

February 14, 2019

## Financial Results for the Nine Months Ended December 31, 2018

The Neo First Life Insurance Company, Limited (the “Company”; President: Yuji Tokuoka) announces its financial results for the nine months ended December 31, 2018.

[Contents]

### Financial Summary for the Nine Months Ended December 31, 2018

1. Business Highlights .....	P.1
2. Investment Results of General Account .....	P.3
3. Unaudited Non-Consolidated Balance Sheets .....	P.6
4. Unaudited Non-Consolidated Statements of Earnings.....	P.7
5. Breakdown of Ordinary Profit (Fundamental Profit) .....	P.9
6. Solvency Margin Ratio .....	P.10
7. Status of Separate Account .....	P.10
8. Consolidated Financial Summary .....	P.10

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

## 1. Business Highlights

### (1) Annualized Net Premiums

- Policies in Force (millions of yen except percentages)

	As of March 31, 2018	As of December 31, 2018	
			% of March 31, 2018 total
Individual insurance	19,690	107,551	546.2
Individual annuities	—	—	—
Total	19,690	107,551	546.2
Medical and survival benefits	5,231	8,655	165.5

- New Policies (millions of yen except percentages)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018	
			% of December 31, 2017 total
Individual insurance	2,237	88,810	3,968.5
Individual annuities	—	—	—
Total	2,237	88,810	3,968.5
Medical and survival benefits	2,046	3,879	189.5

Notes: 1. Annualized net premiums are calculated by using multipliers for various premium payment terms to the premium per payment.

2. Annualized net premium for medical and survival benefits includes (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 the disability cause is excluded but causes such as specific illness and nursing care are included.

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

### - Policies in Force

	As of March 31, 2018		As of December 31, 2018			
	Number of policies	Amount (billions of yen)	Number of policies		Amount (billions of yen)	
				% of March 31, 2018 total		% of March 31, 2018 total
Individual insurance	114,626	720.2	191,748	167.3	827.9	115.0
Individual annuities	—	—	—	—	—	—
Group insurance	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—

### - New Policies

	Nine months ended December 31, 2017				Nine months ended December 31, 2018					
	Number of policies	Amount (billions of yen)			Number of policies		Amount (billions of yen)			
			New Business	Net increase by conversions		% of December 31, 2017 total		% of December 31, 2017 total	New Business	Net increase by conversions
Individual insurance	32,502	101.7	101.7	—	85,196	262.1	153.5	150.9	153.5	—
Individual annuities	—	—	—	—	—	—	—	—	—	—
Group insurance	—	—	—	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—	—	—	—

## 2. Investment Results of General Account

### (1) Asset Composition

(millions of yen)

	As of March 31, 2018		As of December 31, 2018	
	Carrying amount	%	Carrying amount	%
Cash, deposits, and call loans	35,065	78.0	69,199	55.4
Securities repurchased under resale agreements	—	—	—	—
Deposit paid for securities borrowing transactions	—	—	—	—
Monetary claims bought	—	—	—	—
Trading account securities	—	—	—	—
Money held in trust	—	—	—	—
Securities	2,455	5.5	12,596	10.1
Domestic bonds	2,224	4.9	6,425	5.1
Domestic stocks	30	0.1	57	0.0
Foreign securities	200	0.4	6,113	4.9
Foreign bonds	200	0.4	6,113	4.9
Foreign stocks and other securities	—	—	—	—
Other securities	—	—	—	—
Loans	—	—	2	0.0
Real estate	—	—	97	0.1
Deferred tax assets	—	—	—	—
Others	7,457	16.6	42,992	34.4
Reserve for possible loan losses	(0)	(0.0)	(0)	(0.0)
Total	44,977	100.0	124,887	100.0
Foreign currency-denominated assets	—	—	—	—

Note: The amounts of buildings were posted for real estate.

