

February 13, 2013

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## Financial Results for the Nine Months Ended December 31, 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 nine months ended December 31, 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 December 31, 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	11,406	100.3	134,541.6	97.1
Individual annuities	1,289	7,537.5	1,345	104.4	7,908.2	104.9
Individual insurance and annuities	12,662	146,135.4	12,752	100.7	142,449.9	97.5
Group insurance	-	50,491.5	-	-	49,011.2	97.1
Group annuities	-	6,065.9	-	-	6,070.0	100.1

- 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 December 31, 2011 total	(billions of yen)	New Business	Net increase by conversion	% of December 31, 2011 total
Nine months ended December 31, 2011						
Individual insurance	971		4,884.1	4,811.5	72.6	
Individual annuities	47		334.4	341.7	(7.3)	
Individual insurance and annuities	1,018		5,218.6	5,153.2	65.3	
Group insurance	-		136.6	136.6	-	
Group annuities	-		0.5	0.5	-	
Nine months ended December 31, 2012						
Individual insurance	868	89.4	4,837.9	4,424.2	413.6	99.1
Individual annuities	82	174.7	563.4	570.7	(7.2)	168.5
Individual insurance and annuities	951	93.3	5,401.3	4,994.9	406.3	103.5
Group insurance	-	-	218.6	218.6	-	159.9
Group annuities	-	-	0.0	0.0	-	10.2

- 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)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012
Amount of surrenders and lapses	5,371.4	4,983.4
Surrender and lapse rate (%)	3.54	3.41

- 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 December 31, 2012	% of March 31, 2012 total
Individual insurance	1,682.8	1,664.2	98.9
Individual annuities	323.9	341.5	105.4
Total	2,006.8	2,005.8	100.0
Medical and survival benefits	515.0	521.0	101.2

### New Policies

(billions of yen)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012	% of December 31, 2011 total
Individual insurance	86.0	76.8	89.4
Individual annuities	11.6	19.2	164.7
Total	97.6	96.1	98.4
Medical and survival benefits	32.1	30.6	95.2

- 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 December 31, 2012	
	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	440,974	1.5	514,650	1.7
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	294,324	1.0	292,532	0.9
Trading account securities	-	-	-	-
Money held in trust	20,672	0.1	20,536	0.1
Securities	24,314,699	80.1	25,147,373	80.8
Domestic bonds	15,541,651	51.2	16,202,008	52.1
Domestic stocks	2,284,861	7.5	2,132,838	6.9
Foreign securities	6,298,234	20.7	6,568,533	21.1
Foreign bonds	4,786,438	15.8	5,007,352	16.1
Foreign stocks and other securities	1,511,795	5.0	1,561,180	5.0
Other securities	189,951	0.6	243,993	0.8
Loans	3,412,529	11.2	3,190,608	10.3
Policy loans	509,826	1.7	489,698	1.6
Ordinary loans	2,902,702	9.6	2,700,909	8.7
Real estate	1,249,101	4.1	1,225,929	3.9
Real estate for rent	810,238	2.7	786,240	2.5
Deferred tax assets	282,638	0.9	255,536	0.8
Others	360,010	1.2	459,229	1.5
Reserve for possible loan losses	(10,670)	(0.0)	(2,398)	(0.0)
Total	30,364,280	100.0	31,103,997	100.0
Foreign currency-denominated assets	4,669,650	15.4	4,978,251	16.0

