

# Financial Analyst Meeting for the Fiscal Year Ended March 31, 2018

May 23, 2018

Dai-ichi Life Holdings, Inc.



Dai-ichi Life  
Holdings

- Good afternoon. 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 31, 2018.
- Without further ado, let us begin.
- Please turn to the next page.

## ■ Financial Results & EEV for the fiscal year ended March 2018

Generated 200 billion yen level of profit, not including one-time factors. Total payout ratio reached 40%. Increase in run-rate profit and dividends expected for fiscal year ending March 2019. Value of new business drives EEV.

## ■ New Medium-term Management Plan CONNECT 2020

Entering a new phase by leveraging legacy business foundation to support organic growth for further expansion of Dai-ichi Life Group's business base. Capital allocation based on disciplined ERM framework to support growth.

## ■ Domestic Life Insurance Business Strategy

Customer needs are becoming diverse in step with demographic changes. To be addressed by expanding our multi-brand/multi-channel strategy and partnerships to offer new products.

- Here are the three points that highlight today's presentation.
- First, I will summarize our financial results for the fiscal year ended March 2018 and will proceed to explaining our performance indicators. In addition, I will share our guidance for fiscal year ending 2019 and review our policy on shareholder returns.
- Next, I will move on to our new Medium-term Management Plan CONNECT 2020 that was released at the end of March 2018 to reconfirm our business initiatives and also will touch on our capital policy.
- Last, Munehiro Uryu, Managing Executive Officer will explain our strategy for the Japanese life insurance business.
- Please turn to page 3.

# Review of Results (including European Embedded Value) for the Fiscal Year Ended March 31, 2018



Dai-ichi Life  
Holdings

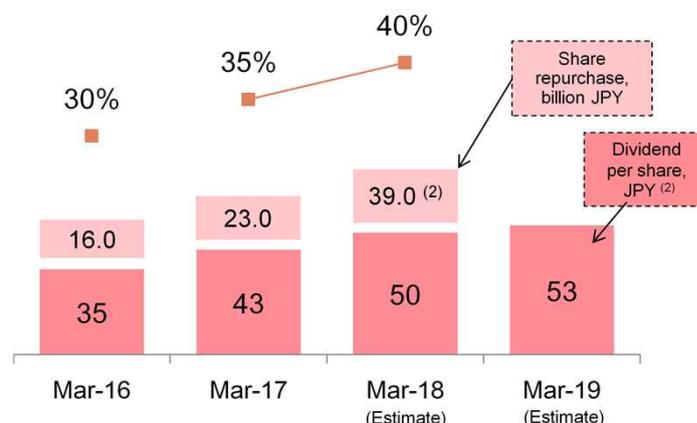
## Group Adjusted Profit

(billions of yen)



## Total shareholder payout of 40%

(Total shareholder payout ratio <sup>(1)</sup>)



(1) Total shareholder payout ratio represents percentage of shareholder returns relative to the basis of payment. The basis of ratios for fiscal years ended March 2016 is consolidated adjusted net income. From fiscal year ended March 2017 onwards calculation basis is Group adjusted profit.

(2) The 39.0 billion yen stock repurchase for the fiscal year ended March 2018 represents maximum amount resolved by the Board of Directors on May 15, 2018.

- I would like to begin by talking about improvement in shareholder returns.
- “Group adjusted profit”, on which the Group bases shareholder returns, increased from 210.1 billion yen last year to 243.2 billion yen and for the fiscal year ended March 31, 2018. Our annual cash dividend per share forecast is 50 yen per share (a 7 yen increase from the previous fiscal year), which is a 5 yen increase from our initial forecast of 45 yen per share. We also plan a share repurchase of 39.0 billion yen. Together with cash dividends, we expect total dividend payout ratio to reach 40%.
- We were able to achieve the management objectives for the previous Medium-term Management Plan D-Ambitious in terms of in-force annualized net premiums, Group adjusted profit and total shareholder payout.
- Please turn to the next page.

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



Dai-ichi Life Holdings

(billions of yen unless otherwise noted)

(Reference)

	Year ended Mar-17	Year ended Mar-18 (a)	Change		Forecast for year ended Mar-18 (b)	
					*Announced on February 14, 2018	(a/b)
<b>Ordinary revenues</b>	<b>6,456.7</b>	<b>7,037.8</b>	<b>+ 581.0</b>	<b>+ 9%</b>	<b>6,715.0</b>	<b>105%</b>
Dai-ichi Life	3,946.7	3,791.9	(154.8)	(4%)	3,663.0	104%
Dai-ichi Frontier	1,183.2	1,809.4	+ 626.1	+ 53%	1,723.0	105%
Protective Life (millions of USD) <sup>(1)</sup>	8,873	9,772	+ 899	+ 10%	8,710	112%
TAL (millions of AUD) <sup>(1)</sup>	3,574	3,769	+ 195	+ 5%	3,760	100%
<b>Ordinary profit</b>	<b>425.3</b>	<b>471.9</b>	<b>+ 46.6</b>	<b>+ 11%</b>	<b>472.0</b>	<b>100%</b>
Dai-ichi Life	281.8	358.8	+ 77.0	+ 27%	385.0	93%
Dai-ichi Frontier	63.7	60.8	(2.8)	(5%)	29.0	210%
Protective Life (millions of USD)	594	435	(159)	(27%)	460	95%
TAL (millions of AUD)	211	199	(11)	(6%)	180	111%
<b>Net income<sup>(2)</sup></b>	<b>231.2</b>	<b>363.9</b>	<b>+ 132.6</b>	<b>+ 57%</b>	<b>351.0</b>	<b>104%</b>
Dai-ichi Life	117.1	169.9	+ 52.7	+ 45%	185.0	92%
Dai-ichi Frontier	50.2	37.0	(13.1)	(26%)	17.0	218%
Protective Life (millions of USD)	393	1,106	+ 713	+ 182%	1,110	100%
TAL (millions of AUD)	148	128	(19)	(13%)	130	99%

(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 Holdings' disclosure standards. For consolidation, these financial statements are translated into Japanese yen at rates of 1USD=116.49 yen (Dec-16) and 113.00 yen (Dec-17), 1 AUD=85.84 yen (Mar-17) and 81.66 yen (Mar-18), respectively.

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

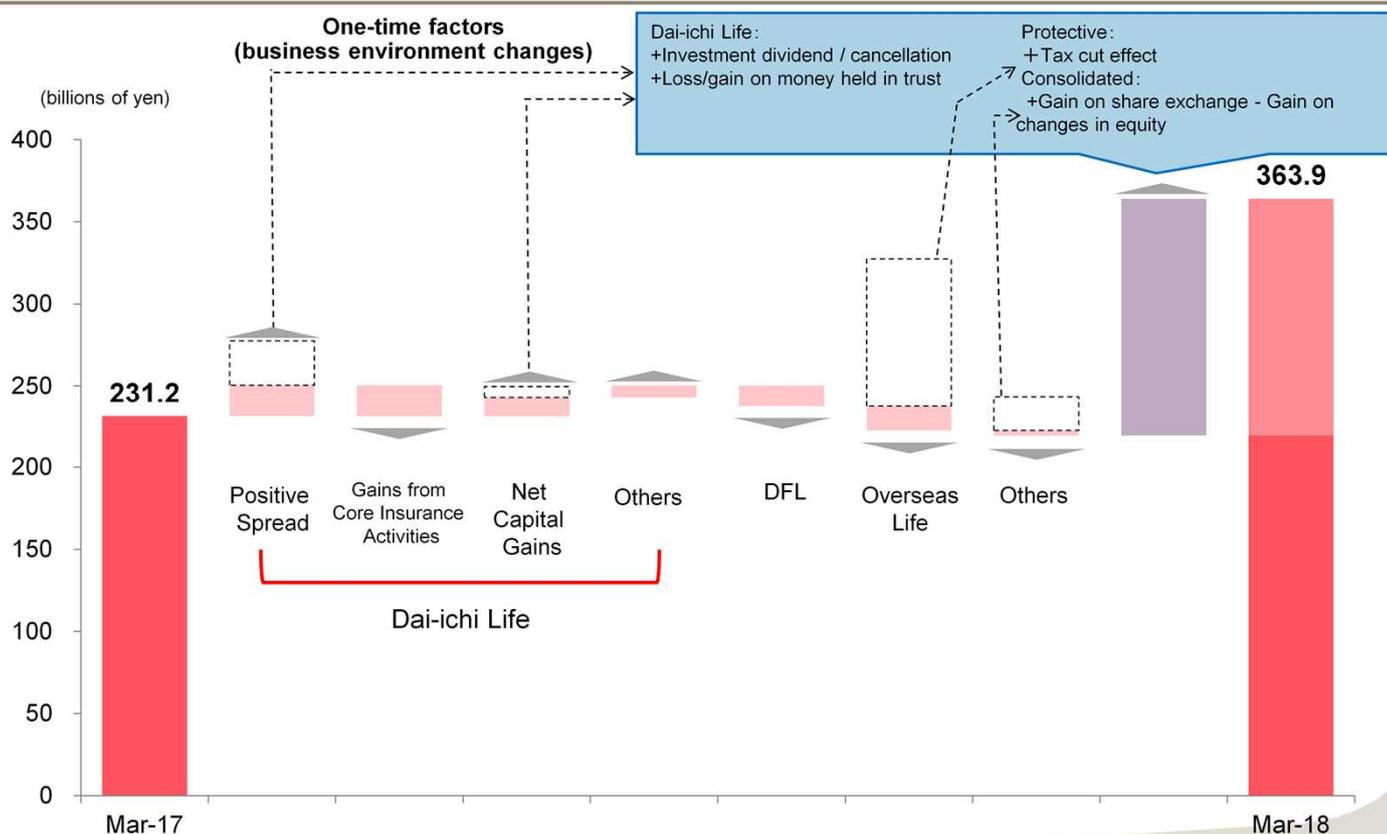
(3) In relation to the shift to a holding company structure, results of Dai-ichi Life for the fiscal year ended March 2017 are the sum of former Dai-ichi Life and Dai-ichi Life Split Preparation Company results between April and September, 2016 and current Dai-ichi Life results between October 2016 and March 2017.

