[Unofficial Translation]

May 15, 2024

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Code: 8750 (TSE Prime section)

# Supplementary Materials for the Fiscal Year Ended March 31, 2024 (The Neo First Life Insurance Company, Limited)

May 15, 2024
The Neo First Life Insurance Company, Limited

# Financial Results for the Fiscal Year Ended March 31, 2024

The Neo First Life Insurance Company, Limited (the "Company"; President: Takashi Uehara) announces its financial results for the fiscal year ended March 31, 2024.

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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 March 31, 2024 | |
|---|---|---|---|---|
| | | % of March 31, 2022 total | | % of March 31, 2023 total |
| Individual insurance | 124,809 | 89.8 | 100,080 | 80.2 |
| Individual annuities | 29 | 142.3 | 45 | 155.4 |
| Total | 124,839 | 89.8 | 100,126 | 80.2 |
| Medical and survival benefits | 42,678 | 117.1 | 49,078 | 115.0 |

New Policies (millions of yen except percentages)

| | Year ended March 31, 2023 | | Year ended March 31, 2024 | |
|---|---|---|---|---|
| | | % of March 31, 2022 total | | % of March 31, 2023 total |
| Individual insurance | 12,034 | 84.5 | 13,162 | 109.4 |
| Individual annuities | — | — | — | — |
| Total | 12,034 | 84.5 | 13,162 | 109.4 |
| Medical and survival benefits | 9,069 | 77.3 | 10,074 | 111.1 |

Notes: 1. Annualized net premiums are calculated by using multipliers for various premium payment terms to the premium per payment.

2. Annualized net premium for medical and survival benefits includes (a) premiums related to medical benefits such as hospitalization and surgery benefits, (b) premiums related to survival benefits such as specific illness, and (c) premiums related to premium waiver benefits.

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

Policies in Force

| | As of March 31, 2023 | | | | As of March 31, 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | Number of policies (thousands) | | Amount (billions of yen) | | Number of policies (thousands) | | Amount (billions of yen) | |
| | | % of March 31, 2022 total | | % of March 31, 2022 total | | % of March 31, 2023 total | | % of March 31, 2023 total |
| Individual insurance | 744 | 119.0 | 1,783.1 | 109.4 | 891 | 119.8 | 1,900.5 | 106.6 |
| Individual annuities | 0 | 144.4 | 0.4 | 132.9 | 0 | 150.0 | 0.7 | 158.3 |
| 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, 2023 | | | | | | Year ended March 31, 2024 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Number of policies (thousands) | | Amount (billions of yen) | | | | Number of policies (thousands) | | Amount (billions of yen) | | | |
| | | % of March 31, 2022 total | | % of March 31, 2022 total | New Business | Net increase by conversions | | % of March 31, 2023 total | | % of March 31, 2023 total | New Business | Net increase by conversions |
| Individual insurance | 162 | 92.6 | 210.7 | 86.3 | 210.7 | — | 205 | 126.2 | 333.6 | 158.3 | 333.6 | — |
| Individual annuities | — | — | — | — | — | — | — | — | — | — | — | — |
| Group insurance | — | — | — | — | — | — | — | — | — | — | — | — |
| Group annuities | — | — | — | — | — | — | — | — | — | — | — | — |

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

| | Year ended March 31, 2023 | | Year ended March 31, 2024 | |
|---|---|---|---|---|
| | | % of March 31, 2022 total | | % of March 31, 2023 total |
| Premium and other income | 232,333 | 121.4 | 208,134 | 89.6 |
| Investment income | 540 | 130.9 | 723 | 133.8 |
| Benefits and claims | 201,707 | 211.3 | 242,847 | 120.4 |
| Investment expenses | 12 | 262.5 | 1 | 15.3 |
| Ordinary profit (loss) | 24,730 | — | (1,269) | — |

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

| | As of March 31, 2023 | | As of March 31, 2024 | |
|---|---|---|---|---|
| | | % of March 31, 2022 total | | % of March 31, 2023 total |
| Total assets | 410,304 | 98.8 | 342,602 | 83.5 |

