

August 9, 2024

Financial Results for the Three Months Ended June 30, 2024

Asahi Mutual Life Insurance Company (the “Company”; President: Kenichiro Ishijima) announces financial results for the three months ended June 30, 2024.

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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, 2024		As of June 30, 2024			
	Number of policies (Thousands)	Amount (100 millions of Yen)	Number of policies (Thousands)	Amount (100 millions of Yen)		Changes (%, Pre-FYE)
				Changes (%, Pre-FYE)	Changes (%, Pre-FYE)	
Individual insurance	7,258	106,774	7,217	99.4	104,602	98.0
Individual annuities	428	17,525	422	98.7	17,237	98.4
Group insurance	–	14,684	–	–	14,242	97.0
Group annuities	–	96	–	–	93	97.0

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

	Three months ended June 30, 2023			
	Number of policies (Thousands)	Amount (100 millions of Yen)	New policies	Net increase by conversion
Individual insurance	160	292	617	(325)
Individual annuities	–	(9)	–	(9)
Group insurance	–	888	888	–
Group annuities	–	–	–	–

	Three months ended June 30, 2024					
	Number of policies		Amount (100 millions of Yen)			
	(Thousands)	Changes (%, YoY)	Changes (%, YoY)	New policies	Net increase by conversion	
Individual insurance	154	96.7	263	90.2	566	(302)
Individual annuities	–	–	(9)	–	–	(9)
Group insurance	–	–	125	14.1	125	–
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, 2024	As of June 30, 2024	Changes
			(%, Pre-FYE)
Individual insurance	3,636	3,606	99.2
Individual annuities	1,124	1,115	99.2
Total	4,761	4,722	99.2
Third-sector products	2,213	2,205	99.6

(ii) New Policies

(100 millions of Yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024	Changes
			(%, YoY)
Individual insurance	45	48	106.0
Individual annuities	(0)	(0)	—
Total	45	48	106.1
Third-sector products	37	40	107.6

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, 2024		As of June 30, 2024	
	Amount	Percentage	Amount	Percentage
Cash, deposits, call loans	112,046	2.1	92,009	1.7
Monetary claims bought	18,811	0.3	18,470	0.3
Securities	4,495,408	82.4	4,598,350	83.6
Domestic bonds	2,778,957	50.9	2,791,305	50.7
Domestic stocks	599,280	11.0	622,277	11.3
Foreign securities	1,027,985	18.8	1,096,309	19.9
Foreign bonds	593,752	10.9	636,669	11.6
Foreign stocks and other foreign securities	434,233	8.0	459,640	8.4
Other securities	89,184	1.6	88,458	1.6
Loans	321,346	5.9	319,848	5.8
Policy loans	28,399	0.5	27,986	0.5
Industrial and consumer loans	292,946	5.4	291,861	5.3
Real estate	347,173	6.4	346,362	6.3
Deferred tax assets	–	–	–	–
Others	160,285	2.9	128,511	2.3
Allowance for possible loan losses	(738)	(0.0)	(774)	(0.0)
Total	5,454,333	100.0	5,502,780	100.0
Foreign currency-denominated assets	1,026,047	18.8	1,098,429	20.0

