Dai-ichi Life Holdings

INTEGRATED REPORT 2024

By your side, for life

INTEGRATED REPORT 2024

Contents

Editorial Policy

Dai-ichi Life Holdings Integrated Report is designed to inform customers, shareholders, investors, and other stakeholders of our efforts on our sustainable value creation.

In this report, we have refined our value creation process, based on the newly formulated Group Principles and Core Materiality (priority material issues for the Group) in line with the new mid-term management plan, in order to clarify how we will create sustainable social and economic value and how we will grow toward the Dai-ichi Life Group's Vision for FY2030. In addition, we have increased the number of discussion pages to clearly show the connections between each business strategy and Core Materiality, and to more vividly convey the narrative of our story of value creation. Moreover, to facilitate understanding of the Dai-ichi Life Group's matrix-type management system, this integrated report contains more message contents on value creation strategies from Group Heads and key CxOs.

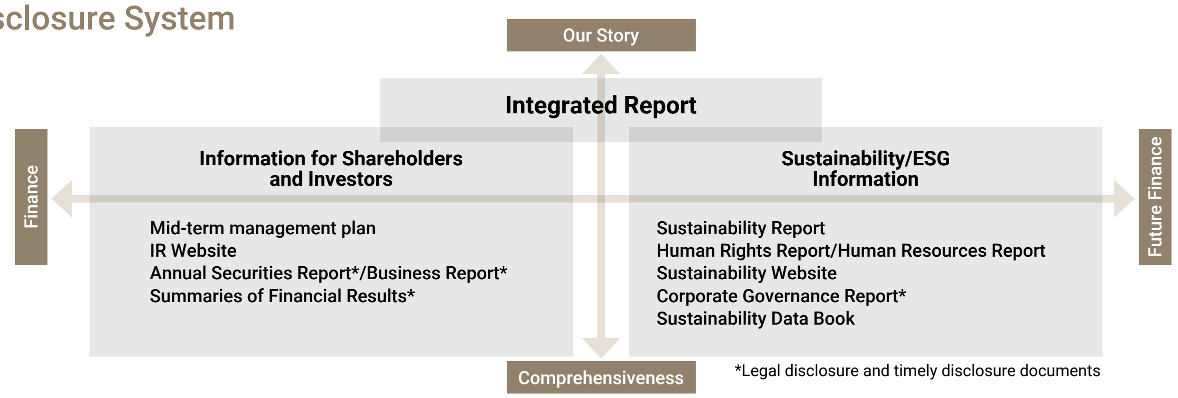
During this period of increasing uncertainty in the social environment, we hope that this report will help you understand how the Dai-ichi Life Group is creating sustainable value.

In preparing the Integrated Report, we refer to the International Integrated Reporting Framework recommended by the IFRS Foundation, the Guidance for Collaborative Value Creation by the Ministry of Economy, Trade and Industry, and the Sustainability Reporting Standards by the Global Reporting Initiative (GRI).

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

Guidance for Collaborative Value Creation

Disclosure System



*Legal disclosure and timely disclosure documents

Website Information

Aims of the Dai-ichi Life Group (Purpose and Values/Strategy)

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

Sustainability/ESG Information

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

Financial Results/IR Information

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

External Evaluation

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

■ ESG indices in which the Dai-ichi Life Group is included (As of July 2024)

FTSE4Good Index Series*1	FTSE Blossom Japan Index*1	S&P/JPX Carbon Efficient Index	MSCI NIHONKABU ESG SELECT LEADERS INDEX Index*2	MSCI Japan Empowering Women Select Index*2	Dow Jones Sustainability Asia Pacific Index

*1 FTSE Russell confirms that Dai-ichi Life Holdings, Inc. has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Index. Created by the global index and data provider FTSE Russell, the FTSE Blossom Japan Index is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

*2 The inclusion of Dai-ichi Life Holdings in the MSCI Indexes and the use by Dai-ichi Life Holdings of the MSCI logo, trademark, service mark, or index name do not represent sponsorship, endorsement, or promotion of Dai-ichi Life Holdings by MSCI or its affiliates. MSCI Indexes are the exclusive property of MSCI. MSCI and the MSCI Index names and logos are trademarks or service marks of MSCI or its affiliates.

Purpose

Partnering with you to build a brighter and more secure future

There are as many lives as there are people in this world.
And there are as many forms of happiness as there are lives.

We want to support people who are trying
to overcome something or take on a challenge
to pursue each person's form of happiness.

We will help build a brighter future
for society, the Earth, and all our stakeholders.

We are committed to opening up
the possibilities of each individual's life
by going beyond the boundaries of life insurance and
by continuously innovating, keeping an eye on the future.

We can do this because the Dai-ichi Life Group has
more than 100 years of a track record
serving as people's lifetime partner.

Come, join us. Into the future.

Dai-ichi Life Group Principles

Purpose

Partnering with you to build a brighter and more secure future

Values

We care

We care for our customers, business partners, employees, and the communities and environment in which we operate.

We do what's right

We strive for excellence and aspire to enhance the quality of life for our customers and society. We do the right thing and take our responsibilities seriously.

We innovate

We use the diversity of our global experience to find bold and agile ways to solve problems and make a positive difference throughout our customers' lives.

Brand Message

By your side, for life

Purpose Story

Redefining the concept of "By your side, for life" for the future

The Dai-ichi Life Group was founded in Japan in 1902 and has since expanded its business globally, including Asia Pacific and North America. In recent years, the Group has broadened its business and value offerings beyond the life insurance business.

Against this backdrop, in FY2024 we revamped our Principles and established our Purpose (the "reason" behind our existence in society) and Values (Values we uphold). As social conditions, people's behavior patterns, and values change and new social issues evolve, the role the Dai-ichi Life Group must play has expanded into ever more diverse areas.

Co-creation by Group employees

The development of our Purpose and Values was completed with the participation of ca. 1,000 employees from Japan and overseas, who engaged in discussions about the future significance of the Dai-ichi Life Group in society and the values that should be cherished.

(What) What kind of world we want to help create

"A brighter and more secure future"

We support a wide variety of people's lives through many lines and propositions across the businesses. This includes not only straightforward positive "hope" but also the hopes of people in tough circumstances. We will focus on the future more than ever, take on challenges ahead of the curve and contribute to building a better future for our stakeholders.

"Brighter future" encompasses the spirit of hope and happiness and resonates better in English. "Secure future" is not limited to the meaning of life insurance protection. Security applies to a broader range of businesses (e.g., asset management, retirement, employee benefits), and for people to have a "secure future," they need to have financial health as well as physical and mental wellbeing.

(How) How we will make such a contribution

"Partnering with you to build a future"

We move ahead as a group with stakeholders, looking ahead to the future and proactively taking on challenges. Through value creation for our customers and other stakeholders, we will build a better future. The words have been chosen thoughtfully and deliberately to capture the meaning:

"Partnering" reflects the collaborative, supportive, and guiding role we play.

"With you" speaks directly to the reader and is broad and inclusive enough to encompass a variety of stakeholders including customers, partners, and employees. "To build a future" captures the spirit of "pioneering."

Linkages with Core Materiality

In formulating our Purpose, we considered the four Core Materiality of the Group. We aim to realize the world envisioned in our Purpose by addressing solutions to social issues defined in our Core Materiality through our corporate activities.

Ⅰ. Financial Well-being for All	Ⅲ. Environmental Leadership
Ⅱ. Healthy People and Society	Ⅳ. Proactive Governance and Engagement

Acting on our Values to achieve our Purpose

Our Values incorporate the values that we have cherished since our founding and express the values and decision-making principles that we wish to further strengthen for the future.

The energy of the Group comes from each and every employee striving to realize our Purpose and demonstrating our Values in their work. We believe this will help us provide value to our customers and other stakeholders and resolve social issues. These efforts will enable us to achieve our mid-term management plan and become a global top-tier insurance group by FY2030. Moving forward, we aim to continue evolving strongly to realize our Purpose.

Click here to view our Purpose Video

Message *from the* CEO

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

Tetsuya Kikuta

Accelerating efforts to improve corporate value and become a "global top-tier insurance group"

What I am committed to as Group CEO

At the beginning of FY2023, when I assumed the position of Group CEO, I set forth the Group's vision for FY2030 to become a "global top-tier insurance group" as well as a "leader of the Japanese insurance industry future." Let me explain the background of this vision.

In 2010, after a long history as a mutual company, we became the first major life insurer in Japan to change to a stock company and go public. The reason for this decision was that we determined that the stock company structure was the best option for increasing the value we provide to society, achieving sustainable growth as a company, and enhancing corporate value in the medium to long term. Achieving sustainable growth as a Group and enhancing corporate value in the medium to long term are also my mission, and I am deeply committed to fulfilling this mission in a bold and impactful manner.

To put it simply, our goal is to become a global top-tier insurance group in terms of corporate value by FY2030, which is 20 years after we became a listed company. Currently, the market capitalization of the top 10 insurance groups is ca. ¥10tn, and I aim to reach that level by FY2030.

To achieve this, we must consider what we need to accomplish now by backcasting from our vision for FY2030, taking into account anticipated changes in the external environment. This approach served as the starting point for formulating our new mid-term management plan, which started from this fiscal year. Instead of confining ourselves to the mindset of the past, I am determined to swiftly implement the strategies needed to realize our vision for FY2030. I am also committed to boldly embracing challenging initiatives without hesitation, free from the constraints of our past.

We have revamped our Principles and newly established our Purpose, which reflects the reason for our existence, to unite the entire Group in embracing the challenge of achieving the aforementioned vision. Our Purpose, "Partnering with you to build a brighter and more secure future," embodies our commitment to continuously challenge ourselves to deliver innovative services that go beyond the traditional scope of services offered by life insurance companies. Through this, we aim to become a company that serves as social infrastructure, closely supporting our customers throughout their lives.

Transitioning from a traditional "insurance provider" to an "insurance-related service provider" without fear of change

To become a company that serves as social infrastructure and closely supports customers throughout their lives, we aim for a business model that delivers a broad range of experiential values through services that transcend the traditional narrow definition of life insurance. Specifically, we aim to provide wide-ranging value to our customers, focusing on the four experiential values of "Protection," "Asset Formation/Succession," "Health and Medical Care," and "Enhancing Connections."

Let me explain the background and objectives behind this shift in our business model.

Traditionally, the role of life insurance companies has been to provide coverage against uncertainties, such as unforeseen future events, illness, and financial insecurity after retirement in this aging society. In today's society, however, lifestyle choices, values, and the people's concerns have become increasingly diverse. Therefore, we believe that the products and services we offer to our customers must also evolve to keep pace with these changes.

In addition, the services traditionally provided by life insurance companies were based on the premise that customers maintain their contracts over the long term. As a result, the frequency of services provided by insurance companies was limited unless there was a claim for insurance benefits or annuity payments. However, by offering a wide range of services and value beyond just life insurance, we can establish extensive connections with our customers across various life stages, allowing us to support their lives even more closely.

I am convinced that we can further contribute to our customers' well-being by transitioning from a traditional insurance company into an "insurance-related service provider" that also provides life insurance. Consequently, we can gain the support of our customers and society, allowing us to grow our business further.

Review of previous mid-term management plan: Opening the door to the future

Laying the foundation for enhancing corporate value beyond the new mid-term management plan

During the three years of the previous mid-term management plan, "Re-connect 2023," we started with our recognition that the capital markets' evaluation of us was undervalued. This was because we believed that if this undervaluation persisted, we would be unable to achieve our intentions when we decided to become a stock company. We recognized that the undervaluation was mainly because our capital efficiency (adjusted ROE) was below our cost of capital. Therefore, we took action to reverse this relationship in the near future.

Our cost of capital, which we disclosed as 10% three years ago based on our self-recognition, reduced to ca. 9% at the end of the previous mid-term management plan thanks to our strong efforts to decrease market-related risks during that plan's period. On the other hand, our capital efficiency is ca. 8%, which remains below our cost of capital.

In the domestic business, which accounts for ca. 70% of the Group adjusted profit, Dai-ichi Life's sales performance declined significantly during the previous mid-term plan. This was due to COVID-19 and the impact of changes in the operation of our sales reps after the past misconducts at Dai-ichi Life.

However, Dai-ichi Life released a new product in December 2023 after a long hiatus, and it has been well received by customers. As a result, the activity levels of our sales representatives, which had been stagnant for some time, have significantly increased, clearly indicating a recovery trend in new business performance. As of March 2024, the end of the previous mid-term management plan, the performance per sales rep at Dai-ichi Life had almost returned to pre-COVID-19 levels. On the other hand, we adopted a policy to selectively hire ca. 4,000 new sales reps annually, compared with the previous 6,000 to 7,000 per year, in order to secure higher-quality personnel. As a result, the number of sales reps has decreased from ca. 40,000 before COVID-19 to ca. 34,000. To fully restore Dai-ichi Life's overall sales performance to pre-COVID-19 levels, we need to further improve the productivity of each sales rep from this point onward. To enhance productivity, I believe it is crucial to swiftly leverage AI and other technologies, as well as data, as early as possible.

In addition to initiatives aimed at recovering the new business performance of Dai-ichi Life's sales reps, we strove to enhance our business portfolio, including by acquiring ipet in Japan and Partners Life in New Zealand, a new overseas market for us. We also introduced and expanded our CxO system and created a diverse and highly specialized management team to match the expansion of our business fields. Through these initiatives, I believe we have finally laid the foundation to address key challenges, such as achieving capital efficiency that consistently exceeds the cost of capital, during the period of the new mid-term management plan, which started in FY2024.

What we need to achieve in the new mid-term management plan to fulfill our vision for FY2030

Ensure that capital efficiency consistently exceeds the cost of capital

As I mentioned at the outset, our new mid-term management plan is based on backcasting from our vision for FY2030 (become a "global top-tier insurance group" and "leader of the Japanese insurance industry future." It concretely outlines what needs to be accomplished over the next three years. Our most important challenge for FY2026, the final year of the plan, is to achieve capital efficiency that consistently exceeds the cost of capital, which we have been working on since the previous plan, and we are determined to achieve this goal at any cost. To this end, we must reach Group adjusted profit of ¥400bn and adjusted ROE of 10% in FY2026. In Japan, as I mentioned earlier, our goal is to transition from a narrowly defined life insurance company into an "insurance-related service provider" that offers a wide range of services and value. By evolving in this way, we aim to meet the diverse needs of our customers at various life stages and closely support them throughout their lives. I believe we can increase our financial value by being rewarded for the services we provide.

We will continue reducing market risk to lower the cost of capital and improve capital efficiency. To expedite the reduction of equity risk, which increased during the previous mid-term management plan due to the appreciating market value of its equity holdings, Dai-ichi Life intends to sell more than ¥1.2tn worth of domestic stocks—ca. 30% of the market value of its stock holdings—over the next three years.

Furthermore, increasing the ratio of overseas business, including in emerging markets where significant growth of the insurance market is expected, is essential for improving capital efficiency and driving the business growth of the overall Group. However, there is no point in expanding our overseas business at the expense of shrinking the domestic business. Therefore, we will continue to grow our domestic business, while growing our overseas business which growth speed is higher to increase its contribution to the Group adjusted profit to 40% by FY2026.

Leveraging digital technology to provide protection and asset formation services in Japan

As mentioned in the review of the previous mid-term management plan, we are beginning to see a recovery in new business performance of our sales reps channel. However, to achieve sustainable growth in Japan, where significant overall market growth is not expected, it is important to offer proposals from both perspectives of protection and asset formation/succession. In particular, with the recent recovery in domestic interest rates and the Japanese government's promotion of asset formation through NISA and iDeCo, interest in asset formation is growing, especially among young people. I believe it is crucial to enhance our asset formation services, as well as our product development and asset management capabilities, to meet the needs of customers in their 20s and 30s. Because money paid for protection-type life insurance and funds set aside for asset formation and investment come from the same wallet, we must provide consultation that emphasizes a balance between protection and asset formation/succession according to the situation of each customer's household or level of concern.

When making proposals that offer both protection and asset formation/succession, we plan to strengthen our marketing creativity to offer tailored suggestions that meet the increasingly diverse needs of each customer. At the same time, we aim to optimize our customer touchpoints and enhance customer satisfaction. In this regard, I believe that accelerating our IT and digital strategies, particularly in relation to generative AI and digital data, will be crucial factors determining the success or failure of our domestic business.

To this end, we appointed Dr. Figen Ulgen as Chief Data and AI Officer (CDAO), an expert executive officer, in April 2024 to strengthen our IT and digital strategies. Our aim is to build a customer data platform that consolidates the vast amount of information held by the Group, deploy generative AI to enhance our consulting capabilities, and provide stronger support for the daily activities of our sales reps. These efforts will significantly improve customer experience (CX) and greatly increase the productivity of those representatives.

Broadening our insurance-related services with Benefit One

Another crucial factor determining the success or failure of our domestic business will be the deployment of synergies with Benefit One, which recently became a member of our Group.

The decision to acquire Benefit One was motivated by our strategic objective to broaden our insurance-related services, through leveraging that company's robust service platform in the employee benefits market. For some time, we have engaged in in-depth internal discussions regarding the future of our domestic business. Through these discussions, we recognized the need to acquire a robust platform and expand into non-insurance businesses in order to provide experiential value to our customers seamlessly. Amid these discussions, we turned our attention to Benefit One and began exploring the potential for collaboration with it. In November 2023, another company announced a takeover bid (TOB) for Benefit One. It came as a surprise to us, but after considering the opinions of our Board of Directors and employees, including younger staff, we concluded that Benefit One was a unique and irreplaceable entity. This led us to make the firm decision to make our own TOB. We submitted our proposal about two weeks after the other company's TOB announcement, but it was our prior studies that enabled us to respond so quickly.

As of March 31, 2024, Benefit One had ca. 10mn members. With our support, we aim to add ca. 2mn new members within the first three years. In addition to these short-term synergies, we will pursue long-term profit growth across the entire Group by leveraging Benefit One's platform—based on its Kyutokubarai, which is a salary deduction scheme—to offer our Group's products and services related to protection, asset formation/succession, and health and medical care. We will fully commit the entire Group's resources to realize these synergies.

Pursuing growth through the life insurance business in overseas markets with growth potential

Our overseas business is an important growth engine. It currently accounts for about 30% of the Group adjusted profit, but we are aiming for 40% by FY2026 and above 50% by FY2030. While Japan is experiencing a declining population due to low birth rates and an aging society, many countries in the US and Asia are seeing population growth. We aim to realize growth in these regions, primarily through the life insurance business.

Specifically, we aim to further expand our presence in countries where we already have a significant market share, such as Australia, the US, and Vietnam, while striving to achieve a Top 5 position in other markets where we operate. We will also expand the most suitable sales channels—such as sales reps and banks—according to the specific characteristics of each country. In India, for example, we plan to strengthen our partnerships with banks, as well as the sales reps channel. In the US, we will continue to advance the acquisition strategy that Protective, our US subsidiary, excels at. In April 2024, we decided to acquire ShelterPoint, a company that operates group life insurance mainly in New York State.

In our overseas business, our overall strategy is formulated by the holding company, but we also entrust the management of individual country operations to the local leadership. As we do not sell tangible products, we need to adapt our services to the insurance regulations of each country and the needs of local customers. Therefore, it is important to have a talented management team that is familiar with the local insurance industry. Our basic approach is to provide support and effective governance, leaving the actual management to a team of local experts. To further accelerate the Group's globalization efforts, in July 2024 we appointed Brett Clark, who has served as CEO of our Australian subsidiary TAL for many years, as a Senior Managing Executive Officer of Dai-ichi Life Holdings. He was also assigned the responsibility of managing our business operations in the Asia-Pacific region.

While the foundation for growing our overseas business is now in place, achieving our goals will require not only organic growth but also inorganic growth through mergers and acquisitions (M&As). We will continue pursuing additional acquisition opportunities in regions where we are already present, such as the US and Asia Pacific, and will also consider entering new markets in Asia, where we anticipate high growth in the future.

Financial and capital strategy for achieving vision for FY2030

We are also formulating our financial and capital strategy by backcasting from our vision for FY2030. Until capital efficiency consistently exceeds the cost of capital, we intend to emphasize shareholder payouts over strategic investments and maintain the level of total shareholder payouts of the previous mid-term management plan. For our strategic investments, we plan to allocate ca. ¥300bn over the three years of the new mid-term management plan, with a focus on overseas businesses and asset management. We will also pursue M&As that enhance the capital efficiency and growth potential of the entire Group. Meanwhile, after achieving capital efficiency that consistently exceeds the cost of capital, we will transition to growth-oriented investments and accelerate initiatives that prioritize profit growth, although this will probably happen during the period of the next mid-term management plan. At that time, we plan to gradually reduce share buybacks and shift toward dividends as part of shareholder payouts. During the next mid-term management plan, we presume to raise the dividend payout ratio to 50%.

With this highly transparent, road map-style financial and capital strategy, we aim to enhance corporate value toward our vision for FY2030.

Matrix-style management system that promotes optimal capital circulation

Since I assumed the role of CEO in April 2023, we have expanded our CxO system and established the position of Group Head, who oversees each business from a group-wide perspective. This matrix-style management system began full-scale operation and entered into the stage of functioning in April 2024, coinciding with the start of the new mid-term management plan. At first glance, this system might appear to complicate the decision-making process, but we adopted it to foster healthy conflict between Group Heads, CxOs, and the heads of each operating company. We also aim to promote the visualization of optimal strategies and challenges from a group-wide perspective.

If we did not have CxOs or Group Heads, for example, each operating company would simply be placed under the holding company. In such a case, the operating companies would choose the strategies and tactics that are optimal for themselves. This would pose the risk that operating companies might become overly attached to established practices or past successes, hindering fundamental transformation or maintaining inefficient business operations. In advancing effective and efficient capital circulation management, the holding company's primary role is to redistribute management resources from mature businesses that no longer require a large amount of capital to growing businesses and operations with high capital efficiency that will need capital in the future. Group Heads and CxOs play a crucial role in swiftly achieving what is optimal for the entire Group. Furthermore, as the number of Group companies increases both in Japan and overseas, it is inefficient for each company to operate independently. Therefore, we need to share best practices among operating companies, unlock synergies across the Group, and establish a cross-functional framework that ensures the most suitable company takes on the most appropriate role within the Group.

Our CxO system and Group Head system also play an important role in expanding our overseas business. I believe that CxOs and Group Heads, who are responsible for overseeing the entire Group from a global perspective, will contribute significantly to enhancing our global competitiveness and becoming a global top-tier player.

Sustainability management: The driving force for realizing our vision

Spreading awareness of the Group Principles and Core Materiality to foster a sense of unity

In formulating the new mid-term management plan, we updated our Group Purpose and Values as mentioned earlier and identified our Core Materiality (priority material issues for the Group). I believe that these foundational management decisions, combined with the human resources strategy set in the new mid-term management plan and ongoing efforts to strengthen governance, will serve as a powerful unifying force that aligns and motivates all Group employees and executives to achieve our vision for FY2030.

Our newly established Group purpose and values, introduced alongside the new mid-term management plan, are designed to create a sense of unity within the Group by encouraging every employee to have empathy, share, and internalize them. They also serve as a commitment to society, expressing the reason for our existence. Therefore, we engaged employees, executives, and managers, both in Japan and overseas, in a collaborative process to develop that sense of unity. As a result, our Group purpose and values and the intent behind them have been profoundly shared and internalized across the entire Group.

The Group previously identified 14 material issues. Alongside the formulation of the new mid-term management plan, we reassessed and reorganized the material issues to clarify our priorities further, thereby consolidating them into four main categories: "Financial Well-being for All," "Healthy People and Society," "Environmental Leadership," and "Proactive Governance and Engagement." Rather than setting forth what is good for society in a blanket statement, we have narrowed down our priorities in an effective manner that is firmly linked to the Group's Principles and our businesses. In fact, Group Heads and CxOs have already taken the lead to start working on incorporating newly identified Core Materiality into our business strategies consciously. Through business activities based on these Core Materiality, we will create both social and economic value and sustainably strengthen our own financial and non-financial management foundation while having a positive impact on society.

The renewal of the Group Principles and the formulation of Core Materiality signals a significant shift in direction for the entire Group. It is crucial that each individual employee perceives this change and takes action to bring about tangible transformation. Sharing the Group Principles with empathy becomes a powerful motivator in executing our strategy, uniting all members to move forward together. I will continue explaining the new Group Principles and Core Materiality through town hall meetings and other forums to facilitate the transition from understanding to execution.

Safari park of human resources, rich in diversity

We believe that a human resources strategy that enables diverse talent to fully realize their potential is crucial for achieving our vision for FY2030. Therefore, as our business domains expand, we are actively bringing in executives from outside the Group, including those of foreign nationality or origin, to drive transformation and growth with speed and provide diverse perspectives and expertise. When I say I aspire to create a "Safari park of human resources," this concept is rooted in the belief that the environment where diverse talent express their ideas without any constraints and engage in creative work leads to increased productivity. Of course, certain rules and integrity must be maintained, but I believe it is essential to cultivate a corporate culture where individuals can unleash their creativity as much as possible within that framework.

Digital technology and AI are key to clarifying the Group's strengths, especially in its mature domestic business. I also recognize the risk of new competitors emerging due to advancements in technology. To address this risk, we must respond agilely and strive continuously to take in cutting-edge technology. To achieve this, attracting and retaining specialized talent is essential. Accordingly, we are creating an environment where employees can thrive by offering an attractive corporate culture and appropriate compensation.

As I mentioned earlier, we have introduced and expanded the CxO system since FY2022, and appointed highly specialized external talent to executive positions. This has allowed our management team to incorporate outside perspectives and make faster and more appropriate decisions. We are also actively recruiting mid-career professionals beyond just executive roles, with ca. 40% of our new hires coming from mid-career recruitment.

We will further accelerate the promotion of diversity in our workforce, including by empowering women, and combine this with a global perspective and a strong management foundation. By doing so, we aim to become a company that can freely utilize cutting-edge technology and consistently provide sustainable value to all stakeholders.

Enhancing corporate value with unity throughout the whole Group

In May 2024, we introduced a stock-based compensation plan for employees. As mentioned earlier, we were founded as Japan's first mutual company, and we operated under this structure for many years. In 2010, we went public as a stock company, and in 2016 we adopted a holding company structure. Employees of the holding company have a strong mindset of our businesses as a stock company, but employees in the Group's operating companies have found it challenging to perceive how the shift to a stock company directly impacts their daily work.

To foster a common understanding among all employees of their contribution to enhancing corporate value, we introduced a stock-based compensation plan in this fiscal year that rewards employees by sharing our increased corporate value with them. The program covers ca. 50,000 employees, including sales reps. This is a fairly large-scale initiative, but I believe it will significantly increase a sense of unity and motivation, enabling the entire Group to move forward together to achieve our vision for FY2030.

In conclusion

After assuming the role of Group CEO, I had the opportunity to take a fresh, comprehensive view of the Dai-ichi Life Group through dialogue with external stakeholders, including investors, and through town hall meetings with employees both in Japan and overseas. What stood out to me is the importance of transformation and the strong expectations for change.

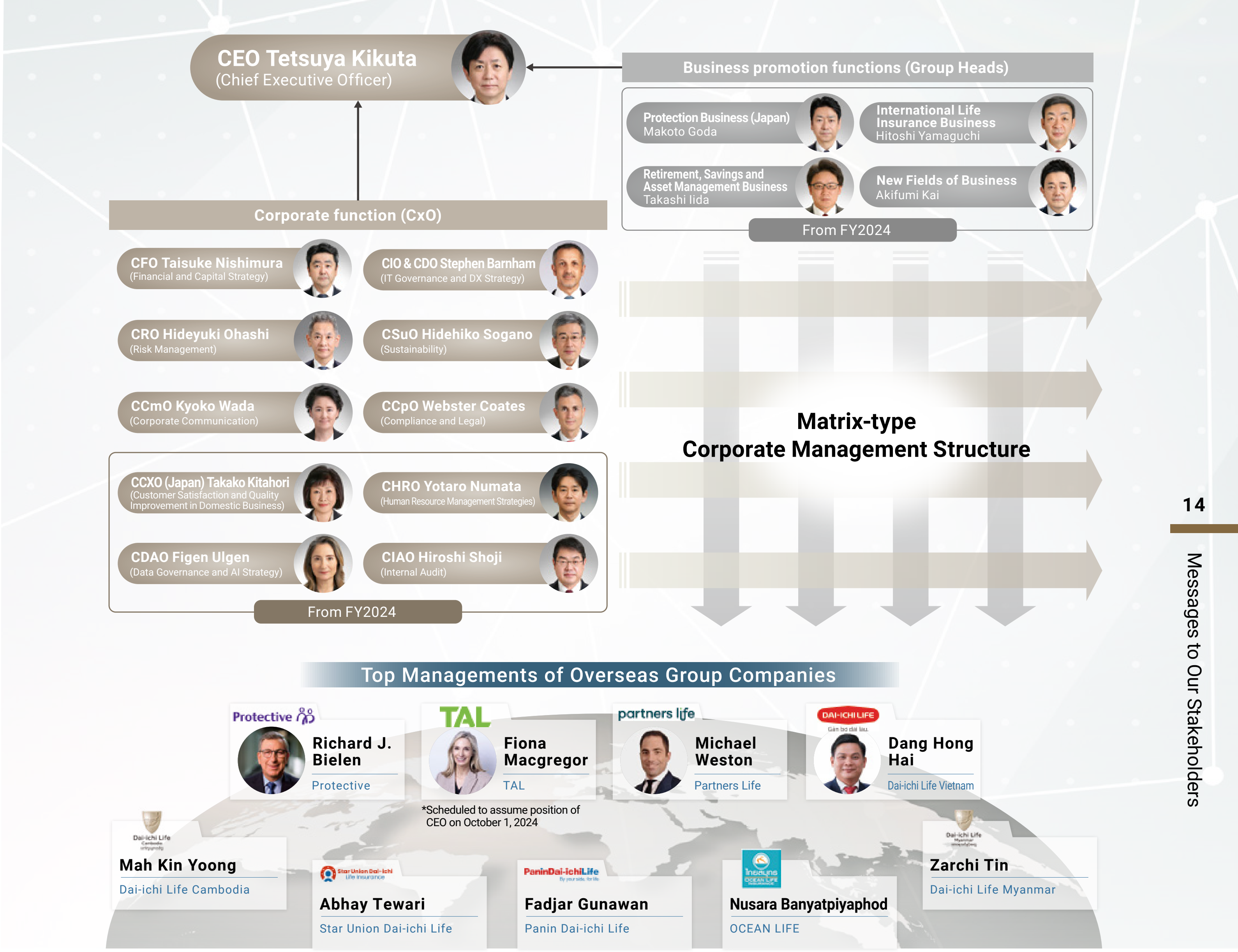
To achieve our vision for FY2030 to become a "leader of the Japanese insurance industry future" and a "global top-tier insurance group," we need to become double or even triple compared to the past in terms of market capitalization. This requires a sense of speed and significant, large-scale changes. Each of us must question conventional wisdom, break free from the bias toward maintaining the status quo, and think critically about the most effective path forward, then take action accordingly. One manifestation of this approach is our transformation from an insurance company to an insurance-related service provider, as well as our acquisition of Benefit One, which is designed to accelerate this shift. The decision to acquire Benefit One was greatly influenced by the enthusiasm of our younger employees for the Group's transformation.

We have 60,000 employees across 10 countries. I am confident that these employees, united under our newly established Purpose, will deliver significant outcomes as they embrace challenges and transformation with excitement to realize our vision for FY2030. I also believe that the Dai-ichi Life Group has the DNA for the transformation needed to achieve this vision. Furthermore, it is my role to support and drive these challenges and transformations, and I am firmly committed to courageously leading the changes necessary to enhance corporate value.

I am committed to meeting the expectations of all stakeholders and transforming the Group into one that is even more essential to everyone. I kindly ask for your continued support.

Group Management Organization

Since FY2022, we have introduced and expanded "CxO" positions to oversee key corporate functions, enhancing their effectiveness through external appointments. In FY2024, we established "Group Heads" roles to manage crucial business areas. These changes have created an organic, matrix-type management system within the holding company. By fostering close collaboration between CxOs, Group Heads, and the management of each group company, we aim to strengthen individual company growth, improve overall group business operations and governance, and accelerate the enhancement of corporate value.



Discussion at the Global Leaders Committee, composed of CEOs and other leaders from overseas Group companies (covering discussions on Group management strategies, business strategies, and sharing of the Group Principles and initiative directions

Long-Term Vision and the Road Map to Achieve It

The Dai-ichi Life Group has taken timely and optimal actions based on the business environment, establishing a strong business foundation by transitioning to a holding company structure and making domestic and international acquisitions to improve its business portfolio. Moving forward, we will steadily execute the new mid-term management plan, which has been formulated through "backcasting" from our Vision for FY2030. Our goal is to transform into an insurance-related service provider that goes beyond the framework of the traditional life insurer, while contributing to the well-being of our customers and society, and achieving sustainable growth.

2015–2017

Achieving sustainable value creation

Accomplishments: Transition to a holding company structure, establishment of a structure of three domestic life insurance companies for agile response to diverse customer needs, acceleration of overseas business development

Challenges: Strengthening ERM in anticipation of an extended ultra-low-interest rate environment, and allocating financial resources to growth areas and innovation

D-Ambitious

2018–2020

Growth through contributing to improvements in well-being

Accomplishments: Improved soundness through the start of development in new fields such as healthcare and small-amount/short-term insurance as well as new market risk reduction methods aside from extensions of traditional means

Challenges: Fundamental transformation of the domestic insurance business based on customer perspective, breaking away from the pattern of the high cost of capital and low capital efficiency, globalization of Group operations

CONNECT 2020

2021–2023

Strengthening unity and commitment to change

Accomplishments: Improvement of the business portfolio through domestic and overseas acquisitions, and strategic investments and robust shareholder payouts through capital circulation management

Challenges: Revitalization of domestic new business, increased profit volatility due to changes in the macro environment for overseas business

▶Previous MTP reference: p.35

Re-connect 2023

2024–2026

New mid-term management plan

Backcast

Vision for FY 2026

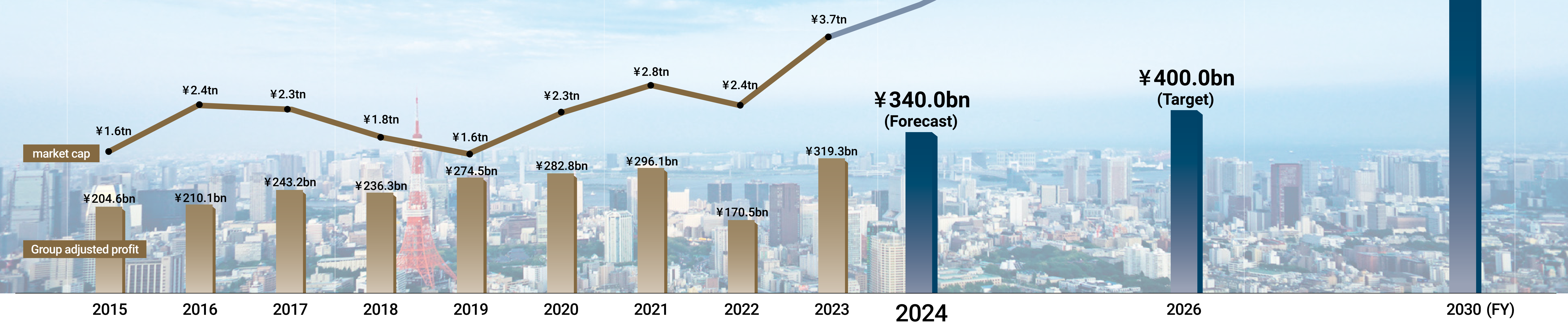
• Achieving capital efficiency that consistently exceeds the cost of capital
• Building a foundation for transformation into an insurance-related service provider
• Group adjusted profit of ¥400bn
• Doubling market capitalization from ¥3tn (as of the beginning of FY2023)

MTP after the new plan

Backcast

Vision for FY 2030

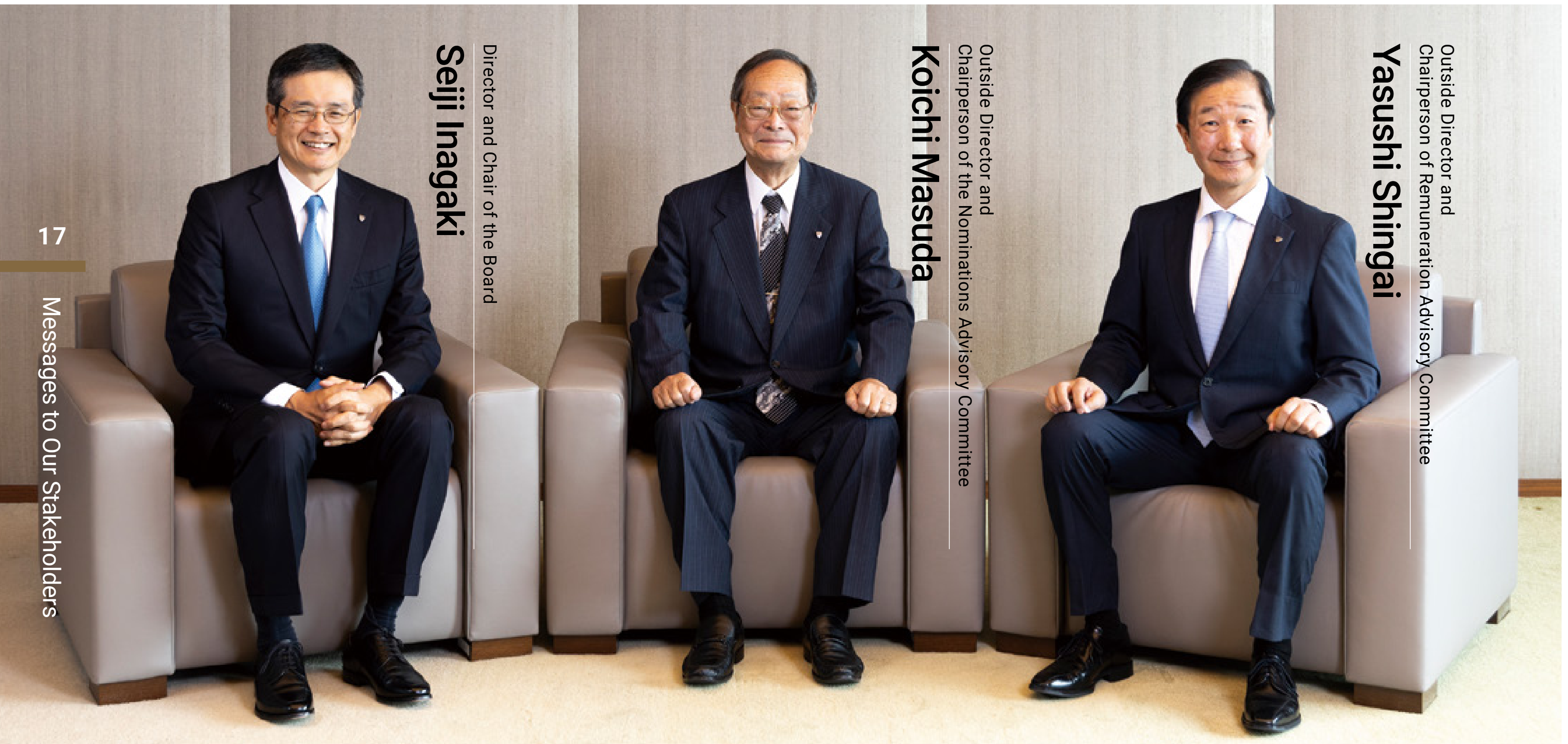
• Global top-tier insurance group
• Leader of the insurance industry future



Discussion with Directors

Toward our Vision for FY2030

At Board of Directors meetings held in FY2023, a wide range of topics were discussed, including the formulation of our Purpose and the new mid-term management plan, which were designed by backcasting from CEO Kikuta's vision for FY2030. In this section, the Chair of the Board and two outside directors held a discussion to share their reflections on FY2023.



Board discussions in FY2023

Inagaki: The succession of Mr. Kikuta in FY2023 ended the situation in which one person served concurrently as president of both Dai-ichi Life Holdings and The Dai-ichi Life Insurance Company (Dai-ichi Life). Under this new leadership structure, the Board held discussions about our new mid-term management plan, which started in April 2024. Our mission as directors is to understand Mr. Kikuta's vision and support him to take the necessary risks to unleash the potential of the Dai-ichi Life Group at a maximum. With this in mind, we engaged in discussions by backcasting from Mr. Kikuta's vision. As a result, the Board held 21 meetings in FY2023.

Shingai: As Mr. Inagaki mentioned, we engaged in discussions by backcasting from the vision for FY2030, focusing on what actions we need to take now. This was particularly noteworthy. In the past, our discussions often seemed to be an extension of the present, but in FY2023 they were different.

Reflecting on our Board meetings in FY2023, we discussed a wide range of topics, such as financial and capital strategies, domestic business strategies, overseas business strategies, business risk management, and market risk management, as well as sustainability including human capital. Looking ahead to FY2030, meanwhile, we couldn't avoid discussions about our Purpose of why we exist as a company. We also discussed our acquisition of Benefit One, the merits of our matrix-style management approach centered on CxOs and Group Heads, and many other substantial agenda items. I feel that the Board of Directors engaged in open and lively discussions on these topics.

Masuda: As the Chairperson of the Nominations Advisory Committee, I was in a position to nominate Mr. Kikuta, and I believe that his appointment as CEO was a positive and welcomed. His clear targets of "increasing market capitalization from ¥3tn to ¥6tn by FY2026 and ¥10tn by FY2030" resonated effectively with investors and other stakeholders. For a moment, I thought he might be going too far, but I believe that the clarity of his message has actually helped us to better define what we need to achieve.

Formulation of the Purpose and the new mid-term management plan

Inagaki: The previous mid-term management plan, "Re-connect 2023," focused on two key pillars: "Expanding" and "Exploring." When formulating the new mid-term management plan, however, we were able to go beyond that and start our discussions from the perspective of our "raison d'être." As a result, we formulated our Purpose: "Partnering with you to build a brighter and more secure future." The discussions in which we were fully engaged were instrumental in developing the concept of closely supporting customers throughout their lives through platforms such as Benefit One.

I also feel that Mr. Kikuta's clear vision of financial value—particularly his goal to double market capitalization—and his strategy to increase the price-to-earnings ratio (PER) by securing current profit levels while boosting expectations for future growth have been effectively communicated both internally and externally.

Shingai: Both corporate finance and corporate culture are crucial. The foundation of our corporate culture is the Purpose. Both our internal and outside directors emphasized the need for discussions about our Purpose. Originally, the discussions started with our corporate brand, but everyone realized that we couldn't instill our brand or advance discussions on our business domains without first returning to our raison d'être. "Purpose" must not be mere wordplay. It must resonate with society and address societal challenges. Therefore, our discussions on this aspect were crucial. In addition, defining our business domains is critically important for the company's long-term sustainability and growth. I often say that if we define our business domain too narrowly without returning to our Purpose, we risk missing opportunities for expansion and growth, which could ultimately lead to declination. That's what happened to the former "railroad barons" in the US.

In addition, "Expanding" to ensure they continue generating strong profits from existing businesses and "Exploring" to launch a new business are distinct activities. It's not uncommon for employees focusing on "expanding" to envy those engaged in "exploring," and vice versa. Such an approach would not create strong momentum for growth across the company. Therefore, we needed a Purpose that emotionally connects these two activities.

In the past, when I was managing another company, integrating corporate cultures emerged as a significant challenge when conducting a large-scale M&A. At that time, we took the opportunity to reconsider and redefine what our corporate culture truly was. I believe that corporate culture is a "pattern of behavior" that has been cultivated within a company over many years. To realize the Dai-ichi Life Group's vision for FY2030, we must consider how we will change this "pattern of behavior." I believe that discussing the Purpose before formulating the mid-term management plan was highly valuable, as it serves as the cornerstone of the plan.

Masuda: What was beneficial about our discussions on our Purpose was that we involved not only our domestic employees but also those from our Group companies overseas in thinking it through together. The content of the Purpose is important, but the process of developing it is equally crucial. Because the employees played a role in deciding it, they feel like it's their own Purpose.

Inagaki: As societal challenges evolve with the times, we must continue to change in order to be the partner for our customers consistently. In the past, however, there have been instances where friction arose between aspects that we couldn't change, leading to decreased employee motivation. Therefore, reaffirming our raison d'être with our Purpose was instrumental in shaping the new mid-term management plan. I believe this will positively influence the actions of each and every employee.

Shingai: You're absolutely right. In addition to the discussion of Purpose we've mentioned, it was essential to incorporate discussions from a corporate finance perspective when formulating the mid-term management plan to achieve the financial targets set by Mr. Kikuta. In other words, to achieve our targets, we must not only realize capital efficiency that consistently exceeds our cost of capital but also ensure that the capital markets hold expectations of growth for us.

During the previous mid-term management plan, for example, we reduced interest rate risk considerably, which lowered our cost of capital and led to an increased in adjusted ROE to some extent. With the rise in the market value of our equity holdings, however, our equity risk actually increased. Under the new mid-term management plan, therefore, we must further reduce equity risk, and then reduce market risk and the cost of capital. In addition, to raise growth expectations in the capital markets, we need to demonstrate that we can not only expand our overseas business but also maintain or increase profit levels of our domestic business. Japan's rapid population decline and aging society, now unfolding before us, was described by management scholar Peter Drucker back in the late 1980s as "the future that has already happened." In this context, our discussions on how to leverage and grow our domestic insurance business based on the “four experiential values” led to the acquisition of Benefit One.

Masuda: Over the past decade or so, Dai-ichi Life has undergone significant change, transitioning from a mutual company to a stock company, going public, and shifting to a holding company structure. These changes were made with a view to evolving into an “insurance-related service provider” that offers a wide range of services beyond life insurance, as well as expanding our presence overseas. In a sense, the discussions at our Board meetings in FY2023 might have signified that we have returned to our roots and reached a stage where we are thoroughly committed to executing our original goals.

Shingai: By transitioning to a stock company and shifting to a holding company structure, we have gained a broader perspective beyond just being an insurance company. The new Purpose and the new mid-term management plan are about fully leveraging this potential.

Yasushi Shingai

Outside Director

Yasushi Shingai

At Japan Tobacco Inc., Mr. Shingai spent many years as an executive leading corporate transformation and driving globalization through large-scale M&As. He is the author of the book, *JT no M&A* (“JT’s M&As”). Since 2019, he has served as an outside director of Dai-ichi Life Holdings, where he oversees management from a global perspective and acts as an advisor in Board meetings and other forums.

Discussions behind the Benefit One acquisition

Shingai: To briefly recap, in August 2023 our executive team emphasized the need to build a platform and suggested methodologies for doing so, as well as potential companies for acquisition. In other words, to advance the “four experiential values”—particularly “Enhancing Connections” and “Health and Medical Care”—it is essential to have a platform. As for the methodologies, there were two options: build the platform in-house or leverage external resources. Among the external resources, Benefit One emerged as the best candidate.

We received word that Pasona Group Inc. might consider selling Benefit One in the future, then we scheduled an appointment for late November 2023. However, in the interim, M3, Inc., announced a takeover bid, which led us to engage in four lengthy but intensive rounds of discussion. Due to the urgency of the situation, our executive team had already established a relationship with Benefit One and was well-prepared, enabling a swift response.

The key point was that we discussed the matter from multiple perspectives and asked ourselves many questions. For example, is acquisition the best way to expand as an insurance-related service provider and build an ecosystem based on the four experiential values? Do we need to acquire 100%? How much information can we gather after expressing our TOB intention? To what extent can we realize post-acquisition synergies? In light of the Ministry of Economy, Trade and Industry’s “Guidelines for Corporate Takeovers,” should we go as far as an acquisition without consent? How will we implement Group governance to maximize post-acquisition synergies? Can we fulfil our commitment to shareholders of enhancing shareholder payouts, even after a ¥300bn acquisition, until we achieve capital efficiency that exceeds the cost of capital? In addressing these and other questions, we had meaningful and constructive discussions.

Masuda: I, too, thought the acquisition was important and significant. While previous acquisitions have focused on insurance companies, this time the target was in a non-insurance sector. There were also some risks to consider, such as whether the synergies and post-merger integration (PMI) would be successful and whether the fact that the majority of the ¥300bn acquisition cost would result in goodwill as an intangible asset could be acceptable from a financial perspective. Nevertheless, the Board of Directors recognized the high rarity of this opportunity. Despite the many challenges to overcome, the Board’s opinion was that the executive team should proceed with the acquisition with determination.

As a member of the Audit & Supervisory Committee, I will need to monitor the ongoing operations and synergy effects. The crucial phase lies ahead, but I am confident that both parties will grow together, leading to an increase in corporate value.

The TOB without consent garnered significant attention because it was initiated by a major Japanese life insurance company. However, we conducted it appropriately in accordance with the Ministry of Economy, Trade and Industry’s guidelines and received high praise from the media. I believe that embracing challenges such as this is crucial for helping Japan break free from its current stagnation.

Inagaki: Although it was a TOB without consent, the Board of Directors approved it because it had the potential to create value for Benefit One as well, and it was not just a financial transaction but also its business affinity was compelling.

I am grateful to the outside directors for gathering multiple times in a short period, allowing us to engage in deep and meaningful discussions. The outside directors raised many issues, such as how to address cultural differences, manage PMI and value enhancement, and forecast return on investment from a quantitative perspective. The executive team thoroughly addressed these issues, which led to meaningful and productive discussions. We had already recognized the need for a specialized M&A team and had selected its members. Therefore, in the summer of 2023, we quickly assembled internal resources and rapidly formed the team. I am grateful for Mr. Kikuta’s leadership in driving the executive team’s deliberation process forward in such a short time.

Mr. Kikuta met several times with Mr. Shiraishi, the President of Benefit One, to discuss whether their future visions aligned and how we would collaborate with Benefit One’s management team. The importance of these points was also highlighted at our Board meetings. The alignment of opinions between the executive team and the Board of Directors on key points provided a sense of reassurance to the Board.

Masuda: Our discussions about Benefit One were intense, with many questions raised not only by the outside directors but also by the inside directors. Despite being pressed for time, the executive team focused intently on addressing the issues and worked hard to prepare. They provided satisfactory answers, which I believe ultimately enabled the Board of Directors to approve the acquisition.

Shingai: This acquisition was different from traditional insurance company acquisitions. It involved a completely different business domain, and we sought to turn “one plus one” into three or four. Therefore, as we moved to make it a 100% subsidiary, it was crucial to clearly define areas of responsibility and authority—what to delegate and what to manage by ourselves. I believe we had solid discussions on what kind of group governance and contractual relationships we should establish to further enhance Benefit One’s growth potential and maximize synergies with us.

As we were unable to conduct proper due diligence before announcing the TOB, however, some of the information we needed was uncertain. Therefore, it was crucial to determine how we would address this uncertainty after the announcement. In addition, two key concerns for me were how to minimize downside risk and how to manage Benefit One after the acquisition. Mr. Kikuta’s commitment to addressing these concerns served as a crucial litmus test for our decision. I believe the executive team, under his leadership, demonstrated more than enough commitment.

Outside Director

Koichi Masuda

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

Koichi Masuda

Masuda: To add one point about being unable to conduct due diligence in its entirety, we considered that Benefit One was a listed company at the time, which provided a certain level of credibility. Indeed, the subsequent due diligence did not reveal any significant discrepancies. I think we can rest assured on this point.

After the TOB announcement, the Board of Directors requested further investigation, which led to deeper discussions based on information directly received from Benefit One. This process clarified the amount of risk and the expected synergies, ultimately leading to a favorable outcome.

Shingai: As a publicly traded company, Benefit One had a responsibility to protect shareholder interests. Therefore, a special committee, consisting primarily of its outside directors, evaluated the appropriateness of our proposal. In this process, it was able to engage in rigorous discussions through information exchange about what synergies could be achieved and to what extent.

Seiji Inagaki

Chair of the Board

Seiji Inagaki

Mr. Inagaki became President and Representative Director of Dai-ichi Life Holdings in 2017 and Chair of the Board in 2023. He engaged in corporate planning and investment planning as a member of the Group, and has extensive business knowledge and experience. He played a central role in the transition to a stock company and developed and implemented its growth strategy.

Evolving corporate governance

Inagaki: In FY2023, we actively created opportunities for outside directors to engage in open dialogue with the executive officers of Dai-ichi Life Holdings and Dai-ichi Life. This allowed outside directors to hear not only the agenda items presented to the Board but also the opinions of those in the field and how executive officers are thinking on their management of the businesses and enhancement of their functions, which I believe added depth to discussions at Board meetings.

At the Board meetings, we were able to operate effectively by delegating areas that we were satisfied with to the executive team while taking the time to properly discuss any points we identified as issues. These efforts have enhanced the effectiveness of the Board of Directors. I believe that the proactive involvement of our outside directors has been a significant driving force in advancing our governance even further.

Shingai: In FY2023, we held engagements with executive officers involved in business execution on 22 occasions. This is more than the 21 meetings held by the Board of Directors. As an outside director, my first step was to ask questions from various angles to deepen my understanding. Through the responses I received, I was able to organize my thoughts on the key issues to keep in mind as an outside director of the holding company. This approach is the cornerstone of corporate governance, and it has been a great help in shaping my approach to group governance.

Masuda: I would like to speak on the evolution of our group governance. As a member of the Audit & Supervisory Committee, I also conduct audits of each Group company. Overall, I believe those operations are well managed, but I intend to closely monitor whether the holding company is providing appropriate oversight while respecting the independence of each company.

In that regard, over the past two years, we have introduced a CxO system and a Group Head system, thereby separating functional and business roles to strengthen our oversight capabilities. The introduction of this matrix-style management approach might lead to conflicts with the operating companies. These conflicts should serve to clarify areas of responsibility and the authority of each side—CxOs, Group Heads, and operating companies—helping our group governance evolve further. I see this as a very positive development.

Inagaki: When I served as President, the only CxO except me was the CFO, and that position was held by Mr. Kikuta. As soon as he became President, however, Mr. Kikuta quickly appointed CxOs from outside the Company, such as the Chief Information Officer (who serves concurrently as Chief Digital Officer) and the Chief Compliance Officer. His vision for group governance is now clear. I feel that the level of group governance significantly improved in FY2023.

Moreover, by bringing in top talent with experience in group management from other companies as CxOs, we identified issues we hadn't previously recognized, which added momentum to the entire Group. These initiatives are integral to Mr. Kikuta's vision for matrix-style management, and I believe his management vision has been effectively brought to life.

While the recruitment of CxOs was reported to and approved by the Nominations Advisory Committee in advance as a matter of course, I feel it was Mr. Kikuta's leadership that drove this success.

Masuda: To date, we have adopted a group management approach that respects the independence of the operating companies and allows them to grow individually. This has been a positive approach and should continue to be respected. However, the holding company must also consider the allocation and recovery of resources across the entire Group. With this in mind, we introduced the CxO system, which enables the functional intervention and supervision of each operating company.

The matrix-style management might cause conflicts to arise between the operating companies and the CxOs. However, I believe this approach will be highly effective in advancing group governance, and as a member of the Audit & Supervisory Committee I have high expectations for its success.

Shingai: I find Mr. Kikuta's transformational leadership to be truly remarkable. Several factors have made this possible. The first was separating the roles of the President of Dai-ichi Life Holdings and Dai-ichi Life. This has allowed the President of Dai-ichi Life Holdings to allocate time to optimize the entire Group and focus on group management.

In addition, we revised the remuneration system in FY2022 to attract talent from outside the Company. Specifically, we changed the executive remuneration system to one based on job value, while also ensuring flexibility when recruiting talent from overseas.

These two factors were extremely important, and I feel that Mr. Kikuta is making full use of those new foundations.

At the Board level, we have fostered a culture where outside and inside directors can engage in frank discussions while maintaining a healthy tension, or "productive tension." As seen in the discussion for the acquisition of Benefit One, we have established a relationship enabling each Board member to actively express his or her opinion.

Finally, I find it noteworthy that during Mr. Kikuta's succession, Mr. Inagaki did not exert any influence over the composition of the Kikuta cabinet. In many Japanese companies, the President continues to exert influence after becoming the Chairperson of the Board, practicing a kind of behind-the-scenes control, or initiatives undertaken by the previous President cannot be changed. In his case, however, the notion that "you can't move forward if you're always looking back" was reflected in concrete action, which is extremely significant. I feel this could serve as a model case to help Japanese companies drive future transformation.

Toward mid- to long-term value creation

Masuda: Looking ahead, one of the key challenges we emphasize is the need to not only enter new markets but also withdraw from existing ones when necessary. Entering new markets might appear courageous, but withdrawing and recovering investments is difficult and often unpleasant. Nevertheless, we need to do this diligently as part of the "scrap and build" process. As a holding company, maintaining this balance is crucial to increasing the Group's overall profitability and corporate value.

In Japan, the Dai-ichi Life Group consists of real estate companies and asset management companies, in addition to life insurance companies. I believe we should harness these strengths and adopt a comprehensive approach to drive even greater progress.

Inagaki: I believe that entirely new businesses that we have not yet envisioned could become part of the Group's operations in the future. As a member of the Board of Directors, I believe we need to engage in dialogue with the executive team and encourage them to take risks under the framework of capital circulation management in pursuit of new growth opportunities.

Shingai: I want to reiterate that the driving force behind transforming a company is not the Board of Directors, but the CEO. There are many examples worldwide of exceptional CEOs who have transformed companies, driven growth, and increased corporate value. The Board of Directors bears the critical responsibility of selecting such executives and, through necessary engagement, ensuring the long-term and sustained enhancement of corporate value. This requires effective corporate governance, which involves selecting an excellent CEO and encouraging that CEO to build an exceptional team.

Compared to five years ago when I first became an outside director, the atmosphere of the Board of Directors has changed dramatically. Our outside directors have made numerous challenging recommendations, and I believe a key factor in the transformation was Mr. Inagaki's willingness, as the President at the time, to confront these recommendations directly. The real turning point came when he had the courage to break from tradition and make bold changes. While changing tradition in a company with a long history is not easy, we must adapt to the rapidly changing times and meet the evolving needs of our customers and society.

Inagaki: I don't believe the Board of Directors or outside directors are the ones who drive growth, but a great Board is far better at generating corporate value than a not great one. The culture of the Board of Directors isn't crafted by the Chairperson alone, but by each director who embraces the company's vision and contributes to it with full commitment. Thanks to everyone's cooperation, the current Board of Directors has cultivated an excellent culture. I believe this has positively impacted Mr. Kikuta's performance as well.

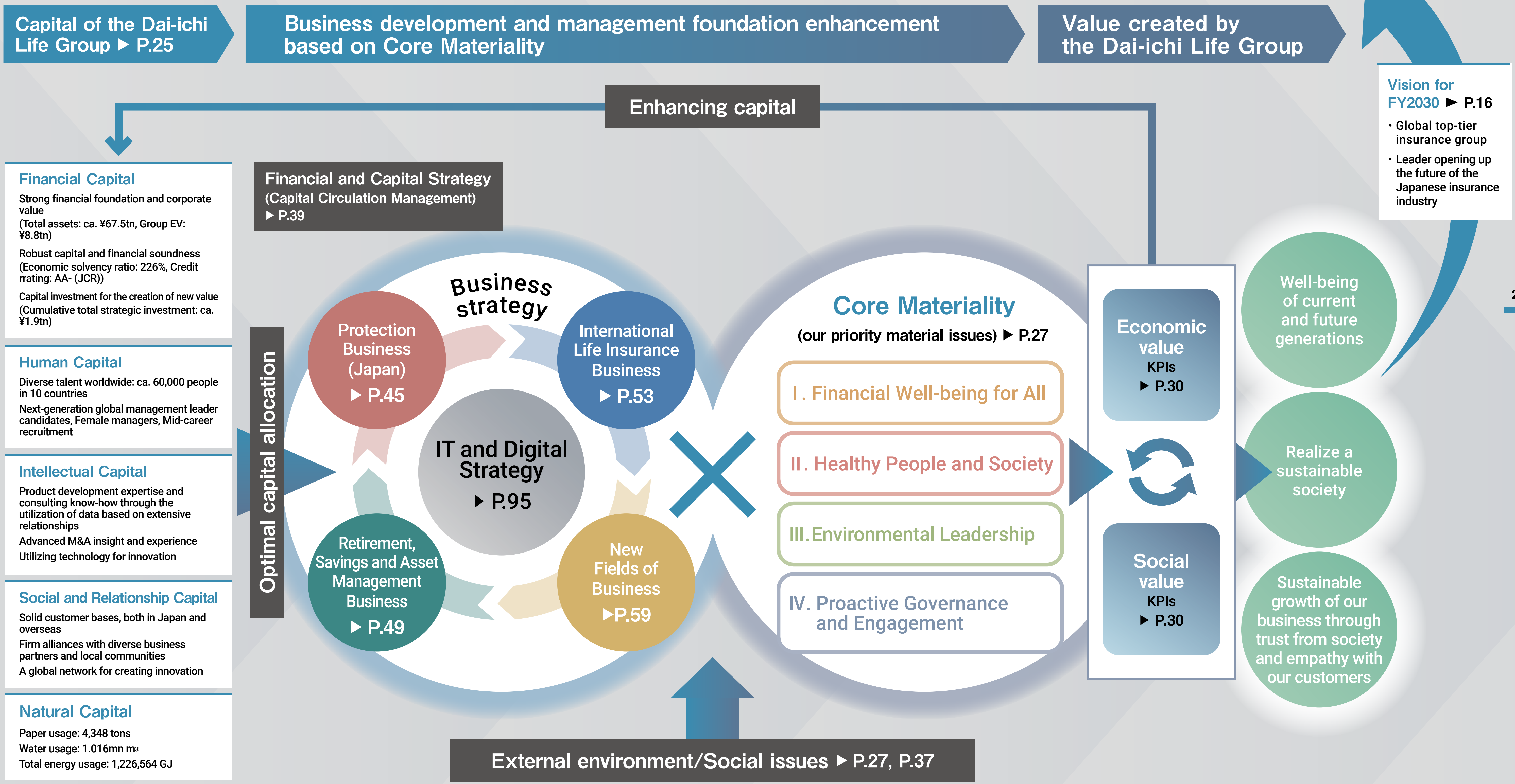
Also, as Mr. Shingai mentioned earlier, there needs to be a healthy tension in the Board of Directors. This is difficult to achieve with inside directors alone, so I am grateful to the outside directors for their contributions. It's important to have a culture where outside directors actively voice their opinions, and inside directors respond constructively when they disagree. This approach allows us to set the direction at the Board level, leading to long-term value creation and enabling us to meet the expectations of our shareholders and other stakeholders.

Value Creation Process

The Dai-ichi Life Group is striving to build a brighter and more secure future. It's a future we're working to build with our sustainable growth by creating social and economic value through business activities based on Core Materiality, with our foundation of richly diverse human resources and solid customer and capital bases, continually creating social and economic value.

Dai-ichi Life Group Purpose

Partnering with you to build a brighter and more secure future ▶ P.3



Note:Figures for FY2023 or as of the end of FY2023

Capital of the Dai-ichi Life Group

The Dai-ichi Life Group has acquired and accumulated its unique capital from more than 120 years in the domestic Japanese life insurance industry and by exploring business development opportunities and new fields of growth in countries around the world. Through business activities leveraging these forms of capital, we are evolving from an insurance company in the narrow sense of the term into an insurance-related service provider, continuing to create societal value as we work toward sustained growth and maximizing corporate value.

Capital			Positioning medium- and long-term value creation (importance) and an expansion strategy: Positioning (importance)	Positioning medium- and long-term value creation (importance) and an expansion strategy: Expansion strategy
Financial Capital		●Strong financial foundation and corporate value: Total assets: ca. ¥67.5tn, Group EV: ¥8.8tn ●Robust capital and financial soundness: Economic solvency ratio: 226%, Credit rating of Dai-ichi Life Holdings: AA- (JCR) Dai-ichi Life: AA (JCR, R&I), AA- (Fitch), A+ (S&P, A.M. Best) ●Capital investment for the creation of new value: Cumulative total strategic investment, ca. ¥1.9tn	• Even in this period of change in the global economic and financial environment, the Dai-ichi Life Group is steadily accumulating financial capital by achieving growth in our existing business and through numerous strategic investments. By actively leveraging solid financial and other forms of capital, we provide value to all our stakeholders.	• Maintaining financial soundness and continually increasing corporate value and shareholder returns through capital policy management based on the ERM (enterprise risk management) framework • Improving the Dai-ichi Life Group's capital efficiency and cash-generation capability through capital investments in businesses with high capital efficiency and expected growth potential, while promoting capital circulation management to increase shareholder returns
Human Capital	A wealth of talent and diversity	**Group employees** ●Group employees at all business locations: ca. 60,000 ●Of which, the number of employees involved in overseas insurance business: ca. 9,800 **Abundant human resources that deliver well-being to customers** ●Dedicated sales representatives (Japan): ca. 34,000 **Diverse employee talent that supports global business operations** ●Number of candidates for next-generation global management leaders: 314 ●Ratio of female managers: 29.6%*1 ●Ratio of mid-career hires: 42%*2	• The most important management resource in advancing "challenges and transformation" to become a global top-tier insurance group is our human capital. Dai-ichi Life's human resource strategy is designed to realize the maximum potential of our ca. 60,000 diverse employees located in 10 different countries.	• Providing active opportunities for autonomous learning through domestic/overseas rotation systems for ambitious employees • Promoting DE&I through means such as hierarchy-specific training and the "the cross 1 for 1 session" program with executives and directors to develop female leaders and increase the ratio of women in such roles • Nurturing and acquiring human resources that bolster our management base through investments in human capital such as the introduction of stock compensation systems for domestic employees
	High levels of expertise	●Number of individuals CFP and AFP qualified: CFP: 402, AFP: 2,269 ●MDRT members*3: 158 (domestic), 253 (overseas) ●Number of qualified actuaries*4: 117		
Intellectual Capital	Unique know-how and achieving intellectual creation	**Consulting know-how and the capability to develop products that meet customer needs** ●Agile advanced product development capabilities at Group companies (domestic and overseas) ●Advanced expertise in life planning based on the social security system	• Providing integrated value propositions of "Protection" and "Asset Formation/Succession" stemming from product development capabilities and consulting know-how in social security systems and other areas, utilizing data based on meaningful relations with about 51 million customers in Japan and overseas.	• Securing competitive advantages for Dai-ichi Life's insurance products through strategies such as strengthening investment functions in the alternative and credit fields • Expanding Dai-ichi Life's Asset Formation/Succession/Inheritance Advisors • Achieving data-driven marketing from the centralization of customer information
		Knowledge and experience in domestic and overseas M&As ●Domestic TOB results (Benefit One and ipet Insurance) ●Overseas expansion to nine countries through company acquisitions and other means ●Businesses acquired by Protective: 59	• As we transition to an insurance-related service provider and explore new business fields, advanced business know-how in regard to previously inorganic strategies will be an essential asset.	• Accumulating M&A capabilities based on the appointment of external human capital • Accumulating know-how through the execution of bolt-on acquisitions contributing to the increasing value of the Benefit One platform for the formation of a domestic ecosystem
		Innovation ●Joint research and cooperation projects with multiple universities and institutions, including Shimane University Faculty of Medicine School, for issues such as improving pre-symptomatic conditions in the mental health field. ●Number of innovation fund*5 applications for FY2023: 29 (domestic and overseas)	• Technology-enabled innovation is leading to substantial improvements in customer satisfaction and the rapid development of new products and services.	• Democratizing an innovation culture through further innovation fund applications • Exploring business models in Japan by utilizing YuLife's strong digital capabilities and know-how
	Creating synergies	**Creating synergies through smart use of Dai-ichi Life's domestic and overseas group network** ●172 subsidiaries*6 ●123 affiliated companies*6	• In addition to life insurance and asset management businesses in 10 countries, including Japan, the Dai-ichi Life Group includes companies with strengths in digital fields and Benefit One, the top domestic welfare benefit platform, all of which we are leveraging to create synergy and enhance experience value.	• Dai-ichi Life Group products and services provided through utilization of the Benefit One platform • Prospective unexplored regions (overseas) for development of Dai-ichi Life Group's business and synergy
Social and Relationship Capital	Customer base	●Number of domestic customers: ca. 13.8 million ●Number of overseas customers: ca. 37.2 million	• Expanding Dai-ichi Life's robust domestic and overseas customer bases by providing diverse value leading to sustained future expansion of corporate value.	• Providing value beyond the scope of the insurance field • Increasing customer satisfaction (NPS) by providing innovative products and services • Expanding of micro insurance
	Alliances with diverse business partners	●Number of agency branches: 4,560 (domestic) ●Cooperate with partners with strengths in non-insurance fields, such as healthcare ●Create innovation via a global network	• Spreading our business wings beyond the insurance field by building a network with diverse partners.	• Building asset management and product development/supply partnerships with major financial institution groups in Japan • Partnering with start-ups and internet banking organizations to provide asset formation platforms
	Value co-creation alongside local communities	●Collaborative agreements and activities that contribute to local communities in all 47 prefectures and numerous municipalities (domestic) ●Career rotation to other companies by temporary staffing under the corporate hometown tax program: 87 people (domestic) ●Joint research with local universities, and work to improve local environments and medical services and support education (overseas)	• By maintaining connections with local communities and working together to resolve regional issues, we believe we can create a sustainable society that contributes to our management foundation.	• Providing educational support for future generations through financial and investment learning opportunities • Creating connections with local communities through worker participation in volunteer activities
Natural Capital		●Paper usage*7: 4,348 tons ●Water usage*7: 1.016mn m³ ●Total energy consumption*7: 1,226,564 GJ (figure includes 869,717 GJ of renewable energy*7 Note:Dai-ichi Life has achieved RE100 membership (as of FY2022))	• It is believed that more than half the world's GDP receives benefits derived from nature and ecosystems.*8 The natural environment is a key foundation for the Dai-ichi Life Group's business activities and is an essential asset for continuing contributions in a sustainable manner to all stakeholders.	• Reducing company GHG emissions • Reducing GHG emissions of the investment portfolio through engagement and other means • Promoting investment and lending for environment and climate change solutions to contribute to a sustainable global environment • Expanding environmental analysis and disclosure (TCFD and TNFD)

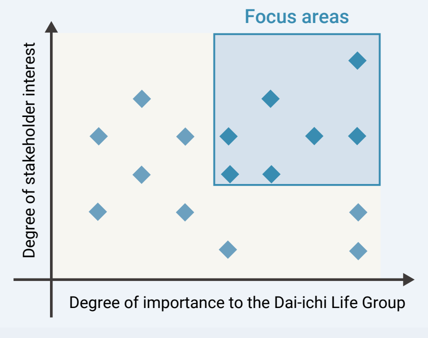
(Unless otherwise noted, figures as of the end of March 2024 or for FY2023 are provided.)
*1 Total of Dai-ichi Life Holdings, Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life, and ipet Insurance
*2 Proportion of mid-career hires out of the number of core positions field employed at Dai-ichi Life Insurance
*3 Figures as of July 2024, except for certain subsidiaries
*4 Total of Dai-ichi Life Holdings and Dai-ichi Life (including career rotation)
*5 Intragroup fund system providing financial support for innovative business ideas with potential benefits for the Dai-ichi Life Group
*6 Figures as of the end of June 2024
*7 Total for main domestic and overseas
*8 Source: World Economic Forum Report, The Future of Nature and Business (2020)

Material Issues (Materiality) of the Dai-ichi Life Group

To resolve social issues and help create the society we aspire to, the Dai-ichi Life Group has selected 20 material issues to focus on, based on global trends such as SDGs, bringing them together to form our Core Materiality. For each of these issues, we estimate the timelines of associated risks and opportunities for the Dai-ichi Life Group's business, which are reflected in our new mid-term management plan.

Core Materiality selection process

Materiality Map (visual representation)



Step 1 Identifying and organizing social issues

Select 35 social issues to further examine for priority and importance and determine which should be addressed based on inputs from the 17 SDG goals, reports of international organizations, and advice from external experts.

Step 2 Evaluating priority and importance

Create a materiality map and determine the priority order for the 35 social issues selected in Step 1, based on the concept of double materiality.

In addition, based on discussions among the Group Sustainability Committee, the Executive Management Board, and the Board of Directors, carry out partial reevaluations considering business risks and opportunities for the Dai-ichi Life Group.

Step 3 Identifying focus areas

Based on the priority ranking determined in Step 2, identify 20 material issues that are within focus areas with high degrees of stakeholder interest and importance.

Social

- Individual health and well-being
- Connecting life satisfaction (job satisfaction) with society
- Collaboration with and outreach to youth
- Industrial promotion and producing innovation
- Demographic shifts
- Sustainable financial services
- Geopolitical risk
- DE&I
- Promoting fair and high-quality social security
- Business and human rights
- Local community connections
- Providing sustainable education

Environmental

- Responding to climate change
- Renewable energy
- Stable energy supply
- Adaptation to natural disasters
- Loss of natural capital and biodiversity

Governance

- Corporate governance management and corruption prevention
- Cybersecurity
- AI technology and digital transformation (DX)

Step 4 Formulating Core Materiality

Formulate Core Materiality taking into account commonalities between each of the 20 issues determined in Step 3.

- I. Financial Well-being for All
- II. Healthy People and Society
- III. Environmental Leadership
- IV. Proactive Governance and Engagement

Material issues, risks, and opportunities for the Group

	Material issues for the Group		Recognized risks and opportunities for the Group	Timeline* Short term	Medium term	Long term
Social	Individual health and well-being	Risks	Increases in insurance claims and benefit payments as gap widens between life expectancy and healthy life expectancy		●	
			Declining insurance needs due to reduced risk of death	●	●	
			Decreased attractiveness of products and services due to insufficient understanding of diverse values and delay in response to advances in medical technology and techniques	●	●	
		Opportunities	Growing need for private insurance coverage to compensate for increased medical costs	●	●	
			Creation of new businesses and insurance-related services connected to health promotion	●	●	
			Protection that supports a prosperous daily lifestyle	●	●	
	Connecting individual's life satisfaction (job satisfaction) with society Connections with local community	Risks	Decline in employee productivity due to reduced sense of life satisfaction (job satisfaction) and diluted connections to local communities	●	●	
		Opportunities	Providing new services to employees connected to improving job satisfaction	●	●	
			Increased need for new services that provide "connections" that bring spiritual happiness	●	●	
			Utilizing company-owned real estate, development know-how, and other assets to revitalize local communities	●	●	
	DE&I	Risks	Delayed response to diversifying market needs and loss of new business opportunities due to inability to fully utilize diverse human capital and values	●	●	
			Risk of "self-cleansing" process not occurring due to highly homogenous corporate culture	●	●	
			Reduced competitiveness in recruiting and increased rate of employee turnover	●	●	
		Opportunities	Increased opportunities for producing innovation through collaboration with diverse employees and values		●	
			Stable recruitment of talented human resources and high retention rate		●	
	Demographic shifts	Risks	Contraction of life insurance business due to decreased demand stemming from Japanese population decline		●	
			Decreased attractiveness of products and service due to inability to adapt to rapid demographic shifts (such as the declining birth rate, an aging population, and increased immigration)		●	●
		Opportunities	Expansion of the life insurance business thanks to increased demand in countries with growing populations in which the Group operates	●	●	
			Increased need for asset formation and protection, nursing care, and end-of-life care together with a shrinking and aging population and a declining birth rate	●	●	
			Differentiation of employee services offered by domestic companies accompanying reduced working population size	●	●	
	Sustainable financial services	Risks	Reduction in universal financial services due to regulations and managerial decisions by financial institutions		●	
			Rising uncertainty accompanying destabilization of the world economy due to issues such as persistent and widening financial disparity between rich and poor and increasing refugee numbers		●	●
		Opportunities	Creation of new markets by providing products and services to meet customer needs in countries where we have newly entered the market	●	●	●
			Providing new services that capture opportunities presented by environmental changes such as the rise of fintech and the democratization of finance	●	●	
	Youth collaboration and outreach programs	Risks	Delayed response to trend shifts and lost new business opportunities due to insufficient understanding of future generations		●	
		Opportunities	Increased opportunities for innovative creation through collaboration with diverse human resources and values		●	
			Creation of new businesses and services through collaboration with youth	●	●	
	Creation of industrial promotion and innovation	Risks	Reduced regional robustness due to factors including regional depopulation, reduced birth rate, an aging population, and aging social infrastructure	●	●	
			Risk of inability to keep pace with new innovations	●	●	
		Opportunities	Providing new products and services utilizing digital technology including AI	●	●	
			Creation of new businesses and services through cooperation with regional communities		●	
			Supporting innovation, resolving social issues, and acquiring financial returns through venture investment		●	●
	Providing sustainable education	Risks	Growing economic disparity and slowdowns in national and societal growth connected to increasing persistent poverty related to lack of education		●	●
		Opportunities	Expanding the asset formation market by providing educational opportunities to improve financial literacy	●	●	
			Providing recurrent reskilling education as well as IT and programming education opportunities		●	●
	Enriching fair, high-quality social security	Risks	Slowdowns in national and societal growth due to increasing persistent poverty related to unstable and insufficient social security systems		●	●
		Opportunities	Growing need for private insurance protection to supplement social security systems	●	●	
			Providing fair and equitable business services aligned toward improved worker conditions	●	●	
			Improving the quality and convenience of the current medical system through increased efficiency, DX promotion, and utilization of mobile technology		●	●
	Business and human rights	Risks	Damage to corporate brand and trustworthiness, lawsuits, strikes, and outflow of human resources if human rights violations or possibilities of such occur	●	●	
			Damage to the Dai-ichi Life Group's asset values in the event of problems occurring among companies invested in or loaned to, or within the supply chain	●	●	
		Opportunities	Increased societal trust and improved corporate value through recognition as an organization that proactively respects human rights	●	●	
			Stable recruitment and retention of talented human resources	●	●	

*For risks, attention is focused on the timing of their manifestation, and for opportunities the focus is on the timing of implementation of concrete initiatives, with short-term opportunities defined as a period of three years or less, medium term as 10 years, and long term as 40 to 50 years.

	Material issues for the Group	Risks and opportunities recognized by the Group		Timeline* Short term	Timeline* Medium term	Timeline* Long term
Social	Geopolitical risk	Risks	Review of business operations and developments in countries with rising political and military tensions to which the Group has expanded operations	●	●	●
			Adverse effects on finances and business performance due to introduction of new laws and regulations	●	●	●
			Damage to the Group's asset values in the event of problems occurring at companies invested in or loaned to, or within the supply chain	●	●	●
		Opportunities	Expansion of emerging markets accompanying geopolitical realignment	●	●	●
Environmental	Responding to climate change	Risks	Increased insurance claims and payments due to factors accompanying global warming such as increased instances of heat stroke, infectious diseases, and flooding due to typhoons		●	●
			Significant changes in carbon taxes, asset impairment due to market and social environmental changes, development of new technologies contributing to climate change countermeasures, and decrease in investment and financing value of companies that inadequately respond to environmental changes such as shifts in consumer behavior	●	●	●
			Damaged reputation and lawsuits stemming from delayed climate change responses	●	●	
		Opportunities	Providing products and services that contribute to reducing greenhouse gas emissions		●	●
			Reducing operating costs through introduction of resource-efficient infrastructure		●	●
			Strengthening resilience of investment portfolios utilizing investment and loan evaluations related to climate change risks and opportunities	●	●	
			Acquisition of new investment and loan opportunities	●	●	●
	Renewable energy	Risks	Increased cost of electricity accompanying rapid introduction of renewable energy	●	●	
		Opportunities	Acquisition of new investment and loan opportunities	●	●	●
			Innovations popularizing renewable energy and transitioning to a decarbonized society		●	●
	Stable energy supply	Risks	Business activity downturn due to tight energy supply, rapidly rising resource prices, and stable procurement difficulties	●	●	
			Risk of business activity downturn due to tight energy market resulting from increased demand accompanying digitalization	●	●	
		Opportunities	Acquisition of new investment and loan opportunities	●	●	●
	Natural disaster response	Risks	Difficulty in predicting insurance benefits due to large-scale natural disasters	●	●	●
			Significant hindrance to business operations due to physical damage	●	●	●
			Damage to investment and loan assets due to natural disasters	●	●	●
		Opportunities	Providing products and services connected to natural disaster preparedness	●	●	●
			Acquisition of new investment and loan opportunities	●	●	●
	Loss of natural capital and biodiversity	Risks	Reduced business performance of companies invested in or loaned to, as well as other business partner companies, stemming from loss of natural capital		●	●
			Damaged reputation and lawsuits due to delayed response to natural capital and biodiversity conservation	●	●	
		Opportunities	Acquisition of new investment and loan opportunities	●	●	●
Governance	Improved corporate governance and corruption prevention	Risks	Reduced business activity due to poor governance	●	●	
			Damage to corporate value due to diminished reputation and loss of societal trust if problems become apparent	●	●	
			Loss of reputation and customer trust stemming from emergence of problems caused by lack of employee compliance training	●	●	
			Damage to the Group's reputation due to not carrying out responsible investment and financing activities	●	●	
		Opportunities	Stabilizing business operations through transparent decision-making and appropriate responses to environmental changes	●	●	
			Improving corporate governance through implementation of proper supervision by the board of directors and other further strengthened supervision	●	●	
			Increasing stakeholder trust and corporate value	●	●	
			Stabilizing and increasing asset management income through improved governance in investees and loanees	●	●	
	Cybersecurity	Risks	Suspension of services and asset management operations due to cyberattacks and system disruptions	●	●	
			Loss of reputation and customer trust when risks become apparent	●	●	
		Opportunities	Increased societal trust and corporate value through being recognized as a company proactively responsive to cyber risks	●	●	
			Stable recruitment and retention of talented human resources	●	●	
	AI technology and DX	Risks	Information leaks and rights infringement stemming from lack of proper AI and technology controls	●	●	
			Reduced competitiveness due to lesser and later initiatives than other companies, or inability to respond to radical innovations	●	●	
		Opportunities	Expanding product lineup based on accumulated big data	●	●	
			Providing optimal service by utilizing customer data including consumption activities		●	
			Diversification of sales channels utilizing digital technology and improvement of customer service	●	●	

*For risks, timelines are set according to the timing of their manifestation, and for opportunities according to the timing of implementation of related concrete initiatives, with short-term opportunities defined as a period of three years or less, medium term as 10 years, and long term as 40 to 50 years

Core Materiality, metrics and targets

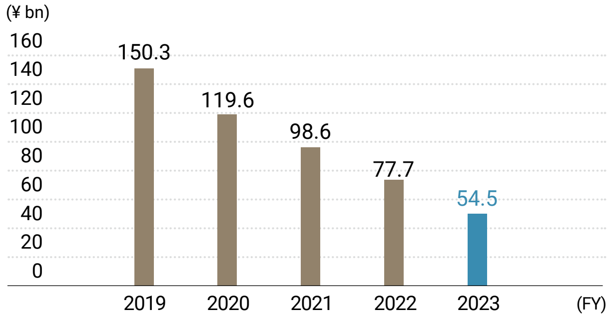
Core Materiality	Initiatives on Core Materiality	Indicators and targeted levels		FY2023 results		Strategic relevance
I. Financial Well-being for All	●Provide comprehensive financial services in the two core areas of "Protection" and "Asset Formation/Succession" that address the issues of each client segment ●Promote financial inclusion by providing products and services that meet the needs of clients in the regions where we operate	**# customers** FY2026 Domestic ca. 15mn people Overseas ca. 45mn people	**Value of new business** Goals set by fiscal year **Adjusted profit** FY2026 ¥400bn **Adjusted ROE** FY2026 ca. 10% **ROEV** Roughly 8% in medium/ long term **Cost of capital** FY2026 8% **ESR** 170%–200% **Relative TSR** Relative advantage	**Domestic** ca. 13.8mn people Overseas ca. 37.2mn people	**Value of new business** ¥54.5bn **Adjusted profit** ¥319.3bn **Adjusted ROE** 8.2% **ROEV** 26.8% **Cost of capital** 9% **ESR** 226% **Relative TSR** #5	Strategy for Protection Business (Japan) p. 45 / Strategy for Retirement, Savings and Asset Management Business p. 49 / Strategy for International Life Insurance Business p. 53 / Strategy for New Fields of Business p. 59 / Initiatives to Improve Customer Experience in Japan p. 67 / Group Sustainability Promotion System p. 73
		NPS®*1 FY2026 Industry-leading level in Japan		-44.2		
II. Healthy People and Society	● Support education for future generations, support health and purpose in life, build connections with the local community ● Contribute to the inclusive development of a sustainable society	**Promoting financial inclusion in developing countries** (# micro-insurance provided)		**# contracts in force** ca. 13mn contracts		Strategy for Protection Business (Japan) p. 45 / Strategy for Retirement, Savings and Asset Management Business p. 49 / Strategy for International Life Insurance Business p. 53 / Strategy for New Fields of Business p. 59 / Group Sustainability Promotion System p. 73
		Offering education support programs for future generations (# attendees for the programs*2)		ca. 43,000 people		
		# employees who have participated in local volunteer activities*3		ca. 43,000 people		
III. Environmental Leadership	● Contribute to the realization of a decarbonized society and of recovery of natural capital ● Resolve sustainability issues through investments ● Contribute to global rule-making and disseminate opinions through participation in Japanese and international initiatives	**In-house GHG emissions reduction** (Group Scope 1 & 2) vs. FY2019 75% reduction by FY2030 Net zero by FY2040		62% reduction		Group Sustainability Promotion System p. 73 / Climate Change and Natural Capital Initiatives p. 75 / Initiatives and Opinions on Climate Change Issues p. 83
		GHG emissions reduction of Investment portfolio*4 (Scope 3 Category 15) vs. 2020 50% reduction by 2030 Net zero by 2050		**Dai-ichi Life** 31% reduction **Dai-ichi Frontier Life** 34% reduction		
		Sustainability thematic investments Cumulative total ¥5tn through FY2029 (includes ¥2.5tn in environmental and climate solution investments)		Cumulative total: ¥2.5tn [Cumulative total ¥1.2tn]		
IV. Proactive Governance and Engagement	● Build a sustainable management foundation that is valued by society ● Respect human rights of all stakeholders ● Create a fulfilling work environment by promoting an organizational culture that leverages diverse personalities and maximizes and enhances individual capabilities	**ESG Composite Indices** Industry-leading level in Japan		**DJSI：** Included in APAC Index **MSCI：** BBB		Financial and Capital Strategy p. 39 / Group Sustainability Promotion System p. 73 / Initiatives to Respect Human Rights p. 84 / Human Resources Strategy p. 85 / IT and Digital Strategy p. 95 / Corporate Governance p. 99 / Board Structure p. 113
		Diversity of talent Ratio of female executives*5 and organization heads*6 to be 30% by 2030		**Ratio of female executives** 13.7% **Ratio of female organization heads** 19.1%		
		Creation of fulfilling work (Engagement score*6)		65		
		Innovation promotion (# applications of the innovation fund*7) 30 per year		29 cases		

*1 Abbreviation for "Net Promoter Score," a registered trademark of Bain & Company, Fred Reichheld, and Satmetrix Systems; score shown for Dai-ichi Life
*2 Total for Dai-ichi Life and Dai-ichi Frontier Life
*3 Total for Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life, and some overseas Group companies
*4 Absolute quantity basis for Dai-ichi Life, intensity basis for Dai-ichi Frontier Life
*5 Total for the holding company and Dai-ichi Life
*6 Total for the holding company, Dai-ichi Life, Dai-ichi Frontier Life, and Neo First Life
*7 An intragroup fund system to provide financial support for innovative business ideas that can benefit the Group

Financial and Non-Financial Highlights

… I. Financial Well-being for All
… II. Healthy People and Society
… III. Environmental Leadership
… IV. Proactive Governance and Engagement

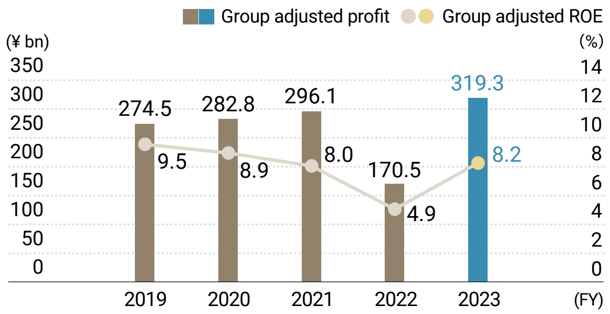
Group value of new business*



The value of new business represents the value of new business acquired during a certain period at the time of contract acquisition. In FY2023, while Dai-ichi Frontier Life improved to steady positive performance, Dai-ichi Life experienced a decline, excluding its increase in the group annuities business. The value of new business for certain products turned negative at Protective Life in the US, and there was a slump and loss of sales momentum at Dai-ichi Life Vietnam. As a result, the Group value of new business decreased 30% compared with FY2022.

