

# Financial Analyst Meeting for the Fiscal Year Ended March 2017

May 25, 2017

Dai-ichi Life Holdings, Inc.



Dai-ichi Life  
Holdings

- Good morning. I am Seiji Inagaki, President and Representative Director of Dai-ichi Life Holdings, Inc. Thank you for taking the time to join this analyst meeting for the fiscal year ended March 2017.
- Without further ado, let us begin.
- Please turn to page 1.

- Revenues down, profit up for FY 2016. Further enhancement to shareholder returns

Premium income for the domestic life insurance business decreased as we shifted to protection-type products in a low interest rate environment. As a result of the diversification of our businesses and operating regions, profit increased for Dai-ichi Frontier Life and the overseas life insurance business despite a decrease in profit for Dai-ichi Life. The Group's net income increased significantly. We resolved a share repurchase of 23.0 billion yen and a proposed dividend of 43 yen per share, up 8 yen compared to the previous fiscal year. Total shareholder payout is expected to be 35% of Group adjusted profit.

- Improvements in economic value-based indicators

Group embedded value increased to approximately 5.5 trillion yen due to accumulation of new business and improvements in economic conditions. We implemented a sophisticated measurement model for economic capital adequacy ratio.

- Final year of D-Ambitious. Moving towards the next medium-term management plan

While notable improvements in the financial environment remain to be seen, the Group continues to make investments in order to achieve mid- to long-term growth. Looking to the future, technological innovation could accelerate the pace of evolution of the life insurance business. Instead of passively reacting to the changes, the Group needs to accurately foresee future trends and transform itself before the changes take place.

- This slide summarizes the topics we are going to cover today.
- First we will discuss our financial results and then economic value-based indicators. We will then go over the guidance for this fiscal year and shareholder returns.
- Following that, I will discuss initiatives for this fiscal year, the last year of the medium-term management plan, and my thoughts for the next medium-term management plan.
- Please turn to page 3.

# Review of Results for the Fiscal Year Ended March 31, 2017

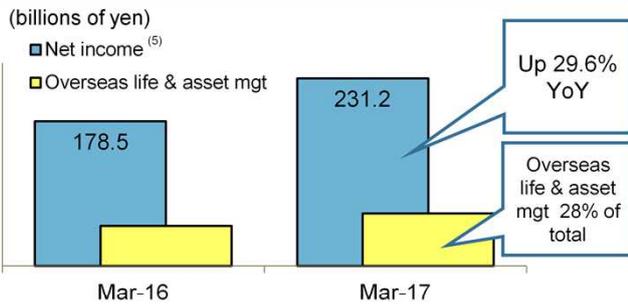


**Dai-ichi Life**  
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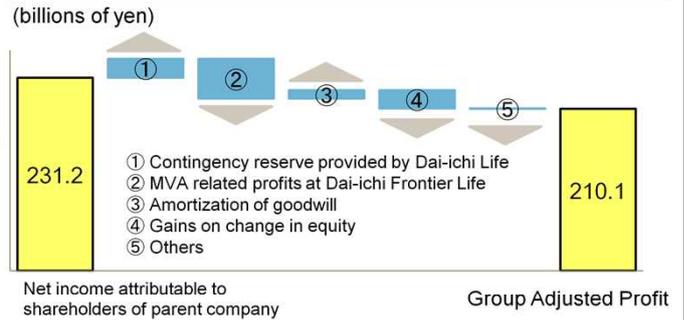
# Financial Results Highlights



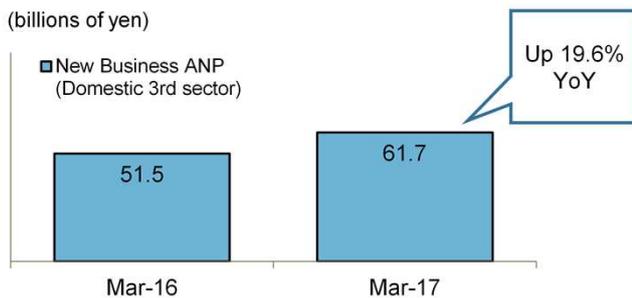
## Results of diversity in business & geography



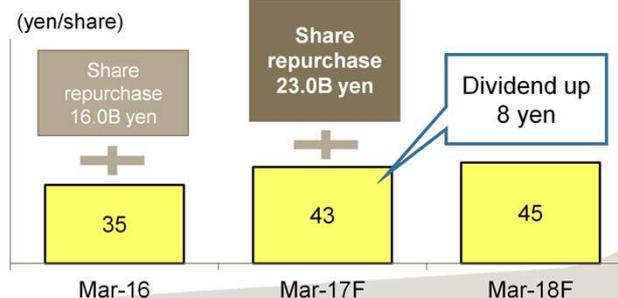
## Net Income to Group Adjusted Profit



## Domestic third sector sales up 20% YoY



## Total payout 73.7B yen or 35% of adjusted profit



※ Please refer to footnotes on page 96

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- Here are the highlights of the Dai-ichi Life Group's financial results.
- The Group's revenues were down while profit was up year-on-year. During the fiscal year, starting with the introduction of negative interest rates and events such as the Brexit referendum and the United States presidential election, came with impacts that the market did not expect. In this environment, net income increased by 29.6% year-on-year, a significant achievement reflecting Dai-ichi Group's continued efforts to diversify its business and geographic portfolio. The overseas life insurance business and asset management adjusted profits accounted for 28% of consolidated net income.
- The newly defined "Group Adjusted Profit" on which the Group bases shareholder payout from the fiscal year ended March 2017 was 210.1 billion yen, and we made an upward revision to our annual dividend forecast to 43 yen per share (8 yen increase from the prior year) from our initial forecast of 40 yen per share (5 yen increase from the prior year). We also resolved a share repurchase of 23.0 billion yen and expect total shareholder payout to be 73.7 billion yen (total payout ratio of 35%).
- Please turn to page 4.

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



Dai-ichi Life  
Holdings

- Ordinary revenues in line with expectations as we strategically shift our product portfolio
- Significant increase in net income. Dai-ichi Frontier Life and overseas life insurance business offset the decrease of Dai-ichi Life

(billions of yen unless otherwise noted) (Reference)

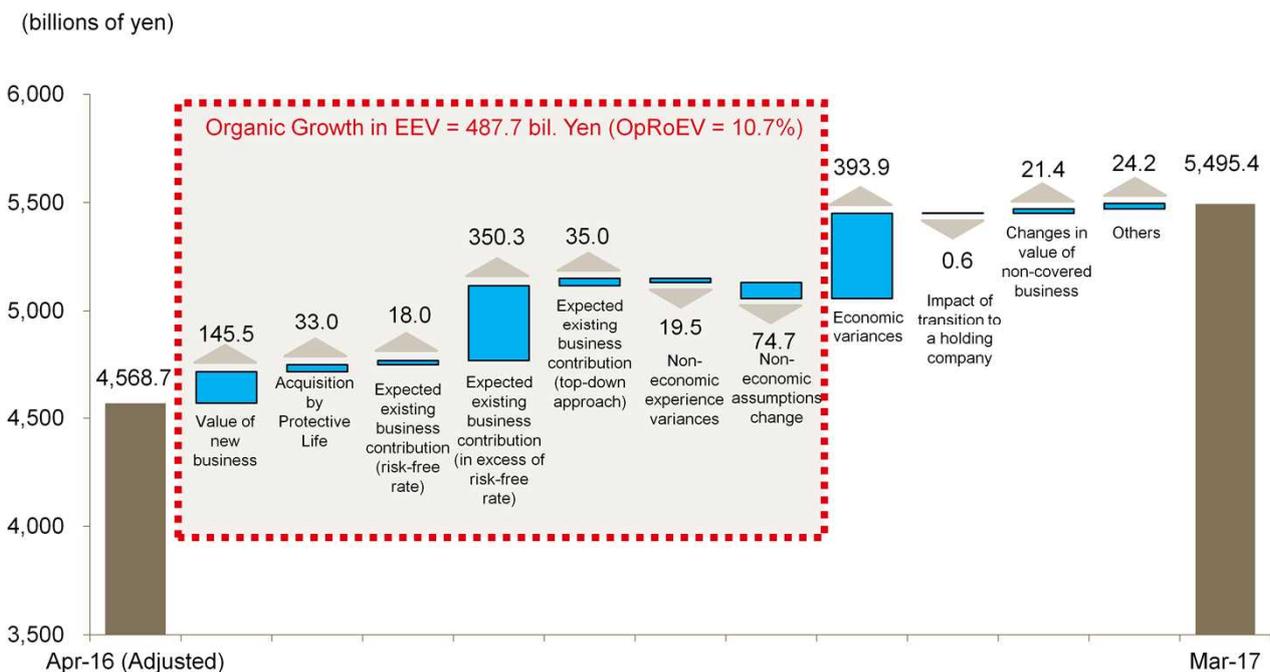
	Year ended Mar-16	Year ended Mar-17 (a)	Change		Year ending Mar-17 (B)	
					*Revised forecast on Nov 14, 2016	(a/b)
<b>Ordinary revenues</b>	<b>7,333.9</b>	<b>6,456.7</b>	<b>Δ 877.1</b>	<b>Δ 12%</b>	<b>6,277.0</b>	<b>103%</b>
Dai-ichi Life <sup>(1)</sup>	4,265.7	3,946.7	Δ 319.0	Δ 7%	3,796.0	104%
Dai-ichi Frontier	1,967.5	1,183.2	Δ 784.3	Δ 40%	1,218.0	97%
Protective Life (millions of USD) <sup>(2) (4)</sup>	6,784	8,873	-	-	8,460	105%
TAL (millions of AUD) <sup>(3) (4)</sup>	3,231	3,574	+ 342	+ 11%	3,900	92%
<b>Ordinary profit</b>	<b>418.1</b>	<b>425.3</b>	<b>+ 7.1</b>	<b>+ 2%</b>	<b>406.0</b>	<b>105%</b>
Dai-ichi Life	344.2	281.8	Δ 62.4	Δ 18%	324.0	87%
Dai-ichi Frontier	29.6	63.7	+ 34.0	+ 115%	21.0	304%
Protective Life (millions of USD)	399	594	-	-	460	129%
TAL (millions of AUD)	152	211	+ 58	+ 38%	180	117%
<b>Net income <sup>(5)</sup></b>	<b>178.5</b>	<b>231.2</b>	<b>+ 52.7</b>	<b>+ 30%</b>	<b>197.0</b>	<b>117%</b>
Dai-ichi Life	129.1	117.1	Δ 11.9	Δ 9%	133.0	88%
Dai-ichi Frontier	24.3	50.2	+ 25.9	+ 107%	15.0	335%
Protective Life (millions of USD)	268	393	-	-	300	131%
TAL (millions of AUD)	119	148	+ 28	+ 24%	120	124%

※ Please refer to footnotes on page 96

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- Here are the financial results of the Group and its major subsidiaries.
- Consolidated ordinary revenues were down by approximately 900 billion yen. In addition to controlled sales of yen-denominated single premium savings-type products in the domestic life insurance business, Dai-ichi Frontier Life's premium income decreased significantly in light of growing uncertainties in the financial markets.
- Ordinary profit and net income both increased year-on-year and surpassed the annual forecast announced in November 2016. Affected by the financial markets, profit at Dai-ichi Life decreased year-on-year and fell short of the Company's annual forecast. However, profits for Dai-ichi Frontier Life increased significantly because of a reversal of policy reserves related to market value adjustment in light of the rise in interest rates in Japan and elsewhere during the later half of the fiscal year. For the overseas life insurance business, investment gains were favorable because of the rise in interest rates and improvements in corporate bond spreads. Also, improvements in profitability for death protection products towards the end of the fiscal year in Australia and contribution from the block acquisition business in the United States contributed to the increase in profit year-on-year and helped profit to surpass the Company's forecast in both regions.
- Please turn to page 5.

# Movement Analysis of the Group's EEV



Please refer to "Disclosure of European Embedded Value as of March 2017" released on May 19, 2017 for details.

- As for European Embedded Value (EEV) at the end of March 2017, we disclosed a detailed report on May 19.
- Group embedded value at the end of March 2017 was 5.5 trillion yen, an increase of approximately 850 billion yen from 4.6 trillion yen at the end of March 2016. Here I will explain the fluctuations of the Group's EEV from the end of March 2016.
- Compared to Group EEV (including adjustments relating to shareholder returns) at the end of March 2016, there was an increase in value of new business of approximately 145.5 billion yen, an increase in value of in force business of approximately 33 billion yen relating to the acquisitions by Protective Life and an increase in expected existing business contribution of approximately 400 billion yen.
- The contributions from value of new business to non-economic assumptions change can be considered organic growth in EEV which totaled approximately 490 billion yen, a growth rate of 10.7%. Economic variances were approximately a positive 400 billion yen due to a rise in interest rates and stock prices.
- Positive impacts to EEV from Dai-ichi Life were the value of new business of approximately 110 billion yen, approximately 300 billion yen from the effect of the rise in domestic interest rates and approximately 220 billion yen from the effect of the rise in stock prices. Negative impact to EEV from Dai-ichi Life was approximately 100 billion yen from fluctuations in foreign securities. For other major group companies, EEV increased overall due to an accumulation of value of new business and improvements in the financial environment.
- Please turn to page 6.

# EEV-based Value of New Business



Dai-ichi Life Holdings

## Dai-ichi Group

(billions of yen, %)

	Mar-16	Mar-17	Change
Value of new business (A)	216.1	145.5	(70.5)
Present value of premium income (B)	5,514.2	4,953.1	(561.1)
New business margin (A/B)	3.92%	2.94%	(0.98)pts

## Neo First Life

(billions of yen, %)

	Mar-17	Mar-17 (ultimate unit cost basis)
Value of new business	(3.9)	2.4
Present value of premium income	21.6	21.6
New business margin	-18.13%	11.21%

## Dai-ichi Life

(billions of yen, %)

	Mar-16	Mar-17	Change
Value of new business	134.6	111.0	(23.6)
Present value of premium income	3,017.9	3,355.2	+337.2
New business margin	4.46%	3.31%	(1.15)pts

### Major Factors

- Investment in sales representative channel
- Change in product mix

## Dai-ichi Frontier Life

(billions of yen, %)

	Mar-16	Mar-17	Change
Value of new business	53.2	17.5	(35.7)
Present value of premium income	1,679.5	865.3	(814.2)
New business margin	3.17%	2.03%	(1.14)pts

### Major Factors

- Decrease in sales volume
- Change in product mix

## Protective

(billions of yen, %)

	Mar-16	Mar-17	Change
Value of new business	5.6	3.8	(1.7)
Present value of premium income	446.5	544.3	+97.7
New business margin	1.26%	0.71%	(0.55)pts

### Major Factors

- Decrease in sales volume
- (excluding + 33.0 billion yen from acquisitions)

## TAL

(billions of yen, %)

	Mar-16	Mar-17	Change
Value of new business	22.5	16.9	(5.6)
Present value of premium income	370.1	166.6	(203.5)
New business margin	6.11%	10.20%	+4.09pts

### Major Factors

- Decrease in sales volume
- + Change in product mix

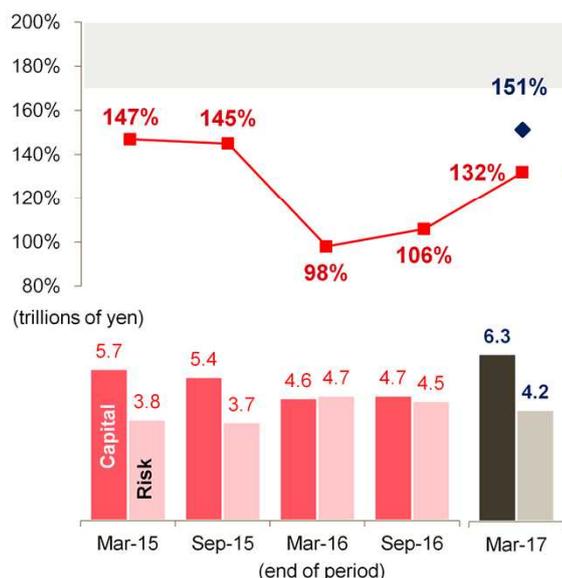
- I will explain the change in value of new business (VNB).
- During the fiscal year ended March 31, 2017, the Group controlled sales of yen-denominated single premium savings-type products in light of lower interest rates in the domestic market. On the other hand, Dai-ichi Life increased the sale of level payment individual annuities, and Dai-ichi Frontier Life increased sales of foreign currency-denominated fixed products.
- Dai-ichi Life invested in the sales representative channel for the future, which put pressure on expenses for new sales. Together with the change in product mix, the value of new business at Dai-ichi Life deteriorated. As I will explain later on, in the review of the medium-term management plan, Dai-ichi Life will focus on shifting the product mix to protection-type products while maintaining productivity of the sales representatives and expects an increase in value of new business.
- At Dai-ichi Frontier Life, sales volume of foreign currency variable products declined and reduced the value of new business.
- In overseas markets, in the United States, where Protective engages in its business, sales of annuities decreased in anticipation of a tightening of regulations. Protective was affected by this as well. Protective Life's VNB decreased marginally but because of the acquisition of blocks of term insurance business, EV increased by approximately 33 billion yen.
- Next I will explain economic capital adequacy. Please turn to page 7.

# Economic Capital Adequacy of the Group



Dai-ichi Life Holdings

- Economic capital adequacy of the Group as of March 2017<sup>(Note)</sup> improved to 132% on the back of value of new business and improvement in financial environment
- The Group continues to improve its capital model under the ERM framework so that the Group can achieve profit growth that contributes to improvements in corporate value through management decisions based on a medium- to long-term vision



**Expected yield on asset portfolio is reflected in valuation of insurance liabilities**

- A model that reflects business reality, where a part of expected yields from the asset portfolio that matches insurance liabilities is reflected in the valuation of capital as are expected mortality and morbidity.
- **The discount rate for the valuation of insurance liabilities combines risk free rate and weighted average of market yields** of fixed income assets and equities, capped with BBB corporate yields, in excess of risk free rate

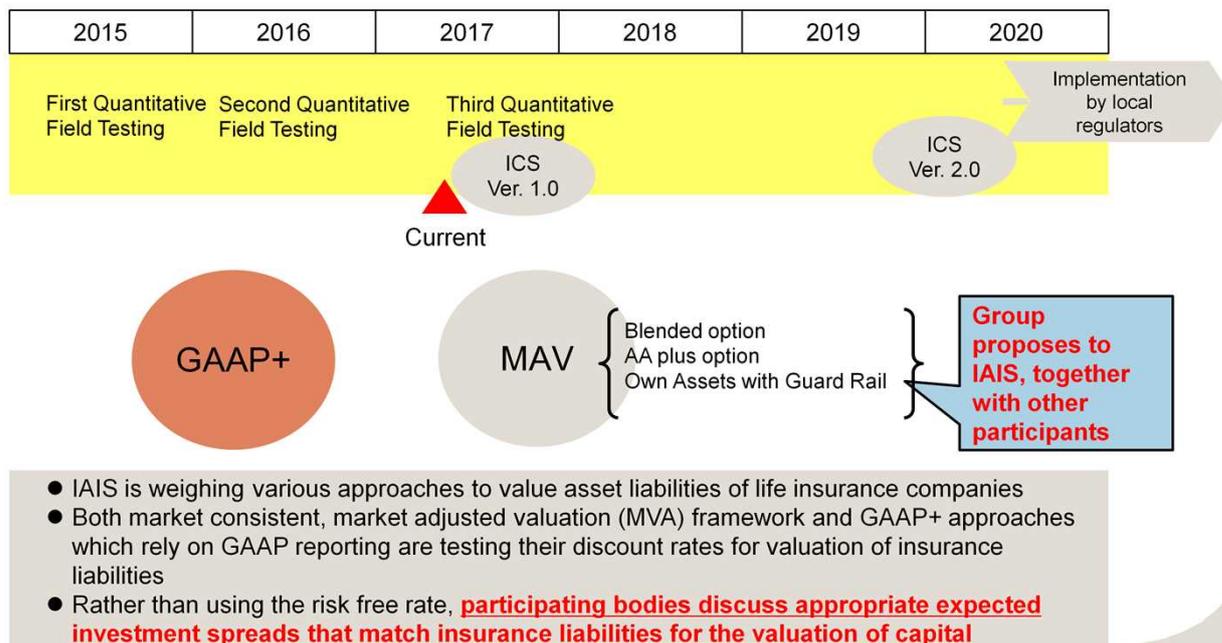
**Other model changes**

*(Note) Based on economic value basis, using Dai-ichi Life's internal capital model with a holding period of one year. Group basis, after-tax basis, confidence interval of 99.5%. For the calculation of capital/risk amounts, we used the ultimate forward rate as a premise for the last liquid data point.*

- Economic capital adequacy of the Group as of March 2017 improved to 132% from 98% as of March 2016 mainly because of accumulation of value of new business, issuance of perpetual subordinated bonds, and improvements in the economic environment.
- Regarding economic capital adequacy, in the press release dated March 31, 2017, we changed our initial target of 170% to 200% to be reached by the end of this fiscal year to a mid-to-long term vision. This reflects the fact that the Company will implement a long-term growth strategy in order to secure soundness through profit growth without being affected by short-term economic conditions. It is necessary to have a management strategy that take into consideration various factors, including adequate control of risks based on the financial environment, accumulation of accounting profit that is to be the source of shareholder returns, and allocation of capital to growth areas.
- Considering the long-term nature of managing the business based on the length of insurance contracts, we still believe that economic value indicators are an extremely important barometer. On the other hand, economic value indicators are based on the assumption that current economic conditions imply the materialization of future economic conditions. We believe that it is necessary to be careful in times when the central bank introduces a monetary policy to temporarily control the yield curve.
- In addition, a more sophisticated economic value indicator is necessary. For the valuation of insurance liabilities, mortality rates and morbidity rates are taken into account. For the valuation of risk amounts, the investment portfolio is taken into account. As such, reflecting certain asset management aspects to the discount rate would increase the link between liability valuation and asset valuation. So the Group decided to allow the portion of market-price yield of assets that exceed the risk free rate to be accounted in the discount rate in making valuation of insurance liabilities. That change in model led to a new economic solvency ratio of 151%. The Group will formulate its capital strategy based on this new model in the future.
- Please look at page 8.



- International Association of Insurance Supervisors (IAIS) is drafting Insurance Capital Standard (ICS) applicable to internationally active insurance groups (IAIGs) by the end of 2019



- I will explain the developments in the international capital regulation framework for insurance companies.
- The International Association of Insurance Supervisors (IAIS) is drafting the Insurance Capital Standard (ICS) to be applicable to Internationally Active Insurance Groups (IAIGs) by the end of 2019.
- We are proactively participating in the ICS drafting process.
- There are still various specifications that need to be defined before ICS is standardized as a system by the regulatory authorities of each country. There are a wide variety of opinions on what approach to take for the discount rate for insurance liabilities valuation and risk amount valuation, whether it should rely on a GAAP accounting-based approach or an economic values approach. Currently, IAIS is opting for an intermediate approach as an economic value indicator which should gather a certain level of consent and we are currently discussing the appropriate level for such an approach.
- As a method to measure economic capital adequacy, the Company formulated a sophisticated model that adds certain spreads that reflect actual asset portfolio performance to the risk free rate. The Group believes the approach is broadly shared by the international life insurance industry in major regions.
- Please turn to page 9.

# Earnings Guidance - Guidance for the Year Ending March 2018



- The Group expects declines in revenues and net income. Increased reserving expenses at Dai-ichi Life are expected to be offset by an improvement in net capital gains. Dai-ichi Frontier and other companies will see declines from better than expected earnings last year.
- Cash dividend is forecasted to increase to 45 yen per share in line with the Group commitment of total shareholder payment of 40%

(billions of yen unless otherwise noted)

	Year ended Mar-17	Year ending Mar-18	Change
<b>Ordinary revenues</b>	<b>6,456.7</b>	<b>6,004.0</b>	<b>(452.7)</b>
Dai-ichi Life	3,946.7	3,663.0	(283.7)
Dai-ichi Frontier Life	1,183.2	1,012.0	(171.2)
Protective Life (millions of USD)	8,873	8,710	(163)
TAL (millions of AUD)	3,574	3,760	+185
<b>Ordinary profit</b>	<b>425.3</b>	<b>363.0</b>	<b>(62.3)</b>
Dai-ichi Life	281.8	272.0	(9.8)
Dai-ichi Frontier Life	63.7	29.0	(34.7)
Protective Life (millions of USD)	594	460	(134)
TAL (millions of AUD)	211	180	(31)
<b>Net income<sup>(5)</sup></b>	<b>231.2</b>	<b>179.0</b>	<b>(52.2)</b>
Dai-ichi Life	117.1	111.0	(6.1)
Dai-ichi Frontier Life	50.2	17.0	(33.2)
Protective Life (millions of USD)	393	310	(83)
TAL (millions of AUD)	148	130	(18)
<b>Dividends per share (yen)</b>	<b>43</b>	<b>45</b>	<b>+2</b>

(Reference) Fundamental Profit

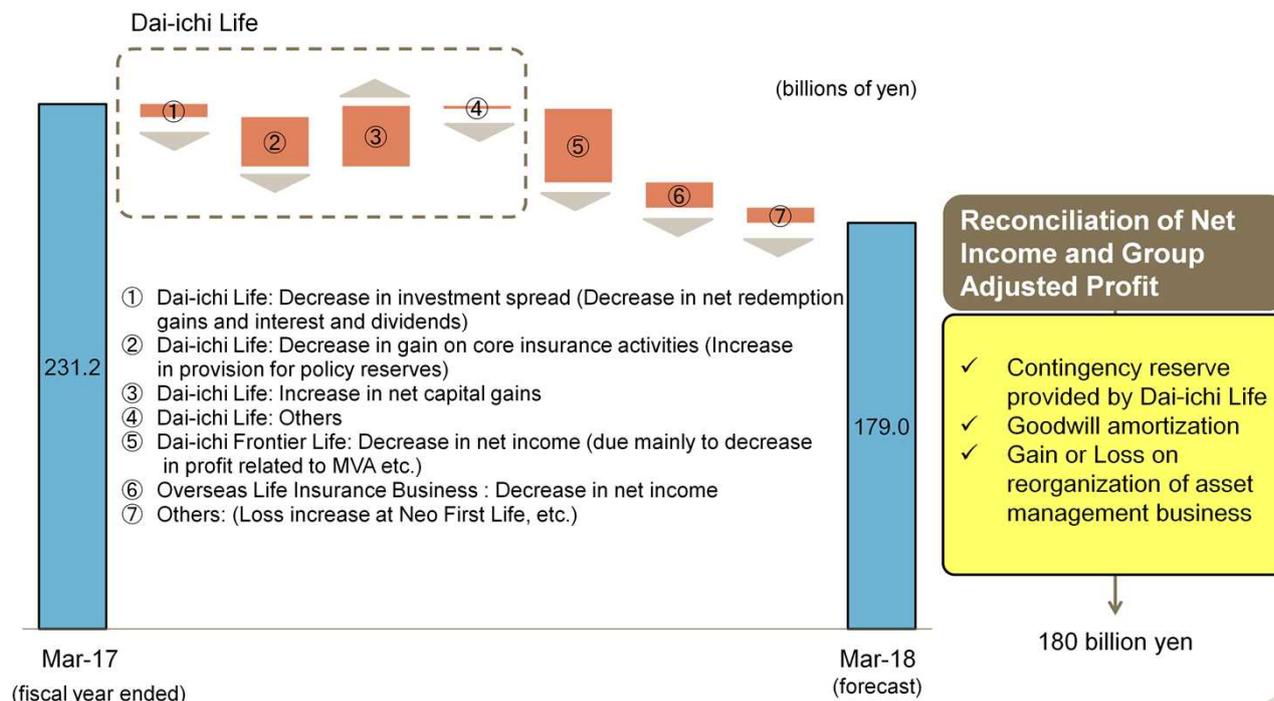
Dai-ichi Life Group	558.4	around 480.0	(78.4)
Dai-ichi Life	392.1	around 340.0	(52.1)

※ Please refer to footnotes on page 96

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- I will explain our earnings guidance for the year ending March 31, 2018.
- We forecast a decrease in both revenues and net income. Ordinary revenues are expected to decrease because premium income from savings-type products is expected to decrease as we shift to protection-type products in the domestic life insurance business.
- Ordinary profit and net income are expected to decrease because the magnitude of the reversal of policy reserves related to market value adjustment recorded at Dai-ichi Frontier was high for the previous fiscal year. There were also other one-time gains from the overseas life insurance business that we do not expect for the year ending March 2018.
- Even though we expect a decrease in profit, we aim to achieve a total payout ratio of 40%, which is our mid-term business plan objective. We forecast dividends per share to increase by 2 yen to 45 yen.
- Please turn to page 10.

