

Financial Results for the Three Months Ended June 30, 2022

The Neo First Life Insurance Company, Limited (the “Company”; President: Yuji Tokuoka) announces its financial results for the three months ended June 30, 2022.

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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, 2022	As of June 30, 2022	% of March 31, 2022 total
Individual insurance	139,008	136,244	98.0
Individual annuities	20	21	104.6
Total	139,028	136,266	98.0
Medical and survival benefits	36,448	38,054	104.4

New Policies

(millions of yen except percentages)

	Three months ended June 30, 2021	Three months ended June 30, 2022	% of June 30, 2021 total
Individual insurance	3,662	2,994	81.7
Individual annuities	—	—	—
Total	3,662	2,994	81.7
Medical and survival benefits	3,081	2,254	73.2

(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, 2022		As of June 30, 2022			
	Number of policies (thousands)	Amount (billions of yen)	Number of policies (thousands)		Amount (billions of yen)	
				% of March 31, 2022 total		% of March 31, 2022 total
Individual insurance	625	1,629.7	650	104.1	1,650.4	101.3
Individual annuities	0	0.3	0	105.6	0.3	100.6
Group insurance	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—

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

New Policies

	Three months ended June 30, 2021				Three months ended June 30, 2022					
	Number of policies (thousands)	Amount (billions of yen)			Number of policies (thousands)		Amount (billions of yen)			
			New Business	Net increase by conversions		% of June 30, 2022 total		% of June 30, 2022 total	New Business	Net increase by conversions
Individual insurance	45	63.0	63.0	—	35	77.4	53.8	85.4	53.8	—
Individual annuities	—	—	—	—	—	—	—	—	—	—
Group insurance	—	—	—	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—	—	—	—

2. Investment Results of General Account

(1) Asset Composition

(millions of yen except percentages)

	As of March 31, 2022		As of June 30, 2022	
	Carrying amount	%	Carrying amount	%
Cash, deposits, and call loans	269,244	64.8	261,174	63.0
Securities repurchased under resale agreements	—	—	—	—
Deposit paid for securities borrowing transactions	—	—	—	—
Monetary claims bought	—	—	—	—
Trading account securities	—	—	—	—
Money held in trust	19,997	4.8	20,001	4.8
Securities	82,304	19.8	89,723	21.6
Domestic bonds	68,125	16.4	77,008	18.6
Domestic stocks	1,460	0.4	1,401	0.3
Foreign securities	12,718	3.1	11,313	2.7
Foreign bonds	12,718	3.1	11,313	2.7
Foreign stocks and other securities	—	—	—	—
Other securities	—	—	—	—
Loans	1,797	0.4	1,803	0.4
Real estate	169	0.0	166	0.0
Deferred tax assets	1,309	0.3	1,364	0.3
Others	40,371	9.7	40,474	9.8
Reserve for possible loan losses	(2)	(0.0)	(2)	(0.0)
Total	415,192	100.0	414,705	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, 2022					As of June 30, 2022				
	Book value	Fair value	Gains (losses)		Book value	Fair value	Gains (losses)			
			Gains	Losses			Gains	Losses		
Held-to-maturity bonds	80,745	79,776	(969)	36	1,005	88,224	86,200	(2,024)	10	2,035
Policy-reserve-matching bonds	—	—	—	—	—	—	—	—	—	—
Stocks of subsidiaries and affiliated companies	—	—	—	—	—	—	—	—	—	—
Available-for-sale securities	1,706	1,558	(147)	58	205	1,706	1,498	(207)	47	254
Domestic bonds	—	—	—	—	—	—	—	—	—	—
Domestic stocks	1,606	1,460	(145)	58	203	1,606	1,401	(204)	47	251
Foreign securities	100	98	(1)	—	1	100	97	(2)	—	2
Foreign bonds	100	98	(1)	—	1	100	97	(2)	—	2
Foreign stocks and other securities	—	—	—	—	—	—	—	—	—	—
Other securities	—	—	—	—	—	—	—	—	—	—
Monetary claims bought	—	—	—	—	—	—	—	—	—	—
Certificates of deposit	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—
Total	82,451	81,334	(1,116)	94	1,210	89,930	87,699	(2,231)	58	2,289
Domestic bonds	68,125	67,170	(954)	26	980	77,008	75,006	(2,001)	4	2,006
Domestic stocks	1,606	1,460	(145)	58	203	1,606	1,401	(204)	47	251
Foreign securities	12,720	12,703	(16)	9	26	11,316	11,291	(25)	6	31
Foreign bonds	12,720	12,703	(16)	9	26	11,316	11,291	(25)	6	31
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, 2022					As of June 30, 2022				
	Value on Balance Sheet	Fair value	Gains (losses)		Value on Balance Sheet	Fair value	Gains (losses)			
			Gains	Losses			Gains	Losses		
Money held in trust	19,997	19,997	(2)	—	2	20,001	20,001	3	3	—

Money held in trust for investment purposes

(millions of yen)

	As of March 31, 2022		As of June 30, 2022	
	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	19,997	(2)	20,001	3

