

## Financial Results for the Three Months Ended June 30, 2022

Asahi Mutual Life Insurance Company (the “Company”; President: Hiroki Kimura) announces financial results for the three months ended June 30, 2022.

[Contents]

1. Business Highlights	.....	P1
2. Investment Results of General Account Assets	.....	P3
3. Unaudited Non-consolidated Balance Sheets	.....	P6
4. Unaudited Non-consolidated Statements of Income	.....	P7
5. Breakdown of Ordinary Profit (Fundamental Profit)	.....	P10
6. Solvency Margin Ratio	.....	P11
7. Status of Separate Account	.....	P12
8. Status of the Company, Subsidiaries and Affiliates	.....	P13

## 1. Business Highlights

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

#### (i) Policies in Force

	As of March 31, 2022		As of June 30, 2022			
	Number of policies (Thousands)	Amount (100 millions of Yen)	Number of policies		Amount (100 millions of Yen)	
			(Thousands)	Changes (%, Pre-FYE)		Changes (%, Pre-FYE)
Individual insurance	7,372	123,289	7,340	99.6	120,952	98.1
Individual annuities	479	19,388	473	98.7	19,124	98.6
Group insurance	-	14,034	-	-	14,095	100.4
Group annuities	-	131	-	-	128	98.0

Notes:

1. 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.
2. Policy amount in force for group annuities is equal to the amount of outstanding policy reserves.
3. Number of policies includes number of each unit with regard to "Hoken-ou", "Hoken-ou Plus", etc.

#### (ii) New Policies

	Three months ended June 30, 2021			
	Number of policies (Thousands)	Amount (100 millions of Yen)		
			New policies	Net increase by conversion
Individual insurance	194	431	767	(335)
Individual annuities	-	(11)	-	(11)
Group insurance	-	46	46	-
Group annuities	-	-	-	-

	Three months ended June 30, 2022					
	Number of policies		Amount (100 millions of Yen)			
	(Thousands)	Changes (%, YoY)		Changes (%, YoY)	New policies	Net increase by conversion
Individual insurance	162	83.7	438	101.6	755	(316)
Individual annuities	-	-	(11)	95.8	-	(11)
Group insurance	-	-	57	123.6	57	-
Group annuities	-	-	-	-	-	-

Notes:

1. Number of new policies is the sum of new policies and policies after conversion.
2. 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.
3. 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, 2022	As of June 30, 2022	Changes
			(%, Pre-FYE)
Individual insurance	3,830	3,796	99.1
Individual annuities	1,242	1,225	98.7
Total	5,072	5,022	99.0
Third-sector products	2,240	2,231	99.6

## (ii) New Policies

(100 millions of Yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022	Changes
			(%, YoY)
Individual insurance	64	47	74.3
Individual annuities	(0)	(0)	-
Total	64	47	74.3
Third-sector products	54	38	70.5

## 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, 2022		As of June 30, 2022	
	Amount	Percentage	Amount	Percentage
Cash, deposits, call loans	145,376	2.7	105,436	2.0
Monetary claims bought	22,534	0.4	21,894	0.4
Securities	4,539,235	82.9	4,448,869	83.1
Domestic bonds	2,621,140	47.9	2,644,502	49.4
Domestic stocks	464,670	8.5	450,846	8.4
Foreign securities	1,383,693	25.3	1,281,347	23.9
Foreign bonds	1,027,053	18.8	922,770	17.2
Foreign stocks and other foreign securities	356,640	6.5	358,576	6.7
Other securities	69,731	1.3	72,172	1.3
Loans	311,416	5.7	313,712	5.9
Policy loans	32,199	0.6	31,706	0.6
Industrial and consumer loans	279,217	5.1	282,006	5.3
Real estate	363,513	6.6	362,299	6.8
Deferred tax assets	-	-	13,059	0.2
Others	94,397	1.7	89,015	1.7
Allowance for possible loan losses	(550)	(0.0)	(597)	(0.0)
Total	5,475,924	100.0	5,353,691	100.0
Foreign currency-denominated assets	1,489,515	27.2	1,412,564	26.4

