
Financial Results for the Nine Months Ended December 31, 2022

The Dai-ichi Life Insurance Company, Limited (the "Company"; President: Seiji Inagaki) announces its financial results for the Nine months ended December 31, 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

(billions of yen)

	As of March 31, 2022	As of December 31, 2022	
			% of March 31, 2022 total
Individual insurance	1,514.0	1,480.5	97.8
Individual annuities	538.6	534.2	99.2
Total	2,052.7	2,014.8	98.2
Medical and survival benefits	708.8	705.5	99.5

New Policies

(billions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022	
			% of December 31, 2021 total
Individual insurance	49.6	30.8	62.1
Individual annuities	8.3	4.9	59.6
Total	57.9	35.8	61.7
Medical and survival benefits	37.9	23.1	60.9

- 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, 2022		As of December 31, 2022			
	Number of policies (thousands)	Amount (billions of yen)	Number of policies		Amount	
			(thousands)	% of March 31, 2022 total	(billions of yen)	% of March 31, 2022 total
Individual insurance	21,642	77,641.9	22,206	102.6	74,301.4	95.7
Individual annuities	2,103	10,833.9	2,079	98.9	10,618.0	98.0
Individual insurance and annuities	23,746	88,475.9	24,286	102.3	84,919.4	96.0
Group insurance	-	50,043.5	-	-	49,516.6	98.9
Group annuities	-	6,169.9	-	-	6,072.5	98.4

- 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 (billions of yen)	New Business	Net increase by conversion	% of December 31, 2021 total
	(thousands)	% of December 31, 2021 total				
Nine months ended December 31, 2021						
Individual insurance	2,930		(218.6)	1,075.4	(1,294.1)	
Individual annuities	66		217.6	221.1	(3.4)	
Individual insurance and annuities	2,996		(0.9)	1,296.6	(1,297.5)	
Group insurance	-		179.3	179.3	-	
Group annuities	-		0.0	0.0	-	
Nine months ended December 31, 2022						
Individual insurance	2,058	70.2	672.7	1,032.7	(360.0)	-
Individual annuities	35	53.3	124.0	125.8	(1.7)	57.0
Individual insurance and annuities	2,093	69.9	796.7	1,158.5	(361.8)	-
Group insurance	-	-	139.5	139.5	-	77.8
Group annuities	-	-	0.0	0.0	-	81.2

- 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, 2022		As of December 31, 2022	
	Carrying amount	%	Carrying amount	%
Cash, deposits, and call loans	906,362	2.4	580,374	1.7
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	239,896	0.6	226,886	0.7
Trading account securities	-	-	-	-
Money held in trust	12,164	0.0	6,538	0.0
Securities	31,697,684	84.6	28,081,354	82.7
Domestic bonds	17,402,782	46.5	17,703,777	52.1
Domestic stocks	3,292,713	8.8	3,021,195	8.9
Foreign securities	10,143,485	27.1	6,642,769	19.6
Foreign bonds	8,620,159	23.0	5,149,668	15.2
Foreign stocks and other securities	1,523,325	4.1	1,493,100	4.4
Other securities	858,702	2.3	713,612	2.1
Loans	2,569,190	6.9	2,726,625	8.0
Policy loans	269,504	0.7	257,745	0.8
Ordinary loans	2,299,685	6.1	2,468,880	7.3
Real estate	1,120,673	3.0	1,137,565	3.3
Real estate for rent	829,952	2.2	855,015	2.5
Deferred tax assets	-	-	220,685	0.6
Others	922,873	2.5	989,722	2.9
Reserve for possible loan losses	(6,501)	(0.0)	(2,906)	(0.0)
Total	37,462,344	100.0	33,966,847	100.0
Foreign currency-denominated assets	9,520,911	25.4	5,820,846	17.1

