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NISSAY | 2021

Annual Report | Annual Report

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Main Business Details

◆ Company Purpose

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

- i) Life insurance business,
- ii) Provision of agency service or administration services to other insurance companies (including foreign insurers) or financial institutions, giving of guarantees for liabilities, and other businesses incidental to the businesses of the preceding items,
- iii) Sale and purchase of government bonds, local government bonds or government guaranteed bonds, handling of the offering or administration and other businesses permitted under the Insurance Business Act of local government bonds, corporate bonds or other debentures, and other businesses which life insurance companies may conduct under the laws other than the Insurance Business Act and
- iv) Other activities incidental to or relating to the matters referred to in each of the foregoing paragraphs

◆ Outline of Business

Life insurance business

- a. Underwriting insurance based on life insurance business licenses
See p. 9–13 for details regarding main insurance products.
- b. Asset management
Assets, such as monies received as premiums, are mainly invested in the following:
 - 1) Loans: Call loans and loans extended to corporations and individuals
 - 2) Securities investment: Investment in securities (including foreign securities) and securities lending
 - 3) Real estate investment: Investment in real estate, including office buildings

Auxiliary and other businesses

- a. Acting as a proxy for other insurance companies and other financial institutions
- b. Provision of credit guarantees
- c. Sales of investment trusts
- d. Management and administration of defined contribution pension plans

Company History

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

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

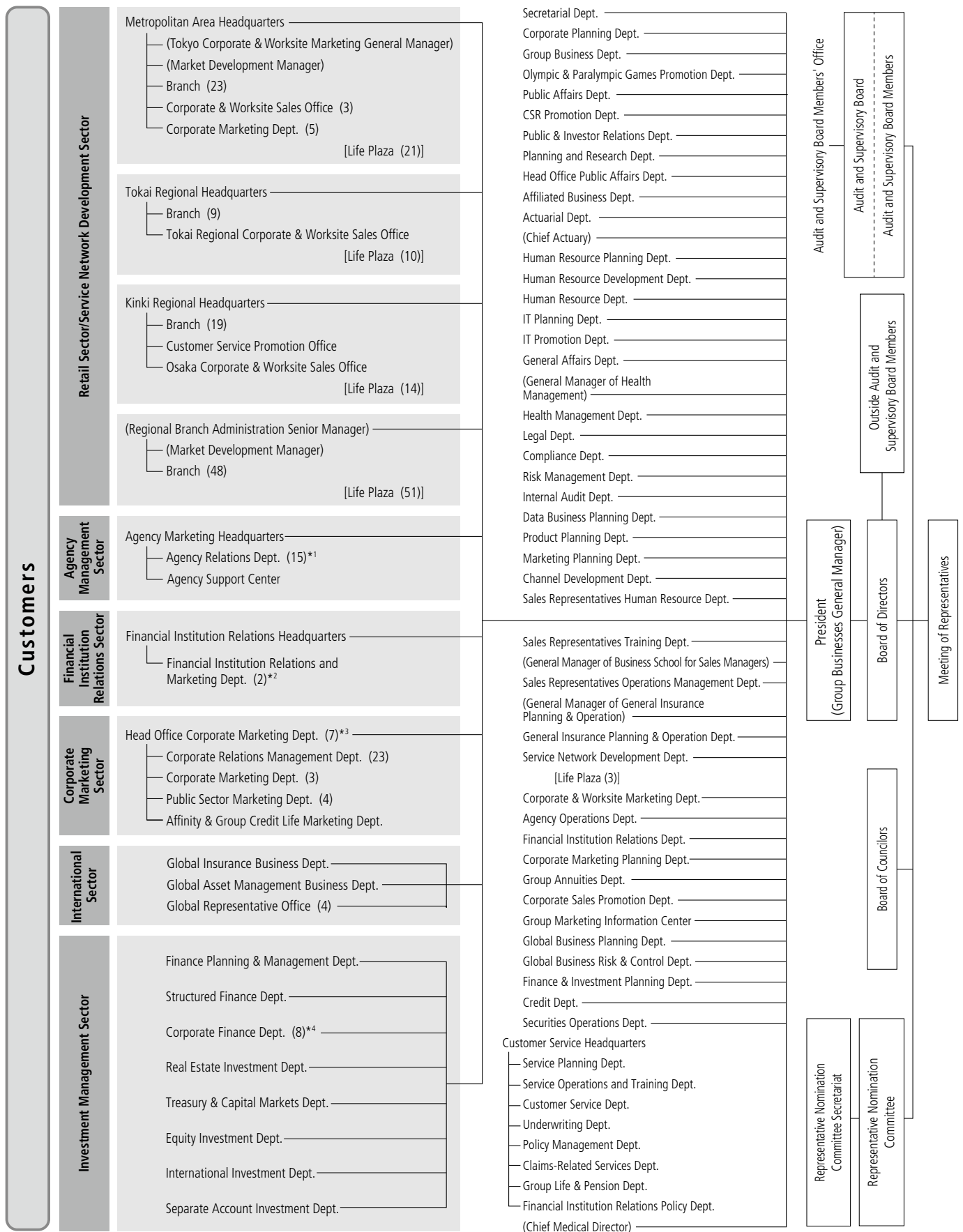
After World War II, the Company was reborn as Nippon Life Insurance Company in 1947 and continues to work to realize the philosophy of "co-existence, co-prosperity, and mutualism" as a mutual company.

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

1991	<ul style="list-style-type: none"> ○ "Nissay Capital Co., Ltd." established ○ Nippon Life Insurance Company of America established
1992	<ul style="list-style-type: none"> ○ "Athlete" (dread disease term rider) launched ○ Nissay Million Tree-Planting Campaign began
1993	<ul style="list-style-type: none"> ○ NISSAY NEW CREATION CO., LTD. established ○ Nissay Green Foundation established (Foundation converted to a public interest incorporated foundation in 2011)
1994	<ul style="list-style-type: none"> ○ Living needs benefit rider launched
1995	<ul style="list-style-type: none"> ○ Nissay Investment Trust Co., Ltd. established
1996	<ul style="list-style-type: none"> ○ Nissay General Insurance Co., Ltd. established
1997	<ul style="list-style-type: none"> ○ Acquired an equity stake in Bangkok Life Assurance Limited ○ "Forward" (illness & disability term rider) launched ○ Tie-up with Putnam Investments, LLC (USA)
1998	<ul style="list-style-type: none"> ○ "Nice Care" (nursing care rider) launched ○ Nissay Asset Management Investment Trust Corporation established through merger of Nissay Investment Advisors Co., Ltd. and Nissay Investment Trust Co., Ltd. ○ Tie-up with Deutsche Bank
1999	<ul style="list-style-type: none"> 110th Anniversary ○ Nissay Insurance Accounts launched ○ Nissay Information Technology Co., Ltd. established
2000	<ul style="list-style-type: none"> ○ Separate Account Management Division spun off, then integrated with Investment Trust Advisors and renamed Nissay Asset Management Corporation ○ The Master Trust Bank of Japan, Ltd. began operation ○ Foundation funds (<i>kikin</i>) fundraising using securitization through Special Purpose Company (SPC)
2001	<ul style="list-style-type: none"> ○ The Dowa Fire and Marine Insurance Company, Limited and Nissay General Insurance Co., Ltd. merged to form Nissay Dowa General Insurance Company, Limited (The company merged with Aioi Insurance Co., Ltd. in 2010 and was renamed as Aioi Nissay Dowa Insurance Co., Ltd.) ○ "Ikiru Chikara EX" launched ○ Life Care Partners Co., Ltd. established in cooperation with the Nichii Gakkan and Hitachi groups ○ Corporate-Pension Business Service Co., Ltd., a joint venture with Daiichi Mutual Life Insurance Company (name changed to The Dai-ichi Life Insurance Company, Limited), established ○ Nissay Call Center launched
2002	<ul style="list-style-type: none"> ○ "Nissay Million Tree-Planting Campaign" goal of one million trees reached ○ Individual variable annuities that are sold in banks launched
2003	<ul style="list-style-type: none"> ○ "Nissay Planting and Nurturing Forests for Future Generations Campaign," a forest protection campaign, launched ○ Nissay-SVA Life Insurance Co., Ltd. established
2004	<ul style="list-style-type: none"> ○ Bangkok Life became a Group company ○ Tokyo Headquarters moved to the Marunouchi area ○ "My Dream" (annuity with variable accumulation rate) launched
2005	<ul style="list-style-type: none"> ○ "Iryo Meijin EX" (hospitalization and medical life insurance) launched ○ "Super Phoenix 100EX" (term life insurance) launched ○ "Long Dream" (single-payment whole life insurance with variable accumulation rate) launched
2008	<ul style="list-style-type: none"> ○ Tie-up with Northwestern Mutual ○ "Mirai Support" launched ○ "Platina Dream" (Equity Indexed Annuity) launched ○ More than seven million children invited to watch musicals at the "Nissay Masterpiece Theatre" (Nissay Meisaku Gekijo)
2009	<ul style="list-style-type: none"> 120th Anniversary ○ "My Medical Ex" launched ○ Nissay-SVA Life Insurance Co., Ltd. changed its joint venture partner to China Great Wall Asset Management Corporation and renamed the joint venture Nissay-Greatwall Life Insurance Co., Ltd.
2010	<ul style="list-style-type: none"> ○ "Zutto Motto Service" launched ○ Sales of "Yume no Katachi" started
2011	<ul style="list-style-type: none"> ○ Invested in Reliance Life Insurance Company Limited and made it into a Group company (Renamed Reliance Nippon Life Insurance Company Limited in 2016)
2012	<ul style="list-style-type: none"> ○ The three-year plan the "Future Creation Project" (2012–2014) started ○ Nissay "Mirai no Katachi" launched ○ Invested in Reliance Capital Asset Management Limited and made it into an affiliate company (Renamed Reliance Nippon Life Asset Management Limited in 2016) ○ Issuance of US Dollar-denominated subordinated notes
2013	<ul style="list-style-type: none"> ○ "Nissay Educational Endowment Insurance" launched ○ "Next Road" launched ○ "Yume no Katachi Plus" launched
2014	<ul style="list-style-type: none"> ○ The "Nissay Masterpiece Series" (Nissay Meisaku Series) launched ○ Invested in PT Asuransi Jiwa Sequis Life making it an affiliated company
2015	<ul style="list-style-type: none"> ○ Three-year Medium-Term Management Plan "Zen Shin (2015–2017)" started ○ Nissay "Mirai no Katachi Itsutsu Boshi" plan featuring dread disease insurance coverage with continuous support launched ○ LifeSalon became a subsidiary ○ "Long Dream GOLD" launched ○ Established Nissay Realty Management Co., Ltd. ○ Lifeplaza Partners Co., Ltd. made into a Group company ○ Management integration with Mitsui Life Insurance Company Limited (Now TAIJU LIFE INSURANCE COMPANY LIMITED)
2016	<ul style="list-style-type: none"> ○ "Gran Age" launched ○ "Wrap Dream" launched ○ "ChouChou!" launched ○ MLC Limited into a subsidiary
2017	<ul style="list-style-type: none"> ○ Start of the Medium-Term Management Plan "Zen Shin –next stage– (2017–2020)" ○ "Platinum Phoenix" launched ○ Hoken 110 became a subsidiary ○ "Moshimonotoki no...Seikatsuhi" launched ○ "Yume no Present" launched ○ Nippon Life invested in the US asset management firm, The TCW Group, Inc., and converted it into an affiliate
2018	<ul style="list-style-type: none"> ○ Nissay "Mirai no Katachi Daijobu," specific medical coverage launched ○ Management integration with MassMutual Life Insurance Company (Now Nippon Wealth Life Insurance Company Limited) ○ "Long Dream GOLD 2" launched ○ LHL Co., Ltd. became a subsidiary
2019	<ul style="list-style-type: none"> 130th Anniversary ○ HANASAKU LIFE INSURANCE Co., Ltd. opened for business ○ Nissay "Mirai no Katachi NEW in 1," general hospitalization insurance launched ○ "Long Dream GOLD 3" (single-payment whole life insurance with variable accumulation rate) launched ○ Additional shares in Reliance Nippon Life Asset Management Limited acquired and made it a subsidiary (Renamed Nippon Life India Asset Management Limited in 2020) ○ Invested in Grand Guardian Life Insurance Co., Ltd. and made it an affiliate (Renamed Grand Guardian Nippon Life Insurance Co., Ltd. in 2019) ○ "Yume no Present 2" launched
2020	<ul style="list-style-type: none"> ○ Nissay "Mirai no Katachi Ninchisho Support Plus" (dementia insurance) launched
2021	<ul style="list-style-type: none"> ○ Start of the Medium-Term Management Plan "Going Beyond (2021–2023)" ○ Nissay "Mirai no Katachi Shu NEW 1" income support insurance for extended hospital stays launched

Organization

(As of March 25, 2021)



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

※ Offices and Centers Installed inside Departments

Consumer Loan Planning Office (Finance Planning & Management Department)	Sales Material Inspection Office (Product Planning Department)	Regional Revitalization Support Office (Corporate & Worksite Marketing Department)
Store Planning Office (Real Estate Investment Department)	Healthcare Development Office (Marketing Planning Department)	Market Development Office (Corporate Marketing Planning Department)
Innovation Office (Corporate Planning Department)	<i>Shin Ikusei</i> Program Promotion Office (Sales Representatives Training Department)	Corporate Product Planning Office (Corporate Marketing Planning Department)
International Accounting and Actuarial Affairs Office (Planning and Research Department)	Business School for Sales Managers (Sales Representatives Training Department)	Corporate Sales Planning & Product Development Office (Corporate Marketing Planning Department)
<i>Kagayaki</i> Promotion Office (Human Resource Development Department)	New Sales-Activities Promotion Office (Sales Representatives Operations Management Department)	ESG Investment Strategy Office (Finance & Investment Planning Department)
Digitalization Office (IT Promotion Department)	Corporate Sales Strategy Office (Corporate & Worksite Marketing Department)	General Insurance Planning & Services Office (Service Planning Department)
Sound Business Promotion Office (Compliance Department)	Sales Area Management Office (Corporate & Worksite Marketing Department)	Medical Research and Development Office (Service Planning Department)
Information Management Office (Compliance Department)	Corporate & Worksite Development Office (Corporate & Worksite Marketing Department)	Call Center (Customer Service Department)
Compliance Consultation Office (Compliance Department)	Public Sector Management Office (Corporate & Worksite Marketing Department)	Claims-Related Services Center (Claims-Related Services Department)
Administrative Risk Management Department (Risk Management Department)		Corporate Service Center (Group Life & Pension Department)
System Risk Management Department (Risk Management Department)		
Investment Risk Management Department (Risk Management Department)		

*1: Fifteen Agency Relations Departments

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

*3: Seven Head Office Corporate Marketing Departments

Head Office 1st Corporate Marketing Dept. (Tokyo)	Head Office East Japan Corporate Marketing Dept. (Sapporo)
1st Corporate Relations Management Dept. (Tokyo)	Hokkaido Corporate Relations Management Dept. (Sapporo)
2nd Corporate Relations Management Dept. (Tokyo)	Tohoku Corporate Relations Management Dept. (Sendai)
3rd Corporate Relations Management Dept. (Tokyo)	Head Office Tokai Corporate Marketing Dept. (Nagoya)
4th Corporate Relations Management Dept. (Tokyo)	1st Tokai Corporate Relations Management Dept. (Nagoya)
9th Corporate Relations Management Dept. (Tokyo)	2nd Tokai Corporate Relations Management Dept. (Kariya)
Head Office 2nd Corporate Marketing Dept. (Tokyo)	Tokai Corporate Sales Dept. (Nagoya)
5th Corporate Relations Management Dept. (Tokyo)	Head Office Osaka Corporate Marketing Dept. (Osaka)
6th Corporate Relations Management Dept. (Tokyo)	1st Osaka Corporate Relations Management Dept. (Osaka)
7th Corporate Relations Management Dept. (Tokyo)	2nd Osaka Corporate Relations Management Dept. (Osaka)
8th Corporate Relations Management Dept. (Tokyo)	3rd Osaka Corporate Relations Management Dept. (Osaka)
10th Corporate Relations Management Dept. (Tokyo)	Kyoto Corporate Relations Management Dept. (Kyoto)
11th Corporate Relations Management Dept. (Tokyo)	Kobe Corporate Relations Management Dept. (Kobe)
12th Corporate Relations Management Dept. (Tokyo)	Chugoku Corporate Relations Management Dept. (Hiroshima)
Head Office 3rd Corporate Marketing Dept. (Tokyo)	1st Osaka Corporate Sales Dept. (Osaka)
1st Public Sector Marketing Dept. (Tokyo)	2nd Osaka Corporate Sales Dept. (Osaka)
2nd Public Sector Marketing Dept. (Tokyo)	Osaka Public Sector Marketing Dept. (Osaka)
3rd Public Sector Marketing Dept. (Tokyo)	Head Office Kyushu Corporate Marketing Dept. (Fukuoka)
Affinity & Group Credit Life Marketing Dept. (Tokyo)	Kyushu Corporate Relations Management Dept. (Fukuoka)

*2: Two Financial Institutions Relations and Marketing Departments

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

*4: Eight Corporate Finance Departments

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

◆ Branch Organization

	(Unit: Number)		
As of April 1	2021	2020	2019
Branches	99	99	99
Branch Offices	9	9	9
Sales Offices	1,521	1,526	1,533
Global Representative Offices	4	4	4
Agencies	18,562	18,266	17,493

Notes: 1. Branches are organizations that mainly specialize in sales activities targeting urban corporate worksite sales locations.

2. Agencies include sales agencies at banks and other financial institutions.

Status of Employees and Executives/Accounting Audits

◆ Number of Employees by Job Function

		Number of employees (As of March 31)		Number of new employees (Fiscal years ended March 31)	
		2021	2020	2021	2020
Total non-sales personnel		21,117	21,403	1,506	1,820
	Male	6,717	6,873	430	468
	Female	14,400	14,530	1,076	1,352
Managerial track		3,868	3,926	188	175
Sales management positions		1,990	1,978	89	97
Area management positions		1,464	1,444	76	77
Area operations positions		6,426	6,567	278	460
Total sales representatives		55,675	53,154	9,880	10,325
	Male	261	277	0	0
	Female	55,414	52,877	9,880	10,325
Total		76,792	74,557	11,386	12,145
	Male	6,978	7,150	430	468
	Female	69,814	67,407	10,956	11,677

Notes: 1. All figures were calculated on March 31 of each fiscal year.

2. Non-sales personnel are the total number of non-sale representatives, sales general managers, medical staff, labor service staff, elderly staff, special contract employees, customer affairs advisors, specified staff, and temporary staff.

3. The number of sales representatives includes employees that were registered as life insurance solicitors prior to employment. (1,219 employees as of March 31, 2021 and 1,184 employees as of March 31, 2020)

4. Effective from March 25, 2021, sales general managers, who were previously included in sales representatives, were reclassified from sales representatives to non-sales personnel. Following this change, figures for the fiscal year ended March 31, 2020 were calculated to reflect the same classification basis.

◆ Average Age and Years of Service

		Average age (Years)		Average years of service (Years)	
As of March 31		2021	2020	2021	2020
Total non-sales personnel		44.8	44.6	12.6	12.4
	Male	43.7	43.7	15.6	15.4
	Female	45.3	45.0	11.2	11.1
Managerial track		41.2	41.0	18.4	18.1
Sales management positions		39.7	39.9	16.7	16.9
Area management positions		38.4	38.5	16.5	16.5
Area operations positions		40.9	40.8	13.5	13.6
Total sales representatives		44.7	44.9	9.4	9.5
	Male	58.3	57.1	26.0	25.0
	Female	44.6	44.9	9.3	9.4
Total		44.7	44.8	10.3	10.3
	Male	44.3	44.2	16.0	15.8
	Female	44.8	44.9	9.7	9.7

Notes: 1. All figures were calculated on March 31 of each fiscal year, and rounded to the nearest decimal place.

2. Non-sales personnel are the total number of non-sales representatives, sales general managers, medical staff, labor service staff, elderly staff, special contract employees, customer affairs advisors, specified staff, and temporary staff.

3. The number of sales representatives includes employees that were registered as life insurance solicitors prior to employment. (1,219 employees as of March 31, 2021 and 1,184 employees as of March 31, 2020)

4. Effective from March 25, 2021, sales general managers, who were previously included in sales representatives, were reclassified from sales representatives to non-sales personnel. Following this change, figures for the fiscal year ended March 31, 2020 were calculated to reflect the same classification basis.

◆ Average Monthly Salary of Non-Sales Personnel (Unit: Thousands of Yen)

Fiscal years ended March 31	2021	2020
Non-sales personnel	322	322

Notes: 1. The average monthly salary is the tax-inclusive standard salary in March, excluding bonuses and over-time pay.

2. Non-sales personnel are the total number of non-sales representatives, sales general managers, medical staff, labor service staff, elderly staff, special contract employees, customer affairs advisors, specified staff, and temporary staff.

◆ Average Monthly Salary of Sales Representatives (Unit: Thousands of Yen)

Fiscal years ended March 31	2021	2020
Sales representatives	285	304

Notes: 1. The average monthly salary is the tax-inclusive standard salary in March, excluding bonuses and over-time pay.

2. Excludes site managers, branch training center trainers, training assistant managers, specially commended sales representatives, specially qualified sales representatives, life agents, sales representative trainees, life insurance agencies, and service support staff.

◆ Status of Executives

Number of directors authorized by the Articles of Incorporation	25 people
Term of office of directors authorized by the Articles of Incorporation	2 years
Chairman of the Board of Directors	President
Number of directors	20 people
Status of appointment of outside directors	Appointed
Number of outside directors	5 people
Number of outside directors qualifying as independent members of the board	5 people

◆ Status of Executive Remuneration

Individuals with total remuneration, etc. of ¥100 million or more (April 1, 2020 to March 31, 2021)

(Unit: Millions of Yen)

Name (position of executive)	Total remuneration, etc.	Monthly remuneration	Bonus	Single-year contribution to performance-linked retirement or severance remuneration	Single-year contribution to retirement or severance allowance
Hiroshi Shimizu (Director)	133	88	16	19	9

Notes: 1. Remuneration is shown only for individuals whose total remuneration, etc. is ¥100 million or more.

2. The single-year contribution to performance-linked retirement or severance remuneration is recognized as the amount for the fiscal year under review that has been contributed under internal rules, in order to provide for the payment of performance-linked retirement or severance remuneration to directors and Audit and Supervisory Board members.

3. The single-year contribution to retirement or severance allowance is recognized as the amount for the fiscal year under review that has been contributed under internal rules, in order to provide for the payment of retirement or severance benefits to directors and Audit and Supervisory Board members.

The retirement benefit plan for directors and Audit and Supervisory Board members was abolished at the Meeting of Representatives held on July 2, 2020.

◆ Status of Accounting Audits

(1) Name of Accounting Auditors

Deloitte Touche Tohmatsu LLC

(2) Continuous Auditing Period

15 years

(3) Certified Public Accountants Who Conducted Auditing Operations

Yoshiyuki Higuchi

Hideo Shirata

Ayako Makino

The number of years of continuous audits was not more than 7 years for each of the certified public accountants who conducted auditing operations.

(4) Composition of Assistants Involved in Auditing Operations

The assistants involved in auditing operations consisted of a total of 30 certified public accountants and 49 other individuals.

(5) Policy and Reasons for Selecting the Accounting Auditors

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

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

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

As a result of the foregoing, the Audit and Supervisory Board can confirm that there are no particular problems with the qualifications and auditing history of the accounting auditors. It has also determined that the auditing methods and results of the accounting auditors in the fiscal year ended March 31, 2021 were appropriate. For this reason, the Audit and Supervisory Board has decided that it would be appropriate to reappoint the accounting auditors.

◆ Details of Audit Remuneration and Related Matters

(1) Remuneration for Accounting Auditors

(Unit: Millions of Yen)

Category	Fiscal year ended March 31, 2021		Fiscal year ended March 31, 2020	
	Remuneration based on audit and attestation services	Remuneration based on non-audit services	Remuneration based on audit and attestation services	Remuneration based on non-audit services
Nippon Life	377	78	407	49
Consolidated subsidiaries	242	22	239	25
Total	620	100	646	75

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

Following the publication of the integrated report for the fiscal year ended March 31, 2020, Nippon Life and its consolidated subsidiaries paid additional remuneration of ¥57 million and ¥8 million, respectively, to the accounting auditors. The remuneration based on audit and attestation services for the fiscal year ended March 31, 2020 presented above includes this additional remuneration.

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

(Unit: Millions of Yen)

Category	Fiscal year ended March 31, 2021		Fiscal year ended March 31, 2020	
	Remuneration based on audit and attestation services	Remuneration based on non-audit services	Remuneration based on audit and attestation services	Remuneration based on non-audit services
Nippon Life	—	94	—	83
Consolidated subsidiaries	23	327	61	576
Total	23	421	61	660

Note: Non-audit services at Nippon Life mainly consisted of advisory services concerning preparations for establishing a new company in the fiscal year ended March 31, 2021, and consulting services concerning the daycare field in the fiscal year ended March 31, 2020. Non-audit services at consolidated subsidiaries mainly consisted of consulting services concerning systems development.

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

Not applicable.

(4) Policy on Determination of Audit Remuneration

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

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

The Audit and Supervisory Board confirmed and deliberated matters such as the content of the accounting auditors' audit plans, the calculation basis for remuneration estimates, the status of execution of accounting auditors' duties, and the opinions of directors and relevant internal departments. As a result, the Audit and Supervisory Board determined that these matters were appropriate and provided its consent based on Article 399, Paragraph 1 of the Companies Act, as applied mutatis mutandis pursuant to Article 53-23 of the Insurance Business Act.

Status of Facilities

◆ Overview of Capital Investment and Related Matters

In the fiscal year ended March 31, 2021, capital investment amounted to ¥97.6 billion. Capital investment was made primarily to build new and rebuild existing investment properties, build new and rebuild existing properties for sales activities, and develop and maintain systems.

In the fiscal year ended March 31, 2021, there were no dispositions, divestments, or other such actions for important facilities.

◆ Status of Major Facilities

Name of main office* ¹	Name of segment	Description of facility* ²	Book value (Hundred Millions of Yen)* ³ * ⁴				Number of employees* ³ Top row: Non-sales personnel Bottom row: Sales representatives
			Buildings and structures* ⁵	Land	Others* ⁷	Total	
				(Area: Thousands of m ²) [Area of leased land: Thousands of m ²]* ⁶			
Osaka Head Office (Chuo-ku, Osaka)	Domestic life insurance business	For investment	—	— (—) [—]	7	7	4,022 55
		For sales activities	301	277 (12) [—]	233	811	
Tokyo Headquarters (Chiyoda-ku, Tokyo)	Domestic life insurance business	For investment	102	633 (4) [—]	—	735	3,165 102
		For sales activities	144	953 (9) [—]	—	1,098	
Hokkaido Sapporo Branch and 66 other properties	Domestic life insurance business	For investment	144	104 (20) [5]	0	248	574 2,122
		For sales activities	48	42 (40) [0]	0	91	
Tohoku Sendai Branch and 100 other properties	Domestic life insurance business	For investment	73	82 (16) [5]	0	156	793 3,956
		For sales activities	56	64 (66) [1]	0	120	
Minamikanto Central Tokyo General Branch and 273 other properties	Domestic life insurance business	For investment	1,765	4,654 (221) [92]	12	6,432	5,056 14,663
		For sales activities	604	1,734 (423) [15]	1	2,341	

Name of main office* ¹	Name of segment	Description of facility* ²	Book value (Hundred Millions of Yen)* ³ * ⁴				Number of employees* ³ Top row: Non-sales personnel Bottom row: Sales representatives
			Buildings and structures* ⁵	Land	Others* ⁷	Total	
				(Area: Thousands of m ²) [Area of leased land: Thousands of m ²]* ⁶			
Kitakanto and Koshin Utsunomiya Branch and 111 other properties	Domestic life insurance business	For investment	17	19 (4) [0]	0	37	692 3,690
		For sales activities	52	70 (73) [0]	0	122	
Hokuriku Niigata Branch and 68 other properties	Domestic life insurance business	For investment	25	32 (6) [0]	14	72	458 2,261
		For sales activities	43	52 (46) [0]	0	95	
Tokai Nagoya Branch and 162 other properties	Domestic life insurance business	For investment	174	200 (21) [11]	1	376	1,347 6,441
		For sales activities	95	153 (95) [3]	0	250	
Kinki Kyoto Branch and 264 other properties	Domestic life insurance business	For investment	637	1,013 (127) [40]	182	1,834	2,400 10,299
		For sales activities	434	566 (300) [6]	1	1,002	
Chugoku Hiroshima Branch and 109 other properties	Domestic life insurance business	For investment	124	214 (28) [0]	0	339	705 3,333
		For sales activities	52	92 (68) [2]	0	145	
Shikoku Matsuyama Branch and 57 other properties	Domestic life insurance business	For investment	41	52 (6) [1]	—	93	383 1,984
		For sales activities	29	48 (34) [0]	0	77	
Kyushu Fukuoka General Branch and 193 other properties	Domestic life insurance business	For investment	120	252 (227) [1]	6	379	1,522 6,769
		For sales activities	84	168 (123) [0]	1	253	

*1 The names of the main offices indicate the name of the main sales office in each region.

*2 "For investment" refers to the component for properties held for the purpose of generating income through leasing and related activities, and the ancillary component necessary for this purpose.

*3 Book value is aggregated for each region where the applicable properties are located. The number of employees is aggregated for each region where the main office of their organizations is located.

*4 Book value is proportionately allocated to the book-value categories of "for investment" and "for sales activities" according to the ratio between the floor area of leased buildings and the floor area of buildings for sales activities.

*5 Interior remodeling of leased buildings has been recorded in a lump sum under Osaka Head Office as the monetary amount is very small.

*6 The area of leased land is enclosed in square brackets. Nippon Life paid leasing fees related to real estate of ¥14.6 billion (comprising ¥7.4 billion in buildings and ¥7.2 billion in land).

*7 The "Others" component of book value comprises lease assets of ¥7.0 billion, construction in progress of ¥22.3 billion, and other tangible fixed assets of ¥17.0 billion. The main component of other tangible fixed assets is furniture and related items. Furniture and related items in use at each office are recorded in a lump sum under Osaka Head Office, as they represent only a small monetary amount.

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

(1) Plans for Building New Facilities

Not applicable.

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

Not applicable.

Products and Services for Individuals

Nippon Life strives to offer services and develop products with primary emphasis on providing truly useful coverage for customers.

The areas that customers want to prioritize when choosing coverage vary according to their life stages. Furthermore, lifestyles have been diversifying in recent years; people are getting married later in life and an increasing number of people are remaining single, leading to growth in the number of double-income households.

To respond thoroughly to such diversifying customer needs, Nippon Life has reviewed and, where appropriate, improved its product lineup. We combine coverage for "death," "medical and nursing care," "savings and retirement," and "children with other products" to supply customers with comprehensive, well-balanced coverage according to their needs.

Life Insurance Products

◆ Nissay *Mirai no Katachi*



The "Mirai no Katachi" product provides customers with lifelong support by allowing them to make up different combinations of insurance. These can also be altered after enrollment. The "Mirai no Katachi" series has further evolved with the addition in July 2021 of "Shu NEW 1" income support insurance for continuous hospitalization, which is an insurance product that covers decreases in income due to a certain period of continuous hospitalization.

When they enroll, customers can flexibly combine 15 types of insurance as needed. This insurance can be divided into four categories: "death risk," "risk of serious diseases and nursing care," "medical risks," and "risk of requiring accumulated funds for old age and other risks."

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

Notes: 1. Combinations are subject to certain restrictions.

2. Services may not be available if Nippon Life does not handle the relevant system when requests are made.

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

*1 Death claim payouts for insurance against dread diseases, physical disability and nursing care are the same as the sums paid out under these respective policies.

With dread disease insurance coverage with continuous support, specified serious disease insurance coverage and dementia coverage insurance, payout on death is limited to 10% of the sum paid for the respective dread disease, specified serious disease or diagnosis of dementia insurance coverage claim (not including any healthcare support payments).

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

◆ Other Products

Type of Insurance		Summary	Product Name
Protection for children	Juvenile insurance	Insurance that provides for children's education expenses, the death of the policyholders, etc.	Nissay juvenile insurance "Genki"
	Children's general medical insurance* ¹	Insurance that covers children's hospitalization, surgery, etc.	
	Education endowment insurance	Insurance that accumulates savings to pay for children's university education, etc.	
Insurance that provides protection for serious diseases and childbirth	Coverage against the three major diseases with birth support benefits	Insurance that provides protection for childbirth and coverage for specified infertility treatment in addition to cancer, heart attack, stroke and death	Nissay coverage against the three major diseases with birth support benefits "ChouChou!"
Longevity insurance	Long-life insurance (low surrender value type)	No death benefit, but insurance that prioritizes systematic planning of living expenses after retirement	Nissay's long-life insurance (low surrender value type) "Gran Age"
Asset formation and retirement coverage	Single-payment whole life insurance	Insurance provides death coverage for life while enabling asset formation, with a single premium payment	Nissay single-payment whole life insurance "My Stage"
	Single-payment annuities	Supplement post-retirement living expenses, with a single premium payment	Nissay single-payment annuities* ²
	Single-payment endowment insurance	Insurance provides death protection for a set period while enabling asset formation, with a single premium payment	Nissay single-payment endowment insurance* ²

*¹ Policy must be combined with juvenile insurance.

*² Sales were on hold as of July 2, 2021.

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

<Type of Insurance>	<Product Name>
● Single-payment whole life insurance	Nissay Variable Interest Rate Single-Payment Increasing-Coverage Whole Life Insurance (yearly death benefit increase type)
● Single-payment whole life insurance	Nissay Single-Premium Whole Life Insurance Policy with Variable Accumulation Rate in Designated Currency (US dollar denominated, euro*, Australian dollar denominated)
● Single-payment annuities	Nissay Variable Accumulation Rate Annuities (fixed interest rate type)*
● Single-payment annuities	Variable annuity insurance with defined minimum living benefits (US dollar denominated, Australian dollar denominated)
● Single-premium variable insurance	Nissay variable insurance with designated currency living benefit (US dollar denominated, Australian dollar denominated)
	Nissay term life insurance with designated currency living benefit (fixed rate only) (US dollar denominated, Australian dollar denominated)

* Sales were on hold as of July 2, 2021.

Note: The foregoing statements provide an overview of products and do not include all information related to the policy.

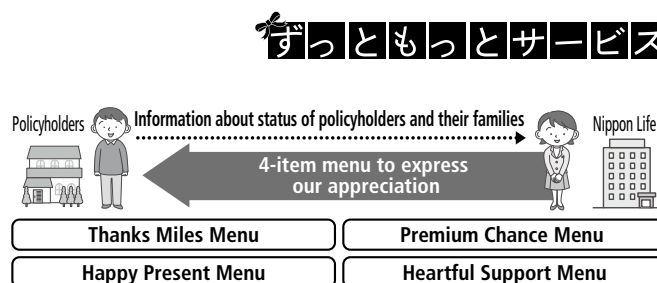
When considering a policy, please be sure to confirm by reading the pamphlets, prospectuses (policy guides), reminders, Policy Clause—Bylaws/Terms and Conditions and other materials.

◆ Services

<Zutto Motto Service>

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

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



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

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

Notes: 1. Individual customers issued with an ID by Nippon Life are eligible for the *Zutto Motto Service* (some exceptions exist; there is also a separate *Corporate Zutto Motto Service* for corporate clients).

2. The *Health and Nursing Care Consultation Line* is provided by Life Care Partners Co., Ltd. This is not an insurance product or service of Nippon Life.

<Best Doctors® Service>

ベストドクターズ・サービス

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

* Skilled specialists recommended by physicians selected by Best Doctors, Inc. based on questionnaires of numerous physicians.

Note: Best Doctors® and Best Doctors in Japan™ are trademarks of Best Doctors, Inc. in the United States and other countries.

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

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

*¹ Including benign brain tumors

*² Typically requiring surgery

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

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

Notes: 1. The Best Doctors® Service is provided by Houken Corporation. This is not an insurance policy or service of Nippon Life.

2. The list of eligible conditions above is subject to change. Some services may not be available depending on the region or specific circumstances.

3. Disease/diagnostic criteria used to confirm eligibility for the Best Doctors® Service differ from those applied to products provided by Nippon Life.

<Ninchisho Kaigo Anata no Soba no Concierge>



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

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

The following people can use the service:

- *Mirai no Katachi* "nursing care insurance" or "dementia coverage insurance" policyholders, insured persons, death benefit recipients, and designated proxies.

Note: *Ninchisho Kaigo Anata no Soba no Concierge* service is provided by Life Care Partners Co., Ltd. with NICHIIIGAKKAN CO., LTD. as an agency. This is not an insurance policy or service of Nippon Life.

<aruku&(arukuto) × Kurashi no Notore>



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

The following people can use the service:

- Nippon Life policyholders and insured persons

Notes: 1. *aruku&(arukuto)* is a registered trademark of ONE COMPATH CO., LTD.

2. *aruku&(arukuto)* is a smartphone app managed by ONE COMPATH CO., LTD. This is not a service provided by Nippon Life.

3. *Kurashi no Notore* is a registered trademark of Nissay Information Technology Co., Ltd.

Answering questions delivered verbally via an app enables easy confirmation of cognitive abilities on that day.

The following people can use the service:

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

Notes: 1. ONSEI is a registered trademark of Nipponect Systems co., Ltd.

2. ONSEI is a product and service provided by Nipponect Systems co., Ltd. This is not an insurance policy or service of Nippon Life.

3. This does not guarantee any connection with dementia or mild cognitive impairment (MCI).

<Gran Age Star> Paid



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

The following people can use the service:

- Nippon Life policyholders

<Nissay Bereaved Relative Support Service>



Provides free support for a variety of procedures for bereaved families following an unexpected event. Will act as a proxy for procedures or introduce a (paid) specialist, depending on the details of the procedures.

The following people can use the service:

- Death benefit recipients (or the surviving family)

Note: Nissay Bereaved Relative Support Service is a service provided by SEIWA BUSINESS LINK CO., LTD. This is not an insurance policy or service of Nippon Life.

* Listed information is correct as of July 2021. Details of services may change or be abolished in the future.

* Please refer to the Nissay website for details and ways to use each of these services.

Non-Life Insurance Products



Nippon Life handles non-life insurance products centered on automobile insurance and fire insurance products as an agency for Aioi Nissay Dowa Insurance Company Limited. In automobile insurance, Nippon Life has been promoting sales of "TOUGH Mimamoru automobile insurance plus" and "Long," an automobile insurance product with special "accident free" payouts. Long automobile insurance offers special "accident free" payouts*¹ to policyholders who have no accidents during the coverage period of three years. Long offers many advantages to customers, for example, the premium rate determined at enrollment stays fixed at its original annual rate for each year, even if the policyholder has an accident during that time. Also, policyholders need not undertake annual renewal procedures during the coverage period. For a good deal, we recommend the "Long Policy"*² for fire insurance and earthquake insurance as well.

Furthermore, Nippon Life offers "Marugoto Mamoru," an insurance product that covers the third-party liability risk associated with bicycle accidents and similar events, and "Pet Insurance"*³ policies to provide coverage for veterinary care expenses. Demand for such insurance products has been growing in recent years.

*¹ 10% of the first-year premium.

*² TOUGH house insurance (policy with multi-year annual payments or multi-year installment payments) with up to five years of coverage.

*³ Pet Insurance policies are joint insurance contracts underwritten by Aioi Nissay Dowa Insurance and au Insurance Co. Ltd.

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

Products and Services for Corporate Customers

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

Nippon Life's Main Corporate Products (as of July 2021)

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

Main Benefit Plans			Products That Meet the Needs of Company and Organization Benefit Systems
Provision for employees	Survivor coverage	<ul style="list-style-type: none"> Plan for retirement funds payable on employee's death and condolence payments Non-statutory workers' accident compensation plan Plan providing pensions for surviving family/children 	<ul style="list-style-type: none"> General Welfare Group Term Life Insurance
		<ul style="list-style-type: none"> Plan for employee self-reliant aid 	<ul style="list-style-type: none"> Group Term Life Insurance (Optional Group Term Life Insurance)
	Disability coverage	<ul style="list-style-type: none"> Disability coverage plan 	<ul style="list-style-type: none"> New Group Disability Income Insurance Group Long-Term Disability Income Support Insurance
		<ul style="list-style-type: none"> Plan for employee self-reliant aid 	<ul style="list-style-type: none"> Group Long-Term Disability Income Support Insurance
	Medical coverage	<ul style="list-style-type: none"> Medical coverage plan 	<ul style="list-style-type: none"> General Medical Life Insurance (Group Type) Insurance Covering the Three Dread Diseases (Group Type)
		<ul style="list-style-type: none"> Plan for employee self-reliant aid 	<ul style="list-style-type: none"> General Medical Life Insurance (Group Type) Insurance Covering the Three Dread Diseases (Group Type)
	Retirement	<ul style="list-style-type: none"> Plan for retirement allowance and old-age pensions Single retirement allowance system 	<ul style="list-style-type: none"> Defined Benefit Corporate Pension Plans Employees' Pension Fund Insurance New Insured Pension Plans Defined Contribution Pension Plans
		<ul style="list-style-type: none"> Plan for employee self-reliant aid 	<ul style="list-style-type: none"> Insured Contributory Pension Plans Defined Contribution Benefit Plans
Provision for owners	Survivor coverage	<ul style="list-style-type: none"> Plan for retirement funds, death coverage and condolence payments for executives 	<ul style="list-style-type: none"> Nissay <i>Mirai no Katachi Key Man Plan</i> Nissay Long-Term Term Insurance Long-term life coverage with period of extensive coverage for accidents insurance Nissay Increasing Term Insurance
	Retirement	<ul style="list-style-type: none"> Executive retirement allowance plan 	<ul style="list-style-type: none"> Nissay Increasing Term Insurance <p>Note: Above are individual insurances and annuities whereby policyholders are corporations.</p>
Asset formation	Preparation for buying one's own home	<ul style="list-style-type: none"> Asset formation promotion plan 	<ul style="list-style-type: none"> Workers' Asset-Formation Housing Funding Insurance (Nissay Workers Asset-Formation Housing Plans)
		<ul style="list-style-type: none"> Home loan plan 	<ul style="list-style-type: none"> Group Credit Life Insurance
	Retirement	<ul style="list-style-type: none"> Asset formation promotion plan 	<ul style="list-style-type: none"> Workers' Asset-Formation Pension Fund Insurance (Nissay Asset-Formation Pension Fund Insurance)
	Various life plans	<ul style="list-style-type: none"> Asset formation promotion plan 	<ul style="list-style-type: none"> Workers' Asset-Formation Savings Insurance (Nissay Asset-Formation Savings Plans)
		<ul style="list-style-type: none"> Asset formation incentive plan 	<ul style="list-style-type: none"> Workers' Asset-Formation Benefits Savings Insurance (Nissay Workers' Asset-Formation Benefits Savings Insurance) Workers' Asset-Formation Fund Savings Insurance (Nissay Workers' Asset-Formation Fund Savings Insurance)

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

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



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

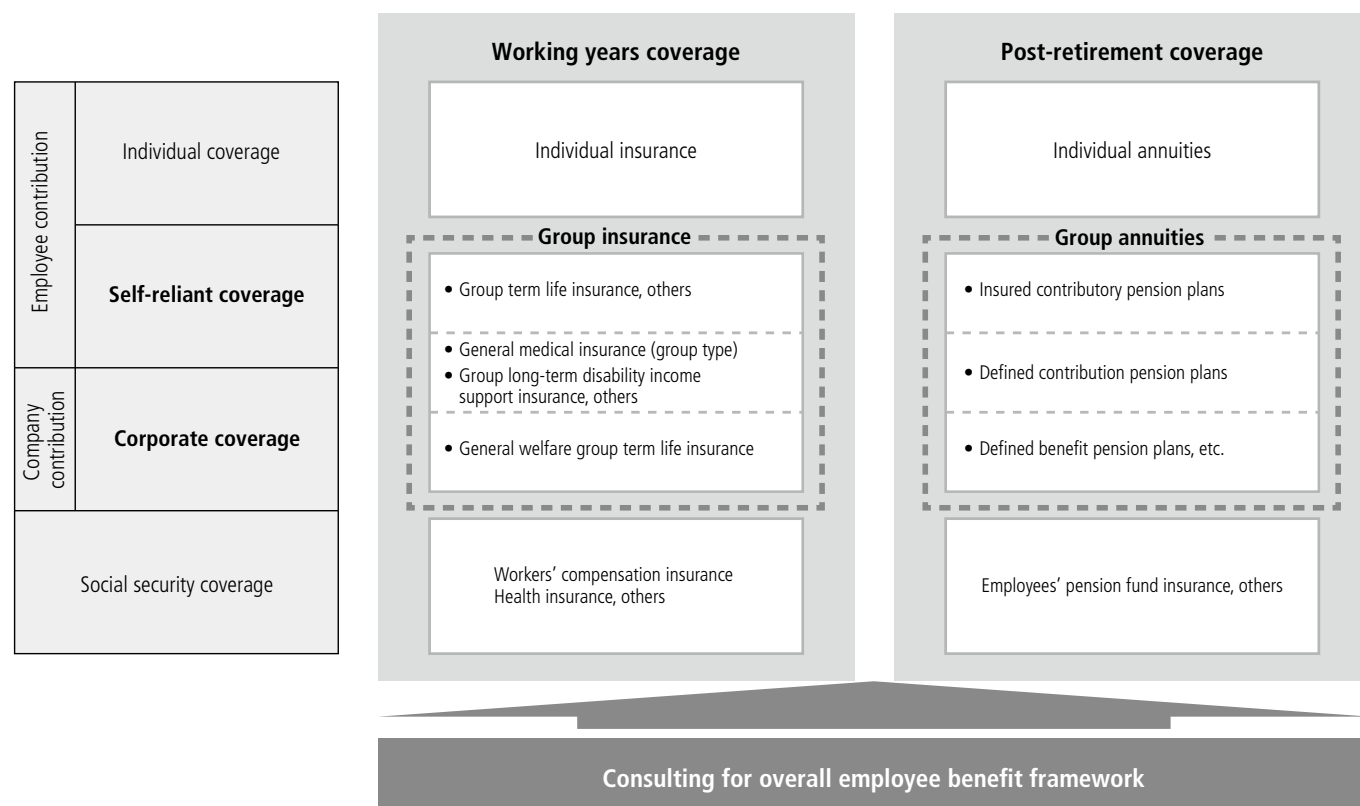
Excludes some products and services such as compulsory auto insurance lines.

Services for Establishing and Upgrading Employee Benefit Plans

◆ Implementation of Total Consulting for Employee Benefits

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

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



<Total Consulting for Employee Benefits>

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

[Working Years Coverage]

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

In self-reliant coverage, we offer advice on designing plans that allow employees to obtain protection against unexpected events and meet their other coverage needs. We also offer advice on encouraging the use of such plans.

[Post-Retirement Coverage]

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

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

<Service to Supply Information about Employee Benefits>

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

(Main activities)

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

[Seminars]

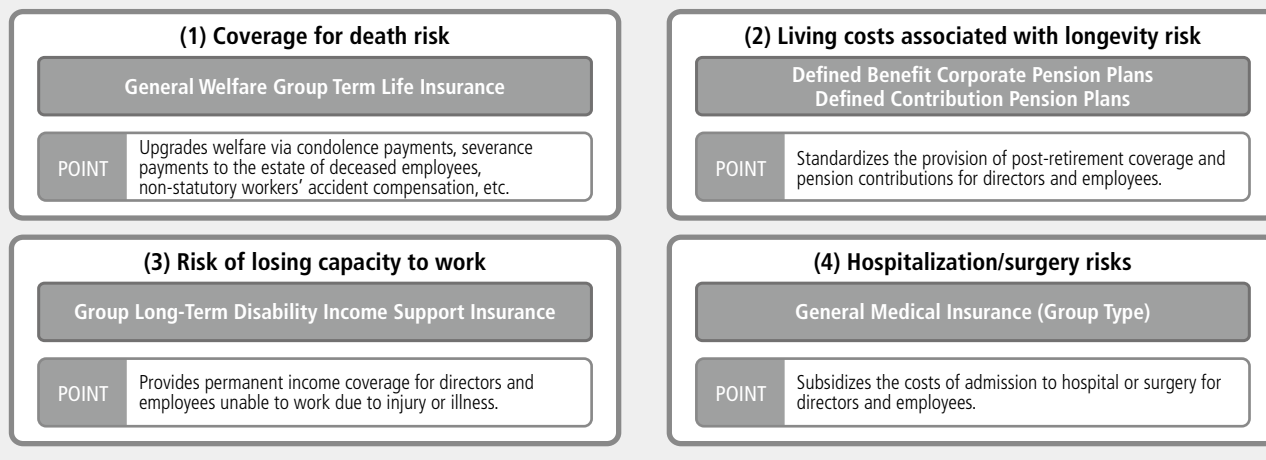
Seminars on welfare (work practice reforms, health and productivity management, promotion of female employment, etc.) and corporate pensions (fund management, latest trends, etc.)

[Reports]

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

In the past few years, there has been growing diversity in how people are employed and the roles they fulfill. This diversity has increased the importance of priorities such as balancing work with nursing care and the treatment of illness and tackling work style reforms, creating much more diverse needs for employee benefits.

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



◆ Corporate Policy-Related Services

"N-Concierge Corporate" Policy Support Service

[Services available to those covered by corporate policies]

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

[Services available to HR or general affairs personnel]

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

"N-Navigation" "Corporate Insurance Internet Service"

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

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

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

■ N-Navigation Model Plan (Image)	■ Average compensation amount (Image)
	

"NISSAY Business INSIGHT" Portal Site to Support Corporate Management

In April 2021, Nippon Life launched "NISSAY Business INSIGHT," a portal site to support corporate management. The portal site brings together information on various management issues faced by companies in different phases of growth and how these issues might be solved. In doing so, Nippon Life aims to make it even more convenient for companies to access information as digitalization proceeds further.

(Main content published on the portal website)

- (1) Feature articles that lead to the solution of business issues faced by companies
- (2) Case studies of the use of corporate insurance and insurance for business owners
- (3) Seminars that can be viewed free of charge online
- (4) Acceptance of entry to the NISSAY business matching service



Corporate Zutto Motto Service

[Nissay Corporate Internet Service]

Customers can obtain information on policy details, accounting and future receipts over the internet.

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

[Management Consultation and Employee Benefit Service]

Customers can undergo management consultation or use benefit services such as access to leisure facilities and health support.

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

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

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

From Application to Conclusion of a Policy

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

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

Procedure Flow

Considering a Plan

Tell us what kind of coverage you want.

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

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



Product pamphlet

Application

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

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



Application procedure screens

Disclosure

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

Duty of Disclosure and Penalties for Nondisclosure

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



Disclosure screens

Guidance on Policies and Services

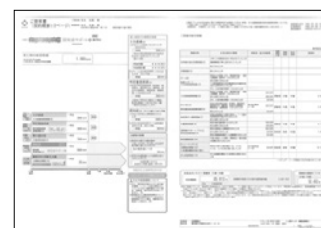
To ensure greater peace of mind for customers, in addition to sales representatives, customer service representatives also conduct meetings with customers to provide explanations via telephone or an actual visit to confirm application details and provide guidance on policy procedures.

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

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

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

* Especially Important Notifications includes prospectuses (policy guides) and reminders.



Prospecture (policy guide)



Reminder

Conclusion of a Policy

Commencement of Policy Coverage

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

Confirmation of the "Policy Content Notice"

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

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

Customer ID Notice

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

When you have received the "Customer ID Notice," please promptly register your password (a 4-digit PIN code).

Note: In principle, Nippon Life will not deliver a Customer ID Notice to customers who already have such an ID. These customers are asked to log in to their account from the Nissay website, and confirm whether their customer ID and password (4-digit PIN code) are valid.

Decisions About Underwriting at Nippon Life

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

Payment of Premiums

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

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

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

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

◆ Cooling Off System

- ◎ Under what is known as the cooling off system, applicants and policyholders may withdraw their applications or cancel their policies by submitting a written request within 8 days from the later date of either the application date or the date they received the "*Policy Clause—Bylaws/Terms and Conditions* (universal version)." In this case, written requests under the cooling off system are considered active from the time they are sent (the postmark date) and must be postmarked within the eight-day period and sent to the sales office or Nissay Life Plaza that handled the application or policy.
- ◎ If the customer decides to change his/her mind under the provisions of the cooling off system, Nippon Life will return in full any premiums received during the cooling off period. (If the policyholder had used the coverage revision system or partial coverage revision system, the policies will be returned to the policies in force before the systems were used.)
- ◎ The cooling off system does not apply after an examination by a doctor designated by Nippon Life or when the customer is a corporate client.

Requesting Payment of Insurance Claims and Benefits

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

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

Procedure Flow

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

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

- Your sales representative
- Nissay Life Plaza
- Nissay Call Centers 0120-201-021 (Toll-free in Japan)

(For details, please check our website)

* Internet claims can be made for fixed hospitalization or surgery benefits using our website or app.

Filing a Mortality Insurance Claim

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

Filing a Claim for Hospitalization and/or Surgery

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

Receiving Claim Processing Documents

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

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

Documents Required for Processing Claims

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

Submitting Claim Processing Documents

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

Receiving Payment of Claims or Benefits

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

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

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

◆ Guidance for Application Procedures

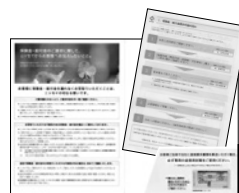
To ensure that customers receive full payments of claims and benefits, Nippon Life delivers documents with information about the application procedure and related matters and prepares various booklets and pamphlets.

Information Provided When Applying for Payment of a Claim or Benefit

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

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

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



Screenshots



"About the Receipt of Insurance Claims and Benefits"

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



Information Provided When a Claim or Benefit Payment Is Received

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



◆ Designated Proxy System

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

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

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

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

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

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

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

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

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

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

[Use of the Request System in the Fiscal Year Ended March 31, 2021]

	Number
Number of cases where the Outside Lawyer Consultation System was used	1
Number of cases where a request for reevaluation was made and deliberation was conducted at the Claims-Related Services Review Session	1
Number of cases where advice was received as a result of deliberations at the Claims-Related Services Review Session	0

Nippon Life's Solicitation Policy

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

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

<Sales and Appropriate Solicitation Based on Customer Needs>

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

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

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

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

We are striving to eliminate moral risk and ensure that proper notification is received from customers so that we treat all policyholders

impartially and operate a morally sound insurance system. In particular, when underwriting life insurance policies that insure juveniles, we strive for proper solicitation by ensuring that the customers' needs are met once proper insurance coverage amounts have been established.

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

<Appropriate Solicitation Activities through Education and Training>

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

<Proper Handling of Customer Information>

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

<Responding to Customer Feedback>

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

Personal Information Protection Policy (Handling Customers' Personal Information)

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

1. Information Collection

Customers' personal information is collected to the extent required to conduct business, specifically to underwrite various insurance policies, continue and maintain management, and handle payments, such as for insurance claims and benefits.

2. Types of Information Collected

We collect information necessary to the conduct of business, underwrite various insurance policies, conduct continuation and maintenance management, and handle payments such as for insurance claims and benefits. This information primarily includes a customer's name, address, date of birth, state of health and occupation. Furthermore, for other types of products and services we offer, customers provide additional information necessary to conduct business.

3. Information Collection Method

We collect customer information using legal and impartial methods. The information is mainly collected through policy applications, contracts and surveys. Furthermore, there are times when information is gathered over the internet and through postcard surveys/mailings when conducting various activities including campaigns.

4. Purposes of Using a Customer's Personal Information

A customer's information (excluding Individual Numbers stipulated under the Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedures (My Number Act)) is only used as needed for administrative purposes for the following:

- (1) Underwriting various insurance policies, conducting continuation and maintenance management and handling various types of payments, such as insurance claims and benefits
- (2) Explaining and providing various products and services, including those of related and affiliated companies and conducting policy maintenance management
- (3) Providing information concerning our business, managing our operations and expanding our lineup of products and services
- (4) Other insurance-related business

Use of customers' Individual Numbers shall be based on the Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedures and for only the following uses with the scope necessary for administrative purposes.

- 1) Administrative work related to production of documentation for payments for insurance transactions
- 2) Administrative work related to production of documentation and tax withholding slips for corporate pensions
- 3) Administrative work related to opening accounts for fund management or to produce documentation for payments
- 4) Administrative work related to production of documentation for real estate transactions
- 5) Administrative work related to production of documentation for remuneration, fees, contracted sums and prizes
- 6) Any other administrative work or the like related to the Individual Number as stipulated by any other act, regulation or suchlike

The purposes of these uses are given in our Personal Information Protection Policy, which is available through our website, Disclosure Report and elsewhere. Furthermore, when personal information is collected directly from customers, the purpose of the use to which it will be put is clearly explained to the customer at that time.

5. Information Management

In order to guarantee that a customer's personal information is up to date and correct, we take the appropriate steps necessary to conduct business. Furthermore, we implement measures deemed necessary and appropriate for the safe management of a customer's personal information in order to prevent its inappropriate access, leakage, loss or destruction.

6. Provision of Information

As a general rule, we do not provide a customer's personal information (excluding Individual Numbers) to third parties without receiving consent from the customer. However, in the following situations, we will provide customer information to third parties without customer consent:

- (1) When prior approval from the customer has been obtained
- (2) When the provision of a customer's personal information to a third party without customer consent is permitted by Article 23, Clause 1 of the Act on the Protection of Personal Information (Personal Information Act) or other laws and regulations
- (3) When the provision of a customer's personal information to firms that Nippon Life has outsourced work to is necessary to Nippon Life's continued business
- (4) When sharing a customer's personal information as stipulated by the Act on the Protection of Personal Information
- (5) In other cases where the Act on the Protection of Personal Information permits the provision of a customer's personal information without customer consent

When providing a customer's Individual Number to a person conducting the administrative work, or when handling of the Individual Number is outsourced partly or wholly, the Individual Number will not be provided to a third party unless for reasons stipulated under the My Number Act.

7. Disclosure, Revision or Other Processing of Information

In the event that a customer requests that their own personal information be disclosed, revised or otherwise processed, we will respond to the request promptly after confirming the individual's identity, unless there is special reason not to do so.

8. Compliance with Related Laws and Regulations

Regarding customers' personal information, we conduct business in a manner that adheres to all aspects, such as definition, attitude and handling, of the Personal Information Protection Law, all other related laws, regulations and guidelines, and the Life Insurance Association of Japan's guidelines on handling personal information protection for the life insurance industry.

9. Establishment of and Improvements to the Compliance Program

In order to guarantee that customers' personal information is being handled appropriately, a compliance program was established that all our employees, the firms to which we have outsourced work and other related parties have been made thoroughly aware of, and we conduct necessary and appropriate supervision. Furthermore, we review and revise the policy and the compliance program when necessary.

10. Customer Requests Regarding Personal Information

Customer requests regarding the handling of their personal information are received at the personal information counter and processed in an appropriate and efficient manner.

- Consultation counter related to the handling of personal information

Nissay call centers: 0120-201-021 (Toll-free in Japan)

Operating hours: Monday to Friday 9:00–18:00; Saturday 9:00–17:00 (Excluding public holidays and the period from December 31 to January 3)

- Inquiries and consultation counter regarding contracts, etc.

Please contact a sales representative or one of the Nissay Life Plazas.

- Nippon Life as a target entity of an organization authorized to protect personal information

Nippon Life is a target entity of the Life Insurance Association of Japan, an organization authorized for the protection of personal information. The association has a reception line dedicated to complaints and consultations related to the handling of personal information.

<Contact> Insurance Consultation Center, Life Insurance Association of Japan **WEB** <https://www.seiho.or.jp/english/>

Overview of the 74th Meeting of Representatives

On July 2, 2021, the 74th Meeting of Representatives was held at the RIHGA Royal Hotel located at 5-3-68 Nakanoshima, Kita-ku, Osaka-shi.

The 38 representatives who attended the meeting on the day (199 individuals including those attending by proxy) discussed agenda items after reporting items were explained. In the current fiscal year, Nippon Life created an environment where representatives who had difficulties coming to RIHGA Royal Hotel Osaka and attending the meeting in person could participate through web conferencing tools from their homes, places of work, or other locations. This measure was implemented to ensure that the meeting could be held safely and reliably even with no prospects for an end to the COVID-19 pandemic. 153 representatives attended the meeting through web conferencing tools.

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

In addition, 10 company members (participating insurance policyholders) attended the Meeting of Representatives.

Reporting Items

- The fiscal year ended March 31, 2021 business report, nonconsolidated balance sheets, nonconsolidated statements of income, nonconsolidated statements of changes in net assets, consolidated balance sheets, consolidated statements of income, and consolidated statements of changes in net assets
- Report on the results of the Nissay Konwakai Meetings held and advisory matters for the Board of Councilors

Agenda Items

- Approval of proposed appropriation of surplus for the fiscal year ended March 31, 2021
- Allocation of policyholder dividends based on the fiscal year ended March 31, 2021 performance
- Partial amendment of the Articles of Incorporation
- Appointment of Board of Councilors members
- Appointment of Representative Nomination Committee members
- Appointment of 11 directors
- Appointment of 1 Audit and Supervisory Board member

In response to questions received in advance in writing and other means from the representatives, Nippon Life distributed handout materials with answers to all of the questions. The chairperson and the relevant executives provided responses to four themes brought up by the questions. The chairperson and the relevant executives also directly responded to questions they received at the meeting.

[Questions Received in Advance]

Q. From the perspectives of not only the realization of “sustainability of society” but also the “maximization of policyholder interests,” I recognize that ESG investment and finance are important activities. Nippon Life has provided extensive explanations of ESG investment and finance from the former perspective (the public good) in its disclosure materials. From the latter perspective (profitability), why not provide even more information on the significance of Nippon Life’s emphasis on ESG investment and finance?

- A**
- As you said, Nippon Life is carrying out ESG (environmental, social, and governance) investment and finance from the perspectives of realizing the “sustainability of society” and “maximizing policyholder interests.”
 - Based on those approaches, we conducted ESG-themed investment and finance in the previous medium-term management plan, which began in the fiscal year ended March 31, 2018. On a cumulative basis through the fiscal year ended March 31, 2021, we executed investment and finance of approximately ¥1 trillion, which surpassed our target of ¥700.0 billion.
 - We have widely disclosed information about these ESG investment and finance initiatives through disclosure tools such as integrated reports and sustainability reports.
 - Under the Mid-Term Management Plan “Going Beyond,” which was launched in the fiscal year ending March 31, 2021, we have set a new target for ESG-themed investment and finance. Specifically, we are targeting investment and finance of ¥1.5 trillion on a cumulative basis from the fiscal year ended March 31, 2018 to the fiscal year ending March 31, 2024.
 - Guided by this plan, we seek to introduce ESG integration, which incorporates ESG factors into investment and finance, across all asset classes. Additionally, in our existing efforts to actively engage in dialogue with investees and borrowers, we seek to further enhance dialogue themes so that we can support these companies’ efforts to realize a sustainable society. Moreover, we will strengthen our initiatives to address climate change. Notably, we will establish a target for net-zero emissions by 2050 with respect to the CO₂ emissions of investees*.
 - Through these initiatives to support the realization of a sustainable society, we will strive to maximize policyholder interests by securing long-term, stable investment returns.
 - In autumn this year, we plan to newly issue a “Summary Report on ESG Investment and Finance” based on perspectives including the “maximization of policyholder” interests, which you have brought up as a topic of discussion. We will also strive to enhance our outward disclosure of information.
- * Scope: domestic stocks and credit assets in the investment and finance portfolio.

Other Opinions and Requests

[Questions Received in Advance]

- Looking at MLC Limited (Australia), its shareholders’ equity has deteriorated due to the recording of losses since the fiscal year ended December 31, 2019. Furthermore, I have strong concerns about the fact that Nippon Life has provided MLC with additional capital of more than ¥100.0 billion through three capital increases. Could you please discuss the following matters?
 - (1) Nippon Life noted that the increase in payments for income protection insurance was the main reason for the losses and the additional investments in MLC. Was this not foreseen when you acquired MLC?
 - (2) According to MLC’s three-year plan, MLC will revise income protection insurance premiums and streamline operating expenses. By around how much do you expect these measures to contribute to profitability? Also, will the premium revisions be applied to existing policies as well?
 - (3) When it acquired MLC Limited, Nippon Life said that the acquisition was strategically significant because it would increase net income by Group companies. What is your assessment of the situation now?
- Have you set standards for investment timeframes, exit strategies, and other factors in your overseas business investments?
- Could you please discuss your policy on investment and finance in existing and new thermal power generation businesses as part of your measures to address carbon neutrality?
- In your stewardship activities, you said that you have adopted a policy of strengthening dialogue based on the theme of climate change while continuing to expand dialogue to other themes. What are your plans for expanding those themes going forward?
- Overseas insurance companies provide detailed disclosures related to the Task Force on Climate-related Financial Disclosures (TCFD). Nippon Life, as a mutual company, has the advantage of being able to conduct even more proactive and consistent initiatives and disclosure. May I recommend that Nippon Life provide disclosure of information focused only on TCFD, separately from the integrated report?
- Could you please share Nippon Life’s perspectives on the following three points in relation to inflation attributable to various factors such as climate change risks, and inflation (stagflation) in periods of economic stagnation due to the spread of COVID-19 and related factors?
 - (1) Prediction of the likelihood of occurrence and duration, etc.
 - (2) Impact on assets and businesses
 - (3) Responses including protection of policyholder assets
- In customer satisfaction surveys specific to each business sector, Nippon Life has been unable to obtain the highest rankings, and I believe that Nippon Life may have fallen behind other companies in certain respects. Without becoming complacent with its high level of customer satisfaction, I would like Nippon Life to further promote customer-oriented business operations by, for example, considering survey methods that can clearly identify issues in each of its customer interfaces.

- There has been a heightened need for financial education among young people, with plans for asset formation to be taught in high school classes from 2022. In this context, could you please discuss Nippon Life's initiatives, including its plans?
- Social contribution activities by public interest incorporated foundations are meaningful activities. I would like the public interest incorporated foundations to continue working to solve social issues, such as supporting young caregivers, after appropriately reevaluating the contents, as part of efforts to promote the healthy development of children and young people.
- An increasing number of companies have adopted work-from-home arrangements due to the spread of COVID-19. I assume that insurance sales at worksites have become challenging. What steps are you taking to address this issue?
- Are there any special considerations you are making regarding the payment of claims and benefits to those who have contracted COVID-19?
- I believe that raising the morale of employees will be crucial to increasing the number of customers and making Nippon Life's business sustainable. As part of work style reforms, may I recommend implementing measures such as improving your office environment?
- Nippon Life is working to develop human resources, with a view to enhancing the consulting capabilities of sales representatives. What kinds of in-house certification programs do you have?
- Have you established indicators such as key goal indicators (KGIs) and key performance indicators (KPIs) in the areas of raising operating efficiency and strengthening sales capabilities using digital technology?
- Health and wellness are attracting attention as key priorities for ensuring the sustainability of the social security system. What are you focusing on to support corporate health management programs?
- Regarding your digital innovation strategy, I don't think it is very easy to do things like gather information to form collaborations with startups. Could you please discuss your decision-making criteria for partnerships and investments, and risk assessment techniques and engagement with businesses in your investment activities?

[Agenda Item Proposal No. 6]

- 2 of your 11 director candidates are women. I believe this proposal represents progress in terms of ensuring diversity in the Board of Directors. Japan's Corporate Governance Code states that the board should be constituted in a manner to achieve diversity and appropriate size. Going forward, what kinds of steps will you take to ensure diversity?

[After Deliberation of Proposals]

- Regarding Nippon Life X, you said that you called on employees to submit ideas that could lead to new businesses. What kinds of results have you achieved?
- In terms of addressing climate change as part of sustainability management, Nippon Life is working to reduce CO₂ emissions in two areas, specifically in its business activities and in asset management through its role as an institutional investor. These efforts have been progressing rapidly in the industrial field over the past few years. In business activities, I would like Nippon Life to bring forward its efforts to achieve its targets of a 40% reduction in emissions by 2030 and net-zero emissions by 2050. Also, in asset management, Nippon Life is targeting net-zero emissions by 2050. Why not also establish an intermediary target?
- In a challenging business environment, Nippon Life achieved three of its four numerical targets under "Zen Shin —next stage—." The only target it did not achieve was its target for Group company net income. Under the Mid-Term Management Plan "Going Beyond," I would like Nippon Life to continue working to achieve its goals. I believe the situation, including overseas businesses, will improve as the COVID-19 pandemic subsides. Therefore, I have high hopes that Nippon Life will achieve further development.
- How many female directors do you plan to appoint to ensure diversity in the Board of Directors?

Opinions Expressed on the Day of the Conference of Representatives (Kondankai) for Fiscal 2020 (December 3, 2020)

- As the spread of COVID-19 weakens people-to-people connections, there are some people who seek face-to-face services, while others do not seek such services. For this reason, I am concerned that the number of customers and cash flows will decrease over the medium and long terms. I would like to recommend that Nippon Life launch new businesses where customers can apply online to purchase affordable and easy-to-understand products, such as internet-only life insurance, and to conduct initiatives through M&As.
- How does Nippon Life's appointment of female managers compare with that of other life insurance companies? When does Nippon Life expect to achieve the government's target of 30% for the ratio of female managers, and what measures is it taking to address this target?
- Nippon Life has appointed 2 female executive officers (including 1 director). Isn't your appointment of female managers too low? I would like Nippon Life to devote more effort to the appointment and development of female managers.
- With regard to increasing the efficiency of operations through digital transformation, I believe that Nippon Life will need to carry out fundamental reforms considering factors such as changes in the social environment, instead of merely pursuing the digitalization of existing operations. What kinds of measures are you taking to address this issue?
- In promoting digitalization, I believe that it is important for Nippon Life to build systems that are easy for elderly customers to use, read and understand. What steps are you taking to address this issue?
- Work styles have changed in step with the spread of COVID-19. Could you please discuss Nippon Life's approaches and responses to the following three matters: (1) review of the Head Office organization and work styles independent of location, such as work from home; (2) how conferences should be held for the purpose of sharing information and communicating intentions in a telework environment; and (3) labor management and personnel evaluation.
- The news media and other sources have reported on the fraudulent acquisition of money by former employees of another life insurance company. Does Nippon Life offer any products with ultra-high investment returns that only certain customers are eligible to purchase? In the wake of this incident, I would like Nippon Life to increase its awareness of the importance of compliance.
- At the Meeting of Representatives in July, I was briefed on matters such as the additional increase in capital of approximately ¥24.0 billion in MLC Limited in June. In the first half of the fiscal year ending March 31, 2022, MLC Limited continues to face challenging circumstances, such as recording an ordinary loss of more than ¥5.0 billion. Therefore, I believe that Nippon Life faces issues regarding the control of overseas subsidiaries. Could you please discuss what kinds of measures you will implement to address these issues on the funding and human resources fronts?
- I have extremely high expectations for initiatives that will be undertaken through comprehensive partnership agreements between Nippon Life and various prefectures, such as regional health enhancement and tourism promotion initiatives, and matching activities with companies. It has been reported that other life insurance companies are pursuing regional revitalization by forming partnerships with regional banks. In response to the COVID-19 pandemic, what kinds of initiatives will Nippon Life implement to realize regional revitalization?
- I believe that initiatives to address the CO₂ issue will accelerate further. We have already seen encouraging developments such as the "2050 Carbon Neutral Declaration" and the U.S. rejoining the Paris Agreement. However, considering Japan's industrial and energy structure, I believe that reducing CO₂ will be a difficult issue for the country to tackle. What measures will Nippon Life take to address the CO₂ issue in the future as an institutional investor?
- In response to the COVID-19 pandemic, measures have been implemented to allow pregnant women to take a leave of absence by presenting a medical certificate. Considering these and other developments, I believe it will be necessary to develop products from new perspectives and revise the scope of medical conditions covered by existing products. Could you please discuss any related initiatives you may already be considering?
- I believe that your healthcare initiatives are good steps. However, I would like Nippon Life to strive to ensure that its services can reach more companies, particularly small enterprises with less than 10 employees. Additionally, only around 20–30% of people who have been assessed to have severe medical conditions in health check-ups seek treatment at hospitals, so measures to address the prevention of severe medical conditions are crucial. For this reason, I would like Nippon Life to keep on considering such measures. Looking ahead, I expect economic disparity to grow as the population continues to decrease and there are fewer children. Under these conditions, I have strong expectations for Nippon Life's initiatives.
- As COVID-19 continues to spread, I feel that the task of preserving the sales front lines has been extremely challenging. I believe that Nippon Life is here today because its more than 50,000 sales representatives have always safeguarded the sales front lines. I urge Nippon Life to continue to implement measures such as expressing its appreciation for the sales front lines and entrenching principles. Doing so will ensure that Nippon Life can maintain the sales representative channel, which is the starting point of its business.

Main Opinions and Requests at Nissay Konwakai Meetings for Fiscal 2020 and Our Responses

Q. I highly commend the screen sharing system that allows customers to complete insurance enrollment procedures online. While continuing to emphasize the importance of face-to-face activities, I would like Nippon Life to take steps to fulfill a diverse array of needs in combination with online capabilities.

- A**
- Thank you very much for highly commending Nippon Life's initiatives.
 - From June 2020, Nippon Life has worked to deploy the screen sharing system at certain sales offices and other sites. In January 2021, the deployment of the screen sharing system was completed at all sales offices and other sites*¹ throughout Japan.
 - The use of this system allows sharing of the screen of the "TASKALL" mobile device for sales representatives and the PC screens of customers. For customers who do not seek in-person interactions and customers located afar, sales representatives and customers can carry out insurance enrollment, policy maintenance and other procedures together with customers while they view the same screen online.
 - In addition, we are working to enable sales representatives to interact with customers online through such means as email and social media. As part of these efforts, we are distributing the "N-Phone" smartphone for sales representatives to all sales representatives*².
 - Moreover, we are striving to enhance the information we provide by upgrading and expanding content that can be sent online via email, social media, and other means. This content includes product explanation videos designed to encourage customers to become interested in insurance, and a tool that enables customers to run simulations of premiums on their smartphones.
 - While we advance these sorts of online initiatives, we also recognize that, as you point out, there are customers who would like to consult or confirm matters with sales representatives in person, as before. These customers seek to meet with sales representatives to, for example, receive detailed explanations of the policies they are currently enrolled in and any insurance coverage they may need.
 - We will continue to combine both face-to-face and online channels so that we can fulfill a diverse array of customer needs. In the process, we will work to ensure that we can provide services that match the preferences of every customer.
- *¹ Deployment has been completed at Nissay Life Plazas, branches and other sites throughout Japan, in addition to all sales offices.
*² N-Phone smartphones have been successively introduced since January 2020, with distribution to all sales representatives scheduled to be completed by August 2021.

Other Opinions and Requests

[Products and Services]

- Will you develop insurance products focused on providing insurance coverage for COVID-19?
- I would like Nippon Life to expand the lineup of products and services focused on an era with an average life expectancy of 100 years—products and services that everyone, including seniors, can enroll in.
- "Ninchisho Support Plus" is a good product that fits the current times and needs. I expect Nippon Life to continue to develop and offer these sorts of products going forward.
- There are many young people who have not enrolled in life insurance. My suggestion to Nippon Life would be to try to provide young people with insurance products with low premiums that are easy to enroll in, or supply information via social media and other channels.

[Sales Networks]

- I would like Nippon Life to continue to strengthen the consulting capabilities of sales representatives and thereby provide appropriate proposals and information.
- I would like Nippon Life to conduct more asset formation seminars and seminars for young employees of companies by making use of a full range of resources, including online capabilities.

[Supply of Information]

- I have a favorable impression of Nippon Life's TV commercials. However, the product details are difficult to understand. May I suggest running TV commercials that highlight Nippon Life's products in greater detail?

[Administrative Procedures]

- I would like Nippon Life to advance paperless operations and improve convenience through efforts such as upgrading and expanding the functionality of its website and smartphone apps.

[Digital Technology]

- It is good that Nippon Life is promoting the digitalization of procedures for requesting payment of benefits and other processes, but I would like it to also consider the needs of customers such as seniors who are not used to digital technology.

[Asset Management and Soundness]

- Could you please discuss your initiatives to generate investment returns in an ultra-low interest rate environment? In addition, I would like Nippon Life to enhance dividends to policyholders.

[Sustainability Management]

- Could you please discuss your SDGs initiatives? Also, may I suggest that you highlight these initiatives even more?

