

February 14, 2022

## Financial Results for the Nine Months Ended December 31, 2021

Asahi Mutual Life Insurance Company (the “Company” ; President: Hiroki Kimura)  
announces financial results for the nine months ended December 31, 2021.

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## 1. Business Highlights

### (1) Sum Insured of Policies in Force and New Policies

#### (i) Policies in Force

	As of March 31, 2021		As of December 31, 2021			
	Number of policies (Thousands)	Amount (100 millions of Yen)	Number of policies (Thousands)	Changes (%, Pre-FYE)	Amount (100 millions of Yen)	
						Changes (%, Pre-FYE)
Individual insurance	7,349	132,551	7,380	100.4	125,275	94.5
Individual annuities	506	20,603	486	96.1	19,679	95.5
Group insurance	—	14,475	—	—	14,172	97.9
Group annuities	—	154	—	—	132	85.9

#### Notes:

- Policy amounts for individual annuities are equal to (a) the funds to be held at the time annuity payments are to commence for an annuity for which annuity payments have not yet commenced and (b) the amount of policy reserves for an annuity for which payments have commenced.
- Policy amount in force for group annuities is equal to the amount of outstanding policy reserves.
- Number of policies includes number of each unit with regard to "Hoken-ou", "Hoken-ou Plus", etc.

#### (ii) New Policies

	Nine months ended December 31, 2020			
	Number of policies (Thousands)	Amount (100 millions of Yen)		
			New policies	Net increase by conversion
Individual insurance	556	1,326	2,285	(959)
Individual annuities	—	(86)	—	(86)
Group insurance	—	282	282	—
Group annuities	—	—	—	—

	Nine months ended December 31, 2021					
	Number of policies		Amount (100 millions of Yen)			
	(Thousands)	Changes (%, YoY)	Changes (%, YoY)	New policies	Net increase by conversion	
Individual insurance	573	102.9	1,358	102.4	2,389	(1,031)
Individual annuities	—	—	(42)	—	—	(42)
Group insurance	—	—	128	45.4	128	—
Group annuities	—	—	—	—	—	—

#### Notes:

- Number of new policies is the sum of new policies and policies after conversion.
- Amount of new policies for individual annuities, both new policies and net increase by conversion, is equal to the funds to be held at the time annuity payments are to commence.
- Number of policies includes number of each unit with regard to "Hoken-ou", "Hoken-ou Plus", etc.

(2) Annualized Premiums

(i) Policies in Force

(100 millions of Yen)

	As of March 31, 2021	As of December 31, 2021	
			Changes (%, Pre-FYE)
Individual insurance	3,889	3,854	99.1
Individual annuities	1,322	1,267	95.9
Total	5,212	5,122	98.3
Third-sector products	2,214	2,243	101.3

(ii) New Policies

(100 millions of Yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Changes
			(%, YoY)
Individual insurance	190	190	99.9
Individual annuities	(1)	(0)	-
Total	189	189	100.4
Third-sector products	156	158	101.4

Notes:

1. Annualized premiums are calculated by multiplying factors according to the premium payment method (for single premium contracts, the amount is calculated by dividing the premium by the coverage period).
2. Figures for third-sector products represent portion of annualized premiums corresponding to the medical benefits (hospitalization benefits, surgery benefits, etc.), living benefits (specific illness benefits, nursing care benefits, etc.) and waiver benefits (excluding disability benefits, but including specific illness benefits and nursing care benefits).

## 2. Investment Results of General Account Assets

### (1) Asset Composition

(Millions of Yen)

