

August 10, 2015

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## Financial Results for the Three Months Ended June 30, 2015

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The Dai-ichi Life Insurance Company, Limited (the "Company" or the "Parent Company"; President: Koichiro Watanabe) announces its financial results for the three months ended June 30, 2015.

### [Contents]

#### Financial Summary for the Three Months Ended June 30, 2015

1. Business Highlights	-----	P.1
2. Investment Results of General Account	-----	P.3
3. Unaudited Quarterly Non-Consolidated Balance Sheet	-----	P.6
4. Unaudited Quarterly Non-Consolidated Statement 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.11
8. Consolidated Financial Summary	-----	P.12

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

## 1. Business Highlights

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

#### Policies in Force

	As of March 31, 2015		As of June 30, 2015			
	Number of policies (thousands)	Amount (billions of yen)	Number of policies		Amount	
			(thousands)	% of March 31, 2015 total	(billions of yen)	% of March 31, 2015 total
Individual insurance	11,593	121,655.7	11,602	100.1	119,899.8	98.6
Individual annuities	1,544	9,291.5	1,560	101.1	9,393.9	101.1
Individual insurance and annuities	13,138	130,947.2	13,163	100.2	129,293.7	98.7
Group insurance	-	48,092.2	-	-	48,323.9	100.5
Group annuities	-	6,397.4	-	-	6,261.1	97.9

- Note: 1. Policy amount in force of individual annuities is equal to (a) the funds to be held at the time annuity payments are to commence for an annuity for which payment has not yet commenced, and (b) the amount of policy reserve for an annuity for which payments have commenced.  
 2. Policy amount in force of group annuities is equal to the amount of outstanding corresponding policy reserve.

#### New Policies

	Number of policies		Amount			
	(thousands)	% of June 30, 2014 total	(billions of yen)	New Business	Net increase by conversion	% of June 30, 2014 total
Three months ended June 30, 2014						
Individual insurance	237		838.1	1,034.1	(196.0)	
Individual annuities	25		175.8	178.0	(2.2)	
Individual insurance and annuities	263		1,013.9	1,212.2	(198.2)	
Group insurance	-		233.0	233.0	-	
Group annuities	-		0.0	0.0	-	
Three months ended June 30, 2015						
Individual insurance	234	98.6	480.5	941.5	(460.9)	57.3
Individual annuities	29	116.2	203.8	206.8	(3.0)	115.9
Individual insurance and annuities	263	100.3	684.4	1,148.4	(464.0)	67.5
Group insurance	-	-	17.7	17.7	-	7.6
Group annuities	-	-	0.1	0.1	-	204.0

- Note: 1. Number of new policies is the sum of new business and policies after conversion.  
 2. Amount of new policies for individual annuities, both new business and net increase by conversion, is equal to the funds to be held at the time annuity payments are to commence.  
 3. Amount of new policies for group annuities is equal to the initial premium payment.

#### (Reference) Surrenders and lapses in individual insurance and annuities

(billions of yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
Amount of surrenders and lapses	1,488.3	1,331.3
Surrender and lapse rate (%)	1.09	1.02

- Note: 1. The amount of lapses is not offset by the amount of lapses which are reinstated.  
 2. The table above excludes cases where the sum insured is decreased or riders are surrendered for in-force contracts.

## (2) Annualized Net Premiums

### Policies in Force

(billions of yen)

	As of March 31, 2015	As of June 30, 2015	
			% of March 31, 2015 total
Individual insurance	1,638.3	1,634.4	99.8
Individual annuities	399.3	404.9	101.4
Total	2,037.7	2,039.3	100.1
Medical and survival benefits	556.1	560.2	100.7

### New Policies

(billions of yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015	
			% of June 30, 2014 total
Individual insurance	23.2	22.8	98.1
Individual annuities	5.8	7.4	127.1
Total	29.1	30.2	103.9
Medical and survival benefits	11.4	11.7	102.1

- Note: 1. Annualized net premiums are calculated by using multipliers for various premium payment terms to the premium per payment. In single premium contracts, the amount is calculated by dividing the premium by the duration of the policy.
2. Annualized net premiums for medical and survival benefits include (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 disability cause is excluded but causes such as specific illness and nursing care are included.
3. "New policies" include net increase by conversion.

## **2. Investment Results of General Account**

### (1) Asset Composition (General Account)

(millions of yen)

	As of March 31, 2015		As of June 30, 2015	
	Carrying amount	%	Carrying amount	%
Cash, deposits, and call loans	901,853	2.5	726,176	2.0
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	259,735	0.7	252,551	0.7
Trading account securities	-	-	-	-
Money held in trust	36,122	0.1	35,039	0.1
Securities	29,670,244	83.2	29,920,587	84.0
Domestic bonds	16,088,970	45.1	16,047,426	45.0
Domestic stocks	3,754,780	10.5	3,946,705	11.1
Foreign securities	9,392,567	26.3	9,491,493	26.6
Foreign bonds	6,959,454	19.5	7,200,637	20.2
Foreign stocks and other securities	2,433,112	6.8	2,290,855	6.4
Other securities	433,926	1.2	434,962	1.2
Loans	3,029,295	8.5	2,940,756	8.3
Policy loans	428,555	1.2	423,253	1.2
Ordinary loans	2,600,740	7.3	2,517,503	7.1
Real estate	1,196,028	3.4	1,196,783	3.4
Real estate for rent	783,264	2.2	788,275	2.2
Deferred tax assets	-	-	-	-
Others	564,554	1.6	563,053	1.6
Reserve for possible loan losses	(2,105)	(0.0)	(1,994)	(0.0)
Total	35,655,728	100.0	35,632,954	100.0
Foreign currency-denominated assets	7,780,820	21.8	7,873,795	22.1

Note: 'Real estate' represents total amount of land, buildings and construction in progress.

