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Financial Results for the Fiscal Year Ended March 31, 2023  
( With Notes to the Unaudited Consolidated Financial Statements )

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Sumitomo Life Insurance Company announces financial results for the fiscal year ended March 31, 2023.

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The Financial Results are summarized English translations of the original disclosure in Japanese.

# 1. Unaudited Consolidated Financial Statements

## a. Unaudited Consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2022	As of March 31, 2023
<b>ASSETS:</b>		
Cash and deposits	1,107,622	1,565,736
Call loans	260,597	847,388
Monetary claims bought	310,140	407,646
Money held in trust	4,914	14,990
Securities	35,833,252	33,598,005
Loans	3,023,520	3,175,130
Tangible fixed assets	567,165	598,313
Land	357,045	385,089
Buildings	178,632	198,570
Lease assets	3,782	2,128
Construction in progress	22,201	5,169
Other tangible fixed assets	5,503	7,355
Intangible fixed assets	201,871	234,084
Software	37,497	38,591
Goodwill	41,220	40,085
Other intangible fixed assets	123,153	155,407
Due from agents	239	151
Reinsurance receivables	1,728	12,480
Other assets	1,375,566	1,588,901
Net defined benefit assets	21,677	35,837
Deferred tax assets	290,037	588,114
Allowance for possible loan losses	(4,047)	(4,373)
<b>Total assets</b>	<b>42,994,287</b>	<b>42,662,408</b>
<b>LIABILITIES:</b>		
Policy reserves and other reserves	33,714,825	35,233,129
Reserve for outstanding claims	156,079	169,352
Policy reserves	33,342,519	34,848,109
Policyholders' dividend reserves	216,226	215,667
Reinsurance payables	20,523	12,643
Corporate bonds	508,257	428,417
Other liabilities	6,124,590	5,361,612
Payables under repurchase agreements	3,513,925	3,110,297
Payables under securities borrowing transactions	355,998	67,438
Other	2,254,666	2,183,877
Net defined benefit liabilities	2,884	4,133
Reserve for price fluctuation	972,169	849,771
Deferred tax liabilities	13,172	5
Deferred tax liabilities for land revaluation	12,583	12,466
<b>Total liabilities</b>	<b>41,369,007</b>	<b>41,902,180</b>
<b>NET ASSETS:</b>		
Reserve for redemption of foundation funds	639,000	639,000
Reserve for revaluation	2	2
Surplus	73,458	155,000
Total funds, reserve and surplus	712,461	794,002
Net unrealized gains (losses) on available-for-sale securities	1,015,426	5,564
Deferred gains (losses) on derivatives under hedge accounting	(3,001)	(13,063)
Land revaluation differences	(59,581)	(59,645)
Foreign currency translation adjustments	(39,098)	28,216
Remeasurements of defined benefit plans	(1,067)	5,005
Total accumulated other comprehensive income	912,676	(33,921)
Non-controlling interests	141	147
<b>Total net assets</b>	<b>1,625,279</b>	<b>760,227</b>
<b>Total liabilities and net assets</b>	<b>42,994,287</b>	<b>42,662,408</b>

## b. Unaudited Consolidated Statements of Income

(Millions of Yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Ordinary income	3,599,428	4,225,499
Insurance premiums and other	2,411,977	2,583,077
Investment income	1,084,989	1,542,012
Interest, dividends and other income	827,483	964,997
Gains on money held in trust	379	287
Gains on trading securities	5,797	-
Gains on sales of securities	75,831	361,890
Gains on redemption of securities	2,665	2,076
Gains on derivative financial instruments	37,153	-
Foreign exchange gains	98,556	77,386
Reversal of allowance for possible loan losses	220	-
Other investment income	10,471	135,375
Investment gains on separate accounts	26,429	-
Other ordinary income	102,461	100,409
Ordinary expenses	3,470,616	4,166,346
Benefits and other payments	1,898,437	2,161,551
Claims paid	566,570	597,894
Annuity payments	428,801	424,618
Benefits payments	392,436	519,679
Surrender benefits	448,685	553,709
Other refunds	61,944	65,648
Provision for policy reserves and other reserves	827,824	546,040
Provision for reserves for outstanding claims	13,558	5,945
Provision for policy reserves	814,237	540,067
Provision for interest on policyholders' dividend reserves	29	26
Investment expenses	134,380	816,509
Interest expenses	14,279	32,319
Losses on trading securities	-	68,513
Losses on sales of securities	71,520	377,965
Losses on valuation of securities	11,735	8,618
Losses on redemption of securities	2,694	1,221
Losses on derivative financial instruments	-	235,685
Provision for allowance for possible loan losses	-	84
Depreciation of real estate for investments	8,446	8,954
Other investment expenses	25,704	76,842
Investment losses on separate accounts	-	6,304
Operating expenses	454,743	478,930
Other ordinary expenses	155,229	163,315
Ordinary profit	128,811	59,153
Extraordinary gains	2,344	124,317
Gains on disposals of fixed assets	2,344	1,920
Reversal of reserve for price fluctuation	-	122,397
Extraordinary losses	92,541	3,946
Losses on disposals of fixed assets	3,043	775
Impairment losses	480	2,471
Provision for reserve for price fluctuation	88,334	-
Payments to social responsibility reserve	683	699
Surplus (loss) before income taxes	38,614	179,524
Income taxes		
Current	41,314	8,404
Deferred	(48,314)	31,326
Total income taxes	(7,000)	39,730
Net surplus	45,614	139,793
Net surplus attributable to non-controlling interests	9	6
Net surplus attributable to the Parent Company	45,605	139,787

### c. Unaudited Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Net surplus	45,614	139,793
Other comprehensive income (loss)	(470,020)	(946,534)
Net unrealized gains (losses) on available-for-sale securities	(511,875)	(1,005,446)
Deferred gains (losses) on derivatives under hedge accounting	(3,106)	(10,061)
Foreign currency translation adjustments	36,294	57,026
Remeasurements of defined benefit plans	(1,252)	6,072
Share of other comprehensive income (loss) of associates under the equity method	9,919	5,873
Comprehensive income (loss)	(424,405)	(806,741)
Comprehensive income (loss) attributable to the Parent Company	(424,415)	(806,747)
Comprehensive income (loss) attributable to non-controlling interests	9	6

## d. Unaudited Consolidated Statements of Cash Flows

(Millions of Yen)

	Year ended March 31, 2022	Year ended March 31, 2023
<b>I Cash flows from operating activities:</b>		
Surplus (loss) before income taxes	38,614	179,524
Depreciation of real estate for investments	8,446	8,954
Depreciation	35,173	38,442
Impairment losses	480	2,471
Amortization of goodwill	6,475	7,470
Increase (Decrease) in reserve for outstanding claims	14,661	7,789
Increase (Decrease) in policy reserves	907,998	755,023
Provision for interest on policyholders' dividend reserves	29	26
Increase (Decrease) in allowance for possible loan losses	(230)	(153)
Increase (Decrease) in net defined benefit liabilities	(6,942)	(4,486)
Increase (Decrease) in reserve for price fluctuation	88,334	(122,397)
Interest, dividends and other income	(827,483)	(964,997)
Losses (Gains) on securities	(18,090)	98,407
Interest expenses	14,279	32,319
Foreign exchange losses (gains)	(94,736)	(81,491)
Losses (Gains) on tangible fixed assets	679	(1,136)
Investment losses (gains) under the equity method	1,312	(3,208)
Decrease (Increase) in due from agents	(78)	125
Decrease (Increase) in reinsurance receivables	(375)	(10,527)
Decrease (Increase) in other assets (excluding those related to investing and financing activities)	6,349	(1,524)
Increase (Decrease) in reinsurance payables	5,058	(6,287)
Increase (Decrease) in other liabilities (excluding those related to investing and financing activities)	(23,030)	(133,121)
Others, net	(34,570)	291,642
Subtotal	122,355	92,866
Interest, dividends and other income received	866,236	1,004,892
Interest paid	(12,937)	(30,118)
Policyholders' dividends paid	(56,141)	(58,895)
Others, net	(683)	(699)
Income taxes paid	(49,172)	(52,964)
Net cash provided by operating activities	869,657	955,081
<b>II Cash flows from investing activities:</b>		
Net decrease (increase) in deposits	5,353	(209,419)
Purchase of monetary claims bought	(476,962)	(1,552,482)
Proceeds from sales and redemption of monetary claims bought	730,125	1,451,157
Purchase of money held in trust	(4,534)	(9,768)
Purchase of securities	(4,988,814)	(6,988,808)
Proceeds from sales and redemption of securities	3,929,071	8,800,634
Loans made	(869,963)	(913,355)
Proceeds from collection of loans	562,077	873,810
Others, net	(83,609)	(2,167,721)
Total investment activities ( II a)	(1,197,256)	(715,954)
[ I + II a]	[(327,598)]	[239,126]
Purchase of tangible fixed assets	(16,434)	(54,824)
Proceeds from sales of tangible fixed assets	1,572	3,895
Others, net	(11,615)	(16,738)
Net cash used in investing activities	(1,223,734)	(783,621)
<b>III Cash flows from financing activities:</b>		
Proceeds from issuance of debt	-	50,000
Repayments of debt	(20)	-
Proceeds from issuance of corporate bonds	100,586	-
Redemption of corporate bonds	(70,000)	(84,000)
Others, net	37,260	89,920
Net cash provided by (used in) financing activities	67,827	55,920
<b>IV Effect of foreign exchange rate changes on cash and cash equivalents</b>	12,670	21,305
<b>V Net increase (decrease) in cash and cash equivalents</b>	(273,579)	248,685
<b>VI Cash and cash equivalents at the beginning of the year</b>	571,440	297,861
<b>VII Cash and cash equivalents at the end of the year</b>	297,861	546,546

## e. Unaudited Consolidated Statements of Changes in Net Assets

Year ended March 31, 2022

(Millions of Yen)

	Funds, reserve and surplus			
	Reserve for redemption of foundation funds	Reserve for revaluation	Surplus	Total funds, reserve and surplus
Beginning balance	639,000	2	81,850	720,853
Changes in the fiscal year				
Additions to policyholders' dividend reserves			(54,181)	(54,181)
Net surplus attributable to the Parent Company			45,605	45,605
Reversal of land revaluation differences			184	184
Net changes, excluding funds, reserve and surplus				
Net changes in the fiscal year	-	-	(8,391)	(8,391)
Ending balance	639,000	2	73,458	712,461

