[Unofficial Translation]

November 13, 2020

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President and Representative Director
Dai-ichi Life Holdings, Inc.
Code: 8750 (TSE First section)

Supplementary Materials for the Six Months Ended September 30, 2020
(The Dai-ichi Frontier Life Insurance Co., Ltd.)

November 13, 2020

Financial Results for the Six Months Ended September 30, 2020

The Dai-ichi Frontier Life Insurance Co., Ltd. (the "Company"; President: Masao Taketomi) announces its financial results for the six months ended September 30, 2020.

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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, 2020	As of September 30, 2020	
			% of March 31, 2020 total
Individual insurance	357,533	372,725	104.2
Individual annuities	450,325	459,777	102.1
Total	807,859	832,503	103.1
Medical and survival benefits	-	482	-

New Policies

(millions of yen except percentages)

	Six months ended September 30, 2019	Six months ended September 30, 2020	
			% of September 30, 2019 total
Individual insurance	39,990	19,582	49.0
Individual annuities	25,772	10,419	40.4
Total	65,763	30,002	45.6
Medical and survival benefits	-	485	-

Note: 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) Policies in Force and New Policies

Policies in Force

	As of March 31, 2020		As of September 30, 2020			
	Number of Policiees (thousands)	Amount (millions of yen)	Number of Policies (thousands)	% of March 31, 2019 total	Amount (millions of yen)	% of March 31, 2019 total
Individual insurance	692	4,377,536	694	100.3	4,592,964	104.9
Individual annuities	915	4,215,064	897	98.1	4,310,388	102.3
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 September 30, 2019 total	(millions of yen)	% of September 30,2019 total	New Business	Net increase from conversions
Six months ended September 30, 2020						
Individual insurance	27	39.9	198,836	43.6	198,836	-
Individual annuities	23	44.5	93,342	43.7	93,342	-
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-
Six months ended September 30, 2019						
Individual insurance	68	-	455,840	-	455,840	-
Individual annuities	52	-	213,693	-	213,693	-
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-

Note: Amount of new policies (new business) for individual annuities is equal to the amount required to fund annuity payments whenthey commence.

2. Investment of General Account Assets

(1) Investment Environment

During the six months ended September 30, 2020, the Japanese economy slowed sharply due to the impact of COVID-19, but subsequently recovered to a certain extent as a result of the resumption of economic activities after the lifting of the state of emergency, coupled with government financial assistance measures. Likewise, the U.S. economy saw a significant slowdown particular in consumer spending due to lockdowns implemented in response to the spread of COVID-19 but is recovering as restrictions on economic activities are lifted. In Europe, the spread of infection was curbed at a relatively early stage, and government measures such as the establishment of recovery funds have been well received. The European economy is also showing signs of improvement after a sharp downturn.

Given the economic conditions described above, the investment environment was as follows:

[Domestic interest rates]

With regard to the 10-year Japanese government bond (JGB) yield, in response to the economic slowdown due to the impact of COVID-19, the Bank of Japan strengthened its accommodative monetary policy while keeping the policy interest rate unchanged, and continued its quantitative and qualitative monetary easing with yield curve control. Consequently, Japan's interest rates remained at low levels. However, interest rates rose for maturities longer than 10 years, due to the increasing issuance of the government bonds accompanying fiscal expansion measures.

Yield on ten-year government bonds:	April 1, 2020	0.010%
	September 30, 2020	0.010%

[U.S. Interest Rates and Foreign Currency]

Amid the global COVID-19 pandemic, the likelihood of U.S. interest rates rising remained low due to maintenance of the zero interest rate policy and strengthened monetary easing. On the forex market, the U.S. dollar remained weak due to the U.S. accommodative policy, and the U.S. dollar consequently depreciated against the JPY.

Yield on ten-year U.S. government bonds:	April 1, 2020	0.670%
	September 30, 2020	0.684%
yen/U.S. dollar:	April 1, 2020	¥108.83
	September 30, 2020	¥105.80

[Australian Interest Rates and Foreign Currency]

Against the backdrop of the global COVID-19 pandemic, monetary easing was reinforced in Australia also, with interest rates remaining nearly unchanged. Amid these circumstances, resource prices recovered as China successfully managed to contain the spread of COVID-19 early on, causing a strengthening of the Australian dollar, a commodity currency strongly tied economically to China.