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

(millions of yen)

	Book value	Fair value	Gains (losses)		
			Gains	Losses	
As of March 31, 2015					
Held-to-maturity bonds	45,411	49,940	4,529	4,529	-
Domestic bonds	45,411	49,940	4,529	4,529	-
Foreign bonds	-	-	-	-	-
Policy-reserve-matching bonds	11,996,350	13,835,074	1,838,724	1,839,401	677
Domestic bonds	11,965,521	13,803,860	1,838,339	1,838,998	658
Foreign bonds	30,828	31,213	384	403	19
Stocks of subsidiaries and affiliated companies	26,605	76,937	50,332	50,332	-
Available-for-sale securities	12,413,822	15,907,148	3,493,326	3,524,928	31,601
Domestic bonds	3,683,212	4,077,188	393,975	394,394	418
Domestic stocks	1,643,679	3,429,350	1,785,671	1,807,394	21,723
Foreign securities	6,531,753	7,777,156	1,245,403	1,254,663	9,260
Foreign bonds	5,917,345	6,928,625	1,011,280	1,015,396	4,115
Foreign stocks and other securities	614,408	848,531	234,123	239,267	5,144
Other securities	266,385	320,841	54,455	54,644	189
Monetary claims bought	246,203	259,735	13,531	13,541	10
Certificates of deposit	40,000	40,000	0	0	-
Money held in trust	2,587	2,876	288	288	-
<b>Total</b>	<b>24,482,189</b>	<b>29,869,101</b>	<b>5,386,912</b>	<b>5,419,191</b>	<b>32,279</b>
Domestic bonds	15,694,144	17,930,989	2,236,845	2,237,922	1,077
Domestic stocks	1,643,679	3,429,350	1,785,671	1,807,394	21,723
Foreign securities	6,588,411	7,884,503	1,296,091	1,305,371	9,279
Foreign bonds	5,948,174	6,959,838	1,011,664	1,015,799	4,134
Foreign stocks and other securities	640,237	924,664	284,427	289,572	5,144
Other securities	267,161	321,645	54,483	54,672	189
Monetary claims bought	246,203	259,735	13,531	13,541	10
Certificates of deposit	40,000	40,000	0	0	-
Money held in trust	2,587	2,876	288	288	-
As of June 30, 2015					
Held-to-maturity bonds	45,486	49,763	4,276	4,276	-
Domestic bonds	45,486	49,763	4,276	4,276	-
Foreign bonds	-	-	-	-	-
Policy-reserve-matching bonds	12,051,492	13,724,582	1,673,090	1,677,227	4,137
Domestic bonds	12,000,664	13,673,926	1,673,262	1,676,907	3,645
Foreign bonds	50,828	50,656	(171)	320	492
Stocks of subsidiaries and affiliated companies	26,585	78,015	51,430	51,430	-
Available-for-sale securities	12,846,937	16,171,716	3,324,778	3,363,720	38,941
Domestic bonds	3,636,979	4,000,425	363,445	364,113	667
Domestic stocks	1,659,883	3,621,367	1,961,483	1,973,489	12,005
Foreign securities	7,019,196	7,963,155	943,958	969,092	25,134
Foreign bonds	6,413,724	7,149,808	736,084	755,065	18,981
Foreign stocks and other securities	605,472	813,346	207,873	214,027	6,153
Other securities	277,309	321,429	44,119	45,189	1,070
Monetary claims bought	240,979	252,551	11,572	11,636	63
Certificates of deposit	10,000	9,999	(0)	-	0
Money held in trust	2,587	2,786	198	198	-
<b>Total</b>	<b>24,970,501</b>	<b>30,024,078</b>	<b>5,053,576</b>	<b>5,096,655</b>	<b>43,079</b>
Domestic bonds	15,683,130	17,724,115	2,040,984	2,045,297	4,312
Domestic stocks	1,659,883	3,621,367	1,961,483	1,973,489	12,005
Foreign securities	7,095,854	8,091,071	995,217	1,020,843	25,626
Foreign bonds	6,464,552	7,200,465	735,912	755,385	19,473
Foreign stocks and other securities	631,301	890,606	259,304	265,457	6,153
Other securities	278,065	322,185	44,119	45,189	1,070
Monetary claims bought	240,979	252,551	11,572	11,636	63
Certificates of deposit	10,000	9,999	(0)	-	0
Money held in trust	2,587	2,786	198	198	-

Note: The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Act.

