

[Unofficial Translation]



August 12, 2020

Seiji Inagaki
President and Representative Director
Dai-ichi Life Holdings, Inc.
Code: 8750 (TSE First section)

Supplementary Materials for the Three Months Ended June 30, 2020
(The Dai-ichi Life Insurance Company, Limited)

August 12, 2020

Financial Results for the Three Months Ended June 30, 2020

The Dai-ichi Life Insurance Company, Limited (the "Company"; President: Seiji Inagaki) announces its financial results for the three months ended June 30, 2020.

[Contents]

Financial Summary for the Three Months Ended June 30, 2020

1. Business Highlights	-----	P.1
2. Investment Results of General Account	-----	P.3
3. Unaudited Quarterly Balance Sheet	-----	P.6
4. Unaudited Quarterly Statement of Earnings	-----	P.7
5. Breakdown of Ordinary Profit (Fundamental Profit)	-----	P.8
6. Solvency Margin Ratio	-----	P.11
7. Status of Separate Account	-----	P.12
8. Consolidated Financial Summary	-----	P.13

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Please note that this is an unofficial translation of the original disclosure in Japanese.

1. Business Highlights

(1) Annualized Net Premiums

Policies in Force

(billions of yen)

	As of March 31, 2020	As of June 30, 2020	% of March 31, 2020 total
Individual insurance	1,571.3	1,558.6	99.2
Individual annuities	539.1	537.5	99.7
Total	2,110.4	2,096.1	99.3
Medical and survival benefits	694.7	691.5	99.5

New Policies

(billions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020	% of June 30, 2019 total
Individual insurance	17.2	6.3	36.7
Individual annuities	3.5	0.8	25.2
Total	20.8	7.2	34.7
Medical and survival benefits	13.8	4.1	30.1

- Note: 1. Annualized net premiums are calculated by using multipliers for various premium payment terms to the premium per payment.
In single premium contracts, the amount is calculated by dividing the premium by the duration of the policy.
2. Annualized net premiums for medical and survival benefits include (a) premiums related to medical benefits such as hospitalization and surgery benefits, (b) premiums related to survival benefits such as specific illness and nursing benefits, and (c) premiums related to premium waiver benefits, in which disability cause is excluded but causes such as specific illness and nursing care are included.
3. "New policies" include net increase by conversion.

(2) Sum Insured of Policies in Force and New Policies

Policies in Force

	As of March 31, 2020		As of June 30, 2020			
	Number of policies (thousands)	Amount (billions of yen)	Number of policies		Amount	
			(thousands)	% of March 31, 2020 total	(billions of yen)	% of March 31, 2020 total
Individual insurance	18,486	89,604.0	18,654	100.9	88,283.4	98.5
Individual annuities	2,091	11,205.8	2,082	99.6	11,127.5	99.3
Individual insurance and annuities	20,577	100,809.9	20,737	100.8	99,410.9	98.6
Group insurance	-	49,053.0	-	-	50,100.1	102.1
Group annuities	-	6,282.5	-	-	6,334.1	100.8

- Note: 1. Policy amount in force of individual annuities is equal to (a) the funds to be held at the time annuity payments are to commence for an annuity for which payment has not yet commenced, and (b) the amount of policy reserve for an annuity for which payments have commenced.
2. Policy amount in force of group annuities is equal to the amount of outstanding corresponding policy reserve.
3. For products covered by multiple insurance agreements after April 2018, the number of policies for each product is shown as one.

New Policies

	Number of policies		Amount			
	(thousands)	% of June 30, 2019 total	(billions of yen)	New Business	Net increase by conversion	% of June 30, 2019 total
Three months ended June 30, 2019						
Individual insurance	1,011		272.3	625.5	(353.1)	
Individual annuities	30		101.5	102.8	(1.3)	
Individual insurance and annuities	1,041		373.8	728.4	(354.5)	
Group insurance	-		75.3	75.3	-	
Group annuities	-		0.0	0.0	-	
Three months ended June 30, 2020						
Individual insurance	379	37.5	39.3	207.3	(168.0)	14.4
Individual annuities	6	21.8	23.6	24.0	(0.3)	23.3
Individual insurance and annuities	386	37.1	62.9	231.4	(168.4)	16.8
Group insurance	-	-	91.4	91.4	-	121.4
Group annuities	-	-	0.0	0.0	-	601.8

- Note: 1. Number of new policies is the sum of new business and policies after conversion.
2. Amount of new policies for individual annuities, both new business and net increase by conversion, is equal to the funds to be held at the time annuity payments are to commence.
3. Amount of new policies for group annuities is equal to the initial premium payment.
4. For products covered by multiple insurance agreements after April 2018, the number of policies for each product is shown as one.

