

August 9, 2016

Financial Results for the Three Months Ended June 30, 2016

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, 2016.

[Contents]

Financial Summary for the Three Months Ended June 30, 2016

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.10
6. Solvency Margin Ratio	-----	P.11
7. Status of Separate Account	-----	P.12
8. Consolidated Financial Summary	-----	P.13

For further information please contact:

Corporate Planning Dept., The Dai-ichi Life Insurance Company, Limited TEL: +81-(0)-50-3780-6930/3119

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

1. Business Highlights

(1) Annualized Net Premiums

Policies in Force

(billions of yen)

	As of March 31, 2016	As of June 30, 2016	
			% of March 31, 2016 total
Individual insurance	1,629.9	1,624.1	99.6
Individual annuities	435.0	447.9	103.0
Total	2,065.0	2,072.0	100.3
Medical and survival benefits	576.5	580.3	100.7

New Policies

(billions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016	
			% of June 30, 2015 total
Individual insurance	22.8	20.4	89.4
Individual annuities	7.4	14.2	192.4
Total	30.2	34.7	114.7
Medical and survival benefits	11.7	11.2	96.5

- 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) Sum Insured of Policies in Force and New Policies

Policies in Force

	As of March 31, 2016		As of June 30, 2016			
	Number of policies (thousands)	Amount (billions of yen)	Number of policies		Amount	
			(thousands)	% of March 31, 2016 total	(billions of yen)	% of March 31, 2016 total
Individual insurance	11,680	114,816.0	11,695	100.1	113,226.6	98.6
Individual annuities	1,650	9,905.6	1,692	102.5	10,127.2	102.2
Individual insurance and annuities	13,331	124,721.6	13,388	100.4	123,353.8	98.9
Group insurance	-	48,020.2	-	-	48,136.1	100.2
Group annuities	-	6,064.2	-	-	6,025.1	99.4

- 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, 2015 total	(billions of yen)	New Business	Net increase by conversion	% of June 30, 2015 total
Three months ended June 30, 2015						
Individual insurance	234		480.5	941.5	(460.9)	
Individual annuities	29		203.8	206.8	(3.0)	
Individual insurance and annuities	263		684.4	1,148.4	(464.0)	
Group insurance	-		17.7	17.7	-	
Group annuities	-		0.1	0.1	-	
Three months ended June 30, 2016						
Individual insurance	230	98.7	430.1	862.4	(432.2)	89.5
Individual annuities	54	180.8	321.5	324.0	(2.4)	157.8
Individual insurance and annuities	285	108.0	751.7	1,186.4	(434.7)	109.8
Group insurance	-	-	27.2	27.2	-	153.4
Group annuities	-	-	0.0	0.0	-	44.2

- 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, 2015	Three months ended June 30, 2016
Amount of surrenders and lapses	1,331.3	1,162.9
Surrender and lapse rate (%)	1.02	0.93

- 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. Investment Results of General Account

(1) Asset Composition (General Account)

(millions of yen)

	As of March 31, 2016		As of June 30, 2016	
	Carrying amount	%	Carrying amount	%
Cash, deposits, and call loans	607,476	1.7	825,393	2.4
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	233,206	0.7	224,519	0.6
Trading account securities	-	-	-	-
Money held in trust	52,806	0.2	47,917	0.1
Securities	29,407,417	84.1	28,912,974	82.6
Domestic bonds	16,372,818	46.8	16,290,424	46.6
Domestic stocks	3,353,552	9.6	3,236,921	9.3
Foreign securities	9,091,602	26.0	8,843,448	25.3
Foreign bonds	6,907,918	19.8	6,969,862	19.9
Foreign stocks and other securities	2,183,683	6.2	1,873,585	5.4
Other securities	589,444	1.7	542,180	1.5
Loans	2,826,052	8.1	2,789,737	8.0
Policy loans	405,056	1.2	400,422	1.1
Ordinary loans	2,420,995	6.9	2,389,315	6.8
Real estate	1,157,543	3.3	1,138,082	3.3
Real estate for rent	784,749	2.2	778,615	2.2
Deferred tax assets	-	-	-	-
Others	688,292	2.0	1,055,513	3.0
Reserve for possible loan losses	(1,237)	(0.0)	(1,220)	(0.0)
Total	34,971,556	100.0	34,992,916	100.0
Foreign currency-denominated assets	7,661,764	21.9	7,981,650	22.8