	Accumulated other comprehensive income (loss)						Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on derivatives under hedge accounting	Land revaluation differences	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income (loss)		
Beginning balance	1,526,505	104	(59,397)	(84,516)	185	1,382,881	133	2,103,868
Changes in the fiscal year								
Additions to policyholders' dividend reserves								(54,181)
Net surplus attributable to the Parent Company								45,605
Reversal of land revaluation differences								184
Net changes, excluding funds, reserve and surplus	(511,079)	(3,106)	(184)	45,417	(1,252)	(470,204)	8	(470,196)
Net changes in the fiscal year	(511,079)	(3,106)	(184)	45,417	(1,252)	(470,204)	8	(478,588)
Ending balance	1,015,426	(3,001)	(59,581)	(39,098)	(1,067)	912,676	141	1,625,279

Year ended March 31, 2023

(Millions of Yen)

	Funds, reserve and surplus			
	Reserve for redemption of foundation funds	Reserve for revaluation	Surplus	Total funds, reserve and surplus
Beginning balance	639,000	2	73,458	712,461
Changes in the fiscal year				
Additions to policyholders' dividend reserves			(58,310)	(58,310)
Net surplus attributable to the Parent Company			139,787	139,787
Reversal of land revaluation differences			63	63
Net changes, excluding funds, reserve and surplus				
Net changes in the fiscal year	-	-	81,541	81,541
Ending balance	639,000	2	155,000	794,002

	Accumulated other comprehensive income (loss)						Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on derivatives under hedge accounting	Land revaluation differences	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income (loss)		
Beginning balance	1,015,426	(3,001)	(59,581)	(39,098)	(1,067)	912,676	141	1,625,279
Changes in the fiscal year								
Additions to policyholders' dividend reserves								(58,310)
Net surplus attributable to the Parent Company								139,787
Reversal of land revaluation differences								63
Net changes, excluding funds, reserve and surplus	(1,009,861)	(10,061)	(63)	67,315	6,072	(946,598)	5	(946,593)
Net changes in the fiscal year	(1,009,861)	(10,061)	(63)	67,315	6,072	(946,598)	5	(865,052)
Ending balance	5,564	(13,063)	(59,645)	28,216	5,005	(33,921)	147	760,227

## Notes to the Unaudited Consolidated Financial Statements

### Policies of Presenting the Unaudited Consolidated Financial Statements for the Fiscal Year Ended March 31, 2023

#### 1. Consolidated subsidiaries

The number of consolidated subsidiaries was 27 as of March 31, 2023.

The major subsidiaries as of March 31, 2023 are listed as follows:

Medicare Life Insurance Co., Ltd. (Japan)  
Sumisei Building Management Co., Ltd. (Japan)  
Sumisei Bussan K.K. (Japan)  
Sumisei Business Service Co., Ltd. (Japan)  
Shinjuku Green Building Kanri K.K. (Japan)  
SUMISEI Harmony K.K. (Japan)  
Sumitomo Life Information Systems Co., Ltd. (Japan)  
CSS Co., Ltd. (Japan)  
SUMISEI Insurance Service Corporation (Japan)  
Izumi Life Designers Co., Ltd. (Japan)  
SUMISEI-Support & Consulting Co., Ltd. (Japan)  
INSURANCE DESIGN (Japan)  
AIARU Small Amount & Short Term Insurance Co., Ltd. (Japan)  
Sumisei Asset Management Company (Japan)  
Symetra Financial Corporation (U.S.A.)

Sumisei Asset Management Company was included in the scope of the consolidation as a result of its establishment from the period ended March 31, 2023.

One subsidiary of Symetra Financial Corporation was included in the scope of the consolidation as a result of its establishment from the period ended March 31, 2023.

Two subsidiaries of Symetra Financial Corporation were excluded from the scope of the consolidation due to the dissolution of equity from the period ended March 31, 2023.

The major unconsolidated subsidiary is SUMISEI-SBI Limited Partnership.

The unconsolidated subsidiaries are excluded from the scope of consolidation, because its effect is immaterial, individually and in aggregate on the consolidated total assets, revenues, net income and surplus. These exclusions from the scope of consolidation would not prevent a reasonable understanding of the consolidated financial position and the results of the group operations.

#### 2. Affiliates

The number of unconsolidated subsidiaries under the equity method was 0 as of March 31, 2023.

The number of affiliates under the equity method was 10 as of March 31, 2023.

The major affiliates as of March 31, 2023 are listed as follows:



Nippon Building Fund Management Ltd. (Japan)  
Japan Pension Navigator Co., Ltd. (Japan)  
Mycommunication Co., Ltd. (Japan)  
Agent Insurance Group, Inc. (Japan)  
Baoviet Holdings (Vietnam)  
PT BNI Life Insurance (Indonesia)  
Singapore Life Holdings Pte. Ltd. (Singapore)

The unconsolidated subsidiaries (SUMISEI-SBI Limited Partnership and others) and affiliates (Japan Pension Service Co., Ltd.) are excluded from the scope of affiliates under the equity method because its effect is immaterial, individually and in aggregate, on the consolidated net income and consolidated surplus.

3. Fiscal year-end of consolidated subsidiaries

The fiscal year-end of foreign subsidiaries is December 31. The consolidated financial statements include the accounts of the subsidiaries as of their fiscal year-end, with appropriate adjustments made for material transactions between their fiscal year-end and the consolidated balance sheet date.

4. Goodwill on consolidation

Goodwill (including goodwill relating to affiliates) is amortized on a straight-line basis over the period up to 20 years.

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

## Notes to the Unaudited Consolidated Balance Sheet as of March 31, 2023

1. Securities held by SUMITOMO LIFE INSURANCE COMPANY ("the Company") are classified and accounted for as follows:

Trading securities are stated at the market value on the balance sheet date. The cost of these securities sold is calculated using the moving average method.

Held-to-maturity debt securities are stated at amortized cost and the cost of these securities sold is calculated using the moving average method. Amortization is calculated using the straight-line method.

Policy-reserve-matching bonds (defined in Note 2 below) are stated at amortized cost in accordance with 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. The cost of the bonds sold is calculated using the moving average method and amortization is calculated using the straight-line method.

Investments in unconsolidated subsidiaries and affiliated companies (defined in Article 110, Paragraph 2 of the Insurance Business Act) are stated at cost.

Others classified as available-for-sale securities are stated at the market value on the balance sheet date. Stocks with no market prices are stated mainly at cost. The cost of these securities sold is calculated using the moving average method.

Certain demand deposits, monetary claims bought and securities in money held in trust deemed equivalent to investment in securities are stated using the same methods described above.

Unrealized gains and losses on available-for-sale securities are reported net of income taxes, as a separate component of net assets in the consolidated balance sheet.

2. The Company classifies debt securities held in order to match their duration to the duration of the liabilities within the corresponding subsections - segregated by type of insurance and investment policy - as policy-reserve-matching bonds in accordance with 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.

The subsections are as follows:

Individual life insurance and individual annuity (certain types of insurance and a certain percentage of cash flows are excluded)

Primary policy of 3-year variable accumulation rate insurance with guaranteed minimum interest rates

Defined benefit corporate pension plan and new corporate pension plan (only cash flows expected within the next certain period of years are identified)

Insured contributory pension plans (only cash flows expected within the next certain period of years are identified)

Defined contribution pension plans and interest rate-setting rider by new unit account

Single premium endowment insurance (certain types of insurance are excluded)

Interest rate variable whole life insurance (single premium)

Individual life insurance and individual annuity denominated in U.S. dollars

Individual life insurance and individual annuity denominated in Australian dollars (certain types of

insurance are excluded)

3. Derivatives are stated at the fair value.
4. The Company revalued certain parcels of land owned for operating use as of March 31, 2001, as permitted by the Act on Revaluation of Land.  
The difference in value before and after the revaluation is directly included in net assets and presented as land revaluation differences, net of deferred tax liabilities for land revaluation in the consolidated balance sheet.  
The revaluation method is stipulated in Article 3, Paragraph 3 of the Act on Revaluation of Land. Pursuant to the Article, the Company used the publicly announced appraisal value with certain adjustments (detailed in Article 2, Paragraph 1 of the Order for Enforcement of the Act on Revaluation of Land (the "Order")) and appraisal value (detailed in Article 2, Paragraph 5 of the Order) for the revaluation.
5. Tangible fixed assets owned by the Company are depreciated as follows:
  - 1) Buildings  
Calculated using the straight-line method.
  - 2) Lease assets related to financial leases where ownership is not transferred  
Calculated using the straight-line method over the lease period.
  - 3) Other tangible fixed assets  
Calculated using the declining-balance method.
6. The Company's assets and liabilities denominated in foreign currencies, except for investments in unconsolidated subsidiaries and affiliates, are translated into Japanese yen at the exchange rate on the balance sheet date. Investments in unconsolidated subsidiaries and affiliates are translated into Japanese yen at the exchange rates on the dates of acquisition.
7. The Company's allowance for possible loan losses is provided pursuant to its standards for self-assessment of asset quality and internal rules for write-offs of loans and allowance for possible loan losses. For loans to borrowers that are legally bankrupt ("bankrupt borrowers") and for loans to borrowers that are not yet legally bankrupt but substantially bankrupt ("substantially bankrupt borrowers"), an allowance is provided based on the total amount of the loans after deduction of charge-offs and any amounts expected to be collected through disposal of collaterals and execution of guarantees. For loans to borrowers that are likely to become bankrupt ("borrowers likely to become bankrupt"), an allowance is provided at the amount deemed necessary based on an overall solvency assessment, net of the expected collection through disposal of collaterals and execution of guarantees. For the other loans, an allowance is provided by multiplying the claim amount by an anticipated default rate calculated based on the Company's actual default experience for a certain period in the past. All loans are assessed based on the Company's standards for the self-assessment of asset quality and the assessment results are reviewed by a department independent of the department that

performs and is responsible for the self-assessment. The allowance for possible loan losses is provided based on the assessment results.

For loans to bankrupt borrowers and substantially bankrupt borrowers, the amount of loans exceeding the value of estimated recovery through disposal of collaterals and execution of guarantees is deemed uncollectible and written off. The amount of loans written off amounted to ¥29 million for the fiscal year ended March 31, 2023.

An allowance for possible loan losses of the consolidated subsidiaries is provided mainly pursuant to their standards for self-assessment of asset quality and internal rules for write-offs of loans and allowance for possible loan losses which each consolidated subsidiary sets and maintains consistently with those of the Company.

8. Net defined benefit liabilities are provided based on the projected benefit obligations and plan assets as of the balance sheet date.

