

# Presentation of Financial Results for the Fiscal Year Ended March 2015

May 15, 2015

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 in growth areas and Dai-ichi Life's widening positive spread through improved net investment income contributed to the growth in both top- and bottom-lines. Net income was a record high since the listing, even after a one-time negative impact related to a reduction in corporate tax. In addition, the Group EEV increased to 5.7 trillion yen.
- We expect to achieve our objectives for profit and shareholder return. Consolidated adjusted net income of 161.7 billion yen was well above the objective of 100 billion yen. The total return ratio of around 30% is expected to be attained through a combination of the increased proposed dividend previously announced and the share repurchase announced today.
- Based on the structural reforms, including M&As, during the previous management plans, the Group now stands on a growth acceleration stage. The Group expects further growth in net income for the year ending March 2016, as well as an increase in dividend per share.

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

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- Achieved significant growth in consolidated ordinary revenue, ordinary profit and net income.

(billions of yen)

|                           | Year ended Mar-14 | Year ended Mar-15 (a) | Change   |      |
|---------------------------|-------------------|-----------------------|----------|------|
| Consol. Ordinary revenues | 6,044.9           | 7,252.2               | +1,207.2 | +20% |
| Non-consolidated          | 4,384.6           | 4,798.4               | +413.7   | +9%  |
| Consol. Ordinary profit   | 304.7             | 406.8                 | +102.0   | +34% |
| Non-consolidated          | 307.6             | 408.7                 | +101.1   | +33% |
| Consol. Net income        | 77.9              | 142.4                 | +64.5    | +83% |
| Non-consolidated          | 85.5              | 152.1                 | +66.6    | +78% |

<Reference>

| Forecasts as of Nov. 14, 2014 (b) | Achievement (a/b) |
|-----------------------------------|-------------------|
| 6,409.0                           | 113%              |
| 4,400.0                           | 109%              |
| 318.0                             | 128%              |
| 310.0                             | 132%              |
| 80.0                              | 178%              |
| 79.0                              | 193%              |

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

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## ■ Favorable insurance sales and improved net investment income contributed to our results.

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

(billions of yen)

|  | Year ended Mar-14 | Year ended Mar-15 | Change   |
|--|-------------------|-------------------|----------|
| Ordinary revenues                                | 6,044.9           | 7,252.2           | +1,207.2 |
| Premium and other income                         | 4,353.2           | 5,432.7           | +1,079.4 |
| Investment income                                | 1,320.0           | 1,444.0           | +123.9   |
| Interest and dividends                           | 797.3             | 856.5             | +59.2    |
| Gains on sale of securities                      | 210.4             | 162.1             | (48.2)   |
| Gains on investments in separate accounts        | 262.3             | 369.7             | +107.3   |
| Other ordinary revenues                          | 371.6             | 375.5             | +3.8     |
| Ordinary expenses                                | 5,740.2           | 6,845.4           | +1,105.1 |
| Benefits and claims                              | 2,903.5           | 3,380.8           | +477.2   |
| Provision for policy reserves and others         | 1,634.8           | 2,271.2           | +636.4   |
| Investment expenses                              | 234.9             | 168.9             | (66.0)   |
| Losses on sale of securities                     | 67.4              | 24.2              | (43.2)   |
| Losses on valuation of securities                | 1.4               | 0.4               | (0.9)    |
| Derivative transaction losses                    | 61.0              | 5.5               | (55.5)   |
| Operating expenses                               | 517.5             | 559.3             | +41.7    |
| Ordinary profit                                  | 304.7             | 406.8             | +102.0   |
| Extraordinary gains                              | 3.6               | 3.3               | (0.3)    |
| Extraordinary losses                             | 67.3              | 29.4              | (37.9)   |
| Provision for reserve for policyholder dividends | 94.0              | 112.2             | +18.2    |
| Income before income taxes, etc.                 | 147.0             | 268.5             | +121.4   |
| Total of corporate income taxes                  | 70.7              | 126.0             | +55.2    |
| Minority interests in income (loss)              | (1.6)             | 0.0               | +1.6     |
| Net income                                       | 77.9              | 142.4             | +64.5    |

### Balance Sheet (summarized)

(billions of yen)

|  | As of Mar-14 | As of Mar-15 | Change    |
|--|--------------|--------------|-----------|
| Total assets                                   | 37,705.1     | 49,837.2     | +12,132.0 |
| Cash, deposits and call loans                  | 1,061.3      | 1,253.8      | +192.4    |
| Monetary claims bought                         | 281.8        | 265.8        | (16.0)    |
| Securities                                     | 31,203.5     | 41,105.4     | +9,901.8  |
| Loans  | 3,024.7      | 3,898.1      | +873.4    |
| Tangible fixed assets                          | 1,215.8      | 1,217.0      | +1.1      |
| Deferred tax assets                            | 5.7          | 1.3          | (4.3)     |
| Total liabilities                              | 35,757.5     | 46,247.2     | +10,489.7 |
| Policy reserves and others                     | 33,327.5     | 42,547.0     | +9,219.4  |
| Policy reserves                                | 32,574.9     | 41,634.7     | +9,059.7  |
| Net defined benefit liabilities                | 385.4        | 331.3        | (54.1)    |
| Reserve for price fluctuations                 | 118.1        | 136.2        | +18.0     |
| Deferred tax liabilities                       | 15.1         | 643.3        | +628.2    |
| Total net assets                               | 1,947.6      | 3,589.9      | +1,642.3  |
| Total shareholders' equity                     | 628.5        | 1,029.6      | +401.0    |
| Total accumulated other comprehensive income   | 1,318.4      | 2,559.4      | +1,241.0  |
| Net unrealized gains on securities, net of tax | 1,322.7      | 2,528.2      | +1,205.5  |
| Reserve for land revaluation                   | (38.3)       | (33.4)       | +4.8      |

(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 - Balance Sheet of each Group Company

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DAI-ICHI LIFE

|                               | 【Dai-ichi Life】<br>billions of yen | 【Dai-ichi Frontier Life】<br>billions of yen | 【TAL(Australia)】 <sup>(1)</sup><br>millions of AUD | 【Protective Life<br>(USA)】 <sup>(1)</sup><br>millions of USD | 【Others】 <sup>(2)</sup><br>(including<br>consolidation adjustment)<br>billions of yen | 【Consolidated】 <sup>(2)</sup><br>billions of yen |
|-------------------------------|------------------------------------|---|--|--|---|--|
|                               | 31-Mar-2015                        | 31-Mar-2015                                 | 31-Mar-2015  | 1-Feb-2015   |   | 31-Mar-2015                                      |
| Total Assets                  | 36,828.7                           | 4,937.2                                     | 6,674  | 70,966   | (935.1)   | 49,837.2   |
| Cash, deposits and call loans | 1,018.7                            | 81.3  | 924  | 463  | 13.8  | 1,253.8  |
| Securities                    | 30,673.3                           | 4,715.4                                     | 3,070  | 53,287   | (867.2)   | 41,105.4   |
| Loans                         | 3,029.2                            | –   | 3  | 7,333  | 1.3   | 3,898.1  |
| Tangible fixed assets         | 1,203.2                            | 0.0   | 1  | 111  | 0.3   | 1,217.0  |
| Intangible fixed assets       | 83.7                               | 0.5   | 1,235  | 2,712  | (81.1)  | 437.6  |
| Goodwill                      | –                                  | –   | 786  | 735  | (80.0)  | 79.2   |
| Other intangible assets       | 22.1                               | 0.0   | 446  | 1,959  | 0.0   | 295.0  |
| Reinsurance receivable        | 7.9                                | 66.5  | 116  | 202  | (7.8)   | 101.2  |
| Total Liabilities             | 33,277.4                           | 4,879.8                                     | 4,641  | 65,412   | (72.3)  | 46,247.2   |
| Policy Reserve and others     | 30,449.6                           | 4,811.6                                     | 3,340  | 58,844   | 19.8  | 42,547.0   |
| Reinsurance payable           | 0.6                                | 2.7   | 335  | 252  | (7.7)   | 56.2   |
| Bonds payable                 | 215.7                              | –   | –  | 2,311  | –   | 489.0  |
| Other liabilities             | 1,496.4                            | 45.6  | 859  | 2,338  | (33.0)  | 1,864.7  |
| Total net assets              | 3,551.3                            | 57.4  | 2,033  | 5,554  | (862.7)   | 3,589.9  |
| Total shareholders' equity    | 1,107.3                            | 18.4  | 2,033  | 5,554  | (940.1)   | 1,029.6  |
| Capital stock                 | 343.1                              | 117.5                                       | 1,630  | 0  | (267.6)   | 343.1  |
| Capital surplus               | 343.2                              | 67.5  | –  | 5,554  | (724.2)   | 343.2  |

(1) Figures of TAL and Protective Life are disclosed after re-classifying items from TAL and Protective Life's financial statements under Australian and United States' accounting standards, respectively, to conform to Dai-ichi Life's disclosure standards. For consolidation, these financial statements are translated into Japanese yen at rates of 1AUD=92.06 yen and 1USD=118.25 yen, respectively.

(2) Figures in 'Others' and 'Consolidated' include figures of other consolidated companies which are not on this page as well as consolidation adjustment.

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

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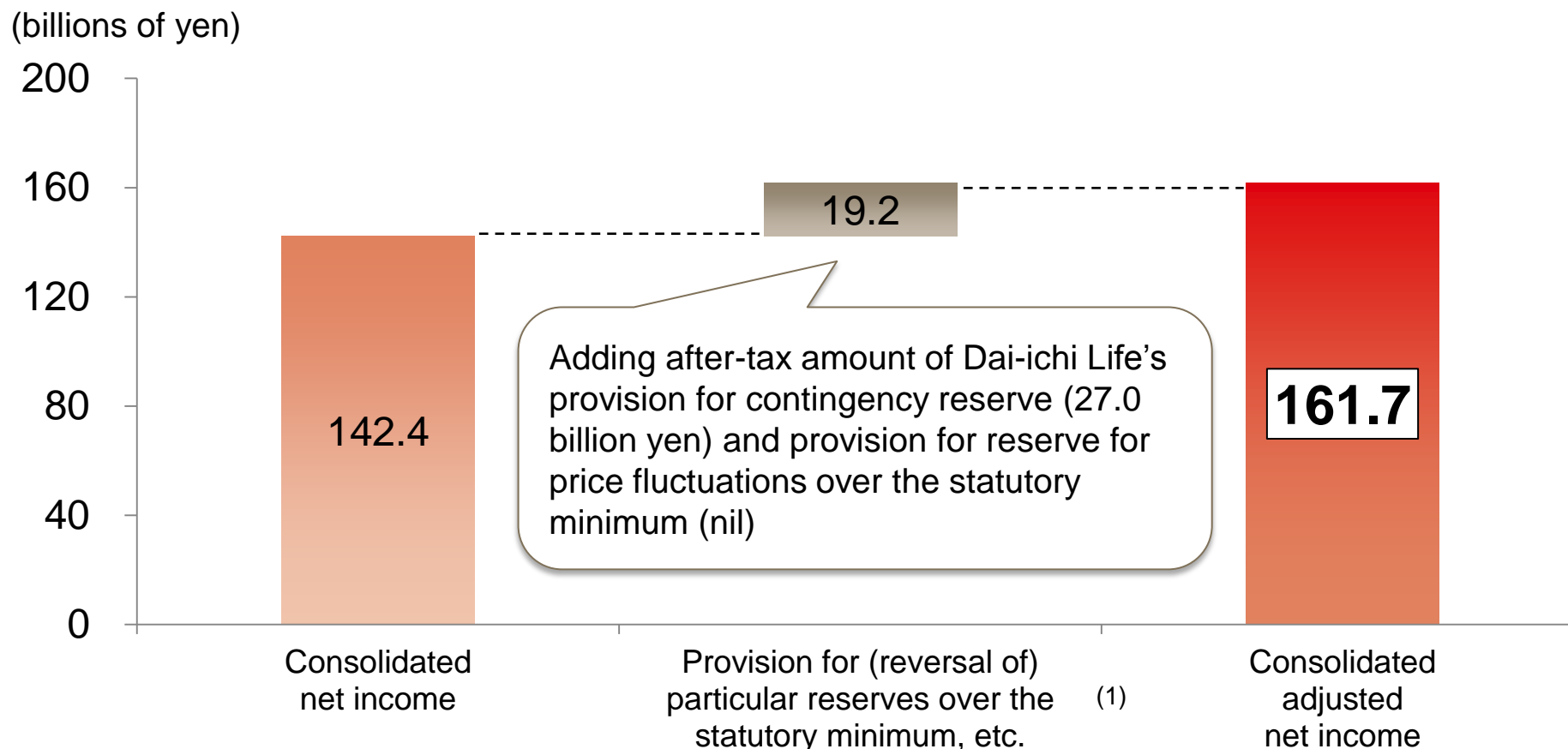
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|   | 【Dai-ichi Life】   |                   |        | 【Dai-ichi Frontier Life】 |                   |        | 【TAL(Australia)】 <sup>(1)</sup> |                   |        | 【Consolidated】    |                   |        |
|---|-------------------|-------------------|--------|--------------------------|-------------------|--------|---------------------------------|-------------------|--------|-------------------|-------------------|--------|
|   | billions of yen   |                   |        | billions of yen          |                   |        | millions of AUD                 |                   |        | billions of yen   |                   |        |
|   | Year ended Mar-14 | Year ended Mar-15 | Change | Year ended Mar-14        | Year ended Mar-15 | Change | Year ended Mar-14               | Year ended Mar-15 | Change | Year ended Mar-14 | Year ended Mar-15 | Change |
| Ordinary revenues                                 | 4,384.6           | 4,798.4           | +9%    | 1,417.8                  | 2,157.5           | +52%   | 2,849                           | 3,166             | +11%   | 6,044.9           | 7,252.2           | +20%   |
| Premium and other income                          | 2,868.0           | 3,266.3           | +14%   | 1,266.0                  | 1,899.7           | +50%   | 2,316                           | 2,745             | +19%   | 4,353.2           | 5,432.7           | +25%   |
| Investment income                                 | 1,161.4           | 1,174.4           | +1%    | 151.8                    | 257.7             | +70%   | 280                             | 334               | +19%   | 1,320.0           | 1,444.0           | +9%    |
| Ordinary expenses                                 | 4,077.0           | 4,389.7           | +8%    | 1,433.7                  | 2,177.3           | +52%   | 2,710                           | 2,982             | +10%   | 5,740.2           | 6,845.4           | +19%   |
| Benefits and claims                               | 2,439.1           | 2,718.1           | +11%   | 323.8                    | 496.2             | +53%   | 1,564                           | 1,808             | +16%   | 2,903.5           | 3,380.8           | +16%   |
| Provision for policy reserves and others          | 583.3             | 702.8             | +20%   | 1,018.3                  | 1,523.2           | +50%   | 503                             | 447               | (11%)  | 1,634.8           | 2,271.2           | +39%   |
| Investment expenses                               | 213.9             | 131.2             | (39%)  | 35.8                     | 52.0              | +45%   | 32                              | 38                | +19%   | 234.9             | 168.9             | (28%)  |
| Operating expenses                                | 410.5             | 398.5             | (3%)   | 50.7                     | 95.2              | +88%   | 519                             | 579               | +12%   | 517.5             | 559.3             | +8%    |
| Ordinary profit (loss)                            | 307.6             | 408.7             | +33%   | (15.8)                   | (19.7)            | --     | 139                             | 184               | +32%   | 304.7             | 406.8             | +34%   |
| Extraordinary gains                               | 3.6               | 3.0               | (16%)  | --                       | --                | --     | --                              | --                | --     | 3.6               | 3.3               | (9%)   |
| Extraordinary losses                              | 66.4              | 27.2              | (59%)  | 0.9                      | 2.1               | +125%  | --                              | --                | --     | 67.3              | 29.4              | (56%)  |
| Minority interests in gain (loss) of subsidiaries | --                | --                | --     | --                       | --                | --     | --                              | --                | --     | (1.6)             | 0.0               | --     |
| Net income (loss)                                 | 85.5              | 152.1             | +78%   | (16.9)                   | (21.9)            | --     | 90                              | 131               | +45%   | 77.9              | 142.4             | +83%   |