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

(millions of yen)

	As of March 31, 2018					As of December 31, 2018				
	Book value	Fair value	Gains (losses)			Book value	Fair value	Gains (losses)		
			Gains	Losses				Gains	Losses	
Held-to-maturity bonds	2,324	2,339	14	16	1	12,440	12,441	1	35	34
Policy-reserve-matching bonds	—	—	—	—	—	—	—	—	—	—
Stocks of subsidiaries and affiliated companies	—	—	—	—	—	—	—	—	—	—
Available-for-sale securities	100	100	0	0	—	130	155	25	27	1
Domestic bonds	—	—	—	—	—	—	—	—	—	—
Domestic stocks	—	—	—	—	—	30	57	27	27	—
Foreign securities	100	100	0	0	—	100	98	(1)	—	1
Foreign bonds	100	100	0	0	—	100	98	(1)	—	1
Foreign stocks and other securities	—	—	—	—	—	—	—	—	—	—
Other securities	—	—	—	—	—	—	—	—	—	—
Monetary claims bought	—	—	—	—	—	—	—	—	—	—
Certificates of deposit	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—
Total	2,424	2,439	14	16	1	12,570	12,597	26	63	36
Domestic bonds	2,224	2,239	14	16	1	6,425	6,446	21	28	7
Domestic stocks	—	—	—	—	—	30	57	27	27	—
Foreign securities	199	200	0	0	—	6,115	6,093	(21)	6	28
Foreign bonds	199	200	0	0	—	6,115	6,093	(21)	6	28
Foreign stocks and other securities	—	—	—	—	—	—	—	—	—	—
Other securities	—	—	—	—	—	—	—	—	—	—
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:  
(millions of yen)

	As of March 31, 2018	As of December 31, 2018
Held-to-maturity bonds	—	—
Unlisted foreign bonds	—	—
Others	—	—
Policy-reserve-matching bonds	—	—
Stocks of subsidiaries and affiliated companies	—	—
Available-for-sale securities	30	—
Unlisted domestic stocks (except over-the-counter stocks)	30	—
Unlisted foreign stocks (except over-the-counter stocks)	—	—
Unlisted foreign bonds	—	—
Others	—	—
Total	30	—

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

Not applicable.

### 3. Unaudited Non-Consolidated Balance Sheets

(millions of yen)

	As of March 31, 2018 (Summarized)	As of December 31, 2018
	Amount	Amount
<b>(ASSETS)</b>		
Cash and deposits	35,065	69,199
Securities	2,455	12,596
[Corporate bonds]	[2,224]	[6,425]
[Domestic stocks]	[30]	[57]
[Foreign securities]	[200]	[6,113]
Loans	—	2
Policy loans	—	2
Tangible fixed assets	213	279
Intangible fixed assets	2	9
Reinsurance receivables	6,138	40,474
Other assets	1,102	2,326
Reserve for possible loan losses	(0)	(0)
<b>Total assets</b>	<b>44,977</b>	<b>124,887</b>
<b>(LIABILITIES)</b>		
Policy reserves and others	16,083	93,989
Reserves for outstanding claims	218	306
Policy reserves	15,864	93,682
Reinsurance payable	54	115
Other liabilities	10,729	8,695
Corporate income tax payable	7	6
Lease liabilities	0	—
Other liabilities	10,721	8,689
Reserve for price fluctuations	4	4
Deferred tax liabilities	0	7
<b>Total liabilities</b>	<b>26,871</b>	<b>102,811</b>
<b>(NET ASSETS)</b>		
Capital stock	27,599	32,599
Capital surplus	19,599	24,599
Legal capital surplus	19,599	24,599
Retained earnings	(29,093)	(35,141)
Other retained earnings	(29,093)	(35,141)
Retained earnings brought forward	(29,093)	(35,141)
Total shareholders' equity	18,106	22,057
Net unrealized gains (losses) on securities, net of tax	0	18
Total of valuation and translation adjustments	0	18
<b>Total net assets</b>	<b>18,106</b>	<b>22,075</b>
<b>Total liabilities and net assets</b>	<b>44,977</b>	<b>124,887</b>

