[Unofficial Translation]

May 14, 2021

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

Supplementary Materials for the Fiscal Year Ended March 31, 2021
(The Neo First Life Insurance Company, Limited)

May 14, 2021

Financial Results for the Fiscal Year Ended March 31, 2021

The Neo First Life Insurance Company, Limited (the "Company"; President: Yuji Tokuoka) announces its financial results for the fiscal year ended March 31, 2021.

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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 March 31, 2021	
		% of March 31, 2019 total		% of March 31, 2020 total
Individual insurance	139,508	103.3	140,557	100.8
Individual annuities	10	242.3	14	139.7
Total	139,518	103.3	140,571	100.8
Medical and survival benefits	18,667	184.0	26,869	143.9

New Policies (millions of yen except percentages)

	Year ended March 31, 2020		Year ended March 31, 2021	
		% of March 31, 2019 total		% of March 31, 2020 total
Individual insurance	10,973	9.4	12,094	110.2
Individual annuities	—	—	—	—
Total	10,973	9.4	12,094	110.2
Medical and survival benefits	9,483	170.7	9,589	101.1

(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 nursing benefits, and (c) premiums related to premium waiver benefits, in which the disability cause is excluded but causes such as specific illness and nursing care are included.

(2) Sum Insured of Policies in Force and New Policies

Policies in Force

	As of March 31, 2020				As of March 31, 2021			
	Number of policies (thousands)		Amount (billions of yen)		Number of policies (thousands)		Amount (billions of yen)	
		% of March 31, 2019 total		% of March 31, 2019 total		% of March 31, 2020 total		% of March 31, 2020 total
Individual insurance	354	158.7	1,208.8	133.9	482	135.9	1,449.6	119.9
Individual annuities	0	200.0	0.1	210.2	0	150.0	0.2	125.8
Group insurance	—	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—	—

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

New Policies

	Year ended March 31, 2020						Year ended March 31, 2021					
	Number of policies (thousands)		Amount (billions of yen)				Number of policies (thousands)		Amount (billions of yen)			
		% of March 31, 2019 total		% of March 31, 2019 total	New Business	Net increase by conversions		% of March 31, 2020 total		% of March 31, 2020 total	New Business	Net increase by conversions
Individual insurance	147	122.9	283.8	121.9	283.8	—	150	101.6	250.9	88.4	250.9	—
Individual annuities	—	—	—	—	—	—	—	—	—	—	—	—
Group insurance	—	—	—	—	—	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—	—	—	—	—	—

(3) Profit and Loss Items (millions of yen except percentages)

	Year ended March 31, 2020		Year ended March 31, 2021	
		% of March 31, 2019 total		% of March 31, 2020 total
Premium and other income	144,382	79.7	159,538	110.5
Investment income	152	280.0	265	173.8
Benefits and claims	28,119	260.4	53,336	189.7
Investment expenses	4	2,479.9	13	263.1
Ordinary profit (loss)	(16,310)	191.7	(14,136)	86.7

(4) Total Assets (millions of yen except percentages)

	As of March 31, 2020		As of March 31, 2021	
		% of March 31, 2019 total		% of March 31, 2020 total
Total assets	244,399	155.2	352,842	144.4

2. Policies in Force as of March 31, 2021 by Benefit

(thousands, millions of yen)

		Individual insurance		Individual annuities		Group insurance		Total	
		Number of policies	Amount	Number of policies	Amount	Number of policies	Amount	Number of policies	Amount
Death benefits	General	423	1,451,065	—	—	—	—	423	1,451,065
	Accidental	29	3,319,184	—	—	—	—	29	3,319,184
	Others	—	—	—	—	—	—	—	—
Survival benefits		0	42	0	232	—	—	0	274
Hospitalization benefits	Accidental	536	2,752	—	—	—	—	536	2,752
	Illness	536	2,752	—	—	—	—	536	2,752
	Others	250	3,617	—	—	—	—	250	3,617
Injury benefits		—	—	—	—	—	—	—	—
Surgery benefits		630	—	—	—	—	—	630	—
Disability benefits		5	900	—	—	—	—	5	900
Others		247	144,550	—	—	—	—	247	144,550

(Notes) 1. For individual annuities, amounts in “Survival benefits” show policy reserves after the commencement of payment of annuities.
2. Amounts in “Hospitalization benefits” show the amount of hospitalization benefit to be paid per day.
3. Amounts in “Disability benefits” show the amount of disability benefits paid per month.
4. Amounts in “Others” show the amount of the diagnosis benefits of the cancer medical treatment rider, etc.

