
FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

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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.

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1. Consolidated Balance Sheets

Nippon Life Insurance Company and its Consolidated Subsidiaries

As of March 31	Millions of Yen			Millions of U.S. Dollars (Note 1)
	2022	2021	2020	2022
ASSETS:				
Cash and deposits (Notes 6, 7 and 18)	¥ 1,702,155	¥ 1,771,810	¥ 1,751,037	\$ 13,907
Call loans (Note 6)	500,978	540,086	422,906	4,093
Monetary receivables purchased (Notes 6 and 7)	290,646	316,335	375,278	2,374
Assets held in trust (Note 7)	—	135	33,779	—
Investments in securities (Notes 6, 7, 9, 18 and 19)	73,373,626	70,741,631	65,084,003	599,506
Loans (Notes 7, 21 and 22)	8,437,632	8,423,975	8,436,650	68,940
Tangible fixed assets (Notes 8, 10 and 18):	1,875,391	1,941,042	1,913,574	15,323
Land	1,226,001	1,284,407	1,261,133	10,017
Buildings	573,878	579,054	582,389	4,688
Lease assets	6,052	8,280	9,262	49
Construction in progress	30,250	22,427	16,167	247
Other tangible fixed assets	39,208	46,872	44,620	320
Intangible fixed assets (Note 18):	382,306	385,669	386,396	3,123
Software	128,852	122,279	126,334	1,052
Goodwill	84,383	83,185	84,220	689
Lease assets	27	31	35	0
Other intangible fixed assets	169,042	180,172	175,805	1,381
Reinsurance receivables (Note 28)	9,266	26,705	69,533	75
Other assets (Note 7)	1,734,914	1,367,177	1,512,525	14,175
Net defined benefit asset (Note 16)	1,201	468	—	9
Deferred tax assets (Note 26)	10,976	13,538	24,318	89
Customers' liability for acceptances and guarantees	71,612	71,728	76,136	585
Allowance for doubtful accounts	(8,736)	(10,343)	(4,969)	(71)
Total assets	¥88,381,973	¥85,589,960	¥80,081,170	\$722,133

As of March 31	Millions of Yen			Millions of U.S. Dollars (Note 1)
	2022	2021	2020	2022
LIABILITIES:				
Policy reserves and other reserves:				
Reserve for outstanding claims	¥ 260,983	¥ 249,222	¥ 258,970	\$ 2,132
Policy reserves (Note 28)	68,547,902	66,916,145	65,406,129	560,077
Reserve for dividends to policyholders (mutual company) (Note 12)	1,060,577	1,046,832	1,043,785	8,665
Reserve for dividends to policyholders (limited company) (Note 13)	53,297	54,738	56,750	435
Subtotal	69,922,760	68,266,939	66,765,636	571,311
Reinsurance payables	24,535	8,065	7,519	200
Corporate bonds (Notes 7 and 14)	1,535,905	1,432,612	1,277,620	12,549
Other liabilities (Notes 7, 15 and 18)	6,021,605	3,871,138	3,541,405	49,200
Accrued bonuses for directors and audit & supervisory board members	434	433	92	3
Net defined benefit liability (Note 16)	434,246	438,263	449,594	3,548
Accrued retirement benefits for directors and audit & supervisory board members	637	689	4,970	5
Reserve for program points	8,770	8,528	8,864	71
Reserve for price fluctuations in investments in securities	1,684,575	1,610,738	1,531,621	13,763
Deferred tax liabilities (Note 26)	523,390	962,359	157,426	4,276
Deferred tax liabilities for land revaluation	100,444	101,894	103,072	820
Acceptances and guarantees	71,612	71,728	76,136	585
Total liabilities	80,328,918	76,773,391	73,923,960	656,335
NET ASSETS:				
Foundation funds (Note 17)	100,000	100,000	100,000	817
Reserve for redemption of foundation funds (Note 17)	1,350,000	1,300,000	1,300,000	11,030
Reserve for revaluation	651	651	651	5
Consolidated surplus	740,576	709,574	554,790	6,050
Total foundation funds and others	2,191,227	2,110,225	1,955,441	17,903
Net unrealized gains on available-for-sale securities	6,124,915	6,767,268	4,199,843	50,044
Deferred losses on derivatives under hedge accounting	(375,170)	(163,088)	(69,235)	(3,065)
Land revaluation losses	(60,363)	(57,447)	(54,706)	(493)
Foreign currency translation adjustments	17,362	(25,774)	(26,406)	141
Remeasurement of defined benefit plans	(2,518)	(6,511)	(15,030)	(20)
Total accumulated other comprehensive income	5,704,225	6,514,448	4,034,464	46,606
Share acquisition rights (Note 29)	1,671	1,349	926	13
Noncontrolling interests	155,930	190,546	166,377	1,274
Total net assets	8,053,054	8,816,569	6,157,210	65,798
Total liabilities and net assets	¥88,381,973	¥85,589,960	¥80,081,170	\$722,133

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	2022	2021	2020	2022
Ordinary income:				
Revenues from insurance and reinsurance (Note 25)	¥5,386,003	¥5,190,112	¥5,719,334	\$44,006
Investment income:				
Interest, dividends, and other income	1,731,163	1,558,947	1,597,896	14,144
Gain from assets held in trust, net	—	—	17,720	—
Gain on trading securities	6,294	10,488	34,737	51
Gain on sales of securities	490,952	537,390	350,794	4,011
Gain on redemptions of securities	9,634	3,998	2,585	78
Foreign exchange gains, net	413,614	413,806	—	3,379
Reversal of allowance for doubtful accounts	1,573	—	1,023	12
Other investment income	1,618	2,535	2,697	13
Gain from separate accounts, net	41,083	154,873	—	335
Subtotal	2,695,935	2,682,040	2,007,454	22,027
Other ordinary income	274,933	288,813	323,869	2,246
Total ordinary income	8,356,872	8,160,966	8,050,657	68,280
Ordinary expenses:				
Benefits and other payments:				
Death and other claims	1,227,849	1,233,439	1,262,045	10,032
Annuity payments	1,013,480	991,956	994,266	8,280
Health and other benefits	895,870	847,024	873,235	7,319
Surrender benefits	1,171,107	1,278,280	1,111,079	9,568
Other refunds	209,897	256,135	219,474	1,714
Reinsurance premiums (Note 25)	111,611	89,962	100,944	911
Subtotal	4,629,816	4,696,798	4,561,046	37,828
Provision for policy reserves:				
Provision for reserve for outstanding claims	19,626	—	—	160
Provision for policy reserves	1,604,264	1,486,743	1,313,949	13,107
Provision for interest on reserve for dividends to policyholders (mutual company)	21,346	21,458	21,722	174
Provision for interest on reserve for dividends to policyholders (limited company)	9	10	11	0
Subtotal	1,645,246	1,508,211	1,335,682	13,442
Investment expenses:				
Interest expenses	34,837	31,354	37,771	284
Loss from assets held in trust, net	85	34,144	—	0
Loss on sales of securities	116,850	47,651	61,131	954
Loss on valuation of securities	14,152	6,766	220,341	115
Loss on redemptions of securities	7,103	14,852	12,749	58
Loss on derivative financial instruments, net	128,642	146,237	20,478	1,051
Foreign exchange losses, net	—	—	235,504	—
Provision for allowance for doubtful accounts	—	5,910	—	—
Write-offs of loans	0	26	14	0
Depreciation of rental real estate and other assets	21,129	20,604	20,370	172
Other investment expenses	63,603	39,660	39,699	519
Loss from separate accounts, net	—	—	50,951	—
Subtotal	386,404	347,208	699,013	3,157
Operating expenses (Note 23)	802,955	791,723	816,454	6,560
Other ordinary expenses	357,005	341,395	357,103	2,916
Total ordinary expenses	7,821,428	7,685,338	7,769,300	63,905
Ordinary profit	535,443	475,628	281,357	4,374

	Millions of Yen			Millions of U.S. Dollars (Note 1)
For the years ended March 31	2022	2021	2020	2022
Extraordinary gains:				
Gain on disposals of fixed assets	¥ 18,439	¥ 1,536	¥ 6,529	\$ 150
Gain on step acquisitions (Note 4)	—	—	48,730	—
Gain on reversal of share acquisition rights (Note 20)	0	13	6	0
Subtotal	18,439	1,550	55,267	150
Extraordinary losses:				
Loss on disposals of fixed assets	5,186	6,201	7,275	42
Impairment losses (Note 24)	21,943	5,084	45,057	179
Provision for reserve for price fluctuations in investments in securities	73,837	79,116	71,438	603
Loss on reduction entry of real estate	4	80	204	0
Contributions for assisting social public welfare	3,000	3,000	3,000	24
Other extraordinary losses	—	—	718	—
Subtotal	103,971	93,483	127,694	849
Provision for reserve for dividends to policyholders (limited company)	12,839	11,966	11,829	104
Surplus before income taxes	437,072	371,727	197,101	3,571
Income taxes (Note 26):				
Current	199,647	154,691	163,519	1,631
Deferred	(114,236)	(119,051)	(149,172)	(933)
Total income taxes	85,411	35,639	14,346	697
Net surplus	351,661	336,087	182,754	2,873
Net surplus attributable to noncontrolling interests	4,901	4,583	(9,383)	40
Net surplus attributable to the parent company	¥346,759	¥331,504	¥192,137	\$2,833

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

For the years ended March 31	Millions of Yen			Millions of U.S. Dollars (Note 1)
	2022	2021	2020	2022
Net surplus	¥ 351,661	¥ 336,087	¥ 182,754	\$ 2,873
Other comprehensive (loss) income (Note 27):	(815,365)	2,501,831	(813,268)	(6,662)
Net unrealized (losses) gains on available-for-sale securities	(655,136)	2,578,320	(748,619)	(5,352)
Deferred (losses) gains on derivatives under hedge accounting	(212,470)	(93,568)	(37,246)	(1,736)
Foreign currency translation adjustments	35,120	8,163	(21,320)	286
Remeasurement of defined benefit plans	4,029	8,561	(1,543)	32
Share of other comprehensive gains (losses) of associates accounted for under the equity method	13,090	354	(4,538)	106
Comprehensive (loss) income:	¥(463,704)	¥2,837,919	¥(630,513)	\$(3,788)
Comprehensive (loss) income attributable to the parent company	(460,546)	2,814,228	(613,811)	(3,762)
Comprehensive (loss) income attributable to noncontrolling interests	(3,157)	23,691	(16,702)	(25)

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

	Millions of Yen				
	Foundation funds and others				
	Foundation funds (Note 17)	Reserve for redemption of foundation funds (Note 17)	Reserve for revaluation	Consolidated surplus	Total foundation funds and others
For the year ended March 31, 2020					
Beginning balance	¥100,000	¥1,250,000	¥651	¥629,555	¥1,980,206
Increase/decrease:					
Issuance of foundation funds	50,000				50,000
Additions to reserve for dividends to policyholders (mutual company)				(211,818)	(211,818)
Additions to reserve for redemption of foundation funds		50,000		(50,000)	—
Interest on foundation funds				(355)	(355)
Net surplus attributable to the parent company				192,137	192,137
Redemption of foundation funds	(50,000)				(50,000)
Reversal of land revaluation losses				16	16
Changes in the scope of consolidation and application of the equity method				(4,977)	(4,977)
Change in the parent's ownership interest due to transactions with noncontrolling interests				232	232
Net change, excluding foundation funds and others					
Net change	—	50,000	—	(74,764)	(24,764)
Ending balance	¥100,000	¥1,300,000	¥651	¥554,790	¥1,955,441

	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 (Note 29)	Noncontrolling interests	Total net assets
For the year ended March 31, 2020									
Beginning balance	¥4,943,922	¥(31,643)	¥(54,690)	¥ (4,853)	¥(13,494)	¥4,839,241	¥ —	¥158,772	¥6,978,221
Increase/decrease:									
Issuance of foundation funds									50,000
Additions to reserve for dividends to policyholders (mutual company)									(211,818)
Additions to reserve for redemption of foundation funds									—
Interest on foundation funds									(355)
Net surplus attributable to the parent company									192,137
Redemption of foundation funds									(50,000)
Reversal of land revaluation losses									16
Changes in the scope of consolidation and application of the equity method									(4,977)
Change in the parent's ownership interest due to transactions with noncontrolling interests									232
Net change, excluding foundation funds and others	(744,078)	(37,592)	(16)	(21,553)	(1,536)	(804,777)	926	7,604	(796,247)
Net change	(744,078)	(37,592)	(16)	(21,553)	(1,536)	(804,777)	926	7,604	(821,011)
Ending balance	¥4,199,843	¥(69,235)	¥(54,706)	¥(26,406)	¥(15,030)	¥4,034,464	¥926	¥166,377	¥6,157,210

	Millions of Yen				
	Foundation funds and others				
	Foundation funds (Note 17)	Reserve for redemption of foundation funds (Note 17)	Reserve for revaluation	Consolidated surplus	Total foundation funds and others
For the year ended March 31, 2021					
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

	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 (Note 29)	Noncontrolling interests	Total net assets
For the year ended March 31, 2021									
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

	Millions of Yen				
	Foundation funds and others				
	Foundation funds (Note 17)	Reserve for redemption of foundation funds (Note 17)	Reserve for revaluation	Consolidated surplus	Total foundation funds and others
For the year ended March 31, 2022					
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

	Millions of Yen								
	Accumulated other comprehensive income								Total net assets
	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 (Note 29)	Noncontrolling interests	
For the year ended March 31, 2022									
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

	Millions of U.S. Dollars (Note 1)				
	Foundation funds and others				
	Foundation funds (Note 17)	Reserve for redemption of foundation funds (Note 17)	Reserve for revaluation	Consolidated surplus	Total foundation funds and others
For the year ended March 31, 2022					
Beginning balance	\$817	\$10,621	\$5	\$5,797	\$17,241
Increase/decrease:					
Issuance of foundation funds	408				408
Additions to reserve for dividends to policyholders (mutual company)				(2,255)	(2,255)
Additions to reserve for redemption of foundation funds		408		(408)	—
Interest on foundation funds				(2)	(2)
Net surplus attributable to the parent company				2,833	2,833
Redemption of foundation funds	(408)				(408)
Reversal of land revaluation losses				23	23
Change in the parent's ownership interest due to transactions with noncontrolling interests				62	62
Net change, excluding foundation funds and others					
Net change	—	408	—	253	661
Ending balance	\$817	\$11,030	\$5	\$6,050	\$17,903

	Millions of U.S. Dollars (Note 1)								
	Accumulated other comprehensive income						Share acquisition rights (Note 29)	Noncontrolling interests	Total net assets
	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			
For the year ended March 31, 2022									
Beginning balance	\$55,292	\$(1,332)	\$(469)	\$(210)	\$(53)	\$53,226	\$11	\$1,556	\$72,036
Increase/decrease:									
Issuance of foundation funds									408
Additions to reserve for dividends to policyholders (mutual company)									(2,255)
Additions to reserve for redemption of foundation funds									—
Interest on foundation funds									(2)
Net surplus attributable to the parent company									2,833
Redemption of foundation funds									(408)
Reversal of land revaluation losses									23
Change in the parent's ownership interest due to transactions with noncontrolling interests									62
Net change, excluding foundation funds and others	(5,248)	(1,732)	(23)	352	32	(6,620)	2	(282)	(6,900)
Net change	(5,248)	(1,732)	(23)	352	32	(6,620)	2	(282)	(6,238)
Ending balance	\$50,044	\$(3,065)	\$(493)	\$ 141	\$(20)	\$46,606	\$13	\$1,274	\$65,798

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

For the years ended March 31	Millions of Yen			Millions of U.S. Dollars (Note 1)
	2022	2021	2020	2022
I Cash flows from operating activities:				
Surplus before income taxes	¥ 437,072	¥ 371,727	¥ 197,101	\$ 3,571
Depreciation of rental real estate and other assets	21,129	20,604	20,370	172
Depreciation	76,299	73,296	72,349	623
Impairment losses	21,943	5,084	45,057	179
Amortization of goodwill	4,496	4,259	4,679	36
Net increase (decrease) in reserve for outstanding claims	10,658	(10,064)	(43,633)	87
Net increase in policy reserves	1,612,939	1,499,301	1,311,041	13,178
Provision for interest on reserve for dividends to policyholders (mutual company)	21,346	21,458	21,722	174
Provision for interest on reserve for dividends to policyholders (limited company)	9	10	11	0
Provision for reserve for dividends to policyholders (limited company)	12,839	11,966	11,829	104
Net (decrease) increase in allowance for doubtful accounts	(1,607)	5,998	(1,353)	(13)
Net increase (decrease) in accrued bonuses for directors and audit & supervisory board members	0	341	(14)	0
Net increase (decrease) in net defined benefit liability	837	(645)	6,828	6
Net (decrease) increase in accrued retirement benefits for directors and audit & supervisory board members	(51)	(4,281)	65	(0)
Net increase in reserve for price fluctuations in investments in securities	73,837	79,116	71,438	603
Interest, dividends, and other income	(1,731,163)	(1,558,947)	(1,597,896)	(14,144)
Losses (gains) from assets held in trust, net	85	34,144	(17,720)	0
Net gains on investments in securities	(362,481)	(472,118)	(59,155)	(2,961)
Net losses on policy loans	80,687	86,953	99,699	659
Losses on derivative financial instruments, net	128,642	146,237	20,478	1,051
Interest expenses	34,837	31,354	37,771	284
Net foreign exchange (gains) losses	(412,512)	(405,762)	233,171	(3,370)
Net (gains) losses on tangible fixed assets	(11,245)	5,627	1,295	(91)
Gains on equity method investments	(1,019)	(521)	(1,247)	(8)
(Gains) losses from separate accounts, net	(41,083)	(154,873)	50,951	(335)
Gain on step acquisitions (Note 4)	—	—	(48,730)	—
Net decrease (increase) in reinsurance receivables	18,019	43,019	(60,283)	147
Net decrease (increase) in other assets (excluding those related to investing activities and financing activities)	20,021	(6,785)	567	163
Net increase (decrease) in reinsurance payables	16,075	355	(752)	131
Net (decrease) increase in other liabilities (excluding those related to investing activities and financing activities)	(10,833)	3,736	5,376	(88)
Others, net	(52,015)	(13,582)	(36,144)	(424)
Subtotal	(32,235)	(182,988)	344,874	(263)
Interest, dividends, and other income received	1,711,402	1,544,272	1,636,593	13,983
Interest paid	(27,533)	(32,407)	(36,470)	(224)
Dividends paid to policyholders (mutual company)	(174,253)	(168,289)	(176,933)	(1,423)
Dividends paid to policyholders (limited company)	(14,290)	(13,988)	(15,417)	(116)
Others, net	(61,857)	(14,024)	(8,530)	(505)
Income taxes paid	(168,521)	(167,444)	(138,536)	(1,376)
Net cash provided by operating activities	1,232,711	965,130	1,605,579	10,071

For the years ended March 31	Millions of Yen			Millions of U.S. Dollars (Note 1)
	2022	2021	2020	2022
II Cash flows from investing activities:				
Net decrease (increase) in deposits	¥ 284	¥ 2,238	¥ (2,211)	\$ 2
Purchases of monetary receivables purchased	(14,190)	(13,750)	(16,721)	(115)
Proceeds from sales and redemptions of monetary receivables purchased	42,507	49,027	44,909	347
Purchases of assets held in trust	—	(2,000)	(3,000)	—
Proceeds from decrease in assets held in trust	49	1,500	298	0
Purchases of securities	(9,401,527)	(8,305,269)	(9,312,569)	(76,816)
Proceeds from sales and redemptions of securities	7,432,601	7,439,395	7,255,486	60,728
Disbursements for loans	(1,512,331)	(1,554,232)	(1,514,841)	(12,356)
Proceeds from collections of loans	1,487,139	1,546,870	1,480,523	12,150
Net (losses) gains from the settlement of derivative financial instruments	(460,070)	(207,914)	179,466	(3,759)
Net increase in payables under repurchase agreements	1,448,058	167,422	382,239	11,831
Net (decrease) increase in cash received as collateral under securities lending transactions	(12,329)	(101,840)	75,490	(100)
Others, net	(187,143)	(58,621)	(22,733)	(1,529)
① Total of investing activities	(1,176,952)	(1,037,173)	(1,453,660)	(9,616)
[I + II①]	[55,758]	[(72,042)]	[151,918]	[455]
Purchases of tangible fixed assets	(60,911)	(73,156)	(60,940)	(497)
Proceeds from sales of tangible fixed assets	75,236	3,775	13,093	614
Payments for acquisition of subsidiary's shares with change in scope of consolidation (Note 5)	—	—	(61,771)	—
Others, net	(44,998)	(50,675)	(52,091)	(367)
Net cash used in investing activities	(1,207,626)	(1,157,230)	(1,615,371)	(9,867)
III Cash flows from financing activities:				
Proceeds from debt borrowing	291,350	250,080	274,627	2,380
Repayments of debt	(186,514)	(117,391)	(112,229)	(1,523)
Proceeds from issuance of corporate bonds	138,793	166,192	126,431	1,134
Redemption of bonds	(35,500)	(11,200)	(24,400)	(290)
Proceeds from issuance of foundation funds	50,000	—	50,000	408
Redemption of foundation funds	(50,000)	—	(50,000)	(408)
Interest on foundation funds	(277)	(277)	(355)	(2)
Payments for acquisition of subsidiary's shares not resulting in change in scope of consolidation	(23,819)	(8,027)	(3,803)	(194)
Proceeds from sales of shares of subsidiaries not resulting in change in scope of consolidation	—	—	1,386	—
Others, net	(25,320)	(4,768)	(10,815)	(206)
Net cash provided by financing activities	158,711	274,607	250,841	1,296
IV Effect of exchange rate changes on cash and cash equivalents	37,753	14,044	(20,152)	308
V Net increase in cash and cash equivalents	221,549	96,552	220,897	1,810
VI Cash and cash equivalents at the beginning of the year	2,322,833	2,226,280	2,011,931	18,978
VII Net decrease in cash and cash equivalents resulting from change in the scope of consolidation	—	—	(6,548)	—
VIII Cash and cash equivalents at the end of the year (Note 6)	¥2,544,383	¥2,322,833	¥2,226,280	\$20,789

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 ¥122.39=U.S. \$1, the effective rate of exchange at the balance sheet date of March 31, 2022. 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 ¥122.39=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 subsidiaries. Consolidated subsidiaries as of March 31, 2022, 2021 and 2020, 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) (from the fiscal year

ended March 31, 2020)

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) (from the fiscal year ended March 31, 2020)

HANASAKU LIFE INSURANCE Co., Ltd., which has started its operation as a life insurance company, has been included in the scope of consolidation starting from the fiscal year ended March 31, 2020, due to its increased significance.

Reliance Nippon Life Asset Management Limited, which was an affiliate accounted for under the equity method up to the fiscal year ended March 31, 2019, and its four affiliated companies have been included in the scope of consolidation from the fiscal year ended March 31, 2020, due to the Company's additional acquisition of its shares.

Reliance Nippon Life Asset Management Limited was renamed Nippon Life India Asset Management Limited on January 13, 2020.

NLI Commercial Mortgage Fund, LLC and NLI Commercial Mortgage Fund II, LLC have been excluded from the scope of consolidation from the fiscal year ended March 31, 2020, due to their declined significance.

One affiliate of Nippon Life India Asset Management Limited has been excluded from the scope of consolidation from the fiscal year ended March 31, 2020, due to the sale of this affiliate.

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, 2022, 2021 and 2020, 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, 2022, 2021 and 2020, 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)

(from the fiscal year ended March 31, 2020)

Nippon Life India Asset Management Limited became a consolidated subsidiary due to the Company's additional acquisition of its shares.

Accordingly, Nippon Life India Asset Management Limited has been excluded from the scope of application of the equity method from the fiscal year ended March 31, 2020. Meanwhile, one affiliate of Nippon Life India Asset Management Limited has been included in the scope of application of the equity method from the fiscal year ended March 31, 2020.

Grand Guardian Nippon Life Insurance Company Limited has been included in the scope of application of the equity method due to its increased significance associated with the acquisition of permission from Myanmar financial authorities to operate as a life insurance joint venture after obtaining its equity interests in the fiscal year ended March 31, 2020. 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, 2022, 2021 and 2020, are immaterial.

The number of consolidated subsidiaries and unconsolidated subsidiaries and affiliates accounted for under the equity method as of March 31, 2022, 2021 and 2020, was as follows:

	2022	2021	2020
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 equivalent amount of goodwill from affiliates accounted for under the equity method ("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 "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, 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 consolidated 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 consolidated fiscal year. Furthermore, matters regarding the breakdown at each level of the fair value of financial instruments are documented in Note 7 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 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 year ended March 31, 2022, are as follows.

- a. Fair value based on the market value, 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 readily determinable market values are stated at cost using the moving average method.

Evaluation methods for the fiscal years ended March 31, 2021 and 2020, 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 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 Japanese yen and 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	Loans, 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, 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 and derivative financial instruments within assets held in trust 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

(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)

From the fiscal year ended March 31, 2020, TAIJU LIFE INSURANCE COMPANY LIMITED has created, for policies commencing on or before September 30, 2019, Subcategory 1 for foreign currency-denominated single premium endowment insurance (U.S. dollar) (policies commencing from October 1, 2015, to September 30, 2019) and Subcategory 1 for foreign currency-denominated single premium endowment insurance (Australian dollar) (policies commencing from October 1, 2015, to September 30, 2019) by extending the commencement periods for the previous subcategories for foreign currency-denominated single premium endowment insurance (U.S. dollar) (policies commencing on or after January 1, 2019) and foreign currency-denominated single premium endowment insurance (Australian dollar) (policies commencing on or after October 1, 2017). Additionally, it has also created Subcategory 2 for foreign currency-denominated single premium endowment insurance (U.S. dollar) (policies commencing on or after October 1, 2019) and Subcategory 2 for foreign currency-denominated single premium endowment insurance (Australian dollar) (policies commencing on or after October 1, 2019) as new subcategories.

There has been no impact on profit or loss for the fiscal year ended March 31, 2020, as a result of this revision.

(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.

From the fiscal year ended March 31, 2020, 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 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.

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 book value 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 (13 months 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 for the fiscal years ended March 31, 2022 and 2021.

- 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 ¥1,603 million (U.S. \$13 million) (including ¥70 million (U.S. \$0 million) of credits secured and/or guaranteed), ¥3,784 million (including ¥64 million of credits secured and/or guaranteed), and ¥3,382 million (including ¥70 million of credits secured and/or guaranteed) as of March 31, 2022, 2021 and 2020, 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, 2022, 2021 and 2020.
- 2) The accounting methods of the Company and certain consolidated subsidiaries used for retirement benefits as of March 31, 2022, 2021 and 2020, 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 directors and audit & supervisory board members 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) Consolidated taxation system

Effective from the fiscal year ended March 31, 2020, the Company and certain 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, 2022. As a result, policy reserves increased by ¥596,186 million (U.S. \$4,871 million), while ordinary profit and surplus before income taxes decreased by ¥596,186 million (U.S. \$4,871 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 (U.S. \$4,792 million), while ordinary profit and surplus before income taxes decreased by ¥586,606 million (U.S. \$4,792 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 (U.S. \$78 million), while ordinary profit and surplus before income taxes decreased by ¥9,579 million (U.S. \$78 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.

Matters concerning additional policy reserve amounts accumulated during the fiscal year ended March 31, 2020, 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, 2020. As a result, policy reserves increased by ¥199,869 million, while ordinary profit and surplus before income taxes decreased by ¥199,869 million.

a. The Company

Effective from the fiscal year ended March 31, 2020, the Company has reserved additional policy amounts over a five-year period to cover a possible deficiency in the reserve for certain individual annuity policyholders. Effective from the fiscal year ended March 31, 2020, the Company has reserved additional policy amounts 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 paid up as of March 31, 2020 and similar policies (including single premium policies), the Company will successively reserve additional policy amounts over a six-year period. As a result, the policy reserves increased by ¥186,113 million, while ordinary profit and surplus before income taxes decreased by ¥186,113 million, compared with amounts that would have been recorded had the additional policy amounts not been reserved in the fiscal year ended March 31, 2020.

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 ¥13,756 million, while ordinary profit and surplus before income taxes decreased by ¥13,756 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, 2020.

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) 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 certain domestic consolidated subsidiaries are recorded as the amount of payments that have been received, in principle.

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

- 2) Benefits and other payments (excluding reinsurance premiums) of the Company and certain 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.

(20) 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.

(21) 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.

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

(23) 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 Company has applied the "Accounting Standard for Disclosure of Accounting Estimates" (ASBJ Statement No. 31) from the fiscal year ended March 31, 2021.

The significant accounting estimates identified based on this Accounting Standard comprise valuations of goodwill and goodwill equivalent.

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

1) Goodwill	¥84,383 million (U.S. \$689 million)
Nippon Life India Asset Management Limited	¥84,383 million (U.S. \$689 million)
2) Goodwill equivalent	¥78,425 million (U.S. \$640 million)
Reliance Nippon Life Insurance Company Limited	¥36,494 million (U.S. \$298 million)
The TCW Group, Inc.	¥22,430 million (U.S. \$183 million)
PT Sequis	¥19,500 million (U.S. \$159 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 24 Impairment Losses in the Notes to the Consolidated Financial Statements for the fiscal year ended March 31, 2022.

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 (U.S. \$194 million)
Acquisition cost: ¥23,819 million (U.S. \$194 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 (U.S. \$54 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 (U.S. \$21 million) (including ¥1.3 billion (U.S. \$10 million) 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

(4) Nippon Life India Asset Management Limited (for the fiscal year ended March 31, 2020)

1) Overview of the business combination

a. Name and business of the acquiree

Name: Reliance Nippon Life Asset Management Limited (Now, Nippon Life India Asset Management Limited)

Business: Asset management

b. Major reasons for executing the business combination

Nippon Life India Asset Management Limited's trust assets under management have grown steadily, and the Company intends to support Nippon Life India Asset Management Limited's attempt to enhance its presence in the Indian asset management market, which is expected to show future growth driven by solid economic growth.

c. Date of business combination

September 30, 2019 (deemed acquisition date)

d. Legal form of the business combination

Open offer to the public shareholders as per Indian regulations and share acquisition based on an agreement with Reliance Capital Limited (RCAP) to acquire shares of Nippon Life India Asset Management Limited held by RCAP (the "Open Offer").

e. Name of the company after business combination

Nippon Life India Asset Management Limited

f. Percentage of voting rights acquired

Percentage of voting rights held before the Open Offer 42.875%

Percentage of voting rights acquired based on the Open Offer* 32.125%

Percentage of voting rights after the acquisition 75%

* Reflects the impact of changes in percentage of voting rights due to the exercise of stock options for Nippon Life India Asset Management Limited's shares after the open offer.

g. Main rationale for determining the acquirer

It is clear that the Company will control the decision-making body of the acquiree by obtaining the majority of voting rights.

2) Period for which the acquiree's business results were included in the consolidated financial statements for the fiscal year ended March 31, 2020

From October 1, 2019, to March 31, 2020

In the consolidated statement of income for the fiscal year ended March 31, 2020, profit or loss related to the acquiree from April 1, 2019, to September 30, 2019, is recorded as shares of profit of entities accounted for under the equity method and presented in other ordinary income.

3) Acquisition cost and breakdown

	Millions of Yen
Consideration for acquisition:	
Fair value of Nippon Life India Asset Management Limited's shares held right before the Open Offer	¥ 92,940
Additional cash payment for Nippon Life India Asset Management Limited's shares acquired through the Open Offer	68,759
Acquisition cost	¥161,699

4) Difference between the acquisition cost and the total cost of individual transactions resulted in obtaining control

Gain on step acquisitions

¥48,730 million

5) Description and the amount of main acquisition-related costs

Advisory fees and others

¥1,395 million

6) Amount of and reasons for recognizing goodwill, and amortization method and period

a. Amount of goodwill

¥90,213 million

b. Reasons for recognizing goodwill

Goodwill was recognized because the equity interest in the net amount of the assets acquired and the liabilities assumed was lower than the acquisition cost.

c. Amortization method and period

Straight-line amortization over 20 years

7) Amounts of the assets acquired and the liabilities assumed on the date of business combination and their main components

Total assets: ¥119,130 million

(including the amount allocated to intangible assets other than goodwill of ¥77,754 million)

Total liabilities: ¥23,300 million

(including deferred tax liabilities of ¥18,595 million)

8) Amount of acquisition cost allocated to intangible assets other than goodwill and amortization period

Amount of intangible assets other than goodwill:

¥77,754 million

Amortization period: 19 years

(including contract-related assets of ¥77,754 million and amortization period of 19 years)

- 9) Estimated amount of impact on the consolidated statement of income for the fiscal year ended March 31, 2020, and calculation method, assuming that the business combination was completed as of the beginning of the fiscal year ended March 31, 2020

Ordinary income was ¥18,502 million, ordinary loss was ¥235 million, and net surplus attributable to the parent company was ¥46,504 million.

The estimated amounts of the impact represent the difference between shares of profit of entities accounted for under the equity method and gain on step acquisitions recorded by the Company for the fiscal year ended March 31, 2020, based on Nippon Life India Asset Management Limited's ordinary income, ordinary profit, and net surplus attributable to the parent company for the fiscal year ended March 31, 2020. In addition, amortization and related amounts are calculated based on the assumption that goodwill and intangible assets were recognized at the beginning of the fiscal year ended March 31, 2020. The estimated amounts do not represent Nippon Life India Asset Management Limited's ordinary income, ordinary profit, and net surplus attributable to the parent company that would have been recorded if the business combination had actually been completed as of the beginning of the fiscal year ended March 31, 2020. This note has not been audited.

5. Additional Information for Consolidated Statements of Cash Flows

(1) Acquisition of Nippon Life India Asset Management Limited (for the fiscal year ended March 31, 2020)

Main components of assets and liabilities of newly consolidated subsidiaries due to acquisition of shares

Major assets and liabilities of Nippon Life India Asset Management Limited and its four affiliated companies at the time of acquisition, as well as the acquisition cost and net payment for the acquisition are as follows:

	Millions of Yen
Total assets	¥119,130
(including the amount allocated to intangible assets other than goodwill of ¥77,754 million)	
Goodwill	90,213
Total liabilities	(23,300)
(including deferred tax liabilities of ¥(18,595) million)	
Share acquisition rights	(515)
Noncontrolling interests	(23,828)
Acquisition cost	161,699
Gain on step acquisitions	(48,730)
Acquisition cost before obtaining control	(44,209)
Cash and cash equivalents of subsidiary	(6,987)
Net payments for the acquisition	¥ 61,771

6. 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, 2022, 2021 and 2020, was as follows:

	Millions of Yen			Millions of U.S. Dollars
	2022	2021	2020	2022
Cash and deposits	¥1,702,155	¥1,771,810	¥1,751,037	\$13,907
Call loans	500,978	540,086	422,906	4,093
Monetary receivables purchased	9,999	5,999	28,998	81
Investments in securities	360,686	14,243	34,783	2,947
Time deposits with initial term of over 3 months to maturity and others	(29,437)	(9,307)	(11,443)	(240)
Cash and cash equivalents	¥2,544,383	¥2,322,833	¥2,226,280	\$20,789

7. 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 this, 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 for interest rate-related investments; foreign exchange forward contracts, currency options, and currency swaps for currency-related investments; and equity forward contracts, equity index futures, and equity index options for equity-related investments. 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, 2022, are as follows:

Notes are omitted for financial instruments whose book value is deemed to approximate 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:

As of March 31	Millions of Yen			Millions of U.S. Dollars		
	2022			2022		
	Balance sheet amount ^(*)	Fair value ^(*)	Difference	Balance sheet amount ^(*)	Fair value ^(*)	Difference
Monetary receivables purchased:	¥ 290,646	¥ 297,323	¥ 6,676	\$ 2,374	\$ 2,429	\$ 54
Held-to-maturity debt securities	23,576	23,602	26	192	192	0
Policy-reserve-matching bonds	192,361	199,011	6,649	1,571	1,626	54
Available-for-sale securities	74,708	74,708	—	610	610	—
Investments in securities ^(*) :	72,530,185	74,851,433	2,321,247	592,615	611,581	18,965
Trading securities	1,447,306	1,447,306	—	11,825	11,825	—
Held-to-maturity debt securities	372,376	368,475	(3,900)	3,042	3,010	(31)
Policy-reserve-matching bonds	30,031,350	32,321,676	2,290,325	245,374	264,087	18,713
Investments in subsidiaries and affiliates	40,648	75,471	34,822	332	616	284
Available-for-sale securities	40,638,503	40,638,503	—	332,041	332,041	—
Loans ^(*) :	8,431,736	8,578,827	147,090	68,892	70,094	1,201
Policy loans	501,293	501,293	—	4,095	4,095	—
Industrial and consumer loans	7,930,443	8,077,533	147,090	64,796	65,998	1,201
Derivative financial instruments ^(*) :	(920,898)	(920,898)	—	(7,524)	(7,524)	—
Hedge accounting not applied	(8,562)	(8,562)	—	(69)	(69)	—
Hedge accounting applied	(912,335)	(912,335)	—	(7,454)	(7,454)	—
Corporate bonds ^(*)	1,535,905	1,536,327	422	12,549	12,552	3
Loans payable	843,436	842,760	(675)	6,891	6,885	(5)

(*)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, 2022, the fair value is the balance sheet amount after the impairment losses are deducted.

(*)3 Stocks and other securities without a market price, such as unlisted equity securities are not included. The balance sheet amount of these at the end of the fiscal year ended March 31, 2022 is ¥234,763 million (U.S. \$1,918 million).

(*)4 The transitional measures of Paragraph 27 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31) are applied, and the investment balances to partnerships and so on are not included. The balance sheet amount for said partnerships and so on is ¥608,678 million (U.S. \$4,973 million).

(*)5 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.

(*)6 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

For the fiscal year ended March 31, 2022, valuation gains/losses included in profit and loss were losses of ¥30,752 million (U.S. \$251 million) for investments in securities related to separate accounts, which are classified as trading securities.

2) Held-to-maturity debt securities

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

As of March 31	Millions of Yen			Millions of U.S. Dollars		
	2022			2022		
Type	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Fair value exceeds the balance sheet amount:						
Monetary receivables purchased	¥ 10,318	¥ 10,534	¥ 216	\$ 84	\$ 86	\$ 1
Domestic bonds	39,613	39,865	252	323	325	2
Foreign securities	194,855	196,841	1,986	1,592	1,608	16
Subtotal	244,787	247,242	2,454	2,000	2,020	20
Fair value does not exceed the balance sheet amount:						
Monetary receivables purchased	13,257	13,068	(189)	108	106	(1)
Domestic bonds	22,109	21,992	(116)	180	179	(0)
Foreign securities	115,798	109,775	(6,022)	946	896	(49)
Subtotal	151,164	144,836	(6,328)	1,235	1,183	(51)
Total	¥395,952	¥392,078	¥ (3,873)	\$3,235	\$3,203	\$ (31)

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			Millions of U.S. Dollars		
	2022			2022		
Type	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Fair value exceeds the balance sheet amount:						
Monetary receivables purchased	¥ 170,931	¥ 177,798	¥ 6,867	\$ 1,396	\$ 1,452	\$ 56
Domestic bonds	19,600,472	22,402,255	2,801,782	160,147	183,039	22,892
Foreign securities	621,333	653,136	31,802	5,076	5,336	259
Subtotal	20,392,738	23,233,190	2,840,452	166,620	189,829	23,208
Fair value does not exceed the balance sheet amount:						
Monetary receivables purchased	21,430	21,212	(217)	175	173	(1)
Domestic bonds	8,932,730	8,446,578	(486,151)	72,985	69,013	(3,972)
Foreign securities	876,813	819,705	(57,107)	7,164	6,697	(466)
Subtotal	9,830,974	9,287,496	(543,477)	80,324	75,884	(4,440)
Total	¥30,223,712	¥32,520,687	¥ (2,296,975)	\$246,945	\$265,713	\$ (18,767)

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			Millions of U.S. Dollars		
	2022			2022		
Type	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	¥ 18,781	¥ 19,128	¥ 347	\$ 153	\$ 156	\$ 2
Domestic bonds	2,627,839	2,810,682	182,842	21,471	22,964	1,493
Domestic stocks	3,618,428	9,451,133	5,832,705	29,564	77,221	47,656
Foreign securities	14,356,455	17,370,509	3,014,053	117,300	141,927	24,626
Other securities	819,058	1,009,839	190,780	6,692	8,250	1,558
Subtotal	21,440,564	30,661,293	9,220,729	175,182	250,521	75,338
Balance sheet amount does not exceed acquisition cost or amortized cost:						
Monetary receivables purchased	56,508	55,580	(928)	461	454	(7)
Domestic bonds	1,008,754	980,015	(28,738)	8,242	8,007	(234)
Domestic stocks	681,952	529,629	(152,322)	5,571	4,327	(1,244)
Foreign securities	6,409,337	6,085,205	(324,131)	52,368	49,719	(2,648)
Other securities	2,487,140	2,401,487	(85,653)	20,321	19,621	(699)
Subtotal	10,643,693	10,051,918	(591,774)	86,965	82,130	(4,835)
Total	¥32,084,257	¥40,713,212	¥8,628,954	\$262,147	\$332,651	\$70,503

* Stocks and other securities without a market price totaling ¥63,528 million (U.S. \$519 million) and investment balances to partnerships and so on totaling ¥232,635 million (U.S. \$1,900 million) are not included.

Impairment losses of ¥11,972 million (U.S. \$97 million) were recognized in the fiscal year ended March 31, 2022.

Regarding stocks (including foreign stocks) of the Company and certain consolidated subsidiaries, impairment losses are recognized for stocks whose fair values have declined significantly from the acquisition price 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 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.
- A security that meets both of the following criteria:
 - Average fair value in the last month of the fiscal year is between 50% and 70% of its acquisition cost.
 - 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, 2022	Millions of Yen				Millions of U.S. Dollars			
	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:	¥ 22,300	¥ 3,482	¥ 48,201	¥ 215,953	\$ 182	\$ 28	\$ 393	\$ 1,764
Held-to-maturity debt securities	—	—	—	22,960	—	—	—	187
Policy-reserve-matching bonds	—	2,232	37,946	152,079	—	18	310	1,242
Available-for-sale securities	22,300	1,250	10,254	40,912	182	10	83	334
Investments in securities:	1,264,832	8,393,374	13,345,261	35,382,285	10,334	68,578	109,038	289,094
Held-to-maturity debt securities	53,587	137,946	108,096	73,759	437	1,127	883	602
Policy-reserve-matching bonds	393,715	3,702,147	4,700,709	21,055,492	3,216	30,248	38,407	172,036
Available-for-sale securities	817,529	4,553,280	8,536,455	14,253,034	6,679	37,203	69,747	116,455
Loans ^{(*)1}	1,021,047	2,670,379	2,090,337	2,120,723	8,342	21,818	17,079	17,327
Corporate bonds ^{(*)2}	—	—	—	1,510,305	—	—	—	12,340
Loans payable	29,856	82,129	1,450	730,000	243	671	11	5,964

(*)1) Loans such as policy loans that do not have a stated maturity date are not included.

Also, ¥8,054 million (U.S. \$65 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.

(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			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Monetary receivables purchased:	¥ —	¥ 25,865	¥ 48,843	¥ 74,708	\$ —	\$ 211	\$ 399	\$ 610
Available-for-sale securities	—	25,865	48,843	74,708	—	211	399	610
Investments in securities*:	19,226,301	11,493,584	579,733	31,299,619	157,090	93,909	4,736	255,736
Trading securities	710,308	525,509	—	1,235,818	5,803	4,293	—	10,097
Available-for-sale securities:	18,515,992	10,968,074	579,733	30,063,801	151,286	89,615	4,736	245,639
Domestic bonds:	1,992,294	1,798,404	—	3,790,698	16,278	14,694	—	30,972
National government bonds	1,989,322	63,501	—	2,052,824	16,253	518	—	16,772
Local government bonds	—	108,231	—	108,231	—	884	—	884
Corporate bonds	2,971	1,626,671	—	1,629,642	24	13,290	—	13,315
Domestic stocks	9,915,588	65,174	—	9,980,762	81,016	532	—	81,548
Foreign securities:	6,604,783	9,104,496	579,510	16,288,790	53,965	74,389	4,734	133,089
Foreign bonds	6,227,733	9,046,077	579,510	15,853,322	50,884	73,911	4,734	129,531
Foreign stocks and other securities	377,049	58,418	—	435,467	3,080	477	—	3,558
Other securities	3,326	—	222	3,549	27	—	1	28
Derivative financial instruments:	1,543	(923,505)	1,064	(920,898)	12	(7,545)	8	(7,524)
Interest rate-related	(77)	(18,546)	116	(18,507)	(0)	(151)	0	(151)
Currency-related	—	(917,961)	—	(917,961)	—	(7,500)	—	(7,500)
Others	1,620	13,001	947	15,570	13	106	7	127

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

	Millions of Yen				Millions of U.S. Dollars			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Monetary receivables purchased:	¥ —	¥ —	¥ 222,614	¥ 222,614	\$ —	\$ —	\$ 1,818	\$ 1,818
Held-to-maturity debt securities	—	—	23,602	23,602	—	—	192	192
Policy-reserve-matching bonds	—	—	199,011	199,011	—	—	1,626	1,626
Investments in securities*:	28,104,580	4,596,756	63,168	32,764,505	229,631	37,558	516	267,705
Held-to-maturity debt securities:	22,395	286,669	59,411	368,475	182	2,342	485	3,010
Domestic bonds	2,582	59,276	—	61,858	21	484	—	505
Foreign securities	19,812	227,393	59,411	306,617	161	1,857	485	2,505
Policy-reserve-matching bonds:	28,082,185	4,235,733	3,757	32,321,676	229,448	34,608	30	264,087
Domestic bonds	27,713,098	3,134,983	752	30,848,834	226,432	25,614	6	252,053
Foreign securities	369,087	1,100,749	3,004	1,472,841	3,015	8,993	24	12,033
Investments in subsidiaries and affiliates	—	74,353	—	74,353	—	607	—	607
Loans:	—	—	8,578,827	8,578,827	—	—	70,094	70,094
Policy loans	—	—	501,293	501,293	—	—	4,095	4,095
Industrial and consumer loans	—	—	8,077,533	8,077,533	—	—	65,998	65,998
Corporate bonds	—	1,510,104	26,222	1,536,327	—	12,338	214	12,552
Loans payable	—	719,324	123,436	842,760	—	5,877	1,008	6,885

* The transitional measures of Paragraph 26 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31) are applied, and investment trusts are not included. The balance sheet amount for these investment trusts was ¥10,787,120 million (U.S. \$88,137 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)

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. Securities and monetary receivables purchased for which unobservable inputs were not used, or they did not have significant impact, are classified as Level 2 fair value, while securities and monetary receivables purchased using significant unobservable inputs are classified as Level 3 fair value. 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" (ASBJ Guidance No. 31) have been applied, and levels are not assigned.

