
Financial Results for the Three Months Ended June 30, 2024

Nippon Life Insurance Company (the “Company,” President: Hiroshi Shimizu) announces financial results for the three months ended June 30, 2024.

<Table of Contents>

Financial Summary for the Three Months Ended June 30, 2024

1. Business Highlights	1
(1) Annualized Premium	1
(2) Amount of Policies in Force and New Policies	2
2. Investment Management Performance (General Account)	3
(1) Asset Composition	3
(2) Fair Value Information of Securities (With Fair Value, Other Than Trading Securities)	4
(3) Fair Value Information of Assets Held in Trust	5
3. Nonconsolidated Balance Sheets	6
4. Nonconsolidated Statements of Income	11
5. Details of Ordinary Profit (Core Operating Profit)	13
6. Solvency Margin Ratio	15
7. Status of Separate Accounts	16
(1) Balance of Separate Account Assets	16
(2) Policies in Force	16
8. Status of the Company, Subsidiaries, and Affiliates	17
(1) Selected Financial Data for Major Operations	17
(2) Scope of Consolidation and Application of the Equity Method	17
(3) Policies for Preparing the Consolidated Financial Statements for the Three Months Ended June 30, 2024	17
(4) Consolidated Balance Sheets	18
(5) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	27
(6) Consolidated Solvency Margin Ratio	32
(7) Segment Information	33

1. Business Highlights

(1) Annualized Premium

• Policies in Force

(100 Million Yen, %)

	As of June 30, 2024		As of March 31, 2024
		As a percentage of March 31, 2024	
Individual insurance	26,845	100.1	26,807
Individual annuities	10,497	99.1	10,594
Total	37,343	99.8	37,401
Medical coverages, living benefits, and others	6,791	100.1	6,786

• New Policies

(100 Million Yen, %)

	Three months ended June 30, 2024		Three months ended June 30, 2023
		As a percentage of three months ended June 30, 2023	
Individual insurance	546	99.9	547
Individual annuities	41	64.2	64
Total	588	96.1	612
Medical coverages, living benefits, and others	113	110.6	102

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 premium includes net increases due to conversions.

(2) Amount of Policies in Force and New Policies

• Policies in Force

	As of June 30, 2024				As of March 31, 2024	
	Number of policies		Amount of policies		Number of policies (thousands)	Amount of policies (100 million yen)
	(thousands)	As a percentage of March 31, 2024 (%)	(100 million yen)	As a percentage of March 31, 2024 (%)		
Individual insurance	30,572	99.5	1,181,119	98.5	30,737	1,198,859
Individual annuities	4,057	99.3	241,690	99.2	4,086	243,625
Group insurance	—	—	975,307	100.7	—	968,744
Group annuities	—	—	139,771	99.9	—	139,948

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

	Three months ended June 30, 2024						Three months ended June 30, 2023			
	Number of policies		Amount of policies				Number of policies (thousands)	Amount of policies		
	(thousands)	As a percentage of three months ended June 30, 2023 (%)	(100 million yen)	As a percentage of three months ended June 30, 2023 (%)	New policies	Net increase (decrease) by conversion		(100 million yen)	New policies	Net increase (decrease) by conversion
Individual insurance	1,025	113.5	3,445	32.6	10,511	(7,065)	903	10,560	12,866	(2,305)
Individual annuities	25	77.6	1,190	68.0	1,304	(114)	32	1,751	1,806	(55)
Group insurance	—	—	201	4.2	201		—	4,763	4,763	
Group annuities	—	—	2	353.0	2		—	0	0	

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 represent annuity resources at the start of annuity payments.
4. The amount of new policies for group annuities represents the first-time premium.

2. Investment Management Performance (General Account)

(1) Asset Composition

(100 Million Yen, %)

	As of June 30, 2024		As of March 31, 2024	
	Amount	%	Amount	%
Cash, deposits, and call loans	9,661	1.2	9,706	1.2
Receivables under resale agreements	—	—	—	—
Receivables under securities borrowing transactions	—	—	—	—
Monetary receivables purchased	1,092	0.1	1,187	0.1
Proprietary trading securities	—	—	—	—
Assets held in trust	—	—	—	—
Investments in securities:	711,277	85.1	700,929	85.1
Domestic bonds	307,644	36.8	305,711	37.1
Domestic stocks	146,126	17.5	145,694	17.7
Foreign securities:	227,435	27.2	218,239	26.5
Foreign bonds	122,520	14.7	118,261	14.4
Foreign stocks and other securities	104,914	12.6	99,977	12.1
Other securities	30,071	3.6	31,284	3.8
Loans:	81,279	9.7	80,482	9.8
Policy loans	4,145	0.5	4,229	0.5
Industrial and consumer loans	77,133	9.2	76,253	9.3
Real estate:	17,387	2.1	17,429	2.1
Investment properties	11,558	1.4	11,566	1.4
Deferred tax assets	—	—	—	—
Other assets	14,969	1.8	13,596	1.7
Allowance for doubtful accounts	(96)	(0.0)	(99)	(0.0)
Total assets (general account):	835,571	100.0	823,232	100.0
Foreign currency-denominated assets	222,117	26.6	210,901	25.6

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

(2) Fair Value Information of Securities (With Fair Value, Other Than Trading Securities)

(100 Million Yen)