3. Policyholder Dividends based on Financial Results for the Year ended March 31, 2021

As the Company deals only with nonparticipating individual insurance, there is no applicable item.

4. Investment of General Account Assets for the Fiscal Year Ended March 31, 2021

(1) Investment of Assets for the Fiscal Year Ended March 31, 2021

(i) Investment Environment

In fiscal year ended March 31, 2021, the Japanese economy deteriorated significantly, particularly in domestic demand, due to the impact of the spread of the new Corona Virus. The economy fell sharply in the second quarter, and then recovered rapidly from the summer due to policy effects and other factors. However, the economy deteriorated again at the beginning of the year, partly due to the second emergency declaration. Overseas economies have picked up sharply from the sharp decline in the first half of the year against the backdrop of large-scale fiscal support measures and other factors, in addition to China's growth by holding down the new Corona Virus relatively early.

Amid these economic conditions, the operating environment was as follows.

<Domestic interest rates>

Yields on 10-year JGBs continued to be controlled at around 0% as the Bank of Japan kept the policy interest rate unchanged while providing support for corporate financing in response to the economic downturn caused by the spread of the new Corona Virus. However, toward the end of the fiscal year, the Bank of Japan revised its policy toward the continuation of monetary easing, and U.S. interest rates rose significantly, resulting in a slight increase.

Yield on ten-year government bonds:	April 1, 2020	0.010%
	March 31, 2021	0.090%

<Domestic stocks>

The Nikkei Stock Average continued to rise in the fiscal year ended March 31, 2021 due to expectations for recovery in corporate performance following the resumption of economic activity, expectations for the supply of vaccines, and support from financial and fiscal policies, despite a significant decline in the Nikkei Stock Average against the background of the spread of infection with the new coronavirus toward the end of the previous fiscal year. At one point, the price is in the ¥30000 range, reaching a new high for the first time since 1990.

Nikkei 225 Stock Average:	April 1, 2020	18,917
	March 31, 2021	29,178
TOPIX:	April 1, 2020	1,403
	March 31, 2021	1,954

<Foreign currency>

The yen appreciated against the U.S. dollar, mainly due to the narrowing of the interest rate differential between Japan and the United States against the backdrop of the substantial reduction in interest rates by the Federal Reserve (FRB). However, from the beginning of the year to the end of the fiscal year, U.S. interest rates rose sharply due to the expectation of a recovery in the U.S. economy and other factors, and rapidly reversed the yen's depreciation.

With regard to the yen/euro, the establishment of the Reconstruction Fund and other policy measures in Europe were highly evaluated, and the euro was easily purchased amid the trend of a weaker dollar, and the euro remained on a strong trend. In addition, the yen depreciated toward the end of the fiscal year due to expectations of a global economic recovery, and the yen/euro rate rose further.

yen /U.S. dollar:	April 1, 2020	\108.83
	March 31 2021	\110.71
yen/euro:	April 1, 2020	\119.55
	March 31, 2021	\129.80

(ii) Investment Policies of the Company

The Company invests mainly in fixed income assets such as domestic bonds with the aim of securing stable investment income.

(iii) Investment Results

The balance of general account assets at the end of the fiscal year ended March 31, 2021 was ¥352,842 million. The balance of assets under management included deposits of ¥248,955 million, bonds of ¥61,623 million, and domestic stocks of ¥1,249 million.

In addition, investment income was ¥265 million, and investment expenses were ¥13 million.

(2) Asset Composition (millions of yen except percentages)

	As of March 31, 2020		As of March 31, 2021	
	Carrying amount	%	Carrying amount	%
Cash, deposits, and call loans	159,503	65.3	248,955	70.6
Securities repurchased under resale agreements	—	—	—	—
Deposit paid for securities borrowing transactions	—	—	—	—
Monetary claims bought	—	—	—	—
Trading account securities	—	—	—	—
Money held in trust	—	—	—	—
Securities	35,833	14.7	62,872	17.8
Domestic bonds	26,428	10.8	52,007	14.7
Domestic stocks	986	0.4	1,249	0.4
Foreign securities	8,418	3.4	9,616	2.7
Foreign bonds	8,418	3.4	9,616	2.7
Foreign stocks and other securities	—	—	—	—
Other securities	—	—	—	—
Loans	730	0.3	1,313	0.4
Real estate	99	0.0	96	0.0
Deferred tax assets	—	—	—	—
Others	48,237	19.7	39,611	11.2
Reserve for possible loan losses	(4)	(0.0)	(7)	(0.0)
Total	244,399	100.0	352,842	100.0
Foreign currency-denominated assets	—	—	—	—

