

August 10, 2012

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## Financial Results for the Three Months Ended June 30, 2012

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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, 2012.

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

## 1. Business Highlights

### (1) Sum Insured of Policies in Force and New Policies

#### Policies in Force

	As of March 31, 2012		As of June 30, 2012			
	Number of policies (thousands)	Amount (billions of yen)	Number of policies		Amount	
			(thousands)	% of March 31, 2012 total	(billions of yen)	% of March 31, 2012 total
Individual insurance	11,372	138,597.9	11,387	100.1	137,091.0	98.9
Individual annuities	1,289	7,537.5	1,302	101.0	7,609.4	101.0
Individual insurance and annuities	12,662	146,135.4	12,690	100.2	144,700.4	99.0
Group insurance	-	50,491.5	-	-	49,719.7	98.5
Group annuities	-	6,065.9	-	-	6,032.3	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, 2011 total	(billions of yen)	New Business	Net increase by conversion	% of June 30, 2011 total
Three months ended June 30, 2011						
Individual insurance	294		1,253.5	1,265.6	(12.1)	
Individual annuities	10		77.9	80.1	(2.2)	
Individual insurance and annuities	305		1,331.4	1,345.8	(14.3)	
Group insurance	-		63.9	63.9	-	
Group annuities	-		0.2	0.2	-	
Three months ended June 30, 2012						
Individual insurance	281	95.6	1,387.2	1,298.7	88.4	110.7
Individual annuities	21	199.0	142.2	144.3	(2.0)	182.5
Individual insurance and annuities	303	99.4	1,529.5	1,443.0	86.4	114.9
Group insurance	-	-	144.5	144.5	-	225.9
Group annuities	-	-	0.0	0.0	-	8.2

- 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, 2011	Three months ended June 30, 2012
Amount of surrenders and lapses	1,803.2	1,728.8
Surrender and lapse rate (%)	1.19	1.18

- 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) Annualized Net Premiums

### Policies in Force

(billions of yen)

	As of March 31, 2012	As of June 30, 2012	% of March 31, 2012 total
Individual insurance	1,682.8	1,675.1	99.5
Individual annuities	323.9	328.1	101.3
Total	2,006.8	2,003.3	99.8
Medical and survival benefits	515.0	516.6	100.3

### New Policies

(billions of yen)

	Three months ended June 30, 2011	Three months ended June 30, 2012	% of June 30, 2011 total
Individual insurance	23.6	23.9	101.6
Individual annuities	2.9	4.8	166.6
Total	26.5	28.8	108.8
Medical and survival benefits	10.8	9.9	92.2

- 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. Investment Results of General Account

### (1) Asset Composition (General Account)

(millions of yen)

	As of March 31, 2012		As of June 30, 2012	
	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	440,974	1.5	490,518	1.6
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	294,324	1.0	293,352	1.0
Trading account securities	-	-	-	-
Money held in trust	20,672	0.1	19,034	0.1
Securities	24,314,699	80.1	24,075,252	79.6
Domestic bonds	15,541,651	51.2	15,698,642	51.9
Domestic stocks	2,284,861	7.5	2,024,457	6.7
Foreign securities	6,298,234	20.7	6,169,546	20.4
Foreign bonds	4,786,438	15.8	4,713,615	15.6
Foreign stocks and other securities	1,511,795	5.0	1,455,931	4.8
Other securities	189,951	0.6	182,606	0.6
Loans	3,412,529	11.2	3,330,642	11.0
Policy loans	509,826	1.7	502,875	1.7
Ordinary loans	2,902,702	9.6	2,827,767	9.3
Real estate	1,249,101	4.1	1,227,958	4.1
Real estate for rent	810,238	2.7	790,406	2.6
Deferred tax assets	282,638	0.9	364,854	1.2
Others	360,010	1.2	471,624	1.6
Reserve for possible loan losses	(10,670)	(0.0)	(9,863)	(0.0)
Total	30,364,280	100.0	30,263,374	100.0
Foreign currency-denominated assets	4,669,650	15.4	4,674,009	15.4