(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 - Consolidated Adjusted Net Income for the Year ended Mar-15

- Dai-ichi Life Group defines “Adjusted net income (ANI)” as an indicator which represents the Group’s real profitability. As it ties to shareholders’ profit, we set ANI targets under our medium-term management plan.
- ANI for the year ended March 2015 amounted to 161.7 billion yen, a significant increase from 112.5 billion yen for the previous year.

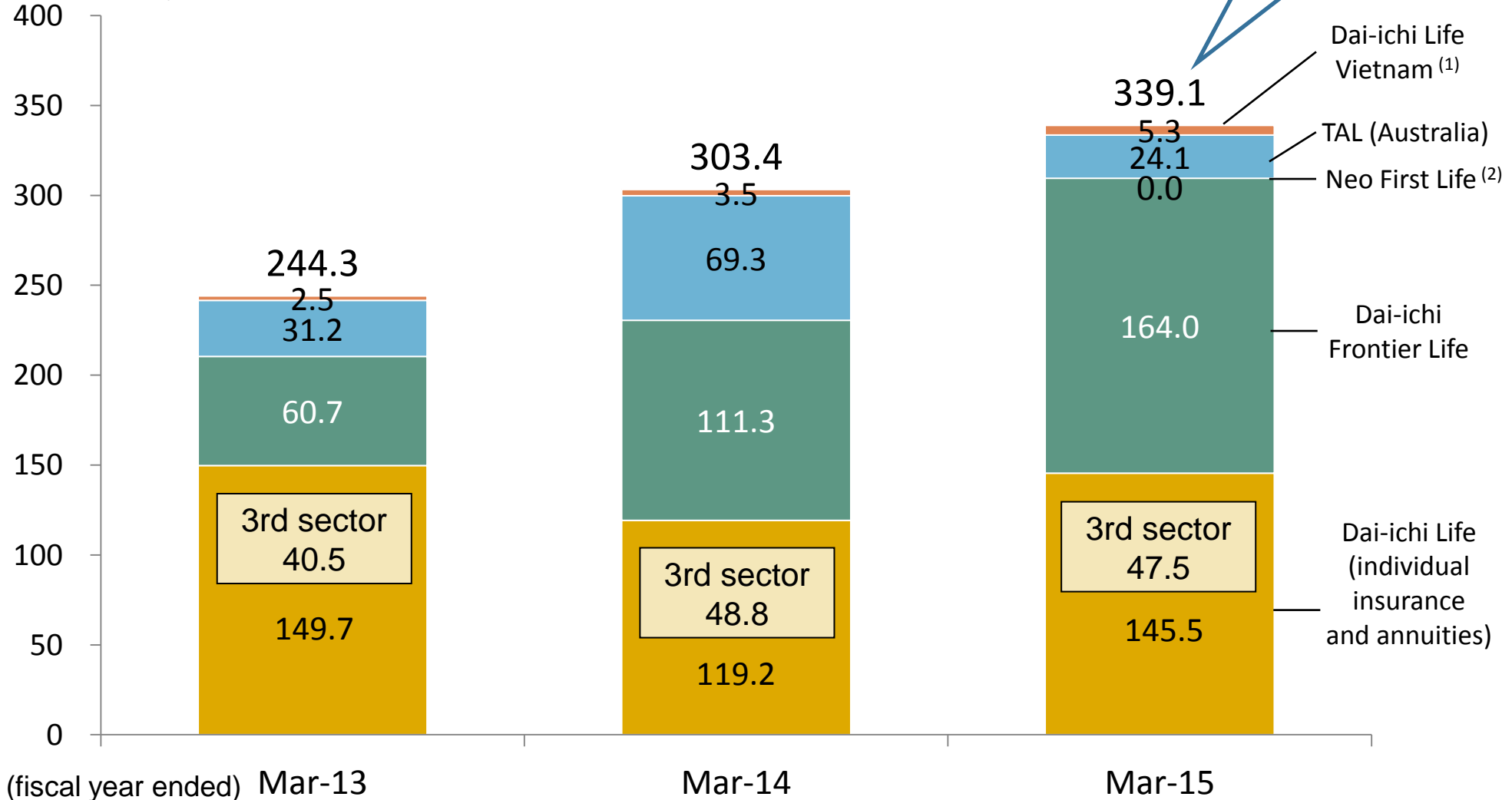


(1) Adjusted net income is calculated by adding (subtracting) provision for (reversal of) reserves that are classified as liabilities such as reserve for price fluctuations and contingency reserve, over the statutory minimum, to consolidated net income (after-tax, based on 28.76% effective tax rate).

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

## Dai-ichi Group's New Business ANP

(billions of yen)



(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 fiscal year ended December 31, 2012, 2013 and 2014.

(2) The figure of Neo First life is for the nine months ended March 31, 2015.



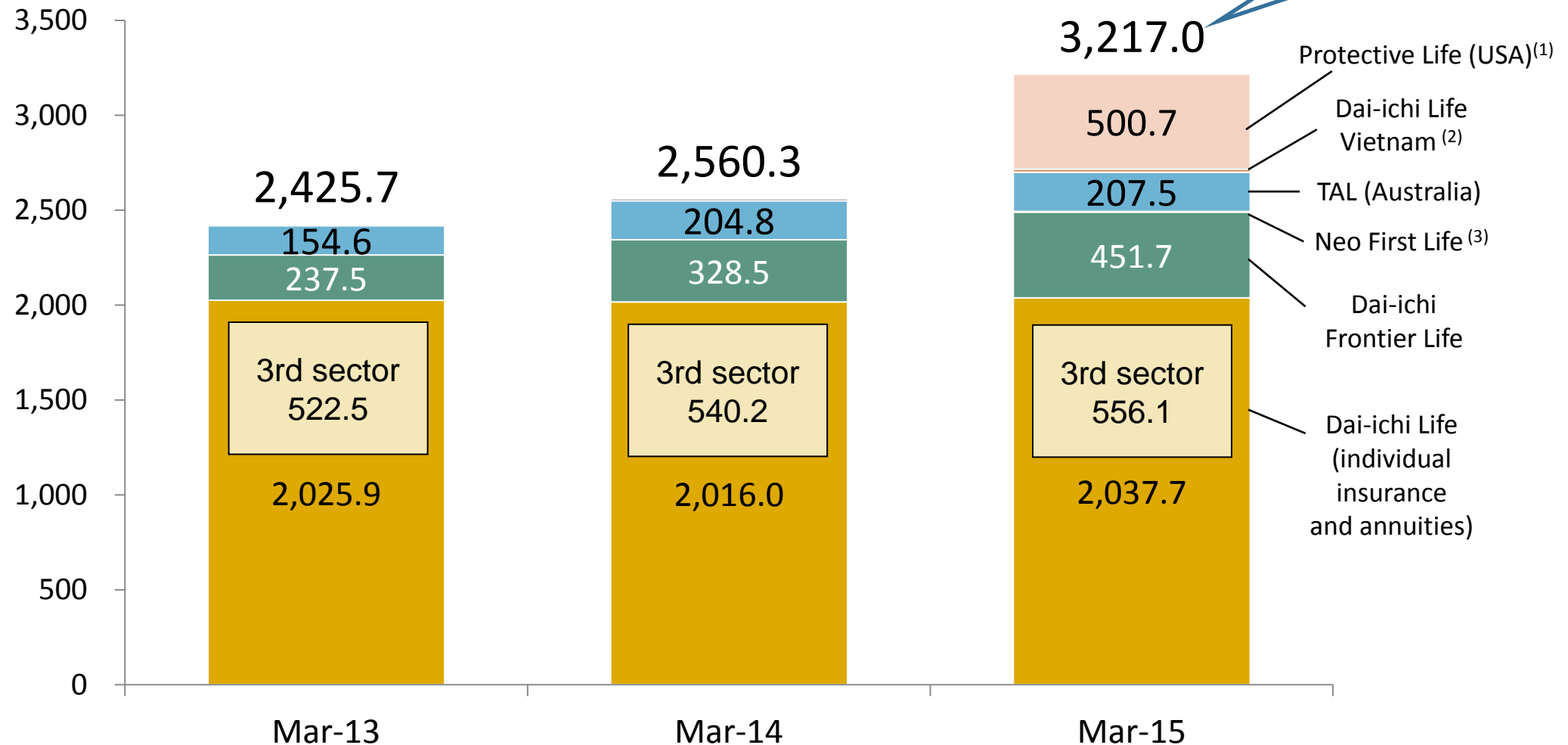
# Overview of the Group's Financial Results - Trends in Policies in Force (ANP basis)

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

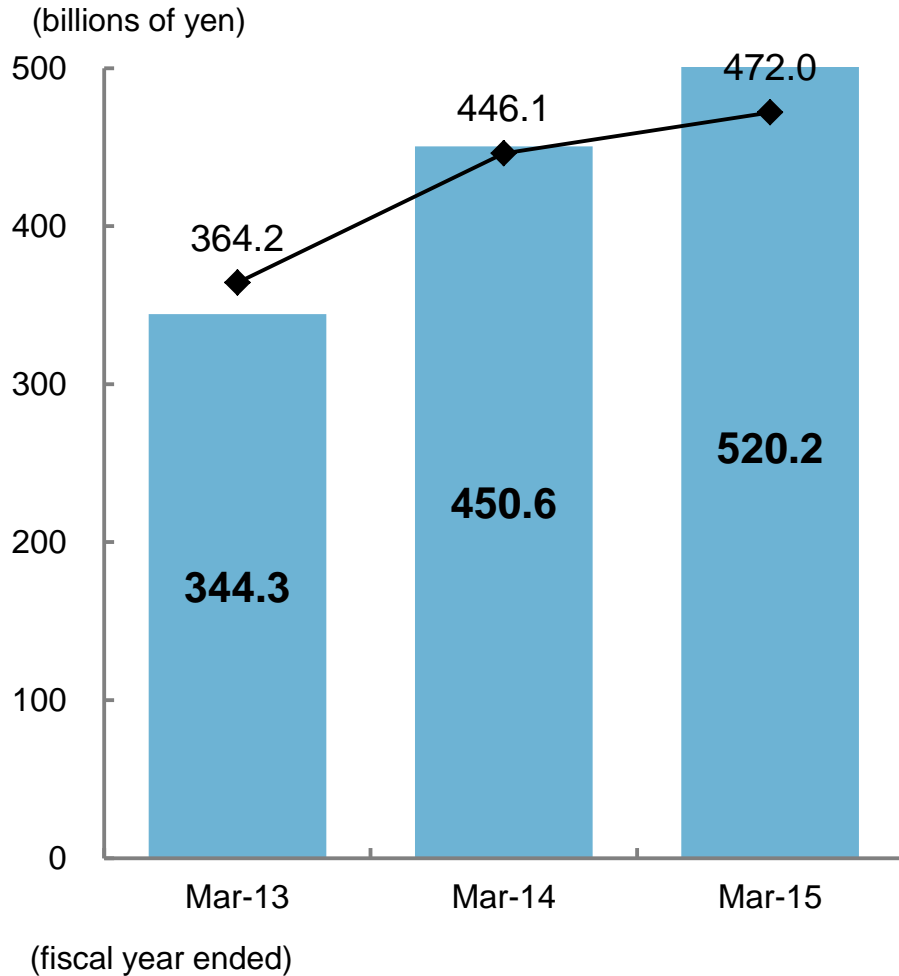
(billions of yen)



- (1) The figure of Protective Life as of March 2015 is calculated based on ANP from policies in force at the point when Dai-ichi Life completed the acquisition of Protective Life on 1-Feb-15.
- (2) The fiscal year of Dai-ichi Life Vietnam ends on December 31. ANP from policies in force of Dai-ichi Life Vietnam as of March 2013, March 2014 and March 2015 were 7.5 billion yen, 10.8 billion yen and 15.5 billion yen, respectively.
- (3) ANP from policies in force of Neo First Life as of March 2015 were 3.7 billion yen (incl. 0.8 billion 3rd sector ANP).

