
Financial Results for the Nine Months Ended December 31, 2011

The Dai-ichi Frontier Life Insurance Co., Ltd. (the "Company"; President: Satoru Tsutsumi) announces its financial results for the nine months ended December 31, 2011.

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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, 2011		As of December 31, 2011			
	Number of Policies (thousands)	Amount (millions of yen)	Number of Policies		Amount	
			(thousands)	% of March 31, 2011 total	(millions of yen)	% of March 31, 2011 total
Individual insurance	0	879	0	241.7	2,932	333.4
Individual annuities	258	1,435,273	298	115.7	1,633,506	113.8
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, 2010 total		(millions of yen)	% of December 31, 2010 total	New Business
Nine months ended December 31, 2011						
Individual insurance	0	2,075.0	2,110	3,639.4	2,110	-
Individual annuities	45	137.0	237,198	138.4	237,198	-
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-
Nine months ended December 31, 2010						
Individual insurance	0		58		58	-
Individual annuities	32		171,381		171,381	-
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, 2011	As of December 31, 2011	
			% of March 31, 2011 total
Individual insurance	72	239	330.0
Individual annuities	147,933	175,704	118.8
Total	148,006	175,943	118.9
Medical and survival benefits	-	-	-

New Policies

(millions of yen except percentages)

	Nine months ended December 31, 2010	Nine months ended December 31, 2011	% of December 31, 2010 total
Individual insurance	3	172	5,463.3
Individual annuities	18,531	31,470	169.8
Total	18,534	31,642	170.7
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, 2011		As of December 31, 2011	
	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	17,228	6.1	13,743	3.0
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	-	-	-	-
Trading account securities	-	-	-	-
Money held in trust	41,659	14.8	44,165	9.6
Securities	178,119	63.2	357,203	77.8
Domestic bonds	131,041	46.5	190,871	41.5
Domestic stocks	-	-	-	-
Foreign securities	47,078	16.7	166,332	36.2
Foreign bonds	41,366	14.7	155,552	33.9
Foreign stocks and other securities	5,712	2.0	10,780	2.3
Other securities	-	-	-	-
Loans	-	-	-	-
Real estate	-	-	-	-
Deferred tax assets	-	-	-	-
Other	44,953	15.9	44,333	9.6
Reserve for possible loan losses	(28)	(0.0)	(25)	(0.0)
Total	281,931	100.0	459,420	100.0
Foreign currency-denominated assets	17,164	6.1	121,969	26.5

(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 December 31, 2011					
Bonds held to maturity	-	-	-	-	-
Policy-reserve-matching bonds	46,238	46,336	97	207	109
Stocks of subsidiaries and affiliates	-	-	-	-	-
Securities available for sale	297,000	300,185	3,185	5,682	2,497
Domestic bonds	170,507	173,551	3,044	3,974	930
Domestic stocks	-	-	-	-	-
Foreign securities	126,493	126,634	140	1,707	1,566
Foreign bonds	126,493	126,634	140	1,707	1,566
Foreign stocks and other securities	-	-	-	-	-
Other securities	-	-	-	-	-
Monetary claims bought	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Other	-	-	-	-	-
Total	343,238	346,521	3,282	5,889	2,606
Domestic bonds	187,827	190,912	3,084	4,019	934
Domestic stocks	-	-	-	-	-
Foreign securities	155,411	155,609	197	1,869	1,671
Foreign bonds	155,411	155,609	197	1,869	1,671
Foreign stocks and other securities	-	-	-	-	-
Other securities	-	-	-	-	-
Monetary claims bought	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Other	-	-	-	-	-
As of March 31, 2011					
Bonds held to maturity	-	-	-	-	-
Policy-reserve-matching bonds	-	-	-	-	-
Stocks of subsidiaries and affiliates	-	-	-	-	-
Securities available for sale	170,207	172,407	2,199	2,756	557
Domestic bonds	129,092	131,041	1,948	2,351	403
Domestic stocks	-	-	-	-	-
Foreign securities	41,114	41,366	251	405	154
Foreign bonds	41,114	41,366	251	405	154
Foreign stocks and other securities	-	-	-	-	-
Other securities	-	-	-	-	-
Monetary claims bought	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Other	-	-	-	-	-
Total	170,207	172,407	2,199	2,756	557
Domestic bonds	129,092	131,041	1,948	2,351	403
Domestic stocks	-	-	-	-	-
Foreign securities	41,114	41,366	251	405	154
Foreign bonds	41,114	41,366	251	405	154
Foreign stocks and other securities	-	-	-	-	-
Other securities	-	-	-	-	-
Monetary claims bought	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
Other	-	-	-	-	-

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, 2011	44,165	44,165	5,706	5,706	-
As of March 31, 2011	41,659	41,659	(4,666)	-	4,666

Note: Market price equivalents appearing in this table are based on prices calculated using a reasonable method by trustees of money held in trust.

