

# Presentation of Financial Results for the Six Months Ended September 2013

November 14, 2013

The Dai-ichi Life Insurance Company, Limited

By your side, for life

**DAI-ICHI LIFE**

# Overview of the Group's Financial Results - Financial Results Highlights

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- Favorable sales momentum in growth areas (medical, savings-type and overseas businesses) continued, contributing to growth in top line.
- Improved negative spread and capital gains positively impacted growth in consolidated net income.
- We revised our consolidated earnings forecasts upwards, taking into account better-than-expected sales and investment income of Group companies in the first half of the year.

# Overview of the Group's Financial Results - Consolidated Financial Results Highlights

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- Achieved growth in both consolidated ordinary profit and net income, led mainly by favorable bancassurance sales and improved investment gains.

(billions of yen)

|                           | 6 months ended Sep-12 | 6 months ended Sep-13 (a) | Change |       |
|---------------------------|-----------------------|---------------------------|--------|-------|
|                           |                       |                           | Change | %     |
| Consol. Ordinary revenues | 2,337.7               | 2,975.2                   | +637.4 | +27%  |
| Non-consolidated          | 2,037.3               | 2,208.2                   | +170.9 | +8%   |
| Consol. Ordinary profit   | 88.8                  | 156.0                     | +67.2  | +76%  |
| Non-consolidated          | 88.6                  | 171.8                     | +83.1  | +94%  |
| Consol. Net income        | 28.0                  | 47.9                      | +19.8  | +71%  |
| Non-consolidated          | 30.0                  | 64.0                      | +33.9  | +113% |

<Reference>

|                         | Forecasts as of May 15, 2013 | Forecasts as of Nov. 14, 2013 (b) | Progress (a/b) |
|-------------------------|------------------------------|-----------------------------------|----------------|
|                         | Consol. Ordinary revenues    | 4,663.0                           | 5,589.0        |
| Non-consolidated        | 3,854.0                      | 4,197.0                           | 53%            |
| Consol. Ordinary profit | 176.0                        | 249.0                             | 63%            |
| Non-consolidated        | 175.0                        | 260.0                             | 66%            |
| Consol. Net income      | 37.0                         | 57.0                              | 84%            |
| Non-consolidated        | 40.0                         | 70.0                              | 91%            |

# Overview of the Group's Financial Results - Consolidated Financial Information

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## ■ Favorable insurance sales of our subsidiaries and improved investment gains contributed to our 1H results.

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

(billions of yen)

|  | 6 months ended Sep-12 | 6 months ended Sep-13 | Change |
|--|-----------------------|-----------------------|--------|
| Ordinary revenues                                | 2,337.7               | 2,975.2               | +637.4 |
| Premium and other income                         | 1,707.7               | 2,118.8               | +411.0 |
| Investment income                                | 504.2                 | 682.6                 | +178.4 |
| Interest and dividends                           | 339.7                 | 375.6                 | +35.9  |
| Gains on sale of securities                      | 125.9                 | 144.4                 | +18.5  |
| Derivative transaction gains                     | 2.8                   | -                     | (2.8)  |
| Gains on investments in separate accounts        | -                     | 138.1                 | +138.1 |
| Other ordinary revenues                          | 125.6                 | 173.7                 | +48.0  |
| Ordinary expenses                                | 2,248.8               | 2,819.1               | +570.2 |
| Benefits and claims                              | 1,273.7               | 1,416.3               | +142.6 |
| Provision for policy reserves and others         | 339.5                 | 787.6                 | +448.1 |
| Investment expenses                              | 205.6                 | 134.5                 | (71.0) |
| Losses on sale of securities                     | 31.5                  | 39.2                  | +7.7   |
| Losses on valuation of securities                | 64.2                  | 1.2                   | (63.0) |
| Derivative transaction losses                    | -                     | 23.9                  | +23.9  |
| Losses on investments in separate accounts       | 57.5                  | -                     | (57.5) |
| Operating expenses                               | 228.3                 | 255.1                 | +26.8  |
| Ordinary profit                                  | 88.8                  | 156.0                 | +67.2  |
| Extraordinary gains                              | 4.5                   | 1.7                   | (2.7)  |
| Extraordinary losses                             | 20.7                  | 27.2                  | +6.5   |
| Provision for reserve for policyholder dividends | 38.9                  | 40.2                  | +1.3   |
| Income before income taxes, etc.                 | 33.7                  | 90.3                  | +56.6  |
| Total of corporate income taxes                  | +6.3                  | 44.2                  | +37.9  |
| Minority interests in income (loss)              | (0.6)                 | (1.8)                 | (1.1)  |
| Net income                                       | 28.0                  | 47.9                  | +19.8  |

### Balance Sheet (summarized)

(billions of yen)

|  | As of Mar-13 | As of Sep-13 | Change |
|--|--------------|--------------|--------|
| Total assets                                   | 35,694.4     | 36,521.9     | +827.5 |
| Cash, deposits and call loans                  | 848.7        | 850.3        | +1.6   |
| Monetary claims bought                         | 285.0        | 280.9        | (4.1)  |
| Securities                                     | 29,390.9     | 30,157.8     | +766.9 |
| Loans  | 3,140.9      | 3,083.1      | (57.8) |
| Tangible fixed assets                          | 1,236.2      | 1,219.1      | (17.1) |
| Deferred tax assets                            | 67.6         | 65.0         | (2.6)  |
| Total liabilities                              | 34,045.3     | 34,799.1     | +753.7 |
| Policy reserves and others                     | 31,703.8     | 32,457.4     | +753.5 |
| Policy reserves                                | 31,012.5     | 31,764.5     | +751.9 |
| Reserve for employees' retirement benefits     | 439.7        | 412.7        | (26.9) |
| Reserve for price fluctuations                 | 89.2         | 103.5        | +14.2  |
| Total net assets                               | 1,649.0      | 1,722.7      | +73.7  |
| Total shareholders' equity                     | 563.3        | 596.7        | +33.4  |
| Total accumulated other comprehensive income   | 1,078.7      | 1,121.0      | +42.2  |
| Net unrealized gains on securities, net of tax | 1,099.3      | 1,151.4      | +52.1  |
| Reserve for land revaluation                   | (36.9)       | (37.0)       | (0.0)  |

(1) Gains (losses) on investments in separate accounts are offset by provision for (reversal of) policy reserves and accordingly they have no impact on ordinary profit.

# Overview of the Group's Financial Results - Financial Results of each Group Company

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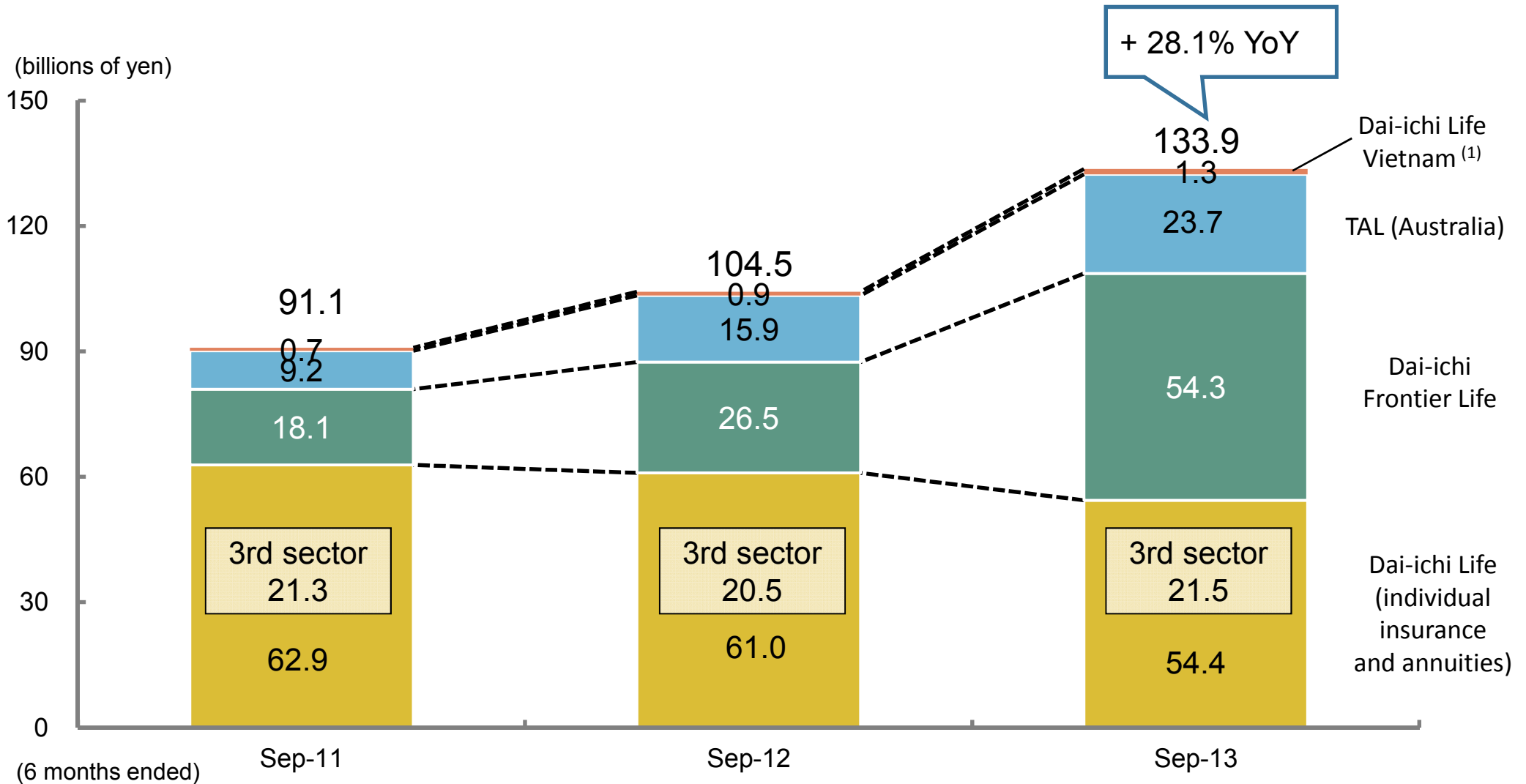
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|  | 【Dai-ichi Life】             |                             |               | 【Dai-ichi Frontier Life】    |                             |               | 【TAL(Australia)】 <sup>(1)</sup> |                             |               | 【Consolidated】              |                             |               |
|--|-----------------------------|-----------------------------|---------------|-----------------------------|-----------------------------|---------------|---------------------------------|-----------------------------|---------------|-----------------------------|-----------------------------|---------------|
|  | billions of yen             |                             |               | billions of yen             |                             |               | millions of AUD                 |                             |               | billions of yen             |                             |               |
|  | 6 months<br>ended<br>Sep-12 | 6 months<br>ended<br>Sep-13 | Change<br>YoY | 6 months<br>ended<br>Sep-12 | 6 months<br>ended<br>Sep-13 | Change<br>YoY | 6 months<br>ended<br>Sep-12     | 6 months<br>ended<br>Sep-13 | Change<br>YoY | 6 months<br>ended<br>Sep-12 | 6 months<br>ended<br>Sep-13 | Change<br>YoY |
| Ordinary revenues                                    | 2,037.3                     | 2,208.2                     | +8%           | 219.8                       | 657.8                       | +199%         | 1,195                           | 1,372                       | +15%          | 2,337.7                     | 2,975.2                     | +27%          |
| Premium and other income                             | 1,429.9                     | 1,427.4                     | (0%)          | 203.7                       | 595.7                       | +192%         | 962                             | 1,102                       | +15%          | 1,707.7                     | 2,118.8                     | +24%          |
| Investment income                                    | 485.0                       | 615.0                       | +27%          | 15.9                        | 62.1                        | +289%         | 105                             | 158                         | +50%          | 504.2                       | 682.6                       | +35%          |
| Ordinary expenses                                    | 1,948.6                     | 2,036.4                     | +5%           | 227.8                       | 675.9                       | +197%         | 1,098                           | 1,323                       | +20%          | 2,248.8                     | 2,819.1                     | +25%          |
| Benefits and claims                                  | 1,171.0                     | 1,182.1                     | +1%           | 56.3                        | 173.1                       | +208%         | 639                             | 748                         | +17%          | 1,273.7                     | 1,416.3                     | +11%          |
| Provision for policy reserves<br>and others          | 196.0                       | 325.2                       | +66%          | 140.5                       | 445.4                       | +217%         | 157                             | 251                         | +59%          | 339.5                       | 787.6                       | +132%         |
| Investment expenses                                  | 188.2                       | 105.8                       | (44%)         | 21.8                        | 33.0                        | +51%          | 17                              | 16                          | (5%)          | 205.6                       | 134.5                       | (35%)         |
| Operating expenses                                   | 198.7                       | 206.5                       | +4%           | 8.5                         | 22.1                        | +160%         | 241                             | 264                         | +9%           | 228.3                       | 255.1                       | +12%          |
| Ordinary profit (loss)                               | 88.6                        | 171.8                       | +94%          | (7.9)                       | (18.1)                      | --            | 97                              | 49                          | (49%)         | 88.8                        | 156.0                       | +76%          |
| Extraordinary gains                                  | 4.5                         | 1.7                         | (61%)         | --                          | --                          | --            | --                              | --                          | --            | 4.5                         | 1.7                         | (61%)         |
| Extraordinary losses                                 | 20.5                        | 26.9                        | +31%          | 0.1                         | 0.2                         | +60%          | --                              | --                          | --            | 20.7                        | 27.2                        | +31%          |
| Minority interests in gain<br>(loss) of subsidiaries | --                          | --                          | --            | --                          | --                          | --            | --                              | --                          | --            | (0.6)                       | (1.8)                       | --            |
| Net income (loss)                                    | 30.0                        | 64.0                        | +113%         | (8.1)                       | (18.3)                      | --            | 68                              | 29                          | (57%)         | 28.0                        | 47.9                        | +71%          |

(1) Figures of TAL are disclosed after re-classifying items from TAL's financial statements under Australian accounting standards to conform to Dai-ichi Life's disclosure standards.

