

## Financial Results for the Nine Months Ended December 31, 2015

The Neo First Life Insurance Co., Ltd. (the “Company”; President: Yuji Tokuoka) announces its financial results for the nine months ended December 31, 2015.

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

# 1. Business Highlights

## (1) Policies in Force and New Policies

### - Policies in Force

|                      | As of March 31, 2015 |                          | As of December 31, 2015 |                           |                          |                           |
|----------------------|----------------------|--------------------------|-------------------------|---------------------------|--------------------------|---------------------------|
|                      | Number of policies   | Amount (billions of yen) | Number of policies      |                           | Amount (billions of yen) |                           |
|                      |                      |                          |                         | % of March 31, 2015 total |                          | % of March 31, 2015 total |
| Individual insurance | 41,041               | 648.8                    | 42,848                  | 104.4                     | 606.0                    | 93.4                      |
| Individual annuities | —                    | —                        | —                       | —                         | —                        | —                         |
| Group insurance      | —                    | —                        | —                       | —                         | —                        | —                         |
| Group annuities      | —                    | —                        | —                       | —                         | —                        | —                         |

### - New Policies

|                      | Nine months ended December 31, 2014 |                          |              |                               | Nine months ended December 31, 2015 |                        |                          |                        |              |                               |
|----------------------|-------------------------------------|--------------------------|--------------|-------------------------------|-------------------------------------|------------------------|--------------------------|------------------------|--------------|-------------------------------|
|                      | Number of policies                  | Amount (billions of yen) |              |                               | Number of policies                  |                        | Amount (billions of yen) |                        |              |                               |
|                      |                                     |                          | New Business | Net increase from conversions |                                     | % of December 31, 2014 |                          | % of December 31, 2014 | New Business | Net increase from conversions |
| Individual insurance | 874                                 | 11.9                     | 11.9         | —                             | 4,323                               | 494.6                  | 1.7                      | 14.6                   | 1.7          | —                             |
| Individual annuities | —                                   | —                        | —            | —                             | —                                   | —                      | —                        | —                      | —            | —                             |
| Group insurance      | —                                   | —                        | —            | —                             | —                                   | —                      | —                        | —                      | —            | —                             |
| Group annuities      | —                                   | —                        | —            | —                             | —                                   | —                      | —                        | —                      | —            | —                             |

## (2) Annualized Net Premiums

- Policies in Force (millions of yen except percentages)

|                               | As of March 31, 2015 | As of December 31, 2015 |                           |
|-------------------------------|----------------------|-------------------------|---------------------------|
|                               |                      |                         | % of March 31, 2015 total |
| Individual insurance          | 3,706                | 3,786                   | 102.1                     |
| Individual annuities          | —                    | —                       | —                         |
| Total                         | 3,706                | 3,786                   | 102.1                     |
| Medical and survival benefits | 883                  | 1,021                   | 115.6                     |

- New Policies (millions of yen except percentages)

|                               | Nine months ended December 31, 2014 | Nine months ended December 31, 2015 | % of December 31, 2014 |
|-------------------------------|-------------------------------------|-------------------------------------|------------------------|
|                               |                                     |                                     |                        |
| Individual insurance          | 55                                  | 180                                 | 325.8                  |
| Individual annuities          | —                                   | —                                   | —                      |
| Total                         | 55                                  | 180                                 | 325.8                  |
| Medical and survival benefits | 14                                  | 164                                 | 1,118.0                |

- Note: 1. Annualized net premium is calculated by multiplying the per-premium payments by a multiplier that depends on the premium payment terms.
2. Annualized net premium for medical and survival benefits includes (a) premium related to medical benefits such as hospitalization and surgery benefits, (b) premium related to survival benefits such as specific illness and nursing benefits, and (c) premium related to premium waiver benefits, in which the disability cause is excluded but causes such as specific illness and nursing care are included.