- 2) Loans

- a. Policy loans

Fair value is measured at the book value of policy loans as the book value is deemed to approximate 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 is deemed to approximate book value because market interest rates are reflected in future cash flows in the short term. Thus, book value 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 book value 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. When this valuation amount does not use unobservable inputs, or their impact is not significant, fair value is classified as Level 2, and when significant unobservable inputs are used, fair value is classified as Level 3.

- 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 is deemed to approximate book 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, book value 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.

2) Reconciliation between the beginning and ending balances of the fiscal year ended March 31, 2022, net unrealized gains (losses) recognized as profit (losses) in the fiscal year ended March 31, 2022:

	Millions of Yen					Millions of U.S. Dollars				
	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 year ended March 31, 2022	¥55,136	¥1,377,995	¥ 69	¥(3,697)	¥5,198	\$450	\$11,259	\$ 0	\$(30)	\$ 42
Profit (loss) for the year ended March 31, 2022:	(705)	13,423	(281)	—	(143)	(5)	109	(2)	—	(1)
Recorded as net income (loss) ^{(*)1}	342	40,851	(281)	—	(143)	2	333	(2)	—	(1)
Recorded as other comprehensive income (loss) ^{(*)2}	(1,047)	(27,428)	—	—	—	(8)	(224)	—	—	—
Purchased, sold, issued, and settled	(5,588)	(219,727)	328	—	637	(45)	(1,795)	2	—	5
Replaced with Level 3 fair value ^{(*)3}	—	2,203	—	—	—	—	17	—	—	—
Replaced from Level 3 fair value ^{(*)4}	—	(594,160)	—	3,697	(4,744)	—	(4,854)	—	30	(38)
Ending balance for the year ended March 31, 2022	48,843	579,733	116	—	947	399	4,736	0	—	7
Valuation gains/losses of financial instruments held as of March 31, 2022, included in profit/loss amounts for the year ended March 31, 2022 ^{(*)1}	—	12,606	(281)	—	77	—	102	(2)	—	0

(*)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 fiscal year ended March 31, 2022.

(*)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 fiscal year ended March 31, 2022.

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 and March 31, 2020, 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			2020		
	Balance sheet amount ^(*)	Fair value ^(*)	Difference	Balance sheet amount ^(*)	Fair value ^(*)	Difference
Cash and deposits (negotiable certificates of deposit):	¥ 173,998	¥ 173,998	¥ —	¥ 224,898	¥ 224,898	¥ —
Available-for-sale securities	173,998	173,998	—	224,898	224,898	—
Monetary receivables purchased:	316,335	326,751	10,415	375,278	389,099	13,821
Held-to-maturity debt securities	29,888	30,191	302	36,243	36,815	572
Policy-reserve-matching bonds	219,273	229,386	10,113	242,515	255,764	13,248
Available-for-sale securities	67,173	67,173	—	96,519	96,519	—
Assets held in trust:	135	135	—	33,779	33,779	—
Trading securities	135	135	—	33,779	33,779	—
Investments in securities:	69,552,982	73,044,186	3,491,203	64,096,635	68,593,826	4,497,190
Trading securities	1,440,294	1,440,294	—	1,260,664	1,260,664	—
Held-to-maturity debt securities	370,358	389,156	18,797	343,588	364,148	20,560
Policy-reserve-matching bonds	27,454,740	30,919,189	3,464,449	25,294,410	29,625,902	4,331,492
Investments in subsidiaries and affiliates	39,211	47,168	7,956	45,285	190,424	145,138
Available-for-sale securities	40,248,377	40,248,377	—	37,152,686	37,152,686	—
Loans ^(*) :	8,416,842	8,641,114	224,272	8,434,319	8,690,664	256,345
Policy loans	537,918	537,918	—	606,203	606,203	—
Industrial and consumer loans	7,878,923	8,103,196	224,272	7,828,115	8,084,460	256,345
Derivative financial instruments ^(*) :	(400,186)	(400,186)	—	73,958	73,958	—
Hedge accounting not applied	63,355	63,355	—	121,383	121,383	—
Hedge accounting applied	(463,541)	(463,541)	—	(47,425)	(47,425)	—
Corporate bonds ^(*)	1,432,612	1,458,829	26,217	1,277,620	1,228,662	(48,957)
Payables under repurchase agreements	1,469,600	1,469,600	—	1,296,522	1,296,522	—
Loans payable ^(*)	736,801	737,525	724	603,787	599,381	(4,405)

(*)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 and 2020, 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 ("Furite-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 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 book value of policy loans as the book value is deemed to approximate 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

Book value of variable interest rate loans is deemed to approximate fair value because market interest rates are reflected in future cash flows over the short term. Thus, book value 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 book value 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 book value is used as fair value due to their short-term settlement.

7) Loans payable

Book value of variable interest rate loans payable is deemed to approximate fair value because market interest rates are reflected in future cash flows over the short term. Thus, book value 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 were ¥1,188,648 million and ¥987,368 million as of March 31, 2021 and 2020, respectively.

(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 and 2020.

Valuation gains/losses included in profit and loss were gains of ¥84,677 million and losses of ¥20,915 million for derivative financial instruments within assets held in trust and investments in securities related to separate accounts for the fiscal years ended March 31, 2021 and 2020, respectively.

2) Held-to-maturity debt securities

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

Millions of Yen						
As of March 31	2021			2020		
Type	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Fair value exceeds the balance sheet amount:						
Monetary receivables purchased	¥ 20,024	¥ 20,523	¥ 499	¥ 21,624	¥ 22,403	¥ 779
Domestic bonds	56,833	58,059	1,225	54,915	56,110	1,194
Foreign securities	274,331	292,190	17,859	229,695	250,320	20,625
Subtotal	351,189	370,773	19,584	306,235	328,834	22,599
Fair value does not exceed the balance sheet amount:						
Monetary receivables purchased	9,864	9,667	(196)	14,618	14,411	(206)
Domestic bonds	3,400	3,398	(1)	10,232	10,226	(5)
Foreign securities	35,794	35,508	(285)	48,744	47,490	(1,253)
Subtotal	49,058	48,574	(484)	73,595	72,129	(1,466)
Total	¥400,247	¥419,348	¥19,100	¥379,831	¥400,964	¥21,132

3) Policy-reserve-matching bonds

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

Millions of Yen						
As of March 31	2021			2020		
Type	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Fair value exceeds the balance sheet amount:						
Monetary receivables purchased	¥ 214,203	¥ 224,354	¥ 10,150	¥ 232,792	¥ 246,109	¥ 13,317
Domestic bonds	22,123,969	25,651,315	3,527,346	22,646,925	26,890,118	4,243,193
Foreign securities	997,047	1,092,943	95,896	864,550	980,113	115,562
Subtotal	23,335,220	26,968,614	3,633,393	23,744,268	28,116,341	4,372,072
Fair value does not exceed the balance sheet amount:						
Monetary receivables purchased	5,069	5,032	(37)	9,723	9,655	(68)
Domestic bonds	4,171,431	4,018,029	(153,401)	1,644,633	1,625,712	(18,921)
Foreign securities	162,291	156,899	(5,392)	138,300	129,958	(8,342)
Subtotal	4,338,793	4,179,962	(158,831)	1,792,657	1,765,325	(27,332)
Total	¥27,674,013	¥31,148,576	¥3,474,562	¥25,536,925	¥29,881,666	¥4,344,740

4) Available-for-sale securities

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

Millions of Yen						
As of March 31	2021			2020		
Type	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:						
Cash and deposits (negotiable certificates of deposit)	¥ 55,000	¥ 55,000	¥ 0	¥ 108,900	¥ 108,900	¥ 0
Monetary receivables purchased	32,897	34,123	1,225	39,173	40,946	1,773
Domestic bonds	3,292,971	3,528,599	235,627	3,472,113	3,716,457	244,344
Domestic stocks	3,755,368	9,791,532	6,036,164	3,050,997	6,534,697	3,483,700
Foreign securities	17,032,482	20,192,468	3,159,985	12,728,825	15,308,498	2,579,672
Other securities	2,232,400	2,463,052	230,651	2,706,359	2,932,554	226,194
Subtotal	26,401,122	36,064,776	9,663,654	22,106,368	28,642,054	6,535,685
Balance sheet amount does not exceed acquisition cost or amortized cost:						
Cash and deposits (negotiable certificates of deposit)	119,000	118,998	(1)	116,000	115,998	(1)
Monetary receivables purchased	33,422	33,050	(372)	56,366	55,572	(793)
Domestic bonds	536,059	524,379	(11,679)	729,269	710,798	(18,470)
Domestic stocks	722,124	574,157	(147,966)	1,453,691	1,062,333	(391,357)
Foreign securities	2,220,427	2,144,908	(75,519)	6,746,142	6,331,735	(414,406)
Other securities	1,045,053	1,029,278	(15,774)	575,250	555,611	(19,638)
Subtotal	4,676,087	4,424,772	(251,314)	9,676,719	8,832,050	(844,669)
Total	¥31,077,209	¥40,489,548	¥9,412,339	¥31,783,088	¥37,474,105	¥5,691,016

* Securities totaling ¥792,035 million and ¥627,933 million, whose fair values are extremely difficult to determine, as of March 31, 2021 and 2020, respectively, are not included.

Impairment losses of ¥1,502 million and ¥159,045 million were recognized for securities with a fair value during the fiscal years ended March 31, 2021 and 2020, respectively.

Regarding stocks (including foreign stocks) 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 recog-

nized 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 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.
- A security that meets both of the following criteria:
 - Average fair value in the last month of the fiscal year is between 50% and 70% of its acquisition cost.
 - 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.

As of March 31, 2020		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):	¥ 224,900	¥ —	¥ —	¥ —	—
Available-for-sale securities	224,900	—	—	—	—
Monetary receivables purchased:	35,811	5,581	43,044	287,685	
Held-to-maturity debt securities	—	—	—	35,249	
Policy-reserve-matching bonds	100	1,946	41,513	198,801	
Available-for-sale securities	35,710	3,635	1,531	53,634	
Investments in securities:	1,138,082	5,915,492	13,811,878	30,498,192	
Held-to-maturity debt securities	40,257	152,061	74,909	73,699	
Policy-reserve-matching bonds	261,103	2,468,496	5,186,953	17,107,408	
Available-for-sale securities	836,721	3,294,934	8,550,015	13,317,084	
Loans ^(*1)	1,090,465	2,706,575	1,952,245	2,044,353	
Corporate bonds	—	—	—	1,205,320	
Payables under repurchase agreements	1,296,522	—	—	—	
Loans payable ^(*2)	35,381	73,881	4,525	390,000	

(*1) Loans such as policy loans which do not have a stated maturity date are not included. Also, ¥6,932 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) Liabilities such as 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	2022				2021				2020				2022			
	Contract amount			Net gains (losses)	Contract amount			Net gains (losses)	Contract amount			Net gains (losses)	Contract amount			Net gains (losses)
	Over 1 year	Fair value			Over 1 year	Fair value			Over 1 year	Fair value			Over 1 year	Fair value		
Over-the-counter:																
Interest rate swaps																
Receive fixed interest rate / pay variable interest rate	¥3,423,666	¥2,624,473	¥(68,446)	¥(68,446)	¥2,763,963	¥2,404,226	¥25,710	¥25,710	¥2,897,828	¥2,623,761	¥120,835	¥120,835	\$27,973	\$21,443	\$(559)	\$(559)
Pay fixed interest rate / receive variable interest rate	1,348,550	1,300,852	93,627	93,627	1,421,581	1,349,037	31,267	31,267	1,813,368	1,699,235	(44,356)	(44,356)	11,018	10,628	764	764
Pay variable interest rate / receive variable interest rate	67,000	—	12	12	—	—	—	—	—	—	—	—	547	—	0	0
Interest rate swaption																
Purchased																
Receive fixed interest rate / pay variable interest rate	1,383,000	1,205,500	23,311	(25,952)	1,330,000	1,300,000	20,605	(26,539)	952,500	952,500	50,756	14,238	11,299	9,849	190	(212)
	[49,264]	[46,699]			[47,145]	[46,951]			[36,518]	[36,518]			[402]	[381]		
Total	¥ (759)				¥30,438				¥ 90,717				\$ (6)			

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		Millions of U.S. Dollars	
Over-the-counter	Foreign exchange forward contracts	Sold			2022	2021	2020	2022
			U.S. dollar	Contract amount	¥2,087,625	¥ 961,792	¥1,255,531	\$17,057
				Over 1 year	—	4,808	4,904	—
				Fair value	(135,243)	(44,091)	(9,485)	(1,105)
				Net gains (losses)	(135,243)	(44,091)	(9,485)	(1,105)
			Euro	Contract amount	791,717	814,452	781,760	6,468
				Over 1 year	—	—	—	—
				Fair value	(39,326)	(18,192)	2,775	(321)
				Net gains (losses)	(39,326)	(18,192)	2,775	(321)
			Australian dollar	Contract amount	432,873	636,891	104,094	3,536
				Over 1 year	—	—	—	—
				Fair value	(28,910)	(45,725)	5,272	(236)
				Net gains (losses)	(28,910)	(45,725)	5,272	(236)
			British pound	Contract amount	490,023	371,866	259,123	4,003
				Over 1 year	—	—	—	—
				Fair value	(14,813)	(17,953)	7,449	(121)
				Net gains (losses)	(14,813)	(17,953)	7,449	(121)
			Others	Contract amount	285,789	64,304	28,645	2,335
				Over 1 year	—	—	—	—
				Fair value	(10,164)	(1,623)	18	(83)
				Net gains (losses)	(10,164)	(1,623)	18	(83)
			Subtotal	Contract amount	4,088,029	2,849,308	2,429,155	33,401
				Over 1 year	—	4,808	4,904	—
				Fair value	(228,458)	(127,586)	6,030	(1,866)
				Net gains (losses)	(228,458)	(127,586)	6,030	(1,866)
		Purchased	U.S. dollar	Contract amount	2,159,006	919,365	484,960	17,640
				Over 1 year	—	—	—	—
				Fair value	138,588	46,281	(397)	1,132
				Net gains (losses)	138,588	46,281	(397)	1,132
			Euro	Contract amount	104,821	52,750	94,013	856
				Over 1 year	—	—	—	—
				Fair value	3,095	(10)	(44)	25
				Net gains (losses)	3,095	(10)	(44)	25
			Australian dollar	Contract amount	298,033	589,649	32,805	2,435
				Over 1 year	—	—	—	—
				Fair value	13,782	49,920	(210)	112
				Net gains (losses)	13,782	49,920	(210)	112
			British pound	Contract amount	195,898	129,041	95,407	1,600
				Over 1 year	—	—	—	—
				Fair value	1,517	320	(148)	12
				Net gains (losses)	1,517	320	(148)	12
			Others	Contract amount	210,868	37,221	19,378	1,722
				Over 1 year	—	—	—	—
				Fair value	6,231	184	(527)	50
				Net gains (losses)	6,231	184	(527)	50
			Subtotal	Contract amount	2,968,628	1,728,027	726,565	24,255
				Over 1 year	—	—	—	—
				Fair value	163,215	96,696	(1,327)	1,333
				Net gains (losses)	163,215	96,696	(1,327)	1,333
	Currency option	Sold	Call	U.S. dollar	Contract amount	—	701,953	—
				Over 1 year	[—]	[—]	[2,060]	[—]
				Fair value	—	—	2,654	—
				Net gains (losses)	—	—	(594)	—
			Subtotal	Contract amount	—	—	701,953	—
				Over 1 year	[—]	[—]	[2,060]	[—]
				Fair value	[—]	[—]	[—]	[—]
				Fair value	—	—	2,654	—
				Net gains (losses)	—	—	(594)	—
			Put	U.S. dollar	Contract amount	—	166,065	—
				Over 1 year	[—]	[486]	[—]	[—]
				Fair value	—	—	—	—
				Fair value	—	43	—	—
				Net gains (losses)	—	442	—	—
			Subtotal	Contract amount	—	166,065	—	—
				Over 1 year	[—]	[486]	[—]	[—]
				Fair value	[—]	[—]	[—]	[—]
				Fair value	—	43	—	—
				Net gains (losses)	—	442	—	—

				Millions of Yen		Millions of U.S. Dollars	
As of March 31				2022	2021	2020	2022
	Purchased	Call	U.S. dollar	Contract amount	2022	2021	2020
				¥ —	¥ —	¥ 701,953	\$ —
				(—)	(—)	[5,344]	(—)
				Over 1 year	—	—	—
				Fair value	—	—	2,654
				Net gains (losses)	—	—	(2,690)
			Subtotal	Contract amount	—	—	701,953
				(—)	(—)	[5,344]	(—)
				Over 1 year	—	—	—
				Fair value	—	—	2,654
				Net gains (losses)	—	—	(2,690)
			Put	Contract amount	948,522	1,162,455	1,365,816
				[4,460]	[13,806]	[9,710]	[36]
				Over 1 year	—	—	—
				Fair value	906	940	11,607
				Net gains (losses)	(3,554)	(12,866)	1,896
			Subtotal	Contract amount	948,522	1,162,455	1,365,816
				[4,460]	[13,806]	[9,710]	[36]
				Over 1 year	—	—	—
				Fair value	906	940	11,607
				Net gains (losses)	(3,554)	(12,866)	1,896
				Contract amount	115,553	125,334	69,109
				Over 1 year	76,078	116,633	61,977
				Fair value	(13,503)	(5,717)	(1,872)
				Net gains (losses)	(13,503)	(5,717)	(1,872)
				Contract amount	10,521	11,865	3,966
				Over 1 year	10,521	10,521	3,966
				Fair value	(261)	(201)	360
				Net gains (losses)	(261)	(201)	360
				Contract amount	74,431	110,319	325,883
				Over 1 year	71,826	110,319	325,883
				Fair value	7,582	11,700	(37,858)
				Net gains (losses)	7,582	11,700	(37,858)
				Contract amount	42,870	28,861	22,587
				Over 1 year	40,726	27,773	22,587
				Fair value	3,045	2,643	(3,914)
				Net gains (losses)	3,045	2,643	(3,914)
				Contract amount	25,252	17,391	17,391
				Over 1 year	25,252	17,391	17,391
				Fair value	1,550	342	(9)
				Net gains (losses)	1,550	342	(9)
			Subtotal	Contract amount	268,630	293,771	438,936
				Over 1 year	224,405	282,638	431,804
				Fair value	(1,586)	8,766	(43,294)
				Net gains (losses)	(1,586)	8,766	(43,294)
				Contract amount	—	37,000	37,000
				Over 1 year	—	—	37,000
				Fair value	—	53	6
				Net gains (losses)	—	53	6
			Subtotal	Contract amount	—	37,000	37,000
				Over 1 year	—	—	37,000
				Fair value	—	53	6
				Net gains (losses)	—	53	6
			Total	Net gains (losses)	¥ (70,383)	¥ (34,494)	¥ (39,973)
							\$ (575)

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

				Millions of Yen		Millions of U.S. Dollars		
As of March 31				2022	2021	2020	2022	
Exchange-traded	Equity index futures	Sold		Contract amount	¥ —	¥ 570	¥ 39,542	\$ —
				Over 1 year	—	—	—	—
				Fair value	—	(9)	(2,340)	—
				Net gains (losses)	—	(9)	(2,340)	—
		Purchased		Contract amount	65,394	41,207	17,424	534
				Over 1 year	—	—	—	—
				Fair value	1,406	375	(38)	11
				Net gains (losses)	1,406	375	(38)	11
	Equity index options	Purchased Put		Contract amount	504,402	75,864	406,715	4,121
					[5,646]	[793]	[7,934]	[46]
				Over 1 year	—	—	—	—
					[—]	[—]	[—]	[—]
				Fair value	1,492	5	21,214	12
				Net gains (losses)	(4,154)	(787)	13,279	(33)
Over-the-counter	Equity forward contracts	Sold		Contract amount	—	—	—	—
				Over 1 year	—	—	—	—
				Fair value	(62)	(2)	(4)	(0)
				Net gains (losses)	(62)	(2)	(4)	(0)
	Equity index forward contracts	Sold		Contract amount	492	1,182	1,876	4
				Over 1 year	—	—	—	—
				Fair value	(58)	(37)	125	(0)
				Net gains (losses)	(58)	(37)	125	(0)
	Equity index options	Purchased Call		Contract amount	11,869	2,767	3,431	96
					[870]	[232]	[238]	[7]
				Over 1 year	—	—	—	—
					[—]	[—]	[—]	[—]
				Fair value	947	454	88	7
				Net gains (losses)	77	221	(150)	0
Put			Contract amount	378,927	437,682	—	3,096	
				[4,762]	[6,260]	[—]	[38]	
			Over 1 year	36,167	147,936	—	295	
				[423]	[2,393]	[—]	[3]	
			Fair value	876	1,856	—	7	
			Net gains (losses)	(3,886)	(4,404)	—	(31)	
Total			Net gains (losses)	¥ (6,678)	¥ (4,644)	¥ 10,871	\$ (54)	

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						
	2022				2021				2020				2022				
	Contract amount			Net gains (losses)	Contract amount			Net gains (losses)	Contract amount			Net gains (losses)	Contract amount			Net gains (losses)	
	Over 1 year	Fair value			Over 1 year	Fair value			Over 1 year	Fair value			Over 1 year	Fair value			
Exchange-traded:																	
Japanese yen-denominated bond futures																	
Sold	¥ 24,791	¥ —	¥ (58)	¥ (58)	¥ 18,749	¥—	¥ 6	¥ 6	¥ —	¥—	¥ —	¥ —	\$ 202	\$ —	\$ (0)	\$ (0)	
Purchased	—	—	—	—	—	—	—	—	52,133	—	45	45	—	—	—	—	
Foreign currency-denominated bond futures																	
Sold	44,950	—	106	106	22,634	—	103	103	22,465	—	(389)	(389)	367	—	0	0	
Purchased	136,480	—	(1,403)	(1,403)	102,562	—	(305)	(305)	60,521	—	558	558	1,115	—	(11)	(11)	
Over-the-counter transactions																	
Bond purchases and sales with attached options																	
Purchased																	
Call	65,754	65,754	2,867	(64)	—	—	—	—	—	—	—	—	537	537	23	(0)	
	[2,932]	[2,932]			[—]	[—]			[—]	[—]			[23]	[23]			
Total				¥(1,420)				¥(195)				¥213				\$(11)	

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				
	2022				2021				2020				2022			
	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	¥319,890	¥296,610	¥3,021	¥3,021	¥307,959	¥286,549	¥4,744	¥4,744	¥175,455	¥155,372	¥1,386	¥1,386	\$2,613	\$2,423	\$24	\$24
Purchased	16,743	14,551	(281)	(281)	12,270	12,270	(245)	(245)	4,906	4,906	(161)	(161)	136	118	(2)	(2)
Total	¥2,740				¥4,499				¥1,224				\$22			

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		
	2022			2021			2020			2022		
	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	¥2,765,000	¥2,765,000	¥(66,927)	¥2,265,000	¥2,265,000	¥25,566	¥1,810,900	¥1,803,600	¥108,327	\$22,591	\$22,591	\$(546)
Deferred hedge accounting (main hedged items: loans):												
Interest rate swaps												
Receive fixed interest rate / pay variable interest rate	6,000	6,000	(7)	10,000	6,000	1	10,263	10,000	3	49	49	(0)

b. Currency-related

As of March 31						Millions of Yen			Millions of U.S. Dollars				
						2022	2021	2020	2022				
Over-the-counter	Fair value hedge accounting	Foreign exchange forward contracts	Sold	U.S. dollar	Foreign currency-denominated bonds (main hedged items)	Contract amount	¥3,269,826	¥2,639,247	¥3,278,740	\$26,716			
						Over 1 year	—	—	—	—			
						Fair value	(198,464)	(116,379)	(34,878)	(1,621)			
				Euro		Contract amount	2,642,205	2,483,544	2,714,433	21,588			
						Over 1 year	—	—	—	—			
						Fair value	(144,244)	(56,716)	16,736	(1,178)			
				Others		Contract amount	784,933	918,719	798,529	6,413			
						Over 1 year	—	—	—	—			
						Fair value	(57,039)	(51,389)	48,675	(466)			
	Total	Contract amount	6,696,966	6,041,511	6,791,702	54,718							
		Over 1 year	—	—	—	—							
		Fair value	(399,749)	(224,485)	30,532	(3,266)							
	Deferred hedge accounting	Foreign exchange forward contracts	Sold	U.S. dollar	Investment trust (main hedged items)	Contract amount	1,264	1,239	1,159	10			
						Over 1 year	—	—	—	—			
						Fair value	(73)	(65)	6	(0)			
				Total		Contract amount	1,264	1,239	1,159	10			
						Over 1 year	—	—	—	—			
						Fair value	(73)	(65)	6	(0)			
Currency swaps							U.S. dollar paid / ¥ received	Foreign currency-denominated bonds (main hedged items)	Contract amount	3,284,475	2,862,781	1,453,411	26,836
									Over 1 year	3,216,784	2,773,843	1,359,606	26,283
									Fair value	(312,533)	(77,011)	(191,198)	(2,553)
	€ paid / ¥ received	Contract amount	1,257,627		1,209,486		802,020		10,275				
		Over 1 year	1,243,609		1,181,149		762,459		10,161				
		Fair value	(91,450)		(125,420)		(25,119)		(747)				
	£ paid / ¥ received	Contract amount	475,578		449,614		347,651		3,885				
		Over 1 year	475,578		447,796		340,221		3,885				
		Fair value	(47,732)		(46,781)		17,889		(389)				
	Others	Contract amount	5,008		5,008		5,008		40				
		Over 1 year	5,008		5,008		5,008		40				
		Fair value	(572)		(473)		160		(4)				
Total	Contract amount	5,022,689	4,526,891	2,608,091	41,038								
	Over 1 year	4,940,980	4,407,797	2,467,295	40,370								
	Fair value	(452,289)	(249,687)	(198,268)	(3,695)								

c. Equity-related

Millions of Yen										Millions of U.S. Dollars		
As of March 31	2022			2021			2020			2022		
	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	¥158,141	¥—	¥6,712	¥54,244	¥—	¥(14,871)	¥89,701	¥—	¥11,972	\$1,292	\$—	\$54

8. Disclosures about Fair Value of Investment and Rental Properties

The balance sheet amounts for investment and rental properties were ¥1,293,227 million (U.S. \$10,566 million), ¥1,319,874 million and ¥1,290,981 million, with a fair value of ¥1,766,342 million (U.S. \$14,432 million), ¥1,736,904 million, and ¥1,680,629 million as of March 31, 2022, 2021 and 2020, 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 balance sheet amounts of investment and rental properties were ¥4,089 million (U.S. \$33 million), ¥3,313 million and ¥3,400 million as of March 31, 2022, 2021 and 2020, respectively.

9. Securities Loaned and Borrowed

The amounts of securities lent under lending agreements were ¥2,435,440 million (U.S. \$19,899 million), ¥3,028,877 million and ¥3,719,783 million as of March 31, 2022, 2021 and 2020, 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 ¥402,310 million (U.S. \$3,287 million), ¥389,126 million and ¥397,399 million at fair value as of March 31, 2022, 2021 and 2020, respectively.

10. Accumulated Depreciation

The amounts of accumulated depreciation of tangible fixed assets were ¥1,259,385 million (U.S. \$10,289 million), ¥1,203,751 million and ¥1,176,828 million as of March 31, 2022, 2021 and 2020, respectively.

11. Separate Accounts

Separate account assets as provided for in Article 118, Paragraph 1 of the Insurance Business Act were ¥1,442,281 million (U.S. \$11,784 million), ¥1,459,633 million and ¥1,407,066 million as of March 31, 2022, 2021 and 2020, 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.

12. 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, 2022, 2021 or 2020, were as follows:

	Millions of Yen			Millions of U.S. Dollars
	2022	2021	2020	2022
Balance at the beginning of the fiscal year	¥1,046,832	¥1,043,785	¥1,020,213	\$8,553
Transfer to reserve from surplus in the previous fiscal year	276,006	185,145	211,818	2,255
Dividends paid to policyholders during the fiscal year	(283,608)	(203,557)	(209,969)	(2,317)
Increase in interest	21,346	21,458	21,722	174
Balance at the end of the fiscal year	¥1,060,577	¥1,046,832	¥1,043,785	\$8,665

13. 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, 2022, 2021 and 2020, were as follows:

	Millions of Yen			Millions of U.S. Dollars
	2022	2021	2020	2022
Balance at the beginning of the fiscal year	¥54,738	¥56,750	¥60,326	\$447
Dividends paid to policyholders during the fiscal year	(14,290)	(13,988)	(15,417)	(116)
Increase in interest	9	10	11	0
Provision for reserve for dividends to policyholders (limited company)	12,839	11,966	11,829	104
Balance at the end of the fiscal year	¥53,297	¥54,738	¥56,750	\$435

14. 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 corporate bond issuance dates and callable dates for currency swaps under designated hedge accounting are as follows:

Balance as of March 31, 2022, 2021 and 2020

Issuer	Bond	Issue date	Millions of Yen			Millions of U.S. dollars	Interest rate (%)	Collateral	Maturity	Callable dates
			2022	2021	2020	2022				
Nippon Life	U.S. dollar-denominated subordinated corporate bonds	October 2012	¥157,040 \$(2,000 million)	¥157,040 \$(2,000 million)	¥157,040 \$(2,000 million)	\$1,283	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)	1,981	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)	1,439	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)	719	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)	1,033	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)	— —	1,357	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)	— —	— —	807	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	612	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	571	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	245	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	612	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	122	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	817	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	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	408	0.86%	None	July 2046	Each interest payment date on or after July 2026
Taiju Life	Subordinated corporate bonds	July 2021	40,000	—	—	326	0.74%	None	July 2051	Each interest payment date on or after July 2026

Balance as of March 31, 2022, 2021 and 2020

Issuer	Bond	Issue date	Millions of Yen			Millions of U.S. dollars	Interest rate (%)	Collateral	Maturity	Callable dates
			2022	2021	2020					
Nippon Wealth Life	Perpetual subordinated corporate bond	December 2015	—	—	11,200	—	2.00%	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	December 2015	17,600	17,600	17,600	143	2.32%	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	—	5,500	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	46	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	18	1.94%	None	No maturity date	Fifteenth anniversary date after the issue date and on each half anniversary date thereafter
Total			¥1,535,905	¥1,432,612	¥1,277,620	\$12,549				

1. Figures enclosed in parentheses for the balances as of March 31, 2022, 2021 and 2020 are the balances in foreign currencies.

2. "Furute-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.

15. Other Liabilities

Other liabilities include subordinated loans payable of ¥730,000 million (U.S. \$5,964 million), ¥620,000 million and ¥490,000 million as of March 31, 2022, 2021 and 2020, respectively, which are subordinate to the fulfillment of all other debt obligations.

Balance as of March 31, 2022, 2021 and 2020

Issuer	Loan	Issue date	Millions of Yen			Millions of U.S. dollars	Interest rate (%)	Collateral	Maturity	Callable dates
			2022	2021	2020					
Nippon Life	Subordinated corporate loans	April 2018	¥100,000	¥100,000	¥100,000	\$817	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	980	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	735	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	653	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	—	1,062	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	—	—	1,634	0.97%	None	May 2051	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
Taiju Life	Subordinated corporate loans	August 2016	—	50,000	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	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	—	—	81	0.73%	None	No maturity date	Each interest payment date on or after August 2026 and on each fifth anniversary date thereafter
Total			¥730,000	¥620,000	¥490,000	\$5,964				

16. 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.

In March 2020, the Company reached an agreement with the workforce on amending the retirement benefit plans for non sales personnel, sales management personnel, sales representatives, and certain other personnel in connection with the extension of the mandatory retirement age to 65, which will be implemented in April 2021. Accordingly, prior service costs of ¥(6,589) million were accrued based on the amended retirement plans for the fiscal year ended March 31, 2020.

Nissay Asset Management Corporation, the Company's consolidated subsidiary, has changed its calculation method for retirement benefit obligations from the simplified method to the principle method in the fiscal year ended March 31, 2020. This change was made to calculate the amount of retirement benefit obligations more accurately and to ensure an appropriate periodic allocation of benefit costs to earnings in connection with an increase in the number of employees. In accordance with this change, net defined benefit liability decreased by ¥54 million as of March 31, 2020, and the same amount was recorded as benefit costs.

(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, 2022, 2021 and 2020	Millions of Yen			Millions of U.S. Dollars
	2022	2021	2020	2022
Retirement benefit obligations at the beginning of the year	¥690,695	¥697,314	¥698,329	\$5,643
Service costs	29,735	29,802	28,626	242
Interest cost	4,185	4,221	4,223	34
Actuarial losses accrued during the year	1,356	5,705	17,953	11
Retirement benefit payments	(44,397)	(46,476)	(47,404)	(362)
Prior service costs accrued during the year	—	—	(6,596)	—
Increase due to change in scope of consolidation	—	—	371	—
Transfer from the simplified method to the principle method	—	—	1,887	—
Amortization accompanying the change from the simplified method to the principle method	—	—	(54)	—
Others	41	128	(20)	0
Retirement benefit obligations at the end of the year	¥681,617	¥690,695	¥697,314	\$5,569

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

For the years ended March 31, 2022, 2021 and 2020	Millions of Yen			Millions of U.S. Dollars
	2022	2021	2020	2022
Pension plan assets at the beginning of the year	¥253,640	¥248,422	¥260,132	\$2,072
Expected return on plan assets	3,606	3,527	3,690	29
Actuarial gains (losses) accrued during the year	3,580	12,403	(4,926)	29
Contributions by business proprietor	6,741	7,439	7,343	55
Retirement benefit payments	(18,258)	(18,172)	(18,100)	(149)
Increase due to changes in the scope of consolidation	—	—	301	—
Others	33	18	(17)	0
Pension plan assets at the end of the year	¥249,343	¥253,640	¥248,422	\$2,037

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, 2022, 2021 and 2020	Millions of Yen			Millions of U.S. Dollars
	2022	2021	2020	2022
Net defined benefit liability at the beginning of the year	¥739	¥702	¥2,359	\$6
Benefit costs	94	94	344	0
Retirement benefit payments	(63)	(57)	(113)	(0)
Transfer from the simplified method to the principle method	—	—	(1,887)	—
Net defined benefit liability at the end of the year	¥770	¥739	¥ 702	\$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, 2022, 2021 and 2020	Millions of Yen			Millions of U.S. Dollars
	2022	2021	2020	2022
Retirement benefit obligations for funded plans	¥251,628	¥260,881	¥264,083	\$2,055
Pension plan assets	(249,343)	(253,640)	(248,422)	(2,037)
Subtotal	2,284	7,241	15,660	18
Retirement benefit obligations for nonfunded plans	430,759	430,553	433,933	3,519
Net liability (asset) arising from defined benefit obligation	¥433,044	¥437,795	¥449,594	\$3,538
Net defined benefit liability	¥434,246	¥438,263	¥449,594	\$3,548
Net defined benefit asset	(1,201)	(468)	—	(9)
Net liability (asset) arising from defined benefit obligation	¥433,044	¥437,795	¥449,594	\$3,538

5) Losses (gains) relating to retirement benefits

For the years ended March 31, 2022, 2021 and 2020				
	Millions of Yen			Millions of U.S. Dollars
	2022	2021	2020	2022
Service costs	¥29,733	¥29,802	¥28,626	\$242
Interest cost	4,184	4,221	4,223	34
Expected return on plan assets	(3,604)	(3,527)	(3,690)	(29)
Amortization of actuarial losses for the period	4,682	6,493	14,149	38
Amortization of prior service costs for the period	(1,317)	(1,317)	(7)	(10)
Benefit cost under the simplified valuation method	94	94	344	0
Amortization accompanying the change from the simplified method to the principle method	—	—	(54)	—
Others	4	106	(1)	0
Benefit cost for defined benefit plans	¥33,775	¥35,872	¥43,589	\$275

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

For the years ended March 31, 2022, 2021 and 2020				
	Millions of Yen			Millions of U.S. Dollars
	2022	2021	2020	2022
Actuarial gains (losses)	¥6,906	¥13,191	¥(8,729)	\$56
Prior service costs	(1,317)	(1,317)	6,589	(10)
Total	¥5,588	¥11,873	¥(2,140)	\$45

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

For the years ended March 31, 2022, 2021 and 2020				
	Millions of Yen			Millions of U.S. Dollars
	2022	2021	2020	2022
Unrecognized actuarial losses	¥7,933	¥14,840	¥28,031	\$64
Unrecognized prior service costs	(3,953)	(5,271)	(6,589)	(32)
Total	¥3,980	¥ 9,568	¥21,442	\$32

8) Pension plan assets consist of the following:

	2022	2021	2020
General account of Nippon Life	47.9%	48.1%	50.6%
Cash and deposits	24.1%	19.8%	13.6%
Foreign securities	15.3%	20.0%	9.9%
Domestic bonds	8.4%	8.0%	21.6%
Domestic stocks	4.4%	4.0%	4.3%
Other	0.0%	0.0%	0.0%
Total	100.00%	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, 2022, 2021 and 2020, are as follows:

	2022	2021	2020
Discount rate	0.4–7.0%	0.3–6.4%	0.3–6.8%
Long-term expected rate of return on plan assets	1.4–7.0%	1.4–6.4%	1.4–6.8%

(3) Defined contribution plans

The Company and its consolidated subsidiaries contributed ¥5,273 million (U.S. \$43 million), ¥5,069 million and ¥4,958 million to defined contribution plans during the fiscal years ended March 31, 2022, 2021 and 2020, respectively.

17. 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 (U.S. \$408 million) and ¥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 years ended March 31, 2022 and 2020, respectively. ¥50,000 million (U.S. \$408 million) and ¥50,000 million of foundation funds were offered pursuant to Article 60 of the Insurance Business Act during the fiscal years ended March 31, 2022 and 2020.

18. 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, 2022, were ¥52,970 million (U.S. \$432 million), ¥4,227,136 million (U.S. \$34,538 million), ¥252 million (U.S. \$2 million), ¥38 million (U.S. \$0 million), and ¥3,660 million (U.S. \$29 million), respectively. The total amount of liabilities covered by the assets pledged was ¥2,970,690 million (U.S. \$24,272 million) as of March 31, 2022.

These amounts included ¥2,662,125 million (U.S. \$21,751 million) of sale of securities under repurchase agreements and ¥2,946,626 million (U.S. \$24,075 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 sale of securities under repurchase agreements and ¥1,469,600 million of payables under repurchase agreements as of March 31, 2021.

Assets pledged as collateral in the form of cash and deposits, investments in securities, land, buildings, and lease receivables as of March 31, 2020, were ¥152 million, ¥2,257,502 million, ¥252 million, ¥43 million, and

¥2,092 million, respectively. The total amount of liabilities covered by the assets pledged was ¥1,299,050 million as of March 31, 2020.

These amounts included ¥1,251,602 million of sale of securities under repurchase agreements and ¥1,296,522 million of payables under repurchase agreements as of March 31, 2020.

19. Investments in Nonconsolidated Subsidiaries and Affiliates

The total amounts of stocks and investments in nonconsolidated subsidiaries and affiliates were ¥587,926 million (U.S. \$4,803 million), ¥435,824 million and ¥404,720 million as of March 31, 2022, 2021 and 2020, respectively.

20. Stock Options

1) Stock option-related expenses and line items

	Millions of Yen			Millions of U.S. Dollars
	From April 1, 2021 to March 31, 2022	From April 1, 2020 to March 31, 2021	From April 1, 2019 to March 31, 2020	From April 1, 2021 to March 31, 2022
Gains on equity method investments	¥ —	¥ —	¥(140)	\$—
Operating expenses	567	581	467	4

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

	Millions of Yen			Millions of U.S. Dollars
	From April 1, 2021 to March 31, 2022	From April 1, 2020 to March 31, 2021	From April 1, 2019 to March 31, 2020	From April 1, 2021 to March 31, 2022
Gains on equity method investments	¥—	¥—	¥2	\$—
Gain on reversal of share acquisition rights	0	13	6	0

3) Description of stock options

For the fiscal years ended March 31, 2022, 2021 and 2020

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 ^(*)	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 ^(*)	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, 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

For the fiscal year ended March 31, 2020

(Stock)				
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	2017 First Series of Share Acquisition Rights
Before vesting				
As of March 31, 2019	—	—	4,464,829	3,880,220
Granted	18,081,008	11,190,706	—	—
Forfeited	264,136	332,747	298,083	248,586
Vested	—	—	1,116,207	820,463
Outstanding	17,816,872	10,857,959	3,050,539	2,811,171
After vesting				
As of March 31, 2019	—	—	—	884,608
Vested	—	—	1,116,207	820,463
Exercised	—	—	27,381	84,486
Forfeited	—	—	98,356	105,557
Exercisable	—	—	990,470	1,515,028

* The table above shows changes in Nippon Life India Asset Management Limited from the end of the previous fiscal year.

b. Price information

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	

For the fiscal year ended March 31, 2020

(Rupee)				
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	2017 First Series of Share Acquisition Rights
Exercise price	223.32	202.35	256.10	204.25
Average stock price when exercised	—	—	400.19	314.45
Fair value on the grant date	43.06	38.94	45.71	10.82

- 5) Method of estimating fair valuation unit price of stock options
- Method used
Black-Scholes option-pricing model
 - Principal parameters used in the option-pricing model and estimation method
For the fiscal years ended March 31, 2022, 2021 and 2020

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.

21. 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 ¥30,409 million (U.S. \$248 million), ¥29,531 million and ¥29,463 million as of March 31, 2022, 2021 and 2020, respectively. The breakdown is as follows:

- 1) The amounts of bankrupt and quasi-bankrupt loans were ¥10,285 million (U.S. \$84 million), ¥10,301 million and ¥10,511 million as of March 31, 2022, 2021 and 2020, 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 ¥18,352 million (U.S. \$149 million), ¥16,594 million and ¥17,388 million as of March 31, 2022, 2021 and 2020, 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) There were no loans delinquent for over three months.

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 ¥1,771 million (U.S. \$14 million), ¥2,635 million and ¥1,563 million as of March 31, 2022, 2021 and 2020, 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 ¥1,603 million (U.S. \$13 million), ¥3,784 million and ¥3,382 million as of March 31, 2022, 2021 and 2020, respectively.

22. Loan Commitments

The amounts of commitments related to loans and loans outstanding were ¥222,181 million (U.S. \$1,815 million), ¥274,291 million and ¥274,182 million as of March 31, 2022, 2021 and 2020, respectively.

23. 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 (U.S. \$682 million), ¥85,539 million and ¥89,563 million as of March 31, 2022, 2021 and 2020, respectively. The amounts contributed to the aforementioned corporation were recorded within operating expenses for the fiscal year.

24. 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 equivalent amount of goodwill 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, 2022, 2021 and 2020, 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 actual value is expected.
- (iii) A continuing future deterioration in business performance that could lead to a large decline in actual value is expected based on the outlook for a drastic or anticipated worsening of the business environment.

As of March 31, 2022 and 2021, the Company has identified indicators of impairment on goodwill related to Nippon Life India Asset Management Limited, the equivalent amount of goodwill related to Reliance Nippon Life Insurance Company Limited, and the equivalent amount of goodwill 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).

(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 book value, an impairment loss is recognized and the book value 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 2.0–3.0%, 3.0% and 3.0–3.3% for the fiscal years ended March 31, 2022, 2021 and 2020, respectively. Net selling price is determined based on appraisals performed in accordance with the "Real Estate Appraisal Standards" or standard land prices.

The book values 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, 2022, 2021 and 2020, 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 book value, the book value 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 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 acquiree 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, 2022 and 2021, the Company conducted an impairment test of the equivalent amount of goodwill related to Reliance Nippon Life Insurance Company Limited, PT Sequis and PT Asuransi Jiwa Sequis Life, which are life insurance companies for which

indications of impairment had been identified. In this test, the corporate valuation amount was used as an alternative to undiscounted future cash flows and the recoverable amount. The Company used TEV as EV to determine the corporate valuation amounts of those life insurance companies. 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 on the equivalent amount of goodwill related to Reliance Nippon Life Insurance Company Limited because its corporate valuation amount was higher than the book value.