\* Carrying values of securities whose fair value is deemed extremely difficult to recognize are as follows:

(millions of yen)

	As of March 31, 2015	As of June 30, 2015
Held-to-maturity bonds	-	-
Unlisted foreign bonds	-	-
Others	-	-
Policy-reserve-matching bonds	-	-
Stocks of subsidiaries and affiliated companies	1,041,622	1,044,083
Unlisted domestic stocks (except over-the-counter stocks)	206,964	206,964
Unlisted foreign stocks (except over-the-counter stocks)	777,254	779,977
Others	57,403	57,142
Available-for-sale securities	955,690	846,562
Unlisted domestic stocks (except over-the-counter stocks)	118,466	118,374
Unlisted foreign stocks (except over-the-counter stocks)	765,001	665,001
Unlisted foreign bonds	-	-
Others	72,223	63,186
<b>Total</b>	<b>1,997,313</b>	<b>1,890,645</b>

Note: 1. The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Act.

2. The amounts of foreign exchange valuation gains (losses) on foreign securities whose fair value is deemed extremely difficult to recognize and which are listed in the table above are as follows:  
gain of 104,797 million yen as of March 31, 2015 and gain of 121,113 million yen as of June 30, 2015.

(3) Fair Value Information on Money Held in Trust (General Account)

(millions of yen)

	Carrying amount on the balance sheet	Fair value	Gains (losses)	Gains (losses)	
				Gains	Losses
As of March 31, 2015	36,122	36,122	4,251	9,302	5,051
As of June 30, 2015	35,039	35,039	532	8,899	8,366

Note: Fair value in the table above is based on the valuation conducted by the fiduciary on a reasonable basis.  
"Gains (losses)" include gains (losses) from derivative transactions within the trusts.

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

(millions of yen)

	As of March 31, 2015		As of June 30, 2015	
	Carrying amount on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying amount on the balance sheet	Valuation gains (losses) included in the statement of earnings
Money held in trust for investment purpose	33,245	3,962	32,252	333

\* Information on money held in trust classified as held-to-maturity, policy-reserve-matching and available-for-sale is as follows:

(millions of yen)

	As of March 31, 2015					As of June 30, 2015				
	Book Value	Fair value	Gains (losses)	Gains (losses)		Book Value	Fair value	Gains (losses)	Gains (losses)	
				Gains	Losses				Gains	Losses
Money held in trust classified as held-to-maturity	-	-	-	-	-	-	-	-	-	-
Money held in trust classified as policy-reserve-matching	-	-	-	-	-	-	-	-	-	-
Money held in trust classified as available-for-sale	2,587	2,876	288	288	-	2,587	2,786	198	198	-

### 3. Unaudited Quarterly Non-Consolidated Balance Sheet

(millions of yen)

	As of March 31, 2015 (summarized)	As of June 30, 2015
<b>(ASSETS)</b>		
Cash and deposits	663,427	632,122
Call loans	355,300	172,900
Monetary claims bought	259,735	252,551
Money held in trust	36,122	35,039
Securities	30,673,366	30,924,167
[ Government bonds ]	[ 14,531,309 ]	[ 14,473,998 ]
[ Local government bonds ]	[ 135,572 ]	[ 137,275 ]
[ Corporate bonds ]	[ 1,675,152 ]	[ 1,678,440 ]
[ Stocks ]	[ 4,007,030 ]	[ 4,205,264 ]
[ Foreign securities ]	[ 9,799,414 ]	[ 9,909,093 ]
Loans	3,029,295	2,940,756
Policy loans	428,555	423,253
Ordinary loans	2,600,740	2,517,503
Tangible fixed assets	1,203,289	1,204,450
Intangible fixed assets	83,719	83,230
Reinsurance receivable	7,916	6,894
Other assets	427,053	435,123
Customers' liabilities for acceptances and guarantees	91,648	97,717
Reserve for possible loan losses	(2,105)	(1,994)
<b>Total assets</b>	<b>36,828,768</b>	<b>36,782,960</b>
<b>(LIABILITIES)</b>		
Policy reserves and others	30,449,617	30,391,719
Reserves for outstanding claims	203,076	202,143
Policy reserves	29,840,974	29,809,853
Reserve for policyholder dividends	405,566	379,722
Reinsurance payable	609	614
Subordinated bonds	215,727	215,727
Other liabilities	1,496,483	1,649,033
Corporate income tax payable	52,296	28,418
Lease liabilities	4,552	5,003
Asset retirement obligations	2,789	2,761
Other liabilities	1,436,844	1,612,850
Reserve for employees' retirement benefits	389,480	388,484
Reserve for retirement benefits of directors, executive officers and corporate auditors	1,990	1,947
Reserve for possible reimbursement of prescribed claims	700	611
Reserve for price fluctuations	132,453	136,453
Deferred tax liabilities	413,815	357,178
Deferred tax liabilities for land revaluation	84,908	84,662
Acceptances and guarantees	91,648	97,717
<b>Total liabilities</b>	<b>33,277,434</b>	<b>33,324,151</b>
<b>(NET ASSETS)</b>		
Capital stock	343,104	343,146
Capital surplus	343,255	343,395
Legal capital surplus	343,104	343,146
Other capital surplus	151	248
Retained earnings	430,738	474,876
Legal retained earnings	5,600	5,600
Other retained earnings	425,138	469,276
Fund for risk allowance	43,120	43,120
Fund for price fluctuation allowance	65,000	65,000
Reserve for tax basis adjustments of real estate	24,875	24,844
Retained earnings brought forward	292,143	336,311
Treasury stock	(9,723)	(24,438)
Total shareholders' equity	1,107,375	1,136,979
Net unrealized gains (losses) on securities, net of tax	2,488,665	2,368,572
Deferred hedge gains (losses)	(12,036)	(13,379)
Reserve for land revaluation	(33,424)	(34,033)
Total of valuation and translation adjustments	2,443,204	2,321,159
Subscription rights to shares	753	669
<b>Total net assets</b>	<b>3,551,333</b>	<b>3,458,808</b>
<b>Total liabilities and net assets</b>	<b>36,828,768</b>	<b>36,782,960</b>

