

# Presentation of Financial Results for the Year Ended March 2012

May 15, 2012  
The Dai-ichi Life Insurance Company, Limited

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- I would like to start the financial results presentation of our group, for the year ended March 2012.
- Today, in addition to our financial results releases, we disclosed other important press releases including (1) a summary of our group embedded value, (2) a description of our operational plan for the current fiscal year under new mid-term management plan and establishment of the “Group Management Headquarters” and (3) changes to our board of directors. Please check our website for details.
- As usual, I will review the presentation material, followed by Q&A.
- Please turn to page 1.

## Today's Highlights

- **Made Progress in Measures for Achieve Sustainable Growth, While Implementing Countermeasures against the Changes in the Business Environment**
  - We flexibly planned and implemented countermeasures against changes in the business environment, including the impact of the earthquake and the European sovereign debt crisis.
  - We marked positive results in improving cost-efficiency and risk management. Also, growth areas, both domestic and overseas, steadily contributed to group profitability
  - Although recognizing extraordinary occurrences in our financials, we exceeded our earnings forecast revised on January 31.
  
- **Increased Group EEV to 2,661.5 billion yen as of March 31, 2012**
  - We saw clear improvement in value of new business and non-economic assumptions, including operating expense ratio, as a result of operational actions.
  
- **Set Operating Plan for the Next Growth Stage**
  - We will promote the concept of ERM to strategically manage risk and return
  - We established the "Group Management Headquarters"

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- 3 highlights of my presentation are shown here.
- Firstly, throughout the last fiscal year, we implemented countermeasures to adjust to the harsh business environment around us, including (1) the negative impact of the Great East Japan Earthquake and (2) the worsening financial markets after the European sovereign debt crisis. While placing top priority on the operations associated with customers affected by the earthquake, we marked positive results in improving cost-efficiency and risk management. In addition, we made progress in both (1) domestic growth areas, including our third sector business and Dai-ichi Frontier Life, and (2) overseas businesses, as represented by 100% acquisition of TAL. Although we recognized extraordinary occurrences in our financials, including impact of the reduction in corporate tax rates, extraordinary gain associated with step acquisition of TAL, and extraordinary losses in relation to reorganization of office buildings, we exceeded our earnings forecast announced on January 31.
- Secondly, our group EEV increased by 221.2 billion yen from 2,440.3 billion yen as of March 31, 2011 to 2,661.5 billion yen as of March 31, 2012. Although interest rates lowered, in addition to the positive impact of reduced corporate tax rates, the value of new business and other items related to non-economic assumptions, including operating expense ratio, improved and contributed to the increase in EEV.
- Thirdly, we established measures for FY2012 and to achieve growth thereafter. FY2012 represents the second half of the two-year medium-term management plan and also the milestone year of 110<sup>th</sup> anniversary of our foundation. Our President Watanabe will explain the third point in detail in the financial analyst meeting to be held on May 21, 2012.
- So, today, I'd like to focus mainly on the FY2011 financial results from page 2.

Consolidated Financial Results Highlights

- Consolidated ordinary revenues increased by 8% year-on-year thanks to steady insurance sales of group companies
- Ordinary profit significantly increased thanks to improved investment income but the increase was largely offset by the negative impact of decreased deferred tax assets related to changes in corporate tax rates, resulting in a 6% increase in net income

(billions of yen)					<Reference>	
	Year ended Mar-11	Year ended Mar-12 (a)	Change		Forecasts for year ended Mar-12 (b)	Progress (a/b)
Ordinary revenues	4,571.5	4,931.7	+ 360.2	+8%	4,780.0	103%
Non-consolidated	4,308.4	4,398.2	+ 89.7	+2%	4,290.0	103%
Ordinary profit	81.1	225.9	+ 144.7	+178%	210.0	108%
Non-consolidated	78.9	243.7	+ 164.8	+209%	230.0	106%
Net income	19.1	20.3	+ 1.2	+6%	20.0	102%
Non-consolidated	16.9	17.6	+ 0.6	+4%	17.0	104%

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- Consolidated financial results highlights are as shown here.
- Consolidated ordinary revenues for the year ended March 2012 were 4,931.7 billion yen, a year-on-year increase of 8%. Consolidated ordinary profit increased by 178% to 225.9 billion yen. Net income, which is the sum of ordinary profit, extraordinary gains/losses, provision for reserve for policyholder dividends, total of corporate income taxes and minority interests in gain (loss) of subsidiaries, increased by 6% year-on-year to 20.3 billion yen.
- With regard to ordinary revenues, Dai-ichi life, on a non-consolidated basis, maintained steady sales of individual insurance. In addition, the top-line growth was led mainly by (1) DFL's sales of fixed annuities and (2) TAL, our subsidiary in Australia: We recorded remarkable sales of fixed annuities through the bancassurance channel in Japan. Also, acquisition of 100% ownership of TAL contributed to the increase in ordinary revenues. Net investment income improved as a result of recovery of the financial markets from the negative impact of the earthquake at the prior fiscal year end. On the other hand, as we explained in the last conference call, corporate income tax-deferred increased, impacted by the one-time decrease in deferred tax assets after reassessment in connection with the reduction of corporate tax rates. Mainly to deal with the impact, we recorded a reversal of internal reserves, including contingency reserve. The reversal of contingency reserve decreased ordinary expenses and, consequently, increased ordinary profit. But net income was negatively impacted by the increase in corporate income tax-deferred. Finally, our net income increased slightly.
- We have made no revision to our dividend forecast and plan to pay 1,600 yen per share.
- Please turn to page 3.

Consolidated Financial Information (summarized)

Statement of Earnings (Summarized)<sup>(1)</sup>

	Year ended Mar-11	Year ended Mar-12	Change
Ordinary revenues	4,571.5	4,931.7	+360.2
Premium and other income	3,312.4	3,539.5	+227.1
Investment income	922.7	1,035.6	+112.8
Interest and dividends	698.7	698.6	(0.1)
Gains on sale of securities	212.3	259.6	+47.2
Derivative transaction gains	9.2	-	(9.2)
Gains on investment in separate accounts	-	71.1	+71.1
Other ordinary revenues	336.3	356.5	+20.2
Ordinary expenses	4,490.3	4,705.8	+215.5
Benefits and claims	2,711.3	2,688.4	(22.8)
Provision for policy reserves and others	466.4	718.6	+252.1
Investment expenses	444.6	380.3	(64.3)
Losses on sale of securities	120.9	180.7	+59.7
Losses on valuation of securities	179.6	44.7	(134.9)
Derivative transaction losses	-	36.5	+36.5
Losses on investment in separate accounts	40.1	-	(40.1)
Operating expenses	434.8	471.0	+36.2
Ordinary profit	81.1	225.9	+144.7
Extraordinary gains	40.0	30.4	(9.5)
Extraordinary losses	11.5	36.3	+24.8
Provision for reserve for policyholder dividends	78.5	69.0	(9.5)
Income before income taxes, etc.	31.1	151.0	+119.8
Total of corporate income taxes	12.1	133.6	+121.4
Minority interests in income (loss)	(0.0)	(2.9)	(2.8)
Net income	19.1	20.3	+1.2

Balance Sheet (Summarized)

(billions of yen)

	As of Mar-11	As of Mar-12	Change
Total assets	32,297.8	33,468.6	+1,170.8
Cash, deposits and call loans	501.9	564.3	+62.4
Monetary claims bought	291.1	294.3	+3.2
Securities	25,597.7	27,038.7	+1,441.0
Loans	3,627.9	3,413.6	(214.3)
Tangible fixed assets	1,296.1	1,254.6	(41.4)
Deferred tax assets	477.2	284.5	(192.6)
Total liabilities	31,566.0	32,476.9	+910.8
Policy reserves and others	29,641.9	30,489.9	+847.9
Policy reserves	29,039.4	29,862.7	+823.2
Reserve for employees' retirement benefits	420.0	433.7	+13.7
Reserve for price fluctuations	80.5	74.8	(5.7)
Total net assets	731.8	991.7	+259.9
Total shareholders' equity	548.9	569.2	+20.3
Total accumulated other comprehensive income	171.1	413.2	+242.0
Net unrealized gains on securities, net of tax	238.8	483.4	+244.5
Reserve for land revaluation	(65.1)	(61.6)	+3.5

\* Gains/losses on investment in separate accounts are offset by reversal of/provision for policy reserves, so that they have no impact on ordinary profit.

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- As I already explained about ordinary revenue in the previous slide, I will explain the trend in other major items with this slide.
- With regard to the items under ordinary expenses, provision for policy reserves and operating expenses increased year-on-year due to (1) our consolidation of TAL's expense items from FY2011 and (2) DFL's increased sales of individual annuities. On the other hand, while losses on sale of securities and derivative transaction losses increased due to our efforts to reduce risks and related hedging program against the market fluctuations associated with the European sovereign debt crisis, etc., investment expenses decreased by 64.3 billion yen as losses on valuation of securities decreased by 134.9 billion yen, compared to FY2010, in which we recognized large valuation losses on a certain security after the earthquake.
- With regard to the items under extraordinary profit, we recorded 23.1 billion yen of gain on step acquisition of TAL in FY2011. Extraordinary losses for FY2011 included 24.9 billion yen of impairment losses associated with sale of land and buildings of our Ooi Office.
- Total of corporate income taxes increased significantly by 75.6 billion yen year-on-year because we reduced the balance of deferred tax assets after reassessment in connection with reduction in corporate tax rates. To deal with the negative impact of the deferred tax assets, we made a reversal of our internal reserves, including a reversal of contingency reserve of 79.0 billion yen.
- Please turn to page 4.

