

# Presentation of Financial Results for the Fiscal Year Ended March 2016

May 13, 2016

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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- Net profit marks the fifth consecutive year of record profit since our listing due mainly to the fact that Dai-ichi Frontier Life (DFL) posted a profit for the first time and the consolidation of Protective Life. The Company proposed cash dividends of 35 yen per share, an increase of 7 yen, and the Company also announced a share repurchase of up to 16 billion yen.
- In a lower interest rate environment, Dai-ichi Life shifted to selling flagship products and expanded sales of medical insurance products. DFL also maintained sales volume of foreign currency insurance products, leading to a 14.2% growth in the Group's new business ANP. Lower interest rate environment led to a lower value of new business of 216.1 billion yen.
- For the fiscal year ending March 2017, the Company forecasts a decline in consolidated ordinary revenues because we control sales of certain savings-types insurance products. However, the Company expects that a higher contribution from the overseas life insurance business will lead to an increase in net income. The Company forecasts a 40 yen per share dividend, a 5 yen increase compared to the just completed fiscal year.

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

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- Achieved growth in consolidated ordinary revenue, ordinary profit and net income due mainly to contribution from subsidiaries in domestic and overseas markets.

(billions of yen)

	Year ended Mar-15	Year ended Mar-16 (a)	Change		<Reference>	
					Forecasts as of November 13, 2015 (b)	Achievement (a/b)
Consol. Ordinary revenues	7,252.2	7,333.9	+81.7	+1%	7,096.0	103%
Non-consolidated	4,798.4	4,265.7	(532.6)	(11%)	4,201.0	102%
Consol. Ordinary profit	406.8	418.1	+11.3	+3%	369.0	113%
Non-consolidated	408.7	344.2	(64.5)	(16%)	301.0	114%
Consol. Net Income <sup>(1)</sup>	142.4	178.5	+36.0	+25%	161.0	111%
Non-consolidated	152.1	129.1	(23.0)	(15%)	119.0	109%

(1) Figures of "Consol. Net Income" represent those of "Net income attributable to shareholders of parent company".

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

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- Dai-ichi Frontier Life's improved profitability and consolidation of Protective Life contributed to the results.

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

(billions of yen)

	Year ended Mar-15	Year ended Mar-16	Change
Ordinary revenues	7,252.2	7,333.9	+81.7
Premium and other income	5,432.7	5,586.0	+153.2
Investment income	1,444.0	1,344.8	(99.1)
Interest and dividends	856.5	1,075.3	+218.8
Gains on sale of securities	162.1	222.4	+60.2
Gains on investments in separate accounts	369.7	-	(369.7)
Other ordinary revenues	375.5	403.0	+27.5
Ordinary expenses	6,845.4	6,915.7	+70.3
Benefits and claims	3,380.8	3,830.9	+450.1
Provision for policy reserves and others	2,271.2	1,496.3	(774.9)
Investment expenses	168.9	524.0	+355.1
Losses on sale of securities	24.2	64.2	+40.0
Losses on valuation of securities	0.4	4.1	+3.6
Derivative transaction losses	5.5	53.8	+48.3
Losses on investments in separate accounts	-	96.1	+96.1
Operating expenses	559.3	661.3	+102.0
Ordinary profit	406.8	418.1	+11.3
Extraordinary gains	3.3	0.3	(3.0)
Extraordinary losses	29.4	55.2	+25.8
Provision for reserve for policyholder dividends	112.2	97.5	(14.7)
Income before income taxes, etc.	268.5	265.7	(2.8)
Total of corporate income taxes	126.0	87.1	(38.8)
Net income attributable to non-controlling interests	0.0	0.0	(0.0)
Net income attributable to shareholders of parent company	142.4	178.5	+36.0

## Balance Sheet (summarized)

(billions of yen)

	As of Mar-15	As of Mar-16	Change
Total assets	49,837.2	49,924.9	+87.7
Cash, deposits and call loans	1,253.8	960.3	(293.5)
Monetary claims bought	265.8	239.2	(26.5)
Securities	41,105.4	41,560.0	+454.6
Loans	3,898.1	3,715.5	(182.5)
Tangible fixed assets	1,217.0	1,178.8	(38.2)
Deferred tax assets	1.3	1.3	(0.0)
Total liabilities	46,247.2	46,991.9	+744.6
Policy reserves and others	42,547.0	43,894.0	+1,347.0
Policy reserves	41,634.7	42,922.5	+1,287.8
Net defined benefit liabilities	331.3	443.8	+112.5
Reserve for price fluctuations	136.2	155.2	+18.9
Deferred tax liabilities	643.3	270.7	(372.6)
Total net assets	3,589.9	2,932.9	(656.9)
Total shareholders' equity	1,029.6	1,129.2	+99.6
Total accumulated other comprehensive income	2,559.4	1,802.6	(756.7)
Net unrealized gains on securities, net of tax	2,528.2	1,840.0	(688.1)
Reserve for land revaluation	(33.4)	(16.4)	+17.0

(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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	【Dai-ichi Life】			【Dai-ichi Frontier Life】			【Protective Life (USA)】 <sup>(1)</sup>			【TAL (Australia)】 <sup>(1)</sup>			【Consolidated】		
	billions of yen			billions of yen			millions of USD			millions of AUD			billions of yen		
	Year ended Mar-15	Year ended Mar-16	Change	Year ended Mar-15	Year ended Mar-16	Change	---	11 months ended Dec-15	Change	Year ended Mar-15	Year ended Mar-16	Change	Year ended Mar-15	Year ended Mar-16	Change
Ordinary revenues	4,798.4	4,265.7	(11%)	2,157.5	1,967.5	(9%)	--	6,784	--	3,166	3,231	+2%	7,252.2	7,333.9	+1%
Premium and other income	3,266.3	2,866.6	(12%)	1,899.7	1,873.0	(1%)	--	4,689	--	2,745	3,020	+10%	5,432.7	5,586.0	+3%
Investment income	1,174.4	1,060.0	(10%)	257.7	94.5	(63%)	--	1,701	--	334	31	(91%)	1,444.0	1,344.8	(7%)
Ordinary expenses	4,389.7	3,921.5	(11%)	2,177.3	1,937.9	(11%)	--	6,384	--	2,982	3,079	+3%	6,845.4	6,915.7	+1%
Benefits and claims	2,718.1	2,681.3	(1%)	496.2	495.7	(0%)	--	4,020	--	1,808	1,949	+8%	3,380.8	3,830.9	+13%
Provision for policy reserves and others	702.8	209.1	(70%)	1,523.2	1,136.5	(25%)	--	1,031	--	447	312	(30%)	2,271.2	1,496.3	(34%)
Investment expenses	131.2	273.9	+109%	52.0	197.1	+279%	--	440	--	38	72	+87%	168.9	524.0	+210%
Operating expenses	398.5	404.1	+1%	95.2	97.2	+2%	--	692	--	579	636	+10%	559.3	661.3	+18%
Ordinary profit (loss)	408.7	344.2	(16%)	(19.7)	29.6	--	--	399	--	184	152	(17%)	406.8	418.1	+3%
Extraordinary gains	3.0	0.2	(91%)	--	--	--	--	--	--	--	--	--	3.3	0.3	(91%)
Extraordinary losses	27.2	52.2	+92%	2.1	2.9	+41%	--	--	--	--	0	--	29.4	55.2	+88%
Net income <sup>(2)</sup> (loss)	152.1	129.1	(15%)	(21.9)	24.3	--	--	268	--	131	119	(9%)	142.4	178.5	+25%

(1) Figures of Protective Life and TAL are disclosed after re-classifying items from Protective Life and TAL's financial statements under United States' and Australian 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 1USD=120.61 yen, and 1AUD=92.06 yen(Mar-15) and 86.25 yen(Mar-16), respectively.

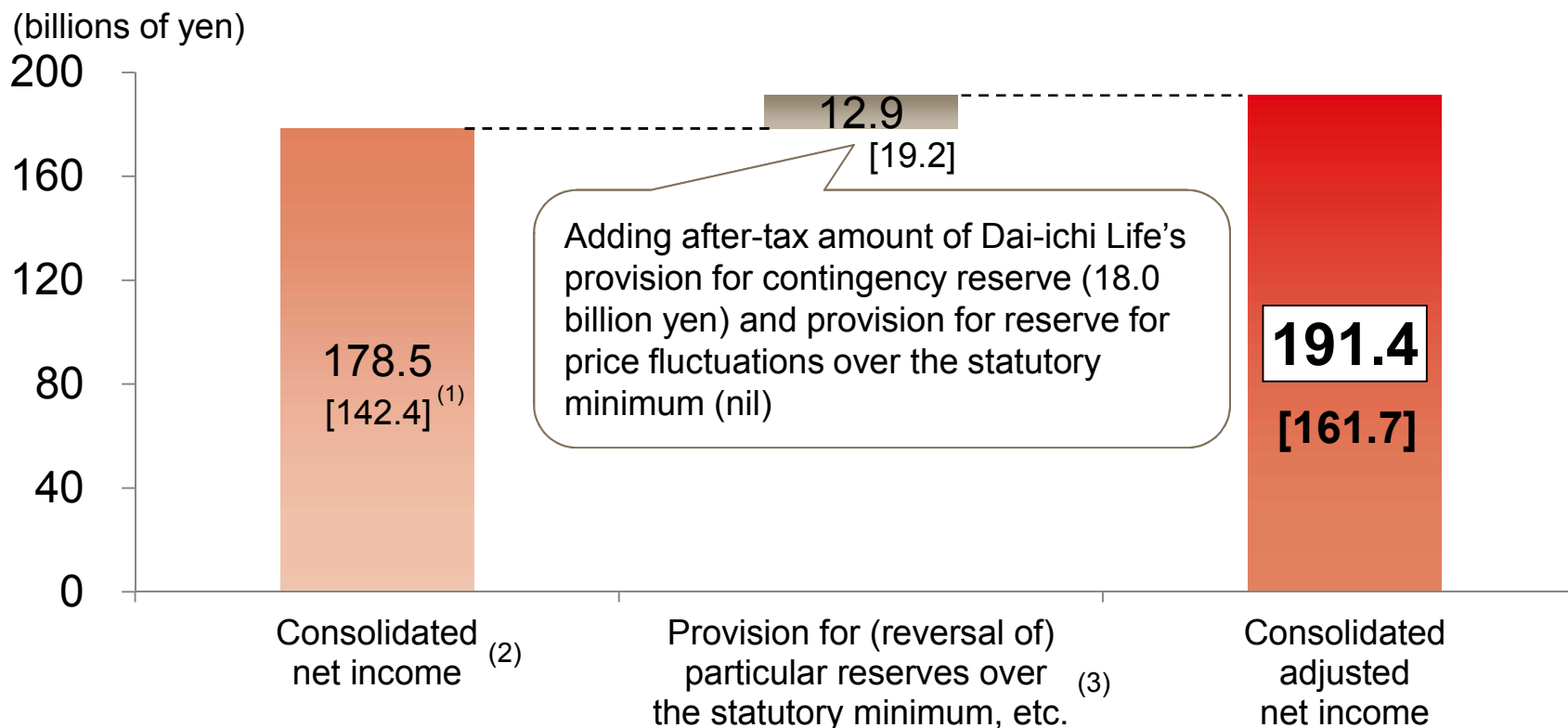
(2) Figures of "Consolidated Net income" represent those of "Net income attributable to shareholders of parent company".

# Overview of the Group's Financial Results - Consolidated Adjusted Net Income for the Year ended March 31, 2016

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- 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 31, 2016 amounted to 191.4 billion yen, a significant increase from 161.7 billion yen for the previous year.



(1) Figures in [] are for previous comparable period.

(2) Figures of “Consolidated Net Income” represent those of “Net income attributable to shareholders of parent company”.

(3) 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 27.92% (for the year ended Mar-16) and 28.76% (for the year ended Mar-15) effective tax rate).