(3) Changes (Increase/Decrease) in Assets (millions of yen)

	Year ended March 31, 2020	Year ended March 31, 2021
Cash, deposits, and call loans	73,314	89,452
Securities repurchased under resale agreements	—	—
Deposit paid for securities borrowing transactions	—	—
Monetary claims bought	—	—
Trading account securities	—	—
Money held in trust	—	—
Securities	20,589	27,039
Domestic bonds	17,998	25,578
Domestic stocks	882	263
Foreign securities	1,707	1,198
Foreign bonds	1,707	1,198
Foreign stocks and other securities	—	—
Other securities	—	—
Loans	668	583
Real estate	(6)	(2)
Deferred tax assets	—	—
Others	(7,591)	(8,626)
Reserve for possible loan losses	(3)	(3)
Total	86,970	108,442
Foreign currency-denominated assets	—	—

(4) Investment Income (millions of yen)

	Year ended March 31, 2020	Year ended March 31, 2021
Interest and dividends	152	265
Interest from bank deposits	—	—
Interest and dividends from securities	147	246
Interest from loans	5	18
Rental income	—	—
Other interest and dividends	—	—
Gains on trading account securities	—	—
Gains on money held in trust	—	—
Gains on investment in trading securities	—	—
Gains on sale of securities	—	—
Gains on sale of domestic bonds	—	—
Gains on sale of domestic stocks	—	—
Gains on sale of foreign securities	—	—
Others	—	—
Gain on redemption of securities	—	—
Derivative transaction gains	—	—
Foreign exchange gains	—	—
Reversal of reserve for possible loan losses	—	—
Other investment income	—	—
Total	152	265

(5) Investment Expense (millions of yen)

	Year ended March 31, 2020	Year ended March 31, 2021
Interest expenses	0	9
Losses on trading account securities	—	—
Losses on money held in trust	—	—
Losses on investment in trading securities	—	—
Losses on sale of securities	—	—
Losses on sale of domestic bonds	—	—
Losses on sale of domestic stocks	—	—
Losses on sale of foreign securities	—	—
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	—	—
Loss on redemption of securities	—	—
Derivative transaction losses	—	—
Foreign exchange losses	—	—
Provision for reserve for possible loan losses	3	3
Write-down of loans	—	—
Depreciation of real estate for rent and others	—	—
Other investment expenses	0	0
Total	4	13

(6) Other Information on Investments

(i) Rates of Return (%)

	Year ended March 31, 2020	Year ended March 31, 2021
Cash, deposits, and call loans	—	—
Securities repurchased under resale agreements	—	—
Deposit paid for securities borrowing transactions	—	—
Monetary claims bought	—	—
Trading account securities	—	—
Money held in trust	—	—
Securities	0.61	0.51
Domestic bonds	0.52	0.44
Domestic stocks	4.53	3.00
Foreign securities	0.54	0.51
Loans	2.54	1.17
Real estate	—	—
Total of general account	0.08	0.08
Foreign investments	—	—

(Note) The rates of return above are calculated by dividing the net investment income included in ordinary profit by the average daily balance on a book value basis.

(ii) Valuation Gains and Losses on Trading Securities

Not applicable.

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

(millions of yen)