## 2. Policies in Force as of March 31, 2024 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 | 636 | 1,900,537 | — | — | — | — | 636 | 1,900,537 |
| | Accidental | 16 | 1,532,988 | — | — | — | — | 16 | 1,532,988 |
| | Others | — | — | — | — | — | — | — | — |
| Survival benefits | | 0 | 46 | 0 | 735 | — | — | 0 | 781 |
| Hospitalization benefits | Accidental | 886 | 4,750 | — | — | — | — | 886 | 4,750 |
| | Illness | 886 | 4,750 | — | — | — | — | 886 | 4,750 |
| | Others | 423 | 6,998 | — | — | — | — | 423 | 6,998 |
| Injury benefits | | — | — | — | — | — | — | — | — |
| Surgery benefits | | 967 | — | — | — | — | — | 967 | — |
| Disability benefits | | 4 | 632 | — | — | — | — | 4 | 632 |
| Others | | 734 | 403,332 | — | — | — | — | 734 | 403,332 |

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 Fiscal Year Ended March 31, 2024

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, 2024

(1) Investment of Assets for the Fiscal Year Ended March 31, 2024

(i) Operational environment

In FY2023, the Japanese economy saw a boost from increased inbound demand as the aftermath of the COVID-19 pandemic eased. However, private consumption experienced a downturn due to inflationary pressures, resulting in a recovery that was only moderate in nature. Overseas economies, while slowing down due to continued monetary tightening in various regions, found the U.S. economy to be resilient, thanks to its solid employment and income landscape. Although inflation rates hinted at reaching their peak in several countries, they persisted in gradually easing due to enduring inflationary forces.

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

<Domestic interest rates>

The yield on 10-year JGBs rose to the 0.7% range, as a result of revisions made by the Bank of Japan (BOJ) to its extensive monetary easing policies such as yield curve control(YCC) and negative interest rate measures.

| | | |
|---|---|---|
| Yield on ten-year government bonds: | April 1, 2023 | 0.320% |
| | March 31, 2024 | 0.725% |

<Domestic stocks>

The Nikkei 225 Stock Average experienced a buoyant ascent. Supported not only by accommodating fiscal policies but also by improved corporate performance due to a weaker yen, influx of funds into Japanese stocks from overseas investors, and the anticipation surrounding the new NISA, stock prices surged significantly.

| | | |
|---|---|---|
| Nikkei 225 Stock Average: | April 1, 2023 | 28,041 |
| | March 31, 2024 | 40,369 |
| TOPIX: | April 1, 2023 | 2,003 |
| | March 31, 2024 | 2,768 |

<Currency>

The JPY/USD weakened as the U.S. Federal Reserve (FRB) continued to tighten monetary policy on the back of favorable employment environment and persistently high inflation in the US, widening the gap between domestic and foreign interest rates.

The JPY/EUR exchange rate depreciated against the yen as the European Central Bank (ECB) continued to tighten monetary policy against the backdrop of rising inflation rates primarily driven by increases in resource and energy prices

| | | |
|---|---|---|
| JPY /USD: | April 1, 2023 | ¥133.53 |
| | March 31,2024 | ¥151.41 |
| JPY/EUR: | April 1, 2023 | ¥145.72 |
| | March 31, 2024 | ¥163.24 |

(ii) Investment Policies of the Company

The Company invests mainly in fixed income assets such as 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, 2024 was ¥342,602 million. The balance of assets under management included deposits of ¥172,756 million, bonds of ¥109,624 million, and stocks of ¥1,453 million.

In addition, investment income was ¥723 million, and investment expenses were ¥1 million.

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

| | As of March 31, 2023 | | As of March 31, 2024 | |
|---|---|---|---|---|
| | Carrying amount | % | Carrying amount | % |
| Cash, deposits, and call loans | 262,681 | 64.0 | 172,756 | 50.4 |
| Securities repurchased under resale agreements | — | — | — | — |
| Deposit paid for securities borrowing transactions | — | — | — | — |
| Monetary claims bought | — | — | — | — |
| Trading account securities | — | — | — | — |
| Money held in trust | — | — | — | — |
| Securities | 100,589 | 24.5 | 111,078 | 32.4 |
| Domestic bonds | 91,134 | 22.2 | 104,525 | 30.5 |
| Domestic stocks | 1,452 | 0.4 | 1,453 | 0.4 |
| Foreign securities | 8,002 | 2.0 | 5,099 | 1.5 |
| Foreign bonds | 8,002 | 2.0 | 5,099 | 1.5 |
| Foreign stocks and other securities | — | — | — | — |
| Other securities | — | — | — | — |
| Loans | 1,956 | 0.5 | 1,657 | 0.5 |
| Real estate | 156 | 0.0 | 205 | 0.1 |
| Deferred tax assets | 1,317 | 0.3 | 1,443 | 0.4 |
| Others | 43,606 | 10.6 | 55,464 | 16.2 |
| Reserve for possible loan losses | (2) | (0.0) | (2) | (0.0) |
| Total | 410,304 | 100.0 | 342,602 | 100.0 |
| Foreign currency-denominated assets | — | — | — | — |

