
Financial Results for the Nine Months Ended December 31, 2021

The Dai-ichi Frontier Life Insurance Co., Ltd. (the "Company"; President: Masao Taketomi) announces its financial results for the nine months ended December 31, 2021.

[Contents]

1. Business Highlights	.....	P. 1
2. Investment Results of General Account	.....	P. 3
3. Unaudited Quarterly Balance Sheet	.....	P. 6
4. Unaudited Quarterly Statement of Earnings	.....	P. 7
5. Breakdown of Ordinary Profit (Fundamental Profit)	.....	P. 9
6. Solvency Margin Ratio	.....	P. 11
7. Separate Account Status	.....	P. 12
8. Consolidated Financial Summary	.....	P. 12

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	418,614	455,601	108.8
Individual annuities	442,393	400,993	90.6
Total	861,007	856,595	99.5
Medical and survival benefits	1,581	2,662	168.4

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	37,060	47,364	127.8
Individual annuities	13,989	39,910	285.3
Total	51,049	87,274	171.0
Medical and survival benefits	1,086	1,068	98.4

- Note: 1. Annualized net premiums are calculated by multiplying the per-premium payments by a multiplier that depends on the premium payment terms. For single-premium contracts, the amount is calculated by dividing the premium by the duration of the policy.
2. "Medical and survival benefits" include annualized net premiums related to medical benefits (e.g. hospitalization and surgery benefits), survival benefits (e.g. specified illness and nursing care benefits), and premiums related to premium waiver benefits (e.g. excluding disability-related causes but including causes related to specified illness and nursing care).

(2) Policies in Force and New Policies

Policies in Force

	As of March 31, 2021		As of December 31, 2021			
	Number of Policies (thousands)	Amount (millions of yen)	Number of Policies		Amount	
			(thousands)	% of March 31, 2021 total	(millions of yen)	% of March 31, 2021 total
Individual insurance	734	5,154,172	774	105.5	5,513,656	107.0
Individual annuities	829	4,166,339	775	93.5	3,812,262	91.5
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-

Note: Policy amount in force for individual annuities is equal to the sum of (a) the amount required to fund annuity payments when they commence for annuities that have not yet commenced paying out and (b) policy reserves for annuities that have commenced paying out.

New Policies

	Number of Policies		Amount			
	(thousands)	% of December 31, 2020 total	(millions of yen)	% of December 31, 2020 total	New Business	Net increase from conversions
Nine months ended December 31, 2021						
Individual insurance	61	124.3	468,959	128.6	468,959	-
Individual annuities	74	219.5	315,319	248.6	315,319	-
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-
Nine months ended December 31, 2020						
Individual insurance	49	-	364,750	-	364,750	-
Individual annuities	33	-	126,853	-	126,853	-
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-

Note: Amount of new policies (new business) for individual annuities is equal to the amount required to fund annuity payments when they commence.

2. Investment Results of General Account

(1) Asset Composition

(millions of yen except percentages)

	As of March 31, 2021		As of December 31, 2021	
	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	785,833	9.1	812,614	9.5
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	-	-	7,864	0.1
Trading account securities	-	-	-	-
Money held in trust	1,123,204	13.0	1,078,349	12.6
Securities	6,481,546	74.8	6,482,867	75.7
Domestic bonds	1,645,775	19.0	1,662,489	19.4
Domestic stocks	-	-	-	-
Foreign securities	4,650,664	53.7	4,641,004	54.2
Foreign bonds	4,650,664	53.7	4,641,004	54.2
Foreign stocks and other securities	-	-	-	-
Other securities	185,106	2.1	179,373	2.1
Loans	-	-	-	-
Real estate	95	0.0	811	0.0
Deferred tax assets	-	-	-	-
Others	270,224	3.1	183,534	2.1
Reserve for possible loan losses	(14)	(0.0)	(7)	(0.0)
Total	8,660,888	100.0	8,566,036	100.0
Foreign currency-denominated assets	5,213,036	60.2	5,057,638	59.0

Note: "Real estate" represents the value of buildings.