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, 2024					As of June 30, 2024				
	Book value	Fair value	Gains/losses		Book value	Fair value	Gains/losses			
			Gains	Losses			Gains	Losses		
Held-to-maturity debt securities	292,796	309,158	16,361	18,278	(1,916)	288,292	299,778	11,486	14,622	(3,136)
Policy-reserve-matching bonds	2,240,383	2,116,280	(124,103)	88,556	(212,659)	2,242,535	2,008,886	(233,648)	59,000	(292,649)
Stocks of subsidiaries	-	-	-	-	-	-	-	-	-	-
Available-for-sale securities	1,495,663	1,840,823	345,160	411,641	(66,481)	1,545,757	1,942,765	397,007	455,737	(58,729)
Domestic bonds	443,916	438,333	(5,583)	4,065	(9,648)	455,565	452,750	(2,815)	7,481	(10,296)
Domestic stocks	162,648	518,771	356,123	357,392	(1,269)	164,449	541,839	377,389	378,569	(1,179)
Foreign securities	811,895	795,836	(16,059)	38,139	(54,198)	849,033	861,260	12,227	57,674	(45,446)
Foreign bonds	458,711	419,152	(39,559)	1,860	(41,420)	490,501	462,069	(28,432)	7,325	(35,758)
Foreign stocks and other foreign securities	353,183	376,684	23,500	36,279	(12,778)	358,531	399,191	40,659	50,348	(9,688)
Other securities	76,447	87,026	10,578	11,942	(1,364)	75,961	86,116	10,155	11,939	(1,784)
Monetary claims bought	754	855	100	100	-	747	797	50	72	(22)
Negotiable certificates of deposit	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Total	4,028,844	4,266,262	237,418	518,476	(281,057)	4,076,584	4,251,430	174,845	529,360	(354,514)
Domestic bonds	2,784,541	2,656,187	(128,354)	94,104	(222,458)	2,794,120	2,558,011	(236,109)	67,307	(303,416)
Domestic stocks	162,648	518,771	356,123	357,392	(1,269)	164,449	541,839	377,389	378,569	(1,179)
Foreign securities	986,495	984,524	(1,971)	53,838	(55,809)	1,023,633	1,046,258	22,625	70,529	(47,904)
Foreign bonds	633,311	607,839	(25,472)	17,559	(43,031)	665,101	647,066	(18,034)	20,180	(38,215)
Foreign stocks and other foreign securities	353,183	376,684	23,500	36,279	(12,778)	358,531	399,191	40,659	50,348	(9,688)
Other securities	76,447	87,026	10,578	11,942	(1,364)	75,961	86,116	10,155	11,939	(1,784)
Monetary claims bought	18,710	19,753	1,042	1,198	(156)	18,420	19,204	784	1,014	(229)
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, 2024	As of June 30, 2024
Stocks of subsidiaries	67,671	67,671
Available-for-sale securities	59,241	58,716
Domestic stocks	12,887	12,817
Foreign stocks	9	9
Others	46,344	45,889
Total	126,913	126,388

(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, 2024					As of June 30, 2024				
	Book value	Fair value	Gains/losses			Book value	Fair value	Gains/losses		
				Gains	Losses				Gains	Losses
Held-to-maturity debt securities	292,796	309,158	16,361	18,278	(1,916)	288,292	299,778	11,486	14,622	(3,136)
Policy-reserve-matching bonds	2,240,383	2,116,280	(124,103)	88,556	(212,659)	2,242,535	2,008,886	(233,648)	59,000	(292,649)
Stocks of subsidiaries	67,671	67,671	–	–	–	67,671	67,671	–	–	–
Available-for-sale securities	1,554,905	1,913,368	358,462	424,944	(66,481)	1,604,474	2,018,322	413,848	472,578	(58,729)
Domestic bonds	443,916	438,333	(5,583)	4,065	(9,648)	455,565	452,750	(2,815)	7,481	(10,296)
Domestic stocks	175,536	531,659	356,123	357,392	(1,269)	177,267	554,656	377,389	378,569	(1,179)
Foreign securities	856,091	853,335	(2,756)	51,442	(54,198)	892,590	921,658	29,068	74,515	(45,446)
Foreign bonds	458,711	419,152	(39,559)	1,860	(41,420)	490,501	462,069	(28,432)	7,325	(35,758)
Foreign stocks and other foreign securities	397,379	434,182	36,803	49,581	(12,778)	402,089	459,589	57,500	67,189	(9,688)
Other securities	78,606	89,184	10,578	11,942	(1,364)	78,303	88,458	10,155	11,939	(1,784)
Monetary claims bought	754	855	100	100	–	747	797	50	72	(22)
Negotiable certificates of deposit	–	–	–	–	–	–	–	–	–	–
Others	–	–	–	–	–	–	–	–	–	–
Total	4,155,757	4,406,478	250,720	531,778	(281,057)	4,202,973	4,394,659	191,685	546,200	(354,514)
Domestic bonds	2,784,541	2,656,187	(128,354)	94,104	(222,458)	2,794,120	2,558,011	(236,109)	67,307	(303,416)
Domestic stocks	243,157	599,280	356,123	357,392	(1,269)	244,888	622,277	377,389	378,569	(1,179)
Foreign securities	1,030,741	1,042,072	11,331	67,140	(55,809)	1,067,241	1,106,707	39,466	87,370	(47,904)
Foreign bonds	633,311	607,839	(25,472)	17,559	(43,031)	665,101	647,066	(18,034)	20,180	(38,215)
Foreign stocks and other foreign securities	397,430	434,233	36,803	49,581	(12,778)	402,139	459,640	57,500	67,189	(9,688)
Other securities	78,606	89,184	10,578	11,942	(1,364)	78,303	88,458	10,155	11,939	(1,784)
Monetary claims bought	18,710	19,753	1,042	1,198	(156)	18,420	19,204	784	1,014	(229)
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 does not hold money held in trust.