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, 2016					
Held-to-maturity bonds	45,712	51,296	5,583	5,583	-
Domestic bonds	45,712	51,296	5,583	5,583	-
Foreign bonds	-	-	-	-	-
Policy-reserve-matching bonds	12,027,685	15,449,932	3,422,247	3,422,586	339
Domestic bonds	11,948,259	15,369,411	3,421,152	3,421,152	-
Foreign bonds	79,425	80,520	1,095	1,434	339
Stocks of subsidiaries and affiliated companies	26,570	61,653	35,082	35,101	18
Available-for-sale securities	12,927,650	15,628,568	2,700,917	2,874,655	173,738
Domestic bonds	3,782,592	4,378,846	596,253	596,857	603
Domestic stocks	1,677,678	2,990,485	1,312,806	1,409,264	96,457
Foreign securities	6,759,695	7,526,318	766,622	830,252	63,629
Foreign bonds	6,150,829	6,828,492	677,663	714,258	36,594
Foreign stocks and other securities	608,865	697,825	88,959	115,994	27,035
Other securities	484,658	497,071	12,412	25,441	13,028
Monetary claims bought	220,436	233,206	12,769	12,787	17
Certificates of deposit	-	-	-	-	-
Money held in trust	2,587	2,640	52	52	-
Total	25,027,619	31,191,450	6,163,830	6,337,926	174,095
Domestic bonds	15,776,565	19,799,554	4,022,989	4,023,592	603
Domestic stocks	1,677,678	2,990,485	1,312,806	1,409,264	96,457
Foreign securities	6,864,951	7,667,606	802,655	866,642	63,987
Foreign bonds	6,230,255	6,909,013	678,758	715,692	36,933
Foreign stocks and other securities	634,695	758,592	123,896	150,950	27,053
Other securities	485,399	497,958	12,558	25,587	13,028
Monetary claims bought	220,436	233,206	12,769	12,787	17
Certificates of deposit	-	-	-	-	-
Money held in trust	2,587	2,640	52	52	-
As of June 30, 2016					
Held-to-maturity bonds	45,788	51,722	5,934	5,934	-
Domestic bonds	45,788	51,722	5,934	5,934	-
Foreign bonds	-	-	-	-	-
Policy-reserve-matching bonds	12,037,073	16,337,122	4,300,048	4,300,048	-
Domestic bonds	11,946,648	16,243,751	4,297,102	4,297,102	-
Foreign bonds	90,424	93,371	2,946	2,946	-
Stocks of subsidiaries and affiliated companies	26,355	53,341	26,986	27,008	22
Available-for-sale securities	12,880,488	15,416,455	2,535,967	2,802,105	266,137
Domestic bonds	3,609,480	4,297,987	688,507	690,149	1,642
Domestic stocks	1,687,716	2,873,793	1,186,077	1,297,613	111,536
Foreign securities	6,798,746	7,466,822	668,076	787,800	119,724
Foreign bonds	6,253,811	6,879,437	625,625	709,450	83,824
Foreign stocks and other securities	544,934	587,384	42,450	78,349	35,899
Other securities	470,104	450,939	(19,164)	13,829	32,993
Monetary claims bought	211,854	224,519	12,665	12,712	47
Certificates of deposit	100,000	99,992	(7)	-	7
Money held in trust	2,587	2,402	(185)	-	185
Total	24,989,705	31,858,642	6,868,936	7,135,096	266,160
Domestic bonds	15,601,916	20,593,460	4,991,544	4,993,186	1,642
Domestic stocks	1,687,716	2,873,793	1,186,077	1,297,613	111,536
Foreign securities	6,914,987	7,612,996	698,008	817,755	119,746
Foreign bonds	6,344,236	6,972,808	628,572	712,396	83,824
Foreign stocks and other securities	570,750	640,187	69,436	105,358	35,922
Other securities	470,642	451,478	(19,164)	13,829	32,993
Monetary claims bought	211,854	224,519	12,665	12,712	47
Certificates of deposit	100,000	99,992	(7)	-	7
Money held in trust	2,587	2,402	(185)	-	185