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

(millions of yen)

	Book value	Fair value	Gains (losses)		
			Gains	Losses	
As of December 31, 2021					
Bonds held to maturity	-	-	-	-	-
Policy-reserve-matching bonds	3,492,345	3,718,524	226,179	236,181	10,001
Stocks of subsidiaries and affiliates	-	-	-	-	-
Securities available for sale	2,859,141	2,998,387	139,245	145,652	6,406
Domestic bonds	457,625	469,833	12,208	12,400	192
Domestic stocks	-	-	-	-	-
Foreign securities	2,223,498	2,341,314	117,816	124,022	6,206
Foreign bonds	2,223,498	2,341,314	117,816	124,022	6,206
Foreign stocks and other securities	-	-	-	-	-
Other securities	170,145	179,373	9,228	9,228	-
Monetary claims bought	7,872	7,864	(7)	0	7
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	6,351,486	6,716,912	365,425	381,833	16,408
Domestic bonds	1,650,280	1,731,619	81,338	83,005	1,666
Domestic stocks	-	-	-	-	-
Foreign securities	4,523,187	4,798,053	274,865	289,599	14,734
Foreign bonds	4,523,187	4,798,053	274,865	289,599	14,734
Foreign stocks and other securities	-	-	-	-	-
Other securities	170,145	179,373	9,228	9,228	-
Monetary claims bought	7,872	7,864	(7)	0	7
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
As of March 31, 2021					
Bonds held to maturity	-	-	-	-	-
Policy-reserve-matching bonds	3,402,501	3,609,308	206,807	227,336	20,529
Stocks of subsidiaries and affiliates	-	-	-	-	-
Securities available for sale	2,876,582	3,079,044	202,462	211,777	9,315
Domestic bonds	460,427	476,511	16,084	16,402	318
Domestic stocks	-	-	-	-	-
Foreign securities	2,245,655	2,417,427	171,771	180,768	8,997
Foreign bonds	2,245,655	2,417,427	171,771	180,768	8,997
Foreign stocks and other securities	-	-	-	-	-
Other securities	170,500	185,106	14,606	14,606	-
Monetary claims bought	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	6,279,083	6,688,353	409,269	439,113	29,844
Domestic bonds	1,629,691	1,716,011	86,320	89,056	2,736
Domestic stocks	-	-	-	-	-
Foreign securities	4,478,892	4,787,235	308,342	335,451	27,108
Foreign bonds	4,478,892	4,787,235	308,342	335,451	27,108
Foreign stocks and other securities	-	-	-	-	-
Other securities	170,500	185,106	14,606	14,606	-
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 Law.

*The book value of stocks and other securities without market value and of investment partnerships etc. are as follows:

Not applicable.

(3) Fair Value Information on Money Held in Trust

(millions of yen)

	Carrying value on the balance sheet	Fair value	Gains (losses)		
			Gains	Losses	
As of December 31, 2021	1,078,349	1,078,349	1,746	2,952	1,206
As of March 31, 2021	1,123,204	1,123,204	23,330	25,773	2,443

Note: 1. Fair value equivalents appearing in this table are based on prices calculated using a reasonable method by trustees of money held in trust.

2. Gains (losses) are valuation gains (losses) that were included in the statement of earnings.

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

(millions of yen)

	As of March 31, 2021		As of December 31, 2021	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statements of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statements of earnings
Money held in trust for investment purposes	1,123,204	23,330	1,078,349	1,746

*Information on money held in trust classified as held-to-maturity, policy-reserve-matching, or other money held in trust are as follows:

Not applicable.