Initiatives toward Important Sustainability Priorities (Medium-Term Management Plan 2017–2020)

Field	Important sustainability priority	Initiatives/Targets in the medium-term management plan	Action policies for FY2019	Results for FY2020
Customers/Communities and society	Improve customer satisfaction and enhance the provision of information	<ul style="list-style-type: none"> Formulate the Customer-Oriented Operational Management Policy and further develop its initiatives 	<ul style="list-style-type: none"> Promote customer-oriented business operations in all fields 	<ul style="list-style-type: none"> Deliberated the status of activities in each field in the Customer-Oriented Business Operational Promotion Committee and reported to the Management Committee and the Board of Directors Considered across-the-board measures to address high-priority complaints such as complaints concerning foreign currency-denominated insurance Achieved a consistently high customer satisfaction rating of 90.6%
	Address social issues through provision of products and services	<ul style="list-style-type: none"> Provide products and services that contribute to solving social issues in Japan Provide a broad range of support that transcends the insurance field 	<ul style="list-style-type: none"> Consider potential products and services that contribute to the resolution of social issues in Japan 	<ul style="list-style-type: none"> Started to provide "Ninchisho Support Plus" in April 2020 to respond to social expectations for life insurers in order to solve the issue of dementia In addition to products, Nippon Life provided services useful for awareness of dementia, early detection and prevention of aggravation, and aided initiatives that give communal and societal support to patients with dementia and their family members Began offering "Saliva Checker," a simple form of cancer screening that uses saliva, to customers who satisfied prescribed conditions, and began supplying Saliva Checker to all policyholders at a special price from the fiscal year ending March 31, 2022 Began "providing a diabetes prevention program" aimed at preventing the onset of diabetes in July 2020, given that diabetes can potentially cause various complications in tandem with disease progression and have a considerable impact on medical costs
	Provide universal services		<ul style="list-style-type: none"> Consider services that contribute to universal services 	<ul style="list-style-type: none"> Began providing the "Nippon Life Sign Language Interpretation Relay Service," which enables hearing-impaired customers or customers with speaking difficulties to submit inquiries to Nippon Life's Call Center by means of communication in sign language or writing via a sign language interpreter representative
	Provide insurance services suited to every region	<ul style="list-style-type: none"> Provide procedures and services for customers that accommodate regional characteristics and lifestyles (Access to insurance services) 	<p><Japan></p> <ul style="list-style-type: none"> Consider enhancements to contact lines with customers to accommodate regional characteristics and lifestyles (including a new normal in consideration of COVID-19) <p><Overseas></p> <ul style="list-style-type: none"> Provide and improve insurance services in countries where Nippon Life already has a presence, and contribute to the development of the insurance market 	<p><Japan></p> <ul style="list-style-type: none"> Upgraded and expanded online procedures to include procedures for starting annuities and other processes Upgraded and expanded remote procedures to include areas such as new policies and policy maintenance using screen sharing <p><Overseas></p> <ul style="list-style-type: none"> Offered insurance services in seven countries (the U.S., Thailand, China, India, Indonesia, Australia, and Myanmar) through local insurance corporations Provided insurance services even during the COVID-19 crisis using digital technology and other capabilities at local insurance corporations
	Contribute to shaping a sustainable society through asset management	<ul style="list-style-type: none"> Bolster ESG investment and finance through various kinds of initiatives in conjunction with the signing of the United Nations Principles for Responsible Investment (PRI) ⇒ Investment and finance in ESG bonds, etc.: ¥700 billion (as of the end of FY2020) Growth in investee companies through initiatives related to Japan's Stewardship Code 	<ul style="list-style-type: none"> Steadily promote ESG investment and finance even after achieving the quantitative targets of the mid-term management plan Expand application to domestic credit assets based on further revision of the Stewardship Code Strengthen dialogue with a focus on environmental and social areas 	<ul style="list-style-type: none"> Obtained the highest rating (A+) in four divisions for the second consecutive year in the annual review of Principles for Responsible Investment (PRI) ESG investment and finance during the mid-term management plan: ¥1,055.1 billion (as of the end of FY2020), as a result of steadily promoting ESG investment and finance even after the target was achieved in April 2020 Commenced dialogue activities for domestic credit assets Held 354 dialogue sessions related to the environment and society with 310 companies

Field	Important sustainability priority	Initiatives/Targets in the medium-term management plan	Action policies for FY2019	Results for FY2020
Customers/Communities and society	Build cooperative relationships and contribute to the development of communities and society	<ul style="list-style-type: none"> ■ Provide a broad range of support that transcends the insurance field 	<ul style="list-style-type: none"> • Continue to provide information about new businesses to corporations and daycare providers and expand scale 	<ul style="list-style-type: none"> • Worked to roll out the “Childcare Concierge service,” which connects companies and Company-managed daycare centers and is being offered by Life Care Partners Co., Ltd. Participation by companies and daycare centers both progressed, supporting a better work-life balance for child-raising generations. (Number of companies using the service: approximately 50, Number of daycare centers: approximately 380, both as of March 2021)
		<ul style="list-style-type: none"> ■ Contribute to communities and society ⇒ Participation of all directors and employees in social contribution activities (each fiscal year) 	<ul style="list-style-type: none"> • Expand promotion and establishment of community development led mainly by branch and sales offices • Scheduled to conduct a large-scale business matching event in Aichi Prefecture 	<ul style="list-style-type: none"> • Concluded comprehensive partnership agreements with Tokyo, Fukui and Saga prefectures (concluded with 34 prefectures as of the end of FY2020). In addition, Nippon Life promoted community-based contributions led by branches and sales offices through community development initiatives. These initiatives included helping to provide local governments’ COVID-19-related information in-person and remotely, and support for local specialty products using social media • Postponed a large-scale business matching event scheduled to be held in Aichi Prefecture to FY2021 due to the impact of the COVID-19 crisis
			<ul style="list-style-type: none"> • Continue to promote initiatives more suited to community and social issues • Continue to promote a 100% participation rate in social contribution activities (ACTION CSR-V) 	<ul style="list-style-type: none"> • Implemented initiatives suited to community and social issues • Achieved a 100% participation rate for the sixth consecutive year in social contribution activities (ACTION CSR-V), while volunteer activities were conducted considering the COVID-19 crisis
Environment	Initiatives for climate change	(New in FY2018)	<ul style="list-style-type: none"> • Continue initiatives to reduce CO₂ emissions • Ascertain the amount of CO₂ emissions, including emissions of the Group overseas • Launch scenario analysis of TCFD recommendations 	<ul style="list-style-type: none"> • Ascertained and announced the amount of CO₂ emissions of the Group overseas • Raised the CO₂ emissions reduction target to net zero by 2050 • Implemented reduction measures centered on automobiles, electricity and paper (such as introducing EV and PHV, constructing sales offices to ZEB Ready standards, and purchasing green power) • Launched scenario analysis of TCFD recommendations
Employees	Recruitment, development and retention of diverse human resources	<ul style="list-style-type: none"> ■ Promote versatile activities by diverse personnel ⇒ Percentage of management positions filled by women: 20% or more (beginning of FY2020) ⇒ Promote 100% of male employees taking childcare leave (each fiscal year) 	<ul style="list-style-type: none"> • Strengthen hiring and training of (advanced) specialized personnel • Create a system to support the activities of experienced employees • Improve Company-wide digital literacy • Strengthen development of global human resources 	<ul style="list-style-type: none"> • Adopted job-based recruitment in recruitment activities. On the training front, Nippon Life strengthened the training system by developing well-organized training goals together with each division • Conducted career development seminars in anticipation of the extension of the mandatory retirement age to 65. This new system will commence in FY2021 • Provided seminars on basic knowledge on digital literacy uniformly to new employees. Held lectures on examples of the use of digital transformation (DX) for personnel in certain management positions • Developed a foreign language study program that can be undertaken in Japan, while postponing and cancelling training initiatives that involve overseas travel
	Promote diversity and inclusion		<ul style="list-style-type: none"> • In addition to raising the ratio of management positions filled by women to 30% in the 2020s, Nippon Life aims to increase the ratio of women in positions equivalent to department manager to 10% at the beginning of FY2030 and strengthen development of female managers • Continuation of actions by all employees to face the issue of nursing care • Continue initiatives to support 100% of male employees taking childcare leave 	<ul style="list-style-type: none"> • Ratio of management positions filled by women: 21.2% at the beginning of FY2020 (Reference: At the beginning of FY2021, the ratio of management positions filled by women was 22.2%, while the ratio of women in positions equivalent to department manager was 6.6%) • Strengthened development of female managers, in addition to expanding the field of female manager candidates, with a view to achieving the numerical targets shown to the left • Made progress on fostering a workplace culture that makes it easy for personnel to consult on nursing care and on specific preparations, through the continuation of actions by all employees to face the issue of nursing care • 100% of male employees took childcare leave for the eighth consecutive year

Field	Important sustainability priority	Initiatives/Targets in the medium-term management plan	Action policies for FY2019	Results for FY2020
Employees	Promote work style reforms and Health and Productivity Management	<ul style="list-style-type: none"> ■ Promote the mental and physical health of all employees and sustainable growth ⇒ 20% reduction in average monthly overtime hours compared to FY2016 ⇒ 70% or more of vacation days taken 	<ul style="list-style-type: none"> • Continue and enhance initiatives related to work style reforms • Evaluate and test working styles during the new normal in consideration of COVID-19 • Strengthen initiatives for important issues while advancing initiatives for all executives and employees to engage in the My Personal Health Plan 	<ul style="list-style-type: none"> • 23.3% reduction in average monthly overtime hours compared to FY2016 • Regular rate of taking annual leave: 70.1% • Created and distributed video training materials to improve the participation rate for specific health guidance, with the aim of preventing lifestyle diseases • Implemented a full non-smoking policy at all Company sites to encourage people to stop smoking • Provided information on examples of self-care practices for mental health and ways to improve lifestyles and boost immunity, in response to the spread of COVID-19
Corporate governance	Long-term stable business operation through the mutual company structure	<ul style="list-style-type: none"> ■ Continue to pay stable dividends to policyholders 	<ul style="list-style-type: none"> • Continue to pay stable dividends to policyholders 	<ul style="list-style-type: none"> • Distributed policyholder dividends for FY2021 based on financial results for FY2020
	Proper distribution of economic value			
	Strengthen corporate governance	<ul style="list-style-type: none"> ■ Deliberate on the Nippon Life Group's management structure at the Group Management Promotion Committee (newly established) 	<ul style="list-style-type: none"> • Further enhance the Group's management structure by implementing important initiatives 	<ul style="list-style-type: none"> • Implemented initiatives to raise the sophistication of the Group's management structure based on the details of revisions to guidelines for supervision concerning Group governance – Established policies and rules, etc. for compliance, risk management, internal audits, and actuarial principles on a Group-wide basis
	Integrate CSR issues into management	<ul style="list-style-type: none"> ■ Reflect CSR priorities in management 	<ul style="list-style-type: none"> • Promote PDCA for important sustainability priorities • Promote initiatives aimed at achieving the SDGs • Evaluate initiatives related to collaboration with business partners • Evaluate Group development for sustainability management 	<ul style="list-style-type: none"> • Deliberated on the status of initiatives for important sustainability priorities at the Sustainability Management Promotion Committee, and reported to the Management Committee and Board of Directors • Announced the status of progress toward achieving the SDGs on Nippon Life's website • Announced approach to collaboration with business partners on Nippon Life's website • Implemented initiatives such as training seminars for Group companies, to promote development throughout the Group
	Stakeholder engagement			
Compliance	Strengthen the compliance system	<ul style="list-style-type: none"> ■ Establish and implement compliance programs and teach and entrench principles 	<ul style="list-style-type: none"> • Continue to establish and implement compliance programs and teach and entrench principles 	<ul style="list-style-type: none"> • Conducted PDCA initiatives to ensure compliance based on the "compliance program" • Utilized meetings specific to each employee class, training seminars, internal satellite broadcasts (NICE-NET), etc. to teach and rigorously entrench compliance-related principles in all executives and employees
Human rights	Management respectful of the human rights of all people	(New in FY2018)	<ul style="list-style-type: none"> • Continue to provide broad education and raise awareness of various human rights issues at all levels of the Company • Continue to evaluate the sophistication of human rights due diligence 	<ul style="list-style-type: none"> • Provided broad education and raised awareness of various human rights issues at all levels of the Company based on internal policies such as human rights policies, various legal systems, and changes within and outside the Company. In addition, Nippon Life diversified the operation of training seminars by holding web (online) training seminars in consideration of COVID-19 (100% participation in human rights training seminars)
Risk management	Upgrade the approach to ERM	<ul style="list-style-type: none"> ■ Introduce risk appetite framework on a Group-wide basis ■ Equity accumulation toward securing financial soundness as a medium-term target ⇒ Equity: ¥6.5 trillion (as of the end of FY2020) 	<ul style="list-style-type: none"> • Continue efforts to enhance the sophistication and penetration of the approach to ERM • Maintain equity accumulation 	<ul style="list-style-type: none"> • Continued efforts aimed at the sophistication and permeation of risk appetite • Equity: ¥7.27 trillion (as of the end of FY2020)

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

Field	Important sustainability priority	Initiatives/Targets in the medium-term management plan	Action policies for FY2021
Customers/Communities and society	Improve customer satisfaction and enhance the provision of information	<ul style="list-style-type: none"> ■ Work intensively to implement measures that address Nippon Life's goals and social issues, with customer-oriented business operations positioned as the foundation of all its activities 	<ul style="list-style-type: none"> • Implement a customer-oriented approach that captures the needs of the times in each field by reflecting the voices of customers and employees in daily business operations, with an emphasis on digitalization and tackling social issues
	Address social issues through provision of products and services	<ul style="list-style-type: none"> ■ Provide products and services that support customers seeking to "prepare for risk" and "reduce risk" in an era with a life expectancy of 100 	<ul style="list-style-type: none"> • Consider products and services that help to solve social issues in an era with an average life expectancy of 100
	Provide universal services	<ul style="list-style-type: none"> ■ Provide a broad range of support that transcends the insurance field 	<ul style="list-style-type: none"> • Continue to consider services that contribute to universal services
	Provide insurance services suited to every region	<ul style="list-style-type: none"> ■ Provide procedures and services for customers that accommodate regional characteristics and lifestyles (Access to insurance services) 	<p><Japan></p> <ul style="list-style-type: none"> • Consider enhancements to contact lines with customers to accommodate regional characteristics and lifestyles <p><Overseas></p> <ul style="list-style-type: none"> • Provide and improve insurance services in countries where Nippon Life already has a presence, and contribute to the development of the insurance market
	Contribute to shaping a sustainable society through asset management	<ul style="list-style-type: none"> ■ Introduce ESG integration across all asset classes ■ Enhance dialogue with an emphasis on ESG initiatives ■ ESG-themed investment and finance target—Cumulative total FY2017–FY2023: ¥1.5 trillion ■ Reduce the amount of CO₂ emissions in the portfolio 	<ul style="list-style-type: none"> • Commence ESG integration across all asset classes • Enhance dialogue that addresses environmental (E) and social (S) themes • Consider investment and finance that contributes to decarbonization • Make steady strides toward the target of net-zero CO₂ emissions by 2050
	Build cooperative relationships and contribute to the development of communities and society	<ul style="list-style-type: none"> ■ Provide further peace of mind and broaden social roles by cultivating and expanding business domains ■ Contribute to communities and society (Target) <ul style="list-style-type: none"> • 100% participation rate of all executives and employees in social contribution activities (ACTION CSR-V) (each fiscal year) 	<ul style="list-style-type: none"> • Consider initiatives to address various social issues that people will face in an era with an average life expectancy of 100, centered on childcare support and aging society services • Deepen relationships with local governments and communities, with efforts led mainly by branches and sales offices • Support small and medium-sized enterprises by holding modern business matching events • Recommend full participation of all members in initiatives for communities and society, incorporating the viewpoints of the SDGs and partnership agreements with local governments • Continue to promote a 100% participation rate in social contribution activities (ACTION CSR-V)
Environment	Initiatives for climate change	<ul style="list-style-type: none"> ■ Reduce the amount of CO₂ emissions (Target) (Versus FY2013) <ol style="list-style-type: none"> (1) Reduction target for Nippon Life's emissions <ul style="list-style-type: none"> • Reduce by 40% by FY2030, net zero by FY2050 (2) Reduction target for investees' emissions <ul style="list-style-type: none"> • Net zero by FY2050 ■ Address the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) ■ Reduce plastic use 	<ul style="list-style-type: none"> • Adopt CO₂ emission reduction targets Group-wide • Promote CO₂ emission reduction initiatives centered on automobiles, electricity and paper, along with considering reduction initiatives on a Group-wide basis • Promote CO₂ emission reductions at investees by advancing ESG investment and finance • Deepen and expand scenario analysis in line with TCFD recommendations • Conduct the Nissay Plastics Smart Campaign and promote reduction, reuse and recycling of plastics
Employees	Recruitment, development and retention of diverse human resources	<ul style="list-style-type: none"> ■ Build a personnel platform supporting management strategy by raising the diversity and sophistication of human resources ■ Establish diversity in management by promoting inclusion (Target) <ul style="list-style-type: none"> • Increase the ratio of women in positions equivalent to department manager to 10% at the beginning of FY2030, with the aim of raising the ratio of management positions filled by women to 30% or more in the 2020s • Promote 100% full operation of "Paternity Leave + α" 	<ul style="list-style-type: none"> • Recruit diverse human resources • Strengthen the development of specialists • Provide opportunities for supporting self-initiated learning of specialized skills and knowledge • Promote the empowerment of women and senior employees • Enhance onboarding training of new recruits (in areas such as IT and English skills)
	Promote diversity and inclusion		<ul style="list-style-type: none"> • Bolster further initiatives to promote inclusion to pave the way for stronger performance and organizational capabilities, and enhance the education of managers to improve their ability to manage diverse personnel • Strengthen the training of female managers and female management candidates through such means as the program to develop female leaders for the next generation • Create a workplace environment where both men and women can continue to balance work and other responsibilities such as childcare, nursing care, and treatment of medical conditions • Foster an understanding of disabilities among all executives and employees

Field	Important sustainability priority	Initiatives/Targets in the medium-term management plan	Action policies for FY2021
Employees	Promote work style reforms and Health and Productivity Management	<ul style="list-style-type: none"> ■ Promote sustained growth by supporting the success of individual staff members in a variety of environments through work style transformation 	<ul style="list-style-type: none"> • Continue to carry out appropriate work schedule management while encouraging and ensuring that personnel to take leave • Further broaden open communication by leveraging the internet and consider and implement measures to realize flexible and diverse work styles
		<ul style="list-style-type: none"> ■ Promote the health of each individual to ensure the prevention of lifestyle diseases and mental health issues, etc. 	<ul style="list-style-type: none"> • Steadily reduce the number of people at risk of lifestyle diseases • Improve the worksite environment and strengthen self-care for mental health • Encourage people to undergo cancer screening tests to facilitate early detection of malignant neoplasms • Improve enthusiasm to achieve better health and the ability to provide self-care by improving health literacy (including correct knowledge concerning COVID-19)
Corporate governance	Long-term stable business operation through the mutual company structure	<ul style="list-style-type: none"> ■ Continue to pay stable dividends to policyholders 	<ul style="list-style-type: none"> • Continue to pay stable dividends to policyholders
	Proper distribution of economic value		
	Strengthen corporate governance	<ul style="list-style-type: none"> ■ Strengthen the business base on a Group-wide basis 	<ul style="list-style-type: none"> • Initiatives to raise the sophistication of Group strategy and internal control <ul style="list-style-type: none"> – Develop an effective system through deliberations in the Domestic Group Insurance Committee (newly established) – In other areas, carry out continuous initiatives to strengthen governance, including overseas
	Integrate CSR issues into management	<ul style="list-style-type: none"> ■ Raise the sophistication of sustainability management 	<ul style="list-style-type: none"> • Implement PDCA cycles on important sustainability priorities • Promote initiatives aimed at achieving the SDGs through such means as products and services and ESG finance and investment • Implement sustainability management on a Group-wide basis by instilling broader understanding at Group companies, and conducting activities led by each company • Encourage dialogue through the disclosure of information to stakeholders
	Stakeholder engagement		
Compliance	Strengthen the compliance system	<ul style="list-style-type: none"> ■ Further instill compliance awareness with customer-oriented business operations as the foundation of all activities 	<ul style="list-style-type: none"> • Establish and implement compliance programs and teach and entrench principles
Human rights	Management respectful of the human rights of all people	<ul style="list-style-type: none"> ■ Promote initiatives to raise the sophistication of human rights due diligence and awareness raising and education at all levels of the Company 	<ul style="list-style-type: none"> • Continue to consider ways to raise the sophistication of human rights due diligence, along with continuing to provide broad education and raise awareness of Nippon Life's human rights policy, including supply chain initiatives, and various human rights issues, at all levels of the Company
Risk management	Upgrade the approach to ERM	<ul style="list-style-type: none"> ■ Promote ERM on a Group-wide basis to improve earnings capabilities and financial soundness ■ Accumulate equity to secure a level of financial soundness that ranks among the highest of the world's top-class insurance companies over the medium and long terms (Target) <ul style="list-style-type: none"> • Equity (Group): ¥9.0 trillion (as of the end of FY2023) 	<ul style="list-style-type: none"> • Continue efforts to enhance the sophistication and penetration of the approach to ERM • Maintain equity accumulation

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Notes:

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

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1. Consolidated Balance Sheets

Nippon Life Insurance Company and its Consolidated Subsidiaries

As of March 31	Millions of Yen			Millions of U.S. Dollars (Note 1)
	2021	2020	2019	2021
ASSETS:				
Cash and deposits (Notes 6, 7 and 18)	¥ 1,771,810	¥ 1,751,037	¥ 1,541,390	\$ 16,004
Call loans (Note 6)	540,086	422,906	429,912	4,878
Monetary receivables purchased (Notes 6 and 7)	316,335	375,278	401,938	2,857
Assets held in trust (Note 7)	135	33,779	13,357	1
Investments in securities (Notes 6, 7, 9, 18 and 19)	70,741,631	65,084,003	64,458,905	638,981
Loans (Notes 7, 21 and 22)	8,423,975	8,436,650	8,510,520	76,090
Tangible fixed assets (Notes 8, 10 and 18):	1,941,042	1,913,574	1,907,653	17,532
Land	1,284,407	1,261,133	1,262,159	11,601
Buildings	579,054	582,389	579,064	5,230
Lease assets	8,280	9,262	7,040	74
Construction in progress	22,427	16,167	15,840	202
Other tangible fixed assets	46,872	44,620	43,548	423
Intangible fixed assets (Note 18):	385,669	386,396	263,513	3,483
Software	122,279	126,334	124,250	1,104
Goodwill	83,185	84,220	44,214	751
Lease assets	31	35	—	0
Other intangible fixed assets	180,172	175,805	95,047	1,627
Reinsurance receivables (Note 28)	26,705	69,533	9,368	241
Other assets (Note 7)	1,367,177	1,512,525	1,199,998	12,349
Net defined benefit asset (Note 16)	468	—	—	4
Deferred tax assets (Note 26)	13,538	24,318	9,140	122
Customers' liability for acceptances and guarantees	71,728	76,136	71,016	647
Allowance for doubtful accounts	(10,343)	(4,969)	(7,198)	(93)
Total assets	¥85,589,960	¥80,081,170	¥78,809,517	\$773,100

As of March 31	Millions of Yen			Millions of U.S. Dollars (Note 1)
	2021	2020	2019	2021
LIABILITIES:				
Policy reserves and other reserves:				
Reserve for outstanding claims	¥ 249,222	¥ 258,970	¥ 302,778	\$ 2,251
Policy reserves (Note 28)	66,916,145	65,406,129	64,100,386	604,427
Reserve for dividends to policyholders (mutual company) (Note 12)	1,046,832	1,043,785	1,020,213	9,455
Reserve for dividends to policyholders (limited company) (Note 13)	54,738	56,750	60,326	494
Subtotal	68,266,939	66,765,636	65,483,705	616,628
Reinsurance payables	8,065	7,519	8,424	72
Corporate bonds (Notes 7 and 14)	1,432,612	1,277,620	1,175,589	12,940
Other liabilities (Notes 7, 15 and 18)	3,871,138	3,541,405	2,518,762	34,966
Accrued bonuses for directors and audit & supervisory board members	433	92	106	3
Net defined benefit liability (Note 16)	438,263	449,594	440,556	3,958
Accrued retirement benefits for directors and audit & supervisory board members	689	4,970	4,905	6
Reserve for program points	8,528	8,864	9,203	77
Reserve for price fluctuations in investments in securities	1,610,738	1,531,621	1,460,182	14,549
Deferred tax liabilities (Note 26)	962,359	157,426	555,094	8,692
Deferred tax liabilities for land revaluation	101,894	103,072	103,748	920
Acceptances and guarantees	71,728	76,136	71,016	647
Total liabilities	76,773,391	73,923,960	71,831,296	693,463
NET ASSETS:				
Foundation funds (Note 17)	100,000	100,000	100,000	903
Reserve for redemption of foundation funds (Note 17)	1,300,000	1,300,000	1,250,000	11,742
Reserve for revaluation	651	651	651	5
Consolidated surplus	709,574	554,790	629,555	6,409
Total foundation funds and others	2,110,225	1,955,441	1,980,206	19,060
Net unrealized gains on available-for-sale securities	6,767,268	4,199,843	4,943,922	61,126
Deferred losses on derivatives under hedge accounting	(163,088)	(69,235)	(31,643)	(1,473)
Land revaluation losses	(57,447)	(54,706)	(54,690)	(518)
Foreign currency translation adjustments	(25,774)	(26,406)	(4,853)	(232)
Remeasurement of defined benefit plans	(6,511)	(15,030)	(13,494)	(58)
Total accumulated other comprehensive income	6,514,448	4,034,464	4,839,241	58,842
Share acquisition rights (Note 29)	1,349	926	—	12
Noncontrolling interests	190,546	166,377	158,772	1,721
Total net assets	8,816,569	6,157,210	6,978,221	79,636
Total liabilities and net assets	¥85,589,960	¥80,081,170	¥78,809,517	\$773,100

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

2. Consolidated Statements of Income

Nippon Life Insurance Company and its Consolidated Subsidiaries

	Millions of Yen			Millions of U.S. Dollars (Note 1)
For the years ended March 31	2021	2020	2019	2021
Ordinary income:				
Revenues from insurance and reinsurance (Note 25)	¥5,190,112	¥5,719,334	¥6,069,229	\$46,880
Investment income:				
Interest, dividends, and other income	1,558,947	1,597,896	1,596,028	14,081
Gain from assets held in trust, net	—	17,720	—	—
Gain on trading securities	10,488	34,737	12,174	94
Gain on sales of securities	537,390	350,794	205,481	4,854
Gain on redemptions of securities	3,998	2,585	6,430	36
Foreign exchange gains, net	413,806	—	—	3,737
Reversal of allowance for doubtful accounts	—	1,023	—	—
Other investment income	2,535	2,697	3,101	22
Gain from separate accounts, net	154,873	—	19,115	1,398
Subtotal	2,682,040	2,007,454	1,842,333	24,225
Other ordinary income	288,813	323,869	315,569	2,608
Total ordinary income	8,160,966	8,050,657	8,227,132	73,714
Ordinary expenses:				
Benefits and other payments:				
Death and other claims	1,233,439	1,262,045	1,323,888	11,141
Annuity payments	991,956	994,266	975,383	8,959
Health and other benefits	847,024	873,235	846,807	7,650
Surrender benefits	1,278,280	1,111,079	1,169,048	11,546
Other refunds	256,135	219,474	238,189	2,313
Reinsurance premiums (Note 25)	89,962	100,944	44,152	812
Subtotal	4,696,798	4,561,046	4,597,470	42,424
Provision for policy reserves:				
Provision for policy reserves	1,486,743	1,313,949	1,630,416	13,429
Provision for interest on reserve for dividends to policyholders (mutual company)	21,458	21,722	22,233	193
Provision for interest on reserve for dividends to policyholders (limited company)	10	11	11	0
Subtotal	1,508,211	1,335,682	1,652,662	13,623
Investment expenses:				
Interest expenses	31,354	37,771	35,388	283
Loss from assets held in trust, net	34,144	—	2,563	308
Loss on sales of securities	47,651	61,131	145,635	430
Loss on valuation of securities	6,766	220,341	19,019	61
Loss on redemptions of securities	14,852	12,749	8,165	134
Loss on derivative financial instruments, net	146,237	20,478	83,973	1,320
Foreign exchange losses, net	—	235,504	16,896	—
Provision for allowance for doubtful accounts	5,910	—	6,368	53
Write-offs of loans	26	14	—	0
Depreciation of rental real estate and other assets	20,604	20,370	18,969	186
Other investment expenses	39,660	39,699	34,760	358
Loss from separate accounts, net	—	50,951	—	—
Subtotal	347,208	699,013	371,739	3,136
Operating expenses (Note 23)	791,723	816,454	825,455	7,151
Other ordinary expenses	341,395	357,103	351,361	3,083
Total ordinary expenses	7,685,338	7,769,300	7,798,687	69,418
Ordinary profit	475,628	281,357	428,445	4,296

	Millions of Yen			Millions of U.S. Dollars (Note 1)
For the years ended March 31	2021	2020	2019	2021
Extraordinary gains:				
Gain on disposals of fixed assets	¥ 1,536	¥ 6,529	¥ 7,053	\$ 13
Gain on bargain purchase (Note 4)	—	—	10,347	—
Gain on step acquisitions (Note 4)	—	48,730	—	—
Gain on reversal of share acquisition rights (Note 20)	13	6	—	0
Subtotal	1,550	55,267	17,400	14
Extraordinary losses:				
Loss on disposals of fixed assets	6,201	7,275	8,069	56
Impairment losses (Note 24)	5,084	45,057	2,327	45
Provision for reserve for price fluctuations in investments in securities	79,116	71,438	104,418	714
Loss on reduction entry of real estate	80	204	—	0
Contributions for assisting social public welfare	3,000	3,000	3,000	27
Other extraordinary losses	—	718	—	—
Subtotal	93,483	127,694	117,815	844
Provision for reserve for dividends to policyholders (limited company)	11,966	11,829	13,837	108
Surplus before income taxes	371,727	197,101	314,192	3,357
Income taxes (Note 26):				
Current	154,691	163,519	135,642	1,397
Deferred	(119,051)	(149,172)	(102,461)	(1,075)
Total income taxes	35,639	14,346	33,180	321
Net surplus	336,087	182,754	281,011	3,035
Net surplus attributable to noncontrolling interests	4,583	(9,383)	2,215	41
Net surplus attributable to the parent company	¥ 331,504	¥ 192,137	¥ 278,795	\$ 2,994

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

3. Consolidated Statements of Comprehensive Income

Nippon Life Insurance Company and its Consolidated Subsidiaries

For the years ended March 31	Millions of Yen			Millions of U.S. Dollars (Note 1)
	2021	2020	2019	2021
Net surplus	¥ 336,087	¥ 182,754	¥281,011	\$ 3,035
Other comprehensive income (loss) (Note 27):	2,501,831	(813,268)	26,303	22,598
Net unrealized gains (losses) on available-for-sale securities	2,578,320	(748,619)	35,865	23,288
Deferred (losses) gains on derivatives under hedge accounting	(93,568)	(37,246)	27,544	(845)
Foreign currency translation adjustments	8,163	(21,320)	(29,212)	73
Remeasurement of defined benefit plans	8,561	(1,543)	5,107	77
Share of other comprehensive gains (losses) of associates accounted for under the equity method	354	(4,538)	(13,001)	3
Comprehensive income (loss):	¥2,837,919	¥(630,513)	¥307,315	\$25,633
Comprehensive income (loss) attributable to the parent company	2,814,228	(613,811)	303,143	25,419
Comprehensive income (loss) attributable to noncontrolling interests	23,691	(16,702)	4,171	213

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

4. Consolidated Statements of Changes in Net Assets

Nippon Life Insurance Company and its Consolidated Subsidiaries

	Millions of Yen				
	Foundation funds and others				
	Foundation funds (Note 17)	Reserve for redemption of foundation funds (Note 17)	Reserve for revaluation	Consolidated surplus	Total foundation funds and others
For the year ended March 31, 2019					
Beginning balance	¥150,000	¥1,200,000	¥651	¥ 625,131	¥1,975,782
Increase/decrease:					
Additions to reserve for dividends to policyholders (mutual company)				(218,353)	(218,353)
Additions to reserve for redemption of foundation funds		50,000		(50,000)	—
Interest on foundation funds				(790)	(790)
Net surplus attributable to the parent company				278,795	278,795
Redemption of foundation funds	(50,000)				(50,000)
Reversal of land revaluation losses				(6,299)	(6,299)
Change in the parent's ownership interest due to transactions with noncontrolling interests				1,071	1,071
Net change, excluding foundation funds and others					
Net change	(50,000)	50,000	—	4,424	4,424
Ending balance	¥100,000	¥1,250,000	¥651	¥ 629,555	¥1,980,206

	Millions of Yen							
	Accumulated other comprehensive income							
	Net unrealized gains on available-for-sale securities	Deferred losses on derivatives under hedge accounting	Land revaluation losses	Foreign currency translation adjustments	Remeasurement of defined benefit plans	Total accumulated other comprehensive income	Noncontrolling interests	Total net assets
For the year ended March 31, 2019								
Beginning balance	¥4,918,602	¥(59,092)	¥(60,989)	¥ 28,706	¥(18,632)	¥4,808,594	¥137,996	¥6,922,373
Increase/decrease:								
Additions to reserve for dividends to policyholders (mutual company)								(218,353)
Additions to reserve for redemption of foundation funds								—
Interest on foundation funds								(790)
Net surplus attributable to the parent company								278,795
Redemption of foundation funds								(50,000)
Reversal of land revaluation losses								(6,299)
Change in the parent's ownership interest due to transactions with noncontrolling interests								1,071
Net change, excluding foundation funds and others	25,320	27,448	6,299	(33,559)	5,138	30,646	20,776	51,423
Net change	25,320	27,448	6,299	(33,559)	5,138	30,646	20,776	55,847
Ending balance	¥4,943,922	¥(31,643)	¥(54,690)	¥ (4,853)	¥(13,494)	¥4,839,241	¥158,772	¥6,978,221

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

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

	Millions of Yen				
	Foundation funds and others				
	Foundation funds (Note 17)	Reserve for redemption of foundation funds (Note 17)	Reserve for revaluation	Consolidated surplus	Total foundation funds and others
For the year ended March 31, 2021					
Beginning balance	¥100,000	¥1,300,000	¥651	¥ 554,790	¥1,955,441
Increase/decrease:					
Additions to reserve for dividends to policyholders (mutual company)				(185,145)	(185,145)
Interest on foundation funds				(277)	(277)
Net surplus attributable to the parent company				331,504	331,504
Reversal of land revaluation losses				2,740	2,740
Change in the parent's ownership interest due to transactions with noncontrolling interests				5,962	5,962
Net change, excluding foundation funds and others					
Net change	—	—	—	154,784	154,784
Ending balance	¥100,000	¥1,300,000	¥651	¥ 709,574	¥2,110,225

	Millions of Yen								
	Accumulated other comprehensive income								
	Net unrealized gains on available- for-sale securities	Deferred losses on derivatives under hedge accounting	Land revaluation losses	Foreign currency translation adjustments	Remeasurement of defined benefit plans	Total accumulated other comprehensive income	Share acquisition rights (Note 29)	Noncontrolling interests	Total net assets
For the year ended March 31, 2021									
Beginning balance	¥4,199,843	¥ (69,235)	¥(54,706)	¥(26,406)	¥(15,030)	¥4,034,464	¥ 926	¥166,377	¥6,157,210
Increase/decrease:									
Additions to reserve for dividends to policyholders (mutual company)									(185,145)
Interest on foundation funds									(277)
Net surplus attributable to the parent company									331,504
Reversal of land revaluation losses									2,740
Change in the parent's ownership interest due to transactions with noncontrolling interests									5,962
Net change, excluding foundation funds and others	2,567,424	(93,852)	(2,740)	632	8,519	2,479,983	422	24,168	2,504,575
Net change	2,567,424	(93,852)	(2,740)	632	8,519	2,479,983	422	24,168	2,659,359
Ending balance	¥6,767,268	¥(163,088)	¥(57,447)	¥(25,774)	¥ (6,511)	¥6,514,448	¥1,349	¥190,546	¥8,816,569

	Millions of U.S. Dollars (Note 1)				
	Foundation funds and others				
	Foundation funds (Note 17)	Reserve for redemption of foundation funds (Note 17)	Reserve for revaluation	Consolidated surplus	Total foundation funds and others
For the year ended March 31, 2021					
Beginning balance	\$903	\$11,742	\$ 5	\$ 5,011	\$17,662
Increase/decrease:					
Additions to reserve for dividends to policyholders (mutual company)				(1,672)	(1,672)
Interest on foundation funds				(2)	(2)
Net surplus attributable to the parent company				2,994	2,994
Reversal of land revaluation losses				24	24
Change in the parent's ownership interest due to transactions with noncontrolling interests				53	53
Net change, excluding foundation funds and others					
Net change	—	—	—	1,398	1,398
Ending balance	\$903	\$11,742	\$ 5	\$ 6,409	\$19,060

	Millions of U.S. Dollars (Note 1)								
	Accumulated other comprehensive income								
	Net unrealized gains on available-for-sale securities	Deferred losses on derivatives under hedge accounting	Land revaluation losses	Foreign currency translation adjustments	Remeasurement of defined benefit plans	Total accumulated other comprehensive income	Share acquisition rights (Note 29)	Noncontrolling interests	Total net assets
For the year ended March 31, 2021									
Beginning balance	\$37,935	\$ (625)	\$(494)	\$(238)	\$(135)	\$36,441	\$ 8	\$1,502	\$55,615
Increase/decrease:									
Additions to reserve for dividends to policyholders (mutual company)									(1,672)
Interest on foundation funds									(2)
Net surplus attributable to the parent company									2,994
Reversal of land revaluation losses									24
Change in the parent's ownership interest due to transactions with noncontrolling interests									53
Net change, excluding foundation funds and others	23,190	(847)	(24)	5	76	22,400	3	218	22,622
Net change	23,190	(847)	(24)	5	76	22,400	3	218	24,020
Ending balance	\$61,126	\$(1,473)	\$(518)	\$(232)	\$ (58)	\$58,842	\$12	\$1,721	\$79,636

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

5. Consolidated Statements of Cash Flows

Nippon Life Insurance Company and its Consolidated Subsidiaries

For the years ended March 31	Millions of Yen			Millions of U.S. Dollars (Note 1)
	2021	2020	2019	2021
I Cash flows from operating activities:				
Surplus before income taxes	¥ 371,727	¥ 197,101	¥ 314,192	\$ 3,357
Depreciation of rental real estate and other assets	20,604	20,370	18,969	186
Depreciation	73,296	72,349	54,543	662
Impairment losses	5,084	45,057	2,327	45
Amortization of goodwill	4,259	4,679	2,631	38
Gain on bargain purchase	—	—	(10,347)	—
Net decrease in reserve for outstanding claims	(10,064)	(43,633)	(53,246)	(90)
Net increase in policy reserves	1,499,301	1,311,041	1,620,992	13,542
Provision for interest on reserve for dividends to policyholders (mutual company)	21,458	21,722	22,233	193
Provision for interest on reserve for dividends to policyholders (limited company)	10	11	11	0
Provision for reserve for dividends to policyholders (limited company)	11,966	11,829	13,837	108
Net increase (decrease) in allowance for doubtful accounts	5,998	(1,353)	6,320	54
Net increase (decrease) in accrued bonuses for directors and audit & supervisory board members	341	(14)	15	3
Net (decrease) increase in net defined benefit liability	(645)	6,828	2,720	(5)
Net (decrease) increase in accrued retirement benefits for directors and audit & supervisory board members	(4,281)	65	(676)	(38)
Net increase in reserve for price fluctuations in investments in securities	79,116	71,438	104,418	714
Interest, dividends, and other income	(1,558,947)	(1,597,896)	(1,596,028)	(14,081)
Losses (gains) from assets held in trust, net	34,144	(17,720)	2,563	308
Net gains on investments in securities	(472,118)	(59,155)	(39,092)	(4,264)
Net losses on policy loans	86,953	99,699	108,744	785
Losses on derivative financial instruments, net	146,237	20,478	83,973	1,320
Interest expenses	31,354	37,771	35,388	283
Net foreign exchange (gains) losses	(405,762)	233,171	17,461	(3,665)
Net losses on tangible fixed assets	5,627	1,295	792	50
Gains on equity method investments	(521)	(1,247)	(3,292)	(4)
(Gains) losses from separate accounts, net	(154,873)	50,951	(19,115)	(1,398)
Gain on step acquisitions (Note 4)	—	(48,730)	—	—
Net decrease (increase) in reinsurance receivables	43,019	(60,283)	1,949	388
Net (increase) decrease in other assets (excluding those related to investing activities and financing activities)	(6,785)	567	5,128	(61)
Net increase (decrease) in reinsurance payables	355	(752)	2,069	3
Net increase in other liabilities (excluding those related to investing activities and financing activities)	3,736	5,376	7,145	33
Others, net	(13,582)	(36,144)	(13,765)	(122)
Subtotal	(182,988)	344,874	692,867	(1,652)
Interest, dividends, and other income received	1,544,272	1,636,593	1,660,198	13,948
Interest paid	(32,407)	(36,470)	(33,667)	(292)
Dividends paid to policyholders (mutual company)	(168,289)	(176,933)	(189,333)	(1,520)
Dividends paid to policyholders (limited company)	(13,988)	(15,417)	(19,231)	(126)
Others, net	(14,024)	(8,530)	7,302	(126)
Income taxes paid	(167,444)	(138,536)	(155,914)	(1,512)
Net cash provided by operating activities	965,130	1,605,579	1,962,221	8,717

For the years ended March 31	Millions of Yen			Millions of U.S. Dollars (Note 1)
	2021	2020	2019	2021
II Cash flows from investing activities:				
Net decrease (increase) in deposits	¥ 2,238	¥ (2,211)	¥ (888)	\$ 20
Purchases of monetary receivables purchased	(13,750)	(16,721)	(5,394)	(124)
Proceeds from sales and redemptions of monetary receivables purchased	49,027	44,909	47,366	442
Purchases of assets held in trust	(2,000)	(3,000)	(5,300)	(18)
Proceeds from decrease in assets held in trust	1,500	298	—	13
Purchases of securities	(8,305,269)	(9,312,569)	(10,731,535)	(75,018)
Proceeds from sales and redemptions of securities	7,439,395	7,255,486	8,800,702	67,197
Disbursements for loans	(1,554,232)	(1,514,841)	(1,583,675)	(14,038)
Proceeds from collections of loans	1,546,870	1,480,523	1,620,988	13,972
Net (losses) gains from the settlement of derivative financial instruments	(207,914)	179,466	45,636	(1,878)
Net increase in payables under repurchase agreements	167,422	382,239	677,033	1,512
Net (decrease) increase in cash received as collateral under securities lending transactions	(101,840)	75,490	(566,215)	(919)
Others, net	(58,621)	(22,733)	(119,480)	(529)
① Total of investing activities	(1,037,173)	(1,453,660)	(1,820,763)	(9,368)
[I + II①]	[(72,042)]	[151,918]	[141,457]	[(650)]
Purchases of tangible fixed assets	(73,156)	(60,940)	(109,143)	(660)
Proceeds from sales of tangible fixed assets	3,775	13,093	30,610	34
Payments for acquisition of subsidiary's shares with change in scope of consolidation (Note 5)	—	(61,771)	(44,844)	—
Others, net	(50,675)	(52,091)	(49,706)	(457)
Net cash used in investing activities	(1,157,230)	(1,615,371)	(1,993,848)	(10,452)
III Cash flows from financing activities:				
Proceeds from debt borrowing	250,080	274,627	354,035	2,258
Repayments of debt	(117,391)	(112,229)	(135,545)	(1,060)
Proceeds from issuance of corporate bonds	166,192	126,431	—	1,501
Redemption of bonds	(11,200)	(24,400)	—	(101)
Proceeds from issuance of foundation funds	—	50,000	—	—
Redemption of foundation funds	—	(50,000)	(50,000)	—
Interest on foundation funds	(277)	(355)	(790)	(2)
Payments for acquisition of subsidiary's shares not resulting in change in scope of consolidation	(8,027)	(3,803)	(1,435)	(72)
Proceeds from sales of shares of subsidiaries not resulting in change in scope of consolidation	—	1,386	—	—
Others, net	(4,768)	(10,815)	(17,934)	(43)
Net cash provided by financing activities	274,607	250,841	148,329	2,480
IV Effect of exchange rate changes on cash and cash equivalents	14,044	(20,152)	(1,783)	126
V Net increase in cash and cash equivalents	96,552	220,897	114,919	872
VI Cash and cash equivalents at the beginning of the year	2,226,280	2,011,931	1,897,011	20,109
VII Net decrease in cash and cash equivalents resulting from change in the scope of consolidation	—	(6,548)	—	—
VIII Cash and cash equivalents at the end of the year (Note 6)	¥ 2,322,833	¥ 2,226,280	¥ 2,011,931	\$ 20,981

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

6. Notes to the Consolidated Financial Statements

Nippon Life Insurance Company and its Consolidated Subsidiaries

1. Basis of Presenting the Consolidated Financial Statements

(1) Accounting principles and presentation

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

(2) U.S. dollar amounts

Nippon Life prepares its consolidated financial statements in Japanese yen. The U.S. dollar amounts included in the consolidated financial statements and notes thereto represent the arithmetical results of translating Japanese yen to U.S. dollars on the basis of ¥110.71=U.S.\$1, the effective rate of exchange at the balance sheet date of March 31, 2021. The inclusion of such U.S. dollar amounts is solely for convenience and is not intended to imply that Japanese yen amounts have been or could be readily converted, realized or settled in U.S. dollars at ¥110.71=U.S.\$1 or at any other rate.

2. Summary of Significant Accounting Policies

(1) Principles of consolidation

i) Consolidated subsidiaries

The consolidated financial statements include the accounts of Nippon Life and its subsidiaries. Consolidated subsidiaries as of March 31, 2021, 2020 and 2019, are listed as follows:

Nissay Credit Guarantee Co., Ltd. (Japan)
Nissay Leasing Co., Ltd. (Japan)
Nissay Capital Co., Ltd. (Japan)
Nissay Asset Management Corporation (Japan)
Nissay Information Technology Co., Ltd. (Japan)
TAIJU LIFE INSURANCE COMPANY LIMITED (Japan)
Nippon Wealth Life Insurance Company Limited (Japan) (from the fiscal year ended March 31, 2019)

HANASAKU LIFE INSURANCE Co., Ltd. (Japan) (from the fiscal year ended March 31, 2020)

Nippon Life Insurance Company of America (U.S.A.)

NLI Commercial Mortgage Fund, LLC (U.S.A.) (up to the fiscal year ended March 31, 2019)

NLI Commercial Mortgage Fund II, LLC (U.S.A.) (up to the fiscal year ended March 31, 2019)

NLI US Investments, Inc. (U.S.A.)

MLC Limited (Australia)

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

As the Company acquired equity interest in MassMutual Life Insurance Company, it is included within the scope of consolidation starting from the fiscal year ended March 31, 2019. The said company was renamed as Nippon Wealth Life Insurance Company Limited on January 1, 2019. Additionally, Mitsui Life Insurance Company Limited was renamed as TAIJU LIFE INSURANCE COMPANY LIMITED on April 1, 2019.

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

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

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

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

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

NLI US Investments, Inc. changed its name to Nippon Life Americas, Inc. on May 1, 2021.

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

The respective and aggregate effects of the companies, which are excluded from consolidation, based on total assets, revenues, net income, and surplus for the fiscal years ended March 31, 2021, 2020 and 2019, are immaterial. This exclusion from consolidation does not prevent a reasonable assessment of the financial position of the Company and its subsidiaries and the results of their operations.

ii) Affiliates

Major affiliates accounted for under the equity method as of March 31, 2021, 2020 and 2019, are listed as follows:

The Master Trust Bank of Japan, Ltd. (Japan)
Corporate-Pension Business Service Co., Ltd. (Japan)
Great Wall Changsheng Life Insurance Co., Ltd. (China)
Bangkok Life Assurance Public Company Limited (Thailand)
Reliance Nippon Life Insurance Company Limited (India)
Nippon Life India Asset Management Limited (India) (up to the fiscal year ended March 31, 2019)
Post Advisory Group, LLC (U.S.A.)
PT Sequis (Indonesia)
PT Asuransi Jiwa Sequis Life (Indonesia)
The TCW Group, Inc. (U.S.A.)
Grand Guardian Nippon Life Insurance Company Limited (Myanmar) (from the fiscal year ended March 31, 2020)

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

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

Grand Guardian Nippon Life Insurance Company Limited has been included in the scope of application of the equity method due to its increased significance associated with the acquisition of permission from Myanmar financial authorities to operate as a life insurance joint venture after obtaining its equity interests in the fiscal year ended March 31, 2020. The subsidiaries not consolidated, such as Nippon Life Global Investors Americas, Inc., and Nissay Trading Corporation, and affiliates other than those listed above, such as SL Towers Co., Ltd. are not accounted for under the equity method. The respective and aggregate effects of such companies on consolidated net income and surplus for the fiscal years ended March 31, 2021, 2020 and 2019, are immaterial.

The number of consolidated subsidiaries and unconsolidated subsidiaries and affiliates accounted for under the equity method as of March 31, 2021, 2020 and 2019, was as follows:

	2021	2020	2019
Consolidated subsidiaries	15	15	12
Subsidiaries not consolidated but accounted for under the equity method	0	0	0
Affiliates accounted for under the equity method	15	15	14

iii) Reporting date for consolidated subsidiaries

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

iv) Valuation of assets and liabilities of consolidated subsidiaries

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

v) Amortization of goodwill

Goodwill and the equivalent amount of goodwill from affiliates accounted for under the equity method ("goodwill and goodwill equivalent") are amortized under the straight-line method over 20 years.

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

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

(2) Business combinations

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

(3) Cash and cash equivalents

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

(4) Securities and hedging activities

1) Securities of the Company and certain consolidated subsidiaries (including items, such as deposits and monetary receivables purchased, which are treated as securities based on the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10) and securities within assets held in trust), are valued as follows:

- i) Trading securities are stated at fair value on the balance sheet date. The moving average method is used for calculating the cost basis.
- ii) Held-to-maturity debt securities are valued using the moving average method, net of accumulated amortization (straight-line).
- iii) Policy-reserve-matching bonds are valued using the moving average method, net of accumulated amortization (straight-line), in accordance with the Industry Audit Committee Report No. 21, "Temporary Treatment of Accounting and Auditing Concerning Policy-Reserve-Matching Bonds in the Insurance Industry," issued by the Japanese Institute of Certified Public Accountants (JICPA).

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

v) Available-for-sale securities

- a. Regarding securities with a fair value, stocks (including foreign stocks) are valued using the average fair value during the period of one month before the balance sheet date (the cost basis is calculated using the moving average method). Other securities with a fair value are valued using the fair value on the balance sheet date (the cost basis is calculated using the moving average method).
- b. Regarding securities of which the fair value is extremely difficult to determine, bonds (including foreign bonds) for which the difference between the purchase price and face value is due to an interest rate adjustment are stated at cost using the moving average method, net of accumulated amortization (straight-line). Other securities without readily determinable fair values are stated at cost using the moving average method.

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

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

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

2) Hedging instruments and hedged items

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

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

4) Derivative financial instruments and derivative financial instruments within assets held in trust are stated at fair value.

(5) Policy-reserve-matching bonds

Securities that are held for the purpose of matching the duration of outstanding liabilities within the subgroups classified by insurance type, payment method, maturity period, currency, and investment policy are classified as policy-reserve-matching bonds in accordance with the Industry Audit Committee Report No. 21, "Temporary Treatment of Accounting and Auditing Concerning Policy-Reserve-Matching Bonds in the Insurance Industry," issued by the JICPA.

The Company has specified and subcategorized the following insurance policies:

(a) The Company

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

(b) TAIJU LIFE INSURANCE COMPANY LIMITED

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

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

foreign currency-denominated single premium endowment insurance (Australian dollar) (policies commencing on or after October 1, 2017). Additionally, it has also created Subcategory 2 for foreign currency-denominated single premium endowment insurance (U.S. dollar) (policies commencing on or after October 1, 2019) and Subcategory 2 for foreign currency-denominated single premium endowment insurance (Australian dollar) (policies commencing on or after October 1, 2019) as new subcategories.

In the fiscal year ended March 31, 2019, the subgroups of insurance products covered by policy-reserve-matching bonds were revised in order to further promote ALM. Specifically, a subcategory of whole life insurance and annuity insurance (up to 40 years) has been created by extending the covered term for the previous subcategory of whole life insurance and annuity insurance (8–27 years). Additionally, a new subgroup has been created for foreign currency-denominated single premium endowment insurance (U.S. dollar).

There has been no impact on profit or loss for the fiscal years ended March 31, 2020 and 2019, as a result of this revision.

(c) Nippon Wealth Life Insurance Company Limited

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

(d) HANASAKU LIFE INSURANCE Co., Ltd.

From the fiscal year ended March 31, 2020, all insurance policy groups are classified as a single subcategory, and securities that are held for the purpose of matching the duration of these outstanding insurance liabilities are classified as policy-reserve-matching bonds.

(6) Foreign currency translation

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

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

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

(7) Tangible fixed assets

- 1) Tangible fixed assets are depreciated based on the following methods:
 - a. Tangible fixed assets (except for lease assets)
 - (i) Buildings
Straight-line method.
 - (ii) Assets other than the above
Primarily, the declining-balance method.
Certain other tangible fixed assets with an acquisition price of less than ¥200,000 of the Company and certain consolidated subsidiaries are depreciated over a 3 year period on a straight-line basis.
 - b. Lease assets
 - (i) Lease assets related to financial leases that transfer ownership of the leased property to the lessee
The same depreciation method applied to owned fixed assets.
 - (ii) Lease assets other than the above
Straight-line method based on lease period.

The estimated useful lives of major items are as follows:

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

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

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

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

(8) Software

Capitalized software for internal use, which is included within intangible fixed assets, is amortized using the straight-line method over its estimated useful lives as internally determined (3 to 15 years).

(9) Leases

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

(10) Allowance for doubtful accounts

- 1) An allowance for doubtful accounts for the Company is recognized in accordance with the Company's internal Asset Valuation Regulation and Write-Off/Provision Rule.
 - i) An allowance for loans to borrowers who are legally or substantially bankrupt, such as being bankrupt or being in the process of civil rehabilitation proceedings, is recognized based on the amount of credit remaining after directly deducting amounts expected to be collected through the disposal of collateral or the execution of guarantees from the balance of loans (as mentioned at 4) below).
 - ii) An allowance for loans to borrowers who are not currently legally bankrupt, but have a significant possibility of bankruptcy is recognized at the amounts deemed necessary considering an assessment of the borrowers' overall solvency and the amounts remaining after deduction of amounts expected to be collected through the disposal of collateral or the execution of guarantees.
 - iii) An allowance for loans to borrowers other than the above is provided based on the borrowers' balance multiplied by the historical average (of a certain period) percentage of bad debt.

An allowance for loans to borrowers whose future business results are expected to worsen in case of a sudden event that has a large impact on economic conditions is recognized based on the estimated amount of impact on credit risk that has not yet been reflected in the borrowers' financial information and other disclosures for the fiscal year ended March 31, 2021.

- 2) All credits extended by the Company are assessed by responsible sections in accordance with the Company's internal Asset Valuation Regulation. The assessments are verified by the independent Asset Auditing Department. The results of the assessments are reflected in the calculation of the allowance for doubtful accounts.
- 3) For consolidated subsidiaries, the Company records the allowance amounts deemed necessary mainly in accordance with the Company's internal Asset Valuation Regulation and Write-Off/Provision Rule.
- 4) The estimated uncollectible amount calculated by subtracting the amount of collateral value or the amount collectible by the execution of guarantees from the balance of loans is directly deducted from the balance of loans (including loans with credits secured and/or guaranteed) made to legally or substantially bankrupt borrowers. The estimated uncollectible amounts were ¥3,784 million (U.S.\$34 million) (including ¥64 million (U.S.\$0 million) of credits secured and/or guaranteed), ¥3,382 million (including ¥70 million of credits secured and/or guaranteed), and ¥3,342 million (including ¥91 million of credits secured and/or guaranteed) as of March 31, 2021, 2020 and 2019, respectively.

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

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

(12) Net defined benefit liability

- 1) Net defined benefit liability is the amount of retirement benefit obligations prepared for payment of employee retirement benefits, less pension plan assets, based on the projected amounts as of March 31, 2021, 2020 and 2019.
- 2) The accounting methods of the Company and certain consolidated subsidiaries used for retirement benefits as of March 31, 2021, 2020 and 2019, are as follows:
 - i) Attribution method for estimated retirement benefits: Benefit formula basis
 - ii) Period of amortizing actuarial gains/losses: 5 years
 - iii) Period of amortizing prior service costs: 5 years

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

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

The Company passed a resolution at the meeting of representatives held on July 2, 2020, to abolish the retirement benefit plan for directors and audit & supervisory board members. As a result of this resolution, the payment prescribed under this plan was finalized. Accordingly, the unpaid amount of ¥4,432 million (U.S.\$40 million) in accrued retirement benefits for directors and audit & supervisory board members was reversed, transferred to accounts payable, and presented in other liabilities.

(14) Reserve for program points

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

(15) Reserve for price fluctuations in investments in securities

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

(16) Accounting for consumption taxes

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

(17) Consolidated taxation system

In December 2018, the Company and certain subsidiaries requested for approval to apply the consolidated taxation system, and the consolidated taxation system has been applied from the fiscal year ended March 31, 2020. Accordingly, effective from the fiscal year ended March 31, 2019, the Company and its certain subsidiaries have applied accounting treatments based on the application of the consolidated taxation system in accordance with the "Revised Practical Solution for Tentative Treatment of Tax Effect Accounting under Consolidated Taxation System (Part 1)" (ASBJ PITF* No. 5) and the "Revised Practical Solution for Tentative Treatment of Tax Effect Accounting under Consolidated Taxation System (Part 2)" (ASBJ PITF No. 7). Effective from the fiscal year ended March 31, 2020, the Company and certain subsidiaries have applied the consolidated taxation system as the parent company for consolidated taxation purposes. In accordance with the "Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System" (ASBJ PITF No. 39, March 31, 2020), the Company and its certain subsidiaries calculate the amounts of deferred tax assets and liabilities based on tax laws and regulations before the revision.

* PITF: Practical Issues Task Force

(18) Policy reserves

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

In addition, the Company and some of its consolidated life insurance companies in Japan provided additional policy reserves in the fiscal year ended March 31, 2021. As a result, policy reserves increased by ¥382,024 million (U.S.\$3,450 million), while ordinary profit and surplus before income taxes decreased by ¥382,024 million (U.S.\$3,450 million).

a. The Company

Effective from the fiscal year ended March 31, 2019, the Company has provided for additional policy reserves over a five-year period to cover a possible deficiency in the reserve for certain individual annuity policyholders. In the fiscal year ended March 31, 2021, the Company provided for these additional policy reserves in a lump sum. Moreover, effective from the fiscal year ended March 31, 2020, the Company has

provided for additional policy reserves to cover a possible deficiency in the reserve for paid-up insurance policies and similar policies among certain whole life insurance policies (including single premium policies). For such policies with premiums that have been paid and similar policies (including single premium policies), the Company had previously decided to successively provide additional policy reserves over a six-year period. Effective from the fiscal year ended March 31, 2021, the Company has decided to successively provide these additional policy reserves over a three-year period. As a result, the policy reserves increased by ¥369,175 million (U.S.\$3,334 million), while ordinary profit and surplus before income taxes decreased by ¥369,175 million (U.S.\$3,334 million), compared with amounts that would have been recorded if the additional policy reserves had not been provided in the fiscal year ended March 31, 2021.

b. TAIJU LIFE INSURANCE COMPANY LIMITED

TAIJU LIFE INSURANCE COMPANY LIMITED has provided additional policy reserves to cover a possible deficiency in the reserve for certain individual annuity policyholders. As a result, policy reserves increased by ¥12,849 million (U.S.\$116 million), while ordinary profit and surplus before income taxes decreased by ¥12,849 million (U.S.\$116 million), compared with amounts that would have been recorded if the additional policy reserves had not been provided in the fiscal year ended March 31, 2021.

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

The Company and some of its consolidated life insurance companies in Japan provided additional policy reserves in the fiscal year ended March 31, 2020. As a result, policy reserves increased by ¥199,869 million, while ordinary profit and surplus before income taxes decreased by ¥199,869 million.

a. The Company

Effective from the fiscal year ended March 31, 2019, the Company has reserved additional policy amounts over a five-year period to cover a possible deficiency in the reserve for certain individual annuity policyholders. Effective from the fiscal year ended March 31, 2020, the Company has reserved additional policy amounts to cover a possible deficiency in the reserve for paid-up insurance policies and similar policies among certain whole life insurance policies (including single premium policies). For such policies with premiums paid up as of March 31, 2020 and similar policies (including single premium policies), the Company will successively reserve additional policy amounts over a six-year period. As a result, the policy reserves increased by ¥186,113 million, while ordinary profit and surplus before income taxes decreased by ¥186,113 million, compared with amounts that would have been recorded had the additional policy amounts not been reserved in the fiscal year ended March 31, 2020.

b. TAIJU LIFE INSURANCE COMPANY LIMITED

TAIJU LIFE INSURANCE COMPANY LIMITED has provided additional policy reserves to cover a possible deficiency in the reserve for certain

individual annuity policyholders. As a result, policy reserves increased by ¥13,756 million, while ordinary profit and surplus before income taxes decreased by ¥13,756 million, compared with amounts that would have been recorded if the additional policy reserves had not been provided in the fiscal year ended March 31, 2020.

Matters concerning additional policy reserve amounts accumulated during the fiscal year ended March 31, 2019, are as follows:

The Company has reserved additional policy reserve amounts over a five-year period to cover a possible deficiency in the amount of the reserve for certain individual annuity policyholders. As a result, the policy reserves increased by ¥121,292 million, while ordinary profit and surplus before income taxes decreased by ¥121,292 million, compared with amounts that would have been recorded had the additional policy reserve amounts not been included.

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

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

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

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

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

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

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

(20) Policy acquisition costs

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

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

(21) Income taxes

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

(22) Stock options

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

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

(23) Unification of Accounting Policies Applied to Foreign

Subsidiaries for the Consolidated Financial Statements

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

3. Significant Accounting Estimate

The Company has applied the Accounting Standard for Disclosure of Accounting Estimates (ASBJ Statement No. 31) as of March 31, 2021.

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

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

1) Goodwill	¥83,185 million (U.S.\$751 million)
Nippon Life India Asset Management Limited	¥83,185 million (U.S.\$751 million)
2) Goodwill equivalent	¥77,554 million (U.S.\$700 million)
Reliance Nippon Life Insurance Company Limited	¥36,896 million (U.S.\$333 million)
The TCW Group, Inc.	¥21,445 million (U.S.\$193 million)
PT Sequis	¥19,212 million (U.S.\$173 million)

For details on the accounting estimates used to record impairment losses on goodwill and goodwill equivalent, please see Note 24 Impairment Losses in the notes to the consolidated financial statements for the fiscal year ended March 31, 2021.

4. Business Combination

Matters concerning business combinations through acquisition are as follows:

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

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

- 1) Overview of the transaction
 - a. Name and business of the acquiree
Name: TAIJU LIFE INSURANCE COMPANY LIMITED
Business: Life insurance business
 - b. Business combination date
March 31, 2021 (deemed acquisition date)
 - c. Legal form of the business combination
Acquisition of additional shares from the noncontrolling shareholders
 - d. Name of company after business combination
TAIJU LIFE INSURANCE COMPANY LIMITED
 - e. Other matters concerning the overview of the transaction
The Company has acquired an additional 2.4% of TAIJU LIFE shares and raised its voting interest in TAIJU LIFE to promote its group strategy and strengthen its governance framework.
- 2) Overview of accounting treatment that was applied
The Company has accounted for the transaction as a transaction with the noncontrolling shareholders within the category of transactions under common control. This accounting treatment is based on the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21) and the "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10).
- 3) Acquisition cost and breakdown by type of consideration
Consideration for acquisition: Payment in cash ¥8,027 million (U.S.\$72 million)
Acquisition cost: ¥8,027 million (U.S.\$72 million)

- 4) Matters concerning changes in the Company's equity with respect to the transaction with the noncontrolling shareholders
 - a. Main reasons for changes in consolidated surplus
Acquisition of additional shares of a subsidiary
 - b. Increase in consolidated surplus due to the transaction with the noncontrolling shareholders
¥5,530 million (U.S.\$49 million)

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

- 1) Overview of the business combination
 - a. Name and business of the acquiree
Name: Reliance Nippon Life Asset Management Limited (Now, Nippon Life India Asset Management Limited)
Business: Asset management
 - b. Major reasons for executing the business combination
Nippon Life India Asset Management Limited's trust assets under management have grown steadily, and the Company intends to support Nippon Life India Asset Management Limited's attempt to enhance its presence in the Indian asset management market, which is expected to show future growth driven by solid economic growth.
 - c. Date of business combination
September 30, 2019 (deemed acquisition date)
 - d. Legal form of the business combination
Open offer to the public shareholders as per Indian regulations and share acquisition based on an agreement with Reliance Capital Limited (RCAP) to acquire shares of Nippon Life India Asset Management Limited held by RCAP (the "Open Offer").
 - e. Name of the company after business combination
Nippon Life India Asset Management Limited
 - f. Percentage of voting rights acquired

Percentage of voting rights held before the Open Offer	42.875%
Percentage of voting rights acquired based on the Open Offer*	32.125%
Percentage of voting rights after the acquisition	75%

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

 - g. Main rationale for determining the acquirer
It is clear that the Company will control the decision-making body of the acquiree by obtaining the majority of voting rights.
- 2) Period for which the acquiree's business results were included in the consolidated financial statements for the fiscal year ended March 31, 2020
From October 1, 2019, to March 31, 2020
In the consolidated statement of income for the fiscal year ended March 31, 2020, profit or loss related to the acquiree from April 1, 2019, to September 30, 2019, is recorded as shares of profit of entities accounted for under the equity method and presented in other ordinary income.

3) Acquisition cost and breakdown

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

- 4) Difference between the acquisition cost and the total cost of individual transactions resulted in obtaining control
Gain on step acquisitions
¥48,730 million
- 5) Description and the amount of main acquisition-related costs
Advisory fees and others
¥1,395 million
- 6) Amount of and reasons for recognizing goodwill, and amortization method and period
 - a. Amount of goodwill
¥90,213 million
 - b. Reasons for recognizing goodwill
Goodwill was recognized because the equity interest in the net amount of the assets acquired and the liabilities assumed was lower than the acquisition cost.
 - c. Amortization method and period
Straight-line amortization over 20 years
- 7) Amounts of the assets acquired and the liabilities assumed on the date of business combination and their main components
Total assets: ¥119,130 million
(including the amount allocated to intangible assets other than goodwill of ¥77,754 million)
Total liabilities: ¥23,300 million
(including deferred tax liabilities of ¥18,595 million)
- 8) Amount of acquisition cost allocated to intangible assets other than goodwill and amortization period
Amount of intangible assets other than goodwill:
¥77,754 million
Amortization period: 19 years
(including contract-related assets of ¥77,754 million and amortization period of 19 years)
- 9) Estimated amount of impact on the consolidated statement of income for the fiscal year ended March 31, 2020, and calculation method, assuming that the business combination was completed as of the beginning of the fiscal year ended March 31, 2020
Ordinary income was ¥18,502 million, ordinary loss was ¥235 million, and net surplus attributable to the parent company was ¥46,504 million.

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

(3) Nippon Wealth Life Insurance Company Limited (for the fiscal year ended March 31, 2019)

- 1) Overview of the business combination
 - a. Name and business of the acquiree

Name: MassMutual Life Insurance Company (Now, Nippon Wealth Life Insurance Company Limited)

Business: Life insurance business
 - b. Major reasons for executing the business combination

The purpose of the business combination is to build a structure that can accommodate a wide range of customers' needs in the financial institution bancassurance market in order to continuously expand policyholders' profit by expanding the profit base of group business.
 - c. Date of business combination

April 1, 2018 (deemed acquisition date)
 - d. Legal form of the business combination

Share acquisition for cash consideration
 - e. Name of the company after business combination

Nippon Wealth Life Insurance Company Limited
 - f. Percentage of voting rights acquired

Approximately 85.1%
 - g. Main rationale for determining the acquirer

It is clear that the Company will control the decision-making body of the acquiree by obtaining the majority of voting rights.
- 2) Period for which the acquiree's business results were included in the consolidated financial statements

The period from the date of business combination to the end of the fiscal year ended March 31, 2019.
- 3) Acquisition cost and breakdown

Consideration for acquisition: Payment in cash

¥104,247 million

Acquisition cost

¥104,247 million

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

Advisory fees and others

¥873 million
- 5) Amount of and reasons for recognizing negative goodwill
 - a. Amount of negative goodwill

¥10,347 million
 - b. Reasons

Negative goodwill was recognized because the Company's share of the net amount of the assets acquired and the liabilities assumed was higher than the acquisition cost.
- 6) Amounts of the assets acquired and the liabilities assumed on the date of business combination and their major components

Total assets: ¥2,763,970 million

(including investment in securities of ¥2,449,174 million)

Total liabilities: ¥2,629,331 million

(including policy reserves and other reserves of ¥2,408,090 million)

(4) HANASAKU LIFE INSURANCE Co., Ltd. (for the fiscal year ended March 31, 2019)

The Preparatory Company, which was established by the Company on July 2, 2018, changed its name to HANASAKU LIFE on February 1, 2019, following the completion of the acquisition of approvals of the Commissioner of the Financial Services Agency pursuant to Article 271-10, Paragraph 1 and Article 106, Paragraph 7 of the Insurance Business Act by the Company and the acquisition of a life insurance business license pursuant to Article 3 of the Insurance Business Act by the Preparatory Company on the same day.

- 1) Purpose of establishing the company

The purpose of establishing the company is to flexibly and dynamically provide services to independent insurance agencies and related entities in order to more appropriately address diversifying customer needs and growing sales channels.
- 2) Overview of HANASAKU LIFE
 - a. Company Name: HANASAKU LIFE INSURANCE Co., Ltd.
 - b. Head Office: Minato-ku, Tokyo
 - c. Capital Stock: ¥10,000 million

The Company carried out a capital increase of ¥20,000 million in HANASAKU LIFE on April 1, 2019.
- 3) Date of establishment

July 2, 2018
- 4) Percentage of voting rights held by the Company

100%

5. Additional Information for Consolidated Statements of Cash Flows

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

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

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

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

(2) Acquisition of Nippon Wealth Life Insurance Company Limited (for the fiscal year ended March 31, 2019)

Major assets and liabilities of Nippon Wealth Life Insurance Company Limited, the newly consolidated subsidiary through acquisition, as well as the acquisition cost and net payment for the acquisition are as follows:

	Millions of Yen
Total assets	¥ 2,763,970
(including investment in securities of ¥2,449,174 million)	
Total liabilities	(2,629,331)
(including policy reserves and other reserves of ¥2,408,090 million)	
Gain on bargain purchase	(10,347)
Noncontrolling interests	(20,043)
Acquisition cost of subsidiary's shares	104,247
Cash and cash equivalents of subsidiary	59,402
Net payments from acquisition of subsidiary's shares	¥44,844

6. Cash and Cash Equivalents

The reconciliation of "Cash and cash equivalents" in the consolidated statements of cash flows and "Cash and deposits" in the consolidated balance sheets as of March 31, 2021, 2020 and 2019, was as follows:

	Millions of Yen			Millions of U.S. Dollars
	2021	2020	2019	2021
Cash and deposits	¥1,771,810	¥1,751,037	¥1,541,390	\$16,004
Call loans	540,086	422,906	429,912	4,878
Monetary receivables purchased	5,999	28,998	26,999	54
Investments in securities	14,243	34,783	17,329	128
Time deposits with initial term of over 3 months to maturity and others	(9,307)	(11,443)	(3,700)	(84)
Cash and cash equivalents	¥2,322,833	¥2,226,280	¥2,011,931	\$20,981

7. Financial Instruments

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

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

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

To manage market risk, the Company and certain consolidated subsidiaries have implemented investment limits based on the nature of the assets in order to avoid excessive losses from financing and investment transactions. In addition, the Company and certain consolidated subsidiaries monitor and regularly report on the status of compliance to the Risk Management Committee, the advisory body of the Management Committee, and have developed a system to manage risk within acceptable levels in the event of a breach of the internal rules. Also, to manage market risk in the portfolio of the Company and certain consolidated subsidiaries, the Company and certain consolidated subsidiaries use a statistical analysis method to rationally calculate the market value-at-risk of the portfolio as a whole and conduct appropriate asset allocation within acceptable boundaries of risk.

To manage credit risk, the Company and certain consolidated subsidiaries have built a system to perform credit analysis, including strict assessment of individual counterparties by the Assessment Management Department, which is independent of the departments handling investment and finance activities. The Company and certain consolidated subsidiaries also continue to build a sound portfolio through the establishment and monitoring of

interest guidelines to ensure the returns the Company and certain consolidated subsidiaries obtain are commensurate with the risk, a system of internal ratings for classifying the creditworthiness of borrowers, and credit ceilings to ensure that credit risk is not excessively concentrated in a particular company, group, or country. In addition, the Company and certain

consolidated subsidiaries calculate credit value-at-risk as a measurement of the magnitude of credit risk across the portfolio of the Company and certain consolidated subsidiaries as a whole, and monitor whether the magnitude of risk stays within an appropriate range.

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

As of March 31	Millions of Yen									Millions of U.S. Dollars		
	2021			2020			2019			2021		
	Balance sheet amount ^(*1)	Fair value ^(*2)	Difference	Balance sheet amount ^(*1)	Fair value ^(*2)	Difference	Balance sheet amount ^(*1)	Fair value ^(*2)	Difference	Balance sheet amount ^(*1)	Fair value ^(*2)	Difference
Cash and deposits (negotiable certificates of deposit):	¥ 173,998	¥ 173,998	¥ —	¥ 224,898	¥ 224,898	¥ —	¥ 353,297	¥ 353,297	¥ —	\$ 1,571	\$ 1,571	\$ —
Available-for-sale securities	173,998	173,998	—	224,898	224,898	—	353,297	353,297	—	1,571	1,571	—
Monetary receivables purchased:	316,335	326,751	10,415	375,278	389,099	13,821	401,938	417,895	15,956	2,857	2,951	94
Held-to-maturity debt securities	29,888	30,191	302	36,243	36,815	572	42,643	43,509	866	269	272	2
Policy-reserve-matching bonds	219,273	229,386	10,113	242,515	255,764	13,248	276,351	291,441	15,090	1,980	2,071	91
Available-for-sale securities	67,173	67,173	—	96,519	96,519	—	82,943	82,943	—	606	606	—
Assets held in trust:	135	135	—	33,779	33,779	—	13,357	13,357	—	1	1	—
Trading securities	135	135	—	33,779	33,779	—	13,157	13,157	—	1	1	—
Available-for-sale securities	—	—	—	—	—	—	200	200	—	—	—	—
Investments in securities:	69,552,982	73,044,186	3,491,203	64,096,635	68,593,826	4,497,190	63,440,561	68,136,757	4,696,196	628,244	659,779	31,534
Trading securities	1,440,294	1,440,294	—	1,260,664	1,260,664	—	1,434,953	1,434,953	—	13,009	13,009	—
Held-to-maturity debt securities	370,358	389,156	18,797	343,588	364,148	20,560	396,652	410,170	13,517	3,345	3,515	169
Policy-reserve-matching bonds	27,454,740	30,919,189	3,464,449	25,294,410	29,625,902	4,331,492	24,006,004	28,635,239	4,629,235	247,987	279,280	31,293
Investments in subsidiaries and affiliates	39,211	47,168	7,956	45,285	190,424	145,138	83,426	136,869	53,443	354	426	71
Available-for-sale securities	40,248,377	40,248,377	—	37,152,686	37,152,686	—	37,519,524	37,519,524	—	363,547	363,547	—
Loans ^(*3) :	8,416,842	8,641,114	224,272	8,434,319	8,690,664	256,345	8,506,010	8,792,197	286,187	76,026	78,051	2,025
Policy loans	537,918	537,918	—	606,203	606,203	—	638,102	638,102	—	4,858	4,858	—
Industrial and consumer loans	7,878,923	8,103,196	224,272	7,828,115	8,084,460	256,345	7,867,907	8,154,094	286,187	71,167	73,192	2,025
Derivative financial instruments ^(*4) :	(400,186)	(400,186)	—	73,958	73,958	—	48,762	48,762	—	(3,614)	(3,614)	—
Hedge accounting not applied	63,355	63,355	—	121,383	121,383	—	89,282	89,282	—	572	572	—
Hedge accounting applied	(463,541)	(463,541)	—	(47,425)	(47,425)	—	(40,519)	(40,519)	—	(4,186)	(4,186)	—
Corporate bonds ^(*3)	1,432,612	1,458,829	26,217	1,277,620	1,228,662	(48,957)	1,175,589	1,217,913	42,324	12,940	13,177	236
Payables under repurchase agreements	1,469,600	1,469,600	—	1,296,522	1,296,522	—	918,495	918,495	—	13,274	13,274	—
Loans payable ^(*3)	736,801	737,525	724	603,787	599,381	(4,405)	441,885	445,882	3,996	6,655	6,661	6

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

(*2) For securities for which impairment losses were recognized in the fiscal years ended March 31, 2021, 2020 and 2019, the fair value is the balance sheet amount after the impairment losses are deducted.

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

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

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

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

i) Items with a market price

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

ii) Items without a market price

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

2) Loans

i) Policy loans

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

ii) Industrial and consumer loans

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

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

3) Derivative financial instruments

- i) Fair value of futures and other market transactions is measured by the liquidation value or closing market price on the balance sheet date.
- ii) Fair value of equity options is measured mainly based on liquidation value or closing market price on the balance sheet date or valuations obtained from external information vendors.
- iii) Fair value of interest rate swaps, interest rate swaptions, foreign exchange contracts, currency options, currency swaps, and forward contracts is measured mainly based on valuations obtained from external parties.

4) Assets held in trust

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

5) Corporate bonds

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

6) Payables under repurchase agreements

The book value is used as fair value due to their short-term settlement.

7) Loans payable

Book value of variable interest rate loans payable is deemed to approximate fair value because market interest rates are reflected in

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

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

Balance sheet amounts were ¥1,188,648 million (U.S.\$10,736 million), ¥987,368 million and ¥1,018,344 million as of March 31, 2021, 2020 and 2019, respectively.

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

1) Trading securities

Derivative financial instruments within assets held in trust, investments in securities for separate accounts and certain other securities are classified as trading securities as of March 31, 2021, 2020 and 2019.

Valuation gains/losses included in profit and loss were gains of ¥84,677 million (U.S.\$764 million), losses of ¥20,915 million and losses of ¥37,796 million for derivative financial instruments within assets held in trust and investments in securities related to separate accounts for the fiscal years ended March 31, 2021, 2020 and 2019, respectively.

2) Held-to-maturity debt securities

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

As of March 31	Millions of Yen									Millions of U.S. Dollars		
	2021			2020			2019			2021		
Type	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Fair value exceeds the balance sheet amount:												
Monetary receivables purchased	¥ 20,024	¥ 20,523	¥ 499	¥ 21,624	¥ 22,403	¥ 779	¥ 25,671	¥ 26,652	¥ 981	\$ 180	\$ 185	\$ 4
Domestic bonds	56,833	58,059	1,225	54,915	56,110	1,194	70,377	71,521	1,144	513	524	11
Foreign securities	274,331	292,190	17,859	229,695	250,320	20,625	300,306	313,013	12,707	2,477	2,639	161
Subtotal	351,189	370,773	19,584	306,235	328,834	22,599	396,354	411,188	14,833	3,172	3,349	176
Fair value does not exceed the balance sheet amount:												
Monetary receivables purchased	9,864	9,667	(196)	14,618	14,411	(206)	16,972	16,857	(115)	89	87	(1)
Domestic bonds	3,400	3,398	(1)	10,232	10,226	(5)	2,095	2,093	(1)	30	30	(0)
Foreign securities	35,794	35,508	(285)	48,744	47,490	(1,253)	23,873	23,540	(332)	323	320	(2)
Subtotal	49,058	48,574	(484)	73,595	72,129	(1,466)	42,941	42,491	(449)	443	438	(4)
Total	¥400,247	¥419,348	¥19,100	¥379,831	¥400,964	¥21,132	¥439,295	¥453,679	¥14,384	\$3,615	\$3,787	\$172

3) Policy-reserve-matching bonds

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

As of March 31	Millions of Yen									Millions of U.S. Dollars		
	2021			2020			2019			2021		
Type	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Fair value exceeds the balance sheet amount:												
Monetary receivables purchased	¥ 214,203	¥ 224,354	¥ 10,150	¥ 232,792	¥ 246,109	¥ 13,317	¥ 268,210	¥ 283,375	¥ 15,165	\$ 1,934	\$2,026	\$ 91
Domestic bonds	22,123,969	25,651,315	3,527,346	22,646,925	26,890,118	4,243,193	23,155,149	27,748,219	4,593,069	199,837	231,698	31,861
Foreign securities	997,047	1,092,943	95,896	864,550	980,113	115,562	706,819	747,296	40,477	9,005	9,872	866
Subtotal	23,335,220	26,968,614	3,633,393	23,744,268	28,116,341	4,372,072	24,130,180	28,778,891	4,648,711	210,777	243,596	32,819
Fair value does not exceed the balance sheet amount:												
Monetary receivables purchased	5,069	5,032	(37)	9,723	9,655	(68)	8,141	8,066	(74)	45	45	(0)
Domestic bonds	4,171,431	4,018,029	(153,401)	1,644,633	1,625,712	(18,921)	28,759	28,604	(155)	37,678	36,293	(1,385)
Foreign securities	162,291	156,899	(5,392)	138,300	129,958	(8,342)	115,274	111,119	(4,155)	1,465	1,417	(48)
Subtotal	4,338,793	4,179,962	(158,831)	1,792,657	1,765,325	(27,332)	152,175	147,789	(4,386)	39,190	37,755	(1,434)
Total	¥27,674,013	¥31,148,576	¥3,474,562	¥25,536,925	¥29,881,666	¥4,344,740	¥24,282,355	¥28,926,681	¥4,644,325	\$249,968	\$281,352	\$31,384

4) Available-for-sale securities

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

As of March 31	Millions of Yen									Millions of U.S. Dollars		
	2021			2020			2019			2021		
Type	Acquisition cost or amortized cost	Balance sheet amount	Difference	Acquisition cost or amortized cost	Balance sheet amount	Difference	Acquisition cost or amortized cost	Balance sheet amount	Difference	Acquisition cost or amortized cost	Balance sheet amount	Difference
Balance sheet amount exceeds acquisition cost or amortized cost:												
Cash and deposits (negotiable certificates of deposit)	¥ 55,000	¥ 55,000	¥ 0	¥ 108,900	¥ 108,900	¥ 0	¥ 167,300	¥ 167,300	¥ 0	\$ 496	\$ 496	\$ 0
Monetary receivables purchased	32,897	34,123	1,225	39,173	40,946	1,773	36,921	38,203	1,282	297	308	11
Domestic bonds	3,292,971	3,528,599	235,627	3,472,113	3,716,457	244,344	3,961,752	4,245,652	283,900	29,744	31,872	2,128
Domestic stocks	3,755,368	9,791,532	6,036,164	3,050,997	6,534,697	3,483,700	3,469,705	7,884,353	4,414,647	33,920	88,443	54,522
Foreign securities	17,032,482	20,192,468	3,159,985	12,728,825	15,308,498	2,579,672	15,465,908	17,667,971	2,202,063	153,847	182,390	28,542
Other securities	2,232,400	2,463,052	230,651	2,706,359	2,932,554	226,194	2,734,814	2,999,591	264,777	20,164	22,247	2,083
Subtotal	26,401,122	36,064,776	9,663,654	22,106,368	28,642,054	6,535,685	25,836,401	33,003,074	7,166,672	238,470	325,758	87,287
Balance sheet amount does not exceed acquisition cost or amortized cost:												
Cash and deposits (negotiable certificates of deposit)	119,000	118,998	(1)	116,000	115,998	(1)	186,000	185,997	(2)	1,074	1,074	(0)
Monetary receivables purchased	33,422	33,050	(372)	56,366	55,572	(793)	44,910	44,740	(170)	301	298	(3)
Assets held in trust	—	—	—	—	—	—	200	200	—	—	—	—
Domestic bonds	536,059	524,379	(11,679)	729,269	710,798	(18,470)	107,803	105,288	(2,514)	4,842	4,736	(105)
Domestic stocks	722,124	574,157	(147,966)	1,453,691	1,062,333	(391,357)	1,171,408	912,115	(259,292)	6,522	5,186	(1,336)
Foreign securities	2,220,427	2,144,908	(75,519)	6,746,142	6,331,735	(414,406)	3,607,489	3,496,344	(111,144)	20,056	19,374	(682)
Other securities	1,045,053	1,029,278	(15,774)	575,250	555,611	(19,638)	211,755	208,206	(3,549)	9,439	9,297	(142)
Subtotal	4,676,087	4,424,772	(251,314)	9,676,719	8,832,050	(844,669)	5,329,566	4,952,892	(376,674)	42,237	39,967	(2,270)
Total	¥31,077,209	¥40,489,548	¥9,412,339	¥31,783,088	¥37,474,105	¥5,691,016	¥31,165,968	¥37,955,966	¥6,789,998	\$280,708	\$365,726	\$85,017

* Securities totaling ¥792,035 million (U.S.\$7,154 million), ¥627,933 million and ¥679,227 million, whose fair values are extremely difficult to determine, as of March 31, 2021, 2020 and 2019, respectively, are not included.

