
Financial Results for the Nine Months Ended December 31, 2022

Nippon Life Insurance Company (the “Company,” President: Hiroshi Shimizu) announces financial results for the nine months ended December 31, 2022.

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1. Business Highlights

(1) Annualized Premium

- Policies in Force

(100 Million Yen, %)

| | As of December 31, 2022 | | As of March 31, 2022 |
|---|-------------------------|--------------------------------------|----------------------|
| | | As a percentage of March 31, 2022 | |
| Individual insurance | 26,349 | 99.6 | 26,444 |
| Individual annuities | 11,035 | 98.0 | 11,256 |
| Total | 37,384 | 99.2 | 37,700 |
| Medical coverages, living benefits, and others | 6,758 | 100.3 | 6,740 |

- New Policies

(100 Million Yen, %)

| | Nine months ended December 31, 2022 | | Nine months ended December 31, 2021 |
|---|-------------------------------------|--|--|
| | | As a percentage of nine months ended December 31, 2021 | |
| Individual insurance | 1,427 | 108.2 | 1,319 |
| Individual annuities | 224 | 42.5 | 527 |
| Total | 1,651 | 89.4 | 1,846 |
| Medical coverages, living benefits, and others | 309 | 83.4 | 371 |

Notes: 1. The amount of annualized premium is calculated by multiplying a single premium payment by a factor according to the premium payment method (for single premium policies, the annualized amount is the total premium divided by the insured period).
2. The amount of medical coverages, living benefits, and others represents annualized premium related to medical benefits (hospitalization benefits and surgical benefits), living benefits (specified illness benefits and nursing care benefits), and waiver of premium benefits (excluding disability benefits alone, but including specified illness and nursing care benefits).
3. Annualized new policy net premium includes net increases due to conversions.

(2) Amount of Policies in Force and New Policies

• Policies in Force

| | As of December 31, 2022 | | | | As of March 31, 2022 | |
|----------------------|-------------------------|--|-------------------------|--|-----------------------------------|---|
| | Number of policies | | Amount of policies | | Number of policies (thousands) | Amount of policies (100 million yen) |
| | (thousands) | As a percentage of March 31, 2022 (%) | (100 million yen) | As a percentage of March 31, 2022 (%) | | |
| Individual insurance | 30,802 | 101.0 | 1,247,060 | 97.8 | 30,487 | 1,274,876 |
| Individual annuities | 4,196 | 99.0 | 256,313 | 98.9 | 4,238 | 259,051 |
| Group insurance | — | — | 979,956 | 99.7 | — | 982,613 |
| Group annuities | — | — | 140,919 | 101.4 | — | 138,953 |

Notes: 1. The amount of individual annuities is the total of (a) annuity resources at the start of annuity payments for policies prior to the start of annuity payments and (b) policy reserves for policies after the start of annuity payments.
2. The amount of group annuities is the amount of the policy reserves.

• New Policies

| | Nine months ended December 31, 2022 | | | | | | Nine months ended December 31, 2021 | | | |
|----------------------|-------------------------------------|--|-------------------------|---|-----------------|-------------------------------------|--------------------------------------|-------------------------|-----------------|-------------------------------------|
| | Number of policies | | Amount of policies | | | | Number of policies (thousands) | Amount of policies | | |
| | (thousands) | As a percentage of nine months ended December 31, 2021(%) | (100 million yen) | As a percentage of nine months ended December 31, 2021 (%) | New policies | Net increase by conversion | | (100 million yen) | New policies | Net increase by conversion |
| Individual insurance | 3,128 | 96.9 | 35,745 | 77.8 | 37,872 | (2,127) | 3,227 | 45,949 | 46,688 | (738) |
| Individual annuities | 94 | 58.1 | 5,634 | 46.9 | 5,707 | (72) | 162 | 12,027 | 11,974 | 52 |
| Group insurance | — | — | 8,364 | 412.6 | 8,364 | | — | 2,027 | 2,027 | |
| Group annuities | — | — | 3 | 271.5 | 3 | | — | 1 | 1 | |

Notes: 1. New policies include enrollment using the coverage enhancement system, and conversion indicates enrollment using the coverage revision system and partial coverage revision system.
2. The number of policies includes policies that were converted into new policies.
3. The amount of new policies and net increase in policies by conversion for individual annuities represents annuity resources at the start of annuity payments.
4. The amounts of new policies for group annuities represent the first-time premium.

2. Investment Management Performance (General Account)

(1) Asset Composition

(100 Million Yen, %)

| | As of December 31, 2022 | | As of March 31, 2022 | |
|---|-------------------------|-------|----------------------|-------|
| | Amount | % | Amount | % |
| Cash, deposits, and call loans | 6,957 | 1.0 | 9,843 | 1.3 |
| Receivables under resale agreements | — | — | — | — |
| Receivables under securities borrowing transactions | — | — | — | — |
| Monetary receivables purchased | 1,297 | 0.2 | 1,504 | 0.2 |
| Proprietary trading securities | — | — | — | — |
| Assets held in trust | — | — | — | — |
| Investments in securities: | 606,733 | 83.4 | 638,178 | 84.7 |
| Domestic bonds | 294,576 | 40.5 | 281,507 | 37.4 |
| Domestic stocks | 97,958 | 13.5 | 101,869 | 13.5 |
| Foreign securities: | 183,002 | 25.2 | 221,057 | 29.3 |
| Foreign bonds | 96,791 | 13.3 | 137,760 | 18.3 |
| Foreign stocks and other securities | 86,210 | 11.8 | 83,297 | 11.1 |
| Other securities | 31,196 | 4.3 | 33,743 | 4.5 |
| Loans: | 77,693 | 10.7 | 74,980 | 9.9 |
| Policy loans | 4,429 | 0.6 | 4,573 | 0.6 |
| Industrial and consumer loans | 73,263 | 10.1 | 70,406 | 9.3 |
| Real estate: | 17,078 | 2.3 | 16,957 | 2.3 |
| Investment properties | 11,105 | 1.5 | 10,863 | 1.4 |
| Deferred tax assets | 2,016 | 0.3 | — | — |
| Other assets | 15,916 | 2.2 | 12,204 | 1.6 |
| Allowance for doubtful accounts | (75) | (0.0) | (69) | (0.0) |
| Total assets (general account): | 727,617 | 100.0 | 753,599 | 100.0 |
| Foreign currency-denominated assets | 174,697 | 24.0 | 215,694 | 28.6 |

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

(2) Fair Value Information of Securities (Other than Trading Securities)

