
Financial Results for the Nine Months Ended December 31, 2014

The Dai-ichi Frontier Life Insurance Co., Ltd. (the "Company"; President: Satoru Tsutsumi) announces its financial results for the nine months ended December 31, 2014.

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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, 2014		As of December 31, 2014			
	Number of Policies (thousands)	Amount (millions of yen)	Number of Policies		Amount	
			(thousands)	% of March 31, 2014 total	(millions of yen)	% of March 31, 2014 total
Individual insurance	98	768,813	162	165.0	1,267,004	164.8
Individual annuities	441	2,545,193	544	123.5	3,358,826	132.0
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		(millions of yen)	Amount		
	(thousands)	% of December 31, 2013 total		(millions of yen)	% of December 31, 2013 total	New Business
Nine months ended December 31, 2014						
Individual insurance	66	111.5	503,607	113.0	503,607	-
Individual annuities	139	188.6	901,594	225.6	901,594	-
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-
Nine months ended December 31, 2013						
Individual insurance	59		445,524		445,524	-
Individual annuities	73		399,674		399,674	-
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, 2014	As of December 31, 2014	
			% of March 31, 2014 total
Individual insurance	57,984	98,691	170.2
Individual annuities	270,574	328,985	121.6
Total	328,558	427,676	130.2
Medical and survival benefits	-	-	-

New Policies

(millions of yen except percentages)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014	% of December 31, 2013 total
Individual insurance	34,285	41,349	120.6
Individual annuities	45,813	81,450	177.8
Total	80,098	122,799	153.3
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, 2014		As of December 31, 2014	
	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	69,010	4.4	112,248	4.2
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	6,040	0.4	6,076	0.2
Trading account securities	-	-	-	-
Money held in trust	31,701	2.0	31,097	1.2
Securities	1,424,152	89.8	2,392,074	90.4
Domestic bonds	618,016	39.0	813,277	30.8
Domestic stocks	-	-	-	-
Foreign securities	747,728	47.2	1,332,691	50.4
Foreign bonds	744,967	47.0	1,326,782	50.2
Foreign stocks and other securities	2,761	0.2	5,909	0.2
Other securities	58,407	3.7	246,105	9.3
Loans	-	-	-	-
Real estate	-	-	-	-
Deferred tax assets	-	-	-	-
Others	54,243	3.4	103,179	3.9
Reserve for possible loan losses	(8)	(0.0)	(21)	(0.0)
Total	1,585,139	100.0	2,644,655	100.0
Foreign currency-denominated assets	717,407	45.3	1,417,126	53.6

(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 December 31, 2014					
Bonds held to maturity	-	-	-	-	-
Policy-reserve-matching bonds	1,515,623	1,610,118	94,494	94,549	55
Stocks of subsidiaries and affiliates	-	-	-	-	-
Securities available for sale	828,518	876,618	48,100	48,401	301
Domestic bonds	307,004	324,300	17,296	17,336	40
Domestic stocks	-	-	-	-	-
Foreign securities	282,651	300,135	17,483	17,486	2
Foreign bonds	282,651	300,135	17,483	17,486	2
Foreign stocks and other securities	-	-	-	-	-
Other securities	232,862	246,105	13,243	13,501	258
Monetary claims bought	6,000	6,076	76	76	-
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	2,344,141	2,486,736	142,595	142,951	356
Domestic bonds	795,980	835,624	39,643	39,695	51
Domestic stocks	-	-	-	-	-
Foreign securities	1,309,298	1,398,929	89,631	89,677	45
Foreign bonds	1,309,298	1,398,929	89,631	89,677	45
Foreign stocks and other securities	-	-	-	-	-
Other securities	232,862	246,105	13,243	13,501	258
Monetary claims bought	6,000	6,076	76	76	-
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
As of March 31, 2014					
Bonds held to maturity	-	-	-	-	-
Policy-reserve-matching bonds	734,108	740,080	5,972	7,723	1,751
Stocks of subsidiaries and affiliates	-	-	-	-	-
Securities available for sale	681,823	693,323	11,500	12,972	1,472
Domestic bonds	309,891	317,261	7,369	7,559	190
Domestic stocks	-	-	-	-	-
Foreign securities	307,881	311,614	3,733	4,996	1,263
Foreign bonds	307,881	311,614	3,733	4,996	1,263
Foreign stocks and other securities	-	-	-	-	-
Other securities	58,050	58,407	357	376	19
Monetary claims bought	6,000	6,040	40	40	-
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	1,415,931	1,433,404	17,472	20,696	3,224
Domestic bonds	610,647	621,233	10,585	10,865	279
Domestic stocks	-	-	-	-	-
Foreign securities	741,233	747,723	6,489	9,414	2,925
Foreign bonds	741,233	747,723	6,489	9,414	2,925
Foreign stocks and other securities	-	-	-	-	-
Other securities	58,050	58,407	357	376	19
Monetary claims bought	6,000	6,040	40	40	-
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 December 31, 2014	31,097	31,097	(2,503)	2,503
As of March 31, 2014	31,701	31,701	(19,178)	19,178