#### 4. Unaudited Quarterly Non-Consolidated Statement of Earnings

(millions of yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
<b>ORDINARY REVENUES</b>	1,139,595	1,160,076
Premium and other income	756,782	725,243
[ Premium income ]	[ 756,711 ]	[ 725,084 ]
Investment income	299,926	330,737
[ Interest and dividends ]	[ 192,550 ]	[ 203,370 ]
[ Gains on money held in trust ]	[ 1,711 ]	[ 2,155 ]
[ Gains on sale of securities ]	[ 72,115 ]	[ 93,809 ]
[ Gains on investments in separate accounts ]	[ 30,269 ]	[ 21,353 ]
Other ordinary revenues	82,886	104,094
[ Reversal of reserves for outstanding claims ]	[ 13,867 ]	[ 932 ]
[ Transfer from policy reserves ]	[ - ]	[ 31,121 ]
<b>ORDINARY EXPENSES</b>	1,016,987	1,024,159
Benefits and claims	624,693	779,063
[ Claims ]	[ 169,129 ]	[ 174,345 ]
[ Annuities ]	[ 145,580 ]	[ 146,431 ]
[ Benefits ]	[ 115,189 ]	[ 103,485 ]
[ Surrender values ]	[ 139,183 ]	[ 187,828 ]
[ Other refunds ]	[ 55,357 ]	[ 166,633 ]
Provision for policy reserves and others	163,979	2,154
Provision for policy reserves	161,777	-
Provision for interest on policyholder dividends	2,201	2,154
Investment expenses	35,095	65,574
[ Interest expenses ]	[ 3,721 ]	[ 4,371 ]
[ Losses on sale of securities ]	[ 4,687 ]	[ 12,926 ]
[ Losses on valuation of securities ]	[ 393 ]	[ 1,473 ]
[ Derivative transaction losses ]	[ 2,567 ]	[ 19,205 ]
Operating expenses	93,516	93,468
Other ordinary expenses	99,702	83,898
<b>ORDINARY PROFIT</b>	122,607	135,917
<b>EXTRAORDINARY GAINS</b>	83	71
Gains on disposal of fixed assets	83	71
<b>EXTRAORDINARY LOSSES</b>	4,664	5,289
Losses on disposal of fixed assets	120	144
Impairment losses on fixed assets	1,044	1,145
Provision for reserve for price fluctuations	3,500	4,000
Provision for reserve for policyholder dividends	20,420	22,988
Income before income taxes	97,605	107,711
Corporate income taxes-current	40,793	38,681
Corporate income taxes-deferred	(11,197)	(7,858)
Total of corporate income taxes	29,595	30,823
Net income	68,010	76,888



## NOTES TO UNAUDITED QUARTERLY NON-CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE THREE MONTHS ENDED JUNE 30, 2015

### I. NOTES TO UNAUDITED QUARTERLY NON-CONSOLIDATED BALANCE SHEET AND SHAREHOLDERS' EQUITY, ETC. AS OF JUNE 30, 2015

#### 1. Securities Lending

Securities lent under lending agreements are included in the non-consolidated balance sheet. The total balance of securities lent as of June 30, 2015 was ¥2,583,064 million.

#### 2. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	(Unit: million yen)
Balance at the beginning of the fiscal year ending March 31, 2016.....	405,566
Dividend payment.....	(50,985)
Interest accrual.....	2,154
Provision for reserve for policyholder dividends .....	22,988
<u>Balance as of June 30, 2015.....</u>	<u>379,722</u>

#### 3. Purchase of treasury stock

The Company purchased its shares in accordance with the resolution made at the meeting of its board of directors held on May 15, 2015, under the provision of Article 156 of the Companies Act of Japan, as applied pursuant to Article 165, Paragraph 3 of the same.

As a result, treasury stock increased by ¥14,999 million for the three months ended June 30, 2015 and the amount of treasury stock was ¥24,438 million as of June 30, 2015.

### II. NOTES TO THE UNAUDITED NON-CONSOLIDATED STATEMENT OF EARNINGS FOR THE THREE MONTHS ENDED JUNE 30, 2015

#### 1. Net Income per Share

Net income per share for the three months ended June 30, 2015 was ¥64.73. Diluted net income per share for the same period was ¥64.69.