Impairment losses of ¥1,502 million (U.S.\$13 million), ¥159,045 million and ¥12,379 million were recognized for securities with a fair value during the fiscal years ended March 31, 2021, 2020 and 2019, respectively.

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

month of the fiscal year is substantial, impairment losses are recognized based on the fair value on the fiscal year-end date.

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

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

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

As of March 31, 2021	Millions of Yen				Millions of U.S. Dollars			
	1 year or under	Over 1 year under 5 years	Over 5 years under 10 years	Over 10 years	1 year or under	Over 1 year under 5 years	Over 5 years under 10 years	Over 10 years
Cash and deposits (negotiable certificates of deposit):	¥ 174,000	¥ —	¥ —	¥ —	\$ 1,571	\$ —	\$ —	\$ —
Available-for-sale securities	174,000	—	—	—	1,571	—	—	—
Monetary receivables purchased:	6,109	4,822	48,017	254,861	55	43	433	2,302
Held-to-maturity debt securities	—	—	—	29,093	—	—	—	262
Policy-reserve-matching bonds	109	2,522	42,206	174,309	0	22	381	1,574
Available-for-sale securities	6,000	2,300	5,810	51,458	54	20	52	464
Investments in securities:	1,319,939	6,787,566	13,980,804	32,172,987	11,922	61,309	126,283	290,605
Held-to-maturity debt securities	34,145	160,709	107,106	68,082	308	1,451	967	614
Policy-reserve-matching bonds	424,632	3,045,759	5,119,545	18,612,509	3,835	27,511	46,242	168,119
Available-for-sale securities	861,161	3,581,098	8,754,152	13,492,395	7,778	32,346	79,072	121,871
Loans ^{(*)1}	1,026,193	2,684,253	2,096,703	2,042,787	9,269	24,245	18,938	18,451
Corporate bonds ^{(*)2}	—	—	—	1,371,512	—	—	—	12,388
Payables under repurchase agreements	1,469,600	—	—	—	13,274	—	—	—
Loans payable ^{(*)3}	32,090	82,261	2,450	520,000	289	743	22	4,696

(*)1 Assets such as policy loans which do not have a stated maturity date are not included. Also, ¥6,800 million (U.S.\$61 million) in loans to legally or substantially bankrupt borrowers or borrowers who are not currently legally bankrupt but have a high probability of bankruptcy are not included.

(*)2 Subordinated corporate bonds, and others that do not have a stated maturity date are not included in the table above.

(*)3 Subordinated loans payable which do not have a stated maturity date are not included.

As of March 31, 2020	Millions of Yen			
	1 year or under	Over 1 year under 5 years	Over 5 years under 10 years	Over 10 years
Cash and deposits (negotiable certificates of deposit):	¥ 224,900	¥ —	¥ —	¥ —
Available-for-sale securities	224,900	—	—	—
Monetary receivables purchased:	35,811	5,581	43,044	287,685
Held-to-maturity debt securities	—	—	—	35,249
Policy-reserve-matching bonds	100	1,946	41,513	198,801
Available-for-sale securities	35,710	3,635	1,531	53,634
Investments in securities:	1,138,082	5,915,492	13,811,878	30,498,192
Held-to-maturity debt securities	40,257	152,061	74,909	73,699
Policy-reserve-matching bonds	261,103	2,468,496	5,186,953	17,107,408
Available-for-sale securities	836,721	3,294,934	8,550,015	13,317,084
Loans ^{(*)1}	1,090,465	2,706,575	1,952,245	2,044,353
Corporate bonds	—	—	—	1,205,320
Payables under repurchase agreements	1,296,522	—	—	—
Loans payable ^{(*)2}	35,381	73,881	4,525	390,000

(*)1 Assets such as policy loans which do not have a stated maturity date are not included. Also, ¥6,932 million in loans to legally or substantially bankrupt borrowers or borrowers who are not currently legally bankrupt but have a high probability of bankruptcy are not included.

(*)2 Liabilities such as subordinated loans payable which do not have a stated maturity date are not included.

As of March 31, 2019	Millions of Yen			
	1 year or under	Over 1 year under 5 years	Over 5 years under 10 years	Over 10 years
Cash and deposits (negotiable certificates of deposit):	¥ 353,300	¥ —	¥ —	¥ —
Available-for-sale securities	353,300	—	—	—
Monetary receivables purchased:	27,000	9,068	42,958	319,354
Held-to-maturity debt securities	—	81	—	41,376
Policy-reserve-matching bonds	—	3,640	41,224	231,287
Available-for-sale securities	27,000	5,346	1,734	46,691
Investments in securities:	1,282,230	5,570,056	12,811,266	30,072,179
Held-to-maturity debt securities	28,707	176,608	80,652	107,150
Policy-reserve-matching bonds	307,396	1,805,194	4,970,405	16,665,138
Available-for-sale securities	946,125	3,588,253	7,760,208	13,299,890
Loans ^{(*)1}	969,688	2,928,453	1,938,788	1,995,897
Corporate bonds	—	—	3,500	1,088,989
Payables under repurchase agreements	918,495	—	—	—
Loans payable ^{(*)2}	28,596	67,222	26,065	220,000

(*)1) Assets such as policy loans which do not have a stated maturity date are not included. Also, ¥9,064 million in loans to legally or substantially bankrupt borrowers or borrowers who are not currently legally bankrupt but have a high probability of bankruptcy are not included.

(*)2) Liabilities such as subordinated loans payable which do not have a stated maturity date are not included.

(6) Data on fair value of derivative transactions

i) Hedge accounting not applied

a. Interest rate-related

As of March 31	Millions of Yen												Millions of U.S. Dollars			
	2021				2020				2019				2021			
	Contract amount			Net gains (losses)	Contract amount			Net gains (losses)	Contract amount			Net gains (losses)	Contract amount			Net gains (losses)
Over 1 year	Fair value		Over 1 year		Fair value		Over 1 year		Fair value		Over 1 year		Fair value			
Over-the-counter:																
Interest rate swaps																
Receive fixed interest rate / pay variable interest rate	¥2,763,963	¥2,404,226	¥25,710	¥25,710	¥2,897,828	¥2,623,761	¥120,835	¥120,835	¥2,926,684	¥2,592,961	¥ 59,832	¥ 59,832	\$24,965	\$21,716	\$232	\$ 232
Pay fixed interest rate / receive variable interest rate	1,421,581	1,349,037	31,267	31,267	1,813,368	1,699,235	(44,356)	(44,356)	1,788,114	1,579,817	(16,708)	(16,708)	12,840	12,185	282	282
Interest rate swaption																
Purchased																
Receive fixed interest rate / pay variable interest rate	1,330,000	1,300,000	20,605	(26,539)	952,500	952,500	50,756	14,238	500,000	500,000	32,013	13,363	12,013	11,742	186	(239)
	[47,145]	[46,951]			[36,518]	[36,518]			[18,650]	[18,650]			[425]	[424]		
Total				¥30,438				¥ 90,717				¥ 56,487				\$ 274

Notes: 1. Brackets show option premiums recorded in the consolidated balance sheets.

2. Amounts in "Net gains (losses)" column are represented in fair value for swap transactions, and the difference between the option premiums and fair value for options transactions.

b. Currency-related

As of March 31					Millions of Yen		Millions of U.S. Dollars		
Over-the-counter	Foreign exchange forward contracts	Sold			2021	2020	2019	2021	
			U.S. dollar	Contract amount	¥ 961,792	¥1,255,531	¥ 923,674	\$ 8,687	
				Over 1 year	4,808	4,904	5,251	43	
				Fair value	(44,091)	(9,485)	(2,423)	(398)	
				Net gains (losses)	(44,091)	(9,485)	(2,423)	(398)	
			Euro	Contract amount	814,452	781,760	901,238	7,356	
				Over 1 year	—	—	—	—	
				Fair value	(18,192)	2,775	11,788	(164)	
				Net gains (losses)	(18,192)	2,775	11,788	(164)	
			Australian dollar	Contract amount	636,891	104,094	87,509	5,752	
				Over 1 year	—	—	—	—	
				Fair value	(45,725)	5,272	(185)	(413)	
				Net gains (losses)	(45,725)	5,272	(185)	(413)	
			British pound	Contract amount	371,866	259,123	159,717	3,358	
				Over 1 year	—	—	—	—	
				Fair value	(17,953)	7,449	59	(162)	
				Net gains (losses)	(17,953)	7,449	59	(162)	
			Others	Contract amount	64,304	28,645	82,125	580	
				Over 1 year	—	—	—	—	
				Fair value	(1,623)	18	926	(14)	
				Net gains (losses)	(1,623)	18	926	(14)	
			Subtotal	Contract amount	2,849,308	2,429,155	2,154,264	25,736	
				Over 1 year	4,808	4,904	5,251	43	
				Fair value	(127,586)	6,030	10,166	(1,152)	
				Net gains (losses)	(127,586)	6,030	10,166	(1,152)	
		Purchased	U.S. dollar	Contract amount	919,365	484,960	136,561	8,304	
				Over 1 year	—	—	—	—	
				Fair value	46,281	(397)	95	418	
				Net gains (losses)	46,281	(397)	95	418	
			Euro	Contract amount	52,750	94,013	43,320	476	
				Over 1 year	—	—	—	—	
				Fair value	(10)	(44)	(107)	(0)	
				Net gains (losses)	(10)	(44)	(107)	(0)	
			Australian dollar	Contract amount	589,649	32,805	22,969	5,326	
				Over 1 year	—	—	—	—	
				Fair value	49,920	(210)	90	450	
				Net gains (losses)	49,920	(210)	90	450	
			British pound	Contract amount	129,041	95,407	78,031	1,165	
				Over 1 year	—	—	—	—	
				Fair value	320	(148)	45	2	
				Net gains (losses)	320	(148)	45	2	
			Others	Contract amount	37,221	19,378	67,500	336	
				Over 1 year	—	—	—	—	
				Fair value	184	(527)	(426)	1	
				Net gains (losses)	184	(527)	(426)	1	
			Subtotal	Contract amount	1,728,027	726,565	348,383	15,608	
				Over 1 year	—	—	—	—	
				Fair value	96,696	(1,327)	(302)	873	
				Net gains (losses)	96,696	(1,327)	(302)	873	
Currency option		Sold	Call	U.S. dollar	Contract amount	—	701,953	1,287,484	—
				Over 1 year	[—]	[2,060]	[5,440]	[—]	
				Fair value	—	2,654	1,511	—	
				Net gains (losses)	—	(594)	3,928	—	
			Subtotal	Contract amount	—	701,953	1,287,484	—	
				Over 1 year	[—]	[2,060]	[5,440]	[—]	
				Fair value	—	2,654	1,511	—	
				Net gains (losses)	—	(594)	3,928	—	
		Put	U.S. dollar	Contract amount	166,065	—	210,881	1,500	
				Over 1 year	[486]	[—]	[91]	[4]	
				Fair value	43	—	21	0	
				Net gains (losses)	442	—	70	3	
			Subtotal	Contract amount	166,065	—	210,881	1,500	
				Over 1 year	[486]	[—]	[91]	[4]	
				Fair value	43	—	21	0	
				Net gains (losses)	442	—	70	3	

					Millions of Yen		Millions of U.S. Dollars				
As of March 31					2021	2020	2019	2021			
Currency swaps	Purchased Call	U.S. dollar	Contract amount	¥	—	¥ 701,953	¥ 399,564	\$ —			
					[—]	[5,344]	[385]	[—]			
			Over 1 year		—	—	—	—			
					[—]	[—]	[—]	[—]			
			Fair value		—	2,654	133	—			
			Net gains (losses)		—	(2,690)	(251)	—			
			Subtotal	Contract amount		—	701,953	399,564	—		
						[—]	[5,344]	[385]	[—]		
			Over 1 year		—	—	—	—			
					[—]	[—]	[—]	[—]			
			Fair value		—	2,654	133	—			
			Net gains (losses)		—	(2,690)	(251)	—			
	Put	U.S. dollar	Contract amount		1,162,455	1,365,816	1,098,801	10,500			
					[13,806]	[9,710]	[8,301]	[124]			
			Over 1 year		—	—	—	—			
					[—]	[—]	[—]	[—]			
			Fair value		940	11,607	2,769	8			
			Net gains (losses)		(12,866)	1,896	(5,532)	(116)			
		Others	Contract amount		—	—	75,389	—			
					[—]	[—]	[874]	[—]			
			Over 1 year		—	—	—	—			
					[—]	[—]	[—]	[—]			
			Fair value		—	—	283	—			
			Net gains (losses)		—	—	(590)	—			
			Subtotal	Contract amount		1,162,455	1,365,816	1,174,190	10,500		
					[13,806]	[9,710]	[9,175]	[124]			
			Over 1 year		—	—	—	—			
					[—]	[—]	[—]	[—]			
			Fair value		940	11,607	3,052	8			
			Net gains (losses)		(12,866)	1,896	(6,122)	(116)			
Currency swaps	U.S. dollar paid / ¥ received	Contract amount		125,334	69,109	81,109	1,132				
		Over 1 year		116,633	61,977	63,241	1,053				
		Fair value		(5,717)	(1,872)	(2,111)	(51)				
		Net gains (losses)		(5,717)	(1,872)	(2,111)	(51)				
	Euro paid / ¥ received	Contract amount		11,865	3,966	5,340	107				
		Over 1 year		10,521	3,966	3,966	95				
		Fair value		(201)	360	313	(1)				
		Net gains (losses)		(201)	360	313	(1)				
	¥ paid / A\$ received	Contract amount		110,319	325,883	318,207	996				
		Over 1 year		110,319	325,883	318,207	996				
		Fair value		11,700	(37,858)	(1,568)	105				
		Net gains (losses)		11,700	(37,858)	(1,568)	105				
	Others	Contract amount		46,252	39,978	14,163	417				
		Over 1 year		45,163	39,978	14,163	407				
		Fair value		2,985	(3,923)	(221)	26				
		Net gains (losses)		2,985	(3,923)	(221)	26				
		Subtotal	Contract amount		293,771	438,936	418,820	2,653			
				282,638	431,804	399,578	2,552				
		Fair value		8,766	(43,294)	(3,588)	79				
		Net gains (losses)		8,766	(43,294)	(3,588)	79				
Others	Total returns	Contract amount		37,000	37,000	37,000	334				
		Over 1 year		—	37,000	37,000	—				
		Fair value		53	6	452	0				
		Net gains (losses)		53	6	452	0				
	Subtotal	Contract amount		37,000	37,000	37,000	334				
		Over 1 year		—	37,000	37,000	—				
		Fair value		53	6	452	0				
		Net gains (losses)		53	6	452	0				
Total				¥	(34,494)	¥	(39,973)	¥	4,352	\$	(311)

Notes: 1. Brackets show option premiums recorded in the consolidated balance sheets.

2. Amounts in "Net gains (losses)" column are represented in fair value for forward transactions, swap transactions and others, and the difference between option premiums and fair value for options transactions.

c. Equity-related

As of March 31				Millions of Yen			Millions of U.S. Dollars			
				2021	2020	2019	2021			
Exchange-traded	Equity index futures	Sold		Contract amount	¥ 570	¥ 39,542	¥ 20,731	\$ 5		
				Over 1 year	—	—	—	—		
				Fair value	(9)	(2,340)	(64)	(0)		
				Net gains (losses)	(9)	(2,340)	(64)	(0)		
		Purchased		Contract amount	41,207	17,424	35,611	372		
				Over 1 year	—	—	—	—		
				Fair value	375	(38)	71	3		
				Net gains (losses)	375	(38)	71	3		
	Equity index options	Purchased	Put		Contract amount	75,864	406,715	381,704	685	
					Over 1 year	[793]	[7,934]	[1,651]	[7]	
					Fair value	—	—	—	—	
					Net gains (losses)	[—]	[—]	[—]	[—]	
			Fair value	5	21,214	990	0			
			Net gains (losses)	(787)	13,279	(661)	(7)			
		Over-the-counter	Equity forward contracts	Sold		Contract amount	—	—	—	—
						Over 1 year	—	—	—	—
	Fair value				(2)	(4)	—	(0)		
	Net gains (losses)				(2)	(4)	—	(0)		
Equity index forward contracts	Sold			Contract amount	1,182	1,876	1,992	10		
				Over 1 year	—	—	—	—		
				Fair value	(37)	125	5	(0)		
				Net gains (losses)	(37)	125	5	(0)		
Equity index options	Sold		Call		Contract amount	—	—	—	—	
					Over 1 year	[—]	[—]	[—]	[—]	
				Fair value	—	—	—	—		
				Net gains (losses)	—	—	—	—		
	Purchased	Call		Contract amount	2,767	3,431	—	24		
				Over 1 year	[232]	[238]	[—]	[2]		
				Fair value	—	—	—	—		
				Net gains (losses)	—	—	—	—		
		Put		Contract amount	437,682	—	—	3,953		
				Over 1 year	[6,260]	[—]	[—]	[56]		
				Fair value	147,936	—	—	1,336		
				Net gains (losses)	[2,393]	[—]	[—]	[21]		
	Fair value	1,856	—	—	16					
	Net gains (losses)	(4,404)	—	—	(39)					
Total			Net gains (losses)	¥ (4,644)	¥ 10,871	¥ (648)	\$ (41)			

Notes: 1. Brackets show option premiums recorded in the consolidated balance sheets.

2. Amounts in "Net gains (losses)" column are represented in fair value for futures and forward transactions, and the difference between option premiums and fair value for options transactions.

d. Bond-related

As of March 31	Millions of Yen										Millions of U.S. Dollars					
	2021				2020				2019				2021			
	Contract amount			Net gains (losses)	Contract amount			Net gains (losses)	Contract amount			Net gains (losses)	Contract amount			Net gains (losses)
	Over 1 year	Fair value			Over 1 year	Fair value			Over 1 year	Fair value			Over 1 year	Fair value		
Exchange-traded:																
Japanese yen-denominated bond futures																
Sold	¥ 18,749	¥—	¥ 6	¥ 6	¥ —	¥—	¥ —	¥ —	¥ 32,160	¥—	¥ (28)	¥ (28)	\$169	\$—	\$ 0	\$ 0
Purchased	—	—	—	—	52,133	—	45	45	16,651	—	56	56	—	—	—	—
Foreign currency-denominated bond futures																
Sold	22,634	—	103	103	22,465	—	(389)	(389)	15,529	—	131	131	204	—	0	0
Purchased	102,562	—	(305)	(305)	60,521	—	558	558	115,126	—	2,471	2,471	926	—	(2)	(2)
Total				¥(195)				¥ 213				¥2,630				\$ (1)

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

e. Others

As of March 31	Millions of Yen												Millions of U.S. Dollars			
	2021				2020				2019				2021			
	Contract amount				Contract amount				Contract amount				Contract amount			
	Over 1 year		Fair value	Net gains (losses)	Over 1 year		Fair value	Net gains (losses)	Over 1 year		Fair value	Net gains (losses)	Over 1 year		Fair value	Net gains (losses)
Over-the-counter:																
Credit default swaps																
Sold	¥307,959	¥286,549	¥4,744	¥4,744	¥175,455	¥155,372	¥1,386	¥1,386	¥124,200	¥94,140	¥2,130	¥2,130	\$2,781	\$2,588	\$42	\$42
Purchased	12,270	12,270	(245)	(245)	4,906	4,906	(161)	(161)	—	—	—	—	110	110	(2)	(2)
Total				¥4,499				¥1,224				¥2,130				\$40

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

ii) Hedge accounting applied

a. Interest rate-related

As of March 31	Millions of Yen										Millions of U.S. Dollars		
	2021				2020				2019				2021
	Contract amount			Fair value	Contract amount			Fair value	Contract amount			Fair value	
	Over 1 year				Over 1 year				Over 1 year				
Over-the-counter:													
Deferred hedge accounting (main hedged items: insurance liabilities):													
Interest rate swaps													
Receive fixed interest rate / pay variable interest rate	¥2,265,000	¥2,265,000	¥25,566		¥1,810,900	¥1,803,600	¥108,327		¥1,121,300	¥1,113,000	¥53,928		
Deferred hedge accounting (main hedged items: loans):													
Interest rate swaps													
Receive fixed interest rate / pay variable interest rate	10,000	6,000	1		10,263	10,000	3		10,263	10,263	9		

b. Currency-related

As of March 31						Millions of Yen			Millions of U.S. Dollars	
Over-the-counter	Fair value hedge accounting	Foreign exchange forward contracts	Sold	U.S. dollar	Foreign currency-denominated bonds (main hedged items)	2021	2020	2019	2021	
					Contract amount	¥2,639,247	¥3,278,740	¥3,833,852	\$23,839	
					Over 1 year	—	—	—	—	
					Fair value	(116,379)	(34,878)	(11,381)	(1,051)	
				Euro	Contract amount	2,483,544	2,714,433	3,161,778	22,432	
					Over 1 year	—	—	—	—	
					Fair value	(56,716)	16,736	20,479	(512)	
				Others	Contract amount	918,719	798,529	1,198,769	8,298	
					Over 1 year	—	—	—	—	
					Fair value	(51,389)	48,675	(11,832)	(464)	
				Total	Contract amount	6,041,511	6,791,702	8,194,400	54,570	
					Over 1 year	—	—	—	—	
					Fair value	(224,485)	30,532	(2,734)	(2,027)	
	Deferred hedge accounting	Foreign exchange forward contracts	Sold	U.S. dollar	Investment trust (main hedged items)	Contract amount	1,239	1,029	11	
					Over 1 year	—	—	—	—	
				Total	Fair value	(65)	6	(16)	(0)	
					Contract amount	1,239	1,159	1,029	11	
					Over 1 year	—	—	—	—	
					Fair value	(65)	6	(16)	(0)	
	Currency swaps			U.S. dollar paid / ¥ received	Foreign currency-denominated bonds (main hedged items)	Contract amount	2,862,781	1,453,411	663,278	25,858
					Over 1 year	2,773,843	1,359,606	582,204	25,055	
					Fair value	(77,011)	(191,198)	(68,195)	(695)	
				€ paid / ¥ received	Contract amount	1,209,486	802,020	538,276	10,924	
					Over 1 year	1,181,149	762,459	508,959	10,668	
					Fair value	(125,420)	(25,119)	(37,644)	(1,132)	
				£ paid / ¥ received	Contract amount	449,614	347,651	130,111	4,061	
					Over 1 year	447,796	340,221	127,900	4,044	
					Fair value	(46,781)	17,889	14,133	(422)	
				Others	Contract amount	5,008	5,008	—	45	
					Over 1 year	5,008	5,008	—	45	
					Fair value	(473)	160	—	(4)	
				Total	Contract amount	4,526,891	2,608,091	1,331,666	40,889	
					Over 1 year	4,407,797	2,467,295	1,219,064	39,813	
					Fair value	(249,687)	(198,268)	(91,706)	(2,255)	

c. Equity-related

Millions of Yen										Millions of U.S. Dollars		
As of March 31	2021			2020			2019			2021		
	Contract amount			Contract amount			Contract amount			Contract amount		
	Over 1 year	Fair value		Over 1 year	Fair value		Over 1 year	Fair value		Over 1 year	Fair value	
Over-the-counter:												
Fair value hedge accounting (main hedged items: domestic stocks):												
Equity forward contracts:												
Sold	¥54,244	¥—	¥(14,871)	¥89,701	¥—	¥11,972	¥—	¥—	¥—	\$489	\$—	\$(134)

d. Bond-related

No ending balance as of March 31, 2021, 2020 or 2019.

e. Others

No ending balance as of March 31, 2021, 2020 or 2019.

8. Disclosures about Fair Value of Investment and Rental Properties

The balance sheet amounts for investment and rental properties were ¥1,319,874 million (U.S.\$11,921 million), ¥1,290,981 million and ¥1,281,364 million, with a fair value of ¥1,736,904 million (U.S.\$15,688 million), ¥1,680,629 million, and ¥1,564,426 million as of March 31, 2021, 2020 and 2019, respectively. The Company and certain consolidated subsidiaries own rental office buildings and commercial facilities, the fair value of which at year-end is the amount measured based mainly on the "Real Estate Appraisal Standards." The amounts corresponding to asset retirement obligations that were included in the balance sheet amounts of investment and rental properties were ¥3,313 million (U.S.\$29 million), ¥3,400 million and ¥3,030 million as of March 31, 2021, 2020 and 2019, respectively.

9. Securities Loaned and Borrowed

The amounts of securities lent under lending agreements were ¥3,028,877 million (U.S.\$27,358 million), ¥3,719,783 million and ¥3,433,586 million as of March 31, 2021, 2020 and 2019, respectively.

Assets that can be sold or resecured are marketable securities borrowed under lending agreements. These assets were held without being sold or resecured and totaled ¥389,126 million (U.S.\$3,514 million), ¥397,399 million and ¥488,657 million at fair value as of March 31, 2021, 2020 and 2019, respectively.

10. Accumulated Depreciation

The amounts of accumulated depreciation of tangible fixed assets were ¥1,203,751 million (U.S.\$10,873 million), ¥1,176,828 million and ¥1,165,279 million as of March 31, 2021, 2020 and 2019, respectively.

11. Separate Accounts

Separate account assets as provided for in Article 118, Paragraph 1 of the Insurance Business Act were ¥1,459,633 million (U.S.\$13,184 million), ¥1,407,066 million and ¥1,479,649 million as of March 31, 2021, 2020 and 2019, respectively, and a corresponding liability is recorded in the same amount. The amounts of separate accounts are included in the respective account balance on the consolidated balance sheets.

12. Reserve for Dividends to Policyholders (mutual company)

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

Changes in the reserve for dividends to policyholders (mutual company) for the fiscal years ended March 31, 2021, 2020 or 2019, were as follows:

	Millions of Yen			Millions of U.S. Dollars
	2021	2020	2019	2021
Balance at the beginning of the fiscal year	¥1,043,785	¥1,020,213	¥ 995,167	\$ 9,428
Transfer to reserve from surplus in the previous fiscal year	185,145	211,818	218,353	1,672
Dividends paid to policyholders during the fiscal year	(203,557)	(209,969)	(215,540)	(1,838)
Increase in interest	21,458	21,722	22,233	193
Balance at the end of the fiscal year	¥1,046,832	¥1,043,785	¥1,020,213	\$ 9,455

13. Reserve for Dividends to Policyholders (limited company)

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

Changes in the reserve for dividends to policyholders (limited company) for the fiscal years ended March 31, 2021, 2020 and 2019, were as follows:

	Millions of Yen			Millions of U.S. Dollars
	2021	2020	2019	2021
Balance at the beginning of the fiscal year	¥ 56,750	¥ 60,326	¥ 65,078	\$ 512
Dividends paid to policyholders during the fiscal year	(13,988)	(15,417)	(19,231)	(126)
Increase in interest	10	11	11	0
Provision for reserve for dividends to policyholders (limited company)	11,966	11,829	13,837	108
Increase due to change in scope of consolidation	—	—	629	—
Balance at the end of the fiscal year	¥ 54,738	¥ 56,750	¥ 60,326	\$ 494

14. Corporate Bonds

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

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

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

Balance as of March 31, 2021, 2020 and 2019

Issuer	Bond	Issue date	Millions of Yen			Millions of U.S. dollars	Interest rate (%)	Collateral	Maturity	Callable dates
			2021	2020	2019					
Nippon Life	U.S. dollar-denominated subordinated corporate bonds	October 2012	¥ 157,040 (\$2,000 million)	¥ 157,040 (\$2,000 million)	¥ 157,040 (\$2,000 million)	\$1,418	5.00%	None	October 2042	Each interest payment date on or after October 2022
Nippon Life	U.S. dollar-denominated subordinated corporate bonds	October 2014	242,550 (\$2,250 million)	242,550 (\$2,250 million)	242,550 (\$2,250 million)	2,190	5.10%	None	October 2044	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
Nippon Life	U.S. dollar-denominated subordinated corporate bonds	January 2016	176,235 (\$1,500 million)	176,235 (\$1,500 million)	176,235 (\$1,500 million)	1,591	4.70%	None	January 2046	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
Nippon Life	U.S. dollar-denominated subordinated corporate bonds	September 2017	88,064 (\$800 million)	88,064 (\$800 million)	88,064 (\$800 million)	795	4.00%	None	September 2047	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
Nippon Life	U.S. dollar-denominated subordinated corporate bonds	January 2020	126,431 (\$1,150 million)	126,431 (\$1,150 million)	—	1,142	3.40%	None	January 2050	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
Nippon Life	U.S. dollar-denominated subordinated corporate bonds	January 2021	166,192 (\$1,600 million)	—	—	1,501	2.75%	None	January 2051	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
Nippon Life	Subordinated corporate bonds	April 2015	75,000	75,000	75,000	677	1.52%	None	April 2045	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
Nippon Life	Subordinated corporate bonds	April 2016	70,000	70,000	70,000	632	0.94%	None	April 2046	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
Nippon Life	Subordinated corporate bonds	April 2016	30,000	30,000	30,000	270	1.12%	None	April 2051	Fifteenth anniversary date after the issue date and on each fifth anniversary date thereafter
Nippon Life	Subordinated corporate bonds	November 2016	75,000	75,000	75,000	677	0.91%	None	November 2046	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
Nippon Life	Subordinated corporate bonds	November 2016	15,000	15,000	15,000	135	1.10%	None	November 2051	Fifteenth anniversary date after the issue date and on each fifth anniversary date thereafter
Nippon Life	Subordinated corporate bonds	April 2017	100,000	100,000	100,000	903	1.05%	None	April 2047	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
Taiju Life	Perpetual subordinated corporate bond	July 2016	30,000	30,000	30,000	270	0.74%	None	No maturity date	Each interest payment date on or after July 2021
Taiju Life	Subordinated corporate bonds	July 2016	50,000	50,000	50,000	451	0.86%	None	July 2046	Each interest payment date on or after July 2026
Nippon Wealth Life	Subordinated corporate bonds	October 2014	—	—	3,500	—	1.00%	None	October 2024	Fifth anniversary date after the issue date and on each half anniversary date thereafter
Nippon Wealth Life	Perpetual subordinated corporate bond	March 2015	—	—	10,800	—	2.20%	None	No maturity date	Fifth anniversary date after the issue date and on each half anniversary date thereafter
Nippon Wealth Life	Subordinated corporate bonds	March 2015	—	—	10,100	—	2.00%	None	March 2045	Fifth anniversary date after the issue date and on each half anniversary date thereafter
Nippon Wealth Life	Perpetual subordinated corporate bond	December 2015	—	11,200	11,200	—	2.00%	None	No maturity date	Fifth anniversary date after the issue date and on each half anniversary date thereafter

Balance as of March 31, 2021, 2020 and 2019

Issuer	Bond	Issue date	Millions of Yen			Millions of U.S. dollars	Interest rate (%)	Collateral	Maturity	Callable dates
			2021	2020	2019	2021				
Nippon Wealth Life	Perpetual subordinated corporate bond	December 2015	¥ 17,600	¥ 17,600	¥ 17,600	\$ 158	2.32%	None	No maturity date	Tenth anniversary date after the issue date and on each half anniversary date thereafter
Nippon Wealth Life	Perpetual subordinated corporate bond	February 2017	5,500	5,500	5,500	49	1.42%	None	No maturity date	Fifth anniversary date after the issue date and on each half anniversary date thereafter
Nippon Wealth Life	Perpetual subordinated corporate bond	February 2017	5,700	5,700	5,700	51	1.64%	None	No maturity date	Tenth anniversary date after the issue date and on each half anniversary date thereafter
Nippon Wealth Life	Perpetual subordinated corporate bond	February 2017	2,300	2,300	2,300	20	1.94%	None	No maturity date	Fifteenth anniversary date after the issue date and on each half anniversary date thereafter
Total			¥1,432,612	¥1,277,620	¥1,175,589	\$12,940				

1. Figures enclosed in parentheses for the balances as of March 31, 2021, 2020 and 2019 are the balances in foreign currencies.

2. "Furute-shori" for currency swaps are applied to hedge the cash flow volatility caused by foreign exchange rate fluctuations on U.S. dollar-denominated subordinated corporate bonds.

15. Other Liabilities

Other liabilities include subordinated loans payable of ¥620,000 million (U.S.\$5,600 million), ¥490,000 million and ¥336,500 million as of March 31, 2021, 2020 and 2019, respectively, which are subordinate to the fulfillment of all other debt obligations.

Balance as of March 31, 2021, 2020 or 2019

Issuer	Loan	Issue date	Millions of Yen			Millions of U.S. dollars	Interest rate (%)	Collateral	Maturity	Callable dates
			2021	2020	2019	2021				
Nippon Life	Subordinated corporate loans	April 2018	¥100,000	¥100,000	¥100,000	\$ 903	1.05%	None	April 2048	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
Nippon Life	Subordinated corporate loans	September 2018	120,000	120,000	120,000	1,083	1.03%	None	September 2048	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
Nippon Life	Subordinated corporate loans	April 2019	90,000	90,000	—	812	0.95%	None	April 2049	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
Nippon Life	Subordinated corporate loans	November 2019	80,000	80,000	—	722	0.85%	None	November 2049	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
Nippon Life	Subordinated corporate loans	September 2020	130,000	—	—	1,174	1.05%	None	September 2050	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
Taiju Life	Subordinated corporate loans	August 2016	50,000	50,000	50,000	451	0.99%	None	No maturity date	Each interest payment date on or after August 2021
Taiju Life	Subordinated corporate loans	August 2016	50,000	50,000	50,000	451	0.94%	None	No maturity date	Each interest payment date on or after August 2021
Nippon Wealth Life	Subordinated corporate loans	March 2015	—	—	16,500	—	0.71%	None	March 2025	Each interest payment date on or after March 2020
Total			¥620,000	¥490,000	¥336,500	\$5,600				

16. Net Defined Benefit Asset and Liability

(1) Summary of retirement benefit plans

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

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

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

(2) Defined benefit plan

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

For the years ended March 31, 2021, 2020 and 2019	Millions of Yen			Millions of U.S. Dollars
	2021	2020	2019	2021
Retirement benefit obligations at the beginning of the year	¥697,314	¥698,329	¥707,164	\$6,298
Service costs	29,802	28,626	28,279	269
Interest cost	4,221	4,223	4,278	38
Actuarial losses accrued during the year	5,705	17,953	5,587	51
Retirement benefit payments	(46,476)	(47,404)	(48,726)	(419)
Prior service costs accrued during the year	—	(6,596)	—	—
Increase due to change in scope of consolidation	—	371	1,757	—
Transfer from the simplified method to the principle method	—	1,887	—	—
Amortization accompanying the change from the simplified method to the principle method	—	(54)	—	—
Others	128	(20)	(11)	1
Retirement benefit obligations at the end of the year	¥690,695	¥697,314	¥698,329	\$6,238

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

For the years ended March 31, 2021, 2020 and 2019	Millions of Yen			Millions of U.S. Dollars
	2021	2020	2019	2021
Pension plan assets at the beginning of the year	¥248,422	¥260,132	¥266,183	\$2,243
Expected return on plan assets	3,527	3,690	3,766	31
Actuarial gains (losses) accrued during the year	12,403	(4,926)	1,550	112
Contributions by business proprietor	7,439	7,343	7,279	67
Retirement benefit payments	(18,172)	(18,100)	(18,647)	(164)
Increase due to changes in the scope of consolidation	—	301	—	—
Others	18	(17)	—	0
Pension plan assets at the end of the year	¥253,640	¥248,422	¥260,132	\$2,291

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

For the years ended March 31, 2021, 2020 and 2019	Millions of Yen			Millions of U.S. Dollars
	2021	2020	2019	2021
Net defined benefit liability at the beginning of the year	¥702	¥ 2,359	¥2,180	\$ 6
Benefit costs	94	344	304	0
Retirement benefit payments	(57)	(113)	(125)	(0)
Transfer from the simplified method to the principle method	—	(1,887)	—	—
Net defined benefit liability at the end of the year	¥739	¥ 702	¥2,359	\$ 6

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

For the years ended March 31, 2021, 2020 and 2019	Millions of Yen			Millions of U.S. Dollars
	2021	2020	2019	2021
Retirement benefit obligations for funded plans	¥ 260,881	¥ 264,083	¥ 286,003	\$ 2,356
Pension plan assets	(253,640)	(248,422)	(260,132)	(2,291)
Subtotal	7,241	15,660	25,871	65
Retirement benefit obligations for nonfunded plans	430,553	433,933	414,684	3,889
Net liability (asset) arising from defined benefit obligation	¥ 437,795	¥ 449,594	¥ 440,556	\$ 3,954
Net defined benefit liability	¥ 438,263	¥ 449,594	¥ 440,556	\$ 3,958
Net defined benefit asset	(468)	—	—	(4)
Net liability (asset) arising from defined benefit obligation	¥ 437,795	¥ 449,594	¥ 440,556	\$ 3,954

5) Losses (gains) relating to retirement benefits

For the years ended March 31, 2021, 2020 and 2019				
	Millions of Yen			Millions of U.S. Dollars
	2021	2020	2019	2021
Service costs	¥29,802	¥28,626	¥28,279	\$269
Interest cost	4,221	4,223	4,278	38
Expected return on plan assets	(3,527)	(3,690)	(3,766)	(31)
Amortization of actuarial losses for the period	6,493	14,149	11,121	58
Amortization of prior service costs for the period	(1,317)	(7)	—	(11)
Benefit cost under the simplified valuation method	94	344	304	0
Amortization accompanying the change from the simplified method to the principle method	—	(54)	—	—
Others	106	(1)	409	0
Benefit cost for defined benefit plans	¥35,872	¥43,589	¥40,625	\$324

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

For the years ended March 31, 2021, 2020 and 2019				
	Millions of Yen			Millions of U.S. Dollars
	2021	2020	2019	2021
Actuarial gains (losses)	¥13,191	¥(8,729)	¥7,084	\$119
Prior service costs	(1,317)	6,589	—	(11)
Total	¥11,873	¥(2,140)	¥7,084	\$107

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

For the years ended March 31, 2021, 2020 and 2019				
	Millions of Yen			Millions of U.S. Dollars
	2021	2020	2019	2021
Unrecognized actuarial losses	¥14,840	¥28,031	¥19,301	\$134
Unrecognized prior service costs	(5,271)	(6,589)	—	(47)
Total	¥ 9,568	¥21,442	¥19,301	\$ 86

8) Pension plan assets consist of the following:

	2021	2020	2019
General account of Nippon Life	48.1%	50.6%	49.8%
Domestic bonds	20.0%	21.6%	23.0%
Cash and deposits	19.8%	13.6%	6.6%
Foreign securities	8.0%	9.9%	16.2%
Domestic stocks	4.0%	4.3%	4.5%
Other	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%

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

10) Matters relating to the basis for actuarial calculations

The main items in the basis for actuarial calculations of the Company and certain consolidated subsidiaries as of March 31, 2021, 2020 and 2019, are as follows:

	2021	2020	2019
Discount rate	0.3–6.4%	0.3–6.8%	0.6–0.7%
Long-term expected rate of return on plan assets	1.4–6.4%	1.4–6.8%	1.4–3.0%

(3) Defined contribution plans

The Company and its consolidated subsidiaries contributed ¥5,069 million (U.S.\$45 million), ¥4,958 million and ¥4,859 million to defined contribution plans during the fiscal years ended March 31, 2021, 2020 and 2019, respectively.

17. Foundation Funds

Foundation funds serve as the primary source of capital for Japanese mutual life insurance companies. These funds are similar to loans, as interest payments, maturity dates and other items must be established at the time of the offering. In the event of a bankruptcy or similar development, repayment of the principal and interest on foundation funds is subordinated to the repayment of amounts owed to ordinary creditors and insurance claims and benefit payments owed to policyholders. Upon redemption of foundation funds, mutual companies are required to make an addition to the reserve for redemption of foundation funds, which serves as retained earnings, equal to the amount redeemed. As a result, the full amount of foundation funds remains in net assets even after redemption. Foundation funds are therefore positioned as a mutual company's core capital, which is equivalent to the stated capital of a joint-stock company. The Company redeemed ¥50,000 million and ¥50,000 million of foundation funds and credited the same amount to reserve for redemption of foundation funds as prescribed in Article 56 of the Insurance Business Act for the fiscal years ended March 31, 2020 and 2019, respectively. ¥50,000 million of foundation funds was offered pursuant to Article 60 of the Insurance Business Act during the fiscal year ended March 31, 2020.

18. Pledged Assets

Assets pledged as collateral in the form of cash and deposits, investments in securities, land, buildings, and lease receivables as of March 31, 2021, were ¥16,227 million (U.S.\$146 million), ¥2,465,498 million (U.S.\$22,269 million), ¥252 million (U.S.\$2 million), ¥40 million (U.S.\$0 million), and ¥3,580 million (U.S.\$32 million), respectively. The total amount of liabilities covered by the assets pledged was ¥1,483,501 million (U.S.\$13,399 million) as of March 31, 2021.

These amounts included ¥1,342,624 million (U.S.\$12,127 million) of sale of securities under repurchase agreements and ¥1,469,600 million (U.S.\$13,274 million) of payables under repurchase agreements as of March 31, 2021.

Assets pledged as collateral in the form of cash and deposits, investments in securities, land, buildings, and lease receivables as of March 31, 2020, were ¥152 million, ¥2,257,502 million, ¥252 million, ¥43 million, and ¥2,092 million, respectively. The total amount of liabilities covered by the assets pledged was ¥1,299,050 million as of March 31, 2020.

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

Assets pledged as collateral in the form of investments in securities, lease receivables, land, and buildings as of March 31, 2019, were ¥1,751,960 million, ¥15,308 million, ¥252 million, and ¥45 million, respectively. The total amount of liabilities covered by the aforementioned assets was ¥756,504 million as of March 31, 2019.

These amounts included ¥851,839 million of the sale of securities under repurchase agreements and ¥918,495 million in payables under repurchase agreements, as well as ¥28,595 million of investments in securities deposited and ¥32,610 million of cash received as collateral under securities lending transactions secured by cash, as of March 31, 2019.

19. Investments in Nonconsolidated Subsidiaries and Affiliates

The total amounts of stocks and investments in nonconsolidated subsidiaries and affiliates were ¥435,824 million (U.S.\$3,936 million), ¥404,720 million and ¥422,542 million as of March 31, 2021, 2020 and 2019, respectively.

20. Stock Options

1) Stock option-related expenses and line items

	Millions of Yen		Millions of U.S. Dollars
	From April 1, 2020 to March 31, 2021	From April 1, 2019 to March 31, 2020	From April 1, 2020 to March 31, 2021
Gains on equity method investments	¥ —	¥(140)	\$—
Operating expenses	581	467	5

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

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

3) Description of stock options

For the fiscal years ended March 31, 2021 and 2020

Nippon Life India Asset Management Limited			
	2019 Second Series of Share Acquisition Rights	2019 First Series of Share Acquisition Rights	2017 Third Series of Share Acquisition Rights
Title and number of grantees	Representative Director: 1 Employees: 31	Representative Director: 1 Employees: 156	Representative Director: 1 Employees: 157
Number of stock options granted by class of shares ^(*)	Common shares: 469,772	Common shares: 18,081,008	Common shares: 11,190,706
Grant date	June 10, 2020	July 29, 2019	April 29, 2019
Vesting conditions	25% of the stock options are vested every year after being granted	25% of the stock options are vested every year after being granted	25% of the stock options are vested every year after being granted
Requisite service period	From the grant date to the date when the vesting conditions are satisfied	From the grant date to the date when the vesting conditions are satisfied	From the grant date to the date when the vesting conditions are satisfied
Exercise period	From June 10, 2021 to June 9, 2027	From July 29, 2020 to July 28, 2026	From April 29, 2020 to April 28, 2026

Nippon Life India Asset Management Limited		
	2017 Second Series of Share Acquisition Rights	2017 First Series of Share Acquisition Rights
Title and number of grantees	Representative Director: 1 Employees: 137	Representative Director: 1 Employees: 84
Number of stock options granted by class of shares ^(*)	Common shares: 4,598,135	Common shares: 4,944,246
Grant date	April 25, 2018	August 8, 2017
Vesting conditions	25% of the stock options are vested every year after being granted	25% of the stock options are vested every year after being granted ^(*)
Requisite service period	From the grant date to the date when the vesting conditions are satisfied	From the grant date to the date when the vesting conditions are satisfied
Exercise period	From April 25, 2019 to April 24, 2025	From August 8, 2018 to August 7, 2024

(*)1) The number of stock options granted has been converted into the number of shares.

(*)2) The stock options granted to the representative director will vest after three years after the grant date.

4) Volume and changes in stock options

a. Number of stock options

For the fiscal year ended March 31, 2021

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

For the fiscal year ended March 31, 2020

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

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

b. Price information

For the fiscal year ended March 31, 2021

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

For the fiscal year ended March 31, 2020

	(Rupee)			
	Nippon Life India Asset Management Limited			
	2019 First Series of Share Acquisition Rights	2017 Third Series of Share Acquisition Rights	2017 Second Series of Share Acquisition Rights	2017 First Series of Share Acquisition Rights
Exercise price	223.32	202.35	256.10	204.25
Average stock price when exercised	—	—	400.19	314.45
Fair value on the grant date	43.06	38.94	45.71	10.82

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

a. Method used

Black-Scholes option-pricing model

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

For the fiscal years ended March 31, 2021 and 2020

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

(*)1) Calculated based on indices provided by the National Stock Exchange of India.

(*)2) The expected remaining life is calculated as a half of the sum of the shortest and longest exercisable periods after stock options are granted.

(*)3) Expected dividend rates are based on historical dividend performance.

(*)4) The risk-free interest rate is based on the yields on government bonds in India with remaining terms equal to the expected remaining life of the stock options.

6) Method of estimating the number of stock options vested

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

No ending balance as of March 31, 2019.

21. Loans

(1) The total amounts of loans to bankrupt borrowers, delinquent loans, loans that are delinquent for more than three months, and restructured loans, which were included in loans, were ¥29,529 million (U.S.\$266 million), ¥29,462 million and ¥32,251 million as of March 31, 2021, 2020 and 2019, respectively.

i) The balances of loans to bankrupt borrowers and delinquent loans were ¥1,044 million (U.S.\$9 million) and ¥25,849 million (U.S.\$233 million), respectively, as of March 31, 2021, ¥1,562 million and ¥26,337 million, respectively, as of March 31, 2020, ¥1,284 million and ¥29,037 million, respectively, as of March 31, 2019.

Loans to bankrupt borrowers are loans for which interest is not accrued as income, except for a portion of loans written off, and to which any event specified in Article 96, Paragraph 1, Item 3 (a) to (e) or Item 4 of the Order for Enforcement of the Corporation Tax Act has occurred. Interest is not accrued as income for the loans since the recovery of principal or interest on the loans is unlikely due to the fact that principal repayments or interest payments are overdue for a significant period of time or for other reasons.

Delinquent loans are loans for which interest is not accrued and exclude loans to bankrupt borrowers and loans with interest payments extended with the objective of restructuring or supporting the borrowers.

ii) There were no loans delinquent for more than three months as of March 31, 2021, 2020 and 2019.

Loans that are delinquent for more than three months are loans with principal or interest unpaid for more than three months beginning one day after the due date based on the loan agreement. These loans exclude loans classified as loans to bankrupt borrowers and delinquent loans.

iii) The balances of restructured loans were ¥2,635 million (U.S.\$23 million), ¥1,563 million and ¥1,930 million as of March 31, 2021, 2020 and 2019, respectively.

Restructured loans are loans that provide certain concessions favorable to borrowers with the intent of supporting the borrowers' restructuring, such as by reducing or exempting interest, postponing principal or interest payments, releasing credits, or providing other benefits to the borrowers. These loans exclude loans classified as loans to bankrupt borrowers, delinquent loans, and loans delinquent for more than three months.

(2) Direct write-offs of loans decreased the balances of loans to bankrupt borrowers and delinquent loans by ¥3,653 million (U.S.\$32 million) and ¥130 million (U.S.\$1 million), respectively, as of March 31, 2021, ¥3,233 million and ¥149 million, respectively, as of March 31, 2020, ¥3,173 million and ¥168 million, respectively, as of March 31, 2019.

22. Loan Commitments

The amounts of commitments related to loans and loans outstanding were ¥274,291 million (U.S.\$2,477 million), ¥274,182 million and ¥306,323 million as of March 31, 2021, 2020 and 2019, respectively.

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

Of the maximum borrowing amount from the Life Insurance Policyholders Protection Corporation of Japan, which is provided for in Article 37-4 of the Order for Enforcement of the Insurance Business Act, the amounts applied to the Company and certain consolidated subsidiaries were estimated to be ¥85,539 million (U.S.\$772 million), ¥89,563 million and ¥92,025 million as of March 31, 2021, 2020 and 2019, respectively. The amounts contributed to the aforementioned corporation were recorded within operating expenses for the fiscal year.

24. Impairment Losses

The main notes concerning impairment losses are as follows:

(1) Method for grouping the assets

a. Real estate and other assets

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

b. Goodwill and goodwill equivalent

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

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

(2) Identification of indicators of impairment

a. Real estate and other assets

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

The Company identified indicators of impairment in certain asset groups because the conditions above were applicable as of March 31, 2021, 2020 and 2019, respectively.

b. Goodwill and goodwill equivalent

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

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

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

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

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

(3) Recognition and measurement of impairment losses

a. Real estate and other assets

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

In principle, the value in use is determined as the discounted future cash flows using a discount rate of 3.0%, 3.0–3.3% and 3.0–3.8% for the fiscal years ended March 31, 2021, 2020 and 2019, respectively. Net selling price is determined based on appraisals performed in accordance with the "Real Estate Appraisal Standards" or standard land prices.

The book values of certain asset groups for which indicators of impairment were recognized were reduced to the recoverable amounts, and impairment losses were recognized under extraordinary losses as of March 31, 2021, 2020 and 2019, respectively.

b. Goodwill and goodwill equivalent

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

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

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

In addition to the foregoing, the equivalent amount of goodwill related to PT Sequis contains assumptions about Indonesia's economic growth rate and the impact of the COVID-19 pandemic lasting until 2021. If there are any changes in those assumptions, there could be a significant impact on the value of the equivalent amount of goodwill. No impairment, however, was recognized on the equivalent amount of goodwill related to PT Sequis because its corporate valuation amount was higher than the book value. As of March 31, 2021, the Company conducted an impairment test of goodwill related to Nippon Life India Asset Management Limited, for which indications of impairment had been identified. In this test, the total amount of undiscounted future cash flows and the book value of Nippon Life India Asset Management Limited were compared. The former was higher than the latter. In addition, a comparison of its market capitalization, as Nippon Life India Asset Management Limited is a listed company, and book value showed that its market capitalization was higher than its book value. Considering these and other factors, no impairment loss on goodwill related to Nippon Life India Asset Management Limited was recognized.

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

The Company and certain consolidated subsidiaries observed a marked decrease in profitability or fair value in some of the fixed asset groups. The book value of fixed assets was reduced to the recoverable amount and impairment losses were recognized as extraordinary losses for the fiscal years ended March 31, 2021, 2020 and 2019.

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

For the year ended March 31, 2021

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

For the year ended March 31, 2020

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

For the year ended March 31, 2019

Purpose of use	Millions of Yen		
	Land	Buildings and others	Total
Leased property	¥ 23	¥ 8	¥ 31
Idle property	1,536	759	2,295
Total	¥1,559	¥767	¥2,327

For the year ended March 31, 2021

Purpose of use	Millions of U.S. Dollars		
	Land	Buildings and others	Total
Leased property	\$ 1	\$ 1	\$ 2
Idle property	29	13	43
Total	\$31	\$14	\$45

25. Revenues from Reinsurance and Reinsurance Premiums

For the fiscal year ended March 31, 2021, reinsurance premiums of TAIJU LIFE INSURANCE COMPANY LIMITED, the Company's consolidated subsidiary, include ¥49,972 million (U.S.\$451 million) related to modified coinsurance agreements for foreign currency-dominated single premium endowment insurance (U.S. dollar and Australian dollar) and foreign currency-denominated single premium whole life insurance (U.S. dollar and Australian dollar). These premiums include adjustment to policy reserves for ceded reinsurance (excluding the equivalent amount of policy reserve reversals associated with market value adjustments) of ¥11,398 million (U.S.\$102 million) and the equivalent amount of policy reserve reversals associated with market value adjustments of ¥49,658 million (U.S.\$448 million).

Through this reinsurance, ordinary profit and surplus before income taxes decreased by ¥42,047 million (U.S.\$379 million) each.

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

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

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

There has been no impact on profit or loss for the fiscal year ended March 31, 2019.

26. Deferred Tax Assets and Liabilities

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

	Millions of Yen			Millions of U.S. Dollars
	2021	2020	2019	2021
Deferred tax assets	¥ 1,955,435	¥ 1,861,242	¥ 1,655,051	\$ 17,662
Valuation allowance for deferred tax assets	(107,416)	(126,991)	(107,691)	(970)
Subtotal	1,848,019	1,734,251	1,547,360	16,692
Deferred tax liabilities	(2,796,840)	(1,867,359)	(2,093,314)	(25,262)
Net deferred tax liabilities	¥ (948,821)	¥ (133,108)	¥ (545,954)	\$ (8,570)

The main reason for the change in the valuation allowance that reduced the deferred tax assets was a decrease in the valuation allowance in line with a rise in the market value of stocks and an increase in the valuation allowance in line with a decline in the market value of stocks for the fiscal year ended March 31, 2021 and 2020, respectively.

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

	Millions of Yen			Millions of U.S. Dollars
	2021	2020	2019	2021
Deferred tax assets:				
Policy reserves and other reserves	¥1,134,764	¥1,002,030	¥ 935,673	\$10,249
Reserve for price fluctuations in investments in securities	449,440	427,363	407,422	4,059
Net defined benefit liability	120,652	125,607	123,036	1,089
Deferred tax liabilities:				
Net unrealized gains on available-for-sale securities	2,615,062	1,660,549	1,916,168	23,620

(2) The statutory tax rate was 27.9%, 27.9%, and 27.9% for the fiscal years ended March 31, 2021, 2020 and 2019, respectively. The main factors for the difference between the statutory tax rates and the effective income tax rates were as follows:

	2021	2020	2019
Reserve for dividends to policyholders (mutual company)	(20.7)%	(26.2)%	(18.8)%
Impairment loss	—	5.8%	—

27. Other Comprehensive Income (Loss)

The components of other comprehensive income (loss) for the fiscal years ended March 31, 2021, 2020 and 2019, were as follows:

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

For the year ended March 31, 2021

	Millions of Yen		Millions of U.S. Dollars	
Net unrealized gains on available-for-sale securities:				
Gains arising during the year	¥4,000,861		\$36,138	
Reclassification adjustments to profit or loss	(455,814)	¥3,545,047	(4,117)	\$32,021
Deferred losses on derivatives under hedge accounting:				
Losses arising during the year	(148,780)		(1,343)	
Reclassification adjustments to profit or loss	19,070	(129,709)	172	(1,171)
Foreign currency translation adjustments:				
Gains arising during the year	8,163		73	
Reclassification adjustments to profit or loss	—	8,163	—	73
Remeasurement of defined benefit plans:				
Gains arising during the year	6,698		60	
Reclassification adjustments to profit or loss	5,175	11,873	46	107
Share of other comprehensive income of associates accounted for under the equity method:				
Gains arising during the year	317		2	
Reclassification adjustments to profit or loss	36	354	0	3
Amount before income tax effect		3,435,729		31,033
Income tax effect		(933,898)		(8,435)
Total other comprehensive income		¥2,501,831		\$22,598

For the year ended March 31, 2020

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

For the year ended March 31, 2019

	Millions of Yen		Millions of U.S. Dollars	
Net unrealized gains on available-for-sale securities:				
Gains arising during the year		¥ 75,501		
Reclassification adjustments to profit or loss		(21,292)	¥ 54,209	
Deferred gains on derivatives under hedge accounting:				
Gains arising during the year		29,789		
Reclassification adjustments to profit or loss		8,440	38,229	
Foreign currency translation adjustments:				
Losses arising during the year		(29,212)		
Reclassification adjustments to profit or loss		—	(29,212)	
Remeasurement of defined benefit plans:				
Losses arising during the year		(4,038)		
Reclassification adjustments to profit or loss		11,122	7,084	
Share of other comprehensive loss of associates accounted for under the equity method:				
Losses arising during the year		(12,388)		
Reclassification adjustments to profit or loss		(613)	(13,001)	
Amount before income tax effect				57,309
Income tax effect				(31,005)
Total other comprehensive income				¥ 26,303

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

For the year ended March 31, 2021

	Millions of Yen			Millions of U.S. Dollars		
	Before income tax effect	Income tax effect	After income tax effect	Before income tax effect	Income tax effect	After income tax effect
Net unrealized gains on available-for-sale securities	¥3,545,047	¥(966,727)	¥2,578,320	\$32,021	\$(8,732)	\$23,288
Deferred losses on derivatives under hedge accounting	(129,709)	36,141	(93,568)	(1,171)	326	(845)
Foreign currency translation adjustments	8,163	—	8,163	73	—	73
Remeasurement of defined benefit plans	11,873	(3,312)	8,561	107	(29)	77
Share of other comprehensive income of associates accounted for under the equity method	354	—	354	3	—	3
Total other comprehensive income	¥3,435,729	¥(933,898)	¥2,501,831	\$31,033	\$(8,435)	\$22,598

For the year ended March 31, 2020

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

For the year ended March 31, 2019

	Millions of Yen		
	Before income tax effect	Income tax effect	After income tax effect
Net unrealized gains on available-for-sale securities	¥ 54,209	¥(18,344)	¥ 35,865
Deferred gains on derivatives under hedge accounting	38,229	(10,684)	27,544
Foreign currency translation adjustments	(29,212)	—	(29,212)
Remeasurement of defined benefit plans	7,084	(1,976)	5,107
Share of other comprehensive loss of associates accounted for under the equity method	(13,001)	—	(13,001)
Total other comprehensive income	¥ 57,309	¥(31,005)	¥ 26,303

28. Modified Coinsurance Agreement

TAIJI LIFE INSURANCE COMPANY LIMITED, the Company's consolidated subsidiary, has concluded a modified coinsurance agreement covering foreign currency-denominated single premium endowment insurance (U.S. dollar/Australian dollar) and foreign currency-denominated single premium endowment insurance (U.S. dollar/Australian dollar).

Though this modified co-reinsurance agreement, insurance risk has been transferred, and items including additional policy reserves or reversals associated with market value adjustments upon interest rate fluctuations are recorded as revenues from reinsurance. However, in cases where revenues from reinsurance related to this modified co-reinsurance agreement is negative, the items are recorded as reinsurance premiums.

The outstanding balance of reinsurance accounts receivable related to this modified coinsurance agreement stood at ¥15,242 million (U.S.\$137 million), ¥56,991 million as of March 31, 2021 and 2020, respectively. The outstanding balance of the policy reserve component associated with the modified coinsurance agreement stood at ¥779,013 million (U.S.\$7,036 million), ¥727,932 million as of March 31, 2021 and 2020, respectively.

No ending balance as of March 31, 2019.

29. Share Acquisition Rights

As of March 31, 2021

Classification	Breakdown of share acquisition rights	Millions of Yen	Millions of U.S. Dollars
Nippon Life India Asset Management Limited	Share acquisition rights provided as stock options	¥1,349	\$12

As of March 31, 2020

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

No ending balance as of March 31, 2019.

30. Others

The following items are disclosed in the nonconsolidated financial statements and not required to be disclosed in the consolidated financial statements by the Japanese Insurance Business Act.

- Net Assets Provided for in the Ordinance for Enforcement of the Insurance Business Act
- Policy Reserves for Reinsurance Contracts Provided in Accordance with Article 71, Paragraph 1 of the Ordinance for Enforcement of the Insurance Business Act
- Investment Income and Expenses
- Provision for Policy Reserves for Ceded Reinsurance

31. Subsequent Events

(1) On April 30, 2021, the Company established Nissay Small-Amount and Short-Term Insurance Preparatory Company (the "Preparatory Company") with a view to establishing a small-amount and short-term insurance subsidiary (the "New Company").

1) Purpose of establishing the New Company

The purpose of establishing the New Company is to flexibly and rapidly supply various insurance products both in the life and non-life insurance fields, in order to address diversifying customer needs against the backdrop of changing lifestyles, diversifying individual values, and the widespread adoption of digital environments.

2) Overview of the Preparatory Company

- Company name: Nissay Small-Amount and Short-Term Insurance Preparatory Company
- Head office location: Chiyoda-ku, Tokyo
- Capital stock: ¥599 million (U.S.\$5 million) (including legal capital surplus)

3) Scheduled establishment date

April 30, 2021

4) Ownership ratio after the establishment of the Preparatory Company

100%

5) Others

The establishment of the New Company is conditional upon the Company obtaining the approval of the Commissioner of the Financial Services Agency pursuant to Article 272-31, Paragraph 1 of the Insurance Business Act and the permission of the Commissioner of the Financial Services Agency pursuant to Article 106, Paragraph 7 of the Insurance Business Act. It is also conditional upon the Preparatory Company registering as a small-amount and short-term insurance business pursuant to Article 272 of the Insurance Business Act.

- (2) The Company assumed the following yen-denominated subordinated debt on May 11, 2021.

Principal amount	¥200 billion (U.S.\$1,806 million)
Interest rate	Fixed rate of 0.97% per annum until May 11, 2031 Fixed rate with step-up from May 12, 2031 (reset every five years)
Repayment date	The third bank business day preceding May 11, 2051 (The loan is callable on the third bank business day preceding May 11, 2031, and the third bank business day preceding each fifth anniversary date thereafter, until the loan is fully redeemed at the discretion of the Company, subject to prior approval by the regulatory authorities.)
Use of funds	General working capital

- (3) During the annual meeting of representatives of policyholders held on July 2, 2021, a resolution was passed to partially amend the Articles of Incorporation in connection with an issuance of foundation funds of ¥50,000 million (U.S.\$451 million) during the fiscal year ending March 31, 2022.

Following the amendment of the Articles of Incorporation approved at the meeting of representatives held on July 2, 2021, the Company has offered foundation funds as provided in Article 60 of the Insurance Business Act, with details listed below. Payment was completed on August 3, 2021.

- Total amount offered
¥50,000 million (U.S.\$451 million)
- Interest rate
0.28% per annum from August 4, 2021 to August 3, 2026
- Repayment date
August 3, 2026
- Use of funds
Foundation funds for a mutual company

- (4) The nonconsolidated proposed appropriations of surplus for the fiscal year ended March 31, 2021, were approved as planned at the annual meeting of the representatives of policyholders held on July 2, 2021.

Based on the above proposed appropriation of surplus, the Company credited ¥50,000 million (U.S.\$451 million) to the reserve for redemption of foundation funds prescribed in Article 56 of the Insurance Business Act and redeemed the same amount of foundation funds on July 29, 2021.

- (5) TAIJU LIFE INSURANCE COMPANY LIMITED ("TAIJU LIFE"), a consolidated subsidiary of the Company, issued domestic subordinated and unsecured corporate bonds (subordinated term bonds) on July 2, 2021 and conducted the early redemption of domestic subordinated and unsecured corporate bonds (subordinated perpetual bonds), which were part of its issued corporate bonds, on July 25, 2021, for the purposes of maintaining its financial soundness and reducing its interest rate burden.

Moreover, TAIJU LIFE concluded a subordinated loan agreement on August 5, 2021, with a loan execution date of August 10, 2021. On June 24, 2021 and July 1, 2021, TAIJU LIFE provided a lender with

contractually required notices of intent to conduct optional repayment of loans payable based on an existing subordinated loan agreement on August 10, 2021.

Interest expenses recorded for the corporate bonds redeemed early amounted to ¥220 million (U.S.\$1 million) in the fiscal year ended March 31, 2021. Additionally, interest expenses recorded for the loans payable to be optionally repaid amounted to ¥958 million (U.S.\$8 million) in the fiscal year ended March 31, 2021.

- Issuance of domestic subordinated and unsecured corporate bonds (subordinated term bonds)

Issue date	July 2, 2021
Issue price	100% of principal amount
Principal amount	¥40 billion (U.S.\$361 million)
Interest rate	A fixed rate of 0.74% per annum up to July 2, 2026 A variable interest rate based on the 5-year Japanese government bond yield on or after July 3, 2026 with step-up thereafter (reset every five years)
Maturity	July 2, 2051 (However, the corporate bonds are callable at the discretion of TAIJU LIFE on any interest reset date on or after July 2, 2026, subject to the prior approval of the regulatory authority and other conditions.)
Collateral and guarantees	The corporate bonds are not secured or guaranteed.
Use of funds	Early redemption of existing subordinated bonds and repayment of existing subordinated loans payable

- Early redemption of domestic subordinated and unsecured corporate bonds (subordinated perpetual bonds)

Redemption date	July 25, 2021
Redemption amount	¥30 billion (U.S.\$270 million)
Redemption method	Early redemption of the full amount of the unredeemed balance

- Conclusion of subordinated loan agreement

Lender	Sumitomo Mitsui Trust Bank, Limited
Amount of borrowings	¥10 billion (U.S.\$90 million)
Interest rate	A variable interest rate based on the 5-year yen swap rate (revised every five years) with step-up thereafter (reset every five years)
Agreement date	August 5, 2021
Loan execution date	August 10, 2021
Maturity	August 10, 2051 (However, optional repayment is possible at the discretion of TAIJU LIFE on each interest payment date in August 2026, August 2031, August 2036, August 2041, and August 2046, subject to the prior approval of the regulatory authority and other conditions.)
Collateral and guarantees	The loan is not secured or guaranteed.
Use of funds	Repayment of existing subordinated loans payable

- Optional repayment of loans payable based on subordinated loan agreement

Notice dates	June 24, 2021 and July 1, 2021
Repayment date	August 10, 2021
Repayment amount	¥100 billion (U.S.\$903 million)
Repayment method	Optional repayment of the full amount of the unrepaid balance

7. Nonconsolidated Balance Sheets

Nippon Life Insurance Company

As of March 31	Millions of Yen			Millions of U.S. Dollars (Note 1)
	2021	2020	2019	2021
ASSETS:				
Cash and deposits (Note 4):	¥ 861,580	¥ 1,020,742	¥ 977,580	\$ 7,782
Cash	54	132	229	0
Deposits	861,526	1,020,609	977,351	7,781
Call loans	540,086	422,906	429,912	4,878
Monetary receivables purchased (Note 4)	172,601	219,068	244,043	1,559
Assets held in trust (Note 4)	135	33,779	13,157	1
Investments in securities (Notes 4, 6, 15 and 16):				
National government bonds	23,352,796	22,096,083	21,140,721	210,936
Local government bonds	908,416	779,033	790,372	8,205
Corporate bonds	2,270,187	2,114,396	1,969,571	20,505
Domestic stocks	10,640,573	7,901,082	9,110,036	96,112
Foreign securities	21,470,903	20,651,209	20,121,556	193,938
Other securities	3,587,886	3,566,997	3,251,467	32,407
Subtotal	62,230,764	57,108,802	56,383,725	562,106
Loans (Notes 4, 17 and 18):				
Policy loans	490,826	554,285	582,774	4,433
Industrial and consumer loans	6,939,877	6,857,523	6,855,961	62,685
Subtotal	7,430,704	7,411,809	7,438,736	67,118
Tangible fixed assets (Notes 5, 7 and 15):				
Land	1,148,601	1,124,273	1,121,375	10,374
Buildings	515,676	518,409	512,736	4,657
Lease assets	7,038	7,772	9,798	63
Construction in progress	22,337	16,047	15,496	201
Other tangible fixed assets	17,035	15,346	21,182	153
Subtotal	1,710,689	1,681,851	1,680,589	15,451
Intangible fixed assets:				
Software	92,795	100,009	105,693	838
Other intangible fixed assets	96,930	92,815	86,808	875
Subtotal	189,726	192,824	192,502	1,713
Reinsurance receivables	350	379	587	3
Other assets:				
Accounts receivable	90,895	119,601	68,757	821
Prepaid expenses	20,764	21,276	16,219	187
Accrued income	283,709	291,473	304,988	2,562
Money on deposit	33,678	33,559	34,203	304
Deposits for futures transactions	58,114	55,062	37,303	524
Futures transactions variation margin	1	484	23	0
Derivative financial instruments (Note 4)	232,039	362,848	173,657	2,095
Suspense	2,990	4,756	4,417	27
Other assets	85,260	52,554	48,472	770
Subtotal	807,455	941,616	688,042	7,293
Customers' liability for acceptances and guarantees	71,228	75,110	69,893	643
Allowance for doubtful accounts	(8,219)	(2,686)	(4,463)	(74)
Allowance for investment loss	(32,879)	(35,068)	(29,597)	(296)
Total assets	¥73,974,223	¥69,071,135	¥68,084,710	\$668,180

As of March 31	Millions of Yen			Millions of U.S. Dollars (Note 1)
	2021	2020	2019	2021
LIABILITIES:				
Policy reserves and other reserves:				
Reserve for outstanding claims	¥ 179,010	¥ 190,602	¥ 238,428	\$ 1,616
Policy reserves (Note 19)	57,420,217	56,220,282	55,088,621	518,654
Reserve for dividends to policyholders (Note 10)	1,046,832	1,043,785	1,020,213	9,455
Subtotal	58,646,060	57,454,671	56,347,264	529,726
Reinsurance payables	413	403	624	3
Corporate bonds (Notes 4 and 11)	1,321,512	1,155,320	1,028,889	11,936
Other liabilities:				
Payables under repurchase agreements (Notes 4 and 15)	1,014,978	1,051,931	709,062	9,167
Cash received as collateral under securities lending transactions (Note 15)	—	—	32,610	—
Loans payable (Note 4)	538,317	408,248	243,668	4,862
Income taxes payable	37,088	65,352	40,348	335
Accounts payable	125,869	276,297	94,895	1,136
Accrued expenses	63,731	67,334	69,349	575
Deferred income	15,804	16,094	16,543	142
Deposits received	120,618	113,736	109,790	1,089
Guarantee deposits received	86,263	86,630	83,367	779
Futures transactions variation margin	540	31	169	4
Derivative financial instruments (Note 4)	652,612	363,716	178,821	5,894
Cash collateral received for financial instruments	51,026	76,303	92,597	460
Lease obligations	6,756	7,481	9,341	61
Asset retirement obligations	5,426	5,330	4,850	49
Suspense receipts	11,714	11,973	8,481	105
Other liabilities	17	197	486	0
Subtotal	2,730,767	2,550,660	1,694,384	24,665
Accrued bonuses for directors and audit & supervisory board members	433	92	106	3
Accrued retirement benefits (Note 13)	375,693	374,460	365,897	3,393
Accrued retirement benefits for directors and audit & supervisory board members	—	4,304	4,225	—
Reserve for program points	8,528	8,864	9,203	77
Reserve for price fluctuations in investments in securities	1,521,916	1,448,014	1,381,653	13,746
Deferred tax liabilities (Note 24)	877,504	98,548	496,857	7,926
Deferred tax liabilities for land revaluation	101,894	103,072	103,748	920
Acceptances and guarantees	71,228	75,110	69,893	643
Total liabilities	65,655,953	63,273,522	61,502,747	593,044
NET ASSETS:				
Foundation funds (Note 14)	100,000	100,000	100,000	903
Reserve for redemption of foundation funds (Note 14)	1,300,000	1,300,000	1,250,000	11,742
Reserve for revaluation	651	651	651	5
Surplus:				
Legal reserve for deficiencies	18,993	18,394	17,578	171
Other surplus reserves:	475,563	335,386	416,948	4,295
Equalized reserve for dividends to policyholders	—	—	10,000	—
Contingency funds	71,917	71,917	71,917	649
Reserve for social public welfare assistance	351	351	351	3
Reserve for reduction entry of real estate	71,855	63,729	49,836	649
Reserve for reduction entry of real estate to be purchased	2,069	14,790	28,603	18
Other reserves	170	170	170	1
Unappropriated surplus	329,199	184,426	256,070	2,973
Total surplus	494,556	353,780	434,526	4,467
Total foundation funds and others	1,895,208	1,754,431	1,785,178	17,118
Net unrealized gains on available-for-sale securities	6,642,100	4,165,946	4,882,692	59,995
Deferred losses on derivatives under hedge accounting	(161,590)	(68,056)	(31,216)	(1,459)
Land revaluation losses	(57,447)	(54,706)	(54,690)	(518)
Total valuations, conversions, and others	6,423,062	4,043,182	4,796,785	58,016
Total net assets	8,318,270	5,797,613	6,581,963	75,135
Total liabilities and net assets	¥73,974,223	¥69,071,135	¥68,084,710	\$668,180

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

8. Nonconsolidated Statements of Income

Nippon Life Insurance Company

	Millions of Yen			Millions of U.S. Dollars (Note 1)
For the years ended March 31	2021	2020	2019	2021
Ordinary income:				
Revenues from insurance and reinsurance:				
Insurance premiums	¥4,263,255	¥4,525,225	¥4,774,223	\$38,508
Reinsurance revenue	1,372	884	912	12
Subtotal	4,264,628	4,526,109	4,775,136	38,520
Investment income (Note 21):				
Interest, dividends, and other income:				
Interest on deposits and savings	1,381,994	1,426,177	1,427,665	12,483
Interest on securities and dividends	874	6,524	4,868	7
Interest on loans	1,174,673	1,195,430	1,198,538	10,610
Real estate rental income	108,633	121,811	124,582	981
Other income	88,036	88,504	82,977	795
Gain from assets held in trust, net	9,776	13,906	16,698	88
Gain on sales of securities	—	17,720	—	—
Gain on redemptions of securities	507,284	328,211	194,922	4,582
Foreign exchange gains, net	3,690	2,193	6,187	33
Reversal of allowance for doubtful accounts	68,465	—	2,140	618
Reversal of allowance for investment loss	—	1,233	—	—
Other investment income	2,188	—	—	19
Gain from separate accounts, net	1,177	1,333	1,784	10
Subtotal	118,226	—	16,803	1,067
Other ordinary income:				
Income from annuity riders	7,409	10,005	8,959	66
Income from deferred benefits	76,119	80,784	83,119	687
Reversal of reserve for outstanding claims	11,592	47,825	47,274	104
Other ordinary income	32,555	38,351	41,043	294
Subtotal	127,678	176,968	180,396	1,153
Total ordinary income	6,475,334	6,479,945	6,605,036	58,489
Ordinary expenses:				
Benefits and other payments:				
Death and other claims	999,529	1,019,362	1,048,516	9,028
Annuity payments	803,471	805,445	791,978	7,257
Health and other benefits	661,384	691,317	653,486	5,974
Surrender benefits	1,108,847	918,833	949,282	10,015
Other refunds	228,332	192,941	209,971	2,062
Reinsurance premiums	1,891	1,484	1,354	17
Subtotal	3,803,456	3,629,384	3,654,589	34,355
Provision for policy reserves:				
Provision for policy reserves (Note 22)	1,199,935	1,131,660	1,347,596	10,838
Provision for interest on reserve for dividends to policyholders	21,458	21,722	22,233	193
Subtotal	1,221,393	1,153,383	1,369,830	11,032
Investment expenses (Note 21):				
Interest expenses	28,437	33,220	30,872	256
Loss from assets held in trust, net	34,144	—	2,563	308
Loss on sales of securities	40,193	48,704	138,790	363
Loss on valuation of securities	4,963	202,393	21,371	44
Loss on redemptions of securities	14,736	12,745	8,097	133
Loss on derivative financial instruments, net	48,004	83,947	93,110	433
Foreign exchange losses, net	—	29,408	—	—
Provision for allowance for doubtful accounts	5,968	—	4,002	53
Provision for allowance for investment loss	—	5,471	1,459	—
Depreciation of rental real estate and other assets	17,830	17,582	16,364	161
Other investment expenses	33,203	32,912	28,480	299
Loss from separate accounts, net	—	42,411	—	—
Subtotal	227,482	508,797	345,112	2,054

	Millions of Yen			Millions of U.S. Dollars (Note 1)
For the years ended March 31	2021	2020	2019	2021
Operating expenses (Note 20)	¥ 575,223	¥ 598,746	¥ 611,973	\$ 5,195
Other ordinary expenses:				
Deferred benefit payments	87,842	100,987	118,984	793
Taxes	51,876	51,167	49,358	468
Depreciation	54,314	56,691	46,595	490
Provision for retirement benefits	1,233	8,562	4,782	11
Other ordinary expenses	21,439	20,985	20,291	193
Subtotal	216,707	238,395	240,011	1,957
Total ordinary expenses	6,044,263	6,128,707	6,221,517	54,595
Ordinary profit	431,070	351,238	383,518	3,893
Extraordinary gains:				
Gain on disposals of fixed assets	89	1,687	3,904	0
Subtotal	89	1,687	3,904	0
Extraordinary losses:				
Loss on disposals of fixed assets	4,999	6,190	6,413	45
Impairment losses (Note 23)	4,885	2,893	2,148	44
Provision for reserve for price fluctuations in investments in securities	73,902	66,361	99,459	667
Loss on reduction entry of real estate	80	204	—	0
Contributions for assisting social public welfare	3,000	3,000	3,000	27
Loss on valuation of shares of subsidiaries and affiliates (Note 26)	—	68,391	—	—
Other extraordinary losses	—	718	—	—
Subtotal	86,867	147,759	111,021	784
Surplus before income taxes	344,292	205,166	276,400	3,109
Income taxes (Note 24):				
Current	134,353	154,061	114,690	1,213
Deferred	(113,520)	(130,304)	(97,658)	(1,025)
Total income taxes	20,832	23,756	17,031	188
Net surplus	¥ 323,459	¥ 181,410	¥ 259,369	\$ 2,921

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

9. Nonconsolidated Statements of Changes in Net Assets

Nippon Life Insurance Company

	Millions of Yen												
	Foundation funds and others												
	Surplus												
	Other surplus reserves												
	Foundation funds (Note 14)	Reserve for redemption of foundation funds (Note 14)	Reserve for revaluation	Legal reserve for deficiencies	Equalized reserve for dividends to policyholders	Contingency funds	Reserve for social public welfare assistance	Reserve for reduction entry of real estate	Reserve for reduction entry of real estate to be purchased	Other reserves	Unappropriated surplus	Total surplus	Total foundation funds and others
For the year ended March 31, 2019													
Beginning balance	¥150,000	¥1,200,000	¥651	¥16,804	¥ 40,000	¥71,917	¥ 351	¥49,708	¥23,422	¥170	¥ 248,227	¥ 450,600	¥1,801,251
Increase/decrease:													
Additions to reserve for dividends to policyholders											(218,353)	(218,353)	(218,353)
Additions to legal reserve for deficiencies				774							(774)	—	—
Additions to reserve for redemption of foundation funds		50,000									(50,000)	(50,000)	—
Interest on foundation funds											(790)	(790)	(790)
Net surplus											259,369	259,369	259,369
Redemption of foundation funds	(50,000)												(50,000)
Reversal of equalized reserve for dividends to policyholders					(30,000)						30,000	—	—
Additions to reserve for social public welfare assistance							3,000				(3,000)	—	—
Reversal of reserve for social public welfare assistance							(3,000)				3,000	—	—
Additions to reserve for reduction entry of real estate								3,802			(3,802)	—	—
Reversal of reserve for reduction entry of real estate								(3,674)			3,674	—	—
Additions to reserve for reduction entry of real estate to be purchased									11,204		(11,204)	—	—
Reversal of reserve for reduction entry of real estate to be purchased									(6,023)		6,023	—	—
Reversal of land revaluation losses											(6,299)	(6,299)	(6,299)
Net change, excluding foundation funds and others													
Net change	(50,000)	50,000	—	774	(30,000)	—	—	128	5,180	—	7,843	(16,073)	(16,073)
Ending balance	¥100,000	¥1,250,000	¥651	¥17,578	¥ 10,000	¥71,917	¥ 351	¥49,836	¥28,603	¥170	¥ 256,070	¥ 434,526	¥1,785,178

For the year ended March 31, 2019	Millions of Yen				
	Valuations, conversions, and others				
	Net unrealized gains on available-for-sale securities	Deferred losses on derivatives under hedge accounting	Land revaluation losses	Total valuations, conversions, and others	Total net assets
Beginning balance	¥4,882,103	¥(59,099)	¥(60,989)	¥4,762,014	¥6,563,265
Increase/decrease:					
Additions to reserve for dividends to policyholders					(218,353)
Additions to legal reserve for deficiencies					—
Additions to reserve for redemption of foundation funds					—
Interest on foundation funds					(790)
Net surplus					259,369
Redemption of foundation funds					(50,000)
Reversal of equalized reserve for dividends to policyholders					—
Additions to reserve for social public welfare assistance					—
Reversal of reserve for social public welfare assistance					—
Additions to reserve for reduction entry of real estate					—
Reversal of reserve for reduction entry of real estate					—
Additions to reserve for reduction entry of real estate to be purchased					—
Reversal of reserve for reduction entry of real estate to be purchased					—
Reversal of land revaluation losses					(6,299)
Net change, excluding foundation funds and others	588	27,883	6,299	34,770	34,770
Net change	588	27,883	6,299	34,770	18,697
Ending balance	¥4,882,692	¥(31,216)	¥(54,690)	¥4,796,785	¥6,581,963

	Millions of Yen												
	Foundation funds and others												
	Surplus												
	Other surplus reserves												
	Foundation funds (Note 14)	Reserve for redemption of foundation funds (Note 14)	Reserve for revaluation	Legal reserve for deficiencies	Equalized reserve for dividends to policyholders	Contingency funds	Reserve for social public welfare assistance	Reserve for reduction entry of real estate	Reserve for reduction entry of real estate to be purchased	Other reserves	Unappropriated surplus	Total surplus	Total foundation funds and others
For the year ended March 31, 2020													
Beginning balance	¥100,000	¥1,250,000	¥651	¥17,578	¥ 10,000	¥71,917	¥ 351	¥49,836	¥ 28,603	¥170	¥ 256,070	¥ 434,526	¥1,785,178
Increase/decrease:													
Issuance of foundation funds	50,000												50,000
Additions to reserve for dividends to policyholders											(211,818)	(211,818)	(211,818)
Additions to legal reserve for deficiencies				816							(816)	—	—
Additions to reserve for redemption of foundation funds		50,000									(50,000)	(50,000)	—
Interest on foundation funds											(355)	(355)	(355)
Net surplus											181,410	181,410	181,410
Redemption of foundation funds	(50,000)												(50,000)
Reversal of equalized reserve for dividends to policyholders					(10,000)						10,000	—	—
Additions to reserve for social public welfare assistance							3,000				(3,000)	—	—
Reversal of reserve for social public welfare assistance							(3,000)				3,000	—	—
Additions to reserve for reduction entry of real estate								15,163			(15,163)	—	—
Reversal of reserve for reduction entry of real estate								(1,270)			1,270	—	—
Additions to reserve for reduction entry of real estate to be purchased									663		(663)	—	—
Reversal of reserve for reduction entry of real estate to be purchased									(14,476)		14,476	—	—
Reversal of land revaluation losses											16	16	16
Net change, excluding foundation funds and others													
Net change	—	50,000	—	816	(10,000)	—	—	13,893	(13,812)	—	(71,643)	(80,746)	(30,746)
Ending balance	¥100,000	¥1,300,000	¥651	¥18,394	¥ —	¥71,917	¥ 351	¥63,729	¥ 14,790	¥170	¥ 184,426	¥ 353,780	¥1,754,431

	Millions of Yen				
	Valuations, conversions, and others				
	Net unrealized gains on available-for-sale securities	Deferred losses on derivatives under hedge accounting	Land revaluation losses	Total valuations, conversions, and others	Total net assets
For the year ended March 31, 2020					
Beginning balance	¥4,882,692	¥(31,216)	¥(54,690)	¥4,796,785	¥6,581,963
Increase/decrease:					
Issuance of foundation funds					50,000
Additions to reserve for dividends to policyholders					(211,818)
Additions to legal reserve for deficiencies					—
Additions to reserve for redemption of foundation funds					—
Interest on foundation funds					(355)
Net surplus					181,410
Redemption of foundation funds					(50,000)
Reversal of equalized reserve for dividends to policyholders					—
Additions to reserve for social public welfare assistance					—
Reversal of reserve for social public welfare assistance					—
Additions to reserve for reduction entry of real estate					—
Reversal of reserve for reduction entry of real estate					—
Additions to reserve for reduction entry of real estate to be purchased					—
Reversal of reserve for reduction entry of real estate to be purchased					—
Reversal of land revaluation losses					16
Net change, excluding foundation funds and others	(716,746)	(36,839)	(16)	(753,602)	(753,602)
Net change	(716,746)	(36,839)	(16)	(753,602)	(784,349)
Ending balance	¥4,165,946	¥(68,056)	¥(54,706)	¥4,043,182	¥5,797,613

	Millions of Yen											
	Foundation funds and others											
	Surplus											
	Other surplus reserves											
	Foundation funds (Note 14)	Reserve for redemption of foundation funds (Note 14)	Reserve for revaluation	Legal reserve for deficiencies	Contingency funds	Reserve for social public welfare assistance	Reserve for reduction entry of real estate	Reserve for reduction entry of real estate to be purchased	Other reserves	Unappropriated surplus	Total surplus	Total foundation funds and others
For the year ended March 31, 2021												
Beginning balance	¥100,000	¥1,300,000	¥651	¥18,394	¥71,917	¥ 351	¥63,729	¥ 14,790	¥170	¥ 184,426	¥ 353,780	¥1,754,431
Increase/decrease:												
Additions to reserve for dividends to policyholders										(185,145)	(185,145)	(185,145)
Additions to legal reserve for deficiencies				599						(599)	—	—
Interest on foundation funds										(277)	(277)	(277)
Net surplus										323,459	323,459	323,459
Additions to reserve for social public welfare assistance						3,000				(3,000)	—	—
Reversal of reserve for social public welfare assistance						(3,000)				3,000	—	—
Additions to reserve for reduction entry of real estate							9,380			(9,380)	—	—
Reversal of reserve for reduction entry of real estate							(1,254)			1,254	—	—
Additions to reserve for reduction entry of real estate to be purchased								1,007		(1,007)	—	—
Reversal of reserve for reduction entry of real estate to be purchased								(13,728)		13,728	—	—
Reversal of land revaluation losses										2,740	2,740	2,740
Net change, excluding foundation funds and others												
Net change	—	—	—	599	—	—	8,126	(12,721)	—	144,772	140,776	140,776
Ending balance	¥100,000	¥1,300,000	¥651	¥18,993	¥71,917	¥ 351	¥71,855	¥ 2,069	¥170	¥ 329,199	¥ 494,556	¥1,895,208

	Millions of Yen				
	Valuations, conversions, and others				
	Net unrealized gains on available-for-sale securities	Deferred losses on derivatives under hedge accounting	Land revaluation losses	Total valuations, conversions, and others	Total net assets
For the year ended March 31, 2021					
Beginning balance	¥4,165,946	¥ (68,056)	¥(54,706)	¥4,043,182	¥5,797,613
Increase/decrease:					
Additions to reserve for dividends to policyholders					(185,145)
Additions to legal reserve for deficiencies					—
Interest on foundation funds					(277)
Net surplus					323,459
Additions to reserve for social public welfare assistance					—
Reversal of reserve for social public welfare assistance					—
Additions to reserve for reduction entry of real estate					—
Reversal of reserve for reduction entry of real estate					—
Additions to reserve for reduction entry of real estate to be purchased					—
Reversal of reserve for reduction entry of real estate to be purchased					—
Reversal of land revaluation losses					2,740
Net change, excluding foundation funds and others	2,476,154	(93,533)	(2,740)	2,379,880	2,379,880
Net change	2,476,154	(93,533)	(2,740)	2,379,880	2,520,657
Ending balance	¥6,642,100	¥(161,590)	¥(57,447)	¥6,423,062	¥8,318,270

Millions of U.S. Dollars (Note 1)												
Foundation funds and others												
For the year ended March 31, 2021	Surplus											
	Other surplus reserves											Total foundation funds and others
	Foundation funds (Note 14)	Reserve for redemption of foundation funds (Note 14)	Reserve for revaluation	Legal reserve for deficiencies	Contingency funds	Reserve for social public welfare assistance	Reserve for reduction entry of real estate	Reserve for reduction entry of real estate to be purchased	Other reserves	Unappropriated surplus	Total surplus	
Beginning balance	\$903	\$11,742	\$ 5	\$166	\$649	\$ 3	\$575	\$ 133	\$ 1	\$ 1,665	\$ 3,195	\$15,847
Increase/decrease:												
Additions to reserve for dividends to policyholders										(1,672)	(1,672)	(1,672)
Additions to legal reserve for deficiencies				5						(5)	—	—
Interest on foundation funds										(2)	(2)	(2)
Net surplus										2,921	2,921	2,921
Additions to reserve for social public welfare assistance						27				(27)	—	—
Reversal of reserve for social public welfare assistance						(27)				27	—	—
Additions to reserve for reduction entry of real estate							84			(84)	—	—
Reversal of reserve for reduction entry of real estate							(11)			11	—	—
Additions to reserve for reduction entry of real estate to be purchased								9		(9)	—	—
Reversal of reserve for reduction entry of real estate to be purchased								(123)		123	—	—
Reversal of land revaluation losses										24	24	24
Net change, excluding foundation funds and others												
Net change	—	—	—	5	—	—	73	(114)	—	1,307	1,271	1,271
Ending balance	\$903	\$11,742	\$ 5	\$171	\$649	\$ 3	\$649	\$ 18	\$ 1	\$ 2,973	\$ 4,467	\$17,118

Millions of U.S. Dollars (Note 1)					
Valuations, conversions, and others					
For the year ended March 31, 2021	Net unrealized gains on available-for-sale securities	Deferred losses on derivatives under hedge accounting	Land revaluation losses	Total valuations, conversions, and others	Total net assets
Beginning balance	\$37,629	\$ (614)	\$(494)	\$36,520	\$52,367
Increase/decrease:					
Additions to reserve for dividends to policyholders					(1,672)
Additions to legal reserve for deficiencies					—
Interest on foundation funds					(2)
Net surplus					2,921
Additions to reserve for social public welfare assistance					—
Reversal of reserve for social public welfare assistance					—
Additions to reserve for reduction entry of real estate					—
Reversal of reserve for reduction entry of real estate					—
Additions to reserve for reduction entry of real estate to be purchased					—
Reversal of reserve for reduction entry of real estate to be purchased					—
Reversal of land revaluation losses					24
Net change, excluding foundation funds and others	22,366	(844)	(24)	21,496	21,496
Net change	22,366	(844)	(24)	21,496	22,768
Ending balance	\$59,995	\$(1,459)	\$(518)	\$58,016	\$75,135

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

10. Nonconsolidated Proposed Appropriations of Surplus

Nippon Life Insurance Company

For the years ended March 31	Thousands of Yen			Thousands of U.S. Dollars (Note 1)
	2021	2020	2019	2021
Unappropriated surplus	¥329,199,756	¥184,426,821	¥256,070,286	\$2,973,532
Reversal from voluntary surplus reserves:	2,452,475	14,983,278	25,746,117	22,152
Reversal of equalized reserve for dividends to policyholders	—	—	10,000,000	—
Reversal of reserve for reduction entry of real estate	1,390,319	1,254,517	1,270,042	12,558
Reversal of reserve for reduction entry of real estate to be purchased	1,062,156	13,728,761	14,476,074	9,594
Total	¥331,652,232	¥199,410,100	¥281,816,403	\$2,995,684
Appropriations:	¥331,652,232	¥199,410,100	¥281,816,403	\$2,995,684
Reserve for dividends to policyholders	276,006,182	185,145,971	211,818,691	2,493,055
Net surplus	55,646,050	14,264,128	69,997,712	502,628
Legal reserve for deficiencies	995,000	599,000	816,000	8,987
Reserve for redemption of foundation funds	50,000,000	—	50,000,000	451,630
Interest on foundation funds	277,000	277,000	355,000	2,502
Voluntary surplus reserves:	4,374,050	13,388,128	18,826,712	39,509
Reserve for social public welfare assistance	3,000,000	3,000,000	3,000,000	27,097
Reserve for reduction entry of real estate	1,374,050	9,380,761	15,163,274	12,411
Reserve for reduction entry of real estate to be purchased	—	1,007,367	663,437	—
Surplus carried forward	—	—	—	—

Of the surplus available for disposition, a minimum ratio for the reserve for dividends to policyholders needs to be established in the Articles of Incorporation.

