiatives to Leverage Customer Feedback (Japanese Only)
  https://www.dai-ichi-life.co.jp/dsr/hakusho/index.html

Initiatives Related to Payment of Insurance Claims and Benefits

The Dai-ichi Life Group makes various efforts to contact customers at each stage of the claims process-when receiving a claim, approving payment, and after payment-in order to fully provide information on insurance claims that can be paid and other potential payable benefits. We also continually strive to strengthen our payment management systems based on the results of customer surveys and the opinions of outside experts.

Reference websites

- Dai-ichi Life https://www.dai-ichi-life.co.jp/english/dsr/customer/example.html
- Dai-ichi Frontier Life (Japanese only) https://www.d-frontier-life.co.jp/corporate/payment/index.html
- Neo First Life (Japanese only) https://download.neofirst.co.jp/voc/resultofpayment.html

2. Asset Management based on an ESG Perspective

(referenced SASB standards: FN-IN-410a.1 – 410a.2)

Our Group mission has been "By your side, for life" ever since our establishment in 1902. We recognize that as a lifelong partner, it is our obligation to approach customer needs and social issues with sincerity and contribute to realize the well-being of all people and a sustainable society with a view to 100 years down the road through our products and services, as well as contribute to improving quality of life for our customers in our management of the insurance premiums they entrust to us. Thus, we believe it is important for us to meet customer needs and contribute to solving social issues in both insurance underwriting and asset management operations that are unique to life insurance. Based on this perception, we proactively promote ESG investment.

ESG Investment at Dai-ichi Life

As a universal owner managing approximately 38 trillion yen in funds, entrusted by roughly 10 million policy holders throughout Japan, across a wide range of assets, Dai-ichi Life recognizes the need to manage assets while considering the interest of various stakeholders. Also, based on our social role as a life insurance company, we believe that it is our obligation to not only to gain returns on our investments, but also to contribute to solving social issues. In November 2015, Dai-ichi Life became a signatory to the United Nations Principles for Responsible Investment (PRI), which advocates incorporating ESG factors into the asset management process. Moreover, in April 2020, we formulated and published our Basic Policy on ESG Investment as a commitment to strongly promoting ESG investment initiatives and set targets for the incorporation of ESG into all our asset management policies and investment processes. In addition, in February 2021, we became the first Japanese entity to join the "Net-Zero Asset Owner Alliance," an international initiative by institutional investors who seek to make the transition to an investment portfolio containing essentially zero greenhouse gas emission by 2050. Details on our initiatives are also described in this report.

▶ P59 Feature: ESG Investment by Dai-ichi Life
▶ P57 Climate Change

Reference websites

- Dai-ichi Life https://www.dai-ichi-life.co.jp/english/dsr/investment/esg.html
- 2020 Responsible Investment Report https://www.dai-ichi-life.co.jp/english/dsr/investment/pdf/ri-report_002.pdf

Assets under Management

We disclose assets under management by sector at Dai-ichi Life.

Reference websites

- Notice of Dai-ichi Life Insurance financial results for the year ended March 31, 2021, and supplementary materials
- https://www.dai-ichi-life.co.jp/english/investor/financial/results/2020/pdf/index_005.pdf
  (Refer to p. 6 and thereafter.)
- https://www.dai-ichi-life.co.jp/english/investor/financial/results/2020/pdf/index_006.pdf
  (Refer primarily to pp. 3 and 5.)

ESG Information Index

We organize information related to the Group's sustainability from an ESG perspective to help with ESG research, etc.

Reference website

- Dai-ichi Life Holdings https://www.dai-ichi-life-hd.com/en/sustainability/library/esg.html

3. Initiatives for Responsible Business Conduct

(referenced SASB standards: FN-IN-410b.2)

The Dai-ichi Life Group seeks to contribute to the well-being of all people as we head into the future. It also means that all people have total peace of mind, live rich and healthy lives, and are in a state of happiness. For that reason, we expanded our operational domains to the four types of experiential values that comprise well-being.

Additionally, as the happiness of all people as sought by the Dai-ichi Life Group could be only realized in sustainable society, we will position that realization as the overarching premise of our business operation as we tackle key issues that pertain to ensuring the sustainability of communities. Details on our initiatives are also described in this report.

▶ P29- CX Design Strategy, Protection, Asset formation/ Succession, Health and Medical Care
▶ P51 Sustainability
▶ P53 Climate Change Initiatives

4. Exposure to Environmental Risks

(referenced SASB standards: FN-IN-450a.1 – 450a.3)

We manage risk appropriately from the prediction stage by identifying the predictable risks that could have a material impact on the Dai-ichi Life Group's management as material risks and formulating business plans based on these risks. The material risks include risk related to climate change and risk related to large-scale disasters.

Reference website

- Dai-ichi Life Holdings https://www.dai-ichi-life-hd.com/en/investor/share/business_risk.html

Risks and Opportunities Related to Climate Change and Impact on the Group's Business

This report describes climate change initiatives at the Dai-ichi Life Group and at Dai-ichi Life.

▶ P53 Climate Change Initiatives

Risk of Loss Related to Natural Disaster

In calculating the solvency margin ratio*, which is one indicator of financial soundness, we calculate an amount for catastrophe risk as one of the risks in accordance with the relevant laws and regulations, including the Insurance Business Act.

▶ P150 Status of Enhancement of Payment Capacity for Benefits, Etc. for Insurance Holding Companies and Their Subsidiaries, Etc.

* Solvency margin ratio: one of the regulatory supervision indicators for determining the level of claims payment capacity (solvency margin) in preparation for risks that arise above and beyond normal expectations, such as disasters and stock market crashes.

5. Systemic Risk Management

(referenced SASB standards: FN-IN-550a.1 – 550a.3)

To secure sound and appropriate business operations and to ensure fulfillment of obligations as an insurer, the Dai-ichi Life Group identifies and assesses various risks within the Group and responds appropriately based on the characteristics of each risk as well as managing risks in an integrated manner. We also strive for Group-wide management of our financial base, which includes these risks and shareholders' equity, to improve financial soundness. Furthermore, we have been developing management systems for crises and large-scale disasters that cannot be handled using conventional risk management alone.

Reference website

- Dai-ichi Life Holdings https://www.dai-ichi-life-hd.com/en/about/control/in_control/administer.html

Derivative Transactions

Derivative transaction gains and losses (listed and over-the-counter) at Dai-ichi Life (general account) are as below.
Gains on listed derivative transactions: 1,268 million yen
Over-the-counter derivative transactions losses: 316,479 million yen
In addition, pursuant to Article 156-62 of the Financial Instruments and Exchange Act, Dai-ichi Life pledged the following cash and securities to Japan Securities Clearing Corporation as its liabilities related to some over-the-counter derivative transactions subject to mandatory central counterparty (CCP) clearing.
Cash: 30,813 million yen
Securities: 52,174 million yen

Reference websites

- Supplementary Materials for the Fiscal Year Ended March 31, 2021
  Dai-ichi Life Holdings
  https://www.dai-ichi-life-hd.com/en/investor/library/press/2020/pdf/index_016.pdf

Total of Collateral Assets Related to Securities Lending

The total of collateral assets related to securities lending by Dai-ichi Life (general account) is as follows.
Cash: 2,301,762 million yen
Securities: 1,945,314 million yen
The above collateral assets related to securities lending are not reinvested.

Non-Insurance Business Activities

Asset Management One, which engages in the asset management business of the Group, mainly invests in securities with high market liquidity, and liquidity problems are limited.

At present, the asset management business accounts for less than 1% of the Group's consolidated ordinary profit and 4% of adjusted profit.

6. Activity Metrics

(referenced SASB standards: FN-IN-000.A)

This report includes information on the Dai-ichi Life Group's in-force policies. The report also discloses the status of the Group's insurance policies (annualized net premium from policies in force, total amount of policies in force, etc.)

▶ P22 Management Resources Supporting Contribution to Well-Being(Social and Relationship Capital)

Reference website

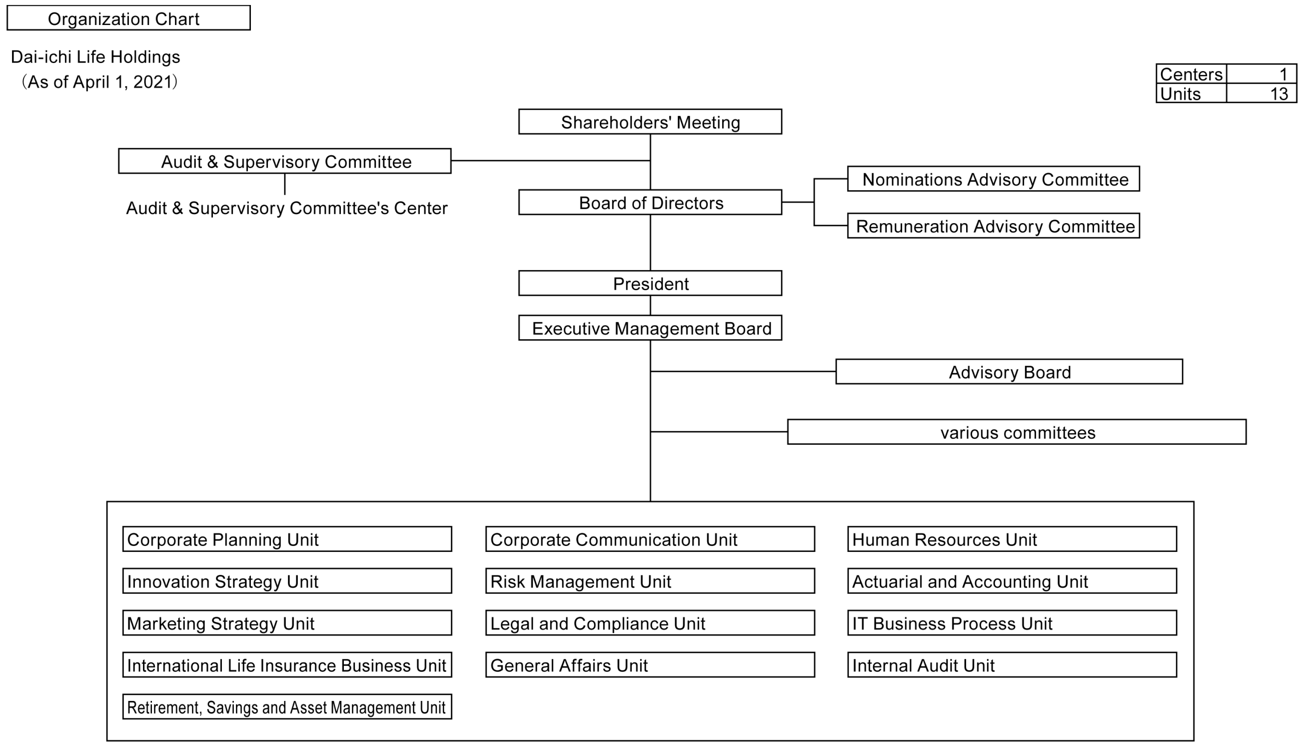
- Dai-ichi Life Holdings https://www.dai-ichi-life-hd.com/en/investor/library/press/2020/pdf/index_014.pdf

Overview and Organization of the Insurance Holding Company

Corporate Profile

Trade name	Dai-ichi Life Holdings, Inc.
Date of Establishment	September 15, 1902
Head Office	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-8411, Japan
Phone number	81-(0)3-3216-1222
Official website	https://www.dai-ichi-life-hd.com/en/
Main Business	The purpose of the Company shall be to engage in the following businesses: (1) Business administration of life insurance companies, non-life insurance companies, and other companies operating as the Company's subsidiaries pursuant to the provisions of the Insurance Business Act, and (2) Other business activities incidental to the business listed in the preceding item.
Capital stock	343.7 billion yen
Number of employees	726 persons

Management Organization



Capital Stock and Number of Shares

1. Capital stock

Date	Increase in capital	Capital stock after increase	Details
April 1, 2010	210,200 million yen	210,200 million yen	Reconciliation of net assets associated with the change in corporate structure to a public company from a mutual company
April 2, 2012	7 million yen	210,207 million yen	Exercise of stock options
April 1, 2013	8 million yen	210,215 million yen	Exercise of stock options
June 21, 2013	9 million yen	210,224 million yen	Exercise of stock options
June 25, 2014	37 million yen	210,262 million yen	Exercise of stock options
July 23, 2014	124,178 million yen	334,440 million yen	Issuance of new shares by way of public offering
August 19, 2014	8,663 million yen	343,104 million yen	Third-party allotment associated with the secondary offering through over-allotment
April 1, 2015	42 million yen	343,146 million yen	Exercise of stock options
July 24, 2018	180 million yen	343,326 million yen	Third-party allotment associated with the stock remuneration scheme using restricted stocks
July 19, 2019	190 million yen	343,517 million yen	Third-party allotment associated with the stock remuneration scheme using restricted stocks
July 21, 2020	214 million yen	343,732 million yen	Third-party allotment associated with the stock remuneration scheme using restricted stocks

2. Number of shares and shareholders

(As of March 31, 2021)

Number of shares authorized to be issued	4,000,000 thousand shares
Number of issued shares	1,198,755 thousand shares
Number of shareholders	745,797 persons

(Note) Numbers of shares less than one thousand are truncated.

3. Type of issued shares

(As of March 31, 2021)

Type	Number of issued shares	Details
Common stock	1,198,755 thousand shares	—

(Note) Numbers of shares less than one thousand are truncated.

4. Major Shareholders (Top 10)

(As of March 31, 2021)

Name of shareholders	Ownership in the Company	
	Shares held	Percentage
	thousands of shares	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	84,075	7.54
Custody Bank of Japan, Ltd. (Trust Account)	67,254	6.03
Mizuho Bank, Ltd.	28,000	2.51
SMP PARTNERS (CAYMAN) LIMITED	24,500	2.19
SMBC Nikko Securities Inc.	23,760	2.13
Custody Bank of Japan, Ltd. (Trust Account 7)	22,991	2.06
GOLDMAN SACHS INTERNATIONAL	21,762	1.95
Shinsei Trust & Banking Co., Ltd. ECM MF Trust Account 8299002	17,450	1.56
STATE STREET BANK WEST CLIENT – TREATY 505234	16,457	1.47
JPMorgan Securities Japan Co., Ltd.	16,016	1.43

(Notes) 1. The treasury stock held by the Company (84,598 thousands of shares) is excluded from the above Major Shareholders.
2. Numbers of shares less than one thousand are truncated.
3. Percentage figures of ownership are calculated after deducting the number of treasury stock from the number of issued shares, and figures less than the second decimal place are truncated.

5. Independent Auditor

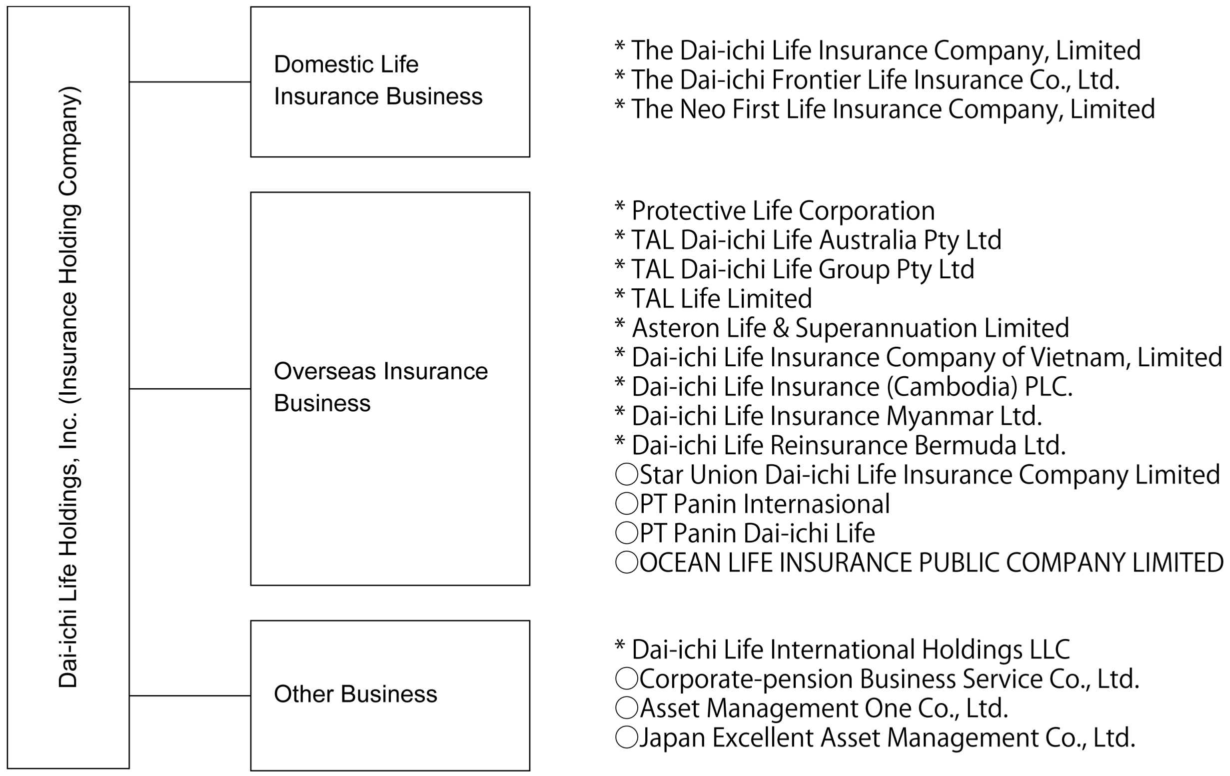
KPMG AZSA LLC

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

Main Businesses and Organization

Main businesses operated by the Company and its 108 subsidiaries and 28 affiliated companies, and the positioning of the group companies with respect to each of these businesses, are described as follows.

〈Diagram of the Company and its Subsidiaries and Affiliated Companies〉



(Notes) 1. Company names of principal subsidiaries and affiliated companies are shown.
2. Company names with "＊" are consolidated subsidiaries and "○" are affiliated companies under the equity method as of March 31, 2021.

List of Group Companies

Company Name	Date of Establishment	Location	Capital	Principal Business (Note 1)	Percentage of voting rights of subsidiaries, etc. held by the Company (%)	Percentage of voting rights of subsidiaries, etc. held by Group companies (%) (Note 2)
(Consolidated Subsidiary) The Dai-ichi Life Insurance Company, Limited	April 1, 2016	Chiyoda-ku, Tokyo	60.0 billion JPY	Life insurance business in Japan	100.0%	0.0%
The Dai-ichi Frontier Life Insurance Co., Ltd.	December 1, 2006	Shinagawa-ku, Tokyo	117.5 billion JPY	Life insurance business in Japan	100.0%	0.0%
The Neo First Life Insurance Company, Limited	April 23, 1999	Shinagawa-ku, Tokyo	47.5 billion JPY	Life insurance business in Japan	100.0%	0.0%
Protective Life Corporation	July 24, 1907	Birmingham, U.S.A.	10 USD	Overseas insurance business	100.0%	0.0%
TAL Dai-ichi Life Australia Pty Ltd	March 25, 2011	Sydney, Australia	2.130 billion AUD	Overseas insurance business	100.0%	0.0%
TAL Dai-ichi Life Group Pty Ltd	March 25, 2011	Sydney, Australia	2.267 billion AUD	Overseas insurance business	0.0%	100.0%
TAL Life Limited	October 11, 1990	Sydney, Australia	0.654 billion AUD	Overseas insurance business	0.0%	100.0%
Asteron Life & Superannuation Limited	June 14, 1996	Sydney, Australia	0.804 billion AUD	Overseas insurance business	0.0%	100.0%
Dai-ichi Life Insurance Company of Vietnam, Limited	January 18, 2007	Ho Chi Minh City, Vietnam	7,697.5 billion VND	Overseas insurance business	100.0%	0.0%
Dai-ichi Life Insurance (Cambodia) PLC.	March 14, 2018	Phnom Penh, Cambodia	26 million USD	Overseas insurance business	100.0%	0.0%
Dai-ichi Life Insurance Myanmar Ltd.	May 17, 2019	Yangon, Myanmar	49 million USD	Overseas insurance business	0.0%	100.0%
Dai-ichi Life Reinsurance Bermuda Ltd.	September 25, 2020	Hamilton, Bermuda	65 million USD	Overseas insurance business	100.0%	0.0%
Dai-ichi Life International Holdings LLC	June 22, 2020	Chiyoda-ku, Tokyo	5 million JPY	Other business	99.9%	0.0%
(Affiliated Company Under the Equity Method) Star Union Dai-ichi Life Insurance Company Limited	September 25, 2007	Navi Mumbai, India	2.589 billion INR	Overseas insurance business	0.0%	45.9%
PT Panin Internasional	July 24, 1998	Jakarta, Indonesia	1,022.5 billion IDR	Overseas insurance business	0.0%	36.8%
PT Panin Dai-ichi Life	July 19, 1974	Jakarta, Indonesia	1,067.3 billion IDR	Overseas insurance business	5.0%	95.0%
OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED	January 11, 1949	Bangkok, Thailand	2.360 billion THB	Overseas insurance business	0.0%	24.0%
Corporate-Pension Business Service Co., Ltd.	October 1, 2001	Osaka-shi, Osaka	6.0 billion JPY	Other business	0.0%	50.0%
Asset Management One Co., Ltd.	July 1, 1985	Chiyoda-ku, Tokyo	2.0 billion JPY	Other business	49.0%	0.0%
Japan Excellent Asset Management Co., Ltd.	April 14, 2005	Minato-ku, Tokyo	400 million JPY	Other business	0.0%	36.0%

(Notes) 1. "Principal Business" is categorized with the three reportable segments of the Company.
2. "Percentage of voting rights of subsidiaries, etc. held by Group companies" represent percentages including the those of indirect voting rights, which in turn include the percentages of "voting rights held by any persons who are found to exercise their voting rights in the same manner as the intent of the subject person due to their close ties with the subject person in terms of contribution, personnel affairs, funds, technology, transactions, etc. and those held by any persons who have given their consent to exercising their voting rights in the same manner as the intent of the subject person."

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

Key Management Indicators

	Fiscal Year Ended March 31,				
	2017	2018	2019	2020	2021
Ordinary revenues (million yen)	6,456,796	7,037,827	7,184,093	7,114,099	7,827,806
Ordinary profit (million yen)	425,320	471,994	432,945	218,380	552,861
Net income attributable to shareholders of parent company (million yen)	231,286	363,928	225,035	32,433	363,777
Comprehensive income (million yen)	264,969	684,757	72,613	167,564	1,143,981

	As of March 31,				
	2017	2018	2019	2020	2021
Total net assets (million yen)	3,137,266	3,749,271	3,713,592	3,776,918	4,807,129
Total assets (million yen)	51,985,850	53,603,028	55,941,261	60,011,999	63,593,705
Consolidated solvency margin ratio (%)	749.2	838.3	869.7	884.1	958.5

Outline of business

Ordinary revenues for the fiscal year ended March 31, 2021 increased by 10.0% compared to the previous fiscal year to 7,827.8 billion yen, consisting of 4,730.3 billion yen (3.2% decrease) in premium and other income, 2,719.5 billion yen (44.9% increase) in investment income, and 377.9 billion yen (7.3% increase) in other ordinary revenues.

Meanwhile, ordinary expenses for the fiscal year ended March 31, 2021 increased by 5.5% compared to the previous fiscal year to 7,274.9 billion yen, consisting of 5,001.1 billion yen (2.7% increase) in benefits and claims, 971.2 billion yen (490.5% increase) in provision for policy reserves and others, 326.6 billion yen (60.3% decrease) in investment expenses, 689.0 billion yen (1.3% increase) in operating expenses, and 286.8 billion yen (19.9% decrease) in other ordinary expenses.

As a result, ordinary profit for the fiscal year ended March 31, 2021 increased by 153.2% compared to the previous fiscal year to 552.8 billion yen.Net income attributable to shareholders of parent company, which is ordinary profit after extraordinary gains and losses, provision for reserve for policyholder dividends and total of corporate income taxes, increased to 363.7 billion yen (32.4 billion yen in the previous consolidated fiscal year). This was mainly due to an increase in investment income from market factors at Dai-ichi Life and Dai-ichi Frontier Life, and an improvement in profit related to market value adjustment (MVA) at Dai-ichi Frontier Life.

Segment results were as follows:

(1) Domestic Life Insurance Business

Ordinary revenues for the domestic life insurance business increased compared to the previous fiscal year by 307.9 billion yen, or 5.2%, to 6,181.2 billion yen mainly due to an increase in gains on sale of securities at Dai-ichi Life and due to an increase in foreign exchange gains from fluctuations in foreign exchange rates at Dai-ichi Frontier Life. Segment profit increased compared to the previous fiscal year by 294.3 billion yen, or 163.6%, to 472.2 billion yen mainly due to an increase in profit related to market value adjustments (MVA) at Dai-ichi Frontier Life.

(2) Overseas Insurance Business

Ordinary revenues for the overseas insurance business increased compared to the previous fiscal year by 13.7 billion yen, or 0.7%, to 1,868.1 billion yen mainly due to an increase in premium and other income at TAL Dai-ichi Life Australia Pty Ltd. Segment profit decreased compared to the previous fiscal year by 9.2 billion yen, or 11.2%, to 73.0 billion yen mainly due to the provision of allowance for currently expected credit losses in the commercial mortgage loan at Protective Life Corporation.

(3) Other Business

Ordinary revenues for other business increased compared to the previous fiscal year by 3.6 billion yen, or 1.9%, to 193.4 billion yen mainly because of an increase in dividends income from the group companies. Segment profit increased compared to the previous fiscal year by 54.2 billion yen, or 44.0%, to 177.7 billion yen mainly due to record extraordinary gains from sales of ordinary shares of Janus Henderson Group plc.

Consolidated Balance Sheet

	(Unit: million yen)		(Unit: million US dollars)
	As of March 31,		
	2020	**2021**	**2021**
(ASSETS)			
Cash and deposits	1,205,507	1,884,141	17,018
Call loans	513,800	403,700	3,646
Monetary claims bought	221,147	252,140	2,277
Money held in trust	1,039,062	1,130,920	10,215
Securities	47,734,406	50,879,947	459,578
Loans	3,715,750	3,762,666	33,986
Tangible fixed assets	1,126,269	1,113,299	10,055
Land	765,160	761,546	6,878
Buildings	339,716	331,138	2,991
Leased assets	6,821	5,186	46
Construction in progress	197	2,168	19
Other tangible fixed assets	14,374	13,258	119
Intangible fixed assets	472,990	445,163	4,020
Software	106,696	117,231	1,058
Goodwill	39,497	42,696	385
Other intangible fixed assets	326,797	285,235	2,576
Reinsurance receivable	1,523,297	1,668,969	15,075
Other assets	2,403,292	2,016,733	18,216
Deferred tax assets	11,859	12,014	108
Customers' liabilities for acceptances and guarantees	47,065	52,861	477
Reserve for possible loan losses	(1,641)	(28,224)	(254)
Reserve for possible investment losses	(807)	(627)	(5)
Total assets	60,011,999	63,593,705	574,416
(LIABILITIES)			
Policy reserves and others	50,494,544	51,051,420	461,127
Reserves for outstanding claims	573,984	753,126	6,802
Policy reserves	49,520,817	49,897,294	450,702
Reserve for policyholder dividends	399,742	400,999	3,622
Reinsurance payable	781,980	796,523	7,194
Bonds payable	1,135,336	899,770	8,127
Other liabilities	2,723,157	4,671,205	42,193
Net defined benefit liabilities	440,874	418,546	3,780
Reserve for retirement benefits of directors, executive officers and corporate auditors	1,188	998	9
Reserve for possible reimbursement of prescribed claims	800	800	7
Reserves under the special laws	240,796	264,454	2,388
Reserve for price fluctuations	240,796	264,454	2,388
Deferred tax liabilities	296,142	558,387	5,043
Deferred tax liabilities for land revaluation	73,195	71,606	646
Acceptances and guarantees	47,065	52,861	477
Total liabilities	56,235,081	58,786,576	530,996
(NET ASSETS)			
Capital stock	343,517	343,732	3,104
Capital surplus	329,860	330,065	2,981
Retained earnings	1,094,483	1,375,805	12,427
Treasury stock	(126,356)	(155,959)	(1,408)
Total shareholders' equity	1,641,506	1,893,643	17,104
Net unrealized gains (losses) on securities, net of tax	2,283,198	3,056,350	27,606
Deferred hedge gains (losses)	20,437	(2,916)	(26)
Reserve for land revaluation	(17,978)	(22,026)	(198)
Foreign currency translation adjustments	(123,850)	(108,830)	(983)
Accumulated remeasurements of defined benefit plans	(27,458)	(10,012)	(90)
Total accumulated other comprehensive income	2,134,348	2,912,564	26,308
Subscription rights to shares	1,063	920	8
Total net assets	3,776,918	4,807,129	43,420
Total liabilities and net assets	60,011,999	63,593,705	574,416

Consolidated Statement of Earnings

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2020	**2021**	**2021**
ORDINARY REVENUES	7,114,099	7,827,806	70,705
Premium and other income	4,885,407	4,730,301	42,726
Investment income	1,876,634	2,719,584	24,564
Interest and dividends	1,302,807	1,347,865	12,174
Gains on money held in trust	—	28,179	254
Gains on investments in trading securities	259,620	132,406	1,195
Gains on sale of securities	300,753	471,363	4,257
Gains on redemption of securities	11,707	15,662	141
Foreign exchange gains	—	444,926	4,018
Other investment income	1,746	1,533	13
Gains on investments in separate accounts	—	277,646	2,507
Other ordinary revenues	352,057	377,921	3,413
ORDINARY EXPENSES	6,895,718	7,274,945	65,711
Benefits and claims	4,870,794	5,001,109	45,173
Claims	1,158,590	1,264,692	11,423
Annuities	1,128,768	775,379	7,003
Benefits	561,102	571,161	5,159
Surrender values	751,919	1,084,700	9,797
Other refunds	1,270,412	1,305,176	11,789
Provision for policy reserves and others	164,491	971,280	8,773
Provision for reserves for outstanding claims	58,255	1,253	11
Provision for policy reserves	97,989	961,808	8,687
Provision for interest on policyholder dividends	8,245	8,218	74
Investment expenses	821,971	326,626	2,950
Interest expenses	44,335	33,476	302
Losses on money held in trust	21,365	—	—
Losses on sale of securities	74,928	127,053	1,147
Losses on valuation of securities	60,928	14,300	129
Losses on redemption of securities	7,638	6,314	57
Derivative transaction losses	24,835	68,095	615
Foreign exchange losses	491,107	—	—
Provision for reserve for possible loan losses	398	17,225	155
Provision for reserve for possible investment losses	504	295	2
Write-down of loans	128	369	3
Depreciation of real estate for rent and others	13,074	13,188	119
Other investment expenses	42,386	46,306	418
Losses on investments in separate accounts	40,338	—	—
Operating expenses	680,154	689,057	6,223
Other ordinary expenses	358,306	286,870	2,591
Ordinary profit	218,380	552,861	4,993
EXTRAORDINARY GAINS	4,941	40,480	365
Gains on disposal of fixed assets	4,929	5,471	49
Gains on sale of stocks of subsidiaries and affiliated companies	—	34,994	316
Other extraordinary gains	11	14	0
EXTRAORDINARY LOSSES	39,557	33,301	300
Losses on disposal of fixed assets	13,271	6,899	62
Impairment losses on fixed assets	3,556	2,552	23
Provision for reserve for price fluctuations	22,536	23,658	213
Other extraordinary losses	192	190	1
Provision for reserve for policyholder dividends	82,500	77,500	700
Income before income taxes	101,264	482,540	4,358
Corporate income taxes-current	112,292	116,138	1,049
Corporate income taxes-deferred	(43,460)	2,624	23
Total of corporate income taxes	68,831	118,763	1,072
Net Income	32,433	363,777	3,285
Net income attributable to shareholders of parent company	32,433	363,777	3,285