(100 Million Yen)

| | | As of December 31, 2022 | | | | | As of March 31, 2022 | | | | |
|-------|--|-------------------------|------------|------------------|--------|----------|----------------------|------------|------------------|---------|---------|
| | | Book value | Fair value | Net gains/losses | | | Book value | Fair value | Net gains/losses | | |
| | | | | | Gains | Losses | | | | Gains | Losses |
| | Policy-reserve-matching bonds | 261,013 | 257,278 | (3,735) | 14,314 | (18,049) | 256,923 | 277,148 | 20,225 | 24,747 | (4,522) |
| | Held-to-maturity debt securities | — | — | — | — | — | — | — | — | — | — |
| | Investments in subsidiaries and affiliates | 1,286 | 2,426 | 1,140 | 1,140 | — | 1,286 | 3,355 | 2,069 | 2,069 | — |
| | Available-for-sale securities: | 269,406 | 330,635 | 61,229 | 73,666 | (12,437) | 283,105 | 367,600 | 84,494 | 89,361 | (4,866) |
| | Domestic bonds | 36,178 | 35,787 | (391) | 857 | (1,249) | 25,575 | 26,836 | 1,260 | 1,474 | (214) |
| | Domestic stocks | 39,605 | 91,295 | 51,690 | 52,597 | (907) | 39,444 | 95,694 | 56,250 | 57,248 | (998) |
| | Foreign securities: | 159,546 | 171,398 | 11,852 | 19,539 | (7,687) | 184,764 | 210,729 | 25,965 | 28,832 | (2,867) |
| | Foreign bonds | 90,976 | 95,580 | 4,604 | 8,394 | (3,789) | 120,938 | 136,689 | 15,751 | 17,653 | (1,902) |
| | Foreign stocks and other securities | 68,569 | 75,817 | 7,247 | 11,145 | (3,897) | 63,825 | 74,039 | 10,214 | 11,179 | (965) |
| | Other securities | 31,735 | 29,822 | (1,912) | 671 | (2,583) | 31,401 | 32,422 | 1,020 | 1,804 | (784) |
| | Monetary receivables purchased | 151 | 142 | (9) | — | (9) | 222 | 220 | (2) | 0 | (2) |
| | Negotiable certificates of deposit | 2,189 | 2,189 | 0 | 0 | (0) | 1,696 | 1,695 | (0) | 0 | (0) |
| Total | | 531,705 | 590,340 | 58,634 | 89,121 | (30,486) | 541,315 | 648,104 | 106,789 | 116,178 | (9,389) |
| | Domestic bonds | 294,968 | 290,793 | (4,174) | 15,099 | (19,274) | 280,247 | 301,598 | 21,351 | 26,086 | (4,735) |
| | Domestic stocks | 39,605 | 91,295 | 51,690 | 52,597 | (907) | 39,444 | 95,694 | 56,250 | 57,248 | (998) |
| | Foreign securities: | 161,891 | 174,920 | 13,029 | 20,732 | (7,703) | 187,009 | 215,132 | 28,122 | 30,990 | (2,867) |
| | Foreign bonds | 92,044 | 96,687 | 4,643 | 8,448 | (3,805) | 121,907 | 137,747 | 15,840 | 17,742 | (1,902) |
| | Foreign stocks and other securities | 69,846 | 78,232 | 8,386 | 12,283 | (3,897) | 65,102 | 77,384 | 12,281 | 13,247 | (965) |
| | Other securities | 31,744 | 29,834 | (1,910) | 673 | (2,583) | 31,410 | 32,433 | 1,022 | 1,806 | (784) |
| | Monetary receivables purchased | 1,307 | 1,307 | 0 | 17 | (17) | 1,506 | 1,548 | 42 | 46 | (4) |
| | Negotiable certificates of deposit | 2,189 | 2,189 | 0 | 0 | (0) | 1,696 | 1,695 | (0) | 0 | (0) |

Note: 1. The above table includes securities that are deemed appropriate as securities under the Financial Instruments and Exchange Act in Japan.
2. The above table excludes items such as stocks without market prices and entities such as partnerships.

[Book Value of Stocks without Market Prices and Entities Such as Partnerships]

(100 Million Yen)

| | As of December 31, 2022 | As of March 31, 2022 |
|--|-------------------------|----------------------|
| Investments in subsidiaries and affiliates | 14,933 | 13,377 |
| Available-for-sale securities: | 2,008 | 1,973 |
| Domestic stocks | 543 | 554 |
| Foreign stocks | 2 | 2 |
| Others | 1,463 | 1,416 |
| Total | 16,942 | 15,351 |

Note: Of stocks without market prices and entities such as partnerships, the net gains on currency exchange valuation of assets denominated in foreign currencies were as follows:
¥121.5 billion as of December 31, 2022, and ¥92.1 billion as of March 31, 2022.

(3) Fair Value Information of Assets Held in Trust

(100 Million Yen)

| | As of December 31, 2022 | | | | | As of March 31, 2022 | | | | |
|----------------------|-------------------------|------------|------------------|--------|---|----------------------|------------|------------------|--------|---|
| | Balance sheet amount | Fair value | Net gains/losses | | | Balance sheet amount | Fair value | Net gains/losses | | |
| | | | Gains | Losses | | | | Gains | Losses | |
| Assets held in trust | — | — | — | — | — | — | — | — | — | — |

Notes: 1. Fair value is based on a price reasonably calculated by the trustee of the assets held in trust.
2. The balance sheet amounts include net gains/losses on derivative transactions within assets held in trust.

- Assets Held in Trust for Trading Purposes

(100 Million Yen)

| | As of December 31, 2022 | | As of March 31, 2022 | |
|---|-------------------------|--|----------------------|--|
| | Balance sheet amount | Valuation gains (losses) included in profit and loss | Balance sheet amount | Valuation gains (losses) included in profit and loss |
| Assets held in trust for trading purposes | — | — | — | 42 |

Note: The balance sheet amounts and valuation gains (losses) recorded in profit and loss include net gains/losses on derivative transactions.

- Assets Held in Trust Classified as Policy-Reserve-Matching, Held-to-Maturity, and Available-for-Sale
There were no ending balances as of December 31, 2022, and March 31, 2022.

