[Unofficial Translation]

November 14, 2016
Koichiro Watanabe
President and Representative Director
Dai-ichi Life Holdings, Inc.
Code: 8750 (TSE First section)

# Supplementary Materials for the Six Months Ended September 30,2016
# (The Neo First Life Insurance Company, Limited)

November 14, 2016

# Financial Results for the Six Months Ended September 30, 2016

The Neo First Life Insurance Co., Ltd. (the "Company"; President: Yuji Tokuoka) announces its financial results for the six months ended September 30, 2016.

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* Amounts stated in tables and financial statements are rounded off to the unit. If there are numbers less than the unit, they are written as "0," and if there is no relevant amount, etc., it is written as "-." Rates are rounded.

* 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, 2016 | As of September 30, 2016 | % of March 31, 2016 total |
|---|---|---|---|
| Individual insurance | 3,938 | 4,357 | 110.6 |
| Individual annuities | — | — | — |
| Total | 3,938 | 4,357 | 110.6 |
| Medical and survival benefits | 1,179 | 1,607 | 136.3 |

- New Policies (millions of yen except percentages)

| | Six months ended September 30, 2015 | Six months ended September 30, 2016 | % of September 30, 2015 |
|---|---|---|---|
| Individual insurance | 44 | 492 | 1,116.1 |
| Individual annuities | — | — | — |
| Total | 44 | 492 | 1,116.1 |
| Medical and survival benefits | 40 | 456 | 1,126.4 |

Note: 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) 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) Sum Insured of Policies in Force and New Policies**

- Policies in Force

| | As of March 31, 2016 | | As of September 30, 2016 | | | |
|---|---|---|---|---|---|---|
| | Number of policies | Amount (billions of yen) | Number of policies | | Amount (billions of yen) | |
| | | | | % of March 31, 2016 total | | % of March 31, 2016 total |
| Individual insurance | 46,061 | 595.0 | 53,633 | 116.4 | 573.4 | 96.4 |
| Individual annuities | — | — | — | — | — | — |
| Group insurance | — | — | — | — | — | — |
| Group annuities | — | — | — | — | — | — |

- New Policies

| | Six months ended September 30, 2015 | | | | Six months ended September 30, 2016 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Number of policies | Amount (billions of yen) | | | Number of policies | | Amount (billions of yen) | | | |
| | | | New Business | Net increase by conversions | | % of September 30, 2015 | | % of September 30, 2015 | New Business | Net increase by conversions |
| Individual insurance | 1,156 | 0.3 | 0.3 | — | 9,271 | 802.0 | 4.9 | 1,505.6 | 4.9 | — |
| Individual annuities | — | — | — | — | — | — | — | — | — | — |
| Group insurance | — | — | — | — | — | — | — | — | — | — |
| Group annuities | — | — | — | — | — | — | — | — | — | — |

**(3) Profit and Loss Items** (millions of yen except percentages)

| | Six months ended September 30, 2015 | Six months ended September 30, 2016 | |
|---|---|---|---|
| | | | % of September 30, 2015 |
| Premium and other income | 1,902 | 2,211 | 116.3 |
| Investment income | 1 | 0 | 70.6 |
| Benefits and claims | 507 | 685 | 135.0 |
| Investment expenses | 0 | 0 | 66.8 |

**(4) Total assets** (millions of yen except percentages)

| | As of March 31, 2016 | As of September 30, 2016 | |
|---|---|---|---|
| | | | % of March 31, 2016 |
| Total Assets | 29,771 | 26,837 | 90.1 |

## 2. Investment of General Account Assets for the Six Months Ended September 30, 2016

### (1) Investment Environment

- During the six months ended September 30, 2016, the Japanese economy experienced low growth due to the slowdown of the recovery in individual consumption and production adjustments caused by a buildup of inventory in the past, while it experienced favorable employment and income conditions.
- The U.S. economy slowed down mainly as a result of the correction of the corporate sector in light of a strong U.S. dollar and a decline of crude oil prices, while individual consumption kept expanding backed by an improved employment and income environment.
- The European economy continued its moderate recovery owing to the enhanced monetary easing measures implemented by the European Central Bank (ECB).
- Given the economic environment described above, the investment environment was as follows:

[Domestic interest rates]

- The ten-year Japanese government bond (JGB) yield once declined close to the -0.3% level, caused by the negative interest rate policy of the Bank of Japan (BOJ). After that, the JGB yield remained stable around zero, because the BOJ set an operating target for the long-term interest rate under the quantitative and qualitative monetary easing measures with yield curve control.

| | | |
|---|---|---|
| Yield on ten-year government bonds: | April 1, 2016 | -0.050% |
| | September 30, 2016 | -0.085% |

[Domestic Stocks]

- The Nikkei 225 temporarily declined to below the 15,000 level, due to a global movement forwards risk aversion as a result of the Brexit referendum in the U.K. After that, the Nikkei 225 kept steady due mainly to the expanded ETFs purchases by the BOJ and the announcement of the second supplementary budget of the Japanese Government for this fiscal year.

| | | |
|---|---|---|
| Nikkei 225 Stock Average: | April 1, 2016 | 16,758 |
| | September 30, 2016 | 16,449 |
| TOPIX: | April 1, 2016 | 1,347 |
| | September 30, 2016 | 1,322 |

[Foreign Currency]

- The U.S. dollar remained weak, due to the more cautious stance of the Federal Reserve Board (FRB) on the pace to raise interest rates caused mainly by a crude oil prices and Brexit confusion, as the FRB continued to consider an additional rate hike.
- The yen's appreciation against the euro progressed, due mainly to the uncertainty surrounding the economy of the E.U. in light of the Brexit referendum.

| | | |
|---|---|---|
| yen /U.S. dollar: | April 1, 2016 | ¥112.68 |
| | September 30, 2016 | ¥101.12 |
| yen/euro: | April 1, 2016 | ¥127.70 |
| | September 30, 2016 | ¥113.36 |

### (2) Investment Policies

The Company worked to secure stable funds, paying attention to safety and cashability (liquidity).
The Company does not hold securitized products as part of its assets under management.

### (3) Investment Results

General account assets as of September 30, 2016 were ¥26,837 million. The balance of assets under management included deposits of ¥24,638 million, domestic bonds of ¥962 million, and other securities of ¥513 million. In investment income, interest and dividends were ¥0 million. In terms of investment expenses, interest expenses were ¥0 million.

## 3. Investment Results of General Account

### (1) Asset Composition

(millions of yen)

| | As of March 31, 2016 | | As of September 30, 2016 | |
|---|---|---|---|---|
| | Carrying amount | % | Carrying amount | % |
| Cash, deposits, and call loans | 26,739 | 89.8 | 24,638 | 91.8 |
| Securities repurchased under resale agreements | — | — | — | — |
| Deposit paid for securities borrowing transactions | — | — | — | — |
| Monetary claims bought | — | — | — | — |
| Trading account securities | — | — | — | — |
| Money held in trust | — | — | — | — |
| Securities | 2,280 | 7.7 | 1,475 | 5.5 |
| Domestic bonds | 1,364 | 4.6 | 962 | 3.6 |
| Domestic stocks | — | — | — | — |
| Foreign securities | — | — | — | — |
| Foreign bonds | — | — | — | — |
| Foreign stocks and other securities | — | — | — | — |
| Other securities | 916 | 3.1 | 513 | 1.9 |
| Loans | — | — | — | — |
| Real estate | — | — | — | — |
| Deferred tax assets | — | — | — | — |
| Others | 752 | 2.5 | 724 | 2.7 |
| Reserve for possible loan losses | (1) | (0.0) | (1) | (0.0) |
| Total | 29,771 | 100.0 | 26,837 | 100.0 |
| Foreign currency-denominated assets | — | — | — | — |