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, 2022					
Held-to-maturity bonds	47,522	48,407	884	884	-
Domestic bonds	47,522	48,407	884	884	-
Foreign bonds	-	-	-	-	-
Policy-reserve-matching bonds	14,257,659	15,739,225	1,481,566	1,785,121	303,554
Domestic bonds	14,188,057	15,668,980	1,480,923	1,784,464	303,540
Foreign bonds	69,602	70,244	642	656	13
Stocks of subsidiaries and affiliated companies	343	608	265	265	-
Available-for-sale securities	14,107,743	17,018,258	2,910,514	3,218,564	308,049
Domestic bonds	2,844,743	3,167,202	322,459	334,388	11,928
Domestic stocks	1,288,008	3,249,996	1,961,987	1,996,912	34,925
Foreign securities	9,107,577	9,698,712	591,135	843,919	252,784
Foreign bonds	8,172,426	8,550,557	378,131	598,593	220,461
Foreign stocks and other securities	935,151	1,148,155	213,004	245,326	32,322
Other securities	549,207	579,453	30,246	37,714	7,468
Monetary claims bought	235,206	239,896	4,689	5,628	939
Certificates of deposit	83,000	82,997	(2)	0	2
Total	28,413,268	32,806,500	4,393,231	5,004,835	611,603
Domestic bonds	17,080,323	18,884,591	1,804,268	2,119,737	315,469
Domestic stocks	1,288,008	3,249,996	1,961,987	1,996,912	34,925
Foreign securities	9,177,522	9,769,566	592,043	844,841	252,798
Foreign bonds	8,242,028	8,620,802	378,774	599,249	220,475
Foreign stocks and other securities	935,494	1,148,763	213,269	245,592	32,322
Other securities	549,207	579,453	30,246	37,714	7,468
Monetary claims bought	235,206	239,896	4,689	5,628	939
Certificates of deposit	83,000	82,997	(2)	0	2
As of December 31, 2022					
Held-to-maturity bonds	47,749	48,091	342	342	-
Domestic bonds	47,749	48,091	342	342	-
Foreign bonds	-	-	-	-	-
Policy-reserve-matching bonds	14,736,103	14,610,264	(125,839)	1,025,074	1,150,914
Domestic bonds	14,666,502	14,541,258	(125,243)	1,024,960	1,150,203
Foreign bonds	69,601	69,005	(596)	114	710
Stocks of subsidiaries and affiliated companies	-	-	-	-	-
Available-for-sale securities	11,127,988	12,800,713	1,672,724	2,261,110	588,386
Domestic bonds	2,797,936	2,989,525	191,589	219,601	28,011
Domestic stocks	1,235,486	2,973,499	1,738,012	1,761,065	23,052
Foreign securities	6,336,804	6,081,677	(255,127)	261,167	516,294
Foreign bonds	5,398,502	5,080,066	(318,436)	139,449	457,886
Foreign stocks and other securities	938,301	1,001,610	63,309	121,717	58,408
Other securities	452,438	453,125	687	17,225	16,538
Monetary claims bought	229,323	226,886	(2,436)	2,051	4,487
Certificates of deposit	76,000	75,998	(1)	0	1
Total	25,911,841	27,459,069	1,547,227	3,286,528	1,739,300
Domestic bonds	17,512,187	17,578,876	66,688	1,244,904	1,178,215
Domestic stocks	1,235,486	2,973,499	1,738,012	1,761,065	23,052
Foreign securities	6,406,406	6,150,682	(255,723)	261,281	517,005
Foreign bonds	5,468,104	5,149,072	(319,032)	139,564	458,596
Foreign stocks and other securities	938,301	1,001,610	63,309	121,717	58,408
Other securities	452,438	453,125	687	17,225	16,538
Monetary claims bought	229,323	226,886	(2,436)	2,051	4,487
Certificates of deposit	76,000	75,998	(1)	0	1

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.

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

(millions of yen)

	As of March 31, 2022	As of December 31, 2022
Stocks of subsidiaries and affiliated companies	198,792	210,168
Available-for-sale securities	452,622	534,033
Domestic stocks	37,160	40,703
Foreign stocks	9,004	9,004
Others	406,457	484,325
Total	651,415	744,201

- 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: gain of 32,119 million yen as of March 31, 2022 and gain of 51,140 million yen as of December 31, 2022.