		As of June 30, 2024					As of March 31, 2024				
		Book value	Fair value	Net gains/losses			Book value	Fair value	Net gains/losses		
				Gains	Losses				Gains	Losses	
	Policy-reserve-matching bonds	277,202	254,276	(22,926)	6,844	(29,770)	275,836	266,231	(9,604)	10,579	(20,184)
	Held-to-maturity debt securities	—	—	—	—	—	—	—	—	—	—
	Investments in subsidiaries and affiliates	1,286	6,227	4,941	4,941	—	1,286	4,413	3,127	3,127	—
	Available-for-sale securities:	279,633	409,390	129,756	138,847	(9,090)	276,501	403,006	126,504	133,420	(6,916)
	Domestic bonds	33,929	32,646	(1,282)	1,183	(2,466)	32,602	32,277	(324)	1,147	(1,471)
	Domestic stocks	39,921	134,589	94,668	94,921	(253)	40,337	136,116	95,778	96,049	(271)
	Foreign securities:	177,560	213,329	35,768	39,949	(4,180)	174,158	204,333	30,175	33,933	(3,758)
	Foreign bonds	100,598	120,913	20,314	21,379	(1,064)	100,000	116,500	16,500	17,661	(1,160)
	Foreign stocks and other securities	76,961	92,415	15,453	18,569	(3,116)	74,158	87,833	13,674	16,271	(2,597)
	Other securities	27,596	28,195	598	2,786	(2,188)	28,708	29,586	877	2,286	(1,408)
	Monetary receivables purchased	184	189	4	5	(0)	254	252	(1)	4	(6)
	Negotiable certificates of deposit	440	439	(0)	—	(0)	440	439	(0)	—	(0)
Total		558,122	669,894	111,771	150,632	(38,861)	553,624	673,652	120,027	147,128	(27,100)
	Domestic bonds	308,927	284,515	(24,412)	7,812	(32,225)	306,035	295,919	(10,116)	11,531	(21,647)
	Domestic stocks	39,921	134,589	94,668	94,921	(253)	40,337	136,116	95,778	96,049	(271)
	Foreign securities:	180,139	221,053	40,914	45,095	(4,180)	176,903	210,386	33,482	37,241	(3,758)
	Foreign bonds	101,900	122,422	20,522	21,586	(1,064)	101,468	118,150	16,682	17,843	(1,160)
	Foreign stocks and other securities	78,238	98,631	20,392	23,508	(3,116)	75,435	92,235	16,799	19,397	(2,597)
	Other securities	27,606	28,207	600	2,789	(2,188)	28,718	29,598	880	2,288	(1,408)
	Monetary receivables purchased	1,087	1,087	0	13	(13)	1,189	1,192	2	17	(14)
	Negotiable certificates of deposit	440	439	(0)	—	(0)	440	439	(0)	—	(0)

Notes: 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 June 30, 2024	As of March 31, 2024
Investments in subsidiaries and affiliates	23,140	20,665
Available-for-sale securities:	1,343	1,359
Unlisted domestic stocks (excluding over-the-counter stocks)	558	558
Unlisted foreign stocks (excluding over-the-counter stocks)	—	0
Others	785	800
Total	24,484	22,024

Note: Of stocks without market prices and entities such as partnerships, the net gains (losses) on currency exchange valuation of assets denominated in foreign currencies were as follows:

(¥ 335.4 billion as of June 30, 2024, and ¥ 246.4 billion as of March 31, 2024)

(3) Fair Value Information of Assets Held in Trust

There were no ending balances as of March 31, 2024, and June 30, 2024.

Assets Held in Trust for Trading Purposes

There were no ending balances as of March 31, 2024 and June 30, 2024.

Assets Held in Trust Classified as Policy-Reserve-Matching, Held-to-Maturity, and Available-for-Sale

There were no ending balances as of March 31, 2024 and June 30, 2024.

3. Nonconsolidated Balance Sheets

(Million Yen)

	As of June 30, 2024	As of March 31, 2024
Assets:		
Cash and deposits	430,621	638,228
Call loans	795,239	522,863
Monetary receivables purchased	109,234	118,792
Investments in securities:	71,954,206	70,958,137
National government bonds	28,336,295	28,111,291
Local government bonds	848,558	876,418
Corporate bonds	1,903,998	1,955,106
Domestic stocks	14,661,752	14,617,481
Foreign securities	22,943,006	22,020,172
Loans:	8,127,913	8,048,276
Policy loans	414,563	422,943
Industrial and consumer loans	7,713,350	7,625,333
Tangible fixed assets	1,755,263	1,758,423
Intangible fixed assets	199,317	195,710
Reinsurance receivables	296	287
Other assets	1,341,976	1,280,007
Customers' liability for acceptances and guarantees	60,882	59,958
Allowance for doubtful accounts	(9,605)	(9,948)
Allowance for investment loss	(17,560)	(21,572)
Total assets	84,747,786	83,549,165
Liabilities:		
Policy reserves and other reserves:	62,430,126	62,057,625
Reserve for outstanding claims	197,045	203,995
Policy reserves	60,980,598	60,764,665
Reserve for dividends to policyholders	1,252,482	1,088,964
Reinsurance payables	432	450
Corporate bonds	1,600,936	1,400,719
Other liabilities:	7,405,755	6,302,322
Income taxes payable	7,624	4,595
Lease obligations	3,318	2,825
Asset retirement obligations	7,517	7,491
Other liabilities	7,387,294	6,287,410
Accrued bonuses for directors, and audit and supervisory board members	569	425
Accrued retirement benefits	380,671	381,307
Reserve for program points	8,610	8,356
Reserve for price fluctuations in investments in securities	1,661,185	1,625,673
Deferred tax liabilities	1,251,100	1,366,338
Deferred tax liabilities for land revaluation	97,957	98,340
Acceptances and guarantees	60,882	59,958
Total liabilities	74,898,228	73,301,518

3. Nonconsolidated Balance Sheets (Continued)

(Million Yen)

	As of June 30, 2024	As of March 31, 2024
Net assets:		
Foundation funds	100,000	100,000
Reserve for redemption of foundation funds	1,400,000	1,350,000
Reserve for revaluation	651	651
Surplus:	596,713	830,890
Legal reserve for deficiencies	23,390	21,855
Other surplus reserves:	573,323	809,035
Reserve for social public welfare assistance	3,351	351
Reserve for financial stability	411,917	221,917
Reserve for reduction entry of real estate	77,279	76,815
Other reserves	170	170
Unappropriated surplus	80,605	* 509,780
Total foundation funds and others	2,097,364	2,281,541
Net unrealized gains on available-for-sale securities	9,393,696	9,158,865
Deferred losses on derivatives under hedge accounting	(1,590,950)	(1,141,792)
Land revaluation losses	(50,552)	(50,967)
Total valuations, conversions, and others	7,752,193	7,966,105
Total net assets	9,849,557	10,247,646
Total liabilities and net assets	84,747,786	83,549,165

Note: * Unappropriated surplus on the condensed balance sheet as of March 31, 2024, represents the current-year unappropriated surplus.

