Nippon Life
Integrated Report Materials Section

Annual Report 2023

Main Business Details/Company History 1
Initiatives toward Important Sustainability Priorities
(Mid-Term Management Plan 2021–2023) 3
Products and Services for Individuals 9
Products and Services for Corporate Customers 15
Services and Initiatives That Meet Diverse Customer Needs 18
From Application to Conclusion of a Policy 19
Requesting Payment of Insurance Claims and Benefits 21
Feedback from Customers (Complaints)/Financial ADR System 24
The Meeting of Representatives 25
The Conference of Representatives (*Kondankai*) 27
Nissay Konwakai Meetings 28
Promoting Compliance 29
Strengthening Risk Management 31
Nippon Life's Solicitation Policy/Personal Information Protection Policy
(Handling Customers' Personal Information) 34
Business Structure/Subsidiaries and Affiliates 35
Organization 37
Status of Employees and Directors/Accounting Audits 39
Status of Facilities 41
Network(As of July 2023) 43

FINANCIAL STATEMENTS 44

OPERATIONAL STATEMENTS 140

NISSAY

Nippon Life
Insurance Company

Main Business Details

◆Company Purpose

Article 2 of the Articles of Incorporation stipulates the Company's purpose as pursuing business in the following areas:

i) Life insurance business,

ii) Provision of agency service or administration services to other insurance companies (including foreign insurers) or financial institutions, giving of guarantees for liabilities, and other businesses incidental to the businesses of the preceding items,

iii) Sale and purchase of government bonds, local government bonds or government guaranteed bonds, handling of the offering or administration and other businesses permitted under the Insurance Business Act of local government bonds, corporate bonds or other debentures, and other businesses which life insurance companies may conduct under the laws other than the Insurance Business Act and

iv) Other activities incidental to or relating to the matters referred to in each of the foregoing paragraphs

◆Outline of Business

Life insurance business

a. Underwriting insurance based on life insurance business licenses
See p.9-15 for details regarding main insurance products.

b. Asset management
Assets, such as monies received as premiums, are mainly invested in the following:
1) Loans: Call loans and loans extended to corporations and individuals
2) Securities investment: Investment in securities (including foreign securities) and securities lending
3) Real estate investment: Investment in real estate, including office buildings

Auxiliary and other businesses

a. Acting as a proxy for other insurance companies and other financial institutions

b. Provision of credit guarantees

c. Sales of investment trusts

d. Management and administration of defined contribution pension plans

Company History

Nippon Life was founded as Nippon Life Assurance Co., Inc. in July 1889, and in 1891, the name was changed to Nippon Life Assurance Co., Ltd.

When the Company was founded, a premium table based on unique Japanese mortality statistics was created. At the same time, Nippon Life became the first Japanese life insurer to decide to offer profit dividends to policyholders, which embodied the spirit of mutual aid. And so, after its first major closing of books in 1898, Nippon Life paid the first policyholder dividends in Japan.

After World War II, the Company was reborn as Nippon Life Insurance Company in 1947 and continues to work to realize the philosophy of "co-existence, co-prosperity, and mutualism" as a mutual company.

1889	○ Nippon Life Assurance Co., Inc. established
1891	○ Renamed Nippon Life Assurance Co., Ltd.
1898	○ Nippon Life paid out the first policyholder profit dividends in Japan
1899	○ Top in the industry for amount of policies in force
1902	○ Moved to newly built headquarters at present location
1924	○ Nippon Life Saiseikai Foundation established (Certified as a public interest incorporated foundation in 2012)
1931	○ Nissay Hospital opened, attached to the Nippon Life Saiseikai Foundation (Renamed Nippon Life Hospital in 2018)
1940	○ Japan's first "Ordinary insurance with dividend by profit source" launched
1942	○ Full transfer of Fuji Life Insurance
1945	○ Full transfer of Aikoku Life Insurance
1947	○ The Company reemerged as Nippon Life Insurance Company
1950	○ Opening of the Nippon Life Insurance Baseball Stadium
1959	○ "*Kurashi no Hoken*" (endowment insurance with term rider) launched
1963	○ Nissay Theatre opened
1964	○ The "Nissay Masterpiece Theatre" (*Nissay Meisaku Gekijo*) launched
1973	○ Nissay Children's Culture Promotion Foundation established (Renamed Nissay Culture Foundation in 1993 and converted into a public interest incorporated foundation in 2009)
1975	○ New York Liaison Office opened (Renamed New York Representative Office in 1977) ○ Full transfer of Ryukyu Life Insurance
1979	○ Nippon Life Foundation established (Converted into a public interest incorporated foundation in 2010)
1981	○ Whole life insurance and whole life insurance with term life rider launched ○ London Representative Office opened
1982	○ Frankfurt Representative Office opened
1984	○ Nissay Leasing Co., Ltd. established
1985	○ Nissay BOT Investing Advisors established (Renamed Nissay Investment Advisors Co., Ltd. in 1989) ○ Singapore Representative Office opened (office converted into a local corporation in 2010)
1987	○ Beijing Representative Office opened ○ Opening of Nissay Life Plaza Shinjuku (1st outlet)
1988	○ Nissay Research Institute established ○ Corporate identity (CI) introduced
1989	100th Anniversary ○ NLI Research Institute (NLIRI) established ○ The Nissay Seirei Health & Welfare Foundation established (It became a public interest incorporated foundation in 2013)
1991	○ NISSAY CAPITAL CO., LTD. established ○ Nippon Life Insurance Company of America established

1992	○ "*Athlete*" (dread disease term rider) launched ○ "Nissay Million Tree-Planting Campaign" began
1993	○ NISSAY NEW CREATION CO., LTD. established ○ Nissay Green Foundation established (Foundation converted to a public interest incorporated foundation in 2011)
1994	○ "Living Needs Benefit Rider" launched
1995	○ Nissay Investment Trust Co., Ltd. established
1996	○ Nissay General Insurance Co., Ltd. established
1997	○ Acquired an equity stake in Bangkok Life Assurance Limited ○ "*Forward*" (illness & disability term rider) launched ○ Tie-up with Putnam Investments, LLC (USA)
1998	○ *"Nice Care"* (nursing care rider) launched ○ Nissay Asset Management Investment Trust Corporation established through merger of Nissay Investment Advisors Co., Ltd. and Nissay Investment Trust Co., Ltd. ○ Tie-up with Deutsche Bank
1999	110th Anniversary ○ "Nissay Insurance Accounts" launched ○ Nissay Information Technology Co., Ltd. established
2000	○ Separate Account Management Unit spun off, then integrated with Investment Trust Advisors and renamed Nissay Asset Management Corporation ○ The Master Trust Bank of Japan, Ltd. began operation ○ Foundation funds (*kikin*) fundraising using securitization through Special Purpose Company (SPC)
2001	○ The Dowa Fire and Marine Insurance Company, Limited and Nissay General Insurance Co., Ltd. merged to form Nissay Dowa General Insurance Company, Limited (The company merged with Aioi Insurance Co., Ltd. in 2010 and was renamed as Aioi Nissay Dowa Insurance Co., Ltd.) ○ "*Ikiru Chikara EX*" launched ○ Life Care Partners Co., Ltd. established in cooperation with the Nichii Gakkan and Hitachi groups ○ Corporate-Pension Business Service Co., Ltd., a joint venture with Dai-ichi Mutual Life Insurance Company (name changed to The Dai-ichi Life Insurance Company, Limited), established ○ Nissay Call Center launched
2002	○ "Nissay Million Tree-Planting Campaign" goal of one million trees reached ○ Individual variable annuities that are sold in banks launched
2003	○ "Nissay Planting and Nurturing Forests for Future Generations Campaign," a forest protection campaign, launched ○ Nissay-SVA Life Insurance Co., Ltd. established
2004	○ Bangkok Life became an affiliate ○ Tokyo Headquarters moved to Marunouchi, Chiyoda-ku ○ "*My Dream*" (annuity with variable accumulation rate) launched
2005	○ "*Iryo Meijin EX*" (hospitalization and medical life insurance) launched ○ "*Super Phoenix 100EX*" (term life insurance) launched ○ "*Long Dream*" launched
2008	○ Tie-up with Northwestern Mutual ○ "*Mirai Support*" launched ○ "*Platina Dream*" (equity indexed annuity) launched ○ More than seven million children invited to watch musicals of the "Nissay Masterpiece Theatre" (Nissay Meisaku Gekijo)
2009	120th Anniversary ○ "*My Medical Ex*" launched ○ Nissay-SVA Life Insurance Co., Ltd. changed its joint venture partner to China Great Wall Asset Management Corporation and renamed the joint venture Nissay-Greatwall Life Insurance Co., Ltd.
2010	○ *"Zutto Motto Service"* launched ○ Sales of "*Yume no Katachi*" started
2011	○ Invested in Reliance Life Insurance Company Limited and made it an affiliate (Renamed Reliance Nippon Life Insurance Company Limited in 2016)
2012	○ Three-year Management Plan "Future Creation Project" (2012–2014) started ○ Nissay *"Mirai no Katachi"* launched ○ Invested in Reliance Capital Asset Management Limited and made it an affiliate (Renamed Reliance Nippon Life Asset Management Limited in 2016) ○ Issuance of U.S. dollar-denominated subordinated notes
2013	○ "Nissay Educational Endowment Insurance" launched ○ "*Next Road*" launched ○ "*Yume no Katachi Plus*" launched
2014	○ The "Nissay Masterpiece Series" (Nissay Meisaku Series) launched ○ Invested in PT Asuransi Jiwa Sequis Life making it an affiliate
2015	○ Three-year Management Plan "*Zen Shin*" (2015–2017) started ○ Nissay *"Mirai no Katachi Itsutsu Boshi"* plan featuring three major diseases insurance coverage with continuous support launched ○ LifeSalon became a subsidiary ○ "*Long Dream GOLD*" launched ○ Established Nissay Realty Management Co., Ltd. ○ Lifeplaza Partners Co., Ltd. became a subsidiary ○ Management integration with Mitsui Life Insurance Company Limited (Now TAIJU LIFE INSURANCE COMPANY LIMITED)
2016	○ "*Gran Age*" launched ○ "*Wrap Dream*" launched ○ "*ChouChou!*" launched ○ MLC Limited became a subsidiary
2017	○ Mid-Term Management Plan "*Zen Shin* –next stage–" (2017–2020) started ○ "*Platinum Phoenix*" launched ○ Hoken 110 became a subsidiary ○ "*Moshimonotoki no...Seikatsuhi*" launched ○ "*Yume no Present*" launched ○ Nippon Life invested in the US asset management firm, The TCW Group, Inc., and converted it into an affiliate
2018	○ Nissay *"Mirai no Katachi Daijobu"* (specific medical coverage) launched ○ Management integration with MassMutual Life Insurance Company (Now Nippon Wealth Life Insurance Company Limited) ○ "*Long Dream GOLD 2*" launched ○ LHL Co., Ltd. became a subsidiary
2019	130th Anniversary ○ HANASAKU LIFE INSURANCE Co., Ltd. opened for business ○ Nissay *"Mirai no Katachi NEW in 1"* (general hospitalization insurance) launched ○ "*Long Dream GOLD 3*" (single-payment whole life insurance with variable accumulation rate) launched ○ Additional shares in Reliance Nippon Life Asset Management Limited acquired and made it a subsidiary (Renamed Nippon Life India Asset Management Limited in 2020) ○ Invested in Grand Guardian Life Insurance Co., Ltd. and made it an affiliate (Renamed Grand Guardian Nippon Life Insurance Co., Ltd. in 2019) ○ "*Yume no Present 2*" launched
2020	○ Nissay *"Mirai no Katachi Ninchisho Support Plus"* (dementia coverage insurance) launched
2021	○ Mid-Term Management Plan "*Going Beyond*" (2021–2023) started ○ Nissay *"Mirai no Katachi Shu NEW 1"* (income support insurance for extended hospital stays) launched
2022	○ Nissay *"Mirai no Katachi Three Major Diseases 3 Jumaru"* (new insurance coverage for three major diseases) launched ○ Nissay Plus SSI Company Inc. opened for business

Initiatives toward Important Sustainability Priorities (Mid-Term Management Plan 2021–2023)

Field	Important sustainability priority	Initiatives/Targets in the mid-term management plan	Action Policies for FY2022	Results for FY2022
Customers/Communities and society	Improve customer satisfaction and enhance the provision of information	■ Work intensively to implement measures that address Nippon Life's goals and social issues, with customer-oriented business operations positioned as the foundation of all its activities	• Implement initiatives to enhance customer-oriented business operations – Implement PDCA initiatives to promote customer-oriented business operations in each business field – Implement initiatives that harness the voices of customers and employees	• Held four Customer-Oriented Business Operations Committee meetings and deliberated on the status of activities and the future directions of each business field, and initiatives to harness the voices of customers and employees • Reported these initiatives to the Management Committee and the Board of Directors, and disclosed the status of activities on our website • Analyzed feedback and requests from customers and steadily took measures to improve administration and services. As a result, achieved a consistently high customer satisfaction rating (KPI of this field) of 91.9%
	Address social issues through provision of products and services	■ Provide products and services that support customers seeking to "prepare for risk" and "reduce risk" in a 100-year life era ■ Provide a broad range of support that transcends the insurance field	• Efforts to develop and offer products and services that help solve social issues taking into account the diverse needs of customers and society and regional characteristics – Provide products and services that suit the changing lifestyles of customers and the social issues in a 100-year life era including products and services pertaining to dementia and lifestyle improvement – Develop the global insurance and asset management business in the U.S., Europe and Asia–Pacific region and contribute to the development of the insurance market and the asset formation for customers	• Launched new three major diseases insurance "*Three Major Diseases 3 Jumaru*" in April 2022. To prepare for risks, offered coverage for diseases before the aggravation of three major diseases and cancer screenings, in addition to coverage for death and three major diseases. To reduce risks, also offered the Disease Management Program, a service that helps prevent the recurrence and aggravation of heart disease and cerebrovascular disease • In addition, worked to propose our Wellness-Star☆ service to insurers and companies, and steadily increased the number of organizations using our data analysis and disease prevention services. Furthermore, started proposing "Third Data Health Plan Supporting Report" to support the Third Data Health Plan starting from FY2024
	Provide universal services			• Started to offer the "Policyholder Support Service" from June 2022. In addition to the existing "Contract Information Family Contact Service," the service introduced the "Policyholder Agency System," which allows a family member to act as a proxy when policyholders cannot complete the enrollment procedures themselves

* SalivaChecker® is a registered trademark of SalivaTech Co., Ltd.

Field	Important sustainability priority	Initiatives/Targets in the mid-term management plan	Action Policies for FY2022	Results for FY2022
Customers/Communities and society	Provide insurance services suited to every region	■ Provide procedures and services for customers that accommodate regional characteristics and lifestyles (Access to insurance services)		<Japan> • Gradually expanded the procedures and services that can be used through the Nissay app, and redesigned the system in March 2022 for easier operation • In December 2022, utilized expiry information about My Number cards to confirm the safety of customers who had registered their My Number information via the Nissay app in advance as part of claim recommendations for death insurance <Global>• Offered insurance services in seven countries (the U.S., Thailand, China, India, Indonesia, Australia, and Myanmar) through local insurance corporations
	Contribute to shaping a sustainable society through asset management	■ Introduce ESG integration across all asset classes ■ Enhanced dialogue with an emphasis on ESG initiatives ■ ESG-themed investment and finance cumulative target total for FY2017-FY2030 of ¥5 trillion (the target was increased in FY2022 since the cumulative target total for FY2017-FY2023 of ¥1.7 trillion was achieved ahead of schedule) ■ Reduce the amount of GHG emissions in the portfolio	• Implement initiatives to contribute to the realization of a sustainable society through appropriate asset management and ESG investment and finance to fulfill coverage obligations	• Implemented ESG integration across all asset classes • In principle, engaged in dialogue with all dialogue parties on topics related to the environment (E) and society (S) (635 parties, July 2021 to June 2022) • Strengthened dialogue about society (S) (For example, supply chain management, human capital, etc.) • Cumulative amount of ESG-themed investment and finance reached ¥1,933.0 billion (April 2017 to March 2023), achieving the cumulative target of ¥1.7 trillion (FY2017 to FY2023) early Set a new ESG-themed investment and finance target for FY2030, which is ¥5 trillion (of which ¥3 trillion is for decarbonization financing facility) • Steadily made progress in the reduction of GHG emissions in the portfolio, due to dialogue with companies and funding that utilizes the decarbonization financing facility

Field	Important sustainability priority	Initiatives/Targets in the mid-term management plan	Action Policies for FY2022	Results for FY2022
Customers/Communities and society	Build cooperative relationships and contribute to the development of communities and society	■ Provide further peace of mind and broaden social roles by cultivating and expanding business domains	Implement initiatives to contribute to regional development and solving regional and social issues aiming to fulfill our social roles even further – Consider initiatives to address various social issues that people will face in a 100-year life era, centered on childcare support and aging society services – Implement sales representative activities for a deeper relationship with local governments and regional development	• In the field of childcare support, promoted the "*Nissay Penguin Project*" from the two perspectives of 1) fostering a broad-minded culture both inside and outside the workplace and 2) creating society-wide support frameworks, with the aim of achieving a society where everyone raises children together – Expanded the "*Childcare Support Mirai Concierge*", which is an intermediary service for company-managed daycare centers and is being offered by Life Care Partners Co., Ltd. (Number of companies using the service: approximately 113, Number of daycare centers: approximately 717) – In the field of responding to aging society, began to explore new business development through collaboration
		■ Contribute to communities and society (Target) • 100% participation rate of all executives and employees in social contribution activities (ACTION CSR-V) (each fiscal year)		• Partnered with 46 prefectures* through comprehensive and field-specific partnership agreements and implemented initiatives to resolve local issues, especially in such fields as health promotion and reassurance and security of local communities *As of the end of March 2023 • Promoted the initiatives incorporated into sales activities at each branch, such as the distribution of cancer screening flyers and the dissemination of information on bicycle ordinances (mandatory bicycle insurance) • All sites established and implemented a Social Contribution Activity Plan to facilitate regional development and solve regional and social issues • Reached 100% in social contribution activities (ACTION CSR-V) (eight consecutive years)
Environment	Initiatives to Address Climate Change	■ CO_2/GHG emission reductions [Target] (1) Reduction target for Nippon Life's emissions • Reduce by 51% or more by FY2030 (Versus FY2013) • Net zero by FY2050 (2) Reduction target for investees' emissions • By FY2030, – Reduce total emissions by 45% or more (versus FY2010) – Reduce intensity by 49% or more (versus FY2020) • Net zero by FY2050 ■ Address the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) ■ Reduce plastic use	• Reduce CO_2/GHG emissions in both asset management and business activities to realize carbon neutrality – Utilize a variety of methods of ESG investment and finance for asset management – Make a unified effort as a company to reduce the use of resources in business activities, particularly automobiles, electricity and paper • Appropriately assess and disclose climate-related risks and opportunities – Enriched disclosure content in accordance with the TCFD recommendations (Scenario Analysis Findings etc.)	<CO_2/GHG emissions> • The Nippon Life Group's CO_2 emissions for FY2022 were estimated to be 175kt-CO_2 (down 30.9% from FY2013) • For asset management, the total GHG emissions for FY2021 amounted to approximately 15.30 million t-CO_2e (down 41% from FY2010), and intensity was approximately 61t-CO_2e/¥100million (down 15% from FY2020) <TCFD> • Deepened quantitative scenario analysis in the life insurance business and asset management <Not listed above> • Promoted initiatives to reduce plastic clear document folders after setting the target of zero plastic clear document folders (for newly purchased folders at the beginning of FY2024) as part of the Nissay Plastics Smart campaign

Field	Important sustainability priority	Initiatives/Targets in the mid-term management plan	Action Policies for FY2022	Results for FY2022
Employees	Recruitment, development and retention of diverse human resources	■ Build a personnel platform supporting management strategy through the diversification and advancement of human resources ■ Establish diversity in management by promoting inclusion (Target) • Increase the ratio of women in positions equivalent to department manager to 10% at the beginning of FY2030, with the aim of raising the ratio of women in management positions to 30% or more in the 2020s • Promote 100% full operation of "Male Childcare Leave +α"	• Secure a personnel platform that can continue to support customers and society in the future over the long term by flexibly responding to changes in the social environment and the diversification of customer needs – Support initiatives in each unit in addition to implementing Company-wide initiatives – In the fiscal year ended March 31, 2022, we especially concentrated on the following while continuing the initiatives of the previous fiscal year <Recruitment, development and retention of diverse human resources> – Bolster the recruitment of personnel including mid-career hires to secure highly specialized personnel – Further promote human resource capabilities based on discussions by specialists in each field and data from Talent Management System – Enhance different training and career support to promote further participation and expand the field of female candidates for department manager and other management positions – Contribute to creating a workplace where employees take pride in their company and feel satisfied with their job by leveraging employee engagement survey and other surveys <Promote diversity and inclusion> – Enhance education to promote inclusion and improve management capabilities of *Iku-bosses* – Strengthen initiatives to facilitate balancing work and other life commitments such as childcare, nursing care and treatment of medical conditions – Foster an understanding of disabilities among all employees	• To establish a personnel platform that can continue to support customers and society in the future over the long term, focused on the following initiatives while continuing the initiatives of the previous fiscal year <Recruitment, development, and retention of diverse human resources> – Recruited new graduates by course (actuary, asset management, IT) and enhanced and expanded mid-career recruitment – Used the Talent Management System to identify development issues in each specialty and considered countermeasures – Invited female corporate executives for lectures as part of career support for female employees in management positions – Compared the employee engagement survey results with global standards and analyzed in detail, and considered and implemented measures to improve workplace issues <Promote diversity and inclusion> – Launched "*Iku-boss College*," new educational content to improve management capabilities, knowledge, and skills of employees in management positions – Supplied information such as "Seminar for Balancing Work and Cancer" to encourage balancing work with other life commitments – Achieved 100% adoption of Male Childcare Leave and More (100% of male employees took childcare leave for the 10th consecutive year) – Held online seminars to develop supporters of persons with disabilities, para-sports viewing, and other events toward fostering an understanding of disabilities
	Promote diversity and inclusion			
	Promote work style reforms and Health and Productivity Management	■ Promote sustained growth by supporting the success of individual staff members in a variety of environments through work style transformation	• Implement initiative to create organization that allows every employee to be healthy and feel enthusiastic and optimistic about their work while maintaining a work life balance <Work style reforms> – Continue to carry out appropriate work schedule management while further encouraging personnel to take leave – Consideration and implementation of measures to realize flexible and diverse workstyles as well as further broadening of open communication by leveraging the internet <Promote Health and Productivity Management> – Steadily reduce the number of people at risk of lifestyle diseases – Improve the worksite environment and strengthen self-care for mental health – Encourage people to undergo cancer screening tests to facilitate early detection of malignant neoplasms – Improve enthusiasm to achieve better health and the ability to provide self-care by improving health literacy (including correct knowledge concerning COVID-19)	• Engaged in on-going follow up to carry out appropriate working hours management • Continued and promoted "*Brush-up Holidays*" that encourage employees to take leave • Developed system infrastructure to encourage remote communication and adopted telework according to the nature of the business
		■ Promote the health of each individual to ensure the prevention of lifestyle diseases and mental health issues, etc.		• Conducted specific health guidance with the aim of preventing lifestyle diseases, and approximately 70% of eligible employees completed the program • Provided feedback to department heads regarding group analysis results of stress checks, and distributed training videos explaining how to use the results for workplace environment improvements • Distributed video training materials to improve self-care for mental health • Supplied training materials and awareness-raising leaflets to promote cancer screening tests • Implemented training for health literacy improvements which contains information such as quitting smoking and exercising habits, and approximately 90% of employees completed the training

Field	Important sustainability priority	Initiatives/Targets in the mid-term management plan	Action Policies for FY2022	Results for FY2022
Corporate Governance	Long-term stable business operation through the mutual company structure Proper distribution of economic value	■ Continue to pay stable dividends to policyholders	• Continue to pay stable dividends to policyholders	• Scheduled distribution of policyholder dividends for FY2023 based on financial results for FY2022 Note: Resolutions at Meeting of Representatives in July 2023
	Strengthen corporate governance	■ Strengthen the business base on a Group-wide basis	• Enhance the headquarters' corporate governance system to actively incorporate changes into our management and uphold our responsibilities over the long term • Initiatives to raise the sophistication of Group strategy and internal control – Enhance strategies through deliberation at the Group Management Committee (newly established) – Continue to reinforce initiatives for internal control in line with the Group's policies	• Worked on the following initiatives in addition to transitioning to a Company with an Audit and Supervisory Committee in July 2022 – Achievement of a swift and decisive business execution structure (Introduction of a responsible executive officer system, etc.) – Strengthening of strategic discussions (Establishment of the Outside Directors Meeting, etc.) – Reinforcement of the supervisory and audit function (Establishment of the Nomination and Remuneration Advisory Committee, etc.) • Considered and deliberated on important matters for raising the sophistication of Group strategy and internal control – Deliberated on med- to long-term business strategy and other matters at the Group Management Committee (newly established) – Deliberated on the PDCA cycle for management initiatives of Group companies, expansion of Group policies, and other topics at the Domestic Group Insurance Committee, the Global Business Committee and other committees
	Integrate CSR issues into management Stakeholder engagement	■ Raise the sophistication of sustainability management	• Strengthen initiatives through resolution at Sustainability Committee (amended) – Implement initiatives on important sustainability priorities Company-wide including in each unit and field – Reinforce disclosed information and communication with the public based on campaigns relating to sustainability	• Deliberated on the status of initiatives for sustainability priority issues at the Sustainability Management Promotion Committee, and reported to the Management Committee and Board of Directors • Positioned sustainability management as a core principle of business management and incorporated it in the business plan in each market and field • Reinforced sustainability information disclosure through the integrated report, the sustainability report, the ESG investment and finance report, and other materials • Newly translated the sustainability report into English
Compliance	Strengthen the compliance system	■ Further instill compliance awareness with customer-oriented business operations as the foundation of all activities	• Establish and implement compliance programs and teach and entrench principles	• Conducted PDCA initiatives tailored to different issues based on the Compliance Program • Utilized meetings specific to each employee class, training seminars, internal broadcasts (*NICE-NET*), etc. to teach and entrench principles in all executives and employees

Field	Important sustainability priority	Initiatives/Targets in the mid-term management plan	Action Policies for FY2022	Results for FY2022
Human rights	Management respectful of the human rights of all people	■ Promote initiatives to raise the sophistication of human rights due diligence and awareness raising and education at all levels of the Company	• Continue to provide broad education and raise awareness of various human rights issues and the importance of the value chain response at all levels of the Company based on the human rights due diligence findings	• Taking into account changes in the environment inside and outside the company, provided education and raised awareness of various human rights issues at all levels of the company and instilled an understanding of business and human rights (100% participation in human rights training seminars) • In addition to company-wide training, implemented Group-wide awareness-raising initiatives, as well as training that takes into account the nature of work in each unit • Identified human rights risks in some Group companies and units as part of human rights due diligence
Risk management	Upgrade the approach to ERM	■ Promote ERM on a Group-wide basis to improve earnings capabilities and financial soundness ■ Accumulate equity to secure a level of financial soundness that is among the highest of the world's top-class insurance companies over the medium and long terms (Target) • Equity (Group): ¥9.0 trillion (as of the end of FY2023)	• Continue efforts to enhance the sophistication and penetration of the approach to ERM • Maintain equity accumulation	• Sophistication of the approach to ERM through the PDCA cycle for mid-term risk appetite and conducted internal training for the penetration of ERM • Group equity: ¥8.40 trillion (as of the end of FY2022)

Products and Services for Individuals

Nippon Life provides products and services that contribute to creating a society where people can enjoy long and healthy lives. We also hope to meet a wide range of customer needs in line with demographic shifts, such as an aging society and declining population.

To make the above goal a reality, we offer value by integrating products that prepare for risk by combining coverage for the risk of death or serious disease with coverage for prevention of serious diseases through early detection and treatment, with services that lower risk, such as those that contribute to disease prevention and improved quality of life (QOL). We are also providing a wide lineup of products to address the need for savings while taking the most recent interest rate into consideration.

Life Insurance Products (As of July 2023)

◆ **Nissay *Mirai no Katachi***

ニッセイ みらいのカタチ

The *"Mirai no Katachi"* product provides customers with lifelong support by allowing them to make up different combinations of insurance. These can also be altered after enrollment.

When they enroll, customers can flexibly combine 14 types of insurance as needed. These insurances can be divided into four categories: "death risk," "risk of serious diseases and nursing care," "medical risks," and "risk of requiring accumulated funds for old age and other risks."

After enrollment, customers can freely revise policy details according to changes in their lives and their needs. For example, customers can selectively revise only the parts they need to change or add new insurance. In this way, customers can change their policy details to precisely meet their protection needs at any time.

Notes: 1. Combinations are subject to certain restrictions.
2. Services may not be available if Nippon Life does not handle the relevant system when requests are made.
3. Certain restrictions apply, such as that when amounts fall below the limit set by Nippon Life, contracts cannot be partially canceled, etc.

Type of Insurance		Summary	Product Name
Insurance that covers death risk	Whole life insurance	Insurance providing death protection over the insured's whole life	Nissay *Mirai no Katachi* Whole life insurance
	Term life insurance	Insurance with death protection for a set period	Nissay *Mirai no Katachi* Term life insurance
	Term life insurance with survival benefits	Insurance that provides special payouts in addition to death protection for a set period	Nissay *Mirai no Katachi* Term life insurance with survival benefits
Insurance that covers risk of serious diseases and nursing care*1	New three major diseases insurance	Insurance that covers cancer, acute myocardial infarction and stroke (option with death coverage available)	Nissay *Mirai no Katachi* New three major diseases insurance *"Three Major Diseases 3 Jumaru"*
	Specified serious disease insurance coverage	Insurance focused on coverage for specified serious diseases with reduced emphasis on death coverage	Nissay *Mirai no Katachi* Specified serious disease insurance coverage *"Daijobu"*
	Physical disability insurance	Insurance that covers physical disability and death	Nissay *Mirai no Katachi* Physical disability insurance
	Nursing care insurance	Insurance that covers specified conditions that require nursing, as well as death	Nissay *Mirai no Katachi* Nursing care insurance
	Dementia coverage insurance	Insurance focused on coverage for dementia with reduced emphasis on death coverage	Nissay *Mirai no Katachi* Dementia coverage insurance "*Ninchisho Support Plus*"
Insurance that covers medical risks	General hospitalization insurance	Insurance that covers hospitalization, surgery, etc.	Nissay *Mirai no Katachi* General hospitalization insurance *"NEW in 1"*
	Income support insurance for continuous hospitalization	Insurance that covers decreases in income due to a certain period of continuous hospitalization	Nissay *Mirai no Katachi* Income support insurance for continuous hospitalization "*Shu NEW 1*"
	Cancer medical insurance	Insurance that covers hospitalization, surgery, etc. due to cancer	Nissay *Mirai no Katachi* Cancer medical insurance
	Limited injury insurance	Insurance for treatment of broken bones due to an accident	Nissay *Mirai no Katachi* Limited injury insurance
Insurance that covers risk of requiring accumulated funds for old age and other risks*2	Annuity insurance	Insurance that enables systematic planning of living expenses after retirement	Nissay *Mirai no Katachi* Annuity insurance
	Endowment insurance	Insurance that enables asset formation over a set period while providing death protection	Nissay *Mirai no Katachi* Endowment insurance

*1 Death claim payouts for insurance against physical disability and nursing care are the same as the sums paid out under these respective policies.
With specified serious disease insurance coverage and dementia coverage insurance, payout on death is limited to 10% of the sum paid for these respective insurances. With the new three major diseases insurance coverage, customers can choose Death Coverage 100% with a payout on death that is equivalent to the sum paid for the three major diseases insurance claim or Death Coverage 10% that has a payout on death limited to 10% of the sum paid for the insurance claim.

*2 With endowment insurance policies, death claim payouts are the same amount as the total amount of maturity benefits payable on the policy.

◆ Other Products and Systems

Type of Insurance		Summary	Product Name
Protection for children	Juvenile insurance	Insurance that provides for children's education expenses, the death of the policyholders, etc.	Nissay juvenile insurance "*Genki*"
	Children's general medical insurance*1	Insurance that covers children's hospitalization, surgery, etc.	
	Education endowment insurance	Insurance that accumulates savings to pay for children's university education, etc.	Nissay education endowment insurance
Insurance that provides protection for serious diseases and childbirth	Coverage against the three major diseases with birth support benefits	Insurance that provides protection for childbirth and coverage for specified infertility treatment in addition to cancer, acute myocardial infarction, stroke and death	Nissay coverage against the three major diseases with birth support benefits "*ChouChou*!"
Longevity insurance	Long-life insurance (low surrender value type)	No death benefit, but insurance that prioritizes systematic planning of living expenses after retirement	Nissay long-life insurance (low surrender value type) "*Gran Age*"
Asset formation and retirement coverage	Single-payment whole life insurance	Insurance that provides death coverage for life while enabling asset formation, with a single premium payment	Nissay single-payment whole life insurance "*My Stage*"
	Single-payment annuities	Supplement post-retirement living expenses, with a single premium payment	Nissay single-payment annuities*2
	Single-payment endowment insurance	Insurance that provides death protection for a set period while enabling asset formation, with a single premium payment	Nissay single-payment endowment insurance*2
Insurance for business owners	Long-term life insurance	Insurance that provides long-term death coverage while preparing funds for retirement benefits, etc.	Nissay long-term life insurance "*Super Phoenix*" (Insurance premiums are paid throughout the coverage period) Nissay long-term life insurance "*Just Term*" (Insurance premiums are paid for a short period of time)
	Long-term life insurance with period of extensive coverage for accidents insurance	Insurance that provides long-term (accidents) death coverage while preparing funds for retirement benefits, etc.	Nissay long-term life insurance with period of extensive coverage for accidents insurance "*Platinum Phoenix*"
	Increasing term life insurance	Insurance that provides death coverage with fixed insurance premiums and increasing insurance coverage amounts, while preparing funds for retirement benefits, etc.	Nissay increasing term life insurance

*1 Policy must be combined with juvenile insurance.
*2 Sales were on hold as of July 4, 2023.

In addition to the above, Nippon Life offers the following products mainly through the bancassurance channel.

<Type of Insurance>	<Product Name>
● Single-payment whole life insurance	Nissay Variable Interest Rate Single-Payment Increasing-Coverage Whole Life Insurance (yearly death benefit increase type)
● Single-payment whole life insurance	Nissay Single-Premium Whole Life Insurance Policy with Variable Accumulation Rate in Designated Currency (U.S. dollar denominated, euro denominated*, Australian dollar denominated)
● Single-payment annuities	Variable Annuity Insurance with Defined Minimum Living Benefits (U.S. dollar denominated, Australian dollar denominated)
● Single-premium variable insurance	Nissay Variable Insurance with Designated Currency Living Benefit (U.S. dollar denominated, Australian dollar denominated)
	Nissay Term Life Insurance with Designated Currency Living Benefit (fixed rate only) (U.S. dollar denominated, Australian dollar denominated)

* Sales were on hold as of July 4, 2023.

Note: The foregoing statements provide an overview of products and do not include all information related to the policy.
When considering a policy, please be sure to confirm by reading the pamphlets, prospectuses (policy guides), reminders, "Policy Clause—Bylaws/Terms and Conditions" and other materials.

◆Services

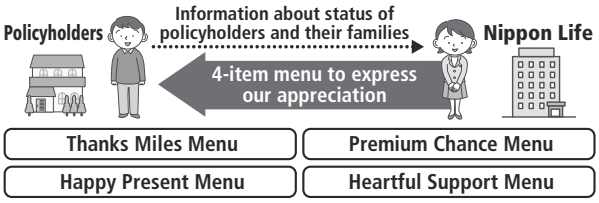
In addition to coverage by insurance products, customers can take advantage of services that can help them on various occasions from the time of enrollment to after claims payment. The "*Zutto Motto Service*," a unique Nippon Life service offered to policyholders, is placed at the core of such services.

<Zutto Motto Service>

ずっともっとサービス

The *"Zutto Motto Service"* is a unique Nippon Life service offered to policyholders. This service reflects Nippon Life's commitment to "work even harder and longer (*zutto motto*) at providing each policyholder with better after-sales services."

Through this service, policyholders and their families provide us with information about their status. This enables us to supply timely information that reflects changes in the lives of policyholders. Staying in touch also makes it possible to perform insurance claim and benefit procedures and many other tasks more efficiently.



As one of the benefits of the *"Zutto Motto Service,"* the *"Health and Nursing Care Consultation Line"* offers the following toll-free consultation services on health, nursing care and childcare.

Consultation Services	Summary
Health consultation	Consult with specialists at any time about health concerns.
Support services for lifestyle diseases	Users can consult with specialists at any time regarding concerns over lifestyle diseases.
女性の体の悩み電話相談 Wellness-dial f ウェルネスダイヤル［エフ］	A telephone counselling service where users can consult with female specialists at any time about health issues and medical symptoms specific to women. Note: Limited to female policyholders
育児相談ほっとライン	Consult with specialists at any time about the health and care of children.
Nursing care consultation	Consult with specialists at any time about dementia and nursing care.

Notes: 1. The *Health and Nursing Care Consultation Line* is one of the benefits which is provided by Life Care Partners Co., Ltd. This is not an insurance product or service of Nippon Life. We are not liable for any damage incurred through using this product or service.
2. For detailed service descriptions and information on how to access the *Zutto Motto Service*, please see the Nissay website.
3. Individual customers issued with an ID by Nippon Life are eligible for the *Zutto Motto Service* (some exceptions exist).

<aruku& (arukuto) × Kurashi no Notore>

aruku& × 暮らしの脳トレ

Combining the challenges of daily walking and brain training is expected to lead to healthier bodies and brains easily and enjoyably.

The following people can use the service:

- Nippon Life policyholders and insured persons

Notes: 1. *aruku&(arukuto)* and *Kurashi no Notore* are respectively a smartphone app managed by ONE COMPATH CO., LTD. and a service provided by Nissay Information Technology Co., Ltd. This is not an insurance policy or service of Nippon Life. We are not liable for any damage incurred through using this product or service.
2. The registered trademark for *aruku&(arukuto)* belongs to ONE COMPATH CO., LTD.
3. The registered trademark for *Kurashi no Notore* belongs to Nissay Information Technology Co., Ltd.
4. *Kurashi no Notore* does not ensure cognitive abilities or the prevention of severe medical conditions.

<Nissay Bereaved Relative Support Service>

Provides complete support to death benefit recipients (or bereaved relatives) for the various procedures that must be carried out when an insured passes away. (Telephone consultation (free of charge) / the provision of reports (free of charge) / procedures performed by specialist agents (subject to fee) etc.)

The following people can use the service:

- Death benefit recipients (or the surviving family)

Note: Nissay Bereaved Relative Support Service is a service provided by SEIWA BUSINESS LINK CO., LTD. This is not an insurance policy or service of Nippon Life. We are not liable for any damage incurred through using this product or service.

<Policyholder Support Service>

When it is difficult for a policyholder to make an inquiry about the procedure themselves, a registered family member may provide support to the policyholder.

Note: Provided as a service combining the existing Contract Information Family Contact Service and the Policyholder Agency System.

The following people can use the service:

- In principle, policyholders aged 70 or over

Note: Products for companies and organizations and those offered through the bancassurance channel are ineligible.

<Gran Age Star> Paid

A service for seniors with information on trips with special events in addition to "personal references," "living support," "voluntary guardianship" and "posthumous administrative services such as funerals and interment."

The following people can use the service:

- All customers

Notes: 1. *Gran Age Star* is the name of services provided by different service providers. This is not an insurance policy or service of Nippon Life. We are not liable for any damage incurred through using this product or service.
2. Each service within *Gran Age Star* is available for all customers.
—Customers without life insurance policies with Nippon Life may use these services.
3. To use this service, customers must enter into contracts with the companies providing each service.
4. *Gran Age Star* may not be available depending on the region.

<Best Doctors® Service>

ベストドクターズ®・サービス

Provides introductions free of charge to physicians from the outstanding specialists selected for its Best Doctors in Japan™ list.

Notes: 1. Outstanding specialists means skilled specialists recommended by physicians selected by Teladoc Health International SA based on questionnaires of numerous physicians.
2. Fees for treatments and second opinions are entirely borne by the user.

Policyholders diagnosed with the following conditions are eligible for the service.

Cancer*1	Heart disease*2	Stroke*2	Liver disease*2
Ocular diseases*2	Orthopedic disorders*2	Gynecological treatment*2 (excluding infertility treatment)	Can also be used regarding other various illnesses at times

*1 Including benign brain tumors
*2 In principle, requiring surgery

Nippon Life policyholders with the following types of insurance are eligible for the service.

- *Mirai no Katachi* (limited to policyholders with "new three major diseases insurance," "three major diseases insurance (with or without continuous support)," "specified serious disease insurance coverage," "general medical insurance," "general hospitalization insurance," or "income support insurance for continuous hospitalization")
- Coverage against the three major diseases with birth support benefits
- Children's general medical insurance
- Long-term term life insurance
- Long-term life coverage with period of extensive coverage for accidents insurance
- Increasing term life insurance (only increasing term life insurance (participating since 2012))
- Comprehensive medical riders such as "*Mirai Support*"
- "*My Medical*" (general medical insurance)
- Disability insurance (no surrender refund)

Notes: 1. The Best Doctors® Service is provided by Houken Corporation. This is not an insurance policy or service of Nippon Life. We are not liable for any damage incurred through using this product or service.
2. Best Doctors® and Best Doctors in Japan™ are trademarks of Best Doctors, Inc. in the United States and other countries.
3. Disease/diagnostic criteria used to confirm eligibility for the Best Doctors® Service differ from those applied to products of Nippon Life.
4. This is not a service aimed for hospitalization or referrals.
5. This service does not cover necessary emergency surgeries.
6. The eligible conditions above are subject to change.

<*Mystar* (Disease Management Program)>

生活習慣改善支援プログラム
Mystar

We support customers to develop their optimal health through a smartphone app to prevent the recurrence and aggravation of heart disease and cerebrovascular disease.

Note: This is a six-month program. Fees to continue services after two months since starting the program and some optional fees will be borne by the user.

Policyholders diagnosed with the following conditions are eligible for the service.

Angina pectoris	Acute myocardial infarction	Cerebral aneurysm	Transient ischemic attack	Stroke

Notes: 1. Services may not be available for cases that do not meet the criteria established by the companies providing the service or the determination of the physician.
2. After the cancellation of the policy, services can be used for two years from the day following the date that insurance claims for three major diseases insurance are paid (or the date that the first annuity payment is made in the case of special provisions pertaining to annuity payments for insurance claims in which the entire insurance claim is paid with the annuity payment).

The following people can use the service:

- *Mirai no Katachi* "new three major diseases insurance" insured persons

Note: Lifestyle Improvement Support Program is a service to prevent severe medical conditions provided by PREVENT inc. This is not an insurance policy or service of Nippon Life. We are not liable for any damage incurred through using this product or service.

<Ninchisho Kaigo Anata no Soba no Concierge>

Qualified counselors from NICHIIGAKKAN CO., LTD. (care managers, etc.) provide consultations via phone or home visits for worries, concerns or the like regarding dementia or nursing care.

Note: Do not act as agents or arrange reservations for nursing care facilities, medical institutions, etc.

The following people can use the service:

- *Mirai no Katachi* nursing care insurance
- *Mirai no Katachi* dementia coverage insurance
- Nissay Variable Interest Rate Single-Payment Increasing-Coverage Whole Life Insurance (Policy on or after April 1, 2013)
- Nissay Single-Premium Whole Life Insurance Policy with Variable Accumulation Rate in a Designated Currency
- Nissay Variable Insurance with Designated Currency Living Benefit
- Nissay Term Life Insurance with Designated Currency Living Benefit (fixed rate only)
  insured persons, death benefit recipients, fixed-payment recipients, survival benefit recipients, designated proxies and agents for policyholders

Note: *Ninchisho Kaigo Anata no Soba no Concierge* service is provided by NICHIIGAKKAN CO. LTD. with Life Care Partners Co., Ltd. as an agency. This is not an insurance policy or service of Nippon Life. We are not liable for any damage incurred through using this service.

<ONSEI>

Orally answering questions from the app enables easy confirmation of cognitive abilities on that day.

The following people can use the service:

- *Mirai no Katachi* "dementia coverage insurance" policyholders and insured persons

Notes: 1. ONSEI is a service provided by Nippontect Systems co., ltd. This is not an insurance policy or service of Nippon Life. We are not liable for any damage incurred through using this service.
2. The registered trademark for ONSEI belongs to Nippontect Systems co., ltd.
3. This does not guarantee any connection with dementia or mild cognitive impairment (MCI).

Notes: 1. The services listed above on p.11-14 are current as of July 2023. Service content may be revised, or the services may be discontinued in the future.
2. Conditions apply when using the services listed above on p.11-14. For detailed service descriptions and the terms of service for the companies providing each service, please see the Nissay website.

Non-Life Insurance Products (As of April 2023)

Nippon Life handles non-life insurance products centered on automobile insurance and fire insurance products as an agency for Aioi Nissay Dowa Insurance Co., Ltd. In automobile insurance, Nippon Life has been promoting sales of *"TOUGH Mimamoru Automobile Insurance Plus*" and *"Long,"* an automobile insurance product with special "accident free" payouts. *Long* automobile insurance offers special "accident free" payouts* to policyholders who have no accidents during the coverage period of three years. *Long* offers many advantages to customers, for example, the premium rate determined at enrollment stays fixed at its original annual rate for each year, even if the policyholder has an accident during that time. Also, policyholders need not undertake annual renewal procedures during the coverage period.

Furthermore, Nippon Life offers "*Marugoto Mamoru*", an insurance product that covers the third-party liability risk associated with bicycle accidents and similar events, and pet insurance "*Wan-Nyan de Kyun*" to provide coverage for veterinary care expenses. Demand for such insurance products has been growing in recent years.

* 10% of the first-year premium.

Note: The above statements provide an overview of products (riders). When considering a policy, please be sure to confirm details by reading pamphlets, the Explanations of Important Matters, Policy Overview and Reminders, the Policy Clause (Ordinary Insurance Policy Clause—Terms and Conditions and Riders) and other materials.

Besides the non-life policies detailed above, Nippon Life partners with Aioi Nissay Dowa Insurance Co., Ltd. to supply individual customers with other non-life insurance products and services. Further details can be found on the Aioi Nissay Dowa website.

https://www.aioinissaydowa.co.jp/english/

Note: Excludes some products and services such as compulsory auto insurance lines.

Products and Services for Corporate Customers

Nippon Life offers a broad range of products and consulting services to match the needs of corporate managers and company owners who are working to enhance benefit plans for their employees.

Nippon Life's Main Corporate Products (As of July 2023)

Represents self-reliant products: Insurance premiums that are borne not by the corporation or organization, but by the employees themselves.

Main Benefit Plans			Products That Meet the Needs of Company and Organization Benefit Systems
Provision for employees	Survivor coverage	• Plan for retirement funds payable on employee's death and condolence payments • Non-statutory workers' accident compensation plan • Plan providing pensions for surviving family/children	• General Welfare Group Term Life Insurance
		• Plan for employee self-reliant aid	• Group Term Life Insurance (Optional Group Term Life Insurance) • New Group Term Life Insurance with Non-participating Rider *(Minna no Dantai Teikihoken)*
	Disability coverage	• Disability coverage plan	• New Group Disability Income Insurance • Group Long-Term Disability Income Support Insurance
		• Plan for employee self-reliant aid	• Group Long-Term Disability Income Support Insurance
	Medical coverage	• Medical coverage plan	• General Medical Insurance (Group Type) • Insurance Covering the Three Major Diseases (Group Type)
		• Plan for employee self-reliant aid	• General Medical Insurance (Group Type) • Insurance Covering the Three Major Diseases (Group Type)
	Retirement coverage	• Plan for retirement allowance and old-age pensions • Retirement lump-sum system	• Defined Benefit Corporate Pension Plans • New Insured Pension Plans • Defined Contribution Pension Plans
		• Plan for employee self-reliant aid	• Insured Contributory Pension Plans • Defined Contribution Pension Plans
Asset formation	Preparation for buying one's own home	• Asset formation promotion plan	• Workers' Asset-Formation Housing Funding Insurance (Nissay Workers Asset-Formation Housing Plans)
		• Home loan plan	• Group Credit Life Insurance
	Retirement	• Asset formation promotion plan	• Workers' Asset-Formation Pension Fund Insurance (Nissay Asset-Formation Pension Fund Insurance)
	Various life plans	• Asset formation promotion plan	• Workers' Asset-Formation Savings Insurance (Nissay Asset-Formation Savings Plans)
		• Asset formation incentive plan	• Workers' Asset-Formation Benefits Savings Insurance (Nissay Workers' Asset-Formation Benefits Savings Insurance) • Workers' Asset-Formation Fund Savings Insurance (Nissay Workers' Asset-Formation Fund Savings Insurance)

Note: Although the above lists the names of Nippon Life products that pertain to main benefit plans, it does not cover all the particulars pertaining to policies. When reviewing a policy, always confirm policy details by reading pamphlets, Policy Clauses—Bylaws / Terms and Conditions, pre-contract documents based on Article 37-3 of the Financial Instruments and Exchange Act as applied mutatis mutandis, Especially Important Notifications and other information.

Besides the non-life policies detailed above, Nippon Life partners with Aioi Nissay Dowa Insurance Co., Ltd. to supply corporate clients with other non-life insurance products and services. Further details can be found on the Aioi Nissay Dowa website.

https://www.aioinissaydowa.co.jp/english/

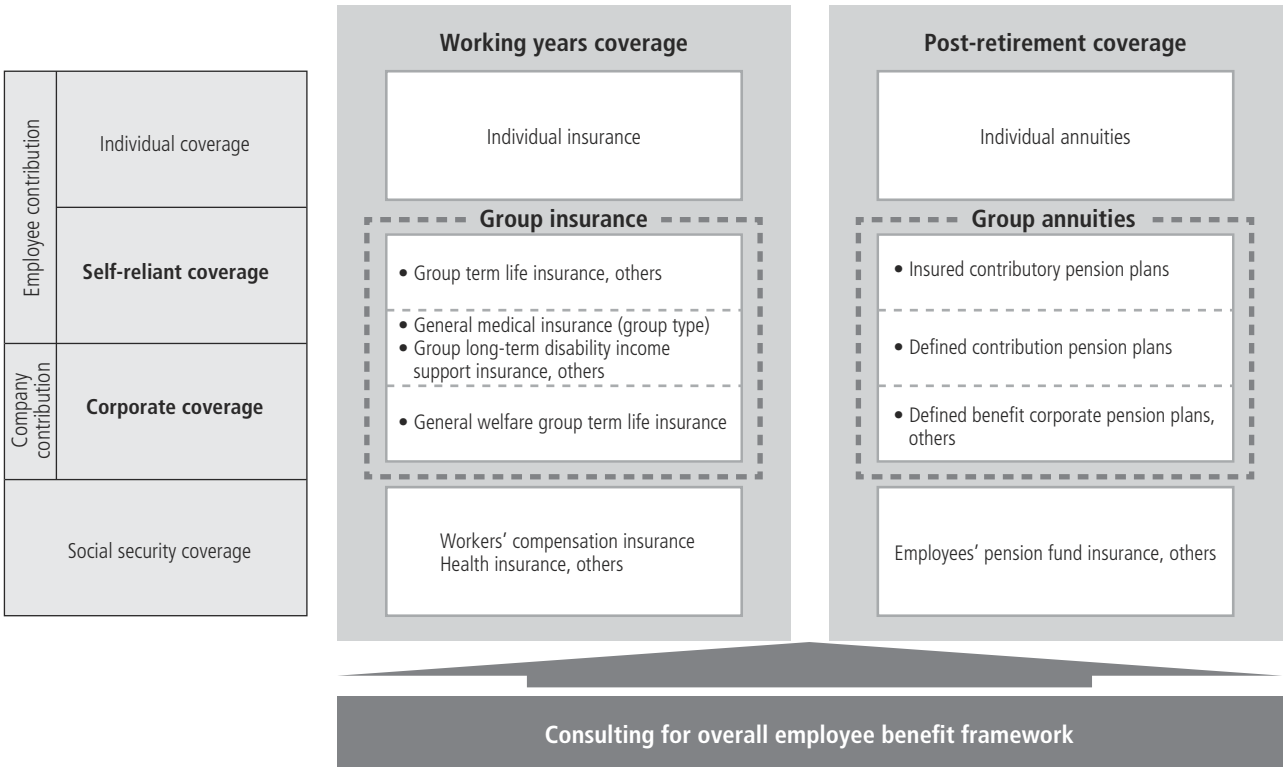
Note: Excludes some products and services such as compulsory auto insurance lines.

Services for Establishing and Upgrading Employee Benefit Plans

◆ Implementation of Total Consulting for Employee Benefits

Significant changes in society and the management of companies are creating more diversity in how companies employ people, how people lead their lives, and in people's awareness of these issues. As a result, an increasing number of companies and other organizations are considering revisions to their employee benefit programs.

We aim to provide total consulting and information provision services for employee benefits in order to work with companies and organizations to solve issues as a primary partner in employee benefits.



<Total Consulting for Employee Benefits>

Nippon Life provides consulting on the design of employee benefit plans based on social security system and supports employees' individual lifestyle design plans to address employees' coverage needs during their working years and after retirement.

[Working Years Coverage]

In corporate coverage, we offer products that support the design of employee benefit plans, and the leveling of costs and back finance, based on trends in social security system, industry conditions and the requests of customers. These products cover plans that make condolence payments or non-statutory workers' accident compensation payments, and plans that provide support to employees if they are unable to work.

In self-reliant coverage, we offer advice on designing plans such as coverage plans that allow employees to cover expenses in case of an emergency. We also offer advice to encourage the use of such plans.

[Post-Retirement Coverage]

In corporate coverage, we offer clients consulting on pension plan design. This consulting service assists clients with various amendments they may need to make to their pension plans, such as modifying and consolidating pension plans. In pension fund management, we offer clients consulting on pension fund management, including asset allocation in shifting market conditions and simulation testing. In October 2015, we started referring clients to Nissay Asset Management Corporation to provide optimized pension plan management services and various related products on a discretionary contract basis.

In self-reliant coverage, we offer advice on designing plans such as savings plans that allow employees to supplement government annuities or cover expenses until an annuity starts. We also offer advice to encourage the use of such plans.

<Service to Supply Information about Employee Benefits>

Nippon Life supplies a wide range of information about employee benefits by holding seminars, publishing reports and through other activities.

(Main activities)

- Supply information about human capital management and human capital disclosure
- Supply information about changes in employee benefit plans
- Supply information about work style reforms (such as assistance for balancing work with childcare, nursing care and medical treatment, and equal pay for equal work policies)
- Supply information about *Kenko-Keiei*®* (Health and Productivity Management) and health planning based on medical data
- Supply information about mental health programs
- Supply information about the employment of seniors (including extending the mandatory retirement age)

[Seminars]

Seminars on welfare (human capital management, work practice reforms, Health and Productivity Management, promotion of female employment, etc.) and corporate pensions (fund management, latest trends, etc.)

[Reports]

Corporate welfare reports, welfare survey and research reports, guide maps on future trends in corporate welfare (welfare guidebook) and pension-related news

* *Kenko-Keiei*® is a registered trademark of Nonprofit Organization Kenkokeiei.

Risk Mitigation Solution from Nippon Life to Upgrade Corporate Welfare Systems

In the past few years, in conjunction with diversification in how companies employ people, responses to work style reforms and remote work as well as support for balancing work with nursing care or illnesses are becoming even more important. With these trends, the needs of companies for welfare have become more and more diverse.

For business owners working to enhance their corporate welfare systems, Nippon Life designs various plans and offers products to mitigate four types of risks for employees.

(1) Coverage for death risk

General Welfare Group Term Life Insurance

POINT	Upgrades welfare via condolence payments, severance payments to the estate of deceased employees, non-statutory workers' accident compensation, etc.

(2) Living costs associated with longevity risk

Defined Benefit Corporate Pension Plans
Defined Contribution Pension Plans

POINT	Standardizes the provision of post-retirement coverage and pension contributions for directors and employees.

(3) Risk of losing capacity to work

Group Long-Term Disability Income Support Insurance

POINT	Provides permanent income coverage for directors and employees unable to work due to injury or illness.

(4) Hospitalization/surgery risks

General Medical Insurance (Group Type)

POINT	Subsidizes the costs of admission to hospital or surgery for directors and employees.

◆ **Corporate Policy-Related Services**

"N-Concierge" (Corporate Policy Support Service)

[Services available to those covered by corporate policies]
Those who are covered by corporate policies are able to use certain products and services at a special price for a limited time, in addition to the access to various services for health, nursing care, lifestyle, leisure and entertainment that are beneficially priced.

[Services available to HR or general affairs personnel]
Free specialist consultation available on issues such as employee mental health, taking leave and returning to work, as well as provision of free or beneficially priced information and services useful for resolving labor-related issues, such as support to avoid workers leaving because of nursing elderly parents.

"N-Navigation" / "Corporate Insurance Internet Service"

Our "Corporate Insurance Internet Service (*Kiho Net*)" helps personnel in HR departments or employees of corporate clients to complete procedures quickly online for eligible group insurance and contributory pension plans.

We also provide the *"N-Navigation"* to make it simpler for personnel in HR departments or employees to enroll online (or check the status of enrollment application) using a smartphone or PC for self-reliant coverage products such as group term life insurance policies.

Nippon Life strives to improve support for employees to enroll in insurance or review insurance coverage by giving descriptions using model plans or average amounts of coverage.

■ *"N-Navigation"* Model Plan (Image)

■ Average compensation amount (Image)

"Biz-Create® by NISSAY" (Business Matching Service)

In April 2023, Nippon Life launched the "*Biz-Create® by NISSAY*" website in cooperation with Sumitomo Mitsui Banking Corporation. The purpose of the initiative is to contribute to creating business opportunities for customers and invigorating regional economies.

<Three Key Features of "*Biz-Create® by NISSAY*">
(1) Customers can search for business partners via the website by themselves
(2) Nippon Life sales representatives offer matching support
(3) Users can attend business matching events and business meetings

* Biz-Create® is a registered trademark of Sumitomo Mitsui Banking Corporation.

https://www.nissay.co.jp/hojin/businessmatching/index.html (Japanese only)

"NISSAY Business INSIGHT" Portal Site to Support Corporate Management

Nippon Life launched a portal site to support corporate management. The portal site brings together information on how various management issues faced by companies in different phases of growth might be solved.

<Main content published on the portal website>
(1) Feature articles that lead to the solution of business issues faced by companies
(2) Case studies of the use of corporate insurance and insurance for business owners
(3) Seminars that can be viewed free of charge online

NISSAY Business INSIGHT

https://www.nissay-biz-site.com/ (Japanese only)

Corporate *Zutto Motto Service*

[Nissay Corporate Internet Service]
Customers can obtain information on policy details, accounting and future receipts over the internet.

In addition, customers can take out policy loans, withdraw accumulated dividends, defer special payments and perform other transactions through online procedures to respond to urgent funding needs.

[Management Consultation and Employee Benefit Service]
Customers can undergo management consultation or use benefit services such as access to leisure facilities and health support.

"Five-Star Rating" for Defined Contribution (DC) Pension Plan Call Center for Ten Consecutive Years

The "NISSAY DC Call Center" and "NISSAY DC Internet Site" (a website reserved for participating members) received a "Five-Star Rating" from HDI-Japan* under the "HDI Five-Star Certification Program." Nippon Life is the only company in the defined contribution pension plan industry to be given the highest rating for ten consecutive years.

* HDI (Help Desk Institute) was established in the U.S. in 1989 and has grown to become the world's largest membership-based customer support and service association. HDI establishes international support standards, operates an international certification program and has other activities. Activities in Japan are performed by HDI-Japan.

Services and Initiatives That Meet Diverse Customer Needs

<Nissay Call Centers>

Dedicated operators respond to life insurance related inquiries from customers across Japan and offer support for relevant procedures.
We also support customers who use the Nissay website and Nippon Life app.
We strive to respond to each customer in a meticulous, easy-to-understand, and speedy manner.

<Nippon Life Sign Language Interpretation Relay Service>

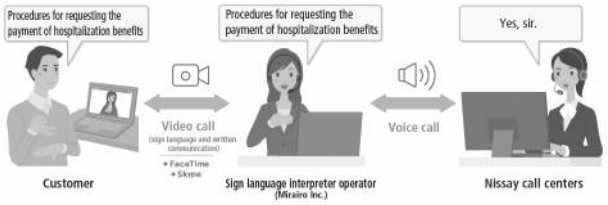
The Sign Language Interpretation Relay Service allows customers to make inquiries to our call centers via video calling system on the customer's computer or smartphone, using sign language or written communication, with the assistance of simultaneous interpretation provided by a sign language interpretation operator.

The service is intended for the following customers:

- Customers who have difficulty talking over the phone due to hearing impairment, etc.

*The Nippon Life Sign Language Interpretation Relay Service is operated by Mirairo Inc. under the commission of the Company.

Sign Language Interpretation Relay Service (image)



<Initiatives for Appropriate Underwriting and Payment>

- Enhancement of the structure for the development of assessment personnel

Nippon Life has introduced a structure to systematically develop personnel specialized in assessment, who will be in charge of underwriting policies and paying insurance claims and benefits. We conduct in-house examinations, training, etc. on medical and legal knowledge.

- Comprehensive explanation to customers

To ensure that policyholders receive all claim and benefit payments they are entitled to, Nippon Life has prepared booklets called "*The Receipt of Insurance Claims and Benefits.*" We also prepare materials that allow customers themselves to confirm that nothing has been overlooked when payment is requested and again when it is received. Through these services, we strive to provide better explanations to our customers. Nippon Life has a consultation counter to respond to inquiries from customers regarding receipt of payments of insurance claims and benefits.

- Improvement of the system structure

In fiscal 2012, we commenced operation of the "New Integrated System," which reflects a drastic overhaul of our existing main system and covers all areas and processes pertaining to customer service, from proposing and underwriting an insurance policy to receiving insurance claims and benefits. As a result, we have achieved more accurate and prompt underwriting and payment operations. In fiscal 2019, we made it possible for customers to perform procedures for requesting certain hospitalization and surgery benefits on the Nissay website and Nissay app. In these and other ways, we are working to improve customer service.

- Strengthening of medical research and development

NIppon Life conducts cutting-edge research on medical and nursing care fields by analyzing accumulated medical data and dispatching teaching staff to Graduate School of Medicine, Osaka University. Based on the research, we develop new products suited to customer needs and review our underwriting criteria.

From Application to Conclusion of a Policy

General procedures and information disclosure at the time of enrollment in an individual insurance policy are as follows.

Note: Processes may not necessarily follow the pattern below due to policy details, the scheduling of various procedures and other factors.

Procedure Flow

Considering a Plan

Tell us what kind of coverage you want.

Examine the plans by referring to the prospectuses (policy guides) and product pamphlets.

Note: Please be sure to read prospectuses (policy guides) when considering an insurance policy application, as they contain important matters regarding coverage details, situations in which insurance claims and benefits cannot be paid and other information.

Product pamphlet

Application

We ask the customer to reconfirm before applying that the product is what they really want, and then enter these details via the "*TASKALL*" customer intention confirmation screen.

The customer should enter their data and provide the digital signature by inputting it into the "*TASKALL*" wireless terminal. We also ask them to certify with their signatures that they have received the "Especially Important Notifications" and "Policy Clause—Bylaws/ Terms and Conditions."

Application procedure screens (Image)

Disclosure

When entering information about the insured's medical history and current state of health via the "*TASKALL*" disclosure screen, or when answering questions posed by a doctor designated by Nippon Life during an examination, please provide accurate and complete answers.

Duty of Disclosure and Penalties for Nondisclosure

Customers are required to disclose accurate and complete information regarding their health condition. Please be aware that in the event that facts are not disclosed or inaccurate information is provided, whether intentionally or by gross negligence, the policy or rider may be canceled on the grounds of nondisclosure, and Nippon Life might not pay insurance claims and benefits.

Disclosure screens (Image)

Guidance on Policies and Services

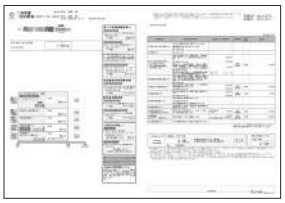
To ensure greater peace of mind for customers, in addition to sales representatives, customer service representatives also conduct meetings with customers to provide explanations via telephone or an actual visit to confirm application details and provide guidance on policy procedures.

The goal is to help customers to understand insurance products and important matters more clearly, as well as to improve after-sales services based on accurate customer information.

Before proceeding with the application procedure, we clearly explain important matters and demerit information.

To prevent unreasonable loss for customers due to a lack of information, Nippon Life has prepared a pamphlet entitled "Especially Important Notifications"* that explains items we would especially like customers to confirm, such as product details, disclosure obligations, examples of when insurance claims and benefits cannot be paid and other items. The pamphlet is given to customers along with the "Policy Clause—Bylaws/Terms and Conditions."

*Prospectus (policy guide), reminder, and others



Prospectus (policy guide)

Reminder

Conclusion of a Policy

Commencement of Policy Coverage

Once a customer agrees to have Nippon Life underwrite their insurance policy, policy coverage commences upon the completion of the application and disclosure process (processes differ for single-payment insurance policies).

Confirmation of the "Policy Content Notice"

Once a policy is underwritten, Nippon Life issues the "Policy Content Notice". We ask the customer whether or not there are discrepancies between the information provided on the "Policy Content Notice" with that provided at the time of application.

In the event that the policy content differs, or if you have any questions, please contact a Nissay Call Center using the contact details provided on the reverse side of the "Policy Conclusion Notice, which will be sent along with the "Policy Content Notice".

Customer ID Notice

Nippon Life will send you a customer ID, which is necessary to complete various services and procedures.

When you have received the "Customer ID Notice," please promptly register your password (a four-digit PIN code).

Note: In principle, Nippon Life will not deliver a Customer ID Notice to customers who already have such an ID. These customers are asked to log in to their account from the Nissay website, and confirm whether their customer ID and password (four-digit PIN code) are valid.

Decisions About Underwriting at Nippon Life

Life insurance is a system wherein a large number of people, through insurance payments, mutually support one another. In order to maintain fairness between policyholders, decisions about underwriting are made based upon the content of the application and disclosure forms.

Payment of Premiums

After the conclusion of a policy, Nippon Life requests that customers pay premiums using the method that they designated at the time of application.

◆ For any questions about policies, please check the "Policy Clause —Bylaws / Terms and Conditions."

The "Policy Clause—Bylaws/Terms and Conditions" contain critical information about the policy and various procedures. As such, it is an extremely important set of documents that must be consulted not only during the application process, but during the term of the policy. Terms and conditions of the policy dictate the agreement from policy enrollment to expiration and contain information about claims receiving as well as the processing of premium payments and also explain about the invalidation of the policy in the event of premium nonpayment and the handling of policy cancellations.

Additionally, as an effort to improve convenience for customers and reduce environmental impact through reduction of paper resource usage, we have offered information about the terms and conditions and policy clause on the Nissay website since April 2018 and October 2019, respectively. We provide customers with a booklet ("Policy Clause—Bylaws/Terms and Conditions" (universal version)) which includes information such as how to view a summary of the reminders or policy clause. These documents must be confirmed during the application period, so we ask that you store them in a safe place. We will also prepare a booklet in case a customer requests details about the policy clause or terms and conditions in a paper format.

◆ Cooling Off System

Under what is known as the cooling off system, applicants and policyholders may withdraw their applications or cancel their policies by submitting a written request or an electronic record within eight days from the later date of either the application date or the date they received the "Policy Clause—Bylaws/Terms and Conditions (universal version)" (if the policyholder had used the coverage revision system or partial coverage revision system, the policies will be returned to the policies in force before the systems were used).

[Submitting a Written Request]

In this case, written requests under the cooling off system are considered active from the time they are sent (the postmark date) and must be mailed within the eight-day period and sent to the sales office or Nissay Life Plaza that handled the application or policy.

[Submitting an Electronic Record]

We provide the Nissay website as the main service counter for submitting an electronic record. This must be submitted on the website within the eight-day period.

If the customer decides to change his/her mind under the provisions of the cooling off system, Nippon Life will return in full any premiums received during the cooling off period.

The cooling off system does not apply after an examination by a doctor designated by Nippon Life or when the customer is a corporate client.

Requesting Payment of Insurance Claims and Benefits

In the event of hospitalization, surgery or other unexpected events that may warrant the payment of insurance claims or benefits, the first thing to do is to contact us through your sales representative, visit a nearby Nissay Life Plaza or other service counter, or contact a Nissay Call Center. Internet claims can be made for certain hospitalization or surgery benefits using the Nissay website or Nippon Life app.

To prepare for the unexpected, please confirm the details of your policy and make sure that the insured person and the beneficiary (or designated proxy) also understand the details of the policy.

Procedure Flow

An Event Occurs That Is a Reason for Payment of Claims or Benefits

When an event occurs that is a reason for payment of claims or benefits, please contact us through one of the following.

- Your sales representative
- Nissay Life Plaza
- Nissay Call Centers 0120-201-021 (Toll-free in Japan)
  (For details, please check our website)
  Note: Internet claims can be made for fixed hospitalization or surgery benefits using our website or app.

Filing a Mortality Insurance Claim

The beneficiary himself or herself should file a mortality insurance claim.

Filing a Claim for Hospitalization and/or Surgery

The insured person should personally file any claim for hospitalization and/or surgery benefits. In the event of the death of the insured, his/her lawful heir(s) should submit the payment request. However, in the event that such heir(s) is (are) unable to submit a payment request of their own volition, a designated proxy may submit the claim.

Receiving Claim Processing Documents

We will provide you with a set of claim processing documents, either in person or by post. In the case of sending by post, the forms will be dispatched around one week after you contact us.

Note: We may be unable to process claims by post in some cases.

Documents Required for Processing Claims

Please confirm the documents required for processing claims shown on the guidance sheet provided to you when filing claims.

Submitting Claim Processing Documents

After filling out the required sections of the claim processing documents, submit them to your sales representative either in person or by post. You can also bring them to a service counter yourself.

Receiving Payment of Claims or Benefits

If the payment assessment results in a decision to make a payment, you will be asked to carry out payment procedures.

Once the payment procedures are complete, we will send you a "Payment Statement" by post. Please confirm the details of the statement.

In cases where we cannot make a payment for a claim, we will notify you and provide the reason.

◆ Guidance for Application Procedures

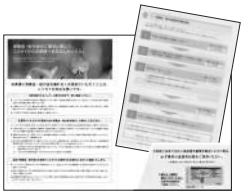
To ensure that customers receive full payments of claims and benefits, Nippon Life delivers documents with information about the application procedure and related matters and prepares various booklets and pamphlets.

Information Provided When Applying for Payment of a Claim or Benefit

After receiving an application, Nippon Life sends the policyholder a document with information about the application procedure.

The document informs policyholders of the documents required to submit a claim. Policyholders can also use this document to reconfirm the content of their claim and policy and to check that they have not overlooked any claims.

A video explaining the procedures for benefits and points to remember can be viewed on the Nissay website and on *TASKALL* wireless devices carried by sales representatives.



Explanatory Document (Image)

Video (Image)

"The Receipt of Insurance Claims and Benefits"

This booklet explains the procedures for requesting insurance claims and benefits, as well as examples of circumstances in which payments may or may not be received. The pamphlet is also available on Nissay website.

The Receipt of Insurance Claims and Benefits

Information Provided When a Claim or Benefit Payment Is Received

To ensure that customers receive all claim and benefit payments they are entitled to, Nippon Life encloses materials about various points to check payment statements.

Document (Image)

◆ Designated Proxy System

The Designated Proxy System is a system whereby a designated proxy may request the payment of benefits on behalf of the beneficiary in the event that the beneficiary is unable to request payment of his/her own volition, or in the event that circumstances designated by policy clauses occur. A designated proxy must be selected in advance through prescribed procedures. This system may also be applied to your existing policy (service not applicable to corporate policies).

◆ Cases Where Insurance Claims, Pensions or Benefits Cannot Be Received

Notification will be delivered to policyholders if payment of insurance premiums is not made in the month it is due. However, if the premium payment is not made within a designated period, the policy will be invalidated*, and customers will be unable to receive insurance claims, annuities, and benefits, even if there is a reason for payment.

* Procedures differ depending on the type of policy, enrollment period, and other factors, so please confirm the "Policy Clause—Bylaws/Terms and Conditions" for the policy you are enrolled in.

Payments of Insurance Claims and Benefits

◆ Number of Payments of Insurance Claims and Benefits, Payments Denied and Reasons in the Fiscal Year Ended March 31, 2023

(Unit: Number of Cases)

	Insurance claims					Benefits						
	Mortality	Accident	Serious disability	Others	Total	Mortality	Hospitalization	Surgery	Disability	Others	Total	Total
Total payments made	107,341	921	1,651	25,794	135,707	6,011	1,695,319	480,485	756	646,200	2,828,771	2,964,478
Not categorized as a reason for payment	1	30	645	2,084	2,760	0	3,096	39,144	71	1,263	43,574	46,334
Categorized as an exemption	282	7	0	0	289	1	199	54	0	44	298	587
Cancellation of policies due to nondisclosure	52	0	0	33	85	0	170	85	0	19	274	359
Cancellation or invalidation due to fraud	0	0	0	0	0	0	0	0	0	0	0	0
Invalidation due to illegal acquisition	0	0	0	0	0	0	0	0	0	0	0	0
Cancellation due to serious matters	0	0	0	0	0	0	26	0	0	30	56	56
Others	0	0	0	0	0	0	0	0	0	0	0	0
Total payments denied	335	37	645	2,117	3,134	1	3,491	39,283	71	1,356	44,202	47,336

Notes: 1. The above represents the total for individual and group insurance policies upon which claims were filed.
2. Figures do not include policies that require no payment assessment, such as maturity benefits, survival benefits, single payments, annuities and other benefits.
3. The number of payments denied does not include applications for events that are obviously not covered, such as claims for which the number of hospitalization days is less than the minimum prescribed in the Policy Terms and Conditions, and no special payment investigation was performed as a result.
4. Regarding payments for group insurance underwritten by multiple companies, the figures include policies for which Nippon Life is the lead underwriter.
5. Figures in the above table are categorized based on standards of the Life Insurance Association of Japan.

◆ Reasons for Denied Payments and Content

Reasons for Denied Payments	Content
Not categorized as a reason for payment	The Policy Terms and Conditions stipulate reasons for payment of respective claims and benefits. Payments of claims or benefits can be denied on an individual basis if the contents of the insurance claim made by the customer do not qualify for payment under the terms of the policy. Example: • Claim for payment of surgery that does not qualify for payment under the terms the policy
Categorized as an exemption	The Policy Terms and Conditions stipulate reasons why respective claims and benefits may not be paid. Payments of claims or benefits can be denied on an individual basis if the contents of the insurance claim made by the customer fall under one of these reasons. Examples: • Claim for payment of death benefit where death occurred due to the suicide of the insured within the period prescribed under the terms of the policy • Claim for payment of death benefit where death of the insured was due to an intentional act of the policyholder or the designated beneficiary of the policy
Cancellation of policies due to nondisclosure	An insurance policy or rider can be canceled in the event of any relevant fraudulent actions by the policyholder, the insured, or the recipient of the insurance claims or benefits. Insurance claims or benefits cannot be paid in such cases, but the surrender value of the policy is paid to the policyholder.
Cancellation or invalidation due to fraud	An insurance policy or rider can be canceled (or invalidated) in the event of any relevant fraudulent actions by the policyholder, the insured, or the recipient of the insurance claims or benefits. Insurance claims or benefits cannot be paid in such cases, and any premiums already paid will not be refunded.
Invalidation due to illegal acquisition	An insurance policy or rider can be rendered invalid in cases where the policyholder enrolls in a policy with the intention of gaining insurance claim payments or benefits illegally, either personally or through a third party. Insurance claims or benefits cannot be paid in such cases, and any premiums already paid will not be refunded.
Cancellation due to serious matters	An insurance policy or rider can be canceled in the event of the fraudulent staging of an accident with the aim of gaining related insurance claim payments or benefits, or of any other fraudulent related actions such as production of a forged medical diagnosis. Insurance claims or benefits cannot be paid in such cases, but the surrender value of the policy is paid to the policyholder.

Consultation Counter for the Receipt of Payments of Insurance Claims and Benefits

Nippon Life has a consultation counter exclusively for the receipt of payments of insurance claims and benefits by customers. Customers are encouraged to contact the Nissay consultation counter with any queries relating to receiving policy claims, benefits, or related points (specialist consultants are available to answer questions directly).

For customers who are dissatisfied with the explanation provided by the sales representative and wish to consult with a third party, we have also established the Outside Lawyer Consultation System, whereby we introduce these customers to lawyers from outside of the Company, with whom Nippon Life has not concluded advisory agreements, for free consultations. If customers wish to use the Outside Lawyer Consultation System, they can inquire at a Nissay office.

When a customer files an objection regarding the payment of insurance claims or benefits, the Claims-Related Services Review Session reviews the appropriateness of the claim and makes recommendations to the payment units based on its findings. Two lawyers from outside of the Company* are appointed as the chair and vice-chair of this committee.

If customers remain unsatisfied after using the Outside Lawyer Consultation System, they can request a review by the Claims-Related Services Review Session.

* Legal professionals with whom Nippon Life has not concluded advisory agreements

[Use of the Request System in the Fiscal Year Ended March 31, 2023]

	Number
Number of cases where the Outside Lawyer Consultation System was used	0
Number of cases where a request for reevaluation was made and deliberation was conducted at the Claims-Related Services Review Session	0
Number of cases where advice was received as a result of deliberations at the Claims-Related Services Review Session	0

Feedback from Customers (Complaints)

Guided by the "Voluntary Declaration of Customer Dedication" that outlines its philosophy and policy on activities towards customer-oriented management, Nippon Life treats customer feedback as a precious resource for improving services and works to improve its management and services from the customer's perspective.

For customer feedback, Nippon Life defines a complaint as "any expression of dissatisfaction by a customer (regardless of the facts)." The purpose of using this definition of a complaint is to incorporate a broad range of customers' opinions and dissatisfaction and then make extensive use of this information for business improvement measures.

Besides working to resolve issues quickly in response to complaints, precipitating causes are analyzed, countermeasures are reviewed and steps are taken to prevent a recurrence.

◆ Number of Complaints Received from Customers in the Fiscal Year Ended March 31, 2023

Content	Number	% of total	Primary examples
New policy related (Policy enrollment)	5,070	8.0	● Dissatisfaction concerning explanation when enrolling in an insurance policy, etc. ● Dissatisfaction concerning actions of sales representatives to sell policies, etc.
Receipt related (Payment of premiums)	3,843	6.1	● Dissatisfaction concerning remittances and automatic deductions, etc.
Maintenance related (Procedures after enrollment)	17,925	28.4	● Dissatisfaction concerning automatic transaction services, etc. ● Dissatisfaction concerning policy cancellation procedure, etc.
Claims and benefits related (Payment of insurance claims and benefits)	20,729	32.8	● Dissatisfaction concerning procedure for payment of claims and benefits, etc. ● Dissatisfaction concerning procedure for payment of maturity benefits, etc.
Others	15,618	24.7	● Dissatisfaction concerning after-sales services, etc. ● Dissatisfaction concerning the attitude, manners or behavior of sales representatives, etc.
Total	63,185	100.0	

Notes: 1. The number of "Feedback from Customers" (opinions, requests, consultations, dissatisfaction, positive feedback and other inquiries) was 2,064,202.
2. This information is based on the number and type of incidents when a feedback is received and is categorized in accordance with standards of the Life Insurance Association of Japan.

Financial ADR System

The financial ADR system is a procedure for out-of-court settlement of disputes* in the field of finance. The system can be used when policyholders and other customers cannot satisfactorily resolve a problem between themselves and a financial institution, including a life insurance company, despite much dialogue.

In the life insurance industry, the Life Insurance Association of Japan has been designated by the Ministry of Finance as a Designated Dispute Resolution Organization for implementing out-of-court settlement procedures* relating to life insurance based on the ADR system.

Nippon Life has concluded a basic contract with the Life Insurance Association of Japan for implementing procedures relating to conflict resolution services.

* ADR procedures use a neutral and fair third party to help achieve a flexible solution to problems rather than making a judgement.

[Contact Points for Designated Dispute Resolution Organizations]
The Life Insurance Association of Japan Life Insurance Consultation Center

Tel.	+81-3-3286-2648
Location	3rd floor, Shin-Kokusai Building, 4-1, Marunouchi 3-Chome, Chiyoda-ku, Tokyo 100-0005, Japan
Reception hours	09:00–17:00 (except weekends and public holidays)
Website	https://www.seiho.or.jp/english/about/contact/

Note: You can have a consultation at your closest contact point.

Contact list:
https://www.seiho.or.jp/contact/about/list/ (Japanese only)

The Meeting of Representatives

On July 4, 2023, the 76th Meeting of Representatives was held at the RIHGA Royal Hotel located at 5-3-68 Nakanoshima, Kita-ku, Osaka-shi.

The 164 representatives who attended the meeting on the day (200 individuals including those attending by proxy) discussed agenda items after reporting items were explained. The meeting was set up in the same manner as the previous fiscal year allowing participants to attend online in addition to in-person at the assembly hall, and 27 representatives attended the meeting online.

Nippon Life received various opinions and questions from representatives at the Meeting of Representatives.

In addition, 20 company members (participating insurance policyholders) attended the Meeting of Representatives.

Reporting Items

- The fiscal year ended March 31, 2023 business report, nonconsolidated balance sheets, nonconsolidated statements of income, nonconsolidated statements of changes in net assets, consolidated balance sheets, consolidated statements of income and consolidated statements of changes in net assets
- Report on the results of the *Nissay Konwakai Meetings* held and advisory matters for the Board of Councilors

Agenda Items

- Approval of proposed appropriation of surplus for the fiscal year ended March 31, 2023
- Allocation of policyholder dividends based on the fiscal year ended March 31, 2023 performance
- Appointment of councilors
- Appointment of Representative Nomination Committee members
- Appointment of 16 directors (excluding ones that are Audit and Supervisory Committee members)
- Appointment of one director who is an Audit and Supervisory Committee member

In response to questions received in advance in writing and other means from the representatives, Nippon Life distributed handout materials with answers to all of the questions and requests. Explanation was made that representative questions and requests will be summarized into themes and be responded accordingly, and the responses were made by the chairperson as well as the relevant executives.

Q1. The Basic Policy on Gender Equality and Empowerment of Women 2023, announced by the government, aims to raise the ratio of female executives to 30% or more by 2030. What is Nippon Life's vision for the appointment of female executives (including outside directors)?

Q2. The Japanese government's target for the ratio of female executives is to achieve 30% or more by 2030, and the current ratio is 40% in European countries, 29.6% on average in OECD member countries, and 15.5% in Japan. Meanwhile, women account for less than 10% of Nippon Life's executives, and there are no new female director candidates. It is a shame that I cannot see the willingness to promote women. Although 90% of Nippon Life's employees are women and the company is an industry leader, I cannot but consider that the progress is slow in the development of and increase in women in management positions. I ask for earlier career development support in light of life events.

[Responses to Questions 1 and 2]

A

- Women account for approximately 90% of Nippon Life's employees, and we have been working on the empowerment of women as a business strategy that supports the sustainable growth of the Company. Under such circumstances, we consider it extremely important to appoint female executives to ensure diversity of the members of the Board of Directors and other bodies. We therefore aim to further increase the ratio of female executives.
- Even if directors are appointed as proposed at this Meeting of Representatives, we will have only one female director, who accounts for 4.7% of the Board of Directors, and there will be only two female executives in total, who account for 4.0% of the management including executive officers. To appoint more female executives, we are working to select external candidates for female executives and build relationships with them, with the aim of broadening the internal and external pipelines of future female executives. In particular, to internally promote women to managerial positions, we are committed to supporting and empowering female employees to thrive as follows.
- Specifically, we have offered mentoring by executives and held opinion exchange meetings between female general managers and the Company president. In addition, we have been taking measures to create opportunities for further empowerment since October 2022, such as appointing female general managers as members of the Sustainability Committee, the Customer-Oriented Business Operations Committee, and other organizations that deliberate on important matters regarding the Company's management.
- As a result of such initiatives, we currently have 25 (31 including secondees) women in general manager level positions, and a total of 1,021 women in management positions including those at the deputy general manager level. The ratio of women in general manager level and deputy general manager level positions have risen steadily to 8.1% and 24.6% respectively.
- Through the initiatives described above, we aim to further increase the ratio of female executives to empower women and ensure further diversity of the overall management, with a focus on the appointment based on candidates' character.

Other Questions and Requests

[Questions Received in Advance]

- I understand that you positioned the fiscal year ended March 31, 2023 as the first year of sales reforms and focused on the improvement of sales representatives' consulting capabilities. Could you elaborate on initiatives from the perspective of sales representatives' reskilling?
- I have high expectations for the *Nissay Magokoro Meister Certification System*, which was introduced in the fiscal year ended March 31, 2023. May I ask how customer voices have been reflected in activities of aspiring sales representatives?
- Nippon Life has taken steady measures based on the "Viewpoints for Further Enhancement of Compliance Risk Management Structure related to Direct Salesperson Channel" published by the Life Insurance Association of Japan. Indicators other than new policy contracts are added to evaluation criteria in the *Nissay Magokoro Meister Certification System*, which I consider as a big change. Meanwhile, there still are cases of misconduct by sales representatives. Behind such cases of misconduct may be the fact that sales representatives come and go every few years and the company tends to depend on high performers. I therefore think that Nippon Life needs to work on the issue continuously. May I ask, what are your measures for retaining sales representatives?
- We are in an uncertain financial and economic environment, with global inflation, the prolonged situation in Russia and Ukraine, and deteriorating performance of European and American financial institutions. How has this affected Nippon Life's asset management, and has there been any change to the asset management policy?
- The company incurred a large loss on sales of securities due to a year-on-year increase of more than 5% in the federal funds rate, the policy interest rate of the United States. What lessons have you learned in terms of asset liability management (ALM), which keeps track of and manages assets and liabilities in a comprehensive manner, and what measures are to be taken in the fiscal year ending March 31, 2024? In addition, could you update us on valuation gains (losses) from trading securities as of March 31, 2023?
- On the Prime Market, companies with a price-to-book ratio (PBR) of below 1 are being encouraged to improve profitability. As a mutual company, what are Nippon Life's views on this matter?
- What measures does Nippon Life plan to take against investees whose PBR is below 1? Also, I consider Nippon Life as a "public company" equivalent to listed companies. What is the company's policy for addressing the issue of PBR below 1?
- It has been a year since the company transitioned to a Company with an Audit and Supervisory Committee, and I have the following questions regarding the matter:
  (1) Has the company achieved a swift and decisive business execution structure, as initially planned?
  (2) How did the Nomination and Remuneration Advisory Committee, which plays an important supervisory role, evaluate performance in finalizing the amount of remuneration?
  (3) What are the challenges in the further sophistication of the functions the transition aimed to achieve?
- ChatGPT has been attracting attention, and I think utilizing artificial intelligence (AI) and the like will be essential for companies, considering the decline in the working population and the trend of placing importance on work-life balance. How does Nippon Life currently utilize artificial intelligence, and what are the risks of and plans for utilizing artificial intelligence in the future?
- May I ask the current state of and future plans for ChatGPT use at Nippon Life?
- The government has started to tackle the declining birthrate, the largest challenge for Japan at the moment. Meanwhile, I consider it necessary for a wide range of actors, including the business sector, to address the issue. I understand that Nippon Life, whose work is about the importance of life, has taken a variety of measures, such as offering juvenile insurance and birth support benefits. I ask for further engagement in products and activities attentive to each life event of getting married, being born, and raising children.
- The total fertility rate and the number of births for the fiscal year ended March 31, 2023 has been released, and I think Japan is at a critical moment in addressing its demographic challenge. I have the following questions about childbirth and childcare support at Nippon Life:
  (1) Under what concepts are measures taken, and are the effectiveness of the measures reviewed?
  (2) Are there any cases where improvements have been made based on requests from users or the utilization status of the above measures?
  (3) The total fertility rate varies substantially between regions. Do our organizations and systems allow branches to have certain leeway to flexibly take additional measures according to the actual situation in each region?
- Nippon Life has concluded partnership agreements with many local governments. What is the purpose of such agreements, and what advantages do they have on the company's business?
- I watched ping pong matches that took place in the local area. Hearing policyholders comment on the collaboration between Nippon Life and local communities at the *Nissay Konwakai Meeting*, I felt strong expectations for community invigoration. I would like the Nippon Life to further invigorate local communities by improving the advertising method and organizing events on the sidelines of matches.
- Nippon Life holds lectures and seminars for policyholders. On the other hand, holding events for people who have not taken out insurance, as well as young people, may result in them purchasing insurance policies and make them Nippon Life fans.
- Materials for the Meeting of Representatives are sent in paper every year. To reduce CO2 emissions and protect the environment, I would like to ask Nippon Life to consider going paperless. For example, the materials could be sent via email or made available online according to the recipient's preference.
- An increase in benefit payments in relation to COVID-19 is listed as a reason for the decrease in core operating profit. How much did the payments amount to in the fiscal year ended March 31, 2023 and cumulatively up to the same fiscal year? What measures have you taken to ensure that all eligible customers receive the benefits?
- In some cases, potential customers are ineligible for taking out a new insurance policy due to their medical history, even if a substantial period has passed since the onset of symptoms or a medical letter states that no aftereffects are observed. Do you regularly review or deliberate on enrollment criteria?
- Could you elaborate on the operational status and effects at Nippon Life of the exam and registration system for the qualification for selling foreign currency denominated insurance?
- Needs for living a long and healthy life are increasing. I would be grateful if there are thorough medical checkups and other services for long-standing policyholders.
- Regarding the list of corporate contracts to see the details, value, etc. of purchased policies, it shows monthly, yearly, and cumulative insurance premiums and how much will be received upon cancellation, but not gross revenue upon cancellation. It is important to keep track of gross revenue in preparing financial results, so I would like the information to be included in the list.
- Considering that crime victims are in a vulnerable position, I would like to ask Nippon Life to develop a dedicated insurance product that covers international tourists who get involved in a crime in Japan.

[After Deliberation of Proposals]

- Nippon Life is committed to human resources development under the slogan of "People Are Power. People Are Everything." As Generation Z, who has different values from the past generations, joins the company, are there any opportunities for the Generation Z and the management to exchange opinions?
- While I recognize the effort to develop and appoint female executives internally, most directors are male at the moment. I am concerned that due to unconscious bias, promotion of women to managerial positions may not turn out to be as successful as intended. In addition, many companies today are committed to health and productivity management, and I understand that Nippon Life offers a variety of services as well. Meanwhile, I have an impression that such services are mostly for large companies. Are there any services related to health and productivity management intended for small and medium-sized companies?
- You mentioned that Nippon Life rolls out the global insurance business mainly in Asia, such as Indonesia, China, and India, and is considering an expansion to developed country markets. Which areas are you specifically looking at? Could you also share with us the overall vision for global business going forward, as the Japanese market will be shrinking?
- While Nippon Life places importance on face-to-face activities by sales representatives, some young people may be reluctant to share such information as family structure and asset status with others face-to-face. To address the issue, developing an AI-driven service where customers enter their information and receive insurance product proposals based on expected risks may be helpful.
- With regard to ESG investment and finance, you mentioned that Nippon Life supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and has set specific targets for CO2 reduction. Meanwhile, Scope 3 supply chain emissions are the largest and need to be addressed with many investee companies, which sets an especially high bar for reduction. You explained that Nippon Life will drive behavioral change through dialogue over multiple years. What specific measures has the company taken?

- In relation to sustainability management, The Act on Promotion of Resource Circulation for Plastics took effect in 2022, and the concept of "Renewable," in addition to the 3Rs (Reduce, Reuse, and Recycle), was introduced in law. I suggest that Nippon Life consider using bioplastics for clear document folders and other goods.
- For the Expo 2025 OSAKA, you said that Nippon Life is considering a program where both children and adults can enjoy experiencing healthcare. I am expecting a program where visitors can learn while having fun, so that many children will take part.

  Meanwhile, nationwide recognition is still at a low level, although November 30 marks the day that is 500 days before the start of the Expo. I therefore hope that Nippon Life will leverage its network, including the use of tickets, and vigorously create a momentum.

The Conference of Representatives (*Kondankai*)

- I imagine that training sales representatives, including conducting new sales activities, during the COVID-19 pandemic has been challenging. Could you share with us the outcome of training for employees who joined the company last year and the year before, as well as what actions you have taken to follow up on them after onboarding? Also could you tell us your responses to work style reforms?
- I understand that mobile devices for sales representatives do not work under a network failure or in areas or locations where the signal is weak. Have you taken any non-analog measures to address the issue?
- Nowadays, financial education is part of school education. People can manage their assets by using a smartphone, and psychological barriers toward starting a business or changing jobs have become lower. Recently, some people are attempting to build their assets at an early stage to retire from day-to-day work or to start their own businesses in their 40s or 50s. In the face of the increasingly flexible labor market and rapidly changing life cycles, what are your current and future product strategies?
- I engage in nursing care at a care home for the elderly, and feel that residents with dementia are increasing. Living in a care home and using nursing care services offer a secure life, but people need more than public pension to pay for such care. I have the following questions in relation to support for customers after retirement: (1) Do you have any employee training programs on dementia? (2) What is the implementation status of seminars on pensions, etc.? (3) What is the sales strategy for Nissay long-life insurance (low surrender value type) "*Gran Age*"?
- Health and productivity management, which vitalizes the organization and improves productivity, is attracting attention, together with the so-called 2025 problem. What does Nippon Life do to support its business partners' health and productivity management?
- We have taken out endowment insurance and medical insurance as employee benefits. While the number of employees is increasing, an increasing proportion of them are found ineligible for the insurance due to preexisting conditions and other personal reasons. As a result, we are not fulfilling the principle of covering everyone. We are currently considering taking out group term life insurance, but are concerned that this might widen the gap even further. We understand that not everyone is eligible for insurance products. Meanwhile, a product that can cover all employees under the framework of employee welfare would eliminate inequality and make the administrative work easier as well. For example, we are thinking of a hypothetical product that covers all employees regardless of personal circumstances while we purchase insurance coverage for 100 people and relevant administrative work is needed only when employees join or leave the company.
- I am seeing heightened geopolitical risks that may affect Japan's security, such as the situation in Russia and Ukraine, tensions between the U.S. and China, and moves by North Korea. What is Nippon Life's take on such risks, and how do you think they affect the company's business? I also would like to know if there have been any changes to specific initiatives, such as BCPs in preparation for the worst-case scenario.
- How would the ongoing Russia-Ukraine conflict affect the business, in terms of both costs and asset management?
- In the U.S., the federal funds rate, which is the policy interest rate, is rising sharply to tackle inflation. While the rate is expected to reach the upper half of the 4% range by the end of the year, what is the status of balance and unrealized profits/losses of Nippon Life's foreign securities portfolio? Could you also share with us how you plan to manage foreign securities for the foreseeable future?
- What is your take on the outlook for the financial market, and where do you stand on asset management amid weak yen?
- You transitioned to a Company with an Audit and Supervisory Committee, effective from July 2022. How has the transition changed the agenda of and discussions at Board of Directors meetings, speed of business execution, and relationship between the Board of Directors and those who execute business? While the change in organizational design contributes to mid-term corporate value improvement, what are the remaining issues in terms of governance?
- As for working toward carbon neutrality, could you give us specific numbers concerning interim reduction targets for 2030, taking into account the real estate you own? What measures are you taking to ensure that all group companies are on the same page?
- The Expo 2025 OSAKA takes place in less than two and a half years, and it seems like "accumulating advancements in the life science and biomedical industries concentrated in the area are what Osaka and Kansai can show off to the world" in regard to realizing the SDGs and Society 5.0. What are Nippon Life's recent initiatives that you can appeal to the world?
- I understand that the purpose of comprehensive partnership agreements with local governments is to contribute to communities and society and we should not ask for cost-effectiveness. Having said this, I would like to know if there are any synergy effects with your core business.
- I realize that beautiful natural environments are gradually being destroyed. For example, coral reefs are dying in the sea of Okinawa. To pass on to the next generation how beautiful natural environments can impress us, I expect Nippon Life to work on environmental conservation.
- Transferring club activities from schools to local communities is being discussed. Club activities have been supported by volunteers, and transferring them to local communities and making them services linked to pay would vitalize the activities. To materialize this, companies will need to allow their employees to have side jobs. What actions has Nippon Life taken, and what is Nippon Life's stance, in this regard?
- *TASKALL*, the mobile device for sales representatives, has enabled sales activities unbound by time or location and expanded sales opportunities. On the other hand, if a sales representative loses his/her device, there is a risk of unauthorized acquisition of information. This could happen even if the device is protected by security measures, unless the database is protected. What measures do you take with regard to device collection and security?
- When going through the financial results for the first half of the current fiscal year, you explained that gain/loss on sales of securities was negative year on year due to a decrease from the large gain on sales of domestic stocks in the previous fiscal year. Meanwhile, loss on sales of securities of 423.2 billion yen is posted under investment expenses, which is a loss four times as large as ordinary profit. May I ask if posting such a large loss was not considered as an issue, and under what circumstances you had to post the loss?
- Considering the social mission of an insurance company, it is essential to have a mid- to long-term perspective and abide by fundamental principles of management. Amid significant changes in the business environment and a spate of changes during the COVID-19 pandemic, I would like Nippon Life to continue increasing reserve funds and managing assets from a mid- to long-term perspective, without being shaken by single-year financial results.
- According to the financial results for the first half of the current fiscal year, Nippon Life seems to be lagging behind from other companies in the sales of foreign currency-denominated insurance due to overseas interest rate hikes and weak yen. On the flip side, if the market trends reverse in a few years, customers may experience losses. The current outcome can therefore be considered as a result of sales activities from the customers' perspective.
- In recent years, NISA has been attracting attention as the government actively promotes the policy to facilitate stable asset formation for Japanese people. As there are mid- to long-term life insurance products that offer both coverage and savings, I suggest that Nippon Life incorporate NISA in its products as well.
- I have a feeling that representatives who have submitted questions in advance do not fully represent the group. As about 200 representatives from across Japan get together for the meeting, I ask Nippon Life to bring out more diverse views and share them with us all. Diverse views are necessary in having a mid- to long-term perspective and abiding by fundamental principles of management.

Nissay Konwakai Meetings

Q. I contracted COVID-19 and requested payment of benefits, but it took a long time to receive the payment. What measures have you taken to improve the situation? In addition, how will the reclassification of COVID-19 to a Category 5 infectious disease affect the payment of benefits, etc.?

A

- We apologize for the inconvenience caused by the long time it took until the benefits were paid after the request.
- Payment took time as the number of benefit requests was substantially higher than usual*1, mainly due to the April 2020 addition of "deemed hospitalization" to benefit eligibility and the impact of the sixth and seventh waves of COVID-19 infections.
- Amid such circumstances, we reinforced the organizational structure for payment by assigning additional personnel to the unit responsible, as well as automated the administrative work for payment. Due to such efforts, the delay in payment procedures was resolved by March 2023.
- We will continue to review the administrative workflow for payment, and consider and implement other measures to address and improve issues that came to light.
- In September 2022, we limited the eligibility for "deemed hospitalization" benefits to those who have high risk of severe symptoms, in response to the government's policy.
- Next, the reclassification to a Category 5 infectious disease resulted in the termination of special treatment concerning the above "deemed hospitalization"*2 and the following special treatment concerning individual insurance, etc., effective from May 8, 2023. This is because hospitalization measures and recommendation for hospitalization under the Infectious Disease Act are no longer applicable to COVID-19.

  <Special treatment concerning disaster-related death benefits, etc.>

  – Death or serious disability as a direct result of COVID-19 is eligible for accident death benefits, accident serious disability benefits, etc.

  <Special treatment concerning reduction in claims or non-payment of benefits under special conditions*3>

  – Some insurance contracts may set forth reduction in claims or non-coverage of specific body parts under special conditions. Reduction in claims or non-payment of benefits, however, will not apply if the insured falls under the grounds for payment of claims or benefits due to COVID-19 during the eligible period.
- We will continue to strive for customer-oriented, attentive response while paying close attention to social circumstances regarding COVID-19.

*1 September 2022 (at the peak): Approximately five times as many as the previous year, FY2022: Approximately 2.1 times as many as the previous year

*2 If the insured is diagnosed with COVID-19 on or after May 8, 2023, he/she is ineligible for payment of hospitalization benefits, etc. under "deemed hospitalization" but eligible for hospitalization benefits, etc. if hospitalized at a medical institution.

*3 Special conditions in contracts that include higher insurance premiums or non-coverage of specific body parts, set based on the insured's current health status, past medical history, and other factors.

Other Opinions and Requests

[Sales Networks]

- I would like Nippon Life to continue to strengthen the consulting capabilities of sales representatives and thereby provide appropriate proposals and information.
- While communicating with staff in charge via social media and other channels is convenient, I feel more reassured when talking to them face-to-face. I would like Nippon Life to continue to balance face-to-face and online approaches and meet diverse needs.
- I would like Nippon Life to conduct even more seminars that are useful for young employees of companies, asset formation, and health promotion.
- I expect the introduction of the "*Nissay Magokoro Meister Certification System*" to improve levels of sales representatives' motivation and policyholder satisfaction. On the other hand, will pay raise due to the introduction of this system and other factors affect insurance premiums and dividends?

[Products and Services]

- Many young people do not take out life insurance. I would like Nippon Life to make more efforts to provide young people with insurance products that are easy to enroll in and supply information via social media and other channels.
- Considering that we are in an era with an average life expectancy of 100 years, I would like Nippon Life to expand the lineup of products and services that elderly people and people with preexisting conditions can enroll in.
- Taking into account interest rate hikes in Japan and overseas and other circumstances, I would like Nippon Life to enhance the lineup of savings products with high interest rates, such as foreign currency denominated insurance.

[Supply of Information]

- The TV commercial "*Anata ga Kureta Jinsei (Life You Gave Me)*" has a story and leaves an impression. Meanwhile, may I suggest running more commercials that present specific products and insurance premiums?

[Profitability/Soundness]

- You mentioned that benefit payments in relation to COVID-19 are increasing substantially. Will this affect the dividends?

[Digital Technology]

- While it is fine to digitalize various procedures, consideration should be given to elderly people who are not used to digital tools.

[Asset Management]

- I consider ESG investment and finance to be an important initiative. Could you elaborate on specific initiatives and the future outlook?

[Sustainability Management]

- I support actions taken in local communities based on partnership agreements with local governments. I expect further support for and cooperation with community revitalization and active PR activities in local communities.

Promoting Compliance

◆ Formulating and Implementing the Compliance Program

In accordance with the Basic Policy on Compliance and internal compliance rules, the Management Committee formulates a compliance program every year.

Each branch and headquarters department identifies its unique business issues, including conduct risks, and formulates its own branch or divisional compliance programs in response to specific issues arising from its diverse operations and works to implement these programs in daily operations based on the Company-wide plan. The formulation and implementation status of these programs is routinely tracked and followed up by the Compliance Department and at the same time new issues are reflected in the programs.

◆ Teaching and Entrenching Compliance Principles

Nippon Life has established a Code of Conduct that sets forth the principles and standards that all executives and employees must abide by in the course of daily business. The Code of Conduct is set out in the "Employee Handbook" so they can refer to it at any time in case they are uncertain whether the performance of their duties is in the best interest of customers, legally or socially acceptable, or infringes on human rights. We have also created a Compliance Manual that explains the Code of Conduct and the operations of each unit from a compliance perspective and have thoroughly instilled their teachings in all executives and employees.

Nippon Life provides all executives and employees with training on soliciting insurance policies and after-sales services, using "Compliance and Business Etiquette Textbook" and various other training materials that reflect an industry-wide curriculum standard.

In addition, training seminars through compliance-related programs are provided regularly via internal broadcasts ("*NICE-NET*") for sales representatives. Quizzes are given after the sales representatives have watched these broadcasts to confirm that they have understood the material.

