
Financial Results for the Nine Months Ended December 31, 2021

The Dai-ichi Life Insurance Company, Limited (the "Company"; President: Seiji Inagaki) 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

(billions of yen)

	As of March 31, 2021	As of December 31, 2021	
			% of March 31, 2021 total
Individual insurance	1,538.2	1,522.5	99.0
Individual annuities	538.7	538.4	99.9
Total	2,076.9	2,061.0	99.2
Medical and survival benefits	696.8	707.7	101.6

New Policies

(billions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021	
			% of December 31, 2020 total
Individual insurance	33.0	49.6	150.1
Individual annuities	6.8	8.3	120.8
Total	39.9	57.9	145.1
Medical and survival benefits	22.2	37.9	170.3

- Note: 1. Annualized net premiums are calculated by using multipliers for various premium payment terms to the premium per payment. In single premium contracts, the amount is calculated by dividing the premium by the duration of the policy.
2. Annualized net premiums for medical and survival benefits include (a) premiums related to medical benefits such as hospitalization and surgery benefits, (b) premiums related to survival benefits such as specific illness and nursing benefits, and (c) premiums related to premium waiver benefits, in which disability cause is excluded but causes such as specific illness and nursing care are included.
3. "New policies" include net increase by conversion.

(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		Amount	
			(thousands)	% of March 31, 2021 total	(billions of yen)	% of March 31, 2021 total
Individual insurance	20,274	83,664.3	21,352	105.3	79,133.0	94.6
Individual annuities	2,093	11,012.6	2,106	100.6	10,899.8	99.0
Individual insurance and annuities	22,367	94,676.9	23,458	104.9	90,032.9	95.1
Group insurance	-	50,842.5	-	-	50,487.1	99.3
Group annuities	-	6,446.9	-	-	6,286.9	97.5

- Note: 1. Policy amount in force of individual annuities is equal to (a) the funds to be held at the time annuity payments are to commence for an annuity for which payment has not yet commenced, and (b) the amount of policy reserve for an annuity for which payments have commenced.
2. Policy amount in force of group annuities is equal to the amount of outstanding corresponding policy reserve.
3. For products covered by multiple insurance agreements after April 2018, the number of policies for each product is shown as one.

New Policies

	Number of policies		Amount			
	(thousands)	% of December 31, 2020 total	(billions of yen)	New Business	Net increase by conversion	% of December 31, 2020 total
Nine months ended December 31, 2020						
Individual insurance	2,078		193.7	1,067.7	(873.9)	
Individual annuities	48		178.1	180.0	(1.9)	
Individual insurance and annuities	2,126		371.9	1,247.7	(875.8)	
Group insurance	-		146.0	146.0	-	
Group annuities	-		0.1	0.1	-	
Nine months ended December 31, 2021						
Individual insurance	2,930	141.0	(218.6)	1,075.4	(1,294.1)	-
Individual annuities	66	137.1	217.6	221.1	(3.4)	122.2
Individual insurance and annuities	2,996	140.9	(0.9)	1,296.6	(1,297.5)	-
Group insurance	-	-	179.3	179.3	-	122.8
Group annuities	-	-	0.0	0.0	-	35.0

- Note: 1. Number of new policies is the sum of new business and policies after conversion.
2. Amount of new policies for individual annuities, both new business and net increase by conversion, is equal to the funds to be held at the time annuity payments are to commence.
3. Amount of new policies for group annuities is equal to the initial premium payment.
4. For products covered by multiple insurance agreements after April 2018, the number of policies for each product is shown as one.

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	768,352	2.0	849,778	2.2
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	252,140	0.7	255,518	0.7
Trading account securities	-	-	-	-
Money held in trust	7,716	0.0	12,301	0.0
Securities	32,530,293	85.9	32,953,768	85.7
Domestic bonds	16,740,113	44.2	17,238,291	44.8
Domestic stocks	3,569,109	9.4	3,624,084	9.4
Foreign securities	11,402,677	30.1	11,076,999	28.8
Foreign bonds	9,811,240	25.9	9,409,503	24.5
Foreign stocks and other securities	1,591,436	4.2	1,667,496	4.3
Other securities	818,392	2.2	1,014,394	2.6
Loans	2,576,064	6.8	2,583,822	6.7
Policy loans	292,080	0.8	277,079	0.7
Ordinary loans	2,283,983	6.0	2,306,743	6.0
Real estate	1,076,494	2.8	1,093,707	2.8
Real estate for rent	766,269	2.0	798,101	2.1
Deferred tax assets	-	-	-	-
Others	642,315	1.7	697,928	1.8
Reserve for possible loan losses	(2,358)	(0.0)	(2,049)	(0.0)
Total	37,851,018	100.0	38,444,776	100.0
Foreign currency-denominated assets	10,428,868	27.6	10,256,804	26.7

Note: 'Real estate' represents total amount of land, buildings and construction in progress.