# Overview of the Group's Financial Results - Trends in New Business (ANP basis)

## Dai-ichi Group's New Business ANP



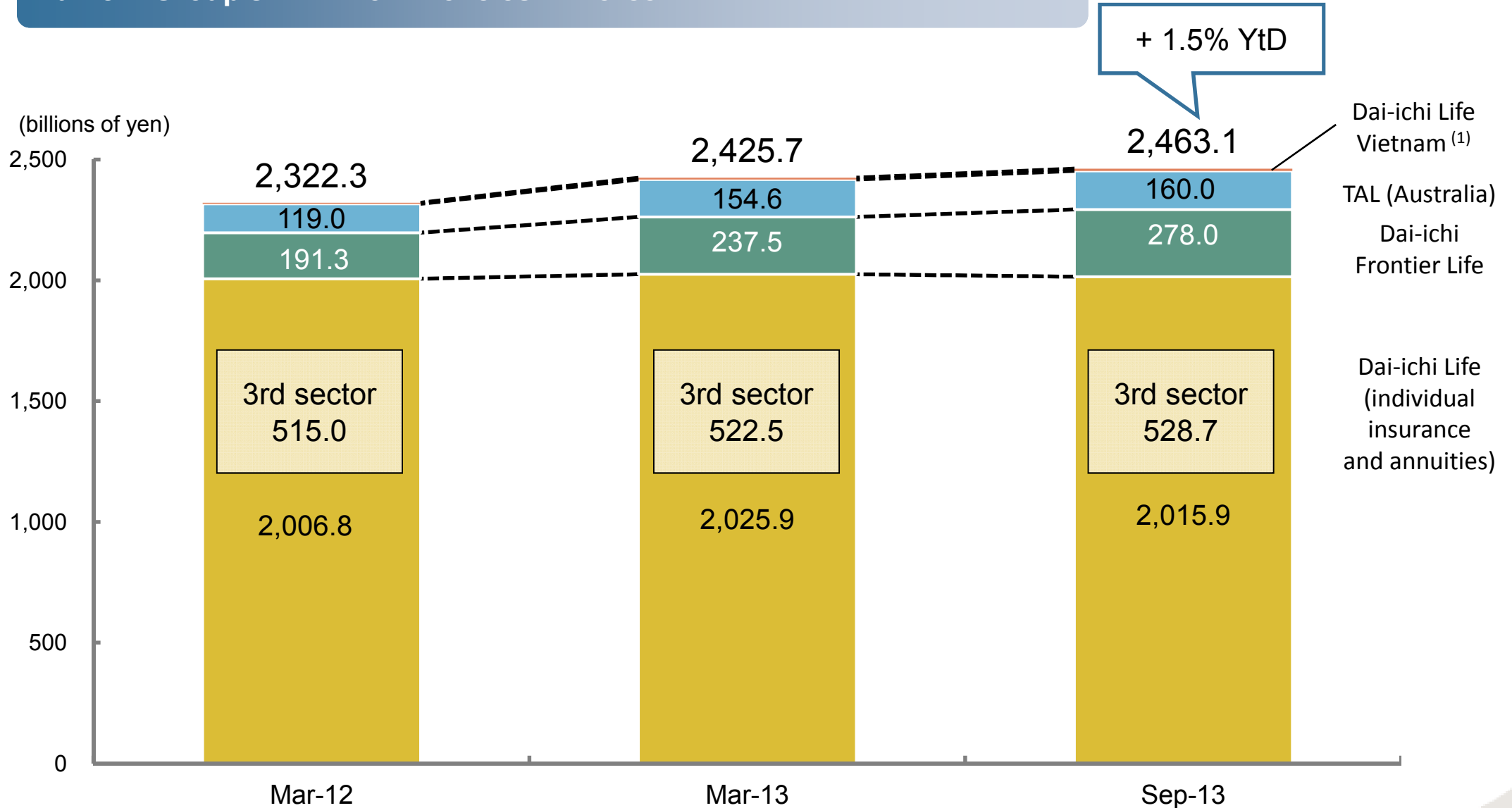
(1) The fiscal year of Dai-ichi Life Vietnam ends on December 31. New business ANPs of Dai-ichi Life Vietnam represent those for the six months ended June 30, 2011, 2012 and 2013.

# Overview of the Group's Financial Results - Trends in Policies in Force (ANP basis)

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## Dai-ichi Group's ANP from Policies in Force



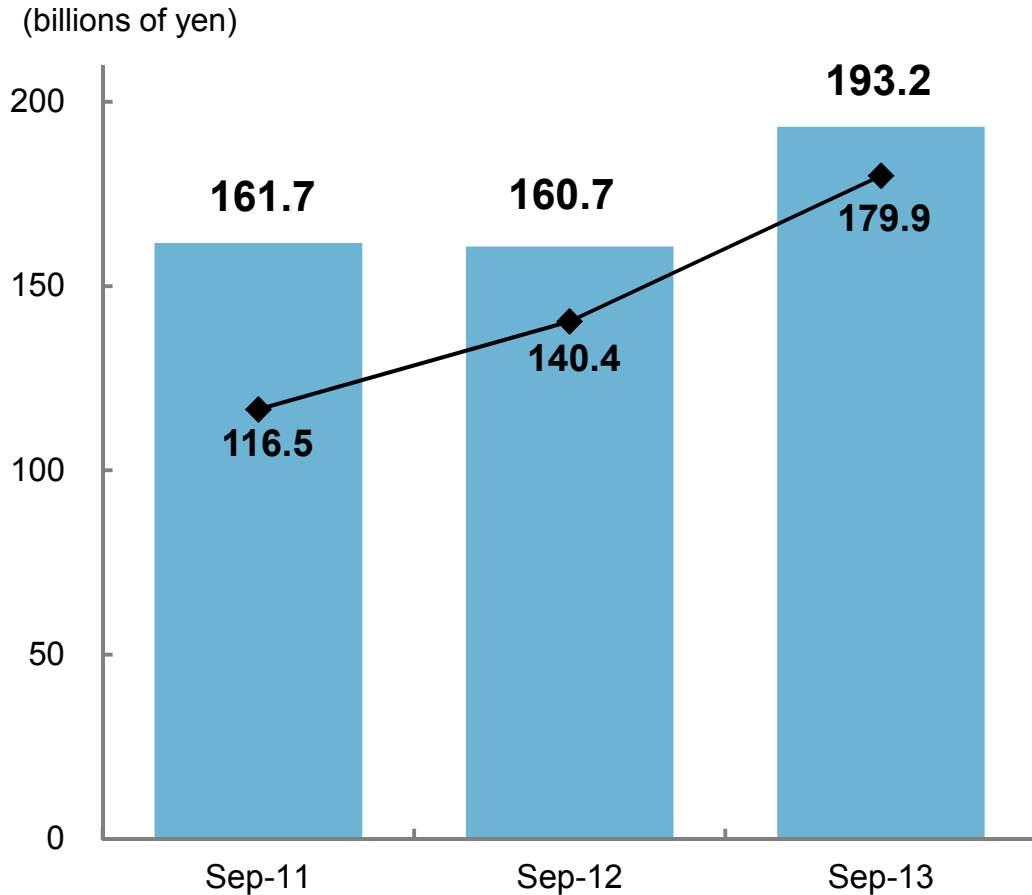
(1) The fiscal year of Dai-ichi Life Vietnam ends on December 31. ANP from policies in force of Dai-ichi Life Vietnam as of Mar-12, Mar-13 and Sep-13 were 5.0 billion yen, 7.5 billion yen and 9.0 billion yen, respectively.

# Overview of the Group's Financial Results - Fundamental Profit

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



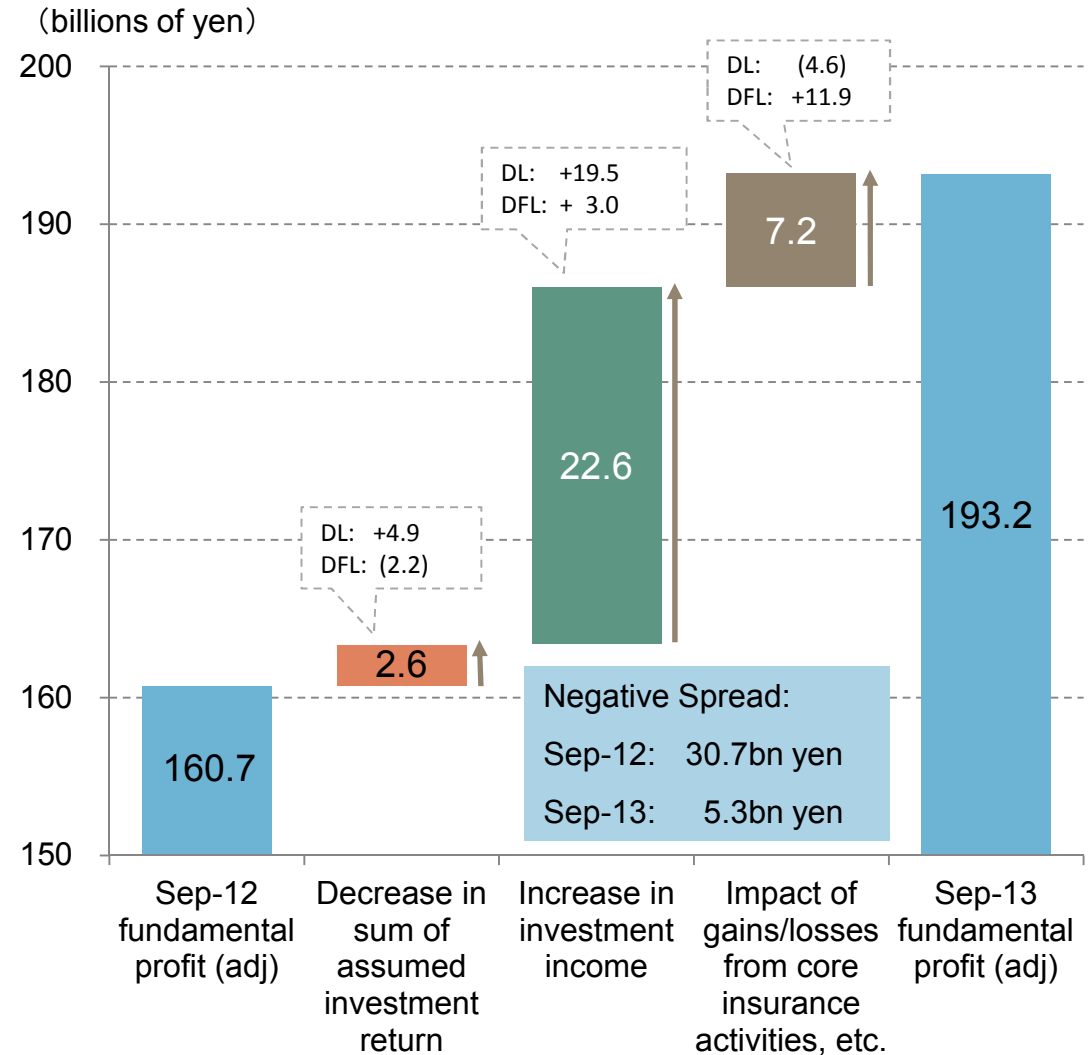
(6 months ended)

