
Financial Results for the Three Months Ended June 30, 2023

The Dai-ichi Frontier Life Insurance Co., Ltd. (the "Company"; President: Mamoru Akashi) announces its financial results for the three months ended June 30, 2023

[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, 2023	As of June 30, 2023	
			% of March 31, 2023 total
Individual insurance	549,672	595,121	108.3
Individual annuities	414,813	464,136	111.9
Total	964,485	1,059,257	109.8
Medical and survival benefits	5,397	6,162	114.2

New Policies

(millions of yen except percentages)

	Three months ended June 30, 2022	Three months ended June 30, 2023	% of June 30, 2022 total
Individual annuities	28,964	52,347	180.7
Total	45,487	75,173	165.3
Medical and survival benefits	402	525	130.7

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, 2023		As of June 30, 2023			
	Number of Policies (thousands)	Amount (millions of yen)	Number of Policies		Amount	
			(thousands)	% of March 31, 2023 total	(millions of yen)	% of March 31, 2023 total
Individual insurance	910	6,649,740	944	103.7	7,253,994	109.1
Individual annuities	771	3,962,170	798	103.4	4,351,264	109.8
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 (millions of yen)	Amount		
	(thousands)	% of June 30, 2022 total		% of June 30, 2022 total	New Business	Net increase from conversions
Three months ended June 30, 2023						
Individual insurance	48	150.7	299,040	146.2	299,040	-
Individual annuities	68	123.4	406,243	147.8	406,243	-
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-
Three months ended June 30, 2022						
Individual insurance	32		204,608		204,608	-
Individual annuities	55		274,903		274,903	-
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, 2023		As of June 30, 2023	
	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	749,050	9.4	768,788	8.9
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	21,550	0.3	20,750	0.2
Trading account securities	-	-	-	-
Money held in trust	904,519	11.3	852,381	9.9
Securities	6,060,001	76.0	6,658,792	77.1
Domestic bonds	1,833,660	23.0	1,935,551	22.4
Domestic stocks	-	-	-	-
Foreign securities	4,114,497	51.6	4,603,357	53.3
Foreign bonds	4,114,497	51.6	4,603,357	53.3
Foreign stocks and other securities	-	-	-	-
Other securities	111,843	1.4	119,883	1.4
Loans	-	-	-	-
Real estate	737	0.0	723	0.0
Deferred tax assets	52,685	0.7	60,390	0.7
Others	184,087	2.3	271,290	3.1
Reserve for possible loan losses	(59)	(0.0)	(88)	(0.0)
Total	7,972,573	100.0	8,633,028	100.0
Foreign currency-denominated assets	4,337,627	54.4	4,799,479	55.6

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 June 30, 2023					
Bonds held to maturity	-	-	-	-	-
Policy-reserve-matching bonds	4,769,985	4,487,446	(282,538)	26,206	308,745
Stocks of subsidiaries and affiliates	-	-	-	-	-
Securities available for sale	1,990,383	1,909,557	(80,826)	2,867	83,694
Domestic bonds	466,845	461,552	(5,293)	916	6,209
Domestic stocks	-	-	-	-	-
Foreign securities	1,379,559	1,307,371	(72,188)	1,808	73,996
Foreign bonds	1,379,559	1,307,371	(72,188)	1,808	73,996
Foreign stocks and other securities	-	-	-	-	-
Other securities	122,811	119,883	(2,927)	143	3,071
Monetary claims bought	21,166	20,750	(416)	-	416
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	6,760,369	6,397,004	(363,364)	29,074	392,439
Domestic bonds	1,940,845	1,924,019	(16,825)	22,367	39,193
Domestic stocks	-	-	-	-	-
Foreign securities	4,675,546	4,332,351	(343,195)	6,563	349,758
Foreign bonds	4,675,546	4,332,351	(343,195)	6,563	349,758
Foreign stocks and other securities	-	-	-	-	-
Other securities	122,811	119,883	(2,927)	143	3,071
Monetary claims bought	21,166	20,750	(416)	-	416
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
As of March 31, 2023					
Bonds held to maturity	-	-	-	-	-
Policy-reserve-matching bonds	4,355,670	4,137,776	(217,893)	29,122	247,016
Stocks of subsidiaries and affiliates	-	-	-	-	-
Securities available for sale	1,786,466	1,725,882	(60,583)	4,211	64,795
Domestic bonds	429,092	422,997	(6,095)	643	6,738
Domestic stocks	-	-	-	-	-
Foreign securities	1,221,519	1,169,490	(52,028)	3,554	55,583
Foreign bonds	1,221,519	1,169,490	(52,028)	3,554	55,583
Foreign stocks and other securities	-	-	-	-	-
Other securities	113,812	111,843	(1,968)	13	1,981
Monetary claims bought	22,041	21,550	(491)	-	491
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	6,142,136	5,863,658	(278,477)	33,334	311,811
Domestic bonds	1,839,755	1,821,640	(18,115)	21,150	39,266
Domestic stocks	-	-	-	-	-
Foreign securities	4,166,526	3,908,624	(257,902)	12,170	270,072
Foreign bonds	4,166,526	3,908,624	(257,902)	12,170	270,072
Foreign stocks and other securities	-	-	-	-	-
Other securities	113,812	111,843	(1,968)	13	1,981
Monetary claims bought	22,041	21,550	(491)	-	491
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 June 30, 2023	852,381	852,381	9,463	28
As of March 31, 2023	904,519	904,519	(2,256)	4,113