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, 2012					
Bonds held to maturity	135,828	141,079	5,250	5,250	-
Domestic bonds	94,524	96,999	2,474	2,474	-
Foreign bonds	41,303	44,079	2,775	2,775	-
Policy-reserve-matching bonds	8,271,349	8,793,208	521,858	522,899	1,041
Domestic bonds	8,271,349	8,793,208	521,858	522,899	1,041
Stocks of subsidiaries and affiliates	1,763	1,932	168	168	-
Securities available for sale	14,051,792	14,743,299	691,506	978,055	286,548
Domestic bonds	6,909,503	7,175,777	266,273	279,031	12,757
Domestic stocks	1,674,737	1,972,561	297,824	465,533	167,709
Foreign securities	5,071,333	5,186,119	114,785	209,470	94,684
Foreign bonds	4,608,914	4,745,134	136,220	189,147	52,926
Foreign stocks and other securities	462,419	440,984	(21,434)	20,323	41,758
Other securities	105,325	99,516	(5,808)	5,541	11,349
Monetary claims bought	275,893	294,324	18,431	18,478	47
Certificates of deposit	15,000	15,000	0	0	-
Others	-	-	-	-	-
<b>Total</b>	<b>22,460,734</b>	<b>23,679,519</b>	<b>1,218,784</b>	<b>1,506,374</b>	<b>287,590</b>
Domestic bonds	15,275,377	16,065,984	790,607	804,406	13,799
Domestic stocks	1,674,737	1,972,561	297,824	465,533	167,709
Foreign securities	5,112,637	5,230,198	117,561	212,246	94,684
Foreign bonds	4,650,217	4,789,214	138,996	191,922	52,926
Foreign stocks and other securities	462,419	440,984	(21,434)	20,323	41,758
Other securities	107,088	101,448	(5,639)	5,710	11,349
Monetary claims bought	275,893	294,324	18,431	18,478	47
Certificates of deposit	15,000	15,000	0	0	-
Others	-	-	-	-	-
As of June 30, 2012					
Bonds held to maturity	134,506	139,923	5,417	5,417	-
Domestic bonds	94,676	97,820	3,144	3,144	-
Foreign bonds	39,829	42,102	2,273	2,273	-
Policy-reserve-matching bonds	8,865,568	9,482,929	617,360	618,036	676
Domestic bonds	8,865,568	9,482,929	617,360	618,036	676
Stocks of subsidiaries and affiliates	2,263	2,263	-	-	-
Securities available for sale	13,513,286	13,961,685	448,399	830,775	382,376
Domestic bonds	6,433,657	6,738,396	304,738	313,977	9,238
Domestic stocks	1,621,452	1,712,325	90,873	316,212	225,338
Foreign securities	5,079,800	5,125,267	45,467	177,284	131,817
Foreign bonds	4,585,255	4,673,785	88,529	163,908	75,378
Foreign stocks and other securities	494,544	451,481	(43,062)	13,376	56,438
Other securities	104,946	92,343	(12,603)	3,317	15,920
Monetary claims bought	273,429	293,352	19,922	19,983	61
Certificates of deposit	-	-	-	-	-
Others	-	-	-	-	-
<b>Total</b>	<b>22,515,624</b>	<b>23,586,802</b>	<b>1,071,177</b>	<b>1,454,229</b>	<b>383,052</b>
Domestic bonds	15,393,903	16,319,147	925,244	935,158	9,914
Domestic stocks	1,621,452	1,712,325	90,873	316,212	225,338
Foreign securities	5,119,629	5,167,370	47,740	179,558	131,817
Foreign bonds	4,625,085	4,715,888	90,803	166,181	75,378
Foreign stocks and other securities	494,544	451,481	(43,062)	13,376	56,438
Other securities	107,210	94,606	(12,603)	3,317	15,920
Monetary claims bought	273,429	293,352	19,922	19,983	61
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.

\* Carrying values of securities whose market prices are deemed extremely difficult to obtain are as follows:

(millions of yen)

	As of March 31, 2012	As of June 30, 2012
Bonds held to maturity	-	-
Unlisted foreign bonds	-	-
Others	-	-
Policy-reserve-matching bonds	-	-
Stocks of subsidiaries and affiliates	338,206	337,100
Unlisted domestic stocks (except over-the-counter stocks)	182,680	182,680
Unlisted foreign stocks (except over-the-counter stocks)	148,716	147,567
Others	6,809	6,851
Other securities	1,133,357	1,067,646
Unlisted domestic stocks (except over-the-counter stocks)	129,619	129,450
Unlisted foreign stocks (except over-the-counter stocks)	905,550	840,552
Unlisted foreign bonds	0	0
Others	98,188	97,643
<b>Total</b>	<b>1,471,564</b>	<b>1,404,746</b>

Note 1. The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Law.