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	-
Available-for-sale securities	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 December 31, 2012					
Bonds held to maturity	138,401	143,362	4,961	4,961	-
Domestic bonds	94,979	98,185	3,205	3,205	-
Foreign bonds	43,421	45,177	1,756	1,756	-
Policy-reserve-matching bonds	10,038,681	10,539,735	501,053	524,518	23,464
Domestic bonds	10,038,681	10,539,735	501,053	524,518	23,464
Stocks of subsidiaries and affiliates	2,031	2,047	15	15	-
Available-for-sale securities	12,999,431	13,874,862	875,430	1,099,789	224,358
Domestic bonds	5,803,477	6,068,346	264,869	274,106	9,237
Domestic stocks	1,582,300	1,823,728	241,428	390,510	149,082
Foreign securities	5,183,070	5,525,967	342,897	403,106	60,209
Foreign bonds	4,641,174	4,963,931	322,757	356,215	33,458
Foreign stocks and other securities	541,895	562,036	20,140	46,890	26,750
Other securities	146,846	154,286	7,440	13,043	5,603
Monetary claims bought	273,737	292,532	18,794	19,021	226
Certificates of deposit	10,000	9,999	(0)	-	0
Others	-	-	-	-	-
<b>Total</b>	<b>23,178,546</b>	<b>24,560,007</b>	<b>1,381,461</b>	<b>1,629,284</b>	<b>247,823</b>
Domestic bonds	15,937,139	16,706,267	769,127	801,829	32,701
Domestic stocks	1,582,300	1,823,728	241,428	390,510	149,082
Foreign securities	5,226,491	5,571,145	344,653	404,862	60,209
Foreign bonds	4,684,595	5,009,109	324,513	357,972	33,458
Foreign stocks and other securities	541,895	562,036	20,140	46,890	26,750
Other securities	148,878	156,334	7,456	13,059	5,603
Monetary claims bought	273,737	292,532	18,794	19,021	226
Certificates of deposit	10,000	9,999	(0)	-	0
Others	-	-	-	-	-

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

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

(millions of yen)

	As of March 31, 2012	As of December 31, 2012
Bonds held to maturity	-	-
Unlisted foreign bonds	-	-
Others	-	-
Policy-reserve-matching bonds	-	-
Stocks of subsidiaries and affiliates	338,206	340,424
Unlisted domestic stocks (except over-the-counter stocks)	182,680	182,680
Unlisted foreign stocks (except over-the-counter stocks)	148,716	148,716
Others	6,809	9,027
Available-for-sale securities	1,133,357	1,055,108
Unlisted domestic stocks (except over-the-counter stocks)	129,619	126,429
Unlisted foreign stocks (except over-the-counter stocks)	905,550	833,551
Unlisted foreign bonds	0	0
Others	98,188	95,126
<b>Total</b>	<b>1,471,564</b>	<b>1,395,533</b>

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

2. The amounts of foreign exchange valuation gains (losses) on foreign securities whose fair value is deemed extremely difficult to recognize and which are listed in the table above are as follows:  
3,153 million yen in loss as of March 31, 2012 and 4,843 million yen in gain as of December 31, 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 December 31, 2012	20,536	20,536	2,863	7,017	4,154

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 December 31, 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	20,536	2,863

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 December 31, 2012.

### 3. Unaudited Quarterly Non-Consolidated Balance Sheets

(millions of yen)