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, 2022					As of June 30, 2022				
	Book value	Fair value	Gains/losses		Book value	Fair value	Gains/losses			
			Gains	Losses			Gains	Losses		
Held-to-maturity debt securities	301,647	333,640	31,992	32,001	(8)	297,801	326,533	28,731	28,752	(21)
Policy-reserve-matching bonds	2,028,714	2,159,139	130,424	169,489	(39,065)	2,023,051	2,075,121	52,070	148,389	(96,318)
Stocks of subsidiaries	-	-	-	-	-	-	-	-	-	-
Available-for-sale securities	1,912,317	2,135,750	223,432	300,935	(77,503)	1,875,248	2,031,143	155,894	283,147	(127,252)
Domestic bonds	468,248	467,355	(893)	6,409	(7,302)	497,333	499,600	2,266	12,992	(10,725)
Domestic stocks	166,694	413,036	246,341	259,795	(13,453)	168,870	383,212	214,341	228,892	(14,551)
Foreign securities	1,208,339	1,184,814	(23,525)	31,335	(54,860)	1,133,692	1,075,530	(58,161)	39,169	(97,330)
Foreign bonds	904,300	872,053	(32,247)	11,095	(43,342)	834,366	767,770	(66,595)	10,212	(76,808)
Foreign stocks and other foreign securities	304,039	312,761	8,721	20,239	(11,518)	299,325	307,760	8,434	28,957	(20,522)
Other securities	68,202	69,587	1,384	3,271	(1,886)	74,525	71,855	(2,669)	1,975	(4,645)
Monetary claims bought	833	957	123	123	-	827	944	117	117	-
Negotiable certificates of deposit	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Total	4,242,680	4,628,529	385,849	502,426	(116,576)	4,196,101	4,432,798	236,696	460,289	(223,592)
Domestic bonds	2,622,033	2,756,333	134,299	180,668	(46,368)	2,642,235	2,700,938	58,703	165,749	(107,045)
Domestic stocks	166,694	413,036	246,341	259,795	(13,453)	168,870	383,212	214,341	228,892	(14,551)
Foreign securities	1,363,339	1,365,318	1,978	56,839	(54,860)	1,288,692	1,252,648	(36,043)	61,287	(97,330)
Foreign bonds	1,059,300	1,052,556	(6,743)	36,599	(43,342)	989,366	944,888	(44,477)	32,330	(76,808)
Foreign stocks and other foreign securities	304,039	312,761	8,721	20,239	(11,518)	299,325	307,760	8,434	28,957	(20,522)
Other securities	68,202	69,587	1,384	3,271	(1,886)	74,525	71,855	(2,669)	1,975	(4,645)
Monetary claims bought	22,410	24,255	1,844	1,852	(8)	21,777	24,142	2,364	2,384	(19)
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, 2022	As of June 30, 2022
Stocks of subsidiaries	37,377	54,377
Available-for-sale securities	54,874	57,227
Domestic stocks	14,257	13,257
Foreign stocks	11	11
Others	40,605	43,959
Total	92,251	111,605