Consolidated Statement of Comprehensive Income

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2020	**2021**	**2021**
Net income	32,433	363,777	3,285
Other comprehensive income			
Net unrealized gains (losses) on securities, net of tax	178,039	773,016	6,982
Deferred hedge gains (losses)	16,633	(24,731)	(223)
Foreign currency translation adjustments	(46,006)	12,338	111
Remeasurements of defined benefit plans, net of tax	(16,566)	17,424	157
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	3,030	2,157	19
Total other comprehensive income	135,130	780,204	7,047
Comprehensive income	167,564	1,143,981	10,333
(Details)			
Attributable to shareholders of parent company	167,564	1,143,981	10,333

Consolidated Statement of Changes in Net Assets

Year ended March 31, 2020

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	343,326	329,723	1,134,392	(98,634)	1,708,808
Cumulative effect of changes in accounting policies			(5,639)		(5,639)
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	343,326	329,723	1,128,753	(98,634)	1,703,168
Changes for the year					
Issuance of new shares	190	190			381
Dividends			(66,442)		(66,442)
Net income attributable to shareholders of parent company			32,433		32,433
Purchase of treasury stock				(27,999)	(27,999)
Disposal of treasury stock		(53)		278	225
Change in scope of equity method			(146)		(146)
Transfer from retained earnings to capital surplus					—
Transfer from reserve for land revaluation			4,489		4,489
Others			(4,603)		(4,603)
Net changes of items other than shareholders' equity					
Total changes for the year	190	137	(34,269)	(27,721)	(61,662)
Balance at the end of the year	343,517	329,860	1,094,483	(126,356)	1,641,506

(Unit: million yen)

	Accumulated other comprehensive income			
	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)	Reserve for land revaluation	Foreign currency translation adjustments
Balance at the beginning of the year	2,101,587	3,803	(13,488)	(77,457)
Cumulative effect of changes in accounting policies				
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	2,101,587	3,803	(13,488)	(77,457)
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				
Change in scope of equity method				
Transfer from retained earnings to capital surplus				
Transfer from reserve for land revaluation				
Others				
Net changes of items other than shareholders' equity	181,610	16,633	(4,489)	(46,393)
Total changes for the year	181,610	16,633	(4,489)	(46,393)
Balance at the end of the year	2,283,198	20,437	(17,978)	(123,850)

(Unit: million yen)

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

Consolidated Statement of Changes in Net Assets (Continued)

Year ended March 31, 2021

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	343,517	329,860	1,094,483	(126,356)	1,641,506
Cumulative effect of changes in accounting policies			(15,150)		(15,150)
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	343,517	329,860	1,079,333	(126,356)	1,626,355
Changes for the year					
Issuance of new shares	214	214			429
Dividends			(70,001)		(70,001)
Net income attributable to shareholders of parent company			363,777		363,777
Purchase of treasury stock				(29,999)	(29,999)
Disposal of treasury stock		(85)		396	311
Change in scope of equity method					—
Transfer from retained earnings to capital surplus		74	(74)		—
Transfer from reserve for land revaluation			4,048		4,048
Others			(1,277)		(1,277)
Net changes of items other than shareholders' equity					
Total changes for the year	214	204	296,472	(29,603)	267,287
Balance at the end of the year	343,732	330,065	1,375,805	(155,959)	1,893,643

(Unit: million yen)

	Accumulated other comprehensive income			
	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)	Reserve for land revaluation	Foreign currency translation adjustments
Balance at the beginning of the year	2,283,198	20,437	(17,978)	(123,850)
Cumulative effect of changes in accounting policies				
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	2,283,198	20,437	(17,978)	(123,850)
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				
Change in scope of equity method				
Transfer from retained earnings to capital surplus				
Transfer from reserve for land revaluation				
Others				
Net changes of items other than shareholders' equity	773,152	(23,353)	(4,048)	15,020
Total changes for the year	773,152	(23,353)	(4,048)	15,020
Balance at the end of the year	3,056,350	(2,916)	(22,026)	(108,830)

(Unit: million yen)

	Accumulated other comprehensive income			
	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	Subscription rights to shares	Total net assets
Balance at the beginning of the year	(27,458)	2,134,348	1,063	3,776,918
Cumulative effect of changes in accounting policies				(15,150)
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	(27,458)	2,134,348	1,063	3,761,768
Changes for the year				
Issuance of new shares				429
Dividends				(70,001)
Net income attributable to shareholders of parent company				363,777
Purchase of treasury stock				(29,999)
Disposal of treasury stock				311
Change in scope of equity method				—
Transfer from retained earnings to capital surplus				—
Transfer from reserve for land revaluation				4,048
Others				(1,277)
Net changes of items other than shareholders' equity	17,445	778,215	(142)	778,073
Total changes for the year	17,445	778,215	(142)	1,045,360
Balance at the end of the year	(10,012)	2,912,564	920	4,807,129

Consolidated Statement of Changes in Net Assets (Continued)

Year ended March 31, 2021

(Unit: million US dollars)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	3,102	2,979	9,886	(1,141)	14,827
Cumulative effect of changes in accounting policies			(136)		(136)
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	3,102	2,979	9,749	(1,141)	14,690
Changes for the year					
Issuance of new shares	1	1			3
Dividends			(632)		(632)
Net income attributable to shareholders of parent company			3,285		3,285
Purchase of treasury stock				(270)	(270)
Disposal of treasury stock		0		3	2
Change in scope of equity method					—
Transfer from retained earnings to capital surplus		0	0		—
Transfer from reserve for land revaluation			36		36
Others			(11)		(11)
Net changes of items other than shareholders' equity					
Total changes for the year	1	1	2,677	(267)	2,414
Balance at the end of the year	3,104	2,981	12,427	(1,408)	17,104

(Unit: million US dollars)

	Accumulated other comprehensive income			
	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)	Reserve for land revaluation	Foreign currency translation adjustments
Balance at the beginning of the year	20,623	184	(162)	(1,118)
Cumulative effect of changes in accounting policies				
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	20,623	184	(162)	(1,118)
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				
Change in scope of equity method				
Transfer from retained earnings to capital surplus				
Transfer from reserve for land revaluation				
Others				
Net changes of items other than shareholders' equity	6,983	(210)	(36)	135
Total changes for the year	6,983	(210)	(36)	135
Balance at the end of the year	27,606	(26)	(198)	(983)

(Unit: million US dollars)

	Accumulated other comprehensive income			
	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	Subscription rights to shares	Total net assets
Balance at the beginning of the year	(248)	19,278	9	34,115
Cumulative effect of changes in accounting policies				(136)
Balance at the beginning of the year after reflecting the effect of changes in accounting policies	(248)	19,278	9	33,978
Changes for the year				
Issuance of new shares				3
Dividends				(632)
Net income attributable to shareholders of parent company				3,285
Purchase of treasury stock				(270)
Disposal of treasury stock				2
Change in scope of equity method				—
Transfer from retained earnings to capital surplus				—
Transfer from reserve for land revaluation				36
Others				(11)
Net changes of items other than shareholders' equity		7,029	(1)	7,028
Total changes for the year	157	7,029	(1)	9,442
Balance at the end of the year	157	7,029	(1)	43,420

Consolidated Statement of Cash Flows

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2020	**2021**	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income taxes	101,264	482,540	4,358
Depreciation of real estate for rent and others	13,074	13,188	119
Depreciation	47,753	56,086	506
Impairment losses on fixed assets	3,556	2,552	23
Amortization of goodwill	3,459	4,039	36
Increase (decrease) in reserves for outstanding claims	60,945	94,552	854
Increase (decrease) in policy reserves	(97,358)	829,507	7,492
Provision for interest on policyholder dividends	8,245	8,218	74
Provision for (reversal of) reserve for policyholder dividends	82,500	77,500	700
Increase (decrease) in reserve for possible loan losses	401	17,238	155
Increase (decrease) in reserve for possible investment losses	417	(180)	(1)
Write-down of loans	128	369	3
Increase (decrease) in net defined benefit liabilities	(3,662)	2,804	25
Increase (decrease) in reserve for retirement benefits of directors, executive officers and corporate auditors	(109)	(190)	(1)
Increase (decrease) in reserve for possible reimbursement of prescribed claims	(100)	—	—
Increase (decrease) in reserve for price fluctuations	22,536	23,658	213
Interest and dividends	(1,302,807)	(1,347,865)	(12,174)
Securities related losses (gains)	(388,245)	(749,410)	(6,769)
Interest expenses	44,335	33,476	302
Foreign exchange losses (gains)	491,107	(444,926)	(4,018)
Losses (gains) on disposal of fixed assets	8,110	1,125	10
Equity in losses (income) of affiliates	37,880	(10,643)	(96)
Losses (gains) on sale of stocks of subsidiaries and affiliated companies	—	(34,994)	(316)
Decrease (increase) in reinsurance receivable	(158,655)	(212,668)	(1,920)
Decrease (increase) in other assets unrelated to investing and financing activities	(220,309)	(54,059)	(488)
Increase (decrease) in reinsurance payable	433,398	(55,660)	(502)
Increase (decrease) in other liabilities unrelated to investing and financing activities	89,323	65,816	594
Others, net	95,031	107,459	970
Subtotal	(627,778)	(1,090,465)	(9,849)
Interest and dividends received	1,516,727	1,487,427	13,435
Interest paid	(51,120)	(43,394)	(391)
Policyholder dividends paid	(89,181)	(84,461)	(762)
Others, net	(14,750)	(304,509)	(2,750)
Corporate income taxes (paid) refund	(143,811)	(44,500)	(401)
Net cash flows provided by (used in) operating activities	590,084	(79,904)	(721)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net decrease (increase) in cash and deposits	(3,136)	(4,234)	(38)
Purchases of monetary claims bought	(44,550)	(48,967)	(442)
Proceeds from sale and redemption of monetary claims bought	22,702	15,459	139
Purchases of money held in trust	(554,729)	(226,019)	(2,041)
Proceeds from decrease in money held in trust	53,676	162,283	1,465
Purchases of securities	(9,121,274)	(11,675,124)	(105,456)
Proceeds from sale and redemption of securities	9,006,260	10,923,203	98,665
Origination of loans	(936,951)	(788,869)	(7,125)
Proceeds from collection of loans	713,194	676,611	6,111
Net increase (decrease) in short-term investing	94,604	1,587,013	14,334
Total of net cash provided by (used in) investment transactions	(770,203)	621,355	5,612
Total of net cash provided by (used in) operating activities and investment transactions	(180,118)	541,450	4,890
Acquisition of tangible fixed assets	(43,485)	(38,166)	(344)
Proceeds from sale of tangible fixed assets	37,973	23,283	210
Acquisition of intangible fixed assets	(35,974)	(38,310)	(346)
Proceeds from sale of intangible fixed assets	33	1	0
Acquisition of stock of subsidiaries resulting in change in scope of consolidation	(4,348)	—	—
Acquisition of stock of subsidiaries	(640)	(16,800)	(151)
Payments for acquisition of business	(79,793)	—	—
Net cash flows provided by (used in) investing activities	(896,437)	551,362	4,980

Consolidated Statement of Cash Flows (Continued)

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2020	**2021**	**2021**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	72,345	256,789	2,319
Repayment of borrowings	(65,000)	(182,470)	(1,648)
Proceeds from issuing bonds	147,321	79,440	717
Redemption of bonds	(62,703)	(2,132)	(19)
Repayment of financial lease obligations	(2,633)	(2,966)	(26)
Net increase (decrease) in short-term financing	789,923	17,281	156
Purchase of treasury stock	(27,999)	(29,999)	(270)
Cash dividends paid	(66,287)	(69,855)	(630)
Acquisitions of stock of subsidiaries that do not result in change in scope of consolidation	(95)	(500)	(4)
Others, net	0	0	0
Net cash flows provided by (used in) financing activities	784,869	65,587	592
Effect of exchange rate changes on cash and cash equivalents	(19,127)	28,283	255
Net increase (decrease) in cash and cash equivalents	459,389	565,328	5,106
Cash and cash equivalents at the beginning of the year	1,237,077	1,697,582	15,333
Increase (decrease) in cash and cash equivalents due to changes in the subsidiaries included in the scope of consolidation	1,115	—	—
Cash and cash equivalents at the end of the year	1,697,582	2,262,910	20,439

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2021

Ⅰ. BASIS FOR PRESENTATION

The accompanying consolidated financial statements have been prepared from the accounts maintained by Dai-ichi Life Holdings, Inc. (the "Company") and its consolidated subsidiaries in accordance with the provisions set forth in the Financial Instruments and Exchange Act, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP") which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards.

Certain items presented in the consolidated financial statements are reclassified for the convenience of readers outside Japan. The notes to the consolidated financial statements include information which is not required under Japanese GAAP but is presented herein as additional information.

The amounts indicated in millions of yen are rounded down by truncating the figures below one million. Totals may not add up exactly because of such truncation. Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥110.71=US$1.00, the foreign exchange rate on March 31, 2021, has been used for translation of the truncated figures in Japanese yen. The inclusion of such amounts is not intended to imply that Japanese yen has been or could be readily converted, realized or settled into U.S. dollars at that rate or any other rate.

Ⅱ. PRINCIPLES OF CONSOLIDATION

1. Scope of Consolidation

The Number of consolidated subsidiaries as of March 31, 2021 was seventy-five.The consolidated financial statements include the accounts of the Company and its consolidated subsidiaries (collectively, "the Group"), including The Dai-ichi Life Insurance Company, Limited ("DL"), The Dai-ichi Frontier Life Insurance Co., Ltd. ("DFLI"), The Neo First Life Insurance Company, Limited ("Neo First Life"), Dai-ichi Life Insurance Company of Vietnam, Limited ("DLVN"), TAL Dai-ichi Life Australia Pty Ltd ("TDLA"), Protective Life Corporation ("PLC"), Dai-ichi Life Insurance (Cambodia) PLC. ("DLKH"), Dai-ichi Life Insurance Myanmar Ltd.("DLMM"), Dai-ichi Life Reinsurance Bermuda Ltd. ("DLRe") and Dai-ichi Life International Holdings LLC ("DLIHD").

Effective the fiscal year ended March 31, 2021, DLIHD, which was established during the fiscal year ended March 31, 2021, was included in the scope of consolidation.

Effective the fiscal year ended March 31, 2021, DLRe, which was established during the fiscal year ended March 31, 2021 was included in the scope of consolidation.

Effective the fiscal year ended March 31, 2021, four subsidiaries of TDLA were included in the scope of consolidation.

Effective the fiscal year ended March 31, 2021, ten subsidiaries of PLC were included in the scope of consolidation.

Effective the fiscal year ended March 31, 2021, two subsidiaries of TDLA were excluded from the scope of consolidation.

Effective the fiscal year ended March 31, 2021, seven subsidiaries of PLC were excluded from the scope of consolidation.

The number of non-consolidated subsidiaries as of March 31, 2021 was thirty-three. The main subsidiaries that are not consolidated for the purposes of financial reporting are The Dai-ichi Life Information Systems Co., Ltd., THE DAI-ICHI BUILDING CO., LTD. and First U Anonymous Association.

The thirty-three non-consolidated subsidiaries as of March 31, 2021 had, individually and in the aggregate, a minimal impact on the consolidated financial statements in terms of total assets, sales, net income (loss) (amount corresponding to equity interest), retained earnings (amount corresponding to equity interest), cash flows, and others.

2. Application of the Equity Method

The number of non-consolidated subsidiaries under the equity method as of March 31, 2021 was zero.

The number of affiliated companies under the equity method as of March 31, 2021 was twenty-one. The affiliated companies included Asset Management One Co., Ltd., Corporate-pension Business Service Co., Ltd., Japan Excellent Asset Management Co., Ltd., OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED, Star Union Dai-ichi Life Insurance Company Limited and PT Panin Internasional.

Effective the fiscal year ended March 31, 2021, one affiliated company of PT Panin Internasional 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, 2021, seven affiliated companies of Janus Henderson Group plc were 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, 2021, thirteen affiliated companies of Janus Henderson Group plc were excluded from the scope of the equity method.

Effective the fiscal year ended March 31, 2021, the total ninety-nine companies of Janus Henderson Group plc were excluded from the scope of the equity method because of selling the shares held by the Company.

The non-consolidated subsidiaries (The Dai-ichi Life Information Systems Co., Ltd., THE DAI-ICHI BUILDING CO.,LTD. and First U Anonymous Association and others), as well as affiliated companies (Mizuho-DL Financial Technology Co., Ltd., NIHONBUSSAN Corporation and others) were not accounted for under the equity method. These companies had, individually and in the aggregate, a minimal impact on the consolidated financial statements, in terms of the net income (loss) (amount corresponding to equity interest), retained earnings (amount corresponding to equity interest) and others.

3. Year-end Dates of Consolidated Subsidiaries

Among the consolidated subsidiaries, the closing dates of consolidated overseas subsidiaries are September 30, December 31 or March 31. For those with a closing date of September 30, financial information based on the provisional closing performed on December 31 is used to prepare the consolidated financial statements. For those with a closing date of December 31 or March 31, financial information as of those closing dates is used to prepare the consolidated financial statements.

Necessary adjustments are made when significant transactions take place between the account closing date of an individual subsidiary and that of the consolidated financial statements.

4. Summary of Significant Accounting Policies

(1) Valuation Methods of Securities

Securities held by the Company and its consolidated subsidiaries including cash and deposits and monetary claims bought which are equivalent to marketable securities, and marketable securities managed as trust assets in money held in trust, are carried as explained below:

The amortization of premiums and accretion of discounts is calculated by the straight-line method.

a) Trading Securities

Trading securities are carried at fair value with cost determined by the moving average method.

b) Held-to-maturity Bonds

Held-to-maturity bonds are stated at amortized cost determined by the moving average method.

c) Policy-reserve-matching Bonds (in accordance with the Industry Audit Committee Report No.21 "Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry" issued by the Japanese Institute of Certified Public Accountants (JICPA))

Policy-reserve-matching bonds are stated at amortized cost determined by the moving average method.

d) Stocks of Non-consolidated Subsidiaries and Affiliated Companies Not Accounted for under the Equity Method

Stocks of non-consolidated subsidiaries and affiliated companies not accounted for under the equity method are stated at cost determined by the moving average method.

e) Available-for-sale Securities

i) Available-for-sale Securities with Fair Values

Available-for-sale securities which have market value are valued at fair value at the end of the fiscal year (for domestic stocks, the average market value during March), with cost determined by the moving average method.

ii) Available-for-sale Securities Whose Fair Values Are Extremely Difficult to Recognize

a. Government/Corporate Bonds (including Foreign Bonds), Whose Premium or Discount Represents the Interest Adjustment

Government/corporate bonds (including foreign bonds), whose premium or discount represents the interest adjustment are valued at the amortized cost determined by the moving average method.

b. Others

All others are valued at cost determined by the moving average method.

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

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

(2) Valuation Method of Derivative Transactions

Derivative transactions are reported at fair value.

(3) Depreciation of Depreciable Assets

a) Depreciation of Tangible Fixed Assets Excluding Leased Assets

Depreciation of tangible fixed assets excluding leased assets of the Company and its domestic consolidated subsidiaries is calculated by the declining balance method (the depreciation of buildings (other than facilities attached to buildings and structures that were acquired on or before March 31, 2016) is calculated by the straight-line method).

Estimated useful lives of major assets are as follows:

Buildings	two to sixty years
Other tangible fixed assets	two to twenty years

Other tangible fixed assets that were acquired for ¥100,000 or more but less than ¥200,000 are depreciated at equal amounts over three years.

With respect to tangible fixed assets that were acquired on or before March 31, 2007 and that were fully depreciated to their original depreciable limit, effective the fiscal year ended March 31, 2008, the remaining values are depreciated at equal amounts over five years from the following fiscal year of the year in which they reached the original depreciable limit.

Depreciation of tangible fixed assets owned by consolidated overseas subsidiaries is primarily calculated by the straight-line method.

b) Amortization of Intangible Fixed Assets Excluding Leased Assets

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

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

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

c) Depreciation of Leased Assets

Depreciation of leased assets with regard to finance leases whose ownership does not transfer to the lessees is computed under the straight-line method assuming zero salvage value and using the lease period as the useful life.

(4) Reserve for Possible Loan Losses

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

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

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

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

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

For loans and claims to bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The amounts written off during the fiscal years ended March 31, 2020 and 2021 were ¥1 million and ¥1 million (US$0 million), respectively.

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

(5) Reserve for Possible Investment Losses

In order to provide for future investment losses, a reserve for possible investment losses is established for securities whose fair values are extremely difficult to recognize. It is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

(6) Reserve for Retirement Benefits of Directors, Executive Officers and Corporate Auditors

For the reserve for retirement benefits of directors, executive officers and corporate auditors, an estimated amount for future payment in accordance with the internal policies of certain consolidated subsidiaries is provided.

(7) Reserve for Possible Reimbursement of Prescribed Claims

To prepare for the reimbursement of claims for which prescription periods had expired, an estimated amount for reserve for possible reimbursement of prescribed claims based on past reimbursement experience is provided.

(8) Net Defined Benefit Liabilities

For the net defined benefit liabilities, the amount is provided by deducting the pension assets from the projected benefit obligations based on the estimated amounts as of March 31, 2021. The accounting treatment for retirement benefits is as follows.

a) Allocation of Estimated Retirement Benefits

In calculating the projected benefit obligations, the benefit formula basis is adopted to allocate estimated retirement benefit for the fiscal year ended March 31, 2021.

b) Amortization of Actuarial Differences and Past Service Cost

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

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

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

(9) Reserve for Price Fluctuations

A reserve for price fluctuations is calculated based on the book value of stocks and other securities at the end of the year in accordance with the provisions of Article 115 of the Insurance Business Act.

(10) Translation of Assets and Liabilities Denominated in Foreign Currencies into Yen

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

Translation adjustments associated with the consolidated overseas subsidiaries are included in foreign currency translation adjustments in the net assets section of the consolidated balance sheet.

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

(11) Hedge Accounting

a) Methods for Hedge Accounting

As for the Company and certain of its domestic consolidated subsidiaries, hedging transactions are accounted for in accordance with the "Accounting Standards for Financial Instruments" (ASBJ Statement No.10 issued on March 10, 2008). Primarily, i) special hedge accounting and the deferral hedge method for interest rate swaps are used for cash flow hedges of certain loans, government and corporate bonds, loans payable and bonds payable; ii) the currency allotment method and the deferral hedge method using foreign currency swaps, foreign currency forward contracts and foreign currency-denominated monetary claims are used for cash flow hedges against exchange rate fluctuations in certain foreign currency-denominated bonds, loans, loans payable and bonds payable and certain foreign currency-denominated term deposits and stocks (forecasted transaction); iii) the fair value hedge method using currency options and foreign currency forward contracts is used for hedges against exchange rate fluctuations in the value of certain foreign currency-denominated bonds; iv) the deferral hedge method for bond over-the-counter options is used for hedges against interest-rate fluctuations in certain foreign currency-denominated bonds; v) the deferral hedge method and fair value hedge method using equity options and equity forward contracts are used for hedges against price fluctuations in the value of certain domestic stocks and foreign currency-denominated stocks (forecasted transaction), and vi) the deferral hedge method using interest rate swaps is used for hedges against interest rate fluctuations in certain insurance liabilities, under the "Accounting and Auditing Treatment of Application of Accounting Standard for Financial Instruments to Insurance Operators" (Industry Audit Committee Report No. 26 issued by JICPA).

b) Hedging Instruments and Hedged Items

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

c) Hedging Policies

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

d) Assessment of Hedge Effectiveness

Hedge effectiveness is assessed primarily by a comparison of fluctuations in cash flows or fair value of hedged items to those of hedging instruments.

(12) Amortization of Goodwill

Goodwill is amortized over an effective period up to 20 years under the straight-line method. The entire amount is expensed as incurred if the amount is immaterial.

(13) Scope of Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statement of cash flows consist of cash on hand, demand deposits and short-term investments with a maturity of three months or less from the date of acquisition, which are readily convertible into cash and have an insignificant risk of changes in value.

(14) Calculation of National and Local Consumption Tax

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

(15) Policy Reserves

Policy reserves of consolidated subsidiaries that operate a life insurance business in Japan are established in accordance with the methods stated in the statement of calculation procedures for policy reserves (Article 4, Paragraph 2, Item 4 of the Insurance Business Act) pursuant to Article 116, Paragraph 1 of the Insurance Business Act, for insurance contracts under which the insurer's liability has started as of the end of the fiscal year, in preparation for the performance of future obligations under the insurance contracts. Concretely, policy reserves are calculated based on the future cash flows estimated using the assumptions, such as future mortality rates (assumed mortality rates), return on investment (assumed interest rates) and operating expense ratios (assumed operating expense ratios).

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

a) Reserves for policies subject to the standard policy reserve rules are calculated based on the methods stipulated by the Commissioner of Financial Services Agency (Notification of the Minister of Finance No. 48, 1996).

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

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

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

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

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

(16) Premium and Other Income and Benefits and Claims for Consolidated Subsidiaries That Operate a Life Insurance Business in Japan

a) Premium and other income (excluding reinsurance income)

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

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

b) Reinsurance Income

Reinsurance income is recorded as amounts equivalent to the portion reinsured under reinsurance contracts out of the amounts paid as claims, etc. under direct insurance contracts at the time when those claims, etc. are paid.

For certain transactions of modified coinsurance that do not involve cash settlements, amounts received under the reinsurance contracts as part of amounts equivalent to acquisition costs related to direct insurance contracts are recorded as reinsurance income while the same amounts are recorded as unamortized ceded premium commissions in reinsurance receivable and are amortized over the period of the reinsurance contracts.

c) Benefits and Claims (excluding ceding reinsurance commissions)

Benefits and claims (excluding ceding reinsurance commissions) are recorded for contracts for which amounts calculated under policy conditions have been paid in the occurrence of insured events under the policy conditions by the relevant amounts paid.

In accordance with Article 117 of the Insurance Business Act, reserves for outstanding claims are set aside for claims, etc. for which the Company has a payment due but has not paid, or for which the occurrence of the insured events have not been reported but the Company finds that insured events have already occurred, as of the end of the fiscal year.

d) Ceding reinsurance commissions

Ceding reinsurance commissions are recorded in agreed amounts in accordance with reinsurance contracts at the time either when insurance premiums under direct insurance contracts are received, or when the reinsurance contracts are entered into.

Part of policy reserves and reserves for outstanding claims corresponding to insurance contracts which have been reinsured is not set aside in accordance with Article 71, Paragraph 1 and Article 73, Paragraph 3 of the Ordinance for Enforcement of the Insurance Business Act.

Premium and other income, and benefits and claims, of consolidated overseas subsidiaries are recorded based on the each country's accounting standard, such as US GAAP.

(Additional information)

Effective the fiscal year ended March 31, 2021, the Company discloses "principles and procedures of the accounting treatment adopted in cases where the provisions of relevant accounting standards, etc. are unclear" with the adoption of the "Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections" (ASBJ Statement No. 24 revised on March 31, 2020), in the consolidated financial statements.

(17) Significant Accounting Estimates

a) Evaluation of goodwill

i) Amounts recognized on the consolidated financial statements in the fiscal year ended March 31, 2021

Goodwill presented on the consolidated balance sheets in the fiscal year ended March 31, 2021 comprises goodwill of ¥10,030 million (US$90 million) arising from the acquisition of PLC and the acquisition business of PLC's acquisition segment and goodwill of ¥32,666 million (US$295 million) arising from the acquisition of TDLA.

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

Goodwill arising from acquisitions and acquisition business is recorded on the consolidated financial statements of these consolidated subsidiaries and is subject to judgement on recognition of impairment losses on goodwill to be examined by each subsidiary in accordance with the local accounting standards of each subsidiary.

PLC evaluates qualitative factors, which is 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. Whether or not there is any impairment indicator is comprehensively examined in consideration of the presence of deterioration in economic and market environments surrounding PLC and its reporting units, the presence of factors that have a negative impact on future profits or cash flows, the presence of deterioration in overall business performance, and other events specific to PLC and its reporting units. If there is any impairment indicator which is attributable to the deterioration of circumstances or the occurrence of events, impairment losses on goodwill may be recorded in the following fiscal year.

TDLA performs quantitative impairment test by comparing book value with recoverable amount in each cash generating unit to which goodwill is allocated. 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 as to whether or not there is any impairment indicator of goodwill in accordance with the accounting standards in Japan, considering the results of the judgements made by each subsidiary. No impairment losses on goodwill are recorded in the fiscal year ended March 31, 2021 as the Company determined that there was no impairment indicator on goodwill.

b) Evaluation of value of in-force insurance contracts

i) Amounts recognized on the consolidated financial statements in the fiscal year ended March 31, 2021

Other intangible fixed assets presented in the Company's consolidated balance sheet in the fiscal year ended March 31, 2021 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 ¥186,370 million (US$1,683 million) is derived from the acquisition of PLC and the acquisition business of PLC's acquisition segment, and the balance of VIF in the amount of ¥23,666 million (US$213 million) is derived from the acquisitions of TDLA, respectively.

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

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

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

With regards to the VOBA arising from investment type insurance contracts, PLC regularly reviews actuarial assumptions, such as interest rates, mortality and lapse rates, and updates them if necessary, and accordingly increases or decreases amortization amount of the VOBA. Where increase or decrease in estimated gross margins is expected due to the change in lapse, the update of actuarial assumptions may result in acceleration of amortization in the following fiscal year.

PLC assesses whether the VOBA arising from traditional insurance contracts is impaired concurrently with performing liability adequacy test of relevant policy reserves in addition to the predetermined amortization. The VOBA arising from traditional insurance contracts may result in impairment losses in the following fiscal year prior to providing additional policy reserves where the estimated future cash flows based on the underlying actuarial assumptions determined upon conclusion of contract, such as future investment yields, mortality and lapse rates 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, 2021.

TDLA assesses the VIF arising from the acquisition of TDLA as to whether there is any impairment indicator of the VIF at the same time as goodwill impairment test is performed because impairment of goodwill indicates impairment of the VIF. No impairment losses are recognized in the fiscal year ended March 31, 2021 as the TDLA determined that there was no indication that the VIF is impaired based on the result of the quantitative impairment test on goodwill.

(18) Policy Acquisition Costs

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

(19) Changes in Accounting Policies - Measurement of Credit Losses on Financial Instruments

Effective the fiscal year ended March 31, 2021, certain consolidated overseas subsidiaries adopted Accounting Standards Update (“ASU”) No. 2016-13 – Financial Instruments – Measurement of Credit Losses on Financial Instruments issued by the Financial Accounting Standards Board.

The update is mainly applied to financial instruments valued at amortized cost and introduce a new current expected credit loss model. This model requires that an entity recognize as an allowance its estimate of contractual cash flows not expected to be collected on day one of the asset's acquisition.

In accordance with the amendments in this update applied on a modified retrospective basis, a cumulative effect adjustment to retained earnings was recorded at the beginning of the fiscal year ended March 31, 2021.

As a result, reserve for possible loan losses increased by ¥9,953 million (US$91 million), and retained earnings decreased by ¥15,150 million (US$139 million). In addition, ordinary profit and income before income taxes each declined by ¥15,207 million (US$137 million).

The impact on the figures in per share information is described XIX. PER SHARE INFORMATION.

(20) 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 (i) the accounting treatment of the liability for future policy benefits, (ii) the measurement of benefits with market risks at fair value, and (iii) the amortization methods of deferred acquisition costs of insurance contracts.