Yield on ten-year Australian government bonds:	April 1, 2020	0.762%
	September 30, 2020	0.787%
yen/Australian dollar:	April 1, 2020	¥66.09
	September 30, 2020	¥75.49

(2) Investment Policies

In view of the liability characteristics of life insurance policies, assets in the general account are invested in accordance with asset-liability management (ALM) principles with the primary objective of steadily paying annuities, insurance proceeds, and benefits over the long term. As to the yen- and foreign currency-denominated fixed products, those assets are primarily invested in yen-denominated bonds and foreign currency-denominated bonds.

Certain instruments are also used to mitigate the guaranteed minimum benefit risk on individual variable annuities.

(3) Investment Results

〈 Assets 〉

The Company invested primarily in yen-denominated bonds. Foreign-currency denominated insuarance were invested in foreign-currency denominated bonds. Derivative trades attributable to money were also used to mitigate the guaranteed minimum benefit risk on individual variable annuities.

〈 Investment Income and Expenses 〉

Investment income was 402,033 million yen mainly due to foreign exchange gains (154,031 million yen), interest and dividends received (90,047 million yen), and derivative transaction gains (88,260 million yen). Investment expenses were 629 million yen, mainly due to other investment expenses (300 million yen), losses on sale of securities (172 million yen), and losses on redemption of securities (138 million yen).

3. Investment Results of General Account

(1) Asset Composition

(millions of yen except percentages)

	As of March 31, 2020		As of September 30, 2020	
	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	264,889	3.4	406,199	4.9
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	-	-	-	-
Trading account securities	-	-	-	-
Money held in trust	1,004,788	12.8	1,224,995	14.9
Securities	6,331,705	80.7	6,433,864	78.1
Domestic bonds	1,499,055	19.1	1,517,843	18.4
Domestic stocks	-	-	-	-
Foreign securities	4,648,420	59.3	4,729,497	57.4
Foreign bonds	4,648,420	59.3	4,729,497	57.4
Foreign stocks and other securities	-	-	-	-
Other securities	184,229	2.3	186,522	2.3
Loans	-	-	-	-
Real estate	88	0.0	101	0.0
Deferred tax assets	-	-	-	-
Others	240,315	3.1	176,071	2.1
Reserve for possible loan losses	(11)	(0.0)	(27)	(0.0)
Total	7,841,776	100.0	8,241,204	100.0
Foreign currency-denominated assets	5,141,062	65.6	5,181,170	62.9

Note:“Real estate” represents the value of buildings.

(2) Changes (Increase/Decrease) in Assets

(millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash, deposits, and call loans	192,405	141,309
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	-	-
Monetary claims bought	-	-
Trading account securities	-	-
Money held in trust	248,966	220,207
Securities	190,748	102,159
Domestic bonds	91,684	18,788
Domestic stocks	-	-
Foreign securities	97,912	81,077
Foreign bonds	98,869	81,077
Foreign stocks and other securities	(957)	-
Other securities	1,151	2,293
Loans	-	-
Real estate	(3)	12
Deferred tax assets	-	-
Others	84,627	(64,244)
Reserve for possible loan losses	(3)	(16)
Total	716,741	399,427
Foreign currency-denominated assets	90,688	40,108

(3) Investment Income

(millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Interest and dividends	89,732	90,047
Interest from bank deposits	567	16
Interest and dividends from securities	89,023	89,825
Interest from loans	-	-
Rental income	-	-
Other interest and dividends	141	205
Gains on trading account securities	-	-
Gains on money held in trust	4,905	16,594
Gains on investment in trading securities	-	-
Gains on sale of securities	60,096	53,074
Gains on sale of domestic bonds	1,224	1,791
Gains on sale of domestic stocks	-	-
Gains on sale of foreign securities	58,872	51,283
Others	-	-
Gains on redemption of securities	56	25
Derivative transaction gains	-	88,260
Foreign exchange gains	-	154,031
Reversal of reserve for possible loan losses	-	-
Other investment income	1	-
Total	154,791	402,033