Assumptions used in accounting for the defined benefit plans for the fiscal year ended March 31, 2023 were as follows:

Method of attributing benefits to period of service	Benefits formula basis
Amortization period for actuarial losses (Commencing in the following fiscal year after they are incurred)	8 years
Amortization period for past service costs	3 years

The following provide details of the retirement benefit plans.

1) Summary of the retirement benefit plans

The Company has defined benefit corporate pension plans and retirement allowance systems, which distribute a lump sum payment on retirement, as defined benefit plans, and a defined contribution pension plan as defined contribution plans.

The Company established retirement benefit trusts for certain retirement allowance systems.

As for accrued retirement benefits of certain consolidated subsidiaries, the simplified method is applied.

Certain foreign consolidated subsidiaries have defined contribution plans.

2) Defined benefit plans

- a) Changes in the defined benefit obligations for the fiscal year ended March 31, 2023 were as follows:

	Millions of Yen
At the beginning of the fiscal year	306,541
Service costs	13,601
Interest costs on projected benefit obligations	1,740
Actuarial losses (gains)	2,702
Benefits paid	(16,045)
Others	119
At the end of the fiscal year	308,660

- b) Changes in the plan assets for the fiscal year ended March 31, 2023 were as follows:

	Millions of Yen
At the beginning of the fiscal year	325,333
Expected return on plan assets	3,286
Actuarial gains (losses)	13,084
Contribution by employer	5,528
Benefits paid	(6,870)
Others	1
At the end of the fiscal year	340,364

c) The amounts of the defined benefit liabilities and the defined benefit assets in the consolidated balance sheet as of March 31, 2023 were determined as follows:

	Millions of Yen
Present value of funded obligations	306,097
Plan assets at fair value	(340,364)
Net present value of funded obligations	(34,266)
Present value of unfunded obligations	2,562
Net value on the balance sheet	(31,704)
Net defined benefit liabilities	4,133
Net defined benefit assets	(35,837)
Net value on the balance sheet	(31,704)

d) The amounts recognized in retirement benefit expenses in the consolidated statement of income for the fiscal year ended March 31, 2023 were as follows:

	Millions of Yen
Service costs	13,601
Interest costs on projected benefit obligations	1,740
Expected return on plan assets	(3,286)
Amortization of net actuarial losses (gains)	(1,710)
Amortization of net past service costs	(245)
Others	136
Retirement benefit expenses	10,235

e) Major components of other comprehensive income and accumulated other comprehensive income

Major components of other comprehensive income (before income tax effect adjustments) for the fiscal year ended March 31, 2023 were as follows:

	Millions of Yen
Actuarial gains (losses)	8,671
Past service costs	(245)
Total	8,425

Major components of accumulated other comprehensive income (before income tax effect

adjustments) as of March 31, 2023 were as follows:

	Millions of Yen
Unrecognized actuarial gains (losses)	6,942
Total	6,942

f) The plan assets

The plan assets as of March 31, 2023 were comprised as follows:

	% of total fair value of plan assets
Equity securities	41
General accounts of life insurance companies	34
Investment trusts	6
Debt securities	5
Others	14
Total	100

49% of the plan assets were the retirement benefit trusts as of March 31, 2023.

g) The expected long-term rate of return on the plan assets

The expected long-term rate of return on the plan assets is calculated by aggregating the weighted rates of return derived from each asset category. The expected long-term rates of return for each asset category are based primarily on various aspects of long-term prospects for the economy that include historical performance and the market environment.

h) Assumptions used in calculation

Assumptions used in accounting for the defined benefit plans for the fiscal year ended March 31, 2023 were as follows:

Discount rate	0.575%
Expected long-term rates of return on the plan assets	
Defined benefit pension plans	1.9%
Retirement benefit trusts	0.0%

3) Defined contribution plans

The amounts recognized as expenses for the defined contribution plans were ¥3,064 million for the fiscal year ended March 31, 2023.

9. Reserve for price fluctuation is calculated pursuant to Article 115 of the Insurance Business Act.

10. Under accounting principles generally accepted in Japan ("Japanese GAAP"), the deferred hedge method and the fair value hedge method are fundamental hedge accounting methods allowed. Under the fair value hedge method, which is allowed only when available-for-sale securities are hedged items, hedging instruments' gains and losses on changes in the fair value are recognized in earnings together with hedged items' corresponding gains and losses attributable to risks being hedged.

In addition, for certain derivative instruments, exceptional hedge accounting methods are allowed

under Japanese GAAP as follows:

Assets and liabilities denominated in foreign currencies and hedged by foreign exchange forward contracts and currency swaps are allowed to be translated at the foreign exchange rates stipulated in the forward contract agreements and the currency swap agreements. Accordingly, the foreign exchange forward contracts and the currency swaps used as hedging instruments are not recognized as an asset or liability measured at the fair value either on initial recognition or subsequent reporting dates (the allocation method).

Interest rate swaps that qualify for hedge accounting and meet specific matching criteria are not remeasured at the fair value, but the net amounts paid or received under the swap agreements are recognized and included in interest expense or income of the hedged items (the exceptional method). The Company mainly adopts the fair value hedge method and the allocation method to hedge foreign currency risks of assets and liabilities denominated in foreign currencies.

The deferred hedge method using interest rate swaps is used for hedges against interest rate fluctuations in certain policy reserves in order to appropriately control interest rate fluctuations, in accordance with Industry Audit Committee Practical Guideline No. 26, "Accounting and Auditing Treatment of Application of Accounting Standard for Financial Instruments to Insurance Operators," issued by the Japanese Institute of Certified Public Accountants from the period ended March 31, 2022. The Company also adopts the exceptional method to hedge interest rate risk primarily of floating rate loans.

Hedge effectiveness is assessed by comparing the cumulative changes in the fair values or cash flows of the hedged items and the hedging instruments.

The hedging relationships included in the scope of applying the "Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (ASBJ Practical Solutions No.40, March 17, 2022) are subject to the exceptional treatment of this Practical Solutions. The detail of the hedging relationships which apply the treatment are as follows:

Hedging method: the exceptional method (including the allocation method)

The variety of hedging instruments: interest-rate swaps, currency-swaps

The variety of hedged instruments: loans

The variety of hedge transactions: to fix the cash flows

11. National and local consumption taxes are accounted for using the tax-excluded method. Non-deductible consumption taxes are recognized as expenses for the fiscal year, except for those relating to purchases of depreciable fixed assets which are not charged to expense but deferred as other assets and amortized over a five-year period on the straight-line basis pursuant to the Corporation Tax Act.
12. Policy reserves of the Company are calculated and accumulated by the method in accordance with the statement of calculation procedures for insurance premiums and policy reserves (Article 4, Paragraph 2, Item 4 of the Insurance Business Act) pursuant to Article 116 of the Insurance Business Act to prepare for future performance of future obligations under its insurance contracts.  
Premium reserves, one of the components of policy reserves, are calculated, based on the Article 116 of the Insurance Business Act and Article 69, Paragraph 1, Item 1 of the Ordinance for Enforcement of the Insurance Business Act according to the following methods:

1) For contracts which are subject to the standard policy reserve requirements, premium reserves are calculated using the method stipulated by the Commissioner of Financial Services Agency (Ministry of Finance Notification No. 48 in 1996).

2) For contracts which are not subject to the standard policy reserve requirements, premium reserves are calculated using the net level premium method.

The Company adopted its accounting policy for premium reserves for existing individual annuity contracts whose annuity payments commenced on or after April 1, 2006, effective from the fiscal year ended March 31, 2007, as follows:

For individual annuity contracts which commenced on or after April 1, 2006, the Company has regarded their commencement dates of annuity payments as the contract dates, and applied the calculation basis stipulated by the Commissioner of Financial Services Agency (Ministry of Finance Notification No. 48 in 1996). (For the contracts which annuity payments commenced during fiscal year of 2006, assumed mortality rates on the 2007 life insurance standard life table have been used.)

Unearned premiums are accumulated as policy reserves pursuant to Article 116 of the Insurance Business Act and Article 69, Paragraph 1, Item 2 of the Ordinance for Enforcement of the Insurance Business Act.

Contingency reserves, one of the components of policy reserves, are accumulated pursuant to Article 116 of the Insurance Business Act and Article 69, Paragraph 1, Item 3 of the Ordinance for Enforcement of the Insurance Business Act to ensure performing future obligations under its insurance contracts.

Additional policy reserves need to be recognized based on Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act if the policy reserves set aside pursuant to Article 69, Paragraphs 1, 2 and 4 of the Ordinance for Enforcement of the Insurance Business Act are found to be likely insufficient to cover the performance of the future obligations due to a large deviation in the estimated future cash flows based on the statement of calculation procedures with assumed incidents rates, interest rates and others, compared to recent actual results.

In determining the necessity of recognition and the amount of additional policy reserves, the Company refers to the result of the future cash flow analysis to confirm adequacy of policy reserves performed by the Appointed Actuary because future cash flows need to be estimated by using actuarial expertise in accordance with applicable laws and regulations.

Policy reserves of the consolidated foreign subsidiaries are provided pursuant to accounting principles generally accepted in the United States of America.

13. Regarding individual life insurance and individual annuity contracts, the Company recognized reserve for the IBNR (incurred but not reported) claims, i.e., claims with which incidents prescribed in policy clauses already incurred but were not reported to the Company.

In the fiscal year ended March 31, 2023, the Company changed the scope of insured persons to whom hospitalized benefits are to be paid, including those "deemed hospitalization," i.e., those who were diagnosed with COVID-19 and recovering at designated hotels or home under medical observations, and calculated the relevant reserve for IBNR claims at the end of the fiscal year as follows, pursuant to the proviso, instead of the main clause of Article 1, Paragraph 1 of Ministry of Finance Notification No. 234 in 1998 ("IBNR Notification"):



The company excluded the amounts of reserve for IBNR claims and benefit payments through all the fiscal years stipulated by the main clause of Article 1, Paragraph 1 of the IBNR Notification, which were related to those deemed hospitalization except those with high risks of severity ("4 categories") in the application of the calculation method which the main clause of Article 1, Paragraph 1 of the IBNR Notification stipulates.

The Company estimated the amount of hospitalized benefits related to those deemed hospitalization with 4 categories, which was used to estimate the amount of hospitalized benefits related to those deemed hospitalization of those other than the 4 categories through September 25, 2022, by multiplying such hospitalized benefits through September 25, 2022, paid to insured persons who were 65 or more years old, with the ratio of such hospitalized benefits from September 26, 2022, paid to all insured persons, over such hospitalized benefits from September 26, 2022, paid to insured persons who were 65 or more years old.