Companies that have adopted US GAAP will apply the amendments in this Update from the fiscal year beginning after December 15, 2022 (early adoption is permitted).

b) Scheduled date for adoption

Certain consolidated overseas subsidiaries that have adopted US GAAP will apply the amendments in this Update, but the date for application is undetermined.

c) Impact of applying the standard and guidance

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

(21) Changes in Presentation Method

Effective the fiscal year ended March 31, 2021, the Company has adopted Accounting Standard for Disclosure of Accounting Estimates (ASBJ Statement No.31 issued on March 31, 2020), and accordingly discloses the notes to significant accounting estimates in the consolidated financial statements.

Regarding this note, in accordance with transitional treatment stipulated in provision of Paragraph 11 of the said Accounting Standard, the contents for the fiscal year ended March 31, 2020 are not disclosed.

(Additional information)

Incentive Programs for Employees

The Company conducts transactions by granting its stocks to its employees using trust scheme ("the Stock Granting Trust (J-ESOP)") to incentivize its employees to improve stock prices and financial results.

a) Overview of the transactions

J-ESOP is a program to grant stocks of the Company to the employees who fulfill requirements under the Stock Granting Regulations of the Company and its group companies. The Company vests points to each managerial level employee based on her/his contribution, and vests stocks based on total points at retirement. Such stocks, including stocks to be granted in the future, are purchased by money held in the J-ESOP trust, managed separately from book of the Company.

b) While adopting "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts." (ASBJ PITF No. 30), the Company applies the same accounting treatment as before.

c) Information related to the stocks of the Company which the trusts hold

i) Book value of the stocks of the Company within the trust as of March 31, 2020 and 2021 were ¥6,149 million and ¥5,960 million (US$53 million), respectively. These stocks were recorded as the treasury stock in the total shareholders' equity.

ii) The number of stocks within the trust as of March 31, 2020 and 2021 were 4,068 thousand shares and 3,942 thousand shares, and the average number of stocks within the trust for the fiscal years ended March 31, 2020 and 2021 were 4,097 thousand shares and 3,991 thousand shares, respectively. The number of shares at the year-end and the average number of stocks were included in the treasury stock, which is deducted when calculating per-share information.

Ⅲ. NOTES TO THE CONSOLIDATED BALANCE SHEET

1. Assets Pledged as Collateral / Secured Liabilities

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

	As of March 31,		
	2020	2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Securities	1,136,039	2,616,478	23,633
Deposits	4,429	15,211	137
Total	1,140,468	2,631,690	23,771

The amounts of secured liabilities were as follows:

	As of March 31,		
	2020	2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Payables under repurchase agreements	870,747	2,346,988	21,199
Cash collateral for securities lending transactions	113,966	239,987	2,167
Total	984,714	2,586,976	23,367

The amount of "Securities" pledged as collateral under repurchase agreements and for securities lending transactions with cash collateral as of March 31, 2020 and 2021 were ¥918,475 million and ¥2,342,603 million (US$21,159 million), respectively.

2. Securities Lending

Securities lent under lending agreements are included in the consolidated balance sheet. The total balance of securities lent as of March 31, 2020 and 2021 were ¥2,428,696 million and ¥2,644,610 million (US$23,887 million), respectively.

3. Risk Management Policy of Policy-reserve-matching Bonds

Certain domestic consolidated subsidiaries categorize their insurance products into sub-groups by the attributes of each product and, in order to manage risks properly, formulate their policies on investments and resource allocation based on the balance of the sub-groups. Moreover, they periodically check that the duration gap between policy-reserve-matching bonds and policy reserves stays within a certain range.

The sub-groups of insurance products of DL are:

Years ended March 31, 2020 and 2021

i) individual life insurance and annuities,
ii) non-participating single premium whole life insurance (without duty of medical disclosure),
iii) financial insurance and annuities, and
iv) group annuities,
with the exception of certain types.

The sub-groups of insurance products of DFLI are:

Years ended March 31, 2020 and 2021

i) individual life insurance and annuities (yen-denominated),
ii) individual life insurance and annuities (U.S. dollar-denominated),and
iii) individual life insurance and annuities (New Zealand dollar-denominated)
with the exception of certain types and contracts.

4. Stocks of Subsidiaries and Affiliated Companies

The amounts of stocks of and stakes in non-consolidated subsidiaries and affiliated companies of the Company held were as follows:

	As of March 31,		
	2020	2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Stocks	158,827	119,024	1,075
Capital	95,995	167,113	1,509
Total	254,822	286,138	2,584

5. Problem Loans

The amounts of credits to bankrupt borrowers, delinquent loans, loans past due for three months or more, and restructured loans, which were included in loans, were as follows:

	As of March 31,		
	2020	2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Credits to bankrupt borrowers (*1)	79	67	0
Delinquent loans (*2)	3,013	3,216	29
Loans past due for three months or more (*3)	–	–	–
Restructured loans (*4)	413	1,016	9
Total	3,506	4,300	38

(*1) Credits to bankrupt borrowers represent non-accrual loans, excluding the balances already written off, which meet the conditions prescribed in Article 96, Paragraph 1, Item 3, (a) to (e) or 4 of the Order for Enforcement of the Corporation Tax Act. Interest accruals of such loans are suspended since the principal of or interest on such loans is unlikely to be collected.
(*2) Delinquent loans are credits that are delinquent other than credits to bankrupt borrowers and loans for which interest payments have been suspended to assist and support the borrowers in the restructuring of their businesses.
(*3) Loans past due for three months or more are loans for which interest or principal payments are delinquent for three months or more under the terms of the loans excluding those classified as credits to bankrupt borrowers or delinquent loans.
(*4) Restructured loans 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 loans classified as credits to bankrupt borrowers, delinquent loans, and loans past due for three months or more.

As a result of the direct write-off of loans, decreases in credits to bankrupt borrowers and delinquent loans were as follows:

	As of March 31,		
	2020	2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Credits to bankrupt borrowers	1	1	0
Delinquent loans	–	–	–

6. Commitment Line

As of March 31, 2020 and 2021, there were unused commitment line agreements under which the Company and its consolidated subsidiaries were the lenders of ¥169,338 million and ¥161,391 million (US$1,457 million), respectively.

7. Accumulated Depreciation of Tangible Fixed Assets

The amounts of accumulated depreciation of tangible fixed assets as of March 31, 2020 and 2021 were ¥621,069 million and ¥633,461 million (US$5,721 million), respectively.

8. Assets and Liabilities Held in Separate Accounts

The total amounts of assets held in separate accounts defined in Article 118, Paragraph 1 of the Insurance Business Act as of March 31, 2020 and 2021 were ¥2,468,426 million and ¥2,613,313 million (US$23,605 million), respectively. Separate account liabilities were the same amount as the separate account assets.

9. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	Year ended March 31,		
	2020	2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Balance at the beginning of the year	398,178	399,742	3,610
Dividends paid during the year	(89,181)	(84,461)	(762)
Interest accrual during the year	8,245	8,218	74
Provision for reserve for policyholder dividends	82,500	77,500	700
Balance at the end of the year	399,742	400,999	3,622

10. Obligations to the Life Insurance Policyholders Protection Corporation of Japan

The estimated future obligations of consolidated companies that operate a life insurance business in Japan to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Act as of March 31, 2020 and 2021 were ¥56,575 million and ¥59,304 million (US$535 million), respectively. These obligations will be recognized as operating expenses for the years in which they are paid.

11. Revaluation of Land

Based on the "Act on Revaluation of Land" (Act No. 34, March 31, 1998), land for business use was revalued. The difference between the fair value and book value resulting from the revaluation, net of related deferred taxes, is recorded as a reserve for land revaluation as a separate component of net assets and the related deferred tax liability is recorded as deferred tax liabilities for land revaluation.

• Date of revaluation: March 31, 2001

• Method stipulated in Article 3, Paragraph 3 of the Act on Revaluation of Land:

The fair value was determined based on the appraisal value publicly announced for tax assessment purposes with certain reasonable adjustments in accordance with Article 2-1 and 2-4 of the Order for Enforcement of the Act on Revaluation of Land (Publicly Issue Cabinet Order No. 119, March 31, 1998).

12. Bonds Payable

As of March 31, 2020 and 2021, bonds payable included foreign currency-denominated subordinated bonds of ¥709,077 million and ¥789,533 million (US$7,131 million), respectively, whose repayment is subordinated to other obligations.

Details of bonds payable were as follows:

Issuer	Description	Issuance date	Balance as of April 1, 2020	Balance as of March 31, 2021	Interest rate (%)	Collateral	Maturity date
			(Unit: million yen)				
The Company	1st series perpetual subordinated bond	March 19, 2019	85,000	85,000	1.22	None	Perpetual
The Company	2nd series perpetual subordinated bond	September 11,2019	65,000	65,000	1.00	None	Perpetual
The Company	3rd series perpetual subordinated bond	March 17, 2021	–	80,000	1.12	None	Perpetual
DL	Foreign currency (US dollar) denominated perpetual subordinated bonds	From March 15, 2011 To July 20, 2016	476,277 [4,800 mil US$]	476,277 [4,800 mil US$]	From 4.00 to 7.25	None	Perpetual
(*1)	Foreign currency (US dollar) denominated bonds	From August 15, 1994 to September 20, 2019	426,259 [3,890 mil US$]	110,236 [1,065 mil US$]	From 3.40 to 8.45	None	From August 15, 2024 to October 15, 2039
(*2)	Foreign currency (US dollar) denominated subordinated bonds	From August 10, 2017 to May 1, 2018	66,345 [605 mil US$]	62,689 [605 mil US$]	From 3.55 to 5.35	None	From May 1, 2038 to August 10, 2052
TDLA	Foreign currency (Australian dollar) denominated subordinated bonds	March 31, 2017	16,454 [248 mil AUD]	20,567 [243 mil AUD]	6.00	None	March 31, 2027
Total	–	–	1,135,336	899,770	–	–	–

Note: 1. The above (*1) represents the total of bonds issued by the following consolidated overseas subsidiaries: PLC, Golden Gate II Captive Insurance Company, Golden Gate V Vermont Captive Insurance Company, MONY Life Insurance Company and Golden Gate Captive Insurance Company.
The above (*2) represents the total of bonds issued by the following consolidated overseas subsidiaries: PLC and Protective Life Insurance company.
2. Figures in [ ] are the amounts denominated in foreign currency.
3. The following table shows the maturities of long-term subordinated bonds for the 5 years subsequent to March 31, 2021

	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
	(Unit: million yen)				
Bonds payable	–	–	–	195	–

	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
	(Unit: million US dollars)				
Bonds payable	–	–	–	1	–

13. Subordinated Debt and Other Liabilities

As of March 31, 2020 and 2021, other liabilities included subordinated debt of ¥283,000 million and ¥390,600 million (US$3,528 million), respectively, whose repayment is subordinated to other obligations.

Details of borrowings and lease obligations were as follows:

Category	Balance as of April 1, 2020	Balance as of March 31, 2021	Average interest rate (%)	Maturity	Balance as of April 1, 2020	Balance as of March 31, 2021
	(Unit: million yen)				(Unit: million US dollars)	
Short-term borrowings	–	19,665	1.2	–	–	177
Current portions of long-term borrowings	–	265,948	0.5	–	–	2,402
Current portions of lease obligations	2,674	2,875	–	–	24	25
Long-term borrowings (excluding current portion)	623,400	415,035	1.3	February 2023~ perpetual	5,728	3,748
Lease obligations (excluding current portion)	8,068	6,553	–	January 2022 ~ March 2027	74	59
Other interest-bearing liabilities Payables under repurchase agreements (current portion)	870,747	2,346,988	(0.1)	–	8,000	21,199
Total	1,504,891	3,057,067	–	–	13,827	27,613

Note: 1. Those borrowings, lease obligations and payables under repurchase agreements above are included in the "other liabilities" on the consolidated balance sheet.
2. The average interest rate represents the weighted-average rate applicable to the balance as of March 31, 2021. As for lease obligations, the average interest rate of is not presented above because interests of certain lease obligations are included in the total amount of lease payments.
3. The following table shows the maturities of long-term borrowings (excluding the current portion or those without maturities) and lease obligations (excluding the current portion) for the 5 years subsequent to March 31, 2021:

	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
	(Unit: million yen)			
Long-term borrowings	20,063	7,409	62,100	–
Lease obligations	2,451	2,100	1,643	356

	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
	(Unit: million US dollars)			
Long-term borrowings	181	66	560	–
Lease obligations	22	18	14	3

14. 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, 2020 and 2021, the market value of the securities which were not sold or pledged as collateral was ¥196,122 million and ¥117,720 million (US$1,063 million), respectively. None of the securities were pledged as collateral as of March 31, 2020 and 2021, respectively.

15. Organizational Change Surplus

As of March 31, 2020 and 2021, the amounts of organizational change surplus stipulated in Article 91 of the Insurance Business Act were ¥117,776 million and ¥117,776 million (US$1,063 million), respectively.

Ⅳ. NOTES TO THE CONSOLIDATED STATEMENT OF EARNINGS

1. Operating Expenses

Details of operating expenses for the fiscal years ended March 31, 2020 and 2021 were as follows:

	Year ended March 31, 2020	Year ended March 31, 2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Sales activity expenses	276,472	273,519	2,470
Sales management expenses	93,756	92,204	832
General management expenses	309,925	323,334	2,920

2. Gains on Disposal of Fixed Assets

Details of gains on disposal of fixed assets for the fiscal years ended March 31, 2020 and 2021 were as follows:

	Year ended March 31, 2020	Year ended March 31, 2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Land	4,359	5,258	47
Buildings	545	210	1
Other tangible fixed assets	8	1	0
Other intangible fixed assets	15	–	–
Other assets	–	0	0
Total	4,929	5,471	49

3. Losses on Disposal of Fixed Assets

Details of losses on disposal of fixed assets for the fiscal years ended March 31, 2020 and 2021 were as follows:

	Year ended March 31, 2020	Year ended March 31, 2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Land	10,478	1,536	13
Buildings	2,356	4,824	43
Leased assets	2	7	0
Other tangible fixed assets	187	227	2
Software	210	62	0
Other intangible fixed assets	0	187	1
Other assets	36	53	0
Total	13,271	6,899	62

4. Impairment Losses on Fixed Assets

Details of impairment losses on fixed assets of the consolidated subsidiaries that operate a life insurance business in Japan for the years ended March 31, 2020 and 2021 were as follows:

a) Method of Grouping Assets

Real estate and other assets used for insurance business purposes are recognized as one asset group for each consolidated company. Each property for rent and property not in use, which is not used for insurance business purposes, is deemed to be an independent asset group.

b) Background for Recognition of Impairment Losses

As a result of significant declines in profitability or market value of some asset groups, the consolidated subsidiaries wrote down the book value of these assets to the recoverable value, and reported such write-off as impairment losses in extraordinary losses.

c) Breakdown of Impairment Losses

Impairment losses by asset group for the fiscal year ended March 31, 2020 were as follows:

Asset Group	Place	Number	Impairment Losses: Land	Impairment Losses: Buildings	Impairment Losses: Total
			(Unit: million yen)		
Real estate for rent	Morioka city,Iwate Prefecture	1	29	35	64
Real estate not in use	Nishinomiya city,Hyogo Prefecture and others	22	2,238	1,253	3,491
Total	–	23	2,267	1,288	3,556

Impairment losses by asset group for the fiscal year ended March 31, 2021 were as follows:

Asset Group	Place	Number	Impairment Losses: Land	Buildings	Total	Land	Buildings	Total
			(Unit: million yen)			(Unit: million US dollars)		
Real estate for rent	Morioka city,Iwate Prefecture	1	25	31	57	0	0	0
Real estate not in use	Takamatsu city,Kagawa Prefecture and others	22	1,741	752	2,494	15	6	22
Total	–	23	1,767	784	2,552	15	7	23

d) Calculation of Recoverable Value

Value in use or net sale value is used as the recoverable value of real estate for rent, and net sale value is used as the recoverable value of real estate not in use. Discount rates of 2.22% and 2.17% for the years ended March 31, 2020 and 2021, respectively, were applied for discounting future cash flows in the calculation of value in use. Estimated disposal value, appraisal value based on real estate appraisal standards, or appraisal value based on publicly assessed land value for tax purposes is used as the net sale value.

Ⅴ. NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The amount reclassified and tax effect amounts related to other comprehensive income were as follows:

	Year ended March 31, 2020	2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Net unrealized gains (losses) on securities, net of tax			
Amount incurred during the year	251,482	1,324,450	11,963
Amount reclassified	(42,665)	(278,014)	(2,511)
Before tax adjustment	208,817	1,046,436	9,452
Tax effect	(30,778)	(273,419)	(2,469)
Net unrealized gains (losses) on securities, net of tax	178,039	773,016	6,982
Deferred hedge gains (losses)			
Amount incurred during the year	22,949	(34,448)	(311)
Amount reclassified	481	34	0
Amount adjusted for asset acquisition cost	(266)	79	0
Before tax adjustment	23,164	(34,334)	(310)
Tax effect	(6,530)	9,602	86
Deferred hedge gains (losses)	16,633	(24,731)	(223)
Foreign currency translation adjustments			
Amount incurred during the year	(46,006)	12,338	111
Amount reclassified	–	–	–
Before tax adjustment	(46,006)	12,338	111
Tax effect	–	–	–
Foreign currency translation adjustments	(46,006)	12,338	111
Remeasurements of defined benefit plans, net of tax			
Amount incurred during the year	(22,070)	17,991	162
Amount reclassified	(699)	6,322	57
Before tax adjustment	(22,770)	24,314	219
Tax effect	6,204	(6,890)	(62)
Remeasurements of defined benefit plans, net of tax	(16,566)	17,424	157
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method			
Amount incurred during the year	3,412	(5,415)	(48)
Amount reclassified	(381)	7,572	68
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	3,030	2,157	19
Total other comprehensive income	135,130	780,204	7,047

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

1. For the Year Ended March 31, 2020

(1) Type and Number of Shares Outstanding

	Year ended March 31, 2020 At the beginning of the year	Increase during the year	Decrease during the year	At the end of the year
	(Unit: thousands of shares)			
Common stock(*1)	1,198,208	234	–	1,198,443
Treasury stock(*2)(*3)(*4)	52,650	16,894	165	69,378

(*1) The increase of 234 thousand shares of outstanding common stock was due to the issuance of new shares under stock remuneration scheme.
(*2) Treasury stock at the beginning and the end of the fiscal year ended March 31, 2020, includes 4,161 thousand shares and 4,068 thousand shares held by the trust fund through the J-ESOP, respectively.
(*3) The increase of 16,894 thousand shares of treasury stock was due to the repurchase of outstanding common stock.
(*4) The decrease of 165 thousand shares of treasury stock represents the sum of (1) 72 thousand shares due to the exercise of stock acquisition rights (stock options) and (2) 93 thousand shares granted to eligible employees at retirement by the J-ESOP.

(2) Stock Acquisition Rights

Issuer	Details	Balance as of March 31, 2020 (Unit: million yen)
The Company	Stock acquisition rights in the form of stock options	1,063

(3) Dividends on Common Stock

a) Dividends paid during the fiscal year ended March 31, 2020

Date of resolution	June 21, 2019 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends(*)	¥66,442 million
Dividends per share	¥58
Record date	March 31, 2019
Effective date	June 24, 2019
Dividend resource	Retained earnings

(*) Total dividends did not include ¥241 million of dividends to the J-ESOP trust, as the Company recognized the shares held by the trust as treasury shares.

b) Dividends, the record date of which was March 31, 2020, to be paid out in the year ending March 31, 2021

Date of resolution	June 22, 2020 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends(*)	¥70,001 million
Dividends per share	¥62
Record date	March 31, 2020
Effective date	June 23, 2020
Dividend resource	Retained earnings

(*) Total dividends did not include ¥252 million of dividends to the J-ESOP trust, as the Company recognized the shares held by the trust as treasury shares.

2. For the Year Ended March 31, 2021

(1) Type and Number of Shares Outstanding

	Year ended March 31, 2021			
	At the beginning of the year	Increase during the year	Decrease during the year	At the end of the year
	(Unit: thousands of shares)			
Common stock(*1)	1,198,443	312	–	1,198,755
Treasury stock(*2)(*3)(*4)	69,378	19,400	238	88,541

(*1) The increase of 312 thousand shares of outstanding common stock was due to the issuance of new shares under stock remuneration scheme.
(*2) Treasury stock at the beginning and the end of the fiscal year ended March 31, 2021, includes 4,068 thousand shares and 3,942 thousand shares held by the trust fund through the J-ESOP, respectively.
(*3) The increase of 19,400 thousand shares of treasury stock was due to the repurchase of 19,394 thousand shares of outstanding common stock and acquisition without consideration of 6 thousand shares of restricted stock.
(*4) The decrease of 238 thousand shares of treasury stock represents the sum of (1) 112 thousand shares due to the exercise of stock acquisition rights (stock options) and (2) 125 thousand shares granted to eligible employees at retirement by the J-ESOP.

(2) Stock Acquisition Rights

Issuer	Details	Balance as of March 31, 2021 (Unit: million yen)
The Company	Stock acquisition rights in the form of stock options	920(US$8 million)

(3) Dividends on Common Stock

a) Dividends paid during the fiscal year ended March 31, 2021

Date of resolution	June 22, 2020 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends(*)	¥70,001 million (US$632 million)
Dividends per share	¥62 (US$0.56)
Record date	March 31, 2020
Effective date	June 23, 2020
Dividend resource	Retained earnings

(*) Total dividends did not include ¥252 million (US$2 million) of dividends to the J-ESOP trust, as the Company recognized the shares held by the trust as treasury shares.

b) Dividends, the record date of which was March 31, 2021, to be paid out in the year ending March 31, 2022

Date of resolution	June 21, 2021 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends(*)	¥68,833 million (US$621 million)
Dividends per share	¥62 (US$0.56)
Record date	March 31, 2021
Effective date	June 22, 2021
Dividend resource	Retained earnings

(*) Total dividends did not include ¥244 million (US$2 million) of dividends to the J-ESOP trust, as the Company recognized the shares held by the trust as treasury shares.

Ⅶ. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

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

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

	As of March 31,		
	2020	2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Cash and deposits	1,205,507	1,884,141	17,018
Call loans	513,800	403,700	3,646
Term deposits exceeding three months and others	(21,725)	(24,931)	(225)
Cash and cash equivalents	1,697,582	2,262,910	20,439

2. Breakdown of Increased Assets and Liabilities as a Result of the Acquisition of business

Effective the fiscal year ended March 31, 2020, associated with the acquired in-force blocks of individual insurance and annuities under a reinsurance agreement from Great-West Life & Annuity Insurance Company to Protective Life Corporation, a consolidated subsidiary of the Company, the breakdown of the increased assets and liabilities and the reconciliation of the acquisition costs with net cash flow for the acquisition of business were as follows:

	(Unit: million yen)
Assets	2,400,713
Cash and cash deposits included in the above assets	3,816
Liabilities	(2,311,680)
Policy reserves and others included in the above liabilities	(2,279,508)
Acquisition costs	89,033
Contingent consideration	(5,423)
Cash and cash equivalents included in acquired assets	(3,816)
Net cash flow for the acquisition	79,793

Ⅷ. LEASE TRANSACTIONS

1. Finance Leases (As Lessee)

For the fiscal years ended March 31, 2020 and 2021, information regarding finance leases (as lessee) is omitted due to the importance on the consolidated financial statements.

2. Operating Leases

Future minimum lease payments under non-cancellable operating leases as of March 31, 2020 and 2021 were as follows:

(As Lessee)

	As of March 31,		
	2020	2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Due within one year	1,395	1,666	15
Due after one year	7,277	9,128	82
Total	8,673	10,794	97

(As Lessor)

	As of March 31,		
	2020	2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Due within one year	336	357	3
Due after one year	3,431	4,136	37
Total	3,767	4,494	40

Ⅸ. FINANCIAL INSTRUMENTS AND OTHERS

1. Financial Instruments

(1) Policies in Utilizing Financial Instrument

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

The Group uses derivatives primarily to hedge market risks associated with its existing asset portfolio and to mitigate the risks associated with guaranteed minimum maturity benefits of individual variable annuity insurance.

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

(2) Financial Instruments Used and Their Risks

Securities included in financial assets of the Group, mainly stocks and bonds, are exposed to market fluctuation risk, credit risk and interest-rate risk and some of the securities denominated in foreign currency are exposed to foreign currency risk. Also, loans are exposed to credit risk arising from the defaults of obligors.

The Group might be exposed to liquidity risk in certain circumstance in which it cannot make timely payments of principal, interest or other amounts due to unpredictable cash outflows or is forced to raise capital with interest rates substantially higher than usual. Also, some of its loans payable and bonds payable which are floating interest rate based and denominated in foreign currency are exposed to interest-rate risk and foreign currency risk.

The Group utilizes a) interest rate swaps to hedge interest rate risk associated with certain of its loans receivable and payable, b) equity forward contracts to hedge market fluctuation risks associated with domestic stocks, and c) foreign currency forward contracts, currency options and foreign currency swaps to hedge foreign currency risks associated with certain foreign currency-denominated bonds, foreign currency-denominated short-term deposits and foreign currency-denominated debts, etc. and adopts hedge accounting.

In addition, certain consolidated subsidiaries utilize a) interest rate swaps to hedge interest rate risk associated with certain insurance liabilities, under the "Accounting and Auditing Treatment of Application of Accounting Standard for Financial Instruments to Insurance Operators" (JICPA Industry Audit Committee Report No. 26), and b) foreign currency swaps to hedge foreign currency risks associated with funding agreements and adopts hedge accounting.

In applying the hedge accounting, in order to fulfill requirements stipulated in accounting standards such as the "Accounting Standards for Financial Instruments" (ASBJ Statement No. 10 issued on March 10, 2008), the Group has established investment policy and procedure guidelines and clarified the transactions to be hedged, the risk of underlying assets to be hedged and derivative instruments to be used, and conducted pre- and post-effectiveness tests of the transactions.

(3) Risk Management

The Group manages risk in accordance with a basic policy for risk management, rules for management procedures, etc. defined by the board of directors, etc.

a) Market risk management

Under the internal investment policy and market risk management policy, DL manages market risk by conducting mid- to long-term asset allocation in a manner appropriate to its liabilities. Therefore, it categorizes its portfolio into sub-groups, based on their investment purpose, and manages them taking into account each of their risk characteristics.

i) Interest rate risk

DL keeps track of interest rates and durations of its assets and liabilities, monitors its internal analyses on duration gap and interest rate sensitivity, and periodically reports its findings to the board of directors, etc.

ii) Currency risk

DL keeps track of currency composition of its financial assets and liabilities, conducts sensitivity analyses, and periodically reports its findings to the board of directors, etc.

iii) Fluctuation in market values

DL defines risk management policies and management procedures for each component of its overall portfolio, including securities, based on the risk characteristics of the categories, and sets and manages upper limits of each asset balance and asset allocation weight.

Such management conditions are periodically reported by its risk management sections to the board of directors, etc.

iv) Derivative transactions

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

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

DFLI utilizes derivatives in order to reduce the risk associated with guaranteed minimum maturity benefits of individual variable annuities and hedge foreign currency risks associated with bonds. For derivatives used to reduce the risk associated with guaranteed minimum maturity benefits of individual variable annuities, in accordance with its internal regulations to manage the risks associated with its guaranteed minimum maturity benefits, it (i) assesses the hedge effectiveness of derivative transactions, (ii) manages gains and losses from derivative transactions on a daily basis, and (iii) periodically checks its progress on reducing the risk associated with its guaranteed minimum maturity benefits and measures estimated losses based on VaR (value-at-risk). The risk management section is in charge of managing overall risks including risks associated with the guaranteed minimum maturity benefits, and periodically reports the status of such management to the board of directors, etc.

b) Credit Risk Management

In accordance with the internal investment policy and credit risk management procedure guidelines, DL has established a credit management system related to loans, such as preliminary reviews on individual transactions, credit limit setting, credit information management, internal credit rating, attachment of guarantees and collateral, and follow-ups on problem loans. For corporate bond investment, the credit section sets investment caps on individual issuers taking into account internal credit ratings and other factors. Excessive risk-taking is restricted since front offices make investment within those caps. Policies and frameworks for large-lot borrowers have been formulated in order to prevent credit concentration by monitoring compliance, etc. That credit management has been conducted by the credit and risk management sections, and has been periodically reported to its board of directors, etc. Additionally, the internal audit section has also checked credit management status.

Credit risk of security issuers and counterparty risk with respect to derivative transactions are managed by the credit section, which sets upper limits for each counterparty and financial instrument and periodically monitors credit information, and by the risk management section, which periodically monitors current exposures.

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

(4) Supplementary Explanation for Fair Value of Financial Instruments

As well as the values based on market prices, fair value of financial instruments includes values which are reasonably calculated in case market prices do not exist. As the calculation of those values adopts certain assumptions, those values may vary in case different assumptions are applied. Also, for the contract value regarding derivative transactions described in "2. Fair Value of Financial Instruments", the "Notional amount/contract value" itself does not indicate market risk related to derivative transactions.

2. Fair Values of Financial Instruments

The carrying amount on the consolidated balance sheet, fair value and differences between carrying amount and fair value as of March 31, 2020 and 2021 were as follows.

The following tables do not include financial instruments whose fair value is extremely difficult to recognize (please refer to Note 2).

	As of March 31, 2020		
	Carrying amount	Fair value	Gains (losses)
	(Unit: million yen)		
(1) Cash and deposits	1,205,507	1,205,507	–
(2) Call loans	513,800	513,800	–
(3) Monetary claims bought	221,147	221,147	–
(4) Money held in trust	1,039,062	1,039,062	–
(5) Securities			
a. Trading securities	4,076,103	4,076,103	–
b. Held-to-maturity bonds	391,053	415,340	24,286
c. Policy-reserve-matching bonds	15,389,092	18,351,016	2,961,923
d. Stocks of subsidiaries and affiliated companies	54,565	52,133	(2,432)
e. Available-for-sale securities	27,426,443	27,426,443	–
(6) Loans	3,715,750		
Reserves for possible loan losses (*1)	(712)		
	3,715,037	3,791,794	76,756
(7) Reinsurance receivable	1,523,297	1,523,297	–
Total assets	55,555,110	58,615,645	3,060,535
(1) Bonds payable	1,135,336	1,174,593	39,257
(2) Payables under repurchase agreements	870,747	870,747	–
(3) Long-term borrowings	623,400	616,519	(6,880)
Total liabilities	2,629,484	2,661,861	32,376
Derivative transactions (*2)			
a. Hedge accounting not applied	[52,574]	[52,574]	–
b. Hedge accounting applied	67,897	66,356	(1,540)
Total derivative transactions	15,322	13,782	(1,540)

(*1) Excluding general reserves for possible loan losses and specific reserves for possible loan losses related to loans.
(*2) Credits/debts from derivative transactions are presented on a net basis. Figures in [ ] are net debts.