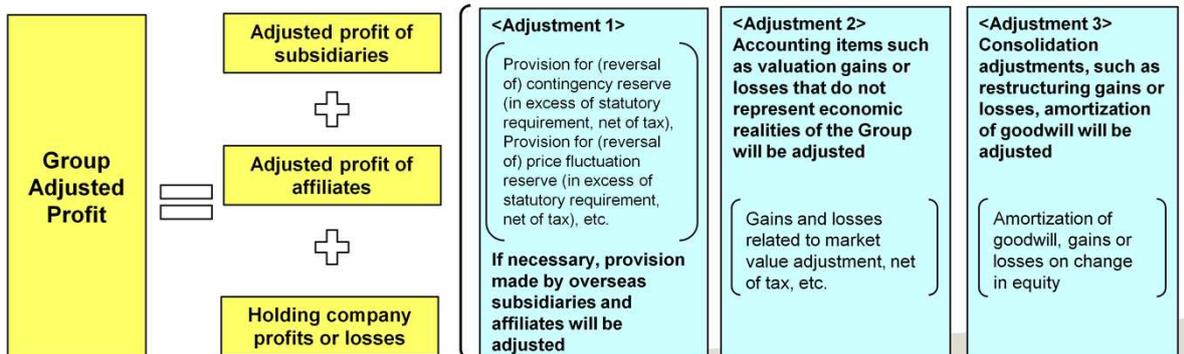
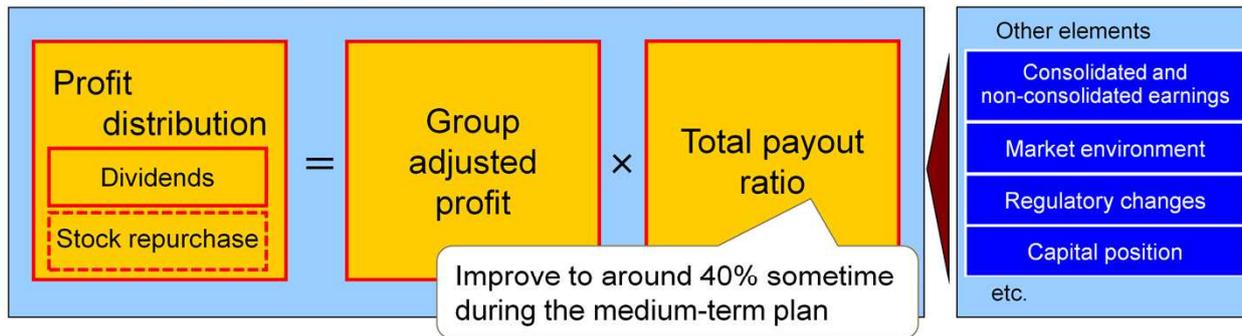
# Analysis of Change in Net Income



- I will touch on Dai-ichi Life while explaining the changes in net income of the group.
- Premium rates of certain products at Dai-ichi Life were revised coinciding with the revised statutory standard assumed rate of return implemented in April. For new business, the Company is required to accumulate provision for policy reserves based on the standard assumed rate of return. Thus, we expect an increase in provision for policy reserves for the fiscal year ending March 31, 2018. This is expected to be offset by an increase in net capital gains. Net income of Dai-ichi Life, thus, is expected to decrease marginally.
- The forecast for Group adjusted profit is 180 billion yen as disclosed on March 31, 2017. The main adjustment items are shown on the right.
- Please look at page 11.

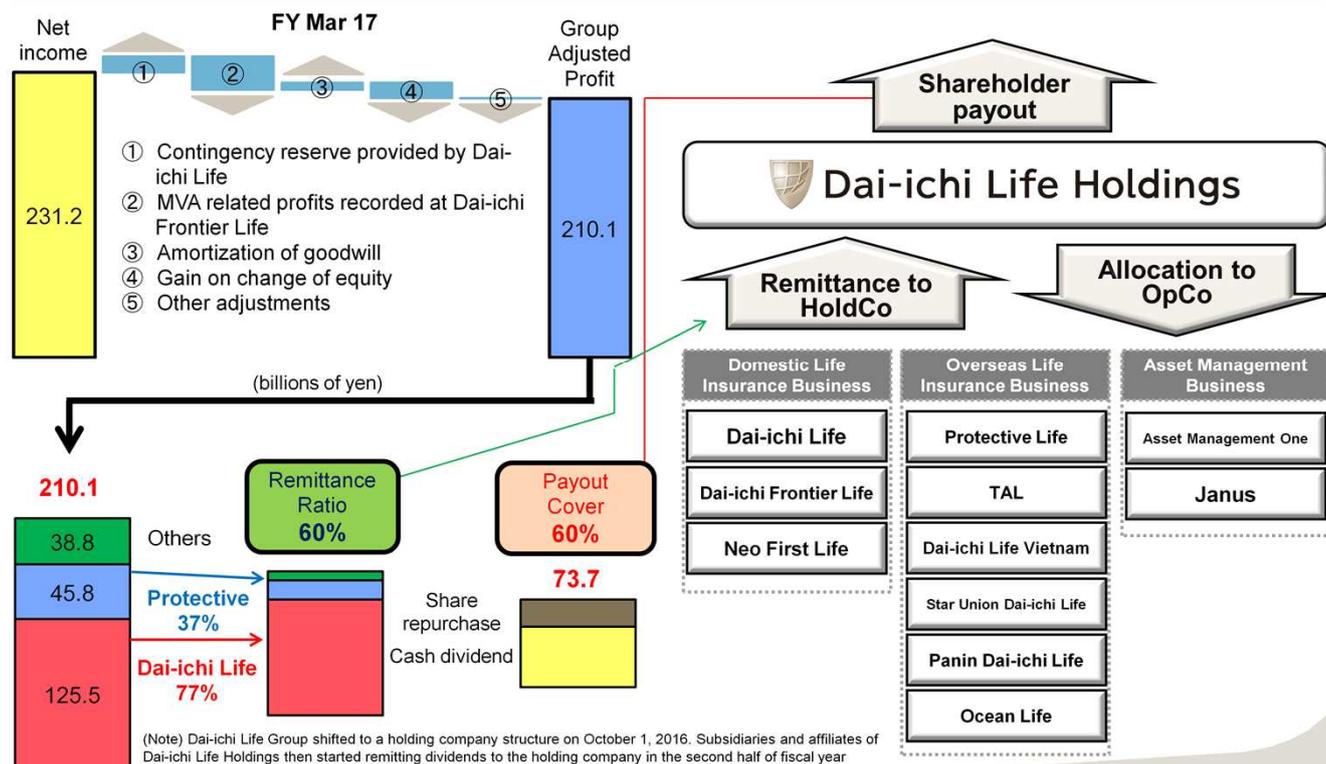


The Group plans to improve total payout through a combination of stable dividends and active use of stock repurchases based on the trends in earnings and other elements



- This slide explains the new formula for “Group Adjusted Profit” together with the Group’s basic shareholder return policy.
- Please look at page 12.

# Group Cash Flow Management



(Note) Dai-ichi Life Group shifted to a holding company structure on October 1, 2016. Subsidiaries and affiliates of Dai-ichi Life Holdings then started remitting dividends to the holding company in the second half of fiscal year ended March 31, 2017. This diagram is based on the assumption that the holding company was set up on April 1, 2016 and its subsidiaries and affiliates remitted dividends based on remittance ratio during the second half.

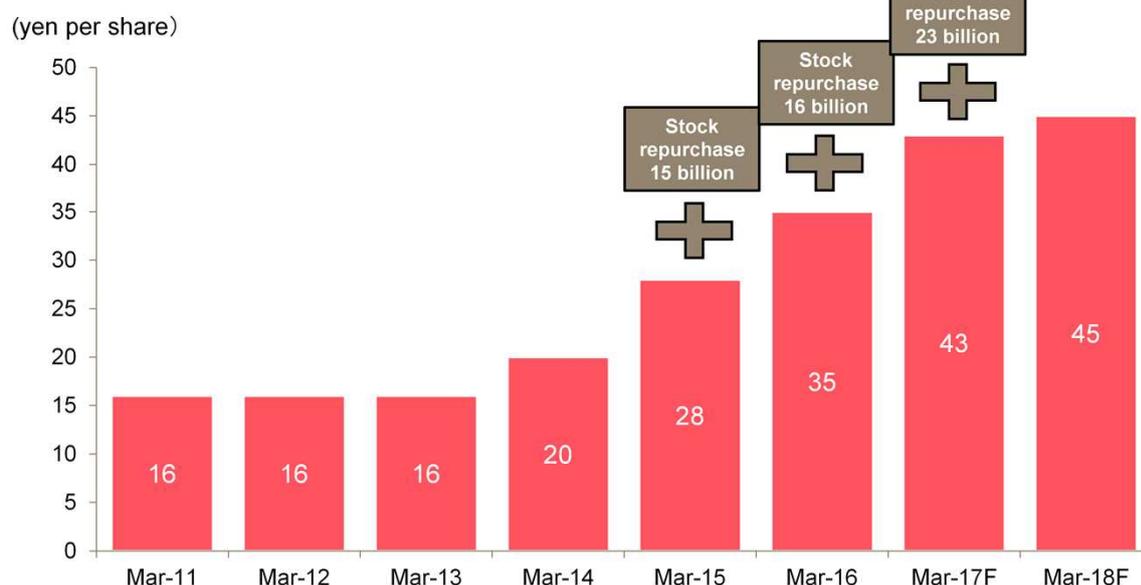
- The Group introduced the concept of “Group Adjusted Profit” in order to establish a cash flow management system among the companies of the Group which coincided with the establishment of the holding company and the introduction of new management. The principle behind the new definition is sustainable resources for shareholder payout should be based on cash-based core earnings from Group companies.
- Cash is transferred to the holding company from group companies and becomes the basis for shareholder payout and supporting growth in capital of the subsidiaries growing.
- Since the newly defined Group adjusted profit is based on adjusted profit of each group which will be the source of dividends, the dividends paid to the holding company by the group companies and shareholder payout by the holding company have consistency.
- Group adjusted profit for the fiscal year ended March 2017 was 210.1 billion yen. The bottom left diagram shows the flow of cash.
- The holding company was established in October 2016 so certain figures are assumptions.
- As you can see, for mature companies like Dai-ichi Life, a higher dividend, in other words, a higher transfer ratio is set. On the other hand, by controlling the transfer ratio of overseas life insurance businesses that have high growth potential, we are able strategically support growth in capital of those subsidiaries.
- The remittance ratio of payments to the holding company from Group companies are approximately 60% and also shareholder payout based on cash remittance to the holding company, in other words, payout cover is also approximately 60%.
- Please look at page 13.

# Improving Shareholder Payout



Dai-ichi Life Holdings

- Improving shareholder payout in keeping with the improvement in accounting profits
- Committed to increase total payout to 40% during the medium-term management plan covering FY2015-17 (D-Ambitious)



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- The Group forecasts 45 yen per share cash dividends for the fiscal year ending March 2018, a two yen increase and, if achieved, it would represent five consecutive years of dividend increase.
- The Group aims to improve cash dividends over time as the Group implements its growth strategy from a medium and the long term perspective.
- The Group announced stock repurchases for three consecutive fiscal years. The Group will continue to use stock repurchases flexibly to reflect changes in net income and other factors.
- From here I would like to discuss the initiatives for the last fiscal year of the medium-term management plan and my thoughts on the next medium-term business plan.
- Please look at page 15.

The Group's Medium-term Management Plan  
Covering Fiscal Years 2015 to 2017



Strategy update

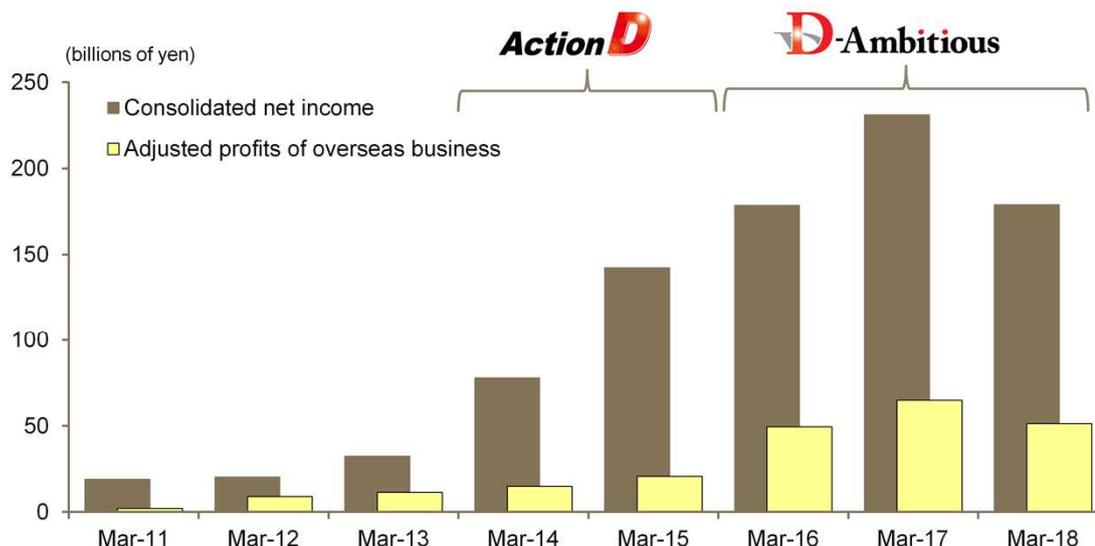


Dai-ichi Life  
Holdings

# Group Earnings Since Listing



Dai-ichi Life Holdings



Nikkei Average (yen)	9,852	9,962	12,244	14,694	19,197	16,897	19,340
10-Yr JGB (%)	1.25	0.98	0.56	0.64	0.40	-0.05	0.06
Yen against Dollar	83.15	82.19	94.05	102.92	120.17	112.68	112.19

(Note) Nikkei average represents monthly average of the ending month of the fiscal year

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- The top graph illustrates the trends in consolidated net income since the demutualization and listing.
- The table below illustrates the trends of certain economic indices. In this environment, the Group realized growth in net income for six consecutive years to the fiscal year ended March 2017, extending the diversification of its business lines and regions. Having said that, excluding the number of one-time items included in the results for the fiscal year ended March 2017, the Group Adjusted Profit was 201.1 billion yen, compared with 204.6 billion yen for the previous year. This fiscal year the Group expects to realize Group Adjusted Profit of 180 billion yen.
- At the time D-Ambitious was drafted, the Group believed the low interest rates in Japan would normalize over a short period of time. The negative interest rate policy was maintained and last September, however, the Bank of Japan released a comprehensive review of its policy. That changed the Group's assumptions and the Group now takes into account the scenario in which super-low interest rates will persist for some time beyond the duration of the plan.
- In addition to the assumption that super-low interest rates will persist for some time, we expect lower profit for the fiscal year ending March 2018 because of the fact that we will be making up-front investments in the domestic life insurance business in order to aim for sustainable growth in the future.
- Please look at page 16.

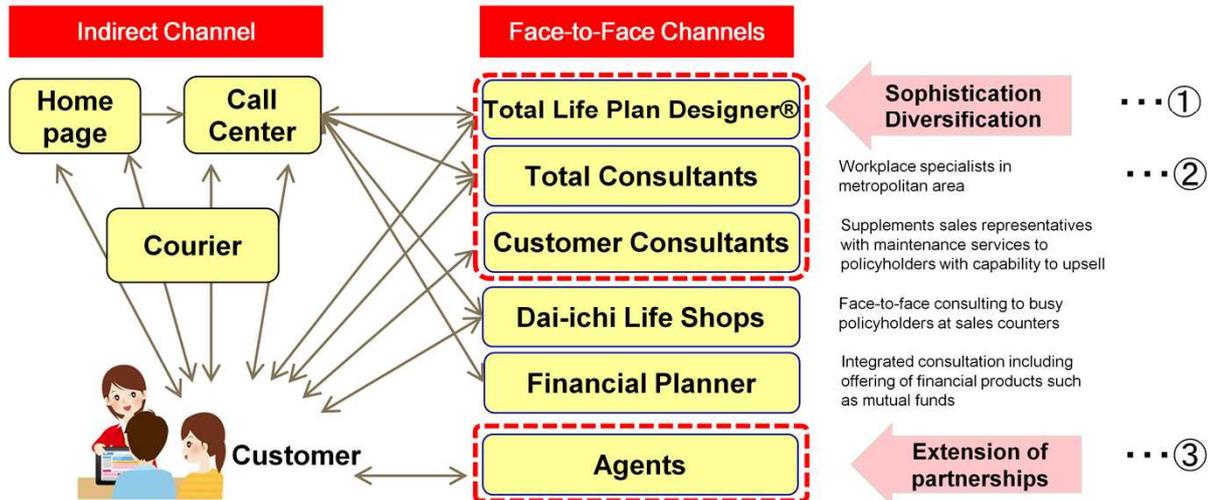
By your side, for life

DAI-ICHI LIFE

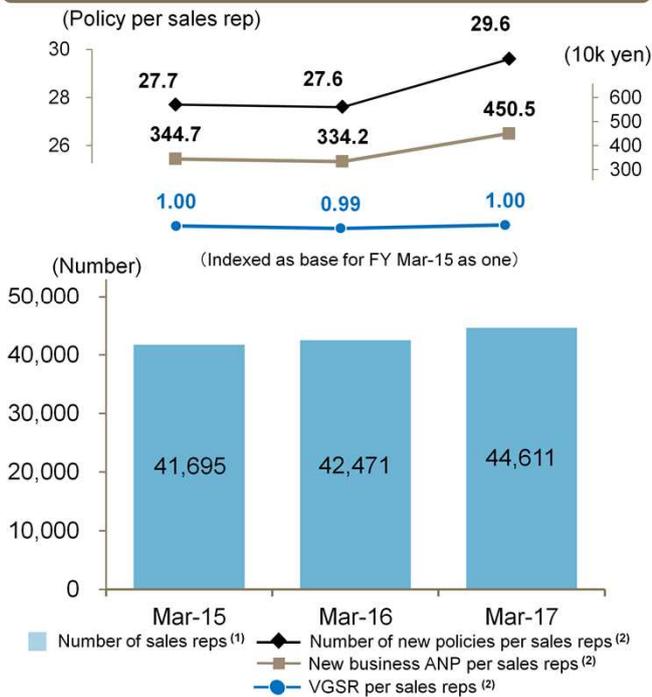
Dai-ichi Life Group

 ネオファースト生命  
 Neo First Life

Dai-ichi Frontier Life Insurance Co., Ltd.



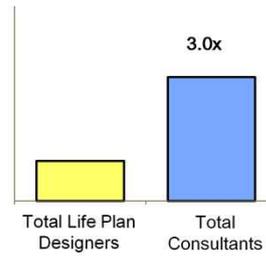
- For the Domestic Life Insurance Business, the Group continued to develop several brands sold through several channels in order to provide best-in-class products and services that best answer the needs of our customers. Since the start of the medium-term management plan, the Group invested in sales channels, extending the duration of training so that sales representatives can make higher quality consultations. On top of that, the Group has built a system where contact points, either face-to-face or not, are seamlessly connected to support sales representatives. And we are witnessing a number of achievements.
- Please look at page 17.

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

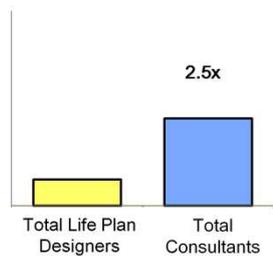
(1) The number of sales representatives does not include those who are not full-time employees of Dai-ichi Life and are engaged mainly in ancillary work.  
 (2) Calculated by dividing the number of new policy, new business ANP (annualized net income) and VGSR (value of gross sales revenue) respectively, by the average number of sales representatives in each period. VGSR is an internal index of sales and is the value of new business before deduction of operating expenses etc. excluding the effect associated with environmental changes, treating the figure for year ended March 2015 as 1.00.

## ② Highly Productive Total Consultants

## Workplace Sales Productivity



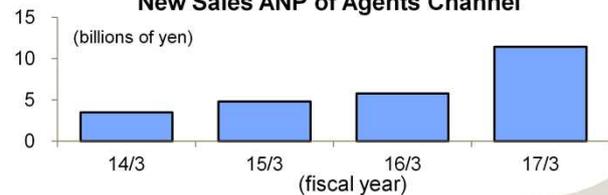
## % New Customer



- Team of new graduates who cover large workplaces in metropolitan areas. 2,000 sales force represents one of the largest in industry
- Strong outreach with 60% of new sales from ages between 20's and 30's, three out of four sales from new customers

## ③ Expansion of Agents Channel

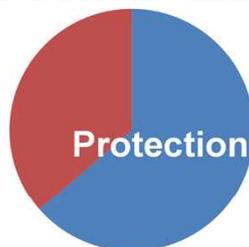
## New Sales ANP of Agents Channel



- This slide displays some of the achievements.
- As we explained during the earnings call, we achieved improvements in the productivity of our sales representatives. That sales force now includes more than 2,000 Total Consultants, one of the largest such teams in the industry. Total Consultants specialize in sales at the workplace, and their productivity is quite high compared to typical Total Life Plan Designers. They tend to find more new customers.
- Some of the Total Life Plan Designers and Total Consultants are now able to sell foreign currency-denominated single premium savings-type products offered by Dai-ichi Frontier Life, answering the needs of customers.
- The Group is revitalizing the independent agents channel. The “Exceed U” annuity products that address business owners’ nursing care risks helped the Group increase sales among existing partner agents but also created positive momentum in initiating new partnerships with other independent agents.
- Please look at page 18.