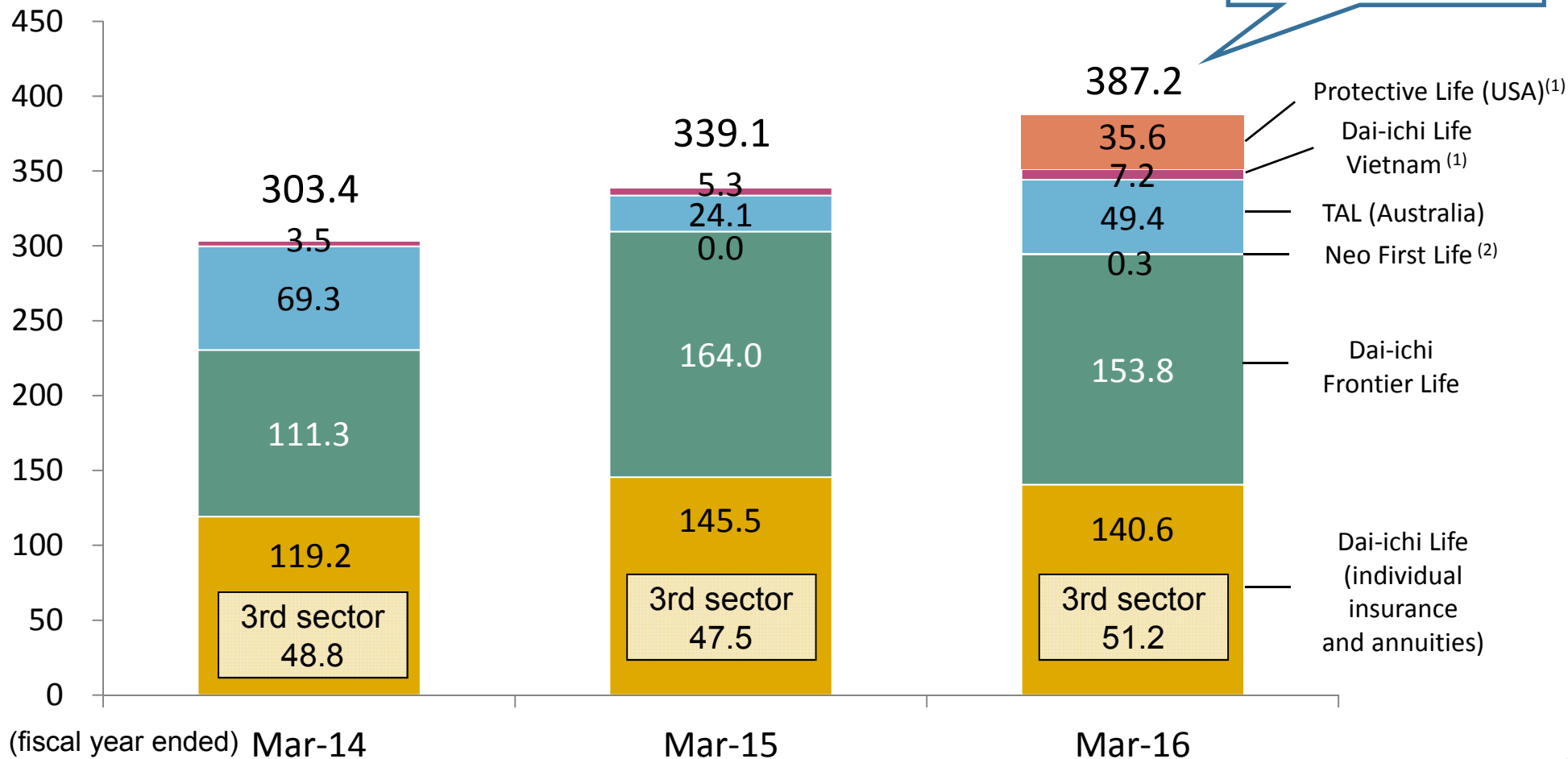
# Overview of the Group's Financial Results - Trends in New Business (ANP basis)

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## Dai-ichi Group's New Business ANP

(billions of yen)



+ 14.2% YtD  
(excluding Protective Life:  
+ 3.7% YtD)

(1) The fiscal year of Protective Life and Dai-ichi Life Vietnam ends on December 31.  
 (2) The figures of Protective Life are provided for the eleven months ended December 31, 2015.  
 (3) The figures of Neo First Life are provided for the nine months ended March 31, 2015 and for the fiscal year ended March 31, 2016.

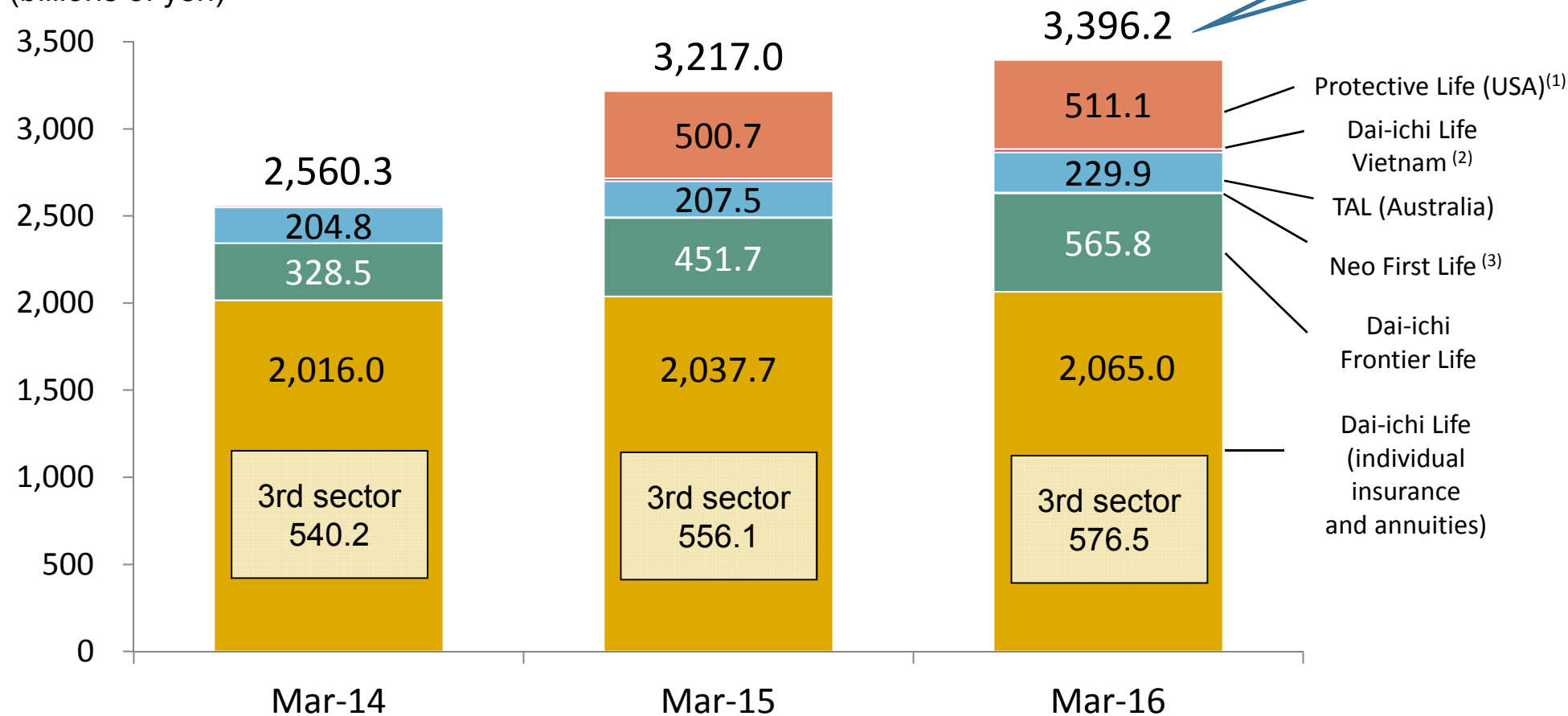
# Overview of the Group's Financial Results - Trends in Policies in Force (ANP basis)

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

(billions of yen)



(1) The fiscal year of Protective Life ends on December 31. Protective Life was acquired effective February 1, 2015 and is reported on a one quarter lag.

ANP from policies in-force of the company as of March 2015 and March 2016 represent those as of February 1, 2015 (date of acquisition) and December 2015.

(2) The fiscal year of Dai-ichi Life Vietnam ends on December 31. ANP from policies in-force of the company represent those as of December 2013, December 2014 and December 2015; and were 10.8 billion yen, 15.5 billion yen and 20.3 billion yen, respectively.

(3) ANP from policies in-force of Neo First Life as of March 2015 and March 2016 were 3.7 billion yen and 3.9 billion yen, respectively.

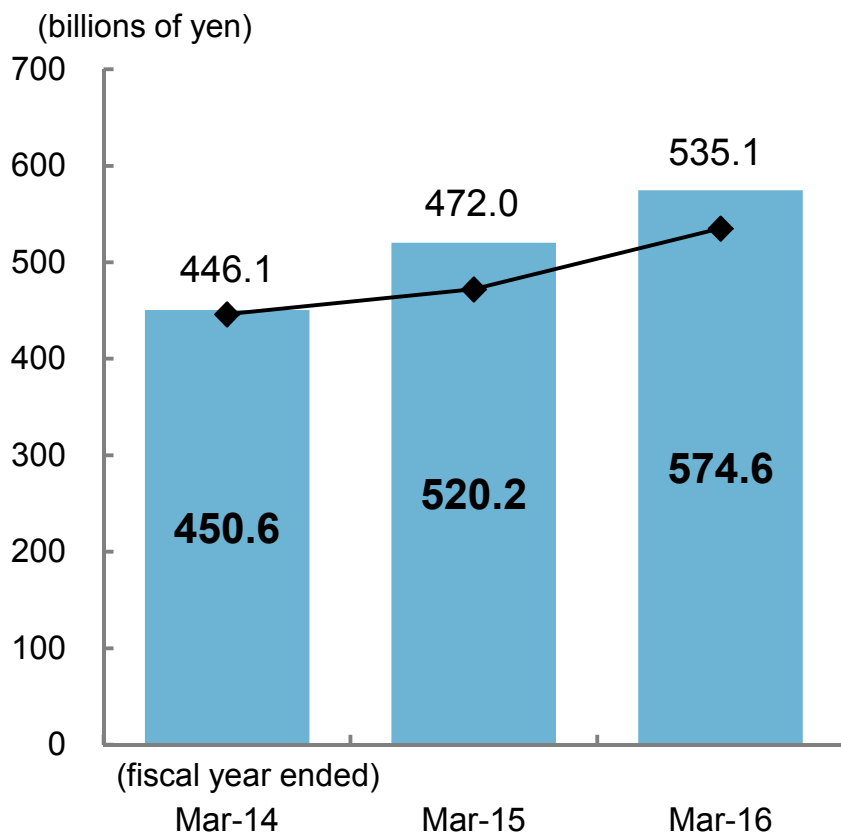


# Overview of the Group's Financial Results - Fundamental Profit

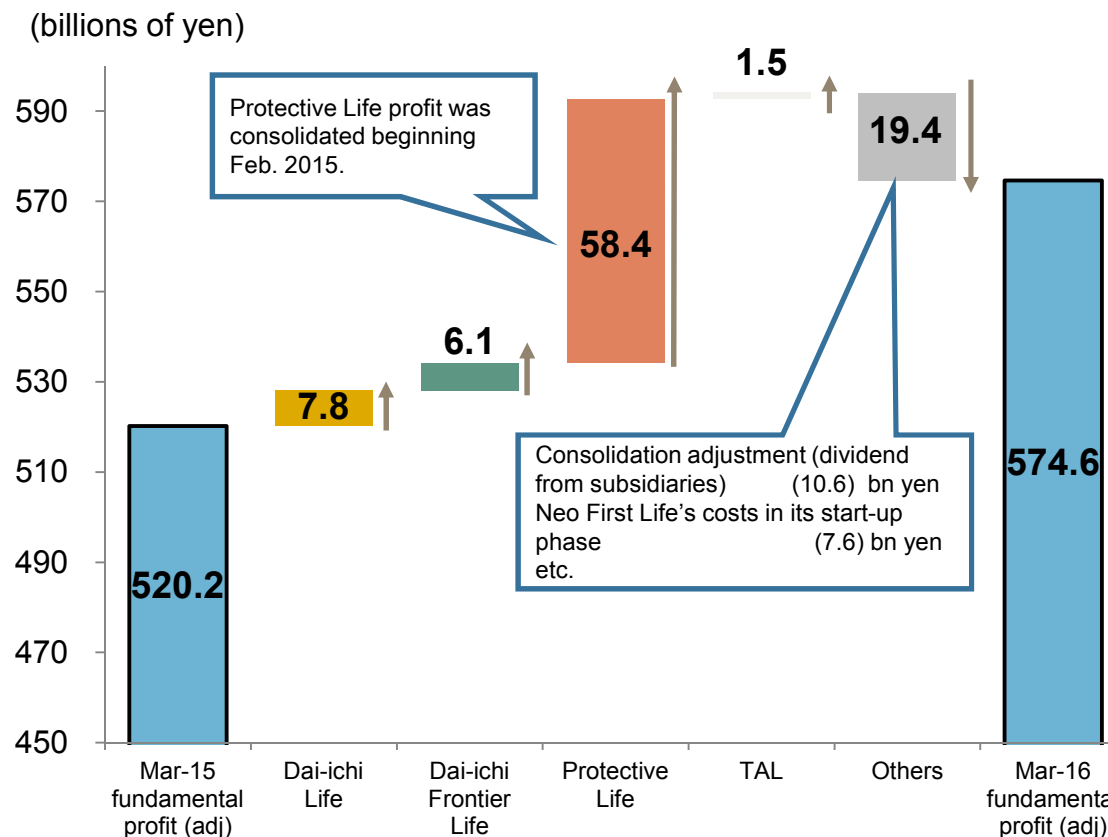
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## Fundamental Profit <sup>(1)(2)</sup>