Non-sales personnel undergo group training according to job category and receive training based upon the compliance programs of their departments in order to enhance their knowledge of compliance as it relates to their work.

Through the teaching and entrenching, we promote autonomous compliance by every single one of our executives and employees.

◆ Internal Reporting System

Nippon Life has put in place an internal reporting system and established a "Compliance Consultation Office" as a specialist organization. Specialists are assigned to an internal reporting hotline to receive confidential information from whistleblowers or provide wide-ranging consultation on compliance issues. Facts are confirmed and action is taken as required to remedy situations under the direction of the Compliance Officer.

To enhance the effectiveness of our internal reporting system, we have documented internal rules to ensure that whistleblowers are not disadvantaged by their actions and to prohibit leaks of information that would identify whistleblowers and searching for whistleblowers. In addition to our internal reporting hotline, we have contracted an independent law office to maintain an external reporting hotline as part of our efforts to establish an environment where people can report issues with confidence. Details of the internal reporting hotline are included in the "Employee Handbook" that all executives and employees are obliged to carry. Nippon Life uses an internal broadcasting system to provide education and training to all staff about the internal reporting system.

In addition, Group companies are also putting in place internal reporting systems to match those of Nippon Life. The Group has established a common hotline for internal reporting to enable Nippon Life to gather even more information about management risks at Group companies.

◆ Harassment Countermeasures (Power Harassment, Sexual Harassment and Maternity Harassment)

At Nippon Life, we see harassment as a human rights issue that constitutes an affront to personal dignity. We also treat it as a workplace environment issue that can impede workplace order and business processes. We have formulated a Code of Conduct and rules to prevent harassment and forbid all forms of harassment. On this point, we work to help all executives and employees understand problems and countermeasures through training and publication in various forms of media, such as the "Employee Handbook" that they are obliged to carry.

◆ Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT)

Financial institutions have a social responsibility to address money laundering and terrorism financing, and Nippon Life recognizes this responsibility as an important management priority. Nippon Life has formulated the Anti-Money Laundering and Counter-Terrorism Financing Rules. Under these regulations, Nippon Life is working to implement AML/CFT measures in accordance with risks, through such means as establishing a Company-wide AML/CFT system with the Compliance Department serving as the general management office, to ensure the appropriate implementation of customer identification and filing of suspicious transaction reports (STRs).

◆ Dealing with Antisocial Forces

Basic Rules Pertaining to Antisocial Forces

In the Code of Conduct, Nippon Life has established rules stating employees must not get involved with antisocial forces that pose a threat to social order and safety, such as organized crime. If a person has knowingly had contact with antisocial forces, they must immediately report this contact to their superior, take a resolute stand and deal with the matter in a methodical manner.

Initiatives against Antisocial Forces

In our Internal Control System Basic Policy, we have pledged to ban all relationships with antisocial forces. We have established the Dedicated Committee for Antisocial Forces Countermeasures to upgrade our internal system for this purpose. We engage in partnerships with external organizations, including the Life Insurance Association of Japan and the police, discuss countermeasures against organized crime groups and other antisocial forces, and provide related internal education.

The General Affairs Department has been positioned as the organization to deal with antisocial forces. A system of centralized control has been built to prevent damage from antisocial forces that enables employees to immediately report incidents, such as those involving undue claims, when they arise, to the General Affairs Department.

Inclusion of Provision to Reject Organized Crime in Policy Terms and Conditions

The Life Insurance Association of Japan has written a reference provision that allows member companies to cancel an insurance policy for the purposes of preventing any relationships whatsoever with antisocial forces and preventing the flow of funds associated with antisocial forces and any related entities. A policy can be canceled if a policyholder, insured party or beneficiary of an insurance policy is recognized as an antisocial force, as well as in certain other cases, while the policy is in force.

Nippon Life is reinforcing measures to prevent relationships with antisocial forces such as by including the association's reference provision in its policy terms and conditions starting in April 2012.

Basic Policy Terms: Cancellation due to Serious Matters

○ Nippon Life can cancel for the future an insurance policy or any attached riders if any of the following occur.

(Section omitted)

○ If any of the following items applies to a policyholder, insured party or beneficiary of an insurance policy

- Recognition as an organized crime group, member of the group (including individuals who ceased to be a member within the past five years), a secondary constituent member of or a company associated with the group, or any other antisocial force (collectively "antisocial forces" hereafter)
- Recognition of involvement in provision of funds or any other form of assistance for antisocial forces
- Recognition of improper use of antisocial forces
- When the policyholder or beneficiary is a company, recognition that the company is controlled by antisocial forces or an antisocial force is effectively involved in the company's management
- Recognition of any other relationship with an antisocial force that should be subject to social criticism

(Section omitted)

◆ Solicitation Policy

In order to further advance our customer first policy, we established "Nippon Life's Solicitation Policy" as the Company's approach to the sale of insurance and other financial products, and publish this on Nissay website, among other places.

◆ Efforts Related to the Protection of Personal Information

Nippon Life is entrusted with the important personal information of customers. We have established and published the Personal Information Protection Policy, are working on employee training and improving our information security system, and will continue to ensure appropriate management of customers' personal information.

Notes: 1. For information about our Solicitation Policy and Personal Information Protection Policy, please see p.34.
2. For information about our Compliance System, please see p.111 of the Main Part.

Strengthening Risk Management

◆ Integrated Risk Management

We take an integrated approach to managing the various risks that affect Nippon Life. We manage each type of risk centrally across all Group units in a coordinated way, while using statistical risk measurement methods to manage the overall risk at the Group level appropriately.

Implement Stress Tests

We consider the potential for risks that cannot be prepared for using statistical risk measurement methods. To compensate, we implement "stress tests" that assume such scenarios as a dramatic deterioration in the operating environment or increased payments for claims and benefits due to a major earthquake or other disasters. We then analyze the effects of these scenarios on the financial soundness of the Company. The results of the stress tests are reported to the Risk Management Committee and are useful when considering such actions as strengthening the financial foundation.

◆ Insurance Underwriting Risk Management

Insurance underwriting risk can give rise to losses when such factors as economic conditions, the incidence of insured events, investment results and operational expenses do not match the predictions made when premiums were set.

A life insurance company must fulfill its responsibility to bear the risk it assumes on behalf of customers for long periods extending over many decades. This requires the setting of reasonable premium rates that enable the stable payment of insurance claims and an appropriate level of risk control for upholding our responsibilities to policyholders based on examination and assessment of the health condition of the insured at the time of insurance underwriting.

Dealing with Risks in Setting Premiums

Nippon Life sets insurance premiums after expert staff who hold qualifications as doctors or actuaries (experts who use mathematical techniques to set insurance premiums and ensure financial soundness) have analyzed reliable statistical data indicating the frequency ratios of the incidence of insurance claims and other payments. We also conduct numerous simulations based on the set premiums to verify whether or not we will be able to meet future responsibilities to policyholders.

Responding to Risk Related to Policy Selection and Benefit Settlement Assessments

When Nippon Life considers underwriting a new policy, medically qualified staff or staff with medical expertise conduct a medical examination and assessment while other expert staff perform an additional assessment from the perspective of moral risk. Depending on the results of this process, we may choose to impose special conditions, such as increased premiums, that will allow us to offer a wide variety of fairly priced insurance products to as many customers as possible.

We are also diligent about managing risks related to paying out insurance claims and benefits. We undertake sufficient risk management, including the assessment of payments by medically qualified staff or staff with medical expertise and other measures.

Reinsurance Policies

Nippon Life reinsures as one strategy for diversifying risk. In such cases, we determine the ceded and assumed reinsurance details by means of a review conducted by the Risk Management Committee after considering the types and characteristics of risks. Moreover, in reinsurance transactions, we evaluate the creditworthiness of each reinsurer based on rankings provided by major ranking agencies and other factors, and manage accounts so that transactions do not focus excessively on specific reinsurers.

◆ Liquidity Risk Management

Liquidity risk consists of cash flow risk and market liquidity risk.

Cash flow risk refers to the risk of incurring losses from a worsening cash flow caused by an unexpected outflow of funds due to an event such as a major natural catastrophe, which would force the disposal of assets at extremely low prices. Nippon Life deals with cash flow risk via investment plans and daily cash flow management that together ensure that highly liquid assets exceed a given threshold.

Market liquidity risk refers to the risk of incurring losses from being unable to make transactions due to market confusion or other factors or being forced to make transactions at extremely unfavorable prices. Nippon Life deals with market liquidity risks by establishing appropriate transaction limits for each type of asset in line with market conditions.

◆ Investment Risk Management

Investment risk is the risk of loss arising from changes in the value of the Company's assets and liabilities. It can be categorized into market risk, credit risk and real estate investment risk. The long-term nature of life insurance policies requires a long-term approach based on liability characteristics when managing risks associated with investment.

Hence, we seek to manage our portfolio efficiently based on risk-return analyses that emphasize the importance of generating investment returns over the mid and long term. In addition, we strive to stabilize and increase our long-term earnings through attentive monitoring of our portfolio and market trends.

Market Risk Management

Market risk refers to the risk of losses incurred when the market value of invested assets and liabilities declines due to such factors as fluctuations in interest rates, exchange rates or stock prices. To avoid excessive losses from investment and finance transactions, the Company manages market risk by setting and monitoring investment limits for each type of asset and holding purpose as necessary. In doing so, we strive to build a portfolio that gives due consideration to the diversification of risk.

To control market risk for our overall portfolio, we use statistical analysis to reasonably calculate the amount of risk and loss due to changes in the market environment. We also implement monitoring for market value-at-risk on a continuous basis to ensure it stays within appropriate bounds.

Credit Risk Management

Credit risk refers to the risk of incurring losses when the value of assets, primarily loans and bonds, declines or is entirely eliminated due to the deterioration of the financial condition of the party to whom credit has been extended. In managing credit risk, the Company strives to build a sound portfolio through measures such as establishing a system to perform credit analysis, including rigorous examinations of each transaction by the Assessment Management Unit, which is independent of the units handling investment and finance activities, and setting and monitoring credit ceilings to ensure that credit risk is not excessively concentrated in a particular company, group or country.

To control credit risk for our overall portfolio, we use statistical analysis to reasonably calculate the amount of risk and loss due to worsening conditions in the financial position of credit risk counterparties. We also implement monitoring for market value-at-risk on a continuous basis to ensure it stays within appropriate bounds.

Real Estate Investment Risk Management

Real estate investment risk refers to the risk of reduced returns caused by such factors as rent fluctuation as well as losses incurred when real estate values decline due to market deterioration and other factors. Our approach to managing real estate investment risk involves the rigorous examination of each investment by the Credit Department, which is independent of the unit handling the investments. We have also set up a system involving warning levels for investment returns and prices as part of our monitoring activities.

◆ Operational Risk Management

Operational risk refers to the risk of customers or other external parties being adversely affected or the Group incurring losses due to any administrative error, negligence or malfeasance on the part of Nippon Life executives or employees or insurance agents contracted by Nippon Life.

To control operational risk, we are taking steps to clearly understand Company-wide risk by gathering and analyzing information on instances of operational errors. Based on this, we are formulating measures to avoid the recurrence of such instances and confirming their effectiveness. We are working to improve our administrative processes by providing administrative training and guidelines.

◆ Computer System Risk Management

Computer system risk refers to the risk of losses from computer system defects, faulty computer system operation and illicit use.

In managing computer system risk, we set our own safety standards for planning, development, operation and use of computer systems; conduct related compliance checks; and provide periodic instruction and guidance on appropriate usage.

To address the risk of a computer system failure, we have developed Company-wide contingency plans to enable quick emergency response and are working to firmly establish our response to contingencies by holding drills for system failures.We have established backup centers to prepare for the risk of disasters.

We have also implemented a wide variety of multi-layered security measures to deal with potential problems, including erroneous computer system operation, defects and illicit use. We have put measures in place to counter cyberattacks and related events, and continue to strengthen these with protection and detection measures, extensive education and training on information security for all executives and employees, cooperation with external expert organizations, promotion of security countermeasures at Group companies and so forth.

In addition, based on the increasing use of external vendors, including for cloud services as well as for system development, use and operation, we are also working to strengthen our system of checks of vendors' system security status.

◆ Information Asset Management

Information asset management refers to the proper handling and protection of all information that we possess and manage, including customer information, employee information and confidential management information, disclosure of information when required, and risk management pertaining to privacy protection.

We have established and published our "Basic Policy on Information Asset Protection," and we endeavor to conduct appropriate management, taking outside expertise into account in addition to complying with the related laws and guidelines, developing our management system, and conducting education for all executives and employees.

◆ Natural Disaster Countermeasures

We have formulated a business continuity plan (BCP) so that we can provide various types of services, etc. to customers even in the event of a major earthquake or the spread of infectious disease.

We also regularly work on natural disaster countermeasures, such as conducting drills on how to escort customers to evacuation areas and inspecting our stockpile of goods for use in disasters or other emergencies in preparation for an earthquake or tsunami during business hours.

In response to the Great East Japan Earthquake and under the direction of the Disaster Response Headquarters led by the Company president, Nippon Life paid the full amount of coverage for deaths caused by the disaster, made payments without omission through safety confirmation and related activities, and carried out recovery support activities such as making donations and delivering emergency supplies.

We continue to refine the BCP in consideration of our experiences with various natural disasters such as storm and flood damage, which have grown more severe in recent years.

Nippon Life's Solicitation Policy

We will do our best to earn customers' trust and strive to ensure appropriate solicitation activities.

We sell insurance and other financial products in compliance with all laws and regulations, but beyond that, we emphasize integrity in our sales, in order to merit the trust of our customers and society.

<Sales and Appropriate Solicitation Based on Customer Needs>

Comprehensively taking into account customers' knowledge of insurance and other financial products, their purpose for purchasing the policies, their family situation and their asset status, we constantly carry out consultative sales so that customers choose the most appropriate insurance and other financial products while explaining products from the customers' standpoint.

Nippon Life uses policy guides and reminders to explain policies in an easy-to-understand manner so that customers fully understand the content of insurance products and how they work, and takes steps to confirm that the products match the needs of customers.

In particular, for such products as variable annuities, foreign currency- denominated insurance and investment trusts that entail market risk, we recommend those considered most appropriate for each customer's age, knowledge and investment experience while giving appropriate explanations regarding products and their risks.

When explaining products over the phone or during customer visits, we take the customer's perspective while giving sufficient consideration to time, place and other factors.

We are striving to eliminate moral risk and ensure that proper notification is received from customers so that we treat all policyholders impartially and operate a morally sound insurance system. In particular, when underwriting life insurance policies that insure juveniles, we strive for proper solicitation by ensuring that the customers' needs are met once proper insurance coverage amounts have been established.

We do not get involved in antisocial activities that pose a threat to social order and safety, such as those of organized crime, and we take a resolute stand if we do come into contact with such activities.

<Appropriate Solicitation Activities through Education and Training>

Moreover, we are striving to ensure that our solicitation activities are appropriate by educating, managing and instructing all employees and executives through a systematic training program that includes compliance-related training.

<Proper Handling of Customer Information>

Nippon Life takes steps to properly manage, use and protect customer information.

<Responding to Customer Feedback>

Nippon Life is constantly gathering a wide range of opinions and suggestions from customers so that it can act on this feedback to increase customer satisfaction.

Personal Information Protection Policy (Handling Customers' Personal Information)

We have established policies regarding the handling of personal information and are working to properly manage, use and protect customer information in order to be a company that customers can trust. In order to realize appropriate protection of personal information, we continue to maintain and improve this policy.

1. **Information Collection**
   Customers' personal information is collected to the extent required to conduct business, specifically to underwrite various insurance policies, continue and maintain management, and handle payments, such as for insurance claims and benefits.
2. **Types of Information Collected**
   We collect information necessary to the conduct of business, underwrite various insurance policies, conduct continuation and maintenance management, and handle payments such as for insurance claims and benefits. This information primarily includes a customer's name, address, date of birth, state of health and occupation. Furthermore, for other types of products and services we offer, customers provide additional information necessary to conduct business.
3. **Information Collection Method**
   We collect customer information using legal and impartial methods. The information is mainly collected through policy applications, contracts, claims and surveys (including such documents by electronic means). Furthermore, there are times when information is gathered over the internet and through postcard surveys/mailings when conducting various activities including campaigns.
4. **Purposes of Using a Customer's Personal Information**
   A customer's information (excluding Individual Numbers stipulated under the Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedures (My Number Act)) is only used as needed for administrative purposes for the following:
   (1) Underwriting various insurance policies, conducting continuation and maintenance management and handling various types of payments, such as insurance claims and benefits
   (2) Explaining and providing various products and services, including those of related and affiliated companies and conducting policy maintenance management
   (3) Providing information concerning our business, managing our operations and expanding our lineup of products and services
   (4) Other insurance-related business
   Furthermore, there are times when we analyze browsing history such as messages in emails and the content of flyers provided to customers, our website and app, and the customers' transaction history to explain and provide various products and services, which includes distribution of advertisements.
   Use of customers' Individual Numbers shall be based on the Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedures and for only the following uses with the scope necessary for administrative purposes.
   1) Administrative work related to production of documentation for payments for insurance transactions
   2) Administrative work related to production of documentation and tax withholding slips for corporate pensions
   3) Administrative work related to opening accounts for fund management or to produce documentation for payments
   4) Administrative work related to production of documentation for real estate transactions
   5) Administrative work related to production of documentation for remuneration, fees, contracted sums and prizes
   6) Any other administrative work or the like related to the Individual Number as stipulated by any other act, regulation or suchlike
   The purposes of these uses are given in our Personal Information Protection Policy, which is available through our website, Disclosure Report and elsewhere.
   Furthermore, when personal information is collected directly from customers, the purpose of the use to which it will be put is clearly explained to the customer at that time.
5. **Information Management and Safe Management Measures**
   In order to guarantee that a customer's personal information is up to date and correct, we take the appropriate steps necessary to conduct business. Furthermore, we implement measures deemed necessary and appropriate for the safe management of a customer's personal information in order to prevent its inappropriate access, leakage, loss or destruction.
6. **Provision of Information**
   As a general rule, we do not provide a customer's personal information (excluding Individual Numbers) to third parties without receiving consent from the customer. However, in the following situations, we will provide customer information to third parties without customer consent:
   (1) When prior approval from the customer has been obtained
   (2) When the provision of a customer's personal information to a third party without customer consent is permitted by the Act on the Protection of Personal Information (Personal Information Act) or other laws and regulations
   (3) When the provision of a customer's personal information to firms that Nippon Life has outsourced work to is necessary to Nippon Life's continued business
   (4) When sharing a customer's personal information as stipulated by the Act on the Protection of Personal Information
   (5) In other cases where the Act on the Protection of Personal Information permits the provision of a customer's personal information without customer consent
   When providing a customer's Individual Number to a person conducting the administrative work, or when handling of the Individual Number is outsourced partly or wholly, the Individual Number will not be provided to a third party unless for reasons stipulated under the My Number Act.
7. **Disclosure, Revision or Other Processing of Information**
   In the event that a customer requests that their own personal information be disclosed, revised or otherwise processed, we will respond to the request promptly after confirming the individual's identity, unless there is special reason not to do so.
8. **Compliance with Related Laws and Regulations**
   Regarding customers' personal information, we conduct business in a manner that adheres to all aspects, such as definition, attitude and handling, of the Personal Information Protection Law, all other related laws, regulations and guidelines, and the Life Insurance Association of Japan's guidelines on handling personal information protection for the life insurance industry.
9. **Establishment of and Improvements to the Compliance Program**
   In order to guarantee that customers' personal information is being handled appropriately, a compliance program was established that all our employees, the firms to which we have outsourced work and other related parties have been made thoroughly aware of, and we conduct necessary and appropriate supervision.
   Furthermore, we review and revise the policy and the compliance program when necessary.
10. **Customer Requests Regarding Personal Information**
    Customer requests regarding the handling of their personal information are received at the personal information counter and processed in an appropriate and efficient manner.

- Consultation counter related to the handling of personal information
  Nissay call centers: 0120-201-021 (Toll-free in Japan)
  Operating hours: Monday to Friday 9:00–18:00; Saturday 9:00–17:00 (Excluding public holidays and the period from December 31 to January 3)
- Inquiries and consultation counter regarding contracts, etc.
  Please contact a sales representative or one of the Nissay Life Plazas.
- Nippon Life as a target entity of an organization authorized to protect personal information
  Nippon Life is a target entity of the Life Insurance Association of Japan, an organization authorized for the protection of personal information. The association has a reception line dedicated to complaints and consultations related to the handling of personal information.
  <Contact> Insurance Consultation Center, Life Insurance Association of Japan WEB https://www.seiho.or.jp/english/

Business Structure/Subsidiaries and Affiliates

◆ Business Structure (As of March 31, 2023)

Nippon Life Insurance Company

Insurance and related businesses: 21 companies

In the insurance business, Nippon Life and its subsidiaries engage in the life insurance business. Meanwhile, subsidiaries and affiliates that handle insurance-related operations engage in corporate pension system management, insurance policy confirmation, life insurance policy solicitation, non-life insurance agency services and services to provide information related to insurance policy solicitation.

Insurance business: 11 companies
(6 subsidiaries and 5 affiliates)

- ●◎TAIJU LIFE INSURANCE COMPANY LIMITED (Life insurance business)
- ●◎Nippon Wealth Life Insurance Company Limited (Life insurance business)
- ●◎HANASAKU LIFE INSURANCE Co., Ltd. (Life insurance business)
- ●◎Nissay Plus SSI Company Inc. (Small-amount, short-term insurance business)
- ●◎Nippon Life Insurance Company of America <USA> (Life insurance business)
- ●◎MLC Limited <Australia> (Life insurance business)
- ■◇Great Wall Changsheng Life Insurance Co., Ltd. <China> (Life insurance business)
- ■◇Bangkok Life Assurance Public Company Limited <Thailand> (Life insurance business)
- ■◇Reliance Nippon Life Insurance Company Limited <India> (Life insurance business)
- ■◇PT Asuransi Jiwa Sequis Life <Indonesia> (Life insurance business)
- ■◇Grand Guardian Nippon Life Insurance Company Limited <Myanmar> (Life insurance business)

Insurance-related operations: 10 companies
(7 subsidiaries and 3 affiliates)

- ■◇Corporate-Pension Business Service Co., Ltd. (Corporate pension system management)
- ◎Nissay Insurance Agency Co., Ltd. (Life insurance policy solicitation and non-life insurance agency work)
- ◎Taiju Onyu Insurance Management Co., Ltd. (Life insurance policy solicitation and non-life insurance agency work)
- ◎Sansei Insurance Service Co., Ltd. (Life insurance policy verification services)
- ◎LHL Co., Ltd. (Information services related to insurance policy solicitation)
- ◎LifeSalon Co., Ltd. (Life insurance policy solicitation and non-life insurance agency work)
- ◎Life Plaza Partners Co., Ltd. (Life insurance policy solicitation and non-life insurance agency work)
- ◎Hoken 110 (Life insurance policy solicitation and non-life insurance agency work)
- ◇Japan Affinity Marketing, Inc. (Life insurance policy solicitation and non-life insurance agency work)
- ◇Japan Pension Service Co., Ltd. (Corporate insurance policy administration and systems development services)

Asset management-related businesses: 56 companies

Subsidiaries and affiliates in asset management-related businesses engage in investment management, investment advisory, type II financial instruments services, trust banking services, credit guarantee services, leasing, venture capital, building management, discretionary investment contract services, monitoring of companies such as insurance holding companies and management companies, and finance agency services.

Investment management services: 5 companies
(4 subsidiaries and 1 affiliate)

- ●◎Nissay Asset Management Corporation (Investment management, investment advisory, and type II financial instruments services)
- ◎NIPPON LIFE REALTY MANAGEMENT Inc. (Asset management services)

Trust banking services: 1 company
(1 affiliate)

- ■◇The Master Trust Bank of Japan, Ltd. (Trust banking services)

Investment financing services: 15 companies
(14 subsidiaries and 1 indirect subsidiary)

- ●◎Nissay Credit Guarantee Co., Ltd. (Credit guarantee services)
- ●◎Nissay Leasing Co., Ltd. (Leasing services)
- ●◎NISSAY CAPITAL CO., LTD. (Venture capital services)
- ◎Sansei Capital Investment Co., Ltd. (Venture capital services)

Real estate-related businesses: 9 companies
(3 subsidiaries and 6 affiliates)

- ◎Shinjuku NS Building Co., Ltd. (Building management services)
- ◎Omiya Sonic City Co., Ltd. (Building management services)
- ◎Aroma Square Co., Ltd. (Building management services)
- ◇STEC Co., Ltd. (Building management services)
- ◇SL Towers Inc. (Building management services)
- ◇St. Luke's Residence Inc. (Residence management services)
- ◇Tokyo Opera City Building Co., Ltd. (Building management services)
- ◇Dojima Avanza Management Co., Ltd. (Building management services)
- ◇Sansei Building Management Co., Ltd. (Building management services)

Global asset management-related businesses: 26 companies
(18 subsidiaries and 8 affiliates)

- ●◎Nippon Life India Asset Management Limited <India> (Investment advisory and discretionary investment contract services)
- ●◎Nippon Life India AIF Management Limited <India>
  (Type II financial instruments business, investment advisory business, proxy investment and investment management services)
- ●◎Nippon Life India Asset Management (Singapore) Pte. Ltd. <Singapore> (Discretionary investment contract services)
- ■◇Post Advisory Group, LLC <USA> (Investment advisory and discretionary investment contract services)
- ■◇PT Sequis <Indonesia> (Insurance holding company)
- ■◇The TCW Group, Inc. <USA> (Investment advisory and discretionary investment contract services)
- ■◇Reliance Capital Pension Fund Limited <India> (Discretionary investment contract services)
- ◎Nippon Life Global Investors Americas, Inc. <USA> (Loans and investment on behalf of Nippon Life)
- ◎Nippon Life Global Investors Europe PLC <U.K.> (Loans and investment on behalf of Nippon Life)
- ◎Nippon Life Schroders Asset Management Europe Limited <U.K.> (Investment management and investment advisory services)
- ◎Nippon Life Global Investors Singapore Limited <Singapore> (Investment management and investment advisory services)
- ◎Nippon Life India Trustee Limited <India> (Monitoring of management firms, etc.)
- ◎Nippon Life India AIF Trustee Private Limited <India> (Monitoring of management firms, etc.)

General affairs-related operations: 11 companies

Subsidiaries and affiliates in general affairs-related operations engage in employment placement and contracted services, mediation and sales of goods, printing and bookbinding services, clerical agency services, software development, information processing services, system administration and management, survey and research services, consultation and information provision services related to health, nursing care, and daycare centers, receiving agency services, information services, and management consulting services.

General affairs-related operations: 4 companies
(4 subsidiaries)

- ◎Nissay Business Service Co., Ltd. (Employment placement and contracted services)
- ◎Nissay Shoji Co., Ltd. (Mediation and sales of goods)
- ◎NISSAY NEW CREATION CO., LTD. (Printing and bookbinding services and clerical agency services)
- ◎Sanyu Service Co., Ltd. (Intermediation and sales of various products)

Systems-related operations: 2 companies
(1 subsidiary and 1 affiliate)

- ●◎Nissay Information Technology Co., Ltd. (Software development, information processing services, and system administration and management)
- ◇Taiju Life & I Technology Ltd. (Systems-related services, including systems development and operation)

Other operations: 5 companies
(5 subsidiaries)

- ◎NLI Research Institute (Survey and research)
- ◎Life Care Partners Co., Ltd. (Consultation and information provision services related to health, nursing care, and daycare centers)
- ◎Taiju Financial Services Co., Ltd. (Receiving agency services)
- ●◎Nippon Life Americas, Inc. <USA > (Investment, research and information provision, and management consulting services)
- ◎Nippon Life Asia Pacific (Regional HQ) Pte. Ltd. <Singapore> (Research and information provision services, management consulting services)

Notes: 1. Subsidiary is prescribed in Article 2, Paragraph 12 of the Insurance Business Act; indirect subsidiary is prescribed in Article 13-5-2, Paragraph 3 of the Order for Enforcement of the Insurance Business Act and affiliate is prescribed in Article 13-5-2, Paragraph 4 of the Order for Enforcement of the Insurance Business Act.
2. ● Indicates consolidated subsidiaries, ■ Indicates affiliates accounted for by the equity method
3. ◎ Indicates subsidiaries, ◇ Indicates affiliates
4. Major company names shown

◆ Subsidiaries and Affiliates

The following table shows Nippon Life's major consolidated subsidiaries, both direct and indirect, as well as its major equity method affiliates as of March 31, 2023.

① Consolidated subsidiaries

Name	Location	Main business	Established (Date of stock acquisition)	Issued capital	Percentage of voting rights held by Nippon Life (%)	Percentage of voting rights held by Nippon Life's subsidiaries and affiliate companies (%)
TAIJU LIFE INSURANCE COMPANY LIMITED	Tokyo (Chiyoda-ku), Japan	Life insurance business	August 1, 1947 (December 29, 2015)	(Millions of Yen) ¥167,280	85.00	—
Nippon Wealth Life Insurance Company Limited	Tokyo (Shinagawa-ku), Japan	Life insurance business	October 1, 1947 (May 31, 2018)	(Millions of Yen) ¥55,519	100.00	—
HANASAKU LIFE INSURANCE Co., Ltd.	Tokyo (Minato-ku), Japan	Life insurance business	July 2, 2018	(Millions of Yen) ¥40,000	100.00	—
Nissay Plus SSI Company Inc.	Tokyo (Chiyoda-ku), Japan	Small-amount, short-term insurance business	April 30, 2021	(Millions of Yen) ¥1,300	100.00	—
Nissay Asset Management Corporation	Tokyo (Chiyoda-ku), Japan	Investment management, investment advisory and type II financial instruments services	April 4, 1995	(Millions of Yen) ¥10,000	100.00	—
Nissay Credit Guarantee Co., Ltd.	Osaka (Osaka-shi), Japan	Credit guarantee services	April 1, 1980	(Millions of Yen) ¥950	100.00	—
Nissay Leasing Co., Ltd.	Tokyo (Chiyoda-ku), Japan	Leasing services	March 30, 1984	(Millions of Yen) ¥3,099	70.00	—
NISSAY CAPITAL CO., LTD.	Tokyo (Chiyoda-ku), Japan	Venture capital services	April 1, 1991	(Millions of Yen) ¥3,000	100.00	—
Nissay Information Technology Co., Ltd.	Tokyo (Ota-ku), Japan	Software development, information processing services and system administration and management	June 25, 1999	(Millions of Yen) ¥4,000	83.92	—
Nippon Life Insurance Company of America	Iowa, USA (New York, USA)	Life insurance business	August 23, 1972 (December 20, 1991)	(Millions of US Dollars) $3.6	96.96	—
MLC Limited	New South Wales, Australia	Life insurance business	December 31, 1886 (October 3, 2016)	(Millions of Australian Dollars) $3,265	80.00	—
Nippon Life India Asset Management Limited	Maharashtra, India	Investment advisory and discretionary investment contract services	February 24, 1995 (August 16, 2012)	(Millions of Indian Rupee) ₹6,231	73.66	—
Nippon Life Americas, Inc	Delaware, USA (New York, USA)	Investment, research and information provision, and management consulting services	March 25, 2013	(US Dollars) $2	100.00	—

Notes: 1. The locations shown in parentheses in the location column for global subsidiaries represent the locations of the head office of each subsidiary.
2. "Percentage of voting rights held by Nippon Life" shows the number of voting rights held by Nippon Life divided by the total number of voting rights.
3. "Percentage of voting rights held by Nippon Life's subsidiaries and affiliates" shows the number of voting rights held by Nippon Life's subsidiaries and affiliates divided by the total number of voting rights. The percentage includes subsidiaries and affiliates within the scope of consolidation.

② Indirect subsidiaries (excluding subsidiaries)

None as of March 31, 2023.

③ Affiliates

Name	Location	Main business	Established (Date of stock acquisition)	Issued capital	Percentage of voting rights held by Nippon Life (%)	Percentage of voting rights held by Nippon Life's subsidiaries and affiliate companies (%)
Corporate-Pension Business Service Co., Ltd.	Osaka (Osaka-shi), Japan	Corporate pension system management	October 1, 2001	(Millions of Yen) ¥6,000	49.00	1.00
The Master Trust Bank of Japan, Ltd.	Tokyo (Minato-ku), Japan	Trust and custody services	November 13, 1985 (April 26, 2000)	(Millions of Yen) ¥10,000	33.50	—
Great Wall Changsheng Life Insurance Co., Ltd.	Shanghai, China	Life insurance business	September 23, 2003	(Millions of Yuan Renminbi) ¥2,167	28.57	—
Bangkok Life Assurance Public Company Limited	Bangkok, Thailand	Life insurance business	March 23, 1951 (February 24, 1997)	(Millions of Baht) ฿1,707	24.21	—
Reliance Nippon Life Insurance Company Limited	Maharashtra, India	Life insurance business	May 14, 2001 (October 7, 2011)	(Millions of Indian Rupee) ₹11,963	49.00	—
PT Asuransi Jiwa Sequis Life	Jakarta, Indonesia	Life insurance business	December 15, 1984 (October 8, 2014)	(Millions of Indonesian Rupiah) Rp77,630	0.01	68.34
Grand Guardian Nippon Life Insurance Company Limited	Yangon, Myanmar	Life insurance business	January 24, 2019 (September 10, 2019)	(Millions of Myanmar Kyat) K38,090	35.00	—
Post Advisory Group, LLC	California, USA	Investment advisory and discretionary investment contract services	April 24, 1992 (April 25, 2013)	(Millions of US Dollars) $2.6	—	18.85
The TCW Group, Inc.	California, USA	Investment advisory and discretionary investment contract services	November 19, 1971 (December 27, 2017)	(Millions of US Dollars) $200	—	100.00
PT Sequis	Jakarta, Indonesia	Insurance holding company	October 9, 2001 (October 8, 2014)	(Millions of Indonesian Rupiah) Rp4,240	29.26	—

Notes: 1. "Percentage of voting rights held by Nippon Life" shows the number of voting rights held by Nippon Life divided by the total number of voting rights.
2. "Percentage of voting rights held by Nippon Life" shows the number of voting rights held by Nippon Life divided by the total number of voting rights. The percentage includes subsidiaries and affiliates within the scope of consolidation.
For PT Asuransi Jiwa Sequis Life, the percentage of voting rights shown is that held by PT Sequis. For The TCW Group, Inc., the percentage of voting rights shown is that held by a subsidiary of Clipper Holding, L.P., of which 24.75% of voting rights are held by Nippon Life Americas, Inc.

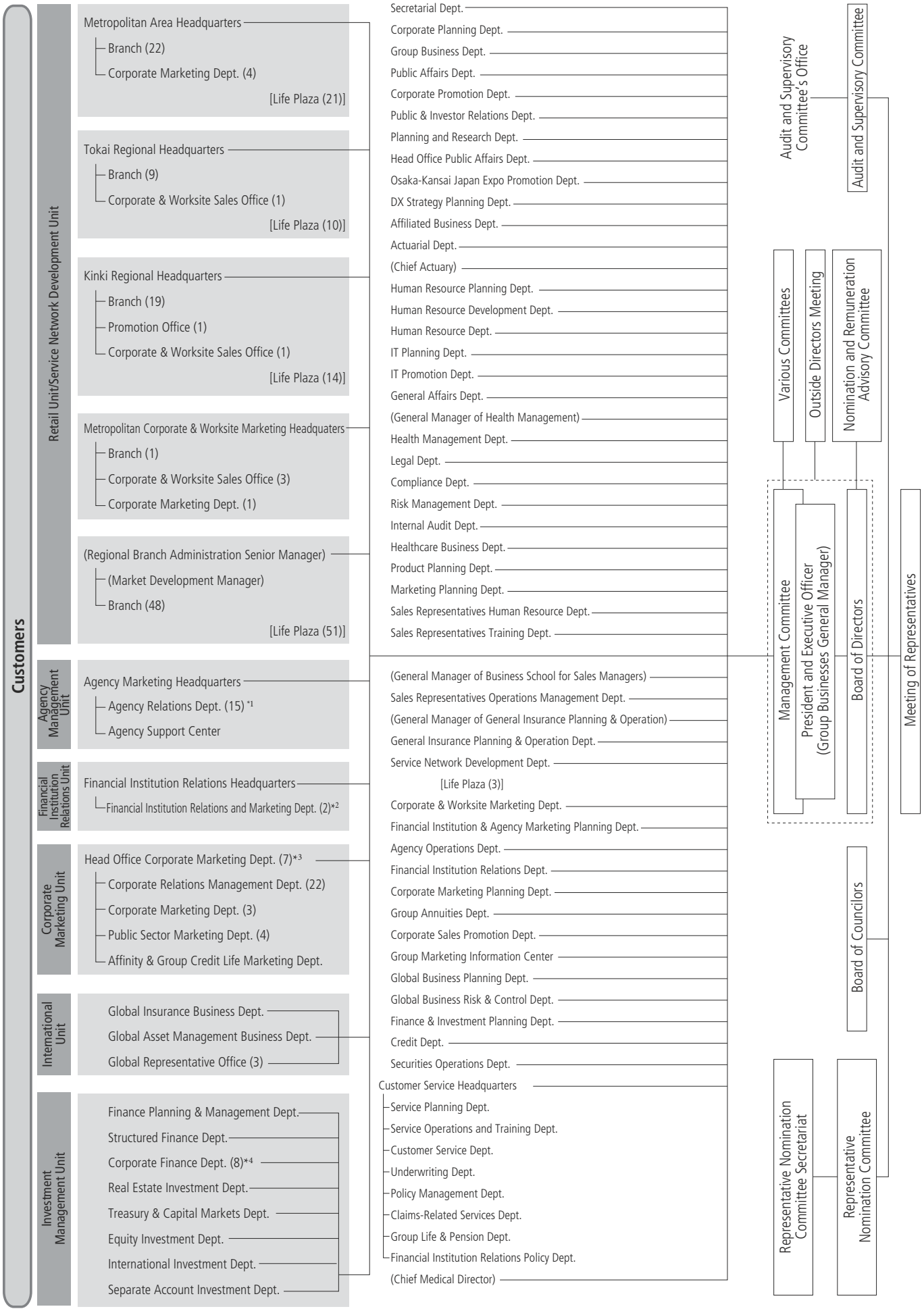
◆ Status of Business Transfers and Acquisitions

Date of business transfer, etc.	Status of business transfer, etc.
December 27, 2022	We invested an additional ¥50.0 billion in Nippon Wealth Life Insurance Company Limited, bringing its issued capital to ¥55.5 billion and capital reserve to ¥42.4 billion. The percentage of voting rights held by Nippon Life remains unchanged at 100%.

Note: In addition to the above, we financed Nippon Wealth Life Insurance Company Limited with a subordinated debt of ¥50.0 billion.

Organization

(As of March 25, 2023)



Notes with additional information are provided at the top of the adjacent page.

∗ Offices and Centers Installed inside Departments

Consumer Loan Planning Office
(Finance Planning & Management Department)

Store Planning Office (Real Estate Investment Department)

Sustainability Planning Office (Corporate Planning Department)

Business Planning Office (Corporate Planning Department)

Innovation Office (Corporate Planning Department)

International Accounting and Actuarial Affairs Office
(Planning and Research Department)

Kagayaki Promotion Office
(Human Resource Development Department)

Digitalization Office (IT Promotion Department)

Sound Business Promotion Office (Compliance Department)

Compliance Consultation Office (Compliance Department)

Administrative Risk Management Department
(Risk Management Department)

System Risk Management Department
(Risk Management Department)

Investment Risk Management Department
(Risk Management Department)

Information Management Office (Risk Management Department)

Sales Material Inspection Office (Product Planning Department)

Shin Ikusei Program Promotion Office
(Sales Representatives Training Department)

New Sales-Activities Promotion Office
(Sales Representatives Training Department)

Business School for Sales Managers
(Sales Representatives Training Department)

Regional Headquarters Support Office
(Sales Representatives Operations Management Department)

Regional Revitalization Support Office
(Sales Representatives Operations Management Department)

Corporate Sales Strategy Office
(Corporate & Worksite Marketing Department)

Sales Area Management Office
(Corporate & Worksite Marketing Department)

Corporate & Worksite Development Office
(Corporate & Worksite Marketing Department)

Public Sector Management Office
(Corporate & Worksite Marketing Department)

Corporate Product Planning Office
(Corporate Marketing Planning Department)

Corporate Sales Planning & Product Development Office
(Corporate Marketing Planning Department)

ESG Investment Strategy Office
(Finance & Investment Planning Department)

General Insurance Planning & Services Office
(Service Planning Department)

Medical Research and Development Office
(Service Planning Department)

Call Center (Customer Service Department)

Claims-Related Services Center (Claims-Related Services Department)

Corporate Service Center (Group Life & Pension Department)

*1: Fifteen Agency Relations Departments

1st Metropolitan Agency Relations Dept. (Tokyo)
2nd Metropolitan Agency Relations Dept. (Tokyo)
3rd Metropolitan Agency Relations Dept. (Tokyo)
4th Metropolitan Agency Relations Dept. (Tokyo)
5th Metropolitan Agency Relations Dept. (Yokohama)
6th Metropolitan Agency Relations Dept. (Saitama)
Hokkaido Agency Relations Dept. (Sapporo)
Tohoku Agency Relations Dept. (Sendai)
Hokuriku-Shinetsu Agency Relations Dept. (Nagano)
Tokai Agency Relations Dept. (Nagoya)
1st Kinki Agency Relations Dept. (Osaka)
2nd Kinki Agency Relations Dept. (Osaka)
3rd Kinki Agency Relations Dept. (Osaka)
West Japan Agency Relations Dept. (Okayama)
Kyushu Agency Relations Dept. (Fukuoka)

*2: Two Financial Institutions Relations and Marketing Departments

1st Financial Institutions Relations Dept. (Tokyo)
2nd Financial Institutions Relations Dept. (Osaka, Tokyo)

*3: Seven Head Office Corporate Marketing Departments

Head Office 1st Corporate Marketing Dept. (Tokyo)
- 1st Corporate Relations Management Dept. (Tokyo)
- 2nd Corporate Relations Management Dept. (Tokyo)
- 3rd Corporate Relations Management Dept. (Tokyo)
- 4th Corporate Relations Management Dept. (Tokyo)
- 9th Corporate Relations Management Dept. (Tokyo)

Head Office 2nd Corporate Marketing Dept. (Tokyo)
- 5th Corporate Relations Management Dept. (Tokyo)
- 6th Corporate Relations Management Dept. (Tokyo)
- 7th Corporate Relations Management Dept. (Tokyo)
- 8th Corporate Relations Management Dept. (Tokyo)
- 10th Corporate Relations Management Dept. (Tokyo)
- 11th Corporate Relations Management Dept. (Tokyo)

Head Office 3rd Corporate Marketing Dept. (Tokyo)
- 1st Public Sector Marketing Dept. (Tokyo)
- 2nd Public Sector Marketing Dept. (Tokyo)
- 3rd Public Sector Marketing Dept. (Tokyo)
- Affinity & Group Credit Life Marketing Dept. (Tokyo)

Head Office East Japan Corporate Marketing Dept. (Sapporo)
- Hokkaido Corporate Relations Management Dept. (Sapporo)
- Tohoku Corporate Relations Management Dept. (Sendai)

Head Office Tokai Corporate Marketing Dept. (Nagoya)
- 1st Tokai Corporate Relations Management Dept. (Nagoya)
- 2nd Tokai Corporate Relations Management Dept. (Kariya)
- Tokai Corporate Sales Dept. (Nagoya)

Head Office Osaka Corporate Marketing Dept. (Osaka)
- 1st Osaka Corporate Relations Management Dept. (Osaka)
- 2nd Osaka Corporate Relations Management Dept. (Osaka)
- 3rd Osaka Corporate Relations Management Dept. (Osaka)
- Kyoto Corporate Relations Management Dept. (Kyoto)
- Kobe Corporate Relations Management Dept. (Kobe)
- Chugoku Corporate Relations Management Dept. (Hiroshima)
- 1st Osaka Corporate Sales Dept. (Osaka)
- 2nd Osaka Corporate Sales Dept. (Osaka)
- Osaka Public Sector Marketing Dept. (Osaka)

Head Office Kyushu Corporate Marketing Dept. (Fukuoka)
- Kyushu Corporate Relations Management Dept. (Fukuoka)

*4: Eight Corporate Finance Departments

1st Corporate Finance Dept. (Tokyo)
2nd Corporate Finance Dept. (Tokyo)
3rd Corporate Finance Dept. (Tokyo)
Metropolitan Area Corporate Finance Dept. (Tokyo)
Corporate Finance Dept. (Tokyo)
Tokai Area Corporate Finance Dept. (Nagoya)
Osaka Corporate Finance Dept. (Osaka)
Kyushu Area Corporate Finance Dept. (Fukuoka)

◆Branch Organization

(Unit: Number)

As of April 1	2023	2022	2021
Branches	**99**	99	99
Branch Offices	**9**	9	9
Sales Offices	**1,495**	1,510	1,521
Global Representative Offices	**3**	4	4
Agencies	**19,033**	18,771	18,562

Notes: 1. Branch offices are organizations that mainly specialize in sales activities targeting urban corporate worksite sales locations.
2. Agencies include sales agencies at banks and other financial institutions.

Status of Employees and Directors/Accounting Audits

◆Number of Employees by Job Function

Category	Number of employees (As of March 31)		Number of new employees (Fiscal years ended March 31)	
	2023	2022	2023	2022
Total non-sales personnel	**20,433**	**20,767**	**1,197**	**1,148**
Male	**6,357**	**6,546**	**284**	**300**
Female	**14,076**	**14,221**	**913**	**848**
Managerial track	3,704	3,782	172	161
Sales management positions	1,892	1,958	70	83
Area management positions	1,532	1,493	71	73
Area operations positions	6,053	6,254	218	223
Total sales representatives	**50,281**	**53,866**	**6,718**	**8,299**
Male	**216**	**242**	**0**	**0**
Female	**50,065**	**53,624**	**6,718**	**8,299**
Total	**70,714**	**74,633**	**7,915**	**9,447**
Male	**6,573**	**6,788**	**284**	**300**
Female	**64,141**	**67,845**	**7,631**	**9,147**

Notes: 1. All figures were calculated on March 31 of each fiscal year.
2. Non-sales personnel are the total number of non-sales representatives, sales general managers, medical staff, labor service staff, elderly staff, professional staff, special contract employees, customer affairs advisors, specified staff and temporary staff.
3. The number of sales representatives includes employees that were registered as life insurance solicitors prior to employment. (889 employees as of March 31, 2023 and 959 employees as of March 31, 2022)
4. Effective from March 25, 2021, sales general managers, who were previously included in sales representatives, were reclassified from sales representatives to non-sales personnel.

◆Average Age and Years of Service

As of March 31	Average age (Years)		Average years of service (Years)	
	2023	2022	2023	2022
Total non-sales personnel	**45.4**	**45.1**	**13.8**	**13.3**
Male	**44.1**	**43.9**	**17.2**	**16.4**
Female	**45.9**	**45.7**	**12.3**	**11.8**
Managerial track	41.6	41.5	18.8	18.7
Sales management positions	39.9	39.7	17.0	16.8
Area management positions	38.6	38.4	16.5	16.4
Area operations positions	41.5	41.2	14.1	13.8
Total sales representatives	**45.7**	**45.0**	**10.5**	**9.9**
Male	**59.8**	**59.5**	**27.5**	**27.3**
Female	**45.6**	**45.0**	**10.5**	**9.8**
Total	**45.6**	**45.1**	**11.5**	**10.8**
Male	**44.6**	**44.4**	**17.5**	**16.8**
Female	**45.7**	**45.1**	**10.9**	**10.2**

Notes: 1. All figures were calculated on March 31 of each fiscal year, and rounded to the nearest decimal place.
2. Non-sales personnel are the total number of non-sales representatives, sales general managers, medical staff, labor service staff, elderly staff, professional staff, special contract employees, customer affairs advisors, specified staff and temporary staff.
3. The number of sales representatives includes employees that were registered as life insurance solicitors prior to employment. (889 employees as of March 31, 2023 and 959 employees as of March 31, 2022)
4. Effective from March 25, 2021, sales general managers, who were previously included in sales representatives, were reclassified from sales representatives to non-sales personnel.

◆Average Monthly Salary of Non-Sales Personnel

(Unit: Thousands of Yen)

Fiscal years ended March 31	2023	2022
Non-sales personnel	333	325

Notes: 1. The average monthly salary is the tax-inclusive standard salary in March, excluding bonuses and overtime pay.
2. Non-sales personnel are the total number of non-sales representatives, sales general managers, medical staff, labor service staff, elderly staff, professional staff, special contract employees, customer affairs advisors, specified staff and temporary staff.

◆Average Monthly Salary of Sales Representatives

(Unit: Thousands of Yen)

Fiscal years ended March 31	2023	2022
Sales representatives	277	282

Notes: 1. The average monthly salary is the tax-inclusive standard salary in March, excluding bonuses and overtime pay.
2. Excludes site managers, branch training center trainers, training assistant managers, life agents, sales representative trainees, life insurance agencies and service support staff.

◆Gender Pay Gap

Category	Gender pay gap (Female-to-male salary ratio)
All employees	38.8%
Regular employees	40.1%
Non-regular employees	33.3%

Notes: 1. The data covers fiscal 2022 (April 1, 2022 to March 31, 2023).
2. The data does not cover employees seconded from Nippon Life to other companies or those seconded from other companies to Nippon Life.
3. Regular employees include permanent, full-time employees.
4. Non-regular employees include short-term employees and fixed-term employees (including those reemployed on a fixed-term basis after mandatory retirement).
5. The data is based on the total of base salary, additional salary (overtime pay, etc.), and bonuses, etc. Travel expenses for commuting are not included.

(Supplementary Information) Status by Rank

Category	Gender pay gap (Female-to-male salary ratio)
General manager level	90.6%
Deputy general manager level	86.1%
Manager level	87.2%
Positions equivalent to assistant manager	108.7%

(Reference) Ratio of women in management positions and positions equivalent to department manager

Target	Beginning of FY2023
Women account for 30% of management positions (2020s)	24.6%
Women account for 10% of positions equivalent to department manager (beginning of FY2030)	8.1%

Gender pay gap is mainly due to differences in male-to-female ratio by job function and years of service.

Gender pay gap also exists within the same rank. Under such circumstances, we will continue to support the success of diverse personnel by providing an environment where every employee can play an active role for a long period of time and facilitating the promotion of women to management positions to help achieve the targets for the ratio of women in management positions (30% in the 2020s) and positions equivalent to department manager (10% at the beginning of FY2030).

Notes: Employees in positions equivalent to assistant manager have the authority to oversee, manage, develop, and give guidance to rank-and-file employees in an organization or a team, or a decision making authority.

◆Status of Directors

Number of directors authorized by the Articles of Incorporation	25 people
Term of office of directors authorized by the Articles of Incorporation	Directors: 1 year Directors that are Audit and Supervisory Committee members: 2 years
Chairman of the Board of Directors	President
Number of directors	21 people (of which 5 are directors that are Audit and Supervisory Committee members)
Status of appointment of outside directors	Appointed
Number of outside directors	8 people (of which 4 are directors that are Audit and Supervisory Committee members)
Number of outside directors qualifying as independent outside directors	8 people

◆Status of Director Remuneration

Individuals with total remuneration, etc. of ¥100 million or more (April 1, 2022 to March 31, 2023)

(Unit: Millions of Yen)

Name (position of executive)	Total remuneration, etc.	Monthly remuneration	Bonus	Single-year contribution to performance-linked retirement or severance remuneration
Yoshinobu Tsutsui (Director)	112	69	25	17
Hiroshi Shimizu (Director)	161	90	45	25

Notes: 1. Remuneration is shown only for individuals whose total remuneration, etc. is ¥100 million or more.
2. The single-year contribution to performance-linked retirement or severance remuneration is recognized as the amount for each year under review that has been contributed under internal rules, in order to provide for the payment of performance-linked retirement or severance remuneration to Directors.

◆Status of Accounting Audits

(1) Name of Accounting Auditors

Deloitte Touche Tohmatsu LLC

(2) Continuous Auditing Period

17 years

(3) Certified Public Accountants Who Conducted Auditing Operations

Yoshiyuki Higuchi
Hideo Shirata
Keisuke Yamaguchi
Daisuke Konishi

The number of years of continuous audits was not more than seven years for each of the certified public accountants who conducted auditing operations.

(4) Composition of Assistants Involved in Auditing Operations

The assistants involved in auditing operations consisted of a total of 25 certified public accountants and 59 other individuals.

(5) Policy and Reasons for Selecting the Accounting Auditors

In cases where it is deemed to be difficult for the accounting auditors to perform their duties appropriately or in other circumstances deemed necessary, the Audit and Supervisory Committee will determine the content of proposals concerning the dismissal or non-reappointment of the accounting auditors. The Audit and Supervisory Committee will dismiss the accounting auditors if it believes that the accounting auditors fall under the grounds set forth in the items of Article 53-9, Paragraph 1 of the Insurance Business Act with their terms replaced pursuant to Article 53-9, Paragraph 5 of the Act.

(6) Evaluation of the Accounting Auditors by the Audit and Supervisory Committee

The Audit and Supervisory Committee evaluates the accounting auditors after confirming factors such as whether the accounting auditors have the required independence and expertise. This is done based on standards formulated in accordance with various guidelines and other information concerning accounting auditors published by the Japan Audit & Supervisory Board Members Association.

As a result of the foregoing, the Audit and Supervisory Committee can confirm that there are no particular problems with the qualifications and auditing history of the accounting auditors. It has also determined that the auditing methods and results of the accounting auditors in the fiscal year ended March 31, 2023 were appropriate. For this reason, the Audit and Supervisory Committee has decided that it would be appropriate to reappoint the accounting auditors.

◆Details of Audit Remuneration and Related Matters

(1) Remuneration for Accounting Auditors

(Unit: Millions of Yen)

Category	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2022	
	Remuneration based on audit and attestation services	Remuneration based on non-audit services	Remuneration based on audit and attestation services	Remuneration based on non-audit services
Nippon Life	331	37	307	68
Consolidated subsidiaries	249	26	238	25
Total	**581**	**63**	**546**	**94**

Note: Non-audit services at Nippon Life and its consolidated subsidiaries consist of verification services concerning the establishment and implementation of internal control over operations related to corporate pensions and related areas.

(2) Remuneration for Organizations Affiliated with the Same Network as the Accounting Auditors (Deloitte Touche Tohmatsu LLC) (Excluding (1))

(Unit: Millions of Yen)

Category	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2022	
	Remuneration based on audit and attestation services	Remuneration based on non-audit services	Remuneration based on audit and attestation services	Remuneration based on non-audit services
Nippon Life	—	62	—	11
Consolidated subsidiaries	24	64	18	91
Total	**24**	**126**	**18**	**103**

Note: Non-audit services at Nippon Life mainly consisted of advisory services for planning new businesses in the childcare-related field in the fiscal year ended March 31, 2023, and advisory services concerning preparations for establishing a new company in the fiscal year ended March 31, 2022. Non-audit services at consolidated subsidiaries mainly consisted of services for changing tax tool systems.

(3) Details of Remuneration Based on Other Important Audit and Attestation Services

Not applicable.

(4) Policy on Determination of Audit Remuneration

Remuneration is decided after obtaining the consent of the Audit and Supervisory Committee, taking into consideration factors such as the size and features of Nippon Life's business and the amount of time required to conduct audits.

(5) Reasons the Audit and Supervisory Committee Consented to the Remuneration, etc. of the Accounting Auditors

The Audit and Supervisory Committee confirmed and deliberated matters such as the content of the accounting auditors' audit plans, the calculation basis for remuneration estimates, the status of execution of accounting auditors' duties, and the opinions of directors and relevant internal departments relating to the remuneration of accounting auditors in the fiscal year ended March 31, 2023. As a result, the Audit and Supervisory Committee determined that these matters were appropriate and provided its consent based on Article 399 of the Companies Act, as applied mutatis mutandis pursuant to Article 53-23 of the Insurance Business Act.

Status of Facilities

◆Overview of Capital Investment and Related Matters

In the fiscal year ended March 31, 2023, capital investment amounted to ¥103.1 billion. Capital investment was made primarily to build new and rebuild existing investment properties, build new and rebuild existing properties for sales activities, and develop and maintain systems.

In the fiscal year ended March 31, 2023, there were no dispositions, divestments, or other such actions for important facilities.

◆Status of Major Facilities

Name of main office*1	Name of segment	Description of facility*2	Book value (Hundred Millions of Yen)*3 *4				Number of employees*3 Top row: Non-sales personnel Bottom row: Sales representatives
			Buildings and structures*5	Land (Area: Thousands of m²) [Area of leased land: Thousands of m²]*6	Others*7	Total	
Osaka Head Office (Chuo-ku, Osaka)	Domestic life insurance business	For investment	—	— (—) [—]	9	9	3,989 57
		For sales activities	283	277 (12) [—]	171	732	
Tokyo Headquarters (Chiyoda-ku, Tokyo)	Domestic life insurance business	For investment	97	632 (4) [—]	0	730	3,086 104
		For sales activities	135	953 (7) [—]	0	1,089	
Hokkaido Sapporo Branch and 72 other properties	Domestic life insurance business	For investment	133	103 (15) [5]	0	237	551 1,838
		For sales activities	48	45 (47) [0]	0	94	
Tohoku Sendai Branch and 108 other properties	Domestic life insurance business	For investment	67	78 (15) [5]	0	147	783 3,564
		For sales activities	59	68 (79) [1]	0	127	
Minamikanto Central Tokyo General Branch and 260 other properties	Domestic life insurance business	For investment	1,717	4,683 (219) [84]	81	6,481	4,814 13,112
		For sales activities	570	1,708 (422) [14]	2	2,281	
Kitakanto and Koshin Utsunomiya Branch and 114 other properties	Domestic life insurance business	For investment	17	18 (4) [0]	0	36	688 3,316
		For sales activities	56	67 (85) [6]	0	123	

Name of main office*1	Name of segment	Description of facility*2	Book value (Hundred Millions of Yen)*3 *4				Number of employees*3 Top row: Non-sales personnel Bottom row: Sales representatives
			Buildings and structures*5	Land (Area: Thousands of m2) [Area of leased land: Thousands of m2]*6	Others*7	Total	
Hokuriku Niigata Branch and 61 other properties	Domestic life insurance business	For investment	82	35 (7) [0]	0	119	457 2,051
		For sales activities	42	38 (44) [1]	0	81	
Tokai Nagoya Branch and 164 other properties	Domestic life insurance business	For investment	167	201 (22) [11]	6	375	1,317 5,757
		For sales activities	103	151 (100) [3]	4	259	
Kinki Kyoto Branch and 249 other properties	Domestic life insurance business	For investment	1,012	1,008 (123) [36]	69	2,090	2,203 9,420
		For sales activities	343	539 (294) [6]	10	894	
Chugoku Hiroshima Branch and 105 other properties	Domestic life insurance business	For investment	103	192 (19) [0]	0	295	686 2,958
		For sales activities	50	84 (67) [2]	0	134	
Shikoku Matsuyama Branch and 60 other properties	Domestic life insurance business	For investment	38	52 (6) [1]	0	91	383 1,796
		For sales activities	29	50 (38) [0]	0	79	
Kyushu Fukuoka General Branch and 186 other properties	Domestic life insurance business	For investment	234	221 (223) [0]	34	490	1,476 6,308
		For sales activities	91	160 (120) [0]	0	252	

*1 The names of the main offices indicate the name of the main sales office in each region.
*2 "For investment" refers to the component for properties held for the purpose of generating income through leasing and related activities, and the ancillary component necessary for this purpose.
*3 Book value is aggregated for each region where the applicable properties are located. The number of employees is aggregated for each region where the main office of their organizations is located.
*4 Book value is proportionately allocated to the book-value categories of "for investment" and "for sales activities" according to the ratio between the floor area of leased buildings and the floor area of buildings for sales activities.
*5 Interior remodeling of leased buildings has been recorded in a lump sum under Osaka Head Office as the monetary amount is very small.
*6 The area of leased land is enclosed in square brackets. Nippon Life paid leasing fees related to real estate of ¥15.0 billion (comprising ¥7.6 billion in buildings and ¥7.3 billion in land).
*7 The "Others" component of book value comprises lease assets of ¥4.1 billion, construction in progress of ¥21.2 billion, and other tangible fixed assets of ¥13.9 billion. The main component of other tangible fixed assets is furniture and related items. Furniture and related items in use at each office are recorded in a lump sum under Osaka Head Office, as they represent only a small monetary amount.

◆Plans for Building New Facilities or Disposition, etc. of Existing Facilities

(1) Plans for Building New Facilities

Name of office (location)	Description of facility	Method of funding	Month and year of initiation	Month and year of completion
AKASAKA GREEN CROSS (Minato-ku, Tokyo, Japan)	For investment	Own funds	April 2022	May 2024
Logicross Sagamihara (Sagamihara-shi, Kanagawa, Japan)	For investment	Own funds	June 2022	December 2023
Tenjin 1-Chome North 14th Street District Building (tentative name) (Fukuoka-shi, Fukuoka, Japan)	For investment	Own funds	July 2022	March 2025
Takatsuki-so (tentative name) (Takatsuki-shi, Osaka, Japan)	For sales activities	Own funds	August 2022	March 2024

Note: We reserve the right to refrain from disclosing the amount of planned investment as agreed upon with the counter party to the agreement.

(2) Plans for Disposition, etc. of Main Facilities

Not applicable.

Network(As of July 2023)

HEADQUARTERS

Osaka Head Office	3-5-12, Imabashi, Chuo-ku, Osaka 541-8501, Japan
Tokyo Headquarters(Marunouchi)	1-6-6, Marunouchi, Chiyoda-ku, Tokyo 100-8288, Japan
Tokyo Headquarters(Hibiya)	1-1-1, Yurakucho, Chiyoda-ku, Tokyo 100-0006, Japan

GLOBAL REPRESENTATIVE OFFICES

London Representative Office	11th Floor, 3 Noble Street, London EC2V 7EE, U.K.	TEL. 44-20-7507-6000
Frankfurt Representative Office	An der Hauptwache 5 60313 Frankfurt am Main, Germany	TEL. 49-69-273999-0
Beijing Representative Office	Chang Fu Gong Office Building, Room 4007 Jia 26, Jian Guo Men Wai Dajie Beijing, 100022, China	TEL. 86-10-6513-9240

GLOBAL SUBSIDIARIES

◆Insurance and Insurance Related

Nippon Life Insurance Company of America	666 Third Avenue, Suite 2201, New York, NY 10017, U.S.A.	TEL. 1-212-682-3000
MLC Limited	Level 6, 177 Pacific Highway, North Sydney, NSW2060, Australia	TEL. 61-2-8799-1000

◆Research and Information Provision Services and Management Consulting Services

Nippon Life Americas, Inc.	101 Park Avenue, 33rd Floor, New York, NY 10178, U.S.A.	TEL. 1-646-231-4000
Nippon Life Asia Pacific (Regional HQ) Pte. Ltd.	1 Raffles Quay, #10-01A North Tower, Singapore, 048583, Republic of Singapore	TEL. 65-6438-2850

◆Asset Management

Nippon Life Global Investors Americas, Inc.	101 Park Avenue, 33rd Floor, New York, NY 10178, U.S.A.	TEL. 1-646-231-4000
Nippon Life Global Investors Europe Plc	11th Floor, 3 Noble Street, London EC2V 7EE, U.K.	TEL. 44-20-7507-6011
Nippon Life Schroders Asset Management Europe Limited	1 London Wall Place, London EC2Y 5AU, U.K.	TEL. 44-20-7658-6000
Nippon Life Global Investors Singapore Limited	138 Market Street #34-02 CapitaGreen Singapore 048946, Republic of Singapore	TEL. 65-6800-7000
Nippon Life India Asset Management Limited	4th Floor, Tower A, Peninsula Business Park, Ganapatrao Kadam Marg, Lower Parel (W), Mumbai-400013, India	TEL. 91-22-6808-7000

GLOBAL AFFILIATES

◆Insurance and Insurance Related

Great Wall Changsheng Life Insurance Co., Ltd.	5F No. 688 West NanJing Road, Jing An District Shanghai 200041, China	TEL. 86-21-3899-9888
Bangkok Life Assurance Public Company Limited	1415 Krungthep-Nonthaburi Road, Wongsawang, Bangsue, Bangkok 10800, Thailand	TEL. 66-2-777-8888
Reliance Nippon Life Insurance Company Limited	Unit No. 401B, 402, 403 & 404, 4th Floor, Inspire-BKC G Block, BKC Main Road, BKC, Bandra East, Mumbai 400051, India	TEL. 91-22-6896-5000
PT Asuransi Jiwa Sequis Life	Sequis Tower Lt. 33 Jl. Jend, Sudirman Kav. 71, SCBD Jakarta 12190, Indonesia	TEL. 62-21-522-3123
Grand Guardian Nippon Life Insurance Company Limited	Corner of Pyay Road & Narnattaw Street, No. 485, Kamayut Township, Yangon, Myanmar	TEL. 95-9-40008-3003

◆Asset Management

Post Advisory Group, LLC	2049 Century Park E, Suite 3050, Los Angeles, CA 90067, U.S.A.	TEL. 1-310-996-9600
The TCW Group, Inc.	865 South Figueroa Street, Suite 1800 Los Angeles, CA 90017, U.S.A.	TEL. 1-213-244-0000

FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

1. Consolidated Balance Sheets 45
2. Consolidated Statements of Income 47
3. Consolidated Statements of Comprehensive Income 49
4. Consolidated Statements of Changes in Net Assets 50
5. Consolidated Statements of Cash Flows 54
6. Notes to the Consolidated Financial Statements 56

NONCONSOLIDATED FINANCIAL STATEMENTS

7. Nonconsolidated Balance Sheets 98
8. Nonconsolidated Statements of Income 100
9. Nonconsolidated Statements of Changes in Net Assets 102
10. Nonconsolidated Proposed Appropriations of Surplus 106
11. Notes to the Nonconsolidated Financial Statements 107

Notes:
- All figures are rounded down to the nearest unit.
- % and ‰ are rounded to the nearest figure.
- Some totals may not add up to 100% due to rounding.

Independent Auditor's Report (Consolidated) 127

Independent Auditor's Report (Nonconsolidated) 136

1. Consolidated Balance Sheets

Nippon Life Insurance Company and its Consolidated Subsidiaries

	Millions of Yen			Millions of U.S. Dollars (Note 1)
As of March 31	**2023**	**2022**	**2021**	**2023**
ASSETS:				
Cash and deposits	**¥ 1,590,868**	**¥ 1,702,155**	**¥ 1,771,810**	**$ 11,913**
Call loans	**426,706**	**500,978**	**540,086**	**3,195**
Monetary receivables purchased	**244,146**	**290,646**	**316,335**	**1,828**
Assets held in trust	**—**	**—**	**135**	**—**
Investments in securities	**72,332,848**	**73,373,626**	**70,741,631**	**541,697**
Loans	**8,636,410**	**8,437,632**	**8,423,975**	**64,677**
Tangible fixed assets:				
Land	1,199,750	1,226,001	1,284,407	8,984
Buildings	592,624	573,878	579,054	4,438
Lease assets	6,028	6,052	8,280	45
Construction in progress	21,305	30,250	22,427	159
Other tangible fixed assets	38,784	39,208	46,872	290
Subtotal	**1,858,492**	**1,875,391**	**1,941,042**	**13,918**
Intangible fixed assets:				
Software	111,347	128,852	122,279	833
Goodwill	80,049	84,383	83,185	599
Lease assets	23	27	31	0
Other intangible fixed assets	177,057	169,042	180,172	1,325
Subtotal	**368,478**	**382,306**	**385,669**	**2,759**
Reinsurance receivables	**12,925**	**9,266**	**26,705**	**96**
Other assets	**2,032,999**	**1,734,914**	**1,367,177**	**15,225**
Net defined benefit asset	**1,276**	**1,201**	**468**	**9**
Deferred tax assets	**36,701**	**10,976**	**13,538**	**274**
Customers' liability for acceptances and guarantees	**62,523**	**71,612**	**71,728**	**468**
Allowance for doubtful accounts	**(9,728)**	**(8,736)**	**(10,343)**	**(72)**
Total assets	**¥87,594,649**	**¥88,381,973**	**¥85,589,960**	**$655,992**

As of March 31	Millions of Yen 2023	2022	2021	Millions of U.S. Dollars (Note 1) 2023
LIABILITIES:				
Policy reserves and other reserves:				
Reserve for outstanding claims	¥ 267,686	¥ 260,983	¥ 249,222	$ 2,004
Policy reserves	69,968,872	68,547,902	66,916,145	523,993
Reserve for dividends to policyholders (mutual company)	1,071,945	1,060,577	1,046,832	8,027
Reserve for dividends to policyholders (limited company)	51,046	53,297	54,738	382
Subtotal	**71,359,550**	**69,922,760**	**68,266,939**	**534,408**
Reinsurance payables	**28,564**	**24,535**	**8,065**	**213**
Corporate bonds	**1,378,865**	**1,535,905**	**1,432,612**	**10,326**
Other liabilities	**5,342,930**	**6,021,605**	**3,871,138**	**40,012**
Accrued bonuses for directors and audit & supervisory board members	**439**	**434**	**433**	**3**
Net defined benefit liability	**437,909**	**434,246**	**438,263**	**3,279**
Accrued retirement benefits for directors and audit & supervisory board members	**634**	**637**	**689**	**4**
Reserve for program points	**8,444**	**8,770**	**8,528**	**63**
Reserve for price fluctuations in investments in securities	**1,684,717**	**1,684,575**	**1,610,738**	**12,616**
Deferred tax liabilities	**139,712**	**523,390**	**962,359**	**1,046**
Deferred tax liabilities for land revaluation	**99,350**	**100,444**	**101,894**	**744**
Acceptances and guarantees	**62,523**	**71,612**	**71,728**	**468**
Total liabilities	**80,543,645**	**80,328,918**	**76,773,391**	**603,187**
NET ASSETS:				
Foundation funds	**100,000**	**100,000**	**100,000**	**748**
Reserve for redemption of foundation funds	**1,350,000**	**1,350,000**	**1,300,000**	**10,110**
Reserve for revaluation	**651**	**651**	**651**	**4**
Consolidated surplus	**654,426**	**740,576**	**709,574**	**4,900**
Total foundation funds and others	**2,105,077**	**2,191,227**	**2,110,225**	**15,764**
Net unrealized gains on available-for-sale securities	**5,176,583**	**6,124,915**	**6,767,268**	**38,767**
Deferred losses on derivatives under hedge accounting	**(375,789)**	**(375,170)**	**(163,088)**	**(2,814)**
Land revaluation losses	**(56,264)**	**(60,363)**	**(57,447)**	**(421)**
Foreign currency translation adjustments	**60,847**	**17,362**	**(25,774)**	**455**
Remeasurement of defined benefit plans	**(5,938)**	**(2,518)**	**(6,511)**	**(44)**
Total accumulated other comprehensive income	**4,799,438**	**5,704,225**	**6,514,448**	**35,942**
Share acquisition rights	**1,921**	**1,671**	**1,349**	**14**
Noncontrolling interests	**144,567**	**155,930**	**190,546**	**1,082**
Total net assets	**7,051,004**	**8,053,054**	**8,816,569**	**52,804**
Total liabilities and net assets	**¥87,594,649**	**¥88,381,973**	**¥85,589,960**	**$655,992**

The accompanying notes are an integral part of the consolidated financial statements.

2. Consolidated Statements of Income

Nippon Life Insurance Company and its Consolidated Subsidiaries

	Millions of Yen			Millions of U.S. Dollars (Note 1)
For the years ended March 31	**2023**	**2022**	**2021**	**2023**
Ordinary income:				
Revenues from insurance and reinsurance	**¥6,373,557**	**¥5,386,003**	**¥5,190,112**	**$ 47,731**
Investment income:				
Interest, dividends, and other income	1,943,738	1,731,163	1,558,947	14,556
Gain on trading securities	—	6,294	10,488	—
Gain on sales of securities	847,517	490,952	537,390	6,347
Gain on redemptions of securities	28,473	9,634	3,998	213
Foreign exchange gains, net	171,339	413,614	413,806	1,283
Reversal of allowance for doubtful accounts	—	1,573	—	—
Other investment income	1,072	1,618	2,535	8
Gain from separate accounts, net	—	41,083	154,873	—
Subtotal	**2,992,141**	**2,695,935**	**2,682,040**	**22,408**
Other ordinary income	**273,429**	**274,933**	**288,813**	**2,047**
Total ordinary income	**9,639,129**	**8,356,872**	**8,160,966**	**72,186**
Ordinary expenses:				
Benefits and other payments:				
Death and other claims	1,320,943	1,227,849	1,233,439	9,892
Annuity payments	1,005,860	1,013,480	991,956	7,532
Health and other benefits	1,120,911	895,870	847,024	8,394
Surrender benefits	1,415,286	1,171,107	1,278,280	10,599
Other refunds	302,264	209,897	256,135	2,263
Reinsurance premiums	305,583	111,611	89,962	2,288
Subtotal	**5,470,849**	**4,629,816**	**4,696,798**	**40,970**
Provision for policy reserves:				
Provision for reserve for outstanding claims	6,334	19,626	—	47
Provision for policy reserves	1,400,198	1,604,264	1,486,743	10,486
Provision for interest on reserve for dividends to policyholders (mutual company)	21,174	21,346	21,458	158
Provision for interest on reserve for dividends to policyholders (limited company)	8	9	10	0
Subtotal	**1,427,716**	**1,645,246**	**1,508,211**	**10,692**
Investment expenses:				
Interest expenses	40,398	34,837	31,354	302
Loss on trading securities	31,446	—	—	235
Loss from assets held in trust, net	—	85	34,144	—
Loss on sales of securities	905,286	116,850	47,651	6,779
Loss on valuation of securities	10,011	14,152	6,766	74
Loss on redemptions of securities	7,118	7,103	14,852	53
Loss on derivative financial instruments, net	301,425	128,642	146,237	2,257
Provision for allowance for doubtful accounts	4,315	—	5,910	32
Write-offs of loans	7	0	26	0
Depreciation of rental real estate and other assets	21,680	21,129	20,604	162
Other investment expenses	65,310	63,603	39,660	489
Loss from separate accounts, net	4,906	—	—	36
Subtotal	**1,391,908**	**386,404**	**347,208**	**10,423**
Operating expenses	**816,448**	**802,955**	**791,723**	**6,114**
Other ordinary expenses	**389,836**	**357,005**	**341,395**	**2,919**
Total ordinary expenses	**9,496,759**	**7,821,428**	**7,685,338**	**71,120**
Ordinary profit	**142,369**	**535,443**	**475,628**	**1,066**

For the years ended March 31	Millions of Yen 2023	2022	2021	Millions of U.S. Dollars (Note 1) 2023
Extraordinary gains:				
Gain on disposals of fixed assets	¥ 4,420	¥ 18,439	¥ 1,536	$ 33
Gain on reversal of share acquisition rights	23	0	13	0
Subtotal	**4,444**	**18,439**	**1,550**	**33**
Extraordinary losses:				
Loss on disposals of fixed assets	7,427	5,186	6,201	55
Impairment losses	11,645	21,943	5,084	87
Provision for reserve for price fluctuations in investments in securities	141	73,837	79,116	1
Loss on reduction entry of real estate	1,208	4	80	9
Contributions for assisting social public welfare	3,000	3,000	3,000	22
Subtotal	**23,422**	**103,971**	**93,483**	**175**
Provision for reserve for dividends to policyholders (limited company)	**11,593**	**12,839**	**11,966**	**86**
Surplus before income taxes	**111,797**	**437,072**	**371,727**	**837**
Income taxes:				
Current	21,492	199,647	154,691	160
Deferred	(31,021)	(114,236)	(119,051)	(232)
Total income taxes	**(9,529)**	**85,411**	**35,639**	**(71)**
Net surplus	**121,326**	**351,661**	**336,087**	**908**
Net surplus attributable to noncontrolling interests	**3,115**	**4,901**	**4,583**	**23**
Net surplus attributable to the parent company	**¥118,211**	**¥346,759**	**¥331,504**	**$885**

The accompanying notes are an integral part of the consolidated financial statements.

3. Consolidated Statements of Comprehensive Income

Nippon Life Insurance Company and its Consolidated Subsidiaries

	Millions of Yen			Millions of U.S. Dollars (Note 1)
For the years ended March 31	**2023**	**2022**	**2021**	**2023**
Net surplus	**¥121,326**	**¥351,661**	**¥ 336,087**	**$ 908**
Other comprehensive (loss) income:	**(920,186)**	**(815,365)**	**2,501,831**	**(6,891)**
Net unrealized (losses) gains on available-for-sale securities	(958,481)	(655,136)	2,578,320	(7,178)
Deferred (losses) gains on derivatives under hedge accounting	(1,932)	(212,470)	(93,568)	(14)
Foreign currency translation adjustments	32,871	35,120	8,163	246
Remeasurement of defined benefit plans	(3,426)	4,029	8,561	(25)
Share of other comprehensive gains of associates accounted for under the equity method	10,782	13,090	354	80
Comprehensive (loss) income:	**¥(798,859)**	**¥(463,704)**	**¥2,837,919**	**$(5,982)**
Comprehensive (loss) income attributable to the parent company	(790,675)	(460,546)	2,814,228	(5,921)
Comprehensive (loss) income attributable to noncontrolling interests	(8,183)	(3,157)	23,691	(61)

The accompanying notes are an integral part of the consolidated financial statements.

4. Consolidated Statements of Changes in Net Assets

Nippon Life Insurance Company and its Consolidated Subsidiaries

For the year ended March 31, 2021	Millions of Yen				
	Foundation funds and others				
	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Consolidated surplus	Total foundation funds and others
Beginning balance	**¥100,000**	**¥1,300,000**	**¥651**	**¥554,790**	**¥1,955,441**
Increase/decrease:					
Additions to reserve for dividends to policyholders (mutual company)				(185,145)	(185,145)
Interest on foundation funds				(277)	(277)
Net surplus attributable to the parent company				331,504	331,504
Reversal of land revaluation losses				2,740	2,740
Change in the parent's ownership interest due to transactions with noncontrolling interests				5,962	5,962
Net change, excluding foundation funds and others					
Net change	**—**	**—**	**—**	**154,784**	**154,784**
Ending balance	**¥100,000**	**¥1,300,000**	**¥651**	**¥709,574**	**¥2,110,225**

For the year ended March 31, 2021	Millions of Yen								
	Accumulated other comprehensive income								
	Net unrealized gains on available-for-sale securities	Deferred losses on derivatives under hedge accounting	Land revaluation losses	Foreign currency translation adjustments	Remeasurement of defined benefit plans	Total accumulated other comprehensive income	Share acquisition rights	Noncontrolling interests	Total net assets
Beginning balance	**¥4,199,843**	**¥ (69,235)**	**¥(54,706)**	**¥(26,406)**	**¥(15,030)**	**¥4,034,464**	**¥ 926**	**¥166,377**	**¥6,157,210**
Increase/decrease:									
Additions to reserve for dividends to policyholders (mutual company)									(185,145)
Interest on foundation funds									(277)
Net surplus attributable to the parent company									331,504
Reversal of land revaluation losses									2,740
Change in the parent's ownership interest due to transactions with noncontrolling interests									5,962
Net change, excluding foundation funds and others	2,567,424	(93,852)	(2,740)	632	8,519	2,479,983	422	24,168	2,504,575
Net change	**2,567,424**	**(93,852)**	**(2,740)**	**632**	**8,519**	**2,479,983**	**422**	**24,168**	**2,659,359**
Ending balance	**¥6,767,268**	**¥(163,088)**	**¥(57,447)**	**¥(25,774)**	**¥ (6,511)**	**¥6,514,448**	**¥1,349**	**¥190,546**	**¥8,816,569**

For the year ended March 31, 2022	Millions of Yen				
	Foundation funds and others				
	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Consolidated surplus	Total foundation funds and others
Beginning balance	**¥100,000**	**¥1,300,000**	**¥651**	**¥709,574**	**¥2,110,225**
Increase/decrease:					
Issuance of foundation funds	50,000				50,000
Additions to reserve for dividends to policyholders (mutual company)				(276,006)	(276,006)
Additions to reserve for redemption of foundation funds		50,000		(50,000)	—
Interest on foundation funds				(277)	(277)
Net surplus attributable to the parent company				346,759	346,759
Redemption of foundation funds	(50,000)				(50,000)
Reversal of land revaluation losses				2,916	2,916
Change in the parent's ownership interest due to transactions with noncontrolling interests				7,608	7,608
Net change, excluding foundation funds and others					
Net change	**—**	**50,000**	**—**	**31,001**	**81,001**
Ending balance	**¥100,000**	**¥1,350,000**	**¥651**	**¥740,576**	**¥2,191,227**

For the year ended March 31, 2022	Millions of Yen								
	Accumulated other comprehensive income								
	Net unrealized gains on available-for-sale securities	Deferred losses on derivatives under hedge accounting	Land revaluation losses	Foreign currency translation adjustments	Remeasurement of defined benefit plans	Total accumulated other comprehensive income	Share acquisition rights	Noncontrolling interests	Total net assets
Beginning balance	**¥6,767,268**	**¥(163,088)**	**¥(57,447)**	**¥(25,774)**	**¥(6,511)**	**¥6,514,448**	**¥1,349**	**¥190,546**	**¥8,816,569**
Increase/decrease:									
Issuance of foundation funds									50,000
Additions to reserve for dividends to policyholders (mutual company)									(276,006)
Additions to reserve for redemption of foundation funds									—
Interest on foundation funds									(277)
Net surplus attributable to the parent company									346,759
Redemption of foundation funds									(50,000)
Reversal of land revaluation losses									2,916
Change in the parent's ownership interest due to transactions with noncontrolling interests									7,608
Net change, excluding foundation funds and others	(642,353)	(212,082)	(2,916)	43,136	3,992	(810,222)	322	(34,616)	(844,516)
Net change	**(642,353)**	**(212,082)**	**(2,916)**	**43,136**	**3,992**	**(810,222)**	**322**	**(34,616)**	**(763,514)**
Ending balance	**¥6,124,915**	**¥(375,170)**	**¥(60,363)**	**¥17,362**	**¥(2,518)**	**¥5,704,225**	**¥1,671**	**¥155,930**	**¥8,053,054**

For the year ended March 31, 2023	Millions of Yen				
	Foundation funds and others				
	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Consolidated surplus	Total foundation funds and others
Beginning balance	**¥100,000**	**¥1,350,000**	**¥651**	**¥740,576**	**¥2,191,227**
Increase/decrease:					
Additions to reserve for dividends to policyholders (mutual company)				(199,868)	(199,868)
Interest on foundation funds				(265)	(265)
Net surplus attributable to the parent company				118,211	118,211
Reversal of land revaluation losses				(4,098)	(4,098)
Changes in the scope of consolidation and application of the equity method				(390)	(390)
Change in the parent's ownership interest due to transactions with noncontrolling interests				261	261
Net change, excluding foundation funds and others					
Net change	**—**	**—**	**—**	**(86,149)**	**(86,149)**
Ending balance	**¥100,000**	**¥1,350,000**	**¥651**	**¥654,426**	**¥2,105,077**

For the year ended March 31, 2023	Millions of Yen								
	Accumulated other comprehensive income								
	Net unrealized gains on available-for-sale securities	Deferred losses on derivatives under hedge accounting	Land revaluation losses	Foreign currency translation adjustments	Remeasurement of defined benefit plans	Total accumulated other comprehensive income	Share acquisition rights	Noncontrolling interests	Total net assets
Beginning balance	**¥6,124,915**	**¥(375,170)**	**¥(60,363)**	**¥17,362**	**¥(2,518)**	**¥5,704,225**	**¥1,671**	**¥155,930**	**¥8,053,054**
Increase/decrease:									
Additions to reserve for dividends to policyholders (mutual company)									(199,868)
Interest on foundation funds									(265)
Net surplus attributable to the parent company									118,211
Reversal of land revaluation losses									(4,098)
Changes in the scope of consolidation and application of the equity method									(390)
Change in the parent's ownership interest due to transactions with noncontrolling interests									261
Net change, excluding foundation funds and others	(948,331)	(619)	4,098	43,484	(3,419)	(904,787)	249	(11,362)	(915,900)
Net change	**(948,331)**	**(619)**	**4,098**	**43,484**	**(3,419)**	**(904,787)**	**249**	**(11,362)**	**(1,002,050)**
Ending balance	**¥5,176,583**	**¥(375,789)**	**¥(56,264)**	**¥60,847**	**¥(5,938)**	**¥4,799,438**	**¥1,921**	**¥144,567**	**¥7,051,004**

For the year ended March 31, 2023	Millions of U.S. Dollars (Note 1)				
	Foundation funds and others				
	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Consolidated surplus	Total foundation funds and others
Beginning balance	**$748**	**$10,110**	**$4**	**$5,546**	**$16,409**
Increase/decrease:					
Additions to reserve for dividends to policyholders (mutual company)				(1,496)	(1,496)
Interest on foundation funds				(1)	(1)
Net surplus attributable to the parent company				885	885
Reversal of land revaluation losses				(30)	(30)
Changes in the scope of consolidation and application of the equity method				(2)	(2)
Change in the parent's ownership interest due to transactions with noncontrolling interests				1	1
Net change, excluding foundation funds and others					
Net change	**—**	**—**	**—**	**(645)**	**(645)**
Ending balance	**$748**	**$10,110**	**$4**	**$4,900**	**$15,764**

For the year ended March 31, 2023	Millions of U.S. Dollars (Note 1)								
	Accumulated other comprehensive income								
	Net unrealized gains on available-for-sale securities	Deferred losses on derivatives under hedge accounting	Land revaluation losses	Foreign currency translation adjustments	Remeasurement of defined benefit plans	Total accumulated other comprehensive income	Share acquisition rights	Noncontrolling interests	Total net assets
Beginning balance	**$45,869**	**$(2,809)**	**$(452)**	**$130**	**$(18)**	**$42,718**	**$12**	**$1,167**	**$60,308**
Increase/decrease:									
Additions to reserve for dividends to policyholders (mutual company)									(1,496)
Interest on foundation funds									(1)
Net surplus attributable to the parent company									885
Reversal of land revaluation losses									(30)
Changes in the scope of consolidation and application of the equity method									(2)
Change in the parent's ownership interest due to transactions with noncontrolling interests									1
Net change, excluding foundation funds and others	(7,102)	(4)	30	325	(25)	(6,775)	1	(85)	(6,859)
Net change	**(7,102)**	**(4)**	**30**	**325**	**(25)**	**(6,775)**	**1**	**(85)**	**(7,504)**
Ending balance	**$38,767**	**$(2,814)**	**$(421)**	**$455**	**$(44)**	**$35,942**	**$14**	**$1,082**	**$52,804**

The accompanying notes are an integral part of the consolidated financial statements.

5. Consolidated Statements of Cash Flows

Nippon Life Insurance Company and its Consolidated Subsidiaries

	Millions of Yen			Millions of U.S. Dollars (Note 1)
For the years ended March 31	**2023**	**2022**	**2021**	**2023**
I Cash flows from operating activities:				
Surplus before income taxes	¥ 111,797	¥ 437,072	¥ 371,727	$ 837
Depreciation of rental real estate and other assets	21,680	21,129	20,604	162
Depreciation	73,140	76,299	73,296	547
Impairment losses	11,645	21,943	5,084	87
Amortization of goodwill	5,028	4,496	4,259	37
Net increase (decrease) in reserve for outstanding claims	5,678	10,658	(10,064)	42
Net increase (decrease) in policy reserves	1,395,247	1,612,939	1,499,301	10,448
Provision for interest on reserve for dividends to policyholders (mutual company)	21,174	21,346	21,458	158
Provision for interest on reserve for dividends to policyholders (limited company)	8	9	10	0
Provision for reserve for dividends to policyholders (limited company)	11,593	12,839	11,966	86
Net increase (decrease) in allowance for doubtful accounts	4,122	(1,607)	5,998	30
Net increase (decrease) in accrued bonuses for directors and audit & supervisory board members	5	0	341	0
Net (decrease) increase in net defined benefit liability	(1,157)	837	(645)	(8)
Net (decrease) increase in accrued retirement benefits for directors and audit & supervisory board members	(2)	(51)	(4,281)	(0)
Net increase (decrease) in reserve for price fluctuations in investments in securities	141	73,837	79,116	1
Interest, dividends, and other income	(1,943,738)	(1,731,163)	(1,558,947)	(14,556)
Losses (gains) from assets held in trust, net	—	85	34,144	—
Net losses (gains) on investments in securities	46,425	(362,481)	(472,118)	347
Net losses (gains) on policy loans	78,679	80,687	86,953	589
Losses (gains) on derivative financial instruments, net	301,425	128,642	146,237	2,257
Interest expenses	40,398	34,837	31,354	302
Net foreign exchange (gains) losses	(170,749)	(412,512)	(405,762)	(1,278)
Net losses (gains) on tangible fixed assets	6,925	(11,245)	5,627	51
Losses (gains) on equity method investments	26,025	(1,019)	(521)	194
Losses (gains) from separate accounts, net	4,906	(41,083)	(154,873)	36
Net (increase) decrease in reinsurance receivables	(3,058)	18,019	43,019	(22)
Net (increase) decrease in other assets (excluding those related to investing activities and financing activities)	(26,317)	20,021	(6,785)	(197)
Net increase (decrease) in reinsurance payables	3,475	16,075	355	26
Net increase (decrease) in other liabilities (excluding those related to investing activities and financing activities)	3,605	(10,833)	3,736	26
Others, net	79,012	(52,015)	(13,582)	591
Subtotal	**107,121**	**(32,235)**	**(182,988)**	**802**
Interest, dividends, and other income received	1,742,488	1,711,402	1,544,272	13,049
Interest paid	(41,646)	(27,533)	(32,407)	(311)
Dividends paid to policyholders (mutual company)	(174,579)	(174,253)	(168,289)	(1,307)
Dividends paid to policyholders (limited company)	(13,852)	(14,290)	(13,988)	(103)
Others, net	(42,431)	(61,857)	(14,024)	(317)
Income taxes paid	(237,401)	(168,521)	(167,444)	(1,777)
Net cash provided by operating activities	**1,339,699**	**1,232,711**	**965,130**	**10,032**

For the years ended March 31	Millions of Yen 2023	2022	2021	Millions of U.S. Dollars (Note 1) 2023
II **Cash flows from investing activities:**				
Net decrease (increase) in deposits	¥ 662	¥ 284	¥ 2,238	$4
Purchases of monetary receivables purchased	(4,090)	(14,190)	(13,750)	(30)
Proceeds from sales and redemptions of monetary receivables purchased	46,992	42,507	49,027	351
Purchases of assets held in trust	—	—	(2,000)	—
Proceeds from decrease in assets held in trust	—	49	1,500	—
Purchases of securities	(13,801,236)	(9,401,527)	(8,305,269)	(103,356)
Proceeds from sales and redemptions of securities	14,057,195	7,432,601	7,439,395	105,273
Disbursements for loans	(1,707,572)	(1,512,331)	(1,554,232)	(12,787)
Proceeds from collections of loans	1,467,147	1,487,139	1,546,870	10,987
Net (losses) gains from the settlement of derivative financial instruments	(1,060,922)	(460,070)	(207,914)	(7,945)
Net (decrease) increase in payables under repurchase agreements	(643,756)	1,448,058	167,422	(4,821)
Net increase (decrease) in cash received as collateral under securities lending transactions	23,957	(12,329)	(101,840)	179
Others, net	(157,592)	(187,143)	(58,621)	(1,180)
① Total of investing activities	**(1,779,215)**	**(1,176,952)**	**(1,037,173)**	**(13,324)**
[I + II①]	**[(439,516)]**	**[55,758]**	**[(72,042)]**	**[(3,291)]**
Purchases of tangible fixed assets	(68,163)	(60,911)	(73,156)	(510)
Proceeds from sales of tangible fixed assets	35,560	75,236	3,775	266
Others, net	(40,009)	(44,998)	(50,675)	(299)
Net cash used in investing activities	**(1,851,828)**	**(1,207,626)**	**(1,157,230)**	**(13,868)**
III **Cash flows from financing activities:**				
Proceeds from debt borrowing	283,400	291,350	250,080	2,122
Repayments of debt	(74,976)	(186,514)	(117,391)	(561)
Proceeds from issuance of corporate bonds	—	138,793	166,192	—
Redemption of bonds	(157,040)	(35,500)	(11,200)	(1,176)
Proceeds from issuance of foundation funds	—	50,000	—	—
Redemption of foundation funds	—	(50,000)	—	—
Interest on foundation funds	(265)	(277)	(277)	(1)
Payments for acquisition of subsidiary's shares not resulting in change in scope of consolidation	—	(23,819)	(8,027)	—
Others, net	8,132	(25,320)	(4,768)	60
Net cash provided by financing activities	**59,251**	**158,711**	**274,607**	**443**
IV **Effect of exchange rate changes on cash and cash equivalents**	**46,160**	**37,753**	**14,044**	**345**
V **Net (decrease) increase in cash and cash equivalents**	**(406,716)**	**221,549**	**96,552**	**(3,045)**
VI **Cash and cash equivalents at the beginning of the year**	**2,544,383**	**2,322,833**	**2,226,280**	**19,054**
VII **Net increase (decrease) in cash and cash equivalents resulting from change in the scope of consolidation**	**2,128**	**—**	**—**	**15**
VIII **Cash and cash equivalents at the end of the year**	**¥2,139,794**	**¥2,544,383**	**¥2,322,833**	**$16,024**

The accompanying notes are an integral part of the consolidated financial statements.

6. Notes to the Consolidated Financial Statements

Nippon Life Insurance Company and its Consolidated Subsidiaries

1. Basis of Presenting the Consolidated Financial Statements

(1) Accounting principles and presentation

The accompanying consolidated financial statements have been prepared from the accounts and records maintained by NIPPON LIFE INSURANCE COMPANY ("Nippon Life" or the "Company") and its consolidated subsidiaries in accordance with the provisions set forth in the Insurance Business Act and the related rules and regulations applicable to the life insurance industry, and in accordance with accounting principles generally accepted in Japan, which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards. Certain accounting and reporting practices required to be followed by the industry are regulated by the Financial Services Agency and the related ministry by means of ministerial ordinances and guidance. The accompanying consolidated financial statements of the Company and its consolidated subsidiaries are in compliance with such requirements. The information provided in the consolidated financial statements including the Notes to the Consolidated Financial Statements is limited to information required by the Insurance Business Act and the related rules and regulations applicable to the life insurance industry and disclosed as additional information. Amounts of less than one million yen and one million U.S. dollars have been eliminated for consolidated financial statement presentation. As a result, totals may not add up exactly.

(2) U.S. dollar amounts

Nippon Life prepares its consolidated financial statements in Japanese yen. The U.S. dollar amounts included in the consolidated financial statements and notes thereto represent the arithmetical results of translating Japanese yen to U.S. dollars on the basis of ¥133.53=U.S. $1, the effective rate of exchange at the consolidated balance sheet date of March 31, 2023. The inclusion of such U.S. dollar amounts is solely for convenience and is not intended to imply that Japanese yen amounts have been or could be readily converted, realized or settled in U.S. dollars at ¥133.53=U.S. $1 or at any other rate.

2. Summary of Significant Accounting Policies

(1) Principles of consolidation

i) *Consolidated subsidiaries*

The consolidated financial statements include the accounts of Nippon Life and its significant subsidiaries. Significant consolidated subsidiaries as of March 31, 2023, 2022 and 2021, are listed as follows:

Nissay Credit Guarantee Co., Ltd. (Japan)
Nissay Leasing Co., Ltd. (Japan)
Nissay Capital Co., Ltd. (Japan)
Nissay Asset Management Corporation (Japan)
Nissay Information Technology Co., Ltd. (Japan)
TAIJU LIFE INSURANCE COMPANY LIMITED (Japan)
Nippon Wealth Life Insurance Company Limited (Japan)
HANASAKU LIFE INSURANCE Co., Ltd. (Japan)
Nissay Plus SSI Company Inc. (Japan) (from the fiscal year ended March 31, 2023)
Nippon Life Insurance Company of America (U.S.A.)
Nippon Life Americas, Inc. (NLI US Investments, Inc.) (U.S.A.)
MLC Limited (Australia)
Nippon Life India Asset Management Limited (India)

Nissay Plus SSI Company Inc. has commenced operations as a small-amount and short-term insurance company and has been included in the scope of consolidation starting from the fiscal year ended March 31, 2023, due to its increased significance.

With regard to one of the subsidiaries under Nippon Life India Asset Management Limited, it has been excluded from the scope of consolidation from the fiscal year ended March 31, 2023, due to its liquidation being completed.

NLI US Investments, Inc. was renamed Nippon Life Americas, Inc. on May 1, 2021.

The major subsidiaries excluded from consolidation are Nippon Life Global Investors Americas, Inc., Nissay Trading Corporation, and Nissay Insurance Agency Co., Ltd.

The respective and aggregate effects of the companies, which are excluded from consolidation, based on total assets, revenues, net income, and surplus for the fiscal years ended March 31, 2023, 2022 and 2021, are immaterial. This exclusion from consolidation does not prevent a reasonable assessment of the financial position of the Company and its subsidiaries and the results of their operations.

ii) *Affiliates*

Major affiliates accounted for under the equity method as of March 31, 2023, 2022 and 2021, are listed as follows:

The Master Trust Bank of Japan, Ltd. (Japan)
Corporate-Pension Business Service Co., Ltd. (Japan)
Great Wall Changsheng Life Insurance Co., Ltd. (China)
Bangkok Life Assurance Public Company Limited (Thailand)
Reliance Nippon Life Insurance Company Limited (India)
Post Advisory Group, LLC (U.S.A.)
PT Sequis (Indonesia)
PT Asuransi Jiwa Sequis Life (Indonesia)
The TCW Group, Inc. (U.S.A.)
Grand Guardian Nippon Life Insurance Company Limited (Myanmar)

The subsidiaries not consolidated, such as Nippon Life Global Investors Americas, Inc., and Nissay Trading Corporation, and affiliates other than those listed above, such as SL Towers Co., Ltd. are not accounted for under the equity method. The respective and aggregate effects of such companies on consolidated net income and surplus for the fiscal years ended March 31, 2023, 2022 and 2021, are immaterial.

The number of consolidated subsidiaries and unconsolidated subsidiaries and affiliates accounted for under the equity method as of March 31, 2023, 2022 and 2021, was as follows:

	2023	2022	2021
Consolidated subsidiaries	15	15	15
Subsidiaries not consolidated but accounted for under the equity method	0	0	0
Affiliates accounted for under the equity method	15	15	15

iii) *Reporting date for consolidated subsidiaries*

The reporting dates for consolidated overseas subsidiaries are December 31 and March 31. In preparing the consolidated financial statements, consolidated overseas subsidiaries with the reporting date of December 31 use the financial statements as of December 31, and necessary adjustments are made to reflect significant transactions that occurred between December 31 and the Company's reporting date of March 31.

iv) *Valuation of assets and liabilities of consolidated subsidiaries*

Assets and liabilities of consolidated subsidiaries acquired by the Company are initially measured at fair value as of the date of the acquisition.

v) *Amortization of goodwill*

Goodwill and the goodwill equivalent associated with the equity method investments in the affiliates ("goodwill and goodwill equivalent") are amortized under the straight-line method over 20 years.

However, for items that are immaterial, the total amount of goodwill is expensed as incurred.

vi) All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profits/losses included in assets/liabilities resulting from transactions within the group are eliminated.

(2) Business combinations

Business combinations are accounted for using the purchase method. Acquisition-related costs, such as advisory fees or professional fees, are accounted for as expenses in the periods in which the costs are incurred. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, an acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, which shall not exceed one year from the acquisition, the acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and that would have affected the measurement of the amounts recognized as of that date. Such adjustments shall be recognized as if the accounting for the business combination had been completed at the acquisition date. The acquirer recognizes any bargain purchase gain in profit or loss immediately on the acquisition date after reassessing and confirming that all of the assets acquired and all of the liabilities assumed have been identified after a review of the procedures used in the purchase price allocation. A parent's ownership interest in a subsidiary might change if the parent purchases or sells ownership interests in its subsidiary. The carrying amount of noncontrolling interest is adjusted to reflect the change in the parent's ownership interest in its subsidiary while the parent retains its controlling interest in its subsidiary. Any difference between the fair value of the consideration received or paid and the amount by which the noncontrolling interest is adjusted is accounted for as capital surplus as long as the parent retains control over its subsidiary.

(3) Cash and cash equivalents

Cash and cash equivalents, for the purpose of reporting consolidated cash flows, are composed of cash in hand, deposits held at call with banks, and all highly liquid short-term investments with a maturity of three months or less when purchased, which are readily convertible into cash and present insignificant risk of change in value.

(4) Securities and hedging activities

The transitional measures of Paragraph 27-2 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ* Guidance No. 31, June 17, 2021, hereinafter as "Fair Value Measurement Implementation Guidance") have been applied to the Company and certain consolidated subsidiaries from the fiscal year ended March 31, 2023. The new accounting policy set by the Fair Value Measurement Implementation Guidance has been applied prospectively from the beginning of the fiscal year ended March 2023. Consequently, while certain investment trusts had been conventionally valued using the acquisition cost on the consolidated balance sheet, from the fiscal year ended March 31, 2023, they are valued using the fair value.

The "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019; "Fair Value Measurement Accounting Standard") has been applied to the Company and certain consolidated subsidiaries from the fiscal year ended March 31, 2022, and a partial revision of the fair value calculation method of financial instruments has been implemented. The application of the Fair Value Measurement Accounting Standard is in accordance with the transitional provisions set forth under Paragraph 19 of the Fair Value Measurement Accounting Standard and Paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019). The new accounting policy establishing the Fair Value Measurement Accounting Standard has been applied prospectively from the fiscal year ended March 31, 2022. Consequently, from the fiscal year ended March 31, 2022, stocks (including foreign stocks) among other securities are valued using the fair value based on the market price, etc., at the end of the consolidated fiscal year. Such financial instruments were conventionally valued using the fair value based on the one-month average of the market price before the end of the previous consolidated fiscal year. Furthermore, matters regarding the breakdown at each level of the fair value of financial instruments are documented in Note 6 Financial Instruments in the Notes to the Consolidated Financial Statements.

** ASBJ: Accounting Standards Board of Japan*

1) Securities of the Company and certain consolidated subsidiaries (including items, such as deposits and monetary receivables purchased, which

are treated as securities based on the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10) and securities within assets held in trust), are valued as follows:

i) Trading securities are stated at fair value on the consolidated balance sheet date. The moving average method is used for calculating the cost basis.

ii) Held-to-maturity debt securities are valued using the moving average method, net of accumulated amortization (straight-line).

iii) Policy-reserve-matching bonds are valued using the moving average method, net of accumulated amortization (straight-line), 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).

iv) Investments in subsidiaries and affiliates that are neither consolidated nor accounted for under the equity method (stocks issued by subsidiaries prescribed in Article 2, Paragraph 12 of the Insurance Business Act or subsidiaries prescribed in Article 13-5-2, Paragraph 3 of the Order for Enforcement of the Insurance Business Act and stocks issued by affiliates prescribed in Article 13-5-2, Paragraph 4 of the Order for Enforcement of the Insurance Business Act) are stated at cost using the moving average method.

v) Available-for-sale securities

Evaluation methods for the fiscal years ended March 31, 2023 and 2022, are as follows.

a. Fair value based on the market price, etc., at the end of the consolidated fiscal year (the cost basis is calculated using the moving average method, and public corporate bonds (including foreign bonds) for which the difference between the purchase price and face value is due to an interest rate adjustment are valued using the moving average method, net of accumulated amortization (straight-line method)).

b. Stocks and other securities without market prices are stated at cost using the moving average method.

Evaluation methods for the fiscal year ended March 31, 2021, are as follows.

a. Regarding securities with a fair value, stocks (including foreign stocks) are valued using the average fair value during the period of one month before the consolidated balance sheet date (the cost basis is calculated using the moving average method). Other securities with a fair value are valued using the fair value on the consolidated balance sheet date (the cost basis is calculated using the moving average method).

b. Regarding securities of which the fair value is extremely difficult to determine, bonds (including foreign bonds) for which the difference between the purchase price and face value is due to an interest rate adjustment are stated at cost using the moving average method, net of accumulated amortization (straight-line). Other securities without readily determinable fair values are stated at cost using the moving average method.