Notes

(Nonconsolidated Balance Sheet)

- Effective from the three months ended June 30, 2024, the Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022) (the “2022 Revised Accounting Standard”) and other related standards. Accordingly, the Company has revised the accounting classifications of corporate tax and inhabitant tax for current income, which are levied on items such as valuation differences arising from the revaluation of assets and liabilities. In applying the 2022 Revised Accounting Standard and other related standards, the Company has followed the transitional treatment set forth in Paragraph 20-3 of the 2022 Revised Accounting Standard. The Company has applied the new accounting policies set forth in the 2022 Revised Accounting Standard from the beginning of the three months ended June 30, 2024.
- As the proposed appropriation of surplus for the fiscal year ended March 31, 2024, was approved at the Meeting of Representatives held on July 2, 2024, it is included in the nonconsolidated balance sheet as of June 30, 2024. Details of the appropriation of surplus approved at the Meeting of Representatives are as follows:

	Million Yen
a. Unappropriated surplus as of March 31, 2024	509,780
b. Reversal from voluntary surplus reserves	1,797
c. Appropriations:	511,578
Reserve for dividends to policyholders	264,517
Legal reserve for deficiencies	1,535
Reserves for redemption of foundation funds	50,000
Interest on foundation funds	265
Voluntary surplus reserves	195,260
d. Surplus carried forward (a+b-c)	—

- The corporate tax, inhabitant tax, and income tax adjustments for the three months ended June 30, 2024, 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.
- 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 lump-sum payment 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 ¥50,226 million, while ordinary profit and surplus before income taxes decreased by ¥50,226 million, compared with amounts that would have been recorded had the additional policy reserves not been provided in the three months ended June 30, 2024.

5. An appropriate amount of the reserve for incurred but not reported (IBNR) claims (insurance claims and benefits whose reasons for payment have not yet been reported, but whose reasons for payment stipulated by insurance policies are deemed to have already occurred) cannot be calculated pursuant to the calculation based on Article 1, Paragraph 1, Principles of the Ministry of Finance Public Notice No. 234 of 1998 (hereinafter, “the IBNR Notice”) due to the end of special treatment from May 8, 2023. Under this special treatment, payment was made for hospitalization and related benefits in cases where the insured was diagnosed with COVID-19 and recuperated at a lodging facility or at home under the supervision of a physician or other medical personnel (hereinafter, “deemed hospitalization”). Accordingly, the Company has recorded an amount calculated using the following method under the provision of Article 1, Paragraph 1 of the IBNR Notice.

(Outline of calculation method)

The reserve amount is calculated using the same method as that set forth in Article 1, Paragraph 1, Principles of the IBNR Notice, after excluding the amounts related to deemed hospitalization from the required amount of provisions to reserve for IBNR claims over all periods under Article 1, Paragraph 1, Principles of the IBNR Notice and the amount of payments for insurance claims and benefits under said notice.

6. Changes in the reserve for dividends to policyholders for the three months ended June 30, 2024, were as follows:

	Million Yen
	Three months ended June 30, 2024
a. Balance at the beginning of the current fiscal year	1,088,964
b. Transfer to reserve based on the proposed appropriation of surplus for previous fiscal year	264,517
c. Dividends paid to policyholders during the current three-month period	106,172
d. Increase in interest	5,173
e. Balance at the end of the current three-month period (a+b-c+d)	1,252,482

7. On July 29, 2024, the Company obtained financing through a yen-denominated subordinated loan, as follows:

Principal amount	¥75.0 billion
Interest rate	A fixed rate of 1.824% per annum on or before August 2, 2029, and a fixed rate reset every 5 years thereafter with step-up after August 3, 2034.
Maturity	3 business days preceding August 2, 2054 The loan is callable on 3 business days preceding (i) August 2, 2029 and (ii) August 2 every five years thereafter until the loan is fully redeemed at the discretion of the Company, subject to prior approval by the regulatory authority
Use of funds	General working capital

8. Based on the proposed appropriation of surplus for the fiscal year ended March 31, 2024, the Company credited ¥50,000 million to the reserve for redemption of foundation funds as prescribed in Article 56 of the Insurance Business Act and redeemed the same amount of foundation funds on August 1, 2024.
9. The nonconsolidated balance sheet amount of securities lent under lending agreements was ¥1,700,180 million as of June 30, 2024.

4. Nonconsolidated Statements of Income

(Million Yen)

	Three months ended June 30, 2024	Three months ended June 30, 2023
Ordinary income:	1,895,082	1,983,622
Revenues from insurance and reinsurance:	1,241,965	1,312,084
Insurance premiums	1,241,685	1,311,835
Investment income:	621,169	632,610
Interest, dividends, and other income	392,425	340,972
Gain on sales of securities	122,328	134,928
Gain on separate accounts, net	19,006	53,257
Other ordinary income	31,947	38,927
Ordinary expenses:	1,775,000	1,927,953
Benefits and other payments:	1,130,409	1,161,301
Death and other claims	265,634	280,622
Annuity payments	214,898	204,956
Health and other benefits	217,161	201,965
Surrender benefits	375,873	402,200
Other refunds	56,410	71,202
Provision for policy reserves:	221,106	286,662
Provision for policy reserves	215,933	281,422
Provision for interest on reserve for dividends to policyholders	5,173	5,239
Investment expenses:	216,806	277,038
Interest expenses	13,366	9,499
Loss on sales of securities	111,577	172,449
Loss on valuation of securities	5,901	1,352
Loss on derivative financial instruments, net	63,985	74,437
Operating expenses	147,555	144,748
Other ordinary expenses	59,122	58,203
Ordinary profit	120,081	55,669
Extraordinary gains:	1,048	5,174
Gain on disposals of fixed assets	1,048	5,174
Extraordinary losses:	38,668	10,582
Loss on disposals of fixed assets	429	1,747
Impairment losses	2,727	1,355
Provision for reserve for price fluctuations in investments in securities	35,512	7,480
Surplus before income taxes	82,461	50,260
Income taxes – current	58,556	25,069
Income taxes – deferred	(57,114)	(29,952)
Total income taxes	1,441	(4,883)
Net surplus	81,019	55,143

Notes

(Nonconsolidated Statement of Income)

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 the whole insurance business.