2. Investment Results of General Account

(1) Asset Composition

(millions of yen)

	As of March 31, 2020		As of June 30, 2020	
	Carrying amount	%	Carrying amount	%
Cash, deposits, and call loans	1,042,316	2.9	749,172	2.0
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	221,147	0.6	233,820	0.6
Trading account securities	-	-	-	-
Money held in trust	34,274	0.1	36,608	0.1
Securities	29,628,634	83.1	31,317,039	85.5
Domestic bonds	15,870,841	44.5	16,144,518	44.1
Domestic stocks	2,786,892	7.8	3,157,481	8.6
Foreign securities	10,073,956	28.3	11,402,231	31.1
Foreign bonds	9,088,395	25.5	10,190,864	27.8
Foreign stocks and other securities	985,560	2.8	1,211,367	3.3
Other securities	896,944	2.5	612,808	1.7
Loans	2,542,025	7.1	2,573,330	7.0
Policy loans	323,486	0.9	322,584	0.9
Ordinary loans	2,218,538	6.2	2,250,746	6.1
Real estate	1,085,716	3.0	1,085,594	3.0
Real estate for rent	767,658	2.2	771,162	2.1
Deferred tax assets	-	-	-	-
Others	1,092,127	3.1	650,545	1.8
Reserve for possible loan losses	(560)	(0.0)	(712)	(0.0)
Total	35,645,681	100.0	36,645,400	100.0
Foreign currency-denominated assets	9,571,618	26.9	10,427,509	28.5

Note: 'Real estate' represents total amount of land, buildings and construction in progress.

(2) Fair Value Information on Securities
(securities with fair value except for trading securities)

(millions of yen)

		Book value	Fair value	Gains (losses)	Gains	Losses
As of March 31, 2020						
	Held-to-maturity bonds	46,919	49,337	2,417	2,417	-
	Domestic bonds	46,919	49,337	2,417	2,417	-
	Foreign bonds	-	-	-	-	-
	Policy-reserve-matching bonds	12,210,408	14,973,288	2,762,880	2,772,602	9,722
	Domestic bonds	12,129,401	14,890,946	2,761,545	2,771,255	9,709
	Foreign bonds	81,007	82,341	1,334	1,347	12
	Stocks of subsidiaries and affiliated companies	343	241	(101)	-	101
	Available-for-sale securities	14,805,957	17,471,128	2,665,170	2,947,125	281,955
	Domestic bonds	3,236,843	3,694,520	457,677	461,300	3,623
	Domestic stocks	1,476,871	2,737,975	1,261,103	1,372,776	111,672
	Foreign securities	9,044,425	9,966,380	921,954	1,070,877	148,922
	Foreign bonds	8,144,384	9,007,388	863,003	963,364	100,361
	Foreign stocks and other securities	900,041	958,992	58,951	107,512	48,561
	Other securities	723,926	740,109	16,182	33,731	17,548
	Monetary claims bought	212,889	221,147	8,257	8,440	182
	Certificates of deposit	111,000	110,994	(5)	0	5
	Total	27,063,628	32,493,995	5,430,367	5,722,145	291,778
	Domestic bonds	15,413,164	18,634,804	3,221,640	3,234,973	13,333
	Domestic stocks	1,476,871	2,737,975	1,261,103	1,372,776	111,672
	Foreign securities	9,125,775	10,048,964	923,188	1,072,224	149,036
	Foreign bonds	8,225,391	9,089,730	864,338	964,712	100,373
	Foreign stocks and other securities	900,384	959,234	58,850	107,512	48,662
	Other securities	723,926	740,109	16,182	33,731	17,548
	Monetary claims bought	212,889	221,147	8,257	8,440	182
	Certificates of deposit	111,000	110,994	(5)	0	5
As of June 30, 2020						
	Held-to-maturity bonds	46,994	49,241	2,246	2,246	-
	Domestic bonds	46,994	49,241	2,246	2,246	-
	Foreign bonds	-	-	-	-	-
	Policy-reserve-matching bonds	12,484,279	14,951,037	2,466,757	2,519,054	52,297
	Domestic bonds	12,403,272	14,869,331	2,466,059	2,518,227	52,168
	Foreign bonds	81,006	81,705	698	826	128
	Stocks of subsidiaries and affiliated companies	343	295	(47)	-	47
	Available-for-sale securities	15,597,684	18,829,280	3,231,596	3,431,168	199,572
	Domestic bonds	3,250,118	3,694,250	444,131	447,168	3,037
	Domestic stocks	1,465,472	3,108,243	1,642,771	1,726,075	83,304
	Foreign securities	10,157,450	11,292,870	1,135,419	1,224,605	89,186
	Foreign bonds	9,067,091	10,109,857	1,042,765	1,087,631	44,865
	Foreign stocks and other securities	1,090,359	1,183,012	92,653	136,974	44,321
	Other securities	447,311	449,096	1,785	25,558	23,773
	Monetary claims bought	226,331	233,820	7,489	7,758	269
	Certificates of deposit	51,000	50,999	(0)	0	0
	Total	28,129,301	33,829,853	5,700,552	5,952,469	251,917
	Domestic bonds	15,700,386	18,612,823	2,912,436	2,967,643	55,206
	Domestic stocks	1,465,472	3,108,243	1,642,771	1,726,075	83,304
	Foreign securities	10,238,800	11,374,870	1,136,069	1,225,432	89,362
	Foreign bonds	9,148,098	10,191,562	1,043,464	1,088,458	44,993
	Foreign stocks and other securities	1,090,702	1,183,307	92,605	136,974	44,369
	Other securities	447,311	449,096	1,785	25,558	23,773
	Monetary claims bought	226,331	233,820	7,489	7,758	269
	Certificates of deposit	51,000	50,999	(0)	0	0

