
Financial Results for the Three Months Ended June 30, 2013

The Dai-ichi Frontier Life Insurance Co., Ltd. (the "Company"; President: Satoru Tsutsumi) announces its financial results for the three months ended June 30, 2013.

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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, 2013		As of June 30, 2013			
	Number of Policies (thousands)	Amount (millions of yen)	Number of Policies		Amount	
			(thousands)	% of March 31, 2013 total	(millions of yen)	% of March 31, 2013 total
Individual insurance	15	133,326	25	167.3	200,161	150.1
Individual annuities	368	2,103,035	390	106.0	2,220,227	105.6
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 June 30, 2012 total	(millions of yen)	% of June 30, 2012 total	New Business	Net increase from conversions
Three months ended June 30, 2013						
Individual insurance	10	1,406.4	79,978	1,306.7	79,978	-
Individual annuities	32	208.3	175,166	214.2	175,166	-
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-
Three months ended June 30, 2012						
Individual insurance	0		6,120		6,120	-
Individual annuities	15		81,779		81,779	-
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, 2013	As of June 30, 2013	
			% of March 31, 2013 total
Individual insurance	9,298	14,381	154.7
Individual annuities	228,272	239,226	104.8
Total	237,571	253,608	106.8
Medical and survival benefits	-	-	-

New Policies

(millions of yen except percentages)

	Three months ended June 30, 2012	Three months ended June 30, 2013	% of June 30, 2012 total
Individual insurance	432	5,982	1,383.9
Individual annuities	12,322	19,814	160.8
Total	12,754	25,797	202.3
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, 2013		As of June 30, 2013	
	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	53,667	6.6	37,754	4.4
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	1,978	0.2	1,984	0.2
Trading account securities	-	-	-	-
Money held in trust	32,179	3.9	36,242	4.2
Securities	691,648	84.6	733,706	85.9
Domestic bonds	322,321	39.4	357,184	41.8
Domestic stocks	-	-	-	-
Foreign securities	369,327	45.2	376,522	44.1
Foreign bonds	364,694	44.6	369,406	43.2
Foreign stocks and other securities	4,632	0.6	7,116	0.8
Other securities	-	-	-	-
Loans	-	-	-	-
Real estate	-	-	-	-
Deferred tax assets	-	-	-	-
Others	38,035	4.7	44,935	5.3
Reserve for possible loan losses	(1)	(0.0)	(1)	(0.0)
Total	817,509	100.0	854,623	100.0
Foreign currency-denominated assets	325,664	39.8	320,459	37.5

(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 June 30, 2013						
	Bonds held to maturity	-	-	-	-	-
	Policy-reserve-matching bonds	314,575	314,036	(538)	2,468	3,007
	Stocks of subsidiaries and affiliates	-	-	-	-	-
	Securities available for sale	410,991	413,999	3,007	6,071	3,064
	Domestic bonds	208,321	210,328	2,007	2,900	893
	Domestic stocks	-	-	-	-	-
	Foreign securities	200,670	201,686	1,015	3,171	2,155
	Foreign bonds	200,670	201,686	1,015	3,171	2,155
	Foreign stocks and other securities	-	-	-	-	-
	Other securities	-	-	-	-	-
	Monetary claims bought	2,000	1,984	(15)	-	15
	Certificates of deposit	-	-	-	-	-
	Others	-	-	-	-	-
	Total	725,567	728,036	2,468	8,540	6,071
		Domestic bonds	355,176	357,103	1,926	3,313
Domestic stocks		-	-	-	-	-
Foreign securities		368,390	368,948	557	5,227	4,669
Foreign bonds		368,390	368,948	557	5,227	4,669
Foreign stocks and other securities		-	-	-	-	-
Other securities		-	-	-	-	-
Monetary claims bought		2,000	1,984	(15)	-	15
Certificates of deposit		-	-	-	-	-
Others		-	-	-	-	-
As of March 31, 2013						
	Bonds held to maturity	-	-	-	-	-
	Policy-reserve-matching bonds	295,732	299,537	3,805	4,503	697
	Stocks of subsidiaries and affiliates	-	-	-	-	-
	Securities available for sale	382,795	393,262	10,467	11,096	629
	Domestic bonds	194,630	199,656	5,025	5,311	285
	Domestic stocks	-	-	-	-	-
	Foreign securities	186,165	191,627	5,462	5,784	322
	Foreign bonds	186,165	191,627	5,462	5,784	322
	Foreign stocks and other securities	-	-	-	-	-
	Other securities	-	-	-	-	-
	Monetary claims bought	2,000	1,978	(21)	-	21
	Certificates of deposit	-	-	-	-	-
	Others	-	-	-	-	-
	Total	678,527	692,799	14,272	15,599	1,327
		Domestic bonds	317,295	323,113	5,818	6,131
Domestic stocks		-	-	-	-	-
Foreign securities		359,232	367,707	8,475	9,467	992
Foreign bonds		359,232	367,707	8,475	9,467	992
Foreign stocks and other securities		-	-	-	-	-
Other securities		-	-	-	-	-
Monetary claims bought		2,000	1,978	(21)	-	21
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, 2013	36,242	36,242	(1,037)	-	1,037
As of March 31, 2013	32,179	32,179	(18,914)	-	18,914