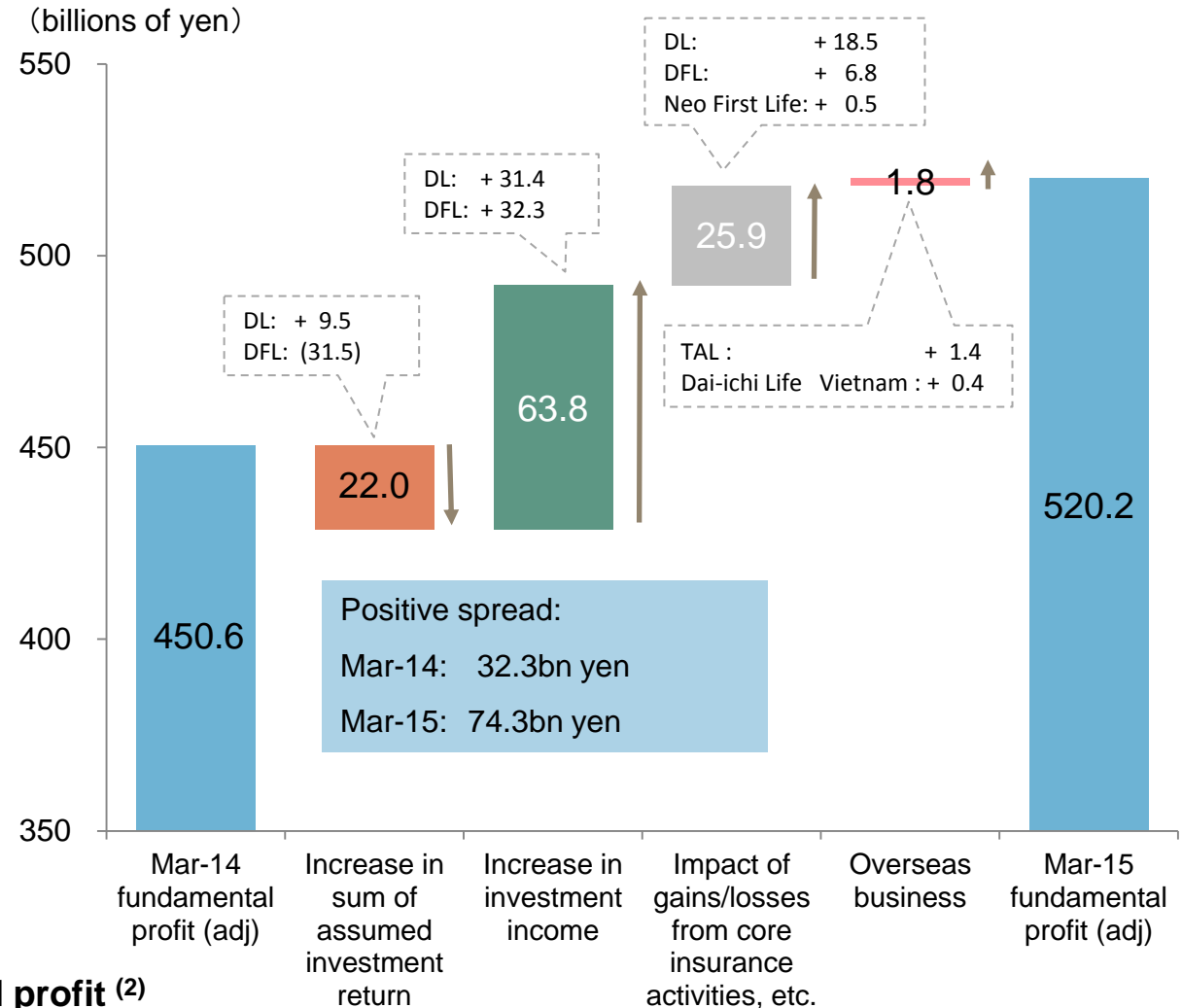
# Overview of the Group's Financial Results - Fundamental Profit

## Fundamental Profit (1)



◆ Fundamental profit ■ Adjusted fundamental profit (2)

## Movement Analysis of Adjusted Fundamental Profit (1)(2)



(1) Sum of fundamental profit of Dai-ichi Life (DL), Dai-ichi Frontier Life (DFL) and Neo First Life, TAL's underlying profit (before tax) and Dai-ichi Life Vietnam's net income before tax (after partial elimination of intra-group transactions)

(2) Adjusted fundamental profit = (fundamental profit) ± (provision for (reversal of) policy reserve associated with minimum guarantee benefit risk of variable insurance) ± (provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance products)

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

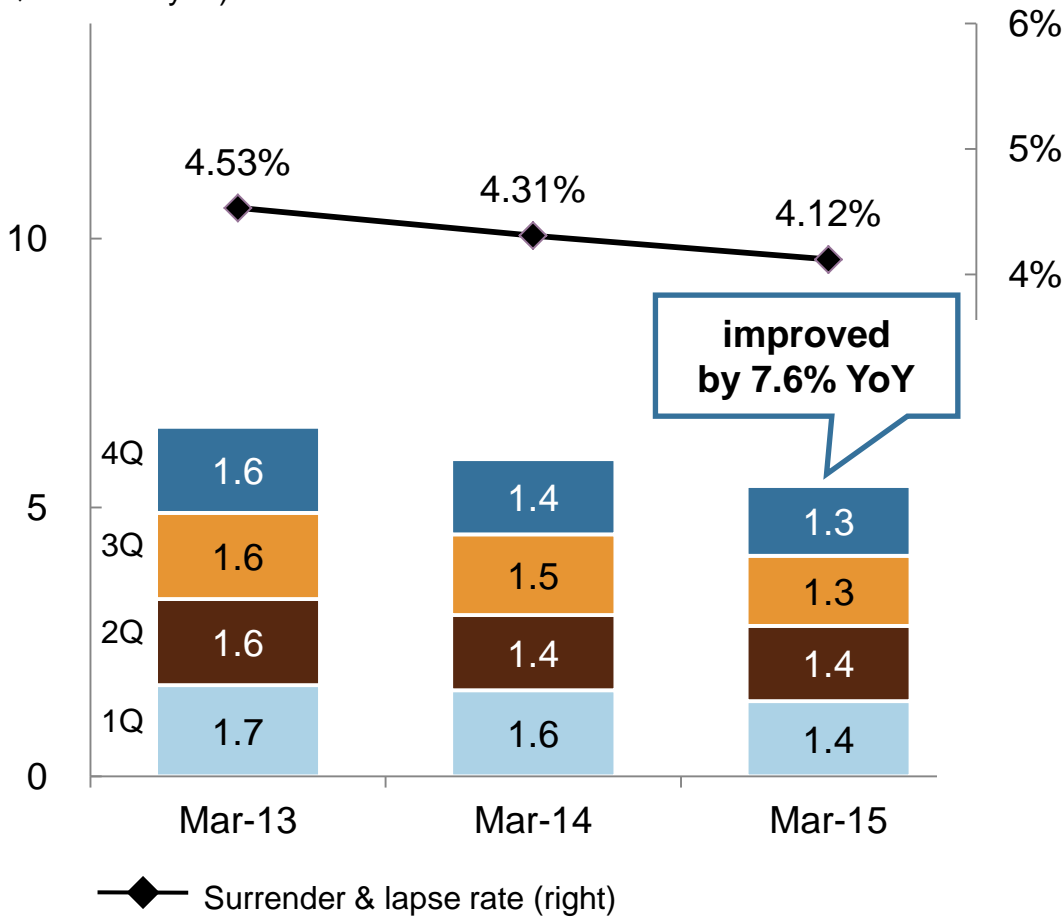
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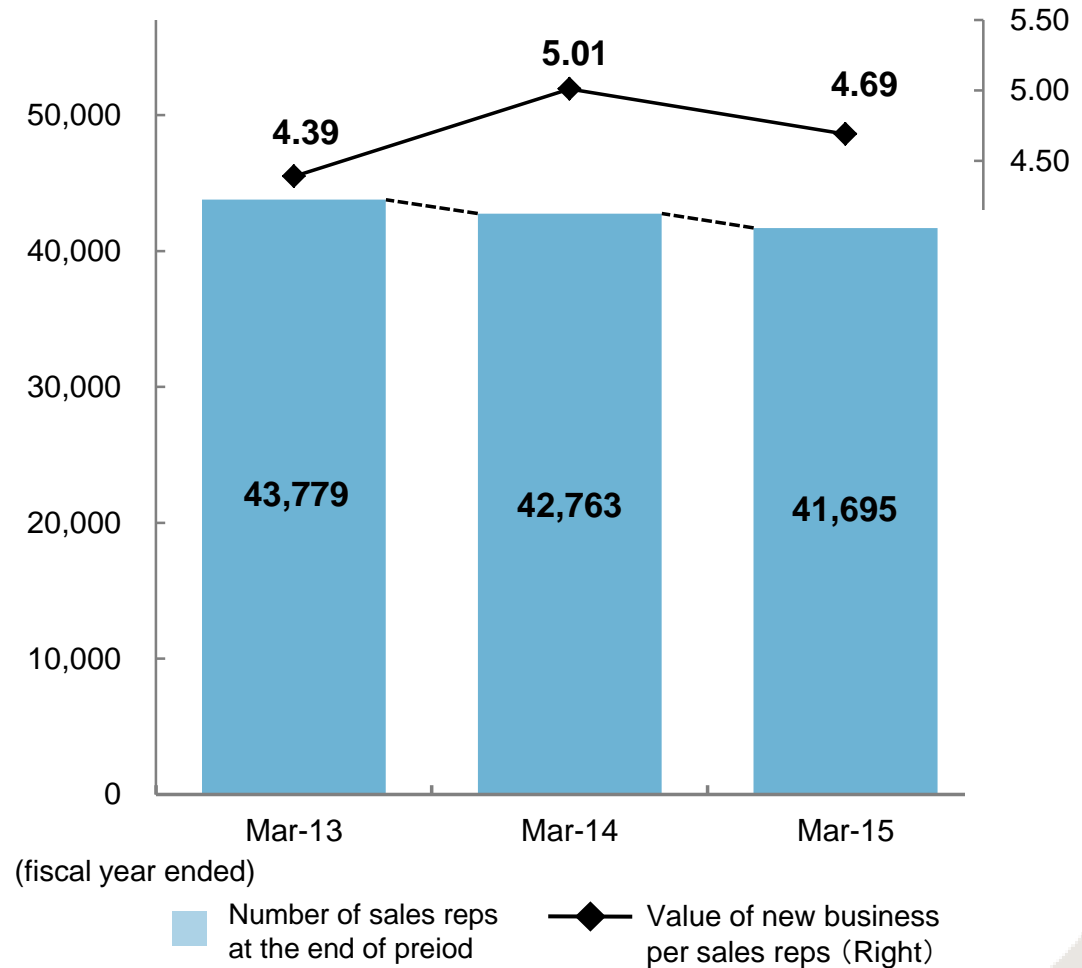
## Surrender & Lapse (Individual Insurance & Annuities)

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

(trillions of yen)



(millions of yen)



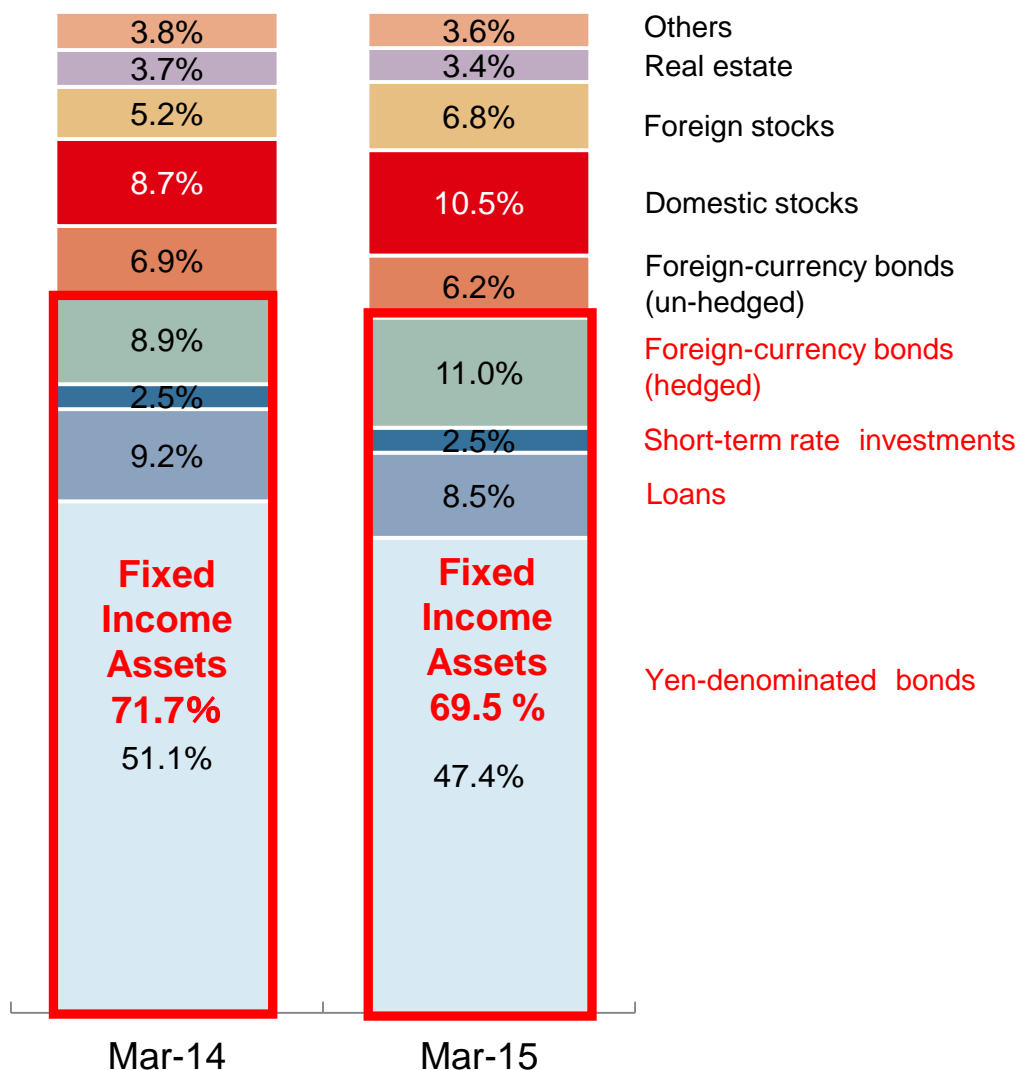
(1) The number of sales representatives does not include those who are not full-time employees of Dai-ichi Life and are engaged mainly in ancillary work.  
 (2) Calculated by dividing the value of new business by the average number of sales representatives in each period.