(4) Investment Expenses

(millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Interest expenses	2	1
Losses on trading account securities	-	-
Losses on money held in trust	-	-
Losses on investment in trading securities	2,025	-
Losses on sale of securities	128	172
Losses on sale of domestic bonds	-	70
Losses on sale of domestic stocks	-	-
Losses on sale of foreign securities	128	101
Others	-	-
Losses on valuation of securities	-	-
Losses on valuation of domestic bonds	-	-
Losses on valuation of domestic stocks	-	-
Losses on valuation of foreign securities	-	-
Others	-	-
Losses on redemption of securities	1,139	138
Derivative transaction losses	4,284	-
Foreign exchange losses	252,740	-
Provision for reserve for possible loan losses	3	16
Write-down of loans	-	-
Depreciation of rented real estate and others	-	-
Other investment expenses	398	300
Total	260,722	629

(5) Valuation Gains and Losses on Trading Securities

(millions of yen)

	As of March 31, 2020		As of September 30, 2020	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings
Trading securities	1,004,788	18,743	1,224,995	16,594

Note: Figures in this table include money held in trust and other instruments classified as trading securities.

(6) Fair Value Information on Securities (securities with fair value except trading securities)

(millions of yen)

	Book value	Fair value	Gains (losses)		
				Gains	Losses
As of September 30, 2020					
Bonds held to maturity	-	-	-	-	-
Policy-reserve-matching bonds	3,153,799	3,494,836	341,036	345,604	4,567
Stocks of subsidiaries and affiliates	-	-	-	-	-
Securities available for sale	2,951,269	3,280,064	328,795	330,094	1,298
Domestic bonds	422,494	441,813	19,318	19,781	462
Domestic stocks	-	-	-	-	-
Foreign securities	2,358,114	2,651,728	293,614	294,450	835
Foreign bonds	2,358,114	2,651,728	293,614	294,450	835
Foreign stocks and other securities	-	-	-	-	-
Other securities	170,660	186,522	15,862	15,862	-
Monetary claims bought	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	6,105,069	6,774,900	669,831	675,698	5,866
Domestic bonds	1,498,525	1,603,589	105,064	106,601	1,536
Domestic stocks	-	-	-	-	-
Foreign securities	4,435,883	4,984,788	548,905	553,235	4,329
Foreign bonds	4,435,883	4,984,788	548,905	553,235	4,329
Foreign stocks and other securities	-	-	-	-	-
Other securities	170,660	186,522	15,862	15,862	-
Monetary claims bought	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
As of March 31, 2020					
Bonds held to maturity	-	-	-	-	-
Policy-reserve-matching bonds	3,178,684	3,377,727	199,043	216,790	17,746
Stocks of subsidiaries and affiliates	-	-	-	-	-
Securities available for sale	2,871,084	3,153,020	281,936	285,777	3,841
Domestic bonds	423,865	438,716	14,850	16,416	1,565
Domestic stocks	-	-	-	-	-
Foreign securities	2,275,694	2,530,075	254,381	256,657	2,276
Foreign bonds	2,275,694	2,530,075	254,381	256,657	2,276
Foreign stocks and other securities	-	-	-	-	-
Other securities	171,525	184,229	12,703	12,703	-
Monetary claims bought	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	6,049,768	6,530,748	480,980	502,567	21,587
Domestic bonds	1,484,204	1,569,195	84,990	88,762	3,772
Domestic stocks	-	-	-	-	-
Foreign securities	4,394,038	4,777,324	383,285	401,100	17,815
Foreign bonds	4,394,038	4,777,324	383,285	401,100	17,815
Foreign stocks and other securities	-	-	-	-	-
Other securities	171,525	184,229	12,703	12,703	-
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 Law.

*Book values of securities for which it is not practicable to determine fair value are as follows:

Not applicable.

(7) 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 September 30, 2020	1,224,995	1,224,995	16,594	17,317	723
As of March 31, 2020	1,004,788	1,004,788	(18,271)	580	18,852

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, 2020		As of September 30, 2020	
	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	1,004,788	(18,271)	1,224,995	16,594

*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.