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 three months ended June 30, 2024, is as follows:

(Million Yen)			
Purpose of use	Land	Buildings	Total
Real estate for rental use	504	817	1,321
Idle properties	1,083	323	1,406
Total	1,587	1,140	2,727

4) Measurement of recoverable amount

The recoverable amount is based on either the value in use or net selling price of the 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)

	Three months ended June 30, 2024	Three months ended June 30, 2023
Core operating profit (A)	160,915	119,016
Capital gains:	277,214	290,768
Gain on proprietary trading securities	—	—
Gain from assets held in trust, net	—	—
Gain on trading securities	—	—
Gain on sales of securities	122,328	134,928
Gain on derivative financial instruments, net	—	—
Foreign exchange gains, net	82,894	97,363
Other capital gains	71,991	58,475
Capital losses:	271,658	343,620
Loss on proprietary trading securities	—	—
Loss from assets held in trust, net	—	—
Loss on trading securities	—	—
Loss on sales of securities	111,577	172,449
Loss on valuation of securities	5,901	1,352
Loss on derivative financial instruments, net	63,985	74,437
Foreign exchange losses, net	—	—
Other capital losses	90,194	95,381
Net capital gains/losses (B)	5,555	(52,851)
Core operating profit, including net capital gains (A+B)	166,471	66,164
Nonrecurring gains:	4,317	5,106
Reinsurance revenue	—	—
Reversal of contingency reserve	—	—
Reversal of specific allowance for doubtful accounts	305	—
Other nonrecurring gains	4,012	5,106
Nonrecurring losses:	50,706	15,602
Reinsurance premiums	—	—
Provision for contingency reserve	480	1,246
Provision for specific allowance for doubtful accounts	—	325
Provision for allowance for specific overseas loans	—	—
Write-offs of loans	—	—
Other nonrecurring losses	50,226	14,030
Net nonrecurring losses (C)	(46,389)	(10,495)
Ordinary profit (A+B+C)	120,081	55,669

(Reference) Breakdown of “Other” Items

(Million Yen)

	Three months ended June 30, 2024	Three months ended June 30, 2023
Core operating profit:	18,203	36,905
Interest income and expenses related to swap transactions for foreign currency-denominated insurance products and swap transactions for hedging purposes	3,258	4,282
Impact of market exchange rate movements related to foreign currency-denominated insurance policies	86,935	91,099
Impact of movements in surrender benefits related to market value adjustment	(12,992)	(1,430)
Hedge cost related to foreign exchange	(58,999)	(57,045)
Other capital gains:	71,991	58,475
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	12,992	1,430
Hedge cost related to foreign exchange	58,999	57,045
Other capital losses:	90,194	95,381
Interest income and expenses related to swap transactions for foreign currency-denominated insurance products and swap transactions for hedging purposes	3,258	4,282
Impact of market exchange rate movements related to foreign currency-denominated insurance policies	86,935	91,099
Impact of movements in surrender benefits related to market value adjustment	—	—
Hedge cost related to foreign exchange	—	—
Other nonrecurring gains:	4,012	5,106
Reversal of allowance for investment loss	4,012	5,106
Other nonrecurring losses:	50,226	14,030
Provision for allowance for investment loss	—	—
Provision for policy reserves pursuant to Article 69 Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act in Japan	50,226	14,030

6. Solvency Margin Ratio

(Million Yen)

	As of June 30, 2024	As of March 31, 2024
Solvency margin gross amount (A):	21,685,835	21,614,981
Foundation funds (<i>kikin</i>) and other reserve funds:	6,152,777	6,036,219
Foundation funds and others	2,097,364	2,016,759
Reserve for price fluctuations in investments in securities	1,661,185	1,625,673
Contingency reserve	2,137,838	2,137,358
General allowance for doubtful accounts	4,000	4,039
Others	252,388	252,388
Net unrealized gains on available-for-sale securities (before tax) and deferred losses on derivatives under hedge accounting (before tax) × 90%	10,057,616	10,251,877
Net unrealized gains on real estate × 85%	665,920	665,395
Excess of continued Zillmerized reserve	2,559,924	2,548,820
Qualifying subordinated debt	2,601,936	2,401,719
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculations	—	—
Deduction clause	(449,811)	(449,810)
Others	97,471	160,759
Total amount of risk (B):		
$\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	4,495,731	4,410,879
Underwriting risk (R ₁)	103,227	103,629
Underwriting risk of third-sector insurance (R ₈)	88,795	88,558
Assumed interest rate risk (R ₂)	245,624	249,260
Minimum guarantee risk (R ₇)	5,144	5,177
Investment risk (R ₃)	4,148,940	4,061,992
Business management risk (R ₄)	91,834	90,172
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	964.7%	980.0%

Notes: 1. The amounts and figures as of March 31, 2024 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.

For the three months ended June 30, 2024, calculations are made in accordance with these regulations, using a method the Company deems reasonable.

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 June 30, 2024	As of March 31, 2024
Individual variable insurance	121,455	119,704
Individual variable annuities	12,922	13,629
Group annuities	1,056,241	1,092,539
Separate account total	1,190,619	1,225,873

(2) Policies in Force

• Individual Variable Insurance

	As of June 30, 2024		As of March 31, 2024	
	Number of policies	Amount of policies (million yen)	Number of policies	Amount of policies (million yen)
Variable insurance (defined term type)	9,278	13,849	9,363	13,061
Variable insurance (whole life type)	28,052	387,647	28,261	391,125
Total	37,330	401,496	37,624	404,186

• Individual Variable Annuities

	As of June 30, 2024		As of March 31, 2024	
	Number of policies	Amount of policies (million yen)	Number of policies	Amount of policies (million yen)
Individual variable annuities	3,278	12,922	3,851	13,627

8. Status of the Company, Subsidiaries, and Affiliates

(1) Selected Financial Data for Major Operations

(100 Million Yen)

	Three months ended June 30, 2024	Three months ended June 30, 2023
Ordinary income	31,909	30,291
Ordinary profit	1,116	35
Net surplus attributable to the parent company	632	71
Comprehensive income	(1,484)	14,492

	As of June 30, 2024	As of March 31, 2024
Total assets	993,705	975,961
Solvency margin ratio	1,004.1%	1,025.7%

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

	As of June 30, 2024
Number of consolidated subsidiaries	22
Number of subsidiaries not consolidated but accounted for under the equity method	0
Number of affiliates accounted for under the equity method	17
Changes in significant subsidiaries and affiliates during the period	Please see “(3) Policies for Preparing the Consolidated Financial Statements for the Three Months Ended June 30, 2024.”