3. Unaudited Non-consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2024	As of June 30, 2024
Assets:		
Cash and deposits	39,393	38,382
Call loans	73,000	54,000
Monetary claims bought	18,811	18,470
Securities:	4,525,808	4,629,181
National government bonds	1,812,423	1,813,671
Local government bonds	48,037	48,019
Corporate bonds	918,496	929,614
Domestic stocks	599,280	622,277
Foreign securities	1,027,985	1,096,309
Loans:	321,346	319,848
Policy loans	28,399	27,986
Industrial and consumer loans	292,946	291,861
Tangible fixed assets	353,725	352,602
Intangible fixed assets	35,456	35,101
Agency accounts receivable	1	1
Reinsurance receivables	394	128
Other assets	90,980	47,976
Prepaid pension cost	480	472
Customers' liabilities under acceptances and guarantees	26,425	38,595
Allowance for possible loan losses	(738)	(774)
Total assets	5,485,084	5,533,987

(Millions of Yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities:		
Policy reserves and other reserves:	4,268,961	4,243,370
Reserve for outstanding claims	36,748	35,627
Policy reserves	4,206,149	4,179,599
Reserve for dividends to policyholders	26,064	28,143
Reinsurance payables	670	295
Bonds payable	102,609	102,609
Other liabilities:	382,052	378,992
Income taxes payable	3,797	1,259
Lease obligations	4,138	3,873
Asset retirement obligations	1,087	1,074
Others	373,029	372,784
Reserve for employees' retirement benefits	28,195	28,010
Reserve for price fluctuation	40,370	40,920
Deferred tax liabilities	41,386	57,041
Deferred tax liabilities for land revaluation	14,301	14,250
Acceptances and guarantees	26,425	38,595
Total liabilities	4,904,972	4,904,084
Net assets:		
Foundation funds	51,000	51,000
Reserve for redemption of foundation funds	206,000	206,000
Reserve for revaluation	281	281
Surplus:	102,604	112,796
Reserve for future losses	381	397
Other surplus:	102,223	112,399
Reserve for fund redemption	31,700	40,800
Equalized reserve for dividends to policyholders	6,893	5,945
Unappropriated surplus (loss)	63,629	65,653
Total foundation funds and others	359,886	370,078
Net unrealized gains (losses) on available-for-sale securities, net of tax	270,597	310,329
Land revaluation differences	(50,371)	(50,504)
Total valuation and translation adjustments	220,226	259,824
Total net assets	580,112	629,903
Total liabilities and net assets	5,485,084	5,533,987