### (2) Changes (Increase/Decrease) in Assets

(millions of yen)

| | Six months ended September 30, 2015 | Six months ended September 30, 2016 |
|---|---|---|
| Cash, deposits, and call loans | 27,468 | (2,101) |
| Securities repurchased under resale agreements | — | — |
| Deposit paid for securities borrowing transactions | — | — |
| Monetary claims bought | — | — |
| Trading account securities | — | — |
| Money held in trust | — | — |
| Securities | (601) | (805) |
| Domestic bonds | (601) | (401) |
| Domestic stocks | — | — |
| Foreign securities | — | — |
| Foreign bonds | — | — |
| Foreign stocks and other securities | — | — |
| Other securities | 0 | (403) |
| Loans | — | — |
| Real estate | — | — |
| Deferred tax assets | — | — |
| Others | 391 | (28) |
| Reserve for possible loan losses | 0 | 0 |
| Total | 27,258 | (2,934) |
| Foreign currency-denominated assets | — | — |

**(3) Investment Income**

(millions of yen)

| | Six months ended September 30, 2015 | Six months ended September 30, 2016 |
|---|---|---|
| Interest and dividends | 1 | 0 |
| Interest from bank deposits | — | — |
| Interest and dividends from securities | 1 | 0 |
| Interest from loans | — | — |
| Rental income | — | — |
| Other interest and dividends | — | — |
| Gains on trading account securities | — | — |
| Gains on money held in trust | — | — |
| Gains on investments in trading securities | — | — |
| Gains on sale of securities | — | — |
| Gains on sale of domestic bonds | — | — |
| Gains on sale of domestic stocks | — | — |
| Gains on sale of foreign securities | — | — |
| Others | — | — |
| Gains on redemption of securities | — | — |
| Derivative transaction gains | — | — |
| Foreign exchange gains | — | — |
| Reversal of reserve for possible loan losses | 0 | 0 |
| Other investment income | — | — |
| Total | 1 | 0 |

**(4) Investment Expense**

(millions of yen)

| | Six months ended September 30, 2015 | Six months ended September 30, 2016 |
|---|---|---|
| Interest expenses | 0 | 0 |
| Losses on trading account securities | — | — |
| Losses on money held in trust | — | — |
| Losses on investments in trading securities | — | — |
| Losses on sale of securities | — | — |
| Losses on sale of domestic bonds | — | — |
| Losses on sale of domestic stocks | — | — |
| Losses on sale of foreign securities | — | — |
| Others | — | — |
| Losses on valuation of securities | — | — |
| Losses on valuation of domestic bonds | — | — |
| Losses on valuation of domestic stocks | — | — |
| Losses on valuation of foreign securities | — | — |
| Others | — | — |
| Losses on redemption of securities | — | — |
| Derivative transaction losses | — | — |
| Foreign exchange losses | — | — |
| Provision for reserve for possible loan losses | — | — |
| Write-down of loans | — | — |
| Depreciation of real estate for rent and others | — | — |
| Other investment expenses | — | — |
| Total | 0 | 0 |

**(5) Valuation Gains and Losses on Trading Securities**

Not applicable.

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

(millions of yen)