	As of March 31, 2021		As of December 31, 2021	
	Amount	Percentage	Amount	Percentage
Cash, deposits, call loans	146,692	2.7	119,118	2.2
Monetary claims bought	25,094	0.5	23,269	0.4
Securities	4,586,013	83.2	4,563,655	83.6
Domestic bonds	2,708,646	49.1	2,643,627	48.4
Domestic stocks	438,359	8.0	453,855	8.3
Foreign securities	1,357,677	24.6	1,388,201	25.4
Foreign bonds	1,040,834	18.9	1,015,276	18.6
Foreign stocks and other foreign securities	316,842	5.7	372,924	6.8
Other securities	81,330	1.5	77,971	1.4
Loans	303,451	5.5	307,965	5.6
Policy loans	35,182	0.6	32,733	0.6
Industrial and consumer loans	268,268	4.9	275,231	5.0
Real estate	373,204	6.8	369,007	6.8
Deferred tax assets	-	-	-	-
Others	77,225	1.4	77,571	1.4
Allowance for possible loan losses	(406)	(0.0)	(495)	(0.0)
Total	5,511,274	100.0	5,460,092	100.0
Foreign currency-denominated assets	1,452,046	26.3	1,478,571	27.1

Note: Real estate is the sum of land, buildings and construction in progress.

## (2) Fair Value Information on Securities (other than trading securities)

(Millions of Yen)

	As of March 31, 2021					As of December 31, 2021				
	Book value	Fair value	Gains/losses			Book value	Fair value	Gains/losses		
				Gains	Losses				Gains	Losses
Held-to-maturity debt securities	321,005	360,399	39,394	39,400	(6)	304,648	341,176	36,527	36,527	-
Policy-reserve-matching bonds	2,039,060	2,254,994	215,933	226,245	(10,311)	2,025,324	2,225,869	200,544	211,523	(10,978)
Stocks of subsidiaries	-	-	-	-	-	-	-	-	-	-
Available-for-sale securities	1,935,564	2,216,388	280,823	317,280	(36,456)	1,930,349	2,205,267	274,918	308,877	(33,958)
Domestic bonds	513,117	527,705	14,587	17,240	(2,653)	478,845	490,970	12,124	14,461	(2,337)
Domestic stocks	175,768	403,715	227,947	240,553	(12,605)	174,806	402,182	227,375	241,664	(14,288)
Foreign securities	1,170,153	1,202,667	32,513	52,865	(20,351)	1,202,159	1,233,191	31,031	47,476	(16,444)
Foreign bonds	853,897	885,834	31,936	46,194	(14,257)	844,138	860,276	16,138	28,754	(12,615)
Foreign stocks and other foreign securities	316,255	316,832	577	6,671	(6,094)	358,021	372,914	14,892	18,722	(3,829)
Other securities	75,642	81,330	5,687	6,533	(845)	73,687	77,971	4,283	5,171	(888)
Monetary claims bought	882	969	86	86	-	849	953	103	103	-
Negotiable certificates of deposit	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Total	4,295,630	4,831,782	536,151	582,926	(46,774)	4,260,322	4,772,313	511,991	556,928	(44,937)
Domestic bonds	2,694,058	2,931,420	237,362	250,333	(12,971)	2,631,503	2,849,921	218,418	231,734	(13,315)
Domestic stocks	175,768	403,715	227,947	240,553	(12,605)	174,806	402,182	227,375	241,664	(14,288)
Foreign securities	1,325,153	1,387,899	62,746	83,098	(20,351)	1,357,159	1,416,913	59,754	76,199	(16,444)
Foreign bonds	1,008,897	1,071,066	62,168	76,426	(14,257)	999,138	1,043,999	44,861	57,477	(12,615)
Foreign stocks and other foreign securities	316,255	316,832	577	6,671	(6,094)	358,021	372,914	14,892	18,722	(3,829)
Other securities	75,642	81,330	5,687	6,533	(845)	73,687	77,971	4,283	5,171	(888)
Monetary claims bought	25,007	27,415	2,408	2,408	-	23,165	25,325	2,159	2,159	-
Negotiable certificates of deposit	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-

## Notes:

- The table above includes assets which are considered appropriate to deem as securities under the Financial Instruments and Exchange Act.
- The table above excludes stocks, Investments in Partnerships and others without a market price.