(2) Fair Value Information on Securities
(except for trading securities)

(millions of yen)

	Book value	Fair value	Gains (losses)		
			Gains	Losses	
As of March 31, 2021					
Held-to-maturity bonds	47,221	48,896	1,675	1,675	-
Domestic bonds	47,221	48,896	1,675	1,675	-
Foreign bonds	-	-	-	-	-
Policy-reserve-matching bonds	13,332,171	15,520,087	2,187,915	2,270,211	82,295
Domestic bonds	13,251,166	15,437,984	2,186,818	2,269,054	82,235
Foreign bonds	81,005	82,102	1,097	1,156	59
Stocks of subsidiaries and affiliated companies	343	451	108	108	-
Available-for-sale securities	15,646,364	19,167,461	3,521,097	3,740,863	219,766
Domestic bonds	3,034,148	3,441,726	407,577	409,876	2,298
Domestic stocks	1,407,166	3,518,531	2,111,365	2,155,407	44,042
Foreign securities	10,321,085	11,290,708	969,622	1,122,671	153,048
Foreign bonds	8,991,581	9,730,234	738,653	877,549	138,895
Foreign stocks and other securities	1,329,504	1,560,473	230,969	245,121	14,152
Other securities	566,586	593,357	26,770	46,839	20,068
Monetary claims bought	246,377	252,140	5,762	6,068	306
Certificates of deposit	71,000	70,997	(2)	0	2
Total	29,026,100	34,736,897	5,710,796	6,012,858	302,061
Domestic bonds	16,332,535	18,928,607	2,596,071	2,680,605	84,533
Domestic stocks	1,407,166	3,518,531	2,111,365	2,155,407	44,042
Foreign securities	10,402,434	11,373,262	970,828	1,123,936	153,108
Foreign bonds	9,072,587	9,812,337	739,750	878,706	138,955
Foreign stocks and other securities	1,329,847	1,560,924	231,077	245,230	14,152
Other securities	566,586	593,357	26,770	46,839	20,068
Monetary claims bought	246,377	252,140	5,762	6,068	306
Certificates of deposit	71,000	70,997	(2)	0	2
As of December 31, 2021					
Held-to-maturity bonds	47,447	48,527	1,079	1,079	-
Domestic bonds	47,447	48,527	1,079	1,079	-
Foreign bonds	-	-	-	-	-
Policy-reserve-matching bonds	14,019,334	16,072,596	2,053,262	2,141,067	87,805
Domestic bonds	13,938,329	15,990,204	2,051,875	2,139,680	87,805
Foreign bonds	81,004	82,391	1,386	1,386	-
Stocks of subsidiaries and affiliated companies	343	574	231	231	-
Available-for-sale securities	14,887,639	18,622,823	3,735,183	3,887,771	152,588
Domestic bonds	2,867,269	3,252,514	385,244	387,684	2,439
Domestic stocks	1,335,097	3,581,499	2,246,402	2,291,555	45,153
Foreign securities	9,603,851	10,668,454	1,064,603	1,159,041	94,438
Foreign bonds	8,523,059	9,328,498	805,438	882,431	76,993
Foreign stocks and other securities	1,080,792	1,339,956	259,164	276,610	17,445
Other securities	719,633	751,839	32,205	42,403	10,197
Monetary claims bought	248,787	255,518	6,731	7,086	354
Certificates of deposit	113,000	112,996	(3)	0	3
Total	28,954,764	34,744,521	5,789,757	6,030,151	240,393
Domestic bonds	16,853,046	19,291,246	2,438,199	2,528,445	90,245
Domestic stocks	1,335,097	3,581,499	2,246,402	2,291,555	45,153
Foreign securities	9,685,199	10,751,421	1,066,221	1,160,660	94,438
Foreign bonds	8,604,064	9,410,889	806,825	883,818	76,993
Foreign stocks and other securities	1,081,135	1,340,531	259,396	276,841	17,445
Other securities	719,633	751,839	32,205	42,403	10,197
Monetary claims bought	248,787	255,518	6,731	7,086	354
Certificates of deposit	113,000	112,996	(3)	0	3