	As of March 31, 2021					
	Carrying amount	Fair value	Gains (losses)	Carrying amount	Fair value	Gains (losses)
	(Unit: million yen)			(Unit: million US dollars)		
(1) Cash and deposits	1,884,141	1,884,141	–	17,018	17,018	–
(2) Call loans	403,700	403,700	–	3,646	3,646	–
(3) Monetary claims bought	252,140	252,140	–	2,277	2,277	–
(4) Money held in trust	1,130,920	1,130,920	–	10,215	10,215	–
(5) Securities						
a. Trading securities	4,343,031	4,343,031	–	39,228	39,228	–
b. Held-to-maturity bonds	110,171	111,589	1,418	995	1,007	12
c. Policy-reserve-matching bonds	16,734,673	19,129,396	2,394,723	151,157	172,788	21,630
d. Stocks of subsidiaries and affiliated companies	1,041	1,150	108	9	10	0
e. Available-for-sale securities	29,193,968	29,193,968	–	263,697	263,697	–
(6) Loans	3,762,666			33,986		
Reserves for possible loan losses (*1)	(23,842)			(215)		
	3,738,823	3,877,221	138,398	33,771	35,021	1,250
(7) Reinsurance receivable	1,668,969	1,668,969	–	15,075	15,075	–
Total assets	59,461,580	61,996,229	2,534,648	537,093	559,987	22,894
(1) Bonds payable	899,770	947,004	47,233	8,127	8,553	426
(2) Payables under repurchase agreements	2,346,988	2,346,988	–	21,199	21,199	–
(3) Long-term borrowings	700,648	701,211	562	6,328	6,333	5
Total liabilities	3,947,408	3,995,204	47,795	35,655	36,087	431
Derivative transactions (*2)						
a. Hedge accounting not applied	[99,077]	[99,077]	–	[894]	[894]	–
b. Hedge accounting applied	[296,206]	[296,828]	(621)	[2,675]	[2,681]	(5)
Total derivative transactions	[395,284]	[395,906]	(621)	[3,570]	[3,576]	(5)

(*1) Excluding general reserves for possible loan losses and specific reserves for possible loan losses related to loans.
(*2) Credits/debts from derivative transactions are presented on a net basis. Figures in [ ] are net debts.

Note 1: Notes to Methods for Calculating Fair Value of Financial Instruments, Securities and Derivative Transactions

Assets

(1) Cash and deposits

Since deposits are mainly close to maturity or have no maturity and their fair value is close to the carrying amounts, fair value is based on the carrying amount.

(2) Call loans

Since all call loans are close to due date and their fair value is close to carrying amounts, fair value of call loans is based on their carrying amount.

(3) Monetary claims bought

The fair value of monetary claims bought is based on the reasonably calculated price.

(4) Money held in trust

The fair value of stocks is based on the price on stock exchanges and that of bonds is based on the price on bond markets or price presented by counterparty financial institutions. The fair value of mutual funds is based on unit price.

For details on derivative transactions of money held in trust, please refer to XII. DERIVATIVE TRANSACTIONS.

(5) Securities

The fair value of stocks is based on the price on stock exchanges and that of bonds is based on the price on bond markets or price presented by counterparty financial institutions. The fair value of mutual funds is based on unit price. As for ownership stakes in partnerships, the amount equivalent to partnership interest in fair value of the partnership assets is recorded as fair value of the stake in the partnership. Additionally, notes for the securities for each investment purpose are described in X. SECURITIES.

(6) Loans

The fair value of loans is calculated by discounting future cash flows of the subject loan, using interest rates corresponding to the internal credit rating and remaining period which are assumed to be applied to new loans to the subject borrower.

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 the fair value of risk-monitored loans.

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.

(7) Reinsurance receivable

Since the fair value of reinsurance receivable is close to the carrying amounts, fair value is based on the carrying amount.

Liabilities

(1) Bonds payable

The fair value of bonds is based on the price on the bond market.

(2) Payables under repurchase agreements

Since the terms of all payables under repurchase agreements are short and their fair value is close to the carrying amounts, fair value is based on the carrying amount.

(3) Long-term borrowings

The fair value of long-term borrowings is calculated by discounting future cash flows, using interest rates corresponding to internal credit rating and remaining periods which are assumed to be applied to new borrowing. Also, certain of long-term borrowings are deemed to have fair value close to book value, taking into account interest rates. Therefore, their book value is recorded as the fair value.

Derivative Instruments

For details on derivative transactions, please refer to XII. DERIVATIVE TRANSACTIONS.

Note 2: Financial instruments whose fair value is extremely difficult to recognize are as follows and are not included in the fair value of (5) Securities in Note 1

	As of March 31,		
	2020	2021	2021
	Carrying amount		
	(Unit: million yen)		(Unit: million US dollars)
1. Unlisted domestic stocks (*1)(*2)	86,447	104,421	943
2. Unlisted foreign stocks (*1)(*2)	70,369	66,716	602
3. Other foreign securities (*1)(*2)	83,496	100,889	911
4. Other securities (*1)(*2)	156,834	225,035	2,032
Total	397,148	497,061	4,489

(*1) These securities cannot be assigned a market value because of unavailability of tradable markets, and they are excluded from disclosure of fair value.
(*2) For the fiscal years ended March 31, 2020 and 2021, impairment charges of ¥501 million and ¥1,192 million (US$10 million), respectively, were recorded.

Note 3: Scheduled redemptions of monetary claims and securities with maturities

As of March 31, 2020

	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
	(Unit: million yen)			
Cash and deposits	1,202,254	3,258	–	–
Call loans	513,800	–	–	–
Monetary claims bought	–	4,387	36,828	171,542
Securities:				
Held-to-maturity bonds (bonds)	–	54,500	7,900	11,800
Held-to-maturity bonds(foreign securities)	–	8,100	200	301,070
Policy-reserve-matching bonds (bonds)	47,290	290,535	1,863,555	10,937,063
Policy-reserve-matching bonds (foreign securities)	9,704	350,588	1,310,165	473,564
Available-for-sale securities with maturities (bonds)	177,494	701,155	1,110,419	1,158,212
Available-for-sale securities with maturities (foreign securities)	624,258	3,665,348	4,820,959	7,140,072
Available-for-sale securities with maturities (other securities)	13,254	238,372	529,058	19,844
Loans (*)	356,467	1,195,120	863,011	740,346

(*) Loans for which interest or principal payments cannot be forecasted, such as credit to bankrupt obligors, substantially bankrupt obligors and obligors at risk of bankruptcy, amounted to ¥86 million were not included. Also, ¥546,840 million of loans without maturities were not included.

As of March 31, 2021

	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
	(Unit: million yen)			
Cash and deposits	1,870,672	13,472	–	–
Call loans	403,700	–	–	–
Monetary claims bought	–	31,055	32,543	182,629
Securities:				
Held-to-maturity bonds (bonds)	700	61,500	15,700	21,700
Held-to-maturity bonds(foreign securities)	–	10,832	100	–
Policy-reserve-matching bonds (bonds)	21,812	510,840	2,431,592	11,431,371
Policy-reserve-matching bonds (foreign securities)	29,558	463,056	1,226,552	523,613
Available-for-sale securities with maturities (bonds)	90,433	773,815	1,106,464	1,078,666
Available-for-sale securities with maturities (foreign securities)	735,608	4,191,940	4,294,477	7,839,076
Available-for-sale securities with maturities (other securities)	720	276,293	318,182	8,382
Loans (*)	438,660	1,242,856	854,132	725,373

As of March 31, 2021

	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
	(Unit: million US dollars)			
Cash and deposits	16,897	121	–	–
Call loans	3,646	–	–	–
Monetary claims bought	–	280	293	1,649
Securities:				
Held-to-maturity bonds (bonds)	6	555	141	196
Held-to-maturity bonds(foreign securities)	–	97	0	–
Policy-reserve-matching bonds (bonds)	197	4,614	21,963	103,255
Policy-reserve-matching bonds (foreign securities)	266	4,182	11,078	4,729
Available-for-sale securities with maturities (bonds)	816	6,989	9,994	9,743
Available-for-sale securities with maturities (foreign securities)	6,644	37,864	38,790	70,807
Available-for-sale securities with maturities (other securities)	6	2,495	2,874	75
Loans (*)	3,962	11,226	7,715	6,552

(*) Loans for which interest or principal payments cannot be forecasted, such as credit to bankrupt obligors, substantially bankrupt obligors and obligors at risk of bankruptcy, amounted to ¥633 million (US$ 5 million) were not included. Also, ¥243,180 million (US$2,196 million) of loans without maturities were not included.

Note 4: Scheduled maturities of bonds, long term borrowings, and other interest-bearing liabilities

As of March 31, 2020

	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)	–	–	–	–	119	493,468
Payables under repurchase agreements	870,747	–	–	–	–	–
Long term borrowings (*2)	–	262,413	5,804	5,804	65,736	–

(*1) ¥626,277 million of bonds payable without maturities were not included.
(*2) ¥283,000 million of long term borrowings without maturities were not included.

As of March 31, 2021

	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)	–	–	–	195	–	184,885
Payables under repurchase agreements	2,346,988	–	–	–	–	–
Long term borrowings (*2)	285,510	20,063	7,409	62,100	–	–

As of March 31, 2021

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
	(Unit: million US dollars)					
Bonds payable (*1)	–	–	–	1	–	1,669
Payables under repurchase agreements	21,199	–	–	–	–	–
Long term borrowings (*2)	2,578	181	66	560	–	–

(*1) ¥706,277 million (US$6,379 million) of bonds payable without maturities were not included.
(*2) ¥325,000 million (US$2,935 million) of long term borrowings without maturities were not included.

X. SECURITIES

1. Trading Securities

	Year ended March 31, 2020	2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Gains (losses) on valuation of trading securities	(162,339)	308,566	2,787

2. Held-to-maturity Bonds

As of March 31, 2020	Carrying amount	Fair value	Unrealized gains (losses)
	(Unit: million yen)		
Held-to-maturity securities with unrealized gains:			
(1) Bonds	52,139	54,604	2,465
a. Government bonds	46,919	49,337	2,417
b. Local government bonds	–	–	–
c. Corporate bonds	5,219	5,267	48
(2) Foreign securities	312,683	334,817	22,134
a. Foreign bonds	312,683	334,817	22,134
Subtotal	364,822	389,422	24,599
Held-to-maturity securities with unrealized losses:			
(1) Bonds	21,209	20,932	(276)
a. Government bonds	–	–	–
b. Local government bonds	–	–	–
c. Corporate bonds	21,209	20,932	(276)
(2) Foreign securities	5,021	4,985	(36)
a. Foreign bonds	5,021	4,985	(36)
Subtotal	26,231	25,918	(313)
Total	391,053	415,340	24,286

As of March 31, 2021	Carrying amount	Fair value	Unrealized gains (losses)	Carrying amount	Fair value	Unrealized gains (losses)
	(Unit: million yen)			(Unit: million US dollars)		
Held-to-maturity securities with unrealized gains:						
(1) Bonds	63,777	65,531	1,754	576	591	15
a. Government bonds	47,221	48,896	1,675	426	441	15
b. Local government bonds	–	–	–	–	–	–
c. Corporate bonds	16,556	16,635	78	149	150	0
(2) Foreign securities	4,998	5,023	24	45	45	0
a. Foreign bonds	4,998	5,023	24	45	45	0
Subtotal	68,776	70,554	1,778	621	637	16
Held-to-maturity securities with unrealized losses:						
(1) Bonds	35,450	35,101	(349)	320	317	(3)
a. Government bonds	–	–	–	–	–	–
b. Local government bonds	–	–	–	–	–	–
c. Corporate bonds	35,450	35,101	(349)	320	317	(3)
(2) Foreign securities	5,943	5,932	(11)	53	53	(0)
a. Foreign bonds	5,943	5,932	(11)	53	53	(0)
Subtotal	41,394	41,034	(360)	373	370	(3)
Total	110,171	111,589	1,418	995	1,007	12

3. Policy-reserve-matching Bonds

As of March 31, 2020	Carrying amount	Fair value	Unrealized gains (losses)
	(Unit: million yen)		
Policy-reserve-matching bonds with unrealized gains:			
(1) Bonds	12,547,115	15,390,717	2,843,601
a. Government bonds	11,522,196	14,277,260	2,755,063
b. Local government bonds	130,220	149,359	19,139
c. Corporate bonds	894,697	964,096	69,398
(2) Foreign Securities	1,842,364	1,988,155	145,790
a. Foreign bonds	1,842,364	1,988,155	145,790
Subtotal	14,389,480	17,378,872	2,989,392
Policy-reserve-matching bonds with unrealized losses:			
(1) Bonds	642,625	630,709	(11,916)
a. Government bonds	415,117	407,037	(8,080)
b. Local government bonds	6,877	6,750	(127)
c. Corporate bonds	220,630	216,921	(3,709)
(2) Foreign Securities	356,987	341,434	(15,552)
a. Foreign bonds	356,987	341,434	(15,552)
Subtotal	999,612	972,143	(27,468)
Total	15,389,092	18,351,016	2,961,923

As of March 31, 2021	Carrying amount	Fair value	Unrealized gains (losses)	Carrying amount	Fair value	Unrealized gains (losses)
	(Unit: million yen)			(Unit: million US dollars)		
Policy-reserve-matching bonds with unrealized gains:						
(1) Bonds	11,892,201	14,233,910	2,341,708	107,417	128,569	21,151
a. Government bonds	10,861,367	13,126,091	2,264,723	98,106	118,562	20,456
b. Local government bonds	105,165	120,563	15,397	949	1,088	139
c. Corporate bonds	925,668	987,255	61,587	8,361	8,917	556
(2) Foreign securities	1,925,023	2,080,862	155,839	17,387	18,795	1,407
a. Foreign bonds	1,925,023	2,080,862	155,839	17,387	18,795	1,407
Subtotal	13,817,224	16,314,772	2,497,547	124,805	147,364	22,559
Policy-reserve-matching bonds with unrealized losses:						
(1) Bonds	2,528,228	2,443,575	(84,653)	22,836	22,071	(764)
a. Government bonds	2,202,802	2,125,823	(76,979)	19,897	19,201	(695)
b. Local government bonds	20,744	20,253	(490)	187	182	(4)
c. Corporate bonds	304,681	297,498	(7,183)	2,752	2,687	(64)
(2) Foreign securities	389,219	371,048	(18,171)	3,515	3,351	(164)
a. Foreign bonds	389,219	371,048	(18,171)	3,515	3,351	(164)
Subtotal	2,917,448	2,814,623	(102,824)	26,352	25,423	(928)
Total	16,734,673	19,129,396	2,394,723	151,157	172,788	21,630

4. Available-for-sale Securities

	As of March 31, 2020		
	Carrying amount	Acquisition cost	Unrealized gains (losses)
		(Unit: million yen)	
Available-for-sale securities with unrealized gains:			
(1) Bonds	3,593,207	3,119,608	473,598
a. Government bonds	2,220,509	1,808,835	411,673
b. Local government bonds	29,060	27,487	1,573
c. Corporate bonds	1,343,637	1,283,285	60,352
(2) Domestic stocks	2,322,097	949,288	1,372,809
(3) Foreign securities	15,432,362	13,936,461	1,495,900
a. Foreign bonds	14,961,850	13,573,865	1,387,985
b. Other foreign securities	470,511	362,596	107,915
(4) Other securities	788,374	733,499	54,875
Subtotal	22,136,042	18,738,858	3,397,184
Available-for-sale securities with unrealized losses:			
(1) Bonds	540,029	546,342	(6,313)
a. Government bonds	7,340	7,484	(144)
b. Local government bonds	–	–	–
c. Corporate bonds	532,689	538,858	(6,169)
(2) Domestic stocks	416,863	528,593	(111,730)
(3) Foreign securities	4,197,544	4,446,022	(248,477)
a. Foreign bonds	3,548,774	3,748,225	(199,450)
b. Other foreign securities	648,769	697,796	(49,026)
(4) Other securities	468,105	485,842	(17,736)
Subtotal	5,622,543	6,006,800	(384,257)
Total	27,758,585	24,745,658	3,012,926

Note: Other securities include (1) certificates of deposit and (2) trust beneficiary rights, which were recorded as cash and deposits and monetary claims bought on the consolidated balance sheet, respectively. The aggregate acquisition cost and carrying amount of such certificates of deposit were ¥111,000 million and ¥110,994 million, respectively, as of March 31, 2020. The aggregate acquisition cost and carrying amount of trust beneficiary rights were ¥212,889 million and ¥221,147 million, respectively, as of March 31, 2020.

	As of March 31, 2021					
	Carrying amount	Acquisition cost	Unrealized gains (losses)	Carrying amount	Acquisition cost	Unrealized gains (losses)
		(Unit: million yen)			(Unit: million US dollars)	
Available-for-sale securities with unrealized gains:						
(1) Bonds	3,536,414	3,101,166	435,248	31,943	28,011	3,931
a. Government bonds	2,065,744	1,709,051	356,693	18,659	15,437	3,221
b. Local government bonds	28,080	26,607	1,473	253	240	13
c. Corporate bonds	1,442,589	1,365,507	77,082	13,030	12,334	696
(2) Domestic stocks	3,271,329	1,115,683	2,155,646	29,548	10,077	19,471
(3) Foreign securities	17,315,237	15,096,152	2,219,085	156,401	136,357	20,044
a. Foreign bonds	16,206,052	14,233,241	1,972,810	146,382	128,563	17,819
b. Other foreign securities	1,109,185	862,911	246,274	10,018	7,794	2,224
(4) Other securities	689,223	621,708	67,514	6,225	5,615	609
Subtotal	24,812,204	19,934,710	4,877,494	224,118	180,062	44,056
Available-for-sale securities with unrealized losses:						
(1) Bonds	381,823	384,641	(2,818)	3,448	3,474	(25)
a. Government bonds	11,324	11,710	(386)	102	105	(3)
b. Local government bonds	–	–	–	–	–	–
c. Corporate bonds	370,498	372,930	(2,431)	3,346	3,368	(21)
(2) Domestic stocks	248,451	292,493	(44,042)	2,244	2,641	(397)
(3) Foreign securities	3,662,248	3,833,968	(171,719)	33,079	34,630	(1,551)
a. Foreign bonds	3,152,640	3,310,207	(157,566)	28,476	29,899	(1,423)
b. Other foreign securities	509,608	523,760	(14,152)	4,603	4,730	(127)
(4) Other securities	412,378	432,755	(20,377)	3,724	3,908	(184)
Subtotal	4,704,901	4,943,858	(238,956)	42,497	44,655	(2,158)
Total	29,517,106	24,878,568	4,638,537	266,616	224,718	41,898

Note: Other securities include (1) certificates of deposit and (2) trust beneficiary rights, which were recorded as cash and deposits and monetary claims bought on the consolidated balance sheet, respectively. The aggregate acquisition cost and carrying amount of such certificates of deposit were ¥71,000 million (US$641 million) and ¥70,997 million (US$641 million), respectively, as of March 31, 2021. The aggregate acquisition cost and carrying amount of trust beneficiary rights were ¥246,377 million (US$2,225 million) and ¥252,140 million (US$2,277 million), respectively, as of March 31, 2021.

5. Held-to-maturity Bonds Sold

The Company and its consolidated subsidiaries sold no held-to-maturity bonds during the fiscal years ended March 31, 2020 and 2021.

6. Policy-reserve-matching Bonds Sold

Policy-reserve-matching bonds sold during the fiscal years ended March 31, 2020 and 2021 were as follows:

	Year ended March 31, 2020		
	Amounts sold	Realized gains	Realized losses
	(Unit: million yen)		
(1) Bonds	507,657	72,346	6
a. Government bonds	495,224	71,648	–
b. Local government bonds	1,258	44	2
c. Corporate bonds	11,174	653	4
(2) Foreign securities	552,914	57,502	501
a. Foreign bonds	552,914	57,502	501
b. Other foreign securities	–	–	–
Total	1,060,572	129,848	507

	Year ended March 31, 2021					
	Amounts sold	Realized gains	Realized losses	Amounts sold	Realized gains	Realized losses
	(Unit: million yen)			(Unit: million US dollars)		
(1) Bonds	606,251	77,800	168	5,476	702	1
a. Government bonds	523,160	72,922	18	4,725	658	0
b. Local government bonds	2,491	102	12	22	0	0
c. Corporate bonds	80,600	4,775	138	728	43	1
(2) Foreign securities	207,427	24,649	619	1,873	222	5
a. Foreign bonds	207,427	24,649	619	1,873	222	5
b. Other foreign securities	–	–	–	–	–	–
Total	813,679	102,449	787	7,349	925	7

7. Available-for-sale Securities Sold

Available-for-sale securities sold during the fiscal years ended March 31, 2020 and 2021 were as follows:

	Year ended March 31, 2020		
	Amounts sold	Realized gains	Realized losses
	(Unit: million yen)		
(1) Bonds	208,431	2,121	437
a. Government bonds	62,972	1,015	–
b. Local government bonds	3,888	55	33
c. Corporate bonds	141,571	1,050	403
(2) Domestic stocks	143,781	67,319	9,299
(3) Foreign securities	2,392,406	99,308	57,661
a. Foreign bonds	2,037,208	67,719	34,687
b. Other foreign securities	355,197	31,588	22,974
(4) Other securities	129,616	2,155	7,022
Total	2,874,236	170,904	74,421

	Year ended March 31, 2021					
	Amounts sold	Realized gains	Realized losses	Amounts sold	Realized gains	Realized losses
	(Unit: million yen)			(Unit: million US dollars)		
(1) Bonds	584,191	3,998	617	5,276	36	5
a. Government bonds	95,218	573	207	860	5	1
b. Local government bonds	36,466	–	15	329	–	0
c. Corporate bonds	452,507	3,425	395	4,087	30	3
(2) Domestic Stocks	244,203	145,738	4,147	2,205	1,316	37
(3) Foreign securities	2,919,618	215,712	90,486	26,371	1,948	817
a. Foreign bonds	2,229,627	130,689	43,286	20,139	1,180	390
b. Other foreign securities	689,991	85,022	47,200	6,232	767	426
(4) Other securities	194,619	3,463	31,013	1,757	31	280
Total	3,942,633	368,913	126,265	35,612	3,332	1,140

8. Reclassification of Securities

Effective the fiscal year ended March 31, 2020, policy-reserve-matching bonds held in the sub-group of individual life insurance and annuities (Australian dollar-denominated) were reclassified into available-for-sale securities.

Due to this change, as of the time of reclassification, securities, net unrealized gains (losses) on securities and deferred tax liabilities increased by ¥204,207 million, ¥147,029 million, and ¥57,177 million, respectively. This change had no impact on profit and loss.

9. Securities Written Down

The Company and its consolidated subsidiaries write down the balance of certain available-for-sale securities with fair values (1) when the fair value of such securities declines by 50%, or more, of its purchase cost or (2) when the fair value of such securities without a certain level of creditworthiness declines by 30% or more, but less than 50%, of its purchase cost unless it is deemed that there is a possibility that the fair value of the security could recover to equal or exceed the purchase cost. The aggregate amounts written down from the balance of available-for-sale securities with fair value for the fiscal years ended March 31, 2020 and 2021 were ¥60,427 million and ¥13,108 million (US$118 million), respectively.

XI. MONEY HELD IN TRUST

1. Money Held in Trust for Trading

	As of March 31,		
	2020	2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Carrying amount on the consolidated balance sheet	1,039,062	1,130,920	10,215
Gains (losses) on valuation of money held in trust	(20,279)	26,327	237

XII. DERIVATIVE TRANSACTIONS

1. Derivative Transactions (Hedge Accounting Not Applied)

(1) Currency-related transactions

As of March 31, 2020

	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
	(Unit: million yen)			
Exchange-traded transactions:				
Currency futures:				
Sold	29,022	–	(186)	(186)
Euro / U.S. dollar	12,828	–	(150)	(150)
British pound / U.S. dollar	8,240	–	(51)	(51)
Yen / U.S. dollar	7,953	–	14	14
Over-the-counter transactions:				
Foreign currency forward contracts:				
Sold	3,017,409	–	47,317	47,317
U.S. dollar	1,276,055	–	761	761
Euro	1,131,536	–	3,248	3,248
Australian dollar	251,215	–	21,878	21,878
British pound	119,241	–	6,240	6,240
Canadian dollar	52,885	–	3,263	3,263
Others	186,475	–	11,925	11,925
Bought	1,202,893	–	3,885	3,885
U.S. dollar	527,440	–	8,873	8,873
Euro	493,521	–	188	188
British pound	64,013	–	(2,524)	(2,524)
Australian dollar	49,030	–	(1,068)	(1,068)
Canadian dollar	24,060	–	(1,172)	(1,172)
Others	44,825	–	(410)	(410)
Currency swaps:				
Receipts foreign currency, payments yen	544,077	544,077	(31,308)	(31,308)
Australian dollar	465,777	465,777	(38,102)	(38,102)
U.S. dollar	78,300	78,300	6,794	6,794
Receipts foreign currency, payments foreign currency	36,697	36,697	(3,567)	(3,567)
Australian dollar / U.S. dollar	24,849	24,849	(3,524)	(3,524)
Australian dollar / Euro	11,848	11,848	(42)	(42)
Currency options:				
Sold:				
Put	41,021 [39]	–	87	(48)
British pound	41,021 [39]	–	87	(48)
Bought:				
Put	648,053 [10,392]	–	13,800	3,407
U.S. dollar	607,032 [9,015]	–	13,675	4,660
British pound	41,021 [1,377]	–	125	(1,252)
Total return swaps:				
Foreign currency index linked	160,110	160,110	(32,244)	(32,244)
Total	–	–	–	(12,744)

Note: 1. (1) Fair value of currency futures listed above is based on the closing exchange-traded prices and the prices quoted from counterparty financial institutions.
(2) Forward exchange rates at the end of the year are used for fair value calculation of foreign currency forward contracts.
(3) Fair value of currency swaps is calculated by discounting expected cash flows.
(4) An option pricing model is used for fair value calculation of currency options or the prices quoted from counterparty financial institutions.
(5) Fair value of total return swaps is based on fair value calculated by referred index of 31 March, 2020.
2. Figures in [ ] are amounts of option premiums which are included in the consolidated balance sheet.
3. Fair value for forward contracts and swaps, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".

As of March 31, 2021

	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
	(Unit: million yen)				(Unit: million US dollars)			
Exchange-traded transactions:								
Currency futures:								
Sold	27,362	–	(373)	(373)	247	–	(3)	(3)
Euro / U.S. dollar	15,051	–	(126)	(126)	135	–	(1)	(1)
British pound / U.S. dollar	7,985	–	(223)	(223)	72	–	(2)	(2)
Yen / U.S. dollar	4,325	–	(24)	(24)	39	–	(0)	(0)
Over-the-counter transactions:								
Foreign currency forward contracts:								
Sold	1,165,895	–	(32,216)	(32,216)	10,531	–	(290)	(290)
U.S. dollar	589,044	–	(20,316)	(20,316)	5,320	–	(183)	(183)
Australian dollar	195,411	–	(5,244)	(5,244)	1,765	–	(47)	(47)
Euro	194,388	–	(1,152)	(1,152)	1,755	–	(10)	(10)
British pound	105,818	–	(3,802)	(3,802)	955	–	(34)	(34)
Canadian dollar	39,901	–	(1,582)	(1,582)	360	–	(14)	(14)
Others	41,331	–	(118)	(118)	373	–	(1)	(1)
Bought	565,818	–	1,639	1,639	5,110	–	14	14
U.S. dollar	318,324	–	2,366	2,366	2,875	–	21	21
Euro	153,735	–	(1,635)	(1,635)	1,388	–	(14)	(14)
British pound	48,033	–	604	604	433	–	5	5
Australian dollar	26,646	–	16	16	240	–	0	0
Canadian dollar	12,391	–	270	270	111	–	2	2
Others	6,687	–	16	16	60	–	0	0
Currency swaps:								
Receipts foreign currency, payments yen	540,477	540,477	67,965	67,965	4,881	4,881	613	613
Australian dollar	454,177	454,177	63,597	63,597	4,102	4,102	574	574
U.S. dollar	86,300	86,300	4,367	4,367	779	779	39	39
Receipts yen, payments foreign currency	27,165	27,165	(743)	(743)	245	245	(6)	(6)
U.S. dollar	27,165	27,165	(743)	(743)	245	245	(6)	(6)
Receipts foreign currency, payments foreign currency	50,242	50,242	570	570	453	453	5	5
Australian dollar / U.S. dollar	35,118	35,118	554	554	317	317	5	5
Australian dollar / Euro	15,123	15,123	16	16	136	136	0	0
Currency options:								
Sold:								
Put	108,807 [159]	–	0	158	982 [1]	–	0	1
U.S. dollar	108,807 [159]	–	0	158	982 [1]	–	0	1
Bought:								
Put	512,231 [4,631]	–	645	(3,985)	4,626 [41]	–	5	(35)
U.S. dollar	512,231 [4,631]	–	645	(3,985)	4,626 [41]	–	5	(35)
Total return swaps:								
Foreign currency index linked	176,528	176,528	3,001	3,001	1,594	1,594	27	27
Total	–	–	–	36,015	–	–	–	325

Note: 1. (1) Fair value of currency futures listed above is based on the closing exchange-traded prices and the prices quoted from counterparty financial institutions.
(2) Forward exchange rates at the end of the year are used for fair value calculation of foreign currency forward contracts.
(3) Fair value of currency swaps is calculated by discounting expected cash flows.
(4) An option pricing model is used for fair value calculation of currency options.
(5) Fair value of total return swaps is based on fair value calculated by referred index of 31 March, 2021.
2. Figures in [ ] are amounts of option premiums which are included in the consolidated balance sheet.

3. Fair value for forward contracts and swaps, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".

(2) Interest-related transactions

As of March 31, 2020

	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
	(Unit: million yen)			
Over-the-counter transactions:				
Yen interest rate swaps:				
Receipts fixed, payments floating	256,082	256,082	12,386	12,386
Receipts floating, payments fixed	45,728	45,728	(1,035)	(1,035)
Yen interest rate swaptions:				
Bought:				
Receipts fixed, payments floating	830,000	460,000		
	[18,202]	[11,993]	27,507	9,305
Receipts floating, payments fixed	1,560,000	1,110,000		
	[6,316]	[3,454]	312	(6,003)
Total	–	–	–	14,653

Note: 1. (1) Fair value of yen interest rate swaps listed above is present value of expected cash flows, discounted by the interest rates at the end of the year or the prices quoted from counterparty financial institutions.
(2) An option pricing model is used for fair value calculation of yen interest rate swaptions.
2. Figures in [ ] are amounts of option premiums which are included in the consolidated balance sheet.
3. Fair value for swaps, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".

As of March 31, 2021

	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
	(Unit: million yen)				(Unit: million US dollars)			
Over-the-counter transactions:								
Yen interest rate swaps:								
Receipts fixed, payments floating	300,467	300,467	19,714	19,714	2,714	2,714	178	178
Receipts floating, payments fixed	22,775	22,775	(217)	(217)	205	205	(1)	(1)
Yen interest rate swaptions:								
Sold								
Receipts fixed, payments floating	20,000				180			
	[236]	–	13	222	[2]	–	0	2
Bought:								
Receipts fixed, payments floating	480,000	10,000			4,335	90		
	[12,300]	[70]	1,724	(10,575)	[111]	[0]	15	(95)
Receipts floating, payments fixed	1,895,000	1,095,000			17,116	9,890		
	[9,216]	[6,243]	6,072	(3,143)	[83]	[56]	54	(28)
Total	–	–	–	5,998	–	–	–	54

Note: 1. (1) Fair value of yen interest rate swaps listed above is present value of expected cash flows, discounted by the interest rates at the end of the year or the prices quoted from counterparty financial institutions etc.
(2) Fair value of foreign currency-denominated bond forward contracts is based on the price quoted by information vendors.
2. Figures in [ ] are amounts of option premiums which are included in the consolidated balance sheet.
3. Fair value for swaps, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".