## Activities in fiscal year ended March 2017

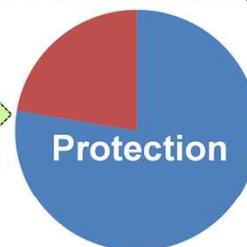
- Control sales of single premium savings-type products

Mar-17 Product Portfolio<sup>(Note)</sup>

## Activities for fiscal year ending March 2018

- Sales of protection-type products with promotion of health

Mar-18 Product Portfolio (Image)



In order to shift product portfolio

**Focus on sales of core products**

## Individual Life and Annuities

## Attributes to extension of Health Span



<Targets Under 29, core insurance demography>  
Supports policyholders' healthy life with Assist Seven and Income Support riders

## Address longevity risk



<Targets middle and seniors aged over 50>  
Provides safety through the bundling with nursing care annuity

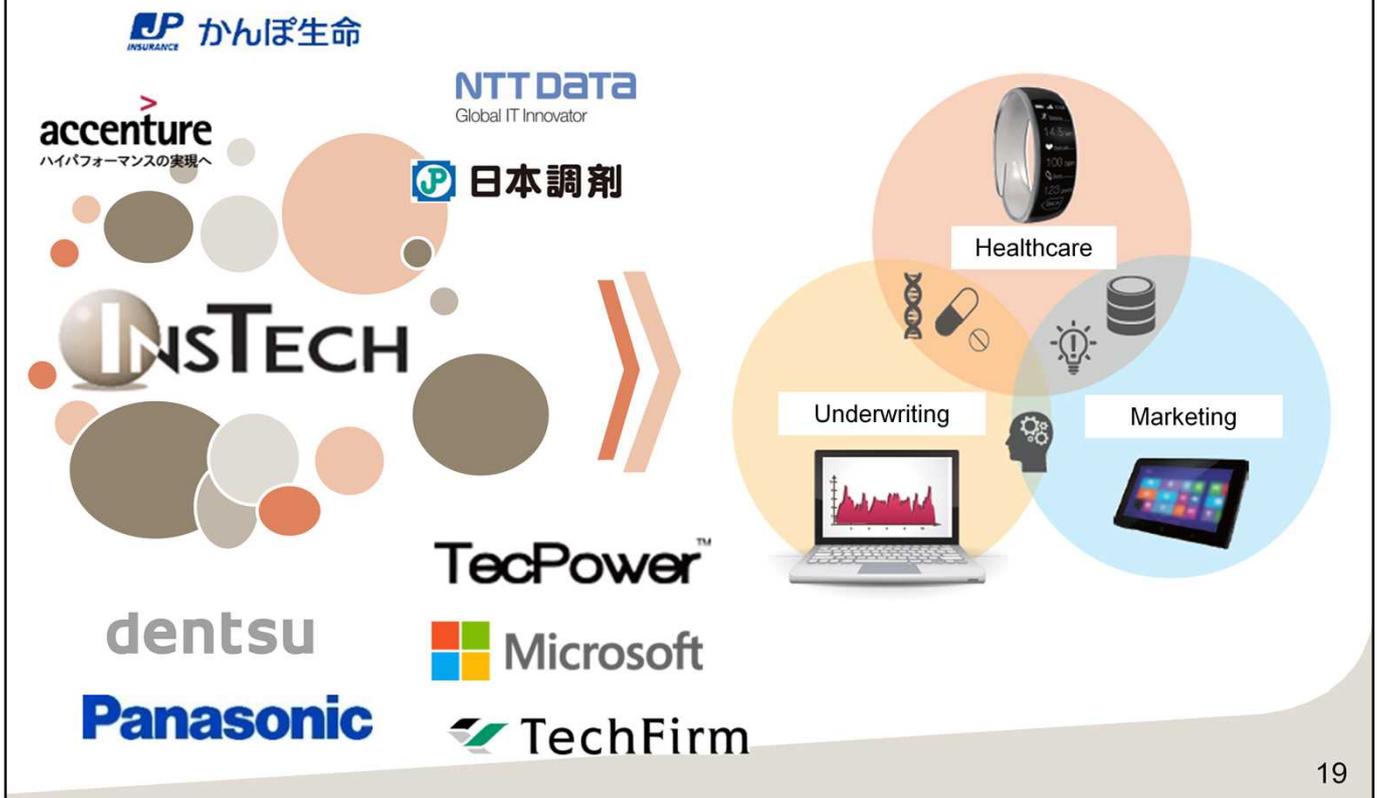
## Corporate Market



(Note) composition of value of gross sales revenue

18

- During the fiscal year ended March 31, 2017, the Group controlled the sale of yen-denominated single premium savings-type products and introduced annuity products that cater to business owners' nursing care risks. On the back of the strong needs for savings-type products, the Group couldn't make a clear shift of its product portfolio to protection-type products.
- This fiscal year started with a revision of the standard assumed rate of return. The Group changed premiums for a portion of its savings-type products, and maintained competitiveness of the protection-type products. This fiscal year changed the evaluation system for sales representatives, the Group in order to realize a shift in its products portfolio. The new pricing requires the Group to make an incremental provision for policy reserves that reduces our expectation for fundamental profits. This follows the Group's investments in sales representative channels in the previous fiscal year. However, the Group has recognized the profitability of the new pricing on economic value terms and barring any change in economic assumption, expects a shift to the protection-type products to enable the Group to reclaim the investment in its sales channels and to lead to an increase in value of new business.
- Please look at page 19.



- The integration of technology and the finance business is referred to as “FinTech”. We call the integration of technology and the insurance business, “InsTech”. An official internal project team dedicated to InsTech was launched in April 2017 and the team is considering various possibilities.
- With the Company responding to the protection needs of ten million policyholders, we have accumulated a rich source of medical big data. By analyzing this data, we are able to develop new products and expand the underwriting standards of existing products. This is a potential strength for our products and services. In order to push forward this initiative and to have a competitive edge, we believe it is necessary to expand our customer base.
- In addition, automation of paperwork by utilizing robotics and simplification of back office processes are becoming increasingly feasible. In addition to expanding the top line through products and services, we have high hopes that operations will become increasingly efficient.
- Please turn to page 20.



\* Japanese logo of  
"KARADA KAKUMEI" ("body revolution")

Premium based on "Health Age<sup>®</sup> (1)"

**An Industry First**

(1) Health Age is the registered trademark of Japan Medical Data Center.

"KENKO DAIICHI" App  
**500K Downloads**

iPhone  
Healthcare/  
fitness  
Category

**No. 1**

Reviewed underwriting standards  
through medical big data analysis

**Number of new policies  
grew by 8,000<sup>(2)</sup> annually**



Android  
Health & fitness  
Category

**No. 1**

(2) Annualized calculation based on FY2016 results

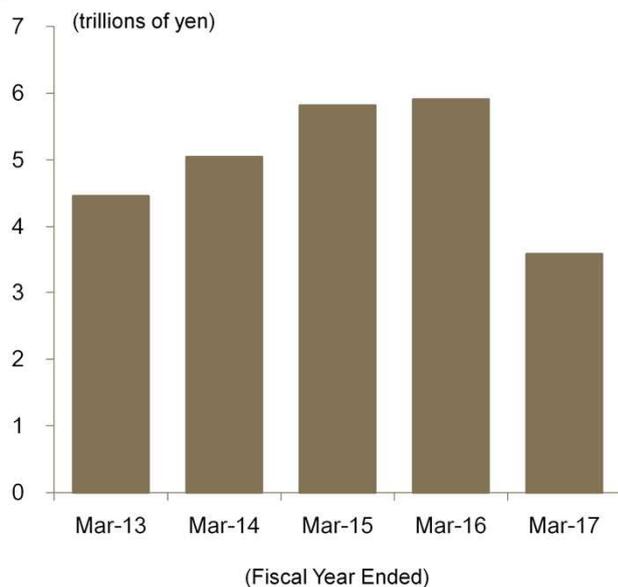
Take a peek at your future  
self

20

- Last December, Neo First Life launched "KARADA KAKUMEI" ("body revolution"), a new product in which the premium is determined based on one's health age rather than actual age, using medical big data. Customers submit their health checkup results. Based on their health condition, health age is determined and is reflected to the premium at the time of renewal. This product is gathering attention as the first product of its type in the industry where premium rates are lowered as the customer gets healthier.
- In addition, by analyzing medical big data, we are now able to approach customers who we had to decline in the past with insurance proposals. This helped to increase the number of insurance policies by 8,000 on an annual basis.
- The "KENKO DAIICHI" ("health as No. 1") app that we launched in March this year, reached half a million downloads in one month. The "FaceAI" functions, which lets you take a look at a simulated image of your future self, is popular among users. We will be adding more functions in the future. The app also aims to increase health consciousness. For example, points are awarded for how much a user walks and you can exchange the points you earn for actual products. As the customer gets healthier, it benefits not only the customer but benefits us as well.
- Please turn to page 21.

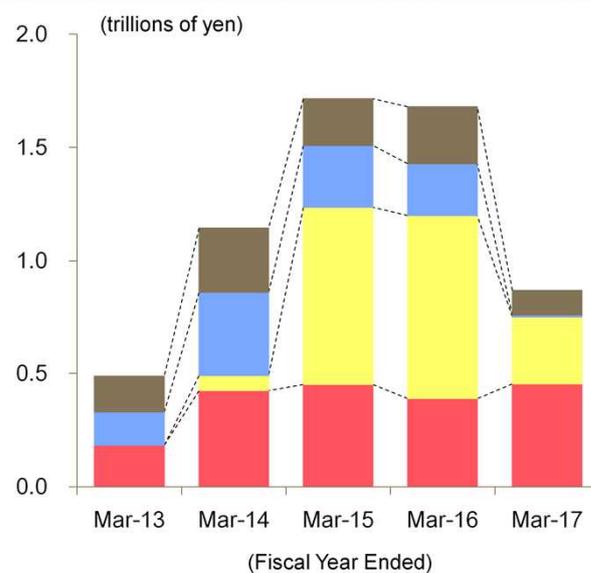


## Bancassurance: Savings-type Product Sales



(Source) Estimates by Dai-ichi Life Holdings, Inc.

## Dai-ichi Frontier Life: Sales by Product Type



■ Yen-Variable ■ Yen-Fixed ■ FCY-Variable ■ FCY-Fixed

※ Premium income basis

21

- In the bancassurance market, during the fiscal year ended March 2017, insurance companies, including Dai-ichi Frontier Life, controlled sales of yen-denominated products in light of negative interest rates.
- In addition, throughout the fiscal year, customers were not willing to take risks in a highly volatile financial environment.
- In light of such events, it can be assumed that the bancassurance market saw negative growth in the first time in five years. Insurance sales for Dai-ichi Frontier Life also decreased significantly.
- On the other hand, following the United States presidential election, the financial environment has been improving. Dai-ichi Frontier Life will strive to maintain its position as a major player in the bancassurance market with a strong product lineup that caters to various consumer preferences and strong support capabilities to the backup sales systems of financial institutions.
- Please turn to page 22.



- Top class product lineup in the industry with 13 products in 4 categories, catering to a variety of customer needs



- During the previous fiscal year, foreign currency-denominated fixed products which are currently in high demand were introduced. Foreign currency-denominated variable products were redesigned from a customer perspective and product competitiveness was enhanced. As for yen denominated products, sales of certain yen denominated fixed products have started again ahead of other competitors.
- For the current fiscal year, competition is expected to intensify as our peers introduce foreign currency denominated fixed products. Under such circumstances, Dai-ichi Frontier Life, which focuses on the bancassurance business, will flexibly develop products that match the needs of our customers.
- In addition, the cornerstone of Dai-ichi Frontier Life's competitiveness is its support system for sales agents at financial institutions. Dai-ichi Frontier Life conducts many training sessions on product knowledge and communication so that sales agents can provide customers with product proposals comfortably. By organizing these training sessions and converting them to proprietary curriculums and increasing the frequency of these curriculums, we aim to continue to be chosen by financial institutions.
- Please turn to page 23.



- While continuing with the differentiation strategy, flexibly deploy products that capture the changes in the needs of customer and insurance agents

### Development Concept

Japanese logo of  
"NEO DE IRYOU" ("medical")  
(Health promotion)



Differentiated initiatives including "non-smoker discounts" and "easing of underwriting standards" as a result of analysis of big data



Japanese logo of  
"NEO DE IRYOU (medical)"



Japanese logo of  
"NEO DE CHIRYOU (treatment)"



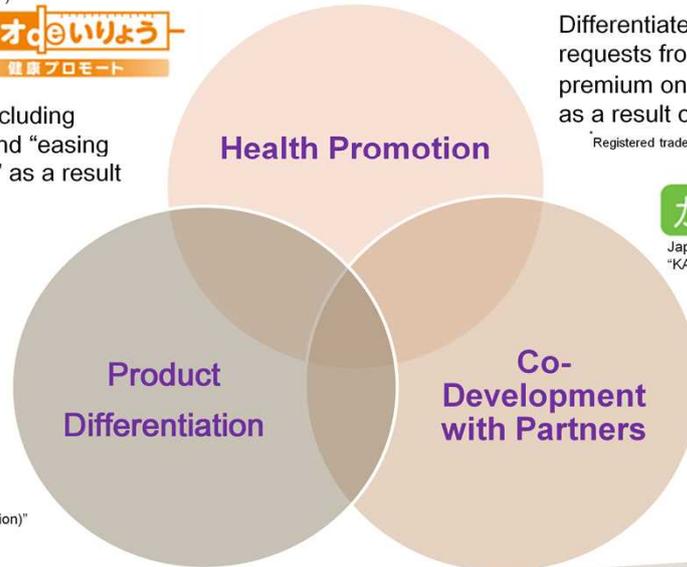
Japanese logo of  
"NEO DE SHUHO (income protection)"

Differentiated products by taking in requests from channel partners and base premium on Health Age®, an industry first, as a result of analysis of big data

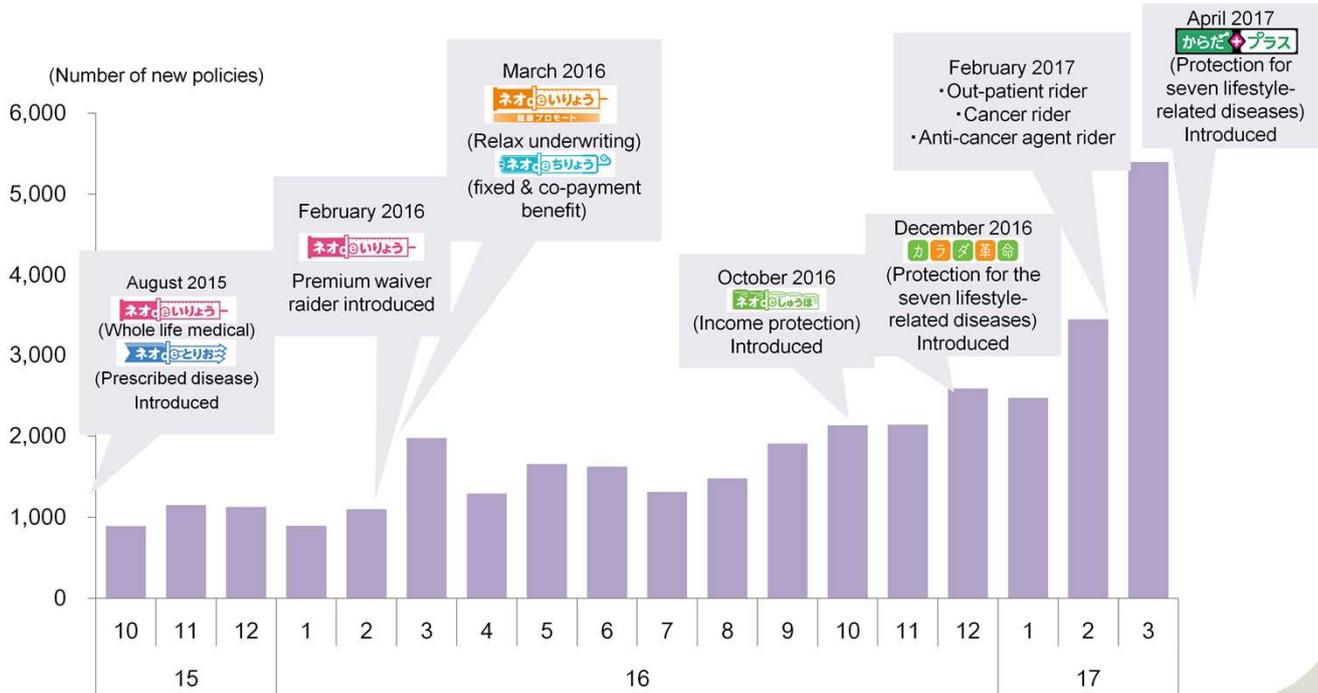
\*Registered trademark of Japan Medical Data Center Co., Ltd.



Japanese logo of  
"KARADA KAKUMEI (body revolution)"



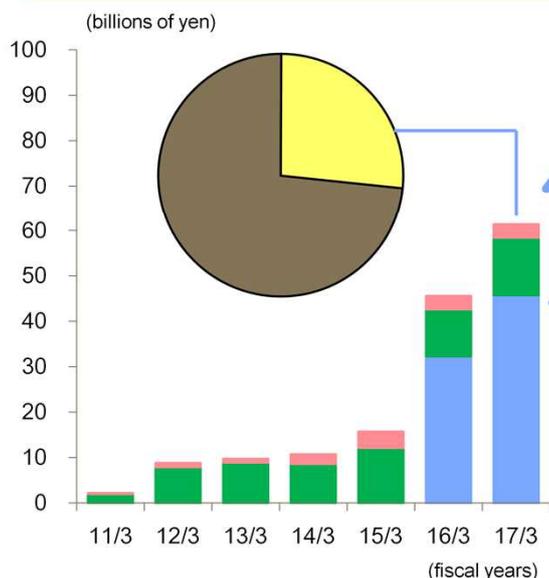
- Neo First Life was the last to enter the market out of the 41 domestic life insurance companies. However, by effectively utilizing the resources of Dai-ichi Group, through InsTech, it has led to product competitiveness.
- It has been two years since it began operations as Neo First Life. Neo First Life will continue to reflect the requests of its sales partners to its products, and co-produce products with its partners to meet customer demands.
- Please turn to page 24.



- This slide illustrates the monthly number of new policies sold by Neo First Life. You can see that sales are gaining momentum as the Company introduces new products.
- Please turn to page 25.

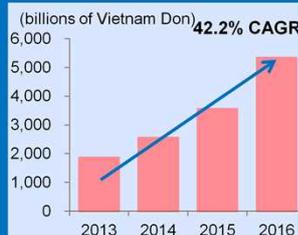


Overseas Life Insurance Business  
accounted for 27% of consolidated net  
income for the fiscal year ended March 2017

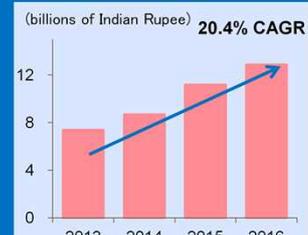


### Taking in the Growth in Developing Markets

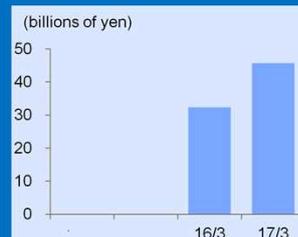
Premium Income of Dai-ichi  
Life Vietnam



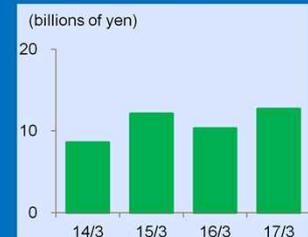
Premium Equivalent Income of  
Star Union Dai-ichi Life



Adjusted Profit of Protective Life



Adjusted profit of TAL



Counting on Profit Contribution in Developed markets

- Overseas life insurance business contributed 27% of consolidated net income, bringing in over 60 billion yen in the fiscal year ended March 2017.
- The Group operates a balanced portfolio of growing businesses in developing markets in the Asia Pacific region, and sustainable profit contributions from developed markets in the North American and Australian markets. Together, the Group operates in six countries.
- For the fiscal year ended March 2016, Protective Life was consolidated for eleven months following its acquisition and for the fiscal year ended March 2017, it was consolidated for the full fiscal year.
- In growing markets in Asia, we take Dai-ichi Life Vietnam and Star Union Dai-ichi Life in India as examples. Both companies posted very high growth in the past three years.
- Please turn to page 26.



Initiatives to  
balance  
growth and  
sustainable  
profit  
contribution in  
developed and  
developing  
markets

Expand existing channels



Protective's acquisition of USWC  
Increased stake in Star Union Dai-ichi Life  
Established rep offices in Cambodia & Myanmar



		Costco Wholesale, others
		Qantas Airways
		Vietnam Post

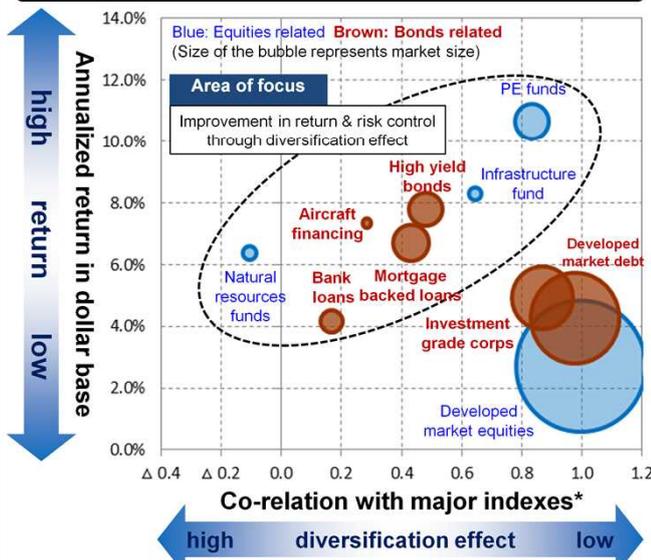


- The Group expects sustainable growth at Protective Life through M&A. In the Asia Pacific region, the Group expects robust growth and further expansion of business areas.
- Some companies are expanding further by forming alliances with sales partners. Protective Life formed an alliance with SoFi and GEICO following its successful partnership with Costco. TAL formed an alliance with Qantas Airways. Dai-ichi Life Vietnam is set to expand through new sales channels at Vietnam Post as a result of our alliance with Japan Post Insurance.
- On top of these developments, the Group will cooperate on InsTech initiatives.
- Please turn to page 27.



- In order to achieve improvements in return and at the same time risk control, Dai-ichi Life actively expanded the scope of investments in areas that have a different risk profile from traditional equities and bonds
- Dai-ichi Life developed a new investment scheme and a fund investment scheme, accelerated infrastructure investments together with Japan Post Insurance and continues to look for investment opportunities.

**Scope of Investments**



(Source) Dai-ichi Life based on various sources. Major index for equities is MSCI ACWI (ex. Japan), and for bonds is Bloomberg Barclays Global Aggregate Bond Index (ex. Japan)

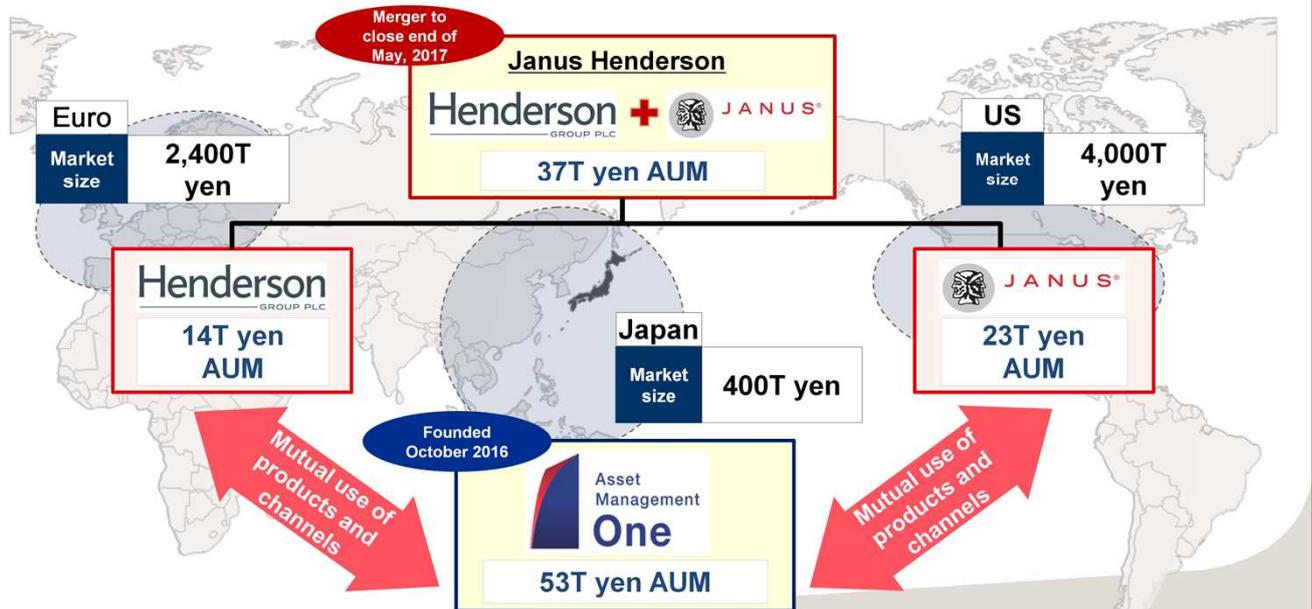
**Major Achievements**

Infrastructure	<b>Development of new investment scheme</b> Through newly developed trust scheme the company invested in yen in foreign currency project financing	<b>First Japanese infrastructure debt fund</b> Invested 10 billion yen formulating yen denominated overseas infrastructure debt fund for the first time in Japan
	<b>Expansion of investable projects</b> Invested overseas project financing related to wind-power generation for the first time	<b>Co-investment in mega solar projects</b> Co-invested in solar power projects (10 billion yen in two projects) with Japan Post Insurance
Actual business	<b>Aircraft financing</b> Riding on the strong demand for aircraft on the back of passenger traffic and replacement	<b>Utilization of real estate investment fund</b> Invested 6.8 B yen in logistics facility through investment fund for the first time by a life insurance company
Others	<b>Equity investment in venture funds</b> Invested in funds specialized in company venturing out of university labs integrating technology and business	<b>Enhancement in ESG investments</b> Investment in ESG focused bonds such as Social Bond, Feed Africa Bond, Health Bond

- Next is on Dai-ichi Life's investment business and Asset Management Business.
- In the domestic market, we continue to expect low interest rates. Dai-ichi Life has been increasing its investments in hedged foreign bonds, but as hedge costs are rising, Dai-ichi Life now makes selective investments in financial products in 23 currencies in 35 countries, including credit risks.
- Dai-ichi Life initiated investments in project financing and infrastructure funds and social bonds, leading the Japanese life insurance industry. These investments in new areas exceeded 100 billion yen in the fiscal year ended March 2017, and are expected to increase in the fiscal year ending March 2018.
- Please turn to page 28.