Note:

1. The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Act.
2. Stocks and partnerships that do not have market value are excluded from this table. Partnerships are mainly anonymous partnership, investment partnerships, etc. They are not subject to market value disclosure of "Accounting Standards Application Guidelines for Market Value Calculation" (Corporate Accounting Standards Application Guideline No. 31, July 4, 2019)

* Carrying amounts of securities without quoted market prices are as follows:

(millions of yen)

	As of March 31, 2021	As of December 31, 2021
Stocks of subsidiaries and affiliated companies	176,772	185,371
Available-for-sale securities	131,401	424,483
Domestic stocks	44,993	36,880
Foreign stocks	27,174	4,062
Others	59,232	383,540
Total	308,173	609,855

- Note: 1. The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Act.
2. The amounts of foreign exchange valuation gains (losses) on foreign securities without quoted market prices and which are listed in the table above are as follows: loss of 1,841 million yen as of March 31, 2021 and gain of 12,988 million yen as of December 31, 2021.
3. Partnerships are mainly anonymous partnership, investment partnerships, etc. They are not subject to market value disclosure of "Accounting Standards Application Guidelines for Market Value Calculation" (Corporate Accounting Standards Application Guideline No. 31, July 4, 2019).

(3) Fair Value Information on Money Held in Trust

(millions of yen)

	Carrying amount on the balance sheet	Fair value	Gains (losses)	Gains (losses)	
				Gains	Losses
As of March 31, 2021	7,716	7,716	3,235	4,677	1,442
As of December 31, 2021	12,301	12,301	1,131	2,110	979

Note: Fair value in the table above is based on the valuation conducted by the fiduciary on a reasonable basis.

"Gains (losses)" include gains (losses) from derivative transactions within the trusts.

* Information on money held in trust for investment purpose is as follows:

(millions of yen)

	As of March 31, 2021		As of December 31, 2021	
	Carrying amount on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying amount on the balance sheet	Valuation gains (losses) included in the statement of earnings
Money held in trust for investment purpose	7,716	2,997	12,301	698

* Information on money held in trust classified as held-to-maturity, policy-reserve-matching and available-for-sale is as follows:

The Company had no balance as of March 31, 2021 or December 31, 2021.

3. Unaudited Quarterly Balance Sheet

(millions of yen)

	As of March 31, 2021 (summarized)	As of December 31, 2021
(ASSETS)		
Cash and deposits	380,173	410,094
Call loans	403,700	454,800
Monetary claims bought	252,140	255,518
Money held in trust	7,716	12,301
Securities	33,467,036	34,004,151
[Government bonds]	[14,774,895]	[15,332,250]
[Local government bonds]	[108,035]	[107,096]
[Corporate bonds]	[2,000,852]	[1,924,568]
[Stocks]	[3,713,900]	[3,777,359]
[Foreign securities]	[11,763,263]	[11,544,847]
Loans	2,576,064	2,583,822
Policy loans	292,080	277,079
Ordinary loans	2,283,983	2,306,743
Tangible fixed assets	1,086,183	1,101,151
Intangible fixed assets	119,457	128,502
Reinsurance receivable	28,084	47,305
Other assets	553,949	612,546
Customers' liabilities for acceptances and guarantees	52,861	45,757
Reserve for possible loan losses	(2,358)	(2,049)
Reserve for possible investment losses	(627)	(515)
Total assets	38,924,381	39,653,388
(LIABILITIES)		
Policy reserves and others	30,844,443	30,426,337
Reserves for outstanding claims	148,070	161,841
Policy reserves	30,295,374	29,858,210
Reserve for policyholder dividends	400,999	406,285
Reinsurance payable	1,048	614
Subordinated bonds	476,277	368,715
Other liabilities	3,340,249	4,399,841
Payables under repurchase agreements	2,301,762	3,414,514
Corporate income tax payable	32,372	8,591
Lease liabilities	5,179	4,289
Asset retirement obligations	2,009	2,060
Other liabilities	998,925	970,385
Reserve for employees' retirement benefits	400,138	406,255
Reserve for retirement benefits of directors, executive officers and corporate auditors	998	900
Reserve for possible reimbursement of prescribed claims	800	563
Reserve for price fluctuations	233,453	246,953
Deferred tax liabilities	312,227	379,121
Deferred tax liabilities for land revaluation	71,606	70,771
Acceptances and guarantees	52,861	45,757
Total liabilities	35,734,105	36,345,832
(NET ASSETS)		
Capital stock	60,000	60,000
Capital surplus	370,000	320,000
Legal capital surplus	60,000	60,000
Other capital surplus	310,000	260,000
Retained earnings	249,195	245,023
Other retained earnings	249,195	245,023
Reserve for tax basis adjustments of real estate	8,355	8,359
Reserve for specified business investment	49	49
Retained earnings brought forward	240,789	236,613
Total shareholders' equity	679,195	625,023
Net unrealized gains (losses) on securities, net of tax	2,536,608	2,708,525
Deferred hedge gains (losses)	(3,501)	(1,821)
Reserve for land revaluation	(22,026)	(24,173)
Total of valuation and translation adjustments	2,511,080	2,682,531
Total net assets	3,190,276	3,307,555
Total liabilities and net assets	38,924,381	39,653,388