(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, 2022					As of June 30, 2022				
	Book value	Fair value	Gains/losses		Book value	Fair value	Gains/losses			
			Gains	Losses			Gains	Losses		
Held-to-maturity debt securities	301,647	333,640	31,992	32,001	(8)	297,801	326,533	28,731	28,752	(21)
Policy-reserve-matching bonds	2,028,714	2,159,139	130,424	169,489	(39,065)	2,023,051	2,075,121	52,070	148,389	(96,318)
Stocks of subsidiaries	37,377	37,377	-	-	-	54,377	54,377	-	-	-
Available-for-sale securities	1,967,191	2,194,030	226,838	304,350	(77,512)	1,932,476	2,095,534	163,057	290,318	(127,260)
Domestic bonds	468,248	467,355	(893)	6,409	(7,302)	497,333	499,600	2,266	12,992	(10,725)
Domestic stocks	180,951	427,293	246,341	259,795	(13,453)	182,128	396,469	214,341	228,892	(14,551)
Foreign securities	1,248,812	1,228,693	(20,118)	34,750	(54,869)	1,177,345	1,126,347	(50,997)	46,340	(97,338)
Foreign bonds	904,300	872,053	(32,247)	11,095	(43,342)	834,366	767,770	(66,595)	10,212	(76,808)
Foreign stocks and other foreign securities	344,512	356,640	12,128	23,655	(11,527)	342,978	358,576	15,598	36,128	(20,529)
Other securities	68,346	69,731	1,384	3,271	(1,886)	74,842	72,172	(2,669)	1,975	(4,645)
Monetary claims bought	833	957	123	123	-	827	944	117	117	-
Negotiable certificates of deposit	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Total	4,334,931	4,724,187	389,255	505,841	(116,585)	4,307,706	4,551,566	243,860	467,460	(223,600)
Domestic bonds	2,622,033	2,756,333	134,299	180,668	(46,368)	2,642,235	2,700,938	58,703	165,749	(107,045)
Domestic stocks	218,328	464,670	246,341	259,795	(13,453)	236,505	450,846	214,341	228,892	(14,551)
Foreign securities	1,403,812	1,409,197	5,384	60,254	(54,869)	1,332,345	1,303,465	(28,879)	68,458	(97,338)
Foreign bonds	1,059,300	1,052,556	(6,743)	36,599	(43,342)	989,366	944,888	(44,477)	32,330	(76,808)
Foreign stocks and other foreign securities	344,512	356,640	12,128	23,655	(11,527)	342,978	358,576	15,598	36,128	(20,529)
Other securities	68,346	69,731	1,384	3,271	(1,886)	74,842	72,172	(2,669)	1,975	(4,645)
Monetary claims bought	22,410	24,255	1,844	1,852	(8)	21,777	24,142	2,364	2,384	(19)
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, 2022	As of June 30, 2022
<b>Assets:</b>		
Cash and deposits:	35,852	41,092
Call loans	111,000	65,000
Monetary claims bought	22,534	21,894
Securities:	4,565,837	4,475,048
National government bonds	1,669,691	1,658,413
Local government bonds	50,540	53,974
Corporate bonds	907,641	939,764
Domestic stocks	472,584	458,231
Foreign securities	1,395,647	1,292,491
Loans:	311,416	313,712
Policy loans	32,199	31,706
Industrial and consumer loans	279,217	282,006
Tangible fixed assets	368,550	367,002
Intangible fixed assets	28,743	29,546
Agency accounts receivable	11	11
Reinsurance receivables	393	227
Other assets	60,054	54,326
Prepaid pension cost	318	300
Deferred tax assets	-	13,059
Allowance for possible loan losses	(550)	(597)
<b>Total assets</b>	<b>5,504,161</b>	<b>5,380,625</b>

(Millions of Yen)

	As of March 31, 2022	As of June 30, 2022
<b>Liabilities:</b>		
Policy reserves and other reserves:	4,425,731	4,400,926
Reserve for outstanding claims	32,018	32,031
Policy reserves	4,365,068	4,338,842
Reserve for dividends to policyholders	28,644	30,051
Reinsurance payables	752	316
Bonds payable	102,424	102,424
Other liabilities:	375,938	324,234
Income taxes payable	4,474	1,048
Lease obligations	2,194	1,949
Asset retirement obligations	914	916
Others	368,354	320,319
Reserve for employees' retirement benefits	29,847	29,719
Reserve for price fluctuation	48,210	48,840
Deferred tax liabilities	3,622	-
Deferred tax liabilities for land revaluation	15,711	15,666
<b>Total liabilities</b>	<b>5,002,238</b>	<b>4,922,127</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:	117,444	121,234
Reserve for future losses	347	366
Other surplus:	117,097	120,868
Reserve for fund redemption	53,500	62,600
Equalized reserve for dividends to policyholders	6,983	7,093
Unappropriated surplus (loss)	56,614	51,175
Total foundation funds and others	374,726	378,516
Net unrealized gains (losses) on available-for-sale securities, net of tax	173,936	126,837
Land revaluation differences	(46,739)	(46,856)
Total valuation and translation adjustments	127,197	79,981
<b>Total net assets</b>	<b>501,923</b>	<b>458,497</b>
<b>Total liabilities and net assets</b>	<b>5,504,161</b>	<b>5,380,625</b>