3. Nonconsolidated Balance Sheets

(Million Yen)

| | As of December 31, 2022 | As of March 31, 2022 |
|--|-------------------------|----------------------|
| Assets: | | |
| Cash and deposits | 668,776 | 846,592 |
| Call loans | 313,270 | 500,978 |
| Monetary receivables purchased | 129,776 | 150,404 |
| Investments in securities: | 61,378,837 | 64,515,469 |
| National government bonds | 26,837,801 | 25,271,685 |
| Local government bonds | 906,636 | 932,220 |
| Corporate bonds | 2,025,450 | 2,254,635 |
| Domestic stocks | 9,851,521 | 10,296,652 |
| Foreign securities | 18,447,528 | 22,254,725 |
| Loans: | 7,769,301 | 7,498,037 |
| Policy loans | 442,917 | 457,394 |
| Industrial and consumer loans | 7,326,383 | 7,040,642 |
| Tangible fixed assets | 1,725,514 | 1,714,816 |
| Intangible fixed assets | 186,066 | 190,254 |
| Reinsurance receivables | 97 | 370 |
| Other assets | 1,481,847 | 1,114,688 |
| Deferred tax assets | 201,676 | — |
| Customers' liability for acceptances and guarantees | 62,573 | 71,647 |
| Allowance for doubtful accounts | (7,564) | (6,910) |
| Allowance for investment loss | (29,597) | (28,867) |
| Total assets | 73,880,577 | 76,567,483 |
| Liabilities: | | |
| Policy reserves and other reserves: | 60,669,644 | 59,930,807 |
| Reserve for outstanding claims | 226,279 | 192,426 |
| Policy reserves | 59,320,902 | 58,677,803 |
| Reserve for dividends to policyholders | 1,122,461 | 1,060,577 |
| Reinsurance payables | 186 | 451 |
| Corporate bonds | 1,263,265 | 1,420,305 |
| Other liabilities: | 4,022,270 | 4,929,722 |
| Income taxes payable | — | 82,933 |
| Lease obligations | 4,034 | 5,218 |
| Asset retirement obligations | 6,623 | 6,293 |
| Other liabilities | 4,011,612 | 4,835,277 |
| Accrued bonuses for directors, and audit and supervisory board members | 293 | 434 |
| Accrued retirement benefits | 378,779 | 378,203 |
| Reserve for program points | 8,873 | 8,770 |
| Reserve for price fluctuations in investments in securities | 1,578,234 | 1,590,233 |
| Deferred tax liabilities | — | 484,574 |
| Deferred tax liabilities for land revaluation | 99,863 | 100,444 |
| Acceptances and guarantees | 62,573 | 71,647 |
| Total liabilities | 68,083,984 | 68,915,596 |

3. Nonconsolidated Balance Sheets (Continued)

(Million Yen)

| | As of December 31, 2022 | As of March 31, 2022 |
|--|-------------------------|----------------------|
| Net assets: | | |
| Foundation funds | 100,000 | 100,000 |
| Reserve for redemption of foundation funds | 1,350,000 | 1,350,000 |
| Reserve for revaluation | 651 | 651 |
| Surplus: | 458,301 | 523,063 |
| Legal reserve for deficiencies | 21,282 | 19,988 |
| Other surplus reserves: | 437,019 | 503,075 |
| Contingency funds | — | 71,917 |
| Reserve for social public welfare assistance | 351 | 351 |
| Reserve for financial stability | 221,917 | — |
| Reserve for reduction entry of real estate | 73,248 | 71,839 |
| Reserve for reduction entry of real estate to be purchased | 2,961 | 1,007 |
| Other reserves | 170 | 170 |
| Unappropriated surplus | 138,370 | *357,789 |
| Total foundation funds and others | 1,908,952 | 1,973,714 |
| Net unrealized gains on available-for-sale securities | 4,446,936 | 6,112,896 |
| Deferred losses on derivatives under hedge accounting | (501,563) | (374,361) |
| Land revaluation losses | (57,732) | (60,363) |
| Total valuations, conversions, and others | 3,887,640 | 5,678,172 |
| Total net assets | 5,796,593 | 7,651,886 |
| Total liabilities and net assets | 73,880,577 | 76,567,483 |

Note: * Unappropriated surplus on the condensed balance sheet as of March 31, 2022, represents the current-year unappropriated surplus.

1. Effective from the three months ended June 30, 2022, the Implementation Guidance on Accounting Standard for Fair Value Measurement (Accounting Standards Board of Japan (ASBJ) Guidance No. 31, June 17, 2021) hereinafter (the “Fair Value Measurement Accounting Standard Implementation Guidance”) has been applied. In accordance with the transitional measures set forth in Paragraph 27-2 of the Fair Value Measurement Accounting Standard Implementation Guidance, the new accounting policies set forth in the Fair Value Measurement Accounting Standard Implementation Guidance have been prospectively applied from the beginning of the three months ended June 30, 2022 over the future. As a result, certain investment trusts that had previously been carried on the quarterly balance sheet at acquisition cost are stated at fair value on the quarterly balance sheet from the nine months ended December 31, 2022.
2. The corporate tax, inhabitant tax, and income tax adjustments for the nine months ended December 31, 2022, are calculated based on the assumption of accumulations and reversals of the reserve for reduction entry of real estate and the reserve for dividends to policyholders due to the appropriation of surplus in the current fiscal year.
3. Effective from the three months ended June 30, 2022, a transition has been made from the Consolidated Taxation System to the Group Tax Sharing System, with the Company serving as the tax sharing parent company. Consequently, the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (ASBJ Practical Issues Task Force (PITF) No. 42, August 12, 2021) has been followed for the accounting treatment of corporate tax and local corporate tax and the deferred tax accounting treatment related to those taxes.
4. Effective from the fiscal year ended March 31, 2020, the Company has provided additional policy reserves to cover a possible deficiency in the reserve for paid-up insurance policies and similar policies among certain whole life insurance policies (including single premium policies). Moreover, effective from the fiscal year ended March 31, 2022, the Company has expanded the scope of whole life insurance policies (including lump-sum payment policies) for which additional policy reserves will be provided. For such policies with premiums that have been paid and similar policies (including lump-sum payment policies), the Company has decided to successively provide these additional policy reserves over the next five years. As a result, the policy reserves increased by ¥195,973 million, while ordinary profit and surplus before income taxes decreased by ¥195,973 million.

5. Changes in the reserve for dividends to policyholders for the nine months ended December 31, 2022, were as follows:

| | Million Yen |
|---|--|
| | Nine months ended December 31, 2022 |
| a. Balance at the beginning of the current fiscal year | 1,060,577 |
| b. Transfer to reserve from surplus for the previous fiscal year | 199,868 |
| c. Dividends paid to policyholders during the current nine-month period | 153,957 |
| d. Increase in interest | 15,974 |
| e. Balance at the end of the current nine-month period (a+b-c+d) | 1,122,461 |

6. On January 24, 2023, the Company resolved to make an investment of up to \$1.0 billion in an investment limited partnership that invests in Resolution Life Group Holdings Ltd. As a result of this investment, the Company's aggregate cumulative total investment is expected to reach up to \$1.65 billion.
7. The amount of securities lent under lending agreements was ¥1,601,709 million as of December 31, 2022.

