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# Financial Results for the Nine Months Ended December 31, 2023

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The Dai-ichi Frontier Life Insurance Co., Ltd. (the "Company"; President: Mamoru Akashi) announces its financial results for the nine months ended December 31, 2023.

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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, 2023	As of December 31, 2023	
			% of March 31, 2023 total
Individual insurance	549,672	632,035	115.0
Individual annuities	414,813	504,864	121.7
Total	964,485	1,136,900	117.9
Medical and survival benefits	5,397	7,141	132.3

#### New Policies

(millions of yen except percentages)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023	
			% of December 31, 2022 total
Individual insurance	68,130	93,049	136.6
Individual annuities	94,262	147,736	156.7
Total	162,393	240,785	148.3
Medical and survival benefits	1,655	1,674	101.2

- 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 December 31, 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	1,080	118.7	8,040,077	120.9
Individual annuities	771	3,962,170	850	110.2	4,586,740	115.8
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			
	(thousands)	% of December 31, 2022 total	(millions of yen)	% of December 31, 2022 total	New Business	Net increase from conversions
Nine months ended December 31, 2023						
Individual insurance	223	165.9	1,253,607	144.1	1,253,607	-
Individual annuities	215	113.8	1,209,885	126.4	1,209,885	-
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-
Nine months ended December 31, 2022						
Individual insurance	134	-	870,180	-	870,180	-
Individual annuities	189	-	956,812	-	956,812	-
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 December 31, 2023	
	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	749,050	9.4	582,692	6.5
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	21,550	0.3	21,727	0.2
Trading account securities	-	-	-	-
Money held in trust	904,519	11.3	868,026	9.7
Securities	6,060,001	76.0	7,099,251	79.5
Domestic bonds	1,833,660	23.0	2,048,975	22.9
Domestic stocks	-	-	-	-
Foreign securities	4,114,497	51.6	4,911,775	55.0
Foreign bonds	4,114,497	51.6	4,911,775	55.0
Foreign stocks and other securities	-	-	-	-
Other securities	111,843	1.4	138,500	1.6
Loans	-	-	-	-
Real estate	737	0.0	697	0.0
Deferred tax assets	52,685	0.7	56,645	0.6
Others	184,087	2.3	306,246	3.4
Reserve for possible loan losses	(59)	(0.0)	(1)	(0.0)
Total	7,972,573	100.0	8,935,285	100.0
Foreign currency-denominated assets	4,337,627	54.4	5,098,426	57.1

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, 2023					
Bonds held to maturity	-	-	-	-	-
Policy-reserve-matching bonds	4,862,589	4,632,598	(229,990)	31,889	261,880
Stocks of subsidiaries and affiliates	-	-	-	-	-
Securities available for sale	2,343,657	2,294,537	(49,119)	17,817	66,936
Domestic bonds	496,254	490,278	(5,976)	1,045	7,022
Domestic stocks	-	-	-	-	-
Foreign securities	1,648,496	1,607,882	(40,613)	16,001	56,614
Foreign bonds	1,648,496	1,607,882	(40,613)	16,001	56,614
Foreign stocks and other securities	-	-	-	-	-
Other securities	140,521	138,500	(2,020)	685	2,705
Monetary claims bought	22,322	21,727	(594)	-	594
Certificates of deposit	-	-	-	-	-
Others	36,062	36,148	85	85	-
Total	7,206,246	6,927,136	(279,109)	49,706	328,816
Domestic bonds	2,054,951	2,023,880	(31,071)	14,774	45,845
Domestic stocks	-	-	-	-	-
Foreign securities	4,952,388	4,706,879	(245,509)	34,162	279,671
Foreign bonds	4,952,388	4,706,879	(245,509)	34,162	279,671
Foreign stocks and other securities	-	-	-	-	-
Other securities	140,521	138,500	(2,020)	685	2,705
Monetary claims bought	22,322	21,727	(594)	-	594
Certificates of deposit	-	-	-	-	-
Others	36,062	36,148	85	85	-
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: 1. The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Law.

2. Money held in trust other than trading securities is included, and its book value and gains (losses) as of December 31, 2023 were 36,062 million yen and 85 million yen respectively.