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

* Carrying amount of securities whose fair value is deemed extremely difficult to recognize is as follows:

(millions of yen)

	As of March 31, 2020	As of June 30, 2020
Held-to-maturity bonds	-	-
Unlisted foreign bonds	-	-
Others	-	-
Policy-reserve-matching bonds	-	-
Stocks of subsidiaries and affiliated companies	104,738	111,703
Unlisted domestic stocks (except over-the-counter stocks)	5,495	5,642
Unlisted foreign stocks (except over-the-counter stocks)	4,348	4,348
Others	94,895	101,712
Available-for-sale securities	133,672	133,883
Unlisted domestic stocks (except over-the-counter stocks)	43,422	43,596
Unlisted foreign stocks (except over-the-counter stocks)	28,287	28,288
Unlisted foreign bonds	-	-
Others	61,962	61,999
Total	238,411	245,587

Note: 1. The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Act.

2. The amounts of foreign exchange valuation gains (losses) on foreign securities whose fair value is deemed extremely difficult to recognize and which are listed in the table above are as follows:
loss of 6,480 million yen as of March 31, 2020 and loss of 4,714 million yen as of June 30, 2020.

(3) Fair Value Information on Money Held in Trust

(millions of yen)

	Carrying amount on the balance sheet	Fair value	Gains (losses)		
				Gains	Losses
As of March 31, 2020	34,274	34,274	(1,635)	1,844	3,480
As of June 30, 2020	36,608	36,608	3,134	5,025	1,891

Note: Fair value in the table above is based on the valuation conducted by the fiduciary on a reasonable basis.
"Gains (losses)" include gains (losses) from derivative transactions within the trusts.

* Information on money held in trust for investment purpose is as follows:

(millions of yen)

	As of March 31, 2020		As of June 30, 2020	
	Carrying amount on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying amount on the balance sheet	Valuation gains (losses) included in the statement of earnings
Money held in trust for investment purpose	34,274	(2,008)	36,608	2,896

* Information on money held in trust classified as held-to-maturity, policy-reserve-matching and available-for-sale is as follows:
The Company had no balance as of March 31, 2020 or June 30, 2020.