Asset Management Business will be operated based on a trilateral structure

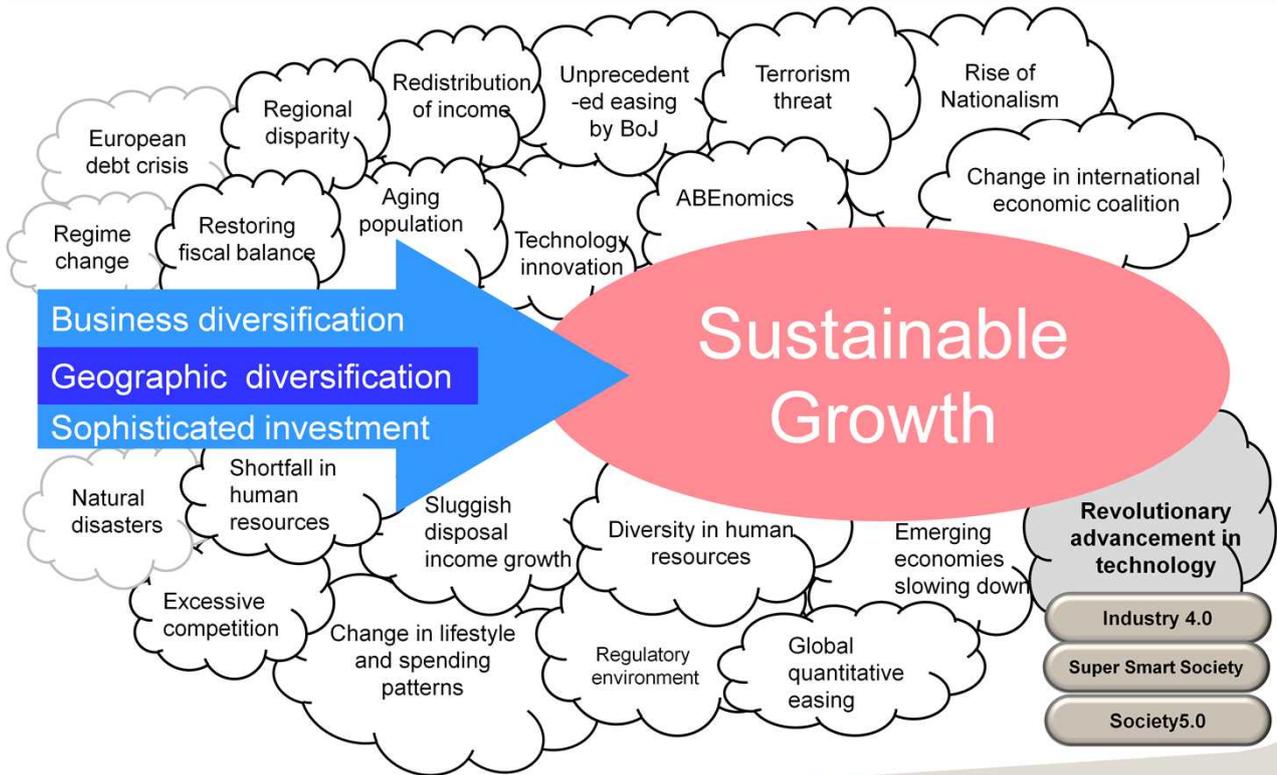
- Asset Management Business is set for further growth by covering three major markets: Asset Management One covering the domestic market and Janus and Henderson covering cross-Atlantic markets
- Expecting further growth through merger synergies and co-operation between the companies



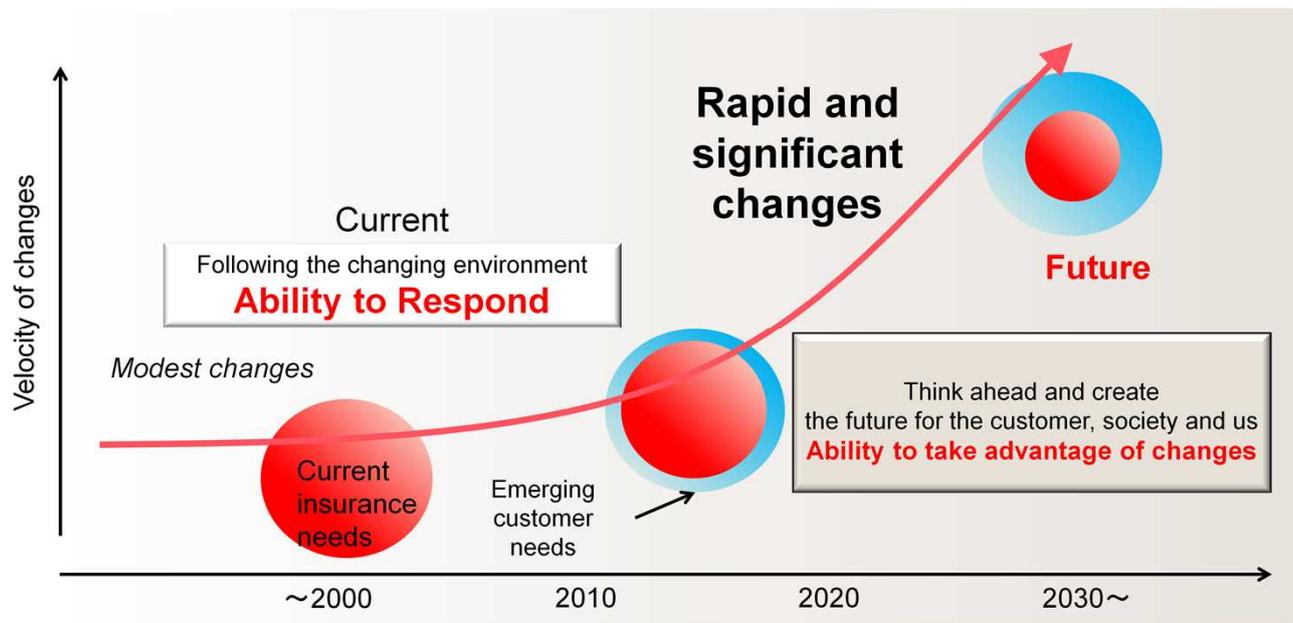
(Source) Market sizes as of 2014 based on figures from McKinsey & Company. AUM of each asset management company as of March 2017, converted into yen for Janus and Henderson.

28

- Janus Capital Group in the United States, in which the Group holds a 20% interest, agreed to merge with Henderson Group which is based in the United Kingdom. Both shareholder meetings approved the merger and the new company will be in operation by the end of this month.
- The merger puts us in a position to cover the European market, and together with Asset Management One which covers the Japanese market, we have a trilateral structure in the asset management business.
- The Group expects improvements in investments through the management of ordinary account assets of Dai-ichi Life. Also, we expect that the companies will mutually make use of their respective products and sales networks. Lastly, the Group expects merger synergies at Asset Management One and Janus Henderson.
- Immediately after the merger, the Group's investment in the new company will fall below 10%, but the Group agreed with the two companies that the Group could increase its shareholding in the new company up to 20%. The Group will observe how the post-merger integration proceeds and consider whether to increase its stake.
- Please turn to page 29.



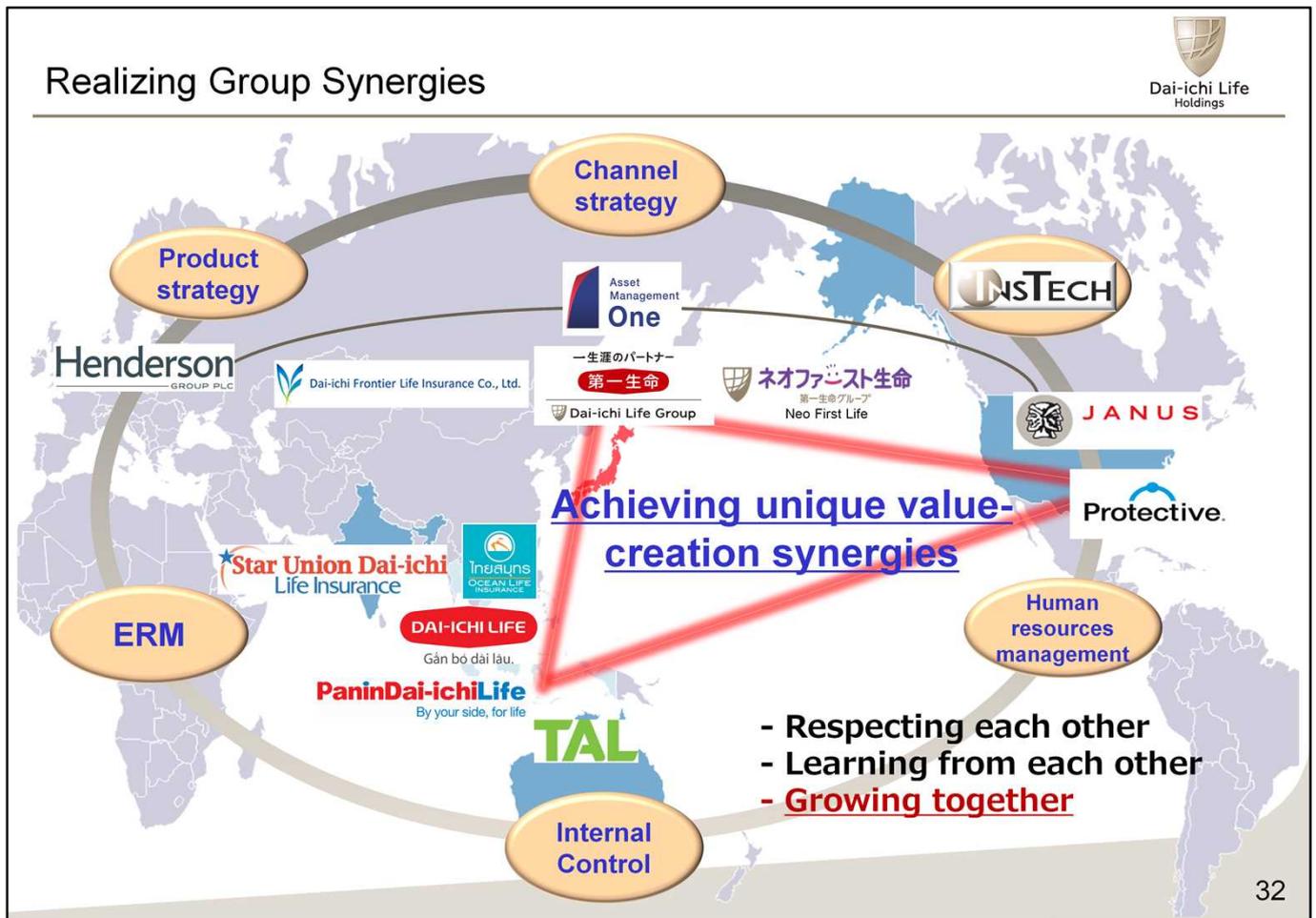
- Lastly, I would like to explain my current thoughts on the next medium-term management plan.
- Today, some people say, we live in a “super smart society.” Everything is connected and it is possible to answer various needs by processing an enormous quantity of data in real time. In this society, a consumer-to-business type business is leading the way. Companies like Uber and AirBnB are growing rapidly as they are capable of providing real time services based on the analysis of an enormous quantity of data collected through numerous connected points such as smartphones. I believe innovators will come to force stark changes to the existing players, changing the industry itself.
- Please turn to page 30.



- What should we do in these times of rapid and significant changes?
- Until now, I have been communicating to our employees that we need to react to the changes. But in this rapidly changing environment, reaction as a passive action would be too late to catch up with the changes. We need to read ahead of the times and anticipate the changes. We need to be able to take advantage of the changes.
- Since I assumed the position of President, I have been asking employees to look for innovation in taking advantage of changes. There should be two types of innovation in our Group: innovation for existing business and innovation to create new business.
- Innovation cannot be always achieved through technologies. Innovation includes improvements in sales productivity, challenges to improve independent agent channels and improve sales of Dai-ichi Frontier Life.
- We need to take advantage of efficiency and productivity enhancements through the analysis of big data to provide value-added services built around health enhancement, which will differentiate us from our peers. We position these initiatives as innovation through revolutionizing the way we work.
- Please turn to page 31.



- Innovation to create new business means, again, combining outside data with huge customer data that Dai-ichi Life Group holds internally, and creating new products and services to make a value proposition to our customers.
- Part of the initiatives for InsTech are already under way, as shown on this slide. The Group will continue to cooperate within the Group or with various companies outside the Group.
- Please turn to page 32.



- Dai-ichi Life Group now combines three domestic life insurance companies, six life insurance companies in six countries overseas and two asset management companies. The Group’s human resources of 70,000 people share and learn from each others’ experiences and best practices to allow us to grow faster.
- We have unique opportunities for the managers of each company to discuss particular issues. We added InsTech as a new discussion issue.
- Please turn to page 33.

Strengthening the foundation for sustainable growth through innovation, and prepare initiatives for the next medium-term management plan



- Finally, this fiscal year, as we enhance our foundation to achieve sustainable growth through innovation, we envision the possible rapid and significant changes in the life insurance market in the future and we will build specific plans for the Dai-ichi Life Group to develop a new business model.
- Under prolonged low interest rates and an environment where technology continues to evolve, we will strive to achieve mid- to long-term growth. We appreciate continued support from our shareholders and investors.
- This concludes my presentation. Thank you very much.

# References



**Dai-ichi Life**  
Holdings

# The Japanese Life Insurance Market and Dai-ichi Life



**Dai-ichi Life**  
Holdings



### Domestic insurance business

#### Traditional Death Benefit Market

- Aim to increase market share
- Take initiatives for improvement of cost efficiency

#### Growth Market

- Third-sector products (medical and survival benefits)
- Savings-type products for individuals

### Overseas life insurance business

- Construct geographically diverse business portfolio, taking growth potential & profitability into account
- Pursue organic growth in our existing overseas businesses

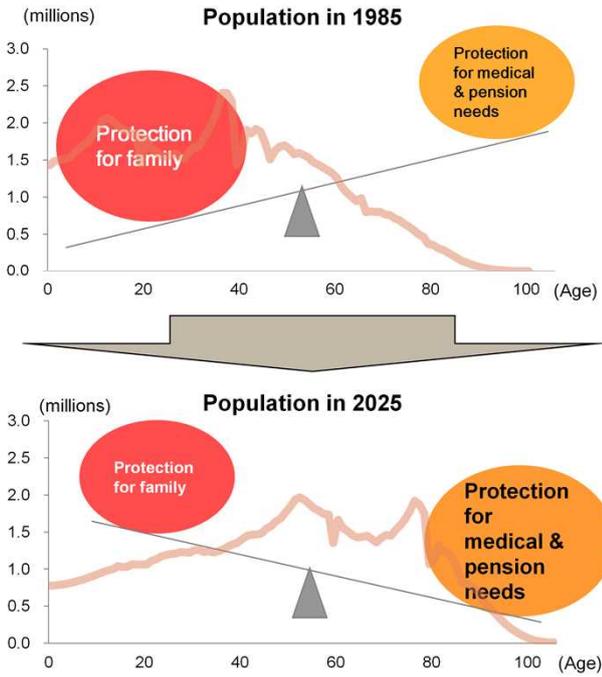
### Asset management business

- Operate through Asset Management One, a leading asset management company in Japan
- Seek domestic and international growth

- Pursuing external growth including through M&A to supplement organic growth

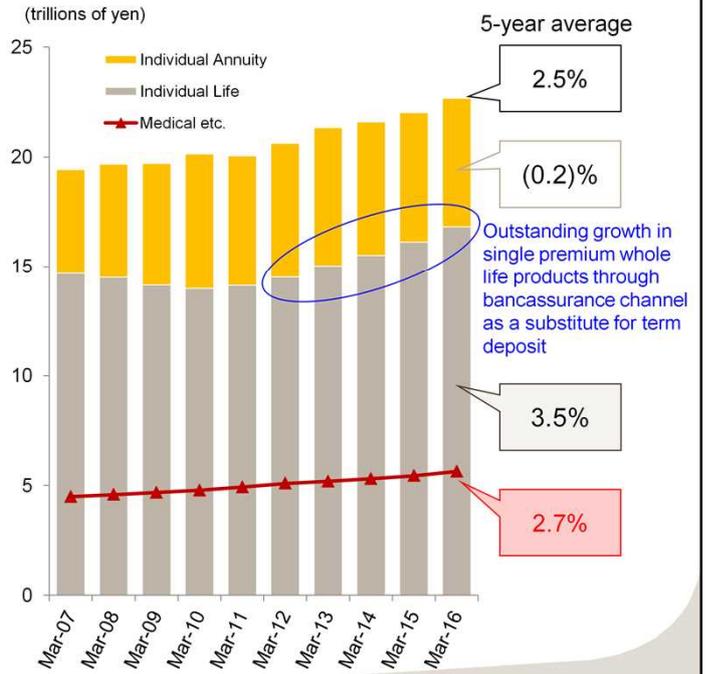


## Change in Population and Protection Needs



(Source) National Institute of Population and Social Security Research

## In-force ANP of Japanese Life Companies



(Source) Company disclosure, Life Insurance Laboratory, Life Insurance Association of Japan

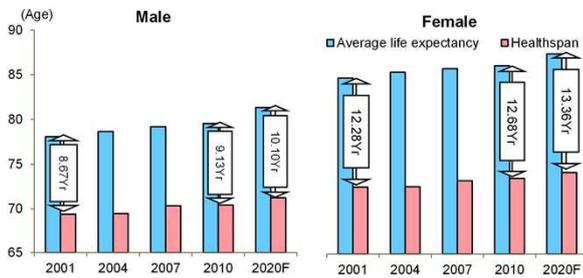
# Increasing Medical Expenses Due to Aging Society Stimulate Insurance Coverage



Dai-ichi Life Holdings

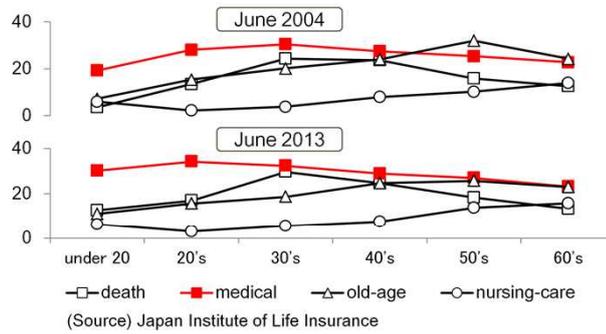
## ■ People prepare for increased medical costs due to increase in life expectancy

### Average life expectancy and health span



(Source) Ministry of Health, Labour and Welfare

### Most important insurance



(Source) Japan Institute of Life Insurance

### Copayment is on the rise under the national healthcare system

Year	Change in copayment factor	Self (employed)	Dependent		Elderly	
			Inpatient	Outpatient	70-74 years old	75 years old and over
1961	Universal health insurance system	none	20%	30%	none	none
1984		10%	20%	30%	none	none
1997		20%	20%	30%	none	none
2003		30%	30%	30%	none	none
2008	Insurance system for elderly	30%	30%	30%	20% <sup>(1)</sup>	10%

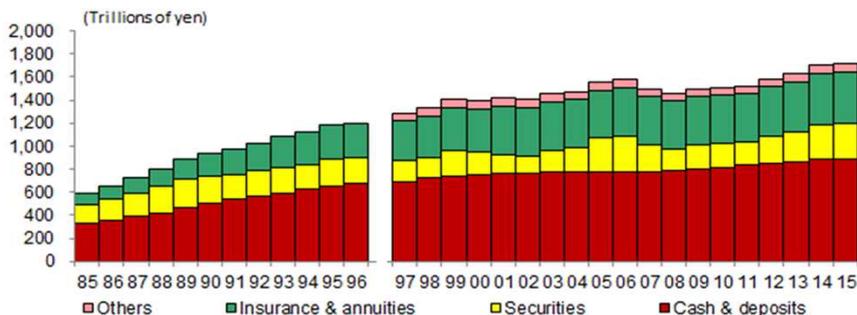
(1) Applied to patients as they become 70 years old after April 2014

# Shift in Household Financial Assets



Dai-ichi Life Holdings

## Trend in Household Financial Assets



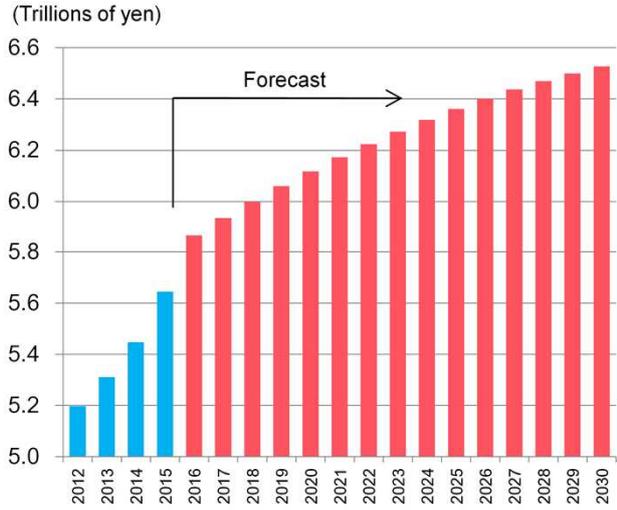
- 52% of 1,700 trillion yen household financial assets is in cash and deposits
- Some will shift to insurance & annuities or securities in anticipation of inflation
- Revised inheritance tax law in 2015 reduced basic allowance by a wide margin

## Loan-to-Deposit Ratios of Japanese Banks

- Japanese banks face 200 trillion yen gap between loans and deposits
- Banks are expanding their commission business
- Stronger fiduciary responsibilities such as tighter customer consent requirements and mandatory disclosure of commissions



## Annualized net premium of medical and other products



By your side, for life



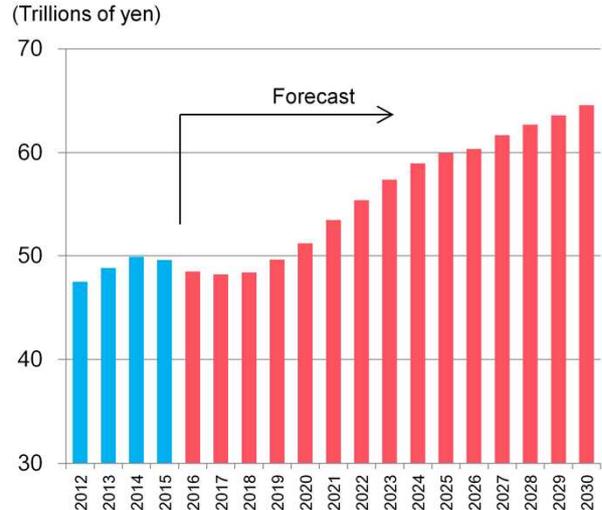
「あつらいいな」をいちばんに。

ネオファースト生命

第一生命グループ

(Source) Company forecast

## Outstanding balance of single premium individual annuities



By your side, for life

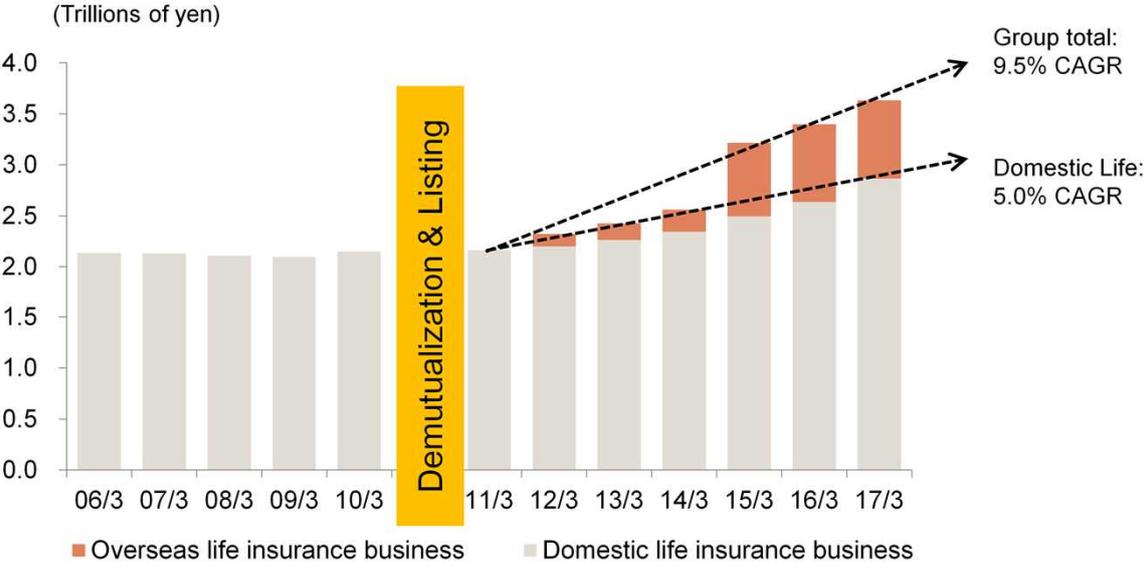


The Dai-ichi Frontier Life Insurance Co., Ltd.

# Home and int'l business bases continue to grow since listing



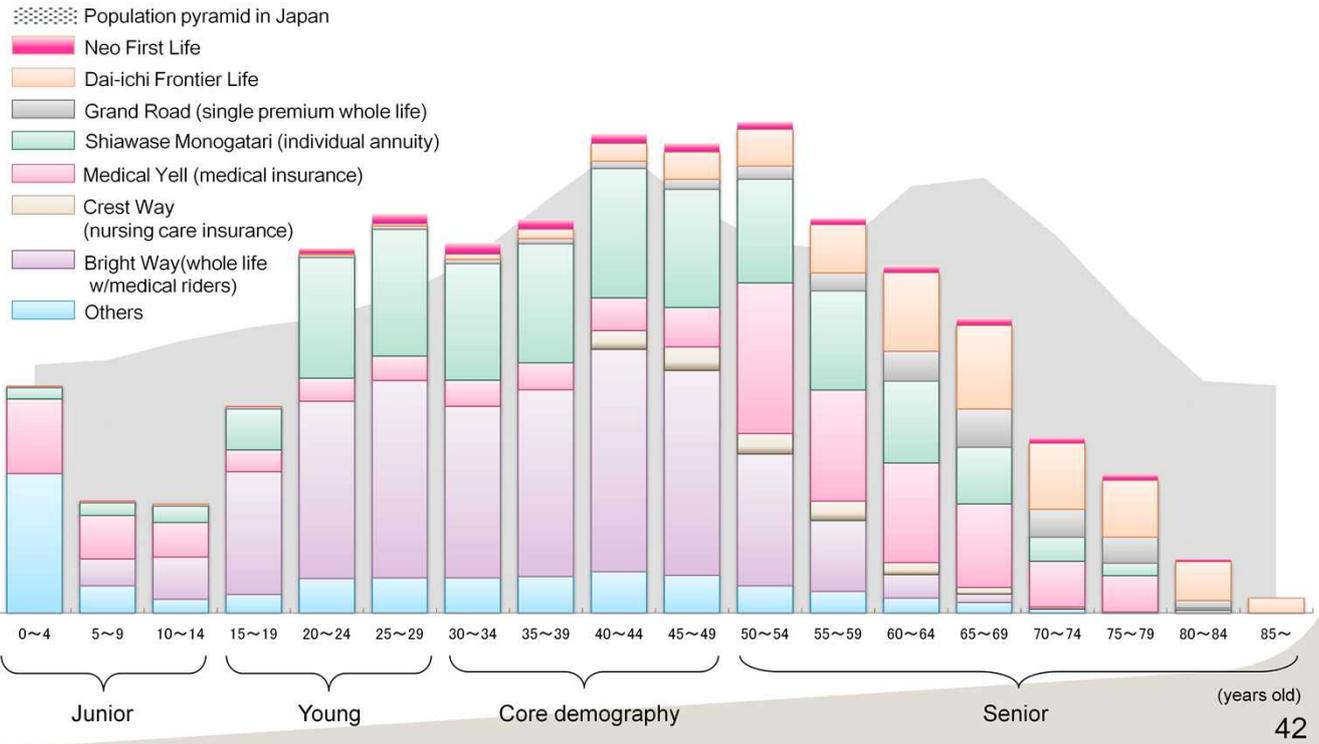
Dai-ichi Life Holdings



(Note) Domestic Life Insurance Business includes Dai-ichi Life (06/3 onwards), Dai-ichi Frontier Life (08/3 onwards) and Neo First Life (15/3 onwards). Overseas Life Insurance Business includes Protective Life (15/3 onwards), TAL (12/3 onwards), and Dai-ichi Life Vietnam (12/3 onwards). The fiscal year of Protective Life and Dai-ichi Life Vietnam ends on December 31, and is reported on a one-quarter lag. ANP from policies in-force of Protective Life as of March 31, 2015 represents those as of February 1, 2015 (effective date of acquisition).

