
Financial Results for the Three Months Ended June 30, 2012

The Dai-ichi Frontier Life Insurance Co., Ltd. (the "Company"; President: Satoru Tsutsumi) announces its financial results for the three months ended June 30, 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

(millions of yen except number of policies)

	As of March 31, 2012		As of June 30, 2012			
	Number of Policies (thousands)	Amount	Number of Policies		Amount	
			(thousands)	% of March 31, 2012 total		% of March 31, 2012 total
Individual insurance	0	3,248	1	261.6	9,360	288.1
Individual annuities	316	1,753,047	330	104.4	1,802,103	102.8
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

(millions of yen except number of policies)

	Number of Policies		Amount			
	(thousands)	% of June 30, 2011 total		% of June 30, 2011 total	New Business	Net increase from conversions
Three months ended June 30, 2012						
Individual insurance	0	659.3	6,120	606.0	6,120	-
Individual annuities	15	172.9	81,779	172.7	81,779	-
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-
Three months ended June 30, 2011						
Individual insurance	0		1,009		1,009	-
Individual annuities	9		47,340		47,340	-
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 June 30, 2012	
			% of March 31, 2012 total
Individual insurance	261	691	264.6
Individual annuities	191,074	200,720	105.0
Total	191,336	201,412	105.3
Medical and survival benefits	-	-	-

New Policies

(millions of yen except percentages)

	Three months ended June 30, 2011	Three months ended June 30, 2012	
			% of June 30, 2011 total
Individual insurance	82	432	522.9
Individual annuities	6,038	12,322	204.1
Total	6,121	12,754	208.4
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 June 30, 2012	
	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	18,907	3.6	16,753	2.8
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	43,991	7.3
Securities	437,495	83.2	498,241	83.0
Domestic bonds	219,716	41.8	239,239	39.9
Domestic stocks	-	-	-	-
Foreign securities	217,778	41.4	259,001	43.2
Foreign bonds	211,576	40.2	250,132	41.7
Foreign stocks and other securities	6,202	1.2	8,869	1.5
Other securities	-	-	-	-
Loans	-	-	-	-
Real estate	-	-	-	-
Deferred tax assets	-	-	-	-
Others	42,145	8.0	41,243	6.9
Reserve for possible loan losses	(17)	(0.0)	(15)	(0.0)
Total	526,124	100.0	600,215	100.0
Foreign currency-denominated assets	174,718	33.2	205,714	34.3

(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 June 30, 2012					
Bonds held to maturity	-	-	-	-	-
Policy-reserve-matching bonds	154,220	157,521	3,300	3,377	76
Stocks of subsidiaries and affiliates	-	-	-	-	-
Securities available for sale	325,334	335,151	9,816	10,756	940
Domestic bonds	171,482	175,608	4,126	4,619	493
Domestic stocks	-	-	-	-	-
Foreign securities	153,852	159,542	5,690	6,137	446
Foreign bonds	153,852	159,542	5,690	6,137	446
Foreign stocks and other securities	-	-	-	-	-
Other securities	-	-	-	-	-
Monetary claims bought	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	479,554	492,672	13,117	14,134	1,016
Domestic bonds	235,113	239,711	4,598	5,094	496
Domestic stocks	-	-	-	-	-
Foreign securities	244,441	252,960	8,519	9,039	519
Foreign bonds	244,441	252,960	8,519	9,039	519
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 June 30, 2012	43,991	43,991	6,297	-
As of March 31, 2012	27,594	27,594	(14,865)	14,865

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

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 June 30, 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)	43,991	6,297

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

Not applicable.

