
Financial Results for the Three Months Ended June 30, 2016

The Dai-ichi Frontier Life Insurance Co., Ltd. (the "Company"; President: Hiroshi Kanai) announces its financial results for the three months ended June 30, 2016.

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

1. Business Highlights

(1) Annualized Net Premiums

Policies in Force

(millions of yen except percentages)

	As of March 31, 2016	As of June 30, 2016	
			% of March 31, 2016 total
Individual insurance	164,202	158,958	96.8
Individual annuities	401,635	392,940	97.8
Total	565,838	551,898	97.5
Medical and survival benefits	-	-	-

New Policies

(millions of yen except percentages)

	Three months ended June 30, 2015	Three months ended June 30, 2016	% of June 30, 2015 total
Individual annuities	24,667	11,403	46.2
Total	36,269	18,538	51.1
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) Policies in Force and New Policies

Policies in Force

	As of March 31, 2016		As of June 30, 2016			
	Number of Policies (thousands)	Amount (millions of yen)	Number of Policies		Amount	
			(thousands)	% of March 31, 2016 total	(millions of yen)	% of March 31, 2016 total
Individual insurance	288	2,089,116	297	103.2	2,021,483	96.8
Individual annuities	696	4,091,675	713	102.4	3,989,143	97.5
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, 2015 total	(millions of yen)	% of June 30, 2015 total	New Business	Net increase from conversions
Three months ended June 30, 2016						
Individual insurance	12	68.9	97,497	71.7	97,497	-
Individual annuities	20	50.7	116,398	43.8	116,398	-
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-
Three months ended June 30, 2015						
Individual insurance	18		136,026		136,026	-
Individual annuities	40		265,595		265,595	-
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. Investment Results of General Account

(1) Asset Composition

(millions of yen except percentages)

	As of March 31, 2016		As of June 30, 2016	
	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	107,633	2.7	69,801	1.8
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	6,093	0.2	6,108	0.2
Trading account securities	-	-	-	-
Money held in trust	34,670	0.9	104,503	2.6
Securities	3,752,040	93.0	3,679,165	92.5
Domestic bonds	1,145,836	28.4	1,154,866	29.0
Domestic stocks	-	-	-	-
Foreign securities	2,347,130	58.2	2,271,556	57.1
Foreign bonds	2,339,221	58.0	2,260,041	56.8
Foreign stocks and other securities	7,908	0.2	11,514	0.3
Other securities	259,073	6.4	252,743	6.4
Loans	-	-	-	-
Real estate	-	-	-	-
Deferred tax assets	-	-	-	-
Others	135,276	3.4	119,698	3.0
Reserve for possible loan losses	(8)	(0.0)	(10)	(0.0)
Total	4,035,705	100.0	3,979,267	100.0
Foreign currency-denominated assets	2,461,055	61.0	2,336,914	58.7

(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, 2016					
Bonds held to maturity	-	-	-	-	-
Policy-reserve-matching bonds	2,484,943	2,716,152	231,208	231,627	419
Stocks of subsidiaries and affiliates	-	-	-	-	-
Securities available for sale	1,105,045	1,188,815	83,770	84,129	358
Domestic bonds	323,024	354,066	31,041	31,052	10
Domestic stocks	-	-	-	-	-
Foreign securities	541,491	575,897	34,406	34,578	172
Foreign bonds	541,491	575,897	34,406	34,578	172
Foreign stocks and other securities	-	-	-	-	-
Other securities	234,529	252,743	18,214	18,389	175
Monetary claims bought	6,000	6,108	108	108	-
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	3,589,988	3,904,967	314,979	315,757	778
Domestic bonds	1,123,824	1,257,840	134,015	134,047	31
Domestic stocks	-	-	-	-	-
Foreign securities	2,225,635	2,388,275	162,640	163,212	571
Foreign bonds	2,225,635	2,388,275	162,640	163,212	571
Foreign stocks and other securities	-	-	-	-	-
Other securities	234,529	252,743	18,214	18,389	175
Monetary claims bought	6,000	6,108	108	108	-
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
As of March 31, 2016					
Bonds held to maturity	-	-	-	-	-
Policy-reserve-matching bonds	2,582,535	2,745,305	162,770	164,228	1,457
Stocks of subsidiaries and affiliates	-	-	-	-	-
Securities available for sale	1,107,635	1,167,690	60,054	60,893	838
Domestic bonds	325,341	351,845	26,504	26,531	26
Domestic stocks	-	-	-	-	-
Foreign securities	531,655	550,677	19,021	19,532	510
Foreign bonds	531,655	550,677	19,021	19,532	510
Foreign stocks and other securities	-	-	-	-	-
Other securities	244,638	259,073	14,435	14,736	301
Monetary claims bought	6,000	6,093	93	93	-
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	3,690,170	3,912,996	222,825	225,121	2,295
Domestic bonds	1,119,332	1,218,220	98,888	99,105	216
Domestic stocks	-	-	-	-	-
Foreign securities	2,320,199	2,429,608	109,408	111,186	1,778
Foreign bonds	2,320,199	2,429,608	109,408	111,186	1,778
Foreign stocks and other securities	-	-	-	-	-
Other securities	244,638	259,073	14,435	14,736	301
Monetary claims bought	6,000	6,093	93	93	-
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-