4. Unaudited Quarterly Statement of Earnings

(millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
ORDINARY REVENUES	2,701,549	3,169,539
Premium and other income	1,661,193	1,665,235
[Premium income]	[1,654,018]	[1,648,227]
Investment income	929,668	958,315
[Interest and dividends]	[600,922]	[609,207]
[Gains on money held in trust]	[4,099]	[929]
[Gains on sale of securities]	[206,677]	[247,184]
[Gains on investments in separate accounts]	[106,748]	[85,053]
Other ordinary revenues	110,687	545,988
[Transfer from policy reserves]	[-]	[437,164]
ORDINARY EXPENSES	2,490,368	2,876,774
Benefits and claims	1,427,646	2,144,423
[Claims]	[454,404]	[473,817]
[Annuities]	[342,410]	[390,884]
[Benefits]	[280,565]	[315,692]
[Surrender values]	[275,949]	[415,198]
[Other refunds]	[72,766]	[171,044]
Provision for policy reserves and others	278,123	19,995
Provision for reserves for outstanding claims	13,173	13,771
Provision for policy reserves	258,762	-
Provision for interest on policyholder dividends	6,187	6,224
Investment expenses	318,026	233,577
[Interest expenses]	[9,274]	[7,992]
[Losses on sale of securities]	[89,059]	[114,792]
[Losses on valuation of securities]	[6,075]	[5,832]
[Derivative transaction losses]	[130,986]	[35,295]
Operating expenses	293,500	298,514
Other ordinary expenses	173,071	180,264
ORDINARY PROFIT	211,181	292,765
EXTRAORDINARY GAINS	659	162
Gains on disposal of fixed assets	659	162
EXTRAORDINARY LOSSES	19,430	20,219
Losses on disposal of fixed assets	5,646	6,226
Impairment losses on fixed assets	1,034	492
Provision for reserve for price fluctuations	12,750	13,500
Provision for reserve for policyholder dividends	56,450	60,889
Income before income taxes	135,960	211,819
Corporate income taxes-current	57,824	60,603
Corporate income taxes-deferred	(18,934)	(1,181)
Total of corporate income taxes	38,889	59,421
Net income	97,070	152,398

5. Breakdown of Ordinary Profit (Fundamental Profit)

(millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Fundamental revenues	2,492,418	2,679,159
Premium and other income	1,661,193	1,665,235
Investment income	718,891	710,187
[Interest and dividends]	600,922	609,207
Other ordinary revenues	110,687	303,737
Other fundamental revenues (a)	1,645	-
Fundamental expenses	2,169,123	2,324,073
Benefits and claims	1,427,646	1,767,831
Provision for policy reserves and others	218,338	19,995
Investment expenses	56,566	57,408
Operating expenses	293,500	298,514
Other ordinary expenses	173,071	180,264
Other fundamental expenses (b)	0	59
Fundamental profit	A 323,295	355,085
Capital gains	210,776	248,174
Gains on money held in trust	4,099	929
Gains on investments in trading securities	-	-
Gains on sale of securities	206,677	247,184
Derivative transaction gains	-	-
Foreign exchange gains	-	-
Others (c)	0	59
Capital losses	262,136	176,160
Losses on money held in trust	-	-
Losses on investments in trading securities	-	-
Losses on sale of securities	89,059	114,792
Losses on valuation of securities	6,075	5,832
Derivative transaction losses	130,986	35,295
Foreign exchange losses	34,369	20,240
Others (d)	1,645	-
Net capital gains (losses)	B (51,360)	72,013
Fundamental profit plus net capital gains (losses)	A + B 271,934	427,099
Other one-time gains	-	296,747
Reinsurance income	-	-
Reversal of contingency reserve	-	-
Reversal of specific reserve for possible loan losses	-	(25)
Others (Note 1)	-	296,772
Other one-time losses	60,753	431,081
Ceding reinsurance commissions	-	-
Provision for contingency reserve	700	-
Provision for specific reserve for possible loan losses	594	-
Provision for specific reserve for loans to refinancing countries	-	-
Write-down of loans	8	8
Others (Note 2)	59,450	431,072
Other one-time profits (losses)	C (60,753)	(134,333)
Ordinary profit	A + B + C 211,181	292,765