3. Non-Consolidated Balance Sheets

(millions of yen)

	As of March 31, 2012 (Summarized)	As of June 30, 2012
	Amount	Amount
(ASSETS)		
Cash and deposits	13,833	13,451
Call loans	9,400	6,800
Money held in trust	27,594	43,991
Securities	1,766,859	1,782,910
[Government bonds]	[79,017]	[87,245]
[Local government bonds]	[6,632]	[6,821]
[Corporate bonds]	[134,066]	[145,172]
[Foreign securities]	[219,086]	[261,155]
Tangible fixed assets	40	36
Intangible fixed assets	1	1
Reinsurance receivables	33,931	31,614
Other assets	8,974	10,523
Reserve for possible loan losses	(17)	(15)
Total assets	1,860,617	1,889,315

(millions of yen)

	As of March 31, 2012 (Summarized)	As of June 30, 2012
	Amount	Amount
(LIABILITIES)		
Policy reserves and others	1,749,853	1,796,440
Reserves for outstanding claims	1,293	1,200
Policy reserves	1,748,559	1,795,240
Reinsurance payable	753	773
Other liabilities	17,191	10,648
Corporate income tax payable	8	2
Other liabilities	17,183	10,646
Reserve for employees' retirement benefits	84	95
Reserve for retirement benefits of directors, executive officers and corporate auditors	3	4
Reserve for price fluctuations	378	447
Deferred tax liabilities	1,717	3,020
Total liabilities	1,769,983	1,811,430
(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)	(113,911)
Other retained earnings	(98,229)	(113,911)
Retained earnings brought forward	(98,229)	(113,911)
Total shareholders' equity	86,770	71,088
Net unrealized gains on securities, net of tax	3,864	6,796
Total of valuation and translation adjustments	3,864	6,796
Total net assets	90,634	77,884
Total liabilities and net assets	1,860,617	1,889,315

4. Non-Consolidated Statements of Earnings

(millions of yen)

	Three months ended June 30, 2011	Three months ended June 30, 2012
	Amount	Amount
ORDINARY REVENUES	58,502	106,700
Premium and other income	54,331	90,913
[Premium income]	[43,428]	[79,924]
Investment income	4,117	15,692
[Interest and dividends]	[664]	[2,356]
[Gains on money held in trust]	[-]	[6,297]
[Gains on investment in trading securities]	[-]	[2,666]
[Gains on sale of securities]	[-]	[350]
[Derivative transaction gains]	[-]	[4,018]
[Gains on investment in separate accounts]	[3,452]	[-]
Other ordinary revenues	53	93
[Reversal of reserves for outstanding claims]	[52]	[93]
ORDINARY EXPENSES	66,702	122,302
Benefits and claims	22,953	26,634
[Claims]	[-]	[17]
[Annuities]	[97]	[191]
[Benefits]	[2,726]	[3,747]
[Surrender values]	[5,811]	[7,240]
[Other refunds]	[177]	[362]
Provision for policy reserves and others	38,349	46,680
Provision for policy reserve	38,349	46,680
Investment expenses	2,356	45,117
[Losses on money held in trust]	[911]	[-]
[Losses on investment in trading securities]	[519]	[-]
[Losses on sale of securities]	[-]	[2]
[Derivative transaction losses]	[510]	[-]
[Losses on investment in separate accounts]	[-]	[34,453]
Operating expenses	2,849	3,605
Other ordinary expenses	192	263
ORDINARY LOSS	8,199	15,602
EXTRAORDINARY LOSSES	25	77
Provision for reserve for price fluctuations	23	69
Other extraordinary losses	2	8
Loss before income taxes	8,224	15,679
Corporate income taxes - current	2	2
Total of corporate income taxes	2	2
Net loss for the period	8,226	15,681

Notes to the Non-Consolidated Balance Sheet

As of June 30, 2012

- Securities lent under lending agreements are included in the balance sheets. The total balance of securities lent as of June 30, 2012 was 10,514 million yen.
- Amounts of financial assets 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	13,451	13,453	2
(2) Call loans	6,800	6,800	-
(3) Money held in trust	43,991	43,991	-
(4) Securities	1,782,910	1,786,211	3,300
(a) Trading securities	1,293,538	1,293,538	-
(b) Policy-reserve-matching bonds	154,220	157,521	3,300
(c) Other securities	335,151	335,151	-
Assets total	1,847,153	1,850,456	3,303
Derivative transactions			
(a) Derivative transactions to which hedge accounting is not applied	(8,127)	(8,127)	-
Derivative transactions total	(8,127)	(8,127)	-

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

As for deposits with maturities, except for those which are close to maturity, present value is calculated by discounting the carrying amount for each segment based on the term, using deposit interest rate which is assumed to be applied to new deposit. As for deposits close to maturity and deposits without maturity, fair value is based on carrying amount since fair value is close to carrying amount.