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

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

(millions of yen)

	As of March 31, 2016	As of June 30, 2016
Held-to-maturity bonds	-	-
Unlisted foreign bonds	-	-
Others	-	-
Policy-reserve-matching bonds	-	-
Stocks of subsidiaries and affiliated companies	1,100,671	1,100,493
Unlisted domestic stocks (except over-the-counter stocks)	236,944	237,044
Unlisted foreign stocks (except over-the-counter stocks)	783,945	783,945
Others	79,781	79,504
Available-for-sale securities	813,855	613,839
Unlisted domestic stocks (except over-the-counter stocks)	126,122	126,084
Unlisted foreign stocks (except over-the-counter stocks)	665,001	465,001
Unlisted foreign bonds	-	-
Others	22,731	22,753
Total	1,914,526	1,714,333

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 48,179 million yen as of March 31, 2016 and loss of 28,610 million yen as of June 30, 2016.

(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, 2016	52,806	52,806	(4,407)	7,143	11,551
As of June 30, 2016	47,917	47,917	(2,061)	9,592	11,653

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, 2016		As of June 30, 2016	
	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	50,166	(4,459)	45,514	(1,778)

* 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, 2016					As of June 30, 2016				
	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	2,640	52	52	-	2,587	2,402	(185)	-	185

3. Unaudited Quarterly Non-Consolidated Balance Sheet

(millions of yen)

	As of March 31, 2016 (summarized)	As of June 30, 2016
(ASSETS)		
Cash and deposits	528,337	756,667
Call loans	116,900	85,900
Monetary claims bought	233,206	224,519
Money held in trust	52,806	47,917
Securities	30,250,119	29,714,093
[Government bonds]	[14,545,593]	[14,437,441]
[Local government bonds]	[125,047]	[124,859]
[Corporate bonds]	[1,910,798]	[1,932,837]
[Stocks]	[3,560,485]	[3,421,013]
[Foreign securities]	[9,451,844]	[9,183,302]
Loans	2,826,052	2,789,737
Policy loans	405,056	400,422
Ordinary loans	2,420,995	2,389,315
Tangible fixed assets	1,164,183	1,144,799
Intangible fixed assets	81,603	82,198
Reinsurance receivable	4,434	2,945
Other assets	541,917	908,485
Customers' liabilities for acceptances and guarantees	97,056	107,528
Reserve for possible loan losses	(1,237)	(1,220)
Reserve for possible investment losses	(423)	(397)
Total assets	35,894,956	35,863,175
(LIABILITIES)		
Policy reserves and others	30,635,217	30,657,023
Reserves for outstanding claims	260,304	250,324
Policy reserves	29,984,210	30,025,653
Reserve for policyholder dividends	390,701	381,045
Reinsurance payable	684	778
Subordinated bonds	215,727	215,727
Other liabilities	1,095,099	1,166,242
Corporate income tax payable	28,307	32,291
Lease liabilities	4,393	4,208
Asset retirement obligations	2,675	2,685
Other liabilities	1,059,723	1,127,057
Reserve for employees' retirement benefits	377,967	380,124
Reserve for retirement benefits of directors, executive officers and corporate auditors	1,868	1,825
Reserve for possible reimbursement of prescribed claims	800	668
Reserve for price fluctuations	148,453	152,453
Deferred tax liabilities	138,696	87,060
Deferred tax liabilities for land revaluation	80,189	78,990
Acceptances and guarantees	97,056	107,528
Total liabilities	32,791,760	32,848,423
(NET ASSETS)		
Capital stock	343,146	343,146
Capital surplus	343,772	343,693
Legal capital surplus	343,146	343,146
Other capital surplus	625	546
Retained earnings	511,892	530,942
Legal retained earnings	5,600	5,600
Other retained earnings	506,292	525,342
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	25,517	25,683
Retained earnings brought forward	372,655	391,538
Treasury stock	(23,231)	(38,709)
Total shareholders' equity	1,175,581	1,179,073
Net unrealized gains (losses) on securities, net of tax	1,946,957	1,827,837
Deferred hedge gains (losses)	(3,865)	24,557
Reserve for land revaluation	(16,402)	(17,601)
Total of valuation and translation adjustments	1,926,688	1,834,793
Subscription rights to shares	925	884
Total net assets	3,103,195	3,014,752
Total liabilities and net assets	35,894,956	35,863,175