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, 2014		As of December 31, 2014	
	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	31,701	(19,178)	31,097	(2,503)

*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, 2014 (Summarized)	As of December 31, 2014
	Amount	Amount
(ASSETS)		
Cash and deposits	49,790	99,149
Call loans	28,300	35,100
Monetary claims bought	6,040	6,076
Money held in trust	31,701	31,097
Securities	3,220,656	4,408,234
[Government bonds]	[338,895]	[477,237]
[Local government bonds]	[7,905]	[8,297]
[Corporate bonds]	[271,216]	[327,742]
[Foreign securities]	[752,284]	[1,341,758]
Tangible fixed assets	85	105
Intangible fixed assets	1	374
Reinsurance receivables	26,891	57,740
Other assets	28,942	45,133
Reserve for possible loan losses	(8)	(21)
Total assets	3,392,400	4,682,991

(millions of yen)

	As of March 31, 2014 (Summarized)	As of December 31, 2014
	Amount	Amount
(LIABILITIES)		
Policy reserves and others	3,288,370	4,530,490
Reserves for outstanding claims	2,485	3,682
Policy reserves	3,285,885	4,526,808
Reinsurance payable	1,260	2,487
Other liabilities	49,050	67,300
Corporate income tax payable	17	20
Other liabilities	49,032	67,280
Reserve for employees' retirement benefits	131	167
Reserve for retirement benefits of directors, executive officers and corporate auditors	5	6
Reserve for price fluctuations	1,714	3,107
Deferred tax liabilities	3,538	14,880
Total liabilities	3,344,071	4,618,440
(NET ASSETS)		
Capital stock	117,500	117,500
Capital surplus	67,500	67,500
Legal capital surplus	67,500	67,500
Retained earnings	(144,632)	(153,668)
Other retained earnings	(144,632)	(153,668)
Retained earnings brought forward	(144,632)	(153,668)
Total shareholders' equity	40,367	31,331
Net unrealized gains on securities, net of tax	7,961	33,220
Total of valuation and translation adjustments	7,961	33,220
Total net assets	48,329	64,551
Total liabilities and net assets	3,392,400	4,682,991

4. Non-Consolidated Statements of Earnings

(millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
	Amount	Amount
ORDINARY REVENUES	1,036,498	1,687,781
Premium and other income	899,062	1,418,523
[Premium income]	[810,933]	[1,281,030]
Investment income	137,434	269,253
[Interest and dividends]	[15,133]	[38,952]
[Gains on sale of securities]	[8,034]	[11,575]
[Gains on investment in separate accounts]	[114,267]	[172,642]
Other ordinary revenues	1	3
ORDINARY EXPENSES	1,048,903	1,695,309
Benefits and claims	249,984	367,744
[Claims]	[1,080]	[8,604]
[Annuities]	[494]	[34,509]
[Benefits]	[14,339]	[23,848]
[Surrender values]	[135,159]	[189,124]
[Other refunds]	[2,880]	[2,793]
Provision for policy reserves and others	725,444	1,242,119
Provision for reserves for outstanding claims	530	1,196
Provision for policy reserve	724,914	1,240,922
Investment expenses	36,097	7,187
[Interest expenses]	[0]	[0]
[Losses on money held in trust]	[16,435]	[2,503]
[Losses on investment in trading securities]	[2,644]	[963]
[Losses on sale of securities]	[114]	[133]
[Derivative transaction losses]	[14,437]	[3,063]
Operating expenses	33,970	70,365
Other ordinary expenses	3,406	7,892
ORDINARY LOSS	12,405	7,528
EXTRAORDINARY LOSSES	542	1,410
Provision for reserve for price fluctuations	542	1,393
Other extraordinary losses	0	17
Loss before income taxes	12,947	8,938
Corporate income taxes - current	106	98
Total of corporate income taxes	106	98
Net loss for the period	13,054	9,036

