

[Unofficial Translation]



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Dai-ichi Life Holdings, Inc.
Code: 8750 (TSE First section)

Supplementary Materials for the Nine Months Ended December 31, 2021
(The Neo First Life Insurance Company, Limited)

Financial Results for the Nine Months Ended December 31, 2021

The Neo First Life Insurance Company, Limited (the “Company”; President: Yuji Tokuoka) announces its financial results for the nine months ended December 31, 2021.

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

1. Business Highlights

(1) Annualized Net Premiums

Policies in Force (millions of yen except percentages)

	As of March 31, 2021	As of December 31, 2021	
			% of March 31, 2021 total
Individual insurance	140,557	139,943	99.6
Individual annuities	14	18	128.8
Total	140,571	139,961	99.6
Medical and survival benefits	26,869	34,314	127.7

New Policies (millions of yen except percentages)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021	
			% of December 31, 2020 total
Individual insurance	8,872	10,765	121.3
Individual annuities	—	—	—
Total	8,872	10,765	121.3
Medical and survival benefits	7,102	8,991	126.6

- Notes: 1. Annualized net premiums are calculated by using multipliers for various premium payment terms to the premium per payment.
2. Annualized net premium for medical and survival benefits includes (a) premiums related to medical benefits such as hospitalization and surgery benefits, (b) premiums related to survival benefits such as specific illness, and (c) premiums related to premium waiver benefits.

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

Policies in Force

	As of March 31, 2021		As of December 31, 2021			
	Number of policies (thousands)	Amount (billions of yen)	Number of policies (thousands)		Amount (billions of yen)	
				% of March 31, 2021 total		% of March 31, 2021 total
Individual insurance	482	1,449.6	592	122.8	1,587.0	109.5
Individual annuities	0	0.2	0	133.3	0.3	138.6
Group insurance	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—

Note: The amount of individual annuities shows policy reserves for policies after the commencement of annuities.

New Policies

	Nine months ended December 31, 2020				Nine months ended December 31, 2021					
	Number of policies (thousands)	Amount (billions of yen)			Number of policies (thousands)		Amount (billions of yen)			
			New business	Net increase by conversions		% of December 31, 2020 total		% of December 31, 2020 total	New business	Net increase by conversions
Individual insurance	111	181.8	181.8	—	133	120.2	187.8	103.3	187.8	—
Individual annuities	—	—	—	—	—	—	—	—	—	—
Group insurance	—	—	—	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—	—	—	—

2. Investment Results of General Account

(1) Asset Composition

(millions of yen)

	As of March 31, 2021		As of December 31, 2021	
	Carrying amount	%	Carrying amount	%
Cash, deposits, and call loans	248,955	70.6	251,628	63.9
Securities repurchased under resale agreements	—	—	—	—
Deposit paid for securities borrowing transactions	—	—	—	—
Monetary claims bought	—	—	—	—
Trading account securities	—	—	—	—
Money held in trust	—	—	20,029	5.1
Securities	62,872	17.8	80,757	20.5
Domestic bonds	52,007	14.7	66,339	16.8
Domestic stocks	1,249	0.4	1,695	0.4
Foreign securities	9,616	2.7	12,723	3.2
Foreign bonds	9,616	2.7	12,723	3.2
Foreign stocks and other securities	—	—	—	—
Other securities	—	—	—	—
Loans	1,313	0.4	1,507	0.4
Real estate	96	0.0	93	0.0
Deferred tax assets	—	—	—	—
Others	39,611	11.2	40,013	10.2
Reserve for possible loan losses	(7)	(0.0)	(8)	(0.0)
Total	352,842	100.0	394,022	100.0
Foreign currency-denominated assets	—	—	—	—

Note: The amounts of buildings were posted for real estate.

(2) Fair Value Information on Securities (other than trading securities)

(millions of yen)