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

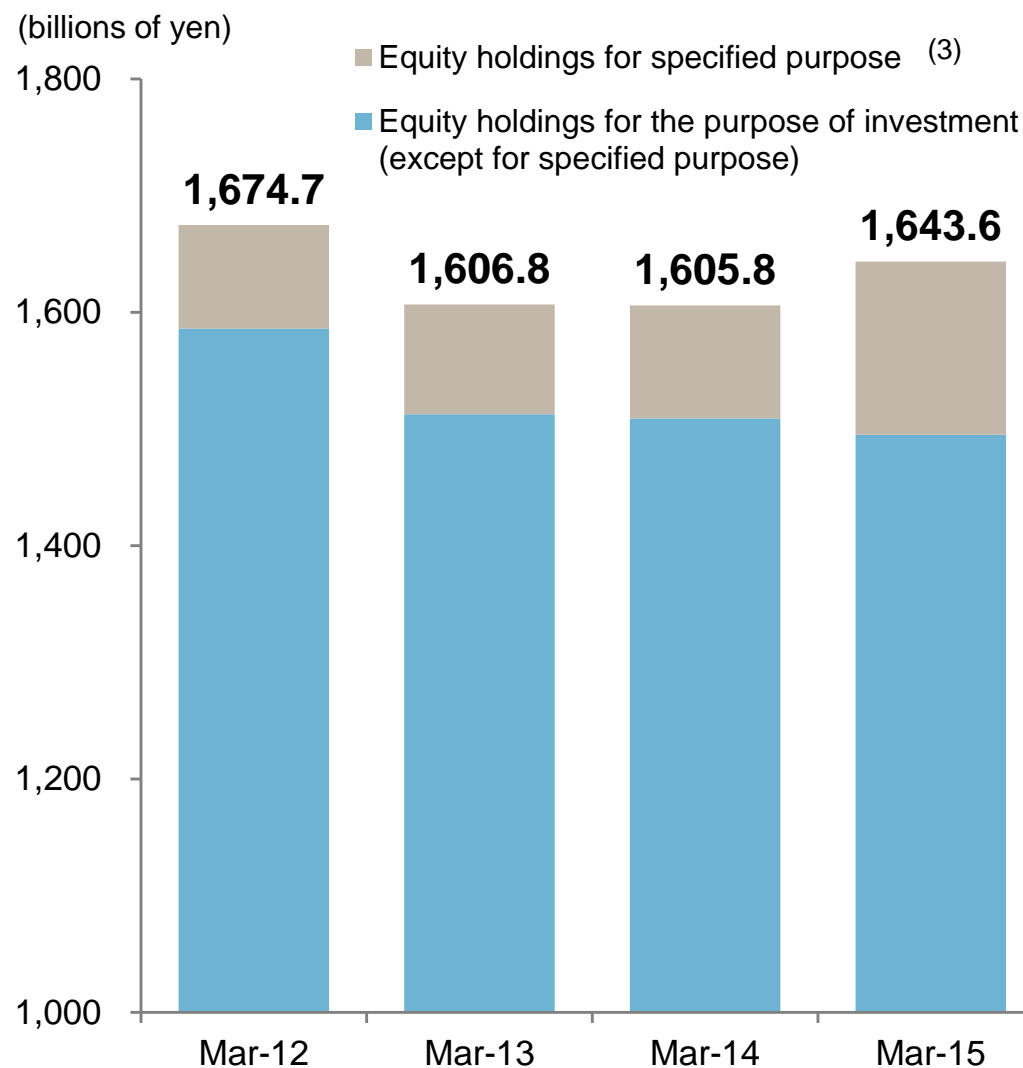
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## Asset Portfolio (General Account) <sup>(1)</sup>



## 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)

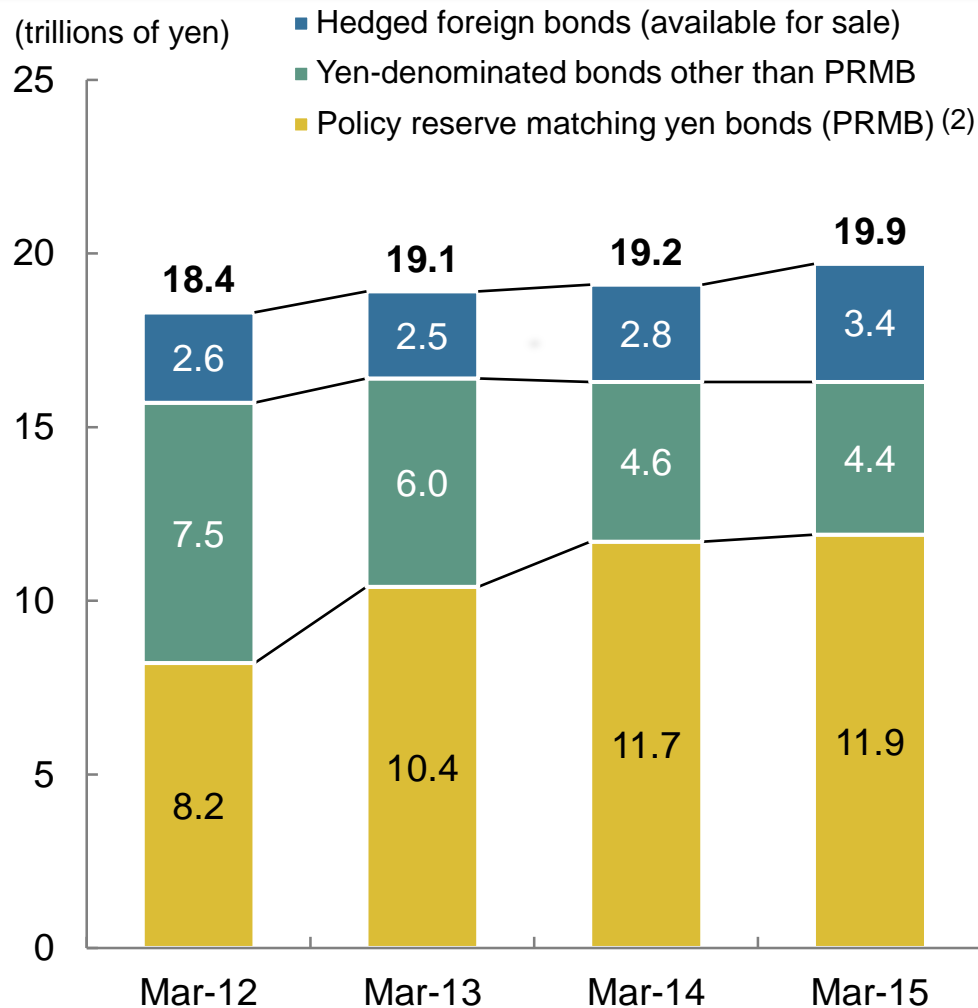
(3) Equity holdings excluding those held solely for the purpose of investment (excluding stocks of unlisted companies and contributed to the retirement benefit trust)

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

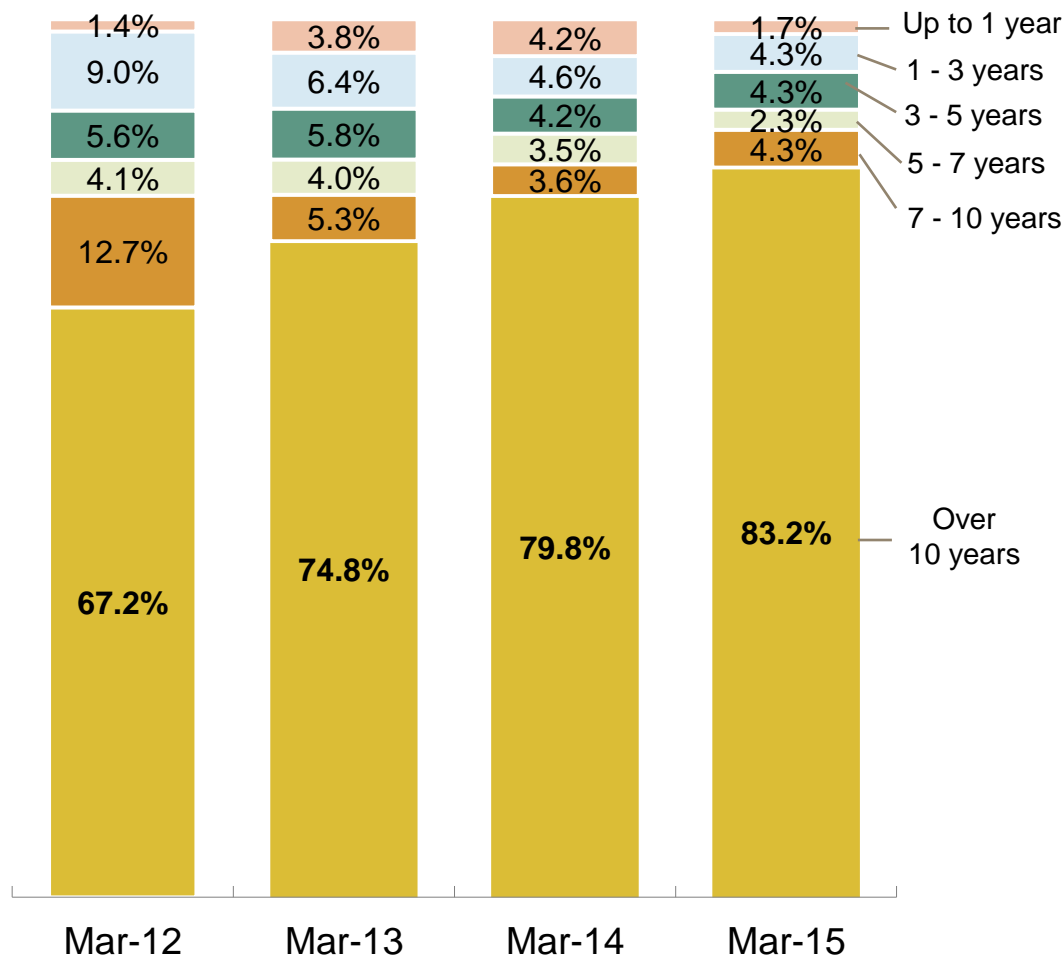
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## Yen and Currency-hedged Foreign Bonds <sup>(1)</sup>



## Maturity Profile of Domestic Bonds <sup>(3)</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) PRMB is a unique category for bonds, accepted under Japanese GAAP. PRMB is reported at amortized cost if the bonds meet certain requirements.  
 (3) Represents domestic bonds in the company's general account. The balance is shown on a carrying amount basis.