2. The amounts of foreign exchange valuation gains (losses) on foreign securities whose market prices are deemed extremely difficult to obtain and which are listed in the table above are as follows:  
3,153 million yen in loss as of March 31, 2012 and 12,921 million yen in loss as of June 30, 2012.

(3) Fair Value Information on Money Held in Trust (General Account)

(millions of yen)

	Carrying value on the balance sheet	Fair value	Gains (losses)	Gains (losses)	
				Gains	Losses
As of March 31, 2012	20,672	20,672	358	6,288	5,929
As of June 30, 2012	19,034	19,034	(523)	5,876	6,399

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, 2012		As of June 30, 2012	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings
Money held in trust for investment purpose	20,672	358	19,034	(523)

Note: "Valuation gains (losses) included in the statement of earnings" include reversal gains (losses) at the beginning of the fiscal year.

\* Information on money held in trust classified as held-to-maturity, policy-reserve-matching, and available-for-sale:

The Company had no balance as of March 31, 2012 or June 30, 2012.

## 3. Unaudited Quarterly Non-Consolidated Balance Sheets

(millions of yen)

	As of March 31, 2012 (summarized)	As of June 30, 2012
<b>(ASSETS)</b>		
Cash and deposits	259,498	333,823
Call loans	239,800	200,600
Monetary claims bought	294,324	293,352
Money held in trust	20,672	19,034
Securities	25,333,423	25,019,544
[ Government bonds ]	[ 13,354,741 ]	[ 13,518,853 ]
[ Local government bonds ]	[ 311,133 ]	[ 307,950 ]
[ Corporate bonds ]	[ 2,187,285 ]	[ 2,174,754 ]
[ Stocks ]	[ 2,549,923 ]	[ 2,260,950 ]
[ Foreign securities ]	[ 6,614,982 ]	[ 6,460,624 ]
Loans	3,412,529	3,330,642
Policy loans	509,826	502,875
Ordinary loans	2,902,702	2,827,767
Tangible fixed assets	1,254,198	1,233,982
Intangible fixed assets	105,338	104,677
Reinsurance receivable	7,076	7,367
Other assets	243,177	346,983
Deferred tax assets	282,638	364,854
Customers' liabilities for acceptances and guarantees	20,074	21,004
Reserve for possible loan losses	(10,670)	(9,863)
Reserve for possible investment losses	(142)	(269)
<b>Total assets</b>	<b>31,461,940</b>	<b>31,265,733</b>
<b>(LIABILITIES)</b>		
Policy reserves and others	28,529,906	28,577,541
Reserves for outstanding claims	130,386	123,781
Policy reserves	28,011,648	28,074,270
Reserve for policyholder dividends	387,871	379,490
Reinsurance payable	458	522
Subordinated bonds	148,652	147,212
Other liabilities	1,128,862	1,040,359
Corporate income tax payable	6,222	2,715
Lease liabilities	1,664	2,776
Asset retirement obligations	3,551	3,531
Other liabilities	1,117,424	1,031,335
Reserve for employees' retirement benefits	432,022	436,263
Reserve for retirement benefits of directors, executive officers and corporate auditors	2,521	2,475
Reserve for possible reimbursement of prescribed claims	1,000	909
Reserve for price fluctuations	74,453	77,953
Deferred tax liabilities for land revaluation	95,608	95,175
Acceptances and guarantees	20,074	21,004
<b>Total liabilities</b>	<b>30,433,560</b>	<b>30,399,417</b>
<b>(NET ASSETS)</b>		
Capital stock	210,200	210,207
Capital surplus	210,200	210,207
Legal capital surplus	210,200	210,207
Retained earnings	206,703	191,112
Legal retained earnings	5,600	5,600
Other retained earnings	201,103	185,512
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	19,352	19,316
Retained earnings brought forward	73,630	58,075
Treasury stock	(16,703)	(15,982)
Total shareholders' equity	610,399	595,544
Net unrealized gains (losses) on securities, net of tax	479,490	310,637
Deferred hedge gains (losses)	(44)	(370)
Reserve for land revaluation	(61,616)	(39,630)
Total of valuation and translation adjustments	417,829	270,635
Subscription rights to shares	150	135
<b>Total net assets</b>	<b>1,028,379</b>	<b>866,316</b>
<b>Total liabilities and net assets</b>	<b>31,461,940</b>	<b>31,265,733</b>