4. Unaudited Quarterly Non-Consolidated Statement of Earnings

(millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
ORDINARY REVENUES	1,160,076	1,022,150
Premium and other income	725,243	637,133
[Premium income]	[725,084]	[636,971]
Investment income	330,737	299,710
[Interest and dividends]	[203,370]	[184,881]
[Gains on money held in trust]	[2,155]	[-]
[Gains on sale of securities]	[93,809]	[54,057]
[Derivative transaction gains]	[-]	[55,534]
[Gains on investments in separate accounts]	[21,353]	[-]
Other ordinary revenues	104,094	85,305
[Reversal of reserves for outstanding claims]	[932]	[9,979]
[Transfer from policy reserves]	[31,121]	[-]
ORDINARY EXPENSES	1,024,159	901,934
Benefits and claims	779,063	571,161
[Claims]	[174,345]	[190,077]
[Annuities]	[146,431]	[119,186]
[Benefits]	[103,485]	[99,641]
[Surrender values]	[187,828]	[121,550]
[Other refunds]	[166,633]	[40,320]
Provision for policy reserves and others	2,154	43,573
Provision for policy reserves	-	41,443
Provision for interest on policyholder dividends	2,154	2,129
Investment expenses	65,574	99,646
[Interest expenses]	[4,371]	[2,704]
[Losses on money held in trust]	[-]	[521]
[Losses on sale of securities]	[12,926]	[17,117]
[Losses on valuation of securities]	[1,473]	[9,144]
[Derivative transaction losses]	[19,205]	[-]
[Losses on investments in separate accounts]	[-]	[26,368]
Operating expenses	93,468	97,606
Other ordinary expenses	83,898	89,946
ORDINARY PROFIT	135,917	120,215
EXTRAORDINARY GAINS	71	1,487
Gains on disposal of fixed assets	71	1,487
EXTRAORDINARY LOSSES	5,289	15,208
Losses on disposal of fixed assets	144	1,277
Impairment losses on fixed assets	1,145	9,931
Provision for reserve for price fluctuations	4,000	4,000
Provision for reserve for policyholder dividends	22,988	25,985
Income before income taxes	107,711	80,509
Corporate income taxes-current	38,681	32,414
Corporate income taxes-deferred	(7,858)	(11,265)
Total of corporate income taxes	30,823	21,148
Net income	76,888	59,361

NOTES TO UNAUDITED QUARTERLY NON-CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE THREE MONTHS ENDED JUNE 30, 2016

I. NOTES TO UNAUDITED QUARTERLY NON-CONSOLIDATED BALANCE SHEET AND SHAREHOLDERS' EQUITY, ETC. AS OF JUNE 30, 2016

1. Additional Information

Effective the three months ended June 30, 2016, the Company applied the "Revised Implementation Guidance on Recoverability of Deferred Tax Assets" (ASBJ Statement No.26 issued on March 28, 2016).

2. Changes in Accounting Policies

Effective the three months ended June 30, 2016, the Company applied the "Practical Solution on a change in depreciation method due to Tax Reform 2016" (PITF No.32 issued on June 17, 2016) in accordance with the revision of the Corporation Tax Act, and changed the depreciation method for improvements attached to buildings and structures acquired on or after April 1, 2016 from the declining balance method to the straight-line method.

The effects of this change on the consolidated financial statements for the three months ended June 30, 2016 are immaterial.

3. 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, 2016 was ¥2,869,170 million.

4. 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, 2017.....	390,701
Dividend payment.....	(37,771)
Interest accrual.....	2,129
Provision for reserve for policyholder dividends	25,985
<u>Balance as of June 30, 2016.....</u>	<u>381,045</u>

5. 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 13, 2016, 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 ¥15,999 million for the three months ended June 30, 2016 and the amount of treasury stock was ¥38,709 million as of June 30, 2016.