2) Unrealized gains/losses, net of applicable taxes for available-for-sale securities, are recorded as a separate component of net assets.

Hedge accounting is applied by the Company and certain consolidated subsidiaries based on the following methods:

1) The Company and certain consolidated subsidiaries mainly apply the following hedge accounting methods: The exceptional accounting treatment ("*Tokurei-shori*") for interest rate swaps is applied to hedge the cash flow volatility of certain loans denominated in foreign currencies; deferred hedge accounting for interest rate swaps is applied to hedge the interest rate fluctuation exposures on certain insurance policies, based on the Industry Audit Committee Report No. 26, "Accounting and Auditing Treatments related to Application of Accounting for Financial Instruments in the Insurance Industry," issued by the JICPA; deferred hedge accounting and designated hedge accounting ("*Furiate-shori*") for currency swaps are applied to hedge the cash flow volatility caused by foreign exchange rate fluctuations on certain foreign currency-denominated bonds, certain foreign currency-denominated loans, and foreign currency-denominated subordinated corporate bonds issued by the Company; fair value hedge accounting for foreign exchange forward contracts is applied to hedge the price fluctuation exposures related to foreign exchange rate fluctuations on certain foreign currency-denominated bonds and certain other foreign currency-denominated instruments; and fair value hedge accounting for equity forward contracts is applied to hedge the price fluctuation exposures on certain domestic stocks.

2) Hedging instruments and hedged items

(Hedging instruments)	(Hedged items)
Interest rate swaps	Foreign currency-denominated loans, and insurance policies
Currency swaps	Foreign currency-denominated bonds, foreign currency-denominated loans, and foreign currency-denominated subordinated corporate bonds
Foreign exchange forward contracts	Foreign currency-denominated bonds and other foreign currency-denominated instruments
Equity forward contracts	Domestic stocks

Accompanying the replacement of interest rate benchmarks, exceptional accounting treatment for certain interest rate swaps has been applied for the fiscal year ended March 31, 2023 and 2022, based on the "Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (ASBJ PITF* No. 40, March 17, 2022).

** PITF: Practical Issues Task Force*

3) Effectiveness of hedging activities is mainly evaluated by performing a ratio analysis of fair value movement comparisons based on the hedging instruments and hedged items taken, which is in accordance with the internal risk management policies of the Company and certain consolidated subsidiaries.

4) Derivative financial instruments are stated at fair value.

(5) Policy-reserve-matching bonds

Securities that are held for the purpose of matching the duration of outstanding liabilities within the subgroups classified by insurance type, payment method, maturity period, currency, and investment policy are classified as 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 JICPA.

The Company has specified and subcategorized the following insurance policies:

(a) The Company

1) All insurance policies for products other than single premium products and group annuities
2) All insurance policies for single premium products (denominated in yen) other than variable assumed rate-type insurance
3) All insurance policies for group annuities other than guaranteed fixed-term rate products
4) All single premium products (denominated in U.S. dollars) other than the foregoing
5) All single premium products (denominated in Australian dollars) other than the foregoing
6) All single premium products (denominated in euros) other than the foregoing

To further promote the economic value-based ALM, the calculation method for the duration of the policy reserve has been changed to comply with the evaluation method based on economic value from the fiscal year ended March 31, 2023. This change does not affect the consolidated balance sheet or the consolidated statements of income.

(b) TAIJU LIFE INSURANCE COMPANY LIMITED

1) Subcategory for whole life insurance and annuity insurance (up to 40 years) (the component of future cash flows generated from whole life insurance (including whole life insurance with term rider) and annuity insurance for up to 40 years)
2) Subcategory for insured contributory pension plans (up to 27 years) (the component of future cash flows generated from insured contributory pension plans for up to 27 years)
3) Subcategory 1 for foreign currency-denominated single premium endowment insurance (U.S. dollar) (foreign currency-denominated single premium endowment insurance (U.S. dollar) commencing from October 1, 2015, to September 30, 2019)
4) Subcategory 2 for foreign currency-denominated single premium endowment insurance (U.S. dollar) (foreign currency-denominated single premium endowment insurance (U.S. dollar) commencing on or after October 1, 2019)
5) Subcategory 1 for foreign currency-denominated single premium endowment insurance (Australian dollar) (foreign currency-denominated single premium endowment insurance (Australian dollar) commencing from October 1, 2015, to September 30, 2019)
6) Subcategory 2 for foreign currency-denominated single premium endowment insurance (Australian dollar) (foreign currency-denominated single premium endowment insurance (Australian dollar) commencing on or after October 1, 2019)

(c) Nippon Wealth Life Insurance Company Limited

1) Individual insurance and individual annuity products (certain types of insurance are excluded)
2) Whole life cancer insurance and endowment insurance products
3) Single premium whole life insurance (fixed accumulation value type) products
4) Yen-denominated single premium products other than the above (excluding single premium fixed annuities commencing on or after April 1, 2006, and for which the insured was 80 years of age or older as of the date the policy was concluded)
5) U.S. dollar-denominated products other than the above (certain types of insurance are excluded)
6) Australian dollar-denominated single premium annuity products other than the above

(d) HANASAKU LIFE INSURANCE Co., Ltd.

All insurance policy groups are classified as a single subcategory, and securities that are held for the purpose of matching the duration of these outstanding insurance liabilities are classified as policy-reserve-matching bonds.

(6) Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into Japanese yen using the "Accounting Standards for Foreign Currency Transactions" (Business Accounting Council).

Foreign currency-denominated available-for-sale securities of the Company, with exchange rates that have significantly fluctuated and where recovery is not expected, are converted to Japanese yen using either the rate on the consolidated balance sheet date or the average one-month rate prior to the consolidated balance sheet date, whichever indicates a weaker yen. This translation difference is recorded as a loss on valuation of securities.

Moreover, translation differences related to bonds included in translation differences of foreign currency-denominated available-for-sale securities held by certain consolidated subsidiaries are recorded as foreign exchange gains/losses, net, while translation differences related to other foreign currency-denominated available-for-sale securities are recorded as a separate component of net assets.

(7) Tangible fixed assets

1) Tangible fixed assets are depreciated based on the following methods:
   a. Tangible fixed assets (except for lease assets)
      (i) Buildings
      Straight-line method.
      (ii) Assets other than the above
      Primarily, the declining-balance method.
      Certain other tangible fixed assets with an acquisition price of less than ¥200,000 of the Company and certain consolidated

subsidiaries are depreciated over a 3 year period on a straight-line basis.

b. Lease assets

(i) Lease assets related to financial leases that transfer ownership of the leased property to the lessee

The same depreciation method applied to owned fixed assets.

(ii) Lease assets other than the above

Straight-line method based on lease period.

The estimated useful lives of major items are as follows:

Buildings	2 to 60 years
Other tangible fixed assets	2 to 20 years

Tangible fixed assets are stated at cost, net of accumulated depreciation and impairment losses.

2) Revaluation of land used in the operations of the Company is performed based on the Act on Revaluation of Land. The tax effect of the amount related to the valuation difference between carrying amount and the revalued amount for land revaluation is recognized as a deferred tax liability within the liability section. The valuation differences, excluding tax, are recognized as land revaluation losses within the net assets section.

Revaluation date	March 31, 2002
Revaluation methodology	The amount is calculated using the listed value of the land and road rate as prescribed by Article 2, Items 1 and 4, respectively, of the Order for Enforcement of the Act on Revaluation of Land.

(8) Software

Capitalized software for internal use, which is included within intangible fixed assets, is amortized using the straight-line method over its estimated useful lives as internally determined (2.4 to 15 years).

(9) Leases

Regarding financial leases where a consolidated subsidiary is the lessor and ownership is not transferred, if any, the Company recognizes income and expense at the time of receiving the lease fee as other ordinary income and other ordinary expenses, respectively.

(10) Allowance for doubtful accounts

1) An allowance for doubtful accounts for the Company is recognized in accordance with the Company's internal Asset Valuation Regulation and Write-Off/Provision Rule.

i) An allowance for loans to borrowers who are legally or substantially bankrupt, such as being bankrupt or being in the process of civil rehabilitation proceedings, is recognized based on the amount of credit remaining after directly deducting amounts expected to be collected through the disposal of collateral or the execution of guarantees from the balance of loans (as mentioned at 4) below).

ii) An allowance for loans to borrowers who are not currently legally bankrupt, but have a significant possibility of bankruptcy is recognized at the amounts deemed necessary considering an assessment of the borrowers' overall solvency and the amounts remaining after deduction of amounts expected to be collected through the disposal of collateral or the execution of guarantees.

iii) An allowance for loans to borrowers other than the above is provided based on the borrowers' balance multiplied by the historical average (of a certain period) percentage of bad debt.

An allowance for loans to borrowers whose future business results are expected to worsen in case of a sudden event that has a large impact on economic conditions is recognized based on the estimated amount of impact on credit risk that has not yet been reflected in the borrowers' financial information and other disclosures.

2) All credits extended by the Company are assessed by responsible sections in accordance with the Company's internal Asset Valuation Regulation. The assessments are verified by the independent Asset Auditing Department. The results of the assessments are reflected in the calculation of the allowance for doubtful accounts.

3) For consolidated subsidiaries, the Company records the allowance amounts deemed necessary mainly in accordance with the Company's internal Asset Valuation Regulation and Write-Off/Provision Rule.

4) The estimated uncollectible amount calculated by subtracting the amount of collateral value or the amount collectible by the execution of guarantees from the balance of loans is directly deducted from the balance of loans (including loans with credits secured and/or guaranteed) made to legally or substantially bankrupt borrowers. The estimated uncollectible amounts were ¥2,023 million (U.S. $15 million) (including ¥71 million (U.S. $0 million) of credits secured and/or guaranteed), ¥1,603 million (including ¥70 million of credits secured and/or guaranteed), and ¥3,784 million (including ¥64 million of credits secured and/or guaranteed) as of March 31, 2023, 2022 and 2021, respectively.

(11) Accrued bonuses for directors and audit & supervisory board members

Accrued bonuses for directors and audit & supervisory board members are recognized based on amounts estimated to be paid.

(12) Net defined benefit liability

1) Net defined benefit liability is the amount of retirement benefit obligations prepared for payment of employee retirement benefits, less pension plan assets, based on the projected amounts as of March 31, 2023, 2022 and 2021.

2) The accounting methods of the Company and certain consolidated subsidiaries used for retirement benefits as of March 31, 2023, 2022 and 2021, are as follows:

i) Attribution method for estimated retirement benefits: Benefit formula basis

ii) Period of amortizing actuarial gains/losses: 5 years

iii) Period of amortizing prior service costs: 5 years

(13) Accrued retirement benefits for directors and audit & supervisory board members

In order to provide for payments of retirement benefits to directors and audit & supervisory board members, accrued retirement benefits for the directors and audit & supervisory board members of certain consolidated subsidiaries are recognized based on estimated payment amounts under internal rules.

The Company passed a resolution at the meeting of representatives held on July 2, 2020, to abolish the retirement benefit plan for directors and audit & supervisory board members. As a result of this resolution, the payment prescribed under this plan was finalized. Accordingly, the unpaid amount of ¥4,432 million in accrued retirement benefits for directors and audit & supervisory board members was reversed, transferred to accounts payable, and presented in other liabilities for the fiscal year ended March 31, 2021.

(14) Reserve for program points

A reserve for program points is recognized based on the amount projected to be incurred for expenses from the use of points granted to policyholders.

(15) Reserve for price fluctuations in investments in securities

Reserve for price fluctuations in investments in securities is recognized based on Article 115 of the Insurance Business Act.

(16) Accounting for consumption taxes

Consumption taxes and local consumption taxes of the Company and certain consolidated subsidiaries are accounted for by the tax exclusion method. However, consumption taxes paid on certain asset transactions, which are not deductible from consumption taxes withheld and are stipulated to be deferred under the Consumption Tax Act, are deferred as prepaid expenses and amortized over a 5 year period on a straight-line basis. Consumption taxes other than deferred consumption taxes are expensed as incurred.

(17) Group Tax Sharing System and Consolidated Taxation System

From the fiscal year ended March 31, 2023, the Company and certain consolidated subsidiaries have transitioned from the Consolidated Taxation System to the Group Tax Sharing System, with the Company serving as the tax sharing parent company. As a result, the accounting treatment for corporate tax and local corporate tax, as well as the accounting treatment for tax effect accounting related to these taxes, is in accordance with the "Practical Solution on the Accounting and Dsiclosure Under the Group Tax Sharing System" (ASBJ PITF No. 42, August 12, 2021).

For the fiscal years ended March 31, 2022 and 2021, the Company and certain consolidated subsidiaries have applied the consolidated taxation system as the parent company for consolidated taxation purposes. In accordance with the "Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System" (ASBJ PITF No. 39, March 31, 2020), the Company and its certain subsidiaries calculate the amounts of deferred tax assets and liabilities based on tax laws and regulations before the revision.

(18) Policy reserves

1) Policy reserves of the Company and its consolidated subsidiaries that are domestic life insurance companies are reserves set forth in accordance with Article 116 of the Insurance Business Act. These reserves are accumulated in order to prepare for payments of future obligations based on insurance policies. Insurance premium reserves are recognized based on the following methodology. In accordance with Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act, policy reserves include those that are reserved for certain individual annuity policies and for certain whole life insurance policies.
   i) Reserves for policies subject to the standard policy reserve are calculated in accordance with the method prescribed by the Commissioner of the Financial Services Agency (Ordinance No. 48 issued by the Ministry of Finance in 1996).
   ii) Reserves for other policies are calculated based on the net level premium method.

   In addition, the Company and some of its consolidated life insurance companies in Japan provided additional policy reserves in the fiscal year ended March 31, 2023. As a result, policy reserves increased by ¥284,861 million (U.S. $2,133 million), while ordinary profit and surplus before income taxes decreased by ¥284,861 million (U.S. $2,133 million).
   a. The Company

      Effective from the fiscal year ended March 31, 2020, the Company has provided for additional policy reserves to cover a possible deficiency in the reserve for paid-up insurance policies and similar policies among certain whole life insurance policies (including single premium policies). In addition, effective from the fiscal year ended March 31, 2022, the Company has expanded eligibility for whole life insurance policies (including single premium policies) for which additional policy reserves are provided, and has decided to successively provide additional policy reserves over a five-year period for such policies with premiums that have been paid (including single premium policies). As a result, the policy reserves increased by ¥276,550 million (U.S. $2,071 million), while ordinary profit and surplus before income taxes decreased by ¥276,550 million (U.S. $2,071 million), compared with amounts that would have been recorded if the additional policy reserves had not been provided in the fiscal year ended March 31, 2023.
   b. TAIJU LIFE INSURANCE COMPANY LIMITED

      TAIJU LIFE INSURANCE COMPANY LIMITED has provided additional policy reserves to cover a possible deficiency in the reserve for certain individual annuity policyholders. As a result, policy reserves increased by ¥8,310 million (U.S. $62 million), while ordinary profit and surplus before income taxes decreased by ¥8,310 million (U.S. $62 million), compared with amounts that would have been recorded if the additional policy reserves had not been provided in the fiscal year ended March 31, 2023.

Matters concerning additional policy reserve amounts accumulated during the fiscal year ended March 31, 2022, are as follows:

The Company and some of its consolidated life insurance companies in Japan provided additional policy reserves in the fiscal year ended March 31, 2022. As a result, policy reserves increased by ¥596,186 million, while ordinary profit and surplus before income taxes decreased by ¥596,186 million.

a. The Company

Effective from the fiscal year ended March 31, 2020, the Company has provided for additional policy reserves to cover a possible deficiency in the reserve for paid-up insurance policies and similar policies among certain whole life insurance policies (including single premium policies). For such policies with premiums that have been paid and similar policies (including single premium policies), the Company had previously decided to successively provide additional policy reserves over a three-year period, but in the fiscal year ended March 31, 2022, the Company provided for these additional policy reserves in a lump sum. Effective from the fiscal year ended March 31, 2022, the Company has expanded eligibility for whole life insurance policies (including single premium policies) for which additional policy reserves are provided, and has decided to successively provide additional policy reserves over a five-year period for such policies with premiums that have been paid (including single premium policies). As a result, the policy reserves increased by ¥586,606 million, while ordinary profit and surplus before income taxes decreased by ¥586,606 million, compared with amounts that would have been recorded if the additional policy reserves had not been provided in the fiscal year ended March 31, 2022.

b. TAIJU LIFE INSURANCE COMPANY LIMITED

TAIJU LIFE INSURANCE COMPANY LIMITED has provided additional policy reserves to cover a possible deficiency in the reserve for certain individual annuity policyholders. As a result, policy reserves increased by ¥9,579 million, while ordinary profit and surplus before income taxes decreased by ¥9,579 million, compared with amounts that would have been recorded if the additional policy reserves had not been provided in the fiscal year ended March 31, 2022.

Matters concerning additional policy reserve amounts accumulated during the fiscal year ended March 31, 2021, are as follows:

The Company and some of its consolidated life insurance companies in Japan provided additional policy reserves in the fiscal year ended March 31, 2021. As a result, policy reserves increased by ¥382,024 million, while ordinary profit and surplus before income taxes decreased by ¥382,024 million.

a. The Company

Effective from the fiscal year ended March 31, 2019, the Company has provided for additional policy reserves over a five-year period to cover a possible deficiency in the reserve for certain individual annuity policyholders. In the fiscal year ended March 31, 2021, the Company provided for these additional policy reserves in a lump sum. Moreover, effective from the fiscal year ended March 31, 2020, the Company has provided for additional policy reserves to cover a possible deficiency in the reserve for paid-up insurance policies and similar policies among certain whole life insurance policies (including single premium policies). For such policies with premiums that have been paid and similar policies (including single premium policies), the Company had previously decided to successively provide additional policy reserves over a six-year period. Effective from the fiscal year ended March 31, 2021, the Company has decided to successively provide these additional policy reserves over a three-year period. As a result, the policy reserves increased by ¥369,175 million, while ordinary profit and surplus before income taxes decreased by ¥369,175 million, compared with amounts that would have been recorded if the additional policy reserves had not been provided in the fiscal year ended March 31, 2021.

b. TAIJU LIFE INSURANCE COMPANY LIMITED

TAIJU LIFE INSURANCE COMPANY LIMITED has provided additional policy reserves to cover a possible deficiency in the reserve for certain individual annuity policyholders. As a result, policy reserves increased by ¥12,849 million, while ordinary profit and surplus before income taxes decreased by ¥12,849 million, compared with amounts that would have been recorded if the additional policy reserves had not been provided in the fiscal year ended March 31, 2021.

2) Policy reserves of consolidated overseas life insurance companies are recorded as the amounts calculated in accordance with the accounting standards of each country, such as Australian accounting standards.

(19) Incurred But Not Reported (IBNR) Claims

For the Company and certain consolidated subsidiaries, an appropriate amount of the reserve for incurred but not reported (IBNR) claims (insurance claims and benefits whose reasons for payment have not yet been reported, but whose reasons for payment stipulated by insurance policies are deemed to have already occurred) cannot be calculated pursuant to the calculation based on Article 1, Paragraph 1, Principles of the Ministry of Finance Public Notice No. 234 of 1998 (hereinafter, "the IBNR Notice") due to a change in the scope of payment for hospitalization and related benefits during the fiscal year ended March 31, 2023 in cases where the insured is diagnosed with COVID-19 and recuperates at a lodging facility or at home under the supervision of a physician or other medical personnel (hereinafter, "deemed hospitalization"). Therefore, the Company and certain consolidated subsidiaries recorded an amount based on the provision in the proviso of Article 1, Paragraph 1 of the IBNR Notice calculated using the method described below.

(Calculation method)

The Company and certain consolidated subsidiaries have calculated reserve amounts by classifying them as a reserve for IBNR claims related to deemed hospitalization and a reserve for IBNR claims related to reasons other than deemed hospitalization. The reserve for IBNR claims related to reasons other than deemed hospitalization is calculated using the same method as that set forth in Article 1, Paragraph 1, Principles of the IBNR Notice, after excluding the amounts related to deemed hospitalization from the required amount of

provisions to reserve for IBNR claims over all periods under Article 1, Paragraph 1, Principles of the IBNR Notice and the amount of payments for insurance claims and benefits under said notice. The reserve for IBNR claims related to deemed hospitalization is calculated using the amounts related to deemed hospitalization for and the number of new infections among those at high risk of severe symptoms from September 26, 2022 onward, and the number of new infections within the last 2 months, considering the average period required between the occurrence of reasons for payment and the filing of claims.

(20) Revenues from insurance and reinsurance and benefits and other payments

The Company and its consolidated subsidiaries have adopted the following significant accounting principles and procedures in cases where the provisions of the relevant accounting standards identified in accordance with the "Revised Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections" (revised ASBJ Statement No. 24) were not clear.

1) Revenues from insurance and reinsurance (excluding revenues from reinsurance) of the Company and its domestic consolidated subsidiaries are recorded as the amount of payments that have been received, in principle.

   Unearned insurance premiums of the Company and its domestic consolidated subsidiaries are recognized as policy reserves.

2) Benefits and other payments (excluding reinsurance premiums) of the Company and its domestic consolidated subsidiaries are recorded as the amount of payments made with respect to policies for which an event that is a reason for payment of claims or benefits has occurred based on the policy clauses and the amount determined based on those policy clauses was paid.

   In addition to the above, revenues from insurance of consolidated overseas subsidiaries with a regular due date are recognized on a due basis and revenues from insurance due but not collected are recognized as revenues.

(21) Policy acquisition costs

Policy acquisition costs of the Company and certain consolidated subsidiaries are recorded to expense as incurred.

Policy acquisition costs of certain consolidated overseas subsidiaries are deferred and amortized over the period that the policy will generate profits.

(22) Income taxes

The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying the enacted statutory tax rates to the temporary differences.

(23) Stock options

Compensation expense for the stock options of a consolidated subsidiary is recognized based on the fair value at the date of grant and over the vesting period as consideration for receiving goods or services.

In the consolidated balance sheet, the stock option is presented as share acquisition rights as a separate component of net assets until exercised.

(24) Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements

Under the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ PITF No.18, May 17, 2006), the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should in principle be unified for the preparation of the consolidated financial statements. However, financial statements prepared by foreign subsidiaries in accordance with either International Financial Reporting Standards or generally accepted accounting principles in the United States of America (Financial Accounting Standards Board Accounting Standards Codification—"FASB ASC") tentatively may be used for the consolidation process, except for the following items that should be adjusted in the consolidation process so that net income is accounted for in accordance with Japanese GAAP, unless they are not material: (a) amortization of goodwill; (b) scheduled amortization of actuarial gain or loss of pensions that has been recorded in equity through other comprehensive income; (c) expensing capitalized development costs of R&D; (d) cancellation of the fair value model of accounting for property, plant and equipment and investment properties and incorporation of the cost model of accounting; and (e) recording a gain or loss through profit or loss on the sale of an investment in an equity instrument for the difference between the acquisition cost and selling price, and recording impairment loss through profit or loss for other than temporary declines in the fair value of an investment in an equity instrument, where a foreign subsidiary elects to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument.

3. Significant Accounting Estimate

The significant accounting estimates identified based on the "Accounting Standard for Disclosure of Accounting Estimates" (ASBJ Statement No. 31) comprise valuations of goodwill and goodwill equivalent.

Goodwill and goodwill equivalent recorded in the consolidated balance sheet as of March 31, 2023, comprise the following:

1) Goodwill	¥80,049 million (U.S. $599 million)
Nippon Life India Asset Management Limited	¥ 80,049 million (U.S. $599 million)
2) Goodwill equivalent	¥53,312 million (U.S. $399 million)
Reliance Nippon Life Insurance Company Limited	¥33,628 million (U.S. $251 million)
The TCW Group, Inc.	¥8,147 million (U.S. $61 million)
PT Sequis	¥11,537 million (U.S. $86 million)

Goodwill and goodwill equivalent recorded in the consolidated balance sheet as of March 31, 2022, comprise the following:

1) Goodwill	¥84,383 million
Nippon Life India Asset Management Limited	¥84,383 million
2) Goodwill equivalent	¥78,425 million
Reliance Nippon Life Insurance Company Limited	¥36,494 million
The TCW Group, Inc.	¥22,430 million
PT Sequis	¥19,500 million

Goodwill and goodwill equivalent recorded in the consolidated balance sheet as of March 31, 2021, comprise the following:

1) Goodwill	¥83,185 million
Nippon Life India Asset Management Limited	¥83,185 million
2) Goodwill equivalent	¥77,554 million
Reliance Nippon Life Insurance Company Limited	¥36,896 million
The TCW Group, Inc.	¥21,445 million
PT Sequis	¥19,212 million

For details on the accounting estimates used to record impairment losses on goodwill and goodwill equivalent, please see Note 23 Impairment Losses.

4. Business Combination

Matters concerning business combinations through acquisition are as follows:

(1) Nippon Wealth Life Insurance Company Limited (for the fiscal year ended March 31, 2022)

On October 29, 2021, the Company acquired approximately 14.9% of the shares of Nippon Wealth Life Insurance Company Limited ("Nippon Wealth Life") from MassMutual International, LLC, making it a wholly owned subsidiary.

1) Overview of the transaction
   a. Name and business of the acquiree
      Name: Nippon Wealth Life Insurance Company Limited
      Business: Life insurance business
   b. Business combination date
      October 1, 2021 (deemed acquisition date)
   c. Legal form of the business combination
      Establishment of a wholly owned subsidiary through acquisition of the additional shares from the noncontrolling shareholders
   d. Name of company after business combination
      Nippon Wealth Life Insurance Company Limited
   e. Other matters concerning the overview of the transaction
      The Company makes Nippon Wealth Life its wholly owned subsidiary to further strengthen and expand the business foundation of the Group's over-the-counter sales at financial institutions.
2) Overview of accounting treatment that was applied
   The Company has accounted for the transaction as a transaction with the noncontrolling shareholders within the category of transactions under common control. This accounting treatment is based on the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21) and the "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10).
3) Acquisition cost and breakdown by type of consideration
   Consideration for acquisition: Payment in cash ¥23,819 million
   Acquisition cost: ¥23,819 million
4) Matters concerning changes in the Company's equity with respect to the transaction with the noncontrolling shareholders
   a. Main reasons for changes in consolidated surplus
      Acquisition of additional shares of a subsidiary
   b. Increase in consolidated surplus due to the transaction with the noncontrolling shareholders
      ¥6,671 million

(2) Nissay Plus SSI Company Inc. (for the fiscal year ended March 31, 2022)

Nissay Small-Amount and Short-Term Insurance Preparatory Company (the "Preparatory Company") , which was established by the Company on April 30, 2021, changed its trade name to Nissay Plus SSI Company Inc. ("Nissay Plus") on March 24, 2022, following completion of the acquisition of approvals of the Commissioner of the Financial Services Agency pursuant to Article 272-31, Paragraph 1 and Article 106, Paragraph 7 of the Insurance Business Act by the Company and the acquisition of a small-amount short-term life insurance business license pursuant to Article 272 of the Insurance Business Act by the Preparatory Company on the same day.

1) Purpose of company establishment
   The purpose of establishing the company is to flexibly and dynamically provide various insurance products for the areas of both life and non-life insurance in order to address diversifying customer needs against the backdrop of changing lifestyles, diversifying individual values, and the widespread use of digital environments.
2) Overview of Nissay Plus
   a. Company name: Nissay Plus SSI Company Inc.
   b. Head office location: Chiyoda-ku, Tokyo
   c. Capital stock: ¥2.6 billion (including ¥1.3 billion of capital reserve)
3) Date of establishment
   April 30, 2021
4) Percentage of voting rights held by the Company
   100%

(3) TAIJU LIFE INSURANCE COMPANY LIMITED (for the fiscal year ended March 31, 2021)

On March 16, 2021, the Company acquired 2.4% of the shares of TAIJU LIFE INSURANCE COMPANY LIMITED (of which, the Company owns 82.6% of the shares; "TAIJU LIFE") from the noncontrolling shareholders.

1) Overview of the transaction
   a. Name and business of the acquiree
      Name: TAIJU LIFE INSURANCE COMPANY LIMITED
      Business: Life insurance business
   b. Business combination date
      March 31, 2021 (deemed acquisition date)
   c. Legal form of the business combination
      Acquisition of additional shares from the noncontrolling shareholders
   d. Name of company after business combination
      TAIJU LIFE INSURANCE COMPANY LIMITED
   e. Other matters concerning the overview of the transaction
      The Company has acquired an additional 2.4% of TAIJU LIFE shares and raised its voting interest in TAIJU LIFE to promote its group strategy and strengthen its governance framework.
2) Overview of accounting treatment that was applied
   The Company has accounted for the transaction as a transaction with the noncontrolling shareholders within the category of transactions under common control. This accounting treatment is based on the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21) and the "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10).
3) Acquisition cost and breakdown by type of consideration
   Consideration for acquisition: Payment in cash ¥8,027 million
   Acquisition cost: ¥8,027 million
4) Matters concerning changes in the Company's equity with respect to the transaction with the noncontrolling shareholders
   a. Main reasons for changes in consolidated surplus
      Acquisition of additional shares of a subsidiary
   b. Increase in consolidated surplus due to the transaction with the noncontrolling shareholders
      ¥5,530 million

5. Cash and Cash Equivalents

The reconciliation of "Cash and cash equivalents" in the consolidated statements of cash flows and "Cash and deposits" in the consolidated balance sheets as of March 31, 2023, 2022 and 2021, was as follows:

	Millions of Yen			Millions of U.S. Dollars
	2023	2022	2021	2023
Cash and deposits	¥1,590,868	¥1,702,155	¥1,771,810	$11,913
Call loans	426,706	500,978	540,086	3,195
Monetary receivables purchased	7,999	9,999	5,999	59
Investments in securities	123,045	360,686	14,243	921
Time deposits with initial term of over 3 months to maturity and others	(8,824)	(29,437)	(9,307)	(66)
Cash and cash equivalents	¥2,139,794	¥2,544,383	¥2,322,833	$16,024

6. Financial Instruments

Regarding the investment of the general accounts of the Company and certain consolidated subsidiaries (except separate accounts as provided in Article 118, Paragraph 1 of the Insurance Business Act), in light of the characteristics of life insurance policies, the Company and certain consolidated subsidiaries have built a portfolio geared toward mid- to long-term investment and formulated an investment plan considering the outlook of the investment environment.

Based on the investment plan, in order to reliably pay benefits and other payments in the future, the Company and certain consolidated subsidiaries have positioned yen-denominated assets that can be expected to provide stable income, such as bonds and loans, as the core assets of the Company and certain consolidated subsidiaries and from the viewpoint of improving profit in the mid- to long-term, the Company and certain consolidated subsidiaries invest in domestic stocks and foreign securities. Also, the Company and certain consolidated subsidiaries mainly use derivative transactions for controlling asset or liability risks. Specifically, the Company and certain consolidated subsidiaries use interest rate swaps and interest rate swaptions as interest rate-related; foreign exchange forward contracts, currency options, and currency swaps as currency-related; and equity forward contracts, equity index futures, and equity index options as equity-related. The Company and certain consolidated subsidiaries apply hedge accounting to certain derivative transactions above.

Securities are mainly exposed to market risk and credit risk, loans are exposed to credit risk, and derivative transactions are exposed to market risk and credit risk. Market risk refers to the risk of incurring losses when the fair value of investment assets declines due to factors such as fluctuations in interest rates, exchange rates, or stock prices. Credit risk refers to the risk of incurring losses when the value of assets, primarily loans and corporate bonds, declines due to deterioration of the financial condition of the party to whom credit has been extended. It includes country risk. These risks are managed according to rules and regulations regarding investment risks.

To manage market risk, the Company and certain consolidated subsidiaries have implemented investment limits based on the nature of the assets in order to avoid excessive losses from financing and investment transactions. In addition, the Company and certain consolidated subsidiaries monitor and

regularly report on the status of compliance to the Risk Management Committee, the advisory body of the Management Committee, and have developed a system to manage risk within acceptable levels in the event of a breach of the internal rules. Also, to manage market risk in the portfolio of the Company and certain consolidated subsidiaries, the Company and certain consolidated subsidiaries use a statistical analysis method to rationally calculate the market value-at-risk of the portfolio as a whole and conduct appropriate asset allocation within acceptable boundaries of risk.

To manage credit risk, the Company and certain consolidated subsidiaries have built a system to perform credit analysis, including strict assessment of individual counterparties by the Assessment Management Department, which is independent of the departments handling investment and finance activities. The Company and certain consolidated subsidiaries also continue to build a sound portfolio through the establishment and monitoring of interest guidelines to ensure the returns the Company and certain consolidated subsidiaries obtain are commensurate with the risk, a system of internal ratings for classifying the creditworthiness of borrowers, and credit ceilings to ensure that credit risk is not excessively concentrated in a particular company, group, or country. In addition, the Company and certain consolidated subsidiaries calculate credit value-at-risk as a measurement of the magnitude of credit risk across the portfolio of the Company and certain consolidated subsidiaries as a whole, and monitor whether the magnitude of risk stays within an appropriate range.

Matters concerning the fair value and so on of financial instruments in the fiscal year ended March 31, 2023 and 2022, are as follows:

Notes are omitted for financial instruments whose carrying amount approximates fair value due to their short-term settlement.

(1) Consolidated balance sheet amounts and fair values for major financial instruments and their differences are as follows:

	Millions of Yen						Millions of U.S. Dollars		
As of March 31	2023			2022			2023		
	Consolidated balance sheet amount (*1)	Fair value (*2)	Difference	Consolidated balance sheet amount (*1)	Fair value (*2)	Difference	Consolidated balance sheet amount (*1)	Fair value (*2)	Difference
Financial assets									
Monetary receivables purchased:	¥244,146	¥247,006	¥2,859	¥ 290,646	¥ 297,323	¥ 6,676	$1,828	$1,849	$21
Held-to-maturity debt securities	19,944	19,664	(279)	23,576	23,602	26	149	147	(2)
Policy-reserve-matching bonds	168,575	171,715	3,139	192,361	199,011	6,649	1,262	1,285	23
Available-for-sale securities	55,626	55,626	—	74,708	74,708	—	416	416	—
Investments in securities (*3, *4, *5):	71,350,854	72,006,465	655,611	72,530,185	74,851,433	2,321,247	534,343	539,253	4,909
Trading securities	1,488,267	1,488,267	—	1,447,306	1,447,306	—	11,145	11,145	—
Held-to-maturity debt securities	395,605	381,399	(14,206)	372,376	368,475	(3,900)	2,962	2,856	(106)
Policy-reserve-matching bonds	32,074,864	32,730,576	655,711	30,031,350	32,321,676	2,290,325	240,207	245,117	4,910
Investments in subsidiaries and affiliates	42,015	56,121	14,105	40,648	75,471	34,822	314	420	105
Available-for-sale securities	37,350,101	37,350,101	—	40,638,503	40,638,503	—	279,713	279,713	—
Loans (*6):	8,629,114	8,616,966	(12,147)	8,431,736	8,578,827	147,090	64,623	64,532	(90)
Policy loans	478,136	478,136	—	501,293	501,293	—	3,580	3,580	—
Industrial and consumer loans	8,150,978	8,138,830	(12,147)	7,930,443	8,077,533	147,090	61,042	60,951	(90)
Derivative financial instruments (*7):	(585,860)	(585,860)	—	(920,898)	(920,898)	—	(4,387)	(4,387)	—
Hedge accounting not applied	(61,490)	(61,490)	—	(8,562)	(8,562)	—	(460)	(460)	—
Hedge accounting applied	(524,370)	(524,370)	—	(912,335)	(912,335)	—	(3,926)	(3,926)	—
Financial liabilities									
Corporate bonds (*6)	1,378,865	1,336,053	(42,811)	1,535,905	1,536,327	422	10,326	10,005	(320)
Loans payable	1,053,673	1,013,457	(40,215)	843,436	842,760	(675)	7,890	7,589	(301)

*(*1) For transactions for which an allowance for doubtful accounts was recorded, the amount of the allowance is deducted.*

*(*2) For securities for which impairment losses were recognized in the fiscal year ended March 31, 2023 and March 31, 2022, the fair value is the consolidated balance sheet amount after the impairment losses are deducted.*

*(*3) Stocks and other securities without market prices, such as unlisted equity securities are not included. The consolidated balance sheet amounts as of March 31, 2023 and March 31, 2022 are ¥223,167 million (U.S. $1,671 million) and ¥234,763 million, respectively.*

*(*4) For the fiscal year ended March 31, 2023, Paragraph 24-16 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" is applied, and the investment balances to partnerships and so on are not included. The consolidated balance sheet amount for said partnerships and so on is ¥758,825 million (U.S. $5,682 million). For the fiscal year ended March 31, 2022, the transitional measures in Paragraph 27 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" were applied, and the investment balances to partnerships and so on are not included. The consolidated balance sheet amount for said partnerships and so on is ¥608,678 million.*

*(*5) For the fiscal year ended March 31, 2023, investment trusts that applied either Paragraph 24-3 or Paragraph 24-9 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" are included.*

*(*6) The fair values of derivative financial instruments that are interest rate swaps under exceptional accounting treatment ("Tokurei-shori") or currency swaps under designated hedge accounting ("Furiate-shori") are included in the fair values of loans and corporate bonds because they are accounted for as an integral part of the loans and corporate bonds that are the hedged items.*

*(*7) Assets and liabilities generated by derivative financial instruments are offset and presented net. Net liabilities in total are presented in parentheses.*

(2) Matters regarding securities and others by holding purpose are as follows:

1) Trading securities

Valuation gains/losses included in profit and loss were losses of ¥57,315 million (U.S. $429 million) and ¥30,752 million for investments in securities related to separate accounts, which are classified as trading securities, for the fiscal years ended March 31, 2023 and 2022, respectively.

2) Held-to-maturity debt securities

Consolidated balance sheet amounts, fair values, and their differences by type are as follows:

	Millions of Yen						Millions of U.S. Dollars		
As of March 31	2023			2022			2023		
Type	Consolidated balance sheet amount	Fair value	Difference	Consolidated balance sheet amount	Fair value	Difference	Consolidated balance sheet amount	Fair value	Difference
Fair value exceeds the consolidated balance sheet amount:									
Monetary receivables purchased	¥ 2,218	¥ 2,333	¥ 114	¥ 10,318	¥ 10,534	¥ 216	$ 16	$ 17	$ 0
Bonds	21,655	21,828	172	39,613	39,865	252	162	163	1
Foreign securities	36,281	37,221	939	194,855	196,841	1,986	271	278	7
Subtotal	60,156	61,382	1,226	244,787	247,242	2,454	450	459	9
Fair value does not exceed the consolidated balance sheet amount:									
Monetary receivables purchased	17,725	17,331	(394)	13,257	13,068	(189)	132	129	(2)
Bonds	58,796	58,169	(626)	22,109	21,992	(116)	440	435	(4)
Foreign securities	278,871	264,180	(14,691)	115,798	109,775	(6,022)	2,088	1,978	(110)
Subtotal	355,393	339,681	(15,712)	151,164	144,836	(6,328)	2,661	2,543	(117)
Total	¥415,550	¥401,064	¥ (14,485)	¥395,952	¥392,078	¥(3,873)	$3,112	$3,003	$ (108)

3) Policy-reserve-matching bonds

Consolidated balance sheet amounts, fair values, and their differences by type are as follows:

	Millions of Yen						Millions of U.S. Dollars		
As of March 31	2023			2022			2023		
Type	Consolidated balance sheet amount	Fair value	Difference	Consolidated balance sheet amount	Fair value	Difference	Consolidated balance sheet amount	Fair value	Difference
Fair value exceeds the consolidated balance sheet amount:									
Monetary receivables purchased	¥ 135,335	¥ 139,375	¥ 4,040	¥ 170,931	¥ 177,798	¥ 6,867	$ 1,013	$ 1,043	$ 30
Bonds	18,171,947	20,136,946	1,964,999	19,600,472	22,402,255	2,801,782	136,088	150,804	14,715
Foreign securities	211,259	218,157	6,898	621,333	653,136	31,802	1,582	1,633	51
Subtotal	18,518,542	20,494,480	1,975,938	20,392,738	23,233,190	2,840,452	138,684	153,482	14,797
Fair value does not exceed the consolidated balance sheet amount:									
Monetary receivables purchased	33,239	32,339	(900)	21,430	21,212	(217)	248	242	(6)
Bonds	11,889,748	10,757,601	(1,132,147)	8,932,730	8,446,578	(486,151)	89,041	80,563	(8,478)
Foreign securities	1,801,909	1,617,871	(184,038)	876,813	819,705	(57,107)	13,494	12,116	(1,378)
Subtotal	13,724,897	12,407,811	(1,317,086)	9,830,974	9,287,496	(543,477)	102,785	92,921	(9,863)
Total	¥32,243,440	¥32,902,291	¥ 658,851	¥30,223,712	¥32,520,687	¥2,296,975	$241,469	$246,403	$4,934

4) Available-for-sale securities

Acquisition cost or amortized cost, consolidated balance sheet amounts, and their differences by type are as follows:

	Millions of Yen						Millions of U.S. Dollars		
As of March 31	2023			2022			2023		
Type	Acquisition cost or amortized cost	Consolidated balance sheet amount	Difference	Acquisition cost or amortized cost	Consolidated balance sheet amount	Difference	Acquisition cost or amortized cost	Consolidated balance sheet amount	Difference
Consolidated balance sheet amount exceeds acquisition cost or amortized cost:									
Monetary receivables purchased	¥ 6,389	¥ 6,533	¥ 144	¥ 18,781	¥ 19,128	¥ 347	$ 47	$ 48	$ 1
Bonds	2,697,924	2,830,233	132,308	2,627,839	2,810,682	182,842	20,204	21,195	990
Domestic stocks	3,712,082	9,522,974	5,810,892	3,618,428	9,451,133	5,832,705	27,799	71,317	43,517
Foreign securities	9,658,746	11,885,372	2,226,625	14,356,455	17,370,509	3,014,053	72,333	89,009	16,675
Other securities	860,952	966,226	105,274	819,058	1,009,839	190,780	6,447	7,236	788
Subtotal	16,936,095	25,211,340	8,275,244	21,440,564	30,661,293	9,220,729	126,833	188,806	61,972
Consolidated balance sheet amount does not exceed acquisition cost or amortized cost:									
Monetary receivables purchased	50,862	49,092	(1,769)	56,508	55,580	(928)	380	367	(13)
Bonds	1,412,095	1,350,353	(61,742)	1,008,754	980,015	(28,738)	10,575	10,112	(462)
Domestic stocks	597,619	467,792	(129,827)	681,952	529,629	(152,322)	4,475	3,503	(972)
Foreign securities	8,832,699	8,179,361	(653,338)	6,409,337	6,085,205	(324,131)	66,147	61,254	(4,892)
Other securities	2,276,272	2,147,787	(128,485)	2,487,140	2,401,487	(85,653)	17,046	16,084	(962)
Subtotal	13,169,549	12,194,387	(975,162)	10,643,693	10,051,918	(591,774)	98,626	91,323	(7,302)
Total	¥30,105,645	¥37,405,727	¥7,300,082	¥32,084,257	¥40,713,212	¥8,628,954	$225,459	$280,129	$54,669

** For the fiscal year ended March 31, 2023, stocks and other securities without market prices totaling ¥63,683 million (U.S. $476 million), and investment balances to partnerships and so on totaling ¥263,314 million (U.S. $1,971 million) are not included.*
For the fiscal year ended March 31, 2022, stocks and other securities without market prices totaling ¥63,528 million, and investment balances to partnerships and so on totaling ¥232,635 million are not included.

Impairment loss of ¥3,678 million (U.S. $27 million) was recognized in the fiscal year ended March 31, 2023, and impairment loss of ¥11,972 was recognized in the fiscal year ended March 31, 2022.

Regarding Domestic stocks and foreign stocks (included in Foreign securities) of the Company and certain consolidated subsidiaries, impairment losses are recognized for stocks whose fair values have declined significantly from the acquisition prices based on the fair value on the fiscal year-end date.

The criteria by which the fair value of a stock is deemed to have declined significantly are as follows:

a. A security for which the ratio of the average fair value in the last month of the fiscal year to the acquisition cost is 50% or less.

b. A security that meets both of the following criteria:

1. Average fair value in the last month of the fiscal year is between 50% and 70% of its acquisition cost.

2. The historical fair value, the business conditions of the issuing company, and other aspects are subject to certain requirements.

(3) Scheduled repayment amounts for the main monetary claims and liabilities and redemption amounts for securities with maturities are as follows:

	Millions of Yen								Millions of U.S. Dollars			
As of March 31	2023				2022				2023			
	1 year or under	Over 1 year under 5 years	Over 5 years under 10 years	Over 10 years	1 year or under	Over 1 year under 5 years	Over 5 years under 10 years	Over 10 years	1 year or under	Over 1 year under 5 years	Over 5 years under 10 years	Over 10 years
Monetary receivables purchased:	¥ 13,000	¥ 4,743	¥ 40,924	¥ 186,078	¥ 22,300	¥ 3,482	¥ 48,201	¥ 215,953	$ 97	$ 35	$ 306	$ 1,393
Held-to-maturity debt securities	—	—	1,510	17,945	—	—	—	22,960	—	—	11	134
Policy-reserve-matching bonds	—	2,536	28,806	137,145	—	2,232	37,946	152,079	—	18	215	1,027
Available-for-sale securities	13,000	2,207	10,608	30,986	22,300	1,250	10,254	40,912	97	16	79	232
Investments in securities:	1,245,408	8,085,416	12,046,609	37,692,862	1,264,832	8,393,374	13,345,261	35,382,285	9,326	60,551	90,216	282,280
Held-to-maturity debt securities	45,981	157,191	113,816	80,352	53,587	137,946	108,096	73,759	344	1,177	852	601
Policy-reserve-matching bonds	518,690	3,270,998	4,941,671	23,486,731	393,715	3,702,147	4,700,709	21,055,492	3,884	24,496	37,007	175,891
Available-for-sale securities	680,736	4,657,225	6,991,121	14,125,778	817,529	4,553,280	8,536,455	14,253,034	5,098	34,877	52,356	105,787
Loans (*1)	987,565	2,746,563	2,139,000	2,255,461	1,021,047	2,670,379	2,090,337	2,120,723	7,395	20,568	16,018	16,891
Corporate bonds (*2)	—	—	—	1,353,265	—	—	—	1,510,305	—	—	—	10,134
Loans payable	45,674	76,348	650	931,000	29,856	82,129	1,450	730,000	342	571	4	6,972

*(*1) Loans such as policy loans that do not have a stated maturity date are not included.*
Also, ¥8,011 million (U.S. $59 million) for the fiscal year ended March 31, 2023 and ¥8,054 million for the fiscal year ended March 31, 2022 in loans to legally or substantially bankrupt borrowers or borrowers who are not currently legally bankrupt but have a high probability of bankruptcy are not included.
*(*2) Subordinated corporate bonds and others that do not have a stated maturity date are not included.*

(4) Matters concerning the breakdown at each level of fair value for financial instruments are as follows:

Fair values of financial instruments are classified into the following three levels according to the observability and significance of inputs used in fair value measurement.

Level 1: Fair value measured based on the quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Fair value measured based on directly or indirectly observable inputs other than Level 1 inputs

Level 3: Fair value measured based on significant unobservable inputs

In cases of using multiple inputs with significant influence in fair value measurement, the fair value is classified to the lowest priority level of fair value measurement in which each input belongs.

a. Financial instruments whose consolidated balance sheet amount is measured at fair value

As of March 31	Millions of Yen 2023				2022				Millions of U.S. Dollars 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Monetary receivables purchased:	¥ —	¥ 18,536	¥ 37,089	¥ 55,626	¥ —	¥ 25,865	¥ 48,843	¥ 74,708	$ —	$ 138	$ 277	$ 416
Available-for-sale securities	—	18,536	37,089	55,626	—	25,865	48,843	74,708	—	138	277	416
Investments in securities(*1):	17,525,128	19,613,433	272,702	37,411,264	19,226,301	11,493,584	579,733	31,299,619	131,244	146,884	2,042	280,171
Trading securities	630,778	857,489	—	1,488,267	710,308	525,509	—	1,235,818	4,723	6,421	—	11,145
Available-for-sale securities:	16,894,350	18,755,944	272,702	35,922,997	18,515,992	10,968,074	579,733	30,063,801	126,521	140,462	2,042	269,025
Bonds:	2,711,085	1,469,500	—	4,180,586	1,992,294	1,798,404	—	3,790,698	20,303	11,005	—	31,308
National government bonds	2,711,085	—	—	2,711,085	1,989,322	63,501	—	2,052,824	20,303	—	—	20,303
Local government bonds	—	101,489	—	101,489	—	108,231	—	108,231	—	760	—	760
Corporate bonds	—	1,368,011	—	1,368,011	2,971	1,626,671	—	1,629,642	—	10,244	—	10,244
Domestic stocks	9,904,160	86,606	—	9,990,767	9,915,588	65,174	—	9,980,762	74,171	648	—	74,820
Foreign securities:	4,271,022	14,116,174	272,599	18,659,796	6,604,783	9,104,496	579,510	16,288,790	31,985	105,715	2,041	139,742
Foreign bonds	3,329,110	8,407,594	272,599	12,009,304	6,227,733	9,046,077	579,510	15,853,322	24,931	62,964	2,041	89,937
Foreign stocks and other securities	941,911	5,708,579	—	6,650,491	377,049	58,418	—	435,467	7,053	42,751	—	49,805
Other securities	8,082	3,083,662	102	3,091,847	3,326	—	222	3,549	60	23,093	0	23,154
Derivative financial instruments(*2):	2,827	(589,708)	1,020	(585,860)	1,543	(923,505)	1,064	(920,898)	21	(4,416)	7	(4,387)
Interest rate-related	1,119	(148,295)	112	(147,063)	(77)	(18,546)	116	(18,507)	8	(1,110)	0	(1,101)
Currency-related	—	(442,047)	—	(442,047)	—	(917,961)	—	(917,961)	—	(3,310)	—	(3,310)
Others	1,707	635	907	3,250	1,620	13,001	947	15,570	12	4	6	24

*(*1) For the fiscal year ended March 31, 2023, investment trusts that applied either Paragraph 24-3 or Paragraph 24-9 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" are not included. The consolidated balance sheet value of investment trusts where the investment trust assets are financial instruments is ¥1,388,433 million (U.S. $10,397 million), and where the investment trust assets are real estate, it is ¥39,600 million (U.S. $296 million). The reconciliation between the beginning and ending balances of the current consolidated fiscal year is as follows.*

*(*2) Assets and liabilities generated by derivative financial instruments are offset and presented net. Net liabilities in total are presented in parentheses .*

As of March 31	Millions of Yen 2023			Millions of U.S. Dollars 2023		
	Investment trusts where the investment trust assets are financial instruments (*3)	Investment trusts where the investment trust assets are real estate	Total	Investment trusts where the investment trust assets are financial instruments (*3)	Investment trusts where the investment trust assets are real estate	Total
Beginning balance for the consolidated fiscal year	¥ 980,526	¥ 36,203	¥ 1,016,729	$ 7,343	$ 271	$ 7,614
Profit (loss) for the consolidated fiscal year:	347,069	(4,172)	342,897	2,599	(31)	2,567
Recorded as net income (loss) (*4)	15,800	(144)	15,655	118	(1)	117
Recorded as other comprehensive income (loss) (*5)	331,269	(4,028)	327,241	2,480	(30)	2,450
Purchases, sales and redemptions	60,837	7,569	68,406	455	56	512
Transactions that started applying Paragraph 24-3 or Paragraph 24-9 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement"	—	—	—	—	—	—
Transactions that stopped applying Paragraph 24-3 or Paragraph 24-9 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement"	—	—	—	—	—	—
Ending balance for the consolidated fiscal year	1,388,433	39,600	1,428,033	10,397	296	10,694
Valuation gains/losses of investment trusts held at the end of the consolidated fiscal year, included in profit/loss amounts for the consolidated fiscal year (*4)	—	—	—	—	—	—

*(*3) They have restrictions mainly on cancellations beyond one month, and the consolidated balance sheet value of the investment trusts is ¥1,364,614 million (U.S. $10,219 million).*

*(*4) Included in investment income and investment expenses in the consolidated statement of income.*

*(*5) Included in net unrealized gains (losses) on available-for-sale securities of other comprehensive income (loss) in the consolidated statements of comprehensive income.*

b. Financial instruments whose consolidated balance sheet amount is not measured at fair value

	Millions of Yen								Millions of U.S. Dollars			
As of March 31	2023				2022				2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Monetary receivables purchased:	¥ —	¥ —	¥ 191,379	¥ 191,379	¥ —	¥ —	¥ 222,614	¥ 222,614	$ —	$ —	$ 1,433	$ 1,433
Held-to-maturity debt securities	—	—	19,664	19,664	—	—	23,602	23,602	—	—	147	147
Policy-reserve-matching bonds	—	—	171,715	171,715	—	—	199,011	199,011	—	—	1,285	1,285
Investments in securities*:	29,108,383	4,018,227	40,321	33,166,933	28,104,580	4,596,756	63,168	32,764,505	217,991	30,092	301	248,385
Held-to-maturity debt securities:	2,787	338,872	39,739	381,399	22,395	286,669	59,411	368,475	20	2,537	297	2,856
Bonds	672	79,325	—	79,998	2,582	59,276	—	61,858	5	594	—	599
Foreign securities	2,114	259,547	39,739	301,401	19,812	227,393	59,411	306,617	15	1,943	297	2,257
Policy-reserve-matching bonds:	29,105,596	3,624,398	582	32,730,576	28,082,185	4,235,733	3,757	32,321,676	217,970	27,142	4	245,117
Bonds	28,560,394	2,333,571	582	30,894,548	27,713,098	3,134,983	752	30,848,834	213,887	17,476	4	231,367
Foreign securities	545,201	1,290,827	—	1,836,028	369,087	1,100,749	3,004	1,472,841	4,082	9,666	—	13,749
Investments in subsidiaries and affiliates	—	54,956	—	54,956	—	74,353	—	74,353	—	411	—	411
Loans:	—	—	8,616,966	8,616,966	—	—	8,578,827	8,578,827	—	—	64,532	64,532
Policy loans	—	—	478,136	478,136	—	—	501,293	501,293	—	—	3,580	3,580
Industrial and consumer loans	—	—	8,138,830	8,138,830	—	—	8,077,533	8,077,533	—	—	60,951	60,951
Corporate bonds	—	1,309,936	26,117	1,336,053	—	1,510,104	26,222	1,536,327	—	9,810	195	10,005
Loans payable	—	881,000	132,457	1,013,457	—	719,324	123,436	842,760	—	6,597	991	7,589

** For the fiscal year ended March 31, 2022, the transitional measures of Paragraph 26 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" are applied, and investment trusts are not included. The consolidated balance sheet amount of the investment trusts is ¥10,787,120 million.*

(5) Descriptions of the valuation techniques and inputs used in fair value measurement of the major financial instruments of the Company and certain consolidated subsidiaries are as follows:

1) Securities and monetary receivables purchased that are treated as securities based on the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10)

The following applies to the fiscal year ended March 31, 2023.

Securities and monetary receivables purchased for which the unadjusted quoted price in an active market can be used are classified as Level 1 fair value. Listed stocks, national government bonds, and listed investment trusts are primarily included here. Cases where the market is not active even though the published quoted price was used are classified as Level 2 fair value. Local government bonds and corporate bonds are primarily included here. In cases where the published quoted price was not obtainable, the fair value is measured based on the valuation amount obtained through external information vendors or standard prices, etc. calculated by the management company. The fair value is classified as Level 2 when the valuation amount does not use unobservable inputs or the impact is not significant. The fair value is classified as Level 3 when significant unobservable inputs are used.

The following applies to the fiscal year ended March 31, 2022.

Securities and monetary receivables purchased for which the unadjusted quoted price in an active market can be used are classified as Level 1 fair value. Listed stocks and national government bonds are primarily included here. Cases where the market is not active even though the published quoted price was used are classified as Level 2 fair value. Local government bonds and corporate bonds are primarily included here. In cases where the published quoted price was not obtainable, the fair value is measured based on the valuation amount obtained through external information vendors. The fair value is classified as Level 2 when the valuation amount does not use unobservable inputs or the impact is not significant. The fair value is classified as Level 3 when significant unobservable inputs are used. Publicly available standard prices are used for investment trusts, the transitional measures of Paragraph 26 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" have been applied, and levels are not assigned.

2) Loans

a. Policy loans

Fair value is measured at the carrying amount of policy loans as the carrying amount approximates fair value due to expected repayment periods, interest rate requirements, and other conditions. These loans have no repayment date based on characteristics, such as the loan amount being limited to the extent of the surrender benefit, and are classified as Level 3.

b. Industrial and consumer loans

In cases where the borrower's credit status is not significantly different after executing the loan, fair value approximates carrying amount because market interest rates are reflected in future cash flows in the short term. Thus, carrying amount is used as fair value for variable interest rate loans. Fair value of fixed interest rate loans is measured by discounting cash flows to the present value using a discount rate reflecting credit and other risks to market interest for each classification based on the type of loan, internal rating, and period. This fair value is reflected for loans subject to designated hedge accounting ("*Furiate-shori*") for currency swaps and exceptional accounting treatment ("*Tokurei-shori*") for interest rate swaps.

Fair value of loans to legally or substantially bankrupt borrowers or borrowers who are not currently legally bankrupt but have a high probability of bankruptcy is measured by deducting the estimated uncollectible amount from the carrying amount prior to direct write-offs based on the present value of future cash flows or the amount expected to be collected based on collateral and guarantees.

All measured fair values are classified as Level 3.

3) Derivative financial instruments

Fair value for which the unadjusted quoted price in an active market can be used is classified as Level 1. Bond futures and equity index futures are primarily included here. When the published quoted price cannot be used, a valuation amount obtained from external information vendors is primarily used, or the valuation amount calculated by the Company. The fair value is classified as Level 2 when the valuation amount does not use unobservable inputs or the impact is not significant. The fair value is classified as Level 3 when significant unobservable inputs are used.

4) Corporate bonds

Fair value of corporate bonds whose fair value is measured at market price is classified as Level 2. Fair value of corporate bonds that have fixed interest and whose fair value is measured by discounting future cash flows to the present value using a discount at a rate corresponding to the expected remaining period is classified as Level 3. This fair value is reflected for corporate bonds subject to designated hedge accounting ("*Furiate-shori*") of currency swaps.

5) Loans payable

Fair value approximates carrying amount because market interest rates are reflected in future cash flows in the short term, and because the Company's credit status is not significantly different after executing the loans. Thus, carrying amount is used as fair value for variable interest rate loans, and their fair value is classified as Level 3. Fair value of fixed interest rate loans payable is measured, in principle, by discounting future cash flows to the present value using the expected rate in similar loans payable factoring in the Company's credit risk, and is classified as Level 3. However, loans payable financed by means of public offerings employing securitization schemes are measured at the market price of the corporate bonds issued to back the loans payable, and their fair value is classified as Level 2.

(6) Information on Level 3 fair value of financial instruments whose consolidated balance sheet amount is measured at fair value is as follows:

1) Quantitative information concerning significant unobservable inputs used in fair value measurement

Notes are omitted, as unobservable inputs are not estimated.

2) Reconciliation between the beginning and ending balances for the fiscal years ended March 31, 2023 and 2022, respectively, net unrealized gains (losses) recognized as gains (losses) for the fiscal years ended March 31, 2023 and 2022, respectively.

	Millions of Yen										Millions of U.S. Dollars				
As of March 31	2023					2022					2023				
	Monetary receivables purchased: Available-for-sale securities	Investments in securities: Available-for-sale securities	Derivative financial instruments: Interest rate-related	Derivative financial instruments: Currency-related	Derivative financial instruments: Others	Monetary receivables purchased: Available-for-sale securities	Investments in securities: Available-for-sale securities	Derivative financial instruments: Interest rate-related	Derivative financial instruments: Currency-related	Derivative financial instruments: Others	Monetary receivables purchased: Available-for-sale securities	Investments in securities: Available-for-sale securities	Derivative financial instruments: Interest rate-related	Derivative financial instruments: Currency-related	Derivative financial instruments: Others
Beginning balance for the consolidated fiscal year	¥48,843	¥579,733	¥116	—	¥947	¥55,136	¥1,377,995	¥ 69	¥(3,697)	¥5,198	$365	$4,341	$0	—	$7
Profit (loss) for the consolidated fiscal year:	(255)	8,349	(345)	—	(429)	(705)	13,423	(281)	—	(143)	(1)	62	(2)	—	(3)
Recorded as net income (loss)(*1)	385	18,399	(345)	—	(429)	342	40,851	(281)	—	(143)	2	137	(2)	—	(3)
Recorded as other comprehensive income (loss)(*2)	(641)	(10,049)	—	—	—	(1,047)	(27,428)	—	—	—	(4)	(75)	—	—	—
Purchased, sold, issued, and settled	(11,497)	(293,003)	342	—	389	(5,588)	(219,727)	328	—	637	(86)	(2,194)	2	—	2
Replaced with Level 3 fair value(*3)	—	1,903	—	—	—	—	2,203	—	—	—	—	14	—	—	—
Replaced from Level 3 fair value(*4)	—	(24,280)	—	—	—	—	(594,160)	—	3,697	(4,744)	—	(181)	—	—	—
Ending balance for the consolidated fiscal year	37,089	272,702	112	—	907	48,843	579,733	116	—	947	277	2,042	0	—	6
Valuation gains/losses of financial instruments held at the end of the consolidated fiscal year, included in profit/loss amounts for the consolidated fiscal year (*1)	—	5,628	(340)	—	(352)	—	12,606	(281)	—	77	—	42	(2)	—	(2)

*(*1) Included in investment income and investment expenses in consolidated statements of income.*

*(*2) Included in net unrealized gains (losses) on available-for-sale securities of other comprehensive income (loss) in consolidated statements of comprehensive income.*

*(*3) Replaced Level 1 or Level 2 fair value with Level 3 fair value, due to changes in the observability of the inputs used in fair value measurement. These replacements were made at the beginning of the consolidated fiscal year.*

*(*4) Replaced Level 3 fair value with Level 1 or Level 2 fair value, due to changes in the observability of the inputs used in fair value measurement. These replacements were made at the beginning of the consolidated fiscal year.*

3) Description of fair value valuation process

The Company and certain consolidated subsidiaries measure fair value based on internally decided policies concerning fair value measurement and have confirmed the validity of valuation techniques and inputs used in fair value measurement established in said policies as well as the appropriateness of fair value level classifications.

In measuring fair value, the valuation models able to most appropriately reflect the nature, characteristics, and risk of individual financial instruments are used. When using quoted prices obtained from third parties, the valuation techniques and inputs used are confirmed, and the validity of the prices is verified using appropriate techniques including comparison with fair value presented by other vendors.

4) Explanation concerning impacts on fair value when significant unobservable inputs are changed

Notes are omitted as unobservable inputs are not estimated.

Matters concerning fair value of financial instruments and others in the fiscal years ended March 31, 2021 are as follows:

(1) Consolidated balance sheet amounts and fair values of major financial instruments and their differences are as follows:

	Millions of Yen		
As of March 31	2021		
	Consolidated balance sheet amount(*1)	Fair value(*2)	Difference
Cash and deposits (negotiable certificates of deposit):	¥ 173,998	¥ 173,998	¥ —
Available-for-sale securities	173,998	173,998	—
Monetary receivables purchased:	316,335	326,751	10,415
Held-to-maturity debt securities	29,888	30,191	302
Policy-reserve-matching bonds	219,273	229,386	10,113
Available-for-sale securities	67,173	67,173	—
Assets held in trust:	135	135	—
Trading securities	135	135	—
Investments in securities:	69,552,982	73,044,186	3,491,203
Trading securities	1,440,294	1,440,294	—
Held-to-maturity debt securities	370,358	389,156	18,797
Policy-reserve-matching bonds	27,454,740	30,919,189	3,464,449
Investments in subsidiaries and affiliates	39,211	47,168	7,956
Available-for-sale securities	40,248,377	40,248,377	—
Loans(*3):	8,416,842	8,641,114	224,272
Policy loans	537,918	537,918	—
Industrial and consumer loans	7,878,923	8,103,196	224,272
Derivative financial instruments(*4):	(400,186)	(400,186)	—
Hedge accounting not applied	63,355	63,355	—
Hedge accounting applied	(463,541)	(463,541)	—
Corporate bonds(*3)	1,432,612	1,458,829	26,217
Payables under repurchase agreements	1,469,600	1,469,600	—
Loans payable(*3)	736,801	737,525	724

*(*1) For transactions for which an allowance for doubtful accounts was recorded, the amount of the allowance is deducted.*
*(*2) For securities for which impairment losses were recognized in the fiscal years ended March 31, 2021, the fair value is the consolidated balance sheet amount after the impairment losses are deducted.*
*(*3) The fair values of derivative financial instruments that are interest rate swaps under exceptional accounting treatment ("Tokurei-shori") or currency swaps under designated hedge accounting ("Furiate-shori") are included in the fair values of loans, corporate bonds, and loans payable because they are accounted for as an integral part of the loans, corporate bonds, and loans payable that are the hedged items.*
*(*4) Assets and liabilities generated by derivative financial instruments are offset and presented net. Net liabilities in total are presented in parentheses.*

(2) Fair value measurement methods for the major financial instruments of the Company and certain consolidated subsidiaries are as follows:

1) Securities, deposits, and monetary receivables purchased that are treated as securities based on the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10)

i) Items with a market price

Fair value is measured based on the closing market price on the consolidated balance sheet date. However, the fair values of available-for-sale domestic and foreign equity securities are based on the average market price over a one-month period prior to the consolidated balance sheet date.

ii) Items without a market price

Fair value is measured mainly by discounting future cash flows to present value or valuations obtained from external information vendors.

2) Loans

i) Policy loans

Fair value is measured at the carrying amount of policy loans as the carrying amount approximates fair value due to expected repayment periods, interest rate requirements, and other conditions. These loans have no repayment date based on characteristics, such as the loan amount being limited to the extent of the surrender benefit.

ii) Industrial and consumer loans

Carrying amount of variable interest rate loans approximates fair value because market interest rates are reflected in future cash flows over the short term. Thus, carrying amount is used as fair value for variable interest rate loans. Fair value of fixed interest rate loans is measured mainly by discounting future cash flows to present value.

Fair value of loans to legally or substantially bankrupt borrowers or borrowers who are not currently legally bankrupt but have a high probability of bankruptcy is measured by deducting the estimated uncollectible amount from the carrying amount prior to direct write-offs.

3) Derivative financial instruments

i) Fair value of futures and other market transactions is measured by the liquidation value or closing market price on the consolidated balance sheet date.

ii) Fair value of equity options is measured mainly based on liquidation value or closing market price on the consolidated balance sheet date or valuations obtained from external information vendors.

iii) Fair value of interest rate swaps, interest rate swaptions, foreign exchange contracts, currency options, currency swaps, and forward contracts is measured mainly based on valuations obtained from external parties.

4) Assets held in trust

Fair value is based on a reasonably calculated price by the trustee of the assets held in trust, in accordance with the calculation methods set forth in 1) and 3) above.

5) Corporate bonds

Corporate bonds are stated at fair value on the consolidated balance sheet date.

6) Payables under repurchase agreements

The carrying amount approximates fair value due to their short-term settlement.

7) Loans payable

Carrying amount of variable interest rate loans payable approximates fair value because market interest rates are reflected in future cash flows over the short term. Thus, carrying amount is used as fair value for variable interest rate loans payable. Fair value of fixed interest rate loans payable is measured, in principle, by discounting future cash flows to present value; however, loans payable financed by means of public offerings employing securitization schemes are measured at the fair value of the corporate bonds issued to back the loans payable.

(3) Unlisted equity securities, investments in partnerships whereby partnership assets consist of unlisted equity securities, and other items of which the fair value is extremely difficult to determine are not included in investments in securities in table (1).

Consolidated balance sheet amounts were ¥1,188,648 million.

(4) Matters regarding securities and others by holding purpose are as follows:

1) Trading securities

Derivative financial instruments within assets held in trust, investments in securities for separate accounts and certain other securities are classified as trading securities. Valuation gains/losses included in profit and loss were gains of ¥84,677 million.

2) Held-to-maturity debt securities

Consolidated balance sheet amounts, fair values, and their differences by type are as follows:

	Millions of Yen		
As of March 31	2021		
Type	Consolidated balance sheet amount	Fair value	Difference
Fair value exceeds the consolidated balance sheet amount:			
Monetary receivables purchased	¥ 20,024	¥ 20,523	¥ 499
Bonds	56,833	58,059	1,225
Foreign securities	274,331	292,190	17,859
Subtotal	351,189	370,773	19,584
Fair value does not exceed the consolidated balance sheet amount:			
Monetary receivables purchased	9,864	9,667	(196)
Bonds	3,400	3,398	(1)
Foreign securities	35,794	35,508	(285)
Subtotal	49,058	48,574	(484)
Total	¥400,247	¥419,348	¥19,100

3) Policy-reserve-matching bonds

Consolidated balance sheet amounts, fair values, and their differences by type are as follows:

As of March 31	Millions of Yen 2021		
Type	Consolidated balance sheet amount	Fair value	Difference
Fair value exceeds the consolidated balance sheet amount:			
Monetary receivables purchased	¥ 214,203	¥ 224,354	¥ 10,150
Bonds	22,123,969	25,651,315	3,527,346
Foreign securities	997,047	1,092,943	95,896
Subtotal	23,335,220	26,968,614	3,633,393
Fair value does not exceed the consolidated balance sheet amount:			
Monetary receivables purchased	5,069	5,032	(37)
Bonds	4,171,431	4,018,029	(153,401)
Foreign securities	162,291	156,899	(5,392)
Subtotal	4,338,793	4,179,962	(158,831)
Total	¥27,674,013	¥31,148,576	¥3,474,562

4) Available-for-sale securities

Acquisition cost or amortized cost, consolidated balance sheet amounts, and their differences by type are as follows:

As of March 31	Millions of Yen 2021		
Type	Acquisitioncost or amortized cost	Consolidated balance sheet amount	Difference
Consolidated balance sheet amount exceeds acquisition cost or amortized cost:			
Cash and deposits (negotiable certificates of deposit)	¥ 55,000	¥ 55,000	¥ 0
Monetary receivables purchased	32,897	34,123	1,225
Bonds	3,292,971	3,528,599	235,627
Domestic stocks	3,755,368	9,791,532	6,036,164
Foreign securities	17,032,482	20,192,468	3,159,985
Other securities	2,232,400	2,463,052	230,651
Subtotal	26,401,122	36,064,776	9,663,654
Consolidated balance sheet amount does not exceed acquisition cost or amortized cost:			
Cash and deposits (negotiable certificates of deposit)	119,000	118,998	(1)
Monetary receivables purchased	33,422	33,050	(372)
Bonds	536,059	524,379	(11,679)
Domestic stocks	722,124	574,157	(147,966)
Foreign securities	2,220,427	2,144,908	(75,519)
Other securities	1,045,053	1,029,278	(15,774)
Subtotal	4,676,087	4,424,772	(251,314)
Total	¥31,077,209	¥40,489,548	¥9,412,339

** Securities totaling ¥792,035 million, whose fair values are extremely difficult to determine, as of March 31, 2021, are not included.*

Impairment losses of ¥1,502 million were recognized for securities with a fair value in the fiscal year ended March 31, 2021.

Regarding Domestic stocks and foreign stocks (included in Foreign securities), with fair values of the Company and certain consolidated subsidiaries, impairment losses are recognized for stocks whose fair value has declined significantly from the acquisition price based on the average fair value in the last month of the fiscal year, in principle. However, in the case of a security that meets certain criteria, such as a security for which the fair value declines substantially and the decline in the fair value in the last month of the fiscal year is substantial, impairment losses are recognized based on the fair value on the fiscal year-end date.

The criteria by which the fair value of a stock is deemed to have declined significantly are as follows:

a. A security for which the ratio of the average fair value in the last month of the fiscal year to the acquisition cost is 50% or less.
b. A security that meets both of the following criteria:
   1. Average fair value in the last month of the fiscal year is between 50% and 70% of its acquisition cost.
   2. The historical fair value, the business conditions of the issuing company and other aspects are subject to certain requirements.

(5) Scheduled repayment amounts for the main monetary claims and liabilities and redemption amounts for securities with maturities are as follows:

As of March 31, 2021	Millions of Yen			
	1 year or under	Over 1 year under 5 years	Over 5 years under 10 years	Over 10 years
Cash and deposits (negotiable certificates of deposit):	¥ 174,000	¥ —	¥ —	¥ —
Available-for-sale securities	174,000	—	—	—
Monetary receivables purchased:	6,109	4,822	48,017	254,861
Held-to-maturity debt securities	—	—	—	29,093
Policy-reserve-matching bonds	109	2,522	42,206	174,309
Available-for-sale securities	6,000	2,300	5,810	51,458
Investments in securities:	1,319,939	6,787,566	13,980,804	32,172,987
Held-to-maturity debt securities	34,145	160,709	107,106	68,082
Policy-reserve-matching bonds	424,632	3,045,759	5,119,545	18,612,509
Available-for-sale securities	861,161	3,581,098	8,754,152	13,492,395
Loans(*1)	1,026,193	2,684,253	2,096,703	2,042,787
Corporate bonds(*2)	—	—	—	1,371,512
Payables under repurchase agreements	1,469,600	—	—	—
Loans payable(*3)	32,090	82,261	2,450	520,000

*(*1) Loans such as policy loans which do not have a stated maturity date are not included. Also, ¥6,800 million in loans to legally or substantially bankrupt borrowers or borrowers who are not currently legally bankrupt but have a high probability of bankruptcy are not included.*
*(*2) Subordinated corporate bonds, and others that do not have a stated maturity date are not included in the table above.*
*(*3) Subordinated loans payable which do not have a stated maturity date are not included.*

(6) Data on fair value of derivative transactions

i) Hedge accounting not applied

a. Interest rate-related

	Millions of Yen												Millions of U.S. Dollars			
As of March 31	2023				2022				2021				2023			
	Contract amount				Contract amount				Contract amount				Contract amount			
		Over 1 year	Fair value	Net gains (losses)		Over 1 year	Fair value	Net gains (losses)		Over 1 year	Fair value	Net gains (losses)		Over 1 year	Fair value	Net gains (losses)
Over-the-counter:																
Interest rate swaps																
Receive fixed interest rate / pay variable interest rate	¥3,951,103	¥2,916,680	¥(59,898)	¥(59,898)	¥3,423,666	¥2,624,473	¥(68,446)	¥(68,446)	¥2,763,963	¥2,404,226	¥25,710	¥25,710	$29,589	$21,842	$(448)	$(448)
Pay fixed interest rate / receive variable interest rate	1,855,086	1,573,743	100,888	100,888	1,348,550	1,300,852	93,627	93,627	1,421,581	1,349,037	31,267	31,267	13,892	11,785	755	755
Pay variable interest rate / receive variable interest rate	—	—	—	—	67,000	—	12	12	—	—	—	—	—	—	—	—
Interest rate swaption																
Purchased																
Receive fixed interest rate / pay variable interest rate	1,013,000	833,000	4,946	(30,574)	1,383,000	1,205,500	23,311	(25,952)	1,330,000	1,300,000	20,605	(26,539)	7,586	6,238	37	(228)
	[35,520]	[34,611]			[49,264]	[46,699]			[47,145]	[46,951]			[266]	[259]		
Total				¥10,415				¥ (759)				¥30,438				$77

Notes: 1. Brackets show option premiums recorded in the consolidated balance sheets.
2. Amounts in "Net gains (losses)" column are represented in fair value for swap transactions, and the difference between the option premiums and fair value for options transactions.

b. Currency-related

As of March 31						Millions of Yen 2023	2022	2021	Millions of U.S. Dollars 2023
Over-the-counter	**Foreign exchange forward contracts**	**Sold**		U.S. dollar	Contract amount	¥2,706,373	¥2,087,625	¥ 961,792	$20,267
					Over 1 year	—	—	4,808	—
					Fair value	(5,416)	(135,243)	(44,091)	(40)
					Net gains (losses)	(5,416)	(135,243)	(44,091)	(40)
				Euro	Contract amount	726,759	791,717	814,452	5,442
					Over 1 year	—	—	—	—
					Fair value	(21,731)	(39,326)	(18,192)	(162)
					Net gains (losses)	(21,731)	(39,326)	(18,192)	(162)
				Australian dollar	Contract amount	281,708	432,873	636,891	2,109
					Over 1 year	—	—	—	—
					Fair value	740	(28,910)	(45,725)	5
					Net gains (losses)	740	(28,910)	(45,725)	5
				British pound	Contract amount	591,130	490,023	371,866	4,426
					Over 1 year	—	—	—	—
					Fair value	(17,096)	(14,813)	(17,953)	(128)
					Net gains (losses)	(17,096)	(14,813)	(17,953)	(128)
				Others	Contract amount	165,187	285,789	64,304	1,237
					Over 1 year	—	—	—	—
					Fair value	(2,255)	(10,164)	(1,623)	(16)
					Net gains (losses)	(2,255)	(10,164)	(1,623)	(16)
				Subtotal	**Contract amount**	**4,471,158**	**4,088,029**	**2,849,308**	**33,484**
					Over 1 year	**—**	**—**	**4,808**	**—**
					Fair value	**(45,759)**	**(228,458)**	**(127,586)**	**(342)**
					Net gains (losses)	**(45,759)**	**(228,458)**	**(127,586)**	**(342)**
		Purchased		U.S. dollar	Contract amount	2,759,845	2,159,006	919,365	20,668
					Over 1 year	—	—	—	—
					Fair value	(61,444)	138,588	46,281	(460)
					Net gains (losses)	(61,444)	138,588	46,281	(460)
				Euro	Contract amount	77,639	104,821	52,750	581
					Over 1 year	—	—	—	—
					Fair value	1,570	3,095	(10)	11
					Net gains (losses)	1,570	3,095	(10)	11
				Australian dollar	Contract amount	126,298	298,033	589,649	945
					Over 1 year	—	—	—	—
					Fair value	(126)	13,782	49,920	(0)
					Net gains (losses)	(126)	13,782	49,920	(0)
				Others	Contract amount	383,493	406,766	166,262	2,871
					Over 1 year	—	—	—	—
					Fair value	4,386	7,749	504	32
					Net gains (losses)	4,386	7,749	504	32
				Subtotal	**Contract amount**	**3,347,276**	**2,968,628**	**1,728,027**	**25,067**
					Over 1 year	**—**	**—**	**—**	**—**
					Fair value	**(55,613)**	**163,215**	**96,696**	**(416)**
					Net gains (losses)	**(55,613)**	**163,215**	**96,696**	**(416)**
	Currency option	**Sold**	**Call**	U.S. dollar	Contract amount	— [—]	— [—]	— [—]	— [—]
					Over 1 year	— [—]	— [—]	— [—]	— [—]
					Fair value	—	—	—	—
					Net gains (losses)	—	—	—	—
				Subtotal	**Contract amount**	**— [—]**	**— [—]**	**— [—]**	**— [—]**
					Over 1 year	**— [—]**	**— [—]**	**— [—]**	**— [—]**
					Fair value	**—**	**—**	**—**	**—**
					Net gains (losses)	**—**	**—**	**—**	**—**
			Put	U.S. dollar	Contract amount	— [—]	— [—]	166,065 [486]	— [—]
					Over 1 year	— [—]	— [—]	— [—]	— [—]
					Fair value	—	—	43	—
					Net gains (losses)	—	—	442	—
				Subtotal	**Contract amount**	**— [—]**	**— [—]**	**166,065 [486]**	**— [—]**
					Over 1 year	**— [—]**	**— [—]**	**— [—]**	**— [—]**
					Fair value	**—**	**—**	**43**	**—**
					Net gains (losses)	**—**	**—**	**442**	**—**

As of March 31					Millions of Yen 2023	2022	2021	Millions of U.S. Dollars 2023
	Purchased	**Call**	U.S. dollar	Contract amount	¥ —	¥ —	¥ —	$ —
					[—]	[—]	[—]	[—]
				Over 1 year	—	—	—	—
					[—]	[—]	[—]	[—]
				Fair value	—	—	—	—
				Net gains (losses)	—	—	—	—
			Subtotal	**Contract amount**	**—**	**—**	**—**	**—**
					[—]	**[—]**	**[—]**	**[—]**
				Over 1 year	**—**	**—**	**—**	**—**
					[—]	**[—]**	**[—]**	**[—]**
				Fair value	**—**	**—**	**—**	**—**
				Net gains (losses)	**—**	**—**	**—**	**—**
		Put	U.S. dollar	Contract amount	133,530	948,522	1,162,455	1,000
					[1,523]	[4,460]	[13,806]	[11]
				Over 1 year	—	—	—	—
					[—]	[—]	[—]	[—]
				Fair value	472	906	940	3
				Net gains (losses)	(1,050)	(3,554)	(12,866)	(7)
			Subtotal	**Contract amount**	**133,530**	**948,522**	**1,162,455**	**1,000**
					[1,523]	**[4,460]**	**[13,806]**	**[11]**
				Over 1 year	**—**	**—**	**—**	**—**
					[—]	**[—]**	**[—]**	**[—]**
				Fair value	**472**	**906**	**940**	**3**
				Net gains (losses)	**(1,050)**	**(3,554)**	**(12,866)**	**(7)**
	Currency swaps		U.S. dollar paid / ¥ received	Contract amount	127,968	115,553	125,334	958
				Over 1 year	103,364	76,078	116,633	774
				Fair value	(15,386)	(13,503)	(5,717)	(115)
				Net gains (losses)	(15,386)	(13,503)	(5,717)	(115)
			Euro paid / ¥ received	Contract amount	35,660	10,521	11,865	267
				Over 1 year	33,037	10,521	10,521	247
				Fair value	(747)	(261)	(201)	(5)
				Net gains (losses)	(747)	(261)	(201)	(5)
			¥ paid / AU$ received	Contract amount	52,499	74,431	110,319	393
				Over 1 year	51,718	71,826	110,319	387
				Fair value	1,518	7,582	11,700	11
				Net gains (losses)	1,518	7,582	11,700	11
			U.S. doller paid / AU$ received	Contract amount	42,684	42,870	28,861	319
				Over 1 year	39,993	40,726	27,773	299
				Fair value	546	3,045	2,643	4
				Net gains (losses)	546	3,045	2,643	4
			Others	Contract amount	34,556	25,252	17,391	258
				Over 1 year	34,556	25,252	17,391	258
				Fair value	1,198	1,550	342	8
				Net gains (losses)	1,198	1,550	342	8
			Subtotal	**Contract amount**	**293,369**	**268,630**	**293,771**	**2,197**
				Over 1 year	**262,670**	**224,405**	**282,638**	**1,967**
				Fair value	**(12,869)**	**(1,586)**	**8,766**	**(96)**
				Net gains (losses)	**(12,869)**	**(1,586)**	**8,766**	**(96)**
	Others		Total returns	Contract amount	—	—	37,000	—
				Over 1 year	—	—	—	—
				Fair value	—	—	53	—
				Net gains (losses)	—	—	53	—
			Subtotal	**Contract amount**	**—**	**—**	**37,000**	**—**
				Over 1 year	**—**	**—**	**—**	**—**
				Fair value	**—**	**—**	**53**	**—**
				Net gains (losses)	**—**	**—**	**53**	**—**
Total				**Net gains (losses)**	**¥ (115,294)**	**¥ (70,383)**	**¥ (34,494)**	**$ (863)**

Notes: 1. Brackets show option premiums recorded in the consolidated balance sheets.
2. Amounts in "Net gains (losses)" column are represented in fair value for forward transactions, swap transactions and others, and the difference between option premiums and fair value for options transactions.

c. Equity-related

As of March 31					Millions of Yen 2023	2022	2021	Millions of U.S. Dollars 2023
Exchange-traded	**Equity index futures**	**Sold**		Contract amount	¥ 18,175	¥ —	¥ 570	$ 136
				Over 1 year	—	—	—	—
				Fair value	(436)	—	(9)	(3)
				Net gains (losses)	(436)	—	(9)	(3)
		Purchased		Contract amount	78,390	65,394	41,207	587
				Over 1 year	—	—	—	—
				Fair value	768	1,406	375	5
				Net gains (losses)	768	1,406	375	5
	Equity index options	**Purchased**	**Put**	Contract amount	511,196	504,402	75,864	3,828
					[5,475]	[5,646]	[793]	41
				Over 1 year	—	—	—	—
					[—]	[—]	[—]	—
				Fair value	1,114	1,492	5	8
				Net gains (losses)	(4,360)	(4,154)	(787)	(32)
Over-the-counter	**Equity forward contracts**	**Sold**		Contract amount	—	—	—	—
				Over 1 year	—	—	—	—
				Fair value	—	(62)	(2)	(0)
				Net gains (losses)	—	(62)	(2)	(0)
	Equity index forward contracts	**Sold**		Contract amount	302	492	1,182	2
				Over 1 year	—	—	—	—
				Fair value	2	(58)	(37)	(0)
				Net gains (losses)	2	(58)	(37)	(0)
		Purchased		Contract amount	54,054	—	—	404
				Over 1 year	54,054	—	—	404
				Fair value	(124)	—	—	(0)
				Net gains (losses)	(124)	—	—	(0)
	Equity index options	**Purchased**	**Call**	Contract amount	11,262	11,869	2,767	84
					[1,259]	[870]	[232]	9
				Over 1 year	—	—	—	—
					[—]	[—]	[—]	—
				Fair value	907	947	454	6
				Net gains (losses)	(352)	77	221	(2)
			Put	Contract amount	74,674	378,927	437,682	559
					[744]	[4,762]	[6,260]	5
				Over 1 year	38,220	36,167	147,936	286
					[320]	[423]	[2,393]	2
				Fair value	219	876	1,856	1
				Net gains (losses)	(524)	(3,886)	(4,404)	(3)
Total				**Net gains (losses)**	**¥ (5,027)**	**¥ (6,678)**	**¥ (4,644)**	**$ (37)**

Notes: 1. Brackets show option premiums recorded in the consolidated balance sheets.
2. Amounts in "Net gains (losses)" column are represented in fair value for futures and forward transactions, and the difference between option premiums and fair value for options transactions.

d. Bond-related

As of March 31	Millions of Yen												Millions of U.S. Dollars			
	2023				2022				2021				2023			
	Contract amount				Contract amount				Contract amount				Contract amount			
		Over 1 year	Fair value	Net gains (losses)		Over 1 year	Fair value	Net gains (losses)		Over 1 year	Fair value	Net gains (losses)		Over 1 year	Fair value	Net gains (losses)
Exchange-traded:																
Japanese yen-denominated bond futures																
Sold	¥ 3,260	¥ —	¥ 1	¥ 1	¥ 24,791	¥ —	¥ (58)	¥ (58)	¥ 18,749	¥ —	¥ 6	¥ 6	$ 24	¥ —	$ 0	$ 0
Purchased	59,110	—	(10)	(10)	—	—	—	—	—	—	—	—	442	—	(0)	(0)
Foreign currency-denominated bond futures																
Sold	17,001	—	(609)	(609)	44,950	—	106	106	22,634	—	103	103	127	—	(4)	(4)
Purchased	97,088	—	1,998	1,998	136,480	—	(1,403)	(1,403)	102,562	—	(305)	(305)	727	—	14	14
Over-the-counter transactions																
Bond purchases and sales with attached options																
Purchased																
Call	100,656	100,656	2,787	(3,071)	65,754	65,754	2,867	(64)	—	—	—	—	753	753	20	(22)
	[5,859]	[5,859]			[2,932]	[2,932]			[—]	[—]			[43]	[43]		
Total				¥(1,691)				¥(1,420)				¥(195)				$(12)

Notes: 1. Brackets show option premiums recorded in the consolidated balance sheets.
2. Amounts in "Net gains (losses)" column are represented in fair value for futures transactions, and the difference between option premiums and fair value for options transactions.

e. Others

As of March 31	Millions of Yen												Millions of U.S. Dollars			
	2023				2022				2021				2023			
	Contract amount				Contract amount				Contract amount				Contract amount			
		Over 1 year	Fair value	Net gains (losses)		Over 1 year	Fair value	Net gains (losses)		Over 1 year	Fair value	Net gains (losses)		Over 1 year	Fair value	Net gains (losses)
Over-the-counter:																
Credit default swaps																
Sold	¥346,382	¥317,016	¥(111)	¥(111)	¥319,890	¥296,610	¥3,021	¥3,021	¥307,959	¥286,549	¥4,744	¥4,744	$2,594	$2,374	$(0)	$(0)
Purchased	15,672	12,562	(163)	(163)	16,743	14,551	(281)	(281)	12,270	12,270	(245)	(245)	117	94	(1)	(1)
Total				¥(275)				¥2,740				¥4,499				$(2)

Note: Amounts in "Net gains (losses)" column are represented in fair value.

ii) Hedge accounting applied

a. Interest rate-related

As of March 31	Millions of Yen										Millions of U.S. Dollars		
	2023			2022			2021			2023		
	Contract amount			Contract amount			Contract amount			Contract amount		
		Over 1 year	Fair value		Over 1 year	Fair value		Over 1 year	Fair value		Over 1 year	Fair value
Over-the-counter:												
Deferred hedge accounting (main hedged items: insurance liabilities):												
Interest rate swaps												
Receive fixed interest rate / pay variable interest rate	¥3,200,600	¥3,200,600	¥(194,117)	¥2,765,000	¥2,765,000	¥(66,927)	¥2,265,000	¥2,265,000	¥25,566	$23,969	$23,969	$(1,453)
Deferred hedge accounting (main hedged items: loans):												
Interest rate swaps												
Receive fixed interest rate / pay variable interest rate	6,000	—	(1)	6,000	6,000	(7)	10,000	6,000	1	44	—	(0)

b. Currency-related

As of March 31							Millions of Yen 2023	2022	2021	Millions of U.S. Dollars 2023
Over-the-counter	**Fair value hedge accounting**	**Foreign exchange forward contacts**	**Sold**	U.S. dollar	**Foreign currency-denominated bonds (main hedged items)**	Contract amount	¥3,622,077	¥3,269,826	¥2,639,247	$27,125
						Over 1 year	—	—	—	—
						Fair value	33,529	(198,464)	(116,379)	251
				Euro		Contract amount	1,093,356	2,642,205	2,483,544	8,188
						Over 1 year	—	—	—	—
						Fair value	(32,299)	(144,244)	(56,716)	(241)
				Others		Contract amount	171,965	784,933	918,719	1,287
						Over 1 year	—	—	—	—
						Fair value	(1,687)	(57,039)	(51,389)	(12)
				Total		**Contract amount**	**4,887,399**	**6,696,966**	**6,041,511**	**36,601**
						Over 1 year	**—**	**—**	**—**	**—**
						Fair value	**(457)**	**(399,749)**	**(224,485)**	**(3)**
	Deferred hedge accounting	**Foreign exchange forward contacts**	**Sold**	U.S. dollar	**Investment trust (main hedged items)**	Contract amount	1,129	1,264	1,239	8
						Over 1 year	—	—	—	—
						Fair value	(24)	(73)	(65)	(0)
				Total		**Contract amount**	**1,129**	**1,264**	**1,239**	**8**
						Over 1 year	**—**	**—**	**—**	**—**
						Fair value	**(24)**	**(73)**	**(65)**	**(0)**
		Currency swaps		U.S. dollar paid / ¥ received	**Foreign currency-denominated bonds (main hedged items)**	Contract amount	3,935,369	3,284,475	2,862,781	29,471
						Over 1 year	3,811,852	3,216,784	2,773,843	28,546
						Fair value	(317,578)	(312,533)	(77,011)	(2,378)
				€ paid / ¥ received		Contract amount	1,352,198	1,257,627	1,209,486	10,126
						Over 1 year	1,289,364	1,243,609	1,181,149	9,655
						Fair value	(17,345)	(91,450)	(125,420)	(129)
				£ paid / ¥ received		Contract amount	525,304	475,578	449,614	3,933
						Over 1 year	520,554	475,578	447,796	3,898
						Fair value	7,050	(47,732)	(46,781)	52
				Others		Contract amount	9,631	5,008	5,008	72
						Over 1 year	9,631	5,008	5,008	72
						Fair value	54	(572)	(473)	0
				Total		**Contract amount**	**5,822,504**	**5,022,689**	**4,526,891**	**43,604**
						Over 1 year	**5,631,403**	**4,940,980**	**4,407,797**	**42,173**
						Fair value	**(327,818)**	**(452,289)**	**(249,687)**	**(2,455)**

c. Equity-related

As of March 31	Millions of Yen 2023			2022			2021			Millions of U.S. Dollars 2023		
	Contract amount			Contract amount			Contract amount			Contract amount		
		Over 1 year	Fair value		Over 1 year	Fair value		Over 1 year	Fair value		Over 1 year	Fair value
Over-the-counter:												
Fair value hedge accounting (main hedged items: domestic stocks):												
Equity forward contracts:												
Sold	¥48,309	¥ —	¥(1,950)	¥158,141	¥ —	¥6,712	¥54,244	¥ —	¥(14,871)	$361	¥ —	$(14)

d. Bond-related

No ending balance as of March 31, 2023, 2022 and 2021.

e. Others

No ending balance as of March 31, 2023, 2022 and 2021.

7. Disclosures about Fair Value of Investment and Rental Properties

The consolidated balance sheet amounts for investment and rental properties were ¥1,293,738 million (U.S. $9,688 million), ¥1,293,227 million and ¥1,319,874 million, with a fair value of ¥1,835,222 million (U.S. $13,743 million), ¥1,766,342 million, and ¥1,736,904 million as of March 31, 2023, 2022 and 2021, respectively. The Company and certain consolidated subsidiaries own rental office buildings and commercial facilities, the fair value of which at year-end is the amount measured based mainly on the "Real Estate Appraisal Standards." The amounts corresponding to asset retirement obligations that were included in the consolidated balance sheet amounts of investment and rental properties were ¥4,386 million (U.S. $32 million), ¥4,089 million and ¥3,313 million as of March 31, 2023, 2022 and 2021, respectively.

8. Securities Loaned and Borrowed

The amounts of securities lent under lending agreements were ¥1,371,116 million (U.S. $10,268 million), ¥2,435,440 million and ¥3,028,877 million as of March 31, 2023, 2022 and 2021, respectively.

Assets that can be sold or resecured are marketable securities borrowed under lending agreements. These assets were held without being sold or resecured and totaled ¥132,566 million (U.S. $992 million), ¥402,310 million and ¥389,126 million at fair value as of March 31, 2023, 2022 and 2021, respectively.

9. Accumulated Depreciation

The amounts of accumulated depreciation of tangible fixed assets were ¥1,286,120 million (U.S. $9,631 million), ¥1,259,385 million and ¥1,203,751 million as of March 31, 2023, 2022 and 2021, respectively.

10. Separate Accounts

Separate account assets as provided for in Article 118, Paragraph 1 of the Insurance Business Act were ¥1,371,540 million (U.S. $10,271 million), ¥1,442,281 million and ¥1,459,633 million as of March 31, 2023, 2022 and 2021, respectively, and a corresponding liability is recorded in the same amount. The amounts of separate accounts are included in the respective account balance on the consolidated balance sheets.

11. Reserve for Dividends to Policyholders (mutual company)

A reserve for dividends to policyholders (mutual company) is recognized to reserve dividends to policyholders of the parent company, which is a mutual company.

Changes in the reserve for dividends to policyholders (mutual company) for the fiscal years ended March 31, 2023, 2022 or 2021, were as follows:

	Millions of Yen			Millions of U.S. Dollars
	2023	2022	2021	2023
Balance at the beginning of the fiscal year	¥1,060,577	¥1,046,832	¥1,043,785	$7,942
Transfer to reserve from surplus in the previous fiscal year	199,868	276,006	185,145	1,496
Dividends paid to policyholders during the fiscal year	(209,674)	(283,608)	(203,557)	(1,570)
Increase in interest	21,174	21,346	21,458	158
Balance at the end of the fiscal year	¥1,071,945	¥1,060,577	¥1,046,832	$8,027

12. Reserve for Dividends to Policyholders (limited company)

A reserve for dividends to policyholders (limited company) is recognized to reserve dividends to policyholders of subsidiaries, which are limited companies.

Changes in the reserve for dividends to policyholders (limited company) for the fiscal years ended March 31, 2023, 2022 and 2021, were as follows:

	Millions of Yen			Millions of U.S. Dollars
	2023	2022	2021	2023
Balance at the beginning of the fiscal year	¥53,297	¥54,738	¥56,750	$399
Dividends paid to policyholders during the fiscal year	(13,852)	(14,290)	(13,988)	(103)
Increase in interest	8	9	10	0
Provision for reserve for dividends to policyholders (limited company)	11,593	12,839	11,966	86
Balance at the end of the fiscal year	¥51,046	¥53,297	¥54,738	$382

13. Corporate Bonds

Corporate bonds within liabilities are subordinated corporate bonds with special provisions that subordinate the fulfillment of obligations on the bonds to all other debt obligations.

The corporate bonds are callable at the discretion of the issuer, subject to the approval of the regulatory authority and other conditions.

The issuance dates and callable dates of the subordinated corporate bonds are as follows:

Balance as of March 31, 2023, 2022 and 2021

Issuer	Bond	Issue date	Millions of Yen			Millions of U.S. dollars	Interest rate (%)	Collateral	Maturity	Callable dates
			2023	2022	2021	2023				
Nippon Life	U.S. dollar-denominated subordinated corporate bonds	October 2012	— —	¥157,040 $(2,000 million)	¥157,040 $(2,000 million)	—	5.00%	None	October 2042	Each interest payment date on or after October 2022
Nippon Life	U.S. dollar-denominated subordinated corporate bonds	October 2014	242,550 $(2,250 million)	242,550 $(2,250 million)	242,550 $(2,250 million)	1,816	5.10%	None	October 2044	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
Nippon Life	U.S. dollar-denominated subordinated corporate bonds	January 2016	176,235 $(1,500 million)	176,235 $(1,500 million)	176,235 $(1,500 million)	1,319	4.70%	None	January 2046	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
Nippon Life	U.S. dollar-denominated subordinated corporate bonds	September 2017	88,064 $ (800 million)	88,064 $ (800 million)	88,064 $ (800 million)	659	4.00%	None	September 2047	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
Nippon Life	U.S. dollar-denominated subordinated corporate bonds	January 2020	126,431 $(1,150 million)	126,431 $(1,150 million)	126,431 $(1,150 million)	946	3.40%	None	January 2050	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
Nippon Life	U.S. dollar-denominated subordinated corporate bonds	January 2021	166,192 $(1,600 million)	166,192 $(1,600 million)	166,192 $(1,600 million)	1,244	2.75%	None	January 2051	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
Nippon Life	U.S. dollar-denominated subordinated corporate bonds	September 2021	98,793 $ (900 million)	98,793 $ (900 million)	— —	739	2.90%	None	September 2051	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
Nippon Life	Subordinated corporate bonds	April 2015	75,000	75,000	75,000	561	1.52%	None	April 2045	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
Nippon Life	Subordinated corporate bonds	April 2016	70,000	70,000	70,000	524	0.94%	None	April 2046	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
Nippon Life	Subordinated corporate bonds	April 2016	30,000	30,000	30,000	224	1.12%	None	April 2051	Fifteenth anniversary date after the issue date and on each fifth anniversary date thereafter
Nippon Life	Subordinated corporate bonds	November 2016	75,000	75,000	75,000	561	0.91%	None	November 2046	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
Nippon Life	Subordinated corporate bonds	November 2016	15,000	15,000	15,000	112	1.10%	None	November 2051	Fifteenth anniversary date after the issue date and on each fifth anniversary date thereafter
Nippon Life	Subordinated corporate bonds	April 2017	100,000	100,000	100,000	748	1.05%	None	April 2047	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
Taiju Life	Perpetual subordinated corporate bond	July 2016	—	—	30,000	—	0.74%	None	No maturity date	Each interest payment date on or after July 2021
Taiju Life	Subordinated corporate bonds	July 2016	50,000	50,000	50,000	374	0.86%	None	July 2046	Each interest payment date on or after July 2026
Taiju Life	Subordinated corporate bonds	July 2021	40,000	40,000	—	299	0.74%	None	July 2051	Each interest payment date on or after July 2026
Nippon Wealth Life	Perpetual subordinated corporate bond	December 2015	17,600	17,600	17,600	131	2.32%	None	No maturity date	Tenth anniversary date after the issue date and on each half anniversary date thereafter

Balance as of March 31, 2023, 2022 and 2021

Issuer	Bond	Issue date	Millions of Yen			Millions of U.S. dollars	Interest rate (%)	Collateral	Maturity	Callable dates
			2023	2022	2021	2023				
Nippon Wealth Life	Perpetual subordinated corporate bond	February 2017	—	—	5,500	—	1.42%	None	No maturity date	Fifth anniversary date after the issue date and on each half anniversary date thereafter
Nippon Wealth Life	Perpetual subordinated corporate bond	February 2017	5,700	5,700	5,700	42	1.64%	None	No maturity date	Tenth anniversary date after the issue date and on each half anniversary date thereafter
Nippon Wealth Life	Perpetual subordinated corporate bond	February 2017	2,300	2,300	2,300	17	1.94%	None	No maturity date	Fifteenth anniversary date after the issue date and on each half anniversary date thereafter
Total			¥1,378,865	¥1,535,905	¥1,432,612	$10,326				

1. Figures enclosed in parentheses for the balances as of March 31, 2023, 2022 and 2021 are the balances in foreign currencies.
2. "Furiate-shori" for currency swaps are applied to hedge the cash flow volatility caused by foreign exchange rate fluctuations on U.S. dollar-denominated subordinated corporate bonds.

14. Other Liabilities

Other liabilities include subordinated loans payable of ¥931,000 million (U.S. $6,972 million), ¥730,000 million and ¥620,000 million as of March 31, 2023, 2022 and 2021, respectively, which are subordinate to the fulfillment of all other debt obligations.

Balance as of March 31, 2023, 2022 and 2021

Issuer	Loan	Issue date	Millions of Yen			Millions of U.S. dollars	Interest rate (%)	Collateral	Maturity	Callable dates
			2023	2022	2021	2023				
Nippon Life	Subordinated corporate loans	April 2018	¥100,000	¥100,000	¥100,000	$ 748	1.05%	None	April 2048	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
Nippon Life	Subordinated corporate loans	September 2018	120,000	120,000	120,000	898	1.03%	None	September 2048	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
Nippon Life	Subordinated corporate loans	April 2019	90,000	90,000	90,000	674	0.95%	None	April 2049	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
Nippon Life	Subordinated corporate loans	November 2019	80,000	80,000	80,000	599	0.85%	None	November 2049	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
Nippon Life	Subordinated corporate loans	September 2020	130,000	130,000	130,000	973	1.05%	None	September 2050	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
Nippon Life	Subordinated corporate loans	May 2021	200,000	200,000	—	1,497	0.97%	None	May 2051	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
Nippon Life	Subordinated corporate loans	May 2022	130,000	—	—	973	1.03%	None	May 2052	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
Nippon Life	Subordinated corporate loans	September 2022	71,000	—	—	531	1.10%	None	September 2052	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
Taiju Life	Subordinated corporate loans	August 2016	—	—	50,000	—	0.99%	None	No maturity date	Each interest payment date on or after August 2021
Taiju Life	Subordinated corporate loans	August 2016	—	—	50,000	—	0.94%	None	No maturity date	Each interest payment date on or after August 2021
Taiju Life	Subordinated corporate loans	August 2021	10,000	10,000	—	74	0.73%	None	No maturity date	Each interest payment date on or after August 2026 and on each fifth anniversary date thereafter
Total			¥931,000	¥730,000	¥620,000	$6,972				

15. Net Defined Benefit Asset and Liability

(1) Summary of retirement benefit plans

In terms of defined benefit plans, the Company has a defined benefit corporate pension plan and a lump-sum retirement payment plan for non sales personnel and sales management personnel, etc. In terms of defined contribution plans, the Company has a defined contribution pension plan. The Company also has a defined benefit plan for sales representatives, etc., in the form of a lump-sum retirement payment plan and an in-house pension plan. Certain consolidated subsidiaries mainly have a lump-sum retirement payment plan as a defined benefit plan and a defined contribution pension plan as a defined contribution plan.