## Financial Results of each Group Company

	【Dai-ichi Life】			【Dai-ichi Frontier Life】			【TAL】			【Consolidated】		
	billions of yen			billions of yen			millions of AUD			billions of yen		
	Year ended Mar-11	Year ended Mar-12	Change	Year ended Mar-11	Year ended Mar-12	Change	Year ended Mar-11	Year ended Mar-12	Change	Year ended Mar-11	Year ended Mar-12	Change
Ordinary revenues	4,308.4	4,398.2	+2%	253.8	414.8	+63%	1,689	2,041	+21%	4,571.5	4,931.7	+8%
Premium and other income	3,056.5	3,056.0	(0%)	251.7	348.5	+38%	1,337	1,640	+23%	3,312.4	3,539.5	+7%
Investment income	922.6	974.0	+6%	2.1	66.2	+2960%	142	106	(25%)	922.7	1,035.6	+12%
Ordinary expenses	4,229.5	4,154.4	(2%)	255.0	443.1	+74%	1,560	1,898	+22%	4,490.3	4,705.8	+5%
Benefits and claims	2,625.0	2,508.7	(4%)	85.0	94.0	+11%	883	1,096	+24%	2,711.3	2,688.4	(1%)
Provision for policy reserves and others	322.5	431.6	+34%	142.7	306.8	+115%	208	251	+21%	466.4	718.6	+54%
Investment expenses	429.5	363.3	(15%)	15.9	26.7	+67%	21	33	+58%	444.6	380.3	(14%)
Operating expenses	424.6	415.6	(2%)	10.4	14.5	+39%	385	441	+14%	434.8	471.0	+8%
Ordinary profit (loss)	78.9	243.7	+209%	(1.1)	(28.2)	--	129	142	+10%	81.1	225.9	+178%
Extraordinary gains	40.1	7.5	(81%)	0.3	--	--	--	--	--	40.0	30.4	(24%)
Extraordinary losses	11.8	35.9	+204%	0.0	0.2	+279%	--	2	--	11.5	36.3	+215%
Minority interests in gain (loss) of subsidiaries	--	--	--	--	--	--	--	--	--	(0.0)	(2.9)	+3771%
Net income (loss)	16.9	17.6	+4%	(0.9)	(28.5)	--	74	93	+25%	19.1	20.3	+6%

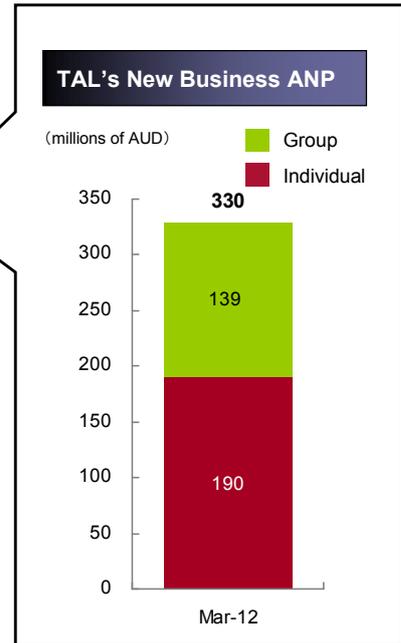
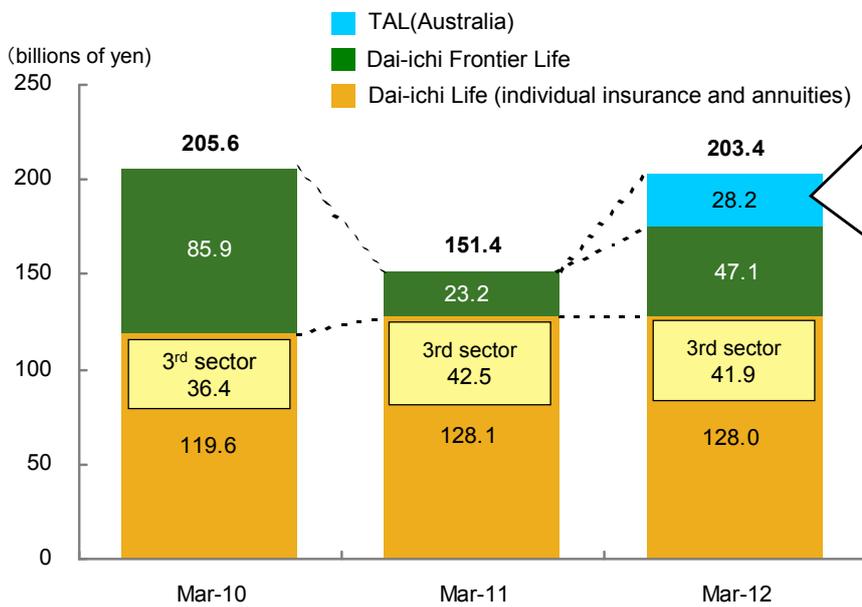
(1) For the fiscal year ended March, 2011, Tower Australia Group Limited ("TOWER") was Dai-ichi Life's affiliated company under the equity method in which Dai-ichi Life had a 28.9% stake. Dai-ichi completed acquisition of the rest of TOWER's equity on May 11, 2011. As of June 1, 2011, TOWER changed its name to TAL Limited. Figures for the year ended March-12 of "TAL" in the above table are those of the consolidated holding company in Australia. TAL's figures for the year ended March-11 are pro-forma.

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- I will explain each Group company's business results.
- First, regarding Dai-ichi Life on a non-consolidated basis, sales, mainly consisting of "Medical Yell" (a medical insurance product) and "Grand Road" (a single premium whole-life insurance product), remained strong. Premium and other income stayed at the FY2010 level – FY2011 was the year with favorable sales – although we expected a more conservative scenario at the beginning of FY2011, given the negative impact of the earthquake.
- Investment gains and losses improved towards the end of FY2011, although we had a series of large fluctuation factors during the period. Also, we made progress in improving cost-efficiency ahead of schedule. Affected by items in relation to changes in corporate tax rate, ordinary profit significantly increased year-on-year but net income increased slightly to 17.6 billion yen – almost at the same level as FY2010.
- Next, regarding Dai-ichi Frontier Life, ordinary revenues increased by 63% year-on-year thanks to steady sales of fixed annuities. However, ordinary loss and net loss increased to 28.2 billion yen and 28.5 billion yen, respectively, because of (1) net losses associated with reinsurance (reinsurance income received less reinsurance premium paid) for DFL's variable annuities sold in the past, which I mentioned in the last conference call, and (2) 20.7 billion yen provided for contingency reserve.
- TAL's new business continued to grow and lapses stabilized during the period, leading to strong growth of 20% in premium and other income year-on-year. TAL's operating expenses also grew because lapse and claims increased more than we initially planned as a result of the lower than expected economic growth in the Australian economy. Finally, declining interest rates had the largest single impact on TAL's net income reported in its statement of earnings that increased significantly to AUD93 million.
- Please turn to page 5.

Trend in New Business (ANP basis)

Dai-ichi Group's New Business ANP

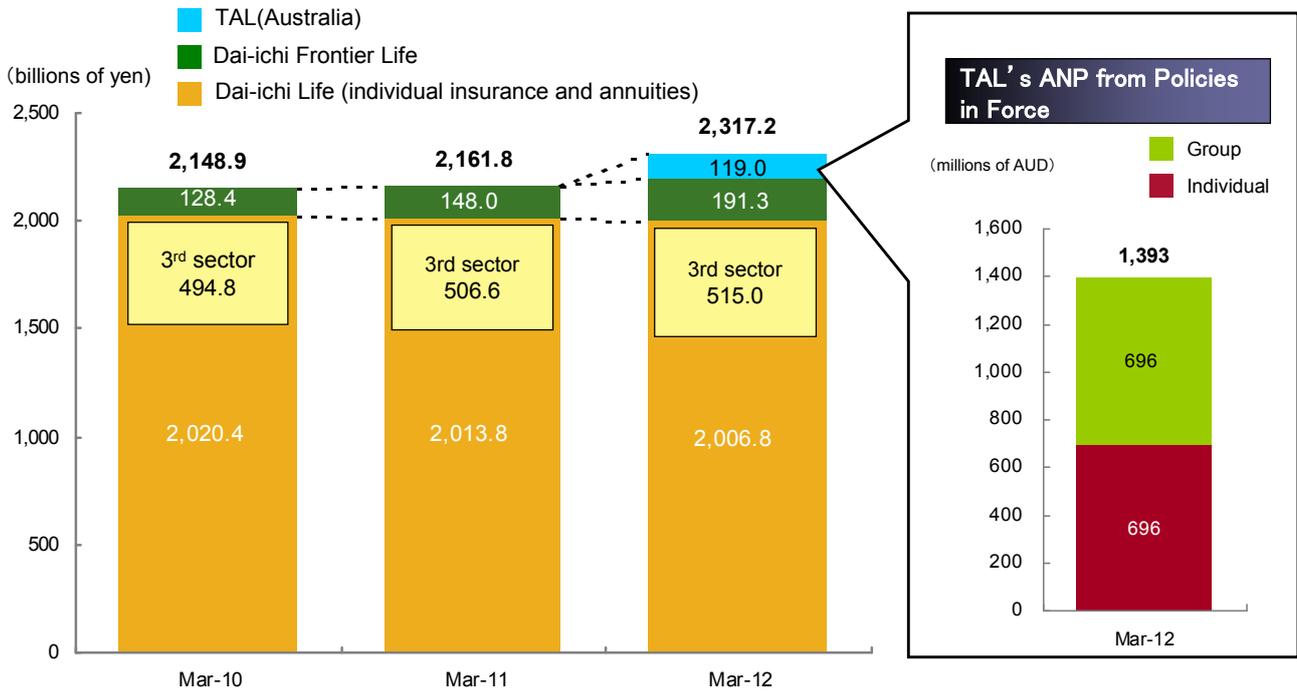


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- I will explain the recent trends in new business.
- The graph shows the group's trends of annualized net premium (ANP) from new business. As sales of individual life insurance products - namely "Medical Yell" and "Grand Road" - were good, ANP from new business of non-consolidated Dai-ichi Life amounted to 128.0 billion yen, almost the same level as the previous fiscal year in which we introduced new products and so marked excellent sales and in which we experienced the positive effect of our demutualization.
- ANP of the Dai-ichi Life group increased to 203.4 billion yen as (1) DFL increased its ANP by 103% to 47.1 billion yen owing to steady sales of fixed annuities and (2) TAL continued its strong sales especially in the individual protection area.
- Please turn to page 6.