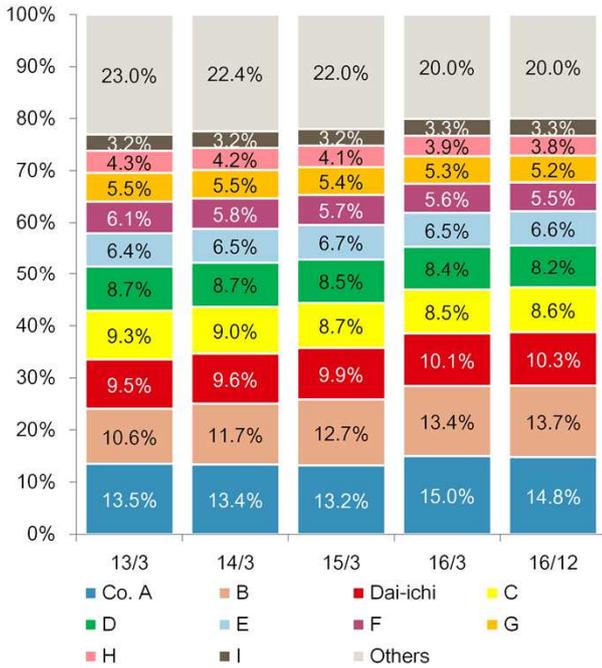


## Distribution of Number of New Contracts by Age of Insured Persons (FY Mar-17)

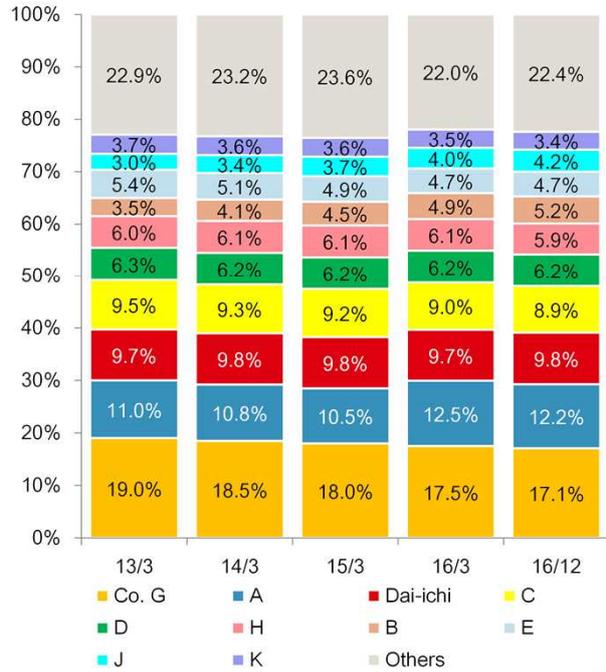


# Market Share in In-Force Annualized Net Premium

### Share in In-force ANP



### Share in Third-Sector (Medical, etc.) In-force ANP

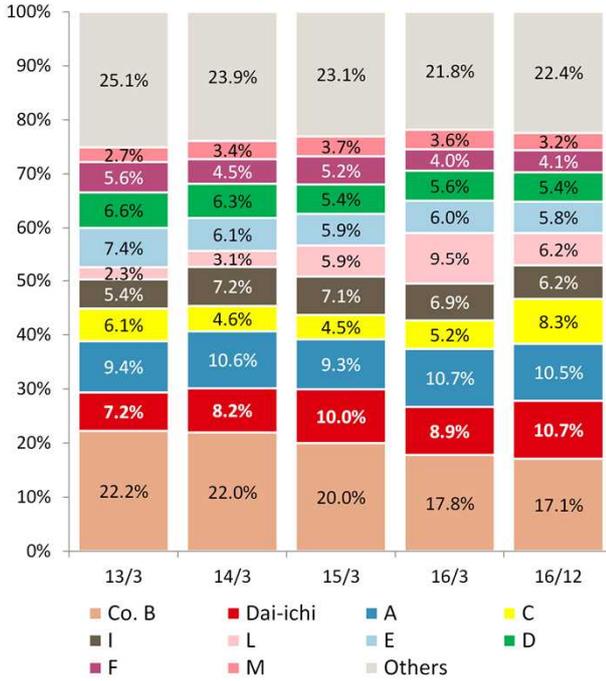


(※) Market share of Japan Post is based on individual life and annuity insurance policies which were acquired after postal service privatization.

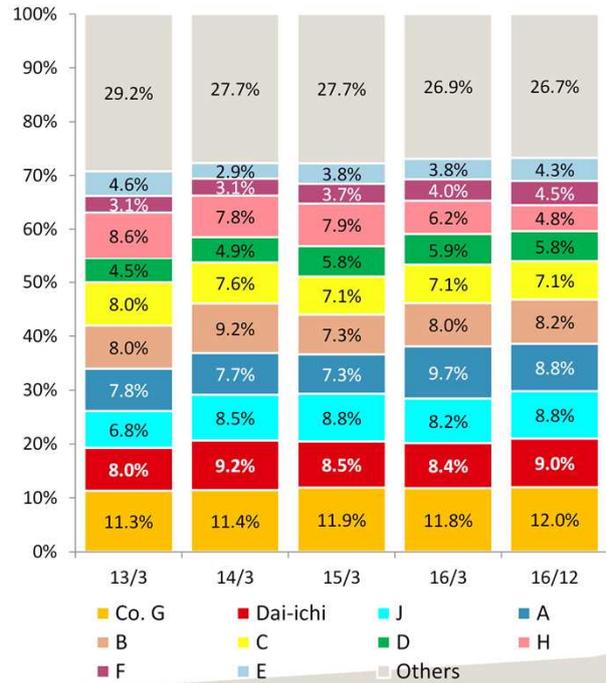
(Source) Company disclosures and Life Insurance Association of Japan. Most recent data.

# Market Share in New Business Annualized Net Premium

## Share in New Business ANP



## Share in Third-Sector (Medical, etc.) New Business ANP

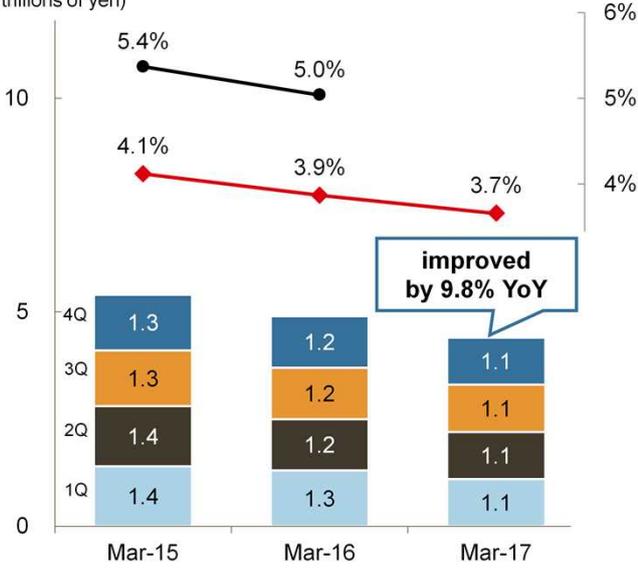


(Source) Company disclosures and Life Insurance Association of Japan.



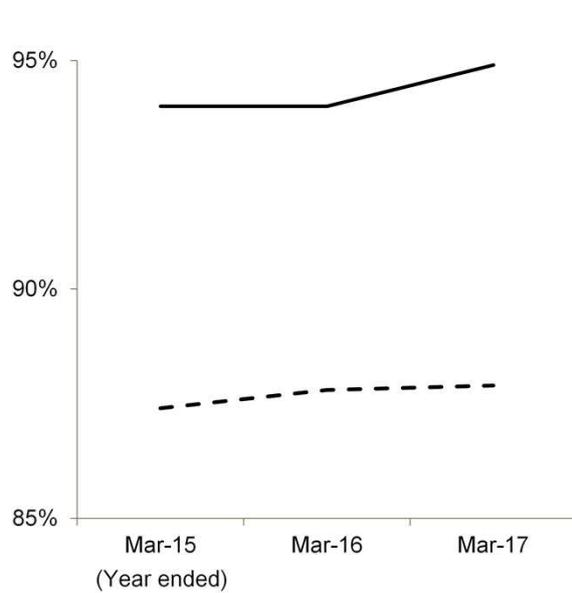
**Surrender & Lapse (Individual Insurance & Annuities)**

(trillions of yen)



improved by 9.8% YoY

**Persistency Rate**



Surrender & lapse rate (right) —◆— Dai-ichi —●— Industry Average — — — After 25 months — — — After 13 months

# Overseas Business



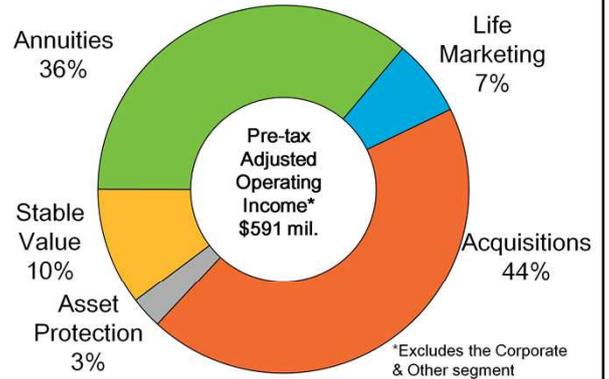
Dai-ichi Life  
Holdings



About Protective

- Established in 1907
- Became a wholly owned subsidiary in 2015
- No. of Employees: 2,764 (Mar-2017)
- \$856B life insurance in force
- 8.3M policies and contracts in force (including non-life contracts)
- Market share: 0.5% (Dec-2015, Net Premium income basis)
- Market rank: No. 44 (Dec-2016, Net Premium income basis)
- 55 acquisition transactions (including Asset protection business)

Business Mix (2016 results)

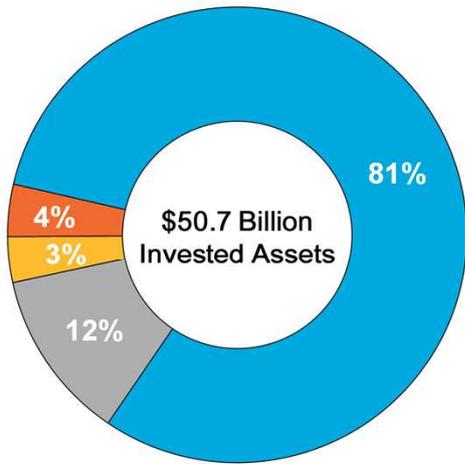


Main Product and Channels

	Life Insurance	Annuities	Stable Value Products	Asset Protection	Acquisitions
	Universal Life and Traditional	Fixed and Variable Annuities	Wholesale Funding Agreements	Vehicle Service Contracts	Acquired Business
<b>Products</b>					
<b>Agents</b>	○	○			
<b>Banks</b>	○	○			
<b>Stockbrokers</b>	○	○			
<b>Institutional Investors</b>			○		
<b>Auto Dealers</b>				○	
<b>Affinity Partners</b>	○				
<b>Direct to Consumers</b>	○				
<b>Distribution</b>					Primarily life and annuity

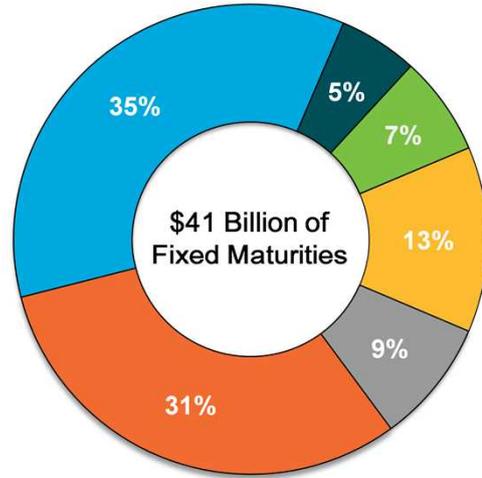


Investment Portfolio Overview



■ Fixed Maturities    ■ Mortgage Loans  
■ Policy Loans      ■ Other

Fixed Maturities Portfolio by Credit Quality



■ AAA                      ■ AA  
■ A                         ■ BBB  
■ BB or less           ■ Not Rated\*

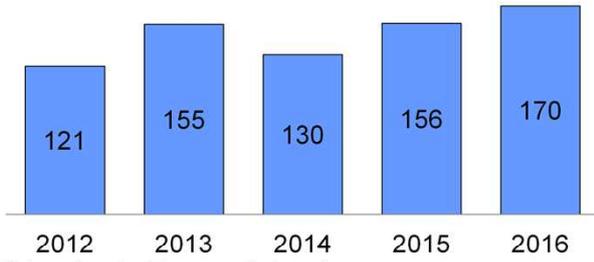
As of December 31, 2016

\*Not rated securities are primarily comprised of notes related to the Company's captive reserve financings.



**Life Marketing**

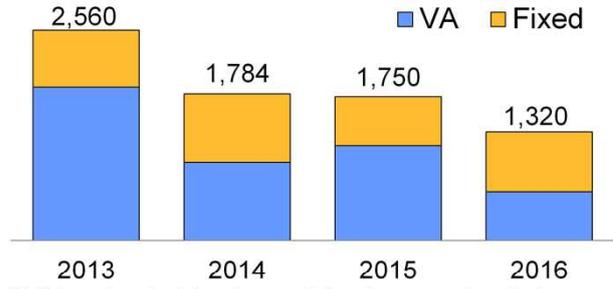
(millions of USD)



(1) Sales are based mainly on annualized premiums.

**Annuities**

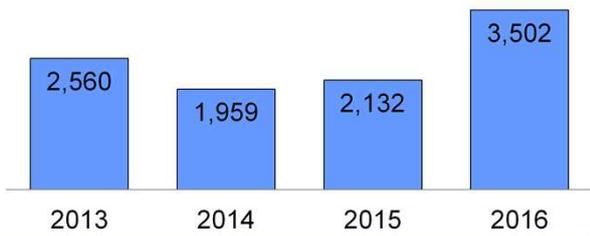
(millions of USD)



(1) Sales are based mainly on the amount of purchase payments received.

**Stable Value Products (Ending Account Balances)**

(millions of USD)



**Sales** 495      92      814      1,857

(1) Sales are measured at the time the purchase payments are received

**Asset Protection**

(millions of USD)



(1) Sales are based on the amount of single premiums and fees received.

(millions of USD)

	2017 Plan
Life Marketing	66
Annuities	184
Acquisitions	276
Asset Protection	29
Stable Value	47
Corporate & Other	(79)
Pre-Tax Adj. Operating Income	523
Tax	173
After-Tax Adj. Operating Income	350

(millions of USD unless otherwise noted)

	2017 Plan
After-Tax Adjusted Operating Income	350
Net Income	313
RBC Ratio (%)	692%
Debt to Capital (%)	21%
Dividend to Dai-ichi	141
Capital > 400% RBC (billions of USD)	2.3B

- Organic capital deployment ~ \$300M - \$400M per year
- Pace of future earnings growth will be influenced by the potential for future acquisitions
- M&A size target has grown: \$500 million to \$1+ billion
- Continued strong and growing RBC



**TAL has demonstrated substantial growth in the market and held the No.1 position**

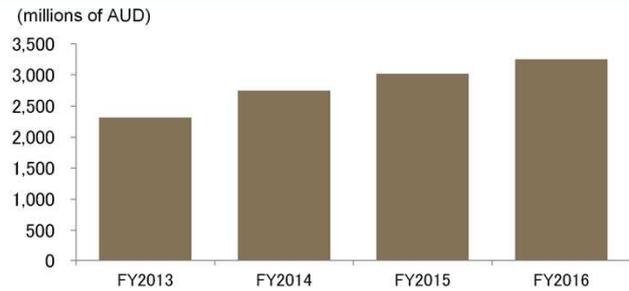
**About TAL**

- Established in 1869 (Started as government life insurance office in New Zealand in 1869; then separated)
- Became affiliate of Dai-ichi in 2008; then became subsidiary in 2011
- No. of Employees: 1,603 (Mar-2017)
- Main office: Sydney, Australia
- Main channel: Individual financial advisor, Direct, and Group (superannuation)
- Main products: Risk products (death, income protection & TPD)
- Market share: 16.6%(Dec-2016, In-force ANP basis)
- Market rank: No.1 (Dec-2016, In-force ANP basis)

**Insurance Market in Australia**

- Market size (2015): [Population 23.9M, GDP 1,245B USD, Penetration (Life) 3.5%] *(Source) Swiss Re, sigma No 3/2016*
- An oligopolistic market: each top-6 company holds more than 10% market share (collectively 75%).
- Other major players: AIA, AMP, NAB/MLC (Nippon), CommInsure, etc.

**Premium Income of TAL (1)**



**What we have achieved**

In addition to enhancing sales through the IFA channel and superannuation funds, we launched a partnership with Qantas Airways and enhanced the direct online business in order to reinforce our sales channels for sustainable growth.

**What we'll strive to achieve**

We continue to strive for steady growth by constructing strong sales channels, increasing brand recognition, and product diversification.

(1) Fiscal year ends March 31. Figures are disclosed after re-classifying items from TAL's financial statements under Australian accounting standards to conform to Dai-ichi Life's disclosure standards.

■ Its top line is growing due mainly to the strengthened individual agent channel.

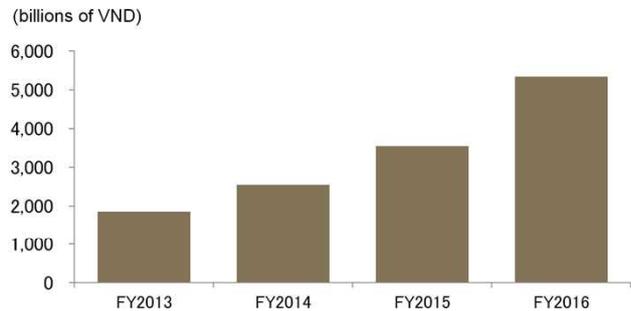
**About Dai-ichi Life Vietnam**

- Established in 1999  
(Started as Bao Minh CMG, a JV of local company and Australian CMG)
- Became subsidiary of Dai-ichi in 2007
- No. of Employees: 977 (Mar-2017)  
63 thousand agents (part-time)
- Main office: Ho Chi Minh, Vietnam
- Main channel: Individual insurance agent
- Main products: Universal, Endowment
- Market share: 10.5% (Dec-2016, premium income basis)
- Market rank: No. 4 (Dec-2016, premium income basis)

**Insurance Market in Vietnam**

- Market size ( 2015 ) :  
[Population 93.4M,GDP 191B USD,  
Penetration (Life) 0.8%]  
*(Source) Swiss Re, sigma No 3/2016*
- An oligopolistic market: top 6 companies have 90% market share.
- Other major players: Bao Viet (Sumitomo), Prudential (UK), Manulife

**Premium Income of DL Vietnam <sup>(1)</sup>**



■ **What we have achieved**

Secured a stronger market position through the enhancement of the individual insurance agent channel, launch of strategic products, and expansion to alternative channels.

■ **What we'll strive to achieve**

We aim for sustainable growth in premium income by strengthening and diversifying sales channels (including strategic business alliance with Vietnam Post and several banks) and developing products catering to market needs.

(1) Fiscal year ends December 31.



- Dai-ichi has increased its shareholding in SUD. Now we are focusing on further growth by strengthening the bancassurance channel and individual insurance agent.

**About Star Union Dai-ichi Life**

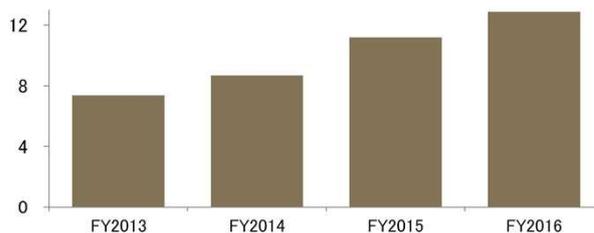
- Established in 2009
- Became affiliate of Dai-ichi in 2009 (Started operation as a JV with Dai-ichi, Bank of India and Union Bank of India)
- Ownership: 45.94%
- No. of Employees: 3,051 (Mar-2017)
- Main office: Mumbai, India
- Main channel: Bancassurance, individual insurance agents, sales reps(fixed salary)
- Main products: Endowment, Annuity
- Market share: 1.79% (Dec-2016, EPI basis, excl. LIC, a government company)
- Market rank: No. 13 (Dec-2016, EPI basis, excl. LIC, a government company)

**Insurance Market in India**

- Market size (2015): [Population 1,313M,GDP 2,086B USD, Penetration (Life) 2.72%]  
*(Source) Swiss Re, Market analysis 2016 – India*
- A new market to foreign players: LIC has market share of 47% (Dec-2016, EPI basis)
- Other major players: ICICI Prudential (Pru-UK), SBI Life (Cardif), HDFC Life (Standard Life)

**Effective Premium Income of SUD<sup>(1)(2)</sup>**

(billions of INR)



**What we have achieved**

Enhanced the management of the bancassurance channel with JV partners, started new sales channel (fixed salary sales reps), and strategically shifted the product portfolio for more stable premium income and increased profitability.

**What we'll strive to achieve**

We plan to expand our premium income base by (a) strengthening relationships with JV partners, (b) introducing a new sales channel, (c) improving the efficiency of individual agents, and (d) introducing measures to improve lapse and surrender.

(1) Fiscal year ends December 31. Figures are not adjusted to Dai-ichi's interest in the company.

(2) Effective premium income accounts only one tenth of individual single premium insurance products and excludes premium income from lower margin group annuity.

■ Became our affiliate in 2013, now strengthening its infrastructure and channel.

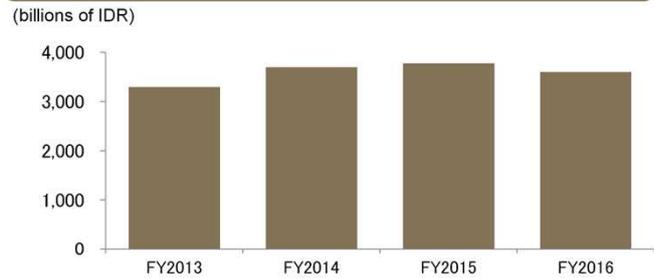
**About Panin Dai-ichi Life**

- Established in 1974
- Became affiliate of Dai-ichi in 2013
- Ownership: 40%
- No. of Employees: 389 (Mar-2017)  
6,000 agents (part-time)
- Main office: Jakarta, Indonesia
- Main channel: Bancassurance (mainly with Panin bank), individual insurance agents
- Main products: Investment-linked, unit-linked
- Market share: 2.2% (Dec-2016, premium income basis)
- Market rank: No. 13 (Dec-2016, premium income basis)

**Insurance Market in Indonesia**

- Market size (2015):  
[Population 257.9M, GDP 861B USD,  
Penetration (Life) 1.28%]  
*(Source) Swiss Re, sigma No 3/2016*
- A relatively oligopolistic market: top 10 companies have about 70% market share.
- Other major players: Prudential (UK), INDOLIFE, JIWASRAYA, AIA

**Premium Income of Panin Dai-ichi Life (1)**



■ **What we have achieved**

In order to achieve sustainable growth, we worked on structural reform of the customer base and on improving the sales channel efficiency through strengthening sales support for group banks and training for agents.

■ **What we'll strive to achieve**

We aim for structural reforms for profitability, by enhancing (a) the bancassurance business and (b) wholesale and individual agents channels through strengthening ties with Panin Bank, and on improved recruitment and training system.

(1) Fiscal year ends December 31. Figures are not adjusted to Dai-ichi's interest in the company.



■ For sustainable growth, we are strengthening the core individual agency channel.

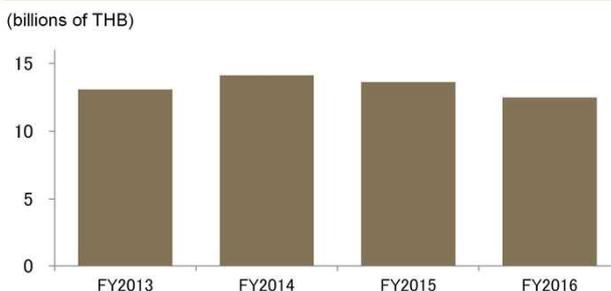
About Ocean Life

- Established in 1949 (Started as P&C company, entered into Life business in 1951, unbundled business in 1992)
- Became affiliate of Dai-ichi in 2008
- Ownership: 24%
- No. of Employees: 1,934 (Mar-2017)  
14 thousand agents (part-time)
- Main office: Bangkok, Thailand
- Main channel: Individual insurance agent
- Main products: Endowment, Whole Life, Annuity
- Market share: 2.2% (Dec-2016, Premium income )
- Market rank: No. 10 (Dec-2016, Premium income )

Insurance Market in Thailand

- Market size (2015):  
[Population 68.0M, GDP 395B USD, Penetration (Life) 3.7%]  
*(Source) Swiss Re, sigma No 3/2016*
- An oligopolistic market : Top 10 companies occupy most of the market.
- Other major players: AIA, Muang Thai Life (Ageas), Thai Life (Meiji Yasuda), Bangkok Life (Nippon)

Premium Income of Ocean Life<sup>(1)</sup>



■ What we have achieved

As we aim for sustainable growth, from the later half of 2016, we have strengthened our recruitment and training system for our main individual agency channel and started to develop new sales channels.