Nippon Life applies mutatis mutandis Article 30-6 of the Ordinance for Enforcement of the Insurance Business Act in the Articles of Incorporation and has established the ratio (20/100) stipulated in said Article 30-6 as the minimum ratio in the Articles of Incorporation. The ratio of provision of the appropriation of surplus in the fiscal year ended March 31, 2021 was 100.39%.

Amounts of less than one thousand yen and one thousand U.S. dollars have been eliminated in the table above.

11. Notes to the Nonconsolidated Financial Statements

Nippon Life Insurance Company

1. Basis of Presenting the Nonconsolidated Financial Statements

(1) Accounting principles and presentation

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

(2) U.S. dollar amounts

Nippon Life prepares its nonconsolidated financial statements in Japanese yen. The U.S. dollar amounts included in the nonconsolidated financial statements and notes thereto represent the arithmetical results of translating Japanese yen to U.S. dollars on the basis of ¥110.71=U.S.\$1, the effective rate of exchange at the balance sheet date of March 31, 2021. The inclusion of such U.S. dollar amounts is solely for convenience and is not intended to imply that Japanese yen amounts have been or could be readily converted, realized or settled in U.S. dollars at ¥110.71=U.S.\$1 or at any other rate.

2. Summary of Significant Accounting Policies

(1) Securities and hedging activities

- 1) Securities (including items such as deposits and monetary receivables purchased which are treated as securities based on the "Accounting Standard for Financial Instruments" (The Accounting Standards Board of Japan (ASBJ) Statement No. 10) and securities within assets held in trust) are valued as follows:
 - i) Trading securities are stated at fair value on the balance sheet date. The moving average method is used for calculating the cost basis.
 - ii) Held-to-maturity debt securities are valued using the moving average method, net of accumulated amortization (straight-line).
 - iii) Policy-reserve-matching bonds are valued using the moving average method, net of accumulated amortization (straight-line), in accordance with the Industry Audit Committee Report No. 21, "Temporary Treatment of Accounting and Auditing Concerning Policy-Reserve-Matching Bonds in the Insurance Industry," issued by the Japanese Institute of Certified Public Accountants (JICPA).
 - iv) Investments in subsidiaries and affiliates (stocks issued by subsidiaries prescribed in Article 2, Paragraph 12 of the Insurance Business Act or subsidiaries prescribed in Article 13-5-2, Paragraph 3 of the Order for Enforcement of the Insurance Business Act and stocks issued by affiliates prescribed in Article 13-5-2, Paragraph 4 of the Order for Enforcement of the Insurance Business Act) are stated at cost using the moving average method.
 - v) Available-for-sale securities
 - a. Regarding securities with a fair value, stocks (including foreign stocks) are valued using the average fair value during the period of one month before the balance sheet date (the cost basis is calculated using the moving average method). Other securities with a fair value are valued using the fair value on the balance sheet date (the cost basis is calculated using the moving average method).
 - b. Regarding securities of which the fair value is extremely difficult to determine, bonds (including foreign bonds) for which the difference between the purchase price and face value is due to an interest rate adjustment are stated at cost using the moving average method, net of accumulated amortization (straight-line). Other securities without readily determinable fair values are stated at cost using the moving average method.
- 2) Unrealized gains/losses, net of applicable taxes for available-for-sale securities, are recorded as a separate component of net assets.

Hedge accounting is applied based on the following methods:

1) The Company mainly applies the following hedge accounting methods:

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

2) Hedging instruments and hedged items

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

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

4) Derivative financial instruments and derivative financial instruments within assets held in trust are stated at fair value.

(2) Policy-reserve-matching bonds

Securities that are held for the purpose of matching the duration of outstanding liabilities within the subgroups classified by insurance type, payment method, maturity period, currency, and investment policy are classified as policy-reserve-matching bonds in accordance with the Industry Audit Committee Report No. 21, "Temporary Treatment of Accounting and Auditing Concerning Policy-Reserve-Matching Bonds in the Insurance Industry," issued by the JICPA.

The Company has specified and subcategorized the following insurance policies:

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

(3) Foreign currency translation

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

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

(4) Tangible fixed assets

1) Tangible fixed assets are depreciated based on the following methods:

a. Tangible fixed assets (except for lease assets)

(i) Buildings

Straight-line method.

(ii) Assets other than the above

Declining-balance method.

Certain other tangible fixed assets with an acquisition price of less than ¥200,000 are depreciated over a 3 year period on a straight-line basis.

b. Lease assets

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

The same depreciation method applied to fixed assets owned by the Company.

(ii) Lease assets related to financial leases that do not transfer ownership of the leased property to the lessee

Straight-line method based on lease period.

The estimated useful lives of major items are as follows:

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

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

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

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

(5) Software

Capitalized software for internal use, which is included within intangible fixed assets, is amortized using the straight-line method over its estimated useful lives as internally determined (5 years).

(6) Allowance for doubtful accounts

- 1) An allowance for doubtful accounts is recognized in accordance with the Company's internal Asset Valuation Regulation and Write-Off/Provision Rule.
 - i) An allowance for loans to borrowers who are legally or substantially bankrupt, such as being bankrupt or being in the process of civil rehabilitation proceedings, is recognized based on the amount of credit remaining after directly deducting amounts expected to be collected through the disposal of collateral or the execution of guarantees from the balance of loans (as mentioned at 3) below).
 - ii) An allowance for loans to borrowers who are not currently legally bankrupt, but have a significant possibility of bankruptcy is recognized at the amounts deemed necessary considering an assessment of the borrowers' overall solvency and the amounts remaining after deduction of amounts expected to be collected through the disposal of collateral or the execution of guarantees.
 - iii) An allowance for loans to borrowers other than the above is provided based on the borrowers' balance multiplied by the historical average (of a certain period) percentage of bad debt.

An allowance for loans to borrowers whose future business results are expected to worsen in case of a sudden event that has a large impact on economic conditions is recognized based on the estimated amount of impact on credit risk that has not yet been reflected in the borrowers' financial information and other disclosures for the fiscal year ended March 31, 2021.

- 2) All credits are assessed by responsible sections in accordance with the Company's internal Asset Valuation Regulation. The assessments are verified by the independent Asset Auditing Department. The results of the assessments are reflected in the calculation of the allowance for doubtful accounts.
- 3) The estimated uncollectible amount calculated by subtracting the amount of collateral value or the amount collectible by the execution of guarantees from the balance of loans is directly deducted from the balance of loans (including loans with credits secured and/or guaranteed) made to legally or substantially bankrupt borrowers. The estimated uncollectible amounts were ¥2,514 million (U.S.\$22 million) (including ¥64 million (U.S.\$0 million) of credits secured and/or guaranteed), ¥2,106 million (including ¥70 million of credits secured and/or guaranteed), ¥2,019 million (including ¥76 million of credits secured and/or guaranteed) as of March 31, 2021, 2020 and 2019, respectively.

(7) Allowance for investment loss

To provide for losses on investments, an allowance for investment loss is recognized for the securities of which the fair value is extremely difficult to determine and which are expected to have loss in future, and measured at the amount of the estimated losses that could arise in the future in accordance with the Company's internal Asset Valuation Regulation and Write-off/Provision Rule.

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

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

(9) Accrued retirement benefits

- 1) Accrued retirement benefits are recognized based on the estimated amount of projected benefit obligations in excess of the fair value of pension plan assets for future severance payments to employee on the balance sheet date as of March 31, 2021, 2020 and 2019.
- 2) The accounting methods used for retirement benefits as of March 31, 2021, 2020 and 2019, are as follows:
 - i) Attribution method for estimated retirement benefits: Benefit formula basis
 - ii) Period of amortizing actuarial gains/losses: 5 years
 - iii) Period of amortizing prior service costs: 5 years

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

Accrued retirement benefits for directors and audit & supervisory board members are recognized based on estimated payment amounts under internal rules.

A resolution was passed at the meeting of representatives held on July 2, 2020, to abolish the retirement benefit plan for directors and audit & supervisory board members. As a result of this resolution, the payment prescribed under this plan was finalized. Accordingly, the unpaid amount of ¥4,432 million (U.S.\$40 million) in accrued retirement benefits for directors and audit & supervisory board members was reversed, and transferred to accounts payable.

(11) Reserve for program points

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

(12) Reserve for price fluctuations in investments in securities

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

(13) Accounting for consumption taxes

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

(14) Consolidated taxation system

In December 2018, the Company and certain subsidiaries requested for approval to apply the consolidated taxation system, and the consolidated taxation system has been applied from the fiscal year ended March 31, 2020. Accordingly, effective from the fiscal year ended March 31, 2019, the Company and certain subsidiaries have applied accounting treatments based on the application of the consolidated taxation system in accordance with the "Revised Practical Solution for Tentative Treatment of Tax Effect Accounting under Consolidated Taxation System (Part 1)" (ASBJ PITF* No. 5) and the "Revised Practical Solution for Tentative Treatment of Tax Effect Accounting under Consolidated Taxation System (Part 2)" (ASBJ PITF No. 7).

Effective from the fiscal year ended March 31, 2020, the Company has applied the consolidated taxation system as the parent company for consolidated taxation purposes.

In accordance with the "Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System" (ASBJ PITF No. 39, March 31, 2020), the Company calculates the amounts of deferred tax assets and liabilities based on tax laws and regulations before the revision.

* PITF: Practical Issues Task Force

(15) Policy reserves

Policy reserves are reserves set forth in accordance with Article 116 of the Insurance Business Act. These reserves are accumulated in order to prepare

for payments of future obligations based on insurance policies. Insurance premiums reserves are recognized based on the following methodology. In accordance with Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act, policy reserves include those that are reserved for certain individual annuity policies and for certain whole life insurance policies.

- 1) Reserves for policies subject to the standard policy reserve are computed in accordance with the method prescribed by the Commissioner of the Financial Services Agency (Ordinance No. 48 issued by the Ministry of Finance in 1996).
- 2) Reserves for other policies are computed based on the net level premium method.

Effective from the fiscal year ended March 31, 2019, the Company has provided for additional policy reserves over a five-year period to cover a possible deficiency in the reserve for certain individual annuity policyholders. In the fiscal year ended March 31, 2021, the Company provided for these additional policy reserves in a lump sum. Moreover, effective from the fiscal year ended March 31, 2020, the Company has provided for additional policy reserves to cover a possible deficiency in the reserve for paid-up insurance policies and similar policies among certain whole life insurance policies (including single premium policies). For such policies with premiums that have been paid as of March 31, 2021, and similar policies (including single premium policies), the Company had previously decided to successively provide additional policy reserves over a six-year period. Effective from the fiscal year ended March 31, 2021, the Company has decided to successively provide these additional policy reserves over the next three years. As a result, the policy reserves increased by ¥369,175 million (U.S.\$3,334 million), while ordinary profit and surplus before income taxes decreased by ¥369,175 million (U.S.\$3,334 million), compared with amounts that would have been recorded had the additional policy reserves not been provided in the fiscal year ended March 31, 2021.

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

Effective from the fiscal year ended March 31, 2019, the Company has reserved additional policy reserve amounts over a five-year period to cover a possible deficiency in the amount of the reserve for certain individual annuity policyholders. As a result, the policy reserves increased by ¥121,292 million, while ordinary profit and surplus before income taxes decreased by ¥121,292 million, compared with amounts that would have been recorded had the additional policy reserve amounts not been included.

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

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

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

Unearned insurance premiums are recognized as policy reserves.

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

(17) Policy acquisition costs

Policy acquisition costs are recorded to expense as incurred.

(18) Income taxes

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

3. Significant Accounting Estimates

The Company has applied the Accounting Standard for Disclosure of Accounting Estimates (ASBJ Statement No. 31) as of March 31, 2021.

Significant accounting estimates identified based on this Accounting Standard comprise valuations of investments in subsidiaries and affiliates.

The value of investments in subsidiaries and affiliates recorded in the balance sheet as of March 31, 2021, was ¥1,308,172 million (U.S.\$11,816 million). If the actual value of the investments in subsidiaries and affiliates without market prices decreases sharply due to a deterioration in their financial condition, the Company would need to record a considerable impairment loss. For the valuation of investments in subsidiaries and affiliates that are life insurance companies, the Company uses the corporate valuation amounts for such subsidiaries and other entities as the actual value. The calculations of the corporate valuation amounts include assumptions about factors pertaining to the subsidiaries and other entities, such as their future business performance and how long they will be impacted by the COVID-19 pandemic. Accordingly, if those assumptions change, the value of the investments in subsidiaries and affiliates could be significantly impacted. For details, please see Note 24 Impairment Losses in the notes to the consolidated financial statements for the fiscal year ended March 31, 2021.

4. Financial Instruments

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

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

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

To manage market risk, the Company has implemented investment limits based on the nature of the assets in order to avoid excessive losses from financing and investment transactions. In addition, the Company monitors and regularly reports on the status of compliance to the Risk Management Committee, the advisory body of the Management Committee, and has developed a system to manage risk within acceptable levels in the event of a breach of the internal rules. Also, to manage market risk in the Company's portfolio, the Company uses a statistical analysis method to rationally calculate the market value-at-risk of the portfolio as a whole and conducts appropriate asset allocation within acceptable boundaries of risk.

To manage credit risk, the Company has built a system to perform credit analysis, including strict assessment of individual counterparties by the Assessment Management Department, which is independent of the departments handling investment and finance activities. The Company also continues to build a sound portfolio through the establishment and monitoring of interest guidelines to ensure the returns the Company obtains are commensurate with the risk, a system of internal ratings for classifying the creditworthiness of borrowers, and credit ceilings to ensure that credit risk is not excessively concentrated in a particular company, group, or country.

In addition, the Company calculates credit value-at-risk as a measurement of the magnitude of credit risk across the Company's portfolio as a whole, and monitors whether the magnitude of risk stays within an appropriate range.

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

As of March 31	Millions of Yen									Millions of U.S. Dollars		
	2021			2020			2019			2021		
	Balance sheet amount ^{(*)1}	Fair value ^{(*)2}	Difference	Balance sheet amount ^{(*)1}	Fair value ^{(*)2}	Difference	Balance sheet amount ^{(*)1}	Fair value ^{(*)2}	Difference	Balance sheet amount ^{(*)1}	Fair value ^{(*)2}	Difference
Cash and deposits (negotiable certificates of deposit):	¥ 113,998	¥ 113,998	¥ —	¥ 162,898	¥ 162,898	¥ —	¥ 279,297	¥ 279,297	¥ —	\$ 1,029	\$ 1,029	\$ —
Available-for-sale securities	113,998	113,998	—	162,898	162,898	—	279,297	279,297	—	1,029	1,029	—
Monetary receivables purchased:	172,601	179,347	6,745	219,068	227,881	8,813	244,043	254,481	10,437	1,559	1,619	60
Policy-reserve-matching bonds	150,013	156,759	6,745	172,487	181,301	8,813	200,585	211,022	10,437	1,355	1,415	60
Available-for-sale securities	22,588	22,588	—	46,580	46,580	—	43,458	43,458	—	204	204	—
Assets held in trust:	135	135	—	33,779	33,779	—	13,157	13,157	—	1	1	—
Trading securities	135	135	—	33,779	33,779	—	13,157	13,157	—	1	1	—
Investments in securities:	60,339,883	63,462,340	3,122,457	55,534,752	59,335,710	3,800,958	54,812,749	58,954,878	4,142,128	545,026	573,230	28,203
Trading securities	724,950	724,950	—	681,159	681,159	—	869,370	869,370	—	6,548	6,548	—
Policy-reserve-matching bonds	23,526,269	26,494,134	2,967,864	21,587,246	25,331,983	3,744,736	20,493,498	24,562,806	4,069,307	212,503	239,311	26,807
Investments in subsidiaries and affiliates	128,615	283,208	154,592	134,202	190,424	56,222	64,047	136,869	72,821	1,161	2,558	1,396
Available-for-sale securities	35,960,047	35,960,047	—	33,132,143	33,132,143	—	33,385,831	33,385,831	—	324,812	324,812	—
Loans ^{(*)3} :	7,423,996	7,629,583	205,587	7,410,198	7,647,131	236,933	7,435,325	7,693,649	258,324	67,058	68,915	1,856
Policy loans	490,675	490,675	—	554,120	554,120	—	582,612	582,612	—	4,432	4,432	—
Industrial and consumer loans	6,933,320	7,138,907	205,587	6,856,077	7,093,011	236,933	6,852,712	7,111,037	258,324	62,625	64,482	1,856
Derivative financial instruments ^{(*)4} :	(420,572)	(420,572)	—	(868)	(868)	—	(5,164)	(5,164)	—	(3,798)	(3,798)	—
Hedge accounting not applied	42,904	42,904	—	51,018	51,018	—	40,866	40,866	—	387	387	—
Hedge accounting applied	(463,476)	(463,476)	—	(51,886)	(51,886)	—	(46,030)	(46,030)	—	(4,186)	(4,186)	—
Corporate bonds ^{(*)3}	1,321,512	1,347,344	25,832	1,155,320	1,105,967	(49,352)	1,028,889	1,069,735	40,846	11,936	12,170	233
Payables under repurchase agreements	1,014,978	1,014,978	—	1,051,931	1,051,931	—	709,062	709,062	—	9,167	9,167	—
Loans payable	538,317	539,218	901	408,248	404,001	(4,247)	243,668	245,926	2,258	4,862	4,870	8

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

(*)2 For securities for which impairment losses were recognized in the fiscal years ended March 31, 2021, 2020 and 2019, the fair value is the balance sheet amount after the impairment losses are deducted.

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

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

(2) Fair value measurement methods for major financial instruments are as follows:

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

i) Items with a market price

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

ii) Items without a market price

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

2) Loans

i) Policy loans

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

ii) Industrial and consumer loans

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

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

3) Derivative financial instruments

- i) Fair value of futures and other market transactions is measured by the liquidation value or closing market price on the balance sheet date.
- ii) Fair value of equity options is measured mainly based on liquidation value or closing market price on the balance sheet date or valuations obtained from external information vendors.
- iii) Fair value of interest rate swaps, interest rate swaptions, foreign exchange contracts, currency options, currency swaps, and forward contracts is measured mainly based on valuations obtained from external parties.

4) Assets held in trust

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

5) Corporate bonds

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

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

1) Trading securities

Derivative financial instruments within assets held in trust and investments in securities for separate accounts are classified as trading securities as of March 31, 2021, 2020 and 2019.

3) Policy-reserve-matching bonds

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

6) Payables under repurchase agreements

The book value is used as fair value due to their short-term settlement.

7) Loans payable

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

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

Balance sheet amounts by holding purpose were ¥1,179,556 million (U.S.\$10,654 million), ¥1,018,274 million and ¥1,025,134 million for stocks of subsidiaries and affiliates, and ¥711,324 million (U.S.\$6,425 million), ¥555,775 million and ¥545,841 million for available-for-sale securities as of March 31, 2021, 2020 and 2019, respectively.

Valuation gains/losses included in profit and loss were gains of ¥50,015 million (U.S.\$451 million), losses of ¥24,044 million and losses of ¥21,555 million for derivative financial instruments within assets held in trust and investments in securities related to separate accounts for the fiscal years ended March 31, 2021, 2020 and 2019, respectively.

2) Held-to-maturity debt securities

No ending balance as of March 31, 2021, 2020 or 2019.

As of March 31	Millions of Yen									Millions of U.S. Dollars		
	2021			2020			2019			2021		
Type	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Fair value exceeds the balance sheet amount:												
Monetary receivables purchased	¥ 146,825	¥ 153,603	¥ 6,777	¥ 167,756	¥ 176,621	¥ 8,864	¥ 194,434	¥ 204,940	¥ 10,506	\$ 1,326	\$ 1,387	\$ 61
Domestic bonds	19,474,557	22,579,362	3,104,804	19,923,010	23,669,097	3,746,087	20,395,884	24,459,552	4,063,668	175,906	203,950	28,044
Foreign securities	120,625	129,870	9,245	122,048	139,006	16,957	94,606	100,249	5,642	1,089	1,173	83
Subtotal	19,742,009	22,862,836	3,120,827	20,212,815	23,984,725	3,771,909	20,684,924	24,764,742	4,079,817	178,321	206,511	28,189
Fair value does not exceed the balance sheet amount:												
Monetary receivables purchased	3,188	3,155	(32)	4,731	4,680	(50)	6,151	6,082	(68)	28	28	(0)
Domestic bonds	3,908,605	3,763,027	(145,577)	1,542,115	1,523,808	(18,306)	908	906	(1)	35,304	33,989	(1,314)
Foreign securities	22,481	21,873	(607)	73	71	(2)	2,099	2,096	(2)	203	197	(5)
Subtotal	3,934,274	3,788,057	(146,217)	1,546,919	1,528,559	(18,359)	9,159	9,086	(72)	35,536	34,216	(1,320)
Total	¥23,676,283	¥26,650,893	¥2,974,609	¥21,759,734	¥25,513,284	¥3,753,550	¥20,694,084	¥24,773,828	¥4,079,744	\$213,858	\$240,727	\$26,868

4) Available-for-sale securities

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

As of March 31	Millions of Yen									Millions of U.S. Dollars		
	2021			2020			2019			2021		
Type	Acquisition cost or amortized cost	Balance sheet amount	Difference	Acquisition cost or amortized cost	Balance sheet amount	Difference	Acquisition cost or amortized cost	Balance sheet amount	Difference	Acquisition cost or amortized cost	Balance sheet amount	Difference
Balance sheet amount exceeds acquisition cost or amortized cost:												
Cash and deposits (negotiable certificates of deposit)	¥ 55,000	¥ 55,000	¥ 0	¥ 108,900	¥ 108,900	¥ 0	¥ 167,300	¥ 167,300	¥ 0	\$ 496	\$ 496	\$ 0
Monetary receivables purchased	14,297	15,016	718	11,046	11,929	882	6,236	6,359	122	129	135	6
Domestic bonds	2,337,162	2,530,043	192,880	2,542,492	2,743,196	200,704	2,865,902	3,102,335	236,432	21,110	22,852	1,742
Domestic stocks	3,579,363	9,544,442	5,965,078	2,996,001	6,470,935	3,474,933	3,322,876	7,709,087	4,386,210	32,330	86,211	53,880
Foreign securities	15,114,971	18,095,796	2,980,825	11,733,841	14,245,292	2,511,450	13,978,619	16,132,011	2,153,391	136,527	163,452	26,924
Other securities	2,142,186	2,360,385	218,199	2,615,637	2,838,742	223,105	2,638,653	2,899,307	260,654	19,349	21,320	1,970
Subtotal	23,242,981	32,600,684	9,357,702	20,007,920	26,418,996	6,411,076	22,979,588	30,016,401	7,036,812	209,944	294,469	84,524
Balance sheet amount does not exceed acquisition cost or amortized cost:												
Cash and deposits (negotiable certificates of deposit)	59,000	58,998	(1)	54,000	53,998	(1)	112,000	111,997	(2)	532	532	(0)
Monetary receivables purchased	7,596	7,571	(24)	35,237	34,651	(586)	37,166	37,099	(67)	68	68	(0)
Domestic bonds	319,236	312,208	(7,028)	458,344	449,840	(8,503)	29,495	28,436	(1,058)	2,883	2,820	(63)
Domestic stocks	538,025	437,210	(100,814)	1,146,157	849,276	(296,881)	945,349	736,886	(208,462)	4,859	3,949	(910)
Foreign securities	1,787,530	1,723,573	(63,956)	5,348,906	5,041,600	(307,306)	2,669,627	2,591,621	(78,005)	16,146	15,568	(577)
Other securities	971,416	956,386	(15,029)	506,694	493,259	(13,435)	188,375	186,145	(2,229)	8,774	8,638	(135)
Subtotal	3,682,805	3,495,949	(186,855)	7,549,340	6,922,626	(626,714)	3,982,014	3,692,187	(289,826)	33,265	31,577	(1,687)
Total	¥26,925,786	¥36,096,633	¥9,170,847	¥27,557,260	¥33,341,622	¥5,784,361	¥26,961,602	¥33,708,588	¥6,746,985	\$243,210	\$326,046	\$82,836

* Securities totaling ¥711,324 million (U.S.\$6,425 million), ¥555,775 million and ¥545,841 million, whose fair values are extremely difficult to determine, as of March 31, 2021, 2020 and 2019, respectively, are not included.

Impairment losses of ¥308 million (U.S.\$2 million), ¥141,564 million and ¥11,920 million were recognized for securities with a fair value during the fiscal years ended March 31, 2021, 2020 and 2019, respectively.

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

impairment losses are recognized based on the fair value on the fiscal year-end date.

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

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

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

As of March 31, 2021	Millions of Yen				Millions of U.S. Dollars			
	1 year or under	Over 1 year under 5 years	Over 5 years under 10 years	Over 10 years	1 year or under	Over 1 year under 5 years	Over 5 years under 10 years	Over 10 years
Cash and deposits (negotiable certificates of deposit):	¥ 114,000	¥ —	¥ —	¥ —	\$1,029	\$ —	\$ —	\$ —
Available-for-sale securities	114,000	—	—	—	1,029	—	—	—
Monetary receivables purchased:	6,109	2,522	40,522	122,515	55	22	366	1,106
Policy-reserve-matching bonds	109	2,522	40,522	106,758	0	22	366	964
Available-for-sale securities	6,000	—	—	15,757	54	—	—	142
Investments in securities:	1,060,176	5,690,269	12,146,617	28,121,646	9,576	51,397	109,715	254,011
Policy-reserve-matching bonds	381,021	2,801,548	4,376,996	15,930,462	3,441	25,305	39,535	143,893
Available-for-sale securities	679,154	2,888,720	7,769,621	12,191,183	6,134	26,092	70,179	110,118
Loans ^(*)	917,341	2,307,487	1,873,480	1,838,217	8,285	20,842	16,922	16,603
Corporate bonds	—	—	—	1,321,512	—	—	—	11,936
Payables under repurchase agreements	1,014,978	—	—	—	9,167	—	—	—
Loans payable	2,442	15,874	—	520,000	22	143	—	4,696

(*) Assets such as policy loans which do not have a stated maturity date are not included. Also, ¥5,099 million (U.S.\$46 million) in loans to legally or substantially bankrupt borrowers or borrowers who are not currently legally bankrupt but have a high probability of bankruptcy are not included.

As of March 31, 2020	Millions of Yen			
	1 year or under	Over 1 year under 5 years	Over 5 years under 10 years	Over 10 years
Cash and deposits (negotiable certificates of deposit):	¥ 162,900	¥ —	¥ —	¥ —
Available-for-sale securities	162,900	—	—	—
Monetary receivables purchased:	29,111	1,978	41,513	145,922
Policy-reserve-matching bonds	100	1,946	41,513	128,802
Available-for-sale securities	29,010	32	—	17,120
Investments in securities:	894,542	4,874,712	12,322,873	26,426,952
Policy-reserve-matching bonds	186,232	2,293,195	4,598,004	14,448,861
Available-for-sale securities	708,309	2,581,517	7,724,868	11,978,090
Loans ^(*)	995,286	2,348,271	1,694,499	1,815,895
Corporate bonds	—	—	—	1,155,320
Payables under repurchase agreements	1,051,931	—	—	—
Loans payable	242	18,005	—	390,000

(*) Assets such as policy loans which do not have a stated maturity date are not included. Also, ¥4,758 million in loans to legally or substantially bankrupt borrowers or borrowers who are not currently legally bankrupt but have a high probability of bankruptcy are not included.

As of March 31, 2019	Millions of Yen			
	1 year or under	Over 1 year under 5 years	Over 5 years under 10 years	Over 10 years
Cash and deposits (negotiable certificates of deposit):	¥ 279,300	¥ —	¥ —	¥ —
Available-for-sale securities	279,300	—	—	—
Monetary receivables purchased:	27,000	3,641	41,224	171,869
Policy-reserve-matching bonds	—	3,472	41,224	155,722
Available-for-sale securities	27,000	169	—	16,147
Investments in securities:	1,082,740	4,495,963	11,475,079	25,894,499
Policy-reserve-matching bonds	256,565	1,651,686	4,578,031	13,947,727
Available-for-sale securities	826,174	2,844,277	6,897,047	11,946,771
Loans ^(*)	893,317	2,562,299	1,648,281	1,746,467
Corporate bonds	—	—	—	1,028,889
Payables under repurchase agreements	709,062	—	—	—
Loans payable	3,948	16,690	3,030	220,000

(*) Assets such as policy loans which do not have a stated maturity date are not included. Also, ¥6,478 million in loans to legally or substantially bankrupt borrowers or borrowers who are not currently legally bankrupt but have a high probability of bankruptcy are not included.

5. Disclosures about Fair Value of Investment and Rental Properties

The balance sheet amounts for investment and rental properties were ¥1,197,817 million (U.S.\$10,819 million), ¥1,169,555 million and ¥1,155,388 million, with a fair value of ¥1,607,373 million (U.S.\$14,518 million), ¥1,549,658 million and ¥1,432,815 million as of March 31, 2021, 2020 and 2019, respectively. The Company owns rental office buildings and commercial facilities, the fair value of which at year-end is the amount measured based mainly on the "Real Estate Appraisal Standards." The amounts corresponding to asset retirement obligations that were included in the balance sheet amounts of investment and rental properties were ¥3,299 million (U.S.\$29 million), ¥3,384 million and ¥3,011 million as of March 31, 2021, 2020 and 2019, respectively.

6. Securities Loaned and Borrowed

The amounts of securities lent under lending agreements were ¥2,843,542 million (U.S.\$25,684 million), ¥3,462,922 million and ¥3,327,460 million as of March 31, 2021, 2020 and 2019, respectively.

Assets that can be sold or resecured are marketable securities borrowed under lending agreements. These assets were held without being sold or resecured and totaled ¥389,126 million (U.S.\$3,514 million), ¥397,399 million and ¥488,657 million at fair value as of March 31, 2021, 2020 and 2019, respectively.

7. Accumulated Depreciation

The amounts of accumulated depreciation of tangible fixed assets were ¥1,152,548 million (U.S.\$10,410 million), ¥1,134,894 million and ¥1,131,041 million as of March 31, 2021, 2020 and 2019, respectively.

8. Separate Accounts

Separate account assets as provided for in Article 118, Paragraph 1 of the Insurance Business Act were ¥1,227,305 million (U.S.\$11,085 million), ¥1,202,426 million and ¥1,257,999 million as of March 31, 2021, 2020 and 2019, respectively, and a corresponding liability is recorded in the same amount. The amounts of separate accounts are included in the respective account balance on the nonconsolidated balance sheets.

9. Monetary Receivables from and Monetary Liabilities to Subsidiaries and Affiliates

The total amounts of credits and debits to subsidiaries and affiliates as of March 31, 2021, 2020 and 2019, were as follows:

	Millions of Yen			Millions of U.S. Dollars
	2021	2020	2019	2021
Monetary receivables	¥62,548	¥49,059	¥54,229	\$564
Monetary liabilities	6,990	7,462	5,367	63

10. Reserve for Dividends to Policyholders

Changes in the reserve for dividends to policyholders for the fiscal years ended March 31, 2021, 2020 and 2019, were as follows:

	Millions of Yen			Millions of U.S. Dollars
	2021	2020	2019	2021
Balance at the beginning of the fiscal year	¥1,043,785	¥1,020,213	¥ 995,167	\$ 9,428
Transfer to reserve from surplus in the previous fiscal year	185,145	211,818	218,353	1,672
Dividends paid to policyholders during the fiscal year	(203,557)	(209,969)	(215,540)	(1,838)
Increase in interest	21,458	21,722	22,233	193
Balance at the end of the fiscal year	¥1,046,832	¥1,043,785	¥1,020,213	\$ 9,455

11. Corporate Bonds

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

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

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

Issue date	Callable date
October 2012	Each interest payment date on or after October 2022
October 2014	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
January 2016	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
September 2017	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
January 2020	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
January 2021	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter

12. Net Assets Provided for in the Ordinance for Enforcement of the Insurance Business Act

The amounts per Article 30, Paragraph 2 of the Ordinance for Enforcement of the Insurance Business Act were ¥6,481,161 million (U.S.\$58,541 million), ¥4,098,540 million and ¥4,852,126 million as of March 31, 2021, 2020 and 2019, respectively.

13. Accrued Retirement Benefits

(1) Summary of retirement benefit plans

In terms of defined benefit plans, the Company has a defined benefit corporate pension plan and a lump-sum retirement payment plan for non sales personnel, sales management personnel, etc. In terms of defined contribution plans, the Company has a defined contribution pension plan. The Company also has a defined benefit plan for sales representatives, etc., in the form of a lump-sum retirement payment plan and an in-house pension plan. In March 2020, the Company reached an agreement with the workforce on amending the retirement benefit plans for non sales personnel, sales management personnel, sales representatives, and certain other personnel in connection with the extension of the mandatory retirement age to 65, which will be implemented in April 2021. Accordingly, prior service costs of ¥(6,589) million were accrued based on the amended retirement plans for the fiscal year ended March 31, 2020.

(2) Defined benefit plan

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

For the years ended March 31, 2021, 2020 and 2019	Millions of Yen			Millions of U.S. Dollars
	2021	2020	2019	2021
Retirement benefit obligations at the beginning of the year	¥631,072	¥631,844	¥640,036	\$5,700
Service costs	27,316	26,338	25,944	246
Interest cost	3,786	3,791	3,840	34
Actuarial losses accrued during the year	4,388	17,230	4,651	39
Retirement benefit payments	(40,874)	(41,542)	(42,628)	(369)
Prior service costs accrued during the year	—	(6,589)	—	—
Retirement benefit obligations at the end of the year	¥625,689	¥631,072	¥631,844	\$5,651

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

For the years ended March 31, 2021, 2020 and 2019	Millions of Yen			Millions of U.S. Dollars
	2021	2020	2019	2021
Pension plan assets at the beginning of the year	¥238,608	¥250,029	¥255,668	\$2,155
Expected return on plan assets	3,221	3,375	3,451	29
Actuarial gains (losses) accrued during the year	11,991	(4,487)	1,735	108
Contributions by business proprietor	6,681	6,569	6,574	60
Retirement benefit payments	(17,002)	(16,878)	(17,401)	(153)
Pension plan assets at the end of the year	¥243,500	¥238,608	¥250,029	\$2,199

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

For the years ended March 31, 2021, 2020 and 2019	Millions of Yen			Millions of U.S. Dollars
	2021	2020	2019	2021
Retirement benefit obligations for funded plans	¥ 250,573	¥ 253,120	¥ 274,401	\$ 2,263
Pension plan assets	(243,500)	(238,608)	(250,029)	(2,199)
	7,072	14,511	24,372	63
Retirement benefit obligations for nonfunded plans	375,115	377,952	357,443	3,388
Unrecognized actuarial gains	(11,765)	(24,593)	(15,918)	(106)
Unrecognized prior service costs	5,271	6,589	—	47
Accrued retirement benefits	¥ 375,693	¥ 374,460	¥ 365,897	\$ 3,393

4) Losses (gains) relating to retirement benefits

For the years ended March 31, 2021, 2020 and 2019	Millions of Yen			Millions of U.S. Dollars
	2021	2020	2019	2021
Service costs	¥27,316	¥26,338	¥25,944	\$246
Interest cost	3,786	3,791	3,840	34
Expected return on plan assets	(3,221)	(3,375)	(3,451)	(29)
Amortization of actuarial losses for the period	5,223	13,043	10,251	47
Prior service costs accrued during the year	(1,317)	—	—	(11)
Benefit cost for defined benefit plans	¥31,787	¥39,797	¥36,584	\$287

5) Pension plan assets consist of the following:

	2021	2020	2019
General account of Nippon Life	49.8%	52.3%	51.4%
Cash and deposits	20.6%	14.2%	6.8%
Foreign securities	19.9%	9.4%	16.1%
Domestic bonds	6.0%	20.1%	21.5%
Domestic stocks	3.7%	4.0%	4.2%
Total	100.0%	100.0%	100.0%

6) Calculation method for long-term expected rate of return on plan assets

To determine the long-term expected rate of return on pension plan assets, the Company takes into consideration present and forecasted allocation of the pension plan assets, and present and long-term rates of return that are expected from the portfolio of assets that comprise the pension plan assets.

7) Matters relating to the basis for actuarial calculations

The main items in the basis for actuarial calculations as of March 31, 2021, 2020 and 2019, are as follows:

	2021	2020	2019
Discount rate	0.6%	0.6%	0.6%
Long-term expected rate of return on plan assets	1.4%	1.4%	1.4%

(3) Defined contribution plans

The Company contributed ¥2,249 million (U.S.\$20 million), ¥2,246 million and ¥2,188 million to defined contribution plans during the fiscal years ended March 31, 2021, 2020 and 2019, respectively.

14. Foundation Funds

Foundation funds serve as the primary source of capital for Japanese mutual life insurance companies. These funds are similar to loans, as interest payments, maturity dates and other items must be established at the time of the offering. In the event of a bankruptcy or similar development, repayment of the principal and interest on foundation funds is subordinated to the repayment of amounts owed to ordinary creditors and insurance claims and benefit payments owed to policyholders. Upon redemption of foundation funds, mutual companies are required to make an addition to the reserve for redemption of foundation funds, which serves as retained earnings, equal to the amount redeemed. As a result, the full amount of foundation funds remains in net assets even after redemption. Foundation funds are therefore positioned as a mutual company's core capital, which is equivalent to the stated capital of a joint-stock company.

The Company redeemed ¥50,000 million and ¥50,000 million of foundation funds and credited the same amount to reserve for redemption of foundation funds as prescribed in Article 56 of the Insurance Business Act for the fiscal years ended March 31, 2020 and 2019, respectively. ¥50,000 million of foundation funds was offered pursuant to Article 60 of the Insurance Business Act during the fiscal year ended March 31, 2020.

15. Pledged Assets

Assets pledged as collateral in the form of investments in securities, land, and buildings as of March 31, 2021, were ¥2,002,158 million (U.S.\$18,084 million), ¥252 million (U.S.\$2 million) and ¥40 million (U.S.\$0 million), respectively. The total amount of liabilities covered by the aforementioned assets was ¥1,014,997 million (U.S.\$9,168 million) as of March 31, 2021.

These amounts included ¥946,842 million (U.S.\$8,552 million) of the sale of securities under repurchase agreements and ¥1,014,978 million (U.S.\$9,167 million) in payables under repurchase agreements, as of March 31, 2021.

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

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

Assets pledged as collateral in the form of investments in securities, land, and buildings as of March 31, 2019, were ¥1,521,608 million, ¥252 million and ¥45 million, respectively. The total amount of liabilities covered by the aforementioned assets was ¥742,163 million as of March 31, 2019.

These amounts included ¥668,928 million of the sale of securities under repurchase agreements and ¥709,062 million in payables under repurchase agreements, as well as ¥28,595 million of investments in securities deposited and ¥32,610 million of cash received as collateral under securities lending transactions secured by cash, as of March 31, 2019.

16. Investments in Subsidiaries and Affiliates

The total amounts of stocks and investments in subsidiaries and affiliates were ¥1,308,172 million (U.S.\$11,816 million), ¥1,152,476 million and ¥1,089,182 million as of March 31, 2021, 2020 and 2019, respectively.

17. Loans

(1) The total amounts of loans to bankrupt borrowers, delinquent loans, loans that are delinquent for more than three months, and restructured loans, which were included in loans, were ¥29,456 million (U.S.\$266 million), ¥29,154 million and ¥31,673 million as of March 31, 2021, 2020 and 2019, respectively.

- i) The balances of loans to bankrupt borrowers and delinquent loans were ¥1,014 million (U.S.\$9 million) and ¥25,806 million (U.S.\$233 million), respectively, as of March 31, 2021, ¥1,532 million and ¥26,057 million, respectively, as of March 31, 2020, ¥1,289 million and ¥28,454 million, respectively, as of March 31, 2019.

Loans to bankrupt borrowers are loans for which interest is not accrued as income, except for a portion of loans written off, and to which any event specified in Article 96, Paragraph 1, Item 3 (a) to (e) or Item 4 of the Order for Enforcement of the Corporation Tax Act has occurred. Interest is not accrued as income for the loans since the recovery of principal or interest on the loans is unlikely due to the fact that principal repayments or interest payments are overdue for a significant period of time or for other reasons.

Delinquent loans are loans for which interest is not accrued and exclude loans to bankrupt borrowers and loans with interest payments extended with the objective of restructuring or supporting the borrowers.

- ii) There were no loans delinquent for more than three months as of March 31, 2021, 2020 and 2019.

Loans that are delinquent for more than three months are loans with principal or interest unpaid for more than three months beginning one day after the due date based on the loan agreement. These loans exclude loans classified as loans to bankrupt borrowers and delinquent loans.

- iii) The balances of restructured loans were ¥2,635 million (U.S.\$23 million), ¥1,563 million and ¥1,930 million as of March 31, 2021, 2020 and 2019, respectively.

Restructured loans are loans that provide certain concessions favorable to borrowers with the intent of supporting the borrowers' restructuring, such as by reducing or exempting interest, postponing

principal or interest payments, releasing credits, or providing other benefits to the borrowers. These loans exclude loans classified as loans to bankrupt borrowers, delinquent loans, and loans delinquent for more than three months.

(2) Direct write-offs of loans decreased the balances of loans to bankrupt borrowers and delinquent loans by ¥2,448 million (U.S.\$22 million) and ¥66 million (U.S.\$0 million), respectively, as of March 31, 2021, ¥2,027 million and ¥78 million, respectively, as of March 31, 2020, ¥1,935 million and ¥84 million, respectively, as of March 31, 2019.

18. Loan Commitments

The amounts of commitments related to loans and loans outstanding were ¥343,726 million (U.S.\$3,104 million), ¥340,430 million and ¥372,534 million as of March 31, 2021, 2020 and 2019, respectively.

19. Policy Reserves for Reinsurance Contracts Provided in Accordance with Article 71, Paragraph 1 of the Ordinance for Enforcement of the Insurance Business Act

The amounts of policy reserves provided for the portion of reinsurance (hereafter referred to as "policy reserves for ceded reinsurance") as defined in Article 71, Paragraph 1 of the Ordinance for Enforcement of the Insurance Business Act were ¥213 million (U.S.\$1 million), ¥254 million and ¥279 million as of March 31, 2021, 2020 and 2019, respectively.

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

Of the maximum borrowing amount from the Life Insurance Policyholders Protection Corporation of Japan, which is provided for in Article 37-4 of the Order for Enforcement of the Insurance Business Act, the amounts applied to the Company were estimated to be ¥72,187 million (U.S.\$652 million), ¥75,368 million and ¥77,113 million as of March 31, 2021, 2020 and 2019, respectively. The amounts contributed to the aforementioned corporation were recorded within operating expenses for the fiscal year.

21. Investment Income and Expenses

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

	Millions of Yen			Millions of U.S. Dollars
	2021	2020	2019	2021
Domestic bonds including national government bonds	¥ 50,774	¥ 41,199	¥ 29,912	\$ 458
Domestic stocks and other securities	89,320	69,048	118,672	806
Foreign securities	367,189	217,963	46,337	3,316

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

	Millions of Yen			Millions of U.S. Dollars
	2021	2020	2019	2021
Domestic bonds including national government bonds	¥ 2,319	¥ 204	¥ 1,802	\$ 20
Domestic stocks and other securities	33,854	26,298	10,065	305
Foreign securities	4,019	22,201	126,922	36

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

	Millions of Yen			Millions of U.S. Dollars
	2021	2020	2019	2021
Domestic stocks and other securities	¥1,888	¥142,505	¥11,035	\$17
Foreign securities	3,074	59,887	10,336	27

Gain/loss from assets held in trust, net included net valuation losses of ¥25,339 million (U.S.\$228 million) for the fiscal years ended March 31, 2021 and gains of ¥27,919 million and losses of ¥1,565 million for the fiscal years ended March 31, 2020 and 2019, respectively.

Loss on derivative financial instruments, net included net valuation losses of ¥11,658 million (U.S.\$105 million), losses of ¥12,466 million and gains of ¥46,850 million for the fiscal years ended March 31, 2021, 2020 and 2019, respectively.

22. Reversal of Policy Reserves for Ceded Reinsurance

Reversal of policy reserves for ceded reinsurance that were added from the calculation of provision for policy reserves were ¥41 million (U.S.\$0 million), ¥24 million and ¥14 million for the fiscal years ended March 31, 2021, 2020 and 2019, respectively.

23. Impairment Losses

(1) Method for grouping the assets

Leased property and idle property are classified as one asset group per property. Assets utilized for insurance business operations are classified into one asset group.

(2) Circumstances causing impairment losses

The Company observed a marked decrease in profitability or fair value in some of the fixed asset groups. The book value of fixed assets was reduced to the recoverable amount and impairment losses were recognized as extraordinary losses for the fiscal years ended March 31, 2021, 2020 and 2019.

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

For the year ended March 31, 2021

Purpose of use	Millions of Yen		
	Land	Buildings	Total
Leased property	¥ 147	¥ —	¥ 147
Idle property	3,299	1,438	4,738
Total	¥3,447	¥1,438	¥4,885

For the year ended March 31, 2020

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

For the year ended March 31, 2019

Purpose of use	Millions of Yen		
	Land	Buildings	Total
Idle property	¥1,510	¥638	¥2,148
Total	¥1,510	¥638	¥2,148

For the year ended March 31, 2021

Purpose of use	Millions of U.S. Dollars		
	Land	Buildings	Total
Leased property	\$ 1	\$—	\$ 1
Idle property	29	12	42
Total	\$31	\$12	\$44

(4) Calculation method of recoverable amount

The recoverable amount used for the measurement of impairment losses is based on the net realizable value upon sales of the assets or the discounted future cash flows.

The discount rate used in the calculation of future cash flows was 3.0% for the fiscal years ended March 31, 2021, 2020 and 2019. Net realizable values are determined based on appraisals performed in accordance with the "Real Estate Appraisal Standards" or standard prices.

24. Deferred Tax Assets and Liabilities

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

	Millions of Yen			Millions of U.S. Dollars
	2021	2020	2019	2021
Deferred tax assets	¥ 1,812,734	¥ 1,702,014	¥ 1,511,165	\$ 16,373
Valuation allowance for deferred tax assets	(65,469)	(84,956)	(50,389)	(591)
Subtotal	1,747,265	1,617,058	1,460,776	15,782
Deferred tax liabilities	(2,624,769)	(1,715,607)	(1,957,633)	(23,708)
Net deferred tax liabilities	¥ (877,504)	¥ (98,549)	¥ (496,857)	\$ (7,926)

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

	Millions of Yen			Millions of U.S. Dollars
	2021	2020	2019	2021
Deferred tax assets:				
Policy reserves and other reserves	¥1,084,110	¥ 955,429	¥ 892,984	\$ 9,792
Reserve for price fluctuations in investments in securities	424,614	403,995	385,481	3,835
Accrued retirement benefits	104,818	104,474	102,085	946
Deferred tax liabilities:				
Net unrealized gains on available-for-sale securities	¥2,542,367	¥1,613,944	¥1,869,165	\$22,964

The main reasons for the change in the valuation allowance that reduced the deferred tax assets were the recognition of a valuation allowance related to loss on valuation of shares of subsidiaries and affiliates, a decrease in the valuation allowance in line with a rise in the fair value of shares and an increase in the valuation allowance in line with a decline in the fair value of shares for the fiscal year ended March 31, 2021 and 2020, respectively.

(2) The statutory tax rate was 27.9%, 27.9% and 27.9% for the fiscal years ended March 31, 2021, 2020 and 2019, respectively. The main factors for the difference between the statutory tax rates and the effective income tax rates were as follows:

	2021	2020	2019
Reserve for dividends to policyholders	(22.4)%	(25.2)%	(21.4)%
Loss on valuation of shares of subsidiaries and affiliates	—	9.3%	—

25. Transactions with Subsidiaries and Affiliates

The total income and expenses from transactions with subsidiaries and affiliates for the fiscal years ended March 31, 2021, 2020 and 2019, were as follows:

	Millions of Yen			Millions of U.S. Dollars
	2021	2020	2019	2021
Total income	¥28,938	¥41,607	¥43,096	\$261
Total expenses	30,342	33,148	34,989	274

26. Loss on Valuation of Shares of Subsidiaries and Affiliates

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

27. Subsequent Events

(1) On April 30, 2021, the Company established Nissay Small-Amount and Short-Term Insurance Preparatory Company (the "Preparatory Company") with a view to establishing a small-amount and short-term insurance subsidiary (the "New Company").

1) Purpose of establishing the New Company

The purpose of establishing the New Company is to flexibly and rapidly supply various insurance products both in the life and non-life insurance fields, in order to address diversifying customer needs against the backdrop of changing lifestyles, diversifying individual values, and the widespread adoption of digital environments.

2) Overview of the Preparatory Company

- Company name: Nissay Small-Amount and Short-Term Insurance Preparatory Company
- Head office location: Chiyoda-ku, Tokyo
- Capital stock: ¥599 million (U.S.\$5 million) (including legal capital surplus)

3) Scheduled establishment date

April 30, 2021

4) Ownership ratio after the establishment of the Preparatory Company 100%

5) Others

The establishment of the New Company is conditional upon the Company obtaining the approval of the Commissioner of the Financial Services Agency pursuant to Article 272-31, Paragraph 1 of the Insurance Business Act and the permission of the Commissioner of the Financial Services Agency pursuant to Article 106, Paragraph 7 of the Insurance Business Act. It is also conditional upon the Preparatory Company registering as a small-amount and short-term insurance business pursuant to Article 272 of the Insurance Business Act.

(2) The Company assumed the following yen-denominated subordinated debt on May 11, 2021.

Principal amount	¥200 billion (U.S.\$1,806 million)
Interest rate	Fixed rate of 0.97% per annum until May 11, 2031 Fixed rate with step-up from May 12, 2031 (reset every five years)
Repayment date	The third bank business day preceding May 11, 2051 (The loan is callable on the third bank business day preceding May 11, 2031, and the third bank business day preceding each fifth anniversary date thereafter, until the loan is fully redeemed at the discretion of the Company, subject to prior approval by the regulatory authorities.)
Use of funds	General working capital

(3) During the annual meeting of representatives of policyholders held on July 2, 2021, a resolution was passed to partially amend the Articles of Incorporation in connection with an issuance of foundation funds of ¥50,000 million (U.S.\$451 million) during the fiscal year ending March 31, 2022.

Following the amendment of the Articles of Incorporation approved at the meeting of representatives held on July 2, 2021, the Company has offered foundation funds as provided in Article 60 of the Insurance Business Act, with details listed below. Payment was completed on August 3, 2021.

- Total amount offered
¥50,000 million (U.S.\$451 million)
- Interest rate
0.28% per annum from August 4, 2021 to August 3, 2026
- Repayment date
August 3, 2026
- Use of funds
Foundation funds for a mutual company

(4) The nonconsolidated proposed appropriations of surplus for the fiscal year ended March 31, 2021, were approved as planned at the annual meeting of the representatives of policyholders held on July 2, 2021.

Based on the above proposed appropriation of surplus, the Company credited ¥50,000 million (U.S.\$451 million) to the reserve for redemption of foundation funds prescribed in Article 56 of the Insurance Business Act and redeemed the same amount of foundation funds on July 29, 2021.



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Nippon Life Insurance Company:

Opinion

We have audited the consolidated financial statements of Nippon Life Insurance Company (the "Company") and its consolidated subsidiaries, which comprise the consolidated balance sheets as of March 31, 2021, 2020 and 2019, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in net assets and consolidated statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company and its consolidated subsidiaries as of March 31, 2021, 2020 and 2019, and their consolidated financial performance and their consolidated cash flows for the years then ended in accordance with the Insurance Business Act and the related rules and regulations applicable to the life insurance industry and accounting principles generally accepted in Japan.

Convenience Translation

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1(2) to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

As explained in Note 1(1) to the consolidated financial statements, the information provided in the consolidated financial statements including notes to the consolidated financial statements is limited to information required by the Insurance Business Act and the related rules and regulations applicable to the life insurance industry and disclosed as additional information. Our opinion is not modified in respect of this matter.

Member of
Deloitte Touche Tohmatsu Limited

Key Audit Matters

We determined the matters that required significant auditor's attention in performing our audit from the matters communicated to those charged with governance by identifying and evaluating the risks of material misstatements through obtaining an understanding of the Company's business environments and life insurance industry in which it operates, and the areas that involved significant management judgment including accounting estimates.

Among those matters, we determined the key audit matters to be those that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current period by considering the quantitative and qualitative factors and the interests of the presumed users of the consolidated financial statements.

Such key audit matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

The details of the key audit matters, the basis of our determination and the related audit responses are as follows:

1. Valuation of goodwill and goodwill equivalent

(Key Audit Matter Description)

The Company had set a target of annual consolidated net income of ¥70.0 billion for the fiscal year ended March 31, 2021, in the medium-term management plan starting in the fiscal year ended March 31, 2017, and had been making efforts to expand the group business and investing in life insurance companies and asset management companies.

When investing in these companies, the Company may record goodwill or goodwill equivalent, which is included in the carrying amount of the equity method investment on the consolidated financial statements. The Company recorded goodwill of ¥83,185 million and goodwill equivalent of ¥77,554 million on its consolidated balance sheet as of March 31, 2021.

The Company amortizes these assets in accordance with the method mentioned in Note 2. Summary of Significant Accounting Policies, (1) Principles of consolidation, v) Amortization of goodwill in the Notes to the Consolidated Financial Statements and determines whether there are any indicators of impairment in accordance with the Company's policy mentioned in Note 24. Impairment Losses.

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

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

In assessing the Company's evaluation of possible indicators of impairment and recognition of an impairment loss, we duly evaluated the business environments and trends of performance results of investees with material goodwill or goodwill equivalent balances.

In particular, we evaluated the impact of the COVID-19 pandemic on the investees' business environments and performance results considering that the impact might vary depending on the situations in the relevant countries and the type of businesses.

Among the investees subject to evaluation, Nippon Life India Asset Management Limited, a consolidated subsidiary that operates asset management business in India, is a listed company, and the Company can determine the impairment loss recognition based on the market price of the stock. We did not identify any significant estimation factors in the Company's impairment assessment, considering the current conditions as mentioned in Note 24. Impairment Losses, (3) Recognition and measurement of impairment losses, b. Goodwill and goodwill equivalent.

Based on the above, we duly evaluated the Company's determination of possible indicators of impairment and determination of impairment loss recognition for Reliance Nippon Life Insurance Company Limited ("RNLI"), an equity-method affiliate operating life insurance business in India, and PT Sequis, an equity-method affiliate operating life insurance business in Indonesia, where the COVID-19 pandemic had an impact on the business environments and performance results of these companies.

The amount of goodwill equivalent of RNLI was ¥36,896 million as of March 31, 2021. The Company's joint venture partner, Reliance Capital Limited, is planning to sell the shares of RNLI due to its credit problem, and accordingly, there is a probability that the timing of change in shareholder would affect the sales of new insurance policies of RNLI.

Also, the estimation related to the impact of the COVID-19 pandemic on the forecast of business performance involves significant judgment made by management.

Based on the above, we identified the determination of possible indicators of impairment and the recognition of impairment loss for the goodwill equivalent of RNLI as a key audit matter.

The amount of goodwill equivalent of PT Sequis was ¥19,212 million as of March 31, 2021, and the Company treated PT Sequis and PT Asuransi Jiwa Sequis Life ("Sequis Life") as one asset group in determining the indicators of impairment and impairment loss recognition as mentioned in Note 24. Impairment Losses, (1) Method for grouping assets, b. Goodwill and goodwill equivalent.

As mentioned in Note 24. Impairment Losses, (3) Recognition and measurement of impairment losses, b. Goodwill and goodwill equivalent, the corporate value of Sequis Life that is used in the determination of impairment loss recognition involves uncertainty around the projected acquisition of new insurance policies in each sales channel as the basis of the value of new business, the lapse rates and the insurance accident rates included in actuarial assumptions as the basis of embedded value and the discount rates.

Also, the estimated timing of the end of the COVID-19 pandemic involves significant judgment made by management and affects the projected acquisition of new insurance policies.

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

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

Our audit procedures over the Company's evaluation of the goodwill equivalent balances of RNLI and PT Sequis included the following, among others:

- We evaluated the Company's policy for the determination of possible indicators of impairment and the recognition of an impairment loss considering the "Accounting Standard for Impairment of Fixed Assets."
- We inquired of the Company officials and tested the design and operating effectiveness of internal controls over the determination of possible indicators of impairment and the recognition of an impairment loss, including:
 - Management's review and approval over the determination of possible indicators of impairment and the fair valuation of the investment performed at the International sector, and
 - Procedures for management's review and approval performed at the Credit department.

For RNLI, we additionally performed the following procedures in evaluating the Company's determination of possible indicators of impairment and determination of impairment loss:

- Inspected the minutes of the Board of Director of RNLI,
- Inquired of management of the International sector,

- Performed a trend analysis of the business performance results in prior years and compared the actual performance results to the forecasted amounts per the business plans, which were the basis of the goodwill equivalent as of March 31, 2021,
- Evaluated the impact of the COVID-19 pandemic on the forecast of business performance considering the environments of the country where the entity operates, and
- Inquired of management of RNLI on the current business environments and forecast of business performance including the impact of COVID-19.

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

- Inspected the minutes of Board of Director of Sequis Life,
- Inquired of management in the International sector, and
- Performed a trend analysis of the business performance results in prior years and compared the actual performance results to the amounts on the business plans at the time of the investment.

With the assistance of our valuation specialists and actuarial specialists, we performed the following procedures related to the value of new business and the embedded value, which are components of the corporate values of Sequis Life used by the Company in determining impairment loss for goodwill equivalent:

- Evaluated the reasonableness of the assumptions related to management's estimated timing of the end of the COVID-19 pandemic regarding the projected acquisition of new insurance policies considering the environments of the country where the entity operates,
- Inquired of management of Sequis Life on current business environments and the projected acquisition of new insurance policies including the impact of COVID-19,
- Performed a trend analysis on the projected acquisition of new insurance policies considering the actual acquisition of new insurance policies and related market conditions,
- Inquired of management in the International sector on the methods and data used for the discount rates calculation and evaluated them for appropriateness and reasonableness considering market conditions and practices,
- Inquired of the actuary of Sequis Life on the lapse rates and the insurance accident rates included in the actuarial assumptions used for the embedded value calculation and evaluated them for reasonableness, and
- Inspected the relevant documents to determine whether the embedded value was calculated based on the actuarial assumptions as mentioned above.

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

(Key Audit Matter Description)

The Company recorded policy reserves of ¥66,916,145 million, which represented 87% of total liabilities on the consolidated balance sheet. Within the amount, the policy reserves of the Company and Taiju Life Insurance Company Limited ("Taiju Life"), its consolidated subsidiary, were ¥57,420,217 million and ¥6,429,457 million, respectively, and the sum of these reserves represented 95% of total policy reserves on the consolidated balance sheet.

The policy reserves of these domestic life insurance companies are provided for the future fulfillment obligations in accordance with Article 116 of the Insurance Business Act.

Policy reserves are calculated by the systems, which are based on basic assumptions of the expected mortality rates and the expected interest rates, attribute data of age and gender and the amounts insured by insurance policies, according to the statement of calculation procedures that is required to be submitted to the prime minister in accordance with Article 4, paragraph (2), item (iv) of the Insurance Business Act.

In order to accurately calculate the policy reserves, it is critical to have appropriate design and operating effectiveness of the automated application controls over policy reserve calculation and the general IT controls, which support the operating effectiveness of automated application controls over the continuous and appropriate operation of IT systems. Therefore, we identified the reliability of the systems supporting the calculation of policy reserves as a key audit matter.

In respect of introducing new insurance products, there is a risk that errors may occur in the process of the development for the calculation programs of policy reserves and the implementation into the system.

As policy reserves are calculated by the system on an ongoing basis, the initial errors in the development or implementation phase would have an impact on financial reporting in the long-term, which would have a material impact on the consolidated financial statements. Therefore, we identified the valuation and accuracy of policy reserves related to new insurance products as a key audit matter.

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

Our audit procedures to evaluate the reliability of the systems that are calculating the policy reserves included the following, among others:

- With the assistance of our IT specialists, we performed inquiries of management in the IT department and tested the design and operating effectiveness of the following application controls over policy reserve calculation:
 - General IT controls such as controls over access security, system change management and operation related to the policy reserve calculation system, the insurance system and the accounting system, etc.,
 - Automated application controls over judgment of policies subjected to policy reserve calculation as of the consolidated balance sheet date and extraction of the attribute data regarding these policies, and
 - Automated application controls over the aggregation of policy reserve calculation and the underlying data generation of journal entries.
- With the assistance of our actuarial specialists, we made inquiries of the Actuarial department and performed re-calculation of policy reserves in accordance with the statement of calculation procedures to evaluate the design and operating effectiveness of automated application controls over policy reserve calculation.

New insurance products offered during the fiscal year ended March 31, 2021, included the Company's dementia insurance and Taiju Life's new riders for non-participating individual insurance.

With the assistance of our actuarial specialists, we performed re-calculation of the related amounts of policy reserves for all insurance policies of those new insurance products in accordance with the statement of calculation procedures to evaluate the appropriate implementation of policy reserves calculation programs and the accuracy of the policy reserves calculation for those new insurance products.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Insurance Business Act and the related rules and regulations applicable to the life insurance industry and accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company and its consolidated subsidiaries' ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Company and its consolidated subsidiaries or to cease operations, or has no realistic alternative but to do so.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company and its consolidated subsidiaries' financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and its consolidated subsidiaries' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and its consolidated subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its consolidated subsidiaries to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with the Insurance Business Act and the related rules and regulations applicable to the life insurance industry and accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company and its consolidated subsidiaries which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Deloitte Touche Tohmatsu LLC

May 24, 2021

(August 5, 2021 as to (3), (4) and (5) of Note 31)



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Nippon Life Insurance Company:

Opinion

We have audited the nonconsolidated financial statements of Nippon Life Insurance Company (the "Company"), which comprise the nonconsolidated balance sheets as of March 31, 2021, 2020 and 2019, and the nonconsolidated statements of income and nonconsolidated statements of changes in net assets and the nonconsolidated proposed appropriations of surplus for the years then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

In our opinion, the accompanying nonconsolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2021, 2020 and 2019, and its financial performance for the years then ended in accordance with the Insurance Business Act and the related rules and regulations applicable to the mutual life insurance industry and accounting principles generally accepted in Japan.

Convenience Translation

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1(2) to the nonconsolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

As explained in Note 1(1) to the nonconsolidated financial statements, the information provided in the nonconsolidated financial statements including notes to the nonconsolidated financial statements is limited to information required by the Insurance Business Act and the related rules and regulations applicable to the mutual life insurance industry and disclosed as additional information. Our opinion is not modified in respect of this matter.

Member of
Deloitte Touche Tohmatsu Limited

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Nonconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the nonconsolidated financial statements in accordance with the Insurance Business Act and the related rules and regulations applicable to the mutual life insurance industry and accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the nonconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the nonconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the nonconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these nonconsolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the nonconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the nonconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the nonconsolidated financial statements are in accordance with the Insurance Business Act and the related rules and regulations applicable to the mutual life insurance industry and accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the nonconsolidated financial statements, including the disclosures, and whether the nonconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Deloitte Touche Tohmatsu LLC

May 21, 2021

(August 3, 2021 as to (3) and (4) of Note 27)

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Notes:

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

1. Nippon Life Group Performance

Summary of Operations for the Fiscal Year

In order to continue to provide products and services to customers in any environment over the long term, the Nippon Life Group (the "Group") has been making efforts to diversify and stabilize its business platform, and increase earnings opportunities by expanding its businesses.

The Group has 15 consolidated subsidiaries and 15 equity method affiliates.

• Domestic Life Insurance Business Field

The Group strove to upgrade and expand the product lineups of NIPPON LIFE INSURANCE COMPANY ("Nippon Life" or the "Company") and TAIJU LIFE INSURANCE COMPANY LIMITED ("Taiju Life") by promoting the mutual supply of products between the two companies. For example, Taiju Life sold Nippon Life's annuity insurance, educational endowment insurance and juvenile insurance products, among other products. Taiju Life also supplied Nissay Foreign Currency-denominated Single-Premium Endowment Insurance—Dream Road to the Company.

Taiju Life's revenue from insurance and reinsurance in the fiscal year ended March 31, 2021, was ¥441.2 billion, a decrease of 33.9% year on year; ordinary profit was ¥17.2 billion, a decrease of 20.5%; and net income was ¥0.2 billion, a decrease of 67.0%.

Nippon Wealth Life Insurance Company Limited ("Nippon Wealth Life") expanded the range of financial institutions carrying Nippon Wealth Life's products through Nippon Life's wholesalers. Nippon Wealth Life launched special whole life insurance denominated in a designated foreign currency that provides protection for death and serious disability and also offers coverage for nursing care risk. Through this and other initiatives, Nippon Wealth Life has harnessed the strengths of both companies to build a product supply system that can meet customer needs.

Nippon Wealth Life's revenue from insurance and reinsurance in the fiscal year ended March 31, 2021, was ¥282.7 billion, a decrease of 8.5% year on year; ordinary income was ¥81.3 billion, and net income was ¥58.6 billion.

HANASAKU LIFE INSURANCE Co., Ltd. ("HANASAKU LIFE") worked to strengthen relationships with agencies, along with flexibly supplying products that accurately capture customer needs, and upgrading and expanding its lineup of such products. In addition, HANASAKU LIFE began mail-order sales in July 2020.

HANASAKU LIFE's revenue from insurance and reinsurance in the fiscal year ended March 31, 2021, was ¥6.8 billion, an increase of 336.5% year on year; ordinary loss was ¥16.2 billion, a decrease of 54.7%; and net loss was ¥12.1 billion, a decrease of 56.5%.

• Overseas Insurance Business Field

The Company acquired an 80% stake in the life insurance business of MLC Limited in October 2016.

MLC Limited's revenue from insurance and reinsurance in the fiscal year ended March 31, 2021, was ¥160.1 billion and net loss was ¥22.3 billion.

• Asset Management Field

The Group worked to offer a wide range of products to meet the diversified asset management needs of its customers, such as multiple assets and alternatives, including domestic and foreign stocks and bonds, through

discretionary investment, investment advisory, and investment trusts provided by Nissay Asset Management Corporation.

Nissay Asset Management Corporation's assets under management as of March 31, 2021, increased significantly due to the transfer of operational functions for Nippon Life's credit and alternative assets, resulting in a total of ¥31,051.9 billion, an increase of 135.1% from the previous fiscal year-end, including ¥21,392.8 billion in the investment advisory business, an increase of 352.4%, and ¥9,659.1 billion in the investment trusts business, an increase of 13.9%. Ordinary profit was ¥17.1 billion, an increase of 30.2%, and net income was ¥11.8 billion, an increase of 30.3%.

In the Indian investment trusts sector, which continues to experience high growth, Nippon Life India Asset Management Limited endeavored to supply a wide range of investment products from Indian stocks to bonds.

As of March 31, 2021, Nippon Life India Asset Management Limited had investment trust assets under management of ¥3,371.7 billion, an increase of 41.2% from the previous fiscal year-end, and recorded gross revenue of ¥20.4 billion, an increase of 10.5% year on year, and net income of ¥9.7 billion, an increase of 52.1%, for the fiscal year ended March 31, 2021.

• Information Technology Field

The information technology field was mainly led by Nissay Information Technology Co., Ltd., which engaged in system development for new products to cater for the diversification of market needs. In addition, high-quality information system services were provided to insurance, mutual aid, pension, and healthcare markets.

In the fiscal year ended March 31, 2021, Nissay Information Technology Co., Ltd. marked sales of ¥79.53 billion, up 1.7% year on year; ordinary profit of ¥1.76 billion, down 18.7%; and net income of ¥1.16 billion, down 21.5%.

Ordinary income in the fiscal year ended March 31, 2021, amounted to ¥8,160.9 billion, up 1.4% year on year. Ordinary expenses amounted to ¥7,685.3 billion, down 1.1%, while ordinary profit was ¥475.6 billion, up 69.0%. After adding or subtracting provision for reserve for dividends to policyholders (limited company), income taxes, and net surplus attributable to noncontrolling interests, in addition to extraordinary gains of ¥1.5 billion and extraordinary losses of ¥93.4 billion, net surplus attributable to the parent company in the current year increased by 72.5% to ¥331.5 billion. On the consolidated balance sheet, surplus at the end of the fiscal year amounted to ¥709.5 billion and total assets rose 6.9% to ¥85,589.9 billion.

Net cash provided by operating activities was ¥965.1 billion, a decrease of ¥640.4 billion year on year due mainly to a decrease in revenue from insurance and reinsurance. Net cash used in financing activities was ¥1,157.2 billion, a decrease of ¥458.1 billion year on year, due mainly to a decrease in purchase of investment securities. Net cash provided by financing activities was ¥274.6 billion, an increase of ¥23.7 billion year on year due mainly to proceeds from issuance of corporate bonds. As a result, cash and cash equivalents as of March 31, 2021, were ¥2,322.8 billion, an increase of ¥96.5 billion from the beginning of the fiscal year.

The consolidated financial statements of the Group have been prepared in accordance with accounting principles generally accepted in Japan. The preparation of the consolidated financial statements requires management

to select and apply accounting policies, and to make estimates that will impact the disclosure of assets and liabilities, and revenues and expenses. Management determines these estimates reasonably considering past performance. However, the actual results may vary from those estimates due to uncertainties specific to the estimates.

Significant accounting policies adopted in the consolidated financial statements of the Group are presented in "Basis of Presenting the Consolidated Financial Statements" on p. 42. In particular, management believes that the following significant accounting policies and estimates will have a major impact on the consolidated financial statements.

(1) Fair value measurement methods for financial instruments

Fair value of certain securities and derivative financial instruments is measured mainly based on the market price, in principle. For items without a market price, fair value is measured mainly by discounting future cash flows to present value or valuations obtained from external information vendors.

In the future, the estimated amounts could change in light of new facts that affect the estimates.