Trend in Policies in Force (ANP basis)

Dai-ichi Group's ANP from Policies in Force

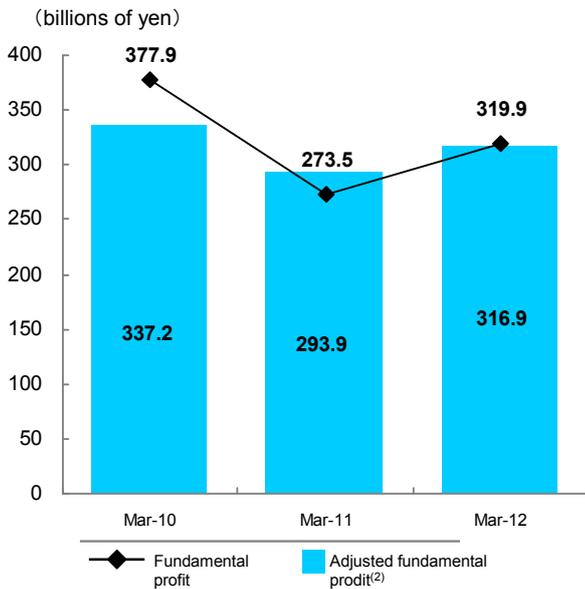


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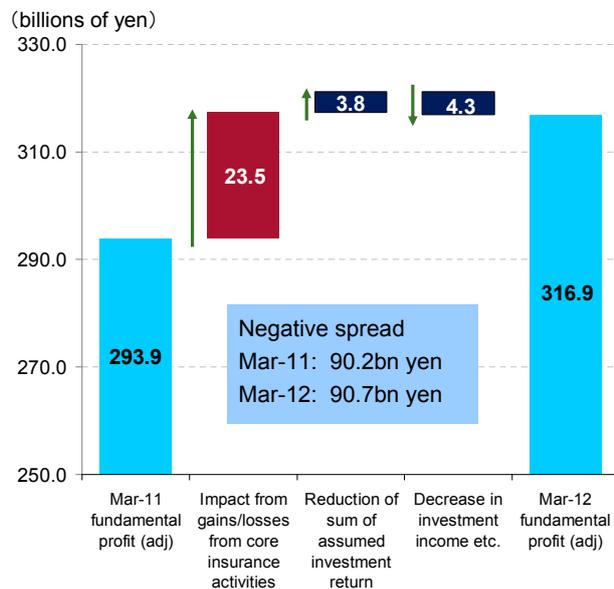
- I will explain about the trends of policies in force.
- ANP from 3rd sector policies in force increased by 1.7% and ANP from DFL's policies in force increased by 29.3%.
- The group's ANP from policies in force, including that of TAL, increased by 7.2% to 2,317.2 billion yen, compared to March 31, 2011. As you can see, our domestic and overseas growth areas have contributed to the growth of ANP from policies in force in a well-balanced manner.
- Please turn to page 7.

Fundamental Profit

Fundamental Profit<sup>(1)</sup>



Movement Analysis of Adjusted Fundamental Profit<sup>(1) (2)</sup>



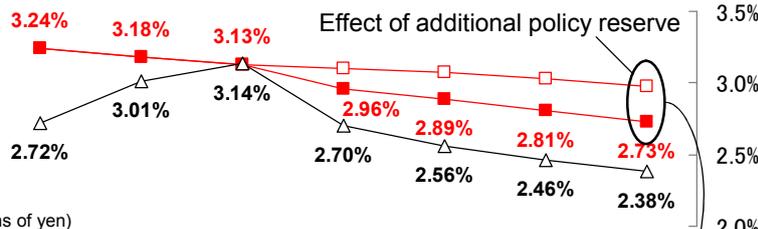
(1) Sum of Dai-ichi Life and Dai-ichi Frontier Life

(2) Adjusted fundamental profit = (fundamental profit) + (provision for policy reserve associated with minimum guarantee benefit risk of variable annuities)

- I will explain about the fundamental profit of our company.
- The line graph on the left shows fundamental profit including Dai-ichi Frontier Life. The fundamental profit for the year ended Mar-12 increased to 319.9 billion yen from 273.5 billion yen for the previous year ended.
- However, this fundamental profit is impacted by one-time items such as provision for (reversal of) policy reserve related to guaranteed minimum maturity benefit (GMMB) risk of variable annuities. To cancel the one-time impact, adjusted fundamental profit is calculated eliminating such impact and presented in the bar graph.
- Adjusted fundamental profit for the year ended Mar-12, shown in the bar graph on the left, increased by 8% year-on-year from 293.9 billion yen to 316.9 billion yen.
- The graph on the right shows movement analysis for the adjusted fundamental profit. The main positive effects were 23.5 billion yen of gains from life insurance activities and 3.8 billion yen of the reduction of assumed rate of return (net of decrease in assumed rate of return of Dai-ichi on a nonconsolidated basis, mainly coming from accumulation of additional policy reserve, and increase in that of DFL). On the other hand, a decrease in investment income negatively affected the adjusted fundamental profit by 4.3 billion yen.
- Please turn to page 8.

Negative Spread and Additional Policy Reserve

< Average Assumed Rate of Return and Average Actual Rate of Return >

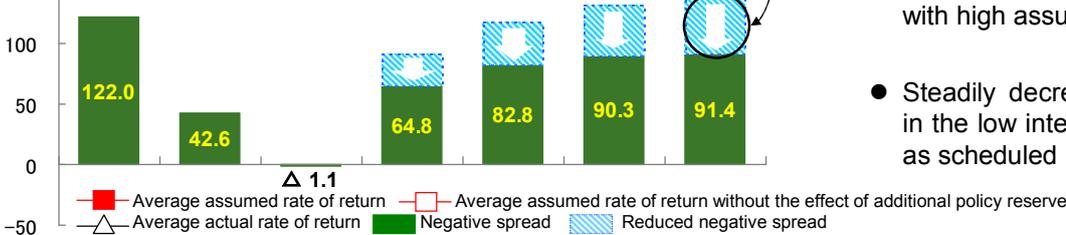


Improved Policy Obligation Structure as Scheduled

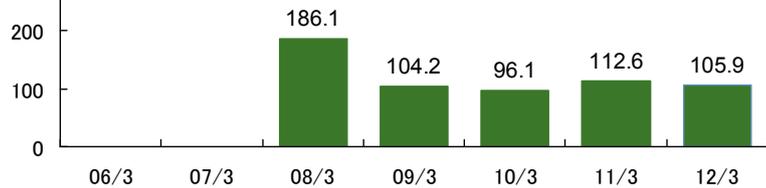
- provided additional policy reserve for the policies for which premium payments were already completed with high assumed rate of return
- Steadily decreased cost of liability in the low interest rate environment as scheduled



< Negative Spread >



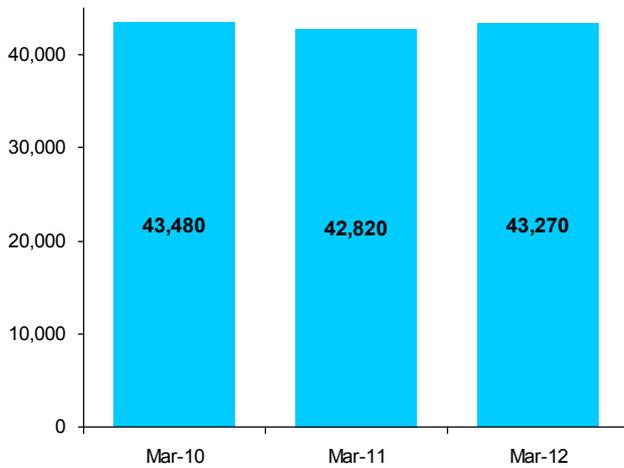
< Provision for Additional Policy Reserve >



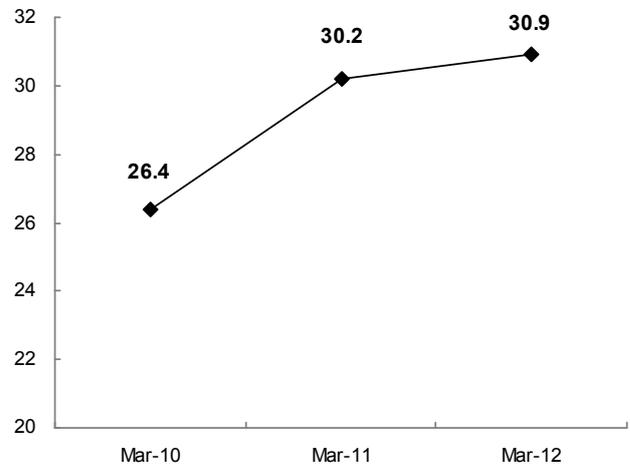
- I will explain further about our efforts against negative spread.
- To focus on eliminating negative spread, over the nine years starting from FY2007 under a certain standard, Dai-ichi Life on a non-consolidated basis has provided additional policy reserve for the policies for which premium payments were already completed with a high assumed rate of return.
- The age of policyholders is an important factor in calculating provision for additional policy reserve in each year because the policies are usually structured for policyholders to complete their level payments at the age of 60 or 65. So, depending on the age distribution of our policyholders, the provision fluctuates above 100 billion yen in one year and below 100 billion yen in another.
- The slide shows the trends of (1) average assumed rate of return, (2) negative spread and (3) provision for additional policy reserve. The average assumed rate of return has steadily declined year by year, as we have provided for additional policy reserve. The decline in turn reduces the amount of negative spread, which you can recognize from this slide. Although the average assumed rate of return naturally declines as old policies expire and new policies start, you can see our proactive management actions to lower the cost of liabilities.
- The provision for additional policy reserve temporarily decreases shareholders' profit on an accounting basis but, we believe, is a necessary action to improve profitability of insurance activities even under the long-lasting low interest rate environment.
- Please turn to page 9.