In addition to the foregoing, the equivalent amount of goodwill related to PT Sequis contains assumptions about the growth rate of the economy in Indonesia and the impact of the COVID-19 pandemic lasting until 2021 in the fiscal year ending March 31, 2021 and assumptions about the impact of the COVID-19 pandemic on future sales plans lasting until 2022 in the fiscal year ending March 31, 2022. If there are marked changes in those assumptions, the value of the equivalent amount of goodwill could be significantly impacted. No impairment, however, was recognized on the equivalent amount of goodwill related to PT Sequis because its corporate valuation amount was higher than the book value.

As of March 31, 2022 and 2021, the Company conducted an impairment test of 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 book value 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 book value showed that its market capitalization was higher than its book value. Considering these and other factors, no impairment loss on 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 book value of fixed assets was reduced to the recoverable amount and impairment losses were recognized as extraordinary losses for the fiscal years ended March 31, 2022, 2021 and 2020.

Impairment loss on goodwill has been recorded in connection with deteriorating profitability at MLC Limited, the Company's consolidated subsidiary, mainly due to an increase in payments for income-protection insurance. The value in use is determined as the discounted future cash flows using a discount rate of 6.5% for the fiscal year ended March 31, 2020.

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, 2020

Millions of Yen					
Purpose of use	Land	Leasehold interests in land	Buildings and others	Goodwill	Total
Leased property	¥ 132	¥ —	¥1,277	¥ —	¥ 1,409
Idle property	1,900	168	740	—	2,809
Others	—	—	—	40,838	40,838
Total	¥2,033	¥168	¥2,017	¥40,838	¥45,057

For the year ended March 31, 2022

Millions of U.S. Dollars				
Purpose of use	Land	Leasehold interests in land	Buildings and others	Total
Leased property	\$ 84	\$ 0	\$34	\$118
Idle property	25	—	35	61
Total	\$109	\$ 0	\$69	\$179

25. Revenues from Reinsurance and Reinsurance Premiums

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 (U.S. \$246 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 (U.S. \$131 million) and the equivalent amount of policy reserve reversals associated with market value adjustments of ¥31,740 million (U.S. \$259 million).

Through this reinsurance, ordinary profit and surplus before income taxes decreased by ¥31,070 million (U.S. \$253 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.

For the fiscal year ended March 31, 2020, revenues from reinsurance of TAIJU LIFE INSURANCE COMPANY LIMITED, the Company's consolidated subsidiary, include revenues from reinsurance of ¥119,832 million, related to the modified coinsurance agreement for foreign currency-denominated single premium endowment insurance (U.S. dollar), foreign currency-denominated single premium endowment insurance (Australian dollar), foreign currency-denominated single premium whole life insurance (U.S. dollar), and foreign currency-denominated single premium whole life insurance (Australian dollar). The breakdown of these premiums is as follows:

For the year ended March 31, 2020		Millions of Yen
		2020
a. Adjustment to policy reserves for ceded reinsurance (excluding b.):		¥40,340
b. Additional policy reserves associated with market value adjustments:		¥59,315
c. Others:		¥20,176

With the implementation of this reinsurance, ordinary profit and surplus before income taxes increased by ¥56,876 million each.

26. Deferred Tax Assets and Liabilities

(1) Deferred tax assets/liabilities consisted of the following:

	Millions of Yen			Millions of U.S. Dollars
	2022	2021	2020	2022
Deferred tax assets	¥2,203,044	¥1,955,435	¥1,861,242	\$18,000
Valuation allowance for deferred tax assets	(117,816)	(107,416)	(126,991)	(962)
Subtotal	2,085,228	1,848,019	1,734,251	17,037
Deferred tax liabilities	(2,597,642)	(2,796,840)	(1,867,359)	(21,224)
Net deferred tax liabilities	¥ (512,413)	¥ (948,821)	¥ (133,108)	\$ (4,186)

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 and an increase in the valuation allowance in line with a decline in the market value of stocks for the fiscal years ended March 31, 2021 and 2020, respectively.

The major components resulting in deferred tax assets/liabilities were as follows:

	Millions of Yen			Millions of U.S. Dollars
	2022	2021	2020	2022
Deferred tax assets:				
Policy reserves and other reserves	¥1,276,573	¥1,134,764	¥1,002,030	\$10,430
Reserve for price fluctuations in investments in securities	470,045	449,440	427,363	3,840
Deferred losses on derivatives under hedge accounting	154,723	90,369	71,573	1,264
Net defined benefit liability	121,348	120,652	125,607	991
Deferred tax liabilities:				
Net unrealized gains on available-for-sale securities	2,388,245	2,615,062	1,660,549	19,513

(2) The statutory tax rate was 27.9%, 27.9%, and 27.9% for the fiscal years ended March 31, 2022, 2021 and 2020, respectively. The main factors for the difference between the statutory tax rates and the effective income tax rates were as follows:

	2022	2021	2020
Reserve for dividends to policyholders (mutual company)	(12.8)%	(20.7)%	(26.2)%
Impairment loss	—	—	5.8%

27. Other Comprehensive Income (Loss)

The components of other comprehensive income (loss) for the fiscal years ended March 31, 2022, 2021 and 2020, were as follows:

(1) Reclassification adjustments to profit or loss relating to other comprehensive income (loss)

For the year ended March 31, 2022

	Millions of Yen		Millions of U.S. Dollars	
Net unrealized gains on available-for-sale securities:				
Losses arising during the year	¥(437,561)		\$(3,575)	
Reclassification adjustments to profit or loss	(462,503)	¥ (900,064)	(3,778)	\$(7,354)
Deferred losses on derivatives under hedge accounting:				
Losses arising during the year	(326,255)		(2,665)	
Reclassification adjustments to profit or loss	30,237	(296,018)	247	(2,418)
Foreign currency translation adjustments:				
Gains arising during the year	35,120		286	
Reclassification adjustments to profit or loss	—	35,120	—	286
Remeasurement of defined benefit plans:				
Gains arising during the year	2,224		18	
Reclassification adjustments to profit or loss	3,364	5,588	27	45
Share of other comprehensive income of associates accounted for under the equity method:				
Gains arising during the year	12,500		102	
Reclassification adjustments to profit or loss	590	13,090	4	106
Amount before income tax effect		(1,142,282)		(9,333)
Income tax effect		326,917		2,671
Total other comprehensive loss		¥ (815,365)		\$(6,662)

For the year ended March 31, 2021

	Millions of Yen	
Net unrealized gains on available-for-sale securities:		
Gains 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 arising during the year	(148,780)	
Reclassification adjustments to profit or loss	19,070	(129,709)
Foreign currency translation adjustments:		
Gains arising during the year	8,163	
Reclassification adjustments to profit or loss	—	8,163
Remeasurement of defined benefit plans:		
Gains arising during the year	6,698	
Reclassification adjustments to profit or loss	5,175	11,873
Share of other comprehensive income of associates accounted for under the equity method:		
Gains 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		¥2,501,831

For the year ended March 31, 2020

	Millions of Yen	
Net unrealized losses on available-for-sale securities:		
Losses arising during the year	¥(958,188)	
Reclassification adjustments to profit or loss	(57,273)	¥(1,015,461)
Deferred losses on derivatives under hedge accounting:		
Losses arising during the year	(60,716)	
Reclassification adjustments to profit or loss	9,009	(51,707)
Foreign currency translation adjustments:		
Losses arising during the year	(21,689)	
Reclassification adjustments to profit or loss	368	(21,320)
Remeasurement of defined benefit plans:		
Losses arising during the year	(16,282)	
Reclassification adjustments to profit or loss	14,141	(2,140)
Share of other comprehensive loss of associates accounted for under the equity method:		
Losses arising during the year	(3,561)	
Reclassification adjustments to profit or loss	(976)	(4,538)
Amount before income tax effect		(1,095,168)
Income tax effect		281,900
Total other comprehensive loss		¥ (813,268)

(2) Income tax effect relating to other comprehensive income (loss)

For the year ended March 31, 2022

	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 on available-for-sale securities	¥(900,064)	¥244,928	¥(655,136)	\$(7,354)	\$2,001	\$(5,352)
Deferred losses on derivatives under hedge accounting	(296,018)	83,547	(212,470)	(2,418)	682	(1,736)
Foreign currency translation adjustments	35,120	—	35,120	286	—	286
Remeasurement of defined benefit plans	5,588	(1,558)	4,029	45	(12)	32
Share of other comprehensive income of associates accounted for under the equity method	13,090	—	13,090	106	—	106
Total other comprehensive income	¥(1,142,282)	¥326,917	¥(815,365)	\$(9,333)	\$2,671	\$(6,662)

For the year ended March 31, 2021

	Millions of Yen		
	Before income tax effect	Income tax effect	After income tax effect
Net unrealized gains on available-for-sale securities	¥3,545,047	¥(966,727)	¥2,578,320
Deferred losses 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 income of associates accounted for under the equity method	354	—	354
Total other comprehensive income	¥3,435,729	¥(933,898)	¥2,501,831

For the year ended March 31, 2020

	Millions of Yen		
	Before income tax effect	Income tax effect	After income tax effect
Net unrealized losses on available-for-sale securities	¥(1,015,461)	¥266,841	¥(748,619)
Deferred losses on derivatives under hedge accounting	(51,707)	14,460	(37,246)
Foreign currency translation adjustments	(21,320)	—	(21,320)
Remeasurement of defined benefit plans	(2,140)	597	(1,543)
Share of other comprehensive loss of associates accounted for under the equity method	(4,538)	—	(4,538)
Total other comprehensive loss	¥(1,095,168)	¥281,900	¥(813,268)

28. Modified Coinsurance Agreement

TAIJU LIFE INSURANCE COMPANY LIMITED, the Company's consolidated subsidiary, 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 endowment insurance (U.S. dollar/Australian dollar).

Through this modified co-reinsurance 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 co-reinsurance 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 ¥15,572 million (U.S. \$127 million) as of March 31, 2022. The outstanding balance of reinsurance receivables related to this modified coinsurance agreement stood at ¥15,242 million and ¥56,991 million as of March 31, 2021 and 2020, respectively. The outstanding balance of the policy reserve component associated with the modified coinsurance agreement stood at ¥843,174 million (U.S. \$6,889 million), ¥779,013 million, and ¥727,932 million as of March 31, 2022, 2021 and 2020, respectively.

29. Share Acquisition Rights

As of March 31, 2022

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	¥1,671	\$13

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

As of March 31, 2020

Classification	Breakdown of share acquisition rights	Millions of Yen
Nippon Life India Asset Management Limited	Share acquisition rights provided as stock options	¥926

30. 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

31. Subsequent Events

(1) The Company assumed the following yen-denominated subordinated debt on May 10, 2022:

Principal amount	¥130 billion (U.S. \$1,062 million)
Interest rate	Fixed rate of 1.03% per annum until May 10, 2032 Fixed rate with step-up from May 11, 2032 (reset every five years)
Repayment date	The third bank business day preceding May 10, 2052 (The loan is callable on the third bank business day preceding May 10, 2032, and the third bank business day preceding each fifth anniversary date thereafter, until the loan is fully redeemed at the discretion of the Company, subject to prior approval by the regulatory authorities.)
Use of funds	General working capital

7. Nonconsolidated Balance Sheets

Nippon Life Insurance Company

As of March 31	Millions of Yen			Millions of U.S. Dollars (Note 1)
	2022	2021	2020	2022
ASSETS:				
Cash and deposits (Note 4):	¥ 846,592	¥ 861,580	¥ 1,020,742	\$ 6,917
Cash	47	54	132	0
Deposits	846,544	861,526	1,020,609	6,916
Call loans	500,978	540,086	422,906	4,093
Monetary receivables purchased (Note 4)	150,404	172,601	219,068	1,228
Assets held in trust (Note 4)	—	135	33,779	—
Investments in securities (Notes 4, 6, 15 and 16):				
National government bonds	25,271,685	23,352,796	22,096,083	206,484
Local government bonds	932,220	908,416	779,033	7,616
Corporate bonds	2,254,635	2,270,187	2,114,396	18,421
Domestic stocks	10,296,652	10,640,573	7,901,082	84,129
Foreign securities	22,254,725	21,470,903	20,651,209	181,834
Other securities	3,505,550	3,587,886	3,566,997	28,642
Subtotal	64,515,469	62,230,764	57,108,802	527,130
Loans (Notes 4, 17 and 18):				
Policy loans	457,394	490,826	554,285	3,737
Industrial and consumer loans	7,040,642	6,939,877	6,857,523	57,526
Subtotal	7,498,037	7,430,704	7,411,809	61,263
Tangible fixed assets (Notes 5, 7 and 15):				
Land	1,145,876	1,148,601	1,124,273	9,362
Buildings	519,898	515,676	518,409	4,247
Lease assets	5,412	7,038	7,772	44
Construction in progress	29,992	22,337	16,047	245
Other tangible fixed assets	13,636	17,035	15,346	111
Subtotal	1,714,816	1,710,689	1,681,851	14,011
Intangible fixed assets:				
Software	96,849	92,795	100,009	791
Other intangible fixed assets	93,404	96,930	92,815	763
Subtotal	190,254	189,726	192,824	1,554
Reinsurance receivables	370	350	379	3
Other assets:				
Accounts receivable	168,641	90,895	119,601	1,377
Prepaid expenses	19,101	20,764	21,276	156
Accrued income	310,704	283,709	291,473	2,538
Money on deposit	33,488	33,678	33,559	273
Deposits for futures transactions	116,519	58,114	55,062	952
Futures transactions variation margin	2	1	484	0
Derivative financial instruments (Note 4)	247,333	232,039	362,848	2,020
Suspense	4,114	2,990	4,756	33
Other assets	214,784	85,260	52,554	1,754
Subtotal	1,114,688	807,455	941,616	9,107
Customers' liability for acceptances and guarantees	71,647	71,228	75,110	585
Allowance for doubtful accounts	(6,910)	(8,219)	(2,686)	(56)
Allowance for investment loss	(28,867)	(32,879)	(35,068)	(235)
Total assets	¥76,567,483	¥73,974,223	¥69,071,135	\$625,602

As of March 31	Millions of Yen			Millions of U.S. Dollars (Note 1)
	2022	2021	2020	2022
LIABILITIES:				
Policy reserves and other reserves:				
Reserve for outstanding claims	¥ 192,426	¥ 179,010	¥ 190,602	\$ 1,572
Policy reserves (Note 19)	58,677,803	57,420,217	56,220,282	479,432
Reserve for dividends to policyholders (Note 10)	1,060,577	1,046,832	1,043,785	8,665
Subtotal	59,930,807	58,646,060	57,454,671	489,670
Reinsurance payables	451	413	403	3
Corporate bonds (Notes 4 and 11)	1,420,305	1,321,512	1,155,320	11,604
Other liabilities:				
Payables under repurchase agreements (Notes 4 and 15)	2,452,560	1,014,978	1,051,931	20,038
Loans payable (Note 4)	737,551	538,317	408,248	6,026
Income taxes payable	82,933	37,088	65,352	677
Accounts payable	167,940	125,869	276,297	1,372
Accrued expenses	60,594	63,731	67,334	495
Deferred income	16,557	15,804	16,094	135
Deposits received	124,034	120,618	113,736	1,013
Guarantee deposits received	85,243	86,263	86,630	696
Futures transactions variation margin	401	540	31	3
Derivative financial instruments (Note 4)	1,129,056	652,612	363,716	9,225
Cash collateral received for financial instruments	49,335	51,026	76,303	403
Lease obligations	5,218	6,756	7,481	42
Asset retirement obligations	6,293	5,426	5,330	51
Suspense receipts	12,002	11,714	11,973	98
Other liabilities	—	17	197	—
Subtotal	4,929,722	2,730,767	2,550,660	40,278
Accrued bonuses for directors and audit & supervisory board members	434	433	92	3
Accrued retirement benefits (Note 13)	378,203	375,693	374,460	3,090
Accrued retirement benefits for directors and audit & supervisory board members	—	—	4,304	—
Reserve for program points	8,770	8,528	8,864	71
Reserve for price fluctuations in investments in securities	1,590,233	1,521,916	1,448,014	12,993
Deferred tax liabilities (Note 24)	484,574	877,504	98,548	3,959
Deferred tax liabilities for land revaluation	100,444	101,894	103,072	820
Acceptances and guarantees	71,647	71,228	75,110	585
Total liabilities	68,915,596	65,655,953	63,273,522	563,081
NET ASSETS:				
Foundation funds (Note 14)	100,000	100,000	100,000	817
Reserve for redemption of foundation funds (Note 14)	1,350,000	1,300,000	1,300,000	11,030
Reserve for revaluation	651	651	651	5
Surplus:				
Legal reserve for deficiencies	19,988	18,993	18,394	163
Other surplus reserves:	503,075	475,563	335,386	4,110
Contingency funds	71,917	71,917	71,917	587
Reserve for social public welfare assistance	351	351	351	2
Reserve for reduction entry of real estate	71,839	71,855	63,729	586
Reserve for reduction entry of real estate to be purchased	1,007	2,069	14,790	8
Other reserves	170	170	170	1
Unappropriated surplus	357,789	329,199	184,426	2,923
Total surplus	523,063	494,556	353,780	4,273
Total foundation funds and others	1,973,714	1,895,208	1,754,431	16,126
Net unrealized gains on available-for-sale securities	6,112,896	6,642,100	4,165,946	49,946
Deferred losses on derivatives under hedge accounting	(374,361)	(161,590)	(68,056)	(3,058)
Land revaluation losses	(60,363)	(57,447)	(54,706)	(493)
Total valuations, conversions, and others	5,678,172	6,423,062	4,043,182	46,394
Total net assets	7,651,886	8,318,270	5,797,613	62,520
Total liabilities and net assets	¥76,567,483	¥73,974,223	¥69,071,135	\$625,602

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

8. Nonconsolidated Statements of Income

Nippon Life Insurance Company

For the years ended March 31	Millions of Yen			Millions of U.S. Dollars (Note 1)
	2022	2021	2020	2022
Ordinary income:				
Revenues from insurance and reinsurance:				
Insurance premiums	¥4,306,688	¥4,263,255	¥4,525,225	\$35,188
Reinsurance revenue	1,287	1,372	884	10
Subtotal	4,307,975	4,264,628	4,526,109	35,198
Investment income (Note 21):				
Interest, dividends, and other income:				
Interest on deposits and savings	1,537,372	1,381,994	1,426,177	12,561
Interest on securities and dividends	555	874	6,524	4
Interest on loans	1,316,643	1,174,673	1,195,430	10,757
Real estate rental income	104,337	108,633	121,811	852
Other income	107,731	88,036	88,504	880
Gain from assets held in trust, net	8,104	9,776	13,906	66
Gain on sales of securities	—	—	17,720	—
Gain on redemptions of securities	465,253	507,284	328,211	3,801
Foreign exchange gains, net	7,822	3,690	2,193	63
Reversal of allowance for doubtful accounts	70,327	68,465	—	574
Reversal of allowance for investment loss	1,292	—	1,233	10
Other investment income	4,012	2,188	—	32
Gain from separate accounts, net	856	1,177	1,333	6
Subtotal	2,116,535	2,083,028	1,776,868	17,293
Other ordinary income:				
Income from annuity riders	8,042	7,409	10,005	65
Income from deferred benefits	73,828	76,119	80,784	603
Reversal of reserve for outstanding claims	—	11,592	47,825	—
Other ordinary income	36,055	32,555	38,351	294
Subtotal	117,926	127,678	176,968	963
Total ordinary income	6,542,437	6,475,334	6,479,945	53,455
Ordinary expenses:				
Benefits and other payments:				
Death and other claims	1,005,005	999,529	1,019,362	8,211
Annuity payments	821,038	803,471	805,445	6,708
Health and other benefits	701,230	661,384	691,317	5,729
Surrender benefits	987,861	1,108,847	918,833	8,071
Other refunds	192,081	228,332	192,941	1,569
Reinsurance premiums	1,875	1,891	1,484	15
Subtotal	3,709,094	3,803,456	3,629,384	30,305
Provision for policy reserves:				
Provision for reserve for outstanding claims	13,416	—	—	109
Provision for policy reserves (Note 22)	1,257,585	1,199,935	1,131,660	10,275
Provision for interest on reserve for dividends to policyholders	21,346	21,458	21,722	174
Subtotal	1,292,349	1,221,393	1,153,383	10,559
Investment expenses (Note 21):				
Interest expenses	32,561	28,437	33,220	266
Loss from assets held in trust, net	85	34,144	—	0
Loss on sales of securities	113,617	40,193	48,704	928
Loss on valuation of securities	13,121	4,963	202,393	107
Loss on redemptions of securities	7,052	14,736	12,745	57
Loss on derivative financial instruments, net	12,961	48,004	83,947	105
Foreign exchange losses, net	—	—	29,408	—
Provision for allowance for doubtful accounts	—	5,968	—	—
Provision for allowance for investment loss	—	—	5,471	—
Depreciation of rental real estate and other assets	18,355	17,830	17,582	149
Other investment expenses	58,478	33,203	32,912	477
Loss from separate accounts, net	—	—	42,411	—
Subtotal	256,233	227,482	508,797	2,093

	Millions of Yen			Millions of U.S. Dollars (Note 1)
For the years ended March 31	2022	2021	2020	2022
Operating expenses (Note 20)	¥ 571,397	¥ 575,223	¥ 598,746	\$4,668
Other ordinary expenses:				
Deferred benefit payments	86,046	87,842	100,987	703
Taxes	51,659	51,876	51,167	422
Depreciation	56,950	54,314	56,691	465
Provision for retirement benefits	2,509	1,233	8,562	20
Other ordinary expenses	22,991	21,439	20,985	187
Subtotal	220,157	216,707	238,395	1,798
Total ordinary expenses	6,049,231	6,044,263	6,128,707	49,425
Ordinary profit	493,205	431,070	351,238	4,029
Extraordinary gains:				
Gain on disposals of fixed assets	5,168	89	1,687	42
Subtotal	5,168	89	1,687	42
Extraordinary losses:				
Loss on disposals of fixed assets	4,792	4,999	6,190	39
Impairment losses (Note 23)	8,129	4,885	2,893	66
Provision for reserve for price fluctuations in investments in securities	68,317	73,902	66,361	558
Loss on reduction entry of real estate	4	80	204	0
Contributions for assisting social public welfare	3,000	3,000	3,000	24
Loss on valuation of shares of subsidiaries and affiliates (Note 26)	—	—	68,391	—
Other extraordinary losses	—	—	718	—
Subtotal	84,243	86,867	147,759	688
Surplus before income taxes	414,130	344,292	205,166	3,383
Income taxes (Note 24):				
Current	179,085	134,353	154,061	1,463
Deferred	(116,827)	(113,520)	(130,304)	(954)
Total income taxes	62,257	20,832	23,756	508
Net surplus	¥ 351,873	¥ 323,459	¥ 181,410	\$2,875

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												
	Foundation funds (Note 14)	Reserve for redemption of foundation funds (Note 14)	Reserve for revaluation	Legal reserve for deficiencies	Equalized reserve for dividends to policyholders	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
For the year ended March 31, 2020													
Beginning balance	¥100,000	¥1,250,000	¥651	¥17,578	¥10,000	¥71,917	¥351	¥49,836	¥28,603	¥170	¥256,070	¥434,526	¥1,785,178
Increase/decrease:													
Issuance of foundation funds	50,000												50,000
Additions to reserve for dividends to policyholders											(211,818)	(211,818)	(211,818)
Additions to legal reserve for deficiencies				816							(816)	—	—
Additions to reserve for redemption of foundation funds		50,000									(50,000)	(50,000)	—
Interest on foundation funds											(355)	(355)	(355)
Net surplus											181,410	181,410	181,410
Redemption of foundation funds	(50,000)												(50,000)
Reversal of equalized reserve for dividends to policyholders					(10,000)						10,000	—	—
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								15,163			(15,163)	—	—
Reversal of reserve for reduction entry of real estate								(1,270)			1,270	—	—
Additions to reserve for reduction entry of real estate to be purchased									663		(663)	—	—
Reversal of reserve for reduction entry of real estate to be purchased									(14,476)		14,476	—	—
Reversal of land revaluation losses											16	16	16
Net change, excluding foundation funds and others													
Net change	—	50,000	—	816	(10,000)	—	—	13,893	(13,812)	—	(71,643)	(80,746)	(30,746)
Ending balance	¥100,000	¥1,300,000	¥651	¥18,394	¥ —	¥71,917	¥351	¥63,729	¥14,790	¥170	¥184,426	¥353,780	¥1,754,431

For the year ended March 31, 2020	Millions of Yen				
	Valuations, conversions, and others				
	Total 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	¥4,882,692	¥(31,216)	¥(54,690)	¥4,796,785	¥6,581,963
Increase/decrease:					
Issuance of foundation funds					50,000
Additions to reserve for dividends to policyholders					(211,818)
Additions to legal reserve for deficiencies					—
Additions to reserve for redemption of foundation funds					—
Interest on foundation funds					(355)
Net surplus					181,410
Redemption of foundation funds					(50,000)
Reversal of equalized reserve for dividends to policyholders					—
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					16
Net change, excluding foundation funds and others	(716,746)	(36,839)	(16)	(753,602)	(753,602)
Net change	(716,746)	(36,839)	(16)	(753,602)	(784,349)
Ending balance	¥4,165,946	¥(68,056)	¥(54,706)	¥4,043,182	¥5,797,613

	Millions of Yen											
	Foundation funds and others											
	Surplus											
	Other surplus reserves											
For the year ended March 31, 2021	Foundation funds (Note 14)	Reserve for redemption of foundation funds (Note 14)	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				
	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
For the year ended March 31, 2021					
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

	Millions of Yen											
	Foundation funds and others											
	Surplus											
	Other surplus reserves											
For the year ended March 31, 2022	Foundation funds (Note 14)	Reserve for redemption of foundation funds (Note 14)	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

	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
For the year ended March 31, 2022					
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

Millions of U.S. Dollars (Note 1)													
Foundation funds and others													
For the year ended March 31, 2022	Surplus												
	Foundation funds (Note 14)	Reserve for redemption of foundation funds (Note 14)	Reserve for revaluation	Legal reserve for deficiencies	Other surplus reserves							Total surplus	Total foundation funds and others
					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			
Beginning balance	\$817	\$10,621	\$5	\$155	\$587	\$ 2	\$587	\$16	\$1	\$2,689	\$4,040	\$15,484	
Increase/decrease:													
Issuance of foundation funds	408											408	
Additions to reserve for dividends to policyholders										(2,255)	(2,255)	(2,255)	
Additions to legal reserve for deficiencies				8						(8)	—	—	
Additions to reserve for redemption of foundation funds		408								(408)	(408)	—	
Interest on foundation funds										(2)	(2)	(2)	
Net surplus										2,875	2,875	2,875	
Redemption of foundation funds	(408)											(408)	
Additions to reserve for social public welfare assistance						24				(24)	—	—	
Reversal of reserve for social public welfare assistance						(24)				24	—	—	
Additions to reserve for reduction entry of real estate							11			(11)	—	—	
Reversal of reserve for reduction entry of real estate							(11)			11	—	—	
Reversal of reserve for reduction entry of real estate to be purchased								(8)		8	—	—	
Reversal of land revaluation losses										23	23	23	
Net change, excluding foundation funds and others													
Net change	—	408	—	8	—	—	0	(8)	—	233	232	641	
Ending balance	\$817	\$11,030	\$5	\$163	\$587	\$2	\$586	\$8	\$1	\$2,923	\$4,273	\$16,126	

Millions of U.S. Dollars (Note 1)					
Valuations, conversions, and others					
For the year ended March 31, 2022	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	\$54,269	\$(1,320)	\$(469)	\$52,480	\$67,965
Increase/decrease:					
Issuance of foundation funds					408
Additions to reserve for dividends to policyholders					(2,255)
Additions to legal reserve for deficiencies					—
Additions to reserve for redemption of foundation funds					—
Interest on foundation funds					(2)
Net surplus					2,875
Redemption of foundation funds					(408)
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					23
Net change, excluding foundation funds and others	(4,323)	(1,738)	(23)	(6,086)	(6,086)
Net change	(4,323)	(1,738)	(23)	(6,086)	(5,444)
Ending balance	\$49,946	\$(3,058)	\$(493)	\$46,394	\$62,520

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

10. Nonconsolidated Proposed Appropriations of Surplus

Nippon Life Insurance Company

For the years ended March 31	Thousands of Yen			Thousands of U.S. Dollars (Note 1)
	2022	2021	2020	2022
Unappropriated surplus	¥357,789,830	¥329,199,756	¥184,426,821	\$2,923,358
Reversal from voluntary surplus reserves:	73,226,448	2,452,475	14,983,278	598,304
Reversal of contingency funds	71,917,000	—	—	587,605
Reversal of reserve for reduction entry of real estate	1,309,448	1,390,319	1,254,517	10,698
Reversal of reserve for reduction entry of real estate to be purchased	—	1,062,156	13,728,761	—
Total	¥431,016,279	¥331,652,232	¥199,410,100	\$3,521,662
Appropriations:	¥431,016,279	¥331,652,232	¥199,410,100	\$3,521,662
Reserve for dividends to policyholders	199,868,044	276,006,182	185,145,971	1,633,042
Net surplus	231,148,234	55,646,050	14,264,128	1,888,620
Legal reserve for deficiencies	1,294,000	995,000	599,000	10,572
Reserve for redemption of foundation funds	—	50,000,000	—	—
Interest on foundation funds	265,000	277,000	277,000	2,165
Voluntary surplus reserves:	229,589,234	4,374,050	13,388,128	1,875,882
Reserve for social public welfare assistance	3,000,000	3,000,000	3,000,000	24,511
Reserve for financial stability	221,917,000	—	—	1,813,195
Reserve for reduction entry of real estate	2,718,299	1,374,050	9,380,761	22,210
Reserve for reduction entry of real estate to be purchased	1,953,934	—	1,007,367	15,964
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, 2022 was 56.58%.

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 ¥122.39=U.S. \$1, the effective rate of exchange at the balance sheet date of March 31, 2022. 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 ¥122.39=U.S. \$1 or at any other rate.

2. Summary of Significant Accounting Policies

(1) Securities and hedging activities

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 year ended March 31, 2022, are as follows:

- a. Fair value based on the market value, 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 readily determinable market values are stated at cost using the moving average method.

Evaluation methods for the fiscal years ended March 31, 2021 and 2020, 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 Japanese yen and 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	Loans, 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, 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 and derivative financial instruments within assets held in trust 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

(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 book value 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 for the fiscal years ended March 31, 2022 and 2021.
- 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 ¥586 million (U.S. \$4 million) (including ¥57 million (U.S. \$0 million) of credits secured and/or guaranteed), ¥2,514 million (including ¥64 million of credits secured and/or guaranteed), ¥2,106 million (including ¥70 million of credits secured and/or guaranteed) as of March 31, 2022, 2021 and 2020, respectively.

(7) Allowance for investment loss

For the fiscal year ended March 31, 2022

To provide for losses on investments, an allowance for investment loss is recognized for the stocks and other securities without readily determinable market values, 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 years ended March 31, 2021 and 2020

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, 2022, 2021 and 2020.
- 2) The accounting methods used for retirement benefits as of March 31, 2022, 2021 and 2020, 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) Consolidated taxation system

Effective from the fiscal year ended March 31, 2020, 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, 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 (U.S. \$4,792 million), while ordinary profit and surplus before income taxes decreased by ¥586,606 million (U.S. \$4,792 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.

Matters concerning additional policy reserve amounts accumulated during the fiscal year ended March 31, 2020, are as follows:

Effective from the fiscal year ended March 31, 2020, the Company has provided 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, 2020, and similar policies (including single premium policies), the Company will successively provide additional policy reserves over a six-year period. As a result, the policy reserves increased by ¥186,113 million, while ordinary profit and surplus before income taxes decreased by ¥186,113 million, compared with amounts that would have been recorded if the additional policy reserves not been provided in the fiscal year ended March 31, 2020.

(16) 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.

(17) Policy acquisition costs

Policy acquisition costs are recorded to expense as incurred.

(18) 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 Company has applied the "Accounting Standard for Disclosure of Accounting Estimates" (ASBJ Statement No. 31) from the fiscal year ended March 31, 2021.

Significant accounting estimates identified based on this Accounting Standard 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, 2022, is ¥1,466,399 million (U.S. \$11,981 million), and ¥1,308,172 million as of March 31, 2021. If the actual 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 impairment loss. 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 actual value. The calculations of the corporate valuation amounts include assumptions about factors pertaining to the subsidiaries and other entities, such as their future business performance and how long they will be impacted by the COVID-19 pandemic. Accordingly, if those assumptions change, the value of the investments in subsidiaries and affiliates could be significantly impacted. For details, please see Note 24 Impairment Losses in the Notes to the Consolidated Financial Statements for the fiscal years ended March 31, 2022 and 2021.

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 for interest rate-related investments; foreign exchange forward contracts, currency options, and currency swaps for currency-related investments; and equity forward contracts, equity index futures, and equity options for equity-related investments. 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 year ended March 31, 2022, are as follows:

Notes are omitted for financial instruments whose book value is deemed to approximate 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:

As of March 31	Millions of Yen			Millions of U.S. Dollars		
	2022			2022		
	Balance sheet amount ^{(*)1}	Fair value ^{(*)2}	Difference	Balance sheet amount ^{(*)1}	Fair value ^{(*)2}	Difference
Monetary receivables purchased:	¥ 150,404	¥ 154,841	¥ 4,437	\$ 1,228	\$ 1,265	\$ 36
Policy-reserve-matching bonds	128,328	132,765	4,437	1,048	1,084	36
Available-for-sale securities	22,076	22,076	—	180	180	—
Investments in securities ^{(*)3,*)4} :	62,968,796	65,183,614	2,214,818	514,492	532,589	18,096
Trading securities	697,633	697,633	—	5,700	5,700	—
Policy-reserve-matching bonds	25,574,218	27,582,063	2,007,845	208,956	225,362	16,405
Investments in subsidiaries and affiliates	128,615	335,588	206,972	1,050	2,741	1,691
Available-for-sale securities	36,568,329	36,568,329	—	298,785	298,785	—
Loans ^{(*)5} :	7,492,454	7,629,701	137,247	61,217	62,339	1,121
Policy loans	457,242	457,242	—	3,735	3,735	—
Industrial and consumer loans	7,035,212	7,172,459	137,247	57,481	58,603	1,121
Derivative financial instruments ^{(*)6} :	(881,723)	(881,723)	—	(7,204)	(7,204)	—
Hedge accounting not applied	30,538	30,538	—	249	249	—
Hedge accounting applied	(912,261)	(912,261)	—	(7,453)	(7,453)	—
Corporate bonds ^{(*)5}	1,420,305	1,420,591	286	11,604	11,607	2
Loans payable	737,551	736,875	(676)	6,026	6,020	(5)

(*)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, 2022, the fair value is the balance sheet amount after the impairment losses are deducted.

(*)3 Stocks and other securities without a market price, such as unlisted equity securities are not included. Balance sheet amounts by holding purpose were ¥965,103 million (U.S. \$7,885 million) for stocks of subsidiaries and affiliates, and ¥55,970 million (U.S. \$457 million) for available-for-sale securities as of March 31, 2022.

(*)4 The transitional measures of Paragraph 27 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31) are 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 (U.S. \$4,294 million).

(*)5 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.

(*)6 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

For the fiscal year ended March 31, 2022, valuation gains/losses included in profit and loss were losses of ¥22,874 million (U.S. \$186 million) for investments in securities related to separate accounts, which are classified as trading securities.

2) Held-to-maturity debt securities

No ending balance as of March 31, 2022.

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			Millions of U.S. Dollars		
	2022			2022		
Type	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Fair value exceeds the balance sheet amount:						
Monetary receivables purchased	¥ 120,497	¥ 125,047	¥ 4,550	\$ 984	\$ 1,021	\$ 37
Domestic bonds	17,139,733	19,600,953	2,461,219	140,041	160,151	20,109
Foreign securities	51,471	52,767	1,296	420	431	10
Subtotal	17,311,702	19,778,768	2,467,066	141,447	161,604	20,157
Fair value does not exceed the balance sheet amount:						
Monetary receivables purchased	7,831	7,718	(112)	63	63	(0)
Domestic bonds	8,327,428	7,875,311	(452,116)	68,040	64,346	(3,694)
Foreign securities	55,584	53,031	(2,553)	454	433	(20)
Subtotal	8,390,843	7,936,061	(454,782)	68,558	64,842	(3,715)
Total	¥25,702,546	¥27,714,829	¥2,012,283	\$210,005	\$226,446	\$16,441

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			Millions of U.S. Dollars		
	2022			2022		
Type	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	¥ 6,135	¥ 6,210	¥ 74	\$ 50	\$ 50	\$ 0
Domestic bonds	1,791,781	1,939,219	147,438	14,639	15,844	1,204
Domestic stocks	3,436,314	9,161,134	5,724,819	28,076	74,851	46,775
Foreign securities	12,729,667	15,612,960	2,883,292	104,009	127,567	23,558
Other securities	773,857	954,356	180,499	6,322	7,797	1,474
Subtotal	18,737,755	27,673,881	8,936,125	153,098	226,112	73,013
Balance sheet amount does not exceed acquisition cost or amortized cost:						
Monetary receivables purchased	16,156	15,865	(290)	132	129	(2)
Domestic bonds	765,818	744,412	(21,405)	6,257	6,082	(174)
Domestic stocks	508,172	408,365	(99,807)	4,152	3,336	(815)
Foreign securities	5,746,763	5,459,997	(286,766)	46,954	44,611	(2,343)
Other securities	2,366,298	2,287,883	(78,415)	19,334	18,693	(640)
Subtotal	9,403,209	8,916,524	(486,685)	76,829	72,853	(3,976)
Total	¥28,140,965	¥36,590,405	¥8,449,439	\$229,928	\$298,965	\$69,037

* Stocks and other securities without a market price totaling ¥55,970 million (U.S. \$457 million) and investment balances to partnerships and so on totaling ¥152,919 million (U.S. \$1,249 million) are not included.

Impairment loss of ¥9,573 million (U.S. \$78 million) was recognized in the fiscal year ended March 31, 2022.

Regarding stocks (including foreign stocks), impairment losses are recognized for stocks whose fair values have declined significantly from the acquisition price 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 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.
- A security that meets both of the following criteria:
 - Average fair value in the last month of the fiscal year is between 50% and 70% of its acquisition cost.
 - 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, 2022	Millions of Yen				Millions of U.S. Dollars			
	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:	¥ 10,000	¥ 2,232	¥ 39,422	¥ 98,843	\$ 81	\$ 18	\$ 322	\$ 807
Policy-reserve-matching bonds	—	2,232	36,097	89,916	—	18	294	734
Available-for-sale securities	10,000	—	3,325	8,926	81	—	27	72
Investments in securities:	994,683	7,225,839	11,334,003	31,090,445	8,127	59,039	92,605	254,027
Policy-reserve-matching bonds	324,568	3,385,144	3,887,828	18,017,848	2,651	27,658	31,765	147,216
Available-for-sale securities	670,114	3,840,694	7,446,175	13,072,597	5,475	31,380	60,839	106,810
Loans	882,499	2,343,323	1,884,131	1,924,945	7,210	19,146	15,394	15,727
Corporate bonds	—	—	—	1,420,305	—	—	—	11,604
Loans payable	2,603	14,947	—	720,000	21	122	—	5,882

* Loans such as policy loans that do not have a stated maturity date are not included.

Also, ¥5,695 million (U.S. \$46 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.

(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			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Monetary receivables purchased:	¥ —	¥ 15,865	¥ 6,210	¥ 22,076	\$ —	\$ 129	\$ 50	\$ 180
Available-for-sale securities	—	15,865	6,210	22,076	—	129	50	180
Investments in securities*:	17,179,558	9,230,074	452,664	26,862,297	140,367	75,415	3,698	219,481
Trading securities	373,441	145,915	—	519,356	3,051	1,192	—	4,243
Available-for-sale securities:	16,806,117	9,084,158	452,664	26,342,940	137,316	74,223	3,698	215,237
Domestic bonds:	1,546,694	1,136,937	—	2,683,631	12,637	9,289	—	21,926
National government bonds	1,546,694	100	—	1,546,794	12,637	0	—	12,638
Local government bonds	—	71,861	—	71,861	—	587	—	587
Corporate bonds	—	1,064,976	—	1,064,976	—	8,701	—	8,701
Domestic stocks	9,507,468	62,030	—	9,569,499	77,681	506	—	78,188
Foreign securities:	5,748,628	7,885,190	452,664	14,086,482	46,969	64,426	3,698	115,095
Foreign bonds	5,389,558	7,826,771	452,664	13,668,994	44,035	63,949	3,698	111,683
Foreign stocks and other securities	359,069	58,418	—	417,488	2,933	477	—	3,411
Other securities	3,326	—	—	3,326	27	—	—	27
Derivative financial instruments:	2,494	(884,333)	116	(881,723)	20	(7,225)	0	(7,204)
Interest rate-related	—	(49,784)	116	(49,668)	—	(406)	0	(405)
Currency-related	—	(844,942)	—	(844,942)	—	(6,903)	—	(6,903)
Others	2,494	10,393	—	12,887	20	84	—	105

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

	Millions of Yen				Millions of U.S. Dollars			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Monetary receivables purchased:	¥ —	¥ —	¥ 132,765	¥ 132,765	\$ —	\$ —	\$ 1,084	\$ 1,084
Policy-reserve-matching bonds	—	—	132,765	132,765	—	—	1,084	1,084
Investments in securities:	25,461,966	2,453,814	752	27,916,534	208,039	20,049	6	228,094
Policy-reserve-matching bonds:	25,461,966	2,119,344	752	27,582,063	208,039	17,316	6	225,362
Domestic bonds	25,428,137	2,047,374	752	27,476,264	207,763	16,728	6	224,497
Foreign securities	33,828	71,970	—	105,799	276	588	—	864
Investments in subsidiaries and affiliates	—	334,470	—	334,470	—	2,732	—	2,732
Loans:	—	—	7,629,701	7,629,701	—	—	62,339	62,339
Policy loans	—	—	457,242	457,242	—	—	3,735	3,735
Industrial and consumer loans	—	—	7,172,459	7,172,459	—	—	58,603	58,603
Corporate bonds	—	1,420,591	—	1,420,591	—	11,607	—	11,607
Loans payable	—	719,324	17,551	736,875	—	5,877	143	6,020

* The transitional measures of Paragraph 26 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31) are applied, and investment trusts are not included. The balance sheet amount for these investment trusts was ¥10,404,594 million (U.S. \$85,011 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)

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. Securities and monetary receivables purchased for which unobservable inputs were not used, or they did not have significant impact, are classified as Level 2 fair value, while securities and monetary receivables purchased using significant unobservable inputs are classified as Level 3 fair value. 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" (ASBJ Guidance No. 31) have been applied, and levels are not assigned.

2) Loans

a. Policy loans

Fair value is measured at the book value of policy loans as the book value is deemed to approximate 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 is deemed to

approximate book value because market interest rates are reflected in future cash flows in the short term. Thus, book value 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 book value 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. When this valuation amount does not use unobservable inputs, or their impact is not significant, fair value is classified as Level 2, and when significant unobservable inputs are used, fair value is classified as Level 3.

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

Fair value is deemed to approximate book 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, book value 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 of the fiscal year ended March 31, 2022, net unrealized gains (losses) recognized as gains (losses) in the fiscal year ended March 31, 2022:

	Millions of Yen			Millions of U.S. Dollars		
	Monetary receivables purchased:	Investments in securities:	Derivative financial instruments:	Monetary receivables purchased:	Investments in securities:	Derivative financial instruments:
	Available-for-sale securities	Available-for-sale securities	Interest rate-related	Available-for-sale securities	Available-for-sale securities	Interest rate-related
Beginning balance for the year ended March 31, 2022	¥10,551	¥623,104	¥ 69	\$ 86	\$ 5,091	\$ 0
Profit (loss) for the year ended March 31, 2022:						
Recorded as net income (loss) ^{(*)1}	(99)	1,596	(281)	(0)	13	(2)
Recorded in valuations, conversions, and others ^{(*)2}	423	36,085	(281)	3	294	(2)
Recorded in valuations, conversions, and others ^{(*)2}	(523)	(34,488)	—	(4)	(281)	—
Purchased, sold, issued, and settled	(4,241)	(172,036)	328	(34)	(1,405)	2
Replaced with Level 3 fair value ^{(*)3}	—	—	—	—	—	—
Replaced from Level 3 fair value ^{(*)4}	—	—	—	—	—	—
Ending balance for the year ended March 31, 2022	6,210	452,664	116	50	3,698	0
Valuation gains/losses of financial instruments held as of March 31, 2022, included in profit/loss amounts for the year ended March 31, 2022 ^{(*)1}	¥ —	¥ —	¥(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 valuations, conversions, and others in the nonconsolidated 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 years ended March 31, 2021 and 2020, 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			2020		
	Balance sheet amount ^(*1)	Fair value ^(*2)	Difference	Balance sheet amount ^(*1)	Fair value ^(*2)	Difference
Cash and deposits (negotiable certificates of deposit):	¥ 113,998	¥ 113,998	¥ —	¥ 162,898	¥ 162,898	¥ —
Available-for-sale securities	113,998	113,998	—	162,898	162,898	—
Monetary receivables purchased:	172,601	179,347	6,745	219,068	227,881	8,813
Policy-reserve-matching bonds	150,013	156,759	6,745	172,487	181,301	8,813
Available-for-sale securities	22,588	22,588	—	46,580	46,580	—
Assets held in trust:	135	135	—	33,779	33,779	—
Trading securities	135	135	—	33,779	33,779	—
Investments in securities:	60,339,883	63,462,340	3,122,457	55,534,752	59,335,710	3,800,958
Trading securities	724,950	724,950	—	681,159	681,159	—
Policy-reserve-matching bonds	23,526,269	26,494,134	2,967,864	21,587,246	25,331,983	3,744,736
Investments in subsidiaries and affiliates	128,615	283,208	154,592	134,202	190,424	56,222
Available-for-sale securities	35,960,047	35,960,047	—	33,132,143	33,132,143	—
Loans ^(*3) :	7,423,996	7,629,583	205,587	7,410,198	7,647,131	236,933
Policy loans	490,675	490,675	—	554,120	554,120	—
Industrial and consumer loans	6,933,320	7,138,907	205,587	6,856,077	7,093,011	236,933
Derivative financial instruments ^(*4) :	(420,572)	(420,572)	—	(868)	(868)	—
Hedge accounting not applied	42,904	42,904	—	51,018	51,018	—
Hedge accounting applied	(463,476)	(463,476)	—	(51,886)	(51,886)	—
Corporate bonds ^(*3)	1,321,512	1,347,344	25,832	1,155,320	1,105,967	(49,352)
Payables under repurchase agreements	1,014,978	1,014,978	—	1,051,931	1,051,931	—
Loans payable	538,317	539,218	901	408,248	404,001	(4,247)

(*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 and 2020, 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 book value of policy loans as the book value is deemed to approximate 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

Book value of variable interest rate loans is deemed to approximate fair value because market interest rates are reflected in future cash flows over the short term. Thus, book value 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 book value 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 book value is used as fair value due to their short-term settlement.