(2) Impairment of securities

For securities other than trading securities, impairment losses are recognized for stocks whose fair value or actual value has declined significantly based on reasonable criteria.

A substantial loss on valuation of securities could be recorded depending on future financial market conditions and the progression of business plans by investees.

Criteria related to impairment losses on stocks are presented in "Notes to the Consolidated Financial Statements" on p. 42.

(3) Impairment of fixed assets

For fixed assets, if the recoverable amount of the asset group is estimated to be less than the book value, the difference is recognized as an impairment loss.

1) Real estate and other assets

The recoverable amount is determined as the larger of the net realizable value determined based on appraisals performed in accordance with the "Real Estate Appraisal Standards" or standard real estate prices, or the value in use determined as the discounted future cash flows. Therefore, if there are changes in the use of real estate and other assets, or changes in property market prices or rents in the future, additional impairment losses could be recognized.

2) Goodwill and the equivalent amount of goodwill from affiliates accounted for by the equity method.

The recoverable amount is determined as the larger of net selling price determined based on the amount obtained by multiplying the market value of shares by the number of shares held, or value in use determined as the amount obtained by discounting the future cash flows calculated based on future projections, medium-term management plans, and other information for each asset group.

If new facts that affect these estimates arise in the future or in other such circumstances, additional impairment losses could be recognized.

Standards related to impairment of fixed assets are presented in the "Notes to Consolidated Statements of Income" on p. 42.

(4) Assessment of recoverability of deferred tax assets

For the assessment of recoverability of deferred tax assets, future taxable income is determined based on reasonable estimates. The recoverability of deferred tax assets depends on estimates of future taxable income. Therefore, if the estimated amounts of future taxable income change, the recoverability of deferred tax assets could also change. In addition, the Company and its certain subsidiaries (the consolidated taxation group) have applied the consolidated taxation system. The recoverability of deferred tax assets is assessed based on estimates of the taxable income of the entire consolidated taxation group.

(5) Criteria for recognizing allowance for doubtful accounts

To prepare for credit losses from doubtful accounts, an allowance for doubtful accounts is recognized at the estimated unrecoverable amount based on the condition of borrowers in accordance with the Company's internal asset valuation regulation and write-off/provision rule.

If the financial condition of borrowers worsens and their solvency declines in the future, the Company could recognize an additional allowance or incur credit losses.

Criteria for recognizing allowance for doubtful accounts are presented in "Basis of Presenting the Consolidated Financial Statements" on p. 42.

(6) Reserve for outstanding claims

A reserve for outstanding claims is accumulated based on estimates of the amounts of insurance claims for which the Company is obligated to pay but not yet paid.

The recognized amount of the reserve for outstanding claims could change from the initially estimated amount in light of new facts that affect the estimates in the future.

(7) Policy reserves

Policy reserves are accumulated in order to prepare for payments of future obligations based on insurance policies.

The Company believes that reasonable assumptions are used in actuarial calculations for insurance. If the actuarial calculations are substantially different from the actual outcomes, or if the assumption needs to be revised, such change could affect the amount of policy reserves.

Policy reserves are described in "Basis of Presenting the Consolidated Financial Statements" on p. 42.

(8) Retirement benefit obligations and retirement benefit costs

Retirement benefit obligations and benefit costs are calculated based on the expected rate of return on plan assets and the actuarial assumptions for calculating future retirement benefit obligations.

For this reason, if the actual outcomes differ from the assumptions, or if the assumptions are revised, the retirement benefit obligations and benefit costs could change in the future.

Matters concerning the basis for calculating retirement benefit obligations and related items are presented in "Notes to the Consolidated Financial Statements" on p. 42.

2. Key Indicators for Operating Performance (Consolidated)

Billions of Yen					
Fiscal years ended March 31	2021	2020	2019	2018	2017
Total ordinary income	¥ 8,160.9	¥ 8,050.6	¥ 8,227.1	¥ 7,609.8	¥ 7,301.8
Revenues from insurance and reinsurance	5,190.1	5,719.3	6,069.2	5,422.0	5,236.0
Ordinary profit	475.6	281.3	428.4	471.8	528.3
Net surplus attributable to the parent company	331.5	192.1	278.7	243.9	301.9
Comprehensive income (loss)	2,837.9	(630.5)	307.3	595.1	251.7
Net cash provided by operating activities	965.1	1,605.5	1,962.2	1,506.3	1,546.8
Net cash used in investing activities	(1,157.2)	(1,615.3)	(1,993.8)	(1,310.9)	(1,683.7)
Net cash provided by financing activities	274.6	250.8	148.3	170.9	261.3

Billions of Yen, Number, %					
As of March 31	2021	2020	2019	2018	2017
Total assets	¥85,589.9	¥80,081.1	¥78,809.5	¥74,392.5	¥72,464.2
Total net assets	8,816.5	6,157.2	6,978.2	6,922.3	6,528.9
Solvency margin ratio	1,075.0%	1,047.5%	997.3%	968.0%	933.9%
Cash and cash equivalents at the end of the year	2,322.8	2,226.2	2,011.9	1,897.0	1,541.4
Number of consolidated subsidiaries and affiliates	15	15	12	11	11
Number of affiliates accounted for under the equity method	15	15	14	14	10
Number of employees	95,352	92,122	89,198	86,394	85,171

Note: Number of employees represents the total number of employees of the Company and its consolidated subsidiaries, excluding employees seconded to other companies, at the fiscal year-end.

3. Status of Nonperforming Assets According to Borrower's Classification (Consolidated)

Millions of Yen, %				
As of March 31	2021	2020	2019	
Bankrupt and quasi-bankrupt loans	¥ 10,301	¥ 10,511	¥ 10,032	
Doubtful loans	16,594	17,388	20,290	
Substandard loans	2,635	1,563	1,930	
Subtotal	29,531	29,463	32,252	
[Ratio to total]	[0.25%]	[0.24%]	[0.26%]	
Normal loans	11,916,685	12,444,652	12,194,419	
Total	¥11,946,216	¥12,474,115	¥12,226,672	

Notes: 1. Bankrupt and quasi-bankrupt loans are nonperforming assets and similar loans that have fallen into bankruptcy due to reasons, including initiation of bankruptcy proceedings, start of reorganization proceedings, or submission of an application to start rehabilitation proceedings.
2. Doubtful loans are nonperforming assets with a strong likelihood that loan principal cannot be recovered or interest cannot be received according to the contract because of difficulties in the financial condition and business performance of the debtor who has not yet entered into bankruptcy.
3. Substandard loans include loans that are delinquent for over three months and restructured loans. Loans that are delinquent for over three months are loans with principal or interest being unpaid for over three months following the due date based on the loan agreement (excluding 1. and 2. in the notes above). Restructured loans are loans that provide certain concessions favorable to the borrower with the intent of supporting the borrower's restructuring. Examples of such concessions include reducing or exempting interest, postponing principal or interest payments, releasing credits, or providing other benefits to the borrowers (excluding 1. and 2. in the notes above and loans that are delinquent for over three months).
4. Normal loans are loans that do not fall under the classifications for 1. to 3. in the notes above and where the debtor has no financial or business performance problems.
5. Classifications and calculation methods used in this table are based on the Ordinance for Enforcement of the Insurance Business Act in Japan. The table includes loans, securities lending, accrued interest, suspense payments, customer's liability for acceptances and guarantees, and guaranteed private offering loans of financial institutions.
6. For bankrupt and quasi-bankrupt loans, the estimated uncollectible amount calculated by subtracting the amount of collateral value, or the amount collectible by the execution of guarantees from the balance of loans, is directly deducted from the total loan amount. The estimated uncollectible amounts were ¥3,782 million, ¥3,382 million, and ¥3,342 million as of March 31, 2021, 2020, and 2019, respectively.

4. Status of Risk-monitored Loans (Consolidated)

	Millions of Yen, %		
As of March 31	2021	2020	2019
Loans to bankrupt borrowers	¥ 1,044	¥ 1,562	¥ 1,284
Delinquent loans	25,849	26,337	29,037
Loans that are delinquent for over three months	—	—	—
Restructured loans	2,635	1,563	1,930
Total	¥29,529	¥29,462	¥32,251
[Ratio to total loans]	[0.35%]	[0.35%]	[0.38%]

Notes: 1. For loans to bankrupt borrowers and quasi-bankrupt borrowers (including collateralized and guaranteed loans), an estimated uncollectible amount (calculated by subtracting estimated collectible amounts based on collateral and guarantees from total loans) is directly deducted from the total loan amount. The amounts of loans to bankrupt borrowers were ¥3,653 million, ¥3,233 million, and ¥3,173 million as of March 31, 2021, 2020, and 2019, respectively. The amounts of delinquent loans were ¥130 million, ¥149 million, and ¥168 million as of March 31, 2021, 2020, and 2019, respectively.

2. Loans to bankrupt borrowers are loans for which interest is not accrued as income since the recovery of principal or interest on the loan is unlikely due to the fact that the principal repayments or interest payments are overdue for a significant period of time and/or for other reasons, and loans are extended to any of (a) borrowers that are legally bankrupt through filings for proceedings under the Corporate Reorganization Act, Civil Rehabilitation Act, Bankruptcy Act, or Companies Act in Japan; (b) borrowers that have notes suspended from being traded; or (c) borrowers that have filed for legal proceedings similar to the above proceedings based on overseas laws.

3. Delinquent loans are loans with interest not accrued and exclude loans to bankrupt borrowers and loans with interest payments extended with the objective of restructuring or supporting the borrowers.

4. Loans that are delinquent for over three months are loans with principal or interest unpaid for over three months beginning one day after the due date based on the loan agreement. Note that the account does not include loans to bankrupt borrowers and delinquent loans.

5. Restructured loans are loans that provide certain concessions favorable to the borrower with the intent of supporting the borrower's restructuring, such as by reducing or exempting interest, postponing principal or interest payments, releasing credits, or providing other benefits to the borrowers (excluding loans to bankrupt borrowers, delinquent loans, and loans that are delinquent for over three months).

6. Based on the results of asset self-assessment, accrued interest on loans is not recorded as income for borrowers that are bankrupt, quasi-bankrupt, or doubtful.

5. Fair Value of Derivative Transactions (Consolidated)

(1) Breakdown of net gains (losses) (with and without hedge accounting applied)

	Millions of Yen					
	Interest rate	Currencies	Equities	Bonds	Others	Total
As of March 31	2021					
Hedge accounting applied	¥ 25,567	¥(474,238)	¥(14,871)	¥ —	¥ —	¥(463,541)
Hedge accounting not applied	30,438	(34,494)	(4,644)	(195)	4,499	(4,397)
Total	¥ 56,006	¥(508,733)	¥(19,515)	¥ (195)	¥4,499	¥(467,939)
As of March 31	2020					
Hedge accounting applied	¥108,331	¥(167,729)	¥11,972	¥ —	¥ —	¥ (47,425)
Hedge accounting not applied	90,717	(39,973)	10,871	213	1,224	63,054
Total	¥199,049	¥(207,702)	¥22,844	¥ 213	¥1,224	¥ 15,628
As of March 31	2019					
Hedge accounting applied	¥ 53,937	¥ (94,457)	¥ —	¥ —	¥ —	¥ (40,519)
Hedge accounting not applied	56,487	4,352	(648)	2,630	2,130	64,951
Total	¥110,424	¥ (90,105)	¥ (648)	¥2,630	¥2,130	¥ 24,431

Note: Net gains (losses) from fair value hedges included in net gains (losses) on derivative transactions to which hedge accounting is applied (for the year ended March 31, 2021, loss in currencies of ¥224,485 million and loss in equities of ¥14,871 million; for the year ended March 31, 2020, gain in currencies of ¥30,532 million and gain in equities of ¥11,972 million; and for the year ended March 31, 2019, loss in currencies of ¥2,734 million), and net gains (losses) on those to which hedge accounting is not applied are recorded in the consolidated statements of income.

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

(2) Items to which hedge accounting is not applied

• Interest rate-related

As of March 31		2021				2020			
Category	Type	Contract amount		Fair value	Net gains (losses)	Contract amount		Fair value	Net gains (losses)
		Over 1 year				Over 1 year			
Over-the-counter	Interest rate swaps								
	Receive fixed interest rate/ pay variable interest rate	¥2,763,963	¥2,404,226	¥25,710	¥ 25,710	¥2,897,828	¥2,623,761	¥120,835	¥120,835
	Pay fixed interest rate/ receive variable interest rate	1,421,581	1,349,037	31,267	31,267	1,813,368	1,699,235	(44,356)	(44,356)
	Interest rate swaptions								
	Sold								
	Receive fixed interest rate/ pay variable interest rate	— [—]	— [—]	—	—	— [—]	— [—]	—	—
	Pay fixed interest rate/ receive variable interest rate	— [—]	— [—]	—	—	— [—]	— [—]	—	—
	Purchased								
	Receive fixed interest rate/ pay variable interest rate	1,330,000 [47,145]	1,300,000 [46,951]	20,605	(26,539)	952,500 [36,518]	952,500 [36,518]	50,756	14,238
	Pay fixed interest rate/ receive variable interest rate	— [—]	— [—]	—	—	— [—]	— [—]	—	—
	Total				¥ 30,438				¥ 90,717

As of March 31		2019			
		Contract amount		Fair value	Net gains (losses)
Category	Type	Over 1 year			
Over-the-counter	Interest rate swaps				
	Receive fixed interest rate/ pay variable interest rate	¥2,926,684	¥2,592,961	¥ 59,832	¥ 59,832
	Pay fixed interest rate/ receive variable interest rate	1,788,114	1,579,817	(16,708)	(16,708)
	Interest rate swaptions				
	Sold				
	Receive fixed interest rate/ pay variable interest rate	—	—	—	—
		[—]	[—]		
	Pay fixed interest rate/ receive variable interest rate	—	—	—	—
		[—]	[—]		
	Purchased				
	Receive fixed interest rate/ pay variable interest rate	500,000	500,000	32,013	13,363
	[18,650]	[18,650]			
Pay fixed interest rate/ receive variable interest rate	—	—	—	—	
	[—]	[—]			
Total					¥ 56,487

Notes: 1. Amounts in brackets represent option premiums recorded in the consolidated balance sheets.

2. Amounts in "Net gains (losses)" represent the fair value for swap transactions, and the difference between option premiums and fair value for option transactions.

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

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

(Reference) Interest rate swap contracts by maturity dates

							Millions of Yen, %
Maturity dates	Within 1 year	Over 1 year and within 3 years	Over 3 years and within 5 years	Over 5 years and within 7 years	Over 7 years and within 10 years	Over 10 years	Total
As of March 31							2021
Interest rate swaps							
Receive fixed interest rate/ pay variable interest rate							
Notional amount	¥359,736	¥680,911	¥330,962	¥293,585	¥273,878	¥824,888	2,763,963
Average fixed interest rate to receive	0.17 %	0.11 %	0.20 %	0.50 %	1.11 %	1.52%	0.69 %
Average variable interest rate to pay	(0.03)%	(0.06)%	(0.03)%	(0.06)%	(0.01)%	0.03%	(0.02)%
Interest rate swaps							
Pay fixed interest rate/ receive variable interest rate							
Notional amount	72,544	244,678	137,355	116,047	252,555	598,400	1,421,581
Average fixed interest rate to pay	1.99%	0.51 %	0.59%	0.56%	0.37 %	1.08%	0.81%
Average variable interest rate to receive	0.08%	(0.00)%	0.10%	0.05%	(0.04)%	0.05%	0.03%
As of March 31							2020
Interest rate swaps							
Receive fixed interest rate/ pay variable interest rate							
Notional amount	¥274,066	¥714,755	¥583,849	¥277,315	¥280,253	¥767,587	¥2,897,828
Average fixed interest rate to receive	0.18%	0.17%	0.28%	0.34%	1.22%	1.42%	0.64%
Average variable interest rate to pay	0.05%	0.08%	0.53%	0.14%	0.49%	0.46%	0.31%
Interest rate swaps							
Pay fixed interest rate/ receive variable interest rate							
Notional amount	114,133	537,035	328,347	96,766	289,898	447,187	1,813,368
Average fixed interest rate to pay	1.28%	0.36%	0.60%	0.92%	0.26%	0.83%	0.59%
Average variable interest rate to receive	0.55%	0.13%	0.34%	0.44%	0.04%	0.32%	0.24%
As of March 31							2019
Interest rate swaps							
Receive fixed interest rate/ pay variable interest rate							
Notional amount	¥333,723	¥1,140,797	¥183,976	¥214,490	¥102,696	¥931,061	¥2,906,746
Average fixed interest rate to receive	0.21%	0.10%	0.82%	0.33%	2.34%	1.56%	0.72%
Average variable interest rate to pay	0.15%	0.05%	0.72%	0.16%	1.69%	0.95%	0.46%
Interest rate swaps							
Pay fixed interest rate/ receive variable interest rate							
Notional amount	208,297	350,167	579,027	202,200	75,400	373,021	1,788,114
Average fixed interest rate to pay	1.11%	1.05%	0.41%	1.00%	1.26%	1.39%	0.93%
Average variable interest rate to receive	1.03%	0.97%	0.36%	0.97%	0.99%	1.07%	0.80%

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

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

• Currency-related

As of March 31		2021				2020			
		Contract amount		Net gains (losses)		Contract amount		Net gains (losses)	
Category	Type	Over 1 year	Fair value			Over 1 year	Fair value		
Over-the-counter	Foreign exchange forward contracts								
	Sold	¥2,849,308	¥ 4,808	¥(127,586)	¥(127,586)	¥2,429,155	¥ 4,904	¥ 6,030	¥ 6,030
	U.S. dollar	961,792	4,808	(44,091)	(44,091)	1,255,531	4,904	(9,485)	(9,485)
	Euro	814,452	—	(18,192)	(18,192)	781,760	—	2,775	2,775
	Australian dollar	636,891	—	(45,725)	(45,725)	104,094	—	5,272	5,272
	British pound	371,866	—	(17,953)	(17,953)	259,123	—	7,449	7,449
	Purchased	1,728,027	—	96,696	96,696	726,565	—	(1,327)	(1,327)
	U.S. dollar	919,365	—	46,281	46,281	484,960	—	(397)	(397)
	Euro	52,750	—	(10)	(10)	94,013	—	(44)	(44)
	Australian dollar	589,649	—	49,920	49,920	32,805	—	(210)	(210)
	British pound	129,041	—	320	320	95,407	—	(148)	(148)
	Currency options								
	Sold								
	Call	—	—	—	—	701,953	—	2,654	(594)
		[—]	[—]			[2,060]	[—]		
	U.S. dollar	—	—	—	—	701,953	—	2,654	(594)
		[—]	[—]			[2,060]	[—]		
	Euro	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	166,065	—	43	442	—	—	—	—
		[486]	[—]			[—]	[—]		
	U.S. dollar	166,065	—	43	442	—	—	—	—
		[486]	[—]			[—]	[—]		
	Euro	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Purchased								
	Call	—	—	—	—	701,953	—	2,654	(2,690)
		[—]	[—]			[5,344]	[—]		
	U.S. dollar	—	—	—	—	701,953	—	2,654	(2,690)
		[—]	[—]			[5,344]	[—]		
	Euro	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	1,162,455	—	940	(12,866)	1,365,816	—	11,607	1,896
		[13,806]	[—]			[9,710]	[—]		
	U.S. dollar	1,162,455	—	940	(12,866)	1,365,816	—	11,607	1,896
		[13,806]	[—]			[9,710]	[—]		
	Euro	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Currency swaps	293,771	282,638	8,766	8,766	438,936	431,804	(43,294)	(43,294)
	U.S.\$ paid/¥ received	125,334	116,633	(5,717)	(5,717)	69,109	61,977	(1,872)	(1,872)
	€ paid/¥ received	11,865	10,521	(201)	(201)	3,966	3,966	360	360
	¥ paid/AU\$ received	110,319	110,319	11,700	11,700	325,883	325,883	(37,858)	(37,858)
	Others	37,000	—	53	53	37,000	37,000	6	6
	Total Return Swap	37,000	—	53	53	37,000	37,000	6	6
Total				¥ (34,494)				¥(39,973)	

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

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

• Currency-related, continued

As of March 31		2019				Millions of Yen
Category	Type	Contract amount		Fair value	Net gains (losses)	
			Over 1 year			
Over-the-counter	Foreign exchange forward contracts					
	Sold	¥2,154,264	¥ 5,251	¥10,166	¥10,166	
	U.S. dollar	923,674	5,251	(2,423)	(2,423)	
	Euro	901,238	—	11,788	11,788	
	Australian dollar	87,509	—	(185)	(185)	
	British pound	159,717	—	59	59	
	Purchased	348,383	—	(302)	(302)	
	U.S. dollar	136,561	—	95	95	
	Euro	43,320	—	(107)	(107)	
	Australian dollar	22,969	—	90	90	
	British pound	78,031	—	45	45	
	Currency options					
	Sold					
	Call	1,287,484	—	1,511	3,928	
		[5,440]	[—]			
	U.S. dollar	1,287,484	—	1,511	3,928	
		[5,440]	[—]			
	Euro	—	—	—	—	
		[—]	[—]			
	Put	210,881	—	21	70	
		[91]	[—]			
	U.S. dollar	210,881	—	21	70	
		[91]	[—]			
	Euro	—	—	—	—	
		[—]	[—]			
	Purchased					
	Call	399,564	—	133	(251)	
		[385]	[—]			
	U.S. dollar	399,564	—	133	(251)	
		[385]	[—]			
	Euro	—	—	—	—	
		[—]	[—]			
	Put	1,174,190	—	3,052	(6,122)	
		[9,175]	[—]			
	U.S. dollar	1,098,801	—	2,769	(5,532)	
		[8,301]	[—]			
	Euro	—	—	—	—	
		[—]	[—]			
	Currency swaps	418,820	399,578	(3,588)	(3,588)	
	U.S.\$ paid/¥ received	81,109	63,241	(2,111)	(2,111)	
	€ paid/¥ received	5,340	3,966	313	313	
	¥ paid/AU\$ received	318,207	318,207	(1,568)	(1,568)	
	Others	37,000	37,000	452	452	
	Total Return Swap	37,000	37,000	452	452	
Total					¥ 4,352	

Notes: 1. Amounts in brackets represent option premiums recorded in the consolidated balance sheets.

2. Amounts in the "Net gains (losses)" column represent the fair value for forward transactions and swap transactions, and the difference between option premiums and fair value for option transactions.

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

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

• Equity-related

As of March 31		2021				2020				Millions of Yen
Category	Type	Contract amount		Fair value	Net gains (losses)	Contract amount		Fair value	Net gains (losses)	
		Over 1 year				Over 1 year				
Exchange-traded	Equity index futures									
	Sold	¥ 570	¥ —	¥ (9)	¥ (9)	¥ 39,542	¥ —	¥ (2,340)	¥(2,340)	
	Purchased	41,207	—	375	375	17,424	—	(38)	(38)	
	Equity index options									
	Sold									
	Call	—	—	—	—	—	—	—	—	
		[—]	[—]			[—]	[—]			
	Put	—	—	—	—	—	—	—	—	
		[—]	[—]			[—]	[—]			
	Purchased									
Over-the-counter	Call	—	—	—	—	—	—	—	—	
		[—]	[—]			[—]	[—]			
	Put	—	—	—	—	—	—	—	—	
		[—]	[—]			[—]	[—]			
	Purchased									
	Call	—	—	—	—	—	—	—	—	
		[—]	[—]			[—]	[—]			
	Put	75,864	—	5	(787)	406,715	—	21,214	13,279	
		[793]	[—]			[7,934]	[—]			
	Equity forward contracts									
	Sold	—	—	(2)	(2)	—	—	(4)	(4)	
	Purchased	—	—	—	—	—	—	—	—	
	Equity index forward contracts									
	Sold	1,182	—	(37)	(37)	1,876	—	125	125	
	Purchased	—	—	—	—	—	—	—	—	
	Equity index options									
	Sold									
	Call	—	—	—	—	—	—	—	—	
		[—]	[—]			[—]	[—]			
	Put	—	—	—	—	—	—	—	—	
		[—]	[—]			[—]	[—]			
	Purchased									
	Call	2,767	—	454	221	3,431	—	88	(150)	
		[232]	[—]			[238]	[—]			
	Put	437,682	147,936	1,856	(4,404)	—	—	—	—	
		[6,260]	[2,393]			[—]	[—]			
Total					¥(4,644)				¥10,871	

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

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

• Equity-related, continued

As of March 31		2019			
		Millions of Yen			
Category	Type	Contract amount		Fair value	Net gains (losses)
		Over 1 year			
Exchange-traded	Equity index futures				
	Sold	¥ 20,731	¥ —	¥ (64)	¥ (64)
	Purchased	35,611	—	71	71
	Equity index options				
	Sold				
	Call	—	—	—	—
		[—]	[—]		
	Put	—	—	—	—
		[—]	[—]		
	Purchased				
Over-the-counter	Call	—	—	—	—
		[—]	[—]		
	Put	—	—	—	—
		[—]	[—]		
	Purchased				
	Call	—	—	—	—
		[—]	[—]		
	Put	381,704	—	990	(661)
		[1,651]	[—]		
	Equity forward contracts				
	Sold	—	—	—	—
	Purchased	—	—	—	—
	Equity index forward contracts				
	Sold	1,992	—	5	5
	Purchased	—	—	—	—
	Equity index options				
	Sold				
	Call	—	—	—	—
		[—]	[—]		
	Put	—	—	—	—
		[—]	[—]		
	Purchased				
	Call	—	—	—	—
		[—]	[—]		
	Put	—	—	—	—
		[—]	[—]		
Total					¥(648)

Notes: 1. Amounts in brackets represent option premiums recorded in the consolidated balance sheets.

2. Amounts in the "Net gains (losses)" column represent the fair value for futures transactions and forward transactions, and the difference between option premiums and fair value for option transactions.

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

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

• Bond-related

As of March 31										Millions of Yen
		2021				2020				
Category	Type	Contract amount		Fair value	Net gains (losses)	Contract amount		Fair value	Net gains (losses)	
		Over 1 year				Over 1 year				
Exchange-traded	Yen-denominated bond futures									
	Sold	¥ 18,749	¥—	¥ 6	¥ 6	¥ —	¥—	¥ —	¥ —	
	Purchased	—	—	—	—	52,133	—	45	45	
	Foreign currency-denominated bond futures									
	Sold	22,634	—	103	103	22,465	—	(389)	(389)	
	Purchased	102,562	—	(305)	(305)	60,521	—	558	558	
Total		¥(195)				¥ 213				

As of March 31		2019			
		Contract amount			Millions of Yen
Category	Type		Over 1 year	Fair value	Net gains (losses)
Exchange-traded	Yen-denominated bond futures				
	Sold	¥ 32,160	¥—	¥ (28)	¥ (28)
	Purchased	16,651	—	56	56
	Foreign currency-denominated bond futures				
	Sold	15,529	—	131	131
	Purchased	115,126	—	2,471	2,471
Total					¥2,630

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

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

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

• Others

Millions of Yen									
As of March 31		2021				2020			
Category	Type	Contract amount		Fair value	Net gains (losses)	Contract amount		Fair value	Net gains (losses)
		Over 1 year				Over 1 year			
Over-the-counter	Credit default swap								
	Sold	¥307,959	¥286,549	¥4,744	¥4,744	¥175,455	¥155,372	¥1,386	¥1,386
	Purchased	12,270	12,270	(245)	(245)	4,906	4,906	(161)	(161)
Total					¥4,499				¥1,224

					Millions of Yen
As of March 31		2019			
Category	Type	Contract amount		Fair value	Net gains (losses)
		Over 1 year			
Over-the-counter	Credit default swap				
	Sold	¥124,220	¥94,140	¥2,130	¥2,130
	Purchased	—	—	—	—
Total					¥2,130

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

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

(3) Items to which hedge accounting is applied

- Interest rate-related

As of March 31							2021		Millions of Yen
Category	Hedge accounting method	Type	Main hedged items	Contract amount		Fair value	Net gains (losses)		
				Over 1 year					
Over-the-counter	Deferred hedge accounting	Interest rate swaps	Insurance liabilities						
		Receive fixed interest rate/pay variable interest rate		¥2,265,000	¥2,265,000	¥25,566	¥25,566		
		Pay fixed interest rate/receive variable interest rate		—	—	—	—		
		Interest rate swaps	Loans						
		Receive fixed interest rate/pay variable interest rate		10,000	6,000	1	1		
		Pay fixed interest rate/receive variable interest rate	—	—	—	—			
Total							¥25,567		
As of March 31							2020		
Category	Hedge accounting method	Type	Main hedged items	Contract amount		Fair value	Net gains (losses)		
				Over 1 year					
Over-the-counter	Deferred hedge accounting	Interest rate swaps	Insurance liabilities						
		Receive fixed interest rate/pay variable interest rate		¥1,810,900	¥1,803,600	¥108,327	¥108,327		
		Pay fixed interest rate/receive variable interest rate		—	—	—	—		
		Interest rate swaps	Loans						
		Receive fixed interest rate/pay variable interest rate		10,263	10,000	3	3		
		Pay fixed interest rate/receive variable interest rate	—	—	—	—			
Total							¥108,331		
As of March 31							2019		
Category	Hedge accounting method	Type	Main hedged items	Contract amount		Fair value	Net gains (losses)		
				Over 1 year					
Over-the-counter	Deferred hedge accounting	Interest rate swaps	Insurance liabilities						
		Receive fixed interest rate/pay variable interest rate		¥1,121,300	¥1,113,000	¥53,928	¥53,928		
		Pay fixed interest rate/receive variable interest rate		—	—	—	—		
		Interest rate swaps	Loans						
		Receive fixed interest rate/pay variable interest rate		10,263	10,263	9	9		
		Pay fixed interest rate/receive variable interest rate	—	—	—	—			
Total							¥53,937		

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

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

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

(Reference) Interest rate swap contracts by maturity dates

							Millions of Yen, %
Maturity dates	Within 1 year	Over 1 year and within 3 years	Over 3 years and within 5 years	Over 5 years and within 7 years	Over 7 years and within 10 years	Over 10 years	Total
As of March 31							2021
Interest rate swaps							
Receive fixed interest rate/ pay variable interest rate							
Notional amount	¥4,000	¥6,000	¥—	¥—	¥—	¥2,265,000	¥2,275,000
Average fixed interest rate to receive	(0.05)%	(0.02)%	—	—	—	0.41 %	0.41 %
Average variable interest rate to pay	(0.05)%	(0.05)%	—	—	—	(0.05)%	(0.05)%
Interest rate swaps							
Pay fixed interest rate/ receive variable interest rate							
Notional amount	—	—	—	—	—	—	—
Average fixed interest rate to pay	—	—	—	—	—	—	—
Average variable interest rate to receive	—	—	—	—	—	—	—
As of March 31							2020
Interest rate swaps							
Receive fixed interest rate/ pay variable interest rate							
Notional amount	¥7,563	¥16,800	¥16,000	¥6,300	¥5,900	¥1,768,600	¥1,821,163
Average fixed interest rate to receive	1.65 %	1.33 %	1.18 %	1.96 %	2.09 %	0.46 %	0.49 %
Average variable interest rate to pay	(0.00)%	(0.02)%	(0.02)%	(0.03)%	(0.03)%	(0.02)%	(0.02)%
Interest rate swaps							
Pay fixed interest rate/ receive variable interest rate							
Notional amount	—	—	—	—	—	—	—
Average fixed interest rate to pay	—	—	—	—	—	—	—
Average variable interest rate to receive	—	—	—	—	—	—	—
As of March 31							2019
Interest rate swaps							
Receive fixed interest rate/ pay variable interest rate							
Notional amount	¥8,300	¥13,963	¥19,000	¥10,100	¥10,000	¥1,070,200	¥1,131,563
Average fixed interest rate to receive	1.60%	1.17%	1.22%	1.91%	2.02%	0.62%	0.67%
Average variable interest rate to pay	0.01%	0.02%	0.00%	0.01%	0.01%	0.00%	0.00%
Interest rate swaps							
Pay fixed interest rate/ receive variable interest rate							
Notional amount	—	—	—	—	—	—	—
Average fixed interest rate to pay	—	—	—	—	—	—	—
Average variable interest rate to receive	—	—	—	—	—	—	—

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

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

• Currency-related

As of March 31											Millions of Yen		
				2021				2020					
Category	Hedge accounting method	Type	Main hedged items	Contract amount		Fair value	Net gains (losses)	Contract amount		Fair value	Net gains (losses)		
Over-the-counter	Fair value hedge accounting	Foreign exchange forward contracts	Foreign currency-denominated bonds	Over 1 year				Over 1 year					
		Sold		¥6,041,511	¥	—	¥(224,485)	¥(224,485)	¥6,791,702	¥	—	¥ 30,532	¥ 30,532
		U.S. dollar		2,639,247		—	(116,379)	(116,379)	3,278,740		—	(34,878)	(34,878)
		Euro		2,483,544		—	(56,716)	(56,716)	2,714,433		—	16,736	16,736
		Purchased		—		—	—	—	—		—	—	—
		U.S. dollar		—		—	—	—	—		—	—	—
		Euro		—		—	—	—	—		—	—	—
		Currency options											
		Sold											
		Call		—		—	—	—	—		—	—	—
				[—]		[—]			[—]		[—]		
		U.S. dollar		—		—	—	—	—		—	—	—
				[—]		[—]			[—]		[—]		
		Euro		—		—	—	—	—		—	—	—
				[—]		[—]			[—]		[—]		
		Put		—		—	—	—	—		—	—	—
				[—]		[—]			[—]		[—]		
		U.S. dollar		—		—	—	—	—		—	—	—
				[—]		[—]			[—]		[—]		
		Euro		—		—	—	—	—		—	—	—
				[—]		[—]			[—]		[—]		
		Purchased		—		—	—	—	—		—	—	—
		Call		—		—	—	—	—		—	—	—
				[—]		[—]			[—]		[—]		
		U.S. dollar		—		—	—	—	—		—	—	—
				[—]		[—]			[—]		[—]		
		Euro		—		—	—	—	—		—	—	—
				[—]		[—]			[—]		[—]		
		Put		—		—	—	—	—		—	—	—
				[—]		[—]			[—]		[—]		
		U.S. dollar		—		—	—	—	—		—	—	—
				[—]		[—]			[—]		[—]		
		Euro		—		—	—	—	—		—	—	—
				[—]		[—]			[—]		[—]		
	Deferred hedge accounting	Forward exchange contracts	Investment trust										
		Sold		1,239		—	(65)	(65)	1,159		—	6	6
		U.S. dollar		1,239		—	(65)	(65)	1,159		—	6	6
		Euro		—		—	—	—	—		—	—	—
		Purchased		—		—	—	—	—		—	—	—
		U.S. dollar		—		—	—	—	—		—	—	—
		Euro		—		—	—	—	—		—	—	—
		Currency swaps	Foreign currency-denominated bonds	4,526,891	4,407,797	(249,687)	(249,687)	2,608,091	2,467,295	(198,268)	(198,268)		
		U.S.\$ paid/¥ received		2,862,781	2,773,843	(77,011)	(77,011)	1,453,411	1,359,606	(191,198)	(191,198)		
		€ paid/¥ received		1,209,486	1,181,149	(125,420)	(125,420)	802,020	762,459	(25,119)	(25,119)		
		£ paid/¥ received		449,614	447,796	(46,781)	(46,781)	347,651	340,221	17,889	17,889		
Total				¥(474,238)				¥(167,729)					

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

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

• Currency-related, continued

As of March 31							Millions of Yen
2019							
Category	Hedge accounting method	Type	Main hedged items	Contract amount		Fair value	Net gains (losses)
Over-the-counter	Fair value hedge accounting	Foreign exchange forward contracts	Foreign currency-denominated bonds	Over 1 year			
		Sold		¥8,194,400	¥ —	¥ (2,734)	¥ (2,734)
		U.S. dollar		3,833,852	—	(11,381)	(11,381)
		Euro		3,161,778	—	20,479	20,479
		British pound		837,617	—	(11,243)	(11,243)
		Purchased		—	—	—	—
		U.S. dollar		—	—	—	—
		Euro		—	—	—	—
		Currency options					
		Sold					
		Call		—	—	—	—
				[—]	[—]		
		U.S. dollar		—	—	—	—
				[—]	[—]		
		Euro		—	—	—	—
				[—]	[—]		
		Put		—	—	—	—
				[—]	[—]		
		U.S. dollar		—	—	—	—
				[—]	[—]		
		Euro		—	—	—	—
				[—]	[—]		
		Purchased					
		Call		—	—	—	—
				[—]	[—]		
		U.S. dollar		—	—	—	—
				[—]	[—]		
		Euro		—	—	—	—
				[—]	[—]		
		Put		—	—	—	—
				[—]	[—]		
		U.S. dollar		—	—	—	—
				[—]	[—]		
		Euro		—	—	—	—
				[—]	[—]		
	Deferred hedge accounting	Forward exchange contracts	Investment trust				
		Sold		1,029	—	(16)	(16)
		U.S. dollar		1,029	—	(16)	(16)
		Euro		—	—	—	—
		Purchased		—	—	—	—
		U.S. dollar		—	—	—	—
		Euro		—	—	—	—
		Currency swaps	Foreign currency-denominated bonds	1,331,666	1,219,064	(91,706)	(91,706)
		U.S.\$ paid/¥ received		663,278	582,204	(68,195)	(68,195)
		€ paid/¥ received		538,276	508,959	(37,644)	(37,644)
		£ paid/¥ received		130,111	127,900	14,133	14,133
Total							¥(94,457)

Notes: 1. Amounts in brackets represent option premiums recorded in the consolidated balance sheets.

2. Amounts in the "Net gains (losses)" column represent the fair value for forward transactions and swap transactions, and the difference between option premiums and fair value for option transactions.

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

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

- Equity-related

As of March 31				2021				2020			
Category	Hedge accounting method	Type	Main hedged items	Contract amount		Fair value	Net gains (losses)	Contract amount		Fair value	Net gains (losses)
				Over 1 year				Over 1 year			
Over-the-counter	Fair value hedge accounting	Equity forward contracts	Domestic stocks								
		Sold		¥54,244	¥—	¥(14,871)	¥(14,871)	¥89,701	¥—	¥11,972	¥11,972
		Purchased		—	—	—	—	—	—	—	—
Total							¥(14,871)				¥11,972

Millions of Yen

As of March 31				2019			
Category	Hedge accounting method	Type	Main hedged items	Contract amount		Fair value	Net gains (losses)
				Over 1 year			
Over-the-counter	Fair value hedge accounting	Equity forward contracts	Domestic stocks				
		Sold		¥—	¥—	¥—	¥—
		Purchased		—	—	—	—
Total							¥—

Millions of Yen

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

- Bonds-related

There were no ending balances as of March 31, 2021, 2020, and 2019.

- Others

There were no ending balances as of March 31, 2021, 2020, and 2019.

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

As of March 31		Millions of Yen		
		2021	2020	2019
Solvency margin gross amount	(A)	¥18,769,664	¥14,656,094	¥15,040,262
Foundation funds (<i>kikin</i>) and other reserve funds:		5,855,281	5,508,422	5,437,605
Foundation funds and others		1,886,255	1,791,393	1,888,331
Reserve for price fluctuations in investments in securities		1,610,738	1,531,621	1,460,182
Contingency reserve		2,108,769	1,934,764	1,825,914
Extraordinary contingency reserve		—	—	—
General allowance for doubtful accounts		7,024	2,702	2,213
Others		242,492	247,939	260,963
Net unrealized gains on available-for-sale securities (before tax) and deferred losses on derivatives under hedge accounting (before tax) × 90%		8,205,330	5,080,551	6,083,208
Net unrealized gains on real estate × 85%		525,281	501,626	374,311
Total amount of unrecognized actuarial losses and unrecognized prior service cost		(9,105)	(20,848)	(18,717)
Excess of continued Zillmerized reserve		2,222,953	1,935,817	1,798,965
Qualifying subordinated debt		2,052,612	1,767,620	1,512,089
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculations		—	—	—
Deductions		(194,637)	(206,126)	(249,621)
Others		111,949	89,031	102,421
Total amount of risk $\sqrt{((R_1^2 + R_5^2 + R_8 + R_9)^2 + (R_2 + R_3 + R_7)^2) + R_4 + R_6}$	(B)	3,491,780	2,798,230	3,015,936
Underwriting risk	R ₁	203,942	171,736	164,973
General underwriting risk	R ₅	—	—	—
Huge disaster risk	R ₆	—	—	—
Underwriting risk of third-sector insurance	R ₈	100,313	97,389	93,010
Underwriting risk related to small amount and short-term insurance providers	R ₉	—	—	—
Anticipated yield risk	R ₂	387,157	415,002	432,609
Minimum guarantee risk	R ₇	8,792	9,295	9,302
Investment risk	R ₃	3,008,094	2,300,790	2,498,757
Business management risk	R ₄	74,165	59,884	63,973
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$		1,075.0%	1,047.5%	997.3%

Notes: 1. The amounts in the table above are calculated based on Article 86-2 and Article 88 of the Ordinance for Enforcement of the Insurance Business Act and the Financial Services Agency (FSA) Public Notice No. 23 of 2011 in Japan.
2. The standard method is used for the calculation of the amount equivalent to minimum guarantee risk R₇.

7. Status of Insurance Claims Payment Ability of the Subsidiaries (Solvency Margin Ratio)

TAIJU LIFE INSURANCE COMPANY LIMITED

		Millions of Yen		
As of March 31		2021	2020	2019
Solvency margin gross amount	(A)	¥1,196,593	¥1,084,740	¥1,109,998
Capital stock and others		324,241	323,928	323,130
Reserve for price fluctuations in investments in securities		73,404	70,200	67,017
Contingency reserve		36,876	31,115	25,494
General allowance for doubtful accounts		148	131	123
Net unrealized gains on available-for-sale securities (before tax) and deferred gains on derivatives under hedge accounting (before tax) × 90%		323,074	229,942	278,270
Net unrealized losses on real estate × 85% (100% in the case of net unrealized losses)		(3,598)	(4,332)	(11,906)
Excess of continued Zillmerized reserve		219,485	210,877	205,235
Qualifying subordinated debt		180,000	180,000	180,000
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculations		—	—	—
Deductions		(113)	(113)	(113)
Others		43,074	42,988	42,746
Total amount of risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	(B)	203,630	184,183	196,063
Underwriting risk	R ₁	18,458	18,698	19,555
Underwriting risk of third-sector insurance	R ₈	8,954	8,773	8,499
Anticipated yield risk	R ₂	52,300	52,719	55,080
Minimum guarantee risk	R ₇	3,027	3,352	3,405
Investment risk	R ₃	141,913	121,895	131,160
Business management risk	R ₄	4,493	4,108	4,354
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$		1,175.2%	1,177.8%	1,132.2%

Notes: 1. The amounts and figures in the table above are calculated based on the provision of Article 86 and Article 87 of the Ordinance for Enforcement of the Insurance Business Act and the Ministry of Finance Public Notice No. 50 of 1996 in Japan.

2. The standard method is used for the calculation of the amount equivalent to minimum guarantee risk R₇.

(Reference) Details of Bonds

		Millions of Yen, %				
Fiscal year ended March 31		2021				
Bond	Issue date	Beginning balance	Ending balance	Interest rate	Collateral	Maturity
First series of unsecured perpetual corporate bonds with interest payment deferral options	July 25, 2016	¥30,000	¥30,000	0.74%	None	None
Second series of unsecured callable corporate bonds with interest payment deferral options	July 25, 2016	50,000	50,000	0.86	None	July 25, 2046
Total		¥80,000	¥80,000	—%		

(Reference) Details of Borrowings and Others

		Millions of Yen, %			
Fiscal year ended March 31		2021			
Category		Beginning balance	Ending balance	Average interest rate	Repayment date
Short-term borrowings	¥	—	¥	—%	—
Long-term loans payable with repayment due within one year		—	—	—	—
Lease obligations with repayment due within one year		—	—	—	—
Long-term loans payable (excluding those with repayment due within one year)		100,000	100,000	0.97	None
Lease obligations (excluding those with repayment due within one year)		—	—	—	—
Other interest-bearing debts		—	—	—	—

Note: The average interest rate is the weighted average interest rate of the ending balance of borrowings and others as of March 31, 2021.

7. Status of Insurance Claims Payment Ability of the Subsidiaries (Solvency Margin Ratio), continued

Nippon Wealth Life Insurance Company Limited

		Millions of Yen		
As of March 31		2021	2020	2019
Solvency margin gross amount	(A)	¥341,562	¥242,012	¥317,985
Capital stock and others		151,463	92,720	127,823
Reserve for price fluctuations in investments in securities		15,416	13,405	11,512
Contingency reserve		26,805	25,176	23,308
General allowance for doubtful accounts		10	12	8
Net unrealized gains on available-for-sale securities (before tax) and deferred gains on derivatives under hedge accounting (before tax) × 90%		29,919	3,893	13,962
Net unrealized losses on real estate × 85% (100% in the case of net unrealized losses)		—	—	(367)
Excess of continued Zillmerized reserve		26,548	27,031	27,375
Qualifying subordinated debt		51,100	62,300	83,200
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculations		—	—	—
Deductions		—	—	—
Others		40,297	17,472	31,163
Total amount of risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	(B)	83,244	70,436	64,340
Underwriting risk	R ₁	10,063	9,880	9,627
Underwriting risk of third-sector insurance	R ₈	400	365	365
Anticipated yield risk	R ₂	13,705	13,619	12,881
Minimum guarantee risk	R ₇	16	26	22
Investment risk	R ₃	67,023	54,457	49,196
Business management risk	R ₄	1,824	1,566	1,441
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$		820.6%	687.1%	988.4%

Notes: 1. The amounts and figures in the table above are calculated based on the provision of Article 86 and Article 87 of the Ordinance for Enforcement of the Insurance Business Act and the Ministry of Finance Public Notice No. 50 of 1996 in Japan.

2. The standard method is used for the calculation of the amount equivalent to minimum guarantee risk R₇.

(Reference) Details of Bonds

		Millions of Yen, %				
Fiscal year ended March 31		2021				
Bond	Issue date	Beginning balance	Ending balance	Interest rate	Collateral	Maturity
Fourth series of unsecured perpetual corporate bonds with interest payment deferral options	December 11, 2015	¥11,200	¥ —	2.00%	None	None
Fifth series of unsecured perpetual corporate bonds with interest payment deferral options	December 11, 2015	17,600	17,600	2.32	None	None
Sixth series of unsecured perpetual corporate bonds with interest payment deferral options	February 24, 2017	5,500	5,500	1.42	None	None
Seventh series of unsecured perpetual corporate bonds with interest payment deferral options	February 24, 2017	5,700	5,700	1.64	None	None
Eighth series of unsecured perpetual corporate bonds with interest payment deferral options	February 24, 2017	2,300	2,300	1.94	None	None
Total		¥42,300	¥31,100	—%		

(Reference) Details of Borrowings and Others

		Millions of Yen, %			
Fiscal year ended March 31		2021			
Category		Beginning balance	Ending balance	Average interest rate	Repayment date
Short-term borrowings		¥ —	¥ —	—%	—
Long-term loans payable with repayment due within one year		—	—	—	—
Lease obligations with repayment due within one year		—	—	—	—
Long-term loans payable (excluding those with repayment due within one year)		20,000*	20,000*	*	February 2050
Lease obligations (excluding those with repayment due within one year)		—	—	—	—
Other interest-bearing debts		—	—	—	—

Note: The average interest rate is the weighted average interest rate of the ending balance of borrowings and others as of March 31, 2021.

* The balance represents loans of internal transactions with Nippon Life and is eliminated in the consolidated financial statements.

7. Status of Insurance Claims Payment Ability of the Subsidiaries (Solvency Margin Ratio), continued

HANASAKU LIFE INSURANCE Co., Ltd.

		Millions of Yen		
As of March 31		2021	2020	2019
Solvency margin gross amount	(A)	¥61,640	¥20,590	¥—
Capital stock and others		58,224	20,385	—
Reserve for price fluctuations in investments in securities		1	0	—
Contingency reserve		424	204	—
General allowance for doubtful accounts		—	—	—
Net unrealized gains (losses) on available-for-sale securities (before tax) and deferred gains (losses) on derivatives under hedge accounting (before tax) × 90%		—	—	—
Net unrealized gains (losses) on real estate × 85% (100% in the case of net unrealized losses)		—	—	—
Excess of continued Zillmerized reserve		2,990	—	—
Qualifying subordinated debt		—	—	—
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculations		—	—	—
Deductions		—	—	—
Others		—	—	—
Total amount of risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	(B)	710	299	—
Underwriting risk	R ₁	46	5	—
Underwriting risk of third-sector insurance	R ₈	377	199	—
Anticipated yield risk	R ₂	0	0	—
Minimum guarantee risk	R ₇	—	—	—
Investment risk	R ₃	534	201	—
Business management risk	R ₄	28	12	—
Solvency margin ratio	$\frac{(A)}{(1/2) \times (B)} \times 100$	17,340.6%	13,742.8%	—%

Note: The amounts and figures in the table above are calculated based on the provision of Article 86 and Article 87 of the Ordinance for Enforcement of the Insurance Business Act and the Ministry of Finance Public Notice No. 50 of 1996 in Japan.

8. Segment Information

In the fiscal years ended March 31, 2020 and 2021, the Company and its consolidated subsidiaries* engaged in the insurance and insurance-related businesses (including the asset management-related business and general administration-related business) in Japan and overseas. Segment information and its related information are not presented because there are no other significant segments to report.

* Subsidiary is defined in Article 2 (12) of the Insurance Business Act and in Article 13-5-2 (3) of the Order for Enforcement of the Insurance Business Act in Japan.

* The following information is provided for reference.

Domestic life insurance business (TAIJU LIFE INSURANCE COMPANY LIMITED)

(1) Business performance

In the fiscal year ended March 31, 2021, ordinary income amounted to ¥844.9 billion, a decrease of 2.2% year on year. This resulted mainly from the total of revenues from insurance and reinsurance of ¥441.2 billion, a decrease of 33.9% year on year, investment income of ¥388.8 billion, an increase of 117.6% year on year, and other ordinary income of ¥14.8 billion, a decrease of 13.8% year on year.

Meanwhile, ordinary expenses amounted to ¥827.7 billion, a decrease of 1.7% year on year. This resulted mainly from the total of benefits and other payments of ¥508.8 billion, a decrease of 5.3% year on year, provision for policy reserves of ¥135.0 billion, an increase of 331.6% year on year, investment expenses of ¥71.2 billion, a decrease of 52.7% year on year, and operating expenses of ¥88.1 billion, a decrease of 6.8% year on year.

As a result, ordinary profit amounted to ¥17.2 billion, a decrease of 20.5% year on year. Net income was ¥0.2 billion, a decrease of 67.0% year on year.

In addition, core operating profit was ¥32.0 billion, a decrease of 7.6% year on year. The main reason for this decrease was a decline in additional premiums reflecting a decrease in sales of single-premium foreign currency-denominated endowment insurance due to a decline in overseas interest rates.

(2) Financial position

Total assets as of March 31, 2021, stood at ¥7,964.3 billion, an increase of 6.3% from the previous fiscal year-end. The assets were mainly composed of investments in securities of ¥6,000.7 billion, an increase of 7.1% from

the previous fiscal year-end, loans of ¥981.6 billion, a decrease of 2.2% from the previous fiscal year-end, and real estate of ¥226.2 billion, a decrease of 0.9% from the previous fiscal year-end.

Total liabilities were ¥7,381.0 billion, an increase of 5.6% from the previous fiscal year-end. Policy reserves and other reserves, which account for most of the liabilities, amounted to ¥6,509.8 billion, an increase of 2.1% from the previous fiscal year-end.

Total net assets were ¥583.3 billion, an increase of 14.7% from the previous fiscal year-end. Of the components of total net assets, net unrealized gains on available-for-sale securities were ¥258.8 billion, an increase of 40.5% from the previous fiscal year-end.

The solvency margin ratio, which indicates the surplus capacity available to make payments of claims and benefits, decreased 2.6 percentage points from the previous fiscal year-end to 1,175.2%.

(3) Policy sales

The amount of new policies for both individual insurance and individual annuities decreased ¥247.6 billion from the previous fiscal year to ¥558.5 billion, a decrease of 30.7% year on year. The amount of policies in force for both individual insurance and individual annuities decreased ¥600.2 billion from the previous fiscal year-end to ¥18,075.0 billion, a decrease of 3.2% from the previous fiscal year-end.

Annualized premiums for new policies for both individual insurance and individual annuities decreased ¥14.2 billion from the previous fiscal year to ¥18.9 billion, a decrease of 42.8% year on year. Annualized premiums for policies in force increased ¥0.4 billion from the previous fiscal year-end to ¥514.7 billion, an increase of 0.1% from the previous fiscal year-end.

Annualized premiums for new policies in third-sector insurance, such as medical coverage and living benefits, decreased ¥1.3 billion from the previous fiscal year to ¥10.0 billion, a decrease of 11.9% year on year. Annualized premiums for policies in force in third-sector insurance rose ¥0.9 billion from the previous fiscal year-end to ¥141.0 billion, an increase of 0.7% from the previous fiscal year-end.

Amount of policies in force for group insurance decreased ¥388.2 billion from the previous fiscal year-end to ¥11,725.0 billion, a decrease of 3.2% from the previous fiscal year-end. Amount of policies in force for group annuities decreased ¥2.6 billion from the previous fiscal year-end to ¥780.1 billion, a decrease of 0.3% from the previous fiscal year-end.

1. Amount of policies in force

Billions of Yen			
As of March 31	2021	2020	2019
Individual insurance	¥15,970.8	¥16,514.3	¥17,396.8
Individual annuities	2,104.2	2,160.9	2,195.8
Individual insurance + Individual annuities	18,075.0	18,675.2	19,592.7
Group insurance	11,725.0	12,113.3	12,593.0
Group annuities	780.1	782.7	809.6

Notes: 1. The amount of individual annuities is the total of (a) annuity resources at the start of annuity payments for policies prior to the start of annuity payments and (b) policy reserves for policies after the start of annuity payments.

2. The amount of group annuities represents the amount of the policy reserves.

8. Segment Information, continued

2. Amount of new policies

				Billions of Yen
Fiscal years ended March 31	2021	2020	2019	
Individual insurance	¥541.1	¥703.4	¥ 984.9	
Individual annuities	17.4	102.7	148.3	
Individual insurance + Individual annuities	558.5	806.2	1,133.3	
Group insurance	119.8	231.2	142.9	
Group annuities	—	0.0	—	

Notes: 1. For individual annuities for new policies and net increase by conversion, figures represent annuity resources at the start of annuity payments.
2. Figures for group annuities for new policies represent the first-time premium.

3. Annualized premiums for policies in force

				Billions of Yen
As of March 31	2021	2020	2019	
Individual insurance	¥397.9	¥396.0	¥401.3	
Individual annuities	116.8	118.2	121.0	
Total	¥514.7	¥514.2	¥522.3	
Medical coverage, living benefits, and others	¥141.0	¥140.1	¥137.9	

Notes: 1. The amount of annualized premium is the annual premium amount calculated by multiplying a single premium payment by a factor according to the premium payment method (for single premium, the annualized amount is the total premium divided by the insured period.)
2. The amount of medical coverage, living benefits, and others represents annualized premiums related to medical benefits (hospitalization benefits and surgical benefits), living benefits (specified illness benefits and nursing care benefits), and waiver of premium benefits (excluding disability benefits, but including specified illness and nursing care benefits).

4. Annualized premiums for new policies

				Billions of Yen
Fiscal years ended March 31	2021	2020	2019	
Individual insurance	¥18.3	¥29.0	¥46.8	
Individual annuities	0.6	4.2	6.3	
Total	¥18.9	¥33.2	¥53.2	
Medical coverage, living benefits, and others	¥10.0	¥11.3	¥10.5	

Notes: 1. The amount of annualized premium is the annual premium amount calculated by multiplying a single premium payment by a factor according to the premium payment method (for single premium, the annualized amount is the total premium divided by the insured period.)
2. The amount of medical coverage, living benefits, and others represents annualized premiums related to medical benefits (hospitalization benefits and surgical benefits), living benefits (specified illness benefits and nursing care benefits), and waiver of premium benefits (excluding disability benefits but including specified illness and nursing care benefits).
3. In annualized premiums for new policies, annualized premiums related to net increases due to conversions are recorded for converted policies.

5. Revenues from insurance and reinsurance

				Billions of Yen
Fiscal years ended March 31	2021	2020	2019	
Individual insurance	¥296.8	¥395.5	¥613.4	
Individual annuities	52.8	54.1	51.2	
Group insurance	31.2	32.2	36.3	
Group annuities	46.8	51.8	52.8	
Others	99.0	11.2	12.3	
Subtotal	437.7	545.0	766.1	
Reinsurance revenue	3.5	122.6	1.6	
Total	¥441.2	¥667.7	¥767.7	

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

8. Segment Information, continued

6. Benefits and other payments

	Billions of Yen						
	Death and other claims	Annuity payments	Health and other benefits	Surrender benefits	Other refunds	Reinsurance premiums	Total
Fiscal year ended March 31	2021						
Individual insurance	¥122.9	¥ —	¥ 45.4	¥ 78.8	¥ 1.3	¥52.7	¥301.3
Individual annuities	0.0	79.4	22.2	7.8	0.3	—	110.0
Group insurance	14.4	0.4	0.0	0.0	—	1.2	16.2
Group annuities	—	17.7	29.8	1.2	22.7	—	71.5
Others	0.3	1.0	0.4	3.5	—	—	5.4
Subtotal	137.8	98.7	98.0	91.5	24.4	54.0	504.5
Reinsurance	4.1	—	0.0	—	0.0	—	4.2
Total	¥141.9	¥ 98.7	¥ 98.0	¥ 91.5	¥24.4	¥54.0	¥508.8
Fiscal year ended March 31	2020						
Individual insurance	¥123.6	¥ —	¥ 46.9	¥ 90.9	¥ 1.7	¥63.0	¥326.2
Individual annuities	0.0	82.4	9.6	9.2	0.3	—	101.6
Group insurance	15.6	0.4	0.0	0.0	0.0	1.0	17.2
Group annuities	—	18.4	33.7	6.4	21.3	—	80.0
Others	0.2	1.1	0.5	4.0	0.0	—	5.9
Subtotal	139.5	102.4	90.8	110.7	23.5	64.0	531.1
Reinsurance	5.7	—	0.0	—	0.0	—	5.8
Total	¥145.3	¥102.4	¥ 90.9	¥110.7	¥23.5	¥64.0	¥537.0
Fiscal year ended March 31	2019						
Individual insurance	¥140.8	¥ —	¥ 45.0	¥120.9	¥ 1.6	¥ 1.0	¥309.5
Individual annuities	0.0	80.8	33.1	10.7	0.5	—	125.3
Group insurance	15.6	0.4	0.0	0.0	—	1.3	17.5
Group annuities	—	19.7	32.9	3.2	22.0	—	77.9
Others	0.2	1.2	0.5	4.6	0.0	—	6.5
Subtotal	156.7	102.3	111.7	139.5	24.2	2.3	536.9
Reinsurance	6.3	—	0.0	—	—	—	6.4
Total	¥163.1	¥102.3	¥111.7	¥139.5	¥24.2	¥ 2.3	¥543.3

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

Domestic life insurance business

(Nippon Wealth Life Insurance Company Limited)

(1) Business performance

In the fiscal year ended March 31, 2021, ordinary income amounted to ¥521.1 billion, an increase of 17.8% year on year. This resulted mainly from the total of revenues from insurance and reinsurance of ¥282.7 billion, and investment income of ¥225.0 billion.

Meanwhile, ordinary expenses amounted to ¥439.7 billion, a decrease of 9.6% year on year. This resulted mainly from the total of benefits and other payments of ¥231.2 billion, provision for policy reserves of ¥127.4 billion, investment expenses of ¥47.3 billion, and operating expenses of ¥19.9 billion.

As a result, the ordinary profit amounted to ¥81.3 billion (ordinary loss of ¥44.2 billion in the previous fiscal year). Net income was ¥58.6 billion (net loss of ¥35.2 billion in the previous fiscal year).

In addition, core operating profit declined slightly to ¥29.0 billion, a decrease of 4.2% year on year. The main reason for this slight decline is a decrease in profit on expense differences and risk differences.

(2) Financial position

Total assets as of March 31, 2021, stood at ¥3,195.6 billion, an increase of 3.9% from the previous fiscal year-end. The assets were mainly composed of investments in securities of ¥2,826.0 billion.

Total liabilities were ¥3,017.7 billion, an increase of 1.4% from the previous fiscal year-end. Of these liabilities, policy reserves and other reserves amounted to ¥2,763.6 billion, an increase of 4.8% from the previous fiscal year-end.

Total net assets were ¥179.9 billion, an increase of 77.4% from the previous fiscal year-end.

The solvency margin ratio, which indicates the surplus capacity available to make payments of claims and benefits, increased 133.5 percentage points from the previous fiscal year-end to 820.6%.

(3) Policy sales

The amount of new policies for both individual insurance and individual annuities decreased ¥25.5 billion from the previous fiscal year to ¥247.8 billion, a decrease of 9.3% year on year. The amount of policies in force for both individual insurance and individual annuities increased ¥51.5 billion from the previous fiscal year-end to ¥3,167.7 billion, an increase of 1.7% from the previous fiscal year-end.

Annualized premiums for new policies for both individual insurance and individual annuities decreased ¥46.8 billion from the previous fiscal year to ¥72.9 billion, a decrease of 39.1% year on year. Annualized premiums for policies in force increased ¥2.7 billion from the previous fiscal year-end to ¥247.3 billion, an increase of 1.1% from the previous fiscal year-end.

8. Segment Information, continued

1. Amount of policies in force

	Billions of Yen		
As of March 31	2021	2020	2019
Individual insurance	¥1,323.5	¥1,415.6	¥1,565.8
Individual annuities	1,844.2	1,700.5	1,621.1
Individual insurance + Individual annuities	3,167.7	3,116.2	3,186.9
Group insurance	0.0	0.0	0.0
Group annuities	1.2	1.1	1.1

Notes: 1. The amount of individual annuities is the total of (a) annuity resources at the start of annuity payments for policies prior to the start of annuity payments (however, insurance reserve funds in the case of individual variable annuities) and (b) policy reserves for policies after the start of annuity payments.
2. The amount of group annuities represents the amount of the policy reserves.

2. Amount of new policies

	Billions of Yen		
Fiscal years ended March 31	2021	2020	2019
Individual insurance	¥ 73.0	¥ 76.7	¥150.9
Individual annuities	174.7	196.6	232.2
Individual insurance + Individual annuities	247.8	273.3	383.1
Group insurance	—	—	—
Group annuities	—	—	—

Note: Amounts for individual annuities for new policies and net increase by conversion represent annuity resources at the start of annuity payments (however, amounts represent the base allowance, which is equivalent to the single premium, in the case of individual variable annuities).

3. Annualized premiums for policies in force

	Billions of Yen		
As of March 31	2021	2020	2019
Individual insurance	¥ 99.7	¥106.7	¥120.0
Individual annuities	147.5	137.8	144.2
Total	¥247.3	¥244.5	¥264.3
Medical coverage, living benefits, and others	¥ 21.3	¥ 21.6	¥ 23.0

Notes: 1. The amount of annualized premium is the annual premium amount calculated by multiplying a single premium payment by a factor according to the premium payment method (for single premium, the annualized amount is the total premium divided by the insured period.)
2. The amount of medical coverage, living benefits, and others represents annualized premiums related to medical benefits (hospitalization benefits and surgical benefits), living benefits (specified illness benefits and nursing care benefits), and waiver of premium benefits (excluding disability benefits but including specified illness and nursing care benefits).

4. Annualized premiums for new policies

	Billions of Yen		
Fiscal years ended March 31	2021	2020	2019
Individual insurance	¥ 6.0	¥ 5.4	¥ 12.0
Individual annuities	66.9	114.2	137.4
Total	¥72.9	¥119.7	149.5
Medical coverage, living benefits, and others	¥ 1.4	¥ 0.5	¥ 0.1

Notes: 1. The amount of annualized premium is the annual premium amount calculated by multiplying a single premium payment by a factor according to the premium payment method (for single premium, the annualized amount is the total premium divided by the insured period.)
2. The amount of medical coverage, living benefits, and others represents annualized premiums related to medical benefits (hospitalization benefits and surgical benefits), living benefits (specified illness benefits and nursing care benefits), and waiver of premium benefits (excluding disability benefits but including specified illness and nursing care benefits).
3. In annualized premiums for new policies, annualized premiums related to net increases due to conversions are recorded for converted policies.

5. Revenues from insurance and reinsurance

	Billions of Yen		
Fiscal years ended March 31	2021	2020	2019
Individual insurance	¥116.0	¥124.4	¥110.5
Individual annuities	165.3	183.1	181.3
Group insurance	—	—	—
Group annuities	0.0	0.0	0.0
Others	—	—	0.0
Subtotal	281.4	307.6	291.9
Reinsurance revenue	1.3	1.3	1.6
Total	¥282.7	¥309.0	¥293.6

8. Segment Information, continued

6. Benefits and other payments

	Billions of Yen						
	Death and other claims	Annuity payments	Health and other benefits	Surrender benefits	Other refunds	Reinsurance premiums	Total
Fiscal year ended March 31	2021						
Individual insurance	¥30.7	¥ —	¥12.6	¥61.2	¥3.2	¥1.8	¥109.7
Individual annuities	—	87.4	23.7	10.0	0.1	—	121.3
Group insurance	—	0.0	—	—	—	—	0.0
Group annuities	—	0.0	0.0	—	0.0	—	0.0
Others	—	0.0	—	—	—	—	0.0
Subtotal	30.7	87.4	36.4	71.3	3.3	1.8	231.2
Reinsurance	—	—	—	—	—	—	—
Total	¥30.7	¥87.4	¥36.4	¥71.3	¥3.3	¥1.8	¥231.2
Fiscal year ended March 31	2020						
Individual insurance	¥28.7	¥ —	¥13.2	¥66.0	¥2.8	¥1.9	¥112.8
Individual annuities	0.0	83.8	25.3	6.3	0.1	—	115.6
Group insurance	—	0.0	—	—	—	—	0.0
Group annuities	—	0.0	0.0	—	0.0	—	0.0
Others	—	0.0	—	—	—	—	0.0
Subtotal	28.7	83.8	38.7	72.3	2.9	1.9	228.6
Reinsurance	—	—	—	—	—	—	—
Total	¥28.7	¥83.8	¥38.7	¥72.3	¥2.9	¥1.9	¥228.6
Fiscal year ended March 31	2019						
Individual insurance	¥29.9	¥ —	¥13.8	¥68.6	¥3.9	¥2.1	¥118.5
Individual annuities	0.0	78.1	28.1	6.7	0.0	—	113.1
Group insurance	—	0.0	—	—	—	—	0.0
Group annuities	—	0.0	0.1	—	0.0	—	0.1
Others	—	0.0	—	—	—	—	0.0
Subtotal	29.9	78.1	42.1	75.4	3.9	2.1	231.7
Reinsurance	—	—	—	—	—	—	—
Total	¥29.9	¥78.1	¥42.1	¥75.4	¥3.9	¥2.1	¥231.7

Domestic life insurance business

(Hanasaku Life Insurance Company Limited)

(1) Business performance

In the fiscal year ended March 31, 2021, ordinary income amounted to ¥6.8 billion, an increase of 335.6% year on year, due to revenues from insurance and reinsurance.

Meanwhile, ordinary expenses amounted to ¥23.0 billion, an increase of 91.3% year on year. This resulted mainly from the total of benefits and other payments of ¥1.1 billion, provision for policy reserves of ¥3.9 billion and operating expenses of ¥14.1 billion.

As a result, the ordinary loss amounted to ¥16.2 billion, a decrease of 54.7% year on year. Net loss was ¥12.1 billion, a decrease of 56.5% year on year.

In addition, core operating loss was ¥15.9 billion, a decrease of 55.6% year on year.

(2) Financial position

Total assets as of March 31, 2021, stood at ¥65.9 billion, an increase of 172.2% from the previous fiscal year-end. The assets were mainly composed of deposits of ¥51.5 billion.

Total liabilities were ¥7.7 billion, an increase of 102.3% from the previous fiscal year-end. Of these liabilities, policy reserves and other reserves amounted to ¥5.1 billion, an increase of 334.6% from the previous fiscal year-end.

Total net assets were ¥58.2 billion, an increase of 185.3% from the previous fiscal year-end.

The solvency margin ratio, which indicates the surplus capacity available to make payments of claims and benefits, increased 3,597.8 percentage points from the previous fiscal year-end to 17,340.6%.

(3) Policy sales

The amount of new policies for individual insurance increased ¥89.6 billion from the previous fiscal year to ¥99.4 billion, an increase of 918.6% year on year. The amount of policies in force for individual insurance increased ¥97.4 billion from the previous fiscal year-end to ¥107.1 billion, an increase of 1002.7% from the previous fiscal year-end.

Annualized premiums for new policies for individual insurance increased ¥1.2 billion from the previous fiscal year to ¥5.1 billion, an increase of 33.7% year on year. Annualized premiums for policies in force increased ¥4.7 billion from the previous fiscal year-end to ¥8.5 billion, an increase of 125.8% from the previous fiscal year-end.

Annualized premiums for new policies in third-sector insurance such as medical and survival benefits coverage increased ¥0.6 billion from the previous fiscal year to ¥4.3 billion, an increase of 16.5% from the previous fiscal year. Annualized premiums for policies in force in third-sector insurance increased ¥4.0 billion from the previous fiscal year-end to ¥7.7 billion, an increase of 108.9% from the previous fiscal year-end.

8. Segment Information, continued

1. Amount of policies in force

	Billions of Yen		
As of March 31	2021	2020	2019
Individual insurance	¥107.1	¥9.7	¥—
Individual annuities	—	—	—
Individual insurance + Individual annuities	107.1	9.7	—
Group insurance	—	—	—
Group annuities	—	—	—

2. Amount of new policies

	Billions of Yen		
Fiscal years ended March 31	2021	2020	2019
Individual insurance	¥99.4	¥9.7	¥—
Individual annuities	—	—	—
Individual insurance + Individual annuities	99.4	9.7	—
Group insurance	—	—	—
Group annuities	—	—	—

3. Annualized premiums for policies in force

	Billions of Yen		
As of March 31	2021	2020	2019
Individual insurance	¥8.5	¥3.7	¥—
Individual annuities	—	—	—
Total	¥8.5	¥3.7	¥—
Medical coverage, living benefits, and others	¥7.7	¥3.7	¥—

Notes: 1. The amount of annualized premium is the annual premium amount calculated by multiplying a single premium payment by a factor according to the premium payment method (for single premium, the annualized amount is the total premium divided by the insured period.)

2. The amount of medical coverage, living benefits, and others represents annualized premiums related to medical benefits (hospitalization benefits and surgical benefits), living benefits (specified illness benefits and nursing care benefits), and waiver of premium benefits (excluding disability benefits, but including specified illness and nursing care benefits).

4. Annualized premiums for new policies

	Billions of Yen		
Fiscal years ended March 31	2021	2020	2019
Individual insurance	¥5.1	¥3.8	¥—
Individual annuities	—	—	—
Total	¥5.1	¥3.8	¥—
Medical coverage, living benefits, and others	¥4.3	¥3.7	¥—

Notes: 1. The amount of annualized premium is the annual premium amount calculated by multiplying a single premium payment by a factor according to the premium payment method (for single premium, the annualized amount is the total premium divided by the insured period.)

2. The amount of medical coverage, living benefits, and others represents annualized premiums related to medical benefits (hospitalization benefits and surgical benefits), living benefits (specified illness benefits and nursing care benefits), and waiver of premium benefits (excluding disability benefits, but including specified illness and nursing care benefits).

5. Revenues from insurance and reinsurance

	Billions of Yen		
Fiscal years ended March 31	2021	2020	2019
Individual insurance	¥6.6	¥1.5	¥—
Individual annuities	—	—	—
Group insurance	—	—	—
Group annuities	—	—	—
Others	—	—	—
Subtotal	6.6	1.5	—
Reinsurance revenue	0.2	0.0	—
Total	¥6.8	¥1.5	¥—

8. Segment Information, continued

6. Benefits and other payments

	Billions of Yen						
	Death and other claims	Annuity payments	Health and other benefits	Surrender benefits	Other refunds	Reinsurance premiums	Total
Fiscal year ended March 31	2021						
Individual insurance	¥0.0	¥—	¥0.7	¥—	¥0.0	¥—	¥0.7
Individual annuities	—	—	—	—	—	—	—
Group insurance	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—
Subtotal	0.0	—	0.7	—	0.0	—	0.7
Reinsurance	—	—	—	—	—	0.3	0.3
Total	¥0.0	¥—	¥0.7	¥—	¥0.0	¥0.3	¥1.1
Fiscal year ended March 31	2020						
Individual insurance	¥0.0	¥—	¥0.1	¥—	¥0.0	¥—	¥0.1
Individual annuities	—	—	—	—	—	—	—
Group insurance	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—
Subtotal	0.0	—	0.1	—	0.0	—	0.1
Reinsurance	—	—	—	—	—	0.0	0.0
Total	¥0.0	¥—	¥0.1	¥—	¥0.0	¥0.0	¥0.1
Fiscal year ended March 31	2019						
Individual insurance	¥—	¥—	¥—	¥—	¥—	¥—	¥—
Individual annuities	—	—	—	—	—	—	—
Group insurance	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—	—
Reinsurance	—	—	—	—	—	—	—
Total	¥—	¥—	¥—	¥—	¥—	¥—	¥—

Overseas insurance business

(MLC Limited)

The business results of MLC Limited are presented below in Australian dollars, its local currency.

(1) Business performance

In the fiscal year ended March 31, 2021, ordinary income amounted to AU\$2,322 million, a decrease of 16.3% year on year. This resulted from the total of revenues from insurance and reinsurance of AU\$2,173 million, a decrease of 5.9% year on year, investment income of AU\$141 million, a decrease of 69.1% year on year, and other ordinary income of AU\$6 million, a decrease of 17.1% year on year.

Meanwhile, ordinary expenses amounted to AU\$2,744 million, a decrease of 4.5% year on year. This resulted from the total of benefits and other payments of AU\$1,699 million, a decrease of 3.8% year on year, provision for policy reserves of AU\$298 million, a decrease of 17.9% year on year, investment expenses of AU\$5 million, an increase of 6.7% year on year, operating expenses of AU\$685 million, a decrease of 1.2% year on year, and other ordinary expenses of AU\$54 million, an increase of 29.2% year on year.

As a result, ordinary loss amounted to AU\$422 million, a decrease of 334.5% year on year. The net loss was AU\$304 million, a decrease of 169.0% year on year.

(2) Financial position

Total assets as of March 31, 2021, stood at AU\$7,508 million, an increase of 18.3% from the previous fiscal year-end. The assets were mainly composed of financial assets of AU\$5,807 million, an increase of 21.7% from the previous fiscal year-end, loans and other receivables of AU\$307 million, a decrease of 7.2% from the previous fiscal year-end, and intangible fixed assets of AU\$267 million, an increase of 5.8% from the previous fiscal year-end.

Total liabilities were AU\$4,689 million, an increase of 12.8% from the previous fiscal year-end. Policy reserves and other reserves, which account for most of liabilities, amounted to AU\$4,282 million, an increase of 12.8% from the previous fiscal year-end.

In addition, total net assets were AU\$2,818 million, an increase of 28.5% from the previous fiscal year-end.

9. Research and Development Activities

There were no applicable activities during the fiscal years ended March 31, 2021, 2020, and 2019.

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

Billions of Yen, %, People					
As of March 31	2021	2020	2019	2018	2017
Ordinary income	¥ 6,475.3	¥ 6,479.9	¥ 6,605.0	¥ 6,338.5	¥ 6,452.6
Revenues from insurance and reinsurance	4,264.6	4,526.1	4,775.1	4,488.4	4,647.3
Ordinary profit	431.0	351.2	383.5	410.4	458.4
Core operating profit	656.5	647.4	678.2	668.2	634.9
Net surplus	323.4	181.4	259.3	242.3	268.6
Dividend reserves as a percentage of surplus available for disposition* ¹	100.39%	102.54%	99.96%	97.24%	91.43%
Total assets	73,974.2	69,071.1	68,084.7	66,472.6	64,814.0
Separate account assets	1,227.3	1,202.4	1,257.9	1,294.1	1,315.7
Total net assets	8,318.2	5,797.6	6,581.9	6,563.2	6,203.2
Investments in securities	62,230.7	57,108.8	56,383.7	54,703.5	53,025.0
Loan balances	7,430.7	7,411.8	7,438.7	7,468.3	7,749.5
Policy reserves	57,420.2	56,220.2	55,088.6	53,741.0	52,650.2
Equity* ²	7,274.3	6,688.9	6,241.7	5,819.0	5,295.1
Foundation funds (<i>kikin</i>) and reserves	5,432.8	5,143.6	4,992.8	4,790.2	4,454.2
Total foundation funds (<i>kikin</i>)* ³	1,400.0	1,400.0	1,350.0	1,350.0	1,300.0
Solvency margin ratio	1,007.5%	979.2%	933.3%	917.9%	896.0%
Amount of policies in force* ⁴	253,621.2	255,208.7	256,372.1	257,240.6	260,794.0
Individual insurance	129,693.6	132,506.5	135,332.6	138,147.7	143,237.0
Individual annuities	25,148.3	24,812.8	23,937.2	23,580.9	23,230.6
Group insurance	98,779.1	97,889.4	97,102.2	95,511.9	94,326.3
Amount of policies in force for group annuities* ⁵	13,649.0	13,387.1	13,177.0	12,854.1	12,625.4
Number of company members* ⁶	9,639,911	9,706,575	9,652,044	9,613,509	9,577,459
Number of employees	76,792	74,557	73,260	71,871	70,651
Negative spread* ⁷	—	—	—	—	—

*¹ Dividend reserves as a percentage of surplus available for disposition refer to the percentage of the amount calculated according to Article 30-4 of the Ordinance for Enforcement of the Insurance Business Act and include the total of provisions for reserve for dividends to policyholders and the equalized reserve for dividends to policyholders. The percentage, according to Article 30-6 of the same regulation is 20% or more. For the calculation of this percentage, the denominator is defined as the unappropriated surplus less surplus carried forward from the previous fiscal year and certain other items.

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

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

*⁴ The amount of policies in force comprises the total of individual insurance, individual annuities, and group insurance policies in force. Individual annuities comprise the total amount of annuity resource at the start of annuity payments for policies prior to the start of annuity payments and policy reserves for policies after the start of annuity payments.

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

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

*⁷ There was no negative spread for the fiscal years ended March 31, 2017 through 2021.

11. Status of Nonperforming Assets According to Borrower's Classification

	Millions of Yen, %		
As of March 31	2021	2020	2019
Bankrupt and quasi-bankrupt loans	¥ 10,308	¥ 10,523	¥ 10,066
Doubtful loans	16,511	17,067	19,678
Substandard loans	2,635	1,563	1,930
Subtotal	29,456	29,155	31,675
[Ratio to total]	[0.28%]	[0.27%]	[0.29%]
Normal loans	10,338,632	10,945,411	10,830,912
Total	¥10,368,089	¥10,974,566	¥10,862,587

Notes: 1. Bankrupt and quasi-bankrupt loans are nonperforming assets and similar loans that have fallen into bankruptcy due to reasons, including initiation of bankruptcy proceedings, start of reorganization proceedings, or submission of an application to start rehabilitation proceedings.

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

3. Substandard loans include loans that are delinquent for over three months and restructured loans. Loans that are delinquent for over three months are loans with principal or interest being unpaid for more than three months counting from the day after the due date based on the loan agreement (excluding 1. and 2. in the above notes). Restructured loans are loans that provide certain concessions favorable to the borrower with the intent of supporting the borrower's restructuring. Examples of such concessions include reducing or exempting interest, postponing principal or interest payments, releasing credits, or providing other benefits to the borrower (excluding 1. and 2. in the above notes and loans that are delinquent for over three months).

4. Normal loans are loans that do not fall under the classifications for 1. to 3. in the above notes and where the debtor has no financial or business performance problems.

5. Classifications and calculation methods used in this table are based on the Ordinance for Enforcement of the Insurance Business Act in Japan. The table includes loans, securities lending, accrued interest, suspense payments, customer's liability for acceptances and guarantees, and guaranteed private offering loans of financial institutions.

6. For bankrupt and quasi-bankrupt loans, the estimated uncollectible amount calculated by subtracting the amount of collateral value, or the amount collectible by the execution of guarantees from the balance of loans, is directly deducted from the total loan amount. The estimated uncollectible amounts were ¥2,514 million, ¥2,106 million, and ¥2,019 million as of March 31, 2021, 2020, and 2019, respectively.