14. Capitalized software for internal use owned by the Company (included in intangible fixed assets) is amortized using the straight-line method over the estimated useful lives.
15. The accounting estimates recognized in accordance with "Accounting Standard for Disclosure of Accounting Estimates" (ASBJ Statement No.31, March 31, 2020) are as follows:

- 1) Valuation of Goodwill

The Company records goodwill arising from the acquisition of U.S. subsidiaries in the consolidated balance sheet.

This goodwill is recognized in the consolidated balance sheets of U.S. subsidiaries. Amortization and impairment test of the goodwill is performed by U.S. subsidiaries in accordance with the accounting alternatives allowed for private companies specified in Financial Accounting Standards Board ("FASB") Accounting Standards Codification, Topic 350, "Intangibles-Goodwill and Other".

Specifically, U.S. subsidiaries assess as to whether there are any triggering events and changes in circumstances that may indicate impairment at the entity level. If it is deemed more likely than not that the fair value of a reporting unit including goodwill is less than the carrying amount based on qualitative factors, quantitative impairment test is performed. The Company assesses the necessity of impairment on goodwill based on the results of U.S. subsidiaries' assessment.

In performing the triggering event indication and qualitative assessment, the Company assesses macroeconomic conditions, trends in the U.S. life insurance industry, operating results and future profit plans of U.S. subsidiaries, and other relevant entity-specific events. When performing the quantitative impairment test, U.S. subsidiaries will determine key assumptions such as future cash flows reflecting the insurance premiums based on prediction of future economic circumstances and the rates of paying claims, discount rate, and long-term growth rate.

An impairment loss may be recognized when relevant events and circumstances which indicate the triggering events are identified due to changes in future economic conditions that are uncertain in nature.

The Company determined that no triggering event was identified and recorded no impairment losses for the fiscal year ended March 31, 2023.

2) Amortization of Value of Business Acquired (VOBA) and Deferred Policy Acquisition Costs (DAC)

The Company recorded other intangible fixed assets which included Value of Business Acquired (VOBA) accompanied by the acquisition of U.S. subsidiaries of ¥33,767 million and other assets which included Deferred Policy Acquisition Costs (DAC) of U.S. subsidiaries of ¥241,356 million on the consolidated balance sheets.

VOBA was recognized based on the actuarially estimated present value of future cash flows of insurance policies and annuity contracts in-force as of acquisition of U.S. subsidiaries and DAC was recognized for the deferred costs that were directly related to the successful acquisition or renewal of insurance contracts after acquisition date.

VOBA and DAC are amortized over the lives of the associated insurance contracts with the amortization rates based on estimated future gross profits. To estimate future gross profits, U.S. subsidiaries set assumptions as to persistency rates, mortality rates and so on.

Additional amortization of VOBA and DAC could be recognized due to change in uncertain economic condition.

16. Following accounting standards and guidance are those issued but not yet applied.

• Financial Services - Insurance (Topic 944) (ASU No. 2018-12, ASU No. 2022-05)

1) Overview

The amendments are mainly designed to make improvements of the measurement liabilities related to long-term insurance contracts.

2) Effective date

The standards and guidance will be effective in U.S. subsidiaries from the end of the fiscal year ended December 31, 2025.

3) Impact of applying the standards and guidance

The impact of applying the standards and guidance is currently under assessment.

17. The Company has applied "Implementation Guidance on Accounting Standard for Fair Value Measurement" (Application Guidance of Corporate Accounting standards, No. 31 (17 June 2021, revised on)) from the beginning of the period ended March 31, 2023. In accordance with transitional treatment stipulated in Item 27-2 of "Implementation Guidance on Accounting Standard for Fair Value Measurement," the Company has applied new accounting policies prospectively since the beginning of the period ended March 31, 2023.

Due to this application, the measurement of fair value of investment trusts was based on "Implementation Guidance on Accounting Standard for Fair Value Measurement" and matters concerning fair value of investment trusts and breakdown by input level were noted.

18. Qualitative information on financial instruments, fair value of financial instruments and matters concerning fair value of financial instruments and breakdown by input level:

1) Qualitative information on financial instruments

The Company applies Asset and Liability Management (ALM) considering characteristics of life

insurance liabilities to enhance soundness and profitability of investment returns in mid-to-long term by diversified investments mainly in assets denominated in yen such as bonds and loans, and in stocks within allowable risk limits. In addition, the Company utilizes derivative instruments primarily in order to hedge the risks of fluctuation of values of assets or liabilities.

Major components of the Company's financial instruments and associated risks are as follows:

Domestic bonds are exposed to market risk, which arises from the fluctuation of interest rates and other market indicators, and credit risk of issuers. Domestic and foreign stocks are exposed to market risk, which arises from the fluctuation of stock prices and foreign exchange rates, and credit risk of issuers. Foreign bonds are exposed to market risk, which arises from the fluctuation of interest rates, foreign exchange rates and other market indicators, and credit risk of issuers. Loans, mainly to domestic companies, are exposed to credit risk, which arises from deterioration of the financial condition of counterparties. They are also exposed to market risk since certain loans, similarly to bonds, change the fair values by fluctuation of interest rates although no active secondary markets exist.

The Company utilizes foreign currency forward contracts, currency options and currency swaps to hedge foreign currency risks of assets and liabilities denominated in foreign currencies, futures trading, forwards trading and options to hedge market risks of stocks, bond futures, options and interest rate swaptions to hedge market risks of fixed rate assets relating to the fluctuation of interest rates, and interest rate swaps to hedge interest fluctuation risks of floating rate assets. Gains and losses on certain foreign currency forward contracts to hedge foreign currency risks mainly of foreign securities are accounted for under hedge accounting. The deferred hedge method using interest rate swaps is used for hedges against interest rate fluctuations in certain policy reserves in order to appropriately control interest rate fluctuations, in accordance with Industry Audit Committee Practical Guideline No. 26, "Accounting and Auditing Treatment of Application of Accounting Standard for Financial Instruments to Insurance Operators," issued by the Japanese Institute of Certified Public Accountants from the period ended March 31, 2022. The hedge effectiveness is regularly assessed by comparing fluctuations in the fair value of hedged items and hedging instruments.

Gains and losses on certain interest rate swaps used for hedging interest rate risks mainly of floating rate loans are accounted for under hedge accounting. The hedge effectiveness is regularly assessed by comparing fluctuations in cash flows of hedge items and hedging instruments.

When foreign currency forward contracts and currency swaps meet the criteria for applying the allocation method or when interest rate swap transactions meet the criteria for applying the exceptional method, hedge effectiveness is not assessed, according to accounting principles.

The risk management department maintains asset risk management in accordance with Risk Management Policy established by the board of directors. In addition, the Company strives to enhance risk assessment and management quantitatively and comprehensively by defining the framework of risk management about market risk and credit risk of financial instruments and concrete risk management processes pursuant to related rules. Moreover, the risk management department maintains effective risk management structures by independently monitoring whether trading departments operate in compliance with related policies and rules. The board of directors makes decisions in response to the reports of risk management situations.

In order to manage market risk, the Company assesses and analyzes sensitivities of existing financial instruments to changes in interest rates, foreign exchange rates, stock prices and other

market indicators by comparing Value-at-Risk (VaR) as integrated risk exposure with the limit for market risk, which is calculated with consideration given to unrealized gains (losses) and realized gains (losses) on sales.

In order to manage credit risk, the Company assesses financial assets such as loans by using internal credit ratings corresponding to financial conditions of security issuers or counterparties of loans when the Company makes investments, and regularly reviews these ratings. Moreover, the Company manages credit risk by comparing Value-at-Risk (VaR) calculated with Monte Carlo simulations, which are based on the assumptions such as probability of transition for each internal credit rating and expected recovery rate at default, with the limit for credit risk.

## 2) Fair value of financial instruments

The following table shows the carrying amounts in the consolidated balance sheet, the fair values and their differences of financial instruments as of March 31, 2023.

The amounts shown in the following tables do not include stocks with no market prices and investments in partnership. Cash and deposits (except Negotiable certificates of deposit), Call loans, Payables under repurchase agreements and Payables under securities borrowing transactions are not included in the following tables since they are mostly short-term, and their fair values approximate their book values.

	Millions of Yen		
	Balance sheet amount	Fair value	Difference
Cash and deposits			
(Negotiable certificates of deposit)	542,253	542,253	—
[Available-for-sale securities] *1	[542,253]	[542,253]	—
Monetary claims bought	407,646	407,470	(175)
[Available-for-sale securities] *1	[296,712]	[296,712]	—
Money held in trust	14,990	14,990	—
Securities	33,101,172	33,725,052	623,880
Trading securities	1,041,054	1,041,054	—
Held-to-maturity debt securities	1,659,605	1,864,850	205,244
Policy-reserve-matching bonds	13,192,905	13,610,612	417,707
Investments in unconsolidated subsidiaries and affiliated companies	44,698	45,626	927
Available-for-sale securities *2	17,162,908	17,162,908	—
Loans	3,175,130		
Allowance for possible loan losses *3	(3,699)		
	3,171,430	3,056,199	(115,231)
Corporate bonds	428,417	415,788	(12,629)
Derivative transactions *4	(394,911)	(394,911)	—
Hedge accounting not applied	(155,644)	(155,644)	—
Hedge accounting applied	(239,266)	(239,266)	—

\*1 Available-for-sale securities are shown in [ ].

\*2 The amount of the investment trusts applied net asset value as fair value is included in accordance with Item 24-3 and 24-9 of "Implementation Guidance on Accounting Standard for

Fair Value Measurement" (Application Guidance of Corporate Accounting standards, No. 31 (17 June 2021, revised on)).

\*3 The allowance for possible loan losses earmarked for loans is deducted from the carrying amount of loans.

\*4 Debits and credits arising from derivative transactions are netted, and the net credit positions are shown in ( ).