7) Loans payable

Book value of variable interest rate loans payable is deemed to approximate fair value because market interest rates are reflected in future cash flows over the short term. Thus, book value 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 and ¥1,018,274 million for stocks of subsidiaries and affiliates, and ¥711,324 million and ¥555,775 million for available-for-sale securities as of March 31, 2021 and 2020, respectively.

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

1) Trading securities

Derivative financial instruments within assets held in trust and investments in securities for separate accounts are classified as trading securities as of March 31, 2021 and 2020.

Valuation gains/losses included in profit and loss were gains of ¥50,015 million and losses of ¥24,044 million for derivative financial instruments within assets held in trust and investments in securities related to separate accounts for the fiscal years ended March 31, 2021 and 2020, respectively.

2) Held-to-maturity debt securities

No ending balance as of March 31, 2021 or 2020.

3) Policy-reserve-matching bonds

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

Millions of Yen						
As of March 31	2021			2020		
Type	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Fair value exceeds the balance sheet amount:						
Monetary receivables purchased	¥ 146,825	¥ 153,603	¥ 6,777	¥ 167,756	¥ 176,621	¥ 8,864
Domestic bonds	19,474,557	22,579,362	3,104,804	19,923,010	23,669,097	3,746,087
Foreign securities	120,625	129,870	9,245	122,048	139,006	16,957
Subtotal	19,742,009	22,862,836	3,120,827	20,212,815	23,984,725	3,771,909
Fair value does not exceed the balance sheet amount:						
Monetary receivables purchased	3,188	3,155	(32)	4,731	4,680	(50)
Domestic bonds	3,908,605	3,763,027	(145,577)	1,542,115	1,523,808	(18,306)
Foreign securities	22,481	21,873	(607)	73	71	(2)
Subtotal	3,934,274	3,788,057	(146,217)	1,546,919	1,528,559	(18,359)
Total	¥23,676,283	¥26,650,893	¥2,974,609	¥21,759,734	¥25,513,284	¥3,753,550

4) Available-for-sale securities

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

Millions of Yen						
As of March 31	2021			2020		
Type	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:						
Cash and deposits (negotiable certificates of deposit)	¥ 55,000	¥ 55,000	¥ 0	¥108,900	¥ 108,900	¥ 0
Monetary receivables purchased	14,297	15,016	718	11,046	11,929	882
Domestic bonds	2,337,162	2,530,043	192,880	2,542,492	2,743,196	200,704
Domestic stocks	3,579,363	9,544,442	5,965,078	2,996,001	6,470,935	3,474,933
Foreign securities	15,114,971	18,095,796	2,980,825	11,733,841	14,245,292	2,511,450
Other securities	2,142,186	2,360,385	218,199	2,615,637	2,838,742	223,105
Subtotal	23,242,981	32,600,684	9,357,702	20,007,920	26,418,996	6,411,076
Balance sheet amount does not exceed acquisition cost or amortized cost:						
Cash and deposits (negotiable certificates of deposit)	59,000	58,998	(1)	54,000	53,998	(1)
Monetary receivables purchased	7,596	7,571	(24)	35,237	34,651	(586)
Domestic bonds	319,236	312,208	(7,028)	458,344	449,840	(8,503)
Domestic stocks	538,025	437,210	(100,814)	1,146,157	849,276	(296,881)
Foreign securities	1,787,530	1,723,573	(63,956)	5,348,906	5,041,600	(307,306)
Other securities	971,416	956,386	(15,029)	506,694	493,259	(13,435)
Subtotal	3,682,805	3,495,949	(186,855)	7,549,340	6,922,626	(626,714)
Total	¥26,925,786	¥36,096,633	¥9,170,847	¥27,557,260	¥33,341,622	¥5,784,361

* Securities totaling ¥711,324 million and ¥555,775 million, whose fair values are extremely difficult to determine, as of March 31, 2021 and 2020, respectively, are not included.

Impairment losses of ¥308 million and ¥141,564 million were recognized for securities with a fair value during the fiscal years ended March 31, 2021 and 2020, respectively.

Regarding stocks (including foreign stocks) 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:

Millions of Yen				
As of March 31, 2021	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 ^(*)	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

(*) 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.

As of March 31, 2020				
	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):	¥ 162,900	¥ —	¥ —	¥ —
Available-for-sale securities	162,900	—	—	—
Monetary receivables purchased:	29,111	1,978	41,513	145,922
Policy-reserve-matching bonds	100	1,946	41,513	128,802
Available-for-sale securities	29,010	32	—	17,120
Investments in securities:	894,542	4,874,712	12,322,873	26,426,952
Policy-reserve-matching bonds	186,232	2,293,195	4,598,004	14,448,861
Available-for-sale securities	708,309	2,581,517	7,724,868	11,978,090
Loans ^(*)	995,286	2,348,271	1,694,499	1,815,895
Corporate bonds	—	—	—	1,155,320
Payables under repurchase agreements	1,051,931	—	—	—
Loans payable	242	18,005	—	390,000

(*) Loans such as policy loans which do not have a stated maturity date are not included. Also, ¥4,758 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 ¥1,213,905 million (U.S. \$9,918 million), ¥1,197,817 million and ¥1,169,555 million, with a fair value of ¥1,677,566 million (U.S. \$13,706 million), ¥1,607,373 million and ¥1,549,658 million as of March 31, 2022, 2021 and 2020, 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 ¥4,077 million (U.S. \$33 million), ¥3,299 million and ¥3,384 million as of March 31, 2022, 2021 and 2020, respectively.

6. Securities Loaned and Borrowed

The amounts of securities lent under lending agreements were ¥2,098,496 million (U.S. \$17,145 million), ¥2,843,542 million and ¥3,462,922 million as of March 31, 2022, 2021 and 2020, 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 ¥402,310 million (U.S. \$3,287 million), ¥389,126 million and ¥397,399 million at fair value as of March 31, 2022, 2021 and 2020, respectively.

7. Accumulated Depreciation

The amounts of accumulated depreciation of tangible fixed assets were ¥1,206,670 million (U.S. \$9,859 million), ¥1,152,548 million and ¥1,134,894 million as of March 31, 2022, 2021 and 2020, respectively.

8. Separate Accounts

Separate account assets as provided for in Article 118, Paragraph 1 of the Insurance Business Act were ¥1,207,557 million (U.S. \$9,866 million), ¥1,227,305 million and ¥1,202,426 million as of March 31, 2022, 2021 and 2020, 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 nonconsolidated balance sheets.

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, 2022, 2021 and 2020, were as follows:

	Millions of Yen			Millions of U.S. Dollars
	2022	2021	2020	2022
Monetary receivables	¥74,798	¥62,548	¥49,059	\$611
Monetary liabilities	10,339	6,990	7,462	84

10. Reserve for Dividends to Policyholders

Changes in the reserve for dividends to policyholders for the fiscal years ended March 31, 2022, 2021 and 2020, were as follows:

	Millions of Yen			Millions of U.S. Dollars
	2022	2021	2020	2022
Balance at the beginning of the fiscal year	¥1,046,832	¥1,043,785	¥1,020,213	\$8,553
Transfer to reserve from surplus in the previous fiscal year	276,006	185,145	211,818	2,255
Dividends paid to policyholders during the fiscal year	(283,608)	(203,557)	(209,969)	(2,317)
Increase in interest	21,346	21,458	21,722	174
Balance at the end of the fiscal year	¥1,060,577	¥1,046,832	¥1,043,785	\$8,665

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 2012	Each interest payment date on or after October 2022
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 ¥5,739,186 million (U.S. \$46,892 million), ¥6,481,161 million and ¥4,098,540 million as of March 31, 2022, 2021 and 2020, 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. In March 2020, the Company reached an agreement with the workforce on amending the retirement benefit plans for non sales personnel, sales management personnel, sales representatives, and certain other personnel in connection with the extension of the mandatory retirement age to 65, which will be implemented in April 2021. Accordingly, prior service costs of ¥(6,589) million were accrued based on the amended retirement plans for the fiscal year ended March 31, 2020.

(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, 2022, 2021 and 2020	Millions of Yen			Millions of U.S. Dollars
	2022	2021	2020	2022
Retirement benefit obligations at the beginning of the year	¥625,689	¥631,072	¥631,844	\$5,112
Service costs	27,220	27,316	26,338	222
Interest cost	3,754	3,786	3,791	30
Actuarial losses accrued during the year	850	4,388	17,230	6
Retirement benefit payments	(38,614)	(40,874)	(41,542)	(315)
Prior service costs accrued during the year	—	—	(6,589)	—
Retirement benefit obligations at the end of the year	¥618,899	¥625,689	¥631,072	\$5,056

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

For the years ended March 31, 2022, 2021 and 2020	Millions of Yen			Millions of U.S. Dollars
	2022	2021	2020	2022
Pension plan assets at the beginning of the year	¥243,500	¥238,608	¥250,029	\$1,989
Expected return on plan assets	3,287	3,221	3,375	26
Actuarial gains (losses) accrued during the year	3,803	11,991	(4,487)	31
Contributions by business proprietor	5,991	6,681	6,569	48
Retirement benefit payments	(17,119)	(17,002)	(16,878)	(139)
Pension plan assets at the end of the year	¥239,463	¥243,500	¥238,608	\$1,956

3) Reconciliation of retirement benefit obligations, pension plan assets, and accrued retirement benefits on the nonconsolidated balance sheets

For the years ended March 31, 2022, 2021 and 2020	Millions of Yen			Millions of U.S. Dollars
	2022	2021	2020	2022
Retirement benefit obligations for funded plans	¥242,167	¥250,573	¥253,120	\$1,978
Pension plan assets	(239,463)	(243,500)	(238,608)	(1,956)
	2,704	7,072	14,511	22
Retirement benefit obligations for nonfunded plans	376,731	375,115	377,952	3,078
Unrecognized actuarial gains	(5,186)	(11,765)	(24,593)	(42)
Unrecognized prior service costs	3,953	5,271	6,589	32
Accrued retirement benefits	¥378,203	¥375,693	¥374,460	\$3,090

4) Losses (gains) relating to retirement benefits

For the years ended March 31, 2022, 2021 and 2020		Millions of Yen		Millions of U.S. Dollars
	2022	2021	2020	2022
Service costs	¥27,220	¥27,316	¥26,338	\$222
Interest cost	3,754	3,786	3,791	30
Expected return on plan assets	(3,287)	(3,221)	(3,375)	(26)
Amortization of actuarial losses for the period	3,626	5,223	13,043	29
Prior service costs accrued during the year	(1,317)	(1,317)	—	(10)
Benefit cost for defined benefit plans	¥29,995	¥31,787	¥39,797	\$245

5) Pension plan assets consist of the following:

	2022	2021	2020
General account of Nippon Life	49.5%	49.8%	52.3%
Cash and deposits	25.1%	20.6%	14.2%
Foreign securities	14.9%	19.9%	9.4%
Domestic bonds	6.4%	6.0%	20.1%
Domestic stocks	4.1%	3.7%	4.0%
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, 2022, 2021 and 2020, are as follows:

	2022	2021	2020
Discount rate	0.6%	0.6%	0.6%
Long-term expected rate of return on plan assets	1.4%	1.4%	1.4%

(3) Defined contribution plans

The Company contributed ¥2,280 million (U.S. \$18 million), ¥2,249 million and ¥2,246 million to defined contribution plans during the fiscal years ended March 31, 2022, 2021 and 2020, 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 (U.S. \$408 million) and ¥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 years ended March 31, 2022 and 2020, respectively. ¥50,000 million (U.S. \$408 million) and ¥50,000 million of foundation funds were offered pursuant to Article 60 of the Insurance Business Act during the fiscal years ended March 31, 2022 and 2020.

15. Pledged Assets

Assets pledged as collateral in the form of investments in securities, land, and buildings as of March 31, 2022, were ¥3,689,448 million (U.S. \$30,145 million), ¥252 million (U.S. \$2 million) and ¥38 million (U.S. \$0 million), respectively. The total amount of liabilities covered by the aforementioned assets was ¥2,452,561 million (U.S. \$20,038 million) as of March 31, 2022.

These amounts included ¥2,214,261 million (U.S. \$18,091 million) of the sale of securities under repurchase agreements and ¥2,452,560 million (U.S. \$20,038 million) in 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 in payables under repurchase agreements, as of March 31, 2021.

Assets pledged as collateral in the form of investments in securities, land, and buildings as of March 31, 2020, were ¥1,979,845 million, ¥252 million and ¥43 million, respectively. The total amount of liabilities covered by the aforementioned assets was ¥1,052,132 million as of March 31, 2020.

These amounts included ¥1,037,938 million of the sale of securities under repurchase agreements and ¥1,051,931 million in payables under repurchase agreements, as of March 31, 2020.

16. Investments in Subsidiaries and Affiliates

The total amounts of stocks and investments in subsidiaries and affiliates were ¥1,466,399 million (U.S. \$11,981 million), ¥1,308,172 million and ¥1,152,476 million as of March 31, 2022, 2021 and 2020, respectively.

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

- Company name: Nissay Plus SSI Company Inc.
- Head office location: Chiyoda-ku, Tokyo
- Capital stock: ¥2.6 billion (U.S. \$21 million) (including ¥1.3 billion (U.S. \$10 million) 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 ¥30,345 million (U.S. \$247 million), ¥29,456 million and ¥29,154 million as of March 31, 2022, 2021 and 2020, respectively. The breakdown is as follows:

1) The amounts of bankrupt and quasi-bankrupt loans were ¥10,274 million (U.S. \$83 million), ¥10,308 million and ¥10,523 million as of March 31, 2022, 2021 and 2020, 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 ¥18,303 million (U.S. \$149 million), ¥16,511 million and ¥17,067 million as of March 31, 2022, 2021 and 2020, 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) There were no loans delinquent for over three months.

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 ¥1,767 million (U.S. \$14 million), ¥2,635 million and ¥1,563 million as of March 31, 2022, 2021 and 2020, 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 ¥586 million (U.S. \$4 million), ¥2,514 million and ¥2,106 million as of March 31, 2022, 2021 and 2020, respectively.

18. Loan Commitments

The amounts of commitments related to loans and loans outstanding were ¥292,165 million (U.S. \$2,387 million), ¥343,726 million and ¥340,430 million as of March 31, 2022, 2021 and 2020, 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 ¥182 million (U.S. \$1 million), ¥213 million and ¥254 million as of March 31, 2022, 2021 and 2020, 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 (U.S. \$582 million), ¥72,187 million and ¥75,368 million as of March 31, 2022, 2021 and 2020, 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
	2022	2021	2020	2022
Domestic bonds including national government bonds	¥ 23,938	¥ 50,774	¥ 41,199	\$ 195
Domestic stocks and other securities	366,791	89,320	69,048	2,996
Foreign securities	74,524	367,189	217,963	608

The major components of loss on sales of securities were as follows:

	Millions of Yen			Millions of U.S. Dollars
	2022	2021	2020	2022
Domestic bonds including national government bonds	¥75,728	¥2,319	¥204	\$618
Domestic stocks and other securities	15,014	33,854	26,298	122
Foreign securities	22,873	4,019	22,201	186

The major components of loss on valuation of securities were as follows:

	Millions of Yen			Millions of U.S. Dollars
	2022	2021	2020	2022
Domestic stocks and other securities	¥11,658	¥1,888	¥142,505	\$95
Foreign securities	1,463	3,074	59,887	11

Gain/loss from assets held in trust, net included net valuation gains of ¥4,292 million (U.S. \$35 million) for the fiscal year ended March 31, 2022 and losses of ¥25,339 million and gains of ¥27,919 million for the fiscal years ended March 31, 2021 and 2020, respectively.

Loss on derivative financial instruments, net included net valuation losses of ¥14,865 million (U.S. \$121 million), losses of ¥11,658 million and losses of ¥12,466 million for the fiscal years ended March 31, 2022, 2021 and 2020, 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 ¥30 million (U.S. \$0 million), ¥41 million and ¥24 million for the fiscal years ended March 31, 2022, 2021 and 2020, respectively.

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 book value of fixed assets was reduced to the recoverable amount and impairment losses were recognized as extraordinary losses for the fiscal years ended March 31, 2022, 2021 and 2020.

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

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, 2020

	Millions of Yen			
Purpose of use	Land	Leasehold interests in land	Buildings	Total
Leased property	¥ 83	¥ —	¥ —	¥ 83
Idle property	1,900	168	740	2,809
Total	¥1,984	¥168	¥740	¥2,893

For the year ended March 31, 2022

	Millions of U.S. Dollars			
Purpose of use	Land	Leasehold interests in land	Buildings	Total
Leased property	\$ 3	\$0	\$ 2	\$ 5
Idle property	25	—	35	61
Total	\$28	\$0	\$37	\$66

(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 discounted future cash flows.

The discount rate used in the calculation of future cash flows was 3.0% for the fiscal years ended March 31, 2022, 2021 and 2020. 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
	2022	2021	2020	2022
Deferred tax assets	¥2,035,718	¥1,812,734	¥1,702,014	\$16,633
Valuation allowance for deferred tax assets	(74,263)	(65,469)	(84,956)	(606)
Subtotal	1,961,455	1,747,264	1,617,058	16,026
Deferred tax liabilities	(2,446,030)	(2,624,769)	(1,715,607)	(19,985)
Net deferred tax liabilities	¥ (484,574)	¥ (877,504)	¥ (98,548)	\$ (3,959)

The major components resulting in deferred tax assets/liabilities were as follows:

	Millions of Yen			Millions of U.S. Dollars
	2022	2021	2020	2022
Deferred tax assets:				
Policy reserves and other reserves	¥1,226,068	¥1,084,110	¥ 955,429	\$10,017
Reserve for price fluctuations in investments in securities	443,675	424,614	403,995	3,625
Accrued retirement benefits	105,518	104,818	104,474	862
Deferred losses on derivatives under hedge accounting	154,077	89,726	70,540	1,258
Deferred tax liabilities:				
Net unrealized gains on available-for-sale securities	¥2,349,062	¥2,542,367	¥1,613,944	\$19,193

The main reasons for the change in the valuation allowance that reduced the deferred tax assets were the recognition of a valuation allowance related to loss on valuation of shares of subsidiaries and affiliates, 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 and 2020, respectively.

- (2) The statutory tax rate was 27.9%, 27.9% and 27.9% for the fiscal years ended March 31, 2022, 2021 and 2020, respectively. The main factors for the difference between the statutory tax rates and the effective income tax rates were as follows:

	2022	2021	2020
Reserve for dividends to policyholders	(13.5)%	(22.4)%	(25.2)%
Loss on valuation of shares of subsidiaries and affiliates	—	—	9.3%

25. Transactions with Subsidiaries and Affiliates

The total income and expenses from transactions with subsidiaries and affiliates for the fiscal years ended March 31, 2022, 2021 and 2020, were as follows:

	Millions of Yen			Millions of U.S. Dollars
	2022	2021	2020	2022
Total income	¥45,286	¥28,938	¥41,607	\$370
Total expenses	37,184	30,342	33,148	303

26. Loss on Valuation of Shares of Subsidiaries and Affiliates

The Company recorded an impairment loss on its shares of MLC Limited, a consolidated subsidiary of the Company, due to a significant decline in the actual value of the shares compared with the carrying amount of the investment. The decline reflected deteriorating profitability at MLC Limited mainly due to an increase in payments for income-protection insurance. As a result, the Company recorded a loss on valuation of shares of subsidiaries and affiliates of ¥68,391 million as an extraordinary loss in the fiscal year ended March 31, 2020.

27. Subsequent Events

- (1) The Company assumed the following yen-denominated subordinated debt on May 10, 2022:

Principal amount	¥130 billion (U.S. \$1,062 million)
Interest rate	Fixed rate of 1.03% per annum until May 10, 2032 Fixed rate with step-up from May 11, 2032 (reset every five years)
Repayment date	The third bank business day preceding May 10, 2052 (The loan is callable on the third bank business day preceding May 10, 2032, and the third bank business day preceding each fifth anniversary date thereafter, until the loan is fully redeemed at the discretion of the Company, subject to prior approval by the regulatory authorities.)
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, 2022, 2021 and 2020, 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, 2022, 2021 and 2020, 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.

Key Audit Matters

We determined the matters that required significant auditor's attention in performing our audit from the matters communicated to those charged with governance by identifying and evaluating the risks of material misstatements through obtaining an understanding of the Company's business environments 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 determination of impairment indicators and the recognition of an impairment loss for goodwill equivalent

(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 included in the carrying amount of the equity method investment on the consolidated financial statements. The Company recorded goodwill equivalent of ¥78,425 million on its consolidated balance sheet as of March 31, 2022.

The Company amortizes 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 determines whether any impairment indicators exist in accordance with the Company's policy mentioned in Note 24. "Impairment Losses."

When an impairment indicator for investment in an insurance company is identified, the Company determines whether an impairment loss should be recognized by comparing the corporate value of the investee, which is the sum of the embedded value and value of new business, corresponding to the Company's interest in the investee with the carrying amount of the investment.

If the Company determines that an impairment loss should be recognized, the carrying amount of the investment is reduced to the recoverable amount.

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. The Company recorded goodwill equivalent allocated to the investee of ¥19,500 million.

As mentioned in Note 24. "Impairment losses, (3) Recognition and measurement of impairment losses, b. Goodwill and goodwill equivalent," the projected acquisition of new insurance policies as the basis of the value of new business, the lapse rates, the insurance accident rates and the discount rates included in actuarial assumptions as the basis of the embedded value are subject to estimation uncertainty, regarding the corporate value used to determine the recognition of impairment loss for PT Sequis.

In addition, the status of the COVID-19 pandemic may have an impact on the projected acquisition of new insurance policies.

Also, the Company recorded goodwill equivalent allocated to Reliance Nippon Life Insurance Company Limited ("RNLI"), an equity method affiliate operating life insurance business in India, of ¥36,494 million. Although RNLI's corporate value is recovering, the possible change of the joint venture partner that is now Reliance Capital Limited may have a certain impact on its future business activities.

Determining whether there are any impairment indicators that may result in a deterioration of RNLI's business performance in the future involves significant management judgment, such as a significant change in the nature of RNLI's business and management's strategy from the initial plan and any signs of significant deterioration in RNLI's business environment that would lead to a significant decline in its corporate value.

Based on the above, we identified the Company's determination of impairment indicators for the goodwill equivalent of PT Sequis and RNLI, and the recognition of an impairment loss for the goodwill equivalent of PT Sequis as a key audit matter.

(How the Key Audit Matter Was Addressed in the Audit)

Our audit procedures over the Company's determination of impairment indicators for the goodwill equivalent allocated to PT Sequis and RNLI and the recognition of an impairment loss for goodwill equivalent allocated to PT Sequis included the following, among others:

- We evaluated the Company's policy for the determination of impairment indicators and the recognition of an impairment loss regarding goodwill equivalent considering the "Accounting Standard for Impairment of Fixed Assets" per generally accepted accounting principles in Japan.
- We inquired of the Company officials and inspected the relevant documents to test the design and operating effectiveness of internal controls over the determination of impairment indicators and the recognition of an impairment loss, including:
 - Procedures for management's review and approval over the determination of impairment indicators and the fair valuation of the investment performed by the International department, and
 - Procedures for management's review and approval performed by the Credit department.

Regarding PT Sequis, we additionally performed the following procedures in evaluating the Company's determination of impairment indicators:

- Inspected the minutes of the Board of Directors of PT Asuransi Jiwa Sequis Life (hereinafter called "Sequis Life") that is a subsidiary of PT Sequis,
- Inquired of management of the International department in the Company, and
- 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 investment.

In evaluating the appropriateness of the Company's determination of the recognition of an impairment loss for goodwill equivalent allocated to PT Sequis, with the assistance of our valuation specialists and actuarial specialists, our audit procedures related to the value of new business and the embedded value, which are components of the corporate values of Sequis Life used by the Company, included the following among others:

- Evaluated the reasonableness of the assumptions related to management's estimated timing of the end of the COVID-19 pandemic for the projected acquisition of new insurance policies considering the environments of the country where the entity operates,
- Inquired of management of Sequis Life on current business environments and the projected acquisition of new insurance policies including the impact of COVID-19,

- Performed a trend analysis on the projected acquisition of new insurance policies considering the actual acquisition of new insurance policies in prior years and related market conditions,
- Inquired of management in the International department of the Company on the methods and data used for the discount rates 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, and
- Inspected the relevant documents to determine whether the embedded value was calculated based on the actuarial assumptions as mentioned above.

Regarding RNLI, we performed the following procedures in evaluating the Company's determination of impairment indicators:

- Inspected the minutes of the Board of Directors of RNLI,
- Inquired of management of the International department in 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, and
- Inquired of management of RNLI on the current business environments, forecast of business performance and the current status of the change in the joint venture partner.

2. Reliability of the systems as a basis of the calculation of policy reserves and valuation of policy reserves for new insurance products and the revision of existing insurance products

(Key Audit Matter Description)

The Company recorded policy reserves of ¥68,547,902 million, which represented 85% of total liabilities on the consolidated balance sheet as of March 31, 2022. Of the amount, the policy reserves of the Company and Taiju Life Insurance Company Limited ("Taiju Life"), a consolidated subsidiary, were ¥58,677,803 million and ¥6,504,259 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, 1)," 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, attribute data of age and gender and the amounts insured by insurance policies, according to the statement of calculation procedures that is required to be submitted to the prime minister in accordance with Article 4, Paragraph (2), Item (iv) of the Insurance Business Act.

In addition, the Company records additional policy reserves in accordance with Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act in order to strengthen its financial foundation over the medium to long term. 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 and is highly automated by IT systems and is therefore highly dependent on those 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 support the operating effectiveness of automated application controls over the continuous appropriate operation of IT systems. Also, the evaluation of the effectiveness of controls over 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. 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 valuation and accuracy 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 as a basis of 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 and inspected the relevant documents to evaluate the design and operating effectiveness of the following IT controls over the calculation of policy reserves:
 - General IT controls such as controls over access security, system change management and operation related to the systems for the calculation of policy reserves, the insurance system, the accounting system and other systems.
 - 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 attribute data related to these policies, and
 - 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 in accordance with the statement of calculation procedures to evaluate the design and operating effectiveness of automated application controls over the calculation of policy reserves.

With the assistance of our actuarial specialists, we performed re-calculation of policy reserves for new insurance products and other products in accordance with the statement of calculation procedures to evaluate the accuracy of the calculation of policy reserves for new insurance products and other products that were offered during the current year.

Other Information

Management is responsible for the other information. The Audit & Supervisory Committee is 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 Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual 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 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.

The Audit & Supervisory Committee is 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 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 the Audit & Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit & Supervisory Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Johnston LLC

August 5, 2022



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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, 2022, 2021 and 2020, and the nonconsolidated statements of income and nonconsolidated statements of changes in net assets and the 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, 2022, 2021 and 2020, 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.

Other Information

Management is responsible for the other information. The Audit & Supervisory Committee is 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 Annual Report, but does not include the nonconsolidated financial statements and our auditor's report thereon. The Annual 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 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.

The Audit & Supervisory Committee is 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 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 the Audit & Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it 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 Toche Japan LLC

August 5, 2022

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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 Business Field

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, 2022, was ¥498.6 billion (vs. ¥441.2 billion in the fiscal year ended March 31, 2021). Ordinary profit was ¥39.4 billion (vs. ¥17.2 billion in the fiscal year ended March 31, 2021), and core operating profit was ¥44.9 billion (vs. ¥32.0 billion in the fiscal year ended March 31, 2021).

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, 2022, was ¥350.1 billion (vs. ¥282.7 billion in the fiscal year ended March 31, 2021). Ordinary profit was ¥29.0 billion (vs. ¥81.3 billion in the fiscal year ended March 31, 2021), and core operating profit was ¥37.5 billion (vs. ¥29.0 billion in the fiscal year ended March 31, 2021).

HANASAKU LIFE INSURANCE Co., Ltd. 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. In addition, the company commenced mail-order sales in July 2020, and online sales in September 2021.

HANASAKU LIFE's revenue from insurance and reinsurance in the fiscal year ended March 31, 2022, was ¥13.7 billion (vs. ¥6.8 billion in the fiscal year ended March 31, 2021). Ordinary loss was ¥19.6 billion (vs. ¥16.2 billion in the fiscal year ended March 31, 2021), and core operating loss amounted to ¥18.9 billion (vs. ¥15.9 billion in the fiscal year ended March 31, 2021).

• Overseas Insurance Business Field

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 improve income protection products profitability, which has been an industry-wide challenge, and to enhance the efficiency of business expenditures.

MLC Limited's revenue from insurance and reinsurance in the fiscal year ended December 31, 2021, was ¥181.2 billion (vs. ¥160.1 billion in the fiscal year ended December 31, 2020), and core operating profit*¹ was ¥2.9 billion (vs. a loss of ¥30.4 billion in the fiscal year ended December 31, 2020).

• Asset Management Field

The Group worked to offer a wide range of products to meet the diversified asset management needs of its customers, such as multi-asset and alternatives, including domestic and foreign stocks and bonds, 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, 2022, were ¥33,826.9 billion (vs. ¥31,051.9 billion in the fiscal year ended March 31, 2021). Of this, assets of ¥24,420.6 billion were in the investment advisory business (vs. ¥21,392.8 billion in the fiscal year ended March 31, 2021), and assets of ¥9,406.3 billion were in the investment trusts business (vs. ¥9,659.1 billion in the fiscal year ended March 31, 2021). In addition, core operating profit*² was ¥16.2 billion (vs. ¥16.9 billion in the fiscal year ended March 31, 2021).

In the Indian investment trusts 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 investment trust assets under management as of March 31, 2022, were ¥4,521.0 billion (vs. ¥3,371.7 billion in the fiscal year ended March 31, 2021). In addition, core operating profit*² was ¥15.0 billion (vs. ¥12.6 billion in the fiscal year ended March 31, 2021).

• Information Technology Field

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, 2022, Nissay Information Technology Co., Ltd. sales were ¥79.0 billion (vs. ¥79.53 billion in the fiscal year ended March 31, 2021). Ordinary profit was ¥2.4 billion (vs. ¥1.76 billion in the fiscal year ended March 31, 2021), and core operating profit*² was ¥2.3 billion (vs. ¥1.7 billion in the fiscal year ended March 31, 2021).

Ordinary income in the fiscal year ended March 31, 2022, totaled ¥8,356.8 billion (vs. ¥8,160.9 billion in the fiscal year ended March 31, 2021). Ordinary expenses totaled ¥7,821.4 billion (vs. ¥7,685.3 billion in the fiscal year ended March 31, 2021), while ordinary profit was ¥535.4 billion (vs. ¥475.6 billion in the fiscal year ended March 31, 2021). After adding/subtracting extraordinary gains of ¥18.4 billion, extraordinary losses of ¥103.9 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 ¥346.7 billion (vs. ¥331.5 billion in the fiscal year ended March 31, 2021). On the consolidated balance sheet, surplus as of March 31, 2022 amounted to ¥740.5 billion, and total assets rose to ¥88,381.9 billion (vs. ¥85,589.9 billion as of March 31, 2021).

Net cash provided by operating activities amounted to ¥1,232.7 billion, a ¥267.5 billion increase year-on-year, due mainly to an increase in revenue from insurance and reinsurance. Net cash used in financing activities rose by ¥50.3 billion from the previous fiscal year to ¥1,207.6 billion, due mainly to an increase in purchases of investment securities. Net cash provided by financing activities was ¥158.7 billion, down ¥115.8 billion from the previous fiscal year, due mainly to increased loan repayments. As a result, cash and cash equivalents as of March 31, 2022, amounted to ¥2,544.3 billion,

an increase of ¥221.5 billion from the beginning of the fiscal year.

Total core operating profit*³ was ¥872.1 billion (vs. ¥690.6 billion in the fiscal year ended March 31, 2021).

*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 HANA-SAKU LIFE, plus the net income before tax of overseas life insurance subsidiaries and affiliates and domestic and overseas asset management subsidiaries and affiliates, after taking into account stock ownership ratios, excluding interest rate fluctuation factors, and adjusting for certain internal transactions.

Effective fiscal year ended March 31, 2022, the method for excluding interest rate fluctuation factors from Group core operating profit has been revised. 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. 43. 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. 43.

(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. 43.

(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 recoverability of deferred tax assets depends on estimates of future taxable income. Therefore, if the estimated amounts of future taxable income change, the recoverability of deferred tax assets could also change. In addition, the Company and its certain subsidiaries (the consolidated taxation group) have applied the consolidated taxation 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. 43.

(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. 43.

(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. 43.

2. Key Indicators for Operating Performance (Consolidated)

Billions of Yen					
Fiscal years ended March 31	2022	2021	2020	2019	2018
Total ordinary income	8,356.8	8,160.9	8,050.6	8,227.1	7,609.8
Revenues from insurance and reinsurance	5,386.0	5,190.1	5,719.3	6,069.2	5,422.0
Ordinary profit	535.4	475.6	281.3	428.4	471.8
Net surplus attributable to the parent company	346.7	331.5	192.1	278.7	243.9
Comprehensive income (loss)	(463.7)	2,837.9	(630.5)	307.3	595.1
Net cash provided by operating activities	1,232.7	965.1	1,605.5	1,962.2	1,506.3
Net cash used in investing activities	(1,207.6)	(1,157.2)	(1,615.3)	(1,993.8)	(1,310.9)
Net cash provided by financing activities	158.7	274.6	250.8	148.3	170.9

Billions of Yen					
As of March 31	2022	2021	2020	2019	2018
Total assets	88,381.9	85,589.9	80,081.1	78,809.5	74,392.5
Total net assets	8,053.0	8,816.5	6,157.2	6,978.2	6,922.3
Solvency margin ratio (%)	1,120.3	1,075.0	1,047.5	997.3	968.0
Cash and cash equivalents at the end of the year	2,544.3	2,322.8	2,226.2	2,011.9	1,897.0
Number of consolidated subsidiaries and affiliates	15	15	15	12	11
Number of affiliates accounted for under the equity method	15	15	15	14	14
Number of employees (people)	92,737	95,352	92,122	89,198	86,394

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	2022	2021	2020
Bankrupt and quasi-bankrupt loans	10,285	10,301	10,511
Doubtful loans	18,352	16,594	17,388
Loans that are delinquent for over three months	—	—	—
Restructured loans	1,771	2,635	1,563
Subtotal	30,409	29,531	29,463
[Ratio to total (%)]	[0.27]	[0.25]	[0.24]
Normal loans	11,386,093	11,916,685	12,444,652
Total	11,416,503	11,946,216	12,474,115

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 ¥1,603 million, ¥3,784 million and ¥3,382 million as of March 31, 2022, 2021 and 2020, 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	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)
As of March 31	2020					
Hedge accounting applied	108,331	(167,729)	11,972	—	—	(47,425)
Hedge accounting not applied	90,717	(39,973)	10,871	213	1,224	63,054
Total	199,049	(207,702)	22,844	213	1,224	15,628

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, 2022, gain in currencies of ¥399,749 million and gain in equities of ¥6,712 million; for the year ended March 31, 2021, loss in currencies of ¥224,485 million and loss in equities of ¥14,871 million; and for the year ended March 31, 2020, gain in currencies of ¥30,532 million and gain in equities of ¥11,972 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

As of March 31		2022				2021			
Category	Type	Contract amount		Fair value	Net gains (losses)	Contract amount		Fair value	Net gains (losses)
		Over 1 year				Over 1 year			
Over-the-counter	Interest rate swaps								
	Receive fixed interest rate/ pay variable interest rate	3,423,666	2,624,473	(68,446)	(68,446)	2,763,963	2,404,226	25,710	25,710
	Pay fixed interest rate/ receive variable interest rate	1,348,550	1,300,852	93,627	93,627	1,421,581	1,349,037	31,267	31,267
	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	1,383,000 [49,264]	1,205,500 [46,699]	23,311	(25,952)	1,330,000 [47,145]	1,300,000 [46,951]	20,605	(26,539)
	Pay fixed interest rate/ receive variable interest rate	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
Total					(759)				30,438

As of March 31		2020			
Category	Type	Contract amount		Fair value	Net gains (losses)
		Over 1 year			
Over-the-counter	Interest rate swaps				
	Receive fixed interest rate/ pay variable interest rate	2,897,828	2,623,761	120,835	120,835
	Pay fixed interest rate/ receive variable interest rate	1,813,368	1,699,235	(44,356)	(44,356)
	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	952,500 [36,518]	952,500 [36,518]	50,756	14,238
	Pay fixed interest rate/ receive variable interest rate	—	—	—	—
		[—]	[—]		
Total					90,717

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							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 (%)	—	—	—	—	—	—	—
As of March 31							2020
Interest rate swaps							
Receive fixed interest rate/ pay variable interest rate							
Notional amount	274,066	714,755	583,849	277,315	280,253	767,587	2,897,828
Average fixed interest rate to receive (%)	0.18	0.17	0.28	0.34	1.22	1.42	0.64
Average variable interest rate to pay (%)	0.05	0.08	0.53	0.14	0.49	0.46	0.31
Interest rate swaps							
Pay fixed interest rate/ receive variable interest rate							
Notional amount	114,133	537,035	328,347	96,766	289,898	447,187	1,813,368
Average fixed interest rate to pay (%)	1.28	0.36	0.60	0.92	0.26	0.83	0.59
Average variable interest rate to receive (%)	0.55	0.13	0.34	0.44	0.04	0.32	0.24
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

As of March 31		2022				2021			
		Contract amount		Net gains (losses)		Contract amount		Net gains (losses)	
Category	Type	Over 1 year	Fair value			Over 1 year	Fair value		
Over-the-counter	Foreign exchange forward contracts								
	Sold	4,088,029	—	(228,458)	(228,458)	2,849,308	4,808	(127,586)	(127,586)
	U.S. dollar	2,087,625	—	(135,243)	(135,243)	961,792	4,808	(44,091)	(44,091)
	Euro	791,717	—	(39,326)	(39,326)	814,452	—	(18,192)	(18,192)
	Australian dollar	432,873	—	(28,910)	(28,910)	636,891	—	(45,725)	(45,725)
	British pound	490,023	—	(14,813)	(14,813)	371,866	—	(17,953)	(17,953)
	Purchased	2,968,628	—	163,215	163,215	1,728,027	—	96,696	96,696
	U.S. dollar	2,159,006	—	138,588	138,588	919,365	—	46,281	46,281
	Euro	104,821	—	3,095	3,095	52,750	—	(10)	(10)
	Australian dollar	298,033	—	13,782	13,782	589,649	—	49,920	49,920
	Currency options								
	Sold								
	Call	—	—	—	—	—	—	—	—
	U.S. dollar	[—]	[—]	—	—	[—]	[—]	—	—
	Euro	—	—	—	—	—	—	—	—
	Put	—	—	—	—	166,065	—	43	442
	U.S. dollar	[—]	[—]	—	—	[486]	[—]	43	442
	Euro	—	—	—	—	[486]	[—]	—	—
	Purchased								
	Call	—	—	—	—	—	—	—	—
	U.S. dollar	[—]	[—]	—	—	[—]	[—]	—	—
	Euro	—	—	—	—	—	—	—	—
	Put	948,522	—	906	(3,554)	1,162,455	—	940	(12,866)
	U.S. dollar	[4,460]	[—]	906	(3,554)	[13,806]	[—]	940	(12,866)
	Euro	—	—	—	—	—	—	—	—
	Currency swaps	268,630	224,405	(1,586)	(1,586)	293,771	282,638	8,766	8,766
	U.S.\$ paid/¥ received	115,553	76,078	(13,503)	(13,503)	125,334	116,633	(5,717)	(5,717)
	€ paid/¥ received	10,521	10,521	(261)	(261)	11,865	10,521	(201)	(201)
	¥ paid/AU\$ received	74,431	71,826	7,582	7,582	110,319	110,319	11,700	11,700
	U.S.\$ paid/AU\$ received	42,870	40,726	3,045	3,045	28,861	27,773	2,643	2,643
	Others	—	—	—	—	37,000	—	53	53
	Total Return Swap	—	—	—	—	37,000	—	53	53
Total				(70,383)				(34,494)	

Millions of Yen

4. Fair Value of Derivative Transactions (Consolidated), continued

(2) Items to which hedge accounting is not applied, continued

• Currency-related, continued

As of March 31		2020				Millions of Yen
Category	Type	Contract amount		Fair value	Net gains (losses)	
		Over 1 year				
Over-the-counter	Foreign exchange forward contracts					
	Sold	2,429,155	4,904	6,030	6,030	
	U.S. dollar	1,255,531	4,904	(9,485)	(9,485)	
	Euro	781,760	—	2,775	2,775	
	Australian dollar	104,094	—	5,272	5,272	
	British pound	259,123	—	7,449	7,449	
	Purchased	726,565	—	(1,327)	(1,327)	
	U.S. dollar	484,960	—	(397)	(397)	
	Euro	94,013	—	(44)	(44)	
	Australian dollar	32,805	—	(210)	(210)	
	Currency options					
	Sold					
	Call	701,953	—	2,654	(594)	
		[2,060]	[—]			
	U.S. dollar	701,953	—	2,654	(594)	
		[2,060]	[—]			
	Euro	—	—	—	—	
		[—]	[—]			
	Put	—	—	—	—	
		[—]	[—]			
	U.S. dollar	—	—	—	—	
		[—]	[—]			
	Euro	—	—	—	—	
		[—]	[—]			
	Purchased					
	Call	701,953	—	2,654	(2,690)	
		[5,344]	[—]			
	U.S. dollar	701,953	—	2,654	(2,690)	
		[5,344]	[—]			
	Euro	—	—	—	—	
		[—]	[—]			
	Put	1,365,816	—	11,607	1,896	
		[9,710]	[—]			
	U.S. dollar	1,365,816	—	11,607	1,896	
		[9,710]	[—]			
	Euro	—	—	—	—	
		[—]	[—]			
	Currency swaps	438,936	431,804	(43,294)	(43,294)	
	U.S.\$ paid/¥ received	69,109	61,977	(1,872)	(1,872)	
	€ paid/¥ received	3,966	3,966	360	360	
	¥ paid/AU\$ received	325,883	325,883	(37,858)	(37,858)	
	U.S.\$ paid/AU\$ received	22,587	22,587	(3,914)	(3,914)	
	Others	37,000	37,000	6	6	
	Total Return Swap	37,000	37,000	6	6	
Total					(39,973)	

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

As of March 31		2022				2021				Millions of Yen
Category	Type	Contract amount		Fair value	Net gains (losses)	Contract amount		Fair value	Net gains (losses)	
		Over 1 year				Over 1 year				
Exchange-traded	Equity index futures									
	Sold	—	—	—	—	570	—	(9)	(9)	
	Purchased	65,394	—	1,406	1,406	41,207	—	375	375	
	Equity index options									
	Sold									
	Call	—	—	—	—	—	—	—	—	
		[—]	[—]			[—]	[—]			
	Put	—	—	—	—	—	—	—	—	
		[—]	[—]			[—]	[—]			
	Purchased									
Call	—	—	—	—	—	—	—	—		
	[—]	[—]			[—]	[—]				
	Put	504,402	—	1,492	(4,154)	75,864	—	5	(787)	
		(5,646)	[—]			[793]	[—]			
Over-the-counter	Equity forward contracts									
	Sold	—	—	(62)	(62)	—	—	(2)	(2)	
	Purchased	—	—	—	—	—	—	—	—	
	Equity index forward contracts									
	Sold	492	—	(58)	(58)	1,182	—	(37)	(37)	
	Purchased	—	—	—	—	—	—	—	—	
	Equity index options									
	Sold									
	Call	—	—	—	—	—	—	—	—	
		[—]	[—]			[—]	[—]			
	Put	—	—	—	—	—	—	—	—	
		[—]	[—]			[—]	[—]			
	Purchased									
	Call	11,869	—	947	77	2,767	—	454	221	
	[870]	[—]			[232]	[—]				
	Put	378,927	36,167	876	(3,886)	437,682	147,936	1,856	(4,404)	
		[4,762]	[423]			[6,260]	[2,393]			
Total		(6,678)				(4,644)				