(3) Policies for Preparing the Consolidated Financial Statements for the Three Months Ended June 30, 2024

Scope of Consolidation

Effective from the three months ended June 30, 2024, seven companies, comprising Nippon Life Livelihood Support Co., Ltd., as well as Nichii Holdings Co., Ltd. and its five group companies, have been included in the scope of consolidation in connection with the acquisition of shares of Nippon Life Livelihood Support Co., Ltd.

(4) Consolidated Balance Sheets

(Million Yen)

	As of June 30, 2024	As of March 31, 2024
Assets:		
Cash and deposits	874,184	1,634,522
Call loans	893,239	522,863
Monetary receivables purchased	233,546	246,417
Investments in securities	83,170,584	81,628,564
Loans	8,992,370	8,911,985
Tangible fixed assets	1,965,297	1,896,641
Intangible fixed assets	631,999	383,334
Reinsurance receivables	152,217	125,362
Other assets	2,359,507	2,157,928
Net defined benefit asset	1,296	1,274
Deferred tax assets	45,701	37,762
Customers' liability for acceptances and guarantees	61,768	60,844
Allowance for doubtful accounts	(11,114)	(11,346)
Total assets	99,370,598	97,596,154
Liabilities:		
Policy reserves and other reserves:	75,161,468	74,254,041
Reserve for outstanding claims	261,057	269,478
Policy reserves	73,601,271	72,849,120
Reserve for dividends to policyholders (mutual company)	1,252,482	1,088,964
Reserve for dividends to policyholders (limited company)	46,656	46,477
Reinsurance payables	32,868	27,190
Corporate bonds	1,716,536	1,516,319
Other liabilities	8,671,881	7,509,435
Accrued bonuses for directors, and audit and supervisory board members	569	425
Net defined benefit liability	427,360	419,981
Accrued retirement benefits for directors, and audit and supervisory board members	403	429
Reserve for program points	8,610	8,356
Reserve for price fluctuations in investments in securities	1,770,187	1,732,830
Deferred tax liabilities	1,286,845	1,421,439
Deferred tax liabilities for land revaluation	97,957	98,340
Acceptances and guarantees	61,768	60,844
Total liabilities	89,236,458	87,049,635

(4) Consolidated Balance Sheets (Continued)

(Million Yen)

	As of June 30, 2024	As of March 31, 2024
Net assets:		
Foundation funds	100,000	100,000
Reserve for redemption of foundation funds	1,400,000	1,350,000
Reserve for revaluation	651	651
Consolidated surplus	541,899	793,384
Total foundation funds and others	2,042,550	2,244,035
Net unrealized gains on available-for-sale securities	9,427,555	9,223,931
Deferred losses on derivatives under hedge accounting	(1,594,984)	(1,142,459)
Land revaluation losses	(50,552)	(50,967)
Foreign currency translation adjustments	153,970	118,139
Remeasurement of defined benefit plans	7,722	7,774
Total accumulated other comprehensive income	7,943,710	8,156,418
Share acquisition rights	1,535	1,509
Noncontrolling interests	146,342	144,554
Total net assets	10,134,139	10,546,518
Total liabilities and net assets	99,370,598	97,596,154

Notes

(Consolidated Balance Sheets)

1. Effective from the three months ended June 30, 2024, the Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022) (the “2022 Revised Accounting Standard”) and other related standards. Accordingly, the Company has revised the accounting classifications of corporate tax and inhabitant tax for current income, which are levied on items such as valuation differences arising from the revaluation of assets and liabilities. In applying the 2022 Revised Accounting Standard and other related standards, the Company has followed the transitional treatment set forth in Paragraph 20-3 of the 2022 Revised Accounting Standard. The Company has applied the new accounting policies set forth in the 2022 Revised Accounting Standard from the beginning of the three months ended June 30, 2024.
2. As the proposed appropriation of surplus of the Company for the fiscal year ended March 31, 2024, was approved at the Meeting of Representatives held on July 2, 2024, it is included in the consolidated balance sheet as of June 30, 2024. Details of the appropriation of surplus approved at the Meeting of Representatives are as follows.

	Million Yen
a. Unappropriated surplus as of March 31, 2024	509,780
b. Reversal from voluntary surplus reserves	1,797
c. Appropriations:	511,578
Reserve for dividends to policyholders (mutual company)	264,517
Legal reserve for deficiencies	1,535
Reserve for redemption of foundation funds	50,000
Interest on foundation funds	265
Voluntary surplus reserves	195,260
d. Surplus carried forward (a+b-c)	—

3. The corporate tax, inhabitant tax, and income tax adjustments of the Company for the three months ended June 30, 2024, 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 (mutual company) due to the appropriation of surplus in the current fiscal year.
4. The Company and some of its consolidated life insurance subsidiaries in Japan provided additional policy reserves in the three months ended June 30, 2024. As a result, policy reserves increased by ¥52,455 million, while ordinary profit and surplus before income taxes decreased by ¥52,455 million.
 - 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 lump-sum payment 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, policy reserves increased by ¥50,226 million, while ordinary profit and surplus before income taxes decreased by ¥50,226 million, compared with amounts that would have been recorded had the additional policy reserve amounts not been provided in the three months ended June 30, 2024.

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 ¥2,228 million, while ordinary profit and surplus before income taxes decreased by ¥2,228 million, compared with amounts that would have been recorded had the additional policy reserves not been provided in the three months ended June 30, 2024.

5. The Company and its certain consolidated subsidiaries cannot calculate an appropriate amount of the reserve for incurred but not reported (IBNR) claims (insurance claims and benefits whose reasons for payment have not yet been reported, but whose reasons for payment stipulated by insurance policies are deemed to have already occurred) pursuant to the calculation based on Article 1, Paragraph 1, Principles of the Ministry of Finance Public Notice No. 234 of 1998 (hereinafter, “the IBNR Notice”) due to the end of special treatment from May 8, 2023. Under this special treatment, payment was made for hospitalization and related benefits in cases where the insured was diagnosed with COVID-19 and recuperated at a lodging facility or at home under the supervision of a physician or other medical personnel (hereinafter, “deemed hospitalization”). Accordingly, the Company and its certain subsidiaries have recorded an amount calculated using the following method under the provision of Article 1, Paragraph 1, of the IBNR Notice.