12. Status of Risk-monitored Loans

	Millions of Yen, %		
As of March 31	2021	2020	2019
Loans to bankrupt borrowers	¥ 1,014	¥ 1,532	¥ 1,289
Delinquent loans	25,806	26,057	28,454
Loans that are delinquent for over three months	—	—	—
Restructured loans	2,635	1,563	1,930
Total	¥29,456	¥29,154	¥31,673
[Ratio to total loans]	[0.40%]	[0.39%]	[0.43%]

Notes: 1. For loans to bankrupt borrowers and quasi-bankrupt borrowers (including collateralized and guaranteed loans), an estimated uncollectible amount (calculated by subtracting estimated collectible amounts based on collateral and guarantees from total loans) is directly deducted from the total loan amount. The amounts of loans to bankrupt borrowers were ¥2,448 million, ¥2,027 million, and ¥1,935 million as of March 31, 2021, 2020, and 2019, respectively. The amounts of delinquent loans were ¥66 million, ¥78 million, and ¥84 million as of March 31, 2021, 2020, and 2019, respectively.

2. Loans to bankrupt borrowers are loans with principal or interest payments being overdue for a significant period of time and interest not being accrued, including the following: (a) loans to borrowers that are legally bankrupt through filings for proceedings under the Corporate Reorganization Act, Civil Rehabilitation Act, Bankruptcy Act, or Companies Act; (b) loans to borrowers that have notes suspended from being traded; or (c) loans to borrowers that have filed for legal proceedings similar to the above proceedings based on overseas laws.

3. Delinquent loans are loans with interest not accrued and exclude loans to bankrupt borrowers and loans with interest payments extended with the objective of restructuring or supporting the borrowers.

4. Loans that are delinquent for over three months are loans with principal or interest unpaid for over three months counting from the day after the due date based on the loan agreement. Note that the account does not include loans to bankrupt borrowers and delinquent loans.

5. Restructured loans are loans that provide certain concessions favorable to the borrower with the intent of supporting the borrower's restructuring, such as by reducing or exempting interest, postponing principal or interest payments, releasing credits, or providing other benefits to the borrowers (excluding loans to bankrupt borrowers, delinquent loans, and loans that are delinquent for over three months from the above).

6. Based on the results of asset self-assessment, accrued interest on loans is not recorded as income for borrowers that are bankrupt, quasi-bankrupt, or doubtful.

13. Status of Loans in Trust from Contract for Replacement of Loss

There were no ending balances as of March 31, 2021, 2020, and 2019.

14. Ability to Pay Benefits (Solvency Margin Ratio)

		Millions of Yen		
As of March 31		2021	2020	2019
Solvency margin gross amount	(A)	¥17,717,439	¥13,865,444	¥14,177,668
Foundation funds (<i>kikin</i>) and other reserve funds:		5,432,807	5,143,643	4,992,846
Foundation funds and others	1	1,618,924	1,569,008	1,573,004
Reserve for price fluctuations in investments in securities	2	1,521,916	1,448,014	1,381,653
Contingency reserve	3	2,044,663	1,878,267	1,777,111
General allowance for doubtful accounts	4	5,424	1,035	794
Others	10	241,878	247,318	260,282
Net unrealized gains on available-for-sale securities (before tax) and deferred losses on derivatives under hedge accounting (before tax) × 90%	5	8,042,164	5,025,159	5,995,119
Net unrealized gains on real estate × 85%	6	503,035	479,243	358,288
Excess of continued Zillmerized reserve	7	1,973,928	1,697,908	1,566,354
Qualifying subordinated debt	8	1,841,512	1,545,320	1,248,889
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculations		—	—	—
Deductions	9	(105,201)	(55,023)	(13,021)
Others	10	29,191	29,191	29,191
Total amount of risk $\sqrt{(R_1+R_8)^2 + (R_2+R_3+R_7)^2 + R_4}$	(B)	3,516,976	2,831,718	3,038,049
Underwriting risk	R ₁	114,185	115,290	117,577
Underwriting risk of third-sector insurance	R ₈	88,290	85,115	81,303
Anticipated yield risk	R ₂	321,151	348,663	364,647
Minimum guarantee risk	R ₇	5,378	5,620	5,576
Investment risk	R ₃	3,111,675	2,410,869	2,597,831
Business management risk	R ₄	72,813	59,311	63,338
Solvency margin ratio	$\frac{(A)}{(1/2) \times (B)} \times 100$	1,007.5%	979.2%	933.3%

Notes: 1. The amounts and figures in the table above are calculated based on the provisions of Article 86 and Article 87 of the Ordinance for Enforcement of the Insurance Business Act and the Ministry of Finance Public Notice No. 50 of 1996 in Japan.

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

- Foundation Funds and Other Reserve Funds
The amount after excluding estimated distributed income from surplus (i.e., interest on foundation funds and provision for reserve for dividends to policyholders), valuations, and conversions from total net assets in the balance sheets.
- Reserve for Price Fluctuations in Investments in Securities
The amount of the reserve for price fluctuations in investments in securities in the balance sheets.
- Contingency Reserve
The amount of the contingency reserve, which is a part of policy reserves in the balance sheets.
- General Allowance for Doubtful Accounts
The amount of the general allowance for doubtful accounts, listed as allowance for doubtful accounts on the balance sheets.
- Net Unrealized Gains on Available-for-Sale Securities (Before Tax) and Deferred Losses on Derivatives Under Hedge Accounting (Before Tax)
The amount calculated by multiplying the total of net unrealized gains on available-for-sale securities and deferred losses on derivatives under hedge accounting (portion related to available-for-sale securities) in the balance sheets before application of tax effect accounting by 90% when the total amount is positive, or by 100% when it is negative.
- Net Unrealized Gains on Real Estate
The amount multiplied by 85% if the difference between the total fair value of real estate and the total book value is positive, and that multiplied by 100% if the difference is negative. The difference between the fair value and the book value of real estate includes land revaluation losses in the balance sheets and the total deferred tax liabilities for land revaluation in the balance sheets.
- Excess of Continued Zillmerized Reserve
The amount that exceeds either the continued Zillmerized reserve or the amount of surrender benefits out of policy reserves (excluding the contingency reserve) in the balance sheets, whichever is greater.
- Qualifying Subordinated Debt
The amount needed to satisfy the necessary conditions into the amount of financing by issuance of subordinated debt or by borrowing or subordinated debt.
- Deductions
Deductions to improve the ability to pay, for example, the insurance claims of other insurance companies and to raise the capital adequacy ratio of subsidiaries (when banks are made into subsidiaries) when the shares and other means of capital procurement of the other insurance companies or subsidiaries are held intentionally by enabling the deduction of the amount of those means of capital procurement from the solvency margin ratio.
- Others
The total amount of a part of dividend reserves in the balance sheets and tax amounts corresponding to contingency funds under net assets.
- Underwriting Risk
The amount for dealing with underwriting risk (risk of actual insurable incidents occurring at a higher frequency than generally expected that applies to third-sector insurance).
- Underwriting Risk of Third-Sector Insurance
The amount for dealing with underwriting risk of third-sector insurance (risk of actual insurable incidents occurring at a higher frequency than generally expected that applies to third-sector insurance).
- Anticipated Yield Risk
The amount for dealing with anticipated yield risk (risk of not being able to secure anticipated yield that serves as the basis for calculating policy reserves).
- Minimum Guarantee Risk
The amount for dealing with minimum guarantee risk (in insurance policies in the separate accounts, those policies that guarantee a minimum amount of insurance benefits, the risk that said insurance policies and the value of assets belonging to the separate accounts when paying said insurance benefits will fall below the amount of minimum guaranteed insurance benefits, and the risk arising from greater-than-expected price fluctuations for assets belonging to said special accounts).
- Investment Risk
The amount for dealing with investment risk (in risks related to investments, those risks arising from reasons other than more than generally expected price fluctuations of held securities and other assets).
- Business Management Risk
The amount for dealing with business management risk (regarding risks arising at a greater-than-expected frequency, those risks that do not fall under the category of underwriting risk, underwriting risk of third-sector insurance, anticipated yield risk, minimum guarantee risk, and investment risk are included in this category).

Status of Foundation Funds (Kikin) and Subordinated Debts

Foundation Funds (Kikin) Status

The Company solicits foundation funds in order to enhance its ability to respond to risks. As a result of reoffering funds 14 times since revisions were made to the Insurance Business Act in 1996 in Japan, its total foundation funds, including funds and the reserve for redemption of foundation funds, reached ¥1,400 billion as of March 31, 2021.

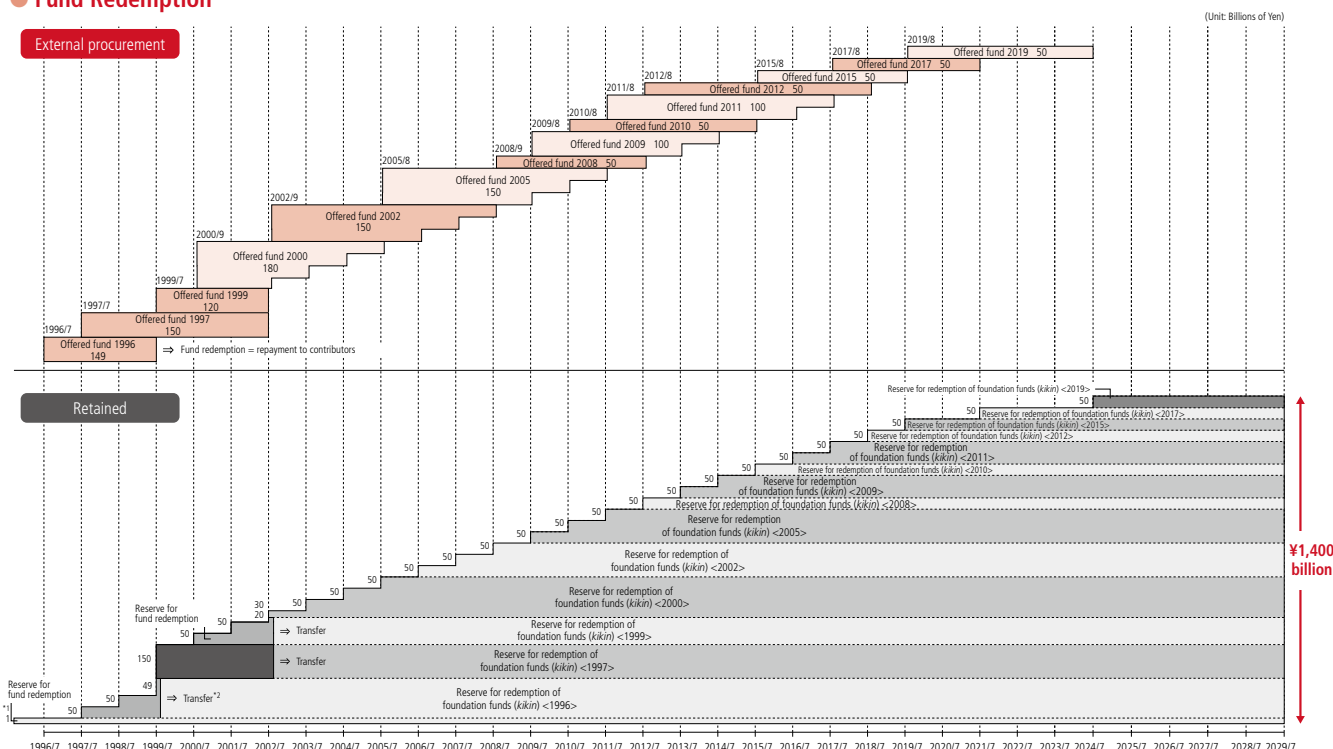
● Fund Contributors (as of March 31, 2021)

Amount of Fund Contributions	¥100 billion	Number of Fund Contributors	2
Names of Fund Contributors		Fund Contributions to the Company	
		Amount (Billions of Yen)	Fund contribution (Percentage)
Nippon Life 2017 Fund Special Purpose Company		¥50	50.00%
Nissay 2019 Fund Securitization Company Limited		50	50.00

Notes: 1. Nippon Life 2017 Fund Special Purpose Company and Nissay 2019 Fund Securitization Company Limited issue corporate bonds, including special corporate bonds, backed by claims on the funds. Issuance proceeds are used to purchase claims on the funds. The Company does not obtain shares of common stock of Nippon Life 2017 Fund Special Purpose Company and Nissay 2019 Fund Securitization Company Limited.

2. Fund contributors are the two entities above.

● Fund Redemption



*1 As stipulated by the Insurance Business Act in Japan, the minimum fund amount is ¥1 billion.

*2 In accordance with Article 56 of the Insurance Business Act in Japan, when redeeming the fund, an amount equivalent to the redemption amount must be accumulated as a reserve for redemption of foundation funds. Reserve for fund redemption is a voluntary reserve and it is transferred to reserve for redemption of foundation funds (kikin) when the foundation funds (kikin) are redeemed.

*3 The redemption of ¥150 billion of reserve for fund redemption expected to occur between the fiscal year ended March 31, 2000, and the fiscal year ended March 31, 2002, was completed earlier than expected.

Subordinated Debts Status

● Financing through Subordinated Debts (as of July 1, 2021)

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

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

*2 The debts are callable or can be repaid early on the day on which 10 years have passed since each date of financing (for loans payable, three business days before the date on which 10 years have passed since the date of financing) and on every date that falls five, or a multiple of five, years thereafter until the debts are fully redeemed or repaid at the discretion of the Company subject to prior approval or the like by the regulatory authorities.

*3 The debts are callable on the day on which 15 years have passed since each date of financing and on every date that falls five, or a multiple of five, years thereafter until the debts are fully redeemed at the discretion of the Company subject to prior approval or the like by the regulatory authorities.

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

Note: Please refer to the following pages: Fair Value of Securities (General Account), p. 201; Fair Value of Securities (Separate Account for Individual Variable Insurance), p. 211; and Fair Value of Securities (Separate Account for Individual Variable Annuities), p. 215.

(1) Valuation gains (losses) from trading securities

Millions of Yen						
As of March 31	2021		2020		2019	
	Balance sheet amount	Valuation gains (losses) recorded in profit or loss	Balance sheet amount	Valuation gains (losses) recorded in profit or loss	Balance sheet amount	Valuation gains (losses) recorded in profit or loss
Trading securities	¥725,032	¥50,015	¥714,280	¥(24,044)	¥880,417	¥(21,555)

Notes: 1. Balance sheet amounts of assets held in trust included in trading securities and valuation gains (losses) recorded in profit or loss include net gains (losses) on derivative transactions.
2. Figures above do not include cash, deposits, and call loans within assets held in trust that are included in trading securities.

(2) Data on fair value of securities (securities with fair value other than trading securities)

Millions of Yen										
As of March 31	2021					2020				
	Book value	Fair value	Net gains (losses)	Gains	Losses	Book value	Fair value	Net gains (losses)	Gains	Losses
Policy-reserve-matching bonds	¥23,673,843	¥26,650,893	¥2,977,049	¥3,122,806	¥(145,756)	¥21,770,340	¥25,513,284	¥3,742,944	¥3,765,715	¥(22,771)
Held-to-maturity debt securities	—	—	—	—	—	—	—	—	—	—
Investments in subsidiaries and affiliates	128,615	283,208	154,592	154,592	—	134,202	190,424	56,222	56,320	(98)
Available-for-sale securities	26,925,786	36,096,633	9,170,847	9,357,702	(186,855)	27,557,260	33,341,622	5,784,361	6,411,076	(626,714)
Domestic bonds	2,656,399	2,842,251	185,852	192,880	(7,028)	3,000,836	3,193,036	192,200	200,704	(8,503)
Domestic stocks	4,117,388	9,981,652	5,864,264	5,965,078	(100,814)	4,142,159	7,320,211	3,178,051	3,474,933	(296,881)
Foreign securities	16,902,501	19,819,370	2,916,868	2,980,825	(63,956)	17,082,748	19,286,892	2,204,144	2,511,450	(307,306)
Foreign bonds	11,672,974	13,623,990	1,951,015	1,996,814	(45,799)	12,122,365	14,068,872	1,946,506	2,094,361	(147,855)
Foreign stocks and other securities	5,229,527	6,195,380	965,852	984,010	(18,157)	4,960,382	5,218,020	257,637	417,088	(159,451)
Other securities	3,113,603	3,316,772	203,169	218,199	(15,029)	3,122,331	3,332,001	209,670	223,105	(13,435)
Monetary receivables purchased	21,894	22,588	693	718	(24)	46,284	46,580	296	882	(586)
Negotiable certificates of deposit	114,000	113,998	(1)	0	(1)	162,900	162,898	(1)	0	(1)
Total	¥50,728,245	¥63,030,735	¥12,302,490	¥12,635,102	¥(332,612)	¥49,461,803	¥59,045,331	¥9,583,528	¥10,233,112	¥(649,584)
Domestic bonds	26,039,562	29,184,641	3,145,079	3,297,685	(152,605)	¥24,465,961	¥28,385,943	¥3,919,981	¥3,946,791	¥(26,810)
Domestic stocks	4,117,388	9,981,652	5,864,264	5,965,078	(100,814)	4,142,159	7,320,211	3,178,051	3,474,933	(296,881)
Foreign securities	17,170,854	20,253,252	3,082,398	3,146,502	(64,103)	17,348,748	19,615,336	2,266,587	2,578,407	(311,819)
Foreign bonds	11,813,641	13,775,735	1,962,093	2,008,039	(45,946)	12,255,093	14,207,949	1,952,856	2,105,125	(152,269)
Foreign stocks and other securities	5,357,212	6,477,517	1,120,304	1,138,462	(18,157)	5,093,654	5,407,386	313,731	473,281	(159,549)
Other securities	3,114,533	3,317,843	203,310	218,340	(15,029)	3,123,261	3,333,060	209,798	223,233	(13,435)
Monetary receivables purchased	171,907	179,347	7,439	7,496	(57)	218,771	227,881	9,109	9,746	(636)
Negotiable certificates of deposit	114,000	113,998	(1)	0	(1)	162,900	162,898	(1)	0	(1)

As of March 31	2019				
	Book value	Fair value	Net gains (losses)	Gains	Losses
Policy-reserve-matching bonds	¥20,696,341	¥24,773,828	¥4,077,487	¥4,077,785	¥(297)
Held-to-maturity debt securities	—	—	—	—	—
Investments in subsidiaries and affiliates	64,047	136,869	72,821	72,821	—
Available-for-sale securities	26,961,602	33,708,588	6,746,985	7,036,812	(289,826)
Domestic bonds	2,895,398	3,130,771	235,373	236,432	(1,058)
Domestic stocks	4,268,225	8,445,973	4,177,748	4,386,210	(208,462)
Foreign securities	16,648,246	18,723,632	2,075,386	2,153,391	(78,005)
Foreign bonds	12,390,599	13,774,375	1,383,776	1,435,020	(51,244)
Foreign stocks and other securities	4,257,647	4,949,257	691,609	718,371	(26,761)
Other securities	2,827,028	3,085,453	258,424	260,654	(2,229)
Monetary receivables purchased	43,403	43,458	55	122	(67)
Negotiable certificates of deposit	279,300	279,297	(2)	0	(2)
Total	¥47,721,991	¥58,619,286	¥10,897,295	¥11,187,419	¥(290,124)
Domestic bonds	¥23,292,191	¥27,591,231	¥4,299,040	¥4,300,101	¥(1,060)
Domestic stocks	4,268,225	8,445,973	4,177,748	4,386,210	(208,462)
Foreign securities	16,810,327	18,961,840	2,151,512	2,229,745	(78,233)
Foreign bonds	12,489,562	13,876,721	1,387,159	1,438,630	(51,471)
Foreign stocks and other securities	4,320,765	5,085,118	764,353	791,114	(26,761)
Other securities	2,827,958	3,086,461	258,502	260,732	(2,229)
Monetary receivables purchased	243,988	254,481	10,492	10,628	(136)
Negotiable certificates of deposit	279,300	279,297	(2)	0	(2)

Note: The table above includes negotiable certificates of deposit and other items that are deemed appropriate to be handled as securities under the Financial Instruments and Exchange Act in Japan.

15. Data on Fair Value of Securities (Company Total), continued

(2) Data on fair value of securities (securities with fair value other than trading securities), continued

i) Policy-reserve-matching bonds

Millions of Yen									
As of March 31	2021			2020			2019		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Bonds whose fair value exceeds balance sheet amount	¥19,742,009	¥22,862,836	¥3,120,827	¥20,212,815	¥23,984,725	¥3,771,909	¥20,684,924	¥24,764,742	¥4,079,817
Domestic bonds	19,474,557	22,579,362	3,104,804	19,923,010	23,669,097	3,746,087	20,395,884	24,459,552	4,063,668
Foreign securities	120,625	129,870	9,245	122,048	139,006	16,957	94,606	100,249	5,642
Monetary receivables purchased	146,825	153,603	6,777	167,756	176,621	8,864	194,434	204,940	10,506
Bonds whose fair value does not exceed balance sheet amount	3,934,274	3,788,057	(146,217)	1,546,919	1,528,559	(18,359)	9,159	9,086	(72)
Domestic bonds	3,908,605	3,763,027	(145,577)	1,542,115	1,523,808	(18,306)	908	906	(1)
Foreign securities	22,481	21,873	(607)	73	71	(2)	2,099	2,096	(2)
Monetary receivables purchased	3,188	3,155	(32)	4,731	4,680	(50)	6,151	6,082	(68)

ii) Held-to-maturity debt securities

There were no ending balances as of March 31, 2021, 2020, and 2019.

iii) Available-for-sale securities

Millions of Yen									
As of March 31	2021			2020			2019		
	Book value	Balance sheet amount	Difference	Book value	Balance sheet amount	Difference	Book value	Balance sheet amount	Difference
Bonds whose balance sheet amount exceeds book value	¥23,242,981	¥32,600,684	¥9,357,702	¥20,007,920	¥26,418,996	¥6,411,076	¥22,979,588	¥30,016,401	¥7,036,812
Domestic bonds	2,337,162	2,530,043	192,880	2,542,492	2,743,196	200,704	2,865,902	3,102,335	236,432
Domestic stocks	3,579,363	9,544,442	5,965,078	2,996,001	6,470,935	3,474,933	3,322,876	7,709,087	4,386,210
Foreign securities	15,114,971	18,095,796	2,980,825	11,733,841	14,245,292	2,511,450	13,978,619	16,132,011	2,153,391
Other securities	2,142,186	2,360,385	218,199	2,615,637	2,838,742	223,105	2,638,653	2,899,307	260,654
Monetary receivables purchased	14,297	15,016	718	11,046	11,929	882	6,236	6,359	122
Negotiable certificates of deposit	55,000	55,000	0	108,900	108,900	0	167,300	167,300	0
Bonds whose balance sheet amount does not exceed book value	3,682,805	3,495,949	(186,855)	7,549,340	6,922,626	(626,714)	3,982,014	3,692,187	(289,826)
Domestic bonds	319,236	312,208	(7,028)	458,344	449,840	(8,503)	29,495	28,436	(1,058)
Domestic stocks	538,025	437,210	(100,814)	1,146,157	849,276	(296,881)	945,349	736,886	(208,462)
Foreign securities	1,787,530	1,723,573	(63,956)	5,348,906	5,041,600	(307,306)	2,669,627	2,591,621	(78,005)
Other securities	971,416	956,386	(15,029)	506,694	493,259	(13,435)	188,375	186,145	(2,229)
Monetary receivables purchased	7,596	7,571	(24)	35,237	34,651	(586)	37,166	37,099	(67)
Negotiable certificates of deposit	59,000	58,998	(1)	54,000	53,998	(1)	112,000	111,997	(2)

• Book value of securities whose fair value is extremely difficult to be determined

Millions of Yen				
As of March 31	2021	2020	2019	
Policy-reserve-matching bonds	¥ —	¥ —	¥ —	
Held-to-maturity debt securities	—	—	—	
Unlisted foreign bonds	—	—	—	
Others	—	—	—	
Investments in subsidiaries and affiliates	1,179,556	1,018,274	1,025,134	
Available-for-sale securities	696,745	558,357	539,876	
Unlisted domestic stocks (excluding stocks sold over the counter)	61,115	60,000	53,290	
Unlisted foreign stocks (excluding stocks sold over the counter)	309	218	120,000	
Unlisted foreign bonds	—	86	—	
Others	635,320	498,051	366,586	
Total	1,876,302	¥1,576,632	¥1,565,011	

Note: Foreign exchange gain (loss) on the securities above that are denominated in foreign currencies was ¥29,537 million, ¥(37,696) million, and ¥3,619 million as of March 31, 2021, 2020, and 2019, respectively.

15. Data on Fair Value of Securities (Company Total), continued

Policy-reserve-matching bonds

The Company has established the following target portfolios that correspond to specific types of insurance products:

- Regarding single premium products (single premium endowment, single premium annuities, and single premium whole life insurance) and guaranteed fixed-term rate group annuities, the Company has established an Asset/Liability Management (ALM) portfolio that aims to avoid interest fluctuation risk by predicting future cash flows from debts.
- In terms of other types of insurance, the Company has established an ALM portfolio that has a goal of expanding long-term future revenue by evaluating debt characteristics and by operating within a specific range of risk allowance.

Given the characteristics of these insurance products and the type of investment, the Company has specified and subcategorized the following insurance policies based on "Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry" (Japan Institute of Certified Public Accountants Industry Audit Committee Release No. 21):

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

Concerning bonds held for the purpose of controlling the respective duration (level of market price fluctuations against fluctuations in interest rates) of bonds that fit into these subcategories, the Risk Management Committee regularly assesses that the policy reserves and the duration are generally consistent. Based on such assessment, the Company classifies most Japanese yen-based debt securities as policy-reserve-matching bonds.

16. Data on Fair Value of Assets Held in Trust (Company Total)

Millions of Yen			
As of March 31	2021	2020	2019
Assets held in trust			
Balance sheet amount	¥135	¥33,779	¥13,157
Fair value	135	33,779	13,157
Net gains (losses)	—	—	—
Gains	—	—	—
Losses	—	—	—

Notes: 1. Fair value is based on a reasonably calculated price by the trustee of assets held in trust.

2. Balance sheet amount includes net gains (losses) on derivative transactions within assets held in trust.

Assets held in trust for trading purposes

Millions of Yen						
As of March 31	2021		2020		2019	
	Balance sheet amount	Valuation gains (losses) recorded in profit or loss	Balance sheet amount	Valuation gains (losses) recorded in profit or loss	Balance sheet amount	Valuation gains (losses) recorded in profit or loss
Assets held in trust for trading purposes	¥135	¥(25,339)	¥33,779	¥27,919	¥13,157	¥(1,565)

Note: Balance sheet amount and valuation gains (losses) recorded in profit or loss include net gains (losses) on derivative transactions.

Assets held in trust classified as held to maturity, held for reserves, and others

There were no ending balances as of March 31, 2021, 2020, and 2019.

17. Fair Value of Derivative Transactions (Company Total)

Note: Please refer to the following pages: Qualitative Information on Derivative Transactions (General Account), p. 203; Qualitative Information on Derivative Transactions (Separate Account for Individual Variable Insurance), p. 212; and Qualitative Information on Derivative Transactions (Separate Account for Individual Variable Annuities), p. 215.

(1) Breakdown of net gains (losses) (with and without hedge accounting applied)

						Millions of Yen
	Interest rate	Currencies	Equities	Bonds	Others	Total
As of March 31	2021					
Hedge accounting applied	¥ 25,567	¥(474,173)	¥(14,871)	¥ —	¥—	¥(463,476)
Hedge accounting not applied	(26,539)	6,912	(4,827)	(160)	—	(24,615)
Total	¥ (971)	¥(467,260)	¥(19,699)	¥ (160)	¥—	¥(488,092)
As of March 31	2020					
Hedge accounting applied	¥103,876	¥(167,735)	¥ 11,972	¥ —	¥—	¥ (51,886)
Hedge accounting not applied	14,238	(29,439)	10,906	136	—	(4,158)
Total	¥118,114	¥(197,175)	¥ 22,879	¥ 136	¥—	¥ (56,045)
As of March 31	2019					
Hedge accounting applied	¥ 48,475	¥ (94,440)	¥ —	¥ —	¥—	¥ (45,965)
Hedge accounting not applied	18,897	(1,431)	(654)	2,585	—	19,395
Total	¥ 67,372	¥ (95,872)	¥ (654)	¥2,585	¥—	¥ (26,569)

Note: Net gains (losses) from fair value hedges included in net gains (losses) on derivative transactions to which hedge accounting is applied (for the year ended March 31, 2021, loss in currencies of ¥224,485 million and loss in equities of ¥14,871 million; for the year ended March 31, 2020, gain in currencies of ¥30,532 million and gain in equities of ¥11,972 million; and for the year ended March 31, 2019, loss in currencies of ¥2,734 million) and net gains (losses) on those to which hedge accounting is not applied are recorded in the statements of income.

(2) Items to which hedge accounting is not applied

• Interest rate-related

		2021				2020				Millions of Yen
Category	Type	Contract amount		Fair value		Contract amount		Fair value		Net gains (losses)
		Over 1 year		Over 1 year		Over 1 year		Over 1 year		Net gains (losses)
Over-the-counter	Interest rate swaps									
	Receive fixed interest rate/ pay variable interest rate	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
	Pay fixed interest rate/ receive variable interest rate	—	—	—	—	—	—	—	—	—
	Interest rate swaptions									
	Sold									
	Receive fixed interest rate/ pay variable interest rate	—	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]			
	Pay fixed interest rate/ receive variable interest rate	—	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]			
	Purchased									
	Receive fixed interest rate/ pay variable interest rate	1,330,000	1,300,000	20,605	(26,539)	952,500	952,500	50,756	14,238	
		[47,145]	[46,951]			[36,518]	[36,518]			
	Pay fixed interest rate/ receive variable interest rate	—	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]			
Total					¥(26,539)					¥14,238

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

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

• Interest rate-related, continued

As of March 31		2019				Millions of Yen
Category	Type	Contract amount		Fair value	Net gains (losses)	
		Over 1 year				
Over-the-counter	Interest rate swaps					
	Receive fixed interest rate/ pay variable interest rate	¥200,000	¥200,000	¥ 5,533	¥ 5,533	
	Pay fixed interest rate/ receive variable interest rate	—	—	—	—	
	Interest rate swaptions					
	Sold					
	Receive fixed interest rate/ pay variable interest rate	— [—]	— [—]	—	—	
	Pay fixed interest rate/ receive variable interest rate	— [—]	— [—]	—	—	
	Purchased					
	Receive fixed interest rate/ pay variable interest rate	500,000 [18,650]	500,000 [18,650]	32,013	13,363	
	Pay fixed interest rate/ receive variable interest rate	— [—]	— [—]	—	—	
Total					¥18,897	

Notes: 1. Amounts in brackets represent option premiums recorded in the balance sheets.

2. Amounts in "Net gains (losses)" represent the fair value for swap transactions, and the difference between option premiums and fair value for option transactions.

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

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

(Reference) Interest rate swap contracts by maturity dates

							Millions of Yen, %	
Maturity dates	Within 1 year	Over 1 year and within 3 years	Over 3 years and within 5 years	Over 5 years and within 7 years	Over 7 years and within 10 years	Over 10 years	Total	
As of March 31							2021	
Interest rate swaps								
Receive fixed interest rate/ pay variable interest rate								
Notional amount	¥—	¥—	¥—	¥—	¥ —	¥ —	¥ —	¥ —
Average fixed interest rate to receive	—	—	—	—	—	—	—	—
Average variable interest rate to pay	—	—	—	—	—	—	—	—
Interest rate swaps								
Pay fixed interest rate/ receive variable interest rate								
Notional amount	—	—	—	—	—	—	—	—
Average fixed interest rate to pay	—	—	—	—	—	—	—	—
Average variable interest rate to receive	—	—	—	—	—	—	—	—
As of March 31							2020	
Interest rate swaps								
Receive fixed interest rate/ pay variable interest rate								
Notional amount	¥—	¥—	¥—	¥—	¥ —	¥ —	¥ —	¥ —
Average fixed interest rate to receive	—	—	—	—	—	—	—	—
Average variable interest rate to pay	—	—	—	—	—	—	—	—
Interest rate swaps								
Pay fixed interest rate/ receive variable interest rate								
Notional amount	—	—	—	—	—	—	—	—
Average fixed interest rate to pay	—	—	—	—	—	—	—	—
Average variable interest rate to receive	—	—	—	—	—	—	—	—
As of March 31							2019	
Interest rate swaps								
Receive fixed interest rate/ pay variable interest rate								
Notional amount	¥—	¥—	¥—	¥—	¥ —	¥200,000	¥200,000	¥200,000
Average fixed interest rate to receive	—	—	—	—	—	0.44%	0.44%	0.44%
Average variable interest rate to pay	—	—	—	—	—	0.01%	0.01%	0.01%
Interest rate swaps								
Pay fixed interest rate/ receive variable interest rate								
Notional amount	—	—	—	—	—	—	—	—
Average fixed interest rate to pay	—	—	—	—	—	—	—	—
Average variable interest rate to receive	—	—	—	—	—	—	—	—

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

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

• Currency-related

As of March 31		2021				2020			
		Contract amount		Net gains (losses)		Contract amount		Net gains (losses)	
Category	Type	Over 1 year	Fair value			Over 1 year	Fair value		
Over-the-counter	Foreign exchange forward contracts								
	Sold	¥1,654,115	¥4,808	¥(89,216)	¥(89,216)	¥1,076,148	¥ 4,904	¥ 9,794	¥ 9,794
	U.S. dollar	522,269	4,808	(23,673)	(23,673)	608,211	4,904	(3,598)	(3,598)
	Euro	109,060	—	(1,581)	(1,581)	85,457	—	454	454
	Australian dollar	586,613	—	(44,384)	(44,384)	94,709	—	5,470	5,470
	British pound	371,866	—	(17,953)	(17,953)	259,123	—	7,449	7,449
	Purchased	1,709,052	—	96,610	96,610	637,783	—	(1,154)	(1,154)
	U.S. dollar	912,513	—	46,269	46,269	410,499	—	(263)	(263)
	Euro	52,362	—	(11)	(11)	84,701	—	(57)	(57)
	Australian dollar	577,914	—	49,847	49,847	27,796	—	(158)	(158)
	Currency options								
	Sold								
	Call	—	—	—	—	701,953	—	2,654	(594)
		[—]	[—]			[2,060]	[—]		
	U.S. dollar	—	—	—	—	701,953	—	2,654	(594)
		[—]	[—]			[2,060]	[—]		
	Euro	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	166,065	—	43	442	—	—	—	—
		[486]	[—]			[—]	[—]		
	U.S. dollar	166,065	—	43	442	—	—	—	—
		[486]	[—]			[—]	[—]		
	Euro	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Purchased								
	Call	—	—	—	—	701,953	—	2,654	(2,690)
		[—]	[—]			[5,344]	[—]		
	U.S. dollar	—	—	—	—	701,953	—	2,654	(2,690)
		[—]	[—]			[5,344]	[—]		
	Euro	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	1,162,455	—	940	(12,866)	1,365,816	—	11,607	1,896
		[13,806]	[—]			[9,710]	[—]		
	U.S. dollar	1,162,455	—	940	(12,866)	1,365,816	—	11,607	1,896
		[13,806]	[—]			[9,710]	[—]		
	Euro	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Currency swaps	131,082	131,082	11,942	11,942	346,646	346,646	(36,691)	(36,691)
	U.S.\$ paid/¥ received	—	—	—	—	—	—	—	—
	€ paid/¥ received	—	—	—	—	—	—	—	—
	¥ paid/AU\$ received	104,619	104,619	11,178	11,178	320,183	320,183	(34,901)	(34,901)
Total				¥ 6,912					¥(29,439)

Millions of Yen

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

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

• Currency-related, continued

As of March 31		2019				Millions of Yen
Category	Type	Contract amount		Fair value	Net gains (losses)	
		Over 1 year				
Over-the-counter	Foreign exchange forward contracts					
	Sold	¥ 716,049	¥ 5,251	¥ 345	¥ 345	
	U.S. dollar	317,488	5,251	(1,508)	(1,508)	
	Euro	87,413	—	1,018	1,018	
	Australian dollar	69,305	—	(149)	(149)	
	British pound	159,717	—	59	59	
	Purchased	328,067	—	(387)	(387)	
	U.S. dollar	128,606	—	59	59	
	Euro	32,519	—	(143)	(143)	
	Australian dollar	21,409	—	77	77	
	Currency options					
	Sold					
	Call	1,287,484	—	1,511	3,928	
		[5,440]	[—]			
	U.S. dollar	1,287,484	—	1,511	3,928	
		[5,440]	[—]			
	Euro	—	—	—	—	
		[—]	[—]			
	Put	210,881	—	21	70	
		[91]	[—]			
	U.S. dollar	210,881	—	21	70	
		[91]	[—]			
	Euro	—	—	—	—	
		[—]	[—]			
	Purchased					
	Call	399,564	—	133	(251)	
		[385]	[—]			
	U.S. dollar	399,564	—	133	(251)	
		[385]	[—]			
	Euro	—	—	—	—	
		[—]	[—]			
	Put	1,174,190	—	3,052	(6,122)	
		[9,175]	[—]			
	U.S. dollar	1,098,801	—	2,769	(5,532)	
		[8,301]	[—]			
	Euro	—	—	—	—	
		[—]	[—]			
	Currency swaps	326,670	326,670	984	984	
	U.S.\$ paid/¥ received	—	—	—	—	
	€ paid/¥ received	—	—	—	—	
	¥ paid/AU\$ received	312,507	312,507	1,122	1,122	
Total					¥(1,431)	

Notes: 1. Amounts in brackets represent option premiums recorded in the balance sheets.

2. Amounts in the "Net gains (losses)" column are represented in fair value for forward transactions and swap transactions, and the difference between option premiums and fair value for option transactions.

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

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

• Equity-related

As of March 31		2021				2020				Millions of Yen
Category	Type	Contract amount		Fair value	Net gains (losses)	Contract amount		Fair value	Net gains (losses)	
		Over 1 year				Over 1 year				
Exchange-traded	Equity index futures									
	Sold	¥ 570	¥ —	¥ (9)	¥ (9)	¥ 38,720	¥ —	¥ (2,330)	¥ (2,330)	
	Purchased	41,207	—	375	375	17,424	—	(38)	(38)	
	Equity index options									
	Sold									
	Call	—	—	—	—	—	—	—	—	
		[—]	[—]			[—]	[—]			
	Put	—	—	—	—	—	—	—	—	
		[—]	[—]			[—]	[—]			
	Purchased									
Over-the-counter	Call	—	—	—	—	—	—	—	—	
		[—]	[—]			[—]	[—]			
	Put	—	—	—	—	—	—	—	—	
		[—]	[—]			[—]	[—]			
	Purchased									
	Call	—	—	—	—	—	—	—	—	
		[—]	[—]			[—]	[—]			
	Put	75,864	—	5	(787)	406,715	—	21,214	13,279	
		[793]	[—]			[7,934]	[—]			
	Equity forward contracts									
	Sold	—	—	(2)	(2)	—	—	(4)	(4)	
	Purchased	—	—	—	—	—	—	—	—	
	Equity index options									
	Sold									
	Call	—	—	—	—	—	—	—	—	
		[—]	[—]			[—]	[—]			
	Put	—	—	—	—	—	—	—	—	
		[—]	[—]			[—]	[—]			
	Purchased									
	Call	—	—	—	—	—	—	—	—	
		[—]	[—]			[—]	[—]			
	Put	437,682	147,936	1,856	(4,404)	—	—	—	—	
		[6,260]	[2,393]			[—]	[—]			
Total					¥(4,827)				¥10,906	

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

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

• Equity-related, continued

As of March 31		2019				Millions of Yen
Category	Type	Contract amount		Fair value	Net gains (losses)	
		Over 1 year				
Exchange-traded	Equity index futures					
	Sold	¥ 20,731	¥ —	¥ (64)	¥ (64)	
	Purchased	35,611	—	71	71	
	Equity index options					
	Sold					
	Call	—	—	—	—	
		[—]	[—]			
	Put	—	—	—	—	
		[—]	[—]			
	Purchased					
Over-the-counter	Call	—	—	—	—	
		[—]	[—]			
	Put	—	—	—	—	
		[—]	[—]			
	Purchased					
	Call	—	—	—	—	
		[—]	[—]			
	Put	381,704	—	990	(661)	
		[1,651]	[—]			
	Equity forward contracts					
	Sold	—	—	—	—	
	Purchased	—	—	—	—	
	Equity index options					
	Sold					
	Call	—	—	—	—	
		[—]	[—]			
	Put	—	—	—	—	
		[—]	[—]			
	Purchased					
	Call	—	—	—	—	
		[—]	[—]			
	Put	—	—	—	—	
		[—]	[—]			
Total					¥(654)	

Notes: 1. Amounts in brackets represent option premiums recorded in the balance sheets.

2. Amounts in the "Net gains (losses)" column are represented in fair value for futures transactions and forward transactions, and the difference between option premiums and fair value for option transactions.

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

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

- Bond-related

Millions of Yen									
As of March 31		2021				2020			
Category	Type	Contract amount		Fair value	Net gains (losses)	Contract amount		Fair value	Net gains (losses)
		Over 1 year				Over 1 year			
Exchange-traded	Yen-denominated bonds futures								
	Sold	¥ 8,922	¥—	¥ 3	¥ 3	¥ —	¥—	¥ —	¥ —
	Purchased	—	—	—	—	41,311	—	34	34
	Foreign currency-denominated bonds futures								
	Sold	—	—	—	—	—	—	—	—
	Purchased	22,850	—	(164)	(164)	27,908	—	101	101
Total		¥(160)				¥136			

As of March 31		2019			
Category	Type	Contract amount		Fair value	Net gains (losses)
		Over 1 year			
Exchange-traded	Yen-denominated bonds futures				
	Sold	¥ 4,595	¥—	¥ (2)	¥ (2)
	Purchased	16,651	—	56	56
	Foreign currency-denominated bonds futures				
	Sold	—	—	—	—
	Purchased	128,085	—	2,531	2,531
Total					¥2,585

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

- Others

There were no ending balances as of March 31, 2021, 2020, and 2019.

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

(3) Items to which hedge accounting is applied

- Interest rate-related

Millions of Yen

As of March 31				2021				2020			
Category	Hedge accounting method	Type	Main hedged items	Contract amount		Fair value	Net gains (losses)	Contract amount		Fair value	Net gains (losses)
				Over 1 year				Over 1 year			
Over-the-counter	Deferred hedge accounting	Interest rate swaps		Insurance liabilities							
		Receive fixed interest rate/									
		pay variable interest rate	¥2,265,000		¥2,265,000	¥25,566	¥25,566	¥1,765,000	¥1,765,000	¥103,873	¥103,873
		Pay fixed interest rate/receive variable interest rate	—	—	—	—	—	—	—	—	
		Interest rate swaps		Loans							
Receive fixed interest rate/											
pay variable interest rate	10,000	6,000	1		1	10,000	10,000	3	3		
		Pay fixed interest rate/receive variable interest rate	—	—	—	—	—	—	—	—	—
Total							¥25,567				¥103,876

As of March 31				2019			
Category	Hedge accounting method	Type	Main hedged items	Contract amount		Fair value	Net gains (losses)
				Over 1 year			
Over-the-counter	Deferred hedge accounting	Interest rate swaps	Insurance liabilities				
		Receive fixed interest rate/ pay variable interest rate		¥1,065,000	¥1,065,000	¥48,466	¥48,466
		Pay fixed interest rate/receive variable interest rate		—	—	—	—
		Interest rate swaps	Loans				
		Receive fixed interest rate/ pay variable interest rate	10,000	10,000	8	8	
		Pay fixed interest rate/receive variable interest rate	—	—	—	—	
Total				¥48,475			

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

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

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

(Reference) Interest rate swap contracts by maturity dates

							Millions of Yen, %
Maturity dates	Within 1 year	Over 1 year and within 3 years	Over 3 years and within 5 years	Over 5 years and within 7 years	Over 7 years and within 10 years	Over 10 years	Total
As of March 31							2021
Interest rate swaps							
Receive fixed interest rate/ pay variable interest rate							
Notional amount	¥4,000	¥6,000	¥—	¥—	¥—	¥2,265,000	¥2,275,000
Average fixed interest rate to receive	(0.05)%	(0.02)%	—	—	—	0.41 %	0.41 %
Average variable interest rate to pay	(0.05)%	(0.05)%	—	—	—	(0.05)%	(0.05)%
Interest rate swaps							
Pay fixed interest rate/ receive variable interest rate							
Notional amount	—	—	—	—	—	—	—
Average fixed interest rate to pay	—	—	—	—	—	—	—
Average variable interest rate to receive	—	—	—	—	—	—	—
As of March 31							2020
Interest rate swaps							
Receive fixed interest rate/ pay variable interest rate							
Notional amount	¥—	¥4,000	¥6,000	¥—	¥—	¥1,765,000	¥1,775,000
Average fixed interest rate to receive	—	(0.05)%	(0.02)%	—	—	0.45 %	0.45 %
Average variable interest rate to pay	—	(0.01)%	(0.01)%	—	—	(0.02)%	(0.02)%
Interest rate swaps							
Pay fixed interest rate/ receive variable interest rate							
Notional amount	—	—	—	—	—	—	—
Average fixed interest rate to pay	—	—	—	—	—	—	—
Average variable interest rate to receive	—	—	—	—	—	—	—
As of March 31							2019
Interest rate swaps							
Receive fixed interest rate/ pay variable interest rate							
Notional amount	¥—	¥4,000	¥6,000	¥—	¥—	¥1,065,000	¥1,075,000
Average fixed interest rate to receive	—	(0.05)%	(0.02)%	—	—	0.62%	0.61%
Average variable interest rate to pay	—	0.00 %	0.00 %	—	—	0.00%	0.00%
Interest rate swaps							
Pay fixed interest rate/ receive variable interest rate							
Notional amount	—	—	—	—	—	—	—
Average fixed interest rate to pay	—	—	—	—	—	—	—
Average variable interest rate to receive	—	—	—	—	—	—	—

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

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

• Currency-related

Millions of Yen										
As of March 31		2021				2020				
	Contract amount		Fair value	Net gains (losses)	Contract amount		Fair value	Net gains (losses)		
	Over 1 year				Over 1 year					
Over-the-counter										
Fair value hedge accounting (main hedged items: foreign currency-denominated bonds)										
Foreign exchange forward contracts										
Sold	¥6,041,511	¥	—	¥(224,485)	¥(224,485)	¥6,791,702	¥	—	¥ 30,532	¥ 30,532
U.S. dollar	2,639,247		—	(116,379)	(116,379)	3,278,740		—	(34,878)	(34,878)
Euro	2,483,544		—	(56,716)	(56,716)	2,714,433		—	16,736	16,736
Purchased	—		—	—	—	—		—	—	—
U.S. dollar	—		—	—	—	—		—	—	—
Euro	—		—	—	—	—		—	—	—
Currency options										
Sold										
Call	—		—	—	—	—		—	—	—
	[—]		[—]	—	—	[—]		[—]	—	—
U.S. dollar	—		—	—	—	—		—	—	—
	[—]		[—]	—	—	[—]		[—]	—	—
Euro	—		—	—	—	—		—	—	—
	[—]		[—]	—	—	[—]		[—]	—	—
Put	—		—	—	—	—		—	—	—
	[—]		[—]	—	—	[—]		[—]	—	—
U.S. dollar	—		—	—	—	—		—	—	—
	[—]		[—]	—	—	[—]		[—]	—	—
Euro	—		—	—	—	—		—	—	—
	[—]		[—]	—	—	[—]		[—]	—	—
Purchased										
Call	—		—	—	—	—		—	—	—
	[—]		[—]	—	—	[—]		[—]	—	—
U.S. dollar	—		—	—	—	—		—	—	—
	[—]		[—]	—	—	[—]		[—]	—	—
Euro	—		—	—	—	—		—	—	—
	[—]		[—]	—	—	[—]		[—]	—	—
Put	—		—	—	—	—		—	—	—
	[—]		[—]	—	—	[—]		[—]	—	—
U.S. dollar	—		—	—	—	—		—	—	—
	[—]		[—]	—	—	[—]		[—]	—	—
Euro	—		—	—	—	—		—	—	—
	[—]		[—]	—	—	[—]		[—]	—	—
Deferred hedge accounting (main hedged items: foreign currency-denominated bonds)										
Currency swaps	4,526,891	4,407,797	(249,687)	(249,687)		2,608,091	2,467,295	(198,268)	(198,268)	
U.S.\$ paid/¥ received	2,862,781	2,773,843	(77,011)	(77,011)		1,453,411	1,359,606	(191,198)	(191,198)	
€ paid/¥ received	1,209,486	1,181,149	(125,420)	(125,420)		802,020	762,459	(25,119)	(25,119)	
Total				¥(474,173)					¥(167,735)	

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

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

• Currency-related, continued

		Millions of Yen		
As of March 31		2019		
	Contract amount			Net
		Over 1 year	Fair value	gains (losses)
Over-the-counter				
Fair value hedge accounting (main hedged items: foreign currency-denominated bonds)				
Foreign exchange forward contracts				
Sold	¥8,194,400	¥ —	¥ (2,734)	¥ (2,734)
U.S. dollar	3,833,852	—	(11,381)	(11,381)
Euro	3,161,778	—	20,479	20,479
Purchased	—	—	—	—
U.S. dollar	—	—	—	—
Euro	—	—	—	—
Currency options				
Sold				
Call	—	—	—	—
	[—]	[—]		
U.S. dollar	—	—	—	—
	[—]	[—]		
Euro	—	—	—	—
	[—]	[—]		
Put	—	—	—	—
	[—]	[—]		
U.S. dollar	—	—	—	—
	[—]	[—]		
Euro	—	—	—	—
	[—]	[—]		
Purchased				
Call	—	—	—	—
	[—]	[—]		
U.S. dollar	—	—	—	—
	[—]	[—]		
Euro	—	—	—	—
	[—]	[—]		
Put	—	—	—	—
	[—]	[—]		
U.S. dollar	—	—	—	—
	[—]	[—]		
Euro	—	—	—	—
	[—]	[—]		
Deferred hedge accounting (main hedged items: foreign currency-denominated bonds)				
Currency swaps	1,331,666	1,219,064	(91,706)	(91,706)
U.S.\$ paid/¥ received	663,278	582,204	(68,195)	(68,195)
€ paid/¥ received	538,276	508,959	(37,644)	(37,644)
Total				¥(94,440)

Notes: 1. Amounts in brackets represent option premiums recorded in the balance sheets.

2. Amounts in the "Net gains (losses)" column are represented in fair value for forward transactions and swap transactions, and the difference between option premiums and fair value for option transactions.

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

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

- Equity-related

Millions of Yen

As of March 31				2021				2020			
Category	Hedge accounting method	Type	Main hedged items	Contract amount		Fair value	Net gains (losses)	Contract amount		Fair value	Net gains (losses)
				Over 1 year				Over 1 year			
Over-the-counter	Fair value hedge accounting	Equity forward contracts	Domestic stocks								
		Sold		¥54,244	¥—	¥(14,871)	¥(14,871)	¥89,701	¥—	¥11,972	¥11,972
		Purchased		—	—	—	—	—	—	—	—
Total							¥(14,871)				¥11,972

As of March 31				2019			
Category	Hedge accounting method	Type	Main hedged items	Contract amount		Fair value	Net gains (losses)
				Over 1 year			
Over-the-counter	Fair value hedge accounting	Equity forward contracts	Domestic stocks				
		Sold		¥—	¥—	¥—	¥—
		Purchased		—	—	—	—
Total							¥—

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

- Bond-related

There were no ending balances as of March 31, 2021, 2020, and 2019.

- Others

There were no ending balances as of March 31, 2021, 2020, and 2019.

18. Equity Securities Held

1. Basis and policy on classification of investments in equity securities

Nippon Life invests in equity securities from medium- and long-term perspectives with the expectation of generating steady dividend income and capital gains in association with investee companies' growth. These investments are held as investments in equity securities held for net investment. In addition, the Company may use its equity to hold equity securities with the intent of expanding the Group's growth opportunities through business alliances and strengthening its profitability. These equity securities are held as investments in equity securities held for other than net investment.

2. Investments in equity securities held for other than net investment

(1) Method for verification of the holding rationale and description of verification by the board of directors and other entities concerning whether the holding of each individual stock is appropriate

The board of directors verifies whether holdings are appropriate by examining in detail the appropriateness of the holding purpose of each individual stock and comprehensive profit, including the effects of factors, such as business alliances, based on the amount of risk, among other considerations. If the board of directors does not find that a holding is appropriate or reasonable as a result of this verification process, it will consider response measures such as the sale of the holding.

(2) Number of stocks and balance sheet amounts

			Millions of Yen
Category	Number of stocks	Balance sheet amount	
Equity securities not listed	16	¥ 15,559	
Equity securities other than those not listed	13	552,850	

(Stocks for which the number of shares increased in the fiscal year under review)

				Millions of Yen
Category	Number of stocks	Total amount of acquisition value in relation to the increase in the number of shares	Reasons for the increase in the number of shares	
Equity securities not listed	5	¥1,319	Shares were acquired mainly for the purpose of obtaining technologies, knowledge, and other resources of investee companies.	
Equity securities other than those not listed	—	—		—

(Stocks for which the number of shares decreased in the fiscal year under review)

			Millions of Yen
Category	Number of stocks	Total amount of selling price in relation to the decrease in the number of shares	
Equity securities not listed	—	¥ —	
Equity securities other than those not listed	3	82,704	

18. Equity Securities Held, continued

2. Investments in equity securities held for other than net investment, continued

(3) Details of investments in equity securities held for other than net investment (excluding equity securities not listed)

				Thousands of Shares, Millions of Yen
As of March 31	2021	2020	2019	
	Number of shares	Number of shares	Number of shares	
Stock	Balance sheet amount	Balance sheet amount	Balance sheet amount	Holding purpose, quantitative holding benefit, and reasons for any increase in the number of shares
Principal Financial Group	18,137	18,137	18,137	To increase the corporate value of the Group through joint operation, and increase and enhance its knowledge of the asset management business
	¥119,733	¥ 67,722	¥102,281	
MS&AD Insurance Group Holdings, Inc.	36,325	36,325	36,325	To strengthen ties through a business alliance and increase corporate value
	117,949	109,924	121,108	
Nomura Research Institute, Ltd.	24,727	24,727	8,242	To contribute the sophistication of IT strategy through the use of cutting-edge IT
	82,283	54,849	39,918	
AIA Group Limited	45,999	91,998	91,998	To benefit from growth in the Asian market, and increase and enhance knowledge of the Asian insurance market through a business partnership
	63,891	89,589	100,673	
DWS Group GmbH & Co. KGaA	10,000	10,000	10,000	To strengthen the Group's asset management capabilities, and increase and enhance its knowledge of the asset management business through a business partnership
	47,454	29,863	35,536	
Marsh & McLennan Companies, Inc.	2,622	5,245	5,245	To increase the corporate value of the Group through joint operation, and increase and enhance its knowledge
	34,282	53,146	53,613	
Schroders Plc	5,721	5,721	5,721	To increase the corporate value of the Group through joint operation and outsourcing certain functions
	30,172	18,948	22,389	
Prudential Financial, Inc.	2,560	2,560	2,560	To address international regulations through a business partnership, and increase and enhance knowledge of the U.S. insurance market
	25,847	15,537	26,754	
China Pacific Insurance (Group) Co. Ltd.	28,610	28,610	28,610	To increase and enhance knowledge of the Asian insurance market through a business partnership
	13,835	9,110	12,140	
Bangkok Bank Public Company Limited	25,690	25,690	25,690	To increase Nippon Life's corporate value through joint operation, and increase and enhance its knowledge of the Asian insurance market
	11,419	9,250	19,344	
Deutsche Bank AG	2,898	2,898	2,898	To improve the corporate value of joint investees, and increase and enhance knowledge of the European financial market and economic trends through a business partnership
	3,961	2,079	2,798	
Cathay Financial Holding	8,004	8,004	8,004	To increase and enhance knowledge of the Asian insurance market through a business partnership
	1,410	1,061	1,304	
HIGASHI TWENTY ONE CO., LTD.	1,040	1,040	1,040	To facilitate efficient management of general administration and relocation work related to Nippon Life's business
	606	503	491	
NICHIIGAKKAN CO., LTD.	—	1,239	1,239	To promote collaboration in the areas of childcare support and address the aging society
	—	1,327	1,570	

Note: With regard to domestic listed companies, the results of Nippon Life's exercise of voting rights at general meetings of shareholders held between April 2020 and March 2021 indicate that the Company approved all resolutions as proposed. With regard to investments in equity securities held for net investment, the Company has announced the results of its exercise of voting rights in "Initiatives Related to Japan's Stewardship Code" on the Nippon Life's website.

(4) Investments in equity securities held for net investment

					Millions of Yen
As of March 31	2021	2020			
Category	Number of stocks	Balance sheet amount	Number of stocks	Balance sheet amount	
Equity securities not listed	533	¥ 47,850	538	¥ 45,986	
Equity securities other than those not listed	1,476	9,778,834	1,503	7,153,606	

							Millions of Yen
As of March 31	2021	2020					
Category	Total dividends received	Total gains (losses) on sales	Total valuation gains (losses)	Total dividends received	Total gains (losses) on sales	Total valuation gains (losses)	
Equity securities not listed	¥ 3,101	¥41,147	¥ (585)	¥ 6,782	¥13,392	¥ (916)	
Equity securities other than those not listed	176,431	14,227	5,777,723	201,851	66,214	2,986,339	

Note: Nippon Life has announced the results of its exercise of voting rights in "Initiatives Related to Japan's Stewardship Code" on the Nippon Life website.

19. Ordinary Profit (Core Operating Profit)

		Millions of Yen		
Fiscal years ended March 31		2021	2020	2019
Core operating income		¥6,056,753	¥6,230,728	¥6,422,629
Revenues from insurance and reinsurance		4,264,628	4,526,109	4,775,136
Insurance premiums		4,263,255	4,525,225	4,774,223
Reinsurance revenue		1,372	884	912
Investment income		1,505,089	1,429,703	1,452,440
Interest, dividends, and other income		1,381,994	1,426,177	1,427,665
Gain on redemptions of securities		3,690	2,193	6,187
Reversal of general allowance for doubtful accounts		—	—	—
Other investment income		1,177	1,333	1,784
Gain from separate accounts, net		118,226	—	16,803
Other ordinary income		127,678	176,968	180,396
Income from annuity riders		7,409	10,005	8,959
Income from deferred benefits		76,119	80,784	83,119
Reversal of reserve for outstanding claims		11,592	47,825	47,274
Reversal of policy reserves		—	—	—
Reversal of accrued retirement benefits		—	—	—
Other income		32,555	38,351	41,043
Other core operating income		159,357	97,947	14,656
Core operating expenses		5,400,190	5,583,275	5,744,417
Benefits and other payments		3,803,456	3,629,384	3,654,589
Death and other claims		999,529	1,019,362	1,048,516
Annuity payments		803,471	805,445	791,978
Health and other benefits		661,384	691,317	653,486
Surrender benefits		1,108,847	918,833	949,282
Other refunds		228,332	192,941	209,971
Reinsurance premiums		1,891	1,484	1,354
Provision for policy reserves*		685,822	866,113	1,134,787
Investment expenses		98,597	139,112	83,412
Interest expenses		28,437	33,220	30,872
Loss on redemptions of securities		14,736	12,745	8,097
Provision for general allowance for doubtful accounts		4,389	240	(402)
Depreciation of rental real estate and other assets		17,830	17,582	16,364
Other investment expenses		33,203	32,912	28,480
Loss from separate accounts, net		—	42,411	—
Operating expenses		575,223	598,746	611,973
Other ordinary expenses		216,707	238,395	240,011
Deferred benefit payments		87,842	100,987	118,984
Taxes		51,876	51,167	49,358
Depreciation		54,314	56,691	46,595
Provision for accrued retirement benefits		1,233	8,562	4,782
Deferred asset amortization (Insurance Business Act, Article 113)		—	—	—
Other expenses		21,439	20,985	20,291
Other core operating expenses		20,382	111,522	19,643
Core operating profit	A	656,563	647,453	678,212

19. Ordinary Profit (Core Operating Profit), continued

		Millions of Yen		
Fiscal years ended March 31		2021	2020	2019
Capital gains		¥ 596,133	¥ 457,453	¥ 216,705
Gain on proprietary trading securities		—	—	—
Gain from assets held in trust, net		—	17,720	—
Gain on trading securities		—	—	—
Gain on sales of securities		507,284	328,211	194,922
Gain on derivative financial instruments, net		—	—	—
Foreign exchange gains, net		68,465	—	2,140
Other capital gains		20,382	111,522	19,643
Capital losses		286,663	462,402	270,492
Loss on proprietary trading securities		—	—	—
Loss from assets held in trust, net		34,144	—	2,563
Loss on trading securities		—	—	—
Loss on sales of securities		40,193	48,704	138,790
Loss on valuation of securities		4,963	202,393	21,371
Loss on derivative financial instruments, net		48,004	83,947	93,110
Foreign exchange losses, net		—	29,408	—
Other capital losses		159,357	97,947	14,656
Net capital gains (losses)	B	309,469	(4,948)	(53,786)
Core operating profit, including net capital gains	A + B	966,032	642,505	624,426
Nonrecurring gains		2,188	1,473	—
Reinsurance revenue		—	—	—
Reversal of contingency reserve		—	—	—
Reversal of specific allowance for doubtful accounts		—	1,473	—
Other nonrecurring gains		2,188	—	—
Nonrecurring losses		537,150	292,740	240,907
Reinsurance premiums		—	—	—
Provision for contingency reserve		166,396	101,156	113,751
Provision for specific allowance for doubtful accounts		1,579	—	4,405
Provision for allowance for specific overseas debts		—	—	—
Write-offs of loans		—	—	—
Other nonrecurring losses		369,175	191,584	122,751
Nonrecurring losses	C	(534,961)	(291,266)	(240,907)
Ordinary profit	A + B + C	¥ 431,070	¥ 351,238	¥ 383,518

* "Provision for policy reserves" excludes provision for (reversal of) contingency reserve and provision for policy reserves under Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act in Japan.

(Reference) Breakdown of other core operating income

		Millions of Yen		
Fiscal years ended March 31		2021	2020	2019
Other core operating income		¥ 159,357	¥ 97,947	¥ 14,656
Interest income related to swap transactions for foreign currency-denominated insurance products and swap transactions for hedging purposes		18,811	18,118	14,656
Impact of market exchange rate movements related to foreign currency-denominated insurance policies		140,545	—	—
Impact of movements in surrender benefits related to market value adjustment		—	79,829	—
Other core operating expenses		20,382	111,522	19,643
Interest expenses related to swap transactions for foreign currency-denominated insurance products and swap transactions for hedging purposes		—	—	—
Impact of market exchange rate movements related to foreign currency-denominated insurance policies		—	111,522	18,471
Impact of movements in surrender benefits related to market value adjustment		20,382	—	1,171
Other capital gains		20,382	111,522	19,643
Interest income related to swap transactions for foreign currency-denominated insurance products and swap transactions for hedging purposes		—	—	—
Impact of market exchange rate movements related to foreign currency-denominated insurance policies		—	111,522	18,471
Impact of movements in surrender benefits related to market value adjustment		20,382	—	1,171
Other capital losses		159,357	97,947	14,656
Interest expenses related to swap transactions for foreign currency-denominated insurance products and swap transactions for hedging purposes		18,811	18,118	14,656
Impact of market exchange rate movements related to foreign currency-denominated insurance policies		140,545	—	—
Impact of movements in surrender benefits related to market value adjustment		—	79,829	—
Other nonrecurring gains		2,188	—	—
Reversal of allowance for investment loss		2,188	—	—
Other nonrecurring losses		369,175	191,584	122,751
Provision for allowance for investment loss		—	5,471	1,459
Provision for policy reserves under Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act		369,175	186,113	121,292

20. Policies in Force and New Policies

1. Policies in force

(1) Number of policies

As of March 31	2021		2020		2019		Number of Policies, %
	Number of policies	Rate of increase (decrease)	Number of policies	Rate of increase (decrease)	Number of policies	Rate of increase (decrease)	
Individual insurance	29,714,859	2.1%	29,111,721	4.3%	27,907,154	6.5%	
Individual annuities	4,137,777	1.2	4,088,357	3.1	3,964,083	2.0	

(2) Policy amounts

As of March 31	2021		2020		2019		Millions of Yen, %
	Amount	Rate of increase (decrease)	Amount	Rate of increase (decrease)	Amount	Rate of increase (decrease)	
Individual insurance	¥129,693,686	(2.1)%	¥132,506,579	(2.1)%	¥135,332,689	(2.0)%	
Individual annuities	25,148,344	1.4	24,812,800	3.7	23,937,270	1.5	
Group insurance	98,779,188	0.9	97,889,407	0.8	97,102,220	1.7	
Group annuities	13,649,007	2.0	13,387,198	1.6	13,177,068	2.5	

Notes: 1. The amount of individual annuities is the total of (a) annuity resources at the start of annuity payments for policies prior to the start of annuity payments and (b) policy reserves for policies after the start of annuity payments.

2. The amount of group annuities represents the amount of the policy reserves.

2. New policies

(1) Number of policies

Fiscal years ended March 31	2021		2020		2019		Number of Policies, %
	Number of policies	Rate of increase (decrease)	Number of policies	Rate of increase (decrease)	Number of policies	Rate of increase (decrease)	
Individual insurance	3,796,234	(19.5)%	4,716,492	0.8%	4,679,571	40.8%	
Individual annuities	202,929	(26.8)	277,089	20.6	229,800	3.5	

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

(2) Policy amounts

Fiscal years ended March 31	2021		2020		2019		Millions of Yen, %
	Amount	Rate of increase (decrease)	Amount	Rate of increase (decrease)	Amount	Rate of increase (decrease)	
Individual insurance	¥ 5,737,422	(10.4)%	¥ 6,404,630	(7.5)%	¥ 6,921,256	32.7 %	
New policies, including conversions	5,641,346	(11.5)	6,374,940	(8.1)	6,939,870	19.4	
Net increase by conversion	96,075	223.6	29,689	—	(18,613)	—	
Individual annuities	1,467,438	(28.1)	2,039,890	35.3	1,508,194	10.2	
New policies, including conversions	1,458,014	(27.7)	2,016,648	34.5	1,499,334	10.4	
Net increase by conversion	9,424	(59.4)	23,241	162.3	8,860	(16.5)	
Group insurance	270,427	35.1	200,110	(65.6)	580,896	90.9	
New policies, including conversions	270,427	35.1	200,110	(65.6)	580,896	90.9	
Net increase by conversion	[4,223,702]	10.0	[3,839,805]	(20.5)	[4,832,496]	(7.9)	
Group annuities	2,053	665.7	268	(54.6)	591	62.9	
New policies, including conversions	2,053	665.7	268	(54.6)	591	62.9	
Net increase by conversion	—	—	—	—	—	—	

Notes: 1. New policies include enrollment using the coverage enhancement system, and conversion indicates enrollment using the coverage revision system and partial coverage revision system.

2. The amount for new policies for individual annuities represents annuity resources at the start of annuity payments.

3. Figures in brackets for group insurance are amounts that include premium increases and the net increase in premiums from midterm enrollments and withdrawals.

4. Figures for group annuities for new policies represent the first-time premium.

21. Annualized Premiums

1. Policies in force

Millions of Yen, %						
As of March 31	2021		2020		2019	
	Amount	Rate of increase (decrease)	Amount	Rate of increase (decrease)	Amount	Rate of increase (decrease)
Individual insurance	¥2,649,240	(1.9)%	¥2,700,179	(1.4)%	¥2,738,337	1.9%
Individual annuities	1,088,993	2.6	1,061,681	5.2	1,009,615	3.1
Total	¥3,738,233	(0.6)%	¥3,761,860	0.4 %	¥3,747,953	2.2%
Medical coverage, living benefits, and others	¥ 663,800	1.0 %	¥ 657,140	3.0 %	¥ 638,301	1.7%

Notes: 1. The amount of annualized premium is the annual premium amount calculated by multiplying a single premium payment by a factor according to the premium payment method (for single premium, the annualized amount is the total premium divided by the insured period).

2. The amount of medical coverage, living benefits, and others represents annualized premiums related to medical benefits (hospitalization benefits and surgical benefits), living benefits (specified illness benefits and nursing care benefits), and waiver of premium benefits (excluding disability benefits alone, but including specified illness and nursing care benefits).

2. New policies

Millions of Yen, %						
Fiscal years ended March 31	2021		2020		2019	
	Amount	Rate of increase (decrease)	Amount	Rate of increase (decrease)	Amount	Rate of increase (decrease)
Individual insurance	¥145,623	(10.3)%	¥162,414	(34.0)%	¥246,056	(6.2)%
Individual annuities	64,357	(26.9)	88,027	35.1	65,143	8.9
Total	¥209,981	(16.2)%	¥250,442	(19.5)%	¥311,200	(3.4)%
Medical coverage, living benefits, and others	¥ 43,178	(24.3)	¥ 57,003	21.1 %	¥ 47,080	12.1 %

Notes: 1. The amount of annualized premium is the annual premium amount calculated by multiplying a single premium payment by a factor according to the premium payment method (for single premium, the annualized amount is the total premium divided by the insured period).

2. The amount of medical coverage, living benefits, and others represents annualized premiums related to medical benefits (hospitalization benefits and surgical benefits), living benefits (specified illness benefits and nursing care benefits), and waiver of premium benefits (excluding disability benefits alone, but including specified illness and nursing care benefits).

3. Annualized new policy premium includes net increases due to conversions.

22. New Policies by Product

Fiscal years ended March 31		2021		2020		2019	
		Policies	Amount	Policies	Amount	Policies	Amount
Individual insurance	Mortality insurance	[3,068,857]	¥[8,871,790]	[3,932,392]	¥[10,636,749]	[3,706,654]	¥[11,013,641]
		1,218,346	3,536,118	1,615,671	3,924,563	1,584,534	4,096,824
	Term life insurance	[311,741]	[4,018,134]	[378,700]	[4,527,975]	[433,955]	[4,580,172]
		99,484	1,558,507	115,118	1,381,056	166,626	1,225,846
	Whole life insurance	[82,227]	[341,767]	[99,195]	[343,846]	[110,022]	[334,180]
		28,538	190,545	30,617	180,717	30,793	160,867
	Single premium whole life insurance with variable accumulation rate	16,142	80,452	48,083	247,094	81,830	390,785
	Single premium increasing whole life insurance with variable assumed rate	12,505	124,609	10,064	94,911	4,175	42,291
	Dread disease insurance	[384,090]	[1,281,626]	[476,918]	[1,583,055]	[487,814]	[1,651,615]
		136,678	422,705	175,472	535,026	186,111	578,635
	Physical disability insurance	[430,075]	[1,462,878]	[539,249]	[1,846,886]	[545,872]	[1,872,319]
		170,914	602,245	218,728	777,621	236,199	842,018
	Nursing care insurance	[383,574]	[1,483,670]	[494,279]	[1,950,229]	[512,012]	[2,046,969]
		129,950	479,226	179,200	665,448	202,814	762,138
	General medical insurance	[—]	[—]	[12,733]	[—]	[637,031]	[—]
		—	—	3,615	—	270,230	—
	General hospitalization insurance	[720,874]	[—]	[982,198]	[—]	[—]	[—]
		308,268	—	448,831	—	—	—
	Children's general medical insurance	13,556	—	14,486	—	14,317	—
	Cancer medical insurance	[351,830]	[—]	[409,236]	[—]	[399,603]	[—]
		113,009	—	129,042	—	134,020	—
	Limited injury insurance	[349,415]	[—]	[442,074]	[—]	[433,371]	[—]
		176,493	—	217,239	—	210,782	—
	Disability income insurance	10,899	—	23,676	—	43,947	—
	Increasing term life insurance	[1,545]	[78,539]	[848]	[42,084]	[1,829]	[83,669]
		1,526	77,713	847	42,021	1,814	82,603
	Long-term life insurance with low cash surrender value	—	—	4	475	178	11,411
	Medical life insurance	3	0	—	—	1	0
	Medical life insurance for retirement	381	111	649	190	697	225
	Life and mortality insurance	[696,067]	[3,324,766]	[752,741]	[3,620,121]	[941,561]	[4,172,201]
		383,981	2,016,209	450,465	2,362,308	582,614	2,755,585
	Endowment insurance	[52,620]	[278,548]	[63,920]	[337,655]	[38,626]	[161,744]
		49,413	268,091	59,400	326,186	34,050	151,833
	Variable insurance with survival benefits in a designated currency	160	2,117	4,111	38,275	6,203	57,532
	Term life with survival benefit insurance	[23,677]	[87,507]	[31,159]	[78,170]	[32,265]	[78,721]
		13,045	60,445	15,691	40,698	16,523	42,263
	Dread disease insurance coverage with continuous support	[228,264]	[1,522,532]	[292,416]	[1,937,846]	[295,346]	[1,840,864]
		132,975	935,325	170,026	1,190,721	177,574	1,176,454
	Dread disease insurance with maternity support benefits	434	1,302	553	1,659	771	2,313
	Specified serious disease insurance coverage	[245,928]	[752,213]	[339,827]	[1,013,803]	[547,827]	[1,822,443]
		122,641	373,633	179,929	552,056	326,970	1,116,605
	Dementia coverage insurance	[125,852]	[484,560]	[—]	[—]	[—]	[—]
		46,181	179,311	—	—	—	—
	Juvenile insurance	19,132	195,982	20,755	212,710	20,523	208,581
	Multi-increase endowment rider	5	0	6	0	8	0
	Pure endowment	31,310	89,018	31,359	88,068	31,356	87,460
	Educational endowment insurance	31,310	89,018	31,359	88,068	31,356	87,460
		[3,796,234]	[12,285,575]	[4,716,492]	[14,344,939]	[4,679,571]	[15,273,303]
Subtotal		1,633,637	5,641,346	2,097,495	6,374,940	2,198,504	6,939,870
			<5,737,422>		<6,404,630>		<6,921,256>

22. New Policies by Product, continued

Fiscal years ended March 31		2021		2020		2019	
		Policies	Amount	Policies	Amount	Policies	Amount
Individual annuities	Nissay annuities	[191,151]	¥ [1,441,880]	[261,770]	¥ [2,006,944]	[206,808]	¥ [1,455,067]
		184,082	1,393,645	251,868	1,937,700	198,103	1,401,280
	Long-life insurance	11,756	64,257	12,575	69,833	12,161	63,658
	Nissay investment-type annuities	22	111	2,744	9,114	10,831	34,394
	Subtotal	[202,929]	[1,506,249]	[277,089]	[2,085,893]	[229,800]	[1,553,120]
		195,860	1,458,014	267,187	2,016,648	221,095	1,499,334
			<1,467,438>		<2,039,890>		<1,508,194>
Group insurance	Group term life insurance	7,442	21,798	11,545	19,939	24,684	21,563
	Dread disease insurance (Group type)	1,946	2,207	10,337	8,076	11,898	33,473
	Nursing care insurance (Group type)	6,174	5,401	—	—	—	—
	General welfare group term life insurance	59,542	240,978	55,768	172,094	83,483	525,805
	Group credit life insurance	6	42	—	—	12	54
	Subtotal	75,110	270,427	77,650	200,110	120,077	580,896
Group annuities	Insured contributory pension plans	—	—	249	6	8,130	260
	Defined benefit corporate pension plans	—	2,006	—	193	—	238
	Defined contribution pension plans	—	46	—	68	—	92
	Subtotal	—	2,053	249	268	8,130	591
Workers' asset-formation insurance	Workers' asset-formation savings insurance	1,353	229	1,760	235	1,841	212
	Workers' asset-formation housing funding insurance	279	23	285	18	339	32
	Subtotal	1,632	253	2,045	254	2,180	244
Workers' asset-formation annuities	Workers' asset-formation funding annuities	639	38	740	32	815	33
	Subtotal	639	38	740	32	815	33
Medical life insurance	Individual type	2	0	5	0	2	0
	Group type	2,692	8	3,351	12	66,016	50
	Subtotal	2,694	8	3,356	12	66,018	50
Disability income insurance	Group disability income insurance	—	—	—	—	374	164
	Group long-term disability income support insurance	1,341,372	36,072	1,012,510	34,472	900,037	26,196
	Subtotal	1,341,372	36,072	1,012,510	34,472	900,411	26,360

Notes: 1. Amounts in brackets include policies that were converted into new policies, except for subtotal figures in square brackets, which exclude policies prior to conversion.

2. Term life insurance includes group type term life insurance.

3. Policies for multi-increase endowment rider are not included in the subtotals.

4. Policies for group insurance, group annuities, workers' asset-formation insurance, workers' asset-formation annuities, medical life insurance, and disability income insurance represent the number of insured persons.

5. Amounts for individual annuities represent annuity resources at the start of annuity payments.

6. Amounts for group annuities, workers' asset-formation insurance, and workers' asset-formation annuities are the first-time premium.