\*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, 2023	868,026	868,026	7,490	10,274	2,784
As of March 31, 2023	904,519	904,519	(2,256)	1,857	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 December 31, 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)	831,878	8,000

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

(millions of yen)

	Book value	Fair value	Gains (losses)		
				Gains	Losses
As of December 31, 2023					
Money held in trust for held-to-maturity	-	-	-	-	-
Money held in trust for policy-reserve-matching	-	-	-	-	-
Other money held in trust	36,062	36,148	85	85	-
As of March 31, 2023					
Money held in trust for held-to-maturity	-	-	-	-	-
Money held in trust for policy-reserve-matching	-	-	-	-	-
Other money held in trust	-	-	-	-	-

### 3. Unaudited Quarterly Balance Sheet

(millions of yen)

	As of March 31, 2023 Summarized	As of December 31, 2023
	Amount	Amount
<b>(ASSETS)</b>		
Cash and deposits	758,582	587,672
Monetary claims bought	21,550	21,727
Money held in trust	904,519	868,026
Securities	6,714,344	7,564,612
[Government bonds]	[ 551,236 ]	[ 646,647 ]
[Local government bonds]	[ 46,413 ]	[ 33,923 ]
[Corporate bonds]	[ 1,236,011 ]	[ 1,368,404 ]
[Foreign securities]	[ 4,124,858 ]	[ 4,921,617 ]
Tangible fixed assets	1,152	1,046
Intangible fixed assets	16,370	16,258
Reinsurance receivables	43,046	105,082
Other assets	126,198	185,799
Deferred tax assets	52,685	56,645
Reserve for possible loan losses	(59)	(1)
<b>Total assets</b>	<b>8,638,390</b>	<b>9,406,870</b>

(millions of yen)

	As of March 31, 2023 Summarized	As of December 31, 2023
	Amount	Amount
<b>(LIABILITIES)</b>		
Policy reserves and others	7,650,331	8,396,318
Reserves for outstanding claims	29,529	34,745
Policy reserves	7,620,802	8,361,572
Reinsurance payable	498,907	417,114
Other liabilities	250,554	354,796
Corporate income tax payable	-	8
Lease liabilities	119	91
Other liabilities	250,434	354,696
Reserve for price fluctuations	42,094	46,594
<b>Total liabilities</b>	<b>8,441,887</b>	<b>9,214,823</b>
<b>(NET ASSETS)</b>		
Capital stock	117,500	117,500
Capital surplus	67,500	67,500
Legal capital surplus	67,500	67,500
Retained earnings	56,582	43,596
Retained Earnings Reserves	8,000	8,000
Other retained earnings	48,582	35,596
Retained earnings brought forward	48,582	35,596
Total shareholders' equity	241,582	228,596
Net unrealized gains on securities, net of tax	(45,080)	(36,549)
Total of valuation and translation adjustments	(45,080)	(36,549)
<b>Total net assets</b>	<b>196,502</b>	<b>192,047</b>
<b>Total liabilities and net assets</b>	<b>8,638,390</b>	<b>9,406,870</b>