	As of March 31, 2012 (summarized)	As of December 31, 2012
<b>(ASSETS)</b>		
Cash and deposits	259,498	298,932
Call loans	239,800	266,600
Monetary claims bought	294,324	292,532
Money held in trust	20,672	20,536
Securities	25,333,423	26,162,739
[ Government bonds ]	[ 13,354,741 ]	[ 14,093,061 ]
[ Local government bonds ]	[ 311,133 ]	[ 300,440 ]
[ Corporate bonds ]	[ 2,187,285 ]	[ 2,111,663 ]
[ Stocks ]	[ 2,549,923 ]	[ 2,400,954 ]
[ Foreign securities ]	[ 6,614,982 ]	[ 6,896,571 ]
Loans	3,412,529	3,190,608
Policy loans	509,826	489,698
Ordinary loans	2,902,702	2,700,909
Tangible fixed assets	1,254,198	1,237,982
Intangible fixed assets	105,338	102,058
Reinsurance receivable	7,076	10,816
Other assets	243,177	311,151
Deferred tax assets	282,638	255,536
Customers' liabilities for acceptances and guarantees	20,074	33,470
Reserve for possible loan losses	(10,670)	(2,398)
Reserve for possible investment losses	(142)	(283)
<b>Total assets</b>	<b>31,461,940</b>	<b>32,180,282</b>
<b>(LIABILITIES)</b>		
Policy reserves and others	28,529,906	28,865,235
Reserves for outstanding claims	130,386	132,168
Policy reserves	28,011,648	28,344,165
Reserve for policyholder dividends	387,871	388,902
Reinsurance payable	458	617
Subordinated bonds	148,652	150,849
Other liabilities	1,128,862	1,324,249
Corporate income tax payable	6,222	22,815
Lease liabilities	1,664	7,961
Asset retirement obligations	3,551	3,371
Other liabilities	1,117,424	1,290,101
Reserve for employees' retirement benefits	432,022	444,407
Reserve for retirement benefits of directors, executive officers and corporate auditors	2,521	2,383
Reserve for possible reimbursement of prescribed claims	1,000	838
Reserve for price fluctuations	74,453	88,453
Deferred tax liabilities for land revaluation	95,608	94,921
Acceptances and guarantees	20,074	33,470
<b>Total liabilities</b>	<b>30,433,560</b>	<b>31,005,427</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	200,561
Legal retained earnings	5,600	5,600
Other retained earnings	201,103	194,961
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	20,579
Retained earnings brought forward	73,630	66,261
Treasury stock	(16,703)	(14,078)
Total shareholders' equity	610,399	606,896
Net unrealized gains (losses) on securities, net of tax	479,490	607,019
Deferred hedge gains (losses)	(44)	(1,355)
Reserve for land revaluation	(61,616)	(38,084)
Total of valuation and translation adjustments	417,829	567,578
Subscription rights to shares	150	379
<b>Total net assets</b>	<b>1,028,379</b>	<b>1,174,855</b>
<b>Total liabilities and net assets</b>	<b>31,461,940</b>	<b>32,180,282</b>

#### 4. Unaudited Quarterly Non-Consolidated Statements of Earnings

(millions of yen)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012
<b>ORDINARY REVENUES</b>	<b>3,257,325</b>	<b>3,037,632</b>
Premium and other income	2,327,037	2,114,206
[ Premium income ]	[ 2,326,486 ]	[ 2,113,693 ]
Investment income	707,425	738,118
[ Interest and dividends ]	[ 502,371 ]	[ 501,854 ]
[ Gains on money held in trust ]	[ - ]	[ 515 ]
[ Gains on sale of securities ]	[ 201,768 ]	[ 168,052 ]
[ Gains on investments in separate accounts ]	[ - ]	[ 43,643 ]
Other ordinary revenues	222,862	185,307
[ Reversal of reserves for outstanding claims ]	[ 38,347 ]	[ - ]
<b>ORDINARY EXPENSES</b>	<b>3,057,721</b>	<b>2,918,361</b>
Benefits and claims	1,834,335	1,792,301
[ Claims ]	[ 555,777 ]	[ 573,240 ]
[ Annuities ]	[ 364,561 ]	[ 382,477 ]
[ Benefits ]	[ 356,375 ]	[ 384,418 ]
[ Surrender values ]	[ 462,815 ]	[ 369,674 ]
[ Other refunds ]	[ 94,077 ]	[ 81,504 ]
Provision for policy reserves and others	231,870	341,226
Provision for reserves for outstanding claims	-	1,781
Provision for policy reserves	224,689	332,516
Provision for interest on policyholder dividends	7,181	6,928
Investment expenses	366,324	190,529
[ Interest expenses ]	[ 13,998 ]	[ 14,089 ]
[ Losses on money held in trust ]	[ 2,362 ]	[ - ]
[ Losses on sale of securities ]	[ 106,497 ]	[ 50,067 ]
[ Losses on valuation of securities ]	[ 83,026 ]	[ 53,427 ]
[ Derivative transaction losses ]	[ 5,484 ]	[ 22,321 ]
[ Losses on investments in separate accounts ]	[ 89,043 ]	[ - ]
Operating expenses	300,524	295,915
Other ordinary expenses	324,667	298,389
<b>ORDINARY PROFIT</b>	<b>199,603</b>	<b>119,271</b>
<b>EXTRAORDINARY GAINS</b>	<b>5,906</b>	<b>4,944</b>
Gains on disposal of fixed assets	906	4,944
Reversal of reserve for price fluctuations	5,000	-
<b>EXTRAORDINARY LOSSES</b>	<b>30,539</b>	<b>21,366</b>
Losses on disposal of fixed assets	1,218	4,467
Impairment losses on fixed assets	29,320	2,899
Provision for reserve for price fluctuations	-	14,000
Provision for reserve for policyholder dividends	52,268	59,799
Income before income taxes	122,702	43,050
Corporate income taxes-current	7,510	38,381
Corporate income taxes-deferred	108,802	(29,661)
Total of corporate income taxes	116,313	8,719
Net income for the period	6,389	34,330



