

February 13, 2014

Financial Results for the Nine Months Ended December 31, 2013

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, 2013.

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For further information please contact:

Corporate Planning Dept., The Dai-ichi Life Insurance Company, Limited TEL: +81-(0)-50-3780-7731/6942

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, 2013		As of December 31, 2013			
	Number of policies (thousands)	Amount (billions of yen)	Number of policies		Amount	
			(thousands)	% of March 31, 2013 total	(billions of yen)	% of March 31, 2013 total
Individual insurance	11,442	133,344.7	11,474	100.3	129,872.0	97.4
Individual annuities	1,431	8,516.8	1,464	102.3	8,725.3	102.4
Individual insurance and annuities	12,874	141,861.5	12,938	100.5	138,597.3	97.7
Group insurance	-	48,766.6	-	-	48,482.2	99.4
Group annuities	-	6,146.1	-	-	6,338.2	103.1

- 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, 2012 total	(billions of yen)	New Business	Net increase by conversion	% of December 31, 2012 total
Nine months ended December 31, 2012						
Individual insurance	868		4,837.9	4,424.2	413.6	
Individual annuities	82		563.4	570.7	(7.2)	
Individual insurance and annuities	951		5,401.3	4,994.9	406.3	
Group insurance	-		218.6	218.6	-	
Group annuities	-		0.0	0.0	-	
Nine months ended December 31, 2013						
Individual insurance	809	93.2	4,869.9	4,587.7	282.1	100.7
Individual annuities	67	81.7	456.9	462.4	(5.5)	81.1
Individual insurance and annuities	876	92.2	5,326.8	5,050.2	276.5	98.6
Group insurance	-	-	228.7	228.7	-	104.6
Group annuities	-	-	0.2	0.2	-	545.7

- 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, 2012	Nine months ended December 31, 2013
Amount of surrenders and lapses	4,983.4	4,635.7
Surrender and lapse rate (%)	3.41	3.27

- 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, 2013	As of December 31, 2013	
			% of March 31, 2013 total
Individual insurance	1,663.1	1,647.7	99.1
Individual annuities	362.7	371.4	102.4
Total	2,025.9	2,019.1	99.7
Medical and survival benefits	522.5	536.2	102.6

New Policies

(billions of yen)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013	
			% of December 31, 2012 total
Individual insurance	76.8	74.5	97.0
Individual annuities	19.2	15.2	79.4
Total	96.1	89.8	93.5
Medical and survival benefits	30.6	36.9	120.7

- 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, 2013		As of December 31, 2013	
	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	710,026	2.2	748,580	2.3
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	283,103	0.9	277,645	0.8
Trading account securities	-	-	-	-
Money held in trust	24,071	0.1	36,106	0.1
Securities	26,079,870	81.7	26,986,492	82.2
Domestic bonds	16,427,398	51.5	16,308,607	49.7
Domestic stocks	2,557,413	8.0	2,980,842	9.1
Foreign securities	6,816,213	21.4	7,337,753	22.3
Foreign bonds	5,187,604	16.3	5,612,448	17.1
Foreign stocks and other securities	1,628,609	5.1	1,725,304	5.3
Other securities	278,845	0.9	359,289	1.1
Loans	3,139,671	9.8	3,036,368	9.2
Policy loans	480,229	1.5	461,295	1.4
Ordinary loans	2,659,441	8.3	2,575,073	7.8
Real estate	1,224,473	3.8	1,215,506	3.7
Real estate for rent	784,844	2.5	787,604	2.4
Deferred tax assets	65,570	0.2	-	-
Others	389,205	1.2	533,225	1.6
Reserve for possible loan losses	(4,109)	(0.0)	(1,769)	(0.0)
Total	31,911,883	100.0	32,832,156	100.0
Foreign currency-denominated assets	5,262,693	16.5	5,809,782	17.7