\* Book value of stocks, Investments in Partnerships and others without a market price is as follows:

(Millions of Yen)

	As of March 31, 2021	As of December 31, 2021
Stocks of subsidiaries	21,367	37,377
Available-for-sale securities	13,286	14,306
Domestic stocks	13,275	14,295
Foreign stocks	11	11
Others	-	-
Total	34,654	51,684

(Reference)

Fair value information on securities including stocks, Investments in Partnerships and others without a market price is as follows:

(Millions of Yen)

	As of March 31, 2021					As of December 31, 2021				
	Book value	Fair value	Gains/losses			Book value	Fair value	Gains/losses		
				Gains	Losses				Gains	Losses
Held-to-maturity debt securities	321,005	360,399	39,394	39,400	(6)	304,648	341,176	36,527	36,527	-
Policy-reserve-matching bonds	2,039,060	2,254,994	215,933	226,245	(10,311)	2,025,324	2,225,869	200,544	211,523	(10,978)
Stocks of subsidiaries	21,367	21,367	-	-	-	37,377	37,377	-	-	-
Available-for-sale securities	1,948,851	2,229,674	280,822	317,280	(36,457)	1,944,656	2,219,574	274,917	308,877	(33,959)
Domestic bonds	513,117	527,705	14,587	17,240	(2,653)	478,845	490,970	12,124	14,461	(2,337)
Domestic stocks	189,044	416,991	227,947	240,553	(12,605)	189,102	416,478	227,375	241,664	(14,288)
Foreign securities	1,170,164	1,202,677	32,512	52,865	(20,352)	1,202,170	1,233,201	31,030	47,476	(16,445)
Foreign bonds	853,897	885,834	31,936	46,194	(14,257)	844,138	860,276	16,138	28,754	(12,615)
Foreign stocks and other foreign securities	316,266	316,842	576	6,671	(6,095)	358,032	372,924	14,892	18,722	(3,829)
Other securities	75,642	81,330	5,687	6,533	(845)	73,687	77,971	4,283	5,171	(888)
Monetary claims bought	882	969	86	86	-	849	953	103	103	-
Negotiable certificates of deposit	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Total	4,330,284	4,866,435	536,150	582,926	(46,775)	4,312,007	4,823,997	511,990	556,928	(44,937)
Domestic bonds	2,694,058	2,931,420	237,362	250,333	(12,971)	2,631,503	2,849,921	218,418	231,734	(13,315)
Domestic stocks	210,411	438,359	227,947	240,553	(12,605)	226,479	453,855	227,375	241,664	(14,288)
Foreign securities	1,325,164	1,387,909	62,745	83,098	(20,352)	1,357,170	1,416,924	59,753	76,199	(16,445)
Foreign bonds	1,008,897	1,071,066	62,168	76,426	(14,257)	999,138	1,043,999	44,861	57,477	(12,615)
Foreign stocks and other foreign securities	316,266	316,842	576	6,671	(6,095)	358,032	372,924	14,892	18,722	(3,829)
Other securities	75,642	81,330	5,687	6,533	(845)	73,687	77,971	4,283	5,171	(888)
Monetary claims bought	25,007	27,415	2,408	2,408	-	23,165	25,325	2,159	2,159	-
Negotiable certificates of deposit	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-

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

### (3) Fair Value Information on Money Held in Trust

The Company doesn't hold money held in trust.

### 3. Unaudited Non-consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2021	As of December 31, 2021
<b>Assets:</b>		
Cash and deposits:	35,368	31,596
Call loans	113,000	89,000
Monetary claims bought	25,094	23,269
Securities:	4,612,320	4,590,856
National government bonds	1,692,106	1,665,275
Local government bonds	49,130	52,989
Corporate bonds	973,538	931,904
Domestic stocks	447,371	462,488
Foreign securities	1,368,844	1,400,228
Loans:	303,451	307,965
Policy loans	35,182	32,733
Industrial and consumer loans	268,268	275,231
Tangible fixed assets	377,849	372,765
Intangible fixed assets	26,797	27,618
Agency accounts receivable	14	12
Reinsurance receivables	987	178
Other assets	44,692	45,899
Prepaid pension cost	233	180
Customers' liabilities under acceptances and guarantees	1	-
Allowance for possible loan losses	(406)	(495)
<b>Total assets</b>	<b>5,539,404</b>	<b>5,488,847</b>