7. Amounts for medical life insurance represent daily hospitalization benefits.

8. Amounts for disability income insurance represent monthly disability income insurance benefits.

23. Policies in Force by Product

		Number of Policies, Millions of Yen					
As of March 31		2021		2020		2019	
		Policies	Amount	Policies	Amount	Policies	Amount
Individual insurance	Mortality insurance	25,731,428	¥111,393,087	25,462,351	¥115,486,189	24,673,974	¥119,928,556
	Term life insurance	2,158,676	32,598,845	2,125,142	32,271,469	2,048,937	31,743,501
	Whole life insurance	4,661,490	28,115,854	4,700,955	28,329,251	4,755,629	28,681,745
	Single premium whole life insurance with variable accumulation rate	231,895	1,232,768	292,498	1,398,609	261,475	1,269,041
	Single premium increasing whole life insurance with variable assumed rate	205,736	1,653,383	211,270	1,686,969	219,405	1,754,552
	Whole life insurance with term rider	834,066	14,803,800	1,020,147	18,829,152	1,259,795	24,184,004
	Variable life insurance (whole life type)	30,564	424,338	31,206	434,581	31,875	447,080
	Variable life insurance with term rider (whole life type)	44	1,363	65	1,921	91	2,786
	Term life insurance with dread disease term rider	55,571	243,628	60,174	264,719	65,393	288,212
	Whole life insurance with dread disease term rider	26,049	165,083	26,596	168,801	27,274	173,278
	Dread disease insurance	2,933,508	9,977,623	2,878,381	9,879,274	2,774,867	9,642,093
	Physical disability insurance	2,867,036	9,441,675	2,794,514	9,252,549	2,655,038	8,830,540
	Nursing care insurance	2,733,408	10,737,085	2,693,470	10,723,921	2,585,604	10,423,073
	Cancer insurance	140,246	18,176	147,444	19,150	155,523	20,247
	Hospitalization medical insurance	53,018	250	55,494	217	58,358	190
	General medical insurance	2,352,391	751	2,817,481	523	3,408,907	320
	General hospitalization insurance	1,638,594	—	970,890	—	—	—
	Children's general medical insurance	100,321	—	91,945	—	83,023	—
	Cancer medical insurance	2,220,438	134	2,122,396	93	1,998,086	55
	Limited injury insurance	2,309,964	—	2,225,089	—	2,085,988	—
	Disability income insurance	111,410	—	125,026	—	121,609	—
	Increasing term life insurance	22,779	1,060,455	26,929	1,235,486	31,061	1,398,144
	Long-term life insurance with low cash surrender value	5,802	462,190	6,021	481,204	6,253	501,982
	Medical life insurance	973	57	1,035	60	1,081	63
	Single premium whole life insurance for retirement	8,530	39,320	8,822	40,477	9,093	41,580
	Medical life insurance for retirement	14,241	5,356	14,309	5,499	14,112	5,558
	Former Dowa Life Insurance	14,678	116,997	15,052	121,768	15,497	128,499
	Term rider	54,908	293,946	64,180	340,485	74,732	392,000
	Life and mortality insurance	3,588,089	17,266,439	3,280,733	16,063,823	2,890,757	14,523,488
	Endowment insurance	634,329	2,783,889	656,897	2,844,272	680,074	2,881,559
	Endowment insurance with term rider <i>Kurashi no Hoken</i>	20,000	280,526	23,207	329,209	27,787	395,274
	Variable life insurance (defined term type)	87	429	141	658	202	984
	Variable insurance with survival benefits in a designated currency	12,231	97,396	12,323	101,905	8,373	75,154
	Term life with survival benefit insurance	216,880	802,196	222,009	880,458	225,961	1,008,545
	Dread disease insurance coverage with continuous support	1,225,126	7,562,585	1,141,837	6,946,763	1,000,451	5,938,570
	Dread disease insurance with maternity support benefits	5,366	16,098	5,393	16,179	5,296	15,888
	Specified serious disease insurance coverage	985,092	3,048,145	836,488	2,644,178	539,317	1,790,998
	Dementia coverage insurance	124,856	480,708	—	—	—	—
	Juvenile insurance	363,430	1,967,865	381,423	2,041,568	401,923	2,117,336
	Former Dowa Life Insurance	692	1,913	1,015	2,067	1,373	2,237
	Multi-increase endowment rider	5,826	1,602	10,395	2,597	11,055	2,798
	Term rider with survival benefit	112,864	223,081	129,352	253,964	151,357	294,141
	Pure endowment	395,342	1,034,159	368,637	956,566	342,423	880,644
	Educational endowment insurance	395,215	1,032,654	368,509	954,978	342,287	878,927
	Pure endowment with nursing care benefit	127	1,504	128	1,588	136	1,716
	Subtotal	29,714,859	129,693,686	29,111,721	132,506,579	27,907,154	135,332,689

23. Policies in Force by Product, continued

As of March 31		2021		2020		2019	
		Policies	Amount	Policies	Amount	Policies	Amount
Individual annuities	Nissay annuities	3,580,999	¥22,139,352	3,524,198	¥21,787,929	3,400,064	¥20,862,682
	Individual fixed annuities <i>Sounen no Sekkei</i>	65	230	74	269	83	306
	Annuities focused on survival coverage	353,457	2,163,447	358,863	2,199,981	364,516	2,239,501
	Long-life insurance	80,557	433,617	71,247	382,767	61,449	329,239
	Variable assumed rate-type annuities	2,734	7,243	3,457	8,734	4,383	10,795
	Annuities with variable accumulation rate	52,120	141,958	59,105	177,418	64,107	218,457
	Guaranteed minimum maturity benefit equity-indexed annuities	118	389	134	507	191	797
	Nissay investment-type annuities	31,581	131,304	35,562	120,784	34,967	141,121
	Former Dowa Life Insurance	3,072	13,824	3,165	14,306	3,273	14,589
	Annuity rider	31,535	104,166	30,922	106,177	29,269	103,510
	Term rider annualized payment	1,539	12,808	1,630	13,923	1,781	16,267
	Subtotal	4,137,777	25,148,344	4,088,357	24,812,800	3,964,083	23,937,270
Group insurance	Group term life insurance	9,738,391	23,786,455	9,671,534	23,617,103	9,754,243	23,390,355
	Dread disease insurance (Group type)	116,980	200,042	98,729	168,329	67,985	119,958
	Nursing care insurance (Group type)	6,134	5,378	—	—	—	—
	General welfare group term life insurance	5,761,532	38,004,617	5,720,266	38,089,103	5,719,199	37,685,554
	Group credit life insurance	11,919,603	36,743,399	11,883,560	35,974,857	11,990,400	35,865,490
	Consumer credit group insurance	38,591	343	40,250	419	41,769	476
	Group whole life insurance	22	23	27	27	29	27
	Life insurance for dependents of disabled	39,740	25,308	41,011	25,638	42,316	26,050
	Annuities rider (group term life insurance)	7,680	13,619	8,122	13,928	8,480	14,306
	Subtotal	27,588,933	98,779,188	27,422,488	97,889,407	27,582,105	97,102,220
Group annuities	Corporate pension plans	813	3,588	879	3,769	938	3,965
	New insured pension plans	5,267,064	1,047,279	5,222,473	1,021,421	5,196,177	1,001,496
	Insured contributory pension plans	3,302,476	4,603,858	3,325,374	4,479,417	3,346,337	4,359,439
	Defined benefit corporate pension plans	—	6,875,232	—	6,791,408	—	6,758,768
	Employees' pension fund insurance	234,659	162,761	296,723	172,597	317,278	170,500
	Group pure endowment insurance	—	44,204	—	48,833	—	48,503
	Defined contribution pension plans	—	912,083	—	869,750	—	834,384
	Subtotal	8,805,012	13,649,007	8,845,449	13,387,198	8,860,730	13,177,068
Workers' asset-formation insurance	Workers' asset-formation savings insurance	82,185	308,409	85,980	304,745	89,612	302,453
	Workers' asset-formation housing funding insurance	10,028	31,425	10,829	33,707	11,768	35,825
	Workers' asset-formation benefits savings insurance	17,690	1,545	17,950	1,595	18,311	1,527
	Workers' asset-formation fund savings insurance	524	11	523	11	539	11
	Subtotal	110,427	341,392	115,282	340,059	120,230	339,818
Workers' asset-formation annuities	Workers' asset-formation annuities	198	479	217	529	232	582
	Workers' asset-formation funding annuities	46,053	102,516	47,834	106,218	49,748	110,003
	Subtotal	46,251	102,995	48,051	106,747	49,980	110,586
Medical life insurance	Individual type	394	1	446	2	508	2
	Group type	843,365	3,719	837,338	3,688	829,933	3,646
	Subtotal	843,759	3,721	837,784	3,690	830,441	3,649
Disability income insurance	Group disability income insurance	126,438	21,563	126,362	21,768	133,428	22,578
	Group long-term disability income support insurance	1,333,384	35,814	986,754	33,954	882,677	25,883
	Subtotal	1,459,822	57,378	1,113,116	55,722	1,016,105	48,461
Reinsurance assumed		37,541	33,492	26,211	24,554	40,867	37,593

- Notes: 1. Term life insurance includes group-type term life insurance.
2. Whole life insurance includes comprehensive whole life insurance.
3. Term rider includes juvenile term life insurance riders and spouse term life insurance riders.
4. Term life with survival benefits insurance includes BIG YOU and Melody.
5. Policies for term rider, multi-increase endowment rider, term rider with survival benefit, and life insurance for dependents of disabled are not included in the subtotals.
6. The number of policies for group insurance, group annuities, workers' asset-formation insurance, workers' asset-formation annuities, medical life insurance, disability income insurance, and reinsurance assumed represents the number of insured persons.
7. Amounts for individual annuities, group insurance (annuities rider), and workers' asset-formation annuities (excluding workers' asset-formation funding annuities) represent the total of annuity resources at the start of annuities for policies prior to the start of annuity payments and policy reserves for policies after the start of annuity payments.
8. Amounts for group annuities, workers' asset-formation insurance, and workers' asset-formation funding annuities are amounts for policy reserves.
9. Amounts for medical life insurance represent daily hospitalization benefits.
10. Amounts for disability income insurance represent monthly disability income insurance benefits.

24. Amount of Policies in Force by Type of Benefits

As of March 31			Millions of Yen		
			2021	2020	2019
Death protection	Death protection due to illness/accident	Individual insurance	¥128,659,527	¥131,550,012	¥134,452,045
		Individual annuities	—	—	—
		Group insurance	98,765,569	97,875,478	97,087,913
		Group annuities	—	—	—
		Total, including other types	227,458,588	229,450,045	231,577,551
	Death protection due to accident	Individual insurance	[25,041,864]	[27,021,551]	[29,112,979]
		Individual annuities	[147,351]	[157,271]	[169,137]
		Group insurance	[3,113,396]	[3,163,080]	[3,195,793]
		Group annuities	[—]	[—]	[—]
		Total, including other types	[28,356,251]	[30,376,124]	[32,520,801]
	Death protection due to specific causes	Individual insurance	[163,592]	[172,355]	[182,228]
		Individual annuities	[—]	[—]	[—]
		Group insurance	[124,257]	[124,506]	[122,230]
		Group annuities	[—]	[—]	[—]
		Total, including other types	[287,850]	[296,862]	[304,459]
Pure endowment	Maturity and survival benefits	Individual insurance	1,034,159	956,566	880,644
		Individual annuities	22,981,756	22,681,113	21,854,213
		Group insurance	537	666	539
		Group annuities	—	—	—
		Total, including other types	24,076,287	23,700,960	22,800,736
	Annuity	Individual insurance	[36,452]	[42,947]	[51,167]
		Individual annuities	[2,857,556]	[2,821,259]	[2,724,760]
		Group insurance	[1,856]	[1,907]	[1,963]
		Group annuities	[—]	[—]	[—]
		Total, including other types	[2,902,827]	[2,873,245]	[2,785,235]
	Other	Individual insurance	—	—	—
		Individual annuities	2,166,587	2,131,687	2,083,056
		Group insurance	13,081	13,262	13,767
		Group annuities	13,649,007	13,387,198	13,177,068
		Total, including other types	16,213,231	15,916,341	15,658,959
Hospitalization coverage	Coverage for hospitalization due to accident	Individual insurance	[41,776]	[41,813]	[41,263]
		Individual annuities	[988]	[1,045]	[1,107]
		Group insurance	[1,327]	[1,336]	[1,337]
		Group annuities	[—]	[—]	[—]
		Total, including other types	[47,813]	[47,885]	[47,357]
	Coverage for hospitalization due to illness	Individual insurance	[41,726]	[41,757]	[41,198]
		Individual annuities	[980]	[1,036]	[1,098]
		Group insurance	[—]	[—]	[—]
		Group annuities	[—]	[—]	[—]
		Total, including other types	[46,429]	[46,484]	[45,945]
	Coverage for hospitalization due to other causes	Individual insurance	[37,662]	[40,366]	[43,995]
		Individual annuities	[203]	[213]	[224]
		Group insurance	[32]	[34]	[34]
		Group annuities	[—]	[—]	[—]
		Total, including other types	[37,898]	[40,614]	[44,254]
Disability coverage	Individual insurance	—	—	—	
	Individual annuities	—	—	—	
	Group insurance	—	—	—	
	Group annuities	—	—	—	
	Total, including other types	57,378	55,722	48,461	

Notes: 1. Amounts in brackets represent additional coverage and rider coverage attached to primary policies. However, death protection due to illness/accident of term riders is recorded under primary coverage.

2. Amounts for maturity and survival benefits of pure endowment represent annuity resources at the start of annuity payments for policies prior to the start of annuity payments for individual annuities and group insurance [annuities rider].

3. Amounts for annuity of pure endowment represent annual annuity amounts.

4. Amounts for other of pure endowment represent policy reserves for individual annuities (after start of annuity payments), group insurance (after start of annuities rider payments), and group annuities.

5. Amounts for hospitalization coverage represent daily hospitalization benefits. General hospitalization insurance represents the coverage per day.

6. Amounts for "total, including other types" included in coverage for hospitalization due to illness under hospitalization coverage represent the total of primary coverage portions and rider coverage.

24. Amount of Policies in Force by Type of Benefits, continued

As of March 31		Number of Policies		
		2021	2020	2019
Disability coverage	Individual insurance	[6,986,317]	[7,085,877]	[7,136,331]
	Individual annuities	[55,301]	[58,044]	[61,106]
	Group insurance	[2,595,461]	[2,566,929]	[2,519,913]
	Group annuities	[—]	[—]	[—]
	Total, including other types	[9,637,079]	[9,710,850]	[9,717,350]
Surgical coverage	Individual insurance	[9,572,147]	[9,660,139]	[9,652,971]
	Individual annuities	[215,411]	[228,058]	[242,020]
	Group insurance	[—]	[—]	[—]
	Group annuities	[—]	[—]	[—]
	Total, including other types	[9,787,558]	[9,888,197]	[9,894,991]

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

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

As of March 31		Millions of Yen		
		2021	2020	2019
Mortality insurance	Whole life insurance	¥ 32,228,254	¥ 32,629,753	¥ 32,901,506
	Whole life insurance with term rider	14,803,800	18,829,152	24,184,004
	Term life insurance	63,523,249	63,127,691	61,872,111
	Total, including other types	111,393,087	115,486,189	119,928,556
Life and mortality insurance	Endowment insurance	2,783,889	2,844,272	2,881,559
	Endowment insurance with term rider	280,526	329,209	395,274
	Term life insurance with survival benefits	802,196	880,458	1,008,545
	Total, including other types	17,266,439	16,063,823	14,523,488
Pure endowment	Educational endowment insurance	1,032,654	954,978	878,927
	Total, including other types	1,034,159	956,566	880,644
Annuities	Individual annuities	25,148,344	24,812,800	23,937,270
Hospitalization/accident riders	Accident rider with extra premium	3,743,777	4,162,364	4,615,776
	Injury rider	7,030,125	7,854,503	8,821,375
	General medical rider	8,515	9,634	11,090
	Hospitalization due to accident rider	5,782	6,441	7,208
	Hospitalization due to illness rider	5,721	6,372	7,129
	Hospitalization due to adult disease rider	372	436	518
	Hospital visit rider	600	688	800
	Long-term hospitalization rider	10	11	13
	Hospitalization rider for women	254	285	325
	Limited injury rider	23,422	28,293	35,354
	Hospitalization due to cancer rider	4,847	5,549	6,548
	Short-term hospitalization rider	1,737	1,922	2,156

Notes: 1. Whole life insurance includes whole life insurance with dread disease term rider, dread disease insurance (whole life type), nursing care insurance (whole life), comprehensive whole life insurance, cancer insurance, medical life insurance for retirement (whole life), single premium whole life insurance for retirement, single premium whole life insurance with variable accumulation rate, and single premium increasing whole life insurance with variable assumed rate.

2. Term life insurance includes term life insurance with dread disease term rider, dread disease insurance (term), physical disability insurance, nursing care insurance (term), group term life insurance, increasing term life insurance, long-term life insurance with low cash surrender value, long-term life insurance with period of extensive coverage for accidents, medical life insurance, and medical life insurance for retirement (term).

3. Term life insurance with survival benefits includes BIG YOU and Melody.

4. Amounts for individual annuities are the total of annuity resources at the start of annuity payments for policies prior to the start of annuity payments and policy reserves for policies after the start of annuity payments.

5. Amounts for hospitalization and hospital visit riders represent the daily hospitalization and hospital visit benefits.

26. Annualized Premiums for Individual Insurance and Annuity Policies in Force by Product

As of March 31		Millions of Yen		
		2021	2020	2019
Mortality insurance	Whole life insurance	¥ 904,469	¥ 923,804	¥ 935,759
	Whole life insurance with term rider	189,812	231,089	283,356
	Term life insurance	924,390	941,672	959,670
	Total, including other types	2,314,586	2,375,242	2,425,923
Life and mortality insurance	Endowment insurance	143,000	141,168	137,632
	Endowment insurance with term rider	2,067	2,460	3,013
	Term life insurance with survival benefits	16,388	16,450	17,450
	Total, including other types	275,911	270,645	262,459
Pure endowment	Educational endowment insurance	58,719	54,268	49,929
	Total, including other types	58,742	54,291	49,955
Annuities	Individual annuities	1,088,993	1,061,681	1,009,615

Notes: 1. The amount of annualized premium is the annual premium amount calculated by multiplying a single premium payment by a factor according to the premium payment method (for single premium, the annualized amount is the total premium divided by the insured period).

2. Whole life insurance includes whole life insurance with dread disease term rider, dread disease insurance (whole life type), nursing care insurance (whole life), comprehensive whole life insurance, cancer insurance, medical life insurance for retirement (whole life), single premium whole life insurance for retirement, single premium whole life insurance with variable accumulation rate, and single premium increasing whole life insurance with variable assumed rate.

3. Term life insurance includes term life insurance with dread disease term rider, dread disease insurance (term), physical disability insurance, nursing care insurance (term), group term life insurance, increasing term life insurance, long-term life insurance with low cash surrender value, long-term life insurance with period of extensive coverage for accidents, medical life insurance, and medical life insurance for retirement (term).

4. Term life insurance with survival benefits includes BIG YOU and Melody.

27. Increase in Policy Amounts in Force

1. Number of policies in force and rate of increase

Number of Policies, %						
Fiscal years ended March 31	2021		2020		2019	
	Policies	Rate of increase (decrease)	Policies	Rate of increase (decrease)	Policies	Rate of increase (decrease)
Individual insurance	29,714,859	2.1 %	29,111,721	4.3 %	27,907,154	6.5 %
Mortality insurance	25,731,428	1.1	25,462,351	3.2	24,673,974	4.5
Life and mortality insurance	3,588,089	9.4	3,280,733	13.5	2,890,757	28.0
Pure endowment	395,342	7.2	368,637	7.7	342,423	8.4
Individual annuities	4,137,777	1.2	4,088,357	3.1	3,964,083	2.0
Group insurance	27,588,933	0.6	27,422,488	(0.6)	27,582,105	0.4
Group annuities	8,805,012	(0.5)	8,845,449	(0.2)	8,860,730	(5.2)
Workers' asset-formation insurance	110,427	(4.2)	115,282	(4.1)	120,230	(4.0)
Workers' asset-formation annuities	46,251	(3.7)	48,051	(3.9)	49,980	(4.1)
Medical life insurance	843,759	0.7	837,784	0.9	830,441	0.8
Disability income insurance	1,459,822	31.1	1,113,116	9.5	1,016,105	33.3

Note: The number of policies for group insurance, group annuities, workers' asset-formation insurance, workers' asset-formation annuities, medical life insurance, and disability income insurance represents the number of insured persons.

2. Amount of insurance policies in force and rate of increase

Billions of Yen, %						
Fiscal years ended March 31	2021		2020		2019	
	Amount	Rate of increase (decrease)	Amount	Rate of increase (decrease)	Amount	Rate of increase (decrease)
Individual insurance	¥129,693.6	(2.1)%	¥132,506.5	(2.1)%	¥135,332.6	(2.0)%
Mortality insurance	111,393.0	(3.5)	115,486.1	(3.7)	119,928.5	(4.2)
Life and mortality insurance	17,266.4	7.5	16,063.8	10.6	14,523.4	19.4
Pure endowment	1,034.1	8.1	956.5	8.6	880.6	9.5
Individual annuities	25,148.0	1.4	24,812.8	3.7	23,937.2	1.5
Group insurance	987,791.0	0.9	97,889.4	0.8	97,102.2	1.7
Group annuities	13,649.0	2.0	13,387.1	1.6	13,177.0	2.5
Workers' asset-formation insurance	341.3	0.4	340.0	0.1	339.8	0.7
Workers' asset-formation annuities	102.9	(3.5)	106.7	(3.5)	110.5	(3.4)
Medical life insurance	3.7	0.8	3.6	1.1	3.6	0.9
Disability income insurance	57.3	3.0	55.7	15.0	48.4	17.2

Notes: 1. Amounts for individual annuities, group insurance (annuities rider), and workers' asset-formation annuities (excluding workers' asset-formation funding annuities) are the total of annuity resources at the start of annuity payments for policies prior to the start of annuity payments and policy reserves for policies after the start of annuity payments.

2. Amounts for group annuities, workers' asset-formation insurance, and workers' asset-formation annuities (excluding workers' asset-formation funding annuities) are amounts for policy reserves.

3. Amounts for medical life insurance represent daily hospitalization benefits.

4. Amounts for disability income insurance represent monthly disability income insurance benefits.

28. Increase in New Policies

1. Number of new policies and rate of increase

						Number of Policies, %
Fiscal years ended March 31		2021		2020		2019
	Policies	Rate of increase (decrease)		Policies	Rate of increase (decrease)	
Individual insurance	1,633,637	(22.1)%		2,097,495	(4.6)%	2,198,504 13.1 %
Mortality insurance	1,218,346	(24.6)		1,615,671	2.0	1,584,534 (4.0)
Life and mortality insurance	383,981	(14.8)		450,465	(22.7)	582,614 119.2
Pure endowment	31,310	(0.2)		31,359	0.0	31,356 16.1
Individual annuities	195,860	(26.7)		267,187	20.8	221,095 2.9
Group insurance	75,110	(3.3)		77,650	(35.3)	120,077 (19.5)
Group annuities	—	—		249	(96.9)	8,130 475.0
Workers' asset-formation insurance	1,632	(20.2)		2,045	(6.2)	2,180 (33.4)
Workers' asset-formation annuities	639	(13.6)		740	(9.2)	815 (29.8)
Medical life insurance	2,694	(19.7)		3,356	(94.9)	66,018 1,234.2
Disability income insurance	1,341,372	32.5		1,012,510	12.4	900,411 37.1

Notes: 1. The number of policies represents the number of insured persons for group insurance, group annuities, workers' asset-formation insurance, workers' asset-formation annuities, medical life insurance, and disability income insurance.
2. The policies above exclude converted policies.

2. Amount of new policies and rate of increase

						Billions of Yen, %
Fiscal years ended March 31		2021		2020		2019
	Amount	Rate of increase (decrease)		Amount	Rate of increase (decrease)	
Individual insurance	¥5,641.3	(11.5)%		¥6,374.9	(8.1)%	¥6,939.8 19.4 %
Mortality insurance	3,536.1	(9.9)		3,924.5	(4.2)	4,096.8 (0.1)
Life and mortality insurance	2,016.2	(14.7)		2,362.3	(14.3)	2,755.5 68.3
Pure endowment	89.0	1.1		88.0	0.7	87.4 19.2
Individual annuities	1,458.0	(27.7)		2,016.6	34.5	1,499.3 10.4
Group insurance	270.4	35.1		200.1	(65.6)	580.8 90.9
Group annuities	2.0	665.7		0.2	(54.6)	0.5 62.9
Workers' asset-formation insurance	0.2	(0.5)		0.2	4.3	0.2 (29.3)
Workers' asset-formation annuities	0.0	17.6		0.0	(1.2)	0.0 (38.0)
Medical life insurance	0.0	(32.2)		0.0	(75.0)	0.0 185.4
Disability income insurance	36.0	4.6		34.4	30.8	26.3 34.4

Notes: 1. Amounts for individual annuities are annuity resources at the start of annuity payments.
2. Amounts for group annuities, workers' asset-formation insurance, and workers' asset-formation annuities represent the first-time premium.
3. Amounts for medical life insurance are daily hospitalization benefits.
4. Amounts for disability income insurance are monthly disability income insurance benefits.
5. The policies above exclude converted policies.

29. Average Policy Coverage (Individual Insurance)

						Thousands of Yen
Fiscal years ended March 31		Average policy coverage of new policies			Average policy coverage of policies in force	
	2021	2020	2019	2021	2020	2019
Mortality insurance	¥2,902	¥2,429	¥2,585	¥4,329	¥4,535	¥4,860
Life and mortality insurance	5,250	5,244	4,729	4,812	4,896	5,024
Pure endowment	2,843	2,808	2,789	2,615	2,594	2,571
Average	3,453	3,039	3,156	4,364	4,551	4,849

Note: Average policy coverage for new policies excludes converted policies.

30. Percentage of New Policies (Compared to the Beginning of the Fiscal Year)

				%
Fiscal years ended March 31		2021	2020	2019
Individual insurance		4.3%	4.7%	5.0%
Individual annuities		6.4	9.2	7.0
Group insurance		0.3	0.2	0.6

Notes: 1. The policies above exclude converted policies.

2. For individual annuities, the ratio of policies prior to start of annuity payments is provided.

31. Rate of Cancellation and Expiration (Compared to the Beginning of the Fiscal Year)

				%
Fiscal years ended March 31		2021	2020	2019
Individual insurance		4.8%	5.1%	5.3%
Individual annuities		2.7	2.9	3.0
Group insurance		0.7	1.1	0.6

Notes: 1. The rate of cancellation and expiration is determined by adjusting cancellations and expirations based on increases or decreases in policies and policy reinstatements.

2. For individual annuities, the percentage of policies prior to the start of annuity payments is provided.

32. Average New Policy Premium (Individual Insurance Policies with Monthly Payments)

				Yen
Fiscal years ended March 31		2021	2020	2019
Average premium of new individual policies (monthly payment policies)		¥43,450	¥39,318	¥43,664

Notes: 1. Amounts exclude converted policies.

2. Amounts represent policies with annualized monthly payments.

33. Mortality Rate (Primary Individual Insurance Policies)

				‰
Fiscal years ended March 31		2021	2020	2019
Number of policies		3.81‰	3.67‰	3.61‰
Insurance amount		5.52	5.26	5.03

Notes: 1. Mortality rate is the rate that is calculated by having mortality incidence policies as the numerator and outstanding policies as the denominator.

2. Outstanding policies are calculated by adding the policies at the start of the fiscal year, policies at the end of the fiscal year, and mortality incidence policies, and then dividing the total by two.

3. Mortality includes serious disability when the contract insures for that event. (When serious disability is not covered by the contract, serious disability is not included in mortality.)

34. Incidence of Events Covered by Riders (Individual Insurance)

							‰
Fiscal years ended March 31		2021		2020		2019	
		Ratio of the number of policies	Ratio of the amount of claims on policies	Ratio of the number of policies	Ratio of the amount of claims on policies	Ratio of the number of policies	Ratio of the amount of claims on policies
Accidental death		0.375‰	0.250‰	0.333‰	0.299‰	0.314‰	0.388‰
Disability		0.533	0.198	0.503	0.194	0.456	0.172
Hospitalization due to accident		6.388	150.9	6.692	153.2	6.358	146.9
Hospitalization due to illness		73.563	1,261.7	77.323	1,261.9	74.385	1,063.9
Hospitalization due to adult disease		23.336	425.3	21.441	382.3	18.981	339.0
Surgery due to illness or injury		62.846		69.107		67.025	
Surgery due to adult disease		22.821		21.880		19.950	

Notes: 1. Incidence of the events covered by riders is the rate that is calculated by having incidence of events covered by riders as the numerator and outstanding policies as the denominator.

2. Outstanding policies for accidental death insurance are calculated by adding the policies at the start of the fiscal year, at the end of the fiscal year, and at the incidence of accidental death, and then dividing the total by two. For policies other than accidental death insurance, amounts are calculated by adding the policies at the start of the fiscal year and at the end of the fiscal year, and then dividing the total by two.

3. Accidental death includes serious disability due to accident.

35. Ratio of Insured Amount to Premium Earned by Type of Third-sector Insurance Benefits or Type of Insurance

				%
Fiscal years ended March 31	2021	2020	2019	
Third-sector incidence rate	31.4%	32.8%	32.3%	
Medical care	34.8	37.4	36.3	
Cancer	32.2	32.9	32.6	
Nursing care	20.1	18.3	18.7	
Others	26.8	27.9	28.2	

Note: The third-sector incidence rate is calculated by dividing the sum of payments for insured incidents (i.e., payments, such as claims and benefits, matching provision for reserve for outstanding claims [excluding past unreported incidents as defined in Article 72 of the Ordinance for Enforcement of Insurance Business Act in Japan], and total operating expenses related to payments such as claims and benefits) by earned premiums.

36. Operating Expenses Percentage (Ratio of Operating Expenses to Premium Revenues)

				%
Fiscal years ended March 31	2021	2020	2019	
Operating efficiency (percentage of operating expenses to premium revenues)	13.5%	13.2%	12.8%	

37. Number of Major Insurance Companies that Accepted Reinsurance Contracts

				Number of Insurance Companies
Fiscal years ended March 31	2021	2020	2019	
Number of major insurance companies accepting reinsurance	13 [—]	13 [—]	12 [—]	

Notes: 1. Insurance companies and others to which the Company has paid reinsurance premiums are included in the above table.

2. Figures in brackets indicate third-sector insurances (including only policies for which policy reserves are not recorded as provided by Article 71 of the Ordinance for Enforcement of the Insurance Business Act in Japan).

38. Ratio of Reinsurance Premiums Paid to the Top Five Insurance Companies Accepting Reinsurance to Total Reinsurance Premiums

				%
Fiscal years ended March 31	2021	2020	2019	
Ratio of reinsurance premiums paid to the top five insurance companies	78.7% [—]	80.2% [—]	81.0% [—]	

Notes: 1. Insurance companies and others to which the Company has paid reinsurance premiums are included.

2. Figures in brackets indicate third-sector insurances (including only policies for which policy reserves are not recorded as provided by Article 71 of the Ordinance for Enforcement of the Insurance Business Act in Japan).

39. Ratio of Insurance Companies Accepting Reinsurance Contracts by Rating by Rating Agencies

				%
Fiscal years ended March 31	2021	2020	2019	
A and above	99.8% [—]	100.0% [—]	100.0% [—]	
BBB and above, but below A	— [—]	— [—]	— [—]	
Others (below BBB or no rating)	0.2 [—]	— [—]	— [—]	

Notes: 1. The rating above is based on data compiled by Standard & Poor's Financial Services LLC (S&P). When no rating was available from S&P, such insurance companies are classified as "Others."

2. Figures in brackets indicate third-sector insurances (including only policies for which policy reserves are not recorded as provided by Article 71 of the Ordinance for Enforcement of the Insurance Business Act in Japan).

40. Reinsurance Proceeds to Be Received

				Millions of Yen
Fiscal years ended March 31	2021	2020	2019	
Reinsurance proceeds to be received	¥157 [—]	¥137 [—]	¥67 [—]	

Note: Figures in brackets indicate proceeds from third-sector insurances (which include only policies for which policy reserves are not recorded as provided by Article 71 of the Ordinance for Enforcement of the Insurance Business Act in Japan).

41. Reserve for Outstanding Claims

As of March 31		Millions of Yen		
		2021	2020	2019
Death and other claims	Mortality insurance claims	¥ 95,531	¥ 90,878	¥ 88,251
	Accident insurance claims	1,452	1,835	1,473
	Serious disability insurance claims	9,435	10,924	11,277
	Maturity benefits	6,350	6,930	8,935
	Others	533	287	249
	Subtotal	113,304	110,857	110,188
Annuity payments		4,603	4,430	7,147
Health and other benefits		28,641	30,453	31,344
Surrender benefits		28,712	40,512	84,822
Deferred benefit payments		2,547	3,143	4,102
Total, including other reserves		¥179,010	¥190,602	¥238,428

42. Policy Reserves

As of March 31		Millions of Yen		
		2021	2020	2019
Policy reserves (Excluding contingency reserve)	Individual insurance	¥ 28,809,266	¥ 28,641,200	¥ 28,253,033
	[General Account]	[28,700,735]	[28,548,568]	[28,144,311]
	[Separate Account]	[108,531]	[92,632]	[108,722]
	Individual annuities	12,419,309	11,813,919	11,379,636
	[General Account]	[12,387,087]	[11,785,918]	[11,338,396]
	[Separate Account]	[32,221]	[28,001]	[41,240]
	Group insurance	46,943	47,089	46,922
	[General Account]	[46,943]	[47,089]	[46,922]
	[Separate Account]	[—]	[—]	[—]
	Group annuities	13,649,007	13,387,198	13,177,068
	[General Account]	[12,590,597]	[12,323,886]	[12,081,457]
	[Separate Account]	[1,058,410]	[1,063,311]	[1,095,610]
	Other	451,026	452,605	454,849
	[General Account]	[451,026]	[452,605]	[454,849]
	[Separate Account]	[—]	[—]	[—]
	Subtotal	55,375,554	54,342,014	53,311,510
	[General Account]	[54,176,390]	[53,158,068]	[52,065,937]
	[Separate Account]	[1,199,164]	[1,183,946]	[1,245,573]
Contingency reserve		2,044,663	1,878,267	1,777,111
Total		¥ 57,420,217	¥ 56,220,282	¥ 55,088,621
[General Account]		[56,221,053]	[55,036,336]	[53,843,048]
[Separate Account]		[1,199,164]	[1,183,946]	[1,245,573]

43. Breakdown of Policy Reserves

As of March 31		Millions of Yen		
		2021	2020	2019
Insurance reserve funds		¥54,331,386	¥53,254,641	¥52,175,954
Unearned premiums		1,044,167	1,087,373	1,135,556
Refund reserve		—	—	—
Contingency reserve		2,044,663	1,878,267	1,777,111
Total		¥57,420,217	¥56,220,282	¥55,088,621

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

1. Policy reserve valuation method and ratio

As of March 31		2021	2020	2019	%
Valuation method	Policies subject to standard policy reserves	Net level premium method	Net level premium method	Net level premium method	
	Policies not subject to standard policy reserves	Net level premium method	Net level premium method	Net level premium method	
Ratio (excluding contingency reserve)		100.0%	100.0%	100.0%	

Notes: 1. Individual insurance and annuities are within the scope of the application of the valuation method and ratio. Policy reserves for group insurance and annuities are not included in the figures above due to the absence of an accumulation method.

2. The valuation ratio for policies subject to standard policy reserves is calculated in accordance with the method that is prescribed by Ordinance No. 48 issued by the Ministry of Finance in 1996. The ratio for policies not subject to standard policy reserves represents the ratio for the insurance premium reserve calculated by the net level premium method and unearned premium.

2. Policy reserves (breakdown by policy year)

Policy year	Balance of policy reserves			Assumed interest rate
	2021	2020	2019	
As of March 31				
—1981	¥ 43,613	¥ 52,517	¥ 60,602	2.00–5.00%
1982–1986	1,539,407	1,566,227	1,604,947	2.00–5.50
1987–1991	5,637,189	5,714,342	5,825,115	2.00–5.50
1992–1996	8,385,904	8,166,841	8,041,503	2.00–5.50
1997–2001	3,179,640	3,142,398	3,150,784	1.50–2.75
2002–2006	2,555,203	2,638,170	2,736,130	0.25–1.50
2007–2011	4,745,918	4,910,358	5,125,747	1.00–1.50
2012	1,573,544	1,606,501	1,637,781	0.85–1.50
2013	1,936,251	1,964,684	2,013,980	0.70–1.50
2014	1,791,247	1,794,281	1,801,951	0.50–1.50
2015	1,821,711	1,842,721	1,881,081	0.50–1.00
2016	1,933,052	2,025,991	2,032,953	0.01–3.45
2017	1,650,417	1,621,672	1,524,282	0.01–3.56
2018	1,254,472	1,138,680	979,359	0.01–3.51
2019	1,315,805	1,235,909	1,066,486	0.01–4.18
2020	1,053,234	913,186	—	0.01–3.59
2021	671,209	—	—	0.20–2.42
Total	41,087,822	¥40,334,486	¥39,482,707	

Notes: 1. The balance of policy reserves represents policy reserves for individual insurance and individual annuities, excluding policy reserves for the separate account and contingency reserve.

2. The assumed interest rate represents major assumed interest rates on policy reserves for each policy year.

45. Policy Reserves for General Account (Insurance Policies with Separate Account Providing Guaranteed Minimum Insurance Benefits)

1. Policy reserve balance (general account)

As of March 31		2021	2020	2019	Millions of Yen
Policy reserves balance (general account)		¥—	¥—	¥—	

Notes: 1. The policy reserve above is applicable to insurance policies (policies subject to standard policy reserves) as defined in Article 68 of the Ordinance for Enforcement of the Insurance Business Act in Japan.

2. The policy reserve balance (general account) represents the insurance premium reserve related to guaranteed minimum insurance benefits.

3. Insurance policies executed on or after April 1, 2004, are subjected to policy reserves.

2. Calculation method and multipliers used as the basis for calculations

In terms of the calculation method, the Company uses the standard method defined in paragraph 9, item 1 of Ordinance No. 48 issued by the Ministry of Finance in 1996. Regarding the multipliers used as the basis for calculations (volatility), the Company uses 0.3% for short-term loans that have not been prescribed in the ordinance above and the rate prescribed in paragraph 9, item 1 (d) of the above ordinance for all other policies.

46. Reasonableness and Validity of the Application of Article 121, Paragraph 1, Item 1 of the Insurance Business Act (Limited to Reserves Relating to Third-sector Insurance)

1. Method for assuring the appropriateness of policy reserves for third-sector insurance

The stress test and liability adequacy test are conducted based on clear risk management policies provided by laws and regulations, or the board of directors of the Company, and necessary policy reserves are calculated appropriately.

In addition, the auditing department, which is independent of the accounting department, audits the balance of policy reserves to ensure the appropriateness of the balance.

2. Reasonableness and validity of the level of risk frequency used for the liability adequacy test and stress test

To provide for uncertainty regarding the worsening of the incidence rate of insured events, the Company establishes a risk frequency to cover anticipated and unexpected risks.

Specifically, the Company assumes that the future incidence of insured events follows a normal distribution based on the past experience of insured events and those trends, and has set a level covering increased insurance proceeds at a fixed probability ratio (99.0% and 97.7%).

3. Results of the liability adequacy test and stress test (insurance premium reserve and contingency reserve)

Millions of Yen			
As of March 31	2021	2020	2019
Insurance premium reserve	¥ —	¥ —	¥ —
Contingency reserve	3,486	3,652	2,637

47. Reserve for Dividends to Policyholders

Millions of Yen							
	Individual insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Other insurance	Total
Fiscal year ended March 31	2021						
Balance at the beginning of the fiscal year	¥ 980,381	¥ 41,744	¥ 14,770	¥ 1,415	¥ 3,784	¥1,689	¥1,043,785
Transfer to reserve from surplus in the previous fiscal year	36,758	4,889	111,138	30,757	53	1,548	185,145
Increase in interest	21,258	197	0	0	1	0	21,458
Other increases	—	—	—	—	—	—	—
Policyholder dividends paid out during the fiscal year	53,468	2,031	114,877	30,640	398	2,142	203,557
Other decreases	—	—	—	—	—	—	—
Balance at the end of the fiscal year	¥ 984,930	¥ 44,800	¥ 11,032	¥ 1,532	¥ 3,441	¥1,095	¥1,046,832
	[762,864]	[24,204]	[4,050]	[16]	[3,408]	[262]	[794,807]
Fiscal year ended March 31	2020						
Balance at the beginning of the fiscal year	¥ 963,110	¥ 35,732	¥ 13,880	¥ 1,148	¥ 3,945	¥2,395	¥1,020,213
Transfer to reserve from surplus in the previous fiscal year	54,630	7,843	119,834	27,704	296	1,508	211,818
Increase in interest	21,509	210	0	0	2	0	21,722
Other increases	—	—	—	—	—	—	—
Policyholder dividends paid out during the fiscal year	58,869	2,040	118,945	27,437	460	2,215	209,969
Other decreases	—	—	—	—	—	—	—
Balance at the end of the fiscal year	¥ 980,381	¥ 41,744	¥ 14,770	¥ 1,415	¥ 3,784	¥1,689	¥1,043,785
	[745,946]	[21,227]	[3,858]	[16]	[3,734]	[198]	[774,981]
Fiscal year ended March 31	2019						
Balance at the beginning of the fiscal year	¥ 943,618	¥ 31,366	¥ 11,691	¥ 1,357	¥ 4,121	¥3,011	¥ 995,167
Transfer to reserve from surplus in the previous fiscal year	53,640	6,014	133,229	23,554	274	1,640	218,353
Increase in interest	22,007	225	0	0	1	0	22,233
Other increases	—	—	—	—	—	—	—
Policyholder dividends paid out during the fiscal year	56,155	1,874	131,040	23,762	452	2,255	215,540
Other decreases	—	—	—	—	—	—	—
Balance at the end of the fiscal year	¥ 963,110	¥ 35,732	¥ 13,880	¥ 1,148	¥ 3,945	¥2,395	¥1,020,213
	[727,682]	[17,602]	[3,937]	[16]	[3,893]	[233]	[753,365]

Note: The numbers in brackets indicate accumulated dividends reserved.

48. Allowance for Doubtful Accounts and Other Provisions

As of March 31		2021		2020		2019	
		Amount	Increase (decrease)	Amount	Increase (decrease)	Amount	Increase (decrease)
Allowance for doubtful accounts ¹	General allowance for doubtful accounts	¥ 5,424	¥ 4,389	¥ 1,035	¥ 240	¥ 794	¥ (402)
	Specific allowance for doubtful accounts	2,794	1,143	1,651	(2,018)	3,669	2,465
	Allowance for specific overseas debt	—	—	—	—	—	—
Allowance for investment loss ²		32,879	(2,188)	35,068	5,471	29,597	1,459
Accrued bonuses for directors and audit and supervisory board members ³		433	341	92	(14)	106	15
Accrued retirement benefits ⁴		375,693	1,233	374,460	8,562	365,897	4,782
Accrued retirement benefits for directors and audit and supervisory board members ⁵		—	(4,304)	4,304	79	4,225	(615)
Reserve for program points ⁶		8,528	(335)	8,864	(339)	9,203	(207)
Reserve for price fluctuations in investments in securities ⁷		1,521,916	73,902	1,448,014	66,361	1,381,653	99,459

Notes: Reasons for recording allowances and provisions:

1. Allowance for doubtful accounts is recorded to prepare for bad debt losses.

2. Allowance for investment loss is recorded to prepare for losses from investment.

3. Accrued bonuses for directors, and audit and supervisory board members are recorded for executive bonus payments.

4. Accrued retirement benefits are recorded to prepare for employee retirement benefit and pension payments.

5. Accrued retirement benefits for directors, and audit and supervisory board members are transferred to accounts payable due to the abolishment of the retirement benefit plan for directors, and audit and supervisory members.

6. Reserve for program points is recorded to prepare for expenses from the use of points granted to policyholders.

7. Reserve for price fluctuations in investments in securities is recorded based on the provisions of Article 115 of the Insurance Business Act in Japan.

49. Allowance for Specific Overseas Loans

1. Allowance for specific overseas loans

There were no ending balances as of March 31, 2021, 2020, and 2019.

2. Balance of loans by creditor country

There were no ending balances as of March 31, 2021, 2020, and 2019.

50. Insurance Premiums

1. Premiums by payment method

Fiscal years ended March 31		2021	2020	2019
Individual insurance		¥2,249,873	¥2,472,113	¥2,618,300
Single premium		248,837	422,141	531,859
Annual payment		655,801	675,023	695,895
Semiannual payment		2,555	3,025	3,651
Monthly payment		1,342,678	1,371,922	1,386,895
Individual annuities		701,151	684,293	668,029
Single premium		4,092	13,273	38,092
Annual payment		242,331	228,971	200,684
Semiannual payment		2,390	2,565	2,729
Monthly payment		452,337	439,482	426,522
Group insurance		250,001	245,230	257,148
Group annuities		1,012,897	1,072,638	1,179,052
Total, including other premiums		¥4,263,255	¥4,525,225	¥4,774,223

Note: Total, including other premiums, includes premiums of workers' asset-formation insurance, workers' asset-formation annuities, medical life insurance, disability income insurance, and reinsurance assumed.

50. Insurance Premiums, continued

2. Premiums by fiscal year

		Millions of Yen, %		
Fiscal years ended March 31		2021	2020	2019
Individual insurance Individual annuities	Initial year premium	¥ 499,131	¥ 713,497	¥ 877,116
	Subsequent year premiums	2,451,893	2,442,909	2,409,214
	Subtotal	2,951,025	3,156,407	3,286,330
Group insurance	Initial year premium	538	821	1,257
	Subsequent year premiums	249,462	244,408	255,891
	Subtotal	250,001	245,230	257,148
Group annuities	Initial year premium	3,044	4,700	6,729
	Subsequent year premiums	1,009,853	1,067,937	1,172,323
	Subtotal	1,012,897	1,072,638	1,179,052
Total, including other premiums	Initial year premium	506,540	722,797	888,354
	Subsequent year premiums	3,756,715	3,802,427	3,885,869
	Total	¥4,263,255	¥4,525,225	¥4,774,223
[Percentage decrease]		[(5.8)%]	[(5.2)%]	[6.4%]

Note: Total, including other premiums, includes premiums of workers' asset-formation insurance, workers' asset-formation annuities, medical life insurance, disability income insurance, and reinsurance assumed.

51. Death and Other Claims

1. Amount

										Millions of Yen
	Individual insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Medical life insurance	Disability income insurance	Reinsurance assumed	Total	
Fiscal year ended March 31										2021
Mortality insurance claims	¥641,224	¥4,253	¥ 93,121	¥ —	¥ —	¥ 3	¥ 0	¥ 44	¥ 738,647	
Accident insurance claims	5,998	32	298	—	43	—	—	—	6,372	
Serious disability insurance claims	68,822	63	10,605	—	—	—	2	27	79,521	
Maturity benefits	171,668	10	—	536	1,910	—	—	—	174,124	
Others	—	—	—	—	—	—	180	681	862	
Total	¥887,713	¥4,359	¥104,026	¥ 536	¥1,953	¥ 3	¥183	¥753	¥ 999,529	
Fiscal year ended March 31										2020
Mortality insurance claims	¥619,746	¥3,397	¥ 90,728	¥ —	¥ —	¥ 3	¥ —	¥ 50	¥ 713,927	
Accident insurance claims	7,297	33	299	—	158	—	—	—	7,788	
Serious disability insurance claims	71,011	33	9,774	—	—	—	1	16	80,837	
Maturity benefits	209,425	9	—	4,550	2,244	—	—	—	216,230	
Others	—	—	—	—	—	—	104	474	579	
Total	¥907,481	¥3,473	¥100,802	¥ 4,550	¥2,402	¥ 3	¥106	¥542	¥1,019,362	
Fiscal year ended March 31										2019
Mortality insurance claims	¥606,335	¥2,898	¥ 92,051	¥ —	¥ —	¥ 4	¥ 0	¥ 31	¥ 701,321	
Accident insurance claims	6,259	20	273	—	136	—	—	—	6,689	
Serious disability insurance claims	69,911	87	8,995	—	—	—	—	8	79,002	
Maturity benefits	246,936	14	—	11,538	2,582	—	—	—	261,072	
Others	—	—	—	—	—	—	128	300	429	
Total	¥929,443	¥3,020	¥101,320	¥11,538	¥2,719	¥ 4	¥129	¥340	¥1,048,516	

51. Death and Other Claims, continued

2. Number of claims paid

									Number of Claims Paid
	Individual insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Medical life insurance	Disability income insurance	Reinsurance assumed	Total
Fiscal year ended March 31	2021								
Mortality insurance claims	84,424	2,004	43,499	—	—	134	2	60	130,123
Accident insurance claims	631	18	206	—	6	—	—	—	861
Serious disability insurance claims	24,074	17	3,822	—	—	—	24	39	27,976
Maturity benefits	38,821	104	—	1	3,704	—	—	—	42,630
Others	—	—	—	—	—	—	3,431	4,284	7,715
Total	147,950	2,143	47,527	1	3,710	134	3,457	4,383	209,305
Fiscal year ended March 31	2020								
Mortality insurance claims	79,263	1,570	43,834	—	—	144	—	74	124,885
Accident insurance claims	637	20	199	—	10	—	—	—	866
Serious disability insurance claims	24,204	11	3,696	—	—	—	14	20	27,945
Maturity benefits	49,421	117	—	3	3,442	—	—	—	52,983
Others	—	—	—	—	—	—	2,361	2,837	5,198
Total	153,525	1,718	47,729	3	3,452	144	2,375	2,931	211,877
Fiscal year ended March 31	2019								
Mortality insurance claims	75,059	1,491	44,475	—	—	192	3	49	121,269
Accident insurance claims	678	19	171	—	16	—	—	—	884
Serious disability insurance claims	22,973	24	3,533	—	—	—	—	2	26,532
Maturity benefits	58,905	104	—	2	3,514	—	—	—	62,525
Others	—	—	—	—	—	—	1,496	1,818	3,314
Total	157,615	1,638	48,179	2	3,530	192	1,499	1,869	214,524

52. Annuity Payments

									Millions of Yen, Number of Policies
	Individual insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Medical life insurance	Disability income insurance	Reinsurance assumed	Total
Fiscal year ended March 31	2021								
Annuities paid	¥33,517	¥434,390	¥ 2,094	¥ 325,716	¥ 7,751	¥—	¥—	¥—	¥ 803,471
Number of policies	36,397	584,610	26,650	6,129,178	28,353	—	—	—	6,805,188
Fiscal year ended March 31	2020								
Annuities paid	¥35,042	¥426,177	¥ 2,191	¥ 334,049	¥ 7,985	¥—	¥—	¥—	¥ 805,445
Number of policies	35,284	569,925	27,870	6,450,203	28,732	—	—	—	7,112,014
Fiscal year ended March 31	2019								
Annuities paid	¥35,715	¥394,610	¥ 2,253	¥ 351,139	¥ 8,260	¥—	¥—	¥—	¥ 791,978
Number of policies	33,647	542,769	29,328	6,593,382	29,197	—	—	—	7,228,323

53. Health and Other Benefits

1. Amount

Millions of Yen

	Individual insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Medical life insurance	Disability income insurance	Reinsurance assumed	Total
Fiscal year ended March 31	2021								
Death benefits	¥ 4,282	¥21,135	¥ 5	¥ —	¥ 454	¥ —	¥—	¥ —	¥ 25,879
Hospitalization benefits	77,129	1,410	56	—	—	1,456	—	44	80,096
Surgical benefits	48,402	1,297	—	—	—	2,086	—	35	51,822
Disability benefits	3,251	23	38	—	—	—	—	—	3,313
Survival benefits	82,188	123	—	—	1,227	—	—	—	83,538
Single benefits	—	—	—	394,539	—	—	—	—	394,539
Other benefits	939	0	1	21,218	—	—	—	35	22,195
Total	¥216,193	¥23,990	¥101	¥415,757	¥1,682	¥3,543	¥—	¥115	¥661,384
Fiscal year ended March 31	2020								
Death benefits	¥ 4,432	¥22,633	¥ 6	¥ —	¥ 436	¥ —	¥—	¥ —	¥ 27,509
Hospitalization benefits	76,350	1,610	69	—	—	1,565	—	42	79,639
Surgical benefits	54,665	1,438	—	—	—	2,210	—	34	58,349
Disability benefits	3,467	16	54	—	5	—	—	—	3,544
Survival benefits	81,195	176	—	—	1,366	—	—	—	82,737
Single benefits	—	—	—	400,023	—	—	—	—	400,023
Other benefits	505	0	1	38,958	—	—	—	47	39,513
Total	¥220,617	¥25,877	¥132	¥438,981	¥1,808	¥3,776	¥—	¥124	¥691,317
Fiscal year ended March 31	2019								
Death benefits	¥ 4,393	¥23,009	¥ 5	¥ —	¥ 461	¥ —	¥—	¥ —	¥ 27,870
Hospitalization benefits	72,879	1,673	81	—	—	1,553	—	35	76,223
Surgical benefits	54,139	1,429	—	—	—	2,030	—	25	57,624
Disability benefits	3,334	17	55	—	1	—	—	—	3,408
Survival benefits	77,017	112	—	—	1,505	—	—	—	78,635
Single benefits	—	—	—	389,563	—	—	—	—	389,563
Other benefits	116	1	1	19,959	—	—	—	80	20,160
Total	¥211,881	¥26,244	¥144	¥409,523	¥1,968	¥3,583	¥—	¥140	¥653,486

53. Health and Other Benefits, continued

2. Number of claims paid

									Number of Claims Paid
	Individual insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Medical life insurance	Disability income insurance	Reinsurance assumed	Total
Fiscal year ended March 31	2021								
Death benefits	4,181	5,242	418	—	186	—	—	—	10,027
Hospitalization benefits	782,936	24,242	2,557	—	—	30,068	—	5,247	845,050
Surgical benefits	433,415	16,045	—	—	—	17,469	—	3,926	470,855
Disability benefits	36,998	117	111	—	—	—	—	—	37,226
Survival benefits	298,570	1,503	—	—	493	—	—	—	300,566
Single benefits	—	—	—	533,951	—	—	—	—	533,951
Other benefits	3,585	8	116	4	—	—	—	7,767	11,480
Total	1,559,685	47,157	3,202	533,955	679	47,537	—	16,940	2,209,155
Fiscal year ended March 31	2020								
Death benefits	4,363	5,299	436	—	197	—	—	—	10,295
Hospitalization benefits	861,693	26,924	2,994	—	—	32,593	—	5,164	929,368
Surgical benefits	476,757	17,851	—	—	—	18,273	—	3,702	516,583
Disability benefits	39,474	116	121	—	1	—	—	—	39,712
Survival benefits	288,250	1,865	—	—	587	—	—	—	290,702
Single benefits	—	—	—	626,346	—	—	—	—	626,346
Other benefits	2,369	8	122	4	—	—	—	12,410	14,913
Total	1,672,906	52,063	3,673	626,350	785	50,866	—	21,276	2,427,919
Fiscal year ended March 31	2019								
Death benefits	4,239	5,287	413	—	199	—	—	—	10,138
Hospitalization benefits	850,052	26,942	3,275	—	—	32,622	—	4,027	916,918
Surgical benefits	466,718	17,608	—	—	—	17,006	—	2,718	504,050
Disability benefits	38,237	103	120	—	1	—	—	—	38,461
Survival benefits	249,055	1,167	—	—	610	—	—	—	250,832
Single benefits	—	—	—	585,279	—	—	—	—	585,279
Other benefits	914	8	222	4	—	—	—	16,164	17,312
Total	1,609,215	51,115	4,030	585,283	810	49,628	—	22,909	2,322,990

54. Surrender Benefits

									Millions of Yen
Fiscal years ended March 31									
	Individual insurance	Individual annuities	Group insurance	Group annuities	Workers' asset-formation insurance and annuities	Medical life insurance	Disability income insurance	Reinsurance assumed	Total
2021	¥929,686	¥120,270	¥—	¥27,311	¥31,577	¥—	¥—	¥—	¥1,108,847
2020	707,797	120,912	—	55,833	34,290	—	—	—	918,833
2019	712,922	117,076	—	86,739	32,543	—	—	—	949,282

55. Depreciation

					Millions of Yen, %
	Acquisition cost	Current-year depreciation	Accumulated depreciation	Balance as of March 31	Accumulated depreciation percentage
Fiscal year ended March 31	2021				
Tangible fixed assets	¥ 642,566	¥16,970	¥447,628	¥194,938	69.7%
Buildings	566,417	9,298	394,801	171,616	69.7
Lease assets	16,453	2,546	9,414	7,038	57.2
Other tangible fixed assets	59,695	5,124	43,411	16,283	72.7
Intangible fixed assets	376,062	36,236	281,920	94,142	75.0
Others	10,771	1,107	4,918	5,853	45.7
Total	¥1,029,400	¥54,314	¥734,467	¥294,933	71.3%
Fiscal year ended March 31	2020				
Tangible fixed assets	¥ 621,661	¥19,265	¥433,317	¥188,344	69.7%
Buildings	551,500	8,987	385,409	166,091	69.9
Lease assets	17,300	3,227	9,527	7,772	55.1
Other tangible fixed assets	52,860	7,049	38,380	14,480	72.6
Intangible fixed assets	346,608	36,614	245,690	100,917	70.9
Others	9,132	812	4,596	4,535	50.3
Total	¥ 977,401	¥56,691	¥683,604	¥293,797	69.9%
Fiscal year ended March 31	2019				
Tangible fixed assets	¥ 635,228	¥14,832	¥433,346	¥201,881	68.2%
Buildings	553,305	8,787	381,503	171,802	68.9
Lease assets	20,318	3,699	10,520	9,798	51.8
Other tangible fixed assets	61,603	2,346	41,322	20,281	67.1
Intangible fixed assets	315,642	31,072	209,077	106,565	66.2
Others	8,248	690	4,770	3,477	57.8
Total	¥ 959,119	¥46,595	¥647,194	¥311,924	67.5%

56. Operating Expenses

				Millions of Yen
Fiscal years ended March 31	2021	2020	2019	
Marketing operation expenses	¥230,652	¥244,328	¥262,362	
Marketing administration expenses	77,501	83,308	82,176	
General and administrative expenses	267,069	271,109	267,433	
Total	¥575,223	¥598,746	¥611,973	

Notes: 1. Marketing operation expenses and marketing administration expenses include expenditures for underwriting new policies. Marketing operation expenses primarily include expenses related to new policy solicitation and assessment. Marketing administration expenses primarily include expenses related to advertising and sales force.
2. General and administrative expenses include expenditures for maintaining contracts (e.g., expenses related to insurance administration and IT system) and other costs for managing assets.
3. The Company's contributions to the Life Insurance Policyholders Protection Corporation of Japan (the "Policyholders Protection Corporation"), as is stipulated in Article 265-33, Paragraph 1 of the Insurance Business Act in Japan, were ¥5,172 million in the fiscal year ended March 31, 2021, ¥5,400 million in the fiscal year ended March 31, 2020, and ¥5,525 million in the fiscal year ended March 31, 2019.

57. Loans by Due Date

							Millions of Yen
	Within 1 year or under	Over 1 year and within 3 years	Over 3 years and within 5 years	Over 5 years and within 7 years	Over 7 years and within 10 years	Over 10 years (including loans with no fixed maturity)	Total
As of March 31	2021						
Loans payable	¥2,442	¥12,852	¥ 3,022	¥ —	¥—	¥ 520,000	¥ 538,317
Corporate bonds	—	—	—	—	—	1,321,512	1,321,512
As of March 31	2020						
Loans payable	¥ 242	¥4,713	¥13,291	¥ —	¥—	¥ 390,000	¥ 408,248
Corporate bonds	—	—	—	—	—	1,155,320	1,155,320
As of March 31	2019						
Loans payable	¥3,948	¥3,805	¥12,884	¥3,030	¥—	¥ 220,000	¥ 243,668
Corporate bonds	—	—	—	—	—	1,028,889	1,028,889

58. Taxes

Fiscal years ended March 31		2021	2020	2019
National tax		¥29,373	¥29,433	¥28,156
	Consumption tax	26,502	25,505	24,205
	Special local corporate tax and special corporate enterprise tax	2,465	3,395	3,543
	Documentary stamp tax	304	367	330
	Registration and license tax	15	20	12
	Other national tax	85	144	65
Local tax		22,503	21,734	21,201
	Local consumption tax	7,442	7,027	6,531
	Corporate enterprise tax	8,533	8,183	8,537
	Fixed asset tax	5,555	5,544	5,198
	Real estate acquisition tax	48	56	38
	Corporate income tax	904	909	882
	Automobile tax	1	1	1
	Other local tax	16	10	12
Total		¥51,876	¥51,167	¥49,358

59. Lease Transactions

Lease Transactions (as a Lessee)

(1) Finance lease transactions that do not transfer ownership which are accounted for as operating lease transactions

i) Pro forma information relating to acquisition cost, accumulated depreciation, and book value of leased assets as of fiscal year end

There were no ending balances for the fiscal years ended March 31, 2021, 2020, and 2019.

ii) Future minimum lease payments at year-end

There were no ending balances for the fiscal years ended March 31, 2021, 2020, and 2019.

iii) Lease payments and depreciation

There were no ending balances for the fiscal years ended March 31, 2021, 2020, and 2019.

(2) Operating lease transactions

Fiscal years ended March 31		2021	2020	2019
Future minimum lease payments at year-end	Within one year	¥ 629	¥ 559	¥ 522
	Over one year	870	1,246	1,618
	Total	¥1,500	¥1,806	¥2,141

Lease Transactions (as a Lessor)

(1) Operating lease transactions

Fiscal years ended March 31		2021	2020	2019
Future minimum lease payments at year-end	Within one year	¥13,888	¥14,916	¥18,612
	Over one year	60,316	54,003	40,624
	Total	¥74,204	¥68,920	¥59,237

60. Overview of Investment for the Fiscal Year Ended March 31, 2021 (General Account)

(1) Investment environment

In the fiscal year ended March 31, 2021, the Japanese economy experienced substantial economic growth due to the impact of voluntary restraint on economic activities in response to the coronavirus disease 2019 (COVID-19) pandemic. Although the economy showed some signs of improvement, supported by the government's economic measures and the Bank of Japan's monetary policies, the level of economic activities remained at a level lower than the one prior to the COVID-19 pandemic, and thus economic recovery is only halfway complete.

- The Nikkei Stock Average at the start of the fiscal year was ¥18,065. Subsequently, stock prices rose atop higher expectations for economic recovery underpinned by the Japanese government's economic measures and the Bank of Japan's accommodative monetary policies. In the second half of the fiscal year, the index rose once again, spurred by factors such as the conclusion of the US presidential election and the development and distribution of the COVID-19 vaccine, resulting in an average of ¥29,178 at the end of March 2021.
- The yield rate on 10-year Japanese government bonds at the start of the fiscal year was 0.00%. Thereafter, with the Bank of Japan continuing to implement accommodative monetary policies, the yield rate remained largely in a flat range. Although the yield rate temporarily rose to 0.16%, reflecting factors such as an increase in US long-term interest rates and speculation regarding the Bank of Japan's policy review, it stood at 0.09% at the end of March 2021.
- The yen-dollar exchange rate at the start of the fiscal year was the ¥107 level. Thereafter, the yen continued to strengthen against the weakening dollar, backed by factors such as the COVID-19 pandemic in the US. Due to a sense of uncertainty extending to announcements about the US Senate election results, the yen temporarily rose against the dollar to the ¥102 level in the first half of January 2021. Subsequently, dollar purchases increased due to increases in US long-term interest rates spurred by factors such as the announcement of large-scale economic measures led by the Biden administration. The yen weakened against the dollar and finished at ¥110.71 at the end of March 2021.
The yen-euro exchange rate at the start of the fiscal year was at the ¥118 level. Subsequently, the yen depreciated against the euro based on expectations for an economic recovery driven by fiscal support within the European Union. This fiscal support was underpinned by developments, such as an agreement on the European Recovery Fund. The yen-euro exchange rate was ¥129.80 at the end of March 2021.

(2) Investment policy

The Company creates portfolios that serve as core medium- to long-term investments based on its ALM approach of appropriately controlling assets and liabilities.

Specifically, to supply the stable long-term yields promised to policyholders, the Company has positioned government and corporate bonds as well as loans that it expects to provide stable Japanese yen-denominated revenue as its primary assets. Furthermore, the Company is investing in domestic and foreign securities with an aim to improve its medium- to long-term profitability and increase returns to policyholders, while managing safety and risks associated with the investments to keep them within an acceptable level. The Company also continues to invest in other assets that are expected to earn excess returns, such as corporate bonds and securitized products, as well as private equity, hedge funds, and other investment areas in order to diversify earning sources and hedge investment risks.

(3) Overview of investment results

In the fiscal year ended March 31, 2021, the Company positioned yen-denominated assets that can be expected to provide stable income, such as public and corporate bonds, as its core assets. In addition, the Company continued to invest in domestic and foreign securities with an aim to improve its medium- to long-term profitability, while managing safety and risks associated with the investments to keep them within an acceptable level.

Public and corporate bonds

Considering the advantages of yen-denominated interest rate assets, the Company carefully increased the outstanding balance of bonds when positive signs were seen in interest rate trends.

Stocks

The Company shuffled investments in stocks during the year by assessing earning power and dividend payout trends of investees in order to improve the profitability of portfolios over a medium- to long-term period.

Foreign securities

Regarding foreign securities, the Company invested in foreign currency-denominated bonds based on currency movements. Also, the Company invested in foreign bonds that hedge the risk of exchange rate fluctuations, taking into consideration the advantages of yen-denominated interest rate assets.

Loans

The Company focused on safe and stable prime lending by appropriately assessing credit risks.

Real estate

The Company strove to improve the quality of its own buildings to secure profitability by decreasing vacancy rates and renovating existing properties.

60. Overview of Investment for the Fiscal Year Ended March 31, 2021 (General Account), continued

Billions of Yen, %			
As of March 31	2021	Increase (decrease)*	Breakdown
General account total	¥72,746.9	¥1,593.0	100.0%
Domestic bonds	26,225.4	1,573.6	36.1
Domestic stocks	10,578.2	33.8	14.5
Foreign securities	21,264.1	49.8	29.2
Loans	7,430.7	18.8	10.2
Real estate	1,686.6	27.8	2.3

* Amounts indicate increase/decrease in the book value.

61. Portfolio Trends (General Account)

1. Asset composition

Millions of Yen, %							
As of March 31	2021		2020		2019		
Cash, deposits, and call loans	¥	984,375 1.4 %	¥	996,511 1.5 %	¥	1,079,370 1.6 %	
Receivables under resale agreements		— —		— —		— —	
Receivables under securities borrowing transactions		— —		— —		— —	
Monetary receivables purchased		172,601 0.2		219,068 0.3		244,043 0.4	
Proprietary trading securities		— —		— —		— —	
Assets held in trust		135 0.0		33,779 0.0		13,157 0.0	
Investments in securities		61,505,813 84.5		56,427,642 83.1		55,514,354 83.1	
Domestic bonds		26,225,414 36.1		24,658,162 36.3		23,527,564 35.2	
Domestic stocks		10,578,247 14.5		7,858,225 11.6		8,955,495 13.4	
Foreign securities		21,264,164 29.2		20,471,430 30.2		19,859,544 29.7	
Foreign bonds		13,767,097 18.9		14,191,081 20.9		13,871,081 20.8	
Foreign stocks and other securities		7,497,067 10.3		6,280,348 9.3		5,988,462 9.0	
Other securities		3,437,986 4.7		3,439,825 5.1		3,171,750 4.7	
Loans		7,430,704 10.2		7,411,809 10.9		7,438,736 11.1	
Policy loans		490,826 0.7		554,285 0.8		582,774 0.9	
Industrial and consumer loans		6,939,877 9.5		6,857,523 10.1		6,855,961 10.3	
Real estate		1,686,615 2.3		1,658,731 2.4		1,649,608 2.5	
Investment property		1,070,709 1.5		1,061,399 1.6		1,048,419 1.6	
Deferred tax assets		— —		— —		— —	
Other assets		974,891 1.3		1,123,851 1.7		891,903 1.3	
Allowance for doubtful accounts		(8,219) (0.0)		(2,686) (0.0)		(4,463) (0.0)	
Total		¥72,746,918 100.0 %		¥67,868,709 100.0 %		¥66,826,711 100.0 %	
Foreign currency-denominated assets		¥20,675,767 28.4 %		¥19,687,377 29.0 %		¥18,719,554 28.0 %	

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

61. Portfolio Trends (General Account), continued

2. Increases/decreases in assets

Millions of Yen			
Fiscal years ended March 31	2021	2020	2019
Cash, deposits, and call loans	¥ (12,136)	¥ (82,859)	¥ 15,905
Receivables under resale agreements	—	—	—
Receivables under securities borrowing transactions	—	—	—
Monetary receivables purchased	(46,466)	(24,975)	(34,191)
Proprietary trading securities	—	—	—
Assets held in trust	(33,644)	20,621	2,736
Investments in securities	5,078,170	913,288	1,770,004
Domestic bonds	1,567,252	1,130,597	1,146,210
Domestic stocks	2,720,022	(1,097,270)	(403,390)
Foreign securities	792,734	611,886	488,489
Foreign bonds	(423,984)	320,000	(562,450)
Foreign stocks and other securities	1,216,718	291,885	1,050,939
Other securities	(1,838)	268,074	538,694
Loans	18,894	(26,926)	(29,593)
Policy loans	(63,459)	(28,488)	(36,256)
Industrial and consumer loans	82,353	1,562	6,662
Real estate	27,883	9,123	42,244
Investment property	9,310	12,979	37,916
Deferred tax assets	—	—	—
Other assets	(148,960)	231,948	(116,853)
Allowance for doubtful accounts	(5,532)	1,777	(2,062)
Total	¥4,878,208	¥ 1,041,998	¥1,648,189
Foreign currency-denominated assets	¥ 988,389	¥ 967,823	¥ 703,701

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

62. Average Balance and Yield on Primary Assets (General Account)

Millions of Yen, %						
Fiscal years ended March 31	2021		2020		2019	
	Average balance	Yield	Average balance	Yield	Average balance	Yield
Cash, deposits, and call loans	¥ 849,403	0.24 %	¥ 958,470	0.03 %	¥988,039	0.16 %
Receivables under resale agreements	—	—	—	—	—	—
Receivables under securities borrowing transactions	—	—	—	—	—	—
Monetary receivables purchased	194,595	1.84	216,838	1.77	252,942	1.83
Proprietary trading securities	—	—	—	—	—	—
Assets held in trust	13,552	(251.94)	21,037	84.23	18,622	(13.74)
Investments in securities	51,535,561	3.24	49,780,727	2.25	48,147,945	2.33
Domestic bonds	25,558,349	1.98	23,670,276	1.68	22,807,362	1.85
Domestic stocks	4,636,703	4.72	4,808,813	2.73	4,722,279	6.57
Foreign securities	18,120,396	4.91	18,195,299	2.98	17,971,199	1.94
Foreign bonds	11,874,098	4.13	12,506,601	2.50	13,234,596	1.37
Foreign stocks and other securities	6,246,297	6.39	5,688,697	4.03	4,736,602	3.55
Loans	7,498,335	1.31	7,454,096	1.51	7,467,512	1.53
Industrial and consumer loans	6,957,933	1.11	6,888,638	1.26	6,867,132	1.26
Real estate	1,664,375	2.76	1,656,073	2.78	1,624,475	2.70
Investment property	1,047,254	4.29	1,057,325	4.39	1,022,823	4.29
General account total	¥63,832,163	2.72 %	¥61,980,338	2.11 %	¥60,288,629	2.14 %
Overseas investments	¥19,759,160	4.60 %	¥19,784,211	2.82 %	¥19,240,924	1.88 %

Notes: 1. Yields are calculated by dividing investment income, less investment expenses, by the daily average book value balance.

2. The amount of overseas investments is the sum of assets denominated in foreign currencies and Japanese yen.

63. Investment Income (General Account)

				Millions of Yen
Fiscal years ended March 31	2021	2020	2019	
Interest, dividends, and other income	¥1,381,994	¥1,426,177	¥1,427,665	
Gain on proprietary trading securities	—	—	—	
Gain from assets held in trust, net	—	17,720	—	
Gain from trading securities	—	—	—	
Gain on sales of securities	507,284	328,211	194,922	
Gain on redemptions of securities	3,690	2,193	6,187	
Gain on derivative financial instruments, net	—	—	—	
Foreign exchange gains, net	68,465	—	2,140	
Reversal of allowance for doubtful accounts	—	1,233	—	
Reversal of allowance for investment loss	2,188	—	—	
Other investment income	1,177	1,333	1,784	
Total	¥1,964,801	¥1,776,868	¥1,632,699	

64. Investment Expenses (General Account)

				Millions of Yen
Fiscal years ended March 31	2021	2020	2019	
Interest expenses	¥ 28,437	¥ 33,220	¥ 30,872	
Loss on proprietary trading securities	—	—	—	
Loss from assets held in trust, net	34,144	—	2,563	
Loss from trading securities	—	—	—	
Loss on sales of securities	40,193	48,704	138,790	
Loss on valuation of securities	4,963	202,393	21,371	
Loss on redemptions of securities	14,736	12,745	8,097	
Loss on derivative financial instruments, net	48,004	83,947	93,110	
Foreign exchange losses, net	—	29,408	—	
Provision for allowance for doubtful accounts	5,968	—	4,002	
Provision for allowance for investment loss	—	5,471	1,459	
Write-offs of loans	—	—	—	
Depreciation of rental real estate and other assets	17,830	17,582	16,364	
Other investment expenses	33,203	32,912	28,480	
Total	¥227,482	¥466,386	¥345,112	

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

				Millions of Yen
Fiscal years ended March 31	2021	2020	2019	
Interest on deposits and savings	¥ 874	¥ 6,524	¥ 4,868	
Interest on securities and dividends	1,174,673	1,195,430	1,198,538	
Interest on bonds	386,191	383,587	385,378	
Domestic stock dividends	194,331	217,832	219,879	
Interest/dividends on foreign securities	538,212	544,456	551,410	
Interest on loans	108,633	121,811	124,582	
Real estate rental income	88,036	88,504	82,977	
Total, including other income	¥1,381,994	¥1,426,177	¥1,427,665	

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

Millions of Yen									
Fiscal years ended March 31	2021			2020			2019		
	Change in asset allocation balance	Increase (decrease) from interest variance	Total increase (decrease)	Change in asset allocation balance	Increase (decrease) from interest variance	Total increase (decrease)	Change in asset allocation balance	Increase (decrease) from interest variance	Total increase (decrease)
Interest, dividends, and other income	¥42,610	¥(86,793)	¥(44,182)	¥40,060	¥(41,548)	¥(1,488)	¥53,341	¥(33,026)	¥20,314
Cash, deposits, and call loans	(1,046)	(6,733)	(7,779)	(261)	726	465	1,009	6,891	7,900
Securities	42,140	(62,896)	(20,756)	40,644	(43,753)	(3,108)	43,593	(29,041)	14,552
Loans	722	(13,900)	(13,177)	(223)	(2,547)	(2,771)	(3,140)	(2,336)	(5,477)
Real estate	443	(911)	(468)	1,614	3,913	5,527	440	2,264	2,705

67. Gain on Sales of Securities (General Account)

Millions of Yen			
Fiscal years ended March 31	2021	2020	2019
Domestic bonds	¥ 50,774	¥ 41,199	¥ 29,912
Domestic stocks and other securities	89,320	68,460	118,672
Foreign securities	367,189	217,963	46,337
Total, including other gains on sales of securities	¥507,284	¥328,211	¥194,922

68. Loss on Sales of Securities (General Account)

Millions of Yen			
Fiscal years ended March 31	2021	2020	2019
Domestic bonds	¥ 2,319	¥ 204	¥ 1,802
Domestic stocks and other securities	33,847	26,291	10,058
Foreign securities	4,019	22,201	126,922
Total, including other losses on sales of securities	¥40,193	¥48,704	¥138,790

69. Loss on Valuation of Securities (General Account)

Millions of Yen			
Fiscal years ended March 31	2021	2020	2019
Domestic bonds	¥ —	¥ —	¥ —
Domestic stocks and other securities	1,874	142,480	10,999
Foreign securities	3,074	59,887	10,336
Total, including other losses on valuation of securities	¥4,963	¥202,393	¥21,371

70. Proprietary Trading Securities (General Account)

There are no ending balances as of March 31, 2021, 2020, and 2019.

71. Proprietary Trading Securities Trading Volume (General Account)

There are no ending balances for the fiscal years ended March 31, 2021, 2020, and 2019.

72. Breakdown of Investments in Securities (General Account)

Millions of Yen, %						
As of March 31	2021		2020		2019	
Domestic bonds	¥26,225,414	42.6%	¥24,658,162	43.7%	¥23,527,564	42.4%
National government bonds	23,170,114	37.7	21,859,769	38.7	20,809,124	37.5
Local government bonds	830,406	1.4	731,436	1.3	789,752	1.4
Corporate bonds	2,224,893	3.6	2,066,956	3.7	1,928,688	3.5
Public entity bonds	853,621	1.4	792,932	1.4	793,081	1.4
Domestic stocks	10,578,247	17.2	7,858,225	13.9	8,955,495	16.1
Foreign securities	21,264,164	34.6	20,471,430	36.3	19,859,544	35.8
Foreign bonds	13,767,097	22.4	14,191,081	25.1	13,871,081	25.0
Foreign stocks and other securities	7,497,067	12.2	6,280,348	11.1	5,988,462	10.8
Other securities	3,437,986	5.6	3,439,825	6.1	3,171,750	5.7
Total	¥61,505,813	100.0%	¥56,427,642	100.0%	¥55,514,354	100.0%

73. Breakdown of Investments in Securities by Maturity Dates (General Account)

Millions of Yen							
As of March 31	Within 1 year or under	Over 1 year and within 3 years	Over 3 years and within 5 years	Over 5 years and within 7 years	Over 7 years and within 10 years	Over 10 years (including securities with no fixed maturity)	Total
2021							
Investments in securities	¥1,071,459	¥2,336,429	¥3,546,347	¥5,299,713	¥7,470,649	¥41,781,214	¥61,505,813
Domestic bonds							
National government bonds	433,649	1,035,846	1,805,225	1,799,383	2,525,577	15,570,432	23,170,114
Local government bonds	1,800	18,063	37,940	58,757	149,199	564,646	830,406
Corporate bonds	59,388	178,363	235,682	288,262	493,817	969,378	2,224,893
Domestic stocks						10,578,247	10,578,247
Foreign securities	496,204	1,006,067	1,111,357	1,970,682	3,088,081	13,591,770	21,264,164
Foreign bonds	474,819	958,809	1,087,393	1,927,481	2,971,828	6,346,765	13,767,097
Foreign stocks and other securities	21,385	47,257	23,964	43,201	116,252	7,245,005	7,497,067
Other securities	80,416	98,089	356,140	1,182,626	1,213,974	506,738	3,437,986
Monetary receivables purchased	6,108	22	2,500	6,768	33,800	123,401	172,601
Negotiable certificates of deposit	113,998	—	—	—	—	—	113,998
Total	¥1,191,566	¥2,336,452	¥3,548,847	¥5,306,481	¥7,504,449	¥41,904,615	¥61,792,414

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

Millions of Yen							
	Within 1 year or under	Over 1 year and within 3 years	Over 3 years and within 5 years	Over 5 years and within 7 years	Over 7 years and within 10 years	Over 10 years (including securities with no fixed maturity)	Total
As of March 31	2020						
Investments in securities	¥ 904,100	¥2,210,299	¥2,782,812	¥4,699,815	¥8,087,023	¥37,743,590	¥56,427,642
Domestic bonds							
National government bonds	316,479	882,898	1,489,750	2,217,841	2,506,890	14,445,909	21,859,769
Local government bonds	5,123	6,059	26,673	77,038	132,376	484,165	731,436
Corporate bonds	55,020	128,765	217,169	235,456	537,201	893,342	2,066,956
Domestic stocks						7,858,225	7,858,225
Foreign securities	492,101	1,088,747	837,008	1,519,234	2,987,791	13,546,545	20,471,430
Foreign bonds	483,879	1,061,095	786,755	1,490,227	2,889,495	7,479,627	14,191,081
Foreign stocks and other securities	8,221	27,651	50,253	29,007	98,295	6,066,918	6,280,348
Other securities	35,375	103,828	212,211	650,244	1,922,764	515,401	3,439,825
Monetary receivables purchased	29,109	867	1,110	4,932	36,636	146,411	219,068
Negotiable certificates of deposit	162,898	—	—	—	—	—	162,898
Total	¥1,096,109	¥2,211,167	¥2,783,923	¥4,704,748	¥8,123,659	¥37,890,001	¥56,809,609
As of March 31	2019						
Investments in securities	¥1,096,893	¥2,216,974	¥2,410,145	¥3,461,702	¥8,434,522	¥37,894,117	¥55,514,354
Domestic bonds							
National government bonds	267,946	779,582	1,109,881	1,987,606	2,807,795	13,856,311	20,809,124
Local government bonds	90,199	6,976	18,160	40,615	100,327	533,472	789,752
Corporate bonds	63,708	110,274	189,743	131,623	561,748	871,590	1,928,688
Domestic stocks						8,955,495	8,955,495
Foreign securities	545,507	1,211,270	998,975	944,062	3,193,688	12,966,040	19,859,544
Foreign bonds	538,495	1,185,895	963,128	917,677	3,111,786	7,154,098	13,871,081
Foreign stocks and other securities	7,011	25,374	35,847	26,384	81,902	5,811,941	5,988,462
Other securities	129,531	108,870	93,383	357,795	1,770,961	711,206	3,171,750
Monetary receivables purchased	26,999	1,908	1,734	4,853	36,450	172,097	244,043
Negotiable certificates of deposit	279,297	—	—	—	—	—	279,297
Total	¥1,403,190	¥2,218,882	¥2,411,879	¥3,466,556	¥8,470,972	¥38,066,214	¥56,037,696

74. Bond Yields (General Account)

%			
As of March 31	2021	2020	2019
Domestic bonds	1.55%	1.66%	1.76%
Foreign bonds	2.60	2.80	3.18
Japanese yen denominated	1.13	1.22	1.32
Foreign currency denominated	2.69	2.90	3.29

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

		Millions of Yen, %					
As of March 31	2021		2020		2019		
Fishery, agriculture, and forestry	¥	3,756	0.0%	¥	3,067	0.0%	¥ 5,041 0.1%
Mining		1,086	0.0		986	0.0	1,323 0.0
Construction		151,277	1.4		126,226	1.6	153,286 1.7
Manufacturing							
Food		300,157	2.8		261,743	3.3	322,054 3.6
Textiles and apparel		97,366	0.9		77,636	1.0	107,364 1.2
Pulp and paper		28,828	0.3		21,773	0.3	28,703 0.3
Chemicals		1,156,254	10.9		815,638	10.4	890,795 9.9
Pharmaceuticals		878,988	8.3		707,035	9.0	759,058 8.5
Oil and coal products		13,034	0.1		14,414	0.2	21,803 0.2
Rubber products		83,497	0.8		62,623	0.8	85,421 1.0
Glass and ceramic products		92,709	0.9		61,554	0.8	77,315 0.9
Iron and steel		96,455	0.9		59,167	0.8	118,824 1.3
Nonferrous metals		73,669	0.7		47,748	0.6	72,891 0.8
Metal products		40,752	0.4		25,750	0.3	32,865 0.4
Machinery		639,091	6.0		398,268	5.1	483,442 5.4
Electric appliances		1,411,198	13.3		880,005	11.2	998,459 11.1
Transportation equipment		1,559,253	14.7		1,168,064	14.9	1,300,508 14.5
Precision instruments		180,019	1.7		134,144	1.7	119,136 1.3
Other products		111,141	1.1		88,559	1.1	103,203 1.2
Electric power and gas		318,897	3.0		289,190	3.7	393,519 4.4
Transportation, information, and communication							
Land transportation		561,448	5.3		485,367	6.2	624,994 7.0
Marine transportation		7,911	0.1		3,866	0.0	4,878 0.1
Air transportation		8,447	0.1		12,186	0.2	18,160 0.2
Warehousing and harbor transportation services		8,294	0.1		7,356	0.1	10,492 0.1
Information and communication		558,251	5.3		373,024	4.7	289,614 3.2
Trade and services							
Wholesale trade		393,452	3.7		277,051	3.5	312,105 3.5
Retail trade		300,879	2.8		218,657	2.8	269,717 3.0
Finance and insurance							
Banking		379,266	3.6		299,053	3.8	421,471 4.7
Securities and trading		68,703	0.6		58,172	0.7	67,868 0.8
Insurance		636,364	6.0		571,794	7.3	569,126 6.4
Other financial services		62,981	0.6		48,125	0.6	52,070 0.6
Real estate		47,274	0.4		38,681	0.5	49,489 0.6
Services		307,536	2.9		221,288	2.8	190,486 2.1
Total		¥10,578,247	100.0%		¥7,858,225	100.0%	¥8,955,495 100.0%

76. Loans (General Account)

		Millions of Yen		
As of March 31		2021	2020	2019
Policy loans		¥ 490,826	¥ 554,285	¥ 582,774
Premium loans		32,400	36,167	39,575
Policyholder loans		458,426	518,118	543,198
Industrial and consumer loans		6,939,877	6,857,523	6,855,961
[Loans to nonresidents]		[582,479]	[392,690]	[350,623]
Corporate loans—international and domestic		5,192,071	5,106,417	5,111,891
[Corporate loans—domestic]		[4,618,216]	[4,733,195]	[4,791,268]
Loans to national, international, and government-affiliated organizations		1,136	1,551	21,740
Loans to public entities		453,375	470,983	453,439
Housing loans		833,315	827,072	810,577
Consumer loans		371,141	373,506	378,866
Other loans		88,837	77,992	79,445
Total		¥ 7,430,704	¥ 7,411,809	¥ 7,438,736

77. Industrial and Consumer Loans by Maturity Date (General Account)

							Millions of Yen
	Within 1 year or under	Over 1 year and within 3 years	Over 3 years and within 5 years	Over 5 years and within 7 years	Over 7 years and within 10 years	Over 10 years (including loans with no fixed maturity)	Total
As of March 31	2021						
Fixed-rate loans	¥822,655	¥1,106,130	¥ 891,093	¥642,924	¥811,906	¥1,681,103	¥5,955,813
Variable-rate loans	65,986	148,864	146,402	162,176	160,440	300,192	984,063
Total loans	¥888,642	¥1,254,994	¥1,037,496	¥805,101	¥972,347	¥1,981,295	¥6,939,877
As of March 31	2020						
Fixed-rate loans	¥906,675	¥1,150,128	¥ 912,739	¥615,201	¥763,741	¥1,680,942	¥6,029,429
Variable-rate loans	67,659	106,618	124,645	109,768	149,902	269,499	828,094
Total loans	¥974,335	¥1,256,747	¥1,037,385	¥724,970	¥913,643	¥1,950,441	¥6,857,523
As of March 31	2019						
Fixed-rate loans	¥843,289	¥1,253,256	¥ 959,785	¥638,302	¥773,497	¥1,666,386	¥6,134,518
Variable-rate loans	53,143	155,732	112,216	78,201	126,949	195,200	721,443
Total loans	¥896,432	¥1,408,988	¥1,072,002	¥716,504	¥900,446	¥1,861,587	¥6,855,961

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

		Number of Borrowers, Millions of Yen, %					
As of March 31		2021		2020		2019	
Large companies	Number of borrowers	705	40.0%	754	39.4%	783	38.1%
	Amount of loans	¥3,927,041	85.0	¥4,026,367	85.1	¥4,115,921	85.9
Medium-sized companies	Number of borrowers	208	11.8	233	12.2	261	12.7
	Amount of loans	50,876	1.1	55,320	1.2	67,221	1.4
Small companies	Number of borrowers	850	48.2	927	48.4	1,011	49.2
	Amount of loans	640,298	13.9	651,507	13.8	608,125	12.7
Total loans to domestic companies	Total number of borrowers	1,763	100.0	1,914	100.0	2,055	100.0
	Total amount of loans	¥4,618,216	100.0%	¥4,733,195	100.0%	¥4,791,268	100.0%

Notes: 1. Company size classifications are defined as below.