Note 1: Matters related to securities, including certain deposits regarded as securities pursuant to "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10)

The following tables show the carrying amounts in the consolidated balance sheet, the fair values and their differences of held-to-maturity debt securities and policy-reserve-matching bonds as of March 31, 2023.

a) Held-to-maturity debt securities

Millions of Yen				
	Type	Balance sheet amount	Fair value	Difference
Fair value exceeds the balance sheet amount	Bonds	337,343	358,273	20,930
	Foreign securities (bonds)	1,292,200	1,478,302	186,102
Fair value does not exceed the balance sheet amount	Bonds	30,061	28,273	(1,787)
	Foreign securities (bonds)	—	—	—
Total		1,659,605	1,864,850	205,244

b) Policy-reserve-matching bonds

Millions of Yen				
	Type	Balance sheet amount	Fair value	Difference
Fair value exceeds the balance sheet amount	Bonds	8,258,437	9,228,002	969,564
	Foreign securities (bonds)	169,561	175,065	5,504
Fair value does not exceed the balance sheet amount	Bonds	3,645,235	3,222,896	(422,338)
	Foreign securities (bonds)	1,119,669	984,647	(135,021)
Total		13,192,905	13,610,612	417,707

The following table shows the acquisition costs or amortized costs, the carrying amounts in the consolidated balance sheet and their differences of available-for-sale securities as of March 31, 2023.

c) Available-for-sale securities

Millions of Yen				
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	Type	Acquisition cost or amortized cost	Balance sheet amount	Difference
	Negotiable certificates of deposit	—	—	—
Balance sheet amount exceeds acquisition cost or amortized cost	Monetary claims bought	60,329	63,565	3,236
	Bonds	509,485	547,168	37,682
	Stocks	833,698	1,918,673	1,084,975
	Foreign securities	2,283,833	2,448,829	164,995
	Foreign bonds	1,982,979	2,083,506	100,527
	Other foreign securities	300,854	365,322	64,468
	Other securities	91,605	111,263	19,658
		Negotiable certificates of deposit	542,300	542,253
Balance sheet amount does not exceed acquisition cost or amortized cost	Monetary claims bought	236,181	233,146	(3,034)
	Bonds	2,626,754	2,395,660	(231,094)
	Stocks	231,482	199,909	(31,573)
	Foreign securities	10,507,045	9,401,247	(1,105,797)
	Foreign bonds	9,263,639	8,347,745	(915,893)
	Other foreign securities	1,243,405	1,053,502	(189,903)
	Other securities	156,552	140,156	(16,396)
	Total	18,079,268	18,001,874	(77,393)

Note 2: Consolidated balance sheet amounts of stocks with no market prices and investments in partnership are as follows:

These amounts are not included in the tables disclosed in "2) Fair value of financial instruments:"

	Millions of Yen
	Balance sheet amount
Stocks with no market prices*1	155,561
Investments in partnership*2	341,270

\*1 Unlisted securities are included in stocks with no market prices.

\*2 Investments in partnership includes those for Limited Partnerships. In accordance with Item 24-16 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (Application Guidance of Corporate Accounting standards, No. 31 (17 June 2021, revised on)), these amounts are not included in fair value disclosure.

Note 3: Maturity analysis of monetary claims, securities with maturities, corporate bonds and other liabilities

Scheduled redemptions of monetary claims, securities with maturities and corporate bonds as of March 31, 2023.

	Millions of Yen			
	Within 1 year	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years

Negotiable certificates of deposit	542,300	—	—	—
Monetary claims bought	143,051	218	302	263,839
Securities	937,064	6,211,267	8,301,504	14,436,971
Held-to-maturity debt securities	43,298	596,733	218,609	807,623
Policy-reserve-matching bonds	84,411	1,309,990	4,668,529	7,093,128
Available-for-sale securities	809,354	4,304,544	3,414,365	6,536,219
Loans*	333,445	659,476	611,500	1,325,069
Corporate bonds	—	31,726	—	396,510

\*The table above excludes certain financial instruments for which estimation of the value of recovery is impracticable, such as loans to borrowers that are legally or substantially bankrupt and borrowers likely to become bankrupt, and those without maturities.

### 3) Matters concerning fair value of financial instruments and breakdown by input level

The fair values of financial instruments are classified into the following three levels depending on the observability and significance of the input used in the fair value measurement.

Level 1: Fair value determined based on the (unadjusted) quoted price in an active market for the same asset or liability

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

Level 3: Fair value determined based on significant unobservable inputs

If multiple inputs with a significant impact are used for the fair value measurement of a financial instrument, the financial instrument is classified to the lowest priority level of fair value measurement in which each input belongs.

#### a) Financial assets and liabilities at the fair value on the consolidated balance sheets

	Millions of Yen			
	Fair value			
	Level 1	Level 2	Level 3	Total
Negotiable certificates of deposit	—	542,253	—	542,253
Monetary claims bought	—	142,995	153,716	296,712
Money held in trust	—	—	14,990	14,990
Securities	5,948,492	10,793,673	1,126,664	17,868,830
Trading securities	673,297	367,080	676	1,041,054
Available for sale securities	5,275,194	10,426,593	1,125,987	16,827,775
National government bonds	1,577,329	—	—	1,577,329
Local government bonds	—	42,638	—	42,638
Corporate bonds	—	1,322,510	350	1,322,860
Domestic stocks	2,118,488	94	—	2,118,583
Foreign securities	1,526,830	8,872,285	1,125,637	11,524,752

Foreign bonds	1,506,057	7,979,876	945,319	10,431,252
Other foreign securities	20,773	892,409	180,318	1,093,500
Other securities	52,546	189,064	—	241,610
Loans	—	—	123,140	123,140
Derivative transactions	2,060	207,972	7,114	217,147
Currency-related	—	150,380	1,632	152,012
Interest-rate related	—	22,602	—	22,602
Stock-related	1,280	32,083	5,482	38,846
Other	779	2,905	—	3,685
<b>Total assets</b>	<b>5,950,552</b>	<b>11,686,895</b>	<b>1,425,626</b>	<b>19,063,075</b>
Derivative transactions	446	609,654	1,958	612,058
Currency-related	—	573,386	256	573,642
Interest-rate related	—	24,943	—	24,943
Stock-related	446	11,141	1,701	13,290
Other	—	182	—	182
<b>Total liabilities</b>	<b>446</b>	<b>609,654</b>	<b>1,958</b>	<b>612,058</b>

Net asset value of investment trusts is not included in the table above in accordance with Item 24-3 and 24-9 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (Application Guidance of Corporate Accounting standards, No. 31(17 June 2021, revised on)).

The consolidated balance sheet amount of these investment trusts was ¥335,133 million as of March 31,2023.

The reconciliation between the beginning and ending balance is below:

	Millions of Yen
	Net asset value of investment trusts
Beginning balance	228,914
Gains (losses) for the period/ other comprehensive income	21,135
Recorded to gains (losses) for the period *1	1,495
Recorded to other comprehensive income *2	19,640
Net amount of purchase, sale, issuance and settlement, etc.	85,083
The amount of the investment trusts applied net asset value as fair value in the earnings of the period	—
The amount of the investment trusts not applied net asset value as fair value in the earnings of the period	—
Ending balance	335,133
Net unrealized gains (losses) on financial assets and liabilities held at consolidated balance sheet date among the amount recognized in the earnings of the period	—

\*1 Included in "Investment income" and "Investment expenses" of the consolidated statements of income.

\*2 Included in "Net unrealized gains (losses) on available-for-sale securities" under "Other



comprehensive income (loss)." of the consolidated statements of comprehensive income.

These investment trusts with the restrictions of redemption mainly consisted of the investment trusts with the restriction that voluntary cancellation is not permitted, and the consolidated balance sheet amount of these investment trusts was ¥251,835 million as of March 31, 2023.

b) Financial assets and liabilities which are not stated at the fair value on the consolidated balance sheet

Millions of Yen				
	Fair value			Total
	Level 1	Level 2	Level 3	
Monetary claims bought	—	—	110,758	110,758
Securities	10,636,013	4,883,060	2,015	15,521,089
Held-to-maturity debt securities	162,168	1,702,682	—	1,864,850
National government bonds	162,168	—	—	162,168
Local government bonds	—	17,693	—	17,693
Corporate bonds	—	206,685	—	206,685
Foreign securities	—	1,478,302	—	1,478,302
Foreign bonds	—	1,478,302	—	1,478,302
Policy-reserve-matching bonds	10,473,291	3,135,305	2,015	13,610,612
National government bonds	10,473,291	—	—	10,473,291
Local government bonds	—	131,436	—	131,436
Corporate bonds	—	1,846,171	—	1,846,171
Foreign securities	—	1,157,697	2,015	1,159,713
Foreign bonds	—	1,157,697	2,015	1,159,713
Investments in unconsolidated subsidiaries and affiliated companies	553	45,072	—	45,626
Loans	—	17,690	2,915,367	2,933,058
Total assets	10,636,013	4,900,751	3,028,141	18,564,906
Corporate bonds	—	415,788	—	415,788
Total liabilities	—	415,788	—	415,788

(Note 1) Description of the valuation techniques and inputs used to measure fair value

Assets

1) Monetary claims bought

As for securitized products of monetary claims bought, the fair values are based on the values deemed as market prices obtained by the reasonable estimate such as those obtained from financial information vendors and brokers and are categorized as Level 3 since significant valuation inputs are unobservable.

As for monetary claims bought other than those described above, when the present values of the expected future cash flows are considered to be fair values, those other monetary claims bought are categorized as Level 3 since the discount rate and other significant valuation inputs are unobservable and as Level 2 when those inputs are observable.

## 2) Money held in trust

As for money held in trust, the fair value is determined based on each component of trust properties quoted by the financial institutions from which these securities were purchased, and classified into Level 3 since significant valuation inputs are unobservable.

## 3) Securities

As for securities for which unadjusted quoted prices in active markets are available, those securities are categorized as Level 1 which includes mainly stocks and national government bonds.

In the case the markets are inactive even if the quoted prices are available, those securities are categorized as Level 2, which includes mainly local government bonds and corporate bonds.

When the quoted prices are not available, market values are measured at the present value of the expected future cash flows and others. When making these assessments, we maximize the use of relevant observable inputs and the main inputs include such as government bond yields, prepayments rates, credit spreads, default rates, loss given default rates. When significant unobservable valuation inputs are used, those securities are categorized as level 3.

For investment trusts which do not have market price, the company applied net asset value of these investment trusts as fair value if there are no material restrictions on cancellation as the company is required to compensate market participant for the cancellation. The fair value is categorized as Level 2 or Level 3 based on the level of the major components of these investment trusts.

## 4) Loans

As for general loans, the fair values are measured by discounting the total amount of principal and interest and others at interest rates based on the discount rate reflecting such as expected loss by categories according to the types, internal ratings and terms of the loans and bills discounted. When significant unobservable valuation inputs are used, those securities are categorized as level 3.