4. Fair Value of Derivative Transactions (Consolidated), continued

(2) Items to which hedge accounting is not applied, continued

• Equity-related, continued

As of March 31		2020				Millions of Yen
Category	Type	Contract amount		Fair value	Net gains (losses)	
		Over 1 year				
Exchange-traded	Equity index futures					
	Sold	39,542	—	(2,340)	(2,340)	
	Purchased	17,424	—	(38)	(38)	
	Equity index options					
	Sold					
	Call	—	—	—	—	
		[—]	[—]			
	Put	—	—	—	—	
		[—]	[—]			
	Purchased					
Over-the-counter	Call	—	—	—	—	
		[—]	[—]			
	Put	—	—	—	—	
		[—]	[—]			
	Purchased					
	Call	—	—	—	—	
		[—]	[—]			
	Put	406,715	—	21,214	13,279	
		[7,934]	[—]			
	Equity forward contracts					
	Sold	—	—	(4)	(4)	
	Purchased	—	—	—	—	
	Equity index forward contracts					
	Sold	1,876	—	125	125	
	Purchased	—	—	—	—	
	Equity index options					
	Sold					
	Call	—	—	—	—	
		[—]	[—]			
	Put	—	—	—	—	
		[—]	[—]			
	Purchased					
	Call	3,431	—	88	(150)	
		[238]	[—]			
	Put	—	—	—	—	
		[—]	[—]			
Total					10,871	

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

As of March 31		2022				2021			
Category	Type	Contract amount		Fair value	Net gains (losses)	Contract amount		Fair value	Net gains (losses)
		Over 1 year				Over 1 year			
Exchange-traded	Yen-denominated bond futures								
	Sold	24,791	—	(58)	(58)	18,749	—	6	6
	Purchased	—	—	—	—	—	—	—	—
	Foreign currency-denominated bond futures								
	Sold	44,950	—	106	106	22,634	—	103	103
Over-the-counter	Purchased	136,480	—	(1,403)	(1,403)	102,562	—	(305)	(305)
	Bond purchases and sales with attached options								
	Sold								
	Call	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Purchased								
	Call	65,754	65,754	2,867	(64)	—	—	—	—
		[2,932]	[2,932]			[—]	[—]		
	Put	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
Total		(1,420)				(195)			

As of March 31		2020			
		Contract amount		Fair value	Net gains (losses)
Category	Type	Over 1 year			
Exchange-traded	Yen-denominated bond futures				
	Sold	—	—	—	—
	Purchased	52,133	—	45	45
	Foreign currency-denominated bond futures				
	Sold	22,465	—	(389)	(389)
	Purchased	60,521	—	558	558
Over-the-counter	Bond purchases and sales with attached options				
	Sold				
	Call	—	—	—	—
		[—]	[—]		
	Put	—	—	—	—
		[—]	[—]		
	Purchased				
	Call	—	—	—	—
		[—]	[—]		
	Put	—	—	—	—
	[—]	[—]			
Total					213

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		2022				2021			
Category	Type	Contract amount		Fair value	Net gains (losses)	Contract amount		Fair value	Net gains (losses)
		Over 1 year				Over 1 year			
Over-the-counter	Credit default swap								
	Sold	319,890	296,610	3,021	3,021	307,959	286,549	4,744	4,744
	Purchased	16,743	14,551	(281)	(281)	12,270	12,270	(245)	(245)
Total					2,740				4,499

Millions of Yen

					Millions of Yen
As of March 31		2020			
Category	Type	Contract amount		Fair value	Net gains (losses)
		Over 1 year			
Over-the-counter	Credit default swap				
	Sold	175,455	155,372	1,386	1,386
	Purchased	4,906	4,906	(161)	(161)
Total					1,224

Millions of Yen

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

(3) Items to which hedge accounting is applied

- Interest rate-related

As of March 31							2022		Millions of Yen
Category	Hedge accounting method	Type	Main hedged items	Contract amount		Fair value	Net gains (losses)		
				Over 1 year					
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	Loans						
		Receive fixed interest rate/pay variable interest rate		6,000	6,000	(7)	(7)		
		Pay fixed interest rate/receive variable interest rate		—	—	—	—		
Total			(66,935)						
As of March 31							2021		
Category	Hedge accounting method	Type	Main hedged items	Contract amount		Fair value	Net gains (losses)		
				Over 1 year					
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						
As of March 31							2020		
Category	Hedge accounting method	Type	Main hedged items	Contract amount		Fair value	Net gains (losses)		
				Over 1 year					
Over-the-counter	Deferred hedge accounting	Interest rate swaps	Insurance liabilities						
		Receive fixed interest rate/pay variable interest rate		1,810,900	1,803,600	108,327	108,327		
		Pay fixed interest rate/receive variable interest rate		—	—	—	—		
		Interest rate swaps	Loans						
		Receive fixed interest rate/pay variable interest rate		10,263	10,000	3	3		
		Pay fixed interest rate/receive variable interest rate		—	—	—	—		
Total			108,331						

Millions of Yen

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							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 (%)	—	—	—	—	—	—	—
As of March 31							2020
Interest rate swaps							
Receive fixed interest rate/ pay variable interest rate							
Notional amount	7,563	16,800	16,000	6,300	5,900	1,768,600	1,821,163
Average fixed interest rate to receive (%)	1.65	1.33	1.18	1.96	2.09	0.46	0.49
Average variable interest rate to pay (%)	(0.00)	(0.02)	(0.02)	(0.03)	(0.03)	(0.02)	(0.02)
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

As of March 31				2022				2021				Millions of Yen
Category	Hedge accounting method	Type	Main hedged items	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	Foreign exchange forward contracts	Foreign currency-denominated bonds									
		Sold		6,696,966	—	(399,749)	(399,749)	6,041,511	—	(224,485)	(224,485)	
		U.S. dollar		3,269,826	—	(198,464)	(198,464)	2,639,247	—	(116,379)	(116,379)	
		Euro		2,642,205	—	(144,244)	(144,244)	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		1,264	—	(73)	(73)	1,239	—	(65)	(65)	
		U.S. dollar		1,264	—	(73)	(73)	1,239	—	(65)	(65)	
		Euro		—	—	—	—	—	—	—	—	
		Purchased		—	—	—	—	—	—	—	—	
		U.S. dollar		—	—	—	—	—	—	—	—	
		Euro		—	—	—	—	—	—	—	—	
		Currency swaps	Foreign	5,022,689	4,940,980	(452,289)	(452,289)	4,526,891	4,407,797	(249,687)	(249,687)	
		U.S.\$ paid/¥ received	currency-denominated bonds	3,284,475	3,216,784	(312,533)	(312,533)	2,862,781	2,773,843	(77,011)	(77,011)	
		€ paid/¥ received		1,257,627	1,243,609	(91,450)	(91,450)	1,209,486	1,181,149	(125,420)	(125,420)	
Total				(852,112)				(474,238)				

Millions of Yen

4. Fair Value of Derivative Transactions (Consolidated), continued

(3) Items to which hedge accounting is applied, continued

• Currency-related, continued

As of March 31				2020				Millions of Yen
Category	Hedge accounting method	Type	Main hedged items	Contract amount		Fair value	Net gains (losses)	
				Over 1 year				
Over-the-counter	Fair value hedge accounting	Foreign exchange forward contracts	Foreign currency-denominated bonds					
		Sold		6,791,702	—	30,532	30,532	
		U.S. dollar		3,278,740	—	(34,878)	(34,878)	
		Euro		2,714,433	—	16,736	16,736	
		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		1,159	—	6	6	
		U.S. dollar		1,159	—	6	6	
		Euro		—	—	—	—	
		Purchased		—	—	—	—	
		U.S. dollar		—	—	—	—	
		Euro		—	—	—	—	
		Currency swaps	Foreign currency-denominated bonds	2,608,091	2,467,295	(198,268)	(198,268)	
		U.S.\$ paid/¥ received		1,453,411	1,359,606	(191,198)	(191,198)	
		€ paid/¥ received		802,020	762,459	(25,119)	(25,119)	
Total							(167,729)	

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				2022			2021		
Category	Hedge accounting method	Type	Main hedged items	Contract amount		Net gains (losses)	Contract amount		Net gains (losses)
				Over 1 year	Fair value		Over 1 year	Fair value	
Over-the-counter	Fair value hedge accounting	Equity forward contracts	Domestic stocks						
		Sold		158,141	—	6,712	54,244	—	(14,871)
		Purchased		—	—	—	—	—	—
Total						6,712			(14,871)

Millions of Yen									
As of March 31				2020					
Category	Hedge accounting method	Type	Main hedged items	Contract amount		Net gains (losses)			
				Over 1 year	Fair value				
Over-the-counter	Fair value hedge accounting	Equity forward contracts	Domestic stocks						
		Sold		89,701	—	11,972			
		Purchased		—	—	—			
Total						11,972			

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

- Bonds-related

There were no ending balances as of March 31, 2022, 2021, and 2020.

- Others

There were no ending balances as of March 31, 2022, 2021, and 2020.

5. Status of Insurance Claims Payment Ability of the Company and Its Subsidiaries (Consolidated Solvency Margin Ratio)

As of March 31		Millions of Yen		
		2022	2021	2020
Solvency margin gross amount	(A)	18,807,337	18,769,664	14,656,094
Foundation funds (<i>kikin</i>) and other reserve funds:		6,076,899	5,855,281	5,508,422
Foundation funds and others		2,011,828	1,886,255	1,791,393
Reserve for price fluctuations in investments in securities		1,684,575	1,610,738	1,531,621
Contingency reserve		2,139,183	2,108,769	1,934,764
Extraordinary contingency reserve		—	—	—
General allowance for doubtful accounts		3,201	7,024	2,702
Others		238,109	242,492	247,939
Net unrealized gains on available-for-sale securities (before tax) and deferred losses on derivatives under hedge accounting (before tax) × 90%		7,273,155	8,205,330	5,080,551
Net unrealized gains on real estate × 85%		578,283	525,281	501,626
Total amount of unrecognized actuarial losses and unrecognized prior service cost		(3,568)	(9,105)	(20,848)
Excess of continued Zillmerized reserve		2,698,006	2,222,953	1,935,817
Qualifying subordinated debt		2,265,905	2,052,612	1,767,620
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculations		—	—	—
Deductions		(259,146)	(194,637)	(206,126)
Others		177,803	111,949	89,031
Total amount of risk $\sqrt{((R_1^2 + R_5^2 + R_8 + R_9)^2 + (R_2 + R_3 + R_7)^2) + R_4 + R_6}$	(B)	3,357,311	3,491,780	2,798,230
Underwriting risk	R ₁	189,313	203,942	171,736
General underwriting risk	R ₅	—	—	—
Huge disaster risk	R ₆	—	—	—
Underwriting risk of third-sector insurance	R ₈	103,984	100,313	97,389
Underwriting risk related to small amount and short-term insurance providers	R ₉	—	—	—
Anticipated yield risk	R ₂	334,186	387,157	415,002
Minimum guarantee risk	R ₇	8,489	8,792	9,295
Investment risk	R ₃	2,930,196	3,008,094	2,300,790
Business management risk	R ₄	71,323	74,165	59,884
Solvency margin ratio (%) $\frac{(A)}{(1/2) \times (B)} \times 100$		1,120.3	1,075.0	1,047.5

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 R₇.

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		2022	2021	2020
Solvency margin gross amount	(A)	1,009,021	1,196,593	1,084,740
Capital stock and others		324,776	324,241	323,928
Reserve for price fluctuations in investments in securities		76,618	73,404	70,200
Contingency reserve		45,675	36,876	31,115
General allowance for doubtful accounts		166	148	131
Net unrealized gains on available-for-sale securities (before tax) and deferred gains on derivatives under hedge accounting (before tax) × 90%		200,087	323,074	229,942
Net unrealized losses on real estate × 85% (100% in the case of net unrealized losses)		14,619	(3,598)	(4,332)
Excess of continued Zillmerized reserve		203,823	219,485	210,877
Qualifying subordinated debt		100,000	180,000	180,000
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculations		—	—	—
Deductions		(113)	(113)	(113)
Others		43,366	43,074	42,988
Total amount of risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	(B)	205,737	203,630	184,183
Underwriting risk	R ₁	17,736	18,458	18,698
Underwriting risk of third-sector insurance	R ₈	9,028	8,954	8,773
Anticipated yield risk	R ₂	51,567	52,300	52,719
Minimum guarantee risk	R ₇	2,930	3,027	3,352
Investment risk	R ₃	144,927	141,913	121,895
Business management risk	R ₄	4,523	4,493	4,108
Solvency margin ratio (%) $\frac{(A)}{(1/2) \times (B)} \times 100$		980.8	1,175.2	1,177.8

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 R₇.

(Reference) Details of Bonds

		2022					Millions of Yen
Fiscal year ended March 31		Beginning balance	Ending balance	Interest rate (%)	Collateral	Maturity	
Bond	Issue date						
MITSUI LIFE first series of unsecured perpetual corporate bonds with interest payment deferral options	July 25, 2016	30,000	—	0.74	None	None	
MITSUI LIFE second series of unsecured callable corporate bonds with interest payment deferral options	July 25, 2017	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	0.74	None	July 2, 2051	
Total		80,000	90,000	—			

(Reference) Details of Borrowings and Others

		2022				Millions of Yen
Fiscal year ended March 31		Beginning balance	Ending balance	Average interest rate (%)	Repayment date	
Category						
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)		100,000	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, 2022.

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		2022	2021	2020
Solvency margin gross amount	(A)	330,628	341,562	242,012
Capital stock and others		170,885	151,463	92,720
Reserve for price fluctuations in investments in securities		17,716	15,416	13,405
Contingency reserve		31,693	26,805	25,176
General allowance for doubtful accounts		3	10	12
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)		(9,290)	29,919	3,893
Net unrealized losses on real estate × 85%		—	—	—
Excess of continued Zillmerized reserve		26,185	26,548	27,031
Qualifying subordinated debt		45,600	51,100	62,300
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculations		—	—	—
Deductions		—	—	—
Others		47,834	40,297	17,472
Total amount of risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	(B)	89,496	83,244	70,436
Underwriting risk	R ₁	10,872	10,063	9,880
Underwriting risk of third-sector insurance	R ₈	536	400	365
Anticipated yield risk	R ₂	15,523	13,705	13,619
Minimum guarantee risk	R ₇	22	16	26
Investment risk	R ₃	71,240	67,023	54,457
Business management risk	R ₄	1,963	1,824	1,566
Solvency margin rate (%)	$\frac{(A)}{(1/2) \times (B)} \times 100$	738.8	820.6	687.1

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 R₇.

(Reference) Details of Bonds

		Millions of Yen				
Fiscal year ended March 31		2022				
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
Sixth series of unsecured perpetual corporate bonds with interest payment deferral options	February 24, 2017	5,500	—	1.42	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		31,100	25,600	—		

(Reference) Details of Borrowings and Others

		Millions of Yen			
Fiscal year ended March 31		2022			
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	—
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, 2022.

* 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		2022	2021	2020
Solvency margin gross amount	(A)	51,868	61,640	20,590
Capital stock and others		43,556	58,224	20,385
Reserve for price fluctuations in investments in securities		7	1	0
Contingency reserve		1,156	424	204
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)		(4)	—	—
Net unrealized gains (losses) on real estate × 85%		—	—	—
Excess of continued Zillmerized reserve		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)	1,483	710	299
Underwriting risk	R ₁	282	46	5
Underwriting risk of third-sector insurance	R ₈	873	377	199
Anticipated yield risk	R ₂	0	0	0
Minimum guarantee risk	R ₇	—	—	—
Investment risk	R ₃	831	534	201
Business management risk	R ₄	59	28	12
Solvency margin rate (%) $\frac{(A)}{(1/2) \times (B)} \times 100$		6,993.0	17,340.6	13,742.8

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, 2021 and 2022, 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 overseas. 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 life insurance business

(TAIJU LIFE INSURANCE COMPANY LIMITED)

(1) Business performance

In the fiscal year ended March 31, 2022, ordinary income amounted to ¥814.0 billion (¥844.9 billion in the fiscal year ended March 31, 2021), resulting mainly from the total of revenues from insurance and reinsurance of ¥498.6 billion, and investment income of ¥302.4 billion.

Meanwhile, ordinary expenses amounted to ¥774.5 billion (¥827.7 billion in the fiscal year ended March 31, 2021), resulting mainly from the total of benefits and other payments of ¥516.9 billion, provision for policy reserves of ¥78.3 billion, investment expenses of ¥66.0 billion, and operating expenses of ¥87.5 billion.

As a result, ordinary profit amounted to ¥39.4 billion, while net income was ¥0.7 billion (¥17.2 billion and ¥0.2 billion, respectively, in the fiscal year ended March 31, 2021).

In addition, core operating profit was ¥44.9 billion (¥32.0 billion in the fiscal year ended March 31, 2021). The reasons for this increase included an improved interest surplus reflecting increased dividends on domestic stocks, and an increase in mortality gains reflecting reversal of policy reserves with guaranteed minimum foreign currency-denominated insurance.

(2) Financial position

Total assets as of March 31, 2022, stood at ¥7,911.7 billion (¥7,964.3

billion as of March 31, 2021). The assets were mainly composed of investments in securities of ¥6,090.0 billion, loans of ¥943.4 billion, and real estate of ¥148.1 billion.

Total liabilities were ¥7,426.2 billion (¥7,381.0 billion as of March 31, 2021). Of this amount, policy reserves and other reserves were ¥6,586.7 billion.

In addition, total net assets were ¥485.5 billion (¥583.3 billion as of March 31, 2021). Of the components of total net assets, net unrealized gains on available-for-sale securities were ¥160.3 billion.

The solvency margin ratio, which indicates the surplus capacity available to make payments of claims and benefits, decreased 194.4 percentage points from the previous fiscal year-end to 980.8%.

(3) Policy sales

The amount of new policies for both individual insurance and individual annuities increased ¥95.0 billion, from ¥558.5 billion in the fiscal year ended March 31, 2021, to ¥653.6 billion. The amount of policies in force for both individual insurance and individual annuities decreased ¥762.2 billion, from ¥18,075.0 billion as of March 31, 2021, to ¥17,312.8 billion.

Annualized premiums for new policies for both individual insurance and individual annuities increased ¥5.1 billion, from ¥18.9 billion in the fiscal year ended March 31, 2021, to ¥24.1 billion. Annualized premiums for policies in force decreased ¥2.9 billion, from ¥514.7 billion as of March 31, 2021, to ¥511.8 billion.

Annualized premiums for new policies in third-sector insurance, such as medical coverage and living benefits, increased ¥2.3 billion, from ¥10.0 billion in the fiscal year ended March 31, 2021, to ¥12.4 billion. Annualized premiums for policies in force in third-sector insurance rose ¥1.7 billion, from ¥141.0 billion as of March 31, 2021, to ¥142.8 billion.

Amount of policies in force for group insurance decreased ¥145.7 billion, from ¥11,725.0 billion as of March 31, 2021, to ¥11,579.3 billion. Amount of policies in force for group annuities increased ¥0.7 billion, from ¥780.1 billion as of March 31, 2021, to ¥780.9 billion.

1. Amount of policies in force

Billions of Yen			
As of March 31	2022	2021	2020
Individual insurance	15,306.1	15,970.8	16,514.3
Individual annuities	2,006.7	2,104.2	2,160.9
Individual insurance + Individual annuities	17,312.8	18,075.0	18,675.2
Group insurance	11,579.3	11,725.0	12,113.3
Group annuities	780.9	780.1	782.7

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	2022	2021	2020	
Individual insurance	654.4	541.1	703.4	
Individual annuities	(0.8)	17.4	102.7	
Individual insurance + Individual annuities	653.6	558.5	806.2	
Group insurance	235.5	119.8	231.2	
Group annuities	0.0	—	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	2022	2021	2020	
Individual insurance	399.8	397.9	396.0	
Individual annuities	111.9	116.8	118.2	
Total	511.8	514.7	514.2	
Medical coverage, living benefits, and others	142.8	141.0	140.1	

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	2022	2021	2020	
Individual insurance	24.1	18.3	29.0	
Individual annuities	(0.0)	0.6	4.2	
Total	24.1	18.9	33.2	
Medical coverage, living benefits, and others	12.4	10.0	11.3	

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).
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	2022	2021	2020	
Individual insurance	325.7	296.8	395.5	
Individual annuities	49.2	52.8	54.1	
Group insurance	30.2	31.2	32.2	
Group annuities	52.9	46.8	51.8	
Others	6.0	9.9	11.2	
Subtotal	464.2	437.7	545.0	
Reinsurance revenue	34.3	3.5	122.6	
Total	498.6	441.2	667.7	

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	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
Fiscal year ended March 31	2020						
Individual insurance	123.6	—	46.9	90.9	1.7	63.0	326.2
Individual annuities	0.0	82.4	9.6	9.2	0.3	—	101.6
Group insurance	15.6	0.4	0.0	0.0	0.0	1.0	17.2
Group annuities	—	18.4	33.7	6.4	21.3	—	80.0
Others	0.2	1.1	0.5	4.0	0.0	—	5.9
Subtotal	139.5	102.4	90.8	110.7	23.5	64.0	531.1
Reinsurance	5.7	—	0.0	—	0.0	—	5.8
Total	145.3	102.4	90.9	110.7	23.5	64.0	537.0

Note: Others represents the total of workers' asset-formation insurance, workers' asset-formation annuities, medical life insurance, and disability income insurance.

Domestic life insurance business

(Nippon Wealth Life Insurance Company Limited)

(1) Business performance

In the fiscal year ended March 31, 2022, ordinary income amounted to ¥664.5 billion (¥521.1 billion in the fiscal year ended March 31, 2021). This resulted mainly from the total of revenues from insurance and reinsurance of ¥350.1 billion, and investment income of ¥306.8 billion.

Meanwhile, ordinary expenses amounted to ¥635.4 billion (¥439.7 billion in the fiscal year ended March 31, 2021). This resulted mainly from the total of benefits and other payments of ¥236.7 billion, provision for policy reserves of ¥284.4 billion, investment expenses of ¥68.2 billion, and operating expenses of ¥26.4 billion.

As a result, the ordinary profit amounted to ¥29.0 billion and net income was ¥19.3 billion (¥81.3 billion and ¥58.6 billion, respectively, in the fiscal year ended March 31, 2021).

The core operating profit amounted to ¥37.5 billion (¥29.0 billion in the fiscal year ended March 31, 2021), due to increased interest surplus.

(2) Financial position

Total assets as of March 31, 2022, stood at ¥3,447.0 billion (¥3,195.6 billion as of March 31, 2021). The assets were mainly composed of invest-

ments in securities of ¥3,053.8 billion.

Total liabilities were ¥3,309.1 billion (¥3,015.7 billion as of March 31, 2021). Of these liabilities, policy reserves and other reserves amounted to ¥3,048.1 billion.

Total net assets were ¥167.8 billion (¥179.9 billion as of March 31, 2021).

The solvency margin ratio, which indicates the surplus capacity available to make payments of claims and benefits, decreased 81.8 percentage points from the previous fiscal year-end to 738.8%.

(3) Policy sales

The amount of new policies for both individual insurance and individual annuities increased ¥114.9 billion, from ¥247.8 billion in the fiscal year ended March 31, 2021, to ¥362.8 billion. The amount of policies in force for both individual insurance and individual annuities increased ¥241.6 billion, from ¥3,167.7 billion as of March 31, 2021, to ¥3,409.4 billion.

Annualized premiums for new policies for both individual insurance and individual annuities increased ¥15.4 billion, from ¥72.9 billion in the fiscal year ended March 31, 2021, to ¥88.3 billion. Annualized premiums for policies in force increased ¥24.6 billion, from ¥247.3 billion as of March 31, 2021, to ¥272.0 billion.

7. Segment Information, continued

1. Amount of policies in force

	Billions of Yen		
As of March 31	2022	2021	2020
Individual insurance	1,335.1	1,323.5	1,415.6
Individual annuities	2,074.2	1,844.2	1,700.5
Individual insurance + Individual annuities	3,409.4	3,167.7	3,116.2
Group insurance	0.0	0.0	0.0
Group annuities	1.2	1.2	1.1

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 (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	2022	2021	2020
Individual insurance	147.4	73.0	76.7
Individual annuities	215.3	174.7	196.6
Individual insurance + Individual annuities	362.8	247.8	273.3
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	2022	2021	2020
Individual insurance	99.4	99.7	106.7
Individual annuities	172.6	147.5	137.8
Total	272.0	247.3	244.5
Medical coverage, living benefits, and others	23.1	21.3	21.6

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	2022	2021	2020
Individual insurance	10.7	6.0	5.4
Individual annuities	77.6	66.9	114.2
Total	88.3	72.9	119.7
Medical coverage, living benefits, and others	2.9	1.4	0.5

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	2022	2021	2020
Individual insurance	159.1	116.0	124.4
Individual annuities	189.5	165.3	183.1
Group insurance	—	—	—
Group annuities	0.0	0.0	0.0
Others	—	—	—
Subtotal	348.7	281.4	307.6
Reinsurance revenue	1.3	1.3	1.3
Total	350.1	282.7	309.0

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	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
Fiscal year ended March 31	2020						
Individual insurance	28.7	—	13.2	66.0	2.8	1.9	112.8
Individual annuities	0.0	83.8	25.3	6.3	0.1	—	115.6
Group insurance	—	0.0	—	—	—	—	0.0
Group annuities	—	0.0	0.0	—	0.0	—	0.0
Others	—	0.0	—	—	—	—	0.0
Subtotal	28.7	83.8	38.7	72.3	2.9	1.9	228.6
Reinsurance	—	—	—	—	—	—	—
Total	28.7	83.8	38.7	72.3	2.9	1.9	228.6

Domestic life insurance business

(HANASAKU LIFE INSURANCE Co., Ltd.)

(1) Business performance

In the fiscal year ended March 31, 2022, ordinary income amounted to ¥13.7 billion (¥6.8 billion in the fiscal year ended March 31, 2021), due to revenues from insurance and reinsurance.

Meanwhile, ordinary expenses amounted to ¥33.4 billion (¥23.0 billion in the fiscal year ended March 31, 2021). This resulted mainly from the total of benefits and other payments of ¥3.1 billion, provision for policy reserves of ¥7.0 billion, and operating expenses of ¥19.1 billion.

As a result, the ordinary loss amounted to ¥19.6 billion and net loss was ¥14.6 billion (¥16.2 billion and ¥12.1 billion, respectively, in the fiscal year ended March 31, 2021).

In addition, core operating loss was ¥18.9 billion (¥15.9 billion loss in the fiscal year ended March 31, 2021).

(2) Financial position

Total assets as of March 31, 2022, stood at ¥59.5 billion (¥65.9 billion as of March 31, 2021). The assets were mainly composed of deposits of ¥21.7 billion, investments in securities of ¥11.2 billion, and monetary receivables purchased of ¥10.0 billion.

Total liabilities were ¥16.0 billion (¥7.7 billion as of March 31, 2021). Of these liabilities, policy reserves and other reserves amounted to ¥12.2

billion.

Total net assets were ¥43.5 billion (¥58.2 billion as of March 31, 2021).

The solvency margin ratio, which indicates the surplus capacity available to make payments of claims and benefits, decreased 10,347.6 percentage points from the previous fiscal year-end to 6,993.0%.

(3) Policy sales

The amount of new policies for both individual insurance and individual annuities increased ¥658.5 billion, from ¥99.4 billion in the fiscal year ended March 31, 2021, to ¥757.9 billion. The amount of policies in force for both individual insurance and individual annuities increased ¥730.2 billion, from ¥107.1 billion as of March 31, 2021, to ¥837.4 billion.

Annualized premiums for new policies for both individual insurance and individual annuities increased ¥2.7 billion, from ¥5.1 billion in the fiscal year ended March 31, 2021, to ¥7.8 billion. Annualized premiums for policies in force increased ¥6.9 billion, from ¥8.5 billion as of March 31, 2021, to ¥15.5 billion.

Annualized premiums for new policies in third-sector insurance such as medical and survival benefits coverage increased ¥1.3 billion, from ¥4.3 billion in the fiscal year ended March 31, 2021, to ¥5.6 billion. Annualized premiums for policies in force in third-sector insurance increased ¥4.9 billion, from ¥7.7 billion as of March 31, 2021, to ¥12.6 billion.

7. Segment Information, continued

1. Amount of policies in force

	Billions of Yen		
As of March 31	2022	2021	2020
Individual insurance	837.3	107.1	9.7
Individual annuities	0.0	—	—
Individual insurance + Individual annuities	837.4	107.1	9.7
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	2022	2021	2020
Individual insurance	757.9	99.4	9.7
Individual annuities	—	—	—
Individual insurance + Individual annuities	757.9	99.4	9.7
Group insurance	—	—	—
Group annuities	—	—	—

3. Annualized premiums for policies in force

	Billions of Yen		
As of March 31	2022	2021	2020
Individual insurance	15.5	8.5	3.7
Individual annuities	0.0	—	—
Total	15.5	8.5	3.7
Medical coverage, living benefits, and others	12.6	7.7	3.7

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	2022	2021	2020
Individual insurance	7.8	5.1	3.8
Individual annuities	—	—	—
Total	7.8	5.1	3.8
Medical coverage, living benefits, and others	5.6	4.3	3.7

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).

5. Revenues from insurance and reinsurance

	Billions of Yen		
Fiscal years ended March 31	2022	2021	2020
Individual insurance	13.0	6.6	1.5
Individual annuities	—	—	—
Group insurance	—	—	—
Group annuities	—	—	—
Others	—	—	—
Subtotal	13.0	6.6	1.5
Reinsurance revenue	0.7	0.2	0.0
Total	13.7	6.8	1.5

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	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
Fiscal year ended March 31	2020						
Individual insurance	0.0	—	0.1	—	0.0	—	0.1
Individual annuities	—	—	—	—	—	—	—
Group insurance	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—
Subtotal	0.0	—	0.1	—	0.0	—	0.1
Reinsurance	—	—	—	—	—	0.0	0.0
Total	0.0	—	0.1	—	0.0	0.0	0.1

Overseas insurance business (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, 2021, ordinary income amounted to AU\$2,448 million (AU\$2,322 million in the fiscal year ended December 31, 2020). This resulted from the total of revenues from insurance and reinsurance of AU\$2,196 million (AU\$2,173 million in the fiscal year ended December 31, 2020), investment income of AU\$38 million (AU\$141 million in the fiscal year ended December 31, 2020), reversal of policy reserves of AU\$208 million (provision for policy reserves of AU\$298 million in the fiscal year ended December 31, 2020), and other ordinary income of AU\$4 million (AU\$6 million in the fiscal year ended December 31, 2020).

Meanwhile, ordinary expenses amounted to AU\$2,442 million (AU\$2,744 million in the fiscal year ended December 31, 2020). This resulted from the total of benefits and other payments of AU\$1,667 million (AU\$1,699 million in the fiscal year ended December 31, 2020), investment expenses of AU\$12 million (AU\$5 million in the fiscal year ended December 31, 2020), operating expenses of AU\$672 million (AU\$685 million in the fiscal year ended

December 31, 2020), and other ordinary expenses of AU\$89 million (AU\$54 million in the fiscal year ended December 31, 2020).

As a result, ordinary profit amounted to AU\$6 million (ordinary loss of AU\$422 million in the fiscal year ended December 31, 2020). The net income was AU\$2 million (net loss of AU\$304 million in the fiscal year ended December 31, 2020).

(2) Financial position

Total assets as of December 31, 2021, stood at AU\$7,339 million (AU\$7,508 million as of December 31, 2020). The assets were mainly composed of financial assets of AU\$5,701 million (AU\$5,807 million as of December 31, 2020), loans and other receivables of AU\$290 million (AU\$307 million as of December 31, 2020), and intangible fixed assets of AU\$199 million (AU\$267 million as of December 31, 2020).

Total liabilities were AU\$4,518 million (AU\$4,689 million as of December 31, 2020). Of these, policy reserves and other reserves amounted to AU\$4,074 million (AU\$4,282 million as of December 31, 2020).

In addition, total net assets were AU\$2,821 million (AU\$2,818 million as of December 31, 2020).

8. Research and Development Activities

There were no applicable activities during the fiscal years ended March 31, 2022, 2021, and 2020.

9. Selected Financial Data for Major Operations over the Past Five Fiscal Years

Billions of Yen					
As of March 31	2022	2021	2020	2019	2018
Ordinary income	6,542.4	6,475.3	6,479.9	6,605.0	6,338.5
Revenues from insurance and reinsurance	4,307.9	4,264.6	4,526.1	4,775.1	4,488.4
Ordinary profit	493.2	431.0	351.2	383.5	410.4
Core operating profit	796.6	656.5	647.4	678.2	668.2
Net surplus	351.8	323.4	181.4	259.3	242.3
Dividend reserves as a percentage of surplus available for disposition* ¹ (%)	56.58	100.39	102.54	99.96	97.24
Total assets	76,567.4	73,974.2	69,071.1	68,084.7	66,472.6
Separate account assets	1,207.5	1,227.3	1,202.4	1,257.9	1,294.1
Total net assets	7,651.8	8,318.2	5,797.6	6,581.9	6,563.2
Investments in securities	64,515.4	62,230.7	57,108.8	56,383.7	54,703.5
Loan balances	7,498.0	7,430.7	7,411.8	7,438.7	7,468.3
Policy reserves	58,677.8	57,420.2	56,220.2	55,088.6	53,741.0
Equity* ²	7,804.1	7,274.3	6,688.9	6,241.7	5,819.0
Foundation funds (<i>kikin</i>) and reserves	5,663.8	5,432.8	5,143.6	4,992.8	4,790.2
Total foundation funds (<i>kikin</i>)* ³	1,450.0	1,400.0	1,400.0	1,350.0	1,350.0
Solvency margin ratio (%)	1,059.7	1,007.5	979.2	933.3	917.9
Amount of policies in force* ⁴	251,654.1	253,621.2	255,208.7	256,372.1	257,240.6
Individual insurance	127,487.6	129,693.6	132,506.5	135,332.6	138,147.7
Individual annuities	25,905.1	25,148.3	24,812.8	23,937.2	23,580.9
Group insurance	98,261.3	98,779.1	97,889.4	97,102.2	95,511.9
Amount of policies in force for group annuities* ⁵	13,895.3	13,649.0	13,387.1	13,177.0	12,854.1
Number of company members* ⁶ (people)	9,642,739	9,639,911	9,706,575	9,652,044	9,613,509
Number of employees (people)	74,633	76,792	74,557	73,260	71,871
Negative spread* ⁷	—	—	—	—	—

*¹ 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.

*² Equity is defined as the sum of foundation funds (*kikin*), reserves, and subordinated debts.

*³ Total foundation funds (*kikin*) include the reserve for redemption of foundation funds.

*⁴ 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.

*⁵ The amount of policies in force for group annuities is the amount of policy reserves.

*⁶ Company members of a mutual company refer to participating insurance policyholders.

*⁷ There was no negative spread for the fiscal years ended March 31, 2018 through 2022.

10. Status of Nonperforming Assets According to the Insurance Business Act

Millions of Yen			
As of March 31	2022	2021	2020
Bankrupt and quasi-bankrupt loans	10,274	10,308	10,523
Doubtful loans	18,303	16,511	17,067
Loans that are delinquent for over three months	—	—	—
Restructured loans	1,767	2,635	1,563
Subtotal	30,345	29,456	29,155
[Ratio to total (%)]	[0.31]	[0.28]	[0.27]
Normal loans	9,659,055	10,338,632	10,945,411
Total	9,689,401	10,368,089	10,974,566

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 ¥586 million, ¥2,514 million, and ¥2,106 million as of March 31, 2022, 2021, and 2020, 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, 2022, 2021, and 2020.

12. Ability to Pay Benefits (Solvency Margin Ratio)

		Millions of Yen		
As of March 31		2022	2021	2020
Solvency margin gross amount	(A)	18,001,132	17,717,439	13,865,444
Foundation funds (<i>kikin</i>) and other reserve funds:		5,663,861	5,432,807	5,143,643
Foundation funds and others	1	1,773,581	1,618,924	1,569,008
Reserve for price fluctuations in investments in securities	2	1,590,233	1,521,916	1,448,014
Contingency reserve	3	2,060,657	2,044,663	1,878,267
General allowance for doubtful accounts	4	1,912	5,424	1,035
Others	10	237,476	241,878	247,318
Net unrealized gains on available-for-sale securities (before tax) and deferred losses on derivatives under hedge accounting (before tax) × 90%	5	7,207,844	8,042,164	5,025,159
Net unrealized gains on real estate × 85%	6	549,898	503,035	479,243
Excess of continued Zillmerized reserve	7	2,460,845	1,973,928	1,697,908
Qualifying subordinated debt	8	2,140,305	1,841,512	1,545,320
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculations		—	—	—
Deductions	9	(108,858)	(105,201)	(55,023)
Others	10	87,236	29,191	29,191
Total amount of risk $\sqrt{(R_1+R_8)^2 + (R_2+R_3+R_7)^2} + R_4$	(B)	3,397,260	3,516,976	2,831,718
Underwriting risk	R ₁	110,956	114,185	115,290
Underwriting risk of third-sector insurance	R ₈	91,188	88,290	85,115
Anticipated yield risk	R ₂	267,095	321,151	348,663
Minimum guarantee risk	R ₇	5,315	5,378	5,620
Investment risk	R ₃	3,048,246	3,111,675	2,410,869
Business management risk	R ₄	70,456	72,813	59,311
Solvency margin ratio (%) $\frac{(A)}{(1/2) \times (B)} \times 100$		1,059.7	1,007.5	979.2

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.

- 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.
- Reserve for Price Fluctuations in Investments in Securities
The amount of the reserve for price fluctuations in investments in securities in the balance sheets.
- Contingency Reserve
The amount of the contingency reserve, which is a part of policy reserves in the balance sheets.
- General Allowance for Doubtful Accounts
The amount of the general allowance for doubtful accounts, listed as allowance for doubtful accounts in the balance sheets.
- 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.
- 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.
- 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.
- 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.
- 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.

- Others
The total amount of a part of dividend reserves in the balance sheets and tax amounts corresponding to contingency funds under net assets.
- 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).
- 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).
- 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).
- 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).
- 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).
- 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, 2022.

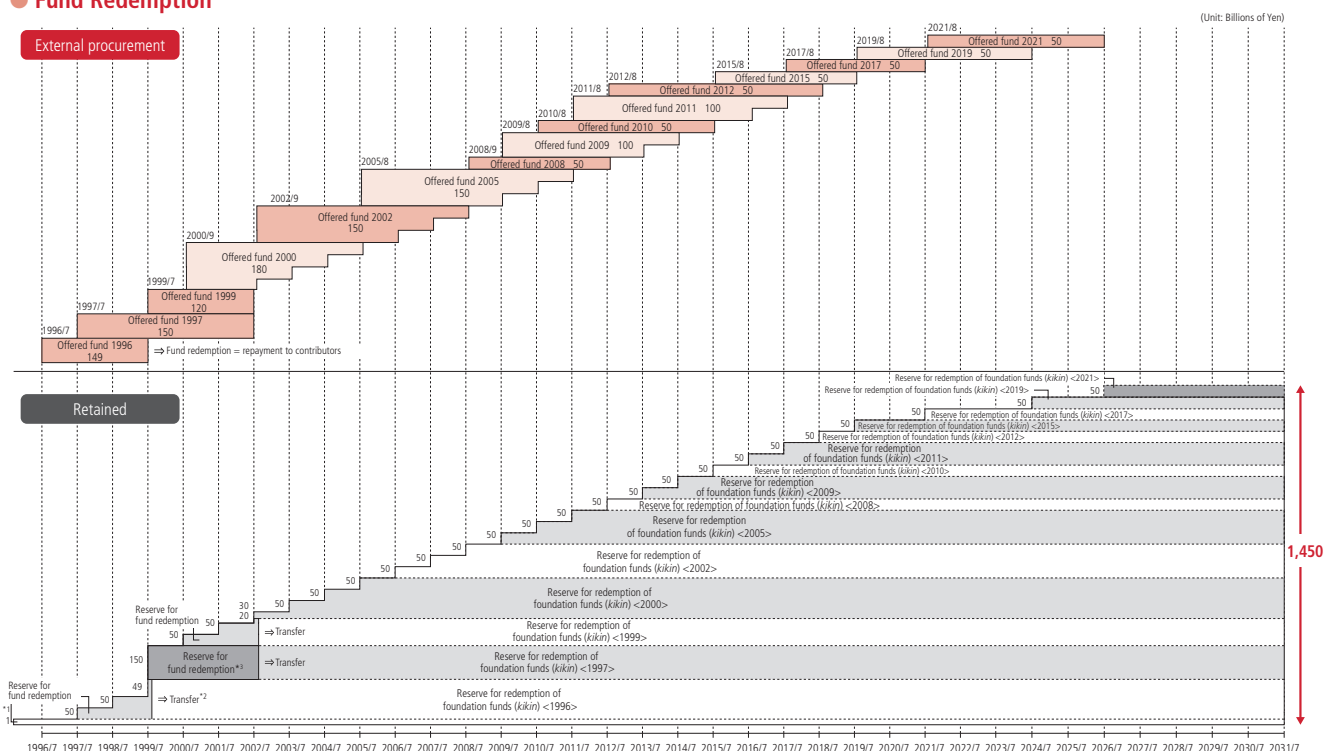
● Fund Contributors (as of March 31, 2022)

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, 2022)

Timing of financing	Financing method	Amount of funds raised	Maturity
October 2012	U.S. dollar-denominated subordinated corporate bonds with interest deferral options	U.S. \$2.0 billion	October 2042 ^{*1}
October 2014	U.S. dollar-denominated subordinated corporate bonds with interest deferral options	U.S. \$2.25 billion	October 2044 ^{*2}
April 2015	JPY-denominated subordinated corporate bonds with interest deferral options	¥75.0 billion	April 2045 ^{*2}
January 2016	U.S. dollar-denominated subordinated corporate bonds with interest deferral options	U.S. \$1.5 billion	January 2046 ^{*2}
April 2016	JPY-denominated subordinated corporate bonds with interest deferral options	¥70.0 billion	April 2046 ^{*2}
		¥30.0 billion	April 2051 ^{*3}
November 2016	JPY-denominated subordinated corporate bonds with interest deferral options	¥75.0 billion	November 2046 ^{*2}
		¥15.0 billion	November 2051 ^{*3}
April 2017	JPY-denominated subordinated corporate bonds with interest deferral options	¥100.0 billion	April 2047 ^{*2}
September 2017	U.S. dollar-denominated subordinated corporate bonds with interest deferral options	U.S. \$0.8 billion	September 2047 ^{*2}
April 2018	JPY-denominated subordinated loans payable with interest deferral options	¥100.0 billion	April 2048 ^{*2}
September 2018	JPY-denominated subordinated loans payable with interest deferral options	¥120.0 billion	September 2048 ^{*2}
April 2019	JPY-denominated subordinated loans payable with interest deferral options	¥90.0 billion	April 2049 ^{*2}
November 2019	JPY-denominated subordinated loans payable with interest deferral options	¥80.0 billion	November 2049 ^{*2}
January 2020	U.S. dollar-denominated subordinated corporate bonds with interest deferral options	U.S. \$1.15 billion	January 2050 ^{*2}
September 2020	JPY-denominated subordinated loans payable with interest deferral options	¥130.0 billion	September 2050 ^{*2}
January 2021	U.S. dollar-denominated subordinated corporate bonds with interest deferral options	U.S. \$1.6 billion	January 2051 ^{*2}
May 2021	JPY-denominated subordinated loans payable with interest deferral options	¥200.0 billion	May 2051 ^{*2}
September 2021	U.S. dollar-denominated subordinated corporate bonds with interest deferral options	U.S. \$0.9 billion	September 2051 ^{*2}
May 2022	JPY-denominated subordinated loans payable with interest deferral options	¥130.0 billion	May 2052 ^{*2}

*1 The debts are callable on each interest payment date after 10 years have passed from the date of financing until the debts are fully redeemed at the discretion of the Company subject to prior approval or the like by the regulatory authorities.

*2 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.

*3 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.

13. Data on Fair Value of Securities (Company Total)

Note: Please refer to the following pages: Fair Value of Securities (General Account), p. 212; Fair Value of Securities (Separate Account for Individual Variable Insurance), p. 222; and Fair Value of Securities (Separate Account for Individual Variable Annuities), p. 226.