Note 1: "Others" in "Other one-time gains" represents the sum of the amount of reversal of reserve for possible investment losses (For the nine months ended December 31, 2021: 39 million yen) and the amount of reversal of policy reserves due to whole life insurance reinsured after payment expiration (For the nine months ended December 31, 2021: 296,733 million yen)

Note 2: "Others" in "Other one-time losses" represents the sum of the amount of provision for reserve for possible investment losses (For the nine months ended December 31, 2020: 364 million yen), the amount of the additional policy reserves provided (For the nine months ended December 31, 2020: 59,085 million yen, For the nine months ended December 31, 2021: 54,481 million yen) in accordance with Article 69, Paragraph 5 of the Enforcement Regulations of the Insurance Business Act and the amount of reinsurance premiums related to whole life insurance reinsured after payment expiration (For the nine months ended December 31, 2021: 376,591 million yen)

(Reference) Breakdown of other fundamental revenues, etc.

(millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Other fundamental revenues (a)	1,645	-
The effect of provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance	-	-
The effect of change in the exchange rates related to foreign currency denominated insurance contracts	1,645	-
Other fundamental expenses (b)	0	59
The effect of provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance	0	0
The effect of change in the exchange rates related to foreign currency denominated insurance contracts	-	59
The impact on fundamental profit <i>(a) - (b)</i>	1,645	(59)
Other capital gains (c)	0	59
The effect of provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance	0	0
The effect of change in the exchange rates related to foreign currency denominated insurance contracts	-	59
Other capital losses (d)	1,645	-
The effect of provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance	-	-
The effect of change in the exchange rates related to foreign currency denominated insurance contracts	1,645	-
The impact on net capital gains (losses) <i>(c) - (d)</i>	(1,645)	59

NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS AS OF AND FOR THE NINE MONTHS ENDED DECEMBER 31, 2021

I. NOTES TO UNAUDITED QUARTERLY BALANCE SHEET AND SHAREHOLDERS' EQUITY, ETC. AS OF DECEMBER 31, 2021

1. Changes in Accounting Policies

Effective the nine months ended December 31, 2021, the Company has applied "Accounting Standard for Fair Value Measurement" (ASBJ Statement No.30, July 4, 2019) and others.

In accordance with the transitional treatment set forth in Item 19 of "Accounting standards for Fair Value Measurement" and Item 44-2 of "Accounting standard for Financial Instrument," (ASBJ Statement No.10, July 4, 2019), the Company has applied new accounting policies since the beginning of the nine months ended December 31, 2021. As a result, in principle, while fair value of domestic stocks was previously determined based on the average market price over the month preceding the quarterly balance sheet date, from the end of the nine months ended December 31, 2021, fair value of domestic stocks is determined based on the market price as of the quarterly balance sheet date.

2. Securities Lending

Securities lent under lending agreements are included in the balance sheet. The total balance of securities lent as of December 31, 2021 was ¥4,150,200 million.

3. Contingent Liabilities

Guarantee for debt obligations of a separate company were as follows:

	(Unit: million yen)
Dai-ichi Life Holdings, Inc.	250,265

4. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	(Unit: million yen)
Balance at the beginning of the fiscal year	400,999
Dividend paid.....	(61,826)
Interest accrual.....	6,224
Provision for reserve for policyholder dividends	60,889
<u>Balance as of December 31, 2021.....</u>	<u>406,285</u>

II. NOTES TO THE UNAUDITED STATEMENT OF EARNINGS FOR THE NINE MONTHS ENDED DECEMBER 31, 2021

1. Net Income per Share

Net income per share for the nine months ended December 31, 2021 was ¥25,399,722.71. Diluted net income per share for the same period is not presented because there were no existing diluted shares.

2. Depreciation

Depreciation of real estate for rent and others was ¥10,300 million and Depreciation was ¥29,724 million for the nine months ended December 31, 2021.