(Outline of calculation method)

The Company and its certain subsidiaries calculated the reserve amount using the same method as that set forth in Article 1, Paragraph 1, Principles of the IBNR Notice, after excluding the amounts related to deemed hospitalization from the required amount of provisions to reserve for IBNR claims over all periods under Article 1, Paragraph 1, Principles of the IBNR Notice and the amount of payments for insurance claims and benefits under said notice.

6. Changes in the reserve for dividends to policyholders of a mutual company for the three months ended June 30, 2024, were as follows:

	Million Yen
	Three months ended June 30, 2024
a. Balance at the beginning of the current fiscal year	1,088,964
b. Transfer to reserve based on the proposed appropriation of surplus for the previous fiscal year	264,517
c. Dividends paid to policyholders of mutual company during the current three-month period	106,172
d. Increase in interest	5,173
e. Balance at the end of the current three-month period (a+b-c+d)	1,252,482

7. Changes in the reserve for dividends to policyholders of a limited company for the three months ended June 30, 2024, were as follows:

	Million Yen
	Three months ended June 30, 2024
a. Balance at the beginning of the current fiscal year	46,477
b. Dividends paid to policyholders of limited company during the current three-month period	2,674
c. Increase in interest	1
d. Provision for reserve for dividends to policyholders (limited company)	2,852
e. Balance at the end of the current three-month period (a-b+c+d+e)	46,656

8. On July 29, 2024, the Company obtained financing through a yen-denominated subordinated loan, as follows:

Principal amount	¥75.0 billion
Interest rate	A fixed rate of 1.824% per annum on or before August 2, 2029, and a fixed rate reset every 5 years thereafter with step-up after August 3, 2034.
Maturity	3 business days preceding August 2, 2054 The loan is callable on 3 business days preceding (i) August 2, 2029 and (ii) August 2 every five years thereafter until the loan is fully redeemed at the discretion of the Company, subject to prior approval by the regulatory authority, etc.
Use of funds	General working capital

9. Based on the proposed appropriation of surplus for the fiscal year ended March 31, 2024, the Company credited ¥50,000 million to the reserve for redemption of foundation funds as prescribed in Article 56 of the Insurance Business Act and redeemed the same amount of foundation funds on August 1, 2024.

10. On May 16, 2024, the Company reached an agreement with Corebridge Financial, Inc. (hereinafter, “Corebridge”) and its parent company, American International Group, Inc. to acquire approximately 20% of the shares of Corebridge.

1) Purpose of the share acquisition

The purpose of this share acquisition is to increase the Nippon Life Group’s social significance by delivering insurance and peace of mind to more customers overseas, as well as to ensure the Company’s long-term business and benefit its policyholders by accelerating the Company’s geographical diversification of profit sources, through efforts to establish a business foundation in the U.S. life insurance market, which is the world’s largest market and is expected to grow steadily in the future.

2) Overview of Corebridge

a. Company name	Corebridge Financial, Inc.
b. Business description	Life insurance business
c. Head Office location	Houston, Texas, USA
d. Net sales	US\$18,878 million (approx. ¥2,677.4 billion) (Year ended December 31, 2023)
e. Total assets	US\$379,270 million (approx. ¥53,791.8 billion) (Year ended December 31, 2023)
*Yen denominated amounts in parentheses are calculated at an exchange rate of US\$1=¥141.83 (based on the exchange rate as of December 31, 2023)	

3) Schedule of share acquisition

The share acquisition is scheduled to be completed by the end of February 2025, subject to approval and other procedures by the relevant authorities.

4) Acquisition amount and number of shares to be acquired

Acquisition amount	Approx. US\$3,838 million (approx. ¥594.8 billion) (Acquisition to be funded by cash on hand)
Number of shares to be acquired	121,956,256

*The yen denominated amount in parentheses is calculated at an exchange rate of US\$1=¥155.

5) Matters concerning percentage of voting rights

Percentage of voting rights held before the acquisition	—
Percentage of voting rights held after the acquisition	Approx. 20%

11. At a meeting of the Board of Directors held on November 28, 2023, the Company passed a resolution to acquire shares of K.K. BCJ-43 (hereinafter, “BCJ-43”), which owns all shares of Nichii Holdings Co., Ltd. (hereinafter, “Niichi Holdings”). The Company acquired the shares of BCJ-43 on June 3, 2024.

1) Overview of the business combination

a. Name and business of the acquiree

Name of the acquiree	K.K. BCJ-43
Business	Ownership and management of shares of Nichii Holdings

b. Main reasons for executing the business combination

Nichii Holdings has operated through its core company Nichiigakkan Co., Ltd., which has carried out the contracted medical administration, nursing, and child care businesses since its founding, and has established strong long-term positions in each of these markets. The Company and Nichii Holdings have collaborated in various domains. By increasing operational activity, productivity, and sustainability through this transaction, the Company aims to provide further comfort to its customers and to realize a society in which all generations can live comfortably.

c. Business combination date

June 3, 2024 (The deemed acquisition date is June 30, 2024)

d. Legal form of the business combination

Share acquisition for cash consideration

e. Name of the company after business combination

Nippon Life Livelihood Support Co., Ltd.

f. Percentage of voting rights acquired

99.5%

g. Financing method for payment

Own funds

h. Main rationale for determining the acquirer

The Company has acquired 99.5% of the voting rights through a share acquisition for cash consideration.

2) Period for which the acquiree's business results were included in the consolidated statement of income for the three months ended June 30, 2024

The acquiree's business results were not included because only the balance sheet was consolidated for the three months ended June 30, 2024.

3) Acquisition cost and breakdown by type of consideration

Consideration for acquisition	Cash	¥194,194 million
Acquisition cost		¥194,194 million

Note: The final amount will be determined after adjusting BCJ-43's stock price as of March 31, 2023 to reflect changes in assets, liabilities, and certain other items that occurred between April 2023 and the date of stock acquisition by the Company.

4) Description and the amount of main acquisition-related costs

Advisory fees and others ¥3,586 million

5) Amount of and reasons for recognizing goodwill, and amortization method and period

a. Amount of goodwill

¥236,778 million

Provisional accounting treatment has been applied based on currently available information as the allocation of the acquisition cost has not yet been completed as of June 30, 2024.

b. Reasons for goodwill

Goodwill was recognized because the acquisition cost exceeded the fair value of net assets at the time of the business combination.

c. Amortization method and period

Straight-line amortization over 20 years

6) Other

The Company has transferred 1.0% of the BCJ-43 shares outstanding it has acquired to Nissay Information Technology Co., Ltd. (hereinafter, “Nissay Information Technology”), which is the Company’s consolidated subsidiary. As a result, the percentage of voting rights owned by the Company became 98.1%. Nippon Life, Nissay Information Technology, and Nichii Holdings will engage in a three-way strategic collaboration to promote DX (digital transformation) in the nursing care, medical-related, and child care domains.