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

| | Year ended March 31, 2023 | Year ended March 31, 2024 |
|---|---|---|
| Cash, deposits, and call loans | (6,563) | (89,924) |
| Securities repurchased under resale agreements | — | — |
| Deposit paid for securities borrowing transactions | — | — |
| Monetary claims bought | — | — |
| Trading account securities | — | — |
| Money held in trust | (19,997) | — |
| Securities | 18,285 | 10,488 |
| Domestic bonds | 23,009 | 13,390 |
| Domestic stocks | (7) | 0 |
| Foreign securities | (4,716) | (2,902) |
| Foreign bonds | (4,716) | (2,902) |
| Foreign stocks and other securities | — | — |
| Other securities | — | — |
| Loans | 158 | (298) |
| Real estate | (12) | 48 |
| Deferred tax assets | 7 | 126 |
| Others | 3,234 | 11,858 |
| Reserve for possible loan losses | (0) | (0) |
| Total | (4,888) | (67,702) |
| Foreign currency-denominated assets | — | — |

(4) Investment Income (millions of yen)

| | Year ended March 31, 2023 | Year ended March 31, 2024 |
|---|---|---|
| Interest and dividends | 540 | 723 |
| Interest from bank deposits | — | — |
| Interest and dividends from securities | 488 | 672 |
| Interest from loans | 51 | 51 |
| 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 | — | — |
| Gains on redemption of securities | — | — |
| Derivative transaction gains | — | — |
| Foreign exchange gains | — | — |
| Reversal of reserve for possible loan losses | — | — |
| Other investment income | — | — |
| Total | 540 | 723 |

(5) Investment Expense (millions of yen)

| | Year ended March 31, 2023 | Year ended March 31, 2024 |
|---|---|---|
| Interest expenses | 4 | 1 |
| Losses on trading account securities | — | — |
| Losses on money held in trust | 8 | — |
| Losses on investments 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 | — | — |
| Losses on redemption of securities | — | — |
| Derivative transaction losses | — | — |
| Foreign exchange losses | — | — |
| Provision for reserve for possible loan losses | 0 | 0 |
| Write-down of loans | — | — |
| Depreciation of real estate for rent and others | — | — |
| Other investment expenses | — | — |
| Total | 12 | 1 |

(6) Other Information on Investments

(i) Rates of Return (%)

| | Year ended March 31, 2023 | Year ended March 31, 2024 |
|---|---|---|
| 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 | (0.06) | — |
| Securities | 0.52 | 0.61 |
| Domestic bonds | 0.49 | 0.58 |
| Domestic stocks | 2.59 | 1.97 |
| Foreign securities | 0.46 | 0.72 |
| Loans | 2.84 | 2.81 |
| Real estate | — | — |
| Total of general account | 0.13 | 0.20 |
| Foreign investments | 0.46 | 0.72 |

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.

Note: Foreign investments are yen-denominated assets.

(ii) Valuation Gains and Losses on Trading Securities

Not applicable.

(iii) Fair Value Information on Securities (other than trading securities)

(millions of yen)