6. Solvency Margin Ratio

(millions of yen)

	As of March 31, 2021	As of December 31, 2021
Total solvency margin (A)	6,990,487	7,607,489
Common stock, etc. ^{*1}	468,500	626,126
Reserve for price fluctuations	233,453	246,953
Contingency reserve	599,893	599,893
General reserve for possible loan losses	311	224
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% ^{*2}	3,154,539	3,367,839
Net unrealized gains (losses) on real estate × 85% ^{*2}	255,652	283,252
Policy reserves in excess of surrender values	2,164,644	2,100,229
Qualifying subordinated debt	866,877	839,315
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(825,614)	(589,540)
Excluded items		(500)
Others	72,228	133,695
Total risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	1,491,653	1,551,151
Insurance risk R_1	67,454	67,534
3rd sector insurance risk R_8	166,267	160,864
Assumed investment yield risk R_2	179,312	170,045
Guaranteed minimum benefit risk R_7 ^{*3}	2,910	2,905
Investment risk R_3	1,257,115	1,326,349
Business risk R_4	33,461	34,554
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	937.2%	980.8%

*1: Expected disbursements from capital outside the Company and valuation and translation adjustments are excluded.

*2: Multiplied by 100% if losses.

*3: Calculated by standard method.

Note: The figures as of March 31, 2021 are calculated based on Articles 86, 87 of the Enforcement Regulations of 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

(1) Separate Account Assets by Product

(millions of yen)

	As of March 31, 2021	As of December 31, 2021
Individual variable insurance	60,788	64,115
Individual variable annuities	34,213	34,074
Group annuities	1,480,098	1,678,174
Separate account total	1,575,100	1,776,364

(2) Sum Insured of Policies in Force of Individual Variable Insurance and Annuities (Separate Account)

A. Individual variable insurance

(millions of yen except number of policies)

	As of March 31, 2021		As of December 31, 2021	
	Number of policies	Amount	Number of policies	Amount
Individual variable insurance (term life)	8	56	5	32
Individual variable insurance (whole life)	39,539	242,920	38,909	239,655
Total	39,547	242,977	38,914	239,688

Note: Policies in force include term life riders.

B. Individual variable annuities

(millions of yen except number of policies)

	As of March 31, 2021		As of December 31, 2021	
	Number of policies	Amount	Number of policies	Amount
Individual variable annuities	5,318	25,252	4,675	22,154

Note: Sum insured of policies in force includes that of annuities for which payments have commenced.

8. Consolidated Financial Summary

(1) Selected Financial Data and Other Information

(millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Ordinary revenues	2,701,623	3,169,586
Ordinary profit	210,310	292,648
Net income attributable to shareholders of parent company	96,215	152,300
Comprehensive income	800,056	326,802

(millions of yen)

	As of March 31, 2021	As of December 31, 2021
Total assets	38,923,206	39,650,795
Solvency margin ratio	947.7%	993.6%

(2) Scope of Consolidation and Application of Equity Method

	As of December 31, 2021
Number of consolidated subsidiaries	1
Number of non-consolidated subsidiaries under the equity method	0
Number of affiliated companies under the equity method	2

For information regarding changes in subsidiaries and affiliates, please refer to "I. Guidelines for Preparation of the Unaudited Quarterly Consolidated Financial Statements".

(3) Unaudited Quarterly Consolidated Balance Sheet

(millions of yen)