(2) Defined benefit plan

1) Reconciliation of retirement benefit obligations at the beginning and end of the fiscal year

For the years ended March 31, 2023, 2022 and 2021	Millions of Yen			Millions of U.S. Dollars
	2023	2022	2021	2023
Retirement benefit obligations at the beginning of the year	¥681,617	¥690,695	¥697,314	$5,104
Service costs	29,036	29,735	29,802	217
Interest cost	4,137	4,185	4,221	30
Actuarial losses accrued during the year	2,862	1,356	5,705	21
Retirement benefit payments	(41,741)	(44,397)	(46,476)	(312)
Others	33	41	128	0
Retirement benefit obligations at the end of the year	¥675,945	¥681,617	¥690,695	$5,062

2) Reconciliation of pension plan assets at the beginning and end of the fiscal year

For the years ended March 31, 2023, 2022 and 2021	Millions of Yen			Millions of U.S. Dollars
	2023	2022	2021	2023
Pension plan assets at the beginning of the year	¥249,343	¥253,640	¥248,422	$1,867
Expected return on plan assets	3,838	3,606	3,527	28
Actuarial gains (losses) accrued during the year	(4,382)	3,580	12,403	(32)
Contributions by business proprietor	5,930	6,741	7,439	44
Retirement benefit payments	(14,600)	(18,258)	(18,172)	(109)
Others	2	33	18	0
Pension plan assets at the end of the year	¥240,131	¥249,343	¥253,640	$1,798

3) Reconciliation of net defined benefit liability at the beginning and end of the fiscal year under the simplified valuation method

For the years ended March 31, 2023, 2022 and 2021	Millions of Yen			Millions of U.S. Dollars
	2023	2022	2021	2023
Net defined benefit liability at the beginning of the year	¥770	¥739	¥702	$5
Benefit costs	95	94	94	0
Retirement benefit payments	(47)	(63)	(57)	(0)
Net defined benefit liability at the end of the year	¥818	¥770	¥739	$6

4) Reconciliation of retirement benefit obligations, pension plan assets, net defined benefit asset and liability on the consolidated balance sheets

For the years ended March 31, 2023, 2022 and 2021	Millions of Yen			Millions of U.S. Dollars
	2023	2022	2021	2023
Retirement benefit obligations for funded plans	¥243,998	¥251,628	¥260,881	$1,827
Pension plan assets	(240,131)	(249,343)	(253,640)	(1,798)
Subtotal	3,866	2,284	7,241	28
Retirement benefit obligations for nonfunded plans	432,766	430,759	430,553	3,240
Net liability (asset) arising from defined benefit obligation	¥436,632	¥433,044	¥437,795	$3,269
Net defined benefit liability	¥437,909	¥434,246	¥438,263	$3,279
Net defined benefit asset	(1,276)	(1,201)	(468)	(9)
Net liability (asset) arising from defined benefit obligation	¥436,632	¥433,044	¥437,795	$3,269

5) Losses (gains) relating to retirement benefits

For the years ended March 31, 2023, 2022 and 2021	Millions of Yen			Millions of U.S. Dollars
	2023	2022	2021	2023
Service costs	¥29,036	¥29,733	¥29,802	$217
Interest cost	4,137	4,184	4,221	30
Expected return on plan assets	(3,838)	(3,604)	(3,527)	(28)
Amortization of actuarial losses for the period	3,811	4,682	6,493	28
Amortization of prior service costs for the period	(1,317)	(1,317)	(1,317)	(9)
Benefit cost under the simplified valuation method	95	94	94	0
Others	28	4	106	0
Benefit cost for defined benefit plans	¥31,954	¥33,775	¥35,872	$239

6) Breakdown of items included in other comprehensive income (before tax)

For the years ended March 31, 2023, 2022 and 2021	Millions of Yen			Millions of U.S. Dollars
	2023	2022	2021	2023
Actuarial gains (losses)	¥(3,432)	¥6,906	¥13,191	$(25)
Prior service costs	(1,317)	(1,317)	(1,317)	(9)
Total	¥(4,750)	¥5,588	¥11,873	$(35)

7) Breakdown of items included in total accumulated other comprehensive income (before tax)

For the years ended March 31, 2023, 2022 and 2021	Millions of Yen			Millions of U.S. Dollars
	2023	2022	2021	2023
Unrecognized actuarial losses	¥11,366	¥7,933	¥14,840	$85
Unrecognized prior service costs	(2,635)	(3,953)	(5,271)	(19)
Total	¥8,730	¥3,980	¥9,568	$65

8) Pension plan assets consist of the following:

For the years ended March 31, 2023, 2022 and 2021			
	2023	2022	2021
General account of Nippon Life	56.9%	47.9%	48.1%
Cash and deposits	20.2%	24.1%	19.8%
Foreign securities	12.8%	15.3%	20.0%
Bonds	5.4%	8.4%	8.0%
Domestic stocks	4.7%	4.4%	4.0%
Other	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%

9) Calculation method for long-term expected rate of return on plan assets
To determine the long-term expected rate of return on pension plan assets, the Company and certain consolidated subsidiaries take into consideration present and forecasted allocation of the pension plan assets, and present and long-term rates of return that are expected from the portfolio of assets that comprise the pension plan assets.

10) Matters relating to the basis for actuarial calculations
The main items in the basis for actuarial calculations of the Company and certain consolidated subsidiaries as of March 31, 2023, 2022 and 2021, are as follows:

	2023	2022	2021
Discount rate	0.4–7.5%	0.4–7.0%	0.3–6.4%
Long-term expected rate of return on plan assets	1.5–7.5%	1.4–7.0%	1.4–6.4%

(3) Defined contribution plans

The Company and its consolidated subsidiaries contributed ¥5,421 million (U.S. $40 million), ¥5,273 million and ¥5,069 million to defined contribution plans during the fiscal years ended March 31, 2023, 2022 and 2021, respectively.

16. Foundation Funds

Foundation funds serve as the primary source of capital for Japanese mutual life insurance companies. These funds are similar to loans, as interest payments, maturity dates and other items must be established at the time of the offering. In the event of a bankruptcy or similar development, repayment of the principal and interest on foundation funds is subordinated to the repayment of amounts owed to ordinary creditors and insurance claims and benefit payments owed to policyholders. Upon redemption of foundation funds, mutual companies are required to make an addition to the reserve for redemption of foundation funds, which serves as retained earnings, equal to the amount redeemed. As a result, the full amount of foundation funds remains in net assets even after redemption. Foundation funds are therefore positioned as a mutual company's core capital, which is equivalent to the stated capital of a joint-stock company. The Company redeemed ¥50,000 million of foundation funds and credited the same amount to reserve for redemption of foundation funds as prescribed in Article 56 of the Insurance Business Act for the fiscal year ended March 31, 2022. ¥50,000 million of foundation funds were offered pursuant to Article 60 of the Insurance Business Act during the fiscal year ended March 31, 2022.

17. Pledged Assets

Assets pledged as collateral in the form of cash and deposits, investments in securities, land, buildings, and lease receivables as of March 31, 2023, were ¥57,393 million (U.S. $429 million), ¥3,569,543 million (U.S. $26,732 million), ¥252 million (U.S. $1 million), ¥36 million (U.S. $0 million), and ¥3,633 million (U.S. $27 million), respectively. The total amount of liabilities covered by the assets pledged was ¥2,448,351 million (U.S. $18,335 million) as of March 31, 2023.

These amounts included ¥2,236,082 million (U.S. $16,745 million) of the sale of securities under repurchase agreements and ¥2,357,443 million (U.S. $17,654 million) of payables under repurchase agreements, as well as ¥61,730 million (U.S. $462 million) of securities pledged as collateral under securities lending transactions secured by cash and ¥63,065 million (U.S. $472 million) of cash collateral received, as of March 31, 2023.

Assets pledged as collateral in the form of cash and deposits, investments in securities, land, buildings, and lease receivables as of March 31, 2022, were ¥52,970 million, ¥4,227,136 million, ¥252 million, ¥38 million, and ¥3,660 million, respectively. The total amount of liabilities covered by the assets pledged was ¥2,970,690 million as of March 31, 2022.

These amounts included ¥2,662,125 million of the sale of securities under repurchase agreements and ¥2,946,626 million of payables under repurchase agreements as of March 31, 2022.

Assets pledged as collateral in the form of cash and deposits, investments in securities, land, buildings, and lease receivables as of March 31, 2021, were ¥16,227 million, ¥2,465,498 million, ¥252 million, ¥40 million and ¥3,580 million, respectively. The total amount of liabilities covered by the assets pledged was ¥1,483,501 million as of March 31, 2021.

These amounts included ¥1,342,624 million of the sale of securities under repurchase agreements and ¥1,469,600 million of payables under repurchase agreements as of March 31, 2021.

18. Investments in Nonconsolidated Subsidiaries and Affiliates

The total amounts of stocks and investments in nonconsolidated subsidiaries and affiliates were ¥697,010 million (U.S. $5,219 million), ¥587,926 million and ¥435,824 million as of March 31, 2023, 2022 and 2021, respectively.

On January 24, 2023, the Company decided to make an investment of up to U.S. $1 billion in the investment limited liability partnership that invests in Resolution Life Group Holdings Ltd. With this investment, the Company's aggregate cumulative total investment is expected to become U.S. $1.65 billion.

19. Stock Options

1) Stock option-related expenses and line items

	Millions of Yen			Millions of U.S. Dollars
	From April 1, 2022 to March 31, 2023	From April 1, 2021 to March 31, 2022	From April 1, 2020 to March 31, 2021	From April 1, 2022 to March 31, 2023
Operating expenses	362	567	581	2

2) Gains related to the forfeiture of unexercised stock options and line items

	Millions of Yen			Millions of U.S. Dollars
	From April 1, 2022 to March 31, 2023	From April 1, 2021 to March 31, 2022	From April 1, 2020 to March 31, 2021	From April 1, 2022 to March 31, 2023
Gain on reversal of share acquisition rights	23	0	13	0

3) Description of stock options

For the fiscal years ended March 31, 2023, 2022 and 2021

	Nippon Life India Asset Management Limited		
	2019 Fourth Series of Share Acquisition Rights	2019 Third Series of Share Acquisition Rights	2019 Second Series of Share Acquisition Rights
Title and number of grantees	Employees: 1	Employees: 203	Representative Director: 1 Employees: 31
Number of stock options granted by class of shares(*1)	Common shares: 77,065	Common shares: 5,430,538	Common shares: 469,772
Grant date	August 7, 2021	July 19, 2021	June 10, 2020
Vesting conditions	25% of the stock options are vested every year after being granted	25% of the stock options are vested every year after being granted	25% of the stock options are vested every year after being granted
Requisite service period	From the grant date to the date when the vesting conditions are satisfied	From the grant date to the date when the vesting conditions are satisfied	From the grant date to the date when the vesting conditions are satisfied
Exercise period	From August 7, 2022, to August 6, 2028	From July 19, 2022, to July 18, 2028	From June 10, 2021 to June 9, 2027

	Nippon Life India Asset Management Limited		
	2019 First Series of Share Acquisition Rights	2017 Third Series of Share Acquisition Rights	2017 Second Series of Share Acquisition Rights
Title and number of grantees	Representative Director: 1 Employees: 156	Representative Director: 1 Employees: 157	Representative Director: 1 Employees: 137
Number of stock options granted by class of shares(*1)	Common shares: 18,081,008	Common shares: 11,190,706	Common shares: 4,598,135
Grant date	July 29, 2019	April 29, 2019	April 25, 2018
Vesting conditions	25% of the stock options are vested every year after being granted	25% of the stock options are vested every year after being granted	25% of the stock options are vested every year after being granted
Requisite service period	From the grant date to the date when the vesting conditions are satisfied	From the grant date to the date when the vesting conditions are satisfied	From the grant date to the date when the vesting conditions are satisfied
Exercise period	From July 29, 2020 to July 28, 2026	From April 29, 2020 to April 28, 2026	From April 25, 2019 to April 24, 2025

	Nippon Life India Asset Management Limited
	2017 First Series of Share Acquisition Rights
Title and number of grantees	Representative Director: 1 Employees: 84
Number of stock options granted by class of shares(*1)	Common shares: 4,944,246
Grant date	August 8, 2017
Vesting conditions	25% of the stock options are vested every year after being granted(*2)
Requisite service period	From the grant date to the date when the vesting conditions are satisfied
Exercise period	From August 8, 2018 to August 7, 2024

*(*1) The number of stock options granted has been converted into the number of shares.*
*(*2) The stock options granted to the representative director will vest after three years after the grant date.*

4) Volume and changes in stock options

a. Number of stock options

For the fiscal year ended March 31, 2023

(Stock)							
	Nippon Life India Asset Management Limited						
	2019 Fourth Series of Share Acquisition Rights	2019 Third Series of Share Acquisition Rights	2019 Second Series of Share Acquisition Rights	2019 First Series of Share Acquisition Rights	2017 Third Series of Share Acquisition Rights	2017 Second Series of Share Acquisition Rights	2017 First Series of Share Acquisition Rights
Before vesting							
As of March 31, 2022	77,065	5,241,572	311,973	8,397,653	4,931,189	862,040	—
Granted	—	—	—	—	—	—	—
Forfeited	—	377,384	15,651	375,364	239,222	1,815	—
Vested	19,266	1,287,560	103,996	4,161,697	2,462,757	860,225	—
Outstanding	57,799	3,576,628	192,326	3,860,592	2,229,210	—	—
After vesting							
As of March 31, 2022	—	—	81,374	6,074,830	2,459,601	1,607,414	733,161
Vested	19,266	1,287,560	103,996	4,161,697	2,462,757	860,225	—
Exercised	—	—	9,488	504,775	474,991	107,508	59,671
Forfeited	—	95,326	2,755	14,344	—	89,791	—
Exercisable	19,266	1,192,234	172,045	9,717,408	4,447,367	2,271,340	673,490

For the fiscal year ended March 31, 2022

(Stock)							
	Nippon Life India Asset Management Limited						
	2019 Fourth Series of Share Acquisition Rights	2019 Third Series of Share Acquisition Rights	2019 Second Series of Share Acquisition Rights	2019 First Series of Share Acquisition Rights	2017 Third Series of Share Acquisition Rights	2017 Second Series of Share Acquisition Rights	2017 First Series of Share Acquisition Rights
Before vesting							
As of March 31, 2021	—	—	469,772	12,746,385	7,671,630	1,825,348	888,544
Granted	77,065	5,430,538	—	—	—	—	—
Forfeited	—	188,966	45,500	216,048	172,907	56,701	—
Vested	—	—	112,299	4,132,684	2,567,534	906,607	888,544
Outstanding	77,065	5,241,572	311,973	8,397,653	4,931,189	862,040	—
After vesting							
As of March 31, 2021	—	—	—	3,331,758	1,366,825	1,744,167	1,420,905
Vested	—	—	112,299	4,132,684	2,567,534	906,607	888,544
Exercised	—	—	29,143	1,389,612	1,474,758	1,043,360	1,576,288
Forfeited	—	—	1,782	—	—	—	—
Exercisable	—	—	81,374	6,074,830	2,459,601	1,607,414	733,161

For the fiscal year ended March 31, 2021

	(Stock)				
	Nippon Life India Asset Management Limited				
	2019 Second Series of Share Acquisition Rights	2019 First Series of Share Acquisition Rights	2017 Third Series of Share Acquisition Rights	2017 Second Series of Share Acquisition Rights	2017 First Series of Share Acquisition Rights
Before vesting					
As of March 31, 2020	—	17,816,872	10,857,959	3,050,539	2,811,171
Granted	469,772	—	—	—	—
Forfeited	—	550,235	471,839	209,797	154,869
Vested	—	4,520,252	2,714,490	1,015,394	1,767,758
Outstanding	469,772	12,746,385	7,671,630	1,825,348	888,544
After vesting					
As of March 31, 2020	—	—	—	990,470	1,515,028
Vested	—	4,520,252	2,714,490	1,015,394	1,767,758
Exercised	—	1,113,683	1,321,990	145,255	1,811,972
Forfeited	—	74,811	25,675	116,442	49,909
Exercisable	—	3,331,758	1,366,825	1,744,167	1,420,905

b. Price information

For the fiscal year ended March 31, 2023

	(Rupee)						
	Nippon Life India Asset Management Limited						
	2019 Fourth Series of Share Acquisition Rights	2019 Third Series of Share Acquisition Rights	2019 Second Series of Share Acquisition Rights	2019 First Series of Share Acquisition Rights	2017 Third Series of Share Acquisition Rights	2017 Second Series of Share Acquisition Rights	2017 First Series of Share Acquisition Rights
Exercise price	389.28	372.71	247.60	223.32	202.35	256.10	204.25
Average stock price when exercised	—	—	374.02	369.61	353.57	381.36	379.27
Fair value on the grant date	78.29	85.73	65.51	43.06	38.94	45.71	10.82

For the fiscal year ended March 31, 2022

	(Rupee)						
	Nippon Life India Asset Management Limited						
	2019 Fourth Series of Share Acquisition Rights	2019 Third Series of Share Acquisition Rights	2019 Second Series of Share Acquisition Rights	2019 First Series of Share Acquisition Rights	2017 Third Series of Share Acquisition Rights	2017 Second Series of Share Acquisition Rights	2017 First Series of Share Acquisition Rights
Exercise price	389.28	372.71	247.60	223.32	202.35	256.10	204.25
Average stock price when exercised	—	—	401.42	395.18	376.87	390.62	383.33
Fair value on the grant date	78.29	85.73	65.51	43.06	38.94	45.71	10.82

For the fiscal year ended March 31, 2021

	(Rupee)				
	Nippon Life India Asset Management Limited				
	2019 Second Series of Share Acquisition Rights	2019 First Series of Share Acquisition Rights	2017 Third Series of Share Acquisition Rights	2017 Second Series of Share Acquisition Rights	2017 First Series of Share Acquisition Rights
Exercise price	247.60	223.32	202.35	256.10	204.25
Average stock price when exercised	—	323.13	322.66	302.89	330.13
Fair value on the grant date	65.51	43.06	38.94	45.71	10.82

5) Method of estimating fair valuation unit price of stock options

a. Method used

Black-Scholes option-pricing model

b. Principal parameters used in the option-pricing model and estimation method

For the fiscal years ended March 31, 2023, 2022 and 2021

	Nippon Life India Asset Management Limited						
	2019 Fourth Series of Share Acquisition Rights	2019 Third Series of Share Acquisition Rights	2019 Second Series of Share Acquisition Rights	2019 First Series of Share Acquisition Rights	2017 Third Series of Share Acquisition Rights	2017 Second Series of Share Acquisition Rights	2017 First Series of Share Acquisition Rights
Expected volatility(*1)	12.92%	12.92%	16.17%	16.46%	16.66%	14.21%	13.92% to 20.81%
Expected remaining life(*2)	4.0 to 5.5 years	4.0 to 5.5 years	4.0 to 5.5 years	4.0 to 5.5 years	4.0 to 5.5 years	4.0 to 5.5 years	4.0 to 5.5 years
Expected dividend rates(*3)	2.01%	2.54%	1.98%	3.22%	2.97%	3.25%	3.09%
Risk-free interest rate(*4)	5.48% to 5.98%	5.49% to 5.99%	4.37% to 4.88%	6.22% to 6.45%	6.32% to 6.55%	7.06% to 7.15%	6.20% to 6.34%

*(*1) Calculated based on indices provided by the National Stock Exchange of India.*
*(*2) The expected remaining life is calculated as a half of the sum of the shortest and longest exercisable periods after stock options are granted.*
*(*3) Expected dividend rates are based on historical dividend performance.*
*(*4) The risk-free interest rate is based on the yields on government bonds in India with remaining terms equal to the expected remaining life of the stock options.*

6) Method of estimating the number of stock options vested

The estimate basically reflects only the actual number of forfeited stock options because it is difficult to reasonably estimate the actual number of stock options that will be forfeited in the future.

20. Receivables and Loans

(1) Of the loans, the total amount of bankrupt and quasi-bankrupt loans, doubtful loans, loans that are delinquent for over three months, and restructured loans were ¥29,694 million (U.S. $222 million), ¥30,409 million and ¥29,531 million as of March 31, 2023, 2022 and 2021, respectively. The breakdown is as follows:

1) The amounts of bankrupt and quasi-bankrupt loans were ¥10,059 million (U.S. $75 million), ¥10,285 million and ¥10,301 million as of March 31, 2023, 2022 and 2021, respectively.

Bankrupt and quasi-bankrupt loans are loans to borrowers that have fallen into bankruptcy due to reasons including initiation of bankruptcy proceedings, start of reorganization proceedings, or submission of an application to start rehabilitation proceedings.

2) The amounts of doubtful loans were ¥18,103 million (U.S. $135 million), ¥18,352 million and ¥16,594 million as of March 31, 2023, 2022 and 2021, respectively.

Doubtful loans are loans that are not applicable to bankrupt and quasi-bankrupt loans, with a strong likelihood that loan principal cannot be recovered or interest cannot be received according to the contract because of the difficulties in the financial condition and business performance of the debtor, who has not yet entered into bankruptcy.

3) The amounts of loans delinquent for over three months were ¥50 million (U.S. $0 million) as of March 31, 2023, and none for the fiscal years ended March 31, 2022 and 2021.

Loans that are delinquent for over three months are loans that are not applicable to bankrupt and quasi-bankrupt loans and doubtful loans, and have principal or interest being unpaid for over three months following the due date based on the loan agreement.

4) The amounts of restructured loans were ¥1,481 million (U.S. $11 million), ¥1,771 million and ¥2,635 million as of March 31, 2023, 2022 and 2021, respectively.

Restructured loans are loans that are not applicable to bankrupt and quasi-bankrupt loans, doubtful loans, and loans delinquent for over three months, and that provide concessions favorable to the borrower with the intent of supporting the borrowers' restructuring, such as by reducing or exempting interest, postponing principal or interest payments, releasing credits, or providing other benefits to the borrowers.

(2) After directly deducting the estimated uncollectible amount, bankrupt and quasi-bankrupt losses decreased by ¥2,023 million (U.S. $15 million), ¥1,603 million and ¥3,784 million as of March 31, 2023, 2022 and 2021, respectively.

21. Loan Commitments

The amounts of commitments related to loans and loans outstanding were ¥252,872 million (U.S. $1,893 million), ¥222,181 million and ¥274,291 million as of March 31, 2023, 2022 and 2021, respectively.

22. Contributions to the Life Insurance Policyholder Protection Fund and Organization

Of the maximum borrowing amount from the Life Insurance Policyholders Protection Corporation of Japan, which is provided for in Article 37-4 of the Order for Enforcement of the Insurance Business Act, the amounts applied to the Company and certain consolidated subsidiaries were estimated to be ¥83,522 million, ¥85,539 million as of March 31, 2022 and 2021, respectively. The amounts contributed to the aforementioned corporation were recorded within operating expenses for the fiscal year.

23. Impairment Losses

The main notes concerning impairment losses are as follows:

(1) Method for grouping the assets

a. Real estate and other assets

Real estate for rental use and idle properties of the Company and certain consolidated subsidiaries are classified as one asset group per property. Real estate and other assets utilized for insurance business operations are classified into one asset group for the whole insurance business.

b. Goodwill and goodwill equivalent

Goodwill and goodwill equivalent of the Company are classified as one asset group on a company basis, in principle.

To evaluate the goodwill equivalent related to PT Sequis, PT Sequis and PT Asuransi Jiwa Sequis Life are classified into one asset group because PT Asuransi Jiwa Sequis Life, which is owned by PT Sequis as an intermediate holding company, substantially conducts business operations.

(2) Identification of indicators of impairment

a. Real estate and other assets

The Company identifies indicators of impairment if the operating activities of an asset group result in loss in consecutive fiscal periods or there are events indicating that the asset may be impaired.

The Company identified indicators of impairment in certain asset groups because the conditions above were applicable as of March 31, 2023, 2022 and 2021, respectively.

b. Goodwill and goodwill equivalent

The Company identifies indicators of impairment if any of the following conditions applies to an asset group:

(i) Profit or loss in the current period, or cash flows from operating activities are, or are expected to be, negative for two consecutive fiscal periods.

(ii) Businesses or management strategies have been substantially revised from initial plans, and a continuing future deterioration in business performance that could lead to a large decline in net realizable value is expected.

(iii) A continuing future deterioration in business performance that could lead to a large decline in net realizable value is expected based on the outlook for a drastic or anticipated worsening of the business environment.

As of March 31, 2023, 2022 and 2021, the Company has identified indicators of impairment on the goodwill related to Nippon Life India Asset Management Limited, the goodwill equivalent related to Reliance Nippon Life Insurance Company Limited, and the goodwill equivalent related to PT Sequis. The Company has identified indicators of impairment on the goodwill related to Nippon Life India Asset Management Limited because of the large amount of goodwill in accordance with Paragraph 109 of the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21).

In addition, the Company owns interests in The TCW Group, Inc., an asset management company, through Nippon Life Americas, Inc., a subsidiary in the U.S. Based on the accounting principles generally accepted in the U.S., Nippon Life Americas, Inc. assesses whether a decrease in corporate value is other than temporary based on qualitative evaluations such as assets under management and the business environment, and assess for impairment regarding the TCW Group, Inc. The Company, in accordance with the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries, etc. for Consolidated Financial Statements" (ASBJ PITF No. 18, June 28, 2019), utilizes the accounting treatment of Nippon Life Americas, Inc. in consolidated accounting procedures. As of the end of March 2023, the Company has identified indicators of impairment on the goodwill equivalent related to The TCW Group, Inc.

(3) Recognition and measurement of impairment losses

a. Real estate and other assets

Asset groups for which indicators of impairment are recognized are treated as follows. If the total amount of undiscounted cash flows from such an asset group is lower than the carrying amount, an impairment loss is recognized and the carrying amount is reduced to the recoverable amount. The recoverable amount is based on either the value in use or net selling price.

In principle, the value in use is determined as the discounted future cash flows using a discount rate of 2.1–3.0%, 2.0–3.0% and 3.0% for the fiscal years ended March 31, 2023, 2022 and 2021, respectively. Net selling price is determined based on appraisals performed in accordance with the "Real Estate Appraisal Standards" or standard land prices.

The carrying amounts of certain asset groups for which indicators of impairment were recognized were reduced to the recoverable amounts, and impairment losses were recognized under extraordinary losses as of March 31, 2023, 2022 and 2021, respectively.

b. Goodwill and goodwill equivalent

Asset groups for which indicators of impairment are recognized are treated as follows. If the total amount of undiscounted future cash flows from such an asset group is lower than the carrying amount, the carrying amount is reduced to the recoverable amount, with the reduction not to exceed the amount of goodwill and goodwill equivalent. The recoverable amount is based on either the value in use or net selling price. The value in use is determined as the amount by discounting the future cash flows calculated based on future projections, medium-term management plans and other information for each asset group. Net selling price is determined based on the amount obtained by multiplying the market value of shares by the number of shares held.

In the impairment assessment of life insurance companies, the corporate valuation amount (the sum of Embedded Value ("EV") and the value of new business) is occasionally used as an alternative to the undiscounted future cash flows above and recoverable amount, after

ensuring that the requirements of the "Accounting Standard for Impairment of Fixed Assets" (Business Accounting Deliberation Council) are satisfied. EV is the sum of "adjusted net assets, reflecting necessary adjustments to the total amount of the net assets in the balance sheet" and "the value of existing policies that is the present value of future after-tax profits from policies in force." EV represents corporate value attributable to shareholders. It is used to grasp matters such as the shareholder value of limited insurance companies and the acquisition price of an aquiree company in M&A deals. Moreover, the value of new business represents "the present value of future after-tax profit from policies to be acquired in the future."

As of March 31, 2023, 2022 and 2021, the Company used TEV as EV to determine the corporate valuation amounts of Reliance Nippon Life Insurance Company Limited and PT Sequis, which are life insurance companies for which indications of impairment had been identified. TEV is a method for calculating EV that evaluates cash flow with a risk-adjusted discount rate. The calculation of the corporate valuation amounts of those life insurance companies involves uncertainties in factors, such as future cash flows based on the projected acquisition of new insurance policies in each sales channel as the basis of the value of new business, discount rates, and insurance-related actuarial assumptions, such as the lapse rates and the insurance accident rates which are the basis for the calculation of EV. No impairment was recognized for the goodwill equivalent related to Reliance Nippon Life Insurance Company Limited because its corporate valuation amount was higher than the carrying amount.

For the year ended March 31, 2023, no impairment loss was recognized for the goodwill equivalent related to PT Sequis despite the corporate value amount being lower than the carrying amount because the undiscounted future cash flows, which were calculated by adding the present value of future after-tax profit from policies in force (undiscounted value of existing policies) and the present value of future after-tax profit from policies to be acquired in the future (undiscounted value of new business) to the adjusted net assets, were higher than the carrying amount. However, based on the Paragraph 32 of the "Practical Guidelines on Accounting Standards for Capital Consolidation Procedures in Preparing Consolidated Financial Statements" (Accounting Practice Committee Statement No.7) and related guidelines, the Company recorded a loss on valuation of shares of subsidiaries and affiliates on its nonconsolidated financial statements. This resulted in the after-impairment carrying amount being lower than the sum of the Company's share of PT Sequis' capital and the unamortized goodwill equivalent on a consolidated basis. Therefore, of the difference between the after-impairment carrying amount on a nonconsolidated basis and the sum of the Company's share of PT Sequis' capital and the unamortized goodwill equivalent on a consolidated basis, the Company has amortized ¥7,321 million (U.S. $54 million) up to the unamortized goodwill equivalent. This amortized amount is recorded as an equity method investment loss in other ordinary expenses on the consolidated statements of income. The projected acquisition of new insurance policies, a significant assumption used in the valuation of the corporate value for PT Sequis, involves uncertainties due to changes in external market conditions.

Moreover, for the fiscal year ended March 31, 2021, the goodwill equivalent related to PT Sequis contains assumptions such as the growth rate of the economy in Indonesia and the impact of the COVID-19 pandemic expected to be lasting until 2021. For the fiscal year ended March 31, 2022, the goodwill equivalent related to PT Sequis contains assumptions about the impact of the COVID-19 pandemic for future sales plans that would continue until 2022. If there are changes in the assumptions, the value of the equivalent amount of goodwill may be significantly impacted. No impairment, however, was recognized on goodwill equivalent because its corporate valuation amount was higher than the carrying amount.

As of the end of March 2023, in assessing the impairment of the goodwill equivalent for The TCW Group, Inc., for which indicators of impairment were identified, Nippon Life Americas, Inc. determined that the decrease in The TCW Group, Inc.'s corporate value was other than temporary, based on the decrease in The TCW Group, Inc.'s assets under management due to rising U.S. interest rates, and wrote the carrying amount down to the recoverable amount. As a result, the Company recorded ¥16,113 million (U.S. $120 million) as an equity method investment loss in other ordinary expenses on the consolidated statements of income. The projection of recovery of assets under management, a significant assumption used in the valuation of the corporate value for The TCW Group, Inc., involves uncertainties due to changes in market conditions.

As of March 31, 2023, 2022 and 2021, the Company conducted an impairment test of the goodwill related to Nippon Life India Asset Management Limited, for which indications of impairment had been identified. In this test, the total amount of undiscounted future cash flows and the carrying amount of Nippon Life India Asset Management Limited were compared. The former was higher than the latter. In addition, a comparison of its market capitalization, as Nippon Life India Asset Management Limited is a listed company, and carrying amount showed that its market capitalization was higher than its carrying amount. Considering these and other factors, no impairment loss on the goodwill related to Nippon Life India Asset Management Limited was recognized.

(4) Breakdown of asset groups that recognized impairment losses:

The Company and certain consolidated subsidiaries observed a marked decrease in profitability or fair value in some of the fixed asset groups. The carrying amount of fixed assets was reduced to the recoverable amount and impairment losses were recognized as extraordinary losses for the fiscal years ended March 31, 2023, 2022 and 2021.

For the year ended March 31, 2023

	Millions of Yen		
Purpose of use	Land	Buildings and others	Total
Leased property	¥2,873	¥1,217	¥ 4,091
Idle property	4,030	3,523	7,554
Total	¥6,904	¥4,740	¥11,645

For the year ended March 31, 2022

	Millions of Yen			
Purpose of use	Land	Leasehold interests in land	Buildings and others	Total
Leased property	¥10,303	¥1	¥4,172	¥14,476
Idle property	3,135	—	4,331	7,466
Total	¥13,438	¥1	¥8,503	¥21,943

For the year ended March 31, 2021

	Millions of Yen		
Purpose of use	Land	Buildings and others	Total
Leased property	¥ 188	¥ 116	¥ 304
Idle property	3,315	1,464	4,779
Total	¥3,503	¥1,580	¥5,084

For the year ended March 31, 2023

	Millions of U.S. Dollars		
Purpose of use	Land	Buildings and others	Total
Leased property	$21	$ 9	$30
Idle property	30	26	56
Total	$51	$35	$87

24. Revenues from Reinsurance and Reinsurance Premiums

For the fiscal year ended March 31, 2023, revenues from reinsurance of TAIJU LIFE INSURANCE COMPANY LIMITED, the Company's consolidated subsidiary, include revenues from reinsurance of ¥245,408 million (U.S. $1,837 million) related to modified coinsurance agreements for foreign currency denominated single premium endowment insurance (U.S. dollar and Australian dollar) and foreign currency-denominated single premium whole life insurance (U.S. dollar and Australian dollar). These revenues from reinsurance include adjustment to policy reserves for ceded reinsurance (excluding the equivalent amount of policy reserve increases associated with market value adjustments) of ¥178,114 million (U.S. $1,333 million) and the equivalent amount of policy reserve reversals associated with market value adjustments of ¥3,669 million (U.S. $27 million).

In addition, revenues from reinsurance of Nippon Wealth Life Insurance Company Limited, the Company's consolidated subsidiary, includes an increase in unamortized reinsurance commissions of ¥2,628 million (19 million USD) related to reinsurance contracts stipulated in Article 1, Paragraph 5 of the Ministry of Finance Public Notice No. 50 of 1996. This includes revenues from reinsurance of ¥3,118 million (U.S. $23 million) related to modified coinsurance agreements, which includes an increase of ¥165 million (U.S. $1 million) in reinsurance commissions and an increase of ¥2,916 million (U.S. $21 million) in portions corresponding to policy reserves (including an increase of ¥2,480 million (U.S. $18 million) equivalent to the additional reserves under the standard policy reserve fund system). Moreover, reinsurance premiums included in benefits and other payments include ¥491 million (U.S. $3 million) in reinsurance premiums related to modified coinsurance agreements.

Through these reinsurance arrangements, ordinary income and surplus before income taxes have each decreased by ¥978 million (U.S. $7 million).

For the fiscal year ended March 31, 2022, revenues from reinsurance of TAIJU LIFE INSURANCE COMPANY LIMITED, the Company's consolidated subsidiary, include revenues from reinsurance of ¥30,184 million related to modified coinsurance agreements for foreign currency-denominated single premium endowment insurance (U.S. dollar and Australian dollar) and foreign currency-denominated single premium whole life insurance (U.S. dollar and Australian dollar). These revenues from reinsurance include adjustment to policy reserves for ceded reinsurance (excluding the equivalent amount of policy reserve increases associated with market value adjustments) of ¥16,043 million and the equivalent amount of policy reserve reversals associated with market value adjustments of ¥31,740 million.

Through this reinsurance, ordinary profit and surplus before income taxes decreased by ¥31,070 million each.

For the fiscal year ended March 31, 2021, reinsurance premiums of TAIJU LIFE INSURANCE COMPANY LIMITED, the Company's consolidated subsidiary, include ¥49,972 million related to modified coinsurance agreements for foreign currency-denominated single premium endowment insurance (U.S. dollar and Australian dollar) and foreign currency-denominated single premium whole life insurance (U.S. dollar and Australian dollar). These premiums include adjustment to policy reserves for ceded reinsurance (excluding the equivalent amount of policy reserve reversals associated with market value adjustments) of ¥11,398 million and the equivalent amount of policy reserve reversals associated with market value adjustments of ¥49,658 million.

Through this reinsurance, ordinary profit and surplus before income taxes decreased by ¥42,047 million each.

25. Deferred Tax Assets and Liabilities

(1) Deferred tax assets/liabilities consisted of the following:

For the years ended March 31, 2023, 2022 and 2021	Millions of Yen			Millions of U.S. Dollars
	2023	2022	2021	2023
Deferred tax assets	¥2,322,019	¥2,203,044	¥1,955,435	$17,389
Valuation allowance for deferred tax assets	(118,993)	(117,816)	(107,416)	(891)
Subtotal	2,203,025	2,085,228	1,848,019	16,498
Deferred tax liabilities	(2,306,036)	(2,597,642)	(2,796,840)	(17,269)
Net deferred tax assets	103,011	—	—	771
Net deferred tax liabilities	¥ —	¥ (512,413)	¥ (948,821)	$ —

The main reason for the change in the valuation allowance that reduced the deferred tax assets was a decrease in the valuation allowance in line with a rise in the market value of stocks for the fiscal year ended March 31, 2021.

The major components resulting in deferred tax assets/liabilities were as follows:

For the years ended March 31, 2023, 2022 and 2021	Millions of Yen			Millions of U.S. Dollars
	2023	2022	2021	2023
Deferred tax assets:				
Policy reserves and other reserves	¥1,347,513	¥1,276,573	¥1,134,764	$10,091
Reserve for price fluctuations in investments in securities	470,088	470,045	449,440	3,520
Deferred losses on derivatives under hedge accounting	176,234	154,723	90,369	1,319
Net defined benefit liability	122,363	121,348	120,652	916
Deferred tax liabilities:				
Net unrealized gains on available-for-sale securities	2,042,692	2,388,245	2,615,062	15,297

(2) The statutory tax rate was 27.9% for the fiscal years ended March 31, 2023, 2022 and 2021. The main factors for the difference between the statutory tax rates and the effective income tax rates were as follows:

	2023	2022	2021
Reserve for dividends to policyholders (mutual company)	(45.4)%	(12.8)%	(20.7)%
Losses on equity method investments recorded in other ordinary expenses	6.5 %	(0.1)%	(0.0)%

26. Other Comprehensive Income (Loss)

The components of other comprehensive income (loss) for the fiscal years ended March 31, 2023, 2022 and 2021, were as follows:

(1) Reclassification adjustments to profit or loss relating to other comprehensive income (loss)

For the year ended March 31, 2023

	Millions of Yen		Millions of U.S. Dollars	
Net unrealized gains on available-for-sale securities:				
(Losses) gains arising during the year	¥(1,317,083)		$(9,863)	
Reclassification adjustments to profit or loss	(17,727)	¥(1,334,810)	(132)	$(9,996)
Deferred losses on derivatives under hedge accounting:				
(Losses) gains arising during the year	(30,999)		(232)	
Reclassification adjustments to profit or loss	28,328	(2,670)	212	(19)
Foreign currency translation adjustments:				
Gains (losses) arising during the year	32,871		246	
Reclassification adjustments to profit or loss	—	32,871	—	246
Remeasurement of defined benefit plans:				
(Losses) gains arising during the year	(7,244)		(54)	
Reclassification adjustments to profit or loss	2,494	(4,750)	18	(35)
Share of other comprehensive income of associates accounted for under the equity method:				
Gains (losses) arising during the year	11,324		84	
Reclassification adjustments to profit or loss	(541)	10,782	(4)	80
Amount before income tax effect		(1,298,577)		(9,724)
Income tax effect		378,390		2,833
Total other comprehensive (loss) income		¥(920,186)		$(6,891)

For the year ended March 31, 2022

	Millions of Yen	
Net unrealized gains on available-for-sale securities:		
(Losses) gains arising during the year	¥(437,561)	
Reclassification adjustments to profit or loss	(462,503)	¥(900,064)
Deferred losses on derivatives under hedge accounting:		
(Losses) gains arising during the year	(326,255)	
Reclassification adjustments to profit or loss	30,237	(296,018)
Foreign currency translation adjustments:		
Gains (losses) arising during the year	35,120	
Reclassification adjustments to profit or loss	—	35,120
Remeasurement of defined benefit plans:		
Gains (losses) arising during the year	2,224	
Reclassification adjustments to profit or loss	3,364	5,588
Share of other comprehensive income of associates accounted for under the equity method:		
Gains (losses) arising during the year	12,500	
Reclassification adjustments to profit or loss	590	13,090
Amount before income tax effect		(1,142,282)
Income tax effect		326,917
Total other comprehensive (loss) income		¥(815,365)

For the year ended March 31, 2021

	Millions of Yen	
Net unrealized losses on available-for-sale securities:		
Gains (losses) arising during the year	¥4,000,861	
Reclassification adjustments to profit or loss	(455,814)	¥3,545,047
Deferred losses on derivatives under hedge accounting:		
(Losses) gains arising during the year	(148,780)	
Reclassification adjustments to profit or loss	19,070	(129,709)
Foreign currency translation adjustments:		
Gains (losses) arising during the year	8,163	
Reclassification adjustments to profit or loss	—	8,163
Remeasurement of defined benefit plans:		
Gains (losses) arising during the year	6,698	
Reclassification adjustments to profit or loss	5,175	11,873
Share of other comprehensive loss of associates accounted for under the equity method:		
Gains (losses) arising during the year	317	
Reclassification adjustments to profit or loss	36	354
Amount before income tax effect		3,435,729
Income tax effect		(933,898)
Total other comprehensive income (loss)		¥2,501,831

(2) Income tax effect relating to other comprehensive income (loss)

For the year ended March 31, 2023

	Millions of Yen			Millions of U.S. Dollars		
	Before income tax effect	Income tax effect	After income tax effect	Before income tax effect	Income tax effect	After income tax effect
Net unrealized (losses) gains on available-for-sale securities	¥(1,334,810)	¥376,328	¥(958,481)	$(9,996)	$2,818	$(7,178)
Deferred (losses) gains on derivatives under hedge accounting	(2,670)	738	(1,932)	(19)	5	(14)
Foreign currency translation adjustments	32,871	—	32,871	246	—	246
Remeasurement of defined benefit plans	(4,750)	1,323	(3,426)	(35)	9	(25)
Share of other comprehensive income of associates accounted for under the equity method	10,782	—	10,782	80	—	80
Total other comprehensive (loss) income	¥(1,298,577)	¥378,390	¥(920,186)	$(9,724)	$2,833	$(6,891)

For the year ended March 31, 2022

	Millions of Yen		
	Before income tax effect	Income tax effect	After income tax effect
Net unrealized (losses) gains on available-for-sale securities	¥(900,064)	¥244,928	¥(655,136)
Deferred (losses) gains on derivatives under hedge accounting	(296,018)	83,547	(212,470)
Foreign currency translation adjustments	35,120	—	35,120
Remeasurement of defined benefit plans	5,588	(1,558)	4,029
Share of other comprehensive income of associates accounted for under the equity method	13,090	—	13,090
Total other comprehensive (loss) income	¥(1,142,282)	¥326,917	¥(815,365)

For the year ended March 31, 2021

	Millions of Yen		
	Before income tax effect	Income tax effect	After income tax effect
Net unrealized gains (losses) on available-for-sale securities	¥3,545,047	¥(966,727)	¥2,578,320
Deferred (losses) gains on derivatives under hedge accounting	(129,709)	36,141	(93,568)
Foreign currency translation adjustments	8,163	—	8,163
Remeasurement of defined benefit plans	11,873	(3,312)	8,561
Share of other comprehensive loss of associates accounted for under the equity method	354	—	354
Total other comprehensive income (loss)	¥3,435,729	¥(933,898)	¥2,501,831

27. Modified Coinsurance Agreement

The Company's consolidated subsidiaries TAIJU LIFE INSURANCE COMPANY LIMITED and Nippon Wealth Life Insurance Company Limited have concluded modified coinsurance agreements.

TAIJU LIFE INSURANCE COMPANY LIMITED has concluded a modified coinsurance agreement covering foreign currency-denominated single premium endowment insurance (U.S. dollar/Australian dollar) and foreign currency-denominated single premium whole life insurance (U.S. dollar/Australian dollar).

Through this modified coinsurance agreement, insurance risk has been transferred, and items including additional policy reserves or reversals associated with market value adjustments upon interest rate fluctuations are recorded as revenues from reinsurance. However, in cases where revenues from reinsurance related to this modified coinsurance agreement is negative, the items are recorded as reinsurance premiums.

The outstanding balance of reinsurance accounts payables related to this modified coinsurance agreement stood at ¥18,926 million (U.S. $141 million) and ¥15,572 million as of March 31, 2023 and 2022, respectively. The outstanding balance of reinsurance receivables related to this modified coinsurance agreement stood at ¥15,242 million as of March 31, 2021. The balance of the policy reserve component associated with the modified coinsurance agreement stood at ¥979,176 million (U.S. $7,333 million), ¥843,174 million, and ¥779,013 million as of March 31, 2023, 2022 and 2021, respectively.

At Nippon Wealth Life Insurance Company Limited, revenues from reinsurance are recorded according to the timing of benefits and other payments and the share ceded in reinsurance for the original products covered under the reinsurance agreement. Reinsurance commissions and portions corresponding to policy reserves according to the target periods and share ceded in reinsurance specified in the reinsurance agreement are also recorded. Reinsurance premiums are recorded according to the timing of insurance premium payments and share ceded in reinsurance, etc., for the original products covered under the reinsurance agreement. The balance of unamortized reinsurance commissions related to reinsurance contracts as defined in Article 1, Paragraph 5 of the Ministry of Finance Public Notice No. 50 of 1996 as of the end of March 2023 is ¥2,628 million (U.S. $19 million). The outstanding balance of reinsurance receivables related to the modified

coinsurance agreement as of the end of March 2023 is ¥2,628 million (U.S. $19 million), and the policy reserves include the reinsurance company's received policy reserves of ¥2,916 million (U.S. $21 million) based on the modified coinsurance agreement.

28. Share Acquisition Rights

As of March 31, 2023

Classification	Breakdown of share acquisition rights	Millions of Yen	Millions of U.S. Dollars
Nippon Life India Asset Management Limited	Share acquisition rights provided as stock options	¥1,921	$14

As of March 31, 2022

Classification	Breakdown of share acquisition rights	Millions of Yen
Nippon Life India Asset Management Limited	Share acquisition rights provided as stock options	¥1,671

As of March 31, 2021

Classification	Breakdown of share acquisition rights	Millions of Yen
Nippon Life India Asset Management Limited	Share acquisition rights provided as stock options	¥1,349

29. Others

The following items are disclosed in the nonconsolidated financial statements and not required to be disclosed in the consolidated financial statements by the Japanese Insurance Business Act.

- Net Assets Provided for in the Ordinance for Enforcement of the Insurance Business Act
- Policy Reserves for Reinsurance Contracts Provided in Accordance with Article 71, Paragraph 1 of the Ordinance for Enforcement of the Insurance Business Act
- Investment Income and Expenses
- Provision for Policy Reserves for Ceded Reinsurance

30. Subsequent Events

(1) The Company assumed the following yen-denominated subordinated debt on April 20, 2023:

Principal amount	¥80 billion (U.S. $599 million)
Interest rate	Fixed rate for the first 10 years from the loan date Updated to a fixed rate every 5 years thereafter
Repayment date	30 years after the loan date (with prior approval of the regulatory authority, etc., early repayment is possible at the Company's discretion on the due date after 10 years from the loan date and every 5 years thereafter)
Use of funds	General working capital

7. Nonconsolidated Balance Sheets

Nippon Life Insurance Company

	Millions of Yen			Millions of U.S. Dollars (Note 1)
As of March 31	**2023**	**2022**	**2021**	**2023**
ASSETS:				
Cash and deposits:				
Cash	¥ 69	¥ 47	¥ 54	$ 0
Deposits	744,500	846,544	861,526	5,575
Subtotal	**744,569**	**846,592**	**861,580**	**5,576**
Call loans	**426,706**	**500,978**	**540,086**	**3,195**
Monetary receivables purchased	**124,514**	**150,404**	**172,601**	**932**
Assets held in trust	**—**	**—**	**135**	**—**
Investments in securities:				
National government bonds	27,526,011	25,271,685	23,352,796	206,141
Local government bonds	905,096	932,220	908,416	6,778
Corporate bonds	2,029,531	2,254,635	2,270,187	15,199
Domestic stocks	10,312,131	10,296,652	10,640,573	77,227
Foreign securities	19,122,228	22,254,725	21,470,903	143,205
Other securities	3,339,751	3,505,550	3,587,886	25,011
Subtotal	**63,234,750**	**64,515,469**	**62,230,764**	**473,562**
Loans:				
Policy loans	437,868	457,394	490,826	3,279
Industrial and consumer loans	7,356,821	7,040,642	6,939,877	55,094
Subtotal	**7,794,689**	**7,498,037**	**7,430,704**	**58,374**
Tangible fixed assets:				
Land	1,137,664	1,145,876	1,148,601	8,519
Buildings	546,152	519,898	515,676	4,090
Lease assets	4,124	5,412	7,038	30
Construction in progress	21,217	29,992	22,337	158
Other tangible fixed assets	13,907	13,636	17,035	104
Subtotal	**1,723,066**	**1,714,816**	**1,710,689**	**12,903**
Intangible fixed assets:				
Software	86,049	96,849	92,795	644
Other intangible fixed assets	101,666	93,404	96,930	761
Subtotal	**187,716**	**190,254**	**189,726**	**1,405**
Reinsurance receivables	**269**	**370**	**350**	**2**
Other assets:				
Accounts receivable	220,050	168,641	90,895	1,647
Prepaid expenses	18,274	19,101	20,764	136
Accrued income	301,363	310,704	283,709	2,256
Money on deposit	31,905	33,488	33,678	238
Deposits for futures transactions	108,687	116,519	58,114	813
Futures transactions variation margin	371	2	1	2
Derivative financial instruments	247,094	247,333	232,039	1,850
Suspense	7,765	4,114	2,990	58
Other assets	406,820	214,784	85,260	3,046
Subtotal	**1,342,332**	**1,114,688**	**807,455**	**10,052**
Customers' liability for acceptances and guarantees	**62,486**	**71,647**	**71,228**	**467**
Allowance for doubtful accounts	**(8,530)**	**(6,910)**	**(8,219)**	**(63)**
Allowance for investment loss	**(28,502)**	**(28,867)**	**(32,879)**	**(213)**
Total assets	**¥75,604,068**	**¥76,567,483**	**¥73,974,223**	**$566,195**

	Millions of Yen			Millions of U.S. Dollars (Note 1)
As of March 31	**2023**	**2022**	**2021**	**2023**
LIABILITIES:				
Policy reserves and other reserves:				
Reserve for outstanding claims	¥ 203,782	¥ 192,426	¥ 179,010	$ 1,526
Policy reserves	59,675,536	58,677,803	57,420,217	446,907
Reserve for dividends to policyholders	1,071,945	1,060,577	1,046,832	8,027
Subtotal	**60,951,264**	**59,930,807**	**58,646,060**	**456,461**
Reinsurance payables	**394**	**451**	**413**	**2**
Corporate bonds	**1,263,265**	**1,420,305**	**1,321,512**	**9,460**
Other liabilities:				
Payables under repurchase agreements	1,951,398	2,452,560	1,014,978	14,613
Loans payable	937,308	737,551	538,317	7,019
Income taxes payable	—	82,933	37,088	—
Accounts payable	175,898	167,940	125,869	1,317
Accrued expenses	63,872	60,594	63,731	478
Deferred income	16,818	16,557	15,804	125
Deposits received	125,233	124,034	120,618	937
Guarantee deposits received	87,625	85,243	86,263	656
Futures transactions variation margin	129	401	540	0
Derivative financial instruments	839,853	1,129,056	652,612	6,289
Cash collateral received for financial instruments	52,672	49,335	51,026	394
Lease obligations	4,268	5,218	6,756	31
Asset retirement obligations	6,632	6,293	5,426	49
Suspense receipts	13,418	12,002	11,714	100
Other liabilities	8,383	—	17	62
Subtotal	**4,283,512**	**4,929,722**	**2,730,767**	**32,079**
Accrued bonuses for directors and audit & supervisory board members	**439**	**434**	**433**	**3**
Accrued retirement benefits	**378,333**	**378,203**	**375,693**	**2,833**
Reserve for program points	**8,444**	**8,770**	**8,528**	**63**
Reserve for price fluctuations in investments in securities	**1,584,428**	**1,590,233**	**1,521,916**	**11,865**
Deferred tax liabilities	**149,863**	**484,574**	**877,504**	**1,122**
Deferred tax liabilities for land revaluation	**99,350**	**100,444**	**101,894**	**744**
Acceptances and guarantees	**62,486**	**71,647**	**71,228**	**467**
Total liabilities	**68,781,784**	**68,915,596**	**65,655,953**	**515,103**
NET ASSETS:				
Foundation funds	**100,000**	**100,000**	**100,000**	**748**
Reserve for redemption of foundation funds	**1,350,000**	**1,350,000**	**1,300,000**	**10,110**
Reserve for revaluation	**651**	**651**	**651**	**4**
Surplus:				
Legal reserve for deficiencies	21,282	19,988	18,993	159
Other surplus reserves:	485,003	503,075	475,563	3,632
Contingency funds	—	71,917	71,917	—
Reserve for social public welfare assistance	351	351	351	2
Reserve for financial stability	221,917	—	—	1,661
Reserve for reduction entry of real estate	73,248	71,839	71,855	548
Reserve for reduction entry of real estate to be purchased	2,961	1,007	2,069	22
Other reserves	170	170	170	1
Unappropriated surplus	186,354	357,789	329,199	1,395
Total surplus	**506,285**	**523,063**	**494,556**	**3,791**
Total foundation funds and others	**1,956,936**	**1,973,714**	**1,895,208**	**14,655**
Net unrealized gains on available-for-sale securities	**5,297,929**	**6,112,896**	**6,642,100**	**39,675**
Deferred losses on derivatives under hedge accounting	**(376,317)**	**(374,361)**	**(161,590)**	**(2,818)**
Land revaluation losses	**(56,264)**	**(60,363)**	**(57,447)**	**(421)**
Total valuations, conversions, and others	**4,865,347**	**5,678,172**	**6,423,062**	**36,436**
Total net assets	**6,822,283**	**7,651,886**	**8,318,270**	**51,091**
Total liabilities and net assets	**¥75,604,068**	**¥76,567,483**	**¥73,974,223**	**$566,195**

The accompanying notes are an integral part of the consolidated financial statements.

8. Nonconsolidated Statements of Income

Nippon Life Insurance Company

	Millions of Yen			Millions of U.S. Dollars (Note 1)
For the years ended March 31	**2023**	**2022**	**2021**	**2023**
Ordinary income:				
Revenues from insurance and reinsurance:				
Insurance premiums	¥4,646,819	¥4,306,688	¥4,263,255	$34,799
Reinsurance revenue	1,172	1,287	1,372	8
Subtotal	**4,647,991**	**4,307,975**	**4,264,628**	**34,808**
Investment income:				
Interest, dividends, and other income:	1,728,151	1,537,372	1,381,994	12,942
Interest on deposits and savings	3,004	555	874	22
Interest on securities and dividends	1,479,023	1,316,643	1,174,673	11,076
Interest on loans	122,250	104,337	108,633	915
Real estate rental income	112,193	107,731	88,036	840
Other income	11,679	8,104	9,776	87
Gain on sales of securities	805,588	465,253	507,284	6,033
Gain on redemptions of securities	28,309	7,822	3,690	212
Foreign exchange gains, net	31,355	70,327	68,465	234
Reversal of allowance for doubtful accounts	—	1,292	—	—
Reversal of allowance for investment loss	364	4,012	2,188	2
Other investment income	1,053	856	1,177	7
Gain from separate accounts, net	—	29,598	118,226	—
Subtotal	**2,594,821**	**2,116,535**	**2,083,028**	**19,432**
Other ordinary income:				
Income from annuity riders	5,971	8,042	7,409	44
Income from deferred benefits	71,018	73,828	76,119	531
Reversal of reserve for outstanding claims	—	—	11,592	—
Other ordinary income	41,192	36,055	32,555	308
Subtotal	**118,182**	**117,926**	**127,678**	**885**
Total ordinary income	**7,360,995**	**6,542,437**	**6,475,334**	**55,126**
Ordinary expenses:				
Benefits and other payments:				
Death and other claims	1,073,139	1,005,005	999,529	8,036
Annuity payments	807,193	821,038	803,471	6,045
Health and other benefits	857,331	701,230	661,384	6,420
Surrender benefits	1,167,297	987,861	1,108,847	8,741
Other refunds	192,304	192,081	228,332	1,440
Reinsurance premiums	2,007	1,875	1,891	15
Subtotal	**4,099,273**	**3,709,094**	**3,803,456**	**30,699**
Provision for policy reserves:				
Provision for reserve for outstanding claims	11,356	13,416	—	85
Provision for policy reserves	997,732	1,257,585	1,199,935	7,471
Provision for interest on reserve for dividends to policyholders	21,174	21,346	21,458	158
Subtotal	**1,030,263**	**1,292,349**	**1,221,393**	**7,715**
Investment expenses:				
Interest expenses	37,477	32,561	28,437	280
Loss from assets held in trust, net	—	85	34,144	—
Loss on sales of securities	874,392	113,617	40,193	6,548
Loss on valuation of securities	6,234	13,121	4,963	46
Loss on redemptions of securities	7,045	7,052	14,736	52
Loss on derivative financial instruments, net	175,940	12,961	48,004	1,317
Provision for allowance for doubtful accounts	4,855	—	5,968	36
Depreciation of rental real estate and other assets	19,286	18,355	17,830	144
Other investment expenses	60,204	58,478	33,203	450
Loss from separate accounts, net	6,310	—	—	47
Subtotal	**1,191,746**	**256,233**	**227,482**	**8,924**

	Millions of Yen			Millions of U.S. Dollars (Note 1)
For the years ended March 31	**2023**	**2022**	**2021**	**2023**
Operating expenses	**¥565,673**	**¥571,397**	**¥575,223**	**$4,236**
Other ordinary expenses:				
Deferred benefit payments	93,968	86,046	87,842	703
Taxes	53,019	51,659	51,876	397
Depreciation	53,844	56,950	54,314	403
Provision for retirement benefits	129	2,509	1,233	0
Other ordinary expenses	25,191	22,991	21,439	188
Subtotal	**226,154**	**220,157**	**216,707**	**1,693**
Total ordinary expenses	**7,113,111**	**6,049,231**	**6,044,263**	**53,269**
Ordinary profit	**247,884**	**493,205**	**431,070**	**1,856**
Extraordinary gains:				
Gain on disposals of fixed assets	2,623	5,168	89	19
Reversal of reserve for price fluctuations in investments in securities	5,804	—	—	43
Subtotal	**8,427**	**5,168**	**89**	**63**
Extraordinary losses:				
Loss on disposals of fixed assets	6,202	4,792	4,999	46
Impairment losses	11,465	8,129	4,885	85
Provision for reserve for price fluctuations in investments in securities	—	68,317	73,902	—
Loss on reduction entry of real estate	1,208	4	80	9
Contributions for assisting social public welfare	3,000	3,000	3,000	22
Loss on valuation of shares of subsidiaries and affiliates	31,554	—	—	236
Subtotal	**53,430**	**84,243**	**86,867**	**400**
Surplus before income taxes	**202,882**	**414,130**	**344,292**	**1,519**
Income taxes:				
Current	29,564	179,085	134,353	221
Deferred	(14,135)	(116,827)	(113,520)	(105)
Total income taxes	**15,428**	**62,257**	**20,832**	**115**
Net surplus	**¥187,453**	**¥351,873**	**¥323,459**	**$1,403**

The accompanying notes are an integral part of the nonconsolidated financial statements.

9. Nonconsolidated Statements of Changes in Net Assets

Nippon Life Insurance Company

	Millions of Yen											
	Foundation funds and others											
				Surplus								
					Other surplus reserves							
For the year ended March 31, 2021	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Legal reserve for deficiencies	Contingency funds	Reserve for social public welfare assistance	Reserve for reduction entry of real estate	Reserve for reduction entry of real estate to be purchased	Other reserves	Unappropriated surplus	Total surplus	Total foundation funds and others
Beginning balance	**¥100,000**	**¥1,300,000**	**¥651**	**¥18,394**	**¥71,917**	**¥351**	**¥63,729**	**¥14,790**	**¥170**	**¥184,426**	**¥353,780**	**¥1,754,431**
Increase/decrease:												
Additions to reserve for dividends to policyholders										(185,145)	(185,145)	(185,145)
Additions to legal reserve for deficiencies				599						(599)	—	—
Interest on foundation funds										(277)	(277)	(277)
Net surplus										323,459	323,459	323,459
Additions to reserve for social public welfare assistance						3,000				(3,000)	—	—
Reversal of reserve for social public welfare assistance						(3,000)				3,000	—	—
Additions to reserve for reduction entry of real estate							9,380			(9,380)	—	—
Reversal of reserve for reduction entry of real estate							(1,254)			1,254	—	—
Additions to reserve for reduction entry of real estate to be purchased								1,007		(1,007)	—	—
Reversal of reserve for reduction entry of real estate to be purchased								(13,728)		13,728	—	—
Reversal of land revaluation losses										2,740	2,740	2,740
Net change, excluding foundation funds and others												
Net change	**—**	**—**	**—**	**599**	**—**	**—**	**8,126**	**(12,721)**	**—**	**144,772**	**140,776**	**140,776**
Ending balance	**¥100,000**	**¥1,300,000**	**¥651**	**¥18,993**	**¥71,917**	**¥351**	**¥71,855**	**¥2,069**	**¥170**	**¥329,199**	**¥494,556**	**¥1,895,208**

	Millions of Yen				
	Valuations, conversions, and others				
For the year ended March 31, 2021	Net unrealized gains on available-for-sale securities	Deferred losses on derivatives under hedge accounting	Land revaluation losses	Total valuations, conversions, and others	Total net assets
Beginning balance	**¥4,165,946**	**¥ (68,056)**	**¥(54,706)**	**¥4,043,182**	**¥5,797,613**
Increase/decrease:					
Additions to reserve for dividends to policyholders					(185,145)
Additions to legal reserve for deficiencies					—
Interest on foundation funds					(277)
Net surplus					323,459
Additions to reserve for social public welfare assistance					—
Reversal of reserve for social public welfare assistance					—
Additions to reserve for reduction entry of real estate					—
Reversal of reserve for reduction entry of real estate					—
Additions to reserve for reduction entry of real estate to be purchased					—
Reversal of reserve for reduction entry of real estate to be purchased					—
Reversal of land revaluation losses					2,740
Net change, excluding foundation funds and others	2,476,154	(93,533)	(2,740)	2,379,880	2,379,880
Net change	**2,476,154**	**(93,533)**	**(2,740)**	**2,379,880**	**2,520,657**
Ending balance	**¥6,642,100**	**¥(161,590)**	**¥(57,447)**	**¥6,423,062**	**¥8,318,270**

For the year ended March 31, 2022	Millions of Yen											
	Foundation funds and others											
				Surplus								
					Other surplus reserves							
	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Legal reserve for deficiencies	Contingency funds	Reserve for social public welfare assistance	Reserve for reduction entry of real estate	Reserve for reduction entry of real estate to be purchased	Other reserves	Unappropriated surplus	Total surplus	Total foundation funds and others
Beginning balance	**¥100,000**	**¥1,300,000**	**¥651**	**¥18,993**	**¥71,917**	**¥351**	**¥71,855**	**¥2,069**	**¥170**	**¥329,199**	**¥494,556**	**¥1,895,208**
Increase/decrease:												
Issuance of foundation funds	50,000											50,000
Additions to reserve for dividends to policyholders										(276,006)	(276,006)	(276,006)
Additions to legal reserve for deficiencies				995						(995)	—	—
Additions to reserve for redemption of foundation funds		50,000								(50,000)	(50,000)	—
Interest on foundation funds										(277)	(277)	(277)
Net surplus										351,873	351,873	351,873
Redemption of foundation funds	(50,000)											(50,000)
Additions to reserve for social public welfare assistance						3,000				(3,000)	—	—
Reversal of reserve for social public welfare assistance						(3,000)				3,000	—	—
Additions to reserve for reduction entry of real estate							1,374			(1,374)	—	—
Reversal of reserve for reduction entry of real estate							(1,390)			1,390	—	—
Reversal of reserve for reduction entry of real estate to be purchased								(1,062)		1,062	—	—
Reversal of land revaluation losses										2,916	2,916	2,916
Net change, excluding foundation funds and others												
Net change	**—**	**50,000**	**—**	**995**	**—**	**—**	**(16)**	**(1,062)**	**—**	**28,590**	**28,506**	**78,506**
Ending balance	**¥100,000**	**¥1,350,000**	**¥651**	**¥19,988**	**¥71,917**	**¥351**	**¥71,839**	**¥1,007**	**¥170**	**¥357,789**	**¥523,063**	**¥1,973,714**

For the year ended March 31, 2022	Millions of Yen				
	Valuations, conversions, and others				
	Net unrealized gains on available-for-sale securities	Deferred losses on derivatives under hedge accounting	Land revaluation losses	Total valuations, conversions, and others	Total net assets
Beginning balance	**¥6,642,100**	**¥(161,590)**	**¥(57,447)**	**¥6,423,062**	**¥8,318,270**
Increase/decrease:					
Issuance of foundation funds					50,000
Additions to reserve for dividends to policyholders					(276,006)
Additions to legal reserve for deficiencies					—
Additions to reserve for redemption of foundation funds					—
Interest on foundation funds					(277)
Net surplus					351,873
Redemption of foundation funds					(50,000)
Additions to reserve for social public welfare assistance					—
Reversal of reserve for social public welfare assistance					—
Additions to reserve for reduction entry of real estate					—
Reversal of reserve for reduction entry of real estate					—
Reversal of reserve for reduction entry of real estate to be purchased					—
Reversal of land revaluation losses					2,916
Net change, excluding foundation funds and others	(529,203)	(212,770)	(2,916)	(744,890)	(744,890)
Net change	**(529,203)**	**(212,770)**	**(2,916)**	**(744,890)**	**(666,383)**
Ending balance	**¥6,112,896**	**¥(374,361)**	**¥(60,363)**	**¥5,678,172**	**¥7,651,886**

For the year ended March 31, 2023	Millions of Yen												
	Foundation funds and others												
				Surplus									
					Other surplus reserves								
	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Legal reserve for deficiencies	Contingency funds	Reserve for social public welfare assistance	Reserve for financial stability	Reserve for reduction entry of real estate	Reserve for reduction entry of real estate to be purchased	Other reserves	Unappropriated surplus	Total surplus	Total foundation funds and others
Beginning balance	**¥100,000**	**¥1,350,000**	**¥651**	**¥19,988**	**¥71,917**	**¥351**	**—**	**¥71,839**	**¥1,007**	**¥170**	**¥357,789**	**¥523,063**	**¥1,973,714**
Increase/decrease:													
Additions to reserve for dividends to policyholders											(199,868)	(199,868)	(199,868)
Additions to legal reserve for deficiencies				1,294							(1,294)	—	—
Interest on foundation funds											(265)	(265)	(265)
Net surplus											187,453	187,453	187,453
Reversal of contingency funds					(71,917)						71,917	—	—
Additions to reserve for social public welfare assistance						3,000					(3,000)	—	—
Reversal of reserve for social public welfare assistance						(3,000)					3,000	—	—
Additions to reserve for financial stability							221,917				(221,917)	—	—
Additions to reserve for reduction entry of real estate								2,718			(2,718)	—	—
Reversal of reserve for reduction entry of real estate								(1,309)			1,309	—	—
Additions to reserve for reduction entry of real estate to be purchased									1,953		(1,953)	—	—
Reversal of land revaluation losses											(4,098)	(4,098)	(4,098)
Net change, excluding foundation funds and others													
Net change	**—**	**—**	**—**	**1,294**	**(71,917)**	**—**	**221,917**	**1,408**	**1,953**	**—**	**(171,435)**	**(16,778)**	**(16,778)**
Ending balance	**¥100,000**	**¥1,350,000**	**¥651**	**¥21,282**	**—**	**¥351**	**¥221,917**	**¥73,248**	**¥2,961**	**¥170**	**¥186,354**	**¥506,285**	**¥1,956,936**

For the year ended March 31, 2023	Millions of Yen				
	Valuations, conversions, and others				
	Net unrealized gains on available-for-sale securities	Deferred losses on derivatives under hedge accounting	Land revaluation losses	Total valuations, conversions, and others	Total net assets
Beginning balance	**¥6,112,896**	**¥(374,361)**	**¥(60,363)**	**¥5,678,172**	**¥7,651,886**
Increase/decrease:					
Additions to reserve for dividends to policyholders					(199,868)
Additions to legal reserve for deficiencies					—
Interest on foundation funds					(265)
Net surplus					187,453
Reversal of contingency funds					—
Additions to reserve for social public welfare assistance					—
Reversal of reserve for social public welfare assistance					—
Additions to reserve for financial stability					—
Additions to reserve for reduction entry of real estate					—
Reversal of reserve for reduction entry of real estate					—
Additions to reserve for reduction entry of real estate to be purchased					—
Reversal of land revaluation losses					(4,098)
Net change, excluding foundation funds and others	(814,967)	(1,956)	4,098	(812,824)	(812,824)
Net change	**(814,967)**	**(1,956)**	**4,098**	**(812,824)**	**(829,603)**
Ending balance	**¥5,297,929**	**¥(376,317)**	**¥(56,264)**	**¥4,865,347**	**¥6,822,283**

For the year ended March 31, 2023	Millions of U.S. Dollars (Note 1)												
	Foundation funds and others												
				Surplus									
					Other surplus reserves								
	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Legal reserve for deficiencies	Contingency funds	Reserve for social public welfare assistance	Reserve for financial stability	Reserve for reduction entry of real estate	Reserve for reduction entry of real estate to be purchased	Other reserves	Unappropriated surplus	Total surplus	Total foundation funds and others
Beginning balance	**$748**	**$10,110**	**$4**	**$149**	**$538**	**$2**	**—**	**$537**	**$7**	**$1**	**$2,679**	**$3,917**	**$14,781**
Increase/decrease:													
Additions to reserve for dividends to policyholders											(1,496)	(1,496)	(1,496)
Additions to legal reserve for deficiencies				9							(9)	—	—
Interest on foundation funds											(1)	(1)	(1)
Net surplus											1,403	1,403	1,403
Reversal of contingency funds					(538)						538	—	—
Additions to reserve for social public welfare assistance						22					(22)	—	—
Reversal of reserve for social public welfare assistance						(22)					22	—	—
Additions to reserve for financial stability							1,661				(1,661)	—	—
Additions to reserve for reduction entry of real estate								20			(20)	—	—
Reversal of reserve for reduction entry of real estate								(9)			9	—	—
Additions to reserve for reduction entry of real estate to be purchased									14		(14)	—	—
Reversal of land revaluation losses											(30)	(30)	(30)
Net change, excluding foundation funds and others													
Net change	**—**	**—**	**—**	**9**	**(538)**	**—**	**1,661**	**10**	**14**	**—**	**(1,283)**	**(125)**	**(125)**
Ending balance	**$748**	**$10,110**	**$4**	**$159**	**—**	**$2**	**$1,661**	**$548**	**$22**	**$1**	**$1,395**	**$3,791**	**$14,655**

For the year ended March 31, 2023	Millions of U.S. Dollars (Note 1)				
	Valuations, conversions, and others				
	Net unrealized gains on available-for-sale securities	Deferred losses on derivatives under hedge accounting	Land revaluation losses	Total valuations, conversions, and others	Total net assets
Beginning balance	**$45,779**	**$(2,803)**	**$(452)**	**$42,523**	**$57,304**
Increase/decrease:					
Additions to reserve for dividends to policyholders					(1,496)
Additions to legal reserve for deficiencies					—
Interest on foundation funds					(1)
Net surplus					1,403
Reversal of contingency funds					—
Additions to reserve for social public welfare assistance					—
Reversal of reserve for social public welfare assistance					—
Additions to reserve for financial stability					—
Additions to reserve for reduction entry of real estate					—
Reversal of reserve for reduction entry of real estate					—
Additions to reserve for reduction entry of real estate to be purchased					—
Reversal of land revaluation losses					(30)
Net change, excluding foundation funds and others	(6,103)	(14)	30	(6,087)	(6,087)
Net change	**(6,103)**	**(14)**	**30**	**(6,087)**	**(6,212)**
Ending balance	**$39,675**	**$(2,818)**	**$(421)**	**$36,436**	**$51,091**

The accompanying notes are an integral part of the nonconsolidated financial statements.

10. Nonconsolidated Proposed Appropriations of Surplus

Nippon Life Insurance Company

	Thousands of Yen			Thousands of U.S. Dollars (Note 1)
For the years ended March 31	**2023**	**2022**	**2021**	**2023**
Unappropriated surplus	**¥186,354,600**	**¥357,789,830**	**¥329,199,756**	**$1,395,600**
Reversal from voluntary surplus reserves:				
Reversal of contingency funds	—	71,917,000	—	—
Reversal of reserve for reduction entry of real estate	1,359,689	1,309,448	1,390,319	10,182
Reversal of reserve for reduction entry of real estate to be purchased	2,961,301	—	1,062,156	22,177
Subtotal	**4,320,990**	**73,226,448**	**2,452,475**	**32,359**
Total	**¥190,675,591**	**¥431,016,279**	**¥331,652,232**	**$1,427,960**
Appropriations:	**¥190,675,591**	**¥431,016,279**	**¥331,652,232**	**$1,427,960**
Reserve for dividends to policyholders	181,910,514	199,868,044	276,006,182	1,362,319
Net surplus	8,765,076	231,148,234	55,646,050	65,641
Legal reserve for deficiencies	573,000	1,294,000	995,000	4,291
Reserve for redemption of foundation funds	—	—	50,000,000	—
Interest on foundation funds	265,000	265,000	277,000	1,984
Voluntary surplus reserves:				
Reserve for social public welfare assistance	3,000,000	3,000,000	3,000,000	22,466
Reserve for financial stability	—	221,917,000	—	—
Reserve for reduction entry of real estate	4,927,076	2,718,299	1,374,050	36,898
Reserve for reduction entry of real estate to be purchased	—	1,953,934	—	—
Subtotal	**7,927,076**	**229,589,234**	**4,374,050**	**59,365**
Surplus carried forward	**—**	**—**	**—**	**—**

Of the surplus available for disposition, a minimum ratio for the reserve for dividends to policyholders needs to be established in the Articles of Incorporation.
Nippon Life applies mutatis mutandis Article 30-6 of the Ordinance for Enforcement of the Insurance Business Act in the Articles of Incorporation and has established the ratio (20/100) stipulated in said Article 30-6 as the minimum ratio in the Articles of Incorporation. The ratio of provision of the appropriation of surplus in the fiscal year ended March 31, 2023 was 99.66%.
Amounts of less than one thousand yen and one thousand U.S. dollars have been eliminated in the table above.

11. Notes to the Nonconsolidated Financial Statements

Nippon Life Insurance Company

1. Basis of Presenting the Nonconsolidated Financial Statements

(1) Accounting principles and presentation

The accompanying nonconsolidated financial statements have been prepared from the accounts and records maintained by NIPPON LIFE INSURANCE COMPANY ("Nippon Life" or the "Company") in accordance with the provisions set forth in the Insurance Business Act and the related rules and regulations applicable to the mutual life insurance industry, and in accordance with accounting principles generally accepted in Japan, which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards. Certain accounting and reporting practices required to be followed by the industry are regulated by the Financial Services Agency and the related ministry by means of ministerial ordinances and guidance. The accompanying nonconsolidated financial statements of Nippon Life are in compliance with such requirements. However, while the business report and supporting schedules have been prepared by the management of Nippon Life as a part of the disclosures required by the Company's Act and the Insurance Business Act, they are not provided herein. The information provided in the nonconsolidated financial statements including the Notes to the Nonconsolidated Financial Statements is limited to information required by the Insurance Business Act and the related rules and regulations applicable to the mutual life insurance industry and disclosed as additional information. Amounts of less than one million yen and one million U.S. dollars have been eliminated for nonconsolidated financial statement presentation. As a result, totals may not add up exactly. As consolidated statements of cash flows and certain disclosures are presented in the consolidated financial statements of the Company, nonconsolidated statements of cash flows and certain disclosures are not presented herein in accordance with accounting principles generally accepted in Japan.

(2) U.S. dollar amounts

Nippon Life prepares its nonconsolidated financial statements in Japanese yen. The U.S. dollar amounts included in the nonconsolidated financial statements and notes thereto represent the arithmetical results of translating Japanese yen to U.S. dollars on the basis of ¥133.53=U.S. $1, the effective rate of exchange at the balance sheet date of March 31, 2023. The inclusion of such U.S. dollar amounts is solely for convenience and is not intended to imply that Japanese yen amounts have been or could be readily converted, realized or settled in U.S. dollars at ¥133.53=U.S. $1 or at any other rate.

2. Summary of Significant Accounting Policies

(1) Securities and hedging activities

The transitional measures of Paragraph 27-2 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ* Guidance No. 31, June 17, 2021, hereafter referred to as "Fair Value Measurement Implementation Guidance") have been applied from the fiscal year ended March 31, 2023. The new accounting policy set by the Fair Value Measurement Implementation Guidance has been applied prospectively from the beginning of the fiscal year ended March 2023. Consequently, while certain investment trusts had been conventionally valued using the acquisition cost on the balance sheet, from the fiscal year ended March 31, 2023, they are valued using the fair value.

The "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019; "Fair Value Measurement Accounting Standard") has been applied from the fiscal year ended March 31, 2022, and a partial revision of the fair value calculation method of financial instruments has been implemented. The application of the Fair Value Measurement Accounting Standard is in accordance with the transitional provisions set forth under Paragraph 19 of the Fair Value Measurement Accounting Standard and Paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019). The new accounting policy establishing the Fair Value Measurement Accounting Standard has been applied prospectively from the fiscal year ended March 31, 2022. Consequently, while stocks (including foreign stocks) among other securities had been conventionally valued using the fair value based on the one-month average of the market price before the end of the previous fiscal year, from the fiscal year ended March 31, 2022, they are valued using the fair value based on the market price, etc., at the end of the fiscal year. Furthermore, matters regarding the breakdown at each level of the fair value of financial instruments are documented in Note 4 Financial Instruments in the Notes to the Nonconsolidated Financial Statements.

** ASBJ: Accounting Standards Board of Japan*

1) Securities (including items such as deposits and monetary receivables purchased which are treated as securities based on the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10) and securities within assets held in trust) are valued as follows:
   i) Trading securities are stated at fair value on the balance sheet date. The moving average method is used for calculating the cost basis.
   ii) Held-to-maturity debt securities are valued using the moving average method, net of accumulated amortization (straight-line).
   iii) Policy-reserve-matching bonds are valued using the moving average method, net of accumulated amortization (straight-line), 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).
   iv) Investments in subsidiaries and affiliates (stocks issued by subsidiaries prescribed in Article 2, Paragraph 12 of the Insurance Business Act or subsidiaries prescribed in Article 13-5-2, Paragraph 3 of the Order for Enforcement of the Insurance Business Act and stocks issued by affiliates prescribed in Article 13-5-2, Paragraph 4 of the Order for Enforcement of the Insurance Business Act) are stated at cost using the moving average method.
   v) Available-for-sale securities
   Evaluation methods for the fiscal years ended March 31, 2023 and 2022, are as follows:

a. Fair value based on the market price, etc., at the end of the fiscal year (the cost basis is calculated using the moving average method, and public corporate bonds (including foreign bonds) for which the difference between the purchase price and face value is due to an interest rate adjustment are valued using the moving average method, net of accumulated amortization (straight-line method)).

b. Stocks and other securities without market prices are stated at cost using the moving average method.

Evaluation methods for the fiscal year ended March 31, 2021, are as follows:

a. Regarding securities with a fair value, stocks (including foreign stocks) are valued using the average fair value during the period of one month before the balance sheet date (the cost basis is calculated using the moving average method). Other securities with a fair value are valued using the fair value on the balance sheet date (the cost basis is calculated using the moving average method).

b. Regarding securities of which the fair value is extremely difficult to determine, bonds (including foreign bonds) for which the difference between the purchase price and face value is due to an interest rate adjustment are stated at cost using the moving average method, net of accumulated amortization (straight-line). Other securities without readily determinable fair values are stated at cost using the moving average method.

2) Unrealized gains/losses, net of applicable taxes for available-for-sale securities, are recorded as a separate component of net assets.

Hedge accounting is applied based on the following methods:

1) The Company mainly applies the following hedge accounting methods: The exceptional accounting treatment (*"Tokurei-shori"*) for interest rate swaps is applied to hedge the cash flow volatility of certain loans denominated in foreign currencies; deferred hedge accounting for interest rate swaps is applied to hedge the interest rate fluctuation exposures on certain insurance policies, based on the Industry Audit Committee Report No. 26, "Accounting and Auditing Treatments related to Application of Accounting for Financial Instruments in the Insurance Industry," issued by the JICPA; deferred hedge accounting and designated hedge accounting (*"Furiate-shori"*) for currency swaps are applied to hedge the cash flow volatility caused by foreign exchange rate fluctuations on certain foreign currency-denominated bonds, certain foreign currency-denominated loans, and foreign currency-denominated subordinated corporate bonds issued by the Company; fair value hedge accounting for foreign exchange forward contracts is applied to hedge the price fluctuation exposures related to foreign exchange rate fluctuations on certain foreign currency-denominated bonds and certain other foreign currency-denominated instruments; and fair value hedge accounting for equity forward contracts is applied to hedge the price fluctuation exposures on certain domestic stocks.

2) Hedging instruments and hedged items

(Hedging instruments)	(Hedged items)
Interest rate swaps	Foreign currency-denominated loans, and insurance policies
Currency swaps	Foreign currency-denominated bonds, foreign currency-denominated loans, and foreign currency-denominated subordinated corporate bonds
Foreign exchange forward contracts	Foreign currency-denominated bonds and other foreign currency-denominated instruments
Equity forward contracts	Domestic stocks

Accompanying the replacement of interest rate benchmarks, exceptional accounting treatment for certain interest rate swaps has been applied for the fiscal years ended March 31, 2023 and 2022, based on the "Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (ASBJ PITF* No. 40, March 17, 2022).

** PITF: Practical Issues Task Force*

3) Effectiveness of hedging activities is mainly evaluated by performing a ratio analysis of fair value movement comparisons based on the hedging instruments and hedged items taken, which is in accordance with the Company's internal risk management policies.

4) Derivative financial instruments are stated at fair value.

(2) Policy-reserve-matching bonds

Securities that are held for the purpose of matching the duration of outstanding liabilities within the subgroups classified by insurance type, payment method, maturity period, currency, and investment policy are classified as 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 JICPA.

The Company has specified and subcategorized the following insurance policies:

1) All insurance policies for products other than single premium products and group annuities
2) All insurance policies for single premium products (denominated in yen) other than variable assumed rate-type insurance
3) All insurance policies for group annuities other than guaranteed fixed-term rate products
4) All single premium products (denominated in U.S. dollars) other than the foregoing
5) All single premium products (denominated in Australian dollars) other than the foregoing
6) All single premium products (denominated in euros) other than the foregoing

To further promote the economic value-based ALM, the calculation method for the duration of the policy reserve has been changed to comply with the evaluation method based on economic value from of the fiscal year ended March 31, 2023. This change does not affect the balance sheet or the statements of income.

(3) Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into Japanese yen using the "Accounting Standards for Foreign Currency Transactions" (Business Accounting Council).

Foreign currency-denominated available-for-sale securities of the Company, with exchange rates that have significantly fluctuated and where recovery is not expected, are converted to Japanese yen using either the rate on the balance sheet date or the average one-month rate prior to the balance sheet date, whichever indicates a weaker yen. This translation difference is recorded as a loss on valuation of securities.

(4) Tangible fixed assets

1) Tangible fixed assets are depreciated based on the following methods:
   a. Tangible fixed assets (except for lease assets)
      (i) Buildings
      Straight-line method.
      (ii) Assets other than the above
      Declining-balance method.
      Certain other tangible fixed assets with an acquisition price of less than ¥200,000 are depreciated over a 3 year period on a straight-line basis.
   b. Lease assets
      (i) Lease assets related to financial leases that transfer ownership of the leased property to the lessee
      The same depreciation method applied to fixed assets owned by the Company.
      (ii) Lease assets related to financial leases that do not transfer ownership of the leased property to the lessee
      Straight-line method based on lease period.

   The estimated useful lives of major items are as follows:

Buildings	2 to 60 years
Other tangible fixed assets	2 to 20 years

   Tangible fixed assets are stated at cost, net of accumulated depreciation and impairment losses.

2) Revaluation of land used in the operations is performed based on the Act on Revaluation of Land. The tax effect of the amount related to the valuation difference between carrying amount and the revalued amount for land revaluation is recognized as a deferred tax liability within the liability section. The valuation differences, excluding tax, are recognized as land revaluation losses within the net assets section.

Revaluation date	March 31, 2002
Revaluation methodology	The amount is calculated using the listed value of the land and road rate as prescribed by Article 2, Items 1 and 4, respectively, of the Order for Enforcement of the Act on Revaluation of Land.

(5) Software

Capitalized software for internal use, which is included within intangible fixed assets, is amortized using the straight-line method over its estimated useful lives as internally determined (5 years).

(6) Allowance for doubtful accounts

1) An allowance for doubtful accounts is recognized in accordance with the Company's internal Asset Valuation Regulation and Write-Off/Provision Rule.
   i) An allowance for loans to borrowers who are legally or substantially bankrupt, such as being bankrupt or being in the process of civil rehabilitation proceedings, is recognized based on the amount of credit remaining after directly deducting amounts expected to be collected through the disposal of collateral or the execution of guarantees from the balance of loans (as mentioned at 3) below).
   ii) An allowance for loans to borrowers who are not currently legally bankrupt, but have a significant possibility of bankruptcy is recognized at the amounts deemed necessary considering an assessment of the borrowers' overall solvency and the amounts remaining after deduction of amounts expected to be collected through the disposal of collateral or the execution of guarantees.
   iii) An allowance for loans to borrowers other than the above is provided based on the borrowers' balance multiplied by the historical average (of a certain period) percentage of bad debt.
   An allowance for loans to borrowers whose future business results are expected to worsen in case of a sudden event that has a large impact on economic conditions is recognized based on the estimated amount of impact on credit risk that has not yet been reflected in the borrowers' financial information and other disclosures.
2) All credits are assessed by responsible sections in accordance with the Company's internal Asset Valuation Regulation. The assessments are verified by the independent Asset Auditing Department. The results of the assessments are reflected in the calculation of the allowance for doubtful accounts.
3) The estimated uncollectible amount calculated by subtracting the amount of collateral value or the amount collectible by the execution of guarantees from the balance of loans is directly deducted from the balance of loans (including loans with credits secured and/or guaranteed) made to legally or substantially bankrupt borrowers. The estimated uncollectible amounts were ¥1,975 million (U.S. $14 million) (including ¥54 million (U.S. $0 million) of credits secured and/or guaranteed), ¥586 million (including ¥57 million of credits secured and/or guaranteed), ¥2,514 million (including ¥64 million of credits secured and/or guaranteed) as of March 31, 2023, 2022 and 2021, respectively.

(7) Allowance for investment loss

For the fiscal years ended March 31, 2023 and 2022

To provide for losses on investments, an allowance for investment loss is recognized for the stocks and other securities without market prices, and measured at the amount of the estimated losses that could arise in the future in accordance with the Company's internal Asset Valuation Regulation and Write-off/Provision Rule.

For the fiscal year ended March 31, 2021

To provide for losses on investments, an allowance for investment loss is recognized for the securities of which the fair value is extremely difficult to determine and which are expected to have loss in future, and measured at the amount of the estimated losses that could arise in the future in accordance with the Company's internal Asset Valuation Regulation and Write-off/Provision Rule.

(8) Accrued bonuses for directors and audit & supervisory board members

Accrued bonuses for directors and audit & supervisory board members are recognized based on amounts estimated to be paid.

(9) Accrued retirement benefits

1) Accrued retirement benefits are recognized based on the estimated amount of projected benefit obligations in excess of the fair value of pension plan assets for future severance payments to employee on the balance sheet date as of March 31, 2023, 2022 and 2021.
2) The accounting methods used for retirement benefits as of March 31, 2023, 2022 and 2021, are as follows:
   i) Attribution method for estimated retirement benefits: Benefit formula basis
   ii) Period of amortizing actuarial gains/losses: 5 years
   iii) Period of amortizing prior service costs: 5 years

(10) Accrued retirement benefits for directors and audit & supervisory board members

Accrued retirement benefits for directors and audit & supervisory board members are recognized based on estimated payment amounts under internal rules.

A resolution was passed at the meeting of representatives held on July 2, 2020, to abolish the retirement benefit plan for directors and audit & supervisory board members. As a result of this resolution, the payment prescribed under this plan was finalized. Accordingly, the unpaid amount of ¥4,432 million in accrued retirement benefits for directors and audit & supervisory board members was reversed, and transferred to accounts payable in the fiscal year ended March 31, 2021.

(11) Reserve for program points

A reserve for program points is recognized based on the amount projected to be incurred for expenses from the use of points granted to policyholders.

(12) Reserve for price fluctuations in investments in securities

Reserve for price fluctuations in investments in securities is recognized based on Article 115 of the Insurance Business Act.

(13) Accounting for consumption taxes

Consumption taxes and local consumption taxes are accounted for by the tax exclusion method. However, consumption taxes paid on certain asset transactions, which are not deductible from consumption taxes withheld and are stipulated to be deferred under the Consumption Tax Act, are deferred as prepaid expenses and amortized over a 5 year period on a straight-line basis. Consumption taxes other than deferred consumption taxes are expensed as incurred.

(14) Group Tax Sharing System and Consolidated Taxation System

From the fiscal year ended March 31, 2023, the Company has transitioned from the Consolidated Taxation System to the Group Tax Sharing System, with the Company serving as the tax sharing parent company. As a result, the accounting treatment for corporate tax and local corporate tax, as well as the accounting treatment for tax effect accounting related to these taxes, is in accordance with the "Practical Solution on the Accounting and Dsiclosure Under the Group Tax Sharing System" (ASBJ PITF No. 42, August 12, 2021).

For the fiscal years ended March 31, 2022 and 2021, the Company has applied the consolidated taxation system as the parent company for consolidated taxation purposes. In accordance with the "Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System" (ASBJ PITF No. 39, March 31, 2020), the Company calculates the amounts of deferred tax assets and liabilities based on tax laws and regulations before the revision.

(15) Policy reserves

Policy reserves are reserves set forth in accordance with Article 116 of the Insurance Business Act. These reserves are accumulated in order to prepare for payments of future obligations based on insurance policies. Insurance premiums reserves are recognized based on the following methodology. In accordance with Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act, policy reserves include those that are reserved for certain individual annuity policies and for certain whole life insurance policies.

1) Reserves for policies subject to the standard policy reserve are computed in accordance with the method prescribed by the Commissioner of the Financial Services Agency (Ordinance No. 48 issued by the Ministry of Finance in 1996).
2) Reserves for other policies are computed based on the net level premium method.

   Matters concerning additional policy reserve amounts accumulated during the fiscal year ended March 31, 2023, are follows:

   Effective from the fiscal year ended March 31, 2020, the Company has provided for additional policy reserves to cover a possible deficiency in the reserve for paid-up insurance policies and similar policies among certain whole life insurance policies (including single premium policies). In addition, effective from the fiscal year ended March 31, 2022, the Company has expanded eligibility for whole life insurance policies (including single premium policies) for which additional policy reserves are provided, and has decided to successively provide additional policy reserves over a five-year period for such policies with premiums that have been paid (including single premium policies). As a result, the policy

reserves increased by ¥276,550 million (U.S. $2,071 million), while ordinary profit and surplus before income taxes decreased by ¥276,550 million (U.S. $2,071 million), compared with amounts that would have been recorded if the additional policy reserves had not been provided in the fiscal year ended March 31, 2023.

Matters concerning additional policy reserve amounts accumulated during the fiscal year ended March 31, 2022, are as follows:

Effective from the fiscal year ended March 31, 2020, the Company has provided for additional policy reserves to cover a possible deficiency in the reserve for paid-up insurance policies and similar policies among certain whole life insurance policies (including single premium policies). For such policies with premiums that have been paid and similar policies (including single premium policies), the Company had previously decided to successively provide additional policy reserves over a three-year period, but in the fiscal year ended March 31, 2022, the Company provided for these additional policy reserves in a lump sum. Effective from the fiscal year ended March 31, 2022, the Company has expanded eligibility for whole life insurance policies (including single premium policies) for which additional policy reserves are provided, and has decided to successively provide additional policy reserves over a five-year period for such policies with premiums that have been paid (including single premium policies). As a result, the policy reserves increased by ¥586,606 million, while ordinary profit and surplus before income taxes decreased by ¥586,606 million, compared with amounts that would have been recorded if the additional policy reserves had not been provided in the fiscal year ended March 31, 2022.

Matters concerning additional policy reserve amounts accumulated during the fiscal year ended March 31, 2021, are as follows:

Effective from the fiscal year ended March 31, 2019, the Company has provided for additional policy reserves over a five-year period to cover a possible deficiency in the reserve for certain individual annuity policyholders. In the fiscal year ended March 31, 2021, the Company provided for these additional policy reserves in a lump sum. Moreover, effective from the fiscal year ended March 31, 2020, the Company has provided for additional policy reserves to cover a possible deficiency in the reserve for paid-up insurance policies and similar policies among certain whole life insurance policies (including single premium policies). For such policies with premiums that have been paid as of March 31, 2021, and similar policies (including single premium policies), the Company had previously decided to successively provide additional policy reserves over a six-year period. Effective from the fiscal year ended March 31, 2021, the Company has decided to successively provide these additional policy reserves over the next three years. As a result, the policy reserves increased by ¥369,175 million, while ordinary profit and surplus before income taxes decreased by ¥369,175 million, compared with amounts that would have been recorded had the additional policy reserves not been provided in the fiscal year ended March 31, 2021.

(16) Incurred but Not Reported (IBNR) Claims

An appropriate amount of the reserve for incurred but not reported (IBNR) claims (insurance claims and benefits whose reasons for payment have not yet been reported, but whose reasons for payment stipulated by insurance policies are deemed to have already occurred) cannot be calculated pursuant to the calculation based on Article 1, Paragraph 1, Principles of the Ministry of Finance Public Notice No. 234 of 1998 (hereinafter, "the IBNR Notice") due to a change in the scope of payment for hospitalization and related benefits during the fiscal year ended March 31, 2023 in cases where the insured is diagnosed with COVID-19 and recuperates at a lodging facility or at home under the supervision of a physician or other medical personnel (hereinafter, "deemed hospitalization"). Therefore, the Company recorded an amount based on the provision in the proviso of Article 1, Paragraph 1 of the IBNR Notice calculated using the method described below.

(Calculation method)

The Company has calculated reserve amounts by classifying them as a reserve for IBNR claims related to deemed hospitalization and a reserve for IBNR claims related to reasons other than deemed hospitalization. The reserve for IBNR claims related to reasons other than deemed hospitalization is calculated using the same method as that set forth in Article 1, Paragraph 1, Principles of the IBNR Notice, after excluding the amounts related to deemed hospitalization from the required amount of provisions to reserve for IBNR claims over all periods under Article 1, Paragraph 1, Principles of the IBNR Notice and the amount of payments for insurance claims and benefits under said notice. The reserve for IBNR claims related to deemed hospitalization is calculated using the amounts related to deemed hospitalization for and the number of new infections among those at high risk of severe symptoms from September 26, 2022 onward, and the number of new infections in the last 2 months, considering the average period required between the occurrence of reasons for payment and the filing of claims.

(17) Revenues from insurance and reinsurance and benefits and other payments

The Company has adopted the following significant accounting principles and procedures in cases where the provisions of the relevant accounting standards identified in accordance with the "Revised Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections" (revised ASBJ Statement No. 24) were not clear.

1) Revenues from insurance and reinsurance (excluding revenues from reinsurance) are recorded as the amount of payments that have been received, in principle.

   Unearned insurance premiums are recognized as policy reserves.

2) Benefits and other payments (excluding reinsurance premiums) are recorded as the amount of payments made with respect to policies for which an event that is a reason for payment of claims or benefits has occurred based on the policy clauses and the amount determined based on those policy clauses was paid.

(18) Policy acquisition costs

Policy acquisition costs are recorded to expense as incurred.

(19) Income taxes

The provision for income taxes is computed based on the pretax income included in the nonconsolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying the enacted statutory tax rates to the temporary differences.

3. Significant Accounting Estimates

The significant accounting estimates identified based on the "Accounting Standard for Disclosure of Accounting Estimates" (ASBJ Statement No. 31) comprise valuations of investments in subsidiaries and affiliates.

The value of investments in subsidiaries and affiliates recorded in the balance sheet as of March 31, 2023, is ¥1,604,403 million (U.S. $12,015 million), and ¥1,466,399 million as of March 31, 2022, and ¥1,308,172 million as of March 31, 2021. If the net realizable value of the investments in subsidiaries and affiliates without market prices decreases sharply due to a deterioration in their financial condition, the Company would need to record a considerable reduction. For the valuation of investments in subsidiaries and affiliates that are life insurance companies, the Company uses the corporate valuation amounts for such subsidiaries and other entities as the net realizable value.

For the fiscal year ended March 31, 2023, the calculation of the corporate valuation amount includes assumptions about the future performance of subsidiaries, etc. Therefore, any changes to these assumptions could potentially have a significant impact on the amounts for subsidiaries and affiliates.

For the fiscal years ended March 31, 2022 and 2021, the calculation of the corporate valuation amount includes assumptions about the future performance of subsidiaries, etc., and the duration of the effects of COVID-19. Therefore, any changes to these assumptions could potentially have a significant impact on the amounts for subsidiaries and affiliates.

For details, refer to Note 23 Impairment Losses in the Notes to the Consolidated Financial Statements.

4. Financial Instruments

Regarding the investment of general accounts (except separate accounts as provided in Article 118, Paragraph 1 of the Insurance Business Act), in light of the characteristics of life insurance policies, the Company has built a portfolio geared towards mid- to long-term investment and formulated an investment plan considering the outlook of the investment environment.

Based on this, in order to reliably pay benefits and other payments in the future, the Company has positioned yen-denominated assets that can be expected to provide stable income, such as bonds and loans, as the Company's core assets, and from the viewpoint of improving profit in the mid- to long-term, the Company invests in domestic stocks and foreign securities. Also, the Company mainly uses derivative transactions for controlling asset or liability risks. Specifically, the Company uses interest rate swaps and interest rate swaptions as interest rate-related; foreign exchange forward contracts, currency options, and currency swaps as currency-related; and equity forward contracts, equity index futures, and equity options as equity-related. The Company applies hedge accounting to certain derivative transactions above.

Securities are mainly exposed to market risk and credit risk, loans are exposed to credit risk, and derivative transactions are exposed to market risk and credit risk. Market risk refers to the risk of incurring losses when the fair value of investment assets declines due to factors such as fluctuations in interest rates, exchange rates, or stock prices. Credit risk refers to the risk of incurring losses when the value of assets, primarily loans and corporate bonds, declines due to deterioration of the financial condition of the party to whom credit has been extended. It includes country risk. These risks are managed according to rules and regulations regarding investment risks.

To manage market risk, the Company has implemented investment limits based on the nature of the assets in order to avoid excessive losses from financing and investment transactions. In addition, the Company monitors and regularly reports on the status of compliance to the Risk Management Committee, the advisory body of the Management Committee, and has developed a system to manage risk within acceptable levels in the event of a breach of the internal rules. Also, to manage market risk in the Company's portfolio, the Company uses a statistical analysis method to rationally calculate the market value-at-risk of the portfolio as a whole and conducts appropriate asset allocation within acceptable boundaries of risk.

To manage credit risk, the Company has built a system to perform credit analysis, including strict assessment of individual counterparties by the Assessment Management Department, which is independent of the departments handling investment and finance activities. The Company also continues to build a sound portfolio through the establishment and monitoring of interest guidelines to ensure the returns the Company obtains are commensurate with the risk, a system of internal ratings for classifying the creditworthiness of borrowers, and credit ceilings to ensure that credit risk is not excessively concentrated in a particular company, group, or country.

In addition, the Company calculates credit value-at-risk as a measurement of the magnitude of credit risk across the Company's portfolio as a whole, and monitors whether the magnitude of risk stays within an appropriate range.

Matters concerning the fair value and so on of financial instruments in the fiscal years ended March 31, 2023 and 2022, are as follows:

Notes are omitted for financial instruments whose carrying amount approximates fair value due to their short-term settlement.

(1) Balance sheet amounts and fair values for major financial instruments and their differences are as follows:

	Millions of Yen						Millions of U.S. Dollars		
As of March 31	2023			2022			2023		
	Balance sheet amount(*1)	Fair value(*2)	Difference	Balance sheet amount(*1)	Fair value(*2)	Difference	Balance sheet amount(*1)	Fair value(*2)	Difference
Financial assets									
Monetary receivables purchased:	¥ 124,514	¥ 126,610	¥ 2,096	¥ 150,404	¥ 154,841	¥ 4,437	$ 932	$ 948	$ 15
Policy-reserve-matching bonds	110,212	112,309	2,096	128,328	132,765	4,437	825	841	15
Available-for-sale securities	14,301	14,301	—	22,076	22,076	—	107	107	—
Investments in securities(*3,*4,*5):	61,533,783	62,287,921	754,138	62,968,796	65,183,614	2,214,818	460,823	466,471	5,647
Trading securities	744,325	744,325	—	697,633	697,633	—	5,574	5,574	—
Policy-reserve-matching bonds	26,943,793	27,612,412	668,618	25,574,218	27,582,063	2,007,845	201,780	206,788	5,007
Investments in subsidiaries and affiliates	128,615	214,135	85,519	128,615	335,588	206,972	963	1,603	640
Available-for-sale securities	33,717,048	33,717,048	—	36,568,329	36,568,329	—	252,505	252,505	—
Loans(*6):	7,787,622	7,783,432	(4,190)	7,492,454	7,629,701	137,247	58,321	58,289	(31)
Policy loans	437,717	437,717	—	457,242	457,242	—	3,278	3,278	—
Industrial and consumer loans	7,349,904	7,345,714	(4,190)	7,035,212	7,172,459	137,247	55,043	55,011	(31)
Derivative financial instruments(*7):	(592,758)	(592,758)	—	(881,723)	(881,723)	—	(4,439)	(4,439)	—
Hedge accounting not applied	(68,413)	(68,413)	—	30,538	30,538	—	(512)	(512)	—
Hedge accounting applied	(524,345)	(524,345)	—	(912,261)	(912,261)	—	(3,926)	(3,926)	—
Financial liabilities									
Corporate bonds(*6)	1,263,265	1,221,587	(41,677)	1,420,305	1,420,591	286	9,460	9,148	(312)
Loans payable	937,308	897,308	(40,000)	737,551	736,875	(676)	7,019	6,719	(299)

*(*1) For transactions for which an allowance for doubtful accounts was recorded, the amount of the allowance is deducted.*

*(*2) For securities for which impairment losses were recognized in the fiscal year ended March 31, 2023 and March 31, 2022, the fair value is the balance sheet amount after the impairment losses are deducted.*

*(*3) Stocks and other securities without market prices, such as unlisted equity securities are not included.*

The balance sheet amounts of these by holding purpose, as of March 31, 2023, were ¥983,548 million (U.S. $7,365 million) for investments in subsidiaries and affiliates, and ¥56,198 million (U.S. $420 million) for available-for-sale securities. As of March 31, 2022, the values were ¥965,103 million for investments in subsidiaries and affiliates, and ¥55,970 million for available-for-sale securities.

*(*4) Paragraph 24-16 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" is applied, and the investment balances to partnerships and so on are not included. The balance sheet amount for said partnerships and so on is ¥661,220 million (U.S. $4,951 million).*

For the fiscal year ended March 31, 2022, the transitional measures in Paragraph 27 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" were applied, and the investment balances to partnerships and so on are not included. The balance sheet amount for said partnerships and so on is ¥525,600 million.