■ What we'll strive to achieve

We will continue to recruit capable personnel for the individual agency channel, construct a base for our growth strategy to expand to urban areas, and expand alternative channels including Thai Post in order to steadily expand our premium income base.

(1) Fiscal year ends December 31. Figures are not adjusted to Dai-ichi's interest in the company.

# Dai-ichi Life's Financial Condition, Investment and Asset Management Business



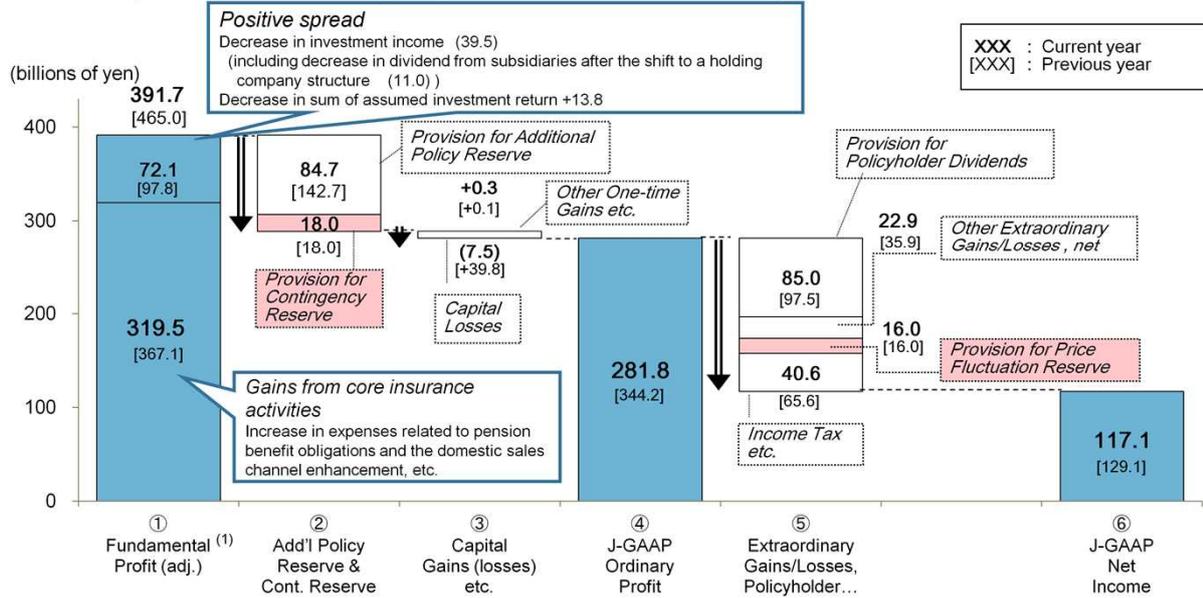
**Dai-ichi Life**  
Holdings

# Profit Structure of Dai-ichi Life



Dai-ichi Life Holdings

- Higher pension expense due to low rates, strategic investment in sales force reduce gains on core insurance activities
- Fluctuation in financial environments reduced income & capital gains
- Lower provision of additional policy reserve, lower tax lead to marginal decline in net income



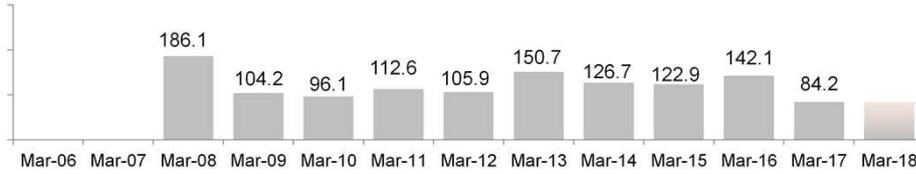
(1) Adjusted fundamental profit = (fundamental profit) ± (provision for (reversal of) policy reserve associated with minimum guarantee benefit risk of variable insurance) ± (provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance products).  
 Note: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

# Dai-ichi Life's Results: Negative/Positive Spread and Additional Policy Reserve

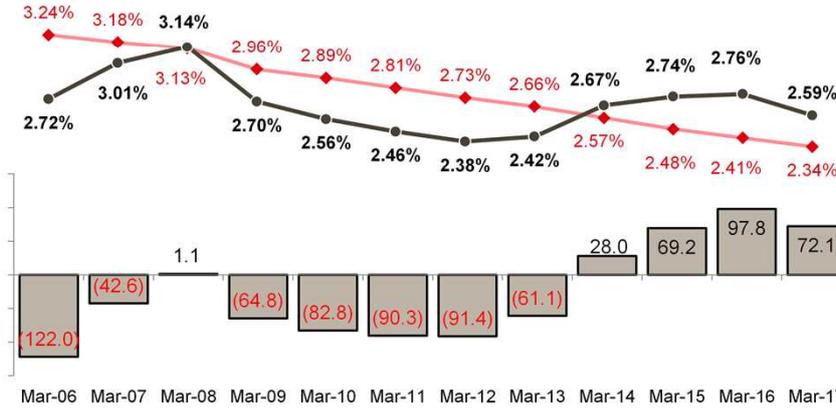


Dai-ichi Life  
Holdings

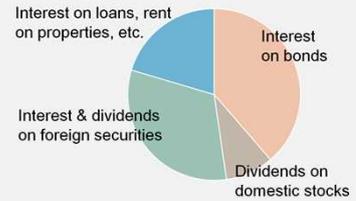
## Provision for Additional Policy Reserve (billions of yen)



## Rate of Return (%) / Spread (billions of yen)



### Component of Interest and Dividend Income (Mar-17)



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



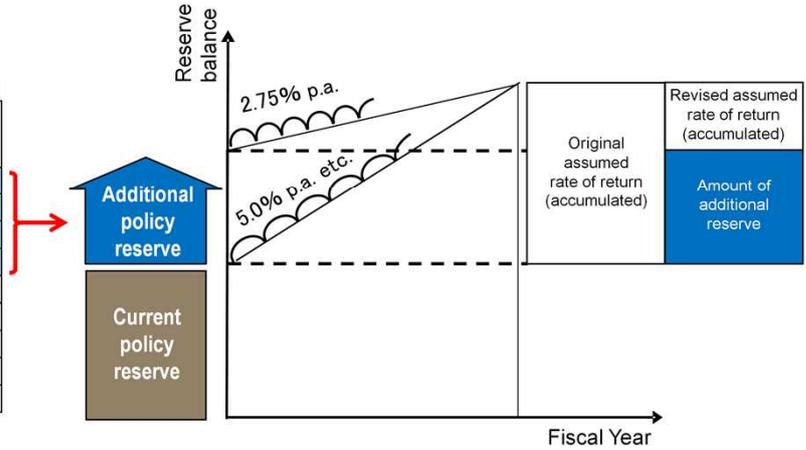
Policy Reserve Outstanding by Year Signed <sup>(1)</sup>

Accumulation of Additional Policy Reserve <sup>(1)</sup>

Dai-ichi Life is providing additional policy reserve against: Whole life insurance signed before March 1996 and paid in full

(billions of yen)

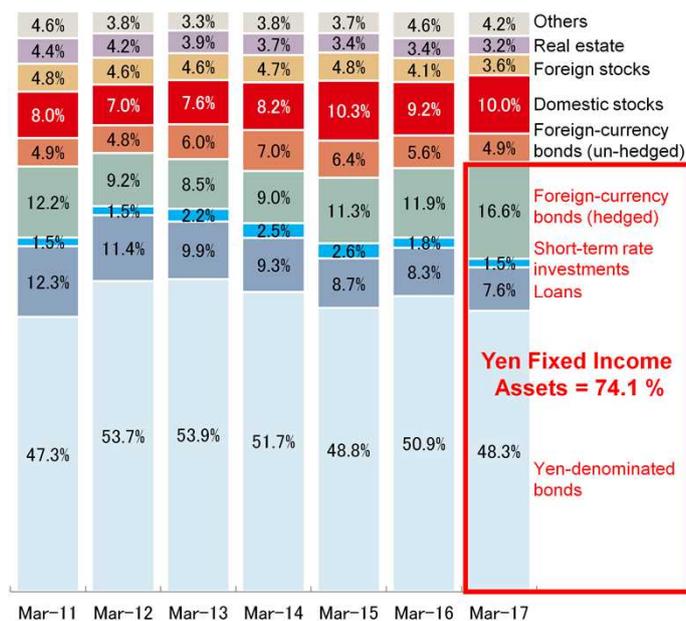
Year signed	Policy Reserve Outstanding	Average assumed rate of return
~ Mar-81	689.1	2.75% ~ 5.50%
Mar-82 ~ Mar-86	1,217.2	2.75% ~ 5.50%
Mar-87 ~ Mar-91	4,700.7	2.75% ~ 5.50%
Mar-92 ~ Mar-96	4,233.7	2.75% ~ 5.50%
Mar-97 ~ Mar-01	1,504.8	2.00% ~ 2.75%
Mar-02 ~ Mar-06	1,682.6	1.50%
Mar-07 ~ Mar-11	3,318.2	1.50%
Mar-12 ~ Mar-16	4,872.6	1.00% ~ 1.50%
Mar-17	859.7	1.00%



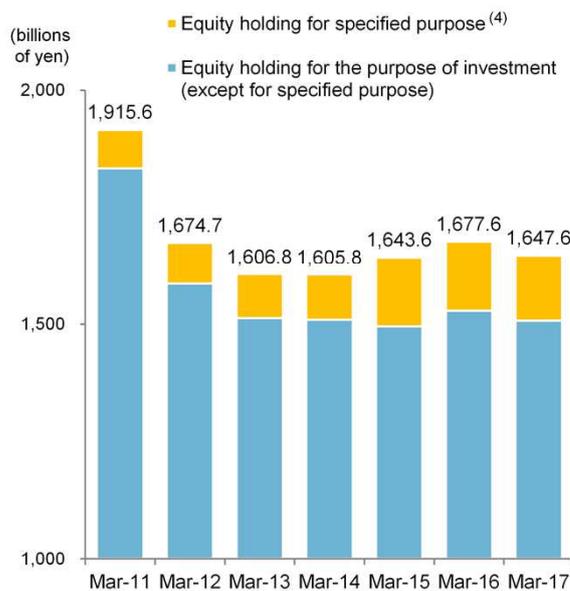
(1) Dai-ichi Life non-consolidated basis.  
 Policy reserve amount include those for individual insurance and annuity products but excludes reserve for separate account and contingency reserve.  
 Certain policies are divided based on actuarially appropriate method into several fiscal years.  
 Assumed rate of returns indicate representative rates against each year's policy reserves.



## Asset Portfolio (General Account) (1)(2)



## Book Value of Domestic Stocks (3)



(1) On October 1, 2016, the Group shifted to a holding company structure and stocks of certain subsidiaries and affiliates of former Dai-ichi Life have been held by Dai-ichi Life Holdings. Figures for March 2011, March 2012, March 2013, March 2014, March 2015 and March 2016 are restated as if the shift to a holding company structure had been completed at the beginning of the period.

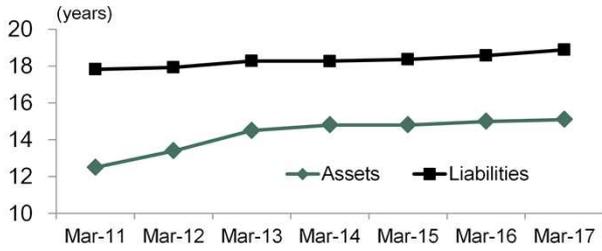
(2) Carrying amount - basis

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

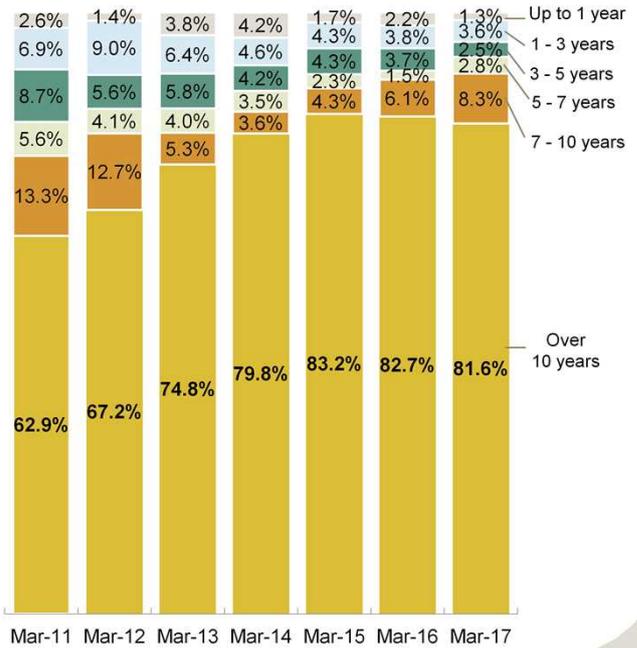
(4) Equity holdings excluding those held solely for the purpose of investment (excluding stocks of unlisted companies and contributed to the retirement benefit trust)



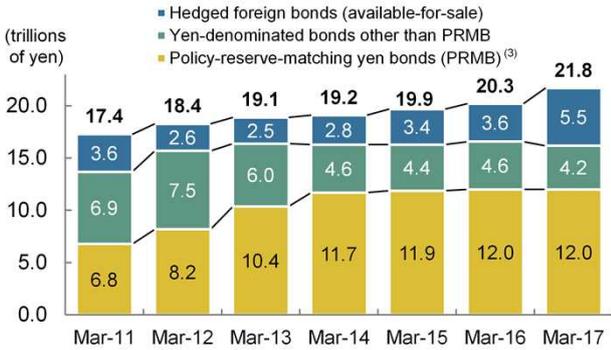
Duration of Fixed Income Assets <sup>(1)</sup>



Maturity Profile of Domestic Bonds <sup>(4)</sup>



Yen and Currency-hedged Foreign Bonds <sup>(2)</sup>



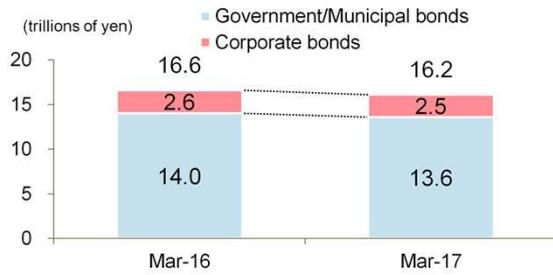
(1) Represents insurance liabilities associated with individual insurance and annuities in the company's general account and duration of yen-based fixed income assets (including derivatives)  
 (2) Represents yen-denominated bonds and foreign bonds with currency hedges in the company's general account. The balance is shown on an amortized cost basis.  
 (3) PRMB is a unique category for bonds, accepted under Japanese GAAP. PRMB is reported at amortized cost if the bonds meet certain requirements.  
 (4) Represents domestic bonds in the company's general account. The balance is shown on a carrying amount basis.

# Dai-ichi Life's Results: General Account Assets (iii) Profile of Bonds

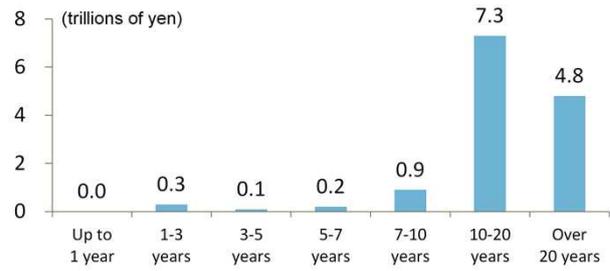


Dai-ichi Life Holdings

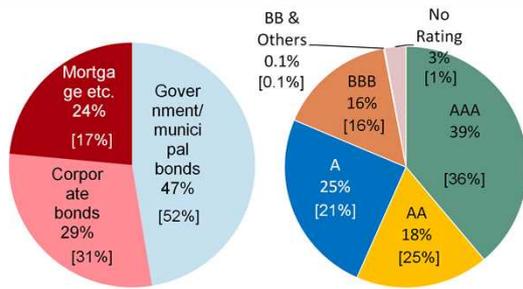
## Yen-denominated Bonds <sup>(1)</sup>



## Domestic Government Bonds <sup>(2)</sup> by Maturity (Mar-17)

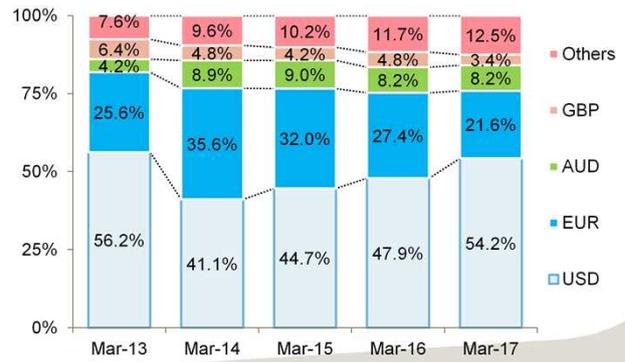


## Foreign Currency Bond Portfolio <sup>(2)(3)</sup> (Mar-17)



Figures in [] are as of March 31, 2016.

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



- (1) Book value - basis
- (2) Carrying amount - basis
- (3) Rating breakdown based on ratings from S&P & Moody's, excluding mortgage etc.

## Equity Holdings Other Than for the Purpose of Investment

- The Company holds shares as “Equity Holdings for Specific Purpose” in the companies with which the Company develops strong relationships through business alliances, other than for the purpose of investment.
- The Board of Directors shall review and confirm the rationality of the holdings each year. Strategic-holding shares shall be sold in case the rationale of holding such shares, neither in terms of strategic-holding nor investment purpose, is confirmed.
  - Equity holdings other than for the purpose of investment (as of March 2017)
    - Number of companies      8
    - Carrying Amount          248.7 billion yen
  - Equity Holdings for Specific Purpose

Company	Shares (thousand)	Carrying amount (billions of yen)
Resona Holdings, Inc.	125,241	79.2
Mizuho Financial Group, Inc.	255,691	53.6
Sompo Holdings, Inc.	3,688	15.7



We entered into a business alliance with Resona Holdings in 2007. We plan to strengthen our competitiveness by offering better products and services to meet the increasingly sophisticated and diversified needs of our customers. We sell insurance products of Dai-ichi Frontier Life and Neo First Life at companies affiliated with Resona Holdings. We also exchange human resources.



MIZUHO

In our full-scale business alliance with Mizuho Financial Group in 1998, we have been steadily achieving results through various joint ventures, such as Asset Management One Co., Ltd. In the bancassurance business, we sell insurance products of Dai-ichi Frontier Life and Neo First Life at companies affiliated with Mizuho Financial Group. We also exchange human resources.



SOMPO  
HOLDINGS

In our full-scale business alliance in 2000 with Sompo Japan Insurance (“Sompo Japan”), we seek to form the “strongest and most comprehensive life and nonlife insurance group.” In non-life insurance we take advantage of Sompo Japan’s strong brand and products and its dependable accident response system. In the life insurance area, Sompo Japan agents sell Dai-ichi Life products.

	Sensitivities <sup>(17)</sup>	Breakeven Points <sup>(18)</sup>
<b>Domestic stocks</b>	<p>Nikkei 225 1,000 yen change:</p> <p>March 2017: ± 170 billion yen (March 2016: ± 170 billion yen)</p>	<p>Nikkei 225</p> <p>March 2017: 9,400 yen (March 2016: 9,400 yen)</p>
<b>Domestic bonds</b>	<p>10-year JGB Yield 10bp change:</p> <p>March 2017: ± 260 billion yen * (March 2016: ± 290 billion yen)</p> <p>* Available-for-sale securities: March 2017: ± 30 billion yen (March 2016: ± 40 billion yen)</p>	<p>10-year JGB Yield</p> <p>March 2017: 1.3% * (March 2016: 1.3%)</p> <p>* Available-for-sale securities: March 2017: 1.4% (March 2016: 1.4%)</p>
<b>Foreign securities</b>	<p>JPY / USD 1 yen change:</p> <p>March 2017: ± 21 billion yen (March 2016: ± 29 billion yen)</p>	<p>JPY / USD</p> <p>March 2017: \$1 = 105 yen (March 2016: 103 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).

# European Embedded Value



Dai-ichi Life  
Holdings

- European Embedded Value (EEV) at the end of March 2017 increased from a year ago mainly due to value of new business, high stock prices, and a rise in interest rates

### Group Embedded Value (billions of yen)

	As of Mar-16	As of Mar-17	Change
EEV of the Group	4,646.1	5,495.4	+849.3
EEV for Covered Businesses <sup>(1)</sup>	4,646.1	5,690.1	+1,043.9
Adjusted net worth	6,287.3	6,073.5	(213.7)
Value of in-force business	(1,641.2)	(383.4)	+1,257.7
Adjustments to net worth etc. of non-covered businesses <sup>(2)</sup>	-	(194.6)	(194.6)

Following the shift to a holding company structure on October 1, 2016, Group EEV is indicated differently from the past (this change does not effect the level of group EEV)

	Mar-16	Mar-17	Change
Value of new business	216.1	145.5	(70.5)

- (1) "Covered businesses" are the business areas that are to be covered by the EEV methodology set forth by the EEV principle. The EEV principle requires covered businesses to be disclosed. In the past, Dai-ichi Group categorized all of its businesses as covered businesses. However, following the shift to a holding company structure on October 1, 2016, subsidiaries engaged in the life insurance business (Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life, Protective, TAL, Dai-ichi Vietnam and its subsidiaries) are categorized as covered businesses.
- (2) "Adjustments relating to net worth of non-covered businesses" include net worth (1,224.8 billion yen) of non-consolidated Dai-ichi Life Holdings as of March 31, 2017, adjustments related to interest (minus 1,474.0 billion yen) in six subsidiaries of Dai-ichi Life Holdings that are engaged in the insurance business, and fair value adjustments to assets and liabilities of Dai-ichi Life Holdings

## EEV – European Embedded Value (ii)



Dai-ichi Life  
Holdings

### Group company EEV (billions of yen)

Current Dai-ichi Life

	As of Mar-16	As of Mar-17	Change		As of Mar-16	As of Mar-17	Change
<b>Dai-ichi Life</b>	4,441.4	4,427.6	(13.7)	<b>Dai-ichi Frontier Life</b>	303.2	353.7	+50.5
Adjusted net worth	6,483.3	5,351.9	(1,131.4)	Adjusted net worth	183.8	156.6	(27.2)
Value of in-force business	(2,041.9)	(924.2)	+1,117.6	Value of in-force business	119.4	197.1	+77.7

Adjusted net worth decreased because shareholders' equity changed when Dai-ichi Life shifted to a holding company structure.

	Mar-16	Mar-17	Change		Mar-16	Mar-17	Change
Value of new business	134.6	111.0	(23.6)	Value of new business	53.2	17.5	(35.7)

	As of Mar-16	As of Mar-17	Change
<b>Neo First Life</b>	41.4	38.0	(3.3)
Adjusted net worth	27.7	21.9	(5.8)
Value of in-force business	13.6	16.1	+2.5

	Mar-16	Mar-17	Change
Value of new business	—	(3.9)	—
(Reference) value of new business on ultimate unit cost base	—	2.4	—

## EEV – European Embedded Value (iii)



Dai-ichi Life  
Holdings

### Group company EEV (billions of yen)

	As of Dec-15	As of Dec-16	Change
<b>Protective Life</b>	551.2	589.8	+38.5
Adjusted net worth	414.9	421.4	+6.5
Value of in-force business	136.3	168.3	+31.9

	Dec-15	Dec-16	Change
Value of new business	5.6	3.8	(1.7)

	As of Mar-16	As of Mar-17	Change
<b>TAL</b>	267.3	268.9	+1.6
Adjusted net worth	135.9	128.4	(7.5)
Value of in-force business	131.3	140.4	+9.1

	Mar-16	Mar-17	Change
Value of new business	22.5	16.9	(5.6)

### Outstanding in local currency (Protective: USD million, TAL: AUD million)

	As of Dec-15	As of Dec-16	Change
<b>Protective Life</b>	4,570	5,063	+492
Adjusted net worth	3,440	3,618	+178
Value of in-force business	1,130	1,444	+314

	Dec-15	Dec-16	Change
Value of new business	46	33	(13)

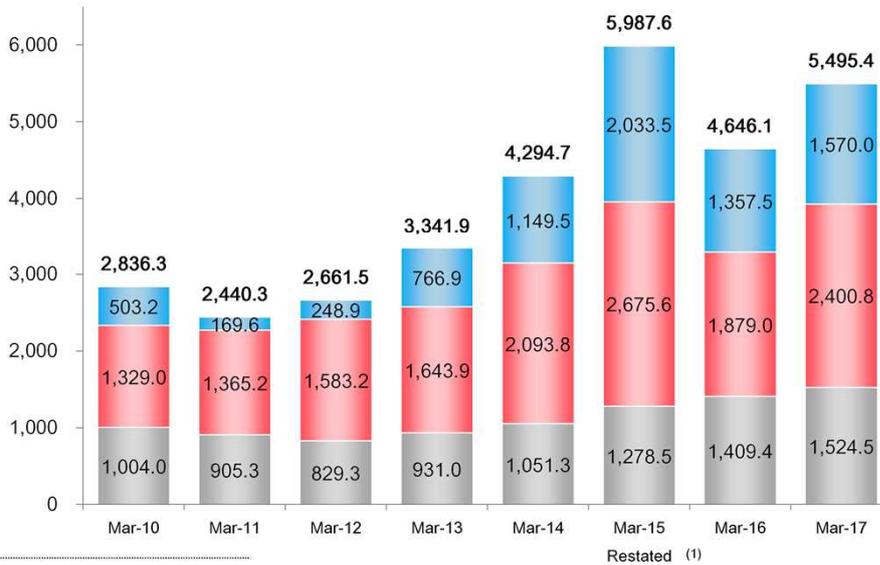
	As of Mar-16	As of Mar-17	Change
<b>TAL</b>	3,099	3,132	+33
Adjusted net worth	1,576	1,496	(80)
Value of in-force business	1,522	1,636	+113

	Mar-16	Mar-17	Change
Value of new business	262	197	(64)



## EEV of Dai-ichi Life Group after reclassification

(billions of yen)



VIF + unrealized gains:  
**Future profit from in-force business**

Unrealized gains on other assets<sup>(2)</sup>

VIF plus unrealized gains on yen-denominated fixed income assets<sup>(3)</sup>

Net worth, etc. plus retained earnings in liabilities<sup>(4)</sup>  
**Accumulated realized gain**

(1) EEV of Dai-ichi Life Group as of Mar-15 is restated using the ultimate forward rate.