## NOTES TO UNAUDITED QUARTERLY NON-CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE NINE MONTHS ENDED DECEMBER 31, 2012

### I. NOTES TO UNAUDITED QUARTERLY NON-CONSOLIDATED BALANCE SHEETS AND SHAREHOLDERS' EQUITY, ETC. AS OF DECEMBER 31, 2012

#### 1. Changes in Accounting Policies, Which Are Almost Indistinguishable from Changes in Accounting Estimates

Effective the nine months ended December 31, 2012, the Company 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 profit and income before income taxes for the nine months ended December 31, 2012 were each ¥201 million higher than they would have been if 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 December 31, 2012 was ¥719,315 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 the fiscal year ending March 31, 2013.....	¥ 387,871
Policyholder dividends paid.....	(65,696)
Interest accrual.....	6,928
Provision for reserve for policyholder dividends .....	59,799
Balance as of December 31, 2012.....	¥ 388,902

### II. NOTES TO THE UNAUDITED NON-CONSOLIDATED STATEMENTS OF EARNINGS FOR THE NINE MONTHS ENDED DECEMBER 31, 2012

#### 1. Net Income per Share

Net income per share for the nine months ended December 31, 2012 was ¥3,468.69. Diluted net income per share for the same period was ¥3,467.53.

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

(millions of yen)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012
Fundamental revenues	3,055,327	2,867,582
Premium and other income	2,327,037	2,114,206
Investment income	505,426	568,067
[Interest and dividends]	502,371	501,854
Other ordinary revenues	222,862	185,307
Fundamental expense	2,842,325	2,651,165
Benefits and claims	1,834,335	1,792,301
Provision for policy reserves and others	239,902	211,464
Investment expenses	142,895	53,095
Operating expenses	300,524	295,915
Other ordinary expenses	324,667	298,389
Fundamental profit	<b>A</b> 213,001	216,416
Capital gains	201,768	168,568
Gains on money held in trust	-	515
Gains on investments in trading securities	-	-
Gains on sale of securities	201,768	168,052
Derivative transaction gains	-	-
Foreign exchange gains	-	-
Others	-	-
Capital losses	223,307	137,277
Losses on money held in trust	2,362	-
Losses on investments in trading securities	-	-
Losses on sale of securities	106,497	50,067
Losses on valuation of securities	83,026	53,427
Derivative transaction losses	5,484	22,321
Foreign exchange losses	25,937	11,460
Others	-	-
Net capital gains (losses)	<b>B</b> (21,539)	31,291
Fundamental profit after net capital gains (losses)	<b>A + B</b> 191,462	247,707
Other one-time gains	90,229	1,482
Reinsurance income	-	-
Reversal of contingency reserve	90,000	-
Reversal of specific reserve for possible loan losses	58	1,482
Others	171	-
Other one-time losses	82,088	129,918
Ceding reinsurance commissions	-	-
Provision for contingency reserve	-	18,000
Provision for specific reserve for possible loan losses	-	-
Provision for specific reserve for loans to refinancing countries	-	-
Write-down of loans	120	8
Others	81,967	111,909
Other one-time profit (loss)	<b>C</b> 8,141	(128,436)
Ordinary profit	<b>A + B + C</b> 199,603	119,271

