

Financial Results for the Nine Months Ended December 31, 2015 (Summary)

1. Business Performance

- ◇ Insurance premiums and other income stood at ¥2,528.7 billion, decreased by 1.5% year on year due to the purposed tightening of the sales volume of single premium whole life insurance in bancassurance. However, the result achieved the budget.
 - In the agency distribution channel, insurance premiums increased by 9.8% year on year due to strong sales of single premium products including "Pioneer Care Plus" launched in August, 2015.
- ◇ Annualized new premiums totaled ¥140.7 billion, increased by 10.9% year on year. New policies of "Best Style", the main product capable of providing comprehensive protection, contributed to performance.
 - Due to the strong sales of "Pioneer Care Plus" and "Medical style F", third-sector insurance (such as medical and nursing care insurance) totaled ¥27.3 billion, increased by 10.3% year on year.
- ◇ Annualized premiums from business in force achieved ¥2,185.3 billion, increased by 2.1% compared with the end of FY 2014.

○ Breakdown of insurance premiums income

(billions of yen)

| | Nine months ended December 31, 2015 | | Change | Nine months ended December 31, 2014 |
|---|--|--------|--------|--|
| | | | | |
| Insurance premiums and other* | 2,528.7 | -1.5% | | 2,566.0 |
| Individual life insurance and annuities | 1,689.5 | +1.9% | | 1,658.1 |
| Agency Distribution Channel | 1,076.4 | +9.8% | | 980.4 |
| Bancassurance Channel | 574.9 | -10.3% | | 641.1 |
| Group life insurance and group pensions | 809.4 | -7.3% | | 873.6 |

*Represent premium income and reinsurance refunds

○ Annualized new premiums (individual life insurance and annuities)

(billions of yen)

| | Nine months ended December 31, 2015 | | Change | Nine months ended December 31, 2014 |
|----------------------------------|--|--------|--------|--|
| | | | | |
| Annualized new premiums | 140.7 | +10.9% | | 126.9 |
| Agency Distribution Channel | 93.1 | +31.3% | | 70.8 |
| Bancassurance Channel | 45.4 | -16.0% | | 54.1 |
| Third-sector insurance* premiums | 27.3 | +10.3% | | 24.8 |

*Third-sector insurance includes benefits related to medical insurance, living benefits and premium payment waiver.

○ Annualized premiums from business in force (individual life insurance and annuities)

(billions of yen)

| | As of December 31, 2015 | | Change | As of March 31, 2015 |
|---------------------|----------------------------|-------|--------|-------------------------|
| | | | | |
| Annualized premiums | 2,185.3 | +2.1% | | 2,141.3 |

◀Reference▶Quality indicators of policies

○ Surrender and lapse (individual life insurance and annuities) (billions of yen, %)

| | Nine months ended December 31, 2015 | Change | Nine months ended December 31, 2014 |
|--------------------------|---|-----------|--|
| | Annualized premiums of surrendered and lapsed policies | 53.6 | -0.1% |
| Surrender and lapse rate | 3.34 | -0.06 pts | 3.40 |

Note: The calculation of surrender and lapse rate is based on the policy amounts and is not annualized.

○ Persistency rate (individual life insurance and annuities) (%)

| | Nine months ended December 31, 2015 | Change | Nine months ended December 31, 2014 |
|-----------------------------|--|----------|--|
| | 13th month persistency rate | 95.7 | +2.1 pts |
| 25th month persistency rate | 86.8 | +0.9 pts | 85.9 |

Note: The calculation of persistency rate is based on the policy amounts.

2. Indicators of profitability

◇ Base profit totaled ¥ 339.1 billion, a year on year increase by ¥ 4.4 billion. The appreciation of dollar against yen, the increase and resumption of dividends in domestic stocks contributed to the increase of interest and dividend income.

○ Base profit (billions of yen)

| | Nine months ended December 31, 2015 | Change | Nine months ended December 31, 2014 |
|--|--|--------|--|
| | Base profit | 339.1 | 4.4 |

◀Reference▶

○ Capital gains/losses (billions of yen)

| | Nine months ended December 31, 2015 | Change | Nine months ended December 31, 2014 |
|-------------------------------------|--|---------|--|
| | Capital gains/losses | (89.1) | (222.8) |
| Gains/losses on sales of securities | 6.3 | (175.4) | 181.8 |

3. Indicators of financial soundness

- ◇ Solvency margin ratio decreased compared with the end of FY2014, due to the decrease of net unrealized gains on available-for-sale securities and increase of investment risk. However, the ratio continues to show superior financial soundness.
- ◇ Unrealized gains in general account investment assets totaled ¥5,671.4 billion, ¥53.2 billion increase compared with the end of FY 2014. Lower interest rates contributed to the increase of unrealized gains in domestic bonds.

○ Solvency margin ratio

(billions of yen, %)

| | As of December 31, 2015 | | As of March 31, 2015 |
|---------------------------|-------------------------|-----------|----------------------|
| | | Change | |
| Solvency margin ratio | 996.8 | -44.2 pts | 1,041.0 |
| Total solvency margin (A) | 7,309.3 | 118.6 | 7,190.6 |
| Total risk (B) | 1,466.5 | 85.1 | 1,381.4 |

Note: Solvency margin ratio = (A)/(1/2x(B))x100

Calculated by the method deemed to be reasonable in accordance with the laws and regulations

○ Real net assets

(billions of yen, %)

| | As of December 31, 2015 | | As of March 31, 2015 |
|--|-------------------------|----------|----------------------|
| | | Change | |
| Real net assets | 8,953.8 | 54.5 | 8,899.3 |
| Ratio in general account investment assets | 24.8 | -0.2 pts | 25.0 |

Note: Calculated by the method deemed to be reasonable in accordance with the laws and regulations

○ Internal reserves

(billions of yen)

| | As of December 31, 2015 | | As of March 31, 2015 |
|-------------------|-------------------------|--------|----------------------|
| | | Change | |
| Internal reserves | 2,272.0 | 75.0 | 2,197.0 |

○ Unrealized gains in general account investment assets

(billions of yen)

| | As of December 31, 2015 | | As of March 31, 2015 |
|---|-------------------------|---------|----------------------|
| | | Change | |
| Unrealized gains in general account investment assets | 5,671.4 | 53.2 | 5,618.2 |
| Securities with market price* | 5,324.6 | 47.8 | 5,276.7 |
| Domestic bonds | 1,942.5 | 268.9 | 1,673.5 |
| Domestic stocks | 2,355.3 | (61.8) | 2,417.2 |
| Foreign securities | 977.0 | (160.0) | 1,137.1 |

*Including securities that are deemed appropriate to handle under the Financial Instruments and Exchange Act

○ Breakeven Points

Breakeven Points indicate the level of Nikkei 225/TOPIX at which unrealized gains and losses cancel out on domestic stocks held if the Company's portfolio and the market indices fully correlate

| | As of December 31, 2015 | As of March 31, 2015 |
|------------|-------------------------|----------------------|
| Nikkei 225 | approx.7,900yen | approx.7,800yen |
| TOPIX | approx.640pts | approx.630pts |

Note: The approximate breakeven points are ¥7,800 for Nikkei 225 and 630 pts for TOPIX as calculated based on the historical correlation coefficient between the Company's portfolio and stock market indices.