4. Nonconsolidated Statements of Income

(Million Yen)

| | Nine months ended December 31, 2022 | Nine months ended December 31, 2021 |
|---|--|--|
| Ordinary income: | 5,353,640 | 4,847,934 |
| Revenues from insurance and reinsurance: | 3,327,632 | 3,191,246 |
| Insurance premiums | 3,326,810 | 3,190,486 |
| Investment income: | 1,952,149 | 1,573,870 |
| Interest, dividends, and other income | 1,308,820 | 1,096,019 |
| Gain on sales of securities | 598,947 | 409,076 |
| Gain on separate accounts, net | — | 41,985 |
| Other ordinary income | 73,858 | 82,816 |
| Ordinary expenses: | 5,196,314 | 4,297,313 |
| Benefits and other payments: | 3,005,559 | 2,714,521 |
| Death and other claims | 781,029 | 751,468 |
| Annuity payments | 577,681 | 589,998 |
| Health and other benefits | 645,649 | 509,705 |
| Surrender benefits | 883,078 | 748,622 |
| Other refunds | 116,783 | 113,577 |
| Provision for policy reserves: | 692,925 | 822,933 |
| Provision for reserve for outstanding claims | 33,853 | — |
| Provision for policy reserves | 643,098 | 806,831 |
| Provision for interest on reserve for dividends to policyholders | 15,974 | 16,101 |
| Investment expenses: | 913,295 | 169,089 |
| Interest expenses | 28,882 | 24,181 |
| Loss from assets held in trust, net | — | 81 |
| Loss on sales of securities | 661,647 | 61,222 |
| Loss on valuation of securities | 16,431 | 6,952 |
| Loss on derivative financial instruments, net | 102,540 | 12,961 |
| Loss on separate accounts, net | 34,665 | — |
| Operating expenses | 424,051 | 428,189 |
| Other ordinary expenses | 160,482 | 162,581 |
| Ordinary profit | 157,325 | 550,620 |
| Extraordinary gains: | 14,266 | 5,167 |
| Gain on disposals of fixed assets | 2,267 | 5,167 |
| Reversal of reserve for price fluctuations in investments in securities | 11,999 | — |
| Extraordinary losses: | 13,629 | 169,454 |
| Loss on disposals of fixed assets | 4,285 | 3,303 |
| Impairment losses | 5,232 | 3,590 |
| Provision for reserve for price fluctuations in investments in securities | — | 159,560 |
| Loss on tax purpose reduction entry of real estate | 1,111 | — |
| Contributions for assisting social public welfare | 3,000 | 3,000 |
| Surplus before income taxes | 157,962 | 386,333 |
| Income taxes—current | 5,527 | 196,038 |
| Income taxes—deferred | 14,433 | (128,302) |
| Total income taxes | 19,960 | 67,735 |
| Net surplus | 138,001 | 318,598 |

1. Impairment losses are as follows:

1) Method for grouping the assets

Real estate for rental use and idle properties are classified as one asset group per property. Real estate and other assets utilized for insurance business operations are classified into one asset group for each operation.

2) Recognition of impairment losses

When a significant decrease in profitability or fair value of a certain asset group is noted, the book value is reduced to the recoverable amount, recognizing an impairment loss under extraordinary losses.

3) Breakdown of asset groups for which impairment losses were recognized for the nine months ended December 31, 2022, is as follows:

| | Million Yen | | |
|----------------------------|-------------|-----------|-------|
| Purpose of use | Land | Buildings | Total |
| Real estate for rental use | 2,219 | 651 | 2,870 |
| Idle properties | 1,876 | 486 | 2,362 |
| Total | 4,095 | 1,137 | 5,232 |

4) Measurement of recoverable amount

The recoverable amount is based on either the value in use or net selling price of the asset depending on the type of asset.

In principle, the value in use is determined as the discounted future cash flows using a discount rate of 3.0%. Net selling price is determined based on appraisals performed in accordance with the “Real Estate Appraisal Standards” or standard land prices.

5. Details of Ordinary Profit (Core Operating Profit)

(Million Yen)

| | Nine months ended December 31, 2022 | Nine months ended December 31, 2021 |
|--|--|--|
| Core operating profit (A) | 323,924 | 516,733 |
| Capital gains: | 944,422 | 445,729 |
| Gain on proprietary trading securities | — | — |
| Gain from assets held in trust, net | — | — |
| Gain on trading securities | — | — |
| Gain on sales of securities | 598,947 | 409,076 |
| Gain on derivative financial instruments, net | — | — |
| Foreign exchange gains, net | 15,292 | 17,892 |
| Other capital gains | 330,182 | 18,761 |
| Capital losses: | 855,314 | 122,973 |
| Loss on proprietary trading securities | — | — |
| Loss from assets held in trust, net | — | 81 |
| Loss on trading securities | — | — |
| Loss on sales of securities | 661,647 | 61,222 |
| Loss on valuation of securities | 16,431 | 6,952 |
| Loss on derivative financial instruments, net | 102,540 | 12,961 |
| Foreign exchange losses, net | — | — |
| Other capital losses | 74,694 | 41,756 |
| Net capital losses (B) | 89,107 | 322,756 |
| Core operating profit, including net capital gains (A+B) | 413,031 | 839,489 |
| Nonrecurring gains: | — | 1,863 |
| Reinsurance revenue | — | — |
| Reversal of contingency reserve | — | — |
| Reversal of specific allowance for doubtful accounts | — | 769 |
| Other nonrecurring gains | — | 1,094 |
| Nonrecurring losses: | 255,706 | 290,733 |
| Reinsurance premiums | — | — |
| Provision for contingency reserve | 55,190 | 199,320 |
| Provision for specific allowance for doubtful accounts | 3,812 | — |
| Provision for allowance for specific overseas debts | — | — |
| Write-offs of loans | — | — |
| Other nonrecurring losses | 196,703 | 91,413 |
| Net nonrecurring losses (C) | (255,706) | (288,869) |
| Ordinary profit (A+B+C) | 157,325 | 550,620 |