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

(Millions of Yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
<b>Ordinary income:</b>	149,271	162,310
Premium and other income:	95,569	93,570
Insurance premiums	95,134	93,338
Investment income:	36,172	40,085
Interest, dividends and other income	27,537	31,115
Gains on sales of securities	6,200	3,936
Investment gains on separate accounts	678	-
Other ordinary income	17,529	28,653
<b>Ordinary expenses:</b>	134,326	149,215
Claims and other payments:	91,022	97,541
Claims	26,619	27,458
Annuities	26,019	24,996
Benefits	16,871	22,123
Surrender benefits	20,360	21,897
Other payments	635	668
Provision for policy reserves and other reserves:	0	14
Provision for reserve for outstanding claims	-	13
Provision for interest on policyholders' dividend reserves	0	0
Investment expenses:	6,307	16,633
Interest expenses	1,293	908
Losses on sales of securities	65	7,169
Losses on valuation of securities	4	-
Losses on derivative financial instruments	947	3,710
Investment losses on separate accounts	-	805
Operating expenses	28,666	26,595
Other ordinary expenses	8,328	8,430
<b>Ordinary profit</b>	<b>14,944</b>	<b>13,094</b>
<b>Extraordinary gains</b>	<b>-</b>	<b>-</b>
<b>Extraordinary losses:</b>	<b>884</b>	<b>768</b>
Losses on disposal of fixed assets	172	41
Impairment losses	91	96
Provision for reserve for price fluctuation	620	630
<b>Surplus before income taxes</b>	<b>14,060</b>	<b>12,326</b>
<b>Income taxes including deferred taxes</b>	<b>2,940</b>	<b>2,491</b>
<b>Total income taxes</b>	<b>2,940</b>	<b>2,491</b>
<b>Net surplus</b>	<b>11,120</b>	<b>9,834</b>



## Notes to Unaudited Non-consolidated Financial Information

### Notes to Unaudited Non-consolidated Balance Sheet

#### 1. Accounting Changes

The Company has applied “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, revised on June 17, 2021) from the reporting period ended June 30, 2022.

In accordance with the transitional treatment set forth in Paragraph 27-2 of Implementation Guidance on Accounting Standard for Fair Value Measurement, the Company has applied new accounting policies prospectively.

This application did not have any effects on the non-consolidated financial information as of and for the reporting period ended June 30, 2022.

#### 2. Accounting Procedures Specific to Quarterly Financial Information

As the proposed appropriation of surplus for the fiscal year ended March 31, 2022 was approved at the annual meeting of representative policyholders held on July 5, 2022, it is included in the non-consolidated balance sheet as of June 30, 2022.

#### 3. Securities Lent under Lending Agreements

The amount of securities lent under lending agreements was ¥224,917 million as of June 30, 2022.

#### 4. Reserve for Dividends to Policyholders

The change in reserve for dividends to policyholders for the reporting period ended June 30, 2022 was as follows:

	Millions of Yen
	Three months ended June 30, 2022
Balance at the beginning of the reporting period	¥ 28,644
Transfer to reserve from surplus in the previous fiscal year	2,121
Dividends to policyholders paid out during the reporting period	715
Increase in interest	0
Balance at the end of the reporting period	¥ 30,051

#### 5. Redemption of Foundation Funds

The Company redeemed ¥40,000 million of foundation funds, which is part of ¥80,000 million of foundation funds offered in August 2015, on August 1, 2022, prior to the redemption date. Accompanying the redemption, the Company transferred the same amount from reserve for fund redemption to reserve for redemption of foundation funds in accordance with Article 56 of the Insurance Business Act.

## **6. Group Tax Sharing System**

The Company has applied the group tax sharing system with the Company as the parent company for group tax sharing purposes from the reporting period ended June 30, 2022. As a result, the Company has applied the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (ASBJ PITF No.42, issued on August 12, 2021) to the accounting and disclosure treatment of corporate tax, local corporate tax and tax effect accounting.

