
Financial Results for the Three Months Ended June 30, 2015

The Dai-ichi Frontier Life Insurance Co., Ltd. (the "Company"; President: Hiroshi Kanai) announces its financial results for the three months ended June 30, 2015.

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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, 2015		As of June 30, 2015			
	Number of Policies (thousands)	Amount (millions of yen)	Number of Policies		Amount	
			(thousands)	% of March 31, 2015 total	(millions of yen)	% of March 31, 2015 total
Individual insurance	179	1,360,497	195	109.2	1,493,949	109.8
Individual annuities	580	3,544,134	609	105.0	3,738,601	105.5
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, 2014 total	(millions of yen)	% of December 31, 2014 total	New Business	Net increase from conversions
Three months ended June 30, 2015						
Individual insurance	18	84.3	136,026	83.9	136,026	-
Individual annuities	40	107.9	265,595	108.6	265,595	-
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-
Three months ended June 30, 2014						
Individual insurance	21		162,064		162,064	-
Individual annuities	37		244,541		244,541	-
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, 2015	As of June 30, 2015	
			% of March 31, 2015 total
Individual insurance	106,965	118,267	110.6
Individual annuities	344,814	363,038	105.3
Total	451,779	481,306	106.5
Medical and survival benefits	-	-	-

New Policies

(millions of yen except percentages)

	Three months ended June 30, 2014	Three months ended June 30, 2015	% of June 30, 2014 total
Individual insurance	13,030	11,601	89.0
Individual annuities	22,044	24,667	111.9
Total	35,074	36,269	103.4
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, 2015		As of June 30, 2015	
	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	69,933	2.4	78,078	2.5
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	6,078	0.2	6,086	0.2
Trading account securities	-	-	-	-
Money held in trust	29,160	1.0	29,279	0.9
Securities	2,661,402	92.7	2,943,336	92.6
Domestic bonds	878,455	30.6	935,744	29.4
Domestic stocks	-	-	-	-
Foreign securities	1,499,467	52.2	1,733,521	54.5
Foreign bonds	1,494,409	52.1	1,726,480	54.3
Foreign stocks and other securities	5,057	0.2	7,040	0.2
Other securities	283,479	9.9	274,071	8.6
Loans	-	-	-	-
Real estate	-	-	-	-
Deferred tax assets	-	-	-	-
Others	103,264	3.6	121,820	3.8
Reserve for possible loan losses	(15)	(0.0)	(17)	(0.0)
Total	2,869,824	100.0	3,178,584	100.0
Foreign currency-denominated assets	1,571,465	54.8	1,829,227	57.5

(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, 2015					
Bonds held to maturity	-	-	-	-	-
Policy-reserve-matching bonds	1,989,687	2,044,841	55,154	63,882	8,727
Stocks of subsidiaries and affiliates	-	-	-	-	-
Securities available for sale	923,600	952,696	29,096	33,595	4,498
Domestic bonds	313,874	327,340	13,466	13,623	156
Domestic stocks	-	-	-	-	-
Foreign securities	339,904	345,198	5,293	9,316	4,022
Foreign bonds	339,904	345,198	5,293	9,316	4,022
Foreign stocks and other securities	-	-	-	-	-
Other securities	263,821	274,071	10,249	10,569	319
Monetary claims bought	6,000	6,086	86	86	-
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	2,913,287	2,997,537	84,250	97,477	13,226
Domestic bonds	922,278	950,477	28,199	29,954	1,755
Domestic stocks	-	-	-	-	-
Foreign securities	1,721,187	1,766,902	45,714	56,866	11,151
Foreign bonds	1,721,187	1,766,902	45,714	56,866	11,151
Foreign stocks and other securities	-	-	-	-	-
Other securities	263,821	274,071	10,249	10,569	319
Monetary claims bought	6,000	6,086	86	86	-
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
As of March 31, 2015					
Bonds held to maturity	-	-	-	-	-
Policy-reserve-matching bonds	1,734,410	1,858,429	124,019	124,653	633
Stocks of subsidiaries and affiliates	-	-	-	-	-
Securities available for sale	873,157	928,012	54,855	55,322	467
Domestic bonds	312,153	327,278	15,125	15,160	35
Domestic stocks	-	-	-	-	-
Foreign securities	290,869	311,176	20,306	20,459	153
Foreign bonds	290,869	311,176	20,306	20,459	153
Foreign stocks and other securities	-	-	-	-	-
Other securities	264,134	283,479	19,345	19,623	278
Monetary claims bought	6,000	6,078	78	78	-
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
Total	2,607,567	2,786,442	178,874	179,975	1,101
Domestic bonds	863,330	897,320	33,990	34,543	553
Domestic stocks	-	-	-	-	-
Foreign securities	1,474,103	1,599,563	125,460	125,729	268
Foreign bonds	1,474,103	1,599,563	125,460	125,729	268
Foreign stocks and other securities	-	-	-	-	-
Other securities	264,134	283,479	19,345	19,623	278
Monetary claims bought	6,000	6,078	78	78	-
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, 2015	29,279	29,279	(1,381)	1,381
As of March 31, 2015	29,160	29,160	(4,440)	4,440