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

(millions of yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
Fundamental revenues	1,065,680	1,096,292
Premium and other income	756,782	725,243
Investment income [Interest and dividends]	226,012 192,550	234,745 203,370
Other ordinary revenues	82,886	136,303
Fundamental expense	970,594	976,286
Benefits and claims	624,693	779,063
Provision for policy reserves and others	135,527	2,154
Investment expenses	17,153	17,702
Operating expenses	93,516	93,468
Other ordinary expenses	99,702	83,898
Fundamental profit	<i>A</i> 95,086	120,006
Capital gains	73,827	95,965
Gains on money held in trust	1,711	2,155
Gains on investments in trading securities	-	-
Gains on sale of securities	72,115	93,809
Derivative transaction gains	-	-
Foreign exchange gains	-	-
Others	-	-
Capital losses	16,839	47,854
Losses on money held in trust	-	-
Losses on investments in trading securities	-	-
Losses on sale of securities	4,687	12,926
Losses on valuation of securities	393	1,473
Derivative transaction losses	2,567	19,205
Foreign exchange losses	9,191	14,248
Others	-	-
Net capital gains (losses)	<i>B</i> 56,988	48,111
Fundamental profit plus net capital gains (losses)	<i>A + B</i> 152,074	168,117
Other one-time gains	87	26
Reinsurance income	-	-
Reversal of contingency reserve	-	-
Reversal of specific reserve for possible loan losses	87	26
Others	-	-
Other one-time losses	29,554	32,226
Ceding reinsurance commissions	-	-
Provision for contingency reserve	4,500	4,500
Provision for specific reserve for possible loan losses	-	-
Provision for specific reserve for loans to refinancing countries	-	-
Write-down of loans	1	18
Others	25,052	27,708
Other one-time profits	<i>C</i> (29,466)	(32,199)
Ordinary profit	<i>A + B + C</i> 122,607	135,917

Note: "Others" in "Other one-time losses" represents the sum of the amount of provision for reserve for possible investment losses (For the three months ended June 30, 2014: 1,100 million yen) and the amount of the additional policy reserves provided (For the three months ended June 30, 2014: 23,951 million yen, For the three months ended June 30, 2015: 27,708 million yen) in accordance with Article 69, Paragraph 5 of the Enforcement Regulations of the Insurance Business Act.

## 6. Solvency Margin Ratio

(millions of yen)

	As of March 31, 2015	As of June 30, 2015
Total solvency margin <b>(A)</b>	7,261,032	7,270,207
Common stock, etc. *1	1,072,124	1,130,284
Reserve for price fluctuations	132,453	136,453
Contingency reserve	558,093	562,593
General reserve for possible loan losses	1,146	1,061
Net unrealized gains on securities (before tax) × 90% *2	3,143,993	2,992,300
Net unrealized gains (losses) on real estate × 85% *2	40,735	40,669
Policy reserves in excess of surrender values	1,846,734	1,839,478
Qualifying subordinated debt	535,727	535,727
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(71,310)	-
Excluded items	(169,507)	(169,507)
Others	170,842	201,145
Total risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ <b>(B)</b>	1,590,217	1,675,274
Insurance risk $R_1$	78,608	77,731
3rd sector insurance risk $R_8$	168,853	169,332
Assumed investment yield risk $R_2$	244,812	242,765
Guaranteed minimum benefit risk $R_7$ *3	3,427	3,352
Investment risk $R_3$	1,286,509	1,373,091
Business risk $R_4$	35,644	37,325
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	913.2%	867.9%

\*1: Expected disbursements from capital outside the Company and valuation and translation adjustments are excluded.

\*2: Multiplied by 100% if losses.

\*3: Calculated by standard method.

Note: The figures as of March 31, 2015 are calculated based on Articles 86, 87 of the Enforcement Regulations of Insurance Business Act, and Announcement No. 50, Ministry of Finance, 1996.

The figures as of June 30, 2015 are calculated by using the method which is deemed appropriate taking the regulations and announcement above into account.

## **7. Status of Separate Account**

### (1) Separate Account Assets by Product

(millions of yen)

	As of March 31, 2015	As of June 30, 2015
Individual variable insurance	60,475	63,193
Individual variable annuities	94,089	87,688
Group annuities	1,104,893	1,092,435
Separate account total	1,259,458	1,243,317

### (2) Sum Insured of Policies in Force of Individual Variable Insurance and Annuities (Separate Account)

#### A. Individual variable insurance

(millions of yen except number of policies)

	As of March 31, 2015		As of June 30, 2015	
	Number of policies	Amount	Number of policies	Amount
Individual variable insurance (term life)	163	816	155	780
Individual variable insurance (whole life)	44,438	274,919	44,213	273,698
Total	44,601	275,736	44,368	274,479

Note: Policies in force include term life riders.

#### B. Individual variable annuities

(millions of yen except number of policies)

	As of March 31, 2015		As of June 30, 2015	
	Number of policies	Amount	Number of policies	Amount
Individual variable annuities	21,519	107,654	19,536	105,897

Note: Sum insured of policies in force includes that of annuities for which payments have commenced.

## **8. Consolidated Financial Summary**

### (1) Selected Financial Data and Other Information

(millions of yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
Ordinary revenues	1,654,031	1,871,005
Ordinary profit	124,915	181,034
Net income attributable to shareholders of parent company	68,471	115,223
Comprehensive income	228,944	(49,198)

Effective the three months ended June 30, 2015, a change from net income to net income attributable to shareholders of parent company has been made.