3. Unaudited Quarterly Balance Sheet

(millions of yen)

	As of March 31, 2021 (Summarized)	As of December 31, 2021
	Amount	Amount
(ASSETS)		
Cash and deposits	790,120	818,269
Monetary claims bought	-	7,864
Money held in trust	1,123,204	1,078,349
Securities	7,514,371	7,422,723
[Government bonds]	[516,321]	[516,628]
[Local government bonds]	[46,254]	[45,019]
[Corporate bonds]	[1,083,199]	[1,100,841]
[Foreign securities]	[4,662,647]	[4,652,534]
Tangible fixed assets	591	1,439
Intangible fixed assets	12,171	14,201
Reinsurance receivables	94,021	60,854
Other assets	164,478	107,859
Reserve for possible loan losses	△ 14	△ 7
Total assets	9,698,942	9,511,556

(millions of yen)

	As of March 31, 2021 (Summarized)	As of December 31, 2021
	Amount	Amount
(LIABILITIES)		
Policy reserves and others	8,213,333	8,132,860
Reserves for outstanding claims	23,899	24,803
Policy reserves	8,189,434	8,108,057
Reinsurance payable	719,586	626,453
Other liabilities	396,180	349,641
Corporate income tax payable	8,390	3,212
Lease liabilities	38	187
Other liabilities	387,751	346,241
Reserve for price fluctuations	30,994	35,294
Deferred tax liabilities	56,689	38,988
Total liabilities	9,416,783	9,183,238
(NET ASSETS)		
Capital stock	117,500	117,500
Capital surplus	67,500	67,500
Legal capital surplus	67,500	67,500
Retained earnings	△ 48,613	43,061
Other retained earnings	△ 48,613	43,061
Retained earnings brought forward	△ 48,613	43,061
Total shareholders' equity	136,386	228,061
Net unrealized gains on securities, net of tax	145,772	100,256
Total of valuation and translation adjustments	145,772	100,256
Total net assets	282,158	328,318
Total liabilities and net assets	9,698,942	9,511,556

4. Unaudited Quarterly Statement of Earnings

(millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
	Amount	Amount
ORDINARY REVENUES	1,234,934	1,387,250
Premium and other income	649,669	1,011,026
[Premium income]	[486,235]	[762,874]
Investment income	585,234	294,814
[Interest and dividends]	[131,308]	[125,274]
[Gains on money held in trust]	[20,806]	[1,746]
[Gains on sale of securities]	[57,434]	[30,482]
[Derivative transaction gains]	[115,244]	[-]
[Foreign exchange gains]	[161,689]	[112,031]
[Gains on investment in separate accounts]	[98,565]	[24,246]
Other ordinary revenues	30	81,408
[Reversal of policy reserves]	[-]	[81,376]
ORDINARY EXPENSES	1,181,317	1,275,417
Benefits and claims	973,627	1,211,871
[Claims]	[78,323]	[99,060]
[Annuities]	[195,308]	[137,837]
[Benefits]	[80,408]	[100,547]
[Surrender values]	[263,672]	[607,788]
[Other refunds]	[2,932]	[3,249]
Provision for policy reserves and others	170,377	903
Provision for reserves for outstanding claims	1,626	903
Provision for policy reserve	168,750	-
Investment expenses	802	17,148
[Interest expenses]	[2]	[10]
[Losses on sale of securities]	[190]	[1,754]
[Derivative transaction losses]	[-]	[14,894]
Operating expenses	30,673	37,836
Other ordinary expenses	5,837	7,658
ORDINARY GAIN	53,616	111,832
EXTRAORDINARY GAINS	0	-
Gains on disposal of fixed assets	0	-
EXTRAORDINARY LOSSES	4,301	4,367
Losses on disposal of fixed assets	11	67
Provision for reserve for price fluctuations	4,290	4,300
Gain before income taxes	49,315	107,464
Corporate income taxes - current	7,202	15,789
Total of corporate income taxes	7,202	15,789
Net income for the period	42,113	91,675

Notes to the Unaudited Quarterly Balance Sheet

1. "Accounting Standard for Fair Value Measurement, etc." (ASBJ Statement No. 30, July 4, 2019, hereinafter "Accounting Standard for Fair Value Measurement") has been adopted, effective from the beginning of the first quarter ended June 30, 2021. Pursuant to the transitional treatment stipulated in paragraph 19 of the Accounting Standard for Fair Value Measurement and paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No.10, revised on July 4, 2019), new accounting policies established by the Accounting Standard for Fair Value Measurement shall be implemented prospectively. Note that this has no impact on the quarterly financial statements.
2. Securities lent under lending agreements are included in the balance sheets. Total balance of securities lent as of December 31, 2021 was 480,784 million yen.
3. Amounts of financial instruments recorded on the balance sheet, their fair values, and differences between the two are as follows:

(millions of yen)			
	Carrying amount on balance sheet	Fair value	Difference
(1) Monetary claims bought	7,864	7,864	-
(2) Money held in trust	1,078,349	1,078,349	-
(3) Securities	7,422,723	7,648,903	226,179
(a) Trading securities	939,856	939,856	-
(b) Policy-reserve-matching bonds	3,492,345	3,718,524	226,179
(c) Other securities	2,990,522	2,990,522	-
Assets total	8,508,938	8,735,118	226,179
Derivative transactions			
(a) Derivative transactions to which hedge accounting is not applied	48,205	48,205	-
Derivative transactions total	48,205	48,205	-

- (* 1) Since cash and deposits are cash or are settled in a short period of time, their book values approximate their fair values, and notes are accordingly omitted.
- (* 2) Net derivative assets and liabilities arising from derivative transactions are reported as a net value. A negative total indicates a net liability.

Fair values of financial instruments are calculated as follows:

- (a) Monetary claims bought
The value of monetary claims bought is determined based on reasonably calculated prices.
- (b) Money held in trust
Information on securities and derivative transactions appear below in "(c) Securities" and "(d) Derivative transactions", respectively.
- (c) Securities
Fair value of bonds is based on the price on stock exchanges. Fair value of mutual funds is based on unit price.
- (d) Derivative transactions
For foreign exchange forward contracts, futures market prices on the book closing date are used as fair value.
For currency swap contracts, interest rate swap contracts and credit default swap contracts, amounts discounted to present value are used as fair value.
For total return swap contracts, amounts calculated by using indices on the book closing date are used as fair value.
For futures transactions and other market traded instruments, securities exchange market closing prices are used as fair value.

(Additional information)

Effective from the first quarter ended June 30, 2021, the sub-group of individual insurance and annuities (NZ dollar-denominated) has been abolished, and the policy-reserve-matching bonds formerly held in said sub-group have been reclassified to securities available for sale.

This is due to the fact that the recording of interest rate risk management utilizing asset-liability matching in financial statements has declined in importance, as the outstanding balance of policy reserves related to said sub-group has decreased and the duration has been shortened. Consequently, the current sub-groups are as follows:

- (a) Individual insurance and annuities (JP yen-denominated)
- (b) Individual insurance and annuities (US dollar-denominated)

Note, however, that this excludes certain types of insurance and certain insurance policies.

The impact of this change on the quarterly financial statements is immaterial.

Notes to the Unaudited Quarterly Statement of Earnings

1. Net income per share for the Nine months ended December 31, 2021 was 49,554,164.70 yen. Fully diluted net loss per share is not reported because the Company has no residual shares.

5. Breakdown of Ordinary Profit (Fundamental Profit)

(millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Fundamental profit A	39,521	30,310
Capital gains	355,174	212,438
Gains on money held in trust	20,806	1,746
Gains on investment in trading securities	-	-
Gains on sale of securities	57,434	30,482
Derivative transaction gains	115,244	-
Foreign exchange gains	161,689	112,031
Others	-	68,177
Capital losses	322,743	130,516
Losses on money held in trust	-	-
Losses on investment in trading securities	-	-
Losses on sale of securities	190	1,754
Losses on valuation of securities	-	-
Derivative transaction losses	-	14,894
Foreign exchange losses	-	-
Others	322,552	113,867
Net capital gains (losses) B	32,431	81,922
Fundamental profit plus net capital gains (losses) A + B	71,953	112,232
Other one-time gains	190,974	6
Reinsurance income	-	-
Reversal of contingency reserve	625	-
Reversal of specific reserve for possible loan losses	-	6
Others	190,348	-
Other one-time losses	209,310	406
Ceding reinsurance commissions	-	-
Provision for contingency reserve	-	406
Provision for specific reserve for possible loan losses	18	-
Provision for specific reserve for loans to refinancing countries	-	-
Write-down of loans	-	-
Others	209,292	-
Other one-time profits (losses) C	(18,336)	(400)
Ordinary profit A + B + C	53,616	111,832