(Reference) Breakdown of “Other” items

(Million Yen)

| | Nine months ended December 31, 2022 | Nine months ended December 31, 2021 |
|--|--|--|
| Core operating profit | (255,487) | 22,994 |
| Interest income and expenses related to swap transactions for foreign currency-denominated insurance products and swap transactions for hedging purposes | 11,604 | 11,044 |
| Impact of market exchange rate movements related to foreign currency-denominated insurance policies | 63,090 | 26,271 |
| Impact of movements in surrender benefits related to market value adjustment | (25,018) | 3,935 |
| Hedge cost related to foreign exchange | (95,548) | (4,128) |
| Gain (loss) on cancellation of investment trusts | (188,184) | (14,632) |
| Effect of market exchange rate fluctuations within gain (loss) on redemption of securities | (21,431) | 504 |
| Other capital gains | 330,182 | 18,761 |
| Interest income and expenses related to swap transactions for foreign currency-denominated insurance products and swap transactions for hedging purposes | — | — |
| Impact of market exchange rate movements related to foreign currency-denominated insurance policies | — | — |
| Impact of movements in surrender benefits related to market value adjustment | 25,018 | — |
| Hedge cost related to foreign exchange | 95,548 | 4,128 |
| Gain (loss) on cancellation of investment trusts | 188,184 | 14,632 |
| Effect of market exchange rate fluctuations within gain (loss) on redemption of securities | 21,431 | — |
| Other capital losses | 74,694 | 41,756 |
| Interest income and expenses related to swap transactions for foreign currency-denominated insurance products and swap transactions for hedging purposes | 11,604 | 11,044 |
| Impact of market exchange rate movements related to foreign currency-denominated insurance policies | 63,090 | 26,271 |
| Impact of movements in surrender benefits related to market value adjustment | — | 3,935 |
| Hedge cost related to foreign exchange | — | — |
| Gain (loss) on cancellation of investment trusts | — | — |
| Effect of market exchange rate fluctuations within gain (loss) on redemption of securities | — | 504 |
| Other nonrecurring gains | — | 1,094 |
| Reversal of allowance for investment loss | — | 1,094 |
| Other nonrecurring losses | 196,703 | 91,413 |
| Provision for allowance for investment loss | 729 | — |
| Provision for policy reserves pursuant to Article 69, paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act in Japan | 195,973 | 91,413 |

Note: The above figures are calculated based on the calculation method for core operating profit, which was applied from the fiscal year ending March 31, 2023.

6. Solvency Margin Ratio

(Million Yen)

| | As of December 31, 2022 | As of March 31, 2022 |
|--|-------------------------|----------------------|
| Solvency margin gross amount (A): | 16,073,492 | 18,001,132 |
| Foundation funds (<i>kikin</i>) and other reserve funds: | 5,842,416 | 5,663,861 |
| Foundation funds and others | 1,908,952 | 1,773,581 |
| Reserve for price fluctuations in investments in securities | 1,578,234 | 1,590,233 |
| Contingency reserve | 2,115,847 | 2,060,657 |
| General allowance for doubtful accounts | 1,905 | 1,912 |
| Others | 237,476 | 237,476 |
| Net unrealized gains on available-for-sale securities (before tax) and deferred gains on derivatives under hedge accounting (before tax) × 90% | 5,197,898 | 7,207,844 |
| Net unrealized gains on real estate × 85% | 558,559 | 549,898 |
| Excess of continued Zillmerized reserve | 2,567,974 | 2,460,845 |
| Qualifying subordinated debt | 2,184,265 | 2,140,305 |
| Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculations | — | — |
| Deduction clause | (210,097) | (108,858) |
| Others | (67,523) | 87,236 |
| Total amount of risk (B): | | |
| $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2 + R_4}$ | 3,314,730 | 3,397,260 |
| Underwriting risk (R ₁) | 108,618 | 110,956 |
| Underwriting risk of third-sector insurance (R ₈) | 91,207 | 91,188 |
| Anticipated yield risk (R ₂) | 252,213 | 267,095 |
| Minimum guarantee risk (R ₇) | 5,283 | 5,315 |
| Investment risk (R ₃) | 2,982,284 | 3,048,246 |
| Business management risk (R ₄) | 68,792 | 70,456 |
| Solvency margin ratio | | |
| $\frac{(A)}{(1/2) \times (B)} \times 100$ | 969.8% | 1,059.7% |

Notes: 1. The amounts and figures as of March 31, 2022, in the table above are calculated based on the provisions of Article 86 and Article 87 of the Ordinance for Enforcement of the Insurance Business Act and the Ministry of Finance Public Notice No. 50 of 1996.

Those as of December 31, 2022, are calculated based on the methods deemed reasonable by the Company in accordance with the provisions above.

2. The standard method is used for the calculation of the amount equivalent to minimum guarantee risk.

7. Status of Separate Accounts

(1) Balance of Separate Account Assets

(Million Yen)

| | As of December 31, 2022 | As of March 31, 2022 |
|-------------------------------|-------------------------|----------------------|
| Individual variable insurance | 97,106 | 110,130 |
| Individual variable annuities | 14,933 | 19,550 |
| Group annuities | 1,006,805 | 1,077,876 |
| Separate account total | 1,118,844 | 1,207,557 |

(2) Policies in Force

- Individual Variable Insurance

| | As of December 31, 2022 | | As of March 31, 2022 | |
|--|-------------------------|----------------------------------|----------------------|----------------------------------|
| | Number of policies | Amount of policies (million yen) | Number of policies | Amount of policies (million yen) |
| Variable insurance (defined term type) | 9,808 | 5,810 | 10,303 | 6,861 |
| Variable insurance (whole life type) | 29,349 | 404,819 | 29,889 | 413,608 |
| Total | 39,157 | 410,629 | 40,192 | 420,470 |

- Individual Variable Annuities

| | As of December 31, 2022 | | As of March 31, 2022 | |
|-------------------------------|-------------------------|----------------------------------|----------------------|----------------------------------|
| | Number of policies | Amount of policies (million yen) | Number of policies | Amount of policies (million yen) |
| Individual variable annuities | 9,447 | 14,933 | 11,072 | 19,539 |

8. Status of the Company, Subsidiaries, and Affiliates

(1) Selected Financial Data for Major Operations

(100 Million Yen)

| | Nine months ended December 31, 2022 | Nine months ended December 31, 2021 |
|--|-------------------------------------|-------------------------------------|
| Ordinary income | 70,422 | 60,191 |
| Ordinary profit | 496 | 5,854 |
| Net surplus attributable to the parent company | 513 | 3,139 |
| Comprehensive income | (18,847) | 5,541 |

| | As of December 31, 2022 | As of March 31, 2022 |
|-----------------------|-------------------------|----------------------|
| Total assets | 857,879 | 883,819 |
| Solvency margin ratio | 1,027.5% | 1,120.3% |

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

| | As of December 31, 2022 |
|---|---|
| Number of consolidated subsidiaries | 15 |
| Number of subsidiaries not consolidated but accounted for under the equity method | 0 |
| Number of affiliates accounted for under the equity method | 15 |
| Changes in significant subsidiaries and affiliates during the period | Please see (4) Policies for Preparing the Consolidated Financial Statements for the Nine Months Ended December 31, 2022 |