◆ Fundamental profit    ■ Adjusted fundamental profit <sup>(2)</sup>

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

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

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





# Dai-ichi Life's Results (non-consolidated) - Surrender and Lapse, Number of Sales Representatives and Productivity

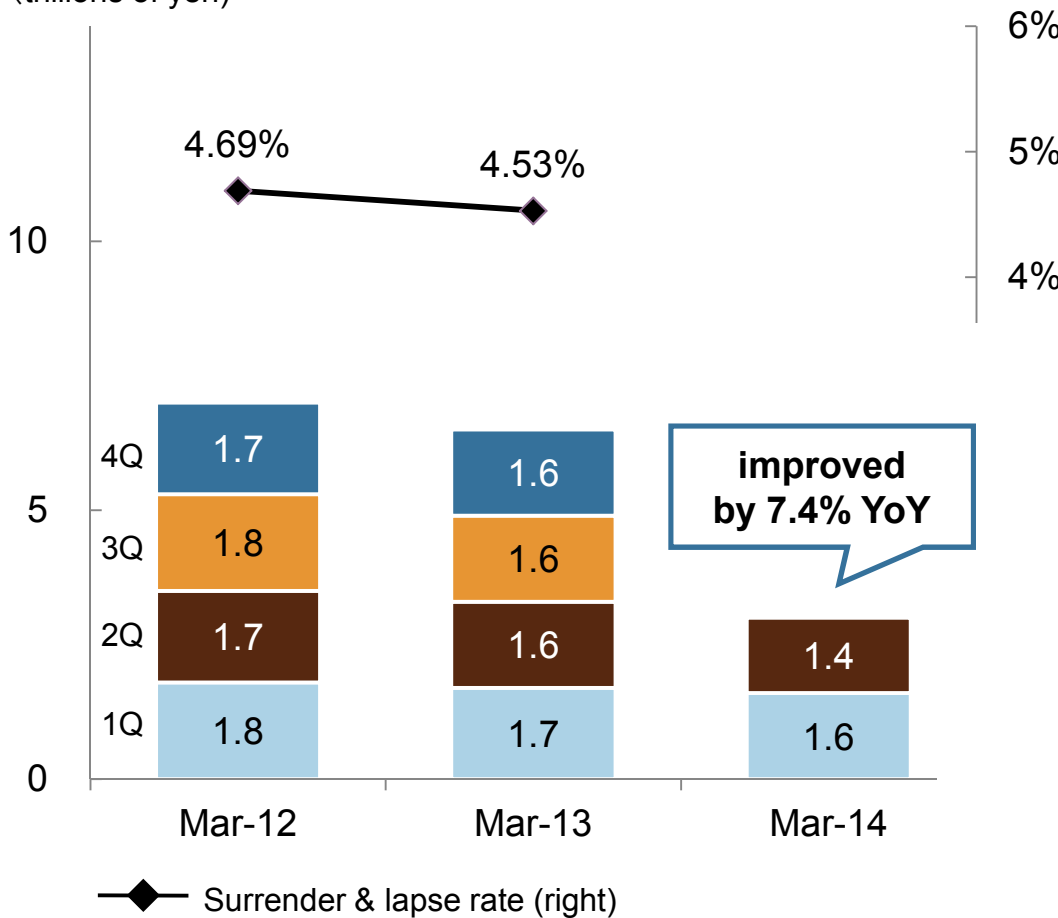
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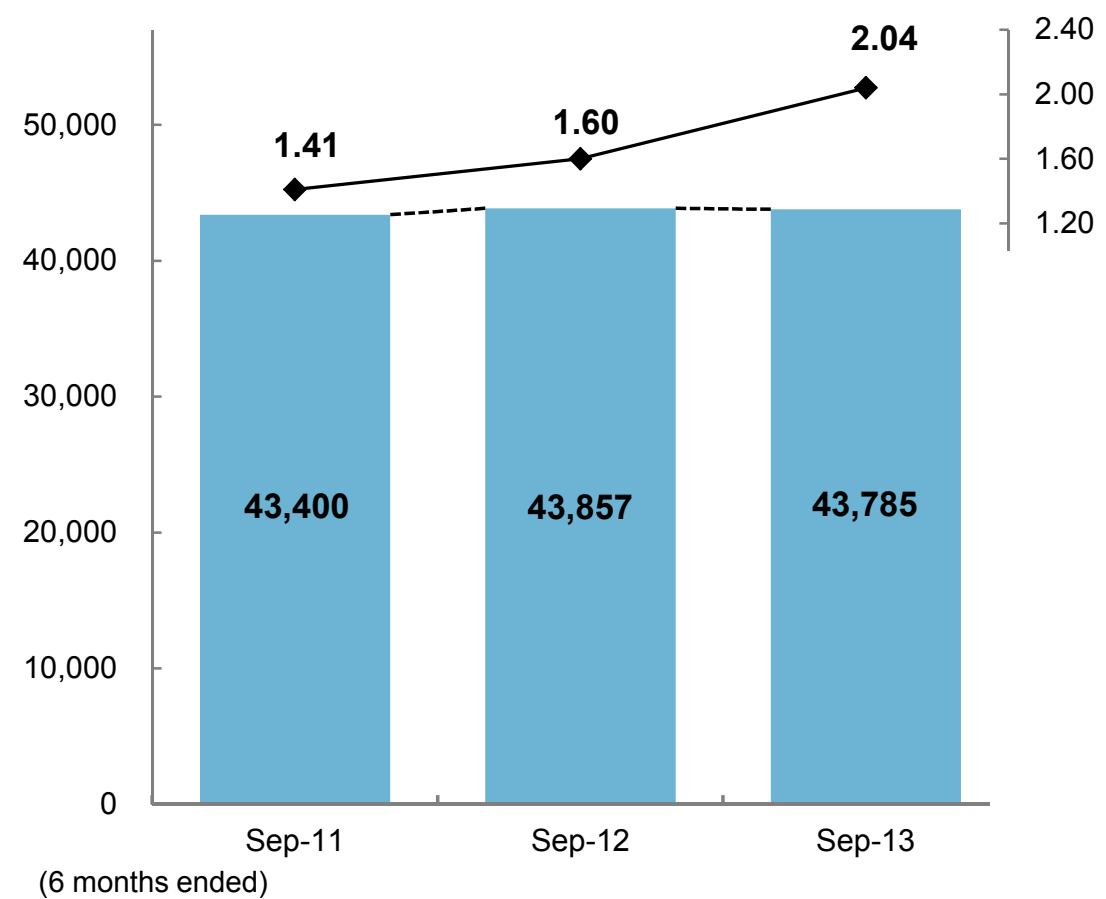
## Surrender & Lapse (Individual Insurance & Annuities)

## Number of Sales Reps and Productivity<sup>(1)(2)</sup>

(trillions of yen)



(millions of yen)



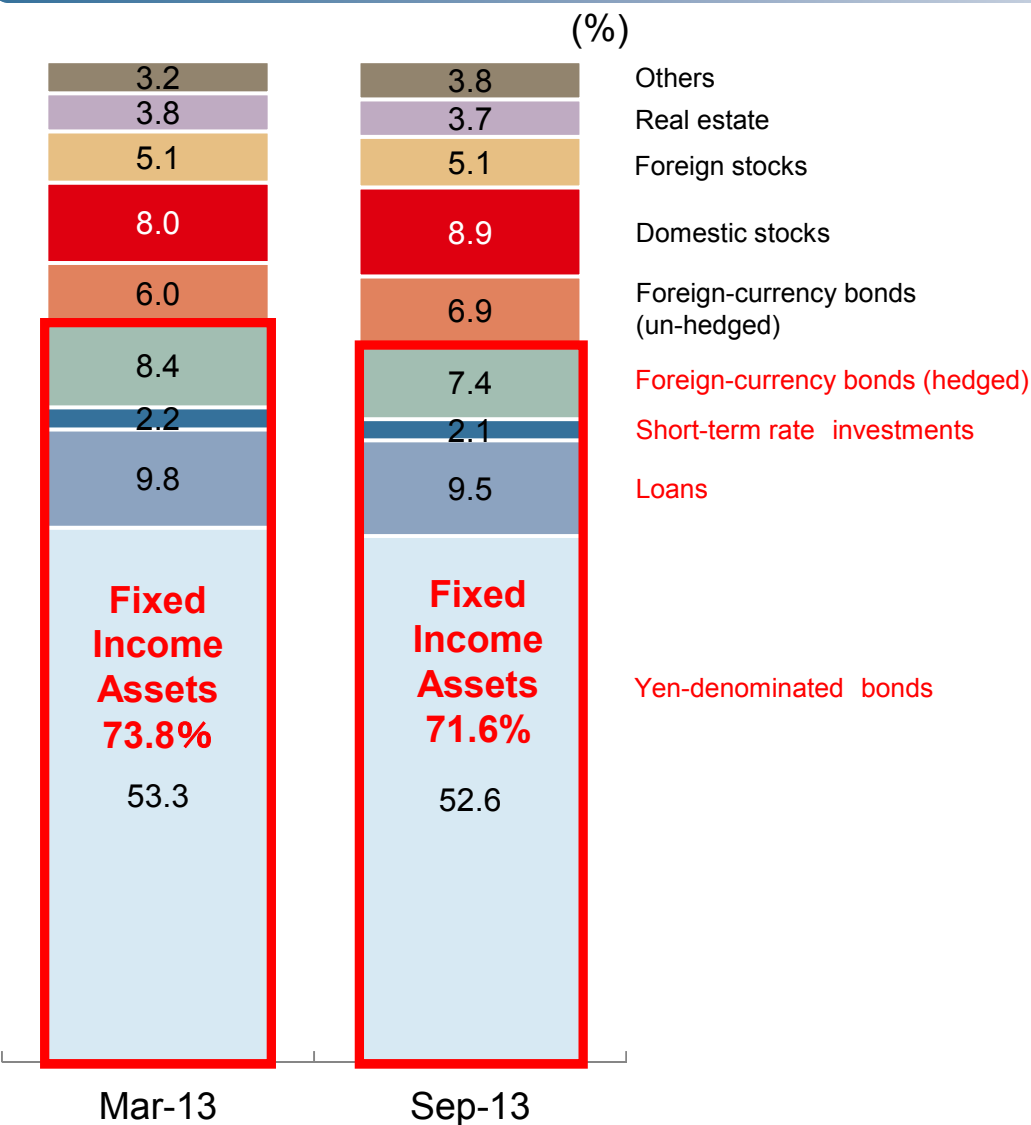
(1) The number of sales representatives does not include those who are not full-time employees of Dai-ichi Life and are engaged mainly in ancillary work.  
 (2) Calculated by dividing the value of new business by the average number of sales representatives in each period (calculated using the number of representatives at the beginning and the end of each period).