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, 2015		As of June 30, 2015	
	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	29,160	(4,440)	29,279	(1,381)

*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, 2015 (Summarized)	As of June 30, 2015
	Amount	Amount
(ASSETS)		
Cash and deposits	56,221	56,751
Call loans	25,100	32,200
Monetary claims bought	6,078	6,086
Money held in trust	29,160	29,279
Securities	4,715,429	5,013,592
[Government bonds]	[515,825]	[560,355]
[Local government bonds]	[9,301]	[9,289]
[Corporate bonds]	[353,328]	[366,100]
[Foreign securities]	[1,510,440]	[1,746,384]
Tangible fixed assets	90	84
Intangible fixed assets	581	972
Reinsurance receivables	66,537	74,671
Other assets	38,083	47,618
Reserve for possible loan losses	(15)	(17)
Total assets	4,937,267	5,261,239

(millions of yen)

	As of March 31, 2015 (Summarized)	As of June 30, 2015
	Amount	Amount
(LIABILITIES)		
Policy reserves and others	4,811,634	5,092,300
Reserves for outstanding claims	4,548	4,889
Policy reserves	4,807,086	5,087,411
Reinsurance payable	2,717	3,767
Other liabilities	45,659	82,132
Corporate income tax payable	6	492
Other liabilities	45,652	81,640
Reserve for employees' retirement benefits	157	171
Reserve for retirement benefits of directors, executive officers and corporate auditors	5	5
Reserve for price fluctuations	3,781	4,364
Deferred tax liabilities	15,900	8,483
Total liabilities	4,879,855	5,191,226
(NET ASSETS)		
Capital stock	117,500	117,500
Capital surplus	67,500	67,500
Legal capital surplus	67,500	67,500
Retained earnings	(166,542)	(135,599)
Other retained earnings	(166,542)	(135,599)
Retained earnings brought forward	(166,542)	(135,599)
Total shareholders' equity	18,457	49,400
Net unrealized gains on securities, net of tax	38,954	20,612
Total of valuation and translation adjustments	38,954	20,612
Total net assets	57,411	70,013
Total liabilities and net assets	4,937,267	5,261,239

4. Non-Consolidated Statements of Earnings

(millions of yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
	Amount	Amount
ORDINARY REVENUES	458,349	489,030
Premium and other income	403,913	431,722
[Premium income]	[367,071]	[378,306]
Investment income	54,435	57,306
[Interest and dividends]	[9,784]	[17,445]
[Gains on sale of securities]	[324]	[5,091]
[Derivative transaction gains]	[1,498]	[4,070]
[Gains on investment in separate accounts]	[42,311]	[2,688]
Other ordinary revenues	0	1
ORDINARY EXPENSES	459,746	454,635
Benefits and claims	88,721	148,787
[Claims]	[2,700]	[4,668]
[Annuities]	[10,631]	[6,329]
[Benefits]	[6,387]	[9,683]
[Surrender values]	[36,639]	[81,632]
[Other refunds]	[863]	[864]
Provision for policy reserves and others	345,422	280,665
Provision for reserves for outstanding claims	647	340
Provision for policy reserve	344,775	280,325
Investment expenses	3,411	1,811
[Interest expenses]	[-]	[0]
[Losses on money held in trust]	[1,113]	[1,381]
[Losses on investment in trading securities]	[527]	[231]
[Losses on sale of securities]	[82]	[16]
Operating expenses	19,837	21,055
Other ordinary expenses	2,352	2,315
ORDINARY GAIN (LOSS)	(1,396)	34,395
EXTRAORDINARY LOSSES	305	583
Provision for reserve for price fluctuations	299	583
Other extraordinary losses	6	-
Gain (loss) before income taxes	(1,702)	33,812
Corporate income taxes - current	46	2,868
Total of corporate income taxes	46	2,868
Net income (loss) for the period	(1,748)	30,943