	As of March 31, 2021					As of December 31, 2021				
	Book value	Fair value	Gains (losses)		Book value	Fair value	Gains (losses)			
			Gains	Losses			Gains	Losses		
Held-to-maturity bonds	61,525	61,268	(256)	103	360	78,962	78,977	15	223	207
Policy-reserve-matching bonds	—	—	—	—	—	—	—	—	—	—
Stocks of subsidiaries and affiliated companies	—	—	—	—	—	—	—	—	—	—
Available-for-sale securities	1,110	1,347	236	238	1	1,706	1,795	88	206	117
Domestic bonds	—	—	—	—	—	—	—	—	—	—
Domestic stocks	1,010	1,249	238	238	—	1,606	1,695	89	206	117
Foreign securities	100	98	(1)	—	1	100	99	(0)	—	0
Foreign bonds	100	98	(1)	—	1	100	99	(0)	—	0
Foreign stocks and other securities	—	—	—	—	—	—	—	—	—	—
Other securities	—	—	—	—	—	—	—	—	—	—
Monetary claims bought	—	—	—	—	—	—	—	—	—	—
Certificates of deposit	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—
Total	62,635	62,616	(19)	341	361	80,668	80,772	104	429	325
Domestic bonds	52,007	51,737	(270)	78	349	66,339	66,336	(2)	198	201
Domestic stocks	1,010	1,249	238	238	—	1,606	1,695	89	206	117
Foreign securities	9,617	9,629	12	24	12	12,723	12,741	17	24	6
Foreign bonds	9,617	9,629	12	24	12	12,723	12,741	17	24	6
Foreign stocks and other securities	—	—	—	—	—	—	—	—	—	—
Other securities	—	—	—	—	—	—	—	—	—	—
Monetary claims bought	—	—	—	—	—	—	—	—	—	—
Certificates of deposit	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—

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

- Book value of stocks without market value and associations, etc.
Not applicable.

(3) Fair Value Information on Money Held in Trust

(millions of yen)

	As of March 31, 2021					As of December 31, 2021				
	Value on Balance Sheet	Fair value	Gains (losses)		Value on Balance Sheet	Fair value	Gains (losses)			
			Gains	Losses			Gains	Losses		
Money held in trust	—	—	—	—	—	20,029	20,029	29	29	—

- Money held in trust for investment purposes

(millions of yen)

	As of March 31, 2021		As of December 31, 2021	
	Value on Balance Sheet	Valuation gains or losses included in the statement of earnings	Value on Balance Sheet	Valuation gains or losses included in the statement of earnings
Money held in trust for investment purposes	—	—	20,029	29

- The Company does not have any held-to-maturity or policy-reserve-matching money held in trust, or other money held in trust.

3. Unaudited Quarterly Non-Consolidated Balance Sheet

(millions of yen)

	As of March 31, 2021 (summarized)	As of December 31, 2021
	Amount	Amount
(ASSETS)		
Cash and deposits	248,955	251,628
Money held in trust	—	20,029
Securities	62,872	80,757
[Corporate bonds]	[52,007]	[66,339]
[Domestic stocks]	[1,249]	[1,695]
[Foreign securities]	[9,616]	[12,723]
Loans	1,313	1,507
Policy loans	1,313	1,507
Tangible fixed assets	235	188
Intangible fixed assets	4,313	5,795
Reinsurance receivables	25,995	23,600
Other assets	9,163	10,522
Reserve for possible loan losses	(7)	(8)
Total assets	352,842	394,022
(LIABILITIES)		
Policy reserves and others	327,687	374,688
Reserves for outstanding claims	1,956	2,831
Policy reserves	325,731	371,857
Reinsurance payables	399	390
Other liabilities	5,393	5,255
Corporate income tax payable	8	6
Other liabilities	5,384	5,249
Reserve for price fluctuations	7	10
Deferred tax liabilities	66	24
Total liabilities	333,554	380,370
(NET ASSETS)		
Capital stock	47,599	47,599
Capital surplus	39,599	39,599
Legal capital surplus	39,599	39,599
Retained earnings	(68,081)	(73,610)
Other retained earnings	(68,081)	(73,610)
Retained earnings brought forward	(68,081)	(73,610)
Total shareholders' equity	19,117	13,588
Net unrealized gains (losses) on securities, net of tax	170	64
Total of valuation and translation adjustments, etc.	170	64
Total net assets	19,287	13,652
Total liabilities and net assets	352,842	394,022

4. Unaudited Quarterly Non-Consolidated Statement of Earnings

(millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
	Amount	Amount
ORDINARY REVENUES	109,477	134,577
Premium and other income	109,296	134,235
[Premium income]	[98,504]	[99,721]
Investment income	178	327
[Interest and dividends]	[178]	[288]
[Gains on money held in trust]	[—]	[29]
[Gains on sale of securities]	[—]	[9]
Other ordinary revenues	1	14
ORDINARY EXPENSES	121,252	140,064
Benefits and claims	36,618	67,012
[Claims]	[926]	[1,450]
[Annuities]	[14]	[247]
[Benefits]	[3,274]	[5,134]
[Surrender values]	[8,900]	[21,126]
[Other refunds]	[1,675]	[3,135]
Provision for policy reserves and others	63,631	47,000
Provision for reserves for outstanding claims	847	874
Provision for policy reserves	62,783	46,126
Investment expenses	6	2
[Interest expenses]	[0]	[1]
Operating expenses	20,176	24,882
Other ordinary expenses	819	1,166
ORDINARY PROFIT (LOSS)	(11,775)	(5,486)
EXTRAORDINARY LOSSES	1	35
Losses on disposal of fixed assets	—	32
Provision for reserve for price fluctuations	1	3
Income (loss) before income taxes	(11,776)	(5,522)
Corporate income taxes - current	6	6
Total of corporate income taxes	6	6
Net income (loss) for the period	(11,782)	(5,528)