*Starting from FY2020, changes were made to the ultimate forward rate, and the corporate bond spread was reflected in the discount rate used for Dai-ichi Frontier Life's debt valuation. Beginning from FY2023, the three domestic companies (Dai-ichi Life, Dai-ichi Frontier Life, and Neo First Life) applied the new economic value–based calculation method, which is set to be introduced in Japan at the end of FY2025 (retroactively applied for FY2022).

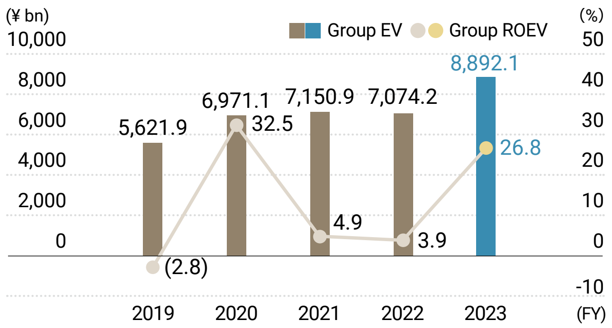
Group adjusted profit/Adjusted ROE*



Group adjusted profit, our unique indicator and a source for shareholder returns, increased 87.2% year on year to ¥319.3bn in FY2023. This growth was driven by factors such as improved gains from core insurance activities at Dai-ichi Life, the improvement in new policy acquisition costs at Dai-ichi Frontier Life, and the elimination of a negative impact at Protective Life in the previous fiscal year due to bank failures in the US.

*IFRS 17 was applied from FY2023 for TAL and Partners Life, and retroactively to their figures for FY2022 (Group adjusted profit and Group adjusted ROE for FY2022 before retroactive application were ¥184.4bn and 5.0%, respectively).

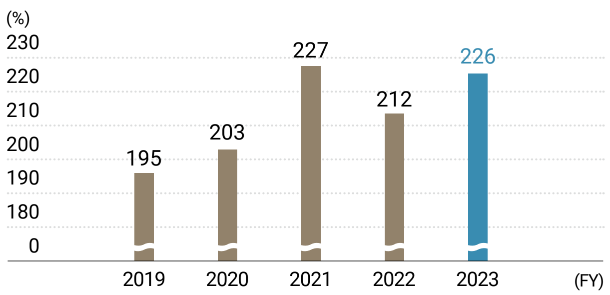
Group EV/ROEV*



Group EV, which represents corporate value based on economic value, increased 26.8% year on year in FY2023, primarily due to the rise in market value of domestic equities and the increase in domestic interest rates.

*Beginning from FY2023, the three domestic companies (Dai-ichi Life, Dai-ichi Frontier Life, and Neo First Life) applied the new economic value–based calculation method to be introduced in Japan at the end of FY2025 (retroactively applied for FY2022).

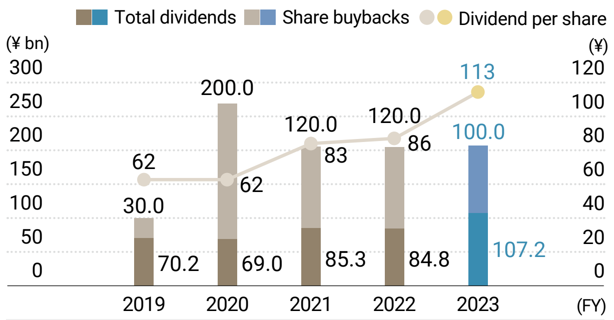
Economic solvency ratio (ESR)*



ESR, an indicator of financial soundness based on economic value, increased by 14 points compared with the end of FY2023. This was due to progress in risk reduction, along with positive market factors such as higher stock prices, rising yen interest rates, and yen depreciation.

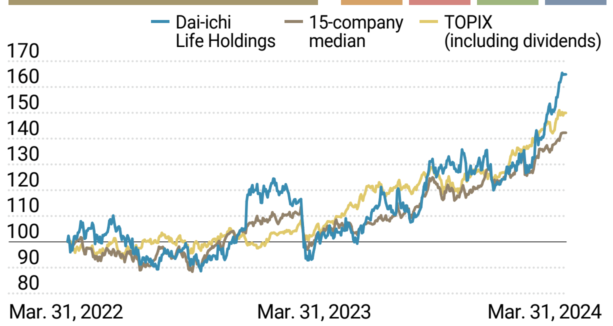
*Starting from FY2020, changes were made to the ultimate forward rate, and the corporate bond spread was reflected in the discount rate used for Dai-ichi Frontier Life's debt valuation. Beginning from FY2023, the three domestic companies (Dai-ichi Life, Dai-ichi Frontier Life, and Neo First Life) applied the new economic value–based calculation method, which is set to be introduced in Japan at the end of FY2025 (retroactively applied for FY2022).

Shareholder payouts (Total dividends/Share buybacks/Dividend per share)



As an early application of the current mid-term management plan's dividend payout ratio of 40%, based on FY2023 business results, the per-share dividend has increased to ¥113, ¥27 more than the previous period. We have also decided on a large-scale share buyback of up to ¥100bn.

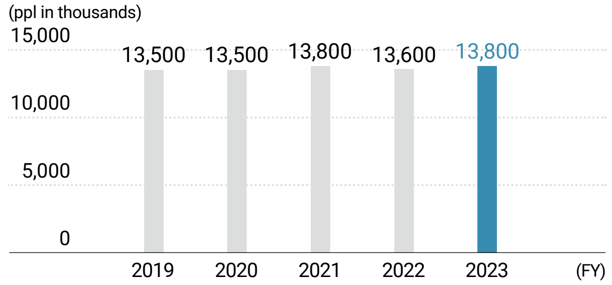
Relative total shareholder return (TSR)*



TSR, the total return on shareholders' investment counting both capital gains and income gains, as of March 31, 2024, had increased 64% versus March 31, 2022, ranking the Company fifth among 15 comparable companies.

*Indexation using the figures on March 31, 2022, as 100 (created by the Company with data from Bloomberg); Compared against a total of 14 companies: five domestic insurance company groups (Japan Post Insurance, T&D Holdings, Tokio Marine Holdings, MS&AD Insurance Group Holdings, Sompo Holdings) and nine overseas insurance company groups (AIA, Aflac, Allianz, AXA, Manulife, MetLife, Prudential (US), Prudential (UK), Zurich)

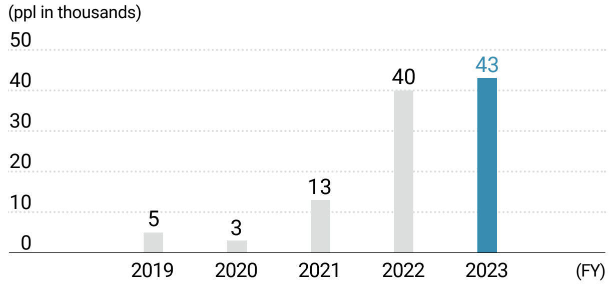
Number of customers (domestic)*



Working toward our goal of 15mn customers in Japan by FY2026, we made great efforts to maintain and expand our customer base of 13.8mn Japanese customers in FY2023. In addition, regarding our overseas customer base of 37.2mn people in FY2023, we have set a new target of 45mn overseas customers by FY2026 and are strengthening initiatives designed to achieve this.

*Total for Dai-ichi Life, Dai-ichi Life Frontier, Neo First Life, Dai-ichi Life Smart, and ipet Insurance. This includes not only insurance-related products and services but also those in non-insurance areas.

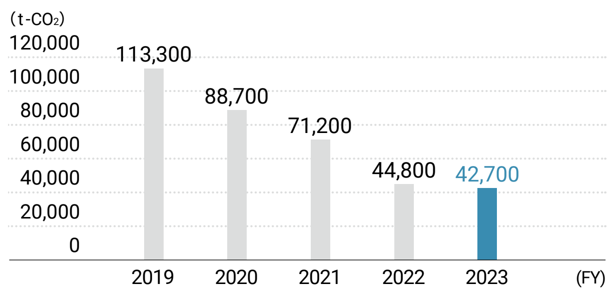
Number of financial educational program participants (domestic)



Using gamification-style financial education materials*, we hold seminars not just at schools but also at companies and government offices, providing a wide range of financial education support for all generations. Through coordination with local governments and educational and financial institutions nationwide, we saw a large increase in the number of program participants in FY2022 and FY2023.

*Dai-ichi Life's Life Cycle Game III, Dai-ichi Frontier Life's Life Simulation Game Frontier World

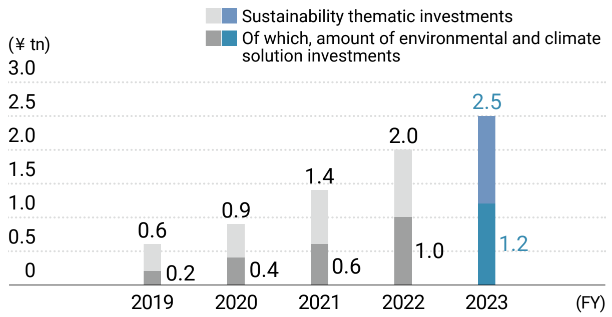
CO_2 emissions*1 (Group Scope 1 & 2)



Working toward achieving net zero by FY2040, we achieved a 62% reduction* in FY2023 and are making good progress toward our mid-term goal of a 75% reduction by FY2030. In addition, we have partially revised our calculation methods to produce more accurate measurements, now including CO_2 emissions generated by private cars used for business purposes by sales reps and other employees at Dai-ichi Life.

*Compared with FY2019

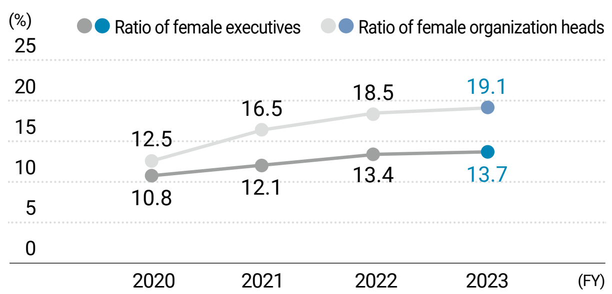
Cumulative amount of sustainability thematic investments*1



We are promoting investments and loans that contribute to addressing social issues, and our target of ¥2tn in cumulative amount of sustainability thematic investments by FY2024 has been achieved ahead of schedule. For this reason, we have set a new goal of cumulative amount of ¥5tn (with ¥2.5tn in environmental and climate solution investments*2) by FY2029.

*1 Total for Dai-ichi Life and Dai-ichi Frontier Life
*2 Investment and loans related to green bonds, renewable energy power plants, etc.

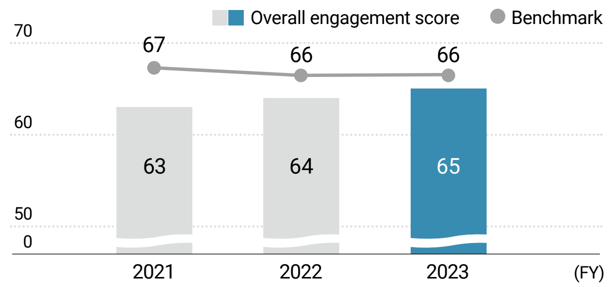
Ratio of female executives*1/Ratio of female organization heads*2



Aiming for 30% of executives to be women by 2030, we are working to strengthen our managerial pipeline though programs such as hierarchical training and selection and training of candidates for management positions by executives. As a result, we are steadily increasing the ratio of female executives to 13.7% and the ratio of organization heads to 19.1% in FY2023.

*1 Total for Dai-ichi Life Holdings and Dai-ichi Life Insurance. The figures as of April 1 of the following fiscal year are displayed as the figures for the end of the previous fiscal year.
*2 Total for Dai-ichi Life Holdings, Dai-ichi Life, Dai-ichi Frontier Life, and Neo First Life. The figures as of April 1 of the following fiscal year are displayed as the figures for the end of the previous fiscal year.

Engagement score* (domestic)



We consider employee engagement to be a key metric and are actively working to improve our engagement scores. As a result of our ongoing efforts, the overall score continues to improve, and in FY2023, we saw improvements in the scores related to vision and strategy, which had been identified as areas for improvement.

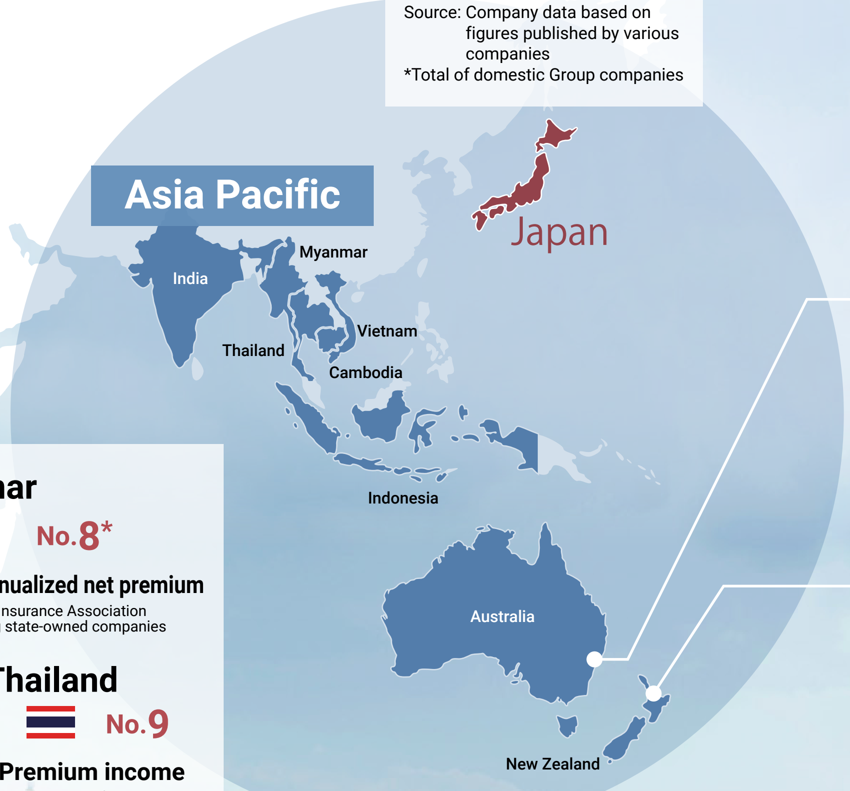
*Total for Dai-ichi Life Holdings, Dai-ichi Life, Dai-ichi Frontier Life, and Neo First Life

Group at a Glance

Global insurance group with operations in 10 countries

Japan
No.2*
14.0% Share
Insurance premiums and other income
Source: Company data based on figures published by various companies
*Total of domestic Group companies

Vietnam
No.4
12.5% Share
Premium income
Source: Insurance Association of Vietnam



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

Myanmar
No.8*
New business annualized net premium
Source: Myanmar Insurance Association
*Excluding state-owned companies

India
No.10
New business premium
Source: IRDAI

Indonesia
No.11
Premium income
Source: Indonesian Life Insurance Association

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

Australia
No.1
33.8% Share
In-force policies annualized net premiums (protection)
Source: Plan For Life

New Zealand
No.2
16.1% Share
In-force policies annualized net premiums
Source: FSC Insurance Market Statistics

US
No.13
US$992.6bn
Life insurance amount of policies in force
Source: S&P Global Market Intelligence

Corporate value

Market capitalization	Group EV	Total shareholder return (TSR)
¥3.7tn	¥8.8tn	+64% (March 31, 2022–March 31, 2024)

Strong and stable financial soundness

Economic solvency ratio (ESR)
226%

Ratings

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

Group assets and profit scale

Total consolidated assets	Consolidated net assets	Group adjusted profit	Group adjusted ROE
¥67.5tn	¥3.8tn	¥319.3bn	8.2%

Industry leading ESG ratings

PRI
Achieved **5-star ratings (highest possible)** for "Policy/Governance/Strategy" and "Processes to ensure transparency" (Dai-ichi Life, 2023 evaluation)

DJSI
Selected as a constituent of the **Dow Jones Sustainability Asia Pacific Index**

Note: Figures are as of the end of FY2023, except where noted.

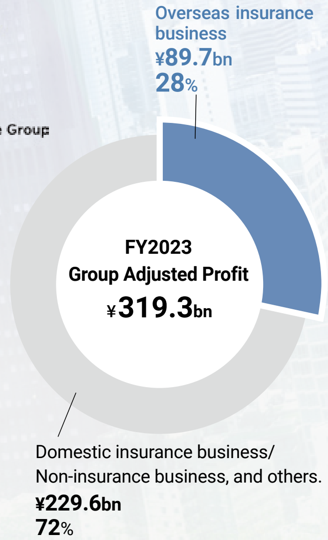
Business segments and Group companies

Domestic insurance business

Non-insurance business (Asset management business/New fields of business)

Asset management business

New fields of business



Overseas insurance business

FY2021–2023

Review of the Previous Mid-Term Management Plan

In the mid-term management plan (Re-connect 2023) started in FY2021, we recognized that the COVID-19 pandemic forced disruptions and changes in some of our connections with stakeholders and rapidly changed people's values and societal norms. Based on our understanding of this changing environment, we reevaluated how we connect with stakeholders, including our customers, and took initiatives focusing on four key initiatives: Financial and Capital Strategy, Domestic Business Strategy, Overseas Business Strategy, and Management Foundation & Sustainability.

Review of Key Initiatives

The acquisition of ipet in Japan and the acquisition of Partners Life in New Zealand, a new country in our overseas business, have brought some outcomes in improving our business portfolio.

In addition, although specific strategies will be developed and implemented during the new mid-term management plan starting in FY2024, we have acquired Benefit One to further extend our business domains and form an ecosystem.

On the other hand, although we have achieved certain outcomes through various initiatives, capital efficiency remains below the cost of capital, and we are aware that the new business performance of Dai-ichi Life is an issue. In executing the new mid-term management plan, we will work to resolve issues based on our recognition of the challenges of the previous plan.

Strategy	Key initiatives	Achievements	Challenges
Financial/Capital Management	Drastically improve capital efficiency mainly by reducing market-related risks	Reduced market-related risk through the reduction of interest rate risk by accumulating an adequate amount of long-term bonds and reinsurance transactions, with progress exceeding the target	Despite a steady decline in the cost of capital, equity risk remained high due to rising stock prices, and capital efficiency has been lower than the cost of capital
	Strike a balance between disciplined capital allocation and strong shareholder payouts	Promoted capital circulation management by shifting capital to growth markets while maintaining a high total payout ratio	Room for improvement in relatively low dividend yields as stock price rises, and in the balance between share buybacks and cash dividends
Domestic Business	Reform sales rep channel and improve its efficiency	Improved premiums-per-policy, one of our productivity indicators, due to revamping of the product structure and consulting process along with fundamental operational changes	Weak performance in new business sales at Dai-ichi Life, mainly due to a decrease in the number of sales reps, caused by the time required to establish and stabilize the new recruitment and development model
	Transform the domestic business model and improve CX by leveraging our four experiential values	Expanded experiential value fields, such as business domain expansion into pet insurance and employee benefit services	OMO (Online Merges with Offline) promotion through Mirashiru and other means could not generate enough leads and revenue
Overseas Business	Increase profits in existing markets and drive business for further growth	Improved the business portfolio by entering a new region (acquisition of Partners Life in New Zealand)	Increased volatility in profit due to increased competition in M&As in North America and macro-environmental fluctuations
	Leverage DX to pursue CX and improve productivity further	Acquired digital capabilities through investments and alliances with YuLife in the UK and RenewBuy in India	DX efforts by each company have made progress, but cross-Group synergy creation is ongoing
Management Foundation & Sustainability	Promote the Group's human capital strategy and governance to support our business foundation	Strengthened the management structure by introducing and expanding the CxO system and appointing outside professionals	Room for improvement in securing digital and other specialized talent and in the ratio of female executives and organization heads
	Promote Sustainability throughout the Group	Being adopted in multiple ESG indexes, strengthened sustainability promotion structure, and steadily reduced GHG emissions	Challenges in the efforts across the Group companies with different regional characteristics

Status of KPI Achievement

The KPIs set in the previous mid-term management plan have largely achieved the levels targeted at the beginning of the plan.

In particular, with regard to the results for FY2023, the final year of the mid-term management plan, the relative TSR, which is based on the starting point of the previous mid-term management plan (end of March 2021), was fourth place, which is above the medium level, and the Group adjusted profit was well above the target due to an upswing in investment income backed by the impact of yen depreciation and other factors. The Group's ROEV also overachieved due to the support of external factors such as rising stock prices and interest rates.

While significant progress was made in reducing market-related risk, equity risk remained high due to rising stock prices. We have also set a target for adjusted ROE, but it is not yet at a level that exceeds the cost of capital, so we recognize the need to continue to promote capital circulation management initiatives and take steps to reduce the cost of capital and improve capital efficiency.

Regarding the value of new business (VNB), a leading indicator of insurance profit, there were positive factors such as higher sales volume at Dai-ichi Frontier Life, supported by rising domestic and overseas interest rates. However, this was offset by sluggish new business performance at Dai-ichi Life and weak sales in the banking channel at Dai-ichi Life Vietnam due to low sales momentum. As a result, VNB was below the target as a Group and was lower than the FY2022 result.

At Dai-ichi Life, we are aiming for an early recovery in sales volume through the provision of integrated value in protection and asset formation/succession, in addition to securing new points of contact with customers through touchpoint products such as pet insurance.

Beyond the KPIs in the previous mid-term management plan, we have added KPIs that are more consistent with our Vision for FY2030 to better visualize our progress in the new mid-term management plan.

	Target level at the end of FY2023	FY2021 result	FY2022 result	FY2023 result
Group adjusted ROE*1 (Group adjusted profit basis)	ca. 8%	8.0%	4.9%	8.2%
Group ROEV*2	Average ca. 8% (by around FY2026)	4.9%	3.9%	26.8%
Market-related risk reduction (Interest rate risk and equity risk vs. March 2021)	Risk reduction ¥560bn (equivalent to ca. 20% interest rate risk and equity risk)	¥392.9bn	Cumulative total ¥537.3bn	Cumulative total ¥706.2bn ((25.4)% vs. March 2021)
Economic solvency ratio (ESR)*3	Maintain stable level in range 170%–200% in the medium and long term	227%	212%	226%
Relative TSR (Total shareholder return)	Build a relative advantage compared to 10 domestic and overseas peers*4	2nd	4th	4th
Group adjusted profit*1	ca. ¥250bn to ¥280bn	¥296.1bn	¥170.5bn	¥319.3bn
Reference: Group value of new business*3	Operate according to targets set for each fiscal year	¥98.6bn	¥77.7bn	¥54.5bn

*1 As TAL and Partners Life have adopted IFRS 17 from FY2023, the figures for FY2022 have been restated to retrospectively apply IFRS 17 for TAL and Partners Life. For reference, the Group adjusted ROE and Group adjusted profit before retrospective restatements were 5.0% and ¥184.4bn, respectively.

*2 Effective from FY2023, the calculation method for the three domestic life insurance companies (Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life) has been changed in accordance with new regulations (economic value–based solvency regulations to be introduced in Japan at the end of FY2025).

*3 FY2022 and FY2023 results reflect the change in calculation method in *2.

*4 Comparison based on TSR starting from March 31, 2021, the start of the previous mid-term management plan.

FY2024–2026

New Mid-Term Management Plan

The new mid-term management plan, which started in FY2024, was developed in recognition of the challenges faced up to the previous mid-term management plan and changes in the external environment. Through the plan, we aim to become No. 1 in Japan in the four areas of customer satisfaction, employee satisfaction, innovation in products and services, and corporate value by FY2030, thereby becoming a global top-tier insurance group and a leader shaping the future of the Japanese insurance industry. The plan was formulated by backcasting the necessary actions to be taken over the next three years to reach these goals. We have set "achieving capital efficiency that consistently exceeds the cost of capital" as the most important KPI, and other important KPIs have been set as a quantitative target to which we are committed during the period to establish the foundation to achieve our Vision for FY2030.

Full Picture of the Plan

Vision for FY2030

- No. 1 in Japan in four areas: customer satisfaction, employee satisfaction, innovation in products and services, and corporate value
- Global top-tier insurance group
- Leader shaping the future of the Japanese insurance industry

Vision for FY2026

- Achieving capital efficiency that consistently exceeds the cost of capital
- Building a foundation for transformation into an insurance-related service provider
- Group adjusted profit of ¥400bn
- Doubling market capitalization (¥3tn) as of the beginning of FY2023

KPI Targets

Financial

KPI item	FY2026	FY2030
ROEV	ca. 8% in the medium to long term	
Value of new business	Set for each fiscal year	—
Adjusted ROE	ca. 10%	Consistently exceeding 10%
Adjusted profit	¥400bn	¥600bn
Cost of capital	8%	Consistently below 8%
Relative TSR (vs. 14 peers)	Relative advantage	

Non-Financial

KPI item	FY2026
Number of customers	Domestic: ca. 15mn Overseas: ca. 45mn
ESG composite indices	Industry-leading evaluation scores in Japan

Overview of the Plan

Realize our Vision for FY2026 by organically circulating our four businesses with enhancement of the financial and capital strategy and the management foundation.

Business Strategy		Financial and Capital Strategy	Management Foundation (Governance/Human Resources/IT & Digital)
Protection Business (Japan)	Retirement, Savings and Asset Management Business		
International Life Insurance Business	New Fields of Business		

External Environment

Rapid evolution of digital technology, including implementation of generative AI	Increased geopolitical risk/uncertainty	Accelerating decline in the birth rate and aging of population
Further acceleration of diversification and segmentation of values	A world with rising interest rates and inflation	Increasing demand for capital efficiency and corporate value
Growing asset formation needs	Trends in emphasizing sustainability	

Overview of the Plan

We will realize our Vision for FY2026 by organically circulating our four businesses with enhancement of the financial and capital strategy and the management foundation.

Protection Business (Japan)

Create value in which customers pursue value propositions in both protection and asset formation/succession and by improving channel productivity

- Review the issues and needs of each customer segment, and implement value propositions based on protection and asset formation/succession while expanding product lineups that focus on the issues.
- Aim to return Dai-ichi Life to pre-pandemic levels of new business performance through the integration of real and digital channels.

International Life Insurance Business

Aim for adjusted profit of ¥160bn (40% of Group adjusted profit) in FY2026 through growth in existing businesses and inorganic growth through M&As

- At Protective Life, expand capital efficiency and profits by expanding sales of insurance and annuity products, making new acquisitions, and strengthening asset management capabilities.
- Strengthen the foundation in markets where both high growth and profit contribution are expected, such as India, and expand into regions where we have not yet made inroads.

Retirement, Savings and Asset Management Business

Develop resources for business expansion, and in the asset management business, strengthen the Group's asset management functions and product competitiveness as well as grow the capital-light fee business

- At Dai-ichi Life, establish a sales structure including expansion of asset formation, succession, and inheritance advisors.
- At Dai-ichi Frontier Life, increase assets under management by improving product competitiveness and investment capabilities.
- Secure a competitive advantage in the insurance business through investment in asset management companies and expand revenue sources in the capital-light fee business.

New Fields of Business

Building an ecosystem centered on Benefit Station based on the steady implementation of PMI

- Create synergies aligned with a short-, medium-, and long-term timeline, such as expanding the customer base through synergies with Dai-ichi Life, developing and expanding sales of unique insurance products, providing health and medical services, and fostering collaboration in overseas operations.
- Expand non-insurance areas (including the asset management business), aiming to grow to account for 10% of Group adjusted profit in FY2030.

Financial and Capital Strategy

Promote capital circulation management, reduce the cost of capital by reducing market risks beyond the levels of the previous mid-term management plan, and achieve attractive shareholder returns

- Reduce domestic equity by ¥1.2tn over three years, and if the market value rises further, flexibly scale up sales volume to ensure equity risk reduction.
- Maintain the level of total shareholder payouts until achieving capital efficiency that consistently exceeds the cost of capital, raise the dividend payout ratio to 40%, and newly determine the introduction of an interim dividend.

Management Foundation (Governance/Human Resources/IT & Digital)

Strengthen governance to clarify responsibility and authority, and to improve operational efficiency
Develop and acquire human resources to support the management foundation by proactively investing resources in human capital
Expand the customer base and improve productivity by providing technologies that align with each business strategy

- Achieve high transparency in business promotion and cross-Group functions, through a matrix-type corporate governance structure of business lines and functional lines.
- Promote transformation in human resources both in Japan and overseas, aiming for the optimal allocation of resources, by positioning "Group HR governance," "Personnel systems and compensation systems," "Talent acquisition and talent development," and "Opportunities for success" as the four pillars of the human resources strategy.
- Internalize digital organizational capabilities and strengthen Group capabilities through the use of the Global Capability Centre and the transformation of the internal systems company. In addition, transform to data-driven sales activities through the centralization of domestic customer information.

Financial and Capital Strategy

Through high-quality "capital circulation management," we will achieve capital efficiency that consistently exceeds the cost of capital by FY2026.

Executive Officer
Chief Financial Officer
Taisuke Nishimura

Vision

- Achieving capital efficiency that consistently exceeds the cost of capital by FY2026
- Building a solid business portfolio through capital circulation management
- Sustainably enhancing corporate value (market capitalization of ¥6tn in FY2026 and ¥10tn in FY2030) by realizing these goals

Message from the CFO

I am the Chief Financial Officer (CFO), Taisuke Nishimura. In the previous mid-term management plan, our Group set improving capital efficiency and reducing the cost of capital as its most important issues, and implemented various measures, including risk reduction initiatives. As a result, we have achieved a certain level of success, with the cost of capital falling to around 9% as of the end of FY2023, but we have yet to reach the level we had targeted. In this section, I will explain the financial and capital strategy for the current mid-term management plan, along with my thoughts on our Group's business as a whole.

Our Group is aiming to achieve market capitalization of ¥6tn in FY2026 and ¥10tn in FY2030, in order to rank among the global top tier companies by FY2030.

We have positioned the new mid-term management plan period as the final stage to achieve capital efficiency that consistently exceeds the cost of capital, a goal we have been working toward since the previous mid-term management plan, on a timeline to FY2030. Adjusted ROE in FY2023 was 8.2%, which is still below our cost of capital level of 9%. We will work to reverse this relationship and achieve capital efficiency that consistently exceeds the cost of capital as our most important issue for improvement. Therefore, in addition to improving the capital efficiency of existing businesses, we will reallocate capital to businesses where higher growth and higher capital efficiency are expected. We will also continue to emphasize share buybacks as part of our commitment to improving capital efficiency. By FY2026, we will ensure capital efficiency that exceeds the cost of capital, after which we will accelerate strategic investments to scale up profits and realize our Vision for FY2030. Our Group's challenge is first to recover the domestic value of new business (VNB) and, by extension, to maintain the profit scale of the domestic business centered on Dai-ichi Life over the medium to long term.

In anticipation of the new economic value–based capital regulations scheduled for introduction in FY2025, we are revising our ESR for internal management purposes, but currently the standards of our domestic companies have shifted to the new ones. In the future, we would like to clearly indicate the level of ESR based on the new standards after transitioning the standards of our overseas operations to the new ones as well, so that we can both maintain our financial soundness and improve capital efficiency.

It is also necessary to strengthen initiatives to control costs and improve productivity. We will work with each Group Head and CxO to improve productivity in anticipation of future inflation, for example, by strengthening the Group's vendor management.

The capital efficiency we aim to achieve after FY2026 and the business portfolio to realize it also need to be more specific. For example, as part of our initiatives to reduce the cost of capital and improve capital efficiency, we plan to sell ¥1.2tn of domestic equities held by Dai-ichi Life over the three years of the current mid-term management plan. We will continue to consider the ideal level of shareholding, including the period after that.

With the stable profits generated from our domestic business, the Company has been strengthening shareholder payouts and investing in businesses with high capital efficiency. Supported by the strong domestic stock market, our financial base has remained favorable. If domestic interest rates rise, we expect to enjoy a positive impact on the business environment, such as improved attractiveness for insurance products and increased VNB, although a certain amount of loss on sales of yen-denominated bonds is anticipated.

We will also strengthen our business portfolio. We intend to demonstrate the strength of our Group, which has grown its insurance business with a long-term frame, in growing countries, particularly in Southeast Asia. The insurance business is heavily regulated and growth is not easy, but we believe only the Dai-ichi Life Group is capable of achieving this. In developed countries, we expect the retirement market to grow as the population ages, and we are working to strengthen our annuity product development and sales, as well as the asset management business. In addition, we acquired Benefit One, the largest employee benefits platform in Japan. We intend to expand this customer base and achieve profit growth commensurate with the investment.

We will further promote capital circulation management to become a global top-tier insurance group in FY2030 by utilizing our Group's strengths, while practicing high-quality IR activities that are trusted by the market and sustainably improving our corporate value.

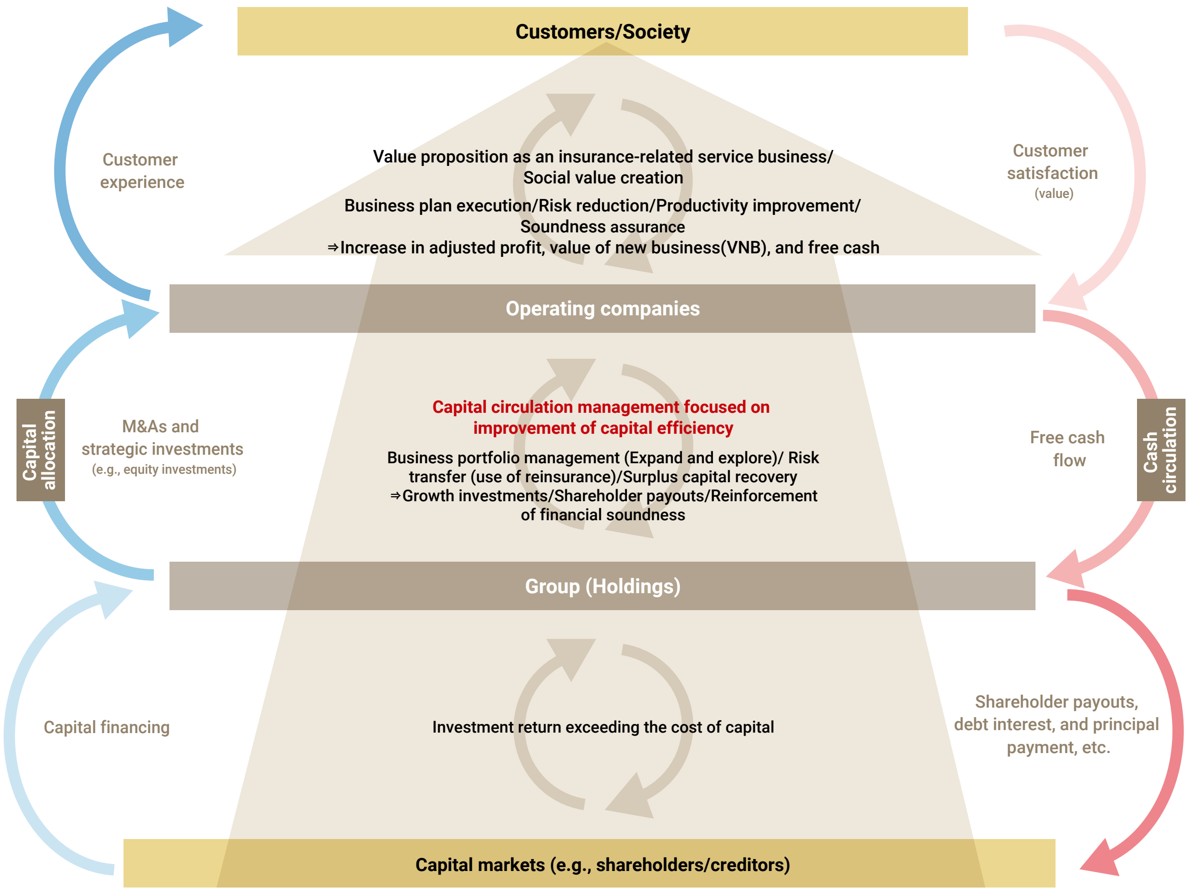
Basic approach to capital policies

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

In the current mid-term management plan, we aim to achieve sustainable growth through "capital circulation management" in a continuation of our approach from the previous plan. "Capital circulation management" is a concept that aims to improve corporate value by creating a virtuous cycle of capital and cash generation through the reallocation of capital to more capital-efficient and high-growth businesses while ensuring financial soundness, using capital earned through business operations and capital freed up through risk reduction as financial resources.

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

Capital circulation management



ESR level and approach to capital policy

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

200%

Target range 170%–200%

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

170%

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

130%

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

Economic solvency ratio (ESR)

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

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

In initiatives to evaluate economic value, we began disclosing embedded value (EV) when we listed our shares on the Tokyo Stock Exchange in 2010, and we began disclosing ESR after setting a target range from 170% to 200% in our mid-term management plan covering FY2015 to FY2017. Since introducing EV and ESR, we have worked to improve our measurement techniques in accordance with changes in the external environment including reflecting actual operating conditions as appropriate and capital solvency regulations.

Currently, the Insurance Capital Standard (ICS), which applies to internationally active insurance groups (IAIGs) and is being developed by the International Association of Insurance Supervisors (IAIS), and the economic value–based solvency regulation due to be introduced in Japan in FY2025 (the new regulation) are still in the process of finalization.

In preparation for the introduction of the new regulations, our three domestic life insurance companies—Dai-ichi Life, Dai-ichi Frontier Life, and Neo First Life—proactively adjusted their calculation methods to align with the new regulations starting from the end of FY2023.

Realization of capital circulation management

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

Main strategies for realizing capital circulation management: Risk reduction initiatives

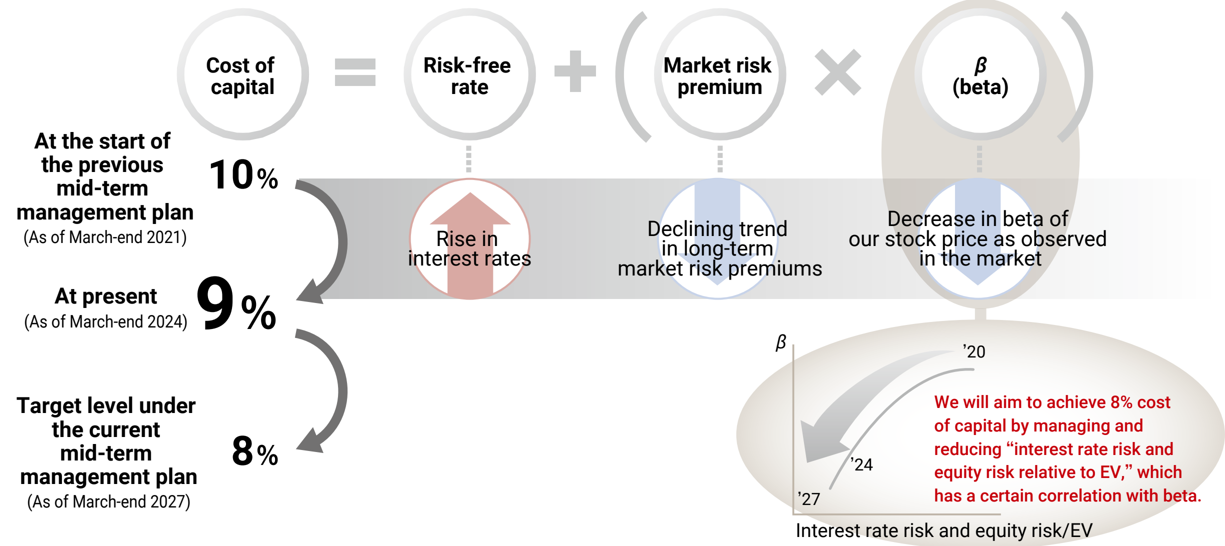
Our Group's cost of capital, which was 10% at the beginning of the previous mid-term management plan, is now 9%, reflecting the effect of the reduction in the cost of capital due to the progress made in market risk reduction over the period of the previous plan.

We aim to reduce this rate to 8% by the end of the new mid-term management plan through reductions in interest rate risk and equity risk.

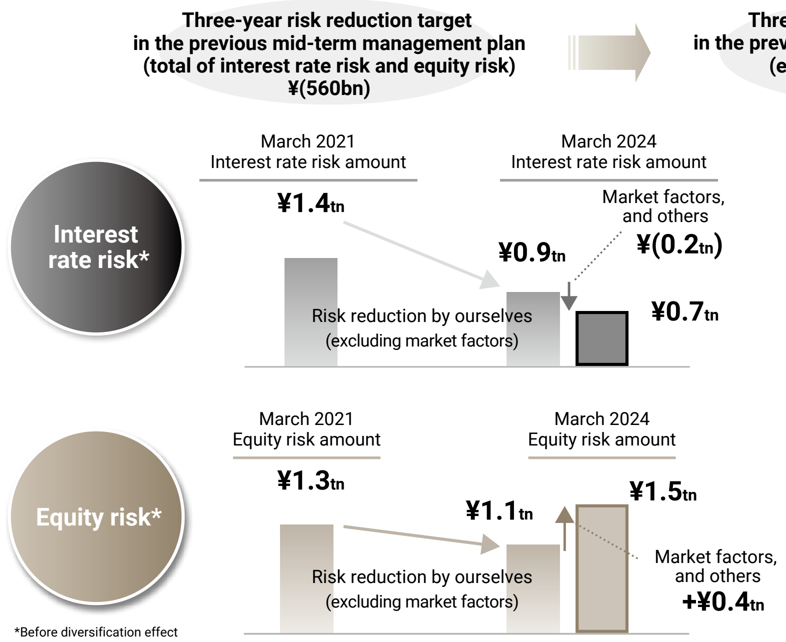
Over the period of the previous mid-term management plan (from FY2021 to FY2023), we reduced market risk by ca. ¥700bn, an achievement rate of 125% against the market risk reduction target for the period covered by the plan, which was formulated at the end of FY2020. In the new mid-term plan, the pace of equity risk reduction will be accelerated by reducing the domestic equity holdings of Dai-ichi Life by ¥1.2tn over three years.

In the wake of the new regulations scheduled to be introduced at the end of FY2025, we will not only reduce risk but also shift to risks where higher capital efficiency can be expected, thereby enhancing the level of capital circulation management that leads to enhancing corporate value.

Reduction in the cost of capital by reducing market risk



Review of market risk reduction and future plan



*Before diversification effect

Review of the previous MTP

Interest rate risk was reduced beyond the initial plan through the purchase of ultra-long-term bonds, mainly through the purchase of ultra-long-term bonds.

New MTP policy

Interest rate risk will be minimized over the next five years through continuous reduction initiatives.

Review of the previous MTP

Equity risk increased as the market value of equity holdings rose despite the sale of shares.

New MPT policy

Domestic equities that Dai-ichi Life holds **to be reduced by ¥1.2tn** over three years (**equivalent to 30%** of the market value in March 2024), with additional sales to be made flexibly if the market value rises further in the future

Main strategies for realizing capital circulation management: Utilization of intragroup financing

Intragroup financing, especially intragroup reinsurance, implemented as part of efforts to ramp up capital circulation management has increased significantly since we established a reinsurance company. During the previous mid-term management plan, Dai-ichi Frontier Life and Neo First Life were both impacted by rising overseas interest rates and insurance payments related to COVID-19, but this has led to more effective utilization of capital, for example, utilization of intragroup reinsurance to efficiently improve the solvency margin ratio. TAL has been utilizing intragroup reinsurance with Dai-ichi Life, but the establishment of the reinsurance company has made it possible to expand the scope of intragroup reinsurance utilization and further reduce capital requirements. We will continue pursuing capital circulation management by implementing a range of measures including effective utilization of capital through reinsurance.

Remittance operation based on free cash

The amount of dividends remitted to the holding company from operating subsidiaries is determined based on the ESR range that we set and the free cash of those subsidiaries calculated taking the solvency regulation and accounting constraints in each country into consideration. The amount of dividends remitted in FY2023 was about ¥300bn, exceeding the initial forecast of ¥250bn, and as a result, the remittance rate was ca. 93% out of Group adjusted profit. Our Group adjusted profit forecast for FY2024 is ca. ¥340bn, and assuming a remittance rate of ca. 90%, we currently forecast remittances based on free cash of ca. ¥300bn.

FY2023 cash remittances (dividend remittances) from subsidiaries

	Remittance amount
DL	¥203.8bn
PLC*1,*3	ca. ¥8.7bn [US$58mn]
TAL*2,*3	ca. ¥59.3bn [AU$574mn]
Group	ca. ¥300.0bn

*1 Remittances from overseas subsidiaries such as PLC are accounted as if they are deposited in the next fiscal year of the HD similarly to domestic subsidiaries in this chart.
*2 Includes approximately ¥22.6bn in redemption proceeds from the redemption of outstanding preferred stock.
*3 Based on the exchange rate as of March 31, 2024.

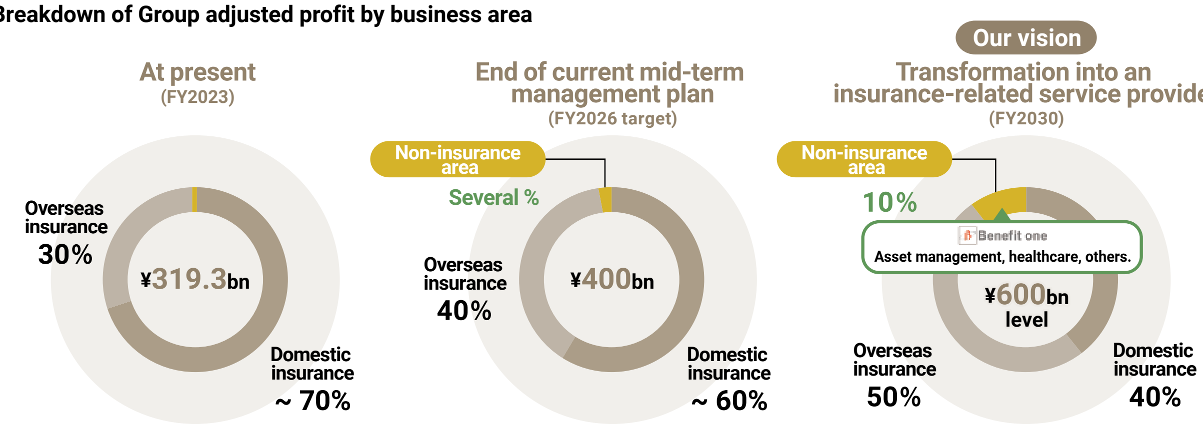
Business portfolio transformation

Our Group aims to continuously expand and diversify its business portfolio by expanding core businesses (protection, asset formation/succession) and exploring non-insurance areas such as asset management and new domains.

In FY2023, we made investments in companies in non-insurance areas, including Benefit One, which has the top employee benefit platform in Japan; Topaz Capital, an asset management company engaged in private debt management; and Canyon Partners Group, an alternative asset management company in the US.

As we continue to expand and diversify our business portfolio to raise the level of Group adjusted profit, we aim to increase the portion of the overseas insurance business to 40% by FY2026 and 50% by FY2030. We also aim to increase the portion of non-insurance areas, including the asset management business, to 10% by FY2030.

Breakdown of Group adjusted profit by business area



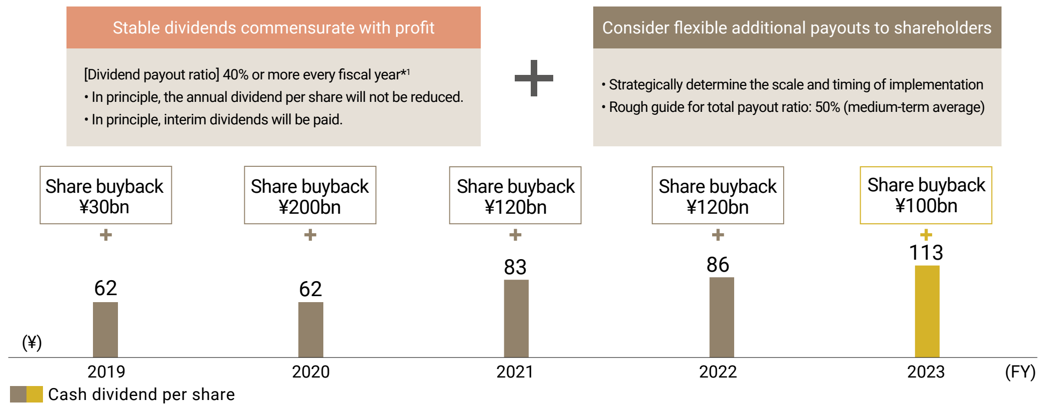
Shareholder payouts

During the period of the new mid-term management plan, the dividend payout ratio was raised from 30% to 40%, with early application beginning with the dividend at the end of FY2023. In addition, while setting the total payout ratio at a medium-term average of 50%, the Company will strategically consider and implement dynamic and flexible additional payouts through share buybacks, taking into account ESR, cash flow conditions, strategic investment opportunities, and the Company's stock price level.

For shareholder payouts in FY2023, we distributed a cash dividend of ¥113 per share, an increase of ¥27 from the previous fiscal year. In addition, we decided to execute share buybacks of ¥100bn, which will mean large-scale share buybacks for four consecutive years. In addition, interim dividends will be newly implemented from FY2024.

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

Shareholder payout policy in the current mid-term management plan



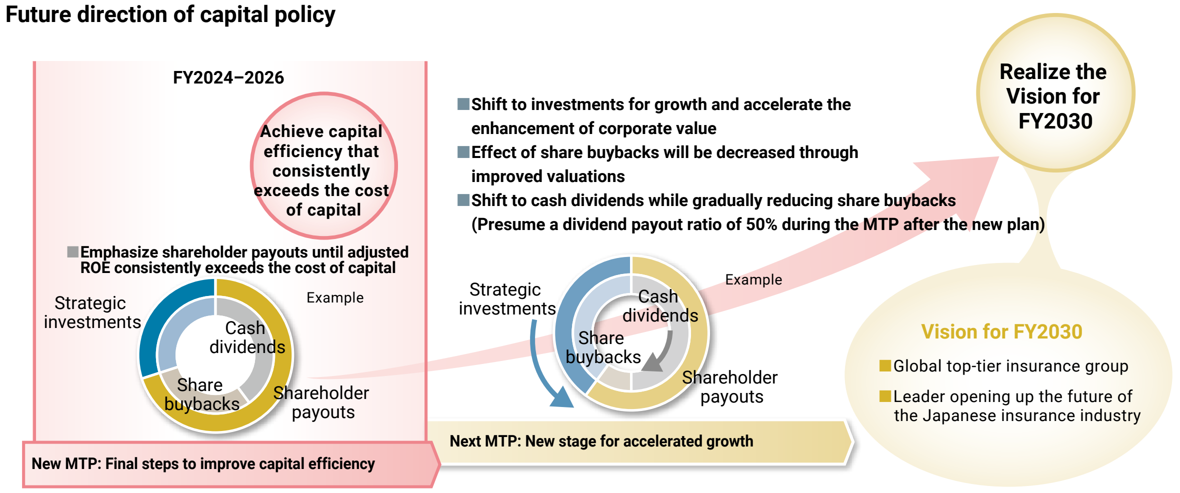
*1 The dividend payout ratio has been raised to 40% from the current mid-term management plan to realize stable shareholder payouts (early application from the dividend at the end of FY2023).

Capital policy to realize our Vision for FY2030

Our Vision for FY2030 includes the aspiration to be a global top-tier insurance group, and we have formulated the mid-term management plan by backcasting what we must accomplish over the next three years in order to reach the stage where we can accelerate our growth toward achieving this Vision. During the new mid-term management plan, we will focus on achieving capital efficiency that consistently exceeds the cost of capital. As a final step toward improving capital efficiency, we will prioritize shareholder payouts until the adjusted ROE consistently exceeds the cost of capital.

From the next mid-term management plan starting in FY2027, we will implement the capital policy of accelerating profit growth by increasing the dividend payout ratio while reducing share buybacks and emphasizing strategic investments, on the premise that capital efficiency will steadily exceed the cost of capital.

Future direction of capital policy



Strategy for Protection Business (Japan)

In keeping with our philosophy of "By your side, for life," we work with customers to create life designs and bring happiness to their lives from the perspectives of protection and asset formation/succession.

Managing Executive Officer
Group Head, Protection Business (Japan)
Makoto Goda

Vision

We aim to create customer value and social value by delivering the best protection for each individual and to create a sustainable business model.

Message from the Group Head of the Protection Business

In Japan, as changes in the social structure driven by a declining birth rate and an aging population become apparent and people's lifestyles, values, and consumption behavior diversify, we believe it is important to deliver personalized value based on the issues and needs of our customers, rather than taking a comprehensive view of the market as a whole.

In the area of protection, which delivers financial security, we consider it our social responsibility to provide the best protection for each individual customer based on their life planning issues and risk perception.

While the household life insurance coverage rate in Japan is high and widespread, there is a growing trend among young people to move away from insurance. If we fail to recognize specific future risks and fail to ensure the necessary protection, the protection gap will widen, which will not only increase the anxiety of future generations about their lives but could also make it difficult for each individual to realize the life they want to have.

In the Protection Business (Japan), we will continue to meet diversifying customer needs and pursue optimal solutions to close these protection gaps and work to demonstrate our social significance as a life insurance company. To this end, we believe it is necessary to refine the Group's product and channel strategies based on a market-in approach, with the customer as the starting point, in order to create the best possible customer experiential value (CX) for our customers. We play a complementary role to the social security system by providing insurance products that resonate with customers in the four categories of death protection, medical protection, income protection, and long-term care protection. Through the integrated value offering of "protection" and "asset formation/succession" in the era of 100-year life spans, we will collaborate with our customers to co-create life designs that help them achieve their desired lives.

In terms of sales channels, we will strengthen the face-to-face consulting capabilities of the sales rep channel of Dai-ichi Life, expand the product lineup in the agency channel including walk-in shops, and strengthen the digital direct channel.

We also recognize that in order to deliver protection to customers at the optimal times and across the right channels, it is important to combine the strengths of the real world (face-to-face consulting channel) and the advantages of the digital world (online contact points) to create better CX and improve the productivity of the sales channels.

Through these efforts, we will embody our "By your side, for life" brand message that has earned the trust of customers and aim for a sustainable Production Business (Japan) that continues to create customer value and social value.

Financial Well-being for All

Healthy People and Society

Initiatives and results of the previous mid-term management plan

In the previous mid-term management plan (Re-connect 2023), we worked to build business processes that focus on CX through four experiential values including protection and the CX Design Strategy that unites them.

Dai-ichi Life has promoted an integrated reform of its products and consulting services by upgrading its consulting methods through the Total Life Plan, a life plan simulation linked to the social security system, and by renewing its product lineup. In addition, we have fundamentally reviewed our recruitment, training, and salary evaluation systems in the sales reps' channel, and have made improvements to systems to make the sales channel one that embodies CX through higher-quality consulting. Although these major reforms took time to take root, the effects have become steadily apparent.

In the group protection area, to meet the needs of companies and their employees, we have expanded our lineup of employee benefits programs by launching products such as "Smart Iryo," which provides a lump-sum payment to cover expenses in the event of hospitalization, and "Anshin My Package," which allows individuals to select the necessary coverage and complete the process digitally.

At Neo First Life, we launched products such as "Neo de Gan Chiryo" and "Neo de 3 Shippei Support," which help cover the costs associated with cancer and other major illnesses. As a result of our efforts to support our customers' "Wellness" (mental and physical well-being), the number of in-force policies reached 890,000 by the end of FY2023.

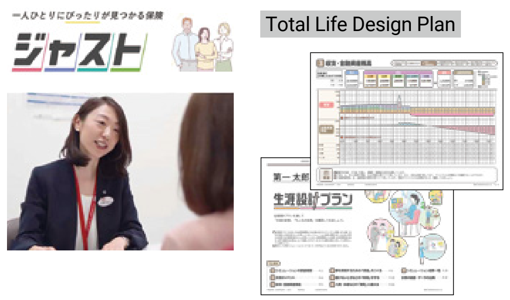
Dai-ichi Smart Small-amount and Short-term Insurance has expanded its lineup of "Digi-ho," a fully digital insurance product that allows customers to complete all procedures using smartphones and other devices, mainly targeting younger customers. This represents part of our efforts to create new value in the insurance experience.

While our efforts toward medium-term business model transformation, which began under the previous mid-term management plan, are still a work in progress toward our ultimate goal, we are steadily advancing. We will continue to accelerate the pace of this transformation, adapting flexibly to any potential environmental changes.

Multi-brand (Three domestic companies)	By your side, for life / DAI-ICHI LIFE / Dai-ichi Life Group	ネオファースト生命	第一スマートほけん
Market	Core generation in need of protection	Comparison-oriented customers	Millennials and Generation Z
Products	Comprehensive lineup	Medical/health promoting products	Fully digital insurance
Main distribution channel	Sales reps	Independent agencies (e.g., walk-in shops)	Digital direct (e.g., smartphones)

Specific initiatives at our three domestic companies

Dai-ichi Life
Integrated product and consulting reform



Neo First Life
Supporting wellness for customers

Dai-ichi Smart Small-amount and Short-term Insurance
Expanding of the "Digi-ho" lineup

Strategy for Protection Business (Japan) in the mid-term management plan

Product strategy

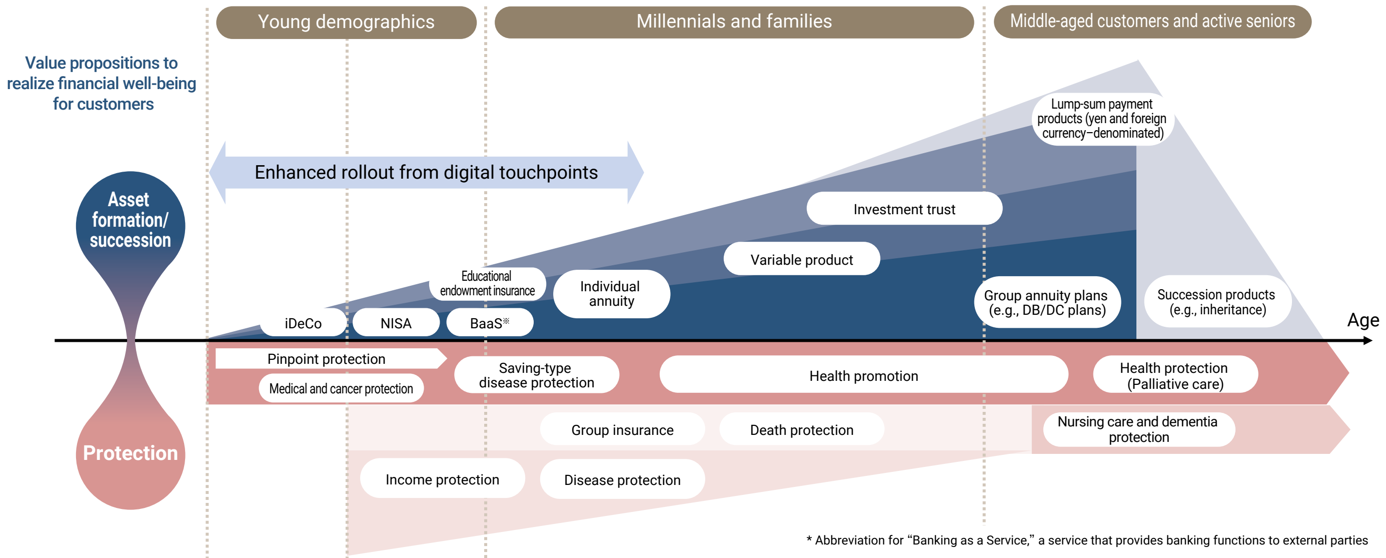
Under the mid-term management plan starting from FY2024, the Group aims to develop integrated value propositions based on both "protection" and "asset formation/succession" to help each and every customer achieve financial well-being. We will promote strategic product development by leveraging the strengths of each Group company in Japan.

At Dai-ichi Life, we launched the index-linked personal annuity insurance "Step Jump" in December 2023, followed by the whole life insurance "Towa Support" in March 2024, which provides lifetime coverage against three major illnesses, long-term care, and physical disabilities. We are promoting consulting services that address both "protection" and "asset ormation/succession," and these products have received positive feedback from many customers. "Towa Support" was developed in response to customer voices such as "I want lifetime coverage for major illnesses" and "I want a plan with cash value to meet sudden financial needs." Our aim was to directly meet the increasingly diverse needs of our customers.

At Neo First Life, under the new brand concept "Just Right, Just What You Need," we revised our main medical insurance product, "Neo de Iryo," in August 2024. The revisions included enhanced coverage for lifestyle disease prevention and the ability to provide necessary medical protection at lower premiums.

At Dai-ichi Smart Small-amount and Short-term Insurance, we are leveraging the features of fully digital insurance to provide a seamless insurance experience within customers' everyday consumption activities. We aim to meet explicit needs with products and explore initiatives such as embedded insurance schemes, where customers can purchase cancellation insurance when booking or buying airline tickets.

We will continue to work as a unified group to create value that resonates with our customers.



* Abbreviation for "Banking as a Service," a service that provides banking functions to external parties

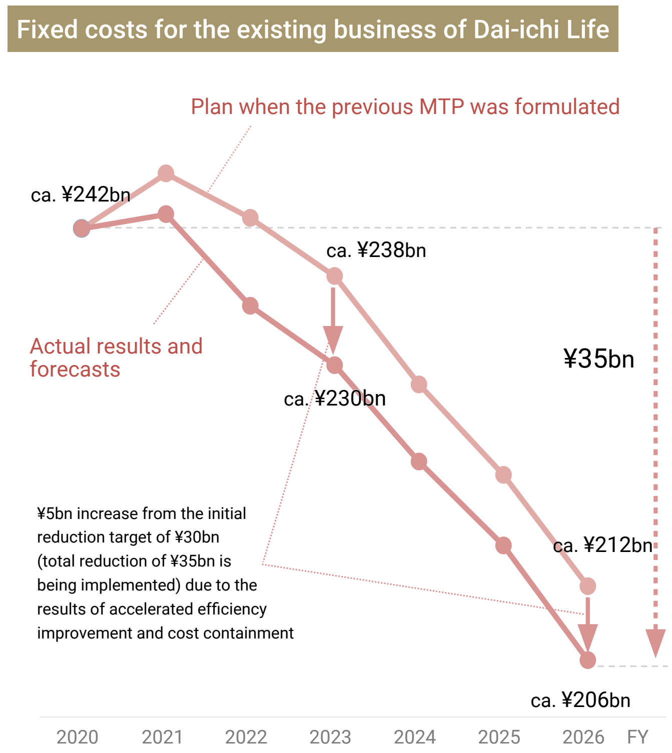
Channel strategy

To deliver protection to our customers at the most optimal timing and through the most appropriate channels, we recognize the importance of integrating the strengths of real channels (face-to-face consulting) with the advantages of digital (online touchpoints), from the perspective of enhancing customer experience value and improving productivity.

Our Group is committed to strengthening the face-to-face consulting capabilities of Dai-ichi Life's sales rep channel; expanding the product lineup in the agency channels, including walk-in insurance shops; and enhancing our digital direct channels.

Dai-ichi Life has begun development of an avatar powered by generative AI, serving as a digital buddy to support sales activities in the sales rep channel. The avatar will assist in providing information during customer interactions and advise on the best actions to take going forward. We are working on centralizing customer information and aim to enhance customer understanding and improve productivity by building a data-driven sales system that leverages AI technology in the future.

Efforts to reduce operating expenses



Given the declining working-age population due to the low birth rate and aging society, significant future growth in the domestic life insurance market is unlikely. Therefore, we recognize the importance of pursuing productivity and efficiency more than ever. While actively investing in future initiatives such as digital transformation (DX), we will continue to improve business efficiency in existing areas.

Dai-ichi Life is working to optimize the allocation of branches and sales offices nationwide, strategically review the allocation of human resources, and improve the efficiency of various administrative workflows using digital technology. As a result, fixed-cost reductions in existing businesses are progressing faster than were planned when the previous mid-term management plan was formulated.

In addition, Neo First Life has been taking steps to strengthen its efficient sales promotion and support systems for independent insurance agencies, and productivity per sales rep is steadily increasing.

We will continue to promote products and channel strategies that resonate with customers, while driving DX across the value chain and advancing business efficiency at each Group company. Through these efforts, we aim to contribute to the sustainable growth and enhancement of corporate value for the entire Group.

Strategy for Retirement, Savings and Asset Management Business

We aim to improve the financial well-being of our customers and drive the growth of the Group by providing personalized services with advanced investment and consulting capabilities to meet the asset formation/succession needs in an era of 100-year lifespans.

Managing Executive Officer
Group Head, Retirement, Savings and Asset Management Business
Takashi Iida

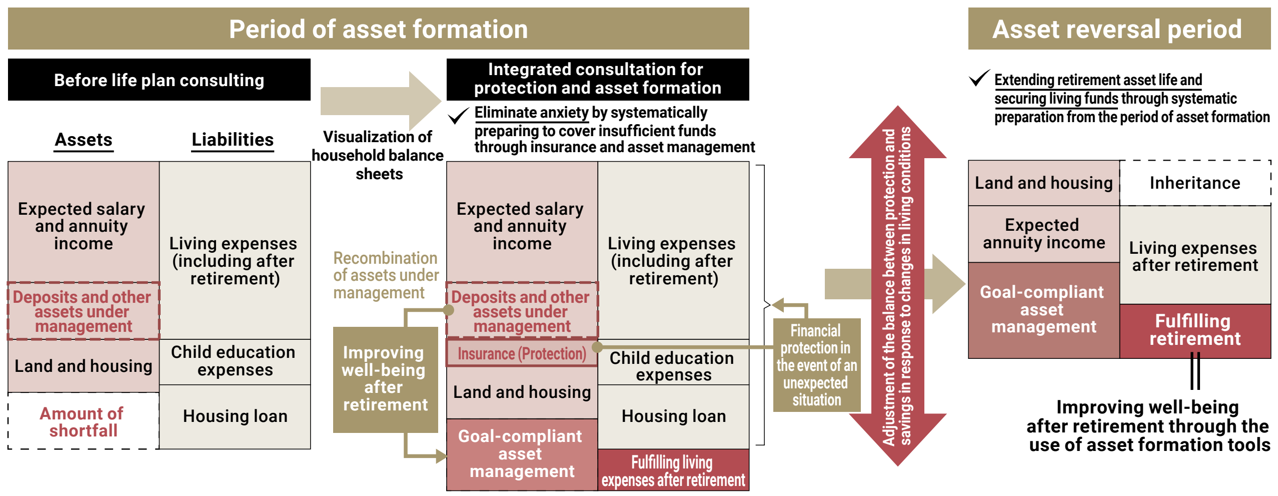
Vision

- Total consulting on household finances, including asset formation/succession
- Strong investment capabilities through the use of alternative investments, etc., and Group-wide asset management strategy
- Enhancing corporate value through the expansion of the asset formation/succession domain

Message from the Group Head of the Retirement, Savings and Asset Management Business

As we enter the era of 100-year life spans and as individual values become more diverse, it is increasingly important for customers to have personalized plans and preparations in the field of asset formation/succession. In particular, with the progression of longer life expectancies, there is a growing concern about the risk that the longevity of financial assets (the age at which financial assets such as savings and pensions are depleted) might not match an individual's life span, leading to greater anxiety about retirement funds. Extending asset longevity through individual efforts has become a pressing social issue.

We believe that the life insurance business comprehensively contributes to stable household asset formation, in that it plays a role not only in supporting the risk of loss of household assets due to a decrease in household income or an increase in expenses caused by a customer's illness or other cause (protection-type products) but also in building household assets for the future (saving-type products). We also believe that our strength as an insurance company lies in our ability to visualize the balance sheet of households and to simultaneously demonstrate the necessity and effectiveness of insurance as an off-balance-sheet asset in addition to necessary asset rebalancing (consulting on both protection and asset formation). In addition, as customers' needs diversify in response to changes in the social environment and technological innovations, we will work from the asset formation/succession domain to transform ourselves into an insurance-related service provider that provides not only insurance products but also means to help customers solve their problems.



The Group is engaged in a wide range of businesses in the asset formation/succession domain, including a savings and investment trust business for individuals, group pension businesses, and a bancassurance business, as well as asset management and real estate. The asset formation/succession domain is expected to continue to grow at a high rate in response to the government's "doubling asset-based incomes plan" and other measures. In addition, because of its higher capital efficiency compared to the traditional life insurance business, we believe that growth in this domain will drive the Group's overall growth in corporate value. We intend to efficiently capitalize on the growth opportunities in the asset formation/succession domain as they continue to emerge with a sense of speed, while bringing together and demonstrating the strengths of each business and incorporating external growth. We aim for this domain to contribute more than 25% of the Group's targeted Group adjusted profit of ¥600bn by FY2030, including about half of the domestic insurance area and the asset management business in the non-insurance area.

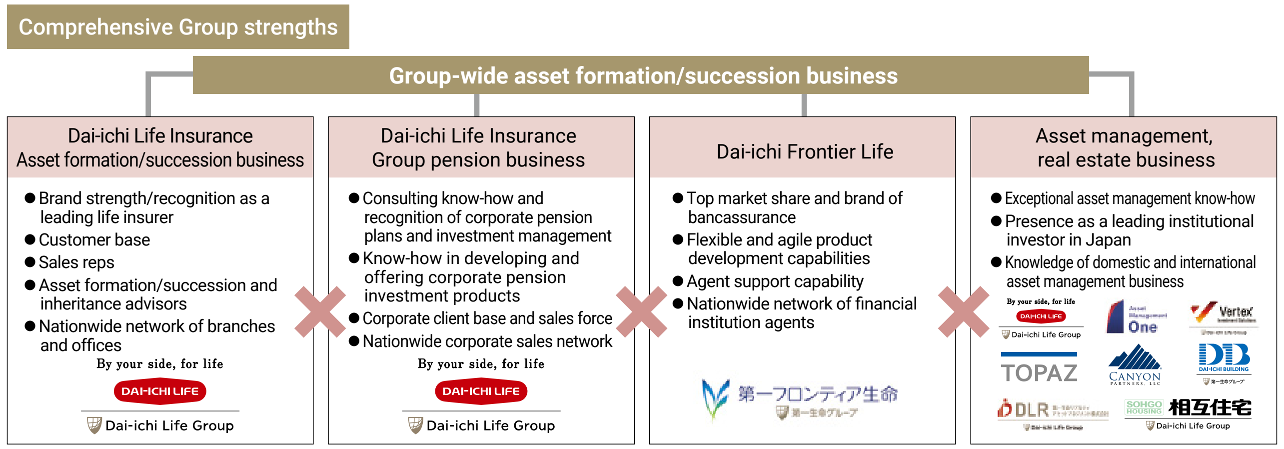
As an insurance group that provides products and services to support stable asset formation by households, as both an asset owner and asset manager, and as one of the entities that make up the financial and capital markets, the Group intends to fulfill its roles and responsibilities throughout the investment chain and contribute to the realization of an asset management–oriented country, the growth of the domestic economy, and the buildup of customers' asset income.

We will accelerate the development of human resources capable of providing consulting services that are tailored to customer needs in terms of both "protection" and "asset formation/succession" based on the life plans of each customer. At the same time, we aim to enhance our products and services to support the needs of customers at each stage of their lives, such as asset formation for younger generations, the extension of asset life expectancy for middle-aged and older generations, and asset succession for the next generation. Moreover, we strive to consistently earn and maximize investment income that meets customer expectations through the investment of insurance premiums and other assets entrusted to us by our customers. We will support our customers' asset formation through long-term and stable investment income based on our business characteristics as a life insurance company by further diversifying and upgrading asset management instruments and products, and by utilizing M&As.

As one of the leading institutional investors in Japan, we will also work to revitalize the financial and capital markets and solve environmental and social issues. We will strive to realize a sustainable and resilient environment and society through stewardship activities including dialogue with portfolio companies, ESG investments and loans, and proactive financing of growth areas, taking advantage of the characteristics of the life insurance business that enable us to supply funds over the medium to long term.

Initiatives and results of the previous mid-term management plan

The Group has been working to strengthen and expand product competitiveness, enhance consulting functions, and strength digital points of contact with customers.



Dai-ichi Life has begun offering a new plan for iDeCo, known as "Dai-ichi Life iDeCo Mirai-deco." We have also started training asset formation/succession and inheritance advisors who handle iDeCo and investment trusts in addition to insurance products centered on protection products. As of the end of March 2024, we have certified more than 300 advisors, enabling us to perform consulting activities in terms of both protection and asset formation/succession. In addition, we have launched the digital platform service "Asset Formation Plus" to encourage people to think about asset formation/succession in their daily lives by providing advice and information on how to extend the life of their assets through the use of digital functions. The "Asset Formation Plus" service improves digital services by providing net banking services utilizing BaaS (Banking as a Service) provided by SBI Sumishin Net Bank and Rakuten Bank. We are also strengthening our digital services by offering a simple, highly functional asset life simulation tool that incorporates a household account book function and a robot advisor.

We are also working to improve the competitiveness of saving-type products designed for the era of 100-year life spans, strengthen our product development capabilities, and enhance and expand our asset management business by expanding our investment functions. Vertex Investment Solutions has been established as a new asset management company under the Group. The company offers investment functions and solutions based on advanced financial engineering techniques (quantitative strategies). In the Asset Management Business, we have invested in domestic and overseas asset management companies (Topaz Capital and Canyon Partners) that have strengths in areas such as private debt investment to strengthen our asset management functions in the high-growth and highly profitable alternative asset area. We expect to secure a source of competitiveness and differentiation in the insurance business by improving the Group's investment yield. Meanwhile, we will create synergies within the Group by reducing outsourced investment costs that flow out of the Group.

Dai-ichi Life has launched "Step Jump," an index-linked annuity that utilizes the quantitative investment expertise of Vertex Investment Solutions, while Dai-ichi Frontier Life has launched "Premier Present 3," which functions both as an asset management and protection product for death, dementia, and nursing care, as well as "Premier Receive 2," which meets the needs of asset succession. In these ways, the Group works together to deliver the experimental value of the asset formation/succession experience to as many customers as possible. Dai-ichi Frontier Life meets a wide range of customer needs, maintaining the leading share in the bancassurance channel in FY2023.

Retirement, Savings and Asset Management Business strategy in the mid-term management plan

Overall strategy

To respond to the diversifying needs and values of customers in the asset formation/succession domain, we believe it is important to further accelerate our efforts to enhance and expand product competitiveness, upgrade consulting functions, and strengthen digital contact points, as well as to develop highly convenient services from the customer's perspective.

In addition to the medium- to long-term investment expertise and saving-type product development capabilities cultivated by Dai-ichi Life and Asset Management One, we draw on the expertise and agility of Vertex Investment Solutions, Topaz Capital, Canyon Partners, and others to expand our lineup of highly competitive products that support the asset formation/succession needs of customers. In the Group Pension Business, we have been aiming to expand our fee business as a stable source of income independent of the interest rate environment, such as the Separate Accounts products sales business for DB pension funds and DC and investment trusts. However, in light of the current interest rate environment, we will also consider expanding sales of the spread business (interest rate–guaranteed products) to meet customers' needs for guaranteed principal.

Furthermore, to provide optimal solutions to each customer, we believe it is important to provide consulting services that are tailored to the customer's lifetime with regard to both protection and asset formation/succession. In particular, it will be critical for us to refine our consulting services for customers in the pre- and post-retirement periods, when the need for asset management and asset succession is growing. We will continue to promote consulting activities from both protection and asset formation/succession perspectives, including the expansion of asset formation/succession and inheritance advisor systems, and the expanded iDeCo services by sales rep channel.

To make our "Asset Formation Plus" and BaaS-based net banking services more convenient and attractive for customers to use on a daily basis, we will continue to enhance the functions that support customers' asset formation/succession by utilizing external services and functions that have a proven track record in the digital domain.

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

In addition, the Group strives to earn and maximize investment income that meets customer expectations from both the standpoint of an asset owner that manages insurance premiums entrusted by customers and the standpoint of an asset manager that provides optimal solutions to a wide range of customers from other asset owners to households. We also recognize the role we play in returning the results of those efforts to markets and household finances. We will continue to leverage M&As and other opportunities, monetize our asset management expertise, and further diversify and upgrade our asset management methods and products, in order to return profits to household assets through long-term, stable investment income based on our business characteristics as a life insurance company.

Strengthening and expanding product competitiveness

Investing know-how, expertise, and agility

+

The Group's product development capabilities

▼

Expand the highly competitive product lineup that facilitates asset formation/succession (e.g., saving-type products, group pension products)

Enhancing consulting functions

Expanding the asset formation/succession and inheritance advisor (SSSAD) system

Accelerate the development of human resources capable of providing integrated consultation on protection and asset formation/succession in the face-to-face channel, which used to focus on life insurance sales

Scale up to 1,700 advisors by the end of FY2026
(human resources distinct from existing sales reps)

Strengthening digital points of contact with customers

New points of contact with customers through BaaS and asset formation platforms

Support customers' asset formation/succession through the use of account functions, daily contact building, and visualization of current and future income and expenses

Number of BaaS accounts opened (cumulative)
(89,000 as of July 2024)

Asset management strategies of the Group's life insurance companies

The life insurance companies of the Dai-ichi Life Group manage ca. ¥50tn in insurance premiums entrusted to us by customers in Japan. As invested assets are the source of future insurance benefits, individual annuities, corporate pension funds, and so on, we aim to obtain long-term and stable income in accordance with the characteristics of the assets, and we conduct asset portfolio construction based on strict risk management (integrated asset and liability management: ALM).

In addition, we have been working to upgrade and diversify our investment methods in the changing financial market environment, such as the continuing low interest rate environment. Led by Dai-ichi Life, we have actively invested not only in traditional assets such as government and corporate bonds but also in selective credit investments and alternative assets such as infrastructure, private equity, and real estate, which ensures profitability while also strengthening portfolio risk diversification. We will continue to improve the Group's internal structure and develop asset management personnel, while utilizing outsourcing to highly specialized and distinctive external asset management providers, with the aim of achieving further long-term and stable earnings.

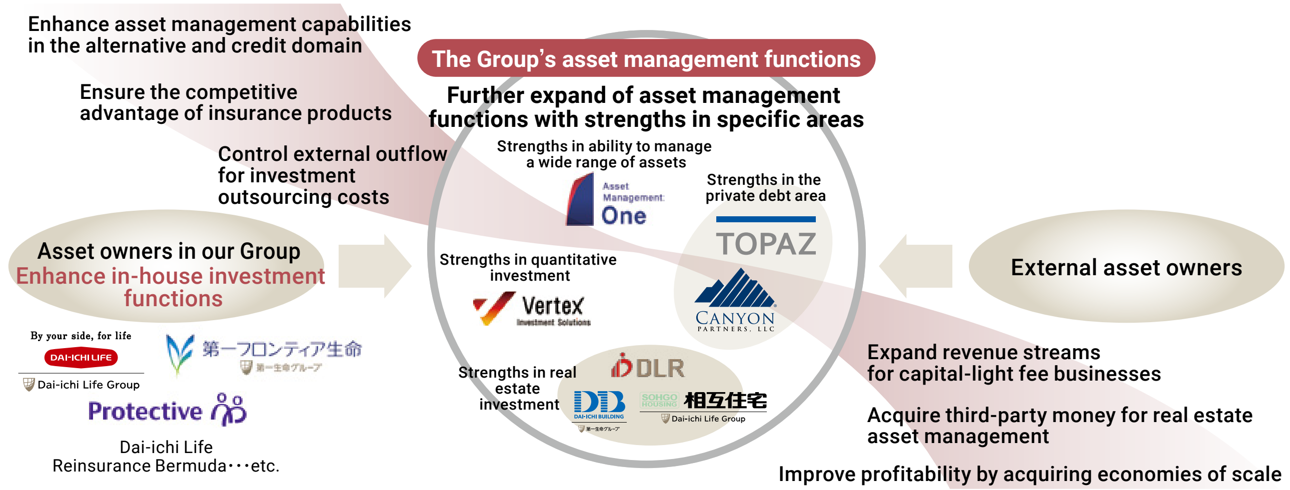
Asset management and real estate business strategy

The Group's asset management and real estate business is committed to providing optimal solutions to a wide range of customers, from other asset owners to households.

In addition to Asset Management One, which is one of the largest asset management companies in Japan and develops and provides investment products that meet the needs of a wide range of clients, we have recently established Dai-ichi Life Realty Asset Management, which provides investment opportunities focusing on real estate properties, and Vertex Investment Solutions, which provides sophisticated investment products by leveraging its quantitative management expertise.