| | As of March 31, 2023 | | | | | As of March 31, 2024 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Book value | Fair value | Gains (losses) | | | Book value | Fair value | Gains (losses) | | |
| | | | | Gains | Losses | | | | Gains | Losses |
| Held-to-maturity bonds | 99,041 | 95,817 | (3,223) | 159 | 3,383 | 109,528 | 104,718 | (4,809) | 25 | 4,835 |
| Policy-reserve-matching bonds | — | — | — | — | — | — | — | — | — | — |
| Stocks of subsidiaries and affiliated companies | — | — | — | — | — | — | — | — | — | — |
| Available-for-sale securities | 1,706 | 1,548 | (158) | 150 | 308 | 1,694 | 1,550 | (144) | 159 | 304 |
| Domestic bonds | — | — | — | — | — | — | — | — | — | — |
| Domestic stocks | 1,606 | 1,452 | (153) | 150 | 303 | 1,594 | 1,453 | (141) | 159 | 300 |
| Foreign securities | 100 | 95 | (4) | — | 4 | 100 | 96 | (3) | — | 3 |
| Foreign bonds | 100 | 95 | (4) | — | 4 | 100 | 96 | (3) | — | 3 |
| Foreign stocks and other securities | — | — | — | — | — | — | — | — | — | — |
| Other securities | — | — | — | — | — | — | — | — | — | — |
| Monetary claims bought | — | — | — | — | — | — | — | — | — | — |
| Certificates of deposit | — | — | — | — | — | — | — | — | — | — |
| Others | — | — | — | — | — | — | — | — | — | — |
| Total | 100,747 | 97,365 | (3,382) | 309 | 3,692 | 111,222 | 106,268 | (4,954) | 185 | 5,139 |
| Domestic bonds | 91,134 | 87,943 | (3,190) | 158 | 3,349 | 104,525 | 99,751 | (4,773) | 25 | 4,799 |
| Domestic stocks | 1,606 | 1,452 | (153) | 150 | 303 | 1,594 | 1,453 | (141) | 159 | 300 |
| Foreign securities | 8,006 | 7,969 | (37) | 1 | 39 | 5,102 | 5,063 | (39) | — | 39 |
| Foreign bonds | 8,006 | 7,969 | (37) | 1 | 39 | 5,102 | 5,063 | (39) | — | 39 |
| Foreign stocks and other securities | — | — | — | — | — | — | — | — | — | — |
| Other securities | — | — | — | — | — | — | — | — | — | — |
| Monetary claims bought | — | — | — | — | — | — | — | — | — | — |
| Certificates of deposit | — | — | — | — | — | — | — | — | — | — |
| Others | — | — | — | — | — | — | — | — | — | — |

Note: The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Act.

Book value of stocks without market value and associations, etc.:
Not applicable.

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

## 5. Unaudited Non-Consolidated Balance Sheet

(millions of yen)

| | As of March 31, 2023 | As of March 31, 2024 | | As of March 31, 2023 | As of March 31, 2024 |
|---|---|---|---|---|---|
| | Amount | Amount | | Amount | Amount |
| **(ASSETS)** | | | **(LIABILITIES)** | | |
| **Cash and deposits** | **262,681** | **172,756** | **Policy reserves and others** | **366,378** | **296,728** |
| Deposits | 262,681 | 172,756 | Reserves for outstanding claims | 5,072 | 28,403 |
| **Securities** | **100,589** | **111,078** | Policy reserves | 361,306 | 268,325 |
| Government bonds | 6,095 | 6,102 | **Reinsurance payable** | **405** | **3,934** |
| Corporate bonds | 85,038 | 98,422 | **Other liabilities** | **6,651** | **6,163** |
| Domestic stocks | 1,452 | 1,453 | Corporate income tax payable | 8 | 16 |
| Foreign securities | 8,002 | 5,099 | Accounts payable | 2,400 | 1,889 |
| **Loans** | **1,956** | **1,657** | Accrued expenses | 4,201 | 4,218 |
| Policy loans | 1,956 | 1,657 | Deposits received | 1 | 1 |
| **Tangible fixed assets** | **287** | **346** | Suspense receipt | 40 | 37 |
| Buildings | 156 | 205 | **Reserve for price fluctuations** | **12** | **15** |
| Other | 130 | 140 | **Total liabilities** | **373,448** | **306,841** |
| **Intangible fixed assets** | **9,643** | **10,891** | | | |
| Software | 9,637 | 10,885 | **(NET ASSETS)** | | |
| Other | 6 | 5 | **Capital stock** | **47,599** | **47,599** |
| **Reinsurance receivables** | **23,885** | **33,274** | **Capital surplus** | **39,599** | **39,599** |
| **Other assets** | **9,946** | **11,157** | Legal capital surplus | 39,599 | 39,599 |
| Accounts receivable | 7,287 | 8,294 | **Retained earnings** | **(50,225)** | **(51,330)** |
| Prepaid expenses | 1,801 | 2,095 | Other retained earnings | (50,225) | (51,330) |
| Accrued revenue | 157 | 185 | Retained earnings brought forward | (50,225) | (51,330) |
| Deposits | 308 | 328 | **Total shareholders' equity** | **36,973** | **35,867** |
| Suspense payments | 6 | 0 | **Net unrealized gains (losses) on securities, net of tax** | **(117)** | **(107)** |
| Other assets | 386 | 253 | **Total of valuation and translation adjustments** | **(117)** | **(107)** |
| **Deferred tax assets** | **1,317** | **1,443** | **Total net assets** | **36,855** | **35,760** |
| **Reserve for possible loan losses** | **(2)** | **(2)** | | | |
| **Total assets** | **410,304** | **342,602** | **Total liabilities and net assets** | **410,304** | **342,602** |

