
Financial Results for the Nine Months Ended December 31, 2012

The Dai-ichi Frontier Life Insurance Co., Ltd. (the "Company"; President: Satoru Tsutsumi) announces its financial results for the nine months ended December 31, 2012.

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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, 2012		As of December 31, 2012			
	Number of Policies (thousands)	Amount (millions of yen)	Number of Policies		Amount	
			(thousands)	% of March 31, 2012 total	(millions of yen)	% of March 31, 2012 total
Individual insurance	0	3,248	6	1,533.6	61,732	1,900.2
Individual annuities	316	1,753,047	355	112.3	1,975,128	112.7
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-

Note: Policy amount in force for individual annuities is equal to the sum of (a) the amount required to fund annuity payments when they commence for annuities that have not yet commenced paying out and (b) policy reserves for annuities that have commenced paying out.

New Policies

	Number of Policies		Amount			
	(thousands)	% of December 31, 2011 total	(millions of yen)	% of December 31, 2011 total	New Business	Net increase from conversions
Nine months ended December 31, 2012						
Individual insurance	6	2,641.4	54,107	2,563.3	54,107	-
Individual annuities	49	109.5	251,108	105.9	251,108	-
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-
Nine months ended December 31, 2011						
Individual insurance	0		2,110		2,110	-
Individual annuities	45		237,198		237,198	-
Group insurance	-		-		-	-
Group annuities	-		-		-	-

Note: Amount of new policies (new business) for individual annuities is equal to the amount required to fund annuity payments when they commence.

(2) Annualized Net Premiums

Policies in Force

(millions of yen except percentages)

	As of March 31, 2012	As of December 31, 2012	
			% of March 31, 2012 total
Individual insurance	261	4,246	1,623.9
Individual annuities	191,074	221,111	115.7
Total	191,336	225,358	117.8
Medical and survival benefits	-	-	-

New Policies

(millions of yen except percentages)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012	% of December 31, 2011 total
Individual insurance	172	3,690	2,141.8
Individual annuities	31,470	36,033	114.5
Total	31,642	39,723	125.5
Medical and survival benefits	-	-	-

Note: Annualized net premiums are calculated by multiplying the per-premium payments by a multiplier that depends on the premium payment terms. For single-premium contracts, the amount is calculated by dividing the premium by the duration of the policy.

2. Investment Results of General Account

(1) Asset Composition

(millions of yen except percentages)

	As of March 31, 2012		As of December 31, 2012	
	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	18,907	3.6	32,184	4.3
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	-	-	-	-
Trading account securities	-	-	-	-
Money held in trust	27,594	5.2	24,159	3.2
Securities	437,495	83.2	644,434	86.7
Domestic bonds	219,716	41.8	296,161	39.8
Domestic stocks	-	-	-	-
Foreign securities	217,778	41.4	348,273	46.8
Foreign bonds	211,576	40.2	345,820	46.5
Foreign stocks and other securities	6,202	1.2	2,453	0.3
Other securities	-	-	-	-
Loans	-	-	-	-
Real estate	-	-	-	-
Deferred tax assets	-	-	-	-
Others	42,145	8.0	42,775	5.8
Reserve for possible loan losses	(17)	(0.0)	(7)	(0.0)
Total	526,124	100.0	743,547	100.0
Foreign currency-denominated assets	174,718	33.2	308,217	41.5

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

(millions of yen)

	Book value	Fair value	Gains (losses)		
			Gains	Losses	
As of December 31, 2012					
Bonds held to maturity	-	-	-	-	-
Policy-reserve-matching bonds	260,740	265,700	4,960	5,359	398
Stocks of subsidiaries and affiliates	-	-	-	-	-
Securities available for sale	368,926	381,240	12,314	13,205	891
Domestic bonds	185,187	189,200	4,012	4,622	609
Domestic stocks	-	-	-	-	-
Foreign securities	183,738	192,040	8,301	8,583	282
Foreign bonds	183,738	192,040	8,301	8,583	282
Foreign stocks and other securities	-	-	-	-	-
Other securities	-	-	-	-	-
Monetary claims bought	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	629,666	646,941	17,274	18,564	1,290
Domestic bonds	292,148	296,407	4,259	5,139	879
Domestic stocks	-	-	-	-	-
Foreign securities	337,518	350,533	13,015	13,425	410
Foreign bonds	337,518	350,533	13,015	13,425	410
Foreign stocks and other securities	-	-	-	-	-
Other securities	-	-	-	-	-
Monetary claims bought	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
As of March 31, 2012					
Bonds held to maturity	-	-	-	-	-
Policy-reserve-matching bonds	104,338	104,799	460	661	201
Stocks of subsidiaries and affiliates	-	-	-	-	-
Securities available for sale	321,371	326,953	5,581	6,645	1,064
Domestic bonds	172,051	175,358	3,306	3,931	624
Domestic stocks	-	-	-	-	-
Foreign securities	149,320	151,595	2,275	2,714	439
Foreign bonds	149,320	151,595	2,275	2,714	439
Foreign stocks and other securities	-	-	-	-	-
Other securities	-	-	-	-	-
Monetary claims bought	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	425,710	431,752	6,042	7,307	1,265
Domestic bonds	216,410	219,867	3,457	4,085	628
Domestic stocks	-	-	-	-	-
Foreign securities	209,300	211,885	2,584	3,222	637
Foreign bonds	209,300	211,885	2,584	3,222	637
Foreign stocks and other securities	-	-	-	-	-
Other securities	-	-	-	-	-
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.