4. Unaudited Quarterly Non-Consolidated Statements of Earnings

(millions of yen)

	Three months ended June 30, 2011	Three months ended June 30, 2012
<b>ORDINARY REVENUES</b>	1,050,966	1,068,996
Premium and other income	744,881	763,995
[ Premium income ]	[ 744,644 ]	[ 763,828 ]
Investment income	222,479	239,939
[ Interest and dividends ]	[ 174,043 ]	[ 166,677 ]
[ Gains on sale of securities ]	[ 44,565 ]	[ 70,822 ]
[ Derivative transaction gains ]	[ 1,957 ]	[ 1,618 ]
Other ordinary revenues	83,605	65,061
[ Reversal of reserves for outstanding claims ]	[ 24,907 ]	[ 6,605 ]
<b>ORDINARY EXPENSES</b>	995,864	1,028,363
Benefits and claims	609,612	632,072
[ Claims ]	[ 184,834 ]	[ 217,712 ]
[ Annuities ]	[ 118,497 ]	[ 126,519 ]
[ Benefits ]	[ 125,671 ]	[ 135,141 ]
[ Surrender values ]	[ 149,502 ]	[ 127,379 ]
[ Other refunds ]	[ 30,890 ]	[ 24,985 ]
Provision for policy reserves and others	122,731	64,932
Provision for policy reserves	120,333	62,621
Provision for interest on policyholder dividends	2,398	2,311
Investment expenses	65,899	135,381
[ Interest expenses ]	[ 4,676 ]	[ 4,635 ]
[ Losses on money held in trust ]	[ 196 ]	[ 1,624 ]
[ Losses on sale of securities ]	[ 14,270 ]	[ 12,729 ]
[ Losses on valuation of securities ]	[ 20,438 ]	[ 49,440 ]
[ Losses on investment in separate accounts ]	[ 5,434 ]	[ 49,680 ]
Operating expenses	98,842	95,536
Other ordinary expenses	98,778	100,439
<b>ORDINARY PROFIT</b>	55,101	40,633
<b>EXTRAORDINARY GAINS</b>	396	3,911
Gains on disposal of fixed assets	396	3,911
<b>EXTRAORDINARY LOSSES</b>	6,783	6,730
Losses on disposal of fixed assets	306	1,693
Impairment losses on fixed assets	2,977	1,536
Provision for reserve for price fluctuations	3,500	3,500
Provision for reserve for policyholder dividends	18,957	17,765
Income before income taxes	29,756	20,049
Corporate income taxes-current	347	5,434
Corporate income taxes-deferred	12,010	(7,932)
Total of corporate income taxes	12,357	(2,498)
Net income for the period	17,398	22,547



## NOTES TO UNAUDITED QUARTERLY NON-CONSOLIDATED FINANCIAL STATEMENTS

### I. NOTES TO UNAUDITED QUARTERLY NON-CONSOLIDATED BALANCE SHEETS AND SHAREHOLDERS' EQUITY, ETC.

#### 1. Changes in Accounting Policies Which are Almost Undistinguishable from Changes in Accounting Estimates

Effective the three months ended June 30, 2012, the Company has changed its depreciation method for its tangible fixed assets acquired on or after April 1, 2012 in accordance with the revision of the Corporation Tax Act.

As a result, its ordinary revenue and income before income taxes for the three months ended June 30, 2012 increased by ¥16 million, both compared to those calculated using the previous depreciation method.

#### 2. Securities Lending

Securities lent under lending agreements are included in the non-consolidated balance sheets. The total balance of securities lent as of June 30, 2012 was ¥534,633 million.