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

(millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
	Amount	Amount
<b>ORDINARY REVENUES</b>	5,213	125,903
Premium and other income	5,194	125,866
[Premium income]	[5,159]	[87,634]
Investment income	6	34
[Interest and dividends]	[5]	[33]
Other ordinary revenues	12	2
<b>ORDINARY EXPENSES</b>	11,121	131,938
Benefits and claims	1,140	6,007
[Claims]	[662]	[735]
[Benefits]	[384]	[907]
[Surrender values]	[0]	[57]
[Other refunds]	[8]	[173]
Provision for policy reserves and others	1,623	77,905
Provision for reserves for outstanding claims	106	87
Provision for policy reserves	1,517	77,818
Investment expenses	0	0
[Interest expenses]	[0]	[0]
Operating expenses	8,254	47,605
Other ordinary expenses	102	419
<b>ORDINARY PROFIT (LOSS)</b>	(5,908)	(6,035)
<b>EXTRAORDINARY GAINS</b>	3	—
Reversal of reserve for price fluctuations	3	—
<b>EXTRAORDINARY LOSSES</b>	11	6
Losses on disposal of fixed assets	11	6
Income (loss) before income taxes	(5,916)	(6,041)
Corporate income taxes - current	5	6
Total of corporate income taxes	5	6
Net income (loss) for the period	(5,921)	(6,048)



## Notes to the Unaudited Non-Consolidated Balance Sheets

As of December 31, 2018
1. Dividends paid Not applicable.
2. Marked Changes in Shareholders' Equity On June 29, 2018, the Company received funds from Dai-ichi Life Holdings, Inc. for a capital increase via a private placement. As a result, capital stock and legal capital surplus increased ¥4,999 million and ¥4,999 million, respectively, in the nine months ended December 31, 2018, and capital stock and legal capital surplus rose to ¥32,599 million and ¥24,599 million, respectively, at the end of the nine months ended December 31, 2018.
3. Amounts are rounded off to the unit stated.

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

Nine months ended December 31, 2018
1. Net loss per share for the nine months ended December 31, 2018 was ¥1,899.41.
2. Amounts are rounded off to the unit stated.

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

(millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Fundamental profit (loss) <span style="float: right;">A</span>	(5,792)	(5,819)
Capital gains	—	—
Gains on money held in trust	—	—
Gains on investment in trading securities	—	—
Gains on sale of securities	—	—
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) <span style="float: right;">B</span>	—	—
Fundamental profit plus net capital gains (losses) <span style="float: right;">A + B</span>	(5,792)	(5,819)
Other one-time gains	0	0
Reinsurance income	—	—
Reversal of contingency reserve	—	—
Reversal of specific reserve for possible loan losses	0	0
Others	—	—
Other one-time losses	115	215
Ceding reinsurance commissions	—	—
Provision for contingency reserve	115	215
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) <span style="float: right;">C</span>	(115)	(215)
Ordinary profit (loss) <span style="float: right;">A + B + C</span>	(5,908)	(6,035)

## 6. Solvency Margin Ratio

(millions of yen)

	As of March 31, 2018	As of December 31, 2018
Total solvency margin (A)	21,825	41,898
Common stock, etc.	18,106	22,057
Reserve for price fluctuations	4	4
Contingency reserve	670	886
General reserve for possible loan losses	—	—
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% (Multiplied by 100% if losses)	0	23
Net unrealized gains (losses) on real estate × 85% (Multiplied by 100% if losses)	—	—
Policy reserves in excess of surrender values	3,044	18,927
Qualifying subordinated debt	—	—
Excluded portion of policy reserve in excess of surrender values and qualifying subordinated debt	—	—
Excluded items	—	—
Others	—	—
Total Risk		
$\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	831	1,576
Insurance risk $R_1$	385	411
3rd sector insurance risk $R_8$	283	472
Assumed investment yield risk $R_2$	0	1
Guaranteed minimum benefit risk $R_7$	—	—
Investment risk $R_3$	435	1,227
Business risk $R_4$	33	63
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	5,250.4%	5,315.3%

Note: The figures as of March 31, 2018 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, 2018 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.