(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, 2022	12,164	12,164	973	2,161	1,187
As of December 31, 2022	6,538	6,538	(296)	1,466	1,762

- Note: 1. Fair value in the table above is based on the valuation conducted by the fiduciary on a reasonable basis.
2. "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, 2022		As of December 31, 2022	
	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	12,164	540	6,538	(813)

* 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, 2022 or December 31, 2022.

3. Unaudited Quarterly Balance Sheet

(millions of yen)

	As of March 31, 2022 (summarized)	As of December 31, 2022
(ASSETS)		
Cash and deposits	441,997	150,729
Call loans	479,900	445,600
Monetary claims bought	239,896	226,886
Money held in trust	12,164	6,538
Securities	32,740,845	28,984,091
[Government bonds]	[15,553,967]	[15,993,525]
[Local government bonds]	[106,309]	[117,630]
[Corporate bonds]	[1,873,081]	[1,730,611]
[Stocks]	[3,444,330]	[3,159,196]
[Foreign securities]	[10,610,943]	[7,001,698]
Loans	2,569,190	2,726,625
Policy loans	269,504	257,745
Ordinary loans	2,299,685	2,468,880
Tangible fixed assets	1,128,103	1,144,719
Intangible fixed assets	128,593	128,918
Reinsurance receivable	56,701	72,551
Other assets	845,706	937,160
Deferred tax assets	-	220,685
Customers' liabilities for acceptances and guarantees	45,745	48,997
Reserve for possible loan losses	(6,501)	(2,906)
Reserve for possible investment losses	(779)	(861)
Total assets	38,681,563	35,089,735
(LIABILITIES)		
Policy reserves and others	30,131,727	29,961,863
Reserves for outstanding claims	184,665	202,861
Policy reserves	29,533,839	29,344,023
Reserve for policyholder dividends	413,222	414,978
Reinsurance payable	170,407	431
Subordinated bonds	368,715	368,715
Other liabilities	4,371,360	2,188,965
Payable under repurchase agreements	2,954,780	1,314,841
Corporate income tax payable	47,378	-
Lease liabilities	4,330	3,777
Asset retirement obligations	2,067	2,086
Other liabilities	1,362,803	868,259
Reserve for employees' retirement benefits	398,321	401,714
Reserve for retirement benefits of directors, executive officers and corporate auditors	929	837
Reserve for possible reimbursement of prescribed claims	800	592
Reserve for price fluctuations	250,453	263,203
Deferred tax liabilities	115,454	-
Deferred tax liabilities for land revaluation	70,652	70,321
Acceptances and guarantees	45,745	48,997
Total liabilities	35,924,567	33,305,643
(NET ASSETS)		
Capital stock	60,000	60,000
Capital surplus	320,000	320,000
Legal capital surplus	60,000	60,000
Other capital surplus	260,000	260,000
Retained earnings	251,559	182,786
Other retained earnings	251,559	182,786
Reserve for tax basis adjustments of real estate	7,870	8,575
Reserve for specified business investment	49	49
Retained earnings brought forward	243,639	174,161
Total shareholders' equity	631,560	562,787
Net unrealized gains (losses) on securities, net of tax	2,130,413	1,245,612
Deferred hedge gains (losses)	(21,621)	(54,368)
Reserve for land revaluation	16,643	30,061
Total of valuation and translation adjustments	2,125,435	1,221,305
Total net assets	2,756,996	1,784,092
Total liabilities and net assets	38,681,563	35,089,735