Moreover, to incorporate investment capabilities that are lacking in the Group from the perspective of providing optimal solutions, we are pursuing inorganic growth through initiatives such as the acquisition of Topaz Capital, which specializes in private debt investments, and the investment in Canyon Partners, which is strong in private debt and CLO investments.

We will continue to enhance our asset management capabilities by integrating the expertise of unique asset managers both domestically and internationally, and aim to improve the Group's overall investment strength through these synergies.



Strategy for International Life Insurance Business

We will expand our business by strengthening our governance structure, engaging in proactive M&A activities, and enhancing human resources with expertise, all with the aim of achieving a brighter and more secure future for our customers around the world and developing the insurance business in each country.

Representative Director, Senior Managing Executive Officer
Group Head, International Life Insurance Business
Hitoshi Yamaguchi

Vision

- Contribute to the brighter and more secure future of our customers around the world and the development of the insurance business in each country
- As a growth driver of the Group, contribute to the enhancement of corporate value
- Generate adjusted profit of ¥160bn (40% share of the Group) from the International Life Insurance Business in FY2026

Message from Group Head of the International Life Insurance Business

My name is Hitoshi Yamaguchi, and I have been Group Head of the International Life Insurance Business since April 2024. As Group Head, I will work to achieve the Group's Vision for FY2030 by ensuring our role as a growth driver for the Group as well as our contribution to enhancing our corporate value. In this section, I would like to touch upon our action plan.

The history of our International Life Insurance Business dates back to our entry into Vietnam in 2007, and we have since expanded into markets at different business stages for a well-balanced portfolio of businesses: stable markets in developed countries such as the US, growing markets such as India in the Asia-Pacific region, and early-stage emerging markets where business expansion in the long run is expected.

Under the previous mid-term management plan (Re-connect 2023), we added Partners Life in New Zealand as a subsidiary, bringing the number of international life insurance Group companies to nine. In addition, we have been exploring opportunities to expand in existing business areas and invest in digital projects.

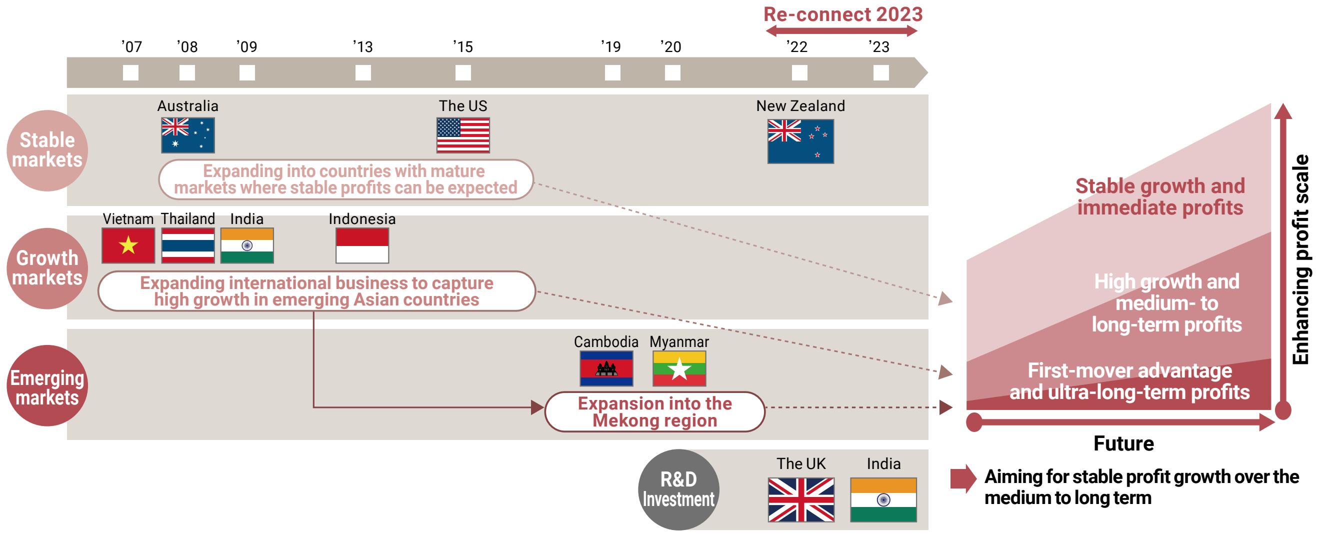
As a result of the solid growth of our international business since 2007, over the three years of the previous mid-term management plan, the International Life Insurance Business generated around ¥230bn of adjusted profit, which accounted for ca. 30% of the Group adjusted profit.

The history of our International Life Insurance Business to date is also a history of promoting our Values (We care/We do what's right/We innovate) overseas. Currently, we have more than 37mn overseas customers, and I believe that we have contributed to the penetration of the insurance business in each country.

The environment surrounding the International Life Insurance Business is changing at great speed, for instance, with new regulations such as ICS (Insurance Capital Standard) and IFRS 17, growing awareness of fiduciary duty mainly in Asia, and changes in consumer behavior through accelerated digitalization, initiatives related to climate change, and geopolitical and human rights risks. These factors make it hard to predict the future. In managing our business under these circumstances, I have three major pillars as Group Head. The first is to develop and execute a sustainable International Life Insurance Business growth strategy under a matrix-type governance structure and in closer collaboration with the CxOs. Second, we will proactively engage in further M&A activities, including those in new business areas, by mobilizing the Group's organizational capabilities and external expertise. Third, to build an operating structure that is resilient to environmental changes, we will develop and appropriately assign a large number of professional and managerial talent. We will pursue various initiatives based on these three major pillars.

In the International Life Insurance Business, by working together with Group companies around the world to build a brighter and more secure future for customers in each country, we aim to increase adjusted profit to ¥160bn and its proportion within the Group to 40% in FY2026. As Group Head, I will remain committed to the development of the insurance business in each country and to the enhancement of corporate value, keeping our Purpose in mind.

History of the International Life Insurance Business



Re-connect 2023 | Review of expansion efforts

We steadily strengthened existing businesses through M&As by overseas subsidiaries and through the expansion of bancassurance alliances. Protective in the US completed its acquisition of AUL (2022) and TAL in Australia completed its acquisition of Westpac Life (2022). For the three companies operating in the Mekong region (Vietnam, Cambodia, and Myanmar), we sought to strengthen our customer reach by renewing or concluding bancassurance agreements.

Protective — **AUL Acquisition**
→Diversification of revenue sources, stabilization of earnings

TAL — **Westpac Life Acquisition**
→ Expansion of market share in the insurance protection sector

DAI-ICHI LIFE (Gắn bó dài lâu.), Dai-ichi Life Cambodia, Dai-ichi Life Myanmar — **Renewal and conclusion of bancassurance agreements**
→Strengthening of distribution channels

Re-connect 2023 | Review of exploration efforts

Steady progress was also made on initiatives to diversify and expand the business portfolio through expansion into new geographic areas, as well as to acquire organizational capabilities in the digital domain. We added Partners Life in New Zealand as a subsidiary (2022) and made investments in YuLife in the UK (2022) and RenewBuy in India (2023), which have strengths in digital technologies.

New Acquisition in New Zealand

partners life
Joined the Group in August 2022

Digital and R&D investment in the UK and India

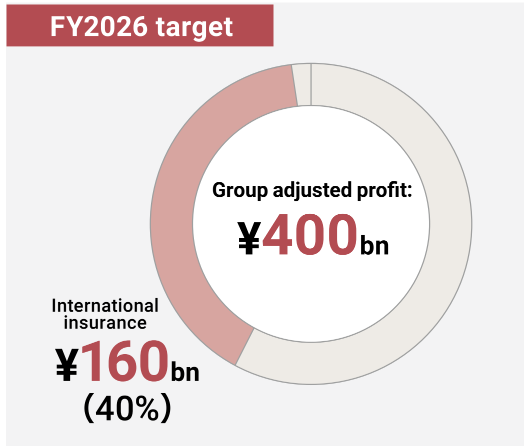
yu life — July 2022 investment

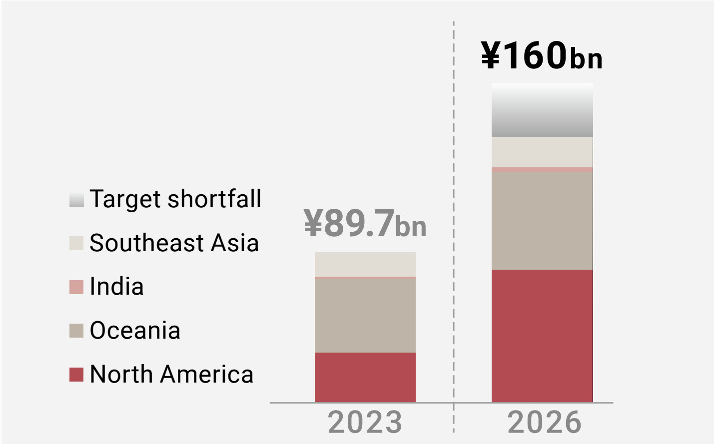
RenewBuy.com — July 2023 investment

Initiatives in the current mid-term management plan

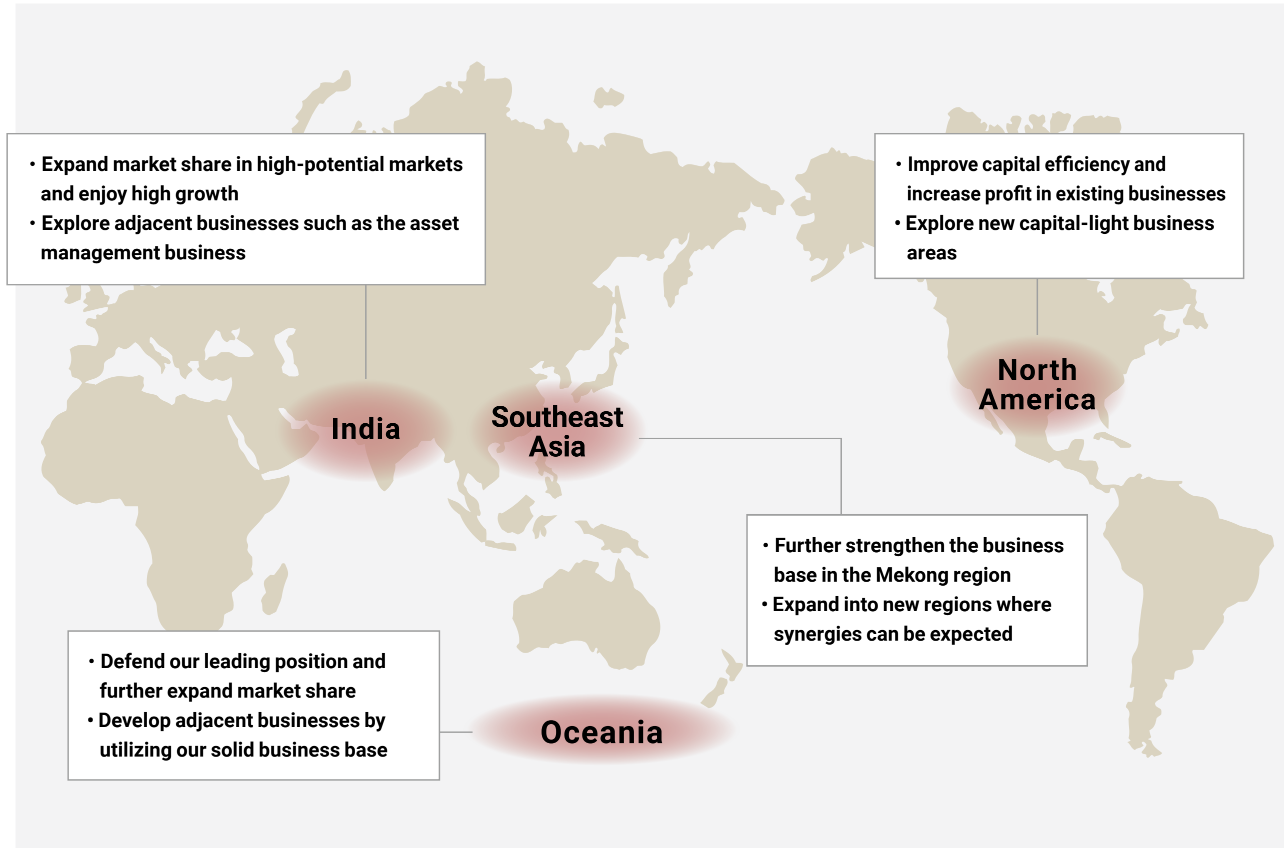
In the International Life Insurance Business, we will take steps to improve capital efficiency and increase profit contribution based on strategies formulated in consideration of the market size, business stage, and market position of each company.

With respect to the profit targets set forth in the current mid-term management plan, any shortfall in the organic growth of our existing business will be covered by inorganic growth through M&As and other initiatives.





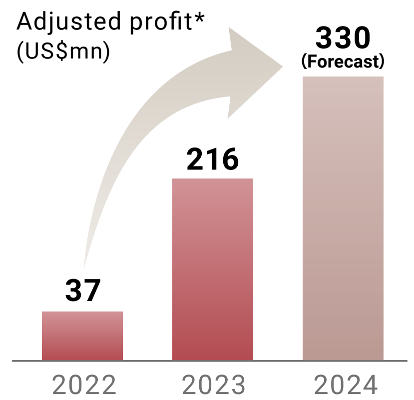
Initiatives by region



Business growth in the world's largest market, the US (Protective)

The US is the world's largest life insurance market and is expected to continue to grow steadily on the back of population and economic growth. Since 2015, Protective has been engaged primarily in retail (e.g., protection, retirement) and acquisition businesses. In recent years, private equity–backed insurance companies, which differentiate themselves in terms of asset management strategy, have increased their presence in the US retirement and acquisition markets. Under these circumstances, Protective has maintained a certain level of operating profit, but adjusted profit continued to decline over the past two years due to rising US interest rates and losses related to the securities of failed US banks.

Protective will work to improve capital efficiency and increase profit while returning to a growth track through the following initiatives.



*The losses related to US banks failures, etc. in 2023 were reflected as adjusted subsequent events in the Group consolidated results for FY2022

Initiatives to return to a growth track

Expand sales the retail business

■ In the protection and retirement market, we will continue to expand sales by promoting the timely provision of products based on customer needs in cooperation with various sales partners, including independent advisers and property and casualty insurance agents.

Realize new acquisitions

■ We will pursue inorganic growth by exploring acquisition opportunities in new capital-light business areas (e.g., group insurance business).

■ In April 2024, we announced that Protective signed an acquisition agreement with ShelterPoint Group, Inc., which operates an employee benefit business in the US. This acquisition creates a new line of business and is expected to diversify our business and contribute to profit (boosting Protective's net profit by about $40mn–$50mn in the medium to long term).

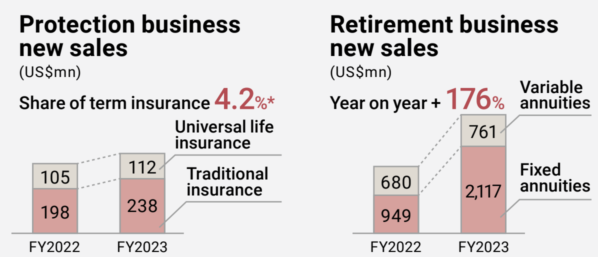
Strengthen investment capability

■ We will work to enhance our investment management, including the use of external experts in alternative assets to increase investment income.

■ We will share the credit risk management expertise of our Group companies in Japan and work to strengthen our risk management and monitoring framework.

Improve capital efficiency

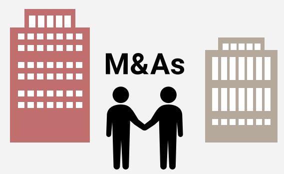
■ In addition to the above, we will promote the use of reinsurance and cost-reduction initiatives to improve capital efficiency and reduce market risk.



*LIMRA U.S. Retail Individual Life Insurance Sales - Single Life 2022

Realize new acquisitions

Pursue inorganic growth including exploring new capital-light business areas



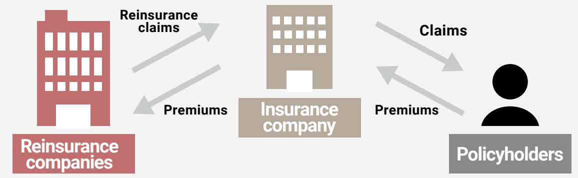
Strengthen investment capability

Enhance investment capability

Strengthen investment risk management

Improve capital efficiency

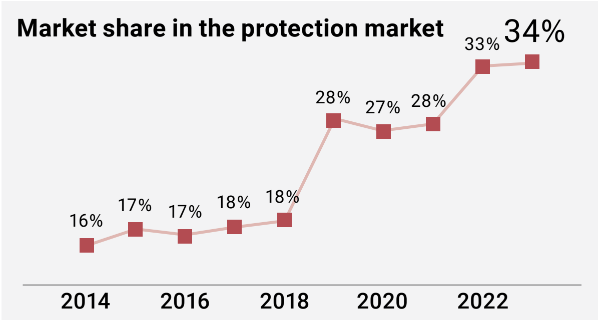
Improve capital efficiency by using reinsurance ceded/ Market risk reduction

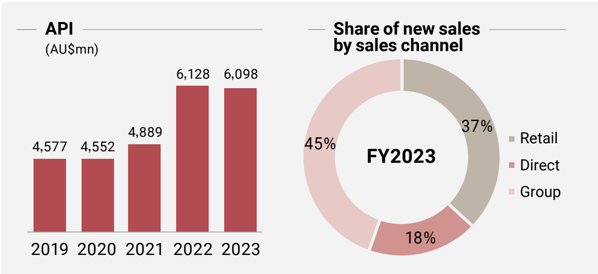


Growth journey in the Australian market (TAL)

Australian life insurance market leader

The Group first expanded into Australia with an investment in TAL (TOWER Australia Group) in 2008 with TAL becoming a wholly owned subsidiary in 2011. Since the initial investment, TAL has grown to become the leading life insurer in Australia, protecting more than 5mn customers today. The strength of TAL's business resulted in the company maintaining the No. 1 position in the Australian life insurance protection market for the last 10 consecutive years (by Annualized Premium In-force, API).





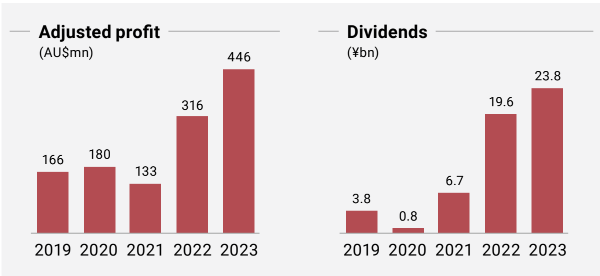
Growth in a challenging environment

The last few years have seen significant shifts in the regulatory and market landscape that have challenged the growth of the Australian life insurance market. The life insurance market totaled ca. AU$18bn in FY2023, experiencing API growth of 1% p.a. over the last five years. In contrast, TAL achieved average API growth of 12% p.a. over that same time frame to solidify its No. 1 position.

The success has been underpinned by organic and inorganic growth supported by the Group under a diversified distribution model. TAL has established long-term relationships with large superannuation funds, which have accelerated organic premium growth. The acquisitions of InsuranceLine (2008) and Lifebroker (2013) advanced TAL's presence in the direct-to-consumer channel and the more recent acquisitions of Suncorp's (2019) and Westpac's (2022) life insurance businesses have also served to solidify TAL's position in the individual life channel.

Stable profitability and cash contribution

TAL's diversified portfolio and competitive standing has enabled the company to deliver stable performance and value to the Group. In the last five years, adjusted profit has grown steadily and the company has provided ¥54.7bn of dividends.



Aiming Higher with Initiatives

Extending into retirement

TAL took the first steps to expand its protection products to include retirement solutions by entering into a retirement partnership with AMP, one of the largest superannuation funds, in October 2022. TAL continues to actively engage in the retirement market in order to provide more value to customers and is partnering with superannuation fund partners to meet the retirement needs of their members.

Enhancing customer experience through technology

As part of TAL's efforts to continually improve experiences for customers, partners, and their members, TAL continues to invest in technological capabilities. Claims is one area of focus where the company is investing in its technology to reduce operational complexity and automate the claims experience. TAL has also developed a digital platform within the Group Life Business and is focused on expanding the platform capabilities and integrating it into Group Life partner systems to provide members with leading life insurance digital experiences.

Initiatives to strengthen Group management through optimal allocation of talented human resources

CEO, DLI Asia Pacific
Brett Clark

2008: Joined TAL
2015: Group CEO & Managing Director of TAL
2024: Senior Managing Executive Officer of Dai-ichi Life Holdings
Appointed CEO of DLI Asia Pacific

Assignment of overseas talent

Through its acquisitions, investments, and external recruitment activities to date, the Group has acquired management personnel with global knowledge and expertise.

We also appoint top management personnel who have achieved outstanding results at international Group companies to serve as executives of or advisors to Dai-ichi Life Holdings or regional headquarters after they retire from the top management positions at those companies, in order to incorporate their global knowledge and management experience into the management of the Group. Most recently, we appointed Brett Clark, who was Group CEO & Managing Director of TAL in 2024, as an executive of Dai-ichi Life Holdings and CEO of the regional headquarters, DLI Asia Pacific.

Since becoming Group CEO & Managing Director of TAL in 2015, Mr. Clark has demonstrated exceptional leadership in the fast-changing Australian life insurance market, expanding the business through alliances and acquisitions of other life insurers to further solidify its position as the leader in the protection market.

Global Leaders Committee (GLC)

The Group has established the Global Leaders Committee (GLC) as a dialogue session for senior management from our international Group companies and Dai-ichi Life Holdings executives to discuss Group management strategies and business strategies, and share the Group Principles and initiative directions.

In FY2023, the GLC added the CxOs of Dai-ichi Life Holdings as new members and held strategic discussions from both business and functional perspectives. Most recently, the GLC has been discussing the direction of the current mid-term management plan as part of activities to leverage the global knowledge of each executive in the planning process. Through the GLC, we will continue our efforts to enhance the sophistication of Group management and further foster a sense of Group unity.

Strategy for New Fields of Business

We are transforming ourselves into an infrastructure company that transcends the traditional insurance business, and we are striving to improve the well-being of our customers through health insurance association services and employee benefit platforms.

Executive Officer
Group Head, New Fields of Business
Akifumi Kai

Vision

- Transform into an insurance-related service provider
- Contribute to the well-being of each and every customer through the ecosystem
- Enhance the Group's corporate value through expansion into non-insurance fields

Message from the Group Head of the New Fields of Business

I am Akifumi Kai, and I have been serving as Group Head of the New Fields of Business since April 2024. In that role, I will support customer well-being in value propositions other than insurance by expanding into new fields of business such as healthcare and employee benefit platforms. I will also do my utmost to increase the contribution of non-insurance businesses (new businesses + asset management) to 10% of the Group adjusted profit by FY2030. In this section, I would like to talk about the New Fields of Business being pursued by our Group as I envision that.

In Japan, the social environment continues to change with an accelerating population decline, a falling birth rate, an aging population, and the diversification and segmentation of values. Given this environment, we recognize that life insurance is a mature industry. At the same time, we believe that there are various business opportunities given the tight labor market and the rapid evolution of digital technology. For the Group to continue to contribute to society and grow sustainably, we will go beyond the traditional life insurance business and evolve into a company that supports customers in all aspects of their daily lives. In other words, we will transform ourselves into an insurance-related service provider. To achieve this, it is essential for us to engage in new fields of businesses that are not restricted by our existing business fields.

Here I would like to present some examples of recent initiatives that exceed the fields of the life insurance business.

In 2021, in light of current social issues, we started offering "Healstep®," a service that supports medical expense optimization for health insurance associations. "Healstep®" broadly consists of four services: (1) Visualization of future disease risks and medical costs with a future medical cost prediction model (AI engine); (2) Formulation of a policy based on these data; (3) Assistance to receive online health guidance, and similar support, in cooperation with service providers; and (4) "QOLism," a health promotion app for health insurance association members, which offers a wide range of content to help individual customers improve their well-being, including through exercise, diet, and mental health. In 2023, we added ipet Insurance, which focuses on pet insurance, as a member of our Group. Customers who own pets treat them as members of their family, and their pets significantly impact how their well-being improves. Our Group aims to improve the well-being of both pets and customers through value propositions that include consultations with customers to provide protection and resultant medical care opportunities for their pets. In 2024, Benefit One, which operates the employee benefit platform "Benefit Station" with 9.76mn members in Japan, became a member of our Group.

New businesses, in other words, are those outside the scope of our existing businesses, and there are plenty of opportunities. However, choosing the right business—one that is compatible with our existing operations, highly needed by society, and aligned with our Group's vision—requires a multifaceted approach. When considering new businesses among these various options, I try to remember the words of Tsuneta Yano, the founder of Dai-ichi Life: "Think about whether it will bring joy to people, or if they could do without it." As this phrase suggests, I would like to pursue new fields of business without being constrained by existing frameworks, but instead by thinking through what will please customers and what they need.

Expansion into non-insurance fields

In today's society, where various changes and evolutions including technological innovations such as generative AI are occurring at a remarkable pace, it is important to recognize both the risk of making hasty decisions and the risk of taking too much time, and to take speedy actions such as M&As utilizing our strategic investment budget on options that are judged to contribute to increasing corporate value. We are considering a wide range of directions for our next initiatives, including strengthening health- and medical-related services, further improving the functionality and attractiveness of the "Benefit Station" platform, and taking on the challenge of entering new business areas that have a high affinity with our existing businesses. In new business fields, we will strive to create new points of contact with customers and other stakeholders while improving the capital efficiency of the Group.

Our Group has set a target of ¥600bn in Group adjusted profit by FY2030. To achieve this goal, we will explore and realize value propositions in new fields of businesses that will please society and our customers, and enhance the corporate value of the Group.

Direction of New Fields of Business

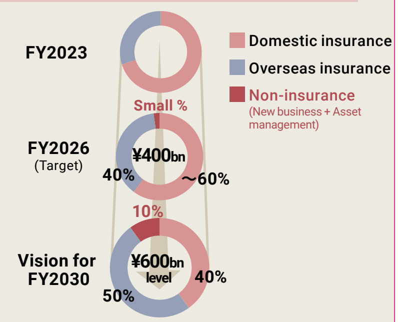
Direction of expansion into New Fields of Business

- Scaling up experiential value areas such as health and medical care and enhancing connections
- Expanding non-insurance fields and building an ecosystem with Benefit One as a hub
- Exploring adjacent areas with a high affinity to existing businesses

Direction of strategic investment and M&As

- Leveraging the Benefit One platform to strengthen our health and medical-related services
- Additional investments to strengthen the Benefit One platform other than that mentioned above
- Acquisition of organizational capabilities with competitiveness, such as digital technology

Target share of adjusted profit for non-insurance fields



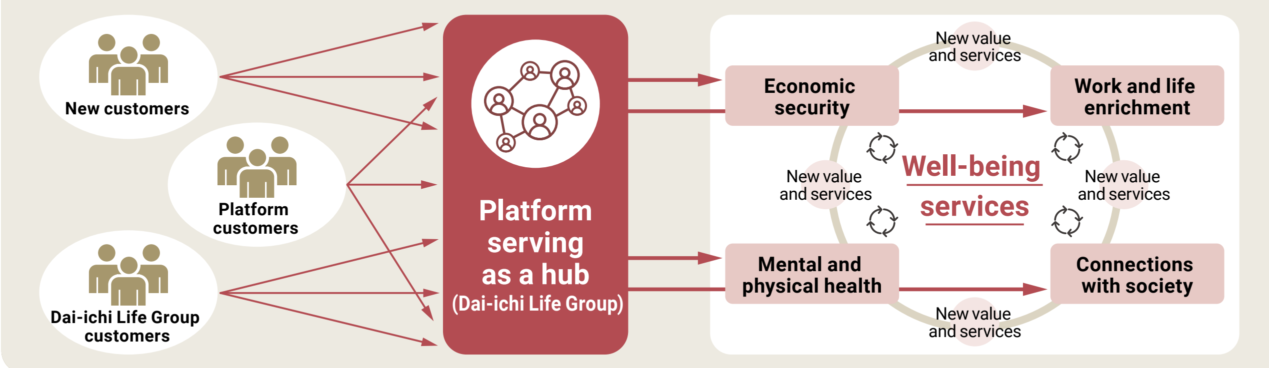
Ecosystem concept

We believe that a robust well-being ecosystem capable of providing customers with a range of services, both insurance and non-insurance, is essential for our Group to be "By your side, for life" in modern and contemporary ways. This ecosystem needs to be the one that customers want to use and continue to use.

For customers to want to use an ecosystem, there must be trust that quality content and services will be provided with economic benefits. In addition, for customers to want to continue using that ecosystem, there must be a high level of convenience that allows seamless access to a wide range of content and services. To build an ecosystem that meets these requirements, it was necessary for our Group to possess platform functions that would serve as a hub connecting customers with such content and services.

Benefit One has a solid platform called "Benefit Station" in the B2B2E business that meets these requirements, and we recognized its superiority in developing new businesses that will lead to the well-being of our customers in the future.

Well-being ecosystem



Benefit One

Company profile and synergy with Dai-ichi Life Group

These are some synergies between Benefit One, which joined the Group in 2024, and the Dai-ichi Life Group.

Benefit One, with its slogan of “creating a service distribution market,” matches the employees of client companies with suppliers to provide services to employees at the lowest market prices through its membership-based welfare service, “Benefit Station.” Their main business, employee benefits, has 9.76mn members and ca. 16,000 client companies, making it the market leader in terms of membership share in the employee benefits outsourcing service market. Amid tightening labor supply and demand, we recognize that interest in employee benefits services, in addition to wage increases, is growing as companies seek to enhance their attractiveness in the labor market. We believe there is significant growth potential in this area.

In terms of synergies between our Group and Benefit One, in the short term, the sales channels of Dai-ichi Life will be utilized to expand Benefit One’s customer base and acquire new members. In the medium to long term, our Group will solidify its strategy to utilize the Benefit One platform, starting with the employee benefit solution and “Kyu-Toku-Barai,” which is a payroll deduction service, in order to provide existing products and services of our Group such as protection, asset formation, and health and medical care, as well as products and services in new business fields. We will also consider synergies between Benefit One’s healthcare business, which provides health checkup outsourcing services and specified health guidance services, and our various healthcare services such as “Healstep®.” We share a common goal of encouraging individual customers to promote health and improve their well-being, and we believe that combining our services and providing them in an integrated manner will create synergies and lead to greater convenience for corporate personnel and employees.

Through these various efforts to create synergies, we will contribute to the well-being of our customers and aim to enhance the corporate value of our Group while achieving profitable growth as a whole Group.

Benefit Station

Features ▶▶▶
- Discounts and special offers that only the industry leader can provide
- Available nationwide
- For family members within the second degree of kinship
- Call center available when in trouble

More than 1.4mn services available at the lowest prices on the market!

Travel | Leisure/Entertainment | Sport | Relaxation & beauty | Skill development | Dining | Childcare | Nursing care | Health

Dating & marriage services | Shopping | Housekeeping, housing, moving | Automotive | Pets | Telecommunications, electricity, gas | Point exchange | Celebration | Original Benefit Station services

Member voice

Voice of person in charge

Dai-ichi Life Holdings Benefit One Collaboration Task Force

Tatsuo Nishikawa Kazunori Imaeda Ryosuke Usui

We are very pleased to welcome Benefit One to our Group. In May, the Benefit One Collaboration Task Force was formed to promote collaboration and is working to create and realize synergies as early as possible. Benefit One’s services are important for delivering a variety of services, including in non-insurance fields, to our customers over the medium to long term, and we hope to create a win-win relationship for further growth.

ipet Insurance

In 2019, our Group began a business alliance with ipet Insurance for the sales reps of Dai-ichi Life to introduce and propose pet insurance. In 2023, we also acquired ipet Insurance as a subsidiary. Pets have become as important as family members, hobbies, and health in improving people’s quality of life. ipet Insurance supports the happy lives of people and pets by providing pet insurance, and takes a role of important value proposition in “enhancing connection,” one of the experiential values offered by the Dai-ichi Life Group.

ipet Insurance has been delivering products that meet the needs of pet owners, such as its main product, Uchi-no-Ko (“Our Pet”) pet insurance, which protects the health of pets. These products have been popular with customers, leading to a record number of new policies in FY2023.

Together with ipet Insurance, we are committed to the realization of well-being for all family members, including pets.

Promoting the healthcare business to extend healthy life expectancy and solve corporate issues

To solve the social issue of the high cost of medical care for the nation’s aging society, our Group is working to help people achieve well-being in the areas of health and medical care beyond the life insurance business.

We provide “Healstep®,” which supports efficient health business operations aimed at optimizing medical costs and promotes health management and collaborative health initiatives in a comprehensive package, as well as the health promotion app “QOLism,” to health insurance associations and companies. The number of organizations adopting these solutions is steadily increasing.

As an example from health insurance associations that have implemented the service, there is a correlation showing that the higher the frequency of QOLism usage within a group, the more effective it is in suppressing the future increase in medical costs (based on analysis using a future medical cost prediction model).

Going forward, we will enhance collaboration with Benefit One’s services and, by improving healthcare and employee benefits systems, work to maximize the value of solutions offered to health insurance associations and companies, while contributing to the well-being of their members and employees.

Special Dialogue

Synergies between the Dai-ichi Life Group and Benefit One

What kind of synergies will be created by Benefit One joining the Dai-ichi Life Group in 2024? In this dialogue, we discuss the role Benefit One plays as the Dai-ichi Life Group transitions from a insurance provider to an insurance-related service provider.

Benefit One's vision and its alignment with the Dai-ichi Life Group

Shiraishi: Benefit One is fundamentally committed to resolving problems faced by society. It was founded with the goal of enabling the visualization of services, which are often difficult to compare and evaluate, and creating a social infrastructure enabling customers to make such comparisons with safety and security.

Since then, Benefit One has operated under the corporate philosophy of "Connecting people and businesses to create new value while helping enrich people's lives and fostering social development through service creation and distribution." By expanding its membership base, centered on the workplace, and networking with service suppliers (in the leisure and entertainment industries), it has developed businesses that help resolve corporate management challenges and improve user satisfaction.

Kai: The Dai-ichi Life Group shares a similar philosophy, as reflected in its brand message, "By your side, for life." For 120 years, we have operated as an "insurance provider." To meet the diverse needs of our customers and be even more closely involved in their lives, however, we are transitioning into an "insurance-related service provider." This will allow us to offer wide-ranging experiential value through services that extend beyond life insurance.

To seamlessly deliver wide-ranging experiential value, we must have a powerful platform that is closely connected with many customers. However, building such a platform from scratch would require significant cost and time. For this reason, we researched various industries with the belief that collaborating with a company that already possesses a strong platform would be more effective and efficient. Our top candidate for collaboration was Benefit One, which shares a common philosophy with the Dai-ichi Life Group and provides employee benefit services that contribute to human capital management.

Norio Shiraishi:
Founder and President of Benefit One Inc. As a leading provider of employee benefit outsourcing services in Japan, Benefit One has a vision of solving corporate management issues and improving user satisfaction and is expanding its business both domestically and internationally.

Akifumi Kai:
Executive Officer, Group Head, New Fields of Business at Dai-ichi Life Holdings, Inc. After joining Dai-ichi Life Insurance, he worked in investment and overseas life insurance business areas. He has served as the General Manager of the Investment Planning Department and the Head of the Corporate Planning Unit and is currently promoting the Dai-ichi Life Group's transformation into an "insurance-related service provider" as Group Head, New Fields of Business.

Representative Director, President of Benefit One
Norio Shiraishi

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Group Head, New Fields of Business
Akifumi Kai

Shiraishi: Benefit One's vision is to become a company that provides services covering the entire lifetime of every individual in Japan—from birth to end of life. It aspires to have ca. 67mn working people in Japan, along with their families, totaling ca. 120mn people, become members of Benefit One. It also aims to connect all members and every service supplier in Japan through a single network called Benefit Station, creating a distribution infrastructure that functions as a social infrastructure.

It took 28 years for Benefit One to reach 10mn members, and its market penetration rate for employee benefit outsourcing services is around 26%–28%. As we approach 30%, regarded as critical mass for influencing decision-making for service adoption, we can anticipate rapid growth going forward. Also, Japan is emerging from a 35-year period of deflation characterized by an excess labor supply, and we are now experiencing the tailwinds of both entering an inflationary society and facing labor shortages. With the added benefit of the Dai-ichi Life Group's powerful resources, we are now in a position to introduce our services to companies across Japan and achieve rapid growth in our membership base.

Expanding into untapped markets through our sales reps

Kai: There is still a lot of potential to increase the number of Benefit Station members. In particular, we are entering an era where employee benefits are becoming increasingly important for talent acquisition and retention, especially for small and medium-sized enterprises (SMEs). We believe that by communicating the appeal of Benefit Station to the Dai-ichi Life Group's corporate and individual customer base, we can help unlock its full potential.

Shiraishi: Unfortunately, Japan's SMEs offer few non-statutory employee benefits, resulting in a significant disparity compared to large corporations and public-sector employees. The tax system related to employee benefits is well-developed. While wages paid in cash are subject to taxation, services provided as employee benefits can be non-taxable if certain conditions are met. Therefore, offering employee benefits can provide significant cost-effectiveness for companies. Typical examples of such tax-advantaged benefits include government employee housing, company housing for large corporations, and employee cafeterias. This also leads to an increase in disposable income for employees.

While large corporations have made good use of tax benefits for employee welfare, SMEs have not offered many benefits, perhaps due to their relative lack of financial resources. As a result, a significant gap has emerged between large corporations and SMEs in terms of not only wages but also employee benefits. By offering employee benefits, SMEs can also increase their employees' disposable income. Therefore, we are currently conducting awareness campaigns, specifically targeting SMEs, to promote employee benefit services. While competition among SMEs for talent is intensifying due to labor shortages, offering employee benefits can also help protect employees' standard of living from inflation.

Kai: We aim to actively expand our reach to SMEs going forward. Benefit One already holds a strong market share among large corporations and government agencies, but there is still significant untapped potential in the SME sector.

We aim to leverage the Dai-ichi Life Group's nationwide branch network and the connections of its ca. 35,000 sales reps to showcase the attractiveness of our employee benefit platform to SMEs and encourage them to become members.

Shiraishi: That is reassuring. To realize Benefit One's vision, our immediate mission is to achieve quantitative expansion by increasing both the number of members and the range of services offered. After achieving quantitative expansion,

however, our most critical KPI will be how to effectively increase the total transaction volume within the ecosystem where service providers and consumers are connected. To this end, Benefit One is expanding its range of services and promoting their use.

We believe that the Dai-ichi Life Group's sales reps will play a crucial role in promoting service utilization and increasing the total transaction volume. At present, our focus is on further expanding our reach among large corporations by working with the ca. 400 relationship managers (corporate sales reps who mainly target large companies) of the Dai-ichi Life Group. However, it is important to note that ca. 99% of companies in Japan are SMEs. In the untapped market of SMEs, company presidents often hold significant authority, making it crucial to focus our approach directly on them. Therefore, we aim to develop the new market of SMEs through sales reps who have access to the top management of these companies.

Through Benefit Station, sales reps can become true "By your side, for life" partners.

Shiraishi: Although it's still a future consideration, we are exploring the possibility of making Benefit Station memberships free by using transaction fees generated from our payroll deduction service "Kyu-Toku-Barai" as a source of revenue. We aim to have every citizen in Japan become a member. However, we understand that it would take a long time to significantly increase our membership if we were to charge membership fees to ca. 10mn self-employed individuals, employees of SMEs, and workers in the agriculture and forestry sectors. At some point, therefore, we will need to make the membership fee free. However, monetization is also necessary, so we are considering leveraging payment services as a method to achieve this. Traditionally, the distribution business generates revenue from the spread between the buying and selling prices. However, we have established a subscription model based on membership fees. Looking ahead, we are considering shifting even from this model to a revenue model based on payment transactions. In such a payment-based revenue model, the total transaction volume will form the foundation of our profitability. We are also considering a system where we could pay commissions to sales reps from revenue generated through these transactions. Because Benefit Station provides services tailored to major events throughout one's life, it will enable the Dai-ichi Life Group's sales reps to offer more personalized services to their customers.

Benefit Station is not just an impersonal Internet-based platform, but rather something that allows people to communicate with each other and be a part of each other's lives, so I am confident that your sales reps can support it.

Kai: It's truly a win-win relationship. From the perspective of our sales reps, the tools for communicating with customers have so far been limited to insurance and asset formation/succession products, with the main points of contact being when customers revisit their coverage of existing insurance or at the time of insurance payouts. Through our collaboration with Benefit One, however, our sales reps will have significantly greater opportunities to connect with customers. As reflected in our brand message, "By your side, for life," our sales reps can also use Benefit Station to propose necessary services to company employees. In addition to insurance, they will be able to introduce a wide variety of services featured on Benefit Station that are tailored to life events, such as home purchases, childcare and healthcare support, and training content for reskilling. This aligns perfectly with our vision of evolving from a traditional insurance provider to the broader concept of an "insurance-related service provider."

Shiraishi: I think we will likely see the development of new insurance products. When I recently revisited our original business plan from the early days of Benefit One, I noticed that the integration of comprehensive services with the financial businesses was a theme right from the outset. Throughout a person's life, various products and financial services are closely connected. When buying a home, for example, things like mortgage, savings, and fire insurance all come into play, don't they? There are undoubtedly many unmet insurance and financial needs related to various life events. I believe we will witness the development of products that seamlessly integrate services such as insurance, savings, and loans into comprehensive solutions.

Kai: You're right. I also believe we can collaborate effectively in areas such as health management and healthcare. Consider QOLism, a health promotion app provided by the Dai-ichi Life Group for members of health insurance associations and other organizations. By incorporating QOLism into Benefit Station's employee benefit menu, we can anticipate that various benefits, such as enhanced financial stability of health insurance associations, can be expected.

From the perspective of the corporate function, I also believe there are numerous opportunities for collaboration in such areas as IT and human resources. In our efforts to enhance the convenience of Benefit Station, for example, we can contribute by further improving the user interface and experience.

Shiraishi: About healthcare, Benefit One aims to advance the visualization of both financial and healthcare data. From a consumer perspective, these two areas have many ambiguous aspects. Although our relationship did not extend to a capital alliance, we share a common vision with M3, Inc., in aiming to provide appropriate medical care through service visualization. By collaborating with M3, which has strong connections with doctors and medical institutions, and leveraging our coverage of the consumer side, we can contribute to solve one of Japan's major social issues—reducing healthcare costs.

In Japan, government policies are increasingly encouraging companies to manage employee health, such as passing legislation related to metabolic syndrome and emphasizing mandatory stress checks and online counseling. The visualization of healthcare is therefore a highly important theme that also aligns well with life insurance. As healthcare is the fastest-growing component of personal consumption in an aging society, we intend to work exhaustively in this area.

Kai: We hope to continue exploring areas of collaboration with M3.

Medium- to long-term vision: Global expansion

Shiraishi: I believe that Benefit One is still in its early stages of global expansion. Despite the challenges posed by a shortage of local talent and networks, we've been making steady progress through trial and error. In Asia, we're finally close to turning a profit, but we continue to face difficulties in North America. To overcome this situation, we plan to accelerate our global expansion, seizing the opportunity presented by joining the Dai-ichi Life Group.

Our approach is to first achieve success within Japan, then replicate that success in other countries. Although we are proud of our strong position in Japan, we recognize that an increasing number of companies worldwide are operating similar business models. This underscores the need to achieve success on a global scale, beyond just Japan. Asia holds great potential, but we are also eager to achieve results in North America. We expect that leveraging the Dai-ichi Life Group's global network and organizational strength will accelerate our international expansion.

Kai: The Dai-ichi Life Group has operations in 10 countries, primarily in Asia and in North America. We recently held a meeting with the CEOs from 10 countries, and you gave a presentation. In addition to speaking about the business development in Japan, you also presented on global expansion, and everyone in attendance was engaged in listening. Members from our Asian subsidiaries, in particular, showed a strong interest in the Japanese business model. In Thailand and India, where mobile and digital technologies are even more widespread than in Japan, there is a strong synergy between employee benefit services and the insurance industry. After thoroughly researching the legal and tax systems, we believe it is possible to expand Benefit One's business in the footprint of our subsidiary insurance companies. Therefore, we will pursue global expansion as a medium- to long-term objective.

Looking ahead

Shiraishi: One of the major hurdles we face is the challenge of scale. Realistically speaking, our target of reaching 120mn members is an extraordinarily ambitious figure. It's easy to say that we aim to network all services across Japan, but the reality is far more complex. When you consider the inclusion of SMEs from Hokkaido to Okinawa, the scale becomes truly immense. The biggest challenge is how quickly we can work toward these overwhelming targets. I believe that with steady, persistent effort, we will eventually see our goal. However, I'm continually thinking of ways to speed up a process that would naturally take a tremendous amount of time. By joining the Dai-ichi Life Group, I am confident that we can significantly shorten that timeline.

Kai: The Dai-ichi Life Group has set targets of achieving market capitalization of ¥6tn by the end of FY2026 and ¥10tn by FY2030. I believe that Benefit One will be the catalyst to help achieve these targets. By transitioning from a traditional insurance provider to an insurance-related service provider, offering a variety of services, and improving capital efficiency, we can achieve the ¥10tn target. To this end, we will position Benefit One at the center in our effort to build a platform that serves as an ecosystem for providing insurance-related services.

TOPICS

Financial Well-being for All

Initiatives to Improve Customer Experience in Japan

We stand by the values of each customer and aim to be an insurance group consistently chosen by customers.

Director, Managing Executive Officer
Chief Customer Experience Officer (Japan)
Takako Kitahori

Message from the CCXO

I am Takako Kitahori, and I have been serving as Chief Customer Experience Officer (CCXO) (Japan) since April 2024. The Customer Experience Unit was newly established in FY2024 to enhance the customer experience (CX) of products, services, and customer service in Japan.

In our domestic business, we will contribute to the well-being of our customers by providing our four experiential values of "Protection," "Asset Formation/Succession," "Health and Medical Care," and "Enhancing Connections" to our customers. The Group has expanded its business domains with the addition of ipet Insurance, a pet insurance company, and Benefit One, a platform for employee benefit services. Through the provision of optimum products and services, including in non-insurance areas, we will work to create values unique to the Group.

Moreover, various digital tools utilizing the latest technologies have become an indispensable part of our lives. In addition to real contact with customers through sales reps and insurance agencies, the Group regards digital contact with customers as an important connection with them. By integrating real and digital connections, we will build a system that provides optimal consulting and customer follow-up services at the optimal time by deepening our understanding of each individual customer.

We will continue to pursue value that resonates with our customers and meet their diversifying values and needs by making repeated improvements through the STPD cycle*, not only in the traditional areas of protection and asset formation/succession, but also in all customer experiences, including new products and services, with the aim of being consistently chosen by customers.

*A management approach based on "See," "Think," "Plan," and "Do."

What does "CX" refer to?

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

By focusing on CX and working to improve the customer experiential value, we will create value that exceeds that of the original product or service.

Management based on the "voices of customers"

As customers continue to diversify their values and change their behavior, we believe it is more important than ever to enhance CX by closely aligning ourselves with the values of each customer.

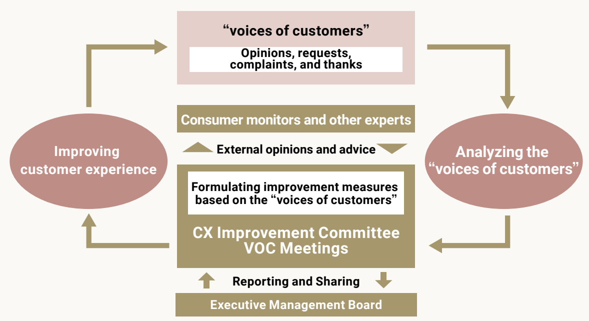
We intend to improve CX by collecting a wide range of "voices of customers" including opinions, requests, complaints, and thanks and implementing improvement initiatives based on the "voices of customers."

For example, Dai-ichi Life has established a system to collect and analyze "voices of customers" from across Japan and reflect them in management and is gradually improving the system. Specifically, at "Voice of Customer" (VOC) meetings, in addition to the "voices of customers," we utilize and analyze the NPS®* from customer satisfaction surveys to identify issues by checking what is supported by customers and what needs improvement.

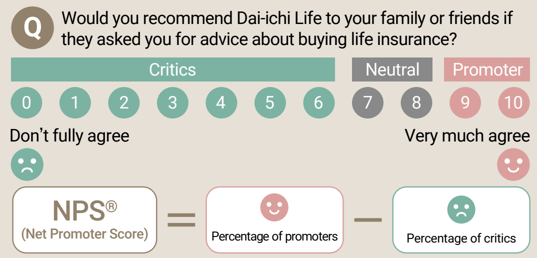
We also receive feedback from consumers through the "Quality Advisory Committee," the "Consumer Monitor System," and other initiatives, and work to respond to customers' requests. In addition, the "CX Improvement Committee" follows up on our initiatives and shares the results with management. Through these initiatives, we are repeatedly improving our points of contact with customers as well as our products and services, leading to further CX improvement.

By realizing and establishing a culture of sincerely respecting the "voices of customers" in conducting business operations, we will not only provide value for our products and services but also deliver the psychological satisfaction that customers gain = "emotional value." We aim to achieve "Top-level NPS® in Japan" and "15mn customers in Japan" by FY2026 with increasingly diverse values and addressing the needs of customers.

Management based on the "voices of customers" at Dai-ichi Life



NPS® score calculation method



*NPS® (acronym for Net Promoter Score) is a registered trademark of Bain & Company, Inc., Fred Reichheld, and Satmetrix Systems, Inc.

Expand and raise the level of digital contacts

To improve CX, we are working to expand digital contacts and raise the level of the customer experience through digital technologies.

Dai-ichi Life operates a website called "Mirashiru" to provide information related to people and their lives, health, money, and insurance. The site focuses on the four experiential values and daily communication with customers. The function was expanded to meet various customer needs including insurance counseling through the connection of customers and sales reps in Dai-ichi Life.

In addition, we provide dedicated My Page functions that serve as a direct point of contact with customers of Dai-ichi Frontier Life, Neo First Life, ipet Insurance, and other companies. Expanding that support by enabling various procedures to be completed digitally helps improve customer convenience. We also provide various services and applications related to health promotion and asset formation to help customers achieve well-being.

While working to expand and upgrade the level of digital contacts, we will work to improve CX for customers by promoting the integration of real and digital contacts.

Information site "Mirashiru"

Special Dialogue

For True Sustainability Management

As the Dai-ichi Life Group strives to become a global top-tier company, what is needed to enhance corporate value from a sustainability perspective? This section features a special dialogue between Peter David Pedersen, an external expert who was involved in the formulation of our Core Materiality, and Hidehiko Sogano, our CSuO (Chief Sustainability Officer).

Sustainability at the Dai-ichi Life Group

Sogano: When considering sustainability, what is important is the sustainability of the Dai-ichi Life Group itself. "If we keep the same insurance business as we do now, this company may be gone in 100 years." With this healthy sense of crisis in mind, we are promoting transformation in many business divisions. Recent developments such as the participation of Benefit One in the Group and company-wide promotion of digital transformation (DX) are all linked to these perspectives for sustainability management.

In this context, the role of the Sustainability Unit is crucial. As a company, we cannot escape from pursuing profits based on short-term financial indicators. But at the same time, we need to enhance long-term corporate value, and to do so we must consider what is essential for people to live in a humane way. From this perspective, elements such as the environment, diversity, and human rights naturally come to the forefront, in my opinion.

Pedersen: The Dai-ichi Life Group is fundamentally a life insurance company. Life insurance is a product that involves long-term relationships with customers, so maintaining close connections with people is crucial.

Although I'm only in my second year of involvement with the Dai-ichi Life Group's sustainability efforts, I believe that the Group is currently in a transitional phase where sustainability and business strategy are becoming truly integrated. In addition to considering how the Group can be a lifetime partner of its customers, I see that now we are already in an era where we need to think about protecting the environment, and what kind of services we can provide to vulnerable people.

Hidehiko Sogano:
Director, Managing Executive Officer, and CSuO (Chief Sustainability Officer) at Dai-ichi Life Holdings. After joining the Bank of Japan in 1983, he joined Dai-ichi Life Insurance in 2015. He has served as an Executive Officer at Dai-ichi Life Holdings since 2018, a Managing Executive Officer since 2021, and CSuO since April 2023. With extensive experience in financial institutions and deep knowledge of the SDGs, he is leading the Group's sustainability management efforts.

Peter David Pedersen:
Representative Director of NELIS Global, an NPO. With more than 20 years of experience in the environmental and sustainability fields, he has been involved in corporate consulting and the development of business leaders. He introduced the concept of "Lifestyles of Health and Sustainability (LOHAS)" to Japan. Since 2023, Mr. Pedersen has served as an external expert on the Dai-ichi Life Group's Sustainability Committee, providing advice on material issue selection and shaping the Group's sustainability strategy with his experience and insights.

CSuO
Hidehiko Sogano

External expert of the Group Sustainability Committee
Peter David Pedersen

Roles of the CSuO and the Sustainability Unit

Sogano: Sustainability is a broad concept, and as you mentioned the key lies in how we integrate sustainability into our business strategy. My role is to share this perspective with management and at the Board level. In management discussions, we tend to focus on financial indicators, but I feel that it is necessary to gather information on how the world is moving, what is required from us by the world, and to communicate and share that information within the Group.

The Group Sustainability Committee (Sustainability Committee) is a forum for open exchange of ideas among CxOs including CEO Mr. Kikuta, Group Heads of the holding company, presidents of major domestic Group companies, and executives from relevant departments along with external experts like yourself. To encourage candid discussions, we minimize briefings by the secretariat at committee meetings. We also widely open the meetings to the Group so that employees who are not the members of the Sustainability Committee can become aware of it.

Pedersen: Let me share my thoughts from attending Sustainability Committee meetings. I believe that, first and foremost, it is crucial for the leaders of each business and corporate department to have a strong awareness of the strategic significance of promoting sustainability. In this regard, I've noticed significant progress over the past year or two. Many leaders have begun to speak about sustainability as a personal commitment.

Life insurance companies don't operate factories that emit large amounts of greenhouse gases like, say, automakers. This can make it somewhat difficult to know what to do about sustainability. Therefore, we need to approach sustainability in a proactive and creative manner, exploring new angles to drive our initiatives forward. From that perspective, it is encouraging to see that many leaders are beginning to proactively think and speak about sustainability and take actions accordingly.

Formulation of Core Materiality

Sogano: In the process of developing our new mid-term management plan, announced in April 2024, we also formulated our list of Core Materiality. Mr. Pedersen, you actively participated in these discussions as well.

Pedersen: While the Group had previously established a set of materiality, this time we engaged in extensive discussions to identify Core Materiality that more closely reflects the Group's strategies and intentions.

Mr. Kikuta has set a goal of becoming a "global top-tier insurance group" as the vision for FY2030. During our discussions on Core Materiality, therefore, we placed emphasis on ensuring that the expressions we use resonate globally. The Group's four new Core Materiality are primarily presented in English, with Japanese explanations provided beneath them. This approach signifies the Dai-ichi Life Group's genuine commitment to becoming a global top-tier insurance group.

Sogano: Our biggest challenge was distinguishing ourselves, because many other companies are also formulating their own Materiality. We needed to create something that not only stands up globally but also reflects the unique character of the Group, conveying a sense of human connection.

The first Core Materiality, "Financial Well-being for All," signifies our commitment to supporting everyone's happiness, starting with providing financial support. Traditionally, we have provided this "Financial Well-being" through conventional life insurance products. Moving forward, we aim to deliver this through a broader range of services, including those outside insurance services. As people's lifestyles and values become more diverse, our commitment to expanding our services reflects our desire to financially support the lives of all people. This intention is encapsulated in the words "for All."

The second one, "Healthy People and Society," emphasizes that true happiness requires both physical and mental well-being. Here, it is essential to not only pursue individual happiness but also contribute positively to the society in which each person is a part. Accordingly, we established the Core Materiality that also includes the perspective of connecting individuals and society.

As our business activities expand, environmental issues that impact the entire planet become increasingly important. The key here is "Environmental Leadership," our third Core Materiality. We must go beyond simple environmental awareness. Given the Group's scale, we must provide leadership to other financial institutions and be at the forefront in engaging with investees on addressing environmental issues. That's why we included the word "Leadership."

The fourth Core Materiality, "Proactive Governance and Engagement," is an essential foundation for achieving the other three issues. It emphasizes the need to build a solid base for sustainable management through strong corporate governance, group governance, and HR strategies. Building connections with all stakeholders is also another important element within this issue.

Pedersen: In our discussions on Core Materiality, I focused on proposing language that would capture the unique character of the Dai-ichi Life Group and leave a strong and lasting impression.

As time goes on, the Group will likely see a turnover of people. I hope that new members will understand the intent behind the Core Materiality and view them as crucial guiding principles for leading the Group forward. Once everyone genuinely embraces its Core Materiality and regards them as "cool," it will inspire leaders to put them into practice.

Sogano: Whether the content resonates with what Mr. Kikuta wants to convey is crucial to the success of our sustainability initiatives, so we were conscious of including this perspective. What is important is how we act voluntarily, not the "feeling of being forced to do something" under regulations.

Environmental initiatives: TNFD and GFANZ

Sogano: As you mentioned, as a significant portion of the Dai-ichi Life Group's business is life insurance, the impact of our sustainability initiatives might not be directly apparent, making them difficult to understand. On the environment, for example, our own GHG emissions account for only 3% of the Group's total emissions. The remaining 97% comes from the GHG emitted by companies in which we invest using insurance premiums we receive from our customers.

Therefore, we need to collaborate with each of our investees, engaging in dialogue to consider ways to reduce emissions. In this process, we also seek insights from external experts like you, ensuring that we stay informed on current trends while developing our plans.

In addition, in FY2024, the Group registered as an Early Adopter*[1] of the recommendations by the Taskforce on Nature-related Financial Disclosures (TNFD). Under the TNFD, location plays a crucial role, requiring us to investigate the specific characteristics of each business location and analyze the impacts on ecosystems, water quality, air quality, and other environmental factors. When considering the environment, we cannot ignore ecosystems, so we must address the recommendations of the TNFD and the Task Force on Climate-related Financial Disclosures (TCFD) together under a comprehensive approach.

However, how to deal with the TNFD recommendations has not yet been firmly established, globally. For this reason, we aim to take the lead by starting early and setting examples for other companies to follow. This is also the rationale for our registration as an Early Adopter.

Pedersen: Over the past three to four years, the actions we need to take on the environment have become much clearer. The three concepts of net zero (NZ)*[2], circular economy (CE)*[3], and nature positive (NP)*[4] are all essential elements in building a sustainable society.

The NZ concept, which involves improving energy efficiency and investing in renewable energy, is relatively easy to understand and quantify. On the other hand, CE and NP are more complex and challenging issues, but addressing them is crucial for the survival of humanity on this planet.

In particular, the TNFD recommendations, which focus on achieving NP, present challenges to implement, but no matter how much NZ is achieved, it is meaningless if nature has been destroyed. While we have a fiduciary responsibility in terms of financial investments, we now also bear a responsibility related to sustainability. How the Dai-ichi Life Group engages in investing and lending within the framework of NZ, CE, and NP will play a key role in shaping the future standard.

Sogano: In terms of shaping the standard, the Glasgow Financial Alliance for Net Zero (GFANZ) is also an important initiative. GFANZ, an initiative that began at COP26 (the 26th UN Climate Change conference) in Glasgow, has its Asia-Pacific regional headquarters in Singapore. In June 2023, it established the world's first national chapter, the Japan Chapter. A total of 24 Japanese companies are participating in this chapter, including Dai-ichi Life, megabanks, regional banks, asset management firms, and life and non-life insurance companies. In addition, the GFANZ Japan Chapter provides a platform for discussion among stakeholders such as financial institutions including regional banks and public-sector lending institutions, government agencies (the Financial Services Agency, the Ministry of Economy, Trade and Industry, and the Ministry of the Environment) to build mutual understanding of the current perspectives of financial institutions. Japan does not have a well-established system for private-sector advocacy toward the government, so such platforms are particularly important. Participation in the Japan Chapter enables public and private institutions to come together and engage in unified discussions, which I believe is important.

Pedersen: GFANZ has commitments from financial institutions worldwide, with Japan playing a central role. For the Dai-ichi Life Group, which aims to be a global top-tier insurance group, it is crucial to demonstrate leadership and enhance its presence within this organization.

Publication of the Human Rights Report

Sogano: We were talking earlier about the importance of people. During our recent review of the Group Principles, we also reassessed our Values (values that we uphold) and placed "We care (for our customers, business partners, employees, and the communities and environment in which we operate)" at the top of our priorities. Human rights are a fundamental consideration when it comes to people, impacting not only our employees but also our customers, business partners, and the entire supply chain. In Japan, human rights due diligence is still in its early stages. To promote proper due diligence and increase awareness of its significance, we published the "Dai-ichi Life Group Human Rights Report 2024."

Pedersen: At the core of this initiative is the belief that respect and care are essential when interacting with various stakeholders throughout the value chain, from upstream suppliers to customers, including socially vulnerable groups in the countries where the Group operates. In the journey to achieve it, human rights are just the first step, not the ultimate goal. Having said so, a strong foundation of human rights recognition is still crucial for effective sustainability management, making your commitment to human rights vital. I'm encouraged by the progress you are making, including the publication of the Human Rights Report.

From a pragmatic perspective, publishing an advanced report like the Human Rights Report also benefits you by positively influencing assessments from shareholders and external evaluation agencies. Sustainability management requires both idealism and realism. Focusing solely on idealism can lead to inefficiency, while adhering only to realism can cause people to derail from their guiding light. Therefore, it is important to drive activities with realism while pursuing our ideal goals.

Challenges in promoting sustainability at the Dai-ichi Life Group

Sogano: I believe there are three main challenges. First is the issue of communication. Those in sales are likely aware of sustainability through their daily interactions with customers, and top management's awareness of sustainability is also high. However, awareness among our middle-level management seems to be lacking.

Second, all sustainability initiatives need to be disclosed in accordance with global standards. As the Dai-ichi Life Group strives to become a global top-tier insurance company, it is essential for all Group companies to act with a unified perspective. To accomplish this, we need to enhance communication with both domestic and international subsidiaries, ensuring that all parties are aligned.

The third challenge is how to measure and communicate the progress of non-financial value, such as human value and environmental value. Human value means values created by people, who are not just a component of capital but are themselves the core of a company. By enhancing people's creativity and embracing an output-oriented mindset, the human value increases overall productivity and corporate value. Sustainability-related initiatives are challenging to quantify, making it difficult to communicate them in an easy-to-understand manner. To address this issue, we plan to cooperate with external research institutions and seek solutions within a two- to three-year time frame. Once this challenge is resolved, the other two challenges will become easier to communicate, leading to a better overall understanding. It also relates to how we address Core Materiality through our business activities and how we link that to corporate value. I am sure that non-financial initiatives are linked to finance, but how can we explain that to the capital markets and others in an easy-to-understand way? Actually, that is my biggest concern right now.

Pedersen: It might take until FY2026, the final year of your new mid-term management plan, to fully integrate the financial and non-financial aspects. Once you have achieved this, the Dai-ichi Life Group's business will become much more exciting as the Group heads toward FY2030.

I agree with Mr. Kikuta's views on human capital. While financial performance is a matter of course in a sense, a company should also be able to invigorate both its employees and customers.

I don't really like the idea of financial and non-financial dichotomy. What matters most, in my view, is working toward a larger goal that unifies the two. I believe the Group's goal should be to become a company with a higher overall value by integrating financial value, human value, and, of course, environmental value, thereby earning the support of stakeholders.

Sogano: I look forward to your continued support for the Dai-ichi Life Group as we pursue our vision.

*1 Early adopters of disclosure recommendations published by the TNFD in September 2023
*2 Achieving net zero by subtracting the amount of GHG captured/absorbed from the amount emitted
*3 An economy that maximizes added value through the efficient and circular use of resources at all stages (circular economy)
*4 Preventing and reversing the loss of biodiversity and putting nature back on a path to recovery

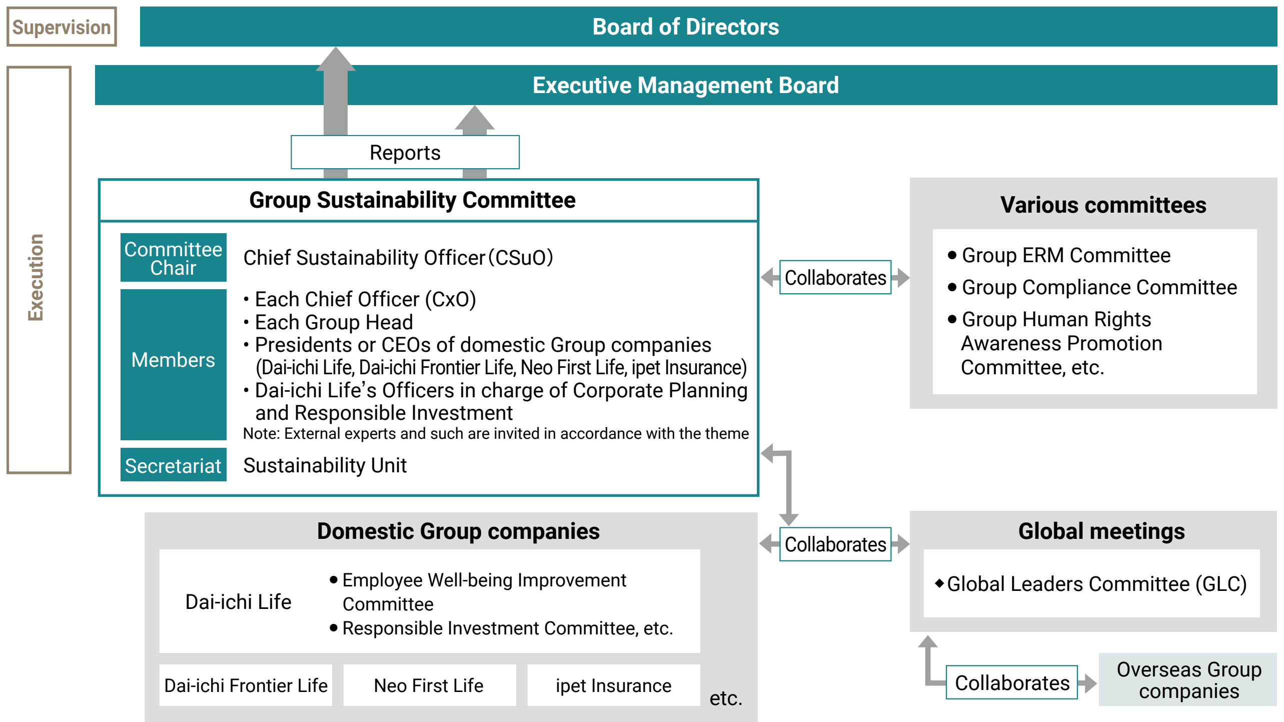
Group Sustainability Promotion Structure

Sustainability promotion structure

The Group is building a sustainability promotion structure centered on the Group Sustainability Committee to make meaningful contributions to the realization of a sustainable society.

In April 2023, the new position of Chief Sustainability Officer (CSuO) was created for an individual tasked with promoting the Group sustainability strategy and chairing the Group Sustainability Committee.

In FY2024, the Sustainability Unit was established to further accelerate Group-based sustainability initiatives that integrate environmental, social, and governance issues based on international standards.



Group Sustainability Committee

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

■Recent topics of discussion

Month	Overview
May 2023	● Positionings of sustainability initiatives and business activities ● Transition finance initiatives at Dai-ichi Life
September 2023	● Revising our materiality ● Our challenges and direction of action in response to the ISSB standards and external ESG assessments
December 2023	● Sustainability policy for the next mid-term management plan
March 2024	● Promotion of sustainability management during the next mid-term management plan ● Progress of human rights initiatives
May 2024	● Sustainability initiatives at major overseas Group companies ● Direction for enhancing human capital disclosures ● Future initiatives based on the value creation story

■Main external experts*

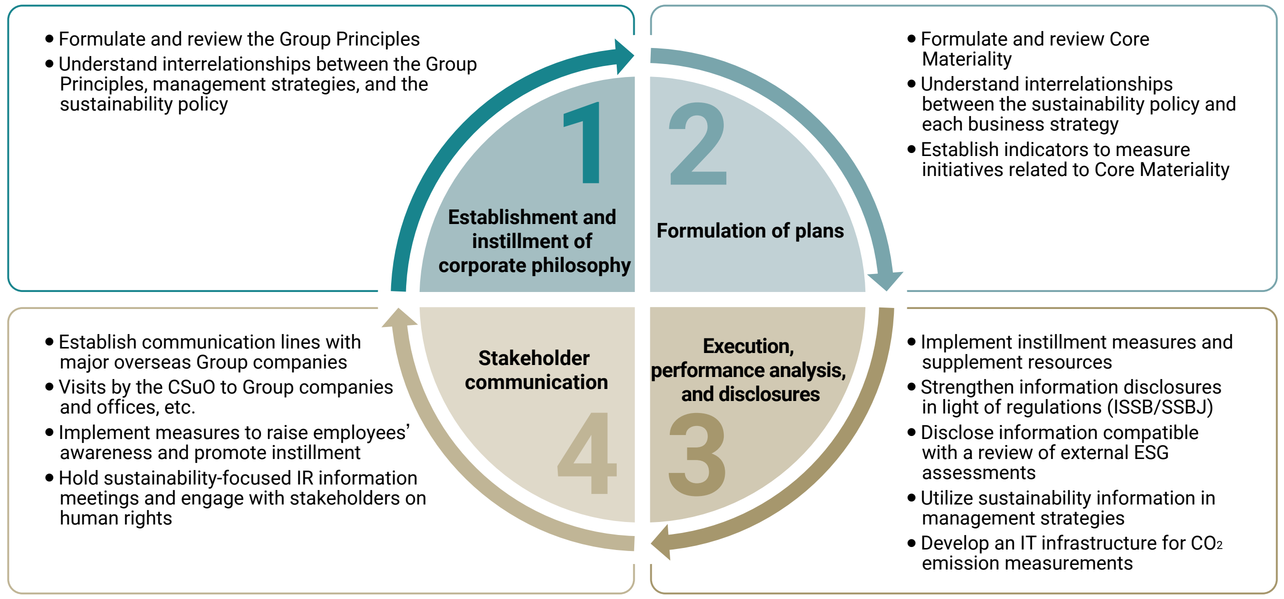
Yoshiki Ishikawa	Representative Director of the Well-being for Planet Earth Foundation
Peter David Pedersen	Representative Director of NELIS
Yukari Takamura	Professor, The University of Tokyo Institute for Future Initiatives

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

Sustainability management promotion cycle

the Group promotes effective sustainability management through the following PDCA cycle.

In FY2024, we aim to develop IT infrastructure for data acquisition in anticipation of information disclosure requirements based on the ISSB/SSBJ standards, while strengthening efforts for stakeholder communication, such as visits by the CSuO to Group companies and offices, and establishment of communication lines with Group companies.



Fostering awareness among officers and employees

The Group has rolled out a range of initiatives to foster awareness of sustainability management Group-wide. In FY2024, we established the Sustainability Unit under a new structure and are expanding staff to promote and instill awareness of sustainability initiatives throughout the Group. As a new initiative, the Group Sustainability Committee meetings are open to all Group staff members, and ca. 140 Group employees participated in the first FY2024 meeting. We received feedback from the participating employees. One of the comments was "I gained a deeper understanding of the overall picture of sustainability and the status of the Group's efforts." We will continue efforts to further improve operation of the committee going forward. Apart from that initiative, more than 1,300 executives and employees from 11 Group companies participated in the ECO Action Relay, a Group-wide environmental event held in FY2023.

Sustainability information disclosure

Dai-ichi Life Holdings prepares its Sustainability Report to provide all stakeholders with a deep understanding of the Group's approach to sustainability and the major initiatives it is pursuing. In addition, we are working to expand the information on our website, not only updating it on a yearly basis but also releasing the latest information as needed.

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

Climate Change and Natural Capital Initiatives

—Disclosures Based on the TCFD and TNFD Recommendations—

Introduction and background

It is estimated that more than half of the world's GDP is derived from nature and ecosystems, and natural capital is an important foundation for the Group's business activities. The two are also said to be closely related, as heavy rains, floods, and droughts caused by climate change can lead to the degradation of natural capital.

Based on this recognition, the Group, as a member of society, considers that the conservation of the local environment, climate change countermeasures, global environmental protection, the preservation of natural capital and biodiversity, and the creation of a recycling-oriented society are among its corporate social responsibilities. The Group will always act in consideration of its impact on the environment, in compliance with the Group's "Vision and Group Action Principles for Environmental Initiatives*1," and in keeping with the "Basic Policy on Responsible Investment*1" of our domestic core subsidiary, Dai-ichi Life.

In the new mid-term management plan, we have defined "Core Materiality" as important issues that we must prioritize in order to realize our Group's vision for FY2030. We have also defined "Environmental Leadership" as an issue that we must address to ensure the sustainability of the global environment, which is the foundation of people's lives. Under this Core Materiality, the Group, as an operational company and as an institutional investor, is committed to strategic responses to environmental challenges, particularly climate change and natural capital, with the goal of contributing to the realization of a decarbonized society. We will also actively communicate our views and become more involved in and contribute to global rulemaking through active participation in domestic and international initiatives such as GFANZ*2, the world's largest coalition of financial institutions with a net-zero commitment.

To realize the aspirations*3 embedded in the Group Purpose, we will demonstrate leadership both as an institutional investor and a operational company to an even greater degree. This includes enhancing measures that could become examples to others, such as improving sustainability disclosures. Through these efforts, building public trust, and creating customers' empathy, we aim to help form a sustainable society and ultimately accelerate the sustainable growth of our business.

Governance

Roles of the Executive Management Board and the Board of Directors

Under the supervision of the Board of Directors and in accordance with its business plan on climate change led by the Executive Management Board, the Group is promoting initiatives related to climate change and natural capital through the Group Sustainability Committee, the Group ERM Committee, and other committees. The status of initiatives (e.g., Group goals, direction of initiatives, risk responses) is regularly reported to the Executive Management Board and the Board of Directors. By ensuring oversight from the Board of Directors, we have a framework that further strengthens efforts to address climate change and natural capital issues.

Initiatives to strengthen our governance structure

As one of the measures to strengthen the Group's governance structure, the Group Sustainability Committee was established in April 2021, and since April 2023 the Committee has been chaired by the Chief Sustainability Officer. Under this structure, the Committee is responsible for developing sustainability-related policies and strategies, including measures to address climate change and natural capital, and monitoring the implementation of these measures. In addition, starting in July 2022, sustainability indicators*4, including an indicator related to progress in reducing CO_2 emissions, have been included as part of performance-based stock remuneration for the Company's executives. In April 2024, we reorganized the Sustainability Office into the Sustainability Unit. We beefed up the workforce by coordinating the sustainability policies and activities of the entire Group, thereby reinforcing our contributions to a decarbonized society and nature-positive activities.

*1 For details of the policy, please refer to the respective pages on our website, as listed below.
Vision and Group Action Principles for Environmental Initiatives
https://www.dai-ichi-life-hd.com/en/sustainability/environment/initiative.html
Basic Policy on Responsible Investment
https://www.dai-ichi-life-hd.com/en/sustainability/esg/investment_policy.html

*2 Glasgow Financial Alliance for Net Zero. Please refer to P.83 for details of this initiative and the Group's initiatives.

*3 The Group Purpose: "Partnering with you to build a brighter and more secure future."

*4 Please see P.105 for details on the remuneration system for directors and executive officers.

*5 Please refer to the following webpage for details on risk management:
https://www.dai-ichi-life-hd.com/en/about/control/in_control/administer.html

*6 Degree of impact is assessed based on economic loss, reputational damage (impact on sales, management responsibility, and stock price), and other factors.

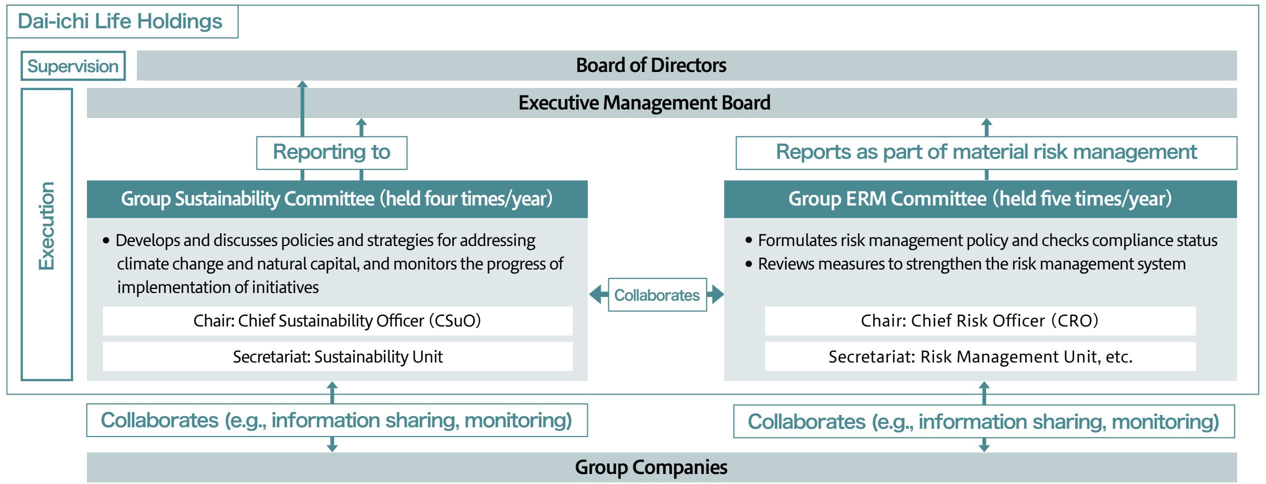
Risk management

Risk management system

The Group is implementing risk management that takes appropriate measures at an early stage by specifying foreseeable risks with the potential to significantly impact its business as "material risks" and formulating business plans that take these risks into account*5.

We rate the impact*6 of the risks and the possibility of their occurrence on a scale of one to four based on the results from identifying material risks affecting Group companies. Using a heat map, the Risk Management Unit specifies material risks and reviews them every fiscal year. With the Paris Agreement taking effect in 2016, there is a growing recognition that environmental issues, particularly climate change, are a challenge to be tackled by the international community as a whole, and the Group recognizes that addressing climate change is an important management issue that could have a significant impact on customers' lives and health, corporate activities, and social sustainability. In response to this, since fiscal 2019 we have selected climate change–related risks as one of our material risks and have been strengthening our risk management. Specifically, the Group ERM Committee, chaired by the Chief Risk Officer, discusses how to assess and respond to physical and transition risks, and reports to the Executive Management Board and the Board of Directors as necessary.

Governance/Risk management framework for addressing climate change and natural capital (as of April 2024)



Strategy/Metrics and targets - Climate Change Initiatives -

Net Zero Transition Plan

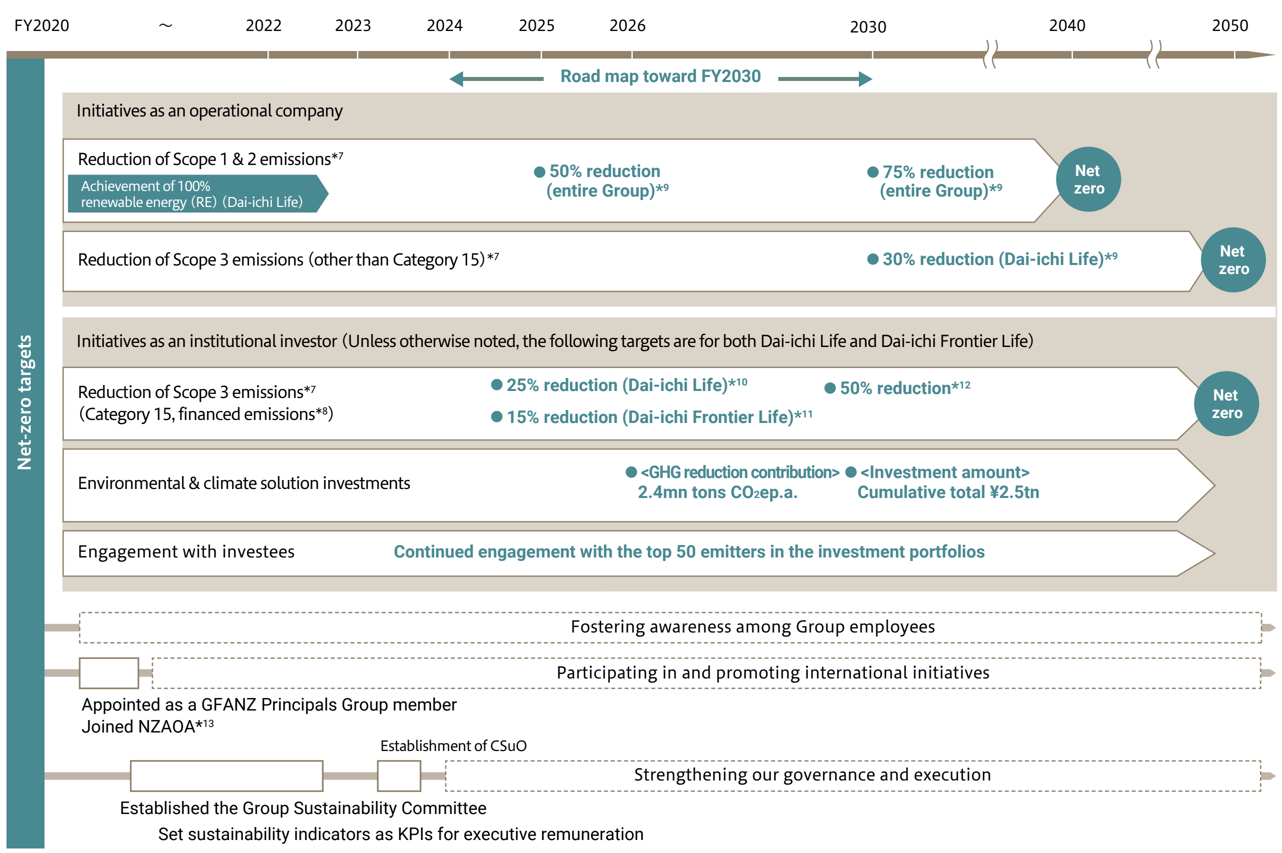
As a financial institution, we produced and disclosed our Net Zero Transition Plan in August 2023 to promote a more integrated response to climate change issues aimed at transitioning to net zero in the real economy. This plan was formulated in reference to the transition plan guidance of GFANZ, etc.

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

In March 2024, we set new interim reduction targets for GHG emissions, aiming to reduce Scope 1 & 2 emissions by 75% by FY2030 (compared with FY2019 levels), and a common target for Dai-ichi Life and Dai-ichi Frontier Life to reduce Scope 3 (investments) emissions by 50% by 2030 (compared with 2020 levels). As of the recent time period, Scope 1 & 2 emissions have been reduced by 62% (compared with FY2019), and Scope 3 (investments) emissions have been reduced by 31% (compared with 2020, on an absolute emissions basis) and 34% (compared with 2020 on an intensity basis) at Dai-ichi Life and Dai-ichi Frontier Life, respectively, demonstrating steady progress toward our goals. Please refer to "Initiatives as an Institutional Investor" on page 79 to learn more about our performance and targets for investments contributing to environmental and climate change solutions.

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

Road map to net zero



Climate-related risks and opportunities

The Group recognizes that climate change might bring several impacts (shown below) over the medium to long term. Based on the results of analyses using the SSP scenario*14 (5–8.5), the NGFS scenarios*15, and other scenarios, the Group, as an operational company and an institutional investor, will strive to enhance resilience to climate change and seize related opportunities.