- Here are the consolidated financial results of the Group and its major subsidiaries.
- Both revenues and profits increased. Certain one-time factors are included in these results which I will explain in the next slide.
- Please turn to the next page.

# Consolidated Net Income Change Factor Analysis



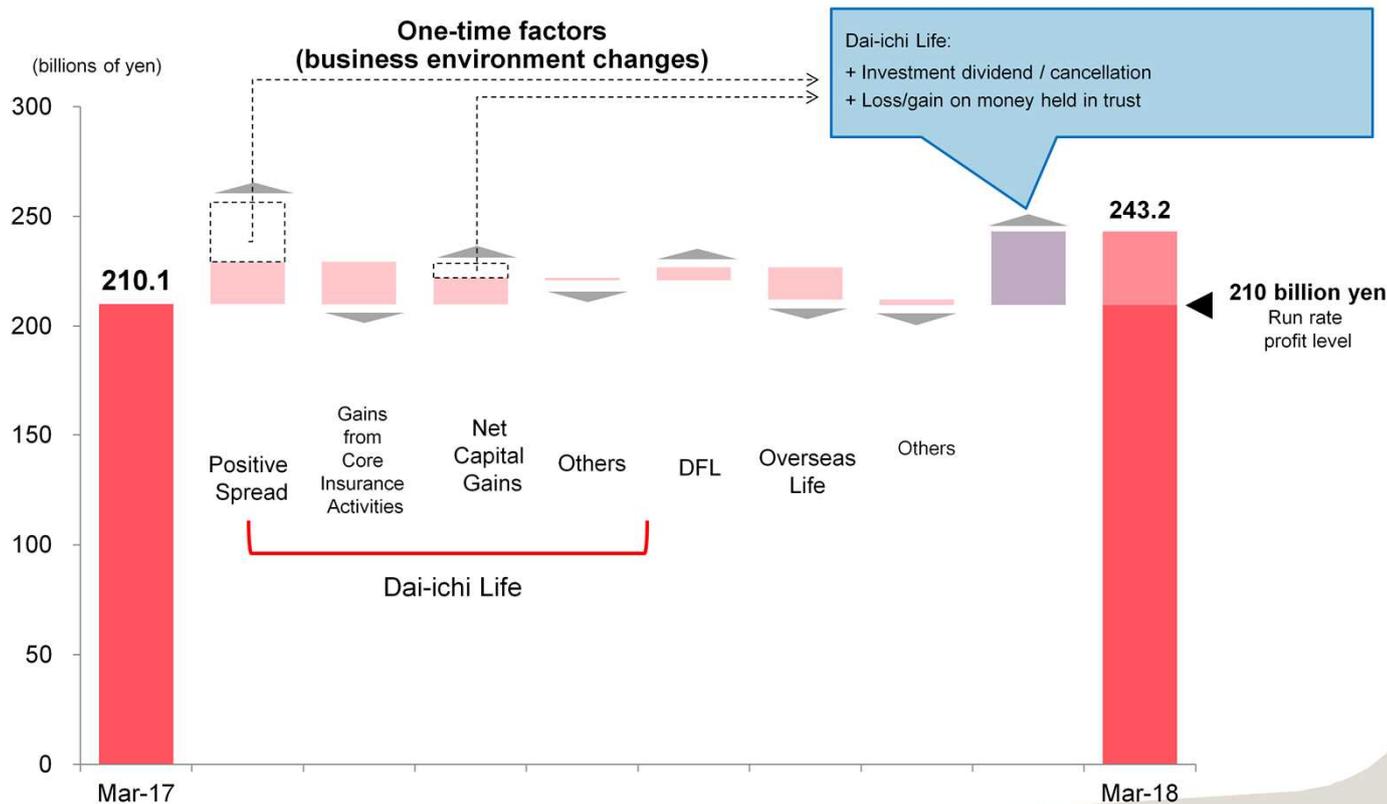
Dai-ichi Life Holdings



(1) Consolidated net income shows the net income attributable to the shareholder of the parent company.

- This is an analysis of change factors making up consolidated Net Income.
- Group consolidated net income increased significantly from 231.2 billion yen to 363.9 billion yen. However, this was due mainly to gains on distribution from mutual funds which were affected by fluctuations in the economic environment. Also, Protective recorded one-time profit of 90.1 billion yen associated with the reduction of U.S. corporate tax rates. The Group also recorded a share exchange gain on the Janus Henderson merger of 33.5 billion yen, which was higher than the gain on change in equity totaling 12.4 billion yen in relation to the reorganization of Asset Management One recorded during the previous year fiscal year and contributed to the increase in profit.
- If we exclude these one-time factors, consolidated net income would be around the same level compared to the previous fiscal year.
- Please turn to the next page.

# Group Adjusted Profit Change Factor Analysis



- Group adjusted profit, which does not account for temporary gains/losses associated with reorganization and non-cash valuation gains/losses, increased from ¥ 210.1 billion to ¥ 243.2 billion. If we also exclude Dai-ichi life's one-time investment income of approximately 30 billion yen, Group adjusted profit would be around the same level compared to the previous fiscal year.
- During the fiscal year ended March 2018, we experienced a rise in domestic and overseas stock prices and a rise in overseas interest rates. On the other hand, we were faced with a persistent super-low interest rate environment in Japan. Even under severe environment of this kind, we managed to secure 200 billion yen level of profit.
- Please see the next page.

- Organic growth of Group Adjusted Profit and increase in dividends expected despite the absence of one-time factors recorded in fiscal year ended March 2018.

(billions of yen unless otherwise noted)

	Year ended Mar-18	Year ending Mar-19	Change
<b>Ordinary revenues</b>	<b>7,037.8</b>	<b>6,429.0</b>	<b>(608.8)</b>
Dai-ichi Life	3,791.9	3,621.0	(170.9)
Dai-ichi Frontier Life	1,809.4	1,429.0	(380.4)
Protective Life (millions of USD)	9,772	9,190	(582)
TAL (millions of AUD)	3,769	3,830	+60
<b>Ordinary profit</b>	<b>471.9</b>	<b>414.0</b>	<b>(57.9)</b>
Dai-ichi Life	358.8	330.0	(28.8)
Dai-ichi Frontier Life	60.8	25.0	(35.8)
Protective Life (millions of USD)	435	470	+34
TAL (millions of AUD)	199	200	+0
<b>Net income<sup>(1)</sup></b>	<b>363.9</b>	<b>220.0</b>	<b>(143.9)</b>
Dai-ichi Life	169.9	165.0	(4.9)
Dai-ichi Frontier Life	37.0	14.0	(23.0)
Protective Life (millions of USD)	1,106	370	(736)
TAL (millions of AUD)	128	140	+11
<b>Dividends per share (yen)</b>	<b>50</b>	<b>53</b>	<b>+3</b>
<b>Group Adjusted Profit</b>	<b>243.2</b>	<b>around 230.0</b>	<b>(13.2)</b>
<b>(Reference) Fundamental Profit</b>			
Dai-ichi Life Group	573.8	around 540.0	(33.8)
Dai-ichi Life	429.0	around 390.0	(39.0)

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

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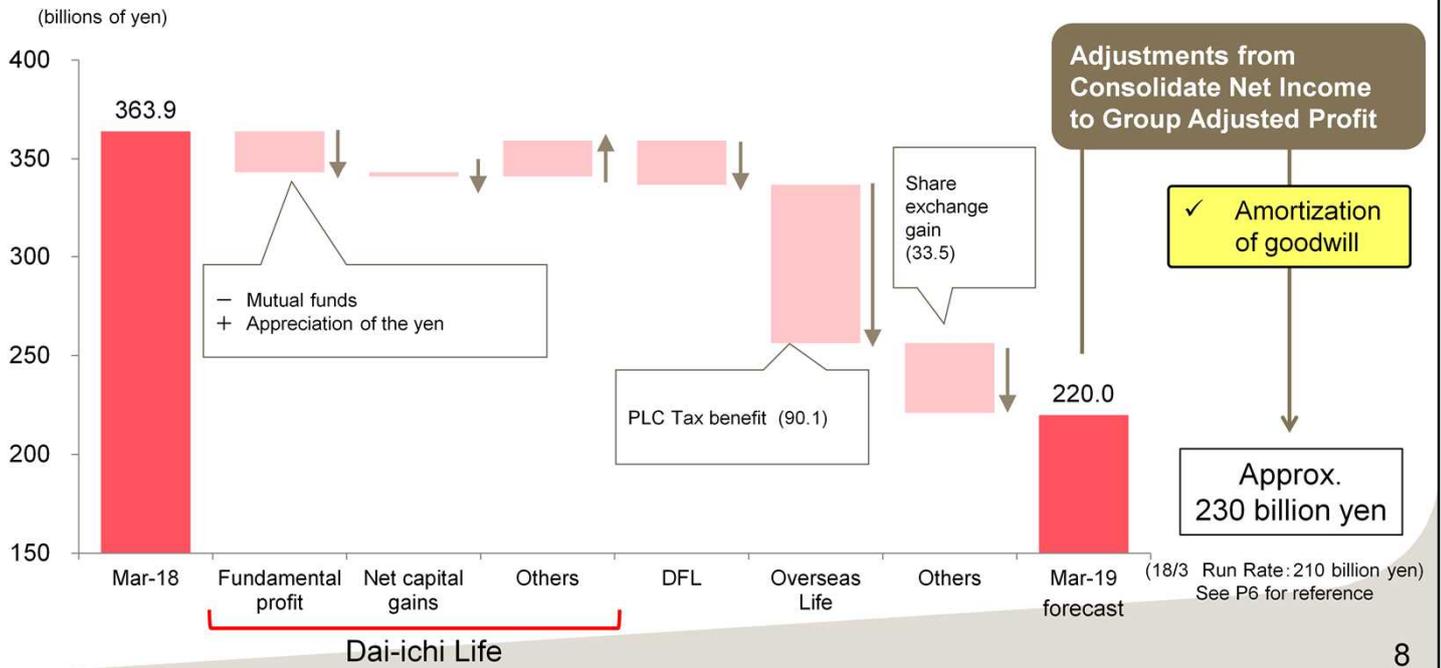
- As previously announced, we expect a decrease in revenues and profit for the fiscal year ending March 2019. I will explain the details of factors that contribute to our forecast in the next page.
- Even though we expect a decrease in revenues and profit, Group Adjusted Profit on which the Group bases shareholder returns, is expected to increase to 230 billion yen from the run rate profit level of approximately 210 billion yen in fiscal year ended March 31, 2018. We expect dividends per share of 53 yen, which is a increase of 3 yen.
- Please turn to page 9.