#### 4. Unaudited Quarterly Statement of Earnings

(millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
	Amount	Amount
<b>ORDINARY REVENUES</b>	3,127,032	3,108,141
Premium and other income	1,966,308	2,600,927
[Premium income]	[ 1,580,753 ]	[ 2,195,809 ]
Investment income	433,695	507,146
[Interest and dividends]	[ 132,365 ]	[ 149,861 ]
[Gains on money held in trust]	[ - ]	[ 7,490 ]
[Gains on sale of securities]	[ 17,515 ]	[ 1,200 ]
[Derivative transaction gains]	[ - ]	[ 45,864 ]
[Foreign exchange gains]	[ 283,394 ]	[ 266,333 ]
[Gains on investment in separate accounts]	[ - ]	[ 36,328 ]
Other ordinary revenues	727,028	67
[Reversal of policy reserves]	[ 726,345 ]	[ - ]
<b>ORDINARY EXPENSES</b>	3,149,655	3,123,508
Benefits and claims	2,874,400	2,257,210
[Claims]	[ 128,033 ]	[ 154,992 ]
[Annuities]	[ 126,884 ]	[ 315,353 ]
[Benefits]	[ 119,358 ]	[ 133,672 ]
[Surrender values]	[ 1,271,705 ]	[ 579,744 ]
[Other refunds]	[ 7,636 ]	[ 7,719 ]
Provision for policy reserves and others	3,121	745,986
Provision for reserves for outstanding claims	3,121	5,216
Provision for policy reserve	-	740,769
Investment expenses	195,868	24,760
[Interest expenses]	[ 4 ]	[ 3 ]
[Losses on money held in trust]	[ 12,930 ]	[ - ]
[Losses on sale of securities]	[ 103,618 ]	[ 23,871 ]
[Derivative transaction losses]	[ 29,848 ]	[ - ]
[Losses on investment in separate accounts]	[ 47,505 ]	[ - ]
Operating expenses	63,873	79,046
Other ordinary expenses	12,391	16,504
<b>ORDINARY LOSS</b>	22,622	15,367
<b>EXTRAORDINARY LOSSES</b>	4,000	4,500
Losses on disposal of fixed assets	0	0
Provision for reserve for price fluctuations	4,000	4,500
Loss before income taxes	26,622	19,867
Corporate income taxes - current	(4,550)	11
Corporate income taxes-deferred	(2,240)	(6,893)
Total of corporate income taxes	(6,790)	(6,882)
Net loss for the period	19,832	12,985



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 December 31, 2023 was 428,052 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	21,727	21,727	-
(2) Money held in trust	868,026	868,026	-
(a) Money held in trust for investment purposes	831,878	831,878	-
(b) Money held in trust for other purposes	36,148	36,148	-
(3) Securities	7,564,612	7,334,621	(229,990)
(a) Trading securities	465,361	465,361	-
(b) Policy-reserve-matching bonds	4,862,589	4,632,598	(229,990)
(c) Other securities	2,236,661	2,236,661	-
Assets total	8,454,366	8,224,376	(229,990)
Derivative transactions *2			
(a) Derivative transactions to which hedge accounting is not applied	75,645	75,645	-
Derivative transactions total	75,645	75,645	-

(※1) Since cash and deposits are cash or deposits 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 Nine months ended December 31, 2023 was 7,019,367.36 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, 2022	Nine months ended December 31, 2023
Fundamental revenues	3,115,353	3,107,758
Premium and other income	1,966,308	2,600,927
Investment income	132,785	186,257
[Interest and dividends]	132,365	149,861
Other ordinary revenues	729,768	67
Other fundamental revenues (a)	286,491	320,506
Fundamental expenses	3,130,582	3,121,542
Benefits and claims	2,874,400	2,257,210
Provision for policy reserves and others	-	722,281
Investment expenses	49,468	889
Operating expenses	63,873	79,046
Other ordinary expenses	12,391	16,504
Other fundamental expenses (b)	130,449	45,610
Fundamental profit (loss) A	(15,229)	(13,783)
Capital gains	403,025	366,498
Gains on money held in trust	-	7,490
Gains on investments in trading securities	-	-
Gains on sale of securities	17,515	1,200
Derivative transaction gains	-	45,864
Foreign exchange gains	283,394	266,333
Others (c)	102,115	45,610
Capital losses	430,933	344,378
Losses on money held in trust	12,930	-
Losses on investments in trading securities	-	-
Losses on sale of securities	103,618	23,871
Losses on valuation of securities	-	-
Derivative transaction losses	29,848	-
Foreign exchange losses	-	-
Others (d)	284,535	320,506
Net capital gains (losses) B	(27,908)	22,120
Fundamental profit plus net capital gains (losses) A + B	(43,137)	8,336
Other one-time gains	28,333	0
Reinsurance income	-	-
Reversal of contingency reserve	-	-
Reversal of specific reserve for possible loan losses	-	0
Others (e)	28,333	-
Other one-time losses	7,818	23,705
Ceding reinsurance commissions	-	-
Provision for contingency reserve	5,861	23,705
Provision for specific reserve for possible loan losses	2	-
Provision for specific reserve for loans to refinancing countries	-	-
Write-down of loans	-	-
Others (f)	1,955	-
Other one-time profits (losses) C	20,515	(23,704)
Ordinary profit (loss) A + B + C	(22,622)	(15,367)

(Reference)