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



◆ Fundamental profit <sup>(1)</sup>    ■ Adjusted fundamental profit <sup>(2)</sup>

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

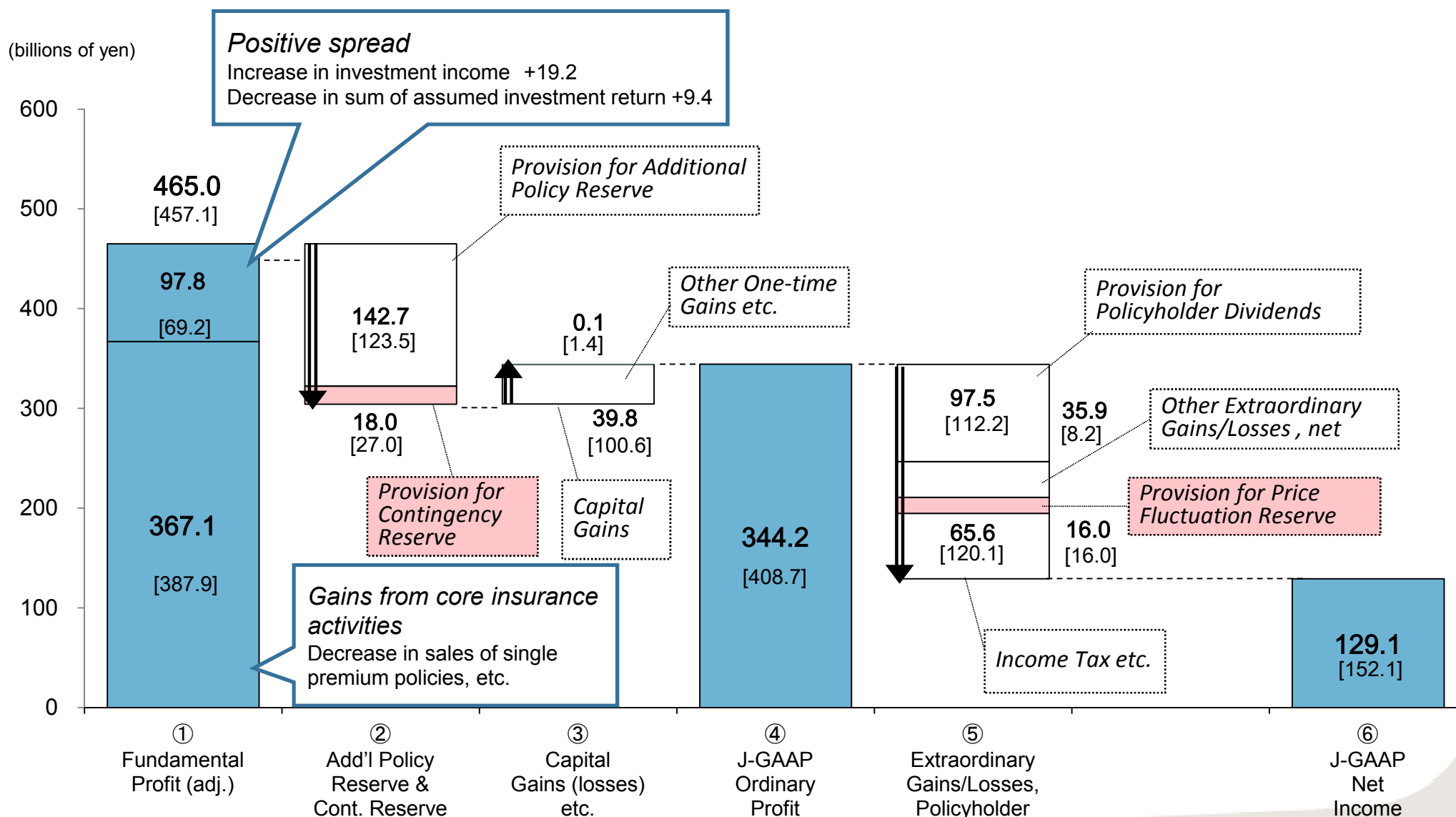
(2) Adjusted fundamental profit = (fundamental profit) ± (provision for (reversal of) policy reserve associated with minimum guaranteed benefit risk of variable insurance) ± (provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance products).

Note: Provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance products excludes those parts that have no impact on the ordinary profit.

# Profit Structure of Dai-ichi Life (non-consolidated)

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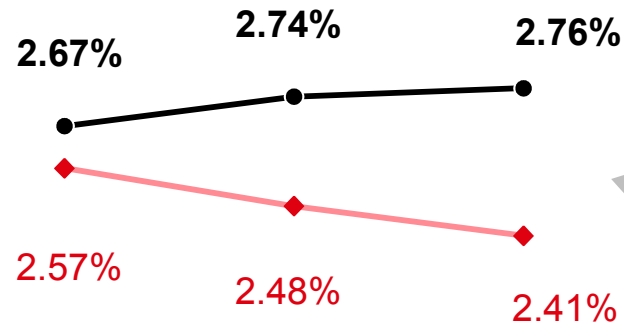


(1) Figures in [] are for previous comparable period.

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

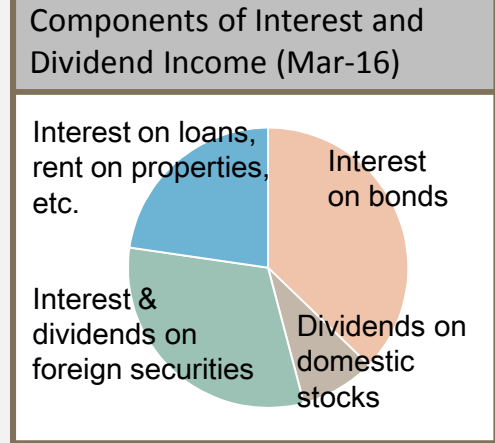
# Dai-ichi Life's Results (non-consolidated) - Positive Spread and Additional Policy Reserve

## Investment Spread



◆ Average Assumed Rate of Return  
● Average Actual Rate of Return

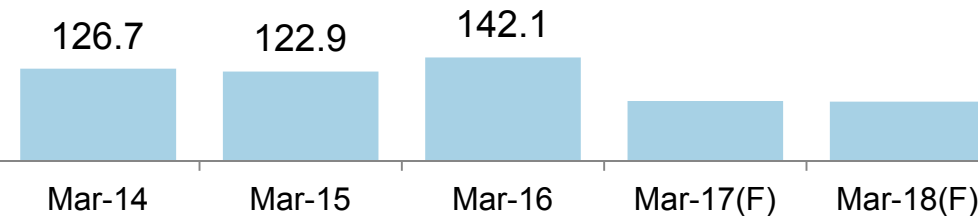
- Secured investment returns due mainly to increased exposure to currency-hedged foreign bonds, resulting in **a favorable positive investment spread**.
- Duration of yen-denominated fixed income assets : 14+ years<sup>(1)</sup>



- Assumed rate of return (policy liability cost) is on a downward trend** due to provision for additional policy reserve and adequate pricing assumptions for new policies.

## Provision for Add'l Policy Reserve <sup>(2)</sup>

(billions of yen)



- Notwithstanding the negative interest rate environment, **no changes** to the plan were made for provision for additional policy reserve, taking into account the positive spread.

(1) Represents yen-denominated fixed income assets in the individual insurance and annuity portfolio in the company's general account.

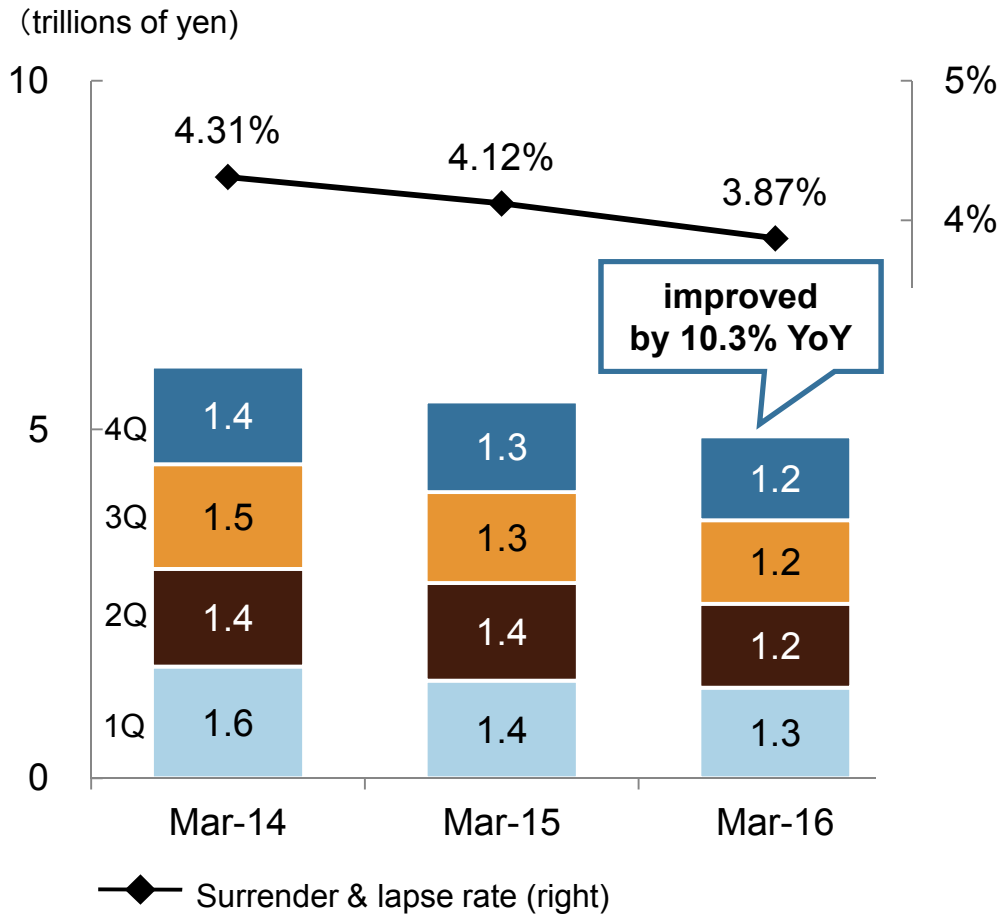
(2) Additional Policy Reserve provided for whole life policies signed before March 1996 and paid in full

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

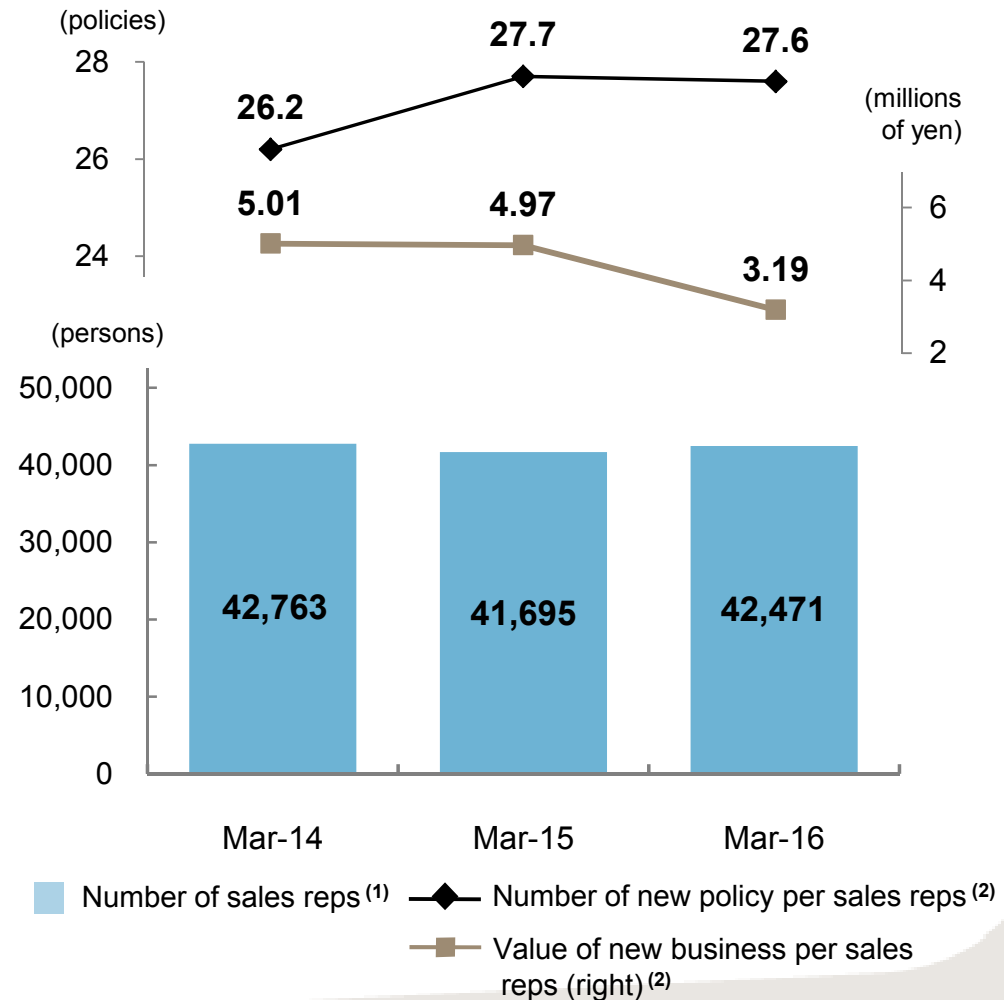
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## Surrender & Lapse (Individual Insurance & Annuities)



## Number of Sales Reps and Productivity



(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 and number of new policy respectively, by the average number of sales representatives in each period.