(millions of yen)

	As of March 31, 2015	As of June 30, 2015
Total assets	49,837,202	50,253,682
Solvency margin ratio	818.2%	773.4%

### (2) Scope of Consolidation and Application of Equity Method

	As of June 30, 2015
Number of consolidated subsidiaries	61
Number of non-consolidated subsidiaries accounted for under the equity method	0
Number of affiliates accounted for under the equity method	47

For information regarding changes in subsidiaries and affiliates, please refer to "I. Guidelines for Preparation of Unaudited Quarterly Consolidated Financial Statements" (P.16).

## (3) Unaudited Consolidated Balance Sheet

(millions of yen)

	As of March 31, 2015 (summarized)	As of June 30, 2015
<b>ASSETS</b>		
Cash and deposits	873,444	856,915
Call loans	380,400	205,100
Monetary claims bought	265,813	258,638
Money held in trust	65,283	64,319
Securities	41,105,413	41,761,666
Loans	3,898,148	3,823,054
Tangible fixed assets	1,217,070	1,218,332
Intangible fixed assets	437,677	422,668
Reinsurance receivable	101,290	110,255
Other assets	1,401,047	1,434,926
Net defined benefit assets	705	728
Deferred tax assets	1,379	1,511
Customers' liabilities for acceptances and guarantees	91,648	97,717
Reserve for possible loan losses	(2,120)	(2,152)
<b>Total assets</b>	<b>49,837,202</b>	<b>50,253,682</b>
<b>LIABILITIES</b>		
Policy reserves and others	42,547,013	42,920,115
Reserves for outstanding claims	506,735	524,827
Policy reserves	41,634,712	42,015,564
Reserve for policyholder dividends	405,566	379,722
Reinsurance payable	56,248	54,646
Bonds payable	489,045	482,559
Other liabilities	1,864,717	2,101,012
Net defined benefit liabilities	331,322	333,179
Reserve for retirement benefits of directors, executive officers and corporate auditors	2,017	1,963
Reserve for possible reimbursement of prescribed claims	700	611
Reserve for price fluctuations	136,254	140,837
Deferred tax liabilities	643,398	560,751
Deferred tax liabilities for land revaluation	84,908	84,662
Acceptances and guarantees	91,648	97,717
<b>Total liabilities</b>	<b>46,247,274</b>	<b>46,778,058</b>
<b>NET ASSETS</b>		
Capital stock	343,104	343,146
Capital surplus	343,255	329,728
Retained earnings	352,985	432,004
Treasury stock	(9,723)	(24,438)
Total shareholders' equity	1,029,622	1,080,441
Net unrealized gains (losses) on securities, net of tax	2,528,262	2,355,068
Deferred hedge gains (losses)	(12,036)	(13,375)
Reserve for land revaluation	(33,424)	(34,033)
Foreign currency translation adjustments	22,654	34,559
Accumulated remeasurements of defined benefit plans	54,027	52,226
Total accumulated other comprehensive income	2,559,484	2,394,445
Subscription rights to shares	753	669
Non-controlling interests	67	67
<b>Total net assets</b>	<b>3,589,927</b>	<b>3,475,623</b>
<b>Total liabilities and net assets</b>	<b>49,837,202</b>	<b>50,253,682</b>

(4) Unaudited Consolidated Statements of Earnings and Comprehensive Income  
[Unaudited Consolidated Statements of Earnings]

(millions of yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
<b>ORDINARY REVENUES</b>	<b>1,654,031</b>	<b>1,871,005</b>
Premium and other income	1,225,248	1,336,290
Investment income	353,583	444,625
[ Interest and dividends ]	[ 199,382 ]	[ 252,437 ]
[ Gains on money held in trust ]	[ 598 ]	[ 774 ]
[ Gains on investments in trading securities ]	[ 4,573 ]	[ 44,287 ]
[ Gains on sale of securities ]	[ 72,441 ]	[ 99,368 ]
[ Gains on investments in separate accounts ]	[ 72,581 ]	[ 24,042 ]
Other ordinary revenues	75,199	90,089
<b>ORDINARY EXPENSES</b>	<b>1,529,115</b>	<b>1,689,970</b>
Benefits and claims	755,242	1,090,011
[ Claims ]	[ 187,064 ]	[ 255,826 ]
[ Annuities ]	[ 156,445 ]	[ 176,201 ]
[ Benefits ]	[ 128,768 ]	[ 121,519 ]
[ Surrender values ]	[ 175,943 ]	[ 281,475 ]
Provision for policy reserves and others	504,951	298,173
Provision for policy reserves	502,749	296,018
Provision for interest on policyholder dividends	2,201	2,154
Investment expenses	34,639	46,360
[ Interest expenses ]	[ 3,954 ]	[ 6,862 ]
[ Losses on sale of securities ]	[ 4,769 ]	[ 13,075 ]
[ Losses on valuation of securities ]	[ 393 ]	[ 1,473 ]
[ Derivative transaction losses ]	[ 1,069 ]	[ 11,092 ]
Operating expenses	128,482	145,207
Other ordinary expenses	105,799	110,218
Ordinary profit	124,915	181,034
<b>EXTRAORDINARY GAINS</b>	<b>84</b>	<b>76</b>
Gains on disposal of fixed assets	83	71
Other extraordinary gains	0	4
<b>EXTRAORDINARY LOSSES</b>	<b>4,970</b>	<b>5,874</b>
Losses on disposal of fixed assets	127	144
Impairment losses on fixed assets	1,044	1,145
Provision for reserve for price fluctuations	3,799	4,583
Other extraordinary losses	0	2
Provision for reserve for policyholder dividends	20,420	22,988
Income before income taxes	99,608	152,247
Corporate income taxes-current	42,663	42,907
Corporate income taxes-deferred	(11,533)	(5,889)
Total of corporate income taxes	31,130	37,017
Net income	68,477	115,230
Net income attributable to non-controlling interests	6	6
Net income attributable to shareholders of parent company	68,471	115,223