4. Unaudited Quarterly Statement of Earnings

(millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
ORDINARY REVENUES	3,169,539	3,074,847
Premium and other income	1,665,235	1,723,600
[Premium income]	[1,648,227]	[1,689,787]
Investment income	958,315	1,050,118
[Interest and dividends]	[609,207]	[595,355]
[Gains on money held in trust]	[929]	[-]
[Gains on sale of securities]	[247,184]	[399,944]
[Derivative transaction gains]	[-]	[38,108]
[Gains on investments in separate accounts]	[85,053]	[-]
Other ordinary revenues	545,988	301,128
[Transfer from policy reserves]	[437,164]	[189,816]
ORDINARY EXPENSES	2,876,774	2,782,810
Benefits and claims	2,144,423	1,780,873
[Claims]	[473,817]	[496,384]
[Annuities]	[390,884]	[411,337]
[Benefits]	[315,692]	[446,151]
[Surrender values]	[415,198]	[358,709]
[Other refunds]	[171,044]	[66,827]
Provision for policy reserves and others	19,995	24,448
Provision for reserves for outstanding claims	13,771	18,195
Provision for interest on policyholder dividends	6,224	6,252
Investment expenses	233,577	507,556
[Interest expenses]	[7,992]	[7,560]
[Losses on money held in trust]	[-]	[225]
[Losses on sale of securities]	[114,792]	[296,096]
[Losses on valuation of securities]	[5,832]	[5,278]
[Derivative transaction losses]	[35,295]	[-]
[Losses on investments in separate accounts]	[-]	[80,511]
Operating expenses	298,514	288,276
Other ordinary expenses	180,264	181,655
ORDINARY PROFIT	292,765	292,037
EXTRAORDINARY GAINS	162	3,717
Gains on disposal of fixed assets	162	3,717
EXTRAORDINARY LOSSES	20,219	28,343
Losses on disposal of fixed assets	6,226	3,861
Impairment losses on fixed assets	492	11,731
Provision for reserve for price fluctuations	13,500	12,750
Provision for reserve for policyholder dividends	60,889	66,165
Income before income taxes	211,819	201,247
Corporate income taxes-current	60,603	37,709
Corporate income taxes-deferred	(1,181)	19,116
Total of corporate income taxes	59,421	56,826
Net income	152,398	144,420

5. Breakdown of Ordinary Profit (Fundamental Profit)

(millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Fundamental revenues	2,679,159	2,688,057
Premium and other income	1,665,235	1,723,600
Investment income	710,187	611,245
[Interest and dividends]	609,207	595,355
Other ordinary revenues	303,737	353,211
Other fundamental revenues (a)	-	-
Fundamental expenses	2,397,719	2,537,093
Benefits and claims	1,767,831	1,780,873
Provision for policy reserves and others	19,995	24,448
Investment expenses	57,408	146,693
Operating expenses	298,514	288,276
Other ordinary expenses	180,264	181,655
Other fundamental expenses (b)	73,705	115,145
Fundamental profit ^(Note 1)	A 281,440	150,964
Capital gains	321,819	548,235
Gains on money held in trust	929	-
Gains on investments in trading securities	-	-
Gains on sale of securities	247,184	399,944
Derivative transaction gains	-	38,108
Foreign exchange gains	-	-
Others (c)	73,705	110,182
Capital losses	176,160	360,455
Losses on money held in trust	-	225
Losses on investments in trading securities	-	-
Losses on sale of securities	114,792	296,096
Losses on valuation of securities	5,832	5,278
Derivative transaction losses	35,295	-
Foreign exchange losses	20,240	58,855
Others (d)	-	-
Net capital gains (losses)	B 145,659	187,779
Fundamental profit plus net capital gains (losses)	A + B 427,099	338,744
Other one-time gains	296,747	5,782
Reinsurance income	-	-
Reversal of contingency reserve	-	-
Reversal of specific reserve for possible loan losses	(25)	820
Others ^(Note 2)	296,772	4,962
Other one-time losses	431,081	52,489
Ceding reinsurance commissions	-	-
Provision for contingency reserve	-	-
Provision for specific reserve for possible loan losses	-	-
Provision for specific reserve for loans to refinancing countries	-	-
Write-down of loans	8	9
Others ^(Note 3)	431,072	52,480
Other one-time profits (losses)	C (134,333)	(46,707)
Ordinary profit	A + B + C 292,765	292,037

Note 1: Beginning from disclosures for fiscal year 2022, the disclosure method of the breakdown of ordinary profit relating to the hedging costs related to foreign exchange, gain (loss) on mutual funds cancellation and foreign currency fluctuation part of gain (loss) on securities redemption have been modified. The figures for the nine months ended December 31, 2021 were also recalculated based on the modified disclosure method. As a result, compared to before the modification, fundamental profit decreased by 73,645 million yen and net capital gains increased by 73,645 million yen for the nine months ended December 31, 2021.