(Notes to Balance Sheet as of March 31, 2024)

1. In terms of evaluation of securities, held-to-maturity bonds are evaluated by the amortized cost method (straight-line method) based on the moving average method. Available-for-sale securities, except stocks, etc. without 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.
   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-exclusion method. However, the tax-inclusion method is employed for operating expenses and other expenses. Of the non-deductible consumption tax, etc. related to assets, deferred consumption tax, etc. provided for in tax law is posted in prepaid expenses and is amortized evenly in five years. The non-deductible consumption tax, etc. other than deferred consumption tax, etc. is recorded as an expense in the fiscal year under review.

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 4 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 Minister of Finance No. 48, 1996).
   (ii) Reserves for other policies are established based on the net level premium method.
   If, through an estimation of future income based on most recent actual figures, the policy reserves set aside are found likely to be insufficient to cover the performance of future obligations, additional policy reserves need to be set aside in accordance with Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act. Policy reserves include additional policy reserves for some life insurance policies in accordance with Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act.
   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. As for already occurred but not yet reported reserves for outstanding claims (meaning insurance proceeds,

etc. for which the grounds for payment stipulated in insurance policies are deemed to have already occurred although they are not yet reported. The same applies hereafter), given that it is not possible to calculate the appropriate level of the amount by the calculation based on the main clause of Article 1, Paragraph 1 of the Public Notice No. 234 of the Ministry of Finance of 1998 (hereinafter referred to as the "IBNR Notice") because the special handling—namely paying hospitalization benefits, etc. if a patient is diagnosed with COVID-19 and is treated under the supervision of a physician or other health care provider at an accommodation facility or at home (hereinafter referred to as "Deemed Hospitalization"), among other cases—is not applied from May 8, 2023, the amount calculated based on the following method is recorded in accordance with the proviso of Article 1, Paragraph 1 of the IBNR Notice.

(Overview of the calculation method)
Calculation is made in the same manner as the main clause of Article 1, Paragraph 1 of the IBNR Notice after excluding the amount for the Deemed Hospitalization of patients from the amount required for accumulating already occurred but not yet reported reserves for outstanding claims and claims paid for all fiscal years listed in the main clause of Article 1, Paragraph 1 of the IBNR Notice.
At the end of the previous fiscal year, the Company excluded the amount related to Deemed Hospitalization other than Deemed Hospitalization of those with a high risk of severity instead of the amount related to Deemed Hospitalization. However, since the payment of hospitalization benefits connected with Deemed Hospitalization ended during the fiscal year under review, the Company makes a calculation that excludes the amount related to Deemed Hospitalization.

8. Matters Related to Financial Instruments, Etc.
(1) Status of financial instruments
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.

(2) Fair values, etc. of financial instruments
The values on the Balance Sheet and the fair values of financial instruments and differences between them are as follows. (millions of yen)

| | Value on Balance Sheet | Fair value | Difference |
|---|---|---|---|
| (i) Securities | | | |
| a. Held-to-maturity bonds | 109,528 | 104,718 | (4,809) |
| b. Available-for-sale securities | 1,550 | 1,550 | — |
| (ii) Loans | 1,657 | 1,657 | — |
| Total assets | 112,736 | 107,926 | (4,809) |

Note: The information on deposits is omitted because they have no maturity dates and their fair value is close to their book value.

(3) Breakdown of financial instruments by level of fair value
The fair values of financial instruments are classified into the following three levels according to the observability and importance of inputs used in the calculation of fair values.

Level 1 fair value: fair value calculated using market prices, on an active market, of assets or liabilities whose fair value is calculated of the observable inputs related to the calculation of fair value
Level 2 fair value: fair value calculated using inputs other than the inputs used for Level 1 of the observable inputs related to fair value
Level 3 fair value: fair value calculated using significant inputs that are not observable related to the calculation of fair value

If more than one input that has a significant effect on the calculation of fair value is used, the fair value is classified to the level of inputs whose priority is lowest in the calculation of fair value.