	As of March 31, 2020					As of March 31, 2021				
	Book value	Fair value	Gains (losses)			Book value	Fair value	Gains (losses)		
				Gains	Losses				Gains	Losses
Held-to-maturity bonds	34,749	34,497	(251)	61	313	61,525	61,268	(256)	103	360
Policy-reserve-matching bonds	—	—	—	—	—	—	—	—	—	—
Stocks of subsidiaries and affiliated companies	—	—	—	—	—	—	—	—	—	—
Available-for-sale securities	1,110	1,083	(27)	32	59	1,110	1,347	236	238	1
Domestic bonds	—	—	—	—	—	—	—	—	—	—
Domestic stocks	1,010	986	(24)	32	57	1,010	1,249	238	238	—
Foreign securities	100	97	(2)	—	2	100	98	(1)	—	1
Foreign bonds	100	97	(2)	—	2	100	98	(1)	—	1
Foreign stocks and other securities	—	—	—	—	—	—	—	—	—	—
Other securities	—	—	—	—	—	—	—	—	—	—
Monetary claims bought	—	—	—	—	—	—	—	—	—	—
Certificates of deposit	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—
Total	35,860	35,581	(279)	93	373	62,635	62,616	(19)	341	361
Domestic bonds	26,428	26,200	(228)	48	276	52,007	51,737	(270)	78	349
Domestic stocks	1,010	986	(24)	32	57	1,010	1,249	238	238	—
Foreign securities	8,420	8,394	(25)	13	38	9,617	9,629	12	24	12
Foreign bonds	8,420	8,394	(25)	13	38	9,617	9,629	12	24	12
Foreign stocks and other securities	—	—	—	—	—	—	—	—	—	—
Other securities	—	—	—	—	—	—	—	—	—	—
Monetary claims bought	—	—	—	—	—	—	—	—	—	—
Certificates of deposit	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—

Carrying values of securities whose fair value is deemed extremely difficult to recognize are as follows:
Not applicable.

(iv) Fair Value Information on Money Held in Trust
Not applicable.

5. Unaudited Non-Consolidated Balance Sheet

(millions of yen)

	As of March 31, 2020	As of March 31, 2021		As of March 31, 2020	As of March 31, 2021
	Amount	Amount		Amount	Amount
(ASSETS)			**(LIABILITIES)**		
Cash and deposits	**159,503**	**248,955**	**Policy reserves and others**	**236,073**	**327,687**
Deposits	159,503	248,955	Reserves for outstanding claims	1,503	1,956
Securities	**35,833**	**62,872**	Policy reserves	234,570	325,731
Corporate bonds	26,428	52,007	**Reinsurance payable**	**310**	**399**
Domestic stocks	986	1,249	**Other liabilities**	**4,772**	**5,393**
Foreign securities	8,418	9,616	Corporate income tax payable	8	8
Loans	**730**	**1,313**	Accounts payable	690	1,323
Policy loans	730	1,313	Accrued expenses	4,016	3,997
Tangible fixed assets	**239**	**235**	Deposits received	0	0
Buildings	99	96	Suspense receipt	56	62
Other	140	139	**Reserve for price fluctuations**	**5**	**7**
Intangible fixed assets	**1,722**	**4,313**	**Deferred tax liabilities**	**—**	**66**
Software	1,716	4,307	**Total liabilities**	**241,162**	**333,554**
Other	6	5	**(NET ASSETS)**		
Reinsurance receivables	**38,206**	**25,995**	**Capital stock**	**32,599**	**47,599**
Other assets	**8,168**	**9,163**	**Capital surplus**	**24,599**	**39,599**
Accounts receivable	6,455	7,080	Legal capital surplus	24,599	39,599
Prepaid expenses	1,202	1,500	**Retained earnings**	**(53,934)**	**(68,081)**
Accrued revenue	55	94	Other retained earnings	(53,934)	(68,081)
Deposits	199	199	Retained earnings brought forward	(53,934)	(68,081)
Suspense payments	2	6	**Total shareholders' equity**	**3,264**	**19,117**
Other assets	252	282	**Net unrealized gains (losses) on securities, net of tax**	**(27)**	**170**
Reserve for possible loan losses	**(4)**	**(7)**	**Total of valuation and translation adjustments**	**(27)**	**170**
			Total net assets	**3,237**	**19,287**
Total assets	**244,399**	**352,842**	**Total liabilities and net assets**	**244,399**	**352,842**

(Notes to Balance Sheet as of March 31, 2021)

1 Securities are evaluated as follows. Held-to-maturity bonds are evaluated by the amortized cost method (straight-line method) based on the moving average method, and available-for-sale securities with market value are evaluated by the market value method (costs are calculated by the moving average method) based on the market price, etc. on the last day of March. Regarding securities whose market value is deemed to be extremely difficult to identify, government and corporate bonds whose premium or discount represents the interest adjustment are evaluated by the amortized cost method (straight-line method) based on the moving average method, and other securities are evaluated by the cost method based on the moving average method.
Net unrealized gains or losses on these available-for-sale securities are presented as a separate component of net assets and not in the non-consolidated statement of earnings.

2 Depreciation of Depreciable Assets
(i) Depreciation of Tangible Fixed Assets Excluding Leased Assets
Depreciation of tangible fixed assets excluding leased assets and buildings is calculated by the declining balance method. (Depreciation of buildings is calculated by the straight-line method.)