Sales Channel Situation

Sales Representative of Dai-ichi Life<sup>(1)</sup>



Number of New Policies per Sales Rep<sup>(1)(2)</sup>



(1) The above figures are on a non-consolidated basis and the number of sales representatives does not include those who are not full-time employees of Dai-ichi Life and are engaged mainly in ancillary works.

(2) Number of new policies (incl. conversions) as the numerator and the average number of sales reps in each period (calculated from numbers at the beginning and end of each period) as the denominator.

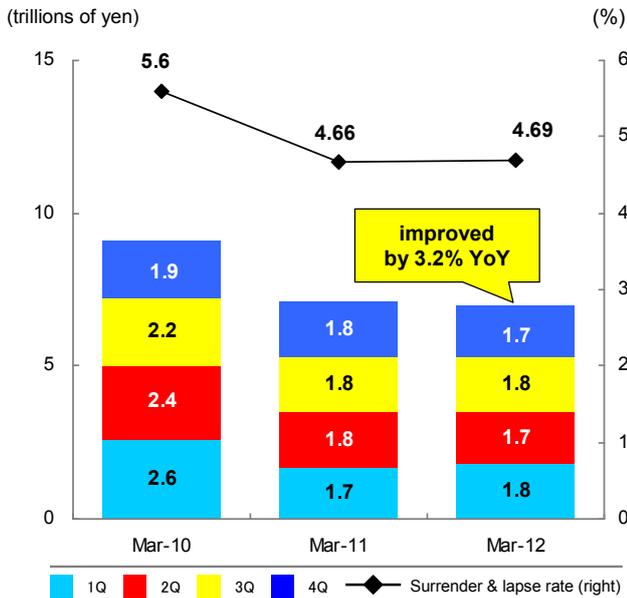
- This slide shows the trends in the number of our sales representatives and their productivity.
- While maintaining more than 40,000 sales representatives, thanks to the effect of launching new products, the productivity of our sales rep channel has steadily improved.
- Please turn to page 10.



Surrender and Lapse, Persistency Rate

Surrender & Lapse (Individ. Insurance & Annuities)<sup>(1)</sup>

Persistency Rate <sup>(1)</sup>

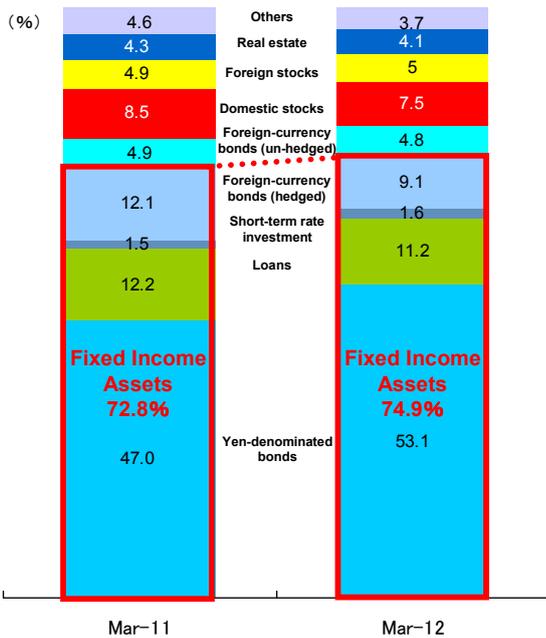


(1) Non-consolidated basis

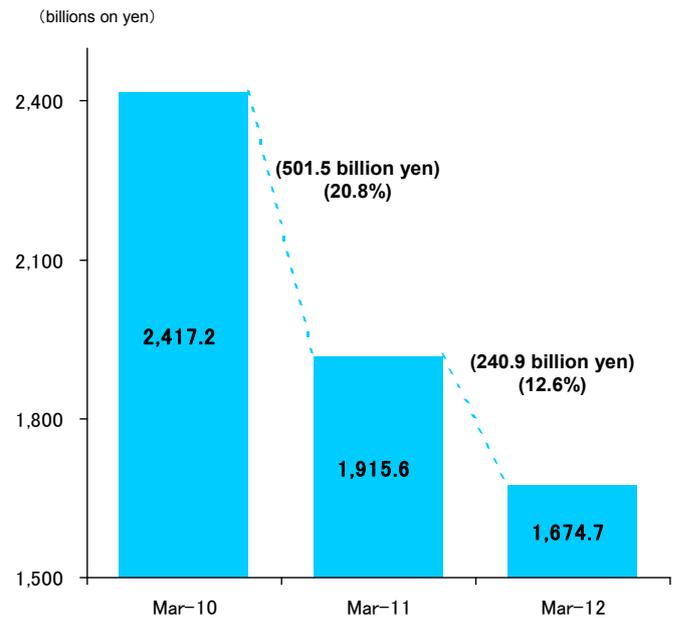
- The graph on the left shows the amount and rate of surrender & lapse for Dai-ichi Life on a stand-alone basis. Although negatively affected by the earthquake to some degree, we improved surrender and lapse by 3.2% year-on-year and kept surrender and lapse rate at a low level at par with the same period last year.
- The graph on the right shows the trends of our persistency rate at 13<sup>th</sup> and 25<sup>th</sup> months. We made efforts to strengthen the consulting sales capability of our sales representatives, which enabled us to propose to customers the best suited products for their needs and, as a result, improved our customer satisfaction and persistency rate.
- Please turn to page 11.

General Account Assets (1)

Asset Portfolio (General Account) (1)



Book Value of Domestic Stocks (1)(2)



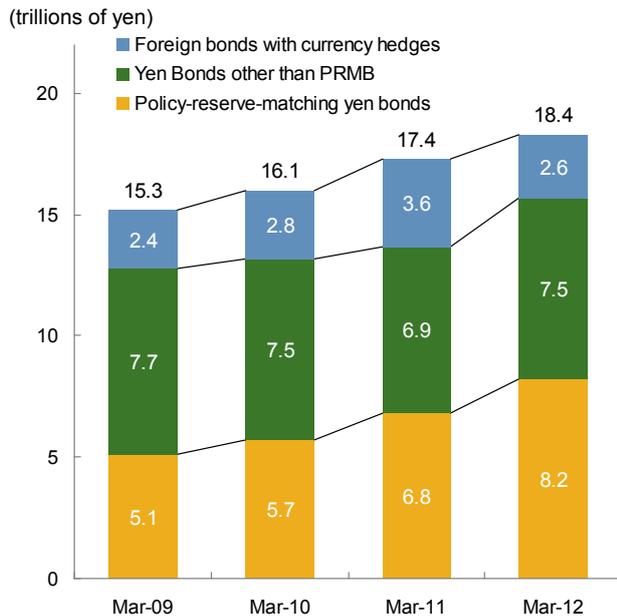
(1) Non-consolidated basis

(2) Book value of domestic stocks with fair value (exclude stocks of subsidiaries / affiliated companies and unlisted companies)

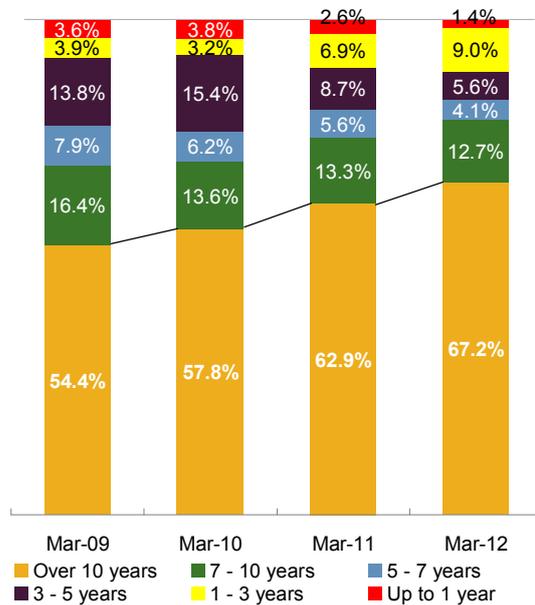
- I will discuss our investments.
- Please look at the left graph, showing the composition of our general account portfolio. Our investment portfolio continued to be built around a core of yen-denominated fixed income assets, under the concept of ALM and strict risk management. As we explained in the last conference call, we decreased currency-hedged foreign bonds and increased yen-denominated bonds instead, compared to Mar-11, taking into account the investment environment during the fiscal year.
- The graph on the right shows our book value of domestic listed stocks. You can see how the reduction has progressed.
- Please turn to page 12.

General Account Assets (2)

Yen Bonds and Currency-hedged Foreign Bonds (1)



Remaining Years to Maturity of Domestic Bonds (2)



(1) Represents yen bonds and foreign bonds with currency hedges in the Company's general account. The balance is shown on a book value basis.  
 (2) Represents domestic bonds in the Company's general account. The balance is shown on a fair value basis.