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, 2023		As of June 30, 2023	
	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	904,519	(2,256)	852,381	9,463

*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, 2023 Summarized	As of June 30, 2023
	Amount	Amount
(ASSETS)		
Cash and deposits	758,582	779,264
Monetary claims bought	21,550	20,750
Money held in trust	904,519	852,381
Securities	6,714,344	7,221,688
[Government bonds]	[551,236]	[596,807]
[Local government bonds]	[46,413]	[54,061]
[Corporate bonds]	[1,236,011]	[1,284,682]
[Foreign securities]	[4,124,858]	[4,613,756]
Tangible fixed assets	1,152	1,118
Intangible fixed assets	16,370	16,325
Reinsurance receivables	43,046	74,370
Other assets	126,198	181,963
Deferred tax assets	52,685	60,390
Reserve for possible loan losses	(59)	(88)
Total assets	8,638,390	9,208,164

(millions of yen)

	As of March 31, 2023 Summarized	As of June 30, 2023
	Amount	Amount
(LIABILITIES)		
Policy reserves and others	7,650,331	8,178,262
Reserves for outstanding claims	29,529	27,856
Policy reserves	7,620,802	8,150,405
Reinsurance payable	498,907	485,884
Other liabilities	250,554	340,634
Corporate income tax payable	-	2
Lease liabilities	119	110
Other liabilities	250,434	340,521
Reserve for employees' retirement benefits	42,094	43,594
Total liabilities	8,441,887	9,048,375
(NET ASSETS)		
Capital stock	117,500	117,500
Capital surplus	67,500	67,500
Legal capital surplus	67,500	67,500
Retained earnings	56,582	34,931
Retained Earnings Reserves	8,000	8,000
Other retained earnings	48,582	26,931
Retained earnings brought forward	48,582	26,931
Total shareholders' equity	241,582	219,931
Net unrealized gains on securities, net of tax	(45,080)	(60,142)
Total of valuation and translation adjustments	(45,080)	(60,142)
Total net assets	196,502	159,789
Total liabilities and net assets	8,638,390	9,208,164