(3) Fair Value Information on Money Held in Trust

(millions of yen)

	Carrying value on the balance sheet	Fair value	Gains (losses)	
			Gains	Losses
As of December 31, 2012	24,159	24,159	(13,534)	13,534
As of March 31, 2012	27,594	27,594	(14,865)	14,865

Note: 1. Fair value equivalents appearing in this table are based on prices calculated using a reasonable method by trustees of money held in trust.

2. Gains(losses) are valuation gains(losses) that were included in the statement of earnings.

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

(millions of yen)

	As of March 31, 2012		As of December 31, 2012	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statements of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statements of earnings
Money held in trust for investment purposes	27,594	(14,865)	24,159	(13,534)

*Information on money held in trust classified as held-to-maturity, policy-reserve-matching, or other money held in trust are as follows:

Not applicable.

3. Non-Consolidated Balance Sheets

(millions of yen)

	As of March 31, 2012 (Summarized)	As of December 31, 2012
	Amount	Amount
(ASSETS)		
Cash and deposits	13,833	24,303
Call loans	9,400	15,200
Money held in trust	27,594	24,159
Securities	1,766,859	2,044,419
[Government bonds]	[79,017]	[100,391]
[Local government bonds]	[6,632]	[7,400]
[Corporate bonds]	[134,066]	[188,369]
[Foreign securities]	[219,086]	[351,577]
Tangible fixed assets	40	43
Intangible fixed assets	1	1
Reinsurance receivables	33,931	27,528
Other assets	8,974	15,537
Reserve for possible loan losses	(17)	(7)
Total assets	1,860,617	2,151,186

(millions of yen)

	As of March 31, 2012 (Summarized)	As of December 31, 2012
	Amount	Amount
(LIABILITIES)		
Policy reserves and others	1,749,853	2,039,870
Reserves for outstanding claims	1,293	1,278
Policy reserves	1,748,559	2,038,591
Reinsurance payable	753	798
Other liabilities	17,191	24,070
Corporate income tax payable	8	19
Other liabilities	17,183	24,051
Reserve for employees' retirement benefits	84	112
Reserve for retirement benefits of directors, executive officers and corporate auditors	3	6
Reserve for price fluctuations	378	663
Deferred tax liabilities	1,717	3,789
Total liabilities	1,769,983	2,069,311
(NET ASSETS)		
Capital stock	117,500	117,500
Capital surplus	67,500	67,500
Legal capital surplus	67,500	67,500
Retained earnings	(98,229)	(111,649)
Other retained earnings	(98,229)	(111,649)
Retained earnings brought forward	(98,229)	(111,649)
Total shareholders' equity	86,770	73,350
Net unrealized gains on securities, net of tax	3,864	8,525
Total of valuation and translation adjustments	3,864	8,525
Total net assets	90,634	81,875
Total liabilities and net assets	1,860,617	2,151,186

4. Non-Consolidated Statements of Earnings

(millions of yen)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012
	Amount	Amount
ORDINARY REVENUES	255,884	425,891
Premium and other income	242,940	321,483
[Premium income]	[211,586]	[286,383]
Investment income	12,779	104,392
[Interest and dividends]	[3,139]	[9,369]
[Gains on money held in trust]	[5,706]	[-]
[Gains on investment in trading securities]	[1,701]	[-]
[Gains on sale of securities]	[42]	[2,987]
[Derivative transaction gains]	[2,186]	[-]
[Gains on investment in separate accounts]	[-]	[74,375]
Other ordinary revenues	164	15
[Reversal of reserves for outstanding claims]	[155]	[14]
ORDINARY EXPENSES	280,082	438,954
Benefits and claims	68,825	108,514
[Claims]	[17]	[54]
[Annuities]	[250]	[499]
[Benefits]	[7,764]	[10,288]
[Surrender values]	[17,927]	[49,833]
[Other refunds]	[1,112]	[1,081]
Provision for policy reserves and others	163,640	290,032
Provision for policy reserve	163,640	290,032
Investment expenses	36,261	25,637
[Interest expenses]	[-]	[0]
[Losses on money held in trust]	[-]	[13,534]
[Losses on investment in trading securities]	[-]	[3,749]
[Losses on sale of securities]	[-]	[3]
[Derivative transaction losses]	[-]	[7,888]
[Losses on investment in separate accounts]	[32,316]	[-]
Operating expenses	10,608	13,723
Other ordinary expenses	746	1,047
ORDINARY LOSS	24,197	13,062
EXTRAORDINARY LOSSES	142	294
Provision for reserve for price fluctuations	140	285
Other extraordinary losses	2	9
Loss before income taxes	24,340	13,356
Corporate income taxes - current	6	63
Total of corporate income taxes	6	63
Net loss for the period	24,346	13,420