Risks	• Increase in insurance claims and benefits paid due to increase in heatstroke and infectious diseases and in flood damage caused by typhoons associated with global warming • Decrease in the value of investments due to an inadequate response to environmental changes such as the introduction of carbon taxes, damage to assets caused by changes in the market and social environment, development of new technologies, and changes in consumer behavior • Reputational damage and litigation due to delays in addressing climate change
Opportunities	• Provision of products and services that contribute to reducing GHG emissions • Increase in investment opportunities, including in the renewable energy business, that contribute to resolving climate change issues • Greater resilience of the investment portfolio resulting from proper assessment of investees' climate risks and opportunities • Reduced operating costs through the introduction of infrastructure with high resource efficiency

*7 Scope 1: Direct emissions by the Group; Scope 2: Indirect emissions from the generation of purchased or acquired electricity, etc., consumed by the Group; Scope 3: Indirect emissions other than Scope 1 and 2 emissions. Dai-ichi Life's Scope 3 (excluding Category 15) emissions include Category 1 (Purchased goods and services), Category 3 (Fuel- and energy-related activities (not included in Scope 1 and 2)), Category 4 (Upstream transportation and distribution), Category 5 (Waste generated in operations), Category 6 (Business travel), Category 7 (Employee commuting), and Category 12 (End-of-life treatment of sold products).
*8 GHG emissions of investees (Scope 3, Category 15)
*9 Compared with FY2019
*10 Compared with 2020 (listed equities, corporate bonds, and real estate portfolios)
*11 Compared with FY2020, based on GHG emissions per unit of assets held (intensity)
*12 Compared with 2020. On an intensity basis for Dai-ichi Frontier Life (listed equities, corporate bonds, real estate portfolio, and corporate loans).
*13 The UN-convened Net-Zero Asset Owner Alliance (association of institutional investors committed to transitioning their portfolios to net zero by 2050)

Scenario analysis

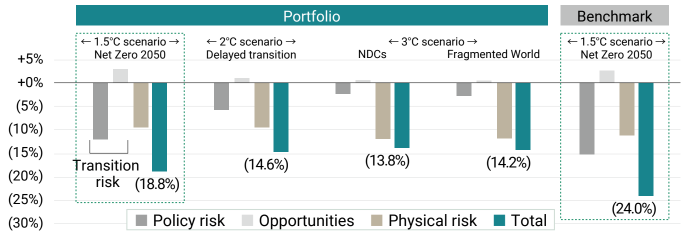
Climate change risks are expected to have a wide range of spillover pathways and could materialize over various time frames. Based on the TCFD recommendations, the Group recognizes climate change risks by classifying them into physical risks*16 and transition risks*17 and sorting them out by risk category. The Group assumes the examples shown in the table on the right as climate change risks that could materialize over a time frame of about three years in the short term and more than 10 years in the long term, and conducts scenario analyses for underwriting risks and market/credit risks.

As part of our efforts to understand risks related to claims and benefit payments, we have been analyzing the relationship between temperature and Dai-ichi Life's claims and benefits since FY2020, in cooperation with Mizuho–DL Financial Technology Co., Ltd. Please refer to the Sustainability Report published in the autumn of 2024 for details.

In addition, we use MSCI's CVaR methodology for analyzing those market and credit risks that constitute physical and transition risks for invested assets. The aggregated CVaR was (13.8%) for the NDCs scenario*18 with the highest physical risk and (18.8%) for the Net Zero 2050 scenario with the highest transition risk. In comparison to the benchmark, superior results were shown in the Net Zero 2050 scenario in terms of both transition and physical risks. In addition, the implied temperature rise (ITR)*19 of the Group's portfolio was 2.3°C.

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

CVaR (impact/amount of subject assets)



Subject assets are Dai-ichi Life's equities and corporate bonds and Dai-ichi Frontier Life's corporate bonds, totaling approximately ¥10 trillion. Benchmarks are NOMURA-BPI corporate bonds (for domestic corporate bonds), Barclays Global Corporate Bond Index (for foreign corporate bonds), TOPIX (for domestic equities), and MSCI ACWI (for foreign equities). Data: As of March 31, 2024
Source: Reproduced by permission of MSCI ESG Research LLC
Physical risk is measured using the RCP 8.5 scenario and transition risk using the NGFS scenario.

For details, see our Sustainability Report published in the autumn of 2024
https://www.dai-ichi-life-hd.com/en/sustainability/report/index.html

Initiatives as an operational company

The Group's Scope 1 & 2 emissions were ca. 42,700 tons in FY2023 (a reduction of ca. 62% from FY2019), achieving the Group's medium-term reduction target (50% reduction in FY2025) ahead of schedule.

Since becoming the first Japanese life insurance company to join the RE100*20 in 2019, Dai-ichi Life has been reviewing its electricity supply and demand contracts, providing off-site corporate PPA services*21, and utilizing environmental values such as J-Credits and non-fossil certificates. The Climate Group, the operator of RE100, announced in its RE100 Annual Disclosure Report 2023 that Dai-ichi Life had achieved 100% of its RE100 targets for FY2022, making it an official RE100 achiever. We are also pushing for the introduction of renewable energy at other Group companies in Japan and overseas. In addition, Dai-ichi Life's Scope 3 (other than Category 15) emissions reached a level of ca. 44,300 tons in FY2023 (a reduction of ca. 11% from FY2019) through the phased reduction of office paper consumption and other measures.

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

*14 Shared Socioeconomic Pathways: Climate change scenarios set by the Intergovernmental Panel on Climate Change (IPCC)
*15 Climate change scenarios set by the Network for Greening the Financial System (network of financial authorities on climate risks, etc.)
*16 Risk of direct damage to real estate and other assets due to long-term climate change such as rising temperatures and sea level rise, and natural disasters such as typhoons
*17 Risks arising from new government policies, technological innovation, market changes, etc., in the process of transitioning to a low-carbon economy
*18 Nationally Determined Contributions
*19 Implied Temperature Rise. Indicators to analyze whether investees have set GHG emission reduction targets consistent with the goal of limiting global warming to 2°C by 2100.
*20 International initiative aiming to procure 100% of electricity consumed in business activities from renewable energy sources
*21 Method of procuring electricity utilizing a scheme in which a solar power generation facility dedicated to Dai-ichi Life is installed on land remote from where the demand is located, and the electricity thus generated is sent to the demand location along with its environmental value.

Initiatives as an institutional investor

Dai-ichi Life, the Group's core domestic subsidiary, has positioned the resolution of climate change issues as the most important issue for responsible investment. Dai-ichi Life has made more progress than initially expected on the targets set out in its "Medium-Term Policy for Responsible Investment (through FY2024)" set in April 2022.

In March 2024, Dai-ichi Life and Dai-ichi Frontier Life jointly adopted the "Medium-Term Policy for Responsible Investment (through FY2029)" to promote responsible investment across the Group.

To achieve net-zero emissions by 2050, the two companies set interim reduction targets for their investment portfolios up to 2030, and jointly promote initiatives focused on increasing positive impacts through the promotion of investments, and promoting the formulation and implementation of decarbonization strategies for investees through ongoing engagement. By undertaking these initiatives while leveraging the knowledge and expertise of both companies toward decarbonization, we will make greater contributions to the realization of a decarbonized society.

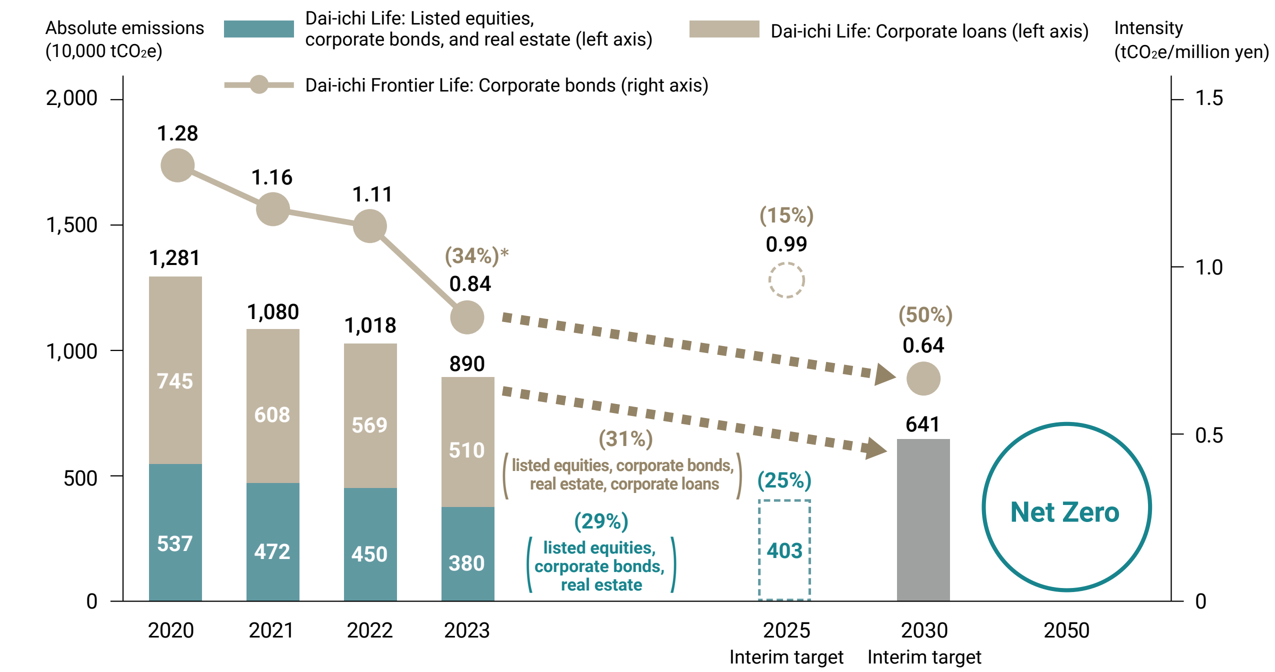
Medium-Term Policy for Responsible Investment (through FY2029)
https://www.dai-ichi-life.co.jp/english/dsr/investment/pdf/ri-report_005.pdf

Reduction of GHG emissions from the investment portfolios

Dai-ichi Life and Dai-ichi Frontier Life have set an interim target*22 of reducing GHG emissions in their portfolios by 50% by 2030 (compared with 2020), in addition to their 2025 goals*23, as part of their efforts to achieve net-zero emissions by 2050.

In 2023, Dai-ichi Life and Dai-ichi Frontier Life achieved reductions of 31% and 34%, respectively (compared with 2020 levels), and are proceeding ahead of schedule toward the 2025 target. We believe this is due to a combination of factors, including the progress of GHG emission reduction efforts by our portfolio companies and market fluctuations that affect the calculation of GHG emissions allocated to the two companies.

<Dai-ichi Life and Dai-ichi Frontier Life> Change in GHG emissions (listed equities, corporate bonds, real estate, and corporate loan portfolios)



Note: Dai-ichi Frontier Life's reduction rate from 2021, the base year for the 2025 interim target, is (27%).

*22 Corporate loans were added to the subject assets for Dai-ichi Life.
*23 Dai-ichi Life: 25% reduction; Dai-ichi Frontier Life: 15% reduction (intensity basis). Subject assets are listed equities, corporate bonds, and real estate portfolio for Dai-ichi Life, and corporate bonds for Dai-ichi Frontier Life. The base year is as of March 2020 for Dai-ichi Life and as of March 2021 for Dai-ichi Frontier Life (2025 target only; 2030 target is the same base year as Dai-ichi Life)

Investments addressing social issues including environment and climate change

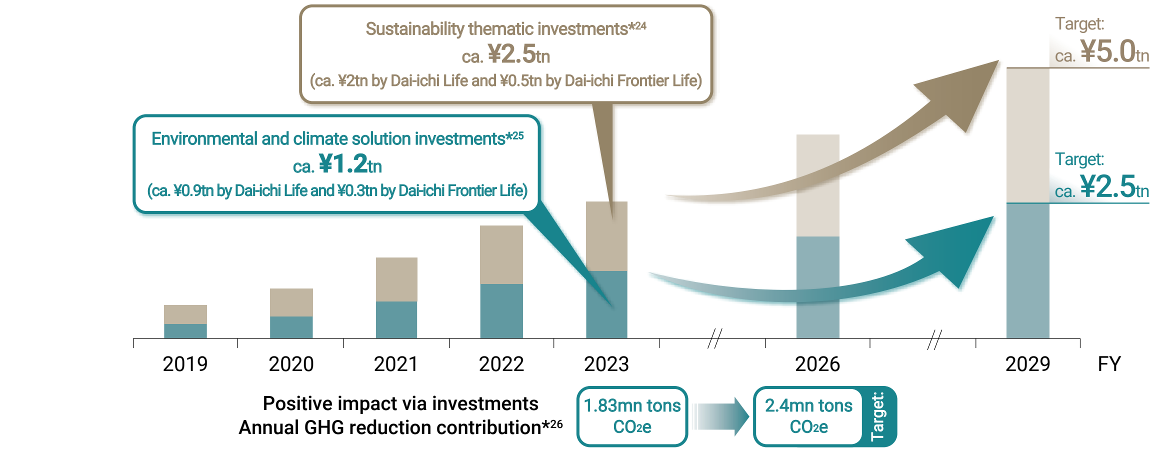
Dai-ichi Life and Dai-ichi Frontier Life are expanding their investments (sustainability thematic investments) aimed at addressing social issues, including climate change. The cumulative amount of these investments reached ca. ¥2.5tn as of FY2023, and we intend to increase this amount to more than ¥5tn by FY2029, in order to further create a positive impact on society.

In particular, to strengthen our response to climate change, which is the most important theme of our responsible investment, we have set a target of increasing our investments that contribute to solving environmental and climate change issues (environmental and climate solution investments) to more than ¥2.5tn by FY2029, from a cumulative total of ¥1.2tn at FY2023. Through investments, we will contribute to the transition toward the reduction of GHG emissions and the realization of a decarbonized society.

In addition to the monetary target, we have set a target of increasing the annual GHG reduction contribution from investments to 2.4mn tons CO_2e by FY2026 as an impact target indicator in order to expand the positive impact of our investments. We will promote the disclosure of impact indicators through engagement with our investees and other means, and will work to advance other methods for measuring environmental and social impact.

Launching of DL Sustainability Finance Frameworks
https://www.dai-ichi-life.co.jp/english/news_release/2023/pdf/index_011.pdf

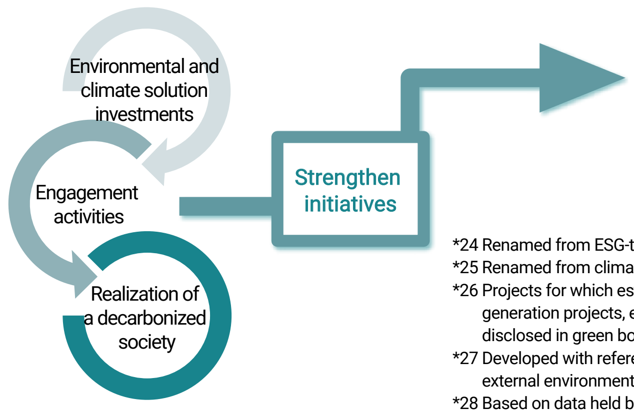
<Dai-ichi Life and Dai-ichi Frontier Life> Cumulative amount of investments for resolving social issues



Engagement with investees

Dai-ichi Life and Dai-ichi Frontier Life promote the formulation and implementation of net-zero strategies for their portfolio companies through ongoing engagement with the top 50 GHG emitters in their investment portfolios.

In addition, to strengthen our climate change engagement, we have set reduction levels (emission intensity targets) to aim for in the electricity and steel sectors, which account for a large share of the investment portfolio emissions. The levels are set based on the net-zero scenario required for each industry and the status of each company. By actively engaging with investees while utilizing these indicators, we will support and promote GHG emission reduction efforts by our portfolio companies, thereby contributing to the realization of a decarbonized society.



Clarifying the required levels for each sector - well below 2°C and aiming for a level of 1.5°C -

Sector	Level to aim for in 2030*27
Electricity	186–255g/kWh*28
Steel	(16%) (compared with 2020)*29

*24 Renamed from ESG-themed investments
*25 Renamed from climate change solution investments
*26 Projects for which estimates can be made from the amount of electricity generated in renewable energy power generation projects, etc. (calculated in accordance with PCAF standards), and projects for which data is disclosed in green bonds, etc. (Some of the measurement results include data provided by ICE Data Services.)
*27 Developed with reference to the IEA NZE and APS scenarios. Reviewed as appropriate based on changes in the external environment and updates to the net-zero scenario.
*28 Based on data held by Dai-ichi Life (as of 2020), the actual performance of the electricity sector is 402 g/kWh.
*29 The unit for the steel sector is emission intensity (emissions per ton of crude steel produced).

- Natural Capital Initiatives -

Nature-related portfolio analysis

The following analysis was conducted in accordance with the LEAP approach*[30] proposed by the TNFD to identify nature-related risks and opportunities.

1. Identify interface with nature <Locate>

In the previous year, we conducted a nature-related risk analysis of the domestic equity portfolio of Dai-ichi Life, the Group's core domestic subsidiary, and identified three high-risk sectors: "consumer staples," "materials," and "utilities." This year, we selected 10 companies and 30 business locations from the three high-risk sectors taking into account their importance to Dai-ichi Life and their dependence on and impact on natural capital. For these 30 locations, we evaluated their interfaces with nature based on the four definitions of sensitive locations proposed by the LEAP approach (Figure 1). As a result, we identified four domestic locations and two overseas locations as high overall risk (priority areas).

*30 Acronym for Locate (locate interface with nature), Evaluate (evaluate dependencies and impacts), Assess (assess risks and opportunities), and Prepare (prepare to respond to risks and opportunities and report). The aim of the LEAP approach is to enable companies and financial institutions to assess nature-related risks and opportunities. This year, we focused our descriptions on the Locate, Evaluate, and Assess phases.

Figure 1: Interfaces with nature at portfolio company business locations Tools used: IBAT, Global Forest Watch (GFW), Aqueduct

Sector	Consumer staples				Materials																Utilities										(Reference) Analysis tools
Business/Process	Crops & food/ Manufacturing				Industrial gases/ Manufacturing			Aluminum/ Refining		Copper/Mining							Metals & minerals/ Mining			Metals/Fabrication	Solar power generation			Biomass power generation		Hydroelectric power generation			Wind power generation	Nuclear power generation	
Location No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
Location Address*[31]	Gunma Pref.	Hokkaido Pref.	Nagano Pref.	Niigata Pref.	Hokkaido Pref.	Ibaraki Pref.	Tochigi Pref.	Shizuoka Pref.	Osaka Pref.	Kagawa Pref.	Fukushima Pref.	US	Peru	Chile	Australia	China	Philippines	Philippines	New Caledonia	Indonesia	Iwate Pref.	Hiroshima Pref.	Kagawa Pref.	Hiroshima Pref.	Aichi Pref.	Gifu Pref.	Tochigi Pref.	Gunma Pref.	Shizuoka Pref.	Shizuoka Pref.	
Areas important for biodiversity																															IBAT, GFW
Areas of high ecosystem integrity																															GFW
Areas of rapid decline in ecosystem integrity																															GFW
Areas of high physical water risks																															Aqueduct
Overall risk assessment*[32]	6	6	9	7	4	6	7	6	6	6	7	4	6	4	4	5	12	12	6	8	9	11	6	7	6	10	10	8	10	9	

*31 Analyzed based on the address information of each location. For disclosure, shown up to the name of the prefecture in Japan and up to the name of the country in overseas

*32 Calculation method for overall risk assessment

- The risk level of each of the 30 locations is scored according to each of the four definitions of sensitive locations high risk: 3 points , medium risk: 2 points , and low risk: 1 point .
- In the overall risk assessment, X<7 is considered to have a low overall risk rating, 7≤X<10 is considered to have a medium overall risk rating, and 10≤X is considered to have a high overall risk rating (priority areas).

2. Analysis of nature-related dependencies and impacts, and assessment of nature-related risks <Evaluate, Assess>

We analyzed the dependence on and impact of nature on the operations and processes taking place in the six sites in priority areas identified in the Locate phase (Figure 2). The analysis showed that in the six identified locations, there is a significant dependence on ecosystem services such as climate control, surface water, and water quantity maintenance, which impact nature through terrestrial ecosystem use, water use, and freshwater ecosystem use. Analysis of risks related to natural capital based on address information and business/processes showed that, overall, reputational risks related to biodiversity and water tended to be high (Figure 2). We understand that this indicates that there is a high risk that the our business activities could adversely affect the lives of local residents, thereby negatively impacting our reputation. In terms of physical risks, the risk of natural disasters such as flooding and degradation of ecosystem services was assessed as high, reaffirming the importance of promoting appropriate management and use of natural capital to manage such risks.

Figure 2: Priority areas and high-risk items Tools used: ENCORE*[33], WWF risk filter (Biodiversity and Water)

Priority Area No.	①	②	③	④	⑤	⑥	(Reference) Analysis tools
Sector	Materials		Utilities				
Business/Process	Metals & Minerals/Mining		Solar power generation	Hydroelectric power generation		Wind power generation	
Company name	Company A		Company B	Company C	Company D		
Location	Philippines	Philippines	Hiroshima Pref.	Gifu Pref.	Tochigi Pref.	Shizuoka Pref.	
Dependent ecosystem services	Groundwater, surface water, water quantity maintenance, climate control		Climate control	Surface water, water quantity maintenance, climate control, mass stabilization and erosion control, flood and storm control		Ventilation	ENCORE
Factors impacting on nature	Interference with daily life, freshwater ecosystem use, GHG emissions, non-GHG air pollution, soil pollutants, solid waste, terrestrial ecosystem use, water pollutants, water use		Terrestrial ecosystem use, water use	Freshwater ecosystem use, soil pollutants, terrestrial ecosystem use, water pollutants, water use		Marine ecosystem use, terrestrial ecosystem use	ENCORE
Major risk items*[34]	[Reputational risk] Deterioration of corporate reputation due to conflicts over limited water resources and negative news	[Reputational risk] Deterioration of corporate reputation due to negative impacts on local environmental assets (protected areas and key biodiversity areas)	[Reputational risk] Deterioration of corporate reputation due to threats to healthy ecosystems in the surrounding waters	[Reputational risk] Deterioration of corporate reputation due to threats to healthy ecosystems in the surrounding waters	[Reputational risk] Deterioration of corporate reputation due to threats to healthy ecosystems in the surrounding waters	[Reputational risk] Deterioration of corporate reputation due to threats to healthy ecosystems in the surrounding waters	WWF Risk Filter (Biodiversity and Water)
	[Physical risks] Occurrence and increased intensity of natural disasters due to degradation of ecosystem services	[Reputational risk] Deterioration of corporate reputation due to political climate, media coverage, international interest in a particular region	[Physical risks] Occurrence and increased intensity of natural disasters due to degradation of ecosystem services	[Physical risks] Occurrence and increased intensity of natural disasters due to degradation of ecosystem services	[Physical risks] Impact of flooding on businesses and value chains	[Physical risks] Occurrence and increased intensity of natural disasters due to degradation of ecosystem services	
	[Reputational risk] Deterioration of corporate reputation due to negative impacts on local environmental assets (protected areas and key biodiversity areas)	[Reputational risk] Deterioration of corporate reputation due to infringing on water resources that are culturally important to local communities and indigenous peoples	[Physical risks] Impact of flooding on businesses and value chains	[Physical risks] Impact of flooding on businesses and value chains	[Physical risks] Occurrence and increased intensity of natural disasters due to degradation of ecosystem services	[Physical risks] Impact of flooding on businesses and value chains	

*33 A nature-related risk analysis tool developed by the Natural Capital Finance Alliance (NCFA), an international financial industry association for the natural capital sector, and others. The current version as of June 2024 was used.

*34 The top three risks identified by the WWF risk filter are listed in descending order of risk. Of the risk items, indicates WWF risk filter (Biodiversity) and indicates WWF risk filter (Water).

In this analysis, we attempted to analyze nature-related risks from a geographical perspective, using not only the business activities of the companies but also the address information of their business locations. We believe that based on the knowledge gained from this analysis, we will help improve the quality of our engagement with investees and lead to a more resilient portfolio of investments in the future. We will continue to contribute to nature positivity by utilizing these kinds of nature-related risks analysis in our engagement and analysis of our investments.

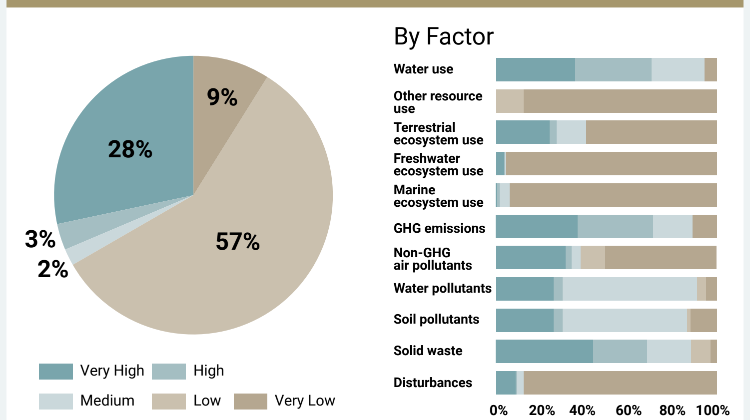
TOPICS

Joint research with Mizuho–DL Financial Technology Co., Ltd.

To more precisely understand the risks of portfolio companies related to natural capital, we conducted an additional analysis on a trial basis, utilizing Sustainability Scores*[35], which were developed independently by Mizuho-DL Financial Technology, based on disclosed information of the companies.

First, among the domestic stock portfolio of Dai-ichi Life, ca. 200 companies in the three sectors of consumer staples, materials, and utilities, which were identified as high risk in our previous year's analysis, were targeted. ENCORE*[36] was then used to calculate risk scores by sub-industry for each factor (impact driver) of corporate activities affecting nature. Each risk score was supplemented by factor-specific Sustainability Score, which evaluate the sustainability efforts of each company, to refine the risk scores for each individual company (Figure 3). The analysis showed that while more than half of the companies were rated as "Very Low" or "Low" risk, some remained at high risk and required caution. In addition, the risk was particularly high for factors (impact drivers) such as water use, GHG emissions, and solid waste.

Figure 3: Investment percentage by adjusted risk score



In this analysis, we attempted to evaluate risks based not only on the nature of a company's business but also on the status of each company's sustainability initiatives. We will continue to conduct this kind of trial analysis in the future as we work to identify natural capital–related risks and opportunities more precisely.

*35 The scores were developed with the aim of identifying risks and opportunities for companies from a sustainability perspective. They are compiled based on various sustainability themes, which can be linked to impact drivers in ENCORE to enable a company-specific risk analysis of the portfolio.

*36 The current version as of April 2024 was used.

Initiatives and Opinions on Climate Change Issues

Realizing a sustainable society is a strong aspiration of the Dai-ichi Life Group. Among many issues to tackle, addressing climate change has become an urgent issue that requires engagement across the entire business community. Through its participation in GFANZ, the world's largest coalition of financial institutions with a net-zero commitment (more than 675 financial institutions in 50 countries as of the end of 2023), and NZAOA, a member-led initiative of institutional investors, we are expanding the circle of financial institutions addressing climate change issues, while contributing to the international rulemaking to realize a decarbonized society.

To realize its objective of "accelerating the global net-zero transition," GFANZ works in various areas. These include supporting the development and effective implementation of net-zero transition plans across the financial industry, mobilizing capital for emerging markets and developing economies, and policy advocacy. In June 2023, the Japan Chapter of GFANZ was launched as the first national chapter, and our Chair of the Board, Seiji Inagaki, served as the first chair of its Consultative Group. We believe that our participation in these international initiatives is extremely important, not only from the perspective of communicating Asian or Japanese views to the world and enhancing the presence of the Dai-ichi Life Group but also contributing to the industry-wide decarbonization efforts by sharing the knowledge we have gained with domestic financial institutions.

Recent Major Events

Date		Event
2023	June	**GFANZ Japan Chapter Launched**
	October	**PRI in Person (Tokyo)** GFANZ side event, participation in panel discussions by the Group executives
	November	**GFANZ APAC Seminar (Singapore)** Presentation of the Group's transition plan
	December	**COP28 (Dubai, UAE)** GFANZ Japan Chapter organized a session on "Financing the Transition of High-Emitting Industries" at the Japan Pavilion
2024	March	**First GFANZ Japan Summit** GFANZ Japan Chapter Statement Released
	March	**Ministry of the Environment High Level Panel on ESG Finance** Introduced GFANZ's efforts to transition to a net-zero economy Materials and videos https://www.env.go.jp/page_01292.html
	April	**BDTI Webinar** Disseminated information about GFANZ Japan Chapter activities BDTI webinar video https://youtu.be/xrQBEXw4UCE?si=07KQomkS0e8ddczJ
	May	**IIF Insurance Colloquium** Joined panel to introduce our sustainability initiatives

PRI in Person（Tokyo）

First GFANZ Japan Summit

Initiatives to Respect Human Rights

Basic Policy

The Dai-ichi Life Group has established the Human Rights Policy of the Dai-ichi Life Group in accordance with the United Nations Guiding Principles on Business and Human Rights. In addition, the Dai-ichi Life Group Code of Conduct stipulates "respect for human rights" as an element of "foundational conduct."

The Group will promptly grasp trends on human rights from the international community and have a correct understanding of human rights principles, initiatives, and guidelines. In addition, we continue to endeavor to develop employees who always think of others when taking action in any situation.

We will aim to become a company deeply rooted in the value of "respect for human rights" in the pursuit of human happiness.

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

Promoting human rights due diligence

The Dai-ichi Life Group is committed to respecting the human rights of all stakeholders involved in its business activities across the board, including the supply chain, in accordance with the following steps in the human rights due diligence process.

Dai-ichi Life example: Human rights due diligence initiative

To promote human rights due diligence, the following promotion structure has been established within the Group.

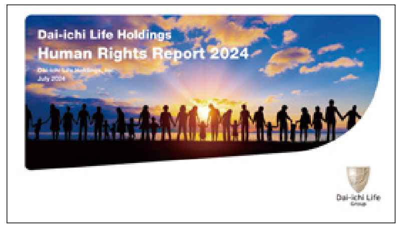
Human Rights Due Diligence Promotion Structure

	Group Sustainability Committee	Group Human Rights Awareness Committee
Committee Chair	Chief Sustainability Officer	Chief Human Resources Officer
Committee members	Appointed executive officers	Appointed department managers
Meeting Frequency	Generally four times a year or as necessary	Generally once a year or as necessary
Discussion items	Sharing awareness regarding environmental changes and issues related to sustainability, including human rights, reflecting on initiatives, and formulating response measures	Sharing awareness regarding environmental changes, the status of group initiatives, and issues related to raising awareness of human rights, and formulating response measures

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

Publication of the Human Rights Report

We have disclosed our efforts to respect human rights on our website, and produced and published the new Human Rights Report as a more detailed accounting of these efforts in June 2024. The report is available on our website.



Human Rights Report 2024
https://www.dai-ichi-life-hd.com/en/sustainability/initiatives/pdf/rights_001.pdf

Human Resources Strategy

Under our new Group Human Resources Strategy, we aim to continuously enhance corporate value by harnessing the diverse talents of each individual.

Executive Officer
Chief Human Resources Officer
Yotaro Numata

Vision

Empowering diverse human resources to maximize their potential, driving challenges and transformation.

Message from the CHRO

My name is Yotaro Numata, and I was appointed Chief Human Resources Officer (CHRO) in April 2024. Starting this fiscal year, Dai-ichi Life Holdings created the position of CHRO to improve employee satisfaction and create opportunities for diverse human resources to unleash their potential, while consolidating the previously dispersed planning functions for personnel and compensation systems, recruitment, and other aspects under the holding company, Dai-ichi Life Holdings, Inc.

The biggest objective of the HR Strategy is to promote initiatives throughout the human resources life cycle, including recruitment, talent development, compensation, and benefits. The strategy also seeks to expand and enhance opportunities for employees to succeed through the promotion of DE&I (diversity, equity, and inclusion), to foster an organizational culture that includes health and productivity management, and to drive measures related to employee well-being. We believe that this approach will contribute to realizing the Group's management and business strategies.

In March 2024, we launched our new mid-term management plan, and in line with this plan, we also renewed our Group HR Strategy. First, we defined the key message that forms the backbone of the Human Resources Strategy: "Empowering diverse human resources to maximize their potential, driving challenges and transformation." To become a global top-tier insurance group and a leader of the Japanese insurance industry future which is our vision for FY2030, each and every employee of the Group must take on daily challenges and maximize their capacity to transform both themselves and the organization. We have incorporated this strong sentiment into our key message and have made it the cornerstone of our HR Strategy. Based on this key message, the Group HR Strategy will develop measures based on five pillars.

Group HR governance will look at the Group as a whole and allocate human resources where they are needed to further business strategies, as well as review the succession plans of each Group company from the perspective of stable business continuity.

In terms of opportunities for success, we aim to create an organization with the strength and flexibility to realize sustainable enhancement of corporate value by encouraging motivated employees to take on challenges autonomously, and by proactively providing opportunities for them to succeed.

In the areas of talent acquisition and development, to support extending our business domains, including entry into non-insurance areas and overseas business expansion, we will strategically develop new graduate recruitment, mid-career hiring, and in-house appointments, as well as implement a wide range of training measures to enhance the expertise of our employees, the source of our corporate value creation.

In our personnel and compensation systems, we aim to elicit a sense of growth and fulfillment from employees through fair evaluation and performance-based compensation. We strive so that employees can directly experience the impact that their daily efforts have on corporate value.

Finally, corporate culture and well-being are important foundations of the Group's HR Strategy. The Group will further promote diverse work styles along with health and productivity management to create an open and dynamic corporate culture in which all organizations are full of diversity, and where all employees can flourish with vitality and peace of mind.

In this rapidly changing environment, the driving force for the Group's growth is our human resources, and we will implement the HR Strategy based on the belief that the diversity and expertise of each and every employee is our most important management resource. In addition, through individual measures based on the five pillars, we will maximize the potential of the Group's HR, leverage diversity as a strength, and strive to achieve the sustainable enhancement of corporate value.

Our commitment to employees

In a complex and changing business environment, human resources are the driving force to execute management strategies and realize our purpose. The Dai-ichi Life Group has been committed to the brand message of "By your side, for life" for more than 100 years, and this sentiment is expressed in our Employee Philosophy Statement, and shared with Group companies around the world. To realize a world in which all employees can thrive and demonstrate their individuality, and to further enhance our corporate value, we are working to develop human resources, strategically assign human resources, and foster a corporate culture in which diverse human resources can maximize their potential.

The Dai-ichi Life Group Employee Philosophy Statement

Growth is not a solo endeavor.
As over 100 years of experience has taught us,
growth comes from belonging to something bigger than ourselves.
At Dai-ichi Life Group, we are by your side, growing with you.
Challenging you. Supporting you to prosper.
Protecting the well-being of all, now and for the future.
Wherever you are with us, and wherever you go in our group,
we work together to open up a world of opportunities.

Status of human capital enhancement

Five pillars of HR strategy	Progress index*5	April 2022	April 2023	April 2024	Target (April 2025)	Connection to corporate value creation	
Group HR governance	Human capital shift (including natural attrition)	682ppl	1,211ppl	2,016ppl	ca.2,600ppl	Implement business strategies	The Dai-ichi Life Group that is continuously chosen by customers
Talent acquisition and development	Number of core DX talent*1	100ppl	254ppl	353ppl	850ppl		
Personnel and compensation systems	Number of candidates for future global management leaders	241ppl	286ppl	314ppl			
Opportunities for success	Number of global job-posting positions (cumulative)	8	13	26	40		
	My Career program applicants	302ppl	371ppl	411ppl			
	Percentage of female executives*2	12.1%	13.4%	13.7%	30% (2030)	Organizational culture that thrives on diversity	
	Percentage of female organizational heads*3	16.5%	18.5%	19.1%	30% (2030)		
Corporate culture and well-being	Uptake rate/number of days of childcare leave taken by male employees*4	92.3% 11.8 days	100% 21.5 days	100% 23.1 days	100% 1 month	Employee well-being	
	Percentage completing secondary medical exams	85.7%	87.6%	87.6%	100%		

*1 Fundamental reform of the DX talent development program was implemented starting in FY2024. Results as of April 2024 are based on the previous definition of DX talent development. The target is the total number of employees in Phase 1 and 2 (see P.92) based on the new definition of DX human resource development.
*2 The total for Dai-ichi Life Holdings and Dai-ichi Life
*3 The total number of general managers and line managers, which are the organizational leaders among the management-level positions at Dai-ichi Life Holdings and its three domestic life insurance companies (Dai-ichi Life, Dai-ichi Frontier Life, and Neo First Life)
*4 The total for Dai-ichi Life Holdings, its three domestic life insurance companies, and ipet Insurance. Calculated in accordance with the calculation standards for the ratio of childcare leave taken, etc. required to be disclosed under the revised Child Care and Family Care Leave Act (effective April 2023) (if the result exceeds 100%, it is indicated as 100%).
*5 The total for Dai-ichi Life Holdings and its three domestic life insurance companies excluding the number of global job postings, figure of *2 and *4

Group human resources governance

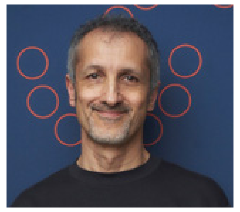
Allocating the right people in the right places to support business expansion

In addition to the promotion of the domestic protection business and the asset formation/succession business, the Group is extending its business domains by further expanding its overseas business and entering into non-insurance areas. In Group HR governance, we acquire the human resources and capabilities necessary to execute our business strategies, flexibly allocate human resources to focus areas, and strengthen cooperation with Group companies. By strengthening the Group's governance through optimal allocation of human capital and acquiring new perspectives, the HR Strategy is closely linked to each business strategy even in a rapidly changing business environment, and we are developing various measures to maximize the potential of our human resources.

Appointment of external human resources as executive officers

Since 2007, the Group has made a full-scale entry into the overseas life insurance business, and has continuously challenged and transformed itself in response to changes in the business environment, including demutualization and listing in 2010, and the transition to a holding company structure in 2016. In recent years, the environment surrounding the Group has been changing even more quickly with the rapid evolution of digital technology and generative AI, the emergence of geopolitical risks in various parts of the world, and increasing uncertainty in macroeconomic and financial markets. In such a business environment, it is essential to utilize human resources who can contribute to value creation beyond the boundaries of gender, age, nationality, and so on, so that the Group can achieve growth as a global top-tier insurance group by FY2030.

To build a strong governance structure to support Group management, we are strengthening our efforts to diversify our human resources by appointing outside talent as executive officers. Starting with the appointment of Senior Managing Executive Officer Stephen Barnham as Chief Information Officer and Chief Digital Officer in 2023, we have continued to develop an environment that strengthens governance and drives innovation from a personnel perspective by securing a diverse range of highly specialized human resources, including welcoming a Chief Compliance Officer, a Chief Communications Officer, and in FY2024, a Chief Data and AI Officer.



Stephen Barnham
Chief Information Officer and Chief Digital Officer

Webster Coates
Chief Compliance Officer

Kyoko Wada
Chief Communications Officer

Figen Ulgen
Chief Data and AI Officer

Governance for overseas Group companies

The Group has established compensation guidelines for the CEOs of overseas Group companies and ensures fair and competitive compensation based on the Group mid-term management plan, each company's business stage, market standards, and other factors. This approach aims to promote value sharing with shareholders and recruit and retain talented CEOs who will drive the Group's growth. Operating under these guidelines, we ensure transparency and fairness in compensation levels and decision-making processes, while respecting local regulations, market practices, and the authority of the decision-making bodies of Group companies.

From the perspective of Group human resource governance, we recognize the critical importance of managing succession plans for the top management at subsidiaries. We assist our overseas Group companies in developing succession plans for key management personnel and centrally manage these plans. Each company identifies candidates at an early stage and trains them to ensure stability and continuity of management. In particular with regard to CEO successors, we are deeply involved in the selection process as the parent company, including interviewing candidates, and work together with subsidiaries to ensure smooth successions.

Strengthening coordination with human resources departments at overseas Group companies

As a group that operates globally, we have formed task forces and working groups on specific themes with personnel in charge of human resources in each country in order to promote the advancement of Group management from the aspect of human resources. These meeting bodies regularly engage in dialogue on a wide range of topics, such as the development of future management-level personnel and philosophy sharing, with the aim of creating synergies across countries, and have contributed to the growth of the entire Group through the implementation of numerous group-wide measures.

For example, we provide various measures for the next generation of Group leaders to acquire a global management perspective, and prepare tools for new employees that communicate the Group's history, philosophy, and other qualities so that each employee can feel that they are a part of the Group.

In addition, to instill our philosophy throughout the Group, we have formed a working group on the theme of DE&I in different countries, and plan and operate a DE&I Summit, which will be described later.

Allocating human resources aligned with business strategy

We will implement a strategic shift of about 3,400 human resources by FY2026 to realize the business strategies of each Group company and to build a foundation that will enable diverse human resources to realize their full potential. We are committed to promoting the optimal allocation of diverse and specialized human resources across various areas to enhance the business efficiency and profitability of Dai-ichi Life Insurance. This includes rotating personnel into expanding business areas such as digital technology and international operations along with new businesses including ipet and Benefit One, and bringing in human resources from both inside and outside the Group to assume key roles at Dai-ichi Life Holdings, which steers the entire Group.

In addition, career rotations as a strategic shift of human resources play a part as investments in cross-boundary learning for employees. The skills and experience acquired by employees who have had career rotations will be utilized to realize business strategies and enhance corporate value at Group companies. Furthermore, career rotations contribute to ensuring the sustainability of local communities and society as such staff take part in solving social issues through dispatch to local governments and other organizations.

Employee voices

Benefit One
Sales Promotion Department,
Sales Office
Ai Yamamoto

At my current workplace, I am in charge of promoting efforts to create synergies between the Dai-ichi Life Group and Benefit One. Through service proposals for Benefit Station, efforts to increase utilization rates among companies and organizations that have already implemented Benefit Station, and the provision of new products and services through the platform, we hope to help solve issues and enhance the value of experiences for companies and organizations. We will boldly take on the challenge of new initiatives as a unified Group, aiming for value propositions that go beyond the insurance domain.

Fukui City Government
General Affairs Department,
Future Creation Promotion Bureau
Mika Tsubota

I applied to this program because I wanted to help women who are trying their best to balance work and family life. Currently, I am in charge of organizing social events for working women, disseminating information about role models on social media, improving the workplace environment including promoting male employee childcare leave and improved engagement, and projects related to career design for students. I feel that my outlook has been greatly broadened by listening to the voices of corporate executives, working women, and students, and by recognizing the need to conduct business while communicating with people outside the government based on multiple perspectives, such as raising awareness, improving the workplace environment, and promoting the sharing of household and childcare responsibilities. I would like to leverage this experience to solve various issues and create an environment where everyone can work in their own way in the future.

Opportunities for success

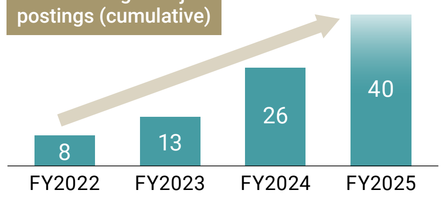
Ensuring each employee can maximize their potential

To enhance corporate value, it is essential that each employee has opportunities to maximize their potential. That is why one of the key themes of the Group's Human Resources Strategy is providing opportunities for success. The Group is active in a wide range of fields both in Japan and overseas, and actively supports the autonomous efforts of employees who seek to learn and grow through the career rotation system that spans different positions and countries. We will also continue our efforts to create opportunities for women to succeed, based on the belief that the creation of new corporate value comes from the participation of human resources with diverse values, perspectives, abilities, experience, and expertise in sharing their opinions and taking part in decision-making.

Global job postings

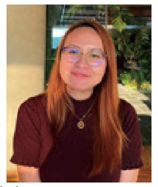
We have been running global job postings since 2022 as an open recruitment system to encourage each employee of the Group, both in Japan and overseas, to take advantage of their expertise and experience beyond their current Group company and country, and to obtain opportunities to work globally on their own.

Number of global job postings (cumulative)



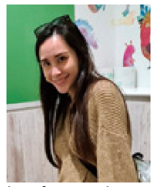
Feedback from global job postings participants

From TAL to Dai-ichi Life Holdings
Sarah Khoo



I applied for a position in the International Life Insurance Business Unit at Dai-ichi Life Holdings as I was interested in learning more about other life insurance markets and wanted to challenge myself both professionally and personally. I have gained a greater appreciation for how activities and decisions at TAL interact with the goals and projects of the Group as a whole. I believe my experience and the different perspectives I have gained will allow me to add more value to the work I am involved in, and thereby allow me to grow in my career.

From DLI Asia Pacific to YuLife
Nicola Koh



I applied for the position "International Expansion Specialist" at YuLife because I wanted to challenge myself in a new environment and gain a global perspective of the insurance industry. Immersed in the vibrant company culture, I was warmly welcomed into a diverse and inclusive environment that fostered creativity and collaboration. During my time in the UK, learning the innovative ways in which YuLife approaches sales and marketing, among other things, has enriched my professional knowledge. I also acquired invaluable skills in cross-cultural communication, problem-solving, and adaptability, which strengthened my personal growth. I am excited to leverage these skills and knowledge to drive further innovative projects within the Dai-ichi Life Group, and enhance the Group's global strategy and success.

Comments from person in charge

Manager, Global HR Strategy Group, Human Resources Unit
Haruki Takeyoshi

We operate global job postings throughout the Dai-ichi Life Group, both in Japan and overseas, with the aim of closing the human resources gap within the Group by encouraging participation in Group initiatives across countries and companies, providing Group employees around the world with opportunities for growth beyond their own countries and companies, and allowing them to feel a part of the Dai-ichi Life Group. We aim to create an environment where employees can develop their own careers and where diverse human resources can play an active role regardless of gender, age, background, or nationality.

Enhancing opportunities for autonomous career development

We operate the My Career program as a system that encourages each employee to think about what they want to do and become, take on challenges, and carve out their own careers. We offer a wide range of roles that enable employees to flourish beyond the traditional scope of insurance at companies both inside and outside the Group. The number of open positions, applicants, and accepted candidates is increasing year by year, and an era where employees can choose their own career paths is increasingly becoming a reality. By having employees take on the challenges of jobs based on their own career visions, we will allow each employee to maximize their skills and potential and ensure that all employees will work together to improve the value of the customer experience and transform and grow the Group as a whole.

My Career Program

	2022	2023	2024
Number of job postings	222	301	369
Number of applicants	302ppl	371ppl	411ppl
Number of successful candidates	93ppl	141ppl	153ppl

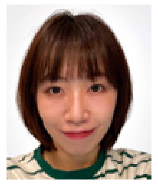
Development of female leaders and initiatives to achieve our goals

In Japan, we are working to strengthen our development pipeline and augment our pool of human resources with the goal of increasing the percentage of female executives and organizational heads to 30% by 2030. Along with enhancements to tiered training, when executives select candidates for management posts in the divisions they are in charge of, executives ensure that 30% of the candidates for each post are women. In addition, to create opportunities for the executives themselves to see and develop candidates, they regularly hold 1-for-1 (Dai-ichi Life's version of 1 on 1) meetings with candidates from divisions with which they do not normally have contact.

TAL runs Female Sponsorship Programs to develop female leaders at the middle and senior management levels. The program, which incorporates the concept of sponsorship, allows participants to develop strategic thinking and business insight through workshops, project work, and executive coaching sessions over a five-month period while building relationships with sponsoring executives and department heads. It is also an opportunity for sponsors to better understand the potential of their next generation of female employees. Through this program, TAL has been able to produce female leaders.

Feedback from participants in the program

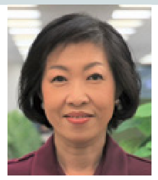
Dai-ichi Life
Policy Service Quality Control Division, Policy Service Department
Mihoshi Kumano



As most of my experience has been within the same department, I had been feeling a bit of inadequacy due to my lack of experience in other departments and areas. However, Ms. Kitahori encouraged me by advising, "There are seeds of transformation that only someone with your knowledge and understanding can notice," and this reminded me of the potential for my own expertise to contribute to the organization. The cross 1-for-1 sessions*, which were opportunities to openly share issues and concerns and receive direct feedback and insights, were a great opportunity to consider the perspective and viewpoints necessary for my own future career.

*1-for-1 session with an executive responsible for another department.

Director, Managing Executive Officer, Dai-ichi Life Holdings, Inc.
Chief Customer Experience Officer
Takako Kitahori



Having spent most of her career in the same department, Ms. Kumano was concerned about the narrow scope of her own experience. However, because she was so familiar with that department, she had deep insight on the issues, and through our dialogue I got a sense for her eagerness to bring about a transformation. Ms. Kumano gave me a lot of inspiration, and hearing her transformation plan filled me with confidence about the future of the Group.

TAL
Head of AMP Partnerships
Wendy Lim

I was fortunate to be selected for this program and had the privilege to interact with ET and Senior Leaders, who are sponsors of the program. I learned the importance of sponsorship within the business to help shape my career aspirations and build connections. I also had the opportunity to participate in 1-for-1 executive coaching sessions allowing me to explore and reflect on my personal brand. This program really empowers all the women to be better versions of themselves and understand how to own our careers with confidence and clarity. I have recently been promoted to a more senior role within TAL. It was truly a wonderful experience, and I highly recommend the program.

TAL
Head of Governance & Risk
Enza D'Agostino

My experience on the Female Sponsorship Program was by far one of the best development programs I have attended at TAL. I have been both a participant and a sponsor in the program; it's a journey that keeps on going. I have built strong professional and personal connections. Our common bond, founded through the program, allows us to have open and honest conversations when our paths cross on business matters, which leads to a great TAL culture. It's also great to see the support and investment of time from all the sponsors in continuing to make themselves accessible well after the program has ended.

The Dai-ichi Life Women's Day

The Dai-ichi Life Women's Day was held in conjunction with International Women's Day and Women's Health Week as an event for domestic Group companies to promote DE&I. A lecture and discussion on "DE&I Promotion and Support for Women's Health" touched on the significance of respecting diversity and the need for equity, as well as understanding and supporting women's specific health issues, providing an opportunity for each employee to think about what they can do from their own perspective. In addition, many male employees took part in an event to experience simulated menstrual pain,* allowing them to gain a firsthand appreciation of women's health issues. Through these efforts, we are promoting mutual respect and a fair and inclusive culture by spreading understanding of DE&I.

*Experience using "Perionoid," a VR experience device that simulates menstrual pain produced by Osaka Heat Cool Inc.

Global DE&I promotion

We began promoting DE&I throughout the Group in 2022 and held our second online event, the Global DE&I Summit, in 2023. The theme was "Inclusive Leadership," which is essential for promoting collaboration and fostering an inclusive culture. The event provided an opportunity for more than 70 employees from around the world to learn together toward practicing inclusion, and featured panel discussions and group discussions with CEOs from our Group companies in the US, Myanmar, and Japan, as well as outside speakers.

In November 2023, TAL and domestic Group companies held a discussion event for female executives to share insight about the active participation of women. Despite the differences in the customs and culture of each country and company, there are many commonalities in the working environment and awareness of issues, and the participants learned from each other about how to work, how to create an environment that makes the most of their abilities, and how to support those around them. We also reconfirmed our commitment to each other to create an environment in which human resources with various professional backgrounds and skills can demonstrate their individuality. We will continue to create a corporate culture that leverages diversity through Group-wide efforts to promote understanding and action on DE&I.

Reference data for expanding the female leadership base

Percentage of female managers*1	Percentage of female managers*2 (global)	Percentage of female organizational heads*3	Percentage of female executives*4
29.6%	34.9%	19.1%	13.7%

*1 The total for Dai-ichi Life Holdings, its three domestic life insurance companies, and ipet Insurance
*2 The total for Dai-ichi Life Holdings, Dai-ichi Life, Protective Life, TAL, Partners Life, Dai-ichi Life Vietnam, Dai-ichi Life Cambodia, Dai-ichi Life Myanmar, Star Union Dai-ichi Life, and OCEAN LIFE
*3 The total of line (section) managers and line general managers who head organizations among management positions at the Company and three domestic life insurance companies.
*4 The total for the Company and Dai-ichi Life

Talent acquisition and talent development

Securing a competitive advantage by acquiring talent and developing human resources

As the job market environment intensifies on a global level on a daily basis, the hiring and training of human resources to execute business strategies is the driving force behind our growth. To achieve transformation, meet challenges, and become a global top-tier insurance group, we must attract employees with diverse skills and backgrounds from all regions of the world. Through the promotion of course-specific and career-based recruitment and proactive investment in human resources, the Group is developing various measures to attract diverse human resources and draw out their potential.

Total investment in employee training

2022	2023	2024
¥500mn	¥520mn	¥880mn (plan)

Total amount and time invested in 1-for-1 activities (annual estimate)

Total Time	ca. 37,000 hours
Total Cost	ca. ¥270mn

Recruitment of human resources

To transform from a traditional insurance business to an insurance-related service provider, it is essential to have diverse and highly specialized human resources, and we are strengthening our efforts in both new graduate and mid-career recruitment.

We have been implementing course-based hiring in the recruitment of new graduates and have added new courses in "Asset Management," "Overseas," and "Accounting and Taxation" for new hires starting in April 2025. In addition, to focus on recruiting human resources who will play a central role in driving the Group's digital transformation (DX), we have renewed the existing "IT & Systems" course as "IT & Digital."

After joining the Company through this course-specific recruitment, an employee will be assigned to a specific department for a certain period of time to enhance their expertise, and then be rotated based on their own preferences and aptitude. This aims to leverage employees' specialized skills in various fields to achieve strategic goals. In addition, we are working harder than ever before at mid-career recruitment, and we aim to bring in knowledge from outside the Group and achieve further innovation by diversifying our human resources.

	FY2021	FY2022	FY2023
Percentage of mid-career hires	34%	47%	42%

Note: Mid-career hires as a percentage of core positions filled

Global human resource development

To secure human resources who can work globally, we continuously provide opportunities for growth through overseas study and traineeships, and implement initiatives to improve practical global business skills. We offer a wide range of programs to our employees in an active effort to develop global talent with specialized skills and management capabilities at an early stage in their careers to support our overseas business expansion. These include programs that encourage young employees to take on challenges through in-house recruitment, programs to foster a global mindset for all employees, and programs for mid-level employees to collaborate with non-Japanese employees, mainly through overseas dispatch-type training programs.

Development of DX-oriented human resources

We aim to develop human resources who can transform business models and improve business efficiency by utilizing digital technologies to solve the challenges faced by customers and employees.

As part of our OFF-JT program, we offer basic programs in design thinking, product management, data science, software engineering, UI/UX design, and digital marketing to all employees. To further promote DX, this year we renewed our definition of what constitutes DX-oriented human resources. To expand the tier of expert employees who will be responsible for implementing DX, we will work on cultivating the digital utilization tier of employees at an early stage.

Expert tier	DX Phase 5	Phase 4 role + Responsible for the widespread adoption of digital technologies, with the ability to teach advanced DX programs based on own experience
	DX Phase 4	Phase 3 role + High-level expertise and the ability to complete advanced tasks/projects on own
	DX Phase 3	Ability to proactively lead DX strategy planning and project promotion
Digital utilization tier	DX Phase 2	The ability to utilize digital information that is immediately useful for internal operations and proactively share it with others in the organization
	DX Phase 1	Ability to perform daily operations quickly and accurately using a variety of applications used in business
Starting tier	DX Phase 0	Level before DX Phase 1

Personnel and compensation systems

Systems supporting our Human Resources Strategy

To execute the Human Resources Strategy and realize the Group's vision, we need systems that support the challenges being taken on by the Group, including the systematic discovery and development of the next generation of human resources and a compensation system that enables employees to directly experience their own growth and the enhancement of the Group's corporate value. In keeping with this basic approach, the Group's personnel and compensation systems are designed to ensure that the fruits of corporate value enhancement are returned to employees in an effective and equitable manner, in addition to providing a framework for the sustainable development of talent.

For the other four pillars of our Human Resources Strategy to create a positive synergy, we will work to further enhance our personnel systems as a solid foundation for our employees around the world to enthusiastically pursue our common goal of growth for the entire Group.

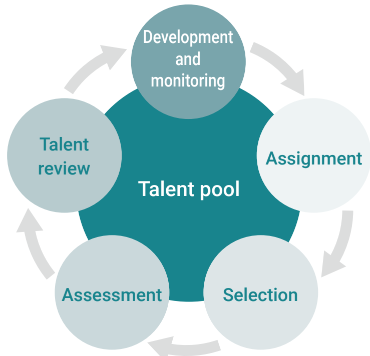
Stock-based compensation program

This year, we introduced a stock-based compensation program for employees to raise awareness of participation in management through ownership of the Company's shares and to provide incentives to improve corporate value over the medium to long term. Under the program, a certain number of the Company's shares will be granted to employees* each year through the Employee Stock Ownership Plan. In addition, we have introduced a system under which senior management receive additional shares based on the degree to which performance conditions are achieved in order to further incentivize them to improve the stock price and business performance. Through these programs, we will promote medium- to long-term asset formation among employees, increase employee satisfaction, and, at the same time, promote further value sharing between employees and shareholders.

*Limited to members of the Employee Stock Ownership Plan

Efforts to sustainably produce talent

One of the Group's management strategies is to make a strategic and continuous effort to identify and develop the next generation of leaders. We continue to implement a series of processes for each major position, starting with the identification of candidate talent, followed by assessment through external evaluation, periodic talent reviews throughout the year, and then development and monitoring.



Domestic talent management

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

Global talent management

For overseas Group companies, we have introduced a common Group-wide framework for talent management. Discovering and fostering the next generation of leaders as a Group, together with overseas Group companies in diverse environments, is growing in importance. To create synergy within the Group, in addition to candidates for management leaders at each company, we are working to identify and develop human resources who can contribute to global business beyond national borders.

Building and expanding the talent pool

Corporate culture and well-being

Improving well-being and fostering a supportive corporate culture

Fostering a free and open organizational culture in which employees around the world respect each other's individuality is a prerequisite for implementing the Group's Human Resource Strategy. The Group also practices health and productivity management that not only advances the health of employees but also contributes to customers, communities, and society as a whole, aiming to contribute to the well-being of each and every one of us. To realize employee well-being, which is the foundation of our efforts, we promote safety and health initiatives and work daily to create a comfortable workplace environment and culture. In FY2023, we established the DE&I Statement to communicate our basic approach to DE&I and our commitment as a Group both internally and externally. Under this statement, we will promote the creation of an inclusive environment where our diverse employees respect each other and actively contribute to the creation of value as an organization.

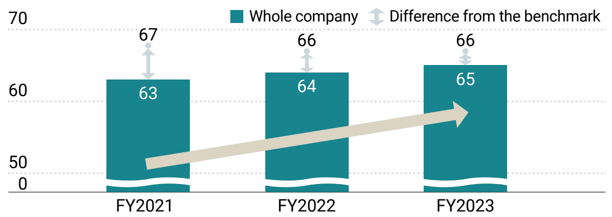
DE&I Statement
https://www.dai-ichi-life-hd.com/en/sustainability/initiatives/diversity.html

Initiatives to improve employee engagement

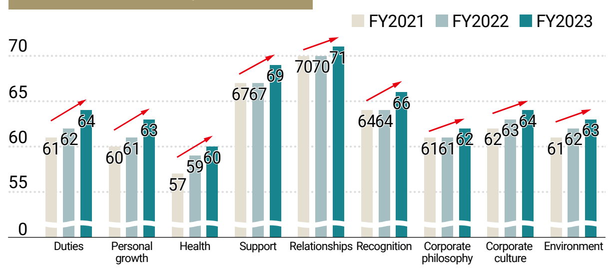
We consider a state in which employees are proactively engaged in their work as one of the outcomes of human resource management, and employee engagement is a key indicator of this. We and our three domestic life insurance companies introduced engagement surveys in FY2021 and have been conducting them on an ongoing basis. We have also made active efforts to improve engagement leading to an improvement in the overall score.

Improvements were seen in the overall score and in all nine components, with FY2023 scoring the highest since the survey began. The "corporate philosophy" component, which indicates the degree of understanding and extent to which employees identify with the business direction, had been an issue, but the score has steadily improved as a result of continued efforts to deepen understanding and appreciation for management strategies by providing opportunities for dialogue between employees and management, such as by sending out messages from the President and holding town hall meetings. Through these efforts, some employees have commented that they have a better understanding of the management vision and a heightened awareness of the need for change.

Overall engagement scores and comparison to the benchmark



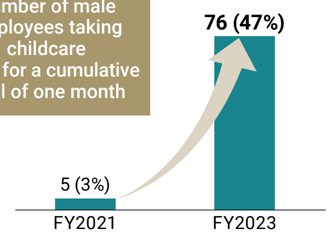
Changes in scores by component



Promoting diverse work styles

To promote the success of employees from various backgrounds, we are working to support the balancing of work with childcare, medical treatment, and nursing care. To encourage male employees to proactively participate in childcare and housework, we are implementing initiatives that go beyond the legal requirements, such as holding pre-parent seminars, utilizing written plans for taking childcare leave for supervisors and subordinates, and granting up to 20 days of paid leave. We also hold management-level "Ikubosu" seminars and training for all employees regarding support for a work-life balance, and promote the creation of a workplace environment in which everyone can balance work and life.

Number of male employees taking childcare leave for a cumulative total of one month



Promotion of health and productivity management

We promote Health and Productivity Management by working to prevent serious illnesses, supporting women's health, and implementing measures to help employees balance work and family life through health maintenance and promotion measures based on two pillars: prevention of lifestyle diseases and mental health measures. In addition to continuing efforts aimed at individuals, such as promoting secondary health checkups, we have stepped up organization-level efforts through health events and other activities. The synergistic effects of individual and organizational efforts have also led to a reduction in the number of severe cases of lifestyle diseases and improved engagement. We will continue to support the well-being of our employees, who are tasked with solving the social issue of extending healthy life expectancy and narrowing the gap between the average life expectancy and healthy life expectancy.

IT and Digital Strategy

**Reimagining the future of insurance and creating outstanding experiences that delight our customers and improve productivity.
Through our technology and digital strategies, we will create unprecedented new synergies across Group companies and contribute to the enhancement of the Group's corporate value.**

Senior Managing Executive Officer
Chief Information Officer & Chief Digital Officer
Stephen Barnham

Vision

- Create a superior CX through digital transformation
- Pioneer new tech driven business models
- Maximize return on tech investments and build Group synergies globally
- Internalize technical capability through industry leading talent

Message from the CIO & CDO

Over the past year since my appointment, we have advanced toward becoming a digitally driven, leading, global insurer. Our IT and Digital strategies enable us to innovate, improve efficiency, and enhance customer experience (CX), while driving long-term growth and sustainability. We set our Vision for FY2030 and launched our mid-term management plan of which technology and digital are key elements. The plan supports our main stakeholders of employees and customers across the world with a focus on investment in new technology driven business models. Here are some examples of this.

In Japan, through our collaboration with YuLife, a UK Insurtech start-up, we rolled out an initial product to our staff and selected customers, confirming the YuLife product/market fit.

In Australia, TAL's Direct to Consumer products via a modern digital architecture have supported a more personalized and dynamic customer experience. This is a notable example of how we are using digital to improve the customer experience. In the US, Protective Life has created a secure and self-service website called the Velocity Purchase Portal, which is available 24/7 and accessible via mobile or tablet, that allows the customer to complete the purchase of life insurance online. In New Zealand, Partners Life has created PolicyPedia, which is funded by the internal Innovation Fund. This is an interactive AI chatbot designed to aid understanding of complex guides and rule books. User feedback has been favorable, and we aim to extend its usage. These are only some of the examples where we are applying digital to improve the customer experience.

As other initiatives progress, working together with our Finance team, we will consolidate and centralize major vendor management under the Vendor Management Office. This will enable us to use our global scale to realize efficiencies, synergy across our businesses and establish deeper, longer-term strategic relationships with our technology partners. We have already commenced this through the formation of an inaugural global strategic alliance with Microsoft. This allows us to provide a superior CX and ensure cutting edge digital and AI tools across our Group.

Preserving "Digital Trust" and maintaining robust cybersecurity measures is essential for preserving customer confidence. Our approach comprises of a multi-layered defense strategy that emphasizes prevention through regular employee education and keeping abreast of evolving trends, conducting ongoing assessments and using state-of-art monitoring systems.

In addition, for our Group to continue to utilize technology and generate innovation in the future, we need to internalize our digital capabilities and acquire strong digital resources. To achieve this, human capital is important to us, and we have demonstrated this through a combination of talent development and several senior appointments.

First, Fred Stute joined us last year as the Head of Enterprise Architecture and will ensure our business-driven solutions are appropriate and support our strategic plans. Moreover, Isamu Ando was appointed this year as the Chief Executive Officer of DLTX. He will provide experienced leadership to develop cutting-edge digital solutions for our internal users and customers. Furthermore, Dr. Figen Ulgen joined us this year from an external technology company. She brings many years of experience in AI and data. As our Chief AI and Data Officer, she will lead our AI efforts and ensure we have a robust data strategy.

We will also be establishing a Global Capability Centre (GCC) to strengthen our internal Group technology capability. A specialized technical team led by Mr. Vikrant Tripathi, an experienced technology leader, has been assigned for this purpose.

We will continue to invest in technology as a critical differentiator for better serving our customers and ensuring our staff realize efficiency. It therefore forms the core of our midterm strategy and is key to us becoming a leading global insurer.

IT and Digital strategies to enhance corporate value

Technology and digital are critical drivers in our reimagination of insurance through innovation and are therefore at the center of our Vision for FY2030.

Our IT and Digital strategy focuses on four areas: CX & Digital Trust, New Business Models, Investment Value, and Talent & Organization. These support our digital mission of:

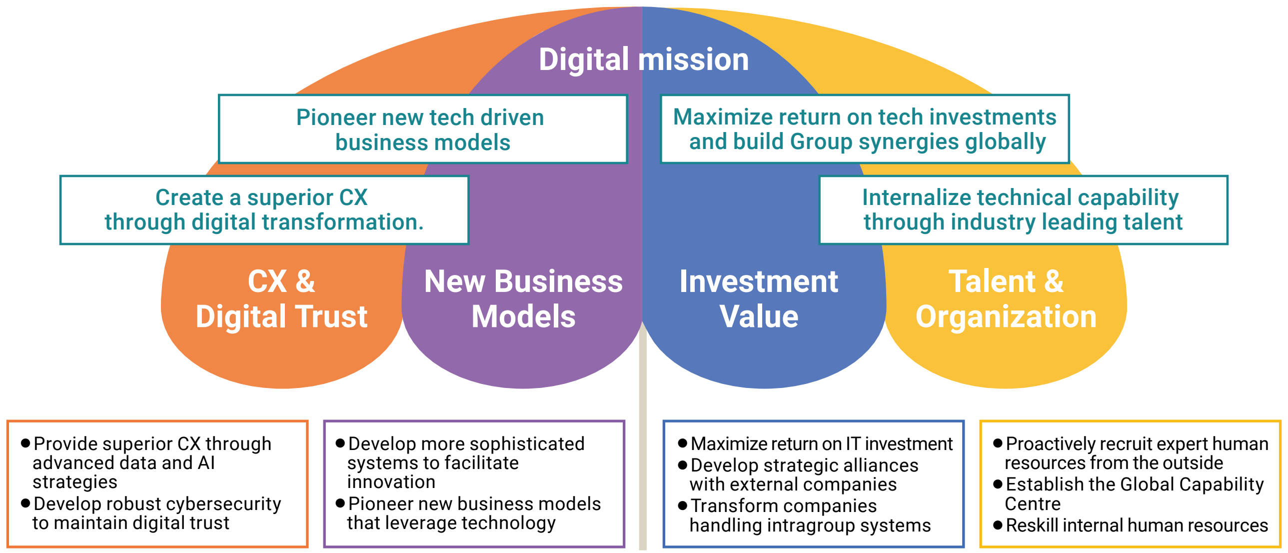
- Create a superior CX through digital transformation
- Pioneer new tech driven business models
- Maximize return on tech investments and build Group synergies globally
- Internalize technical capability through industry leading talent

The vision of digital and technology as a key driver of our business is shared by our business leaders across both Japan and globally. In collaboration, we will therefore use digital and technology to solve business and organizational issues, whilst realizing synergy across our Group. In this way we will further enhance corporate value.

Group IT and Digital Strategy

Digital strategy goal

**Win in a competitive landscape by differentiation through digital transformation.
Digital as a core area for strategic investment,
focusing on enhancing digital capabilities and customer engagement.
Positioning digital as a key growth engine, elevating us above competitors.**



Internalize digital organizational capabilities

Investment Value | Talent & Organization

The key to implementing IT and Digital strategies lies in the internalization of digital capabilities. All successful high growth companies possess strong in-house digital capabilities. This empowers them to differentiate themselves from competitors by rapidly launching digital services that address business challenges and deliver superior customer experiences. Our Group is actively advancing its efforts to internalize these capabilities by developing and recruiting senior leaders with specialized expertise and extensive global experience. They are leading major projects to bolster our internal digital capabilities.

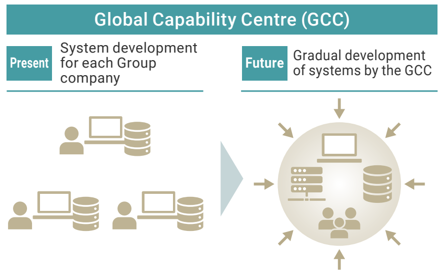
Furthermore, this year, as part of our strategic global partnership with Microsoft, we introduced a joint digital human resources development program. This initiative will enhance the digital skills of a wide range of employees and foster a more robust digital culture within the organization.

Additionally, organizational reforms—such as the launch of the GCC and the conversion of DLTX into a subsidiary of the holding company, will further drive the internalization of digital organizational capabilities.

Initiatives to internalize digital organizational capabilities

・Establishing the Global Capability Centre (GCC)

Since FY2024, we started considering the establishment of the GCC as a joint Group IT development organization with the aim of developing in-house IT digital human resources. In the future, the GCC will gradually take on IT development projects within the Group and accumulate the experience and capabilities to enable flexible, speedy, and highly efficient IT development.

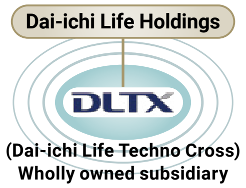


・Transforming companies handling intragroup systems

Dai-ichi Life Techno Cross Co., Ltd. (DLTX) was placed directly under Dai-ichi Life Holdings, Inc., and reorganized into a core subsidiary driving Group-wide DX. This will allow us to develop systems across the Group for domestic and overseas companies, and integrate contracts with external vendors using DLTX as a hub to standardize solutions and optimize procurement costs.

Message from the President of DLTX

Dai-ichi Life Information Systems Co., Ltd., which has been in charge of IT strategy as a subsidiary of Dai-ichi Life since its establishment in 1999, has been renamed Dai-ichi Life Techno Cross Co., Ltd., as a wholly owned subsidiary of Dai-ichi Life Holdings, Inc. to strengthen DX human resources and dramatically accelerate growth as a DX company. The term "Techno Cross" expresses our desire to create new value by crossing technology with business. As a core subsidiary driving the Dai-ichi Life Group's digital strategy, DLTX will pursue growth through dramatic transformations and challenging the status quo, contributing to the development of customers and society.



Isamu Ando

・Concluding a strategic global partnership with Microsoft

In August 2024, our Group signed a multi-year strategic global partnership with Microsoft. Microsoft has long been a technology partner of our Group, providing products and services that support mission-critical systems and collaboration, and our Group has built a relationship of trust by being the first in the domestic life insurance industry to adopt "Microsoft Azure" as a standard. This partnership will take the relationship between the two companies to a new level, and by establishing a structure that can effectively utilize innovative technologies (e.g., cloud services, AI, data analytics), the two companies will provide services that will solve the challenges faced by the Group and lead to superior CX.

Dai-ichi Life Holdings

Microsoft

Development of new business models New Business Models

・Strengthening the Innovation Fund and establishing a global community

Aiming to transform the insurance industry through innovation, since FY2021 we have been supporting domestic and overseas Group companies to conduct demonstration tests of innovative business ideas that will help the Group acquire new organizational capabilities over the medium to long term. In FY2023, we established a new system to support ideas in their early stages and expanded the operation of a global community to share and collaborate on conferences, hot news, digital health, AI, and other activities of each company in each region, as part of efforts to encourage more employees to interact and take on more challenges.

Dai-ichi Life Innovation Fund

・Strengthening collaboration with YuLife and considering full-scale implementation

Following the successful trial of the well-being business model with YuLife in Japan, which was announced in 2023, we are promoting further joint projects. This strategic partnership aims to leverage YuLife's strengths to provide innovative products and services that utilize technologies. By combining the expertise of both companies, we will meet the evolving needs of our customers. This initiative symbolizes our commitment to leading innovation and becoming a leading global insurer.

Developing more sophisticated data & AI strategies CX & Digital Trust

・Safe and efficient use of AI

We have appointed Figen Ulgen, who has abundant experience and a high level of expertise in the area of global companies, as Chief Data and AI Officer (CDAO) in charge of data and AI strategy & governance to support the utilization and promotion of data and AI throughout the Group. Under Dr. Ulgen's leadership, we will accelerate the Group's growth globally by utilizing technology in our business.

As a specific initiative, we are using Azure Sandbox to test Generative AI tools and evaluate various AI platforms, with the goal of providing an AI application sharing platform for safe and efficient use of AI throughout the Company. Our goal is to automate tasks such as report creation and document template generation while controlling the risks of using Generative AI, aiming to improve productivity. In the future, we will provide services that contribute to greater convenience for our customers, with a view to integrating various AI models in Japan and overseas.

・Message from the CDAO (Figen Ulgen)

We believe that AI and data are no longer an option but rather a requirement to stay competitive and delight our customers. When doing this, we are following a sound approach to AI and data utilization that does not get distracted by market hype, and we bring our people along by continually paving the way for the core functional workflows by integrating AI and Data Democratization wherever possible.

Promoting technology-driven sales activities (transformation of sales models)

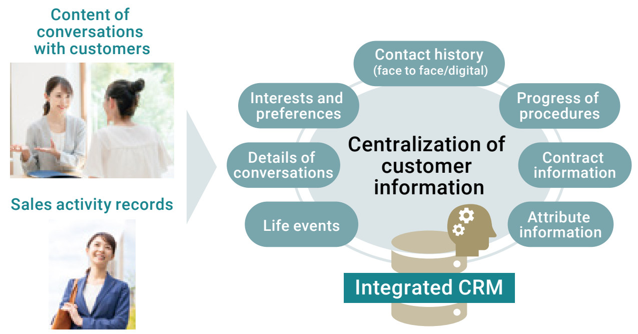
CX & Digital Trust

・Utilizing technology to "understand customers" and "enhance customer consulting"

We aim to deliver the best products and services to our customers at the right time and in the right way by combining the strengths of the physical and digital approaches. In addition, by proactively incorporating cutting-edge technologies such as Generative AI and cloud computing, we will seek to improve the productivity and business efficiency of our sales reps.

・Centralizing information to understand customers

To improve CX and channel productivity, we will build an integrated CRM infrastructure that consolidates the vast amount of information we hold and centrally manage it on a per-customer basis. We aim to achieve an understanding of our customers from all angles by sharing customer information and daily activity information among all channels that are close to the customer. In addition, the accumulated data will be used for marketing purposes to improve the productivity of our sales reps.



・Utilizing Generative AI to strengthen consulting

By utilizing the rapid development of Generative AI in recent years, avatars will accompany our sales reps as their partners, with the aim of maximizing CX.

Specifically, by integrating data accumulated through the above-mentioned integrated CRM with Generative AI, we aim to offer and recommend products and services at the right timing for each customer through our sales reps. To strengthen consulting, we will also enhance training aspects related to sales reps, pursuing CX that combines the strengths of technology and people.

Corporate Governance

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

Basic Approach to Corporate Governance

Initiatives to strengthen corporate governance

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

Corporate Governance Structure

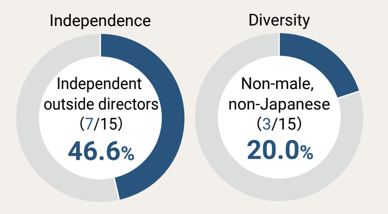
In addition to establishing an Audit & Supervisory Committee, we have appointed outside directors and established voluntary committees. Through this and other means, we have formed an effective corporate governance structure founded on external perspectives.

Overview of the corporate governance structure (as of June 23, 2024)

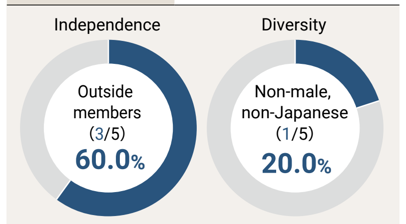
Corporate governance model	Company with an Audit & Supervisory Committee
Term of office for directors	1 year 2 years for directors serving as Audit & Supervisory Committee members
Maximum tenure in office	Outside directors: 8 years Directors serving as Audit & Supervisory Committee members: 12 years

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

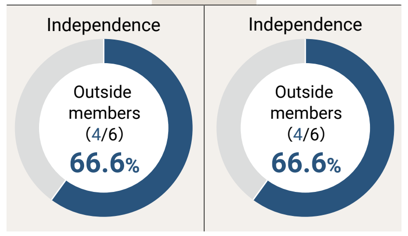
Board of Directors	
Number of meetings held	21
Chairperson	Seiji Inagaki (Director, Chair of the Board)



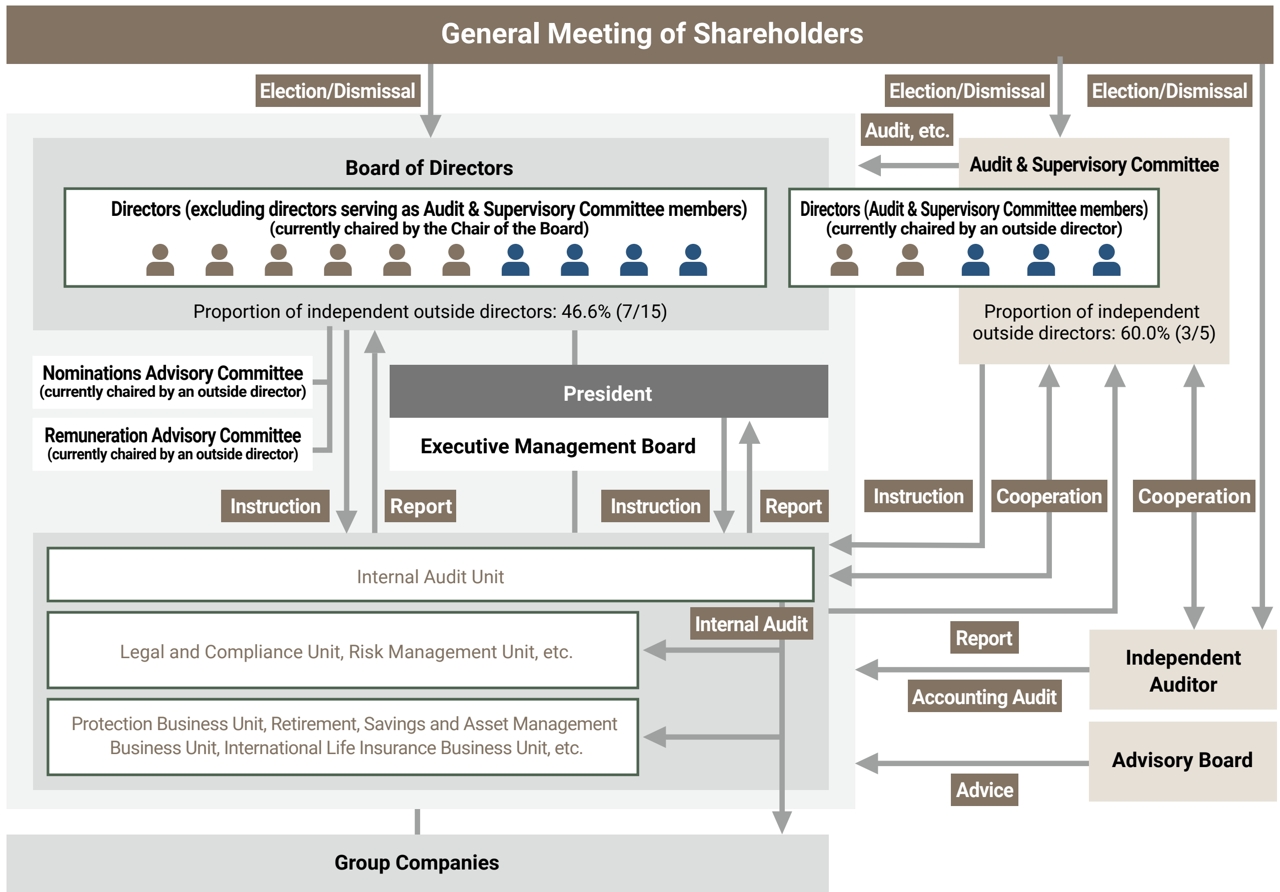
Audit & Supervisory Committee	
Number of meetings held	26
Chairperson	Rieko Sato (Outside Director)



Voluntary advisory committees		
Nominations Advisory Committee		Remuneration Advisory Committee
8	Number of meetings held	10
Koichi Masuda (Outside Director)	Chairperson	Koichi Maeda (Outside Director)



Corporate governance structure



Board of Directors' Functions/Composition

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

Roles

Audit & Supervisory Committee*	As a statutory institution independent from the Board of Directors, the Audit & Supervisory Committee is responsible for auditing the execution of duties by directors and our group internal control systems from a legal and appropriateness standpoint, and for performing a supervisory function over the Board through the expression of opinions on the appointment and remuneration. The 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. Each committee deliberates and decides on certain matters, and subsequently refers proposals to the Board. The main matters on which each committee advises the Board are as follows. ● Nominations Advisory Committee: Election and dismissal of directors of the Company and Dai-ichi Life, and Audit & Supervisory Board members of Dai-ichi Life ● Remuneration Advisory Committee: Issues related to remuneration of directors and executive officers
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, we have established the Advisory Board to seek extensive advice from outside experts on a medium- to long-term perspective regarding general management matters.

*Chaired by an outside director

Initiatives for Improving the Effectiveness of the Board of Directors

To further strengthen corporate governance, we have been conducting an annual self-assessment regarding the effectiveness of the Board of Directors since FY2014 to ensure the validity of decision-making by the Board of Directors and have utilized this for improvements in the following fiscal year and thereafter.

For the FY2023 assessment, a third-party organization conducted a one-hour interview with all the Directors individually after conducting an anonymous survey of all the directors in advance. The advance survey consisted of 26 questions in eight categories: “Overall Evaluation,” “Structure,” “Discussion,” “Operation,” “Culture,” “Committee,” “Self-evaluation,” and “Others.” After receiving an evaluation based on the responses to the advance survey and individual interviews, as well as future issues and proposed directions for action from the third-party organization, improvement measures were considered and implemented.

In addition, for FY2023, each Director was interviewed individually for 30 minutes by a third-party organization as part of a mutual evaluation (peer review) of directors. This is intended to provide an opportunity for each director to gain insight into further enhancing their contribution toward further improvement of the effectiveness of the Board of Directors.

FY2023

Issues	Improvement measures
(1) Enhance group governance structure	● Share awareness of significant issues for group governance and deepen discussions on management indicators that should be monitored as a board of a shareholding company, which will be reflected in the formulation of the new mid-term management plan.
(2) Deliberate and engage as to the ideal shape of the Board of Directors in the pursuit of enhancing corporate value	● Share awareness periodically among directors as to themes requiring discussions. ● Clarify points in question in strategic discussions to utilize the expertise of outside directors and provide information and prepare materials conducive to active discussions. ● Continue to offer opportunities for outside directors to deepen their understanding of our business through off-site meetings, etc. ● Provide more opportunities for communications between outside directors and executive officers.

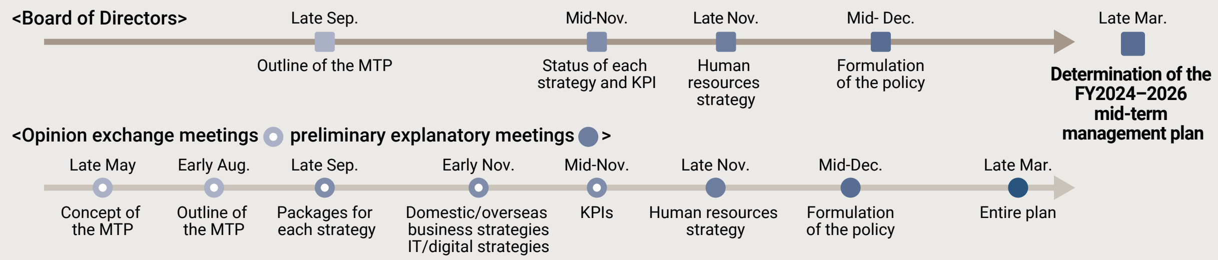
FY2024

Issues	Improvement measures
(1) Enhance group governance structure	● Strengthen reporting from CxOs and Group Heads. ● Strengthen reporting on business strategies from overseas and non-insurance operating companies.
(2) Enhance the Group’s strategy discussions	● Discuss the Group’s resource allocation and the medium- to long-term business portfolio using off-site meetings, etc.
(3) Further enhance the functions of the Board of Directors secretariat	● Improve the feedback from the Office of the Board of Directors to each department for setting appropriate agendas and stabilizing the quality of explanatory materials. ● Improve the model of summary materials used for explanations to clarify the issues of a proposal. ● Provide materials to directors earlier to allow time for them to understand the content of the agenda in advance to enhance discussions.