(2) Dai-ichi Life's unrealized gains excluding those on yen-denominated fixed income assets (i.e. stocks, foreign bonds (excluding hedged bonds) and real estate etc.).

(3) VIF of the Group plus unrealized gains on Dai-ichi Life's yen-denominated fixed assets as well as Dai-ichi Frontier Life's and Neo First Life's assets etc. (after some adjustments). This item is mainly affected by interest rates thus the amount changes in VIF and unrealized gains on yen-denominated fixed income assets etc. based on changes in interest rate levels offset each other.

(4) The sum of adjusted net worth of EEV for covered businesses and adjustments relating to net worth of non-covered businesses excluding unrealized gains.

# EEV of Dai-ichi Life Group



Dai-ichi Life  
Holdings

(billions of yen)

	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15	Mar-15	Mar-16	Mar-17
<b>Dai-ichi Life Group</b>								
EEV	2,440.3	2,661.5	3,341.9	4,294.7	5,779.6	5,987.6	4,646.1	5,495.4
Adjusted net worth	1,454.2	1,867.0	3,128.8	3,431.3	5,540.8	5,540.8	6,287.3	6,073.5
Value of in-force business	986.0	794.4	213.1	863.3	238.8	446.8	(1,641.2)	(383.4)
Non-covered business								(194.6)
Value of new business	158.1	187.7	211.2	255.4	274.0	286.1	216.1	145.5
Present value of premium income	2,916.4	3,188.8	3,606.4	4,087.8	5,179.5	5,174.7	5,514.2	4,953.1
New Business Margins	5.4%	5.9%	5.9%	6.2%	5.3%	5.5%	3.9%	2.9%
50 bp upward parallel shift in risk-free yield curve	287.5	277.3	269.3	207.0	352.2	—	492.3	401.6
50 bp downward parallel shift in risk-free yield curve	(365.3)	(359.4)	(369.1)	(300.2)	(455.2)	—	(348.5)	(527.1)
10% decline in equity and real estate value	(260.4)	(261.1)	(296.6)	(336.0)	(419.4)	—	(406.9)	(459.8)
<b>Dai-ichi Life</b>								
EEV	2,479.6	2,715.0	3,352.9	4,268.5	5,700.8	5,908.8	4,441.4	4,427.6
Value of new business	158.5	168.1	191.1	216.9	198.1	210.2	134.6	111.0
Present value of premium income	2,730.2	2,732.7	2,967.1	2,649.5	3,258.1	3,253.3	3,017.9	3,355.2
New Business Margins	5.8%	6.2%	6.4%	8.2%	6.1%	6.5%	4.5%	3.3%
<b>Dai-ichi Frontier Life</b>								
EEV	137.8	122.2	129.3	163.8	252.8	252.8	303.2	353.7
Value of new business	(0.4)	2.4	1.9	22.3	58.6	58.6	53.2	17.5
Present value of premium income	206.8	305.1	487.1	1,145.7	1,715.5	1,715.5	1,679.5	865.3
New Business Margins	-0.2%	0.8%	0.4%	1.9%	3.4%	3.4%	3.2%	2.0%
<b>Neo First Life</b>								
EEV	—	—	—	—	—	—	41.4	38.0
Value of new business	—	—	—	—	—	—	—	(3.9)
Present value of premium income	—	—	—	—	—	—	—	21.6
New Business Margins	—	—	—	—	—	—	—	-18.1%
<b>Protective Life</b>								
EEV	—	—	—	—	—	502.9	551.2	589.8
Value of new business	—	—	—	—	—	—	5.6	3.8
Present value of premium income	—	—	—	—	—	—	446.5	544.3
New Business Margins	—	—	—	—	—	—	1.3%	0.7%
<b>TAL</b>								
EEV	112.0	136.4	172.6	186.3	237.8	237.8	267.3	268.9
Value of new business	13.9	17.4	18.3	18.4	17.3	17.3	22.5	16.9
Present value of premium income	157.3	181.4	200.8	407.0	205.7	205.7	370.1	166.6
New Business Margins	8.8%	9.6%	9.1%	4.5%	8.4%	8.4%	6.1%	10.2%

Risk free rate beyond 30 years used in calculation of EEV as of Mar-15 and thereafter is adjusted extrapolating with ultimate forward rate (UFR).

The adoption of UFR for economic solvency ratio is now being discussed.

Dai-ichi Life Group completed the transition to a holding company structure on October 1, 2016. The range of covered business has been revised to reflect the holding company structure.

# EEV Sensitivity Analysis: Dai-ichi Life Group (as of Mar-2017)



Dai-ichi Life  
Holdings

(billions of yen, upper: change in value, lower: percentage)

Assumptions	Group EEV	EEV of covered business			Net assets of non-covered business	Value of New Business
		Adjusted net worth	Value of in-force business			
50bp upward parallel shift in risk-free yield curve	401.6 7%	394.7 7%	(1,391.9) (25%)	1,786.7 33%	6.8 0%	65.1 45%
50bp downward parallel shift in risk-free yield curve	(527.1) (10%)	(520.1) (9%)	1,513.9 28%	(2,034.1) (37%)	(7.0) (0%)	(76.4) (52%)
10% decline in equity and real estate values	(459.8) (8%)	(447.3) (8%)	(432.1) (8%)	(15.1) (0%)	(12.4) (0%)	0.0 0%
10% decline in maintenance expenses	240.4 4%	240.4 4%	0.0 0%	240.3 4%	0.0 -	19.5 13%
10% decline in surrender and lapse rate	195.5 4%	195.5 4%	0.0 0%	195.5 4%	0.0 -	22.2 15%
5% decline in mortality and morbidity rate for life insurance products	200.2 4%	200.2 4%	2.4 0%	197.8 4%	0.0 -	8.8 6%
5% decline in mortality and morbidity rate for annuities	(25.6) (0%)	(25.6) (0%)	(0.3) (0%)	(25.3) (0%)	0.0 -	(0.1) (0%)
Setting required capital at the statutory minimum level	84.0 2%	84.0 2%	1.3 0%	82.6 2%	0.0 -	5.6 4%
25% increase in implied volatilities of equity and real estate values	(33.8) (1%)	(33.8) (1%)	2.5 0%	(36.3) (1%)	0.0 -	(1.1) (1%)
25% increase in implied volatilities of swaptions	(8.7) (0%)	(8.7) (0%)	0.1 0%	(8.8) (0%)	0.0 -	(0.7) (0%)
Dai-ichi Life Group EEV	5,495.4	5,690.1			(194.6)	145.5

Please refer to "Disclosure of European Embedded Value as of March 2017" released on May 19, 2017 for details.

# EEV Sensitivity Analysis: Dai-ichi Life (as of Mar-2017)



Dai-ichi Life  
Holdings

(billions of yen)

Assumptions	Sensitivities (upper: change in value, lower: percentage)			Value of
		Adjusted net worth	Value of in-force business	New Business
50bp upward parallel shift in risk-free yield curve	423.3 10%	(1,252.6) (28%)	1,676.0 38%	65.3 59%
50bp downward parallel shift in risk-free yield curve	(548.3) (12%)	1,368.0 31%	(1,916.3) (43%)	(76.2) (69%)
10% decline in equity and real estate values	(432.9) (10%)	(436.3) (10%)	3.3 0%	0.2 0%
10% decline in maintenance expenses	215.4 5%	- -	215.4 5%	17.4 16%
10% decline in surrender and lapse rate	169.2 4%	- -	169.2 4%	16.7 15%
5% decline in mortality and morbidity rate for life insurance products	153.9 3%	- -	153.9 3%	3.8 3%
5% decline in mortality and morbidity rate for annuities	(21.8) (0%)	- -	(21.8) (0%)	0.0 0%
Setting required capital at the statutory minimum level	16.3 0%	- -	16.3 0%	1.3 1%
25% increase in implied volatilities of equity and real estate values	(18.0) (0%)	- -	(18.0) (0%)	(0.7) (1%)
25% increase in implied volatilities of swaptions	(13.2) (0%)	- -	(13.2) (0%)	(0.7) (1%)
Dai-ichi Life non-consolidated EEV	4,427.6			111.0

EEV Sensitivity Analysis:  
Dai-ichi Frontier Life (as of Mar-2017)



Dai-ichi Life  
Holdings

(billions of yen)

Assumptions	Sensitivities (upper: change in value, lower: percentage)			Value of New Business
		Adjusted net worth	Value of in-force business	
50bp upward parallel shift in risk-free yield curve	(6.2) (2%)	(121.7) (34%)	115.5 33%	(0.2) (1%)
50bp downward parallel shift in risk-free yield curve	7.8 2%	126.4 36%	(118.6) (34%)	0.1 1%
10% decline in equity and real estate values	(6.4) (2%)	(6.1) (2%)	(0.3) (0%)	0.0 0%
10% decline in maintenance expenses	4.1 1%	(0.0) (0%)	4.1 0%	0.6 4%
10% decline in surrender and lapse rate	(2.1) (1%)	0.0 0%	(2.1) (0%)	(0.4) (2%)
5% decline in mortality and morbidity rate for life insurance products	1.1 0%	(0.0) (0%)	1.1 0%	0.2 1%
5% decline in mortality and morbidity rate for annuities	0.1 0%	(0.1) (0%)	0.2 0%	0.0 0%
Setting required capital at the statutory minimum level	0.5 0%	(0.0) (0%)	0.5 0%	0.0 0%
25% increase in implied volatilities of equity and real estate values	(7.7) (2%)	(0.0) (0%)	(7.7) (0%)	(0.0) (0%)
25% increase in implied volatilities of swaptions	0.6 0%	(0.0) (0%)	0.6 (0%)	(0.0) (0%)
Dai-ichi Frontier Life EEV		353.7		17.5

# EEV Sensitivity Analysis: Protective Life (as of Mar-2017)



Dai-ichi Life  
Holdings

(billions of yen)

Assumptions	Sensitivities (upper: change in value, lower: percentage)			Value of New Business
		Adjusted net worth	Value of in-force business	
50bp upward parallel shift in risk-free yield curve	(14.1) (2%)	(16.9) (3%)	2.7 0%	1.1 29%
50bp downward parallel shift in risk-free yield curve	11.7 2%	19.0 3%	(7.2) (1%)	(1.4) (38%)
10% decline in equity and real estate values	(8.9) (2%)	9.0 2%	(17.9) (3%)	(0.2) (6%)
10% decline in maintenance expenses	14.2 2%	- -	14.2 2%	0.4 13%
10% decline in surrender and lapse rate	(7.8) (1%)	- -	(7.8) (1%)	0.0 0%
5% decline in mortality and morbidity rate for life insurance products	27.7 5%	- -	27.7 5%	2.2 59%
5% decline in mortality and morbidity rate for annuities	(3.7) (1%)	- -	(3.7) (1%)	(0.0) (0%)
Setting required capital at the statutory minimum level	66.7 11%	1.3 0%	65.4 11%	4.2 110%
25% increase in implied volatilities of equity and real estate values	(8.1) (1%)	2.5 0%	(10.6) (2%)	(0.4) (11%)
25% increase in implied volatilities of swaptions	3.9 1%	0.1 0%	3.8 1%	0.0 0%
50bp upward shift in risk discount rate	(14.1) (2%)	- -	(14.1) (2%)	(1.0) (26%)
50bp downward shift in risk discount rate	15.1 3%	- -	15.1 3%	1.0 28%
Protective Life EEV	589.8			3.8

# EEV Sensitivity Analysis: TAL (as of Mar-2017)



Dai-ichi Life  
Holdings

(billions of yen)

Assumptions	Sensitivities (upper: change in value, lower: percentage)			Value of
		Adjusted net worth	Value of in-force business	New Business
50bp upward parallel shift in risk-free yield curve	(7.5)	(0.5)	(6.9)	(1.1)
	(3%)	(0%)	(3%)	(7%)
50bp downward parallel shift in risk-free yield curve	8.0	0.4	7.5	1.3
	3%	0%	3%	8%
10% decline in equity and real estate values	(0.6)	(0.3)	(0.2)	-
	(0%)	(0%)	(0%)	-
10% decline in maintenance expenses	5.4	0.0	5.4	0.5
	2%	0%	2%	3%
10% decline in surrender and lapse rate	34.1	(0.0)	34.1	5.7
	13%	(0%)	13%	34%
5% decline in mortality and morbidity rate for life insurance products	16.0	2.5	13.5	2.1
	6%	1%	5%	13%
5% decline in mortality and morbidity rate for annuities	(0.2)	(0.2)	0.0	-
	(0%)	(0%)	0%	-
Setting required capital at the statutory minimum level	0.2	-	0.2	-
	0%	-	0%	-
25% increase in implied volatilities of equity and real estate values	-	-	-	-
	-	-	-	-
25% increase in implied volatilities of swaptions	-	-	-	-
	-	-	-	-
TAL EEV	268.9			16.9



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

**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.

(Note) We set the commencement of extrapolation to the 30<sup>th</sup> year considering the liquidity of ultra long-term bonds based on a UFR assumption of 3.5%. Forward rates after the 31<sup>st</sup> year are extrapolated so that they settle at UFR levels in 30 years based on the Smith-Wilson code. We mainly referred to ICS discussions. Please refer to "Disclosure of European Embedded Value as of March 2017" released on May 19, 2017 for details.

- 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. The Dai-ichi Group believes that it will be designated as IAIG and accordingly become 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.

# Towards a Sustainable Society

ESG initiatives at Dai-ichi Life Group



Dai-ichi Life  
Holdings

- Life insurance is a business with high levels of public and social responsibilities, and complements the social security system. At the same time, it is expected to maintain stable growth with its flexible actions against various business-environmental changes.
- In order to meet these expectations and demands, we identified 4 material issues and are taking actions. In this section, these actions are translated into ESG perspective.

### The 4 Material Issues for Dai-ichi Life Group



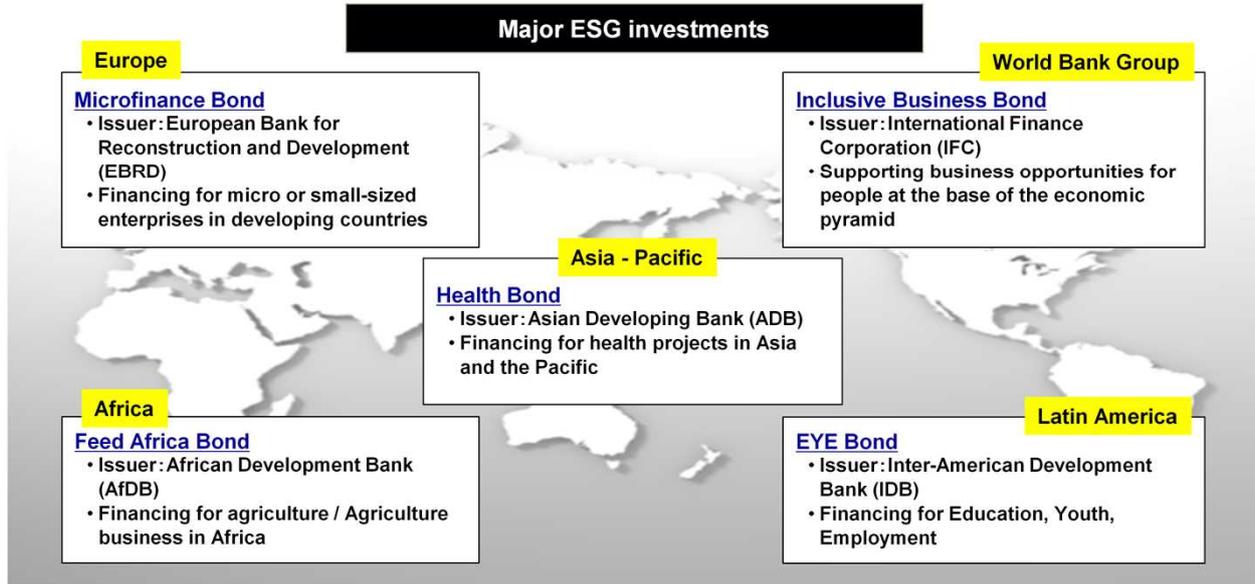
**Translated into ESG**

(from next slide)

■ The initiatives to solve our 4 Material Issues are now translated into ESG perspective.

<p><b>E</b>nvironmental</p>	<ul style="list-style-type: none"> <li>● Group Action Principles for <b>Environmental Initiative</b> <ul style="list-style-type: none"> <li>• Protecting the environment (reducing CO<sup>2</sup> emissions)</li> <li>• <b>Reducing paper</b> usage for insurance policy administration</li> <li>• <b>Reducing energy</b> usage (Improving logistics among branch network)</li> </ul> </li> </ul>
<p><b>S</b>ocial</p>	<ul style="list-style-type: none"> <li>● <b>Cooperation with Local Governments</b> (entering into partnership agreements with local governments and solving local issues together.)             <ul style="list-style-type: none"> <li>• Helping <b>the stabilization of the social security system</b> through various health promotion initiatives</li> <li>• <b>Preventing the isolation</b> of elderly and infants, supporting child-rearing</li> </ul> </li> <li>● <b>Diversity &amp; Inclusion</b> <ul style="list-style-type: none"> <li>• Promoting the achievements of <b>female employees</b> (internal achievements are being introduced to local government)</li> <li>• <b>Work-life balance</b></li> <li>• Promoting active participation of <b>employees with disabilities</b></li> </ul> </li> </ul>
<p><b>G</b>overnance</p>	<ul style="list-style-type: none"> <li>● <b>Demutualization and Listing of Stock</b>, the first in the industry as one of the largest life insurer</li> <li>● Shift to a <b>Holding Company Structure</b> to strengthen corporate governance</li> <li>● Active <b>Communication</b> with various stakeholders</li> <li>● <b>Respect for Human Rights</b> (participated in the United Nations Global Compact (UNGC), and taking actions)</li> </ul>

- Dai-ichi Life strives to help solve ESG issues through its investment activities, as an institutional investor with a high level of public and social responsibilities .
- Through financing to fields that would contribute to solve social issues and incorporating ESG factors into investment process, Dai-ichi Life seeks to enhance earning capacity as well as mitigate investment risk.





- Dai-ichi Life has advanced stewardship activity, putting its priority on dialogue with companies invested, in order to promote their sustainable growth.
- In FY2017 Dai-ichi Life established Responsible Investment Center, increased the number of personnel dedicated to stewardship activity from 3 to 7, and set up Responsible Investment Committee to enhance its governance.



- Dai-ichi Life Group has its sights on environmental protection by adopting “Dai-ichi's Social Responsibility Charter”.
- We have established the Group Action Principles for Environmental Initiative and are collectively working to protect the environment, aiming to help achieve social and economic development, harmony with the global environment, and the building of a sustainable society.

### *Basic Policy*

As a member of society, we have a social responsibility to help protect the global environment and build a recycling-oriented society. We work collectively to protect and conserve the environment and reduce environmental impacts in accordance with the following action guidelines.

### *Action Guidelines*

- 1 Environment-conscious activities in life insurance businesses**  
We are committed to being environmentally conscious at all times, following in light of relevant laws and regulations, and charters and guidelines that Dai-ichi Life has agreed to
- 2 Reduction of environmental impact from business activities**  
We are committed to promoting resource conservation, energy conservation, resource recycling, and green procurement in reducing environmental impacts resulting from resources used, energy consumption, and waste generated in our business activities.
- 3 Promotion to raise environmental awareness**  
We will help raise awareness of environmental issues among our officers and employees, as well as by making wide-ranging social contributions through our commitment to activities that raise environmental awareness.
- 4 Promotion to continue to improve the environment**  
We will continue to improve the environment by setting objectives and proactively disclosing our efforts and progress.

- Through its life insurance business with a highly social and public nature, the Dai-ichi Life Group aims to grow continuously together with local and international communities as a good corporate citizen while helping them build a safe and comfortable lifestyle and society.
- The Group strives to solve social challenges by providing value to the society mainly through the utilization of its unique know-how and resources under the three themes associated with the life insurance business.

### 3 material social themes for the Group

#### 1 Promoting Health

Efforts to promote our customers' health, **C**ollaboration and cooperation with local governments, **P**ublic Health Award, **F**oundation of the Cardiovascular Institute, **P**romoting Bone Marrow Bank Donor Registration and Blood Donations, **P**articipation in the "Table for Two Program" etc.

#### 2 Creating an Affluent Next-Generation Society

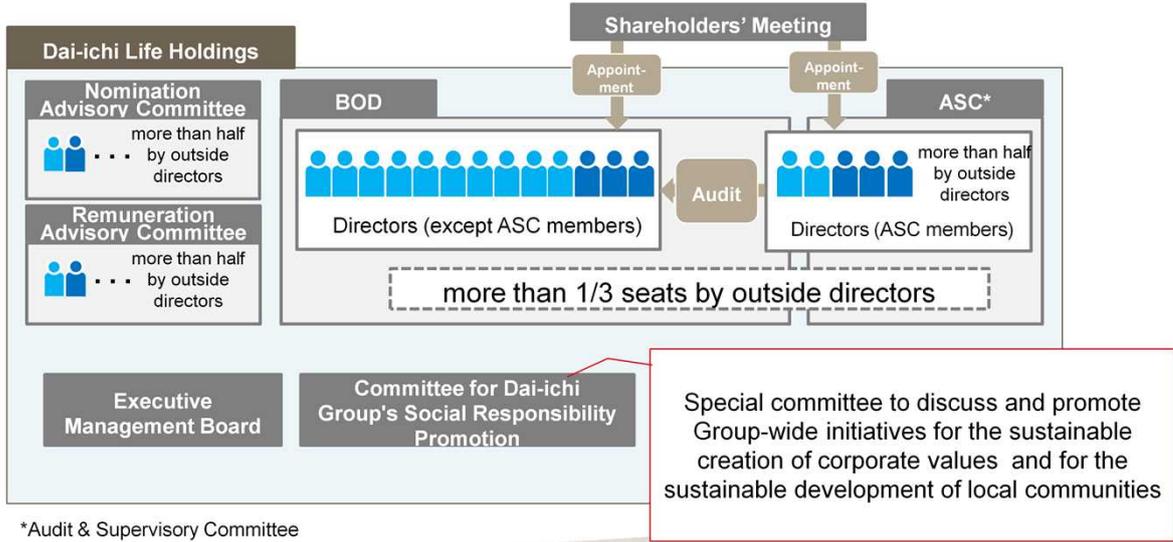
Initiatives to eliminate the issue of children waiting for daycare and nursing centers, **Y**ellow Badge program, **R**esearch Grants for Universities and Scholarships for Students, **H**olding Seminars on Consumer Issues etc.