12. The amount of securities lent under lending agreements was ¥2,184,136 million as of June 30, 2024.

13. TAIJU LIFE INSURANCE COMPANY LIMITED, Nippon Wealth Life Insurance Company Limited, and HANASAKU LIFE INSURANCE Co., Ltd., which are the Company’s consolidated subsidiaries, have concluded modified coinsurance agreements.

TAIJU LIFE INSURANCE COMPANY LIMITED, the Company’s consolidated subsidiary, has concluded a modified coinsurance agreement covering foreign currency-denominated single payment endowment insurance (U.S. dollar/Australian dollar) and foreign currency-denominated single payment whole life insurance (U.S. dollar/Australian dollar). Through this modified coinsurance agreement, insurance risk has been transferred, and items including additional policy reserves or reversals associated with market price adjustments upon interest rate fluctuations are recorded as reinsurance revenue and presented in revenues from insurance and reinsurance. However, in cases where reinsurance revenue related to this modified coinsurance agreement is negative, the items are recorded as reinsurance premiums and presented as benefits and other payments. The outstanding balance of reinsurance payables related to these modified coinsurance agreements stood at ¥13,248 million as of June 30, 2024. The outstanding balance of the policy reserve component associated with the modified coinsurance agreements stood at ¥1,425,013 million as of June 30, 2024.

Nippon Wealth Life Insurance Company records reinsurance revenue according to the timing of accrual of benefits and other payments for covered insurance products and to the ceding ratio for those products based on the reinsurance agreement. In addition, the ceding commission and policy reserve components are recorded according to the covered period and ceding ratio stipulated by the reinsurance agreement. Reinsurance premiums are recorded according to factors such as the timing of accrual of premiums for covered insurance products and the ceding ratio for those products based on the reinsurance agreement. The outstanding balance of unamortized ceding commissions related to reinsurance agreements under Article 1, Paragraph 5 of the Ministry of Finance Public Notice No. 50 of 1996 was ¥137,975 million as of June 30, 2024. In addition, the outstanding balance of reinsurance receivables related to the modified coinsurance agreements was ¥137,975 million as of

June 30, 2024. Policy reserves include the reinsurance company's entrusted policy reserve of ¥1,075,906 million based on the modified coinsurance agreement.

HANASAKU LIFE INSURANCE Co., Ltd. has concluded modified coinsurance agreements covering whole life medical insurance and related insurance products. Reinsurance revenue is recorded according to the timing of accrual of benefits and other payments for the original insurance policy and to the ceding ratio for such policy, based on the reinsurance agreement. In addition, for modified coinsurance agreements involving non-cash transactions, HANASAKU LIFE INSURANCE Co., Ltd. records as reinsurance revenue the amount received as a portion of equivalent new policy expenses related to the original insurance policy based on the reinsurance agreement. Concurrently, the same amount is recorded as unamortized ceding commissions under reinsurance receivables and is amortized over the term of the reinsurance policy. Reinsurance premiums are recorded according to factors such as the timing of accrual of premiums received from the original insurance policy covered by the reinsurance agreement and according to the ceding ratio for such policy, based on the reinsurance agreement. The outstanding balance of unamortized ceding commissions related to reinsurance agreements under Article 1, Paragraph 5 of the Ministry of Finance Public Notice No. 50 of 1996 was ¥12,462 million as of June 30, 2024. In addition, policy reserves include the reinsurance company's entrusted policy reserve of ¥1,406 million based on the modified coinsurance agreement.

(5) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

[Consolidated Statements of Income]

(Million Yen)

	Three months ended June 30, 2024	Three months ended June 30, 2023
Ordinary income:	3,190,910	3,029,137
Revenues from insurance and reinsurance	2,004,314	1,862,832
Investment income:	1,120,611	1,099,226
Interest, dividends, and other income	462,728	389,180
Gain on trading securities	11,636	20,399
Gain on sales of securities	138,105	138,994
Foreign exchange gains, net	483,460	479,518
Gain on separate accounts, net	24,148	70,162
Other ordinary income	65,984	67,078
Ordinary expenses:	3,079,258	3,025,621
Benefits and other payments:	1,739,820	1,495,288
Death and other claims	314,113	324,353
Annuity payments	264,635	251,899
Health and other benefits	274,215	245,518
Surrender benefits	445,622	452,247
Other refunds	61,018	72,330
Provision for policy reserves:	747,207	841,944
Provision for policy reserves	742,032	836,702
Provision for interest on reserve for dividends to policyholders (mutual company)	5,173	5,239
Provision for interest on reserve for dividends to policyholders (limited company)	1	1
Investment expenses:	299,341	414,255
Interest expenses	15,645	10,475
Loss on sales of securities	113,912	179,956
Loss on valuation of securities	5,901	1,405
Loss on derivative financial instruments, net	140,942	202,039
Operating expenses	209,901	196,932
Other ordinary expenses	82,986	77,200
Ordinary profit	111,652	3,515

(5) [Consolidated Statements of Income] (Continued)

(Million Yen)

	Three months ended June 30, 2024	Three months ended June 30, 2023
Extraordinary gains:	1,158	5,182
Gain on disposals of fixed assets	1,156	5,174
Gain on reversal of share acquisition rights	2	8
Extraordinary losses:	40,545	12,166
Loss on disposals of fixed assets	460	1,755
Impairment losses	2,727	1,355
Provision for reserve for price fluctuations in investments in securities	37,356	9,055
Provision for reserve for dividends to policyholders (limited company)	2,852	2,812
Surplus before income taxes	69,413	(6,281)
Income taxes - current	65,136	20,691
Income taxes - deferred	(61,781)	(33,960)
Total income taxes	3,355	(13,269)
Net surplus	66,058	6,987
Net surplus (deficit) attributable to noncontrolling interests	2,835	(202)
Net surplus attributable to the parent company	63,222	7,190

Notes

(Consolidated Statements of Income)

1. The following is a breakdown of ordinary income and ordinary expenses for the three months ended June 30, 2024.

(Million Yen)

Ordinary income items		Ordinary expenses items	
Revenues from insurance and reinsurance	2,004,314	Benefits and other payments	1,739,820
Premiums	1,748,404	Death and other claims	314,113
Reinsurance revenue	255,909	Annuity payments	264,635
		Health and other benefits	274,215
		Surrender benefits	445,622
		Other refunds	61,018
		Reinsurance premiums	321,708
		Other benefits and other payments	58,505

MLC Limited, the Company's consolidated subsidiary, has applied the accounting standard "Insurance Contracts" issued by the Australian Accounting Standards Board. Based on the "Comprehensive Guidelines for Supervision of Insurance Companies" announced by the Financial Services Agency, insurance revenue recorded by MLC Limited is reclassified as a written amount and recorded in revenues from insurance and reinsurance.