As for policy loans, the book value is deemed as the fair value since the fair value approximates the book value, considering that the loan amount is limited within surrender value with no contractual maturity and given their estimated repayment period and interest rate terms and those loans are categorized as level 3.

## Liabilities

### 1) Corporate bonds

As for Corporate bonds, quoted prices in inactive markets are considered to be fair values and those bonds are categorized as level 2.

## Derivative Transactions

Derivative transactions that can be measured at unadjusted quoted prices in active markets are categorized as Level 1, which includes such transactions as bonds futures and stocks futures.

However, since most derivative transactions are over-the-counter transactions and there are no quoted market prices, market values are measured using valuation techniques such as the discounted cash flow method and the Black-Scholes model, depending on the type of transaction and the maturity period. The main inputs which are used in those valuation techniques include interest rate, currency rate, volatility and others. When unobservable inputs are not used or impact of unobservable inputs are not material, transactions are categorized as Level 2, which mainly includes such transactions as plain vanilla interest rate swaps and foreign exchange forwards. When significant unobservable inputs are used, transactions are categorized as Level 3, which includes transactions such as stock option transactions.

Since currency swaps contracts subject to the allocation method are treated as an integral part of the hedged foreign currency denominated loans and bonds payable, their fair value is included in the fair value of hedged loans and bonds payable in the table above. In addition, since interest

rate swaps subject to the special hedge accounting are treated as an integral part of the hedged loan, their fair value is included in the fair value of hedged loans in the table above.

(Note 2) Information about financial assets and liabilities measured and stated on the consolidated balance sheet at fair value and classified in Level 3

1) Quantitative information about significant unobservable \*1

Category	Valuation technique	Significant unobservable inputs	Range
Loans	Discounted cash flow	Discount rate	5.8%-7.18%

\*1 The non-adjusted inputs from third parties are not included.

2) Reconciliation between the beginning and ending balance, and net unrealized gains (losses) recognized in the earnings for the period ended March 31, 2023

	Millions of Yen					
	Monetary claims bought	Money held in trust	Securities	Loans	Derivative transaction*6	Total
Beginning balance*1	157,630	4,914	695,614	114,039	9,080	981,278
Gains (losses) for the period/ other comprehensive income	(3,816)	316	21,795	(19,472)	(25,859)	(27,036)
Recorded to gains (losses) for the period*2	4	316	46,747	(19,472)	(25,859)	1,736
Recorded to other comprehensive income*3	(3,820)	—	(24,952)	—	—	(28,772)
Net amount of purchase, sale, issuance and settlement, etc.	(97)	9,760	439,928	28,573	21,934	500,100
Transfer to Level 3 *4	—	—	3,558	—	—	3,558
Transfer from Level 3 *5	—	—	(34,232)	—	—	(34,232)
Ending balance	153,716	14,990	1,126,664	123,140	5,156	1,423,668
Net unrealized gains (losses) on financial assets and liabilities held at consolidated balance sheet date among the amount recognized in the earnings of the period	—	—	(1)	(12,085)	(14,665)	(26,752)

\*1 The amount of investment trusts, ¥167,622 million, is included in Securities.

\*2 Principally included in "Investment income" and "Investment expenses" of the consolidated statements of income.

\*3 Included in "Net unrealized gains (losses) on available-for-sale securities" under "Other comprehensive income (loss)." of the consolidated statements of comprehensive income.

\*4 Those are the transfers from Level 1 or 2 to Level 3, due to changes in observability of valuation inputs which are used in fair value measurements. The transfer was made at the beginning of the fiscal year.

\*5 Those are the transfers from Level 3 to Level 1 or 2, due to changes in observability of valuation inputs which are used in fair value measurements. The transfer was made at the beginning of the fiscal year.

\*6 Debits and credits arising from derivative transactions are netted, and the net credit positions are shown in ( ).

### 3) Explanation about the fair value valuation process

The company has implemented policies and procedures regarding the fair value measurement by the risk management department and front divisions and others purchase and measure the fair values. The risk management department and others verify the reasonableness of the fair value valuation models, the inputs used, and the appropriateness of the classified fair value level of the calculated fair value. The results of verification are reported to the risk management department every quarter to ensure the appropriateness of the policies and procedures regarding the fair value measurement.

When measuring the fair values, the valuation models which most appropriately reflect the nature, characteristics and risks of each asset. When quoted prices obtained from third parties are used as fair value, their validity is verified taking appropriate methods such as confirming the valuation techniques and inputs used and comparing with the fair value of similar financial instruments.

### 4) Description of the sensitivity of the fair value to changes in significant unobservable inputs

#### Discount rate

Discount rate is a rate reflected on the uncertainty of cash flow and the liquidity of financial instruments. A significant increase(decrease) in discount rate generally causes a significant decrease(increase) in fair value.

19. The carrying amount for investment and rental properties was ¥404,931 million, and its fair value was ¥555,699 million as of March 31, 2023. The Company owns office buildings and land in Tokyo and other areas, the fair value of which is mainly based on appraisals by qualified external appraisers. Asset retirement obligations for certain investment and rental properties were established as other liabilities in the amount of ¥1,319 million as of March 31, 2023.

20. Of claims pursuant to the Insurance Business Act, the aggregate amount of claims against bankrupt or de facto bankrupt borrowers, doubtful claims, past due claims (3 months or more) and restructured claims were ¥783 million as of March 31, 2023. The details are as follows:

The amount of claims against bankrupt or de facto bankrupt borrowers was nil and doubtful claims was ¥783 million as of March 31, 2023. The amount of claims deemed uncollectible and directly deducted from the claims in the consolidated balance sheet was ¥16 million, which was claims against bankrupt or de facto bankrupt borrowers.

Claims against bankrupt or de facto bankrupt borrowers represent claims held against borrowers who have been declared insolvent or in a substantially similar condition, on the grounds of the commencement of bankruptcy or restructuring proceedings, filing for the proceedings of rehabilitation of other similar legal proceedings. Doubtful claims are those against borrowers who have not yet failed but their financial condition business performance have deteriorated, with a high possibility that the

principal and interest on these claims will not be received as per agreement, excluding claims against bankrupt or de facto bankrupt borrowers.

The amount of past due claims (3 months or more) was nil as of March 31, 2023.

Past due claims (3 months or more) represent claims on which payments of principal or interest are past due over three months from the day following the contractual due date. Past due claims (3 months or more) do not include claims classified as claims against bankrupt or de facto bankrupt borrowers or doubtful claims.

The amount of restructured claims was nil as of March 31, 2023. Restructured claims represent claims which have been restructured to provide relief to the borrowers by reducing or waiving interest payments, by rescheduling repayments of principal or payments of interest, or by waiving claims for borrowers in order to support their recovery from financial difficulties. Restructured claims do not include claims classified as claims against bankrupt or de facto bankrupt borrowers, doubtful claims or past due claims (3 months or more).

21. Accumulated depreciation of tangible fixed assets amounted to ¥447,479 million as of March 31, 2023.
22. The Company's total amount deducted from the original acquisition cost of the qualified properties was ¥16,601 million for the period ended March 31, 2023.
23. The total amount of assets held in separate accounts defined in Article 118 of the Insurance Business Act was ¥790,519 million as of March 31, 2023. The total amount of separate account liabilities was the same as this.
24. Changes in policyholders' dividend reserves for the fiscal year ended March 31, 2023 were as follows:

	Millions of Yen
At the beginning of the fiscal year	216,226
Transfer from surplus in the previous fiscal year	58,310
Dividend payments to policyholders during the fiscal year	58,895
Interest accrued during the fiscal year	26
At the end of the fiscal year	<u>215,667</u>

25. Total amount of investments in unconsolidated subsidiaries and affiliates was ¥210,804 million as of March 31, 2023.
26. Assets pledged as collateral were securities in the amount of ¥3,783,409 million, loans in the amount of ¥617,078 million and cash and deposits in the amount of ¥1,313 million as of March 31, 2023.
27. Securities loaned under security lending agreements amounted to ¥3,991,231 million as of March 31, 2023.
28. Securities borrowed under borrowing agreements can be sold or pledged as collateral. The fair value of the securities which were not sold or pledged as collateral was ¥8,792 million, and none of the securities was pledged as collateral as of March 31, 2023.
29. The amount of loan commitments outstanding was ¥27,615 million as of March 31, 2023.

30. The amount of corporate bonds in liabilities included ¥396,510 million of subordinated bonds and foreign currency-denominated subordinated bonds, the repayments of which are subordinated to other obligations, as of March 31, 2023.
31. Other liabilities included subordinated debt of ¥170,000 million, the repayments of which are subordinated to other obligations as of March 31, 2023.
32. Other assets and other liabilities included assets and liabilities related to the modified coinsurance in U.S. subsidiary of ¥651,076 million and ¥580,731 million, respectively.
33. For certain transactions of modified coinsurance that do not involve cash settlements by consolidated domestic subsidiary, amounts received under the reinsurance contracts as part of amounts equivalent to acquisition costs related to direct insurance contracts are recorded as reinsurance income while the same amounts are recorded as unamortized ceded premium commissions in reinsurance receivable and are amortized over the period of the reinsurance contracts.
34. The company and some consolidated subsidiaries in Japan, which adopted the Group Tax Sharing System, processed and disclosed corporate tax and local corporate tax, and Tax Effect Accounting, based on "the Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (Practical Issues Task Force No.42, August 12, 2021).
35. Deferred tax assets/liabilities as of March 31, 2023 were recognized as follows:

	Millions of Yen
Deferred tax assets	849,394
Valuation allowance for deferred tax assets	(23,264)
Subtotal	826,130
Deferred tax liabilities	(238,021)
Net deferred tax assets	588,109

Major components of deferred tax assets/liabilities as of March 31, 2023 were as follows:

	Millions of Yen
Deferred tax assets:	
Policy reserves and other reserves	412,727
Reserve for price fluctuation	237,590
Deferred tax liabilities:	
Net unrealized gains on available-for-sale securities	(116,594)

The actual effective income tax rate was 22.1% for the fiscal year ended March 31, 2023. Major component in the difference with the statutory effective income tax rate of 27.96% as of March 31, 2023 was as follows:

Policyholders' dividend reserves	(8.8)%
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## Notes to the Unaudited Consolidated Statement of Income for the Fiscal Year Ended March 31, 2023

1. The Company in principle recognizes insurance premiums when the premiums, which are measured at the amounts to be received, are received and the responsibility on the insurance contract is commenced.

2. The Company recognizes claims paid when incidents prescribed in policy clause are incurred and these claims are paid at the amounts to be paid.