4. Unaudited Non-consolidated Statements of Income

(Millions of Yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Ordinary income:	156,713	160,894
Premium and other income:	91,241	88,367
Insurance premiums	90,847	88,208
Investment income:	42,002	43,334
Interest, dividends and other income	28,755	33,688
Gains on sales of securities	5,652	3,625
Investment gains on separate accounts	2,523	1,081
Other ordinary income	23,470	29,192
Ordinary expenses:	147,633	141,081
Claims and other payments:	93,942	94,439
Claims	25,932	26,993
Annuities	24,729	24,693
Benefits	19,343	18,991
Surrender benefits	22,730	22,782
Other payments	751	560
Provision for policy reserves and other reserves:	0	0
Provision for interest on policyholders' dividend reserves	0	0
Investment expenses:	18,387	9,858
Interest expenses	1,307	1,177
Losses on trading securities	145	-
Losses on sales of securities	4,414	653
Losses on valuation of securities	1	5
Losses on derivative financial instruments	8,372	3,859
Operating expenses	26,965	28,015
Other ordinary expenses	8,337	8,767
Ordinary profit	9,079	19,812
Extraordinary gains:	1	190
Gains on disposal of fixed assets	1	190
Extraordinary losses:	875	715
Losses on disposal of fixed assets	54	87
Impairment losses	240	78
Provision for reserve for price fluctuation	580	550
Surplus before income taxes	8,205	19,287
Income taxes including deferred taxes	2,235	3,976
Total income taxes	2,235	3,976
Net surplus	5,969	15,310

Notes to Unaudited Non-consolidated Financial Information

Notes to Unaudited Non-consolidated Balance Sheet

1. Reserve for Outstanding Claims Incurred but not Reported Events

With respect to reserve for outstanding claims incurred but not reported events (referring to claims for which the occurrence of the insured events has not been reported but the Company finds that insured events have already occurred; hereinafter the same), the special treatment of the payment of hospitalization benefits with regard to people with diagnoses of COVID-19 given and under the care of a doctor and the like at an accommodation facility or at home (“deemed hospitalizations”) was terminated on May 8, 2023. As a result of this change, an appropriate amount of reserves cannot be obtained with the calculation method set forth in the main rules in Article 1, Paragraph 1 of the Japanese Ministry of Finance Public Notice No.234, 1998 (“IBNR Notice”). The Company therefore records the amount that was calculated using the following method, pursuant to provisions in the proviso of Article 1, Paragraph 1 of IBNR Notice (the “Proviso”).

(Overview of the calculation method)

The Company calculates the amount of reserve for outstanding claims incurred but not reported events using the same manner as that set forth in the main rules in Article 1, Paragraph 1 of IBNR Notice, excluding the amount related to deemed hospitalizations from a required amount of reserves for incurred but not reported events and the amount of claim payments for all the fiscal years, as set forth in the main rules in Article 1, Paragraph 1 of IBNR Notice.

2. Accounting Procedures Specific to Quarterly Financial Information

As the proposed appropriation of surplus for the fiscal year ended March 31, 2024 was approved at the annual meeting of representative policyholders held on July 2, 2024, it is included in the non-consolidated balance sheet as of June 30, 2024.

3. Securities Lent under Lending Agreements

The amount of securities lent under lending agreements was ¥353,118 million as of June 30, 2024.

4. Reserve for Dividends to Policyholders

The change in reserve for dividends to policyholders for the reporting period ended June 30, 2024 was as follows:

	Millions of Yen	
	Three months ended June 30, 2024	
Balance at the beginning of the reporting period	¥	26,064
Transfer to reserve from surplus in the previous fiscal year		2,896
Dividends to policyholders paid out during the reporting period		818
Increase in interest		0
Balance at the end of the reporting period	¥	28,143

5. Breakdown of Ordinary Profit (Fundamental Profit)

(Millions of Yen)