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, 2022 (summarized)	As of June 30, 2022
	Amount	Amount
(ASSETS)		
Cash and deposits	269,244	261,174
Money held in trust	19,997	20,001
Securities	82,304	89,723
[Government bonds]	[—]	[1,401]
[Corporate bonds]	[68,125]	[75,606]
[Domestic stocks]	[1,460]	[1,401]
[Foreign securities]	[12,718]	[11,313]
Loans	1,797	1,803
Policy loans	1,797	1,803
Tangible fixed assets	337	323
Intangible fixed assets	6,306	7,099
Reinsurance receivables	23,359	22,980
Other assets	10,537	10,236
Deferred tax assets	1,309	1,364
Reserve for possible loan losses	(2)	(2)
Total assets	415,192	414,705
(LIABILITIES)		
Policy reserves and others	396,143	398,912
Reserves for outstanding claims	3,285	5,201
Policy reserves	392,857	393,711
Reinsurance payable	462	305
Other liabilities	6,437	5,101
Corporate income tax payable	8	2
Other liabilities	6,429	5,099
Reserve for price fluctuations	10	11
Total liabilities	403,053	404,331
(NET ASSETS)		
Capital stock	47,599	47,599
Capital surplus	39,599	39,599
Legal capital surplus	39,599	39,599
Retained earnings	(74,949)	(76,670)
Other retained earnings	(74,949)	(76,670)
Retained earnings brought forward	(74,949)	(76,670)
Total shareholders' equity	12,248	10,528
Net unrealized gains (losses) on securities, net of tax	(109)	(154)
Total of valuation and translation adjustments, etc.	(109)	(154)
Total net assets	12,139	10,373
Total liabilities and net assets	415,192	414,705

4. Unaudited Quarterly Non-Consolidated Statement of Earnings

(millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
	Amount	Amount
ORDINARY REVENUES	39,255	48,546
Premium and other income	39,146	48,428
[Premium income]	[29,384]	[28,754]
Investment income	97	115
[Interest and dividends]	[87]	[112]
[Gains on money held in trust]	[—]	[3]
[Gains on sale of securities]	[9]	[—]
Other ordinary revenues	12	2
ORDINARY EXPENSES	40,827	50,853
Benefits and claims	19,595	39,197
[Claims]	[326]	[588]
[Annuities]	[59]	[129]
[Benefits]	[1,458]	[3,464]
[Surrender values]	[6,033]	[14,082]
[Other refunds]	[893]	[1,535]
Provision for policy reserves and others	13,126	2,769
Provision for reserves for outstanding claims	360	1,915
Provision for policy reserves	12,765	853
Investment expenses	0	0
[Interest expenses]	[0]	[0]
Operating expenses	7,768	8,283
Other ordinary expenses	337	603
ORDINARY PROFIT (LOSS)	(1,571)	(2,307)
EXTRAORDINARY LOSSES	3	0
Losses on disposal of fixed assets	3	—
Provision for reserve for price fluctuations	0	0
Income (loss) before income taxes	(1,574)	(2,308)
Corporate income taxes - current	2	(547)
Corporate income taxes - deferred	—	(39)
Total of corporate income taxes	2	(587)
Net income (loss) for the period	(1,576)	(1,720)

Notes to the Unaudited Non-Consolidated Balance Sheets

As of June 30, 2022

1. From the three months ended June 30, 2022, the Company is applying the Group Tax Sharing System, with Dai-ichi Life Holdings, Inc. being the parent company under the system.
The Company is therefore carrying out accounting and disclosure related to national and local corporate income tax and tax effect accounting in line with the Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System (Accounting Standards Board of Japan (ASBJ) Practical Solution No. 42 issued August 12, 2021).
2. Dividends Paid
Not applicable.
3. Amounts are rounded off to the unit stated.

Notes to the Unaudited Non-Consolidated Statements of Earnings

Three months ended June 30, 2022

1. Net loss per share for the three months ended June 30, 2022 was ¥414.58.
2. Amounts are rounded off to the unit stated.

5. Breakdown of Ordinary Profit (Fundamental Profit)

(millions of yen)

		Three months ended June 30, 2021	Three months ended June 30, 2022
Fundamental profit (loss)	A	(1,537)	(2,287)
Capital gains		9	3
Gains on money held in trust		—	3
Gains on investment 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 investments 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	9	3
Fundamental profit plus net capital gains (losses)	A + B	(1,528)	(2,284)
Other one-time gains		—	0
Reinsurance income		—	—
Reversal of contingency reserve		—	—
Reversal of specific reserve for possible loan losses		—	0
Others		—	—
Other one-time losses		42	23
Ceding reinsurance commissions		—	—
Provision for contingency reserve		42	23
Provision for specific reserve for possible loan losses		0	—
Provision for specific reserve for loans to refinancing countries		—	—
Write-down of loans		—	—
Others		—	—
Other one-time profits (losses)	C	(42)	(22)
Ordinary profit (loss)	A + B + C	(1,571)	(2,307)

6. Solvency Margin Ratio

(millions of yen)

	As of March 31, 2022	As of June 30, 2022
Total solvency margin (A)	14,057	12,300
Common stock, etc.	12,248	10,528
Reserve for price fluctuations	10	11
Contingency reserve	1,945	1,968
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)	(147)	(207)
Net unrealized gains (losses) on real estate × 85% (Multiplied by 100% if losses)	—	—
Policy reserves in excess of surrender values	53,066	53,853
Qualifying subordinated debt	—	—
Excluded portion of policy reserve in excess of surrender values and qualifying subordinated debt	(53,066)	(53,853)
Excluded items	—	—
Others	—	—
Total risk	2,528	2,578
$\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)		
Insurance risk R ₁	595	599
3rd sector insurance risk R ₈	1,329	1,348
Assumed investment yield risk R ₂	8	8
Guaranteed minimum benefit risk R ₇	—	—
Investment risk R ₃	1,468	1,516
Business risk R ₄	102	104
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1,111.8%	954.1%

(Note) The figures as of March 31, 2022 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 June 30, 2022 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.