6. Subsequent Event

The Company issued U.S. dollar-denominated step-up callable perpetual subordinated notes with interest deferral options (the "Notes") as below.

(1) Type

U.S. dollar-denominated step-up callable perpetual subordinated notes with interest deferral options

(2) Principal amount

USD 2.5 billion

- (3) Issue price (amount paid)
99% of principal amount
- (4) Issue price (offering price)
100% of principal amount
- (5) Interest rate
Fixed rate of 4.00% per annum until July 2026 and floating rate with step-up thereafter.
- (6) Maturity
None (perpetual). The Notes are callable on each interest payment date on or after July 2026 at the discretion of the Company, subject to prior government approval, etc.
- (7) Listing securities exchange
Singapore Exchange Limited
- (8) Issue date
July 20, 2016
- (9) Collateral and guarantees
The Notes have no collateral or guarantees and there are no assets especially retained for the reimbursement of the Notes.
- (10) Use of proceeds from the Notes
For general corporate purposes
- (11) Others
Regarding the Notes, the Company hedges against exchange rate fluctuation risks until July 2026 using foreign currency swaps.

II. NOTES TO THE UNAUDITED NON-CONSOLIDATED STATEMENT OF EARNINGS FOR THE THREE MONTHS ENDED JUNE 30, 2016

1. Net Income per Share

Net income per share for the three months ended June 30, 2016 was ¥50.31. Diluted net income per share for the same period was ¥50.28.

5. Breakdown of Ordinary Profit (Fundamental Profit)

(millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Fundamental revenues	1,096,292	912,545
Premium and other income	725,243	637,133
Investment income	234,745	190,105
[Interest and dividends]	203,370	184,881
Other ordinary revenues	136,303	85,305
Fundamental expense	976,286	826,181
Benefits and claims	779,063	571,161
Provision for policy reserves and others	2,154	22,874
Investment expenses	17,702	44,592
Operating expenses	93,468	97,606
Other ordinary expenses	83,898	89,946
Fundamental profit	<i>A</i> 120,006	86,363
Capital gains	95,965	109,592
Gains on money held in trust	2,155	-
Gains on investments in trading securities	-	-
Gains on sale of securities	93,809	54,057
Derivative transaction gains	-	55,534
Foreign exchange gains	-	-
Others	-	-
Capital losses	47,854	55,051
Losses on money held in trust	-	521
Losses on investments in trading securities	-	-
Losses on sale of securities	12,926	17,117
Losses on valuation of securities	1,473	9,144
Derivative transaction losses	19,205	-
Foreign exchange losses	14,248	28,267
Others	-	-
Net capital gains (losses)	<i>B</i> 48,111	54,541
Fundamental profit plus net capital gains (losses)	<i>A + B</i> 168,117	140,904
Other one-time gains	26	12
Reinsurance income	-	-
Reversal of contingency reserve	-	-
Reversal of specific reserve for possible loan losses	26	(13)
Others	-	26
Other one-time losses	32,226	20,702
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	18	3
Others	27,708	16,198
Other one-time profits	<i>C</i> (32,199)	(20,689)
Ordinary profit	<i>A + B + C</i> 135,917	120,215

Note 1: "Others" in "Other one-time gains" represents the reversal of reserve for possible investment losses (For the three months ended June 30, 2016: 26 million yen).

2: "Others" in "Other one-time losses" represents the amount of the additional policy reserves provided (For the three months ended June 30, 2015: 27,708 million yen, For the three months ended June 30, 2016: 16,198 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, 2016	As of June 30, 2016
Total solvency margin (A)	6,741,736	6,748,767
Common stock, etc. *1	1,132,993	1,179,904
Reserve for price fluctuations	148,453	152,453
Contingency reserve	576,093	580,593
General reserve for possible loan losses	487	457
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% *2	2,426,025	2,292,221
Net unrealized gains (losses) on real estate × 85% *2	82,189	84,383
Policy reserves in excess of surrender values	1,932,954	1,947,665
Qualifying subordinated debt	498,727	498,727
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(56,028)	(13,479)
Excluded items	(199,507)	(199,507)
Others	199,348	225,348
Total risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	1,496,746	1,489,652
Insurance risk R_1	74,483	73,627
3rd sector insurance risk R_8	172,591	173,251
Assumed investment yield risk R_2	233,024	231,534
Guaranteed minimum benefit risk R_7 *3	3,341	3,410
Investment risk R_3	1,205,585	1,199,989
Business risk R_4	33,780	33,636
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	900.8%	906.0%

