

Financial Results for the Nine Months Ended December 31, 2022

The Neo First Life Insurance Company, Limited (the “Company”; President: Yuji Tokuoka) announces its financial results for the nine months ended December 31, 2022.

[Contents]

Financial Summary for the Nine Months Ended December 31, 2022

1. Business Highlights	P.1
2. Investment Results of General Account	P.3
3. Unaudited Quarterly Non-Consolidated Balance Sheet	P.6
4. Unaudited Quarterly Non-Consolidated Statement of Earnings	P.7
5. Breakdown of Ordinary Profit (Fundamental Profit)	P.9
6. Solvency Margin Ratio	P.10
7. Status of Separate Account	P.10
8. Consolidated Financial Summary	P.10

* 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 December 31, 2022	% of March 31, 2022 total
Individual insurance	139,008	128,791	92.7
Individual annuities	20	25	122.2
Total	139,028	128,817	92.7
Medical and survival benefits	36,448	41,187	113.0

- New Policies (millions of yen except percentages)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022	% of December 31, 2021 total
Individual insurance	10,765	8,695	80.8
Individual annuities	—	—	—
Total	10,765	8,695	80.8
Medical and survival benefits	8,991	6,748	75.1

- 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 December 31, 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	711	113.9	1,693.1	103.9
Individual annuities	0	0.3	0	127.8	0.3	114.0
Group insurance	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—

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

- New Policies

	Nine months ended December 31, 2021				Nine months ended December 31, 2022					
	Number of policies (thousands)	Amount (billions of yen)			Number of policies (thousands)		Amount (billions of yen)			
			New business	Net increase by conversions		% of December 31, 2021 total		% of December 31, 2021 total	New business	Net increase by conversions
Individual insurance	133	187.8	187.8	—	117	87.8	158.3	84.3	158.3	—
Individual annuities	—	—	—	—	—	—	—	—	—	—
Group insurance	—	—	—	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—	—	—	—

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	269,244	64.8	265,069	64.2
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	—	—
Securities	82,304	19.8	98,480	23.8
Domestic bonds	68,125	16.4	86,525	21.0
Domestic stocks	1,460	0.4	1,450	0.4
Foreign securities	12,718	3.1	10,504	2.5
Foreign bonds	12,718	3.1	10,504	2.5
Foreign stocks and other securities	—	—	—	—
Other securities	—	—	—	—
Loans	1,797	0.4	1,940	0.5
Real estate	169	0.0	159	0.0
Deferred tax assets	1,309	0.3	1,690	0.4
Others	40,371	9.7	45,654	11.1
Reserve for possible loan losses	(2)	(0.0)	(2)	(0.0)
Total	415,192	100.0	412,993	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 December 31, 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	96,935	92,271	(4,663)	2	4,666
Policy-reserve-matching bonds	—	—	—	—	—	—	—	—	—	—
Stocks of subsidiaries and affiliated companies	—	—	—	—	—	—	—	—	—	—
Available-for-sale securities	1,706	1,558	(147)	58	205	1,706	1,544	(161)	173	335
Domestic bonds	—	—	—	—	—	—	—	—	—	—
Domestic stocks	1,606	1,460	(145)	58	203	1,606	1,450	(155)	173	329
Foreign securities	100	98	(1)	—	1	100	94	(5)	—	5
Foreign bonds	100	98	(1)	—	1	100	94	(5)	—	5
Foreign stocks and other securities	—	—	—	—	—	—	—	—	—	—
Other securities	—	—	—	—	—	—	—	—	—	—
Monetary claims bought	—	—	—	—	—	—	—	—	—	—
Certificates of deposit	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—
Total	82,451	81,334	(1,116)	94	1,210	98,641	93,816	(4,825)	176	5,001
Domestic bonds	68,125	67,170	(954)	26	980	86,525	81,903	(4,621)	0	4,622
Domestic stocks	1,606	1,460	(145)	58	203	1,606	1,450	(155)	173	329
Foreign securities	12,720	12,703	(16)	9	26	10,509	10,462	(47)	2	49
Foreign bonds	12,720	12,703	(16)	9	26	10,509	10,462	(47)	2	49
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 December 31, 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	—	—	—	—	—

- Money held in trust for investment purposes

(millions of yen)

	As of March 31, 2022		As of December 31, 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)	—	—

- 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 December 31, 2022
	Amount	Amount
(ASSETS)		
Cash and deposits	269,244	265,069
Money held in trust	19,997	—
Securities	82,304	98,480
[Government bonds]	[—]	[3,659]
[Corporate bonds]	[68,125]	[82,865]
[Domestic stocks]	[1,460]	[1,450]
[Foreign securities]	[12,718]	[10,504]
Loans	1,797	1,940
Policy loans	1,797	1,940
Tangible fixed assets	337	297
Intangible fixed assets	6,306	8,988
Reinsurance receivables	23,359	23,758
Other assets	10,537	12,770
Deferred tax assets	1,309	1,690
Reserve for possible loan losses	(2)	(2)
Total assets	415,192	412,993
(LIABILITIES)		
Policy reserves and others	396,143	402,357
Reserves for outstanding claims	3,285	6,492
Policy reserves	392,857	395,865
Reinsurance payables	462	347
Other liabilities	6,437	5,591
Corporate income tax payable	8	6
Other liabilities	6,429	5,585
Reserve for price fluctuations	10	12
Total liabilities	403,053	408,309
(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)	(82,394)
Other retained earnings	(74,949)	(82,394)
Retained earnings brought forward	(74,949)	(82,394)
Total shareholders' equity	12,248	4,804
Net unrealized gains (losses) on securities, net of tax	(109)	(120)
Total of valuation and translation adjustments, etc.	(109)	(120)
Total net assets	12,139	4,683
Total liabilities and net assets	415,192	412,993