Examples of specific improvement initiatives for FY2023

(1) Enhance group governance structure

- Further consolidate how to apply our governance to the operating companies as a group governance issue.
- Discuss the determination of indicators for achieving adjusted ROE that exceeds the cost of capital to set proper KPIs for the new mid-term management plan as management indicators to be monitored by the holding company, and discuss changing definitions, etc. toward the introduction of new economic value–based regulations at the end of FY2025.
- Provide enough time for discussion of proposals related to the new mid-term management plan by using opinion exchange meetings and preliminary explanatory meetings (Schedule is as follows).



(2) Deliberate and engage as to the ideal shape of the Board of Directors in the pursuit of enhancing corporate value

a) Share recognition of the themes to be discussed

- At the first meeting of the Board of Directors in FY2023, the Chairperson shared the policy of emphasizing strategic discussions, appropriate risk-taking, and highly effective supervision of execution during the year.
- An annual schedule of the agendas was established to achieve effective scheduling and discussion content backcasting from the status expected at the end of FY2023.
- The Board of Directors agreed to update or reschedule the agenda as necessary depending on the progress of discussions and changes in circumstances, as appropriate.

b) Clarify issues in materials

- Provided a model for summary materials to fulfill the elements that contribute to activating discussion.
- The Office of the Board of Directors conducted a preliminary review of the materials and provided feedback for further clarification of issues as necessary.

c) Foster outside directors’ understanding of the Group businesses and further enhance communication opportunities

- Through dialogue between outside directors and executive officers and inspection of business offices, deepened mutual understanding of our issues and direction to be pursued, and strengthen the foundation for discussions on the formulation of the mid-term management plan, etc.

(3) Other initiatives to improve the effectiveness of the Board of Directors

- Flexibly provided opportunities for discussion to encourage proactive risk-taking by executives including acquisitions, and fully exercised the functions of the Board of Directors (six extraordinary meetings of the Board of Directors and three extraordinary meetings for the exchange of opinions).

Knowledge and Experience of the Company's Directors (Director Skill Matrix)

We define the knowledge and experience necessary for directors as follows in order to fulfill the Company's supervisory function as a holding company and to appropriately implement its mid-term management plan. Specifically, we define (1) to (7) below as the knowledge and experience required for directors of an insurance holding company based on the characteristics of the life insurance business, and (8) to (11) as the knowledge and experience regarding important future business strategies and management issues based on the mid-term management plan.

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

Name	Title	(1) Corporate management	(2) Global	(3) Insurance business	(4) Finance/ Asset management	(5) Capital policy/ Financial accounting	(6) Legal affairs/ Compliance	(7) Risk management	(8) IT/ Digital/ DX	(9) M&A/New fields of business	(10) Sustainability	(11) Human resources management
Seiji Inagaki	Director, Chair of the Board	✓	✓	✓	✓	✓		✓		✓	✓	✓
Tetsuya Kikuta	Representative Director, President, CEO	✓	✓	✓	✓	✓		✓		✓	✓	✓
Hitoshi Yamaguchi	Representative Director, Senior Managing Executive Officer Group Head, International Life Insurance Business	✓	✓	✓		✓				✓		✓
Hidehiko Sogano	Director, Managing Executive Officer, CSuO	✓	✓	✓	✓						✓	✓
Takako Kitahori	Director, Managing Executive Officer, CCXO (JP)	✓		✓					✓			
Toshiaki Sumino	Director	✓	✓	✓		✓	✓	✓		✓	✓	✓
Yuriko Inoue	Outside Director						✓		✓		✓	
Yasushi Shingai	Outside Director	✓	✓			✓	✓	✓	✓	✓	✓	✓
Bruce Miller	Outside Director		✓	✓			✓	✓			✓	✓
Ichiro Ishii	Outside Director	✓	✓	✓						✓		✓
Takahiro Shibagaki	Director (Audit & Supervisory Committee Member (Full-Time))	✓		✓								
Kenji Yamakoshi	Director (Audit & Supervisory Committee Member (Full-Time))		✓		✓	✓						✓
Rieko Sato	Outside Director (Audit & Supervisory Committee Member)						✓	✓				
Koichi Masuda	Outside Director (Audit & Supervisory Committee Member)	✓				✓						
Satoshi Nagase	Outside Director (Audit & Supervisory Committee Member)	✓	✓	✓	✓	✓		✓				✓

Note: The relevant item is checked if a director has expertise and experience or has a background as a business manager in the respective field.

Succession Plan

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

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

Corporate Governance Policy (Excerpt)

Nominations Advisory Committee

(1) Roles of the Committee

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

(2) Composition of the Committee

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

Major themes for deliberation by the Nominations Advisory Committee

- Proposal of director candidates
- Matters relating to succession plans for directors and other personnel

Remuneration of Directors and Officers

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

Basic policy

- Serves a system for realizing the sharing of value with stakeholders with a medium- to long-term perspective.
- Fair remuneration system and appropriate level, reflecting the magnitude of the roles and responsibilities and the degree to which capabilities were shown.
- Evaluates the contributions of each director and encourages the value creation on which the Group focuses by linking their remuneration with company and individual performance.

Basic principles

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

Process for determining remuneration

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

Director remuneration structure

	Directors (excluding directors serving as Audit & Supervisory Committee members)		Directors (Audit & Supervisory Committee members)	Remarks
	Internal	Outside		
Base amount	○	○	○	Remuneration according to duties and responsibilities
Single-year performance-linked amount	○*1	—	—	Linked to the single-year level of achievement of performance indicators
Restricted stock amount	○	—	—	Set for the purpose of achieving management objectives in the medium to long term and sharing interests with shareholders
Performance-linked stock-based amount	○*1,2	—	—	Linked to the level of achievement of the indicators selected in light of the management objectives as an incentive for enhancing corporate value

*1 Except for Directors who are not in charge of the administrative and operational functions of a business such as Chair of the Board

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

Main KPIs for single-year performance-linked remuneration

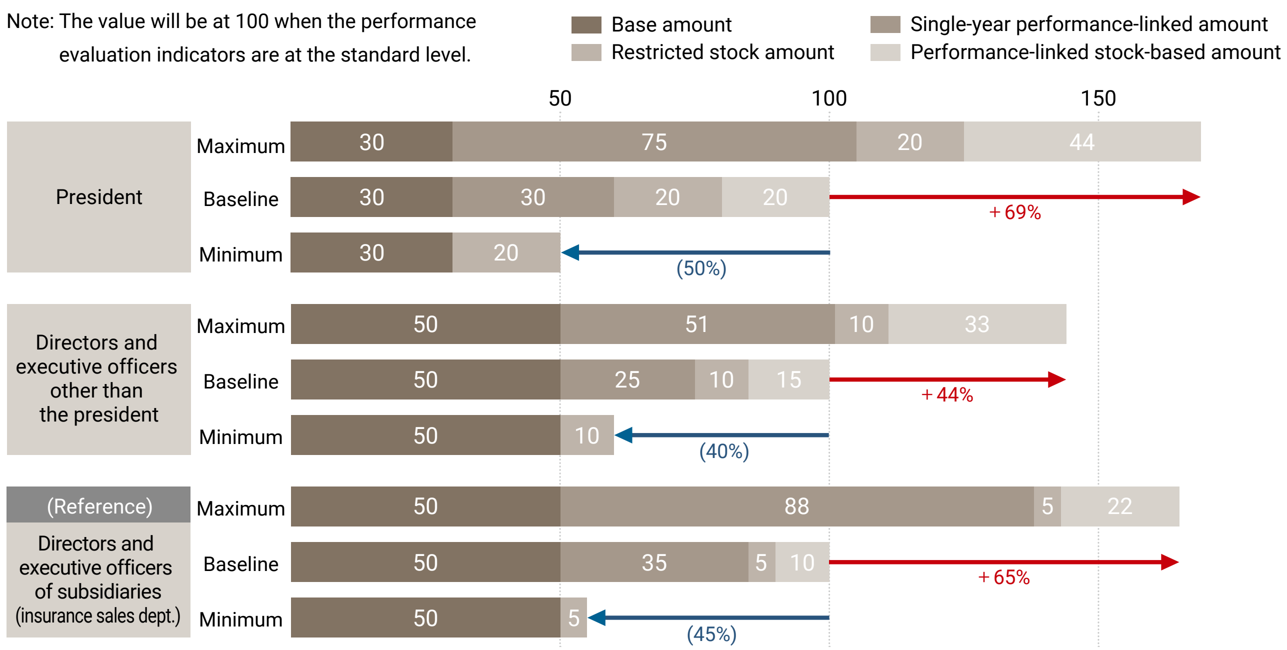
Category	KPI
Accounting profit	Group adjusted profit
Future profit (economic value)	Group value of new business
Soundness (economic value)	Economic solvency ratio (ESR)
Free cash	Free cash flow

Main KPIs for performance-linked stock remuneration

Category	KPI
Market valuation	Relative TSR
Capital efficiency	Group adjusted ROE
Capital efficiency (economic value)	Group ROEV
Sustainability indicators	Sustainability indicator package comprising multiple indicators including CO_2 emissions

Diagram of the remuneration for executive officers, etc.

Note: The value will be at 100 when the performance evaluation indicators are at the standard level.



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

Perspective	KPI	Target (FY2021)	Actual (FY2021)
Economic value	Group ROEV	3.8%	4.9%
	Group value of new business	ca. ¥160.0bn	¥126.8bn
Free cash	Market-related risk reduction	ca. (¥280.0bn)	(¥392.9bn)
	Free cash flow	ca. ¥310.0bn	¥333.6bn
Accounting profit	Adjusted ROE	7.1%	8.0%
	Group adjusted profit	ca. ¥260.0bn	¥296.1bn
Market evaluation	Relative TSR*1	Sixth	Second
Financial soundness	Group economic solvency ratio (ESR)	130% or higher	227%

*1 In comparison with the 10 companies specified below:
Five Japan-based insurance groups (Japan Post Insurance, T&D Holdings, Tokio Marine Holdings, MS&AD Insurance Group Holdings and SOMPO Holdings) and five overseas-based insurance groups (Aflac, AXA, Manulife, MetLife and Prudential (US))

Perspective	KPI	Target (FY2022)	Actual (FY2022)
Economic value	Group value of new business	ca. ¥160.0bn	¥73.3bn
Free cash	Free cash flow	ca. ¥300.0bn	¥117.7bn
Accounting profit	Group adjusted profit	ca. ¥280.0bn	¥184.4bn
Market evaluation	Group economic solvency ratio (ESR)*2	130% or higher	226%
	Consolidated solvency margin ratio*2,*3	400% or higher	704%

*2 Economic solvency ratio (ESR) and consolidated solvency margin ratio are not point-earning items, but are used as point-reducing items when either or both of the targets are not achieved.

*3 Solvency margin ratio is one of the indicators adopted in administrative supervision to show the extent to which the "solvency margin" is covered against risks that exceed normal expectations.

Details of the total amount of remuneration

Officer type	Total amount (¥ mn)	Remuneration components (¥ mn)						Number of board members
		Base amount	Single-year performance-linked remuneration, etc.		Nonmonetary remuneration (Stock remuneration)		Other	
			Company performance amount	Individual performance amount	Restricted stock amount	Performance-linked stock-based amount		
Directors (excluding the Audit & Supervisory Committee members and outside directors)	311	178	8	25	54	44	0	8
Outside Directors (excluding the Audit & Supervisory Committee members)	68	68	-	-	-	-	-	4
Directors serving as Audit & Supervisory Committee members (excluding outside directors)	104	104	-	-	-	-	0	2
Outside directors serving as Audit & Supervisory Committee members	72	72	-	-	-	-	-	3

Notes:
1. The single-year performance-linked amount shown in the table above is the total of remuneration for the 3 months from April 2023 to June 2023 based on the results for the fiscal year ended March 31, 2022, and the remuneration for the 9 months from July 2023 to March 2024 based on the results for the fiscal year ended March 31, 2023.
2. The performance-linked stock-based amount shown in the table above is the total amount recorded as expenses for remuneration for the period from April 2023 to March 2024.
3. Stock remuneration, which is positioned as nonmonetary remuneration or remuneration equivalent thereto, consists of restricted stock remuneration of the Company for the purpose of boosting the directors' morale and desire to contribute to the enhancement of shareholder value of the Dai-ichi Life Group as a whole and promoting the sharing of value with shareholders for as long as possible, and performance-linked stock-based remuneration of the Company as an incentive to enhance corporate value that is linked to the level of achievement of performance indicators selected based on management objectives of the Dai-ichi Life Group, including the mid-term management plan. The restriction-on-transfer period for the said restricted stock is 3 years for directors (excluding outside directors and the Company's directors concurrently serving as Audit & Supervisory Committee members), and its terms include the following: (1) If the eligible director retires or resigns from office as a director, etc. of the Company or a certain group company due to expiration of his or her term of office, reaching retirement age, or any other reasons deemed reasonable by the Company's Board of Directors, the restriction on transfer shall be removed immediately after the retirement or resignation; (2) If, during the restriction-on-transfer period, the eligible director is sentenced to imprisonment without work or a heavier punishment, or is determined to be in material violation of laws and regulations, or falls under other certain conditions, and it is deemed reasonable by the Company's Board of Directors, the Company may acquire the said shares of restricted stock without consideration; and (3) Establish clawback clauses after the removal of the restrictions. The performance evaluation period for the said performance-linked stock remuneration is the three fiscal years, and its terms include the following: Directors (excluding directors serving as Audit & Supervisory Committee members and outside directors) determined by the Company's Board of Directors shall (1) have continuously remained in the position of either director or other positions of the Company determined by the Company's Board of Directors throughout the performance evaluation period; (2) have not engaged in violations of laws and regulations or any other misconduct as defined by the Company's Board of Directors; (3) satisfy requirements deemed necessary to achieve the purpose of the performance-linked stock remuneration scheme; and (4) establish clawback that has been issued or disposed of, even when the performance evaluation period has already ended and the shares of common stock of the Company have been issued or disposed.
4. Outside directors did not receive any compensation other than remuneration from the Company or receive any remuneration from the parent of the Company, etc.
5. The above figures include two directors (excluding the Audit & Supervisory Committee members) who retired from the Company on June 26, 2023 and two directors (excluding the Audit & Supervisory Committee members) who assumed office on June 26, 2023.

Enhancing the officer remuneration system

We launched a remuneration system based on job grades in FY2022 and have endeavored to improve the officer remuneration system by, for example, introducing performance-linked stock-based remuneration to reflect medium- and long-term performance. In FY2023, for example, we advanced application of the remuneration system depending on job duties and responsibilities by revising the benchmark companies used to provide market-competitive remuneration to our management, who support our further globalization and the expansion of our business domains.

Establishment of Internal Control and Its Operation

We have the “Internal Control Policy for the Dai-ichi Life Group,” which stipulates the core requirements for the establishment and operation of internal control to ensure the integrity and appropriate conduct of business activities of our Group and to maintain and build corporate value.

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

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

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

Internal Control Policy for the Dai-ichi Life Group

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

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

Compliance

Our Group practices the Group purpose and values, and strives to create sustainable corporate value and meet the expectations of all stakeholders through our corporate activities and our contribution to society . We have formulated the Group Code of Conduct as a basic guideline for all officers and employees to think and act based on the principles for practicing our Group purpose and values.

Even though the Code of Conduct is not confined to compliance, it is also a guideline for promoting compliance.

In promoting compliance in response to the changing business environment, including the globalization of the Group’s business, we are taking measures to comply with laws and regulations, the Articles of Incorporation, social norms, and market rules, as well as to proactively identify potential conduct risks.

The Legal and Compliance Unit is responsible for ascertaining serious risks pertaining to compliance and for monitoring and giving guidance to each group company. Important matters concerning compliance are discussed by the Group Compliance Committee chaired by Chief Compliance Officer (CCpO), then reported to the Board of Directors, the Audit & Supervisory Committee, and other management institutions to receive instruction.

In FY2023, we strengthened the frameworks of domestic Group companies to prevent money laundering, financing of terrorist activities, and bribery, as well as identified priority areas for improvement and revised our guidelines to set more concrete compliance standards for each company by assessing the current status of overseas Group companies given the risks associated with the extraterritorial application of foreign laws due to our global expansion.

Risk Management

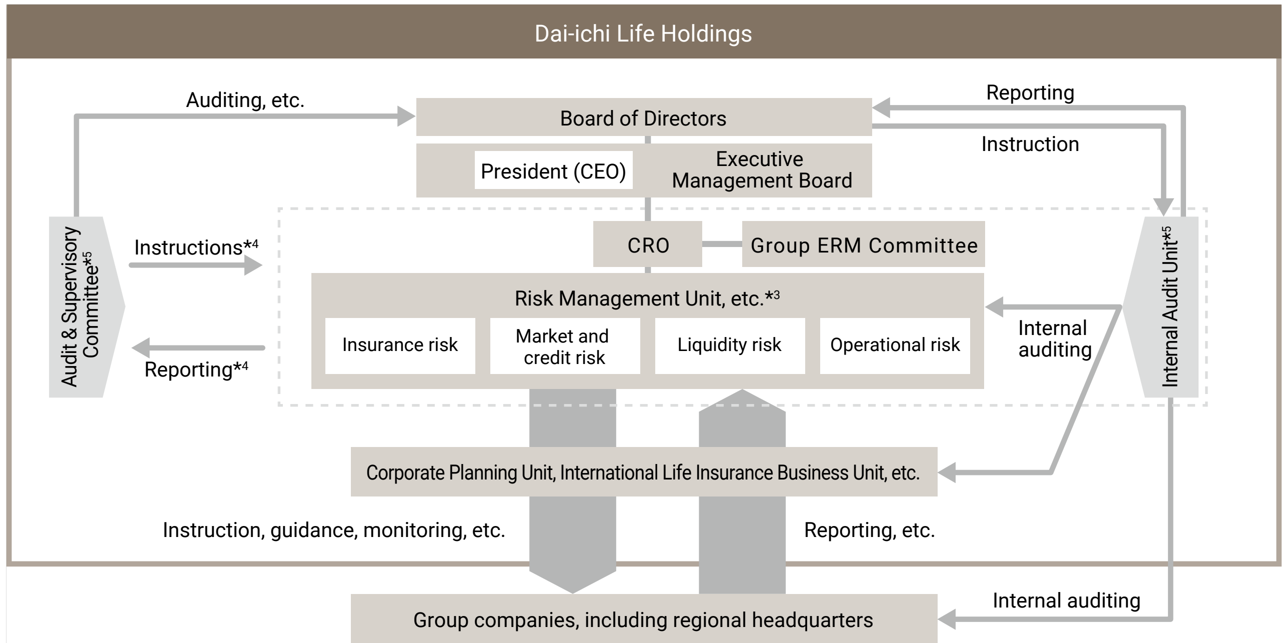
Our Group promotes Enterprise Risk Management (ERM). More specifically, we create management plans, capital policies, and other measures based on the situation of capital, risk and profit, and carry out business activities accordingly. As part of risk management efforts related to ERM, the Risk Management Unit verifies the appropriateness of management plans and capital policies when they are formulated. In addition, it appropriately controls capital, risk, and profit based on the location, type, and characteristics of risks by setting and managing risk tolerances and promotes stronger group risk management.

In our Group, we control financial soundness by integrating the various risks of economic value, accounting, and regulatory bases, and comparing the amount of risk to our amount of capital. In internal risk control, we practice risk management while placing a high emphasis on an economic value–based approach. For example, we are building a framework of measurement models for the calculation of capital and risk amounts on an economic value basis in consideration of the Insurance Capital Standard (ICS), scheduled for adoption in FY2025, and the discussions for economic value–based regulation in Japan. In addition, we have incorporated an economic value–based approach into our Group’s allocation of capital and product design as we pursue management that is consistent with risk measurement principles. At the same time, when we identify and assess risk phenomena that cannot be entirely quantified with our models, we carry out stress tests using projected worst-case scenarios based on past events, such as financial market turmoil and large-scale disasters, as well as projections about the future. We then analyze the impact on our financial soundness and report the findings to the Executive Management Board and to the Board of Directors. In addition, we examine the market environment and other factors, strengthen our monitoring, and consider and implement management or financial responses as appropriate.

Furthermore, our Group identifies foreseeable risks that could have a major impact on our business as “Material risks.” In identifying material risks, we evaluate the impact*1 and possibilities of each risk on a scale of 1 to 4, based on the results of the material risks identified by each group company. Using a heat map, important risks are identified as group-based material risks and reviewed annually. In addition, “emerging risks*2” are identified every fiscal year as risks that are not currently material but are expected to emerge. By formulating business plans based on these risks, we promote the PDCA cycle based on risk recognition and appropriately manage risks from the predictive stage. Our Group regularly reports the status of these “Material risks” to the Executive Management Board and the Board of Directors and, based on recognition of the status, promotes measures to avoid the occurrence of risks, while striving to respond promptly and appropriately in the event that risks do materialize.

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

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



*3 Risk Management Unit and other departments in charge of each type of risk
*4 The dotted frame shows the entities that Audit & Supervisory Committee makes instructions to and receives reporting from.
*5 The Audit & Supervisory Committee and the Internal Audit Unit coordinate with each other.

IT Governance

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

IT governance

Our Group established the "Group IT Governance Policy" and promotes IT Governance based on COBIT5*[1]. We have also improved our global management structure by assigning a person with abundant knowledge and skills to management-team positions as Chief Information Officer (CIO) and Chief Digital Officer (CDO). Under the new leadership, through regular meetings with top IT executives from domestic and overseas Group companies, we aim to share the Group's IT and digital strategies and accelerate collaboration within the Group, so that IT can contribute to the increase of corporate value.

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

Cybersecurity measures

Our Group aims for further evolution in the areas of people and organizations, processes, and technologies, so as to protect the information assets of the Group from cyberattacks, which grow more sophisticated with each day, and to continue to deliver a sense of security, safety, and stability to our customers and other stakeholders.

We have established the "Group Cybersecurity Policy" and are sharing cybersecurity measures among all Group companies. In addition, we have established a "CSIRT"*[2] consisting mainly of dedicated personnel with advanced expertise to bolster intragroup preparation through means such as laying down rules and regulations regarding responses to cybersecurity incidents and educating employees. Furthermore, we collect the latest security updates from multiple external agencies and share this information within the Group. Through these efforts, for our information systems, we take action against new threats as needed, such as combining multiple systems to detect unauthorized access viruses, and other threats to protect from them. Through these initiatives, we are working to optimize cybersecurity measures for the entire Group.

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

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 has formulated a management vision and business model based on the changes that digital technology has brought to society and the competitive environment and is ready to realize that vision and model.

Group Tax Governance

New taxation rules, such as the global minimum tax, established by international organizations have been internationally agreed upon and are being considered for implementation by national governments around the world, and have been introduced in Japan in FY2024. Moreover, stakeholders are taking an increasing interest in taxation, and external conditions are changing drastically. In addition, as our business activities become more diverse, we are involved in an increasing range of transactions and activities on a group basis, making appropriate tax conduct increasingly important.

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

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

Group Tax Policy

1. Basic Tax Policy
2. Compliance with tax laws
3. Establishment of system
4. Building and maintaining relationships with tax authorities
5. Ensuring transparency
6. Dealing with tax risk
7. Attitude towards prevention of tax avoidance
8. Appropriate transfer pricing
9. Tax strategy/ Enhancement of corporate value

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

Internal Audit

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

Based on that recognition, the Internal Audit Unit establishes the internal control systems in Group companies, monitors their operations, and advises and supports them as necessary.

It verifies the appropriateness and effectiveness of the internal control systems throughout internal audits of the Group companies and their operations and, in addition to identifying and observing problematic areas, conducts efforts such as issuing suggestions that pertain to the evaluation and improvement of internal control and following up throughout the improvement process. Moreover, through regularly performing the analysis and verification of all business risks in the Group, it is working to realize more effective risk-based internal audits.

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

Equity Held for Purposes Other than Pure Investment

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

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

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

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

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

More information about equities held for purposes other than pure investment
https://www.dai-ichi-life-hd.com/en/about/control/governance/reference.html

Number of companies for which equities are held for purposes other than pure investment and amounts*

Number of companies	Total amount on the balance sheet	Ratio to the Company's consolidated net assets (as of March-end 2024)
8	¥128.3bn	3.3%

*Investment shares held by the Company and Dai-ichi Life (a company for which the investment equities amount reported on its balance sheet is the largest among the Company and other consolidated subsidiaries) as of the end of March 2024 for purposes other than pure investment.

(Reference) Deemed equity holdings*

Number of companies	Total amount on the balance sheet	Ratio to the Company's consolidated net assets (as of March-end 2024)
1	¥21.0bn	0.5%

*Shares that Dai-ichi Life (a company whose investment equities amount reported on its balance sheet is the largest among the Company's consolidated subsidiaries) contributed to a retirement benefit trust and for which it holds the right to exercise the voting rights where such holding is for purposes other than pure investment as of the end of March 2024.

Business Management Quality Reform

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

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

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

Dai-ichi Life is working to realize activities from the customers' and consumers' perspective in order to realize a sales representative structure that can respond to the trust of customers and society. The "Voluntary Declaration of Consumer Orientation," which was formulated in 2017, was revised to "Pledge to Customers and Society" in 2021, which is kept in the hearts and minds of all executives and employees as the foundation for their daily business activities.

Based on this "Pledge to Customers and Society," we are making company-wide efforts to strengthen initiatives to incorporate "voices of customers" into management and improve services, and are implementing continuous improvement initiatives based on "voices of customers" to enhance the quality of operations that lead to "By your side, for life."

Strengthening the governance of the Dai-ichi Life Group

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

In FY2023, the Company's Board of Directors received a total of five reports and held numerous discussions, including opportunities to exchange opinions with the Audit & Supervisory Committee and the Board. We will continue to pay close attention to initiatives aimed at further ensuring effectiveness, strengthening internal controls, and implementing prerequisite reforms of the corporate culture, to strengthen our governance together with Dai-ichi Life.

Delivering reliable peace of mind

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

Three checkups

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

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

Leadership

(As of June 24, 2024)

Outside Director
Bruce Miller

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

Director, Managing Executive Officer
Chief Customer Experience Officer (Japan)
Takako Kitahori

Representative Director, Senior Managing Executive Officer
Group Head, International Life Insurance Business
Hitoshi Yamaguchi

Director
Toshiaki Sumino

Director, Managing Executive Officer
Chief Sustainability Officer
Hidehiko Sogano

Director (Audit & Supervisory Committee Member (Full-Time))
Kenji Yamakoshi

Outside Director (Audit & Supervisory Committee Member)
Chairperson of the Nominations Advisory Committee
Koichi Masuda

Outside Director
Chairperson of the Remuneration Advisory Committee
Yasushi Shingai

Outside Director (Audit & Supervisory Committee Member)
Chairperson of Audit & Supervisory Committee
Rieko Sato

Director, Chair of the Board
Seiji Inagaki

Representative Director, President
Chief Executive Officer
Tetsuya Kikuta

Outside Director
Yuriko Inoue

Outside Director
Ichiro Ishii

Outside Director (Audit & Supervisory Committee Member)
Satoshi Nagase

Director*1

Seiji Inagaki
(Born on May 10, 1963)
Number of shares held: 131,969
Director, Chair of the Board

Activities in FY2023 Attended 21 of 21 Board of Directors meetings

Other major occupations Director, Chair of the Board, The Dai-ichi Life Insurance Company, Limited

Reason for appointment
His experiences as a member of the Group have covered a wide range of engagements in the Company's businesses, including corporate planning and investment planning, and he has deep experience and knowledge in the life insurance business. He has duly performed his duties based on his extensive experience and knowledge as a member of the Board of Directors since June 2016, and as a representative director and president since April 2017, as well as Chair of the Board since April 2023. The Company believes he is qualified to be a member of the Board of Directors and therefore appointed him as a director.

Tetsuya Kikuta
(Born on October 14, 1964)
Number of shares held: 50,587
Representative Director, President
Chief Executive Officer

Activities in FY2023 Attended 21 of 21 Board of Directors meetings

Other major occupations Director, The Dai-ichi Life Insurance Company, Limited

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

Hitoshi Yamaguchi
(Born on January 27, 1966)
Number of shares held: 12,505
Representative Director, Senior Managing Executive Officer
Group Head, International Life Insurance Business

Activities in FY2023 Attended 16 of 16 Board of Directors meetings

Reason for appointment
His experiences as a member of the Group have covered a wide range of engagements in the Company's businesses, including corporate planning, personnel affairs, and international life insurance business, and he has deep experience and knowledge in the life insurance business. In addition, he duly performed his duties in corporate management of an overseas life insurance company as vice president of Star Union Dai-ichi Life Insurance Company Limited, as well as a member of the Board of Directors of the Company since June 2023. The Company believes he is qualified to be a member of the Board of Directors and therefore appointed him as a director.

Hidehiko Sogano
(Born on September 28, 1960)
Number of shares held: 29,378
Director, Managing Executive Officer
Chief Sustainability Officer

Activities in FY2023 Attended 16 of 16 Board of Directors meetings

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

Takako Kitahori
(Born on July 1, 1969)
Number of shares held: 16,342
Director, Managing Executive Officer
Chief Customer Experience Officer (Japan)

Reason for appointment
Her experiences as a member of the Group have covered a wide range of engagements in the Company's businesses, including the retail sector, the areas of planning management and marketing strategy fields, and she has deep experience and knowledge in the life insurance business. In addition, she duly performed her duties in the establishment of a small-amount and short-term insurance company that provides fully digital insurance policies and as the central role in the planning and formulation of initiatives to improve the value of customer experience and satisfaction through digital and face-to-face channels at The Dai-ichi Life Insurance Company, Limited. The Company believes she is qualified to be a member of the Board of Directors and therefore appointed her as a director.

Toshiaki Sumino
(Born on October 26, 1969)
Number of shares held: 30,982
Director

Activities in FY2023 Attended 21 of 21 Board of Directors meetings

Other major occupations Representative Director, President, The Dai-ichi Life Insurance Company, Limited

Reason for appointment
His experiences as a member of the Group have covered a wide range of engagements in the Company's businesses, including corporate planning and investment planning, and he has deep experience and knowledge in the life insurance business. In addition, he was engaged in corporate management of overseas life insurance companies as a member of the Board of Directors of Protective Life Corporation and as CEO of DLI NORTH AMERICA INC. and has duly performed his duties in corporate management as a member of the Board of Directors of the Company since June 2021, as well as in corporate management of the domestic life insurance company as Representative Director and President of The Dai-ichi Life Insurance Company, Limited since April 2023. The Company believes he is qualified to be a member of the Board of Directors and therefore appointed him as a director.

Yuriko Inoue
(Born on May 29, 1963)
Number of shares held: 9,101
Outside Director

Activities in FY2023 Attended 21 of 21 Board of Directors meetings

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

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

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

Yasushi Shingai
(Born on January 11, 1956)
Number of shares held: 300
Outside Director
Chairperson of the Remuneration Advisory Committee

Activities in FY2023 Attended 21 of 21 Board of Directors meetings

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

Reason for appointment
In addition to his deep experience and insight gained through acting as a business executive of a global company, he has rich experience and sophisticated and expert knowledge of corporate finance and mergers & acquisitions as the finance officer. He has also brought significant benefits to the Company by supervising management 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 expects that he will continue to share his experience and expertise on oversight of management of the Group and therefore appointed him as an outside director.

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

Bruce Miller
(Born on March 6, 1961)
Number of shares held: 0
Outside Director

Activities in FY2023 Attended 21 of 21 Board of Directors meetings

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

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

Ichiro Ishii
(Born on June 15, 1955)
Number of shares held: 0
Outside Director

Other major occupations Representative Director, troisH Co., Ltd.
Outside Director, NS Solutions Corporation
Outside Director, Nohmi Bosai Ltd.

Reason for appointment
In addition to his deep experience and insight gained through acting as a business executive of a global company, he has rich experience and sophisticated and expert knowledge of M&As and post-acquisition integration processes as the officer for an overseas insurance business in a major financial institution. The Company expects that he will advise on various matters of corporate management based on his global and objective viewpoint at the Board of Directors meetings and other occasions and utilize his experience in conducting supervision of the Group's management, and therefore appointed him as an outside director.

Profile
- Apr. 1978 Joined Tokio Marine & Fire Insurance Co., Ltd.
- Jun.2010 Executive Officer and Deputy General Manager of International Business Development Dept., Tokio Marine Holdings, Inc.
- Jun.2011 Executive Officer and General Manager of International Business Development Dept.
- Jun.2013 Managing Executive Officer
- Apr. 2015 Senior Managing Executive Officer
- Jun.2015 Senior Managing Director
- Apr. 2017 Vice President Director
- Oct. 2018 Executive Adviser
- Jul. 2021 Representative Director, troisH Co., Ltd. (to present)
- Jun.2024 Outside Director, Dai-ichi Life Holdings, Inc. (to present)

Takahiro Shibagaki
(Born on February 25, 1965)
Number of shares held: 31,625
Director (Audit & Supervisory Committee Member (Full-Time))

Activities in FY2023 Attended 21 of 21 Board of Directors meetings
Attended 26 of 26 Audit & Supervisory Committee meetings

Other major occupations Outside Auditor, SHIZUOKA GAS CO., LTD.

Reason for appointment
His experiences as a member of the Group have covered a wide range of engagements in the Company's businesses, including secretarial work, public relations, and domestic corporate insurance, and he has deep experience and knowledge in the life insurance business. In addition, he was engaged in corporate management as a member of the Board of Directors of The Dai-ichi Frontier Life Insurance Co., Ltd. since April 2018, and in auditing as an Audit & Supervisory Committee Member (Full-Time) since June 2022. 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.

Kenji Yamakoshi
(Born on March 2, 1968)
Number of shares held: 1,517
Director (Audit & Supervisory Committee Member (Full-Time))

Reason for appointment
His experiences as a member of the Group have covered a wide range of engagements in the Company's businesses, including the international life insurance business and asset investment business, and he has deep experience and knowledge in the life insurance business. In addition, he was engaged in the advancement of business management of the Group as General Manager of Internal Audit Unit of the Company and General Manager of Internal Audit Dept. at The Dai-ichi Life Insurance Company, Limited since April 2019. 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.

Rieko Sato
(Born on November 28, 1956)
Number of shares held: 11,724
Outside Director (Audit & Supervisory Committee Member)
Chairperson of the Audit & Supervisory Committee

Activities in FY2023 Attended 21 of 21 Board of Directors meetings
Attended 26 of 26 Audit & Supervisory Committee meetings

Other major occupations Partner, Ishii Law Office
Independent director, Audit & Supervisory Committee Member, Mitsubishi Corporation

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

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

Koichi Masuda
(Born on January 23, 1944)
Number of shares held: 15,756
Outside Director (Audit & Supervisory Committee Member)
Chairperson of the Nominations Advisory Committee

Activities in FY2023 Attended 21 of 21 Board of Directors meetings
Attended 26 of 26 Audit & Supervisory Committee meetings

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

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

*Presently, KPMG AZSA LLC

Satoshi Nagase
(Born on January 12, 1955)
Number of shares held: 3,000
Outside Director (Audit & Supervisory Committee Member)

Reason for appointment
He has had a wide range of experiences and high-level insight as a corporate manager at financial institutions and extensive experience in capital policy and finance as a CFO of another company. In addition, he has deep experience and knowledge in the life insurance business as Outside Director of The Dai-ichi Frontier Life Insurance Co., Ltd., a subsidiary of the Company. The Company expects that he will actively advise on various matters of the Company based on his objective viewpoint at the Board of Directors meetings and other occasions and utilize his experience in conducting audits and supervision of the Group's management, and therefore appointed him as an outside director serving as Audit & Supervisory Committee member.

Profile
- Apr. 1979 Joined Suntory Limited
- Aug.1985 Joined Morgan Bank
- Feb.1995 Managing Director, Head of Fixed Income Division, JPMorgan Securities Japan Co., Ltd.
- Apr. 1999 General Manager of Tokyo Branch and Head of Equity Derivatives Division
- May 2000 Japan Representative (General Manager of Tokyo Branch) and Head of Equity Division
- Jun.2016 Director, Managing Executive Officer and CFO, Dexerials Corporation
- Jun.2021 Outside Director, The Dai-ichi Frontier Life Insurance Co., Ltd.
- Jun.2024 Outside Director (Audit & Supervisory Committee Member), Dai-ichi Life Holdings, Inc. (to present)

Leadership
https://www.dai-ichi-life-hd.com/en/about/company/executives/index.html

Executive Officers (excluding directors)*2

Senior Managing Executive Officers	Stephen Barnham (Chief Information Officer and Chief Digital Officer) Mamoru Akashi Brett Clark
Managing Executive Officers	Hiroshi Shoji (Chief Internal Audit Officer) Takashi Iida (Group Head, Retirement, Savings and Asset Management Business) Makoto Goda (Group Head, Protection Business (Japan))
Executive Officers	Hideyuki Ohashi (Chief Risk Officer) Satoshi Takemoto Atsuko Yasuda Makoto Hishida Yuichiro Abe Shinichiro Kaneko Taisuke Nishimura (Chief Financial Officer) Yotaro Numata (Chief Human Resources Officer) Akifumi Kai (Group Head, New Fields of Business) Webster Coates (Chief Compliance Officer) Kyoko Wada (Chief Communications Officer) Ken Niimura Takashi Uehara Isamu Ando

Expert Executive Officer*2

Expert Executive Officer	Figen Ulgen (Chief Data and AI Officer)

*1 As of June 24, 2024
*2 As of July 1, 2024

Industry Data

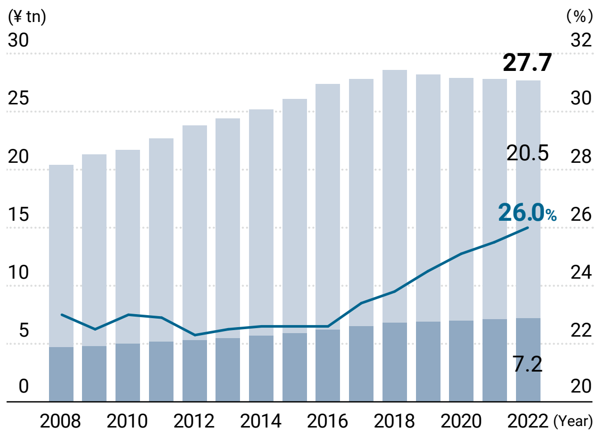
Japan Japanese life insurance market

Trends in the life insurance market

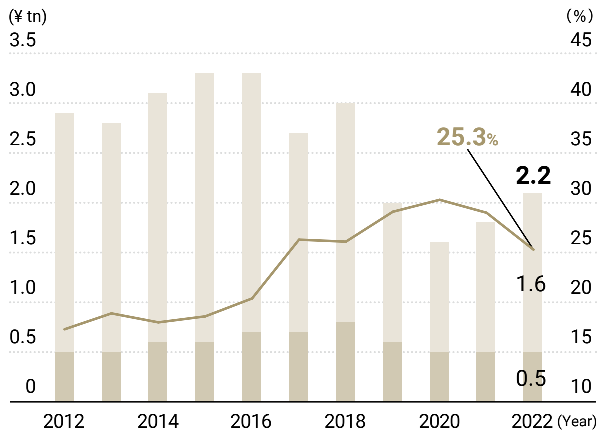
As of the end of FY2022, annualized net premiums from policies for in-force individual life insurance and annuities (one year's insurance premium income on the assumption that average insurance premiums are paid within the contract period) were ¥27.7tn (a decrease of 0.5% year on year). Of that amount, third-sector products annualized premiums such as medical insurance accounted for ¥7.2tn (an increase of 1.2% year on year), showing steady growth. In 2022, annualized net premiums for new businesses increased by 17.4% year on year, driven by first-sector products increases amid the lessening effects of the spread of COVID-19

Life insurance market (individual life insurance and annuities)

In-force business annualized net premiums



New business annualized net premiums



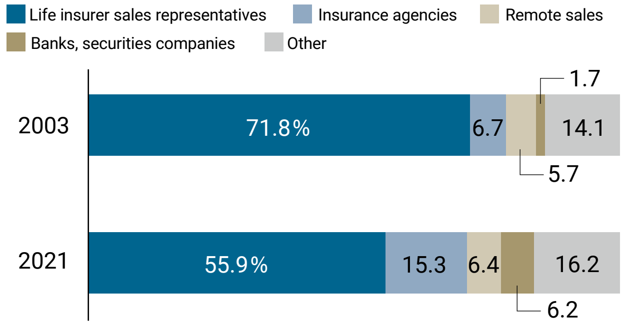
Source: The Life Insurance Association of Japan, Life Insurance Fact Book 2023

Diversification of sales channels and high willingness to prepare for life security

The household enrollment rate for individual life insurance and annuities has not changed significantly from the 89.8% determined by survey in 2021, but the diversification of enrollment channels is progressing to include insurance agencies, online, remote sales, banks, and security companies in addition to life insurance company sales representatives. The household enrollment rate is high, but in the survey on Life Protection, the proportion of respondents showing an intent to obtain new death, medical care, post-retirement, and long-term care insurance coverage is shown to be increasing in the long term, so protection needs are rising.

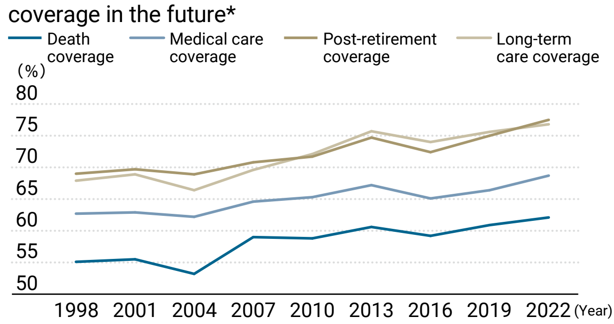
Life insurance & annuities: 89.8% of households covered (of which, 24.3% have annuities)

Enrollment channels for recently purchased policies (excludes private insurance and Japan Post Insurance)



Source: Japan Institute of Life Insurance, Nationwide Life Insurance Survey

Proportion of people intending to obtain new insurance coverage in the future*



Source: Japan Institute of Life Insurance Survey on Life Protection
*In the above survey, the proportion of respondents replying, "Prepare right away," "Prepare within a few years" and "Eventually prepare" for each type of coverage.

Overseas Overseas life insurance market

Trends in the life insurance market

Life insurance premiums worldwide in 2022 were US$2,813bn, down 3.1% year on year.
The biggest life insurance markets are No. 1: US (23.9% share of total), No. 2: China (13.0%), and No. 3: UK (8.8%).

Global life insurance market (top 10 countries in 2022, and countries in which the Group does business)

Dai-ichi Life Group presence*	Rank	Country	Life insurance premium volume ($ mn)	YoY change (inflation-adjusted)	Share of market	Premiums per capita ($)	Life insurance penetration (as % of GDP)	Population (mn)	Real GDP growth
		World	2,813,032	(3.1%)	100.0%	354	2.8%	7,953	+ 3.0%
○	1	US	672,006	+ 1.1%	23.9%	2,017	2.6%	333	+ 2.1%
	2	China	364,359	+ 2.0%	13.0%	255	2%	1,427	+ 3.0%
	3	UK	248,240	(0.2%)	8.8%	3,669	8.1%	68	+ 4.2%
○	4	Japan	243,892	(1.7%)	8.7%	1,942	5.9%	126	+ 1.0%
	5	France	157,179	(7.7%)	5.6%	2,239	5.5%	68	+ 2.6%
	6	Italy	115,938	(17.1%)	4.1%	1,966	5.8%	59	+ 3.9%
○	7	India	99,503	+ 8.2%	3.5%	70	3%	1,422	+ 7.2%
	8	Germany	99,164	(12.0%)	3.5%	1,182	2.4%	84	+ 1.9%
	9	South Korea	88,026	(0.7%)	3.1%	1,705	5.4%	52	+ 2.6%
	10	Canada	71,639	(0.4%)	2.5%	1,840	3.3%	39	+ 3.4%
○	24	Australia	15,852	+ 0.3%	0.6%	609	0.9%	26	+ 3.7%
○	28	Thailand	13,830	(7.8%)	0.5%	235	3.4%	72	+ 2.6%
○	29	Indonesia	11,751	(12.8%)	0.4%	43	0.9%	276	+ 5.3%
○	32	Vietnam	8,258	+ 17.6%	0.3%	66	1.6%	98	+ 8.0%
○	47	New Zealand	1,913	(3.3%)	0.1%	373	0.8%	5	+ 2.2%

*Excluding markets for which individual country data are not disclosed (Cambodia, Myanmar) Source: Swiss Re Institute Sigma No 3 / 2023 World insurance

More life insurance penetration expected in emerging countries in the future

Between 2013 and 2022, the average annual growth rate of the global life insurance market was 0.8% with especially high rates of up to 5.9% in emerging economies. In addition, life insurance penetration (premiums as a percentage of GDP) is currently lower in emerging countries than developed countries. Against the backdrop of economic growth, we can expect even further expansion in emerging economies in the future.

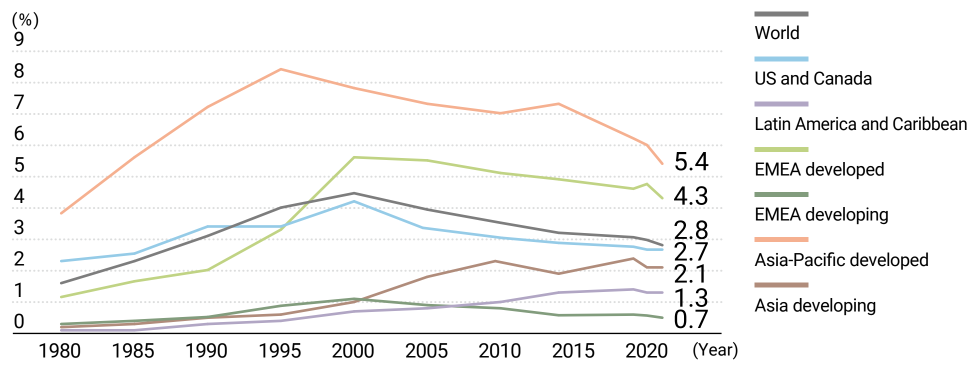
Life insurance market growth rate (2013–2022 annual average)

World
+ 0.8%

Developed countries
(0.3%)

Emerging countries
+ 5.9%

World life insurance penetration (premiums as a percentage of GDP) through 2022



Source: sigma explorer | Swiss Re Institute (sigma-explorer.com)

Introduction to Group Companies

Building a strong operational base with effective global reach

Group supervision	Country	Number of employees*1
Dai-ichi Life Holdings, Inc.	Japan	895

Domestic insurance business	Country	Number of employees*1	Investment ratio*2	Business overview
The Dai-ichi Life Insurance Company, Limited	Japan	47,036	100%	Domestic core business company, founded in 1902. Provides a broad range of products and services, mainly life insurance, through sales rep channels. In addition to optimal life plan consulting regarding both Protection and Asset Formation/Succession, to be an even more integral part in a greater number of customers' lives, Dai-ichi Life provides comprehensive services in the Health and Medical Care fields and seeks out ideal ways to enhance connections among people, regional communities, and society.
The Dai-ichi Frontier Life Insurance Co., Ltd.	Japan	529	100%	Provides saving insurance products related to Asset Formation/Succession, such as individual annuities and whole life insurance, mainly through bancassurance channels, to contribute to Financial Well-being helping customers to achieve prosperous, economically secure lives. Began operations in August 2007.
The Neo First Life Insurance Company, Limited	Japan	505	100%	Based on the concept of "Be healthy with insurance," provides products and services via agency channels that contribute to better health through sustained insurance coverage. Began providing products as a member of Dai-ichi Life Group in August 2015.
ipet Insurance Co., Ltd.	Japan	585	100%	Provides pet insurance through pet shop and Internet channels. Promotes initiatives with the aim of creating "a society where people and pets can live together in good health," while dealing with pet-related social issues. Became a wholly owned subsidiary in March 2023.
Dai-ichi Smart Small-amount and Short-term Insurance Company, Limited	Japan	7	100%	Fast, agile direct-channel sales of insurance tailored to diverse needs to support individualistic lifestyles. Began operations in April 2021.

Overseas insurance business	Country	Number of employees*1	Investment ratio*2	Business overview
Protective Life Corporation	US	3,803	100%	American life insurance company that became a wholly owned subsidiary in 2015. Develops unique business models that pursue profit generation and business scale expansion though both traditional retail business such as individual/annuities insurance and acquisitions (agreement to acquire ShelterPoint Group, Inc., which operates in the US group insurance field, announced in April 2024).
TAL Dai-ichi Life Australia Pty Ltd.	Australia	3,003	100%	Leading company in the Australian protection market, which has maintained the top position in the industry for 10 consecutive years (based on annualized premiums held). In recent years has also carried out acquisitions of life insurance subsidiaries affiliated with major financial groups to expand its customer base, and currently provides protection to more than 5mn clients. Became a wholly owned subsidiary in 2011.
Partners Group Holdings Limited	New Zealand	381	100%	Second-largest life insurance company in New Zealand market (based on annualized premiums held). Following establishment in 2010 has achieved high growth rate by providing protection via independent advisor channels. Currently diversifying channels and expanding/stabilizing scale of operations through means such as complete acquisition and integration of Bank of New Zealand–affiliated life insurance company in 2022. Became a wholly owned subsidiary in 2022.
Dai-ichi Life Insurance Company of Vietnam, Limited	Vietnam	2,044	100%	As the first overseas expansion project of Dai-ichi Life Group, it became a wholly owned subsidiary in 2007. Provides insurance products in Vietnam through agent and bancassurance channels, achieving steady growth and establishing a position as one of the leading life insurance companies in the market. Ranked fourth in the industry in 2023 based on insurance premium income.
Dai-ichi Life Insurance (Cambodia) PLC.	Cambodia	364	100%	First Japanese life insurance company in Cambodia. Established as a wholly owned subsidiary in 2018 and began operations in 2019. Provides insurance products through agent and bancassurance channels.
Dai-ichi Life Insurance Myanmar Ltd.	Myanmar	272	100%	Only wholly owned Japanese life insurance subsidiary in Myanmar. Established as a wholly owned subsidiary in 2019. Began operations in 2020. Provides insurance products through the agent and bancassurance channels.
Star Union Dai-ichi Life Insurance Company Limited	India	6,816	45.9%	Joint venture company established with two major Indian state-owned banks in 2007. Provides individual and group insurance products leveraging an extensive domestic network of major Indian bank partners.
PT Panin Dai-ichi Life	Indonesia	364	40%	Joint venture with Indonesia's Panin financial group. Initial investment made in 2013. Provides insurance products through agent and bancassurance channels.
OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED	Thailand	1,613	24%	Long-standing Thai life insurance company founded in 1949. Entered strategic business alliance including investment in 2008. Provides insurance products, mainly through the agent channel.

Non-insurance business (Asset management business/New fields of business)	Country	Number of employees*1	Investment ratio*2	Business overview
Asset Management One Co., Ltd.	Japan	860*3	49% (voting rights) 30% (economic interests)	One of Japan's leading asset management companies, established in 2016 by joint investment from Dai-ichi Life Holdings and Mizuho Financial Group. Provides high-value-added products and solution services oriented toward institutional investors, including publicly offered investment trusts such as balanced funds and overseas stock funds.
Vertex Investment Solutions Co., Ltd.	Japan	33*3	100%	An asset management company with strengths in quantitative investment management. Established as a wholly owned subsidiary in August 2022. Making full use of cutting-edge financial technology and operational methods, provides Dai-ichi Life Group with asset management functions and products while promoting product development and product mixes from a customer-based perspective in the asset formation/succession field.
Dai-ichi Life Realty Asset Management Co., Ltd.	Japan	26*3	100%	Private REIT (2 investment corporations), private real estate fund asset management company founded in 2019 by investment from Dai-ichi Life Holdings and our Group company SOHGO HOUSING CO., Ltd. Making maximum use of real estate investment know-how and networks cultivated by Dai-ichi Life Group, creates excellent investment opportunities for institutional investors while contributing to customers' secure, prosperous lifestyles and development of local communities.
Topaz Capital, Inc.	Japan	20*3	73.1%	One of Japan's leading asset management companies in the private debt field. Invested in by Dai-ichi Life Holdings in 2023. While providing financing to companies with difficulties accessing traditional bank loans and capital market procurements, also offers attractive middle-risk, middle-return credit management opportunities for institutional investors.
Canyon Partners CP Newco LLC	US	225*3	19.9%	US alternative asset management company doing business internationally with a focus on credit investment in companies and real estate. Became an affiliated company in 2024. Manages funds for institutional investors such as pension funds and family offices through alternative investment products including private debt and real estate.
Benefit One Inc.	Japan	1,192*3	100%	Provides various services in the promotion of "creation of service distribution," such as Benefit Station, the industry's top-share welfare benefit membership service, the Kyutokubarai payroll deduction service, and medical examination and specific health guidance services. Became a wholly owned subsidiary in May 2024.

Regional Headquarters and Intermediate Holding Companies	
DLI NORTH AMERICA INC.	US
DLI ASIA PACIFIC PTE. LTD.	Singapore
Dai-ichi Life International Holdings LLC	Japan
Overseas Affiliated Companies and Representative/Liaison Offices	
Dai-ichi Life International (Europe) Limited	UK
Innovation Lab	
Dai-ichi Life Innovation Lab, Tokyo	Japan
Dai-ichi Life Innovation Lab, Silicon Valley	US
Dai-ichi Life Innovation Lab, London	UK

Reinsurance	
Dai-ichi Life Reinsurance Bermuda Ltd.	Bermuda
Other Subsidiaries	
The Dai-ichi Life Techno Cross Co., Ltd.	Japan
The Dai-ichi Life Research Institute INC.	Japan
QOLead, Limited	Japan
The Dai-ichi Building Co., Ltd.	Japan
SOHGO HOUSING CO., Ltd.	Japan

*1 As of March 31, 2024
*2 Total direct investment ratio by Dai-ichi Life Holdings and indirect investment ratio by subsidiary (as of end of June 2024)
*3 Criteria: full-time company officers and employees only (excludes non-full-time/executive officers and contract/temporary/dispatch/part-time workers)

Financial and Non-Financial Historical Data

(In ¥ mn)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Results of operations*1										
Ordinary revenues	7,252,242	7,333,947	6,456,796	7,037,827	7,184,093	7,114,099	7,827,806	8,209,708	9,508,766	**11,028,166**
Premium and other income	5,432,717	5,586,000	4,468,736	4,884,579	5,344,016	4,885,407	4,730,301	5,291,973	6,654,426	**7,526,357**
Investment income	1,444,012	1,344,852	1,626,177	1,802,626	1,583,228	1,876,634	2,719,584	2,551,112	2,280,869	**3,033,982**
Ordinary expenses	6,845,400	6,915,780	6,031,476	6,565,833	6,751,148	6,895,718	7,274,945	7,618,811	9,121,266	**10,489,160**
Benefits and claims	3,380,827	3,830,941	3,618,385	3,789,907	3,839,105	4,870,794	5,001,109	5,855,703	6,548,179	**6,756,863**
Provision for policy reserves and others	2,271,268	1,496,360	1,016,744	1,223,870	1,309,287	164,491	971,280	316,837	15,348	**1,877,422**
Investment expenses	168,935	524,041	342,102	548,957	541,541	821,971	326,626	381,136	1,145,908	**603,877**
Operating expenses	559,344	661,384	650,985	661,110	703,573	680,154	689,057	752,160	841,698	**926,325**
Ordinary profit	406,842	418,166	425,320	471,994	432,945	218,380	552,861	590,897	387,500	**539,006**
Provision for reserve for policyholder dividends	112,200	97,500	85,000	95,000	87,500	82,500	77,500	87,500	95,000	**87,500**
Net income attributable to shareholders of parent company	142,476	178,515	231,286	363,928	225,035	32,433	363,777	409,353	173,735	**320,765**
Financial condition*1										
Total assets	49,837,202	49,924,922	51,985,850	53,603,028	55,941,261	60,011,999	63,593,705	65,881,161	61,653,699	**67,540,309**
Total liabilities	46,247,274	46,991,963	48,848,583	49,853,756	52,227,668	56,235,081	58,786,576	61,472,654	58,991,935	**63,658,152**
Policy reserves	41,634,712	42,922,534	43,740,238	44,597,717	47,325,761	49,520,817	49,897,294	51,407,655	52,498,770	**55,268,875**
Total net assets	3,589,927	2,932,959	3,137,266	3,749,271	3,713,592	3,776,918	4,807,129	4,408,507	2,661,764	**3,882,157**
Total shareholders' equity	1,029,622	1,129,262	1,300,756	1,589,623	1,708,808	1,641,506	1,893,643	1,996,301	1,753,795	**1,872,093**
Net unrealized gains (losses) on securities, net of tax	2,528,262	1,840,084	1,906,091	2,238,159	2,101,587	2,283,198	3,056,350	2,397,969	740,292	**1,733,897**
Sales results*2										
Annualized net premium of new business (¥ bn)*3	339.1	387.2	440.7	406.4	508.7	336.0	228.8	313.1	393.6	**502.9**
Domestic Group companies (¥ bn)	309.6	294.8	371.9	319.4	418.9	220.4	151.2	206.7	280.5	**378.7**
Overseas Group companies (¥ bn)*3	29.5	92.4	68.8	87.0	89.8	115.5	77.5	106.3	113.0	**124.2**
Annualized net premium from policies in force (¥ bn)	3,217.0	3,396.2	3,633.4	3,671.1	3,955.8	3969.7	4,054.6	4,234.3	4,525.0	**4,810.8**
Domestic Group companies (¥ bn)	2,493.2	2,634.8	2,865.3	2,895.5	3,092.4	3,057.8	3,078.5	3,090.1	3,119.6	**3,263.4**
Overseas Group companies (¥ bn)	723.8	761.3	768.1	775.6	863.4	911.9	975.9	1,144.1	1,405.3	**1,547.4**
Corporate value										
Group embedded value (EV) (¥ bn)*4	5,987.6	4,646.1	5,495.4	6,094.1	5,936.5	5,621.9	6,971.1	7,150.9	7,074.2	**8,892.1**
Value of new business (¥ bn)*4*5	286.1	216.1	145.5	190.2	197.4	150.3	119.6	98.6	77.7	**54.5**
New business margin (%)*4*5	5.53	3.92	2.94	4.3	3.78	3.32	3.56	2.36	1.48	**0.88**
Key financial indicators										
Return on equity (ROE) (%)*1	5.1	5.5	7.6	10.6	6	0.9	8.5	8.9	5.1	**9.8**
Return on embedded value (ROEV) (%)*6	28.8	(21.9)	20.3	13.1	(0.6)	(2.8)	32.5	4.9	3.9	**26.8**
Consolidated solvency margin ratio (%)	818.2	763.8	749.2	838.3	869.7	884.1	958.5	902.6	704.1	**692.6**
Adjusted ROE (%)*1	–	–	8.6	8.5	7.6	9.5	8.9	8.0	4.9	**8.2**
Economic solvency ratio (%)*7	147	98	151	170	169	195	203	227	212	**226**
Group adjusted profit (¥ bn)*1	214.7	204.6	210.1	243.2	236.3	274.5	282.8	296.1	170.5	**319.3**
Per share indicators										
Earnings per share (EPS) (¥)*1	124.94	150.53	196.62	310.69	194.43	28.53	325.61	383.15	171.01	**329.68**
Book value per share (BPS) (¥)*1	3,012.46	2,472.86	2,668.61	3,217.68	3,240.72	3,344.23	4,329.08	4,302.56	2,706.78	**4,107.03**
Dividend per share (DPS) (¥)	28	35	43	50	58	62	62	83	86	**113**
Key non-financial indicators										
Number of Group employees (people)	60,647	61,446	62,606	62,943	62,938	63,719	64,823	62,260	60,997	**59,495**
Domestic Group company employees (people)	55,982	56,503	57,262	57,339	56,565	56,691	57,228	53,992	51,398	**48,706**
Overseas Group company employees (people)	4,665	4,943	5,344	5,604	6,373	7,028	7,595	8,268	9,599	**9,867**
Percentage of women in managerial posts (%)*8	22.5	23.3	24.2	25.2	25.6	26.5	27.5	28.5	29.3	**29.6**
Number of employees with disabilities (people)*9	913	926	953	966	955	976	1,046	1,011	977	**963**
CO_2 emissions (t-CO_2)*10	168,000	178,100	171,900	166,000	155,300	113,300	88,700	71,200	44,800	**42,700**
Total paper usage (t)*11	6,509	6,559	6,967	6,475	6,474	6,092	4,794	5,425	4,774	**4,348**

*1 As TAL and PNZ have adopted IFRS 17 from FY2023, the figures for TAL and PNZ for FY2022 are restated on IFRS 17 basis.
*2 FY2014 figures are the total for Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life, TAL, and Dai-ichi Life Insurance Company of Vietnam. Figures for FY2015 to FY2018 are the total for Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life, Protective, TAL, and Dai-ichi Life Vietnam. Figures for FY2019 to FY2021 are the total for Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life, Protective, TAL, Dai-ichi Life Vietnam, Dai-ichi Life Cambodia, and Dai-ichi Life Myanmar. Figures from 2022 onward are the total for Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life, ipet, Protective, TAL, Partners Life, Dai-ichi Life Vietnam, Dai-ichi Life Cambodia, and Dai-ichi Life Myanmar.
*3 Starting with values for FY2019, values for TAL were tabulated after excluding change in in-force.
*4 Figures from FY2020 reflect changes made to Ultimate Forward Rates and the corporate bond spread used in the discount rate for Dai-ichi Frontier Life's debt valuation. For calculations from FY2022 concerning the three domestic Japanese companies (Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life), calculation methods have been changed in accordance with new regulations (economic value–based solvency regulations to be introduced in Japan at end of FY2025).
*5 Figures for FY2020 to FY2023 displayed reflecting retroactive amendment of miscalculated portion.
*6 For calculations from FY2023 concerning the three domestic Japanese companies (Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life), calculation methods have been changed in accordance with new regulations (economic value–based solvency regulations to be introduced in Japan at end of FY2025).
*7 Figures from FY2016 reflect the expected rate of return on assets at the time of insurance liability valuation. For figures from FY2019, measurement standards have been sophisticated based on the Insurance Capital Standard (ICS) and Japanese domestic economic value regulations. Figures from FY2020 reflect changes made to Ultimate Forward Rates and the corporate bond spread used in the discount rate for Dai-ichi Frontier Life's debt valuation. For figures from FY2022 concerning the three domestic Japanese companies (Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life), calculation methods have been changed in accordance with new regulations (economic value–based solvency regulations to be introduced in Japan at end of FY2025).
*8 Total of Dai-ichi Life Holdings, Dai-ichi Life, Dai-ichi Frontier Life, and Neo First Life. Figures as of April 1 of the next fiscal year, which represent the percentage at the end of the previous fiscal year.
*9 Total for Dai-ichi Life Holdings, Dai-ichi Life, Dai-ichi Life Challenged, Dai-ichi Life Business Services, and Dai-ichi Life Techno Cross. Figures as of April 1 of the next fiscal year, which represent the percentage at the end of the previous fiscal year.
*10 Scope 1 & 2 base. Figures for FY2014 are for Dai-ichi Life. From FY2015 onward, figures are the total including domestic Japanese and overseas subsidiaries and affiliated companies (39 companies in FY2023). Calculations from FY2019 onward are based on market standards. From FY2019 onward, the calculation process is partially revised to include factors such as CO_2 emissions produced by private cars used by Dai-ichi Life sales reps and other workers for business purposes.
*11 Figures for FY2014 are for Dai-ichi Life. From FY2015 onward, figures are the total including domestic Japanese and overseas subsidiaries and affiliated companies (39 companies in FY2023).

Dialogue with Stakeholders

Basic approach

The Dai-ichi Life Group discloses information related to group management strategy, finances, and business performance in a fair, timely, and appropriate manner. In addition, through means such as constructive dialogue with shareholders, investors, and other stakeholders to deepen their understanding of our Group, we strive to achieve a firm understanding of all stakeholders' opinions and demands, which function as sources of invaluable feedback for our companies and their management teams, allowing us to improve management and increase corporate value.

Status of dialogue with shareholders and investors (FY2023)

At the Dai-ichi Life Group, we engage in dialogue with domestic and overseas shareholders and investors regularly through channels such as quarterly financial results conference calls and the half-year financial results conference, which are mainly conducted online. In FY2023, we conducted a theme-based conference on the topic of sustainability, at which the CSuO and outside directors answered questions regarding the Dai-ichi Life Group's sustainability management strategies.

We also engaged in dialogue with more than 200 individual shareholders and investors in Japan and overseas. In speaking with them, we discussed a wide variety of topics, covering not only business performance but also corporate governance, risk management, and sustainability. In FY2023, we received many valuable opinions regarding the new mid-term management plan as well as questions about the TOB for Benefit One and Dai-ichi Life Holdings' capital efficiency–focused capital circulation management philosophy.

We report and share the opinions we receive widely within the Company, including feedback to management through the Board of Directors and the Executive Management Board, and incorporate them into management improvements.

In addition, in FY2024 we have introduced a stock compensation system. To convey messages from the capital market to a greater number of employees and promote working together as one to improve corporate value, a company internal IR briefing for all management levels was held with roughly 1,500 participants. We are conducting dialogue to improve operations while continuing to share messages from the capital market.

Track record of dialogue with shareholders and investors (FY2023)

- Number of conference calls and financial results and business conferences: 9
- Media distribution for individual investors: ca. 100,000 viewers
- Total number of IR interviews (domestic and foreign shareholders): ca. 300

Participation in External Initiatives

By participating in initiatives related to sustainability within and outside Japan, we are promoting initiatives for realizing a sustainable society.

Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century)

Women's Empowerment Principles (WEPs)

United Nations Global Compact (UNGC)

Principles for Responsible Investment (PRI)

Access to Medicine Foundation

International Corporate Governance Network (ICGN)

Japan Stewardship Initiative

Institutional Investors Collective Engagement Forum (IICEF)

IFRS Sustainability Alliance

30% Club Japan

Japan Impact-driven Financing Initiative

Climate Change–Related Initiatives

RE100

Climate Action 100+

THE NET-ZERO ASSET OWNER ALLIANCE

Glasgow Financial Alliance for Net Zero

Spring

Taskforce on Nature-related Financial Disclosures (TNFD) Forum

GX Acceleration Agency

Major Awards for the Group's Initiatives

Platinum Kurumin Plus

2024 KENKO Investment for Health Stock Selection

FY2023 Nadeshiko Brand

Work with Pride "PRIDE Index" Gold Award (2023)

Employer of Choice for Gender Equality (Australia)

ESG Finance Award Japan Gold Prize in Investor Category (Minister of the Environment Award)

3rd Nikkei Integrated Report Award for Excellence

Recipient	Organizer	Award	Summary
Protective	Newsweek	America's Best Customer Service	Newsweek's America's Best Customer Service ranks companies based on independent customer feedback of those who have used their services or requested more information in the past three years. The survey evaluates companies on the Likelihood of Recommendation, Quality of Communication, Professional Competence, Range of Services and Customer Focus and Accessibility. In the survey, Protective took first place in the U.S. life insurance category with an overall score of 91.89.
Dai-ichi Life Cambodia	Charlton Media Group	Insurance Asia Awards	The Insurance Asia Awards honor Asian Pacific insurance companies that contribute to improving their customers' quality of life through insurance products, services, and solutions. For the second consecutive year, Dai-ichi Life Cambodia received the Cambodian Insurance Company of the Year Award. Dai-ichi Life Cambodia will continue to contribute to societal value by providing innovative, attainable products and related services. 
OCEAN LIFE	Office of Insurance Commission (OIC)	Life Insurance Company with Outstanding Sustainability Development Award	In 2023, OCEAN LIFE received "The Life Insurance Company with Outstanding Sustainability Development Award," sponsored by the Office of Insurance Commission (OIC), Thailand's insurance regulatory authority. This award is given to the most outstanding insurance company in terms of sustainability-related environmental and social action and governance. OCEAN LIFE was highly praised for its commitment to sustainability initiatives based on its "Sustainable with Love" business policy. 

Overview and Organization of the Insurance Holding Company

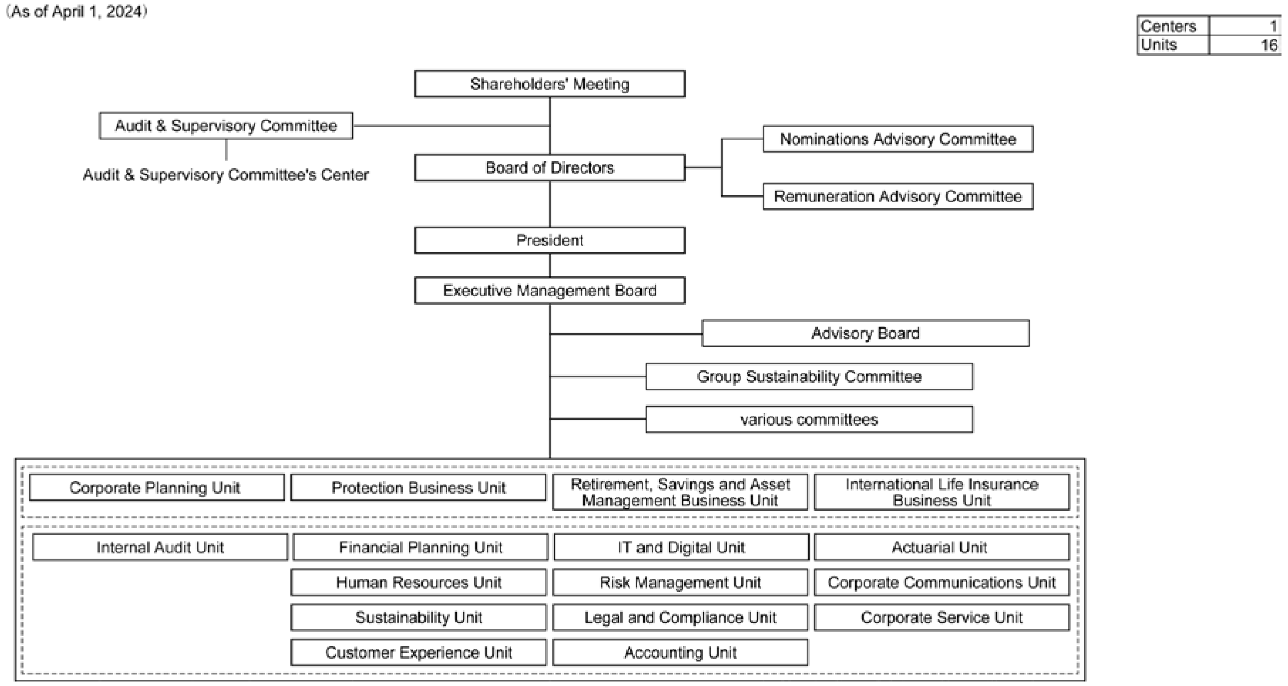
Corporate Profile

Trade name	Dai-ichi Life Holdings, Inc.
Date of Establishment	September 15, 1902
Head Office	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo 100-8411, Japan
Phone number	81-(0)3-3216-1222
Official website	https://www.dai-ichi-life-hd.com/en/
Main Business	The purpose of the Company shall be to engage in the following businesses: (1) Business administration of life insurance companies, non-life insurance companies, and other companies operating as the Company's subsidiaries pursuant to the provisions of the Insurance Business Act; (2) Business activities incidental to the business listed in the preceding item; and (3) In addition to the business listed in the preceding two items, business activities that are permitted to be performed by an insurance holding company under the Insurance Business Act.
Capital stock	344.2 billion yen
Number of employees	895 persons

Management Organization

Organization Chart

Dai-ichi Life Holdings
(As of April 1, 2024)



Capital Stock and Number of Shares

1. Capital stock

Date	Increase in capital	Capital stock after increase	Details
April 1, 2010	210,200 million yen	210,200 million yen	Reconciliation of net assets associated with the change in corporate structure to a public company from a mutual company
April 2, 2012	7 million yen	210,207 million yen	Exercise of stock options
April 1, 2013	8 million yen	210,215 million yen	Exercise of stock options
June 21, 2013	9 million yen	210,224 million yen	Exercise of stock options
June 25, 2014	37 million yen	210,262 million yen	Exercise of stock options
July 23, 2014	124,178 million yen	334,440 million yen	Issuance of new shares by way of public offering
August 19, 2014	8,663 million yen	343,104 million yen	Third-party allotment associated with the secondary offering through over-allotment
April 1, 2015	42 million yen	343,146 million yen	Exercise of stock options
July 24, 2018	180 million yen	343,326 million yen	Third-party allotment associated with the stock remuneration scheme using restricted stocks
July 19, 2019	190 million yen	343,517 million yen	Third-party allotment associated with the stock remuneration scheme using restricted stocks
July 21, 2020	214 million yen	343,732 million yen	Third-party allotment associated with the stock remuneration scheme using restricted stocks
July 20, 2021	194 million yen	343,926 million yen	Third-party allotment associated with the stock remuneration scheme using restricted stocks
December 2, 2022	147 million yen	344,074 million yen	Third-party allotment associated with the stock remuneration scheme using restricted stocks
March 4, 2024	130 million yen	344,205 million yen	Third-party allotment associated with the stock remuneration scheme using restricted stocks

2. Number of shares and shareholders

(As of March 31, 2024)

Number of shares authorized to be issued	4,000,000 thousand shares
Number of issued shares	952,672 thousand shares
Number of shareholders	705,043 persons

(Note) Numbers of shares less than one thousand are truncated.

3. Type of issued shares

(As of March 31, 2024)

Type	Number of issued shares	Details
Common stock	952,672 thousand shares	—

(Note) Numbers of shares less than one thousand are truncated.

4. Major Shareholders (Top 10)

(As of March 31, 2024)

Name of shareholders	Ownership in the Company	
	Shares held	Percentage
	thousands of shares	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	144,530	15.23
Custody Bank of Japan, Ltd. (Trust Account)	57,304	6.03
Mizuho Bank, Ltd.	28,000	2.95
SMP PARTNERS (CAYMAN) LIMITED	24,500	2.58
SMBC Nikko Securities Inc.	18,249	1.92
Shinsei Trust & Banking Co., Ltd. ECM MF Trust Account 8299002	17,450	1.83
JPMorgan Securities Japan Co., Ltd.	17,188	1.81
STATE STREET BANK WEST CLIENT – TREATY 505234	17,132	1.80
CGML PB CLIENT ACCOUNT/COLLATERAL	16,982	1.78
JP MORGAN CHASE BANK 385781	13,221	1.39

(Notes) 1. Numbers of shares less than one thousand are truncated.
2. Percentage figures of ownership are calculated after deducting the number of treasury stock from the number of issued shares, and figures less than the second decimal place are truncated.

5.Status of Accounting Audit

(1)Independent Auditor

KPMG AZSA LLC

(2)Details of audit fees, etc.

①Details of Remuneration to Auditing Certified Public Accountants, etc.

Classification	The fiscal year ended March 31, 2023		The fiscal year ended March 31, 2024	
	Fees based on audit certification services (Unit: million yen)	Fees for non-audit services (Unit: million yen)	Fees based on audit certification services (Unit: million yen)	Fees for non-audit services (Unit: million yen)
Submitting company	99	4	102	6
Consolidated subsidiary	235	22	292	22
Total	334	26	394	28

（The fiscal year ended March 31, 2023）

The Company's non-audit services include "Advisory services related to accounting standards",etc.

Non-audit services provided by consolidated subsidiaries include "Assurance services for systems related to corporate pension fund commissioned services",etc.

（The fiscal year ended March 31, 2024）

The Company's non-audit services include "Advisory services related to new regulations",etc.

Non-audit services provided by consolidated subsidiaries include "Assurance services for systems related to corporate pension fund commissioned services",etc.

②Fees to the same network (KPMG member firms) as the CPAs (excluding ①)

Classification	The fiscal year ended March 31, 2023		The fiscal year ended March 31, 2024	
	Fees based on audit certification services (Unit: million yen)	Fees for non-audit services (Unit: million yen)	Fees based on audit certification services (Unit: million yen)	Fees for non-audit services (Unit: million yen)
Submitting company	-	11	-	11
Consolidated Subsidiary	1,203	138	1,652	186
Total	1,203	150	1,652	198

（The fiscal year ended March 31, 2023）

The Company's non-audit services include "Tax advisory services",etc.

Non-audit services provided by consolidated subsidiaries include "Actuarial advisory services",etc.

（The fiscal year ended March 31, 2024）

The Company's non-audit services include "Tax advisory services",etc.

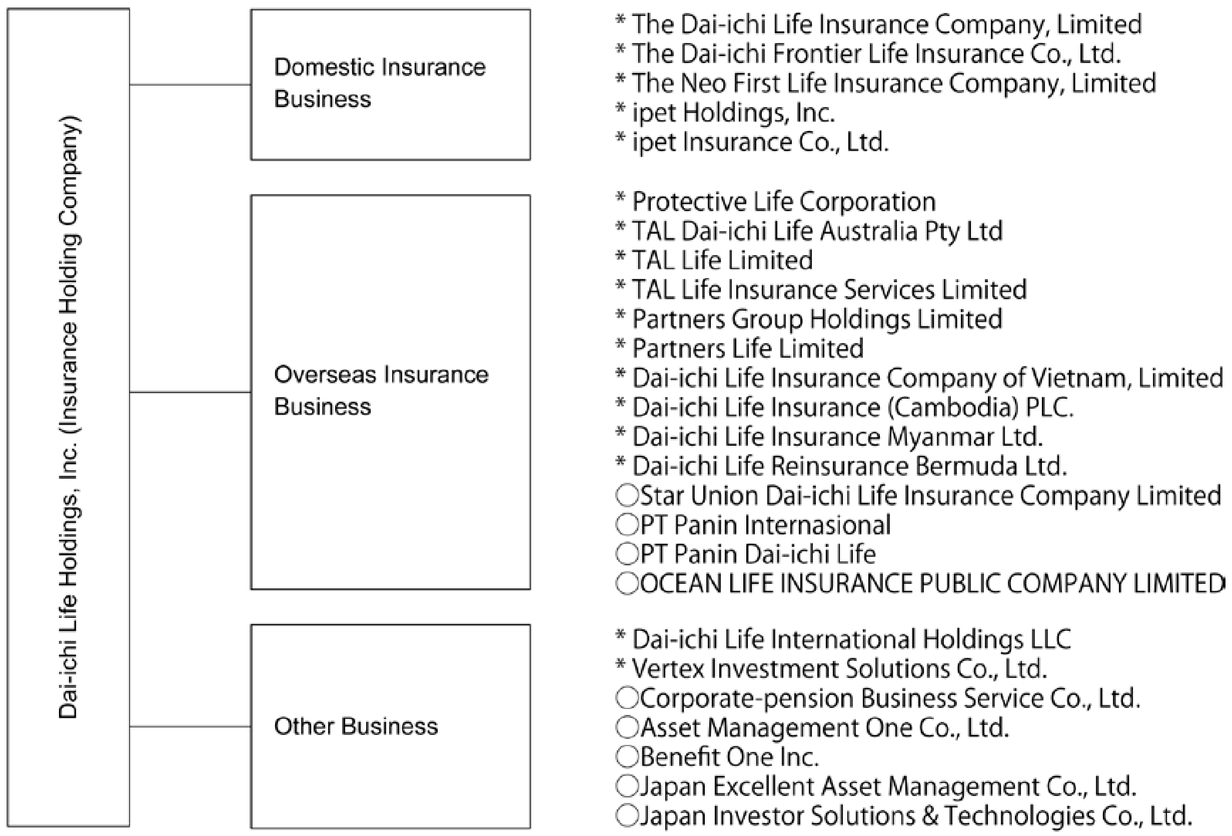
Non-audit services provided by consolidated subsidiaries include "Actuarial advisory services",etc.

Overview of the Insurance Holding Company and its Subsidiaries and Affiliated Companies

Main Businesses and Organization

Main businesses operated by the Company and its 154 subsidiaries and 47 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, 2024.

List of Group Companies

Company Name	Date of Establishment	Location	Capital	Principal Business (Note 1)	Percentage of voting rights of subsidiaries, etc. held by the Company (%)	Percentage of voting rights of subsidiaries, etc. held by Group companies (%) (Note 2)
(Consolidated Subsidiary)						
The Dai-ichi Life Insurance Company, Limited	April 1, 2016	Chiyoda-ku, Tokyo	60.0 billion JPY	Domestic insurance business	100.0%	0.0%
The Dai-ichi Frontier Life Insurance Co., Ltd.	December 1, 2006	Minato-ku, Tokyo	117.5 billion JPY	Domestic insurance business	100.0%	0.0%
The Neo First Life Insurance Company, Limited	April 23, 1999	Shinagawa-ku, Tokyo	47.5 billion JPY	Domestic insurance business	100.0%	0.0%
ipet Holdings, Inc.	October 1, 2020	Koto-ku, Tokyo	0.1 billion JPY	Domestic insurance business	100.0%	0.0%
ipet Insurance Co., Ltd.	May 11, 2004	Koto-ku, Tokyo	4.6 billion JPY	Domestic insurance business	0.0%	100.0%
Protective Life Corporation	July 24, 1907	Birmingham, U.S.A.	10 USD	Overseas insurance business	0.0%	100.0%
TAL Dai-ichi Life Australia Pty Ltd	March 25, 2011	Sydney, Australia	3,055 million AUD	Overseas insurance business	0.0%	100.0%
TAL Life Limited	October 11, 1990	Sydney, Australia	654 million AUD	Overseas insurance business	0.0%	100.0%
TAL Life Insurance Services Limited	August 4, 1986	Sydney, Australia	856 million AUD	Overseas insurance business	0.0%	100.0%
Partners Group Holdings Limited	August 23, 2010	Oakland, New Zealand	486 million NZD	Overseas insurance business	0.0%	100.0%
Partners Life Limited	August 23, 2010	Oakland, New Zealand	519 million NZD	Overseas insurance business	0.0%	100.0%
Dai-ichi Life Insurance Company of Vietnam, Limited	January 18, 2007	Ho Chi Minh City, Vietnam	9,797.5 billion VND	Overseas insurance business	100.0%	0.0%
Dai-ichi Life Insurance (Cambodia) PLC.	March 14, 2018	Phnom Penh, Cambodia	56 million USD	Overseas insurance business	0.0%	100.0%
Dai-ichi Life Insurance Myanmar Ltd.	May 17, 2019	Yangon, Myanmar	67 million USD	Overseas insurance business	0.0%	100.0%
Dai-ichi Life Reinsurance Bermuda Ltd.	September 25, 2020	Hamilton, Bermuda	195 million USD	Overseas insurance business	100.0%	0.0%
Dai-ichi Life International Holdings LLC	June 22, 2020	Chiyoda-ku, Tokyo	5 million JPY	Other business	100.0%	0.0%
Vertex Investment Solutions Co., Ltd.	August 1, 2022	Chiyoda-ku, Tokyo	15 billion JPY	Other business	100.0%	0.0%

Company Name	Date of Establishment	Location	Capital	Principal Business (Note 1)	Percentage of voting rights of subsidiaries, etc. held by the Company (%)	Percentage of voting rights of subsidiaries, etc. held by Group companies (%) (Note 2)
(Affiliated Company Under the Equity Method)						
Star Union Dai-ichi Life Insurance Company Limited	September 25, 2007	Navi Mumbai, India	3,389 million INR	Overseas insurance business	0.0%	45.9%
PT Panin Internasional	July 24, 1998	Jakarta, Indonesia	1,022.5 billion IDR	Overseas insurance business	0.0%	36.8%
PT Panin Dai-ichi Life	July 19, 1974	Jakarta, Indonesia	1,067.3 billion IDR	Overseas insurance business	5.0%	95.0%
OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED	January 11, 1949	Bangkok, Thailand	2.360 billion THB	Overseas insurance business	0.0%	24.0%
Corporate-Pension Business Service Co., Ltd.	October 1, 2001	Osaka-shi, Osaka	6.0 billion JPY	Other business	0.0%	50.0%
Asset Management One Co., Ltd.	July 1, 1985	Chiyoda-ku, Tokyo	2.0 billion JPY	Other business	49.0%	0.0%
Benefit One Inc.	March 15, 1996	Shinjuku-ku, Tokyo	1.5 billion JPY	Other business	37.3%	0.0%
Japan Excellent Asset Management Co., Ltd.	April 14, 2005	Minato-ku, Tokyo	400 million JPY	Other business	0.0%	36.0%
Japan Investor Solutions & Technologies Co., Ltd.	August 11, 1999	Yokohama-shi, Kanagawa	25.8 billion JPY	Other business	0.0%	18.6%

(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,				
	2020	2021	2022	2023	2024
Ordinary revenues (million yen)	7,114,099	7,827,806	8,209,708	9,508,766	11,028,166
Ordinary profit (million yen)	218,380	552,861	590,897	387,500	539,006
Net income attributable to shareholders of parent company (million yen)	32,433	363,777	409,353	173,735	320,765
Comprehensive income (million yen)	167,564	1,143,981	(130,395)	(1,344,017)	1,425,209

	As of March 31,				
	2020	2021	2022	2023	2024
Total net assets (million yen)	3,776,918	4,807,129	4,210,341	2,661,764	3,882,157
Total assets (million yen)	60,011,999	63,593,705	65,896,142	61,653,699	67,540,309
Consolidated solvency margin ratio (%)	884.1	958.5	902.6	704.1	692.6

(Note) As mentioned in "NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2024," certain consolidated overseas subsidiaries have applied Accounting Standards "Insurance Contracts" (AASB No. 17) (NZ IFRS No. 17) issued by the Australian Accounting Standards Board and the New Zealand Accounting Standards Board. Accordingly, figures for Fiscal Year Ended March 31, 2023 are restated. In addition, total net assets and total assets as of March 31, 2022 and 2023 are also restated.