3. Unaudited Quarterly Balance Sheet

(millions of yen)

	As of March 31, 2020 (summarized)	As of June 30, 2020
(ASSETS)		
Cash and deposits	543,121	349,678
Call loans	513,800	414,300
Monetary claims bought	221,147	233,820
Money held in trust	34,274	36,608
Securities	30,283,786	32,030,184
[Government bonds]	[13,809,257]	[13,987,016]
[Local government bonds]	[129,433]	[129,114]
[Corporate bonds]	[2,078,289]	[2,164,806]
[Stocks]	[2,900,518]	[3,274,711]
[Foreign securities]	[10,308,387]	[11,655,929]
Loans	2,542,025	2,573,330
Policy loans	323,486	322,584
Ordinary loans	2,218,538	2,250,746
Tangible fixed assets	1,097,493	1,096,996
Intangible fixed assets	114,309	114,577
Reinsurance receivable	6,720	13,312
Other assets	1,091,187	565,284
Customers' liabilities for acceptances and guarantees	47,065	51,319
Reserve for possible loan losses	(560)	(712)
Reserve for possible investment losses	(807)	(1,179)
Total assets	36,493,562	37,477,520
(LIABILITIES)		
Policy reserves and others	30,823,423	30,916,129
Reserves for outstanding claims	127,391	132,854
Policy reserves	30,296,289	30,394,137
Reserve for policyholder dividends	399,742	389,137
Reinsurance payable	135,490	504
Subordinated bonds	476,277	476,277
Other liabilities	1,693,171	2,246,464
Corporate income tax payable	20,306	6,314
Lease liabilities	6,837	6,415
Asset retirement obligations	2,096	2,103
Other liabilities	1,663,930	2,231,631
Reserve for employees' retirement benefits	398,004	400,674
Reserve for retirement benefits of directors, executive officers and corporate auditors	1,188	1,154
Reserve for possible reimbursement of prescribed claims	800	734
Reserve for price fluctuations	215,453	219,703
Deferred tax liabilities	79,585	225,430
Deferred tax liabilities for land revaluation	73,195	72,969
Acceptances and guarantees	47,065	51,319
Total liabilities	33,943,654	34,611,362
(NET ASSETS)		
Capital stock	60,000	60,000
Capital surplus	370,000	370,000
Legal capital surplus	60,000	60,000
Other capital surplus	310,000	310,000
Retained earnings	200,155	119,092
Other retained earnings	200,155	119,092
Reserve for tax basis adjustments of real estate	4,947	5,576
Retained earnings brought forward	195,207	113,516
Total shareholders' equity	630,155	549,093
Net unrealized gains (losses) on securities, net of tax	1,916,417	2,326,000
Deferred hedge gains (losses)	21,312	9,625
Reserve for land revaluation	(17,978)	(18,561)
Total of valuation and translation adjustments	1,919,752	2,317,064
Total net assets	2,549,907	2,866,157
Total liabilities and net assets	36,493,562	37,477,520

4. Unaudited Quarterly Statement of Earnings

(millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
ORDINARY REVENUES	908,663	945,175
Premium and other income	581,974	543,725
[Premium income]	[580,817]	[541,736]
Investment income	275,629	368,156
[Interest and dividends]	[186,134]	[209,138]
[Gains on money held in trust]	[-]	[2,357]
[Gains on sale of securities]	[62,108]	[105,871]
[Derivative transaction gains]	[7,149]	[-]
[Gains on investments in separate accounts]	[17,505]	[46,826]
Other ordinary revenues	51,059	33,293
[Reversal of reserves for outstanding claims]	[8,514]	[-]
ORDINARY EXPENSES	802,668	896,437
Benefits and claims	549,327	465,875
[Claims]	[150,921]	[141,508]
[Annuities]	[123,663]	[111,019]
[Benefits]	[122,319]	[103,934]
[Surrender values]	[129,102]	[90,498]
[Other refunds]	[22,782]	[18,479]
Provision for policy reserves and others	27,984	105,356
Provision for reserves for outstanding claims	-	5,463
Provision for policy reserves	25,934	97,847
Provision for interest on policyholder dividends	2,050	2,046
Investment expenses	62,018	175,838
[Interest expenses]	[3,104]	[3,066]
[Losses on money held in trust]	[777]	[-]
[Losses on sale of securities]	[13,473]	[21,382]
[Losses on valuation of securities]	[5,584]	[1,193]
[Derivative transaction losses]	[-]	[115,007]
Operating expenses	93,738	95,673
Other ordinary expenses	69,598	53,693
ORDINARY PROFIT	105,994	48,738
EXTRAORDINARY GAINS	346	431
Gains on disposal of fixed assets	346	431
EXTRAORDINARY LOSSES	4,578	5,119
Losses on disposal of fixed assets	113	702
Impairment losses on fixed assets	215	166
Provision for reserve for price fluctuations	4,250	4,250
Provision for reserve for policyholder dividends	18,982	16,502
Income before income taxes	82,780	27,548
Corporate income taxes-current	26,147	16,619
Corporate income taxes-deferred	(3,001)	(8,504)
Total of corporate income taxes	23,146	8,114
Net income	59,633	19,433