(Millions of Yen)

	As of March 31, 2021	As of December 31, 2021
<b>Liabilities:</b>		
Policy reserves and other reserves:	4,477,995	4,424,590
Reserve for outstanding claims	28,572	28,068
Policy reserves	4,419,372	4,366,683
Reserve for dividends to policyholders	30,050	29,837
Reinsurance payables	680	333
Bonds payable	127,773	127,773
Other liabilities:	292,817	278,590
Income taxes payable	5,042	2,307
Lease obligations	1,459	897
Asset retirement obligations	851	776
Others	285,464	274,609
Reserve for employees' retirement benefits	30,856	30,498
Reserve for price fluctuation	45,680	47,560
Deferred tax liabilities	22,826	23,428
Deferred tax liabilities for land revaluation	16,268	16,139
Acceptances and guarantees	1	-
<b>Total liabilities</b>	<b>5,014,899</b>	<b>4,948,913</b>
<b>Net assets:</b>		
Foundation funds	91,000	91,000
Reserve for redemption of foundation funds	166,000	166,000
Reserve for revaluation	281	281
Surplus:	99,378	121,644
Reserve for future losses	328	347
Other surplus:	99,050	121,297
Reserve for fund redemption	44,400	53,500
Equalized reserve for dividends to policyholders	7,091	6,983
Unappropriated surplus (loss)	47,558	60,814
Total foundation funds and others	356,660	378,926
Net unrealized gains (losses) on available-for-sale securities, net of tax	213,200	206,693
Land revaluation differences	(45,354)	(45,685)
Total valuation and translation adjustments	167,845	161,007
<b>Total net assets</b>	<b>524,505</b>	<b>539,933</b>
<b>Total liabilities and net assets</b>	<b>5,539,404</b>	<b>5,488,847</b>

#### 4. Unaudited Non-consolidated Statements of Income

(Millions of Yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
<b>Ordinary income:</b>	454,225	457,368
Premium and other income:	291,082	289,069
Insurance premiums	289,334	287,975
Investment income:	106,693	107,005
Interest, dividends and other income	84,885	88,754
Gains on sales of securities	12,468	9,587
Investment gains on separate accounts	3,930	2,194
Other ordinary income	56,449	61,293
<b>Ordinary expenses:</b>	421,055	418,576
Claims and other payments:	288,623	287,479
Claims	84,010	81,001
Annuities	92,454	88,795
Benefits	50,347	53,776
Surrender benefits	57,721	60,201
Other payments	2,519	1,902
Provision for policy reserves and other reserves:	2	2
Provision for interest on policyholders' dividend reserves	2	2
Investment expenses:	25,328	22,370
Interest expenses	3,253	3,881
Losses on trading securities	485	-
Losses on sales of securities	2,430	2,682
Losses on valuation of securities	19	36
Losses on derivative financial instruments	6,500	3,111
Operating expenses	81,424	83,861
Other ordinary expenses	25,676	24,861
<b>Ordinary profit</b>	33,170	38,791
<b>Extraordinary gains:</b>	216	343
Gains on disposal of fixed assets	98	341
Other extraordinary gains	117	1
<b>Extraordinary losses:</b>	3,428	2,790
Losses on disposal of fixed assets	311	340
Impairment losses	118	482
Provision for reserve for price fluctuation	1,780	1,880
Losses on reduction entry of real estate	5	-
Other extraordinary losses	1,213	86
<b>Surplus before income taxes</b>	29,957	36,344
<b>Income taxes including deferred taxes</b>	7,018	8,167
<b>Total income taxes</b>	7,018	8,167
<b>Net surplus</b>	22,939	28,177

## Notes to Unaudited Non-consolidated Financial Statements

### Notes to Unaudited Non-consolidated Balance Sheet

#### 1. Accounting Changes

The Company has applied "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, issued on July 4, 2019) and others from the beginning of the reporting period ended June 30, 2021. In accordance with the transitional treatment set forth in Paragraph 19 of "Accounting Standard for Fair Value Measurement" and Paragraph 44-2 of "Accounting Standard for Financial Instruments" (ASBJ Statement No.10, July 4, 2019), the Company has applied new accounting policies prospectively. As a result, available-for-sale securities, of which domestic listed stocks, domestic stock exchange-traded funds, domestic listed real estate investment trusts, foreign stock exchange-traded funds for which hedge accounting is not applied, foreign bond exchange-traded funds for which hedge accounting is not applied and foreign currency-denominated bonds for which hedge accounting is not applied, are changed to be stated at fair value based on the market prices at the balance sheet date from fair value based on the average of the market prices during the final month of the reporting period.