(ii) Depreciation of 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 remaining value.

(iii) Amortization of Intangible Fixed Assets Excluding Leased Assets
Amortization of intangible fixed assets excluding leased assets is calculated by the straight-line method. Amortization of software is calculated by the straight-line method based on the estimated useful life of the software.

3 Reserve for Possible Loan Losses
To prepare for possible loan losses, the reserve for possible loan losses is calculated based on the asset quality assessment regulations, the internal rules for self-assessment, the write-offs and reserves recording regulations, and the internal rules for write-offs and reserves that have been established by the Company. For loans to and claims on obligors for which the Company has serious concerns over their recoverability or whose value is assessed by the Company to have been damaged materially as a result of the assessment of individual loans or claims, the amount that is deemed necessary is provided.

4 Reserve for Price Fluctuations
A reserve for price fluctuations is calculated in accordance with the provisions of Article 115 of the Insurance Business Act.

5 Calculation of National and Local Consumption Tax
The Company accounts for national and local consumption tax by the tax-inclusion method.

6 Policy Reserves
Policy reserves of the Company are calculated and set aside in accordance with the method specified in the statement of calculation procedures (Article 4, Paragraph 2, Item 2 of the Insurance Business Act) pursuant to the provisions of Article 116 of the Insurance Business Act for contracts in which the liability under insurance contracts have begun as of the end of the fiscal year in preparation for performance of future obligations under insurance contracts.
Of the policy reserves, insurance premium reserves are calculated as follows:

(i) Reserves for policies subject to the standard policy reserve rules are calculated based on the methods stipulated by the Commissioner of the Financial Services Agency (Notification of the Ministry of Finance No. 48, 1996).

(ii) Reserves for other policies are established based on the net level premium method.

Of the policy reserves, contingency reserves are set aside for covering risks that may accrue in the future, so as to secure the performance of future obligations under the insurance contracts in accordance with Article 69, Paragraph 1, Item 3 of the Regulation for Enforcement of the Insurance Business Act.

7 The basic policy of the Company is to aim for effective asset management conforming to the diversification of the investment environment and asset management by conducting appropriate income and risk management and working to strengthen risk management from the perspective of maintaining the soundness of business in asset management. Based on this policy, the Company manages assets by paying attention to their safety and cashability (liquidity).
As major financial products, securities are exposed to market risk and credit risk.
The Company manages the market risk by measuring its amount based on value-at-risk (VaR), which is a typical method of measurement. The Company also manages the credit risk by regularly surveying the credit standing of individual investments.
The carrying amounts on the balance sheet, the fair values and differences of major financial assets are as follows:

(millions of yen)

	Value on Balance Sheet	Fair Value	Difference
(1) Cash and deposits	248,955	248,955	—
(2) Securities	62,872	62,616	(256)
Held-to-maturity bonds	61,525	61,268	(256)
Available-for-sale securities	1,347	1,347	—
(3) Loans	1,313	1,313	—
Policy loans	1,313	1,313	—

(1) Cash and deposits
The fair value of cash and deposits is calculated by the book value because the fair value is almost the same as the book value.
(2) Securities
The fair value of securities is calculated by the market value as of March 31, 2021.
(3) Loans
Policy loans do not have repayment deadlines due to their characteristics such as the loan limit that is within the surrender values and their fair values are assumed to be close to their book values based on the expected time of repayment, interest rate conditions, etc.; their book values, therefore, are used as their fair values.

8 Loans to Bankrupt Borrowers, Delinquent Loans, Delinquent Loans of Three Months or More, and Restructured Loans
The loans do not include any loans to bankrupt borrowers, delinquent loans, delinquent loans of three months or more, and restructured loans.

9 The accumulated depreciation of property, plant and equipment as of March 31, 2021 was ¥407 million.

10 The total amount of payables to subsidiaries and affiliated companies was ¥3 million.

11 The total amount of deferred tax assets was ¥17,028 million, and the total amount of deferred tax liabilities was ¥66 million. The full amount of deferred tax assets is subtracted as valuation allowances.
The major components of deferred tax assets were insurance policy reserves of ¥750 million, the amount of excess depreciation of ¥520 million and tax losses carried forward of ¥15,602 million.
Of the amount deducted from deferred tax assets as the amount of valuation allowances, the amount of valuation allowance pertaining to tax losses carried forward is ¥15,602 million, and the amount of valuation allowance pertaining to future deductible temporary differences is ¥1,425 million.
The major component of deferred tax liabilities was net unrealized gains on securities, net of tax.
The main reason for changes in the amount deducted from deferred tax assets as the amount of valuation allowances is the posting of a net loss.