[Unaudited Consolidated Statements of Comprehensive Income]

(millions of yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
Net income	68,477	115,230
Other comprehensive income	160,466	(164,428)
Net unrealized gains (losses) on securities, net of tax	166,917	(173,571)
Deferred hedge gains (losses)	(6,946)	(1,339)
Foreign currency translation adjustments	469	13,676
Remeasurements of defined benefit plans, net of tax	(230)	(1,803)
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	256	(1,391)
Comprehensive income	228,944	(49,198)
Attributable to shareholders of the parent company	228,937	(49,205)
Attributable to non-controlling interests	7	7



## **NOTES TO THE UNAUDITED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE THREE MONTHS ENDED JUNE 30, 2015**

### **I. GUIDELINES FOR PREPARATION OF UNAUDITED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS**

The Parent Company made no significant changes to the preparation of the quarterly consolidated financial statements.

### **II. NOTES TO UNAUDITED QUARTERLY CONSOLIDATED BALANCE SHEET AND SHAREHOLDERS' EQUITY, ETC. AS OF JUNE 30, 2015**

#### **1. Changes in Accounting Policies**

Effective the three months ended June 30, 2015, the Parent Company applied the "Revised Accounting Standard for Business Combinations" (ASBJ Statement No. 21 issued on September 13, 2013), the "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22 issued on September 13, 2013), the "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No. 7 issued on September 13, 2013) and other standards. Accordingly, the accounting method was changed ( i ) to record the difference arising from changes in equity interest in those subsidiaries over which the Parent Company continues to exercise control, as capital surplus of the Parent Company, and ( ii ) to record business acquisition costs as expenses for the relevant fiscal year. Regarding business combinations which become effective on or after April 1, 2015, the accounting method was changed to retroactively reflect adjustments to the provisional allocation of acquisition cost recorded in the relevant consolidated financial statements. In addition, the changes in the presentation of net income and the changes in the presentation from minority interests to non-controlling interests have been implemented.

The Business Combinations Accounting Standard and other standards were applied in accordance with the transitional treatment set forth in Paragraph 58-2 (3) of the "Revised Accounting Standard for Business Combinations", Paragraph 44-5 (3) of the "Revised Accounting Standard for Consolidated Financial Statements" and Paragraph 57-4 (3) of the "Revised Accounting Standard for Business Divestitures". The cumulative effects arising from the retroactive application of these new accounting policies to all the previous fiscal years were added to or deducted from capital surplus and retained earnings as of April 1, 2015.

As a result, goodwill decreased by ¥16,962 million, capital surplus decreased by ¥13,667 million, and retained earnings decreased by ¥3,295 million as of April 1, 2015. In addition, both ordinary profits and income before income taxes for the three months ended June 30, 2015 increased by ¥209 million, respectively.

#### **2. Securities Lending**

Securities lent under lending agreements are included in the consolidated balance sheet. The total balance of securities lent as of June 30, 2015 was ¥2,611,306 million.

### 3. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	(Unit: million yen)
Balance at the beginning of the fiscal year ending March 31, 2016.....	405,566
Dividend payment.....	(50,985)
Interest accrual.....	2,154
Provision for reserve for policyholder dividends .....	22,988
<u>Balance as of June 30, 2015.....</u>	<u>379,722</u>

### 4. Dividends on Common Stock

Date of resolution	June 23, 2015 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥33,359 million
Dividend per share	¥28
Record date	March 31, 2015
Effective date	June 24, 2015
Dividend resource	Retained earnings

Note: Total dividends do not include ¥182 million of dividends to the Stock Granting Trust and the Trust-type Employee Stockholding Incentive Plan, as the Parent Company recognized the shares held by those trusts as treasury shares.

### 5. Purchase of treasury stock

The Parent Company purchased its shares in accordance with the resolution made at the meeting of its board of directors held on May 15, 2015, under the provision of Article 156 of the Companies Act of Japan, as applied pursuant to Article 165, Paragraph 3 of the same.

As a result, treasury stock increased by ¥14,999 million for the three months ended June 30, 2015 and the amount of treasury stock was ¥24,438 million as of June 30, 2015.

## III. NOTES TO UNAUDITED QUARTERLY CONSOLIDATED STATEMENT OF EARNINGS FOR THE THREE MONTHS ENDED JUNE 30, 2015

### 1. Calculation of Tax

Income taxes of certain consolidated subsidiaries of the Parent Company are calculated by applying a reasonably estimated effective tax rate for the full fiscal year to income before income taxes for the three months ended June 30, 2015. The effective tax rate is determined by estimating the effective tax rate for the full fiscal year, which includes the three months ended June 30, 2015, after taking into account the effect of deferred tax accounting.