(Reference)

Breakdown of Other Fundamental Income

(millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Fundamental Income	341,495	45,690
Impact from increase or decrease in surrender values in accordance with Market Value Adjustment (MVA)	31,119	(66,568)
Impact from market rate fluctuations of foreign exchange on foreign-currency denominated insurance policies	273,852	103,113
Interest received and/or paid related to currency swap and interest rate swap contracts covering foreign-currency denominated insurance policies	10,231	10,754
Impact from assets held in money trusts and others related to reinsurance dealings	7,347	(1,608)
Policy reserves attributable to the portion of reinsurance specified in Article 71, paragraph 1 of the Ordinance for Enforcement of the Insurance Business Act	(190,348)	-
Ceding reinsurance commissions for the reinsurance specified in Article 71, paragraph 1 of the Ordinance for Enforcement of the Insurance Business Act	209,292	-
Other Capital Gains	-	68,177
Impact from increase or decrease in surrender values in accordance with Market Value Adjustment (MVA)	-	66,568
Impact from assets held in money trusts and others related to reinsurance dealings	-	1,608
Other Capital Losses	322,552	113,867
Impact from increase or decrease in surrender values in accordance with Market Value Adjustment (MVA)	31,119	-
Impact from market rate fluctuations of foreign exchange on foreign-currency denominated insurance policies	273,852	103,113
Interest received and/or paid related to currency swap and interest rate swap contracts covering foreign-currency denominated insurance policies	10,231	10,754
Impact from assets held in money trusts and others related to reinsurance dealings	7,347	-
Other One-Time Gains	190,348	-
Policy reserves attributable to the portion of reinsurance specified in Article 71, paragraph 1 of the Ordinance for Enforcement of the Insurance Business Act	190,348	-
Other One-Time Gains	209,292	-
Ceding reinsurance commissions for the reinsurance specified in Article 71, paragraph 1 of the Ordinance for Enforcement of the Insurance Business Act	209,292	-

6. Solvency Margin Ratio

(millions of yen)

	As of March 31, 2021	As of December 31, 2021
Total solvency margin (A)	570,750	606,646
Common stock, etc	136,386	228,061
Reserve for price fluctuations	30,994	35,294
Contingency reserve	111,326	111,733
General reserve for possible loan losses	7	6
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% *	182,216	125,320
Net unrealized gains (losses) on real estate × 85%*	-	-
Policy reserves in excess of surrender values	109,819	106,230
Qualifying subordinated debt	-	-
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	-	-
Excluded items	-	-
Others	-	-
Total Risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	200,614	194,720
Insurance risk R_1	135	185
3rd sector insurance risk R_8	-	-
Assumed investment yield risk R_2	51,027	45,773
Guaranteed minimum benefit risk R_7	2,794	2,878
Investment risk R_3	140,946	142,246
Business risk R_4	5,847	3,821
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	569.0%	623.0%

* Multiplied by 100% if losses.

Note: 1. The figures as of March 31, 2021 are calculated based on Articles 86 and 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.

2. Guaranteed minimum benefit risk is calculated by the standard method.

7. Separate Account Status

(1) Separate Account Assets by Product

(millions of yen)

	As of March 31, 2021	As of December 31, 2021
Individual variable insurance	39,537	28,895
Individual variable annuities	998,676	916,687
Group annuities	-	-
Separate account total	1,038,213	945,582

(2) Policies in Force

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
Variable insurance (defined term type)	-	-	-	-
Variable insurance (whole life type)	44	385,040	38	341,114
Total	44	385,040	38	341,114

Notes: The outstanding policies in force for individual variable insurance include those managed in general account.

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	471	2,639,398	429	2,334,539

Notes: 1. Total policy amount in force for individual annuities is equal to the sum of (a) the amount required to fund annuity payments when they commence for annuities that have not yet commenced paying out and (b) policy reserves for annuities that have commenced paying out.

2. The outstanding policies in force for individual variable annuities include those managed in general account.

8. Consolidated Financial Summary

Not applicable.