| | As of March 31, 2016 | | | | | As of September 30, 2016 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 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 affiliated companies | — | — | — | — | — | — | — | — | — | — |
| Available-for-sale securities | 2,276 | 2,280 | 3 | 3 | — | 1,472 | 1,475 | 2 | 2 | 0 |
| Domestic bonds | 1,360 | 1,364 | 3 | 3 | — | 959 | 962 | 2 | 2 | 0 |
| Domestic stocks | — | — | — | — | — | — | — | — | — | — |
| Foreign securities | — | — | — | — | — | — | — | — | — | — |
| Foreign bonds | — | — | — | — | — | — | — | — | — | — |
| Foreign stocks and other securities | — | — | — | — | — | — | — | — | — | — |
| Other securities | 916 | 916 | — | — | — | 513 | 513 | — | — | — |
| Monetary claims bought | — | — | — | — | — | — | — | — | — | — |
| Certificates of deposit | — | — | — | — | — | — | — | — | — | — |
| Others | — | — | — | — | — | — | — | — | — | — |
| Total | 2,276 | 2,280 | 3 | 3 | — | 1,472 | 1,475 | 2 | 2 | 0 |
| Domestic bonds | 1,360 | 1,364 | 3 | 3 | — | 959 | 962 | 2 | 2 | 0 |
| Domestic stocks | — | — | — | — | — | — | — | — | — | — |
| Foreign securities | — | — | — | — | — | — | — | — | — | — |
| Foreign bonds | — | — | — | — | — | — | — | — | — | — |
| Foreign stocks and other securities | — | — | — | — | — | — | — | — | — | — |
| Other securities | 916 | 916 | — | — | — | 513 | 513 | — | — | — |
| Monetary claims bought | — | — | — | — | — | — | — | — | — | — |
| Certificates of deposit | — | — | — | — | — | — | — | — | — | — |
| Others | — | — | — | — | — | — | — | — | — | — |

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

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

Not applicable.

## 4. Unaudited Non-Consolidated Balance Sheets

(millions of yen)

| | As of March 31, 2016 (Summarized) | As of September 30, 2016 |
|---|---|---|
| | Amount | Amount |
| (ASSETS) | | |
| Cash and deposits | 26,739 | 24,638 |
| Securities | 2,280 | 1,475 |
| [Government bonds] | [1,364] | [862] |
| [Corporate bonds] | [—] | [99] |
| Tangible fixed assets | 221 | 201 |
| Intangible fixed assets | 3 | 4 |
| Reinsurance receivables | 36 | 23 |
| Other assets | 491 | 495 |
| Reserve for possible loan losses | (1) | (1) |
| Total assets | 29,771 | 26,837 |
| (LIABILITIES) | | |
| Policy reserves and others | 999 | 1,317 |
| Reserves for outstanding claims | 116 | 194 |
| Policy reserves | 882 | 1,122 |
| Reinsurance payable | 28 | 30 |
| Other liabilities | 1,370 | 907 |
| Corporate income tax payable | 1 | 3 |
| Lease liabilities | 12 | 9 |
| Other liabilities | 1,356 | 894 |
| Reserve for employees' retirement benefits | 6 | 18 |
| Reserve for price fluctuations | 20 | 14 |
| Deferred tax liabilities | 1 | 0 |
| Total liabilities | 2,425 | 2,288 |
| (NET ASSETS) | | |
| Capital stock | 25,100 | 25,100 |
| Capital surplus | 17,100 | 17,100 |
| Legal capital surplus | 17,100 | 17,100 |
| Retained earnings | (14,856) | (17,653) |
| Other retained earnings | (14,856) | (17,653) |
| Retained earnings brought forward | (14,856) | (17,653) |
| Total shareholders' equity | 27,343 | 24,546 |
| Net unrealized gains (losses) on securities, net of tax | 2 | 1 |
| Total of valuation and translation adjustments | 2 | 1 |
| Total net assets | 27,346 | 24,548 |
| Total liabilities and net assets | 29,771 | 26,837 |

