[Unofficial Translation]

May 14, 2021

Seiji Inagaki
President and Representative Director
Dai-ichi Life Holdings, Inc.
Code: 8750 (TSE First section)

Supplementary Materials for the Fiscal Year Ended March 31, 2021
(The Dai-ichi Life Insurance Company, Limited)

May 14, 2021

Financial Results for the Fiscal Year Ended March 31, 2021

The Dai-ichi Life Insurance Company, Limited (the "Company"; President: Seiji Inagaki) announces its financial results for the fiscal year ended March 31, 2021.

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Attached: Supplementary Materials for the Fiscal Year Ended March 31, 2021.

For further information please contact:

Corporate Planning Dept.,
The Dai-ichi Life Insurance Company, Limited
TEL: +81-(0)50-3780-6930/7204

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

1. Business Highlights

(1) Annualized Net Premium

Policies in Force

(billions of yen)

	As of March 31, 2020		As of March 31, 2021	
		% of March 31, 2019 total		% of March 31, 2020 total
Individual insurance	1,571.3	98.6	1,538.2	97.9
Individual annuities	539.1	100.5	538.7	99.9
Total	2,110.4	99.1	2,076.9	98.4
Medical and survival benefits	694.7	102.9	696.8	100.3

New Policies

(billions of yen)

	As of March 31, 2020		As of March 31, 2021	
		% of March 31, 2019 total		% of March 31, 2020 total
Individual insurance	74.1	92.2	51.8	69.9
Individual annuities	15.5	103.2	9.7	63.1
Total	89.6	94.0	61.6	68.7
Medical and survival benefits	54.7	89.2	36.7	67.0

Note: 1. Annualized net premium is calculated by using multipliers for various premium payment terms to the premium per payment. In single premium contracts, the amount is calculated by dividing the premium by the duration of the policy.
2. Annualized net premium for medical and survival benefits includes (a) premium related to medical benefits such as hospitalization and surgery benefits, (b) premium related to survival benefits such as specific illness and nursing benefits, and (c) premium related to premium waiver benefits, in which disability cause is excluded but causes such as specific illness and nursing care are included.
3. New policies include net increase by conversion.

(2) Sum Insured of Policies in Force and New Policies

Policies in Force

	As of March 31, 2020			
	Number of policies		Amount	
	(thousands)	% of March 31, 2019 total	(billions of yen)	% of March 31, 2019 total
Individual insurance	18,486	122.3	89,604.0	93.5
Individual annuities	2,091	102.7	11,205.8	99.4
Individual insurance and annuities	20,577	120.0	100,809.9	94.1
Group insurance	-	-	49,053.0	101.4
Group annuities	-	-	6,282.5	101.4

	As of March 31, 2021			
	Number of policies		Amount	
	(thousands)	% of March 31, 2020 total	(billions of yen)	% of March 31, 2020 total
Individual insurance	20,274	109.7	83,664.3	93.4
Individual annuities	2,093	100.1	11,012.6	98.3
Individual insurance and annuities	22,367	108.7	94,676.9	93.9
Group insurance	-	-	50,842.5	103.6
Group annuities	-	-	6,446.9	102.6

Note: 1. Policy amount in force of individual annuities is equal to (a) the funds to be held at the time annuity payments are to commence for an annuity for which payment has not yet commenced, and (b) the amount of policy reserve for an annuity for which payments have commenced.
2. Policy amount in force of group annuities is equal to the amount of outstanding corresponding policy reserve.
3. For products covered by multiple insurance agreements after April 2018, the number of policies for each product is shown as one.

New Policies

	Year ended March 31, 2020					
	Number of policies		Amount			
	(thousands)	% of March 31, 2019 total	(billions of yen)	New Business	Net increase by conversion	% of March 31, 2019 total
Individual insurance	4,627	104.0	850.1	2,585.9	(1,735.8)	72.6
Individual annuities	125	99.7	432.2	437.5	(5.3)	102.5
Individual insurance and annuities	4,753	103.9	1,282.3	3,023.5	(1,741.1)	80.5
Group insurance	-		316.7	316.7		63.0
Group annuities	-		0.0	0.0		51.8

	Year ended March 31, 2021					
	Number of policies		Amount			
	(thousands)	% of March 31, 2020 total	(billions of yen)	New Business	Net increase by conversion	% of March 31, 2020 total
Individual insurance	3,242	70.1	126.3	1,509.0	(1,382.6)	14.9
Individual annuities	69	54.9	251.9	254.6	(2.7)	58.3
Individual insurance and annuities	3,311	69.7	378.3	1,763.6	(1,385.3)	29.5
Group insurance	-		190.8	190.8		60.2
Group annuities	-		0.1	0.1		285.8

Note: 1. Number of new policies is the sum of new business and policies after conversion.
2. Amount of new policies for individual annuities, both new business and net increase by conversion, is equal to the funds to be held at the time annuity payments are to commence.
3. Amount of new policies for group annuities is equal to the initial premium payment.
4. For products covered by multiple insurance agreements after April 2018, the number of policies for each product is shown as one.

2. Policies in Force as of March 31, 2021 by Benefit

	Individual insurance (I)		Individual annuities (II)		Group insurance (III)		Total (I+II+III)	
	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)
Death benefits								
general	19,391	72,537.0	—	0.0	25,126	50,837.5	44,517	123,374.5
accidental	[2,022]	[8,389.4]	[996]	[430.7]	[2,683]	[1,394.4]	[5,702]	[10,214.6]
others	[0]	[0.0]	—	—	[65]	[60.7]	[65]	[60.7]
Survival benefits	882	11,127.2	2,093	11,012.6	6	5.0	2,982	22,144.9
Hospitalization benefits								
accidental	[8,865]	[47.7]	[42]	[0.2]	[1,329]	[0.7]	[10,236]	[48.6]
illness	[8,850]	[47.6]	[42]	[0.2]	[0]	[0.0]	[8,893]	[47.8]
others	[3,238]	[20.0]	[32]	[0.1]	[70]	[0.1]	[3,342]	[20.3]
Injury benefits	[5,417]	—	[56]	—	[2,438]	—	[7,911]	—
Surgery benefits	[8,477]	—	[42]	—	—	—	[8,520]	—

	Group annuities (IV)		Financial insurance (V)		Financial annuities (VI)		Total (IV+V+VI)	
	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)
Survival benefits	7,845	6,446.9	61	258.9	34	74.9	7,941	6,780.8

	Medical care insurance	
	Number (thousands)	Amount (billions of yen)
Hospitalization benefits	421	1.1

	Group disability	
	Number (thousands)	Amount (billions of yen)
Disability benefits	18	1.2

Note:

1. Figures in [ ] show numbers and amounts of additional benefits and of benefits to be paid from riders.
2. Numbers of group insurance, group annuities, financial insurance, financial annuities, medical care insurance and group disability show the numbers of insureds.
3. Amounts in 'Survival benefits' show the sum of (a) the funds to be held at the time annuity payments are to commence for an annuity for which payment has not yet commenced, and (b) the amount of policy reserve for an annuity for which payments have commenced for individual annuities, group insurance (annuity riders) and financial annuities. The amounts in 'Survival benefits' show the amount of outstanding corresponding policy reserve for group annuities, financial insurance and others.
4. Amounts in 'Hospitalization benefits' show the amount of hospitalization benefit to be paid per day.
5. Amount in 'Hospitalization benefits' for medical care insurance shows the daily amount to be paid for hospitalization from illness.
6. Amount in group disability insurance shows the amount of disability benefits paid per month.
7. The number of insureds and amount of policies for reinsurance written were 2,095 thousand and 18,466.8 billion yen, respectively.

3.Investment of General Account Assets in Fiscal 2020

(1) Investment Status of Assets in Fiscal 2020

①Operational environment

In fiscal 2020, the Japanese economy deteriorated significantly, particularly in domestic demand, due to the impact of the spread of the new Corona Virus. The economy fell sharply in the second quarter, and then recovered rapidly from the summer due to policy effects and other factors. However, the economy deteriorated again at the beginning of the year, partly due to the second emergency declaration. Overseas economies have picked up sharply from the sharp decline in the first half of the year against the backdrop of large-scale fiscal support measures and other factors, in addition to China's growth by holding down the new Corona Virus relatively early.

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

<Domestic interest rates>

Yields on 10-year JGBs continued to be controlled at around 0% as the Bank of Japan kept the policy interest rate unchanged while providing support for corporate financing in response to the economic downturn caused by the spread of the new Corona Virus. However, toward the end of the fiscal year, the Bank of Japan revised its policy toward the continuation of monetary easing, and U.S. interest rates rose significantly, resulting in a slight increase.

Yield on ten-year government bonds:	April 1, 2020	0.010%
	March 31, 2021	0.090%

<Domestic stocks>

The Nikkei Stock Average continued to rise in FY 2020 due to expectations for recovery in corporate performance following the resumption of economic activity, expectations for the supply of vaccines, and support from financial and fiscal policies, despite a significant decline in the Nikkei Stock Average against the background of the spread of infection with the new coronavirus toward the end of the previous fiscal year. At one point, the price is in the ¥30000 range, reaching a new high for the first time since 1990.

Nikkei 225 Stock Average:	April 1, 2020	18,917
	March 31, 2021	29,178
TOPIX:	April 1, 2020	1,403
	March 31, 2021	1,954

<Foreign Currency>

The yen appreciated against the U.S. dollar, mainly due to the narrowing of the interest rate differential between Japan and the United States against the backdrop of the substantial reduction in interest rates by the Federal Reserve (FRB). However, from the beginning of the year to the end of the fiscal year, U.S. interest rates rose sharply due to the expectation of a recovery in the U.S. economy and other factors, and rapidly reversed the yen's depreciation.

With regard to the yen/euro, the establishment of the Reconstruction Fund and other policy measures in Europe were highly evaluated, and the euro was easily purchased amid the trend of a weaker dollar, and the euro remained on a strong trend. In addition, the yen depreciated toward the end of the fiscal year due to expectations of a global economic recovery, and the yen/euro rate rose further.

yen /U.S. dollar:	April 1, 2020	¥108.83
	March 31 2021	¥110.71
yen/euro:	April 1, 2020	¥119.55
	March 31, 2021	¥129.80

②Investment Performance Overview

<Assets>

With regard to asset management in fiscal 2020, we continued to invest mainly in fixed income assets, such as public and corporate bonds, based on our risk-taking policy and medium-to long-term asset management policy. In particular, in order to promote the reduction of market-related risks such as interest rate risk and market risk associated with stockholdings in order to ensure financial soundness against financial market fluctuations and improve capital efficiency, the Bank increased the amount of policy-reserve-matching bonds, mainly super-long-term government bonds, and sold stocks.

With regard to foreign securities and other risky assets, the Group flexibly allocated funds while paying attention to market trends. At the same time, from the perspective of improving the profitability of its portfolio and diversifying investments, the Group promoted investments and loans in the infrastructure field and investments in alternative assets and real assets.

Assets	Operational status
Bonds and debentures	**Increase** In order to promote the reduction of interest rate risk, we increased policy-reserve-matching bonds, mainly super-long-term JGBs. With regard to credit risk assets such as corporate bonds and securitized products, the overall amount outstanding increased due to the strengthening of selection based on credit spreads commensurate with risk and the diversification of issues.
Loans receivable	**Increase** The balance increased due to the execution of new loans. While taking into account trends in credit spreads in the corporate bond market, the Company made loans with the goal of earning excess returns commensurate with credit risk.
Domestic stocks	**Increase** In order to improve the profitability of our portfolio, we worked to invest in fields and companies that we expect to grow over the medium to long term, based on corporate surveys conducted by our analysts. On the other hand, the Company sold shares to promote the reduction of market risk associated with stockholdings, but the balance increased due to an increase in market value.
Foreign bonds and debentures	**Increase** The balance increased as a result of the accumulation of balances from the viewpoint of improving the profitability of the portfolio and diversification. We also worked to control risk by diversifying bond types and currencies to improve investment efficiency.
Foreign Stocks	**Increase** The balance increased as a result of flexible fund allocation while paying attention to market trends. In addition, we diversified our manager and investment styles and strengthened regional diversification by utilizing in-house management and external management companies.
Real estate	**Decrease** The balance decreased due to depreciation and other factors, while new acquisitions of properties were made. In addition to investing in high-quality offices, in order to diversify applications, we sought to improve the profitability and soundness of our portfolio by promoting investments in new properties, such as housing, commerce, and logistics, and by replacing properties based on occupancy status, regional characteristics, and age.

(NOTE)Changes in each asset are based on the balance sheet value.

<Balance of Payments>

Investment income increased by ¥154.9 billion year on year to ¥1.2292 trillion, as the increase in interest and dividend income and gain on sales of securities exceeded the decrease in income from derivatives. Loss on sales of marketable securities and the increase in expenses on derivatives exceeded the decrease in unrealized losses on securities, resulting in the year-on-year increase of ¥110.0 billion to ¥408.1 billion in investment expenses.

As a result, net investment income in the general account improved by ¥44.9 billion year on year to ¥821.1 billion.

③Outlook for the Operational Environment in Fiscal 2021

In fiscal 2021, the Japanese economy is expected to pick up due to progress in vaccination, although there is still a high degree of uncertainty due to the spread of the infectious disease of the new corona vaccine. However, it is expected that it will take time for the vaccine to become fully widespread, and various constraints will remain until then. Therefore, the Japanese economy is not expected to regain the level prior to the spread of the Corona infections during fiscal 2021. On the other hand, the U.S. economy is expected to recover rapidly due to large-scale fiscal policy responses and other factors, and monetary policy may move toward monetary easing. Therefore, we assume that the investment environment will continue to be highly volatile.

In addition, we believe that attention should continue to be paid to the increasing volatility of financial markets due to political events and geopolitical risks in each country.

<Domestic interest rates>

Domestic interest rates are forecast to remain at low levels for the foreseeable future as the Bank of Japan's monetary easing policy is expected to continue amid a moderate pace of recovery in the Japanese economy.

<Domestic stocks>

Domestic stocks are expected to continue to be supported by the Bank of Japan's monetary easing policy and the government's economic stimulus measures. In addition, with the progress of vaccination, expectations for a recovery in corporate performance are rising, and stock prices are expected to remain in a high range. On the other hand, we should be mindful of the possibility that volatility will increase due to changes in U.S. monetary policy, a sharp rise in interest rates, political events in each country, and geopolitical risks.

<Foreign currency>

As for the yen/U.S. dollar, we anticipate developments that are influenced by developments in U.S. monetary policy and fiscal expansion. We expect that the U.S. dollar will appreciate if speculation about monetary easing strengthens. On the other hand, we anticipate that the U.S. fiscal expansion will work to depreciate the U.S. dollar, making it difficult for the U.S. to move in one direction. In addition, it is necessary to pay attention to the possibility that volatility will increase due to geopolitical risks, etc.

With regard to the yen/euro, we anticipate that the pace of economic recovery in the euro area will be relatively moderate, as in Japan, but developments will depend on the pace of recovery. However, we think it is necessary to pay attention to the possibility that volatility will increase due to changes in the political situation in Europe.

④Asset Management Policy for Fiscal 2021

With regard to the investment policy for fiscal 2021, we will continue to invest in portfolios centered on fixed income assets such as public and corporate bonds based on our risk-taking policy and medium-to long-term asset management policy. In addition, we will continue risk reduction efforts to ensure financial soundness against financial market fluctuations and improve capital efficiency. In addition, to ensure profitability and strengthen the diversification of portfolio risks, we will actively invest in selective credit investments, investments and loans in the infrastructure field, and investments in alternative assets and real assets.

Assets	Investment policy
Bonds and debentures	**Increase** We will continue stable management as a core asset of ALM. The Company's policy is to reduce interest rate risk by adding policy reserve-matching bonds and implementing asset duration adjustments. In light of the current low interest rate environment, our policy is to actively engage in infrastructure-related and other investments from the perspective of improving investment efficiency within fixed income assets.
Loans receivable	**Remained flat** While we will continue to proactively respond to capital needs in growth areas, the balance is expected to remain largely unchanged due to the impact of redemptions and other factors. In addition, the Bank's policy is to engage in new lending by setting appropriate lending rates, while taking into account the analysis of borrowers' credit risks and credit spread trends in the corporate bond market.
Domestic stocks	**Decrease** The Company's policy is to decrease the amount outstanding due to sales aimed at reducing market risk associated with stockholdings. However, the Company's policy is to flexibly control the balance depending on the level of stock prices, while at the same time implementing reallocation to industries and brands and venture investments based on growth potential and other factors.
Foreign bonds and debentures	**Depending on interest rates and exchange rates** Open foreign exchange bonds will be flexibly allocated in accordance with risk tolerance and exchange rate trends. The Bank will also flexibly adjust the amount outstanding of foreign currency-hedged foreign bonds while taking into account interest rate differentials at home and abroad.
Foreign Stocks	**Depending on the foreign stock price level** The Company's policy is to accumulate alternative assets with the aim of securing profitability and diversifying the risk of its portfolio. However, the Company's policy is to flexibly control the outstanding balance of foreign stocks as a whole, depending on the level of stock prices. We will also work to improve and stabilize the profitability of our portfolio while diversifying investment styles and geographically diversifying.
Real estate	**Increase** The Company's policy is to increase the balance due to new acquisitions of properties and other factors. In order to promote diversification of uses, we will promote investment in new properties such as housing, commerce, and logistics, and improve the profitability and soundness of our portfolio by replacing properties based on occupancy status, regional characteristics, construction age, and other factors.