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, 2013					
Held-to-maturity bonds	142,267	147,965	5,698	5,698	-
Domestic bonds	95,131	99,341	4,210	4,210	-
Foreign bonds	47,135	48,623	1,487	1,487	-
Policy-reserve-matching bonds	10,499,119	11,705,797	1,206,678	1,206,821	143
Domestic bonds	10,499,119	11,705,797	1,206,678	1,206,821	143
Foreign bonds	-	-	-	-	-
Stocks of subsidiaries and affiliated companies	27,669	34,541	6,872	6,918	46
Available-for-sale securities	12,759,745	14,335,428	1,575,683	1,715,242	139,559
Domestic bonds	5,416,478	5,833,147	416,669	420,548	3,878
Domestic stocks	1,606,888	2,250,276	643,387	733,948	90,560
Foreign securities	5,266,542	5,743,653	477,111	519,232	42,121
Foreign bonds	4,725,795	5,140,468	414,672	440,625	25,952
Foreign stocks and other securities	540,746	603,185	62,438	78,607	16,168
Other securities	168,842	190,247	21,404	24,394	2,989
Monetary claims bought	265,993	283,103	17,110	17,118	7
Certificates of deposit	35,000	34,999	(0)	0	0
Money held in trust	-	-	-	-	-
Others	-	-	-	-	-
Total	23,428,801	26,223,733	2,794,931	2,934,681	139,749
Domestic bonds	16,010,728	17,638,286	1,627,557	1,631,580	4,022
Domestic stocks	1,606,888	2,250,276	643,387	733,948	90,560
Foreign securities	5,339,695	5,825,213	485,517	527,639	42,121
Foreign bonds	4,772,931	5,189,092	416,160	442,113	25,952
Foreign stocks and other securities	566,763	636,121	69,357	85,526	16,168
Other securities	170,495	191,853	21,358	24,394	3,036
Monetary claims bought	265,993	283,103	17,110	17,118	7
Certificates of deposit	35,000	34,999	(0)	0	0
Money held in trust	-	-	-	-	-
Others	-	-	-	-	-
As of December 31, 2013					
Held-to-maturity bonds	97,745	101,185	3,439	3,439	-
Domestic bonds	45,034	48,331	3,296	3,296	-
Foreign bonds	52,711	52,854	142	142	-
Policy-reserve-matching bonds	11,695,653	12,644,396	948,742	949,381	638
Domestic bonds	11,690,548	12,639,336	948,788	949,369	581
Foreign bonds	5,104	5,059	(45)	11	57
Stocks of subsidiaries and affiliated companies	27,184	49,747	22,562	22,562	-
Available-for-sale securities	12,083,398	14,054,811	1,971,412	2,059,303	87,890
Domestic bonds	4,286,716	4,573,024	286,308	290,448	4,139
Domestic stocks	1,651,106	2,674,775	1,023,669	1,067,856	44,187
Foreign securities	5,650,231	6,255,699	605,468	644,591	39,123
Foreign bonds	5,098,403	5,554,631	456,228	490,770	34,542
Foreign stocks and other securities	551,827	701,068	149,240	153,820	4,580
Other securities	228,484	271,074	42,590	42,785	195
Monetary claims bought	264,272	277,645	13,373	13,618	245
Certificates of deposit	-	-	-	-	-
Money held in trust	2,587	2,591	3	3	-
Others	-	-	-	-	-
Total	23,903,982	26,850,141	2,946,158	3,034,687	88,529
Domestic bonds	16,022,298	17,260,692	1,238,394	1,243,115	4,721
Domestic stocks	1,651,106	2,674,775	1,023,669	1,067,856	44,187
Foreign securities	5,734,065	6,362,181	628,116	667,296	39,180
Foreign bonds	5,156,220	5,612,545	456,325	490,925	34,599
Foreign stocks and other securities	577,844	749,635	171,791	176,371	4,580
Other securities	229,652	272,254	42,602	42,797	195
Monetary claims bought	264,272	277,645	13,373	13,618	245
Certificates of deposit	-	-	-	-	-
Money held in trust	2,587	2,591	3	3	-
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 fair value is deemed extremely difficult to recognize are as follows:

(millions of yen)

	As of March 31, 2013	As of December 31, 2013
Held-to-maturity bonds	-	-
Unlisted foreign bonds	-	-
Others	-	-
Policy-reserve-matching bonds	-	-
Stocks of subsidiaries and affiliated companies	340,397	390,463
Unlisted domestic stocks (except over-the-counter stocks)	182,680	182,680
Unlisted foreign stocks (except over-the-counter stocks)	148,716	172,397
Others	9,000	35,385
Available-for-sale securities	1,052,494	999,584
Unlisted domestic stocks (except over-the-counter stocks)	124,456	123,386
Unlisted foreign stocks (except over-the-counter stocks)	833,550	808,052
Unlisted foreign bonds	0	0
Others	94,487	68,145
Total	1,392,891	1,390,048

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:
gain of 19,556 million yen as of March 31, 2013 and gain of 12,469 million yen as of December 31, 2013.

(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, 2013	24,071	24,071	6,783	9,666	2,883
As of December 31, 2013	36,106	36,106	3,843	8,855	5,012

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, 2013		As of December 31, 2013	
	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	24,071	6,783	33,514	3,839

* Information on money held in trust classified as available-for-sale is as follows:

(millions of yen)

	Book Value	Fair value	Gains (losses)	Gains (losses)	
				Gains	Losses
As of March 31, 2013	-	-	-	-	-
As of December 31, 2013	2,587	2,591	3	3	-

* Information on money held in trust classified as held-to-maturity and policy-reserve-matching:

The Company had no balance as of March 31, 2013 or December 31, 2013.

3. Unaudited Quarterly Non-Consolidated Balance Sheet

(millions of yen)

	As of March 31, 2013 (summarized)	As of December 31, 2013
(ASSETS)		
Cash and deposits	363,601	540,606
Call loans	365,800	258,500
Monetary claims bought	283,103	277,645
Money held in trust	24,071	36,106
Securities	27,161,984	28,169,979
[Government bonds]	[14,323,032]	[14,306,062]
[Local government bonds]	[290,628]	[254,477]
[Corporate bonds]	[2,137,606]	[2,081,498]
[Stocks]	[2,842,790]	[3,299,628]
[Foreign securities]	[7,165,487]	[7,761,404]
Loans	3,139,671	3,036,368
Policy loans	480,229	461,295
Ordinary loans	2,659,441	2,575,073
Tangible fixed assets	1,236,034	1,225,380
Intangible fixed assets	100,909	92,005
Reinsurance receivable	14,096	10,973
Other assets	288,309	344,865
Deferred tax assets	65,570	-
Customers' liabilities for acceptances and guarantees	33,446	88,253
Reserve for possible loan losses	(4,109)	(1,769)
Reserve for possible investment losses	-	(219)
Total assets	33,072,490	34,078,695
(LIABILITIES)		
Policy reserves and others	29,168,377	29,641,234
Reserves for outstanding claims	138,570	136,419
Policy reserves	28,637,045	29,112,523
Reserve for policyholder dividends	392,761	392,291
Reinsurance payable	727	585
Subordinated bonds	154,584	160,256
Other liabilities	1,413,825	1,531,501
Corporate income tax payable	56,612	40,189
Lease liabilities	7,545	6,331
Asset retirement obligations	2,855	2,826
Other liabilities	1,346,811	1,482,154
Reserve for employees' retirement benefits	437,514	413,926
Reserve for retirement benefits of directors, executive officers and corporate auditors	2,327	2,175
Reserve for possible reimbursement of prescribed claims	700	473
Reserve for price fluctuations	88,453	102,453
Deferred tax liabilities	-	24,049
Deferred tax liabilities for land revaluation	94,842	94,449
Acceptances and guarantees	33,446	88,253
Total liabilities	31,394,799	32,059,358
(NET ASSETS)		
Capital stock	210,207	210,224
Capital surplus	210,207	210,224
Legal capital surplus	210,207	210,224
Retained earnings	216,541	281,372
Legal retained earnings	5,600	5,600
Other retained earnings	210,941	275,772
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	20,838	21,597
Retained earnings brought forward	81,982	146,054
Treasury stock	(13,431)	(11,983)
Total shareholders' equity	623,524	689,838
Net unrealized gains (losses) on securities, net of tax	1,092,583	1,367,399
Deferred hedge gains (losses)	(1,801)	(3,645)
Reserve for land revaluation	(36,995)	(34,839)
Total of valuation and translation adjustments	1,053,786	1,328,914
Subscription rights to shares	379	583
Total net assets	1,677,691	2,019,336
Total liabilities and net assets	33,072,490	34,078,695