*(*5) For the fiscal year ended March 31, 2023, investment trusts that applied either Paragraph 24-3 or Paragraph 24-9 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" are included.*

*(*6) The fair values of derivative financial instruments that are interest rate swaps under exceptional accounting treatment ("Tokurei-shori") or currency swaps under designated hedge accounting ("Furiate-shori") are included in the fair values of loans and corporate bonds because they are accounted for as an integral part of the loans and corporate bonds that are the hedged items.*

*(*7) Assets and liabilities generated by derivative financial instruments are offset and presented net. Net liabilities in total are presented in parentheses.*

(2) Matters regarding securities and others by holding purpose are as follows:

1) Trading securities

Valuation gains/losses included in profit and loss were losses of ¥7,194 million (U.S. $53 million) and ¥22,874 million for investments in securities related to separate accounts, which are classified as trading securities, for the fiscal years ended March 31, 2023 and 2022, respectively.

2) Held-to-maturity debt securities

No ending balance as of March 31, 2023 or 2022.

3) Policy-reserve-matching bonds

Balance sheet amounts, fair values, and their differences by type are as follows:

	Millions of Yen						Millions of U.S. Dollars		
As of March 31	2023			2022			2023		
Type	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Fair value exceeds the balance sheet amount:									
Monetary receivables purchased	¥ 98,850	¥ 101,398	¥ 2,548	¥ 120,497	¥ 125,047	¥ 4,550	$ 740	$ 759	$ 19
Bonds	15,809,355	17,532,201	1,722,846	17,139,733	19,600,953	2,461,219	118,395	131,297	12,902
Foreign securities	23,649	24,444	794	51,471	52,767	1,296	177	183	5
Subtotal	15,931,855	17,658,045	1,726,189	17,311,702	19,778,768	2,467,066	119,312	132,240	12,927
Fair value does not exceed the balance sheet amount:									
Monetary receivables purchased	11,361	10,910	(451)	7,831	7,718	(112)	85	81	(3)
Bonds	11,003,765	9,956,565	(1,047,200)	8,327,428	7,875,311	(452,116)	82,406	74,564	(7,842)
Foreign securities	107,022	99,200	(7,822)	55,584	53,031	(2,553)	801	742	(58)
Subtotal	11,122,149	10,066,676	(1,055,473)	8,390,843	7,936,061	(454,782)	83,293	75,388	(7,904)
Total	¥27,054,005	¥27,724,721	¥670,715	¥25,702,546	¥27,714,829	¥2,012,283	$202,606	$207,629	$5,022

4) Available-for-sale securities

Acquisition cost or amortized cost, balance sheet amounts, and their differences by type are as follows:

As of March 31	Millions of Yen 2023			Millions of Yen 2022			Millions of U.S. Dollars 2023		
Type	Acquisition cost or amortized cost	Balance sheet amount	Difference	Acquisition cost or amortized cost	Balance sheet amount	Difference	Acquisition cost or amortized cost	Balance sheet amount	Difference
Balance sheet amount exceeds acquisition cost or amortized cost:									
Monetary receivables purchased	¥ 547	¥ 551	¥ 4	¥ 6,135	¥ 6,210	¥ 74	$ 4	$ 4	$ 0
Bonds	2,267,369	2,385,247	117,878	1,791,781	1,939,219	147,438	16,980	17,863	882
Domestic stocks	3,532,662	9,234,086	5,701,423	3,436,314	9,161,134	5,724,819	26,455	69,153	42,697
Foreign securities	8,813,491	10,980,287	2,166,795	12,729,667	15,612,960	2,883,292	66,003	82,230	16,227
Other securities	834,445	934,837	100,391	773,857	954,356	180,499	6,249	7,000	751
Subtotal	15,448,516	23,535,010	8,086,493	18,737,755	27,673,881	8,936,125	115,693	176,252	60,559
Balance sheet amount does not exceed acquisition cost or amortized cost:									
Monetary receivables purchased	14,445	13,750	(695)	16,156	15,865	(290)	108	102	(5)
Bonds	1,000,279	958,017	(42,262)	765,818	744,412	(21,405)	7,491	7,174	(316)
Domestic stocks	437,305	351,401	(85,903)	508,172	408,365	(99,807)	3,274	2,631	(643)
Foreign securities	7,353,018	6,818,269	(534,748)	5,746,763	5,459,997	(286,766)	55,066	51,061	(4,004)
Other securities	2,173,691	2,054,902	(118,789)	2,366,298	2,287,883	(78,415)	16,278	15,389	(889)
Subtotal	10,978,739	10,196,340	(782,399)	9,403,209	8,916,524	(486,685)	82,219	76,359	(5,859)
Total	¥26,427,256	¥33,731,350	¥7,304,093	¥28,140,965	¥36,590,405	¥8,449,439	$197,912	$252,612	$54,700

** For the fiscal year ended March 31, 2023, stocks and other securities without market prices totaling ¥56,198 million (U.S. $420 million), and investment balances to partnerships and so on totaling ¥168,980 million (U.S. $1,265 million) are not included.*
For the fiscal year ended March 31, 2022, stocks and other securities without market prices totaling ¥55,970 million, and investment balances to partnerships and so on totaling ¥152,919 million are not included.

Impairment loss of ¥318 million (U.S. $2 million) was recognized in the fiscal year ended March 31, 2023, and impairment loss of ¥9,573 million was recognized in the fiscal year ended March 31, 2022.

Regarding Domestic stocks and foreign stocks (included in Foreign securities), impairment losses are recognized for stocks whose fair values have declined significantly from the acquisition prices based on the fair value on the fiscal year-end date.

The criteria by which the fair value of a stock is deemed to have declined significantly are as follows:

a. A security for which the ratio of the average fair value in the last month of the fiscal year to the acquisition cost is 50% or less.

b. A security that meets both of the following criteria:

1. Average fair value in the last month of the fiscal year is between 50% and 70% of its acquisition cost.
2. The historical fair value, the business conditions of the issuing company, and other aspects are subject to certain requirements.

(3) Scheduled repayment amounts for the main monetary claims and liabilities and redemption amounts for securities with maturities are as follows:

As of March 31	Millions of Yen 2023				Millions of Yen 2022				Millions of U.S. Dollars 2023			
	1 year or under	Over 1 year under 5 years	Over 5 years under 10 years	Over 10 years	1 year or under	Over 1 year under 5 years	Over 5 years under 10 years	Over 10 years	1 year or under	Over 1 year under 5 years	Over 5 years under 10 years	Over 10 years
Monetary receivables purchased:	¥ 8,000	¥ 2,036	¥ 32,848	¥ 82,221	¥ 10,000	¥ 2,232	¥ 39,422	¥ 98,843	$ 59	$ 15	$ 245	$ 615
Policy-reserve-matching bonds	—	2,036	27,779	80,328	—	2,232	36,097	89,916	—	15	208	601
Available-for-sale securities	8,000	—	5,069	1,892	10,000	—	3,325	8,926	59	—	37	14
Investments in securities:	919,639	6,880,879	9,959,777	32,924,312	994,683	7,225,839	11,334,003	31,090,445	6,887	51,530	74,588	246,568
Policy-reserve-matching bonds	434,529	2,891,158	3,927,100	19,978,477	324,568	3,385,144	3,887,828	18,017,848	3,254	21,651	29,409	149,617
Available-for-sale securities	485,109	3,989,721	6,032,676	12,945,835	670,114	3,840,694	7,446,175	13,072,597	3,632	29,878	45,178	96,950
Loans	871,825	2,498,770	1,945,983	2,034,918	882,499	2,343,323	1,884,131	1,924,945	6,529	18,713	14,573	15,239
Corporate bonds	—	—	—	1,263,265	—	—	—	1,420,305	—	—	—	9,460
Loans payable	12,662	3,645	—	921,000	2,603	14,947	—	720,000	94	27	—	6,897

** Loans such as policy loans that do not have a stated maturity date are not included.*
Also, ¥6,789 million (U.S. $50 million) for the fiscal year ended March 31, 2023 and ¥5,695 million for the fiscal year ended March 31, 2022 in loans to legally or substantially bankrupt borrowers or borrowers who are not currently legally bankrupt but have a high probability of bankruptcy are not included.

(4) Matters concerning the breakdown at each level of fair value for financial instruments are as follows:

Fair values of financial instruments are classified into the following three levels according to the observability and significance of inputs used in fair value measurement.

Level 1: Fair value measured based on the quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Fair value measured based on directly or indirectly observable inputs other than Level 1 inputs

Level 3: Fair value measured based on significant unobservable inputs

In cases of using multiple inputs with significant influence in fair value measurement, the fair value is classified to the lowest priority level of fair value measurement in which each input belongs.

a. Financial instruments whose balance sheet amount is measured at fair value

	Millions of Yen								Millions of U.S. Dollars			
As of March 31	2023				2022				2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Monetary receivables purchased:	¥ —	¥ 13,536	¥ 765	¥ 14,301	¥ —	¥ 15,865	¥ 6,210	¥ 22,076	$ —	$ 101	$ 5	$ 107
Available-for-sale securities	—	13,536	765	14,301	—	15,865	6,210	22,076	—	101	5	107
Investments in securities(*1):	15,792,085	17,067,943	182,698	33,042,727	17,179,558	9,230,074	452,664	26,862,297	118,266	127,821	1,368	247,455
Trading securities	315,330	428,994	—	744,325	373,441	145,915	—	519,356	2,361	3,212	—	5,574
Available-for-sale securities	15,476,754	16,638,948	182,698	32,298,401	16,806,117	9,084,158	452,664	26,342,940	115,904	124,608	1,368	241,881
Bonds:	2,366,005	977,259	—	3,343,265	1,546,694	1,136,937	—	2,683,631	17,718	7,318	—	25,037
National government bonds	2,366,005	—	—	2,366,005	1,546,694	100	—	1,546,794	17,718	—	—	17,718
Local government bonds	—	65,931	—	65,931	—	71,861	—	71,861	—	493	—	493
Corporate bonds	—	911,328	—	911,328	—	1,064,976	—	1,064,976	—	6,824	—	6,824
Domestic stocks	9,504,669	80,818	—	9,585,487	9,507,468	62,030	—	9,569,499	71,180	605	—	71,785
Foreign securities:	3,606,079	12,613,296	182,698	16,402,074	5,748,628	7,885,190	452,664	14,086,482	27,005	94,460	1,368	122,834
Foreign bonds	2,722,203	7,037,411	182,698	9,942,314	5,389,558	7,826,771	452,664	13,668,994	20,386	52,702	1,368	74,457
Foreign stocks and other securities	883,875	5,575,884	—	6,459,760	359,069	58,418	—	417,488	6,619	41,757	—	48,376
Other securities	—	2,967,573	—	2,967,573	3,326	—	—	3,326	—	22,224	—	22,224
Derivative financial instruments(*2):	1,707	(594,579)	112	(592,758)	2,494	(884,333)	116	(881,723)	12	(4,452)	0	(4,439)
Interest rate-related	—	(189,285)	112	(189,172)	—	(49,784)	116	(49,668)	—	(1,417)	0	(1,416)
Currency-related	—	(406,226)	—	(406,226)	—	(844,942)	—	(844,942)	—	(3,042)	—	(3,042)
Others	1,707	932	—	2,640	2,494	10,393	—	12,887	12	6	—	19

*(*1) For the fiscal year ended March 31, 2023, investment trusts that applied either Paragraph 24-3 or Paragraph 24-9 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" are not included. The balance sheet value of investment trusts where the investment trust assets are financial instruments is ¥1,379,977 million (U.S. $10,334 million), and where the investment trust assets are real estate, it is ¥39,600 million (U.S. $296 million). The reconciliation between the beginning and ending balances of the current fiscal year is as follows.*

*(*2) Assets and liabilities generated by derivative financial instruments are offset and presented net. Net liabilities in total are presented in parentheses.*

	Millions of Yen			Millions of U.S. Dollars		
As of March 31	2023			2023		
	Investment trusts where the investment trust assets are financial instruments (*3)	Investment trusts where the investment trust assets are real estate	Total	Investment trusts where the investment trust assets are financial instruments (*3)	Investment trusts where the investment trust assets are real estate	Total
Beginning balance	¥ 975,582	¥36,203	¥1,011,785	$ 7,306	$271	$ 7,577
Profit (loss)	347,475	(4,172)	343,302	2,602	(31)	2,570
Recorded as net income (loss) (*4)	15,563	(144)	15,418	116	(1)	115
Recorded as total valuations, conversions, and others (*5)	331,912	(4,028)	327,883	2,485	(30)	2,455
Purchases, sales and redemptions	56,919	7,569	64,488	426	56	482
Transactions that started applying Paragraph 24-3 or Paragraph 24-9 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement"	—	—	—	—	—	—
Transactions that stopped applying Paragraph 24-3 or Paragraph 24-9 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement"	—	—	—	—	—	—
Ending balance	1,379,977	39,600	1,419,577	10,334	296	10,631
Valuation gains/losses of investment trusts held as of March 31, 2023, included in profit/loss amounts for the year ended March 31, 2023 (*4)	—	—	—	—	—	—

*(*3) They have restrictions mainly on cancellations beyond one month, and the balance sheet value of the investment trusts is ¥1,356,157 million (U.S. $10,156 million).*

*(*4) Included in investment income and investment expenses in the statement of income.*

*(*5) Included in net unrealized gains (losses) on available-for-sale securities of total valuations, conversions, and others on the balance sheet.*

b. Financial instruments whose balance sheet amount is not measured at fair value

	Millions of Yen								Millions of U.S. Dollars			
As of March 31	2023				2022				2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Monetary receivables purchased:	¥ —	¥ —	¥ 112,309	¥ 112,309	¥ —	¥ —	¥ 132,765	¥ 132,765	$ —	$ —	$ 841	$ 841
Policy-reserve-matching bonds	—	—	112,309	112,309	—	—	132,765	132,765	—	—	841	841
Investments in securities:	25,692,306	2,132,493	582	27,825,382	25,461,966	2,453,814	752	27,916,534	192,408	15,970	4	208,383
Policy-reserve-matching bonds:	25,692,306	1,919,522	582	27,612,412	25,461,966	2,119,344	752	27,582,063	192,408	14,375	4	206,788
Bonds	25,637,882	1,850,302	582	27,488,767	25,428,137	2,047,374	752	27,476,264	192,000	13,856	4	205,862
Foreign securities	54,424	69,220	—	123,644	33,828	71,970	—	105,799	407	518	—	925
Investments in subsidiaries and affiliates	—	212,970	—	212,970	—	334,470	—	334,470	—	1,594	—	1,594
Loans:	—	—	7,783,432	7,783,432	—	—	7,629,701	7,629,701	—	—	58,289	58,289
Policy loans	—	—	437,717	437,717	—	—	457,242	457,242	—	—	3,278	3,278
Industrial and consumer loans	—	—	7,345,714	7,345,714	—	—	7,172,459	7,172,459	—	—	55,011	55,011
Corporate bonds	—	1,221,587	—	1,221,587	—	1,420,591	—	1,420,591	—	(9,148)	—	(9,148)
Loans payable	—	881,000	16,308	897,308	—	719,324	17,551	736,875	—	(6,597)	(122)	(6,719)

** For the fiscal year ended March 31, 2022, the transitional measures of Paragraph 26 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" are applied, and investment trusts are not included. The balance sheet amount of the investment trusts is ¥10,404,594 million.*

(5) Descriptions of the valuation techniques and inputs used in fair value measurement of the major financial instruments are as follows:

1) Securities and monetary receivables purchased that are treated as securities based on the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10)

The following applies to the fiscal year ended March 31, 2023.

Securities and monetary receivables purchased for which the unadjusted quoted price in an active market can be used are classified as Level 1 fair value. Listed stocks, national government bonds, and listed investment trusts are primarily included here. Cases where the market is not active even though the published quoted price was used are classified as Level 2 fair value. Local government bonds and corporate bonds are primarily included here. In cases where the published quoted price was not obtainable, the fair value is measured based on the valuation amount obtained through external information vendors or standard prices, etc. calculated by the management company. The fair value is classified as Level 2 when the valuation amount does not use unobservable inputs or the impact is not significant. The fair value is classified as Level 3 when significant unobservable inputs are used.

The following applies to the fiscal year ended March 31, 2022.

Securities and monetary receivables purchased for which the unadjusted quoted price in an active market can be used are classified as Level 1 fair value. Listed stocks and national government bonds are primarily included here. Cases where the market is not active even though the published quoted price was used are classified as Level 2 fair value. Local government bonds and corporate bonds are primarily included here. In cases where the published quoted price was not obtainable, the fair value is measured based on the valuation amount obtained through external information vendors. The fair value is classified as Level 2 when the valuation amount does not use unobservable inputs or the impact is not significant. The fair value is classified as Level 3 when significant unobservable inputs are used. Publicly available standard prices are used for investment trusts, the transitional measures of Paragraph 26 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" have been applied, and levels are not assigned.

2) Loans

a. Policy loans

Fair value is measured at the carrying amount of policy loans as the carrying amount approximates fair value due to expected repayment periods, interest rate requirements, and other conditions. These loans have no repayment date based on characteristics, such as the loan amount being limited to the extent of the surrender benefit, and are classified as Level 3.

b. Industrial and consumer loans

In cases where the borrower's credit status is not significantly different after executing the loan, carrying amount approximates fair value because market interest rates are reflected in future cash flows in the short term. Thus, carrying amount is used as fair value for variable interest rate loans. Fair value of fixed interest rate loans is measured by discounting cash flows to the present value using a discount rate reflecting credit and other risks to market interest for each classification based on the type of loan, internal rating, and period. This fair value is reflected for loans subject to designated hedge accounting (*"Furiate-shori"*) for currency swaps and exceptional accounting treatment (*"Tokurei-shori"*) for interest rate swaps.

Fair value of loans to legally or substantially bankrupt borrowers or borrowers who are not currently legally bankrupt but have a high probability of bankruptcy is measured by deducting the estimated uncollectible amount from the carrying amount prior to direct write-offs based on the present value of future cash flows or the amount expected to be collected based on collateral and guarantees.

All measured fair values are classified as Level 3.

3) Derivative financial instruments

Fair value for which the unadjusted quoted price in an active market can be used is classified as Level 1. Bond futures and equity index futures are primarily included here. When the published quoted price cannot be used, a valuation amount obtained from external information vendors is primarily used. The fair value is classified as Level 2 when the valuation amount does not use unobservable inputs or the impact is not significant. The fair value is classified as Level 3 when significant unobservable inputs are used.

4) Corporate bonds

Fair value of corporate bonds issued by the Company is the market price, and is classified as Level 2. This fair value is reflected for corporate bonds subject to designated hedge accounting (*"Furiate-shori"*) of currency swaps.

5) Loans payable

The carrying amount approximates fair value because market interest rates are reflected in future cash flows in the short term, and because the Company's credit status is not significantly different after executing the loans. Thus, carrying amount is used as fair value for variable interest rate loans, and their fair value is classified as Level 3. Fair value of fixed interest rate loans payable is measured, in principle, by discounting future cash flows to the present value using the expected rate in similar loans payable factoring in the Company's credit risk, and is classified as Level 3. However, loans payable financed by means of public offerings employing securitization schemes are measured at the market price of the corporate bonds issued to back the loans payable, and their fair value is classified as Level 2.

(6) Information on Level 3 fair value of financial instruments whose balance sheet amount is measured at fair value is as follows:

1) Quantitative information concerning significant unobservable inputs used in fair value measurement

Notes are omitted as unobservable inputs are not estimated by the Company.

2) Reconciliation between the beginning and ending balances for the fiscal years ended March 31, 2023 and 2022, respectively, net unrealized gains (losses) recognized as gains (losses) for the fiscal years ended March 31, 2023 and 2022, respectively.

	Millions of Yen						Millions of U.S. Dollars		
As of March 31	2023			2022			2023		
	Monetary receivables purchased: Available-for-sale securities	Investments in securities: Available-for-sale securities	Derivative financial instruments: Interest rate-related	Monetary receivables purchased: Available-for-sale securities	Investments in securities: Available-for-sale securities	Derivative financial instruments: Interest rate-related	Monetary receivables purchased: Available-for-sale securities	Investments in securities: Available-for-sale securities	Derivative financial instruments: Interest rate-related
Beginning balance	¥ 6,210	¥ 452,664	¥ 116	¥10,551	¥ 623,104	¥ 69	$46	$3,389	$0
Profit (loss):	426	7,231	(345)	(99)	1,596	(281)	3	54	(2)
Recorded as net income (loss)(*1)	499	11,600	(345)	423	36,085	(281)	3	86	(2)
Recorded as total valuations, conversions, and others(*2)	(73)	(4,369)	—	(523)	(34,488)	—	0	(32)	—
Purchased, sold, issued, and settled	(5,871)	(277,197)	342	(4,241)	(172,036)	328	(43)	(2,075)	2
Replaced with Level 3 fair value(*3)	—	—	—	—	—	—	—	—	—
Replaced from Level 3 fair value(*4)	—	—	—	—	—	—	—	—	—
Ending balance	765	182,698	112	6,210	452,664	116	5	1,368	0
Valuation gains/losses of financial instruments held at the end of the fiscal year, included in profit/loss amounts for the fiscal year (*1)	—	—	(340)	—	—	(281)	—	—	(2)

*(*1) Included in investment income and investment expenses in nonconsolidated statements of income.*
*(*2) Included in net unrealized gains (losses) on available-for-sale securities of total valuations, conversions, and others on the balance sheet.*
*(*3) No Level 1 or Level 2 fair value was replaced with Level 3 fair value.*
*(*4) No Level 3 fair value was replaced with Level 1 or Level 2 fair value.*

3) Description of fair value valuation process

The Company measures fair value based on internally decided policies concerning fair value measurement, and has confirmed the validity of valuation techniques and inputs used in fair value measurement established in said policies as well as the appropriateness of fair value level classifications.

In measuring fair value, the valuation models able to most appropriately reflect the nature, characteristics, and risk of individual financial instruments are used. When using quoted prices obtained from third parties, the valuation techniques and inputs used are confirmed, and the validity of the prices is verified using appropriate techniques including comparison with fair value presented by other vendors.

4) Explanation concerning impacts on fair value when significant unobservable inputs are changed

Notes are omitted, as unobservable inputs are not estimated by the Company.

Matters concerning fair value of financial instruments in the fiscal year ended March 31, 2021, are as follows:

(1) Balance sheet amounts and fair values of major financial instruments and their differences are as follows:

	Millions of Yen		
As of March 31	2021		
	Balance sheet amount (*1)	Fair value (*2)	Difference
Cash and deposits (negotiable certificates of deposit):	¥ 113,998	¥ 113,998	¥ —
Available-for-sale securities	113,998	113,998	—
Monetary receivables purchased:	172,601	179,347	6,745
Policy-reserve-matching bonds	150,013	156,759	6,745
Available-for-sale securities	22,588	22,588	—
Assets held in trust:	135	135	—
Trading securities	135	135	—
Investments in securities:	60,339,883	63,462,340	3,122,457
Trading securities	724,950	724,950	—
Policy-reserve-matching bonds	23,526,269	26,494,134	2,967,864
Investments in subsidiaries and affiliates	128,615	283,208	154,592
Available-for-sale securities	35,960,047	35,960,047	—
Loans (*3):	7,423,996	7,629,583	205,587
Policy loans	490,675	490,675	—
Industrial and consumer loans	6,933,320	7,138,907	205,587
Derivative financial instruments (*4):	(420,572)	(420,572)	—
Hedge accounting not applied	42,904	42,904	—
Hedge accounting applied	(463,476)	(463,476)	—
Corporate bonds (*3)	1,321,512	1,347,344	25,832
Payables under repurchase agreements	1,014,978	1,014,978	—
Loans payable	538,317	539,218	901

*(*1) For transactions for which an allowance for doubtful accounts was recorded, the amount of the allowance is deducted.*
*(*2) For securities for which impairment losses were recognized in the fiscal year ended March 31, 2021, the fair value is the balance sheet amount after the impairment losses are deducted.*
*(*3) The fair values of derivative financial instruments that are interest rate swaps under exceptional accounting treatment ("Tokurei-shori") or currency swaps under designated hedge accounting ("Furiate-shori") are included in the fair values of loans and corporate bonds because they are accounted for as an integral part of the loans and corporate bonds that are the hedged items.*
*(*4) Assets and liabilities generated by derivative financial instruments are offset and presented net. Net liabilities in total are presented in parentheses.*

(2) Fair value measurement methods for major financial instruments are as follows:

1) Securities, deposits, and monetary receivables purchased that are treated as securities based on the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10)

i) Items with a market price

Fair value is measured based on the closing market price on the balance sheet date. However, the fair values of available-for-sale domestic and foreign equity securities are based on the average market price over a one-month period prior to the balance sheet date.

ii) Items without a market price

Fair value is measured mainly by discounting future cash flows to present value or valuations obtained from external information vendors.

2) Loans

i) Policy loans

Fair value is measured at the carrying amount of policy loans as the carrying amount approximates fair value due to expected repayment periods, interest rate requirements, and other conditions. These loans have no repayment date based on characteristics, such as the loan amount being limited to the extent of the surrender benefit.

ii) Industrial and consumer loans

Carrying amount of variable interest rate loans approximates fair value because market interest rates are reflected in future cash flows over the short term. Thus, carrying amount is used as fair value for variable interest rate loans. Fair value of fixed interest rate loans is measured mainly by discounting future cash flows to present value.

Fair value of loans to legally or substantially bankrupt borrowers or borrowers who are not currently legally bankrupt but have a high probability of bankruptcy is measured by deducting the estimated uncollectible amount from the carrying amount prior to direct write-offs.

3) Derivative financial instruments

i) Fair value of futures and other market transactions is measured by the liquidation value or closing market price on the balance sheet date.

ii) Fair value of equity options is measured mainly based on liquidation value or closing market price on the balance sheet date or valuations obtained from external information vendors.

iii) Fair value of interest rate swaps, interest rate swaptions, foreign exchange contracts, currency options, currency swaps, and forward contracts is measured mainly based on valuations obtained from external parties.

4) Assets held in trust

Fair value is based on a reasonably calculated price by the trustee of the assets held in trust, in accordance with the calculation methods set forth in 1) and 3) above.

5) Corporate bonds

Corporate bonds are stated at fair value on the balance sheet date.

6) Payables under repurchase agreements

The carrying amount approximates fair value due to their short-term settlement.

7) Loans payable

Carrying amount of variable interest rate loans payable approximates fair value because market interest rates are reflected in future cash flows over the short term. Thus, carrying amount is used as fair value for variable interest rate loans payable. Fair value of fixed interest rate loans payable is measured, in principle, by discounting future cash flows to present value; however, loans payable financed by means of public offerings employing securitization schemes are measured at the fair value of the corporate bonds issued to back the loans payable.

(3) Unlisted equity securities, investments in partnerships whereby partnership assets consist of unlisted equity securities, and other items of which the fair value is extremely difficult to determine are not included in investments in securities in table (1).

Balance sheet amounts by holding purpose were ¥1,179,556 million for stocks of subsidiaries and affiliates, and ¥711,324 million for available-for-sale securities as of March 31, 2021.

(4) Matters regarding securities and others by holding purpose are as follows:

1) Trading securities

Derivative financial instruments within assets held in trust, investments in securities for separate accounts and certain other securities are classified as trading securities as of March 31, 2021. Valuation gains/losses included in profit and loss for the fiscal year ended March 31, 2021 were gains of ¥50,015 million.

2) Held-to-maturity debt securities

No ending balance as of March 31, 2021.

3) Policy-reserve-matching bonds

Balance sheet amounts, fair values, and their differences by type are as follows:

As of March 31	Millions of Yen 2021		
Type	Balance sheet amount	Fair value	Difference
Fair value exceeds the balance sheet amount:			
Monetary receivables purchased	¥ 146,825	¥ 153,603	¥ 6,777
Bonds	19,474,557	22,579,362	3,104,804
Foreign securities	120,625	129,870	9,245
Subtotal	19,742,009	22,862,836	3,120,827
Fair value does not exceed the balance sheet amount:			
Monetary receivables purchased	3,188	3,155	(32)
Bonds	3,908,605	3,763,027	(145,577)
Foreign securities	22,481	21,873	(607)
Subtotal	3,934,274	3,788,057	(146,217)
Total	¥23,676,283	¥26,650,893	¥2,974,609

4) Available-for-sale securities

Acquisition cost or amortized cost, balance sheet amounts, and their differences by type are as follows:

As of March 31	Millions of Yen 2021		
Type	Acquisition cost or amortized cost	Balance sheet amount	Difference
Balance sheet amount exceeds acquisition cost or amortized cost:			
Cash and deposits (negotiable certificates of deposit)	¥ 55,000	¥ 55,000	¥ 0
Monetary receivables purchased	14,297	15,016	718
Bonds	2,337,162	2,530,043	192,880
Domestic stocks	3,579,363	9,544,442	5,965,078
Foreign securities	15,114,971	18,095,796	2,980,825
Other securities	2,142,186	2,360,385	218,199
Subtotal	23,242,981	32,600,684	9,357,702
Balance sheet amount does not exceed acquisition cost or amortized cost:			
Cash and deposits (negotiable certificates of deposit)	59,000	58,998	(1)
Monetary receivables purchased	7,596	7,571	(24)
Bonds	319,236	312,208	(7,028)
Domestic stocks	538,025	437,210	(100,814)
Foreign securities	1,787,530	1,723,573	(63,956)
Other securities	971,416	956,386	(15,029)
Subtotal	3,682,805	3,495,949	(186,855)
Total	¥26,925,786	¥36,096,633	¥9,170,847

** Securities totaling ¥711,324 million, whose fair values are extremely difficult to determine, as of March 31,2021,are not included.*

Impairment losses of ¥308 million were recognized for securities with a fair value in the fiscal year ended March 31, 2021.

Regarding Domestic stocks and foreign stocks (included in Foreign securities), with fair values, impairment losses are recognized for stocks whose fair value has declined significantly from the acquisition price based on the average fair value in the last month of the fiscal year, in principle. However, in the case of a security that meets certain criteria, such as a security for which the fair value declines substantially and the decline in the fair value in the last month of the fiscal year is substantial, impairment losses are recognized based on the fair value on the fiscal year-end date.

The criteria by which the fair value of a stock is deemed to have declined significantly are as follows:

a. A security for which the ratio of the average fair value in the last month of the fiscal year to the acquisition cost is 50% or less.

b. A security that meets both of the following criteria:

1. Average fair value in the last month of the fiscal year is between 50% and 70% of its acquisition cost.
2. The historical fair value, the business conditions of the issuing company and other aspects are subject to certain requirements.

(5) Scheduled repayment amounts for the main monetary claims and liabilities and redemption amounts for securities with maturities are as follows:

As of March 31, 2021	Millions of Yen			
	1 year or under	Over 1 year under 5 years	Over 5 years under 10 years	Over 10 years
Cash and deposits (negotiable certificates of deposit):	¥ 114,000	¥ —	¥ —	¥ —
Available-for-sale securities	114,000	—	—	—
Monetary receivables purchased:	6,109	2,522	40,522	122,515
Policy-reserve-matching bonds	109	2,522	40,522	106,758
Available-for-sale securities	6,000	—	—	15,757
Investments in securities:	1,060,176	5,690,269	12,146,617	28,121,646
Policy-reserve-matching bonds	381,021	2,801,548	4,376,996	15,930,462
Available-for-sale securities	679,154	2,888,720	7,769,621	12,191,183
Loans(*1)	917,341	2,307,487	1,873,480	1,838,217
Corporate bonds	—	—	—	1,321,512
Payables under repurchase agreements	1,014,978	—	—	—
Loans payable	2,442	15,874	—	520,000

*(*1) Loans such as policy loans which do not have a stated maturity date are not included. Also, ¥5,099 million in loans to legally or substantially bankrupt borrowers or borrowers who are not currently legally bankrupt but have a high probability of bankruptcy are not included.*

5. Disclosures about Fair Value of Investment and Rental Properties

The balance sheet amounts for investment and rental properties were ¥1,237,586 million (U.S. $9,268 million), ¥1,213,905 million and ¥1,197,817 million, with a fair value of ¥1,767,428 million (U.S. $13,236 million), ¥1,677,566 million and ¥1,607,373 million as of March 31, 2023, 2022 and 2021, respectively. The Company owns rental office buildings and commercial facilities, the fair value of which at year-end is the amount measured based mainly on the "Real Estate Appraisal Standards." The amounts corresponding to asset retirement obligations that were included in the balance sheet amounts of investment and rental properties were ¥4,387 million (U.S. $32 million), ¥4,077 million and ¥3,299 million as of March 31, 2023, 2022 and 2021, respectively.

6. Securities Loaned and Borrowed

The amounts of securities lent under lending agreements were ¥1,137,896 million (U.S. $8,521 million), ¥2,098,496 million and ¥2,843,542 million as of March 31, 2023, 2022 and 2021, respectively.

Assets that can be sold or resecured are marketable securities borrowed under lending agreements. These assets were held without being sold or resecured and totaled ¥132,566 million (U.S. $992 million), ¥402,310 million and ¥389,126 million at fair value as of March 31, 2023, 2022 and 2021, respectively.

7. Accumulated Depreciation

The amounts of accumulated depreciation of tangible fixed assets were ¥1,236,690 million (U.S. $9,261million), ¥1,206,670 million and ¥1,152,548 million as of March 31, 2023, 2022 and 2021, respectively.

8. Separate Accounts

Separate account assets as provided for in Article 118, Paragraph 1 of the Insurance Business Act were ¥1,146,588 million (U.S. $8,586 million), ¥1,207,557 million and ¥1,227,305 million as of March 31, 2023, 2022 and 2021, respectively, and a corresponding liability is recorded in the same amount.

These amounts are recorded on the balance sheet as separate account assets and separate account liabilities.

9. Monetary Receivables from and Monetary Liabilities to Subsidiaries and Affiliates

The total amounts of credits and debits to subsidiaries and affiliates as of March 31, 2023, 2022 and 2021, were as follows:

	Millions of Yen			Millions of U.S. Dollars
	2023	2022	2021	2023
Monetary receivables	¥119,058	¥74,798	¥62,548	$891
Monetary liabilities	22,238	10,339	6,990	166

10. Reserve for Dividends to Policyholders

Changes in the reserve for dividends to policyholders for the fiscal years ended March 31, 2023, 2022 and 2021, were as follows:

	Millions of Yen			Millions of U.S. Dollars
	2023	2022	2021	2023
Balance at the beginning of the fiscal year	¥1,060,577	¥1,046,832	¥1,043,785	$7,942
Transfer to reserve from surplus in the previous fiscal year	199,868	276,006	185,145	1,496
Dividends paid to policyholders during the fiscal year	(209,674)	(283,608)	(203,557)	(1,570)
Increase in interest	21,174	21,346	21,458	158
Balance at the end of the fiscal year	¥1,071,945	¥1,060,577	¥1,046,832	$8,027

11. Corporate Bonds

Corporate bonds within liabilities are subordinated corporate bonds with special provisions that subordinate the fulfillment of obligations on the bonds to all other debt obligations.

The corporate bonds are callable at the discretion of the Company, subject to the approval of the regulatory authority and other conditions.

The corporate bond issuance dates and callable dates for currency swaps under designated hedge accounting are as follows:

Issue date	Callable date
October 2014	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
January 2016	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
September 2017	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
January 2020	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
January 2021	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
September 2021	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter

12. Net Assets Provided for in the Ordinance for Enforcement of the Insurance Business Act

The amounts per Article 30, Paragraph 2 of the Ordinance for Enforcement of the Insurance Business Act were ¥4,922,263 million (U.S. $36,862 million), ¥5,739,186 million and ¥6,481,161 million as of March 31, 2023, 2022 and 2021, respectively.

13. Accrued Retirement Benefits

(1) Summary of retirement benefit plans

In terms of defined benefit plans, the Company has a defined benefit corporate pension plan and a lump-sum retirement payment plan for non sales personnel, sales management personnel, etc. In terms of defined contribution plans, the Company has a defined contribution pension plan. The Company also has a defined benefit plan for sales representatives, etc., in the form of a lump-sum retirement payment plan and an in-house pension plan.

(2) Defined benefit plan

1) Reconciliation of retirement benefit obligations at the beginning and end of the fiscal year

For the years ended March 31, 2023, 2022 and 2021	Millions of Yen			Millions of U.S. Dollars
	2023	2022	2021	2023
Retirement benefit obligations at the beginning of the year	¥618,899	¥625,689	¥631,072	$4,634
Service costs	26,661	27,220	27,316	199
Interest cost	3,713	3,754	3,786	27
Actuarial losses accrued during the year	2,335	850	4,388	17
Retirement benefit payments	(35,974)	(38,614)	(40,874)	(269)
Retirement benefit obligations at the end of the year	¥615,636	¥618,899	¥625,689	$4,610

2) Reconciliation of pension plan assets at the beginning and end of the fiscal year

For the years ended March 31, 2023, 2022 and 2021	Millions of Yen			Millions of U.S. Dollars
	2023	2022	2021	2023
Pension plan assets at the beginning of the year	¥239,463	¥243,500	¥238,608	$1,793
Expected return on plan assets	3,520	3,287	3,221	26
Actuarial gains (losses) accrued during the year	(3,988)	3,803	11,991	(29)
Contributions by business proprietor	5,768	5,991	6,681	43
Retirement benefit payments	(13,495)	(17,119)	(17,002)	(101)
Pension plan assets at the end of the year	¥231,267	¥239,463	¥243,500	$1,731

3) Reconciliation of retirement benefit obligations, pension plan assets, and accrued retirement benefits on the nonconsolidated balance sheets

For the years ended March 31, 2023, 2022 and 2021	Millions of Yen			Millions of U.S. Dollars
	2023	2022	2021	2023
Retirement benefit obligations for funded plans	¥235,544	¥242,167	¥250,573	$1,763
Pension plan assets	(231,267)	(239,463)	(243,500)	(1,731)
Subtotal	4,277	2,704	7,072	32
Retirement benefit obligations for nonfunded plans	380,091	376,731	375,115	2,846
Unrecognized actuarial gains	(8,670)	(5,186)	(11,765)	(64)
Unrecognized prior service costs	2,635	3,953	5,271	$19
Accrued retirement benefits	378,333	¥378,203	¥375,693	2,833

4) Losses (gains) relating to retirement benefits

For the years ended March 31, 2023, 2022 and 2021	Millions of Yen			Millions of U.S. Dollars
	2023	2022	2021	2023
Service costs	¥26,661	¥27,220	¥27,316	$199
Interest cost	3,713	3,754	3,786	27
Expected return on plan assets	(3,520)	(3,287)	(3,221)	(26)
Amortization of actuarial losses for the period	2,840	3,626	5,223	21
Prior service costs accrued during the year	(1,317)	(1,317)	(1,317)	(9)
Benefit cost for defined benefit plans	¥28,377	¥29,995	¥31,787	$212

5) Pension plan assets consist of the following:

	2023	2022	2021
General account of Nippon Life	58.7%	49.5%	49.8%
Cash and deposits	21.0%	25.1%	20.6%
Foreign securities	12.4%	14.9%	19.9%
Domestic stocks	4.4%	4.1%	3.7%
Bonds	3.5%	6.4%	6.0%
Total	100.0%	100.0%	100.0%

6) Calculation method for long-term expected rate of return on plan assets

To determine the long-term expected rate of return on pension plan assets, the Company takes into consideration present and forecasted allocation of the pension plan assets, and present and long-term rates of return that are expected from the portfolio of assets that comprise the pension plan assets.

7) Matters relating to the basis for actuarial calculations

The main items in the basis for actuarial calculations as of March 31, 2023, 2022 and 2021, are as follows:

	2023	2022	2021
Discount rate	0.6%	0.6%	0.6%
Long-term expected rate of return on plan assets	1.5%	1.4%	1.4%

(3) Defined contribution plans

The Company contributed ¥2,260 million (U.S. $16 million), ¥2,280 million and ¥2,249 million to defined contribution plans during the fiscal years ended March 31, 2023, 2022 and 2021, respectively.

14. Foundation Funds

Foundation funds serve as the primary source of capital for Japanese mutual life insurance companies. These funds are similar to loans, as interest payments, maturity dates and other items must be established at the time of the offering. In the event of a bankruptcy or similar development, repayment of the principal and interest on foundation funds is subordinated to the repayment of amounts owed to ordinary creditors and insurance claims and benefit payments owed to policyholders. Upon redemption of foundation funds,

mutual companies are required to make an addition to the reserve for redemption of foundation funds, which serves as retained earnings, equal to the amount redeemed. As a result, the full amount of foundation funds remains in net assets even after redemption. Foundation funds are therefore positioned as a mutual company's core capital, which is equivalent to the stated capital of a joint-stock company.

The Company redeemed ¥50,000 million of foundation funds and credited the same amount to reserve for redemption of foundation funds as prescribed in Article 56 of the Insurance Business Act for the fiscal year ended March 31, 2022. ¥50,000 million of foundation funds were offered pursuant to Article 60 of the Insurance Business Act during the fiscal year ended March 31, 2022.

15. Pledged Assets

Assets pledged as collateral in the form of investments in securities, land, and buildings as of March 31, 2023, were ¥3,056,167 million (U.S. $22,887 million), ¥252 million (U.S. $1 million), and ¥36 million (U.S. $0 million), respectively. The total amount of liabilities covered by the aforementioned assets was ¥1,959,782 million (U.S. $14,676 million) as of March 31, 2023.

These amounts included ¥1,844,304 million (U.S. $13,811 million) of the sale of securities under repurchase agreements and ¥1,951,398 million (U.S. $14,613 million) of payables under repurchase agreements, as of March 31, 2023.

Assets pledged as collateral in the form of investments in securities, land, and buildings as of March 31, 2022, were ¥3,689,448 million, ¥252 million and ¥38 million, respectively. The total amount of liabilities covered by the aforementioned assets was ¥2,452,561 million as of March 31, 2022.

These amounts included ¥2,214,261 million of the sale of securities under repurchase agreements and ¥2,452,560 million of payables under repurchase agreements, as of March 31, 2022.

Assets pledged as collateral in the form of investments in securities, land, and buildings as of March 31, 2021, were ¥2,002,158 million, ¥252 million and ¥40 million, respectively. The total amount of liabilities covered by the aforementioned assets was ¥1,014,997 million as of March 31, 2021.

These amounts included ¥946,842 million of the sale of securities under repurchase agreements and ¥1,014,978 million of payables under repurchase agreements, as of March 31, 2021.

16. Investments in Subsidiaries and Affiliates

The total amounts of stocks and investments in subsidiaries and affiliates were ¥1,604,403 million (U.S. $12,015 million), ¥1,466,399 million and ¥1,308,172 million as of March 31, 2023, 2022 and 2021, respectively.

On January 24, 2023, the Company decided to make an investment of up to U.S. $1 billion in the investment limited liability partnership that invests in Resolution Life Group Holdings Ltd. With this investment, the Company's aggregate cumulative total investment is expected to become U.S. $1.65 billion.

Nissay Small-Amount and Short-Term Insurance Preparatory Company (the "Preparatory Company"), which was established by the Company on April 30, 2021, changed its trade name to Nissay Plus SSI Company Inc. ("Nissay Plus") on March 24, 2022, following completion of the acquisition of approvals of the Commissioner of the Financial Services Agency pursuant 108 to Article 272-31, Paragraph 1 and Article 106, Paragraph 7 of the Insurance Business Act by the Company and the acquisition of a small-amount and short-term life insurance business license pursuant to Article 272 of the Insurance Business Act by the Preparatory Company on the same day.

1) Purpose of company establishment

   The purpose of establishing the company is to flexibly and dynamically provide various insurance products for the areas of both life and non-life insurance in order to address diversifying customer needs against the backdrop of changing lifestyles, diversifying individual values, and the widespread use of digital environments.

2) Overview of Nissay Plus
   a. Company name: Nissay Plus SSI Company Inc.
   b. Head office location: Chiyoda-ku, Tokyo
   c. Capital stock: ¥2.6 billion (including ¥1.3 billion of capital reserve)

3) Date of establishment

   April 30, 2021

4) Percentage of voting rights held by the Company

   100%

17. Receivables and Loans

(1) Of the loans, the total amount of bankrupt and quasi-bankrupt loans, doubtful loans, loans that are delinquent for over three months, and restructured loans were ¥29,637 million (U.S. $221 million), ¥30,345 million and ¥29,456 million as of March 31, 2023, 2022 and 2021, respectively. The breakdown is as follows:

1) The amounts of bankrupt and quasi-bankrupt loans were ¥10,041 million (U.S. $75 million), ¥10,274 million and ¥10,308 million as of March 31, 2023, 2022 and 2021, respectively.

   Bankrupt and quasi-bankrupt loans are loans to borrowers that have fallen into bankruptcy due to reasons including initiation of bankruptcy proceedings, start of reorganization proceedings, or submission of an application to start rehabilitation proceedings.

2) The amounts of doubtful loans were ¥18,064 million (U.S. $135 million), ¥18,303 million and ¥16,511 million as of March 31, 2023, 2022 and 2021, respectively.

   Doubtful loans are loans that are not applicable to bankrupt and quasi-bankrupt loans, with a strong likelihood that loan principal cannot be recovered or interest cannot be received according to the contract because of the difficulties in the financial condition and business performance of the debtor, who has not yet entered into bankruptcy.

3) The amounts of loans delinquent for over three months were ¥50 million (U.S. $0 million) as of March 31, 2023, and none for the fiscal years ended March 31, 2022 and 2021.

Loans that are delinquent for over three months are loans that are not applicable to bankrupt and quasi-bankrupt loans and doubtful loans, and have principal or interest being unpaid for over three months following the due date based on the loan agreement.

4) The amounts of restructured loans were ¥1,481 million (U.S. $11 million), ¥1,767 million and ¥2,635 million as of March 31, 2023, 2022 and 2021, respectively.

Restructured loans are loans that are not applicable to bankrupt and quasi-bankrupt loans, doubtful loans, and loans delinquent for over three months, and that provide concessions favorable to the borrower with the intent of supporting the borrowers' restructuring, such as by reducing or exempting interest, postponing principal or interest payments, releasing credits, or providing other benefits to the borrowers.

(2) After directly deducting the estimated uncollectible amount, bankrupt and quasi-bankrupt losses decreased by ¥1,975 million (U.S. $14 million), ¥586 million and ¥2,514 million as of March 31, 2023, 2022 and 2021, respectively.

18. Loan Commitments

The amounts of commitments related to loans and loans outstanding were ¥322,872 million (U.S. $2,417 million), ¥292,165 million and ¥343,726 million as of March 31, 2023, 2022 and 2021, respectively.

19. Policy Reserves for Reinsurance Contracts Provided in Accordance with Article 71, Paragraph 1 of the Ordinance for Enforcement of the Insurance Business Act

The amounts of policy reserves provided for the portion of reinsurance (hereafter referred to as "policy reserves for ceded reinsurance") as defined in Article 71, Paragraph 1 of the Ordinance for Enforcement of the Insurance Business Act were ¥175 million (U.S. $1 million), ¥182 million and ¥213 million as of March 31, 2023, 2022 and 2021, respectively.

20. Contributions to the Life Insurance Policyholder Protection Fund and Organization

Of the maximum borrowing amount from the Life Insurance Policyholders Protection Corporation of Japan, which is provided for in Article 37-4 of the Order for Enforcement of the Insurance Business Act, the amounts applied to the Company were estimated to be ¥71,238 million and ¥72,187 million as of March 31, 2022 and 2021, respectively. The amounts contributed to the aforementioned corporation were recorded within operating expenses for the fiscal year.

21. Investment Income and Expenses

The major components of gain on sales of securities were as follows:

	Millions of Yen			Millions of U.S. Dollars
	2023	2022	2021	2023
Bonds including national government bonds	¥128,906	¥ 23,938	¥ 50,774	$ 965
Domestic stocks and other securities	298,813	366,791	89,320	2,237
Foreign securities	377,868	74,524	367,189	2,829

The major components of loss on sales of securities were as follows:

	Millions of Yen			Millions of U.S. Dollars
	2023	2022	2021	2023
Bonds including national government bonds	¥177,489	¥ 75,728	¥ 2,319	$1,329
Domestic stocks and other securities	100,820	15,014	33,854	755
Foreign securities	596,081	22,873	4,019	4,464

The major components of loss on valuation of securities were as follows:

	Millions of Yen			Millions of U.S. Dollars
	2023	2022	2021	2023
Domestic stocks and other securities	¥ 4,268	¥ 11,658	¥ 1,888	$ 31
Foreign securities	1,966	1,463	3,074	14

Gain/loss from assets held in trust, net included net valuation gains of ¥4,292 million for the fiscal year ended March 31, 2022 and losses of ¥25,339 million for the fiscal year ended March 31, 2021.

Loss on derivative financial instruments, net included net valuation losses of ¥114,963 million (U.S. $860 million), losses of ¥14,865 million and losses of ¥11,658 million for the fiscal years ended March 31, 2023, 2022 and 2021, respectively.

22. Reversal of Policy Reserves for Ceded Reinsurance

Reversal of policy reserves for ceded reinsurance that were added from the calculation of provision for policy reserves were ¥7 million (U.S. $0 million), ¥30 million and ¥41 million for the the fiscal years ended March 31, 2023, 2022 and 2021.

23. Impairment Losses

(1) Method for grouping the assets

Leased property and idle property are classified as one asset group per property. Assets utilized for insurance business operations are classified into one asset group.

(2) Circumstances causing impairment losses

The Company observed a marked decrease in profitability or fair value in some of the fixed asset groups. The carrying amount of fixed assets was reduced to the recoverable amount and impairment losses were recognized as extraordinary losses for the fiscal years ended March 31, 2023, 2022 and 2021.

(3) Breakdown of asset groups that recognized impairment losses:

For the year ended March 31, 2023

	Millions of Yen		
Purpose of use	Land	Buildings	Total
Leased property	¥2,864	¥1,046	¥ 3,910
Idle property	4,030	3,523	7,554
Total	¥6,895	¥4,569	¥11,465

For the year ended March 31, 2022

	Millions of Yen			
Purpose of use	Land	Leasehold interests in land	Buildings	Total
Leased property	¥ 375	¥ 1	¥ 286	¥ 662
Idle property	3,135	—	4,331	7,466
Total	¥3,510	¥ 1	¥4,617	¥ 8,129

For the year ended March 31, 2021

	Millions of Yen		
Purpose of use	Land	Buildings	Total
Leased property	¥ 147	¥ —	¥ 147
Idle property	3,299	1,438	4,738
Total	¥3,447	¥1,438	¥ 4,885

For the year ended March 31, 2023

	Millions of U.S. Dollars		
Purpose of use	Land	Buildings	Total
Leased property	$ 21	$ 7	$ 29
Idle property	30	26	56
Total	$ 51	$ 34	$ 85

(4) Calculation method of recoverable amount

The recoverable amount used for the measurement of impairment losses is based on the net realizable value upon sales of the assets or the value in use.

The value in use is calculated discounting future cash flows at 3.0% in principle for the fiscal years ended March 31, 2023, 2022, and 2021. Net realizable values are determined based on appraisals performed in accordance with the "Real Estate Appraisal Standards" or standard prices.

24. Deferred Tax Assets and Liabilities

(1) Deferred tax assets/liabilities consisted of the following:

	Millions of Yen			Millions of U.S. Dollars
	2023	2022	2021	2023
Deferred tax assets	¥2,133,044	¥2,035,718	¥1,812,734	$15,974
Valuation allowance for deferred tax assets	(83,612)	(74,263)	(65,469)	(626)
Subtotal	2,049,431	1,961,455	1,747,264	15,348
Deferred tax liabilities	(2,199,294)	(2,446,030)	(2,624,769)	(16,470)
Net deferred tax liabilities	¥ (149,863)	¥ (484,574)	¥(877,504)	$ (1,122)

The major components resulting in deferred tax assets/liabilities were as follows:

	Millions of Yen			Millions of U.S. Dollars
	2023	2022	2021	2023
Deferred tax assets:				
Policy reserves and other reserves	¥1,294,199	¥1,226,068	¥1,084,110	$ 9,692
Reserve for price fluctuations in investments in securities	442,055	443,675	424,614	3,310
Accrued retirement benefits	105,555	105,518	104,818	790
Deferred losses on derivatives under hedge accounting	175,626	154,077	89,726	1,315
Deferred tax liabilities:				
Net unrealized gains on available-for-sale securities	¥2,028,811	¥2,349,062	¥2,542,367	$15,193

The main reason for the change in the valuation allowance that reduced the deferred tax assets were a decrease in the valuation allowance in line with a rise in the fair value of shares and an increase in the valuation allowance in line with a decline in the fair value of shares for the fiscal years ended March 31, 2021.

(2) The statutory tax rate was 27.9%, 27.9% and 27.9% for the fiscal years ended March 31, 2023, 2022 and 2021, respectively. The main factors for the difference between the statutory tax rates and the effective income tax rates were as follows:

	2023	2022	2021
Reserve for dividends to policyholders	(25.0)%	(13.5)%	(22.4)%

25. Transactions with Subsidiaries and Affiliates

The total income and expenses from transactions with subsidiaries and affiliates for the fiscal years ended March 31, 2023, 2022 and 2021, were as follows:

	Millions of Yen			Millions of U.S. Dollars
	2023	2022	2021	2023
Total income	¥51,372	¥45,286	¥28,938	$384
Total expenses	38,439	37,184	30,342	287

26. Loss on Valuation of Shares of Subsidiaries and Affiliates

For the fiscal year ended March 31, 2023, an impairment loss was recognized on the shares of Nippon Life Americas, Inc., the Company's consolidated subsidiary, due to a significant decrease in the net realizable value of the shares relative to the carrying amount of the investment in connection with a decline in assets under management of an asset management company, which is an investee of Nippon Life Americas, Inc., due to rising U.S. interest rates. Accordingly, a loss on valuation of shares of subsidiaries and affiliates of ¥10,691 million (U.S. $80 million) was recorded under extraordinary losses.

In addition, an impairment loss was recognized on the shares of PT Sequis, which is an equity-method affiliate of the Company, and PT Asuransi Jiwa Sequis Life, which is a life insurance company, due to a significant decrease in the net realizable value of their shares relative to the carrying amount of the investments in connection with declines in their corporate valuation amounts as sales results fell below the projected sales volume of new policies. Accordingly, a loss on valuation of shares of subsidiaries and affiliates of ¥20,862 million (U.S. $156 million) was recorded in total under extraordinary losses.

27. Transactions with Related Parties

In the fiscal year ended March 31, 2023, transactions with related parties were as follows:

Subsidiaries and Affiliates

Category	Company Name	Location	Capital	Business Details	% Voting Rights Owned	Relationship with Related Party	Transaction Details	Ending Balance
Subsidiary	Nissay Credit Guarantee Co., Ltd.	Osaka Osaka City	¥950 million (U.S. $7 million)	Loan guarantee services	100%	Loan guarantees, etc. Concurrently serving as directors, etc.	Guarantee of the Company's loans (*)	¥761,700 million (U.S. $5,704 million)

(*) The Company receives guarantees for its loans based on the guarantee contract between the debtor and Nissay Credit Guarantee Co., Ltd.

28. Subsequent Events

(1) The Company assumed the following yen-denominated subordinated debt on April 20, 2023:

Principal amount	¥80 billion (U.S. $599 million)
Interest rate	Fixed rate for the first 10 years from the loan date Updated to a fixed rate every 5 years thereafter
Repayment date	30 years after the loan date (with prior approval of the regulatory authority, etc., early repayment is possible at the Company's discretion on the due date after 10 years from the loan date and every 5 years thereafter)
Use of funds	General working capital

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Nippon Life Insurance Company:

Opinion

We have audited the consolidated financial statements of Nippon Life Insurance Company (the "Company") and its consolidated subsidiaries, which comprise the consolidated balance sheets as of March 31, 2023, 2022 and 2021, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in net assets and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, all expressed in Japanese yen.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company and its consolidated subsidiaries as of March 31, 2023, 2022 and 2021, and their consolidated financial performance and their consolidated cash flows for the years then ended in accordance with the Insurance Business Act and the related rules and regulations applicable to the life insurance industry and accounting principles generally accepted in Japan.

Convenience Translation

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1(2) to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

As explained in Note 1(1) to the consolidated financial statements, the information provided in the consolidated financial statements including notes to the consolidated financial statements is limited to information required by the Insurance Business Act and the related rules and regulations applicable to the life insurance industry and disclosed as additional information. Our opinion is not modified in respect of this matter.

Member of
Deloitte Touche Tohmatsu Limited

Key Audit Matters

We determined the matters that required significant auditor's attention in performing our audit from the matters communicated to Audit & Supervisory Committee members and the Audit & Supervisory Committee by identifying and evaluating the risks of material misstatements through obtaining an understanding of the Company's business environment and life insurance industry in which it operates, and the areas that involved significant management judgment including accounting estimates.

Among those matters, we determined the key audit matters to be those that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current year by considering the quantitative and qualitative factors and the interests of the presumed users of the consolidated financial statements.

Such key audit matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

The details of the key audit matters, the basis of our determination and the related audit responses are as follows:

1. Appropriateness of the Company's valuation of the goodwill equivalent related to investments in overseas equity method affiliates

(Key Audit Matter Description)

The Company has been investing in domestic and overseas life insurance companies and asset management companies as part of its efforts to expand the group businesses.

When investing in these companies, the Company may recognize goodwill equivalent, which is accounted for as part of the carrying amount of the equity method investments on the consolidated financial statements. The Company amortized these goodwill equivalent in accordance with the method mentioned in Note 2. "Summary of Significant Accounting Policies, (1) Principles of consolidation, v) Amortization of goodwill" in the notes to the consolidated financial statements and recorded goodwill equivalent of ¥53,312 million on its consolidated balance sheet as of March 31, 2023.

The Company determines whether any impairment indicators for goodwill equivalent exist in accordance with the Company's policy mentioned in Note 23. "Impairment Losses, (2) Identification of indicators of impairment, b. Goodwill and goodwill equivalent."

When an impairment indicator for an investment in an insurance company is identified, the Company determines whether an impairment loss should be recognized in accordance with the method mentioned in Note 23. "Impairment Losses, (3) Recognition and measurement of impairment losses, b. Goodwill and goodwill equivalent."

For its investment through a subsidiary in the United States of America ("U.S."), as mentioned in Note 23. "Impairment Losses, (2) Identification of indicators of impairment, b. Goodwill and goodwill equivalent and (3) Recognition and measurement of impairment losses, b. Goodwill and goodwill equivalent," the subsidiary determines whether any impairment indicator exists, and recognizes and measures the impairment loss in accordance with the accounting principles generally accepted in U.S.

The Company has invested in PT Sequis, an equity method affiliate operating life insurance business in Indonesia, expecting that the investee will achieve higher growth in the future based on the assumption that the local life insurance market will continue to grow. As mentioned in Note 23. "Impairment Losses, (3) Recognition and measurement of impairment losses, b. Goodwill and goodwill equivalent," the Company recorded a valuation loss on the investment in PT Sequis on the nonconsolidated financial statements and amortized goodwill equivalent related to investments in PT Sequis of ¥7,321 million on the consolidated financial statements. As a result, as mentioned in Note 3. "Significant Accounting Estimate, 2) Goodwill equivalent," goodwill equivalent related to investments in PT Sequis as of March 31, 2023, was ¥11,537 million.

Significant assumptions used in the valuation of the corporate value for PT Sequis are projected acquisition of new insurance policies as the basis of the value of new business, the lapse rates and the insurance accident rates as the basis of the embedded value, and the discount rate, all of which involve estimation uncertainty. In particular, the projected acquisition of new insurance policies requires careful considerations because it includes management's estimate about market growth prospects and involves a high degree of uncertainty.

Also, as mentioned in Note 3. "Significant Accounting Estimate, 2) Goodwill equivalent," the Company recorded goodwill equivalent related to investments in Reliance Nippon Life Insurance Company Limited ("RNLI"), an equity method affiliate operating life insurance business in India, of ¥33,628 million. Although RNLI's business performance is recovering, its joint venture partner is expected to change from Reliance Capital Limited. The estimated impact of the change in the joint venture partner on future business activities involves uncertainty.

Furthermore, the Company determines whether there is any impairment indicator that may result in a deterioration of RNLI's business performance in the future, such as significant changes in the nature of RNLI's business and management's strategy from the initial plan or signs of significant deterioration in RNLI's business environment that would lead to a significant decline in the valuation of corporate value. Such determination involves significant management judgments.

In addition, the Company owns interests in The TCW Group, Inc. ("TCW"), an equity method affiliate operating asset management business through Nippon Life Americas, Inc. ("NLA"), a subsidiary in the U.S., and as mentioned in Note 3. "Significant Accounting Estimate, 2) Goodwill equivalent," goodwill equivalent related to investments in TCW as of March 31, 2023, was ¥8,147 million.

TCW is an asset management company whose asset portfolio has a high percentage of U.S. bond, and assets under management have decreased due to a continuous rise in U.S. interest rates during the current year. In NLA's assessment of impairment indicators of investments in TCW, a comprehensive evaluation is necessary to determine whether there are certain factors that may indicate that a decrease in corporate value is other than temporary impairment, and such evaluation involves significant management judgment.

NLA determined that a decrease in value of its investment in TCW in the current year is other than temporary as a result of the assessment of impairment indicators. As such, NLA wrote down the carrying amount of investment in TCW to its corporate value amount attributable to NLA' s equity interest. As mentioned in Note 23. "Impairment Losses, (3) Recognition and measurement of impairment losses, b. Goodwill and goodwill equivalent," the Company recorded an equity method investment loss of ¥16,113 million for impairment. Significant assumptions used in the valuation of the corporate value for TCW are the financial forecast and the discount rate, which involve estimation uncertainty. In particular, the prospects of recovery for assets under management included in the financial forecast require careful evaluation because they are susceptible to changes in external market conditions and such evaluation involves significant management judgment.

Considering the above, we identified management's determination regarding the valuation of the corporate value used for amortization of goodwill equivalent related to investments in PT Sequis, impairment indicators for goodwill equivalent related to investments in RNLI and TCW, and recognition and measurement of impairment loss on goodwill equivalent related to investments in TCW as a key audit matter.

(How the Key Audit Matter Was Addressed in the Audit)

Our audit procedures over management's determination regarding the valuation of the corporate value used for amortization of goodwill equivalent related to investments in PT Sequis and impairment indicators for goodwill equivalent related to investments in RNLI, included the following, among others:

- We inquired of the Company officials and inspected the relevant documents to test the design and operating effectiveness of internal controls over the valuation of the corporate value used for amortization of goodwill equivalent related to investments in PT Sequis and determination of impairment indicators for goodwill equivalent related to investments in RNLI as follows:

  —Procedures for management's review and approval over the determination of impairment indicators and the valuation of the corporate value of the investment performed at the International Unit

  —Procedures for management's review and approval performed at the credit department.

With the assistance of our valuation specialists and actuarial specialists, we evaluated the appropriateness of the corporate value used for amortization of goodwill equivalent related to investments in PT Sequis. Our audit procedures related to the value of new business and the embedded value, which are components of the corporate value of PT Asuransi Jiwa Sequis Life (hereinafter called "Sequis Life"), a subsidiary of PT Sequis, used by the Company, included the following:

—Evaluated the appropriateness of the Company's estimation method for the corporate value considering actuarial practice and general corporate value practice

—Evaluated the reasonableness of the assumption related to the projected acquisition of new insurance policies including management's outlook for insurance market growth, considering the past results of acquisition of new insurance policies and market environment of the country where the subsidiary is located

—Inquired of management of Sequis Life on current business environments and the projected acquisition of new insurance policies

—Inquired of management in the International Unit of the Company on the estimation method and data used for the discount rate calculation and evaluated their consistency with market conditions and practices

—Inquired of the actuary of Sequis Life on the lapse rates and the insurance accident rates included in the actuarial assumptions used for the embedded value calculation

—Inspected the relevant documents to determine whether the embedded value was calculated based on the actuarial assumptions as mentioned above

—Inspected the meetings minutes of the Board of Directors of Sequis Life.

For RNLI, we performed the following procedures to evaluate the appropriateness of the Company's assessment of impairment indicators:

—Inspected the minutes of the meetings of the Board of Directors of RNLI

—Inquired of management in the International Unit of the Company

—Performed a trend analysis of the business performance results in prior years and compared the actual performance results for the current year to the amounts on the business plans at the time of the additional investment

—Inquired of management of RNLI on the current business environments, forecast of business performance, and any updates on the change of the joint venture partner.

In addition, to evaluate the appropriateness of management's determination of impairment indicators and recognition and measurement of impairment loss on goodwill equivalent related to investments in TCW, we instructed auditors of NLA to assist us to perform the following audit procedures, among others, and evaluated the sufficiency and appropriateness of the audit evidence obtained:

- Inquired of management of NLA and inspected the relevant documents to test the design of internal controls over management's review and approval procedures for NLA's determination of impairment indicators and recognition and measurement of impairment loss as well as the valuation of the corporate value

- Evaluated whether there are certain factors that may indicate that a decrease in the corporate value is other than temporary to test the appropriateness of NLA's assessment of the impairment indicators, paying particular attention to the following items:

  —Changes in the external environment, such as rises in U.S. interest rates

  —Compared the business plans at the time of the investment with the actual results for the current year.

- Evaluated the appropriateness of the corporate value used to recognize and measure the impairment loss of TCW's goodwill equivalent with the assistance of our fair value specialists

  —Evaluated the appropriateness of NLA's estimation method for the corporate value considering industry practice and the estimation method used in general corporate value practice

  —Evaluated the reasonableness of the assumptions of the financial forecast such as the prospects of recovery for assets under management considering the past results, industry trends and the economic environment

  —Inquired of management of NLA on the estimation method and data used for the discount rate calculation and evaluated their consistency with market conditions and practices

  —Inquired of management of TCW on the current business environments and forecast of financial performance

  —Inspected the minutes of the meetings of the Board of Directors of TCW.

2. Reliability of the systems regarding the calculation of policy reserves and accuracy of the calculation of policy reserves for new insurance products and the revision of existing insurance products

(Key Audit Matter Description)

The Company recorded policy reserves of ¥69,968,872 million, which represented 87% of total liabilities on the consolidated balance sheet as of March 31, 2023. Of the amount, the policy reserves of the Company and Taiju Life Insurance Company Limited ("Taiju Life"), a consolidated subsidiary, were ¥59,675,536 million and ¥6,475,237 million, respectively, and the sum of these reserves represented 95% of total policy reserves on the consolidated balance sheet.

As mentioned in Note 2. "Summary of Significant Accounting Policies, (18) Policy reserves," the policy reserves of the Company and Taiju Life are provided for the future fulfillment obligations in accordance with Article 116 of the Insurance Business Act.

Policy reserves are calculated based on basic assumptions of the expected mortality rates and the expected interest rates, policies in force data including age, gender, the amounts insured and other data, in accordance with the statement of calculation procedures of premiums and policy reserve ("statement of calculation procedures") licensed by the Financial Services Agency from Article 4, Paragraph (2), item (iv) of the Insurance Business Act.

In addition, the Company recorded additional policy reserves in accordance with Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act in order to reduce the risk of future negative spread and provide stable insurance dividend. Furthermore, the chief actuary reviews whether sufficient policy reserves for insurance policies are provided in accordance with Article 121, Paragraph 1, Item 1 of the Insurance Business Act.

The calculation of policy reserves, which represents a significant part of liabilities on the consolidated balance sheets, requires processing of considerable volumes of data through highly automated IT systems and is therefore, highly dependent on the IT systems. In order to accurately calculate policy reserves, it is critical to have appropriate design and operating effectiveness of the automated application controls over the calculation of policy reserves and the general IT controls, which continuously support the operating effectiveness of automated application controls over the continuous appropriate operation of IT systems. In addition, the evaluation of the effectiveness of controls related to the calculation of policy reserves requires specialized knowledge and experience in IT systems and actuarial science. Therefore, we identified the reliability of the systems supporting the calculation of policy reserves as a key audit matter.

Regarding the development of new insurance products and the revision of existing insurance products ("new insurance products and other products"), the programs for the calculation of policy reserves are developed and implemented into the systems based on calculation method and basic assumption defined in the statement of calculation procedure. As policy reserves are calculated by the system on an ongoing basis after the implementation, the initial errors at the implementation would have an impact on financial reporting in the long-term, which may have a material impact on the consolidated financial statements. Therefore, we identified the accuracy of calculation of policy reserves related to new insurance products and other products as a key audit matter.

(How the Key Audit Matter Was Addressed in the Audit)

Our audit procedures to evaluate the reliability of the systems related to the calculation of policy reserves of the Company and Taiju Life included the following, among others:

- With the assistance of our IT specialists, we inquired of management of the IT department, inspected the relevant documents, observed and reperformed the automated application controls to evaluate the operating effectiveness of the following automated application controls over the calculation of policy reserves:

  —General IT controls such as controls over access security, system operation related to the systems for the calculation of policy reserves, the insurance system, the accounting system, and system change management, including policy reserve program implementation

  —Automated application controls over the determination of policies subjected to the calculation of policy reserves as of the consolidated balance sheet date and the extraction of the policies in force data related to these policies

  —Automated application controls over the aggregation of the policies subjected to the calculation of policy reserves and the underlying date generation of journal entries.

- With the assistance of our actuarial specialists, we inquired of management in the actuarial department and performed re-calculation of policy reserves based on the calculation method and basic assumptions defined in the statement of calculation procedures to evaluate the design and operating effectiveness of automated application controls related to the calculation of policy reserves.

With the assistance of our actuarial specialists, we performed re-calculation of policy reserves for new insurance products and others based on the calculation method and basic assumptions defined in the statement of calculation procedure to evaluate the accuracy of the calculation of policy reserves for new insurance products and others that were offered during the current year.

Other Information

Management is responsible for the other information. Audit & Supervisory Committee members and the Audit & Supervisory Committee are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Integrated Report, but does not include the consolidated financial statements and our auditor's report thereon. The Integrated Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Audit & Supervisory Committee Members and the Audit & Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Insurance Business Act and the related rules and regulations applicable to the life insurance industry and accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company and its consolidated subsidiaries' ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Company and its consolidated subsidiaries or to cease operations, or has no realistic alternative but to do so.

Audit & Supervisory Committee members and the Audit & Supervisory Committee are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company and its consolidated subsidiaries' financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and its consolidated subsidiaries' internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and its consolidated subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its consolidated subsidiaries to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with the Insurance Business Act and the related rules and regulations applicable to the life insurance industry and accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Committee members and the Audit & Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Committee members and the Audit & Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Audit & Supervisory Committee members and the Audit & Supervisory Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company and its consolidated subsidiaries which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Deloitte Touche Tohmatsu LLC

August 3, 2023

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Nippon Life Insurance Company:

Opinion

We have audited the nonconsolidated financial statements of Nippon Life Insurance Company (the "Company"), which comprise the nonconsolidated balance sheets as of March 31, 2023, 2022 and 2021, and the nonconsolidated statements of income, nonconsolidated statements of changes in net assets and nonconsolidated proposed appropriations of surplus for the years then ended, and notes to the nonconsolidated financial statements, including a summary of significant accounting policies, all expressed in Japanese yen.

In our opinion, the accompanying nonconsolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2023, 2022 and 2021, and its financial performance for the years then ended in accordance with the Insurance Business Act and the related rules and regulations applicable to the mutual life insurance industry and accounting principles generally accepted in Japan.

Convenience Translation

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1(2) to the nonconsolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

As explained in Note 1(1) to the nonconsolidated financial statements, the information provided in the nonconsolidated financial statements including notes to the nonconsolidated financial statements is limited to information required by the Insurance Business Act and the related rules and regulations applicable to the mutual life insurance industry and disclosed as additional information. Our opinion is not modified in respect of this matter.

Member of
Deloitte Touche Tohmatsu Limited

Other Information

Management is responsible for the other information. Audit & Supervisory Committee members and the Audit & Supervisory Committee are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Integrated Report, but does not include the nonconsolidated financial statements and our auditor's report thereon. The Integrated Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the nonconsolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the nonconsolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the nonconsolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Audit & Supervisory Committee Members and the Audit & Supervisory Committee for the Nonconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the nonconsolidated financial statements in accordance with the Insurance Business Act and the related rules and regulations applicable to the mutual life insurance industry and accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the nonconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the nonconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Audit & Supervisory Committee members and the Audit & Supervisory Committee are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the nonconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these nonconsolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the nonconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the nonconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the nonconsolidated financial statements are in accordance with the Insurance Business Act and the related rules and regulations applicable to the mutual life insurance industry and accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the nonconsolidated financial statements, including the disclosures, and whether the nonconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Committee members and the Audit & Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Committee members and the Audit & Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Deloitte Touche Tohmatsu LLC

August 3, 2023

OPERATIONAL STATEMENTS

STATUS OF FINANCIAL ASSETS (CONSOLIDATED)

1. Nippon Life Group Performance 141
2. Key Indicators for Operating Performance (Consolidated) 143
3. Status of Nonperforming Assets According to the Insurance Business Act (Consolidated) 143
4. Fair Value of Derivative Transactions (Consolidated), continued 145
5. Status of Insurance Claims Payment Ability of the Company and Its Subsidiaries (Consolidated Solvency Margin Ratio) 157
6. Status of Insurance Claims Payment Ability of the Subsidiaries (Solvency Margin Ratio) 158
7. Segment Information 161
8. Research and Development Activities 167

STATUS OF FINANCIAL ASSETS (NONCONSOLIDATED)

9. Selected Financial Data for Major Operations over the Past Five Fiscal Years 168
10. Status of Nonperforming Assets According to the Insurance Business Act 169
11. Status of Loans in Trust from Contract for Replacement of Loss 169
12. Ability to Pay Benefits (Solvency Margin Ratio) 170
13. Data on Fair Value of Securities (Company Total) 172
14. Data on Fair Value of Assets Held in Trust (Company Total) 174
15. Fair Value of Derivative Transactions (Company Total) 175
16. Equity Securities Held 188
17. Ordinary Profit (Core Operating Profit) 190

MAIN BUSINESS INDICATORS

18. Policies in Force and New Policies 193
19. Annualized Premiums 194
20. New Policies by Product 195
21. Policies in Force by Product 197
22. Amount of Policies in Force by Type of Benefits 199
22. Amount of Policies in Force by Type of Benefits, continued 200
23. Individual Insurance and Annuity Policy Amounts in Force by Product 200
24. Annualized Premiums for Individual Insurance and Annuity Policies in Force by Product 201

INSURANCE POLICY INDICATORS

25. Increase in Policy Amounts in Force 201
26. Increase in New Policies 202
27. Average Policy Coverage (Individual Insurance) 202
28. Percentage of New Policies (Compared to the Beginning of the Fiscal Year) 203
29. Rate of Cancellation and Expiration (Compared to the Beginning of the Fiscal Year) 203
30. Average New Policy Premium (Individual Insurance Policies with Monthly Payments) 203
31. Mortality Rate (Primary Individual Insurance Policies) 203
32. Incidence of Events Covered by Riders (Individual Insurance) 203
33. Ratio of Insured Amount to Premium Earned by Type of Third-sector Insurance Benefits or Type of Insurance 204
34. Operating Expenses Percentage (Ratio of Operating Expenses to Premium Revenues) 204
35. Number of Major Insurance Companies that Accepted Reinsurance Contracts 204
36. Ratio of Reinsurance Premiums Paid to the Top Five Insurance Companies Accepting Reinsurance to Total Reinsurance Premiums 204
37. Ratio of Insurance Companies Accepting Reinsurance Contracts by Rating by Rating Agencies 204
38. Reinsurance Proceeds to Be Received 204

ACCOUNTING INDICATORS

39. Reserve for Outstanding Claims 205
40. Policy Reserves 205
41. Breakdown of Policy Reserves 205
42. Policy Reserves for Individual Insurance and Annuities (by Policy Year) 206
43. Policy Reserves for General Account (Insurance Policies with Separate Account Providing Guaranteed Minimum Insurance Benefits) 206
44. Reasonableness and Validity of the Application of Article 121, Paragraph 1, Item 1 of the Insurance Business Act (Limited to Reserves Relating to Third-sector Insurance) 207
45. Reserve for Dividends to Policyholders 207
46. Allowance for Doubtful Accounts and Other Provisions 208
47. Allowance for Specific Overseas Loans 208
48. Insurance Premiums 208
49. Death and Other Claims 209
50. Annuity Payments 210
51. Health and Other Benefits 211
52. Surrender Benefits 212
53. Depreciation 213
54. Operating Expenses 213
55. Loans by Due Date 213
56. Taxes 214
57. Lease Transactions 214

INDICATORS RELATED TO INVESTMENT (GENERAL ACCOUNT)

58. Overview of Investment for the Fiscal Year Ended March 31, 2023 (General Account) 215
59. Portfolio Trends (General Account) 216
60. Average Balance and Yield on Primary Assets (General Account) 217
61. Investment Income (General Account) 218
62. Investment Expenses (General Account) 218
63. Interest, Dividends, and Other Income (General Account) 218
64. Analysis of Interest, Dividends, and Other Income (General Account) 219
65. Gain on Sales of Securities (General Account) 219
66. Loss on Sales of Securities (General Account) 219
67. Loss on Valuation of Securities (General Account) 219
68. Proprietary Trading Securities (General Account) 219
69. Proprietary Trading Securities Trading Volume (General Account) 219
70. Breakdown of Investments in Securities (General Account) 220
71. Breakdown of Investments in Securities by Maturity Dates (General Account) 220
72. Bond Yields (General Account) 221
73. Stocks Held—Breakdown by Industry (General Account) 222
74. Loans (General Account) 222
75. Industrial and Consumer Loans by Maturity Date (General Account) 223
76. Loans to Domestic Companies by Company Size (General Account) 223
77. Breakdown of Industrial and Consumer Loans by Industry (General Account) 224
78. Breakdown of Industrial and Consumer Loans by Use (General Account) 225
79. Breakdown of Loans to Domestic Companies by Region (General Account) 225
80. Breakdown of Industrial and Consumer Loans by Collateral (General Account) 225
81. Appraisal Value of Real Estate (General Account) 225
82. Real Estate Balance and Number of Rental Properties Held (General Account) 226
83. Tangible Fixed Assets (General Account) 226
84. Gain and Loss on Disposals of Fixed Assets (General Account) 227
85. Depreciation of Rental Real Estate and Other Assets (General Account) 227
86. Overseas Loans and Investments (General Account) 228
87. Yield on Overseas Loans and Investments (General Account) 229
88. Summary of New Public Sector Investment Underwriting and Loans (General Account) 229
89. Breakdown of Other Assets (General Account) 229
90. Loan Interest Rates 230

SECURITIES INDICATORS (GENERAL ACCOUNT)

91. Fair Value of Securities (General Account) 231
92. Fair Value of Assets Held in Trust (General Account) 232
93. Qualitative Information on Derivative Transactions (General Account) 233
94. Fair Value of Derivative Transactions, Combined Total with and without Hedge Accounting Applied (General Account) 234

SEPARATE ACCOUNT INDICATORS

95. Balance of Separate Account Assets 240
96. Asset Management Overview for the Fiscal Year Ended March 31, 2023 (Separate Account Assets for Individual Variable Insurance and Individual Variable Annuities) 240

STATUS OF SEPARATE ACCOUNT FOR INDIVIDUAL VARIABLE INSURANCE

97. Policies in Force (Separate Account for Individual Variable Insurance) 241
98. Breakdown of Assets' Year-End Balance (Separate Account for Individual Variable Insurance) 241
99. Investment Income and Expenses (Separate Account for Individual Variable Insurance) 241
100. Fair Value of Securities (Separate Account for Individual Variable Insurance) 241
101. Fair Value of Assets Held in Trust (Separate Account for Individual Variable Insurance) 242
102. Qualitative Information on Derivative Transactions (Separate Account for Individual Variable Insurance) 242
103. Fair Value of Derivative Transactions, Combined Total with and without Hedge Accounting Applied (Separate Account for Individual Variable Insurance) 242

STATUS OF SEPARATE ACCOUNT FOR INDIVIDUAL VARIABLE ANNUITIES

104. Policies in Force (Separate Account for Individual Variable Annuities) 244
105. Breakdown of Assets' Year-End Balance (Separate Account for Individual Variable Annuities) 244
106. Investment Income and Expenses (Separate Account for Individual Variable Annuities) 245
107. Fair Value of Securities (Separate Account for Individual Variable Annuities) 245
108. Fair Value of Assets Held in Trust (Separate Account for Individual Variable Annuities) 245
109. Qualitative Information on Derivative Transactions (Separate Account for Individual Variable Annuities) 245
110. Fair Value of Derivative Transactions, Combined Total with and without Hedge Accounting Applied (Separate Account for Individual Variable Annuities) 245

STATUS OF SEPARATE ACCOUNT FOR GROUP ANNUITIES

111. Separate Account Assets by Product (Separate Account for Group Annuities) 246
112. Status of First Treaty (Separate Account for Group Annuities) 246

Notes:
- All figures are rounded down to the nearest unit.
- % and ‰ are rounded to the nearest figure.
- Some totals may not add up to 100% due to rounding.

1. Nippon Life Group Performance

Summary of Operations for the Fiscal Year

To continue providing products and services to customers over the long term in any environment, the Nippon Life Group (the "Group") is working to expand its group business.

The Group has 15 consolidated subsidiaries and 15 equity method affiliates.

• Domestic Life Insurance

The Group strove to upgrade and expand the product lineups of NIPPON LIFE INSURANCE COMPANY ("Nippon Life" or the "Company") and TAIJU LIFE INSURANCE COMPANY LIMITED ("TAIJU LIFE") by promoting the mutual supply of products between the two companies. For example, TAIJU LIFE sold Nippon Life's annuity insurance, educational endowment insurance, and juvenile insurance products, among other products. TAIJU LIFE also supplied Nissay Foreign Currency-denominated Single-Premium Endowment Insurance—Dream Road to the Company.

TAIJU LIFE's revenue from insurance and reinsurance in the fiscal year ended March 31, 2023, was ¥884.8 billion (vs. ¥498.6 billion in the fiscal year ended March 31, 2022). Ordinary profit was ¥20.8 billion (vs. ¥39.4 billion in the fiscal year ended March 31, 2022), and core operating profit was ¥20.4 billion (vs. ¥46.6 billion in the fiscal year ended March 31, 2022).

The Group is leveraging the strengths of Nippon Life and Nippon Wealth Life Insurance Company Limited ("Nippon Wealth Life") to, for example, flexibly develop products that meet customer needs and expand the number of financial institutions handling Nippon Wealth Life products through its wholesalers. In this way, Nippon Wealth Life is working to build a product supply system that can meet the needs of a broader range of customers.

Nippon Wealth Life's revenue from insurance and reinsurance in the fiscal year ended March 31, 2023, was ¥570.5 billion (vs. ¥350.1 billion in the fiscal year ended March 31, 2022). Ordinary loss was ¥55.3 billion (vs. an ordinary profit of ¥29.0 billion in the fiscal year ended March 31, 2022), and core operating loss was ¥29.4 billion (vs. ¥36.8 billion in the fiscal year ended March 31, 2022).

HANASAKU LIFE INSURANCE Co., Ltd.("HANASAKU LIFE") worked to strengthen relationships with agencies, along with flexibly supplying products that precisely meet customer needs, and upgrading and expanding its lineup of such products.

HANASAKU LIFE's revenue from insurance and reinsurance in the fiscal year ended March 31, 2023, was ¥22.2 billion (vs. ¥13.7 billion in the fiscal year ended March 31, 2022). Ordinary loss was ¥25.5 billion (vs. ¥19.6 billion in the fiscal year ended March 31, 2022), and core operating loss amounted to ¥24.6 billion (vs. ¥18.9 billion in the fiscal year ended March 31, 2022).

• Global Insurance

The Group operates insurance operations in seven countries: the United States, Australia, India, Myanmar, China, Thailand, and Indonesia.

In particular, MLC Limited, an Australian consolidated subsidiary, has been working to regain the share of new sales in individual insurance and to enhance the efficiency of business expenditures.

MLC Limited's revenue from insurance and reinsurance in the fiscal year ended December 31, 2022, was ¥208.4 billion (vs. ¥181.2 billion in the fiscal year ended December 31, 2021), and core operating profit*[1] was ¥8.5 billion (vs. ¥2.9 billion in the fiscal year ended December 31, 2021).

• Asset Management

The Group worked to offer a wide range of products to meet the diversified asset management needs of its customers, such as domestic and foreign stocks and bonds, multi-asset products, and alternatives, through discretionary investment, investment advisory, and investment trusts provided by Nissay Asset Management Corporation.

Nissay Asset Management Corporation's assets under management as of March 31, 2023, were ¥34,071.7 billion (vs. ¥33,826.9 billion in the fiscal year ended March 31, 2022). Of this, assets of ¥24,731.2 billion were in the investment advisory business (vs. ¥24,420.6 billion in the fiscal year ended March 31, 2022), and assets of ¥9,340.4 billion were in the investment trusts business (vs. ¥9,406.3 billion in the fiscal year ended March 31, 2022). In addition, core operating profit*[2] was ¥14.2 billion (vs. ¥16.2 billion in the fiscal year ended March 31, 2022).

In the Indian mutual fund sector, which continues to experience high growth, Nippon Life India Asset Management Limited endeavored to supply a wide range of investment products, including Indian stocks, bonds, and alternative investments.

Nippon Life India Asset Management Limited's mutual fund assets under management as of March 31, 2023, were ¥4,704.7 billion (vs. ¥4,521.0 billion in the fiscal year ended March 31, 2022). In addition, core operating profit*[2] was ¥15.7 billion (vs. ¥15.0 billion in the fiscal year ended March 31, 2022).

• Information Technology

Nissay Information Technology Co., Ltd. engaged in system development for new products to cater for the diversification of market needs. In addition, high-quality information system services were provided to insurance, mutual aid, pension, and healthcare markets.

In the fiscal year ended March 31, 2023, Nissay Information Technology Co., Ltd. sales were ¥78.7 billion (vs. ¥79.0 billion in the fiscal year ended March 31, 2022). Ordinary profit was ¥2.3 billion (vs. ¥2.4 billion in the fiscal year ended March 31, 2022), and core operating profit*[2] was ¥2.2 billion (vs. ¥2.3 billion in the fiscal year ended March 31, 2022).

Ordinary income in the fiscal year ended March 31, 2023, totaled ¥9,639.1 billion (vs. ¥8,356.8 billion in the fiscal year ended March 31, 2022). Ordinary expenses totaled ¥9,496.7 billion (vs. ¥7,821.4 billion in the fiscal year ended March 31, 2022), while ordinary profit was ¥142.3 billion (vs. ¥535.4 billion in the fiscal year ended March 31, 2022). After adding/subtracting extraordinary gains of ¥4.4 billion, extraordinary losses of ¥23.4 billion, provision for reserve for policyholder dividends, total income taxes, and net surplus attributable to noncontrolling interests to/from ordinary profit, net surplus attributable to the parent company in the current year amounted to ¥118.2 billion (vs. ¥346.7 billion in the fiscal year ended March 31, 2022). On the consolidated balance sheet, surplus as of March 31, 2023 amounted to ¥654.4 billion, and total assets rose to ¥87,594.6 billion (vs. ¥88,381.9 billion as of March 31, 2022).

Net cash provided by operating activities amounted to ¥1,339.6 billion, ¥106.9 billion increase year-on-year, due mainly to an increase in revenue from insurance and reinsurance. Net cash used in financing activities rose by ¥644.2 billion from the previous fiscal year to ¥1,851.8 billion, due mainly to an increase in purchases of investment securities. Net cash provided by financing activities was ¥59.2 billion, down ¥99.4 billion from the previous fiscal year, due mainly to a decrease in proceeds from issuance of corporate bonds. As a result, cash and cash equivalents as of March 31, 2023,

amounted to ¥2,139.7 billion, a decrease of ¥406.7 billion from the beginning of the fiscal year.

Total core operating profit*3 was ¥479.4 billion (vs. ¥851.5 billion in the fiscal year ended March 31, 2022).

*1 Net income before tax excluding interest rate fluctuation factors, etc.
*2 Net income before tax.
*3 The sum of core operating profit of Nippon Life, TAIJU LIFE, Nippon Wealth Life, and HANASAKU LIFE, plus the net income before tax of global life insurance subsidiaries and affiliates and domestic and global asset management subsidiaries and affiliates, after taking into account stock ownership ratios, excluding interest rate fluctuation factors, and adjusting for certain internal transactions.
Figures have been calculated based on the calculation method for core operating profit adopted from the fiscal year ended March 31, 2023. As such, previous fiscal-year figures have been restated in accordance with the revised method.

The consolidated financial statements of the Group have been prepared in accordance with accounting principles generally accepted in Japan.

The preparation of the consolidated financial statements requires management to select and apply accounting policies, and to make estimates that will impact the disclosure of assets and liabilities, and revenues and expenses.

Management determines these estimates reasonably considering past performance. However, the actual results may vary from those estimates due to uncertainties specific to the estimates.

Significant accounting policies adopted in the consolidated financial statements of the Group are presented in "Basis of Presenting the Consolidated Financial Statements" on p. 56. In particular, management believes that the following significant accounting policies and estimates will have a major impact on the consolidated financial statements.

(1) Fair value measurement methods for financial instruments

Fair value of certain securities and derivative financial instruments is measured mainly based on the market price, in principle. For items without a market price, fair value is measured mainly by discounting future cash flows to present value or valuations obtained from external information vendors.

In the future, the estimated amounts could change in light of new facts that affect the estimates.

(2) Impairment of securities

For securities other than trading securities, impairment losses are recognized for stocks whose fair value or actual value has declined significantly based on reasonable criteria.

A substantial loss on valuation of securities could be recorded depending on future financial market conditions and the progression of business plans by investees.

Criteria related to impairment losses on stocks are presented in "Notes to the Consolidated Financial Statements" on p. 56.

(3) Impairment of fixed assets

For fixed assets, if the recoverable amount of the asset group is estimated to be less than the book value, the difference is recognized as an impairment loss.

1) Real estate and other assets

The recoverable amount is determined as the larger of the net realizable value determined based on appraisals performed in accordance with the "Real Estate Appraisal Standards" or standard real estate prices, or the value in use determined as the discounted future cash flows. Therefore, if there are changes in the use of real estate and other assets, or changes in property market prices or rents in the future, additional impairment losses could be recognized.

2) Goodwill and the equivalent amount of goodwill from affiliates accounted for by the equity method

The recoverable amount is determined as the larger of net selling price determined based on the amount obtained by multiplying the market value of shares by the number of shares held, or value in use determined as the amount obtained by discounting the future cash flows calculated based on future projections, medium-term management plans, and other information for each asset group.

If new facts that affect these estimates arise in the future or in other such circumstances, additional impairment losses could be recognized.

Standards related to impairment of fixed assets are presented in the "Notes to the Consolidated Financial Statements" on p. 56.

(4) Assessment of recoverability of deferred tax assets

For the assessment of recoverability of deferred tax assets, future taxable income is determined based on reasonable estimates. The recorded amount of deferred tax assets may change depending on estimates of future taxable income. In addition, the Company and its certain subsidiaries (the tax sharing group) have applied the group tax sharing system. The recoverability of deferred tax assets is assessed based on estimates of the taxable income of the entire consolidated taxation group.

(5) Criteria for recognizing allowance for doubtful accounts

To prepare for credit losses from doubtful accounts, an allowance for doubtful accounts is recognized at the estimated unrecoverable amount based on the condition of borrowers in accordance with the Company's internal asset valuation regulation and write-off/provision rule.

If the financial condition of borrowers worsens and their solvency declines in the future, the Company could recognize an additional allowance or incur credit losses.

Criteria for recognizing allowance for doubtful accounts are presented in "Basis of Presenting the Consolidated Financial Statements" on p. 56.

(6) Reserve for outstanding claims

A reserve for outstanding claims is accumulated based on estimates of the amounts of insurance claims for which the Company is obligated to pay but not yet paid.

The recognized amount of the reserve for outstanding claims could change from the initially estimated amount in light of new facts that affect the estimates in the future.

(7) Policy reserves

Policy reserves are accumulated in order to prepare for payments of future obligations based on insurance policies.

The Company believes that reasonable assumptions are used in actuarial calculations for insurance. If the actuarial calculations are substantially different from the actual outcomes, or if the assumption needs to be revised, such change could affect the amount of policy reserves.

Policy reserves are described in "Basis of Presenting the Consolidated Financial Statements" on p. 56.

(8) Retirement benefit obligations and retirement benefit costs

Retirement benefit obligations and benefit costs are calculated based on the

expected rate of return on plan assets and the actuarial assumptions for calculating future retirement benefit obligations.

For this reason, if the actual outcomes differ from the assumptions, or if the assumptions are revised, the retirement benefit obligations and benefit costs could change in the future.

Matters concerning the basis for calculating retirement benefit obligations and related items are presented in "Notes to the Consolidated Financial Statements" on p. 56.

2. Key Indicators for Operating Performance (Consolidated)

Billions of Yen

Fiscal years ended March 31	2023	2022	2021	2020	2019
Total ordinary income	**9,639.1**	**8,356.8**	**8,160.9**	**8,050.6**	**8,227.1**
Revenues from insurance and reinsurance	**6,373.5**	**5,386.0**	**5,190.1**	**5,719.3**	**6,069.2**
Ordinary profit	**142.3**	**535.4**	**475.6**	**281.3**	**428.4**
Net surplus attributable to the parent company	**118.2**	**346.7**	**331.5**	**192.1**	**278.7**
Comprehensive income (loss)	**(798.8)**	**(463.7)**	**2,837.9**	**(630.5)**	**307.3**
Net cash provided by operating activities	**1,339.6**	**1,232.7**	**965.1**	**1,605.5**	**1,962.2**
Net cash used in investing activities	**(1,851.8)**	**(1,207.6)**	**(1,157.2)**	**(1,615.3)**	**(1,993.8)**
Net cash provided by financing activities	**59.2**	**158.7**	**274.6**	**250.8**	**148.3**

Billions of Yen

As of March 31	2023	2022	2021	2020	2019
Total assets	**87,594.6**	**88,381.9**	**85,589.9**	**80,081.1**	**78,809.5**
Total net assets	**7,051.0**	**8,053.0**	**8,816.5**	**6,157.2**	**6,978.2**
Solvency margin ratio (%)	**1,078.1**	**1,120.3**	**1,075.0**	**1,047.5**	**997.3**
Cash and cash equivalents at the end of the year	**2,139.7**	**2,544.3**	**2,322.8**	**2,226.2**	**2,011.9**
Number of consolidated subsidiaries and affiliates	**15**	**15**	**15**	**15**	**12**
Number of affiliates accounted for under the equity method	**15**	**15**	**15**	**15**	**14**
Number of employees (people)	**88,528**	**92,737**	**95,352**	**92,122**	**89,198**

Note: Number of employees represents the total number of employees of the Company and its consolidated subsidiaries, excluding employees seconded to other companies, at the fiscal year-end.

3. Status of Nonperforming Assets According to the Insurance Business Act (Consolidated)

Millions of Yen

As of March 31	2023	2022	2021
Bankrupt and quasi-bankrupt loans	10,059	10,285	10,301
Doubtful loans	18,103	18,352	16,594
Loans that are delinquent for over three months	50	—	—
Restructured loans	1,481	1,771	2,635
Subtotal	**29,694**	**30,409**	**29,531**
[Ratio to total (%)]	**[0.28]**	**[0.27]**	**[0.25]**
Normal loans	10,454,967	11,386,093	11,916,685
Total	**10,484,661**	**11,416,503**	**11,946,216**

Notes: 1. For bankrupt and quasi-bankrupt loans, the estimated uncollectible amount calculated by subtracting the amount of collateral value, or the amount collectible by the execution of guarantees from the balance of loans, is directly deducted from the total loan amount. The estimated uncollectible amounts were ¥2,023 million, ¥1,603 million and ¥3,784 million as of March 31, 2023, 2022 and 2021, respectively.

2. Bankrupt and quasi-bankrupt loans are nonperforming assets and similar loans that have fallen into bankruptcy due to reasons, including initiation of bankruptcy proceedings, start of reorganization proceedings, or submission of an application to start rehabilitation proceedings.

3. Doubtful loans are nonperforming assets with a strong likelihood that loan principal cannot be recovered or interest cannot be received according to the contract because of difficulties in the financial condition and business performance of the debtor who has not yet entered into bankruptcy (excluding 2. in the note above).

4. Loans that are delinquent for over three months are loans with principal or interest unpaid for over three months beginning one day after the due date based on the loan agreement (excluding 2. and 3. in the notes above).

5. Restructured loans are loans that provide certain concessions favorable to the borrower with the intent of supporting the borrower's restructuring, such as by reducing or exempting interest, postponing principal or interest payments, releasing credits, or providing other benefits to the borrowers (excluding 2. to 4. in the notes above).

6. Normal loans are loans that do not fall under the classifications for 2. to 5. in the above notes and where the debtor has no financial or business performance problems.

7. Classifications and calculation methods used in this table are based on the Ordinance for Enforcement of the Insurance Business Act in Japan. The table includes loans, securities lending, accrued interest, suspense payments, customers' liability for acceptances and guarantees, and guaranteed private offering loans of financial institutions.

4. Fair Value of Derivative Transactions (Consolidated)

(1) Breakdown of net gains (losses) (with and without hedge accounting applied)

Millions of Yen

	Interest rate	Currencies	Equities	Bonds	Others	Total
As of March 31			**2023**			
Hedge accounting applied	(194,118)	(328,300)	(1,950)	—	—	(524,370)
Hedge accounting not applied	10,415	(115,294)	(5,027)	(1,691)	(275)	(111,873)
Total	**(183,703)**	**(443,595)**	**(6,977)**	**(1,691)**	**(275)**	**(636,243)**
As of March 31			**2022**			
Hedge accounting applied	(66,935)	(852,112)	6,712	—	—	(912,335)
Hedge accounting not applied	(759)	(70,383)	(6,678)	(1,420)	2,740	(76,500)
Total	**(67,694)**	**(922,495)**	**34**	**(1,420)**	**2,740**	**(988,836)**
As of March 31			**2021**			
Hedge accounting applied	25,567	(474,238)	(14,871)	—	—	(463,541)
Hedge accounting not applied	30,438	(34,494)	(4,644)	(195)	4,499	(4,397)
Total	**56,006**	**(508,733)**	**(19,515)**	**(195)**	**4,499**	**(467,939)**

Note: Net gains (losses) from fair value hedges included in net gains (losses) on derivative transactions to which hedge accounting is applied (for the year ended March 31, 2023, loss in currencies of ¥457 million and loss in equities of ¥1,950 million; for the year ended March 31, 2022, gain in currencies of ¥399,749 million and gain in equities of ¥6,712 million; and for the year ended March 31, 2021, loss in currencies of ¥224,485 million and loss in equities of ¥14,871 million), and net gains (losses) on those to which hedge accounting is not applied are recorded in the consolidated statements of income.

4. Fair Value of Derivative Transactions (Consolidated), continued

(2) Items to which hedge accounting is not applied

• Interest rate-related

Millions of Yen

As of March 31		2023				2022			
		Contract amount				Contract amount			
Category	Type		Over 1 year	Fair value	Net gains (losses)		Over 1 year	Fair value	Net gains (losses)
Over-the-counter	**Interest rate swaps**								
	Receive fixed interest rate/ pay variable interest rate	3,951,103	2,916,680	(59,898)	(59,898)	3,423,666	2,624,473	(68,446)	(68,446)
	Pay fixed interest rate/ receive variable interest rate	1,855,086	1,573,743	100,888	100,888	1,348,550	1,300,852	93,627	93,627
	Receive variable interest rate/ pay variable interest rate	—	—	—	—	67,000	—	12	12
	Interest rate swaptions								
	Sold								
	Receive fixed interest rate/ pay variable interest rate	— [—]	— [—]	—	—	— [—]	— [—]	—	—
	Pay fixed interest rate/ receive variable interest rate	— [—]	— [—]	—	—	— [—]	— [—]	—	—
	Purchased								
	Receive fixed interest rate/ pay variable interest rate	1,013,000 [35,520]	833,000 [34,611]	4,946	(30,574)	1,383,000 [49,264]	1,205,500 [46,699]	23,311	(25,952)
	Pay fixed interest rate/ receive variable interest rate	— [—]	— [—]	—	—	— [—]	— [—]	—	—
Total					**10,415**				**(759)**

Millions of Yen

As of March 31		2021			
		Contract amount			
Category	Type		Over 1 year	Fair value	Net gains (losses)
Over-the-counter	**Interest rate swaps**				
	Receive fixed interest rate/ pay variable interest rate	2,763,963	2,404,226	25,710	25,710
	Pay fixed interest rate/ receive variable interest rate	1,421,581	1,349,037	31,267	31,267
	Receive variable interest rate/ pay variable interest rate	—	—	—	—
	Interest rate swaptions				
	Sold				
	Receive fixed interest rate/ pay variable interest rate	— [—]	— [—]	—	—
	Pay fixed interest rate/ receive variable interest rate	— [—]	— [—]	—	—
	Purchased				
	Receive fixed interest rate/ pay variable interest rate	1,330,000 [47,145]	1,300,000 [46,951]	20,605	(26,539)
	Pay fixed interest rate/ receive variable interest rate	— [—]	— [—]	—	—
Total					**30,438**

Notes: 1. Amounts in brackets represent option premiums recorded in the consolidated balance sheets.
2. Amounts in "Net gains (losses)" represent the fair value for swap transactions, and the difference between option premiums and fair value for option transactions.