(2) Investment Income (General account)

(millions of yen)

	Year ended March 31, 2020		Year ended March 31, 2021	
	Amount	%	Amount	%
Interest and dividends	786,512	73.2	836,571	68.1
Interest from bank deposits	4,979	0.5	1,676	0.1
Interest and dividends from securities	656,639	61.1	712,308	57.9
Interest from loans	40,893	3.8	39,132	3.2
Rental income	75,373	7.0	73,700	6.0
Other interest and dividends	8,626	0.8	9,754	0.8
Gains on trading account securities	-	-	-	-
Gains on money held in trust	-	-	4,849	0.4
Gains on investments in trading securities	-	-	-	-
Gains on sale of securities	223,240	20.8	371,297	30.2
Gains on sale of domestic bonds	72,896	6.8	79,550	6.5
Gains on sale of domestic stocks	68,198	6.3	147,417	12.0
Gains on sale of foreign securities	80,868	7.5	142,544	11.6
Others	1,276	0.1	1,784	0.1
Gains on redemption of securities	11,609	1.1	15,370	1.3
Derivative transaction gains	51,944	4.8	-	-
Foreign exchange gains	-	-	-	-
Reversal of reserve for possible loan losses	4	0.0	-	-
Reversal of reserve for possible investment losses	-	-	-	-
Other investment income	1,015	0.1	1,202	0.1
Total	1,074,327	100.0	1,229,291	100.0

(3) Investment Expense (General account)

(millions of yen)

	Year ended March 31, 2020		Year ended March 31, 2021	
	Amount	%	Amount	%
Interest expenses	12,530	4.2	12,358	3.0
Losses on trading account securities	-	-	-	-
Losses on money held in trust	2,216	0.7	-	-
Losses on investments in trading securities	-	-	-	-
Losses on sale of securities	72,761	24.4	125,323	30.7
Losses on sale of domestic bonds	419	0.1	556	0.1
Losses on sale of domestic stocks	13,969	4.7	30,382	7.4
Losses on sale of foreign securities	56,018	18.8	89,606	22.0
Others	2,353	0.8	4,778	1.2
Losses on valuation of securities	57,153	19.2	1,285	0.3
Losses on valuation of domestic bonds	-	-	-	-
Losses on valuation of domestic stocks	36,441	12.2	1,280	0.3
Losses on valuation of foreign securities	20,712	6.9	4	0.0
Others	-	-	-	-
Losses on redemption of securities	5,372	1.8	6,175	1.5
Derivative transaction losses	-	-	172,879	42.4
Foreign exchange losses	93,869	31.5	31,586	7.7
Provision for reserve for possible loan losses	-	-	1,813	0.4
Provision for reserve for possible investment losses	504	0.2	295	0.1
Write-down of loans	40	0.0	43	0.0
Depreciation of real estate for rent and others	13,059	4.4	13,171	3.2
Other investment expenses	40,641	13.6	43,219	10.6
Total	298,149	100.0	408,153	100.0

(4) Asset Composition

(millions of yen)

	As of March 31, 2020		As of March 31, 2021	
	Carrying amount	%	Carrying amount	%
Cash, deposits, and call loans	1,042,316	2.9	768,352	2.0
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	221,147	0.6	252,140	0.7
Trading account securities	-	-	-	-
Money held in trust	34,274	0.1	7,716	0.0
Securities	29,628,634	83.1	32,530,293	85.9
Domestic bonds	15,870,841	44.5	16,740,113	44.2
Domestic stocks	2,786,892	7.8	3,569,109	9.4
Foreign securities	10,073,956	28.3	11,402,677	30.1
Foreign bonds	9,088,395	25.5	9,811,240	25.9
Foreign stocks and other securities	985,560	2.8	1,591,436	4.2
Other securities	896,944	2.5	818,392	2.2
Loans	2,542,025	7.1	2,576,064	6.8
Policy loans	323,486	0.9	292,080	0.8
Ordinary loans	2,218,538	6.2	2,283,983	6.0
Real estate	1,085,716	3.0	1,076,494	2.8
Real estate for rent	767,658	2.2	766,269	2.0
Deferred tax assets	-	-	-	-
Others	1,092,127	3.1	642,315	1.7
Reserve for possible loan losses	(560)	(0.0)	(2,358)	(0.0)
Total	35,645,681	100.0	37,851,018	100.0
Foreign currency-denominated assets	9,571,618	26.9	10,428,868	27.6

Note: "Real estate" represents total amount of land, buildings and construction in progress.

(5) Other Information on Investments

A. Rates of return

(%)

	Year ended March 31, 2020	Year ended March 31, 2021
Cash, deposits, and call loans	0.00	0.03
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	-	-
Monetary claims bought	1.51	1.58
Trading account securities	-	-
Money held in trust	(6.18)	16.56
Securities	2.59	2.60
Domestic bonds	2.31	2.07
Domestic stocks	6.41	10.66
Foreign securities	2.46	2.19
Foreign bonds	2.28	1.51
Foreign stocks and other securities	4.15	7.59
Loans	1.71	1.50
Ordinary loans	1.28	1.16
Real estate	4.57	4.59
Total	2.34	2.36
Foreign investments	2.32	2.18

Note: 1. Rates of return above are calculated by dividing the net investment income included in ordinary profit by the average daily balance on a book value basis.
2. "Foreign investments" include yen-denominated assets.

B. Average daily balance

(billions of yen)

	Year ended March 31, 2020	Year ended March 31, 2021
Cash, deposits, and call loans	841.3	887.2
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	-	-
Monetary claims bought	200.7	233.9
Trading account securities	-	-
Money held in trust	35.8	29.2
Securities	27,532.7	28,718.8
Domestic bonds	15,423.7	15,934.8
Domestic stocks	1,574.0	1,510.1
Foreign securities	9,758.0	10,596.6
Foreign bonds	8,801.6	9,407.6
Foreign stocks and other securities	956.3	1,188.9
Loans	2,399.6	2,572.3
Ordinary loans	2,068.0	2,261.8
Real estate	804.9	779.5
Total	33,232.5	34,753.2
Foreign investments	10,421.9	11,309.7

Note: "Foreign investments" include yen-denominated assets.

C. Valuation gains and losses on trading securities

(millions of yen)

	As of March 31, 2020		As of March 31, 2021	
	Carrying amount on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying amount on the balance sheet	Valuation gains (losses) included in the statement of earnings
Trading securities	34,274	(2,008)	7,716	2,997
Trading account securities	-	-	-	-
Money held in trust	34,274	(2,008)	7,716	2,997

D. Fair value information on securities (securities with fair value except for trading securities)

(millions of yen)

	Book value	Fair value	Gains (losses)		
				Gains	Losses
As of March 31, 2020					
Held-to-maturity bonds	46,919	49,337	2,417	2,417	-
Domestic bonds	46,919	49,337	2,417	2,417	-
Foreign bonds	-	-	-	-	-
Policy-reserve-matching bonds	12,210,408	14,973,288	2,762,880	2,772,602	9,722
Domestic bonds	12,129,401	14,890,946	2,761,545	2,771,255	9,709
Foreign bonds	81,007	82,341	1,334	1,347	12
Stocks of subsidiaries and affiliates	343	241	(101)	-	101
Available-for-sale securities	14,805,957	17,471,128	2,665,170	2,947,125	281,955
Domestic bonds	3,236,843	3,694,520	457,677	461,300	3,623
Domestic stocks	1,476,871	2,737,975	1,261,103	1,372,776	111,672
Foreign securities	9,044,425	9,966,380	921,954	1,070,877	148,922
Foreign bonds	8,144,384	9,007,388	863,003	963,364	100,361
Foreign stocks and other securities	900,041	958,992	58,951	107,512	48,561
Other securities	723,926	740,109	16,182	33,731	17,548
Monetary claims bought	212,889	221,147	8,257	8,440	182
Certificates of deposit	111,000	110,994	(5)	0	5
Total	27,063,628	32,493,995	5,430,367	5,722,145	291,778
Domestic bonds	15,413,164	18,634,804	3,221,640	3,234,973	13,333
Domestic stocks	1,476,871	2,737,975	1,261,103	1,372,776	111,672
Foreign securities	9,125,775	10,048,964	923,188	1,072,224	149,036
Foreign bonds	8,225,391	9,089,730	864,338	964,712	100,373
Foreign stocks and other securities	900,384	959,234	58,850	107,512	48,662
Other securities	723,926	740,109	16,182	33,731	17,548
Monetary claims bought	212,889	221,147	8,257	8,440	182
Certificates of deposit	111,000	110,994	(5)	0	5
As of March 31, 2021					
Held-to-maturity bonds	47,221	48,896	1,675	1,675	-
Domestic bonds	47,221	48,896	1,675	1,675	-
Foreign bonds	-	-	-	-	-
Policy-reserve-matching bonds	13,332,171	15,520,087	2,187,915	2,270,211	82,295
Domestic bonds	13,251,166	15,437,984	2,186,818	2,269,054	82,235
Foreign bonds	81,005	82,102	1,097	1,156	59
Stocks of subsidiaries and affiliates	343	451	108	108	-
Available-for-sale securities	15,646,364	19,167,461	3,521,097	3,740,863	219,766
Domestic bonds	3,034,148	3,441,726	407,577	409,876	2,298
Domestic stocks	1,407,166	3,518,531	2,111,365	2,155,407	44,042
Foreign securities	10,321,085	11,290,708	969,622	1,122,671	153,048
Foreign bonds	8,991,581	9,730,234	738,653	877,549	138,895
Foreign stocks and other securities	1,329,504	1,560,473	230,969	245,121	14,152
Other securities	566,586	593,357	26,770	46,839	20,068
Monetary claims bought	246,377	252,140	5,762	6,068	306
Certificates of deposit	71,000	70,997	(2)	0	2
Total	29,026,100	34,736,897	5,710,796	6,012,858	302,061
Domestic bonds	16,332,535	18,928,607	2,596,071	2,680,605	84,533
Domestic stocks	1,407,166	3,518,531	2,111,365	2,155,407	44,042
Foreign securities	10,402,434	11,373,262	970,828	1,123,936	153,108
Foreign bonds	9,072,587	9,812,337	739,750	878,706	138,955
Foreign stocks and other securities	1,329,847	1,560,924	231,077	245,230	14,152
Other securities	566,586	593,357	26,770	46,839	20,068
Monetary claims bought	246,377	252,140	5,762	6,068	306
Certificates of deposit	71,000	70,997	(2)	0	2

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

* Carrying amount of securities whose fair value is deemed extremely difficult to recognize is as follows:

(millions of yen)

		As of March 31, 2020	As of March 31, 2021
Held-to-maturity bonds		-	-
	Unlisted foreign bonds	-	-
	Others	-	-
Policy-reserve-matching bonds		-	-
Stocks of subsidiaries and affiliates		104,738	176,772
	Unlisted domestic stocks (except over-the-counter stocks)	5,495	5,584
	Unlisted foreign stocks (except over-the-counter stocks)	4,348	5,385
	Others	94,895	165,802
Available-for-sale securities		133,672	131,401
	Unlisted domestic stocks (except over-the-counter stocks)	43,422	44,993
	Unlisted foreign stocks (except over-the-counter stocks)	28,287	27,174
	Unlisted foreign bonds	-	-
	Others	61,962	59,232
Total		238,411	308,173

Note: 1. The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Act.
2. The amounts of foreign exchange valuation gains/losses on foreign securities whose fair value is deemed extremely difficult to recognize and which are listed in the table above are as follows: loss of 6,480 million yen as of March 31, 2020 and loss of 1,841 million yen as of March 31, 2021.

(6) Fair Value Information on Money Held in Trust

(millions of yen)

	Carrying amount on the balance sheet	Fair value	Gains (losses)		
				Gains	Losses
As of March 31, 2020	34,274	34,274	(1,635)	1,844	3,480
As of March 31, 2021	7,716	7,716	3,235	4,677	1,442

Note: Fair value in the table above is based on the valuation conducted by the fiduciary on a reasonable basis.
"Gains (losses)" include gains (losses) from derivative transactions within the trusts.

* The Company held no balance for money held in trust classified as held-to-maturity, policy-reserve-matching and available-for-sale as of March 31, 2020 and March 31, 2021.

4. Unaudited Balance Sheet

(millions of yen)

	As of March 31, 2020	As of March 31, 2021		As of March 31, 2020	As of March 31, 2021
(ASSETS)			(LIABILITIES)		
Cash and deposits	543,121	380,173	Policy reserves and others	30,823,423	30,844,443
Cash	160	0	Reserves for outstanding claims	127,391	148,070
Bank deposits	542,960	380,172	Policy reserves	30,296,289	30,295,374
Call loans	513,800	403,700	Reserve for policyholder dividends	399,742	400,999
Monetary claims bought	221,147	252,140	Reinsurance payable	135,490	1,048
Money held in trust	34,274	7,716	Subordinated bonds	476,277	476,277
Securities	30,283,786	33,467,036	Other liabilities	1,693,171	3,340,249
Government bonds	13,809,257	14,774,895	Payables under repurchase agreements	841,166	2,301,762
Local government bonds	129,433	108,035	Long-term debt and other borrowings	283,000	390,600
Corporate bonds	2,078,289	2,000,852	Corporate income tax payable	20,306	32,372
Stocks	2,900,518	3,713,900	Accounts payable	128,590	32,212
Foreign securities	10,308,387	11,763,263	Accrued expenses	45,970	44,736
Other securities	1,057,900	1,106,089	Unearned revenue	271	391
Loans	2,542,025	2,576,064	Deposits received	58,573	62,025
Policy loans	323,486	292,080	Guarantee deposits received	53,059	52,554
Ordinary loans	2,218,538	2,283,983	Differential account for futures trading	18	-
Tangible fixed assets	1,097,493	1,086,183	Derivatives	139,464	356,963
Land	761,993	758,555	Collateral for financial instruments	82,314	41,339
Buildings	323,539	315,778	Lease liabilities	6,837	5,179
Leased assets	6,740	5,145	Asset retirement obligations	2,096	2,009
Construction in progress	182	2,161	Suspense receipt	2,801	1,180
Other tangible fixed assets	5,036	4,542	Other liabilities	28,701	16,921
Intangible fixed assets	114,309	119,457	Reserve for employees' retirement benefits	398,004	400,138
Software	92,337	96,901	Reserve for retirement benefits of directors, executive officers and corporate auditors	1,188	998
Other intangible fixed assets	21,971	22,556	Reserve for possible reimbursement of prescribed claims	800	800
Reinsurance receivable	6,720	28,084	Reserve for price fluctuations	215,453	233,453
Other assets	1,091,187	553,949	Deferred tax liabilities	79,585	312,227
Accounts receivable	310,854	13,205	Deferred tax liabilities for land revaluation	73,195	71,606
Prepaid expenses	14,705	16,376	Acceptances and guarantees	47,065	52,861
Accrued revenue	157,971	156,694	**Total liabilities**	**33,943,654**	**35,734,105**
Deposits	53,027	65,422	(NET ASSETS)		
Margin money for futures trading	196,215	164,668	Capital stock	60,000	60,000
Differential account for futures trading	-	28	Capital surplus	370,000	370,000
Derivatives	300,742	56,120	Legal capital surplus	60,000	60,000
Collateral for financial products	-	29,119	Other capital surplus	310,000	310,000
Suspense payment	2,799	3,038	Retained earnings	200,155	249,195
Other assets	54,871	49,277	Other retained earnings	200,155	249,195
Customers' liabilities for acceptances and guarantees	47,065	52,861	Reserve for tax basis adjustments of real estate	4,947	8,355
Reserve for possible loan losses	(560)	(2,358)	Reserve for specified business investment	-	49
Reserve for possible investment losses	(807)	(627)	Retained earnings brought forward	195,207	240,789
			Total shareholders' equity	630,155	679,195
			Net unrealized gains (losses) on securities, net of tax	1,916,417	2,536,608
			Deferred hedge gains (losses)	21,312	(3,501)
			Reserve for land revaluation	(17,978)	(22,026)
			Total of valuation and translation adjustments	1,919,752	2,511,080
			Total net assets	**2,549,907**	**3,190,276**
Total assets	**36,493,562**	**38,924,381**	**Total liabilities and net assets**	**36,493,562**	**38,924,381**

5. Unaudited Statement of Earnings

(millions of yen)

	Year ended March 31, 2020	Year ended March 31, 2021
ORDINARY REVENUES	**3,680,689**	**3,811,725**
Premium and other income	2,350,198	2,285,471
Premium income	2,345,183	2,275,617
Reinsurance income	5,015	9,854
Investment income	1,074,327	1,357,114
Interest and dividends	786,512	836,571
Interest from bank deposits	4,979	1,676
Interest and dividends from securities	656,639	712,308
Interest from loans	40,893	39,132
Rental income	75,373	73,700
Other interest and dividends	8,626	9,754
Gains on money held in trust	-	4,849
Gains on sale of securities	223,240	371,297
Gains on redemption of securities	11,609	15,370
Derivative transaction gains	51,944	-
Reversal of reserve for possible loan losses	4	-
Other investment income	1,015	1,202
Gains on investments in separate accounts	-	127,823
Other ordinary revenues	256,163	169,138
Fund receipt for annuity rider of group insurance	487	331
Fund receipt for claim deposit payment	156,231	141,931
Reversal of reserves for outstanding claims	3,258	-
Transfer from policy reserves	57,487	915
Reversal of reserve for employees' retirement benefits	2,818	-
Other ordinary revenues	35,879	25,960
ORDINARY EXPENSES	**3,389,993**	**3,437,925**
Benefits and claims	2,397,490	2,364,631
Claims	623,690	616,314
Annuities	519,868	486,953
Benefits	407,707	378,685
Surrender values	485,414	392,747
Other refunds	88,335	110,789
Ceding reinsurance commissions	272,474	379,140
Provision for policy reserves and others	8,245	28,897
Provision for reserves for outstanding claims	-	20,678
Provision for interest on policyholder dividends	8,245	8,218
Investment expenses	309,488	408,153
Interest expenses	12,530	12,358
Losses on money held in trust	2,216	-
Losses on sale of securities	72,761	125,323
Losses on valuation of securities	57,153	1,285
Losses on redemption of securities	5,372	6,175
Derivative transaction losses	-	172,879
Foreign exchange losses	93,869	31,586
Provision for reserve for possible loan losses	-	1,813
Provision for reserve for possible investment losses	504	295
Write-down of loans	40	43
Depreciation of real estate for rent and others	13,059	13,171
Other investment expenses	40,641	43,219
Losses on investments in separate accounts	11,339	-
Operating expenses	398,500	403,798
Other ordinary expenses	276,268	232,444
Claim deposit payments	197,776	150,515
National and local taxes	29,349	31,236
Depreciation	32,543	36,393
Provision for reserve for employees' retirement benefits	-	1,943
Other ordinary expenses	16,599	12,356
ORDINARY PROFIT	**290,696**	**373,799**
EXTRAORDINARY GAINS	**4,905**	**5,469**
Gains on disposal of fixed assets	4,905	5,469
EXTRAORDINARY LOSSES	**33,888**	**27,554**
Losses on disposal of fixed assets	13,141	6,810
Impairment losses on fixed assets	3,556	2,552
Provision for reserve for price fluctuations	17,000	18,000
Other extraordinary losses	190	190
Provision for reserve for policyholder dividends	**82,500**	**77,500**
Income before income taxes	**179,213**	**274,214**
Corporate income taxes-current	**67,696**	**77,701**
Corporate income taxes-deferred	**(17,152)**	**436**
Total of corporate income taxes	**50,544**	**78,138**
Net income	**128,669**	**196,075**

6. Unaudited Statement of Changes in Net Assets

Year ended March 31, 2020

(millions of yen)

	Shareholders' equity					
		Capital surplus			Retained earnings	
					Other retained earnings	
	Capital stock	Legal capital surplus	Other capital surplus	Total capital surplus	Reserve for tax basis adjustments of real estate	Retained earnings brought forward
Balance at the beginning of the year	60,000	60,000	360,000	420,000	2,228	201,915
Changes for the year						
Dividends			(49,999)	(49,999)		(137,148)
Net income						128,669
Transfer to reserve for tax basis adjustments of real estate					2,741	(2,741)
Transfer from reserve for tax basis adjustments of real estate					(22)	22
Transfer from reserve for land revaluation						4,489
Net changes of items other than shareholders' equity						
Total changes for the year	-	-	(49,999)	(49,999)	2,718	(6,707)
Balance at the end of the year	60,000	60,000	310,000	370,000	4,947	195,207

(millions of yen)

	Shareholders' equity		Valuation and translation adjustments				Total net assets
	Retained earnings	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)	Reserve for land revaluation	Total of valuation and translation adjustments	
	Total retained earnings						
Balance at the beginning of the year	204,144	684,144	2,211,147	3,457	(13,488)	2,201,117	2,885,261
Changes for the year							
Dividends	(137,148)	(187,147)					(187,147)
Net income	128,669	128,669					128,669
Transfer to reserve for tax basis adjustments of real estate	-	-					-
Transfer from reserve for tax basis adjustments of real estate	-	-					-
Transfer from reserve for land revaluation	4,489	4,489					4,489
Net changes of items other than shareholders' equity			(294,730)	17,854	(4,489)	(281,365)	(281,365)
Total changes for the year	(3,989)	(53,989)	(294,730)	17,854	(4,489)	(281,365)	(335,354)
Balance at the end of the year	200,155	630,155	1,916,417	21,312	(17,978)	1,919,752	2,549,907

Year ended March 31, 2021

(millions of yen)

	Shareholders' equity						
		Capital surplus			Retained earnings		
					Other retained earnings		
	Capital stock	Legal capital surplus	Other capital surplus	Total capital surplus	Reserve for tax basis adjustments of real estate	Reserve for specified business investment	Retained earnings brought forward
Balance at the beginning of the year	60,000	60,000	310,000	370,000	4,947	-	195,207
Changes for the year							
Dividends							(151,084)
Net income							196,075
Transfer to reserve for tax basis adjustments of real estate					3,418		(3,418)
Transfer from reserve for tax basis adjustments of real estate					(10)		10
Transfer to reserve for specified business investment						49	(49)
Transfer from reserve for land revaluation							4,048
Net changes of items other than shareholders' equity							
Total changes for the year	-	-	-	-	3,408	49	45,581
Balance at the end of the year	60,000	60,000	310,000	370,000	8,355	49	240,789

(millions of yen)

	Shareholders' equity		Valuation and translation adjustments				Total net assets
	Retained earnings	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)	Reserve for land revaluation	Total of valuation and translation adjustments	
	Total retained earnings						
Balance at the beginning of the year	200,155	630,155	1,916,417	21,312	(17,978)	1,919,752	2,549,907
Changes for the year							
Dividends	(151,084)	(151,084)					(151,084)
Net income	196,075	196,075					196,075
Transfer to reserve for tax basis adjustments of real estate	-	-					-
Transfer from reserve for tax basis adjustments of real estate	-	-					-
Transfer to reserve for specified business investment	-	-					-
Transfer from reserve for land revaluation	4,048	4,048					4,048
Net changes of items other than shareholders' equity			620,191	(24,814)	(4,048)	591,328	591,328
Total changes for the year	49,039	49,039	620,191	(24,814)	(4,048)	591,328	640,368
Balance at the end of the year	249,195	679,195	2,536,608	(3,501)	(22,026)	2,511,080	3,190,276

I. NOTES TO THE UNAUDITED BALANCE SHEET AS OF MARCH 31, 2021

1. Valuation Methods of Securities

Securities held by the Company 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 Subsidiaries and Affiliated Companies
Stocks of subsidiaries and affiliated companies are stated at cost determined by the moving average method.