Amounts of tax losses carried forward and deferred tax assets by the losses carry-forward period are as follows.

(millions of yen)

	Within a year	More than a year and within five years	More than five years	Total
Tax losses carried forward (*1)	—	2,166	13,436	15,602
Amount of valuation allowances	—	(2,166)	(13,436)	(15,602)
Deferred tax assets	—	—	—	—

(*1) The tax losses carried forward is an amount obtained by multiplying the effective statutory tax rate.

The actual effective tax rate for the fiscal year ended March 31, 2021 was -0.06%, and the major component of the difference from the statutory tax rate of 28.00% was -25.90% for valuation allowances.

12 The amount of net assets per share of the Company was ¥4,647.80.

13 The balance of unamortized outwards reinsurance commissions at the end of the fiscal year under review pertaining to reinsurance contracts stipulated in Article 1, Paragraph 5 of the Public Notice No. 50 of the Ministry of Finance of 1996 was ¥2,213 million.

14 The estimated future obligations of the Company to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Act were ¥335 million as of March 31, 2021.
These obligations will be recognized as operating expenses in the period in which they are paid.

15 Amounts are rounded off to the unit stated.

6. Unaudited Non-Consolidated Statement of Earnings

(millions of yen)

	Year ended March 31, 2020	Year ended March 31, 2021
	Amount	Amount
ORDINARY REVENUES	**144,544**	**159,808**
Premium and other income	**144,382**	**159,538**
Premium income	136,846	141,119
Reinsurance income	7,535	18,418
Investment income	**152**	**265**
Interest and dividends	152	265
Interest and dividends from securities	147	246
Interest from loans	5	18
Other ordinary revenues	**9**	**5**
Other	9	5
ORDINARY EXPENSES	**160,854**	**173,945**
Benefits and claims	**28,119**	**53,336**
Claims	1,228	1,878
Annuities	65	46
Benefits	2,825	4,573
Surrender values	3,472	13,298
Other refunds	1,136	2,390
Ceding reinsurance commissions	19,391	31,148
Provision for policy reserves and others	**105,271**	**91,613**
Provision for reserves for outstanding claims	1,099	452
Provision for policy reserves	104,172	91,160
Investment expenses	**4**	**13**
Interest expenses	0	9
Provision for reserve for possible loan losses	3	3
Other investment expenses	0	0
Operating expenses	**26,751**	**27,839**
Other ordinary expenses	**706**	**1,142**
National and local taxes	480	599
Depreciation	225	541
Other ordinary expenses	0	0
ORDINARY PROFIT (LOSS)	**(16,310)**	**(14,136)**
EXTRAORDINARY GAINS	**0**	**—**
Gains on disposal of fixed assets	**0**	**—**
EXTRAORDINARY LOSSES	**1**	**1**
Losses on disposal of fixed assets	**0**	**0**
Provision for reserve for price fluctuations	**1**	**1**
Income (loss) before income taxes	**(16,311)**	**(14,138)**
Corporate income taxes – current	**8**	**8**
Total of corporate income taxes	**8**	**8**
Net income (loss) for the year	**(16,319)**	**(14,147)**

(Notes to Statement of Income)

1. The standards for recording of premium and other income and benefits and claims are as follows.
   (1) Premium income
   For premium income, the amount of insurance premiums received for which the liability under insurance contracts has begun is recorded.
   Of the insurance premiums received, the portion corresponding to the unexpired period as of the end of the fiscal year is transferred to policy reserves in accordance with Article 69, Paragraph 1, Item 2 of the Regulation for Enforcement of the Insurance Business Act.
   (2) Reinsurance income
   For reinsurance income, the reinsured amount of the amount paid as insurance proceeds, etc. pertaining to the primary insurance contracts based on the reinsurance agreement is recorded in reinsurance income at the time of the payment of the insurance proceeds, etc.
   Of modified coinsurance, in some transactions that do not give or receive cash, the amount received as part of the amount equivalent to new contract expenses pertaining to the primary insurance contracts based on the reinsurance agreement is recorded in reinsurance income, and the same amount is recorded in the total amount of claims against reinsurance companies as unamortized outwards reinsurance commissions and amortized over the reinsurance contract period.
   (3) Benefits and claims (excluding ceding reinsurance commissions)
   Benefits and claims (excluding ceding reinsurance commissions) are recorded for contracts in which the amount calculated based on the policy conditions was paid due to the occurrence of the grounds for payment under the policy conditions, using the said amount.
   Based on Article 117 of the Insurance Business Act, reserves for outstanding claims are transferred for insurance proceeds, etc. for which payment is not made although the claims, etc. are due and payable as of the end of the fiscal year, or the grounds for payment are deemed to have already occurred although they are not reported.
   (4) Ceding reinsurance commissions
   Reinsurance premiums agreed based on the reinsurance agreement are recorded in ceding reinsurance commissions at the time of receiving insurance premiums pertaining to the primary insurance contracts.