**2. Net Income per Share**

Net income per share for the three months ended June 30, 2015 was ¥97.00. Diluted net income per share for the same period was ¥96.95.

**3. Depreciation and Amortization**

For the three months ended June 30, 2015, (1) depreciation of real estate for rent and others totaled ¥3,518 million, (2) depreciation (including the depreciation of intangible fixed assets other than goodwill) totaled ¥13,464 million, and (3) amortization of goodwill was ¥954 million.

## (5) Consolidated Solvency Margin Ratio

(millions of yen)

	As of March 31, 2015	As of June 30, 2015
Total solvency margin <b>(A)</b>	6,787,809	6,783,196
Common stock, etc. <sup>*1</sup>	639,680	733,742
Reserve for price fluctuations	136,254	140,837
Contingency reserve	678,863	678,940
Catastrophe loss reserve	-	-
General reserve for possible loan losses	1,160	1,078
Net unrealized gains on securities (before tax) × 90% <sup>*2</sup>	3,193,431	2,961,713
Net unrealized gains (losses) on real estate × 85% <sup>*2</sup>	40,735	40,669
Sum of unrecognized actuarial differences and unrecognized past service cost	75,883	73,354
Policy reserves in excess of surrender values	1,970,765	1,988,301
Qualifying subordinated debt	535,727	535,727
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(503,214)	(421,041)
Excluded items	(152,319)	(151,273)
Others	170,842	201,145
Total risk $\sqrt{(\sqrt{R_1^2 + R_2^2 + R_8 + R_9})^2 + (R_2 + R_3 + R_7)^2} + R_4 + R_6$ <b>(B)</b>	1,659,135	1,753,999
Insurance risk $R_1$	125,680	126,678
General insurance risk $R_5$	4,536	4,609
Catastrophe risk $R_6$	1,736	1,856
3rd sector insurance risk $R_8$	181,287	182,592
Small amount and short-term insurance risk $R_9$	-	-
Assumed investment yield risk $R_2$	270,443	269,555
Guaranteed minimum benefit risk $R_7$ <sup>*3</sup>	87,763	87,095
Investment risk $R_3$	1,231,750	1,327,319
Business risk $R_4$	38,063	39,994
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	818.2%	773.4%

\*1: Expected disbursements from capital outside the Company and accumulated other comprehensive income, etc. are excluded.

\*2: Multiplied by 100% if losses.

\*3: Calculated by standard method.

Note: The figures as of March 31, 2015 are calculated based on Article 86-2 and 88 of the Enforcement Regulations of Insurance Business Act and Notification of the Financial Services Agency No. 23, 2011.

The figures as of June 30, 2015 are calculated by using the method which is deemed appropriate taking the regulations and announcement above into account.

(6) Status of Insurance Claims Paying Ability of Insurance Subsidiaries  
(Solvency Margin Ratio)

The Dai-ichi Frontier Life Insurance Company

(millions of yen)

	As of March 31, 2015	As of June 30, 2015
Total solvency margin <b>(A)</b>	315,968	344,695
Common stock, etc.	18,457	49,400
Reserve for price fluctuations	3,781	4,364
Contingency reserve	120,314	115,903
General reserve for possible loan losses	15	17
Net unrealized gains on securities (before tax) × 90% *	49,369	26,186
Net unrealized gains (losses) on real estate × 85% *	-	-
Policy reserves in excess of surrender values	124,030	148,823
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>(B)</b>	99,834	105,489
Insurance risk $R_1$	37	46
3rd sector insurance risk $R_8$	-	-
Assumed investment yield risk $R_2$	25,630	26,790
Guaranteed minimum benefit risk $R_7$	26,562	23,503
Investment risk $R_3$	44,732	52,122
Business risk $R_4$	2,908	3,073
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	632.9%	653.5%

\*: Multiplied by 100% if losses.

Note: 1. The figures as of March 31, 2015 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 June 30, 2015 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.

## The Neo First Life Insurance Company

(millions of yen)

	As of March 31, 2015	As of June 30, 2015
Total solvency margin <b>(A)</b>	4,936	4,987
Common stock, etc.	4,459	4,521
Reserve for price fluctuations	19	19
Contingency reserve	455	443
General reserve for possible loan losses	-	-
Net unrealized gains on securities (before tax) × 90% *	2	2
Net unrealized gains (losses) on real estate × 85% *	-	-
Policy reserves in excess of surrender values	-	-
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>(B)</b>	478	466
Insurance risk $R_1$	369	359
3rd sector insurance risk $R_8$	84	82
Assumed investment yield risk $R_2$	0	0
Guaranteed minimum benefit risk $R_7$	-	-
Investment risk $R_3$	89	90
Business risk $R_4$	16	15
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	2,064.1%	2,136.6%

\*: Multiplied by 100% if losses.

Note: The figures as of March 31, 2015 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 June 30, 2015 are calculated by using the method which is deemed appropriate taking the regulations and announcement above into account.

## (7) Segment Information

The Company on a consolidated basis did not operate any businesses categorized in segments other than its own core life insurance business, and therefore segment information was omitted.