## 2. Investment Results of General Account

### (1) Asset Composition

(millions of yen except percentages)

|  | As of March 31, 2015 |       | As of December 31, 2015 |       |
|--|----------------------|-------|-------------------------|-------|
|  | Carrying amount      | %     | Carrying amount         | %     |
| Cash, deposits, and call loans                     | 2,250                | 40.4  | 28,085                  | 90.3  |
| Securities repurchased under resale agreements     | —                    | —     | —                       | —     |
| Deposit paid for securities borrowing transactions | —                    | —     | —                       | —     |
| Monetary claims bought                             | —                    | —     | —                       | —     |
| Trading account securities                         | —                    | —     | —                       | —     |
| Money held in trust                                | —                    | —     | —                       | —     |
| Securities   | 2,881                | 51.7  | 2,279                   | 7.3   |
| Domestic bonds                                     | 1,965                | 35.3  | 1,363                   | 4.4   |
| Domestic stocks                                    | —                    | —     | —                       | —     |
| Foreign securities                                 | —                    | —     | —                       | —     |
| Foreign bonds                                      | —                    | —     | —                       | —     |
| Foreign stocks and other securities                | —                    | —     | —                       | —     |
| Other securities                                   | 915                  | 16.4  | 916                     | 2.9   |
| Loans  | —                    | —     | —                       | —     |
| Real estate  | —                    | —     | —                       | —     |
| Deferred tax assets                                | —                    | —     | —                       | —     |
| Others   | 441                  | 7.9   | 753                     | 2.4   |
| Reserve for possible loan losses                   | (1)                  | (0.0) | (1)                     | (0.0) |
| Total  | 5,571                | 100.0 | 31,117                  | 100.0 |
| Foreign currency-denominated assets                | —                    | —     | —                       | —     |

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

(millions of yen)

|                                       | As of March 31, 2015 |            |                |        |            | As of December 31, 2015 |                |        |   |   |
|---------------------------------------|----------------------|------------|----------------|--------|------------|-------------------------|----------------|--------|---|---|
|                                       | Book value           | Fair Value | Gains (losses) |        | Book value | Fair Value              | Gains (losses) |        |   |   |
|                                       |                      |            | Gains          | Losses |            |                         | Gains          | Losses |   |   |
| Held-to-maturity bonds                | —                    | —          | —              | —      | —          | —                       | —              | —      | — |   |
| Policy-reserve-matching bonds         | —                    | —          | —              | —      | —          | —                       | —              | —      | — |   |
| Stocks of subsidiaries and affiliates | —                    | —          | —              | —      | —          | —                       | —              | —      | — |   |
| Available-for-sale securities         | 2,879                | 2,881      | 2              | 2      | 0          | 2,277                   | 2,279          | 2      | 2 | — |
| Domestic bonds                        | 1,963                | 1,965      | 2              | 2      | 0          | 1,361                   | 1,363          | 2      | 2 | — |
| Domestic stocks                       | —                    | —          | —              | —      | —          | —                       | —              | —      | — | — |
| Foreign securities                    | —                    | —          | —              | —      | —          | —                       | —              | —      | — | — |
| Foreign bonds                         | —                    | —          | —              | —      | —          | —                       | —              | —      | — | — |
| Foreign stocks and other securities   | —                    | —          | —              | —      | —          | —                       | —              | —      | — | — |
| Other securities                      | 915                  | 915        | —              | —      | —          | 916                     | 916            | —      | — | — |
| Monetary claims bought                | —                    | —          | —              | —      | —          | —                       | —              | —      | — | — |
| Certificates of deposit               | —                    | —          | —              | —      | —          | —                       | —              | —      | — | — |
| Others                                | —                    | —          | —              | —      | —          | —                       | —              | —      | — | — |
| Total                                 | 2,879                | 2,881      | 2              | 2      | 0          | 2,277                   | 2,279          | 2      | 2 | — |
| Domestic bonds                        | 1,963                | 1,965      | 2              | 2      | 0          | 1,361                   | 1,363          | 2      | 2 | — |
| Domestic stocks                       | —                    | —          | —              | —      | —          | —                       | —              | —      | — | — |
| Foreign securities                    | —                    | —          | —              | —      | —          | —                       | —              | —      | — | — |
| Foreign bonds                         | —                    | —          | —              | —      | —          | —                       | —              | —      | — | — |
| Foreign stocks and other securities   | —                    | —          | —              | —      | —          | —                       | —              | —      | — | — |
| Other securities                      | 915                  | 915        | —              | —      | —          | 916                     | 916            | —      | — | — |
| Monetary claims bought                | —                    | —          | —              | —      | —          | —                       | —              | —      | — | — |
| Certificates of deposit               | —                    | —          | —              | —      | —          | —                       | —              | —      | — | — |
| Others                                | —                    | —          | —              | —      | —          | —                       | —              | —      | — | — |