   Applying the Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections (ASBJ Statement No. 24 on March 31, 2020), the "Accounting Principles and Procedures Adopted in Cases Where Related Accounting Standards Are Not Clear" are disclosed.

2. Total amount of expenses arising from transactions with subsidiaries and affiliated companies was ¥56 million.

3. The amount of loss per share was ¥3,534.44.

4. Reinsurance income includes ¥2,235 million, the amount of increase in unamortized outwards reinsurance commissions for reinsurance contracts stipulated in Article 1, Paragraph 5 of the Public Notice No. 50 of the Ministry of Finance of 1996.

5. Ceding reinsurance commissions include ¥22 million, the amount of decrease in unamortized outwards reinsurance commissions for reinsurance contracts stipulated in Article 1, Paragraph 5 of the Public Notice No. 50 of the Ministry of Finance of 1996.

6. Matters concerning transactions with related parties are as follows.

(millions of yen)

Type	Name of company, etc.	Percentage of voting rights (held)	Relationship with related parties	Details of transaction	Amount of transaction	Account title	Closing balance
Parent company	Dai-ichi Life Holdings, Inc.	Held by the parent company Direct 100%	The holding company of the Dai-ichi Life Group, concurrent serving by an officer, etc.	Underwriting of capital increase (Note 1)	30,000	—	—

(Note 1) Dai-ichi Life Holdings, Inc. underwrote the capital increase through private placement by the Company for ¥40 thousand per share.

7. Amounts are rounded off to the unit stated.

7. Breakdown of Ordinary Profit (Fundamental Profit)

(millions of yen)

	Year ended March 31, 2020	Year ended March 31, 2021
Fundamental profit (loss) A	(15,843)	(13,806)
Capital gains	—	—
Gains on money held in trust	—	—
Gains on investment in trading securities	—	—
Gains on sale of securities	—	—
Derivative transaction gains	—	—
Foreign exchange gains	—	—
Others	—	—
Capital losses	—	—
Losses on money held in trust	—	—
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	—	—
Fundamental profit plus net capital gains (losses) A + B	(15,843)	(13,806)
Other one-time gains	—	—
Reinsurance income	—	—
Reversal of contingency reserve	—	—
Reversal of specific reserve for possible loan losses	—	—
Others	—	—
Other one-time losses	466	330
Ceding reinsurance commissions	—	—
Provision for contingency reserve	462	327
Provision for specific reserve for possible loan losses	3	3
Provision for specific reserve for loans to refinancing countries	—	—
Write-down of loans	—	—
Others	—	—
Other one-time profits (losses) C	(466)	(330)
Ordinary profit (loss) A + B + C	(16,310)	(14,136)

8. Unaudited Non-Consolidated Statement of Changes in Net Assets

Year ended March 31, 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	32,599	24,599	(37,614)	19,584
Changes for the year				
Net loss for the year			16,319	16,319
Net changes of items other than shareholders' equity				
Total changes for the year			(16,319)	(16,319)
Balance at the end of the year	32,599	24,599	(53,934)	3,264

	Valuation and translation adjustments		Total net assets
	Net unrealized gains (losses) on securities, net of tax	Total of valuation and translation adjustments	
Balance at the beginning of the year	50	50	19,634
Changes for the year			
Net loss for the year			16,319
Net changes of items other than shareholders' equity	(77)	(77)	(77)
Total changes for the year	(77)	(77)	(16,397)
Balance at the end of the year	(27)	(27)	3,237

Year ended March 31, 2021 (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	32,599	24,599	(53,934)	3,264
Changes for the year				
Issuance of new shares	15,000	15,000		30,000
Net loss for the year			14,147	14,147
Net changes of items other than shareholders' equity				
Total changes for the year	15,000	15,000	(14,147)	15,852
Balance at the end of the year	47,599	39,599	(68,081)	19,117