(3) Basis of Preparing the Consolidated Financial Statements for the Nine Months Ended December 31, 2022

Under Article 59-6 of the Ordinance for Enforcement of the Insurance Business Act, an insurance company shall, for each quarter, make an effort to disclose the matters which would serve as reference information for policyholders provided in Article 111, paragraph 6 of the Insurance Business Act and any other customers so that they may acquire knowledge on the status of business and properties of the insurance company, its subsidiaries, and others which are especially important. The consolidated financial statements for the nine months ended December 31, 2022, have been prepared based on the model format for the announcement of first-quarter and third-quarter financial results (the “Quarterly Reporting Model”) created by The Life Insurance Association of Japan and generally accepted standards for preparation of quarterly consolidated financial statements in Japan. However, the Quarterly Reporting Model is prepared for the purpose of fulfilling the obligation above to make an effort to disclose information. Accordingly, disclosures in the Quarterly Reporting Model differ from those prescribed by the Regulation on the Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements.

(4) Policies for Preparing the Consolidated Financial Statements for the Nine Months Ended December 31, 2022

Matters concerning the scope of consolidation

Effective from the three months ended June 30, 2022, Nissay Plus SSI Company Inc. has been included in the scope of consolidation because it has assumed increased importance after it started business operations as a small-amount and short-term insurance company.

Effective from the six months ended September 30, 2022, one company under Nippon Life India Asset Management Limited has been excluded from consolidation as its liquidation has been completed.

(5) Consolidated Balance Sheets

(Million Yen)

| | As of December 31, 2022 | As of March 31, 2022 |
|--|-------------------------|----------------------|
| Assets: | | |
| Cash and deposits | 1,545,684 | 1,702,155 |
| Call loans | 313,270 | 500,978 |
| Monetary receivables purchased | 257,871 | 290,646 |
| Investments in securities | 70,198,735 | 73,373,626 |
| Loans | 8,612,839 | 8,437,632 |
| Tangible fixed assets | 1,859,851 | 1,875,391 |
| Intangible fixed assets | 368,259 | 382,306 |
| Reinsurance receivables | 10,100 | 9,266 |
| Other assets | 2,252,236 | 1,734,914 |
| Retirement benefit asset | 1,281 | 1,201 |
| Deferred tax assets | 314,405 | 10,976 |
| Customers' liability for acceptances and guarantees | 62,458 | 71,612 |
| Allowance for doubtful accounts | (9,090) | (8,736) |
| Total assets | 85,787,901 | 88,381,973 |
| Liabilities: | | |
| Policy reserves and other reserves: | 71,011,014 | 69,922,760 |
| Reserve for outstanding claims | 295,988 | 260,983 |
| Policy reserves | 69,540,538 | 68,547,902 |
| Reserve for dividends to policyholders (mutual company) | 1,122,461 | 1,060,577 |
| Reserve for dividends to policyholders (limited company) | 52,025 | 53,297 |
| Reinsurance payables | 26,222 | 24,535 |
| Corporate bonds | 1,378,865 | 1,535,905 |
| Other liabilities | 5,106,972 | 6,021,605 |
| Accrued bonuses for directors, and audit and supervisory board members | 293 | 434 |
| Net defined benefit liability | 432,465 | 434,246 |
| Accrued retirement benefits for directors, and audit and supervisory board members | 614 | 637 |
| Reserve for program points | 8,873 | 8,770 |
| Reserve for price fluctuations in investments in securities | 1,676,931 | 1,684,575 |
| Deferred tax liabilities | 18,288 | 523,390 |
| Deferred tax liabilities for land revaluation | 99,863 | 100,444 |
| Acceptances and guarantees | 62,458 | 71,612 |
| Total liabilities | 79,822,863 | 80,328,918 |

(5) Consolidated Balance Sheets (Continued)

(Million Yen)

| | As of December 31, 2022 | As of March 31, 2022 |
|---|-------------------------|----------------------|
| Net assets: | | |
| Foundation funds | 100,000 | 100,000 |
| Reserve for redemption of foundation funds | 1,350,000 | 1,350,000 |
| Reserve for revaluation | 651 | 651 |
| Consolidated surplus | 589,032 | 740,576 |
| Total foundation funds and others | 2,039,683 | 2,191,227 |
| Net unrealized gains on available-for-sale securities | 4,257,476 | 6,124,915 |
| Deferred losses on derivatives under hedge accounting | (501,049) | (375,170) |
| Land revaluation losses | (57,732) | (60,363) |
| Foreign currency translation adjustments | 88,404 | 17,362 |
| Remeasurement of defined benefit plans | (1,250) | (2,518) |
| Total accumulated other comprehensive income | 3,785,849 | 5,704,225 |
| Share acquisition rights | 1,855 | 1,671 |
| Noncontrolling interests | 137,650 | 155,930 |
| Total net assets | 5,965,038 | 8,053,054 |
| Total liabilities and net assets | 85,787,901 | 88,381,973 |

Notes to the Consolidated Balance Sheet as of December 31, 2022

1. Effective from the three months ended June 30, 2022, the Company and its certain subsidiaries have applied the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021) hereinafter (the “Fair Value Measurement Accounting Standard Implementation Guidance”). In accordance with the transitional measures set forth in Paragraph 27-2 of the Fair Value Measurement Accounting Standard Implementation Guidance, the Company has prospectively applied the new accounting policies set forth in the Fair Value Measurement Accounting Standard Implementation Guidance from the beginning of the three months ended June 30, 2022 over the future. As a result, certain investment trusts that had previously been carried on the quarterly balance sheet at acquisition cost are stated at fair value on the quarterly balance sheet from the nine months ended December 31, 2022.
2. The corporate tax, inhabitant tax, and income tax adjustments of the Company for the nine months ended December 31, 2022, are calculated based on the assumption of accumulations and reversals of the reserve for reduction entry of real estate and the reserve for dividends to policyholders of a mutual company due to the appropriation of surplus in the current fiscal year.
3. Effective from the three months ended June 30, 2022, the Company and its certain subsidiaries have transitioned from the Consolidated Taxation System to the Group Tax Sharing System, with the Company serving as the tax sharing parent company. Consequently, the Company has followed the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (ASBJ Practical Issues Task Force (PITF) No. 42, August 12, 2021) for the accounting treatment of corporate tax and local corporate tax and the deferred tax accounting treatment related to those taxes.
4. The Company and some of its consolidated life insurance companies in Japan provided additional policy reserves in the nine months ended December 31, 2022. As a result, policy reserves increased by ¥201,789 million, while ordinary profit and surplus before income taxes decreased by ¥201,789 million each.
 - a. The Company