(3) Stock-related transactions

As of March 31, 2020

	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
	(Unit: million yen)			
Exchange-traded transactions:				
Yen stock index futures:				
Sold	43,843	–	(3,418)	(3,418)
Bought	3,264	–	46	46
Foreign currency-denominated stock index futures:				
Sold	164,254	–	(12,167)	(12,167)
Bought	16,071	–	560	560
Yen stock index options:				
Bought:				
Put	156,667	4,449		
	[4,917]	[562]	24,221	19,303
Foreign currency-denominated stock index options:				
Sold:				
Call	314,676	1,018		
	[15,400]	[67]	30,251	(14,850)
Put	982			
	[33]	–	14	19
Bought:				
Call	304,339	977		
	[20,899]	[90]	37,833	16,933
Put	80,363	25,548		
	[6,155]	[2,492]	5,494	(660)
Over-the-counter transactions:				
Yen stock index options:				
Bought:				
Put	5,226	1,825		
	[1,392]	[600]	331	(1,060)
Foreign currency-denominated stock index options:				
Sold:				
Call	208,869			
	[8,664]	–	16,716	(8,051)
Put	4,396			
	[149]	–	67	82
Bought:				
Call	218,868	8,285		
	[13,561]	[401]	22,860	9,299
Put	137,723	94,367		
	[15,375]	[11,449]	9,101	(6,274)
Total return swaps:				
Foreign currency-denominated stock index linked	93,065	29,870	(250)	(250)
Total	–	–	–	(489)

Note: 1. (1) Yen stock index futures, foreign currency-denominated stock index futures, yen stock index options, and foreign currency-denominated stock index options
Fair value is based on the closing exchange-traded prices and the prices quoted from counterparty financial institutions.
(2) Total return swaps
Fair value is based on the prices quoted from counterparty financial institutions.
2. Figures in [ ] are amounts of option premiums which are included in the consolidated balance sheet.
3. Fair value for forward contracts, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".

	As of March 31, 2021							
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
	(Unit: million yen)				(Unit: million US dollars)			
Exchange-traded transactions:								
Yen stock index futures:								
Sold	9,954	–	(353)	(353)	89	–	(3)	(3)
Bought	11,006	–	150	150	99	–	1	1
Foreign currency-denominated stock index futures:								
Sold	29,230	–	(464)	(464)	264	–	(4)	(4)
Bought	79,655	–	158	158	719	–	1	1
Yen stock index options:								
Bought:								
Put	277,518	3,436			2,506	31		
	[6,012]	[425]	4,441	(1,570)	[54]	[3]	40	(14)
Foreign currency-denominated stock index options:								
Sold:								
Call	444,633				4,016			
	[26,678]	–	69,555	(42,876)	[240]	–	628	(387)
Put	5,990				54			
	[443]	–	125	317	[4]	–	1	2
Bought:								
Call	427,265				3,859			
	[33,565]	–	81,166	47,600	[303]	–	733	429
Put	42,157	16,672			380	150		
	[3,012]	[1,897]	3,949	937	[27]	[17]	35	8
Over-the-counter transactions:								
Yen stock index options:								
Bought:								
Put	1,724	1,724			15	15		
	[567]	[567]	177	(389)	[5]	[5]	1	(3)
Foreign currency-denominated stock index options:								
Sold:								
Call	115,176				1,040			
	[6,619]	–	16,611	(9,991)	[59]	–	150	(90)
Put	3,338				30			
	[213]	–	68	144	[1]	–	0	1
Bought:								
Call	146,388	29,808			1,322	269		
	[10,469]	[1,521]	21,853	11,384	[94]	[13]	197	102
Put	120,948	79,643			1,092	719		
	[14,985]	[11,181]	10,632	(4,353)	[135]	[100]	96	(39)
Total return swaps:								
Foreign currency-denominated stock index linked	120,150	47,364	(1,313)	(1,313)	1,085	427	(11)	(11)
Total	–	–	–	(619)	–	–	–	(5)

Note: 1. (1) Yen stock index futures, foreign currency-denominated stock index futures, yen stock index options and foreign currency-denominated stock index options.
Fair value is based on the closing exchange-traded prices and the prices quoted from counterparty financial institutions.
(2) Total return swaps
Fair value is based on the prices quoted from counterparty financial institutions.
2. Figures in [ ] are amounts of option premiums which are included in the consolidated balance sheet.
3. Fair value for forward contracts, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".

(4) Bond-related transactions

	As of March 31, 2020		
	Notional amount/ contract value	Fair value	Gains (losses)
	(Unit: million yen)		
Exchange-traded transactions:			
Yen bond futures:			
Sold	928	13	13
Bought	67,814	(988)	(988)
Foreign currency-denominated bond futures:			
Sold	551,634	(5,761)	(5,761)
Bought	1,061,366	5,867	5,867
Over-the-counter transactions:			
Foreign currency-denominated bond forward contracts			
Sold	88,387	(1,146)	(1,146)
Bought	83,442	1,466	1,466
Yen bond OTC options:			
Sold:			
Put	37,350		
	[218]	329	(110)
Bought:			
Call	37,350		
	[205]	98	(107)
Total	–	–	(767)

Note: 1. (1) Fair value of yen bond futures is based on the closing exchange-traded prices.
(2) Fair value of foreign currency-denominated bond futures is based on the closing exchange-traded prices or the price presented by counterparty financial institutions.
(3) Fair value of foreign currency-denominated bond forward contracts is based on the price quoted by information vendors.
(4) Fair value of yen bond OTC options is based on the price calculated by the option pricing model.
2. Figures in [ ] are amounts of option premiums which are included in the consolidated balance sheet.
3. Fair value for futures and forward contracts, and differences between the option premiums paid/received and fair value of the option, are shown in "Gains (losses)".
4. There were no transactions with maturity of more than one year in the table above.

	As of March 31, 2021					
	Notional amount/ contract value	Fair value	Gains (losses)	Notional amount/ contract value	Fair value	Gains (losses)
	(Unit: million yen)			(Unit: million US dollars)		
Exchange-traded transactions:						
Yen bond futures:						
Sold	20,232	(23)	(23)	182	(0)	(0)
Bought	18,001	(13)	(13)	162	(0)	(0)
Foreign currency-denominated bond futures:						
Sold	681,030	9,766	9,766	6,151	88	88
Bought	1,160,057	(9,951)	(9,951)	10,478	(89)	(89)
Over-the-counter transactions:						
Foreign currency-denominated bond forward contracts						
Sold	41,532	137	137	375	1	1
Bought	78,944	(133)	(133)	713	(1)	(1)
Yen bond OTC options:						
Sold:						
Call	6,555			59		
	[33]	31	2	[0]	0	0
Put	36,871			333		
	[134]	35	98	[1]	0	0
Bought:						
Call	36,871			333		
	[107]	170	63	[0]	1	0
Put	6,555			59		
	[37]	32	(4)	[0]	0	(0)
Total	–	–	(58)	–	–	(0)

Note: 1. (1) Fair value of yen bond futures is based on the closing exchange-traded prices.
(2) Fair value of foreign currency-denominated bond futures is based on the closing exchange-traded prices or the price presented by counterparty financial institutions.
(3) Fair value of foreign currency-denominated bond forward contracts is based on the price quoted by information vendors.
(4) Fair value of yen bond OTC options is based on the price quoted by information vendors.
2. Figures in [ ] are amounts of option premiums which are included in the consolidated balance sheet.
3. Fair value for futures and forward contracts, and differences between the option premiums paid/received and fair value of the option, are shown in "Gains (losses)".
4. There were no transactions with maturity of more than one year in the table above.

(5) Others

	As of March 31, 2020			
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
	(Unit: million yen)			
Over-the-counter transactions:				
Credit default swaps:				
Sold protection	50,739	40,239	416	416
Bought protection	40,066	40,066	44	44
Others:				
Embedded derivatives	1,839,326	1,839,326	(126,599)	(126,599)
Total	–	–	–	(126,138)

Note: 1. Embedded derivatives are guaranteed minimum portion and others of variable annuity products, which are classified as embedded derivatives by certain overseas subsidiaries under local accounting standards.
2. Fair value listed above is based on the present value of estimated future cash flows.
3. Fair value is shown in "Gains (losses)".

	As of March 31, 2021							
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
	(Unit: million yen)				(Unit: million US dollars)			
Over-the-counter transactions:								
Credit default swaps:								
Sold protection	46,763	45,763	754	754	422	413	6	6
Bought protection	11,300	11,300	(215)	(215)	102	102	(1)	(1)
Others:								
Embedded derivatives	1,878,646	1,878,646	(201,337)	(201,337)	16,969	16,969	(1,818)	(1,818)
Total	–	–	–	(200,799)	–	–	–	(1,813)

Note: 1. Embedded derivatives are guaranteed minimum portion and others of variable annuity products, which are classified as embedded derivatives by certain overseas subsidiaries under local accounting standards.
2. Fair value listed above is based on the present value of estimated future cash flows.
3. Fair value is shown in "Gains (losses)".

2. Derivative Transactions (Hedge Accounting Applied)

(1) Currency-related transactions

	As of March 31, 2020		
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value
	(Unit: million yen)		
Deferral hedge:			
Currency swaps to hedge foreign currency-denominated bonds:			
Receipts yen, payments foreign currency	230,320	212,466	4,725
U.S. dollar	148,990	133,183	59
Euro	69,227	67,181	3,376
British pound	12,101	12,101	1,289
Currency swaps to hedge foreign currency risks associated with funding agreement:			
Receipts foreign currency, payments foreign currency	12,838	12,838	(1,246)
Norway krone / U.S. dollar	12,838	12,838	(1,246)
Fair value hedge:			
Foreign currency forward contracts to hedge foreign currency-denominated bonds:			
Sold	5,430,501	–	31,536
U.S. dollar	2,599,200	–	(63,756)
Euro	1,559,276	–	(2,621)
Australian dollar	374,676	–	36,802
British pound	286,852	–	15,306
Canadian dollar	91,583	–	6,221
Others	518,912	–	39,582
Bought	226,362	–	(9,507)
British pound	136,055	–	(5,176)
U.S. dollar	3,316	–	9
Euro	718	–	2
Others	86,272	–	(4,342)
Foreign currency forward contracts, etc., allocated to and/or combined with corresponding hedged items:			
Foreign currency forward contracts to hedge foreign currency-denominated term deposits:			
Sold	239,165	–	(*1)
U.S. dollar	89,727	–	(*1)
Others	149,437	–	(*1)
Currency swaps to hedge foreign currency-denominated bonds payable and loans:			
Receipts foreign currency, payments yen	476,277	476,277	(*2)
Foreign currency-denominated bonds payable:			
U.S. dollar	476,277	476,277	(*2)
Receipts yen, payments foreign currency	32,605	32,605	(*2)
Foreign currency-denominated loans:			
U.S. dollar	26,641	26,641	(*2)
Euro	5,964	5,964	(*2)

Note: (1) Fair value of currency swaps is calculated by discounting expected cash flows or the price presented by counterparty financial institutions.
(*2) As foreign currency swaps which apply the currency allotment method are accounted for as combined with foreign currency-denominated bonds payable and loans as hedged items, their fair value is included in the fair value of such foreign currency-denominated bonds payable and loans.
(2) Forward exchange rates at the end of the year are used for fair value calculation of foreign currency forward contracts.
(*1) As foreign currency forward contracts which apply the currency allotment method are accounted for as combined with foreign currency-denominated term deposits as hedged items, their fair value is included in the fair value of such foreign currency-denominated term deposits.

	As of March 31, 2021					
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value
	(Unit: million yen)			(Unit: million US dollars)		
Deferral hedge:						
Currency swaps to hedge foreign currency-denominated bonds:						
Receipts yen, payments foreign currency	196,770	185,116	(7,530)	1,777	1,672	(68)
U.S. dollar	114,235	108,781	(3,676)	1,031	982	(33)
Euro	70,488	64,288	(3,478)	636	580	(31)
British pound	12,046	12,046	(375)	108	108	(3)
Currency swaps to hedge foreign currency risks associated with funding agreement:						
Receipts foreign currency, payments foreign currency	12,127	12,127	(1,054)	109	109	(9)
Norway krone / U.S. dollar	12,127	12,127	(1,054)	109	109	(9)
Fair value hedge:						
Foreign currency forward contracts to hedge foreign currency-denominated bonds:						
Sold	6,454,969	–	(306,980)	58,305	–	(2,772)
U.S. dollar	3,160,414	–	(177,109)	28,546	–	(1,599)
Euro	1,344,897	–	(42,286)	12,147	–	(381)
Australian dollar	835,833	–	(43,597)	7,549	–	(393)
Canadian dollar	344,654	–	(24,746)	3,113	–	(223)
British pound	162,460	–	(3,242)	1,467	–	(29)
Others	606,709	–	(15,997)	5,480	–	(144)
Bought	11,563	–	285	104	–	2
U.S. dollar	7,928	–	229	71	–	2
Australian dollar	3,585	–	53	32	–	0
Canadian dollar	49	–	1	0	–	0
Foreign currency forward contracts, etc., allocated to and/or combined with corresponding hedged items:						
Foreign currency forward contracts to hedge foreign currency-denominated term deposits:						
Sold	242,002	–	(*1)	2,185	–	(*1)
U.S. dollar	92,002	–	(*1)	831	–	(*1)
Others	150,000	–	(*1)	1,354	–	(*1)
Currency swaps to hedge foreign currency-denominated bonds payable and loans:						
Receipts foreign currency, payments yen	476,277	368,715	(*2)	4,302	3,330	(*2)
Foreign currency-denominated bonds payable:						
U.S. dollar	476,277	368,715	(*2)	4,302	3,330	(*2)
Receipts yen, payments foreign currency	30,366	30,366	(*2)	274	274	(*2)
Foreign currency-denominated loans:						
U.S. dollar	25,594	25,594	(*2)	231	231	(*2)
Euro	4,771	4,771	(*2)	43	43	(*2)

Note: (1) Fair value of currency swaps is calculated by discounting expected cash flows or the price presented by counterparty financial institutions.
(*2) As foreign currency swaps which apply the currency allotment method are accounted for as combined with foreign currency-denominated bonds payable and loans as hedged items, their fair value is included in the fair value of such foreign currency-denominated bonds payable and loans.
(2) Forward exchange rates at the end of the year are used for fair value calculation of foreign currency forward contracts.
(*1) As foreign currency forward contracts which apply the currency allotment method are accounted for as combined with foreign currency-denominated term deposits as hedged items, their fair value is included in the fair value of such foreign currency-denominated term deposits.

(2) Interest-related transactions

	As of March 31, 2020		
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value
	(Unit: million yen)		
Deferral hedge:			
Yen interest rate swaps to hedge loans and insurance liabilities:			
Receipts fixed, payments floating	714,350	714,350	42,388
Yen interest rate swaps to hedge foreign currency risks associated with funding agreement:			
Receipts floating, payments fixed	38,346	–	–
Special hedge accounting:			
Yen interest rate swaps to hedge loans:			
Receipts fixed, payments floating	15,300	12,300	167
Yen interest rate swaps to hedge loans payable:			
Receipts floating, payments fixed	283,000	144,000	(1,708)

Note: Fair value listed above is present values of expected cash flows, discounted by the interest rates at the end of the fiscal year or the prices quoted from counterparty financial institutions.

	As of March 31, 2021					
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value
	(Unit: million yen)			(Unit: million US dollars)		
Deferral hedge:						
Yen interest rate swaps to hedge loans and insurance liabilities:						
Receipts fixed, payments floating	714,250	714,250	19,072	6,451	6,451	172
Special hedge accounting:						
Yen interest rate swaps to hedge loans:						
Receipts fixed, payments floating	12,300	8,300	124	111	74	1
Yen interest rate swaps to hedge loans payable:						
Receipts floating, payments fixed	325,000	325,000	(746)	2,935	2,935	(6)

Note: Fair value listed above is based on the price quoted by information vendors.

XIII. EMPLOYEES' RETIREMENT BENEFITS

1. Overview of Employees' Retirement Benefit Plan of the Group

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

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

2. Defined Benefit Plans

(1) Reconciliations of beginning and ending balances of projected benefit obligations

	Year ended March 31,		
	2020	2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Beginning balance of the projected benefit obligations	728,569	727,391	6,570
Service cost	28,709	27,449	247
Interest cost	3,490	3,164	28
Accruals of actuarial (gains) and losses	3,816	10,617	95
Payment of retirement benefits	(34,678)	(35,701)	(322)
Accruals of past service cost	(958)	2,160	19
Others	(1,556)	(3,268)	(29)
Ending balance of the projected benefit obligation	727,391	731,812	6,610

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

(2) Reconciliations of beginning and ending balances of pension assets

	Year ended March 31,		
	2020	2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Beginning balance of pension assets	306,222	286,517	2,587
Estimated return on assets	3,806	3,717	33
Accruals of actuarial (gains) and losses	(19,009)	30,736	277
Contributions from the employer	8,962	7,971	71
Payment of retirement benefits	(13,098)	(13,829)	(124)
Others	(365)	(1,847)	(16)
Ending balance of pension assets	286,517	313,266	2,829

(3) Reconciliations of year-end balance of projected benefit obligations and pension assets, and net defined benefit liabilities and assets that have been recorded in the consolidated balance sheet

	Year ended March 31,		
	2020	2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Projected benefit obligation for funded pensions	404,390	404,880	3,657
Pension assets	(286,517)	(313,266)	(2,829)
	117,873	91,614	827
Projected benefit obligation for unfunded pensions	323,001	326,932	2,953
Net of assets and liabilities recorded in the consolidated balance sheet	440,874	418,546	3,780
Net defined benefit liabilities	440,874	418,546	3,780
Net defined benefit assets	–		
Net of assets and liabilities recorded in the consolidated balance sheet	440,874	418,546	3,780

(4) Amount of the components of retirement benefit expenses

	Year ended March 31, 2020	Year ended March 31, 2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Service cost	28,709	27,449	247
Interest cost	3,490	3,164	28
Expected return on assets	(3,806)	(3,717)	(33)
Expense of actuarial (gains) and losses	(797)	5,972	53
Amortization of past service cost	–	(136)	(1)
Others	190	587	5
Retirement benefit expenses for defined benefit plans	27,787	33,318	300

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

(5) Remeasurements of defined benefit plans

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

	Year ended March 31, 2020	Year ended March 31, 2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Past service cost	958	(2,297)	(20)
Actuarial gains (losses)	(23,728)	26,611	240
Total	(22,770)	24,314	219

(6) Accumulated remeasurements of defined benefit plans

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

	Year ended March 31, 2020	Year ended March 31, 2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Unrecognized past service cost	(958)	1,339	12
Unrecognized actuarial gains (losses)	38,540	11,877	107
Total	37,582	13,216	119

(7) Pension assets

a) The main components of the pension assets

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

	Year ended March 31, 2020	Year ended March 31, 2021
Stocks	54%	69%
Assets under joint management	23%	14%
Bonds	12%	6%
Life insurance general account	4%	4%
Others	7%	7%
Total	100%	100%

Note: The proportion of retirement benefit trust to total pension assets that has been set for the unfunded retirement benefit plans as of March 31, 2020 and 2021 were 45% and 47%, respectively.

b) The method of setting the expected long-term rate of return on pension assets

To determine the expected long-term rate of return on pension assets, the consolidated subsidiaries have taken into account the allocation of pension assets at present and in future, and long-term rate of return on a variety of assets that make up the pension assets at present and in future.

(8) Calculation basis of actuarial gains and losses

Major assumptions of basis of actuarial calculation as of the fiscal year-end were as follows:

	Year ended March 31, 2020	Year ended March 31, 2021
Discount rate	0.30 to 3.12%	0.30 to 2.55%
Expected long-term rate of return		
Defined benefit corporate pension	1.40 to 7.00%	1.40 to 7.00%
Employee pension trust	0.00%	0.00%

3. Defined Contribution Plans

Required amounts of contribution to defined contribution plans of consolidated subsidiaries for the fiscal years ended March 31, 2020 and 2021 were ¥2,552 million and ¥2,586 million (US$23 million), respectively.

XIV. STOCK OPTIONS

1. Details of the Stock Options Granted

(1) Details of the stock options

	The Dai-ichi Life Insurance Company, Limited 1st Series of Stock Acquisition Rights	The Dai-ichi Life Insurance Company, Limited 2nd Series of Stock Acquisition Rights	The Dai-ichi Life Insurance Company, Limited 3rd Series of Stock Acquisition Rights
Granted persons	10 directors (except outside directors) and 16 executive officers of the Company	11 directors (except outside directors) and 16 executive officers of the Company	11 directors (except outside directors) and 17 executive officers of the Company
Class and total number (*1)	169,800 shares of common stock	318,700 shares of common stock	183,700 shares of common stock
Grant date	August 16, 2011	August 16, 2012	August 16, 2013
Vesting conditions	The acquisition rights are vested on the above grant date.	The acquisition rights are vested on the above grant date.	The acquisition rights are vested on the above grant date.
Service period covered	N/A	N/A	N/A
Exercise period (*2)	From August 17, 2011 to August 16, 2041	From August 17, 2012 to August 16, 2042	From August 17, 2013 to August 16, 2043

	The Dai-ichi Life Insurance Company, Limited 4th Series of Stock Acquisition Rights	The Dai-ichi Life Insurance Company, Limited 5th Series of Stock Acquisition Rights	Dai-ichi Life Holdings, Inc. 1st Series of Stock Acquisition Rights
Granted persons	11 directors (except outside directors) and 17 executive officers of the Company	11 directors (except outside directors) and 18 executive officers of the Company	10 directors (except directors serving as Audit & Supervisory Committee members and outside directors) and 15 executive officers of the Company, and 38 directors, etc. of the Company's subsidiaries
Class and total number (*1)	179,000 shares of common stock	110,600 shares of common stock	269,600 shares of common stock
Grant date	August 18, 2014	August 17, 2015	October 18, 2016
Vesting conditions	The acquisition rights are vested on the above grant date.	The acquisition rights are vested on the above grant date.	The acquisition rights are vested on the above grant date.
Service period covered	N/A	N/A	N/A
Exercise period (*2)	From August 19, 2014 to August 18, 2044	From August 18, 2015 to August 17, 2045	From October 19, 2016 to October 18, 2046

	Dai-ichi Life Holdings, Inc. 2nd Series of Stock Acquisition Rights
Granted persons	6 directors (except directors serving as Audit & Supervisory Committee members and outside directors) and 15 executive officers of the Company, and 37 directors, etc. of the Company's subsidiaries
Class and total number (*1)	215,800 shares of common stock
Grant date	August 24, 2017
Vesting conditions	The acquisition rights are vested on the above grant date.
Service period covered	N/A
Exercise period (*2)	From August 25, 2017 to August 24, 2047

(*1) It has been described in terms of the number of shares. The Company conducted a 1:100 share split on October 1, 2013. It is translated into the number of shares that takes into account the share split.

(*2) A granted person can exercise stock acquisition rights only within 10 days from the day on which she/he loses status as any of a director (except director serving as Audit & Supervisory Committee member) or an executive officer of the Company, DL, DFLI and Neo First Life. For stock options granted before the shift to a holding company structure, the terms and conditions for the exercise period have been changed due to the shift to a holding company structure effective on October 1, 2016.

(2) Figures relating to the stock options

The following table covers stock options which existed during the fiscal year ended March 31, 2020 and the total number of stock options is translated to the number of shares of common stock.

a) Number of the stock options (shares)

	The Dai-ichi Life Insurance Company, Limited		
	1st Series of Stock Acquisition Rights	2nd Series of Stock Acquisition Rights	3rd Series of Stock Acquisition Rights
Before vesting			
Outstanding at the end of prior fiscal year	–	–	–
Granted	–	–	–
Forfeited	–	–	–
Vested	–	–	–
Outstanding at the end of the fiscal year	–	–	–
After vesting			
Outstanding at the end of prior fiscal year	49,800	117,200	81,700
Vested	–	–	–
Exercised	13,000	23,700	15,200
Forfeited	–	–	–
Outstanding at the end of the fiscal year	36,800	93,500	66,500

	The Dai-ichi Life Insurance Company, Limited		Dai-ichi Life Holdings, Inc.
	4th Series of Stock Acquisition Rights	5th Series of Stock Acquisition Rights	1st Series of Stock Acquisition Rights
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	88,200	70,300	190,900
Vested	–	–	–
Exercised	14,600	8,900	27,300
Forfeited	–	–	–
Outstanding at the end of the fiscal year	73,600	61,400	163,600

	Dai-ichi Life Holdings, Inc.
	2nd Series of Stock Acquisition Rights
Before vesting	
Outstanding at the end of prior fiscal year	–
Granted	–
Forfeited	–
Vested	–
Outstanding at the end of the fiscal year	–
After vesting	
Outstanding at the end of prior fiscal year	180,700
Vested	–
Exercised	10,100
Forfeited	–
Outstanding at the end of the fiscal year	170,600

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

b) Price information

	The Dai-ichi Life Insurance Company, Limited		
	1st Series of Stock Acquisition Rights	2nd Series of Stock Acquisition Rights	3rd Series of Stock Acquisition Rights
Exercise price	¥1 per stock option	¥1 per stock option	¥1 per stock option
Average stock price at the time of exercise	¥1,358 (US$12)	¥1,358 (US$12)	¥1,358 (US$12)
Fair value at the grant date	¥885 (US$7)	¥766 (US$6)	¥1,300 (US$11)

	The Dai-ichi Life Insurance Company, Limited		Dai-ichi Life Holdings, Inc.
	4th Series of Stock Acquisition Rights	5th Series of Stock Acquisition Rights	1st Series of Stock Acquisition Rights
Exercise price	¥1 per stock option	¥1 per stock option	¥1 per stock option
Average stock price at the time of exercise	¥1,358 (US$12)	¥1,358 (US$12)	¥1,463 (US$13)
Fair value at the grant date	¥1,366 (US$12)	¥2,318 (US$20)	¥1,344 (US$12)

	Dai-ichi Life Holdings, Inc.
	2nd Series of Stock Acquisition Rights
Exercise price	¥1 per stock option
Average stock price at the time of exercise	¥1,565 (US$14)
Fair value at the grant date	¥1,568 (US$14)

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.

XV. DEFERRED TAX ACCOUNTING

1. Major Components of Deferred Tax Assets and Liabilities

	As of March 31, 2020	As of March 31, 2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Deferred tax assets:			
Policy reserves and others	501,246	505,943	4,569
Net defined benefits liabilities	155,080	147,069	1,328
Reserve for price fluctuations	67,250	73,860	667
Tax losses carried forward	68,621	54,678	493
Others	84,305	67,407	608
Subtotal of deferred tax assets	876,506	848,959	7,668
Valuation allowance on tax losses carried forward	(64,956)	(52,360)	(472)
Valuation allowance on total deductible temporary differences	(40,103)	(55,742)	(503)
Subtotal of valuation allowance	(105,060)	(108,102)	(976)
Total	771,445	740,856	6,691
Deferred tax liabilities:			
Net unrealized gains (losses) on securities, net of tax	(857,714)	(1,122,319)	(10,137)
Other intangible fixed assets	(71,488)	(67,525)	(609)
Evaluation difference related to business combination	(54,115)	(29,241)	(264)
Others	(72,410)	(68,143)	(615)
Total	(1,055,729)	(1,287,229)	(11,627)
Net deferred tax assets (liabilities)	(284,283)	(546,373)	(4,935)

Note: 1. Tax loss carried forward and the deferred tax assets by carry forward period as follows:

As of March 31, 2020

(Unit: million yen)

	Within 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years	Total
Tax losses carried forward (*1)	303	21	20	24	798	67,453	68,621
Valuation allowance	(294)	(4)	(3)	(3)	(791)	(63,859)	(64,956)
Deferred tax assets	9	17	16	21	6	3,594	(*2) 3,665

(*1) Tax loss carried forward is calculated by multiplying statutory effective tax rate.
(*2) Deferred tax assets of ¥3,665 million are recorded for tax losses carried forward of ¥68,621 million (calculated using the statutory effective tax rate). They are deemed to be recoverable as it is expected that there will be taxable income in the future.

As of March 31, 2021

(Unit: million yen)

	Within 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years	Total
Tax losses carried forward (*1)	26	17	16	800	1,383	52,433	54,678
Valuation allowance	(6)	(2)	(2)	(791)	(1,378)	(50,179)	(52,360)
Deferred tax assets	20	14	14	9	5	2,254	(*2) 2,318

(Unit: million US dollars)

	Within 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years	Total
Tax losses carried forward (*1)	0	0	0	7	12	473	493
Valuation allowance	(0)	(0)	(0)	(7)	(12)	(453)	(472)
Deferred tax assets	0	0	0	0	0	20	(*2) 20

(*1) Tax loss carried forward is calculated by multiplying statutory effective tax rate.
(*2) Deferred tax assets of ¥2,318 million (US$20 million) are recorded for tax losses carried forward of ¥54,678 million (US$493 million) (calculated using the statutory effective tax rate). They are deemed to be recoverable as it is expected that there will be taxable income in the future.

2. The Principal Reasons for the Difference between the Statutory Effective Tax Rate and Actual Effective Tax Rate after Considering Deferred Taxes

	As of March 31, 2020	As of March 31, 2021
Statutory effective tax rate	30.62%	30.62%
(Adjustments)		
Difference in tax rate of subsidiaries	(8.57)	(3.12)
Increase (decrease) in valuation allowance	31.92	(2.94)
Others	13.99	0.06
Actual effective tax rate after considering deferred taxes	67.97	24.61

XVI. ASSET RETIREMENT OBLIGATIONS

1. Overview of Asset Retirement Obligations

The note is omitted because the balance of the asset retirement obligations as of the beginning and that as of the end of the current fiscal year were 1% or less than the total balance of the liabilities and the net assets as of the beginning and that as of the end of the current fiscal year, respectively.

XVII. REAL ESTATE FOR RENT

Certain domestic consolidated subsidiary owns a number of commercial buildings, including land, for rent in various locations including Tokyo. Net rental income from such real estate for rent for the fiscal year ended March 31, 2020 and 2021 were ¥36,821 million and ¥35,836 million (US$323 million), respectively. The rental income was included in investment income and the rental expense was included in investment expenses. Impairment losses on rental real estate as extraordinary losses for the fiscal year ended March 31, 2020 and 2021 were ¥2,481 million and ¥2,528 million (US$22 million), respectively. Losses on sale of rental real estate as extraordinary losses was ¥7,386 million for the fiscal year ended March 31, 2020.Gains on sale of rental real estate as extraordinary gains was ¥2,548 million (US$23 million) for the fiscal year ended March 31, 2021.

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

	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2021
	(Unit: million yen)		(Unit: million US dollars)
Carrying amount:			
Beginning balance	814,908	788,201	7,119
Net change during year	(26,707)	(814)	(7)
Ending balance	788,201	787,387	7,112
Market value	1,040,527	1,056,203	9,540

Note: 1. The carrying amount of rental real estate on the consolidated balance sheet was acquisition costs net of accumulated depreciation and impairments.
2. Net change in carrying amount included cost of acquisition of the real estate of ¥29,412 million, sale of the real estate of ¥45,125 million, depreciation expense of ¥13,049 million, impairment loss of ¥2,481 million, during the fiscal year ended March 31, 2020.
Net change in carrying amount included cost of acquisition of the real estate of ¥30,668 million (US$277 million), sale of the real estate of ¥19,468 million (US$175 million), depreciation expense of ¥13,165 million (US$118 million), impairment loss of ¥2,528 million (US$22 million), during the fiscal year ended March 31, 2021.
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.

XVIII. SEGMENT INFORMATION AND OTHERS

1. Segment Information

(1) Overview of reportable segments

The reportable segments of the Company are components of the Company about which separate financial information is available. The segments are subject to periodic review to enable the Company's Board of Directors to decide on allocation of business resources and evaluate business performance.

The Company is a holding company which manages life insurance companies in Japan and elsewhere as well as other subsidiaries and affiliated companies. These companies are subject to regulations of the Insurance Business Act. The Company's operations are therefore segmented based on the operations of its subsidiaries and affiliated companies and the Company's three reportable segments are the Domestic Life Insurance Business, the Overseas Insurance Business, and Other Business.

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

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

The method of accounting for the reportable segments is the same as that described in "Principles of Consolidation". Figures for reportable segment profit are based on ordinary profit.

Intersegment revenue is based on market prices.