Notes to the Non-Consolidated Balance Sheet

As of June 30, 2015

1. Securities lent under lending agreements are included in the balance sheets. The total balance of securities lent as of June 30, 2015 was 28,242 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	56,751	56,751	-
(2) Call loans	32,200	32,200	-
(3) Monetary claims bought	6,086	6,086	-
(4) Money held in trust	29,279	29,279	-
(5) Securities	5,013,592	5,068,746	55,154
(a) Trading securities	2,077,295	2,077,295	-
(b) Policy-reserve-matching bonds	1,989,687	2,044,841	55,154
(c) Other securities	946,609	946,609	-
Assets total	5,137,910	5,193,064	55,154
Derivative transactions			
(a) Derivative transactions to which hedge accounting is not applied	6,027	6,027	-
Derivative transactions total	6,027	6,027	-

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

Three months ended June 30, 2015

1. Net loss per share for the three months ended June 30, 2015 was 16,726,240.03yen. 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, 2014	Three months ended June 30, 2015
Fundamental profit	A	4,073	26,168
Capital gains		1,823	37,043
Gains on money held in trust		-	-
Gains on investment in trading securities		-	-
Gains on sale of securities		324	5,091
Derivative transaction gains		1,498	4,070
Foreign exchange gains		-	27,882
Others		-	-
Capital losses		3,523	33,228
Losses on money held in trust		1,113	1,381
Losses on investment in trading securities		527	231
Losses on sale of securities		82	16
Losses on valuation of securities		-	-
Derivative transaction losses		-	-
Foreign exchange losses		1,522	-
Others		278	31,599
Net capital gains (losses)	B	(1,700)	3,814
Fundamental profit plus net capital gains (losses)	A + B	2,373	29,983
Other one-time gains		-	4,411
Reinsurance income		-	-
Reversal of contingency reserve		-	4,411
Reversal of specific reserve for possible loan losses		-	-
Others		-	-
Other one-time losses		3,769	-
Ceding reinsurance commissions		-	-
Provision for contingency reserve		3,769	-
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	(3,769)	4,411
Ordinary profit (loss)	A + B + C	(1,396)	34,395

Note: 1. Fundamental profit includes the amount below.

	Three months ended June 30, 2014	Three months ended June 30, 2015
Adjustment of the portion valued in exchange rate fluctuations of foreign-currency denominated insurance's liability	278	31,599

2. Other capital losses include the amount below.

	Three months ended June 30, 2014	Three months ended June 30, 2015
Adjustment of the portion valued in exchange rate fluctuations of foreign-currency denominated insurance's liability	278	31,599

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

* Multiplied by 100% if losses.

Note: 1. The figures as of March 31, 2015 are calculated based on Articles 86 and 87 of the Enforcement Regulations of Insurance Business Act, and Announcement No.50, Ministry of Finance, 1996.

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

2. Guaranteed minimum benefit risk is calculated by the standard method.

7. Separate Account Status

(1) Separate Account Assets by Product

(millions of yen)

	As of March 31, 2015	As of June 30, 2015
Individual variable insurance	2,847	3,398
Individual variable annuities	2,065,843	2,080,303
Group annuities	-	-
Separate account total	2,068,691	2,083,701

(2) Policies in Force

A. Individual Variable Insurance

(millions of yen except number of policies)

	As of March 31, 2015		As of June 30, 2015	
	Number of policies (thousands)	Amount	Number of policies (thousands)	Amount
Variable insurance (defined term type)	-	-	-	-
Variable insurance (whole life type)	0	11,009	2	22,291
Total	0	11,009	2	22,291

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, 2015		As of June 30, 2015	
	Number of policies (thousands)	Amount	Number of policies (thousands)	Amount
Individual variable annuities	462	2,943,208	493	3,148,645

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.