4. Unaudited Balance Sheet

(millions of yen)

	As of March 31, 2020 (Summarized)	As of September 30, 2020 (Summarized)
	Amount	Amount
(ASSETS)		
Cash and deposits	272,704	413,306
Money held in trust	1,004,788	1,224,995
Securities	7,427,849	7,482,539
[Government bonds]	[513,178]	[515,574]
[Local government bonds]	[36,725]	[37,580]
[Corporate bonds]	[949,151]	[964,688]
[Foreign securities]	[4,660,588]	[4,741,481]
Tangible fixed assets	343	343
Intangible fixed assets	9,266	10,320
Reinsurance receivables	58,251	63,498
Other assets	173,970	103,912
Reserve for possible loan losses	(11)	(27)
Total assets	8,947,162	9,298,889

(millions of yen)

	As of March 31, 2020 (Summarized)	As of September 30, 2020 (Summarized)
	Amount	Amount
(LIABILITIES)		
Policy reserves and others	7,779,920	7,829,279
Reserves for outstanding claims	20,037	20,246
Policy reserves	7,759,882	7,809,032
Reinsurance payable	589,384	809,194
Other liabilities	220,591	230,324
Corporate income tax payable	14	708
Lease liabilities	78	49
Other liabilities	220,498	229,566
Reserve for price fluctuations	25,337	28,143
Deferred tax liabilities	78,942	92,062
Total liabilities	8,694,175	8,989,004
(NET ASSETS)		
Capital stock	117,500	117,500
Capital surplus	67,500	67,500
Legal capital surplus	67,500	67,500
Retained earnings	(135,006)	(111,847)
Other retained earnings	(135,006)	(111,847)
Retained earnings brought forward	(135,006)	(111,847)
Total shareholders' equity	49,993	73,152
Net unrealized gains on securities, net of tax	202,994	236,732
Total of valuation and translation adjustments	202,994	236,732
Total net assets	252,987	309,885
Total liabilities and net assets	8,947,162	9,298,889

5. Unaudited Statement of Earnings

(millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
	Amount	Amount
ORDINARY REVENUES	1,240,412	858,991
Premium and other income	708,168	396,882
[Premium income]	[641,228]	[287,651]
Investment income	181,185	462,080
[Interest and dividends]	[89,732]	[90,047]
[Gains on money held in trust]	[4,905]	[16,594]
[Gains on sale of securities]	[60,096]	[53,074]
[Derivative transaction gains]	[-]	[88,260]
[Foreign exchange gains]	[-]	[154,031]
[Gains on investment in separate accounts]	[26,393]	[60,047]
Other ordinary revenues	351,058	27
[Reversal of policy reserve]	[351,053]	[-]
ORDINARY EXPENSES	1,278,856	828,915
Benefits and claims	979,586	755,570
[Claims]	[41,966]	[51,069]
[Annuities]	[325,615]	[143,882]
[Benefits]	[43,279]	[49,181]
[Surrender values]	[58,281]	[199,593]
[Other refunds]	[3,055]	[1,659]
Provision for policy reserves and others	1,405	49,359
Provision for reserves for outstanding claims	1,405	209
Provision for policy reserve	-	49,149
Investment expenses	260,722	629
[Interest expenses]	[2]	[1]
[Losses on investment in trading securities]	[2,025]	[-]
[Losses on sale of securities]	[128]	[172]
[Derivative transaction losses]	[4,284]	[-]
[Foreign exchange losses]	[252,740]	[-]
Operating expenses	32,181	19,702
Other ordinary expenses	4,961	3,655
ORDINARY PROFIT (LOSS)	(38,444)	30,075
EXTRAORDINARY LOSSES	2,829	2,806
Income (loss) before income taxes	(41,273)	27,269
Corporate income taxes - current	7	4,109
Total of corporate income taxes	7	4,109
Net income (loss) for the period	(41,281)	23,159

6. Unaudited Statement of Changes in Net Assets

Six months ended September 30, 2020

(millions of yen)

	Shareholders' equity			
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity
		Legal capital surplus	Other retained earnings	
			Retained earnings brought forward	
Balance at the beginning of the year	117,500	67,500	(135,006)	49,993
Changes for the period				
Net income (loss) for the period			23,159	23,159
Net changes of items other than shareholders' equity				
Total changes for the period	-	-	23,159	23,159
Balance at the end of the period	117,500	67,500	(111,847)	73,152

	Valuation and translation adjustments		Total net assets
	Net unrealized gains on securities, net of tax	Total valuation and translation adjustments	
Balance at the beginning of the year	202,994	202,994	252,987
Changes for the period			
Net income (loss) for the period			23,159
Net changes of items other than shareholders' equity	33,738	33,738	33,738
Total changes for the period	33,738	33,738	56,898
Balance at the end of the period	236,732	236,732	309,885