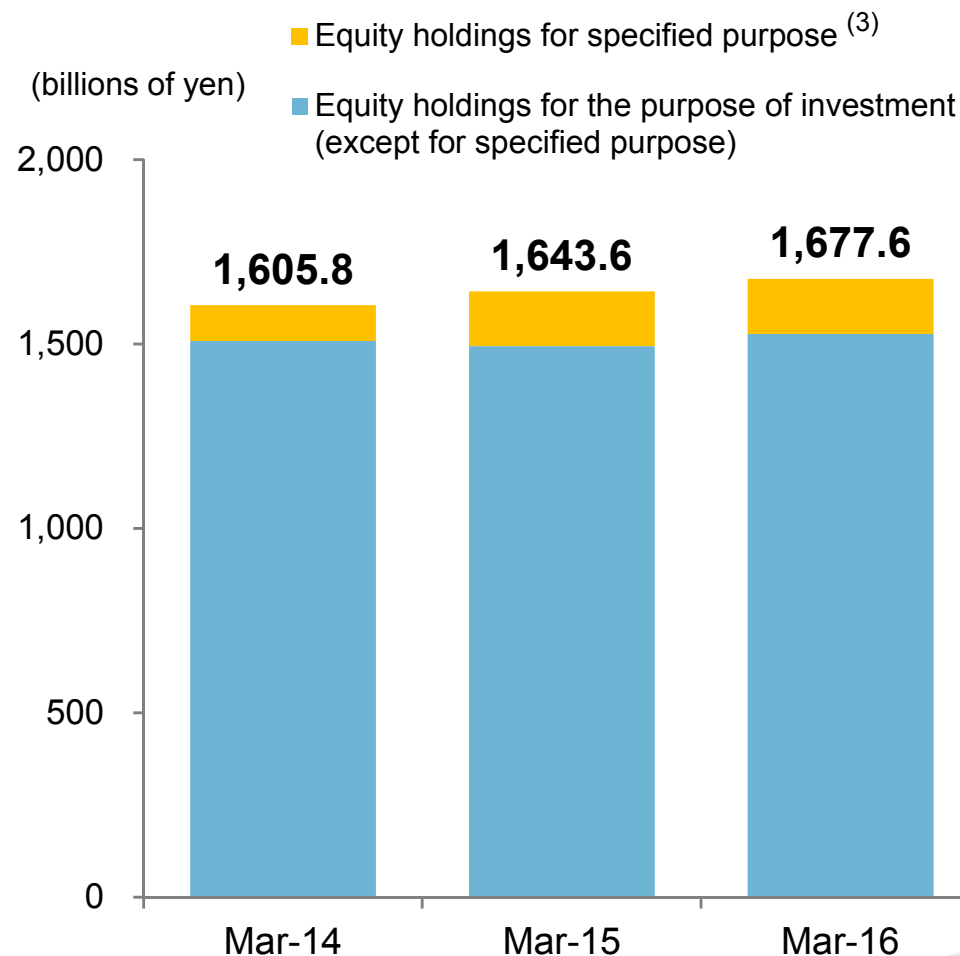
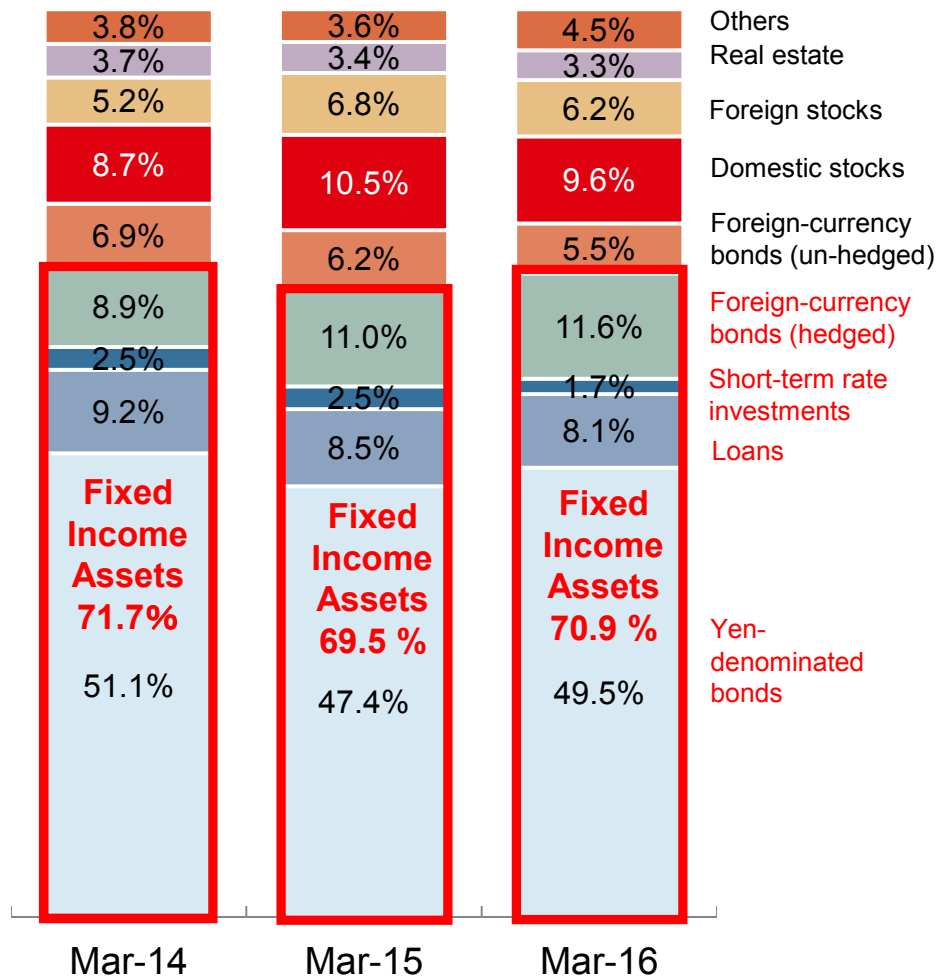
# Dai-ichi Life's Results (non-consolidated) - General Account Assets (i)

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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)

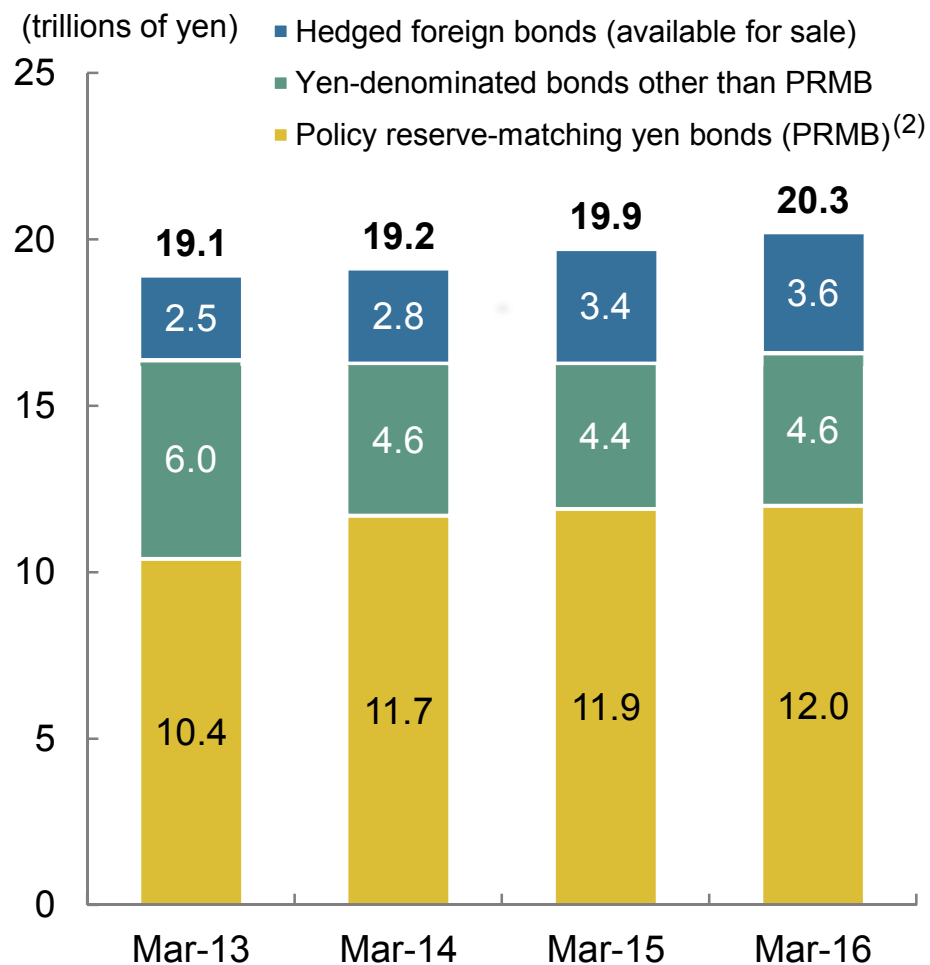
(3) Equity holdings other than those held solely for the purpose of investment (excluding stocks of unlisted companies and contributed to the retirement benefit trust)

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

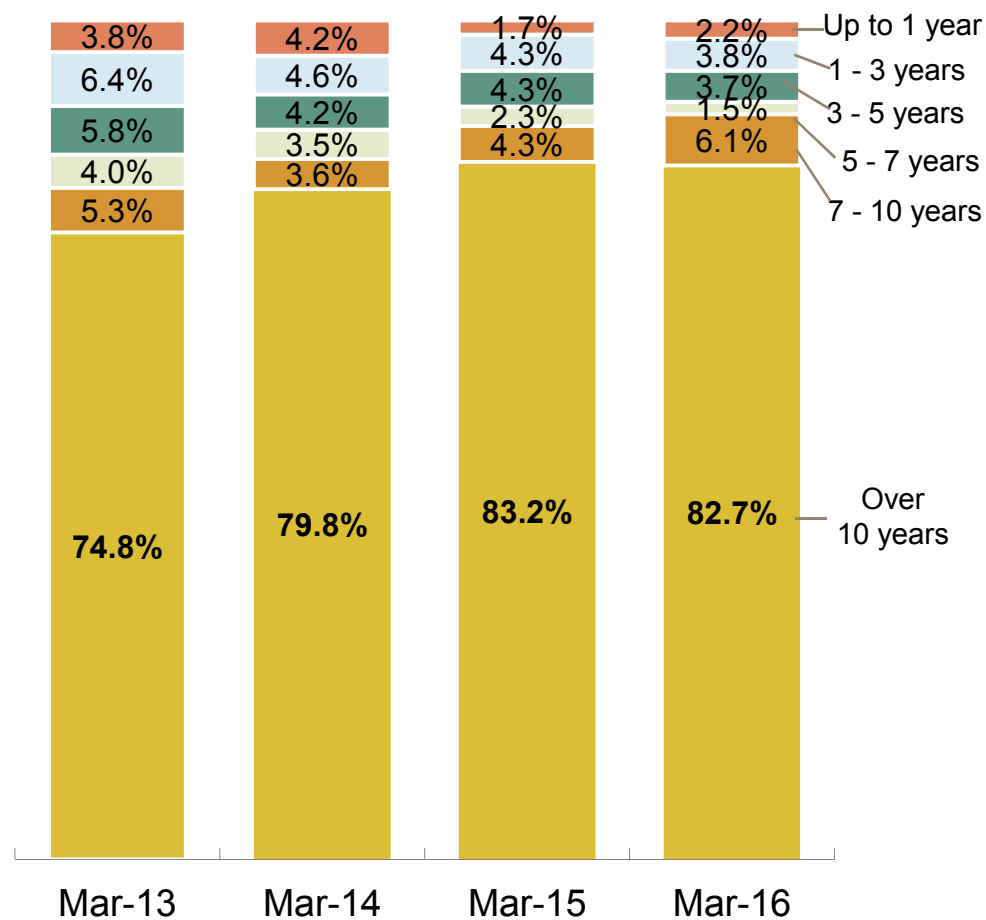
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## Yen and Currency-hedged Foreign Bonds <sup>(1)</sup>