Note 2: "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) and the adjustment of reinsurance commissions for ceded reinsurance of whole life insurance after payment expiration (for ceded reinsurance in prior years) (For the nine months ended December 31, 2022: 4,962 million yen).

Note 3: "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, 2022: 398 million yen), the amount of the additional policy reserves provided (For the nine months ended December 31, 2021: 54,481 million yen, For the nine months ended December 31, 2022: 52,082 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)

NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS AS OF AND FOR NINE MONTHS ENDED DECEMBER 31, 2022

I. NOTES TO UNAUDITED QUARTERLY BALANCE SHEET AND SHAREHOLDERS' EQUITY, ETC. AS OF DECEMBER 31, 2022

1. Changes in Accounting Policies

(1) Effective the nine months ended December 31, 2022, the Company has applied "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31, June 17, 2021).

In accordance with the transitional treatment set forth in Item 27-2 of "Implementation Guidance on Accounting Standard for Fair Value Measurement", the Company has applied new accounting policies since the beginning of the nine months ended December 31, 2022.

(2) Effective the nine months ended December 31, 2022, the Company has adopted the group tax sharing system, in which Dai-ichi Life Holdings, Inc. is the tax sharing parent company.

The Company has applied the accounting and disclosure treatment of corporate tax, local corporate tax and deferred tax accounting in accordance with Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System (ASBJ PITF No. 42 August 12, 2021).

2. Securities Lending

Securities lent under lending agreements are included in the balance sheet. The total balance of securities lent as of December 31, 2022 was ¥ 2,718,163 million.

3. Contingent Liabilities

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

	(Unit: million yen)
Dai-ichi Life Holdings, Inc.	250,228

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	413,222
Dividend paid.....	(70,661)
Interest accrual.....	6,252
Provision for reserve for policyholder dividends	66,165
<u>Balance as of December 31, 2022.....</u>	<u>414,978</u>

(Additional information)

Given the reduction of assumed interest rate for certain group annuities in the Company, effective the nine months ended December 31, 2022, the Company has divided the existing sub-group of group annuities and set a new sub-group in order to conduct investment management according to characteristics of risk and return. As a result of this division, the sub-groups of insurance products of the Company are:

- a) individual life insurance and annuities (the exception of certain types),
- b) non-participating single premium whole life insurance (without duty of medical disclosure),
- c) financial insurance and annuities,
- d) group annuities (defined contribution corporate pension insurance; defined contribution corporate pension insurance II and certain corporate pension insurances of which the type can be changed to defined contribution corporate pension insurance II), and
- e) group annuities 2 (defined benefit corporate pension insurance, employees' pension fund insurance II, new corporate pension insurance II)

There is no impact of this change on the quarterly financial statements.

II. NOTES TO THE UNAUDITED STATEMENT OF EARNINGS FOR THE NINE MONTHS ENDED DECEMBER 31, 2022

1. Net Income per Share

Net income per share for the nine months ended December 31, 2022 was ¥24,070,158.50. 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 ¥10,206 million and Depreciation was ¥30,887 million for the nine months ended December 31, 2022.

(Reference) Breakdown of other fundamental revenues, etc.

(millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Other fundamental revenues (a)	-	-
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	-	-
Hedging costs related to foreign exchange	-	-
Gain (loss) on mutual funds cancelation	-	-
Foreign currency fluctuation part of gain (loss) on securities redemption	-	-
Other fundamental expenses (b)	73,705	115,145
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	1,778
Hedging costs related to foreign exchange	21,643	56,490
Gain (loss) on mutual funds cancelation	39,646	41,960
Foreign currency fluctuation part of gain (loss) on securities redemption	12,356	9,953
Adjustment of reinsurance premiums for ceded reinsurance of whole life insurance after payment expiration (ceded in prior years)	-	4,962
The impact on fundamental profit <i>(a) - (b)</i>	(73,705)	(115,145)
Other capital gains (c)	73,705	110,182
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	1,778
Hedging costs related to foreign exchange	21,643	56,490
Gain (loss) on mutual funds cancelation	39,646	41,960
Foreign currency fluctuation part of gain (loss) on securities redemption	12,356	9,953
Other capital losses (d)	-	-
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	-	-
Hedging costs related to foreign exchange	-	-
Gain (loss) on mutual funds cancelation	-	-
Foreign currency fluctuation part of gain (loss) on securities redemption	-	-
The impact on net capital gains (losses) <i>(c) - (d)</i>	73,705	110,182