In determining to recognize impairment losses on available-for-sale securities, the Company has used fair value based on the average of market prices during the final month of reporting period as before.

#### 2. Securities Lent under Lending Agreements

The amount of securities lent under lending agreements was ¥270,748 million as of December 31, 2021.

#### 3. Reserve for Dividends to Policyholders

The change in reserve for dividends to policyholders for the reporting period ended December 31, 2021 was as follows:

	Millions of Yen
	Nine months ended December 31, 2021
Balance at the beginning of the reporting period	¥ 30,050
Transfer to reserve from surplus in the previous fiscal year	2,153
Dividends to policyholders paid out during the reporting period	2,368
Increase in interest	2
Balance at the end of the reporting period	¥ 29,837

#### 4. Redemption of U.S. Dollar-Denominated Perpetual Subordinated Bonds

The Company redeemed US\$ 350 million step-up callable perpetual subordinated bonds on January 24, 2022.

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

(Millions of Yen)

		Nine months ended December 31, 2020	Nine months ended December 31, 2021
Fundamental profit	A	31,627	34,316
Capital gains		12,468	10,653
Gains on money held in trust		-	-
Gains on trading securities		-	-
Gains on sales of securities		12,468	9,587
Gains on derivative financial instruments		-	-
Foreign exchange gains		-	1,065
Other capital gains		-	-
Capital losses		10,449	5,830
Losses on money held in trust		-	-
Losses on trading securities		485	-
Losses on sales of securities		2,430	2,682
Losses on valuation of securities		19	36
Losses on derivative financial instruments		6,500	3,111
Foreign exchange losses		1,012	-
Other capital losses		-	-
Net capital gains (losses)	B	2,019	4,822
Fundamental profit plus net capital gains (losses)	A + B	33,646	39,138
Other one-time gains		49	44
Reinsurance revenue		-	-
Reversal of contingency reserve		-	-
Reversal of specific allowance for possible loan losses		49	44
Others		-	-
Other one-time losses		525	391
Reinsurance premiums		-	-
Provision for contingency reserve		525	390
Provision for specific allowance for possible loan losses		-	-
Provision for allowance for specified overseas loans		-	-
Write-offs of loans		0	0
Others		-	-
Net other one-time gains (losses)	C	(476)	(347)
Ordinary profit	A + B + C	33,170	38,791

## 6. Solvency Margin Ratio

(Millions of Yen)

		As of March 31, 2021	As of December 31, 2021
Total solvency margin	(A)	1,063,948	1,071,437
Foundation funds and surplus		350,417	374,280
Reserve for price fluctuation		45,680	47,560
Contingency reserve		62,448	62,838
General allowance for possible loan losses		100	231
(Net unrealized gains on available-for-sale securities (before tax effect) and deferred hedge gains (before tax effect)) × 90% (in case of losses: × 100%)		252,740	247,426
Net unrealized gains on land × 85% (in case of losses: × 100%)		28,681	28,327
Excess amount of policy reserves based on full-time Zillmer method		141,363	144,420
Qualifying subordinated debt		167,173	166,773
Excess amount of policy reserves based on full-time Zillmer method and qualifying subordinated debt excluded from the calculation of solvency margin		-	-
Deduction		-	(25,000)
Others		15,343	24,579
Total amount of risk	$\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	218,912	218,585
Insurance risk	$R_1$	12,613	12,200
Third sector insurance risk	$R_8$	10,446	10,701
Risk of assumed yield	$R_2$	69,446	67,389
Minimum guarantee risk	$R_7$	1,040	1,032
Investment risk	$R_3$	142,459	144,223
Operational risk	$R_4$	4,720	4,710
Solvency margin ratio	$(A) / \{(1/2) \times (B)\} \times 100$	972.0%	980.3%