(5) Available-for-sale Securities
a) Available-for-sale Securities with Fair Value
Available-for-sale securities which have market value are valued at fair value at the end of the fiscal year (for domestic stocks, the average value during March), with cost determined by the moving average method.
b) Available-for-sale Securities Whose Fair Values are Extremely Difficult to Recognize
i) Government/Corporate Bonds (including foreign bonds), Whose Premium or Discount Represents the Interest Adjustment
Government/corporate bonds (including foreign bonds), whose premium or discount represents the interest adjustment are valued at the amortized cost determined by the moving average method.
ii) Others
All other securities 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 statement of earnings.

2. Risk Management Policy of Policy-reserve-matching Bonds

The Company categorizes its insurance products into sub-groups by the attributes of each product and, in order to manage risks properly, formulates its policy on investments and resource allocation based on the balance of the sub-groups. Moreover, it 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 are:
a) individual life insurance and annuities,
b) non-participating single premium whole life insurance (without duty of medical disclosure),
c) financial insurance and annuities, and
d) group annuities
with the exception of certain types.

3. Valuation Method of Derivative Transactions

Derivative transactions are reported at fair value.

4. Revaluation of Land

Based on the "Act on Revaluation of Land" (Act No.34, March 31, 1998), land for business use was revalued. The difference between the fair value and book value resulting from the revaluation, net of related deferred taxes, is recorded as a reserve for land revaluation as a separate component of net assets and the related deferred tax liability is recorded as deferred tax liabilities for land revaluation.

(1) Date of revaluation: March 31, 2001

(2) Method stipulated in Article 3, Paragraph 3 of the Act on Revaluation of Land;

The fair value was determined based on the appraisal value publicly announced for tax assessment purposes with certain reasonable adjustments in accordance with Articles 2-1 and 2-4 of the 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 is calculated by the declining balance method (the depreciation of buildings (other than facilities attached to buildings and structures that were acquired on or before March 31, 2016) is calculated by the straight-line method).

Estimated useful lives of major assets are as follows:

Buildings	two to sixty years
Other tangible fixed assets	two to twenty years

Tangible fixed assets other than land, buildings and leased 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.

(2) Amortization of Intangible Fixed Assets Excluding Leased Assets

The Company uses 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 amount of accumulated depreciation of tangible fixed assets as of March 31, 2021 was ¥ 622,492 million.

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

The Company translates foreign currency-denominated assets and liabilities (excluding stocks of its subsidiaries and affiliated companies) into yen at the prevailing exchange rates at the end of the year. Stocks of subsidiaries and affiliated companies are translated into yen at the exchange rates on the dates of acquisition.

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 (hereinafter, "bankrupt obligors") and loans to and claims on obligors that have suffered substantial business failure (hereinafter, "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 a) the recoverable amount covered by the collateral or guarantees and b) an overall assessment of the obligor's ability to repay.

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

For all loans and claims, the relevant department in 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 or guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The amount written off during the fiscal year ended March 31, 2021 was ¥ 1 million.

8. Reserve for Employees' Retirement Benefits

For the reserve for employees' retirement benefits, the amount is provided based on the projected benefit obligations and pension assets as of March 31, 2021.

Accounting treatment of retirement benefit obligations and retirement benefit expenses are as follows:

(1) Allocation of Estimated Retirement Benefits

In calculating the projected benefit obligations, the benefit formula basis is adopted to allocate estimated retirement benefit for the fiscal year ended March 31, 2021.

(2) Amortization of Actuarial Differences and Past Service Cost

Past Service Cost is amortized under the straight-line method over a certain period (seven years) within the employees' average remaining service period.

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.

9. Reserve for Possible Investment Losses

In order to provide for future investment losses, a reserve for possible investment losses of the Company is established for securities whose fair values are extremely difficult to recognize. It is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

10. 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 pursuant to the internal policies is provided.

11. 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.

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) Hedge Accounting

Hedging transactions are accounted for in accordance with the "Accounting Standards for Financial Instruments" (Accounting Standards Board of Japan (ASBJ) Statement No. 10). Primarily, i) special hedge accounting and the deferral hedge method for interest rate swaps are used for cash flow hedges of certain loans, government and corporate bonds, loans payable and bonds payable; ii) the currency allotment method and the deferral hedge method using foreign currency swaps and foreign currency forward contracts are used for cash flow hedges against exchange rate fluctuations in certain foreign currency-denominated bonds, loans, loans payable and bonds payable and certain foreign currency-denominated term deposits and stocks (forecasted transaction); iii) the fair value hedge method using currency options and foreign currency forward contracts is used for hedges against exchange rate fluctuations in the value of certain foreign currency-denominated bonds; iv) the deferral hedge method for bond over-the-counter options is used for hedges against interest rate fluctuations in certain foreign currency-denominated bonds; v) the deferral hedge method and fair value hedge method using equity options and equity forward contracts are used for hedges against price fluctuations in the value of certain domestic stocks and foreign currency-denominated stocks (forecasted transaction), and vi) the deferral hedge method using interest rate swaps is used for hedges against interest rate fluctuations in certain insurance liabilities, under the "Accounting and Auditing Treatment of Application of Accounting Standard for Financial Instruments to Insurance Operators" (Industry Audit Committee Report No. 26 issued by the JICPA).

(2) Hedging Instruments and Hedged Items

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

(3) Hedging Policies

The Company conducts hedging transactions with regard to certain market risk and foreign currency risk of underlying assets to be hedged, in accordance with the internal investment policy and procedure guidelines.

(4) Assessment of Hedge Effectiveness

Hedge effectiveness is assessed primarily by a comparison of fluctuations in cash flows or fair value of hedged items to those of the hedging instruments.

14. Calculation of National and Local Consumption Tax

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

15. Policy Reserve

Policy reserves of the Company are established in accordance with Article 116 of the Insurance Business Act. Insurance premium reserves are calculated as stated 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 as stated in 1) and 2) below:

(1) Reserves for policies subject to the standard policy reserve rules are calculated based on the methods stipulated by the Commissioner of Financial Services Agency (Notification of the Minister of Finance No. 48, 1996).
(2) Reserves for other policies are established based on the net level premium method.

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

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

16. Financial Instruments and Others

(1) Financial Instruments

a) Policies in Utilizing Financial Instruments

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

The Company uses derivatives primarily to hedge market risks associated with its existing asset portfolio and supplement its investment objectives, 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 securities, policy-reserve-matching securities and available-for-sale securities. Those securities are exposed to market fluctuation risk, credit risk and interest rate risk and some of the securities denominated in foreign currency are exposed to foreign currency risk. Also, loans are exposed to credit risk arising from the defaults of obligors.

The Company might be exposed to liquidity risk in certain circumstances in which it cannot make timely payments of principal, interest or other amounts due to unpredictable cash outflows or is forced to raise capital with interest rates substantially higher than usual. Also, some of its loans payable and bonds payable which are floating interest rate based and denominated in foreign currency are exposed to interest rate risk and foreign currency risk.

The Company utilizes i) interest rate swaps to hedge interest rate risk associated with certain of its loans receivable and payable, ii) equity forward contracts to hedge market fluctuation risks associated with domestic stocks, and iii) foreign currency forward contracts, currency options and foreign currency swaps to hedge foreign currency risks associated with certain foreign currency-denominated bonds, foreign currency-denominated short-term deposits and foreign currency-denominated debts, etc. and adopt hedge accounting.

In addition, the company utilizes iv) interest rate swaps to hedge interest rate risk associated with certain insurance liabilities, under the "Accounting and Auditing Treatment of Application of Accounting Standard for Financial Instruments to Insurance Operators" (JICPA Industry Audit Committee Report No. 26).

In applying the hedge accounting, in order to fulfill requirements stipulated in the "Accounting standards for financial instruments" (ASBJ Statement No. 10), 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 and specific risk management procedures, based on the risk characteristics of the categories, and set and manages upper limits of each asset balance and asset allocation weight.

Such management conditions are periodically reported by its risk management sections to the board of directors, etc.

(d) Derivative transactions

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

ii) Credit Risk Management

In accordance with the internal investment policy and credit risk management procedure guidelines, the Company has established a credit management system related to loans, such as preliminary reviews on individual transactions, credit limit setting, credit information management, internal credit rating, attachment of guarantees and collateral, and follow-ups on problem loans. For corporate bond investment, the credit section sets investment caps on individual issuers taking into account internal credit ratings and other factors. Excessive risk-taking is restricted since front offices make investment within those caps. Policies and framework for large-lot borrowers have been formulated in order to prevent credit concentration by monitoring compliance, etc. That credit management has been conducted by the credit and risk management sections, and has been periodically reported to the board of directors, etc. Additionally, the internal audit section has also checked credit management status.

Credit risk of security issuers and counterparty risk with respect to derivative transactions are managed by the credit section, which sets upper limits for each counterparty and financial instrument and periodically monitors credit information, and by the risk management section, which periodically calculates current exposures.

d) Supplementary Explanation for Fair Value of Financial Instruments

As well as the value based on market prices, fair values of financial instruments include values which are reasonably calculated in case market prices do not exist. As the calculation of those values adopts certain assumptions, those values may vary in case different assumptions are applied.

(2) Fair Value of Financial Instruments

The carrying amount on the balance sheet, fair value and differences between carrying amount and fair value as of March 31, 2021 were as follows. The following tables do not include financial instruments whose fair value is extremely difficult to recognize. (Please refer to (Note 2))

As of March 31, 2021	Carrying amount	Fair value	Gains (Losses)
			(Unit: million yen)
(1) Cash and deposits	380,173	380,173	-
(2) Call loans	403,700	403,700	-
(3) Monetary claims bought	252,140	252,140	-
(4) Money held in trust	7,716	7,716	-
(5) Securities			
a. Trading securities	936,743	936,743	-
b. Held-to-maturity bonds	47,221	48,896	1,675
c. Policy-reserve-matching bonds	13,332,171	15,520,087	2,187,915
d. Stock of subsidiaries and affiliate companies	343	451	108
e. Available-for-sale securities	18,844,324	18,844,324	-
(6) Loans	2,576,064		
Reserve for possible loan losses (*1)	(850)		
	2,575,213	2,633,115	57,901
Total assets	36,779,746	39,027,347	2,247,601
(1) Bonds payable	476,277	509,676	33,399
(2) Payable under repurchase agreements	2,301,762	2,301,762	-
(3) Long-term borrowings	390,600	390,394	(205)
Total liabilities	3,168,639	3,201,832	33,193
Derivative transactions (* 2)			
a. Hedge accounting not applied	(5,691)	(5,691)	-
b. Hedge accounting applied	(295,152)	(295,773)	(621)
Total derivative transactions	(300,843)	(301,465)	(621)

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

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

(Note 1) Notes to Methods for Calculating Fair Value of Financial Instruments, Securities and Derivative Transactions

- Assets

(1) Cash and deposits

Since deposits are close to maturity or have no maturity and their fair value is close to the carrying amounts, fair value is based on the carrying amount.

(2) Call loans

Since all call loans are close to the due date and their fair value is close to their carrying amounts, fair value of call loans is based on their carrying amount.

(3) Monetary claims bought

The fair value of monetary claims bought is based on the reasonably calculated prices.

(4) Money held in trust

The fair value of stocks is based on the price on stock exchanges and that of bonds is based on the price on bond markets or price presented by counterparty financial institutions. The fair value of mutual funds is based on unit price.

(5) Securities

The fair value of stocks is based on the price on stock exchanges and that of bonds is based on the price on bond markets or price presented by counterparty financial institutions. The fair value of mutual funds is based on unit price. As for ownership stakes in partnerships, the amount equivalent to partnership interest in fair value of the partnership assets is recorded as fair value of the stake in the partnership.

(6) Loans

The fair value of loans is calculated by discounting future cash flows of the subject loan, using interest rates corresponding to the internal credit rating and remaining period which are assumed to be applied to new loans to the subject borrower.

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

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

- Liabilities

(1) Bonds payable

The fair value of bonds is based on the price on the bond market.

(2) Payables under repurchase agreement

Since payables under repurchase agreements are close to the due date and their fair value is close to their carrying amounts, fair value of payables under repurchase agreements is based on their carrying amount.

(3) Long-term borrowings

The fair value of long-term borrowing is calculated by discounting future cash flows, using interest rates corresponding to internal credit rating and remaining periods which are assumed to be applied to new borrowings.

- Derivative Transactions

The breakdown of derivative transactions is a) currency-related transactions; b) interest-related transactions; c) stock-related transactions; and d) bond-related transactions, etc. The fair value of the instruments is based on the prices on derivatives markets and the prices quoted from financial institutions, etc.

(Note 2) Financial instruments whose fair value is extremely difficult to recognize were as follows and are not included in the fair value of (5) Securities in (Note 1)

As of March 31, 2021	Carrying amount
	(Unit: million yen)
1. Unlisted domestic stocks (*1)(*2) ……	50,578
2. Unlisted foreign stocks (*1)(*2)……	30,619
3. Other foreign securities (*1)(*2)……..	-
4. Other securities (*1)(*2)……	225,035
Total	306,223

(*1) These securities cannot be assigned a market value because of the unavailability of tradable markets, and they are excluded from the disclosure of fair value.

(*2) The Company recorded impairment charges of ¥1,192 million for the fiscal year ended March 31, 2021

17. Real Estate for Rent

The Company owns a number of commercial buildings, including land, for rent in various locations, including Tokyo. Net rental income from such real estate for rent for the fiscal year ended March 31, 2021 was ¥35,836 million. The rental income was included in investment income and the rental expense was included in investment expenses. The Company recorded gains on sale of ¥2,548 million and impairment loss of ¥2,528 million on rental real estate as extraordinary losses for the fiscal year ended March 31, 2021.

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

Carrying amount	(Unit: million yen)
Beginning balance ……	788,201
Net change for the year ……..	(814)
Ending balance ……	787,387
Fair value	1,056,203

(*1)The carrying amount of rental real estate on the balance sheet was acquisition costs net of accumulated depreciation and impairments.
(*2)Net change in the carrying amount includes cost of acquisition of the real estate of ¥30,668 million, sale of the real estate of ¥19,468 million, depreciation expense of ¥13,165 million, and impairment loss of ¥2,528 million.
(*3)The Company calculates the fair value of the majority of the rental real estate based on real estate appraisal standards and assessment by an independent appraiser, and others based on internal but reasonable estimates.

18. Securities Lending

Securities lent under lending agreements are included in the balance sheet. The total balance of securities lent as of March 31, 2021 was ¥2,246,652 million.

19. Problem Loans

As of March 31, 2021, the total amounts of credits to bankrupt borrowers, delinquent loans, loans past due for three months or more, and restructured loans were as follows:

	(Unit: million yen)
Credits to bankrupt borrowers (*1)……..	67
Delinquent loans (*2)……..	3,216
Loans past due for three months or more (*3)…….	-
Restructured loans (*4)……..……	833
Total ……...…….	4,117

(*1) Credits to bankrupt borrowers represent non-accrual loans, excluding the balances already written off, which meet the conditions prescribed in Article 96, Paragraph 1, Item 3, (a) to (e) or Item 4 of the Order for Enforcement of the Corporation Tax Act (Cabinet Order 97, 1965). Interest accruals of such loans are suspended since the principal of or interest on such loans is unlikely to be collected.
(*2) Delinquent loans are credits that are delinquent other than credits to bankrupt borrowers and loans for which interest payments have been suspended to assist and support the borrowers in the restructuring of their businesses.
(*3) Loans past due for three months or more are loans for which interest or principal payments are delinquent for three months or more under the terms of the loans excluding those classified as credits to bankrupt borrowers or delinquent loans.
(*4) Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reductions or exemptions, postponement of principal or interest payments, release from repayment or other agreements have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their businesses. This category excludes loans classified as credits to bankrupt borrowers, delinquent loans, and loans past due for three months or more.

As a result of the direct write-off of loans described in Note 7, the decreases in credits to bankrupt borrowers and delinquent loans were as follows:

	(Unit: million yen)
Credits to bankrupt borrowers ……	1
Delinquent loans ……	-

20. Assets and Liabilities Held in Separate Accounts

The total amount of assets held in separate accounts defined in Article 118, Paragraph 1 of the Insurance Business Act as of March, 2021 was 1,575,100 million. Separate account liabilities were the same amount as the separate account assets.

21. Receivables from and Payables to Subsidiaries and Affiliated Companies

The total amounts of receivables from and payables to subsidiaries and affiliated companies as of March, 2021 were ¥46,534 million and ¥4,375 million, respectively.

22. Deferred Tax Accounting

(1) Major components of deferred tax assets and liabilities as of March 31, 2021

Deferred tax assets:	(Unit: million yen)
Policy reserves and others	459,176
Reserve for employees' retirement benefits	135,765
Reserve for price fluctuations	65,180
Losses on valuation of securities	8,886
Impairment losses	8,034
Others	20,883
Subtotal	697,926
Valuation allowances	(13,541)
Total	684,385

Deferred tax liabilities:	
Net unrealized gains on securities, net of tax	(966,910)
Reserve for tax basis adjustments of real estate	(11,162)
Accrued dividend receivables	(7,497)
Others	(11,042)
Total	(996,612)
Net deferred tax liabilities	(312,227)

(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, 2021

The difference between the statutory effective tax rate and actual effective tax rate after considering deferred taxes was 5% less than actual statutory effective tax rate, therefore the principle reason of the difference is omitted.