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

(Millions of Yen)

		Three months ended June 30, 2021	Three months ended June 30, 2022
Fundamental profit	A	7,737	8,627
Capital gains		8,388	8,905
Gains on money held in trust		-	-
Gains on trading securities		-	-
Gains on sales of securities		6,200	3,936
Gains on derivative financial instruments		-	-
Foreign exchange gains		-	3,282
Other capital gains		2,187	1,686
Capital losses		1,031	11,015
Losses on money held in trust		-	-
Losses on trading securities		-	-
Losses on sales of securities		65	7,169
Losses on valuation of securities		4	-
Losses on derivative financial instruments		947	3,710
Foreign exchange losses		5	-
Other capital losses		8	134
Net capital gains (losses)	B	7,356	(2,109)
Fundamental profit plus net capital gains (losses)	A+B	15,093	6,517
Other one-time gains		8	6,577
Reinsurance revenue		-	-
Reversal of contingency reserve		-	6,577
Reversal of specific allowance for possible loan losses		8	-
Others		-	-
Other one-time losses		157	0
Reinsurance premiums		-	-
Provision for contingency reserve		157	-
Provision for specific allowance for possible loan losses		-	0
Provision for allowance for specified overseas loans		-	-
Write-offs of loans		0	0
Others		-	-
Net other one-time gains (losses)	C	(148)	6,576
Ordinary profit	A+B+C	14,944	13,094

※ The above fundamental profit is calculated based on the new calculation method.

### (Reference) Breakdown of "other" items

(Millions of Yen)

		Three months ended June 30, 2021	Three months ended June 30, 2022
Fundamental profit		(2,179)	(1,551)
Hedging costs related to foreign exchange		(860)	65
Gains (losses) on cancellation of investment trusts		(1,284)	(1,686)
Gains (losses) on redemption of securities caused by foreign exchange fluctuation		(33)	69
Other capital gains		2,187	1,686
Hedging costs related to foreign exchange		860	-
Gains on cancellation of investment trusts		1,284	1,686
Gains on redemption of securities caused by foreign exchange fluctuation		42	-
Other capital losses		8	134
Hedging costs related to foreign exchange		-	65
Losses on cancellation of investment trusts		-	-
Losses on redemption of securities caused by foreign exchange fluctuation		8	69

## 6. Solvency Margin Ratio

(Millions of Yen)

		As of March 31, 2022	As of June 30, 2022
Total solvency margin	(A)	1,009,231	940,607
Foundation funds and surplus		368,564	377,405
Reserve for price fluctuation		48,210	48,840
Contingency reserve		77,889	71,311
General allowance for possible loan losses		286	332
(Net unrealized gains on available-for-sale securities (before tax effect) and deferred hedge gains (before tax effect)) × 90% (in case of losses: × 100%)		204,154	146,752
Net unrealized gains on land × 85% (in case of losses: × 100%)		29,306	29,156
Excess amount of policy reserves based on full-time Zillmer method		145,556	145,978
Qualifying subordinated debt		141,424	141,424
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)	(42,000)
Others		18,839	21,406
Total amount of risk	$\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	211,372	207,194
Insurance risk	$R_1$	12,078	11,953
Third sector insurance risk	$R_8$	10,727	10,725
Risk of assumed yield	$R_2$	66,749	66,203
Minimum guarantee risk	$R_7$	1,027	1,027
Investment risk	$R_3$	137,767	134,208
Operational risk	$R_4$	4,567	4,482
Solvency margin ratio	$(A) / \{(1/2) \times (B)\} \times 100$	954.9%	907.9%

### Notes:

1. 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.
2. "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.
3. "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, 2022	As of June 30, 2022
	Amount	Amount
Individual variable insurance	28,175	26,866
Individual variable annuities	-	-
Group annuity products	-	-
Total	28,175	26,866

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

#### (i) Individual Variable Insurance

	As of March 31, 2022		As of June 30, 2022	
	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	86,879	12	86,374
Total	12	86,879	12	86,374

#### (ii) Individual Variable Annuities

	As of March 31, 2022		As of June 30, 2022	
	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)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Ordinary income	150,257	169,808
Ordinary profit	14,085	11,163
Net surplus attributable to the Parent Company	10,287	8,762
Comprehensive income	29,015	(38,200)

(Millions of Yen)

	As of March 31, 2022	As of June 30, 2022
Total assets	5,502,292	5,379,482
Solvency margin ratio	982.2%	950.0%