4. Fair Value of Derivative Transactions (Consolidated), continued

(2) Items to which hedge accounting is not applied, continued

(Reference) Interest rate swap contracts by maturity dates

Millions of Yen

Maturity dates	Within 1 year	Over 1 year and within 3 years	Over 3 years and within 5 years	Over 5 years and within 7 years	Over 7 years and within 10 years	Over 10 years	Total
As of March 31				**2023**			
Interest rate swaps							
Receive fixed interest rate/ pay variable interest rate							
Notional amount	1,034,423	784,051	203,155	611,478	249,518	1,068,477	**3,951,103**
Average fixed interest rate to receive (%)	0.50	0.49	0.96	0.62	1.57	2.06	**1.03**
Average variable interest rate to pay (%)	0.47	0.43	0.86	0.38	2.63	2.52	**1.16**
Interest rate swaps							
Pay fixed interest rate/ receive variable interest rate							
Notional amount	281,342	143,153	258,386	175,867	343,933	652,402	**1,855,086**
Average fixed interest rate to pay (%)	1.53	1.78	1.12	0.86	0.85	1.15	**1.17**
Average variable interest rate to receive (%)	2.58	4.16	1.57	1.22	0.73	1.84	**1.83**
Interest rate swaps							
Receive variable interest rate/ pay variable interest rate							
Notional amount	—	—	—	—	—	—	**—**
Average variable interest rate to pay (%)	—	—	—	—	—	—	**—**
Average variable interest rate to receive (%)	—	—	—	—	—	—	**—**
As of March 31				**2022**			
Interest rate swaps							
Receive fixed interest rate/ pay variable interest rate							
Notional amount	799,193	594,194	334,761	428,184	394,395	872,937	**3,423,666**
Average fixed interest rate to receive (%)	0.08	0.15	0.47	0.36	1.12	1.44	**0.63**
Average variable interest rate to pay (%)	0.01	0.00	0.03	0.04	0.11	0.15	**0.06**
Interest rate swaps							
Pay fixed interest rate/ receive variable interest rate							
Notional amount	47,697	220,879	125,141	65,466	312,000	577,365	**1,348,550**
Average fixed interest rate to pay (%)	1.34	0.63	0.52	0.62	0.37	1.04	**0.76**
Average variable interest rate to receive (%)	0.29	0.20	(0.01)	(0.03)	0.08	0.21	**0.15**
Interest rate swaps							
Receive variable interest rate/ pay variable interest rate							
Notional amount	67,000	—	—	—	—	—	**67,000**
Average variable interest rate to pay (%)	0.00	—	—	—	—	—	**0.00**
Average variable interest rate to receive (%)	0.00	—	—	—	—	—	**0.00**
As of March 31				**2021**			
Interest rate swaps							
Receive fixed interest rate/ pay variable interest rate							
Notional amount	359,736	680,911	330,962	293,585	273,878	824,888	**2,763,963**
Average fixed interest rate to receive (%)	0.17	0.11	0.20	0.50	1.11	1.52	**0.69**
Average variable interest rate to pay (%)	(0.03)	(0.06)	(0.03)	(0.06)	(0.01)	0.03	**(0.02)**
Interest rate swaps							
Pay fixed interest rate/ receive variable interest rate							
Notional amount	72,544	244,678	137,355	116,047	252,555	598,400	**1,421,581**
Average fixed interest rate to pay (%)	1.99	0.51	0.59	0.56	0.37	1.08	**0.81**
Average variable interest rate to receive (%)	0.08	(0.00)	0.10	0.05	(0.04)	0.05	**0.03**
Interest rate swaps							
Receive variable interest rate/ pay variable interest rate							
Notional amount	—	—	—	—	—	—	**—**
Average variable interest rate to pay (%)	—	—	—	—	—	—	**—**
Average variable interest rate to receive (%)	—	—	—	—	—	—	**—**

4. Fair Value of Derivative Transactions (Consolidated), continued

(2) Items to which hedge accounting is not applied, continued

• Currency-related

Millions of Yen

As of March 31		2023				2022			
		Contract amount				Contract amount			
Category	Type		Over 1 year	Fair value	Net gains (losses)		Over 1 year	Fair value	Net gains (losses)
Over-the-counter	**Foreign exchange forward contracts**								
	Sold	**4,471,158**	**—**	**(45,759)**	**(45,759)**	**4,088,029**	**—**	**(228,458)**	**(228,458)**
	U.S. dollar	2,706,373	—	(5,416)	(5,416)	2,087,625	—	(135,243)	(135,243)
	Euro	726,759	—	(21,731)	(21,731)	791,717	—	(39,326)	(39,326)
	Australian dollar	281,708	—	740	740	432,873	—	(28,910)	(28,910)
	British pound	591,130	—	(17,096)	(17,096)	490,023	—	(14,813)	(14,813)
	Purchased	**3,347,276**	**—**	**(55,613)**	**(55,613)**	**2,968,628**	**—**	**163,215**	**163,215**
	U.S. dollar	2,759,845	—	(61,444)	(61,444)	2,159,006	—	138,588	138,588
	Euro	77,639	—	1,570	1,570	104,821	—	3,095	3,095
	Australian dollar	126,298	—	(126)	(126)	298,033	—	13,782	13,782
	Currency options								
	Sold								
	Call	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
		[—]	**[—]**			**[—]**	**[—]**		
	U.S. dollar	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Euro	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
		[—]	**[—]**			**[—]**	**[—]**		
	U.S. dollar	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Euro	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Purchased								
	Call	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
		[—]	**[—]**			**[—]**	**[—]**		
	U.S. dollar	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Euro	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	**133,530**	**—**	**472**	**(1,050)**	**948,522**	**—**	**906**	**(3,554)**
		[1,523]	**[—]**			**[4,460]**	**[—]**		
	U.S. dollar	133,530	—	472	(1,050)	948,522	—	906	(3,554)
		[1,523]	[—]			[4,460]	[—]		
	Euro	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Currency swaps	**293,369**	**262,670**	**(12,869)**	**(12,869)**	**268,630**	**224,405**	**(1,586)**	**(1,586)**
	U.S.$ paid/¥ received	127,968	103,364	(15,386)	(15,386)	115,553	76,078	(13,503)	(13,503)
	€ paid/¥ received	35,660	33,037	(747)	(747)	10,521	10,521	(261)	(261)
	¥ paid/AU$ received	52,499	51,718	1,518	1,518	74,431	71,826	7,582	7,582
	U.S. $ paid/AU$ received	42,684	39,993	546	546	42,870	40,726	3,045	3,045
	Others	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
	Total Return Swap	—	—	—	—	—	—	—	—
Total					**(115,294)**				**(70,383)**

4. Fair Value of Derivative Transactions (Consolidated), continued

(2) Items to which hedge accounting is not applied, continued

• Currency-related, continued

Millions of Yen

As of March 31		2021			
		Contract amount			
Category	Type		Over 1 year	Fair value	Net gains (losses)
Over-the-counter	**Foreign exchange forward contracts**				
	Sold	**2,849,308**	**4,808**	**(127,586)**	**(127,586)**
	U.S. dollar	961,792	4,808	(44,091)	(44,091)
	Euro	814,452	—	(18,192)	(18,192)
	Australian dollar	636,891	—	(45,725)	(45,725)
	British pound	371,866	—	(17,953)	(17,953)
	Purchased	**1,728,027**	**—**	**96,696**	**96,696**
	U.S. dollar	919,365	—	46,281	46,281
	Euro	52,750	—	(10)	(10)
	Australian dollar	589,649	—	49,920	49,920
	Currency options				
	Sold				
	Call	**—**	**—**	**—**	**—**
		[—]	**[—]**		
	U.S. dollar	—	—	—	—
		[—]	[—]		
	Euro	—	—	—	—
		[—]	[—]		
	Put	**166,065**	**—**	**43**	**442**
		[486]	**[—]**		
	U.S. dollar	166,065	—	43	442
		[486]	[—]		
	Euro	—	—	—	—
		[—]	[—]		
	Purchased				
	Call	**—**	**—**	**—**	**—**
		[—]	**[—]**		
	U.S. dollar	—	—	—	—
		[—]	[—]		
	Euro	—	—	—	—
		[—]	[—]		
	Put	**1,162,455**	**—**	**940**	**(12,866)**
		[13,806]	**[—]**		
	U.S. dollar	1,162,455	—	940	(12,866)
		[13,806]	[—]		
	Euro	—	—	—	—
		[—]	[—]		
	Currency swaps	**293,771**	**282,638**	**8,766**	**8,766**
	U.S.$ paid/¥ received	125,334	116,633	(5,717)	(5,717)
	€ paid/¥ received	11,865	10,521	(201)	(201)
	¥ paid/AU$ received	110,319	110,319	11,700	11,700
	U.S. $ paid/AU$ received	28,861	27,773	2,643	2,643
	Others	**37,000**	**—**	**53**	**53**
	Total Return Swap	37,000	—	53	53
Total					**(34,494)**

Notes: 1. Amounts in brackets represent option premiums recorded in the consolidated balance sheets.
2. Amounts in the "Net gains (losses)" column represent the fair value for forward transactions and swap transactions, and the difference between option premiums and fair value for option transactions.

4. Fair Value of Derivative Transactions (Consolidated), continued

(2) Items to which hedge accounting is not applied, continued

• Equity-related

Millions of Yen

As of March 31		2023				2022			
		Contract amount				Contract amount			
Category	Type		Over 1 year	Fair value	Net gains (losses)		Over 1 year	Fair value	Net gains (losses)
Exchange-traded	Equity index futures								
	Sold	18,175	—	(436)	(436)	—	—	—	—
	Purchased	78,390	—	768	768	65,394	—	1,406	1,406
	Equity index options								
	Sold								
	Call	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Purchased								
	Call	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	511,196	—	1,114	(4,360)	504,402	—	1,492	(4,154)
		[5,475]	[—]			[5,646]	[—]		
Over-the-counter	Equity forward contracts								
	Sold	—	—	—	—	—	—	(62)	(62)
	Purchased	—	—	—	—	—	—	—	—
	Equity index forward contracts								
	Sold	302	—	2	2	492	—	(58)	(58)
	Purchased	54,054	54,054	(124)	(124)	—	—	—	—
	Equity index options								
	Sold								
	Call	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Purchased								
	Call	11,262	—	907	(352)	11,869	—	947	77
		[1,259]	[—]			[870]	[—]		
	Put	74,674	38,220	219	(524)	378,927	36,167	876	(3,886)
		[744]	[320]			[4,762]	[423]		
Total					**(5,027)**				**(6,678)**

4. Fair Value of Derivative Transactions (Consolidated), continued

(2) Items to which hedge accounting is not applied, continued

• Equity-related, continued

Millions of Yen

As of March 31		2021			
		Contract amount			
Category	Type		Over 1 year	Fair value	Net gains (losses)
Exchange-traded	Equity index futures				
	Sold	570	—	(9)	(9)
	Purchased	41,207	—	375	375
	Equity index options				
	Sold				
	Call	—	—	—	—
		[—]	[—]		
	Put	—	—	—	—
		[—]	[—]		
	Purchased				
	Call	—	—	—	—
		[—]	[—]		
	Put	75,864	—	5	(787)
		[793]	[—]		
Over-the-counter	Equity forward contracts				
	Sold	—	—	(2)	(2)
	Purchased	—	—	—	—
	Equity index forward contracts				
	Sold	1,182	—	(37)	(37)
	Purchased	—	—	—	—
	Equity index options				
	Sold				
	Call	—	—	—	—
		[—]	[—]		
	Put	—	—	—	—
		[—]	[—]		
	Purchased				
	Call	2,767	—	454	221
		[232]	[—]		
	Put	437,682	147,936	1,856	(4,404)
		[6,260]	[2,393]		
Total					**(4,644)**

Notes: 1. Amounts in brackets represent option premiums recorded in the consolidated balance sheets.
2. Amounts in the "Net gains (losses)" column represent the fair value for futures transactions and forward transactions, and the difference between option premiums and fair value for option transactions.

4. Fair Value of Derivative Transactions (Consolidated), continued

(2) Items to which hedge accounting is not applied, continued

• Bond-related

Millions of Yen

As of March 31		2023				2022			
		Contract amount				Contract amount			
Category	Type		Over 1 year	Fair value	Net gains (losses)		Over 1 year	Fair value	Net gains (losses)
Exchange-traded	Yen-denominated bond futures								
	Sold	3,260	—	1	1	24,791	—	(58)	(58)
	Purchased	59,110	—	(10)	(10)	—	—	—	—
	Foreign currency-denominated bond futures								
	Sold	17,001	—	(609)	(609)	44,950	—	106	106
	Purchased	97,088	—	1,998	1,998	136,480	—	(1,403)	(1,403)
Over-the-counter	Bond purchases and sales with attached options								
	Sold								
	Call	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Purchased								
	Call	100,656	100,656	2,787	(3,071)	65,754	65,754	2,867	(64)
		[5,859]	[5,859]			[2,932]	[2,932]		
	Put	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
Total					(1,691)				(1,420)

Millions of Yen

As of March 31		2021			
		Contract amount			
Category	Type		Over 1 year	Fair value	Net gains (losses)
Exchange-traded	Yen-denominated bond futures				
	Sold	18,749	—	6	6
	Purchased	—	—	—	—
	Foreign currency-denominated bond futures				
	Sold	22,634	—	103	103
	Purchased	102,562	—	(305)	(305)
Over-the-counter	Bond purchases and sales with attached options				
	Sold				
	Call	—	—	—	—
		[—]	[—]		
	Put	—	—	—	—
		[—]	[—]		
	Purchased				
	Call	—	—	—	—
		[—]	[—]		
	Put	—	—	—	—
		[—]	[—]		
Total					(195)

Notes: 1. Amounts in brackets represent option premiums recorded in the balance sheets.
2. Amounts in the "Net gains (losses)" column are represented in fair value for futures transactions, and the difference between option premiums and fair value for option transactions.

4. Fair Value of Derivative Transactions (Consolidated), continued

(2) Items to which hedge accounting is not applied, continued

• Others

Millions of Yen

As of March 31		2023				2022			
		Contract amount				Contract amount			
Category	Type		Over 1 year	Fair value	Net gains (losses)		Over 1 year	Fair value	Net gains (losses)
Over-the-counter	Credit default swap								
	Sold	346,382	317,016	(111)	(111)	319,890	296,610	3,021	3,021
	Purchased	15,672	12,562	(163)	(163)	16,743	14,551	(281)	(281)
Total					(275)				2,740

Millions of Yen

As of March 31		2021			
		Contract amount			
Category	Type		Over 1 year	Fair value	Net gains (losses)
Over-the-counter	Credit default swap				
	Sold	307,959	286,549	4,744	4,744
	Purchased	12,270	12,270	(245)	(245)
Total					4,499

Note: Amounts in the "Net gains (losses)" column are represented in fair value.

(3) Items to which hedge accounting is applied

• Interest rate-related

Millions of Yen

As of March 31				2023			
				Contract amount			
Category	Hedge accounting method	Type	Main hedged items		Over 1 year	Fair value	Net gains (losses)
Over-the-counter	Deferred hedge accounting	Interest rate swaps	Insurance liabilities				
		Receive fixed interest rate/pay variable interest rate		3,200,600	3,200,600	(194,117)	(194,117)
		Pay fixed interest rate/receive variable interest rate		—	—	—	—
		Interest rate swaps					
		Receive fixed interest rate/pay variable interest rate	Loans	6,000	—	(1)	(1)
		Pay fixed interest rate/receive variable interest rate		—	—	—	—
Total							(194,118)

As of March 31				2022			
				Contract amount			
Category	Hedge accounting method	Type	Main hedged items		Over 1 year	Fair value	Net gains (losses)
Over-the-counter	Deferred hedge accounting	Interest rate swaps	Insurance liabilities				
		Receive fixed interest rate/pay variable interest rate		2,765,000	2,765,000	(66,927)	(66,927)
		Pay fixed interest rate/receive variable interest rate		—	—	—	—
		Interest rate swaps					
		Receive fixed interest rate/pay variable interest rate	Loans	6,000	6,000	(7)	(7)
		Pay fixed interest rate/receive variable interest rate		—	—	—	—
Total							(66,935)

As of March 31				2021			
				Contract amount			
Category	Hedge accounting method	Type	Main hedged items		Over 1 year	Fair value	Net gains (losses)
Over-the-counter	Deferred hedge accounting	Interest rate swaps	Insurance liabilities				
		Receive fixed interest rate/pay variable interest rate		2,265,000	2,265,000	25,566	25,566
		Pay fixed interest rate/receive variable interest rate		—	—	—	—
		Interest rate swaps					
		Receive fixed interest rate/pay variable interest rate	Loans	10,000	6,000	1	1
		Pay fixed interest rate/receive variable interest rate		—	—	—	—
Total							25,567

Note: Amounts in the "Net gains (losses)" column are represented in fair value.

4. Fair Value of Derivative Transactions (Consolidated), continued

(3) Items to which hedge accounting is applied, continued

(Reference) Interest rate swap contracts by maturity dates

Millions of Yen

Maturity dates	Within 1 year	Over 1 year and within 3 years	Over 3 years and within 5 years	Over 5 years and within 7 years	Over 7 years and within 10 years	Over 10 years	Total
As of March 31				**2023**			
Interest rate swaps							
Receive fixed interest rate/ pay variable interest rate							
Notional amount	6,000	—	—	—	60,600	3,140,000	**3,206,600**
Average fixed interest rate to receive (%)	(0.02)	—	—	—	0.46	0.44	**0.44**
Average variable interest rate to pay (%)	0.04	—	—	—	(0.03)	0.01	**0.01**
Interest rate swaps							
Pay fixed interest rate/ receive variable interest rate							
Notional amount	—	—	—	—	—	—	**—**
Average fixed interest rate to pay (%)	—	—	—	—	—	—	**—**
Average variable interest rate to receive (%)	—	—	—	—	—	—	**—**
As of March 31				**2022**			
Interest rate swaps							
Receive fixed interest rate/ pay variable interest rate							
Notional amount	—	6,000	—	—	—	2,765,000	**2,771,000**
Average fixed interest rate to receive (%)	—	(0.02)	—	—	—	0.40	**0.40**
Average variable interest rate to pay (%)	—	0.05	—	—	—	0.03	**0.03**
Interest rate swaps							
Pay fixed interest rate/ receive variable interest rate							
Notional amount	—	—	—	—	—	—	**—**
Average fixed interest rate to pay (%)	—	—	—	—	—	—	**—**
Average variable interest rate to receive (%)	—	—	—	—	—	—	**—**
As of March 31				**2021**			
Interest rate swaps							
Receive fixed interest rate/ pay variable interest rate							
Notional amount	4,000	6,000	—	—	—	2,265,000	**2,275,000**
Average fixed interest rate to receive (%)	(0.05)	(0.02)	—	—	—	0.41	**0.41**
Average variable interest rate to pay (%)	(0.05)	(0.05)	—	—	—	(0.05)	**(0.05)**
Interest rate swaps							
Pay fixed interest rate/ receive variable interest rate							
Notional amount	—	—	—	—	—	—	**—**
Average fixed interest rate to pay (%)	—	—	—	—	—	—	**—**
Average variable interest rate to receive (%)	—	—	—	—	—	—	**—**

4. Fair Value of Derivative Transactions (Consolidated), continued

(3) Items to which hedge accounting is applied, continued

• Currency-related

Millions of Yen

As of March 31				2023				2022			
Category	Hedge accounting method	Type	Main hedged items	Contract amount	Over 1 year	Fair value	Net gains (losses)	Contract amount	Over 1 year	Fair value	Net gains (losses)
Over-the-counter	Fair value hedge accounting	**Foreign exchange forward contracts**	Foreign currency-denominated bonds								
		Sold		**4,887,399**	**—**	**(457)**	**(457)**	**6,696,966**	**—**	**(399,749)**	**(399,749)**
		U.S. dollar		3,622,077	—	33,529	33,529	3,269,826	—	(198,464)	(198,464)
		Euro		1,093,356	—	(32,299)	(32,299)	2,642,205	—	(144,244)	(144,244)
		Purchased		**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
		U.S. dollar		—	—	—	—	—	—	—	—
		Euro		—	—	—	—	—	—	—	—
		Currency options									
		Sold									
		Call		**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
				[—]	**[—]**			**[—]**	**[—]**		
		U.S. dollar		—	—	—	—	—	—	—	—
				[—]	[—]			[—]	[—]		
		Euro		—	—	—	—	—	—	—	—
				[—]	[—]			[—]	[—]		
		Put		**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
				[—]	**[—]**			**[—]**	**[—]**		
		U.S. dollar		—	—	—	—	—	—	—	—
				[—]	[—]			[—]	[—]		
		Euro		—	—	—	—	—	—	—	—
				[—]	[—]			[—]	[—]		
		Purchased									
		Call		**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
				[—]	**[—]**			**[—]**	**[—]**		
		U.S. dollar		—	—	—	—	—	—	—	—
				[—]	[—]			[—]	[—]		
		Euro		—	—	—	—	—	—	—	—
				[—]	[—]			[—]	[—]		
		Put		**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
				[—]	**[—]**			**[—]**	**[—]**		
		U.S. dollar		—	—	—	—	—	—	—	—
				[—]	[—]			[—]	[—]		
		Euro		—	—	—	—	—	—	—	—
				[—]	[—]			[—]	[—]		
	Deferred hedge accounting	**Forward exchange contracts**	Investment trust								
		Sold		**1,129**	**—**	**(24)**	**(24)**	**1,264**	**—**	**(73)**	**(73)**
		U.S. dollar		1,129	—	(24)	(24)	1,264	—	(73)	(73)
		Euro		—	—	—	—	—	—	—	—
		Purchased		**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
		U.S. dollar		—	—	—	—	—	—	—	—
		Euro		—	—	—	—	—	—	—	—
		Currency swaps	Foreign currency-denominated bonds	**5,822,504**	**5,631,403**	**(327,818)**	**(327,818)**	**5,022,689**	**4,940,980**	**(452,289)**	**(452,289)**
		U.S.$ paid/¥ received		3,935,369	3,811,852	(317,578)	(317,578)	3,284,475	3,216,784	(312,533)	(312,533)
		€ paid/¥ received		1,352,198	1,289,364	(17,345)	(17,345)	1,257,627	1,243,609	(91,450)	(91,450)
Total							**(328,300)**				**(852,112)**

4. Fair Value of Derivative Transactions (Consolidated), continued

(3) Items to which hedge accounting is applied, continued

• Currency-related, continued

Millions of Yen

As of March 31				2021			
Category	Hedge accounting method	Type	Main hedged items	Contract amount	Over 1 year	Fair value	Net gains (losses)
Over-the-counter	Fair value hedge accounting	**Foreign exchange forward contracts**	Foreign currency-denominated bonds				
		Sold		**6,041,511**	**—**	**(224,485)**	**(224,485)**
		U.S. dollar		2,639,247	—	(116,379)	(116,379)
		Euro		2,483,544	—	(56,716)	(56,716)
		Purchased		**—**	**—**	**—**	**—**
		U.S. dollar		—	—	—	—
		Euro		—	—	—	—
		Currency options					
		Sold					
		Call		**—**	**—**	**—**	**—**
				[—]	**[—]**		
		U.S. dollar		—	—	—	—
				[—]	[—]		
		Euro		—	—	—	—
				[—]	[—]		
		Put		**—**	**—**	**—**	**—**
				[—]	**[—]**		
		U.S. dollar		—	—	—	—
				[—]	[—]		
		Euro		—	—	—	—
				[—]	[—]		
		Purchased					
		Call		**—**	**—**	**—**	**—**
				[—]	**[—]**		
		U.S. dollar		—	—	—	—
				[—]	[—]		
		Euro		—	—	—	—
				[—]	[—]		
		Put		**—**	**—**	**—**	**—**
				[—]	**[—]**		
		U.S. dollar		—	—	—	—
				[—]	[—]		
		Euro		—	—	—	—
				[—]	[—]		
	Deferred hedge accounting	**Forward exchange contracts**	Investment trust				
		Sold		**1,239**	**—**	**(65)**	**(65)**
		U.S. dollar		1,239	—	(65)	(65)
		Euro		—	—	—	—
		Purchased		**—**	**—**	**—**	**—**
		U.S. dollar		—	—	—	—
		Euro		—	—	—	—
		Currency swaps	Foreign currency-denominated bonds	**4,526,891**	**4,407,797**	**(249,687)**	**(249,687)**
		U.S.$ paid/¥ received		2,862,781	2,773,843	(77,011)	(77,011)
		€ paid/¥ received		1,209,486	1,181,149	(125,420)	(125,420)
Total							**(474,238)**

Notes: 1. Amounts in brackets represent option premiums recorded in the consolidated balance sheets.
2. Amounts in the "Net gains (losses)" column represent the fair value for forward transactions and swap transactions, and the difference between option premiums and fair value for option transactions.

4. Fair Value of Derivative Transactions (Consolidated), continued

(3) Items to which hedge accounting is applied, continued

• Equity-related

Millions of Yen

As of March 31				2023				2022			
Category	Hedge accounting method	Type	Main hedged items	Contract amount	Over 1 year	Fair value	Net gains (losses)	Contract amount	Over 1 year	Fair value	Net gains (losses)
Over-the-counter	Fair value hedge accounting	Equity forward contracts	Domestic stocks								
		Sold		48,309	—	(1,950)	(1,950)	158,141	—	6,712	6,712
		Purchased		—	—	—	—	—	—	—	—
Total							**(1,950)**				**6,712**

Millions of Yen

As of March 31				2021			
Category	Hedge accounting method	Type	Main hedged items	Contract amount	Over 1 year	Fair value	Net gains (losses)
Over-the-counter	Fair value hedge accounting	Equity forward contracts	Domestic stocks				
		Sold		54,244	—	(14,871)	(14,871)
		Purchased		—	—	—	—
Total							**(14,871)**

Note: Amounts in the "Net gains (losses)" column are represented in fair value.

• Bonds-related

There were no ending balances as of March 31, 2023, 2022, and 2021.

• Others

There were no ending balances as of March 31, 2023, 2022, and 2021.

5. Status of Insurance Claims Payment Ability of the Company and Its Subsidiaries (Consolidated Solvency Margin Ratio)

Millions of Yen

As of March 31			2023	2022	2021
Solvency margin gross amount		(A)	18,147,113	18,807,337	18,769,664
Foundation funds (*kikin*) and other reserve funds:			6,095,335	6,076,899	5,855,281
Foundation funds and others			1,942,702	2,011,828	1,886,255
Reserve for price fluctuations in investments in securities			1,684,717	1,684,575	1,610,738
Contingency reserve			2,223,034	2,139,183	2,108,769
Extraordinary contingency reserve			—	—	—
General allowance for doubtful accounts			3,636	3,201	7,024
Others			241,244	238,109	242,492
Net unrealized gains on available-for-sale securities (before tax) and deferred losses on derivatives under hedge accounting (before tax) × 90%			6,231,568	7,273,155	8,205,330
Net unrealized gains on real estate × 85%			635,862	578,283	525,281
Total amount of unrecognized actuarial losses and unrecognized prior service cost			(8,309)	(3,568)	(9,105)
Excess of continued Zillmerized reserve			2,884,069	2,698,006	2,222,953
Qualifying subordinated debt			2,309,865	2,265,905	2,052,612
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculations			—	—	—
Deductions			(164,173)	(259,146)	(194,637)
Others			162,895	177,803	111,949
Total amount of risk $\sqrt{(\sqrt{R_1^2 + R_5^2} + R_8 + R_9)^2 + (R_2 + R_3 + R_7)^2} + R_4 + R_6$		(B)	3,366,494	3,357,311	3,491,780
Underwriting risk	R_1		179,782	189,313	203,942
General underwriting risk	R_5		—	—	—
Huge disaster risk	R_6		—	—	—
Underwriting risk of third-sector insurance	R_8		104,336	103,984	100,313
Underwriting risk related to small amount and short-term insurance providers	R_9		0	—	—
Anticipated yield risk	R_2		326,402	334,186	387,157
Minimum guarantee risk	R_7		8,341	8,489	8,792
Investment risk	R_3		2,948,138	2,930,196	3,008,094
Business management risk	R_4		71,340	71,323	74,165
Solvency margin ratio (%) $\frac{(A)}{(1/2) \times (B)} \times 100$			**1,078.1**	**1,120.3**	**1,075.0**

Notes: 1. The amounts in the table above are calculated based on Article 86-2 and Article 88 of the Ordinance for Enforcement of the Insurance Business Act and the Financial Services Agency (FSA) Public Notice No. 23 of 2011 in Japan.

2. The standard method is used for the calculation of the amount equivalent to minimum guarantee risk R_7.

6. Status of Insurance Claims Payment Ability of the Subsidiaries (Solvency Margin Ratio)

TAIJU LIFE INSURANCE COMPANY LIMITED

Millions of Yen

As of March 31		2023	2022	2021
Solvency margin gross amount	(A)	873,952	1,009,021	1,196,593
Capital stock and others		329,782	324,776	324,241
Reserve for price fluctuations in investments in securities		79,780	76,618	73,404
Contingency reserve		48,141	45,675	36,876
General allowance for doubtful accounts		143	166	148
Net unrealized gains on available-for-sale securities (before tax) and deferred gains on derivatives under hedge accounting (before tax) × 90%		54,267	200,087	323,074
Net unrealized losses on real estate × 85% (100% in the case of net unrealized losses)		18,099	14,619	(3,598)
Excess of continued Zillmerized reserve		198,491	203,823	219,485
Qualifying subordinated debt		100,000	100,000	180,000
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculations		—	—	—
Deductions		—	(113)	(113)
Others		45,244	43,366	43,074
Total amount of risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	(B)	204,593	205,737	203,630
Underwriting risk	R_1	17,231	17,736	18,458
Underwriting risk of third-sector insurance	R_8	8,899	9,028	8,954
Anticipated yield risk	R_2	53,851	51,567	52,300
Minimum guarantee risk	R_7	2,885	2,930	3,027
Investment risk	R_3	141,652	144,927	141,913
Business management risk	R_4	4,490	4,523	4,493
Solvency margin ratio (%) $\frac{(A)}{(1/2) \times (B)} \times 100$		**854.3**	**980.8**	**1,175.2**

Notes: 1. The amounts and figures in the table above are calculated based on the provision of Article 86 and Article 87 of the Ordinance for Enforcement of the Insurance Business Act and the Ministry of Finance Public Notice No. 50 of 1996 in Japan.
2. The standard method is used for the calculation of the amount equivalent to minimum guarantee risk R_7.

(Reference) Details of Bonds

Millions of Yen

Fiscal year ended March 31			2023			
Bond	Issue date	Beginning balance	Ending balance	Interest rate (%)	Collateral	Maturity
MITSUI LIFE second series of unsecured callable corporate bonds with interest payment deferral options	July 25, 2016	50,000	50,000	0.86	None	July 25, 2046
TAIJU LIFE first series of unsecured callable corporate bonds with interest payment deferral options	July 2, 2021	40,000	40,000	0.74	None	July 2, 2051
Total		**90,000**	**90,000**	—		

(Reference) Details of Borrowings and Others

Millions of Yen

Fiscal year ended March 31	2023			
Category	Beginning balance	Ending balance	Average interest rate (%)	Repayment date
Short-term borrowings	—	—	—	—
Long-term loans payable with repayment due within one year	—	—	—	—
Lease obligations with repayment due within one year	—	—	—	—
Long-term loans payable (excluding those with repayment due within one year)	10,000	10,000	0.73	August 10, 2051
Lease obligations (excluding those with repayment due within one year)	—	—	—	—
Other interest-bearing debts	—	—	—	—

Note: The average interest rate is the weighted average interest rate of the ending balance of borrowings and others as of March 31, 2023.

6. Status of Insurance Claims Payment Ability of the Subsidiaries (Solvency Margin Ratio), continued

Nippon Wealth Life Insurance Company Limited

Millions of Yen

As of March 31		2023	2022	2021
Solvency margin gross amount	(A)	351,649	330,628	341,562
Capital stock and others		177,511	170,885	151,463
Reserve for price fluctuations in investments in securities		20,495	17,716	15,416
Contingency reserve		42,525	31,693	26,805
General allowance for doubtful accounts		1	3	10
Net unrealized gains on available-for-sale securities (before tax) and deferred gains on derivatives under hedge accounting (before tax) × 90% (100% in the case of net unrealized losses)		(65,127)	(9,290)	29,919
Net unrealized losses on real estate × 85%		—	—	—
Excess of continued Zillmerized reserve		49,626	26,185	26,548
Qualifying subordinated debt		95,600	45,600	51,100
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculations		—	—	—
Deductions		—	—	—
Others		31,017	47,834	40,297
Total amount of risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	(B)	109,221	89,496	83,244
Underwriting risk	R_1	11,736	10,872	10,063
Underwriting risk of third-sector insurance	R_8	578	536	400
Anticipated yield risk	R_2	24,033	15,523	13,705
Minimum guarantee risk	R_7	26	22	16
Investment risk	R_3	82,080	71,240	67,023
Business management risk	R_4	2,369	1,963	1,824
Solvency margin rate (%) $\frac{(A)}{(1/2) \times (B)} \times 100$		**643.9**	**738.8**	**820.6**

Notes: 1. The amounts and figures in the table above are calculated based on the provision of Article 86 and Article 87 of the Ordinance for Enforcement of the Insurance Business Act and the Ministry of Finance Public Notice No. 50 of 1996 in Japan.
2. The standard method is used for the calculation of the amount equivalent to minimum guarantee risk R_7.

(Reference) Details of Bonds

Millions of Yen

Fiscal year ended March 31			2023			
Bond	Issue date	Beginning balance	Ending balance	Interest rate (%)	Collateral	Maturity
Fifth series of unsecured perpetual corporate bonds with interest payment deferral options	December 11, 2015	17,600	17,600	2.32	None	None
Seventh series of unsecured perpetual corporate bonds with interest payment deferral options	February 24, 2017	5,700	5,700	1.64	None	None
Eighth series of unsecured perpetual corporate bonds with interest payment deferral options	February 24, 2017	2,300	2,300	1.94	None	None
Total		**25,600**	**25,600**	**—**		

(Reference) Details of Borrowings and Others

Millions of Yen

Fiscal year ended March 31	2023			
Category	Beginning balance	Ending balance	Average interest rate (%)	Repayment date
Short-term borrowings	—	—	—	—
Long-term loans payable with repayment due within one year	—	—	—	—
Lease obligations with repayment due within one year	—	—	—	—
Long-term loans payable (excluding those with repayment due within one year)	20,000*	20,000*	*	February 14, 2050
	—	50,000*	*	None
Lease obligations (excluding those with repayment due within one year)	—	—	—	—
Other interest-bearing debts	—	—	—	—

Note: The average interest rate is the weighted average interest rate of the ending balance of borrowings and others as of March 31, 2023.
** The balance represents loans of internal transactions with Nippon Life and is eliminated in the consolidated financial statements.*

6. Status of Insurance Claims Payment Ability of the Subsidiaries (Solvency Margin Ratio), continued

HANASAKU LIFE INSURANCE Co., Ltd.

Millions of Yen

As of March 31			2023	2022	2021
Solvency margin gross amount		(A)	39,052	51,868	61,640
Capital stock and others			24,455	43,556	58,224
Reserve for price fluctuations in investments in securities			12	7	1
Contingency reserve			2,009	1,156	424
General allowance for doubtful accounts			—	—	—
Net unrealized gains (losses) on available-for-sale securities (before tax) and deferred gains (losses) on derivatives under hedge accounting (before tax) × 90% (100% in the case of net unrealized losses)			(303)	(4)	—
Net unrealized gains (losses) on real estate × 85%			—	—	—
Excess of continued Zillmerized reserve			12,878	7,151	2,990
Qualifying subordinated debt			—	—	—
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculations			—	—	—
Deductions			—	—	—
Others			—	—	—
Total amount of risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$		(B)	2,142	1,483	710
Underwriting risk	R_1		587	282	46
Underwriting risk of third-sector insurance	R_8		1,418	873	377
Anticipated yield risk	R_2		0	0	0
Minimum guarantee risk	R_7		—	—	—
Investment risk	R_3		497	831	534
Business management risk	R_4		75	59	28
Solvency margin rate (%) $\frac{(A)}{(1/2) \times (B)} \times 100$			**3,645.4**	**6,993.0**	**17,340.6**

Note: The amounts and figures in the table above are calculated based on the provision of Article 86 and Article 87 of the Ordinance for Enforcement of the Insurance Business Act and the Ministry of Finance Public Notice No. 50 of 1996 in Japan.

7. Segment Information

In the fiscal years ended March 31, 2022 and 2023, the Company and its consolidated subsidiaries* engaged in the insurance and insurance-related businesses (including the asset management-related business and general administration-related business) in Japan and abroad. Segment information and its related information are not presented because there are no other significant segments to report.

** Subsidiary is defined in Article 2 (12) of the Insurance Business Act and in Article 13-5-2 (3) of the Order for Enforcement of the Insurance Business Act in Japan.*

The following information is provided for reference.

Domestic insurance
(TAIJU LIFE INSURANCE COMPANY LIMITED)

(1) Business performance

In the fiscal year ended March 31, 2023, ordinary income amounted to ¥1,132.3 billion (¥814.0 billion in the fiscal year ended March 31, 2022), resulting mainly from the total of revenues from insurance and reinsurance of ¥884.8 billion, and investment income of ¥204.3 billion.

Meanwhile, ordinary expenses amounted to ¥1,111.4 billion (¥774.5 billion in the fiscal year ended March 31, 2022), resulting mainly from the total of benefits and other payments of ¥911.6 billion, provision for policy reserves of ¥0.008 billion, investment expenses of ¥85.0 billion, and operating expenses of ¥87.4 billion.

As a result, ordinary profit amounted to ¥20.8 billion, while net income was ¥4.9 billion (¥39.4 billion and ¥0.7 billion, respectively, in the fiscal year ended March 31, 2022).

In addition, core operating profit was ¥20.4 billion (¥46.6 billion in the fiscal year ended March 31, 2022). The reasons for this continuing decrease included a decrease in contingency margin reflecting an increase in benefit payments related to COVID-19, and an expansion of interest loss reflecting an increase in costs to hedge exchange rate fluctuations.

(2) Financial position

Total assets as of March 31, 2023, stood at ¥7,640.1 billion (¥7,911.7 billion as of March 31, 2022). The assets were mainly composed of investments in securities of ¥5,888.9 billion, loans of ¥901.3 billion, and real estate of ¥121.9 billion.

Total liabilities were ¥7,266.4 billion (¥7,426.2 billion as of March 31, 2022). Of this amount, policy reserves and other reserves were ¥6,553.7 billion.

In addition, total net assets were ¥373.7 billion (¥485.5 billion as of March 31, 2022). Of the components of total net assets, net unrealized gains on available-for-sale securities were ¥436.5 billion.

The solvency margin ratio, which indicates the surplus capacity available to make payments of claims and benefits, decreased 126.5 percentage points from the previous fiscal year-end to 854.3%.

(3) Policy sales

The amount of new policies for both individual insurance and individual annuities increased ¥129.1 billion, from ¥653.6 billion in the fiscal year ended March 31, 2022, to ¥782.8 billion. The amount of policies in force for both individual insurance and individual annuities decreased ¥771.3 billion, from ¥17,312.8 billion as of March 31, 2022, to ¥16,541.5 billion.

Annualized premiums for new policies for both individual insurance and individual annuities increased ¥11.4 billion, from ¥24.1 billion in the fiscal year ended March 31, 2022, to ¥35.5 billion. Annualized premiums for policies in force decreased ¥5.2 billion, from ¥511.8 billion as of March 31, 2022, to ¥506.5 billion.

Annualized premiums for new policies in third-sector insurance, such as medical coverage and living benefits, decreased ¥3.4 billion, from ¥12.4 billion in the fiscal year ended March 31, 2022, to ¥8.9 billion. Annualized premiums for policies in force in third-sector insurance declined ¥1.1 billion, from ¥142.8 billion as of March 31, 2022, to ¥141.6 billion.

Amount of policies in force for group insurance decreased ¥515.9 billion, from ¥11,579.3 billion as of March 31, 2022, to ¥11,063.3 billion. Amount of policies in force for group annuities decreased ¥119.4 billion, from ¥780.9 billion as of March 31, 2022, to ¥661.5 billion.

1. Amount of policies in force

Billions of Yen

As of March 31	2023	2022	2021
Individual insurance	14,624.0	15,306.1	15,970.8
Individual annuities	1,917.4	2,006.7	2,104.2
Individual insurance + Individual annuities	16,541.5	17,312.8	18,075.0
Group insurance	11,063.3	11,579.3	11,725.0
Group annuities	661.5	780.9	780.1

Notes: 1. The amount of individual annuities is the total of (a) annuity resources at the start of annuity payments for policies prior to the start of annuity payments and (b) policy reserves for policies after the start of annuity payments.
2. The amount of group annuities represents the amount of the policy reserves.

7. Segment Information, continued

2. Amount of new policies

Billions of Yen

Fiscal years ended March 31	2023	2022	2021
Individual insurance	768.8	654.4	541.1
Individual annuities	13.9	(0.8)	17.4
Individual insurance + Individual annuities	782.8	653.6	558.5
Group insurance	96.2	235.5	119.8
Group annuities	—	0.0	—

Notes: 1. For individual annuities for new policies and net increase by conversion, figures represent annuity resources at the start of annuity payments.
2. Figures for group annuities for new policies represent the first-time premium.

3. Annualized premiums for policies in force

Billions of Yen

As of March 31	2023	2022	2021
Individual insurance	398.8	399.8	397.9
Individual annuities	107.7	111.9	116.8
Total	**506.5**	**511.8**	**514.7**
Medical coverage, living benefits, and others	141.6	142.8	141.0

Notes: 1. The amount of annualized premium is the annual premium amount calculated by multiplying a single premium payment by a factor according to the premium payment method (for single premium, the annualized amount is the total premium divided by the insured period.)
2. The amount of medical coverage, living benefits, and others represents annualized premiums related to medical benefits (hospitalization benefits and surgical benefits), living benefits (specified illness benefits and nursing care benefits), and waiver of premium benefits (excluding disability benefits, but including specified illness and nursing care benefits).

4. Annualized premiums for new policies

Billions of Yen

Fiscal years ended March 31	2023	2022	2021
Individual insurance	35.0	24.1	18.3
Individual annuities	0.5	(0.0)	0.6
Total	**35.5**	**24.1**	**18.9**
Medical coverage, living benefits, and others	8.9	12.4	10.0

Notes: 1. The amount of annualized premium is the annual premium amount calculated by multiplying a single premium payment by a factor according to the premium payment method (for single premium, the annualized amount is the total premium divided by the insured period.)
2. The amount of medical coverage, living benefits, and others represents annualized premiums related to medical benefits (hospitalization benefits and surgical benefits), living benefits (specified illness benefits and nursing care benefits), and waiver of premium benefits (excluding disability benefits but including specified illness and nursing care benefits).
3. In annualized premiums for new policies, annualized premiums related to net increases due to conversions are recorded for converted policies.

5. Revenues from insurance and reinsurance

Billions of Yen

Fiscal years ended March 31	2023	2022	2021
Individual insurance	513.8	325.7	296.8
Individual annuities	45.4	49.2	52.8
Group insurance	29.6	30.2	31.2
Group annuities	40.5	52.9	46.8
Others	5.6	6.0	9.9
Subtotal	**635.1**	**464.2**	**437.7**
Reinsurance revenue	249.7	34.3	3.5
Total	**884.8**	**498.6**	**441.2**

Note: Others represents the total of workers' asset-formation insurance, workers' asset-formation annuities, medical life insurance, disability income insurance, and reinsurance assumed.

7. Segment Information, continued

6. Benefits and other payments

Billions of Yen

	Death and other claims	Annuity payments	Health and other benefits	Surrender benefits	Other refunds	Reinsurance premiums	Total
Fiscal year ended March 31				**2023**			
Individual insurance	123.0	—	71.2	135.7	1.8	252.1	584.1
Individual annuities	0.0	75.0	45.1	19.8	0.5	—	140.5
Group insurance	14.1	0.3	0.0	—	—	1.4	16.0
Group annuities	—	16.8	28.3	13.0	105.8	—	164.1
Others	0.4	0.9	0.9	3.9	—	—	6.3
Subtotal	**137.7**	**93.2**	**145.7**	**172.7**	**108.2**	**253.5**	**911.3**
Reinsurance	0.3	—	0.0	—	(0.0)	—	0.3
Total	**138.0**	**93.2**	**145.8**	**172.7**	**108.2**	**253.5**	**911.6**
Fiscal year ended March 31				**2022**			
Individual insurance	116.5	—	47.7	91.3	1.3	64.9	321.9
Individual annuities	0.0	77.9	19.8	11.3	0.4	—	109.5
Group insurance	13.7	0.4	0.0	0.0	—	1.3	15.6
Group annuities	—	17.4	30.1	2.2	13.2	—	63.0
Others	0.4	1.0	0.5	3.8	—	—	5.8
Subtotal	**130.8**	**96.8**	**98.3**	**108.7**	**14.9**	**66.3**	**516.1**
Reinsurance	0.7	—	0.0	—	0.0	—	0.8
Total	**131.5**	**96.8**	**98.4**	**108.7**	**15.0**	**66.3**	**516.9**
Fiscal year ended March 31				**2021**			
Individual insurance	122.9	—	45.4	78.8	1.3	52.7	301.3
Individual annuities	0.0	79.4	22.2	7.8	0.3	—	110.0
Group insurance	14.4	0.4	0.0	0.0	—	1.2	16.2
Group annuities	—	17.7	29.8	1.2	22.7	—	71.5
Others	0.3	1.0	0.4	3.5	—	—	5.4
Subtotal	**137.8**	**98.7**	**98.0**	**91.5**	**24.4**	**54.0**	**504.5**
Reinsurance	4.1	—	0.0	—	0.0	—	4.2
Total	**141.9**	**98.7**	**98.0**	**91.5**	**24.4**	**54.0**	**508.8**

Note: Others represents the total of workers' asset-formation insurance, workers' asset-formation annuities, medical life insurance, and disability income insurance.

Domestic insurance

(Nippon Wealth Life Insurance Company Limited)

(1) Business performance

In the fiscal year ended March 31, 2023, ordinary income amounted to ¥821.8 billion (¥664.5 billion in the fiscal year ended March 31, 2022). This resulted mainly from the total of revenues from insurance and reinsurance of ¥570.5 billion, and investment income of ¥244.0 billion.

Meanwhile, ordinary expenses amounted to ¥877.1 billion (¥635.4 billion in the fiscal year ended March 31, 2022). This resulted mainly from the total of benefits and other payments of ¥263.2 billion, provision for policy reserves of ¥475.3 billion, investment expenses of ¥82.0 billion, and operating expenses of ¥36.5 billion.

As a result, the ordinary loss amounted to ¥55.3 billion and net loss was ¥43.2 billion (ordinary profit of ¥29.0 billion and net profit of ¥19.3 billion, respectively, in the fiscal year ended March 31, 2022).

The core operating loss amounted to ¥29.4 billion (core operating profit of ¥36.8 billion in the fiscal year ended March 31, 2022), mainly due to an increase in standard policy reserves resulting from the sales expansion of foreign currency denominated products.

(2) Financial position

Total assets as of March 31, 2023, stood at ¥4,022.0 billion (¥3,477.0 billion as of March 31, 2022). The assets were mainly composed of investments in securities of ¥3,504.2 billion.

Total liabilities were ¥3,888.3 billion (¥3,309.1 billion as of March 31, 2022). Of these liabilities, policy reserves and other reserves amounted to ¥3,519.6 billion.

Total net assets were ¥133.7 billion (¥167.8 billion as of March 31, 2022).

The solvency margin ratio, which indicates the surplus capacity available to make payments of claims and benefits, decreased 94.9 percentage points from the previous fiscal year-end to 643.9%.

(3) Policy sales

The amount of new policies for both individual insurance and individual annuities increased ¥388.9 billion, from ¥362.8 billion in the fiscal year ended March 31, 2022, to ¥751.7 billion. The amount of policies in force for both individual insurance and individual annuities increased ¥547.2 billion, from ¥3,409.4 billion as of March 31, 2022, to ¥3,956.6 billion.

Annualized premiums for new policies for both individual insurance and individual annuities increased ¥34.3 billion, from ¥88.3 billion in the fiscal year ended March 31, 2022, to ¥122.7 billion. Annualized premiums for policies in force increased ¥49.6 billion, from ¥272.0 billion as of March 31, 2022, to ¥321.7 billion.

7. Segment Information, continued

1. Amount of policies in force

Billions of Yen

As of March 31	2023	2022	2021
Individual insurance	1,542.6	1,335.1	1,323.5
Individual annuities	2,414.0	2,074.2	1,844.2
Individual insurance + Individual annuities	3,956.6	3,409.4	3,167.7
Group insurance	0.0	0.0	0.0
Group annuities	1.2	1.2	1.2

Notes: 1. The amount of individual annuities is the total of (a) annuity resources at the start of annuity payments for policies prior to the start of annuity payments (however, insurance reserve funds in the case of individual variable annuities) and (b) policy reserves for policies after the start of annuity payments.
2. The amount of group annuities represents the amount of the policy reserves.

2. Amount of new policies

Billions of Yen

Fiscal years ended March 31	2023	2022	2021
Individual insurance	330.9	147.4	73.0
Individual annuities	420.8	215.3	174.7
Individual insurance + Individual annuities	751.7	362.8	247.8
Group insurance	—	—	—
Group annuities	—	—	—

Note: Amounts for individual annuities for new policies and net increase by conversion represent annuity resources at the start of annuity payments (however, amounts represent the base allowance, which is equivalent to the single premium, in the case of individual variable annuities).

3. Annualized premiums for policies in force

Billions of Yen

As of March 31	2023	2022	2021
Individual insurance	114.0	99.4	99.7
Individual annuities	207.7	172.6	147.5
Total	**321.7**	**272.0**	**247.3**
Medical coverage, living benefits, and others	25.9	23.1	21.3

Notes: 1. The amount of annualized premium is the annual premium amount calculated by multiplying a single premium payment by a factor according to the premium payment method (for single premium, the annualized amount is the total premium divided by the insured period.)
2. The amount of medical coverage, living benefits, and others represents annualized premiums related to medical benefits (hospitalization benefits and surgical benefits), living benefits (specified illness benefits and nursing care benefits), and waiver of premium benefits (excluding disability benefits but including specified illness and nursing care benefits).

4. Annualized premiums for new policies

Billions of Yen

Fiscal years ended March 31	2023	2022	2021
Individual insurance	24.5	10.7	6.0
Individual annuities	98.2	77.6	66.9
Total	**122.7**	**88.3**	**72.9**
Medical coverage, living benefits, and others	3.8	2.9	1.4

Notes: 1. The amount of annualized premium is the annual premium amount calculated by multiplying a single premium payment by a factor according to the premium payment method (for single premium, the annualized amount is the total premium divided by the insured period.)
2. The amount of medical coverage, living benefits, and others represents annualized premiums related to medical benefits (hospitalization benefits and surgical benefits), living benefits (specified illness benefits and nursing care benefits), and waiver of premium benefits (excluding disability benefits but including specified illness and nursing care benefits).
3. In annualized premiums for new policies, annualized premiums related to net increases due to conversions are recorded for converted policies.

5. Revenues from insurance and reinsurance

Billions of Yen

Fiscal years ended March 31	2023	2022	2021
Individual insurance	335.6	159.1	116.0
Individual annuities	230.4	189.5	165.3
Group insurance	—	—	—
Group annuities	0.0	0.0	0.0
Others	—	—	—
Subtotal	**566.1**	**348.7**	**281.4**
Reinsurance revenue	4.4	1.3	1.3
Total	**570.5**	**350.1**	**282.7**

7. Segment Information, continued

6. Benefits and other payments

Billions of Yen

	Death and other claims	Annuity payments	Health and other benefits	Surrender benefits	Other refunds	Reinsurance premiums	Total
Fiscal year ended March 31				**2023**			
Individual insurance	36.2	—	13.6	51.9	1.4	1.7	105.0
Individual annuities	—	103.0	39.0	15.3	0.1	0.4	158.0
Group insurance	—	0.0	—	—	—	—	0.0
Group annuities	—	0.0	0.0	—	0.0	—	0.0
Others	—	0.0	—	—	—	—	0.0
Subtotal	**36.2**	**103.0**	**52.7**	**67.3**	**1.6**	**2.2**	**263.2**
Reinsurance	—	—	—	—	—	—	—
Total	**36.2**	**103.0**	**52.7**	**67.3**	**1.6**	**2.2**	**263.2**
Fiscal year ended March 31				**2022**			
Individual insurance	31.5	—	12.4	58.7	2.6	1.8	107.2
Individual annuities	—	93.2	28.1	7.8	0.0	—	129.3
Group insurance	—	0.0	—	—	—	—	0.0
Group annuities	—	0.0	0.0	—	0.0	—	0.0
Others	—	0.0	—	—	—	—	0.0
Subtotal	**31.5**	**93.3**	**40.6**	**66.5**	**2.7**	**1.8**	**236.7**
Reinsurance	—	—	—	—	—	—	—
Total	**31.5**	**93.3**	**40.6**	**66.5**	**2.7**	**1.8**	**236.7**
Fiscal year ended March 31				**2021**			
Individual insurance	30.7	—	12.6	61.2	3.2	1.8	109.7
Individual annuities	—	87.4	23.7	10.0	0.1	—	121.3
Group insurance	—	0.0	—	—	—	—	0.0
Group annuities	—	0.0	0.0	—	0.0	—	0.0
Others	—	0.0	—	—	—	—	0.0
Subtotal	**30.7**	**87.4**	**36.4**	**71.3**	**3.3**	**1.8**	**231.2**
Reinsurance	—	—	—	—	—	—	—
Total	**30.7**	**87.4**	**36.4**	**71.3**	**3.3**	**1.8**	**231.2**

Domestic insurance
(HANASAKU LIFE INSURANCE Co., Ltd.)

(1) Business performance

In the fiscal year ended March 31, 2023, ordinary income amounted to ¥22.3 billion (¥13.7 billion in the fiscal year ended March 31, 2022), due to revenues from insurance and reinsurance.

Meanwhile, ordinary expenses amounted to ¥47.9 billion (¥33.4 billion in the fiscal year ended March 31, 2022). This resulted mainly from the total of benefits and other payments of ¥7.7 billion, provision for policy reserves of ¥10.0 billion, and operating expenses of ¥25.0 billion.

As a result, the ordinary loss amounted to ¥25.5 billion and net loss was ¥19.1 billion (¥19.6 billion and ¥14.6 billion, respectively, in the fiscal year ended March 31, 2022).

In addition, mainly due to increases in operating expenses and other expenditures reflecting business expansion, core operating loss was ¥24.6 billion (¥18.9 billion loss in the fiscal year ended March 31, 2022).

(2) Financial position

Total assets as of March 31, 2023, stood at ¥50.9 billion (¥59.5 billion as of March 31, 2022). The assets were mainly composed of deposits of ¥8.4 billion, investments in securities of ¥17.8 billion, and monetary receivables purchased of ¥5.0 billion.

Total liabilities were ¥26.7 billion (¥16.0 billion as of March 31, 2022). Of these liabilities, policy reserves and other reserves amounted to ¥22.2 billion.

Total net assets were ¥24.2 billion (¥43.5 billion as of March 31, 2022).

The solvency margin ratio, which indicates the surplus capacity available to make payments of claims and benefits, decreased 3,347.6 percentage points from the previous fiscal year-end to 3,645.4%.

(3) Policy sales

The amount of new policies for both individual insurance and individual annuities increased ¥190.6 billion, from ¥757.9 billion in the fiscal year ended March 31, 2022, to ¥948.6 billion. The amount of policies in force for both individual insurance and individual annuities increased ¥858.3 billion, from ¥837.4 billion as of March 31, 2022, to ¥1,695.7 billion.

Annualized premiums for new policies for both individual insurance and individual annuities increased ¥2.7 billion, from ¥7.8 billion in the fiscal year ended March 31, 2022, to ¥10.6 billion. Annualized premiums for policies in force increased ¥8.8 billion, from ¥15.5 billion as of March 31, 2022, to ¥24.3 billion.

Annualized premiums for new policies in third-sector insurance such as medical and survival benefits coverage increased ¥1.7 billion, from ¥5.6 billion in the fiscal year ended March 31, 2022, to ¥7.4 billion. Annualized premiums for policies in force in third-sector insurance increased ¥6.0 billion, from ¥12.6 billion as of March 31, 2022, to ¥18.6 billion.

7. Segment Information, continued

1. Amount of policies in force

Billions of Yen

As of March 31	2023	2022	2021
Individual insurance	1,695.7	837.3	107.1
Individual annuities	0.0	0.0	—
Individual insurance + Individual annuities	1,695.7	837.4	107.1
Group insurance	—	—	—
Group annuities	—	—	—

Note: Amounts for individual annuities represent policy reserves for policies after the start of annuity payments.

2. Amount of new policies

Billions of Yen

Fiscal years ended March 31	2023	2022	2021
Individual insurance	948.6	757.9	99.4
Individual annuities	—	—	—
Individual insurance + Individual annuities	948.6	757.9	99.4
Group insurance	—	—	—
Group annuities	—	—	—

3. Annualized premiums for policies in force

Billions of Yen

As of March 31	2023	2022	2021
Individual insurance	24.3	15.5	8.5
Individual annuities	0.0	0.0	—
Total	**24.3**	**15.5**	**8.5**
Medical coverage, living benefits, and others	18.6	12.6	7.7

Notes: 1. The amount of annualized premium is the annual premium amount calculated by multiplying a single premium payment by a factor according to the premium payment method (for single premium, the annualized amount is the total premium divided by the insured period.)
2. The amount of medical coverage, living benefits, and others represents annualized premiums related to medical benefits (hospitalization benefits and surgical benefits), living benefits (specified illness benefits and nursing care benefits), and waiver of premium benefits (excluding disability benefits, but including specified illness and nursing care benefits).

4. Annualized premiums for new policies

Billions of Yen

Fiscal years ended March 31	2023	2022	2021
Individual insurance	10.6	7.8	5.1
Individual annuities	—	—	—
Total	**10.6**	**7.8**	**5.1**
Medical coverage, living benefits, and others	7.4	5.6	4.3

Notes: 1. The amount of annualized premium is the annual premium amount calculated by multiplying a single premium payment by a factor according to the premium payment method (for single premium, the annualized amount is the total premium divided by the insured period.)
2. The amount of medical coverage, living benefits, and others represents annualized premiums related to medical benefits (hospitalization benefits and surgical benefits), living benefits (specified illness benefits and nursing care benefits), and waiver of premium benefits (excluding disability benefits, but including specified illness and nursing care benefits).

5. Revenues from insurance and reinsurance

Billions of Yen

Fiscal years ended March 31	2023	2022	2021
Individual insurance	20.6	13.0	6.6
Individual annuities	—	—	—
Group insurance	—	—	—
Group annuities	—	—	—
Others	—	—	—
Subtotal	**20.6**	**13.0**	**6.6**
Reinsurance revenue	1.5	0.7	0.2
Total	**22.2**	**13.7**	**6.8**

7. Segment Information, continued

6. Benefits and other payments

Billions of Yen

	Death and other claims	Annuity payments	Health and other benefits	Surrender benefits	Other refunds	Reinsurance premiums	Total
Fiscal year ended March 31				**2023**			
Individual insurance	0.4	—	6.2	—	0.0	—	6.7
Individual annuities	—	0.0	—	—	—	—	0.0
Group insurance	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—
Subtotal	**0.4**	**0.0**	**6.2**	**—**	**0.0**	**—**	**6.8**
Reinsurance	—	—	—	—	—	0.9	0.9
Total	**0.4**	**0.0**	**6.2**	**—**	**0.0**	**0.9**	**7.7**
Fiscal year ended March 31				**2022**			
Individual insurance	0.1	—	2.2	—	0.0	—	2.4
Individual annuities	—	0.0	—	—	—	—	0.0
Group insurance	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—
Subtotal	**0.1**	**0.0**	**2.2**	**—**	**0.0**	**—**	**2.4**
Reinsurance	—	—	—	—	—	0.6	0.6
Total	**0.1**	**0.0**	**2.2**	**—**	**0.0**	**0.6**	**3.1**
Fiscal year ended March 31				**2021**			
Individual insurance	0.0	—	0.7	—	0.0	—	0.7
Individual annuities	—	—	—	—	—	—	—
Group insurance	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—
Subtotal	**0.0**	**—**	**0.7**	**—**	**0.0**	**—**	**0.7**
Reinsurance	—	—	—	—	—	0.3	0.3
Total	**0.0**	**—**	**0.7**	**—**	**0.0**	**0.3**	**1.1**

Global insurance (MLC Limited)

The business results of MLC Limited are presented below in Australian dollars, its local currency.

(1) Business performance

In the fiscal year ended December 31, 2022, ordinary income amounted to AU$2,513 million (AU$2,448 million in the fiscal year ended December 31, 2021). This resulted from the total of revenues from insurance and reinsurance of AU$2,289 million (AU$2,196 million in the fiscal year ended December 31, 2021), investment loss of AU$368 million (investment revenue of AU$38 million in the fiscal year ended December 31, 2021), reversal of policy reserves of AU$587 million (AU$208 million in the fiscal year ended December 31, 2021), and other ordinary income of AU$5 million (AU$4 million in the fiscal year ended December 31, 2021).

Meanwhile, ordinary expenses amounted to AU$2,443 million (AU$2,442 million in the fiscal year ended December 31, 2021). This resulted from the total of benefits and other payments of AU$1,764 million (AU$1,667 million in the fiscal year ended December 31, 2021), investment expenses of AU$14 million (AU$12 million in the fiscal year ended December 31, 2021), operating expenses of AU$619 million (AU$672 million in the fiscal year ended December 31, 2021), and other ordinary expenses of AU$45 million (AU$89 million in the fiscal year ended December 31, 2021).

As a result, ordinary profit amounted to AU$70 million (AU$6 million in the fiscal year ended December 31, 2021). The net income was AU$102 million (AU$2 million in the fiscal year ended December 31, 2021).

(2) Financial position

Total assets as of December 31, 2022, stood at AU$6,775 million (AU$7,339 million as of December 31, 2021). The assets were mainly composed of financial assets of AU$5,384 million (AU$5,701 million as of December 31, 2021), loans and other receivables of AU$302 million (AU$290 million as of December 31, 2021), and intangible fixed assets of AU$159 million (AU$199 million as of December 31, 2021).

Total liabilities were AU$3,851 million (AU$4,518 million as of December 31, 2021). Of these, policy reserves and other reserves amounted to AU$3,425 million (AU$4,074 million as of December 31, 2021).

In addition, total net assets were AU$2,923 million (AU$2,821 million as of December 31, 2021).

8. Research and Development Activities

There were no applicable activities during the fiscal years ended March 31, 2023, 2022, and 2021.

9. Selected Financial Data for Major Operations over the Past Five Fiscal Years

Billions of Yen

As of March 31	2023	2022	2021	2020	2019
Ordinary income	7,360.9	6,542.4	6,475.3	6,479.9	6,605.0
Revenues from insurance and reinsurance	4,647.9	4,307.9	4,264.6	4,526.1	4,775.1
Ordinary profit	247.8	493.2	431.0	351.2	383.5
Core operating profit*1	498.8	775.2	581.5	511.2	678.2
Net surplus	187.4	351.8	323.4	181.4	259.3
Dividend reserves as a percentage of surplus available for disposition*2 (%)	99.66	56.58	100.39	102.54	99.96
Total assets	75,604.0	76,567.4	73,974.2	69,071.1	68,084.7
Separate account assets	1,146.5	1,207.5	1,227.3	1,202.4	1,257.9
Total net assets	6,822.2	7,651.8	8,318.2	5,797.6	6,581.9
Investments in securities	63,234.7	64,515.4	62,230.7	57,108.8	56,383.7
Loan balances	7,794.6	7,498.0	7,430.7	7,411.8	7,438.7
Policy reserves	59,675.5	58,677.8	57,420.2	56,220.2	55,088.6
Equity*3	7,917.3	7,804.1	7,274.3	6,688.9	6,241.7
Foundation funds (*kikin*) and reserves	5,733	5,663.8	5,432.8	5,143.6	4,992.8
Total foundation funds (*kikin*)*4	1,450.0	1,450.0	1,400.0	1,400.0	1,350.0
Solvency margin ratio (%)	1,019.9	1,059.7	1,007.5	979.2	933.3
Amount of policies in force*5	246,666.5	251,654.1	253,621.2	255,208.7	256,372.1
Individual insurance	123,924.4	127,487.6	129,693.6	132,506.5	135,332.6
Individual annuities	25,240.2	25,905.1	25,148.3	24,812.8	23,937.2
Group insurance	97,501.8	98,261.3	98,779.1	97,889.4	97,102.2
Amount of policies in force for group annuities*6	14,092.6	13,895.3	13,649.0	13,387.1	13,177.0
Number of company members*7 (people)	9,588,583	9,642,739	9,639,911	9,706,575	9,652,044
Number of employees (people)	70,714	74,633	76,792	74,557	73,260
Negative spread*8	—	—	—	—	—

*1 *Figures have been calculated based on the calculation method for core operating profit adopted from the fiscal year ended March 31, 2023. Accordingly, figures for the fiscal years ended March 31, 2020, 2021, and 2022 have also been calculated using the adopted method.*

*2 *Dividend reserves as a percentage of surplus available for disposition refer to the percentage of the amount calculated according to Article 30-4 of the Ordinance for Enforcement of the Insurance Business Act and include the total of provisions for reserve for dividends to policyholders and the equalized reserve for dividends to policyholders. The percentage, according to Article 30-6 of the same regulation is 20% or more. For the calculation of this percentage, the denominator is defined as the unappropriated surplus less surplus carried forward from the previous fiscal year and certain other items.*

*3 *Equity is defined as the sum of foundation funds (kikin), reserves, and subordinated debts.*

*4 *Total foundation funds (kikin) include the reserve for redemption of foundation funds.*

*5 *The amount of policies in force comprises the total of individual insurance, individual annuities, and group insurance policies in force. Individual annuities comprise the total amount of annuity resource at the start of annuity payments for policies prior to the start of annuity payments and policy reserves for policies after the start of annuity payments.*

*6 *The amount of policies in force for group annuities is the amount of policy reserves.*

*7 *Company members of a mutual company refer to participating insurance policyholders.*

*8 *There was no negative spread for the fiscal years ended March 31, 2019 through 2023.*

10. Status of Nonperforming Assets According to the Insurance Business Act

Millions of Yen

As of March 31	2023	2022	2021
Bankrupt and quasi-bankrupt loans	10,041	10,274	10,308
Doubtful loans	18,064	18,303	16,511
Loans that are delinquent for over three months	50	—	—
Restructured loans	1,481	1,767	2,635
Subtotal	**29,637**	**30,345**	**29,456**
[Ratio to total (%)]	**[0.33]**	**[0.31]**	**[0.28]**
Normal loans	8,991,864	9,659,055	10,338,632
Total	**9,021,502**	**9,689,401**	**10,368,089**

Notes: 1. For bankrupt and quasi-bankrupt loans, the estimated uncollectible amount calculated by subtracting the amount of collateral value, or the amount collectible by the execution of guarantees from the balance of loans, is directly deducted from the total loan amount. The estimated uncollectible amounts were ¥1,975 million, ¥586 million, and ¥2,514 million as of March 31, 2023, 2022, and 2021, respectively.

2. Bankrupt and quasi-bankrupt loans are nonperforming assets and similar loans that have fallen into bankruptcy due to reasons, including initiation of bankruptcy proceedings, start of reorganization proceedings, or submission of an application to start rehabilitation proceedings.

3. Doubtful loans are nonperforming assets with a strong likelihood that loan principal cannot be recovered or interest cannot be received according to the contract because of difficulties in the financial condition and business performance of the debtor who has not yet entered into bankruptcy (excluding 2. in the notes above).

4. Loans that are delinquent for over three months are loans with principal or interest unpaid for over three months counting from the day after the due date based on the loan agreement (excluding 2. and 3. in the notes above).

5. Restructured loans are loans that provide certain concessions favorable to the borrower with the intent of supporting the borrower's restructuring, such as by reducing or exempting interest, postponing principal or interest payments, releasing credits, or providing other benefits to the borrowers (excluding 2. to 4. in the notes above).

6. Normal loans are loans that do not fall under the classifications for 2. to 5. in the above notes and where the debtor has no financial or business performance problems.

7. Classifications and calculation methods used in this table are based on the Ordinance for Enforcement of the Insurance Business Act in Japan. The table includes loans, securities lending, accrued interest, suspense payments, customer's liability for acceptances and guarantees, and guaranteed private offering loans of financial institutions.

11. Status of Loans in Trust from Contract for Replacement of Loss

There were no ending balances as of March 31, 2023, 2022, and 2021.

12. Ability to Pay Benefits (Solvency Margin Ratio)

Millions of Yen

As of March 31			2023	2022	2021
Solvency margin gross amount		(A)	17,319,118	18,001,132	17,717,439
Foundation funds (*kikin*) and other reserve funds:			5,733,080	5,663,861	5,432,807
Foundation funds and others		1	1,774,760	1,773,581	1,618,924
Reserve for price fluctuations in investments in securities		2	1,584,428	1,590,233	1,521,916
Contingency reserve		3	2,130,358	2,060,657	2,044,663
General allowance for doubtful accounts		4	2,891	1,912	5,424
Others		10	240,640	237,476	241,878
Net unrealized gains on available-for-sale securities (before tax) and deferred losses on derivatives under hedge accounting (before tax) × 90%		5	6,297,574	7,207,844	8,042,164
Net unrealized gains on real estate × 85%		6	603,932	549,898	503,035
Excess of continued Zillmerized reserve		7	2,623,073	2,460,845	1,973,928
Qualifying subordinated debt		8	2,184,265	2,140,305	1,841,512
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculations			—	—	—
Deductions		9	(210,043)	(108,858)	(105,201)
Others		10	87,236	87,236	29,191
Total amount of risk $\sqrt{(R_1+R_8)^2 + (R_2+R_3+R_7)^2} + R_4$		(B)	3,395,990	3,397,260	3,516,976
Underwriting risk	R_1	11	107,314	110,956	114,185
Underwriting risk of third-sector insurance	R_8	12	90,993	91,188	88,290
Anticipated yield risk	R_2	13	248,517	267,095	321,151
Minimum guarantee risk	R_7	14	5,256	5,315	5,378
Investment risk	R_3	15	3,065,938	3,048,246	3,111,675
Business management risk	R_4	16	70,360	70,456	72,813
Solvency margin ratio (%) $\frac{(A)}{(1/2) \times (B)} \times 100$			**1,019.9**	**1,059.7**	**1,007.5**

Notes: 1. The amounts and figures in the table above are calculated based on the provisions of Article 86 and Article 87 of the Ordinance for Enforcement of the Insurance Business Act and the Ministry of Finance Public Notice No. 50 of 1996 in Japan.
2. The standard method is used for the calculation of the amount equivalent to minimum guarantee risk.

1. Foundation Funds and Other Reserve Funds
   The amount after excluding estimated distributed income from surplus (i.e., interest on foundation funds and provision for reserve for dividends to policyholders), valuations, and conversions from total net assets in the balance sheets.
2. Reserve for Price Fluctuations in Investments in Securities
   The amount of the reserve for price fluctuations in investments in securities in the balance sheets.
3. Contingency Reserve
   The amount of the contingency reserve, which is a part of policy reserves in the balance sheets.
4. General Allowance for Doubtful Accounts
   The amount of the general allowance for doubtful accounts, listed as allowance for doubtful accounts in the balance sheets.
5. Net Unrealized Gains on Available-for-Sale Securities (Before Tax) and Deferred Losses on Derivatives Under Hedge Accounting (Before Tax)
   The amount calculated by multiplying the total of net unrealized gains on available-for-sale securities and deferred losses on derivatives under hedge accounting (portion related to available-for-sale securities) in the balance sheets before application of tax effect accounting by 90% when the total amount is positive, or by 100% when it is negative.
6. Net Unrealized Gains on Real Estate
   The amount multiplied by 85% if the difference between the total fair value of real estate and the total book value is positive, and multiplied by 100% if the difference is negative. The difference between the fair value and the book value of real estate includes land revaluation losses in the balance sheets and the total deferred tax liabilities for land revaluation in the balance sheets.
7. Excess of Continued Zillmerized Reserve
   The amount that exceeds either the continued Zillmerized reserve or the amount of surrender benefits out of policy reserves (excluding the contingency reserve) in the balance sheets, whichever is greater.
8. Qualifying Subordinated Debt
   The amount needed to satisfy the necessary conditions into the amount of financing by issuance of subordinated debt or by borrowing or subordinated debt.
9. Deductions
   Deductions to improve the ability to pay, for example, the insurance claims of other insurance companies and to raise the capital adequacy ratio of subsidiaries (when banks are made into subsidiaries) when the shares and other means of capital procurement of the other insurance companies or subsidiaries are held intentionally by enabling the deduction of the amount of those means of capital procurement from the solvency margin ratio.
   The balance of unamortized ceding commission of reinsurance contracts is also deducted when it meets certain conditions.
10. Others
    The total amount of a part of dividend reserves in the balance sheets and tax amounts corresponding to reserves for financial stability under net assets.
11. Underwriting Risk
    The amount for dealing with underwriting risk (risk of actual insurable incidents occurring at a higher frequency than generally expected that applies to third-sector insurance).
12. Underwriting Risk of Third-Sector Insurance
    The amount for dealing with underwriting risk of third-sector insurance (risk of actual insurable incidents occurring at a higher frequency than generally expected that applies to third-sector insurance).
13. Anticipated Yield Risk
    The amount for dealing with anticipated yield risk (risk of not being able to secure anticipated yield that serves as the basis for calculating policy reserves).
14. Minimum Guarantee Risk
    The amount for dealing with minimum guarantee risk (in insurance policies in the separate accounts, those policies that guarantee a minimum amount of insurance benefits, the risk that said insurance policies and the value of assets belonging to the separate accounts when paying said insurance benefits will fall below the amount of minimum guaranteed insurance benefits, and the risk arising from greater-than-expected price fluctuations for assets belonging to said special accounts).
15. Investment Risk
    The amount for dealing with investment risk (in risks related to investments, those risks arising from reasons other than more than generally expected price fluctuations of held securities and other assets).
16. Business Management Risk
    The amount for dealing with business management risk (regarding risks arising at a greater-than-expected frequency, those risks that do not fall under the category of underwriting risk, underwriting risk of third-sector insurance, anticipated yield risk, minimum guarantee risk, and investment risk are included in this category).

Status of Foundation Funds (*Kikin*) and Subordinated Debts

Foundation Funds (*Kikin*) Status

The Company solicits foundation funds in order to enhance its ability to respond to risks. As a result of reoffering funds 15 times since revisions were made to the Insurance Business Act in 1996 in Japan, its total foundation funds, including funds and the reserve for redemption of foundation funds, reached ¥1,450 billion as of March 31, 2023.

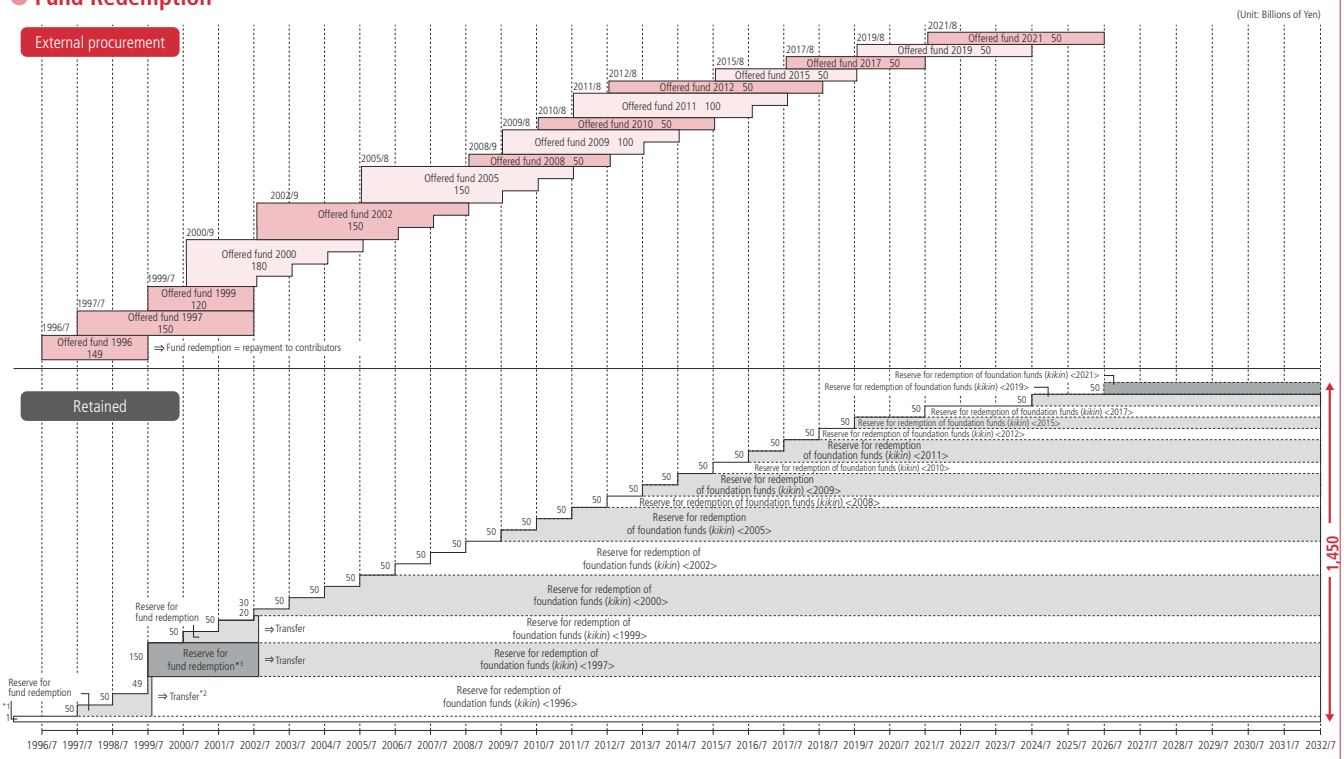
Fund Contributors (as of March 31, 2023)

Amount of Fund Contributions	¥100 billion	Number of Fund Contributors	2

Names of Fund Contributors	Fund Contributions to the Company	
	Amount (Billions of Yen)	Fund contribution (%)
Nissay 2019 Fund Securitization Company Limited	50	50.00
Nissay 2021 Fund Securitization Company Limited	50	50.00

Notes: 1. Nissay 2019 Fund Securitization Company Limited and Nissay 2021 Fund Securitization Company Limited issue corporate bonds, backed by claims on the funds. Issuance proceeds are used to purchase claims on the funds. The Company does not obtain shares of common stock of Nissay 2019 Fund Securitization Company Limited and Nissay 2021 Fund Securitization Company Limited .
2. Fund contributors are the two entities above.

Fund Redemption



**1 As stipulated by the Insurance Business Act in Japan, the minimum fund amount is ¥1 billion.*
**2 In accordance with Article 56 of the Insurance Business Act in Japan, when redeeming the fund, an amount equivalent to the redemption amount must be accumulated as a reserve for redemption of foundation funds. Reserve for fund redemption is a voluntary reserve and it is transferred to reserve for redemption of foundation funds (kikin) when the foundation funds (kikin) are redeemed.*
**3 The redemption of ¥150 billion of reserve for fund redemption expected to occur between the fiscal year ended March 31, 2000, and the fiscal year ended March 31, 2002, was completed earlier than expected.*

Subordinated Debts Status

Financing through Subordinated Debts (as of July 1, 2023)

Timing of financing	Financing method	Amount of funds raised	Maturity
October 2014	U.S. dollar-denominated subordinated corporate bonds with interest deferral options	U.S. $2.25 billion	October 2044*1
April 2015	JPY-denominated subordinated corporate bonds with interest deferral options	¥75.0 billion	April 2045*1
January 2016	U.S. dollar-denominated subordinated corporate bonds with interest deferral options	U.S. $1.5 billion	January 2046*1
April 2016	JPY-denominated subordinated corporate bonds with interest deferral options	¥70.0 billion	April 2046*1
		¥30.0 billion	April 2051*2
November 2016	JPY-denominated subordinated corporate bonds with interest deferral options	¥75.0 billion	November 2046*1
		¥15.0 billion	November 2051*2
April 2017	JPY-denominated subordinated corporate bonds with interest deferral options	¥100.0 billion	April 2047*1
September 2017	U.S. dollar-denominated subordinated corporate bonds with interest deferral options	U.S. $0.8 billion	September 2047*1
April 2018	JPY-denominated subordinated loans payable with interest deferral options	¥100.0 billion	April 2048*1
September 2018	JPY-denominated subordinated loans payable with interest deferral options	¥120.0 billion	September 2048*1
April 2019	JPY-denominated subordinated loans payable with interest deferral options	¥90.0 billion	April 2049*1
November 2019	JPY-denominated subordinated loans payable with interest deferral options	¥80.0 billion	November 2049*1
January 2020	U.S. dollar-denominated subordinated corporate bonds with interest deferral options	U.S. $1.15 billion	January 2050*1
September 2020	JPY-denominated subordinated loans payable with interest deferral options	¥130.0 billion	September 2050*1
January 2021	U.S. dollar-denominated subordinated corporate bonds with interest deferral options	U.S. $1.6 billion	January 2051*1
May 2021	JPY-denominated subordinated loans payable with interest deferral options	¥200.0 billion	May 2051*1
September 2021	U.S. dollar-denominated subordinated corporate bonds with interest deferral options	U.S. $0.9 billion	September 2051*1
May 2022	JPY-denominated subordinated loans payable with interest deferral options	¥130.0 billion	May 2052*1
September 2022	JPY-denominated subordinated loans payable with interest deferral options	¥71.0 billion	September 2052*3
April 2023	JPY-denominated subordinated loans payable with interest deferral options	¥80.0 billion	April 2053*1

**1 The debts are callable or can be repaid early on the day on which 10 years have passed since each date of financing (for loans payable, three business days before the date on which 10 years have passed since the date of financing) and on every date that falls five, or a multiple of five, years thereafter until the debts are fully redeemed or repaid at the discretion of the Company subject to prior approval or the like by the regulatory authorities.*
**2 The debts are callable on the day on which 15 years have passed since each date of financing and on every date that falls five, or a multiple of five, years thereafter until the debts are fully redeemed at the discretion of the Company subject to prior approval or the like by the regulatory authorities.*
**3 The debts are callable on the day on which 5 years have passed since each date of financing and on every date that falls five, or a multiple of five, years thereafter until the debts are fully redeemed at the discretion of the Company subject to prior approval or the like by the regulatory authorities.*

13. Data on Fair Value of Securities (Company Total)

Note: Please refer to the following pages: Fair Value of Securities (General Account), p. 232; Fair Value of Securities (Separate Account for Individual Variable Insurance), p. 241; and Fair Value of Securities (Separate Account for Individual Variable Annuities), p. 245.

(1) Valuation gains (losses) from trading securities

Millions of Yen

As of March 31	2023		2022		2021	
	Balance sheet amount	Valuation gains (losses) recorded in profit or loss	Balance sheet amount	Valuation gains (losses) recorded in profit or loss	Balance sheet amount	Valuation gains (losses) recorded in profit or loss
Trading securities	744,325	(7,194)	697,633	(22,874)	725,032	50,015

Notes: 1. Balance sheet amounts of assets held in trust included in trading securities and valuation gains (losses) recorded in profit or loss include net gains (losses) on derivative transactions.
2. Figures above do not include cash, deposits, and call loans within assets held in trust that are included in trading securities.

(2) Data on fair value of securities (securities other than trading securities)

Millions of Yen

As of March 31	2023					2022				
	Book value	Fair value	Net gains (losses)	Gains	Losses	Book value	Fair value	Net gains (losses)	Gains	Losses
Policy-reserve-matching bonds	27,038,968	27,724,721	685,752	1,734,082	(1,048,330)	25,692,326	27,714,829	2,022,502	2,474,740	(452,237)
Held-to-maturity debt securities	—	—	—	—	—	—	—	—	—	—
Investments in subsidiaries and affiliates	128,615	214,135	85,519	85,519	—	128,615	335,588	206,972	206,972	—
Available-for-sale securities	26,634,856	33,938,950	7,304,093	8,086,493	(782,399)	28,310,565	36,760,004	8,449,438	8,936,125	(486,687)
Domestic bonds	3,267,648	3,343,265	75,616	117,878	(42,262)	2,557,599	2,683,631	126,032	147,438	(21,405)
Domestic stocks	3,969,967	9,585,487	5,615,519	5,701,423	(85,903)	3,944,486	9,569,499	5,625,012	5,724,819	(99,807)
Foreign securities	16,166,509	17,798,556	1,632,046	2,166,795	(534,748)	18,476,431	21,072,957	2,596,526	2,883,292	(286,766)
Foreign bonds	9,139,927	9,942,314	802,386	1,046,444	(244,058)	12,093,881	13,668,994	1,575,113	1,765,329	(190,216)
Foreign stocks and other securities	7,026,582	7,856,242	829,660	1,120,351	(290,690)	6,382,550	7,403,963	1,021,413	1,117,963	(96,550)
Other securities	3,008,137	2,989,739	(18,398)	100,391	(118,789)	3,140,155	3,242,239	102,083	180,499	(78,415)
Monetary receivables purchased	14,992	14,301	(691)	4	(695)	22,291	22,076	(215)	74	(290)
Negotiable certificates of deposit	207,600	207,599	(0)	0	(0)	169,600	169,598	(1)	0	(1)
Total	**53,802,440**	**61,877,806**	**8,075,366**	**9,906,096**	**(1,830,730)**	**54,131,507**	**64,810,422**	**10,678,914**	**11,617,838**	**(938,924)**
Domestic bonds	30,080,770	30,832,033	751,262	1,840,725	(1,089,462)	28,024,761	30,159,896	2,135,135	2,608,657	(473,522)
Domestic stocks	3,969,967	9,585,487	5,615,519	5,701,423	(85,903)	3,944,486	9,569,499	5,625,012	5,724,819	(99,807)
Foreign securities	16,409,830	18,135,172	1,725,342	2,260,769	(535,427)	18,700,953	21,513,227	2,812,274	3,099,048	(286,774)
Foreign bonds	9,255,562	10,065,958	810,395	1,055,132	(244,737)	12,190,717	13,774,793	1,584,075	1,774,299	(190,224)
Foreign stocks and other securities	7,154,267	8,069,213	914,946	1,205,636	(290,690)	6,510,235	7,738,434	1,228,198	1,324,749	(96,550)
Other securities	3,009,067	2,990,903	(18,163)	100,625	(118,789)	3,141,085	3,243,357	102,271	180,686	(78,415)
Monetary receivables purchased	125,205	126,610	1,405	2,552	(1,146)	150,619	154,841	4,222	4,625	(403)
Negotiable certificates of deposit	207,600	207,599	(0)	0	(0)	169,600	169,598	(1)	0	(1)

As of March 31	2021				
	Book value	Fair value	Net gains (losses)	Gains	Losses
Policy-reserve-matching bonds	23,673,843	26,650,893	2,977,049	3,122,806	(145,756)
Held-to-maturity debt securities	—	—	—	—	—
Investments in subsidiaries and affiliates	128,615	283,208	154,592	154,592	—
Available-for-sale securities	27,454,262	36,637,640	9,183,377	9,371,647	(188,269)
Domestic bonds	2,656,399	2,842,251	185,852	192,880	(7,028)
Domestic stocks	4,117,388	9,981,652	5,864,264	5,965,078	(100,814)
Foreign securities	17,430,977	20,360,376	2,929,399	2,994,769	(65,370)
Foreign bonds	11,672,974	13,623,990	1,951,015	1,996,814	(45,799)
Foreign stocks and other securities	5,758,003	6,736,386	978,383	997,954	(19,571)
Other securities	3,113,603	3,316,772	203,169	218,199	(15,029)
Monetary receivables purchased	21,894	22,588	693	718	(24)
Negotiable certificates of deposit	114,000	113,998	(1)	0	(1)
Total	**51,256,721**	**63,571,742**	**12,315,020**	**12,649,047**	**(334,026)**
Domestic bonds	26,039,562	29,184,641	3,145,079	3,297,685	(152,605)
Domestic stocks	4,117,388	9,981,652	5,864,264	5,965,078	(100,814)
Foreign securities	17,699,330	20,794,259	3,094,928	3,160,446	(65,517)
Foreign bonds	11,813,641	13,775,735	1,962,093	2,008,039	(45,946)
Foreign stocks and other securities	5,885,688	7,018,523	1,132,835	1,152,406	(19,571)
Other securities	3,114,533	3,317,843	203,310	218,340	(15,029)
Monetary receivables purchased	171,907	179,347	7,439	7,496	(57)
Negotiable certificates of deposit	114,000	113,998	(1)	0	(1)

Notes: 1. The table above includes securities that are deemed appropriate as securities under the Financial Instruments and Exchange Act in Japan.
2. Stocks and other securities without a market price and partnerships are excluded from this table.

13. Data on Fair Value of Securities (Company Total), continued

(2) Data on fair value of securities (securities with fair value other than trading securities), continued

i) Policy-reserve-matching bonds

Millions of Yen

As of March 31	2023			2022			2021		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Bonds whose fair value exceeds balance sheet amount	15,931,855	17,658,045	1,726,189	17,311,702	19,778,768	2,467,066	19,742,009	22,862,836	3,120,827
Domestic bonds	15,809,355	17,532,201	1,722,846	17,139,733	19,600,953	2,461,219	19,474,557	22,579,362	3,104,804
Foreign securities	23,649	24,444	794	51,471	52,767	1,296	120,625	129,870	9,245
Monetary receivables purchased	98,850	101,398	2,548	120,497	125,047	4,550	146,825	153,603	6,777
Bonds whose fair value does not exceed balance sheet amount	11,122,149	10,066,676	(1,055,473)	8,390,843	7,936,061	(454,782)	3,934,274	3,788,057	(146,217)
Domestic bonds	11,003,765	9,956,565	(1,047,200)	8,327,428	7,875,311	(452,116)	3,908,605	3,763,027	(145,577)
Foreign securities	107,022	99,200	(7,822)	55,584	53,031	(2,553)	22,481	21,873	(607)
Monetary receivables purchased	11,361	10,910	(451)	7,831	7,718	(112)	3,188	3,155	(32)

ii) Held-to-maturity debt securities

There were no ending balances as of March 31, 2023, 2022, and 2021.

iii) Available-for-sale securities

Millions of Yen

As of March 31	2023			2022			2021		
	Book value	Balance sheet amount	Difference	Book value	Balance sheet amount	Difference	Book value	Balance sheet amount	Difference
Bonds whose balance sheet amount exceeds book value	15,612,116	23,698,610	8,086,493	18,838,355	27,774,481	8,936,125	23,588,463	32,960,110	9,371,647
Domestic bonds	2,267,369	2,385,247	117,878	1,791,781	1,939,219	147,438	2,337,162	2,530,043	192,880
Domestic stocks	3,532,662	9,234,086	5,701,423	3,436,314	9,161,134	5,724,819	3,579,363	9,544,442	5,965,078
Foreign securities	8,813,491	10,980,287	2,166,795	12,729,667	15,612,960	2,883,292	15,460,453	18,455,223	2,994,769
Other securities	834,445	934,837	100,391	773,857	954,356	180,499	2,142,186	2,360,385	218,199
Monetary receivables purchased	547	551	4	6,135	6,210	74	14,297	15,016	718
Negotiable certificates of deposit	163,600	163,600	0	100,600	100,600	0	55,000	55,000	0
Bonds whose balance sheet amount does not exceed book value	11,022,739	10,240,339	(782,399)	9,472,209	8,985,522	(486,687)	3,865,799	3,677,529	(188,269)
Domestic bonds	1,000,279	958,017	(42,262)	765,818	744,412	(21,405)	319,236	312,208	(7,028)
Domestic stocks	437,305	351,401	(85,903)	508,172	408,365	(99,807)	538,025	437,210	(100,814)
Foreign securities	7,353,018	6,818,269	(534,748)	5,746,763	5,459,997	(286,766)	1,970,524	1,905,153	(65,370)
Other securities	2,173,691	2,054,902	(118,789)	2,366,298	2,287,883	(78,415)	971,416	956,386	(15,029)
Monetary receivables purchased	14,445	13,750	(695)	16,156	15,865	(290)	7,596	7,571	(24)
Negotiable certificates of deposit	44,000	43,999	(0)	69,000	68,998	(1)	59,000	58,998	(1)

• The book value of stocks and other securities without a market price and partnerships

Millions of Yen

As of March 31	2023	2022	2021
Investments in subsidiaries and affiliates	1,475,788	1,337,784	1,179,556
Available-for-sale securities	204,149	197,323	168,269
Domestic stocks	56,159	55,434	61,115
Foreign stocks	6	218	309
Other securities	147,983	141,670	106,844
Total	**1,679,937**	**1,535,107**	**1,347,826**

Note: Of the stocks and other securities without a market price and partnerships, the net gains (losses) on currency valuation of assets denominated in foreign currencies were ¥120,533 million, ¥92,119 million and ¥17,007 million as of March 31, 2023, 2022, and 2021, respectively.

13. Data on Fair Value of Securities (Company Total), continued

Policy-reserve-matching bonds

The Company has established the following target portfolios that correspond to specific types of insurance products:

- Regarding single premium products (single premium endowment, single premium annuities, and single premium whole life insurance) and guaranteed fixed-term rate group annuities, the Company has established an Asset/Liability Management (ALM) portfolio that aims to avoid interest fluctuation risk by predicting future cash flows from debts.
- In terms of other types of insurance, the Company has established an ALM portfolio that has a goal of expanding long-term future revenue by evaluating debt characteristics and by operating within a specific range of risk allowance.

Given the characteristics of these insurance products and the type of investment, the Company has specified and subcategorized the following insurance policies based on "Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry" (Japan Institute of Certified Public Accountants Industry Audit Committee Release No. 21):

- All insurance policies for other than single premium products and group annuities
- All insurance policies for single premium products (denominated in yen) other than variable assumed rate-type insurance
- All insurance policies for group annuities other than guaranteed fixed-term rate products
- All single premium products (denominated in U.S. dollars) other than the foregoing
- All single premium products (denominated in Australian dollars) other than the foregoing
- All single premium products (denominated in euros) other than the foregoing

Concerning bonds held for the purpose of controlling the respective duration (level of market price fluctuations against fluctuations in interest rates) of bonds that fit into these subcategories, the Risk Management Committee regularly assesses that the policy reserves and the duration are generally consistent. Based on such assessment, the Company classifies most Japanese yen-based debt securities as policy-reserve-matching bonds.

14. Data on Fair Value of Assets Held in Trust (Company Total)

Millions of Yen

As of March 31	2023	2022	2021
Assets held in trust			
Balance sheet amount	—	—	135
Fair value	—	—	135
Net gains (losses)	—	—	—
Gains	—	—	—
Losses	—	—	—

Notes: 1. Fair value is based on a reasonably calculated price by the trustee of assets held in trust.
2. Balance sheet amount includes net gains (losses) on derivative transactions within assets held in trust.

Assets held in trust for trading purposes

Millions of Yen

As of March 31	2023		2022		2021	
	Balance sheet amount	Valuation gains (losses) recorded in profit or loss	Balance sheet amount	Valuation gains (losses) recorded in profit or loss	Balance sheet amount	Valuation gains (losses) recorded in profit or loss
Assets held in trust for trading purposes	—	—	—	4,292	135	(25,339)

Note: Balance sheet amount and valuation gains (losses) recorded in profit or loss include net gains (losses) on derivative transactions.

Assets held in trust classified as held to maturity, held for reserves, and others

There were no ending balances as of March 31, 2023, 2022, and 2021.

15. Fair Value of Derivative Transactions (Company Total)

Note: Please refer to the following pages: Qualitative Information on Derivative Transactions (General Account), p. 233; Qualitative Information on Derivative Transactions (Separate Account for Individual Variable Insurance), p. 242; and Qualitative Information on Derivative Transactions (Separate Account for Individual Variable Annuities), p. 245.

(1) Breakdown of net gains (losses) (with and without hedge accounting applied)

Millions of Yen

	Interest rate	Currencies	Equities	Bonds	Others	Total
As of March 31			**2023**			
Hedge accounting applied	(194,118)	(328,276)	(1,950)	—	—	(524,345)
Hedge accounting not applied	(30,574)	(79,473)	(4,676)	(2,811)	—	(117,535)
Total	**(224,693)**	**(407,749)**	**(6,626)**	**(2,811)**	**—**	**(641,881)**
As of March 31			**2022**			
Hedge accounting applied	(66,935)	(852,038)	6,712	—	—	(912,261)
Hedge accounting not applied	(31,997)	2,635	(6,697)	(469)	—	(36,529)
Total	**(98,933)**	**(849,402)**	**14**	**(469)**	**—**	**(948,790)**
As of March 31			**2021**			
Hedge accounting applied	25,567	(474,173)	(14,871)	—	—	(463,476)
Hedge accounting not applied	(26,539)	6,912	(4,827)	(160)	—	(24,615)
Total	**(971)**	**(467,260)**	**(19,699)**	**(160)**	**—**	**(488,092)**

Note: Net gains (losses) from fair value hedges included in net gains (losses) on derivative transactions to which hedge accounting is applied (for the year ended March 31, 2023, loss in currencies of ¥457 million and loss in equities of ¥1,950 million; for the year ended March 31, 2022, loss in currencies of ¥399,749 million and gain in equities of ¥6,712 million; and for the year ended March 31, 2021, loss in currencies of ¥224,485 million and loss in equities of ¥14,871 million) and net gains (losses) on those to which hedge accounting is not applied are recorded in the statements of income.

(2) Items to which hedge accounting is not applied

- Interest rate-related

Millions of Yen

As of March 31		2023				2022			
		Contract amount				Contract amount			
Category	Type		Over 1 year	Fair value	Net gains (losses)		Over 1 year	Fair value	Net gains (losses)
Over-the-counter	**Interest rate swaps**								
	Receive fixed interest rate/ pay variable interest rate	—	—	—	—	200,000	200,000	(6,044)	(6,044)
	Pay fixed interest rate/ receive variable interest rate	—	—	—	—	—	—	—	—
	Interest rate swaptions								
	Sold								
	Receive fixed interest rate/ pay variable interest rate	— [—]	— [—]	—	—	— [—]	— [—]	—	—
	Pay fixed interest rate/ receive variable interest rate	— [—]	— [—]	—	—	— [—]	— [—]	—	—
	Purchased								
	Receive fixed interest rate/ pay variable interest rate	1,013,000 [35,520]	833,000 [34,611]	4,946	(30,574)	1,383,000 [49,264]	1,205,500 [46,699]	23,311	(25,952)
	Pay fixed interest rate/ receive variable interest rate	— [—]	— [—]	—	—	— [—]	— [—]	—	—
Total					**(30,574)**				**(31,997)**

15. Fair Value of Derivative Transactions (Company Total), continued

(2) Items to which hedge accounting is not applied, continued

• Interest rate-related, continued

Millions of Yen

As of March 31		2021			
		Contract amount			
Category	Type		Over 1 year	Fair value	Net gains (losses)
Over-the-counter	**Interest rate swaps**				
	Receive fixed interest rate/ pay variable interest rate	—	—	—	—
	Pay fixed interest rate/ receive variable interest rate	—	—	—	—
	Interest rate swaptions				
	Sold				
	Receive fixed interest rate/ pay variable interest rate	— [—]	— [—]	—	—
	Pay fixed interest rate/ receive variable interest rate	— [—]	— [—]	—	—
	Purchased				
	Receive fixed interest rate/ pay variable interest rate	1,330,000 [47,145]	1,300,000 [46,951]	20,605	(26,539)
	Pay fixed interest rate/ receive variable interest rate	— [—]	— [—]	—	—
Total					**(26,539)**

Notes: 1. Amounts in brackets represent option premiums recorded in the balance sheets.
2. Amounts in "Net gains (losses)" represent the fair value for swap transactions, and the difference between option premiums and fair value for option transactions.

15. Fair Value of Derivative Transactions (Company Total), continued

(2) Items to which hedge accounting is not applied, continued

(Reference) Interest rate swap contracts by maturity dates

Millions of Yen

Maturity dates	Within 1 year	Over 1 year and within 3 years	Over 3 years and within 5 years	Over 5 years and within 7 years	Over 7 years and within 10 years	Over 10 years	Total
As of March 31				**2023**			
Interest rate swaps							
Receive fixed interest rate/ pay variable interest rate							
Notional amount	—	—	—	—	—	—	**—**
Average fixed interest rate to receive (%)	—	—	—	—	—	—	**—**
Average variable interest rate to pay (%)	—	—	—	—	—	—	**—**
Interest rate swaps							
Pay fixed interest rate/ receive variable interest rate							
Notional amount	—	—	—	—	—	—	**—**
Average fixed interest rate to pay (%)	—	—	—	—	—	—	**—**
Average variable interest rate to receive (%)	—	—	—	—	—	—	**—**
As of March 31				**2022**			
Interest rate swaps							
Receive fixed interest rate/ pay variable interest rate							
Notional amount	—	—	—	—	83,300	116,700	**200,000**
Average fixed interest rate to receive (%)	—	—	—	—	0.12	0.30	**0.22**
Average variable interest rate to pay (%)	—	—	—	—	(0.01)	(0.01)	**(0.01)**
Interest rate swaps							
Pay fixed interest rate/ receive variable interest rate							
Notional amount	—	—	—	—	—	—	**—**
Average fixed interest rate to pay (%)	—	—	—	—	—	—	**—**
Average variable interest rate to receive (%)	—	—	—	—	—	—	**—**
As of March 31				**2021**			
Interest rate swaps							
Receive fixed interest rate/ pay variable interest rate							
Notional amount	—	—	—	—	—	—	**—**
Average fixed interest rate to receive (%)	—	—	—	—	—	—	**—**
Average variable interest rate to pay (%)	—	—	—	—	—	—	**—**
Interest rate swaps							
Pay fixed interest rate/ receive variable interest rate							
Notional amount	—	—	—	—	—	—	**—**
Average fixed interest rate to pay (%)	—	—	—	—	—	—	**—**
Average variable interest rate to receive (%)	—	—	—	—	—	—	**—**

15. Fair Value of Derivative Transactions (Company Total), continued

(2) Items to which hedge accounting is not applied, continued

• Currency-related

Millions of Yen

As of March 31		2023				2022			
		Contract amount				Contract amount			
Category	Type		Over 1 year	Fair value	Net gains (losses)		Over 1 year	Fair value	Net gains (losses)
Over-the-counter	**Foreign exchange forward contracts**								
	Sold	**3,385,945**	**—**	**(25,389)**	**(25,389)**	**2,925,988**	**—**	**(164,221)**	**(164,221)**
	U.S. dollar	2,276,325	—	(3,608)	(3,608)	1,688,006	—	(110,143)	(110,143)
	Euro	134,654	—	(2,754)	(2,754)	132,595	—	(6,596)	(6,596)
	British pound	591,130	—	(17,096)	(17,096)	490,023	—	(14,813)	(14,813)
	Australian dollar	218,648	—	325	325	332,390	—	(22,505)	(22,505)
	Purchased	**3,327,781**	**—**	**(55,769)**	**(55,769)**	**2,876,800**	**—**	**162,219**	**162,219**
	U.S. dollar	2,756,122	—	(61,454)	(61,454)	2,125,052	—	137,854	137,854
	Euro	67,831	—	1,470	1,470	79,896	—	3,003	3,003
	Australian dollar	120,783	—	(170)	(170)	265,085	—	13,610	13,610
	Currency options								
	Sold								
	Call	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
		[—]	**[—]**			**[—]**	**[—]**		
	U.S. dollar	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Euro	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
		[—]	**[—]**			**[—]**	**[—]**		
	U.S. dollar	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Euro	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Purchased								
	Call	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
		[—]	**[—]**			**[—]**	**[—]**		
	U.S. dollar	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Euro	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	**133,530**	**—**	**472**	**(1,050)**	**948,522**	**—**	**906**	**(3,554)**
		[1,523]	**[—]**			**[4,460]**	**[—]**		
	U.S. dollar	133,530	—	472	(1,050)	948,522	—	906	(3,554)
		[1,523]	[—]			[4,460]	[—]		
	Euro	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Currency swaps	**67,964**	**67,183**	**2,736**	**2,736**	**98,985**	**96,380**	**8,191**	**8,191**
	U.S.$ paid/¥ received	—	—	—	—	—	—	—	—
	€ paid/¥ received	—	—	—	—	—	—	—	—
	¥ paid/AU$ received	44,806	44,025	1,482	1,482	68,731	66,126	7,093	7,093
	¥ paid/U.S. $ received	18,068	18,068	1,455	1,455	16,090	16,090	1,097	1,097
Total					**(79,473)**				**2,635**

15. Fair Value of Derivative Transactions (Company Total), continued

(2) Items to which hedge accounting is not applied, continued

• Currency-related, continued

Millions of Yen

As of March 31		2021			
		Contract amount			
Category	Type		Over 1 year	Fair value	Net gains (losses)
Over-the-counter	**Foreign exchange forward contracts**				
	Sold	**1,654,115**	**4,808**	**(89,216)**	**(89,216)**
	U.S. dollar	522,269	4,808	(23,673)	(23,673)
	Euro	109,060	—	(1,581)	(1,581)
	British pound	371,866	—	(17,953)	(17,953)
	Australian dollar	586,613	—	(44,384)	(44,384)
	Purchased	**1,709,052**	**—**	**96,610**	**96,610**
	U.S. dollar	912,513	—	46,269	46,269
	Euro	52,362	—	(11)	(11)
	Australian dollar	577,914	—	49,847	49,847
	Currency options				
	Sold				
	Call	**—**	**—**	**—**	**—**
		[—]	**[—]**		
	U.S. dollar	—	—	—	—
		[—]	[—]		
	Euro	—	—	—	—
		[—]	[—]		
	Put	**166,065**	**—**	**43**	**442**
		[486]	**[—]**		
	U.S. dollar	166,065	—	43	442
		[486]	[—]		
	Euro	—	—	—	—
		[—]	[—]		
	Purchased				
	Call	**—**	**—**	**—**	**—**
		[—]	**[—]**		
	U.S. dollar	—	—	—	—
		[—]	[—]		
	Euro	—	—	—	—
		[—]	[—]		
	Put	**1,162,455**	**—**	**940**	**(12,866)**
		[13,806]	**[—]**		
	U.S. dollar	1,162,455	—	940	(12,866)
		[13,806]	[—]		
	Euro	—	—	—	—
		[—]	[—]		
	Currency swaps	**131,082**	**131,082**	**11,942**	**11,942**
	U.S.$ paid/¥ received	—	—	—	—
	€ paid/¥ received	—	—	—	—
	¥ paid/AU$ received	104,619	104,619	11,178	11,178
	¥ paid/U.S. $ received	12,299	12,299	319	319
Total					**6,912**

Notes: 1. Amounts in brackets represent option premiums recorded in the balance sheets.
2. Amounts in the "Net gains (losses)" column are represented in fair value for forward transactions and swap transactions, and the difference between option premiums and fair value for option transactions.