# Earnings Guidance - Guidance for the Year Ending March 2019

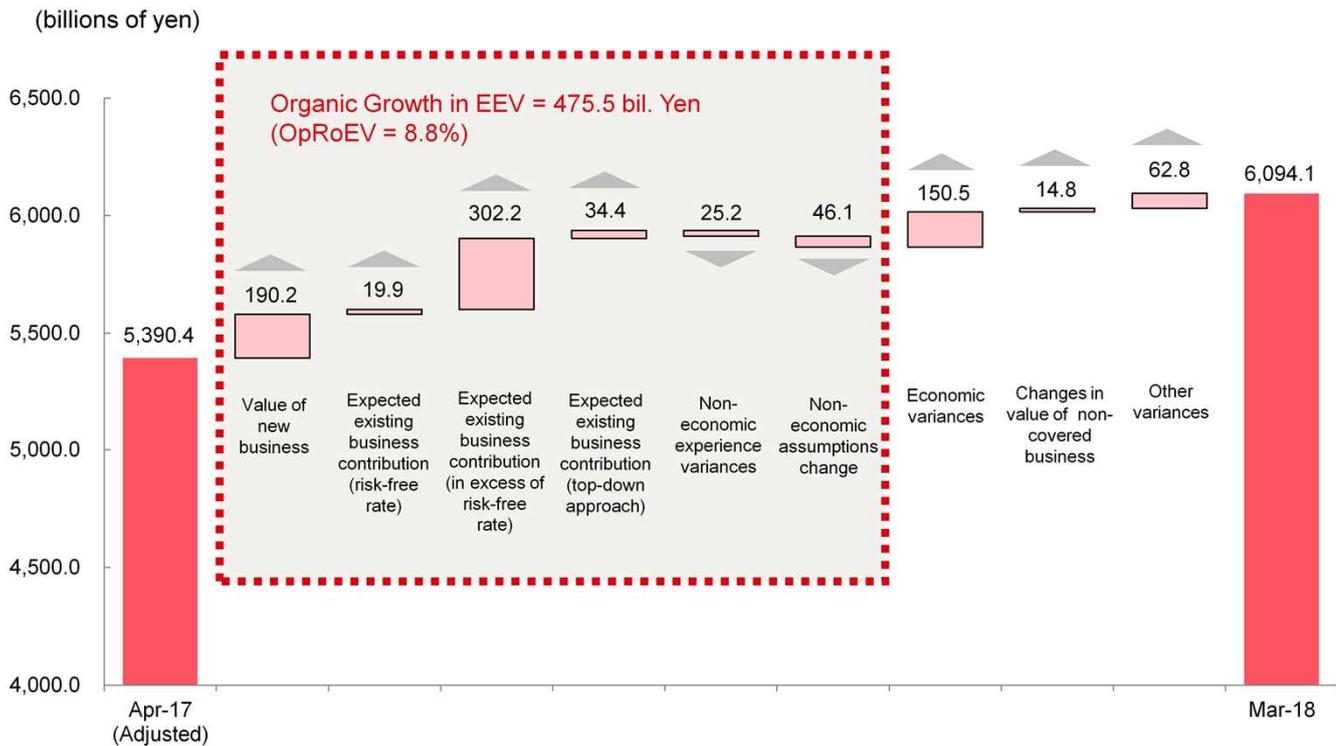


Dai-ichi Life Holdings

- Decrease in profit due to the non-recurrence of one-time factors including gains from mutual funds accounted for in Dai-ichi Life's positive spread, one-time increase in profit at Protective associated with U.S. corporate tax rate reduction and a share exchange gain on the Janus Henderson merger.
- Increase in Group Adjusted Profit run rate.



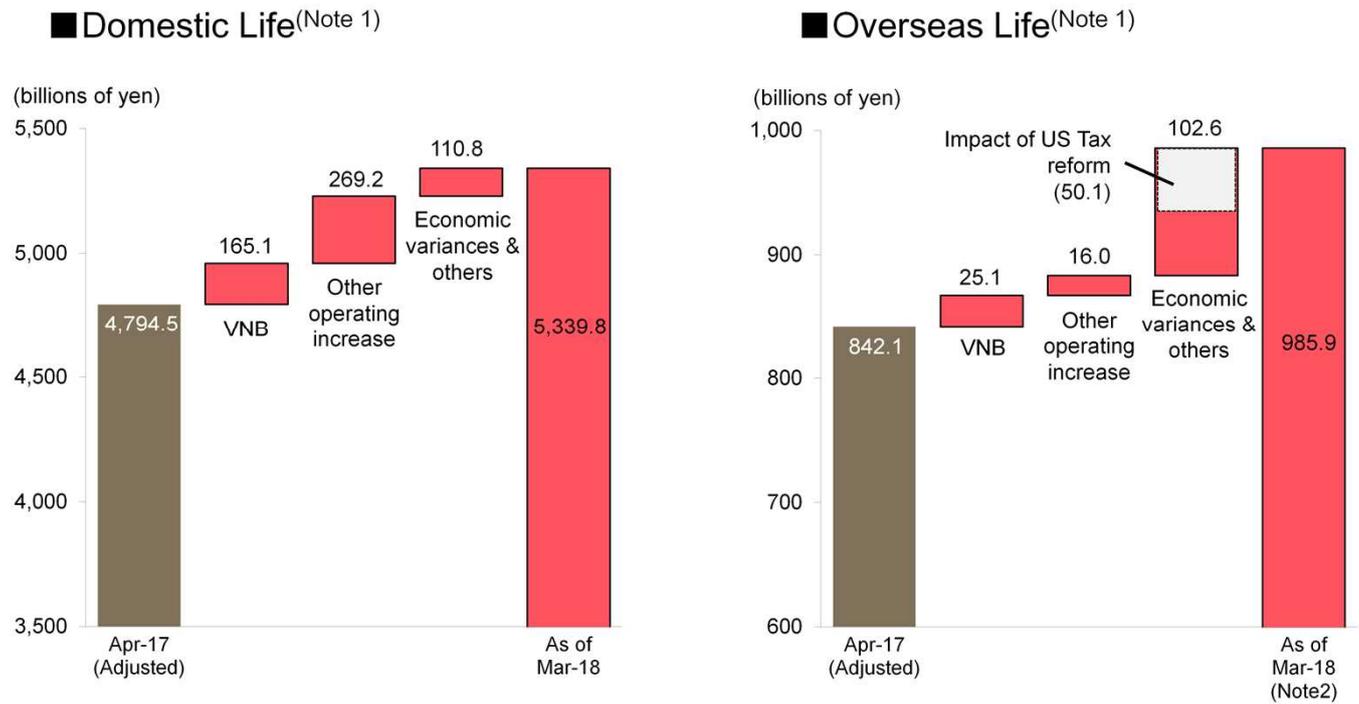
# Movement Analysis of Group EEV (1)



Please refer to "Disclosure of European Embedded Value as of March 31, 2018" released on March 18, 2018 for details.

- This slide provides an analysis of changes in the Group's embedded value since the previous fiscal year end.
- Although interest rates in Japan declined, increase in new policies and high stock prices contributed to an increase of EEV by 600 billion yen from 5.4 trillion yen to 6 trillion yen. Now, I would like to provide a movement analysis of the Group's EEV from the end of the previous fiscal year.
- For Adjusted EV, value of new business contributed 190.2 billion yen and expected existing business contribution added approx. 350 billion yen.
- Items from "value of new business" through "non-economic assumptions change", amounting to approximately 470 billion yen in total, can be regarded as organic growth in EEV. The organic growth rate, or operating RoEV, was 8.8%.
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# Movement Analysis of Group EEV (2)



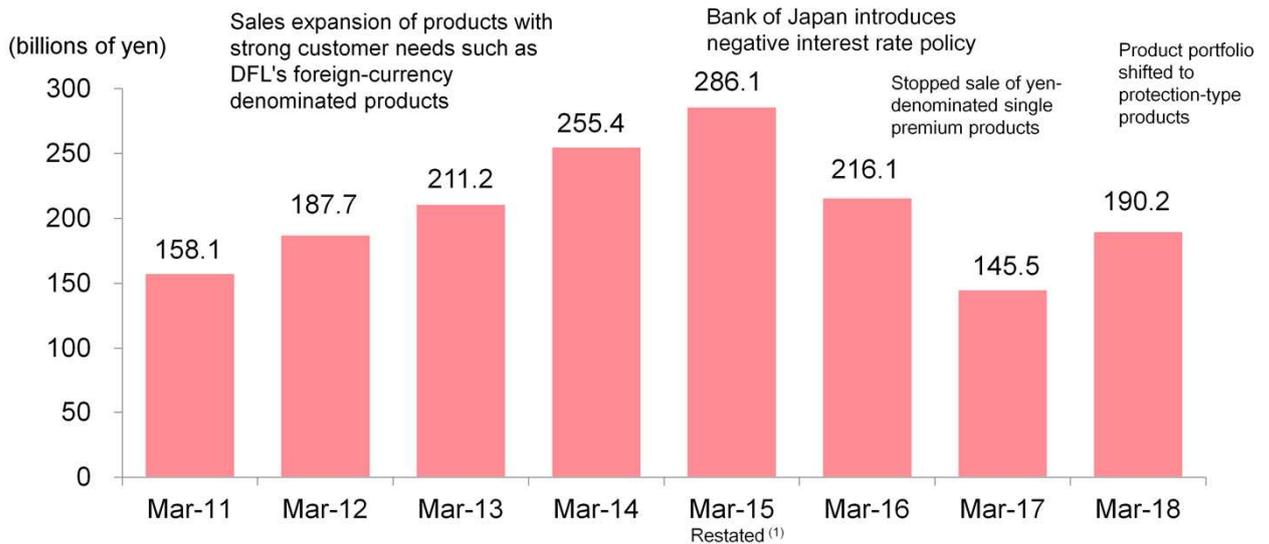
(Note 1) Domestic Life EEV represents sum of Dai-ichi Life, Dai-ichi Frontier Life and Neo First Life. Overseas Life EEV represents sum of Protective Life, TAL, Dai-ichi Life Vietnam.