6. Solvency Margin Ratio

(millions of yen)

	As of March 31, 2022	As of December 31, 2022
Total solvency margin (A)	6,483,789	5,647,810
Common stock, etc. ^{*1}	430,227	562,087
Reserve for price fluctuations	250,453	263,203
Contingency reserve	599,893	599,893
General reserve for possible loan losses	260	1,029
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% ^{*2}	2,642,604	1,543,607
Net unrealized gains (losses) on real estate × 85% ^{*2}	361,793	372,776
Policy reserves in excess of surrender values	2,079,201	2,114,914
Qualifying subordinated debt	839,315	759,315
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(769,078)	(664,071)
Excluded items	(500)	(1,650)
Others	49,616	96,703
Total risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	1,429,122	1,295,527
Insurance risk R_1	67,977	66,415
3rd sector insurance risk R_8	158,996	153,454
Assumed investment yield risk R_2	165,744	159,069
Guaranteed minimum benefit risk R_7 ^{*3}	2,901	2,930
Investment risk R_3	1,209,806	1,084,956
Business risk R_4	32,108	29,336
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	907.3%	871.8%

*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, 2022 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, 2022 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, 2022	As of December 31, 2022
Individual variable insurance	62,881	58,285
Individual variable annuities	33,473	30,866
Group annuities	1,668,678	1,570,809
Separate account total	1,765,033	1,659,960

(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, 2022		As of December 31, 2022	
	Number of policies	Amount	Number of policies	Amount
Individual variable insurance (term life)	4	25	2	13
Individual variable insurance (whole life)	38,669	238,167	38,033	234,555
Total	38,673	238,193	38,035	234,568

Note: Policies in force include term life riders.

B. Individual variable annuities

(millions of yen except number of policies)

	As of March 31, 2022		As of December 31, 2022	
	Number of policies	Amount	Number of policies	Amount
Individual variable annuities	4,488	21,104	4,085	17,480

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, 2021	Nine months ended December 31, 2022
Ordinary revenues	3,169,586	3,074,986
Ordinary profit	292,648	291,296
Net income attributable to shareholders of parent company	152,300	143,700
Comprehensive income	326,802	(768,541)

	(millions of yen)	
	As of March 31, 2022	As of December 31, 2022
Total assets	38,679,002	35,080,567
Solvency margin ratio	921.5%	886.8%