Effective from the fiscal year ended March 31, 2020, the Company has provided additional policy reserves to cover a possible deficiency in the reserve for paid-up insurance policies and similar policies among certain whole life insurance policies (including single premium policies). Moreover, effective from the fiscal year ended March 31, 2022, the Company has expanded the scope of whole life insurance policies (including lump-sum payment policies) for which additional policy reserves will be provided. For such policies with premiums that have been paid and similar policies (including lump-sum payment policies), the Company has decided to successively provide these additional policy reserves over the next five years. As a result, the policy reserves increased by ¥195,973 million, while ordinary profit and surplus before income taxes decreased by ¥195,973 million, compared with amounts that would have been recorded had the additional policy reserves not been provided in the nine months ended December 31, 2022.

b. TAIJU LIFE INSURANCE COMPANY LIMITED

TAIJU LIFE INSURANCE COMPANY LIMITED has provided additional policy reserves to cover a possible deficiency in the reserve for certain individual annuity policyholders. As a result, policy reserves increased by ¥5,816 million, while ordinary profit and surplus before income taxes decreased by ¥5,816 million each, compared with amounts that would have been recorded if the additional policy reserve amounts had not been reserved in the nine months ended December 31, 2022.

5. Changes in the reserve for dividends to policyholders of a mutual company for the nine months ended December 31, 2022, were as follows:

| | Million Yen |
|---|--|
| | Nine months ended December 31, 2022 |
| a. Balance at the beginning of the current fiscal year | 1,060,577 |
| b. Transfer to reserve from surplus for the previous fiscal year | 199,868 |
| c. Dividends paid to policyholders of a mutual company during the current nine-month period | 153,957 |
| d. Increase in interest | 15,974 |
| e. Balance at the end of the current nine-month period (a+b-c+d) | 1,122,461 |

6. Changes in the reserve for dividends to policyholders of a limited company for the nine months ended December 31, 2022, were as follows:

| | Million Yen |
|--|--|
| | Nine months ended December 31, 2022 |
| a. Balance at the beginning of the current fiscal year | 53,297 |
| b. Dividends paid to policyholders of a limited company during the current nine-month period | 9,799 |
| c. Increase in interest | 6 |
| d. Provision for reserve for dividends to policyholders (limited company) | 8,520 |
| e. Balance at the end of the current nine-month period (a-b+c+d) | 52,025 |

7. On January 24, 2023, the Company resolved to make an investment of up to \$1.0 billion in an investment limited partnership that invests in Resolution Life Group Holdings Ltd. As a result of this investment, the Company's aggregate cumulative total investment is expected to reach up to \$1.65 billion.

8. The amount of securities lent under lending agreements was ¥1,896,027 million as of December 31, 2022.

9. TAIJU LIFE INSURANCE COMPANY LIMITED, the Company's consolidated subsidiary, has concluded modified co-reinsurance agreements covering foreign currency-denominated single payment endowment insurance (U.S. dollar and Australian dollar) and foreign currency-denominated single payment whole life insurance (U.S. dollar and Australian dollar).

Through these modified coinsurance agreements, insurance risk has been transferred, and reinsurance premiums, including additional policy reserves or reversals associated with market value adjustments upon interest rate fluctuations, have been recorded and presented in revenues from insurance and reinsurance. However, in cases where reinsurance premiums related to these modified coinsurance agreements are negative, the items have been recorded as reinsurance premiums and presented in benefits and other payments.

The outstanding balance of reinsurance accounts receivable related to these modified co-reinsurance agreements stood at ¥15,778 million as of December 31, 2022. The outstanding balance of the policy reserve component associated with the modified co-reinsurance agreements stood at ¥928,411 million as of December 31, 2022.

(6) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
[Consolidated Statements of Income]

(Million Yen)

| | Nine months ended December 31, 2022 | Nine months ended December 31, 2021 |
|--|--|--|
| Ordinary income: | 7,042,211 | 6,019,160 |
| Revenues from insurance and reinsurance | 4,611,001 | 4,023,009 |
| Investment income: | 2,255,838 | 1,808,641 |
| Interest, dividends, and other income | 1,464,319 | 1,230,943 |
| Gain on trading securities | — | 4,656 |
| Gain on sales of securities | 636,912 | 427,521 |
| Foreign exchange gains, net | 125,342 | 80,275 |
| Gain on separate accounts, net | — | 55,176 |
| Other ordinary income | 175,371 | 187,509 |
| Ordinary expenses: | 6,992,579 | 5,433,674 |
| Benefits and other payments: | 4,009,963 | 3,379,045 |
| Death and other claims | 963,986 | 908,181 |
| Annuity payments | 722,578 | 729,910 |
| Health and other benefits | 850,826 | 653,903 |
| Surrender benefits | 1,082,626 | 881,116 |
| Other refunds | 157,935 | 120,648 |
| Provision for policy reserves: | 1,005,395 | 1,008,586 |
| Provision for reserve for outstanding claims | 32,689 | — |
| Provision for policy reserves | 956,725 | 992,476 |
| Provision for interest on reserve for dividends to policyholders (mutual company) | 15,974 | 16,101 |
| Provision for interest on reserve for dividends to policyholders (limited company) | 6 | 7 |
| Investment expenses: | 1,116,225 | 202,018 |
| Interest expenses | 30,702 | 25,795 |
| Loss from assets held in trust, net | — | 81 |
| Loss on trading securities | 39,176 | — |
| Loss on sales of securities | 688,156 | 62,303 |
| Loss on valuation of securities | 20,165 | 9,315 |
| Loss on derivative financial instruments, net | 221,596 | 35,317 |
| Loss on separate accounts, net | 42,977 | — |
| Operating expenses | 607,226 | 596,531 |
| Other ordinary expenses | 253,767 | 247,492 |
| Ordinary profit | 49,631 | 585,486 |
| Extraordinary gains: | 11,438 | 7,726 |
| Gain on disposals of fixed assets | 3,776 | 7,726 |
| Reversal of reserve for price fluctuations in investments in securities | 7,644 | — |
| Gain on reversal of share acquisition rights | 18 | 0 |
| Extraordinary losses: | 14,534 | 185,926 |
| Loss on disposals of fixed assets | 5,120 | 3,426 |
| Impairment losses | 5,302 | 15,936 |
| Provision for reserve for price fluctuations in investments in securities | — | 163,563 |
| Loss on tax purpose reduction entry of real estate | 1,111 | — |
| Contributions for assisting social public welfare | 3,000 | 3,000 |

[Consolidated Statements of Income] (Continued)

(Million Yen)

| | Nine months ended December 31, 2022 | Nine months ended December 31, 2021 |
|--|--|--|
| Provision for reserve for dividends to policyholders (limited company) | 8,520 | 9,021 |
| Surplus before income taxes | 38,015 | 398,264 |
| Income taxes — current | 8,219 | 214,552 |
| Income taxes — deferred | (23,293) | (133,114) |
| Total income taxes | (15,073) | 81,438 |
| Net surplus | 53,089 | 316,825 |
| Net surplus attributable to noncontrolling interests | 1,736 | 2,864 |
| Net surplus attributable to the parent company | 51,352 | 313,960 |

1. Impairment losses are as follows:

1) Method for grouping the assets

Real estate for rental use and idle properties of the Company and its certain consolidated subsidiaries are classified as one asset group per property. Real estate and other assets utilized for insurance business operations are classified into one asset group for each operation.