(Note 2) Excludes the impact of capital injection to Dai-ichi Life Vietnam in the latter half of 2017.

Please refer to "Disclosure of European Embedded Value as of March 31, 2018" released on May 18, 2018 for details.

- Here are the variable factors of EEV classified into domestic life insurance and overseas life insurance.
- For overseas life insurance business, in addition to new policies and organic growth including expected existing business contribution, the effect of corporate tax cuts at the end of March 2018 contributed to the increase of approximately 50 billion yen.
- EEV the overseas life insurance business has grown to almost 1 trillion yen.
- Please turn to the next page.

# Trends in Value of Group New Business



New business margin	5.4%	5.9%	5.9%	6.2%	5.5%	3.9%	2.9%	4.3%
					Restated <sup>(1)</sup>			

(1) VNB of Dai-ichi Life Group year ended Mar-15 is restated using the ultimate forward rate.

Nikkei Average (yen)	9,852	9,962	12,244	14,694	19,197	16,897	19,340	21,395
10-Yr JGB (%)	1.25	0.98	0.56	0.64	0.40	(0.05)	0.06	0.04
Yen against Dollar	83.15	82.19	94.05	102.92	120.17	112.68	112.19	106.24

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

- This slide shows trends in value of new business. Value of new business increased to 190.2 billion yen for fiscal year ended March 2018 due to a product portfolio shift to protection-type products at Dai-ichi Life and increase in sales at Neo First Life. Group new business margin also improved from 2.9% to 4.3% due mainly to Dai-ichi Life's shift to protection-type products.
- Please turn to the next page.

# Value of New Business of Group Companies

Dai-ichi Life Group (billions of yen)

	Year ended Mar-17	Year ended Mar-18	Change
Value of new business (A)	145.5	190.2	+ 44.7
Present value of premium income (B)	4,953.1	4,427.2	(525.8)
New business margin (A/B)	2.94%	4.30%	+ 1.36pts

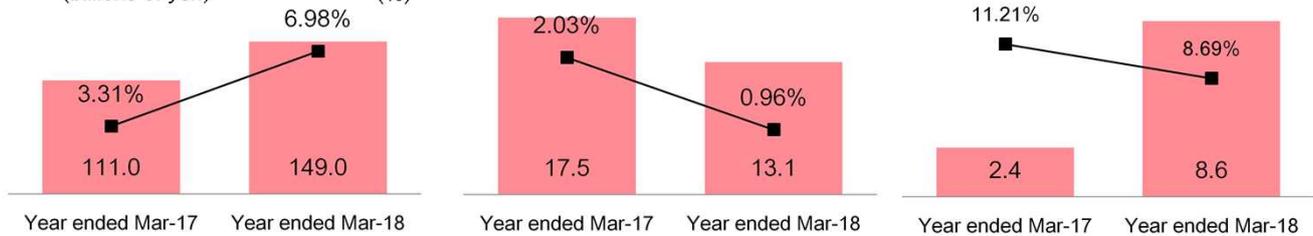
+ Product mix shift at Dai-ichi Life  
+ Change in assumed rate of return

## Dai-ichi Life

## Dai-ichi Frontier Life

## Neo First Life

Value of new business (billions of yen) — New business margins (%)



+ Product mix shift  
+ Change in assumed rate of return

+ Increase in sales  
▲ Product mix shift

+ Increase in sales

※ultimate unit-cost base

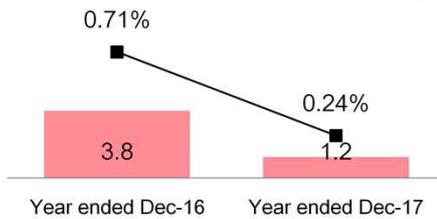
- Here are value of new business and new business margins for our three domestic group companies.
- Value of new business for Dai-ichi Frontier Life declined as customer needs shifted to foreign currency-denominated fixed-rate products.
- We show value of new business and new business margins new contracts for Neo First Life based on ultimate unit cost. Competitive products and favorable sales of insurance for business owners sold through Dai-ichi Life's agent network contributed to the increase in value of new business.
- Please see the next page.

# Value of New Business of Group Companies



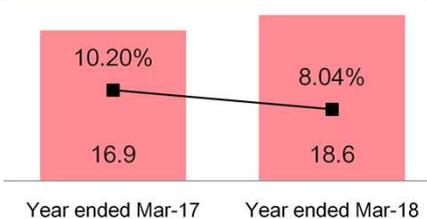
Dai-ichi Life Holdings

## Protective Life



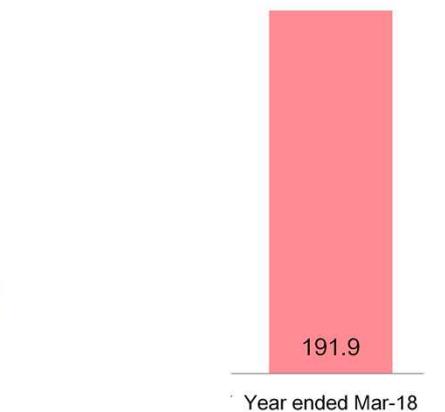
▲ Product mix shift  
+ Impact of tax reform

## TAL



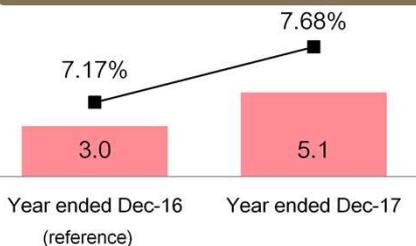
+ Increase in sales

## Group Value of New Business including two affiliates



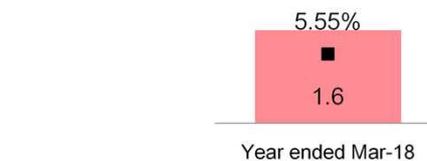
■ Value of new business (billions of yen)  
■ New business margin(%)

## Dai-ichi Life Vietnam



+ Increase in sales  
+ Product mix shift

## (Reference) Value of New Business of two affiliates



EV outstanding as of March 2018 was 29.4 billion yen

※ Value of new business of Dai-ichi Life Vietnam is included in the Group's value of new business since fiscal year March 18

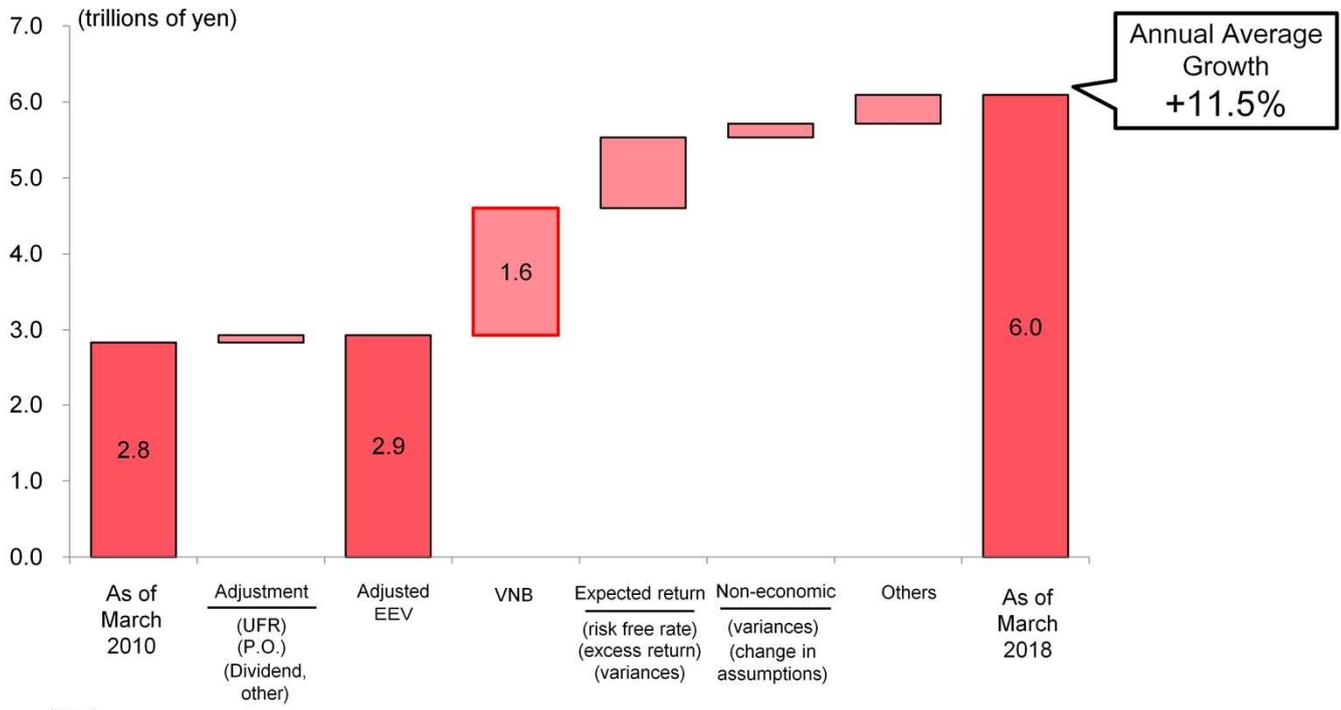
※ Value of new business of two affiliates include the Group's economic interest in Star Union Dai-ichi Life and Panin Dai-ichi Life