1) Financial instruments whose fair values are posted in the Balance Sheet

| | Fair Value (millions of yen) | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Securities | | | | |
| Available-for-sale securities | | | | |
| Domestic stocks | 1,453 | — | — | 1,453 |
| Foreign bonds | — | 96 | — | 96 |
| Total assets | 1,453 | 96 | — | 1,550 |

2) Financial instruments other than those whose fair values are posted in the Balance Sheet

| | Fair Value (millions of yen) | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Securities | | | | |
| Held-to-maturity bonds | | | | |
| Government bonds | 5,584 | — | — | 5,584 |
| Corporate bonds | — | 94,166 | — | 94,166 |
| Foreign bonds | — | 4,966 | — | 4,966 |
| Loans | — | — | 1,657 | 1,657 |
| Total assets | 5,584 | 99,133 | 1,657 | 106,376 |

Note: Explanations about assessment techniques used in the calculation of fair value and inputs related to the calculation of fair value

(i) Securities

The securities for which market prices on an active market can be used without adjustment are classified as Level 1. The Level 1 securities are primarily domestic stocks and government bonds. If published market prices of securities on a market that is not active are used, the securities are classified to Level 2.

(ii) Loans

Loans do not have a repayment deadline due to their characteristics, e.g. the loan limit is within the value of collateral, and their fair value is assumed to be close to their book value based on the expected time of repayment, interest rate conditions, etc., and the book value is used as their fair value. Loans are classified as Level 3 fair value.

9. The claims do not include any claims provable in bankruptcy, claims provable in rehabilitation and claims equivalent to these, doubtful claims, delinquent claims of three months or more, and restructured claims.

10. The accumulated depreciation of property, plant and equipment as of March 31, 2024 was ¥378 million.

11. The total amount of receivables to affiliated companies was ¥8 million.

12. The total amount of deferred tax assets was ¥12,731 million, and the total amount of deferred tax liabilities was ¥20 million. The amount of deferred tax assets subtracted as valuation allowances is ¥11,267 million.
The major components of deferred tax assets were insurance policy reserves of ¥1,046 million, the amount of excess depreciation of ¥157 million and tax losses carried forward of ¥11,085 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 ¥11,085 million, and the amount of valuation allowance pertaining to future deductible temporary differences is ¥182 million.
The major components of deferred tax liabilities were deemed loss on transfer of securities of ¥14 million due to the receipt of dividends funded by capital surplus and stock dividends receivable of ¥4 million.
The main reason for changes in the amount deducted from deferred tax assets as the amount of valuation allowances was an increase in tax losses carried forward compared to the end of the previous fiscal year.

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) | — | — | 11,085 | 11,085 |
| Amount of valuation allowances | — | — | (11,085) | (11,085) |
| 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, 2024 was 13.52%, and the major component of the difference from the statutory tax rate of 28.00% was -10.15% for valuation allowances.

The Company is applying the Group Tax Sharing System, with Dai-ichi Life Holdings, Inc. being the parent company under the system, and carrying out accounting and disclosure related to national and local corporate income tax and tax effect accounting in line with the Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System (Accounting Standards Board of Japan (ASBJ) Practical Solution No. 42 issued August 12, 2021).

13. The amount of policy reserves provided for reinsured parts defined in Article 71, Paragraph 1 of the Regulation for Enforcement of the Insurance Business Act (hereinafter "policy reserves reinsured") was ¥39,063 million.

14. The amount of net assets per share of the Company was ¥8,617.12.

15. 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 ¥35,738 million.

16. Amounts are rounded off to the unit stated.

## 6. Unaudited Non-Consolidated Statement of Earnings

(millions of yen)