(2) Scope of Consolidation and Application of Equity Method

	As of December 31, 2022
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, 2022 (summarized)	As of December 31, 2022
ASSETS		
Cash and deposits	444,435	152,937
Call loans	479,900	445,600
Monetary claims bought	239,896	226,886
Money held in trust	12,164	6,538
Securities	32,735,396	28,978,428
Loans	2,569,190	2,726,625
Tangible fixed assets	1,128,321	1,144,864
Intangible fixed assets	128,772	129,114
Reinsurance receivable	56,701	72,552
Other assets	845,759	937,314
Deferred tax assets	-	214,476
Customers' liabilities for acceptances and guarantees	45,745	48,997
Reserve for possible loan losses	(6,501)	(2,906)
Reserve for possible investment losses	(779)	(861)
Total assets	38,679,002	35,080,567
LIABILITIES		
Policy reserves and others	30,131,766	29,961,965
Reserves for outstanding claims	184,666	202,862
Policy reserves	29,533,878	29,344,124
Reserve for policyholder dividends	413,222	414,978
Reinsurance payable	170,408	433
Bonds payable	368,715	368,715
Other liabilities	4,371,423	2,189,023
Payables under repurchase agreements	2,954,780	1,314,841
Other liabilities	1,416,642	874,181
Net defined benefit liabilities	383,065	379,484
Reserve for retirement benefits of directors, executive officers and corporate auditors	929	837
Reserve for possible reimbursement of prescribed claims	800	592
Reserve for price fluctuations	250,453	263,203
Deferred tax liabilities	119,735	-
Deferred tax liabilities for land revaluation	70,652	70,321
Acceptances and guarantees	45,745	48,997
Total liabilities	35,913,694	33,283,576
NET ASSETS		
Capital stock	60,000	60,000
Capital surplus	320,000	320,000
Retained earnings	249,321	179,829
Total shareholders' equity	629,322	559,829
Net unrealized gains (losses) on securities, net of tax	2,130,413	1,245,612
Deferred hedge gains (losses)	(21,621)	(54,368)
Reserve for land revaluation	16,643	30,061
Foreign currency translation adjustments	(445)	(164)
Accumulated remeasurements of defined benefit plans	10,995	16,020
Total accumulated other comprehensive income	2,135,985	1,237,161
Total net assets	2,765,307	1,796,991
Total liabilities and net assets	38,679,002	35,080,567

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

(millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
ORDINARY REVENUES	3,169,586	3,074,986
Premium and other income	1,665,290	1,723,742
Investment income	958,322	1,050,175
[Interest and dividends]	[609,214]	[595,413]
[Gains on money held in trust]	[929]	-
[Gains on sale of securities]	[247,184]	[399,944]
[Derivative transaction gains]	-	[38,108]
[Gains on investments in separate accounts]	[85,053]	-
Other ordinary revenues	545,973	301,068
ORDINARY EXPENSES	2,876,938	2,783,689
Benefits and claims	2,144,425	1,780,875
[Claims]	[473,819]	[496,384]
[Annuities]	[390,884]	[411,337]
[Benefits]	[315,692]	[446,151]
[Surrender values]	[415,198]	[358,709]
Provision for policy reserves and others	19,995	24,448
Provision for reserves for outstanding claims	13,771	18,195
Provision for interest on policyholder dividends	6,224	6,252
Investment expenses	233,105	507,293
[Interest expenses]	[7,992]	[7,560]
[Losses on money held in trust]	-	[225]
[Losses on sale of securities]	[114,792]	[296,096]
[Losses on valuation of securities]	[5,832]	[5,278]
[Derivative transaction losses]	[35,295]	-
[Losses on investments in separate accounts]	-	[80,511]
Operating expenses	298,825	288,772
Other ordinary expenses	180,585	182,300
Ordinary profit	292,648	291,296
EXTRAORDINARY GAINS	162	3,717
Gains on disposal of fixed assets	162	3,717
EXTRAORDINARY LOSSES	20,219	28,343
Losses on disposal of fixed assets	6,226	3,861
Impairment losses on fixed assets	492	11,731
Provision for reserve for price fluctuations	13,500	12,750
Provision for reserve for policyholder dividends	60,889	66,165
Income before income taxes	211,702	200,506
Corporate income taxes-current	60,603	37,709
Corporate income taxes-deferred	(1,200)	19,096
Total of corporate income taxes	59,402	56,806
Net income	152,300	143,700
Net income attributable to shareholders of parent company	152,300	143,700

[Unaudited Quarterly Consolidated Statement of Comprehensive Income]

(millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net income	152,300	143,700
Other comprehensive income	174,502	(912,241)
Net unrealized gains (losses) on securities, net of tax	171,917	(884,801)
Deferred hedge gains (losses)	1,679	(32,747)
Foreign currency translation adjustments	(1,411)	281
Remeasurements of defined benefit plans, net of tax	2,317	5,025
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	(0)	(0)
Comprehensive income	326,802	(768,541)
Attributable to shareholders of parent company	326,802	(768,541)

NOTES TO THE UNAUDITED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE NINE MONTHS ENDED DECEMBER 31, 2022

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, 2022

1. Changes in Accounting Policies

Effective the nine months ended December 31, 2022, the Company has applied "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31, June 17, 2021).