*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, 2016 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, 2016 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, 2016	As of June 30, 2016
Individual variable insurance	56,211	51,510
Individual variable annuities	60,298	52,292
Group annuities	926,292	906,896
Separate account total	1,042,803	1,010,699

(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, 2016		As of June 30, 2016	
	Number of policies	Amount	Number of policies	Amount
Individual variable insurance (term life)	147	727	148	733
Individual variable insurance (whole life)	43,567	269,119	43,393	268,053
Total	43,714	269,847	43,541	268,787

Note: Policies in force include term life riders.

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	15,442	86,159	14,671	79,924

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, 2015	Three months ended June 30, 2016
Ordinary revenues	1,871,005	1,676,078
Ordinary profit	181,034	117,615
Net income attributable to shareholders of parent company	115,223	48,444
Comprehensive income	(49,198)	(32,848)

(millions of yen)

	As of March 31, 2016	As of June 30, 2016
Total assets	49,924,922	49,677,192
Solvency margin ratio	763.8%	785.0%

(2) Scope of Consolidation and Application of Equity Method

	As of June 30, 2016
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	49

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

(3) Unaudited Consolidated Balance Sheet

(millions of yen)

	As of March 31, 2016 (summarized)	As of June 30, 2016
ASSETS		
Cash and deposits	843,405	1,017,646
Call loans	116,900	85,900
Monetary claims bought	239,299	230,627
Money held in trust	87,476	152,420
Securities	41,560,060	40,914,483
Loans	3,715,562	3,622,471
Tangible fixed assets	1,178,817	1,158,162
Intangible fixed assets	407,367	407,951
Reinsurance receivable	105,876	95,351
Other assets	1,573,118	1,884,713
Net defined benefit assets	764	742
Deferred tax assets	1,344	1,486
Customers' liabilities for acceptances and guarantees	97,056	107,528
Reserve for possible loan losses	(1,702)	(1,896)
Reserve for possible investment losses	(423)	(397)
Total assets	49,924,922	49,677,192
LIABILITIES		
Policy reserves and others	43,894,014	43,331,085
Reserves for outstanding claims	580,778	541,616
Policy reserves	42,922,534	42,408,424
Reserve for policyholder dividends	390,701	381,045
Reinsurance payable	75,883	120,423
Bonds payable	485,682	706,915
Other liabilities	1,486,611	1,626,477
Net defined benefit liabilities	443,842	443,827
Reserve for retirement benefits of directors, executive officers and corporate auditors	1,886	1,839
Reserve for possible reimbursement of prescribed claims	800	668
Reserve for price fluctuations	155,246	159,973
Deferred tax liabilities	270,750	256,771
Deferred tax liabilities for land revaluation	80,189	78,990
Acceptances and guarantees	97,056	107,528
Total liabilities	46,991,963	46,834,501
NET ASSETS		
Capital stock	343,146	343,146
Capital surplus	330,105	330,026
Retained earnings	479,241	487,059
Treasury stock	(23,231)	(38,709)
Total shareholders' equity	1,129,262	1,121,523
Net unrealized gains (losses) on securities, net of tax	1,840,084	1,798,317
Deferred hedge gains (losses)	(3,865)	24,557
Reserve for land revaluation	(16,402)	(17,601)
Foreign currency translation adjustments	16,570	(52,135)
Accumulated remeasurements of defined benefit plans	(33,688)	(32,925)
Total accumulated other comprehensive income	1,802,698	1,720,212
Subscription rights to shares	925	884
Non-controlling interests	72	70
Total net assets	2,932,959	2,842,690
Total liabilities and net assets	49,924,922	49,677,192