#### 3. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	(millions of yen)
Balance at the beginning of fiscal year ending March 31, 2013.....	¥ 387,871
Dividends paid during the three months ended June 30, 2012.....	(28,457)
Interest accrual during the three months ended June 30, 2012.....	2,311
Provision for reserve for policyholder dividends .....	17,765
Balance as of June 30, 2012.....	<u>¥ 379,490</u>

### II. NOTES TO THE UNAUDITED NON-CONSOLIDATED STATEMENTS OF EARNINGS

#### 1. Net Income per Share

Net income per share for the three months ended June 30, 2012 was ¥2,279.80. Diluted net income per share for the same period was ¥2,279.45.

## 5. Breakdown of Ordinary Profit (Fundamental Profit)

(millions of yen)

	Three months ended June 30, 2011	Three months ended June 30, 2012
Fundamental revenues	1,004,247	996,356
Premium and other income	744,881	763,995
Investment income	175,760	167,299
[Interest and dividends]	174,043	166,677
Other ordinary revenues	83,605	65,061
Fundamental expense	924,621	929,464
Benefits and claims	609,612	632,072
Provision for policy reserves and others	94,798	34,670
Investment expenses	22,589	66,744
Operating expenses	98,842	95,536
Other ordinary expenses	98,778	100,439
Fundamental profit	<i>A</i> 79,625	66,892
Capital gains	46,522	72,441
Gains on money held in trust	-	-
Gains on investments in trading securities	-	-
Gains on sale of securities	44,565	70,822
Derivative transaction gains	1,957	1,618
Foreign exchange gains	-	-
Others	-	-
Capital losses	43,306	68,490
Losses on money held in trust	196	1,624
Losses on investments in trading securities	-	-
Losses on sale of securities	14,270	12,729
Losses on valuation of securities	20,438	49,440
Derivative transaction losses	-	-
Foreign exchange losses	8,400	4,695
Others	-	-
Net capital gains	<i>B</i> 3,215	3,950
Fundamental profit plus net capital gains	<i>A + B</i> 82,841	70,842
Other one-time gains	196	198
Reinsurance income	-	-
Reversal of contingency reserve	-	-
Reversal of specific reserve for possible loan losses	24	198
Others	171	-
Other one-time losses	27,936	30,407
Ceding reinsurance commissions	-	-
Provision for contingency reserve	6,000	4,500
Provision for specific reserve for possible loan losses	-	-
Provision for specific reserve for loans to refinancing countries	-	-
Write-down of loans	2	3
Others	21,933	25,904
Other one-time profits	<i>C</i> (27,740)	(30,209)
Ordinary profit	<i>A + B + C</i> 55,101	40,633

Note:

- For the three months ended June 30, 2011, "Others" in "Other one-time gains" represents the amount of reversal of reserve for possible investment losses (171 million yen) and "Others" in "Other one-time losses" represents the amount of the additional policy reserves provided (21,933 million yen) in accordance with Article 69, Paragraph 5 of the Enforcement Regulations of the Insurance Business Act.
- For the three months ended June 30, 2012, "Others" in "Other one-time losses" represents the sum of the amount of provision for reserve for possible investment losses (142 million yen) and the amount of the additional policy reserves provided (25,762 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, 2012	As of June 30, 2012
Total solvency margin <b>(A)</b>	3,128,027	2,953,096
Common stock, etc. *1	594,550	596,195
Reserve for price fluctuations	74,453	77,953
Contingency reserve	423,093	427,593
General reserve for possible loan losses	2,411	2,341
Net unrealized gains on securities (before tax) × 90% *2	622,400	403,409
Net unrealized gains (losses) on real estate × 85% *2	(36,536)	(11,116)
Policy reserves in excess of surrender values	1,469,387	1,487,891
Qualifying subordinated debt	441,780	441,492
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(383,699)	(392,783)
Excluded items	(169,507)	(169,507)
Others	89,694	89,628
Total risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ <b>(B)</b>	1,086,199	1,050,829
Insurance risk $R_1$	94,146	92,577
3rd sector insurance risk $R_8$	158,098	158,401
Assumed investment yield risk $R_2$	284,367	282,027
Guaranteed minimum benefit risk $R_7$ *3	5,874	5,735
Investment risk $R_3$	739,876	706,979
Business risk $R_4$	25,647	24,914
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	575.9%	562.0%

\*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, 2012 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, 2012 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, 2012	As of June 30, 2012
Individual variable insurance	43,785	40,435
Individual variable annuities	142,821	130,245
Group annuities	929,076	862,161
Separate account total	1,115,683	1,032,841

### (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, 2012		As of June 30, 2012	
	Number of policies	Amount	Number of policies	Amount
Individual variable insurance (term life)	191	940	191	940
Individual variable insurance (whole life)	46,835	290,505	46,664	289,365
Total	47,026	291,446	46,855	290,305

Note: Policies in force include term life riders.