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, 2011		As of December 31, 2011	
	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	41,659	(4,666)	44,165	5,706

*Information on money held in trust classified as held-to-maturity, policy-reserve-matching, or other money held in trust

Not applicable.

3. Non-Consolidated Balance Sheets

(millions of yen)

	As of March 31, 2011 (Summarized)	As of December 31, 2011
	Amount	Amount
(ASSETS)		
Cash and deposits	16,167	10,756
Call loans	7,800	6,400
Money held in trust	41,659	44,165
Securities	1,455,476	1,606,245
[Government bonds]	[57,605]	[75,231]
[Local government bonds]	[2,055]	[4,364]
[Corporate bonds]	[71,380]	[111,275]
[Foreign securities]	[47,078]	[166,666]
Tangible fixed assets	95	64
Intangible fixed assets	2	1
Reinsurance receivables	41,575	35,811
Other assets	4,039	9,353
Reserve for possible loan losses	(28)	(25)
Total assets	1,566,786	1,712,772

(millions of yen)

	As of March 31, 2011 (Summarized)	As of December 31, 2011
	Amount	Amount
(LIABILITIES)		
Policy reserves and others	1,443,051	1,606,536
Reserves for outstanding claims	1,080	924
Policy reserves	1,441,971	1,605,611
Reinsurance payable	678	1,181
Other liabilities	5,326	10,519
Corporate income tax payable	8	6
Other liabilities	5,318	10,513
Reserve for employees' retirement benefits	56	81
Reserve for retirement benefits of directors, executive officers and corporate auditors	1	3
Reserve for price fluctuations	143	283
Deferred tax liabilities	796	980
Total liabilities	1,450,054	1,619,585
(NET ASSETS)		
Capital stock	117,500	117,500
Capital surplus	67,500	67,500
Legal capital surplus	67,500	67,500
Retained earnings	(69,670)	(94,017)
Other retained earnings	(69,670)	(94,017)
Retained earnings brought forward	(69,670)	(94,017)
Total shareholders' equity	115,329	90,982
Net unrealized gains on securities, net of tax	1,403	2,205
Total of valuation and translation adjustments	1,403	2,205
Total net assets	116,732	93,187
Total liabilities and net assets	1,566,786	1,712,772

4. Non-Consolidated Statements of Earnings

(millions of yen)

	Nine months ended December 31, 2010	Nine months ended December 31, 2011
	Amount	Amount
ORDINARY REVENUES	208,369	255,884
Premium and other income	205,160	242,940
[Premium income]	[171,101]	[211,586]
Investment income	3,207	12,779
[Interest and dividends]	[1,272]	[3,139]
[Gains on money held in trust]	[1,697]	[5,706]
[Gains on trading securities]	[133]	[1,701]
[Gains on sales of securities]	[104]	[42]
[Derivative transaction gains]	[-]	[2,186]
Other ordinary revenues	0	164
[Reversal of reserves for outstanding claims]	[-]	[155]
ORDINARY EXPENSES	218,107	280,082
Benefits and claims	60,752	68,825
[Claims]	[-]	[17]
[Annuities]	[350]	[250]
[Benefits]	[6,075]	[7,764]
[Surrender values]	[15,641]	[17,927]
[Other refunds]	[604]	[1,112]
Provision for policy reserves and others	125,879	163,640
Provision for reserves for outstanding claims	109	-
Provision for policy reserve	125,769	163,640
Investment expenses	22,942	36,261
[Interest expenses]	[0]	[-]
[Derivative transaction losses]	[24]	[-]
[Losses on investment in separate accounts]	[22,289]	[32,316]
Operating expenses	7,962	10,608
Other ordinary expenses	569	746
ORDINARY LOSSES	9,737	24,197
EXTRAORDINARY GAINS	314	-
Other extraordinary gains	314	-
EXTRAORDINARY LOSSES	37	142
Provision for reserve for price fluctuations	37	140
Other extraordinary losses	-	2
Losses before income taxes	9,460	24,340
Corporate income taxes - current	6	6
Total of corporate income taxes	6	6
Net loss for the period	9,467	24,346