Note: "Others" in "Other one-time gains" for the nine months ended December 31, 2011 represents the reversal of reserve for possible investment losses (171 million yen). "Others" in "Other one-time losses" for the same period represents the amount of the additional policy reserve provided in accordance with Article 69, Paragraph 5 of the Enforcement Regulations of the Insurance Business Act (81,967 million yen).

"Others" in "Other one-time losses" for the nine months ended December 31, 2012 represents the amount of provision for reserve for possible investment losses (147 million yen) and the amount of the additional policy reserve provided in accordance with Article 69, Paragraph 5 of the Enforcement Regulations of the Insurance Business Act (111,762 million yen).

## 6. Solvency Margin Ratio

(millions of yen)

	As of March 31, 2012	As of December 31, 2012
Total solvency margin (A)	3,128,027	3,455,945
Common stock, etc. *1	594,550	615,325
Reserve for price fluctuations	74,453	88,453
Contingency reserve	423,093	441,093
General reserve for possible loan losses	2,411	1,265
Net unrealized gains on securities (before tax) × 90% *2	622,400	788,229
Net unrealized gains (losses) on real estate × 85% *2	(36,536)	16,262
Policy reserves in excess of surrender values	1,469,387	1,574,615
Qualifying subordinated debt	441,780	436,219
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(383,699)	(432,131)
Excluded items	(169,507)	(169,507)
Others	89,694	96,118
Total risk $\sqrt{(R_1 + R_8)^2} + (R_2 + R_3 + R_7)^2 + R_4$ (B)	1,086,199	1,100,557
Insurance risk R <sub>1</sub>	94,146	91,116
3rd sector insurance risk R <sub>8</sub>	158,098	160,125
Assumed investment yield risk R <sub>2</sub>	284,367	273,733
Guaranteed minimum benefit risk R <sub>7</sub> *3	5,874	5,526
Investment risk R <sub>3</sub>	739,876	765,594
Business risk R <sub>4</sub>	25,647	25,921
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	575.9%	628.0%

\*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 December 31, 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 December 31, 2012
Individual variable insurance	43,785	44,412
Individual variable annuities	142,821	134,204
Group annuities	929,076	918,547
Separate account total	1,115,683	1,097,164

### (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 December 31, 2012	
	Number of policies	Amount	Number of policies	Amount
Variable insurance (term life)	191	940	185	909
Variable insurance (whole life)	46,835	290,505	46,306	287,080
Total	47,026	291,446	46,491	287,989

Note: Sum insured of policies in force includes term life riders.

#### B. Individual variable annuities

(millions of yen except number of policies)

	As of March 31, 2012		As of December 31, 2012	
	Number of policies	Amount	Number of policies	Amount
Individual variable annuities	41,056	131,129	37,993	122,434

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)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012
Ordinary revenues	3,596,875	3,583,723
Ordinary profit	184,837	112,699
Net income for the period	12,709	24,676
Comprehensive income for the period	(27,377)	164,164

	As of March 31, 2012	As of December 31, 2012
Total assets	33,468,670	34,517,654
Solvency margin ratio	563.2%	617.4%