23. Contingent Liabilities

Guarantee for debt obligations of a third company were as follows:

	(Unit: million yen)
Dai-ichi Life Holdings, Inc.	250,002

24. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	(Unit: million yen)
Balance at the beginning of the fiscal year	399,742
Dividends paid during the fiscal year	84,461
Interest accrual during the fiscal year	8,218
Provision for reserve for policyholder dividends	77,500
Balance at the end of the fiscal year	400,999

25. Stock of Subsidiaries and Affiliated Companies

The amount of stocks of subsidiaries and affiliated companies of the Company held as of March 31, 2021 was ¥177,115 million.

26. Organization Change Surplus

As of March 31, 2021, the amount of organizational change surplus stipulated in Article 91 of the Insurance Business Act was ¥117,776 million.

27. Assets Pledged as Collateral / Secured Liabilities

The amounts of assets pledged as collateral were as follows:

	(Unit: million yen)
Securities ……	2,308,573
Cash and deposits ……	86
Assets pledged as collateral ……	2,308,659

The amounts of secured liabilities were as follows:

	(Unit: million yen)
Payables under repurchase agreements……...……	2,301,762

"Securities" mentioned above included ¥2,074,617 million of Securities which were sold under repurchase agreements, as of March 31, 2021.

28. Reinsurance

The amount of reserves for outstanding claims for reinsured parts defined in Article 71, Paragraph 1 of the Ordinance for Enforcement of the Insurance Business Act, which is referred to in Article 73, Paragraph 3 of the Ordinance (hereinafter "reserves for outstanding claims reinsured"), was ¥32 million. The amount of policy reserves provided for reinsured parts defined in Article 71, Paragraph 1 of the Ordinance (hereinafter "policy reserves reinsured") was ¥592,115 million.

29. Net Assets per Share

The amount of net assets per share of the Company as of March 31, 2021 was ¥531,712,707 .94.

30. Securities Borrowing

Of securities borrowed under borrowing agreements, the market value of the securities which can be sold or pledged as collateral but were not sold nor pledged as of March 31, 2021 was ¥2,343 million, among which none of the securities were pledged as collateral.

31. Employees' Retirement Benefits

(1) Overview of Employees' Retirement Benefit Plan

As a defined benefit plan for its sales representatives, the Company has established and maintained a benefit plan consisting of retirement lump sum grants and company administered pension.

For its administrative personnel, the Company has established and maintained a benefit plan consisting of defined benefit corporate pension and retirement lump sum grants as a defined benefit plan and defined contribution pension as a defined contribution plan.

(2) Defined Benefit Plans

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

	(Unit: million yen)
a. Beginning balance of the projected benefit obligations ……	684,256
b. Service cost ……..……	25,769
c. Interest cost ……..……	2,050
d. Accruals of actuarial (gains) and losses ……..……	5,543
e. Payment of retirement benefits ……..……	(32,125)
f. Acurruals of Past Service cost ……	2,160
g. Others……	(883)
h. Ending balance of the projected benefit obligation (a + b + c + d + e + f + g)..	686,771

b) Reconciliations of beginning and ending balances of pension assets

(Unit: million yen)

a.	Beginning balance of pension assets	253,121
b.	Estimated return on assets	1,753
c.	Accruals of actuarial (gains) and losses	28,511
d.	Contribution from the employer	6,746
e.	Payment of retirement benefits	(10,254)
f.	Ending balance of pension assets (a + b + c + d + e)	279,877

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 balance sheet

(Unit: million yen)

a.	Projected benefit obligation for funded pensions	365,467
b.	Pension assets	(279,877)
c.	Subtotal (a + b)	85,590
d.	Projected benefit obligation for unfunded pensions	321,304
e.	Unrecognized actuarial differences	(5,416)
f.	Unrecognized Past Servise cost	(1,339)
g.	Net of assets and liabilities recorded in the balance sheet (c + d + e + f)	400,138

d) Amount of the components of retirement benefit expenses

(Unit: million yen)

a.	Service cost	25,769
b.	Interest cost	2,050
c.	Expected return on assets	(1,753)
d.	Amortization of unrecognized actuarial differences	5,618
e.	Amortization of unrecognized Past Service cost	(136)
f.	Others	190
g.	Retirement benefit expenses for defined benefit plans (a + b + c + d + e + f)	31,738

e) The main components of the pension assets

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

Stocks	70%
Assets under joint management	15%
Life insurance general accounts	4%
Bonds	3%
Others	8%
Total	100%

The proportion of retirement benefit trust to total pension assets that has been set for the retirement lump sum grants as of March 31, 2021 was 53%.

f) The method for 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.

g) Calculation basis of actuarial gains and losses

Major assumptions of basis of actuarial calculation as of March 31, 2021 were as follows:

Discount rate ……	0.30%
Expected long-term rate of return	
Defined benefit corporate pension ……	1.40%
Employee pension trust ……	0.00%

(3) Defined Contribution Plans

Required amount of contribution to defined contribution plans for the fiscal year ended March 31, 2021 was ¥1,566 million.

32. Commitment Line

As of March 31, 2021, there were unused commitment line agreements under which the Company was the lender of ¥78,478 million.

33. Subordinated Debt

As of March 31, 2021, other liabilities included subordinated debt of ¥390,600 million, whose repayment is subordinated to other obligations.

34. Subordinated Bonds

As of March 31, 2021, bonds payable included foreign currency-denominated subordinated bonds of ¥476,277 million; whose repayment is subordinated to other obligations.

35. Obligations to the Life Insurance Policyholders Protection Corporation of Japan

The estimated future obligations to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Act as of March 31, 2021 were ¥44,307 million. These obligations will be recognized as operating expenses in the period in which they are paid.

II. NOTES TO THE UNAUDITED STATEMENT OF EARNINGS FOR THE FISCAL YEAR ENDED MARCH 31, 2021

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

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

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

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

(2) 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.

The Company discloses "principles and procedures of the accounting treatment adopted in cases where the provisions of relevant accounting standards, etc. are unclear" with the adoption of the "Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections" (ASBJ Statement No. 24 revised on March 31, 2020), in the financial statements for the end of the fiscal year ended March 31, 2021.

2. Revenues and Expenses from Transactions with Subsidiaries and Affiliated Companies

The total amounts of revenues and expenses from transactions with subsidiaries and affiliated companies were ¥6,942 million and ¥18,482 million, respectively.

3. Gains/Losses on Sale of Securities, Losses on Valuation of Securities

Gains on sale of securities included gains on sale of domestic bonds, domestic stocks, foreign securities and other securities of ¥79,550 million, ¥147,417 million, ¥142,544 million and ¥1,784 million, respectively.

Losses on sale of securities included losses on sales of domestic bonds, domestic stocks, foreign securities and other securities of ¥556 million, ¥30,382 million, ¥89,606 million and ¥4,778 million, respectively.

Losses on valuation of securities included losses on valuation of domestic stocks and foreign securities of ¥1,280 million and ¥4 million, respectively.

4. Reinsurance

In calculating the provision for reserves for outstanding claims, a reversal of reserves for outstanding claims reinsured of ¥2 million was added. In calculating the reversal of policy reserves, a provision for reserves for policy reserves reinsured of ¥295,383 million was added.

5. Gains/Losses on Money Held in Trust

Gains on money held in trust included gains on valuation of securities of ¥2,997 million

6. Derivative Transaction Gains/Losses

Derivative transaction losses included losses on valuation of ¥63,714 million.

7. Net Income per Share

Net income per share for the fiscal year ended March 31, 2021 was ¥32,679,307.30. Diluted net income per share for the same period is not presented because there were no existing diluted shares.

8. Impairment Losses on Fixed Assets

Details of impairment losses on fixed assets for the fiscal year ended March 31, 2021 were as follows:

(1) Method of Grouping Assets

Real estate and other assets used for insurance business purposes are recognized as one asset group. Each property for rent and property not in use, which is not used for insurance business purposes, is deemed to be an independent asset group.

(2) Background for Recognition of Impairment Losses

As a result of significant declines in profitability or market value of some asset groups, the Company wrote down the book value of these assets to the recoverable value, and reported such write-off as impairment losses in extraordinary losses.

(3) Breakdown of Impairment Losses

Impairment losses by asset group for the fiscal year ended March 31, 2021 were as follows:

Asset Group	Place	Number	Impairment Losses		
			Land	Buildings	Total
					(Unit: million yen)
Real estate for rent	Morioka City, Iwate Prefecture	1	25	31	57
Real estate not in use	Takamatsu city, Kagawa Prefecture and others	22	1,741	752	2,494
Total	-	23	1,767	784	2,552

(4) Calculation of Recoverable Value

Value in use or net sale value is used as the recoverable value of real estate for rent, and net sale value is used as the recoverable value of real estate not in use. A discount rate of 2.17 % for the fiscal year ended March 31, 2021 was applied for discounting future cash flows in the calculation of value in use. Estimated disposal value, appraisal value based on real estate appraisal standards, or appraisal value based on publicly assessed land value for tax purposes was used as the net sale value.

III. NOTES TO THE UNAUDITED STATEMENT OF CHANGES IN NET ASSETS FOR THE FISCAL YEAR ENDED MARCH 31, 2021

1. Number of Shares Outstanding

(Unit: thousands of shares)

	At the beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year	At the end of the fiscal year
Common Stock	6,000	-	-	6,000

2. Dividends on Common Stock

(1) Dividends paid out in the year ended March 31, 2021

Date of resolution	June 17, 2020 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥101,079 million
Dividends per share	¥16,846,500
Record date	March 31, 2020
Effective date	June 18, 2020
Dividend resource	Retained earnings

Date of resolution	August 12, 2020 (at the Extraordinary Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥49,999 million
Dividends per share	¥8,333,300
Record date	-
Effective date	August 13, 2020
Dividend resource	Retained earnings

(2) Dividends in Kind

Date of resolution	August 12, 2020 (at the Extraordinary Meeting of Shareholders) (*)
Type of shares	Common stock
Type of the dividend property	Securities
Book value of the dividend property	¥5 million
Record date	-
Effective date	August 31, 2020
Dividend resource	Retained earnings

(*) At the Extraordinary Meeting of Shareholders on August 12, 2020, the Company decided to transfer its securities to Daiichi life Holdings, Inc. as a qualified dividend in kind, and carried out it on August 31, 2020.

(3) Dividends, the record date of which was March 31,2021, to be paid out in the year ended March 31, 2022

Date of resolution	June 16, 2021 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥158,716 million
Dividends per share	¥26,452,800
Record date	March 31, 2021
Effective date	June 17, 2021
Dividend resource	Retained earnings

Date of resolution	June16, 2021 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥49,999 million
Dividends per share	¥8,333,300
Record date	March 31, 2021
Effective date	June 17, 2021
Dividend resource	Capital surplus

7. Breakdown of Ordinary Profit (Fundamental Profit)

(millions of yen)

		Year ended As of March 31, 2020	Year ended As of March 31, 2021
Fundamental revenues		3,347,992	3,437,832
Premium and other income		2,350,198	2,285,471
Investment income		799,117	980,967
[Interest and dividends]		786,512	836,571
Other ordinary revenues		198,676	168,223
Other fundamental revenues (a)		-	3,170
Fundamental expenses		2,925,860	2,957,276
Benefits and claims		2,127,195	1,987,585
Provision for policy reserves and others		40,651	258,325
Investment expenses		82,942	75,122
Operating expenses		398,500	403,798
Other ordinary expenses		276,268	232,444
Other fundamental expenses (b)		302	0
Fundamental profit	***A***	422,132	480,556
Capital gains		275,487	376,147
Gains on money held in trust		-	4,849
Gains on investments in trading securities		-	-
Gains on sale of securities		223,240	371,297
Derivative transaction gains		51,944	-
Foreign exchange gains		-	-
Others (c)		302	0
Capital losses		226,000	334,244
Losses on money held in trust		2,216	-
Losses on investments in trading securities		-	-
Losses on sale of securities		72,761	125,323
Losses on valuation of securities		57,153	1,285
Derivative transaction losses		-	172,879
Foreign exchange losses		93,869	31,586
Others (d)		-	3,170
Net capital gains (losses)	***B***	49,486	41,902
Fundamental profit plus net capital gains (losses)	***A + B***	471,618	522,459
Other one-time gains		199,483	326,273
Reinsurance income		-	-
Reversal of contingency reserve		-	28,600
Reversal of specific reserve for possible loan losses		24	-
Others (Note 1)		199,458	297,673
Other one-time losses		380,406	474,932
Ceding reinsurance commissions		-	-
Provision for contingency reserve		30,000	-
Provision for specific reserve for possible loan losses		-	1,616
Provision for specific reserve for loans to refinancing countries		-	-
Write-down of loans		40	43
Others (Note 2)		350,365	473,272
Other one-time profits (losses)	***C***	(180,922)	(148,659)
Ordinary profit	***A + B + C***	290,696	373,799

(Reference) Breakdown of other fundamental revenues, etc.

(millions of yen)

		Year ended As of March 31, 2020	Year ended As of March 31, 2021
Other fundamental revenues (a)		-	3,170
The effect of provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance		-	-
The effect of change in the exchange rates related to foreign currency denominated insurance contracts		-	3,170
Other fundamental expenses (b)		302	0
The effect of provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance		0	0
The effect of change in the exchange rates related to foreign currency denominated insurance contracts		302	-
The impact on fundamental profit	***(a) - (b)***	(302)	3,170
Other capital gains (c)		302	0
The effect of provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance		0	0
The effect of change in the exchange rates related to foreign currency denominated insurance contracts		302	-
Other capital losses (d)		-	3,170
The effect of provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance		-	-
The effect of change in the exchange rates related to foreign currency denominated insurance contracts		-	3,170
The impact on net capital gains (losses)	***(c) - (d)***	302	(3,170)

Note 1: "Others" in "Other one-time gains" represents the amount of policy reserves for individual life insurance and annuities provided for reinsured parts defined in Article 71, Paragraph 1 of the Enforcement Regulations of the Insurance Business Act (For the fiscal year ended March 31, 2020: 199,458 million yen, For the fiscal year ended March 31, 2021: 297,673 million yen).

Note 2: "Others" in "Other one-time losses" represents the sum of the amount of ceding reinsurance commissions for individual life insurance and annuities provided for reinsured parts defined in Article 71, Paragraph 1 of the Enforcement Regulations of the Insurance Business Act (For the fiscal year ended March 31, 2020: 270,294 million yen, For the fiscal year ended March 31, 2021: 377,046 million yen), the amount of provision for reserve for possible investment losses (For the fiscal year ended March 31, 2020: 504 million yen, For the fiscal year ended March 31, 2021 : 295 million yen) and the amount of the additional policy reserves provided (For the fiscal year ended March 31, 2020: 79,566 million yen, For the fiscal year ended March 31, 2021: 95,930 million yen) in accordance with Article 69, Paragraph 5 of the Enforcement Regulations of the Insurance Business Act.

8. Disclosed Claims Based on Categories of Obligors

(millions of yen)

		As of March 31, 2020	As of March 31, 2021
	Claims against bankrupt and quasi-bankrupt obligors	79	67
	Claims with collection risk	2,936	3,216
	Claims for special attention	-	833
Subtotal		3,015	4,117
[Percentage]		[0.06%]	[0.08%]
Claims against normal obligors		4,777,022	4,885,696
Total		4,780,037	4,889,814

Note:
1. Claims against bankrupt and quasi-bankrupt obligors are loans to borrowers who are subject to bankruptcy, corporate 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 for special attention are loans on which principal and/or interest are past due for three months or more and loans with a concessionary interest rate, as well as loans with renegotiated conditions in favor of the borrower, including renegotiated schedule and/or waivers, in each case, other than the loans described in note 1. or 2. above.
4. Claims against normal obligors are all other loans.

9. Solvency Margin Ratio

(millions of yen)

	As of March 31, 2020	As of March 31, 2021
Total solvency margin ***(A)***	6,251,174	6,990,487
Common stock, etc. *1	526,676	468,500
Reserve for price fluctuations	215,453	233,453
Contingency reserve	628,493	599,893
General reserve for possible loan losses	115	311
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% *2	2,390,159	3,154,539
Net unrealized gains (losses) on real estate × 85% *2	243,896	255,652
Policy reserves in excess of surrender values	2,164,285	2,164,644
Qualifying subordinated debt	759,277	866,877
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(754,610)	(825,614)
Excluded items		-
Others	77,427	72,228
Total risk $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$ ***(B)***	1,270,019	1,491,653
Insurance risk R_1	64,717	67,454
3rd sector insurance risk R_8	172,223	166,267
Assumed investment yield risk R_2	191,118	179,312
Guaranteed minimum benefit risk R_7 *3	3,039	2,910
Investment risk R_3	1,023,930	1,257,115
Business risk R_4	29,100	33,461
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$	984.4%	937.2%

*1: Expected disbursements from capital outside the Company and valuation and translation adjustments are excluded.

*2: Multiplied by 100% if losses.

*3: Calculated by standard method.

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.

(Reference) Consolidated Solvency Margin Ratio
(same as displayed on p.67)

(millions of yen)

		As of March 31, 2020	As of March 31, 2021
Total solvency margin	***(A)***	6,121,744	6,817,494
Common stock, etc. *1		529,037	470,534
Reserve for price fluctuations		215,453	233,453
Contingency reserve		628,493	599,893
Catastrophe loss reserve		-	-
General reserve for possible loan losses		117	333
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% *2		2,390,159	3,154,539
Net unrealized gains (losses) on real estate × 85% *2		243,896	255,652
Sum of unrecognized actuarial differences and unrecognized past service cost		(33,294)	(6,395)
Policy reserves in excess of surrender values		2,164,285	2,164,644
Qualifying subordinated debt		759,277	866,877
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt		(754,610)	(825,614)
Excluded items		(98,497)	(168,653)
Others		77,427	72,228
Total risk	$\sqrt{\left(\sqrt{R_1^2+R_5^2}+R_8+R_9\right)^2+\left(R_2+R_3+R_7\right)^2}+R_4+R_6$ ***(B)***	1,238,988	1,438,710
Insurance risk	R_1	64,717	67,456
General insurance risk	R_5	-	-
Catastrophe risk	R_6	-	-
3rd sector insurance risk	R_8	172,223	166,267
Small amount and short-term insurance risk	R_9	-	-
Assumed investment yield risk	R_2	191,118	179,312
Guaranteed minimum benefit risk	R_7 *3	3,039	2,910
Investment risk	R_3	992,934	1,204,518
Business risk	R_4	28,480	32,409
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$		988.1%	947.7%

*1: Expected disbursements from capital 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 86-2 and 88 of the Enforcement Regulations of Insurance Business Act, and Notification of the Financial Services Agency No. 23, 2011.

10. Status of Separate Account for the Fiscal Year Ended March 31, 2021

(1) Separate Account Assets by Product

(millions of yen)

	As of March 31, 2020	As of March 31, 2021
Individual variable insurance	50,532	60,788
Individual variable annuities	29,859	34,213
Group annuities	1,282,533	1,480,098
Separate account total	1,362,925	1,575,100

(2) Individual Variable Insurance (Separate Account)

A. Policies in force

(millions of yen except number of policies)

	As of March 31, 2020		As of March 31, 2021	
	Number of policies	Amount	Number of policies	Amount
Variable insurance (term life)	31	160	8	56
Variable insurance (whole life)	40,331	247,630	39,539	242,920
Total	40,362	247,791	39,547	242,977

Note: Policies in force include term life riders.