(3) Information on ordinary revenues, income or loss, assets and liabilities, and others by reportable segment

For the fiscal year ended March 31, 2020:

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

Note: 1. Ordinary revenues, instead of sales, are presented here.
2. Adjusted amounts were as follows.
a) Adjustment for ordinary revenues of ¥(618,692) million was mainly related to ordinary revenues including other ordinary revenues of ¥541,163 million and derivative transaction gains of ¥51,944 million reconciled to provision for policy reserves and derivative transaction losses in the Consolidated Statement of Earnnings.
b) Adjustment for segment income (loss) of ¥(167,217) million was mainly related to elimination of dividend income from subsidiaries and affiliated companies.
c) Adjustment for segment assets of ¥(1,575,016) million was mainly related to elimination of stocks of subsidiaries and affiliated companies.
d) Adjustment for segment liabilities of ¥(60,532) million was mainly related to elimination of intersegment receivables and payables.
e) Adjustment for others was mainly related to elimination of intersegment transactions.
3. Equity in income (loss) of affiliates included one-time amortization of goodwill of ¥(48,545) million on affiliated company under the equity method.
4. Segment income is reconciled with Ordinary profit booked in the Consolidated Statement of Earnings.

For the fiscal year ended March 31, 2021:

	Reportable Segment				Adjustments (Note 2)	Amount on consolidated financial statements (Note 3)
	Domestic Life Insurance Business	Overseas Insurance Business	Other Business	Total		
			(Unit: million yen)			
Ordinary revenues (Note 1)	6,145,157	1,858,044	11,500	8,014,702	(186,895)	7,827,806
Intersegment transfers	36,077	10,130	181,992	228,200	(228,200)	–
Total	6,181,235	1,868,175	193,493	8,242,903	(415,096)	7,827,806
Segment income (loss)	474,296	73,005	177,745	725,048	(172,187)	552,861
Segment assets	48,978,484	14,329,028	2,347,968	65,655,481	(2,061,775)	63,593,705
Segment liabilities	45,490,141	12,931,882	542,841	58,964,865	(178,288)	58,786,576
Other relevant information						
Depreciation of real estate for rent and others	13,171	17	–	13,188	–	13,188
Depreciation	39,989	15,962	134	56,086	–	56,086
Amortization of goodwill	–	4,039	–	4,039	–	4,039
Interest and dividend income	1,016,947	330,981	173,337	1,521,267	(173,401)	1,347,865
Interest expenses	12,372	19,332	2,848	34,554	(1,077)	33,476
Equity in income (loss) of affiliates	–	1,572	9,071	10,643	–	10,643
Extraordinary gains	5,469	15	34,994	40,480	–	40,480
Extraordinary losses	33,224	76	–	33,301	–	33,301
(Impairment losses)	(2,552)	(–)	(–)	(2,552)	(–)	(2,552)
Taxes	100,853	18,614	(704)	118,763	–	118,763
Investments in affiliated companies	–	53,817	35,486	89,304	–	89,304
Increase in tangible fixed assets and intangible fixed assets	76,562	4,075	6	80,643	–	80,643

	Reportable Segment				Adjustments (Note 2)	Amount on consolidated financial statements (Note 3)
	Domestic Life Insurance Business	Overseas Insurance Business	Other Business	Total		
			(Unit: million US dollars)			
Ordinary revenues (Note 1)	55,506	16,782	103	72,393	(1,688)	70,705
Intersegment transfers	325	91	1,643	2,061	(2,061)	–
Total	55,832	16,874	1,747	74,454	(3,749)	70,705
Segment income (loss)	4,284	659	1,605	6,549	(1,555)	4,993
Segment assets	442,403	129,428	21,208	593,040	(18,623)	574,416
Segment liabilities	410,894	116,808	4,903	532,606	(1,610)	530,996
Other relevant information						
Depreciation of real estate for rent and others	118	0	–	119	–	119
Depreciation	361	144	1	506	–	506
Amortization of goodwill	–	36	–	36	–	36
Interest and dividend income	9,185	2,989	1,565	13,741	(1,566)	12,174
Interest expenses	111	174	25	312	(9)	302
Equity in income (loss) of affiliates	–	14	81	96	–	96
Extraordinary gains	49	0	316	365	–	365
Extraordinary losses	300	0	–	300	–	300
(Impairment losses)	(23)	(–)	(–)	(23)	(–)	(23)
Taxes	910	168	(6)	1,072	–	1,072
Investments in affiliated companies	–	486	320	806	–	806
Increase in tangible fixed assets and intangible fixed assets	691	36	0	728	–	728

Note: 1. Ordinary revenues, instead of sales, are presented here.
2. Adjusted amounts were as follows.
a) Adjustment for ordinary revenues of ¥(186,895) million (US$(1,688) million) was mainly related to ordinary revenues including derivative transaction gains of ¥122,761 million (US$1,108 million) and ordinary expenses including foreign exchange losses of ¥34,552 million (US$312 million) reconciled to derivative transaction losses and foreign exchange gains in the Consolidated Statement of Earnings.
b) Adjustment for segment income (loss) of ¥(172,187) million (US$(1,555) million) was mainly related to elimination of dividend income from subsidiaries and affiliated companies.
c) Adjustment for segment assets of ¥(2,061,775) million (US$(18,623) million) was mainly related to elimination of stocks of subsidiaries and affiliated companies.
d) Adjustment for segment liabilities of ¥(178,288) million (US$ (1,610) million) was mainly related to elimination of intersegment receivables and payables.
e) Adjustment for others was mainly related to elimination of intersegment transactions.
3. Segment income(loss) is reconciled with Ordinary profit booked in the Consolidated Statement of Earnings.

2. Other Related Information

For the fiscal year ended March 31, 2020:

(1) Product (Service) Segment Information

	Year ended March 31, 2020
	(Unit: million yen)
Premium and other income	
Domestic Life Insurance Business	3,844,945
Overseas Insurance Business	1,040,461
Other Business	–
Total	4,885,407

(2) Geographic Segment Information

a) Ordinary Revenues

	Year ended March 31, 2020
	(Unit: million yen)
Ordinary revenues	
Japan	5,096,081
United States of America	1,399,839
Other Areas	618,178
Total	7,114,099

Note: 1. Ordinary revenues, instead of sales, are presented here.
2. Geographic area is classified into "Japan," "United States of America" or "Other Areas" mainly based on locations of customers.

b) Tangible fixed assets

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

(3) Major Customer Information

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

For the fiscal year ended March 31, 2021:

(1) Product (Service) Segment Information

	Year ended March 31, 2021	
	(Unit: million yen)	(Unit: million US dollars)
Premium and other income		
Domestic Life Insurance Business	3,577,998	32,318
Overseas Insurance Business	1,152,302	10,408
Other Business	–	–
Total	4,730,301	42,726

(2) Geographic Segment Information

a) Ordinary Revenues

	Year ended March 31, 2021	
	(Unit: million yen)	(Unit: million US dollars)
Ordinary revenues		
Japan	5,493,689	49,622
United States of America	1,256,877	11,352
Other Areas	1,077,239	9,730
Total	7,827,806	70,705

Note: 1. Ordinary revenues, instead of sales, are presented here.
2. Based on the location of customers,ordinary revenues are classified by country or region.

b) Tangible fixed assets

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

(3) Major Customer Information

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

3. Impairment Losses on Fixed Assets by Reporting Segment

For the fiscal years ended March 31, 2020 and 2021

The information on impairment losses on fixed assets by reporting segment has been omitted as it is explained in the segment information section.

4. Amortization of Goodwill and Unamortized Amount of Goodwill by Reporting Segment

For the fiscal year ended March 31, 2020:

	Year ended March 31, 2020	
	(Unit: million yen)	
	Amortization of goodwill	Unamortized amount of goodwill
Domestic Life Insurance Business	–	–
Overseas Insurance Business	3,459	39,497
Other Business	–	–
Total	3,459	39,497

For the fiscal year ended March 31, 2021:

	Year ended March 31, 2021			
	(Unit: million yen)		(Unit: million US dollars)	
	Amortization of goodwill	Unamortized amount of goodwill	Amortization of goodwill	Unamortized amount of goodwill
Domestic Life Insurance Business	–	–	–	–
Overseas Insurance Business	4,039	42,696	36	385
Other Business	–	–	–	–
Total	4,039	42,696	36	385

5. Gain on Negative Goodwill by Reporting Segment

For the fiscal years ended March 31, 2020 and 2021

Not applicable

6. Related Party Transactions

For the fiscal years ended March 31, 2020 and 2021

There are no significant transactions to be disclosed.

XIX. PER SHARE INFORMATION

	As of / Year ended March 31,		
	2020	2021	2021
	(Unit: yen)		(Unit: US dollars)
Net assets per share	3,344.23	4,329.08	39.10
Net income per share	28.53	325.61	2.94
Diluted net income per share	28.51	325.41	2.93

Note: 1. Underlying basis for the calculation of the net income per share and the diluted net income per share was as follows:

	Year ended March 31,		
	2020	2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Net income per share			
Net income attributable to shareholders of parent company	32,433	363,777	3,285
Net income attributable to other than shareholders of common stock	–	–	–
Net income attributable to shareholders of common stock	32,433	363,777	3,285
Average number of common stock outstanding	1,136,702 thousand shares	1,117,211 thousand shares	1,117,211 thousand shares
Diluted net income per share			
Adjustments to net income	–	–	
Increase in the number of common stock	782 thousand shares	691 thousand shares	691 thousand shares
[Increase in the number of common stock attributable to subscription rights to shares]	[782 thousand shares]	[691 thousand shares]	[691 thousand shares]
Outline of the dilutive shares which are not counted in the basis of calculation of diluted net income per share because they do not have dilutive effect	–	–	–

Note: 2. Underlying basis for the calculation of the net assets per share was as follows:

	As of March 31,		
	2020	2021	2021
	(Unit: million yen)		(Unit: million US dollars)
Net assets	3,776,918	4,807,129	43,420
Adjustments	(1,063)	(920)	(8)
Subscription rights to shares	(1,063)	(920)	(8)
Net assets attributable to common stock	3,775,854	4,806,208	43,412
Number of outstanding common stock	1,129,064 thousand shares	1,110,214 thousand shares	1,110,214 thousand shares

Note: 3. As described in the "Changes in Accounting Policies", ASU No. 2016-13 - Financial Instruments - Measurement of Credit Losses on Financial Instruments was adopted from the fiscal year ended March 31, 2021 and this update applied on a modified retrospective basis.
As a result, net assets per share was decreased ¥23.71 (US$0.21) during the fiscal year ended March 31, 2021. Net income per share and diluted net income per share were decreased ¥10.76 (US$0.09) and ¥10.75 (US$0.09) during the fiscal year ended March 31, 2021.

4. For the calculation of net income per share, the treasury stock which includes shares held by "the Stock Granting Trust (J-ESOP)" was excluded from the average number of common shares outstanding. The average number of treasury stocks during the year ended March 31, 2020 and 2021 was 4,097 thousand shares and 3,991 thousand shares, respectively. For the calculation of net assets per share, the treasury stock which includes shares held by the J-ESOP was excluded from the total number of issued and outstanding shares. The number of treasury stocks as of March 31, 2020 and 2021 was 4,068 thousand shares and 3,942 thousand shares, respectively.

XX. SUBSEQUENT EVENTS

The board of directors of the Company has resolved, at its meeting held on March 31, 2021, to repurchase the Company's shares under the provision of Article 156 of the Companies Act of Japan, as applied pursuant to Article 165, Paragraph 3 of the same, and the Company repurchased the Company's shares, as follows.

In addition, we hereby cancelled 82,000,000 shares of treasury stock the Company held on May 31, 2021.

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

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

(2) Details of the Repurchase

a) Class of shares to be repurchased
Shares of common stock

b) Aggregate number of shares to be repurchased
Up to 170,000,000 shares (15.25% of the total issued and outstanding shares excluding treasury stock)

c) Aggregate price of shares to be repurchased
Up to ¥200 billion (US$1,806 million)

d) Period of repurchase of shares
From April 1, 2021 to March 31, 2022

e) Method of repurchase of shares
Open-market repurchase by the discretionary trading method

(3) Details of the share repurchases made by July 31, 2021 as approved by the board of directors on March 31, 2021 are as follows.

a) Number of shares repurchased
19,210,000 shares

b) Aggregate number of shares to be repurchased
¥41,548,167,100 (US$375 million)

XXI. (Unaudited) QUARTERLY INFORMATION

	Three months ended June 30, 2020	Six months ended September 30, 2020	Nine months ended December 31, 2020	Year ended March 31, 2021
Ordinary revenues (million yen)	1,791,356	3,363,159	5,085,037	7,827,806
Income before income taxes (million yen)	54,158	113,015	221,654	482,540
Net income attributable to shareholders of parent company (million yen)	40,838	83,329	165,210	363,777
Net income attributable to shareholders of parent company per share (yen)	36.17	74.12	147.57	325.61

	Three months ended June 30, 2020	Three months ended September 30, 2020	Three months ended December 31, 2020	Three months ended March 31, 2021
Net income attributable to shareholders of parent company per share (yen)	36.17	37.96	73.75	178.86

	Three months ended June 30, 2020	Six months ended September 30, 2020	Nine months ended December 31, 2020	Year ended March 31, 2021
Ordinary revenues (million US dollars)	16,180	30,378	45,931	70,705
Income before income taxes (million US dollars)	489	1,020	2,002	4,358
Net income attributable to shareholders of parent company (million US dollars)	368	752	1,492	3,285
Net income attributable to shareholders of parent company per share (US dollars)	0.32	0.66	1.33	2.94

	Three months ended June 30, 2020	Three months ended September 30, 2020	Three months ended December 31, 2020	Three months ended March 31, 2021
Net income attributable to shareholders of parent company per share (US dollars)	0.32	0.34	0.66	1.61

Independent Auditor's Report

To the Board of Directors of Dai-ichi Life Holdings, Inc.:

Opinion

We have audited the accompanying consolidated financial statements of Dai-ichi Life Holdings, Inc. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2021, and the consolidated statement of earnings, the consolidated statement of comprehensive income, the consolidated statement of changes in net assets and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Appropriateness of the judgement on the recognition of an impairment loss on goodwill recorded in overseas subsidiaries

The key audit matter	How the matter was addressed in our audit
In the consolidated balance sheet of the Group, Goodwill of ¥42,696 million is presented for the current fiscal year, which includes goodwill of ¥10,030 million arising from the acquisition of Protective Life Corporation (herein after "PLC") and its acquisition business and goodwill of ¥32,666 million arising from the acquisition of TAL Dai-ichi Life Australia Pty. Ltd. (hereinafter "TDLA"). As described in Note II. "PRINCPLES OF CONSOLIDATION" under 4. "Summary of Significant Accounting Policies": (17) Significant Accounting Estimates a) "Evaluation of goodwill" to	We primarily performed the following procedures: **(1) Judgement made at consolidated subsidiaries on the recognition of an impairment loss on goodwill** We requested the component auditors of the respective subsidiaries to perform audits, communicated with them in a timely manner about the status of the work performed by them, and evaluated their reports that summarized the results of their audit procedures. We also inspected relevant working papers prepared by

Appropriateness of the judgement on the recognition of an impairment loss on goodwill recorded in overseas subsidiaries

The key audit matter	How the matter was addressed in our audit
the consolidated financial statements, goodwill arising from acquisitions and the acquisition business is recorded on the consolidated financial statements of the respective consolidated subsidiaries, and is assessed whether an impairment loss should be recognized at each consolidated subsidiary in accordance with the accounting standards of the country in which each consolidated subsidiary resides. In addition, the Company evaluates whether there is any impairment indicator for goodwill in accordance with the accounting standards in Japan, considering the results of the assessment made at each consolidated subsidiary. If the acquisitions and the acquisition business do not bring in benefits as expected and there is a significant deterioration in the value of the acquired business, the recognition of an impairment loss may be required. **(1) Judgement made at consolidated subsidiaries on the recognition of an impairment loss on goodwill** (i) Goodwill arising from the acquisition of PLC and its acquisition business PLC assesses, on a regular basis, qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit to which goodwill has been allocated is less than its carrying amount including goodwill (qualitative assessment for impairment indicators). Impairment indicators are evaluated in a comprehensive manner, considering whether there are: deterioration in economic environment and market conditions surrounding PLC and each reporting unit; factors that may have an adverse impact on future profits or cash flows; deterioration in overall business performance; and other events or issues specific to PLC and each reporting unit. In particular, the future business performance of PLC and each reporting unit, that provides the basis for concluding whether there is any impairment indicator, is susceptible to economic conditions and trends. Accordingly, the projections of future business performance involve significant management judgement. (ii) Goodwill arising from the acquisition of TDLA TDLA performs, on a regular basis, a quantitative impairment test in which it compares the carrying amount of a cash generating unit to which goodwill has been allocated with its recoverable amount (quantitative impairment test). The	them and concluded on the sufficiency of the audit procedures performed by them. The audit procedures performed by the component auditors to which we particularly focused on included the following: (i) Goodwill arising from the acquisition of PLC and its acquisition business Assessment, in accordance with our group audit instructions, of the design and operating effectiveness of certain controls implemented by PLC over its process to determine whether there was any impairment indicator, with a special focus on controls over the preparation of documentation supporting the determination of whether an impairment loss should be recognized on goodwill and those over approval on the conclusion. The substantive audit procedures set out below, among others, were performed to assess the appropriateness of PLC's determination of whether there was any impairment indicator for goodwill. In performing these procedures, a particular attention was given to the effect, if any, of the spread of the novel coronavirus infections on the performance of PLC and each reporting unit. ・ inquiry of management and relevant personnel; ・ inspection of relevant internal documents; and ・ assessment of the reliability of historical financial information used in the determination. (ii) Goodwill arising from the acquisition of TDLA Assessment, in accordance with our group audit instructions, of the design and operating effectiveness of certain controls implemented by TDLA over the quantitative impairment test, with a special focus on controls over the preparation of documentation supporting the impairment test and those over approval on the conclusion. The substantive procedures set out below, among others, were performed to evaluate the recoverable amount used in the quantitative impairment test. In performing these procedures,

Appropriateness of the judgement on the recognition of an impairment loss on goodwill recorded in overseas subsidiaries	
The key audit matter	**How the matter was addressed in our audit**
recoverable amount was calculated based on the embedded value, among others. The actuarial assumptions used to calculate the embedded value, such as discount rates, mortality/morbidity, lapse rates, involved significant estimation uncertainty, and the actuarial calculations requires a high level of expertise in actuarial valuation. **(2) Judgement made by the Company as to whether there is any impairment indicator for goodwill** The Company evaluates, on a regular basis, whether there is any impairment indicator for goodwill, by considering if: the cash flows generated from the asset group that includes goodwill have not been negative for consecutive periods; the recoverable amount of the asset group that includes goodwill has not significantly decreased; or the business environments surrounding the asset group that includes goodwill has not significantly deteriorated. This impairment assessment by the Company also involves significant management judgement. We, therefore, determined that our assessment of the appropriateness of the judgement on the recognition of an impairment loss on goodwill recorded in overseas subsidiaries was one of the most significant in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	a particular attention was given to the effect, if any, of the spread of the novel coronavirus infections on the performance of TDLA and each cash generating unit. ・ evaluation of the relevance of valuation models used and confirmation of the consistency with the models used in the past; and ・ evaluation of the reasonableness of actuarial assumptions used in the calculation, such as discount rates, mortality/morbidity and lapse rates, with the assistance of actuarial specialists within the component auditors' firm. **(2) Judgement made by the Company as to whether there is any impairment indicator for goodwill** We assessed the design and operating effectiveness of certain controls over the Company's process to determine whether there is any impairment indicator for goodwill. In this assessment, we focused on controls over the preparation of documentation supporting the determination of whether there was any impairment indicator for goodwill and those over approval on the conclusion. In addition, we primarily performed the substantive procedures set out below to assess the appropriateness of the Company's determination of whether there was any impairment indicator for goodwill. In performing these procedures, a particular attention was given to the effect, if any, of the spread of the novel coronavirus infections on the performance of the respective consolidated subsidiaries. ・ inquiry of management and relevant personnel; ・ inspection of relevant internal documents; and ・ assessment of the reliability of historical financial information used in the determination.

Appropriateness of the judgement on amortization or the recognition of a loss in value of acquired in-force insurance contracts recorded in overseas subsidiaries	
The key audit matter	**How the matter was addressed in our audit**
In the consolidated balance sheet of the Group, Other intangible fixed assets of ¥285,235 million are presented for the current fiscal year, which included assets representing the present value of acquired in-force insurance contracts, namely a Value of Business Acquired (hereinafter "VOBA") or a Value In-force (hereinafter "VIF"). A VOBA in the amount of ¥186,370 million was derived from the acquisition of PLC and its acquisition business, and a VIF in the amount of ¥23,666 million was derived from the acquisition of TDLA. As described in Note II. "PRINCIPLES OF CONSOLIDATION" under 4. "Summary of Significant Accounting Policies": (17) Significant Accounting Estimates b) "Evaluation of value of in-force insurance contracts" to the consolidated financial statements, the value of in-force insurance contracts arising from acquisitions and the acquisition business is determined based on an actuarial calculation of the present value of future profits to be earned from cash flows from acquired in-force insurance contracts and investment-type insurance contracts at the acquisition date, and is recorded on the consolidated financial statements of the respective consolidated subsidiaries. In addition, as described in Note II. "PRINCIPLES OF CONSOLIDATION" under 4. "Summary of Significant Accounting Policies": (3) Depreciation of Depreciable Assets b) "Amortization of Intangible Fixed Assets Excluding Leased Assets" to the consolidated financial statements, the value of acquired in-force insurance contracts is amortized over a period during which their benefits are expected to last in a manner that reflects the pattern in which they are realized, based on the projected future profits to be earned from the in-force insurance contracts at each reporting date and their contractual terms, among others. Any deviations in actuarial assumptions from the initial estimates may result in changes in amortization expense or the recognition of a loss in value of the in-force insurance contracts. More specifically, the value of acquired in-force insurance contracts is assessed in accordance with the accounting standards of the country in which each consolidated subsidiary resides as follows: **(1) Amortization of the VOBA which is assessed by updating underlying actuarial assumptions** The VOBA arising mainly from acquired investment-type insurance products of PLC is	We requested the component auditors of the respective subsidiaries to perform audits, communicated with them in a timely manner about the status of the work performed by them, and evaluated their reports that summarized the results of their audit procedures. We also inspected relevant working papers prepared by them and concluded on the sufficiency of the audit procedures performed by them. The audit procedures performed by the component auditors to which we particularly focused on included the following: **(1) Amortization of the VOBA which was assessed by updating underlying actuarial assumptions** Assessment, in accordance with our group audit instructions, of the design and operating effectiveness of certain controls implemented by PLC over the VOBA arising mainly from acquired investment-type insurance products of PLC, with a special focused on controls over the recognition and measurement of amortization expense for the VOBA. The substantive procedures set out below, among others, were performed to assess the accuracy and reasonableness of amortization of the VOBA, with the assistance of actuarial specialists within the component auditors' firm. In performing these procedures, a particular attention was given to the effect, if any, of the spread of the novel coronavirus infections on future profits expected from investment-type insurance products of PLC. ・ evaluation of the relevance of amortization models; and ・ evaluation of the reasonableness of updated actuarial assumptions, such as interest rates, mortality and lapse rates. **(2) Recognition of a loss in value of the VOBA which was assessed together with the determination on the sufficiency of policy reserves** Assessment, in accordance with our group audit instruction, of whether there was a decline in the value of the VOBA arising mainly from traditional insurance products of PLC, concurrently with the assessment of the determination on the sufficiency of policy reserves.

Appropriateness of the judgement on amortization or the recognition of a loss in value of acquired in-force insurance contracts recorded in overseas subsidiaries	
The key audit matter	**How the matter was addressed in our audit**
amortized based on the estimated gross profits and their contractual terms, among others. PLC reviews, on a regular basis, actuarial assumptions, such as interest rates, mortality and lapse rates, and updates them as necessary, and accordingly adjusts amortization expense for the VOBA. Especially when changes in the estimated gross profits and others are expected due to changes in lapse rates, amortization expense may increase or decrease by updating underlying actuarial assumptions. These actuarial assumptions involve significant estimation uncertainty and requires a high level of expertise in actuarial valuation. **(2) Recognition of a loss in value of the VOBA which is assessed together with the determination on the sufficiency of policy reserves** The VOBA arising mainly from acquired traditional insurance products may result in the recognition of a loss in value, prior to providing for an additional policy reserve, if actual experience deteriorates compared to the actuarial assumptions, such as future investment yields, mortality and lapse rates. Therefore, PLC assesses, on a regular basis, whether there in a decline in the value of the VOBA, concurrently with the determination on the sufficiency of policy reserves. As described in the Key Audit Matter, "Appropriateness of the judgement on the sufficiency of policy reserves," the testing to validate the sufficiency of policy reserves requires significant management judgement in estimating future cash flows as well as a high level of expertise in actuarial valuation. **(3) Recognition of an impairment loss on the VIF which is assessed together with the determination of whether an impairment loss should be recognized on goodwill** TDLA evaluates, on a regular basis, the VIF arising from the acquisition of TDLA concurrently with the determination of whether an impairment loss should be recognized on goodwill because any goodwill impairment may be an impairment indicator for the VIF. As described in the Key Audit Matter, "Appropriateness of the judgement on the recognition of an impairment loss on goodwill recognized in overseas subsidiaries," in determining the recoverable amount for the	More specifically, assessment, in accordance with our group audit instructions, of the design and operating effectiveness of relevant controls implemented by PLC, with a special focus on controls over determining whether there was a decline in value of the VOBA. The substantive procedures set out below, among others, were performed with the assistance of actuarial specialists within the component auditors' firm. In performing these procedures, a particular attention was given to the effect, if any, of the spread of the novel coronavirus infections on future cash flows expected from traditional insurance products of PLC. ・ evaluation of the reasonableness of actuarial assumptions, such as future investment yields, mortality and lapse rates, used to estimate future cash flows; and ・ evaluation of whether the testing to validate the sufficiency of policy reserves was performed in accordance with applicable accounting standards. **(3) Recognition of an impairment loss on the VIF which was assessed together with the determination of whether an impairment loss should be recognized on goodwill** Assessment, in accordance with our group audit instructions, of whether there were impairment indicators for the VIF arising from the acquisition of TDLA, concurrently with the assessment of the determination on whether an impairment loss should be recognized on goodwill. More specifically, the control assessment and substantive procedures listed under (1)(ii) in the audit response section of the Key Audit Matter, "Appropriateness of the judgement on the recognition of an impairment loss on goodwill recorded in overseas subsidiaries" were performed.

Appropriateness of the judgement on amortization or the recognition of a loss in value of acquired in-force insurance contracts recorded in overseas subsidiaries	
The key audit matter	**How the matter was addressed in our audit**
goodwill impairment testing, the actuarial assumptions used to calculate the embedded value involves significant estimation uncertainty and require a high level of expertise in actuarial valuation. We, therefore, determined that our assessment of the appropriateness of the judgement on amortization or the recognition of a loss in value of acquired in-force insurance contracts recorded in overseas subsidiaries was one of the most significant in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	

Appropriateness of the judgement on the sufficiency of policy reserves

The key audit matter	How the matter was addressed in our audit
In the consolidated balance of the Group, Policy reserves of ¥49,897,294 million is presented for the current fiscal year, which accounts for approximately 78% of total liabilities and net assets. Of this amount, policy reserves for the individual insurance block and the individual annuity block recorded by The Dai-ichi Life Insurance Company, Limited (hereinafter "DL") and The Dai-ichi Frontier Life Insurance Co., Ltd (hereinafter "DFLI"), and policy reserves for traditional insurance products recorded by PLC are of quantitative significance. Policy reserves, which account for a majority of total liabilities of insurance companies, are provided for the future fulfillment of obligations under insurance contracts, and are actuarially calculated using specific methods and assumptions based on the requirements of regulations and accounting standards in the country where the entities underwriting the insurance contracts are located. As described in Note II. "PRINCIPLES OF CONSOLIDATION" under 4. "Summary of Significant Accounting Policies": (15) "Policy Reserves" to the consolidated financial statements, policy reserves of consolidated domestic subsidiaries that operate a life insurance business are provided as a reserve pursuant to Article 116 of the Insurance Business Act for an amount calculated using a certain methodology, while policy reserves of consolidated foreign life insurance subsidiaries are calculated based on the accounting standards of each country, including U.S. generally accepted accounting principles. In addition, the testing to validate the sufficiency of policy reserve is required to be performed in each country. **(1) Policy reserves recognized by DL and DFLI** Policy reserves of DL and DFLI are provided for in compliance with the statements of calculation methodology approved by the Financial Services Agency in Japan. More specifically, policy reserves are calculated based on the future cash flows estimated using the assumptions, such as future mortality rates (assumed mortality rates), return on investment (assumed interest rates) and operating expense ratios (assumed operating expense ratios), stipulated in the statements of calculation methodology. If recent actual results deviate significantly from the estimates and there is deemed to be a risk of fulfilling future obligations, an additional policy reserve must be provided for in accordance with Article 69, Paragraph 5 of Ordinance	We primarily performed the following procedures: **(1) Policy reserves recognized by DL and DFLI** We assessed the design and operating effectiveness of certain controls implemented by DL and DFLI over policy reserves for the individual insurance block and the individual annuity block. In this assessment, we focused on controls to ensure that all relevant data in the contract master files was reflected completely in the calculation of policy reserves and that approved actuarial assumptions were properly used in the calculation of policy reserves. We primarily performed the following substantive procedures to evaluate the sufficiency of policy reserves of each consolidated subsidiary: ・ analysis of overall consistency between changes in the balances of policy reserves for the individual insurance block and the individual annuity block and the factors contributing to the changes in policy reserves, such as premium income, benefit and claim payments, operating expenses and the results of profit source analysis, among others, using a recurrence formula; and ・ reconciliation of the balance of additional policy reserves recognized by DL to the amount on the document output from the relevant system, and comparison of the current-year provision for additional policy reserves with the reserve plan. We also primarily performed the substantive procedures set out below to assess the appropriateness of the judgement made at each consolidated subsidiary in performing the testing to validate the sufficiency of policy reserves (i.e., an analysis on future income and expenses, and a stress test for third sector products), with the assistance of actuarial specialists within our firm. In performing these procedures, a particular attention was given to the effect, if any, of the spread of the novel coronavirus infections on future cash flows of each consolidated subsidiary. ・ assessment of whether the testing to validate the sufficiency of policy reserves was performed in compliance with the relevant laws and regulations, the "Standard of Practice

Appropriateness of the judgement on the sufficiency of policy reserves

The key audit matter	How the matter was addressed in our audit
for Enforcement of the Insurance Business Act. The policy reserves recorded by DL include additional policy reserves for certain whole life insurance contracts in accordance with the Ordinance. Assessment on the sufficiency of policy reserves is of quantitative significance. The contents and results of the testing to validate the sufficiency of policy reserves (an analysis on future income and expenses, and a stress test for third sector products) are described in the opinion and supplementary reports of the appointed actuary, and the testing requires significant management judgement in estimating future cash flows as well as a high level of expertise in actuarial valuation. **(2) Policy reserves recognized by PLC** Policy reserves for traditional insurance products of PLC are calculated, in accordance with U.S. generally accepted accounting principles, based on the future cash flows estimated using actuarial assumptions, such as future investment yields, mortality and lapse rates. If recent actual results deviate significantly from the estimate and there is deemed to be a risk of fulfilling future obligations, the assumptions need to be updated and an additional policy reserve must be provided for. As described in the Key Audit Matter, "Appropriateness of the judgement on amortization or the recognition of a loss in value of acquired in-force insurance contracts recorded in overseas subsidiaries," prior to providing for an additional policy reserve, a loss in value of the VOBA may have to be recognized. Therefore, PLC assesses it concurrently with the determination on amortization or the recognition of a loss in value of the VOBA. Assessment of the adequacy of policy reserves is of quantitative significance. The testing to validate the adequacy of policy reserves requires significant management judgement in estimating future cash flows as well as a high level of expertise in actuarial valuation. We, therefore, determined that our assessment of the appropriateness of the judgement on the sufficiency of policy reserves was one of the most significant in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	for Appointed Actuaries of Life Insurance Companies" (the Institute of Actuaries of Japan) and the internal company rules, and comparison of the calculation results with those in the prior year; ・ review of the contents and results described in the opinion and supplementary reports of the appointed actuary, including the assessment of whether an additional policy reserve was necessary, and inquiry of the appointed actuary; and ・ comparison the interest rate scenarios used in the analysis on future income and expenses described in the opinion and supplementary reports of the appointed actuary with interest rate information we obtained from independent sources. **(2) Policy reserves recognized by PLC** We requested the component auditors of PLC to perform an audit, communicated with them in a timely manner about the status of the work performed by them, and evaluated their report that summarized the results of their audit procedures. We also inspected relevant working papers prepared by them and concluded on the sufficiency of the audit procedures performed by them. More specifically, the control assessment and substantive procedures listed under (2) in the audit response section of the Key Audit Matter, "Appropriateness of the judgement on amortization or the recognition of a loss in value of acquired in-force insurance contracts recorded in overseas subsidiaries" were performed.