	As of March 31, 2021 (summarized)	As of December 31, 2021
ASSETS		
Cash and deposits	383,214	412,482
Call loans	403,700	454,800
Monetary claims bought	252,140	255,518
Money held in trust	7,716	12,301
Securities	33,462,279	33,998,706
Loans	2,576,064	2,583,822
Tangible fixed assets	1,086,447	1,101,370
Intangible fixed assets	119,638	128,666
Reinsurance receivable	28,084	47,305
Other assets	554,045	612,628
Customers' liabilities for acceptances and guarantees	52,861	45,757
Reserve for possible loan losses	(2,358)	(2,049)
Reserve for possible investment losses	(627)	(515)
Total assets	38,923,206	39,650,795
LIABILITIES		
Policy reserves and others	30,844,451	30,426,358
Reserves for outstanding claims	148,071	161,842
Policy reserves	30,295,380	29,858,229
Reserve for policyholder dividends	400,999	406,285
Reinsurance payable	1,048	614
Bonds payable	476,277	368,715
Other liabilities	3,340,298	4,399,989
Payables under repurchase agreements	2,301,762	3,414,514
Other liabilities	1,038,536	985,474
Net defined benefit liabilities	406,894	409,796
Reserve for retirement benefits of directors, executive officers and corporate auditors	998	900
Reserve for possible reimbursement of prescribed claims	800	563
Reserve for price fluctuations	233,453	246,953
Deferred tax liabilities	310,360	378,132
Deferred tax liabilities for land revaluation	71,606	70,771
Acceptances and guarantees	52,861	45,757
Total liabilities	35,739,051	36,348,554
NET ASSETS		
Capital stock	60,000	60,000
Capital surplus	370,000	320,000
Retained earnings	247,446	243,175
Total shareholders' equity	677,446	623,176
Net unrealized gains (losses) on securities, net of tax	2,536,608	2,708,525
Deferred hedge gains (losses)	(3,501)	(1,821)
Reserve for land revaluation	(22,026)	(24,173)
Foreign currency translation adjustments	497	(914)
Accumulated remeasurements of defined benefit plans	(4,869)	(2,552)
Total accumulated other comprehensive income	2,506,708	2,679,064
Total net assets	3,184,154	3,302,240
Total liabilities and net assets	38,923,206	39,650,795

(4) Unaudited Quarterly Consolidated Statement of Earnings and Comprehensive Income
[Unaudited Quarterly Consolidated Statement of Earnings]

(millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
ORDINARY REVENUES	2,701,623	3,169,586
Premium and other income	1,661,212	1,665,290
Investment income	929,722	958,322
[Interest and dividends]	[600,977]	[609,214]
[Gains on money held in trust]	[4,099]	[929]
[Gains on sale of securities]	[206,677]	[247,184]
[Gains on investments in separate accounts]	[106,748]	[85,053]
Other ordinary revenues	110,687	545,973
ORDINARY EXPENSES	2,491,313	2,876,938
Benefits and claims	1,427,646	2,144,425
[Claims]	[454,404]	[473,819]
[Annuities]	[342,410]	[390,884]
[Benefits]	[280,565]	[315,692]
[Surrender values]	[275,949]	[415,198]
Provision for policy reserves and others	278,126	19,995
Provision for reserves for outstanding claims	13,174	13,771
Provision for policy reserves	258,765	-
Provision for interest on policyholder dividends	6,187	6,224
Investment expenses	318,296	233,105
[Interest expenses]	[9,274]	[7,992]
[Losses on sale of securities]	[89,059]	[114,792]
[Losses on valuation of securities]	[6,075]	[5,832]
[Derivative transaction losses]	[130,986]	[35,295]
Operating expenses	293,956	298,825
Other ordinary expenses	173,286	180,585
Ordinary profit	210,310	292,648
EXTRAORDINARY GAINS	659	162
Gains on disposal of fixed assets	659	162
EXTRAORDINARY LOSSES	19,430	20,219
Losses on disposal of fixed assets	5,646	6,226
Impairment losses on fixed assets	1,034	492
Provision for reserve for price fluctuations	12,750	13,500
Provision for reserve for policyholder dividends	56,450	60,889
Income before income taxes	135,089	211,702
Corporate income taxes-current	57,824	60,603
Corporate income taxes-deferred	(18,950)	(1,200)
Total of corporate income taxes	38,874	59,402
Net income	96,215	152,300
Net income attributable to shareholders of parent company	96,215	152,300

[Unaudited Quarterly Consolidated Statement of Comprehensive Income]

(millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net income	96,215	152,300
Other comprehensive income	703,841	174,502
Net unrealized gains (losses) on securities, net of tax	710,226	171,917
Deferred hedge gains (losses)	(9,925)	1,679
Foreign currency translation adjustments	576	(1,411)
Remeasurements of defined benefit plans, net of tax	2,963	2,317
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	(0)	(0)
Comprehensive income	800,056	326,802
Attributable to shareholders of parent company	800,056	326,802

NOTES TO THE UNAUDITED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE NINE MONTHS ENDED DECEMBER 31, 2021

I. GUIDELINES FOR PREPARATION OF THE UNAUDITED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

The Company made no significant changes to the preparation of the quarterly consolidated financial statements.

II. NOTES TO THE UNAUDITED QUARTERLY CONSOLIDATED BALANCE SHEET AND SHAREHOLDERS' EQUITY, ETC. AS OF DECEMBER 31, 2021

1. Changes in Accounting Policies

Effective the nine months ended December 31, 2021, the Company has applied "Accounting Standard for Fair Value Measurement" (ASBJ Statement No.30, July 4, 2019) and others.