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, 2013		As of June 30, 2013	
	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	32,179	(18,914)	36,242	(1,037)

*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, 2013 (Summarized)	As of June 30, 2013
	Amount	Amount
(ASSETS)		
Cash and deposits	37,167	26,129
Call loans	25,400	18,800
Monetary claims bought	1,978	1,984
Money held in trust	32,179	36,242
Securities	2,236,570	2,387,896
[Government bonds]	[113,020]	[136,199]
[Local government bonds]	[9,116]	[8,846]
[Corporate bonds]	[200,183]	[212,137]
[Foreign securities]	[372,912]	[379,967]
Tangible fixed assets	39	75
Intangible fixed assets	1	1
Reinsurance receivables	27,968	29,492
Other assets	11,893	16,671
Reserve for possible loan losses	(1)	(1)
Total assets	2,373,197	2,517,293

(millions of yen)

	As of March 31, 2013 (Summarized)	As of June 30, 2013
	Amount	Amount
(LIABILITIES)		
Policy reserves and others	2,269,986	2,451,106
Reserves for outstanding claims	1,539	1,581
Policy reserves	2,268,447	2,449,524
Reinsurance payable	847	868
Other liabilities	33,742	20,428
Corporate income tax payable	101	2
Other liabilities	33,641	20,426
Reserve for employees' retirement benefits	103	116
Reserve for retirement benefits of directors, executive officers and corporate auditors	6	7
Reserve for price fluctuations	775	879
Deferred tax liabilities	3,220	925
Total liabilities	2,308,682	2,474,331
(NET ASSETS)		
Capital stock	117,500	117,500
Capital surplus	67,500	67,500
Legal capital surplus	67,500	67,500
Retained earnings	(127,730)	(144,120)
Other retained earnings	(127,730)	(144,120)
Retained earnings brought forward	(127,730)	(144,120)
Total shareholders' equity	57,269	40,879
Net unrealized gains on securities, net of tax	7,246	2,082
Total of valuation and translation adjustments	7,246	2,082
Total net assets	64,515	42,961
Total liabilities and net assets	2,373,197	2,517,293

4. Non-Consolidated Statements of Earnings

(millions of yen)