# Dai-ichi Life's Results (non-consolidated) - General Account Assets (i)

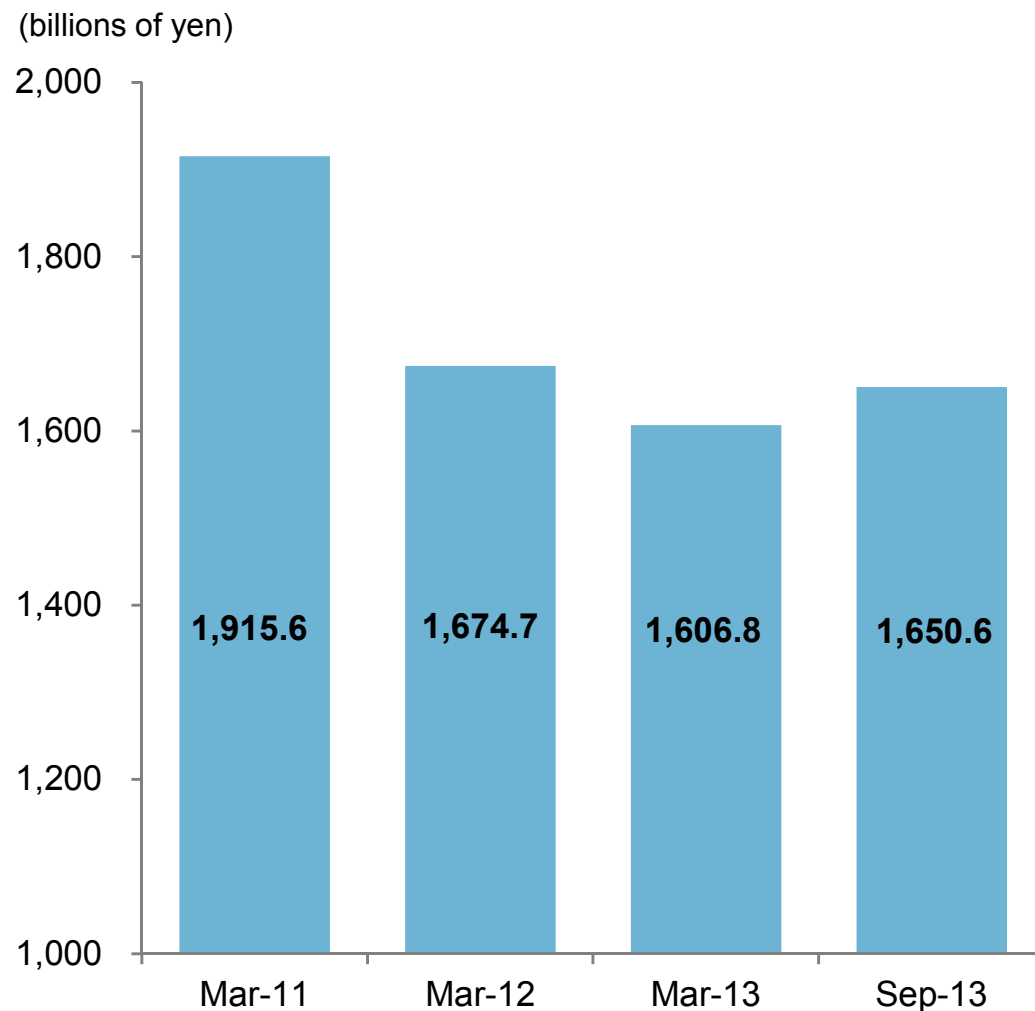
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## Asset Portfolio (General Account) <sup>(1)</sup>



## Book Value of Domestic Stocks <sup>(2)</sup>



(1) Carrying amount - basis

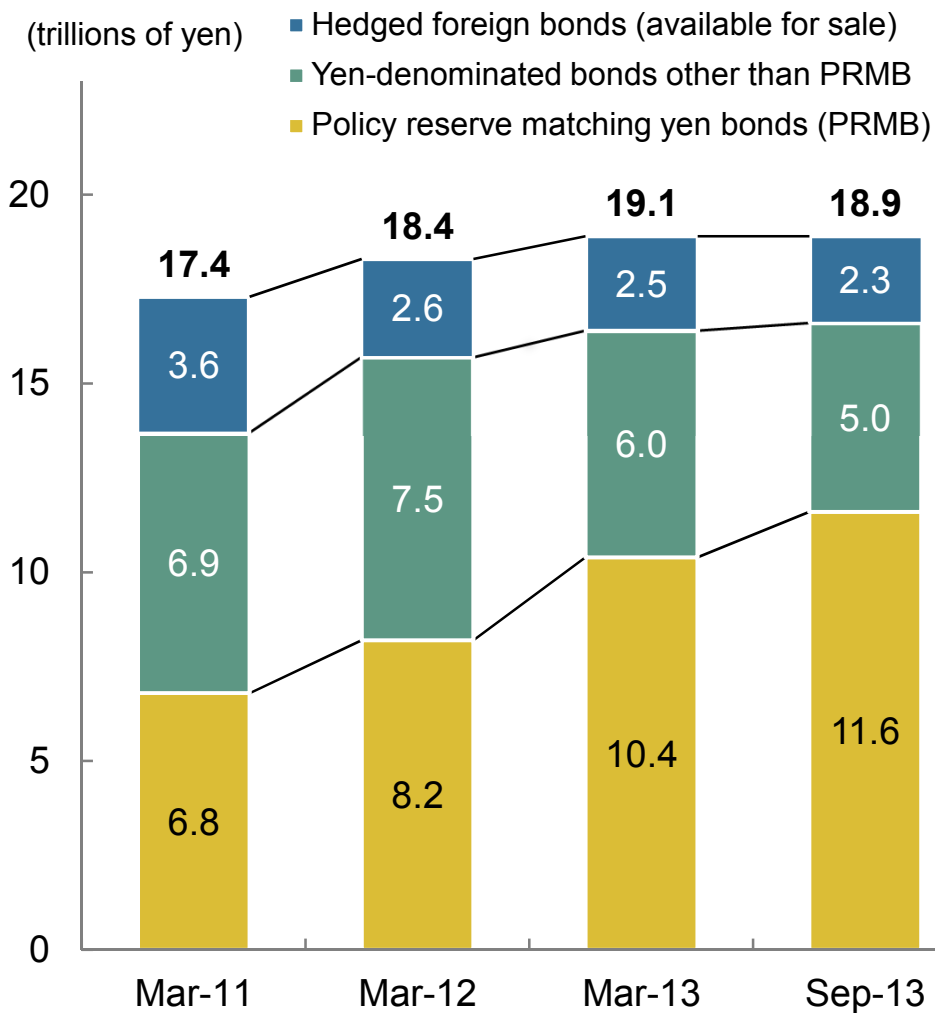
(2) Book value of domestic stocks with fair value (excluding stocks of subsidiaries / affiliated companies and unlisted companies)

# Dai-ichi Life's Results (non-consolidated) - General Account Assets (ii)

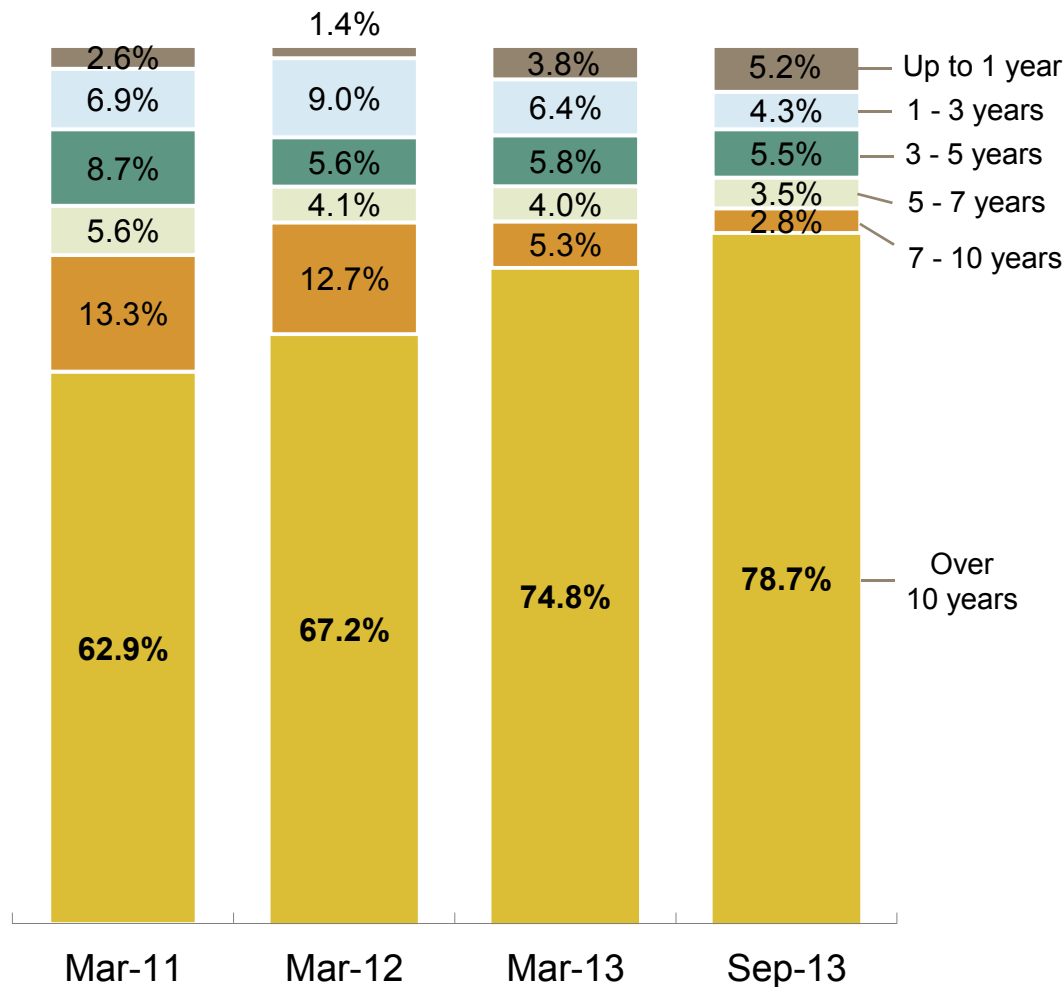
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## Yen and Currency-hedged Foreign Bonds <sup>(1)</sup>



## Maturity Profile of Domestic Bonds <sup>(2)</sup>



(1) Represents yen-denominated bonds and foreign bonds with currency hedges in the company's general account. The balance is shown on an amortized cost basis.  
 (2) Represents domestic bonds in the company's general account. The balance is shown on a fair value basis.

# Dai-ichi Life's Results (non-consolidated) - Status of Financial Soundness

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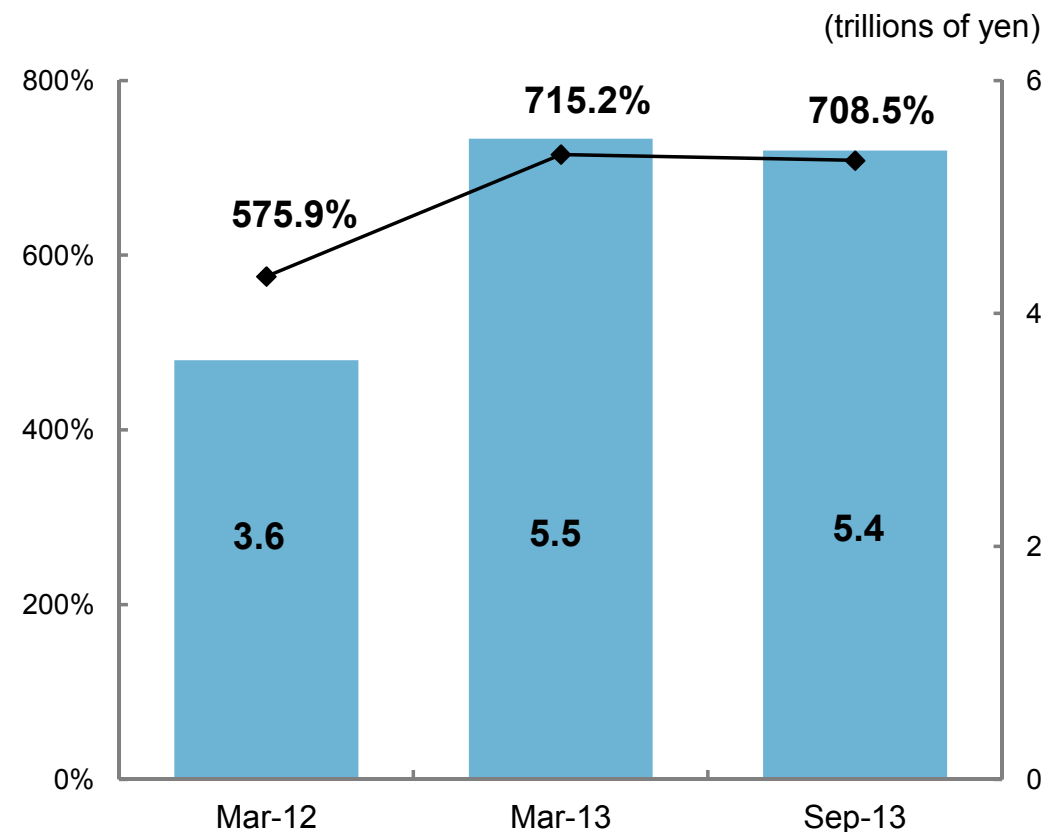
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## Unrealized Gain/Loss (General Account)