4. Unaudited Quarterly Statement of Earnings

(millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
	Amount	Amount
ORDINARY REVENUES	1,177,032	1,211,592
Premium and other income	599,974	753,745
[Premium income]	[413,545]	[630,717]
Investment income	474,036	456,166
[Interest and dividends]	[44,783]	[47,146]
[Gains on money held in trust]	[-]	[9,463]
[Gains on sale of securities]	[7,498]	[1,171]
[Derivative transaction gains]	[-]	[8,022]
[Foreign exchange gains]	[421,329]	[357,667]
[Gains on investment in separate accounts]	[-]	[32,691]
Other ordinary revenues	103,022	1,680
[Reversal of reserves for outstanding claims]	[1,867]	[1,672]
[Reversal of policy reserves]	[101,147]	[-]
ORDINARY EXPENSES	1,201,715	1,239,170
Benefits and claims	1,096,575	675,127
[Claims]	[42,986]	[51,149]
[Annuities]	[35,234]	[143,290]
[Benefits]	[32,895]	[35,770]
[Surrender values]	[673,014]	[134,920]
[Other refunds]	[1,474]	[2,360]
Provision for policy reserves and others	-	529,603
Provision for policy reserve	-	529,603
Investment expenses	84,165	7,964
[Interest expenses]	[2]	[0]
[Losses on money held in trust]	[189]	[-]
[Losses on sale of securities]	[35,874]	[7,704]
[Derivative transaction losses]	[29,228]	[-]
[Losses on investment in separate accounts]	[18,392]	[-]
Operating expenses	17,526	21,796
Other ordinary expenses	3,447	4,678
ORDINARY LOSS	24,682	27,577
EXTRAORDINARY LOSSES	1,500	1,500
Losses on disposal of fixed assets	-	0
Provision for reserve for price fluctuations	1,500	1,500
Loss before income taxes	26,182	29,077
Corporate income taxes - current	(5,573)	(4,902)
Corporate income taxes-deferred	(1,125)	(2,524)
Total of corporate income taxes	(6,698)	(7,426)
Net loss for the period	19,483	21,650

Notes to the Unaudited Quarterly Balance Sheet

- Securities lent under lending agreements are included in the balance sheets. Total balance of securities lent as of June 30, 2023 was 410,961 million yen.
- 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	20,750	20,750	-
(2) Money held in trust	852,381	852,381	-
(3) Securities	7,221,688	6,939,149	(282,538)
(a) Trading securities	562,895	562,895	-
(b) Policy-reserve-matching bonds	4,769,985	4,487,446	(282,538)
(c) Other securities	1,888,807	1,888,807	-
Assets total	8,094,820	7,812,281	(282,538)
Derivative transactions *2			
(a) Derivative transactions to which hedge accounting is not applied	45,577	45,577	-
Derivative transactions total	45,577	45,577	-

(*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) Derivative transactions include those related to the money held in trust.

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 fair value of monetary claims bought are determined using the prices obtained from financial institutions.

(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 quoted market price. Fair value of mutual funds is based on unit price.

(d) Derivative transactions

For exchange-traded transactions, fair value is determined by quoted market prices.

For OTC (over-the-counter) transactions, fair value is determined using amounts discounted to present value obtained from external brokers and financial institutions as well as prices calculated using evaluation techniques such as the discounted cash flow method in accordance with the type of transaction and the maturity period.

Notes to the Unaudited Quarterly Statement of Earnings

- Net loss per share for the three months ended June 30, 2023 was 11,703,115.52 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)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Fundamental revenues	1,186,897	1,230,671
Premium and other income	599,974	753,745
Investment income	45,207	79,840
[Interest and dividends]	44,783	47,146
Other ordinary revenues	106,610	1,680
Other fundamental revenues (a)	435,105	395,404
Fundamental expenses	1,189,683	1,233,110
Benefits and claims	1,096,575	675,127
Provision for policy reserves and others	-	522,525
Investment expenses	18,873	260
Operating expenses	17,526	21,796
Other ordinary expenses	3,447	4,678
Other fundamental expenses (b)	53,260	8,722
Fundamental profit (loss) A	(2,785)	(2,439)
Capital gains	482,088	385,048
Gains on money held in trust	-	9,463
Gains on investments in trading securities	-	-
Gains on sale of securities	7,498	1,171
Derivative transaction gains	-	8,022
Foreign exchange gains	421,329	357,667
Others (c)	53,260	8,722
Capital losses	498,442	403,108
Losses on money held in trust	189	-
Losses on investments in trading securities	-	-
Losses on sale of securities	35,874	7,704
Losses on valuation of securities	-	-
Derivative transaction losses	29,228	-
Foreign exchange losses	-	-
Others (d)	433,150	395,404
Net capital gains (losses) B	(16,353)	(18,060)
Fundamental profit plus net capital gains (losses) A + B	(19,139)	(20,499)
Other one-time gains	-	0
Reinsurance income	-	-
Reversal of contingency reserve	-	-
Reversal of specific reserve for possible loan losses	-	0
Others (e)	-	-
Other one-time losses	5,543	7,078
Ceding reinsurance commissions	-	-
Provision for contingency reserve	3,587	7,078
Provision for specific reserve for possible loan losses	0	-
Provision for specific reserve for loans to refinancing countries	-	-
Write-down of loans	-	-
Others (f)	1,955	-
Other one-time profits (losses) C	(5,543)	(7,077)
Ordinary profit (loss) A + B + C	(24,682)	(27,577)

(Reference)

Breakdown of other fundamental revenues, etc.

(millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Other fundamental revenues (a)	435,105	395,404
Impact from market rate fluctuations of foreign exchange on foreign-currency denominated insurance policies	429,705	391,281
Interest received and/or paid related to currency swap and interest rate swap contracts covering foreign-currency denominated insurance policies	3,444	4,122
Amount of Reinsurance Premium for Cancellation of Existing Reinsurance	1,955	-
Other fundamental expenses (b)	53,260	8,722
Forex hedge cost	149	678
Gains and losses from cancellation of mutual funds	3	-
Impact from increase or decrease in surrender values in accordance with Market Value Adjustment (MVA)	48,788	6,982
Impact from assets held in money trusts and others related to reinsurance dealings	4,318	1,061
The impact on fundamental profit (a) - (b)	381,845	386,681
Other capital gains (c)	53,260	8,722
Forex hedge cost	149	678
Gains and losses from cancellation of mutual funds	3	-
Impact from increase or decrease in surrender values in accordance with Market Value Adjustment (MVA)	48,788	6,982
Impact from assets held in money trusts and others related to reinsurance dealings	4,318	1,061
Other capital losses (d)	433,150	395,404
Impact from market rate fluctuations of foreign exchange on foreign-currency denominated insurance policies	429,705	391,281
Interest received and/or paid related to currency swap and interest rate swap contracts covering foreign-currency denominated insurance policies	3,444	4,122
The impact on net capital gains (losses) (c) - (d)	(379,889)	(386,681)
Other one-time gains (e)	-	-
Other one-time losses (f)	1,955	-
Amount of Reinsurance Premium for Cancellation of Existing Reinsurance	1,955	-
The impact other one-time profits (losses) (e) - (f)	(1,955)	-

6. Solvency Margin Ratio

(millions of yen)

	As of March 31, 2023	As of June 30, 2023
Total solvency margin (A)	465,567	433,234
Common stock, etc	241,582	219,931
Reserve for price fluctuations	42,094	43,594
Contingency reserve	99,497	106,575
General reserve for possible loan losses	57	86
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% *	(60,583)	(80,826)
Net unrealized gains (losses) on real estate × 85%*	-	-
Policy reserves in excess of surrender values	124,026	133,398
Qualifying subordinated debt	-	-
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	-	-
Excluded items	-	-
Others	18,893	10,473
Total Risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	211,351	231,825
Insurance risk R_1	216	240
3rd sector insurance risk R_8	6	9
Assumed investment yield risk R_2	51,232	60,741
Guaranteed minimum benefit risk R_7	1,898	860
Investment risk R_3	154,071	165,672
Business risk R_4	4,148	4,550
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	440.5%	373.7%

* Multiplied by 100% if losses.

Note: 1. The figures as of March 31, 2023 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 June 30, 2023 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, 2023	As of June 30, 2023
Individual variable insurance	14,099	16,692
Individual variable annuities	651,717	558,442
Group annuities	-	-
Separate account total	665,816	575,135

(2) Policies in Force

A. Individual Variable Insurance

(millions of yen except number of policies)

	As of March 31, 2023		As of June 30, 2023	
	Number of policies (thousands)	Amount	Number of policies (thousands)	Amount
Variable insurance (defined term type)	-	-	-	-
Variable insurance (whole life type)	32	285,619	31	285,591
Total	32	285,619	31	285,591

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

B. Individual Variable A

(millions of yen except number of policies)

	As of March 31, 2023		As of June 30, 2023	
	Number of policies (thousands)	Amount	Number of policies (thousands)	Amount
Individual variable annuities	297	1,570,738	265	1,428,332

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.