4. Unaudited Quarterly Non-Consolidated Statement of Earnings

(millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
	Amount	Amount
ORDINARY REVENUES	134,577	167,244
Premium and other income	134,235	166,842
[Premium income]	[99,721]	[95,345]
Investment income	327	380
[Interest and dividends]	[288]	[380]
[Gains on money held in trust]	[29]	[—]
[Gains on sale of securities]	[9]	[—]
Other ordinary revenues	14	22
ORDINARY EXPENSES	140,064	177,233
Benefits and claims	67,012	144,186
[Claims]	[1,450]	[2,321]
[Annuities]	[247]	[311]
[Benefits]	[5,134]	[14,099]
[Surrender values]	[21,126]	[51,988]
[Other refunds]	[3,135]	[6,257]
Provision for policy reserves and others	47,000	6,214
Provision for reserves for outstanding claims	874	3,206
Provision for policy reserves	46,126	3,008
Investment expenses	2	13
[Interest expenses]	[1]	[4]
[Losses on money held in trust]	[—]	[8]
Operating expenses	24,882	24,745
Other ordinary expenses	1,166	2,074
ORDINARY PROFIT (LOSS)	(5,486)	(9,988)
EXTRAORDINARY LOSSES	35	1
Losses on disposal of fixed assets	32	—
Provision for reserve for price fluctuations	3	1
Income (loss) before income taxes	(5,522)	(9,990)
Corporate income taxes - current	6	(2,168)
Corporate income taxes - deferred	—	(377)
Total of corporate income taxes	6	(2,545)
Net income (loss) for the period	(5,528)	(7,444)

Notes to the Unaudited Non-Consolidated Balance Sheets

As of December 31, 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 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

Nine months ended December 31, 2022
1. Net loss per share for the nine months ended December 31, 2022 was ¥1,793.94.
2. Amounts are rounded off to the unit stated.

5. Breakdown of Ordinary Profit (Fundamental Profit)

(millions of yen)

		Nine months ended December 31, 2021	Nine months ended December 31, 2022
Fundamental profit (loss)	A	(5,401)	(9,912)
Capital gains		39	—
Gains on money held in trust		29	—
Gains on investment in trading securities		—	—
Gains on sale of securities		9	—
Derivative transaction gains		—	—
Foreign exchange gains		—	—
Others		—	—
Capital losses		—	8
Losses on money held in trust		—	8
Losses on investment in trading securities		—	—
Losses on sale of securities		—	—
Losses on valuation of securities		—	—
Derivative transaction losses		—	—
Foreign exchange losses		—	—
Others		—	—
Net capital gains (losses)	B	39	(8)
Fundamental profit plus net capital gains (losses)	A + B	(5,361)	(9,920)
Other one-time gains		—	—
Reinsurance income		—	—
Reversal of contingency reserve		—	—
Reversal of specific reserve for possible loan losses		—	—
Others		—	—
Other one-time losses		125	68
Ceding reinsurance commissions		—	—
Provision for contingency reserve		124	67
Provision for specific reserve for possible loan losses		0	0
Provision for specific reserve for loans to refinancing countries		—	—
Write-down of loans		—	—
Others		—	—
Other one-time profits (losses)	C	(125)	(68)
Ordinary profit (loss)	A + B + C	(5,486)	(9,988)

6. Solvency Margin Ratio

(millions of yen)

	As of March 31, 2022	As of December 31, 2022
Total solvency margin (A)	14,057	6,668
Common stock, etc.	12,248	4,804
Reserve for price fluctuations	10	12
Contingency reserve	1,945	2,013
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)	(161)
Net unrealized gains (losses) on real estate × 85% (Multiplied by 100% if losses)	—	—
Policy reserves in excess of surrender values	53,066	56,637
Qualifying subordinated debt	—	—
Excluded portion of policy reserve in excess of surrender values and qualifying subordinated debt	(53,066)	(56,637)
Excluded items	—	—
Others	—	—
Total risk		
$\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	2,528	2,524
Insurance risk R ₁	595	604
3rd sector insurance risk R ₈	1,329	1,387
Assumed investment yield risk R ₂	8	9
Guaranteed minimum benefit risk R ₇	—	—
Investment risk R ₃	1,468	1,370
Business risk R ₄	102	101
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1,111.8%	528.1%

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 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

Not applicable.

8. Consolidated Financial Summary

Not applicable.