### (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, 2022	As of June 30, 2022
<b>Assets:</b>		
Cash and deposits	47,030	62,970
Call loans	111,000	65,000
Monetary claims bought	22,534	21,894
Securities	4,536,365	4,428,571
Loans	311,416	313,712
Tangible fixed assets	369,142	367,571
Intangible fixed assets	33,255	34,334
Agency accounts receivable	11	12
Reinsurance receivables	6,788	11,025
Other assets	64,605	60,111
Net defined benefit assets	524	503
Deferred tax assets	168	14,369
Allowance for possible loan losses	(550)	(597)
<b>Total assets</b>	<b>5,502,292</b>	<b>5,379,482</b>

(Millions of Yen)

	As of March 31, 2022	As of June 30, 2022
<b>Liabilities:</b>		
Policy reserves and other reserves:	4,426,229	4,402,093
Reserve for outstanding claims	32,025	32,370
Policy reserves	4,365,560	4,339,672
Reserve for dividends to policyholders	28,644	30,051
Reinsurance payables	776	358
Bonds payable	102,424	102,424
Other liabilities	378,694	327,439
Net defined benefit liabilities	32,852	32,593
Reserve for price fluctuation	48,210	48,840
Deferred tax liabilities	2,913	-
Deferred tax liabilities for land revaluation	15,711	15,666
<b>Total liabilities</b>	<b>5,007,812</b>	<b>4,929,415</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	111,982	114,700
Total foundation funds and others	369,264	371,982
Net unrealized gains (losses) on available-for-sale securities, net of tax	173,938	126,837
Land revaluation differences	(46,739)	(46,856)
Accumulated remeasurements of defined benefit plans	(2,077)	(1,952)
Total accumulated other comprehensive income	125,121	78,028
Non-controlling interests	94	55
<b>Total net assets</b>	<b>494,480</b>	<b>450,066</b>
<b>Total liabilities and net assets</b>	<b>5,502,292</b>	<b>5,379,482</b>

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

## 【Unaudited Consolidated Statements of Income】

(Millions of Yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
<b>Ordinary income:</b>	150,257	169,808
Premium and other income	95,569	100,433
Investment income:	35,987	39,779
Interest, dividends and other income	27,360	30,827
Gains on sales of securities	6,200	3,937
Investment gains on separate accounts	678	-
Other ordinary income	18,700	29,595
<b>Ordinary expenses:</b>	136,171	158,644
Claims and other payments:	91,022	99,034
Claims	26,619	27,458
Annuities	26,019	24,996
Benefits	16,871	22,350
Surrender benefits	20,360	21,897
Other payments	635	674
Provision for policy reserves and other reserves:	0	345
Provision for reserve for outstanding claims	-	344
Provision for interest on policyholders' dividend reserves	0	0
Investment expenses:	6,307	16,633
Interest expenses	1,293	908
Losses on sales of securities	65	7,169
Losses on valuation of securities	4	-
Losses on derivative financial instruments	947	3,710
Investment losses on separate accounts	-	805
Operating expenses	30,435	33,340
Other ordinary expenses	8,406	9,289
Ordinary profit	14,085	11,163
<b>Extraordinary gains</b>	-	-
<b>Extraordinary losses:</b>	884	768
Losses on disposal of fixed assets	172	41
Impairment losses	91	96
Provision for reserve for price fluctuation	620	630
<b>Surplus before income taxes</b>	13,200	10,395
<b>Income taxes including deferred taxes</b>	2,901	1,620
<b>Total income taxes</b>	2,901	1,620
<b>Net surplus</b>	10,299	8,775
<b>Net surplus attributable to non-controlling interests</b>	12	12
<b>Net surplus attributable to the Parent Company</b>	10,287	8,762



【Unaudited Consolidated Statements of Comprehensive Income】

(Millions of Yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
<b>Net surplus</b>	10,299	8,775
<b>Other comprehensive income:</b>	18,715	(46,976)
Net unrealized gains (losses) on available-for-sale securities, net of tax	18,633	(47,101)
Remeasurements of defined benefit plans	82	125
<b>Comprehensive income:</b>	29,015	(38,200)
Comprehensive income attributable to the Parent Company	29,003	(38,213)
Comprehensive income attributable to non-controlling interests	12	12

## Notes to Unaudited Consolidated Financial Information

### I. Notes to Unaudited Consolidated Balance Sheet

#### 1. Accounting Changes

The Company has applied “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, revised on June 17, 2021) from the reporting period ended June 30, 2022.