Six months ended September 30, 2019

(millions of yen)

	Shareholders' equity			
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity
		Legal capital surplus	Other retained earnings	
			Retained earnings brought forward	
Balance at the beginning of the year	117,500	67,500	(34,934)	150,065
Changes for the period				
Net income (loss) for the period			(41,281)	(41,281)
Net changes of items other than shareholders' equity				
Total changes for the period	-	-	(41,281)	(41,281)
Balance at the end of the period	117,500	67,500	(76,215)	108,784

	Valuation and translation adjustments		Total net assets
	Net unrealized gains on securities, net of tax	Total valuation and translation adjustments	
Balance at the beginning of the year	44,645	44,645	194,711
Changes for the period			
Net income (loss) for the period			(41,281)
Net changes of items other than shareholders' equity	171,521	171,521	171,521
Total changes for the period	171,521	171,521	130,240
Balance at the end of the period	216,167	216,167	324,951

Notes to the Non-Consolidated Balance Sheet

As of September 30, 2020

1 1. Securities (including securities managed as trust assets in money held in trust) are valued as follows:
(a) Trading securities are valued at fair value (sales cost is calculated with the moving-average method).
(b) Policy-reserve-matching bonds (bonds defined by the Japanese Institute of Certified Public Accountants (JICPA) Industry Audit Committee Report No.21 entitled Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry) are valued using the moving-average amortized cost (straight line) method.
(c) Other securities with fair values are valued at fair value using market prices as of the end of the year (sales cost is calculated with the moving-average method). Securities for which it is not practicable to determine fair value are recorded on the balance sheet at acquisition cost.
Valuation differences on other securities are reported as a component of net assets.

2 Risk management policies regarding policy-reserve matching bonds are as follows:
The Company categorizes its insurance products into sub-groups by the attributes of each product and, in order to manage risks properly, formulates its policy on investments and resource allocation based on the balance of the sub-groups. Moreover, the Company periodically checks that the duration gap between policy-reserve-matching bonds and policy reserves stays within a certain range. The sub-groups are:
(a) Individual insurance and annuities (JP yen-denominated)
(b) Individual insurance and annuities (US dollar-denominated)
(c) Individual insurance and annuities (NZ dollar-denominated)
with the exception of certain types and policies.

3 Derivative transactions (including those attributable to money held in trust and foreign securities (investment trusts)) are reported at fair value.

4 Depreciation of tangible fixed assets is as follows:
(a) Tangible fixed assets (excluding leased assets)
Annual amount of depreciation estimated by declining balance method (straight-line method being applied to buildings, with the exception of those buildings and accompanying facilities acquired prior to March 31, 2016), is reported pro rata in accordance with the life. Declining balance method is applied. However, o ther tangible fixed assets that were acquired for 100,000 yen or more but less than 200,000 yen are depreciated in an equal installment over three years.
(b) Leased assets
Depreciation of leased assets with regard to finance leases whose ownership does not transfer to the lessees is computed under the straight-line method assuming zero residual value and with the lease period being deemed as useful life .

5 Amortization of intangible fixed assets is calculated by the straight-line method. Amortization of software for internal use is based on the estimated useful life.

6 Foreign currency-denominated assets and liabilities are translated into the yen at market exchange rates as of the book closing date. Changes in market values of bonds included in foreign currency-denominated other securities are divided into two, and the portion attributable to changes in the securities' nominal market prices in their local currencies is included in "valuation difference" on other securities, and the rest in "foreign exchange gains/losses. "

7 Reserve for possible loan losses is calculated by multiplying the value of loan claims by the historical loan loss rates calculated from actual losses, pursuant rules on the self-assessment of assets as well as rules on the write-offs on and provisioning of reserves for assets. Relevant departments assess all loan claims based on the self-assessment rules, and an independent department responsible for auditing assets audits the assessment results. Provisions to the reserve for possible loan losses are determined based on the assessment results.

8 Reserve for price fluctuations is calculated pursuant to Article 115 of the Insurance Business Act.

9 National and local consumption taxes are recorded with the tax-exclusion method. Non-recoverable consumption tax on certain assets is capitalized as a prepaid expense and amortized equally over five years in accord with corporate taxation law, and such taxes other than deferred consumption tax are recognized as an expense in the year in which they are incurred.