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

- Book values of securities for which it is not practicable to determine fair value are as follows:  
Not applicable.

**(3) Fair Value Information on Money Held in Trust**

Not applicable.

### 3. Unaudited Non-Consolidated Balance Sheets

(millions of yen)

|  | As of March 31, 2015<br>(Summarized) | As of December 31, 2015 |
|--|--------------------------------------|-------------------------|
|  | Amount                               | Amount                  |
| <b>(ASSETS)</b>                                |                                      |                         |
| Cash and deposits                              | 2,250                                | 28,085                  |
| Securities                                     | 2,881                                | 2,279                   |
| [Government bonds]                             | [1,965]                              | [1,363]                 |
| Tangible fixed assets                          | 64                                   | 233                     |
| Intangible fixed assets                        | 0                                    | 3                       |
| Agency accounts receivable                     | 0                                    | —                       |
| Reinsurance receivables                        | 1                                    | 3                       |
| Other assets                                   | 374                                  | 512                     |
| Reserve for possible loan losses               | (1)                                  | (1)                     |
| <b>Total assets</b>                            | <b>5,571</b>                         | <b>31,117</b>           |
| <b>(LIABILITIES)</b>                           |                                      |                         |
| Policy reserves and others                     | 844                                  | 961                     |
| Reserves for outstanding claims                | 56                                   | 147                     |
| Policy reserves                                | 787                                  | 814                     |
| Agency accounts payable                        | 3                                    | —                       |
| Reinsurance payable                            | 30                                   | 30                      |
| Other liabilities                              | 170                                  | 921                     |
| Corporate income tax payable                   | 34                                   | 0                       |
| Lease liabilities                              | 18                                   | 14                      |
| Other liabilities                              | 117                                  | 906                     |
| Reserve for employees' retirement benefits     | 40                                   | 70                      |
| Reserve for price fluctuations                 | 19                                   | 20                      |
| Deferred tax liabilities                       | 0                                    | 0                       |
| <b>Total liabilities</b>                       | <b>1,110</b>                         | <b>2,005</b>            |
| <b>(NET ASSETS)</b>                            |                                      |                         |
| Capital stock                                  | 10,100                               | 25,100                  |
| Capital surplus                                | 2,100                                | 17,100                  |
| Legal capital surplus                          | 2,100                                | 17,100                  |
| Retained earnings                              | (7,740)                              | (13,090)                |
| Other retained earnings                        | (7,740)                              | (13,090)                |
| Retained earnings brought forward              | (7,740)                              | (13,090)                |
| Total shareholders' equity                     | 4,459                                | 29,109                  |
| Net unrealized gains on securities, net of tax | 1                                    | 1                       |
| Total of valuation and translation adjustments | 1                                    | 1                       |
| <b>Total net assets</b>                        | <b>4,461</b>                         | <b>29,111</b>           |
| <b>Total liabilities and net assets</b>        | <b>5,571</b>                         | <b>31,117</b>           |