15. Fair Value of Derivative Transactions (Company Total), continued

(2) Items to which hedge accounting is not applied, continued

• Equity-related

Millions of Yen

As of March 31		2023				2022			
		Contract amount				Contract amount			
Category	Type		Over 1 year	Fair value	Net gains (losses)		Over 1 year	Fair value	Net gains (losses)
Exchange-traded	Equity index futures								
	Sold	18,175	—	(436)	(436)	—	—	—	—
	Purchased	78,390	—	768	768	65,394	—	1,406	1,406
	Equity index options								
	Sold								
	Call	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Purchased								
	Call	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	511,196	—	1,114	(4,360)	504,402	—	1,492	(4,154)
		[5,475]	[—]			[5,646]	[—]		
Over-the-counter	Equity forward contracts								
	Sold	—	—	—	—	—	—	(62)	(62)
	Purchased	—	—	—	—	—	—	—	—
	Equity index forward contracts								
	Sold	—	—	—	—	—	—	—	—
	Purchased	54,054	54,054	(124)	(124)	—	—	—	—
	Equity index options								
	Sold								
	Call	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Purchased								
	Call	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	74,674	38,220	219	(524)	378,927	36,167	876	(3,886)
		[744]	[320]			[4,762]	[423]		
Total					**(4,676)**				**(6,697)**

15. Fair Value of Derivative Transactions (Company Total), continued

(2) Items to which hedge accounting is not applied, continued

• Equity-related, continued

Millions of Yen

As of March 31		2021			
		Contract amount			
Category	Type		Over 1 year	Fair value	Net gains (losses)
Exchange-traded	Equity index futures				
	Sold	570	—	(9)	(9)
	Purchased	41,207	—	375	375
	Equity index options				
	Sold				
	Call	—	—	—	—
		[—]	[—]		
	Put	—	—	—	—
		[—]	[—]		
	Purchased				
	Call	—	—	—	—
		[—]	[—]		
	Put	75,864	—	5	(787)
		[793]	[—]		
Over-the-counter	Equity forward contracts				
	Sold	—	—	(2)	(2)
	Purchased	—	—	—	—
	Equity index forward contracts				
	Sold	—	—	—	—
	Purchased	—	—	—	—
	Equity index options				
	Sold				
	Call	—	—	—	—
		[—]	[—]		
	Put	—	—	—	—
		[—]	[—]		
	Purchased				
	Call	—	—	—	—
		[—]	[—]		
	Put	437,682	147,936	1,856	(4,404)
		[6,260]	[2,393]		
Total					**(4,827)**

Notes: 1. Amounts in brackets represent option premiums recorded in the balance sheets.
2. Amounts in the "Net gains (losses)" column are represented in fair value for futures transactions and forward transactions, and the difference between option premiums and fair value for option transactions.

15. Fair Value of Derivative Transactions (Company Total), continued

(2) Items to which hedge accounting is not applied, continued

• Bond-related

Millions of Yen

As of March 31		2023				2022			
		Contract amount				Contract amount			
Category	Type		Over 1 year	Fair value	Net gains (losses)		Over 1 year	Fair value	Net gains (losses)
Exchange-traded	Yen-denominated bonds futures								
	Sold	3,260	—	1	1	9,877	—	(2)	(2)
	Purchased	59,110	—	(10)	(10)	—	—	—	—
	Foreign currency-denominated bonds futures								
	Sold	—	—	—	—	—	—	—	—
	Purchased	43,865	—	269	269	50,080	—	(402)	(402)
Over-the counter	Bond purchases and sales with attached options								
	Sold								
	Call	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Purchased								
	Call	100,656	100,656	2,787	(3,071)	65,754	65,754	2,867	(64)
		[5,859]	[5,859]			[2,932]	[2,932]		
	Put	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
Total					(2,811)				(469)

As of March 31		2021			
		Contract amount			
Category	Type		Over 1 year	Fair value	Net gains (losses)
Exchange-traded	Yen-denominated bonds futures				
	Sold	8,922	—	3	3
	Purchased	—	—	—	—
	Foreign currency-denominated bonds futures				
	Sold	—	—	—	—
	Purchased	22,850	—	(164)	(164)
Over-the counter	Bond purchases and sales with attached options				
	Sold				
	Call	—	—	—	—
		[—]	[—]		
	Put	—	—	—	—
		[—]	[—]		
	Purchased				
	Call	—	—	—	—
		[—]	[—]		
	Put	—	—	—	—
		[—]	[—]		
Total					(160)

Notes: 1. Amounts in brackets represent option premiums recorded in the balance sheets.
2. Amounts in the "Net gains (losses)" column are represented in fair value for futures transactions, and the difference between option premiums and fair value for option transactions.

• Others

There were no ending balances as of March 31, 2023, 2022, and 2021.

15. Fair Value of Derivative Transactions (Company Total), continued

(3) Items to which hedge accounting is applied

• Interest rate-related

Millions of Yen

As of March 31				2023				2022			
Category	Hedge accounting method	Type	Main hedged items	Contract amount	Over 1 year	Fair value	Net gains (losses)	Contract amount	Over 1 year	Fair value	Net gains (losses)
Over-the-counter	Deferred hedge accounting	Interest rate swaps	Insurance liabilities								
		Receive fixed interest rate/ pay variable interest rate		3,200,600	3,200,600	(194,117)	(194,117)	2,765,000	2,765,000	(66,927)	(66,927)
		Pay fixed interest rate/receive variable interest rate		—	—	—	—	—	—	—	—
		Interest rate swaps	Loans								
		Receive fixed interest rate/ pay variable interest rate		6,000	—	(1)	(1)	6,000	6,000	(7)	(7)
		Pay fixed interest rate/receive variable interest rate		—	—	—	—	—	—	—	—
Total							(194,118)				(66,935)

As of March 31				2021			
Category	Hedge accounting method	Type	Main hedged items	Contract amount	Over 1 year	Fair value	Net gains (losses)
Over-the-counter	Deferred hedge accounting	Interest rate swaps	Insurance liabilities				
		Receive fixed interest rate/ pay variable interest rate		2,265,000	2,265,000	25,566	25,566
		Pay fixed interest rate/receive variable interest rate		—	—	—	—
		Interest rate swaps	Loans				
		Receive fixed interest rate/ pay variable interest rate		10,000	6,000	1	1
		Pay fixed interest rate/receive variable interest rate		—	—	—	—
Total							25,567

Note: Amounts in the "Net gains (losses)" column are represented in fair value.

15. Fair Value of Derivative Transactions (Company Total), continued

(3) Items to which hedge accounting is applied, continued

(Reference) Interest rate swap contracts by maturity dates

Millions of Yen

Maturity dates	Within 1 year	Over 1 year and within 3 years	Over 3 years and within 5 years	Over 5 years and within 7 years	Over 7 years and within 10 years	Over 10 years	Total
As of March 31				**2023**			
Interest rate swaps							
Receive fixed interest rate/ pay variable interest rate							
Notional amount	6,000	—	—	—	60,600	3,140,000	**3,206,600**
Average fixed interest rate to receive (%)	(0.02)	—	—	—	0.46	0.44	**0.44**
Average variable interest rate to pay (%)	0.04	—	—	—	(0.03)	0.01	**0.01**
Interest rate swaps							
Pay fixed interest rate/ receive variable interest rate							
Notional amount	—	—	—	—	—	—	**—**
Average fixed interest rate to pay (%)	—	—	—	—	—	—	**—**
Average variable interest rate to receive (%)	—	—	—	—	—	—	**—**
As of March 31				**2022**			
Interest rate swaps							
Receive fixed interest rate/ pay variable interest rate							
Notional amount	—	6,000	—	—	—	2,765,000	**2,771,000**
Average fixed interest rate to receive (%)	—	(0.02)	—	—	—	0.40	**0.40**
Average variable interest rate to pay (%)	—	0.05	—	—	—	0.03	**0.03**
Interest rate swaps							
Pay fixed interest rate/ receive variable interest rate							
Notional amount	—	—	—	—	—	—	**—**
Average fixed interest rate to pay (%)	—	—	—	—	—	—	**—**
Average variable interest rate to receive (%)	—	—	—	—	—	—	**—**
As of March 31				**2021**			
Interest rate swaps							
Receive fixed interest rate/ pay variable interest rate							
Notional amount	4,000	6,000	—	—	—	2,265,000	**2,275,000**
Average fixed interest rate to receive (%)	(0.05)	(0.02)	—	—	—	0.41	**0.41**
Average variable interest rate to pay (%)	(0.05)	(0.05)	—	—	—	(0.05)	**(0.05)**
Interest rate swaps							
Pay fixed interest rate/ receive variable interest rate							
Notional amount	—	—	—	—	—	—	**—**
Average fixed interest rate to pay (%)	—	—	—	—	—	—	**—**
Average variable interest rate to receive (%)	—	—	—	—	—	—	**—**

15. Fair Value of Derivative Transactions (Company Total), continued

(3) Items to which hedge accounting is applied, continued

• Currency-related

Millions of Yen

As of March 31	2023				2022			
	Contract amount		Fair value	Net gains (losses)	Contract amount		Fair value	Net gains (losses)
		Over 1 year				Over 1 year		
Over-the-counter								
Fair value hedge accounting (main hedged items: foreign currency-denominated bonds)								
Foreign exchange forward contracts								
Sold	**4,887,399**	**—**	**(457)**	**(457)**	**6,696,966**	**—**	**(399,749)**	**(399,749)**
U.S. dollar	3,622,077	—	33,529	33,529	3,269,826	—	(198,464)	(198,464)
Euro	1,093,356	—	(32,299)	(32,299)	2,642,205	—	(144,244)	(144,244)
Purchased	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
U.S. dollar	—	—	—	—	—	—	—	—
Euro	—	—	—	—	—	—	—	—
Currency options								
Sold								
Call	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
	[—]	**[—]**			**[—]**	**[—]**		
U.S. dollar	—	—	—	—	—	—	—	—
	[—]	[—]			[—]	[—]		
Euro	—	—	—	—	—	—	—	—
	[—]	[—]			[—]	[—]		
Put	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
	[—]	**[—]**			**[—]**	**[—]**		
U.S. dollar	—	—	—	—	—	—	—	—
	[—]	[—]			[—]	[—]		
Euro	—	—	—	—	—	—	—	—
	[—]	[—]			[—]	[—]		
Purchased								
Call	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
	[—]	**[—]**			**[—]**	**[—]**		
U.S. dollar	—	—	—	—	—	—	—	—
	[—]	[—]			[—]	[—]		
Euro	—	—	—	—	—	—	—	—
	[—]	[—]			[—]	[—]		
Put	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
	[—]	**[—]**			**[—]**	**[—]**		
U.S. dollar	—	—	—	—	—	—	—	—
	[—]	[—]			[—]	[—]		
Euro	—	—	—	—	—	—	—	—
	[—]	[—]			[—]	[—]		
Deferred hedge accounting (main hedged items: foreign currency-denominated bonds)								
Currency swaps	**5,822,504**	**5,631,403**	**(327,818)**	**(327,818)**	**5,022,689**	**4,940,980**	**(452,289)**	**(452,289)**
U.S.$ paid/¥ received	3,935,369	3,811,852	(317,578)	(317,578)	3,284,475	3,216,784	(312,533)	(312,533)
€ paid/¥ received	1,352,198	1,289,364	(17,345)	(17,345)	1,257,627	1,243,609	(91,450)	(91,450)
Total				**(328,276)**				**(852,038)**

15. Fair Value of Derivative Transactions (Company Total), continued

(3) Items to which hedge accounting is applied, continued

• Currency-related, continued

Millions of Yen

As of March 31	2021			
	Contract amount	Over 1 year	Fair value	Net gains (losses)
Over-the-counter				
Fair value hedge accounting (main hedged items: foreign currency-denominated bonds)				
Foreign exchange forward contracts				
Sold	**6,041,511**	**—**	**(224,485)**	**(224,485)**
U.S. dollar	2,639,247	—	(116,379)	(116,379)
Euro	2,483,544	—	(56,716)	(56,716)
Purchased	**—**	**—**	**—**	**—**
U.S. dollar	—	—	—	—
Euro	—	—	—	—
Currency options				
Sold				
Call	**—**	**—**	**—**	**—**
	[—]	**[—]**		
U.S. dollar	—	—	—	—
	[—]	[—]		
Euro	—	—	—	—
	[—]	[—]		
Put	**—**	**—**	**—**	**—**
	[—]	**[—]**		
U.S. dollar	—	—	—	—
	[—]	[—]		
Euro	—	—	—	—
	[—]	[—]		
Purchased				
Call	**—**	**—**	**—**	**—**
	[—]	**[—]**		
U.S. dollar	—	—	—	—
	[—]	[—]		
Euro	—	—	—	—
	[—]	[—]		
Put	**—**	**—**	**—**	**—**
	[—]	**[—]**		
U.S. dollar	—	—	—	—
	[—]	[—]		
Euro	—	—	—	—
	[—]	[—]		
Deferred hedge accounting (main hedged items: foreign currency-denominated bonds)				
Currency swaps	**4,526,891**	**4,407,797**	**(249,687)**	**(249,687)**
U.S.$ paid/¥ received	2,862,781	2,773,843	(77,011)	(77,011)
€ paid/¥ received	1,209,486	1,181,149	(125,420)	(125,420)
Total				**(474,173)**

Notes: 1. Amounts in brackets represent option premiums recorded in the balance sheets.
2. Amounts in the "Net gains (losses)" column are represented in fair value for forward transactions and swap transactions, and the difference between option premiums and fair value for option transactions.

15. Fair Value of Derivative Transactions (Company Total), continued

(3) Items to which hedge accounting is applied, continued

• Equity-related

Millions of Yen

As of March 31				2023				2022			
Category	Hedge accounting method	Type	Main hedged items	Contract amount	Over 1 year	Fair value	Net gains (losses)	Contract amount	Over 1 year	Fair value	Net gains (losses)
Over-the-counter	Fair value hedge accounting	Equity forward contracts	Domestic stocks								
		Sold		48,309	—	(1,950)	(1,950)	158,141	—	6,712	6,712
		Purchased		—	—	—	—	—	—	—	—
Total							(1,950)				6,712

As of March 31				2021			
Category	Hedge accounting method	Type	Main hedged items	Contract amount	Over 1 year	Fair value	Net gains (losses)
Over-the-counter	Fair value hedge accounting	Equity forward contracts	Domestic stocks				
		Sold		54,244	—	(14,871)	(14,871)
		Purchased		—	—	—	—
Total							(14,871)

Note: Amounts in the "Net gains (losses)" column are represented in fair value.

• Bond-related

There were no ending balances as of March 31, 2023, 2022, and 2021.

• Others

There were no ending balances as of March 31, 2023, 2022, and 2021.

16. Equity Securities Held

1. Basis and policy on classification of investments in equity securities

Nippon Life invests in equity securities from medium- and long-term perspectives with the expectation of generating steady dividend income and capital gains in association with investee companies' growth. These investments are held as investments in equity securities held for net investment. In addition, the Company may use its equity to hold equity securities with the intent of expanding the Group's growth opportunities through business alliances and strengthening its profitability. These equity securities are held as investments in equity securities held for other than net investment.

2. Investments in equity securities held for other than net investment

(1) Methods to verify reasonableness of holding

The Board of Directors verifies whether holdings are appropriate by examining in detail the appropriateness of the holding purpose of each individual stock and comprehensive profit, including the effects of factors, such as business alliances, based on the amount of risk, among other considerations. If the Board of Directors does not find that a holding is appropriate or reasonable as a result of this verification process, it will consider response measures such as the sale of the holding.

(2) Details of verification by the Board of Directors, etc. regarding the appropriateness of holding individual stocks

The Company confirmed the appropriateness of all stocks held for the purpose of expanding the Group's growth opportunities and enhancing profitability through business alliances and other means. With regard to the benefits associated with holding these stocks, the Company compared short-term and long-term profitability with internally established criteria and confirmed the reasonableness of all stocks held (verification carried out in May 2023).

(3) Number of stocks and balance sheet amounts

Millions of Yen

Category	Number of stocks	Balance sheet amount
Equity securities not listed	16	14,766
Equity securities other than those not listed	13	654,887

(Stocks for which the number of shares increased in the fiscal year under review)

Millions of Yen

Category	Number of stocks	Total amount of acquisition value in relation to the increase in the number of shares	Reasons for the increase in the number of shares
Equity securities not listed	2	2,001	Acquired shares mainly to maintain and strengthen relationships with investees and other affiliated companies, as well as to promote Nippon Life's new businesses
Equity securities other than those not listed	1	—	The number of shares increased due to gratis allotment and stock split

(Stocks for which the number of shares decreased in the fiscal year under review)

Millions of Yen

Category	Number of stocks	Total amount of selling price in relation to the decrease in the number of shares
Equity securities not listed	—	—
Equity securities other than those not listed	—	—

16. Equity Securities Held, continued

3. Details of investments in equity securities held for other than net investment (excluding equity securities not listed)

Thousands of Shares, Millions of Yen

As of March 31	2023	2022	2021	
Stock	Number of shares Balance sheet amount (¥)	Number of shares Balance sheet amount (¥)	Number of shares Balance sheet amount (¥)	Purpose of holding, quantitative holding benefit, and reason for increase in shares
Principal Financial Group	18,137 179,990	18,137 162,954	18,137 119,733	To increase the corporate value of the Group through joint operation, and increase and enhance its knowledge of the asset management business
MS&AD Insurance Group Holdings, Inc.	36,325 149,151	36,325 144,501	36,325 117,949	To strengthen ties through a business alliance and increase corporate value
Nomura Research Institute, Ltd.	24,727 75,789	24,727 99,404	24,727 82,283	To contribute the sophistication of IT strategy through the use of cutting-edge IT
AIA Group Limited	45,999 64,669	45,999 59,317	45,999 63,891	To benefit from growth in the Asian market, and increase and enhance knowledge of the Asian insurance market through a business partnership
Marsh & McLennan Companies, Inc.	2,622 58,327	2,622 54,703	2,622 34,282	To increase the corporate value of the Group through joint operation, and increase and enhance its knowledge
DWS Group GmbH & Co. KGaA	10,000 41,267	10,000 45,466	10,000 47,454	To strengthen the Group's asset management capabilities, and increase and enhance its knowledge of the asset management business through a business partnership
Prudential Financial, Inc.	2,560 28,283	2,560 37,024	2,560 25,847	To address international regulations through a business partnership, and increase and enhance knowledge of the U.S. insurance market
Schroders Plc	33,657 25,632	5,721 29,744	5,721 30,172	To increase the corporate value of the Group through joint operation and outsourcing certain functions. The number of shares increased due to gratis allotment and stock split
Bangkok Bank Public Company Limited	25,690 15,218	25,690 12,952	25,690 11,419	To increase Nippon Life's corporate value through joint operation, and increase and enhance its knowledge of the Asian insurance market
China Pacific Insurance (Group) Co. Ltd.	28,610 10,147	28,610 8,555	28,610 13,835	To increase and enhance knowledge of the Asian insurance market through a business partnership
Deutsche Bank AG	2,898 3,951	2,898 4,560	2,898 3,961	To improve the corporate value of joint investees, and increase and enhance knowledge of the European financial market and economic trends through a business partnership
Cathay Financial Holding	8,004 1,465	8,004 2,209	8,004 1,410	To increase and enhance knowledge of the Asian insurance market through a business partnership
HIGASHI TWENTY ONE CO., LTD.	1,040 992	1,040 642	1,040 606	To facilitate efficient management of general administration and relocation work related to Nippon Life's business

Note: With regard to domestic listed companies, the results of Nippon Life's exercise of voting rights at general meetings of shareholders held between April 2022 and March 2023 indicate that the Company approved all resolutions as proposed. With regard to investments in equity securities held for net investment, the Company has announced the results of its exercise of voting rights in "Initiatives Related to Japan's Stewardship Code" on the Nissay website.

4. Investments in equity securities held for net investment

Millions of Yen

As of March 31	2023		2022		2021	
Category	Number of stocks	Balance sheet amount	Number of stocks	Balance sheet amount	Number of stocks	Balance sheet amount
Equity securities not listed	517	41,398	522	41,341	533	47,850
Equity securities other than those not listed	1,407	9,359,554	1,435	9,324,049	1,476	9,778,834

Millions of Yen

As of March 31	2023			2022			2021		
Category	Total dividends received	Total gains (losses) on sales	Total valuation gains (losses)	Total dividends received	Total gains (losses) on sales	Total valuation gains (losses)	Total dividends received	Total gains (losses) on sales	Total valuation gains (losses)
Equity securities not listed	2,716	5,537	(1,713)	3,037	1,158	(2,136)	3,101	41,147	(585)
Equity securities other than those not listed	236,035	291,205	5,504,856	223,341	350,984	5,486,792	176,431	14,227	5,777,723

Note: Nippon Life has announced the results of its exercise of voting rights in "Initiatives Related to Japan's Stewardship Code" on the Nissay website.

17. Ordinary Profit (Core Operating Profit)

Millions of Yen

Fiscal years ended March 31		2023	2022	2021
Core operating income		**6,608,812**	**6,114,691**	**6,060,564**
Revenues from insurance and reinsurance		4,647,991	4,307,975	4,264,628
Insurance premiums		4,646,819	4,306,688	4,263,255
Reinsurance revenue		1,172	1,287	1,372
Investment income		1,757,513	1,579,161	1,505,089
Interest, dividends, and other income		1,728,151	1,537,372	1,381,994
Gain on redemptions of securities		28,309	7,822	3,690
Reversal of general allowance for doubtful accounts		—	3,511	—
Other investment income		1,053	856	1,177
Gain from separate accounts, net		—	29,598	118,226
Other ordinary income		118,182	117,926	127,678
Income from annuity riders		5,971	8,042	7,409
Income from deferred benefits		71,018	73,828	76,119
Reversal of reserve for outstanding claims		—	—	11,592
Reversal of policy reserves		—	—	—
Reversal of accrued retirement benefits		—	—	—
Other income		41,192	36,055	32,555
Other core operating income		85,124	109,627	163,168
Core operating expenses		**6,109,983**	**5,339,430**	**5,479,011**
Benefits and other payments		4,099,273	3,709,094	3,803,456
Death and other claims		1,073,139	1,005,005	999,529
Annuity payments		807,193	821,038	803,471
Health and other benefits		857,331	701,230	661,384
Surrender benefits		1,167,297	987,861	1,108,847
Other refunds		192,304	192,081	228,332
Reinsurance premiums		2,007	1,875	1,891
Provision for policy reserves*		684,012	689,748	685,822
Investment expenses		131,303	116,447	98,597
Interest expenses		37,477	32,561	28,437
Loss on redemptions of securities		7,045	7,052	14,736
Provision for general allowance for doubtful accounts		978	—	4,389
Depreciation of rental real estate and other assets		19,286	18,355	17,830
Other investment expenses		60,204	58,478	33,203
Loss from separate accounts, net		6,310	—	—
Operating expenses		565,673	571,397	575,223
Other ordinary expenses		226,154	220,157	216,707
Deferred benefit payments		93,968	86,046	87,842
Taxes		53,019	51,659	51,876
Depreciation		53,844	56,950	54,314
Provision for accrued retirement benefits		129	2,509	1,233
Deferred asset amortization (Insurance Business Act, Article 113)		—	—	—
Other expenses		25,191	22,991	21,439
Other core operating expenses		403,567	32,585	99,203
Core operating profit	**A**	**498,828**	**775,260**	**581,552**

Note: The above figures have been calculated based on the calculation method for core operating profit adopted from the fiscal year ended March 31, 2023.

17. Ordinary Profit (Core Operating Profit), continued

Millions of Yen

Fiscal years ended March 31		2023	2022	2021
Capital gains		**1,240,510**	**568,166**	**674,954**
Gain on proprietary trading securities		—	—	—
Gain from assets held in trust, net		—	—	—
Gain on trading securities		—	—	—
Gain on sales of securities		805,588	465,253	507,284
Gain on derivative financial instruments, net		—	—	—
Foreign exchange gains, net		31,355	70,327	68,465
Other capital gains		403,567	32,585	99,023
Capital losses		**1,141,691**	**249,413**	**290,474**
Loss on proprietary trading securities		—	—	—
Loss from assets held in trust, net		—	85	34,144
Loss on trading securities		—	—	—
Loss on sales of securities		874,392	113,617	40,193
Loss on valuation of securities		6,234	13,121	4,963
Loss on derivative financial instruments, net		175,940	12,961	48,004
Foreign exchange losses, net		—	—	—
Other capital losses		85,124	109,627	163,168
Net capital gains (losses)	**B**	**98,818**	**318,753**	**384,480**
Core operating profit, including net capital gains	**A + B**	**597,647**	**1,094,014**	**966,032**
Nonrecurring gains		**364**	**4,012**	**2,188**
Reinsurance revenue		—	—	—
Reversal of contingency reserve		—	—	—
Reversal of specific allowance for doubtful accounts		—	—	—
Other nonrecurring gains		364	4,012	2,188
Nonrecurring losses		**350,127**	**604,820**	**537,150**
Reinsurance premiums		—	—	—
Provision for contingency reserve		69,701	15,994	166,396
Provision for specific allowance for doubtful accounts		3,876	2,219	1,579
Provision for allowance for specific overseas debts		—	—	—
Write-offs of loans		—	—	—
Other nonrecurring losses		276,550	586,606	369,175
Nonrecurring losses	**C**	**(349,762)**	**(600,808)**	**(534,961)**
Ordinary profit	**A + B + C**	**247,884**	**493,205**	**431,070**

Note: The above figures have been calculated based on the calculation method for core operating profit adopted from the fiscal year ended March 31, 2023.

** "Provision for policy reserves" excludes provision for (reversal of) contingency reserve and provision for policy reserves under Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act in Japan.*

(Reference) Breakdown of other core operating income

Millions of Yen

Fiscal years ended March 31	2023	2022	2021
Other core operating income	85,124	109,627	163,168
Interest income related to swap transactions for foreign currency-denominated insurance products and swap transactions for hedging purposes	15,506	15,036	18,811
Impact of market exchange rate movements related to foreign currency-denominated insurance policies	69,617	94,368	140,545
Impact of movements in surrender benefits related to market value adjustment	—	—	—
Costs to hedge exchange rate fluctuations	—	—	—
Gain/Loss on cancellation of investment trusts	—	—	—
Impact of exchange rate movements among gain/loss on redemption of securities	—	222	3,810
Other core operating expenses	403,567	32,585	99,203
Interest expenses related to swap transactions for foreign currency-denominated insurance products and swap transactions for hedging purposes	—	—	—
Impact of market exchange rate movements related to foreign currency-denominated insurance policies	—	—	—
Impact of movements in surrender benefits related to market value adjustment	26,697	10,969	20,382
Costs to hedge exchange rate fluctuations	151,880	6,573	24,306
Gain/Loss on cancellation of investment trusts	203,762	15,042	54,514
Impact of exchange rate movements among gain/loss on redemption of securities	21,227	—	—
Other capital gains	403,567	32,585	99,203
Interest income related to swap transactions for foreign currency-denominated insurance products and swap transactions for hedging purposes	—	—	—
Impact of market exchange rate movements related to foreign currency-denominated insurance policies	—	—	—
Impact of movements in surrender benefits related to market value adjustment	26,697	10,969	20,382
Costs to hedge exchange rate fluctuations	151,880	6,573	24,306
Gain/Loss on cancellation of investment trusts	203,762	15,042	54,514
Impact of exchange rate movements among gain/loss on redemption of securities	21,227	—	—
Other capital losses	85,124	109,627	163,168
Interest expenses related to swap transactions for foreign currency-denominated insurance products and swap transactions for hedging purposes	15,506	15,036	18,811
Impact of market exchange rate movements related to foreign currency-denominated insurance policies	69,617	94,368	140,545
Impact of movements in surrender benefits related to market value adjustment	—	—	—
Costs to hedge exchange rate fluctuations	—	—	—
Gain/Loss on cancellation of investment trusts	—	—	—
Impact of exchange rate movements among gain/loss on redemption of securities	—	222	3,810
Other nonrecurring gains	364	4,012	2,188
Reversal of allowance for investment loss	364	4,012	2,188
Other nonrecurring losses	276,550	586,606	369,175
Provision for allowance for investment loss	—	—	—
Provision for policy reserves under Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act	276,550	586,606	369,175

Note: The above figures have been calculated based on the calculation method for core operating profit adopted from the fiscal year ended March 31, 2023.

18. Policies in Force and New Policies

1. Policies in force

(1) Number of policies

Number of Policies

As of March 31	2023		2022		2021	
	Number of policies	Rate of increase (decrease) (%)	Number of policies	Rate of increase (decrease) (%)	Number of policies	Rate of increase (decrease) (%)
Individual insurance	30,814,290	1.1	30,487,730	2.6	29,714,859	2.1
Individual annuities	4,173,618	(1.5)	4,238,699	2.4	4,137,777	1.2

(2) Policy amounts

Millions of Yen

As of March 31	2023		2022		2021	
	Amount	Rate of increase (decrease) (%)	Amount	Rate of increase (decrease) (%)	Amount	Rate of increase (decrease) (%)
Individual insurance	123,924,468	(2.8)	127,487,630	(1.7)	129,693,686	(2.1)
Individual annuities	25,240,241	(2.6)	25,905,129	3.0	25,148,344	1.4
Group insurance	97,501,864	(0.8)	98,261,344	(0.5)	98,779,188	0.9
Group annuities	14,092,611	1.4	13,895,354	1.8	13,649,007	2.0

Notes: 1. The amount of individual annuities is the total of (a) annuity resources at the start of annuity payments for policies prior to the start of annuity payments and (b) policy reserves for policies after the start of annuity payments.
2. The amount of group annuities represents the amount of the policy reserves.

2. New policies

(1) Number of policies

Number of Policies

Fiscal years ended March 31	2023		2022		2021	
	Number of policies	Rate of increase (decrease) (%)	Number of policies	Rate of increase (decrease) (%)	Number of policies	Rate of increase (decrease) (%)
Individual insurance	3,995,976	(5.1)	4,211,553	10.9	3,796,234	(19.5)
Individual annuities	123,230	(56.0)	279,753	37.9	202,929	(26.8)

Note: The number of policies includes policies that were converted into new policies.

(2) Policy amounts

Millions of Yen

Fiscal years ended March 31		2023		2022		2021	
		Amount	Rate of increase (decrease) (%)	Amount	Rate of increase (decrease) (%)	Amount	Rate of increase (decrease) (%)
Individual insurance	**New policies, including conversions**	**4,989,061**	**(18.8)**	**6,147,714**	**7.2**	**5,737,422**	**(10.4)**
	New policies, excluding conversions	5,290,340	(16.0)	6,299,671	11.7	5,641,346	(11.5)
	Net increase by conversion	(301,278)	—	(151,956)	—	96,075	223.6
Individual annuities	**New policies, including conversions**	**723,730**	**(64.8)**	**2,057,613**	**40.2**	**1,467,438**	**(28.1)**
	New policies, excluding conversions	736,473	(64.0)	2,048,202	40.5	1,458,014	(27.7)
	Net increase by conversion	(12,743)	—	9,410	(0.1)	9,424	(59.4)
Group insurance	**New policies, including conversions**	**894,414**	**312.4**	**216,903**	**(19.8)**	**270,427**	**35.1**
	New policies, excluding conversions	894,414	312.4	216,903	(19.8)	270,427	35.1
		[3,556,222]	9.2	[3,255,391]	(22.9)	[4,223,702]	10.0
	Net increase by conversion	—	—	—	—	—	—
Group annuities	**New policies, including conversions**	**552**	**278.4**	**145**	**(92.9)**	**2,053**	**665.7**
	New policies, excluding conversions	552	278.4	145	(92.9)	2,053	665.7
	Net increase by conversion	—	—	—	—	—	—

Notes: 1. New policies include enrollment using the coverage enhancement system, and conversion indicates enrollment using the coverage revision system and partial coverage revision system.
2. The amount for new policies for individual annuities represents annuity resources at the start of annuity payments.
3. Figures in brackets for group insurance are amounts that include premium increases and the net increase in premiums from midterm enrollments and withdrawals.
4. Figures for group annuities for new policies represent the first-time premium.

19. Annualized Premiums

1. Policies in force

Millions of Yen

As of March 31	2023		2022		2021	
	Amount	Rate of increase (decrease) (%)	Amount	Rate of increase (decrease) (%)	Amount	Rate of increase (decrease) (%)
Individual insurance	2,646,286	0.1	2,644,471	(0.2)	2,649,240	(1.9)
Individual annuities	1,095,486	(2.7)	1,125,625	3.4	1,088,993	2.6
Total	**3,741,772**	**(0.8)**	**3,770,097**	**0.9**	**3,738,233**	**(0.6)**
Medical coverage, living benefits, and others	683,060	1.3	674,088	1.5	663,800	1.0

Notes: 1. The amount of annualized premium is the annual premium amount calculated by multiplying a single premium payment by a factor according to the premium payment method (for single premium, the annualized amount is the total premium divided by the insured period).
2. The amount of medical coverage, living benefits, and others represents annualized premiums related to medical benefits (hospitalization benefits and surgical benefits), living benefits (specified illness benefits and nursing care benefits), and waiver of premium benefits (excluding disability benefits alone, but including specified illness and nursing care benefits).

2. New policies

Millions of Yen

Fiscal years ended March 31	2023		2022		2021	
	Amount	Rate of increase (decrease) (%)	Amount	Rate of increase (decrease) (%)	Amount	Rate of increase (decrease) (%)
Individual insurance	207,262	11.6	185,734	27.5	145,623	(10.3)
Individual annuities	28,219	(68.0)	88,211	37.1	64,357	(26.9)
Total	**235,481**	**(14.0)**	**273,945**	**30.5**	**209,981**	**(16.2)**
Medical coverage, living benefits, and others	49,055	(0.9)	49,518	14.7	43,178	(24.3)

Notes: 1. The amount of annualized premium is the annual premium amount calculated by multiplying a single premium payment by a factor according to the premium payment method (for single premium, the annualized amount is the total premium divided by the insured period).
2. The amount of medical coverage, living benefits, and others represents annualized premiums related to medical benefits (hospitalization benefits and surgical benefits), living benefits (specified illness benefits and nursing care benefits), and waiver of premium benefits (excluding disability benefits alone, but including specified illness and nursing care benefits).
3. Annualized new policy premium includes net increases due to conversions.

20. New Policies by Product

Number of Policies, Millions of Yen

Fiscal years ended March 31		2023		2022		2021	
		Policies	Amount (¥)	Policies	Amount (¥)	Policies	Amount (¥)
Individual insurance	Mortality insurance	[3,278,690]	[8,704,621]	[3,483,118]	[9,393,474]	[3,068,857]	[8,871,790]
		1,445,725	3,744,835	1,470,657	4,004,788	1,218,346	3,536,118
	Term life insurance	[304,383]	[3,435,252]	[334,293]	[4,241,211]	[311,741]	[4,018,134]
		103,366	1,369,827	115,611	1,864,194	99,484	1,558,507
	Whole life insurance	[128,165]	[726,969]	[96,468]	[484,964]	[82,227]	[341,767]
		84,254	585,869	40,749	304,302	28,538	190,545
	Single premium whole life insurance with variable accumulation rate	60,218	300,926	15,413	79,809	16,142	80,452
	Single premium increasing whole life insurance with variable assumed rate	8,739	92,387	10,980	113,067	12,505	124,609
	Three major diseases insurance	[4,585]	[15,376]	[419,492]	[1,370,616]	[384,090]	[1,281,626]
		1,697	5,393	152,106	458,398	136,678	422,705
	New three major diseases insurance (100% death protection type)	[384,728]	[1,429,825]	[—]	[—]	[—]	[—]
		142,435	468,512	—	—	—	—
	Physical disability insurance	[416,534]	[1,330,644]	[452,046]	[1,493,134]	[430,075]	[1,462,878]
		157,614	492,234	176,035	599,588	170,914	602,245
	Nursing care insurance	[364,761]	[1,327,667]	[405,383]	[1,517,725]	[383,574]	[1,483,670]
		113,901	384,438	136,758	493,213	129,950	479,226
	General hospitalization insurance	[730,321]	[—]	[759,530]	[—]	[720,874]	[—]
		367,417	—	356,544	—	308,268	—
	Children's general medical insurance	12,932	—	13,191	—	13,556	—
	Cancer medical insurance	[367,139]	[—]	[377,130]	[—]	[351,830]	[—]
		125,393	—	125,449	—	113,009	—
	Limited injury insurance	[354,027]	[—]	[369,083]	[—]	[349,415]	[—]
		192,435	—	191,222	—	176,493	—
	Disability income insurance	—	—	3,301	—	10,899	—
	Income support insurance for continuous hospitalization	[140,537]	[—]	[224,569]	[—]	[—]	[—]
		73,712	—	131,077	—	—	—
	Increasing term life insurance	[939]	[45,371]	[1,713]	[92,784]	[1,545]	[78,539]
		930	45,043	1,695	92,054	1,526	77,713
	Medical life insurance	—	—	2	0	3	0
	Medical life insurance for retirement	682	201	524	160	381	111
	Life and mortality insurance	[696,399]	[3,058,936]	[701,758]	[3,550,444]	[696,067]	[3,324,766]
		330,923	1,485,917	390,109	2,219,128	383,981	2,016,209
	Endowment insurance	[51,375]	[288,585]	[62,062]	[345,496]	[52,620]	[278,548]
		48,383	278,580	58,411	334,774	49,413	268,091
	Variable insurance with survival benefits in a designated currency	762	6,809	506	5,978	160	2,117
	Term life with survival benefit insurance	[22,807]	[184,797]	[26,742]	[249,091]	[23,677]	[87,507]
		13,458	161,057	15,233	218,479	13,045	60,445
	Three major diseases insurance coverage with continuous support	[2,031]	[15,073]	[234,888]	[1,565,803]	[228,264]	[1,522,532]
		1,239	10,106	135,486	949,065	132,975	935,325
	Three major diseases insurance with maternity support benefits	182	546	292	876	434	1,302
	New three major diseases insurance (10% death protection type)	[294,348]	[1,410,327]	[—]	[—]	[—]	[—]
		125,322	492,770	—	—	—	—
	Specified serious disease insurance coverage	[232,088]	[688,257]	[256,980]	[790,413]	[245,928]	[752,213]
		103,381	291,194	128,859	395,209	122,641	373,633
	Dementia coverage insurance	[75,772]	[289,091]	[101,710]	[402,998]	[125,852]	[484,560]
		21,162	69,404	32,744	124,959	46,181	179,311
	Juvenile insurance	17,034	175,447	18,578	189,785	19,132	195,982
	Multi-increase endowment rider	2	0	5	0	5	0
	Pure endowment	20,887	59,587	26,677	75,753	31,310	89,018
	Educational endowment insurance	20,887	59,587	26,677	75,753	31,310	89,018
		[3,995,976]	[11,823,145]	[4,211,553]	[13,019,673]	[3,796,234]	[12,285,575]
	Subtotal	**1,797,535**	**5,290,340**	**1,887,443**	**6,299,671**	**1,633,637**	**5,641,346**
			<4,989,061>		<6,147,714>		<5,737,422>

20. New Policies by Product, continued

Number of Policies, Millions of Yen

Fiscal years ended March 31		2023		2022		2021	
		Policies	Amount (¥)	Policies	Amount (¥)	Policies	Amount (¥)
Individual annuities	Nissay annuities	[116,655]	[725,181]	[263,298]	[2,022,362]	[191,151]	[1,441,880]
		111,794	699,327	253,250	1,957,561	184,082	1,393,645
	Long-life insurance	6,235	35,945	16,014	88,625	11,756	64,257
	Nissay investment-type annuities	340	1,200	441	2,016	22	111
		[123,230]	[762,328]	[279,753]	[2,113,004]	[202,929]	[1,506,249]
	Subtotal	**118,369**	**736,473**	**269,705**	**2,048,202**	**195,860**	**1,458,014**
			<723,730>		<2,057,613>		<1,467,438>
Group insurance	Group term life insurance	45,503	108,645	40,617	19,620	7,442	21,798
	Three major diseases insurance (Group type)	9,578	15,628	4,182	6,464	1,946	2,207
	Nursing care insurance (Group type)	—	—	—	—	6,174	5,401
	General welfare group term life insurance	54,557	770,140	54,044	190,814	59,542	240,978
	Group credit life insurance	—	—	8	4	6	42
	Subtotal	**109,638**	**894,414**	**98,851**	**216,903**	**75,110**	**270,427**
Group annuities	Insured contributory pension plans	17	0	1,310	3	—	—
	Defined benefit corporate pension plans	—	525	—	13	—	2,006
	Group pure endowment insurance	—	—	—	108	—	—
	Defined contribution pension plans	—	26	—	20	—	46
	Subtotal	**17**	**552**	**1,310**	**145**	**—**	**2,053**
Workers' asset-formation insurance	Workers' asset-formation savings insurance	1,112	216	1,154	195	1,353	229
	Workers' asset-formation housing funding insurance	185	16	223	34	279	23
	Subtotal	**1,297**	**233**	**1,377**	**229**	**1,632**	**253**
Workers' asset-formation annuities	Workers' asset-formation funding annuities	524	24	512	40	639	38
	Subtotal	**524**	**24**	**512**	**40**	**639**	**38**
Medical life insurance	Individual type	4	0	—	—	2	0
	Group type	3,808	18	2,184	9	2,692	8
	Subtotal	**3,812**	**18**	**2,184**	**9**	**2,694**	**8**
Disability income insurance	Group long-term disability income support insurance	1,863,802	47,082	1,558,981	42,116	1,341,372	36,072
	Subtotal	**1,863,802**	**47,082**	**1,558,981**	**42,116**	**1,341,372**	**36,072**

Notes: 1. Amounts in brackets include policies that were converted into new policies, except for subtotal figures in square brackets, which exclude policies prior to conversion.
2. Term life insurance includes group type term life insurance.
3. Policies for multi-increase endowment rider are not included in the subtotals.
4. Policies for group insurance, group annuities, workers' asset-formation insurance, workers' asset-formation annuities, medical life insurance, and disability income insurance represent the number of insured persons.
5. Amounts for individual annuities represent annuity resources at the start of annuity payments.
6. Amounts for group annuities, workers' asset-formation insurance, and workers' asset-formation annuities are the first-time premium.
7. Amounts for medical life insurance represent daily hospitalization benefits.
8. Amounts for disability income insurance represent monthly disability income insurance benefits.

21. Policies in Force by Product

Number of Policies, Millions of Yen

As of March 31		2023		2022		2021	
		Policies	Amount (¥)	Policies	Amount (¥)	Policies	Amount (¥)
Individual insurance	Mortality insurance	26,368,846	104,053,938	26,221,864	107,906,577	25,731,428	111,393,087
	Term life insurance	2,174,648	32,278,281	2,191,447	32,941,979	2,158,676	32,598,845
	Whole life insurance	4,583,863	27,864,872	4,616,858	27,948,821	4,661,490	28,115,854
	Single premium whole life insurance with variable accumulation rate	220,793	1,254,869	213,624	1,206,392	231,895	1,232,768
	Single premium increasing whole life insurance with variable assumed rate	185,302	1,506,179	197,377	1,596,582	205,736	1,653,383
	Whole life insurance with term rider	554,947	9,188,368	668,141	11,404,697	834,066	14,803,800
	Variable life insurance (whole life type)	29,106	400,422	29,860	412,793	30,564	424,338
	Variable life insurance with term rider (whole life type)	16	508	29	815	44	1,363
	Term life insurance with three major diseases term rider	37,066	162,229	50,478	220,987	55,571	243,628
	Whole life insurance with three major diseases term rider	24,846	156,926	25,463	160,925	26,049	165,083
	Three major diseases insurance	2,549,081	8,481,899	2,984,092	10,032,593	2,933,508	9,977,623
	New three major diseases insurance (100% death protection type)	378,981	1,408,149	—	—	—	—
	Physical disability insurance	2,925,021	9,413,677	2,921,158	9,532,315	2,867,036	9,441,675
	Nursing care insurance	2,738,754	10,366,683	2,761,239	10,663,490	2,733,408	10,737,085
	Cancer insurance	125,103	16,149	132,511	17,135	140,246	18,176
	Hospitalization medical insurance	47,630	330	50,299	285	53,018	250
	General medical insurance	1,599,678	1,262	1,929,665	1,013	2,352,391	751
	General hospitalization insurance	2,787,075	—	2,276,973	—	1,638,594	—
	Children's general medical insurance	113,338	—	107,050	—	100,321	—
	Cancer medical insurance	2,392,537	215	2,314,666	176	2,220,438	134
	Limited injury insurance	2,441,164	—	2,384,759	—	2,309,964	—
	Disability income insurance	60,361	—	82,183	—	111,410	—
	Income support insurance for continuous hospitalization	341,500	—	221,861	—	—	—
	Increasing term life insurance	15,297	757,281	18,702	911,179	22,779	1,060,455
	Long-term life insurance with low cash surrender value	5,441	430,212	5,629	446,475	5,802	462,190
	Medical life insurance	840	48	911	52	973	57
	Single premium whole life insurance for retirement	8,033	37,114	8,277	38,245	8,530	39,320
	Medical life insurance for retirement	14,549	5,138	14,312	5,233	14,241	5,356
	Former Dowa Life Insurance	13,876	105,613	14,300	111,136	14,678	116,997
	Term rider	39,937	217,500	46,812	253,246	54,908	293,946
	Life and mortality insurance	4,015,392	18,733,675	3,850,030	18,486,808	3,588,089	17,266,439
	Endowment insurance	608,587	2,776,781	627,294	2,815,785	634,329	2,783,889
	Endowment insurance with term rider *Kurashi no Hoken*	16,077	222,780	17,814	247,882	20,000	280,526
	Variable life insurance (defined term type)	63	328	68	350	87	429
	Variable insurance with survival benefits in a designated currency	12,115	94,983	12,306	99,342	12,231	97,396
	Term life with survival benefit insurance	206,324	939,691	213,750	896,691	216,880	802,196
	Three major diseases insurance coverage with continuous support	1,082,498	6,721,922	1,295,609	8,092,554	1,225,126	7,562,585
	Three major diseases insurance with maternity support benefits	4,791	14,373	5,151	15,453	5,366	16,098
	New three major diseases insurance (10% death protection type)	289,874	1,388,336	—	—	—	—
	Specified serious disease insurance coverage	1,190,863	3,567,601	1,111,654	3,392,903	985,092	3,048,145
	Dementia coverage insurance	275,061	1,050,473	219,372	851,879	124,856	480,708
	Juvenile insurance	328,773	1,791,121	346,588	1,882,442	363,430	1,967,865
	Former Dowa Life Insurance	366	1,666	424	1,810	692	1,913
	Multi-increase endowment rider	1,772	654	2,897	930	5,826	1,602
	Term rider with survival benefit	81,467	162,959	94,902	188,781	112,864	223,081
	Pure endowment	430,052	1,136,855	415,836	1,094,245	395,342	1,034,159
	Educational endowment insurance	429,929	1,135,502	415,711	1,092,807	395,215	1,032,654
	Pure endowment with nursing care benefit	123	1,352	125	1,437	127	1,504
	Subtotal	**30,814,290**	**123,924,468**	**30,487,730**	**127,487,630**	**29,714,859**	**129,693,686**

21. Policies in Force by Product, continued

Number of Policies, Millions of Yen

As of March 31		2023		2022		2021	
		Policies	Amount (¥)	Policies	Amount (¥)	Policies	Amount (¥)
Individual annuities	Nissay annuities	3,652,408	22,369,904	3,692,514	22,945,009	3,580,999	22,139,352
	Individual fixed annuities *Sounen no Sekkei*	50	181	61	215	65	230
	Annuities focused on survival coverage	340,593	2,081,636	347,122	2,123,147	353,457	2,163,447
	Long-life insurance	94,833	512,166	92,079	496,953	80,557	433,617
	Variable assumed rate-type annuities	1,724	5,212	2,248	6,165	2,734	7,243
	Annuities with variable accumulation rate	32,790	81,433	46,790	110,069	52,120	141,958
	Guaranteed minimum maturity benefit equity-indexed annuities	82	176	113	219	118	389
	Nissay investment-type annuities	18,385	76,701	23,170	99,941	31,581	131,304
	Former Dowa Life Insurance	2,847	12,468	2,964	13,250	3,072	13,824
	Annuity rider	28,652	91,326	30,203	99,099	31,535	104,166
	Term rider annualized payment	1,254	9,034	1,435	11,059	1,539	12,808
	Subtotal	**4,173,618**	**25,240,241**	**4,238,699**	**25,905,129**	**4,137,777**	**25,148,344**
Group insurance	Group term life insurance	9,648,676	23,680,775	9,672,776	23,555,815	9,738,391	23,786,455
	Three major diseases insurance (Group type)	145,039	261,809	132,596	230,890	116,980	200,042
	Nursing care insurance (Group type)	97,610	60,276	81,632	48,865	6,134	5,378
	General welfare group term life insurance	5,649,558	36,988,099	5,712,290	37,471,609	5,761,532	38,004,617
	Group credit life insurance	11,588,803	36,473,254	11,755,164	36,915,637	11,919,603	36,743,399
	Consumer credit group insurance	35,005	267	36,704	298	38,591	343
	Group whole life insurance	14	16	20	21	22	23
	Life insurance for dependents of disabled	37,172	24,658	38,496	24,960	39,740	25,308
	Annuities rider (group term life insurance)	6,995	12,706	7,307	13,245	7,680	13,619
	Subtotal	**27,171,700**	**97,501,864**	**27,398,489**	**98,261,344**	**27,588,933**	**98,779,188**
Group annuities	Corporate pension plans	580	3,240	738	3,416	813	3,588
	New insured pension plans	5,477,277	1,083,832	5,435,431	1,070,673	5,267,064	1,047,279
	Insured contributory pension plans	3,183,808	4,800,061	3,254,701	4,702,669	3,302,476	4,603,858
	Defined benefit corporate pension plans	—	7,085,049	—	7,005,978	—	6,875,232
	Employees' pension fund insurance	233,745	168,754	234,881	166,538	234,659	162,761
	Group pure endowment insurance	—	44,997	—	44,696	—	44,204
	Defined contribution pension plans	—	906,675	—	901,381	—	912,083
	Subtotal	**8,895,410**	**14,092,611**	**8,925,751**	**13,895,354**	**8,805,012**	**13,649,007**
Workers' asset-formation insurance	Workers' asset-formation savings insurance	73,773	305,668	78,124	309,458	82,185	308,409
	Workers' asset-formation housing funding insurance	8,323	26,821	9,200	29,131	10,028	31,425
	Workers' asset-formation benefits savings insurance	17,066	1,510	17,406	1,509	17,690	1,545
	Workers' asset-formation fund savings insurance	514	12	526	12	524	11
	Subtotal	**99,676**	**334,012**	**105,256**	**340,111**	**110,427**	**341,392**
Workers' asset-formation annuities	Workers' asset-formation annuities	186	413	194	448	198	479
	Workers' asset-formation funding annuities	42,047	94,281	44,012	98,461	46,053	102,516
	Subtotal	**42,233**	**94,694**	**44,206**	**98,909**	**46,251**	**102,995**
Medical life insurance	Individual type	315	1	349	1	394	1
	Group type	772,840	3,679	841,056	3,699	843,365	3,719
	Subtotal	**773,155**	**3,680**	**841,405**	**3,701**	**843,759**	**3,721**
Disability income insurance	Group disability income insurance	88,891	18,514	94,367	19,066	126,438	21,563
	Group long-term disability income support insurance	1,787,590	44,338	1,522,813	40,529	1,333,384	35,814
	Subtotal	**1,876,481**	**62,853**	**1,617,180**	**59,595**	**1,459,822**	**57,378**
Reinsurance assumed		**20,329**	**20,635**	**28,357**	**27,906**	**37,541**	**33,492**

Notes:
1. *Term life insurance includes group-type term life insurance.*
2. *Whole life insurance includes comprehensive whole life insurance.*
3. *Term rider includes juvenile term life insurance riders and spouse term life insurance riders.*
4. *Term life with survival benefits insurance includes BIG·YOU and Melody.*
5. *Polices for term rider, multi-increase endowment rider, term rider with survival benefit, and life insurance for dependents of disabled are not included in the subtotals.*
6. *The number of policies for group insurance, group annuities, workers' asset-formation insurance, workers' asset-formation annuities, medical life insurance, disability income insurance, and reinsurance assumed represents the number of insured persons.*
7. *Amounts for individual annuities, group insurance (annuities rider), and workers' asset-formation annuities (excluding workers' asset-formation funding annuities) represent the total of annuity resources at the start of annuities for policies prior to the start of annuity payments and policy reserves for policies after the start of annuity payments.*
8. *Amounts for group annuities, workers' asset-formation insurance, and workers' asset-formation funding annuities are amounts for policy reserves.*
9. *Amounts for medical life insurance represent daily hospitalization benefits.*
10. *Amounts for disability income insurance represent monthly disability income insurance benefits.*

22. Amount of Policies in Force by Type of Benefits

Millions of Yen

As of March 31			2023	2022	2021
Death protection	Death protection due to illness/accident	Individual insurance	122,787,613	126,393,385	128,659,527
		Individual annuities	—	—	—
		Group insurance	97,489,157	98,248,098	98,765,569
		Group annuities	—	—	—
		Total, including other types	**220,297,406**	**224,669,390**	**227,458,588**
	Death protection due to accident	Individual insurance	[23,046,243]	[23,978,522]	[25,041,864]
		Individual annuities	[127,533]	[137,583]	[147,351]
		Group insurance	[3,020,918]	[3,045,898]	[3,113,396]
		Group annuities	[—]	[—]	[—]
		Total, including other types	**[26,237,416]**	**[27,213,694]**	**[28,356,251]**
	Death protection due to specific causes	Individual insurance	[145,342]	[154,221]	[163,592]
		Individual annuities	[—]	[—]	[—]
		Group insurance	[139,360]	[132,520]	[124,257]
		Group annuities	[—]	[—]	[—]
		Total, including other types	**[284,702]**	**[286,741]**	**[287,850]**
Pure endowment	Maturity and survival benefits	Individual insurance	1,136,855	1,094,245	1,034,159
		Individual annuities	22,998,341	23,695,086	22,981,756
		Group insurance	558	539	537
		Group annuities	—	—	—
		Total, including other types	**24,189,701**	**24,846,870**	**24,076,287**
	Annuity	Individual insurance	[26,821]	[30,766]	[36,452]
		Individual annuities	[2,864,417]	[2,941,694]	[2,857,556]
		Group insurance	[1,705]	[1,769]	[1,856]
		Group annuities	[—]	[—]	[—]
		Total, including other types	**[2,899,456]**	**[2,980,958]**	**[2,902,827]**
	Other	Individual insurance	—	—	—
		Individual annuities	2,241,900	2,210,043	2,166,587
		Group insurance	12,147	12,705	13,081
		Group annuities	14,092,611	13,895,354	13,649,007
		Total, including other types	**16,721,420**	**16,500,125**	**16,213,231**
Hospitalization coverage	Coverage for hospitalization due to accident	Individual insurance	[42,996]	[42,401]	[41,776]
		Individual annuities	[863]	[928]	[988]
		Group insurance	[1,278]	[1,288]	[1,327]
		Group annuities	[—]	[—]	[—]
		Total, including other types	**[48,818]**	**[48,319]**	**[47,813]**
	Coverage for hospitalization due to illness	Individual insurance	[42,956]	[42,357]	[41,726]
		Individual annuities	[856]	[920]	[980]
		Group insurance	[—]	[—]	[—]
		Group annuities	[—]	[—]	[—]
		Total, including other types	**[47,493]**	**[46,979]**	**[46,429]**
	Coverage for hospitalization due to other causes	Individual insurance	[33,539]	[35,214]	[37,662]
		Individual annuities	[183]	[193]	[203]
		Group insurance	[34]	[32]	[32]
		Group annuities	[—]	[—]	[—]
		Total, including other types	**[33,757]**	**[35,440]**	**[37,898]**
Disability coverage		Individual insurance	—	—	—
		Individual annuities	—	—	—
		Group insurance	—	—	—
		Group annuities	—	—	—
		Total, including other types	**62,853**	**59,595**	**57,378**

Notes: 1. Amounts in brackets represent additional coverage and rider coverage attached to primary policies. However, death protection due to illness/accident of term riders is recorded under primary coverage.
2. Amounts for maturity and survival benefits of pure endowment represent annuity resources at the start of annuity payments for policies prior to the start of annuity payments for individual annuities and group insurance [annuities rider].
3. Amounts for annuity of pure endowment represent annual annuity amounts.
4. Amounts for other of pure endowment represent policy reserves for individual annuities (after start of annuity payments), group insurance (after start of annuities rider payments), and group annuities.
5. Amounts for hospitalization coverage represent daily hospitalization benefits. General hospitalization insurance and income support insurance for extended hospital stays represent the coverage per day.
6. Amounts for "total, including other types" included in coverage for hospitalization due to illness under hospitalization coverage represent the total of primary coverage portions and rider coverage.

22. Amount of Policies in Force by Type of Benefits, continued

Number of Policies

As of March 31		2023	2022	2021
Disability coverage	Individual insurance	[6,756,540]	[6,879,037]	[6,986,317]
	Individual annuities	[49,132]	[52,300]	[55,301]
	Group insurance	[2,623,911]	[2,632,072]	[2,595,461]
	Group annuities	[—]	[—]	[—]
	Total, including other types	**[9,429,583]**	**[9,563,409]**	**[9,637,079]**
Surgical coverage	Individual insurance	[9,502,245]	[9,520,595]	[9,572,147]
	Individual annuities	[187,466]	[201,987]	[215,411]
	Group insurance	[—]	[—]	[—]
	Group annuities	[—]	[—]	[—]
	Total, including other types	**[9,689,711]**	**[9,722,582]**	**[9,787,558]**

Note: Amounts in brackets represent additional coverage of primary policies and rider coverage.

23. Individual Insurance and Annuity Policy Amounts in Force by Product

Millions of Yen

As of March 31		2023	2022	2021
Mortality insurance	Whole life insurance	31,901,830	32,011,475	32,228,254
	Whole life insurance with term rider	9,188,368	11,404,697	14,803,800
	Term life insurance	62,237,885	63,710,936	63,523,249
	Total, including other types	**104,053,938**	**107,906,577**	**111,393,087**
Life and mortality insurance	Endowment insurance	2,776,781	2,815,785	2,783,889
	Endowment insurance with term rider	222,780	247,882	280,526
	Term life insurance with survival benefits	939,691	896,691	802,196
	Total, including other types	**18,733,675**	**18,486,808**	**17,266,439**
Pure endowment	Educational endowment insurance	1,135,502	1,092,807	1,032,654
	Total, including other types	**1,136,855**	**1,094,245**	**1,034,159**
Annuities	**Individual annuities**	**25,240,241**	**25,905,129**	**25,148,344**
Hospitalization/accident riders	Accident rider with extra premium	3,010,131	3,345,601	3,743,777
	Injury rider	5,624,612	6,252,091	7,030,125
	General medical rider	6,739	7,492	8,515
	Hospitalization due to accident rider	4,624	5,165	5,782
	Hospitalization due to illness rider	4,576	5,111	5,721
	Hospitalization due to adult disease rider	267	313	372
	Hospital visit rider	446	521	600
	Long-term hospitalization rider	8	9	10
	Hospitalization rider for women	199	224	254
	Limited injury rider	16,003	19,125	23,422
	Hospitalization due to cancer rider	3,764	4,195	4,847
	Short-term hospitalization rider	1,390	1,549	1,737

Notes: 1. Whole life insurance includes whole life insurance with three major diseases term rider, three major diseases insurance (whole life type), new three major diseases insurance (100% death protection type) (whole life), nursing care insurance (whole life), comprehensive whole life insurance, cancer insurance, medical life insurance for retirement (whole life), single premium whole life insurance for retirement, single premium whole life insurance with variable accumulation rate, and single premium increasing whole life insurance with variable assumed rate.

2. Term life insurance includes term life insurance with three major diseases term rider, three major diseases insurance (term), new three major diseases insurance (100% death protection type) (defined term), physical disability insurance, nursing care insurance (term), group term life insurance, increasing term life insurance, long-term life insurance with low cash surrender value, long-term life insurance with period of extensive coverage for accidents, medical life insurance, and medical life insurance for retirement (term).

3. Term life insurance with survival benefits includes BIG·YOU and Melody.

4. Amounts for individual annuities are the total of annuity resources at the start of annuity payments for policies prior to the start of annuity payments and policy reserves for policies after the start of annuity payments.

5. Amounts for hospitalization and hospital visit riders represent the daily hospitalization and hospital visit benefits.

24. Annualized Premiums for Individual Insurance and Annuity Policies in Force by Product

Millions of Yen

As of March 31		2023	2022	2021
Mortality insurance	Whole life insurance	896,994	896,896	904,469
	Whole life insurance with term rider	128,788	153,646	189,812
	Term life insurance	922,973	923,946	924,390
	Total, including other types	**2,281,655**	**2,291,847**	**2,314,586**
Life and mortality insurance	Endowment insurance	152,853	149,767	143,000
	Endowment insurance with term rider	1,555	1,779	2,067
	Term life insurance with survival benefits	23,980	21,222	16,388
	Total, including other types	**299,986**	**290,424**	**275,911**
Pure endowment	Educational endowment insurance	64,623	62,178	58,719
	Total, including other types	**64,644**	**62,200**	**58,742**
Annuities	**Individual annuities**	**1,095,486**	**1,125,625**	**1,088,993**

Notes: 1. The amount of annualized premium is the annual premium amount calculated by multiplying a single premium payment by a factor according to the premium payment method (for single premium, the annualized amount is the total premium divided by the insured period).
2. Whole life insurance includes whole life insurance with three major diseases term rider, three major diseases insurance (whole life type), new three major diseases insurance (100% death protection type) (whole life), nursing care insurance (whole life), comprehensive whole life insurance, cancer insurance, medical life insurance for retirement (whole life), single premium whole life insurance for retirement, single premium whole life insurance with variable accumulation rate, and single premium increasing whole life insurance with variable assumed rate.
3. Term life insurance includes term life insurance with three major diseases term rider, three major diseases insurance (term), new three major diseases insurance (100% death protection type) (defined term), physical disability insurance, nursing care insurance (term), group term life insurance, increasing term life insurance, long-term life insurance with low cash surrender value, long-term life insurance with period of extensive coverage for accidents, medical life insurance, and medical life insurance for retirement (term).
4. Term life insurance with survival benefits includes BIG·YOU and Melody.

25. Increase in Policy Amounts in Force

1. Number of policies in force and rate of increase

Number of Policies

Fiscal years ended March 31	2023		2022		2021	
	Policies	Rate of increase (decrease) (%)	Policies	Rate of increase (decrease) (%)	Policies	Rate of increase (decrease) (%)
Individual insurance	30,814,290	**1.1**	30,487,730	**2.6**	29,714,859	**2.1**
Mortality insurance	26,368,846	**0.6**	26,221,864	**1.9**	25,731,428	**1.1**
Life and mortality insurance	4,015,392	**4.3**	3,850,030	**7.3**	3,588,089	**9.4**
Pure endowment	430,052	**3.4**	415,836	**5.2**	395,342	**7.2**
Individual annuities	4,173,618	**(1.5)**	4,238,699	**2.4**	4,137,777	**1.2**
Group insurance	27,171,700	**(0.8)**	27,398,489	**(0.7)**	27,588,933	**0.6**
Group annuities	8,895,410	**(0.3)**	8,925,751	**1.4**	8,805,012	**(0.5)**
Workers' asset-formation insurance	99,676	**(5.3)**	105,256	**(4.7)**	110,427	**(4.2)**
Workers' asset-formation annuities	42,233	**(4.5)**	44,206	**(4.4)**	46,251	**(3.7)**
Medical life insurance	773,155	**(8.1)**	841,405	**(0.3)**	843,759	**0.7**
Disability income insurance	1,876,481	**16.0**	1,617,180	**10.8**	1,459,822	**31.1**

Note: The number of policies for group insurance, group annuities, workers' asset-formation insurance, workers' asset-formation annuities, medical life insurance, and disability income insurance represents the number of insured persons.

2. Amount of insurance policies in force and rate of increase

Billions of Yen

Fiscal years ended March 31	2023		2022		2021	
	Amount	Rate of increase (decrease) (%)	Amount	Rate of increase (decrease) (%)	Amount	Rate of increase (decrease) (%)
Individual insurance	123,924.4	**(2.8)**	127,487.6	**(1.7)**	129,693.6	**(2.1)**
Mortality insurance	104,053.9	**(3.6)**	107,906.5	**(3.1)**	111,393.0	**(3.5)**
Life and mortality insurance	18,733.6	**1.3**	18,486.8	**7.1**	17,266.4	**7.5**
Pure endowment	1,136.8	**3.9**	1,094.2	**5.8**	1,034.1	**8.1**
Individual annuities	25,240.2	**(2.6)**	25,905.1	**3.0**	25,148.3	**1.4**
Group insurance	97,501.8	**(0.8)**	98,261.3	**(0.5)**	98,779.1	**0.9**
Group annuities	14,092.6	**1.4**	13,895.3	**1.8**	13,649.0	**2.0**
Workers' asset-formation insurance	334.0	**(1.8)**	340.1	**(0.4)**	341.3	**0.4**
Workers' asset-formation annuities	94.6	**(4.3)**	98.9	**(4.0)**	102.9	**(3.5)**
Medical life insurance	3.6	**(0.6)**	3.7	**(0.5)**	3.7	**0.8**
Disability income insurance	62.8	**5.5**	59.5	**3.9**	57.3	**3.0**

Notes: 1. Amounts for individual annuities, group insurance (annuities rider), and workers' asset-formation annuities (excluding workers' asset-formation funding annuities) are the total of annuity resources at the start of annuity payments for policies prior to the start of annuity payments and policy reserves for policies after the start of annuity payments.
2. Amounts for group annuities, workers' asset-formation insurance, and workers' asset-formation annuities (excluding workers' asset-formation funding annuities) are amounts for policy reserves.
3. Amounts for medical life insurance represent daily hospitalization benefits.
4. Amounts for disability income insurance represent monthly disability income insurance benefits.

26. Increase in New Policies

1. Number of new policies and rate of increase

Number of Policies

Fiscal years ended March 31	2023		2022		2021	
	Policies	Rate of increase (decrease) (%)	Policies	Rate of increase (decrease) (%)	Policies	Rate of increase (decrease) (%)
Individual insurance	1,797,535	**(4.8)**	1,887,443	**15.5**	1,633,637	**(22.1)**
Mortality insurance	1,445,725	**(1.7)**	1,470,657	**20.7**	1,218,346	**(24.6)**
Life and mortality insurance	330,923	**(15.2)**	390,109	**1.6**	383,981	**(14.8)**
Pure endowment	20,887	**(21.7)**	26,677	**(14.8)**	31,310	**(0.2)**
Individual annuities	118,369	**(56.1)**	269,705	**37.7**	195,860	**(26.7)**
Group insurance	109,638	**10.9**	98,851	**31.6**	75,110	**(3.3)**
Group annuities	17	**(98.7)**	1,310	—	—	**—**
Workers' asset-formation insurance	1,297	**(5.8)**	1,377	**(15.6)**	1,632	**(20.2)**
Workers' asset-formation annuities	524	**2.3**	512	**(19.9)**	639	**(13.6)**
Medical life insurance	3,812	**74.5**	2,184	**(18.9)**	2,694	**(19.7)**
Disability income insurance	1,863,802	**19.6**	1,558,981	**16.2**	1,341,372	**32.5**

Notes: 1. The number of policies represents the number of insured persons for group insurance, group annuities, workers' asset-formation insurance, workers' asset-formation annuities, medical life insurance, and disability income insurance.
2. The policies above exclude converted policies.

2. Amount of new policies and rate of increase

Billions of Yen

Fiscal years ended March 31	2023		2022		2021	
	Amount	Rate of increase (decrease) (%)	Amount	Rate of increase (decrease) (%)	Amount	Rate of increase (decrease) (%)
Individual insurance	5,290.3	**(16.0)**	6,299.6	**11.7**	5,641.3	**(11.5)**
Mortality insurance	3,744.8	**(6.5)**	4,004.7	**13.3**	3,536.1	**(9.9)**
Life and mortality insurance	1,485.9	**(33.0)**	2,219.1	**10.1**	2,016.2	**(14.7)**
Pure endowment	59.5	**(21.3)**	75.7	**(14.9)**	89.0	**1.1**
Individual annuities	736.4	**(64.0)**	2,048.2	**40.5**	1,458.0	**(27.7)**
Group insurance	894.4	**312.4**	216.9	**(19.8)**	270.4	**35.1**
Group annuities	0.5	**278.4**	0.1	**(92.9)**	2.0	**665.7**
Workers' asset-formation insurance	0.2	**1.8**	0.2	**(9.3)**	0.2	**(0.5)**
Workers' asset-formation annuities	0.0	**(38.1)**	0.0	**4.3**	0.0	**17.6**
Medical life insurance	0.0	**105.5**	0.0	**7.1**	0.0	**(32.2)**
Disability income insurance	47.0	**11.8**	42.1	**16.8**	36.0	**4.6**

Notes: 1. Amounts for individual annuities are annuity resources at the start of annuity payments.
2. Amounts for group annuities, workers' asset-formation insurance, and workers' asset-formation annuities represent the first-time premium.
3. Amounts for medical life insurance are daily hospitalization benefits.
4. Amounts for disability income insurance are monthly disability income insurance benefits.
5. The policies above exclude converted policies.

27. Average Policy Coverage (Individual Insurance)

Thousands of Yen

	Average policy coverage of new policies			Average policy coverage of policies in force		
Fiscal years ended March 31	2023	2022	2021	2023	2022	2021
Mortality insurance	2,590	2,723	2,902	3,946	4,115	4,329
Life and mortality insurance	4,490	5,688	5,250	4,665	4,801	4,812
Pure endowment	2,852	2,839	2,843	2,643	2,631	2,615
Average	**2,943**	**3,337**	**3,453**	**4,021**	**4,181**	**4,364**

Note: Average policy coverage for new policies excludes converted policies.

28. Percentage of New Policies (Compared to the Beginning of the Fiscal Year)

%

Fiscal years ended March 31	2023	2022	2021
Individual insurance	4.1	4.9	4.3
Individual annuities	3.1	8.9	6.4
Group insurance	0.9	0.2	0.3

Notes: 1. The policies above exclude converted policies.
2. For individual annuities, the ratio of policies prior to start of annuity payments is provided.

29. Rate of Cancellation and Expiration (Compared to the Beginning of the Fiscal Year)

%

Fiscal years ended March 31	2023	2022	2021
Individual insurance	5.1	4.9	4.8
Individual annuities	3.0	2.9	2.7
Group insurance	1.8	1.5	0.7

Notes: 1. The rate of cancellation and expiration is determined by adjusting cancellations and expirations based on increases or decreases in policies and policy reinstatements.
2. For individual annuities, the percentage of policies prior to the start of annuity payments is provided.

30. Average New Policy Premium (Individual Insurance Policies with Monthly Payments)

Yen

Fiscal years ended March 31	2023	2022	2021
Average premium of new individual policies (monthly payment policies)	49,025	47,180	43,450

Notes: 1. Amounts exclude converted policies.
2. Amounts represent policies with annualized monthly payments.

31. Mortality Rate (Primary Individual Insurance Policies)

‰

Fiscal years ended March 31	2023	2022	2021
Number of policies	4.36	4.04	3.81
Insurance amount	6.48	5.86	5.52

Notes: 1. Mortality rate is the rate that is calculated by having mortality incidence policies as the numerator and outstanding policies as the denominator.
2. Outstanding policies are calculated by adding the policies at the start of the fiscal year, policies at the end of the fiscal year, and mortality incidence policies, and then dividing the total by two.
3. Mortality includes serious disability when the contract insures for that event. (When serious disability is not covered by the contract, serious disability is not included in mortality.)

32. Incidence of Events Covered by Riders (Individual Insurance)

‰

Fiscal years ended March 31	2023		2022		2021	
	Ratio of the number of policies	Ratio of the amount of claims on policies	Ratio of the number of policies	Ratio of the amount of claims on policies	Ratio of the number of policies	Ratio of the amount of claims on policies
Accidental death	0.628	0.393	0.516	0.257	0.375	0.250
Disability	0.585	0.224	0.511	0.188	0.533	0.198
Hospitalization due to accident	6.996	171.4	6.685	157.3	6.388	150.9
Hospitalization due to illness	231.177	4,708.3	92.575	1,772.5	73.563	1,261.7
Hospitalization due to adult disease	30.797	530.5	26.599	455.5	23.336	425.3
Surgery due to illness or injury	65.454		63.266		62.846	
Surgery due to adult disease	28.153		24.601		22.821	

Notes: 1. Incidence of the events covered by riders is the rate that is calculated by having incidence of events covered by riders as the numerator and outstanding policies as the denominator.
2. Outstanding policies for accidental death insurance are calculated by adding the policies at the start of the fiscal year, at the end of the fiscal year, and at the incidence of accidental death, and then dividing the total by two. For policies other than accidental death insurance, amounts are calculated by adding the policies at the start of the fiscal year and at the end of the fiscal year, and then dividing the total by two.
3. Accidental death includes serious disability due to accident.

33. Ratio of Insured Amount to Premium Earned by Type of Third-sector Insurance Benefits or Type of Insurance

%

Fiscal years ended March 31	2023	2022	2021
Third-sector incidence rate	51.4	34.2	31.4
Medical care	75.7	40.1	34.8
Cancer	34.9	33.1	32.2
Nursing care	22.9	21.1	20.1
Others	30.7	27.0	26.8

Note: The third-sector incidence rate is calculated by dividing the sum of payments for insured incidents (i.e., payments, such as claims and benefits, matching provision for reserve for outstanding claims [excluding past unreported incidents as defined in Article 72 of the Ordinance for Enforcement of Insurance Business Act in Japan], and total operating expenses related to payments such as claims and benefits) by earned premiums.

34. Operating Expenses Percentage (Ratio of Operating Expenses to Premium Revenues)

%

Fiscal years ended March 31	2023	2022	2021
Operating efficiency (percentage of operating expenses to premium revenues)	12.2	13.3	13.5

35. Number of Major Insurance Companies that Accepted Reinsurance Contracts

Number of Insurance Companies

Fiscal years ended March 31	2023	2022	2021
Number of major insurance companies accepting reinsurance	13 [—]	13 [—]	13 [—]

Notes: 1. Insurance companies and others to which the Company has paid reinsurance premiums are included in the above table.
2. Figures in brackets indicate third-sector insurances (including only policies for which policy reserves are not recorded as provided by Article 71 of the Ordinance for Enforcement of the Insurance Business Act in Japan).

36. Ratio of Reinsurance Premiums Paid to the Top Five Insurance Companies Accepting Reinsurance to Total Reinsurance Premiums

%

Fiscal years ended March 31	2023	2022	2021
Ratio of reinsurance premiums paid to the top five insurance companies	85.8 [—]	82.3 [—]	78.7 [—]

Notes: 1. Insurance companies and others to which the Company has paid reinsurance premiums are included.
2. Figures in brackets indicate third-sector insurances (including only policies for which policy reserves are not recorded as provided by Article 71 of the Ordinance for Enforcement of the Insurance Business Act in Japan).

37. Ratio of Insurance Companies Accepting Reinsurance Contracts by Rating by Rating Agencies

%

Fiscal years ended March 31	2023	2022	2021
A and above	99.8 [—]	99.8 [—]	99.8 [—]
BBB and above, but below A	— [—]	— [—]	— [—]
Others (below BBB or no rating)	0.2 [—]	0.2 [—]	0.2 [—]

Notes: 1. The rating above is based on data compiled by Standard & Poor's Financial Services LLC (S&P). When no rating was available from S&P, such insurance companies are classified as "Others."
2. Figures in brackets indicate third-sector insurances (including only policies for which policy reserves are not recorded as provided by Article 71 of the Ordinance for Enforcement of the Insurance Business Act in Japan).

38. Reinsurance Proceeds to Be Received

Millions of Yen

Fiscal years ended March 31	2023	2022	2021
Reinsurance proceeds to be received	88 [—]	104 [—]	157 [—]

Note: Figures in brackets indicate proceeds from third-sector insurances (which include only policies for which policy reserves are not recorded as provided by Article 71 of the Ordinance for Enforcement of the Insurance Business Act in Japan).

39. Reserve for Outstanding Claims

Millions of Yen

As of March 31		2023	2022	2021
Death and other claims	Mortality insurance claims	118,119	106,171	95,531
	Accident insurance claims	1,879	1,533	1,452
	Serious disability insurance claims	8,595	8,465	9,435
	Maturity benefits	5,296	5,131	6,350
	Others	632	466	533
	Subtotal	**134,523**	**121,768**	**113,304**
Annuity payments		5,514	5,028	4,603
Health and other benefits		34,360	33,318	28,641
Surrender benefits		26,307	28,874	28,712
Deferred benefit payments		1,992	2,216	2,547
Total, including other reserves		**203,782**	**192,426**	**179,010**

40. Policy Reserves

Millions of Yen

As of March 31		2023	2022	2021
Policy reserves	Individual insurance	30,035,008	29,532,881	28,809,266
(Excluding contingency reserve)	[General Account]	[29,935,966]	[29,424,934]	[28,700,735]
	[Separate Account]	[99,042]	[107,947]	[108,531]
	Individual annuities	12,936,196	12,695,904	12,419,309
	[General Account]	[12,920,663]	[12,676,364]	[12,387,087]
	[Separate Account]	[15,532]	[19,539]	[32,221]
	Group insurance	44,220	46,607	46,943
	[General Account]	[44,220]	[46,607]	[46,943]
	[Separate Account]	[—]	[—]	[—]
	Group annuities	14,092,611	13,895,354	13,649,007
	[General Account]	[13,078,615]	[12,833,797]	[12,590,597]
	[Separate Account]	[1,013,996]	[1,061,556]	[1,058,410]
	Other	437,140	446,398	451,026
	[General Account]	[437,140]	[446,398]	[451,026]
	[Separate Account]	[—]	[—]	[—]
	Subtotal	**57,545,177**	**56,617,146**	**55,375,554**
	[General Account]	[56,416,605]	[55,428,103]	[54,176,390]
	[Separate Account]	[1,128,571]	[1,189,043]	[1,199,164]
Contingency reserve		**2,130,358**	**2,060,657**	**2,044,663**
Total		**59,675,536**	**58,677,803**	**57,420,217**
[General Account]		[58,546,964]	[57,488,760]	[56,221,053]
[Separate Account]		[1,128,571]	[1,189,043]	[1,199,164]

41. Breakdown of Policy Reserves

Millions of Yen

As of March 31	2023	2022	2021
Insurance reserve funds	56,517,133	55,590,328	54,331,386
Unearned premiums	1,028,044	1,026,818	1,044,167
Refund reserve	—	—	—
Contingency reserve	2,130,358	2,060,657	2,044,663
Total	**59,675,536**	**58,677,803**	**57,420,217**

42. Policy Reserves for Individual Insurance and Annuities (by Policy Year)

1. Policy reserve valuation method and ratio

%

As of March 31		2023	2022	2021
Valuation method	Policies subject to standard policy reserves	Net level premium method	Net level premium method	Net level premium method
	Policies not subject to standard policy reserves	Net level premium method	Net level premium method	Net level premium method
Ratio (excluding contingency reserve)		100.0	100.0	100.0

Notes: 1. Individual insurance and annuities are within the scope of the application of the valuation method and ratio. Policy reserves for group insurance and annuities are not included in the figures above due to the absence of an accumulation method.
2. The valuation ratio for policies subject to standard policy reserves is calculated in accordance with the method that is prescribed by Ordinance No. 48 issued by the Ministry of Finance in 1996. The ratio for policies not subject to standard policy reserves represents the ratio for the insurance premium reserve calculated by the net level premium method and unearned premium.

2. Policy reserves (breakdown by policy year)

Millions of Yen

Policy year	Balance of policy reserves			Assumed interest rate (%)
As of March 31	2023	2022	2021	
–1981	35,920	39,727	43,613	2.00
1982–1986	1,560,731	1,573,638	1,539,407	2.00–5.50
1987–1991	5,954,593	5,920,250	5,637,189	2.00–5.50
1992–1996	8,348,416	8,409,518	8,385,904	2.00–5.50
1997–2001	3,136,499	3,161,876	3,179,640	1.50–2.75
2002–2006	2,417,901	2,490,224	2,555,203	0.25–1.50
2007–2011	4,503,107	4,634,713	4,745,918	0.25–1.50
2012	1,445,812	1,470,203	1,573,544	0.25–1.50
2013	1,786,667	1,892,317	1,936,251	0.70–1.50
2014	1,761,420	1,787,868	1,791,247	0.50–1.50
2015	1,771,854	1,801,945	1,821,711	0.50–1.00
2016	1,764,903	1,859,412	1,933,052	0.01–1.00
2017	1,581,202	1,601,234	1,650,417	0.01–1.00
2018	1,332,597	1,331,014	1,254,472	0.01–1.00
2019	1,421,249	1,391,749	1,315,805	0.01–4.18
2020	1,177,083	1,155,943	1,053,234	0.01–3.59
2021	880,533	828,368	671,209	0.20–2.42
2022	957,677	751,291	—	0.20–3.21
2023	1,018,455	—	—	0.25–4.70
Total	**42,856,629**	**42,101,299**	**41,087,822**	

Notes: 1. The balance of policy reserves represents policy reserves for individual insurance and individual annuities, excluding policy reserves for the separate account and contingency reserve.
2. The assumed interest rate represents major assumed interest rates on policy reserves for each policy year.

43. Policy Reserves for General Account (Insurance Policies with Separate Account Providing Guaranteed Minimum Insurance Benefits)

1. Policy reserve balance (general account)

Millions of Yen

As of March 31	2023	2022	2021
Policy reserves balance (general account)	24	—	—

Notes: 1. The policy reserve above is applicable to insurance policies (policies subject to standard policy reserves) as defined in Article 68 of the Ordinance for Enforcement of the Insurance Business Act in Japan.
2. The policy reserve balance (general account) represents the insurance premium reserve related to guaranteed minimum insurance benefits.
3. Insurance policies executed on or after April 1, 2004, are subjected to policy reserves.

2. Calculation method and multipliers used as the basis for calculations

In terms of the calculation method, the Company uses the standard method defined in paragraph 14, item 1 of Ordinance No. 48 issued by the Ministry of Finance in 1996.

Regarding the multipliers used as the basis for calculations (volatility), the Company uses the rate prescribed in paragraph 14, item 1 (d) of the above ordinance.

If not prescribed, the Company uses the rate in the statement of calculation procedures for insurance premiums and policy reserves, which is 0.3% for short-term loans. For exchange rate volatility related to foreign currency denominated products, the rates in the below table are used as an alternative method, in accordance with the designated currency.

%

Designated currency	Volatility
U.S. dollar	15.40
Australian dollar	20.60

44. Reasonableness and Validity of the Application of Article 121, Paragraph 1, Item 1 of the Insurance Business Act (Limited to Reserves Relating to Third-sector Insurance)

1. Method for assuring the appropriateness of policy reserves for third-sector insurance

The stress test and liability adequacy test are conducted based on clear risk management policies provided by laws and regulations, or the board of directors of the Company, and necessary policy reserves are calculated appropriately.

In addition, the Internal Audit Department, which is independent of the accounting unit, audits the balance of policy reserves to ensure the appropriateness of the balance.

2. Reasonableness and validity of the level of risk frequency used for the liability adequacy test and stress test

To provide for uncertainty regarding the worsening of the incidence rate of insured events, the Company establishes a risk frequency to cover anticipated and unexpected risks.

Specifically, the Company assumes that the future incidence of insured events follows a normal distribution based on the past experience of insured events and those trends, and has set a level covering increased insurance proceeds at a fixed probability ratio (99.0% and 97.7%).

3. Results of the liability adequacy test and stress test (insurance premium reserve and contingency reserve)

Millions of Yen

As of March 31	2023	2022	2021
Insurance premium reserve	—	—	—
Contingency reserve	3,067	3,188	3,486

45. Reserve for Dividends to Policyholders

Millions of Yen

	Individual insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Other insurance	Total
Fiscal year ended March 31				**2023**			
Balance at the beginning of the fiscal year	**990,305**	**49,317**	**11,633**	**5,436**	**3,178**	**705**	**1,060,577**
Transfer to reserve from surplus in the previous fiscal year	43,156	8,982	121,066	25,020	116	1,524	199,868
Increase in interest	20,993	180	0	0	0	0	21,174
Other increases	—	—	—	—	—	—	—
Policyholder dividends paid out during the fiscal year	57,403	2,803	118,590	28,957	349	1,571	209,674
Other decreases	—	—	—	—	—	—	—
Balance at the end of the fiscal year	**997,052**	**55,677**	**14,110**	**1,499**	**2,946**	**658**	**1,071,945**
	[786,172]	[33,025]	[4,659]	[17]	[2,902]	[21]	[826,798]
Fiscal year ended March 31				**2022**			
Balance at the beginning of the fiscal year	**984,930**	**44,800**	**11,032**	**1,532**	**3,441**	**1,095**	**1,046,832**
Transfer to reserve from surplus in the previous fiscal year	40,217	6,768	118,108	108,988	97	1,826	276,006
Increase in interest	21,161	184	0	0	0	0	21,346
Other increases	—	—	—	—	—	—	—
Policyholder dividends paid out during the fiscal year	56,004	2,435	117,507	105,084	359	2,216	283,608
Other decreases	—	—	—	—	—	—	—
Balance at the end of the fiscal year	**990,305**	**49,317**	**11,633**	**5,436**	**3,178**	**705**	**1,060,577**
	[777,633]	[28,264]	[4,301]	[17]	[3,143]	[157]	[813,518]
Fiscal year ended March 31				**2021**			
Balance at the beginning of the fiscal year	**980,381**	**41,744**	**14,770**	**1,415**	**3,784**	**1,689**	**1,043,785**
Transfer to reserve from surplus in the previous fiscal year	36,758	4,889	111,138	30,757	53	1,548	185,145
Increase in interest	21,258	197	0	0	1	0	21,458
Other increases	—	—	—	—	—	—	—
Policyholder dividends paid out during the fiscal year	53,468	2,031	114,877	30,640	398	2,142	203,557
Other decreases	—	—	—	—	—	—	—
Balance at the end of the fiscal year	**984,930**	**44,800**	**11,032**	**1,532**	**3,441**	**1,095**	**1,046,832**
	[762,864]	[24,204]	[4,050]	[16]	[3,408]	[262]	[794,807]

Note: The numbers in brackets indicate accumulated dividends reserved.

46. Allowance for Doubtful Accounts and Other Provisions

Millions of Yen

As of March 31		2023		2022		2021	
		Amount	Increase (decrease)	Amount	Increase (decrease)	Amount	Increase (decrease)
Allowance for doubtful accounts[1]	General allowance for doubtful accounts	2,891	978	1,912	(3,511)	5,424	4,389
	Specific allowance for doubtful accounts	5,638	640	4,998	2,203	2,794	1,143
	Allowance for specific overseas debt	—	—	—	—	—	—
Allowance for investment loss[2]		28,502	(364)	28,867	(4,012)	32,879	(2,188)
Accrued bonuses for directors and audit and supervisory board members[3]		439	5	434	0	433	341
Accrued retirement benefits[4]		378,333	129	378,203	2,509	375,693	1,233
Accrued retirement benefits for directors and audit and supervisory board members[5]		—	—	—	—	—	(4,304)
Reserve for program points[6]		8,444	(325)	8,770	242	8,528	(335)
Reserve for price fluctuations in investments in securities[7]		1,584,428	(5,804)	1,590,233	68,317	1,521,916	73,902

Notes: Reasons for recording allowances and provisions:

1. Allowance for doubtful accounts is recorded to prepare for bad debt losses.
2. Allowance for investment loss is recorded to prepare for losses from investment.
3. Accrued bonuses for directors, and audit and supervisory board members are recorded for executive bonus payments.
4. Accrued retirement benefits are recorded to prepare for employee retirement benefit and pension payments.
5. Accrued retirement benefits for directors, and audit and supervisory board members are transferred to accounts payable due to the abolishment of the retirement benefit plan for directors, and audit and supervisory members.
6. Reserve for program points is recorded to prepare for expenses from the use of points granted to policyholders.
7. Reserve for price fluctuations in investments in securities is recorded based on the provisions of Article 115 of the Insurance Business Act in Japan.

47. Allowance for Specific Overseas Loans

1. Allowance for specific overseas loans

There were no ending balances as of March 31, 2023, 2022, and 2021.

2. Balance of loans by creditor country

There were no ending balances as of March 31, 2023, 2022, and 2021.

48. Insurance Premiums

1. Premiums by payment method

Millions of Yen

Fiscal years ended March 31	2023	2022	2021
Individual insurance	**2,612,822**	**2,233,309**	**2,249,873**
Single premium	590,332	248,718	248,837
Annual payment	709,386	660,110	655,801
Semiannual payment	1,788	2,123	2,555
Monthly payment	1,311,314	1,322,356	1,342,678
Individual annuities	**714,310**	**729,634**	**701,151**
Single premium	6,794	6,238	4,092
Annual payment	234,452	257,704	242,331
Semiannual payment	1,998	2,159	2,390
Monthly payment	471,065	463,531	452,337
Group insurance	**252,749**	**254,646**	**250,001**
Group annuities	**1,020,435**	**1,041,109**	**1,012,897**
Total, including other premiums	**4,646,819**	**4,306,688**	**4,263,255**

Note: Total, including other premiums, includes premiums of workers' asset-formation insurance, workers' asset-formation annuities, medical life insurance, disability income insurance, and reinsurance assumed.

48. Insurance Premiums, continued

2. Premiums by fiscal year

Millions of Yen

Fiscal years ended March 31		2023	2022	2021
Individual insurance	Initial year premium	888,094	551,214	499,131
Individual annuities	Subsequent year premiums	2,439,038	2,411,728	2,451,893
	Subtotal	**3,327,133**	**2,962,943**	**2,951,025**
Group insurance	Initial year premium	2,209	945	538
	Subsequent year premiums	250,540	253,701	249,462
	Subtotal	**252,749**	**254,646**	**250,001**
Group annuities	Initial year premium	4,047	2,084	3,044
	Subsequent year premiums	1,016,388	1,039,024	1,009,853
	Subtotal	**1,020,435**	**1,041,109**	**1,012,897**
Total, including other premiums	Initial year premium	898,918	558,413	506,540
	Subsequent year premiums	3,747,900	3,748,274	3,756,715
	Total	**4,646,819**	**4,306,688**	**4,263,255**
	[Percentage decrease (%)]	**[7.9]**	**[1.0]**	**[(5.8)]**

Note: Total, including other premiums, includes premiums of workers' asset-formation insurance, workers' asset-formation annuities, medical life insurance, disability income insurance, and reinsurance assumed.

49. Death and Other Claims

1. Amount

Millions of Yen

	Individual insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Medical life insurance	Disability income insurance	Reinsurance assumed	Total
Fiscal year ended March 31					**2023**				
Mortality insurance claims	724,138	4,820	94,211	—	—	2	0	46	823,219
Accident insurance claims	10,335	18	321	—	40	—	—	—	10,715
Serious disability insurance claims	72,208	90	12,555	—	—	—	3	35	84,892
Maturity benefits	138,531	6	—	12,629	2,150	—	—	—	153,318
Others	—	—	—	—	—	—	156	836	993
Total	**945,213**	**4,936**	**107,087**	**12,629**	**2,191**	**2**	**160**	**918**	**1,073,139**
Fiscal year ended March 31					**2022**				
Mortality insurance claims	663,876	4,660	92,529	—	—	2	—	62	761,132
Accident insurance claims	6,361	49	251	—	118	—	—	—	6,780
Serious disability insurance claims	71,467	75	10,970	—	—	—	3	28	82,545
Maturity benefits	148,784	9	—	3,142	1,732	—	—	—	153,668
Others	—	—	—	—	—	—	122	757	879
Total	**890,490**	**4,794**	**103,751**	**3,142**	**1,850**	**2**	**125**	**848**	**1,005,005**
Fiscal year ended March 31					**2021**				
Mortality insurance claims	641,224	4,253	93,121	—	—	3	0	44	738,647
Accident insurance claims	5,998	32	298	—	43	—	—	—	6,372
Serious disability insurance claims	68,822	63	10,605	—	—	—	2	27	79,521
Maturity benefits	171,668	10	—	536	1,910	—	—	—	174,124
Others	—	—	—	—	—	—	180	681	862
Total	**887,713**	**4,359**	**104,026**	**536**	**1,953**	**3**	**183**	**753**	**999,529**

49. Death and Other Claims, continued

2. Number of claims paid

Number of Claims Paid

	Individual insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Medical life insurance	Disability income insurance	Reinsurance assumed	Total
Fiscal year ended March 31					**2023**				
Mortality insurance claims	99,232	2,363	44,316	—	—	133	1	61	146,106
Accident insurance claims	1,062	16	210	—	7	—	—	—	1,295
Serious disability insurance claims	26,341	18	4,325	—	—	—	40	52	30,776
Maturity benefits	30,355	59	—	3	3,363	—	—	—	33,780
Others	—	—	—	—	—	—	5,866	6,440	12,306
Total	**156,990**	**2,456**	**48,851**	**3**	**3,370**	**133**	**5,907**	**6,553**	**224,263**
Fiscal year ended March 31					**2022**				
Mortality insurance claims	90,676	2,132	43,655	—	—	127	—	71	136,661
Accident insurance claims	753	21	204	—	14	—	—	—	992
Serious disability insurance claims	25,408	21	3,979	—	—	—	30	50	29,488
Maturity benefits	32,866	38	—	3	4,156	—	—	—	37,063
Others	—	—	—	—	—	—	4,670	5,494	10,164
Total	**149,703**	**2,212**	**47,838**	**3**	**4,170**	**127**	**4,700**	**5,615**	**214,368**
Fiscal year ended March 31					**2021**				
Mortality insurance claims	84,424	2,004	43,499	—	—	134	2	60	130,123
Accident insurance claims	631	18	206	—	6	—	—	—	861
Serious disability insurance claims	24,074	17	3,822	—	—	—	24	39	27,976
Maturity benefits	38,821	104	—	1	3,704	—	—	—	42,630
Others	—	—	—	—	—	—	3,431	4,284	7,715
Total	**147,950**	**2,143**	**47,527**	**1**	**3,710**	**134**	**3,457**	**4,383**	**209,305**

50. Annuity Payments

Millions of Yen, Number of Policies

	Individual insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Medical life insurance	Disability income insurance	Reinsurance assumed	Total
Fiscal year ended March 31					**2023**				
Annuities paid (¥)	30,276	462,961	1,985	304,677	7,293	—	—	—	807,193
Number of policies	34,451	609,893	23,919	6,104,253	27,644	—	—	—	6,800,160
Fiscal year ended March 31					**2022**				
Annuities paid (¥)	32,609	459,497	2,061	319,338	7,531	—	—	—	821,038
Number of policies	36,236	602,506	25,296	6,140,765	28,081	—	—	—	6,832,884
Fiscal year ended March 31					**2021**				
Annuities paid (¥)	33,517	434,390	2,094	325,716	7,751	—	—	—	803,471
Number of policies	36,397	584,610	26,650	6,129,178	28,353	—	—	—	6,805,188

51. Health and Other Benefits

1. Amount

Millions of Yen

	Individual insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Medical life insurance	Disability income insurance	Reinsurance assumed	Total
Fiscal year ended March 31					**2023**				
Death benefits	4,378	21,998	6	—	520	—	—	—	26,904
Hospitalization benefits	230,805	2,239	50	—	—	6,302	—	85	239,483
Surgical benefits	44,078	1,255	—	—	—	2,414	—	23	47,772
Disability benefits	3,480	12	25	—	—	—	—	—	3,517
Survival benefits	76,924	195	—	—	1,078	—	—	—	78,197
Single benefits	—	—	—	425,561	—	—	—	—	425,561
Other benefits	7,043	2	0	28,795	—	—	—	52	35,895
Total	**366,710**	**25,704**	**83**	**454,356**	**1,598**	**8,716**	**—**	**161**	**857,331**
Fiscal year ended March 31					**2022**				
Death benefits	4,074	20,384	5	—	407	—	—	—	24,872
Hospitalization benefits	97,687	1,469	53	—	—	1,841	—	45	101,097
Surgical benefits	45,851	1,286	—	—	—	2,269	—	38	49,446
Disability benefits	3,174	20	17	—	7	—	—	—	3,220
Survival benefits	77,901	145	—	—	1,322	—	—	—	79,369
Single benefits	—	—	—	412,681	—	—	—	—	412,681
Other benefits	1,279	2	0	29,242	—	—	—	17	30,543
Total	**229,968**	**23,309**	**77**	**441,924**	**1,738**	**4,110**	**—**	**101**	**701,230**
Fiscal year ended March 31					**2021**				
Death benefits	4,282	21,135	5	—	454	—	—	—	25,879
Hospitalization benefits	77,129	1,410	56	—	—	1,456	—	44	80,096
Surgical benefits	48,402	1,297	—	—	—	2,086	—	35	51,822
Disability benefits	3,251	23	38	—	—	—	—	—	3,313
Survival benefits	82,188	123	—	—	1,227	—	—	—	83,538
Single benefits	—	—	—	394,539	—	—	—	—	394,539
Other benefits	939	0	1	21,218	—	—	—	35	22,195
Total	**216,193**	**23,990**	**101**	**415,757**	**1,682**	**3,543**	**—**	**115**	**661,384**

51. Health and Other Benefits, continued

2. Number of claims

Number of claims

	Individual insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Medical life insurance	Disability income insurance	Reinsurance assumed	Total
Fiscal year ended March 31					**2023**				
Death benefits	4,413	5,547	469	—	196	—	—	—	10,625
Hospitalization benefits	2,099,666	51,118	2,288	—	—	156,289	—	15,300	2,324,661
Surgical benefits	445,833	16,633	—	—	—	20,502	—	2,803	485,771
Disability benefits	42,842	108	84	—	—	—	—	—	43,034
Survival benefits	281,045	2,156	—	—	460	—	—	—	283,661
Single benefits	—	—	—	606,343	—	—	—	—	606,343
Other benefits	10,661	21	94	4	—	—	—	11,899	22,679
Total	**2,884,460**	**75,583**	**2,935**	**606,347**	**656**	**176,791**	**—**	**30,002**	**3,776,774**
Fiscal year ended March 31					**2022**				
Death benefits	4,170	5,232	391	—	161	—	—	—	9,954
Hospitalization benefits	919,010	26,001	2,259	—	—	39,713	—	6,762	993,745
Surgical benefits	433,138	16,300	—	—	—	18,921	—	4,437	472,796
Disability benefits	38,533	109	67	—	3	—	—	—	38,712
Survival benefits	295,460	1,573	—	—	479	—	—	—	297,512
Single benefits	—	—	—	579,970	—	—	—	—	579,970
Other benefits	3,073	15	80	4	—	—	—	4,990	8,162
Total	**1,693,384**	**49,230**	**2,797**	**579,974**	**643**	**58,634**	**—**	**16,189**	**2,400,851**
Fiscal year ended March 31					**2021**				
Death benefits	4,181	5,242	418	—	186	—	—	—	10,027
Hospitalization benefits	782,936	24,242	2,557	—	—	30,068	—	5,247	845,050
Surgical benefits	433,415	16,045	—	—	—	17,469	—	3,926	470,855
Disability benefits	36,998	117	111	—	—	—	—	—	37,226
Survival benefits	298,570	1,503	—	—	493	—	—	—	300,566
Single benefits	—	—	—	533,951	—	—	—	—	533,951
Other benefits	3,585	8	116	4	—	—	—	7,767	11,480
Total	**1,559,685**	**47,157**	**3,202**	**533,955**	**679**	**47,537**	**—**	**16,940**	**2,209,155**

52. Surrender Benefits

Millions of Yen

Fiscal years ended March 31	Individual insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Medical life insurance	Disability income insurance	Reinsurance assumed	Total
2023	964,305	155,914	—	11,737	35,340	—	—	—	**1,167,297**
2022	784,786	158,601	—	11,676	32,797	—	—	—	**987,861**
2021	929,686	120,270	—	27,311	31,577	—	—	—	**1,108,847**

53. Depreciation

Millions of Yen

	Acquisition cost	Current-year depreciation	Accumulated depreciation	Balance as of March 31	Accumulated depreciation percentage (%)
Fiscal year ended March 31			**2023**		
Tangible fixed assets	654,303	14,902	475,147	179,156	72.6
Buildings	583,901	9,391	421,870	162,030	72.3
Lease assets	10,680	1,780	6,556	4,124	61.4
Other tangible fixed assets	59,720	3,729	46,719	13,001	78.2
Intangible fixed assets	442,632	37,095	355,439	87,192	80.3
Others	15,770	1,846	7,241	8,529	45.9
Total	**1,112,705**	**53,844**	**837,827**	**274,878**	**75.3**
Fiscal year ended March 31			**2022**		
Tangible fixed assets	638,302	17,495	452,635	185,667	70.9
Buildings	568,136	9,351	400,699	167,437	70.5
Lease assets	13,566	2,398	8,153	5,412	60.1
Other tangible fixed assets	56,599	5,745	43,782	12,817	77.4
Intangible fixed assets	417,677	37,899	319,497	98,179	76.5
Others	13,860	1,556	6,325	7,535	45.6
Total	**1,069,841**	**56,950**	**778,458**	**291,382**	**72.8**
Fiscal year ended March 31			**2021**		
Tangible fixed assets	642,566	16,970	447,628	194,938	69.7
Buildings	566,417	9,298	394,801	171,616	69.7
Lease assets	16,453	2,546	9,414	7,038	57.2
Other tangible fixed assets	59,695	5,124	43,411	16,283	72.7
Intangible fixed assets	376,062	36,236	281,920	94,142	75.0
Others	10,771	1,107	4,918	5,853	45.7
Total	**1,029,400**	**54,314**	**734,467**	**294,933**	**71.3**

54. Operating Expenses

Millions of Yen

Fiscal years ended March 31	2023	2022	2021
Marketing operation expenses	229,618	230,449	230,652
Marketing administration expenses	75,526	78,481	77,501
General and administrative expenses	260,528	262,466	267,069
Total	**565,673**	**571,397**	**575,223**

Notes: 1. Marketing operation expenses and marketing administration expenses include expenditures for underwriting new policies. Marketing operation expenses primarily include expenses related to new policy solicitation and assessment. Marketing administration expenses primarily include expenses related to advertising and sales force.
2. General and administrative expenses include expenditures for maintaining contracts (e.g., expenses related to insurance administration and IT system) and other costs for managing assets.
3. The Company's contributions to the Life Insurance Policyholders Protection Corporation of Japan, as stipulated in Article 265-33, Paragraph 1 of the Insurance Business Act in Japan, were ¥4,678 million in the fiscal year ended March 31, 2022, and ¥5,171 million in the fiscal year ended March 31, 2021 (none in the fiscal year ended March 31, 2023).