- I will discuss our initiatives to increase the balance of bonds and extend bond duration.
- The left graph shows the book value balance of yen-bonds and currency-hedged foreign bonds. As you can see, we have steadily increased the balance of bonds in our general account, especially policy-reserve-matching bonds. On the other hand, we reduced the balance of foreign bonds with currency hedges in the last fiscal year, as I mentioned earlier.
- The right graph shows remaining years to maturity of our domestic bonds. We have steadily increased the balance of super-long-term bonds and extended our bond duration. Consequently, we succeeded in reducing interest rate risk on economic value basis.
- Please turn to page 13.

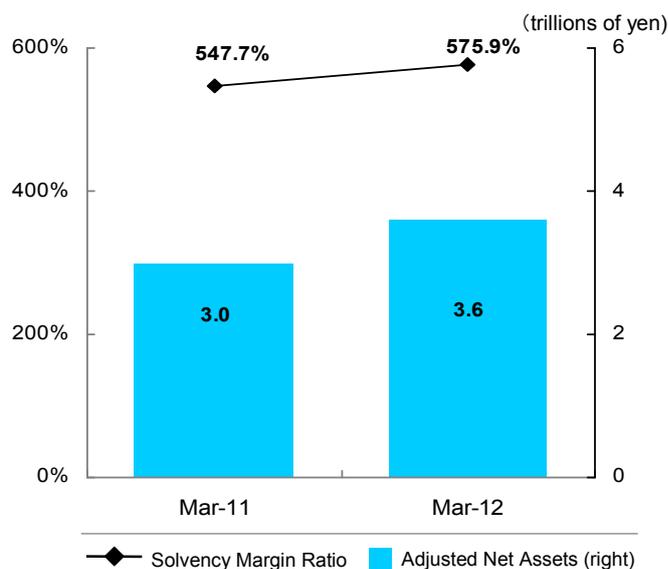
## Status of Financial Soundness

Unrealized Gain/Loss (General Account) <sup>(1)</sup>

(billions of yen)

	As of Mar-11	As of Mar-12	Change
Securities	614.1	1,215.6	+601.5
Domestic bonds	383.8	790.6	+406.7
Domestic stocks	305.6	297.8	(7.8)
Foreign securities	(80.4)	114.4	+194.9
Real estate	20.5	(36.5)	(57.0)
General Account total	639.2	1,179.9	+540.7

(1) Non-consolidated basis

Solvency Margin Ratio & Adjusted Net Assets <sup>(1)</sup>

<Reference> Consolidated Solvency Margin Ratio as of Mar-12: 563.2%

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- I will explain about the financial soundness of Dai-ichi Life.
- As the left table shows, total unrealized gains as of March 2012 increased by 540 billion yen, compared to March 31, 2011, thanks mainly to an increase in those of domestic bonds and foreign securities (namely foreign bonds) as a result of a worldwide decline in interest rates.
- The line chart on the right shows the trend of our solvency margin ratio. Our solvency margin ratio under the new standard increased by 28.2 points to 575.9% thanks to (1) increase in unrealized gains on securities and (2) decrease in risk as a result of reduced domestic stocks.
- Please turn to page 14.

Dai-ichi Frontier Life (1)

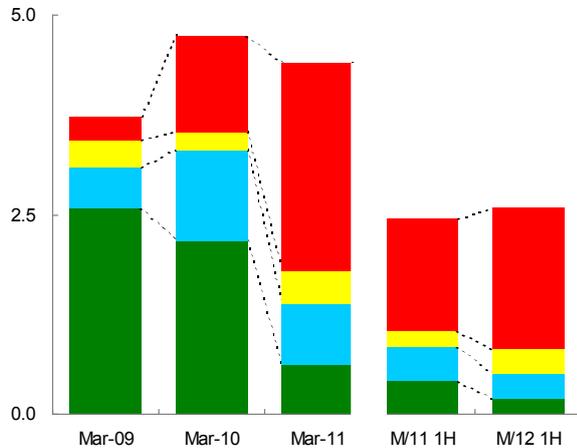
Bancassurance

Dai-ichi Frontier Life

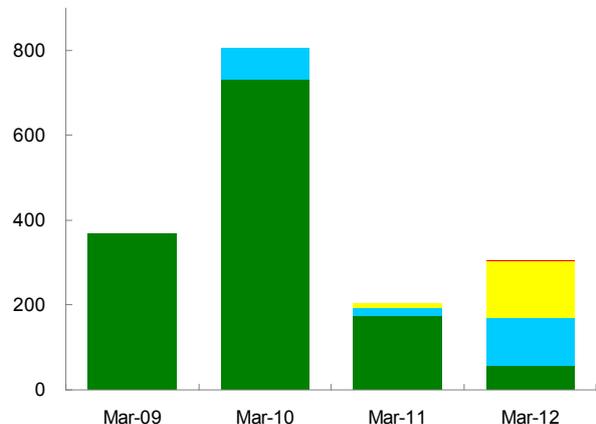
Single premium products in Japan<sup>(1)</sup>

New business for each product<sup>(1)</sup>

(trillions of yen)



(billions of yen)



Variable annuity Fixed annuity (yen)  
Fixed annuity (foreign currency) Whole life

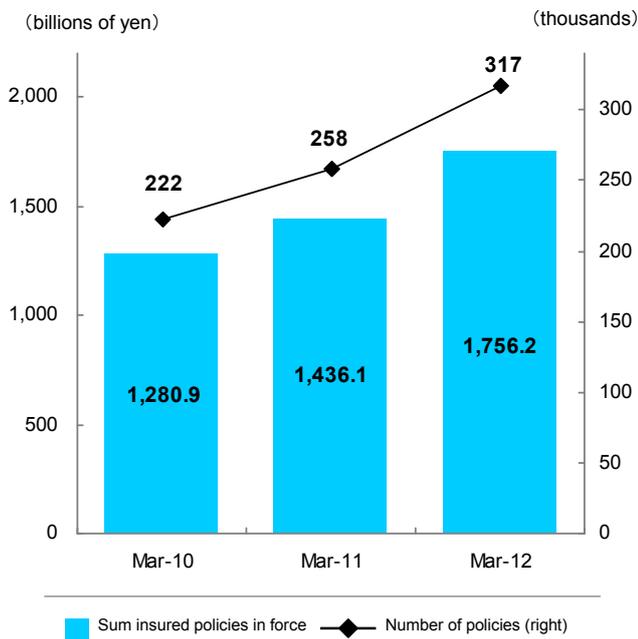
Variable annuity Fixed annuity (yen)  
Fixed annuity (foreign currency) Whole life

Source: materials made by Dai-ichi-Life based on the information from Insurance-Mainichi, Nikkin and Nikkei  
(1) premium basis

- I will now discuss the bancassurance business of Dai-ichi Frontier Life.
- As shown in the left graph, in the bancassurance market, certain players continued to sell large amounts of single-premium whole life insurance while the sales of variable annuities has declined
- As we have often explained to you, in contrast to our competitors' strategy, we believe selling single premium fixed whole life through the bancassurance channel is a high-risk strategy in terms of asset liability management. Instead, we have been making efforts to increase sales of our fixed annuities products, including enhancement of product features of our foreign-currency-denominated and yen-denominated fixed annuities. As shown in the right graph, DFL's premium and other income increased significantly, by 38% year-on-year, to 348.5 billion yen as a result of our efforts.
- Please turn to page 15.

## Dai-ichi Frontier Life (2)

## Policies in Force



## Earnings

	(billions of yen)	
	Year ended Mar -11	Year ended Mar -12
Ordinary revenues	253.8	414.8
Premium and other income	251.7	348.5
Variable products	174.2	60.6
Fixed products	32.3	246.0
Investment income	2.1	66.2
Ordinary expenses	255.0	443.1
Provision for policy reserves and other	142.7	306.8
Related to GMMB risk (negative indicates a reversal)	20.1	(2.5)
Provision for contingency reserve (B)	(8.3)	20.7
Investment expenses	15.9	26.7
Hedge losses related to GMMB risk (C)	7.1	25.0
Ordinary profit (loss)	(1.1)	(28.2)
Net income (loss)	(0.9)	(28.5)
Net income - A + B + C	18.0	14.7

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- As shown in the graph on the left, Dai-ichi Frontier steadily increased its sum insured of policies in force to 1,756.2 billion yen as of Mar-12.
- The right table on this slide shows earnings of Dai-ichi Frontier Life. Ordinary revenues increased for the year ended Mar-12 compared to the prior year, because of (1) increase in premium income led by boosted sales of fixed annuities and (2) improvement in investment income thanks to the improved financial markets. Ordinary expenses include (1) 2.5 billion yen of reversal of policy reserve and (2) 25 billion yen of hedge losses, both related to GMMB risk due to the improved financial markets. Also, Dai-ichi Frontier Life provided 20.7 billion yen for contingency reserve. As a result, compared to the prior fiscal year, net loss increased from 0.9 billion yen to 28.5 billion yen.
- As in previous presentations, figures shown in the lower part of the chart show DFL's fundamental profitability excluding market-related factors (such as hedge gain/loss and provision for/reversal of policy reserves related to GMMB risk).
- The adjusted profit decreased year-on-year because net loss associated with reinsurance (reinsurance income received less reinsurance premium paid) for DFL's products worsened as a result of changes in DFL's sales volume after FY2009, as I explained in the last conference call.
- Please turn to page 16.

Earnings of Australia's TAL<sup>(1)</sup>

(millions of Australian dollars)

	Year ended Mar-11 <sup>(2)</sup>	Year ended Mar-12	% Change
Ordinary revenues	1,689	2,041	+ 21%
Premium and other income	1,337	1,640	+ 23%
Ordinary profit	129	142	+ 10%
Net income (A)	74	93	+ 25%

Adjustments after tax (B)	17	15	
Discount rate changes	(1)	(18)	
Amortization charges	17	23	
Others	2	10	

Underlying profit (A + B)	92	109	+ 18%
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&lt;Reference&gt;

	As of Mar-11	As of Mar-12
JPY/AUD exchange rate	86.08	85.45

(1) Figures for consolidated holding company (i.e., TAL Dai-ichi Life Australia Pty Ltd).