#### 3 Environmental Preservation

*(see the Group Action Principles for Environmental Initiative for details)*



- The Group has evolved into a diversified life insurance group which requires a high degree of professionalism in management. The Board will strike a balance between inside directors who are well versed in the business and outside directors with extensive experience and insight. The Audit & Supervisory Committee will act from a highly independent standpoint, engaging in realistic, appropriate decision-making
- Ensures transparency of the decision-making through the Nomination Advisory Committee and the Remuneration Advisory Committee stipulated in the Articles of Incorporation



# Financial Statements



**Dai-ichi Life**  
Holdings

# Overview of the Group's Financial Results - Group adjusted profit



Dai-ichi Life  
Holdings

(billions of yen)

Items		Mar-13	Mar-14	Mar-15	Mar-16	Mar-17
<b>Domestic Life Insurance Business</b>						
1	Dai-ichi Life <sup>(1)</sup>					
2	Net income	51.4	85.5	152.1	129.1	117.1
3	Adjustment (1) Provision for contingency reserve (in excess of statutory amount, net of tax) <sup>(7)</sup>	49.9	24.9	19.2	12.9	12.9
4	Adjustment (2) Provision for price fluctuation reserve (in excess of statutory amount, net of tax) <sup>(7)</sup>	—	9.7	—	—	—
5	Adjustment (3) Gains or losses on accounting for market value adjustment, net of tax <sup>(8)</sup>	0.0	(0.6)	(0.2)	(0.4)	(0.2)
6	Sub-total	49.9	34.0	18.9	12.5	12.7
7	Adjusted net profit <sup>(9)</sup>	101.3	119.5	171.1	141.6	129.9
8	Dai-ichi Frontier Life					
9	Net income	(26.5)	(15.2)	(21.9)	24.3	50.2
10	Adjustment (1) Provision for contingency reserve (in excess of statutory amount, net of tax) <sup>(7)</sup>	15.3	—	—	—	—
11	Adjustment (2) Provision for price fluctuation reserve (in excess of statutory amount, net of tax) <sup>(7)</sup>	—	—	—	—	—
12	Adjustment (3) Gains or losses on accounting for market value adjustment, net of tax <sup>(8)</sup>	0.1	(0.9)	46.9	7.5	(27.0)
13	Sub-total	15.4	(0.9)	46.9	7.5	(27.0)
14	Adjusted net profit	(11.1)	(16.1)	24.9	31.8	23.2
15	Neo First Life					
16	Net income	—	—	0.4	(7.1)	(5.9)
17	Adjusted net profit	—	—	0.4	(7.1)	(5.9)
18	Adjusted profits of domestic life insurance business	90.2	103.4	196.6	166.4	147.1
<b>Overseas Insurance Business <sup>(4)</sup></b>						
19	Protective Life <sup>(2)</sup>					
20	Net income	—	—	—	32.3	45.7
21	TAL <sup>(3)</sup>					
22	Net income	8.9	8.6	12.1	10.3	12.7
23	Adjusted profits of overseas insurance business	9.8	10.8	15.7	45.7	61.5
24	Asset Management Bus					
25	Adjusted net profit	1.8	4.4	6.1	5.9	5.8
26	Holding company					
27	Adjusted net profit	—	—	—	—	0.0
28	Consolidation					
29	Adjustment (1) Dividends from subsidiaries and affiliates <sup>(6)</sup>	1.7	2.7	3.6	13.5	4.4
30	adjustment					
31	Adjustment (2) Amortization of goodwill <sup>(10)</sup>	3.8	5.1	8.6	6.3	5.6
32	Adjustment (3) Gains on change in equity	—	—	—	—	(12.4)
33	Adjustment (4) Others	(1.4)	(0.1)	(2.2)	(0.3)	0.0
34	<b>(New formula) Group Adjusted Profits (Item 25=15+18+19+20-21)</b>	<b>100.0</b>	<b>116.0</b>	<b>214.7</b>	<b>204.6</b>	<b>210.1</b>
35	(Old formula) Consolidated adjusted net income (Item 26=1+2+3+7+8+9+14+18+19+20-21-22-23-24)	97.6	112.5	161.7	191.4	244.2
36	<b>Consolidated net income (Items 27=25-5-11-22-23-24) <sup>(5)</sup></b>	<b>32.4</b>	<b>77.9</b>	<b>142.4</b>	<b>178.5</b>	<b>231.2</b>

※ Please refer to footnotes on page 96

# Dai-ichi Life Holding's Results – Profit and Loss Statement



Dai-ichi Life  
Holdings

(millions of yen)

	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17
Ordinary revenues	4,571,556	4,931,781	5,283,989	6,044,955	7,252,242	7,333,947	6,456,796
Premium and other income	3,312,456	3,539,579	3,646,831	4,353,229	5,432,717	5,586,000	4,468,736
Investment income	922,787	1,035,662	1,335,120	1,320,066	1,444,012	1,344,852	1,626,177
Interest and dividends	698,753	698,627	709,592	797,309	856,550	1,075,389	1,107,793
Gains on sale of securities	212,360	259,619	226,587	210,417	162,163	222,409	223,704
Derivative transaction gains	9,233	—	—	—	—	—	—
Foreign exchange gains	—	—	18,704	—	—	—	—
Gains on investments in separate accounts	—	71,149	335,295	262,363	369,713	—	115,719
Other ordinary revenues	336,313	356,539	302,037	371,659	375,513	403,094	361,883
Ordinary expenses	4,490,356	4,705,860	5,126,695	5,740,205	6,845,400	6,915,780	6,031,476
Benefits and claims	2,711,314	2,688,419	2,795,355	2,903,587	3,380,827	3,830,941	3,618,385
Provision for policy reserves and others	466,486	718,673	1,191,953	1,634,864	2,271,268	1,496,360	1,016,744
Investment expenses	444,681	380,315	221,738	234,950	168,935	524,041	342,102
Losses on sale of securities	120,960	180,717	66,203	67,494	24,221	64,289	94,260
Losses on valuation of securities	179,622	44,713	3,210	1,407	469	4,128	27,172
Derivative transaction losses	—	36,543	63,369	61,093	5,551	53,857	29,464
Foreign exchange losses	28,122	29,084	—	13,233	68,177	180,451	73,705
Losses on investments in separate accounts	40,119	—	—	—	—	96,194	—
Operating expenses	434,859	471,061	486,419	517,566	559,344	661,384	650,985
Other ordinary expenses	433,015	447,390	431,227	449,236	465,022	403,052	403,258
Ordinary profit	81,199	225,920	157,294	304,750	406,842	418,166	425,320
Extraordinary gains	40,023	30,477	8,882	3,634	3,310	308	17,495
Extraordinary losses	11,526	36,348	24,054	67,374	29,451	55,272	47,447
Provision for reserve for policyholder dividends	78,500	69,000	86,000	94,000	112,200	97,500	85,000
Income before income taxes, etc.	31,196	151,048	56,122	147,010	268,502	265,702	310,367
Total of corporate income taxes	12,133	133,621	26,538	70,753	126,013	87,177	79,071
Net income attributable to non-controlling interests	(75)	(2,930)	(2,843)	(1,674)	12	9	9
Net income attributable to shareholders of parent company	19,139	20,357	32,427	77,931	142,476	178,515	231,286

# Dai-ichi Life Holding's Results – Balance Sheet



Dai-ichi Life  
Holdings

(millions of yen)

	As of Mar-11	As of Mar-12	As of Mar-13	As of Mar-14	As of Mar-15	As of Mar-16	As of Mar-17
<b>Total assets</b>	<b>32,297,862</b>	<b>33,468,670</b>	<b>35,694,411</b>	<b>37,705,176</b>	<b>49,837,202</b>	<b>49,924,922</b>	<b>51,985,850</b>
Cash, deposits and call loans	501,904	564,387	848,717	1,061,394	1,253,844	960,305	980,465
Monetary claims bought	291,115	294,324	285,082	281,859	265,813	239,299	198,294
Securities	25,597,752	27,038,793	29,390,963	31,203,581	41,105,413	41,560,060	43,650,962
Loans	3,627,991	3,413,620	3,140,990	3,024,702	3,898,148	3,715,562	3,566,603
Tangible fixed assets	1,296,105	1,254,685	1,236,270	1,215,895	1,217,070	1,178,817	1,138,416
Deferred tax assets	477,206	284,562	67,636	5,734	1,379	1,344	150
<b>Total liabilities</b>	<b>31,566,027</b>	<b>32,476,924</b>	<b>34,045,391</b>	<b>35,757,563</b>	<b>46,247,274</b>	<b>46,991,963</b>	<b>48,848,583</b>
Policy reserves and others	29,641,967	30,489,920	31,703,858	33,327,552	42,547,013	43,894,014	44,694,128
Policy reserves	29,039,453	29,862,729	31,012,539	32,574,923	41,634,712	42,922,534	43,740,238
Bonds payable	149,129	148,652	154,584	107,562	489,045	485,682	989,743
Other liabilities	1,126,459	1,188,105	1,496,592	1,593,272	1,864,717	1,486,611	1,852,035
Net defined benefit liabilities	420,067	433,791	439,734	385,436	331,322	443,842	421,560
Reserve for price fluctuations	80,596	74,831	89,228	118,167	136,254	155,246	174,677
Deferred tax liabilities	798	9,719	13,511	15,108	643,398	270,750	324,496
<b>Total net assets</b>	<b>731,835</b>	<b>991,745</b>	<b>1,649,020</b>	<b>1,947,613</b>	<b>3,589,927</b>	<b>2,932,959</b>	<b>3,137,266</b>
Total shareholders' equity	548,928	569,253	563,340	628,538	1,029,622	1,129,262	1,300,756
Total accumulated other comprehensive income	171,169	413,249	1,078,784	1,318,435	2,559,484	1,802,698	1,835,262
Net unrealized gains on securities, net of tax	238,886	483,446	1,099,351	1,322,731	2,528,262	1,840,084	1,906,091
Reserve for land revaluation	(65,194)	(61,616)	(36,995)	(38,320)	(33,424)	(16,402)	(17,541)

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



Dai-ichi Life  
Holdings

	[Dai-ichi Life] billions of yen As of Mar-17	[Dai-ichi Frontier Life] billions of yen As of Mar-17	[Protective Life (USA)] <sup>(1)</sup> millions of USD As of Dec-16	[TAL(Australia)] <sup>(1)</sup> millions of AUD As of Mar-17	[Others] <sup>(2)</sup> (including consolidation adjustments) billions of yen	[Consolidated] <sup>(2)</sup> billions of yen As of Mar-17
<b>Total Assets</b>	35,686.6	6,742.4	75,005	7,178	203.2	51,985.8
Cash, deposits and call loans	536.9	109.8	350	1,559	159.0	980.4
Securities	30,498.1	6,214.9	56,237	2,830	143.7	43,650.9
Loans	2,657.8	-	7,784	-	1.8	3,566.6
Tangible fixed assets	1,124.4	0.2	114	0	0.4	1,138.4
Intangible fixed assets	87.7	4.0	2,937	1,178	(101.8)	433.2
Goodwill	-	-	793	786	(101.9)	57.9
Other intangible assets	22.5	0.0	2,122	392	(0.0)	303.3
Reinsurance receivable	2.2	61.1	161	131	(2.1)	91.2
<b>Total Liabilities</b>	33,205.0	6,632.1	69,533	4,887	491.9	48,848.5
Policy Reserve and others	30,864.7	6,419.0	60,702	3,525	36.4	44,694.1
Reinsurance payable	0.7	156.1	247	290	(2.0)	208.6
Bonds payable	476.2	-	4,230	240	-	989.7
Other liabilities	1,004.7	39.9	2,641	734	436.5	1,852.0
<b>Total net assets</b>	2,481.6	110.3	5,471	2,291	(288.7)	3,137.2
<b>Total shareholders' equity</b>	561.2	93.0	6,126	2,291	(263.7)	1,300.7
Capital stock	60.0	117.5	0	1,630	25.6	343.1
Capital surplus	470.0	67.5	5,554	-	(854.7)	329.7

(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=116.49 yen and 1AUD=85.84 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.

# Dai-ichi Life's Results – Profit and Loss Statement



Dai-ichi Life  
Holdings

(millions of yen)

	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17
Ordinary revenues	4,308,466	4,398,207	4,315,957	4,384,670	4,798,467	4,265,779	3,946,774
Premium and other income	3,056,555	3,056,096	2,921,863	2,868,061	3,266,361	2,866,602	2,547,581
Investment income	922,686	974,046	1,104,462	1,161,432	1,174,430	1,060,017	1,072,049
Interest and dividends	698,159	691,988	695,667	775,206	802,330	802,203	773,506
Gains on sale of securities	212,245	259,461	211,859	202,364	146,542	211,921	200,059
Derivative transaction gains	9,842	—	—	—	9,411	—	—
Gains on investments in separate accounts	—	16,646	166,594	149,010	183,263	—	54,786
Other ordinary revenues	329,224	368,063	289,631	355,176	357,675	339,158	327,143
Ordinary expenses	4,229,564	4,154,442	4,142,150	4,077,058	4,389,702	3,921,556	3,664,964
Benefits and claims	2,625,013	2,508,726	2,467,768	2,439,165	2,718,186	2,681,396	2,327,502
Provision for policy reserves and others	322,580	431,636	642,751	583,309	702,820	209,103	273,344
Provision for contingency reserve	(25,000)	(79,000)	72,000	36,000	27,000	18,000	18,000
Investment expenses	429,594	363,380	206,514	213,928	131,253	273,985	286,301
Losses on sale of securities	120,905	180,705	66,196	67,303	24,412	62,457	91,167
Losses on valuation of securities	179,621	44,713	3,210	1,401	469	873	24,814
Derivative transaction losses	—	31,156	48,996	49,146	—	54,120	14,750
Foreign exchange losses	28,417	34,444	15,462	19,915	38,047	53,872	81,093
Losses on investments in separate accounts	32,071	—	—	—	—	31,568	—
Operating expenses	424,686	415,611	408,876	410,515	398,588	404,114	422,089
Other ordinary expenses	427,688	435,087	416,239	430,140	438,854	352,956	355,726
Ordinary profit	78,902	243,765	173,806	307,612	408,764	344,222	281,810
Extraordinary gains	40,101	7,589	8,877	3,618	3,029	286	4,976
Reversal of price fluctuation reserve	35,000	6,000	—	—	—	—	—
Extraordinary losses	11,828	35,962	23,502	66,415	27,252	52,274	43,934
Provision for price fluctuation reserve	—	—	14,000	28,000	16,000	16,000	16,000
Provision for reserve for policyholder dividends	78,500	69,000	86,000	94,000	112,200	97,500	85,000
Total of corporate income taxes	11,739	128,766	21,716	65,270	120,145	65,611	40,660
Net income	16,936	17,624	51,465	85,544	152,196	129,123	117,191

(billions of yen)

Fundamental profit	275.9	302.4	314.5	399.8	458.2	465.4	392.1
Investment gains and losses	(90.3)	(91.4)	(61.1)	28.0	69.2	97.8	72.1
Gains from core insurance activities	366.5	393.3	373.0	369.5	387.9	367.1	319.5
Provision for additional policy reserve	112.6	105.9	150.7	126.7	122.9	142.1	84.2

In relation to the shift to a holding company structure, results of Dai-ichi Life for the year ended March 2017 presented in this presentation are unaudited, and are the sum of former Dai-ichi Life results and Dai-ichi Life Split Preparation Company results for the first half and current Dai-ichi Life results for the second half.

# Dai-ichi Life's Results – Balance Sheet



Dai-ichi Life  
Holdings

(millions of yen)

	As of Mar-11	As of Mar-12	As of Mar-13	As of Mar-14	As of Mar-15	As of Mar-16	As of Mar-17
<b>Total assets</b>	<b>30,869,661</b>	<b>31,461,940</b>	<b>33,072,490</b>	<b>34,028,823</b>	<b>36,828,768</b>	<b>35,894,956</b>	<b>33,686,645</b>
Cash, deposits and call loans	467,149	499,298	729,401	908,473	1,018,727	645,237	536,954
Monetary claims bought	291,115	294,324	283,103	275,818	259,735	233,206	192,213
<b>Securities</b>	<b>24,294,557</b>	<b>25,333,423</b>	<b>27,161,984</b>	<b>28,005,170</b>	<b>30,673,366</b>	<b>30,250,119</b>	<b>30,498,102</b>
Loans	3,627,422	3,412,529	3,139,671	3,023,173	3,029,295	2,826,052	2,657,852
Tangible fixed assets	1,295,811	1,254,198	1,236,034	1,215,576	1,203,289	1,164,183	1,124,412
Deferred tax assets	475,198	282,638	65,570	11,163	—	—	—
<b>Total liabilities</b>	<b>30,103,223</b>	<b>30,433,560</b>	<b>31,394,799</b>	<b>32,056,983</b>	<b>33,277,434</b>	<b>32,791,760</b>	<b>33,205,016</b>
<b>Policy reserves and others</b>	<b>28,190,891</b>	<b>28,529,906</b>	<b>29,168,377</b>	<b>29,744,001</b>	<b>30,449,617</b>	<b>30,635,217</b>	<b>30,864,753</b>
Policy reserves	27,589,524	28,011,648	28,637,045	29,199,269	29,840,974	29,984,210	30,249,170
Contingency reserve	502,093	423,093	495,093	531,093	558,093	576,093	594,093
Bonds payable	149,129	148,652	154,584	107,562	215,727	215,727	476,277
Other liabilities	1,118,137	1,128,862	1,413,825	1,498,375	1,496,483	1,095,099	1,004,764
Reserve for employees' retirement benefits	418,312	432,022	437,514	407,170	389,480	377,967	380,870
Reserve for price fluctuations	80,453	74,453	88,453	116,453	132,453	148,453	164,453
Deferred tax liabilities	—	—	—	—	413,815	138,696	129,833
<b>Total net assets</b>	<b>766,437</b>	<b>1,028,379</b>	<b>1,677,691</b>	<b>1,971,839</b>	<b>3,551,333</b>	<b>3,103,195</b>	<b>2,481,628</b>
<b>Total shareholders' equity</b>	<b>592,808</b>	<b>610,399</b>	<b>623,524</b>	<b>696,272</b>	<b>1,107,375</b>	<b>1,175,581</b>	<b>561,230</b>
<b>Total of valuation and translation adjustments</b>	<b>173,629</b>	<b>417,829</b>	<b>1,053,786</b>	<b>1,274,983</b>	<b>2,443,204</b>	<b>1,926,688</b>	<b>1,920,398</b>
Net unrealized gains (losses) on securities, net of tax	237,580	479,490	1,092,583	1,315,890	2,488,665	1,946,957	1,963,267
Reserve for land revaluation	(65,194)	(61,616)	(36,995)	(38,320)	(33,424)	(16,402)	(17,541)

# Dai-ichi Frontier Life's Results – Summary Financial Statements



Dai-ichi Life  
Holdings

## Profit and Loss Statement

(billions of yen)

	Year ended Mar-16	Year ended Mar-17	Change
Ordinary revenues	1,967.5	1,183.2	(784.3)
Premium and other income	1,873.0	988.8	(884.1)
Investment income	94.5	194.1	+99.6
Hedge gains related to GMMB risk (A)	2.3	-	(2.3)
Ordinary expenses	1,937.9	1,119.5	(818.4)
Benefits and claims	495.7	555.5	+59.8
Provision for policy reserves and others	1,136.5	470.9	(665.5)
Related to GMMB risk (B)	31.5	2.9	(28.6)
Contingency reserve (C)	(5.6)	0.3	+5.9
Investment expenses	197.1	36.0	(161.0)
Hedge losses related to GMMB risk (D)	-	30.7	+30.7
Foreign exchange losses	126.5	-	(126.5)
Operating expenses	97.2	51.2	(46.0)
Ordinary profit	29.6	63.7	+34.0
Related to market value adjustment (E) <sup>(1)</sup>	(8.4)	32.3	+40.7
Extraordinary gains (losses)	(2.9)	(3.4)	(0.4)
Income before income taxes	26.6	60.2	+33.6
Total of corporate income taxes	2.3	10.0	+7.6
Net income	24.3	50.2	+25.9
Adjusted net profit: Net income - (E)(after tax)	31.8	23.2	(8.6)
Net income - (A) + (B) + (C) + (D) - (E)	56.3	51.8	(4.4)

## Balance Sheet

(billions of yen)

	As of Mar-16	As of Mar-17	Change
Total assets	6,132.2	6,742.4	+610.1
Cash and deposits	118.4	109.8	(8.5)
Securities	5,836.5	6,214.9	+378.4
Total liabilities	6,046.3	6,632.1	+585.7
Policy reserves and others	5,948.1	6,419.0	+470.9
Policy reserves	5,941.1	6,409.8	+468.7
Contingency reserve	114.6	114.9	+0.3
Total net assets	85.9	110.3	+24.3
Total shareholders' equity	42.7	93.0	+50.2
Capital stock	117.5	117.5	-
Capital surplus	67.5	67.5	-
Retained earnings	(142.2)	(91.9)	+50.2

(1) Provision or reversal of policy reserve related to market value adjustment excludes those parts that have no impact on the ordinary profit

# Protective Life' Results - Summary Financial Statements



Dai-ichi Life  
Holdings

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

(millions of USD)

	11 months ended Dec-15	Year ended Dec-16
Ordinary revenues	6,784	8,873
Premium and other income	4,689	5,353
Investment income	1,701	3,099
Other ordinary revenues	393	420
Ordinary expenses	6,384	8,279
Benefits and claims	4,020	4,659
Provision for policy reserves and others	1,031	2,274
Investment expenses	440	305
Operating expenses	692	796
Other ordinary expenses	200	244
Ordinary profit	399	594
Total of corporate income taxes	131	200
Net income	268	393

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

(millions of USD)

	As of Dec-15	As of Dec-16	Change
Total assets	68,493	75,005	+6,511
Cash and deposits	397	350	(47)
Securities	50,843	56,237	+5,393
Loans	7,360	7,784	+424
Tangible fixed assets	113	114	+0
Intangible fixed assets	2,663	2,937	+273
Goodwill	732	793	+61
Other intangible fixed assets	1,915	2,122	+206
Reinsurance receivable	165	161	(4)
Total liabilities	63,912	69,533	+5,621
Policy reserves and others	57,893	60,702	+2,808
Reinsurance payables	244	247	+3
Bonds payable	2,238	4,230	+1,992
Other liabilities	2,409	2,641	+232
Total net assets	4,581	5,471	+890
Total shareholders' equity	5,822	6,126	+303
Total accumulated other comprehensive income	(1,241)	(654)	+586

(1) The Dai-ichi Life Group acquired all the outstanding shares of Protective Life in the United States on February 1, 2015. The fiscal year of Protective Life ends in December, and the Group converts the dollar amount of Protective earnings using the December-end exchange rate to the fiscal year ending March 31 in the following year. For the fiscal year ended March 31, 2016, the Group consolidated eleven months of earnings from Protective from February 1, 2015 to December 31, 2015. Financial results for the company are presented after re-classifying items under local accounting standards to conform to Dai-ichi Life Holding's disclosure standards.

# TAL's Results – Summary Financial Statements



Dai-ichi Life  
Holdings

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

(millions of AUD)

	Year ended Mar-16	Year ended Mar-17	Change
Ordinary revenues	3,231	3,574	+342
Premium and other income	3,020	3,251	+230
Investment income	31	243	+212
Other ordinary revenues	179	78	(100)
Ordinary expenses	3,079	3,363	+284
Benefits and claims	1,949	2,218	+269
Provision for policy reserves and others	312	292	(20)
Investment expenses	72	49	(22)
Operating expenses	636	689	+52
Other ordinary expenses	108	113	+4
Ordinary profit	152	211	+58
Total of corporate income taxes	32	62	+29
Net income	119	148	+28
Underlying profit	168	180	+11

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

(millions of AUD)

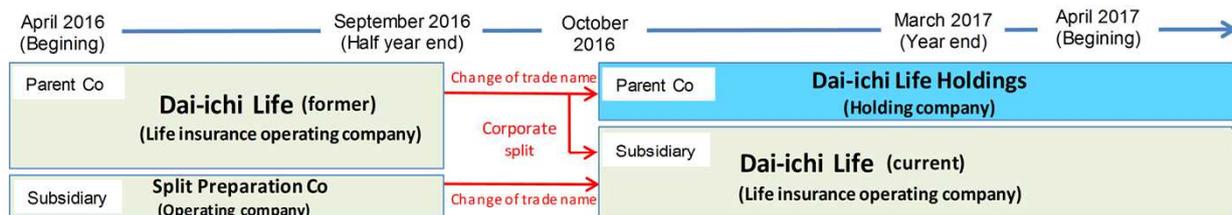
	As of Mar-16	As of Mar-17	Change
Total assets	7,043	7,178	+134
Cash and deposits	1,358	1,559	+200
Securities	2,859	2,830	(28)
Tangible fixed assets	0	0	(0)
Intangible fixed assets	1,207	1,178	(28)
Goodwill	786	786	-
Other intangible fixed assets	420	392	(28)
Reinsurance receivable	148	131	(17)
Other assets	1,470	1,478	+8
Total liabilities	4,890	4,887	(3)
Policy reserves and others	3,491	3,525	+34
Reinsurance payables	332	290	(41)
Other liabilities	978	734	(243)
Deferred tax liabilities	89	95	+6
Total net assets	2,152	2,291	+138
Total shareholders' equity	2,152	2,291	+138
Capital stock	1,630	1,630	-
Retained earnings	522	660	+138

(1) The fiscal year of TAL of Australia ends in March. The Group consolidates Australian dollar amount of TAL earnings using the exchange rate at March end for the fiscal year ends in the same year. Financial results for the company are presented after re-classifying items under local accounting standards to conform to Dai-ichi Life Holding's disclosure standards.

## Reference – Guidance for the Listed Entity



- Dai-ichi Life shifted to a holding company structure on October 1, 2016 by means of a corporate split. Prior to the split, Dai-ichi Life, as the parent company of the Group, reported its consolidated results as a listed entity. On and after the split, Dai-ichi Life Holdings, as the successor company, is the listed entity and reports the consolidated results.
- Dai-ichi Life Holdings recognizes dividend income from its subsidiaries and affiliates, management fees, and incurs holding company operating expenses. The guidance for Dai-ichi Life Holdings for the year ending March 31, 2018 is indicated in the tables below.



	Year ended Mar-17 From October 1, 2016 to March 31, 2017	Year ending Mar-18
Sales Revenues	21.8	59.0
Ordinary profit	16.2	45.0
Net income	17.1	41.0



1. In relation to the shift to a holding company structure, results of Dai-ichi Life for the year ended March 2017 presented in this presentation are unaudited, and are the sum of former Dai-ichi Life results and Dai-ichi Life Split Preparation Company results for the first half and current Dai-ichi Life results for the second half.
2. The Dai-ichi Life Group acquired all the outstanding shares of Protective Life in the United States on February 1, 2015. The fiscal year of Protective Life ends in December, and the Group converts the dollar amount of Protective earnings using the December-end exchange rate to the fiscal year ending March 31 in the following year. For the fiscal year ended March 31, 2016, the Group consolidated eleven months of earnings from Protective from February 1, 2015 to December 31, 2015. Financial results for the company are presented after re-classifying items under local accounting standards to conform to Dai-ichi Life Holding's disclosure standards.
3. The fiscal year of TAL of Australia ends in March. The Group consolidates Australian dollar amount of TAL earnings using the exchange rate at March end for the fiscal year ends in the same year. Financial results for the company are presented after re-classifying items under local accounting standards to conform to Dai-ichi Life Holding's disclosure standards.

4. Exchange rates applied to convert local currencies for consolidation are as follows: (Yen)

	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17
Yen/USD	—	—	—	120.61	116.49
Yen/AUD	97.93	95.19	92.06	86.25	85.84
Yen/VND	0.0042	0.0050	0.0056	0.0054	0.0051

5. "Net Income" or "Consolidated Net Income" represent those of "Net income attributable to shareholders of parent company".
6. The fiscal year of Dai-ichi Life Vietnam ends in December. The Group consolidates Vietnamese Don amount of Dai-ichi Life Vietnam earnings using the exchange rate at December end for the fiscal year ends in the same year. Financial results for the company are presented after re-classifying items under local accounting standards to conform to Dai-ichi Life Holding's disclosure standards.
7. Tax rates applied to the adjustment of provision for / reversal of contingency reserve and price fluctuation reserve are as follows:

	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17
Dai-ichi Life	30.68%	30.68%	28.76%	27.92%	27.92%
Dai-ichi Frontier Life	—	—	—	—	—

8. Tax rates applied to the adjustment of other accounting items are as follows:

	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17
Dai-ichi Life	33.23%	33.23%	30.68%	28.76%	28.16%
Dai-ichi Frontier Life	—	—	—	10.09%	16.44%

9. The Dai-ichi Life Group shifted to a holding company structure on October 1, 2016. Prior to the transaction, The Dai-ichi Life Insurance Company, Limited received dividends from subsidiaries and affiliates. Thus, adjustment are made to calculate adjusted profits of Dai-ichi Life.
10. Amortization of goodwill includes amortization of goodwill related to consolidated subsidiaries and consolidated affiliates.
11. The following items include items that are offset by provision for (reversal of ) policy reserves and unrealized gains (losses) on investments. There is impact of Gains (losses) but they do not have a significant impact on business results. (Gains or losses on investments in separate accounts, foreign exchange gains or losses, derivative transaction gains or losses)



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