| | Year ended March 31, 2023 | Year ended March 31, 2024 |
|---|---|---|
| | Amount | Amount |
| **ORDINARY REVENUES** | **264,470** | **302,741** |
| **Premium and other income** | **232,333** | **208,134** |
| Premium income | 131,280 | 102,001 |
| Reinsurance income | 101,052 | 106,132 |
| **Investment income** | **540** | **723** |
| Interest and dividends | 540 | 723 |
| Interest and dividends from securities | 488 | 672 |
| Interest from loans | 51 | 51 |
| **Other ordinary revenues** | **31,595** | **93,883** |
| Reversal of policy reserves | 31,550 | 92,981 |
| Other | 45 | 901 |
| **ORDINARY EXPENSES** | **239,739** | **304,010** |
| **Benefits and claims** | **201,707** | **242,847** |
| Claims | 2,812 | 1,634 |
| Annuities | 364 | 440 |
| Benefits | 17,027 | 12,172 |
| Surrender values | 75,033 | 117,338 |
| Other refunds | 8,393 | 5,411 |
| Ceding reinsurance commissions | 98,075 | 105,849 |
| **Provision for policy reserves and others** | **1,786** | **23,331** |
| Provision for reserves for outstanding claims | 1,786 | 23,331 |
| **Investment expenses** | **12** | **1** |
| Interest expenses | 4 | 1 |
| Losses on money held in trust | 8 | — |
| Provision for reserve for possible loan losses | 0 | 0 |
| **Operating expenses** | **33,359** | **34,386** |
| **Other ordinary expenses** | **2,874** | **3,443** |
| National and local taxes | 510 | 469 |
| Depreciation | 1,852 | 2,798 |
| Other ordinary expenses | 510 | 176 |
| **ORDINARY PROFIT (LOSS)** | **24,730** | **(1,269)** |
| **EXTRAORDINARY LOSSES** | **2** | **9** |
| **Losses on disposal of fixed assets** | **0** | **6** |
| **Provision for reserve for price fluctuations** | **2** | **2** |
| **Income (loss) before income taxes** | **24,728** | **(1,278)** |
| **Corporate income taxes – current** | **8** | **(43)** |
| **Corporate income taxes – deferred** | **(4)** | **(129)** |
| **Total of corporate income taxes** | **3** | **(172)** |
| **Net income (loss) for the year** | **24,724** | **(1,105)** |

(Notes to Statement of Earnings)

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.
   The Company has elected not to set aside certain policy reserves corresponding to the portion of the reinsurance under Article 71, Paragraph 1 of the Regulation for Enforcement of the Insurance Business Act.

2. Total amount of expenses arising from transactions with affiliated companies was ¥81 million.

3. In the calculation of the reversal of policy reserves, the amount of provision for policy reserves reinsured that are tallied is ¥5,152 million.

4. Net loss per share for the fiscal year ended March 31, 2024 was ¥266.40.

5. Reinsurance income includes ¥19,378 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.

6. Ceding reinsurance commissions include ¥10,681 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.

7. 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 |
|---|---|---|---|---|---|---|---|
| Subsidiary of the parent company | Dai-ichi Life Reinsurance Bermuda Ltd. | — | Reinsurance counterparty | Reinsurance income | 15,474 | Reinsurance receivables | 9,620 |
| | | | | Ceding reinsurance commissions | 15,722 | Reinsurance payables | 3,476 |

Note: The terms and conditions of the above transactions are determined based on market interest rates or market values.

8. Amounts are rounded off to the unit stated.

## 7. Breakdown of Ordinary Profit (Fundamental Profit)

(millions of yen)

| | Year ended March 31, 2023 | Year ended March 31, 2024 |
|---|---|---|
| Fundamental profit (loss) A | (9,691) | (965) |
| Capital gains | — | — |
| Gains on money held in trust | — | — |
| Gains on investments in trading securities | — | — |
| Gains on sale of securities | — | — |
| Derivative transaction gains | — | — |
| Foreign exchange gains | — | — |
| Others | — | — |
| Capital losses | 8 | — |
| Losses on money held in trust | 8 | — |
| Losses on investment in trading securities | — | — |
| Losses on sale of securities | — | — |
| Losses on valuation of securities | — | — |
| Derivative transaction losses | — | — |
| Foreign exchange losses | — | — |
| Others | — | — |
| Net capital gains (losses) B | (8) | — |
| Fundamental profit plus net capital gains (losses) A + B | (9,699) | (965) |
| Other one-time gains | 34,479 | — |
| Reinsurance income | — | — |
| Reversal of contingency reserve | 568 | — |
| Reversal of specific reserve for possible loan losses | — | — |
| Others | 33,910 | — |
| Other one-time losses | 49 | 303 |
| Ceding reinsurance commissions | — | — |
| Provision for contingency reserve | — | 285 |
| Provision for specific reserve for possible loan losses | 0 | 0 |
| Provision for specific reserve for loans to refinancing countries | — | — |
| Write-down of loans | — | — |
| Others | 49 | 17 |
| Other one-time profits (losses) C | 34,430 | (303) |
| Ordinary profit (loss) A + B + C | 24,730 | (1,269) |