B. Breakdown of separate account assets for individual variable insurance

(millions of yen)

	As of March 31, 2020		As of March 31, 2021	
	Amount	%	Amount	%
Cash, deposits, and call loans	8	0.0	4	0.0
Securities	47,500	94.0	57,380	94.4
Domestic bonds	15,796	31.3	15,997	26.3
Domestic stocks	14,100	27.9	17,548	28.9
Foreign securities	17,603	34.8	23,835	39.2
Foreign bonds	5,726	11.3	6,240	10.3
Foreign stocks and other securities	11,877	23.5	17,594	28.9
Other securities	-	-	-	-
Loans	-	-	-	-
Others	3,023	6.0	3,402	5.6
Reserve for possible loan losses	-	-	-	-
Total	50,532	100.0	60,788	100.0

C. Investment gains and losses of separate account for individual variable insurance

(millions of yen)

	Year ended March 31, 2020	Year ended March 31, 2021
Interest and dividends	862	824
Gains on sale of securities	3,786	2,386
Gains on redemption of securities	-	-
Gains on valuation of securities	4,351	14,941
Foreign exchange gains	93	121
Derivative transaction gains	38	20
Other investment income	1	1
Losses on sale of securities	2,351	1,124
Losses on redemption of securities	0	-
Losses on valuation of securities	8,117	3,607
Foreign exchange losses	112	76
Derivative transaction losses	12	62
Other investment expenses	1	0
Net investment income	(1,462)	13,425

D. Fair value information on securities in separate account for individual variable insurance

* Valuation gains (losses) of trading securities

(millions of yen)

	As of March 31, 2020		As of March 31, 2021	
	Carrying amount on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying amount on the balance sheet	Valuation gains (losses) included in the statement of earnings
Trading securities	47,500	(3,765)	57,380	11,334

* Fair value information on money held in trust

The Company had no balance as of March 31, 2020 or March 31, 2021.

(3) Individual Variable Annuities (Separate Account)

A. Sum insured of policies in force

(millions of yen except number of policies)

	As of March 31, 2020		As of March 31, 2021	
	Number	Amount	Number	Amount
Individual variable annuities	7,158	27,541	5,318	25,252

Note: Sum insured of policies in force includes that of annuities for which payments have commenced.

B. Breakdown of separate account assets for individual variable annuities

(millions of yen)

	As of March 31, 2020		As of March 31, 2021	
	Amount	%	Amount	%
Cash, deposits, and call loans	274	0.9	326	1.0
Securities	28,005	93.8	31,873	93.2
Domestic bonds	7,852	26.3	8,161	23.9
Domestic stocks	5,656	18.9	7,284	21.3
Foreign securities	3,002	10.1	4,046	11.8
Foreign bonds	1,331	4.5	1,572	4.6
Foreign stocks and other securities	1,670	5.6	2,473	7.2
Other securities	11,494	38.5	12,380	36.2
Loans	-	-	-	-
Others	1,580	5.3	2,014	5.9
Reserve for possible loan losses	-	-	-	-
Total	29,859	100.0	34,213	100.0

C. Investment gains and losses of separate account for individual variable annuities

(millions of yen)

	Year ended March 31, 2020	Year ended March 31, 2021
Interest and dividends	1,868	1,880
Gains on sales of securities	883	561
Gains on redemption of securities	-	-
Gains on valuation of securities	4,764	9,836
Foreign exchange gains	16	27
Derivative transaction gains	8	4
Other investment income	0	0
Losses on sales of securities	606	374
Losses on redemption of securities	4	-
Losses on valuation of securities	7,928	4,577
Foreign exchange losses	19	17
Derivative transaction losses	2	14
Other investment expenses	0	0
Net investment income	(1,019)	7,327

D. Fair value information on securities in separate account for individual variable annuities

* Valuation gains (losses) of trading securities

(millions of yen)

	As of March 31, 2020		As of March 31, 2021	
	Carrying amount on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying amount on the balance sheet	Valuation gains (losses) included in the statement of earnings
Trading securities	28,005	(3,164)	31,873	5,259

* Fair value information on money held in trust

The Company had no balance as of March 31, 2020 or March 31, 2021.

12. Consolidated Financial Summary

(1) Selected Financial Data and Other Information

(millions of yen)

	Year ended March 31, 2021
Ordinary revenues	3,811,851
Ordinary profit	372,786
Net income attributable to shareholders of parent company	195,059
Comprehensive income	810,040

(millions of yen)

	As of March 31, 2021
Total assets	38,923,206
Solvency margin ratio	947.7%

(2) Scope of Consolidation and Application of Equity Method

	Year ended March 31, 2021
Number of consolidated subsidiaries	1
Number of non-consolidated subsidiaries accounted for under the equity method	0
Number of affiliates accounted for under the equity method	2

For information regarding changes in subsidiaries and affiliates, please refer to "I. Guidelines for Preparation of the Unaudited Consolidated Financial Statements".

(3) Unaudited Consolidated Balance Sheet

(millions of yen)

	As of March 31, 2021
ASSETS	
Cash and deposits	383,214
Call loans	403,700
Monetary claims bought	252,140
Money held in trust	7,716
Securities	33,462,279
Loans	2,576,064
Tangible fixed assets	1,086,447
Land	758,555
Buildings	315,822
Leased assets	5,145
Construction in progress	2,161
Other tangible fixed assets	4,762
Intangible fixed assets	119,638
Software	97,081
Other intangible fixed assets	22,557
Reinsurance receivable	28,084
Other assets	554,045
Customers' liabilities for acceptances and guarantees	52,861
Reserve for possible loan losses	(2,358)
Reserve for possible investment losses	(627)
Total assets	38,923,206
LIABILITIES	
Policy reserves and others	30,844,451
Reserves for outstanding claims	148,071
Policy reserves	30,295,380
Reserve for policyholder dividends	400,999
Reinsurance payable	1,048
Bonds payable	476,277
Other liabilities	3,340,298
Payables under repurchase agreements	2,301,762
Other liabilities	1,038,536
Net defined benefit liabilities	406,894
Reserve for retirement benefits of directors, executive officers and corporate auditors	998
Reserve for possible reimbursement of prescribed claims	800
Reserve for price fluctuations	233,453
Deferred tax liabilities	310,360
Deferred tax liabilities for land revaluation	71,606
Acceptances and guarantees	52,861
Total liabilities	35,739,051
NET ASSETS	
Capital stock	60,000
Capital surplus	370,000
Retained earnings	247,446
Total shareholders' equity	677,446
Net unrealized gains (losses) on securities, net of tax	2,536,608
Deferred hedge gains (losses)	(3,501)
Reserve for land revaluation	(22,026)
Foreign currency translation adjustments	497
Accumulated remeasurements of defined benefit plans	(4,869)
Total accumulated other comprehensive income	2,506,708
Total net assets	3,184,154
Total liabilities and net assets	38,923,206

(4) Unaudited Consolidated Statement of Earnings and Comprehensive Income

[Unaudited Consolidated Statement of Earnings]

(millions of yen)

	Year ended March 31, 2021
ORDINARY REVENUES	3,811,851
Premium and other income	2,285,515
Investment income	1,357,203
Interest and dividends	836,660
Gains on money held in trust	4,849
Gains on sale of securities	371,297
Gains on redemption of securities	15,370
Other investment income	1,202
Gains on investments in separate accounts	127,823
Other ordinary revenues	169,132
ORDINARY EXPENSES	3,439,065
Benefits and claims	2,364,632
Claims	616,314
Annuities	486,953
Benefits	378,685
Surrender values	392,747
Other refunds	489,930
Provision for policy reserves and others	28,898
Provision for reserves for outstanding claims	20,679
Provision for interest on policyholder dividends	8,218
Investment expenses	408,404
Interest expenses	12,358
Losses on sale of securities	125,323
Losses on valuation of securities	1,285
Losses on redemption of securities	6,175
Derivative transaction losses	172,879
Foreign exchange losses	31,837
Provision for reserve for possible loan losses	1,813
Provision for reserve for possible investment losses	295
Write-down of loans	43
Depreciation of real estate for rent and others	13,171
Other investment expenses	43,219
Operating expenses	404,407
Other ordinary expenses	232,723
Ordinary profit	372,786
EXTRAORDINARY GAINS	5,469
Gains on disposal of fixed assets	5,469
EXTRAORDINARY LOSSES	27,554
Losses on disposal of fixed assets	6,810
Impairment losses on fixed assets	2,552
Provision for reserve for price fluctuations	18,000
Other extraordinary losses	190
Provision for reserve for policyholder dividends	77,500
Income before income taxes	273,201
Corporate income taxes-current	77,701
Corporate income taxes-deferred	439
Total of corporate income taxes	78,141
Net income	195,059
Net income attributable to shareholders of parent company	195,059

[Unaudited Consolidated Statement of Comprehensive Income]

(millions of yen)

	Year ended March 31, 2021
Net income	195,059
Other comprehensive income	614,980
Net unrealized gains (losses) on securities, net of tax	620,191
Deferred hedge gains (losses)	(24,814)
Foreign currency translation adjustments	592
Remeasurements of defined benefit plans, net of tax	19,011
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	0
Comprehensive income	810,040
Attributable to shareholders of parent company	810,040

(5) Unaudited Consolidated Statement of Cash Flows

(millions of yen)

	Year ended March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES	
Income (loss) before income taxes	273,201
Depreciation of real estate for rent and others	13,171
Depreciation	36,489
Impairment losses on fixed assets	2,552
Increase (decrease) in reserves for outstanding claims	20,679
Increase (decrease) in policy reserves	(908)
Provision for interest on policyholder dividends	8,218
Provision for (reversal of) reserve for policyholder dividends	77,500
Increase (decrease) in reserve for possible loan losses	1,798
Increase (decrease) in reserve for possible investment losses	(180)
Write-down of loans	43
Increase (decrease) in net defined benefit liabilities	2,134
Increase (decrease) in reserve for retirement benefits of directors executive officers and corporate auditors	(190)
Increase (decrease) in reserve for price fluctuations	18,000
Interest and dividends	(836,660)
Securities related losses (gains)	(381,706)
Interest expenses	12,358
Foreign exchange losses (gains)	31,837
Losses (gains) on disposal of fixed assets	1,038
Equity in losses (income) of affiliates	181
Decrease (increase) in reinsurance receivable	(21,366)
Decrease (increase) in other assets unrelated to investing and financing activities	8,834
Increase (decrease) in reinsurance payable	(134,441)
Increase (decrease) in other liabilities unrelated to investing and financing activities	(48,673)
Others, net	208,950
Subtotal	(707,138)
Interest and dividends received	859,457
Interest paid	(15,809)
Policyholder dividends paid	(84,461)
Others, net	(333,890)
Corporate income taxes (paid) refund	(65,561)
Net cash flows provided by (used in) operating activities	(347,404)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of monetary claims bought	(48,967)
Proceeds from sale and redemption of monetary claims bought	15,459
Proceeds from decrease in money held in trust	31,348
Purchases of securities	(7,450,592)
Proceeds from sale and redemption of securities	6,185,137
Origination of loans	(616,958)
Proceeds from collection of loans	586,560
Net increase (decrease) in short-term investing	1,460,596
Total of net cash provided by (used in) investment transactions	162,583
Total of net cash provided by (used in) operating activities and investment transactions	(184,820)
Acquisition of tangible fixed assets	(35,988)
Proceeds from sale of tangible fixed assets	23,282
Acquisition of intangible fixed assets	(29,591)
Proceeds from sale of intangible fixed assets	1
Acquisition of stock of subsidiaries and affiliates	(966)
Net cash flows provided by (used in) investing activities	119,321
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from borrowings	246,600
Repayment of borrowings	(139,000)
Repayment of financial lease obligations	(1,809)
Cash dividends paid	(151,078)
Net cash flows provided by (used in) financing activities	(45,288)
Effect of exchange rate changes on cash and cash equivalents	920
Net increase (decrease) in cash and cash equivalents	(272,450)
Cash and cash equivalents at the beginning of the year	1,059,365
Cash and cash equivalents at the end of the year	786,914

(6) Unaudited Consolidated Statement of Changes in Net Assets

Year ended March 31, 2021

(millions of yen)

	Shareholders' equity				Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)
Balance at the beginning of the year	60,000	370,000	199,422	629,422	1,916,417	21,312
Changes for the year						
Dividends			(151,084)	(151,084)		
Net income attributable to shareholders of parent company			195,059	195,059		
Transfer from reserve for land revaluation			4,048	4,048		
Net changes of items other than shareholders' equity					620,191	(24,814)
Total changes for the year	-	-	48,023	48,023	620,191	(24,814)
Balance at the end of the year	60,000	370,000	247,446	677,446	2,536,608	(3,501)

(millions of yen)

	Accumulated other comprehensive income				Total net assets
	Reserve for land revaluation	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at the beginning of the year	(17,978)	(94)	(23,880)	1,895,776	2,525,199
Changes for the year					
Dividends					(151,084)
Net income attributable to shareholders of parent company					195,059
Transfer from reserve for land revaluation					4,048
Net changes of items other than shareholders' equity	(4,048)	592	19,011	610,931	610,931
Total changes for the year	(4,048)	592	19,011	610,931	658,955
Balance at the end of the year	(22,026)	497	(4,869)	2,506,708	3,184,154

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE FISCAL YEAR ENDED MARCH 31, 2021

I. GUIDELINES FOR PREPARATION OF UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. Scope of Consolidation

(1) The number of consolidated subsidiaries as of March 31, 2021: 1

The subsidiary of The Dai-ichi Life Insurance Company, Limited (the "Company") included:

- Dai-ichi Life Insurance Myanmar Ltd.

(2) The number of non-consolidated subsidiaries as of March 31, 2021: 23

The main subsidiaries that are not consolidated for the purposes of financial reporting are The Dai-ichi Life Information Systems Co., Ltd., Dai-ichi Life Business Services Co., Ltd. and First U Anonymous Association.

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

2. Application of the Equity Method

(1) The number of non-consolidated subsidiaries under the equity method as of March 31, 2021: 0

(2) The number of affiliated companies under the equity method as of March 31, 2021: 2

The affiliated companies of the Company included:

- Corporate-pension Business Service Co., Ltd.,
- Japan Excellent Asset Management Co., Ltd.,

(3) The non-consolidated subsidiaries (The Dai-ichi Life Information Systems Co., Ltd., Dai-ichi Life Business Services Co., Ltd., First U Anonymous Association and others), as well as affiliated companies (Mizuho-DL Financial Technology Co., Ltd., and Rifare Management K.K.) were not accounted for under the equity method. These companies had, individually and in the aggregate, a minimal impact on the consolidated financial statements, in terms of net income (loss) (amount corresponding to equity interest), retained earnings (amount corresponding to equity interest) and others.

3. Year-end Dates of a Consolidated Subsidiary

The closing date of a consolidated subsidiary is September 30. Financial information as of December 31 is used to prepare the consolidated financial statements, although necessary adjustments are made when significant transactions take place between the account closing date of an individual subsidiary and that of the consolidated financial statements.

II. NOTES TO UNAUDITED CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2021

1. Valuation Methods of Securities

Securities held by the Company and its consolidated subsidiary including cash and deposits and monetary claims bought which are equivalent to marketable securities, and marketable securities managed as trust assets in money held in trust, are carried as explained below:

The amortization of premiums and accretion of discounts is calculated by the straight-line method.

(1) Trading Securities

Trading securities are carried at fair value with cost determined by the moving average method.

(2) Held-to-maturity Bonds

Held-to-maturity bonds are stated at amortized cost determined by the moving average method.

(3) Policy-reserve-matching Bonds (in accordance with the Industry Audit Committee Report No. 21 "Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry" issued by the Japanese Institute of Certified Public Accountants (JICPA))

Policy-reserve-matching bonds are stated at amortized cost determined by the moving average method.

(4) Stocks of Non-Consolidated Subsidiaries and Affiliated Companies Not Accounted for under the Equity Method

Stocks of non-consolidated subsidiaries and affiliated companies not accounted for under the equity method are stated at cost determined by the moving average method.

(5) Available-for-sale Securities

(a) Available-for-sale Securities with Fair Values

Available-for-sale securities which have market value are valued at fair value at the end of the fiscal year (for domestic stocks, the average market value during March), with cost determined by the moving average method.

(b) Available-for-sale Securities Whose Fair Values Are Extremely Difficult to Recognize

i) Government/Corporate bonds (including Foreign Bonds), Whose Premium or Discount Represents the Interest Adjustment

Government/Corporate bonds (including foreign bonds) whose premium or discount represents the interest adjustment are valued at the amortized cost determined by the moving average method.

ii) Others

All others are valued at cost determined by the moving average method.

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

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

2. Risk Management Policy of Policy-Reserve-Matching Bonds

The Company categorizes its insurance products into sub-groups by the attributes of each product and, in order to manage risks properly, 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,
- non-participating single premium whole life insurance (without duty of medical disclosure),
- financial insurance and annuities, and
- group annuities,

with the exception of certain types.

3. Valuation Method of Derivative Transactions

Derivative transactions are reported at fair value.

4. Revaluation of Land

Based on the "Act on Revaluation of Land" (Act No. 34, March 31, 1998), land for business use was revalued. The difference between the fair value and book value resulting from the revaluation, net of related deferred taxes, is recorded as a reserve for land revaluation as a separate component of net assets and the related deferred tax liability is recorded as deferred tax liabilities for land revaluation.

- Date of revaluation: March 31, 2001
- Method stipulated in Article 3 Paragraph 3 of the Act on Revaluation of Land:

  The fair value was determined based on the appraisal value publicly announced for tax assessment purposes with certain reasonable adjustments in accordance with Articles 2-1 and 2-4 of the Order for Enforcement of the Act on Revaluation of Land (Publicly Issue Cabinet Order No.119, March 31, 1998).

5. Depreciation of Depreciable Assets

(1) Depreciation of Tangible Fixed Assets Excluding Leased Assets

Depreciation of tangible fixed assets excluding leased assets of the Company is calculated by the declining balance method (the depreciation of buildings (other than facilities attached to buildings and structures that were acquired on or before March 31, 2016) is calculated by the straight-line method).

Estimated useful lives of major assets are as follows:

- Buildings two to sixty years
- Other tangible fixed assets two to twenty years

Other tangible fixed assets that were acquired for ¥100,000 or more but less than ¥200,000 are depreciated at equal amounts over three years.

With respect to tangible fixed assets that were acquired on or before March 31, 2007 and that were fully depreciated to their original depreciable limit, effective the fiscal year ended March 31, 2008, the remaining values are depreciated at equal amounts over five years from the following fiscal year of the year in which they reached the original depreciable limit.

Depreciation of tangible fixed assets owned by a consolidated overseas subsidiary is calculated by the straight-line method.

(2) Amortization of Intangible Fixed Assets Excluding Leased Assets

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

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

(3) Depreciation of Leased Assets

Depreciation for leased assets with regard to finance leases whose ownership does not transfer to the lessees is computed under the straight-line method assuming zero salvage value and using the lease period as the useful life.

(4) Accumulated Depreciation of Tangible Fixed Assets

Accumulated depreciation of tangible fixed assets as of March 31, 2021 was ¥ 622,564 million.

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

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

currency translation adjustments in the net assets section of the consolidated balance sheet.

7. Reserve for Possible Loan Losses

The reserve for possible loan losses is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

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

For loans to and claims on obligors that have not yet suffered business failure but are considered highly likely to fail (hereafter, "obligors at risk of bankruptcy") the reserve is calculated, taking into account (1) the recoverable amount covered by the collateral or guarantees and (2) an overall assessment of the obligor's ability to repay.

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

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

For loans and claims to bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The amount written off during the fiscal year ended March 31, 2021 was ¥1 million.