As of December 31, 2011

- Effective the nine months ended December 31, 2011, Reversal of reserve for outstanding claims that was previously included in Other ordinary revenues is separately presented because of its increased importance.
- Amounts of financial assets recorded on the balance sheet, their fair values, and differences between the two are as follows:

(millions of yen)

	Amount recorded on balance sheet	Fair value	Difference
(1) Cash and deposits	10,756	10,756	-
(2) Call loans	6,400	6,400	-
(3) Money held in trust	44,165	44,165	-
(4) Securities	1,606,245	1,606,343	97
(a) Trading securities	1,259,821	1,259,821	-
(b) Policy-reserve-matching bonds	46,238	46,336	97
(c) Other securities	300,185	300,185	-
Assets total	1,667,567	1,667,665	97
Derivative transactions			
(a) Derivative transactions to which hedge accounting is not applied	1,690	1,690	-
Derivative transactions total	1,690	1,690	-

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:

Call loans are recorded at book value as all call loans have short maturities and their books values approximate their fair values.

(c) Money held in trust:

Information on the fair value of derivative transactions attributable to money held in trust appears below in "(e) Derivative transactions".

(d) Securities:

Bonds are recorded at their price quoted on securities exchanges. Investments in investment trusts are recorded at net asset value.

(e) Derivatives transactions:

For foreign exchange forward contracts, futures market prices on the book closing date are used as fair value. For currency swap contracts, amounts discounted to present value are used as fair value. For futures transactions and other market traded instruments, securities exchange market closing prices are used as fair value.

Additional information:

Effective the third quarter of the fiscal year ending March 31, 2012, bonds which fall into sub-groups based on certain features of insurance instruments and are held for the purpose of matching the duration of assets and liabilities to appropriately manage interest rate risk on assets and liabilities are classified as policy-reserve-matching bonds. This is in accordance with JICPA Industry Audit Committee Report No. 21 entitled Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry. Policy-reserve-matching bonds are valued using the moving-average amortized cost (straight line) method.

Notes to the Non-Consolidated Statements of Earnings

Nine months ended December 31, 2011

- Net loss per share was 13,160,246.48 yen. Fully diluted net loss per share is not reported because the Company has no residual shares.
- Depreciation for the nine months ended December 31, 2011 was 45 million yen.

5. Breakdown of Net Surplus from Operations (Fundamental Profit)

(millions of yen)

		Nine months ended December 31, 2010	Nine months ended December 31, 2011
Fundamental profit	A	(10,280)	(31,054)
Capital gains		1,955	12,558
Gains on money held in trust		1,697	5,706
Gains on trading securities		133	1,701
Gains on sales of securities		104	42
Derivative transaction gains		-	2,186
Foreign exchange gains		-	-
Others		20	2,921
Capital losses		152	3,489
Losses on money held in trust		-	-
Losses on trading securities		-	-
Losses on sales of securities		-	-
Losses on valuation of securities		-	-
Derivative transaction losses		24	-
Foreign exchange losses		128	3,489
Others		-	-
Net capital gains (losses)	B	1,802	9,069
Fundamental profit plus net capital gains (losses)	A + B	(8,478)	(21,985)
Other one-time gains		-	-
Reinsurance income		-	-
Reversal of contingency reserve		-	-
Reversal of specific reserve for possible loan losses		-	-
Others		-	-
Other one-time losses		1,259	2,212
Ceding reinsurance commissions		-	-
Provision for contingency reserve		1,259	2,212
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	(1,259)	(2,212)
Ordinary profit (loss)	A + B + C	(9,737)	(24,197)

Note: 1. Fundamental profit includes the amount below.