In accordance with the transitional treatment set forth in Item 27-2 of "Implementation Guidance on Accounting Standard for Fair Value Measurement", the Company has applied new accounting policies since the beginning of the nine months ended December 31, 2022.

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, 2022 was ¥2,718,163 million.

3. Contingent Liabilities

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

	(Unit: million yen)
Dai-ichi Life Holdings, Inc.	250,228

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.....	413,222
Dividends paid during the period.....	70,661
Interest accrual during the period.....	6,252
Provision for reserve for policyholder dividends	66,165
<hr/> Balance as of December 31, 2022.....	<hr/> 414,978

5. Risk Management Policy of Policy-Reserve-Matching Bonds

Given the reduction of assumed interest rate for certain group annuities in the Company, effective the nine months ended December 31, 2022, the Company has divided the existing sub-group of group annuities and set a new sub-group in order to conduct investment management according to characteristics of risk and return. As a result of this division, the sub-groups of insurance products of the Company are:

- individual life insurance and annuities (the exception of certain types),
- non-participating single premium whole life insurance (without duty of medical disclosure),
- financial insurance and annuities,
- group annuities (defined contribution corporate pension insurance; defined contribution corporate pension insurance II and certain corporate pension insurances of which the type can be changed to defined contribution corporate pension insurance II), and
- group annuities 2 (defined benefit corporate pension insurance, employees' pension fund insurance (II) and new corporate pension insurance (II)).

There is no impact of this change on the quarterly consolidated financial statements.

6. Adoption of the Group Tax Sharing System

Effective the nine months ended December 31, 2022, the Company has adopted the group tax sharing system, in which Dai-ichi Life Holdings, Inc. is the tax sharing parent company. The Company has applied the accounting and disclosure treatment of corporate tax, local corporate tax and deferred tax accounting in accordance with Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System (ASBJ PITF No. 42 August 12, 2021).

7. Dividends on Common Stock

Date of resolution	June 15, 2022 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥199,776 million
Dividends per share	¥33,296,000
Record date	March 31, 2022
Effective date	June 16, 2022
Dividend resource	Retained earnings

III. NOTES TO THE UNAUDITED QUARTERLY CONSOLIDATED STATEMENT OF EARNINGS FOR THE NINE MONTHS ENDED DECEMBER 31, 2022

1. Net Income per Share

Net income per share for the nine months ended December 31, 2022 was ¥23,950,086.33.

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 ¥10,206 million and Depreciation was ¥31,023 million for the nine months ended December 31, 2022.

(5) Consolidated Solvency Margin Ratio

(millions of yen)

	As of March 31, 2022	As of December 31, 2022
Total solvency margin (A)	6,310,480	5,468,445
Common stock, etc. *1	431,384	559,962
Reserve for price fluctuations	250,453	263,203
Contingency reserve	599,893	599,893
Catastrophe loss reserve	-	-
General reserve for possible loan losses	278	1,048
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% *2	2,642,604	1,543,607
Net unrealized gains (losses) on real estate × 85% *2	361,793	372,776
Sum of unrecognized actuarial differences and unrecognized past service cost	15,522	22,495
Policy reserves in excess of surrender values	2,079,201	2,114,914
Qualifying subordinated debt	839,315	759,315
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(769,078)	(666,196)
Excluded items	(190,520)	(199,294)
Others	49,631	96,719
Total risk $\sqrt{\sqrt{R_1^2 + R_5^2 + R_8 + R_9}} + (R_2 + R_3 + R_7)^2 + R_4 + R_6$ (B)	1,369,500	1,233,201
Insurance risk R ₁	67,983	66,426
General insurance risk R ₅	-	-
Catastrophe risk R ₆	-	-
3rd sector insurance risk R ₈	158,996	153,454
Small amount and short-term insurance risk R ₉	15	15
Assumed investment yield risk R ₂	165,744	159,069
Guaranteed minimum benefit risk R ₇ *3	2,901	2,930
Investment risk R ₃	1,150,543	1,022,874
Business risk R ₄	30,923	28,095
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	921.5%	886.8%

*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, 2022 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, 2022 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.