## 5. Unaudited Non-Consolidated Statements of Earnings

(millions of yen)

| | Six months ended September 30, 2015 | Six months ended September 30, 2016 |
|---|---|---|
| | Amount | Amount |
| ORDINARY REVENUES | 1,922 | 2,213 |
| Premium and other income | 1,902 | 2,211 |
| [Premium income] | [1,845] | [2,147] |
| Investment income | 1 | 0 |
| [Interest and dividends] | [1] | [0] |
| Other ordinary revenues | 19 | 0 |
| [Transfer from policy reserves] | [8] | [—] |
| ORDINARY EXPENSES | 5,632 | 5,012 |
| Benefits and claims | 507 | 685 |
| [Claims] | [310] | [489] |
| [Benefits] | [126] | [133] |
| [Other refunds] | [2] | [3] |
| Provision for policy reserves and others | 45 | 318 |
| Provision for reserves for outstanding claims | 45 | 77 |
| Provision for policy reserves | — | 240 |
| Investment expenses | 0 | 0 |
| [Interest expenses] | [0] | [0] |
| Operating expenses | 4,925 | 3,944 |
| Other ordinary expenses | 153 | 64 |
| ORDINARY PROFIT (LOSS) | (3,709) | (2,798) |
| EXTRAORDINARY GAINS | — | 5 |
| EXTRAORDINARY LOSSES | 0 | — |
| Income (loss) before income taxes | (3,710) | (2,793) |
| Corporate income taxes - current | 2 | 3 |
| Total of corporate income taxes | 2 | 3 |
| Net income (loss) for the period | (3,712) | (2,796) |

## 6. Unaudited Non-Consolidated Statements of Changes in Net Assets

Six months ended September 30, 2015

(millions of yen)

| | Shareholders' equity | | | |
|---|---|---|---|---|
| | Capital stock | Capital surplus | Retained earnings | Total shareholders' equity |
| | | Legal capital surplus | Other retained earnings | |
| | | | Retained earnings brought forward | |
| Balance at the beginning of the year | 10,100 | 2,100 | (7,740) | 4,459 |
| Changes for the period | | | | |
| Issuance of new shares | 15,000 | 15,000 | | 30,000 |
| Net loss for the period | | | 3,712 | 3,712 |
| Net changes of items other than shareholders' equity | | | | |
| Total changes for the period | 15,000 | 15,000 | (3,712) | 26,287 |
| Balance at the end of the period | 25,100 | 17,100 | (11,453) | 30,746 |

| | Valuation and translation adjustments | | Total net assets |
|---|---|---|---|
| | Net unrealized gains (losses) on securities, net of tax | Total of valuation and translation adjustments | |
| Balance at the beginning of the year | 1 | 1 | 4,461 |
| Changes for the period | | | |
| Issuance of new shares | | | 30,000 |
| Net loss for the period | | | 3,712 |
| Net changes of items other than shareholders' equity | (0) | (0) | (0) |
| Total changes for the period | (0) | (0) | 26,286 |
| Balance at the end of the period | 1 | 1 | 30,748 |

Six months ended September 30, 2016

(millions of yen)

| | Shareholders' equity | | | |
|---|---|---|---|---|
| | Capital stock | Capital surplus | Retained earnings | Total shareholders' equity |
| | | Legal capital surplus | Other retained earnings | |
| | | | Retained earnings brought forward | |
| Balance at the beginning of the year | 25,100 | 17,100 | (14,856) | 27,343 |
| Changes for the period | | | | |
| Net loss for the period | | | 2,796 | 2,796 |
| Net changes of items other than shareholders' equity | | | | |
| Total changes for the period | | | (2,796) | (2,796) |
| Balance at the end of the period | 25,100 | 17,100 | (17,653) | 24,546 |

| | Valuation and translation adjustments | | Total net assets |
|---|---|---|---|
| | Net unrealized gains (losses) on securities, net of tax | Total of valuation and translation adjustments | |
| Balance at the beginning of the year | 2 | 2 | 27,346 |
| Changes for the period | | | |
| Net loss for the period | | | 2,796 |
| Net changes of items other than shareholders' equity | (0) | (0) | (0) |
| Total changes for the period | (0) | (0) | (2,797) |
| Balance at the end of the period | 1 | 1 | 24,548 |

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

As of September 30, 2016

1. Valuation Methods of Securities
Available-for-sale securities which have market value are valued at fair value as of September 30, 2016 (cost is determined by the moving average method). For available-for-sale securities whose market values are extremely difficult to recognize, government and corporate bonds whose premium or discount represents the interest adjustment are valued at the amortized cost determined by the moving average method, and all others are valued at cost determined by the moving average method.
Net unrealized gains or losses on these available-for-sale securities are presented as a separate component of net assets and not in the non-consolidated statement of earnings.