## 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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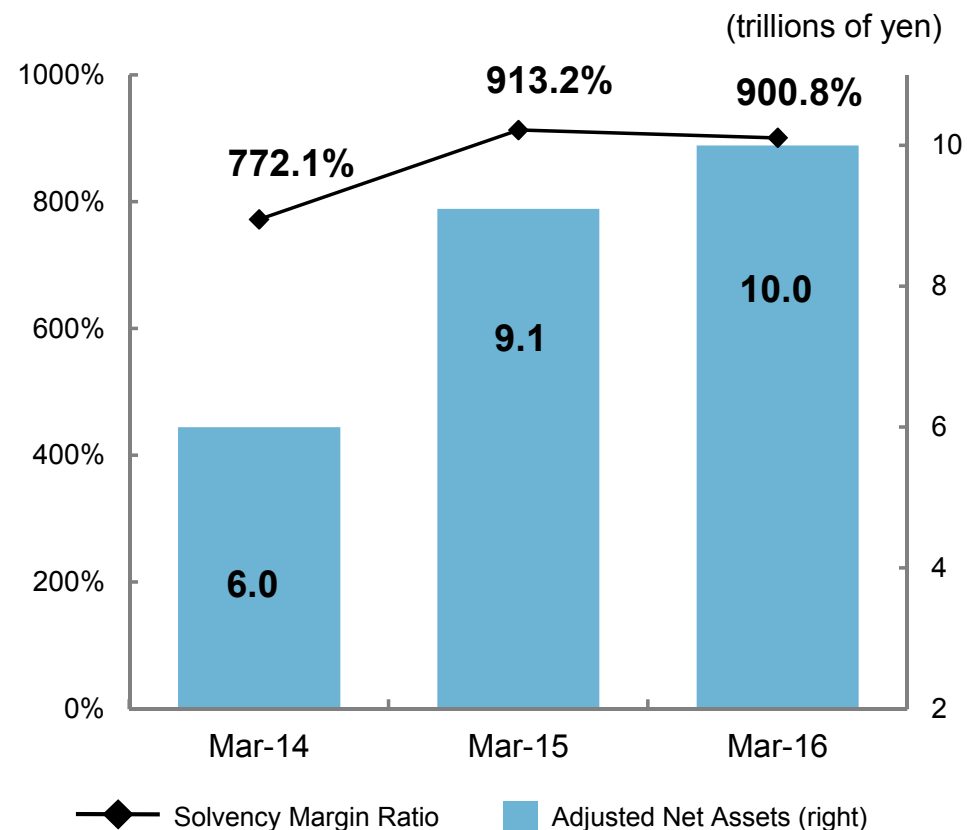
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## Unrealized Gains/Losses (General Account)

(billions of yen)

	As of Mar-15	As of Mar-16	Change
Securities	5,491.7	6,212.0	+720.3
Domestic bonds	2,236.8	4,022.9	+1,786.1
Domestic stocks	1,785.6	1,312.8	(472.8)
Foreign bonds	1,011.6	678.7	(332.9)
Foreign stocks	389.2	172.0	(217.1)
Real estate	75.5	130.3	+54.7
General Account total	5,550.7	6,334.6	+783.9

## Solvency Margin Ratio & Adjusted Net Assets



<Reference> Consolidated Solvency Margin Ratio  
as of March 31, 2016: 763.8%

# Consolidated Subsidiaries' Results - Dai-ichi Frontier Life

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## Earnings

(billions of yen)

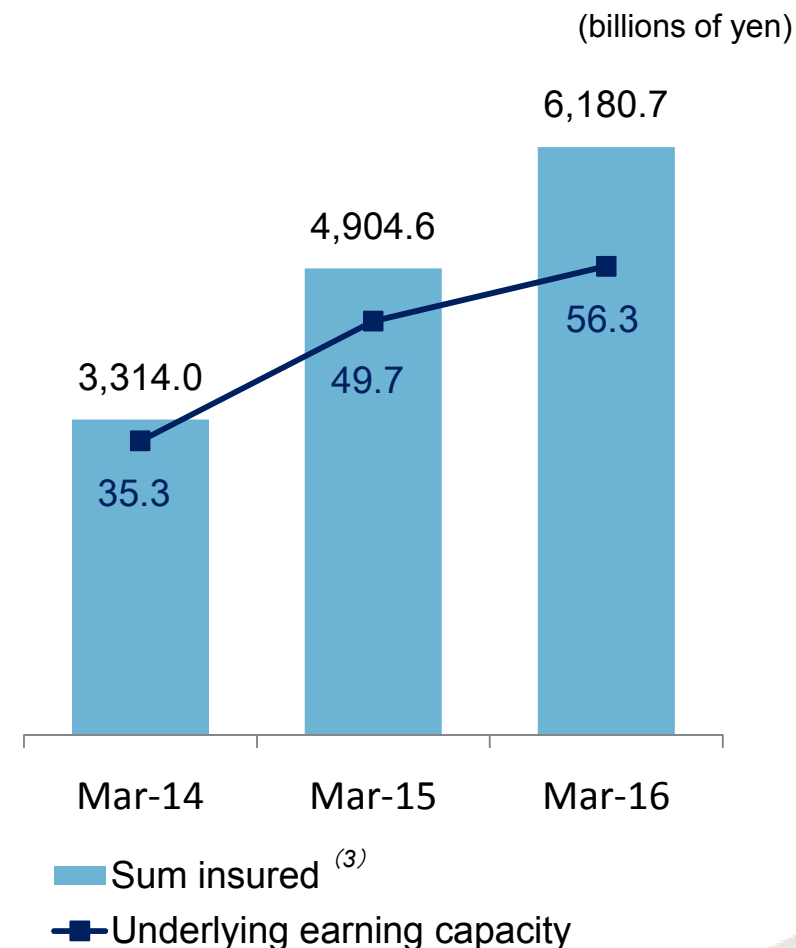
	Year ended Mar-15	Year ended Mar-16
Ordinary revenues	2,157.5	1,967.5
Premium and other income <sup>(1)</sup>	1,899.7	1,873.0
Variable products	197.9	158.2
Fixed products (yen-denominated)	281.3	320.9
Fixed products (foreign currency-denominated)	1,236.2	1,200.3
Investment income	257.7	94.5
Hedge gains related to GMMB risk (A)	-	2.3
Ordinary expenses	2,177.3	1,937.9
Provision for policy reserves and other	1,523.2	1,136.5
Related to GMMB risk (B)	2.4	31.5
Related to market value adjustment (C) <sup>(2)</sup>	46.9	8.4
Contingency reserve (negative indicates a reversal) (D)	13.0	(5.6)
Investment expenses	52.0	197.1
Hedge losses related to GMMB risk (E)	9.2	-
Ordinary profit (loss)	(19.7)	29.6
Net income (loss)	(21.9)	24.3
<Reference> underlying earning capacity Net income - (A) + (B) + (C) + (D) + (E)	49.7	56.3

(1) Hybrid products combining fixed and variable portions are categorized in fixed products.

(2) Excludes those parts that have no impact on the ordinary profit

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

(billions of yen)



(3) Sum insured at the end of each period



# Consolidated Subsidiaries' Results - Business Results of Protective

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- Both pre-tax operating earnings of USD 484 mil. and net income of USD 268 mil. were above plan mainly due to better-than-planned mortality and investment income.
- In January 2016, Protective completed an acquisition of closed blocks of business, as announced earlier. The contribution to our consolidated results from this acquisition will start from Dai-ichi's current fiscal year.

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

(millions of USD)

	11 months ended Dec-15
Life Marketing	57.4
Acquisitions	194.6
Annuities	180.2
Stable Value	56.5
Asset Protection	20.6
Corporate & other	(25.0)
<b>Pre-tax Operating Earnings</b>	<b>484.4</b>
Tax	(131.5)
Realized Gain (Loss) on investments	(185.1)
Realized Gain (Loss) on derivatives	100.5
<b>Net Income</b>	<b>268.2</b>

<Reference>

	Dec-15
JPY / USD exchange rate	120.61

## Commentary

### [Life Marketing]

The below-plan earnings were primarily driven by other benefits and unfavorable lapses.

### [Acquisitions]

Favorable spread and mortality. Segment earnings were above plan.

### [Annuities]

Investment income in fixed annuity products was favorable. Segment earnings were slightly above plan.

### [Stable Value]

The above-plan earnings were primarily driven by favorable participating mortgage income.

### [Asset Protection]

Strong sales of GAP products resulted in above-plan earnings.

(1) Figures for the consolidated holding company, Protective Life Corporation.

(2) Segment operating income (loss) is income before income tax, excluding realized gains and losses on investments and derivatives etc.

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

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## Earnings

(millions of AUD)

	Year ended Mar-15	Year ended Mar-16	% Change
Ordinary revenues <sup>(2)</sup>	3,166	3,231	+ 2%
Premium and other income <sup>(2)</sup>	2,745	3,020	+ 10%
Ordinary profit <sup>(2)</sup>	184	152	(17%)
Net income (A) <sup>(2)</sup>	131	119	(9%)
Adjustments after tax (B)	15	48	
Discount rate changes	(25)	(7)	
Amortization charges	21	20	
Others	18	36	
Underlying profit (A + B)	146	168	+ 15%

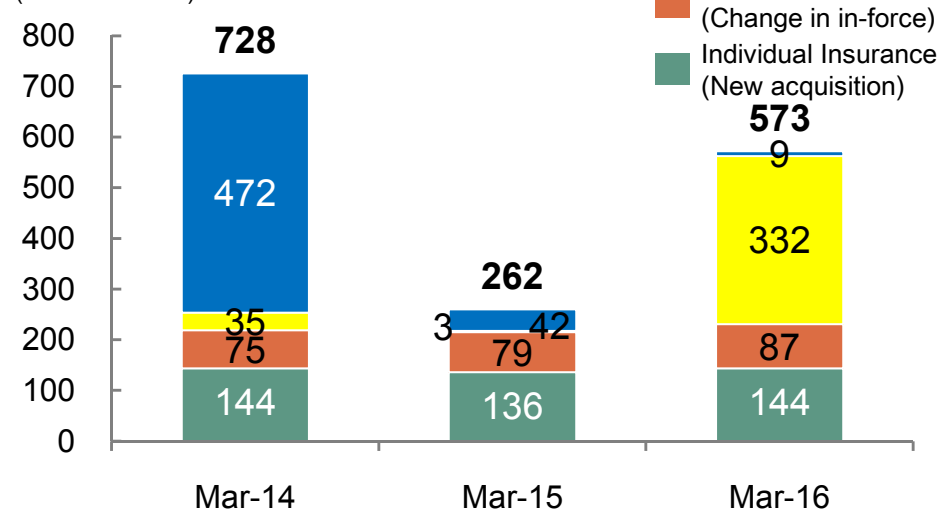
<Reference>

	As of Mar-15	As of Mar-16
JPY/AUD exchange rate	92.06	86.25

- (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).

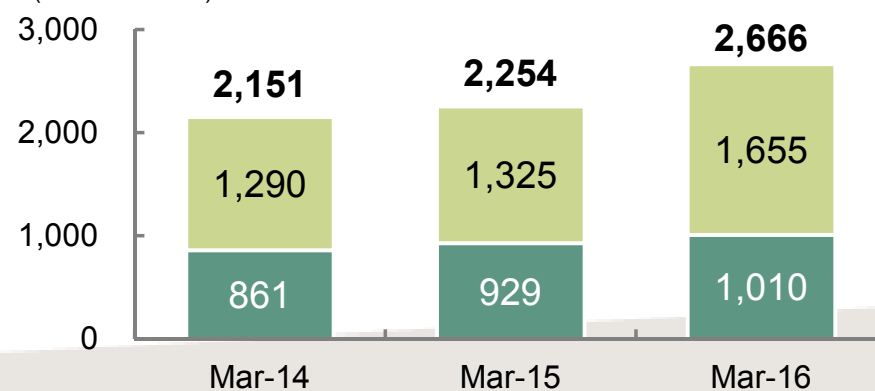
## New Business ANP

(millions of AUD)



## ANP from Policies in-Force

(millions of AUD)



# Earnings Guidance - Guidance for the Year Ending March 31, 2017

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- We expect a decline in ordinary revenues as we continue to control sales of savings-type insurance in the domestic market.
- Net income is expected to improve as we expect a higher contribution from overseas businesses. Forecast for dividends per share is also expected to increase.