(1) Valuation gains (losses) from trading securities

Millions of Yen						
As of March 31	2022		2021		2020	
	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	697,633	(22,874)	725,032	50,015	714,280	(24,044)

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	2022					2021				
	Book value	Fair value	Net gains (losses)	Gains	Losses	Book value	Fair value	Net gains (losses)	Gains	Losses
Policy-reserve-matching bonds	25,692,326	27,714,829	2,022,502	2,474,740	(452,237)	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	335,588	206,972	206,972	—	128,615	283,208	154,592	154,592	—
Available-for-sale securities	28,310,565	36,760,004	8,449,438	8,936,125	(486,687)	27,454,262	36,637,640	9,183,377	9,371,647	(188,269)
Domestic bonds	2,557,599	2,683,631	126,032	147,438	(21,405)	2,656,399	2,842,251	185,852	192,880	(7,028)
Domestic stocks	3,944,486	9,569,499	5,625,012	5,724,819	(99,807)	4,117,388	9,981,652	5,864,264	5,965,078	(100,814)
Foreign securities	18,476,431	21,072,957	2,596,526	2,883,292	(286,766)	17,430,977	20,360,376	2,929,399	2,994,769	(65,370)
Foreign bonds	12,093,881	13,668,994	1,575,113	1,765,329	(190,216)	11,672,974	13,623,990	1,951,015	1,996,814	(45,799)
Foreign stocks and other securities	6,382,550	7,403,963	1,021,413	1,117,963	(96,550)	5,758,003	6,736,386	978,383	997,954	(19,571)
Other securities	3,140,155	3,242,239	102,083	180,499	(78,415)	3,113,603	3,316,772	203,169	218,199	(15,029)
Monetary receivables purchased	22,291	22,076	(215)	74	(290)	21,894	22,588	693	718	(24)
Negotiable certificates of deposit	169,600	169,598	(1)	0	(1)	114,000	113,998	(1)	0	(1)
Total	54,131,507	64,810,422	10,678,914	11,617,838	(938,924)	51,256,721	63,571,742	12,315,020	12,649,047	(334,026)
Domestic bonds	28,024,761	30,159,896	2,135,135	2,608,657	(473,522)	26,039,562	29,184,641	3,145,079	3,297,685	(152,605)
Domestic stocks	3,944,486	9,569,499	5,625,012	5,724,819	(99,807)	4,117,388	9,981,652	5,864,264	5,965,078	(100,814)
Foreign securities	18,700,953	21,513,227	2,812,274	3,099,048	(286,774)	17,699,330	20,794,259	3,094,928	3,160,446	(65,517)
Foreign bonds	12,190,717	13,774,793	1,584,075	1,774,299	(190,224)	11,813,641	13,775,735	1,962,093	2,008,039	(45,946)
Foreign stocks and other securities	6,510,235	7,738,434	1,228,198	1,324,749	(96,550)	5,885,688	7,018,523	1,132,835	1,152,406	(19,571)
Other securities	3,141,085	3,243,357	102,271	180,686	(78,415)	3,114,533	3,317,843	203,310	218,340	(15,029)
Monetary receivables purchased	150,619	154,841	4,222	4,625	(403)	171,907	179,347	7,439	7,496	(57)
Negotiable certificates of deposit	169,600	169,598	(1)	0	(1)	114,000	113,998	(1)	0	(1)

As of March 31	2020				
	Book value	Fair value	Net gains (losses)	Gains	Losses
Policy-reserve-matching bonds	21,770,340	25,513,284	3,742,944	3,765,715	(22,771)
Held-to-maturity debt securities	—	—	—	—	—
Investments in subsidiaries and affiliates	134,202	190,424	56,222	56,320	(98)
Available-for-sale securities	27,987,339	33,769,566	5,782,227	6,417,416	(635,188)
Domestic bonds	3,000,836	3,193,036	192,200	200,704	(8,503)
Domestic stocks	4,142,159	7,320,211	3,178,051	3,474,933	(296,881)
Foreign securities	17,512,826	19,714,837	2,202,010	2,517,791	(315,781)
Foreign bonds	12,122,452	14,068,960	1,946,507	2,094,363	(147,855)
Foreign stocks and other securities	5,390,374	5,645,877	255,502	423,428	(167,925)
Other securities	3,122,331	3,332,001	209,670	223,105	(13,435)
Monetary receivables purchased	46,284	46,580	296	882	(586)
Negotiable certificates of deposit	162,900	162,898	(1)	0	(1)
Total	49,891,882	59,473,276	9,581,394	10,239,453	(658,059)
Domestic bonds	24,465,961	28,385,943	3,919,981	3,946,791	(26,810)
Domestic stocks	4,142,159	7,320,211	3,178,051	3,474,933	(296,881)
Foreign securities	17,778,826	20,043,280	2,264,453	2,584,747	(320,294)
Foreign bonds	12,255,179	14,208,037	1,952,857	2,105,126	(152,269)
Foreign stocks and other securities	5,523,646	5,835,243	311,596	479,620	(168,024)
Other securities	3,123,261	3,333,060	209,798	223,233	(13,435)
Monetary receivables purchased	218,771	227,881	9,109	9,746	(636)
Negotiable certificates of deposit	162,900	162,898	(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	2022			2021			2020		
	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	17,311,702	19,778,768	2,467,066	19,742,009	22,862,836	3,120,827	20,212,815	23,984,725	3,771,909
Domestic bonds	17,139,733	19,600,953	2,461,219	19,474,557	22,579,362	3,104,804	19,923,010	23,669,097	3,746,087
Foreign securities	51,471	52,767	1,296	120,625	129,870	9,245	122,048	139,006	16,957
Monetary receivables purchased	120,497	125,047	4,550	146,825	153,603	6,777	167,756	176,621	8,864
Bonds whose fair value does not exceed balance sheet amount	8,390,843	7,936,061	(454,782)	3,934,274	3,788,057	(146,217)	1,546,919	1,528,559	(18,359)
Domestic bonds	8,327,428	7,875,311	(452,116)	3,908,605	3,763,027	(145,577)	1,542,115	1,523,808	(18,306)
Foreign securities	55,584	53,031	(2,553)	22,481	21,873	(607)	73	71	(2)
Monetary receivables purchased	7,831	7,718	(112)	3,188	3,155	(32)	4,731	4,680	(50)

ii) Held-to-maturity debt securities

There were no ending balances as of March 31, 2022, 2021, and 2020.

iii) Available-for-sale securities

Millions of Yen									
As of March 31	2022			2021			2020		
	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	18,838,355	27,774,481	8,936,125	23,588,463	32,960,110	9,371,647	20,128,720	26,546,137	6,417,416
Domestic bonds	1,791,781	1,939,219	147,438	2,337,162	2,530,043	192,880	2,542,492	2,743,196	200,704
Domestic stocks	3,436,314	9,161,134	5,724,819	3,579,363	9,544,442	5,965,078	2,996,001	6,470,935	3,474,933
Foreign securities	12,729,667	15,612,960	2,883,292	15,460,453	18,455,223	2,994,769	11,854,642	14,372,433	2,517,791
Other securities	773,857	954,356	180,499	2,142,186	2,360,385	218,199	2,615,637	2,838,742	223,105
Monetary receivables purchased	6,135	6,210	74	14,297	15,016	718	11,046	11,929	882
Negotiable certificates of deposit	100,600	100,600	0	55,000	55,000	0	108,900	108,900	0
Bonds whose balance sheet amount does not exceed book value	9,472,209	8,985,522	(486,687)	3,865,799	3,677,529	(188,269)	7,858,618	7,223,429	(635,188)
Domestic bonds	765,818	744,412	(21,405)	319,236	312,208	(7,028)	458,344	449,840	(8,503)
Domestic stocks	508,172	408,365	(99,807)	538,025	437,210	(100,814)	1,146,157	849,276	(296,881)
Foreign securities	5,746,763	5,459,997	(286,766)	1,970,524	1,905,153	(65,370)	5,658,184	5,342,403	(315,781)
Other securities	2,366,298	2,287,883	(78,415)	971,416	956,386	(15,029)	506,694	493,259	(13,435)
Monetary receivables purchased	16,156	15,865	(290)	7,596	7,571	(24)	35,237	34,651	(586)
Negotiable certificates of deposit	69,000	68,998	(1)	59,000	58,998	(1)	54,000	53,998	(1)

• The book value of stocks and other securities without a market price and partnerships

Millions of Yen			
As of March 31	2022	2021	2020
Investments in subsidiaries and affiliates	1,337,784	1,179,556	1,018,274
Available-for-sale securities	197,323	168,269	128,279
Domestic stocks	55,434	61,115	60,000
Foreign stocks	218	309	218
Other securities	141,670	106,844	68,060
Total	1,535,107	1,347,826	1,146,554

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 ¥92,119 million, ¥17,007 million and ¥(35,562) million as of March 31, 2022, 2021 and 2020, 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	2022	2021	2020
Assets held in trust			
Balance sheet amount	—	135	33,779
Fair value	—	135	33,779
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	2022		2021		2020	
	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)	33,779	27,919

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, 2022, 2021, and 2020.

15. Fair Value of Derivative Transactions (Company Total)

Note: Please refer to the following pages: Qualitative Information on Derivative Transactions (General Account), p. 214; Qualitative Information on Derivative Transactions (Separate Account for Individual Variable Insurance), p. 223; and Qualitative Information on Derivative Transactions (Separate Account for Individual Variable Annuities), p. 226.

(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	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)
As of March 31	2020					
Hedge accounting applied	103,876	(167,735)	11,972	—	—	(51,886)
Hedge accounting not applied	14,238	(29,439)	10,906	136	—	(4,158)
Total	118,114	(197,175)	22,879	136	—	(56,045)

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, 2022, loss in currencies of ¥399,749 million and gain in equities of ¥6,712 million; for the year ended March 31, 2021, loss in currencies of ¥224,485 million and loss in equities of ¥14,871 million; and for the year ended March 31, 2020, gain in currencies of ¥30,532 million and gain in equities of ¥11,972 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

		2022				2021				Millions of Yen
Category	Type	Contract amount		Fair value	Net gains (losses)	Contract amount		Fair value	Net gains (losses)	
		Over 1 year				Over 1 year				
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	1,383,000	1,205,500	23,311	(25,952)	1,330,000	1,300,000	20,605	(26,539)	
		[49,264]	[46,699]			[47,145]	[46,951]			
	Pay fixed interest rate/ receive variable interest rate	—	—	—	—	—	—	—	—	
		[—]	[—]			[—]	[—]			
Total					(31,997)				(26,539)	

15. Fair Value of Derivative Transactions (Company Total), continued

(2) Items to which hedge accounting is not applied, continued

• Interest rate-related, continued

As of March 31		2020		Millions of Yen	
Category	Type	Contract amount		Fair value	Net gains (losses)
		Over 1 year			
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	952,500 [36,518]	952,500 [36,518]	50,756	14,238
	Pay fixed interest rate/ receive variable interest rate	—	—	—	—
		[—]	[—]		
Total					14,238

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	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 (%)	—	—	—	—	—	—	—
As of March 31	2020						
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

As of March 31		2022				2021			
		Contract amount		Fair value	Net gains (losses)	Contract amount		Fair value	Net gains (losses)
Category	Type	Over 1 year				Over 1 year			
Over-the-counter	Foreign exchange forward contracts								
	Sold	2,925,988	—	(164,221)	(164,221)	1,654,115	4,808	(89,216)	(89,216)
	U.S. dollar	1,688,006	—	(110,143)	(110,143)	522,269	4,808	(23,673)	(23,673)
	Euro	132,595	—	(6,596)	(6,596)	109,060	—	(1,581)	(1,581)
	British pound	490,023	—	(14,813)	(14,813)	371,866	—	(17,953)	(17,953)
	Australian dollar	332,390	—	(22,505)	(22,505)	586,613	—	(44,384)	(44,384)
	Purchased	2,876,800	—	162,219	162,219	1,709,052	—	96,610	96,610
	U.S. dollar	2,125,052	—	137,854	137,854	912,513	—	46,269	46,269
	Euro	79,896	—	3,003	3,003	52,362	—	(11)	(11)
	Australian dollar	265,085	—	13,610	13,610	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	948,522	—	906	(3,554)	1,162,455	—	940	(12,866)
		[4,460]	[—]			[13,806]	[—]		
	U.S. dollar	948,522	—	906	(3,554)	1,162,455	—	940	(12,866)
		[4,460]	[—]			[13,806]	[—]		
	Euro	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Currency swaps	98,985	96,380	8,191	8,191	131,082	131,082	11,942	11,942
	U.S.\$ paid/¥ received	—	—	—	—	—	—	—	—
	€ paid/¥ received	—	—	—	—	—	—	—	—
	¥ paid/AU\$ received	68,731	66,126	7,093	7,093	104,619	104,619	11,178	11,178
	¥ paid/U.S. \$ received	16,090	16,090	1,097	1,097	12,299	12,299	319	319
Total					2,635				6,912

Millions of Yen

15. Fair Value of Derivative Transactions (Company Total), continued

(2) Items to which hedge accounting is not applied, continued

• Currency-related, continued

As of March 31		2020				Millions of Yen
Category	Type	Contract amount		Fair value	Net gains (losses)	
		Over 1 year				
Over-the-counter	Foreign exchange forward contracts					
	Sold	1,076,148	4,904	9,794	9,794	
	U.S. dollar	608,211	4,904	(3,598)	(3,598)	
	Euro	85,457	—	454	454	
	British pound	259,123	—	7,449	7,449	
	Australian dollar	94,709	—	5,470	5,470	
	Purchased	637,783	—	(1,154)	(1,154)	
	U.S. dollar	410,499	—	(263)	(263)	
	Euro	84,701	—	(57)	(57)	
	Australian dollar	27,796	—	(158)	(158)	
	Currency options					
	Sold					
	Call	701,953	—	2,654	(594)	
		[2,060]	[—]			
	U.S. dollar	701,953	—	2,654	(594)	
		[2,060]	[—]			
	Euro	—	—	—	—	
		[—]	[—]			
	Put	—	—	—	—	
		[—]	[—]			
	U.S. dollar	—	—	—	—	
		[—]	[—]			
	Euro	—	—	—	—	
		[—]	[—]			
	Purchased					
	Call	701,953	—	2,654	(2,690)	
		[5,344]	[—]			
	U.S. dollar	701,953	—	2,654	(2,690)	
		[5,344]	[—]			
	Euro	—	—	—	—	
		[—]	[—]			
	Put	1,365,816	—	11,607	1,896	
		[9,710]	[—]			
	U.S. dollar	1,365,816	—	11,607	1,896	
		[9,710]	[—]			
	Euro	—	—	—	—	
		[—]	[—]			
	Currency swaps	346,646	346,646	(36,691)	(36,691)	
	U.S.\$ paid/¥ received	—	—	—	—	
	€ paid/¥ received	—	—	—	—	
	¥ paid/AU\$ received	320,183	320,183	(34,901)	(34,901)	
	¥ paid/U.S. \$ received	12,299	12,299	703	703	
Total					(29,439)	

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

As of March 31		2022				2021				Millions of Yen
Category	Type	Contract amount		Fair value	Net gains (losses)	Contract amount		Fair value	Net gains (losses)	
		Over 1 year				Over 1 year				
Exchange-traded	Equity index futures									
	Sold	—	—	—	—	570	—	(9)	(9)	
	Purchased	65,394	—	1,406	1,406	41,207	—	375	375	
	Equity index options									
	Sold									
	Call	—	—	—	—	—	—	—	—	
		[—]	[—]			[—]	[—]			
	Put	—	—	—	—	—	—	—	—	
		[—]	[—]			[—]	[—]			
	Purchased									
Call	—	—	—	—	—	—	—	—		
	[—]	[—]			[—]	[—]				
Put	504,402	—	1,492	(4,154)	75,864	—	5	(787)		
	[5,646]	[—]			[793]	[—]				
Over-the-counter	Equity forward contracts									
	Sold	—	—	(62)	(62)	—	—	(2)	(2)	
	Purchased	—	—	—	(—)	—	—	—	—	
	Equity index options									
	Sold									
	Call	—	—	—	(—)	—	—	—	—	
		[—]	[—]			[—]	[—]			
	Put	—	—	—	(—)	—	—	—	—	
		[—]	[—]			[—]	[—]			
	Purchased									
Call	—	—	—	(—)	—	—	—	—		
	[—]	[—]			[—]	[—]				
Put	378,927	36,167	876	(3,886)	437,682	147,936	1,856	(4,404)		
	[4,762]	[423]			[6,260]	[2,393]				
Total		(6,697)				(4,827)				

15. Fair Value of Derivative Transactions (Company Total), continued

(2) Items to which hedge accounting is not applied, continued

• Equity-related, continued

As of March 31		2020				Millions of Yen
Category	Type	Contract amount		Fair value	Net gains (losses)	
		Over 1 year				
Exchange-traded	Equity index futures					
	Sold	38,720	—	(2,330)	(2,330)	
	Purchased	17,424	—	(38)	(38)	
	Equity index options					
	Sold					
	Call	—	—	—	—	
		[—]	[—]			
	Put	—	—	—	—	
		[—]	[—]			
	Purchased					
Over-the-counter	Call	—	—	—	—	
		[—]	[—]			
	Put	—	—	—	—	
		[—]	[—]			
	Purchased					
	Call	—	—	—	—	
		[—]	[—]			
	Put	406,715	—	21,214	13,279	
		[7,934]	[—]			
	Equity forward contracts					
	Sold	—	—	(4)	(4)	
	Purchased	—	—	—	—	
	Equity index options					
	Sold					
	Call	—	—	—	—	
		[—]	[—]			
	Put	—	—	—	—	
		[—]	[—]			
	Purchased					
	Call	—	—	—	—	
		[—]	[—]			
	Put	—	—	—	—	
		[—]	[—]			
Total					10,906	

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

As of March 31		2022				2021			
Category	Type	Contract amount		Fair value	Net gains (losses)	Contract amount		Fair value	Net gains (losses)
		Over 1 year				Over 1 year			
Exchange-traded	Yen-denominated bonds futures								
	Sold	9,877	—	(2)	(2)	8,922	—	3	3
	Purchased	—	—	—	—	—	—	—	—
	Foreign currency-denominated bonds futures								
	Sold	—	—	—	—	—	—	—	—
	Purchased	50,080	—	(402)	(402)	22,850	—	(164)	(164)
Over-the-counter	Bond purchases and sales with attached options								
	Sold								
	Call	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Purchased								
	Call	65,754	65,754	2,867	(64)	—	—	—	—
		[2,932]	[2,932]			[—]	[—]		
	Put	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
Total		(469)				(160)			

As of March 31		2020			
Category	Type	Contract amount		Fair value	Net gains (losses)
		Over 1 year			
Exchange-traded	Yen-denominated bonds futures				
	Sold	—	—	—	—
	Purchased	41,311	—	34	34
	Foreign currency-denominated bonds futures				
	Sold	—	—	—	—
	Purchased	27,908	—	101	101
Over-the-counter	Bond purchases and sales with attached options				
	Sold				
	Call	—	—	—	—
		[—]	[—]		
	Put	—	—	—	—
		[—]	[—]		
	Purchased				
	Call	—	—	—	—
		[—]	[—]		
	Put	—	—	—	—
		[—]	[—]		
Total					136

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.

• Others

There were no ending balances as of March 31, 2022, 2021, and 2020.

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				2022				2021			
Category	Hedge accounting method	Type	Main hedged items	Contract amount		Fair value	Net gains (losses)	Contract amount		Fair value	Net gains (losses)
				Over 1 year				Over 1 year			
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)	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		6,000	6,000	(7)	(7)	10,000	6,000	1	1
		Pay fixed interest rate/receive variable interest rate		—	—	—	—	—	—	—	—
Total							(66,935)				25,567

As of March 31				2020			
Category	Hedge accounting method	Type	Main hedged items	Contract amount		Fair value	Net gains (losses)
				Over 1 year			
Over-the-counter	Deferred hedge accounting	Interest rate swaps					
		Receive fixed interest rate/ pay variable interest rate		1,765,000	1,765,000	103,873	103,873
		Pay fixed interest rate/receive variable interest rate		—	—	—	—
		Interest rate swaps					
		Loans					
		Receive fixed interest rate/ pay variable interest rate		10,000	10,000	3	3
Pay fixed interest rate/receive variable interest rate		—	—	—	—		
Total				103,876			

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							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 (%)	—	—	—	—	—	—	—
As of March 31							2020
Interest rate swaps							
Receive fixed interest rate/ pay variable interest rate							
Notional amount	—	4,000	6,000	—	—	1,765,000	1,775,000
Average fixed interest rate to receive (%)	—	(0.05)	(0.02)	—	—	0.45	0.45
Average variable interest rate to pay (%)	—	(0.01)	(0.01)	—	—	(0.02)	(0.02)
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		2022				2021			
	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	6,696,966	—	(399,749)	(399,749)	6,041,511	—	(224,485)	(224,485)	
U.S. dollar	3,269,826	—	(198,464)	(198,464)	2,639,247	—	(116,379)	(116,379)	
Euro	2,642,205	—	(144,244)	(144,244)	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	5,022,689	4,940,980	(452,289)	(452,289)	4,526,891	4,407,797	(249,687)	(249,687)	
U.S.\$ paid/¥ received	3,284,475	3,216,784	(312,533)	(312,533)	2,862,781	2,773,843	(77,011)	(77,011)	
€ paid/¥ received	1,257,627	1,243,609	(91,450)	(91,450)	1,209,486	1,181,149	(125,420)	(125,420)	
Total				(852,038)				(474,173)	

15. Fair Value of Derivative Transactions (Company Total), continued

(3) Items to which hedge accounting is applied, continued

• Currency-related, continued

As of March 31		2020		Millions of Yen
	Contract amount			Net gains (losses)
		Over 1 year	Fair value	
Over-the-counter				
Fair value hedge accounting (main hedged items: foreign currency-denominated bonds)				
Foreign exchange forward contracts				
Sold	6,791,702	—	30,532	30,532
U.S. dollar	3,278,740	—	(34,878)	(34,878)
Euro	2,714,433	—	16,736	16,736
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	2,608,091	2,467,295	(198,268)	(198,268)
U.S.\$ paid/¥ received	1,453,411	1,359,606	(191,198)	(191,198)
€ paid/¥ received	802,020	762,459	(25,119)	(25,119)
Total				(167,735)

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				2022			2021		
Category	Hedge accounting method	Type	Main hedged items	Contract amount		Net gains (losses)	Contract amount		Net gains (losses)
				Over 1 year	Fair value		Over 1 year	Fair value	
Over-the-counter	Fair value hedge accounting	Equity forward contracts	Domestic stocks						
		Sold		158,141	—	6,712	54,244	—	(14,871)
		Purchased		—	—	—	—	—	—
Total						6,712			(14,871)

As of March 31				2020		
Category	Hedge accounting method	Type	Main hedged items	Contract amount		Net gains (losses)
				Over 1 year	Fair value	
Over-the-counter	Fair value hedge accounting	Equity forward contracts	Domestic stocks			
		Sold		89,701	—	11,972
		Purchased		—	—	—
Total						11,972

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

- Bond-related

There were no ending balances as of March 31, 2022, 2021, and 2020.

- Others

There were no ending balances as of March 31, 2022, 2021, and 2020.

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 that more than 90% of the stocks meet these criteria (verification carried out in May 2022).

In view of anticipated alliance benefits, the Company will also continue to hold certain stocks that fail to meet its holding benefits criteria. However, where the appropriateness of holding the stock and the reasonableness of the benefits associated with it can no longer be confirmed, the Company will consider selling the stock.

(3) Number of stocks and balance sheet amounts

Millions of Yen		
Category	Number of stocks	Balance sheet amount
Equity securities not listed	15	15,239
Equity securities other than those not listed	13	662,037

(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	—	—	—
Equity securities other than those not listed	—	—	—

(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	1	37
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	2022	2021	2020	
Stock	Number of shares	Number of shares	Number of shares	Holding purpose and quantitative holding benefit
	Balance sheet amount (¥)	Balance sheet amount (¥)	Balance sheet amount (¥)	
Principal Financial Group	18,137	18,137	18,137	To increase the corporate value of the Group through joint operation, and increase and enhance its knowledge of the asset management business
	162,954	119,733	67,722	
MS&AD Insurance Group Holdings, Inc.	36,325	36,325	36,325	To strengthen ties through a business alliance and increase corporate value
	144,501	117,949	109,924	
Nomura Research Institute, Ltd.	24,727	24,727	24,727	To contribute the sophistication of IT strategy through the use of cutting-edge IT
	99,404	82,283	54,849	
AIA Group Limited	45,999	45,999	91,998	To benefit from growth in the Asian market, and increase and enhance knowledge of the Asian insurance market through a business partnership
	59,317	63,891	89,589	
Marsh & McLennan Companies, Inc.	2,622	2,622	5,245	To increase the corporate value of the Group through joint operation, and increase and enhance its knowledge
	54,703	34,282	53,146	
DWS Group GmbH & Co. KGaA	10,000	10,000	10,000	To strengthen the Group's asset management capabilities, and increase and enhance its knowledge of the asset management business through a business partnership
	45,466	47,454	29,863	
Prudential Financial, Inc.	2,560	2,560	2,560	To address international regulations through a business partnership, and increase and enhance knowledge of the U.S. insurance market
	37,024	25,847	15,537	
Schroders Plc	5,721	5,721	5,721	To increase the corporate value of the Group through joint operation and outsourcing certain functions
	29,744	30,172	18,948	
Bangkok Bank Public Company Limited	25,690	25,690	25,690	To increase Nippon Life's corporate value through joint operation, and increase and enhance its knowledge of the Asian insurance market
	12,952	11,419	9,250	
China Pacific Insurance (Group) Co. Ltd.	28,610	28,610	28,610	To increase and enhance knowledge of the Asian insurance market through a business partnership
	8,555	13,835	9,110	
Deutsche Bank AG	2,898	2,898	2,898	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
	4,560	3,961	2,079	
Cathay Financial Holding	8,004	8,004	8,004	To increase and enhance knowledge of the Asian insurance market through a business partnership
	2,209	1,410	1,061	
HIGASHI TWENTY ONE CO., LTD.	1,040	1,040	1,040	To facilitate efficient management of general administration and relocation work related to Nippon Life's business
	642	606	503	
NICHII GAKKAN CO., LTD.	—	—	1,239	To promote collaboration in the areas of childcare support and address the aging society
	—	—	1,327	

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 2021 and March 2022 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	2022	2021	2020				
Category	Number of stocks	Balance sheet amount	Number of stocks	Balance sheet amount	Number of stocks	Balance sheet amount	
Equity securities not listed	522	41,341	533	47,850	538	45,986	
Equity securities other than those not listed	1,435	9,324,049	1,476	9,778,834	1,503	7,153,606	

										Millions of Yen
As of March 31	2022	2021	2020							
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	3,037	1,158	(2,136)	3,101	41,147	(585)	6,782	13,392	(916)	
Equity securities other than those not listed	223,341	350,984	5,486,792	176,431	14,227	5,777,723	201,851	66,214	2,986,339	

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		2022	2021	2020
Core operating income		6,114,468	6,056,753	6,230,728
Revenues from insurance and reinsurance		4,307,975	4,264,628	4,526,109
Insurance premiums		4,306,688	4,263,255	4,525,225
Reinsurance revenue		1,287	1,372	884
Investment income		1,579,161	1,505,089	1,429,703
Interest, dividends, and other income		1,537,372	1,381,994	1,426,177
Gain on redemptions of securities		7,822	3,690	2,193
Reversal of general allowance for doubtful accounts		3,511	—	—
Other investment income		856	1,177	1,333
Gain from separate accounts, net		29,598	118,226	—
Other ordinary income		117,926	127,678	176,968
Income from annuity riders		8,042	7,409	10,005
Income from deferred benefits		73,828	76,119	80,784
Reversal of reserve for outstanding claims		—	11,592	47,825
Reversal of policy reserves		—	—	—
Reversal of accrued retirement benefits		—	—	—
Other income		36,055	32,555	38,351
Other core operating income		109,405	159,357	97,947
Core operating expenses		5,317,814	5,400,190	5,583,275
Benefits and other payments		3,709,094	3,803,456	3,629,384
Death and other claims		1,005,005	999,529	1,019,362
Annuity payments		821,038	803,471	805,445
Health and other benefits		701,230	661,384	691,317
Surrender benefits		987,861	1,108,847	918,833
Other refunds		192,081	228,332	192,941
Reinsurance premiums		1,875	1,891	1,484
Provision for policy reserves*		689,748	685,822	866,113
Investment expenses		116,447	98,597	139,112
Interest expenses		32,561	28,437	33,220
Loss on redemptions of securities		7,052	14,736	12,745
Provision for general allowance for doubtful accounts		—	4,389	240
Depreciation of rental real estate and other assets		18,355	17,830	17,582
Other investment expenses		58,478	33,203	32,912
Loss from separate accounts, net		—	—	42,411
Operating expenses		571,397	575,223	598,746
Other ordinary expenses		220,157	216,707	238,395
Deferred benefit payments		86,046	87,842	100,987
Taxes		51,659	51,876	51,167
Depreciation		56,950	54,314	56,691
Provision for accrued retirement benefits		2,509	1,233	8,562
Deferred asset amortization (Insurance Business Act, Article 113)		—	—	—
Other expenses		22,991	21,439	20,985
Other core operating expenses		10,969	20,382	111,522
Core operating profit	A	796,654	656,563	647,453

17. Ordinary Profit (Core Operating Profit), continued

		Millions of Yen		
Fiscal years ended March 31		2022	2021	2020
Capital gains		546,550	596,133	457,453
Gain on proprietary trading securities		—	—	—
Gain from assets held in trust, net		—	—	17,720
Gain on trading securities		—	—	—
Gain on sales of securities		465,253	507,284	328,211
Gain on derivative financial instruments, net		—	—	—
Foreign exchange gains, net		70,327	68,465	—
Other capital gains		10,969	20,382	111,522
Capital losses		249,191	286,663	462,402
Loss on proprietary trading securities		—	—	—
Loss from assets held in trust, net		85	34,144	—
Loss on trading securities		—	—	—
Loss on sales of securities		113,617	40,193	48,704
Loss on valuation of securities		13,121	4,963	202,393
Loss on derivative financial instruments, net		12,961	48,004	83,947
Foreign exchange losses, net		—	—	29,408
Other capital losses		109,405	159,357	97,947
Net capital gains (losses)	B	297,359	309,469	(4,948)
Core operating profit, including net capital gains	A + B	1,094,014	966,032	642,505
Nonrecurring gains		4,012	2,188	1,473
Reinsurance revenue		—	—	—
Reversal of contingency reserve		—	—	—
Reversal of specific allowance for doubtful accounts		—	—	1,473
Other nonrecurring gains		4,012	2,188	—
Nonrecurring losses		604,820	537,150	292,740
Reinsurance premiums		—	—	—
Provision for contingency reserve		15,994	166,396	101,156
Provision for specific allowance for doubtful accounts		2,219	1,579	—
Provision for allowance for specific overseas debts		—	—	—
Write-offs of loans		—	—	—
Other nonrecurring losses		586,606	369,175	191,584
Nonrecurring losses	C	(600,808)	(534,961)	(291,266)
Ordinary profit	A + B + C	493,205	431,070	351,238

* "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		2022	2021	2020
Other core operating income		109,405	159,357	97,947
Interest income related to swap transactions for foreign currency-denominated insurance products and swap transactions for hedging purposes		15,036	18,811	18,118
Impact of market exchange rate movements related to foreign currency-denominated insurance policies		94,368	140,545	—
Impact of movements in surrender benefits related to market value adjustment		—	—	79,829
Other core operating expenses		10,969	20,382	111,522
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		—	—	111,522
Impact of movements in surrender benefits related to market value adjustment		10,969	20,382	—
Other capital gains		10,969	20,382	111,522
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		—	—	111,522
Impact of movements in surrender benefits related to market value adjustment		10,969	20,382	—
Other capital losses		109,405	159,357	97,947
Interest expenses related to swap transactions for foreign currency-denominated insurance products and swap transactions for hedging purposes		15,036	18,811	18,118
Impact of market exchange rate movements related to foreign currency-denominated insurance policies		94,368	140,545	—
Impact of movements in surrender benefits related to market value adjustment		—	—	79,829
Other nonrecurring gains		4,012	2,188	—
Reversal of allowance for investment loss		4,012	2,188	—
Other nonrecurring losses		586,606	369,175	191,584
Provision for allowance for investment loss		—	—	5,471
Provision for policy reserves under Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act		586,606	369,175	186,113

18. Policies in Force and New Policies

1. Policies in force

(1) Number of policies

As of March 31		2022		2021		2020	
		Number of policies	Rate of increase (decrease) (%)	Number of policies	Rate of increase (decrease) (%)	Number of policies	Rate of increase (decrease) (%)
		Number of Policies					
Individual insurance		30,487,730	2.6	29,714,859	2.1	29,111,721	4.3
Individual annuities		4,238,699	2.4	4,137,777	1.2	4,088,357	3.1

(2) Policy amounts

As of March 31		2022		2021		2020	
		Amount	Rate of increase (decrease) (%)	Amount	Rate of increase (decrease) (%)	Amount	Rate of increase (decrease) (%)
		Millions of Yen					
Individual insurance		127,487,630	(1.7)	129,693,686	(2.1)	132,506,579	(2.1)
Individual annuities		25,905,129	3.0	25,148,344	1.4	24,812,800	3.7
Group insurance		98,261,344	(0.5)	98,779,188	0.9	97,889,407	0.8
Group annuities		13,895,354	1.8	13,649,007	2.0	13,387,198	1.6

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

Fiscal years ended March 31		2022		2021		2020	
		Number of policies	Rate of increase (decrease) (%)	Number of policies	Rate of increase (decrease) (%)	Number of policies	Rate of increase (decrease) (%)
		Number of Policies					
Individual insurance		4,211,553	10.9	3,796,234	(19.5)	4,716,492	0.8
Individual annuities		279,753	37.9	202,929	(26.8)	277,089	20.6

Note: The number of policies includes policies that were converted into new policies.

(2) Policy amounts

Fiscal years ended March 31		2022		2021		2020	
		Amount	Rate of increase (decrease) (%)	Amount	Rate of increase (decrease) (%)	Amount	Rate of increase (decrease) (%)
		Millions of Yen					
Individual insurance	New policies, including conversions	6,147,714	7.2	5,737,422	(10.4)	6,404,630	(7.5)
	New policies, excluding conversions	6,299,671	11.7	5,641,346	(11.5)	6,374,940	(8.1)
	Net increase by conversion	(151,956)	—	96,075	223.6	29,689	—
Individual annuities	New policies, including conversions	2,057,613	40.2	1,467,438	(28.1)	2,039,890	35.3
	New policies, excluding conversions	2,048,202	40.5	1,458,014	(27.7)	2,016,648	34.5
	Net increase by conversion	9,410	(0.1)	9,424	(59.4)	23,241	162.3
Group insurance	New policies, including conversions	216,903	(19.8)	270,427	35.1	200,110	(65.6)
	New policies, excluding conversions	216,903	(19.8)	270,427	35.1	200,110	(65.6)
	Net increase by conversion	[3,255,391]	(22.9)	[4,223,702]	10.0	[3,839,805]	(20.5)
Group annuities	New policies, including conversions	145	(92.9)	2,053	665.7	268	(54.6)
	New policies, excluding conversions	145	(92.9)	2,053	665.7	268	(54.6)
	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	2022		2021		2020	
	Amount	Rate of increase (decrease) (%)	Amount	Rate of increase (decrease) (%)	Amount	Rate of increase (decrease) (%)
Individual insurance	2,644,471	(0.2)	2,649,240	(1.9)	2,700,179	(1.4)
Individual annuities	1,125,625	3.4	1,088,993	2.6	1,061,681	5.2
Total	3,770,097	0.9	3,738,233	(0.6)	3,761,860	0.4
Medical coverage, living benefits, and others	674,088	1.5	663,800	1.0	657,140	3.0

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	2022		2021		2020	
	Amount	Rate of increase (decrease) (%)	Amount	Rate of increase (decrease) (%)	Amount	Rate of increase (decrease) (%)
Individual insurance	185,734	27.5	145,623	(10.3)	162,414	(34.0)
Individual annuities	88,211	37.1	64,357	(26.9)	88,027	35.1
Total	273,945	30.5	209,981	(16.2)	250,442	(19.5)
Medical coverage, living benefits, and others	49,518	14.7	43,178	(24.3)	57,003	21.1

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

Fiscal years ended March 31		2022		2021		2020	
		Policies	Amount (¥)	Policies	Amount (¥)	Policies	Amount (¥)
Individual insurance	Mortality insurance	[3,483,118]	[9,393,474]	[3,068,857]	[8,871,790]	[3,932,392]	[10,636,749]
		1,470,657	4,004,788	1,218,346	3,536,118	1,615,671	3,924,563
	Term life insurance	[334,293]	[4,241,211]	[311,741]	[4,018,134]	[378,700]	[4,527,975]
		115,611	1,864,194	99,484	1,558,507	115,118	1,381,056
	Whole life insurance	[96,468]	[484,964]	[82,227]	[341,767]	[99,195]	[343,846]
		40,749	304,302	28,538	190,545	30,617	180,717
	Single premium whole life insurance with variable accumulation rate	15,413	79,809	16,142	80,452	48,083	247,094
	Single premium increasing whole life insurance with variable assumed rate	10,980	113,067	12,505	124,609	10,064	94,911
	Dread disease insurance	[419,492]	[1,370,616]	[384,090]	[1,281,626]	[476,918]	[1,583,055]
		152,106	458,398	136,678	422,705	175,472	535,026
	Physical disability insurance	[452,046]	[1,493,134]	[430,075]	[1,462,878]	[539,249]	[1,846,886]
		176,035	599,588	170,914	602,245	218,728	777,621
	Nursing care insurance	[405,383]	[1,517,725]	[383,574]	[1,483,670]	[494,279]	[1,950,229]
		136,758	493,213	129,950	479,226	179,200	665,448
	General medical insurance	—	—	—	—	[12,733]	[—]
		—	—	—	—	3,615	—
	General hospitalization insurance	[759,530]	[—]	[720,874]	[—]	[982,198]	[—]
		356,544	—	308,268	—	448,831	—
	Children's general medical insurance	13,191	—	13,556	—	14,486	—
	Cancer medical insurance	[377,130]	[—]	[351,830]	[—]	[409,236]	[—]
		125,449	—	113,009	—	129,042	—
	Limited injury insurance	[369,083]	[—]	[349,415]	[—]	[442,074]	[—]
		191,222	—	176,493	—	217,239	—
	Disability income insurance	3,301	—	10,899	—	23,676	—
	Income support insurance for continuous hospitalization	[224,569]	[—]	[—]	[—]	[—]	[—]
		131,077	—	—	—	[—]	[—]
	Increasing term life insurance	[1,713]	[92,784]	[1,545]	[78,539]	[848]	[42,084]
		1,695	92,054	1,526	77,713	847	42,021
	Long-term life insurance with low cash surrender value	—	—	—	—	4	475
	Medical life insurance	2	0	3	0	—	—
	Medical life insurance for retirement	524	160	381	111	649	190
	Life and mortality insurance	[701,758]	[3,550,444]	[696,067]	[3,324,766]	[752,741]	[3,620,121]
		390,109	2,219,128	383,981	2,016,209	450,465	2,362,308
	Endowment insurance	[62,062]	[345,496]	[52,620]	[278,548]	[63,920]	[337,655]
		58,411	334,774	49,413	268,091	59,400	326,186
	Variable insurance with survival benefits in a designated currency	506	5,978	160	2,117	4,111	38,275
	Term life with survival benefit insurance	[26,742]	[249,091]	[23,677]	[87,507]	[31,159]	[78,170]
		15,233	218,479	13,045	60,445	15,691	40,698
	Dread disease insurance coverage with continuous support	[234,888]	[1,565,803]	[228,264]	[1,522,532]	[292,416]	[1,937,846]
		135,486	949,065	132,975	935,325	170,026	1,190,721
	Dread disease insurance with maternity support benefits	292	876	434	1,302	553	1,659
	Specified serious disease insurance coverage	[256,980]	[790,413]	[245,928]	[752,213]	[339,827]	[1,013,803]
		128,859	395,209	122,641	373,633	179,929	552,056
	Dementia coverage insurance	[101,710]	[402,998]	[125,852]	[484,560]	[—]	[—]
		32,744	124,959	46,181	179,311	—	—
	Juvenile insurance	18,578	189,785	19,132	195,982	20,755	212,710
	Multi-increase endowment rider	5	0	5	0	6	0
	Pure endowment	26,677	75,753	31,310	89,018	31,359	88,068
	Educational endowment insurance	26,677	75,753	31,310	89,018	31,359	88,068
		[4,211,553]	[13,019,673]	[3,796,234]	[12,285,575]	[4,716,492]	[14,344,939]
	Subtotal	1,887,443	6,299,671	1,633,637	5,641,346	2,097,495	6,374,940
			<6,147,714>		<5,737,422>		<6,404,630>

20. New Policies by Product, continued

Fiscal years ended March 31		2022		2021		2020	
		Policies	Amount (¥)	Policies	Amount (¥)	Policies	Amount (¥)
Individual annuities	Nissay annuities	[263,298]	[2,022,362]	[191,151]	[1,441,880]	[261,770]	[2,006,944]
		253,250	1,957,561	184,082	1,393,645	251,868	1,937,700
	Long-life insurance	16,014	88,625	11,756	64,257	12,575	69,833
	Nissay investment-type annuities	441	2,016	22	111	2,744	9,114
	Subtotal	[279,753]	[2,113,004]	[202,929]	[1,506,249]	[277,089]	[2,085,893]
		269,705	2,048,202	195,860	1,458,014	267,187	2,016,648
			<2,057,613>		<1,467,438>		<2,039,890>
Group insurance	Group term life insurance	40,617	19,620	7,442	21,798	11,545	19,939
	Dread disease insurance (Group type)	4,182	6,464	1,946	2,207	10,337	8,076
	Nursing care insurance (Group type)	—	—	6,174	5,401	—	—
	General welfare group term life insurance	54,044	190,814	59,542	240,978	55,768	172,094
	Group credit life insurance	8	4	6	42	—	—
	Subtotal	98,851	216,903	75,110	270,427	77,650	200,110
Group annuities	Insured contributory pension plans	1,310	3	—	—	249	6
	Defined benefit corporate pension plans	—	13	—	2,006	—	193
	Group pure endowment insurance	—	108	—	—	—	—
	Defined contribution pension plans	—	20	—	46	—	68
	Subtotal	1,310	145	—	2,053	249	268
Workers' asset-formation insurance	Workers' asset-formation savings insurance	1,154	195	1,353	229	1,760	235
	Workers' asset-formation housing funding insurance	223	34	279	23	285	18
	Subtotal	1,377	229	1,632	253	2,045	254
Workers' asset-formation annuities	Workers' asset-formation funding annuities	512	40	639	38	740	32
	Subtotal	512	40	639	38	740	32
Medical life insurance	Individual type	—	—	2	0	5	0
	Group type	2,184	9	2,692	8	3,351	12
	Subtotal	2,184	9	2,694	8	3,356	12
Disability income insurance	Group long-term disability income support insurance	1,558,981	42,116	1,341,372	36,072	1,012,510	34,472
	Subtotal	1,558,981	42,116	1,341,372	36,072	1,012,510	34,472

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		2022		2021		2020	
		Policies	Amount (¥)	Policies	Amount (¥)	Policies	Amount (¥)
Individual insurance	Mortality insurance	26,221,864	107,906,577	25,731,428	111,393,087	25,462,351	115,486,189
	Term life insurance	2,191,447	32,941,979	2,158,676	32,598,845	2,125,142	32,271,469
	Whole life insurance	4,616,858	27,948,821	4,661,490	28,115,854	4,700,955	28,329,251
	Single premium whole life insurance with variable accumulation rate	213,624	1,206,392	231,895	1,232,768	292,498	1,398,609
	Single premium increasing whole life insurance with variable assumed rate	197,377	1,596,582	205,736	1,653,383	211,270	1,686,969
	Whole life insurance with term rider	668,141	11,404,697	834,066	14,803,800	1,020,147	18,829,152
	Variable life insurance (whole life type)	29,860	412,793	30,564	424,338	31,206	434,581
	Variable life insurance with term rider (whole life type)	29	815	44	1,363	65	1,921
	Term life insurance with dread disease term rider	50,478	220,987	55,571	243,628	60,174	264,719
	Whole life insurance with dread disease term rider	25,463	160,925	26,049	165,083	26,596	168,801
	Dread disease insurance	2,984,092	10,032,593	2,933,508	9,977,623	2,878,381	9,879,274
	Physical disability insurance	2,921,158	9,532,315	2,867,036	9,441,675	2,794,514	9,252,549
	Nursing care insurance	2,761,239	10,663,490	2,733,408	10,737,085	2,693,470	10,723,921
	Cancer insurance	132,511	17,135	140,246	18,176	147,444	19,150
	Hospitalization medical insurance	50,299	285	53,018	250	55,494	217
	General medical insurance	1,929,665	1,013	2,352,391	751	2,817,481	523
	General hospitalization insurance	2,276,973	—	1,638,594	—	970,890	—
	Children's general medical insurance	107,050	—	100,321	—	91,945	—
	Cancer medical insurance	2,314,666	176	2,220,438	134	2,122,396	93
	Limited injury insurance	2,384,759	—	2,309,964	—	2,225,089	—
	Disability income insurance	82,183	—	111,410	—	125,026	—
	Income support insurance for continuous hospitalization	221,861	—	—	—	—	—
	Increasing term life insurance	18,702	911,179	22,779	1,060,455	26,929	1,235,486
	Long-term life insurance with low cash surrender value	5,629	446,475	5,802	462,190	6,021	481,204
	Medical life insurance	911	52	973	57	1,035	60
	Single premium whole life insurance for retirement	8,277	38,245	8,530	39,320	8,822	40,477
	Medical life insurance for retirement	14,312	5,233	14,241	5,356	14,309	5,499
	Former Dowa Life Insurance	14,300	111,136	14,678	116,997	15,052	121,768
	Term rider	46,812	253,246	54,908	293,946	64,180	340,485
	Life and mortality insurance	3,850,030	18,486,808	3,588,089	17,266,439	3,280,733	16,063,823
	Endowment insurance	627,294	2,815,785	634,329	2,783,889	656,897	2,844,272
	Endowment insurance with term rider <i>Kurashi no Hoken</i>	17,814	247,882	20,000	280,526	23,207	329,209
	Variable life insurance (defined term type)	68	350	87	429	141	658
	Variable insurance with survival benefits in a designated currency	12,306	99,342	12,231	97,396	12,323	101,905
	Term life with survival benefit insurance	213,750	896,691	216,880	802,196	222,009	880,458
	Dread disease insurance coverage with continuous support	1,295,609	8,092,554	1,225,126	7,562,585	1,141,837	6,946,763
	Dread disease insurance with maternity support benefits	5,151	15,453	5,366	16,098	5,393	16,179
	Specified serious disease insurance coverage	1,111,654	3,392,903	985,092	3,048,145	836,488	2,644,178
	Dementia coverage insurance	219,372	851,879	124,856	480,708	—	—
	Juvenile insurance	346,588	1,882,442	363,430	1,967,865	381,423	2,041,568
	Former Dowa Life Insurance	424	1,810	692	1,913	1,015	2,067
	Multi-increase endowment rider	2,897	930	5,826	1,602	10,395	2,597
	Term rider with survival benefit	94,902	188,781	112,864	223,081	129,352	253,964
	Pure endowment	415,836	1,094,245	395,342	1,034,159	368,637	956,566
	Educational endowment insurance	415,711	1,092,807	395,215	1,032,654	368,509	954,978
	Pure endowment with nursing care benefit	125	1,437	127	1,504	128	1,588
	Subtotal	30,487,730	127,487,630	29,714,859	129,693,686	29,111,721	132,506,579