(2) Pro-forma

- TAL marked high level growth in premium income and ordinary revenue: premium income grew by 23% year-on-year, and ordinary revenues increased by 21%, partly due to a large group insurance contract acquired in October 2011, as well as continued growth in individual protection products.
- With regard to ordinary expenses, lapse and claims for FY2011 increased to a higher than usual level, as a result of tighter household budgets in Australia that are reflected in the lower than expected economic growth in the Australian economy. By making efforts to strengthen appropriate claims management of individual insurance through sales channels, we have seen signs of improving claims.
- As I have often explained to you, TAL's earnings are reported in IFRS and, therefore, its net income is affected by changes in interest rates. Interest rates declined over the year ended Mar-12 and positively impacted TAL's net income. Net income after certain adjustments, including the effect of changes in interest rates and amortization charges of intangible assets, is shown on the blue shaded row in the slide. TAL achieved a 18% increase in underlying profit, indicating its core profitability, to AUD109 million.
- Please turn to page 17.

## Guidance for the Year Ending March 2013

- Given the low visibility of the environment around Dai-ichi Life group, we formulated our FY2012 earnings forecast with conservative assumptions. However, we expect our net investment income for FY2012 to improve and, therefore, our net income to increase to 25 billion yen year-on-year.

(billions of yen unless otherwise noted)

	Year ended Mar-12	Year ending Mar-13	Change
<b>Ordinary revenues</b>	<b>4,931.7</b>	<b>4,596.0</b>	<b>(335.7)</b>
Dai-ichi Life non-consolidated	4,398.2	3,988.0	(410.2)
Dai-ichi Frontier	414.8	443.0	28.1
TAL (millions of AUD)	2,041	2,090	48
<b>Ordinary profit</b>	<b>225.9</b>	<b>138.0</b>	<b>(87.9)</b>
Dai-ichi Life non-consolidated	243.7	156.0	(87.7)
Dai-ichi Frontier	(28.2)	(25.0)	3.2
TAL (millions of AUD)	142	100	(42)
<b>Net income</b>	<b>20.3</b>	<b>25.0</b>	<b>4.6</b>
Dai-ichi Life non-consolidated	17.6	44.0	26.3
Dai-ichi Frontier <sup>(1)</sup>	(25.7)	(23.4)	2.3
TAL (millions of AUD)	93	70	(23)
<b>Dividends per share (yen)</b>	<b>1,600</b>	<b>1,600</b>	<b>-</b>

(Reference)

Fundamental profit (Dai-ichi Life non-consolidated)	302.4	around 270.0	(32.4)
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(1) Calculated based on Dai-ichi Life's interest in Dai-ichi Frontier Life.

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- I will explain about our earnings guidance for the fiscal year ending March 2013.
- The current fiscal year represents the second half of the two-year medium-term management plan and also the 10th anniversary of our foundation. We position FY2012 as the year to start medium- to long-term growth in light of the next medium-term management plan. Therefore, we will complete missions in each business sector. However, the domestic and overseas markets remain low in visibility and so we cannot take an optimistic view of their trends.
- Therefore, with regard to guidance for FY2012, we forecast our (1) ordinary revenue to decline by 335.7 billion yen to 4,596.0 billion yen, (2) ordinary profit to decline by 87.9 billion yen to 138.0 billion yen, but (3) net income to increase by 4.6 billion yen to 25.0 billion yen, compared to FY2011.
- We forecast ordinary revenue of stand-alone Dai-ichi Life to decline against FY2011 as we anticipate sales of whole life insurance to decrease. But we expect our growth areas, including the third sector business, bancassurance business and overseas businesses (TAL in particular), to continue to grow in FY2012. In addition, we forecast our capital gains and losses to improve to some degree as we have improved our balance sheet in the recent years by accelerating reduction of our exposure to risk assets.
- We forecast net income of stand-alone Dai-ichi Life to increase by 26.3 billion yen year-on-year due mainly to the improvement in net investment income. However, we anticipate our consolidated net income to decrease only by 4.6 billion yen year-on-year as we recorded an extraordinary gain on step acquisitions of TAL in FY2011, which we cannot expect to have in FY2012.
- With regard to shareholder return, we expect to pay dividends at the rate of 1,600 yen per share, the same amount as the previous year.
- Please turn to page 18.

## European Embedded Value of the Dai-ichi Life Group (1)

- Group EEV as of March 31, 2012 was 2 trillion 661.5 billion yen. It increased by 221.2 billion yen compared to previous year-end because unrealized gains on securities increased.

EEV of the Group			(billions of yen)	<Reference>
	Mar-11	Mar-12	Change	Sep-11
EEV	2,440.3	2,661.5	221.2	2,235.5
Adjusted net worth	1,454.2	1,867.0	412.7	1,595.9
Value of in-force business	986.0	794.4	(191.5)	639.5

	FY2010	FY2011	Change
Value of new business	158.1	187.7	29.6

EEV of Dai-ichi (stand alone)				(billions of yen)	EEV of Dai-ichi Frontier Life				(billions of yen)
	Mar-11	Mar-12	Change			Mar-11	Mar-12	Change	
EEV	2,479.6	2,715.0	235.4		EEV	137.8	122.2	(15.6)	
Adjusted net worth	1,518.7	1,996.2	477.5		Adjusted net worth	109.9	113.2	3.3	
Value of in-force business	960.9	718.7	(242.1)		Value of in-force business	27.9	8.9	(18.9)	
	FY2010	FY2011	Change			FY2010	FY2011	Change	
Value of new business	158.5	168.1	9.5		Value of new business	(0.4)	2.4	2.8	

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- I will explain about our European Embedded Value as of March 31, 2012. We laid out only summary tables of our EEV in this slide, because we are still in the process of receiving a third party opinion.
- Compared to March 31, 2011, our group EEV increased by 221.2 billion yen 2,661.5 billion yen as of March 31, 2012. Although interest rates lowered, in addition to the positive impact of reduced corporate tax rates, the value of new business and other items related to non-economic assumptions, including operating expense ratio, improved and contributed to the increase in EEV.
- Adjusted net worth increased by 412.7 billion yen due to increased unrealized gains on securities, mainly bonds, as a result of lowered domestic and overseas interest rates. On the other hand, value of in-force business decreased by 191.5 billion yen – Although we recognized the positive effects of (1) improved operating expense ratio and (2) acquisition of new policies, these effects were more than offset by the negative impact of the decline in long-term interest rates. Moreover, both Dai-ichi Life and Dai-ichi Frontier Life improved their value of new business.
- Please turn to page 19.

## European Embedded Value of the Dai-ichi Life Group (2)

## EEV of TAL

(billions of yen)

	Mar-11 <sup>(1)</sup>	Mar-12 <sup>(1)</sup>	Change
EEV	112.0	136.4	24.3
Adjusted net worth	49.6	68.7	19.1
Value of in-force business	62.4	67.6	5.2
	FY2010 <sup>(2)</sup>	FY2011 <sup>(2)</sup>	Change
Value of new business	13.9	17.4	3.5

## &lt;Reference&gt; EEV of TAL in AUD

(millions of AUD)

	Mar-11	Mar-12	Change
EEV	1,302	1,596	294
Adjusted net worth	577	805	227
Value of in-force business	724	791	66
	FY2010	FY2011	Change
Value of new business	161	204	42

- For EEV as of Mar-11 and value of new business for FY2010, exchange rate of JPY 86.08 to AUD 1.00 is used.
- For EEV as of Mar-12 and value of new business for FY2011, exchange rate of JPY 85.45 to AUD 1.00 is used.

(1) As TAL's EEV has been calculated since FY2011, for the calculation of Group EEV as of Mar-11 the fair value of TAL stocks owned by Dai-ichi Life was calculated without using EEV figures, and the unrealized gains/losses were included in the Group's adjusted net worth. Group EEV as of Mar-12 includes TAL's EEV.

(2) Group's value of new business for FY2010 does not include TAL's value of new business. Although TAL became a wholly owned subsidiary of Dai-ichi Life on May 11, 2011, Group's value of new business for FY2011 includes value of new business of TAL for the period starting on April 1, 2011.