The Company recognizes outstanding claims with the amount of unpaid claims over the contracts for which payment obligation exists at the year end or for which incidents prescribed in policy clause already incurred but not reported to the Company, pursuant to Article 117 of the Insurance Business Act and Article 72 of the Ordinance for Enforcement of the Insurance Business Act.

3. The details of the Company's impairment losses on fixed assets were as follows:

Accumulated impairment losses on fixed assets are directly reduced from amounts of their respective assets.

### 1) Method for grouping the assets

The Company groups all the fixed assets held and utilized for its insurance business as one asset group for the impairment test.

The Company treats real estates for investment and idle assets as an independent asset group for the impairment test.

### 2) Description of impairment losses

For the fiscal year ended March 31, 2023, the Company recognized impairment losses on real estates for investment that experienced the deterioration of profitability and on the idle assets that experienced the decline in the fair value. For these assets, the Company reduced the carrying amounts to the recoverable amounts, and recognized impairment losses as extraordinary losses in the consolidated statement of income.

### 3) Breakdown of impairment losses for the fiscal year ended March 31, 2023

Asset Group	Asset Category	Millions of Yen
Real estates for investment	Land and buildings	751
Idle assets	Land and buildings	1,569
Total		2,320

### 4) The recoverable amounts

The recoverable amounts of real estates for investment are determined at net realizable value or value in use. The recoverable amounts for idle assets are determined at net realizable value. Net realizable value is calculated based on an estimated selling value, appraisal value based on the Real Estate Appraisal Standards, or publicly announced value. Value in use is determined as the estimated net future cash flows discounted at 5.0%.

## Notes to the Unaudited Consolidated Statement of Comprehensive Income for the Fiscal Year Ended March 31, 2023

1. The components of other comprehensive income for the fiscal year ended March 31, 2023 were as follows:

Reclassification adjustments and income tax effects relating to other comprehensive income were as follows:

	Millions of Yen
<b>Net unrealized gains (losses) on available-for-sale securities:</b>	
Amount arising during the fiscal year	(1,411,681)
Reclassification adjustments	67,340
Before income tax effect adjustments	(1,344,340)
Income tax effects	338,894
Net unrealized gains (losses) on available-for-sale securities	(1,005,446)
<b>Deferred gains (losses) on derivatives under hedge accounting:</b>	
Amount arising during the fiscal year	(8,454)
Reclassification adjustments	(4,935)
Before income tax effect adjustments	(13,390)
Income tax effects	3,328
Deferred gains (losses) on derivatives under hedge accounting	(10,061)
<b>Foreign currency translation adjustments:</b>	
Amount arising during the fiscal year	57,026
Reclassification adjustments	—
Before income tax effect adjustments	57,026
Income tax effects	—
Foreign currency translation adjustments	57,026
<b>Remeasurements of defined benefit plans:</b>	
Amount arising during the fiscal year	10,381
Reclassification adjustments	(1,956)
Before income tax effect adjustments	8,425
Income tax effects	(2,352)
Remeasurements of defined benefit plans	6,072
<b>Share of other comprehensive income of associates under the equity method:</b>	
Amount arising during the year	6,756
Reclassification adjustments	(883)
Share of other comprehensive income of associates under the equity method	5,873
<b>Total other comprehensive income</b>	<b>(946,534)</b>



## Notes to the Unaudited Consolidated Statement of Cash Flows for the Fiscal Year Ended March 31, 2023

1. In the consolidated statement of cash flows, cash and cash equivalents are comprised of cash on hand, deposits (except deposits bearing interest of the Company and domestic consolidated subsidiaries), and short-term investment securities of foreign consolidated subsidiaries.
2. Reconciliation of cash and deposits in the consolidated balance sheet to cash and cash equivalents in the consolidated statement of cash flows as of March 31, 2023 was as follows:

	Millions of Yen
Cash and deposits	1,565,736
Deposits bearing interest of the Company and domestic consolidated subsidiaries	(1,019,189)
Cash and cash equivalents	546,546

3. Others in Cash flows from financing activities are mainly comprised of proceeds from financing activities by the subsidiary in U.S.

## 2. Solvency Margin Ratio on a Consolidated Basis

(Millions of Yen)

	As of March 31, 2022	As of March 31, 2023
Solvency margin gross amount (A)	4,795,724	3,597,472
Foundation funds and others	495,828	548,883
Reserve for price fluctuation	972,169	849,771
Contingency reserve	705,442	756,736
Unusual contingency reserve	-	-
General allowance for possible loan losses	3,604	4,123
(Net unrealized gains (losses) on available-for-sale securities (before income tax effect adjustments) and deferred gains (losses) on derivatives under hedge accounting (before income tax effect adjustments)) × 90% (Multiplied by 100% if losses)	1,248,951	32,194
Net unrealized gains on real estate × 85% (Multiplied by 100% if losses)	118,196	140,574
Total amount of unrecognized actuarial gains (losses) and unrecognized past service costs	(1,482)	6,942
Excess of continued Zillmerized reserve	761,616	779,854
Qualifying subordinated debt	600,510	566,510
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculation	-	-
Deduction clause	(180,420)	(196,176)
Others	71,306	108,056
Total amount of risk $\sqrt{(\sqrt{R_1^2 + R_5^2 + R_8 + R_9})^2 + (R_2 + R_3 + R_7)^2 + R_4 + R_6}$ (B)	1,207,009	1,059,629
Insurance risk $R_1$	93,867	99,759
General insurance risk $R_5$	-	-
Large disaster risk $R_6$	0	0
Third-sector insurance risk $R_8$	86,858	95,565
Insurance risk of small-amount, short-term insurer $R_9$	9	9
Risk of assumed yield $R_2$	175,401	175,797
Minimum guarantee risk $R_7^*$	6,102	8,134
Investment risk $R_3$	984,644	832,861
Operational risk $R_4$	26,937	24,242
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	794.6%	679.0%

\* The standard method is used for the calculation of the amount equivalent to minimum guarantee risk.

Note: The amounts and figures in the table above are calculated based on Article 130 of the Insurance Business Act, Article 86-2 and Article 88 of the Ordinance for Enforcement of the Insurance Business Act and Financial Services Agency Public Notice No.23 of 2011.

### 3. Non-Consolidated Financial Information

#### a. Overall Composition of Investments (General Account)

(Millions of Yen, %)

	As of March 31, 2022		As of March 31, 2023	
	Amount	% of total	Amount	% of total
Cash, deposits and call loans	1,044,510	2.9	2,076,849	6.0
Monetary claims bought	310,140	0.9	407,646	1.2
Money held in trust	4,914	0.0	14,990	0.0
Investments in securities	30,720,996	86.1	28,225,231	81.7
Domestic bonds	14,520,419	40.7	14,976,500	43.3
Domestic stocks	2,459,308	6.9	2,322,637	6.7
Foreign securities	13,218,894	37.1	10,582,451	30.6
Foreign bonds	10,730,565	30.1	8,370,096	24.2
Other foreign securities	2,488,328	7.0	2,212,355	6.4
Other securities	522,373	1.5	343,641	1.0
Loans	2,192,253	6.1	2,198,274	6.4
Policy loans	244,196	0.7	234,873	0.7
Industrial and consumer loans	1,948,057	5.5	1,963,401	5.7
Real estate	556,472	1.6	588,024	1.7
Investment property	392,177	1.1	403,356	1.2
Deferred tax assets	288,586	0.8	493,008	1.4
Other assets	560,974	1.6	547,963	1.6
Allowance for possible loan losses	(925)	(0.0)	(867)	(0.0)
Total	35,677,924	100.0	34,551,122	100.0
Foreign currency denominated assets	12,660,503	35.5	9,754,013	28.2

Note: Real estate is recorded as the sum total of land, buildings and construction in progress.

## b. Fair Value Information of Securities (General Account)

### (1) Net Valuation Gains and Losses on Trading Securities

(Millions of Yen)

	As of March 31, 2022		As of March 31, 2023	
	Balance sheet amount	Net Valuation gains(losses) included in statement of income	Balance sheet amount	Net Valuation gains(losses) included in statement of income
Trading securities	4,914	383	14,990	28

Note: The table above includes money, etc. held in trust for trading.

### (2) Fair Value Information of Securities (Except for Trading Securities)

(Millions of Yen)

	As of March 31, 2022					As of March 31, 2023				
	Book value	Fair value	Net gains (losses)	Net gains (losses)		Book value	Fair value	Net gains (losses)	Net gains (losses)	
				Gains	Losses				Gains	Losses
Held-to-maturity debt securities	1,569,177	1,812,094	242,917	242,925	(8)	1,531,156	1,729,570	198,413	198,537	(124)
Policy-reserve-matching bonds	12,514,443	13,596,489	1,082,045	1,277,927	(195,882)	13,192,905	13,610,612	417,707	975,068	(557,360)
Investments in subsidiaries and affiliated companies	52,238	53,679	1,441	1,441	-	53,077	45,626	(7,451)	-	(7,451)
Available-for-sale securities	15,177,316	16,387,386	1,210,069	1,599,191	(389,121)	12,881,722	13,250,150	368,428	1,303,032	(934,604)
Domestic bonds	2,752,734	2,709,967	(42,767)	44,159	(86,927)	3,025,881	2,833,870	(192,011)	34,902	(226,913)
Domestic stocks	1,155,190	2,297,231	1,142,041	1,181,568	(39,527)	1,065,125	2,118,405	1,053,280	1,084,853	(31,573)
Foreign securities	10,149,382	10,231,870	82,488	335,724	(253,236)	7,703,747	7,207,489	(496,257)	160,382	(656,640)
Foreign bonds	8,461,174	8,457,396	(3,777)	181,643	(185,421)	6,159,486	5,788,664	(370,822)	95,914	(466,736)
Other foreign securities	1,688,207	1,774,473	86,266	154,081	(67,815)	1,544,260	1,418,824	(125,435)	64,468	(189,903)
Other securities	411,007	435,347	24,340	32,845	(8,504)	248,157	251,419	3,261	19,658	(16,396)
Monetary claims bought	188,102	192,123	4,021	4,891	(870)	296,510	296,712	201	3,236	(3,034)
Negotiable certificates of deposit	520,900	520,844	(55)	-	(55)	542,300	542,253	(46)	-	(46)
Others	-	-	-	-	-	-	-	-	-	-
Total	29,313,176	31,849,649	2,536,473	3,121,486	(585,012)	27,658,862	28,635,959	977,097	2,476,638	(1,499,540)
Domestic bonds	14,563,186	15,651,386	1,088,199	1,323,856	(235,656)	15,168,512	15,536,037	367,524	1,016,901	(649,376)
Domestic stocks	1,155,190	2,297,231	1,142,041	1,181,568	(39,527)	1,065,964	2,118,958	1,052,994	1,084,853	(31,858)
Foreign securities	12,474,789	12,752,715	277,925	578,323	(300,398)	10,337,417	9,890,578	(446,838)	351,989	(798,828)
Foreign bonds	10,734,343	10,924,561	190,217	422,801	(232,583)	8,740,918	8,426,680	(314,237)	287,521	(601,758)
Other foreign securities	1,740,446	1,828,153	87,707	155,522	(67,815)	1,596,499	1,463,897	(132,601)	64,468	(197,069)
Other securities	411,007	435,347	24,340	32,845	(8,504)	248,157	251,419	3,261	19,658	(16,396)
Monetary claims bought	188,102	192,123	4,021	4,891	(870)	296,510	296,712	201	3,236	(3,034)
Negotiable certificates of deposit	520,900	520,844	(55)	-	(55)	542,300	542,253	(46)	-	(46)
Others	-	-	-	-	-	-	-	-	-	-

Note: 1. The table above includes securities that are deemed appropriate as securities under the Financial Instruments and Exchange Act in Japan.