	Valuation and translation adjustments		Total net assets
	Net unrealized gains (losses) on securities, net of tax	Total of valuation and translation adjustments	
Balance at the beginning of the year	(27)	(27)	3,237
Changes for the year			
Issuance of new shares			30,000
Net loss for the year			14,147
Net changes of items other than shareholders' equity	197	197	197
Total changes for the year	197	197	16,050
Balance at the end of the year	170	170	19,287

(Statement of Changes in Net Assets)

1 Type and Number of Shares Outstanding

(thousands of shares)

	At the beginning of the fiscal year ended March 31, 2021	Increase	Decrease	As of March 31, 2021
Shares outstanding				
Common stock	3,399	750	—	4,149

The increase of 750 thousand shares in the number of shares outstanding of common stock was due to the issuance of new shares which were allotted to Dai-ichi Life Holdings, Inc.

2 Stock Acquisition Rights and Own Stock Acquisition Rights
Not applicable.

3 Dividends Paid
Not applicable.

4 Amounts are rounded off to the unit stated.

9. Disclosed Claims Based on Categories of Obligors

(millions of yen except percentages)

		As of March 31, 2020	As of March 31, 2021
	Claims provable in bankruptcy, claims provable in rehabilitation and claims equivalent to these	—	—
	Doubtful claims	—	—
	Substandard loans	—	—
Subtotal		—	—
(Ratio to total)		(—%)	(—%)
Performing loans		730	1,313
Total		730	1,313

(Notes) 1. Claims provable in bankruptcy, claims provable in rehabilitation, and claims equivalent to these refer to those loans to debtors who are bankrupt for a reason such as commencement of bankruptcy proceedings, commencement of rehabilitation proceedings, and filing a petition for the commencement of rehabilitation proceedings and claims equivalent to such loans.

2. Doubtful claims refer to those loans whose principal and interest are likely not collectible based on the contract due to the deterioration of the financial condition and business performance of the debtor despite not being bankrupt.

3. Substandard loans refer to those loans that are delinquent for three months or more and those that have been restructured. Loans delinquent for three months or more refer to those loans for which the payment of the principal or interest has been delayed for three months or more from the day following the contractual payment day (excluding loans specified in Note 1 and Note 2). Restructured loans refer to those loans on which interest has been reduced or exempted, for which interest payment has been postponed, for which the principal payment has been postponed, on which claims have been waived, or for which other arrangements have been made to provide the debtor with an advantage for the purpose of rebuilding its business or assisting the debtor (excluding loans specified in Note 1 and Note 2and loans delinquent for three months or more).

4. Performing loans refer to those loans that are classified into categories other than those described in Note 1 through Note 3 for not having particular problems in the financial position and operating results of the debtor.

10. Risk-Monitored Loans

Not applicable.

11. Solvency Margin Ratio

(millions of yen)

		As of March 31, 2020	As of March 31, 2021
Total solvency margin	(A)	9,388	39,806
Common stock, etc.		3,264	19,117
Reserve for price fluctuations		5	7
Contingency reserve		1,451	1,778
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)		(27)	213
Net unrealized gains (losses) on real estate × 85% (Multiplied by 100% if losses)		—	—
Policy reserves in excess of surrender values		22,281	48,892
Qualifying subordinated debt		—	—
Excluded portion of policy reserve in excess of surrender values and qualifying subordinated debt		(17,587)	(30,203)
Excluded items		—	—
Others		—	—
Total risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	(B)	3,013	2,158
Insurance risk	R_1	512	567
3rd sector insurance risk	R_8	932	1,202
Assumed investment yield risk	R_2	4	6
Guaranteed minimum benefit risk	R_7	—	—
Investment risk	R_3	2,503	1,072
Business risk	R_4	118	85
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$		623.1%	3,688.8%

(Note) The figures above 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.
Since the calculation of the total risk of the Solvency Margin Ratio as of March 31, 2021, classification as assets subject to risks in terms of the credit risk (the breakdown of the investment risk) has been changed from Rank 2 to Rank 1 with respect to checkable deposits for financial institutions located in Japan.(The risk before the change of classification is ¥4,143 million)

12. Status of Separate Account for the Fiscal Year Ended March 31, 2021

Not applicable.

13. Consolidated Financial Summary

Not applicable.