21. Policies in Force by Product, continued

As of March 31		2022		2021		2020	
		Policies	Amount (¥)	Policies	Amount (¥)	Policies	Amount (¥)
Individual annuities	Nissay annuities	3,692,514	22,945,009	3,580,999	22,139,352	3,524,198	21,787,929
	Individual fixed annuities <i>Sounen no Sekkei</i>	61	215	65	230	74	269
	Annuities focused on survival coverage	347,122	2,123,147	353,457	2,163,447	358,863	2,199,981
	Long-life insurance	92,079	496,953	80,557	433,617	71,247	382,767
	Variable assumed rate-type annuities	2,248	6,165	2,734	7,243	3,457	8,734
	Annuities with variable accumulation rate	46,790	110,069	52,120	141,958	59,105	177,418
	Guaranteed minimum maturity benefit equity-indexed annuities	113	219	118	389	134	507
	Nissay investment-type annuities	23,170	99,941	31,581	131,304	35,562	120,784
	Former Dowa Life Insurance	2,964	13,250	3,072	13,824	3,165	14,306
	Annuity rider	30,203	99,099	31,535	104,166	30,922	106,177
	Term rider annualized payment	1,435	11,059	1,539	12,808	1,630	13,923
	Subtotal	4,238,699	25,905,129	4,137,777	25,148,344	4,088,357	24,812,800
Group insurance	Group term life insurance	9,672,776	23,555,815	9,738,391	23,786,455	9,671,534	23,617,103
	Dread disease insurance (Group type)	132,596	230,890	116,980	200,042	98,729	168,329
	Nursing care insurance (Group type)	81,632	48,865	6,134	5,378	—	—
	General welfare group term life insurance	5,712,290	37,471,609	5,761,532	38,004,617	5,720,266	38,089,103
	Group credit life insurance	11,755,164	36,915,637	11,919,603	36,743,399	11,883,560	35,974,857
	Consumer credit group insurance	36,704	298	38,591	343	40,250	419
	Group whole life insurance	20	21	22	23	27	27
	Life insurance for dependents of disabled	38,496	24,960	39,740	25,308	41,011	25,638
	Annuities rider (group term life insurance)	7,307	13,245	7,680	13,619	8,122	13,928
	Subtotal	27,398,489	98,261,344	27,588,933	98,779,188	27,422,488	97,889,407
Group annuities	Corporate pension plans	738	3,416	813	3,588	879	3,769
	New insured pension plans	5,435,431	1,070,673	5,267,064	1,047,279	5,222,473	1,021,421
	Insured contributory pension plans	3,254,701	4,702,669	3,302,476	4,603,858	3,325,374	4,479,417
	Defined benefit corporate pension plans	—	7,005,978	—	6,875,232	—	6,791,408
	Employees' pension fund insurance	234,881	166,538	234,659	162,761	296,723	172,597
	Group pure endowment insurance	—	44,696	—	44,204	—	48,833
	Defined contribution pension plans	—	901,381	—	912,083	—	869,750
	Subtotal	8,925,751	13,895,354	8,805,012	13,649,007	8,845,449	13,387,198
Workers' asset-formation insurance	Workers' asset-formation savings insurance	78,124	309,458	82,185	308,409	85,980	304,745
	Workers' asset-formation housing funding insurance	9,200	29,131	10,028	31,425	10,829	33,707
	Workers' asset-formation benefits savings insurance	17,406	1,509	17,690	1,545	17,950	1,595
	Workers' asset-formation fund savings insurance	526	12	524	11	523	11
	Subtotal	105,256	340,111	110,427	341,392	115,282	340,059
Workers' asset-formation annuities	Workers' asset-formation annuities	194	448	198	479	217	529
	Workers' asset-formation funding annuities	44,012	98,461	46,053	102,516	47,834	106,218
	Subtotal	44,206	98,909	46,251	102,995	48,051	106,747
Medical life insurance	Individual type	349	1	394	1	446	2
	Group type	841,056	3,699	843,365	3,719	837,338	3,688
	Subtotal	841,405	3,701	843,759	3,721	837,784	3,690
Disability income insurance	Group disability income insurance	94,367	19,066	126,438	21,563	126,362	21,768
	Group long-term disability income support insurance	1,522,813	40,529	1,333,384	35,814	986,754	33,954
	Subtotal	1,617,180	59,595	1,459,822	57,378	1,113,116	55,722
Reinsurance assumed		28,357	27,906	37,541	33,492	26,211	24,554

- 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. Policies 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

As of March 31			Millions of Yen		
			2022	2021	2020
Death protection	Death protection due to illness/accident	Individual insurance	126,393,385	128,659,527	131,550,012
		Individual annuities	—	—	—
		Group insurance	98,248,098	98,765,569	97,875,478
		Group annuities	—	—	—
		Total, including other types	224,669,390	227,458,588	229,450,045
	Death protection due to accident	Individual insurance	[23,978,522]	[25,041,864]	[27,021,551]
		Individual annuities	[137,583]	[147,351]	[157,271]
		Group insurance	[3,045,898]	[3,113,396]	[3,163,080]
		Group annuities	[—]	[—]	[—]
		Total, including other types	[27,213,694]	[28,356,251]	[30,376,124]
	Death protection due to specific causes	Individual insurance	[154,221]	[163,592]	[172,355]
		Individual annuities	[—]	[—]	[—]
		Group insurance	[132,520]	[124,257]	[124,506]
		Group annuities	[—]	[—]	[—]
		Total, including other types	[286,741]	[287,850]	[296,862]
Pure endowment	Maturity and survival benefits	Individual insurance	1,094,245	1,034,159	956,566
		Individual annuities	23,695,086	22,981,756	22,681,113
		Group insurance	539	537	666
		Group annuities	—	—	—
		Total, including other types	24,846,870	24,076,287	23,700,960
	Annuity	Individual insurance	[30,766]	[36,452]	[42,947]
		Individual annuities	[2,941,694]	[2,857,556]	[2,821,259]
		Group insurance	[1,769]	[1,856]	[1,907]
		Group annuities	[—]	[—]	[—]
		Total, including other types	[2,980,958]	[2,902,827]	[2,873,245]
	Other	Individual insurance	—	—	—
		Individual annuities	2,210,043	2,166,587	2,131,687
		Group insurance	12,705	13,081	13,262
		Group annuities	13,895,354	13,649,007	13,387,198
		Total, including other types	16,500,125	16,213,231	15,916,341
Hospitalization coverage	Coverage for hospitalization due to accident	Individual insurance	[42,401]	[41,776]	[41,813]
		Individual annuities	[928]	[988]	[1,045]
		Group insurance	[1,288]	[1,327]	[1,336]
		Group annuities	[—]	[—]	[—]
		Total, including other types	[48,319]	[47,813]	[47,885]
	Coverage for hospitalization due to illness	Individual insurance	[42,357]	[41,726]	[41,757]
		Individual annuities	[920]	[980]	[1,036]
		Group insurance	[—]	[—]	[—]
		Group annuities	[—]	[—]	[—]
		Total, including other types	[46,979]	[46,429]	[46,484]
	Coverage for hospitalization due to other causes	Individual insurance	[35,214]	[37,662]	[40,366]
		Individual annuities	[193]	[203]	[213]
		Group insurance	[32]	[32]	[34]
		Group annuities	[—]	[—]	[—]
		Total, including other types	[35,440]	[37,898]	[40,614]
Disability coverage	Individual insurance	—	—	—	
	Individual annuities	—	—	—	
	Group insurance	—	—	—	
	Group annuities	—	—	—	
	Total, including other types	59,595	57,378	55,722	

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

As of March 31		Number of Policies		
		2022	2021	2020
Disability coverage	Individual insurance	[6,879,037]	[6,986,317]	[7,085,877]
	Individual annuities	[52,300]	[55,301]	[58,044]
	Group insurance	[2,632,072]	[2,595,461]	[2,566,929]
	Group annuities	[—]	[—]	[—]
	Total, including other types	[9,563,409]	[9,637,079]	[9,710,850]
Surgical coverage	Individual insurance	[9,520,595]	[9,572,147]	[9,660,139]
	Individual annuities	[201,987]	[215,411]	[228,058]
	Group insurance	[—]	[—]	[—]
	Group annuities	[—]	[—]	[—]
	Total, including other types	[9,722,582]	[9,787,558]	[9,888,197]

Note: Amounts in brackets represent additional coverage of primary policies and rider coverage.

23. Individual Insurance and Annuity Policy Amounts in Force by Product

As of March 31		Millions of Yen		
		2022	2021	2020
Mortality insurance	Whole life insurance	32,011,475	32,228,254	32,629,753
	Whole life insurance with term rider	11,404,697	14,803,800	18,829,152
	Term life insurance	63,710,936	63,523,249	63,127,691
	Total, including other types	107,906,577	111,393,087	115,486,189
Life and mortality insurance	Endowment insurance	2,815,785	2,783,889	2,844,272
	Endowment insurance with term rider	247,882	280,526	329,209
	Term life insurance with survival benefits	896,691	802,196	880,458
	Total, including other types	18,486,808	17,266,439	16,063,823
Pure endowment	Educational endowment insurance	1,092,807	1,032,654	954,978
	Total, including other types	1,094,245	1,034,159	956,566
Annuities	Individual annuities	25,905,129	25,148,344	24,812,800
Hospitalization/accident riders	Accident rider with extra premium	3,345,601	3,743,777	4,162,364
	Injury rider	6,252,091	7,030,125	7,854,503
	General medical rider	7,492	8,515	9,634
	Hospitalization due to accident rider	5,165	5,782	6,441
	Hospitalization due to illness rider	5,111	5,721	6,372
	Hospitalization due to adult disease rider	313	372	436
	Hospital visit rider	521	600	688
	Long-term hospitalization rider	9	10	11
	Hospitalization rider for women	224	254	285
	Limited injury rider	19,125	23,422	28,293
	Hospitalization due to cancer rider	4,195	4,847	5,549
	Short-term hospitalization rider	1,549	1,737	1,922

Notes: 1. Whole life insurance includes whole life insurance with dread disease term rider, dread disease insurance (whole life type), 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 dread disease term rider, dread disease insurance (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

As of March 31		Millions of Yen		
		2022	2021	2020
Mortality insurance	Whole life insurance	896,896	904,469	923,804
	Whole life insurance with term rider	153,646	189,812	231,089
	Term life insurance	923,946	924,390	941,672
	Total, including other types	2,291,847	2,314,586	2,375,242
Life and mortality insurance	Endowment insurance	149,767	143,000	141,168
	Endowment insurance with term rider	1,779	2,067	2,460
	Term life insurance with survival benefits	21,222	16,388	16,450
	Total, including other types	290,424	275,911	270,645
Pure endowment	Educational endowment insurance	62,178	58,719	54,268
	Total, including other types	62,200	58,742	54,291
Annuities	Individual annuities	1,125,625	1,088,993	1,061,681

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 dread disease term rider, dread disease insurance (whole life type), 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 dread disease term rider, dread disease insurance (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

Fiscal years ended March 31		Number of Policies			
		2022	2021	2020	
	Policies	Rate of increase (decrease) (%)	Policies	Rate of increase (decrease) (%)	Policies
Individual insurance	30,487,730	2.6	29,714,859	2.1	29,111,721
Mortality insurance	26,221,864	1.9	25,731,428	1.1	25,462,351
Life and mortality insurance	3,850,030	7.3	3,588,089	9.4	3,280,733
Pure endowment	415,836	5.2	395,342	7.2	368,637
Individual annuities	4,238,699	2.4	4,137,777	1.2	4,088,357
Group insurance	27,398,489	(0.7)	27,588,933	0.6	27,422,488
Group annuities	8,925,751	1.4	8,805,012	(0.5)	8,845,449
Workers' asset-formation insurance	105,256	(4.7)	110,427	(4.2)	115,282
Workers' asset-formation annuities	44,206	(4.4)	46,251	(3.7)	48,051
Medical life insurance	841,405	(0.3)	843,759	0.7	837,784
Disability income insurance	1,617,180	10.8	1,459,822	31.1	1,113,116

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

Fiscal years ended March 31		Billions of Yen			
		2022	2021	2020	
	Amount	Rate of increase (decrease) (%)	Amount	Rate of increase (decrease) (%)	Amount
Individual insurance	127,487.6	(1.7)	129,693.6	(2.1)	132,506.5
Mortality insurance	107,906.5	(3.1)	111,393.0	(3.5)	115,486.1
Life and mortality insurance	18,486.8	7.1	17,266.4	7.5	16,063.8
Pure endowment	1,094.2	5.8	1,034.1	8.1	956.5
Individual annuities	25,905.1	3.0	25,148.3	1.4	24,812.8
Group insurance	98,261.3	(0.5)	98,779.1	0.9	97,889.4
Group annuities	13,895.3	1.8	13,649.0	2.0	13,387.1
Workers' asset-formation insurance	340.1	(0.4)	341.3	0.4	340.0
Workers' asset-formation annuities	98.9	(4.0)	102.9	(3.5)	106.7
Medical life insurance	3.7	(0.5)	3.7	0.8	3.6
Disability income insurance	59.5	3.9	57.3	3.0	55.7

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		2022		2021		2020
	Policies	Rate of increase (decrease) (%)	Policies	Rate of increase (decrease) (%)	Policies	Rate of increase (decrease) (%)
Individual insurance	1,887,443	15.5	1,633,637	(22.1)	2,097,495	(4.6)
Mortality insurance	1,470,657	20.7	1,218,346	(24.6)	1,615,671	2.0
Life and mortality insurance	390,109	1.6	383,981	(14.8)	450,465	(22.7)
Pure endowment	26,677	(14.8)	31,310	(0.2)	31,359	0.0
Individual annuities	269,705	37.7	195,860	(26.7)	267,187	20.8
Group insurance	98,851	31.6	75,110	(3.3)	77,650	(35.3)
Group annuities	1,310	—	—	—	249	(96.9)
Workers' asset-formation insurance	1,377	(15.6)	1,632	(20.2)	2,045	(6.2)
Workers' asset-formation annuities	512	(19.9)	639	(13.6)	740	(9.2)
Medical life insurance	2,184	(18.9)	2,694	(19.7)	3,356	(94.9)
Disability income insurance	1,558,981	16.2	1,341,372	32.5	1,012,510	12.4

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		2022		2021		2020
	Amount	Rate of increase (decrease) (%)	Amount	Rate of increase (decrease) (%)	Amount	Rate of increase (decrease) (%)
Individual insurance	6,299.6	11.7	5,641.3	(11.5)	6,374.9	(8.1)
Mortality insurance	4,004.7	13.3	3,536.1	(9.9)	3,924.5	(4.2)
Life and mortality insurance	2,219.1	10.1	2,016.2	(14.7)	2,362.3	(14.3)
Pure endowment	75.7	(14.9)	89.0	1.1	88.0	0.7
Individual annuities	2,048.2	40.5	1,458.0	(27.7)	2,016.6	34.5
Group insurance	216.9	(19.8)	270.4	35.1	200.1	(65.6)
Group annuities	0.1	(92.9)	2.0	665.7	0.2	(54.6)
Workers' asset-formation insurance	0.2	(9.3)	0.2	(0.5)	0.2	4.3
Workers' asset-formation annuities	0	4.3	0.0	17.6	0.0	(1.2)
Medical life insurance	0	7.1	0.0	(32.2)	0.0	(75.0)
Disability income insurance	42.1	16.8	36.0	4.6	34.4	30.8

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	2022	2021	2020	2022	2021	2020	
Mortality insurance	2,723	2,902	2,429	4,115	4,329	4,535	
Life and mortality insurance	5,688	5,250	5,244	4,801	4,812	4,896	
Pure endowment	2,839	2,843	2,808	2,631	2,615	2,594	
Average	3,337	3,453	3,039	4,181	4,364	4,551	

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		2022	2021	2020
Individual insurance		4.9	4.3	4.7
Individual annuities		8.9	6.4	9.2
Group insurance		0.2	0.3	0.2

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		2022	2021	2020
Individual insurance		4.9	4.8	5.1
Individual annuities		2.9	2.7	2.9
Group insurance		1.5	0.7	1.1

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		2022	2021	2020
Average premium of new individual policies (monthly payment policies)		47,180	43,450	39,318

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		2022	2021	2020
Number of policies		4.04	3.81	3.67
Insurance amount		5.86	5.52	5.26

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		2022		2021		2020	
		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		0.516	0.257	0.375	0.250	0.333	0.299
Disability		0.511	0.188	0.533	0.198	0.503	0.194
Hospitalization due to accident		6.685	157.3	6.388	150.9	6.692	153.2
Hospitalization due to illness		92.575	1,772.5	73.563	1,261.7	77.323	1,261.9
Hospitalization due to adult disease		26.599	455.5	23.336	425.3	21.441	382.3
Surgery due to illness or injury		63.266		62.846		69.107	
Surgery due to adult disease		24.601		22.821		21.880	

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	2022	2021	2020	
Third-sector incidence rate	34.2	31.4	32.8	
Medical care	40.1	34.8	37.4	
Cancer	33.1	32.2	32.9	
Nursing care	21.1	20.1	18.3	
Others	27.0	26.8	27.9	

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	2022	2021	2020	
Operating efficiency (percentage of operating expenses to premium revenues)	13.3	13.5	13.2	

35. Number of Major Insurance Companies that Accepted Reinsurance Contracts

				Number of Insurance Companies
Fiscal years ended March 31	2022	2021	2020	
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	2022	2021	2020	
Ratio of reinsurance premiums paid to the top five insurance companies	82.3 [—]	78.7 [—]	80.2 [—]	

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	2022	2021	2020	
A and above	99.8 [—]	99.8 [—]	100.0 [—]	
BBB and above, but below A	— [—]	— [—]	— [—]	
Others (below BBB or no rating)	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	2022	2021	2020	
Reinsurance proceeds to be received	104 [—]	157 [—]	137 [—]	

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

As of March 31		Millions of Yen		
		2022	2021	2020
Death and other claims	Mortality insurance claims	106,171	95,531	90,878
	Accident insurance claims	1,533	1,452	1,835
	Serious disability insurance claims	8,465	9,435	10,924
	Maturity benefits	5,131	6,350	6,930
	Others	466	533	287
	Subtotal	121,768	113,304	110,857
Annuity payments		5,028	4,603	4,430
Health and other benefits		33,318	28,641	30,453
Surrender benefits		28,874	28,712	40,512
Deferred benefit payments		2,216	2,547	3,143
Total, including other reserves		192,426	179,010	190,602

40. Policy Reserves

As of March 31		Millions of Yen		
		2022	2021	2020
Policy reserves (Excluding contingency reserve)	Individual insurance	29,532,881	28,809,266	28,641,200
	[General Account]	[29,424,934]	[28,700,735]	[28,548,568]
	[Separate Account]	[107,947]	[108,531]	[92,632]
	Individual annuities	12,695,904	12,419,309	11,813,919
	[General Account]	[12,676,364]	[12,387,087]	[11,785,918]
	[Separate Account]	[19,539]	[32,221]	[28,001]
	Group insurance	46,607	46,943	47,089
	[General Account]	[46,607]	[46,943]	[47,089]
	[Separate Account]	[—]	[—]	[—]
	Group annuities	13,895,354	13,649,007	13,387,198
	[General Account]	[12,833,797]	[12,590,597]	[12,323,886]
	[Separate Account]	[1,061,556]	[1,058,410]	[1,063,311]
	Other	446,398	451,026	452,605
	[General Account]	[446,398]	[451,026]	[452,605]
	[Separate Account]	[—]	[—]	[—]
	Subtotal	56,617,146	55,375,554	54,342,014
	[General Account]	[55,428,103]	[54,176,390]	[53,158,068]
	[Separate Account]	[1,189,043]	[1,199,164]	[1,183,946]
Contingency reserve		2,060,657	2,044,663	1,878,267
Total		58,677,803	57,420,217	56,220,282
[General Account]		[57,488,760]	[56,221,053]	[55,036,336]
[Separate Account]		[1,189,043]	[1,199,164]	[1,183,946]

41. Breakdown of Policy Reserves

As of March 31		Millions of Yen		
		2022	2021	2020
Insurance reserve funds		55,590,328	54,331,386	53,254,641
Unearned premiums		1,026,818	1,044,167	1,087,373
Refund reserve		—	—	—
Contingency reserve		2,060,657	2,044,663	1,878,267
Total		58,677,803	57,420,217	56,220,282

42. Policy Reserves for Individual Insurance and Annuities (by Policy Year)

1. Policy reserve valuation method and ratio

As of March 31		2022	2021	2020	%
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)

Policy year		Balance of policy reserves			Millions of Yen
As of March 31		2022	2021	2020	Assumed interest rate (%)
—1981		39,727	43,613	52,517	2.00
1982–1986		1,573,638	1,539,407	1,566,227	2.00–5.50
1987–1991		5,920,250	5,637,189	5,714,342	2.00–5.50
1992–1996		8,409,518	8,385,904	8,166,841	2.00–5.50
1997–2001		3,161,876	3,179,640	3,142,398	1.50–2.75
2002–2006		2,490,224	2,555,203	2,638,170	0.25–1.50
2007–2011		4,634,713	4,745,918	4,910,358	0.25–1.50
2012		1,470,203	1,573,544	1,606,501	0.25–1.50
2013		1,892,317	1,936,251	1,964,684	0.70–1.50
2014		1,787,868	1,791,247	1,794,281	0.50–1.50
2015		1,801,945	1,821,711	1,842,721	0.50–1.00
2016		1,859,412	1,933,052	2,025,991	0.01–3.45
2017		1,601,234	1,650,417	1,621,672	0.01–3.36
2018		1,331,014	1,254,472	1,138,680	0.01–3.51
2019		1,391,749	1,315,805	1,235,909	0.01–4.18
2020		1,155,943	1,053,234	913,186	0.01–3.59
2021		828,368	671,209	—	0.20–2.42
2022		751,291	—	—	0.20–3.21
Total		42,101,299	41,087,822	40,334,486	

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)

As of March 31		2022	2021	2020	Millions of Yen
Policy reserves balance (general account)		—	—	—	

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 9, 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 0.3% for short-term loans that have not been prescribed in the ordinance above and the rate prescribed in paragraph 9, item 1 (d) of the above ordinance for all other policies.

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	2022	2021	2020
Insurance premium reserve	—	—	—
Contingency reserve	3,188	3,486	3,652

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							
	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]
Fiscal year ended March 31							
	2020						
Balance at the beginning of the fiscal year	963,110	35,732	13,880	1,148	3,945	2,395	1,020,213
Transfer to reserve from surplus in the previous fiscal year	54,630	7,843	119,834	27,704	296	1,508	211,818
Increase in interest	21,509	210	0	0	2	0	21,722
Other increases	—	—	—	—	—	—	—
Policyholder dividends paid out during the fiscal year	58,869	2,040	118,945	27,437	460	2,215	209,969
Other decreases	—	—	—	—	—	—	—
Balance at the end of the fiscal year	980,381	41,744	14,770	1,415	3,784	1,689	1,043,785
	[745,946]	[21,227]	[3,858]	[16]	[3,734]	[198]	[774,981]

Note: The numbers in brackets indicate accumulated dividends reserved.

46. Allowance for Doubtful Accounts and Other Provisions

As of March 31		2022		2021		2020	
		Amount	Increase (decrease)	Amount	Increase (decrease)	Amount	Increase (decrease)
Allowance for doubtful accounts ¹	General allowance for doubtful accounts	1,912	(3,511)	5,424	4,389	1,035	240
	Specific allowance for doubtful accounts	4,998	2,203	2,794	1,143	1,651	(2,018)
	Allowance for specific overseas debt	—	—	—	—	—	—
Allowance for investment loss ²		28,867	(4,012)	32,879	(2,188)	35,068	5,471
Accrued bonuses for directors and audit and supervisory board members ³		434	0	433	341	92	(14)
Accrued retirement benefits ⁴		378,203	2,509	375,693	1,233	374,460	8,562
Accrued retirement benefits for directors and audit and supervisory board members ⁵		—	—	—	(4,304)	4,304	79
Reserve for program points ⁶		8,770	242	8,528	(335)	8,864	(339)
Reserve for price fluctuations in investments in securities ⁷		1,590,233	68,317	1,521,916	73,902	1,448,014	66,361

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, 2022, 2021, and 2020.

2. Balance of loans by creditor country

There were no ending balances as of March 31, 2022, 2021, and 2020.

48. Insurance Premiums

1. Premiums by payment method

Fiscal years ended March 31		2022		2021		2020	
		Amount	Increase (decrease)	Amount	Increase (decrease)	Amount	Increase (decrease)
Individual insurance		2,233,309		2,249,873		2,472,113	
	Single premium	248,718		248,837		422,141	
	Annual payment	660,110		655,801		675,023	
	Semiannual payment	2,123		2,555		3,025	
	Monthly payment	1,322,356		1,342,678		1,371,922	
Individual annuities		729,634		701,151		684,293	
	Single premium	6,238		4,092		13,273	
	Annual payment	257,704		242,331		228,971	
	Semiannual payment	2,159		2,390		2,565	
	Monthly payment	463,531		452,337		439,482	
Group insurance		254,646		250,001		245,230	
Group annuities		1,041,109		1,012,897		1,072,638	
Total, including other premiums		4,306,688		4,263,255		4,525,225	

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		2022	2021	2020
Individual insurance Individual annuities	Initial year premium	551,214	499,131	713,497
	Subsequent year premiums	2,411,728	2,451,893	2,442,909
	Subtotal	2,962,943	2,951,025	3,156,407
Group insurance	Initial year premium	945	538	821
	Subsequent year premiums	253,701	249,462	244,408
	Subtotal	254,646	250,001	245,230
Group annuities	Initial year premium	2,084	3,044	4,700
	Subsequent year premiums	1,039,024	1,009,853	1,067,937
	Subtotal	1,041,109	1,012,897	1,072,638
Total, including other premiums	Initial year premium	558,413	506,540	722,797
	Subsequent year premiums	3,748,274	3,756,715	3,802,427
	Total	4,306,688	4,263,255	4,525,225
[Percentage decrease (%)]		[1.0]	[(5.8)]	[(5.2)]

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										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	
Fiscal year ended March 31										2020
Mortality insurance claims	619,746	3,397	90,728	—	—	3	—	50	713,927	
Accident insurance claims	7,297	33	299	—	158	—	—	—	7,788	
Serious disability insurance claims	71,011	33	9,774	—	—	—	1	16	80,837	
Maturity benefits	209,425	9	—	4,550	2,244	—	—	—	216,230	
Others	—	—	—	—	—	—	104	474	579	
Total	907,481	3,473	100,802	4,550	2,402	3	106	542	1,019,362	

49. Death and Other Claims, 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	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
Fiscal year ended March 31	2020								
Mortality insurance claims	79,263	1,570	43,834	—	—	144	—	74	124,885
Accident insurance claims	637	20	199	—	10	—	—	—	866
Serious disability insurance claims	24,204	11	3,696	—	—	—	14	20	27,945
Maturity benefits	49,421	117	—	3	3,442	—	—	—	52,983
Others	—	—	—	—	—	—	2,361	2,837	5,198
Total	153,525	1,718	47,729	3	3,452	144	2,375	2,931	211,877

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	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
Fiscal year ended March 31	2020								
Annuities paid (¥)	35,042	426,177	2,191	334,049	7,985	—	—	—	805,445
Number of policies	35,284	569,925	27,870	6,450,203	28,732	—	—	—	7,112,014

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	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
Fiscal year ended March 31	2020								
Death benefits	4,432	22,633	6	—	436	—	—	—	27,509
Hospitalization benefits	76,350	1,610	69	—	—	1,565	—	42	79,639
Surgical benefits	54,665	1,438	—	—	—	2,210	—	34	58,349
Disability benefits	3,467	16	54	—	5	—	—	—	3,544
Survival benefits	81,195	176	—	—	1,366	—	—	—	82,737
Single benefits	—	—	—	400,023	—	—	—	—	400,023
Other benefits	505	0	1	38,958	—	—	—	47	39,513
Total	220,617	25,877	132	438,981	1,808	3,776	—	124	691,317

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	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
Fiscal year ended March 31	2020								
Death benefits	4,363	5,299	436	—	197	—	—	—	10,295
Hospitalization benefits	861,693	26,924	2,994	—	—	32,593	—	5,164	929,368
Surgical benefits	476,757	17,851	—	—	—	18,273	—	3,702	516,583
Disability benefits	39,474	116	121	—	1	—	—	—	39,712
Survival benefits	288,250	1,865	—	—	587	—	—	—	290,702
Single benefits	—	—	—	626,346	—	—	—	—	626,346
Other benefits	2,369	8	122	4	—	—	—	12,410	14,913
Total	1,672,906	52,063	3,673	626,350	785	50,866	—	21,276	2,427,919

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
2022	784,786	158,601	—	11,676	32,797	—	—	—	987,861
2021	929,686	120,270	—	27,311	31,577	—	—	—	1,108,847
2020	707,797	120,912	—	55,833	34,290	—	—	—	918,833

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	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
Fiscal year ended March 31	2020				
Tangible fixed assets	621,661	19,265	433,317	188,344	69.7
Buildings	551,500	8,987	385,409	166,091	69.9
Lease assets	17,300	3,227	9,527	7,772	55.1
Other tangible fixed assets	52,860	7,049	38,380	14,480	72.6
Intangible fixed assets	346,608	36,614	245,690	100,917	70.9
Others	9,132	812	4,596	4,535	50.3
Total	977,401	56,691	683,604	293,797	69.9

54. Operating Expenses

Millions of Yen			
Fiscal years ended March 31	2022	2021	2020
Marketing operation expenses	230,449	230,652	244,328
Marketing administration expenses	78,481	77,501	83,308
General and administrative expenses	262,466	267,069	271,109
Total	571,397	575,223	598,746

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 ¥4,679 million in the fiscal year ended March 31, 2022, ¥5,172 million in the fiscal year ended March 31, 2021, and ¥5,400 million in the fiscal year ended March 31, 2020.

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	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
As of March 31	2020						
Loans payable	242	4,713	13,291	—	—	390,000	408,248
Corporate bonds	—	—	—	—	—	1,155,320	1,155,320

56. Taxes

Fiscal years ended March 31		2022	2021	2020
National tax		29,232	29,373	29,433
	Consumption tax	26,305	26,502	25,505
	Special Business tax	2,490	2,465	3,395
	Documentary stamp tax	317	304	367
	Registration and license tax	16	15	20
	Other national tax	102	85	144
Local tax		22,426	22,503	21,734
	Local consumption tax	7,392	7,442	7,027
	Corporate enterprise tax	8,602	8,533	8,183
	Fixed asset tax	5,450	5,555	5,544
	Real estate acquisition tax	61	48	56
	Corporate income tax	895	904	909
	Automobile tax	1	1	1
	Other local tax	22	16	10
Total		51,659	51,876	51,167

Millions of Yen

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, 2022, 2021, and 2020.

ii) Future minimum lease payments at year-end

There were no ending balances for the fiscal years ended March 31, 2022, 2021, and 2020.

iii) Lease payments and depreciation

There were no ending balances for the fiscal years ended March 31, 2022, 2021, and 2020.

(2) Operating lease transactions

Fiscal years ended March 31		2022	2021	2020
Future minimum lease payments at year-end	Within one year	611	629	559
	Over one year	410	870	1,246
	Total	1,022	1,500	1,806

Millions of Yen

Lease Transactions (as a Lessor)

(1) Operating lease transactions

Fiscal years ended March 31		2022	2021	2020
Future minimum lease payments at year-end	Within one year	16,145	13,888	14,916
	Over one year	66,186	60,316	54,003
	Total	82,332	74,204	68,920

Millions of Yen

58. Overview of Investment for the Fiscal Year Ended March 31, 2022 (General Account)

(1) Investment environment

In the fiscal year ended March 31, 2022, the Japanese economy was lackluster and as consumer spending and capital investment were sluggish, due to the impact of the prolonged state of emergency and supply constraints including a shortage of semiconductors in the first half of the fiscal year. In the second half of the fiscal year, consumer spending temporarily recovered as the state of emergency was lifted. However, economic conditions remained severe with another slump in consumer spending due to the impact of restrained economic activities brought about by the spread of the Omicron variant and skyrocketing resource prices caused by the situation in Russia and Ukraine.

- The Nikkei Stock Average at the start of the fiscal year was ¥29,388 and remained largely in a flat range, with the support of the expectations of economic recovery and the accommodative monetary policies by the Bank of Japan. At the end of March 2022, this sank to ¥27,821 reflecting the increased signs of monetary tightening in Europe and the U.S., and the situation in Russia and Ukraine in the second half of the fiscal year.
- The yield rate on 10-year Japanese government bonds at the start of the fiscal year was 0.12%. Thereafter, with the Bank of Japan continuing to implement accommodative monetary policies, the yield rate remained largely in a flat range. In the second half of the fiscal year, domestic interest rates rose with the increased signs of monetary tightening in Europe and the U.S., and the yield rate at the end of March 2022 was 0.21%.
- The yen-dollar exchange rate at the start of the fiscal year was at the ¥110 level and moderately shifted toward depreciation of the yen against the dollar due to increased signs of the normalization of monetary policies in the U.S. Since March 2022, the yen continued to rapidly depreciate against the dollar as the U.S.-Japan interest rate gap widened due to the commencement of monetary tightening reflecting the upswing in inflation in the U.S. At the end of March 2022, the exchange rate was ¥122.39 against the dollar.

The yen-euro exchange rate at the start of the fiscal year was at the ¥130 level and remained largely in a flat range because accommodative monetary policies were expected to be maintained in the euro zone. In the second half of the fiscal year, the yen continued to depreciate against the euro due to increased signs of monetary tightening reflecting the upswing in inflation in Europe. At the end of March 2022, the exchange rate was ¥136.70 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, 2022, 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, 2022 (General Account), continued

Billions of Yen			
As of March 31	2022	Increase*	Breakdown (%)
General account total	75,359.9	3,509.3	100.0
Domestic bonds	28,150.7	1,985.1	37.4
Domestic stocks	10,186.9	(152.0)	13.5
Foreign securities	22,105.7	1,157.1	29.3
Loans	7,498.0	67.3	9.9
Real estate	1,695.7	9.1	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	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
Cash, deposits, and call loans	984,368	1.3	984,375	1.4	996,511	1.5
Receivables under resale agreements	—	—	—	—	—	—
Receivables under securities borrowing transactions	—	—	—	—	—	—
Monetary receivables purchased	150,404	0.2	172,601	0.2	219,068	0.3
Proprietary trading securities	—	—	—	—	—	—
Assets held in trust	—	—	135	0.0	33,779	0.0
Investments in securities	63,817,836	84.7	61,505,813	84.5	56,427,642	83.1
Domestic bonds	28,150,793	37.4	26,225,414	36.1	24,658,162	36.3
Domestic stocks	10,186,935	13.5	10,578,247	14.5	7,858,225	11.6
Foreign securities	22,105,757	29.3	21,264,164	29.2	20,471,430	30.2
Foreign bonds	13,776,050	18.3	13,767,097	18.9	14,191,081	20.9
Foreign stocks and other securities	8,329,706	11.1	7,497,067	10.3	6,280,348	9.3
Other securities	3,374,349	4.5	3,437,986	4.7	3,439,825	5.1
Loans	7,498,037	9.9	7,430,704	10.2	7,411,809	10.9
Policy loans	457,394	0.6	490,826	0.7	554,285	0.8
Industrial and consumer loans	7,040,642	9.3	6,939,877	9.5	6,857,523	10.1
Real estate	1,695,767	2.3	1,686,615	2.3	1,658,731	2.4
Investment property	1,086,306	1.4	1,070,709	1.5	1,061,399	1.6
Deferred tax assets	—	—	—	—	—	—
Other assets	1,220,422	1.6	974,891	1.3	1,123,851	1.7
Allowance for doubtful accounts	(6,910)	(0.0)	(8,219)	(0.0)	(2,686)	(0.0)
Total	75,359,925	100.0	72,746,918	100.0	67,868,709	100.0
Foreign currency-denominated assets	21,569,434	28.6	20,675,767	28.4	19,687,377	29.0

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	2022	2021	2020
Cash, deposits, and call loans	(7)	(12,136)	(82,859)
Receivables under resale agreements	—	—	—
Receivables under securities borrowing transactions	—	—	—
Monetary receivables purchased	(22,197)	(46,466)	(24,975)
Proprietary trading securities	—	—	—
Assets held in trust	(135)	(33,644)	20,621
Investments in securities	2,312,022	5,078,170	913,288
Domestic bonds	1,925,379	1,567,252	1,130,597
Domestic stocks	(391,311)	2,720,022	(1,097,270)
Foreign securities	841,592	792,734	611,886
Foreign bonds	8,953	(423,984)	320,000
Foreign stocks and other securities	832,639	1,216,718	291,885
Other securities	(63,637)	(1,838)	268,074
Loans	67,333	18,894	(26,926)
Policy loans	(33,431)	(63,459)	(28,488)
Industrial and consumer loans	100,764	82,353	1,562
Real estate	9,152	27,883	9,123
Investment property	15,597	9,310	12,979
Deferred tax assets	—	—	—
Other assets	245,531	(148,960)	231,948
Allowance for doubtful accounts	1,308	(5,532)	1,777
Total	2,613,007	4,878,208	1,041,998
Foreign currency-denominated assets	893,667	988,389	967,823

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	2022		2021		2020	
	Average balance	Yield (%)	Average balance	Yield (%)	Average balance	Yield (%)
Cash, deposits, and call loans	860,780	(0.03)	849,403	0.24	958,470	0.03
Receivables under resale agreements	—	—	—	—	—	—
Receivables under securities borrowing transactions	—	—	—	—	—	—
Monetary receivables purchased	158,678	1.83	194,595	1.84	216,838	1.77
Proprietary trading securities	—	—	—	—	—	—
Assets held in trust	4,411	(1.94)	13,552	(251.94)	21,037	84.23
Investments in securities	53,547,023	3.08	51,535,561	3.24	49,780,727	2.25
Domestic bonds	27,109,615	1.27	25,558,349	1.98	23,670,276	1.68
Domestic stocks	4,550,525	12.49	4,636,703	4.72	4,808,813	2.73
Foreign securities	18,629,169	3.67	18,120,396	4.91	18,195,299	2.98
Foreign bonds	11,812,278	2.65	11,874,098	4.13	12,506,601	2.50
Foreign stocks and other securities	6,816,891	5.43	6,246,297	6.39	5,688,697	4.03
Loans	7,385,278	1.39	7,498,335	1.31	7,454,096	1.51
Industrial and consumer loans	6,913,411	1.18	6,957,933	1.11	6,888,638	1.26
Real estate	1,698,712	2.45	1,664,375	2.76	1,656,073	2.78
Investment property	1,085,093	3.75	1,047,254	4.29	1,057,325	4.39
General account total	65,844,407	2.78	63,832,163	2.72	61,980,338	2.11
Overseas investments	20,372,460	3.47	19,759,160	4.60	19,784,211	2.82

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	2022	2021	2020	
Interest, dividends, and other income	1,537,372	1,381,994	1,426,177	
Gain on proprietary trading securities	—	—	—	
Gain from assets held in trust, net	—	—	17,720	
Gain from trading securities	—	—	—	
Gain on sales of securities	465,253	507,284	328,211	
Gain on redemptions of securities	7,822	3,690	2,193	
Gain on derivative financial instruments, net	—	—	—	
Foreign exchange gains, net	70,327	68,465	—	
Reversal of allowance for doubtful accounts	1,292	—	1,233	
Reversal of allowance for investment loss	4,012	2,188	—	
Other investment income	856	1,177	1,333	
Total	2,086,936	1,964,801	1,776,868	

62. Investment Expenses (General Account)

				Millions of Yen
Fiscal years ended March 31	2022	2021	2020	
Interest expenses	32,561	28,437	33,220	
Loss on proprietary trading securities	—	—	—	
Loss from assets held in trust, net	85	34,144	—	
Loss from trading securities	—	—	—	
Loss on sales of securities	113,617	40,193	48,704	
Loss on valuation of securities	13,121	4,963	202,393	
Loss on redemptions of securities	7,052	14,736	12,745	
Loss on derivative financial instruments, net	12,961	48,004	83,947	
Foreign exchange losses, net	—	—	29,408	
Provision for allowance for doubtful accounts	—	5,968	—	
Provision for allowance for investment loss	—	—	5,471	
Write-offs of loans	—	—	—	
Depreciation of rental real estate and other assets	18,355	17,830	17,582	
Other investment expenses	58,478	33,203	32,912	
Total	256,233	227,482	466,386	

63. Interest, Dividends, and Other Income (General Account)

				Millions of Yen
Fiscal years ended March 31	2022	2021	2020	
Interest on deposits and savings	555	874	6,524	
Interest on securities and dividends	1,316,643	1,174,673	1,195,430	
Interest on bonds	393,176	386,191	383,587	
Domestic stock dividends	244,591	194,331	217,832	
Interest/dividends on foreign securities	624,079	538,212	544,456	
Interest on loans	104,337	108,633	121,811	
Real estate rental income	107,731	88,036	88,504	
Total, including other income	1,537,372	1,381,994	1,426,177	

64. Analysis of Interest, Dividends, and Other Income (General Account)

Millions of Yen									
Fiscal years ended March 31	2022			2021			2020		
	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	43,565	111,811	155,377	42,610	(86,793)	(44,182)	40,060	(41,548)	(1,488)
Cash, deposits, and call loans	18	(471)	(452)	(1,046)	(6,733)	(7,779)	(261)	726	465
Securities	45,848	96,121	141,969	42,140	(62,896)	(20,756)	40,644	(43,753)	(3,108)
Loans	(1,637)	(2,658)	(4,296)	722	(13,900)	(13,177)	(223)	(2,547)	(2,771)
Real estate	1,816	17,878	19,694	443	(911)	(468)	1,614	3,913	5,527

65. Gain on Sales of Securities (General Account)

Millions of Yen			
Fiscal years ended March 31	2022	2021	2020
Domestic bonds	23,938	50,774	41,199
Domestic stocks and other securities	366,791	89,320	68,460
Foreign securities	74,524	367,189	217,963
Total, including other gains on sales of securities	465,253	507,284	328,211

66. Loss on Sales of Securities (General Account)

Millions of Yen			
Fiscal years ended March 31	2022	2021	2020
Domestic bonds	75,728	2,319	204
Domestic stocks and other securities	15,014	33,847	26,291
Foreign securities	22,873	4,019	22,201
Total, including other losses on sales of securities	113,617	40,193	48,704

67. Loss on Valuation of Securities (General Account)

Millions of Yen			
Fiscal years ended March 31	2022	2021	2020
Domestic bonds	—	—	—
Domestic stocks and other securities	11,644	1,874	142,480
Foreign securities	1,463	3,074	59,887
Total, including other losses on valuation of securities	13,121	4,963	202,393

68. Proprietary Trading Securities (General Account)

There are no ending balances as of March 31, 2022, 2021, and 2020.

69. Proprietary Trading Securities Trading Volume (General Account)

There are no ending balances for the fiscal years ended March 31, 2022, 2021, and 2020.