(billions of yen unless otherwise noted)

	Year ended Mar-16	Year ending Mar-17	Change
<b>Ordinary revenues</b>	<b>7,333.9</b>	<b>6,460.0</b>	<b>(873.9)</b>
Dai-ichi Life non-consolidated <sup>(2)</sup>	4,265.7	3,796.0	(469.7)
Dai-ichi Frontier Life	1,967.5	1,401.0	(566.5)
Protective Life (millions of USD)	6,784	8,460	+1,675
TAL (millions of AUD)	3,231	3,900	+668
<b>Ordinary profit</b>	<b>418.1</b>	<b>406.0</b>	<b>(12.1)</b>
Dai-ichi Life non-consolidated	344.2	324.0	(20.2)
Dai-ichi Frontier Life	29.6	21.0	(8.6)
Protective Life (millions of USD)	399	460	+60
TAL (millions of AUD)	152	180	+27
<b>Net income<sup>(1)</sup></b>	<b>178.5</b>	<b>197.0</b>	<b>+18.4</b>
Dai-ichi Life non-consolidated	129.1	133.0	3.8
Dai-ichi Frontier Life	24.3	15.0	(9.3)
Protective Life (millions of USD)	268	300	+31
TAL (millions of AUD)	119	120	+0
<b>Dividends per share (yen)</b>	<b>35</b>	<b>40</b>	<b>+5</b>

(1) Represents net income attributable to shareholders of parent company.

(2) Regarding Dai-ichi Life's transition to a holding company structure, please refer to page 19.

(Reference) Fundamental Profit

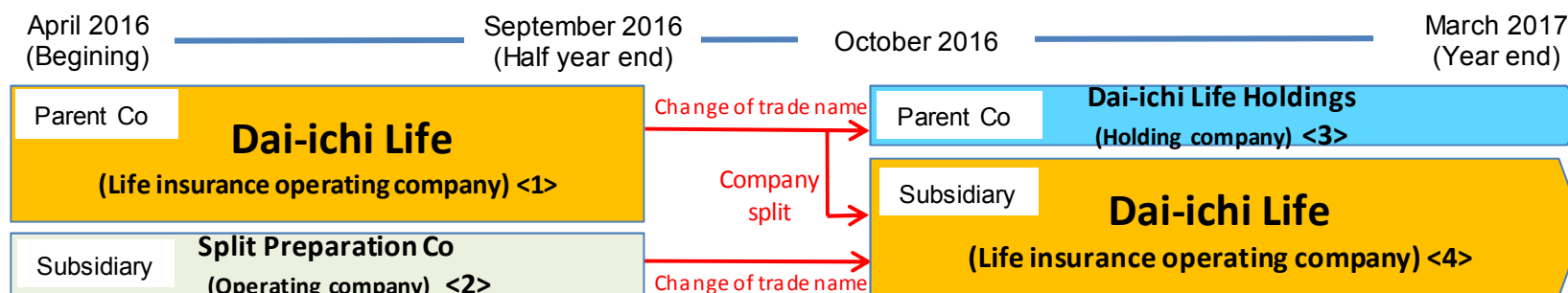
Dai-ichi Life Group	535.1	around 500.0	(35.1)
Dai-ichi Life non-consolidated	465.4	around 380.0	(85.4)

# Disclosure of Dai-ichi Life's Transition to a Holding Company Structure

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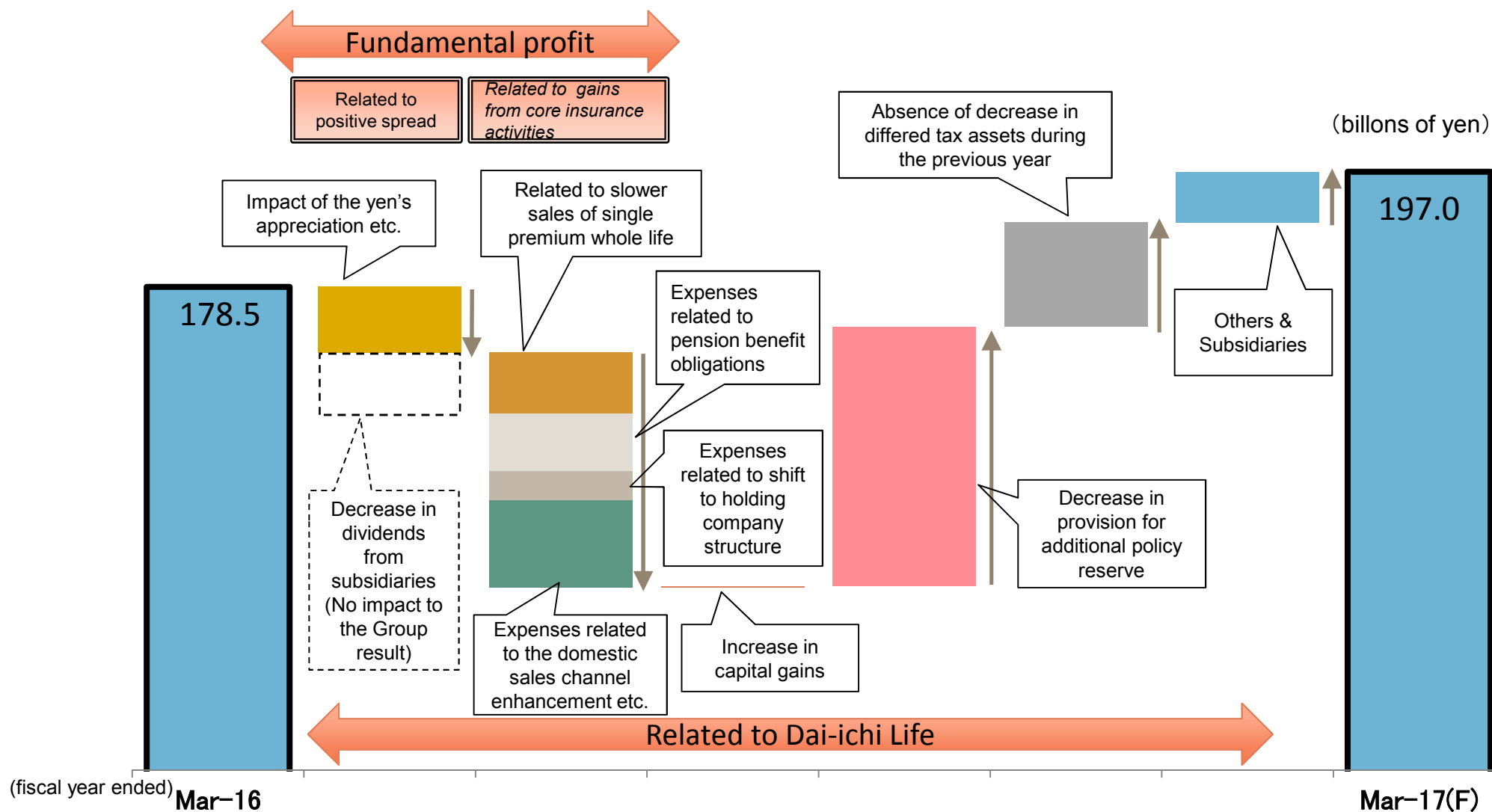


- In this presentation the guidance for Dai-ichi Life as a life insurance operating company for the year ending March 2017 will be the sum of the results from current Dai-ichi Life <1> and Dai-ichi Life as a life operating company after the corporate split <4>. The impact of the results of the Split Preparation Company <2> will be marginal to the consolidated results.
- Dai-ichi Life as a parent company of the Group recognizes dividends received from its subsidiaries and affiliates, among others, in dividend and interest income. After the corporate split, Dai-ichi Life Holdings will hold shares in some of the subsidiaries and affiliates and thus recognize dividends from them. On the other hand, Dai-ichi Life, as a life operating company, will receive less dividends and interests. But there is no impact on a consolidated basis.
- In the ordinary course of business, Dai-ichi Life Holdings will recognize dividend income from its subsidiaries and affiliates, management fees, and holding company operating expenses. The guidance for Dai-ichi Life Holdings for the year ending March 31, 2017 is indicated in column <4> of the tables below.
- See page 34 for guidance on the listed holding company on a non-consolidated basis for the year ending March 31, 2017.



(billions of yen)		(billions of yen)		(billions of yen)		(billions of yen)	
<b>Dai-ichi Life's forecast for the year ending March 31, 2017</b>		<b>Dai-ichi Life (current) &lt;1&gt; From April 1, 2016 to September 30, 2016</b>		<b>Dai-ichi Life (new) &lt;4&gt; From October 1, 2016 to March 31, 2017</b>		<b>Dai-ichi Life Holdings &lt;3&gt; From October 1, 2016 to March 31, 2017</b>	
Ordinary revenues	3,796	1,929	+	1,867		18	
Ordinary profit	324	166		157		12	
Net income	133	68		65		12	

# Analysis of the reasons for the increase/decrease in consolidated net income<sup>(1)</sup>



(1) Figures of "Consol. Net Income" represent those of "Net income attributable to shareholders of parent company".

## EEV – European Embedded Value (i)

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We have changed the extrapolation method beyond the last liquid data point of Japanese interest rates from the method taking into account the yield curve of Japanese swap rate to the method using the ultimate forward rate regarding calculations of EEV as of March 31, 2016 and value of new business for the year ended March 31, 2016. For consistent valuation, we restate EEV as of March 31, 2015 and value of new business for the year ended March 31, 2015 with the new method.

- **Group EEV decreased year-on-year. Each Group company acquired new business albeit amid adverse economic conditions, however, lower domestic interest rates impacted the Group EEV significantly.**

EEV of the Group

(billions of yen)

	Mar-15	Mar-15 Restated	Mar-16	Change <sup>(1)</sup>
EEV	5,779.6	5,987.6	4,646.1	(1,341.5)
Adjusted net worth	5,540.8	5,540.8	6,287.3	+746.5
Value of in-force business	238.8	446.8	(1,641.2)	(2,088.1)

	Year ended Mar-15	Year ended Mar-15 Restated	Year ended Mar-16	Change <sup>(1)</sup>
Value of new business	274.0	286.1	216.1	(70.0)

(1) From Mar-15(restated) to Mar-16.

# EEV – European Embedded Value (ii)

Reclassification of EEV from ALM point of view

EEV of Dai-ichi (stand alone)

(billions of yen)

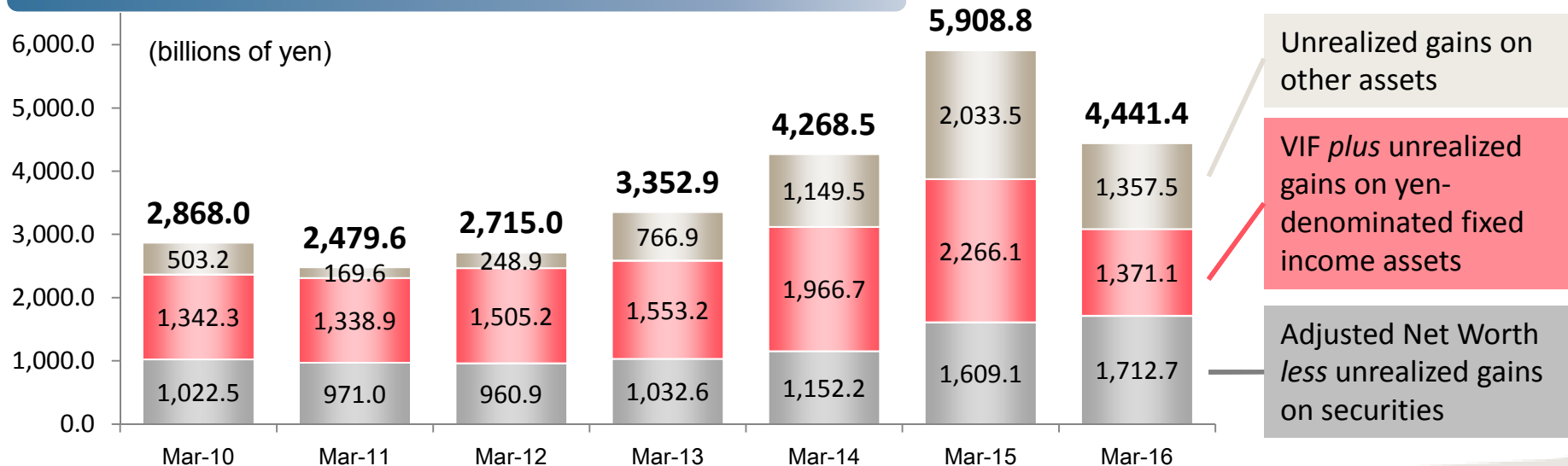
	Mar-15	Mar-15 Restated	Mar-16	Change <sup>(1)</sup>
EEV	5,700.8	5,908.8	4,441.4	(1,467.3)
Adjusted net worth	5,791.8	5,791.8	6,483.3	+691.4
Value of in-force business	(91.0)	116.9	(2,041.9)	(2,158.8)

	Year ended Mar-15	Year ended Mar-15 Restated	Year ended Mar-16	Change <sup>(1)</sup>
Value of new business	198.1	210.2	134.6	(75.5)

	Mar-15 Restated	Mar-16
EEV	5,908.8	4,441.4
Unrealized gains <sup>(2)</sup> on other assets	2,033.5	1,357.5
VIF plus unrealized gains on Yen-denominated fixed income assets	2,266.1	1,371.1
Adjusted Net Worth less unrealized gains on securities	1,609.1	1,712.7

## EEV of Dai-ichi Life (stand-alone) after reclassification



(1) From Mar-15(restated) to Mar-16.