(billions of yen)

|                       | As of Mar-13 | As of Sep-13 | Change  |
|-----------------------|--------------|--------------|---------|
| Securities            | 2,814.4      | 2,615.2      | (199.2) |
| Domestic bonds        | 1,627.5      | 1,239.4      | (388.0) |
| Domestic stocks       | 643.3        | 907.4        | +264.1  |
| Foreign securities    | 505.0        | 429.8        | (75.1)  |
| Real estate           | 21.4         | 27.7         | +6.2    |
| General Account total | 2,833.9      | 2,638.7      | (195.1) |

## Solvency Margin Ratio & Adjusted Net Assets



◆ Solvency Margin Ratio    ■ Adjusted Net Assets (right)

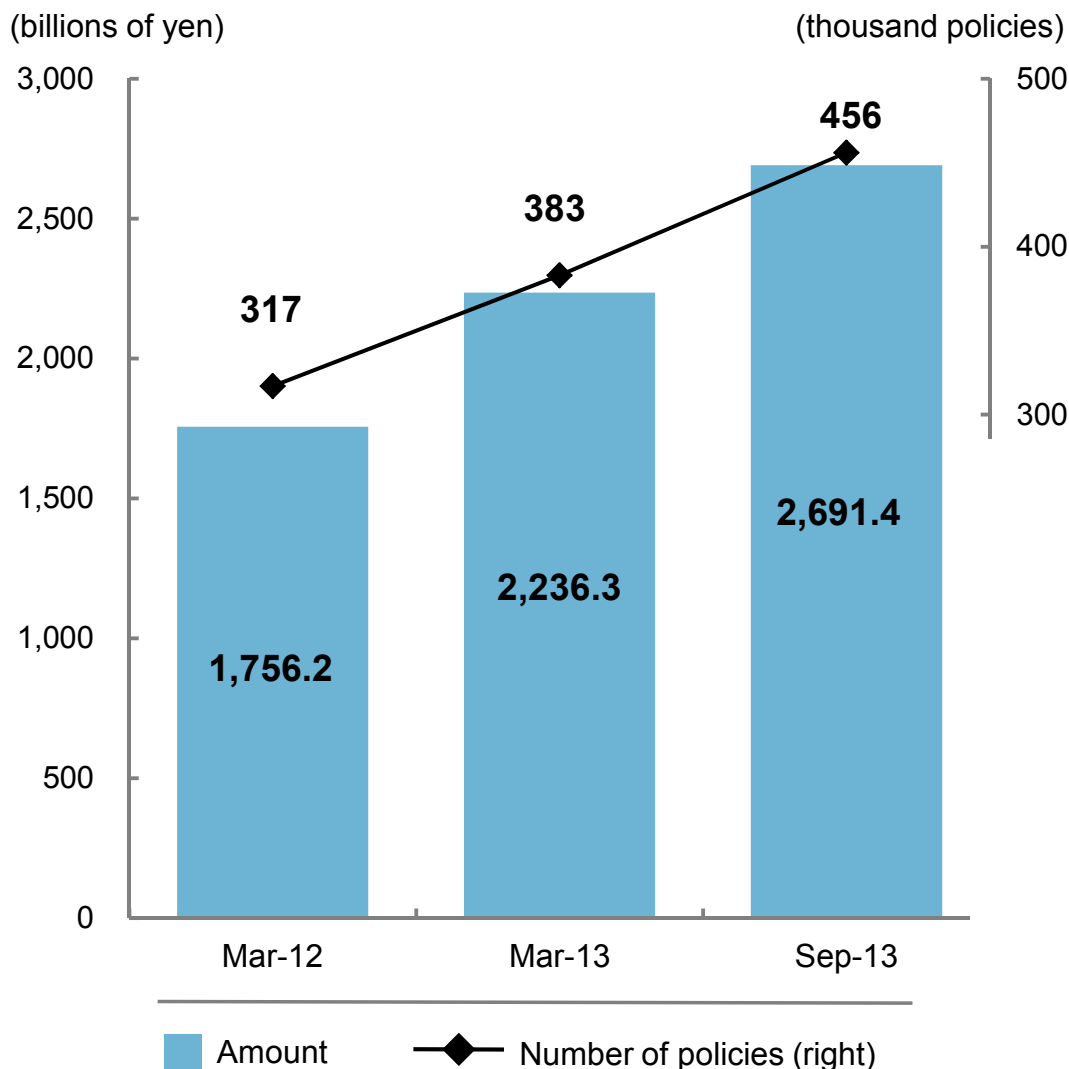
<Reference> Consolidated Solvency Margin  
Ratio as of Sep-13: 688.8%

# Consolidated Subsidiaries' Results - Dai-ichi Frontier Life

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## Sum Insured of Policies in Force



## Earnings

|  | (billions of yen)     |                       |
|--|-----------------------|-----------------------|
|  | 6 months ended Sep-12 | 6 months ended Sep-13 |
| Ordinary revenues  | 219.8                 | 657.8                 |
| Premium and other income                                 | 203.7                 | 595.7                 |
| Variable products  | 24.3                  | 181.9                 |
| Fixed products (yen-denominated)                         | 75.1                  | 186.6                 |
| Fixed products (foreign currency-denominated)            | 82.0                  | 168.9                 |
| Investment income  | 15.9                  | 62.1                  |
| Hedge gain related to GMMB risk (A)                      | 8.3                   | -                     |
| Ordinary expenses  | 227.8                 | 675.9                 |
| Provision for policy reserves and other                  | 140.5                 | 445.4                 |
| Related to GMMB risk (negative indicates a reversal) (B) | 19.9                  | 14.3                  |
| Provision for contingency reserve (C)                    | 1.3                   | 9.4                   |
| Investment expenses                                      | 21.8                  | 33.0                  |
| Hedge losses related to GMMB risk (D)                    | -                     | 12.4                  |
| Ordinary profit (loss)                                   | (7.9)                 | (18.1)                |
| Net income (loss)  | (8.1)                 | (18.3)                |
| Net income - (A) + (B) + (C) + (D)                       | 4.8                   | 17.8                  |

[Additional reconciliation items for normalized income]

Reinsurance balance

|                                  |       |       |
|----------------------------------|-------|-------|
| Reinsurance claims recoveries    | 22.2  | 58.1  |
| Reinsurance premiums ceded       | 30.3  | 62.2  |
| Net reinsurance income (expense) | (8.0) | (4.0) |

Reserve position related to market value adjustment of fixed annuities

|   |       |     |
|---|-------|-----|
| (Provision for) /reversal of policy reserve | (3.0) | 1.3 |
|---|-------|-----|

# Consolidated Subsidiaries' Results - Business Results of TAL<sup>(1)</sup>

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## Earnings

(millions of AUD)

|   | 6 months ended Sep-12 | 6 months ended Sep-13 | % Change |
|---|-----------------------|-----------------------|----------|
| Ordinary revenues <sup>(2)</sup>        | 1,195                 | 1,372                 | + 15%    |
| Premium and other income <sup>(2)</sup> | 962                   | 1,102                 | + 15%    |
| Ordinary profit <sup>(2)</sup>          | 97                    | 49                    | (49%)    |
| Net income (A) <sup>(2)</sup>           | 68                    | 29                    | (57%)    |

|                           |      |    |
|---------------------------|------|----|
| Adjustments after tax (B) | 2    | 16 |
| Discount rate changes     | (21) | 3  |
| Amortization charges      | 11   | 10 |
| Others                    | 12   | 3  |

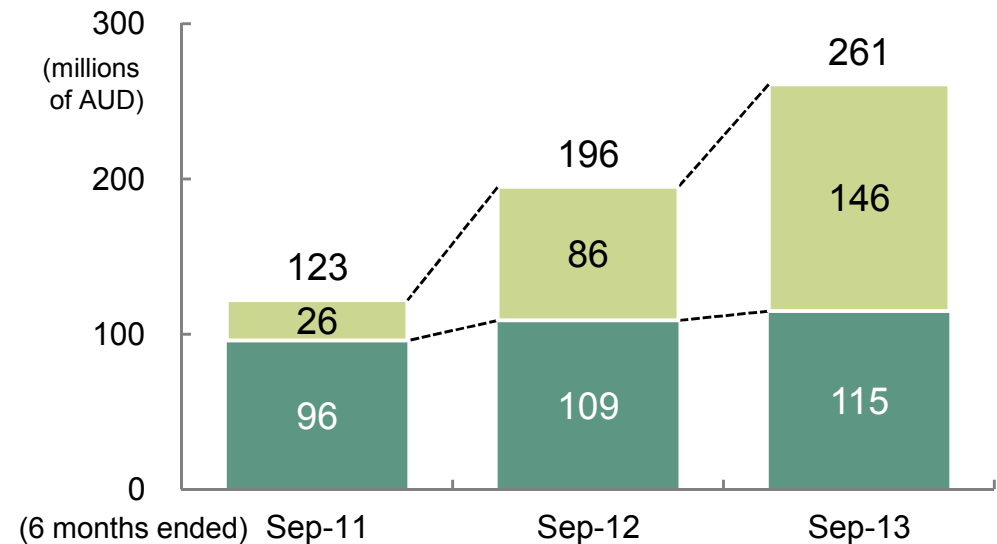
|                           |    |    |       |
|---------------------------|----|----|-------|
| Underlying profit (A + B) | 70 | 46 | (34%) |
|---------------------------|----|----|-------|

<Reference>

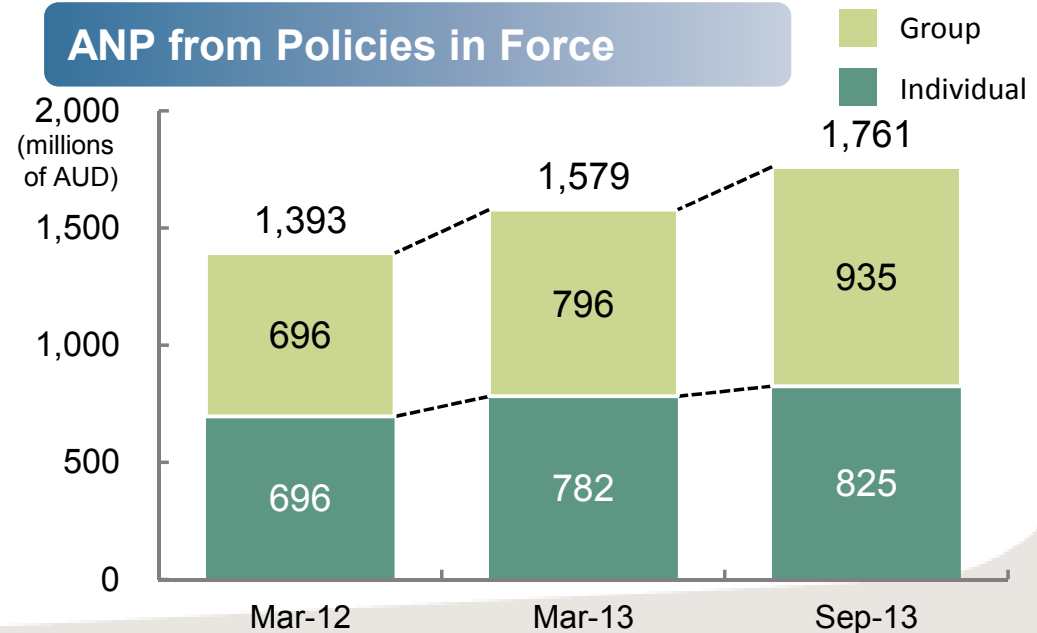
|                       | As of Sep-12 | As of Sep-13 |
|-----------------------|--------------|--------------|
| JPY/AUD exchange rate | 81.12        | 90.87        |

- (1) Figures for the consolidated holding company (i.e., TAL Dai-ichi Life Australia Pty Ltd).  
 (2) Disclosed after re-classifying items from TAL's financial statements under Australian accounting standards to conform to Dai-ichi Life's disclosure standards (excluding adjustments after tax and underlying profit).