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

	Nine months ended December 31, 2012
Number of consolidated subsidiaries	15
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 "I. 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 December 31, 2012
<b>ASSETS</b>		
Cash and deposits	315,187	370,346
Call loans	249,200	281,800
Monetary claims bought	294,324	292,532
Money held in trust	48,266	44,696
Securities	27,038,793	28,165,517
Loans	3,413,620	3,191,780
Tangible fixed assets	1,254,685	1,238,362
Intangible fixed assets	211,055	208,427
Reinsurance receivable	41,751	33,209
Other assets	307,973	402,844
Deferred tax assets	284,562	257,353
Customers' liabilities for acceptances and guarantees	20,074	33,470
Reserve for possible loan losses	(10,684)	(2,403)
Reserve for possible investment losses	(142)	(283)
<b>Total assets</b>	<b>33,468,670</b>	<b>34,517,654</b>
<b>LIABILITIES</b>		
Policy reserves and others	30,489,920	31,136,608
Reserves for outstanding claims	239,320	268,396
Policy reserves	29,862,729	30,479,310
Reserve for policyholder dividends	387,871	388,902
Reinsurance payable	12,681	15,029
Subordinated bonds	148,652	150,849
Other liabilities	1,188,105	1,390,703
Reserve for employees' retirement benefits	433,791	446,617
Reserve for retirement benefits of directors, executive officers and corporate auditors	2,538	2,404
Reserve for possible reimbursement of prescribed claims	1,000	838
Reserve for price fluctuations	74,831	89,116
Deferred tax liabilities	9,719	15,175
Deferred tax liabilities for land revaluation	95,608	94,921
Acceptances and guarantees	20,074	33,470
<b>Total liabilities</b>	<b>32,476,924</b>	<b>33,375,735</b>
<b>NET ASSETS</b>		
Capital stock	210,200	210,207
Capital surplus	210,200	210,207
Retained earnings	165,557	149,760
Treasury stock	(16,703)	(14,078)
Total shareholders' equity	569,253	556,096
Net unrealized gains (losses) on securities, net of tax	483,446	617,106
Deferred hedge gains (losses)	(44)	(1,355)
Reserve for land revaluation	(61,616)	(38,084)
Foreign currency translation adjustments	(8,535)	(354)
Total accumulated other comprehensive income	413,249	577,311
Subscription rights to shares	150	379
Minority interests	9,091	8,132
<b>Total net assets</b>	<b>991,745</b>	<b>1,141,919</b>
<b>Total liabilities and net assets</b>	<b>33,468,670</b>	<b>34,517,654</b>

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

(millions of yen)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012
<b>ORDINARY REVENUES</b>	<b>3,596,875</b>	<b>3,583,723</b>
Premium and other income	2,662,533	2,551,942
Investment income	714,141	837,662
[ Interest and dividends ]	[ 505,694]	[ 510,409]
[ Gains on money held in trust ]	[ 3,343]	[ -]
[ Gains on investments in trading securities ]	[ -]	[ 10,930]
[ Gains on sale of securities ]	[ 201,810]	[ 171,054]
[ Gains on investments in separate accounts ]	[ -]	[ 118,019]
Other ordinary revenues	220,199	194,119
<b>ORDINARY EXPENSES</b>	<b>3,412,037</b>	<b>3,471,024</b>
Benefits and claims	1,962,852	1,968,222
[ Claims ]	[ 581,979]	[ 596,267]
[ Annuities ]	[ 365,531]	[ 383,736]
[ Benefits ]	[ 373,472]	[ 408,080]
[ Surrender values ]	[ 481,121]	[ 419,909]
Provision for policy reserves and others	375,833	647,067
Provision for reserves for outstanding claims	-	33,932
Provision for policy reserves	368,652	606,206
Provision for interest on policyholder dividends	7,181	6,928
Investment expenses	400,597	201,646
[ Interest expenses ]	[ 14,934]	[ 14,946]
[ Losses on money held in trust ]	[ -]	[ 13,018]
[ Losses on investments in trading securities ]	[ 1,346]	[ -]
[ Losses on sale of securities ]	[ 106,497]	[ 50,074]
[ Losses on valuation of securities ]	[ 83,027]	[ 53,427]
[ Derivative transaction losses ]	[ 3,297]	[ 30,209]
[ Losses on investments in separate accounts ]	[ 121,360]	[ -]
Operating expenses	339,397	345,099
Other ordinary expenses	333,356	308,987
Ordinary profit	184,837	112,699
<b>EXTRAORDINARY GAINS</b>	<b>28,886</b>	<b>4,946</b>
Gains on disposal of fixed assets	909	4,945
Reversal of reserve for price fluctuations	4,860	-
Gain on step acquisition	23,116	-
Other extraordinary gains	0	1
<b>EXTRAORDINARY LOSSES</b>	<b>30,884</b>	<b>21,662</b>
Losses on disposal of fixed assets	1,243	4,478
Impairment losses on fixed assets	29,526	2,899
Provision for reserve for price fluctuations	-	14,285
Other extraordinary losses	114	0
Provision for reserve for policyholder dividends	52,268	59,799
Income before income taxes and minority interests	130,571	36,185
Corporate income taxes-current	11,073	41,575
Corporate income taxes-deferred	109,197	(28,453)
Total of corporate income taxes	120,270	13,122
Income before minority interests	10,300	23,062
Minority interests in loss of subsidiaries	2,409	1,613
Net income for the period	12,709	24,676