Appropriateness of the judgement on the recoverability of deferred tax assets	
The key audit matter	**How the matter was addressed in our audit**
In the consolidated balance sheet of the Group, Deferred tax assets of ¥12,014 million and Deferred tax liabilities of ¥558,387 million are presented for the current fiscal year, which are the amounts net of deferred tax assets considered recoverable. As described in Note XV. "DEFERRED TAX ACCOUNTING" under 1. "Major Components of Deferred Tax Assets and Liabilities" to the consolidated financial statements, the amount of gross deferred tax assets considered recoverable amounted to ¥740,856 million. In particular, deferred tax assets of ¥684,385 million recognized by DL, a consolidated subsidiary, accounts for a majority of the gross deferred tax assets and is of quantitative significance. Major components of deferred tax assets include policy reserves and others, net defined benefits liabilities and reserve for price fluctuations. The recoverability of deferred tax assets recorded in DL is dependent upon the appropriateness of the company classification, the sufficiency of future taxable income and assumptions used in the scheduling of years in which deductible temporary differences are expected to reverse, as stipulated in the "Implementation Guidance on Recoverability of Deferred Tax Assets" (Implementation Guidance No. 26 issued by the Accounting Standards Board of Japan). This recoverability assessment requires significant management judgments and estimates. We, therefore, determined that our assessment of the appropriateness of the judgement on the recoverability of deferred tax assets was one of the most significant in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	We primarily performed the following procedures to assess the appropriateness of the determination on the recoverability of deferred tax assets recorded in DL: **(1) Internal control testing** We assessed the design and operating effectiveness of relevant controls implemented by DL. In this assessment, we focused on controls over the preparation of documentation supporting the determination on the recoverability of deferred tax assets and those over approval on the conclusion. **(2) Judgement made by DL on the recoverability of deferred tax assets** We primarily performed the substantive procedures set out below. In performing these procedures, a particular attention was given to the effect, if any, of the spread of the novel coronavirus infections on the company classification, estimated future taxable income and the scheduling: ・ evaluation of the appropriateness of the company classification determined in accordance with the Implementation Guidance No. 26, especially whether significant changes in business environment are expected in the near term; ・ confirmation that the mid-term business plan as the basis for estimating future taxable income used in determining the recoverability of deferred tax assets was approved by the board of directors; ・ evaluation of the reasonableness and feasibility of future taxable income by comparing future taxable income estimated in the prior year with actual taxable income in the current fiscal year; and ・ evaluation of the reasonableness of key assumptions used in the scheduling of years in which deductible temporary difference were expected to reverse, by inspecting relevant internal documents, confirming the consistency in amounts between the documents and inquiring of management and relevant personnel.

Responsibilities of Management and the Audit & Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit & Supervisory Committee is responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit & Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit & Supervisory Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2021 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note I to the consolidated financial statements.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Yutaka Terasawa
Designated Engagement Partner
Certified Public Accountant

Takanobu Miwa
Designated Engagement Partner
Certified Public Accountant

Kenji Seki
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
August 6, 2021

Notes to the Reader of Independent Auditor's Report:
This is a copy of the Independent Auditor's Report and the original copies are kept separately by the Company and KPMG AZSA LLC.

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

	(Unit: million yen)	(Unit: million US dollars)
	As of March 31,	
	2021	2021
(ASSETS)		
Cash and deposits	383,214	3,461
Call loans	403,700	3,646
Monetary claims bought	252,140	2,277
Money held in trust	7,716	69
Securities	33,462,279	302,251
Loans	2,576,064	23,268
Tangible fixed assets	1,086,447	9,813
Land	758,555	6,851
Buildings	315,822	2,852
Leased assets	5,145	46
Construction in progress	2,161	19
Other tangible fixed assets	4,762	43
Intangible fixed assets	119,638	1,080
Software	97,081	876
Other intangible fixed assets	22,557	203
Reinsurance receivable	28,084	253
Other assets	554,045	5,004
Customers' liabilities for acceptances and guarantees	52,861	477
Reserve for possible loan losses	(2,358)	(21)
Reserve for possible investment losses	(627)	(5)
Total assets	38,923,206	351,578
(LIABILITIES)		
Policy reserves and others	30,844,451	278,605
Reserves for outstanding claims	148,071	1,337
Policy reserves	30,295,380	273,646
Reserve for policyholder dividends	400,999	3,622
Reinsurance payable	1,048	9
Bonds payable	476,277	4,302
Other liabilities	3,340,298	30,171
Payables under repurchase agreements	2,301,762	20,790
Other liabilities	1,038,536	9,380
Net defined benefit liabilities	406,894	3,675
Reserve for retirement benefits of directors, executive officers and corporate auditors	998	9
Reserve for possible reimbursement of prescribed claims	800	7
Reserve for price fluctuations	233,453	2,108
Deferred tax liabilities	310,360	2,803
Deferred tax liabilities for land revaluation	71,606	646
Acceptances and guarantees	52,861	477
Total liabilities	35,739,051	322,816
(NET ASSETS)		
Capital stock	60,000	541
Capital surplus	370,000	3,342
Retained earnings	247,446	2,235
Total shareholders' equity	677,446	6,119
Net unrealized gains (losses) on securities, net of tax	2,536,608	22,912
Deferred hedge gains (losses)	(3,501)	(31)
Reserve for land revaluation	(22,026)	(198)
Foreign currency translation adjustments	497	4
Accumulated remeasurements of defined benefit plans	(4,869)	(43)
Total accumulated other comprehensive income	2,506,708	22,642
Total net assets	3,184,154	28,761
Total liabilities and net assets	38,923,206	351,578

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

	(Unit: million yen)	(Unit: million US dollars)
	Year ended March 31,	
	2021	2021
Ordinary revenues	3,811,851	34,430
Premium and other income	2,285,515	20,644
Investment income	1,357,203	12,259
Interest and dividends	836,660	7,557
Gains on money held in trust	4,849	43
Gains on sale of securities	371,297	3,353
Gains on redemption of securities	15,370	138
Other investment income	1,202	10
Gains on investments in separate accounts	127,823	1,154
Other ordinary revenues	169,132	1,527
Ordinary expenses	3,439,065	31,063
Benefits and claims	2,364,632	21,358
Claims	616,314	5,566
Annuities	486,953	4,398
Benefits	378,685	3,420
Surrender values	392,747	3,547
Other refunds	489,930	4,425
Provision for policy reserves and others	28,898	261
Provision for reserves for outstanding claims	20,679	186
Provision for interest on policyholder dividends	8,218	74
Investment expenses	408,404	3,688
Interest expenses	12,358	111
Losses on sale of securities	125,323	1,131
Losses on valuation of securities	1,285	11
Losses on redemption of securities	6,175	55
Derivative transaction losses	172,879	1,561
Foreign exchange losses	31,837	287
Provision for reserve for possible loan losses	1,813	16
Provision for reserve for possible investment losses	295	2
Write-down of loans	43	0
Depreciation of real estate for rent and others	13,171	118
Other investment expenses	43,219	390
Operating expenses	404,407	3,652
Other ordinary expenses	232,723	2,102
Ordinary profit	372,786	3,367
Extraordinary gains	5,469	49
Gains on disposal of fixed assets	5,469	49
Extraordinary losses	27,554	248
Losses on disposal of fixed assets	6,810	61
Impairment losses on fixed assets	2,552	23
Provision for reserve for price fluctuations	18,000	162
Other extraordinary losses	190	1
Provision for reserve for policyholder dividends	77,500	700
Income before income taxes	273,201	2,467
Corporate income taxes-current	77,701	701
Corporate income taxes-deferred	439	3
Total of corporate income taxes	78,141	705
Net income	195,059	1,761
Net income attributable to shareholders of parent company	195,059	1,761

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

	(Unit: million yen)	(Unit: million US dollars)
	Year ended March 31,	
	2021	2021
Net income	195,059	1,761
Other comprehensive income	614,980	5,554
Net unrealized gains (losses) on securities, net of tax	620,191	5,601
Deferred hedge gains (losses)	(24,814)	(224)
Foreign currency translation adjustments	592	5
Remeasurements of defined benefit plans, net of tax	19,011	171
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	0	0
Comprehensive income	810,040	7,316
Attributable to shareholders of parent company	810,040	7,316

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

	(Unit: million yen)	(Unit: million US dollars)
	Year ended March 31,	
	2021	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income taxes	273,201	2,467
Depreciation of real estate for rent and others	13,171	118
Depreciation	36,489	329
Impairment losses on fixed assets	2,552	23
Increase (decrease) in reserves for outstanding claims	20,679	186
Increase (decrease) in policy reserves	(908)	(8)
Provision for interest on policyholder dividends	8,218	74
Provision for (reversal of) reserve for policyholder dividends	77,500	700
Increase (decrease) in reserve for possible loan losses	1,798	16
Increase (decrease) in reserve for possible investment losses	(180)	(1)
Write-down of loans	43	0
Increase (decrease) in net defined benefit liabilities	2,134	19
Increase (decrease) in reserve for retirement benefits of directors ,executive officers and corporate auditors	(190)	(1)
Increase (decrease) in reserve for price fluctuations	18,000	162
Interest and dividends	(836,660)	(7,557)
Securities related losses (gains)	(381,706)	(3,447)
Interest expenses	12,358	111
Foreign exchange losses (gains)	31,837	287
Losses (gains) on disposal of fixed assets	1,038	9
Equity in losses (income) of affiliates	181	1
Decrease (increase) in reinsurance receivable	(21,366)	(192)
Decrease (increase) in other assets unrelated to investing and financing activities	8,834	79
Increase (decrease) in reinsurance payable	(134,441)	(1,214)
Increase (decrease) in other liabilities unrelated to investing and financing activities	(48,673)	(439)
Others, net	208,950	1,887
Subtotal	(707,138)	(6,387)
Interest and dividends received	859,457	7,763
Interest paid	(15,809)	(142)
Policyholder dividends paid	(84,461)	(762)
Others, net	(333,890)	(3,015)
Corporate income taxes (paid) refund	(65,561)	(592)
Net cash flows provided by (used in) operating activities	(347,404)	(3,137)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of monetary claims bought	(48,967)	(442)
Proceeds from sale and redemption of monetary claims bought	15,459	139
Proceeds from decrease in money held in trust	31,348	283
Purchases of securities	(7,450,592)	(67,298)
Proceeds from sale and redemption of securities	6,185,137	55,867
Origination of loans	(616,958)	(5,572)
Proceeds from collection of loans	586,560	5,298
Net increase (decrease) in short-term investing	1,460,596	13,192
Total of net cash provided by (used in) investment transactions	162,583	1,468
Total of net cash provided by (used in) operating activities and investment transactions	(184,820)	(1,669)
Acquisition of tangible fixed assets	(35,988)	(325)
Proceeds from sale of tangible fixed assets	23,282	210
Acquisition of intangible fixed assets	(29,591)	(267)
Proceeds from sale of intangible fixed assets	1	0
Acquisition of stock of subsidiaries and affiliates	(966)	(8)
Net cash flows provided by (used in) investing activities	119,321	1,077
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	246,600	2,227
Repayment of borrowings	(139,000)	(1,255)
Repayment of financial lease obligations	(1,809)	(16)
Cash dividends paid	(151,078)	(1,364)
Net cash flows provided by (used in) financing activities	(45,288)	(409)
Effect of exchange rate changes on cash and cash equivalents	920	8
Net increase (decrease) in cash and cash equivalents	(272,450)	(2,460)
Cash and cash equivalents at the beginning of the year	1,059,365	9,568
Cash and cash equivalents at the end of the year	786,914	7,107

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

Year ended March 31, 2021

(Unit: million yen)

	Shareholders' equity				Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)
Balance at the beginning of the year	60,000	370,000	199,422	629,422	1,916,417	21,312
Changes for the year						
Dividends			(151,084)	(151,084)		
Net income attributable to shareholders of parent company			195,059	195,059		
Transfer from reserve for land revaluation			4,048	4,048		
Net changes of items other than shareholders' equity					620,191	(24,814)
Total changes for the year	-	-	48,023	48,023	620,191	(24,814)
Balance at the end of the year	60,000	370,000	247,446	677,446	2,536,608	(3,501)

(Unit: million yen)

	Accumulated other comprehensive income				Total net assets
	Reserve for land revaluation	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at the beginning of the year	(17,978)	(94)	(23,880)	1,895,776	2,525,199
Changes for the year					
Dividends					(151,084)
Net income attributable to shareholders of parent company					195,059
Transfer from reserve for land revaluation					4,048
Net changes of items other than shareholders' equity	(4,048)	592	19,011	610,931	610,931
Total changes for the year	(4,048)	592	19,011	610,931	658,955
Balance at the end of the year	(22,026)	497	(4,869)	2,506,708	3,184,154

Year ended March 31, 2021

(Unit: million US dollars)

	Shareholders' equity				Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)
Balance at the beginning of the year	541	3,342	1,801	5,685	17,310	192
Changes for the year						
Dividends			(1,364)	(1,364)		
Net income attributable to shareholders of parent company			1,761	1,761		
Transfer from reserve for land revaluation			36	36		
Net changes of items other than shareholders' equity					5,601	(224)
Total changes for the year	-	-	433	433	5,601	(224)
Balance at the end of the year	541	3,342	2,235	6,119	22,912	(31)

(Unit: million US dollars)

	Accumulated other comprehensive income				Total net assets
	Reserve for land revaluation	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at the beginning of the year	(162)	(0)	(215)	17,123	22,809
Changes for the year					
Dividends					(1,364)
Net income attributable to shareholders of parent company					1,761
Transfer from reserve for land revaluation					36
Net changes of items other than shareholders' equity	(36)	5	171	5,518	5,518
Total changes for the year	(36)	5	171	5,518	5,952
Balance at the end of the year	(198)	4	(43)	22,642	28,761

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2021

Ⅰ. BASIS FOR PRESENTATION

The accompanying financial statements have been prepared from the accounts maintained by The Dai-ichi Life Insurance Company, Limited (the "Company") and its consolidated subsidiary in accordance with the provisions set forth in the Insurance Business Act and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP") which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards.

Certain items presented in the consolidated financial statements are reclassified for the convenience of readers outside Japan. The notes to the consolidated financial statements include information which is not required under Japanese GAAP but is presented herein as additional information.

The amounts indicated in millions of yen are rounded down by truncating the figures below one million. Totals may not add up exactly because of such truncation. Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥110.71=US$1.00, the foreign exchange rate on March 31, 2021, has been used for translation of the truncated figures in Japanese yen. The inclusion of such amounts is not intended to imply that Japanese yen has been or could be readily converted, realized or settled into U.S. dollars at that rate or any other rate.

Ⅱ. GUIDELINES FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Scope of Consolidation

(1) The number of consolidated subsidiaries as of March 31, 2021: 1

The subsidiary of the Company included:

- Dai-ichi Life Insurance Myanmar Ltd.

(2) The number of non-consolidated subsidiaries as of March 31, 2021: 23

The main subsidiaries that are not consolidated for the purposes of financial reporting are The Dai-ichi Life Information Systems Co., Ltd., Dai-ichi Life Business Services Co., Ltd. and First U Anonymous Association.

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

2. Application of the Equity Method

(1) The number of non-consolidated subsidiaries under the equity method as of March 31, 2021: 0

(2) The number of affiliated companies under the equity method as of March 31, 2021: 2

The affiliated companies of the Company included:

- Corporate-pension Business Service Co., Ltd.,
- Japan Excellent Asset Management Co., Ltd.,

(3) The non-consolidated subsidiaries (The Dai-ichi Life Information Systems Co., Ltd., Dai-ichi Life Business Services Co., Ltd., First U Anonymous Association and others), as well as affiliated companies (Mizuho-DL Financial Technology Co., Ltd., and Rifare Management K.K.) were not accounted for under the equity method. These companies had, individually and in the aggregate, a minimal impact on the consolidated financial statements, in terms of net income (loss) (amount corresponding to equity interest), retained earnings (amount corresponding to equity interest) and others.

3. Year-end Dates of a Consolidated Subsidiary

The closing date of a consolidated subsidiary is September 30. Financial information as of December 31 is used to prepare the consolidated financial statements, although necessary adjustments are made when significant transactions take place between the account closing date of an individual subsidiary and that of the consolidated financial statements.

Ⅲ. NOTES TO THE CONSOLIDATED BALANCE SHEET

1. Valuation Methods of Securities

Securities held by the Company and its consolidated subsidiary including cash and deposits and monetary claims bought which are equivalent to marketable securities, and marketable securities managed as trust assets in money held in trust, are carried as explained below:

The amortization of premiums and accretion of discounts is calculated by the straight-line method.

(1) Trading Securities

Trading securities are carried at fair value with cost determined by the moving average method.

(2) Held-to-maturity Bonds
Held-to-maturity bonds are stated at amortized cost determined by the moving average method.

(3) Policy-reserve-matching Bonds (in accordance with the Industry Audit Committee Report No. 21 "Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry" issued by the Japanese Institute of Certified Public Accountants (JICPA))
Policy-reserve-matching bonds are stated at amortized cost determined by the moving average method.

(4) Stocks of Non-Consolidated Subsidiaries and Affiliated Companies Not Accounted for under the Equity Method
Stocks of non-consolidated subsidiaries and affiliated companies not accounted for under the equity method are stated at cost determined by the moving average method.

(5) Available-for-sale Securities
a) Available-for-sale Securities with Fair Values
Available-for-sale securities which have market value are valued at fair value at the end of the fiscal year (for domestic stocks, the average market value during March), with cost determined by the moving average method.

b) Available-for-sale Securities Whose Fair Values Are Extremely Difficult to Recognize
i) Government/Corporate bonds (including Foreign Bonds), Whose Premium or Discount Represents the Interest Adjustment
Government/Corporate bonds (including foreign bonds) whose premium or discount represents the interest adjustment are valued at the amortized cost determined by the moving average method.
ii) Others
All others are valued at cost determined by the moving average method.

Net unrealized gains or losses on these available-for-sale securities are presented as a separate component of net assets and not in the consolidated statement of earnings.
Securities held by a consolidated overseas subsidiary are stated at cost determined by the first-in first-out.

2. Risk Management Policy of Policy-Reserve-Matching Bonds

The Company categorizes its insurance products into sub-groups by the attributes of each product and, in order to manage risks properly, formulates its policies on investments and resource allocation based on the balance of the sub-groups. Moreover, the Company periodically checks that the duration gap between policy-reserve-matching bonds and policy reserves stays within a certain range.

The sub-groups of insurance products of the Company are:
• individual life insurance and annuities,
• non-participating single premium whole life insurance (without duty of medical disclosure),
• financial insurance and annuities, and
• group annuities,
with the exception of certain types.

3. Valuation Method of Derivative Transactions

Derivative transactions are reported at fair value.

4. Revaluation of Land

Based on the "Act on Revaluation of Land" (Act No. 34, March 31, 1998), land for business use was revalued. The difference between the fair value and book value resulting from the revaluation, net of related deferred taxes, is recorded as a reserve for land revaluation as a separate component of net assets and the related deferred tax liability is recorded as deferred tax liabilities for land revaluation.
• Date of revaluation: March 31, 2001
• Method stipulated in Article 3 Paragraph 3 of the Act on Revaluation of Land:
The fair value was determined based on the appraisal value publicly announced for tax assessment purposes with certain reasonable adjustments in accordance with Articles 2-1 and 2-4 of the Order for Enforcement of the Act on Revaluation of Land (Publicly Issue Cabinet Order No.119, March 31, 1998).

5. Depreciation of Depreciable Assets

(1) Depreciation of Tangible Fixed Assets Excluding Leased Assets
Depreciation of tangible fixed assets excluding leased assets of the Company is calculated by the declining balance method (the depreciation of buildings (other than facilities attached to buildings and structures that were acquired on or before March 31, 2016) is calculated by the straight-line method).

Estimated useful lives of major assets are as follows:

Buildings	two to sixty years
Other tangible fixed assets	two to twenty years

Other tangible fixed assets that were acquired for ¥100,000 or more but less than ¥200,000 are depreciated at equal amounts over three years.
With respect to tangible fixed assets that were acquired on or before March 31, 2007 and that were fully depreciated to their original depreciable limit, effective the fiscal year ended March 31, 2008, the remaining values are depreciated at equal amounts over five years from the following fiscal year of the year in which they reached the original depreciable limit.
Depreciation of tangible fixed assets owned by a consolidated overseas subsidiary is calculated by the straight-line method.

(2) Amortization of Intangible Fixed Assets Excluding Leased Assets
The Company and its consolidated subsidiary use the straight-line method for amortization of intangible fixed assets excluding leased assets.
Software for internal use is amortized by the straight-line method based on the estimated useful lives of five years.

(3) Depreciation of Leased Assets
Depreciation for leased assets with regard to finance leases whose ownership does not transfer to the lessees is computed under the straight-line method assuming zero salvage value and using the lease period as the useful life.

(4) Accumulated Depreciation of Tangible Fixed Assets
Accumulated depreciation of tangible fixed assets as of March 31, 2021 was ¥622,564 million (US$5,623 million).

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

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

7. Reserve for Possible Loan Losses

The reserve for possible loan losses is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.
For loans to and claims on obligors that have already experienced bankruptcy, reorganization, or other formal legal failure (hereafter, "bankrupt obligors") and loans to and claims on obligors that have suffered substantial business failure (hereafter, "substantially bankrupt obligors"), the reserve is calculated by deducting the estimated recoverable amount of the collateral or guarantees from the book value of the loans and claims after the direct write-off described below.
For loans to and claims on obligors that have not yet suffered business failure but are considered highly likely to fail (hereafter, "obligors at risk of bankruptcy") the reserve is calculated, taking into account (1) the recoverable amount covered by the collateral or guarantees and (2) an overall assessment of the obligor's ability to repay.
For other loans and claims, the reserve is calculated by multiplying the actual rate or other appropriate rate of losses from bad debts during a certain period in the past by the amount of the loans and claims.
For all loans and claims, the relevant department in the Company performs an asset quality assessment based on the internal rules for self-assessment, and an independent audit department audits the result of the assessment. The above reserves are established based on the result of this assessment.
For loans and claims to bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The amount written off during the fiscal year ended March 31, 2021 was ¥1 million (US$0 million).

8. Reserve for Possible Investment Losses

In order to provide for future investment losses, a reserve for possible investment losses is established for securities whose fair values are extremely difficult to recognize. It is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

9. Reserve for Retirement Benefits of Directors, Executive Officers and Corporate Auditors

For the reserve for retirement benefits of directors, executive officers and corporate auditors, an estimated amount for future payment in accordance with the internal policies is provided.

10. Reserve for Possible Reimbursement of Prescribed Claims

To prepare for the reimbursement of claims for which prescription periods had expired, an estimated amount for reserve for possible reimbursement of prescribed claims based on past reimbursement experience is provided.

11. Net Defined Benefit Liabilities

For the net defined benefit liabilities, the amount is provided by deducting the pension assets from the projected benefit obligations based on the estimated amounts as of March 31, 2021. 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, 2021.

(2) Amortization of Actuarial Differences and Past Service Cost

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

Actuarial differences are amortized under the straight-line method over a certain period (seven years) within the employees' average remaining service period, starting from the following year.

12. Reserve for Price Fluctuations

A reserve for price fluctuations is calculated based on the book value of stocks and other securities at the end of the year in accordance with the provisions of Article 115 of the Insurance Business Act.

13. Hedge Accounting

(1) Methods for Hedge Accounting

As for the Company, hedging transactions are accounted for in accordance with the "Accounting Standards for Financial Instruments" (ASBJ Statement No. 10 issued on March 10, 2008). Primarily, (a) special hedge accounting and the deferral hedge method for interest rate swaps are used for cash flow hedges of certain loans, government and corporate bonds, loans payable and bonds payable; (b) the currency allotment method and the deferral hedge method using foreign currency swaps and foreign currency forward contracts are used for cash flow hedges against exchange rate fluctuations in certain foreign currency-denominated bonds, loans, loans payable and bonds payable and certain foreign currency-denominated term deposits and stocks (forecasted transaction); (c) the fair value hedge method using currency options and foreign currency forward contracts is used for hedges against exchange rate fluctuations in the value of certain foreign currency-denominated bonds; (d) the deferral hedge method for over-the-counter options on bonds is used for hedges against interest-rate fluctuations in certain foreign currency-denominated bonds; (e) the deferral hedge method and fair value hedge method using equity options and equity forward contracts are used for hedges against price fluctuations in the value of certain domestic stocks and foreign currency-denominated stocks (forecasted transaction), and (f) the deferral hedge method using interest rate swaps is used for hedges against interest-rate fluctuations in certain insurance liabilities, under the "Accounting and Auditing Treatment of Application of Accounting Standard for Financial Instruments to Insurance Operators" (Industry Audit Committee Report No.26 issued by JICPA).

(2) Hedging Instruments and Hedged Items

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

(3) Hedging Policies

The Company conducts hedging transactions with regard to certain market risk and foreign currency risk of underlying assets to be hedged, in accordance with the internal investment policy and procedure guidelines.

(4) Assessment of Hedge Effectiveness

Hedge effectiveness is assessed primarily by a comparison of fluctuations in cash flows or fair value of hedged items to those of hedging instruments.

14. Calculation of National and Local Consumption Tax

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

15. Policy Reserves

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

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

a) Reserves for policies subject to the standard policy reserve rules are calculated based on the methods stipulated by the Commissioner of Financial Services Agency (Notification of the Minister of Finance No. 48, 1996).
b) Reserves for other policies are established based on the net level premium method.

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

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

16. Policy Acquisition Costs

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

17. Financial Instruments and Others

(1) Financial Instruments

a) Policies in Utilizing Financial Instruments

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

The Company uses derivatives primarily to hedge market risks associated with its existing asset portfolio and supplement its investment objectives to the extent necessary, taking into account the exposure of underlying assets.

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

b) Financial Instruments Used and Their Risks

Securities included in financial assets of the Company, mainly stocks and bonds, are categorized by its investment objectives such as held-to-maturity, policy-reserve-matching securities and available-for-sale securities. Those securities are exposed to market fluctuation risk, credit risk and interest rate risk and some of the securities denominated in foreign currency are exposed to foreign currency risk. Also, loans are exposed to credit risk arising from the defaults of obligors.

The Company might be exposed to liquidity risk in certain circumstances in which it cannot make timely payments of principal, interest or other amounts due to unpredictable cash outflows or is forced to raise capital with interest rates substantially higher than usual. Also, some of its loans payable and bonds payable which are floating interest rate based and denominated in foreign currency are exposed to interest rate risk and foreign currency risk.

The Company utilizes i) interest rate swaps to hedge interest rate risk associated with certain of its loans receivable and payable, ii) equity forward contracts to hedge market fluctuation risks associated with domestic stocks, and iii) foreign currency forward contracts, currency options and foreign currency swaps to hedge foreign currency risks associated with certain foreign currency-denominated bonds, foreign currency-denominated short-term deposits and foreign currency-denominated debts, etc. and adopt hedge accounting.

In addition, the Company utilizes iv) interest rate swaps to hedge interest rate risk associated with certain insurance liabilities, under the "Accounting and Auditing Treatment of Application of Accounting Standard for Financial Instruments to Insurance Operators" (JICPA Industry Audit Committee Report No. 26).

In applying the hedge accounting, in order to fulfill requirements stipulated in the "Accounting standards for financial instruments" (ASBJ Statement No. 10 on March 10, 2008), the Company has established investment policy and procedure guidelines and clarified the transactions to be hedged, the risk of underlying assets to be hedged and derivative instruments to be used, and conducted pre- and post-effectiveness tests of the transactions.

c) Risk Management

The risk management system of the Company is as follows:

i) Market Risk Management

Under the internal investment policy and market risk management policy, the Company manages market risk by conducting mid- to long-term asset allocation in a manner appropriate to its liabilities. Therefore, it categorizes its portfolio into sub-groups, based on their investment purpose, and manages them taking into account each of their risk characteristics.

(a) Interest rate risk

The Company keeps track of interest rates and durations of its assets and liabilities, monitors its internal analyses on duration gap and interest rate sensitivity, and periodically reports its findings to the board of directors, etc.

(b) Currency risk

The Company keeps track of currency composition of its financial assets and liabilities, conducts sensitivity analyses, and periodically reports its findings to the board of directors, etc.

(c) Fluctuation in market values

The Company defines risk management policies and management procedures for each component of its overall portfolio, including securities, based on the risk characteristics of the categories, and set and manages upper limits of each asset balance and asset allocation weight.

Such management conditions are periodically reported by its risk management sections to the board of directors, etc.

(d) Derivative transactions

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

ii) Credit Risk Management

In accordance with the internal investment policy and credit risk management procedure guidelines, the Company has established a credit management system related to loans, such as preliminary reviews on individual transactions, credit limit setting, credit information management, internal credit rating, attachment of guarantees and collateral, and follow-ups on problem loans. For corporate bond investment, the credit section sets investment caps on individual issuers taking into account internal credit ratings and other factors. Excessive risk-taking is restricted since front offices make investment within those caps. Policies and framework for large-lot borrowers have been formulated in order to prevent credit concentration by monitoring compliance, etc. That credit management has been conducted by the credit and risk management sections, and has been periodically reported to the board of directors, etc. Additionally, the internal audit section has also checked credit management status.

Credit risk of security issuers and counterparty risk with respect to derivative transactions are managed by the credit section, which sets upper limits for each counterparty and financial instrument and periodically monitors credit information, and by the risk management section, which periodically monitors current exposures.

d) Supplementary Explanation for Fair Value of Financial Instruments

As well as the value based on market prices, fair values of financial instruments include values which are reasonably calculated in case market prices do not exist. As the calculation of those values adopts certain assumptions, those values may vary in case different assumptions are applied.

(2) Fair Value 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, 2021 were as follows. The following table does not include financial instruments whose fair value is extremely difficult to recognize. (Please refer to (Note 2).)