8. Reserve for Possible Investment Losses

In order to provide for future investment losses, a reserve for possible investment losses is established for securities whose fair values are extremely difficult to recognize. It is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

9. Reserve for Retirement Benefits of Directors, Executive Officers and Corporate Auditors

For the reserve for retirement benefits of directors, executive officers and corporate auditors, an estimated amount for future payment in accordance with the internal policies is provided.

10. Reserve for Possible Reimbursement of Prescribed Claims

To prepare for the reimbursement of claims for which prescription periods had expired, an estimated amount for reserve for possible reimbursement of prescribed claims based on past reimbursement experience is provided.

11. Net Defined Benefit Liabilities

For the net defined benefit liabilities, the amount is provided by deducting the pension assets from the projected benefit obligations based on the estimated amounts as of March 31, 2021. The accounting treatment for retirement benefits is as follows.

(1) Allocation of Estimated Retirement Benefits

In calculating the projected benefit obligations, the benefit formula basis is adopted to allocate estimated retirement benefit for the fiscal year ended March 31, 2021.

(2) Amortization of Actuarial Differences and Past Service Cost

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

Actuarial differences are amortized under the straight-line method over a certain period (seven years) within the employees' average remaining service period, starting from the following year.

12. Reserve for Price Fluctuations

A reserve for price fluctuations is calculated based on the book value of stocks and other securities at the end of the year in accordance with the provisions of Article 115 of the Insurance Business Act.

13. Methods for Hedge Accounting

(1) Methods for Hedge Accounting

As for the Company, hedging transactions are accounted for in accordance with the "Accounting Standards for Financial Instruments" (ASBJ Statement No. 10 issued on March 10, 2008). Primarily, (a) special hedge accounting and the deferral hedge method for interest rate swaps are used for cash flow hedges of certain loans, government and corporate bonds, loans payable and bonds payable; (b) the currency allotment method and the deferral hedge method using foreign currency swaps, foreign currency and forward contracts are used for cash flow hedges against exchange rate fluctuations in certain foreign currency-denominated bonds, loans, loans payable and bonds payable and certain foreign currency-denominated term deposits and stocks (forecasted transaction); (c) the fair value hedge method using currency options and foreign currency forward contracts is used for hedges against exchange rate fluctuations in the value of certain foreign currency-denominated bonds; (d) the deferral hedge method for over-the-counter options on bonds is used for hedges against interest-rate fluctuations in certain foreign currency-denominated bonds; (e) the deferral hedge method and fair value hedge method using equity options and equity forward contracts are used for hedges against price fluctuations in the value of certain domestic stocks and foreign currency-denominated stocks (forecasted transaction), and (f) the deferral hedge method using interest rate swaps is used for hedges against interest-rate fluctuations in certain insurance liabilities, under the "Accounting and Auditing Treatment of Application of Accounting Standard for Financial Instruments to Insurance Operators" (Industry Audit Committee Report No.26 issued by JICPA).

(2) Hedging Instruments and Hedged Items

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

(3) Hedging Policies

The Company conducts hedging transactions with regard to certain market risk and foreign currency risk of underlying assets to be hedged, in accordance with the internal investment policy and procedure guidelines.

(4) Assessment of Hedge Effectiveness

Hedge effectiveness is assessed primarily by a comparison of fluctuations in cash flows or fair value of hedged items to those of hedging instruments.

14. Calculation of National and Local Consumption Tax

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

15. Accounting Policies for 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 as stated in a) and b) below:

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. Financial Instruments and Others

(1) Financial Instruments

a) Policies in Utilizing Financial Instruments

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

The Company uses derivatives primarily to hedge market risks associated with its existing asset portfolio and supplement its investment objectives to the extent necessary, taking into account the exposure of underlying assets.

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

b) Financial Instruments Used and Their Risks

Securities included in financial assets of the Company, mainly stocks and bonds, are categorized by its investment objectives such as held-to-maturity, policy-reserve-matching securities and available-for-sale securities. Those securities are exposed to market fluctuation risk, credit risk and interest rate risk and some of the securities denominated in foreign currency are exposed to foreign currency risk. Also, loans are exposed to credit risk arising from the defaults of obligors.

The Company might be exposed to liquidity risk in certain circumstances in which it cannot make timely payments of principal, interest or other amounts due to unpredictable cash outflows or is forced to raise capital with interest rates substantially higher than usual. Also, some of its loans payable and bonds payable which are floating interest rate based and denominated in foreign currency are exposed to interest rate risk and foreign currency risk.

The Company utilizes i) interest rate swaps to hedge interest rate risk associated with certain of its loans receivable and payable, ii) equity forward contracts to hedge market fluctuation risks associated with domestic stocks, and iii) foreign currency forward contracts, currency options and foreign currency swaps to hedge foreign currency risks associated with certain foreign currency-denominated bonds, foreign currency-denominated short-term deposits and foreign currency-denominated debts, etc. and adopt hedge accounting.

In addition, the company utilizes iv) interest rate swaps to hedge interest rate risk associated with certain insurance liabilities, under the "Accounting and Auditing Treatment of Application of Accounting Standard for Financial Instruments to Insurance Operators" (JICPA Industry Audit Committee Report No. 26).

In applying the hedge accounting, in order to fulfill requirements stipulated in the "Accounting standards for financial instruments" (ASBJ Statement No. 10), the Company has established investment policy and procedure guidelines and clarified the transactions to be hedged, the risk of underlying assets to be hedged and derivative instruments to be used, and conducted pre- and post-effectiveness tests of the transactions.

c) Risk Management

The risk management system of the Company is as follows:

i) Market Risk Management

Under the internal investment policy and market risk management policy, the Company manages market risk by conducting mid- to long-term asset allocation in a manner appropriate to its liabilities. Therefore, it categorizes its portfolio into sub-groups, based on their investment purpose, and manages them taking into account each of their risk characteristics.

(a) Interest rate risk

The Company keeps track of interest rates and durations of its assets and liabilities, monitors its internal analyses on duration gap and interest rate sensitivity, and periodically reports its findings to the board of directors, etc.

(b) Currency risk

The Company keeps track of currency composition of its financial assets and liabilities, conducts sensitivity analyses, and periodically reports its findings to the board of directors, etc.

(c) Fluctuation in market values

The Company defines risk management policies and management procedures for each component of its overall portfolio, including securities, based on the risk characteristics of the categories, and set and manages upper limits of each asset balance and asset allocation weight.

Such management conditions are periodically reported by its risk management sections to the board of directors, etc.

(d) Derivative transactions

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

ii) Credit Risk Management

In accordance with the internal investment policy and credit risk management procedure guidelines, the Company has established a credit management system related to loans, such as preliminary reviews on individual transactions, credit limit setting, credit information management, internal credit rating, attachment of guarantees and collateral, and follow-ups on problem loans. For corporate bond investment, the credit section sets investment caps on individual issuers taking into account internal credit ratings and other factors. Excessive risk-taking is restricted since front offices make investment within those caps. Policies and framework for large-lot borrowers have been formulated in order to prevent credit concentration by monitoring compliance, etc. That credit management has been conducted by the credit and risk management sections, and has been periodically reported to the board of directors, etc. Additionally, the internal audit section has also checked credit management status.

Credit risk of security issuers and counterparty risk with respect to derivative transactions are managed by the credit section, which sets upper limits for each counterparty and financial instrument and periodically monitors credit information, and by the risk management section, which periodically monitors current exposures.

d) Supplementary Explanation for Fair Value of Financial Instruments

As well as the value based on market prices, fair values of financial instruments include values which are reasonably calculated in case market prices do not exist. As the calculation of those values adopts certain assumptions, those values may vary in case different assumptions are applied.

(2) Fair Value of Financial Instruments

The carrying amount on the consolidated balance sheet, fair value and differences between carrying amount and fair value as of March 31, 2021 were as follows. The following tables do not include financial instruments whose fair value is extremely difficult to recognize. (Please refer to (Note 2).)

As of March 31, 2021	Carrying amount	Fair value	Gains (Losses)
		(Unit: million yen)	
(1) Cash and deposits	383,214	383,214	-
(2) Call loans	403,700	403,700	-
(3) Monetary claims bought	252,140	252,140	-
(4) Money held in trust	7,716	7,716	-
(5) Securities			
a. Trading securities	936,743	936,743	-
b. Held-to-maturity bonds	48,646	50,321	1,675
c. Policy-reserve-matching bonds	13,332,171	15,520,087	2,187,915
d. Stock of subsidiaries and affiliate companies	343	451	108
e. Available-for-sale securities	18,844,324	18,844,324	-
(6) Loans	2,576,064		
Reserve for possible loan losses (*1)	(850)		
	2,575,213	2,633,115	57,901
Total assets	36,784,211	39,031,813	2,247,601
(1) Bonds payable	476,277	509,676	33,399
(2) Payable under repurchase agreements	2,301,762	2,301,762	-
(3) Long-term borrowings	390,600	390,394	(205)
Total liabilities	3,168,639	3,201,832	33,193
Derivative transactions (* 2)			
a. Hedge accounting not applied	[5,691]	[5,691]	-
b. Hedge accounting applied	[295,152]	[295,773]	(621)
Total derivative transactions	[300,843]	[301,465]	(621)

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

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

(Note 1) Notes to Methods for Calculating Fair Value of Financial Instruments, Securities and Derivative Transactions

- **Assets**

(1) Cash and deposits

Since deposits are close to maturity or have no maturity and their fair value is close to the carrying amounts, fair value is based on the carrying amount.

(2) Call loans

Since all call loans are close to due date and their fair value is close to the carrying amounts, fair value of call loans is based on their carrying amount.

(3) Monetary claims bought

The fair value of monetary claims bought is based on the reasonably calculated price.

(4) Money held in trust

The fair value of stocks is based on the price on stock exchanges and that of bonds is based on the price on bond markets or price presented by counterparty financial institutions. The fair value of mutual funds is based on unit price.

(5) Securities

The fair value of stocks is based on the price on stock exchanges and that of bonds is based on the price on bond markets or price presented by counterparty financial institutions. The fair value of mutual funds is based on unit

price. As for ownership stakes in partnerships, the amount equivalent to partnership interest in fair value of the partnership assets is recorded as fair value of the stake in the partnership.

(6) Loans

The fair value of loans is calculated by discounting future cash flows of the subject loan, using interest rates corresponding to the internal credit rating and remaining period which are assumed to be applied to new loans to the subject borrower.

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

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

- **Liabilities**

(1) Bonds payable

The fair value of bonds is based on the price on the bond market.

(2) Payables under repurchase agreements

Since the terms of all payables under repurchase agreements are short and their fair value is close to the carrying amounts, fair value is based on the carrying amount.

(3) Long-term borrowings

The fair value of long-term borrowings is calculated by discounting future cash flows, using interest rates corresponding to internal credit rating and remaining periods which are assumed to be applied to new borrowings.

- **Derivative Transactions**

The breakdown of derivative transactions is (1) currency-related transactions; (2) interest-related transactions; (3) stock-related transactions; and (4) bond-related transactions, etc. The fair value of the instruments is based on the closing exchange-traded prices and the prices quoted from financial institutions, etc.

(Note 2) Financial instruments whose fair value is extremely difficult to recognize are as follows and are not included in the fair value of (5) Securities in (Note 1)

As of March 31, 2021	Carrying amount
	(Unit: million yen)
1. Unlisted domestic stocks (*1)(*2) ……	49,781
2. Unlisted foreign stocks(*1)(*2)……	25,234
3. Other foreign securities(*1)(*2)……	-
4. Other securities(*1)(*2)……	225,035
Total	300,051

(*1) These securities cannot be assigned a market value because of unavailability of tradable markets, and they are excluded from disclosure of fair value.

(*2) The Company recorded impairment charges of ¥1,192 million for the fiscal year ended March 31, 2021

17. Real Estate for Rent

The Company owns a number of commercial buildings, including land, for rent in various locations, including Tokyo. Net rental income from such real estate for rent for the fiscal year ended March 31, 2021 was ¥35,836 million. The rental income was included in investment income and the rental expense was included in investment expenses. The Company recorded gains on sale of ¥2,548 million and impairment loss of ¥2,528 million on rental real estate as extraordinary gains and extraordinary losses respectively for the fiscal year ended March 31, 2021.

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

(Unit: million yen)

Carrying amount	
Beginning balance	788,201
Net change for the year	(814)
Ending balance	787,387
Fair value	1,056,203

(*1) The carrying amount of rental real estate on the balance sheet was acquisition costs net of accumulated depreciation and impairments.

(*2) Net change in the carrying amount included cost of acquisition of the real estate of ¥30,668 million, sale of the real estate of ¥19,468 million, depreciation expense of ¥13,165 million, and impairment loss of ¥2,528 million.

(*3) The Company calculates the fair value of the majority of the rental real estate based on real estate appraisal standards and assessment by an independent appraiser, and others based on internal but reasonable estimates.

18. Securities Lending

Securities lent under lending agreements are included in the consolidated balance sheet. The total balance of securities lent as of March 31, 2021 was ¥ 2,246,652 million.

19. Problem Loans

As of March 31, 2021, the amounts of credits to bankrupt borrowers, delinquent loans, loans past due for three months or more, and restructured loans, which were included in loans, were as follows:

(Unit: million yen)

Credits to bankrupt borrowers	67
Delinquent loans	3,216
Loans past due for three months or more	-
Restructured loans	833
Total	4,117

Credits to bankrupt borrowers represent non-accrual loans, excluding the balances already written off, which meet the conditions prescribed in Article 96, Paragraph 1, Item 3 (a) to (e) or Item 4 of t the Order for Enforcement of the Corporation Tax Act (Cabinet Order 97,1965). Interest accruals of such loans are suspended since the principal of or interest on such loans is unlikely to be collected.

Delinquent loans are credits that are delinquent other than credits to bankrupt borrowers and loans for which interest payments have been suspended to assist and support the borrowers in the restructuring of their businesses.

Loans past due for three months or more are loans for which interest or principal payments are delinquent for three months or more under the terms of the loans excluding those classified as credits to bankrupt borrowers or delinquent loans.

Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reductions or exemptions, postponement of principal or interest payments, release from repayment or other agreements have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their businesses. This category excludes loans classified as credits to bankrupt borrowers, delinquent loans, and loans past due for three months or more.

As a result of the direct write-off of loans described in Note 7, the decreases in credits to bankrupt borrowers and delinquent loans were as follows:

(Unit: million yen)

Credits to bankrupt borrowers	1
Delinquent loans	-

20. Assets and Liabilities Held in Separate Accounts

The total amount of assets held in separate accounts defined in Article 118 Paragraph 1 of the Insurance Business Act was ¥1,575,100 million. Separate account liabilities were the same amount as the separate account assets.

21. Contingent Liabilities

Guarantee for debt obligations of a separate company were as follows:

	(Unit: million yen)
Dai-ichi Life Holdings, Inc. ……..	250,002

22. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	(Unit: million yen)
Balance at the beginning of the fiscal year ……	399,742
Dividends paid during the fiscal year ……	84,461
Interest accrual during the fiscal year ……	8,218
Provision for reserve for policyholder dividends ……	77,500
Balance at the end of the fiscal year ……	400,999

23. Stock of Subsidiaries and Affiliated Companies

The amount of stocks of and stakes in non-consolidated subsidiaries and affiliated companies the Company held as of March 31, 2021 were as follows:

	(Unit: million yen)
Stocks ……	4,788
Capital ……	166,145
Total ……	170,933

24. Organizational Change Surplus

As of March 31,2021, the amount of organizational change surplus stipulated in Article 91 of the Insurance Business Act was ¥ 117,776 million.

25. Assets Pledged as Collateral / Secured Liabilities

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

	(Unit: million yen)
Securities ……	2,308,573
Cash and deposits ……	86
Total ……	2,308,659

The amounts of secured liabilities were as follows:

	(Unit: million yen)
Payables under repurchase agreements……	2,301,762

The amounts of "Securities" pledged as collateral under repurchase agreements as of March 31, 2021 was ¥ 2,074,617 million.

26. Net Assets per Share

The amount of net assets per share of the Company as of March 31, 2021 was ¥530,692,467.11.

27. 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 Plan

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

(Unit: million yen)

a.	Beginning balance of the projected benefit obligations	684,256
b.	Service cost	25,769
c.	Interest cost	2,050
d.	Accruals of actuarial (gains) and losses	5,543
e.	Payment of retirement benefits	(32,125)
f.	Acurruals of past service cost	2,160
g.	Others	(883)
h.	Ending balance of the projected benefit obligation (a + b + c + d + e + f + g)	686,771

b) Reconciliations of beginning and ending balances of pension assets

(Unit: million yen)

a.	Beginning balance of pension assets	253,121
b.	Estimated return on assets	1,753
c.	Accruals of actuarial (gains) and losses	28,511
d.	Contribution from the employer	6,746
e.	Payment of retirement benefits	(10,254)
f	Ending balance of pension assets (a + b + c + d + e)	279,877

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 balance sheet

(Unit: million yen)

a.	Projected benefit obligation for funded pensions	365,467
b.	Pension assets	(279,877)
c.	Subtotal (a + b)	85,590
d.	Projected benefit obligation for unfunded pensions	321,304
e.	Net of assets and liabilities recorded in the consolidated balance sheet (c+ d)	406,894
f.	Net defined benefit liabilities	406,894
g.	Net defined benefit assets	-
h.	Net of assets and liabilities recorded in the balance sheet (f+ g)	406,894

d) Amount of the components of retirement benefit expenses

(Unit: million yen)

a.	Service cost	25,769
b.	Interest cost	2,050
c.	Expected return on assets	(1,753)
d.	Expense of actuarial (gains) and losses	5,618
e.	Expense of past service cost	(136)
f.	Others	190
g.	Retirement benefit expenses for defined benefit plans (a + b + c + d + e + f)	31,738

e) Remeasurements of defined benefit plans

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

	(Unit: million yen)
Past service cost	(2,297)
Actuarial gains (losses)	28,672
Total	26,375

f) Accumulated remeasurements of defined benefit plans

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

	(Unit: million yen)
Unrecognized past service cost	1,339
Unrecognized actuarial gains (losses)	5,416
Total	6,755

g) Pension assets

i. The main components of the pension assets

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

Stocks	70%
Assets under joint management	15%
Life insurance general account	4%
Bonds	3%
Others	8%
Total	100%

Note: The proportion of retirement benefit trust to total pension assets that has been set for the unfunded retirement benefit plans as of March 31, 2021 was 53%.

ii. The method of setting the expected long-term rate of return on pension assets

To determine the expected long-term rate of return on pension assets, the Company has taken into account the allocation of pension assets at present and in future, and long-term rate of return on a variety of assets that make up the pension assets at present and in future.

h) Calculation basis of actuarial gains and losses

Major assumptions of basis of actuarial calculation as of the fiscal year-end were as follows:

Discount rate	0.30%
Expected long-term rate of return	
Defined benefit corporate pension	1.40%
Employee pension trust	0.00%

i) Defined Contribution Plan

Required amounts of contribution to defined contribution plans of the Company for the fiscal years ended March 31, 2021 was ¥1,566million.

28. Securities Borrowing

Securities borrowed under borrowing agreements can be sold or pledged as collateral. As of March 31, 2021, the market value of the securities which were not sold or pledged as collateral was ¥ 2,343 million. None of the securities were pledged as collateral as of March 31, 2021.

29. Commitment Line

As of March 31, 2021, there were unused commitment line agreements, under which the Company was the lenders, of ¥ 78,478 million.

30. Subordinated Debt and Other Liabilities

As of March 31, 2021, other liabilities included subordinated debt of ¥390,600 million, whose repayment is subordinated to other obligations.