55. Loans by Due Date

Millions of Yen

	Within 1 year or under	Over 1 year and within 3 years	Over 3 years and within 5 years	Over 5 years and within 7 years	Over 7 years and within 10 years	Over 10 years (including loans with no fixed maturity)	Total
As of March 31				**2023**			
Loans payable	12,662	3,645	—	—	—	921,000	**937,308**
Corporate bonds	—	—	—	—	—	1,263,265	**1,263,265**
As of March 31				**2022**			
Loans payable	2,603	14,947	—	—	—	720,000	**737,551**
Corporate bonds	—	—	—	—	—	1,420,305	**1,420,305**
As of March 31				**2021**			
Loans payable	2,442	12,852	3,022	—	—	520,000	**538,317**
Corporate bonds	—	—	—	—	—	1,321,512	**1,321,512**

56. Taxes

Millions of Yen

Fiscal years ended March 31		2023	2022	2021
National tax		**29,569**	**29,232**	**29,373**
	Consumption tax	26,350	26,305	26,502
	Special Business tax	2,752	2,490	2,465
	Documentary stamp tax	331	317	304
	Registration and license tax	13	16	15
	Other national tax	121	102	85
Local tax		**23,449**	**22,426**	**22,503**
	Local consumption tax	7,412	7,392	7,442
	Corporate enterprise tax	9,482	8,602	8,533
	Fixed asset tax	5,581	5,450	5,555
	Real estate acquisition tax	52	61	48
	Corporate income tax	887	895	904
	Automobile tax	1	1	1
	Other local tax	31	22	16
Total		**53,019**	**51,659**	**51,876**

57. Lease Transactions

Lease Transactions (as a Lessee)

(1) Finance lease transactions that do not transfer ownership which are accounted for as operating lease transactions

i) Pro forma information relating to acquisition cost, accumulated depreciation, and book value of leased assets as of fiscal year end

There were no ending balances for the fiscal years ended March 31, 2023, 2022, and 2021.

ii) Future minimum lease payments at year-end

There were no ending balances for the fiscal years ended March 31, 2023, 2022, and 2021.

iii) Lease payments and depreciation

There were no ending balances for the fiscal years ended March 31, 2023, 2022, and 2021.

(2) Operating lease transactions

Millions of Yen

Fiscal years ended March 31		2023	2022	2021
Future minimum lease payments at year-end	Within one year	468	611	629
	Over one year	139	410	870
	Total	**608**	**1,022**	**1,500**

Lease Transactions (as a Lessor)

(1) Operating lease transactions

Millions of Yen

Fiscal years ended March 31		2023	2022	2021
Future minimum lease payments at year-end	Within one year	19,306	16,145	13,888
	Over one year	72,501	66,186	60,316
	Total	**91,808**	**82,332**	**74,204**

58. Overview of Investment for the Fiscal Year Ended March 31, 2023 (General Account)

(1) Investment environment

In the fiscal year ended March 31, 2023, the Japanese economy saw a 40-year high growth in consumer prices, mainly due to the rising cost of resources and import price hikes caused by the depreciation of yen. However, consumer spending and capital investment held up against the backdrop of the lifting of movement restrictions, high levels of savings, robust corporate earnings, and other factors. Meanwhile, the economy as a whole struggled to make any headway as exports were sluggish on the back of the slowdown of overseas economies, especially Europe and the U.S. The real GDP is yet to reach the pre-pandemic level excluding the impact of the consumption tax hike, and the economy is still halfway through normalization.

- The Nikkei Stock Average at the start of the fiscal year was ¥27,665 and held up throughout the fiscal year. This was due to robust corporate earnings on the back of the resumption of economic activities in Japan, despite being affected by such factors as a sense of uncertainty about overseas monetary policies, a monetary policy tweak by the Bank of Japan, and geopolitical risks. At the end of March 2023, the price stood at ¥28,041.
- The yield rate on 10-year Japanese government bonds at the start of the fiscal year was 0.22%. The rate surged to nearly 0.50% after the Bank of Japan, in December 2022, expanded the volatility range of 10-year yield from ±0.25% to ±0.50% under its yield curve control policy. Thereafter, the rate slightly declined in response to concerns over financial system stability in Europe and the U.S., and stood at 0.32% at the end of March 2023.
- The yen-dollar exchange rate at the start of the fiscal year was at the ¥122 level. Thereafter, the yen depreciated to the ¥150 level against the dollar at one point on the back of interest rate hikes in the U.S., which widened the U.S.-Japan interest rate gap. However, the yen appreciated toward the second half of the fiscal year to the ¥130 level, due to the monetary policy tweak by the Bank of Japan and concerns over financial system stability that resulted in receding expectations for further interest rate hikes in the U.S. At the end of March 2023, the exchange rate was ¥133.53 against the dollar.

  The yen-euro exchange rate at the start of the fiscal year was at the ¥135 level. Thereafter, the yen depreciated against the euro on the back of interest rate hikes in Europe, which widened the EU-Japan interest rate gap. At the end of March 2023, the exchange rate was ¥145.72 against the euro.

(2) Investment policy

The Company creates portfolios that serve as core medium- to long-term investments based on its ALM approach of appropriately controlling assets and liabilities.

Specifically, to supply the stable long-term yields promised to policyholders, the Company has positioned government and corporate bonds as well as loans that it expects to provide stable Japanese yen-denominated revenue as its primary assets. Furthermore, the Company is investing in domestic and foreign securities with an aim to improve its medium- to long-term profitability and increase returns to policyholders, while managing safety and risks associated with the investments to keep them within an acceptable level. The Company also continues to invest in other assets that are expected to earn excess returns, such as corporate bonds and securitized products, as well as private equity, hedge funds, and other investment areas in order to diversify earning sources and hedge investment risks.

(3) Overview of investment results

In the fiscal year ended March 31, 2023, the Company positioned yen-denominated assets that can be expected to provide stable income, such as public and corporate bonds, as its core assets. In addition, the Company continued to invest in domestic and foreign securities with an aim to improve its medium- to long-term profitability, while managing safety and risks associated with the investments to keep them within an acceptable level.

Public and corporate bonds

Considering the advantages of yen-denominated interest rate assets, the Company carefully increased the outstanding balance of bonds when positive signs were seen in interest rate trends.

Stocks

The Company shuffled investments in stocks during the year by assessing earning power and dividend payout trends of investees in order to improve the profitability of portfolios over a medium- to long-term period.

Foreign securities

Regarding foreign securities, the Company invested in foreign currency-denominated bonds based on currency movements. Also, the Company invested in foreign bonds that hedge the risk of exchange rate fluctuations, taking into consideration the advantages of yen-denominated interest rate assets.

Loans

The Company focused on safe and stable prime lending by appropriately assessing credit risks.

Real estate

The Company strove to improve the quality of its own buildings to secure profitability by maintaining occupancy rates and renovating existing properties.

58. Overview of Investment for the Fiscal Year Ended March 31, 2023 (General Account), continued

Billions of Yen

As of March 31	2023	Increase*	Breakdown (%)
General account total	**74,457.4**	**263.2**	**100.0**
Domestic bonds	30,156.3	2,056.0	40.5
Domestic stocks	10,253.6	76.2	13.8
Foreign securities	18,954.4	(2,201.0)	25.5
Loans	7,794.6	296.6	10.5
Real estate	1,705.0	9.2	2.3

** Amounts indicate increase/decrease in the book value.*

59. Portfolio Trends (General Account)

1. Asset composition

Millions of Yen

As of March 31	2023		2022		2021	
	Amount	%	Amount	%	Amount	%
Cash, deposits, and call loans	899,005	1.2	984,368	1.3	984,375	1.4
Receivables under resale agreements	—	—	—	—	—	—
Receivables under securities borrowing transactions	—	—	—	—	—	—
Monetary receivables purchased	124,514	0.2	150,404	0.2	172,601	0.2
Proprietary trading securities	—	—	—	—	—	—
Assets held in trust	—	—	—	—	135	0.0
Investments in securities	62,490,425	83.9	63,817,836	84.7	61,505,813	84.5
Domestic bonds	30,156,387	40.5	28,150,793	37.4	26,225,414	36.1
Domestic stocks	10,253,648	13.8	10,186,935	13.5	10,578,247	14.5
Foreign securities	18,954,472	25.5	22,105,757	29.3	21,264,164	29.2
Foreign bonds	10,072,985	13.5	13,776,050	18.3	13,767,097	18.9
Foreign stocks and other securities	8,881,486	11.9	8,329,706	11.1	7,497,067	10.3
Other securities	3,125,916	4.2	3,374,349	4.5	3,437,986	4.7
Loans	7,794,689	10.5	7,498,037	9.9	7,430,704	10.2
Policy loans	437,868	0.6	457,394	0.6	490,826	0.7
Industrial and consumer loans	7,356,821	9.9	7,040,642	9.3	6,939,877	9.5
Real estate	1,705,034	2.3	1,695,767	2.3	1,686,615	2.3
Investment property	1,109,579	1.5	1,086,306	1.4	1,070,709	1.5
Deferred tax assets	—	—	—	—	—	—
Other assets	1,452,341	2.0	1,220,422	1.6	974,891	1.3
Allowance for doubtful accounts	(8,530)	(0.0)	(6,910)	(0.0)	(8,219)	(0.0)
Total	**74,457,479**	**100.0**	**75,359,925**	**100.0**	**72,746,918**	**100.0**
Foreign currency-denominated assets	18,134,015	24.4	21,569,434	28.6	20,675,767	28.4

Note: Real estate amount is the sum of land, buildings, and construction in progress.

59. Portfolio Trends (General Account), continued

2. Increases/decreases in assets

Millions of Yen

Fiscal years ended March 31	2023	2022	2021
Cash, deposits, and call loans	(85,362)	(7)	(12,136)
Receivables under resale agreements	—	—	—
Receivables under securities borrowing transactions	—	—	—
Monetary receivables purchased	(25,890)	(22,197)	(46,466)
Proprietary trading securities	—	—	—
Assets held in trust	—	(135)	(33,644)
Investments in securities	(1,327,411)	2,312,022	5,078,170
Domestic bonds	2,005,593	1,925,379	1,567,252
Domestic stocks	66,712	(391,311)	2,720,022
Foreign securities	(3,151,284)	841,592	792,734
Foreign bonds	(3,703,064)	8,953	(423,984)
Foreign stocks and other securities	551,780	832,639	1,216,718
Other securities	(248,432)	(63,637)	(1,838)
Loans	296,652	67,333	18,894
Policy loans	(19,526)	(33,431)	(63,459)
Industrial and consumer loans	316,179	100,764	82,353
Real estate	9,266	9,152	27,883
Investment property	23,272	15,597	9,310
Deferred tax assets	—	—	—
Other assets	231,918	245,531	(148,960)
Allowance for doubtful accounts	(1,619)	1,308	(5,532)
Total	**(902,445)**	**2,613,007**	**4,878,208**
Foreign currency-denominated assets	(3,435,419)	893,667	988,389

Note: Real estate amount is the sum of land, buildings, and construction in progress.

60. Average Balance and Yield on Primary Assets (General Account)

Millions of Yen

Fiscal years ended March 31	2023		2022		2021	
	Average balance	Yield (%)	Average balance	Yield (%)	Average balance	Yield (%)
Cash, deposits, and call loans	849,359	0.12	860,780	(0.03)	849,403	0.24
Receivables under resale agreements	—	—	—	—	—	—
Receivables under securities borrowing transactions	—	—	—	—	—	—
Monetary receivables purchased	136,158	1.38	158,678	1.83	194,595	1.84
Proprietary trading securities	—	—	—	—	—	—
Assets held in trust	—	—	4,411	(1.94)	13,552	(251.94)
Investments in securities	54,949,869	2.33	53,547,023	3.08	51,535,561	3.24
Domestic bonds	28,818,943	1.23	27,109,615	1.27	25,558,349	1.98
Domestic stocks	4,554,821	11.74	4,550,525	12.49	4,636,703	4.72
Foreign securities	18,278,807	2.35	18,629,169	3.67	18,120,396	4.91
Foreign bonds	10,607,616	(0.25)	11,812,278	2.65	11,874,098	4.13
Foreign stocks and other securities	7,671,191	5.94	6,816,891	5.43	6,246,297	6.39
Loans	7,548,008	1.24	7,385,278	1.39	7,498,335	1.31
Industrial and consumer loans	7,101,251	1.04	6,913,411	1.18	6,957,933	1.11
Real estate	1,706,374	2.48	1,698,712	2.45	1,664,375	2.76
Investment property	1,102,705	3.75	1,085,093	3.75	1,047,254	4.29
General account total	**67,824,181**	**2.08**	**65,844,407**	**2.78**	**63,832,163**	**2.72**
Overseas investments	20,020,196	2.19	20,372,460	3.47	19,759,160	4.60

Notes: 1. Yields are calculated by dividing investment income, less investment expenses, by the daily average book value balance.
2. The amount of overseas investments is the sum of assets denominated in foreign currencies and Japanese yen.

61. Investment Income (General Account)

Millions of Yen

Fiscal years ended March 31	2023	2022	2021
Interest, dividends, and other income	1,728,151	1,537,372	1,381,994
Gain on proprietary trading securities	—	—	—
Gain from assets held in trust, net	—	—	—
Gain from trading securities	—	—	—
Gain on sales of securities	805,588	465,253	507,284
Gain on redemptions of securities	28,309	7,822	3,690
Gain on derivative financial instruments, net	—	—	—
Foreign exchange gains, net	31,355	70,327	68,465
Reversal of allowance for doubtful accounts	—	1,292	—
Reversal of allowance for investment loss	364	4,012	2,188
Other investment income	1,053	856	1,177
Total	**2,594,821**	**2,086,936**	**1,964,801**

62. Investment Expenses (General Account)

Millions of Yen

Fiscal years ended March 31	2023	2022	2021
Interest expenses	37,477	32,561	28,437
Loss on proprietary trading securities	—	—	—
Loss from assets held in trust, net	—	85	34,144
Loss from trading securities	—	—	—
Loss on sales of securities	874,392	113,617	40,193
Loss on valuation of securities	6,234	13,121	4,963
Loss on redemptions of securities	7,045	7,052	14,736
Loss on derivative financial instruments, net	175,940	12,961	48,004
Foreign exchange losses, net	—	—	—
Provision for allowance for doubtful accounts	4,855	—	5,968
Provision for allowance for investment loss	—	—	—
Write-offs of loans	—	—	—
Depreciation of rental real estate and other assets	19,286	18,355	17,830
Other investment expenses	60,204	58,478	33,203
Total	**1,185,436**	**256,233**	**227,482**

63. Interest, Dividends, and Other Income (General Account)

Millions of Yen

Fiscal years ended March 31	2023	2022	2021
Interest on deposits and savings	3,004	555	874
Interest on securities and dividends	1,479,023	1,316,643	1,174,673
Interest on bonds	402,987	393,176	386,191
Domestic stock dividends	258,270	244,591	194,331
Interest/dividends on foreign securities	755,250	624,079	538,212
Interest on loans	122,250	104,337	108,633
Real estate rental income	112,193	107,731	88,036
Total, including other income	**1,728,151**	**1,537,372**	**1,381,994**

64. Analysis of Interest, Dividends, and Other Income (General Account)

Millions of Yen

Fiscal years ended March 31	2023			2022			2021		
	Change in asset allocation balance	Increase (decrease) from interest variance	Total increase (decrease)	Change in asset allocation balance	Increase (decrease) from interest variance	Total increase (decrease)	Change in asset allocation balance	Increase (decrease) from interest variance	Total increase (decrease)
Interest, dividends, and other income	**46,224**	**144,554**	**190,779**	**43,565**	**111,811**	**155,377**	**42,610**	**(86,793)**	**(44,182)**
Cash, deposits, and call loans	(12)	4,172	4,160	18	(471)	(452)	(1,046)	(6,733)	(7,779)
Securities	34,493	127,886	162,380	45,848	96,121	141,969	42,140	(62,896)	(20,756)
Loans	2,299	15,613	17,912	(1,637)	(2,658)	(4,296)	722	(13,900)	(13,177)
Real estate	485	3,976	4,462	1,816	17,878	19,694	443	(911)	(468)

65. Gain on Sales of Securities (General Account)

Millions of Yen

Fiscal years ended March 31	2023	2022	2021
Domestic bonds	128,906	23,938	50,774
Domestic stocks and other securities	298,016	366,791	89,320
Foreign securities	377,868	74,524	367,189
Total, including other gains on sales of securities	**805,588**	**465,253**	**507,284**

66. Loss on Sales of Securities (General Account)

Millions of Yen

Fiscal years ended March 31	2023	2022	2021
Domestic bonds	177,489	75,728	2,319
Domestic stocks and other securities	100,815	15,014	33,847
Foreign securities	596,081	22,873	4,019
Total, including other losses on sales of securities	**874,392**	**113,617**	**40,193**

67. Loss on Valuation of Securities (General Account)

Millions of Yen

Fiscal years ended March 31	2023	2022	2021
Domestic bonds	—	—	—
Domestic stocks and other securities	4,266	11,644	1,874
Foreign securities	1,966	1,463	3,074
Total, including other losses on valuation of securities	**6,234**	**13,121**	**4,963**

68. Proprietary Trading Securities (General Account)

There are no ending balances as of March 31, 2023, 2022, and 2021.

69. Proprietary Trading Securities Trading Volume (General Account)

There are no ending balances for the fiscal years ended March 31, 2023, 2022, and 2021.

70. Breakdown of Investments in Securities (General Account)

Millions of Yen

As of March 31	2023		2022		2021	
	Amount	%	Amount	%	Amount	%
Domestic bonds	30,156,387	48.3	28,150,793	44.1	26,225,414	42.6
National government bonds	27,362,163	43.8	25,099,962	39.3	23,170,114	37.7
Local government bonds	815,220	1.3	844,972	1.3	830,406	1.4
Corporate bonds	1,979,003	3.2	2,205,858	3.5	2,224,893	3.6
Public entity bonds	715,508	1.1	819,400	1.3	853,621	1.4
Domestic stocks	10,253,648	16.4	10,186,935	16.0	10,578,247	17.2
Foreign securities	18,954,472	30.3	22,105,757	34.6	21,264,164	34.6
Foreign bonds	10,072,985	16.1	13,776,050	21.6	13,767,097	22.4
Foreign stocks and other securities	8,881,486	14.2	8,329,706	13.1	7,497,067	12.2
Other securities	3,125,916	5.0	3,374,349	5.3	3,437,986	5.6
Total	**62,490,425**	**100.0**	**63,817,836**	**100.0**	**61,505,813**	**100.0**

71. Breakdown of Investments in Securities by Maturity Dates (General Account)

Millions of Yen

As of March 31	Within 1 year or under	Over 1 year and within 3 years	Over 3 years and within 5 years	Over 5 years and within 7 years	Over 7 years and within 10 years	Over 10 years (including securities with no fixed maturity)	Total
	2023						
Investments in securities	918,244	2,810,548	4,091,407	4,812,023	4,926,334	44,931,868	**62,490,425**
Domestic bonds							
National government bonds	399,637	1,443,076	1,632,019	1,648,441	1,916,067	20,322,919	**27,362,163**
Local government bonds	13,716	37,495	58,622	119,375	136,280	449,729	**815,220**
Corporate bonds	125,615	187,983	247,247	303,021	297,305	817,831	**1,979,003**
Domestic stocks						10,253,648	**10,253,648**
Foreign securities	350,342	821,891	1,365,947	1,801,236	2,197,627	12,417,426	**18,954,472**
Foreign bonds	292,128	795,778	1,305,541	1,652,122	1,849,217	4,178,197	**10,072,985**
Foreign stocks and other securities	58,213	26,112	60,406	149,114	348,409	8,239,229	**8,881,486**
Other securities	28,932	320,101	787,569	939,948	379,052	670,311	**3,125,916**
Monetary receivables purchased	7,999	657	1,379	15,138	17,280	82,058	**124,514**
Negotiable certificates of deposit	207,599	—	—	—	—	—	**207,599**
Total	**1,133,843**	**2,811,205**	**4,092,786**	**4,827,161**	**4,943,614**	**45,013,926**	**62,822,538**

71. Breakdown of Investments in Securities by Maturity Dates (General Account), continued

Millions of Yen

As of March 31	Within 1 year or under	Over 1 year and within 3 years	Over 3 years and within 5 years	Over 5 years and within 7 years	Over 7 years and within 10 years	Over 10 years (including securities with no fixed maturity)	Total
2022							
Investments in securities	1,003,556	2,785,737	4,576,004	5,500,492	5,962,100	43,989,944	**63,817,836**
Domestic bonds							
National government bonds	322,015	1,485,306	2,020,875	1,507,886	2,194,265	17,569,612	**25,099,962**
Local government bonds	4,251	26,576	74,256	50,543	156,490	532,852	**844,972**
Corporate bonds	88,853	207,160	256,439	341,100	357,816	954,488	**2,205,858**
Domestic stocks						10,186,935	**10,186,935**
Foreign securities	551,355	866,316	1,598,131	2,141,640	2,634,712	14,313,600	**22,105,757**
Foreign bonds	522,252	810,015	1,569,810	2,084,229	2,433,398	6,356,344	**13,776,050**
Foreign stocks and other securities	29,103	56,301	28,320	57,411	201,313	7,957,255	**8,329,706**
Other securities	37,079	200,376	626,301	1,459,320	618,816	432,454	**3,374,349**
Monetary receivables purchased	9,999	—	2,232	15,504	23,829	98,839	**150,404**
Negotiable certificates of deposit	169,598	—	—	—	—	—	**169,598**
Total	**1,183,154**	**2,785,737**	**4,578,236**	**5,515,997**	**5,985,929**	**44,088,783**	**64,137,839**
2021							
Investments in securities	1,071,459	2,336,429	3,546,347	5,299,713	7,470,649	41,781,214	**61,505,813**
Domestic bonds							
National government bonds	433,649	1,035,846	1,805,225	1,799,383	2,525,577	15,570,432	**23,170,114**
Local government bonds	1,800	18,063	37,940	58,757	149,199	564,646	**830,406**
Corporate bonds	59,388	178,363	235,682	288,262	493,817	969,378	**2,224,893**
Domestic stocks						10,578,247	**10,578,247**
Foreign securities	496,204	1,006,067	1,111,357	1,970,682	3,088,081	13,591,770	**21,264,164**
Foreign bonds	474,819	958,809	1,087,393	1,927,481	2,971,828	6,346,765	**13,767,097**
Foreign stocks and other securities	21,385	47,257	23,964	43,201	116,252	7,245,005	**7,497,067**
Other securities	80,416	98,089	356,140	1,182,626	1,213,974	506,738	**3,437,986**
Monetary receivables purchased	6,108	22	2,500	6,768	33,800	123,401	**172,601**
Negotiable certificates of deposit	113,998	—	—	—	—	—	**113,998**
Total	**1,191,566**	**2,336,452**	**3,548,847**	**5,306,481**	**7,504,449**	**41,904,615**	**61,792,414**

72. Bond Yields (General Account)

%

As of March 31	2023	2022	2021
Domestic bonds	1.41	1.47	1.55
Foreign bonds	2.43	2.51	2.60
Japanese yen denominated	1.16	1.05	1.13
Foreign currency denominated	2.54	2.60	2.69

73. Stocks Held—Breakdown by Industry (General Account)

Millions of Yen

As of March 31	2023		2022		2021	
	Amount	%	Amount	%	Amount	%
Fishery, agriculture, and forestry	3,394	0.0	3,430	0.0	3,756	0.0
Mining	1,628	0.0	1,667	0.0	1,086	0.0
Construction	146,354	1.4	141,573	1.4	151,277	1.4
Manufacturing						
Food	329,022	3.2	298,870	2.9	300,157	2.8
Textiles and apparel	107,031	1.0	88,244	0.9	97,366	0.9
Pulp and paper	20,928	0.2	23,731	0.2	28,828	0.3
Chemicals	948,706	9.3	966,792	9.5	1,156,254	10.9
Pharmaceuticals	849,548	8.3	687,077	6.7	878,988	8.3
Oil and coal products	13,188	0.1	13,288	0.1	13,034	0.1
Rubber products	77,590	0.8	68,533	0.7	83,497	0.8
Glass and ceramic products	81,594	0.8	81,886	0.8	92,709	0.9
Iron and steel	110,182	1.1	112,550	1.1	96,455	0.9
Nonferrous metals	74,361	0.7	71,686	0.7	73,669	0.7
Metal products	32,410	0.3	31,023	0.3	40,752	0.4
Machinery	540,052	5.3	533,795	5.2	639,091	6.0
Electric appliances	1,160,289	11.3	1,223,594	12.0	1,411,198	13.3
Transportation equipment	1,667,012	16.3	1,909,945	18.7	1,559,253	14.7
Precision instruments	110,565	1.1	107,019	1.1	180,019	1.7
Other products	134,620	1.3	114,397	1.1	111,141	1.1
Electric power and gas	267,836	2.6	258,071	2.5	318,897	3.0
Transportation, information, and communication						
Land transportation	474,329	4.6	458,258	4.5	561,448	5.3
Marine transportation	23,395	0.2	22,378	0.2	7,911	0.1
Air transportation	9,226	0.1	8,264	0.1	8,447	0.1
Warehousing and harbor transportation services	10,119	0.1	8,342	0.1	8,294	0.1
Information and communication	609,730	5.9	635,158	6.2	558,251	5.3
Trade and services						
Wholesale trade	538,525	5.3	492,640	4.8	393,452	3.7
Retail trade	312,549	3.0	288,579	2.8	300,879	2.8
Finance and insurance						
Banking	406,306	4.0	348,616	3.4	379,266	3.6
Securities and trading	67,795	0.7	69,689	0.7	68,703	0.6
Insurance	749,595	7.3	701,192	6.9	636,364	6.0
Other financial services	60,913	0.6	61,005	0.6	62,981	0.6
Real estate	44,470	0.4	45,285	0.4	47,274	0.4
Services	270,367	2.6	310,344	3.0	307,536	2.9
Total	**10,253,648**	**100.0**	**10,186,935**	**100.0**	**10,578,247**	**100.0**

74. Loans (General Account)

Millions of Yen

As of March 31	2023	2022	2021
Policy loans	**437,868**	**457,394**	**490,826**
Premium loans	26,254	29,050	32,400
Policyholder loans	411,613	428,344	458,426
Industrial and consumer loans	**7,356,821**	**7,040,642**	**6,939,877**
[Loans to nonresidents]	[779,051]	[688,264]	[582,479]
Corporate loans—international and domestic	5,569,719	5,274,701	5,192,071
[Corporate loans—domestic]	[4,798,452]	[4,594,801]	[4,618,216]
Loans to national, international, and government-affiliated organizations	767	1,099	1,136
Loans to public entities	449,791	462,762	453,375
Housing loans	885,802	849,704	833,315
Consumer loans	361,221	367,537	371,141
Other loans	89,518	84,837	88,837
Total	**7,794,689**	**7,498,037**	**7,430,704**

75. Industrial and Consumer Loans by Maturity Date (General Account)

Millions of Yen

	Within 1 year or under	Over 1 year and within 3 years	Over 3 years and within 5 years	Over 5 years and within 7 years	Over 7 years and within 10 years	Over 10 years (including loans with no fixed maturity)	Total
As of March 31				**2023**			
Fixed-rate loans	786,686	1,059,134	890,134	610,721	948,588	1,824,774	**6,120,040**
Variable-rate loans	78,705	216,781	230,068	128,897	186,905	395,422	**1,236,781**
Total loans	**865,391**	**1,275,916**	**1,120,202**	**739,619**	**1,135,494**	**2,220,196**	**7,356,821**
As of March 31				**2022**			
Fixed-rate loans	821,489	1,115,515	835,751	592,803	882,284	1,730,419	**5,978,261**
Variable-rate loans	55,535	132,856	190,259	160,606	183,553	339,568	**1,062,380**
Total loans	**877,024**	**1,248,372**	**1,026,010**	**753,410**	**1,065,837**	**2,069,987**	**7,040,642**
As of March 31				**2021**			
Fixed-rate loans	822,655	1,106,130	891,093	642,924	811,906	1,681,103	**5,955,813**
Variable-rate loans	65,986	148,864	146,402	162,176	160,440	300,192	**984,063**
Total loans	**888,642**	**1,254,994**	**1,037,496**	**805,101**	**972,347**	**1,981,295**	**6,939,877**

76. Loans to Domestic Companies by Company Size (General Account)

Number of Borrowers, Millions of Yen

As of March 31		**2023**		**2022**		**2021**	
		Number/Amount	**%**	**Number/Amount**	**%**	**Number/Amount**	**%**
Large companies	Number of borrowers	671	40.5	673	40.4	705	40.0
	Amount of loans (¥)	4,055,577	84.5	3,878,609	84.4	3,927,041	85.0
Medium-sized companies	Number of borrowers	171	10.3	188	11.3	208	11.8
	Amount of loans (¥)	49,406	1.0	49,925	1.1	50,876	1.1
Small companies	Number of borrowers	816	49.2	806	48.4	850	48.2
	Amount of loans (¥)	693,468	14.5	666,265	14.5	640,298	13.9
Total loans to domestic companies	**Total number of borrowers**	**1,658**	**100.0**	**1,667**	**100.0**	**1,763**	**100.0**
	Total amount of loans (¥)	**4,798,452**	**100.0**	**4,594,801**	**100.0**	**4,618,216**	**100.0**

Notes: 1. Company size classifications are defined as below.
2 The number of borrowers represents the number of borrowers identified by name and not by the number of loans.

	Industry Type			
Company size	**1. All industries (excluding 2–4)**		**2. Retail and restaurants**	
Large companies	More than 300 employees and	Paid-in capital ¥1 billion or more	More than 50 employees and	Paid-in capital ¥1 billion or more
Medium-sized companies	More than 300 employees and	Paid-in capital between ¥0.3 billion and ¥1 billion	More than 50 employees and	Paid-in capital between ¥0.05 billion and ¥1 billion
Small companies	Paid-in capital under ¥0.3 billion or 300 employees or less		Paid-in capital under ¥0.05 billion or 50 employees or less	
	3. Services		**4. Wholesale**	
Large companies	More than 100 employees and	Paid-in capital ¥1 billion or more	More than 100 employees and	Paid-in capital ¥1 billion or more
Medium-sized companies	More than 100 employees and	Paid-in capital between ¥0.05 billion and ¥1 billion	More than 100 employees and	Paid-in capital between ¥0.1 billion and ¥1 billion
Small companies	Paid-in capital under ¥0.05 billion or 100 employees or less		Paid-in capital under ¥0.1 billion or 100 employees or less	

77. Breakdown of Industrial and Consumer Loans by Industry (General Account)

Millions of Yen

As of March 31	2023		2022		2021	
	Amount	%	Amount	%	Amount	%
Domestic						
Manufacturing	936,618	12.7	935,138	13.3	1,015,371	14.6
Food	69,882	0.9	69,533	1.0	104,185	1.5
Textiles and apparel	21,954	0.3	21,985	0.3	12,940	0.2
Wood and wood products	1,892	0.0	1,882	0.0	1,993	0.0
Pulp and paper	55,011	0.7	57,209	0.8	56,149	0.8
Printing	33,359	0.5	35,912	0.5	38,301	0.6
Chemicals	192,290	2.6	182,702	2.6	173,043	2.5
Oil and coal products	95,443	1.3	95,985	1.4	95,613	1.4
Ceramics, soil, and stone	43,867	0.6	43,493	0.6	43,862	0.6
Iron and steel	100,364	1.4	107,938	1.5	143,279	2.1
Nonferrous metals	16,163	0.2	14,058	0.2	12,865	0.2
Metal products	9,013	0.1	9,089	0.1	9,159	0.1
General purpose, production, and industrial machinery	83,701	1.1	97,427	1.4	99,935	1.4
Electric appliances	78,878	1.1	66,215	0.9	69,105	1.0
Transportation equipment	101,699	1.4	104,255	1.5	127,201	1.8
Other manufacturing products	33,097	0.4	27,450	0.4	27,736	0.4
Agriculture and forestry	—	—	—	—	—	—
Fishery	—	—	—	—	—	—
Mining, quarrying, and gravel mining	1,937	0.0	2,581	0.0	2,718	0.0
Construction	53,310	0.7	43,527	0.6	44,374	0.6
Electric power, gas, heat supply, and waterworks	1,288,064	17.5	1,241,251	17.6	1,208,306	17.4
Information and communication	118,703	1.6	127,811	1.8	127,164	1.8
Transportation and courier	605,776	8.2	619,905	8.8	621,689	9.0
Wholesale trade	710,921	9.7	724,866	10.3	727,596	10.5
Retail trade	51,793	0.7	45,080	0.6	40,862	0.6
Financing and insurance	562,497	7.6	434,144	6.2	430,905	6.2
Real estate	588,497	8.0	556,027	7.9	537,798	7.7
Goods rental and leasing	277,867	3.8	262,687	3.7	222,489	3.2
Academic research, and specialized and technical services	3,265	0.0	3,381	0.0	2,660	0.0
Hospitality services	456	0.0	1,066	0.0	1,998	0.0
Food and drink services	2,593	0.0	2,448	0.0	2,901	0.0
Lifestyle and entertainment	3,297	0.0	2,442	0.0	24,497	0.4
Education and learning support	2,267	0.0	2,077	0.0	1,931	0.0
Medical treatment and welfare	865	0.0	704	0.0	823	0.0
Other services	15,233	0.2	13,551	0.2	13,062	0.2
Local organizations and public entities	106,777	1.5	116,439	1.7	125,786	1.8
Individuals (residential, consumption, local taxes, and others)	1,247,024	17.0	1,217,241	17.3	1,204,458	17.4
Subtotal	**6,577,769**	**89.4**	**6,352,377**	**90.2**	**6,357,398**	**91.6**
Overseas						
Governments and public entities	—	—	—	—	—	—
Financial institutions	158,719	2.2	164,563	2.3	127,685	1.8
Commerce and industry, and others	620,332	8.4	523,700	7.4	454,793	6.6
Subtotal	**779,051**	**10.6**	**688,264**	**9.8**	**582,479**	**8.4**
Total loans	**7,356,821**	**100.0**	**7,040,642**	**100.0**	**6,939,877**	**100.0**

78. Breakdown of Industrial and Consumer Loans by Use (General Account)

Millions of Yen

As of March 31	2023		2022		2021	
	Amount	%	Amount	%	Amount	%
Capital investments	3,068,794	41.7	2,887,764	41.0	2,764,566	39.8
Operations	4,288,027	58.3	4,152,878	59.0	4,175,310	60.2
Total loans	**7,356,821**	**100.0**	**7,040,642**	**100.0**	**6,939,877**	**100.0**

79. Breakdown of Loans to Domestic Companies by Region (General Account)

Millions of Yen

As of March 31	2023		2022		2021	
	Amount	%	Amount	%	Amount	%
Hokkaido	94,478	2.0	100,760	2.2	70,843	1.5
Tohoku	140,155	2.9	141,483	3.1	133,371	2.9
Kanto	3,295,638	68.7	3,130,883	68.1	3,117,567	67.5
Chubu	354,647	7.4	343,878	7.5	346,756	7.5
Kinki	624,229	13.0	598,086	13.0	659,681	14.3
Chugoku	82,098	1.7	72,716	1.6	89,632	1.9
Shikoku	71,980	1.5	70,898	1.5	69,533	1.5
Kyushu	135,224	2.8	136,094	3.0	130,830	2.8
Total	**4,798,452**	**100.0**	**4,594,801**	**100.0**	**4,618,216**	**100.0**

Notes: 1. The table above excludes personal loans, loans to nonresidents, and policy loans.
2. Regional classifications are based on the location of the headquarters of borrowers.

80. Breakdown of Industrial and Consumer Loans by Collateral (General Account)

Millions of Yen

As of March 31	2023		2022		2021	
	Amount	%	Amount	%	Amount	%
Secured loans	**16,921**	**0.2**	**18,633**	**0.3**	**22,968**	**0.3**
Loans secured by securities	3,742	0.1	3,666	0.1	4,933	0.1
Loans secured by real estate, movable assets, and foundations	12,510	0.2	13,490	0.2	15,362	0.2
Loans secured by personal guarantees	668	0.0	1,476	0.0	2,672	0.0
Guarantee loans	**118,087**	**1.6**	**121,281**	**1.7**	**148,410**	**2.1**
Fiduciary loans	**5,974,788**	**81.2**	**5,683,485**	**80.7**	**5,564,040**	**80.2**
Other loans	**1,247,024**	**17.0**	**1,217,241**	**17.3**	**1,204,457**	**17.4**
Total loans	**7,356,821**	**100.0**	**7,040,642**	**100.0**	**6,939,877**	**100.0**
Subordinated loans	193,620	2.6	143,620	2.0	170,620	2.5

81. Appraisal Value of Real Estate (General Account)

Billions of Yen

As of March 31		2023	2022	2021
Land and land lease rights				
Balance sheet amount		1,213.7	1,221.1	1,221.2
Fair value (appraisal value)		1,881.1	1,827.9	1,768.5
Net unrealized gains	1	**667.4**	**606.8**	**547.3**
Gain		762.6	706.3	652.4
Loss		(95.2)	(99.4)	(105.1)
Revaluation differences	2	**43.0**	**40.0**	**44.4**
	1+2	**710.5**	**646.9**	**591.8**

Notes: 1. Fair value (appraisal value) is calculated with reference to benchmark land prices.
2. In accordance with the Act on Revaluation of Land in Japan, business-use land was revalued and net valuation gains (losses) were recorded on the balance sheets.
3. For revaluation differences in Note 2, the difference between the amount revalued and the historical cost, net of tax, has been credited to revaluation reserve for land in net assets, and the tax equivalent amount for the revaluation is recognized in the liability section as deferred tax liabilities.

82. Real Estate Balance and Number of Rental Properties Held (General Account)

Millions of Yen, Number of Buildings

As of March 31	2023	2022	2021
Real estate balance (¥)	**1,705,034**	**1,695,767**	**1,686,615**
For business use (¥)	595,454	609,460	615,906
For rental use (¥)	1,109,579	1,086,306	1,070,709
Number of buildings held for leasing	**252**	**258**	**261**

Note: Real estate amount is the sum of land, buildings, and construction in progress.

83. Tangible Fixed Assets (General Account)

Millions of Yen

	Ending balance of the prior year	Increase in the current year	Decrease in the current year	Depreciation in the current year	Ending balance of the current year	Accumulated depreciation	Accumulated depreciation percentage (%)
Fiscal year ended March 31				**2023**			
Land	1,145,876	5,559	13,770 [6,895]	—	1,137,664	—	—
Buildings	519,898	64,491	9,953 [4,569]	28,283	546,152	1,178,670	68.3
Lease assets	5,412	1,179	686	1,780	4,124	6,556	61.4
Construction in progress	29,992	47,903	56,678	—	21,217	—	—
Other tangible fixed assets	13,636	4,312	110	3,931	13,907	51,463	78.7
Total	**1,714,816**	**123,445**	**81,200** [**11,465**]	**33,995**	**1,723,066**	**1,236,690**	—
Investment and rental properties included in the above	1,143,166	70,074	28,379 [11,465]	18,946	1,165,915	795,635	—
Fiscal year ended March 31				**2022**			
Land	1,148,601	4,127	6,852 [3,510]	—	1,145,876	—	—
Buildings	515,676	40,046	8,496 [4,617]	27,328	519,898	1,149,782	68.9
Lease assets	7,038	1,244	472	2,398	5,412	8,153	60.1
Construction in progress	22,337	44,630	36,974	—	29,992	—	—
Other tangible fixed assets	17,035	3,111	575	5,934	13,636	48,734	78.1
Total	**1,710,689**	**93,160**	**53,372** **[8,128]**	**35,661**	**1,714,816**	**1,206,670**	**—**
Investment and rental properties included in the above	1,129,410	49,265	17,530 [8,128]	17,977	1,143,166	752,800	—
Fiscal year ended March 31				**2021**			
Land	1,124,273	30,645	6,318 [3,447]	—	1,148,601	—	—
Buildings	518,409	28,111	4,078 [1,438]	26,765	515,676	1,094,822	68.0
Lease assets	7,772	2,318	505	2,546	7,038	9,414	57.2
Construction in progress	16,047	42,407	36,118	—	22,337	—	—
Other tangible fixed assets	15,346	7,073	88	5,296	17,035	48,311	73.9
Total	**1,681,851**	**110,556**	**47,108** **[4,885]**	**34,609**	**1,710,689**	**1,152,548**	**—**
Investment and rental properties included in the above	1,096,009	63,320	12,401 [4,885]	17,518	1,129,410	707,787	—

Notes: 1. Figures in brackets under the "Decrease in the current year" column indicate impairment losses.
2 The accumulated depreciation percentage shows the ratio of accumulated depreciation to the acquisition cost.
3 Investment and rental properties shown in "Increase in the current year" and "Decrease in the current year" include those reclassified due to changes in purpose of use.

84. Gain and Loss on Disposals of Fixed Assets (General Account)

Millions of Yen

Fiscal years ended March 31	2023		2022		2021	
	Gain	Loss	Gain	Loss	Gain	Loss
Tangible fixed assets	2,623	5,110	5,168	4,444	77	4,770
Land	2,431	1,166	4,385	742	61	1,136
Buildings	190	3,490	781	3,030	15	3,503
Lease assets	—	2	—	1	—	0
Other assets	1	449	1	669	0	129
Intangible fixed assets	—	956	—	104	11	95
Others	—	135	—	243	—	133
Total	**2,623**	**6,202**	**5,168**	**4,792**	**89**	**4,999**
Investment and rental properties included in the above	2,622	4,641	5,165	714	75	970

85. Depreciation of Rental Real Estate and Other Assets (General Account)

Millions of Yen

	Acquisition cost	Depreciation in the current year	Accumulated depreciation	Balance at the end of the current year	Accumulated depreciation percentage (%)
Fiscal year ended March 31			**2023**		
Tangible fixed assets	1,146,571	19,093	761,543	385,028	66.4
Buildings	1,140,921	18,891	756,799	384,121	66.3
Lease assets	—	—	—	—	—
Others	5,649	201	4,743	906	84.0
Intangible fixed assets	18	3	3	14	20.4
Other assets	4,108	189	2,970	1,137	72.3
Total	**1,150,697**	**19,286**	**764,517**	**386,180**	**66.4**
Fiscal year ended March 31			**2022**		
Tangible fixed assets	1,107,314	18,166	754,034	353,280	68.1
Buildings	1,101,543	17,976	749,082	352,461	68.0
Lease assets	—	—	—	—	—
Others	5,771	189	4,952	819	85.8
Intangible fixed assets	0	0	0	0	35.0
Other assets	4,099	189	2,813	1,286	68.6
Total	**1,111,414**	**18,355**	**756,848**	**354,566**	**68.1**
Fiscal year ended March 31			**2021**		
Tangible fixed assets	1,049,733	17,639	704,920	344,812	67.2
Buildings	1,044,081	17,466	700,021	344,060	67.0
Lease assets	—	—	—	—	—
Others	5,651	172	4,899	752	86.7
Intangible fixed assets	0	0	0	0	25.0
Other assets	4,147	190	2,680	1,466	64.6
Total	**1,053,880**	**17,830**	**707,601**	**346,279**	**67.1**

86. Overseas Loans and Investments (General Account)

1. Breakdown by asset composition

Millions of Yen

As of March 31	2023		2022		2021	
	Amount	%	Amount	%	Amount	%
Foreign currency-denominated assets						
Foreign bonds	9,798,646	47.0	13,617,779	56.0	13,628,035	58.6
Foreign stocks	923,968	4.4	944,296	3.9	880,453	3.8
Cash, deposits, and others	7,411,401	35.5	7,007,358	28.8	6,167,278	26.5
Subtotal	**18,134,015**	**86.9**	**21,569,434**	**88.7**	**20,675,767**	**88.9**
Foreign currency-denominated assets with fixed yen value						
Foreign bonds	—	—	—	—	—	—
Cash, deposits, and others	252,798	1.2	240,256	1.0	205,155	0.9
Subtotal	**252,798**	**1.2**	**240,256**	**1.0**	**205,155**	**0.9**
Japanese yen-denominated assets						
Loans to nonresidents	24,483	0.1	41,755	0.2	42,981	0.2
Foreign bonds and others	2,455,582	11.8	2,471,549	10.2	2,338,807	10.1
Subtotal	**2,480,065**	**11.9**	**2,513,304**	**10.3**	**2,381,789**	**10.2**
Net overseas loans and investments	**20,866,879**	**100.0**	**24,322,996**	**100.0**	**23,262,712**	**100.0**

Note: Foreign currency-denominated assets with fixed yen value are recorded in the balance sheets in Japanese yen that was determined upon settlement under foreign exchange forward contracts or other contracts.

2. Composition of overseas loans and investments by geographic area

Millions of Yen

	Foreign securities						Loans to nonresidents	
			Bonds		Stocks and other securities			
	Amount	%	Amount	%	Amount	%	Amount	%
As of March 31				**2023**				
North America	6,923,415	36.5	6,078,070	60.3	845,345	9.5	130,223	16.7
Europe	3,688,294	19.5	2,939,728	29.2	748,566	8.4	453,370	58.2
Oceania	447,058	2.4	260,745	2.6	186,313	2.1	147,017	18.9
Asia	735,443	3.9	396,507	3.9	338,935	3.8	—	—
Central and South Americas	7,103,230	37.5	340,904	3.4	6,762,326	76.1	13,398	1.7
Middle East	6,977	0.0	6,977	0.1	—	—	35,041	4.5
Africa	—	—	—	—	—	—	—	—
International organizations	50,052	0.3	50,052	0.5	—	—	—	—
Total	**18,954,472**	**100.0**	**10,072,985**	**100.0**	**8,881,486**	**100.0**	**779,051**	**100.0**
As of March 31				**2022**				
North America	7,904,481	35.8	7,147,943	51.9	756,537	9.1	95,918	13.9
Europe	5,878,714	26.6	5,162,826	37.5	715,887	8.6	391,546	56.9
Oceania	586,179	2.7	399,866	2.9	186,313	2.2	127,861	18.6
Asia	831,527	3.8	480,193	3.5	351,333	4.2	—	—
Central and South Americas	6,707,767	30.3	388,132	2.8	6,319,635	75.9	38,595	5.6
Middle East	9,986	0.0	9,986	0.1	—	—	34,342	5.0
Africa	—	—	—	—	—	—	—	—
International organizations	187,101	0.8	187,101	1.4	—	—	—	—
Total	**22,105,757**	**100.0**	**13,776,050**	**100.0**	**8,329,706**	**100.0**	**688,264**	**100.0**
As of March 31				**2021**				
North America	7,259,353	34.1	6,614,455	48.0	644,898	8.6	77,003	13.2
Europe	6,311,345	29.7	5,624,925	40.9	686,420	9.2	325,418	55.9
Oceania	680,765	3.2	494,452	3.6	186,313	2.5	91,610	15.7
Asia	830,364	3.9	470,044	3.4	360,320	4.8	—	—
Central and South Americas	5,981,287	28.1	362,171	2.6	5,619,115	75.0	38,432	6.6
Middle East	9,491	0.0	9,491	0.1	—	—	33,004	5.7
Africa	—	—	—	—	—	—	17,008	2.9
International organizations	191,557	0.9	191,557	1.4	—	—	—	—
Total	**21,264,164**	**100.0**	**13,767,097**	**100.0**	**7,497,067**	**100.0**	**582,479**	**100.0**

Note: Overseas loans and investments above are composed of foreign securities and loans to nonresidents.

86. Overseas Loans and Investments (General Account), continued

3. Composition of foreign currency-denominated assets by currency

Millions of Yen

As of March 31	2023		2022		2021	
	Amount	%	Amount	%	Amount	%
U.S. dollar	12,742,903	70.3	13,778,065	63.9	12,585,486	60.9
Euro	3,467,703	19.1	5,107,354	23.7	5,304,058	25.7
British pound	1,035,956	5.7	1,423,805	6.6	1,469,675	7.1
Australian dollar	458,834	2.5	641,544	3.0	728,442	3.5
Indian rupee	208,414	1.1	208,391	1.0	208,403	1.0
Hong Kong dollar	74,816	0.4	67,872	0.3	77,727	0.4
Others	145,386	0.8	342,400	1.6	301,972	1.5
Total	**18,134,015**	**100.0**	**21,569,434**	**100.0**	**20,675,767**	**100.0**

Note: The table above represents asset balances denominated in the top six foreign currencies as of March 31, 2023.

87. Yield on Overseas Loans and Investments (General Account)

%

Fiscal years ended March 31	2023	2022	2021
Yield on overseas loans and investments	2.19	3.47	4.60

Notes: 1. Yield is calculated by dividing investment income, less investment expenses, by the daily average book value balance.
2. The amount of overseas loans and investments is the sum of assets denominated in foreign currencies and Japanese yen.

88. Summary of New Public Sector Investment Underwriting and Loans (General Account)

Millions of Yen

Fiscal years ended March 31		2023		2022		2021	
		Amount	%	Amount	%	Amount	%
Public bonds	National government bonds	17,832	5.6	305,091	50.1	183,784	41.7
	Local government bonds	—	—	—	—	—	—
	Public corporation and agency bonds	1,137	0.4	1,134	0.2	2,368	0.5
	Subtotal	**18,969**	**6.0**	**306,225**	**50.3**	**186,152**	**42.2**
Loans	Government-affiliated organizations	767	0.2	1,099	0.2	1,136	0.3
	Public entities	298,696	93.8	301,459	49.5	253,909	57.5
	Subtotal	**299,463**	**94.0**	**302,558**	**49.7**	**255,045**	**57.8**
Total		**318,433**	**100.0**	**608,784**	**100.0**	**441,197**	**100.0**

Note: Public bonds represent the amount of new underwriting for each fiscal year, and loans represent the amount of new loans to domestic entities for each fiscal year.

89. Breakdown of Other Assets (General Account)

Millions of Yen

	Acquisition cost	Increase in the current year	Decrease in the current year	Accumulated depreciation	Balance at the end of the current year
Fiscal year ended March 31			**2023**		
Deferred assets	13,734	2,707	1,312	7,813	7,316
Others	210,150	686,396	494,644	2,398	399,504
Total	**223,885**	**689,103**	**495,956**	**10,211**	**406,820**
Fiscal year ended March 31			**2022**		
Deferred assets	12,054	3,424	1,705	6,964	6,808
Others	80,755	163,104	33,708	2,175	207,975
Total	**92,809**	**166,528**	**35,414**	**9,139**	**214,784**
Fiscal year ended March 31			**2021**		
Deferred assets	10,274	3,196	1,366	5,569	6,535
Others	49,360	66,421	35,027	2,029	78,725
Total	**59,635**	**69,617**	**36,393**	**7,599**	**85,260**

90. Loan Interest Rates

Dates, %

Base rate of long-term loans (long-term prime rate loans)	Type of loan: Housing loans: Fixed interest rate	Housing loans: Variable interest rate optional with fixed interest rate	Housing loans: Variable interest rate (long-term loans)	Housing loans: Variable interest rate (short-term loans)	Consumer loans: Fixed interest rate	Consumer loans: Variable interest rate (long-term loans)	Consumer loans: Variable interest rate (short-term loans)
1.00(*1)	3.37-4.50(*2)	2.72-3.88(*3)	1.00(*4)	2.475(*5)	3.37–3.88(*3)	1.30(*4)	2.775(*5)
Fiscal year ended March 31			**2024**				
			4/1 1.45			4/1 1.75	
4/11 1.40							
Fiscal year ended March 31			**2023**				
	6/1 3.42–4.65						
6/10 1.20							
			7/1 1.20			7/1 1.50	
	8/1 3.47–4.68	8/1 2.82–3.98			8/1 3.47–3.98		
9/9 1.25							
			10/1 1.25			10/1 1.55	
	12/1 3.57–4.83	12/1 2.92–4.08			12/1 3.57–4.08		
1/11 1.40							
	2/1 3.67–4.93	2/1 3.02–4.18	2/1 1.40		2/1 3.67–4.18	2/1 1.70	
2/10 1.50							
	3/1 3.67–5.03		3/1 1.50			3/1 1.80	
3/10 1.45							
Fiscal year ended March 31			**2022**				
2/10 1.10							
	3/1 3.42–4.55	3/1 2.77–3.93	3/1 1.10		3/1 3.42–3.93	3/1 1.40	
Fiscal year ended March 31			**2021**				
4/10 1.10							
			5/1 1.10			5/1 1.40	
5/8 1.05							
			6/1 1.05			6/1 1.35	
8/12 1.00							
			9/1 1.00			9/1 1.30	
Fiscal year ended March 31			**2020**				
7/10 0.95							
			8/1 0.95			8/1 1.25	

Notes: 1. Fixed interest rates for housing loans and consumer loans are set at interest rates according to the lending period.
2. For housing loans, variable interest rates optional with fixed interest rates are set according to the fixed interest rate period of 2, 3, 5, 10, or 15 years.
3. Housing loan interest rates represent interest rates at the time of initial lending.
4. Housing loan interest rates include group credit life insurance warranty fees.
5. Consumer loans represent traditional mortgage-backed loans.

**1 July 11, 2017*
**2 December 1, 2018*
**3 August 1, 2015*
**4 August 1, 2017*
**5 January 19, 2009*

91. Fair Value of Securities (General Account)

1. Net valuation gains (losses) of trading securities

Millions of Yen

As of March 31	2023		2022		2021	
	Balance sheet amount	Valuation gains (losses) recorded in profit or loss	Balance sheet amount	Valuation gains (losses) recorded in profit or loss	Balance sheet amount	Valuation gains (losses) recorded in profit or loss
Trading securities	—	—	—	4,292	81	(25,339)

Notes: 1. Net gains (losses) on derivative transactions are included in both assets held in trust under trading securities in the balance sheets and valuation gains (losses) in the statements of income.
2. Amounts above do not include cash, deposits, and call loans within assets held in trust that are included in trading securities.

2. Fair value information of securities (other than trading securities)

Millions of Yen

As of March 31	2023					2022				
Types of securities	Book value	Fair value	Net gains (losses)	Gains	Losses	Book value	Fair value	Net gains (losses)	Gains	Losses
Policy-reserve-matching bonds	27,038,968	27,724,721	685,752	1,734,082	(1,048,330)	25,692,326	27,714,829	2,022,502	2,474,740	(452,237)
Held-to-maturity debt securities	—	—	—	—	—	—	—	—	—	—
Investments in subsidiaries and affiliates	128,615	214,135	85,519	85,519	—	128,615	335,588	206,972	206,972	—
Available-for-sale securities	26,634,856	33,938,950	7,304,093	8,086,493	(782,399)	28,310,565	36,760,004	8,449,438	8,936,125	(486,687)
Domestic bonds	3,267,648	3,343,265	75,616	117,878	(42,262)	2,557,599	2,683,631	126,032	147,438	(21,405)
Domestic stocks	3,969,967	9,585,487	5,615,519	5,701,423	(85,903)	3,944,486	9,569,499	5,625,012	5,724,819	(99,807)
Foreign securities	16,166,509	17,798,556	1,632,046	2,166,795	(534,748)	18,476,431	21,072,957	2,596,526	2,883,292	(286,766)
Foreign bonds	9,139,927	9,942,314	802,386	1,046,444	(244,058)	12,093,881	13,668,994	1,575,113	1,765,329	(190,216)
Foreign stocks and other securities	7,026,582	7,856,242	829,660	1,120,351	(290,690)	6,382,550	7,403,963	1,021,413	1,117,963	(96,550)
Other securities	3,008,137	2,989,739	(18,398)	100,391	(118,789)	3,140,155	3,242,239	102,083	180,499	(78,415)
Monetary receivables purchased	14,992	14,301	(691)	4	(695)	22,291	22,076	(215)	74	(290)
Negotiable certificates of deposit	207,600	207,599	(0)	0	(0)	169,600	169,598	(1)	0	(1)
Total	**53,802,440**	**61,877,806**	**8,075,366**	**9,906,096**	**(1,830,730)**	**54,131,507**	**64,810,422**	**10,678,914**	**11,617,838**	**(938,924)**
Domestic bonds	30,080,770	30,832,033	751,262	1,840,725	(1,089,462)	28,024,761	30,159,896	2,135,135	2,608,657	(473,522)
Domestic stocks	3,969,967	9,585,487	5,615,519	5,701,423	(85,903)	3,944,486	9,569,499	5,625,012	5,724,819	(99,807)
Foreign securities	16,409,830	18,135,172	1,725,342	2,260,769	(535,427)	18,700,953	21,513,227	2,812,274	3,099,048	(286,774)
Foreign bonds	9,255,562	10,065,958	810,395	1,055,132	(244,737)	12,190,717	13,774,793	1,584,075	1,774,299	(190,224)
Foreign stocks and other securities	7,154,267	8,069,213	914,946	1,205,636	(290,690)	6,510,235	7,738,434	1,228,198	1,324,749	(96,550)
Other securities	3,009,067	2,990,903	(18,163)	100,625	(118,789)	3,141,085	3,243,357	102,271	180,686	(78,415)
Monetary receivables purchased	125,205	126,610	1,405	2,552	(1,146)	150,619	154,841	4,222	4,625	(403)
Negotiable certificates of deposit	207,600	207,599	(0)	0	(0)	169,600	169,598	(1)	0	(1)

As of March 31	2021				
Types of securities	Book value	Fair value	Net gains (losses)	Gains	Losses
Policy-reserve-matching bonds	23,673,843	26,650,893	2,977,049	3,122,806	(145,756)
Held-to-maturity debt securities	—	—	—	—	—
Investments in subsidiaries and affiliates	128,615	283,208	154,592	154,592	—
Available-for-sale securities	27,454,262	36,637,640	9,183,377	9,371,647	(188,269)
Domestic bonds	2,656,399	2,842,251	185,852	192,880	(7,028)
Domestic stocks	4,117,388	9,981,652	5,864,264	5,965,078	(100,814)
Foreign securities	17,430,977	20,360,376	2,929,399	2,994,769	(65,370)
Foreign bonds	11,672,974	13,623,990	1,951,015	1,996,814	(45,799)
Foreign stocks and other securities	5,758,003	6,736,386	978,383	997,954	(19,571)
Other securities	3,113,603	3,316,772	203,169	218,199	(15,029)
Monetary receivables purchased	21,894	22,588	693	718	(24)
Negotiable certificates of deposit	114,000	113,998	(1)	0	(1)
Total	**51,256,721**	**63,571,742**	**12,315,020**	**12,649,047**	**(334,026)**
Domestic bonds	26,039,562	29,184,641	3,145,079	3,297,685	(152,605)
Domestic stocks	4,117,388	9,981,652	5,864,264	5,965,078	(100,814)
Foreign securities	17,699,330	20,794,259	3,094,928	3,160,446	(65,517)
Foreign bonds	11,813,641	13,775,735	1,962,093	2,008,039	(45,946)
Foreign stocks and other securities	5,885,688	7,018,523	1,132,835	1,152,406	(19,571)
Other securities	3,114,533	3,317,843	203,310	218,340	(15,029)
Monetary receivables purchased	171,907	179,347	7,439	7,496	(57)
Negotiable certificates of deposit	114,000	113,998	(1)	0	(1)

Notes: 1. The table above includes items that are deemed appropriate to be handled as securities under the Financial Instruments and Exchange Act in Japan.
2. Stocks and other securities without a market price and partnerships are excluded from this table.

91. Fair Value of Securities (General Account), continued

2. Fair value information of securities (other than trading securities), continued

The book values of stocks and other securities without a market price and partnerships are as follows.

Millions of Yen

As of March 31	2023	2022	2021
Investments in subsidiaries and affiliates	1,475,788	1,337,784	1,179,556
Available-for-sale securities	204,149	197,323	168,269
Domestic stocks	56,159	55,434	61,115
Foreign stocks	6	218	309
Others	147,983	141,670	106,844
Total	**1,679,937**	**1,535,107**	**1,347,826**

Note: For the stocks and other securities without a market price and partnerships, the net gains (losses) on currency valuation of assets denominated in foreign currencies were ¥120,533 million, ¥92,119 million and ¥17,007 million as of March 31, 2023, 2022, and 2021, respectively.

92. Fair Value of Assets Held in Trust (General Account)

Millions of Yen

As of March 31	2023	2022	2021
Assets held in trust			
Balance sheet amount	—	—	135
Fair value	—	—	135
Net gains (losses)	—	—	—
Gains	—	—	—
Losses	—	—	—

Notes: 1. Fair value is based on a reasonably calculated price by the trustee of assets held in trust.
2. The balance sheet amount includes net gains (losses) on derivative transactions within assets held in trust.

Assets held in trust for investment

Millions of Yen

As of March 31	2023		2022		2021	
	Balance sheet amount	Valuation gains (losses) included in profit or loss	Balance sheet amount	Valuation gains (losses) included in profit or loss	Balance sheet amount	Valuation gains (losses) included in profit or loss
Assets held in trust for investment	—	—	—	4,292	135	(25,339)

Note: Balance sheet amount and valuation gains (losses) recorded in profit or loss include net gains (losses) on derivative transactions.

Assets held in trust classified as policy-reserve-matching bonds, held-to-maturity debt securities, and others

There were no ending balances as of March 31, 2023, 2022, and 2021.

93. Qualitative Information on Derivative Transactions (General Account)

1. Transaction details

The following are derivative transactions that the Company uses:

Interest rate-related:	Interest rate futures, interest rate swaps, and swaptions
Currency-related:	Foreign exchange forward contracts, currency options, and currency swaps
Equity-related:	Equity index futures, equity index options, equity options, and equity forwards
Bond-related:	Bond futures, bond futures options, and bond purchases and sales with attached options

2. Policy

The Company mainly uses derivative transactions for the purpose of controlling risks associated with assets or liabilities.

3. Purpose

The Company mainly uses derivatives to hedge risks associated with assets or liabilities and applies hedge accounting to certain derivatives.

The Company mainly applies the following hedge accounting methods:

- The exceptional accounting treatment ("*Tokurei-shori*") is applied to interest rate swaps to hedge the cash flow volatility of certain loans denominated in Japanese yen and foreign currencies.
- Deferred hedge accounting is applied to interest rate swaps to hedge the interest rate fluctuation exposures on certain insurance policies based on the Industry Audit Committee Report No. 26, "Accounting and Auditing Treatments related to Application of Accounting for Financial Instruments in the Insurance Industry" issued by the Japanese Institute of Certified Public Accountants.
- Deferred hedge accounting and designated hedge accounting ("*Furiate-shori*") are applied to currency swaps to hedge the cash flow volatility caused by foreign exchange rate fluctuations on certain foreign currency-denominated bonds and loans, and subordinated corporate bonds issued by the Company.
- Fair value hedge accounting is applied to foreign exchange forward contracts to hedge the price fluctuation exposures related to foreign exchange rate fluctuations on certain foreign currency-denominated bonds and other instruments.
- Fair value hedge accounting is applied to equity forward contracts to hedge the price fluctuation exposures on certain domestic stocks.

Effectiveness of hedging activities is mainly evaluated by performing a ratio analysis and comparing the fair value difference between hedging instruments and hedged items in accordance with the Company's risk management policies.

4. Risk details

Derivative transactions entered into by the Company are exposed to market risks (such as fluctuation risks in interest rates, currency exchange rates, and stock prices) and credit risks (such as counterparties' default risks due to bankruptcy). The Company recognizes market risks as limited given that derivative transactions are mainly for the purpose of controlling risks associated with assets or liabilities. Further, credit risks should remain low as the Company's transactions are entered into either through domestic and foreign financial instrument exchanges or with creditworthy counterparties.

5. Risk management system

The Company sets up transaction limits for derivative transactions based on the purpose and types of transactions. In addition, a control system is implemented for the front office engaged in investment activities, where the back office verifies transaction details with external documentations. Furthermore, the system is designed such that the state of risks, along with assets or liabilities, is monitored and analyzed quantitatively and information on the amount of risk as well as on positions and the status of profit and loss is reported periodically to the investment risk management committee.

6. Supplementary explanation regarding quantitative information

(1) Supplementary explanation regarding notional amounts (contract amounts)

Notional amounts for swap transactions and contract amounts for option transactions represent nominal values related to interest conversions and are not meant to indicate the level of credit risks (latent costs required to restore a market position in the event of a default of counterparties).

(2) Supplementary explanation regarding market price calculations

Futures and other market transactions:

Liquidation value or closing market price at the balance sheet date

Equity option transactions:

Mainly liquidation value or closing market price at the balance sheet date, or valuations obtained from external parties

Foreign exchange forward contracts, currency options, interest rate swap transactions, currency swaps, swaptions, equity forward transactions, and bond purchases and sales with attached options:

Mainly valuations obtained from external parties

(3) Supplementary explanation regarding transaction gains and losses

The Company mainly utilizes derivative transactions as a complementary measure in controlling risks associated with assets or liabilities.

For example, foreign exchange forward contracts and currency option transactions are mainly utilized to hedge fluctuations in foreign currency exchange rates; therefore, the amount of gains and losses arising from foreign bonds, stocks, and other foreign currency-denominated assets should be taken as a total amount.

94. Fair Value of Derivative Transactions, Combined Total with and without Hedge Accounting Applied (General Account)

(1) Breakdown of gains (losses) (with and without hedge accounting applied)

Millions of Yen

	Interest rate	Currencies	Equities	Bonds	Others	Total
As of March 31			**2023**			
Hedge accounting applied	(194,118)	(328,276)	(1,950)	—	—	(524,345)
Hedge accounting not applied	(30,574)	(79,920)	(5,009)	(3,071)	—	(118,576)
Total	**(224,693)**	**(408,197)**	**(6,959)**	**(3,071)**	**—**	**(642,921)**
As of March 31			**2022**			
Hedge accounting applied	(66,935)	(852,038)	6,712	—	—	(912,261)
Hedge accounting not applied	(31,997)	4,630	(8,103)	(64)	—	(35,535)
Total	**(98,933)**	**(847,407)**	**(1,391)**	**(64)**	**—**	**(947,797)**
As of March 31			**2021**			
Hedge accounting applied	25,567	(474,173)	(14,871)	—	—	(463,476)
Hedge accounting not applied	(26,539)	7,547	(5,194)	—	—	(24,186)
Total	**(971)**	**(466,625)**	**(20,065)**	**—**	**—**	**(487,663)**

Note: Net gains (losses) from applying the fair value hedge included in gain and loss on hedge accounting applied (as of March 31, 2023: Currencies ¥457 million and equities ¥(1,950) million; as of March 31, 2022: Currencies ¥(399,749) million and equities ¥6,712 million; and as of March 31, 2021: Currencies ¥(224,485) million and equities ¥(14,871) million), and net gains (losses) included in hedge accounting not applied are recorded in the statements of income.

(2) Interest rate-related

Millions of Yen

As of March 31		2023				2022			
		Contract amount				Contract amount			
Category	Type		Over 1 year	Fair value	Net gains (losses)		Over 1 year	Fair value	Net gains (losses)
Over-the-counter	**Interest rate swaps**								
	Receive fixed interest rate/ pay variable interest rate	3,206,600	3,200,600	(194,118)	(194,118)	2,971,000	2,971,000	(72,980)	(72,980)
	Pay fixed interest rate/ receive variable interest rate	—	—	—	—	—	—	—	—
	Interest rate swaptions								
	Sold								
	Receive fixed interest rate/ pay variable interest rate	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Pay fixed interest rate/ receive variable interest rate	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Purchased								
	Receive fixed interest rate/ pay variable interest rate	1,013,000	833,000	4,946	(30,574)	1,383,000	1,205,500	23,311	(25,952)
		[35,520]	[34,611]			[49,264]	[46,699]		
	Pay fixed interest rate/ receive variable interest rate	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
Total					**(224,693)**				**(98,933)**

94. Fair Value of Derivative Transactions, Combined Total with and without Hedge Accounting Applied (General Account), continued

(2) Interest rate-related, continued

Millions of Yen

As of March 31		2021			
		Contract amount			
Category	Type		Over 1 year	Fair value	Net gains (losses)
Over-the-counter	**Interest rate swaps**				
	Receive fixed interest rate/ pay variable interest rate	2,275,000	2,271,000	25,567	25,567
	Pay fixed interest rate/ receive variable interest rate	—	—	—	—
	Interest rate swaptions				
	Sold				
	Receive fixed interest rate/ pay variable interest rate	— [—]	— [—]	—	—
	Pay fixed interest rate/ receive variable interest rate	— [—]	— [—]	—	—
	Purchased				
	Receive fixed interest rate/ pay variable interest rate	1,330,000 [47,145]	1,300,000 [46,951]	20,605	(26,539)
	Pay fixed interest rate/ receive variable interest rate	— [—]	— [—]	—	—
Total					**(971)**

Notes: 1. Amounts in brackets represent option premiums recorded in the balance sheets.
2. Net gains (losses) represent the fair value for swap transactions, and the difference between option premiums and fair value for option transactions.

(Reference) Interest rate swap contracts by maturity dates

Millions of Yen

Maturity dates	Within 1 year	Over 1 year and within 3 years	Over 3 years and within 5 years	Over 5 years and within 7 years	Over 7 years and within 10 years	Over 10 years	Total
As of March 31				**2023**			
Interest rate swaps							
Receive fixed interest rate/pay variable interest rate							
Notional amount	6,000	—	—	—	60,600	3,140,000	**3,206,600**
Average fixed interest rate to receive (%)	(0.02)	—	—	—	0.46	0.44	**0.44**
Average variable interest rate to pay (%)	0.04	—	—	—	(0.03)	0.01	**0.01**
Interest rate swaps							
Pay fixed interest rate/receive variable interest rate							
Notional amount	—	—	—	—	—	—	**—**
Average fixed interest rate to pay (%)	—	—	—	—	—	—	**—**
Average variable interest rate to receive (%)	—	—	—	—	—	—	**—**
As of March 31				**2022**			
Interest rate swaps							
Receive fixed interest rate/pay variable interest rate							
Notional amount	—	6,000	—	—	83,300	2,881,700	**2,971,000**
Average fixed interest rate to receive (%)	—	(0.02)	—	—	0.12	0.39	**0.38**
Average variable interest rate to pay (%)	—	0.05	—	—	(0.01)	0.03	**0.03**
Interest rate swaps							
Pay fixed interest rate/receive variable interest rate							
Notional amount	—	—	—	—	—	—	**—**
Average fixed interest rate to pay (%)	—	—	—	—	—	—	**—**
Average variable interest rate to receive (%)	—	—	—	—	—	—	**—**
As of March 31				**2021**			
Interest rate swaps							
Receive fixed interest rate/pay variable interest rate							
Notional amount	4,000	6,000	—	—	—	2,265,000	**2,275,000**
Average fixed interest rate to receive (%)	(0.05)	(0.02)	—	—	—	0.41	**0.41**
Average variable interest rate to pay (%)	(0.05)	(0.05)	—	—	—	(0.05)	**(0.05)**
Interest rate swaps							
Pay fixed interest rate/receive variable interest rate							
Notional amount	—	—	—	—	—	—	**—**
Average fixed interest rate to pay (%)	—	—	—	—	—	—	**—**
Average variable interest rate to receive (%)	—	—	—	—	—	—	**—**

94. Fair Value of Derivative Transactions, Combined Total with and without Hedge Accounting Applied (General Account), continued

(3) Currency-related

Millions of Yen

As of March 31		2023				2022			
		Contract amount				Contract amount			
Category	Type		Over 1 year	Fair value	Net gains (losses)		Over 1 year	Fair value	Net gains (losses)
Over-the-counter	**Foreign exchange forward contracts**								
	Sold	**8,126,493**	**—**	**(25,956)**	**(25,956)**	**9,447,441**	**—**	**(557,710)**	**(557,710)**
	U.S. dollar	5,824,748	—	29,375	29,375	4,884,398	—	(306,528)	(306,528)
	Euro	1,196,892	—	(34,842)	(34,842)	2,732,448	—	(148,883)	(148,883)
	British pound	603,544	—	(18,020)	(18,020)	791,831	—	(28,744)	(28,744)
	Australian dollar	301,794	—	1,567	1,567	591,224	—	(50,875)	(50,875)
	Purchased	**3,241,127**	**—**	**(56,107)**	**(56,107)**	**2,706,408**	**—**	**157,954**	**157,954**
	U.S. dollar	2,726,243	—	(61,169)	(61,169)	2,048,187	—	136,272	136,272
	Euro	50,295	—	1,273	1,273	43,516	—	1,931	1,931
	Australian dollar	112,743	—	(191)	(191)	254,005	—	13,239	13,239
	Currency options								
	Sold								
	Call	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
		[—]	**[—]**			**[—]**	**[—]**		
	U.S. dollar	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Euro	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
		[—]	**[—]**			**[—]**	**[—]**		
	U.S. dollar	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Euro	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Purchased								
	Call	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
		[—]	**[—]**			**[—]**	**[—]**		
	U.S. dollar	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Euro	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	**133,530**	**—**	**472**	**(1,050)**	**948,522**	**—**	**906**	**(3,554)**
		[1,523]	**[—]**			**[4,460]**	**[—]**		
	U.S. dollar	133,530	—	472	(1,050)	948,522	—	906	(3,554)
		[1,523]	[—]			[4,460]	[—]		
	Euro	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Currency swaps	**5,890,469**	**5,698,587**	**(325,082)**	**(325,082)**	**5,121,674**	**5,037,360**	**(444,097)**	**(444,097)**
	U.S.$ paid/¥ received	3,935,369	3,811,852	(317,578)	(317,578)	3,284,475	3,216,784	(312,533)	(312,533)
	€ paid/¥ received	1,352,198	1,289,364	(17,345)	(17,345)	1,257,627	1,243,609	(91,450)	(91,450)
Total					**(408,197)**				**(847,407)**

94. Fair Value of Derivative Transactions, Combined Total with and without Hedge Accounting Applied (General Account), continued

(3) Currency-related, continued

Millions of Yen

As of March 31		2021			
		Contract amount			
Category	Type		Over 1 year	Fair value	Net gains (losses)
Over-the-counter	**Foreign exchange forward contracts**				
	Sold	**7,576,926**	**4,808**	**(312,390)**	**(312,390)**
	U.S. dollar	3,109,034	4,808	(139,298)	(139,298)
	Euro	2,558,110	—	(58,207)	(58,207)
	British pound	763,349	—	(47,088)	(47,088)
	Australian dollar	899,292	—	(63,637)	(63,637)
	Purchased	**1,629,976**	**—**	**95,934**	**95,934**
	U.S. dollar	862,667	—	45,697	45,697
	Euro	36,663	—	(27)	(27)
	Australian dollar	573,422	—	49,837	49,837
	Currency options				
	Sold				
	Call	**—**	**—**	**—**	**—**
		[—]	**[—]**		
	U.S. dollar	—	—	—	—
		[—]	[—]		
	Euro	—	—	—	—
		[—]	[—]		
	Put	**166,065**	**—**	**43**	**442**
		[486]	**[—]**		
	U.S. dollar	166,065	—	43	442
		[486]	[—]		
	Euro	—	—	—	—
		[—]	[—]		
	Purchased				
	Call	**—**	**—**	**—**	**—**
		[—]	**[—]**		
	U.S. dollar	—	—	—	—
		[—]	[—]		
	Euro	—	—	—	—
		[—]	[—]		
	Put	**1,162,455**	**—**	**940**	**(12,866)**
		[13,806]	**[—]**		
	U.S. dollar	1,162,455	—	940	(12,866)
		[13,806]	[—]		
	Euro	—	—	—	—
		[—]	[—]		
	Currency swaps	**4,657,973**	**4,538,880**	**(237,744)**	**(237,744)**
	U.S.$ paid/¥ received	2,862,781	2,773,843	(77,011)	(77,011)
	€ paid/¥ received	1,209,486	1,181,149	(125,420)	(125,420)
Total					**(466,625)**

Notes: 1. Brackets represent option premiums recorded in the balance sheets.
2. Net gains (losses) represent the fair value for forward transactions and swap transactions, and the difference between option premiums and fair value for option transactions.

94. Fair Value of Derivative Transactions, Combined Total with and without Hedge Accounting Applied (General Account), continued

(4) Equity-related

Millions of Yen

As of March 31		2023				2022			
		Contract amount				Contract amount			
Category	Type		Over 1 year	Fair value	Net gains (losses)		Over 1 year	Fair value	Net gains (losses)
Stock exchange	Equity index futures								
	Sold	—	—	—	—	—	—	—	—
	Purchased	—	—	—	—	—	—	—	—
	Equity index options								
	Sold								
	Call	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Purchased								
	Call	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	511,196	—	1,114	(4,360)	504,402	—	1,492	(4,154)
		[5,475]	[—]			[5,646]	[—]		
Over-the-counter	Equity forward contracts								
	Sold	48,309	—	(1,950)	(1,950)	158,141	—	6,649	6,649
	Purchased	—	—	—	—	—	—	—	—
	Equity index forward contracts								
	Sold	—	—	—	—	—	—	—	—
	Purchased	54,054	54,054	(124)	(124)	—	—	—	—
	Equity index options								
	Sold								
	Call	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Purchased								
	Call	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	74,674	38,220	219	(524)	378,927	36,167	876	(3,886)
		[744]	[320]			[4,762]	[423]		
Total					**(6,959)**				**(1,391)**

94. Fair Value of Derivative Transactions, Combined Total with and without Hedge Accounting Applied (General Account), continued

(4) Equity-related, continued

Millions of Yen

As of March 31		2021			
		Contract amount			
Category	Type		Over 1 year	Fair value	Net gains (losses)
Stock exchange	Equity index futures				
	Sold	—	—	—	—
	Purchased	—	—	—	—
	Equity index options				
	Sold				
	Call	—	—	—	—
		[—]	[—]		
	Put	—	—	—	—
		[—]	[—]		
	Purchased				
	Call	—	—	—	—
		[—]	[—]		
	Put	75,864	—	5	(787)
		[793]	[—]		
Over-the-counter	Equity forward contracts				
	Sold	54,244	—	(14,873)	(14,873)
	Purchased	—	—	—	—
	Equity index forward contracts				
	Sold	—	—	—	—
	Purchased	—	—	—	—
	Equity index options				
	Sold				
	Call	—	—	—	—
		[—]	[—]		
	Put	—	—	—	—
		[—]	[—]		
	Purchased				
	Call	—	—	—	—
		[—]	[—]		
	Put	437,682	147,936	1,856	(4,404)
		[6,260]	[2,393]		
Total					(20,065)

Notes: 1. Amounts in brackets represent option premiums recorded in the balance sheets.
2. Net gains (losses) represent the fair value for futures transactions and forward transactions, and the difference between option premiums and fair value for option transactions.

(5) Bond-related

Millions of Yen

As of March 31		2023				2022			
		Contract amount				Contract amount			
Category	Type		Over 1 year	Fair value	Net gains (losses)		Over 1 year	Fair value	Net gains (losses)
Over-the-counter	Bond purchases and sales with attached options								
	Sold								
	Call	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Purchased								
	Call	100,656	100,656	2,787	(3,071)	65,754	65,754	2,867	(64)
		[5,859]	[5,859]			[2,932]	[2,932]		
	Put	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
Total					(3,071)				(64)

94. Fair Value of Derivative Transactions, Combined Total with and without Hedge Accounting Applied (General Account), continued

(5) Bond-related, continued

Millions of Yen

As of March 31		2021			
		Contract amount			
Category	Type		Over 1 year	Fair value	Net gains (losses)
Over-the-counter	Bond purchases and sales with attached options				
	Sold				
	Call	—	—	—	—
		[—]	[—]		
	Put	—	—	—	—
		[—]	[—]		
	Purchased				
	Call	—	—	—	—
		[—]	[—]		
	Put	—	—	—	—
		[—]	[—]		
Total					—

Notes: 1. Amounts in brackets represent option premiums recorded in the balance sheets.
2. Net gains (losses) represent the difference between option premiums and fair value.

(6) Others

There were no ending balances as of March 31, 2023, 2022, and 2021.

About General Account and Separate Account

A life insurance company classifies and manages its assets in two accounts: a separate account and a general account.

Individual variable insurance, individual variable annuities, and certain group annuities, which change in terms of insurance amount and accumulated value based on investment performance of assets, are managed as a separate account, which is clearly segregated from a general account.

95. Balance of Separate Account Assets

Millions of Yen

As of March 31	2023		2022		2021	
	Amount	%	Amount	%	Amount	%
Individual variable insurance	100,199	8.7	110,130	9.1	112,908	9.2
Individual variable annuities	15,533	1.4	19,550	1.6	32,223	2.6
Group annuities	1,030,855	89.9	1,077,876	89.3	1,082,174	88.2
Separate account total	**1,146,588**	**100.0**	**1,207,557**	**100.0**	**1,227,305**	**100.0**

96. Asset Management Overview for the Fiscal Year Ended March 31, 2023 (Separate Account Assets for Individual Variable Insurance and Individual Variable Annuities)

While international stock prices in the fiscal year ended March 31, 2023 fell until September 2022, reflecting the monetary tightening stance of central banks due to high inflation rates and concerns over a global recession, they rose from October 2022 onward due to the easing of inflation. As a result, U.S. stock prices fell and European stock prices rose from the levels at the end of the previous fiscal year. Although domestic stock prices fell in response to the decline in U.S. stocks, they rallied reflecting the full-fledged acceptance of international tourists and remained at the same level on the whole. Domestic and international interest rates increased, reflecting a tweak to the Bank of Japan's monetary policy and concerns over the monetary tightening stance of central banks due to high inflation rates across the world.

Amid this operating environment, the investment return on individual variable insurance for the fiscal year ended March 31, 2023 was negative at 0.65%. This also represented investment return of 207.56% (3.13% on an annualized basis) since November 1, 1986, when investment was first undertaken.

In individual variable annuities, the Company continued its investment policy of holding a certain amount of cash and deposits to prepare for changes in insurance policies while maintaining, in principle, a high allocation ratio in investment trusts, the main investment vehicle for the separate account.

Regarding investment return on the separate account for individual variable insurance

The investment return on the separate account for individual variable insurance represents growth rates on premiums received from policyholders, less portions allocated for death protection, and does not represent the growth rates on the total insurance premium.

Notes: 1. The asset management overview for individual variable insurance does not include variable insurance with survival benefits in a designated currency.
2. Investments for variable insurance with survival benefits in a designated currency conform to the asset management principles for the separate account assets for individual variable annuities.

97. Policies in Force (Separate Account for Individual Variable Insurance)

Number of Policies, Millions of Yen

As of March 31	2023		2022		2021	
	Number of policies	Amount of policies (¥)	Number of policies	Amount of policies (¥)	Number of policies	Amount of policies (¥)
Variable insurance (defined term type)	9,685	6,667	10,303	6,861	10,791	6,271
Variable insurance (whole life type)	29,122	400,930	29,889	413,608	30,608	425,701
Total	**38,807**	**407,598**	**40,192**	**420,470**	**41,399**	**431,973**

Note: Amounts include term life insurance riders.

98. Breakdown of Assets' Year-End Balance (Separate Account for Individual Variable Insurance)

Millions of Yen

As of March 31	2023		2022		2021	
	Amount	%	Amount	%	Amount	%
Cash, deposits, and call loans	3,051	3.0	13,032	11.8	9,060	8.0
Investments in securities	91,138	91.0	87,436	79.4	98,311	87.1
Domestic bonds	17,984	17.9	19,495	17.7	22,793	20.2
Domestic stocks	12,904	12.9	27,952	25.4	13,747	12.2
Foreign securities	31,513	31.5	24,234	22.0	38,711	34.3
Foreign bonds	2,773	2.8	2,855	2.6	9,757	8.6
Foreign stocks and other securities	28,740	28.7	21,379	19.4	28,954	25.6
Other securities	28,736	28.7	15,752	14.3	23,058	20.4
Loans	—	—	—	—	—	—
Others	6,009	6.0	9,662	8.8	5,536	4.9
Allowance for doubtful accounts	—	—	—	—	—	—
Total	**100,199**	**100.0**	**110,130**	**100.0**	**112,908**	**100.0**

99. Investment Income and Expenses (Separate Account for Individual Variable Insurance)

Millions of Yen

Fiscal years ended March 31	2023	2022	2021
Interest, dividends, and other income	1,676	6,587	4,453
Gain on sales of securities	4,101	9,118	12,365
Gain on redemptions of securities	—	—	—
Gain on valuation of securities	(2,229)	(4,916)	5,778
Foreign exchange gains, net	524	457	230
Gain on derivative financial instruments, net	2,901	3,945	1,333
Other investment income	2	1	1
Loss on sales of securities	4,006	1,629	3,322
Loss on redemptions of securities	—	0	0
Loss on valuation of securities	(998)	1,841	(5,939)
Foreign exchange losses, net	269	209	180
Loss on derivative financial instruments, net	3,993	3,366	1,884
Other investment expenses	0	0	0
Net investment income	**(295)**	**8,145**	**24,714**

Notes: 1. Investment income and investment expenses related to separate accounts are recorded in the statements of income as gain (loss) from separate accounts, net.
2. Gain (loss) on valuation of securities contains reversal for gain (loss) on valuation of securities from the previous fiscal year.

100. Fair Value of Securities (Separate Account for Individual Variable Insurance)

Valuation gains (losses) on trading securities

Millions of Yen

As of March 31	2023		2022		2021	
	Balance sheet amount	Valuation gains (losses) recorded in profit or loss	Balance sheet amount	Valuation gains (losses) recorded in profit or loss	Balance sheet amount	Valuation gains (losses) recorded in profit or loss
Trading securities	91,138	(1,231)	87,436	(6,757)	98,311	11,717

101. Fair Value of Assets Held in Trust (Separate Account for Individual Variable Insurance)

There were no ending balances as of March 31, 2023, 2022, and 2021.

102. Qualitative Information on Derivative Transactions (Separate Account for Individual Variable Insurance)

1. Transaction details

The Company engages in the following derivative transactions using separate account:

Currency-related: Foreign exchange forward contracts

Equity-related: Equity index futures

Bond-related: Bond futures

2. Policy

Derivative transactions are used as complementary instruments relative to assets and liabilities with the aim of efficient asset investment and are not used excessively for speculative purposes to gain profit.

3. Purpose

Derivative transactions are mainly used to hedge against market risk related to assets held.

4. Risk details

Derivative transactions conducted in the separate account are exposed to market risks (price fluctuation and foreign exchange risks). With respect to credit risks, the credit risks should remain extremely low as the Company's transactions are entered into either through domestic and foreign financial instrument exchanges or with creditworthy counterparties.

5. Risk management system

Transaction execution is governed by internal rules, such as transaction limits. Transactions are executed under a framework, including front-office and back-office functions, where the back-office is completely segregated from the front-office and confirms transaction details with external documentation.

6. Supplementary explanation of quantitative information

Market transactions, such as futures transactions, use liquidation value or closing market price to determine fair value.

For foreign exchange forward contracts, the appraisal value obtained from external parties is mainly used as fair value.

As for derivative transactions for separate account for individual variable insurance, the Company does not apply hedge accounting.

Note: There were no transactions that fell under the category of variable insurance with survival benefits in a designated currency nor ending balances of such insurance.

103. Fair Value of Derivative Transactions, Combined Total with and without Hedge Accounting Applied (Separate Account for Individual Variable Insurance)

(1) Breakdown of gains (losses) (with and without hedge accounting applied)

Millions of Yen

	Interest	Currencies	Stocks	Bonds	Others	Total
As of March 31			**2023**			
Hedge accounting applied	—	—	—	—	—	—
Hedge accounting not applied	—	(94)	(33)	0	—	(128)
Total	**—**	**(94)**	**(33)**	**0**	**—**	**(128)**
As of March 31			**2022**			
Hedge accounting applied	—	—	—	—	—	—
Hedge accounting not applied	—	303	309	0	—	**614**
Total	**—**	**303**	**309**	**0**	**—**	**614**
As of March 31			**2021**			
Hedge accounting applied	—	—	—	—	—	—
Hedge accounting not applied	—	1	6	0	—	**8**
Total	**—**	**1**	**6**	**0**	**—**	**8**

Note: Net gains (losses) of hedge accounting not applied are recorded in the statements of income.

(2) Interest rate-related

There were no ending balances as of March 31, 2023, 2022, and 2021.

103. Fair Value of Derivative Transactions, Combined Total with and without Hedge Accounting Applied (Separate Account for Individual Variable Insurance), continued

(3) Currency-related

Millions of Yen

As of March 31		2023				2022			
		Contract amount				Contract amount			
Category	Type		Over 1 year	Fair value	Net gains (losses)		Over 1 year	Fair value	Net gains (losses)
Over-the-counter	**Foreign exchange forward contracts**								
	Sold	**24,280**	**—**	**(207)**	**(207)**	**27,030**	**—**	**(966)**	**(966)**
	U.S. dollar	12,954	—	(26)	(26)	10,402	—	(261)	(261)
	Euro	4,258	—	(78)	(78)	5,666	—	(290)	(290)
	Purchased	**18,222**	**—**	**112**	**112**	**31,282**	**—**	**1,270**	**1,270**
	U.S. dollar	6,230	—	(79)	(79)	13,774	—	472	472
	Euro	3,742	—	63	63	6,391	—	301	301
Total					**(94)**				**303**

As of March 31		2021			
		Contract amount			
Category	Type		Over 1 year	Fair value	Net gains (losses)
Over-the-counter	**Foreign exchange forward contracts**				
	Sold	**12,197**	**—**	**(101)**	**(101)**
	U.S. dollar	5,874	—	(89)	(89)
	Euro	3,817	—	1	1
	Purchased	**10,190**	**—**	**102**	**102**
	U.S. dollar	6,360	—	93	93
	Euro	2,083	—	(1)	(1)
Total					**1**

Note: Net gains (losses) represent the fair value.

(4) Equity-related

Millions of Yen

As of March 31		2023				2022			
		Contract amount				Contract amount			
Category	Type		Over 1 year	Fair value	Net gains (losses)		Over 1 year	Fair value	Net gains (losses)
Exchange-traded	Equity index futures								
	Sold	5,008	—	(88)	(88)	—	—	—	—
	Purchased	3,278	—	55	55	8,709	—	309	309
Total					**(33)**				**309**

As of March 31		2021			
		Contract amount			
Category	Type		Over 1 year	Fair value	Net gains (losses)
Exchange-traded	Equity index futures				
	Sold	491	—	(7)	(7)
	Purchased	2,525	—	14	14
Total					**6**

Note: Net gains (losses) represent the fair value.

103. Fair Value of Derivative Transactions, Combined Total with and without Hedge Accounting Applied (Separate Account for Individual Variable Insurance), continued

(5) Bond-related

Millions of Yen

As of March 31		2023				2022			
		Contract amount			Net	Contract amount			Net
Category	Type		Over 1 year	Fair value	gains (losses)		Over 1 year	Fair value	gains (losses)
Exchange-traded	Yen-denominated bond futures								
	Sold	296	—	0	0	2,994	—	0	0
	Purchased	—	—	—	—	—	—	—	—
	Foreign currency-denominated bond futures								
	Sold	—	—	—	—	—	—	—	—
	Purchased	—	—	—	—	—	—	—	—
Total					**0**				**0**

As of March 31		2021			
		Contract amount			Net
Category	Type		Over 1 year	Fair value	gains (losses)
Exchange-traded	Yen-denominated bond futures				
	Sold	2,268	—	0	0
	Purchased	—	—	—	—
	Foreign currency-denominated bond futures				
	Sold	—	—	—	—
	Purchased	—	—	—	—
Total					**0**

Note: Net gains (losses) represent the fair value.

(6) Others

There were no ending balances as of March 31, 2023, 2022, and 2021.

104. Policies in Force (Separate Account for Individual Variable Annuities)

Number of Policies, Millions of Yen

As of March 31	2023		2022		2021	
	Number of policies	Amount of policies (¥)	Number of policies	Amount of policies (¥)	Number of policies	Amount of policies (¥)
Individual variable annuities	9,311	15,532	11,072	19,539	27,164	32,221

Note: Amounts represent policy reserves.

105. Breakdown of Assets' Year-End Balance (Separate Account for Individual Variable Annuities)

Millions of Yen

As of March 31	2023		2022		2021	
	Amount	%	Amount	%	Amount	%
Cash, deposits, and call loans	—	—	—	—	—	—
Investments in securities	15,140	97.5	19,475	99.6	31,498	97.8
Domestic bonds	2,627	16.9	3,526	18.0	4,586	14.2
Domestic stocks	—	—	—	—	—	—
Foreign securities	—	—	—	—	—	—
Foreign bonds	—	—	—	—	—	—
Foreign stocks and other securities	—	—	—	—	—	—
Other securities	12,513	80.6	15,948	81.6	26,912	83.5
Loans	—	—	—	—	—	—
Others	392	2.5	74	0.4	724	2.2
Allowance for doubtful accounts	—	—	—	—	—	—
Total	**15,533**	**100.0**	**19,550**	**100.0**	**32,223**	**100.0**

106. Investment Income and Expenses (Separate Account for Individual Variable Annuities)

Millions of Yen

Fiscal years ended March 31	2023	2022	2021
Interest, dividends, and other income	1,514	4,391	1,336
Gain on sales of securities	75	137	145
Gain on redemptions of securities	—	—	—
Gain on valuation of securities	(1,797)	(1,530)	3,319
Foreign exchange gains, net	—	—	—
Gain on derivative financial instruments, net	—	—	—
Other investment income	0	0	0
Loss on sales of securities	0	0	376
Loss on redemptions of securities	—	—	—
Loss on valuation of securities	55	20	(7,814)
Foreign exchange losses, net	—	—	—
Loss on derivative financial instruments, net	—	—	—
Other investment expenses	0	0	0
Net investment income	**(262)**	**2,977**	**12,239**

Notes: 1. Investment income and investment expenses related to separate accounts are recorded in income as gain (loss) from separate accounts, net.
2. Gain (loss) on valuation of securities contains reversal for gain (loss) on valuation of securities from the previous year.

107. Fair Value of Securities (Separate Account for Individual Variable Annuities)

Valuation gains (losses) on trading securities

Millions of Yen

As of March 31	2023		2022		2021	
	Balance sheet amount	Valuation gains (losses) recorded in profit or loss	Balance sheet amount	Valuation gains (losses) recorded in profit or loss	Balance sheet amount	Valuation gains (losses) recorded in profit or loss
Trading securities	15,140	(1,852)	19,475	(1,550)	31,498	11,133

108. Fair Value of Assets Held in Trust (Separate Account for Individual Variable Annuities)

There were no ending balances as of March 31, 2023, 2022, and 2021.

109. Qualitative Information on Derivative Transactions (Separate Account for Individual Variable Annuities)

There were no ending balances as of March 31, 2023, 2022, and 2021.

110. Fair Value of Derivative Transactions, Combined Total with and without Hedge Accounting Applied (Separate Account for Individual Variable Annuities)

There were no ending balances as of March 31, 2023, 2022, and 2021.

111. Separate Account Assets by Product (Separate Account for Group Annuities)

Millions of Yen

As of March 31	2023	2022	2021
Separate account first treaty	830,519	861,163	845,261
Comprehensive account	229,030	233,331	245,896
Stable income account	241,216	271,343	268,169
Target risk investment units	89,368	110,241	110,072
Global balance	57,223	18,403	—
Account by investment categories	213,680	227,842	221,123
Separate account second treaty	170,236	187,942	210,191
Defined contribution pension plans	30,099	28,770	26,721
Total	**1,030,855**	**1,077,876**	**1,082,174**

Notes: 1. Separate account first treaty: Joint management of defined benefit corporate pension funds
Comprehensive account: Balanced portfolio management
Stable income account: Aim to secure stable return of at least 2.5% in the medium to long term
Target risk investment units: Seek investment gains based on market trends while suppressing the fluctuation in returns
Global balance: Generate revenue by diversifying funds into various investments, including corporate bonds and gold
Account by investment categories: Investments made in specific assets for closer matching with customer needs
2. Global balance: Operation began on February 7, 2022.
3. Separate account second treaty: Independent management of annuity assets for each customer
4. Defined contribution pension plans: Jointly managed funds for defined contribution pensions

112. Status of First Treaty (Separate Account for Group Annuities)

1. Fair value

Millions of Yen

As of March 31	2023	2022	2021
	Fair value	Fair value	Fair value
Comprehensive account	227,372	228,829	231,628
Stable income account	240,902	268,582	267,393
Target risk investment units	89,228	109,111	109,434
Global balance	45,869	16,752	—
Domestic bond accounts	38,217	40,605	39,090
Market tracking domestic bond account	68,029	72,303	76,434
Domestic stock accounts	15,787	17,834	18,657
Market tracking domestic stock account	10,065	8,955	10,282
Foreign bond accounts	9,678	10,591	9,612
Foreign bond accounts with currency hedging	7,170	8,108	6,217
Market tracking foreign bond account	5,780	5,598	5,637
Foreign stock accounts	19,553	21,305	20,230
Market tracking foreign stock account	15,690	17,205	15,977
Money market accounts	20,902	19,669	13,808
Total	**814,242**	**845,445**	**824,401**

Note: Figures are stated at fair value and rounded to the nearest million yen.

2. Investment return ratio

%

Fiscal years ended March 31	2023	2022	2021
	Unit price fluctuation	Unit price fluctuation	Unit price fluctuation
Comprehensive account	0.43	6.46	26.28
Stable income account	(1.88)	(0.48)	(0.09)
Target risk investment units	(1.22)	(2.48)	4.01
Global balance	(1.05)	0.24	—
Domestic bond accounts	(0.95)	(0.84)	(0.43)
Market tracking domestic bond account	(1.66)	(1.26)	(0.88)
Domestic stock accounts	5.31	1.08	43.54
Market tracking domestic stock account	5.64	1.93	41.95
Foreign bond accounts	(1.22)	2.08	4.89
Foreign bond accounts with currency hedging	(10.96)	(5.03)	(2.46)
Market tracking foreign bond account	(0.64)	1.92	5.14
Foreign stock accounts	0.12	23.23	58.46
Market tracking foreign stock account	2.36	22.40	58.87
Money market accounts	0.00	0.00	0.00

Note: The global balance began operations on February 7, 2022.

POLICYHOLDER PROTECTION SYSTEMS

● Early Correction Safeguard System

Early correction safeguarding is a system designed to protect policyholders and ensure sound and appropriate operations at insurance companies. When an insurance company's solvency margin ratio falls below a certain level, depending on the circumstances, the regulatory agency may issue a directive to the insurance company to improve its operations.

An insurance company is subject to such a directive when its solvency margin ratio falls below 200%. The action standards and directives are categorized in the table on the right.

Depending on the assets and liabilities of the insurance company as well as the management improvement plans submitted to the regulatory agency, additional directives may be issued for classifications other than the solvency margin ratio in the table on the right.

■ Action Standards and Directives

Classification according to solvency margin	Directive
First classification Under 200% Over 100%	Directive to propose and implement a management improvement plan
Second classification Under 100% Over 0%	Directive to discontinue or limit policyholder dividends and/or directive to change calculation methods for new policies (anticipated rate of return, etc.)
Third classification Under 0%	Directive to halt all or a portion of operations

● Bankruptcy Proceedings for Life Insurance Companies

When a life insurance company enters bankruptcy, the following two proceedings are taken to dispose of assets:

1. Corporate rehabilitation proceedings based on the court-guided rehabilitation law

   These proceedings are taken under the supervision of a court of law.

   First, the bankrupt insurance company petitions the court to start rehabilitation procedures (the commissioner of the FSA in Japan can also be petitioned). The court of law that receives this petition decides to start the procedures and appoints an administrator.

   The court-appointed administrator formulates a rehabilitation plan for transferring policyholders while managing and examining the operations and financial assets of the bankrupt insurance company. Through the decisions of related parties, the court-appointed administrator requests authorization from the court of law. After authorization is granted, the administrator executes the disposal of assets based on the rehabilitation plan.
2. Government proceedings based on the Insurance Business Act

   These proceedings are based on directives issued by the commissioner of the FSA.

   The commissioner of the FSA orders the cessation of all or a portion of operations at the bankrupt insurance company and appoints an insurance administrator to dispose of financial assets under management and operations.

   The insurance administrator manages and supervises the operations and financial assets of the bankrupt insurance company, creates plans for the management of operations and financial assets including the transfer of insurance policies, and seeks approval from the commissioner of the FSA. After approval is granted, the insurance administrator disposes of the assets according to the plan.

   There are no clear standards as to which of the aforementioned procedures will be taken, and there are no differences in the indemnification through protective measures (see next page) between the two procedures.

● Life Insurance Policyholders Protection Corporation of Japan

The Policyholders Protection Corporation is a corporate entity that was established in December 1998 through the Insurance Business Act. In the event that a life insurance company goes bankrupt, the Policyholders Protection Corporation will protect policyholders through a mutual support system.

• Members and Financial Resources

The Company and other life insurance companies that operate in Japan are members of the Policyholders Protection Corporation, and financial resources are, in principle, contributions paid by these members. However, until the end of March 2027, in the event that membership contributions from life insurance companies are insufficient as financial support to a life insurance company that goes bankrupt, the Japanese government may provide financial assistance to the Policyholders Protection Corporation through Diet deliberations.

• Main Operations

In the event of a bankruptcy of a life insurance company, the Policyholders Protection Corporation performs the following operations through a mutual support system for the purpose of protecting policyholders:

Primary Operations of the Policyholders Protection Corporation

1. Provides financial assistance to savior companies that take over insurance policies
2. Takes over insurance policies in the event that no savior company steps forward
3. Acts as a procedural representative for insurance policyholders in the event that the bankruptcy undergoes rehabilitation proceedings

• Summary of Indemnification Coverage

In the event of a bankruptcy of a life insurance company, policy indemnification is to be provided as follows:

Type of insurance	Indemnification	
Individual insurance	General policies	Policy reserves × 90%[1]
	High assumed interest rate policies[2]	Policy reserves × (90% – Set rate)[1, 3]
Group insurance	General policies	Policy reserves × 90%[1]
	High assumed interest rate policies[2, 4]	Policy reserves × (90% – Set rate)[1, 3]
	Portion related to separate accounts of group annuity policies	Not eligible for indemnification[5]

Notes: 1. Policy reserves are reserves for future insurance claims, annuity, and benefit payments, accumulated through insurance premiums and investment returns. The purpose of the system is to indemnify policy reserves, not to indemnify insurance claims, annuities, or other benefits. Accordingly, 90% of pension resource coverage attached to individual variable annuity insurance will not be eligible for indemnification.

*2. High assumed interest rate policies*1 are policies for which assumed interest rates constantly exceed standard interest rates*2 over five years preceding bankruptcy.*

**1: When assumed interest rates are different for primary policies and riders within one insurance policy, decisions of whether or not such policies fall under the category of a high assumed interest rate policy are made for individual policies.*

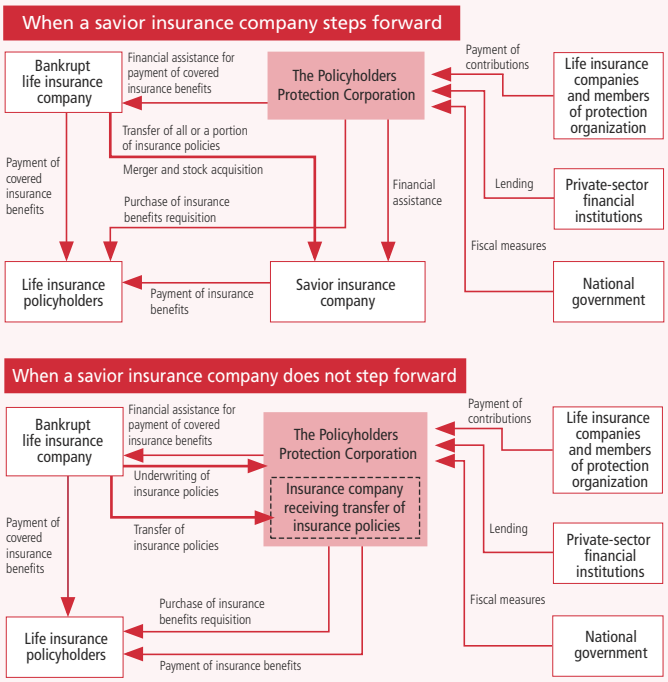
**2: Standard interest rates are determined by the commissioner of the FSA and the Finance Minister. The current reserve interest rate is 3%, which can be confirmed on the website of the Company or that of the Policyholders Protection Corporation.*

3. Set rate = (Sum of assumed interest rates for the previous five years, less standard interest rates) / 2

4. When insured are contributing insurance premiums and assumed interest rates are different among each insured, each insured is deemed to have concluded its own insurance policy. As such, it should be determined individually whether or not such a policy falls into the category of a high assumed interest rate policy. However, regarding defined contribution annuity insurance policies, regardless of whether or not the insured is contributing premiums, it should be determined whether or not each insured's policy falls into the category of a high assumed interest rate policy.

5. In rehabilitation procedures, it is possible to develop a rehabilitation plan under which policy reserves need not be reduced to cover this area (i.e., it can be determined whether or not the reserves should be reduced by individual rehabilitation procedures).

■ Framework of the Policyholders Protection Corporation



Information on policyholder protection in the last two pages, including the scope of policies eligible for indemnification and their coverage, is based on current legal statutes and is subject to change in the future in accordance with revisions to those legal statutes (as of July 2023).