Notes to the Non-Consolidated Balance Sheet

As of December 31, 2014

1. 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	99,149	99,149	-
(2) Call loans	35,100	35,100	-
(3) Monetary claims bought	6,076	6,076	-
(4) Money held in trust	31,097	31,097	-
(5) Securities	4,408,234	4,502,729	94,494
(a) Trading securities	2,022,069	2,022,069	-
(b) Policy-reserve-matching bonds	1,515,623	1,610,118	94,494
(c) Other securities	870,541	870,541	-
Assets total	4,579,658	4,674,153	94,494
Derivative transactions			
(a) Derivative transactions to which hedge accounting is not applied	6,605	6,605	-
Derivative transactions total	6,605	6,605	-

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) Call loans
Since all call loans are close to due date and their fair value is close to carrying amounts, fair value of call loans is based on their carrying amount.
- (c) Monetary claims bought
Fair value of monetary claims bought is based on the reasonably calculated price.
- (d) Money held in trust
Information on the fair value of derivative transactions attributable to money held in trust appears below in "(f) Derivative transactions".
- (e) Securities
Fair value of bonds is based on the price on stock exchanges. Fair value of mutual funds is based on unit price.
- (f) 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

Nine months ended December 31, 2014

1. Net loss per share for the nine months ended December 31, 2014 was 4,884,588.58yen. 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)

		Nine months ended December 31, 2013	Nine months ended December 31, 2014
Fundamental profit	A	25,619	3,549
Capital gains		10,585	57,141
Gains on money held in trust		-	-
Gains on investment in trading securities		-	-
Gains on sale of securities		8,034	11,575
Derivative transaction gains		-	-
Foreign exchange gains		-	45,565
Others		2,550	-
Capital losses		35,613	54,859
Losses on money held in trust		16,435	2,503
Losses on investment in trading securities		2,644	963
Losses on sale of securities		114	133
Losses on valuation of securities		-	-
Derivative transaction losses		14,437	3,063
Foreign exchange losses		1,982	-
Others		-	48,194
Net capital gains (losses)	B	(25,028)	2,282
Fundamental profit plus net capital gains (losses)	A + B	590	5,831
Other one-time gains		-	-
Reinsurance income		-	-
Reversal of contingency reserve		-	-
Reversal of specific reserve for possible loan losses		-	-
Others		-	-
Other one-time losses		12,995	13,359
Ceding reinsurance commissions		-	-
Provision for contingency reserve		12,995	13,359
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	(12,995)	(13,359)
Ordinary profit (loss)	A + B + C	(12,405)	(7,528)

Note: 1. Fundamental profit includes the amount below.

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Adjustment of the portion valued in exchange rate fluctuations of foreign-currency denominated insurance's liability	(2,550)	48,194

2. Other capital gains include the amount below.

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Adjustment of the portion valued in exchange rate fluctuations of foreign-currency denominated insurance's liability	2,550	-

3. Other capital losses include the amount below.

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Adjustment of the portion valued in exchange rate fluctuations of foreign-currency denominated insurance's liability	-	48,194

4. 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, 2014	As of December 31, 2014
Total solvency margin (A)	229,705	313,341
Common stock, etc	40,367	31,331
Reserve for price fluctuations	1,714	3,107
Contingency reserve	107,274	120,634
General reserve for possible loan losses	8	21
Net unrealized gains on securities (before tax) × 90%*	10,350	43,290
Net unrealized gains (losses) on real estate × 85%*	-	-
Policy reserves in excess of surrender values	69,990	114,957
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)	68,429	91,879
Insurance risk R_1	34	41
3rd sector insurance risk R_8	-	-
Assumed investment yield risk R_2	12,939	25,137
Guaranteed minimum benefit risk R_7	22,812	22,172
Investment risk R_3	30,683	41,892
Business risk R_4	1,994	2,677
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	671.3%	682.0%

* Multiplied by 100% if losses.

Note: 1. The figures as of March 31, 2014 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 December 31, 2014 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, 2014	As of December 31, 2014
Individual variable insurance	2,935	2,604
Individual variable annuities	1,805,876	2,037,303
Group annuities	-	-
Separate account total	1,808,811	2,039,907

(2) Policies in Force

A. Individual Variable Insurance

(millions of yen except number of policies)

	As of March 31, 2014		As of December 31, 2014	
	Number of policies (thousands)	Amount	Number of policies (thousands)	Amount
Variable insurance (defined term type)	-	-	-	-
Variable insurance (whole life type)	0	2,898	0	3,579
Total	0	2,898	0	3,579

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, 2014		As of December 31, 2014	
	Number of policies (thousands)	Amount	Number of policies (thousands)	Amount
Individual variable annuities	315	1,886,390	424	2,733,183

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.