#### 4. Unaudited Non-Consolidated Statements of Earnings

(millions of yen)

|   | Nine months ended<br>December 31, 2014 | Nine months ended<br>December 31, 2015 |
|---|--|--|
|   | Amount                                 | Amount                                 |
| <b>ORDINARY REVENUES</b>                      | 2,969                                  | 2,876                                  |
| Premium and other income                      | 2,892                                  | 2,864                                  |
| [Premium income]                              | [2,813]                                | [2,804]                                |
| Investment income                             | 3                                      | 1                                      |
| [Interest and dividends]                      | [2]                                    | [1]                                    |
| [Gains on sale of securities]                 | [0]                                    | [—]                                    |
| Other ordinary revenues                       | 74                                     | 10                                     |
| [Reversal of reserve for outstanding claims]  | [45]                                   | [—]                                    |
| [Reversal of policy reserve]                  | [28]                                   | [—]                                    |
| <b>ORDINARY EXPENSES</b>                      | 2,503                                  | 8,222                                  |
| Benefits and claims                           | 1,106                                  | 941                                    |
| [Claims]                                      | [838]                                  | [650]                                  |
| [Benefits]                                    | [163]                                  | [186]                                  |
| [Other refunds]                               | [3]                                    | [4]                                    |
| Provision for policy reserves and others      | —                                      | 117                                    |
| Provision for reserves for outstanding claims | —                                      | 90                                     |
| Provision for policy reserves                 | —                                      | 27                                     |
| Investment expenses                           | 0                                      | 0                                      |
| [Interest expenses]                           | [0]                                    | [0]                                    |
| Operating expenses                            | 1,328                                  | 6,956                                  |
| Other ordinary expenses                       | 68                                     | 206                                    |
| <b>ORDINARY PROFIT (LOSS)</b>                 | 466                                    | (5,345)                                |
| <b>EXTRAORDINARY GAINS</b>                    | 0                                      | —                                      |
| <b>EXTRAORDINARY LOSSES</b>                   | 70                                     | 1                                      |
| Losses on disposal of fixed assets            | 58                                     | 0                                      |
| Provision for reserve for price fluctuations  | 0                                      | 0                                      |
| Other extraordinary losses                    | 11                                     | —                                      |
| Income (loss) before income taxes             | 395                                    | (5,346)                                |
| Corporate income taxes - current              | 20                                     | 3                                      |
| Total of corporate income taxes               | 20                                     | 3                                      |
| Net income (loss) for the period              | 374                                    | (5,350)                                |

**Notes to the Unaudited Non-Consolidated Balance Sheets**

As of December 31, 2015

## 1. Payment of Dividends

Not applicable.

## 2. Marked Changes in Shareholders' Equity

|  | Capital stock | Capital surplus | Retained earnings | Total shareholders' equity |
|--|---------------|-----------------|-------------------|----------------------------|
| Balance at the beginning of the period | 10,100        | 2,100           | (7,740)           | 4,459                      |
| Changes by the end of the period       |               |                 |                   |                            |
| Issuance of new shares                 | 15,000        | 15,000          |                   | 30,000                     |
| Net loss by the end of the period      |               |                 | 5,350             | 5,350                      |
| Total change by the end of the period  | 15,000        | 15,000          | (5,350)           | 24,650                     |
| Balance at the end of the period       | 25,100        | 17,100          | (13,090)          | 29,109                     |

The Company issued 2,000,000 shares of its common stock to The Dai-ichi Life Insurance Co., Ltd. in August 2015. Capital stock and capital surplus increased 15,000 million yen, respectively.

## 3. Amounts are rounded down to the nearest unit.

**Notes to the Unaudited Non-Consolidated Statements of Earnings**

Nine months ended December 31, 2015

1. Net loss for the period per share is 3,606.07 yen.

2. Amounts are rounded down to the nearest unit.



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

(millions of yen)