5. Breakdown of Ordinary Profit (Fundamental Profit)

(millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Fundamental revenues	839,405	837,625
Premium and other income	581,974	543,725
Investment income	206,372	259,927
[Interest and dividends]	186,134	209,138
Other ordinary revenues	51,059	33,293
Other fundamental revenues (a)	-	678
Fundamental expenses	744,873	719,744
Benefits and claims	549,327	465,875
Provision for policy reserves and others	12,738	85,572
Investment expenses	19,375	18,930
Operating expenses	93,738	95,673
Other ordinary expenses	69,598	53,693
Other fundamental expenses (b)	95	0
Fundamental profit A	94,532	117,880
Capital gains	69,352	108,229
Gains on money held in trust	-	2,357
Gains on investments in trading securities	-	-
Gains on sale of securities	62,108	105,871
Derivative transaction gains	7,149	-
Foreign exchange gains	-	-
Others (c)	95	0
Capital losses	42,588	157,216
Losses on money held in trust	777	-
Losses on investments in trading securities	-	-
Losses on sale of securities	13,473	21,382
Losses on valuation of securities	5,584	1,193
Derivative transaction losses	-	115,007
Foreign exchange losses	22,752	18,954
Others (d)	-	678
Net capital gains (losses) B	26,763	(48,987)
Fundamental profit plus net capital gains (losses) A + B	121,296	68,892
Other one-time gains	-	-
Reinsurance income	-	-
Reversal of contingency reserve	-	-
Reversal of specific reserve for possible loan losses	-	-
Others	-	-
Other one-time losses	15,301	20,154
Ceding reinsurance commissions	-	-
Provision for contingency reserve	-	4,200
Provision for specific reserve for possible loan losses	0	(4)
Provision for specific reserve for loans to refinancing countries	-	-
Write-down of loans	3	1
Others ^(Note)	15,298	15,956
Other one-time profits (losses) C	(15,301)	(20,154)
Ordinary profit A + B + C	105,994	48,738

Note: "Others" in "Other one-time losses" represents the sum of the amount of provision for reserve for possible investment losses (For the three months ended June 30, 2019: 52 million yen, For the three months ended June 30, 2020: 372 million yen) and the amount of the additional policy reserves provided (For the three months ended June 30, 2019: 15,246 million yen, For the three months ended June 30, 2020: 15,584 million yen) in accordance with Article 69, Paragraph 5 of the Enforcement Regulations of the Insurance Business Act.

(Reference) Breakdown of other fundamental revenues, etc.

(millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Other fundamental revenues (a)	-	678
The effect of provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance	-	-
The effect of change in the exchange rates related to foreign currency denominated insurance contracts	-	678
Other fundamental expenses (b)	95	0
The effect of provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance	0	0
The effect of change in the exchange rates related to foreign currency denominated insurance contracts	95	-
The impact on fundamental profit <i>(a) - (b)</i>	(95)	678
Other capital gains (c)	95	0
The effect of provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance	0	0
The effect of change in the exchange rates related to foreign currency denominated insurance contracts	95	-
Other capital losses (d)	-	678
The effect of provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance	-	-
The effect of change in the exchange rates related to foreign currency denominated insurance contracts	-	678
The impact on net capital gains (losses) <i>(c) - (d)</i>	95	(678)

NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS AS OF AND FOR THE THREE MONTHS ENDED JUNE 30, 2020

I. NOTES TO UNAUDITED QUARTERLY BALANCE SHEET AND SHAREHOLDERS' EQUITY, ETC. AS OF JUNE 30, 2020

1. Securities Lending

Securities lent under lending agreements are included in the balance sheet. The total balance of securities lent as of June 30, 2020 was ¥2,023,460 million.