10 Policy reserves are those reserves set aside in accord with Article 116 of the Insurance Business Act. Insurance premium reserve is calculated as follows:
(a) For policies subject to the Standard Policy Reserve Method: Method stipulated by the Financial Services Agency Commissioner (Ministry of Finance Notification No. 48, 1996)
(b) For policies not subject to the Standard Policy Reserve Method: Net level premium reserve method

As of September 30, 2020

11 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) Cash and deposits	413,306	413,306	-
(2) Money held in trust	1,224,995	1,224,995	-
(3) Securities	7,482,539	7,823,575	341,036
(a) Trading securities	1,048,674	1,048,674	-
(b) Policy-reserve-matching bonds	3,153,799	3,494,836	341,036
(c) Other securities	3,280,064	3,280,064	-
Assets total	9,120,841	9,461,878	341,036
Derivative transactions			
(a) Derivative transactions to which hedge accounting is not applied	30,778	30,778	-
Derivative transactions total	30,778	30,778	-

Note: 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) Cash and deposits
Deposits are recorded at book value as all deposits have no maturities and their book values approximate their fair values.
(b)Money held in trust
Information on securities appears below in "(d) Securities". Information on derivative transactions appears below in "(e) Derivative transactions".
(c) Securities
Fair value of bonds is based on the price on stock exchanges. Fair value of mutual funds is based on unit price.
(d) Derivative transactions
For foreign exchange forward contracts, futures market prices on the book closing date are used as fair value.
For currency swap contracts and interest rate swap contracts, amounts discounted to present value are used as fair value. For total return swap contracts, amounts calculated by using indices on the book closing date are used as fair value. For futures transactions and other market traded instruments, securities exchange market closing prices are used as fair value.

12 Securities lent under lending agreements are included in the balance sheet. The total balance of securities lent as of September 30, 2020 is 280,627 million yen.

13 Assets in separate accounts, as defined by Article 118 of the Insurance Business Act, total 1,058,050 million yen. Liabilities in separate accounts, total the same amount.

14 The amount of assets pledged as collateral is securities of 182,025 million yen, the amounts of secured liabilities are 138,487 million yen.

15 1. The assets, which the Company has the right to dispose of freely by means of sale or collateralization, are marketable securities held as collateral for reinsurance dealings and derivative transactions. The current market value of these assets still held by the Company as of the end of the first half of the current fiscal year is 114,261 million yen. None of these assets are re-pledged as collateral.

16 Reserves for outstanding claims attributable to the portion of reinsurance specified in Article 71, paragraph 1, of the Ordinance for Enforcement of the Insurance Business Act, applied under Article 73, paragraph 3, of said Ordinance ("reserves for outstanding ceding insurance claims"), amount to 184 million yen. Policy reserves attributable to the portion of reinsurance specified in Article 71, paragraph 1, of said Ordinance ("ceding reinsurance policy reserves") amount to 905,624 million yen.

17 As of September 30, 2020, the Company estimated that it would be required to contribute 14,662 million yen to the Life Insurance Policyholders Protection Corporation of Japan pursuant to Article 259 of the Insurance Business Act. Contributions are expensed as an operating expense in the first half of the year in which they are incurred.

18 As of September 30, 2020, undepreciated balance of the fee of the reinsurance contract, which is defined in announcement No.50, 1-5, Ministry of Finance, 1996, is 58,903 million yen.

Notes to the Non-Consolidated Statement of Earnings

Six months ended September 30, 2020

1 Gains on sale of securities included gains on sales of domestic bonds and foreign securities of 1,791 million yen and 51,283 million yen, respectively.

2 Losses on sale of securities included losses on sales of domestic bonds and foreign securities of 70 million yen and 101million yen, respectively.

3 In calculating the provision for reserves for outstanding claims, a provision for reserves for outstanding claims reinsured of 25 million yen was deducted as an adjustment. In calculating the reversal of policy reserves, a provision for polcy reserves reinsured of 246,803 million yen was deducted.

4 The details of Interest and dividends are as follows:

Interest on deposits :	16 million yen
Interest and dividends from securities :	89,825 million yen
Other interest and dividends :	205 million yen
Total :	90,047 million yen

5 Net gain per share for the six months ended September 30, 2020 was 12,518,750.58 yen.

6 Premium and other income includes the increase of 3,277 million yen of the fee of the reinsurance contract which is defined in announcement No.50, 1-5, Ministry of Finance, 1996.