|   |           | Nine months ended<br>December 31, 2014 | Nine months ended<br>December 31, 2015 |
|---|-----------|--|--|
| Fundamental profit  | A         | 442                                    | (5,370)                                |
| Capital gains   |           | 0                                      | —                                      |
| Gains on money held in trust                                      |           | —                                      | —                                      |
| Gains on investment in trading securities                         |           | —                                      | —                                      |
| Gains on sale of securities                                       |           | 0                                      | —                                      |
| Derivative transaction gains                                      |           | —                                      | —                                      |
| Foreign exchange gains  |           | —                                      | —                                      |
| Others  |           | —                                      | —                                      |
| Capital losses  |           | —                                      | —                                      |
| Losses on money held in trust                                     |           | —                                      | —                                      |
| Losses on investment in trading securities                        |           | —                                      | —                                      |
| Losses on sale of securities                                      |           | —                                      | —                                      |
| Losses on valuation of securities                                 |           | —                                      | —                                      |
| Derivative transaction losses                                     |           | —                                      | —                                      |
| Foreign exchange losses   |           | —                                      | —                                      |
| Others  |           | —                                      | —                                      |
| Net capital gains (losses)  | B         | 0                                      | —                                      |
| Fundamental profit plus net capital gains (losses)<br>A + B       |           | 442                                    | (5,370)                                |
| Other one-time gains  |           | 23                                     | 24                                     |
| Reinsurance income  |           | —                                      | —                                      |
| Reversal of contingency reserve                                   |           | 23                                     | 24                                     |
| Reversal of specific reserve for possible loan losses             |           | 0                                      | 0                                      |
| Others  |           | —                                      | —                                      |
| Other one-time losses   |           | —                                      | —                                      |
| Ceding reinsurance commissions                                    |           | —                                      | —                                      |
| Provision for contingency reserve                                 |           | —                                      | —                                      |
| Provision for specific reserve for possible loan losses           |           | —                                      | —                                      |
| Provision for specific reserve for loans to refinancing countries |           | —                                      | —                                      |
| Write-down of loans   |           | —                                      | —                                      |
| Others  |           | —                                      | —                                      |
| Other one-time profits (losses)                                   | C         | 23                                     | 24                                     |
| Ordinary profit (loss)  | A + B + C | 466                                    | (5,345)                                |

## 6. Solvency Margin Ratio

(millions of yen)

|  | As of March 31,<br>2015 | As of December<br>31, 2015 |
|--|-------------------------|----------------------------|
| Total solvency margin (A)  | 4,936                   | 29,563                     |
| Common stock, etc.   | 4,459                   | 29,109                     |
| Reserve for price fluctuations   | 19                      | 20                         |
| Contingency reserve  | 455                     | 430                        |
| General reserve for possible loan losses   | —                       | —                          |
| Net unrealized gains on securities (before tax) × 90%<br>(In the case of negative: 100%)             | 2                       | 2                          |
| Net unrealized gains (losses) on real estate × 85%<br>(In the case of negative: 100%)                | —                       | —                          |
| Policy reserves in excess of surrender values  | —                       | —                          |
| Qualifying subordinated debt   | —                       | —                          |
| Excluded portion of policy reserve in excess of surrender values and<br>qualifying subordinated debt | —                       | —                          |
| Brought-in capital, etc.   | —                       | —                          |
| Excluded items   | —                       | —                          |
| Others   | —                       | —                          |
| Total Risk   | 478                     | 567                        |
| $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)   |                         |                            |
| Insurance risk R1  | 369                     | 344                        |
| 3rd sector insurance risk R8   | 84                      | 84                         |
| Assumed investment yield risk R2   | 0                       | 0                          |
| Guaranteed minimum benefit risk R7   | —                       | —                          |
| Investment risk R3   | 89                      | 336                        |
| Business risk R4   | 16                      | 22                         |
| Solvency margin ratio<br>$\frac{(A)}{(1/2) \times (B)} \times 100$                                   | 2,064.1%                | 10,412.6%                  |

Note: The figures as of March 31, 2015 are calculated based on Articles 86 and 87 of the Enforcement Regulations of the Insurance Business Act, and Announcement No. 50, Ministry of Finance, 1996.

The figures as of December 31, 2015 are calculated by using the method which is deemed appropriate taking the regulations and announcement above into account.

## 7. Status of Separate Account

Not applicable.

## 8. Consolidated Financial Summary

Not applicable.