	Three months ended June 30, 2012	Three months ended June 30, 2013
	Amount	Amount
ORDINARY REVENUES	106,700	305,088
Premium and other income	90,913	284,036
[Premium income]	[79,924]	[249,724]
Investment income	15,692	21,051
[Interest and dividends]	[2,356]	[3,818]
[Gains on money held in trust]	[6,297]	[-]
[Gains on investment in trading securities]	[2,666]	[1,876]
[Gains on sale of securities]	[350]	[6,141]
[Derivative transaction gains]	[4,018]	[-]
[Gains on investment in separate accounts]	[-]	[9,215]
Other ordinary revenues	93	0
[Reversal of reserves for outstanding claims]	[93]	[-]
ORDINARY EXPENSES	122,302	321,375
Benefits and claims	26,634	109,112
[Claims]	[17]	[159]
[Annuities]	[191]	[231]
[Benefits]	[3,747]	[4,263]
[Surrender values]	[7,240]	[69,359]
[Other refunds]	[362]	[600]
Provision for policy reserves and others	46,680	181,120
Provision for reserves for outstanding claims	-	42
Provision for policy reserve	46,680	181,077
Investment expenses	45,117	20,202
[Interest expenses]	[-]	[0]
[Losses on money held in trust]	[-]	[1,037]
[Losses on sale of securities]	[2]	[4]
[Derivative transaction losses]	[-]	[3,186]
[Losses on investment in separate accounts]	[34,453]	[-]
Operating expenses	3,605	10,036
Other ordinary expenses	263	904
ORDINARY LOSS	15,602	16,287
EXTRAORDINARY LOSSES	77	104
Provision for reserve for price fluctuations	69	104
Other extraordinary losses	8	-
Loss before income taxes	15,679	16,391
Corporate income taxes - current	2	(1)
Total of corporate income taxes	2	(1)
Net loss for the period	15,681	16,389

Notes to the Non-Consolidated Balance Sheet

As of June 30, 2013

- Securities lent under lending agreements are included in the balance sheets. The total balance of securities lent as of June 30, 2013 was 10,417 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	26,129	26,129	-
(2) Call loans	18,800	18,800	-
(3) Monetary claims bought	1,984	1,984	-
(4) Money held in trust	36,242	36,242	-
(5) Securities	2,387,896	2,387,357	(538)
(a) Trading securities	1,661,305	1,661,305	-
(b) Policy-reserve-matching bonds	314,575	314,036	(538)
(c) Other securities	412,014	412,014	-
Assets total	2,471,052	2,470,513	(538)
Derivative transactions			
(a) Derivative transactions to which hedge accounting is not applied	416	416	-
Derivative transactions total	416	416	-

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:

- Cash and deposits
Deposits are recorded at book value as all deposits have no maturities and their book values approximate their fair values.
- 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.
- Monetary claims bought
Fair value of monetary claims bought is based on the reasonably calculated price.
- Money held in trust
Information on the fair value of derivative transactions attributable to money held in trust appears below in "(f) Derivative transactions".
- Securities
Fair value of bonds is based on the price on stock exchanges. Fair value of mutual funds is based on unit price.
- 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.

(Additional Information)

Effective the three months ended June 30, 2013, in order to conduct appropriate duration control, taking into account debt situation, and thus promote more sophisticated ALM, the Company added individual insurance and annuities (JP yen-denominated, long term) as a new sub-group for insurance products subject to the policy reserve matching bonds. As a result, the sub-groups are:

- Individual insurance and annuities (JP yen-denominated, short term)
 - Individual insurance and annuities (JP yen-denominated, long term)
 - Individual insurance and annuities (US dollar-denominated)
 - Individual insurance and annuities (AUS dollar-denominated)
- with the exception of certain types and policies.

This addition did not have any impact on profits or losses of the Company for the three months ended June 30, 2013.

Notes to the Non-Consolidated Statements of Earnings

Three months ended June 30, 2013

- Net loss per share for the three months ended June 30, 2013 was 8,859,393.71yen. Fully diluted net loss per share is not reported because the Company has no residual shares.
- Depreciation for the three months ended June 30, 2013 was 7 million yen.