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

*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, 2016	104,503	104,503	5,369	2,650
As of March 31, 2016	34,670	34,670	(990)	1,001

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, 2016		As of June 30, 2016	
	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	34,670	(990)	104,503	5,369

*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, 2016 (Summarized)	As of June 30, 2016
	Amount	Amount
(ASSETS)		
Cash and deposits	118,431	76,937
Monetary claims bought	6,093	6,108
Money held in trust	34,670	104,503
Securities	5,836,582	5,716,625
[Government bonds]	[637,292]	[633,106]
[Local government bonds]	[13,352]	[13,106]
[Corporate bonds]	[495,191]	[508,652]
[Foreign securities]	[2,363,646]	[2,288,295]
Tangible fixed assets	296	270
Intangible fixed assets	2,710	3,084
Reinsurance receivables	72,577	62,894
Other assets	60,926	54,452
Reserve for possible loan losses	(8)	(10)
Total assets	6,132,279	6,024,866

(millions of yen)

	As of March 31, 2016 (Summarized)	As of June 30, 2016
	Amount	Amount
(LIABILITIES)		
Policy reserves and others	5,948,138	5,762,164
Reserves for outstanding claims	6,975	6,829
Policy reserves	5,941,162	5,755,334
Reinsurance payable	20,932	70,615
Other liabilities	53,419	79,575
Corporate income tax payable	410	2
Lease liabilities	218	205
Other liabilities	52,790	79,367
Reserve for employees' retirement benefits	192	205
Reserve for retirement benefits of directors, executive officers and corporate auditors	4	4
Reserve for price fluctuations	6,773	7,500
Deferred tax liabilities	16,899	23,504
Total liabilities	6,046,359	5,943,570
(NET ASSETS)		
Capital stock	117,500	117,500
Capital surplus	67,500	67,500
Legal capital surplus	67,500	67,500
Retained earnings	(142,234)	(163,969)
Other retained earnings	(142,234)	(163,969)
Retained earnings brought forward	(142,234)	(163,969)
Total shareholders' equity	42,765	21,030
Net unrealized gains on securities, net of tax	43,155	60,265
Total of valuation and translation adjustments	43,155	60,265
Total net assets	85,920	81,296
Total liabilities and net assets	6,132,279	6,024,866

4. Non-Consolidated Statements of Earnings

(millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
	Amount	Amount
ORDINARY REVENUES	489,030	451,341
Premium and other income	431,722	233,219
[Premium income]	[378,306]	[202,211]
Investment income	57,306	32,144
[Interest and dividends]	[17,445]	[21,197]
[Gains on money held in trust]	[-]	[5,369]
[Gains on investment in trading securities]	[-]	[3,606]
[Gains on sale of securities]	[5,091]	[1,860]
[Derivative transaction gains]	[4,070]	[-]
[Gains on investment in separate accounts]	[2,688]	[-]
Other ordinary revenues	1	185,976
[Reversal of reserves for outstanding claims]	[-]	[146]
[Reversal of policy reserves]	[-]	[185,827]
ORDINARY EXPENSES	454,635	472,340
Benefits and claims	148,787	143,286
[Claims]	[4,668]	[7,254]
[Annuities]	[6,329]	[4,546]
[Benefits]	[9,683]	[10,718]
[Surrender values]	[81,632]	[37,119]
[Other refunds]	[864]	[778]
Provision for policy reserves and others	280,665	-
Provision for reserves for outstanding claims	340	-
Provision for policy reserve	280,325	-
Investment expenses	1,811	313,475
[Interest expenses]	[0]	[1]
[Losses on money held in trust]	[1,381]	[-]
[Losses on investment in trading securities]	[231]	[-]
[Losses on sale of securities]	[16]	[1,242]
[Derivative transaction losses]	[-]	[7,700]
[Losses on investment in separate accounts]	[-]	[52,437]
Operating expenses	21,055	14,069
Other ordinary expenses	2,315	1,509
ORDINARY GAIN (LOSS)	34,395	(20,999)
EXTRAORDINARY LOSSES	583	732
Losses on disposal of fixed assets	-	5
Provision for reserve for price fluctuations	583	727
Gain (loss) before income taxes	33,812	(21,732)
Corporate income taxes - current	2,868	2
Total of corporate income taxes	2,868	2
Net income (loss) for the period	30,943	(21,735)

Notes to the Non-Consolidated Balance Sheet

As of June 30, 2016

1. Securities lent under lending agreements are included in the balance sheets. The total balance of securities lent as of June 30, 2016 was 58,869 million yen.
2. 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	76,937	76,937	-
(2) Monetary claims bought	6,108	6,108	-
(3) Money held in trust	104,503	104,503	-
(4) Securities	5,716,625	5,947,834	231,208
(a) Trading securities	2,048,974	2,048,974	-
(b) Policy-reserve-matching bonds	2,484,943	2,716,152	231,208
(c) Other securities	1,182,707	1,182,707	-
Assets total	5,904,174	6,135,383	231,208
Derivative transactions			
(a) Derivative transactions to which hedge accounting is not applied	(9,112)	(9,112)	-
Derivative transactions total	(9,112)	(9,112)	-

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 all deposits have no maturities and their book values approximate their fair values.