#### B. Individual variable annuities

(millions of yen except number of policies)

	As of March 31, 2012		As of June 30, 2012	
	Number of policies	Amount	Number of policies	Amount
Individual variable annuities	41,056	131,129	40,269	119,154

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, 2011	Three months ended June 30, 2012
Ordinary revenues	1,135,672	1,201,630
Ordinary profit	47,372	29,431
Net income for the period	32,275	11,131
Comprehensive income for the period	46,415	(167,705)

	As of March 31, 2012	As of June 30, 2012
Total assets	33,468,670	33,273,933
Solvency margin ratio	563.2%	544.8%

### (2) Scope of Consolidation and Application of Equity Method

	Three months ended June 30, 2012
Number of consolidated subsidiaries	16
Number of non-consolidated subsidiaries accounted for under the equity method	0
Number of affiliates accounted for under the equity method	14

For information regarding changes in subsidiaries and affiliates, please refer to "GUIDELINES FOR PREPARATION OF UNAUDITED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS" (P.16).

## (3) Unaudited Consolidated Balance Sheets

(millions of yen)

	As of March 31, 2012 (summarized)	As of June 30, 2012
<b>ASSETS</b>		
Cash and deposits	315,187	387,247
Call loans	249,200	207,400
Monetary claims bought	294,324	293,352
Money held in trust	48,266	63,026
Securities	27,038,793	26,723,662
Loans	3,413,620	3,331,804
Tangible fixed assets	1,254,685	1,234,423
Intangible fixed assets	211,055	201,675
Reinsurance receivable	41,751	40,616
Other assets	307,973	412,799
Deferred tax assets	284,562	367,065
Customers' liabilities for acceptances and guarantees	20,074	21,004
Reserve for possible loan losses	(10,684)	(9,874)
Reserve for possible investment losses	(142)	(269)
<b>Total assets</b>	<b>33,468,670</b>	<b>33,273,933</b>
<b>LIABILITIES</b>		
Policy reserves and others	30,489,920	30,567,955
Reserves for outstanding claims	239,320	229,375
Policy reserves	29,862,729	29,959,089
Reserve for policyholder dividends	387,871	379,490
Reinsurance payable	12,681	12,044
Subordinated bonds	148,652	147,212
Other liabilities	1,188,105	1,091,227
Reserve for employees' retirement benefits	433,791	438,385
Reserve for retirement benefits of directors, executive officers and corporate auditors	2,538	2,492
Reserve for possible reimbursement of prescribed claims	1,000	909
Reserve for price fluctuations	74,831	78,400
Deferred tax liabilities	9,719	10,456
Deferred tax liabilities for land revaluation	95,608	95,175
Acceptances and guarantees	20,074	21,004
<b>Total liabilities</b>	<b>32,476,924</b>	<b>32,465,263</b>
<b>NET ASSETS</b>		
Capital stock	210,200	210,207
Capital surplus	210,200	210,207
Retained earnings	165,557	138,550
Treasury stock	(16,703)	(15,982)
Total shareholders' equity	569,253	542,982
Net unrealized gains (losses) on securities, net of tax	483,446	316,412
Deferred hedge gains (losses)	(44)	(370)
Reserve for land revaluation	(61,616)	(39,630)
Foreign currency translation adjustments	(8,535)	(18,712)
Total accumulated other comprehensive income	413,249	257,697
Subscription rights to shares	150	135
Minority interests	9,091	7,853
<b>Total net assets</b>	<b>991,745</b>	<b>808,669</b>
<b>Total liabilities and net assets</b>	<b>33,468,670</b>	<b>33,273,933</b>

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

(millions of yen)