4. Unaudited Quarterly Non-Consolidated Statement of Earnings

(millions of yen)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013
ORDINARY REVENUES	3,037,632	3,268,457
Premium and other income	2,114,206	2,100,954
[Premium income]	[2,113,693]	[2,100,293]
Investment income	738,118	929,552
[Interest and dividends]	[501,854]	[556,063]
[Gains on money held in trust]	[515]	[7,470]
[Gains on sale of securities]	[168,052]	[173,884]
[Gains on investments in separate accounts]	[43,643]	[175,904]
Other ordinary revenues	185,307	237,950
[Reversal of reserves for outstanding claims]	[-]	[2,151]
ORDINARY EXPENSES	2,918,361	3,034,612
Benefits and claims	1,792,301	1,779,200
[Claims]	[573,240]	[531,391]
[Annuities]	[382,477]	[399,501]
[Benefits]	[384,418]	[341,523]
[Surrender values]	[369,674]	[385,142]
[Other refunds]	[81,504]	[120,688]
Provision for policy reserves and others	341,226	482,239
Provision for reserves for outstanding claims	1,781	-
Provision for policy reserves	332,516	475,478
Provision for interest on policyholder dividends	6,928	6,761
Investment expenses	190,529	154,624
[Interest expenses]	[14,089]	[14,532]
[Losses on sale of securities]	[50,067]	[49,018]
[Losses on valuation of securities]	[53,427]	[806]
[Derivative transaction losses]	[22,321]	[40,081]
Operating expenses	295,915	302,505
Other ordinary expenses	298,389	316,041
ORDINARY PROFIT	119,271	233,844
EXTRAORDINARY GAINS	4,944	2,346
Gains on disposal of fixed assets	4,944	2,346
EXTRAORDINARY LOSSES	21,366	28,905
Losses on disposal of fixed assets	4,467	1,154
Impairment losses on fixed assets	2,899	13,751
Provision for reserve for price fluctuations	14,000	14,000
Provision for reserve for policyholder dividends	59,799	70,278
Income before income taxes	43,050	137,007
Corporate income taxes-current	38,381	85,680
Corporate income taxes-deferred	(29,661)	(31,556)
Total of corporate income taxes	8,719	54,124
Net income for the period	34,330	82,882

NOTES TO UNAUDITED QUARTERLY NON-CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE NINE MONTHS ENDED DECEMBER 31, 2013

I. NOTES TO UNAUDITED QUARTERLY NON-CONSOLIDATED BALANCE SHEET AND SHAREHOLDERS' EQUITY, ETC. AS OF DECEMBER 31, 2013

1. Securities Lending

Securities lent under lending agreements are included in the non-consolidated balance sheet. The total balance of securities lent as of December 31, 2013 was ¥1,255,512 million.

2. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	(Unit: million yen)
Balance at the beginning of the fiscal year ending March 31, 2014.....	392,761
Dividends paid.....	(77,509)
Interest accrual.....	6,761
Provision for reserve for policyholder dividends	70,278
<u>Balance as of December 31, 2013.....</u>	<u>392,291</u>

II. NOTES TO THE UNAUDITED NON-CONSOLIDATED STATEMENT OF EARNINGS FOR THE NINE MONTHS ENDED DECEMBER 31, 2013

1. Net Income per Share

Net income per share for the nine months ended December 31, 2013 was ¥83.59. Diluted net income per share for the same period was ¥83.54.