2) Recognition of impairment losses

When a significant decrease in profitability or fair value of a certain asset group is noted, the book value is reduced to the recoverable amount, recognizing an impairment loss under extraordinary losses.

3) Breakdown of asset groups for which impairment losses were recognized for the nine months ended December 31, 2022, is as follows:

| | Million Yen | | |
|----------------------------|-------------|-----------|-------|
| Purpose of use | Land | Buildings | Total |
| Real estate for rental use | 2,224 | 715 | 2,939 |
| Idle properties | 1,876 | 486 | 2,362 |
| Total | 4,101 | 1,201 | 5,302 |

4) Measurement of recoverable amount

The recoverable amount is based on either the value in use or net selling price for each property.

In principle, the value in use is determined as the discounted future cash flows using a discount rate of 2.1% to 3.0%. Net selling price is determined based on appraisals performed in accordance with the “Real Estate Appraisal Standards” or standard land prices.

2. The total amount of depreciation of real estate for rental use and other assets for the nine months ended December 31, 2022, was ¥69,184 million. Amortization of goodwill for the nine months ended December 31, 2022, was ¥3,816 million.

Reinsurance premiums presented in revenues from insurance and reinsurance of TAIJU LIFE INSURANCE COMPANY LIMITED, the Company’s consolidated subsidiary, include reinsurance premiums of ¥189,628 million related to modified coinsurance agreements for foreign currency-denominated single payment endowment insurance (U.S. dollar and Australian dollar) and foreign currency-denominated single payment whole life insurance (U.S. dollar and Australian dollar). These reinsurance premiums include adjustment to policy reserves for ceded reinsurance (excluding additional policy reserves (reversals) associated with market value adjustments and related items) of ¥131,459 million and additional policy reserves (reversals) associated with market value adjustments and related items of ¥(574) million.

Through this reinsurance, ordinary profit and surplus before income taxes decreased by ¥391 million each.

[Consolidated Statements of Comprehensive Income]

(Million Yen)

| | Nine months ended December 31, 2022 | Nine months ended December 31, 2021 |
|---|--|--|
| Net surplus | 53,089 | 316,825 |
| Other comprehensive income: | (1,937,840) | 237,346 |
| Net unrealized gains on available-for-sale securities | (1,883,781) | 345,779 |
| Deferred losses on derivatives under hedge accounting | (127,199) | (130,524) |
| Foreign currency translation adjustments | 52,699 | 14,618 |
| Remeasurement of defined benefit plans | 1,345 | 1,806 |
| Share of other comprehensive loss of associates accounted for under the equity method | 19,124 | 5,665 |
| Comprehensive income: | (1,884,751) | 554,171 |
| Comprehensive income attributable to the parent company | (1,869,655) | 547,150 |
| Comprehensive income attributable to noncontrolling interests | (15,096) | 7,020 |

(7) Consolidated Solvency Margin Ratio

(Million Yen)

| | As of December 31, 2022 | As of March 31, 2022 |
|---|-------------------------|----------------------|
| Solvency margin gross amount (A): | 16,723,462 | 18,807,337 |
| Foundation funds (<i>kikin</i>) and other reserve funds: | 6,174,648 | 6,076,899 |
| Foundation funds and others | 2,051,631 | 2,011,828 |
| Reserve for price fluctuations in investments in securities | 1,676,931 | 1,684,575 |
| Contingency reserve | 2,204,422 | 2,139,183 |
| Extraordinary contingency reserve | — | — |
| General allowance for doubtful accounts | 2,922 | 3,201 |
| Others | 238,740 | 238,109 |
| Net unrealized gains on available-for-sale securities (before tax) and deferred gains (losses) on derivatives under hedge accounting (before tax) × 90% | 5,020,296 | 7,273,155 |
| Net unrealized gains on real estate × 85% | 587,695 | 578,283 |
| Total amount of unrecognized actuarial losses and unrecognized prior service cost | (1,809) | (3,568) |
| Excess of continued Zillmerized reserve | 2,820,204 | 2,698,006 |
| Qualifying subordinated debt | 2,309,865 | 2,265,905 |
| Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculations | — | — |
| Deduction clause | (188,132) | (259,146) |
| Others | 694 | 177,803 |
| Total amount of risk (B): $\sqrt{(\sqrt{R_1^2 + R_5^2 + R_8 + R_9})^2 + (R_2 + R_3 + R_7)^2 + R_4 + R_6}$ | 3,255,148 | 3,357,311 |
| Underwriting risk (R ₁) | 184,870 | 189,313 |
| General underwriting risk (R ₅) | — | — |
| Huge disaster risk (R ₆) | — | — |
| Underwriting risk of third-sector insurance (R ₈) | 104,365 | 103,984 |
| Underwriting risk related to small amount and short-term insurance providers (R ₉) | 0 | — |
| Anticipated yield risk (R ₂) | 326,673 | 334,186 |
| Minimum guarantee risk (R ₇) | 8,476 | 8,489 |
| Investment risk (R ₃) | 2,837,602 | 2,930,196 |
| Business management risk (R ₄) | 69,239 | 71,323 |
| Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$ | 1,027.5 % | 1,120.3% |

- Notes: 1. The amounts and figures as of March 31, 2022, in the table above are calculated based on the provisions of Article 86-2 and Article 88 of the Ordinance for Enforcement of the Insurance Business Act and the Financial Services Agency Public Notice No. 23 of 2011.
Those as of December 31, 2022, are calculated based on the methods deemed reasonable by the Company in accordance with the provisions above.
2. The standard method is used for the calculation of the amount equivalent to minimum guarantee risk.

(8) Segment Information

For the nine months ended December 31, 2022, the Company and its consolidated subsidiaries engaged in insurance business and insurance-related businesses (including asset management-related business and general administration-related business) in Japan and overseas. Segment information and its related information are omitted because there are no other significant segments to be reported.