Notes to the Non-Consolidated Balance Sheet

As of December 31, 2012

- In accordance with the Corporate Tax Law after the fiscal 2011 revision to the tax code, the Company has changed its depreciation method for tangible fixed assets acquired on or after April 1, 2012, from the first quarter of this fiscal year. As a result of this change, ordinary loss and the loss before income taxes are 0 million yen less than they would have been under the previously-used method.
- Securities lent under lending agreements are included in the balance sheets. The total balance of securities lent as of December 31, 2012 was 10,470 million yen.
- Amounts of financial instruments recorded on the balance sheet, their fair values, and differences between the two are as follows:

(millions of yen)

	Carrying amount on balance sheet	Fair value	Difference
(1) Cash and deposits	24,303	24,303	-
(2) Call loans	15,200	15,200	-
(3) Money held in trust	24,159	24,159	-
(4) Securities	2,044,419	2,049,380	4,960
(a) Trading securities	1,402,438	1,402,438	-
(b) Policy-reserve-matching bonds	260,740	265,700	4,960
(c) Other securities	381,240	381,240	-
Assets total	2,108,082	2,113,043	4,960
Derivative transactions			
(a) Derivative transactions to which hedge accounting is not applied	(19,801)	(19,801)	-
Derivative transactions total	(19,801)	(19,801)	-

Note: Derivative transactions include those attributable to money held in trust and foreign securities (investment trusts).

Net derivative assets and liabilities arising from derivative transactions are reported as a net value. A negative total indicates a net liability.

Fair values of financial instruments are calculated as follows:

(a) Cash and deposits

Deposits are recorded at book value as the deposits are close to maturities or have no maturities and their book values approximate their fair values.

(b) Call loans

Since all call loans are close to due date and their fair value is close to carrying amounts, fair value of call loans is based on their carrying amount.

(c) Money held in trust

Information on the fair value of derivative transactions attributable to money held in trust appears below in "(e) Derivative transactions".

(d) Securities

Fair value of bonds is based on the price on stock exchanges. Fair value of mutual funds is based on unit price.

(e) Derivative transactions

For foreign exchange forward contracts, futures market prices on the book closing date are used as fair value. For currency swap contracts, amounts discounted to present value are used as fair value. For futures transactions and other market traded instruments, securities exchange market closing prices are used as fair value.

Notes to the Non-Consolidated Statements of Earnings

Nine months ended December 31, 2012

- Net loss per share for the nine months ended December 31, 2012 was 7,254,153.37yen. Fully diluted net loss per share is not reported because the Company has no residual shares.
- Depreciation for the nine months ended December 31, 2012 was 25 million yen.

5. Breakdown of Net Surplus from Operations (Fundamental Profit)

(millions of yen)

		Nine months ended December 31, 2011	Nine months ended December 31, 2012
Fundamental profit	A	(31,054)	21,093
Capital gains		12,558	20,637
Gains on money held in trust		5,706	-
Gains on investment in trading securities		1,701	-
Gains on sale of securities		42	2,987
Derivative transaction gains		2,186	-
Foreign exchange gains		-	17,650
Others		2,921	-
Capital losses		3,489	40,893
Losses on money held in trust		-	13,534
Losses on investment in trading securities		-	3,749
Losses on sale of securities		-	3
Losses on valuation of securities		-	-
Derivative transaction losses		-	7,888
Foreign exchange losses		3,489	-
Others		-	15,718
Net capital gains (losses)	B	9,069	(20,255)
Fundamental profit plus net capital gains (losses)	A + B	(21,985)	837
Other one-time gains		-	-
Reinsurance income		-	-
Reversal of contingency reserve		-	-
Reversal of specific reserve for possible loan losses		-	-
Others		-	-
Other one-time losses		2,212	13,900
Ceding reinsurance commissions		-	-
Provision for contingency reserve		2,212	13,900
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	(2,212)	(13,900)
Ordinary profit (loss)	A + B + C	(24,197)	(13,062)

Note: 1. Fundamental profit includes the amount below.