2. Book values of stocks, etc. without quoted market price are excluded from the table above.

**Book values of stocks, etc. without quoted market price are as follows:**

(Millions of Yen)

	As of March 31, 2022	As of March 31, 2023
Investments in subsidiaries and affiliated companies	743,750	789,941
Available-for-sale securities	134,191	198,522
Domestic stocks	19,990	21,414
Foreign stocks	34,558	34,558
Others	79,642	142,548
Total	877,942	988,463

**(3) Fair Value Information of Money held in trust**

(Millions of Yen)

	As of March 31, 2022					As of March 31, 2023				
	Balance sheet amount	Fair value	Net gains (losses)	Gains	Losses	Balance sheet amount	Fair value	Net gains (losses)	Gains	Losses
Money held in trust	4,914	4,914	-	-	-	14,990	14,990	-	-	-

**Money held in trust for trading**

(Millions of Yen)

	As of March 31, 2022		As of March 31, 2023	
	Balance sheet amount	Net Valuation gains (losses) included in statement of income	Balance sheet amount	Net Valuation gains (losses) included in statement of income
Money held in trust for trading	4,914	383	14,990	28

**Money held in trust except for trading**

No money held in trust except for trading as of March 31, 2022 and March 31, 2023.

## c. Fair Value Information of Derivative Transactions (General Account)

### (1) Net Gains and Losses on Derivatives

(Millions of Yen)

	As of March 31, 2022						As of March 31, 2023					
	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	5,768	(555,980)	-	-	-	(550,211)	4,015	(200,674)	-	-	-	(196,659)
Hedge accounting not applied	(568)	(73,414)	(6,653)	-	(762)	(81,399)	1,147	(200,021)	(3,833)	-	(1,129)	(203,836)
Total	5,200	(629,394)	(6,653)	-	(762)	(631,611)	5,163	(400,696)	(3,833)	-	(1,129)	(400,496)

Notes: Net gains (losses) from derivatives with hedge accounting (fair value hedge method) applied, and net gains (losses) from derivatives with hedge accounting not applied are recorded on the statement of income.

Net gains (losses) from derivatives with hedge accounting (fair value hedge method) applied amounted to loss of ¥585,471 million and loss of ¥229,955 million as of March 31, 2022 and March 31, 2023, respectively.

### (2) Interest-related

(Millions of Yen)

Type	As of March 31, 2022				As of March 31, 2023			
	Notional amount/ contract value	Over 1 year	Fair value	Net gains (losses)	Notional amount/ contract value	Over 1 year	Fair value	Net gains (losses)
Over-the-counter transactions								
Interest rate swaps								
Receipts fixed, payments floating	136,580	136,535	(5,619)	(5,619)	264,235	253,210	(12,010)	(12,010)
Receipts floating, payments fixed	91,792	91,792	10,820	10,820	100,147	100,147	17,173	17,173
Total				5,200				5,163

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

#### (Reference)

#### Interest rate swaps by contractual maturity dates

[As of March 31, 2023]

(Millions of Yen, %)

	Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
Notional amount (receipts fixed, payments floating)	11,025	510	2,000	700	-	250,000	264,235
Average fixed rate (receipt)	1.20	0.18	0.71	0.83	-	0.75	0.77
Average floating rate (payment)	1.21	0.25	0.37	0.30	-	(0.03)	0.03
Notional amount (receipts floating, payments fixed)	-	-	40,059	-	60,088	-	100,147
Average fixed rate (payment)	-	-	1.83	-	2.39	-	2.17
Average floating rate (receipt)	-	-	6.14	-	6.50	-	6.36

### (3) Currency-related

(Millions of Yen)

Type	As of March 31, 2022				As of March 31, 2023			
	Notional amount/ contract value	Over 1 year	Fair value	Net gains (losses)	Notional amount/ contract value	Over 1 year	Fair value	Net gains (losses)
Over-the-counter transactions								
Foreign currency forward contracts								
Sold	10,036,218	3,363,811	(804,302)	(804,302)	8,298,542	702,883	(482,097)	(482,097)
(U.S. dollar)	4,771,599	1,656,305	(435,508)	(435,508)	4,959,945	663,063	(292,026)	(292,026)
(Euro)	3,105,975	1,265,539	(155,306)	(155,306)	2,131,914	-	(176,149)	(176,149)
(Australian dollar)	1,672,038	441,967	(174,858)	(174,858)	926,262	27,290	(14,634)	(14,634)
Bought	2,631,404	-	147,695	147,695	3,522,443	-	54,000	54,000
(U.S. dollar)	985,226	-	47,675	47,675	1,697,147	-	10,407	10,407
(Euro)	1,030,813	-	59,991	59,991	1,336,183	-	47,926	47,926
(Australian dollar)	485,633	-	37,174	37,174	396,207	-	(5,848)	(5,848)
Currency options								
Sold								
Call	120,000	-			83,200	-		
[U.S. dollar]	[313]		2,169	(1,856)	[678]		256	422
(U.S. dollar)	120,000	-			83,200	-		
[U.S. dollar]	[313]		2,169	(1,856)	[678]		256	422
Bought								
Put	100,000	-			914,650	-		
[U.S. dollar]	[422]			(422)	[3,933]		1,632	(2,301)
(U.S. dollar)	100,000	-			914,650	-		
[U.S. dollar]	[422]			(422)	[3,933]		1,632	(2,301)
Currency swaps								
(U.S. dollar)	37,806	37,806	(5,352)	(5,352)	37,806	35,351	(7,039)	(7,039)
(Euro)	35,351	35,351	(5,057)	(5,057)	35,351	35,351	(6,634)	(6,634)
(Euro)	2,454	2,454	(294)	(294)	2,454	-	(405)	(405)
Total				(664,237)				(437,016)

Notes: 1. Option fees are shown in [ ].

2. Regarding assets and liabilities which are denominated in foreign currencies but have fixed settlement in yen under foreign currency forward contracts and currency swaps and are reported in yen amounts in the balance sheets, those foreign currency forward contracts and currency swaps are excluded from the table above.

3. Net gains (losses) represent the fair values for foreign currency forward contracts and currency swaps, and the difference between the option fees and the fair values for currency options.

#### (4) Stock-related

(Millions of Yen)

Type	As of March 31, 2022				As of March 31, 2023			
	Notional amount/ contract value	Over 1 year	Fair value	Net gains (losses)	Notional amount/ contract value	Over 1 year	Fair value	Net gains (losses)
Exchange-traded transactions								
Stock index futures								
Sold	73,756	-	(5,261)	(5,261)	-	-	-	-
Over-the-counter transactions								
Stock index options								
Sold								
Call	- [ - ]	-	-	-	40,000 [1,046]	-	390	656
Bought								
Put	66,000 [1,392]	-	0	(1,391)	547,130 [4,936]	-	446	(4,489)
Total				(6,653)				(3,833)

Notes: 1. Option fees are shown in [ ].

2. Net gains (losses) represent the fair values for stock index futures and the difference between the option fees and the fair values for stock index options.

#### (5) Bond-related

No Bond-related as of March 31, 2022 and March 31, 2023.

#### (6) Others

(Millions of Yen)

Type	As of March 31, 2022				As of March 31, 2023			
	Notional amount/ contract value	Over 1 year	Fair value	Net gains (losses)	Notional amount/ contract value	Over 1 year	Fair value	Net gains (losses)
Over-the-counter transactions								
Multi-asset index options								
Sold								
Call	136,100 [414]	-	187	227	97,881 [291]	-	182	108
Bought								
Call	143,926 [2,882]	-	1,892	(990)	186,144 [4,144]	-	2,905	(1,238)
Total				(762)				(1,129)

Notes: 1. Option fees are shown in [ ].

2. Net gains (losses) represent the difference between the option fees and the fair values.



#### d. Disclosed Claims Based on Insurance Business Act

(Millions of Yen, %)

	As of March 31, 2022	As of March 31, 2023
Claims against bankrupt and quasi-bankrupt obligors	-	-
Claims with collection risk	755	783
Claims that are overdue for 3 months or more	-	-
Claims with repayment relaxation	600	-
Subtotal	1,355	783
[Percentage]	[0.02]	[0.01]
Claims against normal obligors	6,993,043	6,211,212
Total	6,994,398	6,211,996

- Notes:
1. Claims against bankrupt and quasi-bankrupt obligors are loans to borrowers who are subject to bankruptcy, corporate reorganization rehabilitation or other similar proceedings and other borrowers in serious financial difficulties.
  2. Claims with collection risk are loans to obligors (other than bankrupt and quasi-bankrupt obligors) with deteriorated financial condition and results of operations from which it is unlikely that the principal and interest on the loans will be recovered. (Excludes the claims listed in Note 1)
  3. Loans that are overdue for three months or more are loans for which payment of principal or interest is delayed for three months or more from the day following the contracted payment date. (Excludes the claims listed in Note 1 and 2)
  4. Claims with repayment relaxation are arrangements that are advantageous to the debtor, such as interest rate reduction and exemption, interest payment deferment, principal repayment deferment, debt waiver, etc., for the purpose of rebuilding or supporting the debtor (Excluding items mentioned in Note from 1 to 3 above).
  5. Claims against normal obligors are all other loans.