※ Star Union Dai-ichi Life's fiscal year ends March. Panin Dai-ichi Life's fiscal year ends December

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- Value of new business for overseas group companies are shown here.
- Value of new business for Protective was influenced by the lack of transparency in regulatory trends. Agents maintained a cautious stance on promoting sales, while sales of variable annuities were sluggish, Protective strategically decided to revise rates for some fixed annuities.
- TAL's value of new business is increased year-on-year due to new contracts for group insurance in the first quarter.
- From this fiscal year we added value of new business for Dai-ichi Life Vietnam to Group value of the new business. Though EV of Dai-ichi Life Vietnam is calculated using traditional methods, as the business has become larger, we decided to disclose the figures. In addition to individual agents, new sales channels such as bancassurance expanded and both new business value and margins improved.
- In addition, we disclose the value of the new business for our 2 affiliated companies, one being India's Star Union Dai-ichi Life and second being Panin Dai-ichi Life in Indonesia, based on the equity ownership share of Dai-ichi Life. The value of the new business of affiliated companies is not accounted for in the EV report but we will monitor and account for it in calculating Group value of new business, which is one of the performance targets for the current medium-term management plan. As shown in the graph on the right, Group value of new business including the two affiliated companies is 191.9 billion yen.
- Please go to the next page.

# Analysis of Cumulative Changes to Group EEV since Listing



(Notes)

- The chart demonstrates simple sum of the past movement analysis of Group Embedded Value.
- Adjustment includes, among others listed above, adjustment to opening EEV and closing EEV.
- Value of new business includes value added through acquisition by Protective Life.
- Expected return includes expected existing business contribution (market-consistent approach, and top-down approach) and economic variances.
- Non-economic assumption is the sum of non-economic experience variances and non-economic assumptions change.
- Others include impact of transition to a holding company structure, changes in value on non-covered business and other variances.

- This graph shows the change in Group embedded value between March 2010 and March 2018 and the movement analysis by category in accumulated terms.
- The annual average growth of this eight-year period is 11.5%, surpassing the Group target of 8%.
- Each year, EV could grow or decline depending on the financial environment, but in aggregate, value of new business makes the largest contribution to the growth in EV. Annual average growth of EV taking into account only value of new business reached 5.7%.
- Please turn to the next page.

Dai-ichi Life Group  
New Medium-term Management Plan

CONNECT 2020

Covering FY2018-2020



Dai-ichi Life  
Holdings

- We announced our new Mid-term Management Plan CONNECT 2020 on March 29, 2018.
- It has only been less than two months since the announcement so today I would like to once again go over our strategy and the direction we are heading.
- Please see the next slide.



2013 2014 2015 2016 2017

**Action D**

**D-Ambitious**

2018

2019

2020

**CONNECT 2020**

A secure future for every  
community we serve.  
Using the best of our local and  
global capabilities.

## CONNECT 2020

### ~ Strategic Direction ~

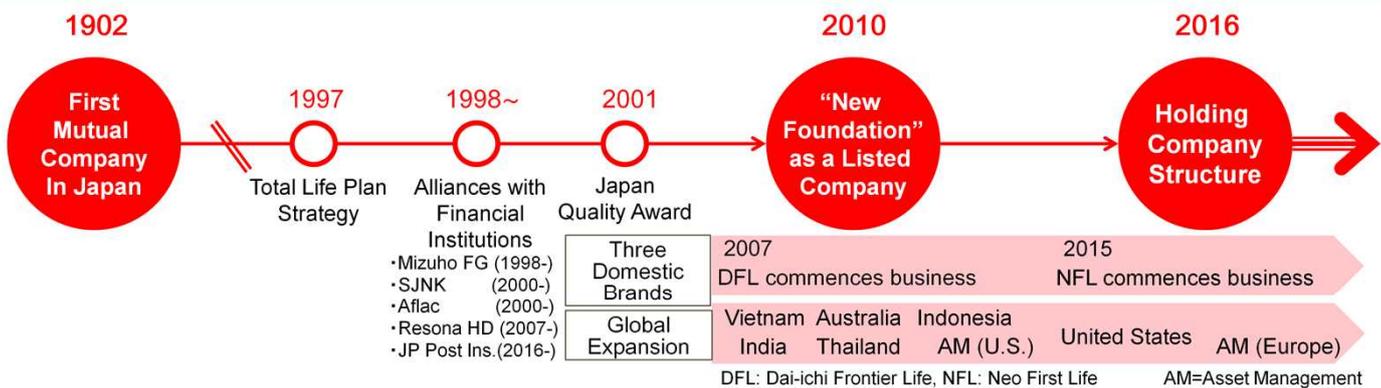
- We will offer products and services using different distribution channels that help improve quality of life<sup>(1)</sup> by building stronger relationships with customers, communities and diverse business partners in a rapidly changing environment.
- We will create unique synergies by leveraging our global network as a competitive advantage and nurture the growth of each group company by strengthening our ties within the group in an intensely competitive market.

(Note) (1) Quality of Life is a concept that reflects not only material wealth and personal independence but also overall well-being, including emotional aspects and self-realization.

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- First, let us go over the concept of the new Mid-term Management Plan.
- The life insurance industry is going through rapid change due to demographic changes and technological advancements. While there are diverse and sophisticated needs of our customers, we are in an intensely competitive market with new entrants from different industries. In addition, persistent super-low interest rates present a serious threat. Under these circumstances, we thought about what we have to do to achieve sustainable growth.
- The way to increase corporate value is to leverage the strengths we have built over a history of more than a hundred years, and to build stronger relationships with customers, communities, business partners and group companies and provide products and services that add to the quality of life of people with diverse lifestyles.
- This notion of stronger “CONNECTION” is the key concept of the new medium-term management plan.
- Please see the next slide.

■ Continuing to innovate for improvements in quality of life as a company that stands “By your side, for life”



Strong brand value built over a history of more than a century



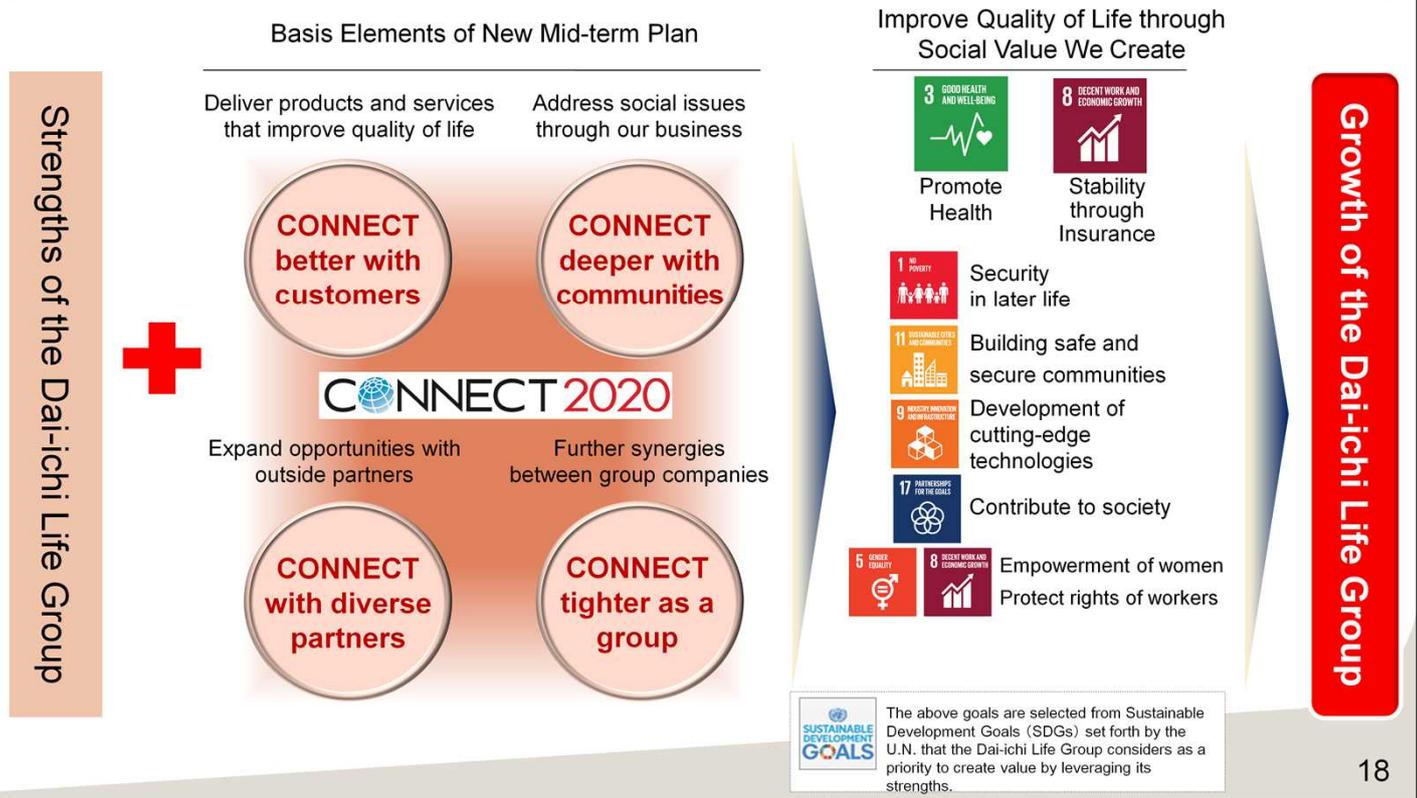
### Strong Business Foundation & Diverse Talents