Notes to the Unaudited Non-Consolidated Balance Sheets

As of December 31, 2021
<p>1. The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and the Implementation Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30, March 26, 2020) from the beginning of the nine months ended December 31, 2021 and changed the accounting treatment of national and local consumption taxes from the tax-inclusion method to the tax-exclusion method. However, there is no change from the tax-inclusion method for operating expenses and other expenses. There is no cumulative effect on net assets at the beginning of the period.</p>
<p>2. The Company has applied the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019; hereinafter the “Fair Value Measurement Accounting Standard”), etc. from the beginning of the nine months ended December 31, 2021 and decided to continue to apply the new accounting policy stipulated in the Fair Value Measurement Accounting Standard, etc. according to the provisional treatment stipulated in Paragraph 19 of the Fair Value Measurement Accounting Standard and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). There is no impact on quarterly financial statements.</p>
<p>3. Dividends Paid Not applicable.</p>
<p>4. Amounts are rounded off to the unit stated.</p>

Notes to the Unaudited Non-Consolidated Statements of Earnings

Nine months ended December 31, 2021
<p>1. Net loss per share for the nine months ended December 31, 2021 was ¥1,332.29.</p>
<p>2. Amounts are rounded off to the unit stated.</p>

5. Breakdown of Ordinary Profit (Fundamental Profit)

(millions of yen)

		Nine months ended December 31, 2020	Nine months ended December 31, 2021
Fundamental profit (loss)	A	(11,481)	(5,401)
Capital gains		—	39
Gains on money held in trust		—	29
Gains on investments in trading securities		—	—
Gains on sale of securities		—	9
Derivative transaction gains		—	—
Foreign exchange gains		—	—
Others		—	—
Capital losses		—	—
Losses on money held in trust		—	—
Losses on investment in trading securities		—	—
Losses on sale of securities		—	—
Losses on valuation of securities		—	—
Derivative transaction losses		—	—
Foreign exchange losses		—	—
Others		—	—
Net capital gains (losses)	B	—	39
Fundamental profit plus net capital gains (losses)	A + B	(11,481)	(5,361)
Other one-time gains		—	—
Reinsurance income		—	—
Reversal of contingency reserve		—	—
Reversal of specific reserve for possible loan losses		—	—
Others		—	—
Other one-time losses		293	125
Ceding reinsurance commissions		—	—
Provision for contingency reserve		288	124
Provision for specific reserve for possible loan losses		5	0
Provision for specific reserve for loans to refinancing countries		—	—
Write-down of loans		—	—
Others		—	—
Other one-time profits (losses)	C	(293)	(125)
Ordinary profit (loss)	A + B + C	(11,775)	(5,486)

6. Solvency Margin Ratio

(millions of yen)

	As of March 31, 2021	As of December 31, 2021
Total solvency margin (A)	39,806	19,917
Common stock, etc.	19,117	13,588
Reserve for price fluctuations	7	10
Contingency reserve	1,778	1,903
General reserve for possible loan losses	—	—
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% (Multiplied by 100% if losses)	213	80
Net unrealized gains (losses) on real estate × 85% (Multiplied by 100% if losses)	—	—
Policy reserves in excess of surrender values	48,892	51,096
Qualifying subordinated debt	—	—
Excluded portion of policy reserve in excess of surrender values and qualifying subordinated debt	(30,203)	(46,760)
Excluded items	—	—
Others	—	—
Total Risk		
$\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	2,158	2,507
Insurance risk R ₁	567	591
3rd sector insurance risk R ₈	1,202	1,301
Assumed investment yield risk R ₂	6	8
Guaranteed minimum benefit risk R ₇	—	—
Investment risk R ₃	1,072	1,478
Business risk R ₄	85	101
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	3,688.8%	1,588.3%

Note: The figures as of March 31, 2021 are calculated based on Articles 86 and 87 of the Enforcement Regulations of the Insurance Business Act, and Announcement No. 50, Ministry of Finance, 1996.

The figures as of December 31, 2021 are calculated by using the method which is deemed appropriate taking the regulations and announcement above into account.

7. Status of Separate Account

Not applicable.

8. Consolidated Financial Summary

Not applicable.