	Nine months ended December 31, 2011	Nine months ended December 31, 2012
Adjustment of the portion valued in exchange rate fluctuations of foreign-currency denominated insurance's liability	(2,921)	15,718

2. Other capital gains include the amount below.

	Nine months ended December 31, 2011	Nine months ended December 31, 2012
Adjustment of the portion valued in exchange rate fluctuations of foreign-currency denominated insurance's liability	2,921	-

3. Other capital losses include the amount below.

	Nine months ended December 31, 2011	Nine months ended December 31, 2012
Adjustment of the portion valued in exchange rate fluctuations of foreign-currency denominated insurance's liability	-	15,718

4. Gains (losses) on money held in trust and gains (losses) on investment in trading securities are attributable to investments in derivative financial instruments (including investments in money held in trust, foreign securities (investment trusts)) for the purpose of mitigating the guaranteed minimum benefit risk on individual variable annuities.

6. Solvency Margin Ratio

(millions of yen)

	As of March 31, 2012	As of December 31, 2012
Total solvency margin (A)	207,088	211,581
Common stock, etc	86,770	73,350
Reserve for price fluctuations	378	663
Contingency reserve	57,157	71,058
General reserve for possible loan losses	17	7
Net unrealized gains on securities (before tax) × 90%*	5,023	11,083
Net unrealized gains (losses) on real estate × 85%*	-	-
Policy reserves in excess of surrender values	57,741	55,420
Qualifying subordinated debt	-	-
Excluded portion of policy reserves 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)	47,284	45,805
Insurance risk R_1	0	2
3rd sector insurance risk R_8	-	-
Assumed investment yield risk R_2	3,073	4,450
Guaranteed minimum benefit risk R_7	21,923	20,266
Investment risk R_3	20,910	19,753
Business risk R_4	1,377	1,334
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	875.9%	923.8%

* Multiplied by 100% if losses.

Note: 1. The figures as of March 31, 2012 are calculated based on Articles 86 and 87 of the Enforcement Regulations of Insurance Business Act, and Announcement No.50, Ministry of Finance, 1996.

The figures as of December 31, 2012 are calculated by using the method which is deemed appropriate taking the regulations and announcement above into account.

2. Guaranteed minimum benefit risk is calculated by the standard method.

7. Separate Account Status

(1) Separate Account Assets by Product

(millions of yen)

	As of March 31, 2012	As of December 31, 2012
Individual variable insurance	2,992	3,027
Individual variable annuities	1,331,738	1,405,930
Group annuities	-	-
Separate account total	1,334,731	1,408,957

(2) Policies in Force

A. Individual Variable Insurance

(millions of yen except number of policies)

	As of March 31, 2012		As of December 31, 2012	
	Number of policies (thousands)	Amount	Number of policies (thousands)	Amount
Variable insurance (defined term type)	-	-	-	-
Variable insurance (whole life type)	0	3,248	0	3,199
Total	0	3,248	0	3,199

Notes: Policy amounts not placed into separate accounts as of the end of the fiscal period are included in policies in force.

B. Individual Variable Annuities

(millions of yen except number of policies)

	As of March 31, 2012		As of December 31, 2012	
	Number of policies (thousands)	Amount	Number of policies (thousands)	Amount
Individual variable annuities	243	1,366,251	250	1,424,400

Notes: 1. Total policy amount in force for individual annuities is equal to the sum of (a) the amount required to fund annuity payments when they commence for annuities that have not yet commenced paying out and (b) policy reserves for annuities that have commenced paying out.

2. Policy amounts not placed into separate accounts as of the end of the fiscal period are included in policies in force.

8. Consolidated Financial Summary

Not applicable.

Reference: Exposure to Securitized Products and Subprime-related Investments

The Company discloses its exposure to securitized products and subprime-related investments, based on the "Leading-Practice Disclosures for Selected Exposures" included in the Financial Stability Forum (FSF) report announced in April 2008.

The Company defines "unrealized gains (losses)" as fair value less book value and "realized gains (losses)" as total of gains (losses) on sales and impairment losses.

The Company's exposure to securitized products

1. Special-Purpose Entities (SPEs, as of December 31, 2012)

The Company holds no investments in SPEs.

2. Collateralized Debt Obligation (CDOs, as of December 31, 2012)

The Company holds no investments in CDOs.

3. Other Subprime/Alt-A Exposure (as of December 31, 2012)

The Company holds no securitized products backed by subprime/Alt-A exposure.

4. Commercial Mortgage-Backed Securities (CMBS, as of December 31, 2012)

The Company holds no commercial mortgage-backed securities.

5. Leveraged Finance (as of December 31, 2012)

The Company holds no leveraged finance products.

6. Others (as of December 31, 2012)

(billions of yen)

	Fair value	Unrealized gains (losses)	Realized gains (losses)
Credit-linked note	4.0	0.0	-