In accordance with the transitional treatment set forth in Item 19 of "Accounting Standards for Fair Value Measurement" and Item 44-2 of "Accounting Standard for Financial Instruments," (ASBJ Statement No.10, July 4, 2019), the Company has applied new accounting policies since the beginning of the nine months ended December 31, 2021. As a result, in principle, while fair value of domestic stocks was previously determined based on the average market price over the month preceding the quarterly consolidated balance sheet date, from the end of the nine months ended December 31, 2021, fair value of domestic stocks is determined based on the market price as of the quarterly consolidated balance sheet date.

2. Securities Lending

Securities lent under lending agreements are included in the consolidated balance sheet. The total balance of securities lent as of December 31, 2021 was ¥4,150,200 million.

3. Contingent Liabilities

Guarantee for debt obligations of a separate company were as follows:

	(Unit: million yen)
Dai-ichi Life Holdings, Inc.	250,265

4. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	(Unit: million yen)
Balance at the beginning of the fiscal year.....	400,999
Dividends paid during the period.....	61,826
Interest accrual during the period.....	6,224
Provision for reserve for policyholder dividends	60,889
<u>Balance as of December 31, 2021.....</u>	<u>406,285</u>

5. Dividends on Common Stock

Date of resolution	June 16, 2021 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥158,716 million
Dividends per share	¥26,452,800
Record date	March 31, 2021
Effective date	June 17, 2021
Dividend resource	Retained earnings

Date of resolution	June 16, 2021 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥49,999 million
Dividends per share	¥8,333,300
Record date	March 31, 2021
Effective date	June 17, 2021
Dividend resource	Capital surplus

III. NOTES TO THE UNAUDITED QUARTERLY CONSOLIDATED STATEMENT OF EARNINGS FOR THE NINE MONTHS ENDED DECEMBER 31, 2021

1. Net Income per Share

Net income per share for the nine months ended December 31, 2021 was ¥25,383,333.38.

Diluted net income per share for the same period is not presented because there were no existing diluted shares.

2. Depreciation

Depreciation of real estate for rent and others was ¥10,300 million and Depreciation was ¥29,827 million for the nine months ended December 31, 2021.

(5) Consolidated Solvency Margin Ratio

(millions of yen)

	As of March 31, 2021	As of December 31, 2021
Total solvency margin (A)	6,817,494	7,429,687
Common stock, etc. ^{*1}	470,534	627,821
Reserve for price fluctuations	233,453	246,953
Contingency reserve	599,893	599,893
Catastrophe loss reserve	-	-
General reserve for possible loan losses	333	246
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% ^{*2}	3,154,539	3,367,839
Net unrealized gains (losses) on real estate × 85% ^{*2}	255,652	283,252
Sum of unrecognized actuarial differences and unrecognized past service cost	(6,395)	(3,180)
Policy reserves in excess of surrender values	2,164,644	2,100,229
Qualifying subordinated debt	866,877	839,315
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(825,614)	(589,540)
Excluded items	(168,653)	(176,839)
Others	72,228	133,695
Total risk $\sqrt{(\sqrt{R_1^2 + R_3^2 + R_8 + R_9})^2 + (R_2 + R_3 + R_7)^2} + R_4 + R_6$ (B)	1,438,710	1,495,482
Insurance risk R_1	67,456	67,539
General insurance risk R_5	-	-
Catastrophe risk R_6	-	-
3rd sector insurance risk R_8	166,267	160,864
Small amount and short-term insurance risk R_9	-	-
Assumed investment yield risk R_2	179,312	170,045
Guaranteed minimum benefit risk R_7 ^{*3}	2,910	2,905
Investment risk R_3	1,204,518	1,271,130
Business risk R_4	32,409	33,449
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	947.7%	993.6%

*1: Expected disbursements from capital outside the Company and accumulated other comprehensive income, etc. are excluded.

*2: Multiplied by 100% if losses.

*3: Calculated by standard method.

Notes: The figures as of March 31, 2021 are calculated based on Article 86-2 and 88 of the Enforcement Regulations of Insurance Business Act, and Notification of the Financial Services Agency No. 23, 2011.

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.

(6) Segment Information

The Company on a consolidated basis did not operate any businesses categorized in segments other than its own core life insurance business, and therefore segment information was omitted.