	Three months ended June 30, 2011	Three months ended June 30, 2012
<b>ORDINARY REVENUES</b>	<b>1,135,672</b>	<b>1,201,630</b>
Premium and other income	830,853	888,329
Investment income	221,328	250,666
[ Interest and dividends ]	[ 173,348 ]	[ 166,537 ]
[ Gains on money held in trust ]	[ - ]	[ 4,673 ]
[ Gains on investments in trading securities ]	[ - ]	[ 1,820 ]
[ Gains on sale of securities ]	[ 44,565 ]	[ 71,174 ]
[ Derivative transaction gains ]	[ 1,446 ]	[ 5,637 ]
Other ordinary revenues	83,490	62,634
<b>ORDINARY EXPENSES</b>	<b>1,088,300</b>	<b>1,172,198</b>
Benefits and claims	653,993	679,247
[ Claims ]	[ 194,841 ]	[ 226,351 ]
[ Annuities ]	[ 118,860 ]	[ 126,942 ]
[ Benefits ]	[ 131,565 ]	[ 142,489 ]
[ Surrender values ]	[ 155,423 ]	[ 134,764 ]
Provision for policy reserves and others	155,422	103,562
Provision for policy reserves	153,023	101,250
Provision for interest on policyholder dividends	2,398	2,311
Investment expenses	65,613	176,799
[ Interest expenses ]	[ 5,019 ]	[ 4,915 ]
[ Losses on money held in trust ]	[ 1,108 ]	[ - ]
[ Losses on investments in trading securities ]	[ 1,378 ]	[ - ]
[ Losses on sale of securities ]	[ 14,271 ]	[ 12,731 ]
[ Losses on valuation of securities ]	[ 20,439 ]	[ 48,292 ]
[ Losses on investment in separate accounts ]	[ 1,981 ]	[ 84,133 ]
Operating expenses	111,496	108,886
Other ordinary expenses	101,774	103,702
Ordinary profit	47,372	29,431
<b>EXTRAORDINARY GAINS</b>	<b>23,513</b>	<b>3,912</b>
Gains on disposal of fixed assets	397	3,911
Gain on step acquisition	23,116	-
Other extraordinary gains	0	0
<b>EXTRAORDINARY LOSSES</b>	<b>6,925</b>	<b>6,808</b>
Losses on disposal of fixed assets	311	1,702
Impairment losses on fixed assets	2,977	1,536
Provision for reserve for price fluctuations	3,523	3,569
Other extraordinary losses	114	0
Provision for reserve for policyholder dividends	18,957	17,765
Income before income taxes and minority interests	45,002	8,770
Corporate income taxes-current	1,487	6,733
Corporate income taxes-deferred	12,054	(7,662)
Total of corporate income taxes	13,542	(929)
Income before minority interests	31,460	9,699
Minority interests in loss of subsidiaries	814	1,431
Net income for the period	32,275	11,131

[Unaudited Consolidated Statements of Comprehensive Income]

(millions of yen)

	Three months ended June 30, 2011	Three months ended June 30, 2012
Income before minority interests	31,460	9,699
Other comprehensive income	14,955	(177,405)
Net unrealized gains (losses) on securities, net of tax	18,182	(166,809)
Deferred hedge gains (losses)	(716)	(326)
Reserve for land revaluation	(34)	(69)
Foreign currency translation adjustments	(2,574)	(10,658)
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	98	458
Comprehensive income for the period	46,415	(167,705)
Attributable to shareholders of the parent company	47,195	(166,476)
Attributable to minority interests	(779)	(1,229)



# NOTES TO THE UNAUDITED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

## 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 SHEETS AND SHAREHOLDERS' EQUITY, ETC.

### 1. Changes in Accounting Policies Which are Almost Undistinguishable from Changes in Accounting Estimates

Effective the three months ended June 30, 2012, the Parent Company and its domestic consolidated subsidiaries have changed their depreciation method for the tangible fixed assets acquired on or after April 1, 2012 in accordance with the revision of the Corporation Tax Act.

As a result, consolidated ordinary profit and income before income taxes and minority interests of the Parent Company for the three months ended June 30, 2012 increased by ¥16 million, both compared to those calculated using the previous depreciation method.

### 2. Securities Lending

Securities lent under lending agreements are included in the consolidated balance sheet. The total balance of securities lent as of June 30, 2012 was ¥545,147 million.