### Notes:

- The figures above are calculated based on Articles 86 and 87 of the Enforcement Regulation of the Insurance Business Act and the Public Notice No. 50 of the Ministry of Finance of 1996.
- "Excess amount of policy reserves based on full-time Zillmer method", "Qualifying subordinated debt" and "Excess amount of policy reserves based on full-time Zillmer method and qualifying subordinated debt excluded from the calculation of solvency margin" are calculated based on the Public Notice No.25 of the Financial Services Agency of 2011.
- "Minimum guarantee risk" is calculated by standard method.

## 7. Status of Separate Account

### (1) Separate Account Assets by Products

(Millions of Yen)

	As of March 31, 2021	As of December 31, 2021
	Amount	Amount
Individual variable insurance	28,078	28,686
Individual variable annuities	-	-
Group annuity products	-	-
Total	28,078	28,686

### (2) Sum Insured of Policies in Force

#### (i) Individual Variable Insurance

	As of March 31, 2021		As of December 31, 2021	
	Number of policies (Thousands)	Amount (Millions of Yen)	Number of policies (Thousands)	Amount (Millions of Yen)
Individual variable insurance (fixed term)	-	-	-	-
Individual variable insurance (whole life)	12	89,766	12	87,543
Total	12	89,766	12	87,543

#### (ii) Individual Variable Annuities

	As of March 31, 2021		As of December 31, 2021	
	Number of policies (Thousands)	Amount (Millions of Yen)	Number of policies (Thousands)	Amount (Millions of Yen)
Individual variable annuities	-	-	-	-
Total	-	-	-	-

## 8. Status of the Company, Subsidiaries and Affiliates

### (1) Selected Financial Data

(Millions of Yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Ordinary income	456,363	464,387
Ordinary profit	31,560	36,331
Net surplus attributable to the Parent Company	21,311	25,668
Comprehensive income	111,260	19,445

(Millions of Yen)

	As of March 31, 2021	As of December 31, 2021
Total assets	5,540,449	5,487,168
Solvency margin ratio	992.4%	1,009.1%

### (2) Scope of Consolidation and Application of Equity Method

Number of consolidated subsidiaries: 4

Unconsolidated subsidiaries are immaterial in terms of their impact on consolidated net income and surplus, and also immaterial as a whole, therefore, the equity method is not applied.

## (3) Unaudited Consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2021	As of December 31, 2021
<b>Assets:</b>		
Cash and deposits	44,149	46,526
Call loans	113,000	89,000
Monetary claims bought	25,094	23,269
Securities	4,598,851	4,561,381
Loans	303,451	307,965
Tangible fixed assets	378,046	373,371
Intangible fixed assets	29,941	32,223
Agency accounts receivable	14	12
Reinsurance receivables	987	3,626
Other assets	46,670	49,670
Net defined benefit assets	494	413
Deferred tax assets	152	201
Customers' liabilities under acceptances and guarantees	1	-
Allowance for possible loan losses	(406)	(495)
<b>Total assets</b>	<b>5,540,449</b>	<b>5,487,168</b>

(Millions of Yen)