		Three months ended June 30, 2023	Three months ended June 30, 2024
Fundamental profit	A	8,368	16,096
Capital gains		13,786	8,438
Gains on money held in trust		–	–
Gains on trading securities		–	–
Gains on sales of securities		5,652	3,625
Gains on derivative financial instruments		–	–
Foreign exchange gains		3,258	3,181
Other capital gains		4,876	1,631
Capital losses		13,067	4,724
Losses on money held in trust		–	–
Losses on trading securities		145	–
Losses on sales of securities		4,414	653
Losses on valuation of securities		1	5
Losses on derivative financial instruments		8,372	3,859
Foreign exchange losses		–	–
Other capital losses		133	206
Net capital gains (losses)	B	718	3,714
Fundamental profit plus net capital gains (losses)	A+B	9,087	19,810
Other one-time gains		–	5
Reinsurance revenue		–	–
Reversal of contingency reserve		–	5
Reversal of specific allowance for possible loan losses		–	–
Others		–	–
Other one-time losses		7	4
Reinsurance premiums		–	–
Provision for contingency reserve		6	–
Provision for specific allowance for possible loan losses		0	4
Provision for allowance for specified overseas loans		–	–
Write-offs of loans		0	0
Others		–	–
Net other one-time gains (losses)	C	(7)	1
Ordinary profit	A+B+C	9,079	19,812

(Reference) Breakdown of "other" items

(Millions of Yen)

		Three months ended June 30, 2023	Three months ended June 30, 2024
Fundamental profit		(4,742)	(1,425)
Hedging costs related to foreign exchange		(4,701)	(596)
Gains (losses) on cancellation of investment trusts		(175)	(1,034)
Gains (losses) on redemption of securities caused by foreign exchange fluctuation		133	206
Other capital gains		4,876	1,631
Hedging costs related to foreign exchange		4,701	596
Gains on cancellation of investment trusts		175	1,034
Gains on redemption of securities caused by foreign exchange fluctuation		–	–
Other capital losses		133	206
Hedging costs related to foreign exchange		–	–
Losses on cancellation of investment trusts		–	–
Losses on redemption of securities caused by foreign exchange fluctuation		133	206

6. Solvency Margin Ratio

(Millions of Yen)

		As of March 31, 2024	As of June 30, 2024
Total solvency margin	(A)	1,140,199	1,173,160
Foundation funds and surplus		354,635	368,751
Reserve for price fluctuation		40,370	40,920
Contingency reserve		43,181	43,175
General allowance for possible loan losses		507	538
(Net unrealized gains on available-for-sale securities (before tax effect) and deferred hedge gains (before tax effect)) × 90% (in case of losses: × 100%)		322,616	372,463
Net unrealized gains on land × 85% (in case of losses: × 100%)		35,824	35,699
Excess amount of policy reserves based on full-time Zillmer method		195,542	193,475
Qualifying subordinated debt		180,609	146,609
Excess amount of policy reserves based on full-time Zillmer method and qualifying subordinated debt excluded from the calculation of solvency margin		—	—
Deduction		(55,000)	(55,000)
Others		21,912	26,527
Total amount of risk	$\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	229,298	238,837
Insurance risk	R_1	11,229	11,058
Third sector insurance risk	R_8	10,821	10,790
Risk of assumed yield	R_2	52,370	52,043
Minimum guarantee risk	R_7	977	975
Investment risk	R_3	169,956	179,703
Operational risk	R_4	4,907	5,091
Solvency margin ratio	$(A) / \{(1/2) \times (B)\} \times 100$	994.5%	982.3%

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, 2024	As of June 30, 2024
	Amount	Amount
Individual variable insurance	30,689	31,125
Individual variable annuities	–	–
Group annuity products	–	–
Total	30,689	31,125

(2) Sum Insured of Policies in Force

(i) Individual Variable Insurance

	As of March 31, 2024		As of June 30, 2024	
	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)	11	80,819	11	80,152
Total	11	80,819	11	80,152

(ii) Individual Variable Annuities

	As of March 31, 2024		As of June 30, 2024	
	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, 2023	Three months ended June 30, 2024
Ordinary income	170,604	180,472
Ordinary profit	5,697	16,161
Net surplus attributable to the Parent Company	3,471	12,549
Comprehensive income	68,094	52,512

(Millions of Yen)

	As of March 31, 2024	As of June 30, 2024
Total assets	5,473,252	5,519,705
Solvency margin ratio	1,036.2%	1,021.1%