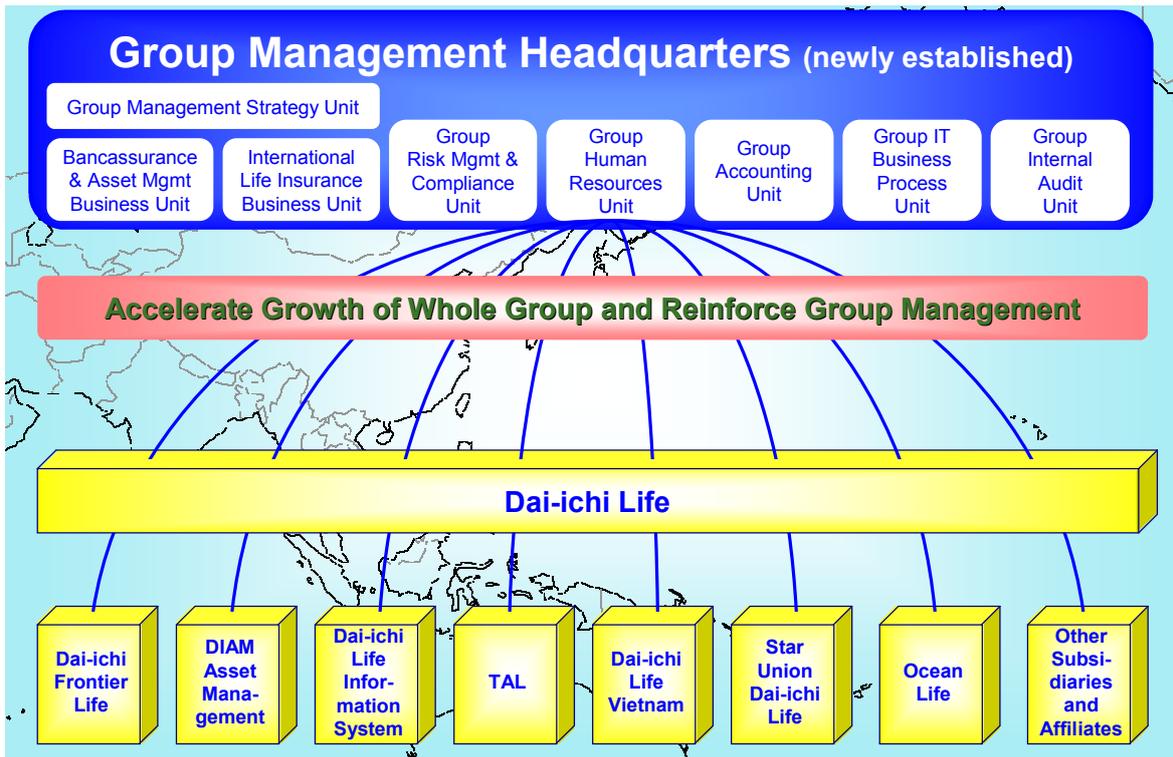
- TAL's EEV as of March 31, 2012 increased by 24.3 billion yen to 136.4 billion yen, compared to March 31, 2011.
- TAL continued to acquire new policies and interest rates in Australia lowered, which enabled TAL to achieve a high level of growth in its EEV. Also, TAL's EEV almost reached the book value of stock issued by TAL and held by Dai-ichi Life and, therefore, we can expect TAL's positive contribution to the group EEV even after the book value offset in the not-too-distant future.
- On May 21, our president, Koichiro Watanabe, will make a presentation regarding (1) details of EEV, (2) progress of our mid-term management plan, and (3) details of the "Group Management Headquarters" that I mentioned at the beginning of the presentation.
- This is the end of my presentation.



## Appendix



### Establishment of the “Group Management Headquarters”



**Impact of the Great East Japan Earthquake**

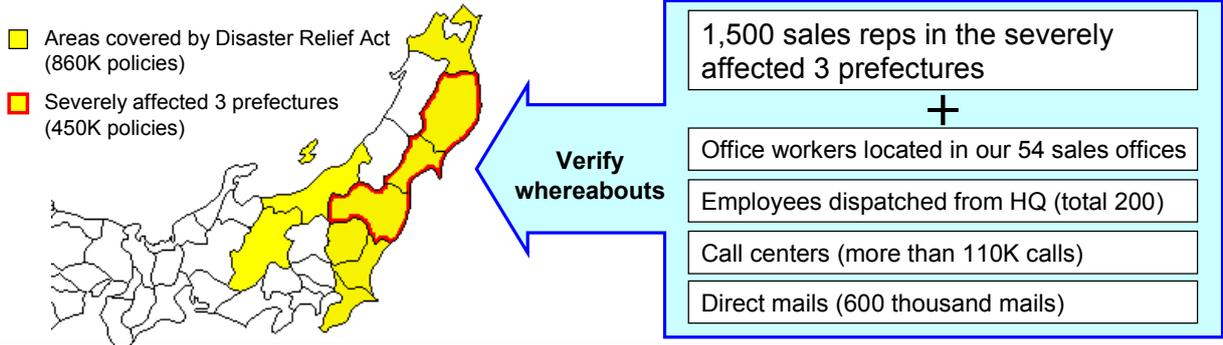
**■ Total amount of benefits and claims to be incurred in relation to the earthquake: approximately 14.9 billion yen**

Notes:

1. Thanks to our efforts to verify our customers' whereabouts, confirmation of the status of the Company's policies in force in the area was nearly complete: consequently, that information was used to calculate the amount shown above.
2. Total amount paid until March 31, 2012 was 14.27 billion yen (including 14.23 billion yen for the year ended March 2012). If including the claims that were filed to the Company but still in process as of March 31, 2012, the amount would be 14.7 billion yen.

**■ Our efforts toward the payment of benefits and claims**

**Verified whereabouts for 99.99% of the holders of policies in force in areas covered by the Disaster Relief Act <sup>(1)</sup> (approximately 860 thousand policies) by April 20, 2012**



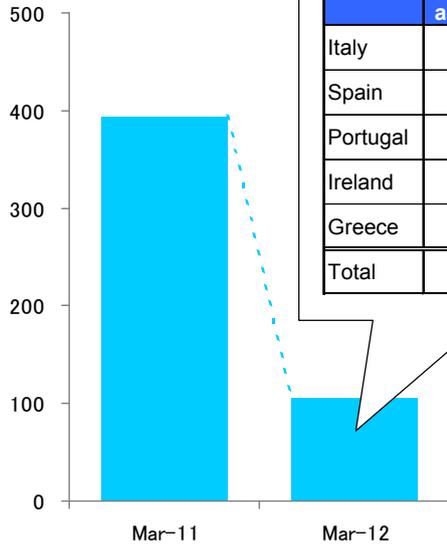
(1) The areas covered by the Disaster Relief Act includes areas hit by the Northern Nagano Prefecture Earthquake, which occurred on March 12, 2011.



General Account Assets

Investment Toward Some Countries in the Euro-zone (fair value basis)<sup>(1)</sup>

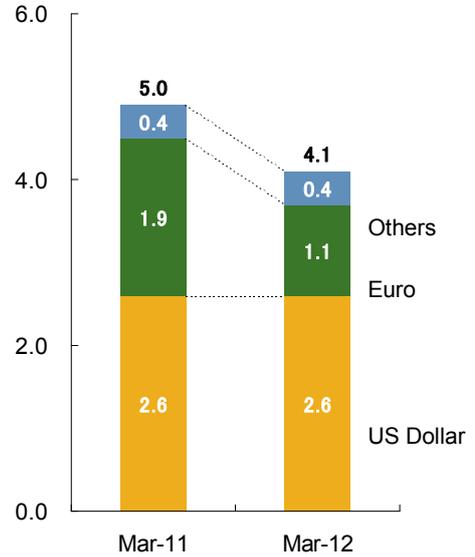
(billions of yen)



	Fair values as of Mar-12	
		Gov't bonds
Italy	61.9	41.8
Spain	44.8	30.9
Portugal	-	-
Ireland	-	-
Greece	-	-
<b>Total</b>	<b>106.8</b>	<b>72.8</b>

Currency Breakdown of Foreign Bonds<sup>(2)</sup>

(trillions of yen)



(1) Excluding funds managed by outside investment managers.

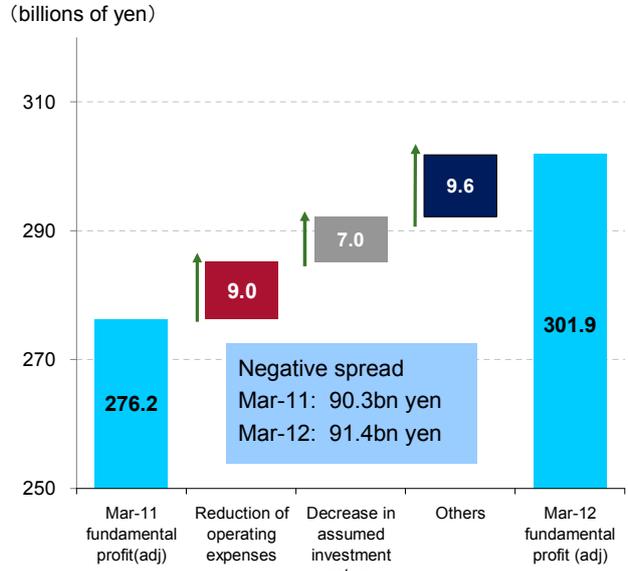
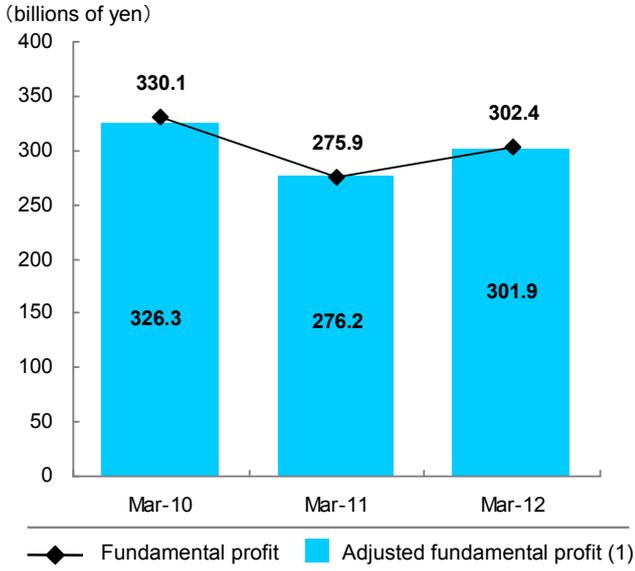
(2) The balance of foreign currency bonds carried on the balance sheets, excluding yen-denominated foreign bonds.