	As of March 31, 2021	As of December 31, 2021
<b>Liabilities:</b>		
Policy reserves and other reserves:	4,477,995	4,424,840
Reserve for outstanding claims	28,572	28,069
Policy reserves	4,419,372	4,366,932
Reserve for dividends to policyholders	30,050	29,837
Reinsurance payables	680	344
Bonds payable	127,773	127,773
Other liabilities	295,766	281,087
Net defined benefit liabilities	32,914	32,274
Reserve for price fluctuation	45,680	47,560
Deferred tax liabilities	22,354	22,969
Deferred tax liabilities for land revaluation	16,268	16,139
Acceptances and guarantees	1	-
<b>Total liabilities</b>	<b>5,019,435</b>	<b>4,952,988</b>
<b>Net assets:</b>		
Foundation funds	91,000	91,000
Reserve for redemption of foundation funds	166,000	166,000
Reserve for revaluation	281	281
Consolidated surplus	97,154	116,911
Total foundation funds and others	354,436	374,193
Net unrealized gains (losses) on available-for-sale securities, net of tax	213,201	206,693
Land revaluation differences	(45,354)	(45,685)
Accumulated remeasurements of defined benefit plans	(1,349)	(1,102)
Total accumulated other comprehensive income	166,497	159,905
Non-controlling interests	79	81
<b>Total net assets</b>	<b>521,014</b>	<b>534,180</b>
<b>Total liabilities and net assets</b>	<b>5,540,449</b>	<b>5,487,168</b>

## (4) Unaudited Consolidated Statements of Income and Statements of Comprehensive Income

## 【Unaudited Consolidated Statements of Income】

(Millions of Yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
<b>Ordinary income:</b>	456,363	464,387
Premium and other income	291,082	293,012
Investment income:	106,512	106,673
Interest, dividends and other income	84,724	88,452
Gains on sales of securities	12,469	9,588
Investment gains on separate accounts	3,930	2,194
Other ordinary income	58,767	64,702
<b>Ordinary expenses:</b>	424,802	428,056
Claims and other payments:	288,623	287,742
Claims	84,010	81,001
Annuities	92,454	88,795
Benefits	50,347	53,783
Surrender benefits	57,721	60,201
Other payments	2,519	1,903
Provision for policy reserves and other reserves:	2	2
Provision for interest on policyholders' dividend reserves	2	2
Investment expenses:	25,328	22,370
Interest expenses	3,253	3,881
Losses on trading securities	485	-
Losses on sales of securities	2,430	2,682
Losses on valuation of securities	19	36
Losses on derivative financial instruments	6,500	3,111
Operating expenses	85,173	92,241
Other ordinary expenses	25,674	25,699
Ordinary profit	31,560	36,331
<b>Extraordinary gains:</b>	216	343
Gains on disposal of fixed assets	98	341
Other extraordinary gains	117	1
<b>Extraordinary losses:</b>	3,432	2,790
Losses on disposal of fixed assets	314	340
Impairment losses	118	482
Provision for reserve for price fluctuation	1,780	1,880
Losses on reduction entry of real estate	5	-
Other extraordinary losses	1,213	86
<b>Surplus before income taxes</b>	28,344	33,884
<b>Income taxes including deferred taxes</b>	7,007	8,177
<b>Total income taxes</b>	7,007	8,177
<b>Net surplus</b>	21,337	25,706
<b>Net surplus attributable to non-controlling interests</b>	25	38
<b>Net surplus attributable to the Parent Company</b>	21,311	25,668

## 【Unaudited Consolidated Statements of Comprehensive Income】

(Millions of Yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
<b>Net surplus</b>	21,337	25,706
<b>Other comprehensive income:</b>	89,923	(6,261)
Net unrealized gains (losses) on available-for-sale securities, net of tax	89,840	(6,508)
Remeasurements of defined benefit plans	83	246
<b>Comprehensive income:</b>	111,260	19,445
Comprehensive income attributable to the Parent Company	111,234	19,407
Comprehensive income attributable to non-controlling interests	25	38

## Notes to Unaudited Consolidated Financial Statements

### I. Notes to Unaudited Consolidated Balance Sheet

#### 1. Accounting Changes

The Company has applied "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, issued on July 4, 2019) and others from the beginning of the reporting period ended June 30, 2021. In accordance with the transitional treatment set forth in Paragraph 19 of "Accounting Standard for Fair Value Measurement" and Paragraph 44-2 of "Accounting Standard for Financial Instruments" (ASBJ Statement No.10, July 4, 2019), the Company has applied new accounting policies prospectively. As a result, available-for-sale securities, of which domestic listed stocks, domestic stock exchange-traded funds, domestic listed real estate investment trusts, foreign stock exchange-traded funds for which hedge accounting is not applied, foreign bond exchange-traded funds for which hedge accounting is not applied and foreign currency-denominated bonds for which hedge accounting is not applied, are changed to be stated at fair value based on the market prices at the balance sheet date from fair value based on the average of the market prices during the final month of the reporting period.