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

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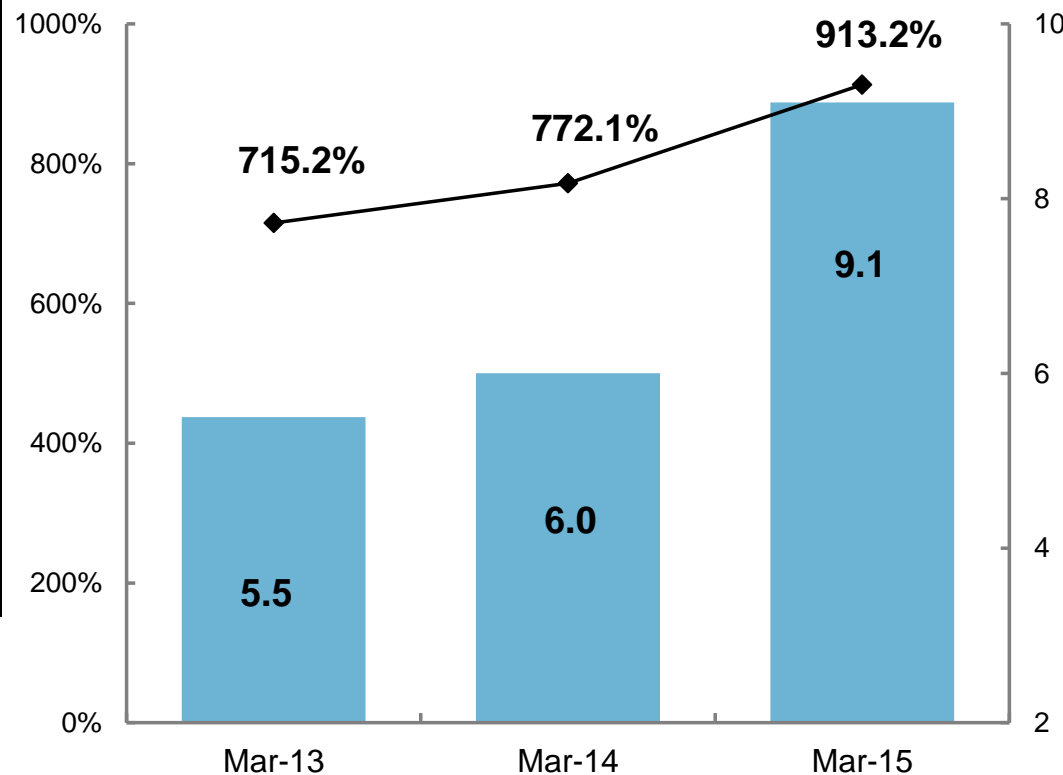
## Unrealized Gains/Losses (General Account)

(billions of yen)

|                       | As of Mar-14 | As of Mar-15 | Change   |
|-----------------------|--------------|--------------|----------|
| Securities            | 3,005.6      | 5,491.7      | +2,486.0 |
| Domestic bonds        | 1,381.3      | 2,236.8      | +855.5   |
| Domestic stocks       | 931.8        | 1,785.6      | +853.8   |
| Foreign securities    | 642.2        | 1,400.8      | +758.6   |
| Real estate           | 48.2         | 75.5         | +27.3    |
| General Account total | 3,050.5      | 5,550.7      | +2,500.1 |

## Solvency Margin Ratio & Adjusted Net Assets

(trillions of yen)



◆ Solvency Margin Ratio    ■ Adjusted Net Assets (right)

<Reference> Consolidated Solvency Margin Ratio  
as of March 2015: 818.2%

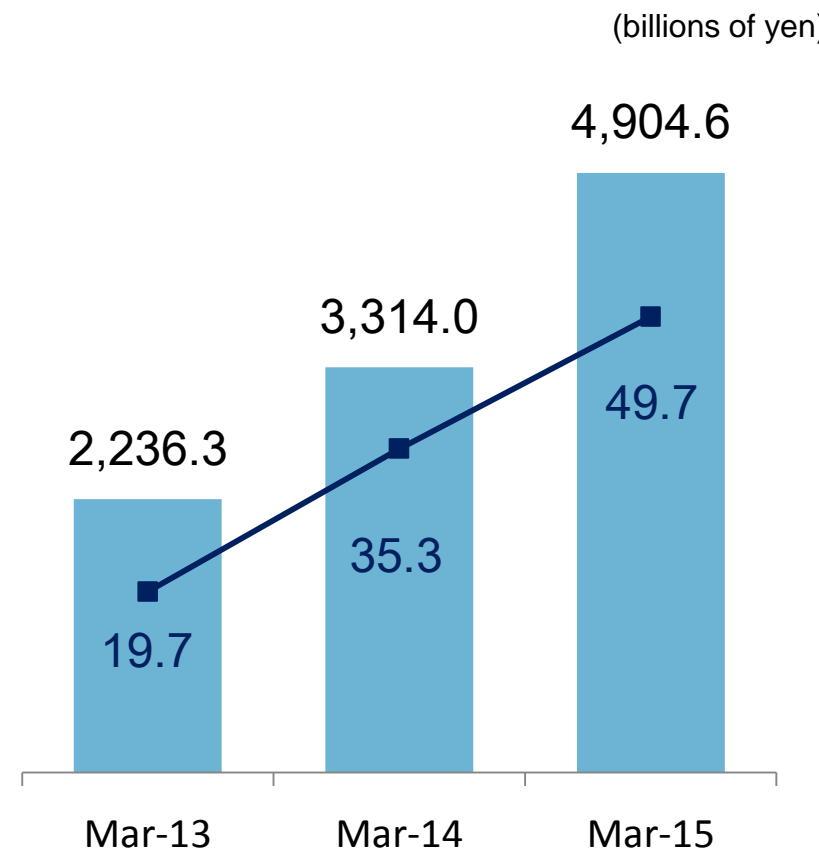
## Earnings

(billions of yen)

|   | Year ended Mar-14 | Year ended Mar-15 |
|---|-------------------|-------------------|
| Ordinary revenues   | 1,417.8           | 2,157.5           |
| Premium and other income  | 1,266.0           | 1,899.7           |
| Variable products   | 288.3             | 197.9             |
| Fixed products (yen-denominated)  | 366.3             | 281.3             |
| Fixed products (foreign currency-denominated)   | 491.0             | 1,236.2           |
| Investment income   | 151.8             | 257.7             |
| Hedge gains related to GMMB risk (A)  | -                 | -                 |
| Ordinary expenses   | 1,433.7           | 2,177.3           |
| Provision for policy reserves and other   | 1,018.3           | 1,523.2           |
| Related to GMMB risk (negative indicates a reversal) (B)                              | 7.6               | 2.4               |
| Related to market value adjustment (C)  | (0.9)             | 46.8              |
| Contingency reserve (D)   | 14.8              | 13.0              |
| Investment expenses   | 35.8              | 52.0              |
| Hedge losses related to GMMB risk (E)   | 30.6              | 9.2               |
| Ordinary profit (loss)  | (15.8)            | (19.7)            |
| Net income (loss)   | (16.9)            | (21.9)            |
| < Reference > underlying earning capacity<br>Net income - (A) + (B) + (C) + (D) + (E) | 35.3              | 49.7              |

## Sum Insured of Policies in Force and Underlying Earning Capacity

(billions of yen)



■ Sum insured (1)

■ Underlying earning capacity

(1) Sum insured at the end of each period

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

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## Earnings

(millions of AUD)

|   | Year ended Mar-14 | Year ended Mar-15 | % Change |
|---|-------------------|-------------------|----------|
| Ordinary revenues <sup>(2)</sup>        | 2,849             | 3,166             | + 11%    |
| Premium and other income <sup>(2)</sup> | 2,316             | 2,745             | + 19%    |
| Ordinary profit <sup>(2)</sup>          | 139               | 184               | + 32%    |
| Net income (A) <sup>(2)</sup>           | 90                | 131               | + 45%    |
| Adjustments after tax (B)               | 40                | 15                |          |
| Discount rate changes                   | 5                 | (25)              |          |
| Amortization charges                    | 20                | 21                |          |
| Others                                  | 14                | 18                |          |
| Underlying profit (A + B)               | 130               | 146               | + 12%    |

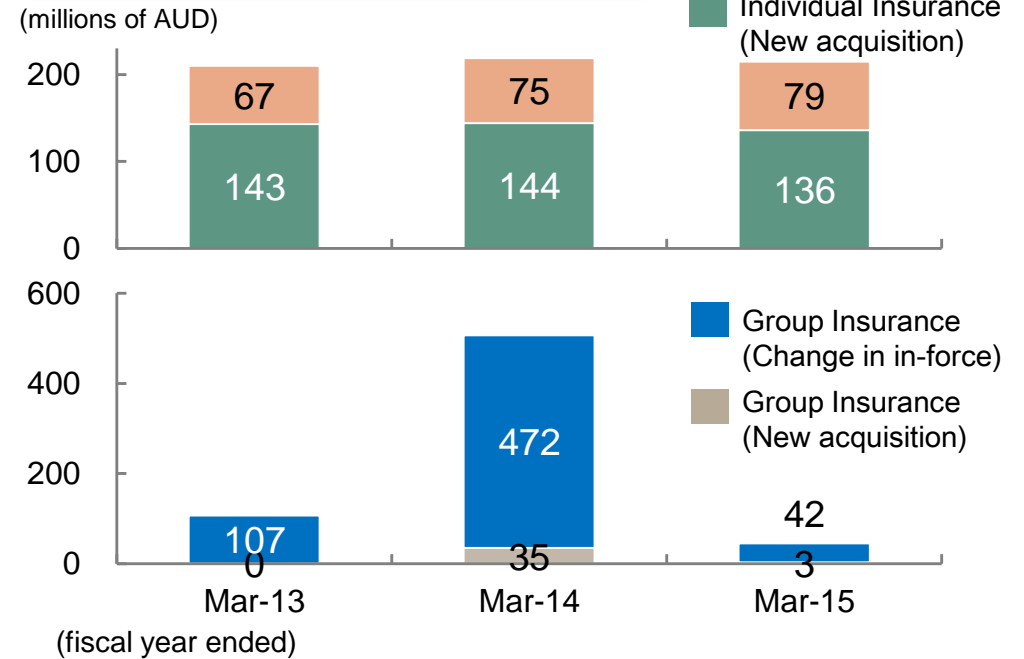
### <Reference>

|                       | As of Mar-14 | As of Mar-15 |
|-----------------------|--------------|--------------|
| JPY/AUD exchange rate | 95.19        | 92.06        |

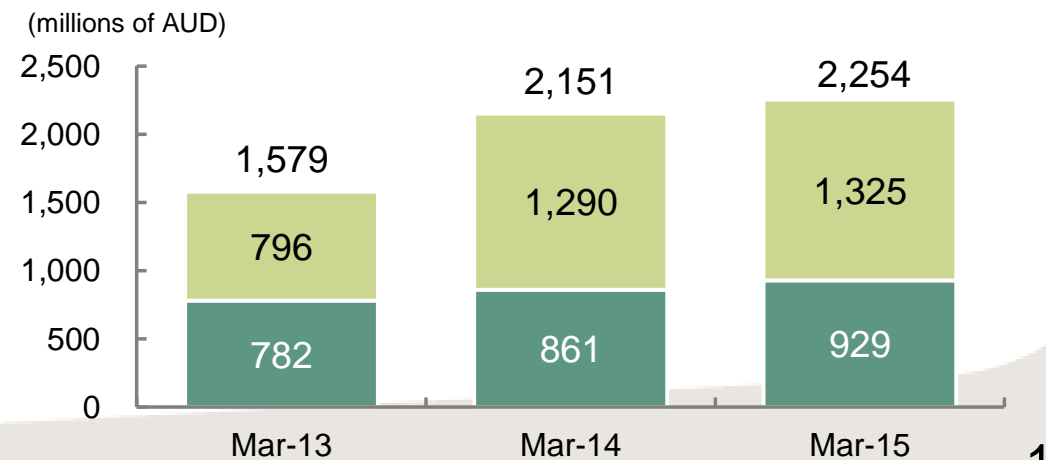
(1) Figures for the consolidated holding company (i.e., TAL Dai-ichi Life Australia Pty Ltd).

(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 2016

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- We expect a decline in ordinary revenues as we conservatively forecast slower sales of single premium policies in the domestic market.
- Net income is expected to improve thanks to an increased contribution from growth area. Forecast for dividends per share is also expected to increase.

(billions of yen unless otherwise noted)

|                                   | Year ended<br>Mar-15 | Year ending<br>Mar-16 | Change         |
|-----------------------------------|----------------------|-----------------------|----------------|
| <b>Ordinary revenues</b>          | <b>7,252.2</b>       | <b>6,773.0</b>        | <b>(479.2)</b> |
| Dai-ichi Life non-consolidated    | 4,798.4              | 4,124.0               | (674.4)        |
| Dai-ichi Frontier                 | 2,157.5              | 1,246.0               | (911.5)        |
| Protective Life (millions of USD) | -                    | 8,890                 | +8,890         |
| TAL (millions of AUD)             | 3,166                | 3,440                 | +273           |
| <b>Ordinary profit</b>            | <b>406.8</b>         | <b>369.0</b>          | <b>(37.8)</b>  |
| Dai-ichi Life non-consolidated    | 408.7                | 301.0                 | (107.7)        |
| Dai-ichi Frontier                 | (19.7)               | 14.0                  | +33.7          |
| Protective Life (millions of USD) | -                    | 340                   | +340           |
| TAL (millions of AUD)             | 184                  | 150                   | (34)           |
| <b>Net income</b>                 | <b>142.4</b>         | <b>161.0</b>          | <b>+18.5</b>   |
| Dai-ichi Life non-consolidated    | 152.1                | 119.0                 | (33.1)         |
| Dai-ichi Frontier                 | (21.9)               | 11.0                  | +32.9          |
| Protective Life (millions of USD) | -                    | 230                   | +230           |
| TAL (millions of AUD)             | 131                  | 100                   | (31)           |
| <b>Dividends per share (yen)</b>  | <b>28</b>            | <b>35</b>             | <b>+7</b>      |

(Reference) Fundamental Profit

|                                |       |              |        |
|--------------------------------|-------|--------------|--------|
| Dai-ichi Life Group            | 472.0 | around 510.0 | +37.9  |
| Dai-ichi Life non-consolidated | 458.2 | around 420.0 | (38.2) |

# EEV – European Embedded Value (i)

- Each group company's EEV increased due to favorable insurance sales and financial environment.
- Group EEV now includes Protective Life's EEV.