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

(millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
ORDINARY REVENUES	1,871,005	1,676,078
Premium and other income	1,336,290	1,092,356
Investment income	444,625	382,666
[Interest and dividends]	[252,437]	[255,951]
[Gains on money held in trust]	[774]	[4,847]
[Gains on investments in trading securities]	[44,287]	[19,962]
[Gains on sale of securities]	[99,368]	[56,937]
[Derivative transaction gains]	[-]	[39,551]
[Gains on investments in separate accounts]	[24,042]	[-]
Other ordinary revenues	90,089	201,055
ORDINARY EXPENSES	1,689,970	1,558,462
Benefits and claims	1,090,011	892,237
[Claims]	[255,826]	[295,982]
[Annuities]	[176,201]	[128,252]
[Benefits]	[121,519]	[118,601]
[Surrender values]	[281,475]	[167,073]
Provision for policy reserves and others	298,173	2,129
Provision for policy reserves	296,018	-
Provision for interest on policyholder dividends	2,154	2,129
Investment expenses	46,360	412,182
[Interest expenses]	[6,862]	[8,895]
[Losses on sale of securities]	[13,075]	[18,753]
[Losses on valuation of securities]	[1,473]	[9,439]
[Derivative transaction losses]	[11,092]	[-]
[Losses on investments in separate accounts]	[-]	[78,806]
Operating expenses	145,207	150,374
Other ordinary expenses	110,218	101,538
Ordinary profit	181,034	117,615
EXTRAORDINARY GAINS	76	1,490
Gains on disposal of fixed assets	71	1,487
Other extraordinary gains	4	3
EXTRAORDINARY LOSSES	5,874	15,981
Losses on disposal of fixed assets	144	1,322
Impairment losses on fixed assets	1,145	9,931
Provision for reserve for price fluctuations	4,583	4,727
Other extraordinary losses	2	0
Provision for reserve for policyholder dividends	22,988	25,985
Income before income taxes	152,247	77,140
Corporate income taxes-current	42,907	27,481
Corporate income taxes-deferred	(5,889)	1,208
Total of corporate income taxes	37,017	28,690
Net income	115,230	48,450
Net income attributable to non-controlling interests	6	5
Net income attributable to shareholders of parent company	115,223	48,444

[Unaudited Consolidated Statements of Comprehensive Income]

(millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Net income	115,230	48,450
Other comprehensive income	(164,428)	(81,299)
Net unrealized gains (losses) on securities, net of tax	(173,571)	(42,843)
Deferred hedge gains (losses)	(1,339)	28,423
Reserve for land revaluation	-	(12)
Foreign currency translation adjustments	13,676	(64,648)
Remeasurements of defined benefit plans, net of tax	(1,803)	759
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	(1,391)	(2,977)
Comprehensive income	(49,198)	(32,848)
Attributable to shareholders of the parent company	(49,205)	(32,854)
Attributable to non-controlling interests	7	5

NOTES TO THE UNAUDITED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE THREE MONTHS ENDED JUNE 30, 2016

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, 2016

1. Additional Information

Effective the three months ended June 30, 2016, the Parent Company and its domestic consolidated subsidiaries applied the "Revised Implementation Guidance on Recoverability of Deferred Tax Assets" (ASBJ Statement No.26 issued on March 28, 2016).

2. Changes in Accounting Policies

Effective the three months ended June 30, 2016, the Parent Company and its domestic consolidated subsidiaries applied the "Practical Solution on a change in depreciation method due to Tax Reform 2016" (PITF No.32 issued on June 17, 2016) in accordance with the revision of the Corporation Tax Act, and changed the depreciation method for improvements attached to buildings and structures acquired on or after April 1, 2016 from the declining balance method to the straight-line method.

The effects of this change on the consolidated financial statements for the three months ended June 30, 2016 are immaterial.

3. Securities Lending

Securities lent under lending agreements are included in the consolidated balance sheet. The total balance of securities lent as of June 30, 2016 was ¥2,928,040 million.

4. 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, 2017.....	390,701
Dividend payment.....	(37,771)
Interest accrual.....	2,129
Provision for reserve for policyholder dividends	25,985
<u>Balance as of June 30, 2016.....</u>	<u>381,045</u>

5. Dividends on Common Stock

Date of resolution	June 24, 2016 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥41,497 million
Dividend per share	¥35
Record date	March 31, 2016
Effective date	June 27, 2016
Dividend resource	Retained earnings

Note: Total dividends did not include ¥192 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.