(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, 2024	As of June 30, 2024
Assets:		
Cash and deposits	53,705	56,782
Call loans	73,000	54,000
Monetary claims bought	18,811	18,470
Securities	4,466,669	4,571,038
Loans	321,346	319,848
Tangible fixed assets	354,240	353,193
Intangible fixed assets	40,331	40,014
Agency accounts receivable	2	101
Reinsurance receivables	42,415	44,828
Other assets	101,567	60,321
Net defined benefit assets	799	787
Deferred tax assets	74	97
Customers' liabilities under acceptances and guarantees	1,025	995
Allowance for possible loan losses	(738)	(773)
Total assets	5,473,252	5,519,705

(Millions of Yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities:		
Policy reserves and other reserves:	4,278,959	4,254,634
Reserve for outstanding claims	41,060	40,038
Policy reserves	4,211,835	4,186,452
Reserve for dividends to policyholders	26,064	28,143
Reinsurance payables	915	551
Bonds payable	102,609	102,609
Other liabilities	407,649	415,916
Net defined benefit liabilities	29,297	28,886
Reserve for price fluctuation	40,370	40,921
Deferred tax liabilities	39,226	54,839
Deferred tax liabilities for land revaluation	14,301	14,250
Acceptances and guarantees	1,025	995
Total liabilities	4,914,355	4,913,604
Net assets:		
Foundation funds	51,000	51,000
Reserve for redemption of foundation funds	206,000	206,000
Reserve for revaluation	281	281
Consolidated surplus	81,934	89,365
Total foundation funds and others	339,216	346,647
Net unrealized gains (losses) on available-for-sale securities, net of tax	270,597	310,329
Land revaluation differences	(50,371)	(50,504)
Accumulated remeasurements of defined benefit plans	(646)	(429)
Total accumulated other comprehensive income	219,580	259,395
Non-controlling interests	100	58
Total net assets	558,896	606,100
Total liabilities and net assets	5,473,252	5,519,705

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

【Unaudited Consolidated Statements of Income】

(Millions of Yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Ordinary income:	170,604	180,472
Premium and other income	105,074	108,112
Investment income:	41,815	43,026
Interest, dividends and other income	28,585	33,398
Gains on sales of securities	5,652	3,625
Investment gains on separate accounts	2,523	1,081
Other ordinary income	23,714	29,334
Ordinary expenses:	164,906	164,311
Claims and other payments:	99,733	105,237
Claims	25,932	26,997
Annuities	24,729	24,693
Benefits	20,368	21,109
Surrender benefits	22,730	22,782
Other payments	762	581
Provision for policy reserves and other reserves:	0	0
Provision for interest on policyholders' dividend reserves	0	0
Investment expenses:	18,387	9,896
Interest expenses	1,307	1,216
Losses on trading securities	145	–
Losses on sales of securities	4,414	653
Losses on valuation of securities	1	5
Losses on derivative financial instruments	8,372	3,859
Operating expenses	37,186	38,952
Other ordinary expenses	9,597	10,223
Ordinary profit	5,697	16,161
Extraordinary gains:	1	190
Gains on disposal of fixed assets	1	190
Extraordinary losses:	875	715
Losses on disposal of fixed assets	54	87
Impairment losses	240	78
Provision for reserve for price fluctuation	580	550
Surplus before income taxes	4,823	15,636
Income taxes including deferred taxes	1,338	3,071
Total income taxes	1,338	3,071
Net surplus	3,485	12,564
Net surplus attributable to non-controlling interests	13	14
Net surplus attributable to the Parent Company	3,471	12,549

【Unaudited Consolidated Statements of Comprehensive Income】

(Millions of Yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net surplus	3,485	12,564
Other comprehensive income:	64,608	39,947
Net unrealized gains (losses) on available-for-sale securities, net of tax	64,373	39,731
Remeasurements of defined benefit plans	235	216
Comprehensive income:	68,094	52,512
Comprehensive income attributable to the Parent Company	68,080	52,497
Comprehensive income attributable to non-controlling interests	13	14