2. Depreciation of Depreciable Assets
(1) Depreciation of Tangible Fixed Assets Excluding Leased Assets
Depreciation of tangible fixed assets excluding leased assets is calculated by the declining balance method and is computed by proportionally allocating the estimated depreciation for the fiscal year.
(2) Depreciation of Leased Assets
Depreciation of leased assets with regard to finance leases whose ownership does not transfer to the lessees is computed under the straight-line method assuming zero remaining value.
(3) Amortization of Intangible Fixed Assets Excluding Leased Assets
Amortization of software is calculated by the straight-line method, based on the estimated useful life of the software.

3. Reserve for Possible Loan Losses
To prepare for possible loan losses, the reserve for possible loan losses is calculated based on the asset quality assessment regulations, the internal rules for self-assessment, the write-offs and reserves recording regulations, and the internal rules for write-offs and reserves that have been established by the Company.
For loans to and claims on obligors for which the Company has serious concerns over their recoverability or whose value is assessed by the Company to have been damaged materially as a result of the assessment of individual loans or claims, the amount that is deemed necessary is provided.

4. Reserve for Employees' Retirement Benefits
For the reserve for employees' retirement benefits, the amount is provided based on the projected benefit obligations as of September 30, 2016.

5. Reserve for Price Fluctuations
A reserve for price fluctuations is calculated in accordance with the provisions of Article 115 of the Insurance Business Act.

6. Calculation of National and Local Consumption Tax
The Company accounts for national and local consumption tax by the tax-inclusion method.

7. Policy Reserves
Policy reserves of the Company are established in accordance with Article 116 of the Insurance Business Act. Insurance premium reserves are calculated as follows:
(1) Reserves for policies subject to the standard policy reserve rules are calculated based on the methods stipulated by the Commissioner of the Financial Services Agency (Notification of the Minister of Finance No. 48, 1996).
(2) Reserves for other policies are established based on the net level premium method.

8. Difference between Value on Balance Sheet and Fair Value of Major Financial Assets
The differences between the value on the balance sheet and the fair value of major financial assets are as follows:

(millions of yen)

| | Value on Balance Sheet | Fair Value | Difference |
|---|---|---|---|
| (1) Cash and deposits | 24,638 | 24,638 | — |
| (2) Securities | 1,475 | 1,475 | — |
| Available-for-sale securities | 1,475 | 1,475 | — |

(1) Cash and deposits
The fair value of cash and deposits is calculated by the book value because the fair value is almost the same as the book value.
(2) Securities
The fair value of securities is calculated by the market value as of September 30, 2016.

As of September 30, 2016

9. Reinsurance
The amount of reserves for outstanding claims for reinsured parts defined in Article 71, Paragraph 1 of the Enforcement Regulations of the Insurance Business Act, which is referred to in Article 73, Paragraph 3 of the Regulations (hereinafter "reserves for outstanding claims reinsured") was ¥10 million. The amount of policy reserves provided for reinsured parts defined in Article 71, Paragraph 1 of the Regulations (hereinafter "policy reserves reinsured") was ¥53 million.

10. Obligations to the Life Insurance Policyholders Protection Corporation of Japan
The estimated future obligations of the Company to the Life Insurance Policyholders Protection Corporation of Japan under Article 259 of the Insurance Business Act were ¥71 million as of September 30, 2016. These obligations will be recognized as operating expenses in the period in which they are paid.