2. Contingent Liabilities

Guarantee for debt obligations of a separate company were as follows:

	(Unit: million yen)
Dai-ichi Life Holdings, Inc.	250,226

3. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	(Unit: million yen)
Balance at the beginning of the fiscal year	399,742
Dividend paid.....	(29,152)
Interest accrual.....	2,046
Provision for reserve for policyholder dividends	16,502
Balance as of June 30, 2020.....	<u>389,137</u>

4. Dividends on Common Stock

Date of resolution	June 17, 2020 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥101,079 million
Dividends per share	¥16,846,500
Record date	March 31, 2020
Effective date	June 18, 2020
Dividend resource	Retained earnings

II. NOTES TO THE UNAUDITED STATEMENT OF EARNINGS FOR THE THREE MONTHS ENDED JUNE 30, 2020

1. Net Income per Share

Net income per share for the three months ended June 30, 2020 was ¥3,238,898.30. Diluted net income per share for the same period is not presented because there were no existing diluted shares.

2. Depreciation

Depreciation of real estate for rent and others was ¥3,306 million and Depreciation was ¥8,971 million for the three months ended June 30, 2020.

6. Solvency Margin Ratio

(millions of yen)

	As of March 31, 2020	As of June 30, 2020
Total solvency margin (A)	6,251,174	6,700,649
Common stock, etc. ^{*1}	526,676	492,669
Reserve for price fluctuations	215,453	219,703
Contingency reserve	628,493	632,693
General reserve for possible loan losses	115	271
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% ^{*2}	2,390,159	2,897,298
Net unrealized gains (losses) on real estate × 85% ^{*2}	243,896	247,875
Policy reserves in excess of surrender values	2,164,285	2,172,023
Qualifying subordinated debt	759,277	759,277
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(754,610)	(786,642)
Excluded items	-	-
Others	77,427	65,478
Total risk $\sqrt{(R_1 + R_8)^2} + (R_2 + R_3 + R_7)^2 + R_4$ (B)	1,270,019	1,407,836
Insurance risk R_1	64,717	68,155
3rd sector insurance risk R_8	172,223	172,006
Assumed investment yield risk R_2	191,118	189,413
Guaranteed minimum benefit risk R_7 ^{*3}	3,039	3,019
Investment risk R_3	1,023,930	1,162,382
Business risk R_4	29,100	31,899
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	984.4%	951.9%

*1: Expected disbursements from capital outside the Company and valuation and translation adjustments are excluded.

*2: Multiplied by 100% if losses.

*3: Calculated by standard method.

Note: The figures as of March 31, 2020 are calculated based on Articles 86, 87 of the Enforcement Regulations of Insurance Business Act, and Announcement No. 50, Ministry of Finance, 1996.

The figures as of June 30, 2020 are calculated by using the method which is deemed appropriate taking the regulations and announcement above into account.

7. Status of Separate Account

(1) Separate Account Assets by Product

(millions of yen)

	As of March 31, 2020	As of June 30, 2020
Individual variable insurance	50,532	54,127
Individual variable annuities	29,859	31,802
Group annuities	1,282,533	1,337,956
Separate account total	1,362,925	1,423,886

(2) Sum Insured of Policies in Force of Individual Variable Insurance and Annuities (Separate Account)

A. Individual variable insurance

(millions of yen except number of policies)

	As of March 31, 2020		As of June 30, 2020	
	Number of policies	Amount	Number of policies	Amount
Individual variable insurance (term life)	31	160	18	108
Individual variable insurance (whole life)	40,331	247,630	40,179	246,635
Total	40,362	247,791	40,197	246,743

Note: Policies in force include term life riders.

B. Individual variable annuities

(millions of yen except number of policies)

	As of March 31, 2020		As of June 30, 2020	
	Number of policies	Amount	Number of policies	Amount
Individual variable annuities	7,158	27,541	6,582	27,502

Note: Sum insured of policies in force includes that of annuities for which payments have commenced.