7 Benefits and claims includes the decrease of 5,550 million yen of the fee of the reinsurance contract which is defined in announcement No.50, 1-5, Ministry of Finance, 1996.

Notes to the Non-Consolidated Statement of Changes in Net Assets

Six months ended September 30, 2020

1 Number of outstanding shares by class

(shares)

	No. shares as of April 1, 2020	Increase in number of shares	Decrease in number of shares	No. shares as of September 30, 2020
Outstanding shares				
Common stock	1,850	-	-	1,850

7. Breakdown of Ordinary Profit (Fundamental Profit)

(millions of yen)

		Six months ended September 30, 2019	Six months ended September 30, 2020
Fundamental profit	A	27,642	28,399
Capital gains		354,909	311,960
Gains on money held in trust		4,905	16,594
Gains on investment in trading securities		-	-
Gains on sale of securities		60,096	53,074
Derivative transaction gains		-	88,260
Foreign exchange gains		-	154,031
Others		289,907	-
Capital losses		416,310	291,690
Losses on money held in trust		-	-
Losses on investment in trading securities		2,025	-
Losses on sale of securities		128	172
Losses on valuation of securities		-	-
Derivative transaction losses		4,284	-
Foreign exchange losses		252,740	-
Others		157,132	291,518
Net capital gains (losses)	B	(61,400)	20,269
Fundamental profit plus net capital gains (losses)	A + B	(33,758)	48,669
Other one-time gains		430,817	190,717
Reinsurance income		-	-
Reversal of contingency reserve		23,387	368
Reversal of specific reserve for possible loan losses		-	-
Others		407,430	190,348
Other one-time losses		435,503	209,310
Ceding reinsurance commissions		-	-
Provision for contingency reserve		-	-
Provision for specific reserve for possible loan losses		2	18
Provision for specific reserve for loans to refinancing countries		-	-
Write-down of loans		-	-
Others		435,501	209,292
Other one-time profits (losses)	C	(4,686)	(18,593)
Ordinary profit(loss)	A + B + C	(38,444)	30,075

Note: 1. The Company invests in derivative financial instruments (including investments in money held in trust, and foreign securities (investment trusts)) for the purpose of mitigating the guaranteed minimum benefit risk on individual variable annuities. These transactions are included in gains (losses) on money held in trust and gains (losses) on investment in trading securities.

2. Interest received and/or paid related to currency swap and interest rate swap contracts covering foreign-currency denominated insurance policies, along with impact from assets held in money trusts and others related to reinsurance dealings, are reclassified from capital gains and losses, effective from FY2020, and corresponding data for prior period reclasssified accordingly.

(Reference)

Breakdown of Other Fundamental Income (millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Fundamental Income	(104,704)	310,461
Impact from increase or decrease in surrender values in accordance with Market Value Adjustment (MVA)	147,346	39,807
Impact from market rate fluctuations of foreign exchange on foreign-currency denominated insurance policies	(289,907)	236,232
Interest received and/or paid related to currency swap and interest rate swap contracts covering foreign-currency denominated insurance policies	5,415	6,676
Impact from assets held in money trusts and others related to reinsurance dealings	4,370	8,802
Reinsurance income for the reinsurance specified in Article 71, paragraph 1 of the Ordinance for Enforcement of the Insurance Business Act	(6,967)	-
Policy reserves attributable to the portion of reinsurance specified in Article 71, paragraph 1 of the Ordinance for Enforcement of the Insurance Business Act	(400,462)	(190,348)
Ceding reinsurance commissions for the reinsurance specified in Article 71, paragraph 1 of the Ordinance for Enforcement of the Insurance Business Act	435,501	209,292
Other Capital Gains	289,907	-
Impact from market rate fluctuations of foreign exchange on foreign-currency denominated insurance policies	289,907	-
Other Capital Losses	157,132	291,518
Impact from increase or decrease in surrender values in accordance with Market Value Adjustment (MVA)	147,346	39,807
Impact from market rate fluctuations of foreign exchange on foreign-currency denominated insurance policies	-	236,232
Interest received and/or paid related to currency swap and interest rate swap contracts covering foreign-currency denominated insurance policies	5,415	6,676
Impact from assets held in money trusts and others related to reinsurance dealings	4,370	8,802
Other One-Time Gains	407,430	190,348
Reinsurance income for the reinsurance specified in Article 71, paragraph 1 of the Ordinance for Enforcement of the Insurance Business Act	6,967	-
Policy reserves attributable to the portion of reinsurance specified in Article 71, paragraph 1 of the Ordinance for Enforcement of the Insurance Business Act	400,462	190,348
Other One-Time Gains	435,501	209,292
Ceding reinsurance commissions for the reinsurance specified in Article 71, paragraph 1 of the Ordinance for Enforcement of the Insurance Business Act	435,501	209,292