- Domestic Life**
    - High Market Share
    - ✓ No. 1 in Bancassurance
    - ✓ No. 2 in the Third-Sector
  - Overseas Life**
    - Leader in U.S. Acquisition Business with 56 transactions completed
    - No. 1 Market Share in Australia
    - No. 3 Market Share in Vietnam
  - Asset Management**
    - Scale of AUM No. 1 in Asia
    - AUM of over 10 trillion yen each in U.S. and Europe
- Diverse talents to support innovation and growth, high expertise developed over the years**
  - 70,000 employees with diverse talents in 7 countries
  - ✓ Overseas employees increased by 10,000 over the past 10 yrs.
  - No. of MDRT\* Members: 180 in Japan, 106 overseas
  - No. of global exchange program participants: 1,700 in 5 years

\*Million Dollar Round Table (MDRT), is a global independent association of life insurance and financial services professionals from more than 500 companies in 69 nations and territories and recognized internationally as the standard in excellence in life insurance and financial services business

- What are the strengths of the Dai-ichi Life Group?
- Since our founding in 1902, we have always embraced the concept of “By your side, for life” with our customers. We have a history of taking up numerous challenges to innovate, while carrying out our mission to address social issues through our life insurance business.
- We have managed to build a strong business foundation and our diverse talents and partnerships which enabled us to provide products and services that cater to customers needs no matter what they are to improve quality of life. We have always been ahead in innovation. This history has built our strong brand value and made the Dai-ichi Life Group strong.
- Please see the next slide.

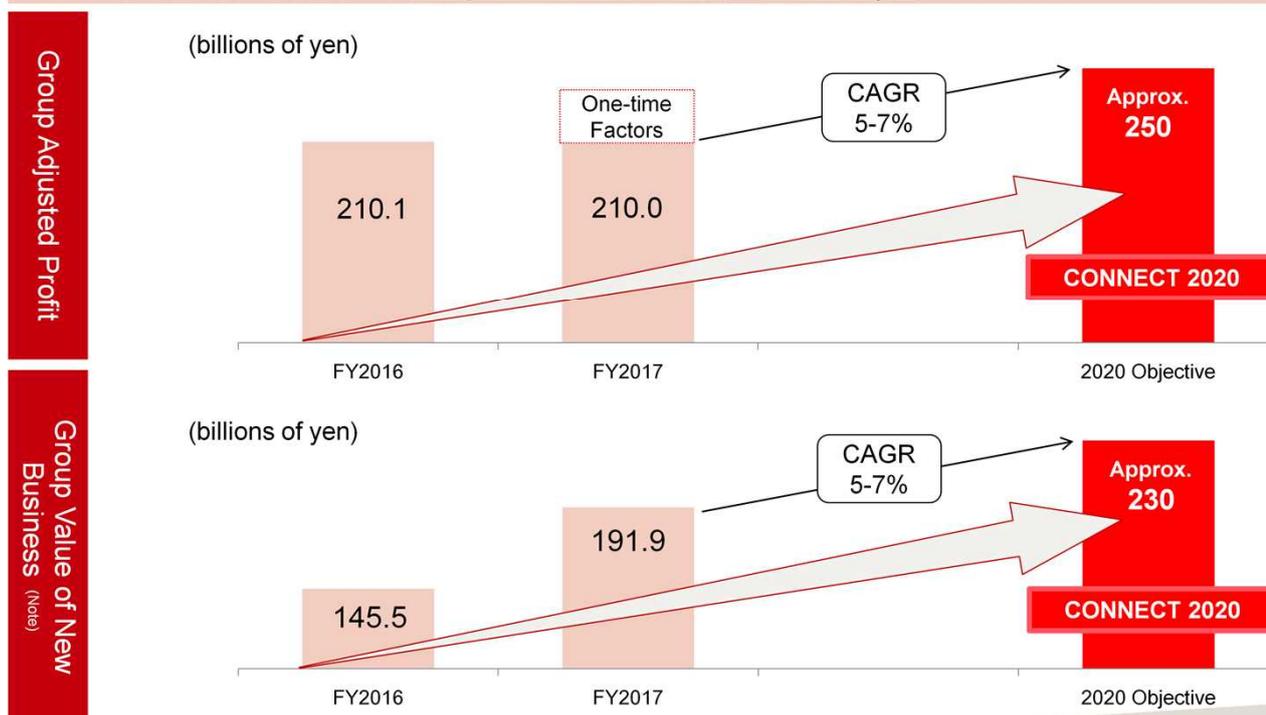
- Maximize our strengths with the “CONNECT” concept to improve quality of life



- To achieve sustainable growth through addressing social issues, we need to co-create social value with our stakeholders in addition to leveraging our strengths that we built through our history of over a century. Specifically, we will promote health and provide stability to more people’s lives through insurance to improve quality of life. I will explain the four “CONNECT” circles shown on this slide.
- “CONNECT better with customers” reflects philosophy that customer comes first. We will enhance and diversify our distribution channels and offer products and services that support improvement in quality of life. We will explain later on in our presentation about our new product “Just” launched on March 22nd with industry first concept of providing discount for submitted health check-up.
- “CONNECT deeper with communities” is to contribute to promoting health and addressing social issues through our business in communities we serve.
- “CONNECT with diverse partners” is for us to partner with companies inside and outside the insurance industry that have diverse strengths and can support us in catering to changing needs of customers and society.
- “CONNECT tighter as a group” is to create synergies between group companies to support growth. In Japan, our initiatives to enhance our multi-brand and multi-channel strategy reflects this idea.
- Please see the next slide.

# Growth of Adjusted Profit & Value of New Business

- Aim for **Group adjusted profit of 250 billion yen** from the current level of 210 billion yen (excluding one-time factors)
- Maintain CAGR of 5-7% to aim for **Group value of new business of 230 billion yen**

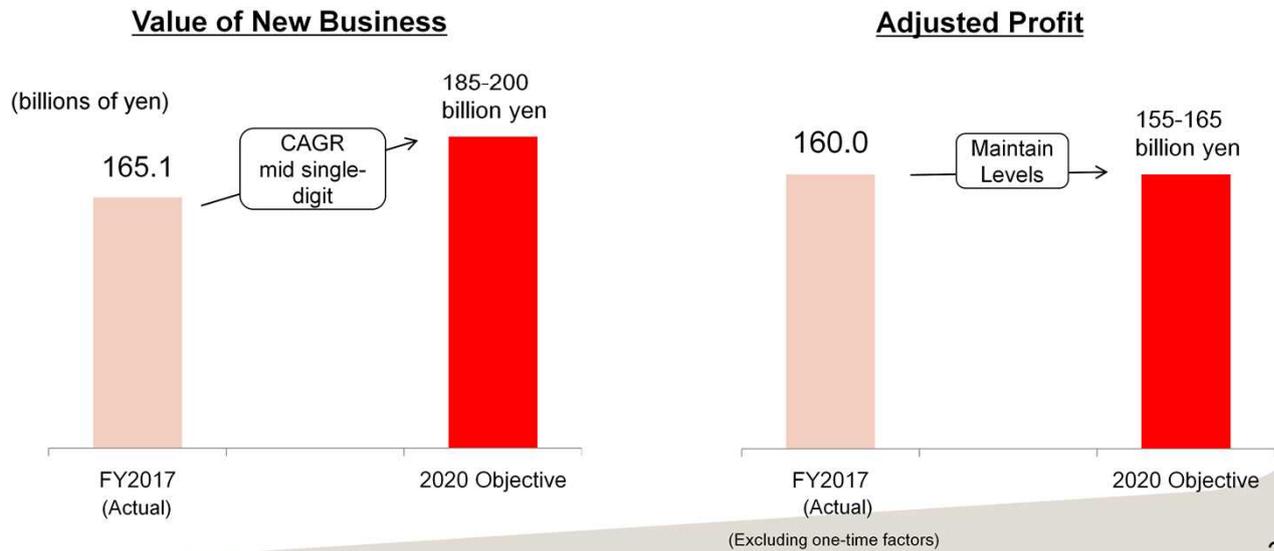


(Note) Figures of Dai-ichi Life Vietnam, Star Union Dai-ichi Life (India) and Panin Dai-ichi Life (Indonesia) are accounted for in the calculations for our mid-term objective. The handling of figures for Ocean Life (Thailand) is under consideration. However, because of the limited effect to the entire group, we maintain our 2020 objective regardless of the handling of Ocean Life figures.