Notes to Unaudited Consolidated Financial Information

I. Notes to Unaudited Consolidated Balance Sheet

1. Reserve for Outstanding Claims Incurred but not Reported Events

With respect to reserve for outstanding claims incurred but not reported events (referring to claims for which the occurrence of the insured events has not been reported but the Company finds that insured events have already occurred; hereinafter the same), the special treatment of the payment of hospitalization benefits with regard to people with diagnoses of COVID-19 given and under the care of a doctor and the like at an accommodation facility or at home (“deemed hospitalizations”) was terminated on May 8, 2023. As a result of this change, an appropriate amount of reserves cannot be obtained with the calculation method set forth in the main rules in Article 1, Paragraph 1 of the Japanese Ministry of Finance Public Notice No.234, 1998 (“IBNR Notice”). The Company therefore records the amount that was calculated using the following method, pursuant to provisions in the proviso of Article 1, Paragraph 1 of IBNR Notice (the “Proviso”).

(Overview of the calculation method)

The Company calculates the amount of reserve for outstanding claims incurred but not reported events using the same manner as that set forth in the main rules in Article 1, Paragraph 1 of IBNR Notice, excluding the amount related to deemed hospitalizations from a required amount of reserves for incurred but not reported events and the amount of claim payments for all the fiscal years, as set forth in the main rules in Article 1, Paragraph 1 of IBNR Notice.

2. Accounting Procedures Specific to Quarterly Financial Information

As the proposed appropriation of surplus for the fiscal year ended March 31, 2024 was approved at the annual meeting of representative policyholders held on July 2, 2024, it is included in the consolidated balance sheet as of June 30, 2024.

3. Securities Lent under Lending Agreements

The amount of securities lent under lending agreements was ¥353,118 million as of June 30, 2024.

4. Reserve for Dividends to Policyholders

The change in reserve for dividends to policyholders for the reporting period ended June 30, 2024 was as follows:

	Millions of Yen
	Three months ended June 30, 2024
Balance at the beginning of the reporting period	¥ 26,064
Transfer to reserve from surplus in the previous fiscal year	2,896
Dividends to policyholders paid out during the reporting period	818
Increase in interest	0
Balance at the end of the reporting period	¥ 28,143

II. Note to Unaudited Consolidated Statement of Income

Depreciation

For the reporting period ended June 30, 2024, the total amount of depreciation and depreciation of rental real estate and other assets was ¥5,315 million.

(5) Consolidated Solvency Margin Ratio

(Millions of Yen)

	As of March 31, 2024	As of June 30, 2024
Total solvency margin (A)	1,170,919	1,201,810
Foundation funds and surplus	328,628	339,961
Reserve for price fluctuation	40,370	40,921
Contingency reserve	45,519	45,755
Catastrophe loss reserve	–	–
General allowance for possible loan losses	508	539
(Net unrealized gains on available-for-sale securities (before tax effect) and deferred hedge gains (before tax effect)) × 90% (in case of losses: × 100%)	322,616	372,463
Net unrealized gains on land × 85% (in case of losses: × 100%)	35,824	35,699
Sum of unrealized actuarial differences and unrealized past service cost	(896)	(680)
Excess amount of policy reserves based on full-time Zillmer method	195,874	194,063
Qualifying subordinated debt	180,609	146,609
Excess amount of policy reserves based on full-time Zillmer method and qualifying subordinated debt excluded from the calculation of solvency margin	–	–
Deduction	(50)	(50)
Others	21,912	26,527
Total amount of risk $\sqrt{(\sqrt{R_1^2 + R_5^2 + R_8^2 + R_6^2})^2 + (R_2 + R_3 + R_7)^2} + R_4 + R_9$ (B)	226,000	235,393
Insurance risk R_1	11,230	11,060
Ordinary insurance risk R_5	–	–
Disaster insurance risk R_6	–	–
Third sector insurance risk R_8	13,003	13,204
Small amount short-term insurance provider insurance risk R_9	–	–
Risk of assumed yield R_2	52,370	52,043
Minimum guarantee risk R_7	977	975
Investment risk R_3	166,439	176,026
Operational risk R_4	4,880	5,066
Solvency margin ratio (A) / {(1/2)×(B)} × 100	1,036.2%	1,021.1%

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.