8. Disclosed Claims Based on Categories of Obligors

(millions of yen)

	As of March 31, 2020	As of September 30, 2020
Claims against bankrupt and quasi-bankrupt obligors	-	-
Claims with collection risk	-	-
Claims for special attention	-	-
Subtotal	-	-
[Percentage]	[-]	[-]
Claims against normal obligors	233,617	280,653
Total	233,617	280,653

Note: 1. Claims against bankrupt and quasi-bankrupt obligors are loans to borrowers who are subject to bankruptcy, corporate reorganization or rehabilitation or other similar proceedings and other borrowers in serious financial difficulties.

2. Claims with collection risk are loans to obligors (other than bankrupt and quasi-bankrupt obligors) with deteriorated financial condition and results of operations from which it is unlikely that the principal and interest on the loans will be recovered.

3. Claims for special attention are loans on which principal and/or interest are past due for three months or more and loans with a concessionary interest rate, as well as loans with renegotiated conditions in favor of the borrower, including renegotiated schedule and/or waivers, in each case, other than the loans described in note 1. or 2. above.

4. Claims against normal obligors are all other loans.

9. Risk-Monitored Loans

Not applicable.

10. Solvency Margin Ratio

(millions of yen)

		As of March 31, 2020	As of September 30, 2020
Total solvency margin	(A)	476,465	544,483
Common stock, etc		49,993	73,152
Reserve for price fluctuations		25,337	28,143
Contingency reserve		63,246	62,878
General reserve for possible loan losses		9	6
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% *		253,742	295,915
Net unrealized gains (losses) on real estate × 85%*			
Policy reserves in excess of surrender values		84,136	84,386
Qualifying subordinated debt			
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt			
Excluded items			
Others			
Total Risk $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$	(B)	197,263	201,868
Insurance risk	R_1	65	86
3rd sector insurance risk	R_8		0
Assumed investment yield risk	R_2	54,578	52,638
Guaranteed minimum benefit risk	R_7	3,136	3,172
Investment risk	R_3	133,800	140,176
Business risk	R_4	5,747	5,882
Solvency margin ratio $\frac{(A)}{(1/2)\times(B)}\times 100$		483.0%	539.4%

* Multiplied by 100% if losses.

Note: 1. The figures are calculated based on Articles 86 and 87 of the Enforcement Regulations of Insurance Business Act, and Announcement No.50, Ministry of Finance, 1996.

2. Guaranteed minimum benefit risk is calculated by standard method.

11. Separate Account Status

(1) Separate Account Assets by Product

(millions of yen)

	As of March 31, 2020	As of September 30, 2020
Individual variable insurance	35,329	41,125
Individual variable annuities	1,070,172	1,016,925
Group annuities	-	-
Separate account total	1,105,501	1,058,050

(2) Policies in Force

A. Individual Variable Insurance

(millions of yen except number of policies)

	As of March 31, 2020		As of September 30, 2020	
	Number of policies (thousands)	Amount	Number of policies (thousands)	Amount
Variable insurance (defined term type)				
Variable insurance (whole life type)	51	390,654	50	402,367
Total	51	390,654	50	402,367

Note: Policy amounts not placed into separate accounts as of the end of the fiscal period are included in policies in force.

B. Individual Variable Annuities

(millions of yen except number of policies)

	As of March 31, 2020		As of September 30, 2020	
	Number of policies	Amount	Number of policies	Amount
Individual variable annuities	519	2,624,970	502	2,671,669

Note: 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. Policy amounts not placed into separate accounts as of the end of the fiscal period are included in policies in force.

12. Consolidated Financial Summary

Not applicable.