## New Business ANP



## ANP from Policies in Force



# Earnings Guidance - Guidance for the Year Ending March 2014

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- Our sales and investment income outperformed our original forecast for the first half of the year.
- However, given some uncertainties in our business environment, we decided to maintain a conservative outlook in the second half of the year, especially with respect to the investment environment, which is reflected in the revised forecast.

|   | (billions of yen unless otherwise noted) |   |               | (reference)  |
|---|--|---|---------------|--|
|   | Year ended<br>Mar-13                     | Year ending<br>Mar-14<br><small>*Forecast revised<br/>on Nov 14, 2013</small> | Change        | Year ending<br>Mar-14<br><small>*Original forecast<br/>on May 15, 2013</small> |
| <b>Ordinary revenues</b>                        | <b>5,283.9</b>                           | <b>5,589.0</b>  | <b>+305.0</b> | <b>4,663.0</b>   |
| Dai-ichi Life non-consolidated                  | 4,315.9                                  | 4,197.0   | (118.9)       | 3,854.0  |
| Dai-ichi Frontier                               | 781.7                                    | 1,184.0   | +402.2        | 595.0  |
| TAL (millions of AUD)                           | 2,386                                    | 2,650   | +263          | 2,520  |
| <b>Ordinary profit</b>                          | <b>157.2</b>                             | <b>249.0</b>  | <b>+91.7</b>  | <b>176.0</b>   |
| Dai-ichi Life non-consolidated                  | 173.8                                    | 260.0   | +86.1         | 175.0  |
| Dai-ichi Frontier                               | (28.6)                                   | (20.0)  | +8.6          | (11.0)   |
| TAL (millions of AUD)                           | 131                                      | 110   | (21)          | 130  |
| <b>Net income</b>                               | <b>32.4</b>                              | <b>57.0</b>   | <b>+24.5</b>  | <b>37.0</b>  |
| Dai-ichi Life non-consolidated                  | 51.4                                     | 70.0  | +18.5         | 40.0   |
| Dai-ichi Frontier <sup>(1)</sup>                | (26.5)                                   | (18.9)  | +7.6          | (9.9)  |
| TAL (millions of AUD)                           | 91                                       | 70  | (21)          | 90   |
| <b>Dividends per share (yen) <sup>(2)</sup></b> | <b>16</b>                                | <b>20</b>   | <b>+4</b>     | <b>20</b>  |

## (Reference) Fundamental profit

|  |       |              |       |              |
|--|-------|--------------|-------|--------------|
| Sum of Dai-ichi Life and Dai-ichi Frontier | 347.6 | around 340.0 | (7.6) | ---          |
| Dai-ichi Life non-consolidated             | 314.5 | around 330.0 | +15.4 | around 280.0 |

(1) Calculated based on Dai-ichi Life's interest in Dai-ichi Frontier Life.

(2) Dividends per share for both the year ended March 2013 and the year ending March 2014 (forecast) reflected our 1:100 share split on October 1, 2013.

# EEV - European Embedded Value (i)

- Value of in-force business increased due to the value of new business and higher interest rates.
- Value of new business improved due to the positive impact of improved new business margin and similar factors.

## EEV of the Group

(billions of yen)

|                            | Mar-13  | Sep-13  | Change |
|----------------------------|---------|---------|--------|
| EEV                        | 3,341.9 | 3,776.9 | +434.9 |
| Adjusted net worth         | 3,128.8 | 3,066.5 | (62.2) |
| Value of in-force business | 213.1   | 710.3   | +497.2 |

|                       | 6 months ended Sep-12 | 6 months ended Sep-13 | Change | Year ended Mar-13 |
|-----------------------|-----------------------|-----------------------|--------|-------------------|
| Value of new business | 79.8                  | 104.9                 | +25.1  | 211.2             |

## EEV of Dai-ichi (stand alone)

(billions of yen)

|                            | Mar-13  | Sep-13  | Change |
|----------------------------|---------|---------|--------|
| EEV                        | 3,352.9 | 3,786.8 | +433.8 |
| Adjusted net worth         | 3,223.0 | 3,173.6 | (49.4) |
| Value of in-force business | 129.8   | 613.1   | +483.3 |

|                       | 6 months ended Sep-12 | 6 months ended Sep-13 | Change | Year ended Mar-13 |
|-----------------------|-----------------------|-----------------------|--------|-------------------|
| Value of new business | 69.9                  | 89.6                  | +19.7  | 191.1             |

## EEV of Dai-ichi Frontier Life

(billions of yen)

|                            | Mar-13 | Sep-13 | Change |
|----------------------------|--------|--------|--------|
| EEV                        | 129.3  | 134.0  | +4.7   |
| Adjusted net worth         | 131.6  | 120.3  | (11.3) |
| Value of in-force business | (2.3)  | 13.6   | +16.0  |

|                       | 6 months ended Sep-12 | 6 months ended Sep-13 | Change | Year ended Mar-13 |
|-----------------------|-----------------------|-----------------------|--------|-------------------|
| Value of new business | 0.1                   | 8.2                   | +8.0   | 1.9               |



# EEV - European Embedded Value (ii)

**EEV of TAL** (billions of yen)

|                            | Mar-13 | Sep-13 | Change |
|----------------------------|--------|--------|--------|
| EEV                        | 172.6  | 172.1  | (0.4)  |
| Adjusted net worth         | 87.1   | 87.2   | +0.1   |
| Value of in-force business | 85.4   | 84.9   | (0.5)  |

**<Reference> EEV of TAL in AUD** (millions of AUD)

|                            | Mar-13 | Sep-13 | Change |
|----------------------------|--------|--------|--------|
| EEV                        | 1,762  | 1,894  | +132   |
| Adjusted net worth         | 889    | 960    | +70    |
| Value of in-force business | 872    | 934    | +61    |

|                       | 6 months ended Sep-12 | 6 months ended Sep-13 | Change | Year ended Mar-13 |  | 6 months ended Sep-12 | 6 months ended Sep-13 | Change | Year ended Mar-13 |
|-----------------------|-----------------------|-----------------------|--------|-------------------|--|-----------------------|-----------------------|--------|-------------------|
| Value of new business | 9.7                   | 7.8                   | (1.9)  | 18.3              |  | 120                   | 86                    | (33)   | 187               |

- Exchange rate for value of new business for the 6 months ended Sep-12:  
JPY 81.12 to AUD 1.00
- Exchange rate for EEV as of Mar-13 and value of new business for the year ended Mar-13:  
JPY 97.93 to AUD 1.00
- Exchange rate for EEV as of Sep-13 and value of new business for the 6 months ended Sep-13:  
JPY 90.87 to AUD 1.00

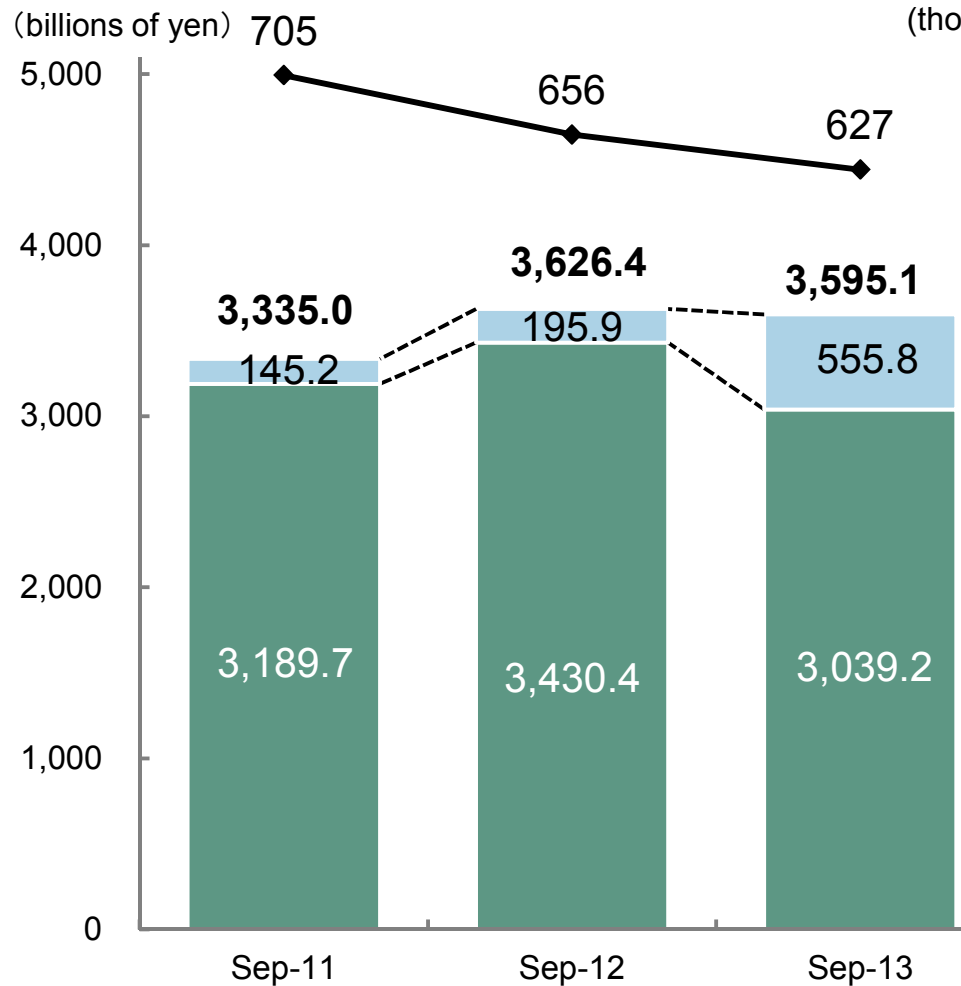
# Appendix

# Appendix - Policy Trend (Individual Insurance, Individual Annuities)

By your side, for life

DAI-ICHI LIFE

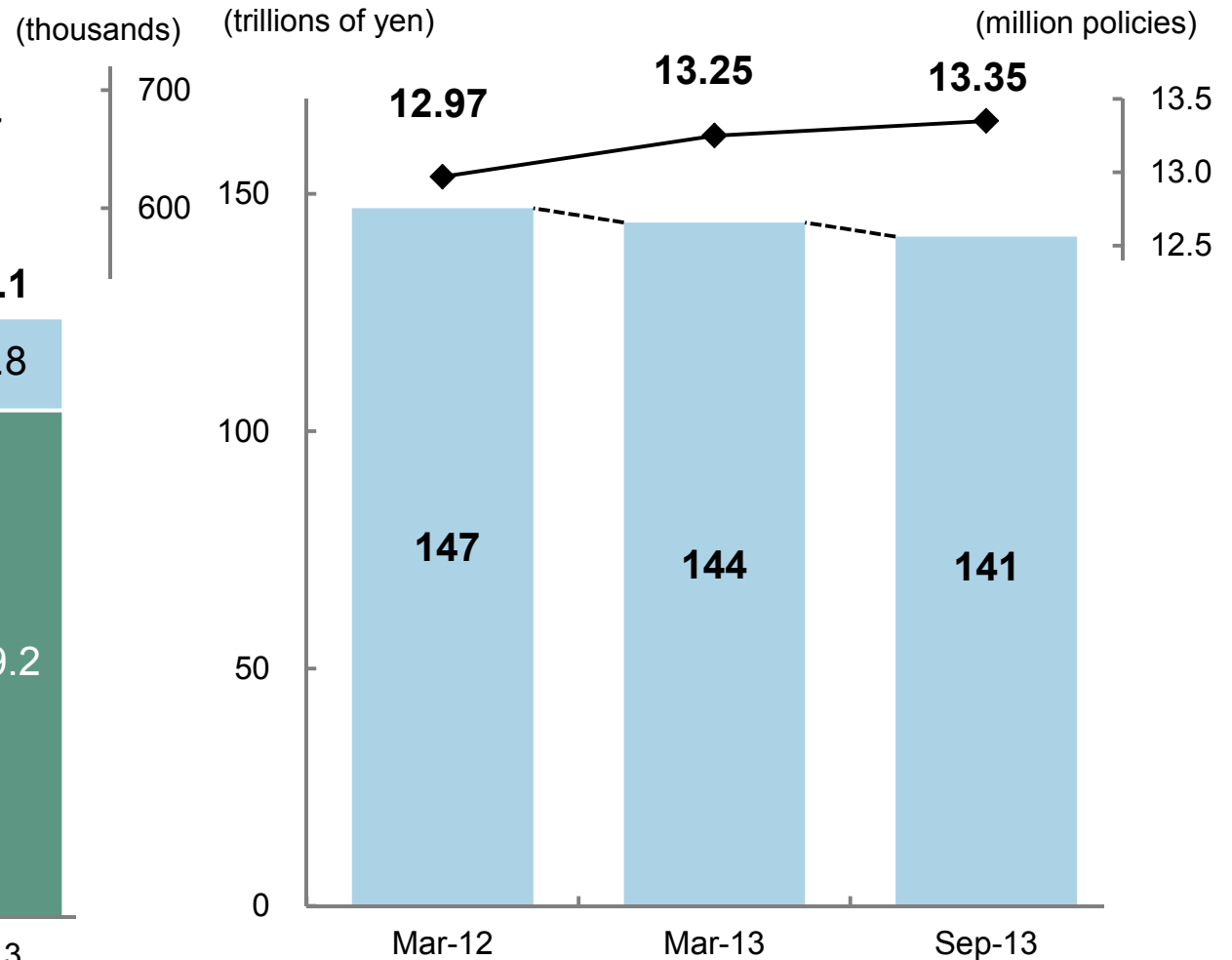
## Amount of New Business<sup>(1)</sup>



(6 months ended)