## EEV of the Group

(billions of yen)

|                            | Mar-14  | Mar-15  | Change   |
|----------------------------|---------|---------|----------|
| EEV                        | 4,294.7 | 5,779.6 | +1,484.9 |
| Adjusted net worth         | 3,431.3 | 5,540.8 | +2,109.4 |
| Value of in-force business | 863.3   | 238.8   | (624.5)  |

|                       | Year ended Mar-14 | Year ended Mar-15 | Change |
|-----------------------|-------------------|-------------------|--------|
| Value of new business | 255.4             | 274.0             | +18.6  |

## EEV of Dai-ichi (stand alone)

(billions of yen)

|                            | Mar-14  | Mar-15  | Change   |
|----------------------------|---------|---------|----------|
| EEV                        | 4,268.5 | 5,700.8 | +1,432.2 |
| Adjusted net worth         | 3,520.9 | 5,791.8 | +2,270.9 |
| Value of in-force business | 747.6   | (91.0)  | (838.7)  |

|                       | Year ended Mar-14 | Year ended Mar-15 | Change |
|-----------------------|-------------------|-------------------|--------|
| Value of new business | 216.9             | 198.1             | (18.7) |

## EEV of Dai-ichi Frontier Life

(billions of yen)

|                            | Mar-14 | Mar-15 | Change |
|----------------------------|--------|--------|--------|
| EEV                        | 163.8  | 252.7  | +88.9  |
| Adjusted net worth         | 134.4  | 188.2  | +53.7  |
| Value of in-force business | 29.3   | 64.5   | +35.2  |

|                       | Year ended Mar-14 | Year ended Mar-15 | Change |
|-----------------------|-------------------|-------------------|--------|
| Value of new business | 22.3              | 58.6              | +36.2  |

# EEV – European Embedded Value (ii)

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## EEV of TAL (billions of yen)

|                            | Mar-14 | Mar-15 | Change |
|----------------------------|--------|--------|--------|
| EEV                        | 186.3  | 237.8  | +51.4  |
| Adjusted net worth         | 99.9   | 123.7  | +23.7  |
| Value of in-force business | 86.3   | 114.1  | +27.7  |

|                       | Year ended Mar-14 | Year ended Mar-15 | Change |
|-----------------------|-------------------|-------------------|--------|
| Value of new business | 18.4              | 17.3              | (1.0)  |

## EEV of TAL in AUD (millions of AUD)

|                            | Mar-14 | Mar-15 | Change |
|----------------------------|--------|--------|--------|
| EEV                        | 1,957  | 2,583  | +625   |
| Adjusted net worth         | 1,050  | 1,344  | +293   |
| Value of in-force business | 907    | 1,239  | +332   |

|                       | Year ended Mar-14 | Year ended Mar-15 | Change |
|-----------------------|-------------------|-------------------|--------|
| Value of new business | 193               | 188               | (5)    |

- Exchange rate for EEV as of Mar-14 and value of new business for the year ended March-2014: JPY 95.19 to AUD 1.00
- Exchange rate for EEV as of Mar-15 and value of new business for the year ended March-2015: JPY 92.06 to AUD 1.00

## EEV of Protective Life (billions of yen)

|                            | Mar-14 | 1-Feb-15 | Change |
|----------------------------|--------|----------|--------|
| EEV                        | -      | 502.9    | -      |
| Adjusted net worth         | -      | 351.7    | -      |
| Value of in-force business | -      | 151.2    | -      |

## EEV of Protective Life in USD (millions of USD)

|                            | Mar-14 | 1-Feb-15 | Change |
|----------------------------|--------|----------|--------|
| EEV                        | -      | 4,253    | -      |
| Adjusted net worth         | -      | 2,974    | -      |
| Value of in-force business | -      | 1,278    | -      |

- Exchange rate for EV as of 1-Feb-15: JPY 118.25 to USD 1.00

# Appendix

# D-Ambitious: Management Objectives<sup>1</sup>

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| Items               |   | Management Objectives                  |
|---------------------|---|--|
| Corporate Value     | Average EV Growth (RoEV)                      | Average RoEV of <u>over 8%</u> p.a.    |
|                     | Consolidated Adjusted Net Income <sup>2</sup> | <u>220 billion yen</u> in FY2017       |
| Top Line (Growth)   | Group In-force Annual Net Premium             | <u>9% over Mar 2015</u> as of Mar 2018 |
| Financial Soundness | Economic Solvency <sup>3</sup>                | <u>170% - 200%</u> by Mar 2018         |
| Shareholder Return  | Total Return Ratio                            | <u>40%</u> during D-Ambitious          |

(1) Estimated based on the assumption that the economic environment remains similar to the current levels.

(2) Consolidated adjusted net income is an indicator that shows effective profitability, which is calculated by adding provision for reserves that are classified as liabilities such as reserve for price fluctuations and contingency reserve in excess of the legal amount (after-tax) to consolidated net income.

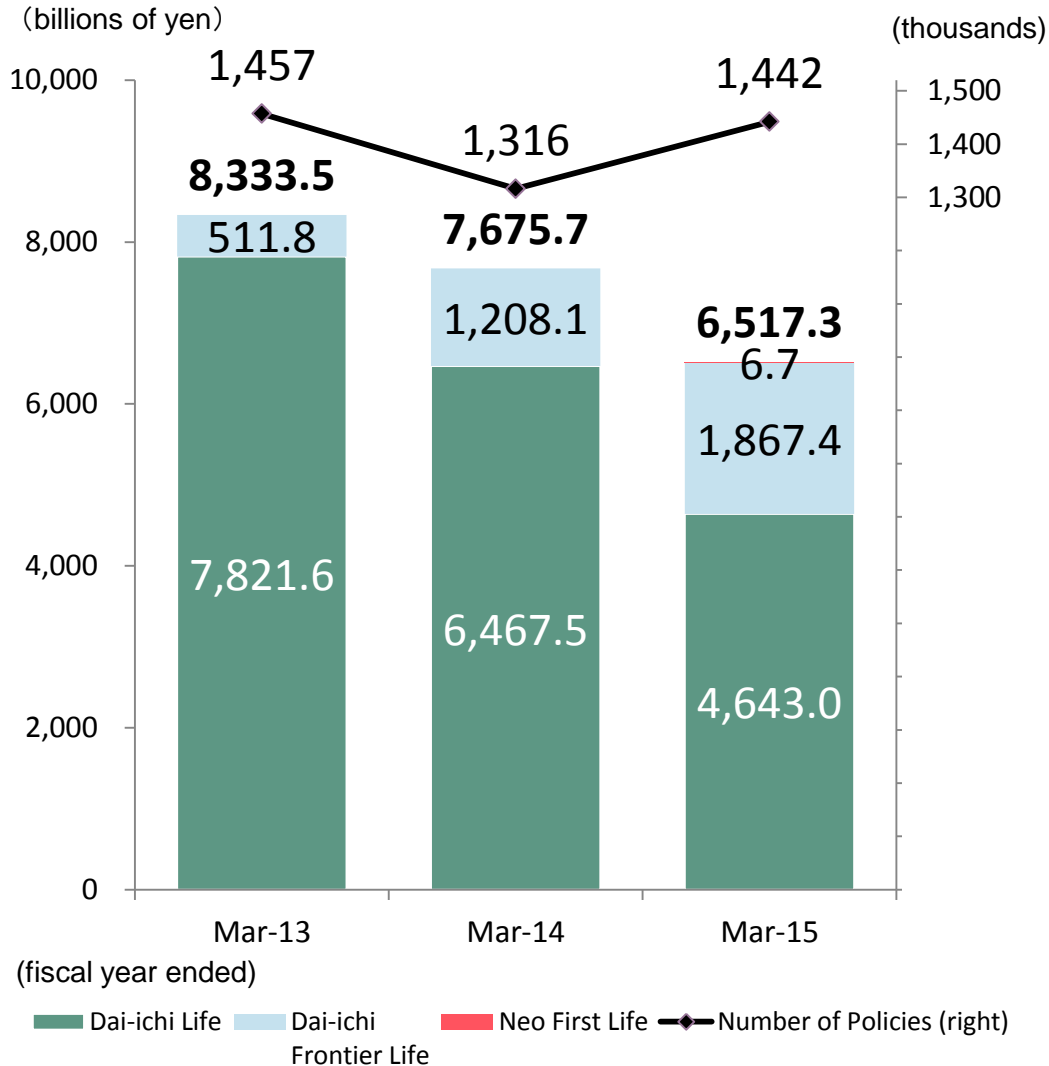
(3) Economic Solvency ratio is an indicator of financial soundness which is calculated by dividing economic capital by risk quantity based on internal model (at confidence level of 99.5%, excluding tax)

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

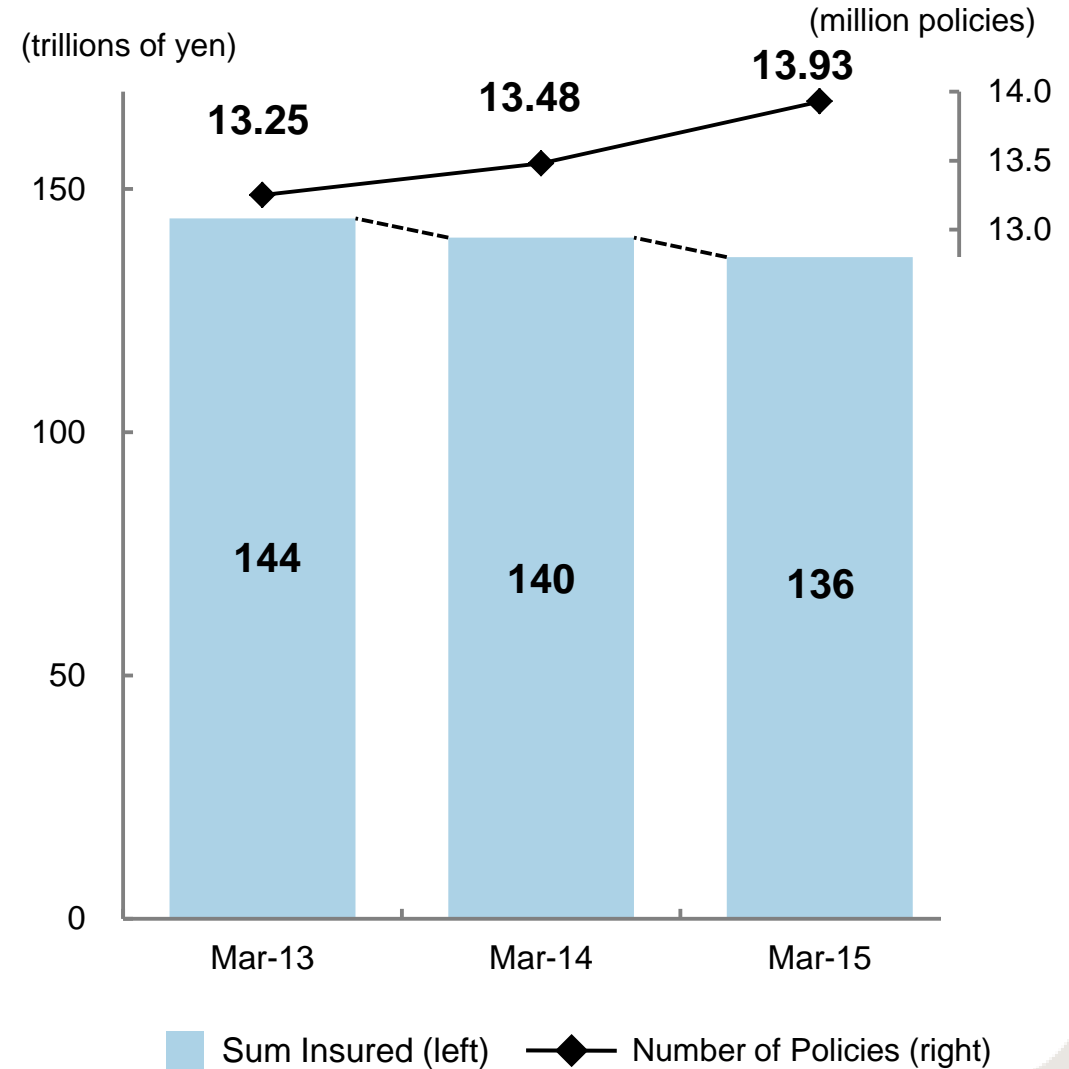
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## Sum Insured of New Business<sup>(1)</sup>



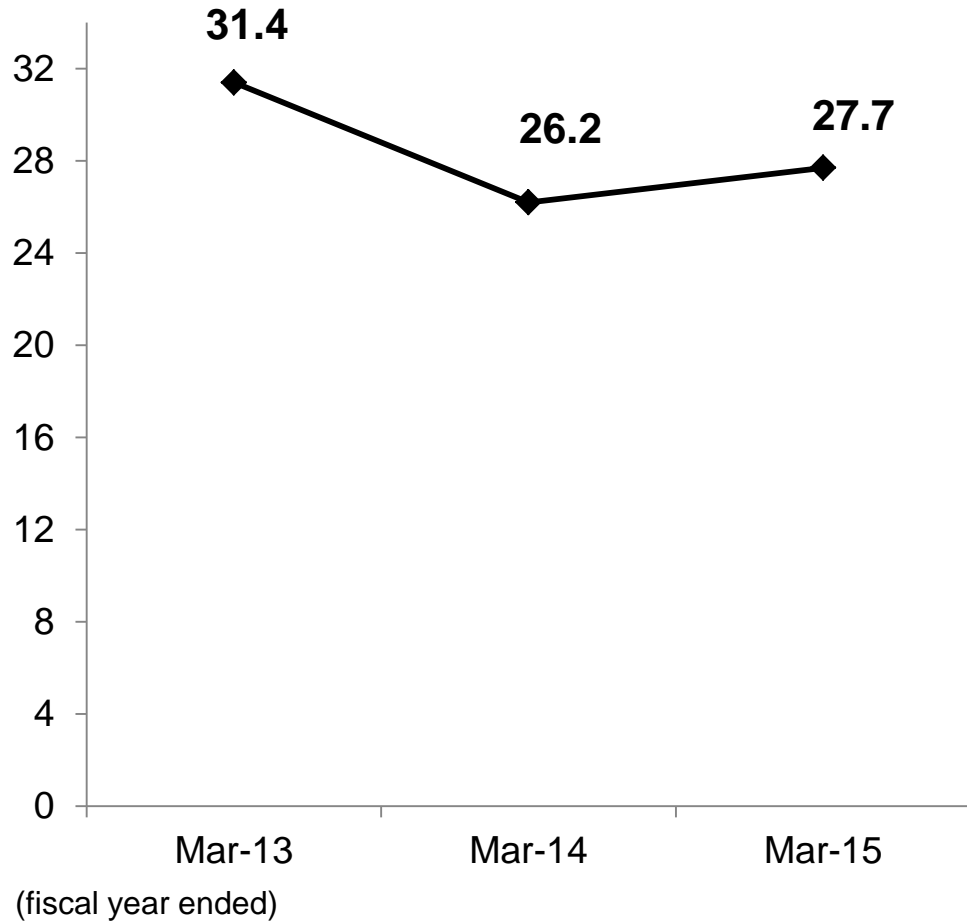
## Sum Insured of Policies in Force<sup>(1)</sup>