The Company conducted a 1:100 share split on October 1, 2013. The above figures are calculated as if the Company conducted the split at the beginning of the nine months ended December 31, 2013.

5. Breakdown of Ordinary Profit (Fundamental Profit)

(millions of yen)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Fundamental revenues	2,867,582	3,085,675
Premium and other income	2,114,206	2,100,954
Investment income [Interest and dividends]	568,067 501,854	746,770 556,063
Other ordinary revenues	185,307	237,950
Fundamental expense	2,651,165	2,819,104
Benefits and claims	1,792,301	1,779,200
Provision for policy reserves and others	211,464	367,585
Investment expenses	53,095	53,771
Operating expenses	295,915	302,505
Other ordinary expenses	298,389	316,041
Fundamental profit	<i>A</i> 216,416	266,570
Capital gains	168,568	181,354
Gains on money held in trust	515	7,470
Gains on investments in trading securities	-	-
Gains on sale of securities	168,052	173,884
Derivative transaction gains	-	-
Foreign exchange gains	-	-
Others	-	-
Capital losses	137,277	100,627
Losses on money held in trust	-	-
Losses on investments in trading securities	-	-
Losses on sale of securities	50,067	49,018
Losses on valuation of securities	53,427	806
Derivative transaction losses	22,321	40,081
Foreign exchange losses	11,460	10,721
Others	-	-
Net capital gains (losses)	<i>B</i> 31,291	80,726
Fundamental profit plus net capital gains (losses)	<i>A + B</i> 247,707	347,297
Other one-time gains	1,482	1,427
Reinsurance income	-	-
Reversal of contingency reserve	-	-
Reversal of specific reserve for possible loan losses	1,482	1,427
Others	-	-
Other one-time losses	129,918	114,879
Ceding reinsurance commissions	-	-
Provision for contingency reserve	18,000	18,000
Provision for specific reserve for possible loan losses	-	-
Provision for specific reserve for loans to refinancing countries	-	-
Write-down of loans	8	5
Others	111,909	96,874
Other one-time profits	<i>C</i> (128,436)	(113,452)
Ordinary profit	<i>A + B + C</i> 119,271	233,844

Note:

- For the nine months ended December 31, 2012, "Others" in "Other one-time losses" represents the sum of the amount of provision for reserve for possible investment losses (147 million yen) and the amount of the additional policy reserves provided (111,762 million yen) in accordance with Article 69, Paragraph 5 of the Enforcement Regulations of the Insurance Business Act.
- For the nine months ended December 31, 2013, "Others" in "Other one-time losses" represents the sum of the amount of provision for reserve for possible investment losses (219 million yen) and the amount of the additional policy reserves provided (96,654 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, 2013	As of December 31, 2013
Total solvency margin (A)	4,178,263	4,810,784
Common stock, etc. *1	607,904	696,200
Reserve for price fluctuations	88,453	102,453
Contingency reserve	495,093	513,093
General reserve for possible loan losses	1,751	839
Net unrealized gains on securities (before tax) × 90% *2	1,418,695	1,775,417
Net unrealized gains (losses) on real estate × 85% *2	18,245	16,491
Policy reserves in excess of surrender values	1,609,462	1,704,074
Qualifying subordinated debt	427,562	427,562
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(411,842)	(386,388)
Excluded items	(169,507)	(169,507)
Others	92,446	130,548
Total risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	1,168,327	1,309,453
Insurance risk R_1	90,521	83,359
3rd sector insurance risk R_8	160,847	165,873
Assumed investment yield risk R_2	269,273	259,875
Investment risk R_3	838,472	990,432
Guaranteed minimum benefit risk R_7 *3	5,261	4,551
Business risk R_4	27,287	30,081
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	715.2%	734.7%

*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, 2013 are calculated based on Articles 86, 87 of the Enforcement Regulations of Insurance Business Act, and Announcement No. 50, Ministry of Finance, 1996.