	Nine months ended December 31, 2010	Nine months ended December 31, 2011
Adjustment of the portion valued in exchange rate fluctuations of foreign-currency denominated annuities' liability	(20)	(2,921)

2. Other capital gains include the amount below.

	Nine months ended December 31, 2010	Nine months ended December 31, 2011
Adjustment of the portion valued in exchange rate fluctuations of foreign-currency denominated annuities' liability	20	2,921

3. Gains (losses) on money held in trust and gains (losses) on investments in trading securities are attributable to investments in derivative financial instruments (including investments in monetary trusts, 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, 2011	As of December 31, 2011
Total solvency margin (A)	215,850	188,856
Common stock, etc.	115,329	90,982
Reserve for price fluctuations	143	283
Contingency reserve	36,403	38,616
General reserve for possible loan losses	28	25
Net unrealized gains on securities (before tax) × 90%*	1,979	2,866
Net unrealized gains (losses) on real estate × 85%*	-	-
Policy reserves in excess of surrender values	61,965	56,082
Qualifying subordinated debt	-	-
Excluded items	-	-
Others	-	-
Total Risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	27,150	24,068
Insurance risk R_1	0	0
3rd sector insurance risk R_8	-	-
Assumed investment yield risk R_2	111	873
Investment risk R_3	(15,964)	(19,360)
Business risk R_4	790	701
Guaranteed minimum benefit risk R_7	42,212	41,853
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1,590.0%	1,569.3%

* Multiplied by 100% if losses.

Note: 1. The above figures are calculated based on Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act, and Ministry of Finance Official Notification No. 50 of 1996.

The figures as of December 31, 2011 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.

3. Derivative trades attributable to money held in trust and investments in foreign securities (investment trusts) are used to mitigate guaranteed minimum benefit risk on individual variable annuities. Derivative transactions reduced guaranteed minimum benefit risk by 19,823 million yen in the fiscal year ended March 31, 2011, and by 24,821 million yen in the fiscal third quarter, and these amounts are included in "Investment risk" above.

Reference: Solvency Margin Ratio under the New Standard
to be Officially Applied at the end of Fiscal Year ending March 31, 2012.

(millions of yen)

	As of March 31, 2011	As of December 31, 2011
Total solvency margin (A)	215,850	188,856
Common stock, etc	115,329	90,982
Reserve for price fluctuations	143	283
Contingency reserve	36,403	38,616
General reserve for possible loan losses	28	25
Net unrealized gains on securities (before tax) × 90%*	1,979	2,866
Net unrealized gains (losses) on real estate × 85%*	-	-
Policy reserves in excess of surrender values	61,965	56,082
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)	43,847	55,045
Insurance risk R_1	0	0
3rd sector insurance risk R_8	-	-
Assumed investment yield risk R_2	250	2,298
Investment risk R_3	20,490	30,689
Business risk R_4	1,277	1,603
Guaranteed minimum benefit risk R_7	21,829	20,454
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	984.5%	686.1%

* Multiplied by 100% if losses.

Note: 1. Under Cabinet Office Ordinance No.23, 2010 and Notification of the Financial Services Agency No. 48, the standards for the calculation of solvency margin ratio is planned to be revised to tighten and refine calculation of total solvency margin and estimation of total risk and others. The revised standards will be officially applied at the end of the fiscal year ending March 31, 2012.

The above figures are calculated by applying the revised standards to the financial results as of March 31, 2011 and December 31, 2011.

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, 2011	As of December 31, 2011
Individual variable insurance	723	2,640
Individual variable annuities	1,284,594	1,250,772
Group annuities	-	-
Separate account total	1,285,317	1,253,413

(2) Individual Variable Insurance and Annuities

A. Individual Variable Insurance

(millions of yen except number of policies)

	As of March 31, 2011		As of December 31, 2011	
	Number of policies (thousands)	Amount	Number of policies (thousands)	Amount
Variable insurance (defined term type)	-	-	-	-
Variable insurance (whole life type)	0	879	0	2,932
Total	0	879	0	2,932

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, 2011		As of December 31, 2011	
	Number of policies (thousands)	Amount	Number of policies (thousands)	Amount
Individual variable annuities	237	1,331,341	242	1,348,031

Notes: 1. Total policy amount in force for individual annuities is equal to the sum of (a) the amount required to fund annuity payments when they commence for annuities that have not yet commenced paying out and (b) policy reserves for annuities that have commenced paying out.

2. Policy amounts not placed into separate accounts as of the end of the fiscal period are included in policies in force.

8. Consolidated Financial Summary

Not applicable.

Reference: Exposure to Securitized Products and Subprime-related Investments

The Company has no securitized products and subprime-related investments as of December 31, 2011.