As of March 31, 2021	Carrying amount	Fair value	Gains (Losses)	Carrying amount	Fair value	Gains (Losses)
		(Unit: million yen)			(Unit: million US dollars)	
(1) Cash and deposits	383,214	383,214	-	3,461	3,461	-
(2) Call loans	403,700	403,700	-	3,646	3,646	-
(3) Monetary claims bought	252,140	252,140	-	2,277	2,277	-
(4) Money held in trust	7,716	7,716	-	69	69	-
(5) Securities						
a. Trading securities	936,743	936,743	-	8,461	8,461	-
b. Held-to-maturity bonds	48,646	50,321	1,675	439	454	15
c. Policy-reserve-matching bonds	13,332,171	15,520,087	2,187,915	120,424	140,186	19,762
d. Stock of subsidiaries and affiliate companies	343	451	108	3	4	0
e. Available-for-sale securities	18,844,324	18,844,324	-	170,213	170,213	-
(6) Loans	2,576,064			23,268		
Reserve for possible loan losses (*1)	(850)			(7)		
	2,575,213	2,633,115	57,901	23,260	23,783	522
Total assets	36,784,211	39,031,813	2,247,601	332,257	352,559	20,301
(1) Bonds payable	476,277	509,676	33,399	4,302	4,603	301
(2) Payable under repurchase agreements	2,301,762	2,301,762	-	20,790	20,790	-
(3) Long-term borrowings	390,600	390,394	(205)	3,528	3,526	(1)
Total liabilities	3,168,639	3,201,832	33,193	28,621	28,920	299
Derivative transactions (* 2)						
a. Hedge accounting not applied	[5,691]	[5,691]	-	[51]	[51]	-
b. Hedge accounting applied	[295,152]	[295,773]	(621)	[2,665]	[2,671]	(5)
Total derivative transactions	[300,843]	[301,465]	(621)	[2,717]	[2,723]	(5)

(*1) Excluding general reserves for possible loan losses and specific reserves for possible loan losses related to loans.
(*2) Credits/debts from derivative transactions are presented on a net basis. Figures in [ ] are net debts.

(Note 1) Notes to Methods for Calculating Fair Value of Financial Instruments, Securities and Derivative Transactions

Assets

(1) Cash and deposits

Since deposits are close to maturity or have no maturity and their fair value is close to the carrying amounts, fair value is based on the carrying amount.

(2) Call loans

Since all call loans are close to due date and their fair value is close to the carrying amounts, fair value of call loans is based on their carrying amount.

(3) Monetary claims bought

The fair value of monetary claims bought is based on the reasonably calculated price.

(4) Money held in trust

The fair value of stocks is based on the price on stock exchanges and that of bonds is based on the price on bond markets or price presented by counterparty financial institutions. The fair value of mutual funds is based on unit price.

(5) Securities

The fair value of stocks is based on the price on stock exchanges and that of bonds is based on the price on bond markets or price presented by counterparty financial institutions. The fair value of mutual funds is based on unit price. As for ownership stakes in partnerships, the amount equivalent to partnership interest in fair value of the partnership assets is recorded as fair value of the stake in the partnership.

(6) Loans

The fair value of loans is calculated by discounting future cash flows of the subject loan, using interest rates corresponding to the internal credit rating and remaining period which are assumed to be applied to new loans to the subject borrower.

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.

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.

Liabilities

(1) Bonds payable

The fair value of bonds is based on the price on the bond market.

(2) Payables under repurchase agreements

Since the terms of all payables under repurchase agreements are short and their fair value is close to the carrying amounts, fair value is based on the carrying amount.

(3) Long-term borrowings

The fair value of long-term borrowings is calculated by discounting future cash flows, using interest rates corresponding to internal credit rating and remaining periods which are assumed to be applied to new borrowings.

Derivative Transactions

The breakdown of derivative transactions is (1) currency-related transactions; (2) interest-related transactions; (3) stock-related transactions; and (4) bond-related transactions, etc. The fair value of the instruments is based on the closing exchange-traded prices and the prices quoted from financial institutions, etc.

(Note 2) Financial instruments whose fair value is extremely difficult to recognize were as follows and are not included in the fair value of (5) Securities in (Note 1)

As of March 31, 2021	Carrying amount	
	(Unit: million yen)	(Unit: million US dollars)
1. Unlisted domestic stocks (*1)(*2)	49,781	449
2. Unlisted foreign stocks(*1)(*2)	25,234	227
3. Other foreign securities(*1)(*2)	-	-
4. Other securities(*1)(*2)	225,035	2,032
Total	300,051	2,710

(*1) These securities cannot be assigned a market value because of unavailability of tradable markets, and they are excluded from disclosure of fair value.

(*2) The Company recorded impairment charges of ¥1,192 million (US$10 million) for the fiscal year ended March 31, 2021

18. Real Estate for Rent

The Company owns a number of commercial buildings, including land, for rent in various locations, including Tokyo. Net rental income from such real estate for rent for the fiscal year ended March 31, 2021 was ¥35,836 million (US$323 million). The rental income was included in investment income and the rental expense was included in investment expenses. The Company recorded gains on sale of ¥2,548 million (US$23 million) and impairment loss of ¥2,528 million (US$22 million). on rental real estate as extraordinary gains and extraordinary losses respectively for the fiscal year ended March 31, 2021.

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

	(Unit: million yen)	(Unit: million US dollars)
Carrying amount		
Beginning balance	788,201	7,119
Net change for the year	(814)	(7)
Ending balance	787,387	7,112
Fair value	1,056,203	9,540

(*1) The carrying amount of rental real estate on the consolidated balance sheet was acquisition costs net of accumulated depreciation and impairments.

(*2) Net change in the carrying amount included cost of acquisition of the real estate of ¥30,668 million (US$277 million), sale of the real estate of ¥19,468 million (US$175 million), depreciation expense of ¥13,165 million (US$118 million), and impairment loss of ¥2,528 million (US$22 million).

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

19. Securities Lending

Securities lent under lending agreements are included in the consolidated balance sheet. The total balance of securities lent as of March 31, 2021 was ¥2,246,652 million (US$20,293 million).

20. Problem Loans

As of March 31, 2021, the amounts of credits to bankrupt borrowers, delinquent loans, loans past due for three months or more, and restructured loans, which were included in loans, were as follows:

	(Unit: million yen)	(Unit: million US dollars)
Credits to bankrupt borrowers (*1)	67	0
Delinquent loans (*2)	3,216	29
Loans past due for three months or more (*3)	-	-
Restructured loans (*4)	833	7
Total	4,117	37

(*1) Credits to bankrupt borrowers represent non-accrual loans, excluding the balances already written off, which meet the conditions prescribed in Article 96, Paragraph 1, Item 3 (a) to (e) or Item 4 of t the Order for Enforcement of the Corporation Tax Act (Cabinet Order 97,1965). Interest accruals of such loans are suspended since the principal of or interest on such loans is unlikely to be collected.

(*2) Delinquent loans are credits that are delinquent other than credits to bankrupt borrowers and loans for which interest payments have been suspended to assist and support the borrowers in the restructuring of their businesses.

(*3) Loans past due for three months or more are loans for which interest or principal payments are delinquent for three months or more under the terms of the loans excluding those classified as credits to bankrupt borrowers or delinquent loans.

(*4) Restructured loans 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 loans classified as credits to bankrupt borrowers, delinquent loans, and loans past due for three months or more.

As a result of the direct write-off of loans described in Note 7, the decreases in credits to bankrupt borrowers and delinquent loans were as follows:

	(Unit: million yen)	(Unit: million US dollars)
Credits to bankrupt borrowers	1	0
Delinquent loans	-	-

21. 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 ¥1,575,100 million (US$14,227 million). Separate account liabilities were the same amount as the separate account assets.

22. Contingent Liabilities

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

	(Unit: million yen)	(Unit: million US dollars)
Dai-ichi Life Holdings, Inc.	250,002	2,258

23. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	(Unit: million yen)	(Unit: million US dollars)
Balance at the beginning of the fiscal year	399,742	3,610
Dividends paid during the fiscal year	84,461	762
Interest accrual during the fiscal year	8,218	74
Provision for reserve for policyholder dividends	77,500	700
Balance at the end of the fiscal year	400,999	3,622

24. Stock of Subsidiaries and Affiliated Companies

The amount of stocks of and stakes in non-consolidated subsidiaries and affiliated companies the Company held as of March 31, 2021 were as follows:

	(Unit: million yen)	(Unit: million US dollars)
Stocks	4,788	43
Capital	166,145	1,500
Total	170,933	1,543

25. Organizational Change Surplus

As of March 31,2021, the amount of organizational change surplus stipulated in Article 91 of the Insurance Business Act was ¥117,776 million (US$1,063 million).

26. Assets Pledged as Collateral / Secured Liabilities

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

	(Unit: million yen)	(Unit: million US dollars)
Securities	2,308,573	20,852
Cash and deposits	86	0
Total	2,308,659	20,853

The amounts of secured liabilities were as follows:

	(Unit: million yen)	(Unit: million US dollars)
Payables under repurchase agreements	2,301,762	20,790

The amounts of "Securities" pledged as collateral under repurchase agreements as of March 31, 2021 was ¥2,074,617 million (US$18,739 million).

27. Net Assets per Share

The amount of net assets per share of the Company as of March 31, 2021 was ¥530,692,467.11 (US$4,793,536.87 million).

28. Employees' Retirement Benefits

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

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

(2) Defined Benefit Plans

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

		(Unit: million yen)	(Unit: million US dollars)
a.	Beginning balance of the projected benefit obligations	684,256	6,180
b.	Service cost	25,769	232
c.	Interest cost	2,050	18
d.	Accruals of actuarial (gains) and losses	5,543	50
e.	Payment of retirement benefits	(32,125)	(290)
f.	Accuruals of past service cost	2,160	19
g.	Others	(883)	(7)
h.	Ending balance of the projected benefit obligation (a + b + c + d + e + f + g)	686,771	6,203

b) Reconciliations of beginning and ending balances of pension assets

		(Unit: million yen)	(Unit: million US dollars)
a.	Beginning balance of pension assets	253,121	2,286
b.	Estimated return on assets	1,753	15
c.	Accruals of actuarial (gains) and losses	28,511	257
d.	Contribution from the employer	6,746	60
e.	Payment of retirement benefits	(10,254)	(92)
f.	Ending balance of pension assets (a + b + c + d + e)	279,877	2,528

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)	(Unit: million US dollars)
a.	Projected benefit obligation for funded pensions	365,467	3,301
b.	Pension assets	(279,877)	(2,528)
c.	Subtotal (a + b)	85,590	773
d.	Projected benefit obligation for unfunded pensions	321,304	2,902
e.	Net of assets and liabilities recorded in the consolidated balance sheet (c + d)	406,894	3,675
f.	Net defined benefit liabilities	406,894	3,675
g.	Net defined benefit assets	-	-
h.	Net of assets and liabilities recorded in the balance sheet (f + g)	406,894	3,675

d) Amount of the components of retirement benefit expenses

		(Unit: million yen)	(Unit: million US dollars)
a.	Service cost	25,769	232
b.	Interest cost	2,050	18
c.	Expected return on assets	(1,753)	(15)
d.	Expense of actuarial (gains) and losses	5,618	50
e.	Expense of past service cost	(136)	(1)
f.	Others	190	1
g.	Retirement benefit expenses for defined benefit plans (a + b + c + d + e + f)	31,738	286

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)	(Unit: million US dollars)
Past service cost	(2,297)	(20)
Actuarial gains (losses)	28,672	258
Total	26,375	238

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)	(Unit: million US dollars)
Unrecognized past service cost	1,339	12
Unrecognized actuarial gains (losses)	5,416	48
Total	6,755	61

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	70%
Assets under joint management	15%
Life insurance general account	4%
Bonds	3%
Others	8%
Total	100%

Note: The proportion of retirement benefit trust to total pension assets that has been set for the unfunded retirement benefit plans as of March 31, 2021 was 53%.

ii The method of setting the expected long-term rate of return on pension assets

To determine the expected long-term rate of return on pension assets, the Company has taken into account the allocation of pension assets at present and in future, and long-term rate of return on a variety of assets that make up the pension assets at present and in future.

h) Calculation basis of actuarial gains and losses

Major assumptions of basis of actuarial calculation as of the fiscal year-end were as follows:

Discount rate	0.30%
Expected long-term rate of return	
Defined benefit corporate pension	1.40%
Employee pension trust	0.00%

i) Defined Contribution Plans

Required amounts of contribution to defined contribution plans of the Company for the fiscal years ended March 31, 2021 was ¥1,566million (US$14 million).

29. Securities Borrowing

Securities borrowed under borrowing agreements can be sold or pledged as collateral. As of March 31, 2021, the market value of the securities which were not sold or pledged as collateral was ¥ 2,343 million (US$21 million). None of the securities were pledged as collateral as of March 31, 2021.

30. Commitment Line

As of March 31, 2021, there were unused commitment line agreements, under which the Company was the lenders, of ¥ 78,478 million (US$708 million).

31. Subordinated Debt and Other Liabilities

As of March 31, 2021, other liabilities included subordinated debt of ¥390,600 million (US$3,528 million), whose repayment is subordinated to other obligations.

32. Bonds Payable

As of March 31, 2021, bonds payable included foreign currency-denominated subordinated bonds of ¥476,277 million (US$4,302 million), whose repayment is subordinated to other obligations.

33. Obligations to the Life Insurance Policyholders Protection Corporation of Japan

The estimated future obligations of the Company to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Act as of March 31, 2021 were ¥44,307 million (US$400 million). These obligations will be recognized as operating expenses for the years in which they are paid.

Ⅳ. NOTES TO THE CONSOLIDATED STATEMENT OF EARNINGS

1. Accounting Policies for Premium and Other Income and Benefits and Claims for the Company

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

Premium and other income (excluding reinsurance income) 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) 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.

(Additional information)

Effective the fiscal year ended March 31, 2021, the Company discloses "principles and procedures of the accounting treatment adopted in cases where the provisions of relevant accounting standards, etc. are unclear" with the adoption of the "Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections" (ASBJ Statement No. 24 revised on March 31, 2020), in the consolidated financial statements.

2. Net Income per Share

Net income per share for the fiscal year ended March 31, 2021 was ¥32,509,940.19 (US$293,649.53 million). Diluted net income per share for the same period is not presented because there were no existing diluted shares.

3. Impairment Losses on Fixed Assets

Details of impairment losses on fixed assets for the fiscal year ended March 31, 2021 were as follows:

(1) Method of Grouping Assets

Real estate and other assets used for insurance business purposes are recognized as one asset group. Each property for rent and property not in use, which is not used for insurance business purposes, is deemed to be an independent asset group.

(2) Background for Recognition of Impairment Losses

As a result of significant declines in profitability or market value of some asset groups, the Company wrote down the book value of these assets to the recoverable value, and reported such write-off as impairment losses in extraordinary losses.

(3) Breakdown of Impairment Losses

Impairment losses by asset group for the fiscal year ended March 31, 2021 were as follows:

Asset Group	Place	Number	Impairment Losses					
			Land	Buildings	Total	Land	Buildings	Total
			(Unit: million yen)			(Unit: million US dollars)		
Real estate for rent	Morioka city, Iwate Prefecture	1	25	31	57	0	0	0
Real estate not in use	Takamatsu city, Kagawa Prefecture and others	22	1,741	752	2,494	15	6	22
Total	-	23	1,767	784	2,552	15	7	23

(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 2.17% for the fiscal year ended March 31, 2021 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.

V. NOTES TO THE CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

1. The amounts of comprehensive income and other comprehensive income

The amounts of comprehensive income and other comprehensive income for the fiscal years ended March 31, 2020 were as follows:

(1) Comprehensive income

	(Unit: million yen)
Comprehensive income attributable to shareholders of parent company	(163,148)
Total	(163,148)

(2) Other comprehensive income

	(Unit: million yen)
Net unrealized gains (losses) on securities, net of tax	(294,730)
Deferred hedge gains (losses)	17,854
Remeasurements of defined benefit plans, net of tax	(14,767)
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	(0)
Total	(291,643)

2. The amount reclassified and tax effect amounts related to other comprehensive income

The amount reclassified and tax effect amounts related to other comprehensive income were as follows:

	Year ended March 31,	
	2021	2021
	(Unit: million yen)	(Unit: million US dollars)
Net unrealized gains (losses) on securities, net of tax		
Amount incurred during the year	1,078,176	9,738
Amount reclassified	(217,755)	(1,966)
Before tax adjustment	860,420	7,771
Tax effect	(240,229)	(2,169)
Net unrealized gains (losses) on securities, net of tax	620,191	5,601
Deferred hedge gains (losses)		
Amount incurred during the year	(34,139)	(308)
Amount reclassified	(286)	(2)
Before tax adjustment	(34,426)	(310)
Tax effect	9,611	86
Deferred hedge gains (losses)	(24,814)	(224)
Foreign currency translation adjustments		
Amount incurred during the year	592	5
Amount reclassified	-	-
Before tax adjustment	592	5
Tax effect	-	-
Foreign currency translation adjustments	592	5
Remeasurements of defined benefit plans, net of tax		
Amount incurred during the year	20,816	188
Amount reclassified	5,558	50
Before tax adjustment	26,375	238
Tax effect	(7,363)	(66)
Remeasurements of defined benefit plans, net of tax	19,011	171
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method		
Amount incurred during the year	0	0
Amount reclassified	-	-
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	0	0
Total other comprehensive income	614,980	5,554

Ⅵ. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

1. Scope of Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statement of cash flows consist of cash on hand, demand deposits and short-term investments with a maturity of three months or less from the date of acquisition, which are readily convertible into cash and have an insignificant risk of changes in value.

Ⅶ. NOTES TO THE CONSOLIDATED STATEMENT OF CHANGE IN NET ASSETS

1. Type and Number of Shares Outstanding

Year ended March 31, 2021

	At the beginning of the year	Increase during the year	Decrease during the year	At the end of the year
	(Unit: thousands shares)			
Common stock	6	-	-	6

2. Dividends on Common Stock

(1) Cash Dividends

Date of resolution	June 17, 2020 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥101,079 million (US$913 million)
Dividends per share	¥16,846,500 (US$152,167)
Record date	March 31, 2020
Effective date	June 18, 2020
Dividend resource	Retained earnings

Date of resolution	August 12, 2020 (at the Extraordinary General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥49,999 million (US$451 million)
Dividends per share	¥8,333,300 (US$75,271)
Record date	-
Effective date	August 13, 2020
Dividend resource	Retained earnings

(2) Dividends in Kind

Date of resolution	August 12, 2020 (at the Extraordinary General Meeting of Shareholders) (*)
Type of shares	Common stock
Type of the dividend property	Securities
Book value of the dividend property	¥5,740,000 (US$51,847)
Record date	-
Effective date	August 31, 2020
Dividend resource	Retained earnings

(*)At the Extraordinary General Meeting of Shareholders on August 12, 2020, the Company decided to transfer the securities the Company had held to Dai-ichi life Holdings, Inc. as a dividend in kind, and carried it out on August 31, 2020.

(3) Dividends, the record date of which was March 31, 2021, to be paid out in the year ending March 31, 2022

Date of resolution	June 16, 2021 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥158,716 million (US$1,433 million)
Dividends per share	¥26,452,800 (US$238,937)
Record date	March 31, 2021
Effective date	June 17, 2021
Dividend resource	Retained earnings

Date of resolution	June 16, 2021 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥49,999 million (US$451 million)
Dividends per share	¥8,333,300 (US$75,271)
Record date	March 31, 2021
Effective date	June 17, 2021
Dividend resource	Capital surplus

Independent Auditor’s Report

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

Opinion

We have audited the accompanying consolidated financial statements of The Dai-ichi Life Insurance Company, Limited. (“the Company”) and its consolidated subsidiary (collectively referred to as “the Group”), which comprise the consolidated balance sheet as at March 31, 2021, the consolidated statement of earnings, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Audit and Supervisory Board Members and the Audit and Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit and Supervisory Board Members and the Audit and Supervisory Board are responsible for overseeing the directors’ performance of their duties with regard to the design, implementation and maintenance of the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

・ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit and Supervisory Board Members and the Audit and Supervisory Board regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2021 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note I to the consolidated financial statements.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Yutaka Terasawa
Designated Engagement Partner
Certified Public Accountant

Takanobu Miwa
Designated Engagement Partner
Certified Public Accountant

Kenji Seki
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
August 6, 2021

Notes to the Reader of Independent Auditor's Report:
This is a copy of the Independent Auditor's Report and the original copies are kept separately by the Company and KPMG AZSA LLC.

Solvency Margin Ratio

(1) Dai-ichi Life Holdings, Inc.

Consolidated Solvency Margin Ratio

(Unit: million yen)

	As of March 31, 2020	As of March 31, 2021
Total solvency margin (A)	7,446,612	8,937,263
Common stock, etc. (*1)	1,226,073	1,519,154
Reserve for price fluctuations	240,796	264,454
Contingency reserve	693,191	712,999
Catastrophe loss reserve	—	—
General reserve for possible loan losses	125	340
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% (*2)	2,826,140	3,757,933
Net unrealized gains (losses) on real estate × 85% (*2)	243,896	255,652
Sum of unrecognized actuarial differences and unrecognized past service cost	(37,746)	(12,855)
Policy reserves in excess of surrender values	2,270,703	2,323,356
Qualifying subordinated debt	909,277	1,031,277
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(762,096)	(731,488)
Excluded items	(241,174)	(255,788)
Others	77,427	72,228
Total risk $\sqrt{(\sqrt{R_1^2+R_5^2}+R_8+R_9)^2+(R_2+R_3+R_7)^2}+R_4+R_6$ (B)	1,684,405	1,864,810
Insurance risk R_1	132,429	140,083
General insurance risk R_5	4,893	3,971
Catastrophe risk R_6	1,463	1,327
3rd sector insurance risk R_8	192,382	189,994
Small amount and short-term insurance risk R_9	—	—
Assumed investment yield risk R_2	245,702	230,346
Guaranteed minimum benefit risk R_7 (*3)	70,664	67,185
Investment risk R_3	1,295,296	1,493,251
Business risk R_4	38,856	42,523
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$	884.1%	958.5%

*1: Expected disbursements of capital to outside the Company and accumulated other comprehensive income, etc. are excluded.
*2: Multiplied by 100% if losses.
*3: Calculated by standard method.

Note: The above figures are calculated based on Article 210-11-3 and 210-11-4 of the Enforcement Regulations of Insurance Business Act, and Notification of the Financial Services Agency No. 23, 2011.

(2) The Dai-ichi Life Insurance Company, Limited

Solvency Margin Ratio (Unit: million yen)

	As of March 31, 2020	As of March 31, 2021
Total solvency margin (A)	6,251,174	6,990,487
Total risk (B)	1,270,019	1,491,653
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$	984.4%	937.2%

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

Consolidated Solvency Margin Ratio (Unit: million yen)

	As of March 31, 2020	As of March 31, 2021
Total solvency margin (A)	6,121,744	6,817,494
Total risk (B)	1,238,988	1,438,710
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$	988.1%	947.7%

Note: The figures are calculated based on Article 86-2 and 88 of the Enforcement Regulations of Insurance Business Act, and Notification of the Financial Services Agency No. 23, 2011.

(3) The Dai-ichi Frontier Life Insurance Co., Ltd.

Solvency Margin Ratio (Unit: million yen)

	As of March 31, 2020	As of March 31, 2021
Total solvency margin (A)	476,465	570,750
Total risk (B)	197,263	200,614
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$	483.0%	569.0%

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

(4) The Neo First Life Insurance Company, Limited

Solvency Margin Ratio (Unit: million yen)

	As of March 31, 2020	As of March 31, 2021
Total solvency margin (A)	9,388	39,806
Total risk (B)	3,013	2,158
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$	623.1%	3,688.8%

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

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

Solvency Margin Ratio

Not applicable

Glossary of Terms

Adjusted profit/ Adjusted group profit	A unique indicator used by the Company that determines funds to be paid to shareholders. Constitutes the sum of adjusted profit at each Group company. Adjusted profit at each Group company generally indicates profit on a cash basis. As a holding company, the Company conducts shareholder returns based largely on the dividends that it receives from each Group company.
Adjusted ROE/ Adjusted group ROE	Return on Equity. Adjusted Group ROE=Adjusted profit÷(Net assets-(goodwill+unrealized gains or losses on fixed-income assets (net of tax)+cumulative gains or losses on market value adjustment (MVA) (net of tax), etc.))
CAPM	The Capital Asset Pricing Model (CAPM) describes the relationship between systematic risk(β) and expected return for assets, and is widely used for pricing risky securities and generating expected returns for assets given the risk of those assets and cost of capital.
CSA	Control Self-Assessment (CSA) is a set of activities performed by managers and personnel in charge who are familiar with the tasks to identify inherent risks and to perform self-assessments on the significance and strength of risk control, and pursue to curb risk and make necessary operational improvements.
CX	Customer Experience is concept that put emphasis on psychological and emotional value experienced by customers through all contact points with the Group.
DX	Digital Transformation (DX) is a concept of promoting advanced IT technologies to transform and improve people's quality of life.
Ecosystem	A system in which multiple enterprises form a partnership through means such as product development or business activities and go beyond the boundaries of their respective industries or countries to widely co-exist and co-prosper while taking advantage of each other's technologies and capital.
ERM	Enterprise Risk Management (ERM) is a set of activities for formulating corporate plans, capital policies, etc. in accordance with capital, risk and profit positions based on the attribution, type and characteristics of risk, and promoting business activities accordingly. More specifically, ERM is a management concept in which risk is properly controlled in an effort to secure soundness while capital is allocated to operations, etc. that can be anticipated to yield greater profit in order to materialize improved capital efficiency and corporate value.
ESR	Economic Solvency Ratio (ESR) is a solvency indicator valuing assets and liabilities based on market interest rates, etc. Indicates economic capital relative to the risk amount under a certain stress scenario.
EV/EEV	(European) Embedded Value (EEV) is an indicator of corporate value attributable to shareholders. EEV is the sum of "adjusted net worth following necessary revisions to the amount of net assets on the balance sheet" and "value of in-force business, which represents the present value of future profits on in-force business, net of tax."
EX	Employee Experience (EX) is a concept that put emphasis on necessity to improve experiential values obtained by employees in order to improve productivity and provide better products and services to customers.
Free cash	Surplus capital under the strictest standards among accounting capital and solvency regulations.
InsTech	Insurance Technology (InsTech) is set of initiatives for creating innovation unique to the life insurance business by fusing insurance and technology.
NPS®*	Net Promoter Score (NPS) is an indicator of customer loyalty (the degree of attachment and confidence in a company or brand) in and provides a measurement for the degree of recommending (products, services, brand) to friends or acquaintances, thereby going deeper than a customer satisfaction metric. * NPS® is a registered trademark of Bain & Company, Fred Reichheld and Satmetrix Systems.
QOL	Quality of Life (QOL) is a concept that encompasses the richness of overall living standard including spiritual aspects and self-actualization in addition to material wealth and individual activities for self-care. Quality of Life improvements refers to the realization of the desired life or way of living.
ROEV	Return on Embedded Value (ROEV) is and indicator measuring the growth of corporate value with increments in EV that is considered to be profit after taking into account the special nature of life insurance accounting.
TSR	Total Shareholder Return (TSR) is a total investment return for shareholders after adding capital gains and dividend income.
VUCA	VUCA stands for volatility, uncertainty, complexity, and ambiguity. It describes the situation of constant, unpredictable change that is now the norm in certain industries and areas of the business world.
Well-being	"Well-being" refers to living a prosperous and healthy life with peace of mind, and being in a state of happiness. The Group aims to contribute to the well-being of all, including future generations, through four experiential values.

*Listed in alphabetical order

A Note on the Publication of This Report

Thank you for reading this report all the way through.

In the new medium-term management plan that we started this fiscal year, the entire Group will embark on a transformation with a new resolve. It seems just like yesterday that we were deeply discussing what sort of language we should use in this integrated report in order to convey in best way our view behind that resolve and the thought process involved.

As a result, we made the bold choice not to include the usual introduction part about our history (which even included the photo of our founder Tsuneta Yano), and instead attempted to share our two-page view on the upcoming future. We hope this left a positive impression on you.

In addition, we also were concerned about the extent up to which we, as a holding company, should cover the incident of fraudulent cash mishandlings that took place at one of our operating companies. And whether our approach content creation in a business issue-oriented manner rather than an achievement-oriented manner was the right call. With encouraging words from our President Inagaki, who is promoting greater transparency among management, we attempted such approach.

And despite finishing final proofreading of this report, areas of improvement such as certain thoughts not being organized and lack of reader's perspective in some parts have already been uncovered. Some features even covered initiatives that did not lead to concrete plans. For our next report, we sincerely hope to benefit from your feedbacks. Please share your candid opinions and suggestions.

Finally, allow me to thank you for your ongoing support for Dai-ichi Life Group.

Atsushi Nakamura
Head of IR Group
Corporate Planning Unit

Editorial Policy

Coverage of This Report

- Period covered: April 1, 2020 to March 31, 2021 (including some activities on and after April 1, 2021)
- Organizations covered: Dai-ichi Life Holdings, Inc. and its subsidiaries and affiliates

Timing of Publication

Published every September

Reference

- International Integrated Reporting Council (IIRC) "International Integrated Reporting Framework"
- Global Reporting Initiative (GRI) "Sustainability Reporting Standards"
- Sustainability Accounting Standards Board (SASB) standards
- Ministry of Economy, Trade and Industry "Guidance for Collaborative Value Creation"

Page Structure based on Guidance for Collaborative Value Creation

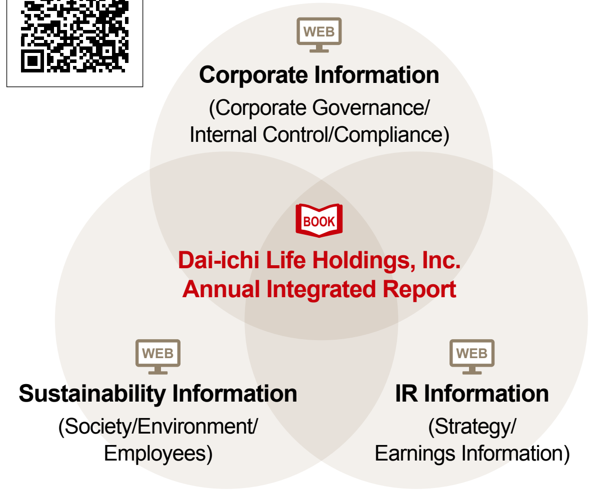
This publication organizes information systematically and comprehensively to help in dialogue with shareholders and investors. The framework of the Guidance for Collaborative Value Creation is also used to show the Dai-ichi Life Group's mechanisms for value creation as a story while connecting the respective information appropriately.

Environment Social Governance
Guidance for Collaborative Value Creation

This report constitutes disclosure materials prepared in accordance with Articles 271.25 and 272.40 of the Insurance Business Act and Articles 210.10.2 and 211.82 of the Enforcement Regulations of Insurance Business Act (Explanatory Documents on Business and Property Status).

Positioning of This Report

In order to provide understanding of the Dai-ichi Life Group by all stakeholders, material information in this report is summarized. Please visit our website for further details.
▸ *https://www.dai-ichi-life-hd.com/en/index.html*



Forward-looking Statements

Statements contained herein that relate to the future operating performance of the Company are forward-looking statements. Forward-looking statements may include-but are not limited to-words such as "believe," "anticipate," "plan," "strategy," "expect," "forecast," "predict," "possibility" and similar words that describe future operating activities, business performance, events or conditions. Forward-looking statements are based on judgments made by the Company's management based on information that is currently available and are subject to significant assumptions. As such, these forward-looking statements are subject to various risks and uncertainties and actual business results may vary substantially from the forecasts expressed or implied in forward-looking statements. Consequently, you are cautioned not to place undue reliance on forward-looking statements. The Company disclaims any obligation to revise forward-looking statements in light of new information, future events or other findings.

Dai-ichi Life Holdings

Dai-ichi Life
Group

Dai-ichi Life Holdings

The logo depicts the form of a shield used in the Middle Ages on which a design expressing the Earth is featured. This is an expression of the commitment of the Dai-ichi Life Group's companies to protect customers from disasters through concerted efforts in their global operations.
In addition, the upward curving latitudinal lines of the Earth express the bright future of our customers and the Dai-ichi Life Group's determination to grow in order to continue standing by the side of our customers for life. Going forward, we will continue to stand by the side of our customers and their loved ones, for life, and make concerted efforts to deliver a secure future for every community we serve, using the best of our local and global capabilities.

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