In accordance with the transitional treatment set forth in Paragraph 27-2 of Implementation Guidance on Accounting Standard for Fair Value Measurement, the Company has applied new accounting policies prospectively.

This application did not have any effects on the consolidated financial information as of and for the reporting period ended June 30, 2022.

#### 2. Accounting Procedures Specific to Quarterly Financial Information

As the proposed appropriation of surplus for the fiscal year ended March 31, 2022 was approved at the annual meeting of representative policyholders held on July 5, 2022, it is included in the consolidated balance sheet as of June 30, 2022.

#### 3. Securities Lent under Lending Agreements

The amount of securities lent under lending agreements was ¥224,917 million as of June 30, 2022.

#### 4. Reserve for Dividends to Policyholders

The change in reserve for dividends to policyholders for the reporting period ended June 30, 2022 was as follows:

	<u>Millions of Yen</u>
	Three months ended June 30, 2022
Balance at the beginning of the reporting period	¥ 28,644
Transfer to reserve from surplus in the previous fiscal year	2,121
Dividends to policyholders paid out during the reporting period	715
Increase in interest	0
Balance at the end of the reporting period	¥ 30,051

#### 5. Redemption of Foundation Funds

The Company redeemed ¥40,000 million of foundation funds, which is part of ¥80,000 million of foundation funds offered in August 2015, on August 1, 2022, prior to the redemption date. Accompanying the redemption, the Company transferred the same amount from reserve for fund redemption to reserve for redemption of foundation funds in accordance with Article 56 of the Insurance Business Act.

## **6. Group Tax Sharing System**

The Company and part of its subsidiaries have applied the group tax sharing system with the Company as the parent company for group tax sharing purposes from the reporting period ended June 30, 2022. As a result, the Company has applied the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (ASBJ PITF No.42, issued on August 12, 2021) to the accounting and disclosure treatment of corporate tax, local corporate tax and tax effect accounting.

## **II. Note to Unaudited Consolidated Statement of Income**

### **Depreciation**

For the reporting period ended June 30, 2022, the total amount of depreciation and depreciation of rental real estate and other assets was ¥4,788 million.

## (5) Consolidated Solvency Margin Ratio

(Millions of Yen)

	As of March 31, 2022	As of June 30, 2022
Total solvency margin (A)	1,021,040	968,607
Foundation funds and surplus	358,018	365,740
Reserve for price fluctuation	48,210	48,840
Contingency reserve	78,125	71,735
Catastrophe loss reserve	-	-
General allowance for possible loan losses	288	334
(Net unrealized gains on available-for-sale securities (before tax effect) and deferred hedge gains (before tax effect)) × 90% (in case of losses: × 100%)	204,157	146,752
Net unrealized gains on land × 85% (in case of losses: × 100%)	29,306	29,156
Sum of unrealized actuarial differences and unrealized past service cost	(2,885)	(2,760)
Excess amount of policy reserves based on full-time Zillmer method	145,556	145,978
Qualifying subordinated debt	141,424	141,424
Excess amount of policy reserves based on full-time Zillmer method and qualifying subordinated debt excluded from the calculation of solvency margin	-	-
Deduction	-	-
Others	18,839	21,406
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)	207,900	203,909
Insurance risk $R_1$	12,078	11,953
Ordinary insurance risk $R_5$	-	-
Disaster insurance risk $R_6$	-	-
Third sector insurance risk $R_8$	10,963	11,148
Small amount short-term insurance provider insurance risk $R_9$	-	-
Risk of assumed yield $R_2$	66,749	66,203
Minimum guarantee risk $R_7$	1,027	1,027
Investment risk $R_3$	134,312	130,910
Operational risk $R_4$	4,502	4,424
Solvency margin ratio (A) / {(1/2) × (B)} × 100	982.2%	950.0%

Notes:

1. 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.
2. "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.
3. "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.