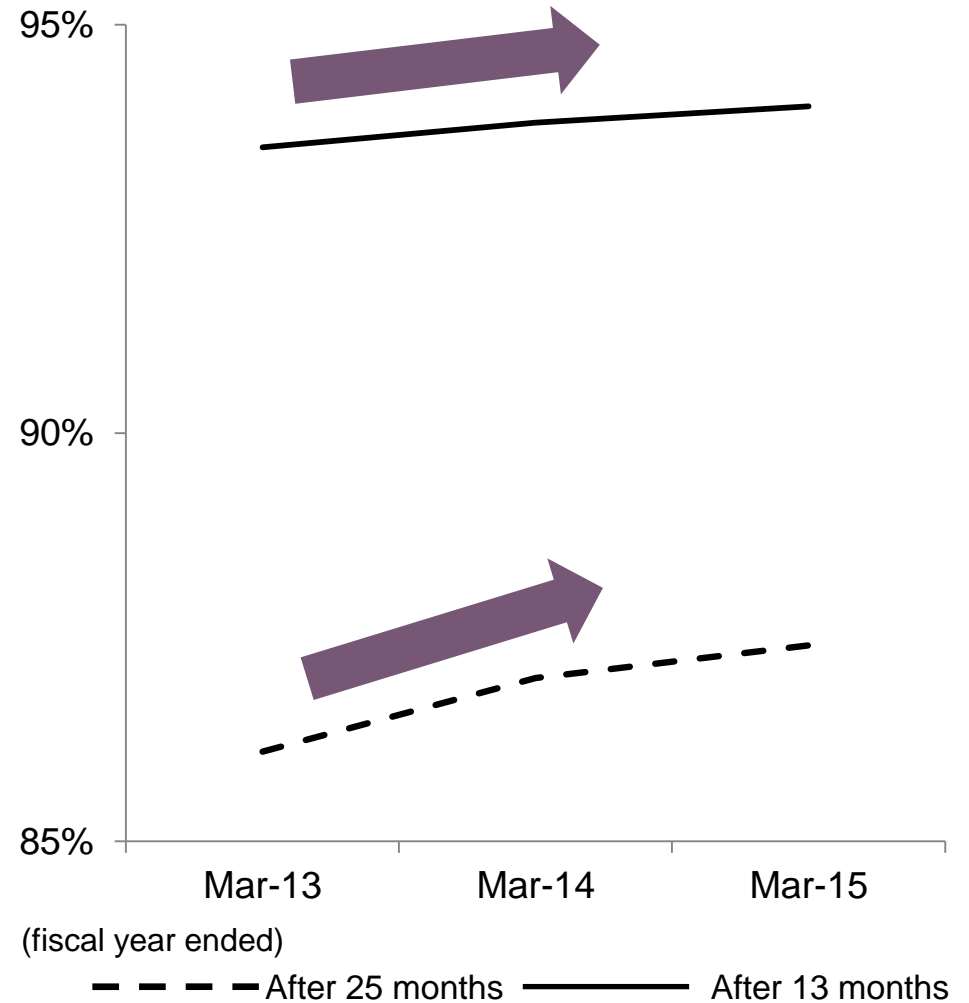
(1) Sum of Dai-ichi Life, Dai-ichi Frontier Life and Neo First Life. Sum insured of new business of Neo First life is for the nine months ended Mar-15 and Sum insured of policies in force of Neo First life is Mar-15.

# Appendix – Dai-ichi Life's Results (non-consolidated) - Sales Channel Performance

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



Persistency Rate

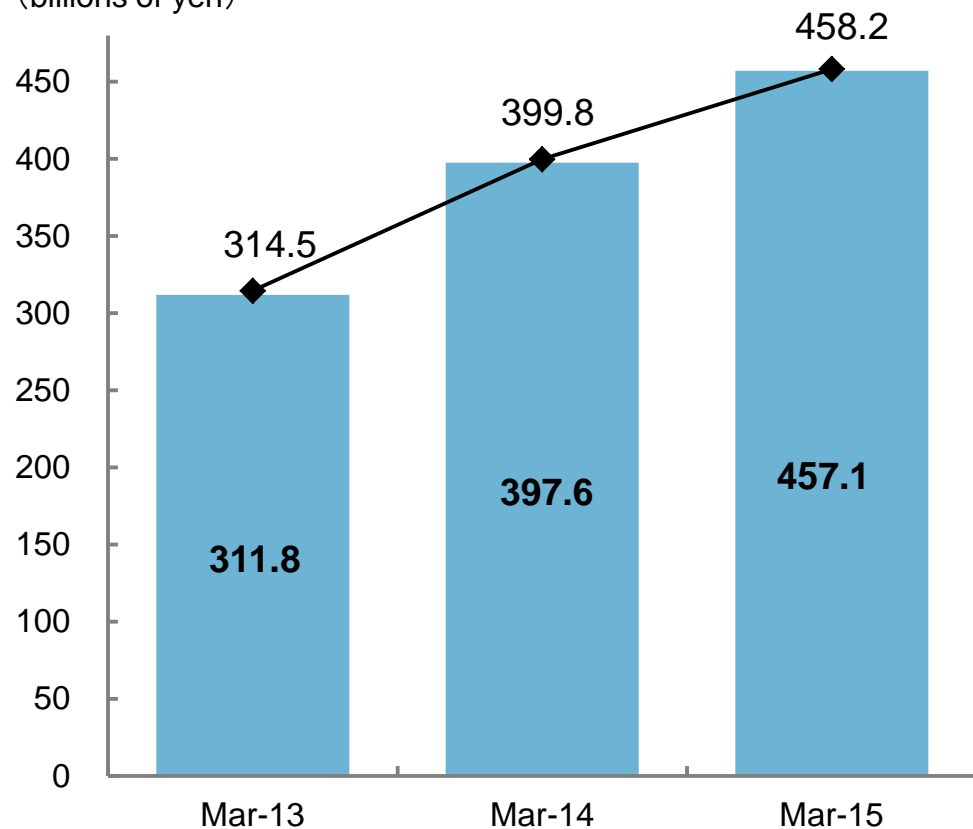


(1) The number of sales representatives does not include those who are not full-time employees of Dai-ichi Life and are engaged mainly in ancillary work.  
 (2) Calculated by dividing the number of new policies (incl. conversions) by the average number of sales representatives in each period.

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

## Fundamental Profit

(billions of yen)

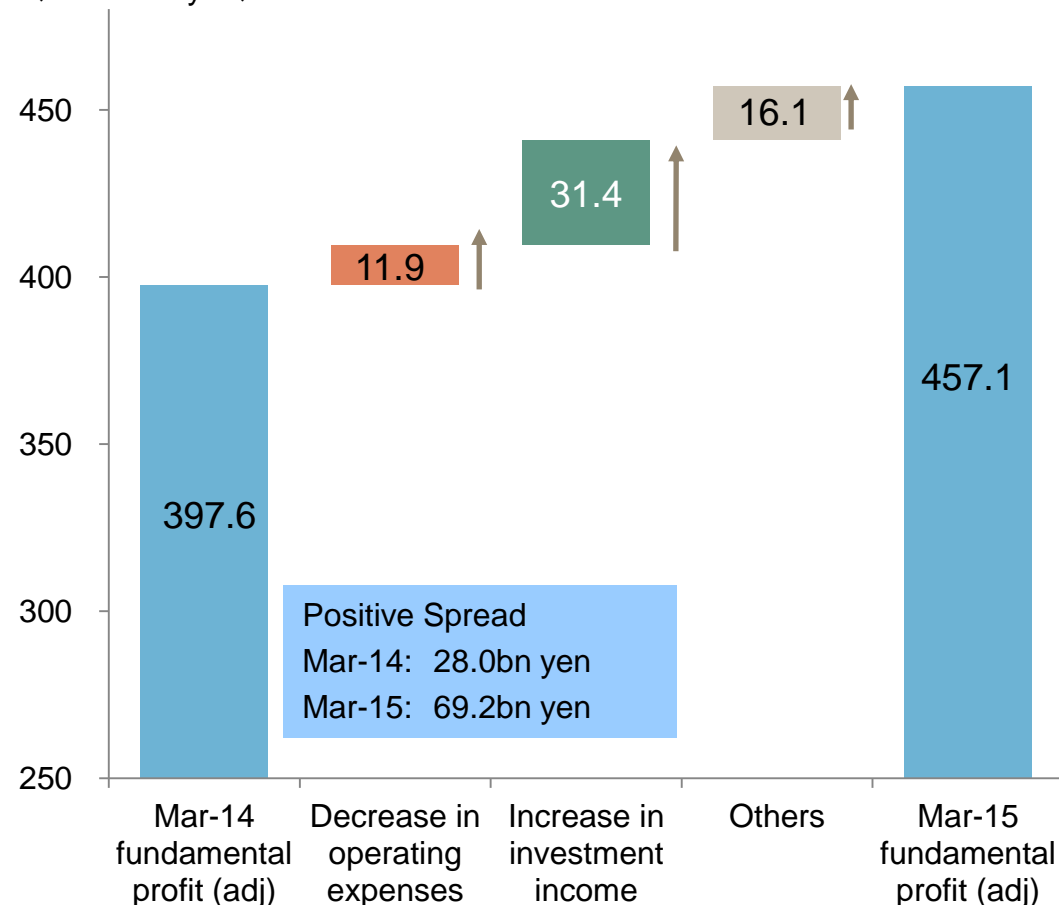


(fiscal year ended)

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

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

(billions of yen)



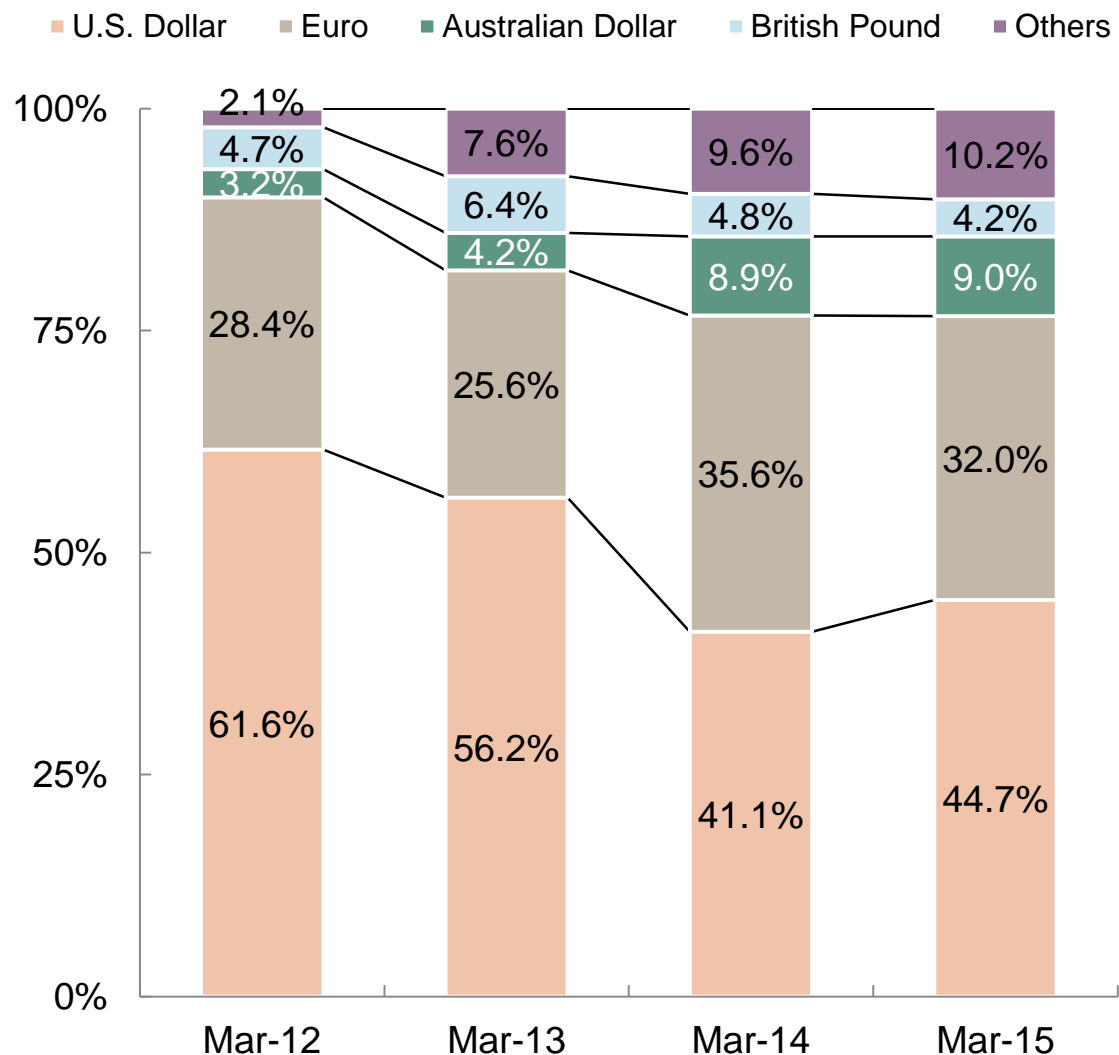
(1) Adjusted fundamental profit = (fundamental profit) ± (provision for (reversal of) policy reserve associated with minimum guarantee benefit risk of variable insurance) ± (provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance products).