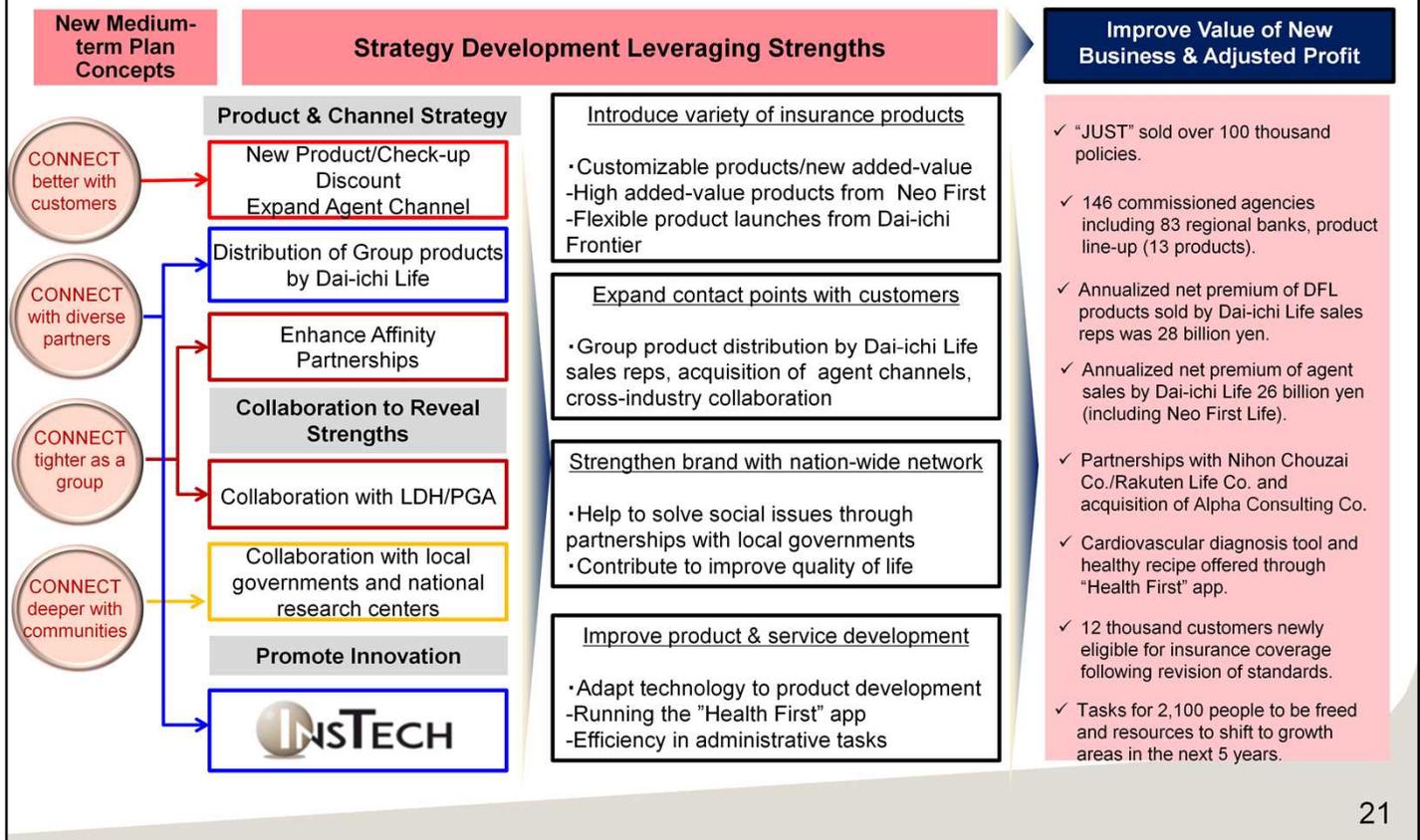
- While we enhance our connection with various stakeholders and support improvement in quality of life for everyone, we will create value in the mid- to long-term. As a result, we expect organic growth (excluding one-time factors) of 5-7% and reach 250 billion yen by the end of fiscal year 2020. As for value of new business, in order to achieve 8% growth rate of RoEV, we aim to maintain growth rate of 5-7% to reach 230 billion yen.
- I will explain the our expectations for the “three growth engines” in the next slide.

Increase value of new business by investing in products, services and distribution channels while maintaining profit levels

- Three brands enter a new dimension with **more mutual distribution of products and services**
- **Improve consulting capabilities of Total Life Plan Designers** and **expand the agency channel** to accelerate the multi-channel strategy
- Carry out a **product strategy to improve quality of life** and **expand partnerships** ahead of anticipated changes in social and customer needs



- For the domestic life insurance business, we position the new Mid-term Management Plan to be the time frame to deploy resources in order to improve products, services and distribution channels. Our aim is to increase value of new business while maintaining profit levels. Details will follow in the “Japanese Life Insurance Business Strategy” section of this presentation. By executing strategies described on the next page, we believe that it is possible to accumulate new business that will lead to future profit growth.
- Please see the next slide.



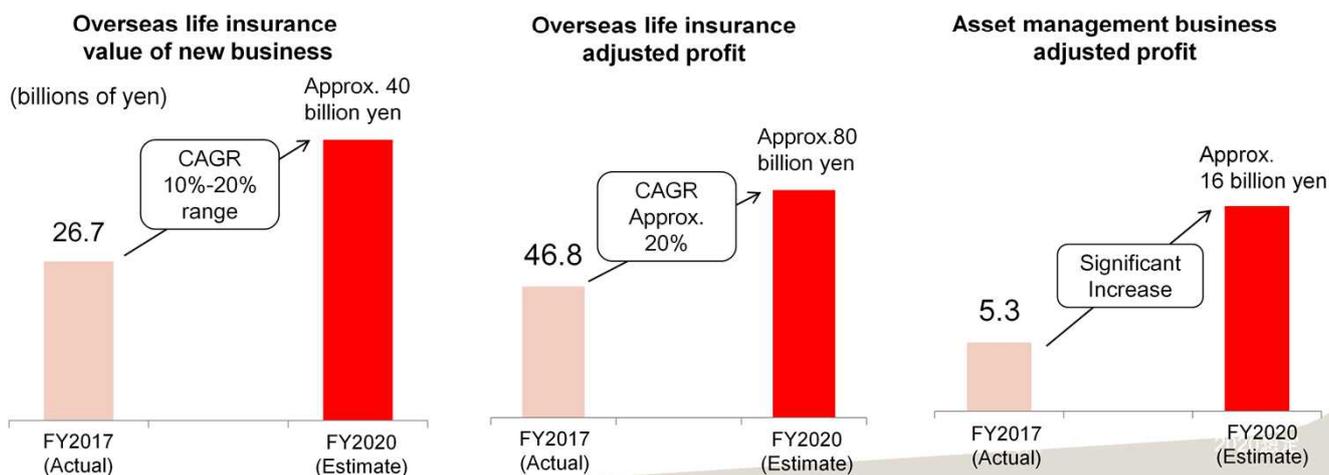
- This slide shows the process on how we will maintain and improve the value of new business and adjusted profit through our strategy of enhancing our connection with various stakeholder.
- Through our three domestic brands we will aim to deliver products and services that not only provide security and support asset formation to our individual and corporate customers but also bring added value by promoting health, as in the case of our newly launched product named "JUST". Doing so we would like to address a wide range of our customer needs.
- For sales channels, we will improve the consulting capabilities of our Total Life Plan Designers to further expand sales of savings-type products from Dai-ichi Frontier Life. Additionally, we will actively promote multi-channel distribution by enhancing our relationship with existing partners, agents and also will reach out to outside partners anticipating changes in social and customer needs. In doing so, we will increase contact point with customers who have a wide range of requirements.
- In addition, development of products and services as well as efficiency in administrative tasks utilizing InsTech will come into full swing.

# Overseas Life and Asset Management business

Implement custom strategy reflecting each region's growth stage while exploring new growth opportunities

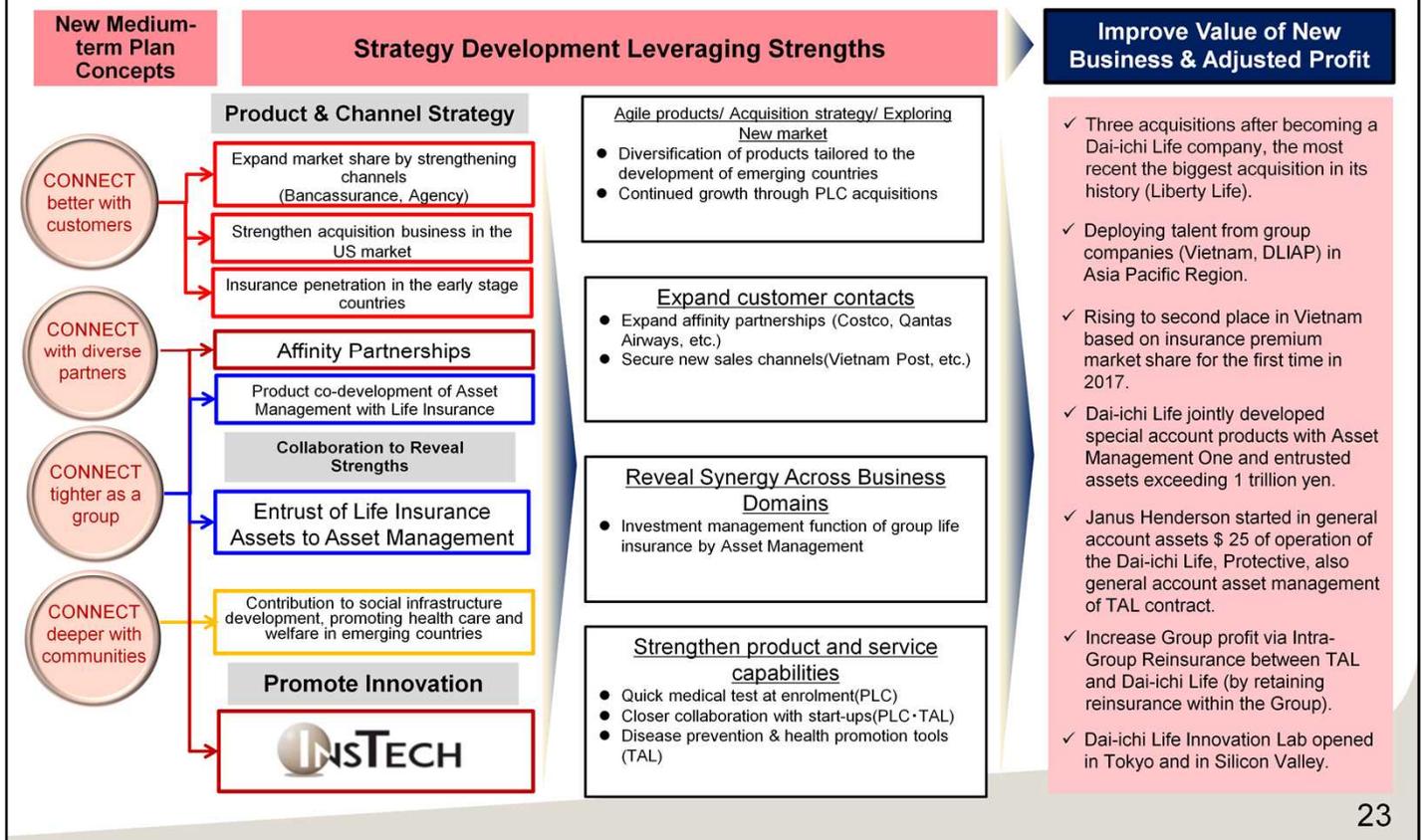
Pursue synergies with group life insurers while benefiting from the growth of the global asset management market