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

Year ended March 31, 2023 (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 | 47,599 | 39,599 | (74,949) | 12,248 |
| Changes for the year | | | | |
| Net income for the year | | | 24,724 | 24,724 |
| Net changes of items other than shareholders' equity | | | | |
| Total changes for the year | — | — | 24,724 | 24,724 |
| Balance at the end of the year | 47,599 | 39,599 | (50,225) | 36,973 |

| | Valuation and translation adjustments | | Total net assets |
|---|---|---|---|
| | Net unrealized gains (losses) on securities, net of tax | Total of valuation and translation adjustments, etc. | |
| Balance at the beginning of the year | (109) | (109) | 12,139 |
| Changes for the year | | | |
| Net income for the year | | | 24,724 |
| Net changes of items other than shareholders' equity | (7) | (7) | (7) |
| Total changes for the year | (7) | (7) | 24,716 |
| Balance at the end of the year | (117) | (117) | 36,855 |

Year ended March 31, 2024 (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 | 47,599 | 39,599 | (50,225) | 36,973 |
| Changes for the year | | | | |
| Net loss for the year | | | 1,105 | 1,105 |
| Net changes of items other than shareholders' equity | | | | |
| Total changes for the year | — | — | (1,105) | (1,105) |
| Balance at the end of the year | 47,599 | 39,599 | (51,330) | 35,867 |

| | Valuation and translation adjustments | | Total net assets |
|---|---|---|---|
| | Net unrealized gains (losses) on securities, net of tax | Total of valuation and translation adjustments, etc. | |
| Balance at the beginning of the year | (117) | (117) | 36,855 |
| Changes for the year | | | |
| Net loss for the year | | | 1,105 |
| Net changes of items other than shareholders' equity | 10 | 10 | 10 |
| Total changes for the year | 10 | 10 | (1,095) |
| Balance at the end of the year | (107) | (107) | 35,760 |

(Notes to 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, 2024 | Increase | Decrease | As of March 31, 2024 |
|---|---|---|---|---|
| Shares outstanding | | | | |
| Common stock | 4,149 | — | — | 4,149 |

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. Status of Claims Based on Insurance Business Act

(millions of yen except percentages)

| | | As of March 31, 2023 | As of March 31, 2024 |
|---|---|---|---|
| | Claims provable in bankruptcy, claims provable in rehabilitation and claims equivalent to these | — | — |
| | Doubtful claims | — | — |
| | Delinquent claims of three months or more | — | — |
| | Restructured claims | — | — |
| Subtotal | | — | — |
| (Ratio to total) | | (—%) | (—%) |
| Performing loans | | 1,977 | 1,675 |
| Total | | 1,977 | 1,675 |

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. (Excludes claims listed in Note 1.)
3. Delinquent claims of three months or more refer to those loans whose principal and interest payment is three months or more overdue reckoned from the day following the scheduled payment date. (Excludes claims lists in Note 1 and Note 2.)
4. Restructured claims refers to those loans for which terms more favorable to the borrower, such as reduction or waiver of interest, rescheduling of interest payments or principal repayments, or debt writeoff, has been agreed for purpose of reorganizing the debtor's management or supporting the debtor. (Excludes claims listed in Notes 1 through 3.)
5. Performing loans refer to those loans that are classified into categories other than those described in Note 1 through Note 4 for not having particular problems in the financial position and operating results of the debtor.

## 10. Solvency Margin Ratio

(millions of yen)

| | | As of March 31, 2023 | As of March 31, 2024 |
|---|---|---|---|
| Total solvency margin | (A) | 49,368 | 39,064 |
| Common stock, etc. | | 36,973 | 35,867 |
| Reserve for price fluctuations | | 12 | 15 |
| Contingency reserve | | 1,376 | 1,662 |
| 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) | | (158) | (144) |
| Net unrealized gains (losses) on real estate × 85% (Multiplied by 100% if losses) | | — | — |
| Policy reserves in excess of surrender values | | 34,942 | 40,461 |
| Qualifying subordinated debt | | — | — |
| Excluded portion of policy reserve in excess of surrender values and qualifying subordinated debt | | (23,779) | (38,798) |
| Excluded items | | — | — |
| Others | | — | — |
| Total risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ | (B) | 2,280 | 2,640 |
| Insurance risk | $R_1$ | 608 | 718 |
| 3rd sector insurance risk | $R_8$ | 757 | 935 |
| Assumed investment yield risk | $R_2$ | 8 | 6 |
| Guaranteed minimum benefit risk | $R_7$ | — | — |
| Investment risk | $R_3$ | 1,701 | 1,913 |
| Business risk | $R_4$ | 92 | 107 |
| Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$ | | 4,329.0% | 2,958.5% |

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.

## 11. Status of Separate Account for the Fiscal Year Ended March 31, 2024

Not applicable.

## 12. Consolidated Financial Summary

Not applicable.