■ Dai-ichi Life   
 ■ Dai-ichi Frontier Life   
 ◆ Number of policies (right)

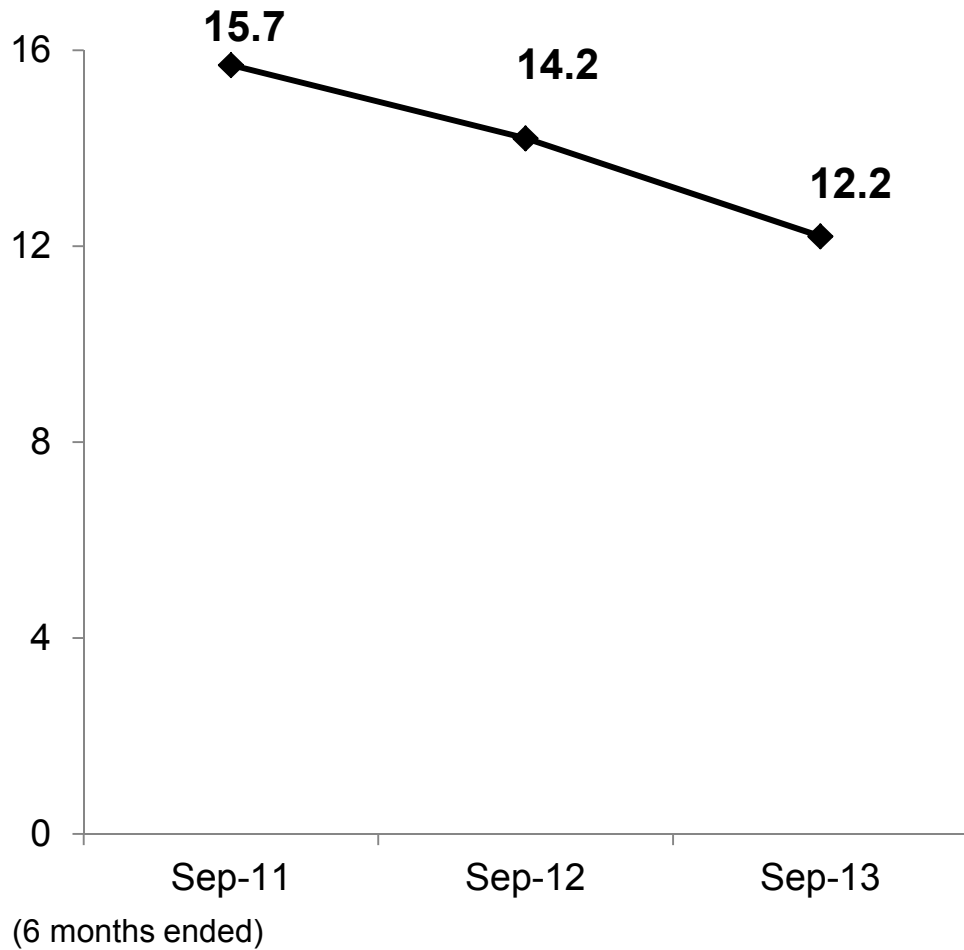
## Sum Insured of Policies in Force<sup>(1)</sup>



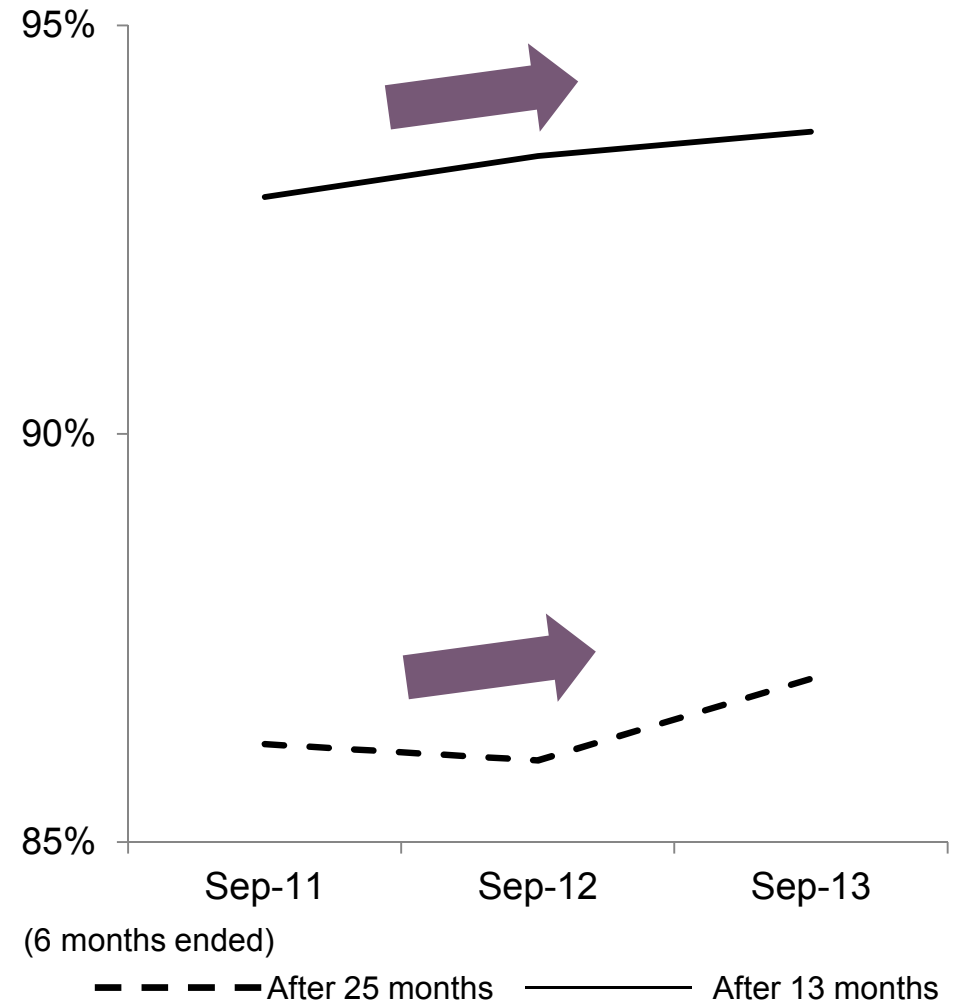
■ Amount (left)   
 ◆ Number of policies (right)

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

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



## Persistency Rate



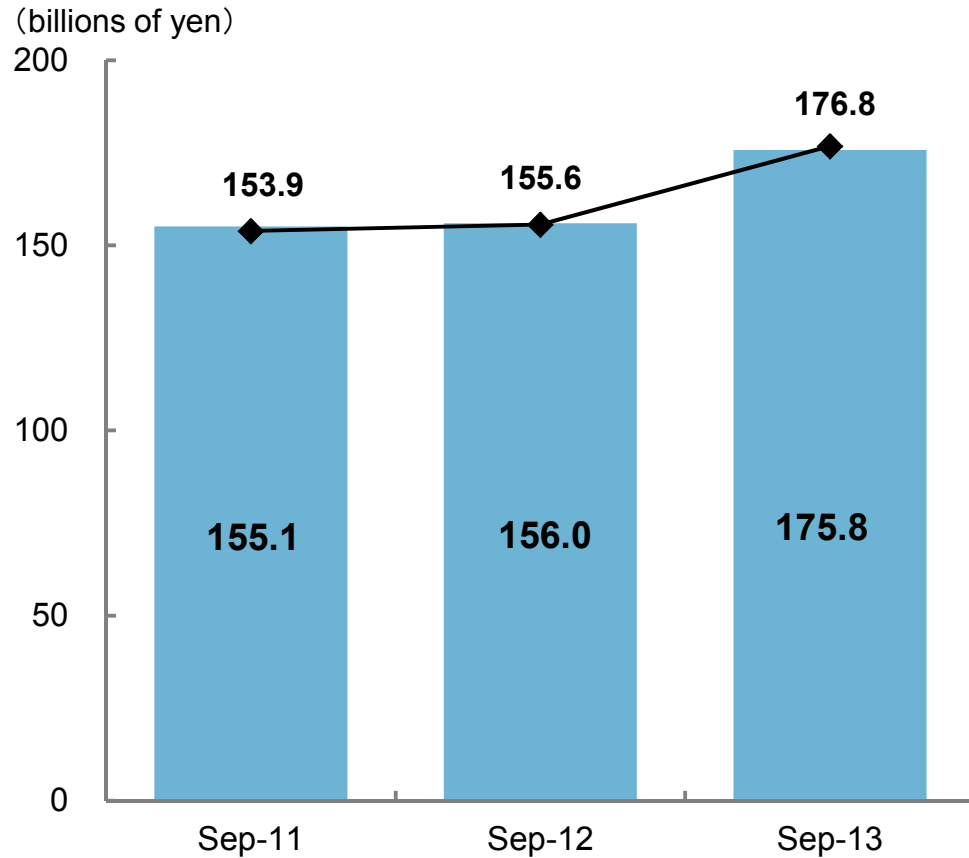
(1) The number of sales representatives does not include those who are not full-time employees of Dai-ichi Life and are engaged mainly in ancillary work.  
 (2) Calculated by dividing the number of new policies (incl. conversions) by the average number of sales representatives in each period (calculated using the number of representatives at the beginning and the end of each period).