[Unaudited Consolidated Statements of Comprehensive Income]

(millions of yen)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012
Income before minority interests	10,300	23,062
Other comprehensive income	(37,677)	141,101
Net unrealized gains (losses) on securities, net of tax	(36,898)	134,192
Deferred hedge gains (losses)	(1,327)	(1,311)
Reserve for land revaluation	17,118	(90)
Foreign currency translation adjustments	(15,631)	8,048
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	(938)	263
Comprehensive income for the period	(27,377)	164,164
Attributable to shareholders of the parent company	(25,039)	165,115
Attributable to minority interests	(2,337)	(950)



## NOTES TO THE UNAUDITED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE NINE MONTHS ENDED DECEMBER 31, 2012

### 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. AS OF DECEMBER 31, 2012

#### 1. Changes in Accounting Policies, Which Are Almost Indistinguishable from Changes in Accounting Estimates

Effective the nine months ended December 31, 2012, the Parent Company and its domestic consolidated subsidiaries 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 for the nine months ended December 31, 2012 were each ¥202 million higher than they would have been if calculated using the previous depreciation method.

#### 2. Securities Lending

Securities lent under lending agreements are included in the consolidated balance sheets. The total balance of securities lent as of December 31, 2012 was ¥729,786 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 the fiscal year ending March 31, 2013.....	¥387,871
Policyholder dividends paid.....	(65,696)
Interest accrual.....	6,928
Provision for reserve for policyholder dividends .....	59,799
Balance as of December 31, 2012.....	<u>¥388,902</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 and the Trust-type Employee Stockholding Incentive Plan, as the Parent Company recognized the shares held by those trusts as treasury stock.

## 5. Subsequent Event

The Parent Company made Janus Capital Group Inc. (“Janus”) its affiliated company on January 22, 2013.

### (1) Purpose of acquisition of Janus’ shares

Janus has a strong asset management brand, diverse distribution network and competitive edge especially in equity investments in the growing US asset management market, which is expected to expand in the mid- to long-term as the retiree population increases. The Parent Company acquired Janus’ shares and made Janus an affiliated company to enhance its general account assets through investments in Janus products and by seconding its employees to Janus to acquire knowledge of Janus’ global asset management business.

### (2) Company profile of Janus

#### (a) Company name:

Janus Capital Group Inc.

#### (b) Engaged business:

Asset management

#### (c) Company size (as of December 31, 2012):

Total assets under management: 156.8 billion USD(\*) (¥13,575.7 billion)

### (3) Timing of the purchase of Janus’ shares

After entering into an investment and strategic cooperation agreement with Janus in August 2012, the Parent Company has accumulated Janus’ shares through open market purchases.