The figures as of December 31, 2013 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, 2013	As of December 31, 2013
Individual variable insurance	50,718	55,566
Individual variable annuities	143,755	128,981
Group annuities	1,036,304	1,084,948
Separate account total	1,230,778	1,269,495

(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, 2013		As of December 31, 2013	
	Number of policies	Amount	Number of policies	Amount
Individual variable insurance (term life)	183	904	177	877
Individual variable insurance (whole life)	46,136	286,137	45,567	282,151
Total	46,319	287,041	45,744	283,029

Note: Policies in force include term life riders.

B. Individual variable annuities

(millions of yen except number of policies)

	As of March 31, 2013		As of December 31, 2013	
	Number of policies	Amount	Number of policies	Amount
Individual variable annuities	36,424	132,371	31,164	120,073

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, 2012	Nine months ended December 31, 2013
Ordinary revenues	3,583,723	4,477,081
Ordinary profit	112,699	227,766
Net income for the period	24,676	73,889
Comprehensive income for the period	164,164	335,722

	As of March 31, 2013	As of December 31, 2013
Total assets	35,694,411	37,444,635
Solvency margin ratio	702.4%	721.4%

(2) Scope of Consolidation and Application of Equity Method

	Nine months ended December 31, 2013
Number of consolidated subsidiaries	22
Number of non-consolidated subsidiaries accounted for under the equity method	0
Number of affiliates accounted for under the equity method	32

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 Sheet

(millions of yen)

	As of March 31, 2013 (summarized)	As of December 31, 2013
ASSETS		
Cash and deposits	457,517	659,102
Call loans	391,200	288,500
Monetary claims bought	285,082	283,687
Money held in trust	56,251	62,850
Securities	29,390,963	31,094,569
Loans	3,140,990	3,037,788
Tangible fixed assets	1,236,270	1,225,650
Intangible fixed assets	215,457	199,400
Reinsurance receivable	32,861	34,294
Other assets	390,844	470,789
Deferred tax assets	67,636	1,738
Customers' liabilities for acceptances and guarantees	33,446	88,253
Reserve for possible loan losses	(4,110)	(1,770)
Reserve for possible investment losses	-	(219)
Total assets	35,694,411	37,444,635
LIABILITIES		
Policy reserves and others	31,703,858	32,916,284
Reserves for outstanding claims	298,557	324,647
Policy reserves	31,012,539	32,199,345
Reserve for policyholder dividends	392,761	392,291
Reinsurance payable	16,541	24,418
Subordinated bonds	154,584	160,256
Other liabilities	1,496,592	1,630,231
Reserve for employees' retirement benefits	439,734	416,453
Reserve for retirement benefits of directors, executive officers and corporate auditors	2,350	2,200
Reserve for possible reimbursement of prescribed claims	700	473
Reserve for price fluctuations	89,228	103,770
Deferred tax liabilities	13,511	37,103
Deferred tax liabilities for land revaluation	94,842	94,449
Acceptances and guarantees	33,446	88,253
Total liabilities	34,045,391	35,473,894
NET ASSETS		
Capital stock	210,207	210,224
Capital surplus	210,207	210,224
Retained earnings	156,357	212,384
Treasury stock	(13,431)	(11,983)
Total shareholders' equity	563,340	620,851
Net unrealized gains (losses) on securities, net of tax	1,099,351	1,370,506
Deferred hedge gains (losses)	(1,801)	(3,645)
Reserve for land revaluation	(36,995)	(34,839)
Foreign currency translation adjustments	18,229	12,424
Total accumulated other comprehensive income	1,078,784	1,344,446
Subscription rights to shares	379	583
Minority interests	6,514	4,859
Total net assets	1,649,020	1,970,740
Total liabilities and net assets	35,694,411	37,444,635