# Appendix - Fundamental Profit (Dai-ichi Life non-consolidated)

By your side, for life

DAI-ICHI LIFE

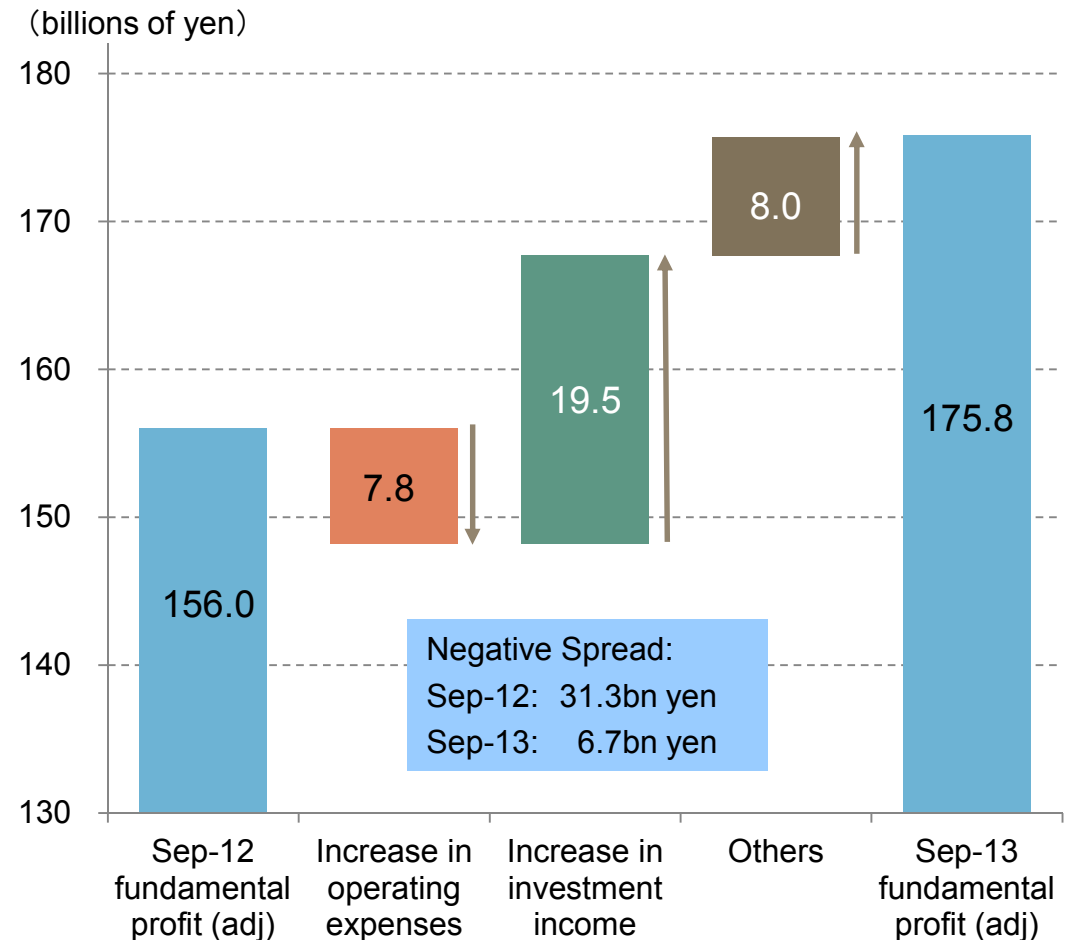
## Fundamental Profit



(6 months ended)

◆ Fundamental profit      ■ Adjusted fundamental profit <sup>(1)</sup>

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



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

# Appendix - Summary Financial Statements (Dai-ichi Life non-consolidated)

By your side, for life

DAI-ICHI LIFE

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

(billions of yen)

|  | 6 months ended Sep-12 | 6 months ended Sep-13 | Change |
|--|-----------------------|-----------------------|--------|
| Ordinary revenues                                | 2,037.3               | 2,208.2               | +170.9 |
| Premium and other income                         | 1,429.9               | 1,427.4               | (2.5)  |
| Investment income                                | 485.0                 | 615.0                 | +129.9 |
| Interest and dividends                           | 336.0                 | 369.8                 | +33.8  |
| Gains on sale of securities                      | 125.5                 | 137.8                 | +12.2  |
| Gains on investments in separate accounts        | -                     | 91.1                  | +91.1  |
| Other ordinary revenues                          | 122.3                 | 165.8                 | +43.4  |
| Ordinary expenses                                | 1,948.6               | 2,036.4               | +87.7  |
| Benefits and claims                              | 1,171.0               | 1,182.1               | +11.0  |
| Provision for policy reserves and others         | 196.0                 | 325.2                 | +129.2 |
| Investment expenses                              | 188.2                 | 105.8                 | (82.3) |
| Losses on sale of securities                     | 31.4                  | 39.1                  | +7.6   |
| Losses on valuation of securities                | 65.1                  | 1.2                   | (63.9) |
| Derivative transaction losses                    | 0.5                   | 18.7                  | +18.2  |
| Losses on investments in separate accounts       | 45.8                  | -                     | (45.8) |
| Operating expenses                               | 198.7                 | 206.5                 | +7.8   |
| Ordinary profit                                  | 88.6                  | 171.8                 | +83.1  |
| Extraordinary gains                              | 4.5                   | 1.7                   | (2.7)  |
| Extraordinary losses                             | 20.5                  | 26.9                  | +6.4   |
| Provision for reserve for policyholder dividends | 38.9                  | 40.2                  | +1.3   |
| Income before income taxes                       | 33.7                  | 106.3                 | +72.6  |
| Total of corporate income taxes                  | 3.6                   | 42.3                  | +38.6  |
| Net income                                       | 30.0                  | 64.0                  | +33.9  |

## Balance Sheet

(billions of yen)

|   | As of Mar-13 | As of Sep-13 | Change |
|---|--------------|--------------|--------|
| Total assets  | 33,072.4     | 33,474.6     | +402.1 |
| Cash, deposits and call loans                           | 729.4        | 728.5        | (0.8)  |
| Monetary claims bought                                  | 283.1        | 277.9        | (5.1)  |
| Securities  | 27,161.9     | 27,507.3     | +345.3 |
| Loans   | 3,139.6      | 3,081.7      | (57.9) |
| Tangible fixed assets                                   | 1,236.0      | 1,218.8      | (17.2) |
| Deferred tax assets                                     | 65.5         | 62.9         | (2.5)  |
| Total liabilities                                       | 31,394.7     | 31,694.5     | +299.7 |
| Policy reserves and others                              | 29,168.3     | 29,473.7     | +305.4 |
| Policy reserves   | 28,637.0     | 28,955.9     | +318.8 |
| Contingency reserve                                     | 495.0        | 513.0        | +18.0  |
| Reserve for employees' retirement benefits              | 437.5        | 410.3        | (27.1) |
| Reserve for price fluctuations                          | 88.4         | 102.4        | +14.0  |
| Total net assets  | 1,677.6      | 1,780.1      | +102.4 |
| Total shareholders' equity                              | 623.5        | 672.7        | +49.2  |
| Total of valuation and translation adjustments          | 1,053.7      | 1,106.8      | +53.0  |
| Net unrealized gains (losses) on securities, net of tax | 1,092.5      | 1,146.9      | +54.3  |
| Reserve for land revaluation                            | (36.9)       | (37.0)       | (0.0)  |

(1) Gains (losses) on investments in separate accounts are offset by provision for (reversal of) policy reserves and accordingly they have no impact on ordinary profit.

# Appendix - Summary Financial Statements (Dai-ichi Frontier Life )

By your side, for life

DAI-ICHI LIFE

## Statement of Earnings

(billions of yen)

|  | 6 months ended Sep-12 | 6 months ended Sep-13 | Change |
|--|-----------------------|-----------------------|--------|
| Ordinary revenues                        | 219.8                 | 657.8                 | +438.0 |
| Premium and other income                 | 203.7                 | 595.7                 | +391.9 |
| Investment income                        | 15.9                  | 62.1                  | +46.1  |
| Ordinary expenses                        | 227.8                 | 675.9                 | +448.1 |
| Benefits and claims                      | 56.3                  | 173.1                 | +116.8 |
| Provision for policy reserves and others | 140.5                 | 445.4                 | +304.9 |
| Investment expenses                      | 21.8                  | 33.0                  | +11.2  |
| Operating expenses                       | 8.5                   | 22.1                  | +13.6  |
| Ordinary profit (loss)                   | (7.9)                 | (18.1)                | (10.1) |
| Extraordinary gains (losses)             | (0.1)                 | (0.2)                 | (0.1)  |
| Income (loss) before income taxes        | (8.1)                 | (18.3)                | (10.2) |
| Total of corporate income taxes          | 0.0                   | 0.0                   | (0.0)  |
| Net income (loss)                        | (8.1)                 | (18.3)                | (10.2) |

## Balance Sheet

(billions of yen)

|                               | As of Mar-13 | As of Sep-13 | Change |
|-------------------------------|--------------|--------------|--------|
| Total assets                  | 2,373.1      | 2,806.0      | +432.8 |
| Cash, deposits and call loans | 62.5         | 61.8         | (0.7)  |
| Securities                    | 2,236.5      | 2,667.9      | +431.4 |
| Total liabilities             | 2,308.6      | 2,762.3      | +453.6 |
| Policy reserves and others    | 2,269.9      | 2,715.4      | +445.4 |
| Policy reserves               | 2,268.4      | 2,713.7      | +445.3 |
| Contingency reserve           | 92.4         | 101.8        | +9.4   |
| Total net assets              | 64.5         | 43.7         | (20.8) |
| Total shareholders' equity    | 57.2         | 38.8         | (18.3) |
| Capital stock                 | 117.5        | 117.5        | -      |
| Capital surplus               | 67.5         | 67.5         | -      |
| Retained earnings             | (127.7)      | (146.1)      | (18.3) |

# Appendix - Summary Financial Statements (TAL)

By your side, for life

DAI-ICHI LIFE

## Statement of Earnings<sup>(1)(2)</sup>

(millions of AUD)

|  | 6 months ended Sep-12 | 6 months ended Sep-13 | Change |
|--|-----------------------|-----------------------|--------|
| Ordinary revenues                        | 1,195                 | 1,372                 | +176   |
| Premium and other income                 | 962                   | 1,102                 | +140   |
| Investment income                        | 105                   | 158                   | +52    |
| Other ordinary revenues                  | 127                   | 111                   | (16)   |
| Ordinary expenses                        | 1,098                 | 1,323                 | +224   |
| Benefits and claims                      | 639                   | 748                   | +109   |
| Provision for policy reserves and others | 157                   | 251                   | +93    |
| Investment expenses                      | 17                    | 16                    | (0)    |
| Operating expenses                       | 241                   | 264                   | +22    |
| Other ordinary expenses                  | 42                    | 42                    | +0     |
| Ordinary profit                          | 97                    | 49                    | (48)   |
| Total of corporate income taxes          | 28                    | 19                    | (9)    |
| Net income                               | 68                    | 29                    | (38)   |
| Underlying profit                        | 70                    | 46                    | (24)   |

## Balance Sheet<sup>(1)(2)</sup>

(millions of AUD)

|                               | As of Mar-13 | As of Sep-13 | Change |
|-------------------------------|--------------|--------------|--------|
| Total assets                  | 5,499        | 5,808        | +308   |
| Cash, deposits and call loans | 467          | 556          | +88    |
| Securities                    | 2,808        | 2,864        | +56    |
| Tangible fixed assets         | -            | 0            | +0     |
| Intangible fixed assets       | 1,263        | 1,249        | (14)   |
| Consolidation goodwill        | 783          | 783          | -      |
| Other intangible fixed assets | 480          | 465          | (14)   |
| Reinsurance receivable        | 48           | 54           | +5     |
| Other assets                  | 910          | 1,083        | +172   |
| Total liabilities             | 3,688        | 3,967        | +279   |
| Policy reserves and others    | 2,611        | 2,827        | +215   |
| Reinsurance payables          | 295          | 355          | +60    |
| Other liabilities             | 680          | 680          | (0)    |
| Deferred tax liabilities      | 101          | 104          | +3     |
| Total net assets              | 1,810        | 1,840        | +29    |
| Total shareholders' equity    | 1,810        | 1,840        | +29    |
| Capital stock                 | 1,630        | 1,630        | -      |
| Retained earnings             | 180          | 209          | +29    |

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

(2) Figures for TAL (excluding underlying profit) are disclosed after re-classifying items from TAL's financial statements under Australian accounting standards to conform to Dai-ichi Life's disclosure standards.



# Appendix - Sensitivities to Financial Markets (non-consolidated basis)

|                    | Sensitivities <sup>(1)</sup>   | Breakeven Points <sup>(2)</sup>   |
|--------------------|--|---|
| Domestic stocks    | <p>Nikkei 225 1,000 yen change:</p> <p>September 2013: ±170 billion yen<br/>(March 2013: ±170 billion yen)</p>   | <p>Nikkei 225</p> <p>September 2013: 9,100 yen<br/>(March 2013: 8,600 yen)</p>  |
| Domestic bonds     | <p>10-year JGB Yield 10bp change:</p> <p>September 2013: ±240 billion yen *<br/>(March 2013: ±240 billion yen)</p> <p>* Available-for-sale securities:<br/>September 2013: ±40 billion yen<br/>(March 2013: ±50 billion yen)</p> | <p>10-year JGB Yield</p> <p>September 2013: 1.2% *<br/>(March 2013: 1.2%)</p> <p>* Available-for-sale securities:<br/>September 2013: 1.4%<br/>(March 2013: 1.4%)</p> |
| Foreign securities | <p>JPY / USD 1 yen change:</p> <p>September 2013: ±28 billion yen<br/>(March 2013: ±26 billion yen)</p>  | <p>JPY / USD</p> <p>September 2013: \$1 = 88 yen<br/>(March 2013: 84 yen)</p>   |

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

(2) 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 the JPY/USD exchange rate (assuming all are in USD).

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