8. Consolidated Financial Summary

(1) Selected Financial Data and Other Information

(millions of yen)

	Three months ended June 30, 2020
Ordinary revenues	945,163
Ordinary profit	48,352
Net income attributable to shareholders of parent company	19,063
Comprehensive income	418,523

(millions of yen)

	As of June 30, 2020
Total assets	37,476,951
Solvency margin ratio	955.4%

(2) Scope of Consolidation and Application of Equity Method

	As of June 30, 2020
Number of consolidated subsidiaries Dai-ichi Life Insurance Myanmar Ltd.	1
Number of non-consolidated subsidiaries under the equity method	0
Number of affiliated companies under the equity method Corporate-pension Business Service Co., Ltd. Japan Excellent Asset Management Co., Ltd.	2

For information regarding changes in subsidiaries and affiliates, please refer to "I. Guidelines for Preparation of the Unaudited Quarterly Consolidated Financial Statements".

(3) Unaudited Quarterly Consolidated Balance Sheet

(millions of yen)

	As of June 30, 2020
ASSETS	
Cash and deposits	352,141
Call loans	414,300
Monetary claims bought	233,820
Money held in trust	36,608
Securities	32,026,607
Loans	2,573,330
Tangible fixed assets	1,097,242
Intangible fixed assets	114,739
Reinsurance receivable	13,312
Other assets	565,422
Customers' liabilities for acceptances and guarantees	51,319
Reserve for possible loan losses	(712)
Reserve for possible investment losses	(1,179)
Total assets	37,476,951
LIABILITIES	
Policy reserves and others	30,916,129
Reserves for outstanding claims	132,854
Policy reserves	30,394,137
Reserve for policyholder dividends	389,137
Reinsurance payable	504
Bonds payable	476,277
Other liabilities	2,246,516
Net defined benefit liabilities	432,435
Reserve for retirement benefits of directors, executive officers and corporate auditors	1,154
Reserve for possible reimbursement of prescribed claims	734
Reserve for price fluctuations	219,703
Deferred tax liabilities	216,562
Deferred tax liabilities for land revaluation	72,969
Acceptances and guarantees	51,319
Total liabilities	34,634,307
NET ASSETS	
Capital stock	60,000
Capital surplus	370,000
Retained earnings	117,989
Total shareholders' equity	547,990
Net unrealized gains (losses) on securities, net of tax	2,326,000
Deferred hedge gains (losses)	9,625
Reserve for land revaluation	(18,561)
Foreign currency translation adjustments	481
Accumulated remeasurements of defined benefit plans	(22,893)
Total accumulated other comprehensive income	2,294,653
Total net assets	2,842,643
Total liabilities and net assets	37,476,951

(4) Unaudited Quarterly Consolidated Statement of Earnings and Comprehensive Income
[Unaudited Quarterly Consolidated Statement of Earnings]

(millions of yen)

	Three months ended June 30, 2020
ORDINARY REVENUES	945,163
Premium and other income	543,725
Investment income	368,144
[Interest and dividends]	[209,126]
[Gains on money held in trust]	[2,357]
[Gains on sale of securities]	[105,871]
[Gains on investments in separate accounts]	[46,826]
Other ordinary revenues	33,293
ORDINARY EXPENSES	896,811
Benefits and claims	465,875
[Claims]	[141,508]
[Annuities]	[111,019]
[Benefits]	[103,934]
[Surrender values]	[90,498]
Provision for policy reserves and others	105,356
Provision for reserves for outstanding claims	5,463
Provision for policy reserves	97,847
Provision for interest on policyholder dividends	2,046
Investment expenses	175,949
[Interest expenses]	[3,066]
[Losses on sale of securities]	[21,382]
[Losses on valuation of securities]	[1,193]
[Derivative transaction losses]	[115,007]
Operating expenses	95,867
Other ordinary expenses	53,761
Ordinary profit	48,352
EXTRAORDINARY GAINS	431
Gains on disposal of fixed assets	431
EXTRAORDINARY LOSSES	5,119
Losses on disposal of fixed assets	702
Impairment losses on fixed assets	166
Provision for reserve for price fluctuations	4,250
Provision for reserve for policyholder dividends	16,502
Income before income taxes	27,162
Corporate income taxes-current	16,619
Corporate income taxes-deferred	(8,520)
Total of corporate income taxes	8,098
Net income	19,063
Net income attributable to shareholders of parent company	19,063

[Unaudited Quarterly Consolidated Statement of Comprehensive Income]

(millions of yen)

	Three months ended June 30, 2020
Net income	19,063
Other comprehensive income	399,460
Net unrealized gains (losses) on securities, net of tax	409,583
Deferred hedge gains (losses)	(11,687)
Foreign currency translation adjustments	576
Remeasurements of defined benefit plans, net of tax	987
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	(0)
Comprehensive income	418,523
Attributable to shareholders of parent company	418,523

NOTES TO THE UNAUDITED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE THREE MONTHS ENDED JUNE 30, 2020

I. GUIDELINES FOR PREPARATION OF THE UNAUDITED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

The Parent Company made no significant changes to the preparation of the quarterly consolidated financial statements.