31. Bonds Payable

As of March 31, 2021, bonds payable included foreign currency-denominated subordinated bonds of ¥ 476,277 million, whose repayment is subordinated to other obligations.

32. Obligations to the Life Insurance Policyholders Protection Corporation of Japan

The estimated future obligations of the Company to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Act as of March 31, 2021 were ¥ 44,307 million. These obligations will be recognized as operating expenses for the years in which they are paid.

III. NOTES TO UNAUDITED CONSOLIDATED STATEMENT OF EARNINGS FOR THE FISCAL YEAR ENDED March 31, 2021

1. Accounting Policies for Premium and Other Income and Benefits and Claims for the Company

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

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

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

(2) Benefits and claims (excluding ceding reinsurance commissions)

Benefits and claims (excluding ceding reinsurance commissions) are recorded for contracts for which amounts calculated under policy conditions have been paid in the occurrence of insured events under the policy conditions by the relevant amounts paid.

In accordance with Article 117 of the Insurance Business Act, reserves for outstanding claims are set aside for claims, etc. for which the Company has a payment due but has not paid, or for which the occurrence of the insured events have not been reported but the Company finds that insured events have already occurred, as of the end of the fiscal year.

Effective the fiscal year ended March 31, 2021, the Company discloses "principles and procedures of the accounting treatment adopted in cases where the provisions of relevant accounting standards, etc. are unclear" with the adoption of the "Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections" (ASBJ Statement No. 24 revised on March 31, 2020), in the consolidated financial statements.

2. Net Income per Share

Net income per share for the fiscal year ended March 31, 2021 was ¥32,509,940.19. Diluted net income per share for the same period is not presented because there were no existing diluted shares.

3. Impairment Losses on Fixed Assets

Details of impairment losses on fixed assets for the fiscal year ended March 31, 2021 were as follows:

(1) Method of Grouping Assets

Real estate and other assets used for insurance business purposes are recognized as one asset group. Each property for rent and property not in use, which is not used for insurance business purposes, is deemed to be an independent asset group.

(2) Background for Recognition of Impairment Losses

As a result of significant declines in profitability or market value of some asset groups, the Company wrote down the book value of these assets to the recoverable value, and reported such write-off as impairment losses in extraordinary losses.

(3) Breakdown of Impairment Losses

Impairment losses by asset group for the fiscal year ended March 31, 2021 were as follows:

(Unit: million yen)

Real estate for rent	Morioka city, Iwate prefecture	1	25	31	57
Real estate not in use	Takamatsu city, Kagawa prefecture and others	22	1,741	752	2,494
Total	-	23	1,767	784	2,552

(4) Calculation of Recoverable Value

Value in use or net sale value is used as the recoverable value of real estate for rent, and net sale value is used as the recoverable value of real estate not in use. A discount rate of 2.17% for the fiscal year ended March 31, 2021 was applied for discounting future cash flows in the calculation of value in use. Estimated disposal value, appraisal value based on real estate appraisal standards, or appraisal value based on publicly assessed land value for tax purposes is used as the net sale value.

IV. NOTES TO UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FISCAL YEAR ENDED MARCH 31, 2021

(Unit: million yen)

Net unrealized gains (losses) on securities, net of tax	
Amount incurred during the fiscal year ended March 31, 2021	1,078,176
Amount reclassified	(217,755)
Before tax adjustment	860,420
Tax effect	(240,229)
Net unrealized gains (losses) on securities, net of tax	620,191
Deferred hedge gains (losses)	
Amount incurred during the fiscal year ended March 31, 2021	(34,139)
Amount reclassified	(286)
Before tax adjustment	(34,426)
Tax effect	9,611
Deferred hedge gains (losses)	(24,814)
Foreign currency translation adjustments	
Amount incurred during the fiscal year ended March 31, 2021	592
Amount reclassified	-
Before tax adjustment	592
Tax effect	-
Foreign currency translation adjustments	592
Remeasurements of defined benefit plans, net of tax	
Amount incurred during the fiscal year ended March 31, 2021	20,816
Amount reclassified	5,558
Before tax adjustment	26,375
Tax effect	(7,363)
Remeasurements of defined benefit plans	19,011
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	
Amount incurred during the fiscal year ended March 31, 2021	0
Amount reclassified	-
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	0
Total other comprehensive income	614,980

V. NOTES TO UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FISCAL YEAR ENDED March 31, 2021

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.

VI. NOTES TO UNAUDITED CONSOLIDATED STATEMENT OF CHANGE IN NET ASSETS FOR THE FISCAL YEAR ENDED March 31, 2021

1. Type and Number of Shares Outstanding

	At the beginning of the year	Increase	Decrease	As of March 31, 2021
	(Unit: thousands shares)			
Common stock ……	6	-	-	6

2. Dividends on Common Stock

(1) Cash Dividends

Date of resolution	June 17, 2020 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥101,079 million
Dividends per share	¥16,846,500
Record date	March 31, 2020
Effective date	June 18, 2020
Dividend resource	Retained earnings

Date of resolution	August 12, 2020 (at the Extraordinary General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥49,999 million
Dividends per share	¥8,333,300
Record date	-
Effective date	August 13, 2020
Dividend resource	Retained earnings

(2) Dividends in Kind

Date of resolution	August 12, 2020 (at the Extraordinary General Meeting of Shareholders) (*)
Type of shares	Common stock
Type of the dividend property	Securities
Book value of the dividend property	¥5,740,000
Record date	-
Effective date	August 31, 2020
Dividend resource	Retained earnings

(*) At the Extraordinary General Meeting of Shareholders on August 12, 2020, the Company decided to transfer the securities the Company had held to Dai-ichi life Holdings, Inc. as a dividend in kind, and carried it out on August 31, 2020.

(3) Dividends, the record date of which was March 31, 2021, to be paid out in the year ending March 31, 2022

Date of resolution	June 16, 2021 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥158,716 million
Dividends per share	¥26,452,800
Record date	March 31, 2021
Effective date	June 17, 2021
Dividend resource	Retained earnings

Date of resolution	June 16, 2021 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥49,999 million
Dividends per share	¥8,333,300
Record date	March 31, 2021
Effective date	June 17, 2021
Dividend resource	Capital surplus

(7) Consolidated Risk-Monitored Loans

(millions of yen)

Category	Year ended March 31, 2021
Credits to bankrupt borrowers	67
Delequent loans	3,216
Loans past due for three months or more	-
Restructured loans	833
Total	4,117
[Percentage of total loans]	[0.16%]

Note:

1. 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 write-offs relating to bankrupt borrowers in the fiscal years ended March 31, 2021 were 1 million yen.
2. Credits to bankrupt borrowers represent non-accrual loans to borrowers which are subject to bankruptcy, corporate reorganization or rehabilitation or other similar, including but not limited to foreign, proceedings. Accrual of interest on such loans have been suspended based upon a determination that collection or repayment of principal or interest is unlikely due to significant delay in payment of principal or interest or for some other reason.
3. Delinquent loans are credits that are delinquent other than credits to bankrupt borrowers and loans for which interest payments have been suspended to assist and support the borrowers in the restructuring of their businesses.
4. Loans past due for three months or more are loans for which interest or principal payments are delinquent for three months or more under the terms of the loans, excluding those loans classified as credits to bankrupt borrowers or delinquent loans.
5. Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reductions or exemptions, postponement of principal or interest payments, release from repayment or other agreements have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their businesses. This category excludes loans classified as credits to bankrupt borrowers, delinquent loans, and loans past due for three months or more.

(8) Consolidated Solvency Margin Ratio

(millions of yen)

	As of March 31, 2020	As of March 31, 2021
Total solvency margin ***(A)***	6,121,744	6,817,494
Common stock, etc. *1	529,037	470,534
Reserve for price fluctuations	215,453	233,453
Contingency reserve	628,493	599,893
Catastrophe loss reserve	-	-
General reserve for possible loan losses	117	333
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% *2	2,390,159	3,154,539
Net unrealized gains (losses) on real estate × 85% *2	243,896	255,652
Sum of unrecognized actuarial differences and unrecognized past service cost	(33,294)	(6,395)
Policy reserves in excess of surrender values	2,164,285	2,164,644
Qualifying subordinated debt	759,277	866,877
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(754,610)	(825,614)
Excluded items	(98,497)	(168,653)
Others	77,427	72,228
Total risk $\sqrt{\left(\sqrt{R_1^2+R_5^2}+R_8+R_9\right)^2+(R_2+R_3+R_7)^2}+R_4+R_6$ ***(B)***	1,238,988	1,438,710
Insurance risk R_1	64,717	67,456
General insurance risk R_5	-	-
Catastrophe risk R_6	-	-
3rd sector insurance risk R_8	172,223	166,267
Small amount and short-term insurance risk R_9	-	-
Assumed investment yield risk R_2	191,118	179,312
Guaranteed minimum benefit risk R_7 *3	3,039	2,910
Investment risk R_3	992,934	1,204,518
Business risk R_4	28,480	32,409
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$	988.1%	947.7%

*1: Expected disbursements from capital 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 86-2 and 88 of the Enforcement Regulations of Insurance Business Act, and Notification of the Financial Services Agency No. 23, 2011.

(9) Segment Information

The Company on a consolidated basis did not operate any businesses categorized in segments other than its own core life insurance business, and therefore segment information was omitted.

May 14, 2021

Supplementary Materials for the Fiscal Year Ended March 31, 2021

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For further information please contact:

Corporate Planning Dept.,
The Dai-ichi Life Insurance Company, Limited
TEL: +81-(0)50-3780-6930/7204

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

1. Securities (General Account)

(1) Breakdown of Securities

(millions of yen)

	As of March 31, 2020		As of March 31, 2021	
	Carrying amount	%	Carrying amount	%
National government bonds	13,698,904	46.2	14,672,138	45.1
Local government bonds	129,433	0.4	107,735	0.3
Corporate bonds	2,042,503	6.9	1,960,238	6.0
Public entity bonds	414,124	1.4	393,526	1.2
Domestic stocks	2,786,892	9.4	3,569,109	11.0
Foreign securities	10,073,956	34.0	11,402,677	35.1
Foreign bonds	9,088,395	30.7	9,811,240	30.2
Foreign stocks and other securities	985,560	3.3	1,591,436	4.9
Other securities	896,944	3.0	818,392	2.5
Total	29,628,634	100.0	32,530,293	100.0

(2) Securities by Contractual Maturity Date

(millions of yen)

	Due in 1 year or less	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years through 7 years	Due after 7 years through 10 years	Due after 10 years or having no maturity date	Total
As of March 31, 2020							
Securities	586,329	1,101,503	1,444,372	2,251,872	3,520,952	20,723,604	29,628,634
National government bonds	74,467	22,774	250,094	734,136	1,504,395	11,113,036	13,698,904
Local government bonds	23,981	4,267	4,820	17,769	2,913	75,680	129,433
Corporate bonds	95,622	163,504	227,448	227,484	179,534	1,148,909	2,042,503
Domestic stocks	-	-	-	-	-	2,786,892	2,786,892
Foreign securities	379,004	889,591	911,662	1,203,671	1,306,577	5,383,449	10,073,956
Foreign bonds	376,404	882,767	895,198	1,158,912	1,245,286	4,529,824	9,088,395
Foreign stocks and other securities	2,599	6,824	16,464	44,758	61,290	853,624	985,560
Other securities	13,254	21,365	50,345	68,811	527,531	215,636	896,944
Monetary claims bought	-	3,352	1,037	22,823	13,991	179,941	221,147
Certificates of deposit	110,994	-	-	-	-	-	110,994
Others	-	-	-	-	-	34,274	34,274
As of March 31, 2021							
Securities	491,377	1,189,420	1,799,772	2,336,468	3,470,970	23,242,285	32,530,293
National government bonds	16,079	116,456	385,869	713,515	2,012,050	11,428,166	14,672,138
Local government bonds	2,799	4,312	12,879	6,305	2,908	78,531	107,735
Corporate bonds	58,145	176,507	234,358	210,394	143,479	1,137,353	1,960,238
Domestic stocks	-	-	-	-	-	3,569,109	3,569,109
Foreign securities	413,632	873,430	1,047,910	1,310,705	977,002	6,779,996	11,402,677
Foreign bonds	410,667	859,597	1,020,003	1,259,084	886,601	5,375,286	9,811,240
Foreign stocks and other securities	2,965	13,833	27,906	51,620	90,401	1,404,709	1,591,436
Other securities	720	18,714	118,754	95,546	335,529	249,127	818,392
Monetary claims bought	-	3,351	27,707	23,082	9,449	188,548	252,140
Certificates of deposit	70,997	-	-	-	-	-	70,997
Others	-	-	-	-	-	7,716	7,716

Note: The table above includes assets which are treated as securities in accordance with the "Accounting Standard for Financial Instruments" (Accounting Standards Board of Japan (ASBJ) Statement No.10).

(3) Domestic Stocks by Industry

(millions of yen)

	As of March 31, 2020		As of March 31, 2021	
	Carrying amount	%	Carrying amount	%
Forestry and fisheries	716	0.0	266	0.0
Mining	200	0.0	200	0.0
Construction	98,486	3.5	119,215	3.3
Manufacturing industries				
Food products	172,860	6.2	184,173	5.2
Textiles and clothing	19,433	0.7	23,338	0.7
Pulp and paper	2,949	0.1	3,830	0.1
Chemicals	164,130	5.9	212,174	5.9
Medical supplies	68,347	2.5	87,967	2.5
Oil and coal products	2,576	0.1	3,324	0.1
Rubber products	18,058	0.6	15,100	0.4
Glass and stone products	79,927	2.9	108,791	3.0
Steel	23,138	0.8	36,139	1.0
Non-steel metals	9,865	0.4	13,969	0.4
Metal products	27,248	1.0	48,079	1.3
Machinery	178,284	6.4	249,106	7.0
Electric appliances	479,729	17.2	731,687	20.5
Transportation vehicles	141,022	5.1	190,618	5.3
Precision instruments	149,300	5.4	168,390	4.7
Others	59,452	2.1	68,351	1.9
Electric and gas utilities	91,894	3.3	67,031	1.9
Transportation and communications industries				
Ground transportation	281,543	10.1	278,117	7.8
Water transportation	32	0.0	51	0.0
Air transportation	3,169	0.1	3,113	0.1
Warehouses	3,953	0.1	4,617	0.1
Telecommunications	52,364	1.9	83,762	2.3
Commerce				
Wholesale	108,226	3.9	142,684	4.0
Retail	93,903	3.4	120,546	3.4
Financial industries				
Banks	162,225	5.8	207,608	5.8
Security and trading companies	218	0.0	1,786	0.1
Insurance	3,724	0.1	4,325	0.1
Other	23,670	0.8	29,575	0.8
Real estate	17,826	0.6	18,737	0.5
Service	248,411	8.9	342,425	9.6
Total	2,786,892	100.0	3,569,109	100.0

Note: Industry categories above are based on classification by Securities Identification Code Committee.

2. Loans (General Account)

(1) Loans by Contractual Maturity Dates

(millions of yen)

		Due in 1 year or less	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years through 7 years	Due after 7 years through 10 years	Due after 10 years or having no maturity date	Total
As of March 31, 2020								
	Floating-rate loans	4,251	25,670	18,312	9,774	1,713	306,184	365,906
	Fixed-rate loans	253,671	357,475	361,668	329,174	232,174	318,468	1,852,631
	Total	257,922	383,146	379,980	338,948	233,887	624,652	2,218,538
As of March 31, 2021								
	Floating-rate loans	9,928	19,985	38,724	13,547	11,905	308,274	402,366
	Fixed-rate loans	315,760	339,671	358,971	287,638	232,373	347,202	1,881,617
	Total	325,688	359,657	397,695	301,186	244,278	655,476	2,283,983

(2) Loans to Domestic Companies by Company Size

(millions of yen except number of borrowers)

		As of March 31, 2020		As of March 31, 2021	
			%		%
Large corporations	Number of borrowers	215	64.2	209	62.8
	Amount of loans	1,636,633	84.2	1,688,707	83.6
Medium-sized corporations	Number of borrowers	7	2.1	7	2.1
	Amount of loans	4,038	0.2	4,103	0.2
Small-sized corporations	Number of borrowers	113	33.7	117	35.1
	Amount of loans	302,872	15.6	326,916	16.2
Total	Number of borrowers	335	100.0	333	100.0
	Amount of loans	1,943,544	100.0	2,019,726	100.0

Note: 1. Categorization by company size is based on the following criteria:
(1) Large corporations include corporations with paid-in capital of at least ¥1 billion and more than 300 employees (more than 50 employees in the case of retailers and restaurants; more than 100 employees in the case of service companies and wholesalers).
(2) Medium-sized corporations include corporations with paid-in capital of more than ¥300 million and less than ¥1 billion (more than ¥50 million and less than ¥1 billion in the case of retailers, restaurants and service companies; more than ¥100 million and less than ¥1 billion in the case of wholesalers) and more than 300 employees (more than 50 employees in the case of retailers and restaurants; more than 100 employees in the case of service companies and wholesalers).
(3) Small corporations include all other corporations.
2. Number of borrowers does not equal the number of loan transactions.

(3) Loans by Collateral Type

(millions of yen)

		As of March 31, 2020		As of March 31, 2021	
		Carrying amount	%	Carrying amount	%
Secured loans		2,406	0.1	2,546	0.1
	Stocks and other securities	950	0.0	1,130	0.0
	Real and personal estate	1,455	0.1	1,415	0.1
	Others	-	-	-	-
Guarantees		119,612	5.4	99,406	4.4
Unsecured loans		2,096,520	94.5	2,182,031	95.5
Others		-	-	-	-
Total loans		2,218,538	100.0	2,283,983	100.0
	Subordinated loans	213,410	9.6	241,551	10.6

Note: Policy loans are excluded.

(4) Loans by Industry

(millions of yen)

	As of March 31, 2020		As of March 31, 2021	
	Carrying amount	%	Carrying amount	%
Domestic				
Manufacturing industries	276,090	12.4	270,245	11.8
Foodstuffs and beverages	40,407	1.8	43,049	1.9
Textile products	1,673	0.1	1,824	0.1
Lumber and wood products	500	0.0	500	0.0
Pulp, paper and paper products	10,660	0.5	10,600	0.5
Printing	12,502	0.6	22,500	1.0
Chemical and allied products	26,771	1.2	27,865	1.2
Petroleum refining	8,860	0.4	7,860	0.3
Ceramic, stone and clay products	19,022	0.9	18,791	0.8
Iron and steel	82,547	3.7	66,245	2.9
Non-ferrous metals and products	4,626	0.2	3,985	0.2
Fabricated metal products	961	0.0	964	0.0
General-purpose and production- and business-oriented machinery	20,391	0.9	22,495	1.0
Electrical machinery equipment and supplies	20,534	0.9	15,273	0.7
Transportation equipment	17,589	0.8	19,173	0.8
Miscellaneous manufacturing industries	9,042	0.4	9,116	0.4
Agriculture and forestry	-	-	-	-
Fishery	-	-	-	-
Mining and quarrying of stone and gravel	-	-	-	-
Construction	9,260	0.4	14,077	0.6
Electricity, gas, heat supply and water	447,376	20.2	452,713	19.8
Information and communications	47,786	2.2	61,006	2.7
Transport and postal activities	251,547	11.3	250,994	11.0
Wholesale trade	300,862	13.6	303,944	13.3
Retail trade	12,505	0.6	11,557	0.5
Finance and insurance	554,499	25.0	596,675	26.1
Real estate	141,549	6.4	135,914	6.0
Goods rental and leasing	98,872	4.5	93,647	4.1
Scientific research, professional and technical services	200	0.0	500	0.0
Accommodations	-	-	-	-
Eating and drinking services	-	-	-	-
Living-related and personal services and amusement services	4,623	0.2	3,477	0.2
Education, learning support	-	-	-	-
Medical, health care and welfare	1,000	0.0	4,715	0.2
Other services	2,819	0.1	2,313	0.1
Local governments	19,088	0.9	16,727	0.7
Individuals	-	-	-	-
Others	66	0.0	-	-
Total domestic	2,168,147	97.7	2,218,510	97.1
Foreign				
Governments	3,304	0.1	4,218	0.2
Financial institutions	5,000	0.2	-	-
Commercial and industrial	42,086	1.9	61,255	2.7
Total foreign	50,391	2.3	65,473	2.9
Total	2,218,538	100.0	2,283,983	100.0

Note: 1. Policy loans are excluded.
2. Domestic industry categories above are based on classification used by Bank of Japan in survey of loans.