(2) Yen-denominated fixed income assets include yen-denominated bonds, hedged foreign currency bonds and loans etc.

## EEV – European Embedded Value (iii)

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EEV of Dai-ichi Frontier Life

(billions of yen)

	Mar-15	Mar-15 Restated	Mar-16	Change <sup>(1)</sup>
EEV	252.7	252.7	303.2	+50.4
Adjusted net worth	188.2	188.2	183.8	(4.3)
Value of in-force business	64.5	64.5	119.4	+54.8

	Year ended Mar-15	Year ended Mar-15 Restated	Year ended Mar-16	Change <sup>(1)</sup>
Value of new business	58.6	58.6	53.2	(5.3)

EEV of Neo First Life

(billions of yen)

	Mar-15	Mar-16	Change
EEV	-	41.4	-
Adjusted net worth	-	27.7	-
Value of in-force business	-	13.6	-

EEV of Protective Life

(billions of yen)

	1-Feb-15	Dec-15	Change
EEV	502.9	551.2	+48.3
Adjusted net worth	351.7	414.9	+63.2
Value of in-force business	151.2	136.3	(14.8)

	-	11 months ended Dec-15	Change
Value of new business	-	5.6	-

EEV of Protective Life in USD

(millions of USD)

	1-Feb-15	Dec-15	Change
EEV	4,253	4,570	+317
Adjusted net worth	2,974	3,440	+465
Value of in-force business	1,278	1,130	(148)

	-	11 months ended Dec-15	Change
Value of new business	-	46	-

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

■ Exchange rate for EEV as of Dec-15 and value of new business for the 11 months ended Dec-15: JPY 120.61 to USD 1.00

(1) From Mar-15(restated) to Mar-16.



# EEV – European Embedded Value (iv)

EEV of TAL (billions of yen)

	Mar-15	Mar-16	Change
EEV	237.8	267.3	+29.4
Adjusted net worth	123.7	135.9	+12.2
Value of in-force business	114.1	131.3	+17.1

	Year ended Mar-15	Year ended Mar-16	Change
Value of new business	17.3	22.5	+5.2

EEV of TAL in AUD (millions of AUD)

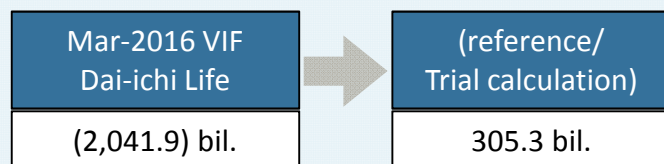
	Mar-15	Mar-16	Change
EEV	2,583	3,099	+515
Adjusted net worth	1,344	1,576	+232
Value of in-force business	1,239	1,522	+282

	Year ended Mar-15	Year ended Mar-16	Change
Value of new business	188	262	+73

- Exchange rate for EEV as of Mar-15 and value of new business for the year ended Mar-15: JPY 92.06 to AUD 1.00
- Exchange rate for EEV as of Mar-16 and value of new business for the year ended Mar-16: JPY 86.25 to AUD 1.00

[Reference/Trial Calculation] Value of in-force business taking into Dai-ichi Life's asset allocation.

- VIF based on market consistent method is calculated using risk free rate and adjusting investment risk.
- Dai-ichi Life constructs its asset portfolio based on ALM approach, and expects excess return is generated from invested assets other than risk-free assets. However, this expected return is not reflected in VIF.
- On a trial calculation basis, VIF of Dai-ichi Life (stand-alone) was 305.3 billion yen when expected excess return based on its asset allocation is taken into account.



- Expected excess return assumption (1.05% p.a.) is set based on weighted average of performance of past market indices and latest asset allocation at Dai-ichi Life.
- At the same time, WACC (5.54%) is used for discounting, in order to reflect uncertainty of expected return not realizing.

- However, please note that the above trial calculation is not based on an established method or generally used. Further, it does not imply that EEV should have increased in the same manner as VIF increased.

## (Reference) Revision on extrapolation of risk free rate beyond the last liquid point

- We revised the method for extrapolating risk free rates to calculate EEV and economic capital adequacy, in light of low liquidity of ultra long-term bonds
- We adopted a globally-accepted method using the ultimate forward rate (UFR), which has been considered for several years.

### UFR for liability discounting approach

- The UFR is a method to build a yield curve from market rates up to the last liquid point and then extrapolate to a fixed forward rate

- Because life insurers provide ultra long-term protection, interest rate assumption for ultra long-term zone is essential for liability discounting.
- Dai-ichi Life had been using swap rates when extrapolating ultra long-term rates.
- However, very low liquidity is observed in the market and such rates became less credible.
- We decided to revise our method for extrapolation to UFR, in an effort to upgrade our internal model

### UFR has been used globally

- UFR is used in Solvency II calculation
- UFR is widely used in EV calculation at European companies
- UFR is adopted in ICS field test

- *ICS (Insurance Capital Standard) is a risk-based global insurance capital standard as a part of Common Framework for the supervision of Internationally Active Insurance Groups (IAIGs), known colloquially as ComFrame, being developed at International Association of Insurance Supervisors (IAIS), with full implementation expected in 2019. Dai-ichi group believe that it will be designated as IAIG and accordingly under ICS regulation. ICS is currently being field tested to assess the value and practicality prior to formal adoption.*
- *Solvency II is an economic value based, EU-wide insurance regulatory regime for the assessment of solvency, implemented since January 2016.*

# Appendix

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

By your side, for life

DAI-ICHI LIFE

	【Dai-ichi Life】 billions of yen	【Dai-ichi Frontier Life】 billions of yen	【Protective Life (USA)】 <sup>(1)</sup> millions of USD	【TAL(Australia)】 <sup>(1)</sup> millions of AUD	【Others】 <sup>(2)</sup> (including consolidation adjustment) billions of yen	【Consolidated】 <sup>(2)</sup> billions of yen
	As of Mar-16	As of Mar-16	As of Dec-15	As of Mar-16		As of Mar-16
Total Assets	35,894.9	6,132.2	68,493	7,043	(970.8)	49,924.9
Cash, deposits and call loans	645.2	118.4	397	1,358	31.4	960.3
Securities	30,250.1	5,836.5	50,843	2,859	(905.5)	41,560.0
Loans	2,826.0	-	7,360	-	1.7	3,715.5
Tangible fixed assets	1,164.1	0.2	113	0	0.5	1,178.8
Intangible fixed assets	81.6	2.7	2,663	1,207	(102.3)	407.3
Goodwill	-	-	732	786	(101.3)	54.8
Other intangible assets	22.0	0.0	1,915	420	(0.1)	289.2
Reinsurance receivable	4.4	72.5	165	148	(3.9)	105.8
Total Liabilities	32,791.7	6,046.3	63,912	4,890	23.5	46,991.9
Policy Reserve and others	30,635.2	5,948.1	57,893	3,491	26.9	43,894.0
Reinsurance payable	0.6	20.9	244	332	(3.8)	75.8
Bonds payable	215.7	-	2,238	-	-	485.6
Other liabilities	1,095.0	53.4	2,409	978	(36.8)	1,486.6
Total net assets	3,103.1	85.9	4,581	2,152	(994.3)	2,932.9
Total shareholders' equity	1,175.5	42.7	5,822	2,152	(976.9)	1,129.2
Capital stock	343.1	117.5	0	1,630	(258.1)	343.1
Capital surplus	343.7	67.5	5,554	-	(751.0)	330.1

(1) Figures of Protective Life and TAL are disclosed after re-classifying items from Protective Life and TAL's financial statements under United States' and Australian 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 1USD=120.61 yen and 1AUD=86.25 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.

# 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-15	Year ended Mar-16	Change
Ordinary revenues	4,798.4	4,265.7	(532.6)
Premium and other income	3,266.3	2,866.6	(399.7)
Investment income	1,174.4	1,060.0	(114.4)
Interest and dividends	802.3	802.2	(0.1)
Gains on sale of securities	146.5	211.9	+65.3
Derivative transaction gains	9.4	-	(9.4)
Gains on investments in separate accounts	183.2	-	(183.2)
Other ordinary revenues	357.6	339.1	(18.5)
Ordinary expenses	4,389.7	3,921.5	(468.1)
Benefits and claims	2,718.1	2,681.3	(36.7)
Provision for policy reserves and others	702.8	209.1	(493.7)
Investment expenses	131.2	273.9	+142.7
Losses on sale of securities	24.4	62.4	+38.0
Losses on valuation of securities	0.4	0.8	+0.4
Derivative transaction losses	-	54.1	+54.1
Losses on investments in separate accounts	-	31.5	+31.5
Operating expenses	398.5	404.1	+5.5
Ordinary profit	408.7	344.2	(64.5)
Extraordinary gains	3.0	0.2	(2.7)
Extraordinary losses	27.2	52.2	+25.0
Provision for reserve for policyholder dividends	112.2	97.5	(14.7)
Income before income taxes	272.3	194.7	(77.6)
Total of corporate income taxes	120.1	65.6	(54.5)
Net income	152.1	129.1	(23.0)

## Balance Sheet

(billions of yen)

	As of Mar-15	As of Mar-16	Change
Total assets	36,828.7	35,894.9	(933.8)
Cash, deposits and call loans	1,018.7	645.2	(373.4)
Monetary claims bought	259.7	233.2	(26.5)
Securities	30,673.3	30,250.1	(423.2)
Loans	3,029.2	2,826.0	(203.2)
Tangible fixed assets	1,203.2	1,164.1	(39.1)
Total liabilities	33,277.4	32,791.7	(485.6)
Policy reserves and others	30,449.6	30,635.2	+185.5
Policy reserves	29,840.9	29,984.2	+143.2
Contingency reserve	558.0	576.0	+18.0
Reserve for employees' retirement benefits	389.4	377.9	(11.5)
Reserve for price fluctuations	132.4	148.4	+16.0
Deferred tax liabilities	413.8	138.6	(275.1)
Total net assets	3,551.3	3,103.1	(448.1)
Total shareholders' equity	1,107.3	1,175.5	+68.2
Total of valuation and translation adjustments	2,443.2	1,926.6	(516.5)
Net unrealized gains (losses) on securities, net of tax	2,488.6	1,946.9	(541.7)
Reserve for land revaluation	(33.4)	(16.4)	+17.0

(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)

	Year ended Mar-15	Year ended Mar-16	Change
Ordinary revenues	2,157.5	1,967.5	(190.0)
Premium and other income	1,899.7	1,873.0	(26.7)
Investment income	257.7	94.5	(163.2)
Ordinary expenses	2,177.3	1,937.9	(239.4)
Benefits and claims	496.2	495.7	(0.4)
Provision for policy reserves and others	1,523.2	1,136.5	(386.7)
Investment expenses	52.0	197.1	+145.0
Operating expenses	95.2	97.2	+2.0
Ordinary profit (loss)	(19.7)	29.6	+49.4
Extraordinary gains (losses)	(2.1)	(2.9)	(0.8)
Income (loss) before income taxes	(21.9)	26.6	+48.5
Total of corporate income taxes	0.0	2.3	+2.3
Net income (loss)	(21.9)	24.3	+46.2

## Balance Sheet

(billions of yen)

	As of Mar-15	As of Mar-16	Change
Total assets	4,937.2	6,132.2	+1,195.0
Cash, deposits and call loans	81.3	118.4	+37.1
Securities	4,715.4	5,836.5	+1,121.1
Total liabilities	4,879.8	6,046.3	+1,166.5
Policy reserves and others	4,811.6	5,948.1	+1,136.5
Policy reserves	4,807.0	5,941.1	+1,134.0
Contingency reserve	120.3	114.6	(5.6)
Total net assets	57.4	85.9	+28.5
Total shareholders' equity	18.4	42.7	+24.3
Capital stock	117.5	117.5	-
Capital surplus	67.5	67.5	-
Retained earnings	(166.5)	(142.2)	+24.3

# Appendix - Summary Financial Statements (Protective Life )

By your side, for life

DAI-ICHI LIFE

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

(millions of USD)

	11 months ended Dec-15
Ordinary revenues	6,784
Premium and other income	4,689
Investment income	1,701
Other ordinary revenues	393
Ordinary expenses	6,384
Benefits and claims	4,020
Provision for policy reserves and others	1,031
Investment expenses	440
Operating expenses	692
Other ordinary expenses	200
Ordinary profit	399
Total of corporate income taxes	131
Net income	268

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

(millions of USD)

	As of 1-Feb-2015	As of Dec-15	Change
Total assets	70,966	68,493	(2,473)
Cash and deposits	463	397	(65)
Securities	53,287	50,843	(2,443)
Loans	7,333	7,360	+27
Tangible fixed assets	111	113	+2
Intangible fixed assets	2,712	2,663	(49)
Goodwill	735	732	(3)
Other intangible fixed assets	1,959	1,915	(44)
Reinsurance receivable	202	165	(36)
Total liabilities	65,412	63,912	(1,500)
Policy reserves and others	58,844	57,893	(950)
Reinsurance payables	252	244	(8)
Bonds payable	2,311	2,238	(73)
Other liabilities	2,338	2,409	+71
Total net assets	5,554	4,581	(972)
Total shareholders' equity	5,554	5,822	+268
Total accumulated other comprehensive income	-	(1,241)	(1,241)

(1) Disclosed after re-classifying items from Protective Life's financial statements under U.S. accounting standards to conform to Dai-ichi Life's disclosure standards.