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

(millions of yen)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013
ORDINARY REVENUES	3,583,723	4,477,081
Premium and other income	2,551,942	3,153,491
Investment income	837,662	1,075,938
[Interest and dividends]	[510,409]	[569,032]
[Gains on investments in trading securities]	[10,930]	[18,570]
[Gains on sale of securities]	[171,054]	[181,935]
[Gains on investments in separate accounts]	[118,019]	[290,171]
Other ordinary revenues	194,119	247,650
ORDINARY EXPENSES	3,471,024	4,249,315
Benefits and claims	1,968,222	2,128,592
[Claims]	[596,267]	[572,425]
[Annuities]	[383,736]	[400,728]
[Benefits]	[408,080]	[373,062]
[Surrender values]	[419,909]	[520,735]
Provision for policy reserves and others	647,067	1,231,174
Provision for reserves for outstanding claims	33,932	29,496
Provision for policy reserves	606,206	1,194,916
Provision for interest on policyholder dividends	6,928	6,761
Investment expenses	201,646	181,765
[Interest expenses]	[14,946]	[15,253]
[Losses on money held in trust]	[13,018]	[8,964]
[Losses on sale of securities]	[50,074]	[49,133]
[Losses on valuation of securities]	[53,427]	[811]
[Derivative transaction losses]	[30,209]	[54,518]
Operating expenses	345,099	378,221
Other ordinary expenses	308,987	329,561
Ordinary profit	112,699	227,766
EXTRAORDINARY GAINS	4,946	2,353
Gains on disposal of fixed assets	4,945	2,350
Other extraordinary gains	1	2
EXTRAORDINARY LOSSES	21,662	29,461
Losses on disposal of fixed assets	4,478	1,168
Impairment losses on fixed assets	2,899	13,751
Provision for reserve for price fluctuations	14,285	14,542
Other extraordinary losses	0	0
Provision for reserve for policyholder dividends	59,799	70,278
Income before income taxes and minority interests	36,185	130,379
Corporate income taxes-current	41,575	88,372
Corporate income taxes-deferred	(28,453)	(30,588)
Total of corporate income taxes	13,122	57,783
Income before minority interests	23,062	72,596
Minority interests in loss of subsidiaries	1,613	1,292
Net income for the period	24,676	73,889

[Unaudited Consolidated Statement of Comprehensive Income]

(millions of yen)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Income before minority interests	23,062	72,596
Other comprehensive income	141,101	263,125
Net unrealized gains (losses) on securities, net of tax	134,192	271,384
Deferred hedge gains (losses)	(1,311)	(1,843)
Reserve for land revaluation	(90)	(32)
Foreign currency translation adjustments	8,048	(8,527)
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	263	2,145
Comprehensive income for the period	164,164	335,722
Attributable to shareholders of the parent company	165,115	337,362
Attributable to minority interests	(950)	(1,640)

NOTES TO THE UNAUDITED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE NINE MONTHS ENDED DECEMBER 31, 2013

I. GUIDELINES FOR PREPARATION OF UNAUDITED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

As PT Panin Internasional and PT Panin Dai-ichi Life each became an affiliated company of the Parent Company, both companies were newly included in the scope of the equity method accounting of the Parent Company.

PT Panin Dai-ichi Life changed its name from PT Panin Life on November 22, 2013.

II. NOTES TO UNAUDITED QUARTERLY CONSOLIDATED BALANCE SHEET AND SHAREHOLDERS' EQUITY, ETC. AS OF DECEMBER 31, 2013

1. Policy-Reserve-Matching Bonds

In order to conduct appropriate duration control that accounts for the debt situation, and thus promote more sophisticated ALM, a certain subsidiary of the Parent Company added individual life insurance and individual annuity (yen-denominated, long-term) as a new sub-group of life insurance products subject to the application of policy-reserve-matching bonds, effective the three months ended June 30, 2013. As a result, the sub-groups of the subsidiary are:

- individual life insurance and individual annuity (yen-denominated, short-term),
- individual life insurance and individual annuity (yen-denominated, long-term),
- individual life insurance and individual annuity (U.S. dollar-denominated), and
- individual life insurance and individual annuity (Australian dollar-denominated),

with the exception of certain types and contracts.