### (4) Details of share purchases

#### (a) Number of shares purchased:

37,254,654 shares

#### (b) Purchase price:

¥26,034 million

#### (c) The Parent Company’s share holdings after completing the purchases (as of December 31, 2012)

19.90%

(\*) US dollar is converted into yen at the rate of JPY86.58 to USD.

### **III. NOTES TO UNAUDITED QUARTERLY CONSOLIDATED STATEMENTS OF EARNINGS FOR THE NINE MONTHS ENDED DECEMBER 31, 2012**

#### **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 nine months ended December 31, 2012. The effective tax rate is determined by estimating the effective tax rate for the full fiscal year, which includes the nine months ended December 31, 2012, after taking into account the effect of deferred tax accounting.

#### **2. Net Income per Share**

Net income per share for the nine months ended December 31, 2012 was ¥2,493.21. Diluted net income per share for the same period was ¥2,492.38.

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

For the nine months ended December 31, 2012, (1) depreciation of real estate for rent and others totaled ¥11,078 million, (2) depreciation (including the depreciation of intangible fixed assets other than goodwill) totaled ¥29,733 million, and (3) amortization of goodwill was ¥2,640 million.

## (5) Consolidated Solvency Margin Ratio

(millions of yen)

	As of March 31, 2012	As of December 31, 2012
Total solvency margin <b>(A)</b>	3,096,077	3,435,160
Common stock, etc. <sup>*1</sup>	453,417	462,584
Reserve for price fluctuations	74,831	89,116
Contingency reserve	480,251	512,151
Catastrophe loss reserve	-	-
General reserve for possible loan losses	2,425	1,269
Net unrealized gains on securities (before tax) × 90% <sup>*2</sup>	628,174	802,662
Net unrealized gains (losses) on real estate × 85% <sup>*2</sup>	(36,536)	16,262
Policy reserves in excess of surrender values	1,527,129	1,630,036
Qualifying subordinated debt	441,780	436,219
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(525,037)	(568,571)
Excluded items	(40,052)	(42,690)
Others	89,694	96,118
Total risk $\sqrt{(\sqrt{R_1^2 + R_5^2 + R_8 + R_9})^2 + (R_2 + R_3 + R_7)^2} + R_4 + R_6$ <b>(B)</b>	1,099,355	1,112,769
Insurance risk $R_1$	101,911	102,432
General insurance risk $R_5$	-	-
Catastrophe risk $R_6$	-	-
3rd sector insurance risk $R_8$	164,238	167,522
Small amount and short-term insurance risk $R_9$	-	-
Assumed investment yield risk $R_2$	287,440	278,184
Guaranteed minimum benefit risk $R_7$ <sup>*3</sup>	28,829	26,740
Investment risk $R_3$	723,443	747,324
Business risk $R_4$	26,117	26,444
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	563.2%	617.4%

\*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 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 December 31, 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 December 31, 2012
Total solvency margin (A)	207,088	211,581
Common stock, etc.	86,770	73,350
Reserve for price fluctuations	378	663
Contingency reserve	57,157	71,058
General reserve for possible loan losses	17	7
Net unrealized gains on securities (before tax) × 90% *	5,023	11,083
Net unrealized gains (losses) on real estate × 85% *	-	-
Policy reserves in excess of surrender values	57,741	55,420
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)	47,284	45,805
Insurance risk R <sub>1</sub>	0	2
3rd sector insurance risk R <sub>8</sub>	-	-
Assumed investment yield risk R <sub>2</sub>	3,073	4,450
Guaranteed minimum benefit risk R <sub>7</sub>	21,923	20,266
Investment risk R <sub>3</sub>	20,910	19,753
Business risk R <sub>4</sub>	1,377	1,334
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	875.9%	923.8%

\*: 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 Announcement No. 50, Ministry of Finance, 1996.

The figures as of December 31, 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 segments other than its own core life insurance business, and therefore segment information was omitted.