(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

Three months ended June 30, 2012

- Net loss per share was 8,476,639.86yen. Fully diluted net loss per share is not reported because the Company has no residual shares.
- Depreciation for the three months ended June 30, 2012 was 8 million yen.

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

(millions of yen)

		Three months ended June 30, 2011	Three months ended June 30, 2012
Fundamental profit	A	(1,547)	(26,933)
Capital gains		198	22,336
Gains on money held in trust		-	6,297
Gains on investment in trading securities		-	2,666
Gains on sale of securities		-	350
Derivative transaction gains		-	4,018
Foreign exchange gains		-	-
Others		198	9,002
Capital losses		2,199	10,512
Losses on money held in trust		911	-
Losses on investment in trading securities		519	-
Losses on sale of securities		-	2
Losses on valuation of securities		-	-
Derivative transaction losses		510	-
Foreign exchange losses		257	10,512
Others		-	-
Net capital gains (losses)	B	(2,000)	11,823
Fundamental profit plus net capital gains (losses)	A + B	(3,548)	(15,110)
Other one-time gains		-	-
Reinsurance income		-	-
Reversal of contingency reserve		-	-
Reversal of specific reserve for possible loan losses		-	-
Others		-	-
Other one-time losses		4,650	492
Ceding reinsurance commissions		-	-
Provision for contingency reserve		4,650	492
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	(4,650)	(492)
Ordinary profit (loss)	A + B + C	(8,199)	(15,602)

Note: 1. Fundamental profit includes the amount below.

	Three months ended June 30, 2011	Three months ended June 30, 2012
Adjustment of the portion valued in exchange rate fluctuations of foreign-currency denominated annuities' liability	(198)	(9,002)

2. Other capital gains include the amount below.

	Three months ended June 30, 2011	Three months ended June 30, 2012
Adjustment of the portion valued in exchange rate fluctuations of foreign-currency denominated annuities' liability	198	9,002

3. Gains (losses) on money held in trust and gains (losses) on investments in trading securities are attributable to investments in derivative financial instruments (including investments in monetary trusts, 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 June 30, 2012
Total solvency margin (A)	207,088	192,045
Common stock, etc	86,770	71,088
Reserve for price fluctuations	378	447
Contingency reserve	57,157	57,650
General reserve for possible loan losses	17	15
Net unrealized gains on securities (before tax) × 90%*	5,023	8,835
Net unrealized gains (losses) on real estate × 85%*	-	-
Policy reserves in excess of surrender values	57,741	54,009
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	55,519
Insurance risk R_1	0	0
3rd sector insurance risk R_8	-	-
Assumed investment yield risk R_2	3,073	3,557
Guaranteed minimum benefit risk R_7	21,923	19,730
Investment risk R_3	20,910	30,615
Business risk R_4	1,377	1,617
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	875.9%	691.8%

* Multiplied by 100% if losses.

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

The figures as of June 30, 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 June 30, 2012
Individual variable insurance	2,992	2,955
Individual variable annuities	1,331,738	1,286,276
Group annuities	-	-
Separate account total	1,334,731	1,289,231

(2) Policies in Force

A. Individual Variable Insurance

(millions of yen except number of policies)

	As of March 31, 2012		As of June 30, 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	3,241
Total	0	3,248	0	3,241

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 June 30, 2012	
	Number of policies (thousands)	Amount	Number of policies (thousands)	Amount
Individual variable annuities	243	1,366,251	243	1,354,126

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 has no securitized products and subprime-related investments as of June 30, 2012.