Outline of business

Ordinary revenues for the fiscal year ended March 31, 2024 increased by 16.0% compared to the previous fiscal year to ¥11,028.1 billion, consisting of ¥7,526.3 billion (13.1% increase) in premium and other income, ¥3,033.9 billion (33.0% increase) in investment income, and ¥467.8 billion (18.4% decrease) in other ordinary revenues. Meanwhile, ordinary expenses for the fiscal year ended March 31, 2024 increased by 18.0% compared to the previous fiscal year to ¥10,489.1 billion, consisting of ¥6,756.8 billion (3.2% increase) in benefits and claims, ¥1,877.4 billion (¥15.3 billion at the previous fiscal year) in provision for policy reserves and others, ¥603.8 billion (47.3% decrease) in investment expenses, ¥926.3 billion (10.1% increase) in operating expenses, and ¥324.6 billion (43.1% decrease) in other ordinary expenses.

As a result, ordinary profit for the fiscal year ended March 31, 2024 increased by 39.1% compared to the previous fiscal year to ¥539.0 billion. Net income attributable to shareholders of parent company, which is ordinary profit after extraordinary gains and losses, provision for reserve for policyholder dividends and total of corporate income taxes, increased by 84.6% to ¥320.7 billion. This was mainly due to rebound from temporary downside factors at the previous fiscal year such as an increase in hedging cost of foreign currency hedged bonds and COVID-19 related payments at Dai-ichi Life.

Segment results were as follows:

(1) Domestic Insurance Business

Ordinary revenues in the domestic insurance business increased by ¥441.8 billion compared to the previous consolidated fiscal year, amounting to ¥8,782.9 billion (5.3% increase). This increase was mainly due to an increase in premium and other income because of strong sales resulting from a rise in domestic and overseas interest rate at Dai-ichi Frontier Life as well as significant gains on foreign exchange resulting from the depreciation of the yen.

Segment profit increased by ¥62.8 billion compared to the previous consolidated fiscal year, reaching ¥407.0 billion (18.3% increase). This was mainly due to a significant decrease in COVID-19 related benefit payments at Dai-ichi Life and a reduction in provision for standard policy reserves for foreign currency-denominated insurance and new contract expenses at Dai-ichi Frontier Life following changes in the financial market environment and reinsurance of new contracts.

(2) Overseas Insurance Business

Ordinary revenues in the overseas insurance business increased by ¥531.1 billion compared to the previous consolidated fiscal year, amounting to ¥3,149.8 billion (20.3% increase). This increase was mainly due to a rise in premium and other income at TAL following the successful acquisition of TAL Life Insurance Services Limited (formerly Westpac Life Insurance Services Limited) in August 2022, as well as a significant improvement in gains and losses on trading securities at Protective due to changes in the financial market environment.

Segment profit increased by ¥122.6 billion compared to the previous consolidated fiscal year, reaching ¥127.3 billion (¥4.7 billion at the previous fiscal year). This increase was mainly due to profit contributions from Partners Life in New Zealand, which was acquired in November 2022, and an improvement in gains and losses on trading securities at Dai-ichi Life Reinsurance Bermuda Ltd. compared to the previous fiscal year.

(3) Other Business

Ordinary revenues in the other business decreased by ¥67.4 billion compared to the previous consolidated fiscal year, amounting to ¥226.8 billion (22.9% decrease). This decrease was mainly due to a reduction in dividend income from group companies such as Dai-ichi Life and Dai-ichi Frontier Life. Segment profit decreased by ¥69.7 billion compared to the previous consolidated fiscal year, reaching ¥199.2 billion (25.9% decrease).

Consolidated Balance Sheet

	(Unit: million yen)		(Unit: million US dollars)
	As of March 31,		
	2023	**2024**	**2024**
(ASSETS)			
Cash and deposits	1,619,087	2,064,416	13,634
Call loans	966,900	719,300	4,750
Receivables under resale agreements	—	58,136	383
Monetary claims bought	246,105	226,450	1,495
Money held in trust	911,246	888,720	5,869
Securities	46,711,704	51,781,703	341,996
Loans	4,348,495	4,719,209	31,168
Tangible fixed assets	1,239,953	1,224,456	8,087
Land	883,225	861,010	5,686
Buildings	330,802	341,248	2,253
Leased assets	3,580	2,510	16
Construction in progress	6,352	3,178	20
Other tangible fixed assets	15,992	16,507	109
Intangible fixed assets	736,712	708,383	4,678
Software	129,394	129,811	857
Goodwill	117,236	115,206	760
Other intangible fixed assets	490,082	463,364	3,060
Reinsurance receivable	1,623,872	1,853,137	12,239
Other assets	2,884,851	3,124,314	20,634
Deferred tax assets	334,573	178,914	1,181
Customers' liabilities for acceptances and guarantees	48,987	16,417	108
Reserve for possible loan losses	(17,863)	(22,803)	(150)
Reserve for possible investment losses	(927)	(448)	(2)
Total assets	61,653,699	67,540,309	446,075
(LIABILITIES)			
Policy reserves and others	54,276,174	57,152,350	377,467
Reserves for outstanding claims	1,353,999	1,460,832	9,648
Policy reserves	52,498,770	55,268,875	365,027
Reserve for policyholder dividends	423,403	422,642	2,791
Reinsurance payable	584,172	476,386	3,146
Short-term bonds payable	43,062	53,088	350
Bonds payable	906,612	922,198	6,090
Other liabilities	2,362,537	4,171,547	27,551
Payables under repurchase agreements	432,210	1,360,914	8,988
Other liabilities	1,930,326	2,810,632	18,563
Net defined benefit liabilities	367,808	212,173	1,401
Reserve for retirement benefits of directors, executive officers and corporate auditors	794	674	4
Reserve for possible reimbursement of prescribed claims	800	1,000	6
Reserves under the special laws	305,588	324,391	2,142
Reserve for price fluctuations	305,588	324,391	2,142
Deferred tax liabilities	25,199	258,858	1,709
Deferred tax liabilities for land revaluation	70,197	69,064	456
Acceptances and guarantees	48,987	16,417	108
Total liabilities	58,991,935	63,658,152	420,435

Consolidated Balance Sheet (Continued)

	(Unit: million yen)		(Unit: million US dollars)
	As of March 31,		
	2023	**2024**	**2024**
(NET ASSETS)			
Capital stock	344,074	344,205	2,273
Capital surplus	330,407	330,538	2,183
Retained earnings	1,093,232	1,214,608	8,021
Treasury stock	(13,918)	(17,258)	(113)
Total shareholders' equity	1,753,795	1,872,093	12,364
Net unrealized gains (losses) on securities, net of tax	740,292	1,733,897	11,451
Deferred hedge gains (losses)	(38,114)	(101,756)	(672)
Reserve for land revaluation	30,369	28,223	186
Foreign currency translation adjustments	149,749	247,433	1,634
Accumulated remeasurements of defined benefit plans	22,778	117,420	775
Net unrealized gains (losses) on total policy reserves and other reserves of foreign subsidiaries, net of tax	2,407	(15,457)	(102)
Total accumulated other comprehensive income	907,483	2,009,761	13,273
Stock acquisition rights	483	302	1
Non-controlling interests	1	—	—
Total net assets	2,661,764	3,882,157	25,640
Total liabilities and net assets	61,653,699	67,540,309	446,075

Consolidated Statement of Earnings

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2023	**2024**	**2024**
ORDINARY REVENUES	9,508,766	11,028,166	72,836
Premium and other income	6,654,426	7,526,357	49,708
Investment income	2,280,869	3,033,982	20,038
Interest and dividends	1,431,356	1,430,988	9,451
Gains on money held in trust	—	20,505	135
Gains on investments in trading securities	—	385,902	2,548
Gains on sale of securities	571,788	435,076	2,873
Gains on redemption of securities	19,182	8,238	54
Derivative transaction gains	27,138	—	—
Foreign exchange gains	227,065	539,088	3,560
Reversal of reserve for possible loan losses	100	—	—
Reversal of reserve for possible investment losses	—	46	0
Other investment income	4,236	6,660	43
Gains on investments in separate accounts	—	207,475	1,370
Other ordinary revenues	573,470	467,827	3,089
ORDINARY EXPENSES	9,121,266	10,489,160	69,276
Benefits and claims	6,548,179	6,756,863	44,626
Claims	1,768,898	1,832,297	12,101
Annuities	865,135	1,068,105	7,054
Benefits	761,238	667,575	4,409
Surrender values	1,989,215	1,735,306	11,460
Other refunds	1,163,691	1,453,577	9,600
Provision for policy reserves and others	15,348	1,877,422	12,399
Provision for reserves for outstanding claims	7,043	28,722	189
Provision for policy reserves	—	1,840,259	12,154
Provision for interest on policyholder dividends	8,305	8,440	55
Investment expenses	1,145,908	603,877	3,988
Interest expenses	33,000	39,675	262
Losses on money held in trust	2,303	—	—
Losses on investments in trading securities	392,938	—	—
Losses on sale of securities	516,578	356,612	2,355
Losses on valuation of securities	21,750	7,866	51
Losses on redemption of securities	5,934	3,684	24
Derivative transaction losses	—	99,258	655
Provision for reserve for possible loan losses	—	5,100	33
Provision for reserve for possible investment losses	486	—	—
Write-down of loans	1,513	4,394	29
Depreciation of real estate for rent and others	13,682	14,044	92
Other investment expenses	72,358	73,240	483
Losses on investments in separate accounts	85,361	—	—
Operating expenses	841,698	926,325	6,117
Other ordinary expenses	570,130	324,672	2,144
Ordinary profit	387,500	539,006	3,559
EXTRAORDINARY GAINS	4,584	6,646	43
Gains on disposal of fixed assets	4,550	6,543	43
Other extraordinary gains	34	103	0
EXTRAORDINARY LOSSES	39,805	31,153	205
Losses on disposal of fixed assets	5,562	6,523	43
Impairment losses on fixed assets	15,939	5,307	35
Provision for reserve for price fluctuations	18,202	18,803	124
Other extraordinary losses	101	520	3
Provision for reserve for policyholder dividends	95,000	87,500	577
Income before income taxes	257,280	426,998	2,820
Corporate income taxes-current	41,746	96,764	639
Corporate income taxes-deferred	41,798	9,448	62
Total of corporate income taxes	83,544	106,212	701
Net Income	173,735	320,786	2,118
Net income attributable to non-controlling interests	0	21	0
Net income attributable to shareholders of parent company	173,735	320,765	2,118

Consolidated Statement of Comprehensive Income

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2023	**2024**	**2024**
Net income	173,735	320,786	2,118
Other comprehensive income			
Net unrealized gains (losses) on securities, net of tax	(1,651,766)	991,026	6,545
Deferred hedge gains (losses)	(21,888)	(64,624)	(426)
Foreign currency translation adjustments	142,589	92,740	612
Remeasurements of defined benefit plans, net of tax	14,575	94,641	625
Net unrealized gains (losses) on total policy reserves and other reserves of foreign subsidiaries, net of tax	2,104	(17,864)	(117)
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	(3,368)	8,504	56
Total other comprehensive income	(1,517,753)	1,104,423	7,294
Comprehensive income	(1,344,017)	1,425,209	9,412
(Details)			
Attributable to shareholders of parent company	(1,344,017)	1,425,188	9,412
Attributable to non-controlling interests	0	21	0

Consolidated Statement of Changes in Net Assets

Year ended March 31, 2023

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	343,926	330,259	1,334,834	(12,718)	1,996,301
Cumulative effect of changes in accounting policies, etc.			(198,165)		(198,165)
Balance at the beginning of the year after reflecting the effect of changes in accounting policies, etc.	343,926	330,259	1,136,668	(12,718)	1,798,136
Changes for the year					
Issuance of new shares	147	147			295
Dividends			(85,030)		(85,030)
Net income attributable to shareholders of parent company			173,735		173,735
Purchase of treasury stock				(120,000)	(120,000)
Disposal of treasury stock		(143)		405	262
Cancellation of treasury stock		(118,394)		118,394	—
Transfer from retained earnings to capital surplus		118,538	(118,538)		—
Transfer from reserve for land revaluation			(13,726)		(13,726)
Others			122		122
Net changes of items other than shareholders' equity					
Total changes for the year	147	147	(43,436)	(1,199)	(44,341)
Balance at the end of the year	344,074	330,407	1,093,232	(13,918)	1,753,795

(Unit: million yen)

	Accumulated other comprehensive income				
	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)	Reserve for land revaluation	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans
Balance at the beginning of the year	2,397,969	(15,532)	16,643	4,232	8,197
Cumulative effect of changes in accounting policies, etc.	(302)				
Balance at the beginning of the year after reflecting the effect of changes in accounting policies, etc.	2,397,666	(15,532)	16,643	4,232	8,197
Changes for the year					
Issuance of new shares					
Dividends					
Net income attributable to shareholders of parent company					
Purchase of treasury stock					
Disposal of treasury stock					
Cancellation of treasury stock					
Transfer from retained earnings to capital surplus					
Transfer from reserve for land revaluation					
Others					
Net changes of items other than shareholders' equity	(1,657,373)	(22,581)	13,726	145,516	14,580
Total changes for the year	(1,657,373)	(22,581)	13,726	145,516	14,580
Balance at the end of the year	740,292	(38,114)	30,369	149,749	22,778

(Unit: million yen)

	Accumulated other comprehensive income				
	Net unrealized gains (losses) on total policy reserves and other reserves of foreign subsidiaries, net of tax	Total accumulated other comprehensive income	Stock acquisition rights	Non-controlling interests	Total net assets
Balance at the beginning of the year	—	2,411,510	694	—	4,408,507
Cumulative effect of changes in accounting policies, etc.	302	—			(198,165)
Balance at the beginning of the year after reflecting the effect of changes in accounting policies, etc.	302	2,411,510	694	—	4,210,341
Changes for the year					
Issuance of new shares					295
Dividends					(85,030)
Net income attributable to shareholders of parent company					173,735
Purchase of treasury stock					(120,000)
Disposal of treasury stock					262
Cancellation of treasury stock					—
Transfer from retained earnings to capital surplus					—
Transfer from reserve for land revaluation					(13,726)
Others					122
Net changes of items other than shareholders' equity	2,104	(1,504,027)	(211)	1	(1,504,236)
Total changes for the year	2,104	(1,504,027)	(211)	1	(1,548,577)
Balance at the end of the year	2,407	907,483	483	1	2,661,764

Consolidated Statement of Changes in Net Assets (Continued)

Year ended March 31, 2024

(Unit: million yen)

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

(Unit: million yen)

	Accumulated other comprehensive income				
	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)	Reserve for land revaluation	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans
Balance at the beginning of the year	740,292	(38,114)	30,369	149,749	22,778
Cumulative effect of changes in accounting policies, etc.					
Balance at the beginning of the year after reflecting the effect of changes in accounting policies, etc.	740,292	(38,114)	30,369	149,749	22,778
Changes for the year					
Issuance of new shares					
Dividends					
Net income attributable to shareholders of parent company					
Purchase of treasury stock					
Disposal of treasury stock					
Cancellation of treasury stock					
Transfer from retained earnings to capital surplus					
Transfer from reserve for land revaluation					
Others					
Net changes of items other than shareholders' equity	993,604	(63,642)	(2,145)	97,684	94,642
Total changes for the year	993,604	(63,642)	(2,145)	97,684	94,642
Balance at the end of the year	1,733,897	(101,756)	28,223	247,433	117,420

(Unit: million yen)

	Accumulated other comprehensive income				
	Net unrealized gains (losses) on total policy reserves and other reserves of foreign subsidiaries, net of tax	Total accumulated other comprehensive income	Stock acquisition rights	Non-controlling interests	Total net assets
Balance at the beginning of the year	2,407	907,483	483	1	2,661,764
Cumulative effect of changes in accounting policies, etc.		—			—
Balance at the beginning of the year after reflecting the effect of changes in accounting policies, etc.	2,407	907,483	483	1	2,661,764
Changes for the year					
Issuance of new shares					261
Dividends					(84,554)
Net income attributable to shareholders of parent company					320,765
Purchase of treasury stock					(120,000)
Disposal of treasury stock					255
Cancellation of treasury stock					—
Transfer from retained earnings to capital surplus					—
Transfer from reserve for land revaluation					2,145
Others					(574)
Net changes of items other than shareholders' equity	(17,864)	1,102,277	(181)	(1)	1,102,095
Total changes for the year	(17,864)	1,102,277	(181)	(1)	1,220,393
Balance at the end of the year	(15,457)	2,009,761	302	—	3,882,157

Consolidated Statement of Changes in Net Assets (Continued)

Year ended March 31, 2024

(Unit: million US dollars)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	2,272	2,182	7,220	(91)	11,583
Cumulative effect of changes in accounting policies, etc.					—
Balance at the beginning of the year after reflecting the effect of changes in accounting policies, etc.	2,272	2,182	7,220	(91)	11,583
Changes for the year					
Issuance of new shares	0	0			1
Dividends			(558)		(558)
Net income attributable to shareholders of parent company			2,118		2,118
Purchase of treasury stock				(792)	(792)
Disposal of treasury stock		(1)		3	1
Cancellation of treasury stock		(767)		767	—
Transfer from retained earnings to capital surplus		768	(768)		—
Transfer from reserve for land revaluation			14		14
Others			(3)		(3)
Net changes of items other than shareholders' equity					
Total changes for the year	0	0	801	(22)	781
Balance at the end of the year	2,273	2,183	8,021	(113)	12,364

(Unit: million US dollars)

	Accumulated other comprehensive income				
	Net unrealizedgains (losses) on securities, net of tax	Deferred hedge gains (losses)	Reserve for land revaluation	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans
Balance at the beginning of the year	4,889	(251)	200	989	150
Cumulative effect of changes in accounting policies, etc.					
Balance at the beginning of the year after reflecting the effect of changes in accounting policies, etc.	4,889	(251)	200	989	150
Changes for the year					
Issuance of new shares					
Dividends					
Net income attributable to shareholders of parent company					
Purchase of treasury stock					
Disposal of treasury stock					
Cancellation of treasury stock					
Transfer from retained earnings to capital surplus					
Transfer from reserve for land revaluation					
Others					
Net changes of items other than shareholders' equity	6,562	(420)	(14)	645	625
Total changes for the year	6,562	(420)	(14)	645	625
Balance at the end of the year	11,451	(672)	186	1,634	775

(Unit: million US dollars)

	Accumulated other comprehensive income				
	Net unrealized gains (losses) on total policy reserves and other reserves of foreign subsidiaries, net of tax	Total accumulated other comprehensive income	Stock acquisition rights	Non-controlling interests	Total net assets
Balance at the beginning of the year	15	5,993	3	0	17,579
Cumulative effect of changes in accounting policies, etc.		—			—
Balance at the beginning of the year after reflecting the effect of changes in accounting policies, etc.	15	5,993	3	0	17,579
Changes for the year					
Issuance of new shares					1
Dividends					(558)
Net income attributable to shareholders of parent company					2,118
Purchase of treasury stock					(792)
Disposal of treasury stock					1
Cancellation of treasury stock					—
Transfer from retained earnings to capital surplus					—
Transfer from reserve for land revaluation					14
Others					(3)
Net changes of items other than shareholders' equity	(117)	7,280	(1)	(0)	7,278
Total changes for the year	(117)	7,280	(1)	(0)	8,060
Balance at the end of the year	(102)	13,273	1	—	25,640

Consolidated Statement of Cash Flows

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2023	**2024**	**2024**
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income taxes	257,280	426,998	2,820
Depreciation of real estate for rent and others	13,682	14,044	92
Depreciation	84,023	75,392	497
Impairment losses on fixed assets	15,939	5,307	35
Amortization of goodwill	7,030	9,620	63
Increase (decrease) in reserves for outstanding claims	89,668	13,140	86
Increase (decrease) in policy reserves	(809,048)	1,699,747	11,226
Provision for interest on policyholder dividends	8,305	8,440	55
Provision for (reversal of) reserve for policyholder dividends	95,000	87,500	577
Increase (decrease) in reserve for possible loan losses	(3,643)	3,938	26
Increase (decrease) in reserve for possible investment losses	147	(478)	(3)
Write-down of loans	1,513	4,394	29
Increase (decrease) in net defined benefit liabilities	(6,004)	(24,894)	(164)
Increase (decrease) in reserve for retirement benefits of directors, executive officers and corporate auditors	(134)	(119)	(0)
Increase (decrease) in reserve for possible reimbursement of prescribed claims	—	200	1
Increase (decrease) in reserve for price fluctuations	18,202	18,803	124
Interest and dividends	(1,431,356)	(1,430,988)	(9,451)
Securities related losses (gains)	431,593	(668,528)	(4,415)
Interest expenses	33,000	39,675	262
Foreign exchange losses (gains)	(227,065)	(539,088)	(3,560)
Losses (gains) on disposal of fixed assets	498	(930)	(6)
Equity in losses (income) of affiliates	(6,184)	(9,531)	(62)
Losses (gains) on sale of stocks of subsidiaries and affiliated companies	—	2	0
Decrease (increase) in reinsurance receivable	543,710	(121,340)	(801)
Decrease (increase) in other assets unrelated to investing and financing activities	87,721	(162,593)	(1,073)
Increase (decrease) in reinsurance payable	(292,520)	(24,706)	(163)
Increase (decrease) in other liabilities unrelated to investing and financing activities	48,887	236,206	1,560
Others, net	6,787	127,492	842
Subtotal	(1,032,966)	(212,295)	(1,402)
Interest and dividends received	1,621,166	1,610,065	10,633
Interest paid	(36,066)	(42,710)	(282)
Policyholder dividends paid	(93,123)	(96,702)	(638)
Others, net	(436,527)	(267,843)	(1,768)
Corporate income taxes (paid) refund	(154,975)	6,864	45
Net cash flows provided by (used in) operating activities	(132,492)	997,377	6,587

Consolidated Statement of Cash Flows (Continued)

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2023	**2024**	**2024**
CASH FLOWS FROM INVESTING ACTIVITIES			
Net decrease (increase) in cash and deposits	4,460	2,971	19
Purchases of monetary claims bought	(25,989)	(40,438)	(267)
Proceeds from sale and redemption of monetary claims bought	29,995	50,992	336
Purchases of money held in trust	(92,105)	(250,337)	(1,653)
Proceeds from decrease in money held in trust	285,464	293,607	1,939
Purchases of securities	(10,719,051)	(13,392,710)	(88,453)
Proceeds from sale and redemption of securities	14,073,919	11,884,649	78,493
Origination of loans	(1,000,847)	(1,195,175)	(7,893)
Proceeds from collection of loans	842,473	974,322	6,434
Net increase (decrease) in short-term investing	(2,764,354)	1,125,207	7,431
Total of net cash provided by (used in) investment transactions	633,964	(546,911)	(3,612)
Total of net cash provided by (used in) operating activities and investment transactions	501,472	450,466	2,975
Acquisition of tangible fixed assets	(117,860)	(51,139)	(337)
Proceeds from sale of tangible fixed assets	56,547	38,781	256
Acquisition of intangible fixed assets	(43,821)	(42,012)	(277)
Proceeds from sale of intangible fixed assets	—	3,319	21
Acquisitions of stock of subsidiaries resulting in change in scope of consolidation	(218,369)	—	—
Payments from sales of investments in subsidiaries resulting in change in scope of consolidation	—	(155)	(1)
Acquisitions of stock of subsidiaries	—	(3,530)	(23)
Net cash flows provided by (used in) investing activities	310,460	(601,649)	(3,973)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	103,673	200,230	1,322
Repayment of borrowings	(205,632)	(9,052)	(59)
Proceeds from issuing common stock	147	—	—
Repayment of financial lease obligations	(3,147)	(3,412)	(22)
Net increase (decrease) in short-term financing	(13,599)	(128,754)	(850)
Purchase of treasury stock	(120,000)	(120,000)	(792)
Cash dividends paid	(84,814)	(84,313)	(556)
Acquisitions of stock of subsidiaries that do not result in change in scope of consolidation	(2,075)	(460)	(3)
Others, net	0	0	0
Net cash flows provided by (used in) financing activities	(325,447)	(145,763)	(962)
Effect of exchange rate changes on cash and cash equivalents	48,019	5,120	33
Net increase (decrease) in cash and cash equivalents	(99,458)	255,085	1,684
Cash and cash equivalents at the beginning of the year	2,616,743	2,517,285	16,625
Cash and cash equivalents at the end of the year	2,517,285	2,772,370	18,310

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

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 ¥151.41=US$1.00, the foreign exchange rate on March 31, 2024, has been used for translation of the truncated figures in Japanese yen. The inclusion of such amounts is not intended to imply that Japanese yen has been or could be readily converted, realized or settled into U.S. dollars at that rate or any other rate.

Ⅱ. PRINCIPLES OF CONSOLIDATION

1. Scope of Consolidation

(1) The number of consolidated subsidiaries as of March 31, 2024: 80

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

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

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

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

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

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

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

On June 28, 2024, ipet Holdings and ipet Insurance Co., Ltd merged through an absorption-type merger in which ipet Insurance Co., Ltd. will be a surviving company and ipet Holdings will be an absorbed company.

(2) The number of non-consolidated subsidiaries as of March 31, 2024: 74

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

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

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

2. Application of the Equity Method

The number of non-consolidated subsidiaries under the equity method as of March 31, 2024 was 0.

The number of affiliated companies under the equity method as of March 31, 2024 was 35.The affiliated companies included Asset Management One Co., Ltd., Corporate-pension Business Service Co., Ltd., Japan Excellent Asset Management Co., Ltd., Japan Investor Solutions&Technologies Co., LTD., Benefit One Inc., OCEAN LIFE INSURANCE PUBLIC COMPANY LIMITED, Star Union Dai-ichi Life Insurance Company Limited and PT Panin Internasional.

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

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

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

The non-consolidated subsidiaries (The Dai-ichi Life Information Systems Co., Ltd., THE DAI-ICHI BUILDING CO., LTD. and First U Anonymous Association and others), as well as affiliated companies (Mizuho-DL Financial Technology Co., Ltd., NIHONBUSSAN Corporation, and others) were not accounted for under the equity method. These companies had, individually and in the aggregate, a minimal impact on the consolidated financial statements, in terms of the net income (loss) (amount corresponding to equity interest), retained earnings (amount corresponding to equity interest) and others.

3. Year-end Dates of Consolidated Subsidiaries

Among the consolidated subsidiaries, the closing dates of consolidated overseas subsidiaries are December 31 or March 31. In preparing the consolidated financial statements, the financial statements as of these dates are used, and necessary adjustments are made when significant transactions take place between these dates and the account closing date of the consolidated financial statements.

4. Summary of Significant Accounting Policies

(1) Valuation Methods of Securities

Securities held by the Company and its consolidated subsidiaries including cash and deposits and monetary claims bought which are equivalent to marketable securities, and marketable securities managed as trust assets in money held in trust, are carried as explained below:

The amortization of premiums and accretion of discounts is calculated by the straight-line method.

a) Trading Securities

Trading securities are carried at fair value with cost determined by the moving average method.

b) Held-to-maturity Bonds

Held-to-maturity bonds are stated at amortized cost determined by the moving average method.

c) Policy-reserve-matching Bonds (in accordance with the Industry Audit Committee Report No.21 "Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry" issued by the Japanese Institute of Certified Public Accountants (JICPA))

Policy-reserve-matching bonds are stated at amortized cost determined by the moving average method.

d) Stocks of Non-consolidated Subsidiaries and Affiliated Companies Not Accounted for under the Equity Method

Stocks of non-consolidated subsidiaries and affiliated companies not accounted for under the equity method are stated at cost determined by the moving average method.

e) Available-for-sale Securities

i) Available-for-sale Securities other than Stocks and other securities without market prices.

Available-for-sale securities other than stocks and other securities without market prices, are valued at fair value at the end of the fiscal year, with cost determined by the moving average method.

ii) Stocks and other securities without market prices

Stocks and other securities without market prices, are valued at cost determined by the moving average method.

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

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

(2) Valuation Method of Derivative Transactions

Derivative transactions are reported at fair value.

(3) Depreciation of Depreciable Assets

a) Depreciation of Tangible Fixed Assets Excluding Leased Assets

Depreciation of tangible fixed assets excluding leased assets of the Company and its domestic consolidated subsidiaries is calculated by the declining balance method (the depreciation of buildings (other than facilities attached to buildings and structures that were acquired on or before March 31, 2016) is calculated by the straight-line method).

Estimated useful lives of major assets are as follows:

Buildings	two to sixty years
Other tangible fixed assets	two to twenty years

Other tangible fixed assets that were acquired for ¥100,000 or more but less than ¥200,000 are depreciated at equal amounts over three years.

With respect to tangible fixed assets that were acquired on or before March 31, 2007 and that were fully depreciated to their original depreciable limit, effective the fiscal year ended March 31, 2008, the remaining values are depreciated at equal amounts over five years from the following fiscal year of the year in which they reached the original depreciable limit.

Depreciation of tangible fixed assets owned by consolidated overseas subsidiaries is primarily calculated by the straight-line method.

b) Amortization of Intangible Fixed Assets Excluding Leased Assets

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

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

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

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 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, 2023 and 2024 were ¥1 million and ¥1 million (US$0 million), respectively.

For certain consolidated overseas subsidiaries, reserve for possible loan losses is recognized as an estimate of lifetime expected credit losses on relevant claims on the date of the asset's acquisition.

(5) Reserve for Possible Investment Losses

In order to provide for future investment losses, a reserve for possible investment losses is established for stocks and other securities without market prices and ownership stakes in partnerships, etc. It is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

(6) Reserve for Retirement Benefits of Directors, Executive Officers and Corporate Auditors

For the reserve for retirement benefits of directors, executive officers and corporate auditors, an estimated amount for future payment in accordance with the internal policies of certain consolidated subsidiaries is provided.

(7) Reserve for Possible Reimbursement of Prescribed Claims

To prepare for the reimbursement of claims for which prescription periods had expired, an estimated amount for reserve for possible reimbursement of prescribed claims based on past reimbursement experience is provided.

(8) Net Defined Benefit Liabilities

For the net defined benefit liabilities, the amount is provided by deducting the pension assets from the projected benefit obligations based on the estimated amounts as of March 31, 2024. 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, 2024.

b) Amortization of Actuarial Differences and Past Service Cost

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

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

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

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

(11) Hedge Accounting

a) Methods for Hedge Accounting

As for the Company and its certain domestic consolidated subsidiaries, hedging transactions are accounted for in accordance with the "Accounting Standards for Financial Instruments" (ASBJ Statement No. 10). Primarily, i) special hedge accounting and the deferral hedge method for interest rate swaps are used for cash flow hedges of certain loans, certain government and corporate bonds, certain loans payable and bonds payable; ii) the currency allotment method and the deferral hedge method using foreign currency swaps and foreign currency forward contracts are used for cash flow hedges against exchange rate fluctuations in certain foreign currency-denominated bonds, certain loans, loans payable and bonds payable and certain foreign currency-denominated forecasted transaction and term deposits and; iii) the fair value hedge method using currency options and foreign currency forward contracts is used for hedges against exchange rate fluctuations in the value of certain foreign currency-denominated bonds; iv) the deferral hedge method for 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 certain foreign currency-denominated forecasted transaction, and vi) the deferral hedge method using interest rate swaps is used for hedges against interest rate fluctuations in certain insurance liabilities, under the "Accounting and Auditing Treatment of Application of Accounting Standard for Financial Instruments to Insurance Operators" (Industry-specific Committee Practical Guidelines No. 26 issued by JICPA).

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-denominated forecasted transaction
Foreign currency forward contracts	Foreign currency-denominated bonds, foreign currency-denominated term deposits, foreign currency-denominated forecasted transaction
Currency options	Foreign currency-denominated bonds
Bond over-the-counter options	Foreign currency-denominated bonds
Equity options	Domestic stocks, foreign currency-denominated forecasted transaction
Equity forward contracts	Domestic stocks

c) Hedging Policies

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

d) Assessment of Hedge Effectiveness

Hedge effectiveness is assessed primarily by a comparison of fluctuations in cash flows or fair value of hedged items to those of hedging instruments.

(Hedging relationships to which the "Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" is applied)

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

Hedge accounting method: Deferral hedge method,currency allotment method
Hedging instruments: Interest rate swaps, foreign currency swaps
Hedged items: Loans, foreign currency-denominated loans
Type of hedging transactions: Transactions that fix cash flow

(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 Enforcement Ordinance of the Corporation Tax Act, and such taxes other than deferred consumption tax are recognized as an expense when incurred.

(15) Policy Reserves

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

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

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 interest rates, mortality rates, persistency rates, etc. If the policy reserves set aside are found likely to be insufficient to cover the performance of future obligations due to a significant gap between the estimation and the most recent actual figures, additional policy reserves need to be set aside by way of amendment to the assumptions.

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

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

(16) Reserves for Outstanding Claims

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

(Overview of the calculation method)

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

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

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

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

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

	As of March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Premium and other income			
Income related to direct insurance contracts	513,328	639,069	4,220
Income related to reinsurance contracts	151,094	159,773	1,055
Benefits and claims			
Expenses related to direct insurance contracts	399,403	417,288	2,756
Expenses related to reinsurance contracts	133,435	167,272	1,104

(18) Significant Accounting Estimates

a) Evaluation of goodwill

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

Goodwill presented on the consolidated balance sheets as of March 31, 2023 and 2024 consist of ¥55,535 million and ¥55,479 million (US$366 million) arising from the acquisition of PLC and the acquisition business of PLC's acquisition segment, ¥27,803 million and ¥26,773 million (US$176 million) arising from the acquisition of TDLA, ¥20,482 million and ¥18,652 million (US$123 million) arising from the acquisition of PNZ as well as ¥15,724 million and ¥14,300 million (US$94 million) arising from the acquisition of ipet, respectively.

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

Goodwill arising from acquisitions of PLC and TDLA is recorded on the consolidated financial statements of these consolidated subsidiaries and is subject to judgment on recording impairment losses on goodwill to be examined by each subsidiary in accordance with the local accounting standards of each subsidiary.

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

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

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

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

TDLA determines whether or not to record an impairment loss on goodwill by comparing book value with recoverable amount in each cash generating unit to which goodwill is allocated (the quantitative impairment test). Recoverable amount is calculated based on embedded values, etc. For calculating the embedded values, underlying actuarial assumptions are used such as discount rates, mortality rates, morbidity, persistency rates, and others. If recoverable amount reduces due to the update of underlying actuarial assumptions, impairment losses on goodwill may be recorded in the following fiscal year.

The Company judges whether or not to record an impairment loss on goodwill in accordance with the accounting standards in Japan, considering the results of the judgments made by each subsidiary.

Goodwill arising from acquisitions of PNZ and ipet is recorded on the consolidated financial statements of the Company and is subject to judgment on recording impairment losses on goodwill to be examined by the Company in accordance with the accounting standards in Japan.

First, the Company examines whether or not there is any impairment indicator in an asset group that includes goodwill. Whether or not there is any impairment indicator is comprehensively examined in consideration of the presence of deterioration in economic and market environments surrounding PNZ and ipet, the presence of factors that have a negative impact on future profits or cash flows, the presence of deterioration in overall business performance, the presence of a significant drop in substantive value in the asset group that includes goodwill, and other events specific to each asset group.

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

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

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

b) Evaluation of value of in-force insurance contracts

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

Other intangible fixed assets presented in the Company's consolidated balance sheet includes assets regarding the present value of in-force insurance contracts, namely Value of Business Acquired (“VOBA”) or Value In-force (“VIF”). The balance of VOBA as of March 31, 2023and 2024 consist of ¥308,608 million and ¥287,996 million (US$1,902 million) derived from the acquisition of PLC and the acquisition business of PLC's acquisition segment, the balance of VIF as of March 31, 2023 and 2024 consist of ¥35,793 million and ¥34,200 million (US$225 million) derived from the acquisitions of PNZ through DLIHD an intermediary holding company of the Company as well as ¥24,077 million and ¥21,608 million (US$142 million) derived from the acquisition of ipet by the Company, respectively.

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

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

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

The VOBA of 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 rates, persistency rates, and others, updates them if necessary, and accordingly increases or decreases amortization amount of the VOBA. Where increase or decrease in estimated gross margins is expected due to the change in persistency rates, the update of actuarial assumptions may result in acceleration or deceleration of amortization in the following fiscal year.

PLC assesses whether the VOBA arising from traditional insurance contracts is impaired concurrently with performing liability adequacy test of relevant policy reserves in addition to the predetermined amortization. The VOBA arising from traditional insurance contracts may result in impairment losses in the following fiscal year prior to providing additional policy reserves where the estimated future cash flows based on the underlying actuarial assumptions determined upon conclusion of contract, such as interest rate, mortality rate, persistency rates, and others differ significantly from actual and it is recognized that there is a risk of disabling to fulfill future obligations. No impairment losses on the VOBA are recorded in the fiscal year ended March 31, 2024.

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

(19) Policy Acquisition Costs

The costs of acquiring and renewing policies, which include agent commissions and certain other costs directly related to the acquisition of policies, are expensed when incurred as the Insurance Business Act in Japan does not permit insurance companies to defer and amortize these costs.

(20) Changes in Accounting Policies

From the beginning of the current fiscal year, certain consolidated overseas subsidiaries have applied Accounting Standards "Insurance Contracts" (AASB No. 17) (NZ IFRS No. 17) issued by Australian Accounting Standards Board and New Zealand Accounting Standards Board.

Policy reserves and others is recognized by reflecting the time value of money, the financial risk of cash flows arising from insurance contracts, and the effect of uncertainty of cash flows arising from insurance contracts.

This change in accounting policy has been applied retrospectively, and the new accounting policy was reflected in the consolidated financial statements for the previous fiscal year ended March 31, 2023.

As a result, compared with the figures before the retrospective application, both ordinary profit and income before income taxes for the previous fiscal year, decreased by ¥23,399 million. Policy reserves and others for the previous fiscal year increased by ¥329,814 million, and other assets for the previous fiscal year increased by ¥50,053 million, respectively. In addition, as the cumulative impact was reflected in the net assets at the beginning of the previous fiscal year, the beginning balance of retained earnings decreased by ¥198,165 million.

The impact on the figures in per-share information is stated in the relevant section.

(Additional information)

Effective the fiscal year ended March 31, 2024, the Group has partially revised the calculation methods for Policy reserves and others, as a result, the consolidated balance sheet as of March 31, 2023 disclosed in the consolidated summary report for the three months ended June 30, 2023 was restated. As a result of the restatement, other assets for the previous fiscal year increased by ¥26,497 million, policy reserves and others for the previous fiscal year increased by ¥35,758 million, and retained earnings for the previous fiscal year decreased by ¥6,263 million, respectively.

The impact on the figures in per-share information is considered to be immaterial.

(21) Accounting Standard and Guidance Not Yet Adopted

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

a) Outline

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

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

b) Scheduled date for adoption

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

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

c) Impact of applying the standard and guidance

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

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

(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, 2023 and 2024 were ¥5,838 million and ¥ 5,755 million (US$38 million), respectively. These stocks were recorded as the treasury stock in the shareholders' equity.

ii) The number of stocks within the trust as of March 31, 2023 and 2024 were 3,862 thousand shares and 3,807 thousand shares, and the average number of stocks within the trust for the fiscal years ended March 31, 2023 and 2024 were 3,865 thousand shares and 3,817 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,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Securities	683,609	2,144,726	14,165
Cash and Deposits	8,589	10,600	70
Total	692,198	2,155,326	14,235

The amounts of secured liabilities were as follows:

	As of March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Payables under repurchase agreements	432,210	1,360,914	8,988
Cash collateral for securities lending transactions	150,117	221,007	1,459
Total	582,328	1,581,922	10,447

The amount of "Securities" sold under repurchase agreements and for securities lending transactions with cash collateral as of March 31, 2023 and 2024 were ¥576,344 million and ¥1,639,240 million (US$10,826 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, 2023 and 2024 were ¥2,928,052 million and ¥2,902,560 million (US$19,170 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, 2023 and 2024

i) individual life insurance and annuities (with the exception of certain types),
ii) non-participating single premium whole life insurance (without duty of medical disclosure),
iii) financial insurance and annuities,
iv) group annuities (defined contribution corporate pension insurance; defined contribution corporate pension insurance II and certain corporate pension insurances of which the type can be changed to defined contribution corporate pension insurance II), and
v) group annuities 2 (defined benefit corporate pension insurance, employees' pension fund insurance II, new corporate pension insurance II)

The sub-groups of insurance products of DFLI are:

Years ended March 31, 2023 and 2024

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

4. Stocks of Subsidiaries and Affiliated Companies

The amounts of stocks of and capital in non-consolidated subsidiaries and affiliated companies of the Company held were as follows:

	As of March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Stocks	114,519	266,333	1,759
Capital	197,585	253,823	1,676
Total	312,104	520,157	3,435

5. Risk-managed claims

The amounts of claims against bankrupt and quasi-bankrupt obligors, claims with collection risk, claims that are overdue for three months or more, and claims with repayment relaxation, which were included in claims, were as follows:

	As of March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Claims against bankrupt and quasi-bankrupt obligors (*1)	87	88	0
Claims with collection risk (*2)	2,552	2,586	17
Claims that are overdue for three months or more (*3)	—	5,345	35
Claims with repayment relaxation (*4)	—	—	–
Total	2,639	8,020	52

(*1) Claims against bankrupt and quasi-bankrupt obligors are claims to borrowers who are subject to bankruptcy, corporate reorganization or rehabilitation or other similar proceedings and other borrowers in serious financial difficulties.

(*2) Claims with collection risk are claims to obligors (other than bankrupt and quasi-bankrupt obligors) with deteriorated financial condition and results of operations from which it is unlikely that the principal and interest on the claims will be recovered.

(*3) Claims that are overdue for three months or more are loans for which payment of principal or interest is delayed for three months or more from the day following the contracted payment date. This category excludes claims against bankrupt and quasi-bankrupt obligors and claims with collection risk.

(*4) Claims with repayment relaxation are loans for which certain concessions favorable to the debtor, such as interest rate reduction and exemption, interest payment deferment, principal repayment deferment, debt waiver, etc., for the purpose of rebuilding or supporting the debtor. This category excludes claims against bankrupt and quasi-bankrupt obligors, claims with collection risk and claims that are overdue for three months or more.

As a result of the direct write-off of claims, the decrease in claims against bankrupt and quasi-bankrupt obligors as of March 31, 2023 and 2024 were ¥1 million and ¥1 million (US$0 million), respectively.

6. Commitment Line

As of March 31, 2023 and 2024, there were unused commitment line agreements under which the Company and its consolidated subsidiaries were the lenders of ¥174,785 million and ¥236,063 million (US$1,559 million), respectively.

7. Accumulated Depreciation of Tangible Fixed Assets

The amounts of accumulated depreciation of tangible fixed assets as of March 31, 2023 and 2024 were ¥620,391 million and ¥631,382 million (US$4,170 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, 2023 and 2024 were ¥2,338,524 million and ¥2,161,473 million (US$14,275 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,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Balance at the beginning of the year	413,222	423,403	2,796
Dividends paid during the year	93,123	96,702	638
Interest accrual during the year	8,305	8,440	55
Provision for reserve for policyholder dividends	95,000	87,500	577
Balance at the end of the year	423,403	422,642	2,791

10. Revaluation of Land

Based on the "Act on Revaluation of Land" (Act No. 34, March 31, 1998), land for business use was revalued. The difference between the fair value and book value resulting from the revaluation, net of related deferred taxes, is recorded as a reserve for land revaluation as a separate component of net assets and the related deferred tax liability is recorded as deferred tax liabilities for land revaluation.

・ Date of revaluation: March 31, 2001

・ Method stipulated in Article 3, Paragraph 3 of the Act on Revaluation of Land:

The fair value was determined based on the appraisal value publicly announced for tax assessment purposes with certain reasonable adjustments in accordance with Article 2-1 and 2-4 of the Order for Enforcement of the Act on Revaluation of Land (Publicly Issue Cabinet Order No. 119, March 31, 1998).

11. Bonds Payable

As of March 31, 2023 and 2024, bonds payable included foreign currency-denominated subordinated bonds of ¥759,127 million and ¥764,679 million (US$5,050 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, 2023	Balance as of March 31, 2024	Interest rate (%)	Collateral	Maturity date
			(Unit: million yen)				
The Company	From 1st to 4th series perpetual subordinated bond	From March 19, 2019 To December 23, 2021	310,000	310,000	From 0.90 to1.22	None	Perpetual
DL	Foreign currency (US dollar) denominated perpetual subordinated bonds	From October 28, 2014 To July 20, 2016	368,715 [3,500 mil US$]	368,715 [3,500 mil US$]	From 4.00 to 5.10	None	Perpetual
PLC	Foreign currency (US dollar) denominated bonds	From October 6, 2009 to September 20, 2019	140,409 [1,058 mil US$]	149,700 [1,055 mil US$]	From 3.40 to 8.45	None	From September 30, 2028 to October 15, 2039
	Foreign currency (US dollar) commercial paper	From December 13, 2022 To December 22,2023	43,062 [324 mil US$]	53,088 [374 mil US$]	From 4.65 to 5.60	None	From January 3, 2023 to January 18, 2024
(*1)	Foreign currency (US dollar) denominated subordinated bonds	From August 10, 2017 to May 1, 2018	80,412 [605 mil US$]	85,964 [606 mil US$]	From 3.55 to 5.35	None	From May 1, 2038 to August 10, 2052
PNZ	Foreign currency (Australian dollar) denominated bonds	December 23, 2021	7,075 [80 mil Au$]	7,818 [80 mil Au$]	7.22	None	December 23, 2026
Total	–	–	949,674	975,287	–	–	–

Note: 1. The above (*1) represents the total of bonds issued by the following consolidated overseas subsidiaries: PLC and Protective Life Insurance company.
2. Figures in [ ] are the amounts denominated in foreign currency.
3. Foreign currency (US dollar) commercial paper of ¥53,088 million yen (US$350 million) are due in one year or less.
4. The following table shows the maturities of long-term subordinated bonds for the 5 years subsequent to March 31, 2024.

	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	53,186	—	7,893	—	56,732

	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	351	–	52	–	374

12. Subordinated Debt and Other Liabilities

As of March 31, 2023 and 2024, other liabilities included subordinated debt of ¥245,000 million and ¥245,000 million (US$1,618 million), respectively, whose repayment is subordinated to other obligations.

Details of borrowings and lease obligations were as follows:

Category	Balance as of April 1, 2023	Balance as of March 31, 2024	Average interest rate (%)	Maturity	Balance as of April 1, 2023	Balance as of March 31, 2024
	(Unit: million yen)				(Unit: million US dollars)	
Short-term borrowings	—	—	—	–	–	–
Current portions of long-term borrowings	8,074	17,536	5.4	–	60	115
Current portions of lease obligations	2,735	2,380	—	–	20	15
Long-term borrowings (excluding current portion)	649,684	844,872	1.7	April 2025~ perpetual	4,865	5,580
Lease obligations (excluding current portion)	4,301	2,467	—	January 2025 ~ February 2037	32	16
Other interest-bearing liabilities Payables under repurchase agreements (current portion)	432,210	1,360,914	0.1	–	3,236	8,988
Total	1,097,007	2,228,172	–	–	8,215	14,716

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, 2024. 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, 2024:

	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	40,989	335,258	—	103,666
Lease obligations	907	359	149	82

	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	270	2,214	–	684
Lease obligations	5	2	0	0

13. Securities Borrowing

Securities borrowed under borrowing agreements and securities received as collateral of reinsurance transactions can be sold or pledged as collateral. As of March 31, 2023 and 2024, the market value of the securities which were not sold or pledged as collateral was ¥178,669 million and ¥190,320 million (US$1,256 million), respectively. None of the securities were pledged as collateral as of March 31, 2023 and 2024, respectively.

14. Organizational Change Surplus

As of March 31, 2023 and 2024, the amounts of organizational change surplus stipulated in Article 91 of the Insurance Business Act were ¥117,776 million and ¥117,776 million (US$777 million), respectively.

Ⅳ. NOTES TO THE CONSOLIDATED STATEMENT OF EARNINGS

1. Operating Expenses

Details of operating expenses for the fiscal years ended March 31, 2023 and 2024 were as follows:

	Year ended March 31, 2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Sales activity expenses	319,449	315,985	2,086
Sales management expenses	101,636	102,464	676
General management expenses	420,612	507,875	3,354

2. Gains on Disposal of Fixed Assets

Details of gains on disposal of fixed assets for the fiscal years ended March 31, 2023 and 2024 were as follows:

	Year ended March 31, 2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Land	2,394	6,055	39
Buildings	2,154	480	3
Leased assets	—	3	0
Other tangible fixed assets	1	2	0
Other assets	—	1	0
Total	4,550	6,543	43

3. Losses on Disposal of Fixed Assets

Details of losses on disposal of fixed assets for the fiscal years ended March 31, 2023 and 2024 were as follows:

	Year ended March 31, 2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Land	2,463	1,491	9
Buildings	2,443	3,999	26
Leased assets	31	25	0
Other tangible fixed assets	109	71	0
Software	315	312	2
Other intangible fixed assets	—	166	1
Other assets	198	456	3
Total	5,562	6,523	43

4. Impairment Losses on Fixed Assets

Details of impairment losses on fixed assets of the consolidated subsidiaries that operate an insurance business in Japan for the years ended March 31, 2023 and 2024 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, 2023 were as follows:

Asset Group	Place	Number	Impairment Losses			
			Land	Leasehold rights	Buildings	Total
			(Unit: million yen)			
Real estate for rent	Hachioji city,Tokyo Prefecture	1	–	–	57	57
Real estate not in use	Chuo-ku, Tokyo Prefecture and others	19	9,082	3,402	3,396	15,881
Total	–	20	9,082	3,402	3,454	15,939

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

Asset Group	Place	Number	Impairment Losses					
			Land	Buildings	Total	Land	Buildings	Total
			(Unit: million yen)			(Unit: million US dollars)		
Real estate not in use	Chiyoda-ku, Tokyo Prefecture and others	16	4,083	1,243	5,307	26	8	35

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 2.00% and 1.89% for the years ended March 31, 2023 and 2024, 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, 2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Net unrealized gains (losses) on securities, net of tax			
Amount incurred during the year	(2,160,984)	1,498,034	9,893
Amount reclassified	(6,536)	(133,397)	(881)
Before tax adjustment	(2,167,520)	1,364,636	9,012
Tax effect	515,754	(373,610)	(2,467)
Net unrealized gains (losses) on securities, net of tax	(1,651,766)	991,026	6,545
Deferred hedge gains (losses)			
Amount incurred during the year	(26,836)	(91,512)	(604)
Amount reclassified	9,344	1,859	12
Amount adjusted for asset acquisition cost	(13,907)	–	–
Before tax adjustment	(31,399)	(89,653)	(592)
Tax effect	9,510	25,028	165
Deferred hedge gains (losses)	(21,888)	(64,624)	(426)
Foreign currency translation adjustments			
Amount incurred during the year	142,589	92,740	612
Amount reclassified	–	–	–
Before tax adjustment	142,589	92,740	612
Tax effect	–	–	–
Foreign currency translation adjustments	142,589	92,740	612
Remeasurements of defined benefit plans, net of tax			
Amount incurred during the year	10,228	139,314	920
Amount reclassified	9,955	(7,991)	(52)
Before tax adjustment	20,184	131,322	867
Tax effect	(5,608)	(36,681)	(242)
Remeasurements of defined benefit plans, net of tax	14,575	94,641	625
Net unrealized gains (losses) on total policy reserves and other reserves of foreign subsidiaries, net of tax			
Amount incurred during the year	2,104	(17,864)	(117)
Amount reclassified	–	–	–
Before tax adjustment	2,104	(17,864)	(117)
Tax effect	–	–	–
Net unrealized gains (losses) on total policy reserves and other reserves of foreign subsidiaries, net of tax	2,104	(17,864)	(117)
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method			
Amount incurred during the year	(3,151)	8,838	58
Amount reclassified	(216)	(334)	(2)
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	(3,368)	8,504	56
Total other comprehensive income	(1,517,753)	1,104,423	7,294

Ⅵ. NOTES TO THE CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

1. For the Year Ended March 31, 2023

(1) Type and Number of Shares Outstanding

	Year ended March 31, 2023			
	At the beginning of the year	Increase during the year	Decrease during the year	At the end of the year
	(Unit: thousands of shares)			
Common stock(*1)(*3)	1,031,348	121	41,581	989,888
Treasury stock(*2)(*4)(*5)	6,886	41,585	41,772	6,699

(*1) The increase of 121 thousand shares of outstanding common stock was due to the issuance of new shares under stock remuneration scheme.
(*2) Treasury stock at the beginning and the end of the fiscal year ended March 31, 2023, includes 3,899 thousand shares and 3,862 thousand shares held by the trust fund through the J-ESOP, respectively.
(*3) The decrease of 41,581 thousand shares of outstanding common stock was due to the cancellation of treasury stock.
(*4) The increase of 41,585 thousand shares of treasury stock was due to the purchase of treasury stock of 41,581 thousand shares and the acquisition of restricted stock without consideration of 3 thousand shares.
(*5) The decrease of 41,772 thousand shares of treasury stock represents the sum of (1) 152 thousand shares due to the exercise of stock acquisition rights (stock options), (2) 37 thousand shares granted to eligible employees at retirement by the J-ESOP, and (3) 41,581 thousand shares due to the cancellation of treasury stock.

(2) Stock acquisition rights

Issuer	Details	Balance as of March 31, 2023 (Unit: million yen)
The Company	Stock acquisition rights in the form of stock options	483

(3) Dividends on Common Stock

a) Dividends paid during the fiscal year ended March 31, 2023

Date of resolution	June 20, 2022 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends(*)	¥85,030 million
Dividends per share	¥83
Record date	March 31, 2022
Effective date	June 21, 2022
Dividend resource	Retained earnings

(*) Total dividends did not include ¥323 million of dividends to the J-ESOP trust, as the Company recognized the shares held by the trust as treasury shares.

b) Dividends, the record date of which was March 31, 2023, to be paid out in the year ending March 31, 2024

Date of resolution	June 26, 2023 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends(*)	¥84,554 million
Dividends per share	¥86
Record date	March 31, 2023
Effective date	June 27, 2023
Dividend resource	Retained earnings

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

2. For the Year Ended March 31, 2024

(1) Type and Number of Shares Outstanding

	Year ended March 31, 2024			
	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)(*3)	989,888	81	37,298	952,672
Treasury stock(*2)(*4)(*5)	6,699	38,295	37,494	7,500

(*1) The increase of 81 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, 2024, includes 3,862 thousand shares and 3,807 thousand shares held by the trust fund through the J-ESOP, respectively.
(*3) The decrease of 37,298 thousand shares of outstanding common stock was due to the cancellation of treasury stock.
(*4) The increase of 38,295 thousand shares of treasury stock was due to the purchase of treasury stock of 38,291 thousand shares and the acquisition of restricted stock without consideration of 3 thousand shares.
(*5) The decrease of 37,494 thousand shares of treasury stock represents the sum of (1) 141 thousand shares due to the exercise of stock acquisition rights (stock options), (2) 55 thousand shares granted to eligible employees at retirement by the J-ESOP, and (3) 37,298 thousand shares due to the cancellation of treasury stock.

(2) Stock acquisition rights

Issuer	Details	Balance as of March 31, 2024 (Unit: million yen)
The Company	Stock acquisition rights in the form of stock options	302(US$1 million)

(3) Dividends on Common Stock

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

Date of resolution	June 26, 2023 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends(*)	¥84,554 million (US$558 million)
Dividends per share	¥86 (US$0.56)
Record date	March 31, 2023
Effective date	June 27, 2023
Dividend resource	Retained earnings

(*) Total dividends did not include ¥332 million (US$ 2million) 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, 2024, to be paid out in the year ending March 31, 2025

Date of resolution	June 24, 2024 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends(*)	¥106,804 million (US$705 million)
Dividends per share	¥113 (US$0.74)
Record date	March 31, 2024
Effective date	June 25, 2024
Dividend resource	Retained earnings

(*) Total dividends did not include ¥430 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,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Cash and deposits	1,619,087	2,064,416	13,634
Call loans	966,900	719,300	4,750
Receivables under resale agreements	–	58,136	383
Securities	46,711,704	51,781,703	341,996
Term deposits exceeding three months and others	(68,702)	(70,083)	(462)
Securities other than cash equivalents	(46,711,704)	(51,781,103)	(341,992)
Cash and cash equivalents	2,517,285	2,772,370	18,310

2. Breakdown of Increased Assets and Liabilities of the newly consolidated company as a result of stock acquisition

Breakdown of assets and liabilities at the time of the consolidation of TAL Life Insurance Services Limited, Partners Group Holdings Limited and ipet Holdings, Inc due to the acquisition of shares, and the relationship between the acquisition cost of shares, etc. and the expenditure for the acquisition (net amount) is as follows:

Effective the fiscal year ended March 31 2024, the Group has determined a provisional accounting method pertaining to business combination. The change in accounting policy has been applied retrospectively as presented in Change in Accounting Policy and the new accounting policy was reflected in the consolidated financial statements for the previous fiscal year ended March 31, 2023.

(1) TAL Life Insurance Services Limited

	The fisical year ended March 31, 2023	
	(Unit: million yen)	(Unit: million US dollars)
Assets	409,574	2,705
Cash and deposits	17,259	113
Liabilities	(323,668)	(2,137)
Policy reserves and others	(297,473)	(1,964)
Acquisition costs of subsidiary shares	85,905	567
Cash and cash equivalents of subsidiary	(17,259)	(113)
Difference: Expenditures for acquisition of shares of subsidiary	68,645	453

(2) Partners Group Holdings Limited

	The fisical year ended March 31, 2023	
	(Unit: million yen)	(Unit: million US dollars)
Assets	130,539	862
Cash and deposits	23,855	157
Goodwill	18,451	121
Liabilities	(62,948)	(415)
Policy reserves and others	(24,988)	(165)
Acquisition costs of subsidiary shares	86,042	568
Cash and cash equivalents of subsidiary	(4,048)	(26)
Difference: Expenditures for acquisition of shares of subsidiary	81,994	541

(3) ipet Holdings, Inc

	The fisical year ended March 31, 2023	
	(Unit: million yen)	(Unit: million US dollars)
Assets	50,370	332
Cash and deposits	13,986	92
Goodwill	15,990	105
Liabilities	(27,343)	(180)
Policy reserves and others	(17,027)	(112)
Acquisition costs of subsidiary shares	39,015	257
Cash and cash equivalents of subsidiary	(13,986)	(92)
Difference: Expenditures for acquisition of shares of subsidiary	25,029	165

Ⅷ. LEASE TRANSACTIONS

1. Finance Leases (As Lessee)

For the fiscal years ended March 31, 2023 and 2024, 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, 2023 and 2024 were as follows:

(As Lessee)

	As of March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Due within one year	3,147	2,717	17
Due after one year	20,163	25,773	170
Total	23,310	28,490	188

(As Lessor)

	As of March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Due within one year	484	623	4
Due after one year	12,159	12,852	84
Total	12,644	13,475	88

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.

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

(2) Financial Instruments Used and Their Risks

Securities included in financial assets of the Group, mainly stocks and bonds, are exposed to market fluctuation risk, credit risk and interest-rate risk and some of the securities denominated in foreign currency are exposed to foreign currency risk. Also, loans are exposed to credit risk arising from the defaults of obligors.

The Group might be exposed to liquidity risk in certain circumstance in which it cannot make timely payments of principal, interest or other amounts due to unpredictable cash outflows or is forced to raise capital with interest rates substantially higher than usual. Also, some of its loans payable and bonds payable which are floating interest rate based and denominated in foreign currency are exposed to interest-rate risk and foreign currency risk.

The Group utilizes a) interest rate swaps to hedge interest rate risk associated with certain loans receivable and payable, b) equity forward contracts to hedge market fluctuation risks associated with certain domestic stocks, and c) foreign currency forward contracts, currency options and foreign currency swaps to hedge foreign currency risks associated with certain foreign currency-denominated bonds, foreign currency-denominated short-term deposits and foreign currency-denominated debts, etc. and adopts hedge accounting.

In addition, certain consolidated subsidiaries utilize a) interest rate swaps to hedge interest rate risk associated with certain insurance liabilities, under the "Accounting and Auditing Treatment of Application of Accounting Standard for Financial Instruments to Insurance Operators" (Industry-specific Committee Practical Guidelines No. 26 issued by JICPA), 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 hedge foreign currency risks associated with bonds. The risk management section is in charge of managing overall risks including risks associated with the guaranteed minimum maturity benefits, and periodically reports the status of such management to the board of directors, etc.

b) Credit Risk Management

In accordance with the internal investment policy and credit risk management procedure guidelines, DL has established a credit management system related to loans, such as preliminary reviews on individual transactions, credit limit setting, credit information management, internal credit rating, attachment of guarantees and collateral, and follow-ups on problem loans. For corporate bond investment, the credit section sets investment caps on individual issuers taking into account internal credit ratings and other factors. Excessive risk-taking is restricted since front offices make investment within those caps. Policies and frameworks for large-lot borrowers have been formulated in order to prevent credit concentration by monitoring compliance, etc. That credit management has been conducted by the credit and risk management sections, and has been periodically reported to its board of directors, etc. Additionally, the internal audit section has also checked credit management status.

Credit risk of security issuers and counterparty risk with respect to derivative transactions are managed by the credit section, which sets upper limits for each counterparty and financial instrument and periodically monitors credit information, and by the risk management section, which periodically monitors current exposures.

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

(4) Supplementary Explanation for Fair Value of Financial Instruments

As the calculation of those values adopts certain assumptions, those values may vary in case different assumptions are applied. Also, for the contract value regarding derivative transactions described in "XII. DERIVATIVE TRANSACTIONS", the "Notional amount/contract value" itself does not indicate market risk related to derivative transactions.

2. Fair Values of Financial Instruments

The carrying amount on the consolidated balance sheet, fair value and differences between carrying amount and fair value as of March 31, 2023 and 2024 were as follows.

	As of March 31, 2023		
	Carrying amount	Fair value	Gains (losses)
		(Unit: million yen)	
(1) Monetary claims bought	246,105	246,105	─
(2) Money held in trust	911,246	911,246	─
(3) Securities(※2)(※3)			
a. Trading securities	5,788,023	5,788,023	─
b. Held-to-maturity bonds	148,240	145,192	(3,047)
c. Policy-reserve-matching bonds	19,265,186	19,591,271	326,084
d. Stocks of subsidiaries and affiliated companies	1,368	1,368	─
e. Available-for-sale securities	20,560,545	20,560,545	─
(4) Loans	4,348,495		
Reserves for possible loan losses (※4)	(14,742)		
	4,333,752	4,182,038	(151,714)
Total assets	51,254,471	51,425,793	171,322
(1) Bonds payable	906,612	840,698	(65,913)
(2) Long-term borrowings	657,759	653,772	(3,986)
Total liabilities	1,564,371	1,494,471	(69,900)
Derivative transactions (※5)			
a. Hedge accounting not applied	25,094	25,094	─
b. Hedge accounting applied	[100,575]	[99,318]	1,257
Total derivative transactions	[75,481]	[74,223]	1,257

(※1) Cash and deposits, call loans, short-term bonds payable, and payables under repurchase agreements are not included since they are mainly due within a short period of time or have no maturity, and their fair value is close to the carrying amount.
(※2) Net asset value of certain mutual funds is regarded as the fair value in accordance with generally accepted accounting standard, and included in the table above.
(※3) The carrying amount of stocks and other securities without market prices and ownership stakes in partnerships, etc. on the consolidated balance sheet are as follows. They are not included in the fair value of (3) Securities.

As of March 31,2023

	Carrying amount
	(Unit: million yen)
Stocks and other securities without market prices (*1)(*3)	181,754
Ownership stakes in partnerships, etc. (*2)(*3)	766,583

(*1) Stocks and other securities without market prices include unlisted stocks, etc., and are not subject to disclosure of fair value in accordance with Paragraph 5 of the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19 revised on March 31, 2020).
(*2) Ownership stakes in partnerships, etc. mainly include stakes in anonymous associations and investment partnerships. They are not subject to disclosure of fair value in accordance with Item 24-16 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31 issued on June 17, 2021).
(*3) Impairment loss of ¥780 million was recognized in the fiscal year ended March 31, 2023.
(※4) Excluding general reserves for possible loan losses and specific reserves for possible loan losses related to loans.
(※5) Credits/debts from derivative transactions are presented on a net basis. Figures in [ ] are net debts.

As of March 31, 2024

	Carrying amount	Fair value	Gains (losses)	Carrying amount	Fair value	Gains (losses)
	(Unit: million yen)			(Unit: million US dollars)		
(1) Monetary claims bought	226,450	226,450	-	1,495	1,495	-
(2) Money held in trust	888,720	888,720	-	5,869	5,869	-
(3) Securities(※2) (※3)						
a. Trading securities	7,367,280	7,367,280	-	48,657	48,657	-
b. Held-to-maturity bonds	111,391	106,581	(4,809)	735	703	(31)
c. Policy-reserve-matching bonds	20,471,469	19,610,247	(861,222)	135,205	129,517	(5,688)
d. Stocks of subsidiaries and affiliated companies	137,061	134,922	(2,139)	905	891	(14)
e. Available-for-sale securities	22,471,672	22,471,672	-	148,416	148,416	-
(4) Loans	4,719,209			31,168		
Reserves for possible loan losses (※4)	(20,548)			(135)		
	4,698,660	4,547,323	(151,336)	31,032	30,033	(999)
Total assets	56,372,708	55,353,200	(1,019,507)	372,318	365,584	(6,733)
(1) Bonds payable	922,198	874,584	(47,613)	6,090	5,776	(314)
(2)Payables under repurchase agreements	1,360,914	1,360,793	(121)	8,988	8,987	(0)
(3) Long-term borrowings	862,409	865,092	2,683	5,695	5,713	17
Total liabilities	3,145,523	3,100,470	(45,052)	20,774	20,477	(297)
Derivative transactions (※5)						
a. Hedge accounting not applied	3,749	3,749	-	24	24	-
b. Hedge accounting applied	[162,700]	[161,499]	1,200	[1,074]	[1,066]	7
Total derivative transactions	[158,950]	[157,750]	1,200	[1,049]	[1,041]	7

(※1) Cash and deposits, call loans, receivables under resale agreements, and short-term bonds payable are not included since they are mainly due within a short period of time or have no maturity, and their fair value is close to the carrying amount.
(※2) Net asset value of certain mutual funds is regarded as the fair value in accordance with generally accepted accounting standard, and included in the table above.
(※3) The carrying amount of stocks and other securities without market prices and ownership stakes in partnerships, etc. on the consolidated balance sheet are as follows. They are not included in the fair value of (3) Securities.

As of March 31,2024

	Carrying amount	
	(Unit: million yen)	(Unit: million US dollars)
Stocks and other securities without market prices (*1)(*3)	211,592	1,397
Ownership stakes in partnerships, etc. (*2)(*3)	1,011,233	6,678

(*1) Stocks and other securities without market prices include unlisted stocks, etc., and are not subject to disclosure of fair value in accordance with Paragraph 5 of the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19 revised on March 31, 2020).
(*2) Ownership stakes in partnerships, etc. mainly include stakes in anonymous associations and investment partnerships. They are not subject to disclosure of fair value in accordance with Item 24-16 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31 revised on June 17, 2021).
(*3) Impairment loss of ¥1,888 million (US$12 million) was recognized in the fiscal year ended March 31, 2024.
(※4) Excluding general reserves for possible loan losses and specific reserves for possible loan losses related to loans.
(※5) Credits/debts from derivative transactions are presented on a net basis. Figures in [ ] are net debts.

Note 1: Scheduled redemptions of monetary claims and securities with maturities

As of March 31, 2023

	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
	(Unit: million yen)			
Cash and deposits	1,609,940	8,499	650	-
Call loans	966,900	-	-	-
Monetary claims bought	3,012	54,414	24,627	165,102
Securities:				
Held-to-maturity bonds (bonds)	54,600	33,000	17,100	34,400
Held-to-maturity bonds(foreign securities)	5,100	4,180	-	-
Policy-reserve-matching bonds (bonds)	103,952	814,835	2,117,931	13,291,023
Policy-reserve-matching bonds (foreign securities)	99,309	613,026	1,142,418	1,157,380
Available-for-sale securities with maturities (bonds)	141,000	1,019,841	507,889	645,200
Available-for-sale securities with maturities (foreign securities)	424,553	3,163,264	3,338,188	7,117,538
Available-for-sale securities with maturities (other securities)	26,880	313,045	175,396	32,024
Loans (*)	428,271	1,555,158	1,055,480	765,397

(*) 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, ¥539,742 million of loans without maturities were not included.

As of March 31, 2024

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

As of March 31, 2024

	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
	(Unit: million US dollars)			
Cash and deposits	13,571	56	5	0
Call loans	4,750	—	—	—
Receivables under resale agreements	383	—	—	—
Monetary claims bought	27	337	204	936
Securities:				
Held-to-maturity bonds (bonds)	32	325	106	227
Held-to-maturity bonds(foreign securities)	5	33	6	—
Policy-reserve-matching bonds (bonds)	544	5,439	15,735	93,028
Policy-reserve-matching bonds (foreign securities)	385	6,705	5,648	9,522
Available-for-sale securities with maturities (bonds)	1,417	6,952	3,757	4,367
Available-for-sale securities with maturities (foreign securities)	4,847	19,315	23,755	45,855
Available-for-sale securities with maturities (other securities)	481	3,781	1,721	295
Loans (*)	3,750	10,698	6,771	6,322

(*) Loans for which interest or principal payments cannot be forecasted, such as credit to bankrupt obligors, substantially bankrupt obligors and obligors at risk of bankruptcy, amounted to ¥86 million (US$0 million) were not included. Also, ¥545,957 million (US$3,605 million) of loans without maturities were not included.

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

As of March 31, 2023

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
	(Unit: million yen)					
Bonds payable (*1)	43,062	—	—	7,170	—	211,088
Payables under repurchase agreements	432,210	—	—	—	—	—
Long term borrowings (*2)	8,190	16,008	37,339	329,812	23	21,551

(*1) ¥678,715 million of bonds payable without maturities were not included.
(*2) ¥245,000 million of long term borrowings without maturities were not included.

As of March 31, 2024

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

As of March 31, 2024

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
	(Unit: million US dollars)					
Bonds payable (*1)	351	—	52	—	374	1,115
Payables under repurchase agreements	8,988	—	—	—	—	—
Long term borrowings (*2)	115	270	2,214	—	684	792

(*1) ¥678,715 million (US$4,482 million) of bonds payable without maturities were not included.
(*2) ¥245,000 million (US$1,618 million) of long term borrowings without maturities were not included.

3: Matters Concerning Fair Value of Financial Instruments and Breakdown by Input Level

The fair values of financial instruments are classified into the following three levels based on the observability and significance of the inputs used to measure fair value:

Level 1: Fair value determined based on the observable inputs, such as quoted prices in active markets for identical assets or liabilities
Level 2: Fair value determined based on observable inputs other than Level 1 inputs
Level 3: Fair value determined based on significant unobservable inputs

If multiple inputs with a significant impact are used for the fair value measurement of a financial instrument, the financial instrument is classified into the lowest priority level of fair value measurement in which each input belongs.

a) Financial assets and liabilities measured at fair value on the consolidated balance sheet

As of March 31, 2023	Fair value			
	Level 1	Level 2	Level 3	Total
	(Unit: million yen)			
Monetary claims bought	—	—	246,105	246,105
Money held in trust	716,700	194,546	—	911,246
Securities(*)				
Trading securities	2,571,530	3,163,524	52,968	5,788,023
Available-for-sale securities				
Government bonds	1,121,132	—	—	1,121,132
Local government bonds	—	28,149	—	28,149
Corporate bonds	—	1,446,827	10,001	1,456,828
Domestic stocks	3,162,223	—	—	3,162,223
Foreign bonds	505,773	12,072,200	430,378	13,008,352
Other foreign securities	613,732	436,558	46,145	1,096,436
Other securities	14,536	591,227	32,240	638,004
Derivative transactions				
Currency-related	176	61,179	—	61,356
Interest-related	—	34,928	—	34,928
Stock-related	6,925	45,570	—	52,495
Bond-related	2,463	1,013	—	3,477
Others	—	726	71,028	71,754
Total assets	8,715,194	18,076,452	888,868	27,680,514
Corporate bonds	—	7,075	—	7,075
Long-term borrowings	—	82,010	—	82,010
Derivative transactions				
Currency-related	240	107,788	—	108,029
Interest-related	—	28,387	—	28,387
Stock-related	1,839	27,625	—	29,465
Bond-related	1,422	4,407	—	5,830
Others	—	169	127,610	127,779
Total liabilities	3,503	257,465	127,610	388,578

(*) Certain Mutual funds whose net asset value are regarded as the fair value in accordance with Item 24-3 and 9 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31, revised on June 17, 2021) are not included in the table above. The amount of such mutual funds on the consolidated balance sheet is ¥49,418 million. Reconciliation between the beginning and ending balance and breakdown of restriction on cancellation as of March 31, 2023 have been omitted as the amount of such mutual funds is immaterial.

As of March 31, 2024	Fair value			
	Level 1	Level 2	Level 3	Total
	(Unit: million yen)			
Monetary claims bought	-	-	226,450	226,450
Money held in trust	584,966	303,753	-	888,720
Securities(*)				
Trading securities	3,115,525	4,167,652	84,102	7,367,280
Available-for-sale securities				
Government bonds	1,054,218	-	-	1,054,218
Local government bonds	-	30,704	-	30,704
Corporate bonds	-	1,737,530	8,909	1,746,439
Domestic stocks	3,989,223	23	-	3,989,247
Foreign bonds	388,756	12,327,769	479,252	13,195,778
Other foreign securities	852,580	411,638	51,608	1,315,827
Other securities	5,985	1,033,177	34,892	1,074,055
Derivative transactions				
Currency-related	-	81,688	-	81,688
Interest-related	-	16,593	-	16,593
Stock-related	5,518	130,370	-	135,888
Bond-related	4,418	7,431	-	11,850
Others	-	1,101	75,640	76,742
Total assets	10,001,193	20,249,436	960,856	31,211,486
Corporate bonds	-	7,818	-	7,818
Payables under repurchase agreements	-	277,402	-	277,402
Long-term borrowings	-	81,632	-	81,632
Derivative transactions				
Currency-related	471	155,240	-	155,712
Interest-related	-	48,157	-	48,157
Stock-related	797	96,517	-	97,314
Bond-related	3,909	1,995	-	5,904
Others	-	-	174,624	174,624
Total liabilities	5,178	668,765	174,624	848,568

As of March 31, 2024	Fair value			
	Level 1	Level 2	Level 3	Total
	(Unit: million US dollars)			
Monetary claims bought	—	—	1,495	1,495
Money held in trust	3,863	2,006	—	5,869
Securities(*)				
Trading securities	20,576	27,525	555	48,657
Available-for-sale securities				
Government bonds	6,962	—	—	6,962
Local government bonds	—	202	—	202
Corporate bonds	—	11,475	58	11,534
Domestic stocks	26,347	0	—	26,347
Foreign bonds	2,567	81,419	3,165	87,152
Other foreign securities	5,630	2,718	340	8,690
Other securities	39	6,823	230	7,093
Derivative transactions				
Currency-related	—	539	—	539
Interest-related	—	109	—	109
Stock-related	36	861	—	897
Bond-related	29	49	—	78
Others	—	7	499	506
Total assets	66,053	133,739	6,346	206,138
Corporate bonds	—	51	—	51
Payables under repurchase agreements	—	1,832	—	1,832
Long-term borrowings	—	539	—	539
Derivative transactions				
Currency-related	3	1,025	—	1,028
Interest-related	—	318	—	318
Stock-related	5	637	—	642
Bond-related	25	13	—	38
Others	—	—	1,153	1,153
Total liabilities	34	4,416	1,153	5,604

(*) Certain Mutual funds whose net asset value are regarded as the fair value in accordance with Item 24-3 and 9 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31, revised on June 17, 2021) are not included in the table above. The amount of such mutual funds on the consolidated balance sheet is ¥65,401 million(US$431 million). Reconciliation between the beginning and ending balance and breakdown of restriction on cancellation as of March 31,2024 have been omitted as the amount of such mutual funds is immaterial.

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

As of March 31, 2023	Fair value			
	Level 1	Level 2	Level 3	Total
	(Unit: million yen)			
Securities				
Held-to-maturity bonds				
Government bonds	54,179	―	―	54,179
Corporate bonds	―	81,764	―	81,764
Foreign bonds	―	7,873	1,374	9,248
Policy-reserve-matching bonds				
Government bonds	15,236,943	―	―	15,236,943
Local government bonds	―	137,131	―	137,131
Corporate bonds	―	1,414,622	―	1,414,622
Foreign bonds	237,275	2,565,300	―	2,802,575
Stocks of subsidiaries and affiliated companies	―	336	1,032	1,368
Loans	―	―	4,182,038	4,182,038
Total assets	15,528,397	4,207,027	4,184,446	23,919,871
Bonds payable	―	822,664	10,958	833,623
Long-term borrowings	―	―	571,762	571,762
Total liabilities	―	822,664	582,721	1,405,385

As of March 31, 2024	Fair value			
	Level 1	Level 2	Level 3	Total
	(Unit: million yen)			
Securities				
Held-to-maturity bonds				
Government bonds	5,584	-	-	5,584
Corporate bonds	-	94,166	-	94,166
Foreign bonds	-	4,966	1,863	6,830
Policy-reserve-matching bonds				
Government bonds	15,055,200	-	-	15,055,200
Local government bonds	-	120,385	-	120,385
Corporate bonds	-	1,363,025	-	1,363,025
Foreign bonds	348,527	2,720,843	2,265	3,071,635
Stocks of subsidiaries and affiliated companies	128,448	5,361	1,112	134,922
Loans	-	-	4,547,323	4,547,323
Total assets	15,537,762	4,308,748	4,552,564	24,399,075
Bonds payable	-	854,759	12,006	866,765
Payables under repurchase agreements	-	1,083,390	-	1,083,390
Long-term borrowings	-	-	783,460	783,460
Total liabilities	-	1,938,150	795,466	2,733,616

As of March 31, 2024	Fair value			
	Level 1	Level 2	Level 3	Total
	(Unit: million US dollars)			
Securities				
Held-to-maturity bonds				
Government bonds	36	—	—	36
Corporate bonds	—	621	—	621
Foreign bonds	—	32	12	45
Policy-reserve-matching bonds				
Government bonds	99,433	—	—	99,433
Local government bonds	—	795	—	795
Corporate bonds	—	9,002	—	9,002
Foreign bonds	2,301	17,970	14	20,286
Stocks of subsidiaries and affiliated companies	848	35	7	891
Loans	—	—	30,033	30,033
Total assets	102,620	28,457	30,067	161,145
Bonds payable	—	5,645	79	5,724
Payables under repurchase agreements	—	7,155	—	7,155
Long-term borrowings	—	—	5,174	5,174
Total liabilities	—	12,800	5,253	18,054

Note 1: Description of the evaluation methods and inputs used to measure fair value

Assets

Monetary claims bought

The fair value of monetary claims bought is measured using the price obtained by outside contractors and counterparty financial institutions. Since significant unobservable inputs are used for the price obtained, the fair value of monetary claims bought is classified into Level 3.

Money held in trust

The fair value of money held in trust is classified into Level 1 in cases where unadjusted quoted market prices in active markets can be used. If the market is not active, the fair value of money held in trust is classified into Level 2, irrespective of whether disclosed quoted market prices are used.

The fair value of money held in trust for which quoted market prices are not used as fair value is measured using prices obtained from outside contractors and counterparty financial institutions, and classified into either Level 1 or Level 2, based on the level of the primary components of trust assets.

Securities

The fair value of securities for which unadjusted quoted market prices in active markets are available is classified into Level 1. These include stocks and government bonds, among others. If the market is not active, the fair value of securities is classified into Level 2, irrespective of whether disclosed quoted market prices are used.

The fair value of bonds for which quoted market prices are not used as fair value is measured mainly using prices obtained from outside contractors and counterparty financial institutions. The present value of these prices is calculated by discounting future cash flows at a discount rate (i.e., a risk-free interest rate that takes into account credit spread). The fair value of bonds is classified into Level 2 if observable inputs are used in the calculation, and Level 3 if significant unobservable inputs are used.

The fair value of mutual funds without market prices is based on net asset value unless there is no significant restriction on cancellation. The fair value is classified into either Level 2 or Level 3, mainly based on constituents held in trust.

The fair value of asset-backed securities of certain foreign consolidated subsidiaries is based on the price obtained from outside contractors. The fair value of such asset-backed securities is classified into Level 2 if observable inputs are used in the calculation, and Level 3 if significant unobservable inputs are used.

Notes regarding securities by purpose of holding are described in "X. Securities" below.

Loans

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

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

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

Liabilities

Bonds payable

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

Payables under repurchase agreements

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

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

Long-term borrowings

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

Derivative Transactions

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

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

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

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

a) Quantitative Information on Significant Unobservable Inputs

As of March 31, 2023	Valuation method	Significant unobservable input	Range
Securities			
Trading securities	Discounted cash flow	Discount rate	0.76% to 4.60%
		Paydown rate	15.52% to 18.62%
Available-for-sale securities			
Foreign bonds	Discounted cash flow	Discount rate	0.43% to 4.80%
		Paydown rate	15.52% to 18.62%
Derivative transactions			
Other (Embedded derivatives)	Actuarial cash flow model	Mortality	Disclosed mortality that takes into account assumptions.
		Lapse	Lapse based on the policy period, etc.
		Withdrawal rate	Withdrawal rates that take into account assumptions for the minimum amount of withdrawals, etc.

As of March 31, 2024	Valuation method	Significant unobservable input	Range
Securities			
Trading Securities	Discounted cash flow	Discount rate	1.10% - 7.00%
		Paydown rate	15.20% - 19.80%
Available-for-sale securities			
Foreign bonds	Discount cash flow	Discount rate	0.91% - 7.00%
		Paydown rate	15.20% - 19.80%
Derivative transactions			
Other (Embedded derivatives)	Actuarial cash flow model	Mortality	Disclosed mortality that takes into account assumptions
		Lapse	Lapse based on the policy period, etc.
		Withdrawal rate	Withdrawal rates that take into account assumptions for the minimum amount of withdrawals, etc.

b) Reconciliation between the beginning and ending balance, and net unrealized gains (losses) recognized in the earnings of the current fiscal year

(Unit: million yen)

As of March 31, 2023	Balance at the beginning of the year	Gains (losses) or other comprehensive income in the current fiscal year		Variable amount (net amount) by purchase, sale, issue and settlement	Transfer to Level 3(*3)	Transfer from Level 3(*4)	Balance at the end of the year	Gains (losses) on valuation of financial assets and liabilities held at the consolidated balance sheet date out of amounts recognized in consolidated statement of earnings(*1)
		Gains (losses) recorded in consolidated statement of earnings (*1)	Amount recorded in other comprehensive income (*2)					
Monetary claims bought	255,902	1,722	(5,763)	(5,756)	—	—	246,105	—
Securities								
Trading securities	46,448	(1,772)	3,758	4,293	351	(111)	52,968	(893)
Available-for-sale securities								
Corporate bonds	7,966	528	35	1,469	—	—	10,001	1,213
Foreign bonds	438,393	2,704	(1,999)	1,272	6,408	(16,401)	430,378	10,320
Other foreign securities	47,132	546	1,821	(3,354)	—	—	46,145	546
Other securities	28,543	—	3,697	(0)	—	—	32,240	—
Derivative transactions								
Other (Embedded derivatives)	(191,357)	164,189	(29,414)	—	—	—	(56,581)	164,189

(*1) Gain/Loss recorded as investment income and investment expenses in consolidated statement of earnings.