(2) The fiscal year of Protective Life ends on December 31. Protective Life was acquired effective February 1, 2015 and is reported on a one quarter lag.

# 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-15	Year ended Mar-16	Change
Ordinary revenues	3,166	3,231	+64
Premium and other income	2,745	3,020	+275
Investment income	334	31	(303)
Other ordinary revenues	86	179	+93
Ordinary expenses	2,982	3,079	+96
Benefits and claims	1,808	1,949	+141
Provision for policy reserves and others	447	312	(134)
Investment expenses	38	72	+33
Operating expenses	579	636	+56
Other ordinary expenses	109	108	(0)
Ordinary profit	184	152	(31)
Total of corporate income taxes	52	32	(19)
Net income	131	119	(11)
Underlying profit	146	168	+22

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

(millions of AUD)

	As of Mar-15	As of Mar-16	Change
Total assets	6,674	7,043	+369
Cash and deposits	924	1,358	+433
Securities	3,070	2,859	(211)
Tangible fixed assets	1	0	(0)
Intangible fixed assets	1,235	1,207	(28)
Goodwill	786	786	-
Other intangible fixed assets	449	420	(28)
Reinsurance receivable	116	148	+31
Other assets	1,326	1,470	+143
Total liabilities	4,641	4,890	+249
Policy reserves and others	3,340	3,491	+150
Reinsurance payables	335	332	(2)
Other liabilities	859	978	+118
Deferred tax liabilities	106	89	(16)
Total net assets	2,033	2,152	+119
Total shareholders' equity	2,033	2,152	+119
Capital stock	1,630	1,630	-
Retained earnings	402	522	+119

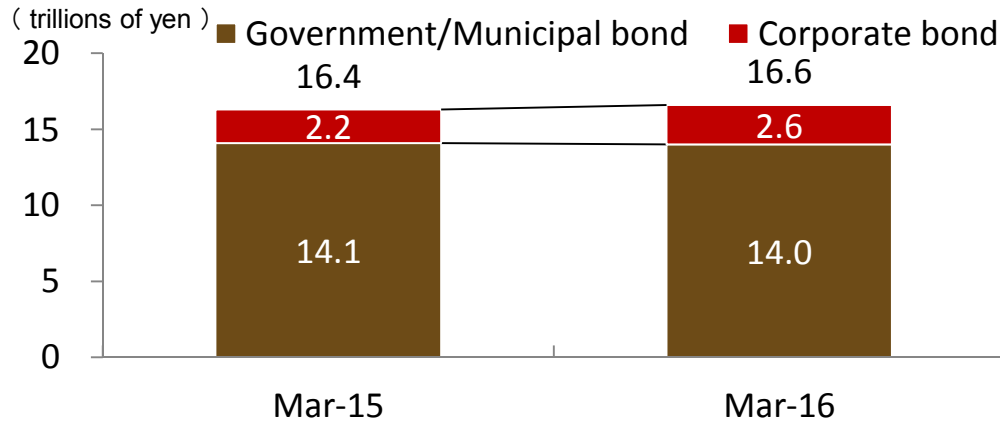
(1) Figures for consolidated holding company (i.e., TAL Dai-ichi Life Australia Pty Ltd).

(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.

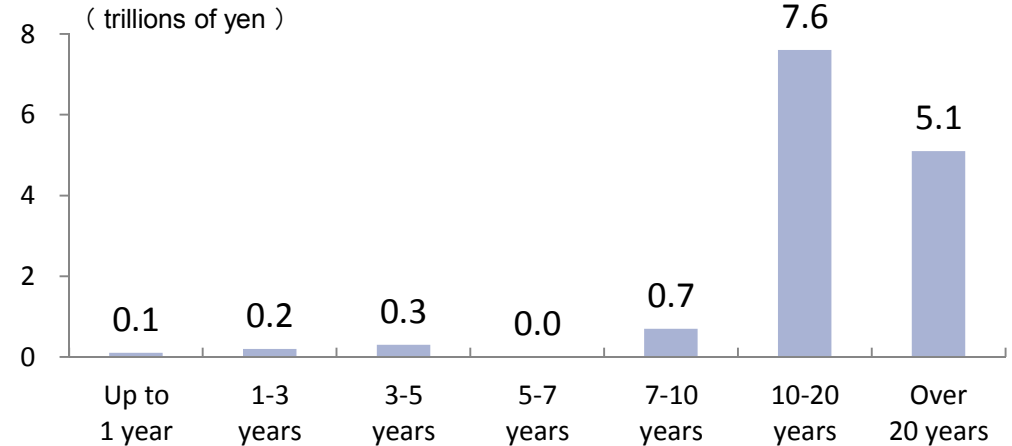


# Appendix - Profile of Domestic and Foreign Bonds (Dai-ichi Life non-consolidated)

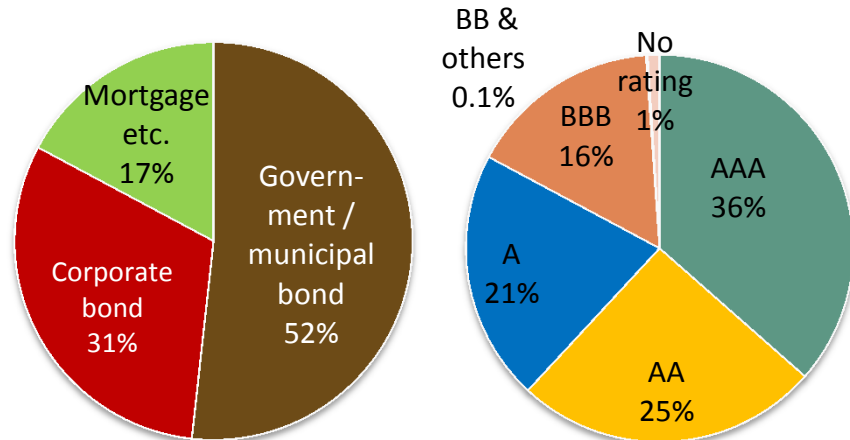
## Yen-denominated Bonds <sup>(1)</sup>



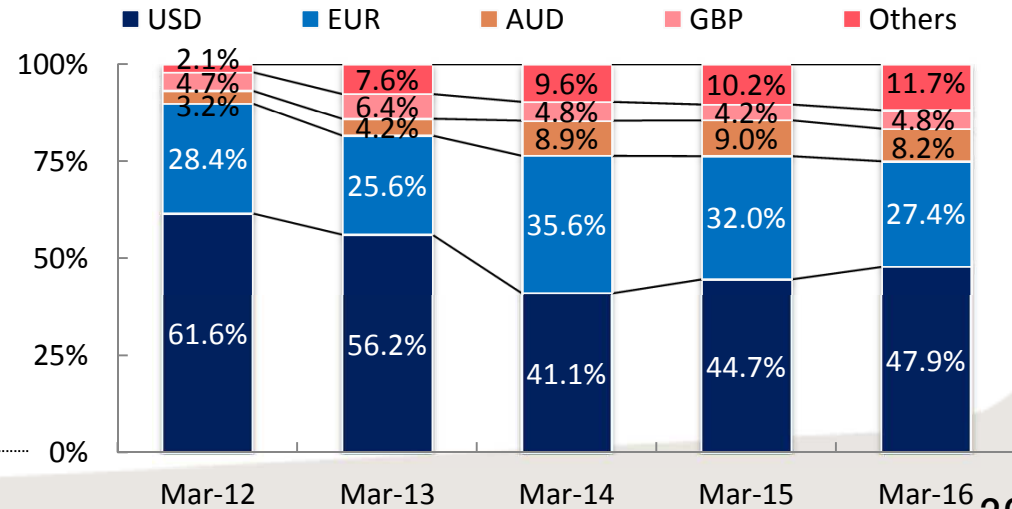
## Maturity Profile of Domestic Government Bonds <sup>(2)</sup> (Mar-16)



## Foreign Currency-denominated Bonds Portfolio <sup>(2)</sup> <sup>(3)</sup> (Mar-16)



## Foreign Currency-denominated Bonds by currency <sup>(2)</sup>



(1) Carrying amount - basis  
 (2) Book value - basis  
 (3) Ratings are medium revaluation between S&P & Moody's, excluding mortgage etc.

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

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DAI-ICHI LIFE

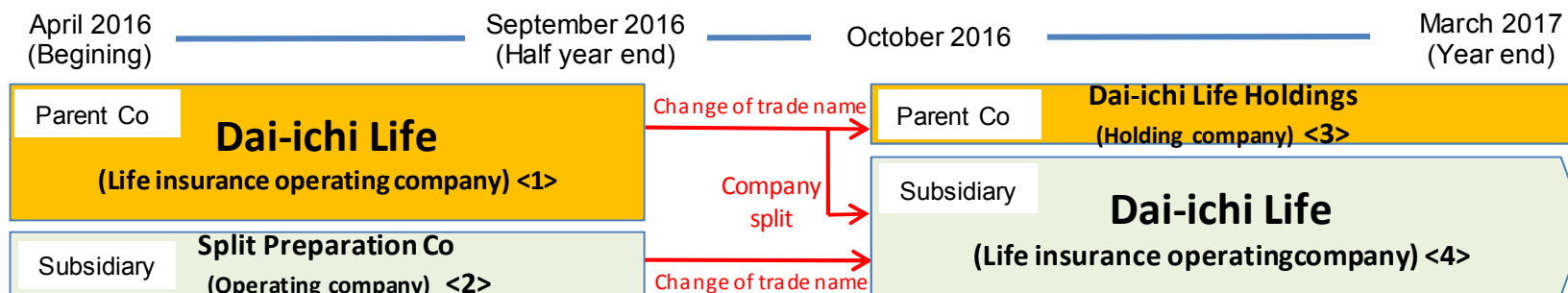
	Sensitivities <sup>(1)</sup>	Breakeven Points <sup>(2)</sup>
Domestic stocks	<p>Nikkei 225 1,000 yen change:</p> <p>March 2016: ±170 billion yen (March 2015: ±170 billion yen)</p>	<p>Nikkei 225</p> <p>March 2016: 9,400 yen (March 2015: 8,900 yen)</p>
Domestic bonds	<p>10-year JGB Yield 10bp change:</p> <p>March 2016: ±290 billion yen * (March 2015: ±260 billion yen)</p> <p>* Available-for-sale securities: March 2016: ±40 billion yen (March 2015: ±30 billion yen)</p>	<p>10-year JGB Yield</p> <p>March 2016: 1.3% * (March 2015: 1.2%)</p> <p>* Available-for-sale securities: March 2016: 1.4% (March 2015: 1.4%)</p>
Foreign securities	<p>JPY / USD 1 yen change:</p> <p>March 2016: ±29 billion yen (March 2015: ±31 billion yen)</p>	<p>JPY / USD</p> <p>March 2016: \$1 = 103 yen (March 2015: 100 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).

# (Reference) Guidance for Non-consolidated Listed Entity

- Dai-ichi Life plans to shift to a holding company structure on October 1, 2016 by means of a corporate split. Prior to the split, Dai-ichi Life, as a parent company of the Group, reports consolidated results as a listed entity. On and after the split, Dai-ichi Life Holdings, a successor company, will be the listed entity and will report consolidated results.
- The guidance on the non-consolidated company basis for the year ending March 31, 2017 as a listed entity will be the sum of the results from Dai-ichi Life as a parent company <1> and the results of the holding company <3>.



(billions of yen)		(billions of yen)		(billions of yen)	
<b>Dai-ichi Life's forecast ( as a listed company) for the year ending March 31, 2017</b>		<b>Dai-ichi Life (current) &lt;1&gt; From April 1, 2016 to September 30, 2016</b>		<b>Dai-ichi Life Holdings &lt;3&gt; From October 1, 2016 to March 31, 2017</b>	
Ordinary revenues	1,947		1,929		18
Ordinary profit	179		166		12
Net income	81		68		12

## Investor Contact

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