5. Breakdown of Ordinary Profit (Fundamental Profit)

(millions of yen)

	Three months ended June 30, 2012	Three months ended June 30, 2013
Fundamental profit A	(26,933)	(12,529)
Capital gains	22,336	20,982
Gains on money held in trust	6,297	-
Gains on investment in trading securities	2,666	1,876
Gains on sale of securities	350	6,141
Derivative transaction gains	4,018	-
Foreign exchange gains	-	-
Others	9,002	12,964
Capital losses	10,512	20,042
Losses on money held in trust	-	1,037
Losses on investment in trading securities	-	-
Losses on sale of securities	2	4
Losses on valuation of securities	-	-
Derivative transaction losses	-	3,186
Foreign exchange losses	10,510	15,814
Others	-	-
Net capital gains (losses) B	11,823	939
Fundamental profit plus net capital gains (losses) A + B	(15,110)	(11,589)
Other one-time gains	-	-
Reinsurance income	-	-
Reversal of contingency reserve	-	-
Reversal of specific reserve for possible loan losses	-	-
Others	-	-
Other one-time losses	492	4,697
Ceding reinsurance commissions	-	-
Provision for contingency reserve	492	4,697
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	(492)	(4,697)
Ordinary profit (loss) A + B + C	(15,602)	(16,287)

Note: 1. Fundamental profit includes the amount below.

	Three months ended June 30, 2012	Three months ended June 30, 2013
Adjustment of the portion valued in exchange rate fluctuations of foreign-currency denominated insurance's liability	(9,002)	(12,964)

2. Other capital gains include the amount below.

	Three months ended June 30, 2012	Three months ended June 30, 2013
Adjustment of the portion valued in exchange rate fluctuations of foreign-currency denominated insurance's liability	9,002	12,964

3. 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, 2013	As of June 30, 2013
Total solvency margin (A)	219,637	205,201
Common stock, etc	57,269	40,879
Reserve for price fluctuations	775	879
Contingency reserve	92,403	97,100
General reserve for possible loan losses	1	1
Net unrealized gains on securities (before tax) × 90% *	9,420	2,706
Net unrealized gains (losses) on real estate × 85% *	-	-
Policy reserves in excess of surrender values	59,768	63,634
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)	46,798	60,391
Insurance risk R_1	5	8
3rd sector insurance risk R_8	-	-
Assumed investment yield risk R_2	4,330	4,125
Investment risk R_3	18,611	30,332
Guaranteed minimum benefit risk R_7	22,493	24,173
Business risk R_4	1,363	1,759
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	938.6%	679.5%

* Multiplied by 100% if losses.

Note: 1. The figures as of March 31, 2013 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, 2013 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, 2013	As of June 30, 2013
Individual variable insurance	2,985	2,953
Individual variable annuities	1,555,229	1,660,843
Group annuities	-	-
Separate account total	1,558,215	1,663,797

(2) Policies in Force

A. Individual Variable Insurance

(millions of yen except number of policies)

	As of March 31, 2013		As of June 30, 2013	
	Number of policies (thousands)	Amount	Number of policies (thousands)	Amount
Variable insurance (defined term type)	-	-	-	-
Variable insurance (whole life type)	0	3,081	0	3,057
Total	0	3,081	0	3,057

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, 2013		As of June 30, 2013	
	Number of policies (thousands)	Amount	Number of policies (thousands)	Amount
Individual variable annuities	266	1,569,891	288	1,700,897

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 June 30, 2013)

The Company holds no investments in SPEs.

2. Collateralized Debt Obligation (CDOs, as of June 30, 2013)

The Company holds no investments in CDOs.

3. Other Subprime/Alt-A Exposure (as of June 30, 2013)

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

4. Commercial Mortgage-Backed Securities (CMBS, as of June 30, 2013)

The Company holds no commercial mortgage-backed securities.

5. Leveraged Finance (as of June 30, 2013)

The Company holds no leveraged finance products.

6. Others (as of June 30, 2013)

(millions of yen)

	Fair value	Unrealized gains (losses)	Realized gains (losses)
Credit-linked note	8,085	85	-