70. Breakdown of Investments in Securities (General Account)

Millions of Yen						
As of March 31	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
Domestic bonds	28,150,793	44.1	26,225,414	42.6	24,658,162	43.7
National government bonds	25,099,962	39.3	23,170,114	37.7	21,859,769	38.7
Local government bonds	844,972	1.3	830,406	1.4	731,436	1.3
Corporate bonds	2,205,858	3.5	2,224,893	3.6	2,066,956	3.7
Public entity bonds	819,400	1.3	853,621	1.4	792,932	1.4
Domestic stocks	10,186,935	16.0	10,578,247	17.2	7,858,225	13.9
Foreign securities	22,105,757	34.6	21,264,164	34.6	20,471,430	36.3
Foreign bonds	13,776,050	21.6	13,767,097	22.4	14,191,081	25.1
Foreign stocks and other securities	8,329,706	13.1	7,497,067	12.2	6,280,348	11.1
Other securities	3,374,349	5.3	3,437,986	5.6	3,439,825	6.1
Total	63,817,836	100.0	61,505,813	100.0	56,427,642	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
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

71. Breakdown of Investments in Securities by Maturity Dates (General Account), continued

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 securities with no fixed maturity)	Total
As of March 31	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
As of March 31	2020						
Investments in securities	904,100	2,210,299	2,782,812	4,699,815	8,087,023	37,743,590	56,427,642
Domestic bonds							
National government bonds	316,479	882,898	1,489,750	2,217,841	2,506,890	14,445,909	21,859,769
Local government bonds	5,123	6,059	26,673	77,038	132,376	484,165	731,436
Corporate bonds	55,020	128,765	217,169	235,456	537,201	893,342	2,066,956
Domestic stocks						7,858,225	7,858,225
Foreign securities	492,101	1,088,747	837,008	1,519,234	2,987,791	13,546,545	20,471,430
Foreign bonds	483,879	1,061,095	786,755	1,490,227	2,889,495	7,479,627	14,191,081
Foreign stocks and other securities	8,221	27,651	50,253	29,007	98,295	6,066,918	6,280,348
Other securities	35,375	103,828	212,211	650,244	1,922,764	515,401	3,439,825
Monetary receivables purchased	29,109	867	1,110	4,932	36,636	146,411	219,068
Negotiable certificates of deposit	162,898	—	—	—	—	—	162,898
Total	1,096,109	2,211,167	2,783,923	4,704,748	8,123,659	37,890,001	56,809,609

72. Bond Yields (General Account)

%			
As of March 31	2022	2021	2020
Domestic bonds	1.47	1.55	1.66
Foreign bonds	2.51	2.60	2.80
Japanese yen denominated	1.05	1.13	1.22
Foreign currency denominated	2.60	2.69	2.90

73. Stocks Held—Breakdown by Industry (General Account)

Millions of Yen					
As of March 31	2022		2021		2020
	Amount	%	Amount	%	Amount
Fishery, agriculture, and forestry	3,430	0.0	3,756	0.0	3,067
Mining	1,667	0.0	1,086	0.0	986
Construction	141,573	1.4	151,277	1.4	126,226
Manufacturing					
Food	298,870	2.9	300,157	2.8	261,743
Textiles and apparel	88,244	0.9	97,366	0.9	77,636
Pulp and paper	23,731	0.2	28,828	0.3	21,773
Chemicals	966,792	9.5	1,156,254	10.9	815,638
Pharmaceuticals	687,077	6.7	878,988	8.3	707,035
Oil and coal products	13,288	0.1	13,034	0.1	14,414
Rubber products	68,533	0.7	83,497	0.8	62,623
Glass and ceramic products	81,886	0.8	92,709	0.9	61,554
Iron and steel	112,550	1.1	96,455	0.9	59,167
Nonferrous metals	71,686	0.7	73,669	0.7	47,748
Metal products	31,023	0.3	40,752	0.4	25,750
Machinery	533,795	5.2	639,091	6.0	398,268
Electric appliances	1,223,594	12.0	1,411,198	13.3	880,005
Transportation equipment	1,909,945	18.7	1,559,253	14.7	1,168,064
Precision instruments	107,019	1.1	180,019	1.7	134,144
Other products	114,397	1.1	111,141	1.1	88,559
Electric power and gas	258,071	2.5	318,897	3.0	289,190
Transportation, information, and communication					
Land transportation	458,258	4.5	561,448	5.3	485,367
Marine transportation	22,378	0.2	7,911	0.1	3,866
Air transportation	8,264	0.1	8,447	0.1	12,186
Warehousing and harbor transportation services	8,342	0.1	8,294	0.1	7,356
Information and communication	635,158	6.2	558,251	5.3	373,024
Trade and services					
Wholesale trade	492,640	4.8	393,452	3.7	277,051
Retail trade	288,579	2.8	300,879	2.8	218,657
Finance and insurance					
Banking	348,616	3.4	379,266	3.6	299,053
Securities and trading	69,689	0.7	68,703	0.6	58,172
Insurance	701,192	6.9	636,364	6.0	571,794
Other financial services	61,005	0.6	62,981	0.6	48,125
Real estate	45,285	0.4	47,274	0.4	38,681
Services	310,344	3.0	307,536	2.9	221,288
Total	10,186,935	100.0	10,578,247	100.0	7,858,225

74. Loans (General Account)

Millions of Yen			
As of March 31	2022	2021	2020
Policy loans	457,394	490,826	554,285
Premium loans	29,050	32,400	36,167
Policyholder loans	428,344	458,426	518,118
Industrial and consumer loans	7,040,642	6,939,877	6,857,523
[Loans to nonresidents]	[688,264]	[582,479]	[392,690]
Corporate loans—international and domestic	5,274,701	5,192,071	5,106,417
[Corporate loans—domestic]	[4,594,801]	[4,618,216]	[4,733,195]
Loans to national, international, and government-affiliated organizations	1,099	1,136	1,551
Loans to public entities	462,762	453,375	470,983
Housing loans	849,704	833,315	827,072
Consumer loans	367,537	371,141	373,506
Other loans	84,837	88,837	77,992
Total	7,498,037	7,430,704	7,411,809

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	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
As of March 31	2020						
Fixed-rate loans	906,675	1,150,128	912,739	615,201	763,741	1,680,942	6,029,429
Variable-rate loans	67,659	106,618	124,645	109,768	149,902	269,499	828,094
Total loans	974,335	1,256,747	1,037,385	724,970	913,643	1,950,441	6,857,523

76. Loans to Domestic Companies by Company Size (General Account)

							Number of Borrowers, Millions of Yen
As of March 31	2022		2021		2020		
		Number/Amount	%	Number/Amount	%	Number/Amount	%
Large companies	Number of borrowers	673	40.4	705	40.0	754	39.4
	Amount of loans (¥)	3,878,609	84.4	3,927,041	85.0	4,026,367	85.1
Medium-sized companies	Number of borrowers	188	11.3	208	11.8	233	12.2
	Amount of loans (¥)	49,925	1.1	50,876	1.1	55,320	1.2
Small companies	Number of borrowers	806	48.4	850	48.2	927	48.4
	Amount of loans (¥)	666,265	14.5	640,298	13.9	651,507	13.8
Total loans to domestic companies	Total number of borrowers	1,667	100.0	1,763	100.0	1,914	100.0
	Total amount of loans (¥)	4,594,801	100.0	4,618,216	100.0	4,733,195	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	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
Domestic						
Manufacturing	935,138	13.3	1,015,371	14.6	1,033,782	15.1
Food	69,533	1.0	104,185	1.5	106,134	1.5
Textiles and apparel	21,985	0.3	12,940	0.2	19,896	0.3
Wood and wood products	1,882	0.0	1,993	0.0	2,446	0.0
Pulp and paper	57,209	0.8	56,149	0.8	57,067	0.8
Printing	35,912	0.5	38,301	0.6	16,069	0.2
Chemicals	182,702	2.6	173,043	2.5	201,181	2.9
Oil and coal products	95,985	1.4	95,613	1.4	83,966	1.2
Ceramics, soil, and stone	43,493	0.6	43,862	0.6	37,880	0.6
Iron and steel	107,938	1.5	143,279	2.1	168,001	2.4
Nonferrous metals	14,058	0.2	12,865	0.2	14,420	0.2
Metal products	9,089	0.1	9,159	0.1	8,436	0.1
General purpose, production, and industrial machinery	97,427	1.4	99,935	1.4	101,073	1.5
Electric appliances	66,215	0.9	69,105	1.0	72,298	1.1
Transportation equipment	104,255	1.5	127,201	1.8	118,107	1.7
Other manufacturing products	27,450	0.4	27,736	0.4	26,802	0.4
Agriculture and forestry	—	—	—	—	—	—
Fishery	—	—	—	—	—	—
Mining, quarrying, and gravel mining	2,581	0.0	2,718	0.0	3,321	0.0
Construction	43,527	0.6	44,374	0.6	33,362	0.5
Electric power, gas, heat supply, and waterworks	1,241,251	17.6	1,208,306	17.4	1,257,646	18.3
Information and communication	127,811	1.8	127,164	1.8	127,434	1.9
Transportation and courier	619,905	8.8	621,689	9.0	608,502	8.9
Wholesale trade	724,866	10.3	727,596	10.5	730,627	10.7
Retail trade	45,080	0.6	40,862	0.6	48,724	0.7
Financing and insurance	434,144	6.2	430,905	6.2	467,147	6.8
Real estate	556,027	7.9	537,798	7.7	529,181	7.7
Goods rental and leasing	262,687	3.7	222,489	3.2	234,463	3.4
Academic research, and specialized and technical services	3,381	0.0	2,660	0.0	1,667	0.0
Hospitality services	1,066	0.0	1,998	0.0	3,260	0.0
Food and drink services	2,448	0.0	2,901	0.0	2,828	0.0
Lifestyle and entertainment	2,442	0.0	24,497	0.4	35,508	0.5
Education and learning support	2,077	0.0	1,931	0.0	1,441	0.0
Medical treatment and welfare	704	0.0	823	0.0	860	0.0
Other services	13,551	0.2	13,062	0.2	11,141	0.2
Local organizations and public entities	116,439	1.7	125,786	1.8	133,349	1.9
Individuals (residential, consumption, local taxes, and others)	1,217,241	17.3	1,204,458	17.4	1,200,581	17.5
Subtotal	6,352,377	90.2	6,357,398	91.6	6,464,832	94.3
Overseas						
Governments and public entities	—	—	—	—	10,000	0.1
Financial institutions	164,563	2.3	127,685	1.8	68,942	1.0
Commerce and industry, and others	523,700	7.4	454,793	6.6	313,748	4.6
Subtotal	688,264	9.8	582,479	8.4	392,690	5.7
Total loans	7,040,642	100.0	6,939,877	100.0	6,857,523	100.0

78. Breakdown of Industrial and Consumer Loans by Use (General Account)

Millions of Yen						
As of March 31	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
Capital investments	2,887,764	41.0	2,764,566	39.8	2,622,714	38.2
Operations	4,152,878	59.0	4,175,310	60.2	4,234,808	61.8
Total loans	7,040,642	100.0	6,939,877	100.0	6,857,523	100.0

79. Breakdown of Loans to Domestic Companies by Region (General Account)

Millions of Yen						
As of March 31	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
Hokkaido	100,760	2.2	70,843	1.5	69,412	1.5
Tohoku	141,483	3.1	133,371	2.9	132,761	2.8
Kanto	3,130,883	68.1	3,117,567	67.5	3,156,562	66.7
Chubu	343,878	7.5	346,756	7.5	376,185	7.9
Kinki	598,086	13.0	659,681	14.3	679,178	14.3
Chugoku	72,716	1.6	89,632	1.9	110,008	2.3
Shikoku	70,898	1.5	69,533	1.5	68,881	1.5
Kyushu	136,094	3.0	130,830	2.8	140,205	3.0
Total	4,594,801	100.0	4,618,216	100.0	4,733,195	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	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
Secured loans	18,633	0.3	22,968	0.3	28,047	0.4
Loans secured by securities	3,666	0.1	4,933	0.1	6,443	0.1
Loans secured by real estate, movable assets, and foundations	13,490	0.2	15,362	0.2	16,618	0.2
Loans secured by personal guarantees	1,476	0.0	2,672	0.0	4,985	0.1
Guarantee loans	121,281	1.7	148,410	2.1	155,375	2.3
Fiduciary loans	5,683,485	80.7	5,564,040	80.2	5,473,521	79.8
Other loans	1,217,241	17.3	1,204,457	17.4	1,200,579	17.5
Total loans	7,040,642	100.0	6,939,877	100.0	6,857,523	100.0
Subordinated loans	143,620	2.0	170,620	2.5	181,620	2.6

81. Appraisal Value of Real Estate (General Account)

Billions of Yen			
As of March 31	2022	2021	2020
Land and land lease rights			
Balance sheet amount	1,221.1	1,221.2	1,201.9
Fair value (appraisal value)	1,827.9	1,768.5	1,717.4
Net unrealized gains	606.8	547.3	515.4
Gain	706.3	652.4	627.7
Loss	(99.4)	(105.1)	(112.3)
Revaluation differences	40.0	44.4	48.3
	646.9	591.8	563.8

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	2022	2021	2020
Real estate balance (¥)	1,695,767	1,686,615	1,658,731
For business use (¥)	609,460	615,906	597,332
For rental use (¥)	1,086,306	1,070,709	1,061,399
Number of buildings held for leasing	258	261	262

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	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	—
Fiscal year ended March 31	2020						
Land	1,121,375	7,102	4,204 [1,984]	—	1,124,273	—	—
Buildings	512,736	36,457	4,625 [740]	26,158	518,409	1,081,847	67.6
Lease assets	9,798	1,506	304	3,227	7,772	9,527	55.1
Construction in progress	15,496	44,686	44,135	—	16,047	—	—
Other tangible fixed assets	21,182	1,514	104	7,245	15,346	43,519	73.9
Total	1,680,589	91,267	53,374 [2,725]	36,631	1,681,851	1,134,894	—
Investment and rental properties included in the above	1,082,225	51,526	20,571 [2,725]	17,171	1,096,009	702,978	—

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	2022		2021		2020	
	Gain	Loss	Gain	Loss	Gain	Loss
Tangible fixed assets	5,168	4,444	77	4,770	1,258	5,658
Land	4,385	742	61	1,136	274	769
Buildings	781	3,030	15	3,503	970	4,029
Lease assets	—	1	—	0	—	0
Other assets	1	669	0	129	13	859
Intangible fixed assets	—	104	11	95	429	308
Others	—	243	—	133	—	223
Total	5,168	4,792	89	4,999	1,687	6,190
Investment and rental properties included in the above	5,165	714	75	970	1,100	695

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	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
Fiscal year ended March 31	2020				
Tangible fixed assets	1,054,762	17,366	701,577	353,184	66.5
Buildings	1,048,756	17,170	696,438	352,318	66.4
Lease assets	—	—	—	—	—
Others	6,005	195	5,139	866	85.6
Intangible fixed assets	0	0	0	0	15.0
Other assets	4,500	216	2,855	1,644	63.5
Total	1,059,263	17,582	704,433	354,830	66.5

86. Overseas Loans and Investments (General Account)

1. Breakdown by asset composition

						Millions of Yen
As of March 31		2022		2021		2020
		Amount	%	Amount	%	Amount
Foreign currency-denominated assets						
Foreign bonds		13,617,779	56.0	13,628,035	58.6	13,883,995
Foreign stocks		944,296	3.9	880,453	3.8	766,721
Cash, deposits, and others		7,007,358	28.8	6,167,278	26.5	5,036,661
Subtotal		21,569,434	88.7	20,675,767	88.9	19,687,377
Foreign currency-denominated assets with fixed yen value						
Foreign bonds		—	—	—	—	—
Cash, deposits, and others		240,256	1.0	205,155	0.9	252,180
Subtotal		240,256	1.0	205,155	0.9	252,180
Japanese yen-denominated assets						
Loans to nonresidents		41,755	0.2	42,981	0.2	54,879
Foreign bonds and others		2,471,549	10.2	2,338,807	10.1	2,333,678
Subtotal		2,513,304	10.3	2,381,789	10.2	2,388,557
Net overseas loans and investments		24,322,996	100.0	23,262,712	100.0	22,328,115

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		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
As of March 31		2020						
North America	7,525,213	36.8	7,041,723	49.6	483,489	7.7	49,876	12.7
Europe	6,150,757	30.0	5,652,047	39.8	498,709	7.9	199,709	50.9
Oceania	641,717	3.1	513,305	3.6	128,412	2.0	48,222	12.3
Asia	803,717	3.9	424,975	3.0	378,741	6.0	1,000	0.3
Central and South Americas	5,143,116	25.1	352,120	2.5	4,790,995	76.3	42,354	10.8
Middle East	—	—	—	—	—	—	34,241	8.7
Africa	—	—	—	—	—	—	17,286	4.4
International organizations	206,908	1.0	206,908	1.5	—	—	—	—
Total	20,471,430	100.0	14,191,081	100.0	6,280,348	100.0	392,690	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	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
U.S. dollar	13,778,065	63.9	12,585,486	60.9	12,183,093	61.9
Euro	5,107,354	23.7	5,304,058	25.7	5,042,064	25.6
British pound	1,423,805	6.6	1,469,675	7.1	1,277,026	6.5
Australian dollar	641,544	3.0	728,442	3.5	617,935	3.1
Indian rupee	208,391	1.0	208,403	1.0	208,341	1.1
Canadian dollar	97,347	0.5	77,194	0.4	37,158	0.2
Others	312,925	1.5	302,505	1.5	321,757	1.6
Total	21,569,434	100.0	20,675,767	100.0	19,687,377	100.0

Note: The table above represents asset balances denominated in the top six foreign currencies as of March 31, 2022.

87. Yield on Overseas Loans and Investments (General Account)

%			
Fiscal years ended March 31	2022	2021	2020
Yield on overseas loans and investments	3.47	4.60	2.82

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		2022		2021		2020	
		Amount	%	Amount	%	Amount	%
Public bonds	National government bonds	305,091	50.1	183,784	41.7	303,667	54.9
	Local government bonds	—	—	—	—	—	—
	Public corporation and agency bonds	1,134	0.2	2,368	0.5	1,995	0.4
	Subtotal	306,225	50.3	186,152	42.2	305,663	55.3
Loans	Government-affiliated organizations	1,099	0.2	1,136	0.3	1,551	0.3
	Public entities	301,459	49.5	253,909	57.5	245,991	44.5
	Subtotal	302,558	49.7	255,045	57.8	247,542	44.7
Total		608,784	100.0	441,197	100.0	553,205	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	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
Fiscal year ended March 31	2020				
Deferred assets	8,748	2,313	415	5,587	5,058
Others	47,114	57,367	55,121	1,864	47,495
Total	55,863	59,680	55,536	7,452	52,554

90. Loan Interest Rates

										Dates, %
Type of loan										
Base rate of long-term loans (long-term prime rate loans)	Housing loans					Consumer loans				
	Fixed interest rate	Variable interest rate optional with fixed interest rate	Variable interest rate (long-term loans)	Variable interest rate (short-term loans)		Fixed interest rate	Variable interest rate (long-term loans)	Variable interest rate (short-term loans)		
		2.72–3.88 ^(*1)		2.475 ^(*2)		3.37–3.88 ^(*1)		2.775 ^(*2)		
Fiscal year ended March 31 2023										
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		
Fiscal year ended March 31 2019										
	12/1	3.37–4.50								

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 August 1, 2015

*2 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	2022		2021		2020	
	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)	33,120	27,919

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	2022					2021				
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	25,692,326	27,714,829	2,022,502	2,474,740	(452,237)	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	335,588	206,972	206,972	—	128,615	283,208	154,592	154,592	—
Available-for-sale securities	28,310,565	36,760,004	8,449,438	8,936,125	(486,687)	27,454,262	36,637,640	9,183,377	9,371,647	(188,269)
Domestic bonds	2,557,599	2,683,631	126,032	147,438	(21,405)	2,656,399	2,842,251	185,852	192,880	(7,028)
Domestic stocks	3,944,486	9,569,499	5,625,012	5,724,819	(99,807)	4,117,388	9,981,652	5,864,264	5,965,078	(100,814)
Foreign securities	18,476,431	21,072,957	2,596,526	2,883,292	(286,766)	17,430,977	20,360,376	2,929,399	2,994,769	(65,370)
Foreign bonds	12,093,881	13,668,994	1,575,113	1,765,329	(190,216)	11,672,974	13,623,990	1,951,015	1,996,814	(45,799)
Foreign stocks and other securities	6,382,550	7,403,963	1,021,413	1,117,963	(96,550)	5,758,003	6,736,386	978,383	997,954	(19,571)
Other securities	3,140,155	3,242,239	102,083	180,499	(78,415)	3,113,603	3,316,772	203,169	218,199	(15,029)
Monetary receivables purchased	22,291	22,076	(215)	74	(290)	21,894	22,588	693	718	(24)
Negotiable certificates of deposit	169,600	169,598	(1)	0	(1)	114,000	113,998	(1)	0	(1)
Total	54,131,507	64,810,422	10,678,914	11,617,838	(938,924)	51,256,721	63,571,742	12,315,020	12,649,047	(334,026)
Domestic bonds	28,024,761	30,159,896	2,135,135	2,608,657	(473,522)	26,039,562	29,184,641	3,145,079	3,297,685	(152,605)
Domestic stocks	3,944,486	9,569,499	5,625,012	5,724,819	(99,807)	4,117,388	9,981,652	5,864,264	5,965,078	(100,814)
Foreign securities	18,700,953	21,513,227	2,812,274	3,099,048	(286,774)	17,699,330	20,794,259	3,094,928	3,160,446	(65,517)
Foreign bonds	12,190,717	13,774,793	1,584,075	1,774,299	(190,224)	11,813,641	13,775,735	1,962,093	2,008,039	(45,946)
Foreign stocks and other securities	6,510,235	7,738,434	1,228,198	1,324,749	(96,550)	5,885,688	7,018,523	1,132,835	1,152,406	(19,571)
Other securities	3,141,085	3,243,357	102,271	180,686	(78,415)	3,114,533	3,317,843	203,310	218,340	(15,029)
Monetary receivables purchased	150,619	154,841	4,222	4,625	(403)	171,907	179,347	7,439	7,496	(57)
Negotiable certificates of deposit	169,600	169,598	(1)	0	(1)	114,000	113,998	(1)	0	(1)

As of March 31	2020				
Types of securities	Book value	Fair value	Net gains (losses)	Gains	Losses
Policy-reserve-matching bonds	21,770,340	25,513,284	3,742,944	3,765,715	(22,771)
Held-to-maturity debt securities	—	—	—	—	—
Investments in subsidiaries and affiliates	134,202	190,424	56,222	56,320	(98)
Available-for-sale securities	27,987,339	33,769,566	5,782,227	6,417,416	(635,188)
Domestic bonds	3,000,836	3,193,036	192,200	200,704	(8,503)
Domestic stocks	4,142,159	7,320,211	3,178,051	3,474,933	(296,881)
Foreign securities	17,512,826	19,714,837	2,202,010	2,517,791	(315,781)
Foreign bonds	12,122,452	14,068,960	1,946,507	2,094,363	(147,855)
Foreign stocks and other securities	5,390,374	5,645,877	255,502	423,428	(167,925)
Other securities	3,122,331	3,332,001	209,670	223,105	(13,435)
Monetary receivables purchased	46,284	46,580	296	882	(586)
Negotiable certificates of deposit	162,900	162,898	(1)	0	(1)
Total	49,891,882	59,473,276	9,581,394	10,239,453	(658,059)
Domestic bonds	24,465,961	28,385,943	3,919,981	3,946,791	(26,810)
Domestic stocks	4,142,159	7,320,211	3,178,051	3,474,933	(296,881)
Foreign securities	17,778,826	20,043,280	2,264,453	2,584,747	(320,294)
Foreign bonds	12,255,179	14,208,037	1,952,857	2,105,126	(152,269)
Foreign stocks and other securities	5,523,646	5,835,243	311,596	479,620	(168,024)
Other securities	3,123,261	3,333,060	209,798	223,233	(13,435)
Monetary receivables purchased	218,771	227,881	9,109	9,746	(636)
Negotiable certificates of deposit	162,900	162,898	(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	2022	2021	2020	
Investments in subsidiaries and affiliates	1,337,784	1,179,556	1,018,274	
Available-for-sale securities	197,323	168,269	128,279	
Domestic stocks	55,434	61,115	60,000	
Foreign stocks	218	309	218	
Others	141,670	106,844	68,060	
Total	1,535,107	1,347,826	1,146,554	

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 ¥92,119 million, ¥17,007 million and ¥(35,562) million as of March 31, 2022, 2021 and 2020, respectively.

92. Fair Value of Assets Held in Trust (General Account)

				Millions of Yen
As of March 31	2022	2021	2020	
Assets held in trust				
Balance sheet amount	—	135	33,779	
Fair value	—	135	33,779	
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	2022		2021		2020		
	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)	33,779	27,919	

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, 2022, 2021, and 2020.

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	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)
As of March 31	2020					
Hedge accounting applied	103,876	(167,735)	11,972	—	—	(51,886)
Hedge accounting not applied	14,238	(29,315)	13,275	—	—	(1,802)
Total	118,114	(197,051)	25,247	—	—	(53,689)

Note: Net gains (losses) from applying the fair value hedge included in gain and loss on hedge accounting applied (as of March 31, 2022: Currencies ¥(399,749) million and equities ¥6,712 million; as of March 31, 2021: Currencies ¥(224,485) million and equities ¥(14,871) million; and as of March 31, 2020: Currencies ¥30,532 million and equities ¥11,972 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		2022				2021				
Category	Type	Contract amount		Fair value	Net gains (losses)	Contract amount		Fair value	Net gains (losses)	
		Over 1 year				Over 1 year				
Over-the-counter	Interest rate swaps									
	Receive fixed interest rate/ pay variable interest rate	2,971,000	2,971,000	(72,980)	(72,980)	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	1,383,000	1,205,500	23,311	(25,952)	1,330,000	1,300,000	20,605	(26,539)	
		[49,264]	[46,699]			[47,145]	[46,951]			
	Pay fixed interest rate/ receive variable interest rate	—	—	—	—	—	—	—	—	
		[—]	[—]			[—]	[—]			
Total					(98,933)				(971)	

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		2020			
Category	Type	Contract amount		Fair value	Net gains (losses)
		Over 1 year			
Over-the-counter	Interest rate swaps				
	Receive fixed interest rate/ pay variable interest rate	1,775,000	1,775,000	103,876	103,876
	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	952,500	952,500	50,756	14,238
		[36,518]	[36,518]		
	Pay fixed interest rate/ receive variable interest rate	—	—	—	—
		[—]	[—]		
Total					118,114

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
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
Average fixed interest rate to receive (%)		—	(0.02)	—	—	0.12	0.39
Average variable interest rate to pay (%)		—	0.05	—	—	(0.01)	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
Average fixed interest rate to receive (%)		(0.05)	(0.02)	—	—	—	0.41
Average variable interest rate to pay (%)		(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 (%)		—	—	—	—	—	—
As of March 31		2020					
Interest rate swaps							
Receive fixed interest rate/pay variable interest rate							
Notional amount		—	4,000	6,000	—	—	1,765,000
Average fixed interest rate to receive (%)		—	(0.05)	(0.02)	—	—	0.45
Average variable interest rate to pay (%)		—	(0.01)	(0.01)	—	—	(0.02)
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

As of March 31		2022				2021			
Category	Type	Contract amount		Fair value	Net gains (losses)	Contract amount		Fair value	Net gains (losses)
		Over 1 year				Over 1 year			
Over-the-counter	Foreign exchange forward contracts								
	Sold	9,447,441	—	(557,710)	(557,710)	7,576,926	4,808	(312,390)	(312,390)
	U.S. dollar	4,884,398	—	(306,528)	(306,528)	3,109,034	4,808	(139,298)	(139,298)
	Euro	2,732,448	—	(148,883)	(148,883)	2,558,110	—	(58,207)	(58,207)
	British pound	791,831	—	(28,744)	(28,744)	763,349	—	(47,088)	(47,088)
	Australian dollar	591,224	—	(50,875)	(50,875)	899,292	—	(63,637)	(63,637)
	Purchased	2,706,408	—	157,954	157,954	1,629,976	—	95,934	95,934
	U.S. dollar	2,048,187	—	136,272	136,272	862,667	—	45,697	45,697
	Euro	43,516	—	1,931	1,931	36,663	—	(27)	(27)
	Australian dollar	254,005	—	13,239	13,239	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	948,522	—	906	(3,554)	1,162,455	—	940	(12,866)
		[4,460]	[—]	—	—	[13,806]	[—]	—	—
	U.S. dollar	948,522	—	906	(3,554)	1,162,455	—	940	(12,866)
		[4,460]	[—]	—	—	[13,806]	[—]	—	—
	Euro	—	—	—	—	—	—	—	—
		[—]	[—]	—	—	[—]	[—]	—	—
	Currency swaps	5,121,674	5,037,360	(444,097)	(444,097)	4,657,973	4,538,880	(237,744)	(237,744)
	U.S.\$ paid/ received	3,284,475	3,216,784	(312,533)	(312,533)	2,862,781	2,773,843	(77,011)	(77,011)
	€ paid/ received	1,257,627	1,243,609	(91,450)	(91,450)	1,209,486	1,181,149	(125,420)	(125,420)
Total					(847,407)				(466,625)

Millions of Yen

94. Fair Value of Derivative Transactions, Combined Total with and without Hedge Accounting Applied (General Account), continued

(3) Currency-related, continued

As of March 31		2020		Millions of Yen	
Category	Type	Contract amount		Fair value	Net gains (losses)
		Over 1 year			
Over-the-counter	Foreign exchange forward contracts				
	Sold	7,698,981	4,904	41,012	41,012
	U.S. dollar	3,812,005	4,904	(37,330)	(37,330)
	Euro	2,755,509	—	17,106	17,106
	British pound	757,777	—	42,385	42,385
	Australian dollar	180,942	—	17,706	17,706
	Purchased	550,183	—	(1,716)	(1,716)
	U.S. dollar	368,978	—	(959)	(959)
	Euro	56,197	—	(15)	(15)
	Australian dollar	19,138	—	(130)	(130)
	Currency options				
	Sold				
	Call	701,953	—	2,654	(594)
		[2,060]	[—]		
	U.S. dollar	701,953	—	2,654	(594)
		[2,060]	[—]		
	Euro	—	—	—	—
		[—]	[—]		
	Put	—	—	—	—
		[—]	[—]		
U.S. dollar	—	—	—	—	
	[—]	[—]			
Euro	—	—	—	—	
	[—]	[—]			
Purchased					
Call	701,953	—	2,654	(2,690)	
	[5,344]	[—]			
U.S. dollar	701,953	—	2,654	(2,690)	
	[5,344]	[—]			
Euro	—	—	—	—	
	[—]	[—]			
Put	1,365,816	—	11,607	1,896	
	[9,710]	[—]			
U.S. dollar	1,365,816	—	11,607	1,896	
	[9,710]	[—]			
Euro	—	—	—	—	
	[—]	[—]			
Currency swaps	2,954,737	2,813,942	(234,960)	(234,960)	
U.S.\$ paid/ received	1,453,411	1,359,606	(191,198)	(191,198)	
€ paid/ received	802,020	762,459	(25,119)	(25,119)	
Total				(197,051)	

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

As of March 31		2022				2021			
Category	Type	Contract amount		Fair value	Net gains (losses)	Contract amount		Fair value	Net gains (losses)
		Over 1 year				Over 1 year			
Stock exchange	Equity index futures								
	Sold	—	—	—	—	—	—	—	—
	Purchased	—	—	—	—	—	—	—	—
	Equity index options								
	Sold								
	Call	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Purchased								
Over-the-counter	Call	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	504,402	—	1,492	(4,154)	75,864	—	5	(787)
		[5,646]	[—]			[793]	[—]		
	Equity forward contracts								
	Sold	158,141	—	6,649	6,649	54,244	—	(14,873)	(14,873)
	Purchased	—	—	—	—	—	—	—	—
	Equity index options								
	Sold								
	Call	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Purchased								
	Call	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	378,927	36,167	876	(3,886)	437,682	147,936	1,856	(4,404)
		[4,762]	[423]			[6,260]	[2,393]		
	Total				(1,391)				(20,065)

Millions of Yen

94. Fair Value of Derivative Transactions, Combined Total with and without Hedge Accounting Applied (General Account), continued

(4) Equity-related, continued

As of March 31		2020			
		Contract amount		Fair value	Net gains (losses)
Category	Type	Over 1 year			
Stock exchange	Equity index futures				
	Sold	—	—	—	—
	Purchased	—	—	—	—
	Equity index options				
	Sold				
	Call	—	—	—	—
		[—]	[—]		
	Put	—	—	—	—
		[—]	[—]		
	Purchased				
Call	—	—	—	—	
		[—]	[—]		
	Put	406,715	—	21,214	13,279
		[7,934]	[—]		
Over-the-counter	Equity forward contracts				
	Sold	89,701	—	11,968	11,968
	Purchased	—	—	—	—
	Equity index options				
	Sold				
	Call	—	—	—	—
		[—]	[—]		
	Put	—	—	—	—
		[—]	[—]		
	Purchased				
Call	—	—	—	—	
		[—]	[—]		
	Put	—	—	—	—
		[—]	[—]		
Total					25,247

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

As of March 31										Millions of Yen
		2022				2021				
Category	Type	Contract amount		Fair value	Net gains (losses)	Contract amount		Fair value	Net gains (losses)	
		Over 1 year				Over 1 year				
Over-the-counter	Bond purchases and sales with attached options									
	Sold									
	Call	—	—	—	—	—	—	—	—	
		[—]	[—]			[—]	[—]			
	Put	—	—	—	—	—	—	—	—	
		[—]	[—]			[—]	[—]			
	Purchased									
	Call	65,754	65,754	2,867	(64)	—	—	—	—	
		[2,932]	[2,932]			[—]	[—]			
	Put	—	—	—	—	—	—	—	—	
	[—]	[—]			[—]	[—]				
Total					(64)				—	

94. Fair Value of Derivative Transactions, Combined Total with and without Hedge Accounting Applied (General Account), continued

(5) Bond-related, continued

As of March 31		2020			
		Contract amount		Fair value	Net gains (losses)
Category	Type	Over 1 year			
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, 2022, 2021, and 2020.

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

As of March 31		2022		2021		2020	
		Amount	%	Amount	%	Amount	%
Individual variable insurance		110,130	9.1	112,908	9.2	94,319	7.8
Individual variable annuities		19,550	1.6	32,223	2.6	28,017	2.3
Group annuities		1,077,876	89.3	1,082,174	88.2	1,080,089	89.8
Separate account total		1,207,557	100.0	1,227,305	100.0	1,202,426	100.0

96. Asset Management Overview for the Fiscal Year Ended March 31, 2022 (Separate Account Assets for Individual Variable Insurance and Individual Variable Annuities)

While domestic and international stock prices in the fiscal year ended March 31, 2022, rose until December 2021, reflecting the dissemination of COVID-19 vaccines and favorable earning reports from major corporations in the U.S., they fell dramatically since January 2022, reflecting concerns over monetary tightening by the Federal Reserve Board (FRB) and escalated geopolitical risks surrounding the situation in Russia and Ukraine. While domestic and international interest rates declined until early August 2021, reflecting concerns over the economic outlook due to the spread of COVID-19 variants, they rose thereafter reflecting inflation and concerns over monetary tightening by the FRB.

Amid this operating environment, the investment return on individual variable insurance for the fiscal year ended March 31, 2022, was positive at 6.93%.

This also represented investment return of 209.57% (3.24% 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.

Note: 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)

As of March 31		2022		2021		2020	
		Number of policies	Amount of policies (¥)	Number of policies	Amount of policies (¥)	Number of policies	Amount of policies (¥)
		Number of Policies, Millions of Yen					
Variable insurance (defined term type)		10,303	6,861	10,791	6,271	11,312	4,567
Variable insurance (whole life type)		29,889	413,608	30,608	425,701	31,271	436,503
Total		40,192	420,470	41,399	431,973	42,583	441,071

Note: Amounts include term life insurance riders.

98. Breakdown of Assets' Year-End Balance (Separate Account for Individual Variable Insurance)

As of March 31		2022		2021		2020	
		Amount	%	Amount	%	Amount	%
		Millions of Yen					
Cash, deposits, and call loans		13,032	11.8	9,060	8.0	6,019	6.4
Investments in securities		87,436	79.4	98,311	87.1	83,538	88.6
Domestic bonds		19,495	17.7	22,793	20.2	24,046	25.5
Domestic stocks		27,952	25.4	13,747	12.2	5,358	5.7
Foreign securities		24,234	22.0	38,711	34.3	32,833	34.8
Foreign bonds		2,855	2.6	9,757	8.6	9,904	10.5
Foreign stocks and other securities		21,379	19.4	28,954	25.6	22,929	24.3
Other securities		15,752	14.3	23,058	20.4	21,301	22.6
Loans		—	—	—	—	—	—
Others		9,662	8.8	5,536	4.9	4,761	5.0
Allowance for doubtful accounts		—	—	—	—	—	—
Total		110,130	100.0	112,908	100.0	94,319	100.0

99. Investment Income and Expenses (Separate Account for Individual Variable Insurance)

Fiscal years ended March 31		2022	2021	2020
		Millions of Yen		
Interest, dividends, and other income		6,587	4,453	1,658
Gain on sales of securities		9,118	12,365	5,948
Gain on redemptions of securities		—	—	—
Gain on valuation of securities		(4,916)	5,778	(3,266)
Foreign exchange gains, net		457	230	200
Gain on derivative financial instruments, net		3,945	1,333	1,395
Other investment income		1	1	5
Loss on sales of securities		1,629	3,322	6,790
Loss on redemptions of securities		0	0	0
Loss on valuation of securities		1,841	(5,939)	2,443
Foreign exchange losses, net		209	180	230
Loss on derivative financial instruments, net		3,366	1,884	4,447
Other investment expenses		0	0	0
Net investment income		8,145	24,714	(7,971)

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

As of March 31		2022		2021		2020	
		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
		Millions of Yen					
Trading securities		87,436	(6,757)	98,311	11,717	83,538	(5,710)

101. Fair Value of Assets Held in Trust (Separate Account for Individual Variable Insurance)

There were no ending balances as of March 31, 2022, 2021, and 2020.

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)

	Interest	Currencies	Stocks	Bonds	Others	Total
Millions of Yen						
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
As of March 31	2020					
Hedge accounting applied	—	—	—	—	—	—
Hedge accounting not applied	—	(51)	(378)	—	—	(429)
Total	—	(51)	(378)	—	—	(429)

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, 2022, 2021, and 2020.

103. Fair Value of Derivative Transactions, Combined Total with and without Hedge Accounting Applied (Separate Account for Individual Variable Insurance), continued

(3) Currency-related

As of March 31		2022				2021			
Category	Type	Contract amount		Fair value	Net gains (losses)	Contract amount		Fair value	Net gains (losses)
		Over 1 year				Over 1 year			
Over-the-counter	Foreign exchange forward contracts								
	Sold	27,030	—	(966)	(966)	12,197	—	(101)	(101)
	U.S. dollar	10,402	—	(261)	(261)	5,874	—	(89)	(89)
	Euro	5,666	—	(290)	(290)	3,817	—	1	1
	Purchased	31,282	—	1,270	1,270	10,190	—	102	102
	U.S. dollar	13,774	—	472	472	6,360	—	93	93
	Euro	6,391	—	301	301	2,083	—	(1)	(1)
Total					303				1

Millions of Yen

As of March 31		2020			
Category	Type	Contract amount		Fair value	Net gains (losses)
		Over 1 year			
Over-the-counter	Foreign exchange forward contracts				
	Sold	9,252	—	(112)	(112)
	U.S. dollar	4,801	—	(93)	(93)
	Euro	1,892	—	(5)	(5)
	Purchased	5,163	—	61	61
	U.S. dollar	808	—	31	31
	Euro	2,631	—	23	23
Total					(51)

Note: Net gains (losses) represent the fair value.

(4) Equity-related

As of March 31		2022				2021			
Category	Type	Contract amount		Fair value	Net gains (losses)	Contract amount		Fair value	Net gains (losses)
		Over 1 year				Over 1 year			
Exchange-traded	Equity index futures								
	Sold	—	—	—	—	491	—	(7)	(7)
	Purchased	8,709	—	309	309	2,525	—	14	14
Total					309				6

Millions of Yen

As of March 31		2020			
Category	Type	Contract amount		Fair value	Net gains (losses)
		Over 1 year			
Exchange-traded	Equity index futures				
	Sold	2,967	—	(326)	(326)
	Purchased	1,524	—	(51)	(51)
Total					(378)

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

As of March 31		2022				2021			
Category	Type	Contract amount		Fair value	Net gains (losses)	Contract amount		Fair value	Net gains (losses)
		Over 1 year				Over 1 year			
Exchange-traded	Yen-denominated bond futures								
	Sold	2,994	—	0	0	2,268	—	0	0
	Purchased	—	—	—	—	—	—	—	—
	Foreign currency-denominated bond futures								
	Sold	—	—	—	—	—	—	—	—
	Purchased	—	—	—	—	—	—	—	—
Total					0				0

Millions of Yen

As of March 31		2020			
Category	Type	Contract amount		Fair value	Net gains (losses)
		Over 1 year			
Exchange-traded	Yen-denominated bond futures				
	Sold	—	—	—	—
	Purchased	—	—	—	—
	Foreign currency-denominated bond futures				
	Sold	—	—	—	—
	Purchased	—	—	—	—
Total					—

Note: Net gains (losses) represent the fair value.

(6) Others

There were no ending balances as of March 31, 2022, 2021, and 2020.

104. Policies in Force (Separate Account for Individual Variable Annuities)

As of March 31		2022		2021		2020	
		Number of policies		Number of policies		Number of policies	
		Amount of policies (¥)		Amount of policies (¥)		Amount of policies (¥)	
Individual variable annuities		11,072	19,539	27,164	32,221	33,818	28,001

Number of Policies, Millions of Yen

Note: Amounts represent policy reserves.

105. Breakdown of Assets' Year-End Balance (Separate Account for Individual Variable Annuities)

As of March 31		2022		2021		2020	
		Amount	%	Amount	%	Amount	%
Cash, deposits, and call loans		—	—	—	—	—	—
Investments in securities		19,475	99.6	31,498	97.8	27,205	97.1
Domestic bonds		3,526	18.0	4,586	14.2	6,290	22.5
Domestic stocks		—	—	—	—	—	—
Foreign securities		—	—	—	—	—	—
Foreign bonds		—	—	—	—	—	—
Foreign stocks and other securities		—	—	—	—	—	—
Other securities		15,948	81.6	26,912	83.5	20,915	74.7
Loans		—	—	—	—	—	—
Others		74	0.4	724	2.2	811	2.9
Allowance for doubtful accounts		—	—	—	—	—	—
Total		19,550	100.0	32,223	100.0	28,017	100.0

Millions of Yen

106. Investment Income and Expenses (Separate Account for Individual Variable Annuities)

				Millions of Yen
Fiscal years ended March 31	2022	2021	2020	
Interest, dividends, and other income	4,391	1,336	1,434	
Gain on sales of securities	137	145	332	
Gain on redemptions of securities	—	—	—	
Gain on valuation of securities	(1,530)	3,319	(2,320)	
Foreign exchange gains, net	—	—	—	
Gain on derivative financial instruments, net	—	—	—	
Other investment income	0	0	0	
Loss on sales of securities	0	376	126	
Loss on redemptions of securities	—	—	—	
Loss on valuation of securities	20	(7,814)	6,491	
Foreign exchange losses, net	—	—	—	
Loss on derivative financial instruments, net	—	—	—	
Other investment expenses	0	0	0	
Net investment income	2,977	12,239	(7,169)	

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	2022		2021		2020		
	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	19,475	(1,550)	31,498	11,133	27,205	(8,811)	

108. Fair Value of Assets Held in Trust (Separate Account for Individual Variable Annuities)

There were no ending balances as of March 31, 2022, 2021, and 2020.

109. Qualitative Information on Derivative Transactions (Separate Account for Individual Variable Annuities)

There were no ending balances as of March 31, 2022, 2021, and 2020.

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, 2022, 2021, and 2020.

111. Separate Account Assets by Product (Separate Account for Group Annuities)

				Millions of Yen
As of March 31	2022	2021	2020	
Separate account first treaty	861,163	845,261	832,085	
Comprehensive account	233,331	245,896	195,489	
Stable income account	271,343	268,169	279,981	
Target risk investment units	110,241	110,072	107,218	
Global balance	18,403	—	—	
Account by investment categories	227,842	221,123	249,395	
Separate account second treaty	187,942	210,191	227,295	
Defined contribution pension plans	28,770	26,721	20,708	
Total	1,077,876	1,082,174	1,080,089	

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)

Note: Figures in Note 112 are stated at fair value and rounded to the nearest million yen.

1. Fair value

				Millions of Yen
As of March 31	2022	2021	2020	
	Fair value	Fair value	Fair value	
Comprehensive account	228,829	231,628	191,478	
Stable income account	268,582	267,393	277,512	
Target risk investment units	109,111	109,434	106,401	
Global balance	16,752	—	—	
Domestic bond accounts	40,605	39,090	57,494	
Market tracking domestic bond account	72,303	76,434	74,546	
Domestic stock accounts	17,834	18,657	15,858	
Quantitative investment management domestic stock account	—	—	11	
Market tracking domestic stock account	8,955	10,282	7,178	
Foreign bond accounts	10,591	9,612	11,752	
Foreign bond accounts with currency hedging	8,108	6,217	6,315	
Market tracking foreign bond account	5,598	5,637	5,188	
Foreign stock accounts	21,305	20,230	13,722	
Market tracking foreign stock account	17,205	15,977	10,360	
Money market accounts	19,669	13,808	37,982	
Total	845,445	824,401	815,798	

2. Investment return ratio

				%
Fiscal years ended March 31	2022	2021	2020	
	Unit price fluctuation	Unit price fluctuation	Unit price fluctuation	
Comprehensive account	6.46	26.28	(6.84)	
Stable income account	(0.48)	(0.09)	1.34	
Target risk investment units	(2.48)	4.01	(9.08)	
Global balance	0.24	—	—	
Domestic bond accounts	(0.84)	(0.43)	(0.03)	
Market tracking domestic bond account	(1.26)	(0.88)	(0.25)	
Domestic stock accounts	1.08	43.54	(11.92)	
Quantitative investment management domestic stock account	—	—	8.96	
Market tracking domestic stock account	1.93	41.95	(9.99)	
Foreign bond accounts	2.08	4.89	4.69	
Foreign bond accounts with currency hedging	(5.03)	(2.46)	7.76	
Market tracking foreign bond account	1.92	5.14	4.57	
Foreign stock accounts	23.23	58.46	(10.85)	
Market tracking foreign stock account	22.40	58.87	(12.07)	
Money market accounts	0.00	0.00	0.00	

Notes: 1. The global balance began operations on February 7, 2022.
2. The quantitative investment management domestic stock account for the fiscal year ended March 31, 2020 represents the price fluctuation up to December 31, 2019.