### 3. Changes in Reserve for Policyholder Dividends

Changes in Reserve for Policyholder Dividends were as follows:

	(millions of yen)
Balance at the beginning of fiscal year ending March 31, 2013.....	¥387,871
Dividends paid during the three months ended June 30, 2012.....	(28,457)
Interest accrual during the three months ended June 30, 2012.....	2,311
Provision for reserve for policyholder dividends .....	17,765
Balance as of June 30, 2012.....	<u>¥379,490</u>

### 4. Dividends on Common Stock

Date of resolution	June 25, 2012 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥15,818 million
Dividends per share	¥1,600
Record date	March 31, 2012

Effective date                      June 26, 2012  
Dividend resource                 Retained earnings

Note: Total dividends did not include ¥181 million of dividends to the Stock Granting Trust (J-ESOP) and the Trust-type Employee Stockholding Incentive Plan (E-Ship), as the Parent Company recognized the shares held by those trusts as treasury stock.

### III. NOTES TO UNAUDITED QUARTERLY CONSOLIDATED STATEMENTS OF EARNINGS

#### **1. Calculation of Tax**

Income taxes for 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, 2012. 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, 2012, 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, 2012 was ¥1,125.53. Diluted net income per share for the same period was ¥1,125.36.

#### **3. Depreciation and Amortization**

For the three months ended June 30, 2012, (1) depreciation of rented real estate and others totaled ¥3,631 million, (2) depreciation (including the depreciation of intangible fixed assets other than goodwill) totaled ¥9,416 million, and (3) amortization of goodwill was ¥780 million.

## (5) Consolidated Solvency Margin Ratio

(millions of yen)

	As of March 31, 2012	As of June 30, 2012
Total solvency margin <b>(A)</b>	3,096,077	2,917,164
Common stock, etc. <sup>*1</sup>	453,417	450,954
Reserve for price fluctuations	74,831	78,400
Contingency reserve	480,251	485,243
Catastrophe loss reserve	-	-
General reserve for possible loan losses	2,425	2,352
Net unrealized gains on securities (before tax) × 90% <sup>*2</sup>	628,174	411,838
Net unrealized gains (losses) on real estate × 85% <sup>*2</sup>	(36,536)	(11,116)
Policy reserves in excess of surrender values	1,527,129	1,541,901
Qualifying subordinated debt	441,780	441,492
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(525,037)	(533,936)
Excluded items	(40,052)	(39,594)
Others	89,694	89,628
Total risk $[\{(R_1^2+R_5^2)^{1/2}+R_8+R_9\}^2+(R_2+R_3+R_7)^2]^{1/2}+R_4+R_6$ <b>(B)</b>	1,099,355	1,070,774
Insurance risk $R_1$	101,911	100,049
General insurance risk $R_5$	-	-
Catastrophe risk $R_6$	-	-
3rd sector insurance risk $R_8$	164,238	164,429
Small amount and short-term insurance risk $R_9$	-	-
Assumed investment yield risk $R_2$	287,440	285,584
Guaranteed minimum benefit risk $R_7$ <sup>*3</sup>	28,829	26,328
Investment risk $R_3$	723,443	699,333
Business risk $R_4$	26,117	25,514
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	563.2%	544.8%

\*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, 2012 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, 2012 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, 2012	As of June 30, 2012
Total solvency margin <b>(A)</b>	207,088	192,045
Common stock, etc.	86,770	71,088
Reserve for price fluctuations	378	447
Contingency reserve	57,157	57,650
General reserve for possible loan losses	17	15
Net unrealized gains on securities (before tax) × 90% *	5,023	8,835
Net unrealized gains (losses) on real estate × 85% *	-	-
Policy reserves in excess of surrender values	57,741	54,009
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>(B)</b>	47,284	55,519
Insurance risk $R_1$	0	0
3rd sector insurance risk $R_8$	-	-
Assumed investment yield risk $R_2$	3,073	3,557
Guaranteed minimum benefit risk $R_7$	21,923	19,730
Investment risk $R_3$	20,910	30,615
Business risk $R_4$	1,377	1,617
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	875.9%	691.8%

\*: Multiplied by 100% if losses.

Note: 1. The figures as of March 31, 2012 are calculated based on Articles 86 and 87 of the Enforcement Regulations of Insurance Business Act, and Ministry of Finance Official Notification No. 50 of 1996.

The figures as of June 30, 2012 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) Segment Information

The Company on a consolidated basis did not operate any businesses categorized in other segments than its own core life insurance business, and therefore segment information was omitted.