3. Foreign Investments (General Account)

(1) Breakdown of Investment by Asset Category

A. Assets denominated in foreign currency

(millions of yen)

	As of March 31, 2020		As of March 31, 2021	
	Carrying amount	%	Carrying amount	%
Foreign bonds	8,287,407	73.4	9,017,236	74.1
Foreign stocks	643,359	5.7	1,196,647	9.8
Cash, cash equivalents and other assets	640,851	5.7	214,984	1.8
Sub-total	9,571,618	84.8	10,428,868	85.7

B. Assets swapped into yen

(millions of yen)

	As of March 31, 2020		As of March 31, 2021	
	Carrying amount	%	Carrying amount	%
Foreign bonds	-	-	-	-
Cash, cash equivalents and other assets	272,311	2.4	272,336	2.2
Sub-total	272,311	2.4	272,336	2.2

C. Assets denominated in yen

(millions of yen)

	As of March 31, 2020		As of March 31, 2021	
	Carrying amount	%	Carrying amount	%
Loans to borrowers outside Japan	30,043	0.3	25,948	0.2
Foreign bonds and others	1,412,739	12.5	1,437,739	11.8
Sub-total	1,442,783	12.8	1,463,688	12.0

D. Total

(millions of yen)

	As of March 31, 2020		As of March 31, 2021	
	Carrying amount	%	Carrying amount	%
Foreign investments	11,286,713	100.0	12,164,893	100.0

Note: Assets swapped into yen are assets whose settlement amounts are fixed into yen by foreign currency forward contracts and other agreements and which are reported in the yen amounts on the balance sheets.

(2) Foreign Currency-Denominated Assets by Currency

(millions of yen)

	As of March 31, 2020		As of March 31, 2021	
	Carrying amount	%	Carrying amount	%
U.S. dollar	4,651,934	48.6	5,085,454	48.8
Euro	2,637,312	27.6	2,255,928	21.6
Australian dollar	699,244	7.3	1,226,547	11.8
Canadian dollar	215,930	2.3	434,031	4.2
British pound	302,948	3.2	331,737	3.2
China Renminbi	209,548	2.2	301,325	2.9
Mexican peso	188,095	2.0	183,055	1.8
Total (including others not listed above)	9,571,618	100.0	10,428,868	100.0

(3) Investments by Region

(millions of yen)

		Foreign securities						Loans to borrowers located outside Japan	
				Bonds		Stocks and other securities			
		Carrying amount	%	Carrying amount	%	Carrying amount	%	Carrying amount	%
As of March 31, 2020									
	North America	4,147,818	41.2	3,916,856	43.1	230,962	23.4	6,258	12.4
	Europe	3,399,520	33.7	3,079,499	33.9	320,021	32.5	12,555	24.9
	Oceania	739,451	7.3	709,931	7.8	29,520	3.0	8,304	16.5
	Asia	411,998	4.1	310,903	3.4	101,095	10.3	2,308	4.6
	Latin America	1,216,710	12.1	912,925	10.0	303,785	30.8	20,964	41.6
	Middle East	176	0.0	-	-	176	0.0	-	-
	Africa	-	-	-	-	-	-	-	-
	International organizations	158,279	1.6	158,279	1.7	-	-	-	-
	Total	10,073,956	100.0	9,088,395	100.0	985,560	100.0	50,391	100.0
As of March 31, 2021									
	North America	4,721,218	41.4	4,049,280	41.3	671,937	42.2	12,085	18.5
	Europe	3,471,185	30.4	2,984,625	30.4	486,560	30.6	19,397	29.6
	Oceania	1,158,518	10.2	1,130,271	11.5	28,247	1.8	11,388	17.4
	Asia	507,080	4.4	402,555	4.1	104,525	6.6	2,829	4.3
	Latin America	1,304,415	11.4	1,004,650	10.2	299,765	18.8	19,771	30.2
	Middle East	400	0.0	-	-	400	0.0	-	-
	Africa	-	-	-	-	-	-	-	-
	International organizations	239,857	2.1	239,857	2.4	-	-	-	-
	Total	11,402,677	100.0	9,811,240	100.0	1,591,436	100.0	65,473	100.0

Note: Categorization of region is generally based on nationalities of issuers or borrowers.

4. Fair Value Information on Derivative Transactions (General Account)

(1) Gains and losses on derivatives (Hedge-Accounting-Applied and Not-Applied)

(millions of yen)

	As of March 31, 2020						As of March 31, 2021					
	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	40,848	26,754	-	-	-	67,602	18,451	(314,225)	-	-	-	(295,773)
Hedge accounting not applied	3,245	34,472	7,735	557	194	46,206	(13,205)	(7,702)	(1,028)	2,458	39	(19,438)
Total	44,093	61,227	7,735	557	194	113,808	5,245	(321,927)	(1,028)	2,458	39	(315,212)

Note: Regarding the table above, following figures are reported in the statements of earnings:

As of March 31, 2020: gains/losses from derivatives with hedge accounting (fair value hedge method) applied (currency-related, gain of 22,029 million yen) and gains/losses from derivatives with hedge accounting not applied (gain of 46,206 million yen), totaling gain of 68,235 million yen.

As of March 31, 2021: gains/losses from derivatives with hedge accounting (fair value hedge method) applied (currency-related, loss of 306,695 million yen) and gains/losses from derivatives with hedge accounting not applied (loss of 19,438 million yen), totaling loss of 326,133 million yen.

(2) Fair value information (Hedge-Accounting-Not-Applied)

① Interest-related transactions

(millions of yen)

	As of March 31, 2020				As of March 31, 2021			
	Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)	Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)
Over-the-counter transactions								
Yen interest rate swaps								
Receipts fixed, payments floating	10,000	10,000	978	978	10,000	10,000	510	510
Receipts floating, payments fixed	40,250	40,250	(1,035)	(1,035)	17,600	17,600	(217)	(217)
Yen interest rate swaption								
Sold								
Receipts fixed, payments floating	-	-			20,000	-		
	[-]	[-]	-	-	[236]	[-]	13	222
Bought								
Receipts fixed, payments floating	830,000	460,000			480,000	10,000		
	[18,202]	[11,993]	27,507	9,305	[12,300]	[70]	1,724	(10,575)
Receipts floating, payments fixed	1,560,000	1,110,000			1,895,000	1,095,000		
	[6,316]	[3,454]	312	(6,003)	[9,216]	[6,243]	6,072	(3,143)
Total				3,245				(13,205)

Note: 1. Figures in [ ] are option premiums which are included in the balance sheets.

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)".

(Reference) Interest rate swaps by contractual maturity dates

(millions of yen, percentage)

	1 year or shorter	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
As of March 31, 2020							
Yen interest rate swaps							
Notional amount (receipts fixed, payments floating)	-	-	-	-	-	10,000	10,000
Average fixed rate (receipt)	-	-	-	-	-	0.64	0.64
Average floating rate (payment)	-	-	-	-	-	(0.06)	(0.06)
Notional amount (receipts floating, payments fixed)	-	-	4,700	-	600	34,950	40,250
Average fixed rate (payment)	-	-	(0.00)	-	0.09	0.28	0.25
Average floating rate (receipt)	-	-	(0.00)	-	(0.00)	(0.05)	(0.04)
Total	-	-	4,700	-	600	44,950	50,250
As of March 31, 2021							
Yen interest rate swaps							
Notional amount (receipts fixed, payments floating)	-	-	-	-	-	10,000	10,000
Average fixed rate (receipt)	-	-	-	-	-	0.64	0.64
Average floating rate (payment)	-	-	-	-	-	(0.06)	(0.06)
Notional amount (receipts floating, payments fixed)	-	-	-	-	2,600	15,000	17,600
Average fixed rate (payment)	-	-	-	-	0.07	0.45	0.40
Average floating rate (receipt)	-	-	-	-	(0.06)	(0.06)	(0.06)
Total	-	-	-	-	2,600	25,000	27,600

② Currency-related transactions

(millions of yen)

	As of March 31, 2020			As of March 31, 2021		
	Notional amount/ contract value	Fair value	Gains (losses)	Notional amount/ contract value	Fair value	Gains (losses)
Over-the-counter transactions						
Currency swaps						
U.S. dollar	-	-	-	14,205	(315)	(315)
Currency forward contracts						
Sold	2,222,430	20,995	20,995	288,176	(1,246)	(1,246)
U.S. dollar	830,641	(3,330)	(3,330)	88,857	(1,048)	(1,048)
Australian dollar	108,816	7,711	7,711	77,417	43	43
Euro	1,021,163	1,671	1,671	58,947	925	925
British pound	58,753	2,858	2,858	19,317	(839)	(839)
Canadian dollar	22,248	802	802	6,478	(327)	(327)
Others	180,807	11,282	11,282	37,158	(0)	(0)
Bought	937,288	10,117	10,117	230,063	(2,313)	(2,313)
U.S. dollar	390,509	10,409	10,409	159,658	(298)	(298)
Euro	449,081	758	758	55,553	(1,908)	(1,908)
British pound	22,647	(800)	(800)	9,952	(89)	(89)
Australian dollar	29,087	55	55	-	-	-
Canadian dollar	3,697	-	-	-	-	-
Others	42,265	(305)	(305)	4,899	(17)	(17)
Currency options						
Sold						
Put	41,021			108,807		
	[39]	87	(48)	[159]	0	158
U.S. dollar	-			108,807		
	[-]	-	-	[159]	0	158
British pound	41,021			-		
	[39]	87	(48)	[-]	-	-
Bought						
Put	648,053			512,231		
	[10,392]	13,800	3,407	[4,631]	645	(3,985)
U.S. dollar	607,032			512,231		
	[9,015]	13,675	4,660	[4,631]	645	(3,985)
British pound	41,021			-		
	[1,377]	125	(1,252)	[-]	-	-
Total			34,472			(7,702)

Note: 1. Figures in [ ] are option premiums which are included in the balance sheets.
2. Forward exchange rates are used for exchange rates as of period ends.
3. Fair value for forward contracts, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".
4. There were no transactions with a maturity of more than one year in the table above.

③Stock-related transactions

(millions of yen)

	As of March 31, 2020			As of March 31, 2021		
	Notional amount/ contract value	Fair value	Gains (losses)	Notional amount/ contract value	Fair value	Gains (losses)
Exchange-traded transactions						
Yen stock index futures						
Sold	24,992	(3,065)	(3,065)	-	-	-
Bought	-	-	-	5,176	104	104
Foreign currency-denominated stock index futures						
Sold	89,745	(9,335)	(9,335)	-	-	-
Bought	-	-	-	4,546	21	21
Yen stock index options						
Bought						
Put	149,961			269,963		
	[4,213]	23,842	19,628	[5,199]	4,044	(1,155)
Foreign currency-denominated stock index options						
Bought						
Put	20,745			-		
	[1,401]	1,910	508	[-]	-	-
Total			7,735			(1,028)

Note: 1. Figures in [ ] are option premiums which are included in the balance sheets.
2. Fair value for futures, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".
3. There were no transactions with maturity of more than one year in the table above.

④Bond-related transactions

(millions of yen)

	As of March 31, 2020			As of March 31, 2021		
	Notional amount/ contract value	Fair value	Gains (losses)	Notional amount/ contract value	Fair value	Gains (losses)
Exchange-traded transactions						
Yen bond futures						
Sold	-	-	-	18,270	(20)	(20)
Bought	3,647	14	14	-	-	-
Foreign currency-denominated bond futures						
Sold	445,448	(6,283)	(6,283)	567,017	8,802	8,802
Bought	557,925	6,724	6,724	702,387	(6,486)	(6,486)
Over-the-counter transactions						
Foreign currency-denominated bond forward contracts						
Sold	88,387	(1,146)	(1,146)	41,532	137	137
Bought	83,442	1,466	1,466	78,944	(133)	(133)
Yen bond OTC options						
Sold						
Call	-			6,555		
	[-]	-	-	[33]	31	2
Put	37,350			36,871		
	[218]	329	(110)	[134]	35	98
Bought						
Call	37,350			36,871		
	[205]	98	(107)	[107]	170	63
Put	-			6,555		
	[-]	-	-	[37]	32	(4)
Total			557			2,458

Note: 1. Figures in [ ] are option premiums which are included in the balance sheets.
2. Fair value for futures and forward contracts, and differences between the option premiums paid/received and fair value of the option for option transactions, are shown in "Gains (losses)".
3. There were no transactions with maturity of more than one year in the table above.

⑤ Others

(millions of yen)

	As of March 31, 2020				As of March 31, 2021			
	Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)	Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)
Over-the-counter transactions								
Credit default swaps								
Protection sold	17,500	7,000	150	150	12,000	11,000	255	255
Protection bought	40,066	40,066	44	44	11,300	11,300	(215)	(215)
Total				194				39

Note: Fair value is shown in "Gains (losses)".

(3) Fair value information (Hedge-Accounting-Applied)

① Interest-related transactions

(millions of yen)

Type of hedge accounting	Type of hedge	Hedged items	As of March 31, 2020				As of March 31, 2021			
			Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)	Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)
Deferral hedge	Yen interest rate swaps									
	Receipts fixed, payments floating	Loans	14,350	14,350	158	158	14,250	14,250	74	74
	Receipts fixed, payments floating	Insurance liabilities	700,000	700,000	42,230	42,230	700,000	700,000	18,998	18,998
Special hedge accounting for interest rate swaps	Yen interest rate swaps									
	Receipts fixed, payments floating	Loans	15,300	12,300	167	167	12,300	8,300	124	124
	Receipts floating, payments fixed	Loans payable	283,000	144,000	(1,708)	(1,708)	325,000	325,000	(746)	(746)
Total						40,848				18,451

Note: Fair value is shown in "Gains (losses)".

(Reference) Interest rate swaps by contractual maturity dates

(millions of yen, percentage)

	1 year or shorter	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
As of March 31, 2020							
Notional amount (receipts fixed, payments floating)	3,000	8,000	6,350	2,300	10,000	700,000	729,650
Average fixed rate (receipt)	0.46	0.04	(0.01)	1.19	0.10	0.47	0.45
Average floating rate (payment)	(0.04)	0.03	(0.01)	0.07	(0.10)	(0.04)	(0.04)
Notional amount (receipts floating, payments fixed)	139,000	144,000	-	-	-	-	283,000
Average fixed rate (payment)	0.28	0.42	-	-	-	-	0.35
Average floating rate (receipt)	0.13	0.13	-	-	-	-	0.13
Total	142,000	152,000	6,350	2,300	10,000	700,000	1,012,650
As of March 31, 2021							
Notional amount (receipts fixed, payments floating)	4,000	10,250	2,300	10,000	-	700,000	726,550
Average fixed rate (receipt)	(0.05)	0.04	1.19	0.10	-	0.47	0.45
Average floating rate (payment)	(0.05)	0.00	0.08	(0.08)	-	(0.05)	(0.05)
Notional amount (receipts floating, payments fixed)	-	144,000	181,000	-	-	-	325,000
Average fixed rate (payment)	-	0.42	0.09	-	-	-	0.23
Average floating rate (receipt)	-	0.14	0.14	-	-	-	0.14
Total	4,000	154,250	183,300	10,000	-	700,000	1,051,550

② Currency-related transactions

(millions of yen)

Type of hedge accounting	Type	Hedged item	As of March 31, 2020				As of March 31, 2021			
			Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)	Notional amount/ contract value	Over 1 year	Fair value	Gains (losses)
Deferral hedge	Currency swaps	Foreign currency-denominated bonds	230,320	212,466	4,725	4,725	196,770	185,116	(7,530)	(7,530)
	U.S. dollar		148,990	133,183	59	59	114,235	108,781	(3,676)	(3,676)
	Euro		69,227	67,181	3,376	3,376	70,488	64,288	(3,478)	(3,478)
	British pound		12,101	12,101	1,289	1,289	12,046	12,046	(375)	(375)
Fair value hedge	Currency forward contracts	Foreign currency-denominated bonds								
	Sold		5,430,501	-	31,536	31,536	6,454,969	-	(306,980)	(306,980)
	U.S. dollar		2,599,200	-	(63,756)	(63,756)	3,160,414	-	(177,109)	(177,109)
	Euro		1,559,276	-	(2,621)	(2,621)	1,344,897	-	(42,286)	(42,286)
	Australian dollar		374,676	-	36,802	36,802	835,833	-	(43,597)	(43,597)
	Canadian dollar		91,583	-	6,221	6,221	344,654	-	(24,746)	(24,746)
	British pound		286,852	-	15,306	15,306	162,460	-	(3,242)	(3,242)
	Others		518,912	-	39,582	39,582	606,709	-	(15,997)	(15,997)
	Bought		226,362	-	(9,507)	(9,507)	11,563	-	285	285
	U.S. dollar		3,316	-	9	9	7,928	-	229	229
	Australian dollar		-	-	-	-	3,585	-	53	53
	Canadian dollar		-	-	-	-	49	-	1	1
	British pound		136,055	-	(5,176)	(5,176)	-	-	-	-
	Euro		718	-	2	2	-	-	-	-
	Others		86,272	-	(4,342)	(4,342)	-	-	-	-
Currency allotment method	Currency forward contracts	Foreign currency-denominated term deposits								
	Sold		239,165	-	-	-	242,002	-	-	-
	U.S. dollar		89,727	-	-	-	92,002	-	-	-
	Others		149,437	-	-	-	150,000	-	-	-
	Currency swaps	Foreign currency-denominated bonds payable	476,277	476,277	-	-	476,277	368,715	-	-
	U.S. dollar		476,277	476,277	-	-	476,277	368,715	-	-
	Currency swaps	Foreign currency-denominated loans	32,605	32,605	-	-	30,366	30,366	-	-
	U.S. dollar		26,641	26,641	-	-	25,594	25,594	-	-
	Euro		5,964	5,964	-	-	4,771	4,771	-	-
Total						26,754				(314,225)

Note: 1. Forward exchange rates are used for exchange rates as of period end.

2. Each of currency forward contracts and currency swaps other than those which deferral hedge method or fair value hedge method is applied to is recorded as the combined amount of such currency forward contract or currency swap and its corresponding hedged item (foreign currency-denominated term deposit, foreign currency-denominated bond payable and foreign currency-denominated loan). Therefore, the fair value of such hedging instruments is included in the fair value of such foreign currency-denominated term deposits, foreign currency-denominated bonds payable and

3. Fair value for forward contracts and currency swaps are shown in "Gains (losses)", except for those to which Note 2 is applied.

The Company held no derivative transactions other than ① and ② as of March 31, 2020 or March 31, 2021.
Therefore no information for ③ Stock-related transactions, ④ Bond-related transactions and ⑤ Others is provided in the report.