In determining to recognize impairment losses on available-for-sale securities, the Company has used fair value based on the average of market prices during the final month of reporting period as before.

#### 2. Securities Lent under Lending Agreements

The amount of securities lent under lending agreements was ¥270,748 million as of December 31, 2021.

#### 3. Reserve for Dividends to Policyholders

The change in reserve for dividends to policyholders for the reporting period ended December 31, 2021 was as follows:

	<u>Millions of Yen</u>
	Nine months ended December 31, 2021
Balance at the beginning of the reporting period	¥ 30,050
Transfer to reserve from surplus in the previous fiscal year	2,153
Dividends to policyholders paid out during the reporting period	2,368
Increase in interest	2
Balance at the end of the reporting period	¥ 29,837

#### 4. Redemption of U.S. Dollar-Denominated Perpetual Subordinated Bonds

The Company redeemed US\$ 350 million step-up callable perpetual subordinated bonds on January 24, 2022.

## II. Note to Unaudited Consolidated Statement of Income

### Depreciation

For the reporting period ended December 31, 2021, the total amount of depreciation and depreciation of rental real estate and other assets was ¥13,327 million.

## (5) Consolidated Solvency Margin Ratio

(Millions of Yen)

	As of March 31, 2021	As of December 31, 2021
Total solvency margin (A)	1,054,961	1,085,418
Foundation funds and surplus	343,302	364,766
Reserve for price fluctuation	45,680	47,560
Contingency reserve	62,448	62,961
Catastrophe loss reserve	-	-
General allowance for possible loan losses	101	233
(Net unrealized gains on available-for-sale securities (before tax effect) and deferred hedge gains (before tax effect)) × 90% (in case of losses: × 100%)	252,742	247,426
Net unrealized gains on land × 85% (in case of losses: × 100%)	28,681	28,327
Sum of unrealized actuarial differences and unrealized past service cost	(1,875)	(1,628)
Excess amount of policy reserves based on full-time Zillmer method	141,363	144,420
Qualifying subordinated debt	167,173	166,773
Excess amount of policy reserves based on full-time Zillmer method and qualifying subordinated debt excluded from the calculation of solvency margin	-	-
Deduction	-	-
Others	15,343	24,579
Total amount of risk $\sqrt{(\sqrt{R_1^2 + R_5^2 + R_8 + R_9})^2 + (R_2 + R_3 + R_7)^2} + R_4 + R_6$ (B)	212,597	215,124
Insurance risk $R_1$	12,613	12,200
Ordinary insurance risk $R_5$	-	-
Disaster insurance risk $R_6$	-	-
Third sector insurance risk $R_8$	10,446	10,824
Small amount short-term insurance provider insurance risk $R_9$	-	-
Risk of assumed yield $R_2$	69,446	67,389
Minimum guarantee risk $R_7$	1,040	1,032
Investment risk $R_3$	136,232	140,794
Operational risk $R_4$	4,595	4,644
Solvency margin ratio (A) / {(1/2) × (B)} × 100	992.4%	1,009.1%

Notes:

- The figures above are calculated based on Articles 86-2 and 88 of the Enforcement Regulation of the Insurance Business Act and the Public Notice No.23 of the Financial Services Agency of 2011.
- "Excess amount of policy reserves based on full-time Zillmer method", "Qualifying subordinated debt" and "Excess amount of policy reserves based on full-time Zillmer method and qualifying subordinated debt excluded from the calculation of solvency margin" are calculated based on the Public Notice No.25 of the Financial Services Agency of 2011.
- "Minimum guarantee risk" is calculated by standard method.

## (6) Segment information

The Company and its consolidated subsidiaries operate investment advisory business, etc., in addition to life insurance business in Japan. However, information on these segments are omitted because they represent such a minor proportion of total segments.