This addition did not have any impacts on profits and losses for the nine months ended December 31, 2013.

2. Securities Lending

Securities lent under lending agreements are included in the consolidated balance sheet. The total balance of securities lent as of December 31, 2013 was ¥1,265,879 million.

3. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	(Unit: million yen)
Balance at the beginning of the fiscal year ending March 31, 2014.....	392,761
Dividends paid.....	(77,509)
Interest accrual.....	6,761
Provision for reserve for policyholder dividends	70,278
<u>Balance as of December 31, 2013.....</u>	<u>392,291</u>

4. Dividends on Common Stock

Date of resolution	June 24, 2013 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥15,855 million
Dividends per share	¥1,600
Record date	March 31, 2013
Effective date	June 25, 2013
Dividend resource	Retained earnings

Note: Total dividends don't include ¥145 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 shares.

III. NOTES TO UNAUDITED QUARTERLY CONSOLIDATED STATEMENT OF EARNINGS FOR THE NINE MONTHS ENDED DECEMBER 31, 2013

1. Calculation of Tax

Income taxes of 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, 2013. 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, 2013, 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, 2013 was ¥74.52. Diluted net income per share for the same period was ¥74.48.

The Parent Company conducted a 1:100 share split on October 1, 2013. The above figures reflect the split as if the Parent Company conducted the split at the beginning of the nine months ended December 31, 2013.

3. Depreciation and Amortization

For the nine months ended December 31, 2013, (1) depreciation of real estate for rent and others totaled ¥ 11,052 million, (2) depreciation (including the depreciation of intangible fixed assets other than goodwill) totaled ¥ 28,918 million, and (3) amortization of goodwill was ¥ 3,272 million.

(5) Consolidated Solvency Margin Ratio

(millions of yen)

	As of March 31, 2013	As of December 31, 2013
Total solvency margin (A)	4,131,402	4,734,775
Common stock, etc. *1	436,330	521,318
Reserve for price fluctuations	89,228	103,770
Contingency reserve	587,497	618,492
Catastrophe loss reserve	-	-
General reserve for possible loan losses	1,752	840
Net unrealized gains on securities (before tax) × 90% *2	1,428,115	1,780,372
Net unrealized gains (losses) on real estate × 85% *2	18,245	16,491
Policy reserves in excess of surrender values	1,669,231	1,769,849
Qualifying subordinated debt	427,562	427,562
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(550,006)	(520,328)
Excluded items	(68,999)	(114,141)
Others	92,446	130,548
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)	1,176,246	1,312,591
Insurance risk R_1	103,425	94,424
General insurance risk R_5	-	-
Catastrophe risk R_6	-	-
3rd sector insurance risk R_8	168,895	174,462
Small amount and short-term insurance risk R_9	-	-
Assumed investment yield risk R_2	273,604	268,796
Guaranteed minimum benefit risk R_7 *3	28,747	30,221
Investment risk R_3	813,382	954,611
Business risk R_4	27,761	30,450
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	702.4%	721.4%

*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 as of March 31, 2013 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, 2013 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, 2013	As of December 31, 2013
Total solvency margin (A)	219,637	221,605
Common stock, etc.	57,269	44,214
Reserve for price fluctuations	775	1,317
Contingency reserve	92,403	105,399
General reserve for possible loan losses	1	1
Net unrealized gains on securities (before tax) × 90% *	9,420	4,898
Net unrealized gains (losses) on real estate × 85% *	-	-
Policy reserves in excess of surrender values	59,768	65,774
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)	46,798	60,650
Insurance risk R_1	5	25
3rd sector insurance risk R_8	-	-
Assumed investment yield risk R_2	4,330	8,920
Investment risk R_3	18,611	25,241
Guaranteed minimum benefit risk R_7	22,493	24,721
Business risk R_4	1,363	1,767
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	938.6%	730.7%

*: Multiplied by 100% if losses.

Note: 1. The figures as of March 31, 2013 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, 2013 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.