# Appendix – Dai-ichi Life’s Results (non-consolidated)

We expanded investments in foreign currency-denominated bonds in order to gain additional profit.

## Foreign Currency-Denominated Bonds by Currency <sup>(1)</sup>



(1) Represents foreign currency-denominated bonds in the company’s general account. The balance is shown on a carrying amount basis.

# 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)

|  | Year ended Mar-14 | Year ended Mar-15 | Change |
|--|-------------------|-------------------|--------|
| Ordinary revenues                                | 4,384.6           | 4,798.4           | +413.7 |
| Premium and other income                         | 2,868.0           | 3,266.3           | +398.2 |
| Investment income                                | 1,161.4           | 1,174.4           | +12.9  |
| Interest and dividends                           | 775.2             | 802.3             | +27.1  |
| Gains on sale of securities                      | 202.3             | 146.5             | (55.8) |
| Derivative transaction gains                     | -                 | 9.4               | +9.4   |
| Gains on investments in separate accounts        | 149.0             | 183.2             | +34.2  |
| Other ordinary revenues                          | 355.1             | 357.6             | +2.4   |
| Ordinary expenses                                | 4,077.0           | 4,389.7           | +312.6 |
| Benefits and claims                              | 2,439.1           | 2,718.1           | +279.0 |
| Provision for policy reserves and others         | 583.3             | 702.8             | +119.5 |
| Investment expenses                              | 213.9             | 131.2             | (82.6) |
| Losses on sale of securities                     | 67.3              | 24.4              | (42.8) |
| Losses on valuation of securities                | 1.4               | 0.4               | (0.9)  |
| Derivative transaction losses                    | 49.1              | -                 | (49.1) |
| Operating expenses                               | 410.5             | 398.5             | (11.9) |
| Ordinary profit                                  | 307.6             | 408.7             | +101.1 |
| Extraordinary gains                              | 3.6               | 3.0               | (0.5)  |
| Extraordinary losses                             | 66.4              | 27.2              | (39.1) |
| Provision for reserve for policyholder dividends | 94.0              | 112.2             | +18.2  |
| Income before income taxes                       | 150.8             | 272.3             | +121.5 |
| Total of corporate income taxes                  | 65.2              | 120.1             | +54.8  |
| Net income                                       | 85.5              | 152.1             | +66.6  |

## Balance Sheet

(billions of yen)

|   | As of Mar-14 | As of Mar-15 | Change   |
|---|--------------|--------------|----------|
| Total assets  | 34,028.8     | 36,828.7     | +2,799.9 |
| Cash, deposits and call loans                           | 908.4        | 1,018.7      | +110.2   |
| Monetary claims bought                                  | 275.8        | 259.7        | (16.0)   |
| Securities  | 28,005.1     | 30,673.3     | +2,668.1 |
| Loans   | 3,023.1      | 3,029.2      | +6.1     |
| Tangible fixed assets                                   | 1,215.5      | 1,203.2      | (12.2)   |
| Deferred tax assets                                     | 11.1         | -            | (11.1)   |
| Total liabilities                                       | 32,056.9     | 33,277.4     | +1,220.4 |
| Policy reserves and others                              | 29,744.0     | 30,449.6     | +705.6   |
| Policy reserves   | 29,199.2     | 29,840.9     | +641.7   |
| Contingency reserve                                     | 531.0        | 558.0        | +27.0    |
| Reserve for employees' retirement benefits              | 407.1        | 389.4        | (17.6)   |
| Reserve for price fluctuations                          | 116.4        | 132.4        | +16.0    |
| Deferred tax liabilities                                | -            | 413.8        | +413.8   |
| Total net assets  | 1,971.8      | 3,551.3      | +1,579.4 |
| Total shareholders' equity                              | 696.2        | 1,107.3      | +411.1   |
| Total of valuation and translation adjustments          | 1,274.9      | 2,443.2      | +1,168.2 |
| Net unrealized gains (losses) on securities, net of tax | 1,315.8      | 2,488.6      | +1,172.7 |
| Reserve for land revaluation                            | (38.3)       | (33.4)       | +4.8     |

(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)

|  | Year ended Mar-14 | Year ended Mar-15 | Change |
|--|-------------------|-------------------|--------|
| Ordinary revenues                        | 1,417.8           | 2,157.5           | +739.7 |
| Premium and other income                 | 1,266.0           | 1,899.7           | +633.7 |
| Investment income                        | 151.8             | 257.7             | +105.9 |
| Ordinary expenses                        | 1,433.7           | 2,177.3           | +743.6 |
| Benefits and claims                      | 323.8             | 496.2             | +172.3 |
| Provision for policy reserves and others | 1,018.3           | 1,523.2           | +504.8 |
| Investment expenses                      | 35.8              | 52.0              | +16.2  |
| Operating expenses                       | 50.7              | 95.2              | +44.5  |
| Ordinary profit (loss)                   | (15.8)            | (19.7)            | (3.8)  |
| Extraordinary gains (losses)             | (0.9)             | (2.1)             | (1.1)  |
| Income (loss) before income taxes        | (16.8)            | (21.9)            | (5.0)  |
| Total of corporate income taxes          | 0.0               | 0.0               | (0.0)  |
| Net income (loss)                        | (16.9)            | (21.9)            | (5.0)  |

## Balance Sheet

(billions of yen)

|                               | As of Mar-14 | As of Mar-15 | Change   |
|-------------------------------|--------------|--------------|----------|
| Total assets                  | 3,392.4      | 4,937.2      | +1,544.8 |
| Cash, deposits and call loans | 78.0         | 81.3         | +3.2     |
| Securities                    | 3,220.6      | 4,715.4      | +1,494.7 |
| Total liabilities             | 3,344.0      | 4,879.8      | +1,535.7 |
| Policy reserves and others    | 3,288.3      | 4,811.6      | +1,523.2 |
| Policy reserves               | 3,285.8      | 4,807.0      | +1,521.2 |
| Contingency reserve           | 107.2        | 120.3        | +13.0    |
| Total net assets              | 48.3         | 57.4         | +9.0     |
| Total shareholders' equity    | 40.3         | 18.4         | (21.9)   |
| Capital stock                 | 117.5        | 117.5        | -        |
| Capital surplus               | 67.5         | 67.5         | -        |
| Retained earnings             | (144.6)      | (166.5)      | (21.9)   |

# Appendix – Summary Financial Statements (TAL)

By your side, for life

DAI-ICHI LIFE

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

(millions of AUD)

|  | Year ended Mar-14 | Year ended Mar-15 | Change |
|--|-------------------|-------------------|--------|
| Ordinary revenues                        | 2,849             | 3,166             | +317   |
| Premium and other income                 | 2,316             | 2,745             | +428   |
| Investment income                        | 280               | 334               | +54    |
| Other ordinary revenues                  | 252               | 86                | (165)  |
| Ordinary expenses                        | 2,710             | 2,982             | +272   |
| Benefits and claims                      | 1,564             | 1,808             | +243   |
| Provision for policy reserves and others | 503               | 447               | (56)   |
| Investment expenses                      | 32                | 38                | +6     |
| Operating expenses                       | 519               | 579               | +59    |
| Other ordinary expenses                  | 90                | 109               | +18    |
| Ordinary profit                          | 139               | 184               | +44    |
| Total of corporate income taxes          | 48                | 52                | +3     |
| Net income                               | 90                | 131               | +40    |
| Underlying profit                        | 130               | 146               | +15    |

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

(millions of AUD)

|                               | As of Mar-14 | As of Mar-15 | Change |
|-------------------------------|--------------|--------------|--------|
| Total assets                  | 6,086        | 6,674        | +588   |
| Cash, deposits                | 676          | 924          | +248   |
| Securities                    | 2,852        | 3,070        | +218   |
| Tangible fixed assets         | 0            | 1            | +0     |
| Intangible fixed assets       | 1,271        | 1,235        | (35)   |
| Consolidation goodwill        | 791          | 786          | (4)    |
| Other intangible fixed assets | 480          | 449          | (30)   |
| Reinsurance receivable        | 72           | 116          | +44    |
| Other assets                  | 1,213        | 1,326        | +112   |
| Total liabilities             | 4,184        | 4,641        | +456   |
| Policy reserves and others    | 2,960        | 3,340        | +379   |
| Reinsurance payables          | 385          | 335          | (50)   |
| Other liabilities             | 721          | 859          | +138   |
| Deferred tax liabilities      | 117          | 106          | (11)   |
| Total net assets              | 1,901        | 2,033        | +131   |
| Total shareholders' equity    | 1,901        | 2,033        | +131   |
| Capital stock                 | 1,630        | 1,630        | -      |
| Retained earnings             | 270          | 402          | +131   |

(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>March 2015: ±170 billion yen<br/>(March 2014: ±170 billion yen)</p>   | <p>Nikkei 225</p> <p>March 2015: 8,900 yen<br/>(March 2014: 9,200 yen)</p>  |
| Domestic bonds     | <p>10-year JGB Yield 10bp change:</p> <p>March 2015: ±260 billion yen *<br/>(March 2014: ±240 billion yen)</p> <p>* Available-for-sale securities:<br/>March 2015: ±30 billion yen<br/>(March 2014: ±30 billion yen)</p> | <p>10-year JGB Yield</p> <p>March 2015: 1.2% *<br/>(March 2014: 1.2%)</p> <p>* Available-for-sale securities:<br/>March 2015: 1.4%<br/>(March 2014: 1.4%)</p> |
| Foreign securities | <p>JPY / USD 1 yen change:</p> <p>March 2015: ±31 billion yen<br/>(March 2014: ±28 billion yen)</p>  | <p>JPY / USD</p> <p>March 2015: \$1 = 100 yen<br/>(March 2014: 89 yen)</p>  |

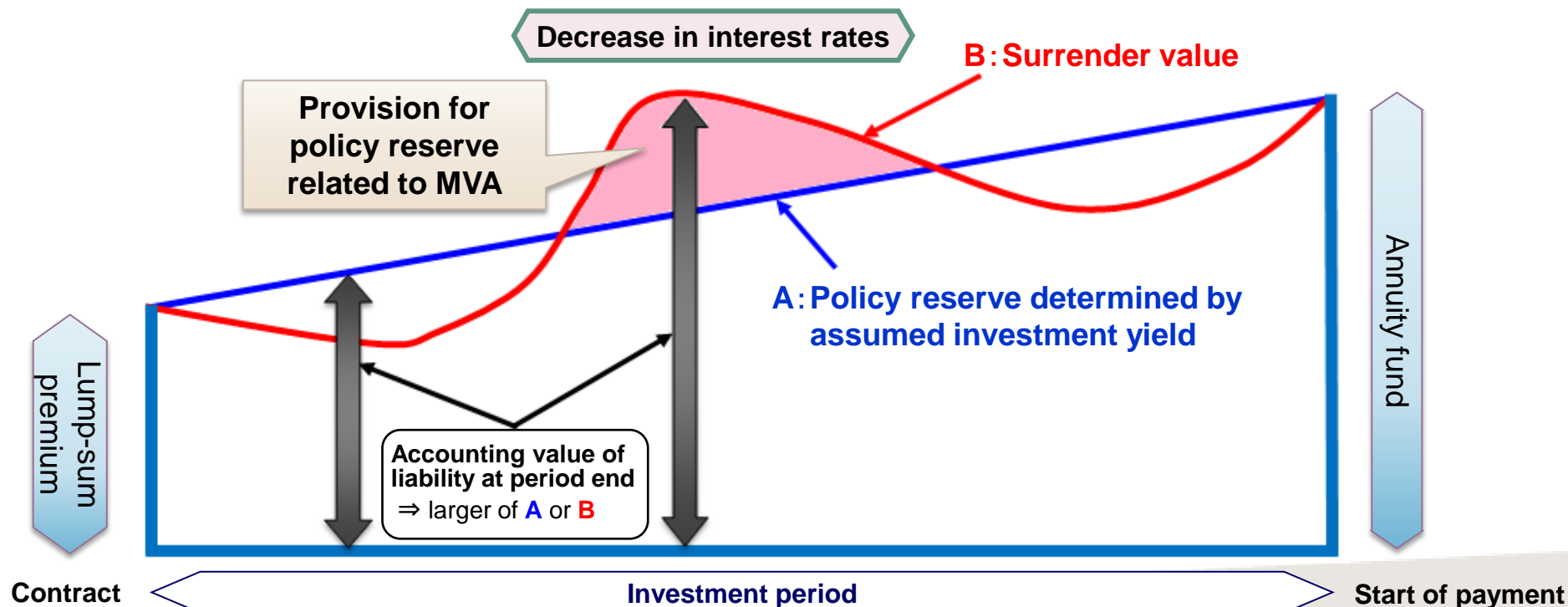
(1) Sensitivities indicate the impact of fluctuations in the market value of related assets.

(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).

## Market Value Adjustment Function of DFL's Insurance Products

- Certain insurance products provided by DFL have a “Market Value Adjustment (MVA)” function which reflects a change in the value of invested assets due to changes in interest rates to the surrender value upon cancellation.
- The larger of “surrender value” or “policy reserve determined by the assumed investment yield” is recorded as an accounting liability of insurance products with MVA function.
  - When “surrender value” exceeds “policy reserve” as a result of the decrease in interest rates, an additional provision for policy reserve occurs.
- As the increase in the value of bonds (increase in unrealized gains) is not reflected to the income statement, accounting earnings worsen.
  - As unrealized gains actualize after selling bonds upon cancellation, it is not considered to be a loss on an economic-value basis. Additionally, when interest rates move upward, a reversal of policy reserve occurs.

### 【Image of individual annuity with MVA function】



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