2. The number of borrowers represents the number of borrowers identified by name and not by the number of loans.

		Industry Type	
Company size		1. All industries (excluding 2-4)	2. Retail and restaurants
Large companies	More than 300 employees and	Paid-in capital ¥1 billion or more	More than 50 employees and
Medium-sized companies	More than 300 employees and	Paid-in capital between ¥0.3 billion and ¥1 billion	Paid-in capital between ¥0.05 billion and ¥1 billion
Small companies	Paid-in capital under ¥0.3 billion or 300 employees or less		Paid-in capital under ¥0.05 billion or 50 employees or less
		3. Services	4. Wholesale
Large companies	More than 100 employees and	Paid-in capital ¥1 billion or more	More than 100 employees and
Medium-sized companies	More than 100 employees and	Paid-in capital between ¥0.05 billion and ¥1 billion	Paid-in capital between ¥0.1 billion and ¥1 billion
Small companies	Paid-in capital under ¥0.05 billion or 100 employees or less		Paid-in capital under ¥0.1 billion or 100 employees or less

79. Breakdown of Industrial and Consumer Loans by Industry (General Account)

		Millions of Yen, %					
As of March 31	2021		2020		2019		
Domestic							
Manufacturing	¥1,015,371	14.6%	¥1,033,782	15.1%	¥1,058,921	15.4%	
Food	104,185	1.5	106,134	1.5	96,166	1.4	
Textiles and apparel	12,940	0.2	19,896	0.3	19,315	0.3	
Wood and wood products	1,993	0.0	2,446	0.0	2,097	0.0	
Pulp and paper	56,149	0.8	57,067	0.8	60,682	0.9	
Printing	38,301	0.6	16,069	0.2	15,641	0.2	
Chemicals	173,043	2.5	201,181	2.9	201,393	2.9	
Oil and coal products	95,613	1.4	83,966	1.2	87,521	1.3	
Ceramics, soil, and stone	43,862	0.6	37,880	0.6	42,209	0.6	
Iron and steel	143,279	2.1	168,001	2.4	183,987	2.7	
Nonferrous metals	12,865	0.2	14,420	0.2	19,067	0.3	
Metal products	9,159	0.1	8,436	0.1	9,192	0.1	
General purpose, production, and industrial machinery	99,935	1.4	101,073	1.5	101,018	1.5	
Electric appliances	69,105	1.0	72,298	1.1	73,714	1.1	
Transportation equipment	127,201	1.8	118,107	1.7	121,177	1.8	
Other manufacturing products	27,736	0.4	26,802	0.4	25,733	0.4	
Agriculture and forestry	—	—	—	—	—	—	
Fishery	—	—	—	—	—	—	
Mining, quarrying, and gravel mining	2,718	0.0	3,321	0.0	2,549	0.0	
Construction	44,374	0.6	33,362	0.5	31,181	0.5	
Electric power, gas, heat supply, and waterworks	1,208,306	17.4	1,257,646	18.3	1,235,997	18.0	
Information and communication	127,164	1.8	127,434	1.9	129,981	1.9	
Transportation and courier	621,689	9.0	608,502	8.9	626,675	9.1	
Wholesale trade	727,596	10.5	730,627	10.7	770,842	11.2	
Retail trade	40,862	0.6	48,724	0.7	51,795	0.8	
Financing and insurance	430,905	6.2	467,147	6.8	468,947	6.8	
Real estate	537,798	7.7	529,181	7.7	471,955	6.9	
Goods rental and leasing	222,489	3.2	234,463	3.4	239,019	3.5	
Academic research, and specialized and technical services	2,660	0.0	1,667	0.0	1,541	0.0	
Hospitality services	1,998	0.0	3,260	0.0	23,486	0.3	
Food and drink services	2,901	0.0	2,828	0.0	3,104	0.0	
Lifestyle and entertainment	24,497	0.4	35,508	0.5	44,219	0.6	
Education and learning support	1,931	0.0	1,441	0.0	1,666	0.0	
Medical treatment and welfare	823	0.0	860	0.0	1,075	0.0	
Other services	13,062	0.2	11,141	0.2	10,257	0.1	
Local organizations and public entities	125,786	1.8	133,349	1.9	142,670	2.1	
Individuals (residential, consumption, local taxes, and others)	1,204,458	17.4	1,200,581	17.5	1,189,451	17.3	
Subtotal	6,357,398	91.6	6,464,832	94.3	6,505,338	94.9	
Overseas							
Governments and public entities	—	—	10,000	0.1	30,000	0.4	
Financial institutions	127,685	1.8	68,942	1.0	60,371	0.9	
Commerce and industry, and others	454,793	6.6	313,748	4.6	260,251	3.8	
Subtotal	582,479	8.4	392,690	5.7	350,623	5.1	
Total loans	¥6,939,877	100.0%	¥6,857,523	100.0%	¥6,855,961	100.0%	

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

Millions of Yen, %						
As of March 31	2021		2020		2019	
Capital investments	¥2,764,566	39.8%	¥2,622,714	38.2%	¥2,527,986	36.9%
Operations	4,175,310	60.2	4,234,808	61.8	4,327,975	63.1
Total loans	¥6,939,877	100.0%	¥6,857,523	100.0%	¥6,855,961	100.0%

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

Millions of Yen, %						
As of March 31	2021		2020		2019	
Hokkaido	¥ 70,843	1.5%	¥ 69,412	1.5%	¥ 67,389	1.4%
Tohoku	133,371	2.9	132,761	2.8	132,359	2.8
Kanto	3,117,567	67.5	3,156,562	66.7	3,186,087	66.5
Chubu	346,756	7.5	376,185	7.9	395,898	8.3
Kinki	659,681	14.3	679,178	14.3	687,083	14.3
Chugoku	89,632	1.9	110,008	2.3	117,361	2.4
Shikoku	69,533	1.5	68,881	1.5	69,247	1.4
Kyushu	130,830	2.8	140,205	3.0	135,841	2.8
Total	¥4,618,216	100.0%	¥4,733,195	100.0%	¥4,791,268	100.0%

Notes: 1. The table above excludes personal loans, loans to nonresidents, and policy loans.
2. Regional classifications are based on the location of the headquarters of borrowers.

82. Breakdown of Industrial and Consumer Loans by Collateral (General Account)

Millions of Yen, %						
As of March 31	2021		2020		2019	
Secured loans	¥ 22,968	0.3%	¥ 28,047	0.4%	¥ 29,777	0.4%
Loans secured by securities	4,933	0.1	6,443	0.1	8,014	0.1
Loans secured by real estate, movable assets, and foundations	15,362	0.2	16,618	0.2	15,636	0.2
Loans secured by personal guarantees	2,672	0.0	4,985	0.1	6,126	0.1
Guarantee loans	148,410	2.1	155,375	2.3	179,078	2.6
Fiduciary loans	5,564,040	80.2	5,473,521	79.8	5,457,661	79.6
Other loans	1,204,457	17.4	1,200,579	17.5	1,189,444	17.3
Total loans	¥6,939,877	100.0%	¥6,857,523	100.0%	¥6,855,961	100.0%
Subordinated loans	¥ 170,620	2.5%	¥ 181,620	2.6%	¥ 161,620	2.4%

83. Appraisal Value of Real Estate (General Account)

Billions of Yen			
As of March 31	2021	2020	2019
Land and land lease rights			
Balance sheet amount	¥1,221.2	¥1,201.9	¥1,198.8
Fair value (appraisal value)	1,768.5	1,717.4	1,571.2
Net unrealized gains (losses)	547.3	515.4	372.4
Gain	652.4	627.7	492.9
Loss	(105.1)	(112.3)	(120.4)
Revaluation differences	44.4	48.3	49.0
	¥ 591.8	¥ 563.8	¥ 421.5

Notes: 1. Fair value (appraisal value) is calculated with reference to benchmark land prices.
2. In accordance with the Act on Revaluation of Land in Japan, business-use land was revalued and net valuation gains (losses) were recorded on the balance sheets.
3. For revaluation differences in Note 2, the difference between the amount revalued and the historical cost, net of tax, has been credited to revaluation reserve for land in net assets, and the tax equivalent amount for the revaluation is recognized in the liability section as deferred tax liabilities.

84. Real Estate Balance and Number of Rental Properties Held (General Account)

Millions of Yen, Number of Buildings			
As of March 31	2021	2020	2019
Real estate balance	¥1,686,615	¥1,658,731	¥1,649,608
For business use	615,906	597,332	601,189
For rental use	1,070,709	1,061,399	1,048,419
Number of buildings held for leasing	261	262	267

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

85. Tangible Fixed Assets (General Account)

Millions of Yen, %							
	Ending balance of the prior year	Increase in the current year	Decrease in the current year	Depreciation in the current year	Ending balance of the current year	Accumulated depreciation	Accumulated depreciation percentage
Fiscal year ended March 31	2021						
Land	¥1,124,273	¥ 30,645	¥ 6,318 [3,447]	¥ —	¥1,148,601	¥ —	—%
Buildings	518,409	28,111	4,078 [1,438]	26,765	515,676	1,094,822	68.0
Lease assets	7,772	2,318	505	2,546	7,038	9,414	57.2
Construction in progress	16,047	42,407	36,118	—	22,337	—	—
Other tangible fixed assets	15,346	7,073	88	5,296	17,035	48,311	73.9
Total	¥1,681,851	¥110,556	¥47,108 [4,885]	¥34,609	¥1,710,689	¥1,152,548	—%
Investment and rental properties included in the above	¥1,096,009	¥ 63,320	¥12,401 [4,885]	¥17,518	¥1,129,410	¥ 707,787	—%
Fiscal year ended March 31	2020						
Land	¥1,121,375	¥ 7,102	¥ 4,204 [1,984]	¥ —	¥1,124,273	¥ —	—%
Buildings	512,736	36,457	4,625 [740]	26,158	518,409	1,081,847	67.6
Lease assets	9,798	1,506	304	3,227	7,772	9,527	55.1
Construction in progress	15,496	44,686	44,135	—	16,047	—	—
Other tangible fixed assets	21,182	1,514	104	7,245	15,346	43,519	73.9
Total	¥1,680,589	¥ 91,267	¥53,374 [2,725]	¥36,631	¥1,681,851	¥1,134,894	—%
Investment and rental properties included in the above	¥1,082,225	¥ 51,526	¥20,571 [2,725]	¥17,171	¥1,096,009	¥ 702,978	—%
Fiscal year ended March 31	2019						
Land	¥1,089,297	¥ 46,658	¥14,580 [1,510]	¥ —	¥1,121,375	¥ —	—%
Buildings	475,516	68,185	6,246 [638]	24,718	512,736	1,073,756	67.7
Lease assets	12,669	1,605	778	3,699	9,798	10,520	51.8
Construction in progress	42,550	50,749	77,803	—	15,496	—	—
Other tangible fixed assets	10,825	13,105	190	2,557	21,182	46,763	68.8
Total	¥1,630,859	¥180,304	¥99,598 [2,148]	¥30,975	¥1,680,589	¥1,131,041	—%
Investment and rental properties included in the above	¥1,045,734	¥ 91,652	¥39,229 [2,148]	¥15,931	¥1,082,225	¥ 696,064	—%

Notes: 1. Figures in brackets under the "Decrease in the current year" column indicate impairment losses.

2. The accumulated depreciation percentage shows the ratio of accumulated depreciation to the acquisition cost.

3. Investment and rental properties shown in "Increase in the current year" and "Decrease in the current year" include those reclassified due to changes in purpose of use.

86. Gain and Loss on Disposals of Fixed Assets (General Account)

							Millions of Yen
Fiscal years ended March 31							
	2021		2020		2019		
	Gain	Loss	Gain	Loss	Gain	Loss	
Tangible fixed assets	¥77	¥4,770	¥1,258	¥5,658	¥3,904	¥5,918	
Land	61	1,136	274	769	3,061	3,022	
Buildings	15	3,503	970	4,029	841	2,728	
Lease assets	—	0	—	0	—	1	
Other assets	0	129	13	859	1	165	
Intangible fixed assets	11	95	429	308	—	259	
Others	—	133	—	223	—	236	
Total	¥89	¥4,999	¥1,687	¥6,190	¥3,904	¥6,413	
Investment and rental properties included in the above	¥75	¥ 970	¥1,100	¥ 695	¥3,826	¥3,018	

87. Depreciation of Rental Real Estate and Other Assets (General Account)

						Millions of Yen, %
Fiscal year ended March 31						
	Acquisition cost	Depreciation in the current year	Accumulated depreciation	Balance at the end of the current year	Accumulated depreciation percentage	
2021						
Tangible fixed assets	¥1,049,733	¥17,639	¥704,920	¥344,812	67.2%	
Buildings	1,044,081	17,466	700,021	344,060	67.0	
Lease assets	—	—	—	—	—	
Others	5,651	172	4,899	752	86.7	
Intangible fixed assets	0	0	0	0	25.0	
Other assets	4,147	190	2,680	1,466	64.6	
Total	¥1,053,880	¥17,830	¥707,601	¥346,279	67.1%	
2020						
Tangible fixed assets	¥1,054,762	¥17,366	¥701,577	¥353,184	66.5%	
Buildings	1,048,756	17,170	696,438	352,318	66.4	
Lease assets	—	—	—	—	—	
Others	6,005	195	5,139	866	85.6	
Intangible fixed assets	0	0	0	0	15.0	
Other assets	4,500	216	2,855	1,644	63.5	
Total	¥1,059,263	¥17,582	¥704,433	¥354,830	66.5%	
2019						
Tangible fixed assets	¥1,039,530	¥16,143	¥697,694	¥341,835	67.1%	
Buildings	1,033,187	15,931	692,253	340,934	67.0	
Lease assets	—	—	—	—	—	
Others	6,343	211	5,441	901	85.8	
Intangible fixed assets	1	0	1	0	81.4	
Other assets	4,534	220	2,677	1,856	59.1	
Total	¥1,044,065	¥16,364	¥700,373	¥343,692	67.1%	

88. Overseas Loans and Investments (General Account)

1. Breakdown by asset composition

Millions of Yen, %						
As of March 31	2021		2020		2019	
Foreign currency-denominated assets						
Foreign bonds	¥13,628,035	58.6%	¥13,883,995	62.2%	¥13,553,635	63.3%
Foreign stocks	880,453	3.8	766,721	3.4	889,201	4.2
Cash, deposits, and others	6,167,278	26.5	5,036,661	22.6	4,276,717	20.0
Subtotal	20,675,767	88.9	19,687,377	88.2	18,719,554	87.4
Foreign currency-denominated assets with fixed yen value						
Foreign bonds	—	—	—	—	—	—
Cash, deposits, and others	205,155	0.9	252,180	1.1	281,261	1.3
Subtotal	205,155	0.9	252,180	1.1	281,261	1.3
Japanese yen-denominated assets						
Loans to nonresidents	42,981	0.2	54,879	0.2	73,834	0.3
Foreign bonds and others	2,338,807	10.1	2,333,678	10.5	2,341,791	10.9
Subtotal	2,381,789	10.2	2,388,557	10.7	2,415,625	11.3
Net overseas loans and investments	¥23,262,712	100.0%	¥22,328,115	100.0%	¥21,416,442	100.0%

Note: Foreign currency-denominated assets with fixed yen value are recorded in the balance sheets in Japanese yen that was determined upon settlement under foreign exchange forward contracts or other contracts.

2. Composition of overseas loans and investments by geographic area

Millions of Yen, %								
Foreign securities								
As of March 31	Amount		Bonds		Stocks and other securities		Loans to nonresidents	
			Amount	%	Amount	%	Amount	%
As of March 31			2021					
North America	¥ 7,259,353	34.1%	¥ 6,614,455	48.0%	¥ 644,898	8.6%	¥ 77,003	13.2%
Europe	6,311,345	29.7	5,624,925	40.9	686,420	9.2	325,418	55.9
Oceania	680,765	3.2	494,452	3.6	186,313	2.5	91,610	15.7
Asia	830,364	3.9	470,044	3.4	360,320	4.8	—	—
Central and South Americas	5,981,287	28.1	362,171	2.6	5,619,115	75.0	38,432	6.6
Middle East	9,491	0.0	9,491	0.1	—	—	33,004	5.7
Africa	—	—	—	—	—	—	17,008	2.9
International organizations	191,557	0.9	191,557	1.4	—	—	—	—
Total	¥21,264,164	100.0%	¥13,767,097	100.0%	¥7,497,067	100.0%	¥582,479	100.0%
As of March 31			2020					
North America	¥ 7,525,213	36.8%	¥ 7,041,723	49.6%	¥ 483,489	7.7%	¥ 49,876	12.7%
Europe	6,150,757	30.0	5,652,047	39.8	498,709	7.9	199,709	50.9
Oceania	641,717	3.1	513,305	3.6	128,412	2.0	48,222	12.3
Asia	803,717	3.9	424,975	3.0	378,741	6.0	1,000	0.3
Central and South Americas	5,143,116	25.1	352,120	2.5	4,790,995	76.3	42,354	10.8
Middle East	—	—	—	—	—	—	34,241	8.7
Africa	—	—	—	—	—	—	17,286	4.4
International organizations	206,908	1.0	206,908	1.5	—	—	—	—
Total	¥20,471,430	100.0%	¥14,191,081	100.0%	¥6,280,348	100.0%	¥392,690	100.0%
As of March 31			2019					
North America	¥ 7,370,712	37.1%	¥ 6,769,891	48.8%	¥ 600,821	10.0%	¥107,315	30.6%
Europe	6,057,362	30.5	5,574,994	40.2	482,368	8.1	123,851	35.3
Oceania	742,488	3.7	561,749	4.0	180,739	3.0	35,371	10.1
Asia	740,416	3.7	409,890	3.0	330,525	5.5	1,000	0.3
Central and South Americas	4,720,639	23.8	326,631	2.4	4,394,007	73.4	39,730	11.3
Middle East	—	—	—	—	—	—	15,288	4.4
Africa	—	—	—	—	—	—	18,065	5.2
International organizations	227,924	1.1	227,924	1.6	—	—	10,000	2.9
Total	¥19,859,544	100.0%	¥13,871,081	100.0%	¥5,988,462	100.0%	¥350,623	100.0%

Note: Overseas loans and investments above are composed of foreign securities and loans to nonresidents.

88. Overseas Loans and Investments (General Account), continued

3. Composition of foreign currency-denominated assets by currency

Millions of Yen, %						
As of March 31	2021		2020		2019	
U.S. dollar	¥12,585,486	60.9%	¥12,183,093	61.9%	¥11,321,908	60.5%
Euro	5,304,058	25.7	5,042,064	25.6	4,655,219	24.9
British pound	1,469,675	7.1	1,277,026	6.5	1,394,054	7.4
Australian dollar	728,442	3.5	617,935	3.1	729,075	3.9
Indian rupee	208,403	1.0	208,341	1.1	138,149	0.7
Polish zloty	78,266	0.4	84,798	0.4	124,305	0.7
Others	301,433	1.5	274,117	1.4	366,163	2.0
Total	¥20,675,767	100.0%	¥19,687,377	100.0%	¥18,719,554	100.0%

Note: The table above represents asset balances denominated in the top six foreign currencies as of March 31, 2021.

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

%			
Fiscal years ended March 31	2021	2020	2019
Yield on overseas loans and investments	4.60%	2.82%	1.88%

Notes: 1. Yield is calculated by dividing investment income, less investment expenses, by the daily average book value balance.

2. The amount of overseas loans and investments is the sum of assets denominated in foreign currencies and Japanese yen.

90. Summary of New Public Sector Investment Underwriting and Loans (General Account)

Millions of Yen, %							
Fiscal years ended March 31		2021		2020		2019	
Public bonds	National government bonds	¥183,784	41.7%	¥303,667	54.9%	¥196,535	46.6%
	Local government bonds	—	—	—	—	—	—
	Public corporation and agency bonds	2,368	0.5	1,995	0.4	2,345	0.6
	Subtotal	186,152	42.2	305,663	55.3	198,881	47.1
Loans	Government-affiliated organizations	1,136	0.3	1,551	0.3	1,709	0.4
	Public entities	253,909	57.5	245,991	44.5	221,399	52.5
	Subtotal	255,045	57.8	247,542	44.7	223,108	52.9
Total		¥441,197	100.0%	¥553,205	100.0%	¥421,989	100.0%

Note: Public bonds represent the amount of new underwriting for each fiscal year, and loans represent the amount of new loans to domestic entities for each fiscal year.

91. Breakdown of Other Assets (General Account)

Millions of Yen					
	Acquisition cost	Increase in the current year	Decrease in the current year	Accumulated depreciation	Balance at the end of the current year
Fiscal year ended March 31					
2021					
Deferred assets	¥10,274	¥ 3,196	¥ 1,366	¥5,569	¥ 6,535
Others	49,360	66,421	35,027	2,029	78,725
Total	¥59,635	¥69,617	¥36,393	¥7,599	¥85,260
Fiscal year ended March 31					
2020					
Deferred assets	¥ 8,748	¥ 2,313	¥ 415	¥5,587	¥ 5,058
Others	47,114	57,367	55,121	1,864	47,495
Total	¥55,863	¥59,680	¥55,536	¥7,452	¥52,554
Fiscal year ended March 31					
2019					
Deferred assets	¥ 9,253	¥ 1,535	¥ 1,982	¥4,805	¥ 4,000
Others	36,659	26,508	16,053	2,642	44,471
Total	¥45,913	¥28,043	¥18,036	¥7,448	¥48,472

92. Loan Interest Rates

								Dates, %
Type of loan								
Base rate of long-term loans (long-term prime rate loans)	Housing loans				Consumer loans			
	Fixed interest rate	Variable interest rate optional with fixed interest rate	Variable interest rate (long-term loans)	Variable interest rate (short-term loans)	Fixed interest rate	Variable interest rate (long-term loans)	Variable interest rate (short-term loans)	
	3.37–4.50 ^(*1)	2.72–3.88 ^(*2)		*2.475 ^(*3)	3.37–3.88 ^(*2)		*2.775 ^(*3)	
Fiscal year ended March 31								2022
Fiscal year ended March 31								2021
4/10	1.10		5/1	1.10		5/1	1.40	
5/8	1.05		6/1	1.05		6/1	1.35	
8/12	1.00		9/1	1.00		9/1	1.30	
Fiscal year ended March 31								2020
7/10	0.95		8/1	0.95		8/1	1.25	
Fiscal year ended March 31								2019
	12/1 3.37–4.50							
Fiscal year ended March 31								2018
7/11	1.00		8/1	1.00		8/1	1.30	
	10/1 3.37–4.40							
	11/1 3.37–4.45							

Notes: 1. Fixed interest rates for housing loans and consumer loans are set at interest rates according to the lending period.
2. For housing loans, variable interest rates optional with fixed interest rates are set according to the fixed interest rate period of 2, 3, 5, 10, or 15 years.
3. Housing loan interest rates represent interest rates at the time of initial lending.
4. Housing loan interest rates include group credit life insurance warranty fees.
5. Consumer loans represent traditional mortgage-backed loans.

*1 December 1, 2018

*2 August 1, 2015

*3 January 19, 2009

93. Fair Value of Securities (General Account)

1. Net valuation gains (losses) of trading securities

Millions of Yen						
As of March 31	2021		2020		2019	
	Balance sheet amount	Valuation gains (losses) recorded in profit or loss	Balance sheet amount	Valuation gains (losses) recorded in profit or loss	Balance sheet amount	Valuation gains (losses) recorded in profit or loss
Trading securities	¥81	¥(25,339)	¥33,120	¥27,919	¥11,046	¥(1,565)

Notes: 1. Net gains (losses) on derivative transactions are included in both assets held in trust under trading securities in the balance sheets and valuation gains (losses) in the statements of income.
2. Amounts above do not include cash, deposits, and call loans within assets held in trust that are included in trading securities.

2. Fair value information of securities (with fair value, other than trading securities)

Millions of Yen										
As of March 31	2021					2020				
Types of securities	Book value	Fair value	Net gains (losses)	Gains	Losses	Book value	Fair value	Net gains (losses)	Gains	Losses
Policy-reserve-matching bonds	¥23,673,843	¥26,650,893	¥ 2,977,049	¥ 3,122,806	¥(145,756)	¥21,770,340	¥25,513,284	¥3,742,944	¥ 3,765,715	¥ (22,771)
Held-to-maturity debt securities	—	—	—	—	—	—	—	—	—	—
Investments in subsidiaries and affiliates	128,615	283,208	154,592	154,592	—	134,202	190,424	56,222	56,320	(98)
Available-for-sale securities	26,925,786	36,096,633	9,170,847	9,357,702	(186,855)	27,557,260	33,341,622	5,784,361	6,411,076	(626,714)
Domestic bonds	2,656,399	2,842,251	185,852	192,880	(7,028)	3,000,836	3,193,036	192,200	200,704	(8,503)
Domestic stocks	4,117,388	9,981,652	5,864,264	5,965,078	(100,814)	4,142,159	7,320,211	3,178,051	3,474,933	(296,881)
Foreign securities	16,902,501	19,819,370	2,916,868	2,980,825	(63,956)	17,082,748	19,286,892	2,204,144	2,511,450	(307,306)
Foreign bonds	11,672,974	13,623,990	1,951,015	1,996,814	(45,799)	12,122,365	14,068,872	1,946,506	2,094,361	(147,855)
Foreign stocks and other securities	5,229,527	6,195,380	965,852	984,010	(18,157)	4,960,382	5,218,020	257,637	417,088	(159,451)
Other securities	3,113,603	3,316,772	203,169	218,199	(15,029)	3,122,331	3,332,001	209,670	223,105	(13,435)
Monetary receivables purchased	21,894	22,588	693	718	(24)	46,284	46,580	296	882	(586)
Negotiable certificates of deposit	114,000	113,998	(1)	0	(1)	162,900	162,898	(1)	0	(1)
Total	¥50,728,245	¥63,030,735	¥12,302,490	¥12,635,102	¥(332,612)	¥49,461,803	¥59,045,331	¥9,583,528	¥10,233,112	¥(649,584)
Domestic bonds	¥26,039,562	¥29,184,641	¥ 3,145,079	¥ 3,297,685	¥(152,605)	¥24,465,961	¥28,385,943	¥3,919,981	¥ 3,946,791	¥ (26,810)
Domestic stocks	4,117,388	9,981,652	5,864,264	5,965,078	(100,814)	4,142,159	7,320,211	3,178,051	3,474,933	(296,881)
Foreign securities	17,170,854	20,253,252	3,082,398	3,146,502	(64,103)	17,348,748	19,615,336	2,266,587	2,578,407	(311,819)
Foreign bonds	11,813,641	13,775,735	1,962,093	2,008,039	(45,946)	12,255,093	14,207,949	1,952,856	2,105,125	(152,269)
Foreign stocks and other securities	5,357,212	6,477,517	1,120,304	1,138,462	(18,157)	5,093,654	5,407,386	313,731	473,281	(159,549)
Other securities	3,114,533	3,317,843	203,310	218,340	(15,029)	3,123,261	3,333,060	209,798	223,233	(13,435)
Monetary receivables purchased	171,907	179,347	7,439	7,496	(57)	218,771	227,881	9,109	9,746	(636)
Negotiable certificates of deposit	114,000	113,998	(1)	0	(1)	162,900	162,898	(1)	0	(1)

As of March 31	2019				
Types of securities	Book value	Fair value	Net gains (losses)	Gains	Losses
Policy-reserve-matching bonds	¥20,696,341	¥24,773,828	¥ 4,077,487	¥ 4,077,785	¥ (297)
Held-to-maturity debt securities	—	—	—	—	—
Investments in subsidiaries and affiliates	64,047	136,869	72,821	72,821	—
Available-for-sale securities	26,961,602	33,708,588	6,746,985	7,036,812	(289,826)
Domestic bonds	2,895,398	3,130,771	235,373	236,432	(1,058)
Domestic stocks	4,268,225	8,445,973	4,177,748	4,386,210	(208,462)
Foreign securities	16,648,246	18,723,632	2,075,386	2,153,391	(78,005)
Foreign bonds	12,390,599	13,774,375	1,383,776	1,435,020	(51,244)
Foreign stocks and other securities	4,257,647	4,949,257	691,609	718,371	(26,761)
Other securities	2,827,028	3,085,453	258,424	260,654	(2,229)
Monetary receivables purchased	43,403	43,458	55	122	(67)
Negotiable certificates of deposit	279,300	279,297	(2)	0	(2)
Total	¥47,721,991	¥58,619,286	¥10,897,295	¥11,187,419	¥(290,124)
Domestic bonds	¥23,292,191	¥27,591,231	¥ 4,299,040	¥ 4,300,101	¥ (1,060)
Domestic stocks	4,268,225	8,445,973	4,177,748	4,386,210	(208,462)
Foreign securities	16,810,327	18,961,840	2,151,512	2,229,745	(78,233)
Foreign bonds	12,489,562	13,876,721	1,387,159	1,438,630	(51,471)
Foreign stocks and other securities	4,320,765	5,085,118	764,353	791,114	(26,761)
Other securities	2,827,958	3,086,461	258,502	260,732	(2,229)
Monetary receivables purchased	243,988	254,481	10,492	10,628	(136)
Negotiable certificates of deposit	279,300	279,297	(2)	0	(2)

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

93. Fair Value of Securities (General Account), continued

2. Fair value information of securities (with fair value, other than trading securities), continued

Book value of securities whose fair value is extremely difficult to be determined

		Millions of Yen		
As of March 31		2021	2020	2019
Policy-reserve-matching bonds	¥	—	¥	—
Held-to-maturity debt securities		—	—	—
Unlisted foreign bonds		—	—	—
Others		—	—	—
Investments in subsidiaries and affiliates		1,179,556	1,018,274	1,025,134
Available-for-sale securities		696,745	558,357	539,876
Unlisted domestic stocks (excluding over-the-counter stocks)		61,115	60,000	53,290
Unlisted foreign stocks (excluding over-the-counter stocks)		309	218	120,000
Unlisted foreign bonds		—	86	—
Others		635,320	498,051	366,586
Total		¥1,876,302	¥1,576,632	¥1,565,011

Note: For securities whose fair value is extremely difficult to be determined, net gains (losses) on foreign exchange valuation of assets denominated in foreign currencies were as follows:
¥29,537 million as of March 31, 2021, ¥(37,696) million as of March 31, 2020, and ¥3,619 million as of March 31, 2019.

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

		Millions of Yen		
As of March 31		2021	2020	2019
Assets held in trust				
Balance sheet amount	¥135	¥33,779	¥13,157	
Fair value	135	33,779	13,157	
Net gains (losses)	—	—	—	
Gains	—	—	—	
Losses	—	—	—	

Notes: 1. Fair value is based on a reasonably calculated price by the trustee of assets held in trust.
2. The balance sheet amount includes net gains (losses) on derivative transactions within assets held in trust.

Assets held in trust for investment

Millions of Yen						
As of March 31	2021		2020		2019	
	Balance sheet amount	Valuation gains (losses) included in profit or loss	Balance sheet amount	Valuation gains (losses) included in profit or loss	Balance sheet amount	Valuation gains (losses) included in profit or loss
Assets held in trust for investment	¥135	¥(25,339)	¥33,779	¥27,919	¥13,157	¥(1,565)

Note: Balance sheet amount and valuation gains (losses) recorded in profit or loss include net gains (losses) on derivative transactions.

Assets held in trust classified as policy-reserve-matching bonds, held-to-maturity debt securities, and others

There were no ending balances as of March 31, 2021, 2020, and 2019.

95. Qualitative Information on Derivative Transactions (General Account)

1. Transaction details

The following are derivative transactions that the Company uses:

Interest rate-related:	Interest rate futures, interest rate swaps, and swaptions
Currency-related:	Foreign exchange forward contracts, currency options, and currency swaps
Equity-related:	Equity index futures, equity index options, equity options, and equity forwards
Bond-related:	Bond futures, bond futures options, and bond purchases and sales with attached options

2. Policy

The Company mainly uses derivative transactions for the purpose of controlling risks associated with assets or liabilities.

3. Purpose

The Company mainly uses derivatives to hedge risks associated with assets or liabilities and applies hedge accounting to certain derivatives.

The Company mainly applies the following hedge accounting methods:

- The exceptional accounting treatment ("*Tokurei-shori*") is applied to interest rate swaps to hedge the cash flow volatility of certain loans denominated in Japanese yen and foreign currencies.
- Deferred hedge accounting is applied to interest rate swaps to hedge the interest rate fluctuation exposures on certain insurance policies based on the Industry Audit Committee Report No. 26, "Accounting and Auditing Treatments related to Application of Accounting for Financial Instruments in the Insurance Industry" issued by the Japanese Institute of Certified Public Accountants.
- Deferred hedge accounting and designated hedge accounting ("*Furiate-shori*") are applied to currency swaps to hedge the cash flow volatility caused by foreign exchange rate fluctuations on certain foreign currency-denominated bonds and loans, and subordinated corporate bonds issued by the Company.
- Fair value hedge accounting is applied to foreign exchange forward contracts to hedge the price fluctuation exposures related to foreign exchange rate fluctuations on certain foreign currency-denominated bonds and other instruments.
- Fair value hedge accounting is applied to equity forward contracts to hedge the price fluctuation exposures on certain domestic stocks.

Effectiveness of hedging activities is mainly evaluated by performing a ratio analysis and comparing the fair value difference between hedging instruments and hedged items in accordance with the Company's risk management policies.

4. Risk details

Derivative transactions entered into by the Company are exposed to market risks (such as fluctuation risks in interest rates, currency exchange rates, and stock prices) and credit risks (such as counterparties' default risks due to bankruptcy). The Company recognizes market risks as limited given that derivative transactions are mainly for the purpose of controlling risks associated with assets or liabilities. Further, credit risks should remain low as the Company's transactions are entered into either through domestic and foreign financial instrument exchanges or with creditworthy counterparties.

5. Risk management system

The Company sets up transaction limits for derivative transactions based on the purpose and types of transactions. In addition, a control system is implemented for the front office engaged in investment activities, where the back office verifies transaction details with external documentations. Furthermore, the system is designed such that the state of risks, along with assets or liabilities, is monitored and analyzed quantitatively and information on the amount of risk as well as on positions and the status of profit and loss is reported periodically to the investment risk management committee.

6. Supplementary explanation regarding quantitative information

(1) Supplementary explanation regarding notional amounts (contract amounts)

Notional amounts for swap transactions and contract amounts for option transactions represent nominal values related to interest conversions and are not meant to indicate the level of credit risks (latent costs required to restore a market position in the event of a default of counterparties).

(2) Supplementary explanation regarding market price calculations

Futures and other market transactions:

Liquidation value or closing market price at the balance sheet date

Equity option transactions:

Mainly liquidation value or closing market price at the balance sheet date, or valuations obtained from external parties

Foreign exchange forward contracts, currency options, interest rate swap transactions, currency swaps, swaptions, and equity forward transactions:

Mainly valuations obtained from external parties

(3) Supplementary explanation regarding transaction gains and losses

The Company mainly utilizes derivative transactions as a complementary measure in controlling risks associated with assets or liabilities.

For example, foreign exchange forward contracts and currency option transactions are mainly utilized to hedge fluctuations in foreign currency exchange rates; therefore, the amount of gains and losses arising from foreign bonds, stocks, and other foreign currency-denominated assets should be taken as a total amount.

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

(1) Breakdown of gains (losses) (with and without hedge accounting applied)

						Millions of Yen
	Interest rate	Currencies	Equities	Bonds	Others	Total
As of March 31	2021					
Hedge accounting applied	¥ 25,567	¥(474,173)	¥(14,871)	¥—	¥—	¥(463,476)
Hedge accounting not applied	(26,539)	7,547	(5,194)	—	—	(24,186)
Total	¥(971)	¥(466,625)	¥(20,065)	¥—	¥—	¥(487,663)
As of March 31	2020					
Hedge accounting applied	¥103,876	¥(167,735)	¥ 11,972	¥—	¥—	¥ (51,886)
Hedge accounting not applied	14,238	(29,315)	13,275	—	—	(1,802)
Total	¥118,114	¥(197,051)	¥ 25,247	¥—	¥—	¥ (53,689)
As of March 31	2019					
Hedge accounting applied	¥ 48,475	¥ (94,440)	¥ —	¥—	¥—	¥ (45,965)
Hedge accounting not applied	18,897	(2,181)	(661)	—	—	16,054
Total	¥ 67,372	¥ (96,622)	¥ (661)	¥—	¥—	¥ (29,911)

Note: Net gains (losses) from applying the fair value hedge included in gain and loss on hedge accounting applied (as of March 31, 2021: Currencies ¥(224,485) million and equities ¥(14,871) million; as of March 31, 2020: Currencies ¥30,532 million and equities ¥11,972 million; and as of March 31, 2019: Currencies ¥(2,734) million), and net gains (losses) included in hedge accounting not applied are recorded in the statements of income.

(2) Interest rate-related

As of March 31		2021				2020				Millions of Yen
Category	Type	Contract amount		Fair value	Net gains (losses)	Contract amount		Fair value	Net gains (losses)	
		Over 1 year				Over 1 year				
Over-the-counter	Interest rate swaps									
	Receive fixed interest rate/ pay variable interest rate	¥2,275,000	¥2,271,000	¥25,567	¥ 25,567	¥1,775,000	¥1,775,000	¥103,876	¥103,876	
	Pay fixed interest rate/ receive variable interest rate	—	—	—	—	—	—	—	—	
	Interest rate swaptions									
	Sold									
	Receive fixed interest rate/ pay variable interest rate	— [—]	— [—]	—	—	— [—]	— [—]	—	—	
	Pay fixed interest rate/ receive variable interest rate	— [—]	— [—]	—	—	— [—]	— [—]	—	—	
	Purchased									
	Receive fixed interest rate/ pay variable interest rate	1,330,000 [47,145]	1,300,000 [46,951]	20,605	(26,539)	952,500 [36,518]	952,500 [36,518]	50,756	14,238	
	Pay fixed interest rate/ receive variable interest rate	— [—]	— [—]	—	—	— [—]	— [—]	—	—	
Total		¥ (971)				¥118,114				

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

(2) Interest rate-related, continued

As of March 31		2019		Millions of Yen	
Category	Type	Contract amount		Fair value	Net gains (losses)
		Over 1 year			
Over-the-counter	Interest rate swaps				
	Receive fixed interest rate/ pay variable interest rate	¥1,275,000	¥1,275,000	¥54,009	¥54,009
	Pay fixed interest rate/ receive variable interest rate	—	—	—	—
	Interest rate swaptions				
	Sold				
	Receive fixed interest rate/ pay variable interest rate	—	—	—	—
		[—]	[—]		
	Pay fixed interest rate/ receive variable interest rate	—	—	—	—
		[—]	[—]		
	Purchased				
Receive fixed interest rate/ pay variable interest rate	500,000	500,000	32,013	13,363	
	[18,650]	[18,650]			
Pay fixed interest rate/ receive variable interest rate	—	—	—	—	
	[—]	[—]			
Total		¥67,372			

Notes: 1. Amounts in brackets represent option premiums recorded in the balance sheets.

2. Net gains (losses) represent the fair value for swap transactions, and the difference between option premiums and fair value for option transactions.

(Reference) Interest rate swap contracts by maturity dates

			Millions of Yen, %						
Maturity dates			Within 1 year	Over 1 year and within 3 years	Over 3 years and within 5 years	Over 5 years and within 7 years	Over 7 years and within 10 years	Over 10 years	Total
2021	Interest rate swaps	Notional amount	¥4,000	¥6,000	¥—	¥—	¥—	¥2,265,000	¥2,275,000
	Receive fixed interest rate/pay variable interest rate	Average fixed interest rate to receive	(0.05)%	(0.02)%	—	—	—	0.41 %	0.41 %
		Average variable interest rate to pay	(0.05)%	(0.05)%	—	—	—	(0.05)%	(0.05)%
	Interest rate swaps	Notional amount	—	—	—	—	—	—	—
	Pay fixed interest rate/ receive variable interest rate	Average fixed interest rate to pay	—	—	—	—	—	—	—
		Average variable interest rate to receive	—	—	—	—	—	—	—
2020	Interest rate swaps	Notional amount	¥—	¥4,000	¥6,000	¥—	¥—	¥1,765,000	¥1,775,000
	Receive fixed interest rate/pay variable interest rate	Average fixed interest rate to receive	—	(0.05)%	(0.02)%	—	—	0.45 %	0.45 %
		Average variable interest rate to pay	—	(0.01)%	(0.01)%	—	—	(0.02)%	(0.02)%
	Interest rate swaps	Notional amount	—	—	—	—	—	—	—
	Pay fixed interest rate/ receive variable interest rate	Average fixed interest rate to pay	—	—	—	—	—	—	—
		Average variable interest rate to receive	—	—	—	—	—	—	—
2019	Interest rate swaps	Notional amount	¥—	¥4,000	¥6,000	¥—	¥—	¥1,265,000	¥1,275,000
	Receive fixed interest rate/pay variable interest rate	Average fixed interest rate to receive	—	(0.05)%	(0.02)%	—	—	0.59%	0.58 %
		Average variable interest rate to pay	—	0.00 %	0.00 %	—	—	0.01%	0.00 %
	Interest rate swaps	Notional amount	—	—	—	—	—	—	—
	Pay fixed interest rate/ receive variable interest rate	Average fixed interest rate to pay	—	—	—	—	—	—	—
		Average variable interest rate to receive	—	—	—	—	—	—	—

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

(3) Currency-related

As of March 31		2021				2020			
Category	Type	Contract amount		Fair value	Net gains (losses)	Contract amount		Fair value	Net gains (losses)
		Over 1 year				Over 1 year			
Over-the-counter	Foreign exchange forward contracts								
	Sold	¥7,576,926	¥4,808	¥(312,390)	¥(312,390)	¥7,698,981	¥ 4,904	¥ 41,012	¥ 41,012
	U.S. dollar	3,109,034	4,808	(139,298)	(139,298)	3,812,005	4,904	(37,330)	(37,330)
	Euro	2,558,110	—	(58,207)	(58,207)	2,755,509	—	17,106	17,106
	Australian dollar	899,292	—	(63,637)	(63,637)	180,942	—	17,706	17,706
	British pound	763,349	—	(47,088)	(47,088)	757,777	—	42,385	42,385
	Purchased	1,629,976	—	95,934	95,934	550,183	—	(1,716)	(1,716)
	U.S. dollar	862,667	—	45,697	45,697	368,978	—	(959)	(959)
	Euro	36,663	—	(27)	(27)	56,197	—	(15)	(15)
	Australian dollar	573,422	—	49,837	49,837	19,138	—	(130)	(130)
	Currency options								
	Sold								
	Call	—	—	—	—	701,953	—	2,654	(594)
		[—]	[—]			[2,060]	[—]		
	U.S. dollar	—	—	—	—	701,953	—	2,654	(594)
		[—]	[—]			[2,060]	[—]		
	Euro	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	166,065	—	43	442	—	—	—	—
		[486]	[—]			[—]	[—]		
	U.S. dollar	166,065	—	43	442	—	—	—	—
		[486]	[—]			[—]	[—]		
	Euro	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Purchased								
	Call	—	—	—	—	701,953	—	2,654	(2,690)
		[—]	[—]			[5,344]	[—]		
	U.S. dollar	—	—	—	—	701,953	—	2,654	(2,690)
		[—]	[—]			[5,344]	[—]		
	Euro	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	1,162,455	—	940	(12,866)	1,365,816	—	11,607	1,896
		[13,806]	[—]			[9,710]	[—]		
	U.S. dollar	1,162,455	—	940	(12,866)	1,365,816	—	11,607	1,896
		(13,806)	[—]			[9,710]	[—]		
	Euro	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Currency swaps	4,657,973	4,538,880	(237,744)	(237,744)	2,954,737	2,813,942	(234,960)	(234,960)
	U.S.\$ paid/¥ received	2,862,781	2,773,843	(77,011)	(77,011)	1,453,411	1,359,606	(191,198)	(191,198)
	€ paid/¥ received	1,209,486	1,181,149	(125,420)	(125,420)	802,020	762,459	(25,119)	(25,119)
Total					¥(466,625)				¥(197,051)

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

(3) Currency-related, continued

As of March 31		2019			
		Contract amount		Fair value	Net gains (losses)
Category	Type	Over 1 year			
Over-the-counter	Foreign exchange forward contracts				
	Sold	¥8,798,214	¥ 5,251	¥ (3,207)	¥ (3,207)
	U.S. dollar	4,125,476	5,251	(12,967)	(12,967)
	Euro	3,204,156	—	20,950	20,950
	Australian dollar	164,163	—	(240)	(240)
	British pound	986,516	—	(11,363)	(11,363)
	Purchased	283,773	—	(317)	(317)
	U.S. dollar	102,060	—	82	82
	Euro	20,592	—	(135)	(135)
	Australian dollar	21,072	—	77	77
	Currency options				
	Sold				
	Call	1,287,484	—	1,511	3,928
		[5,440]	[—]		
	U.S. dollar	1,287,484	—	1,511	3,928
		[5,440]	[—]		
	Euro	—	—	—	—
		[—]	[—]		
	Put	210,881	—	21	70
		[91]	[—]		
	U.S. dollar	210,881	—	21	70
		[91]	[—]		
	Euro	—	—	—	—
		[—]	[—]		
	Purchased				
	Call	399,564	—	133	(251)
		[385]	[—]		
U.S. dollar	399,564	—	133	(251)	
	[385]	[—]			
Euro	—	—	—	—	
	[—]	[—]			
Put	1,174,190	—	3,052	(6,122)	
	[9,175]	[—]			
U.S. dollar	1,098,801	—	2,769	(5,532)	
	[8,301]	[—]			
Euro	—	—	—	—	
	[—]	[—]			
Currency swaps	1,658,337	1,545,735	(90,721)	(90,721)	
U.S.\$ paid/¥ received	663,278	582,204	(68,195)	(68,195)	
€ paid/¥ received	538,276	508,959	(37,644)	(37,644)	
Total				¥(96,622)	

Notes: 1. Brackets represent option premiums recorded in the balance sheets.

2. Net gains (losses) represent the fair value for forward transactions and swap transactions, and the difference between option premiums and fair value for option transactions.

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

(4) Equity-related

As of March 31		2021				2020			
Category	Type	Contract amount		Fair value	Net gains (losses)	Contract amount		Fair value	Net gains (losses)
		Over 1 year				Over 1 year			
Stock exchange	Equity index futures								
	Sold	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
	Purchased	—	—	—	—	—	—	—	—
	Equity index options								
	Sold								
	Call	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Purchased								
Over-the-counter	Call	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	75,864	—	5	(787)	406,715	—	21,214	13,279
		[793]	[—]			[7,934]	[—]		
	Equity forward contracts								
	Sold	¥ 54,244	¥ —	¥(14,873)	¥(14,873)	¥ 89,701	¥ —	¥11,968	¥11,968
	Purchased	—	—	—	—	—	—	—	—
	Equity index options								
	Sold								
	Call	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Purchased								
	Call	—	—	—	—	—	—	—	—
		[—]	[—]			[—]	[—]		
	Put	437,682	147,936	1,856	(4,404)	—	—	—	—
		[6,260]	[2,393]			[—]	[—]		
	Total				¥(20,065)				¥25,247

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

(4) Equity-related, continued

		Millions of Yen			
As of March 31		2019			
Category	Type	Contract amount		Fair value	Net gains (losses)
		Over 1 year			
Stock exchange	Equity index futures				
	Sold	¥ —	¥ —	¥ —	¥ —
	Purchased	—	—	—	—
	Equity index options				
	Sold				
	Call	—	—	—	—
		[—]	[—]		
	Put	—	—	—	—
		[—]	[—]		
	Purchased				
Over-the-counter	Call	—	—	—	—
		[—]	[—]		
	Put	381,704	—	990	(661)
		[1,651]	[—]		
	Equity forward contracts				
	Sold	¥ —	¥ —	¥ —	¥ —
	Purchased	—	—	—	—
	Equity index options				
	Sold				
	Call	—	—	—	—
		[—]	[—]		
	Put	—	—	—	—
		[—]	[—]		
	Purchased				
	Call	—	—	—	—
		[—]	[—]		
	Put	—	—	—	—
		[—]	[—]		
	Total				¥(661)

Notes: 1. Amounts in brackets represent option premiums recorded in the balance sheets.

2. Net gains (losses) represent the fair value for futures transactions and forward transactions, and the difference between option premiums and fair value for option transactions.

(5) Bond-related

There were no ending balances as of March 31, 2021, 2020, and 2019.

(6) Others

There were no ending balances as of March 31, 2021, 2020, and 2019.

About General Account and Separate Account

A life insurance company classifies and manages its assets in two accounts: a separate account and a general account.

Individual variable insurance, individual variable annuities, and certain group annuities, which change in terms of insurance amount and accumulated value based on investment performance of assets, are managed as a separate account, which is clearly segregated from a general account.

97. Balance of Separate Account Assets

Millions of Yen, %						
As of March 31	2021		2020		2019	
Individual variable insurance	¥ 112,908	9.2%	¥ 94,319	7.8%	¥ 110,135	8.8%
Individual variable annuities	32,223	2.6	28,017	2.3	41,251	3.3
Group annuities	1,082,174	88.2	1,080,089	89.8	1,106,612	88.0
Separate account total	¥1,227,305	100.0%	¥1,202,426	100.0%	¥1,257,999	100.0%

98. Asset Management Overview for the Fiscal Year Ended March 31, 2021 (Separate Account Assets for Individual Variable Insurance and Individual Variable Annuities)

In the fiscal year ended March 31, 2021, stock prices in Japan and abroad rose significantly in response to the implementation of major fiscal policies in various countries, and expectations for a global economic recovery in connection with the successful roll-out of COVID-19 vaccines. Overseas interest rates stayed at low levels as the central banks of major countries implemented accommodative monetary policies in the first half of the fiscal year. In the second half of the fiscal year, overseas interest rates rose in response to expectations for widespread vaccination and additional fiscal policies in the United States. Meanwhile, Japanese interest rates rose supported by rising overseas interest rates and other factors.

Amid this operating environment, the investment return on individual variable insurance for the fiscal year ended March 31, 2021, was positive at 26.18%.

This also represented investment return of 189.51% (3.14% on an annualized basis) since November 1, 1986, when investment was first undertaken.

In individual variable annuities, the Company continued its investment policy of holding a certain amount of cash and deposits to prepare for changes in insurance policies while maintaining, in principle, a high allocation ratio in investment trusts, the main investment vehicle for the separate account.

Note: Regarding investment return on the separate account for individual variable insurance

The investment return on the separate account for individual variable insurance represents growth rates on premiums received from policyholders, less portions allocated for death protection, and does not represent the growth rates on the total insurance premium.

Notes: 1. The asset management overview for individual variable insurance does not include variable insurance with survival benefits in a designated currency.

2. Investments for variable insurance with survival benefits in a designated currency conform to the asset management principles for the separate account assets for individual variable annuities.

99. Policies in Force (Separate Account for Individual Variable Insurance)

Number of Policies, Millions of Yen						
As of March 31	2021		2020		2019	
	Number of policies	Amount of policies	Number of policies	Amount of policies	Number of policies	Amount of policies
Variable insurance (defined term type)	10,791	¥ 6,271	11,312	¥ 4,567	8,395	¥ 6,510
Variable insurance (whole life type)	30,608	425,701	31,271	436,503	31,966	449,867
Total	41,399	¥431,973	42,583	¥441,071	40,361	¥456,377

Note: Amounts include term life insurance riders.

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

Millions of Yen, %						
As of March 31	2021		2020		2019	
Cash, deposits, and call loans	¥ 9,060	8.0%	¥ 6,019	6.4%	¥ 6,013	5.5%
Investments in securities	98,311	87.1	83,538	88.6	98,282	89.2
Domestic bonds	22,793	20.2	24,046	25.5	23,550	21.4
Domestic stocks	13,747	12.2	5,358	5.7	34,351	31.2
Foreign securities	38,711	34.3	32,833	34.8	35,043	31.8
Foreign bonds	9,757	8.6	9,904	10.5	8,661	7.9
Foreign stocks and other securities	28,954	25.6	22,929	24.3	26,382	24.0
Other securities	23,058	20.4	21,301	22.6	5,336	4.8
Loans	—	—	—	—	—	—
Others	5,536	4.9	4,761	5.0	5,839	5.3
Allowance for doubtful accounts	—	—	—	—	—	—
Total	¥112,908	100.0%	¥94,319	100.0%	¥110,135	100.0%

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

Millions of Yen			
Fiscal years ended March 31	2021	2020	2019
Interest, dividends, and other income	¥ 4,453	¥ 1,658	¥ 1,995
Gain on sales of securities	12,365	5,948	7,550
Gain on redemptions of securities	—	—	—
Gain on valuation of securities	5,778	(3,266)	(3,434)
Foreign exchange gains, net	230	200	176
Gain on derivative financial instruments, net	1,333	1,395	1,264
Other investment income	1	5	6
Loss on sales of securities	3,322	6,790	2,697
Loss on redemptions of securities	0	0	—
Loss on valuation of securities	(5,939)	2,443	2,401
Foreign exchange losses, net	180	230	164
Loss on derivative financial instruments, net	1,884	4,447	886
Other investment expenses	0	0	1
Net investment income	¥24,714	¥(7,971)	¥ 1,407

Notes: 1. Investment income and investment expenses related to separate accounts are recorded in the statements of income as gain (loss) from separate accounts, net.
2. Gain (loss) on valuation of securities contains reversal for gain (loss) on valuation of securities from the previous fiscal year.

102. Fair Value of Securities (Separate Account for Individual Variable Insurance)

Valuation gains (losses) on trading securities

Millions of Yen						
As of March 31	2021		2020		2019	
	Balance sheet amount	Valuation gains (losses) recorded in profit or loss	Balance sheet amount	Valuation gains (losses) recorded in profit or loss	Balance sheet amount	Valuation gains (losses) recorded in profit or loss
Trading securities	¥98,311	¥11,717	¥83,538	¥(5,710)	¥98,282	¥(5,835)

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

There were no ending balances as of March 31, 2021, 2020, and 2019.

104. Qualitative Information on Derivative Transactions (Separate Account for Individual Variable Insurance)

1. Transaction details

The Company engages in the following derivative transactions using separate account:

- Currency-related: Foreign exchange forward contracts
- Equity-related: Equity index futures
- Bond-related: Bond futures

2. Policy

Derivative transactions are used as complementary instruments relative to assets and liabilities with the aim of efficient asset investment and are not used excessively for speculative purposes to gain profit.

3. Purpose

Derivative transactions are mainly used to hedge against market risk related to assets held.

4. Risk details

Derivative transactions conducted in the separate account are exposed to market risks (price fluctuation and foreign exchange risks). With respect to

credit risks, the credit risks should remain extremely low as the Company's transactions are entered into either through domestic and foreign financial instrument exchanges or with creditworthy counterparties.

5. Risk management system

Transaction execution is governed by internal rules, such as transaction limits. Transactions are executed under a framework, including front-office and back-office functions, where the back-office is completely segregated from the front-office and confirms transaction details with external documentation.

6. Supplementary explanation of quantitative information

Market transactions, such as futures transactions, use liquidation value or closing market price to determine fair value.

For foreign exchange forward contracts, the appraisal value obtained from external parties is mainly used as fair value.

As for derivative transactions for separate account for individual variable insurance, the Company does not apply hedge accounting.

Note: There were no transactions that fell under the category of variable insurance with survival benefits in a designated currency nor ending balances of such insurance.

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

(1) Breakdown of gains (losses) (with and without hedge accounting applied)

						Millions of Yen
	Interest	Currencies	Stocks	Bonds	Others	Total
As of March 31	2021					
Hedge accounting applied	¥—	¥ —	¥ —	¥—	¥—	¥ —
Hedge accounting not applied	—	1	6	0	—	8
Total	¥—	¥ 1	¥ 6	¥ 0	¥—	¥ 8
As of March 31	2020					
Hedge accounting applied	¥—	¥ —	¥ —	¥—	¥—	¥ —
Hedge accounting not applied	—	(51)	(378)	—	—	(429)
Total	¥—	¥(51)	¥(378)	¥—	¥—	¥(429)
As of March 31	2019					
Hedge accounting applied	¥—	¥ —	¥ —	¥—	¥—	¥ —
Hedge accounting not applied	—	4	18	(0)	—	22
Total	¥—	¥ 4	¥ 18	¥ (0)	¥—	¥ 22

Note: Net gains (losses) of hedge accounting not applied are recorded in the statements of income.

(2) Interest rate-related

There were no ending balances as of March 31, 2021, 2020, and 2019.

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

(3) Currency-related

Millions of Yen									
As of March 31		2021				2020			
Category	Type	Contract amount		Fair value	Net gains (losses)	Contract amount		Fair value	Net gains (losses)
		Over 1 year				Over 1 year			
Over-the-counter	Foreign exchange forward contracts								
	Sold	¥12,197	¥—	¥(101)	¥(101)	¥9,252	¥—	¥(112)	¥(112)
	U.S. dollar	5,874	—	(89)	(89)	4,801	—	(93)	(93)
	Euro	3,817	—	1	1	1,892	—	(5)	(5)
	Purchased	10,190	—	102	102	5,163	—	61	61
	U.S. dollar	6,360	—	93	93	808	—	31	31
	Euro	2,083	—	(1)	(1)	2,631	—	23	23
Total					¥ 1				¥ (51)

As of March 31		2019			
Category	Type	Contract amount		Fair value	Net gains (losses)
		Over 1 year			
Over-the-counter	Foreign exchange forward contracts				
	Sold	¥3,878	¥—	¥12	¥12
	U.S. dollar	1,141	—	0	0
	Euro	2,083	—	7	7
	Purchased	4,977	—	(8)	(8)
	U.S. dollar	2,827	—	(2)	(2)
	Euro	1,267	—	0	0
Total					¥ 4

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

(4) Equity-related

As of March 31										Millions of Yen
		2021				2020				
Category	Type	Contract amount		Fair value	Net gains (losses)	Contract amount		Fair value	Net gains (losses)	
		Over 1 year				Over 1 year				
Exchange-traded	Equity index futures									
	Sold	¥ 491	¥—	¥ (7)	¥ (7)	¥2,967	¥—	¥(326)	¥(326)	
	Purchased	2,525	—	14	14	1,524	—	(51)	(51)	
Total					¥ 6				¥(378)	

As of March 31		2019			
Category	Type	Contract amount		Fair value	Net gains (losses)
		Over 1 year			
Exchange-traded	Equity index futures				
	Sold	¥ —	¥—	¥—	¥—
	Purchased	4,930	—	18	18
Total					¥18

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

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

(5) Bond-related

Millions of Yen									
As of March 31		2021				2020			
Category	Type	Contract amount		Fair value	Net gains (losses)	Contract amount		Fair value	Net gains (losses)
		Over 1 year				Over 1 year			
Exchange-traded	Yen-denominated bond futures								
	Sold	¥2,268	¥—	¥ 0	¥ 0	¥—	¥—	¥—	¥—
	Purchased	—	—	—	—	—	—	—	—
	Foreign currency-denominated bond futures								
	Sold	—	—	—	—	—	—	—	—
	Purchased	—	—	—	—	—	—	—	—
Total		¥ 0				¥—			

Millions of Yen

As of March 31		2019			
Category	Type	Contract amount		Fair value	Net gains (losses)
		Over 1 year			
Exchange-traded	Yen-denominated bond futures				
	Sold	¥459	¥—	¥ (0)	¥ (0)
	Purchased	—	—	—	—
	Foreign currency-denominated bond futures				
	Sold	—	—	—	—
	Purchased	—	—	—	—
Total					¥ (0)

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

(6) Others

There were no ending balances as of March 31, 2021, 2020, and 2019.

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

As of March 31		2021		2020		2019	
		Number of policies		Number of policies		Number of policies	
		Amount of policies		Amount of policies		Amount of policies	
Individual variable annuities		27,164	¥32,221	33,818	¥28,001	33,554	¥41,240

Number of Policies, Millions of Yen

Note: Amounts represent policy reserves.

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

As of March 31		2021		2020		2019	
		Number of policies		Number of policies		Number of policies	
		Amount of policies		Amount of policies		Amount of policies	
Cash, deposits, and call loans		¥ —	—%	¥ —	—%	¥ —	—%
Investments in securities		31,498	97.8	27,205	97.1	40,077	97.2
Domestic bonds		4,586	14.2	6,290	22.5	7,918	19.2
Domestic stocks		—	—	—	—	—	—
Foreign securities		—	—	—	—	—	—
Foreign bonds		—	—	—	—	—	—
Foreign stocks and other securities		—	—	—	—	—	—
Other securities		26,912	83.5	20,915	74.7	32,158	78.0
Loans		—	—	—	—	—	—
Others		724	2.2	811	2.9	1,173	2.8
Allowance for doubtful accounts		—	—	—	—	—	—
Total		¥32,223	100.0%	¥28,017	100.0%	¥41,251	100.0%

Millions of Yen, %

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

		Millions of Yen		
Fiscal years ended March 31		2021	2020	2019
Interest, dividends, and other income		¥ 1,336	¥ 1,434	¥ 1,696
Gain on sales of securities		145	332	260
Gain on redemptions of securities		—	—	—
Gain on valuation of securities		3,319	(2,320)	(2,874)
Foreign exchange gains, net		—	—	—
Gain on derivative financial instruments, net		—	—	—
Other investment income		0	0	0
Loss on sales of securities		376	126	21
Loss on redemptions of securities		—	—	—
Loss on valuation of securities		(7,814)	6,491	1,270
Foreign exchange losses, net		—	—	—
Loss on derivative financial instruments, net		—	—	—
Other investment expenses		0	0	0
Net investment income		¥12,239	¥(7,169)	¥(2,210)

Notes: 1. Investment income and investment expenses related to separate accounts are recorded in income as gain (loss) from separate accounts, net.
2. Gain (loss) on valuation of securities contains reversal for gain (loss) on valuation of securities from the previous year.

109. Fair Value of Securities (Separate Account for Individual Variable Annuities)

Valuation gains (losses) on trading securities

		Millions of Yen			
As of March 31		2021		2020	
		Balance sheet amount	Valuation gains (losses) recorded in profit or loss	Balance sheet amount	Valuation gains (losses) recorded in profit or loss
Trading securities		¥31,498	¥11,133	¥27,205	¥(8,811)
				¥40,077	¥(4,145)

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

There were no ending balances as of March 31, 2021, 2020, and 2019.

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

There were no ending balances as of March 31, 2021, 2020, and 2019.

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

There were no ending balances as of March 31, 2021, 2020, and 2019.

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

				Millions of Yen
As of March 31	2021	2020	2019	
Separate account first treaty	¥ 845,261	¥ 832,085	¥ 833,972	
Comprehensive account	245,896	195,489	244,235	
Stable income account	268,169	279,981	286,061	
Target risk investment units	110,072	107,218	67,735	
Account by investment categories	221,123	249,395	235,940	
Separate account second treaty	210,191	227,295	250,957	
Defined contribution pension plans	26,721	20,708	21,681	
Total	¥1,082,174	¥1,080,089	¥1,106,612	

Notes: 1. Separate account first treaty: Joint management of defined benefit corporate pension funds
Comprehensive account: Balanced portfolio management
Stable income account: Aim to secure stable return of at least 2.5% in the medium to long term
Target risk investment units: Seek investment gains based on market trends while suppressing the fluctuation in returns
Account by investment categories: Investments made in specific assets for closer matching with customer needs
2. Separate account second treaty: Independent management of annuity assets for each customer
3. Defined contribution pension plans: Jointly managed funds for defined contribution pensions

114. Status of First Treaty (Separate Account for Group Annuities)

Note: Figures in Note 114 are stated at fair value and rounded to the nearest million yen.

1. Fair value

				Millions of Yen
As of March 31	2021	2020	2019	
	Fair value	Fair value	Fair value	
Comprehensive account	¥231,628	¥191,478	¥241,706	
Stable income account	267,393	277,512	284,660	
Target risk investment units	109,434	106,401	65,896	
Domestic bond accounts	39,090	57,494	60,674	
Market tracking domestic bond account	76,434	74,546	73,664	
Domestic stock accounts	18,657	15,858	19,964	
Quantitative investment management domestic stock account	—	11	1,238	
Market tracking domestic stock account	10,282	7,178	6,480	
Foreign bond accounts	9,612	11,752	11,597	
Foreign bond accounts with currency hedging	6,217	6,315	5,993	
Market tracking foreign bond account	5,637	5,188	7,986	
Foreign stock accounts	20,230	13,722	17,303	
Market tracking foreign stock account	15,977	10,360	13,122	
Money market accounts	13,808	37,982	12,997	
Total	¥824,401	¥815,798	¥823,281	

2. Investment return ratio

				%
Fiscal years ended March 31	2021	2020	2019	
	Unit price fluctuation	Unit price fluctuation	Unit price fluctuation	
Comprehensive account	26.28%	(6.84)%	1.55%	
Stable income account	(0.09)	1.34	2.71	
Target risk investment units	4.01	(9.08)	1.74	
Domestic bond accounts	(0.43)	(0.03)	1.84	
Market tracking domestic bond account	(0.88)	(0.25)	1.91	
Domestic stock accounts	43.54	(11.92)	(5.36)	
Quantitative investment management domestic stock account	—	8.96	(5.16)	
Market tracking domestic stock account	41.95	(9.99)	(4.70)	
Foreign bond accounts	4.89	4.69	3.07	
Foreign bond accounts with currency hedging	(2.46)	7.76	2.04	
Market tracking foreign bond account	5.14	4.57	2.52	
Foreign stock accounts	58.46	(10.85)	10.52	
Market tracking foreign stock account	58.87	(12.07)	10.43	
Money market accounts	0.00	0.00	0.01	

Note: The quantitative investment management domestic stock account for the fiscal year ended March 31, 2020, represents the price fluctuation up to December 31, 2019.

POLICYHOLDER PROTECTION SYSTEMS

● Early Correction Safeguard System

Early correction safeguarding is a system designed to protect policyholders and ensure sound and appropriate operations at insurance companies. When an insurance company's solvency margin ratio falls below a certain level, depending on the circumstances, the regulatory agency may issue a directive to the insurance company to improve its operations.

An insurance company is subject to such a directive when its solvency margin ratio falls below 200%. The action standards and directives are categorized in the table on the right.

Depending on the assets and liabilities of the insurance company as well as the management improvement plans submitted to the regulatory agency, additional directives may be issued for classifications other than the solvency margin ratio in the table on the right.

■ Action Standards and Directives

Classification according to solvency margin	Directive
First classification Under 200% Over 100%	Directive to propose and implement a management improvement plan
Second classification Under 100% Over 0%	Directive to discontinue or limit policyholder dividends and/or directive to change calculation methods for new policies (anticipated rate of return, etc.)
Third classification Under 0%	Directive to halt all or a portion of operations

● Bankruptcy Proceedings for Life Insurance Companies

When a life insurance company enters bankruptcy, the following two proceedings are taken to dispose of assets:

1. Corporate rehabilitation proceedings based on the court-guided rehabilitation law

These proceedings are taken under the supervision of a court of law.

First, the bankrupt insurance company petitions the court to start rehabilitation procedures (the commissioner of the FSA in Japan can also be petitioned). The court of law that receives this petition decides to start the procedures and appoints an administrator.

The court-appointed administrator formulates a rehabilitation plan for transferring policyholders while managing and examining the operations and financial assets of the bankrupt insurance company. Through the decisions of related parties, the court-appointed administrator requests authorization from the court of law. After authorization is granted, the administrator executes the disposal of assets based on the rehabilitation plan.

2. Government proceedings based on the Insurance Business Act

These proceedings are based on directives issued by the commissioner of the FSA.

The commissioner of the FSA orders the cessation of all or a portion of operations at the bankrupt insurance company and appoints an insurance administrator to dispose of financial assets under management and operations.

The insurance administrator manages and supervises the operations and financial assets of the bankrupt insurance company, creates plans for the management of operations and financial assets including the transfer of insurance policies, and seeks approval from the commissioner of the FSA. After approval is granted, the insurance administrator disposes of the assets according to the plan.

There are no clear standards as to which of the aforementioned procedures will be taken, and there are no differences in the indemnification through protective measures (see next page) between the two procedures.

● Life Insurance Policyholders Protection Corporation of Japan

The Policyholders Protection Corporation is a corporate entity that was established in December 1998 through the Insurance Business Act. In the event that a life insurance company goes bankrupt, the Policyholders Protection Corporation will protect policyholders through a mutual support system.

● Members and Financial Resources

The Company and other life insurance companies that operate in Japan are members of the Policyholders Protection Corporation, and financial resources are, in principle, contributions paid by these members. However, until the end of March 2022, in the event that membership contributions from life insurance companies are insufficient as financial support to a life insurance company that goes bankrupt, the Japanese government may provide financial assistance to the Policyholders Protection Corporation through Diet deliberations.

● Main Operations

In the event of a bankruptcy of a life insurance company, the Policyholders Protection Corporation performs the following operations through a mutual support system for the purpose of protecting policyholders:

Primary Operations of the Policyholders Protection Corporation

1. Provides financial assistance to savior companies that take over insurance policies
2. Takes over insurance policies in the event that no savior company steps forward
3. Acts as a procedural representative for insurance policyholders in the event that the bankruptcy undergoes rehabilitation proceedings

• Summary of Indemnification Coverage

In the event of a bankruptcy of a life insurance company, policy indemnification is to be provided as follows:

Type of insurance	Indemnification	
Individual insurance	General policies	Policy reserves \times 90% ¹
	High assumed interest rate policies ²	Policy reserves \times (90% – Set rate) ^{1,3}
Group insurance	General policies	Policy reserves \times 90% ¹
	High assumed interest rate policies ^{2,4}	Policy reserves \times (90% – Set rate) ^{1,3}
	Portion related to separate accounts of group annuity policies	Not eligible for indemnification ⁵

Notes: 1. Policy reserves are reserves for future insurance claims, annuity, and benefit payments, accumulated through insurance premiums and investment returns. The purpose of the system is to indemnify policy reserves, not to indemnify insurance claims, annuities, or other benefits. Accordingly, 90% of pension resource coverage attached to individual variable annuity insurance will not be eligible for indemnification.

2. High assumed interest rate policies^{*1} are policies for which assumed interest rates constantly exceed standard interest rates^{*2} over five years preceding bankruptcy.

*1: Standard interest rates are determined by the commissioner of the FSA and the Finance Minister. The current reserve interest rate is 3%, which can be confirmed on the website of the Company or that of the Policyholders Protection Corporation.

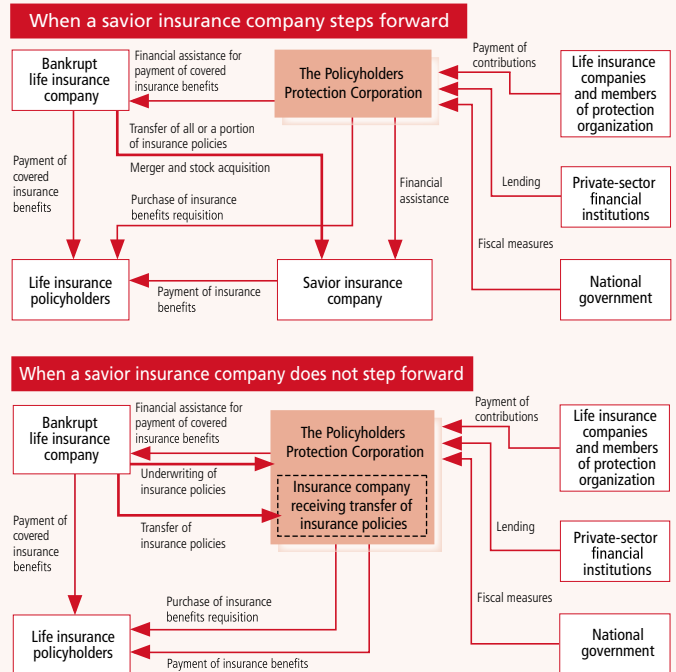
*2: When assumed interest rates are different for primary policies and riders within one insurance policy, decisions of whether or not such policies fall under the category of a high assumed interest rate policy are made for individual policies.

3. Set rate = (Sum of assumed interest rates for the previous five years, less standard interest rates) / 2

4. When insured are contributing insurance premiums and assumed interest rates are different among each insured, each insured is deemed to have concluded its own insurance policy. As such, it should be determined individually whether or not such a policy falls into the category of a high assumed interest rate policy. However, regarding defined contribution annuity insurance policies, regardless of whether or not the insured is contributing premiums, it should be determined whether or not each insured's policy falls into the category of a high assumed interest rate policy.

5. In rehabilitation procedures, it is possible to develop a rehabilitation plan under which policy reserves need not be reduced to cover this area (i.e., it can be determined whether or not the reserves should be reduced by individual rehabilitation procedures).

■ Framework of the Policyholders Protection Corporation



Information on policyholder protection in the last two pages, including the scope of policies eligible for indemnification and their coverage, is based on current legal statutes and is subject to change in the future in accordance with revisions to those legal statutes (as of July 2021).

WORLDWIDE NETWORK

HEADQUARTERS

Name	Address
Osaka Head Office	3-5-12, Imabashi, Chuo-ku, Osaka 541-8501, Japan
Tokyo Headquarters	1-6-6, Marunouchi, Chiyoda-ku, Tokyo 100-8288, Japan

GLOBAL REPRESENTATIVE OFFICES

Business	Name	Address	Tel/Fax
Global Representative Offices	New York Representative Office	101 Park Avenue, 33rd Floor, New York, NY 10178, U.S.A.	Tel: 1-646-231-4000 Fax: 1-212-906-1933
	London Representative Office	1-5 Queen Street, London EC4N 1SW, U.K.	Tel: 44-20-7507-6000 Fax: 44-20-7236-4195
	Frankfurt Representative Office	An der Hauptwache 5 60313 Frankfurt am Main, Germany	Tel: 49-69-273999-0 Fax: 49-69-236527
	Beijing Representative Office	Chang Fu Gong Office Building, Room 4007 Jia 26, Jian Guo Men Wai Dajie Beijing, 100022, China	Tel: 86-10-6513-9240 Fax: 86-10-6513-9241

SUBSIDIARIES

Business	Name	Address	Tel/Fax
Insurance and Insurance Related	Nippon Life Insurance Company of America NLI Insurance Agency, Inc.	655 Third Avenue, 16th Floor New York, NY 10017, U.S.A.	Tel: 1-212-682-3000 Fax: 1-212-286-0938
	Eastern Region	655 Third Avenue, 16th Floor New York, NY 10017, U.S.A.	Tel: 1-212-909-9862 Fax: 1-212-682-3099
	Atlantic Region	200 Schulz Drive, 1st Floor Red Bank, NJ 07701, U.S.A.	Tel: 1-732-810-1066
	Central Region	20 North Martingale Road, Suite 150 Schaumburg, IL 60173, U.S.A.	Tel: 1-312-807-1120 Fax: 1-866-860-7511
	Western Region	515 South Figueroa Street, Suite 1825 Los Angeles, CA 90071, U.S.A.	Tel: 1-213-430-0801 Fax: 1-213-623-0064
	Ohio Office	6450 Poe Avenue, Suite 114, Dayton, OH 45414, U.S.A.	Tel: 1-844-486-8471
	Pennsylvania Office	1 Bethlehem Plaza, Suite 1010 Bethlehem, PA 18018, U.S.A.	Tel: 1-484-821-3979
	MLC Limited	105-153 Miller Street, North Sydney NSW 2060, Australia	Tel: 61-3-8634-4721 Fax: 1800-550-081
	Sydney Office	Level 7, 40 Mount Street, North Sydney NSW2060, Australia	Tel: 61-3-8634-4721 Fax: 1800-550-081
	Melbourne Office	Level 16, 727 Collins Street, Docklands VIC 3008, Australia	Tel: 61-3-8634-4721 Fax: 1800-550-081
Research	Nippon Life Asia Pacific (Regional HQ) Pte. Ltd.	1 Raffles Quay, #10-01A North Tower, Singapore, 048583, Republic of Singapore	Tel: 65-6438-2850 Fax: 65-6438-0075
Asset Management	Nippon Life Global Investors Americas, Inc.	101 Park Avenue, 33rd Floor, New York, NY 10178, U.S.A.	Tel: 1-646-231-4000 Fax: 1-212-906-1931
	Nippon Life Global Investors Europe Plc	1-5 Queen Street, London EC4N 1SW, U.K.	Tel: 44-20-7507-6011
	Nippon Life Schroders Asset Management Europe Limited	1 London Wall Place, London EC2Y 5AU, U.K.	Tel: 44-20-7658-6000 Fax: 44-20-7658-6965
	Nippon Life Global Investors Singapore Limited	138 Market Street #34-02 CapitaGreen Singapore 048946, Republic of Singapore	Tel: 65-6800-7000 Fax: 65-6384-7792

AFFILIATES

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Insurance and Insurance Related	Reliance Nippon Life Insurance Company Limited	Reliance Centre, 5th Floor South Wing, Off Western Express Highway, Santacruz (East), Mumbai-400055, India	Tel: 91-22-3033-1000 Fax: 91-22-3303-5662
	Great Wall Changsheng Life Insurance Co., Ltd.	5F No. 688 West NanJing Road, Jing An District Shanghai 200041, China	Tel: 86-21-3899-9888 Fax: 86-21-6247-0739
	Bangkok Life Assurance Public Company Limited	1415 Krungthep-Nonthaburi Road, Wongsawang, Bangsue, Bangkok 10800, Thailand	Tel: 66-2-777-8888 Fax: 66-2-777-8899
	PT Asuransi Jiwa Sequis Life	Sequis Tower Lt. 33 Jl. Jend. Sudirman Kav. 71, SCBD Jakarta 12190, Indonesia	Tel: 62-21-522-3123 Fax: 62-21-521-3579
	Grand Guardian Nippon Life Insurance Company Limited	11th Floor, Crystal Office Tower, Kyun Taw Road, Kamayut Township, Yangon, Myanmar	Tel: 95-1-9339377
Asset Management	The TCW Group, Inc.	865 South Figueroa Street, Suite 1800 Los Angeles, CA 90017, U.S.A.	Tel: 1-213-244-0000
	Post Advisory Group, LLC	2049 Century Park E, Suite 3050, Los Angeles, CA 90067, U.S.A.	Tel: 1-310-996-9600 Fax: 1-310-996-9669
	Nippon Life India Asset Management Limited	4th Floor, Tower A, Peninsula Business Park, Ganapatrao Kadam Marg, Lower Parel (W), Mumbai-400013, India	Tel: 91-22-6808-7000 Fax: 91-22-6808-7072