6. 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 13, 2016, 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 ¥15,999 million for the three months ended June 30, 2016 and the amount of treasury stock was ¥38,709 million as of June 30, 2016.

7. Subsequent Event

The Parent Company issued U.S. dollar-denominated step-up callable perpetual subordinated notes with interest deferral options (the "Notes") as below.

(1) Type

U.S. dollar-denominated step-up callable perpetual subordinated notes (with interest deferral options)

(2) Principal amount

USD 2.5 billion

(3) Issue price (amount paid)

99% of principal amount

(4) Issue price (offering price)

100% of principal amount

(5) Interest rate

Fixed rate of 4.00% per annum until July 2026 and floating rate with step-up thereafter

(6) Maturity

None (perpetual). The Notes are callable on each interest payment date on or after July 2026 at the discretion of the Parent Company, subject to prior government approval, etc.

(7) Listing securities exchange

Singapore Exchange Limited

(8) Issue date

July 20, 2016

(9) Collateral and guarantees

The Notes have no collateral or guarantees and there are no assets especially retained for the reimbursement of the Notes.

(10) Use of proceeds from the Notes

For general corporate purposes

(11) Others

Regarding the Notes, the Parent Company hedges against exchange rate fluctuation risks until July 2026 using foreign currency swaps.

III. NOTES TO UNAUDITED QUARTERLY CONSOLIDATED STATEMENT OF EARNINGS FOR THE THREE MONTHS ENDED JUNE 30, 2016

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, 2016. 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, 2016, 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, 2016 was ¥41.06. Diluted net income per share for the same period was ¥41.03.

3. Depreciation and Amortization

For the three months ended June 30, 2016, (1) depreciation of real estate for rent and others totaled ¥3,454 million, (2) depreciation (including the depreciation of intangible fixed assets other than goodwill) totaled ¥12,529 million, and (3) amortization of goodwill was ¥799 million.

(5) Consolidated Solvency Margin Ratio

(millions of yen)

	As of March 31, 2016	As of June 30, 2016
Total solvency margin (A)	6,037,031	6,128,964
Common stock, etc. *1	763,044	798,943
Reserve for price fluctuations	155,246	159,973
Contingency reserve	691,167	695,404
Catastrophe loss reserve	-	-
General reserve for possible loan losses	495	467
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% *2	2,270,855	2,240,316
Net unrealized gains (losses) on real estate × 85% *2	82,189	84,383
Sum of unrecognized actuarial differences and unrecognized past service cost	(46,579)	(45,532)
Policy reserves in excess of surrender values	2,121,848	2,123,801
Qualifying subordinated debt	498,727	498,727
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(521,349)	(476,956)
Excluded items	(177,962)	(175,911)
Others	199,348	225,348
Total risk $\sqrt{(\sqrt{R_1^2 + R_5^2 + R_8 + R_9})^2 + (R_2 + R_3 + R_7)^2} + R_4 + R_6$ (B)	1,580,596	1,561,446
Insurance risk R ₁	122,410	120,681
General insurance risk R ₅	5,006	4,677
Catastrophe risk R ₆	1,844	1,740
3rd sector insurance risk R ₈	186,234	185,858
Small amount and short-term insurance risk R ₉	-	-
Assumed investment yield risk R ₂	262,581	257,941
Guaranteed minimum benefit risk R ₇ *3	87,783	77,823
Investment risk R ₃	1,160,636	1,156,658
Business risk R ₄	36,529	36,107
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	763.8%	785.0%

*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, 2016 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, 2016 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, 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.

	As of March 31, 2016	As of June 30, 2016
Total solvency margin (A)	27,795	26,194
Common stock, etc.	27,343	25,740
Reserve for price fluctuations	20	20
Contingency reserve	428	429
General reserve for possible loan losses	-	-
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% *	3	3
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)	557	546
Insurance risk R_1	336	329
3rd sector insurance risk R_8	89	98
Assumed investment yield risk R_2	0	0
Guaranteed minimum benefit risk R_7	-	-
Investment risk R_3	323	305
Business risk R_4	22	21
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	9,969.9%	9,580.6%

*: Multiplied by 100% if losses.

Note: 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.

(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.