II. NOTES TO THE UNAUDITED QUARTERLY CONSOLIDATED BALANCE SHEET AND SHAREHOLDERS' EQUITY, ETC. AS OF JUNE 30, 2020

1. Securities Lending

Securities lent under lending agreements are included in the consolidated balance sheet. The total balance of securities lent as of June 30, 2020 was ¥2,023,460 million.

2. Contingent Liabilities

Guarantee for debt obligations of a separate company were as follows:

	(Unit: million yen)
Dai-ichi Life Holdings, Inc.	250,226

3. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	(Unit: million yen)
Balance at the beginning of the fiscal year.....	399,742
Dividends paid during the period.....	(29,152)
Interest accrual during the period.....	2,046
Provision for reserve for policyholder dividends	16,502
Balance as of June 30, 2020.....	389,137

4. Dividends on Common Stock

Date of resolution	June 17, 2020 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥101,079 million
Dividends per share	¥16,846,500
Record date	March 31, 2020
Effective date	June 18, 2020
Dividend resource	Retained earnings

III. NOTES TO THE UNAUDITED QUARTERLY CONSOLIDATED STATEMENT OF EARNINGS FOR THE THREE MONTHS ENDED JUNE 30, 2020

1. Net Income per Share

Net income per share for the three months ended June 30, 2020 was ¥3,177,199.07.

Diluted net income per share for the same period is not presented because there were no existing diluted shares.

2. Depreciation

Depreciation of real estate for rent and others was ¥3,306 million and Depreciation was ¥8,993 million for the three months ended June 30, 2020.

(5) Consolidated Solvency Margin Ratio

(millions of yen)

	As of March 31, 2020	As of June 30, 2020
Total solvency margin (A)	6,121,744	6,566,662
Common stock, etc. ^{*1}	529,037	495,281
Reserve for price fluctuations	215,453	219,703
Contingency reserve	628,493	632,693
Catastrophe loss reserve	-	-
General reserve for possible loan losses	117	298
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% ^{*2}	2,390,159	2,897,298
Net unrealized gains (losses) on real estate × 85% ^{*2}	243,896	247,875
Sum of unrecognized actuarial differences and unrecognized past service cost	(33,294)	(31,924)
Policy reserves in excess of surrender values	2,164,285	2,172,023
Qualifying subordinated debt	759,277	759,277
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(754,610)	(786,642)
Excluded items	(98,497)	(104,701)
Others	77,427	65,478
Total risk $\sqrt{\left(\sqrt{R_1^2 + R_5^2 + R_8 + R_9}\right)^2 + (R_2 + R_3 + R_7)^2} + R_4 + R_6$ (B)	1,238,988	1,374,566
Insurance risk R_1	64,717	68,155
General insurance risk R_5	-	-
Catastrophe risk R_6	-	-
3rd sector insurance risk R_8	172,223	172,006
Small amount and short-term insurance risk R_9	-	-
Assumed investment yield risk R_2	191,118	189,413
Guaranteed minimum benefit risk R_7 ^{*3}	3,039	3,019
Investment risk R_3	992,934	1,129,254
Business risk R_4	28,480	31,236
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	988.1%	955.4%

*1: Expected disbursements from capital outside the Company and accumulated other comprehensive income, etc. are excluded.

*2: Multiplied by 100% if losses.

*3: Calculated by standard method.

Notes: The figures as of March 31, 2020 are calculated based on Article 86-2 and 88 of the Enforcement Regulations of Insurance Business Act, and Notification of the Financial Services Agency No. 23, 2011.

The figures as of June 30, 2020 are calculated by using the method which is deemed appropriate taking the regulations and announcement above into account.

(6) Segment Information

The Company on a consolidated basis did not operate any businesses categorized in segments other than its own core life insurance business, and therefore segment information was omitted.