(b) Monetary claims bought

Fair value of monetary claims bought is based on the reasonably calculated price.

(c) Money held in trust

Information on securities and derivative transactions appear below in "(d) Securities" and "(e) Derivative transactions", respectively.

(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 total return swap contracts, amounts calculated by using indices on the book closing date 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, 2016

1. Net loss per share for the three months ended June 30, 2016 was 11,748,667.79 yen. Fully diluted net loss per share is not reported because the Company has no residual shares.

5. Breakdown of Ordinary Profit (Fundamental Profit)

(millions of yen)

		Three months ended June 30, 2015	Three months ended June 30, 2016
Fundamental profit	A	26,168	(43,072)
Capital gains		37,043	282,607
Gains on money held in trust		-	5,369
Gains on investment in trading securities		-	3,606
Gains on sale of securities		5,091	1,860
Derivative transaction gains		4,070	-
Foreign exchange gains		27,882	-
Others		-	271,771
Capital losses		33,228	260,798
Losses on money held in trust		1,381	-
Losses on investment in trading securities		231	-
Losses on sale of securities		16	1,242
Losses on valuation of securities		-	-
Derivative transaction losses		-	7,700
Foreign exchange losses		-	251,854
Others		31,599	-
Net capital gains (losses)	B	3,814	21,809
Fundamental profit plus net capital gains (losses)	A + B	29,983	(21,263)
Other one-time gains		4,411	263
Reinsurance income		-	-
Reversal of contingency reserve		4,411	263
Reversal of specific reserve for possible loan losses		-	-
Others		-	-
Other one-time losses		-	-
Ceding reinsurance commissions		-	-
Provision for contingency reserve		-	-
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	4,411	263
Ordinary profit (loss)	A + B + C	34,395	(20,999)

Note: 1. Fundamental profit includes the amount below.

	Three months ended June 30, 2015	Three months ended June 30, 2016
Adjustment of the portion valued in exchange rate fluctuations of foreign-currency denominated insurance's liability	31,599	(271,771)

2. Other capital gains include the amount below.

	Three months ended June 30, 2015	Three months ended June 30, 2016
Adjustment of the portion valued in exchange rate fluctuations of foreign-currency denominated insurance's liability	-	271,771

3. Other capital losses include the amount below.

	Three months ended June 30, 2015	Three months ended June 30, 2016
Adjustment of the portion valued in exchange rate fluctuations of foreign-currency denominated insurance's liability	31,599	-

4. The company invests 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. These transactions are included in gains (losses) on money held in trust and gains (losses) on investment in trading securities.

6. Solvency Margin Ratio

(millions of yen)

	As of March 31, 2016	As of June 30, 2016
Total solvency margin (A)	348,758	326,987
Common stock, etc	42,765	21,030
Reserve for price fluctuations	6,773	7,500
Contingency reserve	114,644	114,381
General reserve for possible loan losses	8	10
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% *	54,049	75,393
Net unrealized gains (losses) on real estate × 85%*	-	-
Policy reserves in excess of surrender values	188,894	176,135
Qualifying subordinated debt	-	-
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(53,056)	(61,935)
Excluded items	(5,320)	(5,528)
Others	-	-
Total Risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	133,391	128,581
Insurance risk R_1	46	39
3rd sector insurance risk R_8	-	-
Assumed investment yield risk R_2	29,556	26,407
Guaranteed minimum benefit risk R_7	24,180	18,129
Investment risk R_3	75,767	80,297
Business risk R_4	3,886	3,746
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	522.9%	508.6%

* Multiplied by 100% if losses.

Note: 1. The figures as of March 31, 2016 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, 2016 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, 2016	As of June 30, 2016
Individual variable insurance	45,597	47,902
Individual variable annuities	2,052,238	1,998,138
Group annuities	-	-
Separate account total	2,097,835	2,046,040

(2) Policies in Force

A. Individual Variable Insurance

(millions of yen except number of policies)

	As of March 31, 2016		As of June 30, 2016	
	Number of policies	Amount	Number of policies	Amount
Variable insurance (defined term type)	-	-	-	-
Variable insurance (whole life type)	40	294,847	44	306,806
Total	40	294,847	44	306,806

Notes: Individual variable insurance that is partly managed in general account are included.

B. Individual Variable Annuities

(millions of yen except number of policies)

	As of March 31, 2016		As of June 30, 2016	
	Number of policies	Amount	Number of policies	Amount
Individual variable annuities	576	3,501,656	590	3,411,851

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. Individual variable annuities that are partly managed in general account are included.

8. Consolidated Financial Summary

Not applicable.