Fundamental Profit – Dai-ichi Life non-consolidated

Fundamental Profit

Movement Analysis of Adjusted Fundamental Profit <sup>(1)</sup>



(1) Adjusted fundamental profit = (fundamental profit) + (provision for policy reserve associated with minimum guarantee benefit risk of variable annuities)

## Summary Financial Statements – Dai-ichi Life non-consolidated

Statement of Earnings<sup>(1)</sup>

	Year ended Mar-11	Year ended Mar-12	Change
Ordinary revenues	4,308.4	4,398.2	+89.7
Premium and other income	3,056.5	3,056.0	(0.4)
Investment income	922.6	974.0	+51.3
Interest and dividends	698.1	691.9	(6.1)
Gains on sale of securities	212.2	259.4	+47.2
Derivative transaction gains	9.8	-	(9.8)
Gains on investments in separate accounts	-	16.6	+16.6
Other ordinary revenues	329.2	368.0	+38.8
Ordinary expenses	4,229.5	4,154.4	(75.1)
Benefits and claims	2,625.0	2,508.7	(116.2)
Provision for policy reserves and others	322.5	431.6	+109.0
Investment expenses	429.5	363.3	(66.2)
Losses on sale of securities	120.9	180.7	+59.7
Losses on valuation of securities	179.6	44.7	(134.9)
Derivative transaction losses	-	31.1	+31.1
Losses on investments in separate accounts	32.0	-	(32.0)
Operating expenses	424.6	415.6	(9.0)
Ordinary profit	78.9	243.7	+164.8
Extraordinary gains	40.1	7.5	(32.5)
Extraordinary losses	11.8	35.9	+24.1
Provision for reserve for policyholder dividends	78.5	69.0	(9.5)
Income before income taxes	28.6	146.3	+117.7
Total of corporate income taxes	11.7	128.7	+117.0
Net income	16.9	17.6	+0.6

## Balance Sheet

(billions of yen)

	As of Mar-11	As of Mar-12	Change
Total assets	30,869.6	31,461.9	+592.2
Cash, deposits and call loans	467.1	499.2	+32.1
Monetary claims bought	291.1	294.3	+3.2
Securities	24,294.5	25,333.4	+1,038.8
Loans	3,627.4	3,412.5	(214.8)
Tangible fixed assets	1,295.8	1,254.1	(41.6)
Deferred tax assets	475.1	282.6	(192.5)
Total liabilities	30,103.2	30,433.5	+330.3
Policy reserves and others	28,190.8	28,529.9	+339.0
Policy reserves	27,589.5	28,011.6	+422.1
Contingency reserve	502.0	423.0	(79.0)
Reserve for employees' retirement benefits	418.3	432.0	+13.7
Reserve for price fluctuations	80.4	74.4	(6.0)
Total net assets	766.4	1,028.3	+261.9
Total shareholders' equity	592.8	610.3	+17.5
Total of valuation and translation adjustments	173.6	417.8	+244.1
Net unrealized gains (losses) on securities, net of tax	237.5	479.4	+241.9
Reserve for land revaluation	(65.1)	(61.6)	+3.5

\* Gains/losses on investment in separate accounts are offset by reversal of/provision for policy reserves, so that they have no impact on ordinary profit.

## Summary Financial Statements of Dai-ichi Frontier Life

## Statement of Earnings

	Year ended Mar-11	Year ended Mar-12	Change
Ordinary revenues	253.8	414.8	+160.9
Premium and other income	251.7	348.5	+96.8
Investment income	2.1	66.2	+64.1
Ordinary expenses	255.0	443.1	+188.1
Benefits and claims	85.0	94.0	+8.9
Provision for policy reserves and other	142.7	306.8	+164.0
Investment expenses	15.9	26.7	+10.7
Operating expenses	10.4	14.5	+4.0
Ordinary profit (loss)	(1.1)	(28.2)	(27.1)
Extraordinary gains (losses)	0.2	(0.2)	(0.5)
Income (loss) before income taxes	(0.9)	(28.5)	(27.6)
Total of corporate income taxes	0.0	0.0	+0.0
Net income (loss)	(0.9)	(28.5)	(27.6)

## Balance Sheet

(billions of yen)

	As of Mar-11	As of Mar-12	Change
Total assets	1,566.7	1,860.6	+293.8
Cash, deposits and call loans	23.9	23.2	(0.7)
Securities	1,455.4	1,766.8	+311.3
Total liabilities	1,450.0	1,769.9	+319.9
Policy reserves and other	1,443.0	1,749.8	+306.8
Policy reserves	1,441.9	1,748.5	+306.5
Contingency reserve	36.4	57.1	+20.7
Total net assets	116.7	90.6	(26.0)
Total shareholders' equity	115.3	86.7	(28.5)
Capital stock	117.5	117.5	-
Capital surplus	67.5	67.5	-
Retained earnings	(69.6)	(98.2)	(28.5)

## Summary of Financial Statements of TAL (Australia)

Statement of Earnings<sup>(1)</sup>

(millions of Australian dollars)

	Year ended March-11	Year ended March-12	Change
Ordinary revenues	1,689	2,041	+351
Premium and other income	1,337	1,640	+302
Investment income	142	106	(36)
Other ordinary revenues	210	294	+84
Ordinary expenses	1,560	1,898	+338
Benefits and claims	883	1,096	+213
Provision for policy reserves and others	208	251	+43
Investment expenses	21	33	+12
Operating expenses	385	441	+55
Other ordinary expenses	61	75	+14
Ordinary profit	129	142	+12
Extraordinary losses	-	2	+2
Total of corporate income taxes	54	46	(8)
Net income	74	93	+18
Underlying profit	92	109	+16

(1) Figures for consolidated holding company (i.e., TAL Dai-ichi Life Australia Pty Ltd).

(2) Pro-forma

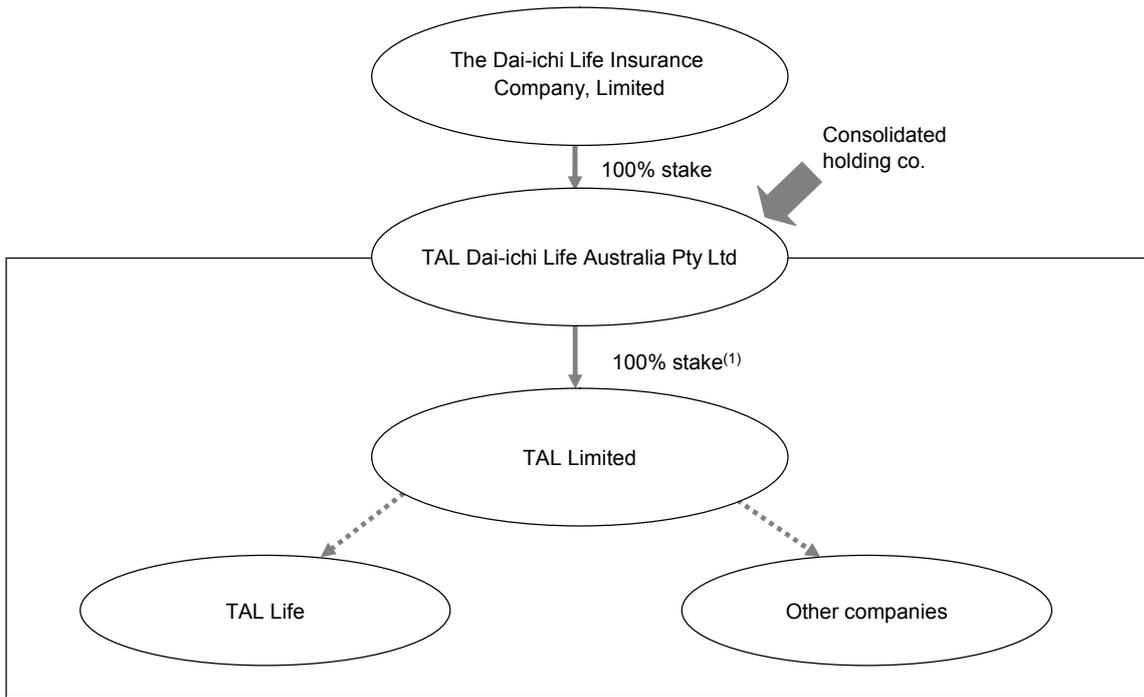
Balance Sheet<sup>(1)</sup>

(millions of Australian dollars)

	As of Mar-11 <sup>(2)</sup>	As of Mar-12	Change
Total assets	4,989	5,160	+170
Cash and deposits	264	378	+114
Securities	2,696	2,659	(36)
Intangible fixed assets	1,331	1,294	(36)
Consolidation goodwill	785	783	(2)
Other intangible fixed assets	529	502	(26)
Other assets	525	636	+111
Total liabilities	3,358	3,436	+77
Policy reserves and others	2,384	2,369	(14)
Reinsurance payables	173	215	+42
Other liabilities	612	670	+58
Deferred tax liabilities	188	179	(8)
Total net assets	1,630	1,724	+93
Total shareholder's equity	1,630	1,724	+93
Capital stock	1,630	1,630	-
Retained earnings	-	93	+93



### Structure for Consolidation of the Australian Business



(1) 100% stake through TAL Dai-ichi Life Group Pty Ltd

## Sensitivities to Financial Markets (March 2012)

	Sensitivities <sup>(1)(2)</sup>	Breakeven Points <sup>(2)(3)</sup>
Domestic stocks	Nikkei 225 1,000 yen change: ± 190 billion yen (± 220 billion yen)	Nikkei 225 8,400 yen (8,400 yen)
Domestic bonds	10-year JGB Yield 10bp change: ± 200 billion yen (± 160 billion yen)	10-year JGB Yield 1.4% (1.5%)
Foreign securities	JPY / USD 1 yen change: ± 22 billion yen (± 20 billion yen)	JPY / USD \$1 = 84 yen (87 yen)

(1) Sensitivities indicate the impact of fluctuation in market value of the related assets.

(2) Figures in parentheses are as of March 2011.

(3) Breakeven points indicate assumptions when unrealized gains or losses of the related assets would be zero. Figures for foreign securities are calculated for foreign exchange factors only, based on JPY/USD rate (assuming all are in USD).

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