11. Amounts are rounded off to the unit stated.

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

Six months ended September 30, 2016

1. Reinsurance
In the calculation of the provision for reserves for outstanding claims, there is no reversal of reserves for outstanding claims for reinsured parts that are tallied. In the calculation of the provision for policy reserves, the amount of reversal of policy reserves corresponding to the reinsured parts that are tallied is ¥1 million.

2. Interest and Dividends
Interest and dividends for the six months ended September 30, 2016 were interest and dividends from securities of ¥0 million.

3. Net Income per Share
Net income per share for the six months ended September 30, 2016 was ¥1,165.41.

4. Amounts are rounded off to the unit stated.

**Notes to the Unaudited Non-Consolidated Statements of Changes in Net Assets**

Six months ended September 30, 2016

1. Type and Number of Shares Outstanding

(thousands of shares)

| | At the beginning of the fiscal year ending March 31, 2017 | Increase | Decrease | As of September 30, 2016 |
|---|---|---|---|---|
| Shares outstanding | | | | |
| Common stock | 2,400 | — | — | 2,400 |

2. Stock Acquisition Rights and Own Stock Acquisition Rights
Not applicable.

3. Dividends paid
Not applicable.

4. Amounts are rounded off to the unit stated.

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

(millions of yen)

| | | Six months ended September 30, 2015 | Six months ended September 30, 2016 |
|---|---|---|---|
| Fundamental profit | A | (3,729) | (2,795) |
| 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) | B | — | — |
| Fundamental profit plus net capital gains (losses) | A + B | (3,729) | (2,795) |
| Other one-time gains | | 20 | 0 |
| Reinsurance income | | — | — |
| Reversal of contingency reserve | | 20 | — |
| Reversal of specific reserve for possible loan losses | | 0 | 0 |
| Others | | — | — |
| Other one-time losses | | — | 3 |
| Ceding reinsurance commissions | | — | — |
| Provision for contingency reserve | | — | 3 |
| 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 | 20 | (3) |
| Ordinary profit (loss) | A + B + C | (3,709) | (2,798) |

## 8. Disclosed Claims Based on Categories of Obligors

Not applicable.

## 9. Risk-Monitored Loans

Not applicable.

## 10. Solvency Margin Ratio

(millions of yen)

| | | As of March 31, 2016 | As of September 30, 2016 |
|---|---|---|---|
| Total solvency margin | (A) | 27,795 | 24,995 |
| Common stock, etc. | | 27,343 | 24,546 |
| Reserve for price fluctuations | | 20 | 14 |
| Contingency reserve | | 428 | 432 |
| 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) | | 3 | 2 |
| Net unrealized gains (losses) on real estate × 85% | | — | — |
| Policy reserves in excess of surrender values | | — | — |
| 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) | 557 | 536 |
| Insurance risk | $R_1$ | 336 | 322 |
| 3rd sector insurance risk | $R_8$ | 89 | 107 |
| Assumed investment yield risk | $R_2$ | 0 | 0 |
| Guaranteed minimum benefit risk | $R_7$ | — | — |
| Investment risk | $R_3$ | 323 | 282 |
| Business risk | $R_4$ | 22 | 21 |
| Solvency margin ratio $\frac{(A)}{(1/2) \times (B)}$ x 100 | | 9,969.9% | 9,323.7% |

Note: The figures above 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.

<Reference> Actual difference between assets and liabilities

(millions of yen)

| | | As of March 31, 2016 | As of September 30, 2016 |
|---|---|---|---|
| Total amount that is to be reported in assets | (1) | 29,771 | 26,837 |
| Amount calculated based on total amount that is to be reported in liabilities | (2) | 1,927 | 1,619 |
| Actual difference between assets and liabilities | (1) - (2) | 27,844 | 25,217 |

Note: There are no corresponding items in held-to-maturity bonds and policy-reserve-matching bonds.

## 11. Status of Separate Account

Not applicable.

## 12. Consolidated Financial Summary

Not applicable.