## Breakdown of other fundamental revenues, etc.

(millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Other fundamental revenues (a)	286,491	320,506
Gains and losses from cancellation of mutual funds	1,068	60
Impact from market rate fluctuations of foreign exchange on foreign-currency denominated insurance policies	270,270	305,556
Interest received and/or paid related to currency swap and interest rate swap contracts covering foreign-currency denominated insurance policies	13,197	14,205
Impact from assets held in money trusts and others related to reinsurance dealings	-	683
Amount of reinsurance premium for cancellation of existing reinsurance	1,955	-
Other fundamental expenses (b)	130,449	45,610
Forex hedge cost	962	2,238
Gains and losses from cancellation of mutual funds	3	-
Profit and loss associated with ceding reinsurance of the outstanding contracts	28,333	-
Impact from increase or decrease in surrender values in accordance with Market Value Adjustment (MVA)	96,965	43,371
Impact from assets held in money trusts and others related to reinsurance dealings	4,183	-
The impact on fundamental profit (a) - (b)	156,041	274,896
Other capital gains (c)	102,115	45,610
Forex hedge cost	962	2,238
Gains and losses from cancellation of mutual funds	3	-
Impact from increase or decrease in surrender values in accordance with Market Value Adjustment (MVA)	96,965	43,371
Impact from assets held in money trusts and others related to reinsurance dealings	4,183	-
Other capital losses (d)	284,535	320,506
Gains and losses from cancellation of mutual funds	1,068	60
Impact from market rate fluctuations of foreign exchange on foreign-currency denominated insurance policies	270,270	305,556
Interest received and/or paid related to currency swap and interest rate swap contracts covering foreign-currency denominated insurance policies	13,197	14,205
Impact from assets held in money trusts and others related to reinsurance dealings	-	683
The impact on net capital gains (losses) (c) - (d)	(182,420)	(274,896)
Other one-time gains (e)	28,333	-
Profit and loss associated with ceding reinsurance of the outstanding contracts	28,333	-
Other one-time losses (f)	1,955	-
Amount of reinsurance premium for cancellation of existing reinsurance	1,955	-
The impact on other one-time profits (losses) (e) - (f)	26,378	-

## 6. Solvency Margin Ratio

(millions of yen)

	As of March 31, 2023	As of December 31, 2023
Total solvency margin (A)	465,567	508,200
Common stock, etc	241,582	228,596
Reserve for price fluctuations	42,094	46,594
Contingency reserve	99,497	123,202
General reserve for possible loan losses	57	-
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% *	(60,583)	(49,119)
Net unrealized gains (losses) on real estate × 85%*	-	-
Policy reserves in excess of surrender values	124,026	145,082
Qualifying subordinated debt	-	-
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	-	-
Excluded items	-	-
Others	18,893	13,843
Total Risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	211,351	260,165
Insurance risk $R_1$	216	365
3rd sector insurance risk $R_8$	6	38
Assumed investment yield risk $R_2$	51,232	75,163
Guaranteed minimum benefit risk $R_7$	1,898	636
Investment risk $R_3$	154,071	179,256
Business risk $R_4$	4,148	5,109
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	440.5%	390.6%

\* Multiplied by 100% if losses.

Notes: 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 the Ministry of Finance Notification No. 50, 1996.

The figures as of December 31, 2023 are calculated by using the method which is deemed appropriate taking the regulations and announcement above into account.

2. Common stock, etc. excludes the expected disbursements from capital outside the Company and valuation and translation adjustments.
3. 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 December 31, 2023
Individual variable insurance	14,099	15,297
Individual variable annuities	651,717	456,287
Group annuities	-	-
Separate account total	665,816	471,585

### (2) Policies in Force

#### A. Individual Variable Insurance

(millions of yen except number of policies)

	As of March 31, 2023		As of December 31, 2023	
	Number of policies (thousands)	Amount	Number of policies (thousands)	Amount
Variable insurance (defined term type)	-	-	-	-
Variable insurance (whole life type)	32	285,619	29	271,719
Total	32	285,619	29	271,719

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, 2023		As of December 31, 2023	
	Number of policies (thousands)	Amount	Number of policies (thousands)	Amount
Individual variable annuities	297	1,570,738	217	1,141,900

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.