2. 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 the whole insurance business.

- 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 three months ended June 30, 2024, is as follows:

(Million Yen)

Purpose of use	Land	Buildings	Total
Real estate for rental use	504	817	1,321
Idle properties	1,083	323	1,406
Total	1,587	1,140	2,727

- 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.

3. The total amount of depreciation of real estate for rental use and other assets for the three months ended June 30, 2024, was ¥19,852 million. Amortization of goodwill for the three months ended June 30, 2024, was ¥1,390 million.

4. Reinsurance revenue presented in revenues from insurance and reinsurance of TAIJU LIFE INSURANCE COMPANY LIMITED, the Company’s consolidated subsidiary, include reinsurance revenue of ¥56,762 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). This reinsurance revenue includes adjustment to policy reserves for ceded reinsurance (excluding additional policy reserves (reversals) associated with market value adjustments and related items) of ¥31,177 million and additional policy reserves (reversals) associated with market value adjustments and related items of ¥(2,963) million.

Reinsurance revenue presented in revenues from insurance and reinsurance of Nippon Wealth Life Insurance Company Limited, the Company’s consolidated subsidiary, includes a ¥23,297 million increase in unamortized ceding commissions related to reinsurance agreements under Article 1, Paragraph 5 of the Ministry of Finance Public Notice No. 50 of 1996. In addition, it includes ¥177,000 million in reinsurance revenue related to modified coinsurance agreements. This reinsurance revenue includes a ¥814 million increase in ceding commission and a ¥159,445 million increase in the policy reserve component (including a ¥16,474 million increase equivalent to additional provisions related to the standard policy reserve system). Reinsurance premiums presented in benefits and other payments include ¥160,599 million in reinsurance premiums related to modified coinsurance agreements.

Reinsurance revenue presented in revenues from insurance and reinsurance of HANASAKU LIFE INSURANCE Co., Ltd., the Company’s consolidated subsidiary, includes a ¥5,453 million increase in unamortized ceding commissions related to reinsurance agreements under Article 1, Paragraph 5 of the Ministry of Finance Public Notice No.50 of 1996. In addition, reinsurance premiums presented in benefits and other payments include a ¥1,380 million decrease in unamortized ceding commissions related to reinsurance agreements under Article 1, Paragraph 5 of the Ministry of Finance Public Notice No. 50 of 1996.

Through these reinsurance items, ordinary profit and surplus before income taxes decreased by ¥16,462 million each.

[Consolidated Statements of Comprehensive Income]

(Million Yen)

	Three months ended June 30, 2024	Three months ended June 30, 2023
Net surplus	66,058	6,987
Other comprehensive income:	(214,494)	1,442,231
Net unrealized gains on available-for-sale securities	199,678	1,658,211
Deferred losses on derivatives under hedge accounting	(452,541)	(253,044)
Foreign currency translation adjustments	20,594	27,513
Remeasurement of defined benefit plans	(34)	669
Share of other comprehensive income (loss) of associates accounted for under the equity method	17,808	8,881
Comprehensive income:	(148,435)	1,449,218
Comprehensive income attributable to the parent company	(149,899)	1,440,923
Comprehensive income attributable to noncontrolling interests	1,463	8,295

(6) Consolidated Solvency Margin Ratio

(Million Yen)

	As of June 30, 2024	As of March 31, 2024
Solvency margin gross amount (A):	22,327,568	22,536,034
Foundation funds (<i>kikin</i>) and other reserve funds:	6,122,808	6,251,249
Foundation funds and others	1,819,191	1,997,150
Reserve for price fluctuations in investments in securities	1,770,187	1,732,830
Contingency reserve	2,275,258	2,263,258
Extraordinary contingency reserve	—	—
General allowance for doubtful accounts	5,084	5,015
Others	253,086	252,993
Net unrealized gains on available-for-sale securities (before tax) and deferred losses on derivatives under hedge accounting (before tax) × 90%	10,108,279	10,340,828
Net unrealized gains on real estate × 85%	702,177	701,888
Total amount of unrecognized actuarial gains/losses and unrecognized prior service cost	10,652	10,724
Excess of continued Zillmerized reserve	2,857,597	2,844,977
Qualifying subordinated debt	2,727,536	2,527,319
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculations	—	—
Deduction clause	(346,126)	(345,603)
Others	144,642	204,650
Total amount of risk (B):	4,447,260	4,394,139
$\sqrt{(\sqrt{R_1^2 + R_5^2} + R_8 + R_9)^2 + (R_2 + R_3 + R_7)^2} + R_4 + R_6$		
Underwriting risk (R ₁)	188,439	188,389
General underwriting risk (R ₅)	—	—
Huge disaster risk (R ₆)	—	—
Underwriting risk of third-sector insurance (R ₈)	103,390	102,987
Underwriting risk related to small amount and short-term insurance providers (R ₉)	0	0
Assumed interest rate risk (R ₂)	361,339	355,452
Minimum guarantee risk (R ₇)	8,037	8,090
Investment risk (R ₃)	3,975,362	3,929,039
Business management risk (R ₄)	92,731	91,679
Solvency margin ratio		
$\frac{(A)}{(1/2) \times (B)} \times 100$	1,004.1%	1,025.7%

Notes: 1. The amounts and figures as of March 31, 2024 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.
For the three months ended June 30, 2024, calculations are made in accordance with these regulations, using a method the Company deems reasonable.

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

(7) Segment Information

For the three months ended June 30, 2024, 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.