(*2) Gain/Loss recorded in net unrealized gains (losses) on securities, net of tax and foreign currency translation adjustments of Other comprehensive income in consolidated statement of comprehensive income.

(*3) Transfer from Level 2 to Level 3 due to the change in the observability of inputs as a result of the change in the fair value measurement method. The transfer was recognized at the end of fiscal year ended March 31, 2023.

(*4) Transfer from Level 3 to Level 2 due to the availability of observable inputs. The transfer was recognized at the end of fiscal year ended March 31, 2023.

(Unit: million yen)

As of March 31, 2024	Balance at the beginning of the year	Gains (losses) or other comprehensive income in the current fiscal year		Variable amount (net amount) by purchase, sale, issue and settlement	Transfer to Level 3(*3)	Transfer from Level 3(*4)	Balance at the end of the year	Gains (losses) on valuation of financial assets and liabilities held at the consolidated balance sheet date out of amounts recognized in consolidated statement of earnings(*1)
		Gains (losses) recorded in consolidated statement of earnings (*1)	Amount recorded in other comprehensive income (*2)					
Monetary claims bought	246,105	(58)	(634)	(18,962)	-	-	226,450	-
Securities								
Trading securities	52,968	937	3,173	27,023	-	-	84,102	21
Available-for-sale securities								
Corporate bonds	10,001	624	(139)	(1,577)	-	-	8,909	1,839
Foreign bonds	430,378	7,462	31,486	6,282	5,056	(1,414)	479,252	17,090
Other foreign securities	46,145	242	(3,202)	8,422	-	-	51,608	-
Other securities	32,240	-	651	1,999	-	-	34,892	-
Derivative transactions								
Other (Embedded derivatives)	(56,581)	-	(42,401)	-	-	-	(98,983)	(38,509)

(Unit: million US dollars)

As of March 31, 2024	Balance at the beginning of the year	Gains (losses) or other comprehensive income in the current fiscal year		Variable amount (net amount) by purchase, sale, issue and settlement	Transfer to Level 3(*3)	Transfer from Level 3(*4)	Balance at the end of the year	Gains (losses) on valuation of financial assets and liabilities held at the consolidated balance sheet date out of amounts recognized in consolidated statement of earnings(*1)
		Gains (losses) recorded in consolidated statement of earnings (*1)	Amount recorded in other comprehensive income (*2)					
Monetary claims bought	1,625	(0)	(4)	(125)	—	—	1,495	—
Securities								
Trading securities	349	6	20	178	—	—	555	0
Available-for-sale securities								
Corporate bonds	66	4	(0)	(10)	—	—	58	12
Foreign bonds	2,842	49	207	41	33	(9)	3,165	112
Other foreign securities	304	1	(21)	55	—	—	340	—
Other securities	212	—	4	13	—	—	230	—
Derivative transactions								
Other (Embedded derivatives)	(373)	—	(280)	—	—	—	(653)	(254)

(*1) Gain/Loss recorded as investment income and investment expenses in consolidated statement of earnings.

(*2) Gain/Loss recorded in net unrealized gains (losses) on securities, net of tax and foreign currency translation adjustments of Other comprehensive income in consolidated statement of comprehensive income.

(*3) Transfer from Level 2 to Level 3 due to the change in the observability of inputs as a result of the change in the fair value measurement method. The transfer was recognized at the end of fiscal year ended March 31, 2024.

(*4) Transfer from Level 3 to Level 2 due to the availability of observable inputs.The transfer was recognized at the end of fiscal year ended March 31, 2024.

c) Description of the fair value valuation process

The Group has established policies and procedures for measuring the fair value and classifying the fair value level in the accounting department. In accordance with these policies and procedures, the investment management service department selects the fair value valuation model, and then measures the fair value and classifies the fair value by level. For such fair value, the appropriateness of the valuation methods and inputs used in the measurement of the fair value and the appropriateness of the classification of the level of fair value are verified. In addition, when using the quoted market prices obtained from a third party as fair value, the validity is verified by appropriate methods such as confirmation of the valuation method and inputs used and comparison with the fair value of similar financial instruments.

d) Explanation of the sensitivity of the fair value to changes in significant unobservable input

Securities

Discount rate

The discount rate is an adjustment rate to the base market interest rate and consists primarily of a liquidity premium, which adjusts the discount rate by reflecting the uncertainty of cash flows and the liquidity of financial instruments, and a risk premium, which adjusts the discount rate by reflecting the issuer's credit risk and the overall market risk associated with similar financial instruments. In general, a significant increase (decrease) in the discount rate results in a significant decrease (increase) in the fair value.

Paydown rate

The paydown rate is the expected annual rate of principal repayment. In general, a significant increase (decrease) in the paydown rate is accompanied by a decrease (increase) in the projected weighted average life of the financial instrument, resulting in a significant increase (decrease) in the fair value.

Other (Embedded derivatives)

Mortality

The mortality is the percentage of deaths in a certain group of people in a certain period of time. In general, a significant increase (decrease) in the mortality results in a significant decrease (increase) in the fair value of the liability and affects the fair value of the embedded derivatives.

Lapse

The lapse is the percentage of people in a certain group who have surrendered insurance policies or whose insurance policies have lapsed in a certain period of time. In general, a significant increase (decrease) in the lapse results in a significant decrease (increase) in the fair value of the liability and affects the fair value of the embedded derivatives.

Withdrawal rate

The withdrawal rate is the percentage of policy reserves that are withdrawn in a certain period of time. In general, a significant increase (decrease) in the withdrawal rate results in a significant increase (decrease) in the fair value of the liability and affects the fair value of the embedded derivatives.

X. SECURITIES

1. Trading Securities

	Year ended March 31, 2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Gains (losses) on valuation of trading securities	(740,909)	386,761	2,554

2. Held-to-maturity Bonds

As of March 31, 2023	Carrying amount	Fair value	Unrealized gains (losses)
	(Unit: million yen)		
Held-to-maturity securities with unrealized gains:			
(1) Bonds	55,840	56,174	334
a. Government bonds	50,835	51,151	315
b. Local government bonds	–	–	–
c. Corporate bonds	5,005	5,023	18
(2) Foreign securities	1,500	1,501	1
a. Foreign bonds	1,500	1,501	1
Subtotal	57,340	57,676	335
Held-to-maturity securities with unrealized losses:			
(1) Bonds	83,118	79,769	(3,349)
a. Government bonds	3,084	3,028	(56)
b. Local government bonds	–	–	–
c. Corporate bonds	80,033	76,740	(3,292)
(2) Foreign securities	7,781	7,747	(34)
a. Foreign bonds	7,781	7,747	(34)
Subtotal	90,900	87,516	(3,383)
Total	148,240	145,192	(3,047)

As of March 31, 2024	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	4,454	4,480	25	29	29	0
a. Government bonds	—	—	—	—	—	—
b. Local government bonds	—	—	—	—	—	—
c. Corporate bonds	4,454	4,480	25	29	29	0
(2) Foreign securities	—	—	—	—	—	—
a. Foreign bonds	—	—	—	—	—	—
Subtotal	4,454	4,480	25	29	29	0
Held-to-maturity securities with unrealized losses:						
(1) Bonds	100,070	95,271	(4,799)	660	629	(31)
a. Government bonds	6,102	5,584	(517)	40	36	(3)
b. Local government bonds	—	—	—	—	—	—
c. Corporate bonds	93,968	89,686	(4,282)	620	592	(28)
(2) Foreign securities	6,866	6,830	(36)	45	45	(0)
a. Foreign bonds	6,866	6,830	(36)	45	45	(0)
Subtotal	106,937	102,101	(4,835)	706	674	(31)
Total	111,391	106,581	(4,809)	735	703	(31)

3. Policy-reserve-matching Bonds

	As of March 31, 2023		
	Carrying amount	Fair value	Unrealized gains (losses)
	(Unit: million yen)		
Policy-reserve-matching bonds with unrealized gains:			
(1) Bonds	9,449,766	10,777,210	1,327,444
a. Government bonds	9,028,369	10,329,614	1,301,245
b. Local government bonds	57,999	65,113	7,114
c. Corporate bonds	363,398	382,482	19,084
(2) Foreign Securities	376,516	385,372	8,856
a. Foreign bonds	376,516	385,372	8,856
Subtotal	9,826,283	11,162,583	1,336,300
Policy-reserve-matching bonds with unrealized losses:			
(1) Bonds	6,806,811	6,011,485	(795,326)
a. Government bonds	5,608,614	4,907,328	(701,286)
b. Local government bonds	77,891	72,017	(5,874)
c. Corporate bonds	1,120,305	1,032,139	(88,165)
(2) Foreign Securities	2,632,092	2,417,202	(214,889)
a. Foreign bonds	2,632,092	2,417,202	(214,889)
Subtotal	9,438,903	8,428,687	(1,010,215)
Total	19,265,186	19,591,271	326,084

	As of March 31, 2024					
	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	8,000,753	8,823,827	823,074	52,841	58,277	5,436
a. Government bonds	7,650,010	8,457,796	807,786	50,525	55,860	5,335
b. Local government bonds	50,783	54,681	3,898	335	361	25
c. Corporate bonds	299,960	311,350	11,389	1,981	2,056	75
(2) Foreign securities	385,190	392,195	7,005	2,544	2,590	46
a. Foreign bonds	385,190	392,195	7,005	2,544	2,590	46
Subtotal	8,385,944	9,216,023	830,079	55,385	60,867	5,482
Policy-reserve-matching bonds with unrealized losses:						
(1) Bonds	9,140,481	7,714,783	(1,425,697)	60,369	50,952	(9,416)
a. Government bonds	7,911,379	6,597,404	(1,313,975)	52,251	43,573	(8,678)
b. Local government bonds	75,562	65,703	(9,858)	499	433	(65)
c. Corporate bonds	1,153,539	1,051,675	(101,863)	7,618	6,945	(672)
(2) Foreign securities	2,945,044	2,679,440	(265,603)	19,450	17,696	(1,754)
a. Foreign bonds	2,945,044	2,679,440	(265,603)	19,450	17,696	(1,754)
Subtotal	12,085,525	10,394,224	(1,691,301)	79,819	68,649	(11,170)
Total	20,471,469	19,610,247	(861,222)	135,205	129,517	(5,688)

4. Available-for-sale Securities

	As of March 31, 2023		
	Carrying amount	Acquisition cost	Unrealized gains (losses)
	(Unit: million yen)		
Available-for-sale securities with unrealized gains:			
(1) Bonds	1,624,370	1,483,752	140,618
a. Government bonds	1,053,246	947,271	105,975
b. Local government bonds	23,267	21,390	1,877
c. Corporate bonds	547,856	515,090	32,766
(2) Domestic stocks	3,045,443	1,080,409	1,965,033
(3) Foreign securities	3,348,759	2,978,982	369,777
a. Foreign bonds	2,754,085	2,519,450	234,634
b. Other foreign securities	594,674	459,531	135,142
(4) Other securities	323,249	297,571	25,678
Subtotal	8,341,823	5,840,715	2,501,107
Available-for-sale securities with unrealized losses:			
(1) Bonds	981,739	1,002,398	(20,658)
a. Government bonds	67,885	73,349	(5,463)
b. Local government bonds	4,882	4,904	(22)
c. Corporate bonds	908,971	924,144	(15,172)
(2) Domestic stocks	116,780	134,535	(17,755)
(3) Foreign securities	10,804,802	12,437,610	(1,632,807)
a. Foreign bonds	10,295,281	11,871,092	(1,575,810)
b. Other foreign securities	509,521	566,517	(56,996)
(4) Other securities	634,182	653,666	(19,483)
Subtotal	12,537,505	14,228,210	(1,690,705)
Total	20,879,328	20,068,926	810,402

Note: Other securities include (1) certificates of deposit and (2) trust beneficiary rights, which were recorded as cash and deposits and monetary claims bought on the consolidated balance sheet, respectively. The aggregate acquisition cost and carrying amount of such certificates of deposit were ¥72,680 million and ¥72,677 million, respectively, as of March 31, 2023. The aggregate acquisition cost and carrying amount of trust beneficiary rights were ¥247,281 million and ¥246,105 million, respectively, as of March 31, 2023.

	As of March 31, 2024					
	Carrying amount	Acquisition cost	Unrealized gains (losses)	Carrying amount	Acquisition cost	Unrealized gains (losses)
	(Unit: million yen)			(Unit: million US dollars)		
Available-for-sale securities with unrealized gains:						
(1) Bonds	1,654,846	1,523,599	131,246	10,929	10,062	866
a. Government bonds	857,469	791,771	65,697	5,663	5,229	433
b. Local government bonds	24,050	20,958	3,091	158	138	20
c. Corporate bonds	773,326	710,869	62,457	5,107	4,694	412
(2) Domestic stocks	3,964,576	1,116,287	2,848,288	26,184	7,372	18,811
(3) Foreign securities	4,911,716	4,335,776	575,940	32,439	28,635	3,803
a. Foreign bonds	4,181,022	3,832,461	348,561	27,613	25,311	2,302
b. Other foreign securities	730,694	503,315	227,379	4,825	3,324	1,501
(4) Other securities	540,783	474,484	66,299	3,571	3,133	437
Subtotal	11,071,923	7,450,148	3,621,775	73,125	49,205	23,920
Available-for-sale securities with unrealized losses:						
(1) Bonds	1,176,516	1,207,875	(31,358)	7,770	7,977	(207)
a. Government bonds	196,749	212,424	(15,675)	1,299	1,402	(103)
b. Local government bonds	6,654	6,703	(48)	43	44	(0)
c. Corporate bonds	973,112	988,746	(15,634)	6,426	6,530	(103)
(2) Domestic stocks	24,671	29,028	(4,357)	162	191	(28)
(3) Foreign securities	9,665,289	10,928,208	(1,262,918)	63,835	72,176	(8,341)
a. Foreign bonds	9,057,745	10,288,153	(1,230,408)	59,822	67,948	(8,126)
b. Other foreign securities	607,544	640,054	(32,509)	4,012	4,227	(214)
(4) Other securities	852,467	881,163	(28,696)	5,630	5,819	(189)
Subtotal	11,718,945	13,046,275	(1,327,330)	77,398	86,165	(8,766)
Total	22,790,868	20,496,423	2,294,444	150,524	135,370	15,153

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 ¥92,751 million (US$612 million) and ¥92,745 million (US$612 million), respectively, as of March 31, 2024. The aggregate acquisition cost and carrying amount of trust beneficiary rights were ¥228,260 million (US$1,507 million) and ¥226,450 million (US$1,495 million), respectively, as of March 31, 2024.

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, 2023 and 2024.

6. Policy-reserve-matching Bonds Sold

Policy-reserve-matching bonds sold during the fiscal years ended March 31, 2023 and 2024 were as follows:

	Year ended March 31, 2023		
	Amounts sold	Realized gains	Realized losses
	(Unit: million yen)		
(1) Bonds	824,090	71,292	1,997
a. Government bonds	754,274	70,639	330
b. Local government bonds	3,471	118	14
c. Corporate bonds	66,344	534	1,652
(2) Foreign securities	442,523	273	38,565
a. Foreign bonds	442,523	273	38,565
b. Other foreign securities	—	—	—
Total	1,266,614	71,565	40,562

	Year ended March 31, 2024					
	Amounts sold	Realized gains	Realized losses	Amounts sold	Realized gains	Realized losses
	(Unit: million yen)			(Unit: million US dollars)		
(1) Bonds	764,817	39,792	47,114	5,051	262	311
a. Government bonds	643,269	39,117	25,829	4,248	258	170
b. Local government bonds	—	—	—	-	-	-
c. Corporate bonds	121,547	674	21,285	802	4	140
(2) Foreign securities	435,169	678	40,672	2,874	4	268
a. Foreign bonds	435,169	678	40,672	2,874	4	268
b. Other foreign securities	—	—	—	-	-	-
Total	1,199,986	40,471	87,787	7,925	267	579

7. Available-for-sale Securities Sold

Available-for-sale securities sold during the fiscal years ended March 31, 2023 and 2024 were as follows:

	Year ended March 31, 2023		
	Amounts sold	Realized gains	Realized losses
	(Unit: million yen)		
(1) Bonds	1,596,530	118,704	25,967
a. Government bonds	955,692	115,957	302
b. Local government bonds	—	—	—
c. Corporate bonds	640,837	2,747	25,664
(2) Domestic stocks	265,715	143,065	5,127
(3) Foreign securities	5,954,794	234,892	431,598
a. Foreign bonds	5,468,350	153,886	407,571
b. Other foreign securities	486,444	81,006	24,026
(4) Other securities	277,663	3,560	13,323
Total	8,094,704	500,223	476,016

	Year ended March 31, 2024					
	Amounts sold	Realized gains	Realized losses	Amounts sold	Realized gains	Realized losses
	(Unit: million yen)			(Unit: million US dollars)		
(1) Bonds	678,524	938	6,972	4,481	6	46
a. Government bonds	158,756	—	1,268	1,048	-	8
b. Local government bonds	4,745	9	68	31	0	0
c. Corporate bonds	515,023	929	5,634	3,401	6	37
(2) Domestic Stocks	393,018	218,249	5,734	2,595	1,441	37
(3) Foreign securities	3,834,006	172,853	210,188	25,322	1,141	1,388
a. Foreign bonds	3,162,246	95,885	173,287	20,885	633	1,144
b. Other foreign securities	671,760	76,968	36,901	4,436	508	243
(4) Other securities	276,251	2,309	45,929	1,824	15	303
Total	5,181,801	394,350	268,825	34,223	2,604	1,775

8. Securities Written Down

The Company and its consolidated subsidiaries write down the balance of certain available-for-sale securities with fair values (1) when the fair value of such securities declines by 50%, or more, of its purchase cost or (2) when the fair value of such securities without a certain level of creditworthiness declines by 30% or more, but less than 50%, of its purchase cost unless it is deemed that there is a possibility that the fair value of the security could recover to equal or exceed the purchase cost. The aggregate amounts written down from the balance of available-for-sale securities with fair value for the fiscal years ended March 31, 2023 and 2024 were ¥20,970 million and ¥5,978 million (US$39 million), respectively.

XI. MONEY HELD IN TRUST

1. Money Held in Trust for Trading

	As of March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Carrying amount on the consolidated balance sheet	911,246	838,627	5,538
Gains (losses) on valuation of money held in trust	(2,999)	17,027	112

2. Other Money Held in Trust (other than Money Held in Trust for Trading, Held-to-Maturity, and Policy-Reserve-Matching)

	As of March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Carrying amount on the consolidated balance sheet	-	50,092	330
Acquisition cost	-	49,073	324
Unrealized gains(losses)	-	1,018	6
Other Money Held in Trust with unrealized gains	-	1,018	6
Other Money Held in Trust with unrealized losses	-	-	-

XII. DERIVATIVE TRANSACTIONS

1. Derivative Transactions (Hedge Accounting Not Applied)

(1) Currency-related transactions

As of March 31, 2023

	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	Gains (losses)
	(Unit: million yen)			
Exchange-traded transactions:				
Currency futures:				
Sold	20,040	—	(64)	(64)
British pound / U.S. dollar	9,216	—	176	176
Euro / U.S. dollar	7,818	—	(101)	(101)
Yen / U.S. dollar	3,005	—	(139)	(139)
Over-the-counter transactions:				
Foreign currency forward contracts:				
Sold	1,123,673	—	(10,908)	(10,908)
U.S. dollar	493,884	—	(3,904)	(3,904)
Australian dollar	268,371	—	1,669	1,669
Euro	135,072	—	(3,545)	(3,545)
British pound	125,642	—	(5,061)	(5,061)
Canadian dollar	41,635	—	0	0
Others	59,067	—	(67)	(67)
Bought	162,641	—	392	392
U.S. dollar	98,714	—	55	55
British pound	23,971	—	201	201
Euro	11,735	—	78	78
Canadian dollar	5,217	—	14	14
Australian dollar	3,846	—	7	7
Others	19,155	—	35	35
Currency swaps:				
Receipts foreign currency, payments yen	437,940	422,481	29,629	29,629
Australian dollar	355,640	340,181	18,015	18,015
U.S. dollar	82,300	82,300	11,614	11,614
Receipts yen, payments foreign currency	7,590	5,651	(1,343)	(1,343)
U.S. dollar	7,590	5,651	(1,343)	(1,343)
Receipts foreign currency, payments foreign currency	75,904	73,028	(1,071)	(1,071)
Australian dollar / U.S. dollar	60,109	59,411	(1,048)	(1,048)
Australian dollar / Euro	15,794	13,616	(23)	(23)
Currency options:				
Sold:				
Call	49,272	—		
	[311]	—	115	195
U.S. dollar	49,272	—		
	[311]	—	115	195
Bought				
Put	188,951	—		
	[4,283]	—	1,345	(2,938)
U.S. dollar	138,564	—		
	[3,109]	—	829	(2,279)
Australian dollar	50,387	—		
	[1,174]	—	515	(659)
Total return swaps:				
Foreign currency index linked	111,216	80,601	9,369	9,369
Total	–	–	–	23,260

Note: 1. Figures in [ ] are amounts of option premiums which are included in the consolidated balance sheet.
2. Fair value for futures, 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, 2024

	(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	23,963	—	(471)	(471)	158	—	(3)	(3)
British pound / U.S. dollar	12,717	—	(190)	(190)	83	—	(1)	(1)
Euro / U.S. dollar	7,312	—	(168)	(168)	48	—	(1)	(1)
Yen / U.S. dollar	3,932	—	(112)	(112)	25	—	(0)	(0)
Over-the-counter transactions:								
Foreign currency forward contracts:								
Sold	1,504,191	—	(26,000)	(26,000)	9,934	—	(171)	(171)
U.S. dollar	599,545	—	(10,711)	(10,711)	3,959	—	(70)	(70)
Australian dollar	385,228	—	(5,898)	(5,898)	2,544	—	(38)	(38)
Euro	238,206	—	(4,407)	(4,407)	1,573	—	(29)	(29)
British pound	195,199	—	(3,951)	(3,951)	1,289	—	(26)	(26)
Canadian dollar	59,543	—	(1,078)	(1,078)	393	—	(7)	(7)
Others	26,468	—	47	47	174	—	0	0
Bought	386,845	—	(1)	(1)	2,554	—	(0)	(0)
U.S. dollar	220,430	—	(12)	(12)	1,455	—	(0)	(0)
Euro	53,646	—	(123)	(123)	354	—	(0)	(0)
British pound	42,757	—	3	3	282	—	0	0
Australian dollar	25,934	—	88	88	171	—	0	0
Canadian dollar	19,281	—	82	82	127	—	0	0
Others	24,794	—	(40)	(40)	163	—	(0)	(0)
Currency swaps:								
Receipts foreign currency, payments yen	361,538	333,986	55,895	55,895	2,387	2,205	369	369
Australian dollar	325,538	310,486	43,319	43,319	2,150	2,050	286	286
U.S. dollar	36,000	23,500	12,575	12,575	237	155	83	83
Receipts yen, payments foreign currency	5,651	3,005	(2,049)	(2,049)	37	19	(13)	(13)
U.S. dollar	5,651	3,005	(2,049)	(2,049)	37	19	(13)	(13)
Receipts foreign currency, payments foreign currency	168,626	168,626	(998)	(998)	1,113	1,113	(6)	(6)
Australian dollar / U.S. dollar	153,655	153,655	(964)	(964)	1,014	1,014	(6)	(6)
Australian dollar / Euro	14,970	14,970	(34)	(34)	98	98	(0)	(0)
Currency options:								
Sold:								
Call	2,788	—			18	—		
	[10]	—	—	10	[0]	—	—	0
Norwegian Kroner	2,788	—			18	—		
	[10]	—	—	10	[0]	—	—	0
Put	2,943	—			19	—		
	[—]	—	—	—	[—]	—	—	—
Swedish Krona	2,943	—			19	—		
	[—]	—	—	—	[—]	—	—	—
Bought								
Call	5,177	—			34	—		
	[43]	—	22	(20)	[0]	—	0	(0)
Norwegian Kroner	2,788	—			18	—		
	[29]	—	0	(29)	[0]	—	0	(0)
Polish Zlotych	1,632	—			10	—		
	[—]	—	—	—	[—]	—	—	—
U.S. dollar	757	—			4	—		
	[13]	—	22	8	[0]	—	0	0
Put	194,510	—			1,284	—		
	[3,577]	—	15	(3,562)	[23]	—	0	(23)
U.S. dollar	190,019	—			1,254	—		

	[3,563]	—	2	(3,561)	[23]	—	0	(23)
Swedish Krona	2,858	—			18	—		
	[—]	—	—	—	[—]	—	—	—
Euro	1,632	—			10	—		
	[14]	—	12	(1)	[0]	—	0	(0)
Total return swaps:								
Foreign currency index linked	88,617	—	17,683	17,683	585	—	116	116
Total	–	–	–	40,484	–	—	–	267

Note: 1. Figures in [ ] are amounts of option premiums which are included in the consolidated balance sheet.
2. Fair value for futures, 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, 2023			
	(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	27,446	27,446	(1,232)	(1,232)
Receipts floating, Payments fixed	10,000	10,000	338	338
Yen interest rate swaptions:				
Bought:				
Receipts fixed, Payments floating	140,206	—		
	[371]	—	75	(295)
Receipts floating, Payments fixed	1,873,766	635,000		
	[20,670]	[7,108]	34,028	13,358
Total	–	–	–	12,168

Note: 1. Figures in [ ] are amounts of option premiums which are included in the consolidated balance sheet.
2. Fair value for swaps, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".

	As of March 31, 2024							
	(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	70,463	70,463	(2,237)	(2,237)	465	465	(14)	(14)
Receipts floating, Payments fixed	49,003	49,003	689	689	323	323	4	4
Total return swaps:								
Foreign interest rate index linked	416,377	416,377	(4)	(4)	2,749	2,749	(0)	(0)
Yen interest rate swaptions:								
Bought:								
Receipts fixed, Payments floating	21,274	—			140	—		
	[74]	—	62	(11)	[0]	—	0	(0)
Receipts floating, Payments fixed	1,584,460	1,180,000			10,464	7,793		
	[22,695]	[20,119]	14,507	(8,188)	[149]	[132]	95	(54)
Total	–	–	–	(9,751)	–	–	–	(64)

Note: 1. Figures in [ ] are amounts of option premiums which are included in the consolidated balance sheet.
2. Fair value for swaps, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".

(3) Stock-related transactions

	As of March 31, 2023			
	(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	7,832	—	29	29
Bought	8,782	—	(67)	(67)
Foreign currency-denominated stock index futures:				
Sold	41,364	—	(579)	(579)
Bought	66,306	—	552	552
Yen stock index options:				
Bought:				
Put	335,865	2,452		
	[4,826]	[386]	2,636	(2,189)
Foreign currency-denominated stock index options:				
Sold:				
Call	499,892	—		
	[32,119]	—	12,776	19,343
Put	17,159	—		
	[863]	—	584	278
Bought:				
Call	474,773	—		
	[40,721]	—	17,881	(22,839)
Put	76,932	9,726		
	[3,474]	[250]	2,876	(597)
Over-the-counter transactions:				
Yen stock index options:				
Bought:				
Put	2,210	2,210		
	[727]	[727]	110	(617)
Foreign currency-denominated stock index options:				
Sold:				
Call	378,527	—		
	[27,078]	—	13,605	13,473
Put	7,260	—		
	[412]	—	305	106
Bought:				
Call	427,637	36,711		
	[36,426]	[1,662]	18,578	(17,847)
Put	89,696	39,032		
	[12,838]	[6,448]	7,835	(5,002)
Total return swaps:				
Foreign currency-denominated stock index linked	67,061	5,513	448	448
Total	–	–	–	(15,508)

Note: 1. Figures in [ ] are amounts of option premiums which are included in the consolidated balance sheet.
2. Fair value for futures 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, 2024							
	(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	2,935	—	(24)	(24)	19	—	(0)	(0)
Bought	8,175	—	161	161	53	—	1	1
Foreign currency-denominated stock index futures:								
Sold	20,226	—	(741)	(741)	133	—	(4)	(4)
Bought	75,709	—	1,321	1,321	500	—	8	8
Yen stock index options:								
Bought:								
Put	464,297	—			3,066	—		
	[10,731]	—	3,298	(7,432)	[70]	—	21	(49)
Foreign currency-denominated stock index options:								
Sold:								
Call	464,920	—			3,070			
	[31,856]	—	53,234	(21,378)	[210]	—	351	(141)
Put	8,359	—			55	—		
	[208]	—	54	153	[1]	—	0	1
Bought:								
Call	448,532	—			2,962	—		
	[40,244]	—	64,623	24,379	[265]	—	426	161
Put	49,709	6,970			328	46		
	[1,521]	[489]	833	(687)	[10]	[3]	5	(4)
Over-the-counter transactions:								
Yen stock index options:								
Bought:								
Put	2,362	—			15	—		
	[777]	—	14	(762)	[5]	—	0	(5)
Foreign currency-denominated stock index options:								
Sold:								
Call	390,042	116			2,576	0		
	[23,299]	[2]	41,267	(17,967)	[153]	[0]	272	(118)
Put	19,290	—			127	—		
	[574]	—	115	459	[3]	—	0	3
Bought:								
Call	436,627	23,281			2,883	153		
	[37,462]	[1,035]	57,692	20,229	[247]	[6]	381	133
Put	177,599	92,608			1,172	611		
	[14,809]	[8,003]	7,381	(7,428)	[97]	[52]	48	(49)
Total return swaps:								
Foreign currency-denominated stock index linked	93,851	179	(1,575)	(1,575)	619	1	(10)	(10)
Multi Asset index futures								
Bought	35,320	—	259	259	233	—	1	1
Total	—	—	—	(11,034)	—	—	—	(72)

Note: 1. Figures in [ ] are amounts of option premiums which are included in the consolidated balance sheet.
2. Fair value for futures and swaps, 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, 2023			
	(A) Notional amount/ contract value	Over 1 year included in(A)	Fair value	Gains (losses)
	(Unit: million yen)			
Exchange-traded transactions:				
Yen bond futures:				
Sold	34,941	—	(310)	(310)
Bought	63,695	—	1,033	1,033
Foreign currency-denominated bond futures:				
Sold	52,694	—	343	343
Bought	394,754	—	321	321
Over-the-counter transactions:				
Foreign currency-denominated bond forward contracts:				
Bought	204,873	—	(4,121)	(4,121)
Yen bond OTC options:				
Sold:				
Call	29,124	—		
	[25]	—	72	(47)
Put	95,842	—		
	[341]	—	102	239
Bought:				
Call	95,842	—		
	[296]	—	554	257
Put	29,124	—		
	[33]	—	0	(32)
Total	–	—	–	(2,315)

Note: 1. Figures in [ ] are amounts of option premiums which are included in the consolidated balance sheet.
2. Fair value for futures and forward contracts, and differences between the option premiums paid/received and fair value of the option, are shown in "Gains (losses)".
3. There were no transactions with maturity of more than one year in the table above.

	As of March 31, 2024							
	(A) Notional amount/ contract value	Over 1 year included in(A)	Fair value	Gains (losses)	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 bond futures:								
Bought	104,075	—	78	78	687	—	0	0
Foreign currency-denominated bond futures:								
Sold	198,978	—	(3,680)	(3,680)	1,314	—	(24)	(24)
Bought	562,556	—	4,014	4,014	3,715	—	26	26
Over-the-counter transactions:								
Foreign currency-denominated bond forward contracts:								
Sold	13,967	—	5	5	92	—	0	0
Bought	229,282	5,619	5,577	5,577	1,514	37	36	36
Yen bond OTC options:								
Sold:								
Call	74,630	—			492	—		
	[88]	—	351	(262)	(0)	—	2	(1)
Bought:								
Put	74,630	—			492	—		
	[117]	—	301	184	(0)	—	1	1
Total	—	—	—	5,916	—	—	—	39

Note: 1. Figures in [ ] are amounts of option premiums which are included in the consolidated balance sheet.
2. Fair value for futures and forward contracts, and differences between the option premiums paid/received and fair value of the option, are shown in "Gains (losses)".

(5) Others

	As of March 31, 2023			
	(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	85,134	41,548	596	596
Bought protection	7,000	7,000	(40)	(40)
Others:				
Embedded derivatives	2,603,690	2,603,690	(56,581)	(56,581)
Total	–	–	–	(56,025)

Note: 1. Embedded derivatives are guaranteed minimum portion and others of variable annuity products, which are classified as embedded derivatives by certain overseas subsidiaries under local accounting standards.
2. Fair value is shown in "Gains (losses)".

	As of March 31, 2024							
	(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	91,154	57,997	1,101	1,101	602	383	7	7
Others:								
Embedded derivatives	2,799,434	2,799,434	(98,983)	(98,983)	18,489	18,489	(653)	(653)
Total	–	–	–	(97,882)	–	–	–	(646)

Note: 1. Embedded derivatives are guaranteed minimum portion and others of variable annuity products, which are classified as embedded derivatives by certain overseas subsidiaries under local accounting standards.
2. Fair value is shown in "Gains (losses)".

2. Derivative Transactions (Hedge Accounting Applied)

(1) Currency-related transactions

	As of March 31, 2023		
	(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	310,111	297,161	(15,273)
U.S. dollar	207,737	205,890	(11,073)
Euro	82,801	71,698	(5,074)
British pound	19,572	19,572	873
Currency swaps to hedge foreign currency risks associated with funding agreement:			
Receipts foreign currency, payments foreign currency	15,549	15,549	(2,018)
Norway krone / U.S. dollar	15,549	15,549	(2,018)
Fair value hedge:			
Foreign currency forward contracts to hedge foreign currency-denominated bonds:			
Sold	2,243,706	–	(57,587)
U.S. dollar	998,694	–	(42,438)
Australian dollar	640,128	–	1,316
Euro	480,482	–	(14,633)
Canadian dollar	36,023	–	(769)
British pound	34,167	–	(1,325)
Others	54,210	–	262
Bought	94,813	–	973
Euro	42,573	–	1,035
U.S. dollar	36,963	–	(26)
Canadian dollar	13,472	–	(67)
British pound	567	–	26
Australian dollar	67	–	(1)
Others	1,169	–	8
Foreign currency forward contracts, etc., allocated to and/or combined with corresponding hedged items:			
Foreign currency forward contracts to hedge foreign currency-denominated term deposits:			
Sold	5,000	–	
U.S. dollar	5,000	–	
Currency swaps to hedge foreign currency-denominated bonds payable and loans:			
Receipts foreign currency, payments yen	368,715	368,715	
Foreign currency-denominated bonds payable:			
U.S. dollar	368,715	368,715	
Receipts yen, payments foreign currency	22,878	12,958	
Foreign currency-denominated loans:			
U.S. dollar	22,878	12,958	

	As of March 31, 2024					
	(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:						
Foreign currency forward contracts to hedge foreign currency-forecasted transaction:						
Bought	33,879	—	723	223	—	4
U.S. dollar	33,879	—	723	223	—	4
Currency swaps to hedge foreign currency-denominated bonds:						
Receipts yen, payments foreign currency	755,553	724,883	(88,727)	4,990	4,787	(586)
U.S. dollar	550,187	537,205	(61,534)	3,633	3,548	(406)
Euro	172,839	155,150	(23,294)	1,141	1,024	(153)
British pound	27,215	27,215	(3,652)	179	179	(24)
Canadian dollar	4,360	4,360	(181)	28	28	(1)
Australian dollar	950	950	(63)	6	6	(0)
Currency swaps to hedge foreign currency-denominated bonds and risks associated with funding agreement:						
Receipts foreign currency, payments foreign currency	85,752	85,752	1,051	566	566	6
British pound/U.S. dollar	60,576	60,576	3,967	400	400	26
Norway krone/U.S. dollar	16,619	16,619	(2,840)	109	109	(18)
U.S. dollar/Euro	8,556	8,556	(75)	56	56	(0)
Fair value hedge:						
Foreign currency forward contracts to hedge foreign currency-denominated bonds:						
Sold	1,139,616	—	(31,173)	7,526	—	(205)
U.S. dollar	549,072	—	(16,172)	3,626	—	(106)
Australian dollar	425,188	—	(8,780)	2,808	—	(57)
Euro	136,283	—	(5,461)	900	—	(36)
British pound	11,521	—	(286)	76	—	(1)
Canadian dollar	1,834	—	(25)	12	—	(0)
Others	15,715	—	(446)	103	—	(2)
Bought	573	—	7	3	—	0
U.S. dollar	417	—	5	2	—	0
Euro	30	—	0	0	—	0
Australian dollar	29	—	(0)	0	—	(0)
British pound	7	—	0	0	—	0
Others	89	—	0	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	10,001	—		66	—	
U.S. dollar	10,001	—		66	—	
Currency swaps to hedge foreign currency-denominated bonds payable and loans:						
Receipts foreign currency, payments yen	368,715	260,550		2,435	1,720	
Foreign currency-denominated bonds payable:						
U.S. dollar	368,715	260,550		2,435	1,720	
Receipts yen, payments foreign currency	10,260	10,260		67	67	
Foreign currency-denominated loans:						
U.S. dollar	10,260	10,260		67	67	

(2) Interest-related transactions

	As of March 31, 2023		
	(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	710,600	710,600	(27,155)
Special hedge accounting:			
Yen interest rate swaps to hedge loans:			
Receipts fixed, payments floating	8,300	2,300	53
Yen interest rate swaps to hedge loans payable:			
Receipts floating, payments fixed	245,000	245,000	1,204

	As of March 31, 2024					
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value
	(Unit: million yen)			(Unit: million US dollars)		
Deferral hedge:						
Yen interest rate swaps to hedge loans and insurance liabilities:						
Receipts fixed, payments floating	710,600	710,600	(44,427)	4,693	4,693	(293)
Yen interest rate swaps to hedge loans and risks associated with funding agreement:						
Receipts floating, payments fixed	230,473	187,924	(716)	1,522	1,241	(4)
Special hedge accounting:						
Yen interest rate swaps to hedge loans:						
Receipts fixed, payments floating	2,300	2,300	30	15	15	0
Yen interest rate swaps to hedge loans payable:						
Receipts floating, payments fixed	245,000	245,000	1,169	1,618	1,618	7

(3) Interest and currency-related transactions

	As of March 31, 2023		
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value
	(Unit: million yen)		
Deferral hedge:			
Interest rate and Currency swaps to hedge bonds payable:			
Receipts floating, payments fixed	7,085	7,085	485

	As of March 31, 2024					
	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value	(A) Notional amount/ contract value	Over 1 year included in (A)	Fair value
	(Unit: million yen)			(Unit: million US dollars)		
Deferral hedge:						
Interest rate and Currency swaps to hedge bonds payable:						
Receipts floating, payments fixed	7,659	7,659	561	50	50	3

XIII. EMPLOYEES' RETIREMENT BENEFITS

1. Overview of Employees' Retirement Benefit Plan of the Group

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

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

Certain domestic consolidated subsidiaries participate in corporate pension fund plans administered by multiple employers. As the amount of pension assets corresponding to their contributions cannot be reasonably calculated, they are accounted for in the same manner as the defined contribution plans.

2. Defined Benefit Plans

(1) Reconciliations of beginning and ending balances of projected benefit obligations

	Year ended March 31, 2023	Year ended March 31, 2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Beginning balance of the projected benefit obligations	728,888	709,968	4,689
Service cost	26,878	25,836	170
Interest cost	3,339	4,254	28
Accruals of actuarial (gains) and losses	(10,404)	(77,293)	(510)
Payment of retirement benefits	(45,326)	(38,675)	(255)
Others	6,592	4,171	27
Ending balance of the projected benefit obligation	709,968	628,261	4,149

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, 2023	Year ended March 31, 2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Beginning balance of pension assets	336,366	342,159	2,259
Estimated return on assets	4,490	4,346	28
Accruals of actuarial (gains) and losses	(247)	62,285	411
Contributions from the employer	8,965	15,697	103
Payment of retirement benefits	(13,449)	(10,838)	(71)
Others	6,034	2,438	16
Ending balance of pension assets	342,159	416,088	2,748

(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, 2023	Year ended March 31, 2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Projected benefit obligation for funded pensions	388,213	350,940	2,317
Pension assets	(342,159)	(416,088)	(2,748)
	46,053	(65,148)	(430)
Projected benefit obligation for unfunded pensions	321,754	277,321	1,831
Net of assets and liabilities recorded in the consolidated balance sheet	367,808	212,173	1,401
Net defined benefit liabilities	367,808	212,173	1,401
Net defined benefit assets	—	—	—
Net of assets and liabilities recorded in the consolidated balance sheet	367,808	212,173	1,401

(4) Amount of the components of retirement benefit expenses

	Year ended March 31, 2023	Year ended March 31, 2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Service cost	26,878	25,836	170
Interest cost	3,339	4,254	28
Expected return on assets	(4,490)	(4,346)	(28)
Expense of actuarial (gains) and losses	9,605	(8,200)	(54)
Amortization of past service cost	175	176	1
Others	218	101	0
Retirement benefit expenses for defined benefit plans	35,728	17,822	117

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, 2023	Year ended March 31, 2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Past service cost	172	172	1
Actuarial gains (losses)	20,011	131,149	866
Total	20,184	131,322	867

(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, 2023	Year ended March 31, 2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Unrecognized past service cost	1,015	842	5
Unrecognized actuarial gains (losses)	(32,819)	(163,941)	(1,082)
Total	(31,803)	(163,098)	(1,077)

(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, 2023	Year ended March 31, 2024
Stocks	50%	53%
Bonds	22%	26%
Assets under joint management	16%	11%
Life insurance general account	3%	4%
Others	9%	6%
Total	100%	100%

Note: The proportion of retirement benefit trust that has been set for the unfunded retirement benefit plans to total pension assets as of March 31, 2023 and 2024 were 52% and 57%, 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, 2023	Year ended March 31, 2024
Discount rate	0.30 to 5.09%	1.42 to 4.92%
Expected long-term rate of return		
Defined benefit corporate pension	1.40 to 6.75%	1.40 to 6.75%
Employee pension trust	0.00%	0.00%

3. Defined Contribution Plans

Required amounts of contribution to defined contribution plans of consolidated subsidiaries for the fiscal years ended March 31, 2023 and 2024 were ¥3,217 million and ¥3,648 million (US$24 million), respectively.

4. Plans Administered by Multiple Employers

Required amount of contribution to corporate pension fund plans, which are accounted for in the same manner as the defined contribution plans,for the fiscal years ended March 31, 2023 and 2024 were ¥27,555million and ¥46,101 million (US$304 million), respectively.

(1) Funding status for the entire plan

	Year ended March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Amount of pension assets	77,272	93,049	614
Total of actuarial liability for pension financing calculation and amount of minimum policy reserve	75,263	90,531	597
Difference	2,008	2,517	16

(2) Percentage of contributions by the Group to the entire plan

Fiscal year ended March 31, 2023: 0.14% (From April 1, 2022 to March 31, 2023)

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

(3) Supplementary Explanation

The main factors for the difference in (1) above are special reserve for pension financing calculation of ¥2,008 million (US$13 million) and a surplus of ¥509 million (US$3 million) for the fiscal year ended March 31, 2024.

The percentage in (2) above does not match the actual percentage borne by the Group.

The above data was prepared based on the latest information available as of the date of preparation of the consolidated financial statements.

XIV. STOCK OPTIONS

1. 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
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
Class and total number (*1)	179,000 shares of common stock	110,600 shares of common stock
Grant date	August 18, 2014	August 17, 2015
Vesting conditions	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
Exercise period (*2)	From August 19, 2014 to August 18, 2044	From August 18, 2015 to August 17, 2045

	Dai-ichi Life Holdings, Inc. 1st Series of Stock Acquisition Rights	Dai-ichi Life Holdings, Inc. 2nd Series of Stock Acquisition Rights
Granted persons	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	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)	269,600 shares of common stock	215,800 shares of common stock
Grant date	October 18, 2016	August 24, 2017
Vesting conditions	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
Exercise period (*2)	From October 19, 2016 to October 18, 2046	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, 2024 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	13,100	50,200	34,800
Vested	—	—	—
Exercised	13,100	32,600	19,200
Forfeited	—	—	—
Outstanding at the end of the fiscal year	–	17,600	15,600

	The Dai-ichi Life Insurance Company, Limited	
	4th Series of Stock Acquisition Rights	5th Series of Stock Acquisition Rights
Before vesting		
Outstanding at the end of prior fiscal year	—	—
Granted	—	—
Forfeited	—	—
Vested	—	—
Outstanding at the end of the fiscal year	—	—
After vesting		
Outstanding at the end of prior fiscal year	37,100	29,000
Vested	—	—
Exercised	18,400	11,000
Forfeited	—	—
Outstanding at the end of the fiscal year	18,700	18,000

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

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

b) Price information

	The Dai-ichi Life Insurance Company, Limited		
	1st Series of Stock Acquisition Rights	2nd Series of Stock Acquisition Rights	3rd Series of Stock Acquisition Rights
Exercise price	¥1 per stock option	¥1 per stock option	¥1 per stock option
Average stock price at the time of exercise	¥2,752 (US$18)	¥2,668 (US$17)	¥2,668 (US$17)
Fair value at the grant date	¥885 (US$5)	¥766 (US$5)	¥1,300 (US$8)

	The Dai-ichi Life Insurance Company, Limited		Dai-ichi Life Holdings, Inc.
	4th Series of Stock Acquisition Rights	5th Series of Stock Acquisition Rights	1st Series of Stock Acquisition Rights
Exercise price	¥1 per stock option	¥1 per stock option	¥1 per stock option
Average stock price at the time of exercise	¥2,667 (US$17)	¥2,656 (US$17)	¥2,655 (US$17)
Fair value at the grant date	¥1,366 (US$9)	¥2,318 (US$15)	¥1,344 (US$8)

	Dai-ichi Life Holdings, Inc.
	2nd Series of Stock Acquisition Rights
Exercise price	¥1 per stock option
Average stock price at the time of exercise	¥2,588(US$17)
Fair value at the grant date	¥1,568 (US$10)

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,		
		2023	2024	2024
		(Unit: million yen)		(Unit: million US dollars)
Deferred tax assets:				
Policy reserves and others		484,410	482,835	3,188
Net unrealized gains (losses) on securities		211,468	185,858	1,227
Tax losses carried forward	Note:3	196,925	185,630	1,226
Reserve for price fluctuations		85,380	90,636	598
Net defined benefits liabilities		132,496	88,759	586
Others		87,681	159,575	1,053
Subtotal of deferred tax assets		1,198,362	1,193,294	7,881
Valuation allowance on tax losses carried forward	Note:3	(28,186)	(21,922)	(144)
Valuation allowance on total deductible temporary differences		(26,329)	(88,946)	(587)
Subtotal of valuation allowance	Note:2	(54,515)	(110,869)	(732)
Total		1,143,847	1,082,425	7,148
Deferred tax liabilities:				
Net unrealized gains (losses) on securities		(574,047)	(924,333)	(6,104)
Other intangible fixed assets		(85,601)	(97,670)	(645)
Evaluation difference related to business combination		(48,636)	(36,484)	(240)
Others		(126,187)	(103,882)	(686)
Total		(834,473)	(1,162,370)	(7,676)
Net deferred tax assets (liabilities)		309,373	(79,944)	(527)

Note: 1. Effective the fiscal year ended March 31 2024, the change in accounting policy has been applied retrospectively as presented in Change in Accounting Policy and the new accounting policy was reflected in the previous fiscal year ended March 31, 2023.

2. Valuation allowance increased by ¥56,353 million (US$372 million). This increase is mainly caused by that the certain consolidated overseas subsidiaries recognized part of valuation allowance for transitional measures based on the corporate income tax system in Bermuda adopted from the fiscal year ending March 31, 2026.

3. Tax loss carried forward and the deferred tax assets by carry forward period as follows:

As of March 31, 2023

(Unit: million yen)

	Within 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years	Total
Tax losses carried forward (*1)	406	453	290	4,887	85	190,802	196,925
Valuation allowance	(375)	(435)	(256)	(4,452)	(3)	(22,663)	(28,186)
Deferred tax assets	30	17	33	434	82	168,139	(*2) 168,739

(*1) Tax loss carried forward is calculated by multiplying statutory effective tax rate.

(*2) Deferred tax assets of ¥168,739 million are recorded for tax losses carried forward of ¥196,925 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, 2024

(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)	879	284	5,471	52	88	178,853	185,630
Valuation allowance	(857)	(272)	(2,869)	0	(44)	(17,878)	(21,922)
Deferred tax assets	22	11	2,602	52	44	160,974	(*2) 163,707

(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)	5	1	36	0	0	1,181	1,226
Valuation allowance	(5)	(1)	(18)	0	(0)	(118)	(144)
Deferred tax assets	0	0	17	0	0	1,063	1,081

(*1) Tax loss carried forward is calculated by multiplying statutory effective tax rate.

(*2) Deferred tax assets of ¥163,707 million (US$1,081 million) are recorded for tax losses carried forward of ¥185,630 million (US$1,226 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,	
	2023	2024
Statutory effective tax rate	30.62%	30.62%
(Adjustments)		
Difference in tax rate of subsidiaries	(3.56%)	(4.83%)
Increase (decrease) in valuation allowance	(1.62%)	(0.89%)
Permanent differences such as dividends received	(1.59%)	(0.84%)
Others	8.62%	0.81%
Actual effective tax rate after considering deferred taxes	32.47%	24.87%

Note: Effective the fiscal year ended March 31 2024, the change in accounting policy has been applied retrospectively as presented in Change in Accounting Policy and the new accounting policy was reflected in the previous fiscal year ended March 31, 2023.

3. Accounting for corporate tax and local corporate tax or deferred tax accounting relating to these taxes

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

XVI. BUSINESS COMBINATION AS A RESULT OF ACQUISITION

The business combination with Partners Group Holdings Limited on November 30, 2022 was tentatively accounted for in the previous fiscal year, but was finalized in the fiscal year ended March 31, 2024.
With the finalization of this provisional accounting treatment, a significant revision was reflected in the initial allocation of acquisition costs in the comparative information included in the consolidated financial statements for the fiscal year ended March 31, 2024. As a result, the provisional goodwill amount of NZ$247 million was reduced by NZ$27 million to NZ$219 million.
In addition, the business combination with ipet Holdings, Inc. on January 17, 2023 was tentatively accounted for in the previous fiscal year, but was finalized in the fiscal year ended March 31, 2024. There is no change in the amount due to the finalization of this tentative accounting treatment.

XVII. ASSET RETIREMENT OBLIGATIONS

1. Overview of Asset Retirement Obligations

The note is omitted because the balance of the asset retirement obligations as of the beginning and that as of the end of the current fiscal year were 1% or less than the total balance of the liabilities and the net assets as of the beginning and that as of the end of the current fiscal year, respectively.

XVIII. REAL ESTATE FOR RENT

Certain domestic consolidated subsidiary owns a number of commercial buildings, including land, for rent in various locations including Tokyo. Net rental income from such real estate for rent for the fiscal year ended March 31, 2023 and 2024 were ¥25,607 million and ¥23,578 million (US$155 million), respectively.　The rental income was included in investment income and the rental expense was included in investment expenses. Gains on sale of rental real estate as extraordinary gains for the fiscal year ended March 31, 2023 and 2024 were ¥602 million and ¥1,632 million(US$10 million),　respectively. Impairment losses on rental real estate as extraordinary losses for the fiscal year ended March 31, 2023 and 2024 were ¥15,829 million and ¥5,307 million (US$35 million), respectively.

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

	Year ended March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Carrying amount:			
Beginning balance	859,937	937,941	6,194
Net change during year	78,003	(13,218)	(87)
Ending balance	937,941	924,722	6,107
Market value	1,284,841	1,280,150	8,454

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 ¥153,805 million, sale of the real estate of ¥55,995 million, depreciation expense of ¥13,631 million, impairment loss of ¥15,829 million, during the fiscal year ended March 31, 2023.
Net change in carrying amount included cost of acquisition of the real estate of ¥38,819 million (US$256 million), sale of the real estate of ¥38,101 million (US$251 million), depreciation expense of ¥13,951 million (US$92 million), impairment loss of ¥5,307 million (US$35 million), during the fiscal year ended March 31, 2024.
3. Certain domestic consolidated subsidiary calculates the market value of the majority of the rental real estate based on real estate appraisal standards by an independent appraiser, and others based on the internal but reasonable estimates.

XIX. SEGMENT INFORMATION AND OTHERS

1. Segment Information

(1) Overview of reportable segments

The reportable segments of the Company are components of the Company about which separate financial information is available. The segments are subject to periodic review to enable the Company's Board of Directors to decide on allocation of business resources and evaluate business performance.

The Company is a holding company which manages life insurance companies in Japan and elsewhere as well as other subsidiaries and affiliated companies. These companies are subject to regulations of the Insurance Business Act.

The Company's operations are therefore segmented based on the operations of its subsidiaries and affiliated companies and the Company's three reportable segments are the Domestic Insurance Business, the Overseas Insurance Business, and Other Business.

The Domestic Insurance Business consists of subsidiaries that engage in the insurance business in Japan. The Overseas Insurance Business consists of subsidiaries and affiliated companies that engage in the insurance business overseas. The Company, subsidiaries and affiliated companies that do not operate either the Domestic Insurance Business or the Overseas Insurance Business are segmented as Other Business and mainly consist of business administration of the group companies and the asset management business.

(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, 2023:

	Reportable Segment				Adjustments (Note 2)	Amount on consolidated financial statements (Note 3)
	Domestic Insurance Business	Overseas Insurance Business	Other Business	Total		
	(Unit: million yen)					
Ordinary revenues (Note 1)	8,237,443	2,584,254	7,226	10,828,924	(1,320,158)	9,508,766
Intersegment transfers	103,615	34,432	287,155	425,204	(425,204)	―
Total	8,341,059	2,618,687	294,381	11,254,129	(1,745,362)	9,508,766
Segment income (loss)	344,147	4,773	268,948	617,869	(230,368)	387,500
Segment assets	43,377,249	18,184,846	3,297,784	64,859,880	(3,206,180)	61,653,699
Segment liabilities	41,028,862	17,654,954	709,768	59,393,585	(401,649)	58,991,935
Other relevant information						
Depreciation of real estate for rent and others	13,660	22	―	13,682	―	13,682
Depreciation	48,307	35,455	259	84,023	―	84,023
Amortization of goodwill	266	6,764	―	7,030	―	7,030
Interest and dividend income	981,081	451,248	275,869	1,708,199	(276,842)	1,431,356
Interest expenses	9,772	21,317	4,606	35,695	(2,695)	33,000
Equity in income (loss) of affiliates	―	3,394	2,789	6,184	―	6,184
Extraordinary gains	4,548	36	―	4,584	―	4,584
Extraordinary losses	39,751	53	―	39,805	―	39,805
(Impairment losses)	(15,939)	(―)	(―)	(15,939)	(―)	(15,939)
Taxes	65,156	16,350	2,036	83,544	―	83,544
Investments in affiliated companies accounted for under the equity method	―	47,604	35,481	83,085	―	83,085
Increase in tangible fixed assets and intangible fixed assets	207,316	4,822	146	212,284	―	212,284

Note: 1. Ordinary revenues, instead of sales, are presented here.
2. Adjusted amounts were as follows.
a) Adjustment for ordinary revenues of ¥(1,320,158) million was mainly related to ordinary expenses including provision for policy reserves of ¥1,159,128 million and foreign exchange losses of ¥82,290 million reconciled to ordinary revenues including other ordinary revenues and foreign exchange gains in the Consolidated Statement of Earnings.
b) Adjustment for segment income (loss) of ¥(230,368) million was mainly related to elimination of dividend income from subsidiaries and affiliated companies.
c) Adjustment for segment assets of ¥(3,206,180) million was mainly related to elimination of stocks of subsidiaries and affiliated companies.
d) Adjustment for segment liabilities of ¥(401,649) 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.

For the fiscal year ended March 31, 2024:

	Reportable Segment				Adjustments (Note 2)	Amount on consolidated financial statements (Note 3)
	Domestic Insurance Business	Overseas Insurance Business	Other Business	Total		
	(Unit: million yen)					
Ordinary revenues (Note 1)	8,471,714	3,092,703	10,945	11,575,363	(547,197)	11,028,166
Intersegment transfers	311,213	57,100	215,936	584,250	(584,250)	—
Total	8,782,927	3,149,804	226,882	12,159,614	(1,131,447)	11,028,166
Segment income (loss)	407,033	127,382	199,229	733,644	(194,638)	539,006
Segment assets	45,699,790	21,551,988	3,528,768	70,780,547	(3,240,238)	67,540,309
Segment liabilities	42,437,218	20,773,635	1,088,518	64,299,373	(641,221)	63,658,152
Other relevant information						
Depreciation of real estate for rent and others	14,029	15	—	14,044	—	14,044
Depreciation	53,705	21,389	296	75,392	—	75,392
Amortization of goodwill	1,066	8,554	—	9,620	—	9,620
Interest and dividend income	925,774	510,179	201,791	1,637,746	(206,757)	1,430,988
Interest expenses	8,804	29,388	5,084	43,277	(3,602)	39,675
Equity in income (loss) of affiliates	—	3,072	6,458	9,531	—	9,531
Extraordinary gains	6,470	176	—	6,646	—	6,646
Extraordinary losses	30,957	196	—	31,153	—	31,153
(Impairment losses)	(5,307)	(—)	(—)	(5,307)	(—)	(5,307)
Taxes	78,750	28,255	(793)	106,212	—	106,212
Investments in affiliated companies accounted for under the equity method	—	57,450	174,559	232,010	—	232,010
Increase in tangible fixed assets and intangible fixed assets	89,872	5,704	27	95,604	—	95,604

	Reportable Segment				Adjustments (Note 2)	Amount on consolidated financial statements (Note 3)
	Domestic Insurance Business	Overseas Insurance Business	Other Business	Total		
	(Unit: million US dollars)					
Ordinary revenues (Note 1)	55,952	20,426	72	76,450	(3,614)	72,836
Intersegment transfers	2,055	377	1,426	3,858	(3,858)	—
Total	58,007	20,803	1,498	80,309	(7,472)	72,836
Segment income (loss)	2,688	841	1,315	4,845	(1,285)	3,559
Segment assets	301,828	142,341	23,306	467,476	(21,400)	446,075
Segment liabilities	280,280	137,201	7,189	424,670	(4,234)	420,435
Other relevant information						
Depreciation of real estate for rent and others	92	0	—	92	—	92
Depreciation	354	141	1	497	—	497
Amortization of goodwill	7	56	—	63	—	63
Interest and dividend income	6,114	3,369	1,332	10,816	(1,365)	9,451
Interest expenses	58	194	33	285	(23)	262
Equity in income (loss) of affiliates	—	20	42	62	—	62
Extraordinary gains	42	1	—	43	—	43
Extraordinary losses	204	1	—	205	—	205
(Impairment losses)	(35)	—	—	(35)	—	(35)
Taxes	520	186	(5)	701	—	701
Investments in affiliated companies	—	379	1,152	1,532	—	1,532
Increase in tangible fixed assets and intangible fixed assets	593	37	0	631	—	631

Note: 1. Ordinary revenues, instead of sales, are presented here.
2. Adjusted amounts were as follows.
a) Adjustment for ordinary revenues of ¥(547,197) million (US$(3,614) million) was mainly related to ordinary revenues including other ordinary revenues of ¥ 456,702 million (US$3,016 million) and derivative transaction gains of ¥43,763 million (US$289 million) reconciled to provision for policy reserves and derivative transaction losses in the Consolidated Statement of Earnings.
b) Adjustment for segment income (loss) of ¥(194,638) million (US$(1,285) million) was mainly related to elimination of dividend income from subsidiaries and affiliated companies.
c) Adjustment for segment assets of ¥(3,240,238) million (US$(21,400) million) was mainly related to elimination of stocks of subsidiaries and affiliated companies.
d) Adjustment for segment liabilities of ¥(641,221) million (US$ (4,234) 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, 2023:

(1) Product (Service) Segment Information

	Year ended March 31, 2023
	(Unit: million yen)
Premium and other income	
Domestic Insurance Business	5,053,959
Overseas Insurance Business	1,600,467
Other Business	—
Total	6,654,426

(2) Geographic Segment Information

a) Ordinary Revenues

	Year ended March 31, 2023
	(Unit: million yen)
Ordinary revenues	
Japan	6,377,801
United States of America	1,726,353
Other Areas	1,404,610
Total	9,508,766

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.

For the fiscal year ended March 31, 2024

(1) Product (Service) Segment Information

	Year ended March 31, 2024	
	(Unit: million yen)	(Unit: million US dollars)
Premium and other income		
Domestic Insurance Business	5,734,557	37,874
Overseas Insurance Business	1,791,799	11,834
Other Business	—	—
Total	7,526,357	49,708

(2) Geographic Segment Information

a) Ordinary Revenues

	Year ended March 31, 2024	
	(Unit: million yen)	(Unit: million US dollars)
Ordinary revenues		
Japan	7,349,252	48,538
United States of America	1,936,588	12,790
Other Areas	1,742,325	11,507
Total	11,028,166	72,836

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, 2023 and 2024

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, 2023:

	Year ended March 31, 2023	
	(Unit: million yen)	
	Amortization of goodwill	Unamortized amount of goodwill
Domestic Insurance Business	266	15,724
Overseas Insurance Business	6,764	101,511
Other Business	—	—
Total	7,030	117,236

For the fiscal year ended March 31, 2024:

	Year ended March 31, 2024			
	(Unit: million yen)		(Unit: million US dollars)	
	Amortization of goodwill	Unamortized amount of goodwill	Amortization of goodwill	Unamortized amount of goodwill
Domestic Insurance Business	1,066	14,300	7	94
Overseas Insurance Business	8,554	100,906	56	666
Other Business	—	—	—	—
Total	9,620	115,206	63	760

5. Gain on Negative Goodwill by Reporting Segment

For the fiscal years ended March 31, 2023 and 2024

Not applicable

6. Related Party Transactions

For the fiscal years ended March 31, 2023 and 2024

There are no significant transactions to be disclosed.

XX. PER SHARE INFORMATION

	As of / Year ended March 31, 2023	2024	2024
	(Unit: yen)		(Unit: US dollars)
Net assets per share	2,706.78	4,107.03	27.12
Net income per share	171.01	329.68	2.17
Diluted net income per share	170.94	329.60	2.17

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, 2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Net income per share			
Net income attributable to shareholders of parent company	173,735	320,765	2,118
Net income attributable to other than shareholders of common stock	–	–	–
Net income attributable to shareholders of common stock	173,735	320,765	2,118
Average number of common stock outstanding	1,015,963 thousand shares	972,971 thousand shares	972,971 thousand shares
Diluted net income per share			
Adjustments to net income	–	–	–
Increase in the number of common stock	363 thousand shares	232 thousand shares	232 thousand shares
[Increase in the number of common stock attributable to stock acquisition rights]	[363 thousand shares]	[232 thousand shares]	[232 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, 2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Net assets	2,661,764	3,882,157	25,640
Adjustments	(485)	(302)	(1)
Stock acquisition rights	(483)	(302)	(1)
Non-controlling interests	(1)	(−)	(−)
Net assets attributable to common stock	2,661,278	3,881,854	25,638
Number of outstanding common stock	983,188 thousand shares	945,172 thousand shares	945,172 thousand shares

Note: 3. For the calculation of net income per share, the treasury stock which includes shares held by "the Stock Granting Trust (J-ESOP)" was excluded from the average number of common shares outstanding. The average number of treasury stocks during the year ended March 31, 2023 and 2024 was 3,865 thousand shares and 3,817 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, 2023 and 2024 was 3,862 thousand shares and 3,807 thousand shares, respectively.

Note: 4. Effective the fiscal year ended March 31 2024, the change in accounting policy has been applied retrospectively as presented in Change in Accounting Policy and the new accounting policy was reflected in the consolidated financial statements for the previous fiscal year ended March 31, 2023.As a result, compared with the figures before the retrospective application, the net assets per share for the fiscal year ended March 31, 2023 decreased by ¥214.96. The net income per share and the diluted net income per share for the fiscal year ended March 31, 2023 decreased by ¥18.27 respectively.

XXI. SUBSEQUENT EVENTS

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

(1) Purpose of the acquisition

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

(2) Overview of the acquired company

Company name: ShelterPoint Group, Inc.
Business:Group insurance business

(3) Acquisition price

The acquisition price is undisclosed due to an agreement between the parties.
The acquisition price is determined based on a comprehensive consideration of the valuation by a third-party calculation agent and other factors.

(4) Completion of acquisition

Subject to approval by the regulatory authorities in Japan and the U.S., the transaction is expected to be completed from October to December 2024.
This acquisition transaction has no particular impact on the consolidated financial results of the Company for the fiscal year ended March 31, 2024. The Company is currently investigating the impact of the transaction on the consolidated financial results of the Company for the following fiscal year and thereafter.

2. The Company passed a resolution, at its board of directors meeting held on February 8, 2024, to acquire the common stock (the “Target Company Shares”) of Benefit One Inc. (“Benefit One”) through a tender offer (meaning a tender offer under the Financial Instruments and Exchange Act; the “Tender Offer”) and conducted the Tender Offer from February 9, 2024 to March 11, 2024. As a rusult, Benefit One became an equity-method affiliate of the Company on March 18, 2024 (commencement date of settlement for the Tender Offer).In addition, the Company requested to Benefit One to implement a share consolidation as a series of transactions to ensure that Benefit One will become a wholly-owned subsidiary of the Company, in response to the Company’s request, Benefit One implement a share consolidation effective as of May 22, 2024, and Pasona Group and the Company became the only shareholders of Benefit One.Subsequently, Benefit One implemented the Share Repurchase from Pasona Group on May 23, 2024. As a result, Benefit One became a wholly owned subsidiary of the Company as of the same date.

(1) Overview of the business combination

a) Name and business of the acquired company
Company name: Benefit One Inc.
Business: Employee benefit service business

b) Purpose of the business combination
The Company considerd that by Benefit One participate in the Company's Group through strong collaboration between both companies, it will be able to achieve, improvement of the corporate value of Benefit One thorough provision of the extensive customer base and channel network of the Company group and agile capital support, in other words, synergies with the Company Group thorough integrating the Company Group’s services on the Benefit One offerings and providing it to customers, as well as the development of comprehensive employee benefits business solutions, it will be able to support human capital management by companies and provide products and services that correspond to the various lifestyles of each employee.

c) Date of business combination
May 23, 2024

d) Legal form of the business combination
Purchase of shares

e) Name of the acquired company after the combination
No change in the company name

f) Ratio of voting rights acquired

Share of existing voting rights before the date of business combination	37.38%
Share of additional voting rights acquired on the date of business combination	62.62%
Share of voting rights after completion of the transaction	100.00%

(*)Share of existing voting rights before the date of business combination is as of March 31, 2024.

g) Main reason for determining the controlling company
The Company acquired 100% of voting rights of Benefit One Inc. through the acquisition of shares for consideration in cash.

(2) Acquisition costs

Consideration for the acquisition	Cash	￥292,056 million
Acquisition costs		￥292,056 million

3. The board of directors of the Company has resolved, at its meeting held on March 29, 2024, 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.

This concludes the repurchase of the Company's shares in accordance with the resolution made at the meeting of its board of directors held on March 29, 2024.

(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 50,000,000 shares

c) Aggregate price of shares to be repurchased
Up to ¥100 billion (US$660 million)

d) Period of repurchase of shares
From April 1, 2024 to March 31, 2025

e) Method of repurchase of shares
Open-market repurchase by the discretionary trading method

(3) Details of the share repurchases made by (September 9, 2024) as approved by the board of directors on March 29, 2024 are as follows.

a) Number of shares repurchased
24,627,000 shares

a) Aggregate number of shares to be repurchased
￥99,999,944,500

XXII. (Unaudited) QUARTERLY INFORMATION

	Three months ended June 30, 2023	Six months ended September 30, 2023	Nine months ended December 31, 2023	Year ended March 31, 2024
Ordinary revenues (million yen)	3,003,428	5,536,713	7,767,381	11,028,166
Income before income taxes (million yen)	89,733	211,474	295,266	426,998
Net income attributable to shareholders of parent company (million yen)	67,323	157,454	217,945	320,765
Net income attributable to shareholders of parent company per share (yen)	68.47	160.13	222.18	329.68

	Three months ended June 30, 2023	Three months ended September 30, 2023	Three months ended December 31, 2023	Three months ended March 31, 2024
Net income attributable to shareholders of parent company per share (yen)	68.47	91.66	61.96	108.34

	Three months ended June 30, 2023	Six months ended September 30, 2023	Nine months ended December 31, 2023	Year ended March 31, 2024
Ordinary revenues (million US dollars)	19,836	36,567	51,300	72,836
Income before income taxes (million US dollars)	592	1,396	1,950	2,820
Net income attributable to shareholders of parent company (million US dollars)	444	1,039	1,439	2,118
Net income attributable to shareholders of parent company per share (US dollars)	0.45	1.05	1.46	2.17

	Three months ended June 30, 2023	Three months ended September 30, 2023	Three months ended December 31, 2023	Three months ended March 31, 2024
Net income attributable to shareholders of parent company per share (US dollars)	0.45	0.60	0.40	0.71

Independent Auditor's Report

To the Board of Directors of Dai-ichi Life Holdings, Inc.:

Report on the Audit of the Consolidated Financial Statements

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, 2024, 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, 2024, 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 accounting treatment related to the adoption of IFRS 17 by TDLA and PNZ

The key audit matter	How the matter was addressed in our audit
As described in Note II. "PRINCIPLES OF CONSOLIDATION" under 4. "Summary of Significant Accounting Policies": (20) "Changes in Accounting Policies" to the consolidated financial statements, TAL Dai-ichi Life Australia Pty. Ltd. (hereinafter "TDLA") and Partner Group Holdings Limited (hereinafter "PNZ") have adopted AASB 17 "Insurance Contracts" issued by the Australian Accounting Standards Board and NZ IFRS 17 "Insurance Contracts" issued by New Zealand Accounting Standards Board, respectively, (hereinafter, both standards are individually referred to as "IFRS 17") since the beginning of the current fiscal year. As described in the above note, IFRS 17 has been applied retrospectively from the transition date of April 1, 2022. As a result, Retained earnings as of the beginning of the previous fiscal year (April 1, 2023) were reduced by the cumulative effect of ¥198,165 million to ¥1,136,668 million. 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 are measured to reflect the time value of money, the financial risks associated with future cash flows arising from insurance contracts and any uncertainties in those future cash flows under IFRS 17. In particular, the initial application of IFRS 17 required significant management judgement as well as a high level of expertise in actuarial valuation in determining the matters set out below, among others, related to the accounting policies adopted upon the transition to the new accounting standard and the measurement of policy reserves at the transition date. • Determination of the appropriate transition approach adopted for each group of insurance contracts; • Determination of the appropriate measurement model to apply to each group, in particular, as to whether management would be able to use the Premium Allocation Approach; • Determination of the appropriate method of calculating the fair value at the transition date, where the fair value approach was adopted; and • Determination and application of the appropriate actuarial models and assumptions, such as discount rates, mortality/morbidity, lapse rates and expense ratios, to estimate the policy reserve which includes risk adjustments. We, therefore, determined that our assessment of the appropriateness of the accounting treatment related to the adoption of IFRS 17 by TDLA and PNZ was one of the most significant matters in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	We 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 to assess the appropriateness of TDLA and PNZ's adoption of IFRS 17 were performed with the assistance of actuarial specialists employed by the component auditors. The audit procedures performed by the component auditors on which we particularly focused included the following: • assessment of whether management's determinations related to the adopted accounting policies and the measurement of policy reserves, among others, were appropriate and in accordance with IFRS 17, by inspecting relevant internal documents and inquiring of management and relevant personnel; and • evaluation of the relevance of the actuarial models including those for risk adjustments used in the calculation and the appropriateness of the assumptions, such as discount rates, mortality/morbidity, lapse rates and expense ratios. In addition, we performed a reconciliation to assess whether TDLA and PNZ's consolidated financial statements, that adopted IFRS 17, were accurately consolidated into the Group's consolidated financial statements. We also assessed whether the financial impacts of such change of accounting policies were appropriately disclosed in the notes.

Appropriateness of the judgement on the recognition of an impairment loss on goodwill	
The key audit matter	**How the matter was addressed in our audit**
In the consolidated balance sheet of the Group, Goodwill of ¥115,206 million is presented for the current fiscal year, which includes goodwill of ¥55,479 million arising from the acquisition of Protective Life Corporation (hereinafter "PLC") and its acquisition business, goodwill of ¥26,773 million arising from the acquisition of TDLA, goodwill of ¥18,652 million arising from the acquisition of PNZ, and goodwill of ¥14,300 million arising from the acquisition of ipet Holdings, Inc. (hereinafter "ipet"). As described in Note II. "PRINCPLES OF CONSOLIDATION" under 4. "Summary of Significant Accounting Policies": (18) "Significant Accounting Estimates", a) "Evaluation of goodwill" to the consolidated financial statements, goodwill arising from acquisitions of PLC and TDLA is recorded on the consolidated financial statements of the respective consolidated subsidiaries, and is assessed as to whether an impairment loss should be recognized at each consolidated subsidiary in accordance with the accounting standards of the country in which each consolidated subsidiary resides. Then, the Company evaluates whether an impairment loss should be recognized on goodwill in the Group's consolidated financial statements in accordance with the accounting standards in Japan, considering the results of the assessment made at each consolidated subsidiary. In addition, goodwill arising from acquisitions of PNZ and ipet is recorded on the consolidated financial statements of the Group and is assessed as to whether an impairment loss should be recognized in accordance with the accounting standards in Japan. If the acquisitions do not generate benefits as expected and there is a significant deterioration in the value of the acquired business, the recognition of an impairment loss may be required. **(1) Judgement made at consolidated subsidiaries on the recognition of an impairment loss on goodwill** (i) Goodwill arising from the acquisition of PLC and its acquisition business PLC assesses, on a regular basis, whether an impairment loss should be recognized on goodwill. PLC first assesses qualitative factors to determine whether it is more likely than not that	We primarily performed the following procedures: **(1) Judgement made at consolidated subsidiaries on the recognition of an impairment loss on goodwill** We requested the component auditors of the respective subsidiaries to perform audits, communicated with them in a timely manner about the status of the work performed by them, and evaluated their reports that summarized the results of their audit procedures. We also inspected relevant working papers prepared by them and concluded on the sufficiency of the audit procedures performed by them. The audit procedures performed by the component auditors on which we particularly focused included the following: (i) Goodwill arising from the acquisition of PLC and its acquisition business Assessment, in accordance with our group audit instructions, of the design and operating effectiveness of certain controls implemented by PLC over its process to determine whether an impairment loss should be recognized on goodwill, with a special focus on controls over the preparation of documentation supporting the determination of whether an impairment loss should be recognized on goodwill and those over approval on the conclusion. The substantive audit procedures set out below, among others, were performed to assess the appropriateness of PLC's determination of whether an impairment loss should be recognized on goodwill. ・ inquiry of management and relevant personnel; ・ inspection of relevant internal documents; and ・ assessment of the reliability of historical financial information used in the determination. (ii) Goodwill arising from the acquisition of TDLA Assessment, in accordance with our group audit instructions, of the design and operating effectiveness of certain controls implemented by TDLA over the quantitative impairment test, with a special focus on controls over the preparation of documentation supporting the

Appropriateness of the judgement on the recognition of an impairment loss on goodwill	
The key audit matter	**How the matter was addressed in our audit**
the fair value of a reporting unit to which goodwill has been allocated is less than its carrying amount including goodwill (qualitative assessment for impairment indicators). In accordance with the accounting standards, PLC has an unconditional option to bypass the qualitative assessment for any reporting unit and proceed directly to performing a quantitative impairment test described in the following paragraph. Impairment indicators are evaluated in a comprehensive manner, considering whether there has been: deterioration in the economic environment and market conditions surrounding PLC and each reporting unit; factors that may have an adverse impact on future profits or cash flows; deterioration in overall business performance; and other events or issues specific to PLC and each reporting unit. In particular, the future business performance of PLC and each reporting unit, that provides the basis for concluding whether there is any impairment indicator, is susceptible to economic conditions and trends. Accordingly, the projections of future business performance involve significant management judgement. If it is determined that it is more likely than not that an impairment of goodwill exists or PLC elects to bypass the qualitative assessment for impairment indicators, PLC then compares the fair value of the reporting unit to which the goodwill has been allocated with its carrying amount including goodwill (quantitative impairment test). Key assumptions used to calculate the fair value, such as projected cash flows and discount rates, involve significant estimation uncertainty, and the fair value calculations require a high level of expertise in actuarial valuation and corporate evaluation. (ii) Goodwill arising from the acquisition of TDLA TDLA performs, on a regular basis, a quantitative impairment test in which it compares the carrying amount of a cash generating unit to which goodwill has been allocated with its recoverable amount (quantitative impairment test) to assess whether an impairment loss should be recognized on goodwill. The recoverable amount is calculated based on the embedded value, among others. The actuarial assumptions used to calculate the embedded value, such as discount rates, mortality/morbidity, lapse rates, involve significant estimation uncertainty, and the actuarial calculations require a high level of	impairment test and those over approval on the conclusion. The substantive procedures set out below, among others, were performed to evaluate the recoverable amount used in the quantitative impairment test. ・ evaluation of the relevance of the valuation models used and assessment of the appropriateness of changes from the previous year made in the current year; and ・ evaluation of the appropriateness of actuarial assumptions used in the calculation, such as discount rates, mortality/morbidity and lapse rates, with the assistance of actuarial specialists employed by the component auditor. **(2) Judgement made by the Company on the recognition of an impairment loss on goodwill** We assessed the design and operating effectiveness of certain controls over the Company's process to determine whether an impairment loss should be recognized on goodwill. In this assessment, we focused on controls over the preparation of documentation supporting the determination of whether an impairment loss should be recognized on goodwill and those over approval on the conclusion. In addition, we primarily performed the substantive procedures set out below to assess the appropriateness of the Company's determination of whether an impairment loss should be recognized on goodwill. ・ inquiry of management and relevant personnel; ・ inspection of relevant internal documents and assessment of the consistency in amounts between those documents; and ・ assessment of the reliability of historical financial information used in the determination.

<table>
<tr><th colspan="2">Appropriateness of the judgement on the recognition of an impairment loss on goodwill</th></tr>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>expertise in actuarial valuation.

(2) Judgement made by the Company on the recognition of an impairment loss on goodwill

The Company evaluates, on a regular basis, whether there is any impairment indicator for goodwill, by considering if: the cash flows generated from the asset group that includes goodwill have been negative for consecutive periods; the recoverable amount of the asset group that includes goodwill has significantly decreased; or the business environments surrounding the asset group that includes goodwill has significantly deteriorated. This impairment assessment by the Company also involves significant management judgement.

If it is determined that there is an impairment indicator, the Company estimates the total cash flows generated from the asset group that includes goodwill and compares them with the carrying amount in the consolidated financial statements to determine whether an impairment loss should be recognized on goodwill. As a result of the comparison, if it is determined that an impairment loss should be recognized, the carrying amount of the asset group shall be reduced to its recoverable amount calculated by the respective consolidated subsidiaries or the Company, and this reduction shall be recorded as an impairment loss. Key assumptions used to calculate the recoverable amount such as projected cash flows, discount rates, and actuarial calculations involve significant estimation uncertainty and require a high level of expertise in actuarial valuation.

We, therefore, determined that our assessment of the appropriateness of the judgement on the recognition of an impairment loss on goodwill was one of the most significant matters in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.</td><td></td></tr>
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<tr><th colspan="2">Appropriateness of the judgement on amortization or the recognition of a loss in value of acquired in-force insurance contracts derived primarily from the acquisitions</th></tr>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>In the consolidated balance sheet of the Group, Other intangible fixed assets of ¥463,364 million are presented for the current fiscal year. As described in Note II. “PRINCPLES OF CONSOLIDATION” under 4. “Summary of Significant Accounting Policies”: (18) “Significant Accounting Estimates”, b) “Evaluation of value of in-force insurance contracts” to the consolidated financial statements, Other intangible fixed assets include 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 ¥287,996 million was derived from the acquisition of PLC and its acquisition business, a VIF in the amount of ¥34,200 million was derived from the acquisition of PNZ through Dai-ichi Life International Holdings, LLC (hereinafter “DLIHD”), an intermediary holding company of the Company, and a VIF in the amount of ¥21,608 million was derived from the acquisition of ipet. The VIF derived from the acquisition of TDLA in the amount of ¥20,188 million as of the end of the previous fiscal year (March 31, 2023) was fully amortized following its adoption of AASB No. 17 “Insurance Contracts.”

As also described in Note II. “PRINCIPLES OF CONSOLIDATION” under 4. “Summary of Significant Accounting Policies”: (18) “Significant Accounting Estimates”, b) “Evaluation of value of in-force insurance contracts” to the consolidated financial statements, the value of in-force insurance contracts arising from acquisitions and the acquisition business is determined based on an actuarial calculation of the present value of future profits to be earned from cash flows from acquired in-force insurance contracts and investment-type insurance contracts at the acquisition date, and is recorded on the consolidated financial statements of the 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</td><td>We requested the component auditors of the consolidated subsidiaries to perform audits, communicated with them in a timely manner about the status of the work performed by them, and evaluated their reports that summarized the results of their audit procedures. We also inspected relevant working papers prepared by them and concluded on the sufficiency of the audit procedures performed by them.

The audit procedures performed by the component auditors on which we particularly focused included the following:

(1) Amortization of the VOBA which was assessed by updating the underlying actuarial assumptions

Assessment, in accordance with our group audit instructions, of the design and operating effectiveness of certain controls implemented by PLC over the VOBA arising mainly from acquired investment-type insurance products of PLC, with a special focus on controls over the recognition and measurement of amortization expense for the VOBA.

The substantive procedures set out below, among others, were performed to assess the accuracy and reasonableness of the amortization of the VOBA, with the assistance of actuarial specialists employed by the component auditor.

・ evaluation of the relevance of amortization models; and

・ evaluation of the appropriateness of updated actuarial assumptions, such as interest rates, mortality and lapse rates.

(2) Recognition of a loss in value of the VOBA which was assessed together with the determination on the sufficiency of policy reserves

Assessment, in accordance with our group audit instructions, of whether there was a decline in the value of the VOBA arising mainly from traditional insurance products of PLC, concurrently with the assessment of the determination on the sufficiency of policy reserves.

More specifically, assessment, in accordance with our group audit instructions, of the design and operating effectiveness of relevant controls implemented by PLC, with a special focus on</td></tr>
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Appropriateness of the judgement on amortization or the recognition of a loss in value of acquired in-force insurance contracts derived primarily from the acquisitions	
The key audit matter	**How the matter was addressed in our audit**
actuarial assumptions from the initial estimates may result in changes in the amortization expense or the recognition of a loss in value of the in-force insurance contracts. More specifically, the value of acquired in-force insurance contracts is assessed in accordance with the accounting standards of the country in which each consolidated subsidiary resides as follows: **(1) Amortization of the VOBA which is assessed by updating the underlying actuarial assumptions** The VOBA arising mainly from acquired investment-type insurance products of PLC is amortized based on the estimated gross profits and their contractual terms, among others. PLC reviews, on a regular basis, actuarial assumptions, such as interest rates, mortality and lapse rates, and updates them as necessary, and accordingly adjusts the amortization expense for the VOBA. Especially when changes in the estimated gross profits and others are expected due to changes in lapse rates, the amortization expense may increase or decrease by updating the underlying actuarial assumptions. These actuarial assumptions involve significant estimation uncertainty and require a high level of expertise in actuarial valuation. **(2) Recognition of a loss in value of the VOBA which is assessed together with the determination on the sufficiency of policy reserves** The VOBA arising mainly from acquired traditional insurance products of PLC may result in the recognition of a loss in value, prior to providing for an additional policy reserve, if the actual experience deteriorates compared to the actuarial assumptions, such as future investment yields, mortality and lapse rates. Therefore, PLC assesses, on a regular basis, whether there has been a decline in the value of the VOBA, concurrently with the determination on the sufficiency of policy reserves. As described in the Key Audit Matter, "Appropriateness of the judgement on the sufficiency of policy reserves," the testing to validate the sufficiency of policy reserves requires significant judgement in estimating future cash flows as well as a high level of expertise in actuarial valuation. **(3) Recognition of an impairment loss on the VIF which is assessed together with the**	controls over determining whether there was a decline in value of the VOBA. The substantive procedures set out below, among others, were performed to assess the appropriateness of the judgement on the recognition of a loss in value of acquired in-force insurance contracts, with the assistance of actuarial specialists employed by the component auditor. ・ evaluation of the appropriateness of actuarial assumptions, such as future investment yields, mortality and lapse rates, used to estimate future cash flows; and ・ evaluation of whether the testing to validate the sufficiency of policy reserves was performed in accordance with applicable accounting standards. **(3) Recognition of an impairment loss on the VIF which was assessed together with the determination of whether an impairment loss should be recognized on goodwill** We assessed whether there were impairment indicators for the VIF arising from the acquisitions of PNZ and ipet, concurrently with the assessment of the determination on whether an impairment loss should be recognized on goodwill. More specifically, we performed the control assessment and substantive procedures listed under (2) in the audit response section of the Key Audit Matter, "Appropriateness of the judgement on the recognition of an impairment loss on goodwill."

Appropriateness of the judgement on amortization or the recognition of a loss in value of acquired in-force insurance contracts derived primarily from the acquisitions	
The key audit matter	**How the matter was addressed in our audit**
determination of whether an impairment loss should be recognized on goodwill The Company evaluates, on a regular basis, the VIF arising from the acquisitions of PNZ and ipet concurrently with the determination of whether an impairment loss should be recognized on goodwill. As described in the Key Audit Matter, "Appropriateness of the judgement on the recognition of an impairment loss on goodwill," determining whether there are impairment indicators in the evaluation of goodwill involves significant management judgement. 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 derived primarily from the acquisitions was one of the most significant matters in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	

Appropriateness of the judgement on the sufficiency of policy reserves	
The key audit matter	**How the matter was addressed in our audit**
In the consolidated balance of the Group, Policy reserves of ¥55,268,875 million are presented for the current fiscal year, which accounts for approximately 82% 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 mainly 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	We primarily performed the following procedures: **(1) Policy reserves recognized by DL and DFLI** We assessed the design and operating effectiveness of certain controls implemented by DL and DFLI over policy reserves for the individual insurance block and the individual annuity block. In this assessment, we focused on controls to ensure that all relevant data in the contract master files was reflected completely in the calculation of policy reserves and that the approved actuarial assumptions were properly used in the calculation of policy reserves. We primarily performed the following substantive procedures to evaluate the sufficiency of policy reserves of each consolidated subsidiary: ・ analysis of the 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

Appropriateness of the judgement on the sufficiency of policy reserves	
The key audit matter	**How the matter was addressed in our audit**
Insurance Business Act for an amount calculated using a certain methodology, while policy reserves of consolidated foreign life insurance subsidiaries are calculated based on the accounting standards of each country, including U.S. generally accepted accounting principles (US GAAP). In addition, the testing to validate the sufficiency of policy reserve is required to be performed in each country. **(1) Policy reserves recognized by DL and DFLI** Policy reserves of DL and DFLI are provided for in compliance with the statements of calculation methodology approved by the Financial Services Agency in Japan. More specifically, policy reserves are calculated based on the future cash flows estimated using the assumptions, such as future mortality rates (assumed mortality rates), return on investment (assumed interest rates) and operating expense ratios (assumed operating expense ratios), stipulated in the statements of calculation methodology. If recent actual results deviate significantly from the estimates and there is deemed to be a risk of fulfilling future obligations, an additional policy reserve must be provided for in accordance with Article 69, Paragraph 5 of Ordinance for Enforcement of the Insurance Business Act. The policy reserves recorded by DL include additional policy reserves for certain whole life insurance contracts in accordance with the Ordinance. Assessing the sufficiency of policy reserves is of quantitative importance. The contents and results of the testing to validate the sufficiency of policy reserves (i.e., an analysis on future income and expenses, and a stress test for third sector products) are described in the opinion and supplementary reports of the appointed actuary, and the testing requires significant judgement in estimating future cash flows as well as a high level of expertise in actuarial valuation. **(2) Policy reserves recognized by PLC** Policy reserves for mainly traditional insurance products of PLC are calculated, in accordance with US GAAP, based on the future cash flows estimated using actuarial assumptions, such as future investment yields, mortality and lapse rates. If recent actual results deviate significantly from the estimate and there is deemed to be a risk of fulfilling future obligations, the assumptions need to be updated and an additional policy reserve must be provided for. As described in the Key Audit Matter, "Appropriateness of the judgement on amortization or the recognition of a loss in	a recurrence formula; and ・ reconciliation of the balance of additional policy reserves recognized by DL to the amount on the document output from the relevant system, and comparison of the current-year provision for additional policy reserves with the reserve plan. We also primarily performed the substantive procedures set out below to assess the appropriateness of the judgement made at each consolidated subsidiary in performing the testing to validate the sufficiency of policy reserves (i.e., an analysis on future income and expenses, and a stress test for third sector products), with the assistance of actuarial specialists within our firm. ・ assessment of whether the testing to validate the sufficiency of policy reserves was performed in compliance with the relevant laws and regulations, the "Standard of Practice for Appointed Actuaries of Life Insurance Companies" (the Institute of Actuaries of Japan) and the internal company rules, and comparison of the calculation results with those in the prior year; ・ review of the contents and results described in the opinion and supplementary reports of the appointed actuary, including the assessment of whether an additional policy reserve was necessary, and inquiry of the appointed actuary; and ・ comparison of the interest rate scenarios used in the analysis on future income and expenses described in the opinion and supplementary reports of the appointed actuary with the interest rate information we obtained from independent sources. **(2) Policy reserves recognized by PLC** We requested the component auditors of PLC to perform an audit, communicated with them in a timely manner about the status of the work performed by them, and evaluated their report that summarized the results of their audit procedures. We also inspected relevant working papers prepared by them and concluded on the sufficiency of the audit procedures performed by them. More specifically, the control assessment and substantive procedures listed under (2) in the audit response section of the Key Audit Matter,

Appropriateness of the judgement on the sufficiency of policy reserves	
The key audit matter	**How the matter was addressed in our audit**
value of acquired in-force insurance contracts derived primarily from the acquisitions," prior to providing for an additional policy reserve, a loss in value of the VOBA may have to be recognized. Therefore, PLC assesses the sufficiency of policy reserves concurrently with the determination on amortization or the recognition of a loss in value of the VOBA. Assessing the adequacy of policy reserves is of quantitative importance. The testing to validate the adequacy of policy reserves requires significant judgement in estimating future cash flows as well as a high level of expertise in actuarial valuation. We, therefore, determined that our assessment of the appropriateness of the judgement on the sufficiency of policy reserves was one of the most significant matters in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	"Appropriateness of the judgement on amortization or the recognition of a loss in value of acquired in-force insurance contracts derived primarily from the acquisitions" were performed.

Appropriateness of the judgement regarding the recoverability of deferred tax assets	
The key audit matter	**How the matter was addressed in our audit**
In the consolidated balance sheet of the Group, Deferred tax assets of ¥178,914 million, which were the amount considered recoverable after being offset by applicable deferred tax liabilities, and Deferred tax liabilities of ¥258,858 million are presented for the current fiscal year. As described in Note XV. "DEFERRED TAX ACCOUNTING" under 1. "Major Components of Deferred Tax Assets and Liabilities" to the consolidated financial statements, the amount of gross deferred tax assets considered recoverable amounted to ¥1,082,425 million. As described in Note XV. "DEFERRED TAX ACCOUNTING" under 3. "Accounting for corporate tax and local corporate tax or deferred tax accounting relating to these taxes" to the consolidated financial statements, ¥722,484 million of the total gross deferred tax assets was recognized by the Company and certain of its domestic consolidated subsidiaries (hereinafter the "Tax Sharing Group"), which have elected to apply the Group Tax Sharing System, and was of quantitative significance. Major components of gross deferred tax assets included policy reserves and others, reserve for price fluctuations, and net defined benefits liabilities. The recoverability of deferred tax assets related to corporate tax and local corporate tax recorded by the Tax Sharing Group is determined primarily based on the estimated taxable income of the Tax Sharing	We primarily performed the following procedures to assess the appropriateness of the judgment regarding the recoverability of deferred tax assets recorded by the Tax Sharing Group: **(1) Internal control testing** We assessed the design and operating effectiveness of relevant controls implemented by the Company and DL. In this assessment, we focused on controls over the preparation of documentation supporting the recoverability of deferred tax assets and those over approval on the conclusion. **(2) Judgement made by the Company on the recoverability of deferred tax assets** We primarily performed the substantive procedures set out below. In performing these procedures, particular attention was given to the effect, if any, of changes in the market conditions including interest rates on the company classification, estimated future taxable income and the scheduling of the Tax Sharing Group as a whole: ・ evaluation of the appropriateness of the company classification of the Tax Sharing Group determined in accordance with the Implementation Guidance No. 26, especially as

Appropriateness of the judgement regarding the recoverability of deferred tax assets	
The key audit matter	**How the matter was addressed in our audit**
Group that reflects future profitability of the Tax Sharing Group as a whole, and such determination is dependent upon the appropriateness of the company classification, the sufficiency of future taxable income and assumptions used in the scheduling of years in which deductible temporary differences are expected to reverse, assessed for the Tax Sharing Group as a whole, as stipulated in the "Implementation Guidance on Recoverability of Deferred Tax Assets" (Implementation Guidance No. 26 issued by the Accounting Standards Board of Japan). This recoverability assessment requires significant management judgment and estimates. We, therefore, determined that our assessment of the appropriateness of the judgement regarding the recoverability of deferred tax assets was one of the most significant matters in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	to whether significant changes in business environment were expected in the near term; ・ confirmation that the business plan of the Tax Sharing Group, which was the basis for estimating future taxable income used in determining the recoverability of deferred tax assets, was approved by the board of directors; ・ evaluation of the appropriateness of key assumptions used to prepare the business plan, by inspecting relevant internal documents, comparing with available external data and inquiring of management and relevant personnel; ・ evaluation of the reasonableness and feasibility of future taxable income of the Tax Sharing Group by comparing future taxable income estimated in the prior year with actual taxable income in the current fiscal year; and ・ evaluation of the appropriateness of key assumptions used in the scheduling of years in which deductible temporary difference were expected to reverse, by inspecting relevant internal documents, assessing the consistency in amounts between the documents and inquiring of management and relevant personnel.

Other Information

The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements, the financial statements, and our auditor's reports thereon. Management is responsible for the preparation and presentation of the other information. The Audit & Supervisory Committee is responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit & Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit & Supervisory Committee is responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit & Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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.

Fee-related Information

Fees paid or payable to our firm and to other firms within the same network as our firm for audit and non-audit services provided to the Company and its subsidiaries are described in "5. Status of Accounting Audit" included in "Overview and Organization of the Insurance Holding Company" of the Annual Report.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2024 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 1 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

Hatsumi Fujiwara
Designated Engagement Partner
Certified Public Accountant

Yuta Kasuga
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
September 30, 2024

Consolidated Balance Sheet of The Dai-ichi Life Insurance Company, Limited

	(Unit: million yen)		(Unit: million US dollars)
	As of March 31,		
	2023	**2024**	**2024**
(ASSETS)			
Cash and deposits	156,649	168,292	1,111
Call loans	966,900	719,300	4,750
Monetary claims bought	224,555	206,210	1,361
Money held in trust	6,727	8,872	58
Securities	27,969,810	29,729,749	196,352
Loans	2,715,410	3,109,085	20,534
Tangible fixed assets	1,204,006	1,189,320	7,854
Land	879,314	857,124	5,660
Buildings	311,101	321,611	2,124
Leased assets	3,443	2,404	15
Construction in progress	6,352	3,165	20
Other tangible fixed assets	3,794	5,014	33
Intangible fixed assets	124,837	120,824	797
Software	97,645	95,570	631
Other intangible fixed assets	27,191	25,254	166
Reinsurance receivable	74,788	63,216	417
Other assets	681,186	654,262	4,321
Deferred tax assets	81,661	-	-
Customers' liabilities for acceptances and guarantees	48,987	16,417	108
Reserve for possible loan losses	(3,328)	(3,927)	(25)
Reserve for possible investment losses	(927)	(448)	(2)
Total assets	34,251,265	35,981,176	237,640
(LIABILITIES)			
Policy reserves and others	29,877,146	29,589,330	195,425
Reserves for outstanding claims	199,267	191,481	1,264
Policy reserves	29,254,475	28,975,206	191,369
Reserve for policyholder dividends	423,403	422,642	2,791
Reinsurance payable	428	456	3
Bonds payable	368,715	368,715	2,435
Other liabilities	1,141,293	2,146,268	14,175
Payables under repurchase agreements	304,005	1,082,401	7,148
Other liabilities	837,287	1,063,867	7,026
Net defined benefit liabilities	358,992	205,149	1,354
Reserve for retirement benefits of directors, executive officers and corporate auditors	794	674	4
Reserve for possible reimbursement of prescribed claims	800	1,000	6
Reserve for price fluctuations	263,453	276,453	1,825
Deferred tax liabilities	-	292,667	1,932
Deferred tax liabilities for land revaluation	70,197	69,064	456
Acceptances and guarantees	48,987	16,417	108
Total liabilities	32,130,808	32,966,198	217,728
(NET ASSETS)			
Capital stock	60,000	60,000	396
Capital surplus	320,000	248,560	1,641
Retained earnings	200,362	242,598	1,602
Total shareholders' equity	580,363	551,158	3,640
Net unrealized gains (losses) on securities, net of tax	1,523,596	2,420,163	15,984
Deferred hedge gains (losses)	(37,654)	(103,039)	(680)
Reserve for land revaluation	30,369	28,223	186
Foreign currency translation adjustments	(525)	(279)	(1)
Accumulated remeasurements of defined benefit plans	24,307	118,751	784
Total accumulated other comprehensive income	1,540,093	2,463,818	16,272
Total net assets	2,120,456	3,014,977	19,912
Total liabilities and net assets	34,251,265	35,981,176	237,640

Consolidated Statement of Earnings of The Dai-ichi Life Insurance Company, Limited

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2023	**2024**	**2024**
Ordinary revenues	4,140,030	4,090,389	27,015
Premium and other income	2,297,086	2,290,407	15,127
Investment income	1,379,358	1,303,949	8,612
Interest and dividends	804,922	720,205	4,756
Gains on money held in trust	-	2,155	14
Gains on sale of securities	551,678	418,537	2,764
Gains on redemption of securities	18,763	8,227	54
Reversal of reserve for possible investment losses	-	46	0
Other investment income	3,993	2,013	13
Gains on investments in separate accounts	-	152,763	1,008
Other ordinary revenues	463,585	496,033	3,276
Ordinary expenses	3,787,626	3,697,194	24,418
Benefits and claims	2,451,381	2,560,471	16,910
Claims	682,450	659,101	4,353
Annuities	581,814	602,316	3,978
Benefits	575,987	467,252	3,086
Surrender values	503,395	654,546	4,323
Other refunds	107,734	177,253	1,170
Provision for policy reserves and others	22,906	8,440	55
Provision for reserves for outstanding claims	14,600	-	-
Provision for interest on policyholder dividends	8,305	8,440	55
Investment expenses	669,100	491,785	3,248
Interest expenses	9,759	8,789	58
Losses on money held in trust	39	-	-
Losses on sale of securities	433,394	271,966	1,796
Losses on valuation of securities	3,731	3,204	21
Losses on redemption of securities	5,629	3,625	23
Derivative transaction losses	16,971	99,156	654
Foreign exchange losses	81,871	25,624	169
Provision for reserve for possible loan losses	400	1,816	11
Provision for reserve for possible investment losses	486	-	-
Write-down of loans	57	729	4
Depreciation of real estate for rent and others	13,660	14,029	92
Other investment expenses	56,246	62,845	415
Losses on investments in separate accounts	46,852	-	-
Operating expenses	396,126	386,433	2,552
Other ordinary expenses	248,111	250,063	1,651
Ordinary profit	352,404	393,195	2,596
Extraordinary gains	4,548	6,397	42
Gains on disposal of fixed assets	4,548	6,397	42
Extraordinary losses	34,486	24,798	163
Losses on disposal of fixed assets	5,503	6,389	42
Impairment losses on fixed assets	15,881	5,307	35
Provision for reserve for price fluctuations	13,000	13,000	85
Other extraordinary losses	101	101	0
Provision for reserve for policyholder dividends	95,000	87,500	577
Income before income taxes	227,467	287,293	1,897
Corporate income taxes-current	28,556	67,075	443
Corporate income taxes-deferred	34,368	14,480	95
Total of corporate income taxes	62,925	81,556	538
Net income	164,542	205,737	1,358
Net income attributable to shareholders of parent company	164,542	205,737	1,358

Consolidated Statement of Comprehensive Income of The Dai-ichi Life Insurance Company, Limited

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2023	**2024**	**2024**
Net income	164,542	205,737	1,358
Other comprehensive income	(609,618)	925,870	6,114
Net unrealized gains (losses) on securities, net of tax	(606,817)	896,567	5,921
Deferred hedge gains (losses)	(16,033)	(65,385)	(431)
Foreign currency translation adjustments	(79)	245	1
Remeasurements of defined benefit plans, net of tax	13,311	94,444	623
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	(0)	0	0
Comprehensive income	(445,076)	1,131,608	7,473
Attributable to shareholders of parent company	(445,076)	1,131,608	7,473

Consolidated Statement of Cash Flows of The Dai-ichi Life Insurance Company, Limited

	(Unit: million yen)		(Unit: million US dollars)
	Year ended March 31,		
	2023	**2024**	**2024**
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income taxes	227,467	287,293	1,897
Depreciation of real estate for rent and others	13,660	14,029	92
Depreciation	41,577	42,795	282
Impairment losses on fixed assets	15,881	5,307	35
Increase (decrease) in reserves for outstanding claims	14,600	(7,785)	(51)
Increase (decrease) in policy reserves	(279,401)	(279,277)	(1,844)
Provision for interest on policyholder dividends	8,305	8,440	55
Provision for (reversal of) reserve for policyholder dividends	95,000	87,500	577
Increase (decrease) in reserve for possible loan losses	(3,173)	599	3
Increase (decrease) in reserve for possible investment losses	147	(478)	(3)
Write-down of loans	57	729	4
Increase (decrease) in net defined benefit liabilities	(5,602)	(22,797)	(150)
Increase (decrease) in reserve for retirement benefits of directors, executive officers and corporate auditors	(134)	(119)	(0)
Increase (decrease) in reserve for possible reimbursement of prescribed claims	-	200	1
Increase (decrease) in reserve for price fluctuations	13,000	13,000	85
Interest and dividends	(804,922)	(720,205)	(4,756)
Securities related losses (gains)	(80,834)	(300,732)	(1,986)
Interest expenses	9,759	8,789	58
Foreign exchange losses (gains)	81,871	25,624	169
Losses (gains) on disposal of fixed assets	445	(917)	(6)
Equity in losses (income) of affiliates	733	(2,871)	(18)
Decrease (increase) in reinsurance receivable	(16,220)	9,562	63
Decrease (increase) in other assets unrelated to investing and financing activities	25,793	15,239	100
Increase (decrease) in reinsurance payable	(170,287)	338	2
Increase (decrease) in other liabilities unrelated to investing and financing activities	44,461	(6,588)	(43)
Others, net	85,528	158,782	1,048
Subtotal	(682,285)	(663,544)	(4,382)
Interest and dividends received	837,061	724,155	4,782
Interest paid	(13,558)	(11,803)	(77)
Policyholder dividends paid	(93,123)	(96,702)	(638)
Others, net	(368,713)	(239,199)	(1,579)
Corporate income taxes (paid) refund	(106,173)	4,267	28
Net cash flows provided by (used in) operating activities	(426,793)	(282,826)	(1,867)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net decrease (increase) in cash and deposits	(1,100)	1,181	7
Purchases of monetary claims bought	(16,989)	(37,438)	(247)
Proceeds from sale and redemption of monetary claims bought	26,929	46,707	308
Proceeds from decrease in money held in trust	5,380	-	-
Purchases of securities	(5,071,736)	(5,791,373)	(38,249)
Proceeds from sale and redemption of securities	8,856,848	5,666,880	37,427
Origination of loans	(808,863)	(1,295,831)	(8,558)
Proceeds from collection of loans	658,183	935,497	6,178
Net increase (decrease) in short-term investing	(2,650,775)	778,395	5,140
Total of net cash provided by (used in) investment transactions	997,877	304,017	2,007
Total of net cash provided by (used in) operating activities and investment transactions	571,083	21,190	139
Acquisition of tangible fixed assets	(115,408)	(48,458)	(320)
Proceeds from sale of tangible fixed assets	56,546	37,460	247
Acquisition of intangible fixed assets	(31,673)	(30,685)	(202)
Proceeds from sale of intangible fixed assets	-	3,319	21
Net cash flows provided by (used in) investing activities	907,340	265,653	1,754
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	64,000	-	-
Repayment of borrowings	(144,000)	-	-
Repayment of financial lease obligations	(1,427)	(1,367)	(9)
Cash dividends paid	(199,776)	(215,646)	(1,424)
Acquisitions of stock of subsidiaries and affiliates that do not result in change in scope of consolidation	(1,435)	(180)	(1)
Net cash flows provided by (used in) financing activities	(282,638)	(217,193)	(1,434)
Effect of exchange rate changes on cash and cash equivalents	204	191	1
Net increase (decrease) in cash and cash equivalents	198,112	(234,175)	(1,546)
Cash and cash equivalents at the beginning of the year	924,255	1,122,368	7,412
Cash and cash equivalents at the end of the year	1,122,368	888,192	5,866

Consolidated Statement of Changes in Net Assets of The Dai-ichi Life Insurance Company, Limited

Year ended March 31, 2023

(Unit: million yen)

	Shareholders' equity				Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)
Balance at the beginning of the year	60,000	320,000	249,321	629,322	2,130,413	(21,621)
Changes for the year						
Dividends			(199,776)	(199,776)		
Net income attributable to shareholders of parent company			164,542	164,542		
Transfer from reserve for land revaluation			(13,726)	(13,726)		
Others			1	1		
Net changes of items other than shareholders' equity					(606,817)	(16,033)
Total changes for the year	-	-	(48,959)	(48,959)	(606,817)	(16,033)
Balance at the end of the year	60,000	320,000	200,362	580,363	1,523,596	(37,654)

(Unit: million yen)

	Accumulated other comprehensive income				
	Reserve for land revaluation	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	Total net assets
Balance at the beginning of the year	16,643	(445)	10,995	2,135,985	2,765,307
Changes for the year					
Dividends					(199,776)
Net income attributable to shareholders of parent company					164,542
Transfer from reserve for land revaluation					(13,726)
Others					1
Net changes of items other than shareholders' equity	13,726	(79)	13,311	(595,891)	(595,891)
Total changes for the year	13,726	(79)	13,311	(595,891)	(644,851)
Balance at the end of the year	30,369	(525)	24,307	1,540,093	2,120,456

Year ended March 31, 2024

(Unit: million yen)

	Shareholders' equity				Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)
Balance at the beginning of the year	60,000	320,000	200,362	580,363	1,523,596	(37,654)
Changes for the year						
Dividends		(71,440)	(165,646)	(237,087)		
Net income attributable to shareholders of parent company			205,737	205,737		
Transfer from reserve for land revaluation			2,145	2,145		
Others			0	0		
Net changes of items other than shareholders' equity					896,567	(65,385)
Total changes for the year	-	(71,440)	42,236	(29,204)	896,567	(65,385)
Balance at the end of the year	60,000	248,560	242,598	551,158	2,420,163	(103,039)

(Unit: million yen)

	Accumulated other comprehensive income				
	Reserve for land revaluation	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	Total net assets
Balance at the beginning of the year	30,369	(525)	24,307	1,540,093	2,120,456
Changes for the year					
Dividends					(237,087)
Net income attributable to shareholders of parent company					205,737
Transfer from reserve for land revaluation					2,145
Others					0
Net changes of items other than shareholders' equity	(2,145)	245	94,444	923,725	923,725
Total changes for the year	(2,145)	245	94,444	923,725	894,521
Balance at the end of the year	28,223	(279)	118,751	2,463,818	3,014,977

Year ended March 31, 2024

(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	396	2,113	1,323	3,833	10,062	(248)
Changes for the year						
Dividends		(471)	(1,094)	(1,565)		
Net income attributable to shareholders of parent company			1,358	1,358		
Transfer from reserve for land revaluation			14	14		
Others			0	0		
Net changes of items other than shareholders' equity					5,921	(431)
Total changes for the year	-	(471)	278	(192)	5,921	(431)
Balance at the end of the year	396	1,641	1,602	3,640	15,984	(680)

(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	200	(3)	160	10,171	14,004
Changes for the year					
Dividends					(1,565)
Net income attributable to shareholders of parent company					1,358
Transfer from reserve for land revaluation					14
Others					0
Net changes of items other than shareholders' equity	(14)	1	623	6,100	6,100
Total changes for the year	(14)	1	623	6,100	5,907
Balance at the end of the year	186	(1)	784	16,272	19,912

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

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 ¥151.41=US$1.00, the foreign exchange rate on March 31, 2024, 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, 2024: 1

The subsidiary of the Company included:

- Dai-ichi Life Insurance Myanmar Ltd.

(2) The number of non-consolidated subsidiaries as of March 31, 2024: 34

The main subsidiaries that are not consolidated for the purposes of financial reporting are Dai-ichi Life Business Services Co., Ltd., Dai-ichi Life Challenged Co.,Ltd., and First U Anonymous Association.

The thirty-four 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, 2024: 0

(2) The number of affiliated companies under the equity method as of March 31, 2024: 3

The affiliated companies of the Company included:

- Corporate-pension Business Service Co., Ltd.
- Japan Excellent Asset Management Co., Ltd.
- Japan Investor Solutions & Technologies Co., Ltd.

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

(3) The non-consolidated subsidiaries (Dai-ichi Life Business Services Co., Ltd., Dai-ichi Life Challenged Co., Ltd., First U Anonymous Association and others), as well as affiliated companies (Mizuho-DL Financial Technology Co., Ltd., and Rifare Management K.K.) were not accounted for under the equity method. These companies had, individually and in the aggregate, a minimal impact on the consolidated financial statements, in terms of net income (loss) (amount corresponding to equity interest), retained earnings (amount corresponding to equity interest) and others.

3. Year-end Dates of a Consolidated Subsidiary

The closing date of a consolidated subsidiary is March 31.

Ⅲ. NOTES TO THE CONSOLIDATED BALANCE SHEET

1. Valuation Methods of Securities

Securities held by the Company and its consolidated subsidiary including cash and deposits and monetary claims bought which are equivalent to marketable securities, and marketable securities managed as trust assets in money held in trust, are carried as explained below:

The amortization of premiums and accretion of discounts is calculated by the straight-line method.

(1) Trading Securities

Trading securities are carried at fair value with cost determined by the moving average method.

(2) Held-to-maturity Bonds

Held-to-maturity bonds are stated at amortized cost determined by the moving average method.

(3) Policy-reserve-matching Bonds (in accordance with the Industry Audit Committee Report No. 21 "Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry" issued by the Japanese Institute of Certified Public Accountants (JICPA))

Policy-reserve-matching bonds are stated at amortized cost determined by the moving average method.

(4) Stocks of Non-Consolidated Subsidiaries and Affiliated Companies Not Accounted for under the Equity Method

Stocks of non-consolidated subsidiaries and affiliated companies not accounted for under the equity method are stated at cost determined by the moving average method.

(5) Available-for-sale Securities

a) Available-for-sale Securities other than stocks and other securities without market prices

Available-for-sale Securities other than stocks and other securities without market prices are valued at fair value at the end of the fiscal year, with cost determined by the moving average method.

b) Stocks and other securities without market prices

Stocks and other securities without market prices are valued at cost determined by the moving average method.

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

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

2. Risk Management Policy of Policy-Reserve-Matching Bonds

The Company categorizes its insurance products into sub-groups by the attributes of each product and, in order to manage risks properly, formulate its policies on investments and resource allocation based on the balance of the sub-groups. Moreover, the Company periodically checks that the duration gap between policy-reserve-matching bonds and policy reserves stays within a certain range.

The sub-groups of insurance products of the Company are:

- individual life insurance and annuities (the exception of certain types),
- non-participating single premium whole life insurance (without duty of medical disclosure),
- financial insurance and annuities,
- group annuities (defined contribution corporate pension insurance; defined contribution corporate pension insurance II and certain corporate pension insurances of which the type can be changed to defined contribution corporate pension insurance II), and
- group annuities 2 (defined benefit corporate pension insurance, employees' pension fund insurance (II) and new corporate pension insurance (II)).

3. Valuation Method of Derivative Transactions

Derivative transactions are reported at fair value.

4. Revaluation of Land

Based on the "Act on Revaluation of Land" (Act No. 34, March 31, 1998), land for business use was revalued. The difference between the fair value and book value resulting from the revaluation, net of related deferred taxes, is recorded as a reserve for land revaluation as a separate component of net assets and the related deferred tax liability is recorded as deferred tax liabilities for land revaluation.

- Date of revaluation: March 31, 2001
- Method stipulated in Article 3 Paragraph 3 of the Act on Revaluation of Land:

The fair value was determined based on the appraisal value publicly announced for tax assessment purposes with certain reasonable adjustments in accordance with Articles 2-1 and 2-4 of the Order for Enforcement of the Act on Revaluation of Land (Publicly Issue Cabinet Order No. 119, March 31, 1998).

5. Depreciation of Depreciable Assets

(1) Depreciation of Tangible Fixed Assets Excluding Leased Assets

Depreciation of tangible fixed assets excluding leased assets of the Company is calculated by the declining balance method (the depreciation of buildings (other than facilities attached to buildings and structures that were acquired on or before March 31, 2016) is calculated by the straight-line method).

Estimated useful lives of major assets are as follows:

Buildings	two to sixty years
Other tangible fixed assets	two to twenty years

Other tangible fixed assets that were acquired for ¥100,000 or more but less than ¥200,000 are depreciated at equal amounts over three years.

With respect to tangible fixed assets that were acquired on or before March 31, 2007 and that were fully depreciated to their original depreciable limit, effective the fiscal year ended March 31, 2008, the remaining values are depreciated at equal amounts over five years from the following fiscal year of the year in which they reached the original depreciable limit.

Depreciation of tangible fixed assets owned by a consolidated overseas subsidiary is calculated by the straight-line method.

(2) Amortization of Intangible Fixed Assets Excluding Leased Assets

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

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

(3) Depreciation of Leased Assets

Depreciation for leased assets with regard to finance leases whose ownership does not transfer to the lessees is computed under the straight-line method assuming zero salvage value and using the lease period as the useful life.

(4) Accumulated Depreciation of Tangible Fixed Assets

The amounts of accumulated depreciation of tangible fixed assets as of March 31, 2023 and 2024 were ¥599,320 million and ¥605,113 million (US$3,996 million), respectively.

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

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

7. Reserve for Possible Loan Losses

The reserve for possible loan losses is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

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

For loans to and claims on obligors that have not yet suffered business failure but are considered highly likely to fail the reserve is calculated, taking into account (1) the recoverable amount covered by the collateral or guarantees and (2) an overall assessment of the obligor's ability to repay.

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

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

For loans and claims to bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The amounts written off during the fiscal years ended March 31, 2023 and 2024 were ¥1 million and ¥1 million (US$0 million), respectively.

8. Reserve for Possible Investment Losses

In order to provide for future investment losses, a reserve for possible investment losses is established for stocks and other securities without market prices and ownership stakes in partnerships, etc. It is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

9. Reserve for Retirement Benefits of Directors, Executive Officers and Corporate Auditors

For the reserve for retirement benefits of directors, executive officers and corporate auditors, an estimated amount for future payment in accordance with the internal policies is provided.

10. Reserve for Possible Reimbursement of Prescribed Claims

To prepare for the reimbursement of claims for which prescription periods had expired, an estimated amount for reserve for possible reimbursement of prescribed claims based on past reimbursement experience is provided.

11. Net Defined Benefit Liabilities

For the net defined benefit liabilities, the amount is considered to have been rationally incurred during the period provided by deducting the pension assets from the projected benefit obligations based on the estimated amounts as of March 31, 2024. The accounting treatment for retirement benefits is as follows.

(1) Allocation of Estimated Retirement Benefits

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

(2) Amortization of Actuarial Differences and Past Service Cost

Past service cost is amortized under the straight-line method 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, certain government and corporate bonds, certain 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, certain foreign currency-denominated loans, foreign currency-denominated loans payable and bonds payable, certain foreign currency-denominated forecasted transaction and term deposits; (c) the fair value hedge method using currency options and foreign currency forward contracts is used for hedges against exchange rate fluctuations in the value of certain foreign currency-denominated bonds; (d) the deferral hedge method for bond over-the-counter options is used for hedges against interest-rate fluctuations in certain foreign currency-denominated bonds; (e) the deferral hedge method and fair value hedge method using equity options and equity forward contracts are used for hedges against price fluctuations in the value of certain domestic stocks and certain foreign currency-denominated 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-specific Committee Practical Guidelines No.26 issued by JICPA).

(2) Hedging Instruments and Hedged Items

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

(3) Hedging Policies

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

(4) Assessment of Hedge Effectiveness

Hedge effectiveness is assessed primarily by a comparison of fluctuations in cash flows or fair value of hedged items to those of hedging instruments.

(Hedging relationships to which the "Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" is applied)

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

Hedging accounting method: The deferral hedge method and the currency allotment method

Hedging instruments: Interest rate swaps and foreign currency swaps

Hedged items: Loans and foreign currency-denominated loans

Type of hedging transactions: Transactions that fix cash flow

14. Calculation of National and Local Consumption Tax

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

15. Policy Reserves

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

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

a) Reserves for policies subject to the standard policy reserve rules are calculated based on the methods stipulated by the Commissioner of Financial Services Agency (Notification of the Minister of Finance No. 48, 1996).
b) Reserves for other policies are established based on the net level premium method.

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

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

16. Reserves for Outstanding Claims

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

(Overview of the calculation method)

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

As of the end of the previous fiscal year, the company deducted an amount pertaining to deemed hospitalization of policy holders other than those with high risk of severity, however, in the fiscal year ended March 31, 2024, the payment of hospitalization benefits with respect to "deemed hospitalization" was terminated. Therefore, the company has revised its calculation method to deducting the amount pertaining to deemed hospitalization of all policy holders.

17. 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.

18. Financial Instruments

(1) Financial Instruments

a) Policies in Utilizing Financial Instruments

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

The Company uses derivatives primarily to hedge market risks associated with its existing asset portfolio and supplement its investment objectives to the extent necessary, taking into account the exposure of underlying assets.

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

b) Financial Instruments Used and Their Risks

Securities included in financial assets of the Company, mainly stocks and bonds, are categorized by its investment objectives such as held-to-maturity, policy-reserve-matching securities and available-for-sale securities. Those securities are exposed to market fluctuation risk, credit risk and interest rate risk and some of the securities denominated in foreign currency are exposed to foreign currency risk. Also, loans are exposed to credit risk arising from the defaults of obligors.

The Company might be exposed to liquidity risk in certain circumstances in which it cannot make timely payments of principal, interest or other amounts due to unpredictable cash outflows or is forced to raise capital with interest rates substantially higher than usual. Also, some of its loans payable and bonds payable which are floating interest rate based and denominated in foreign currency are exposed to interest rate risk and foreign currency risk.

The Company utilizes i) interest rate swaps to hedge interest rate risk associated with certain loans receivable and payable, ii) equity forward contracts to hedge market fluctuation risks associated with certain domestic stocks, and iii) foreign currency forward contracts, currency options and foreign currency swaps to hedge foreign currency risks associated with certain foreign currency-denominated bonds, foreign currency-denominated short-term deposits and foreign currency-denominated debts, etc. and adopt hedge accounting.

In addition, the Company utilizes iv) interest rate swaps to hedge interest rate risk associated with certain insurance liabilities, under the "Accounting and Auditing Treatment of Application of Accounting Standard for Financial Instruments to Insurance Operators" (Industry-specific Committee Practical Guidelines No. 26 issued by JICPA).

In applying the hedge accounting, in order to fulfill requirements stipulated in the "Accounting standards for financial instruments" (ASBJ Statement No. 10 issued on March 10, 2008), the Company has established investment policy and procedure guidelines and clarified the transactions to be hedged, the risk of underlying assets to be hedged and derivative instruments to be used, and conducted pre- and post-effectiveness tests of the transactions.

c) Risk Management

The risk management system of the Company is as follows:

i) Market Risk Management

Under the internal investment policy and market risk management policy, the Company manages market risk by conducting mid- to long-term asset allocation in a manner appropriate to its liabilities. Therefore, it categorizes its portfolio into sub-groups, based on their investment purpose, and manages them taking into account each of their risk characteristics.

(a) Interest rate risk

The Company keeps track of interest rates and durations of its assets and liabilities, monitors its internal analyses on duration gap and interest rate sensitivity, and periodically reports its findings to the board of directors, etc.

(b) Currency risk

The Company keeps track of currency composition of its financial assets and liabilities, conducts sensitivity analyses, and periodically reports its findings to the board of directors, etc.

(c) Fluctuation in market values

The Company defines risk management policies and management procedures for each component of its overall portfolio, including securities, based on the risk characteristics of the categories, sets and manages upper limits of each asset balance and asset allocation weight.

Such management conditions are periodically reported by its risk management sections to the board of directors, etc.

(d) Derivative transactions

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

ii) Credit Risk Management

In accordance with the internal investment policy and credit risk management procedure guidelines, the Company has established a credit management system related to loans, such as preliminary reviews on individual transactions, credit limit setting, credit information management, internal credit rating, attachment of guarantees and collateral, and follow-ups on problem loans. For corporate bond investment, the credit section sets investment caps on individual issuers taking into account internal credit ratings and other factors. Excessive risk-taking is restricted since front offices make investment within those caps. Policies and framework for large-lot borrowers have been formulated in order to prevent credit concentration by monitoring compliance, etc. That credit management has been conducted by the credit and risk management sections, and has been periodically reported to the board of directors, etc. Additionally, the internal audit section has also checked credit management status.

Credit risk of security issuers and counterparty risk with respect to derivative transactions are managed by the credit section, which sets upper limits for each counterparty and financial instrument and periodically monitors credit information, and by the risk management section, which periodically monitors current exposures.

d) Supplementary Explanation for Fair Value of Financial Instruments

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

(2) Fair Values of Financial Instruments

The carrying amount on the consolidated balance sheet, fair value and differences between carrying amount and fair value as of March 31, 2023 and 2024 were as follows.

	As of March 31, 2023		
	Carrying amount	Fair value	Gains(Losses)
	(Unit: million yen)		
(1) Monetary claims bought	224,555	224,555	-
(2) Money held in trust	6,727	6,727	-
(3) Securities(*2) (*3)			
a. Trading securities	963,741	963,741	-
b. Held-to-maturity bonds	49,199	49,375	176
c. Policy-reserve-matching bonds	14,909,516	15,453,495	543,978
d. Available-for-sale securities	11,225,442	11,225,442	-
(4) Loans	2,715,410		
Reserve for possible loan losses (*4)	(1,509)		
	2,713,900	2,674,871	(39,029)
Total assets	30,093,083	30,598,208	505,125
(1) Bonds payable	368,715	347,041	(21,673)
(2) Long-term borrowings	390,600	368,629	(21,970)
Total liabilities	759,315	715,670	(43,644)
Derivative transactions (*5)			
a. Hedge accounting not applied	32,161	32,161	-
b. Hedge accounting applied	[99,043]	[97,785]	1,257
Total derivative transactions	[66,881]	[65,624]	1,257

(*1) Cash and deposits, call loans, and payables under repurchase agreements are not included since they are mainly due within a short period of time or have no maturity, and their fair value is close to the carrying amounts.
(*2) Net asset value of certain mutual funds is regarded as the fair value in accordance with generally accepted accounting standard, and included in the table above.
(*3) The carrying amount of stocks and other securities without market prices and ownership stakes in partnerships, etc. on the consolidated balance sheet are as follows. They are not included in the fair value of (3) Securities.

	As of March 31, 2023
	Carrying amount
	(Unit: million yen)
Stocks and other securities without market prices (*a)(*c)	56,040
Ownership stakes in partnerships, etc.(*b)(*c)	765,870

(*a) Stocks and other securities without market prices include unlisted stocks, etc. and are not subject to disclosure of fair value in accordance with Paragraph 5 of the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19 revised on March 31, 2020).
(*b) Ownership stakes in partnerships, etc. mainly include stakes in anonymous associations and investment partnerships. They are not subject to disclosure of fair value in accordance with Item 24-16 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31 revised on June 17, 2021).
(*c) Impairment loss of ¥780 million was recognized in the fiscal year ended March 31, 2023.

(*4) Excluding general reserves for possible loan losses and specific reserves for possible loan losses related to loans.
(*5) Credits/debts from derivative transactions are presented on a net basis. Figures in [ ] are net debts.

As of March 31, 2024

	Carrying amount	Fair value	Gains (Losses)	Carrying amount	Fair value	Gains (Losses)
	(Unit: million yen)			(Unit: million US dollars)		
(1) Monetary claims bought	206,210	206,210	-	1,361	1,361	-
(2) Money held in trust	8,872	8,872	-	58	58	-
(3) Securities(*2) (*3)						
a. Trading securities	1,103,648	1,103,648	-	7,289	7,289	-
b. Held-to-maturity bonds	1,863	1,863	-	12	12	-
c. Policy-reserve-matching bonds	15,630,993	15,059,779	(571,214)	103,236	99,463	(3,772)
d. Available-for-sale securities	11,919,651	11,919,651	-	78,724	78,724	-
(4) Loans	3,109,085			20,534		
Reserve for possible loan losses (*4)	(3,376)			(22)		
	3,105,709	3,083,659	(22,049)	20,511	20,366	(145)
Total assets	31,976,948	31,383,685	(593,263)	211,194	207,276	(3,918)
(1) Bonds payable	368,715	357,629	(11,085)	2,435	2,361	(73)
(2) Payables under repurchase agreements	1,082,401	1,082,279	(121)	7,148	7,148	(0)
(3) Long-term borrowings	390,600	389,892	(707)	2,579	2,575	(4)
Total liabilities	1,841,716	1,829,801	(11,914)	12,163	12,085	(78)
Derivative transactions (*5)						
a. Hedge accounting not applied	[1,136]	[1,136]	-	[7]	[7]	-
b. Hedge accounting applied	[164,320]	[163,120]	1,200	[1,085]	[1,077]	7
Total derivative transactions	[165,456]	[164,256]	1,200	[1,092]	[1,084]	7

(*1) Cash and deposits, and call loans are not included since they are mainly due within a short period of time or have no maturity, and their fair value is close to the carrying amounts.
(*2) Net asset value of certain mutual funds is regarded as the fair value in accordance with generally accepted accounting standard, and included in the table above.
(*3) The carrying amount of stocks and other securities without market prices and ownership stakes in partnerships, etc. on the consolidated balance sheet are as follows. They are not included in the fair value of (3) Securities.

	As of March 31, 2024	
	Carrying amount	
	(Unit: million yen)	(Unit: million US dollars)
Stocks and other securities without market prices (*a)(*c)	63,198	417
Ownership stakes in partnerships, etc.(*b)(*c)	1,010,393	6,673

(*a) Stocks and other securities without market prices include unlisted stocks, etc. and are not subject to disclosure of fair value in accordance with Paragraph 5 of the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19 revised on March 31, 2020).
(*b) Ownership stakes in partnerships, etc. mainly include stakes in anonymous associations and investment partnerships. They are not subject to disclosure of fair value in accordance with Item 24-16 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31 revised on June 17, 2021).
(*c) Impairment loss of ¥1,888 million (US$12 million) was recognized in the fiscal year ended March 31, 2024.

(*4) Excluding general reserves for possible loan losses and specific reserves for possible loan losses related to loans.
(*5) Credits/debts from derivative transactions are presented on a net basis. Figures in [ ] are net debts.

(3) Matters Concerning Fair Value of Financial Instruments and Breakdown by Input Level

The fair values of financial instruments are classified into the following three levels based on the observability and significance of the inputs used to measure fair value:

Level 1: Fair value determined based on the observable inputs, such as quoted prices in active markets for identical assets or liabilities.
Level 2: Fair value determined based on observable inputs other than Level 1 inputs
Level 3: Fair value determined based on significant unobservable inputs

If multiple inputs with a significant impact are used for the fair value measurement of a financial instrument, the financial instrument is classified into the lowest priority level of fair value measurement in which each input belongs.

(i) Financial assets and liabilities measured at fair value on the consolidated balance sheet

As of March 31, 2023	Fair value			
	Level 1	Level 2	Level 3	Total
	(Unit: million yen)			
Monetary claims bought	-	-	224,555	224,555
Money held in trust	4,212	2,514	-	6,727
Securities(*1)				
Trading securities	551,676	398,162	13,902	963,741
Available-for-sale securities				
Government bonds	1,083,604	-	-	1,083,604
Local government bonds	-	14,074	-	14,074
Corporate bonds	-	1,073,589	10,001	1,083,591
Domestic stocks	3,160,770	-	-	3,160,770
Foreign bonds	437,029	3,772,078	141,063	4,350,171
Other foreign securities	463,743	436,558	57,993	958,295
Other securities	14,536	479,383	32,240	526,160
Derivative transactions				
Currency-related	-	16,623	-	16,623
Interest-related	-	34,359	-	34,359
Stock-related	3,889	0	-	3,890
Bond-related	2,119	909	-	3,029
Others	-	575	-	575
Total assets	5,721,583	6,228,831	479,756	12,430,171
Derivative transactions				
Currency-related	-	95,733	-	95,733
Interest-related	-	27,493	-	27,493
Stock-related	589	19	-	608
Bond-related	1,172	182	-	1,354
Others	-	169	-	169
Total liabilities	1,761	123,598	-	125,360

(*1) Certain Mutual funds whose net asset value are regarded as the fair value in accordance with Item 24-3 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31 revised on June 17, 2021) are not included in the table above. The amount of such mutual funds on the consolidated balance sheet is ¥48,773 million. Reconciliation between the beginning and ending balance and breakdown of restriction on cancellation as of the fiscal year ended March 31, 2023 have been omitted as the amount of such mutual funds is immaterial.

As of March 31, 2024	Fair value							
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	(Unit: million yen)				(Unit: million US dollars)			
Monetary claims bought	-	-	206,210	206,210	-	-	1,361	1,361
Money held in trust	5,913	2,958	-	8,872	39	19	-	58
Securities(*1)								
Trading securities	669,566	397,040	37,042	1,103,648	4,422	2,622	244	7,289
Available-for-sale securities								
Government bonds	1,022,597	-	-	1,022,597	6,753	-	-	6,753
Local government bonds	-	15,303	-	15,303	-	101	-	101
Corporate bonds	-	1,306,777	8,909	1,315,686	-	8,630	58	8,689
Domestic stocks	3,987,770	23	-	3,987,793	26,337	0	-	26,337
Foreign bonds	291,117	3,212,481	144,512	3,648,111	1,922	21,217	954	24,094
Other foreign securities	488,731	411,638	39,702	940,072	3,227	2,718	262	6,208
Other securities	5,985	883,807	34,892	924,685	39	5,837	230	6,107
Derivative transactions								
Currency-related	-	1,087	-	1,087	-	7	-	7
Interest-related	-	15,099	-	15,099	-	99	-	99
Stock-related	4,038	549	-	4,588	26	3	-	30
Bond-related	1,013	305	-	1,318	6	2	-	8
Others	-	752	-	752	-	4	-	4
Total assets	6,476,733	6,247,825	471,269	13,195,827	42,776	41,264	3,112	87,152
Derivative transactions								
Currency-related	-	141,965	-	141,965	-	937	-	937
Interest-related	-	45,116	-	45,116	-	297	-	297
Stock-related	30	269	-	299	0	1	-	1
Bond-related	537	384	-	922	3	2	-	6
Total liabilities	567	187,736	-	188,303	3	1,239	-	1,243

(*1) Certain Mutual funds whose net asset value are regarded as the fair value in accordance with Item 24-3 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31 revised on June 17, 2021) are not included in the table above. The amount of such mutual funds on the consolidated balance sheet is ¥65,401 million (US$431 million). Reconciliation between the beginning and ending balance and breakdown of restriction on cancellation as of the fiscal year ended March 31, 2024 have been omitted as the amount of such mutual funds is immaterial.

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

As of March 31, 2023	Fair value			
	Level 1	Level 2	Level 3	Total
	(Unit: million yen)			
Securities				
Held-to-maturity bonds				
Government bonds	48,000	-	-	48,000
Foreign bonds	-	-	1,374	1,374
Policy-reserve-matching bonds				
Government bonds	14,710,589	-	-	14,710,589
Local government bonds	-	105,801	-	105,801
Corporate bonds	-	573,661	-	573,661
Foreign bonds	-	63,441	-	63,441
Loans	-	-	2,674,871	2,674,871
Total assets	14,758,590	742,905	2,676,246	18,177,741
Bonds payable	-	347,041	-	347,041
Long-term borrowings	-	-	368,629	368,629
Total liabilities	-	347,041	368,629	715,670

As of March 31, 2024	Fair value							
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	(Unit: million yen)				(Unit: million US dollars)			
Securities								
Held-to-maturity bonds								
Foreign bonds	-	-	1,863	1,863	-	-	12	12
Policy-reserve-matching bonds								
Government bonds	14,409,799	-	-	14,409,799	95,170	-	-	95,170
Local government bonds	-	101,297	-	101,297	-	669	-	669
Corporate bonds	-	497,129	-	497,129	-	3,283	-	3,283
Foreign bonds	-	51,553	-	51,553	-	340	-	340
Loans	-	-	3,083,659	3,083,659	-	-	20,366	20,366
Total assets	14,409,799	649,979	3,085,523	18,145,303	95,170	4,292	20,378	119,842
Bonds payable	-	357,629	-	357,629	-	2,361	-	2,361
Payables under repurchase agreements	-	1,082,279	-	1,082,279	-	7,148	-	7,148
Long-term borrowings	-	-	389,892	389,892	-	-	2,575	2,575
Total liabilities	-	1,439,909	389,892	1,829,801	-	9,509	2,575	12,085

(Note 1) Description of the evaluation methods and inputs used to measure fair value

Assets

Monetary claims bought

The fair value of monetary claims bought is measured using the price obtained by outside contractors and counterparty financial institutions. Since significant unobservable inputs are used for the price obtained, the fair value of monetary claims bought is classified into Level 3.

Money held in trust

The fair value of money held in trust is based on the price presented by counterparty financial institutions. Money held in trust is classified into either Level 1 or Level 2, mainly based on constituents held in trust.

Securities

The fair value of securities for which unadjusted quoted market prices in active markets are available is classified into Level 1. These include stocks and government bonds, among others. If the market is not active, the fair value of securities is classified into Level 2, irrespective of whether disclosed quoted market prices are used.

The fair value of bonds for which quoted market prices are not used as fair value is measured mainly using prices obtained from outside contractors and counterparty financial institutions. The present value of these prices is calculated by discounting future cash flows at a discount rate (i.e., a risk-free interest rate that takes into account credit spread). The fair value of bonds is classified into Level 2 if observable inputs are used in the calculation, and Level 3 if significant unobservable inputs are used.

The fair value of mutual funds without market prices is based on net asset value unless there is no significant restriction on cancellation. The fair value is classified into either Level 2 or Level 3, mainly based on constituents held in trust.

Loans

The fair value of loans is calculated by discounting future cash flows of the subject loan, using interest rates corresponding to the internal credit rating and remaining periods which are assumed to be applied to new loans to the subject borrower. Loans are classified into Level 3.

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

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

Liabilities

Bonds payable

The fair value of bonds payable for which quoted market prices can be used is based on the quoted market prices. Bonds payable are classified into Level 2.

Payables under repurchase agreements

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

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

Long-term borrowings

The fair value of long-term borrowings is calculated by discounting future cash flows, using interest rates corresponding to the internal credit rating and remaining periods which are assumed to be applied to new borrowings. Long-term borrowings are classified into Level 3.

Derivative Transactions

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

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

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

(i) Reconciliation between the beginning and ending balance, and net unrealized gains (losses) recognized in the earnings of the current fiscal year

As of March 31, 2023	Balance at the beginning of the year	Gains (losses) or other comprehensive income in the current fiscal year		Variable amount (net amount) by purchase, sale, issue and settlement	Transfer to Level 3(*3)	Balance at the end of the year	Gains (losses) on valuation of financial assets and liabilities held at the consolidated balance sheet date out of amounts recognized in consolidated statement of earnings(*1)
		Gains (losses) recorded in consolidated statement of earnings (*1)	Amount recorded in other comprehensive income (*2)				
				(Unit: million yen)			
Monetary claims bought	239,896	1,722	(5,373)	(11,690)	-	224,555	-
Securities							
Trading securities	12,612	(1,547)	-	2,837	-	13,902	(974)
Available-for-sale securities							
Corporate bonds	7,966	528	35	1,469	-	10,001	1,213
Foreign bonds	166,722	1,773	(4,510)	(28,494)	5,572	141,063	10,313
Other foreign securities	54,448	-	(369)	3,914	-	57,993	-
Other securities	28,543	-	3,697	(0)	-	32,240	-

(*1) Gain/Loss recorded as investment income and investment expenses in consolidated statement of earnings.
(*2) Gain/Loss recorded in net unrealized gains (losses) on securities, net of tax of Other comprehensive income in consolidated statement of comprehensive income.
(*3) Transfer from Level 2 to Level 3 due to the change in the observability of inputs as a result of the change in the fair value measurement method as of March 31, 2023.

As of March 31, 2024	Balance at the beginning of the year	Gains (losses) or other comprehensive income in the current fiscal year		Variable amount (net amount) by purchase, sale, issue and settlement	Balance at the end of the year	Gains (losses) on valuation of financial assets and liabilities held at the consolidated balance sheet date out of amounts recognized in consolidated statement of earnings(*1)
		Gains (losses) recorded in consolidated statement of earnings (*1)	Amount recorded in other comprehensive income (*2)			
				(Unit: million yen)		
Monetary claims bought	224,555	(58)	(609)	(17,677)	206,210	-
Securities						
Trading securities	13,902	914	-	22,225	37,042	21
Available-for-sale securities						
Corporate bonds	10,001	624	(139)	(1,577)	8,909	1,839
Foreign bonds	141,063	6,099	5,466	(8,117)	144,512	16,349
Other foreign securities	57,993	-	(3,814)	(14,475)	39,702	-
Other securities	32,240	-	651	1,999	34,892	-

As of March 31, 2024	Balance at the beginning of the year	Gains (losses) or other comprehensive income in the current fiscal year		Variable amount (net amount) by purchase, sale, issue and settlement	Balance at the end of the year	Gains (losses) on valuation of financial assets and liabilities held at the consolidated balance sheet date out of amounts recognized in consolidated statement of earnings(*1)
		Gains (losses) recorded in consolidated statement of earnings (*1)	Amount recorded in other comprehensive income (*2)			
				(Unit: million US dollars)		
Monetary claims bought	1,483	(0)	(4)	(116)	1,361	-
Securities						
Trading securities	91	6	-	146	244	0
Available-for-sale securities						
Corporate bonds	66	4	(0)	(10)	58	12
Foreign bonds	931	40	36	(53)	954	107
Other foreign securities	383	-	(25)	(95)	262	-
Other securities	212	-	4	13	230	-

(*1) Gain/Loss recorded as investment income and investment expenses in consolidated statement of earnings.
(*2) Gain/Loss recorded in net unrealized gains (losses) on securities, net of tax of Other comprehensive income in consolidated statement of comprehensive income.

(ii) Description of the fair value valuation process

The Company and its subsidiaries have established policies and procedures for measuring the fair value and classifying the fair value level in the accounting department. In accordance with these policies and procedures, the investment management service department selects the fair value valuation model, and then measures the fair value and classifies the fair value by level. For such fair value, the appropriateness of the valuation methods and inputs used in the measurement of the fair value and the appropriateness of the classification of the level of fair value are verified. In addition, when using the quoted market prices obtained from a third party as fair value, the validity is verified by appropriate methods such as confirmation of the valuation method and inputs used and comparison with the fair value of similar financial instruments.

19. 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, 2023 and 2024 were ¥25,607 million and ¥23,578 million (US$155 million), respectively. The rental income was included in investment income and the rental expense was included in investment expenses. Gains on sale as extraordinary gains for the fiscal year ended March 31, 2023 and 2024 were ¥602 million and ¥1,632 million (US$10 million), respectively. Impairment losses on rental real estate as extraordinary losses for the fiscal year ended March 31, 2023 and 2024 were ¥15,829 million and ¥5,307 million (US$35 million), respectively.

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

	As of March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Carrying amount			
Beginning balance	859,937	937,941	6,194
Net change for the year	78,003	(13,218)	(87)
Ending balance	937,941	924,722	6,107
Fair value	1,284,841	1,280,150	8,454

(*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 ¥153,805 million, sale of the real estate of ¥55,995 million, depreciation expense of ¥13,631 million, and impairment loss of ¥15,829 million, during the fiscal year ended March 31, 2023.
Net change in the carrying amount included cost of acquisition of the real estate of ¥38,819 million (US$256 million), sale of the real estate of ¥38,101 million (US$251 million), depreciation expense of ¥13,951 million (US$92 million), and impairment loss of ¥5,307 million (US$35 million), during the fiscal year ended March 31, 2024.

(*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.

20. Securities Lending

Securities lent under lending agreements are included in the consolidated balance sheet. The total balance of securities lent as of March 31, 2023 and 2024 were ¥2,399,254 million and ¥2,452,734 million (US$16,199million), respectively.

21. Risk-managed claims

The amounts of claims against bankrupt and quasi-bankrupt obligors , claims with collection risk , claims that are overdue for three months or more , and claims with repayment relaxation , which were included in claims, were as follows:

	As of March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Claims against bankrupt and quasi-bankrupt obligors(*1)	87	88	0
Claims with collection risk (*2)	2,552	2,586	17
Claims that are overdue for three months or more (*3)	-	-	-
Claims with repayment relaxation(*4)	-	-	-
Total	2,639	2,674	17

(*1) Claims against bankrupt and quasi-bankrupt obligors are loans to borrowers who are subject to bankruptcy, corporate reorganization or rehabilitation or other similar proceedings and other borrowers in serious financial difficulties.

(*2) Claims with collection risk are loans to obligors (other than bankrupt and quasi-bankrupt obligors) with deteriorated financial condition and results of operations from which it is unlikely that the principal and interest on the loans will be recovered.

(*3) Claims that are overdue for three months or more are loans for which payment of principal or interest is delayed for three months or more from the day following the contracted payment date. This category excludes claims against bankrupt and quasi-bankrupt obligors and claims with collection risk.

(*4) Claims with repayment relaxation are loans for which certain concessions favorable to the debtor, such as interest rate reduction and exemption, interest payment deferment, principal repayment deferment, debt waiver, etc., for the purpose of rebuilding or supporting the debtor. This category excludes claims against bankrupt and quasi-bankrupt obligors, claims with collection risk and claims that are overdue for three months or more.

As a result of the direct write-off of claims described in Note 7, the decreases in claims against bankrupt and quasi-bankrupt obligors as of March 31, 2023 and 2024 were ¥1 million and ¥1 million (US$0 million), respectively.

22. 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, 2023 and 2024 were ¥1,672,707 million and ¥1,729,011 million (US$11,419 million), respectively. Separate account liabilities were the same amount as the separate account assets.

23. Contingent Liabilities

Guarantee for debt obligations of a separate company were as follows:

	As of March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Dai-ichi Life Holdings, Inc.	250,002	250,007	1,651

24. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	As of March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Balance at the beginning of the fiscal year	413,222	423,403	2,796
Dividends paid during the fiscal year	93,123	96,702	638
Interest accrual during the fiscal year	8,305	8,440	55
Provision for reserve for policyholder dividends	95,000	87,500	577
Balance at the end of the fiscal year	423,403	422,642	2,791

25. Stocks of Subsidiaries and Affiliated Companies

The amounts of stocks of and capital in non-consolidated subsidiaries and affiliated companies the Company held were as follows:

	As of March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Stocks	4,985	11,563	76
Capital	196,216	242,617	1,602
Total	201,202	254,181	1,678

26. Organizational Change Surplus

As of March 31, 2023 and 2024, the amounts of organizational change surplus stipulated in Article 91 of the Insurance Business Act were ¥117,776 million and ¥117,776 million (US$777 million), respectively.

27. Assets Pledged as Collateral / Secured Liabilities

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

	As of March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Securities	370,019	1,525,614	10,076
Cash and deposits	86	86	0
Total	370,106	1,525,701	10,076

The amounts of secured liabilities were as follows:

	As of March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Payables under repurchase agreements	304,005	1,082,401	7,148

The amounts of "Securities" sold under repurchase agreements as of March 31, 2023 and 2024 were ¥292,786 million and ¥1,047,109 million (US$6,915 million), respectively.

28. Net Assets per Share

The amounts of net assets per share of the Company as of March 31, 2023 and 2024 were ¥353,409,439.53 and ¥502,496,298.00 (US$3,318,778.79 million), respectively.

29. Employees' Retirement Benefits

(1) Overview of Employees' Retirement Benefit Plan of the Company

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

(2) Defined Benefit Plans

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

		Year ended March 31,		
		2023	2024	2024
		(Unit: million yen)		(Unit: million US dollars)
a.	Beginning balance of the projected benefit obligations	680,173	665,711	4,396
b.	Service cost	24,329	23,205	153
c.	Interest cost	2,038	1,995	13
d.	Accruals of actuarial (gains) and losses	(868)	(79,609)	(525)
e.	Payment of retirement benefits	(39,066)	(35,037)	(231)
f.	Accuruals of past service cost	-	-	-
g.	Others	(895)	(531)	(3)
h.	Ending balance of the projected benefit obligation (a + b + c + d + e + f + g)	665,711	575,733	(3,802)

b) Reconciliations of beginning and ending balances of pension assets

		Year ended March 31,		
		2023	2024	2024
		(Unit: million yen)		(Unit: million US dollars)
a.	Beginning balance of pension assets	297,107	306,718	2,025
b.	Estimated return on assets	1,832	1,780	11
c.	Accruals of actuarial (gains) and losses	8,273	59,646	393
d.	Contribution from the employer	6,697	9,641	63
e.	Payment of retirement benefits	(7,191)	(7,203)	(47)
f.	Ending balance of pension assets (a + b + c + d + e)	306,718	370,583	2,447

c) Reconciliations of year-end balance of projected benefit obligations and pension assets, and net defined benefit liabilities and assets that have been recorded in the consolidated balance sheet

		Year ended March 31,		
		2023	2024	2024
		(Unit: million yen)		(Unit: million US dollars)
a.	Projected benefit obligation for funded pensions	349,975	305,435	2,017
b.	Pension assets	(306,718)	(370,583)	(2,447)
c.	Subtotal (a + b)	43,256	(65,148)	(430)
d.	Projected benefit obligation for unfunded pensions	315,736	270,298	1,785
e.	Net of assets and liabilities recorded in the consolidated balance sheet (c + d)	358,992	205,149	1,354
f.	Net defined benefit liabilities	358,992	205,149	1,354
g.	Net defined benefit assets	-	-	-
h.	Net of assets and liabilities recorded in the balance sheet (f + g)	358,992	205,149	1,354

d) Amount of the components of retirement benefit expenses

		Year ended March 31,		
		2023	2024	2024
		(Unit: million yen)		(Unit: million US dollars)
a.	Service cost	24,329	23,205	153
b.	Interest cost	2,038	1,995	13
c.	Expected return on assets	(1,832)	(1,780)	(11)
d.	Expense of actuarial (gains) and losses	9,122	(8,295)	(54)
e.	Expense of past service cost	175	176	1
f.	Others	101	101	0
g.	Retirement benefit expenses for defined benefit plans (a + b + c + d + e + f)	33,934	15,404	101

e) Remeasurements of defined benefit plans

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

	Year ended March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Past service cost	172	172	1
Actuarial gains (losses)	18,298	130,871	864
Total	18,470	131,044	865

f) Accumulated remeasurements of defined benefit plans

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

	Year ended March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Unrecognized past service cost	1,015	842	5
Unrecognized actuarial gains (losses)	(34,742)	(165,614)	(1,093)
Total	(33,727)	(164,771)	(1,088)

g) Pension assets

i The main components of the pension assets

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

	Year ended March 31,	
	2023	2024
Stocks	50%	53%
Bonds	18%	25%
Assets under joint management	20%	13%
Life insurance general account	3%	5%
Others	9%	4%
Total	100%	100%

Note: The proportion of retirement benefit trust that has been set for the unfunded retirement benefit plans to total pension assets as of March 31, 2023 and 2024 were 59% and 64%, respectively.

ii The method of setting the expected long-term rate of return on pension assets

To determine the expected long-term rate of return on pension assets, the Company has taken into account the allocation of pension assets at present and in future, and long-term rate of return on a variety of assets that make up the pension assets at present and in future.

h) Calculation basis of actuarial gains and losses

Major assumptions of basis of actuarial calculation as of the fiscal year-end were as follows:

	Year ended March 31, 2023	Year ended March 31, 2024
Discount rate	0.30%	1.42%
Expected long-term rate of return		
Defined benefit corporate pension	1.40%	1.40%
Employee pension trust	0.00%	0.00%

i) Defined Contribution Plans

Required amounts of contribution to defined contribution plans of the Company for the fiscal years ended March 31, 2023 and 2024 were ¥1,475 million and ¥1,598 million (US$10 million), respectively.

30. Securities Borrowing

As of March 31, 2023 and 2024, the maket value of the securities borrowed under borrowing agreements which can be sold or pledged as collateral but were not sold or pledged as collateral, were ¥28,379 million and ¥51,117 million (US$337million), respectively.

31. Commitment Line

As of March 31, 2023 and 2024, there were unused commitment line agreements, under which the Company was the lenders, of ¥47,237 million and ¥40,180 million (US$265 million), respectively.

32. Subordinated Debt and Other Liabilities

As of March 31, 2023 and 2024, other liabilities included subordinated debt of ¥390,600 million and ¥390,600 million (US$2,579 million), respectively, whose repayment is subordinated to other obligations.

33. Bonds Payable

As of March 31, 2023 and 2024, bonds payable included foreign currency-denominated subordinated bonds of ¥368,715 million and ¥368,715 million (US$2,435 million), respectively, whose repayment is subordinated to other obligations.

34. Accounting for corporate tax and local corporate tax or deferred tax accounting relating to these taxes

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

Ⅳ. NOTES TO THE CONSOLIDATED STATEMENT OF EARNINGS

1. Accounting Policies for Premium and Other Income and Benefits and Claims for the Company

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

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

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

(2) Reinsurance Income

Reinsurance income is recorded as amounts equivalent to the portion reinsured under reinsurance contracts out of the amounts paid as claims, etc. under direct insurance contracts at the time when those claims, etc. are paid.

(3) Benefits and claims (excluding ceding reinsurance commissions)

Benefits and claims (excluding ceding reinsurance commissions) are recorded for contracts for which amounts calculated under policy conditions have been paid in the occurrence of insured events under the policy conditions by the relevant amounts paid.

In accordance with Article 117 of the Insurance Business Act, reserves for outstanding claims are set aside for claims, etc. for which the Company has a payment due but has not paid, or for which the occurrence of the insured events has not been reported but the Company finds that insured events have already occurred, as of the end of the fiscal year.

(4) Ceding reinsurance commissions

Ceding reinsurance commissions are recorded in agreed amounts in accordance with reinsurance contracts at the time either when insurance premiums under direct insurance contracts are received, or when the reinsurance contracts are entered into.

Part of policy reserves and reserves for outstanding claims corresponding to insurance contracts which have been reinsured is not set aside in accordance with Article 71, Paragraph 1 and Article 73, Paragraph 3 of the Ordinance for Enforcement of the Insurance Business Act.

2. Net Income per Share

Net income per share for the fiscal year ended March 31, 2023 and 2024 were ¥27,423,671.54 and ¥34,289,589.08 (US$226,468.45), respectively. Diluted net income per share for the same period is not presented because there were no existing diluted shares.

3. Impairment Losses on Fixed Assets

Details of impairment losses on fixed assets for the fiscal year ended March 31, 2023 and 2024 were as follows:

(1) Method of Grouping Assets

Real estate and other assets used for insurance business purposes are recognized as one asset group. 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, 2023 were as follows:

Asset Group	Place	Number	Impairment Losses: Land	Leasehold right	Buildings	Total
			(Unit: million yen)			
Real estate not in use	Chuo-ku, Tokyo and others	19	9,082	3,402	3,396	15,881

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

Asset Group	Place	Number	Impairment Losses					
			Land	Buildings	Total	Land	Buildings	Total
			(Unit: million yen)			(Unit: million US dollars)		
Real estate not in use	Chiyoda-ku, Tokyo and others	16	4,063	1,243	5,307	26	8	35

(4) Calculation of Recoverable Value

Value in use or net sale value is used as the recoverable value of real estate for rent, and net sale value is used as the recoverable value of real estate not in use. Discount rates of 2.00% and 1.89% for the fiscal year ended March 31, 2023 and 2024, respectively, were applied for discounting future cash flows in the calculation of value in use. Estimated disposal value, appraisal value based on real estate appraisal standards, or appraisal value based on publicly assessed land value for tax purposes is used as the net sale value.

V. NOTES TO THE CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended March 31,		
	2023	2024	2024
	(Unit: million yen)		(Unit: million US dollars)
Net unrealized gains (losses) on securities, net of tax			
Amount incurred during the year	(737,999)	1,412,475	9,328
Amount reclassified	(103,983)	(168,453)	(1,112)
Before tax adjustment	(841,983)	1,244,022	8,216
Tax effect	235,165	(347,455)	(2,294)
Net unrealized gains (losses) on securities, net of tax	(606,817)	896,567	5,921
Deferred hedge gains (losses)			
Amount incurred during the year	(31,422)	(94,180)	(622)
Amount reclassified	9,175	3,455	22
Before tax adjustment	(22,246)	(90,725)	(599)
Tax effect	6,213	25,339	167
Deferred hedge gains (losses)	(16,033)	(65,385)	(431)
Foreign currency translation adjustments			
Amount incurred during the year	(79)	245	1
Amount reclassified	-	-	-
Before tax adjustment	(79)	245	1
Tax effect	-	-	-
Foreign currency translation adjustments	(79)	245	1
Remeasurements of defined benefit plans, net of tax			
Amount incurred during the year	9,141	139,130	918
Amount reclassified	9,329	(8,086)	(53)
Before tax adjustment	18,470	131,044	865
Tax effect	(5,158)	(36,600)	(241)
Remeasurements of defined benefit plans, net of tax	13,311	94,444	623
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method			
Amount incurred during the year	(0)	0	0
Amount reclassified	-	-	-
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	(0)	0	0
Total other comprehensive income	(609,618)	925,870	6,114

Ⅵ. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

1. Scope of Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statement of cash flows consist of cash on hand, demand deposits and short-term investments with a maturity of three months or less from the date of acquisition, which are readily convertible into cash and have an insignificant risk of changes in value.

Ⅶ. NOTES TO THE CONSOLIDATED STATEMENT OF CHANGE IN NET ASSETS

1. For the Year Ended March 31, 2023

(1) Type and Number of Shares Outstanding

	Year ended March 31, 2023			
	At the beginning of the year	Increase during the year	Decrease during the year	At the end of the year
	(Unit: thousands shares)			
Common stock	6	-	-	6

(2) Dividends on Common Stock

(a) Cash Dividends

Date of resolution	June 15, 2022 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥199,776 million
Dividends per share	¥33,296,000
Record date	March 31, 2022
Effective date	June 16, 2022
Dividend resource	Retained earnings

(b) Dividends, the record date of which was March 31, 2023, to be paid out in the year ending March 31, 2024

a) Dividends

Date of resolution	June 21, 2023 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥165,646 million
Dividends per share	¥27,607,800
Record date	March 31, 2023
Effective date	June 22, 2023
Dividend resource	Retained earnings

Date of resolution	June 21, 2023 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥49,999 million
Dividends per share	¥8,333,300
Record date	March 31, 2023
Effective date	June 22, 2023
Dividend resource	Capital surplus

b) Dividends in Kind

Date of resolution	June 21, 2023 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Type of the dividend property	Securities
Book value of the dividend property	¥20,473 million
Record date	March 31, 2023
Effective date	June 22, 2023
Dividend resource	Capital surplus

2. For the Year Ended March 31, 2024

(1) Type and Number of Shares Outstanding

	Year ended March 31, 2024			
	At the beginning of the year	Increase during the year	Decrease during the year	At the end of the year
	(Unit: thousands shares)			
Common stock	6	-	-	6

(2) Dividends on Common Stock

(a) Cash Dividends

Date of resolution	June 21, 2023 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥165,646 million (US$1,094 million)
Dividends per share	¥27,607,800 (US$182,338)
Record date	March 31, 2023
Effective date	June 22, 2023
Dividend resource	Retained earnings

Date of resolution	June 21, 2023 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥49,999 million (US$330 million)
Dividends per share	¥8,333,300 (US$55,037)
Record date	March 31, 2023
Effective date	June 22, 2023
Dividend resource	Capital surplus

(b) Dividends in Kind

Date of resolution	June 21, 2023 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Type of the dividend property	Securities
Book value of the dividend property	¥20,473 million (US$135 million)
Dividends per share	¥3,412,274 (US$22,536)
Record date	March 31, 2023
Effective date	June 22, 2023
Dividend resource	Capital surplus

Date of resolution	December 18, 2023 (at the Extraordinary General Meeting of Shareholders) (*)
Type of shares	Common stock
Type of the dividend property	Securities
Book value of the dividend property	¥966 million (US$6 million)
Dividends per share	¥161,160 (US$1,064)
Record date	-
Effective date	March 1, 2024
Dividend resource	Capital surplus

(*) At the Extraordinary General Meeting of Shareholders on December 18, 2023, the Company decided to transfer the securities the Company held to Dai-ichi life Holdings, Inc. as a dividend in kind, and carried it out on March 1, 2024.

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

Date of resolution	June 19, 2024 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥203,881 million (US$1,346 million)
Dividends per share	¥33,980,300 (US$224,425)
Record date	March 31, 2024
Effective date	June 20, 2024
Dividend resource	Retained earnings

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, 2024, 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, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the disclosure documents that contain or accompany the audited financial statements, but does not include the financial statements, and our auditor's report thereon.

We do not perform any work on the other information as we determine such information does not exist.

Responsibilities of Management and Audit and Supervisory Board Members and the Audit and Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit and Supervisory Board Members and the Audit and Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit and Supervisory Board Members and the Audit and Supervisory Board regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2024 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

Hatsumi Fujiwara
Designated Engagement Partner
Certified Public Accountant

Yuta Kasuga
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
September 30, 2024

Solvency Margin Ratio

(1) Dai-ichi Life Holdings, Inc.

Consolidated Solvency Margin Ratio

(Unit: million yen)

		As of March 31, 2023	As of March 31, 2024
Total solvency margin (A)		5,975,158	7,046,400
Common stock, etc. (*1)		1,279,814	1,209,325
Reserve for price fluctuations		305,588	324,391
Contingency reserve		700,768	690,964
Catastrophe loss reserve		5,431	6,567
General reserve for possible loan losses		1,506	3,227
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% (*2)		994,789	2,161,578
Net unrealized gains (losses) on real estate × 85% (*2)		378,466	388,716
Sum of unrecognized actuarial differences and unrecognized past service cost		32,338	163,389
Policy reserves in excess of surrender values		2,305,927	2,345,292
Qualifying subordinated debt		923,715	923,715
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt		(732,013)	(740,322)
Total margin related to small amount and short-term insurance		0	0
Excluded items		(285,591)	(483,270)
Others		64,416	52,822
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)	1,697,186	2,034,497
Insurance risk	R_1	166,136	160,563
General insurance risk	R_5	14,892	23,020
Catastrophe risk	R_6	1,788	1,773
3rd sector insurance risk	R_8	188,213	181,665
Small amount and short-term insurance risk	R_9	0	0
Assumed investment yield risk	R_2	207,478	217,828
Guaranteed minimum benefit risk	R_7 (*3)	74,625	77,468
Investment risk	R_3	1,335,020	1,660,968
Business risk	R_4	39,763	46,465
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$		704.1%	692.6%

*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, 2023	As of March 31, 2024
Total solvency margin (A)	5,522,299	6,558,659
Total risk (B)	1,276,100	1,516,310
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$	865.4%	865.0%

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.

Consolidated Solvency Margin Ratio (Unit: million yen)

	As of March 31, 2023	As of March 31, 2024
Total solvency margin (A)	5,359,924	6,470,979
Total risk (B)	1,214,222	1,437,866
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$	882.8%	900.0%

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, 2023	As of March 31, 2024
Total solvency margin (A)	465,567	541,111
Total risk (B)	211,351	257,672
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$	440.5%	419.9%

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

(4) The Neo First Life Insurance Company, Limited

Solvency Margin Ratio (Unit: million yen)

	As of March 31, 2023	As of March 31, 2024
Total solvency margin (A)	49,368	39,064
Total risk (B)	2,280	2,640
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$	4,329.0%	2,958.5%

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

(5) ipet Holdings, Inc.

Consolidated Solvency Margin Ratio (Unit: million yen)

	As of March 31, 2023	As of March 31, 2024
Total solvency margin (A)	11,074	13,754
Total risk (B)	8,666	9,617
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$	255.5%	286.0%

Note: The above figures are calculated based on Article 210-11-3 and 210-11-4 of the Enforcement Regulations of Insurance Business Act, and Notification of the Financial Services Agency No. 23, 2011

(6) ipet Insurance Co., Ltd.

Solvency Margin Ratio (Unit: million yen)

	As of March 31, 2023	As of March 31, 2024
Total solvency margin (A)	11,828	13,993
Total risk (B)	8,666	9,617
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$	272.9%	290.9%

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

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

Solvency Margin Ratio (Unit: million yen)

	As of March 31, 2023	As of March 31, 2024
Total solvency margin (A)	829	767
Total risk (B)	0	0
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$	2,922,192.9%	1,946,181.8%

Note: The figures are calculated based on Article 211-59 and 211-60 of the Enforcement Regulations of Insurance Business Act, and Notification of the Financial Services Agency No. 14, 2006.

Glossary of Terms

Adjusted profit/ Group adjusted profit	A unique indicator used by the Company that determines funds to be paid to shareholders. Constitutes the sum of adjusted profit at each group company. Adjusted profit at each group company generally indicates profit on a cash basis. As a holding company, the Company conducts shareholder returns based largely on the dividends that it receives from each group company.
Adjusted ROE/ Group adjusted ROE	Group adjusted ROE = Adjusted profit ÷ (Net assets − (goodwill + unrealized gains or losses on fixed-income assets (net of tax) + cumulative gains or losses on market value adjustment (MVA) (net of tax), etc.))
CSA	Control Self-Assessment (CSA) is a set of activities performed by managers and personnel in charge who are familiar with the tasks to identify inherent risks and to perform self-assessments on the significance and strength of risk control and attempt to curb risks and make necessary operational improvements.
CX	Customer Experience (CX) is a concept that emphasizes the psychological and emotional value experienced by customers through all contact points with our Group.
DE&I	Diversity, Equity & Inclusion (DE&I) is a concept aimed at creating an environment in which all employees are treated equitably, and in which there is respect among diverse employees to demonstrate their individual strengths.
DX	Digital Transformation (DX) is a concept of promoting advanced IT technologies to transform and improve people's quality of life.
ERM	Enterprise Risk Management (ERM) is a set of activities for formulating corporate plans, capital policies, etc., in accordance with capital, risk, and profit positions based on the attribution, type, and characteristics of risk, and promoting business activities accordingly. More specifically, ERM is a management concept in which risk is properly controlled to secure financial soundness while capital is allocated to operations, etc., that can be anticipated to yield greater profit to materialize improved capital efficiency and corporate value.
ESR	Economic Solvency Ratio (ESR) is a solvency indicator valuing assets and liabilities based on a fair value (mark-to-market) basis. Indicates economic capital relative to the risk amount under a certain stress scenario.
EV	Embedded Value (EV) is an indicator of corporate value attributable to shareholders. EV is the sum of adjusted net worth following necessary revisions to the amount of net assets on the balance sheet and the value of in-force business, which represents the present value of future profits on in-force business, net of tax.
Financial Well-being	Financial well-being is a state of financial security whereby there is the freedom to choose how to enjoy one's life.
Free cash	Surplus capital under the strictest standards among accounting capital, financial soundness and economic solvency ratio.
GHG	Greenhouse Gases (GHG) such as carbon dioxide, methane, dinitrogen monoxide, and chlorofluorocarbons that absorb heat from the sun (infrared radiation) reflected from the earth's surface, and which contribute to global warming when they accumulate in the atmosphere.
NPS®*	Net Promoter Score (NPS®) is an indicator of customer loyalty (the degree of attachment and confidence in a company or brand) and provides a measurement for the degree of recommending (products, services, brand) to friends or acquaintances, thereby going deeper than a customer satisfaction metric. *NPS® is a registered trademark of Bain & Company, Fred Reichheld, and Satmetrix Systems.
ROEV	Return on Embedded Value (ROEV) is an indicator measuring the growth of corporate value with increments in EV that are considered to be profit after taking into account the specificity of life insurance accounting.
TSR	Total Shareholder Return (TSR) is a total investment return for shareholders after adding capital gains and dividend income.
Well-being	Well-being refers to living a prosperous and healthy life with peace of mind and being in a state of happiness. The Group aims to contribute to the well-being of all, including future generations, through four experiential values.

Alphabetical order

Note on the Publication of the Dai-ichi Life Holdings Integrated Report 2024

For more than 120 years since our founding in 1902 as Japan's first mutual company, the Group has woven a history of value creation through transformational change in collaboration with a diverse range of stakeholders. To deepen understanding about the story of the Group's medium- to long-term value creation among all our stakeholders, we have issued an integrated report since FY2016, when we shifted to a holding company structure following our demutualization as a company limited. Based on the opinions of institutional investors and those involved in the capital markets, evaluations by external organizations, and guidelines set by the government and other organizations, we have made a series of improvements in order to communicate our ideas in an easier-to-understand manner.

There are two major points that we would like to emphasize. The first is about the value-creation process. In addition to the Group's newly formulated corporate philosophy, which coincides with the start of the new mid-term management plan, we have redefined "Core Materiality" as a key issue to be addressed by the Group on a priority basis and have reviewed the organizational structure to clarify the Group's Vision for FY2030 and the link to management strategies to achieve this vision.

The second point relates to Benefit One, which became a wholly owned subsidiary of the Company in May 2024. The process from the release of the TOB notice in December 2023 to the acquisition of the company as a wholly owned subsidiary involved a series of twists and turns, and in this year's integrated report, we asked the directors to talk about what went on behind the scenes of the deal, focusing on discussions at the board meetings, in the "Roundtable Discussion by the Directors" section. Also, as of the time of the publication of this report, we are amid conducting PMI, but I have asked Mr. Shiraishi, the president of Benefit One, to discuss his vision for the future toward the realization of synergies in the discussion section of the report. The contents of each of these sections are presented in their original form with minimal editing by the secretariat. We hope you will enjoy reading them.

Lastly, as the executive officer responsible for editing this report, I would like to state that the process used to prepare the integrated report is legitimate and the information contained in it is accurate. We will continue to use this report to deepen our understanding with as many of our stakeholders as possible through ongoing dialogue with them.

We will continue to consider the question of what information investors, shareholders and other stakeholders are seeking and what kind of expectations they have of us. We will strive to make further progress and improvements in the content of our disclosures. We appreciate your honest feedback and suggestions.

Executive Officer Akifumi Kai

Sustainability Data/Third-Party Warranty

Please visit our website for detailed sustainability data and third-party guarantees.

Sustainability data

https://www.dai-ichi-life-hd.com/en/sustainability/data/index.htm

Third-party warranty

- Japan Quality Assurance Organization
  https://www.dai-ichi-life-hd.com/en/sustainability/data/pdf/index_002.pdf
- The Association for NFI-Assurance
  https://www.dai-ichi-life-hd.com/en/sustainability/data/pdf/index_003.pdf

Inquiries

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https://www.dai-ichi-life-hd.com/en/contact.html

Forward-Looking Statements

Statements contained herein that relate to the future operating performance of the Company are forward-looking statements. Forward-looking statements might include, but are not limited to, words such as "believe," "anticipate," "plan," "strategy," "expect," "forecast," "predict," "possibility," and similar words that describe future operating activities, business performance, events, or conditions. Forward-looking statements are based on judgments made by the Company's management based on information that is currently available and are subject to significant assumptions. As such, these forward-looking statements are subject to various risks and uncertainties and actual business results could vary substantially from the forecasts expressed or implied in forward-looking statements.

Consequently, you are cautioned not to place undue reliance on forward-looking statements. The Company disclaims any obligation to revise forward-looking statements given new information, future events, or other findings.

Dai-ichi Life Holdings

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VEGETABLE OIL INK

UD FONT