- In developed countries, sustainable growth will **drive profit growth of our overseas life insurers**. In emerging countries, focus on the top line and expand market share through enhancement of sales channels
- Move forward towards realization of business opportunities in **Mekong region** including other growth opportunities that are abundant in Early Stage\* markets
- Strengthened competitiveness through business integration of our two asset managers, accelerate **profit growth** with AUM scale
- Addition to synergies between the two asset managers, pursue **global synergies** with group life insurance companies



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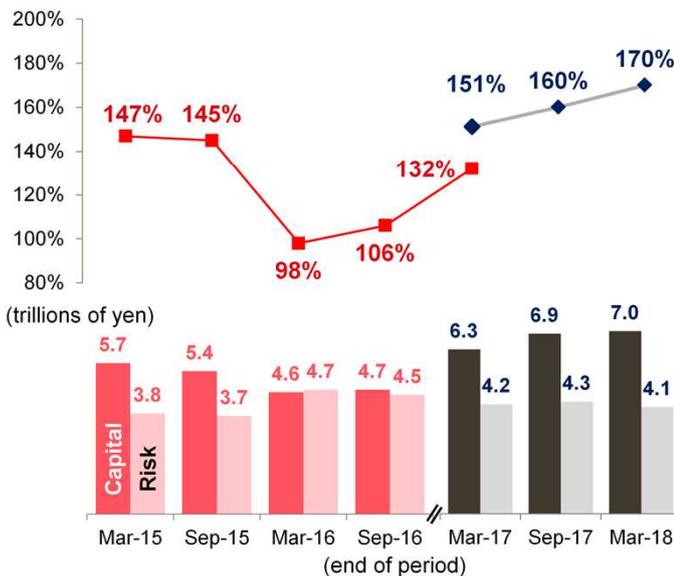
- For the overseas life insurance business, an increase in profit is expected through organic growth in each market we operate in, while we explore new opportunities for mid- to long-term growth. Details will follow on the next slide but through various initiative in the overseas life insurance business, we expect a CAGR in adjusted profit and value of new business of 20% and 10%, respectively.
- For the asset management business, ownership stake in Janus Henderson reached 15% and became an equity method applied affiliated company. Together with synergies in cost efficiency, adjusted profit is expected to increase significantly.
- Please see the next slide.



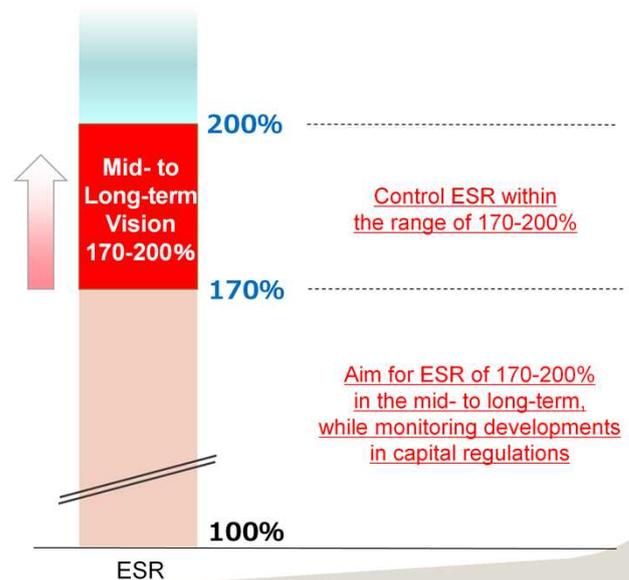
- For overseas life insurance and asset management business we are strengthening ties with stakeholders in line with the CONNECT 2020 concept and show processes leading to the maintaining and improving of value of new business and adjusted profit.
- Protective is expected to achieve high profit growth exceeding market growth with a unique business model pursuing synergy between retail and acquisition businesses. In Australia and Vietnam, as the competitive environment is strengthening, we will maintain leading positions in the market through channels diversification and improved value added products.
- Searching new external growth opportunities and we are making full-scale efforts to start business in the Mekong region. For smooth establishment of subsidiary in Cambodia we involved not only human capital from Regional HQ but also engaged talents from Dai-ichi Life Vietnam with their accumulated expertise.
- Within the Asset Management Business we are able to see Group synergies one after another. Mutual usage of products and channels between Asset Management One and Janus Henderson is a typical example. At the time when Dai-ichi Life invested in the Janus group, we entrusted Dai-ichi Life's general account asset equivalent of US \$ 2 billion, but now the Protective and TAL also entrusting to Janus Henderson. In addition, the development of competitive insurance products using the asset management function is also increasing in volume. We expect that such efforts will lead to the growth of both asset management business and life insurance business.
- Please go to next page.

- Achieve ESR of 170-200% in the mid- to long-term through **disciplined risk control** getting ready for international capital regulations to be implemented

## Trends in Economic Solvency Ratio (ESR)



## Risk control based on ESR



(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.

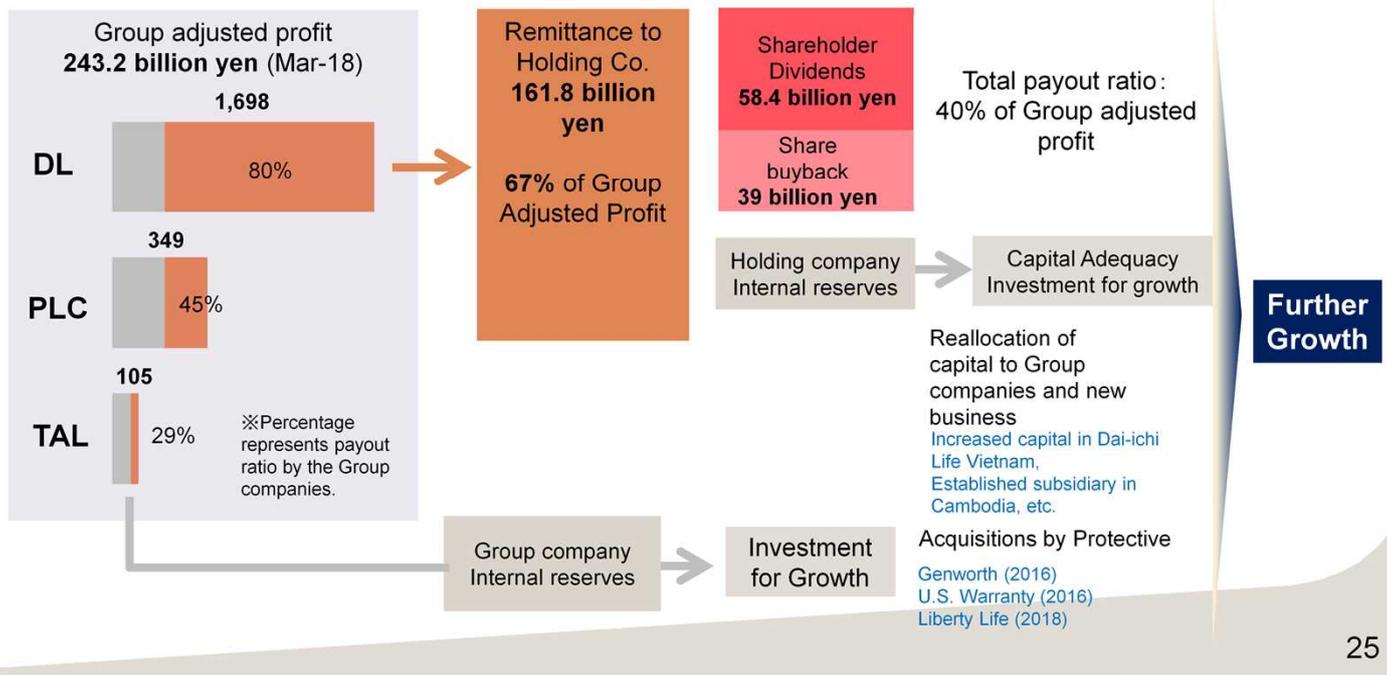
- Now I will explain our capital policy that supports growth based on the enterprise risk management framework.
- ESR improved from the end of the previous fiscal of 151% to 170%. Accumulation of value of new business and increase in unrealized gains were the main factors that contributed to the increase.
- The implementation of international capital regulations have been postponed to 2020 or later. During this period, we aim for ESR between the range of 170% and 200% through risk controlling based on the business environment of each market and financial situation of each business.
- Please see the next slide.

# Group Cash Flow Management



Dai-ichi Life Holdings

- By enhancing the fundamental growth capacity of each Group company, we aim for profit growth and average EV growth of 8%
- Reallocate capital to growth opportunities and capital efficient businesses with dividends from Group companies to the holding company
- Group companies reinvest in growth businesses under a disciplined investment standard



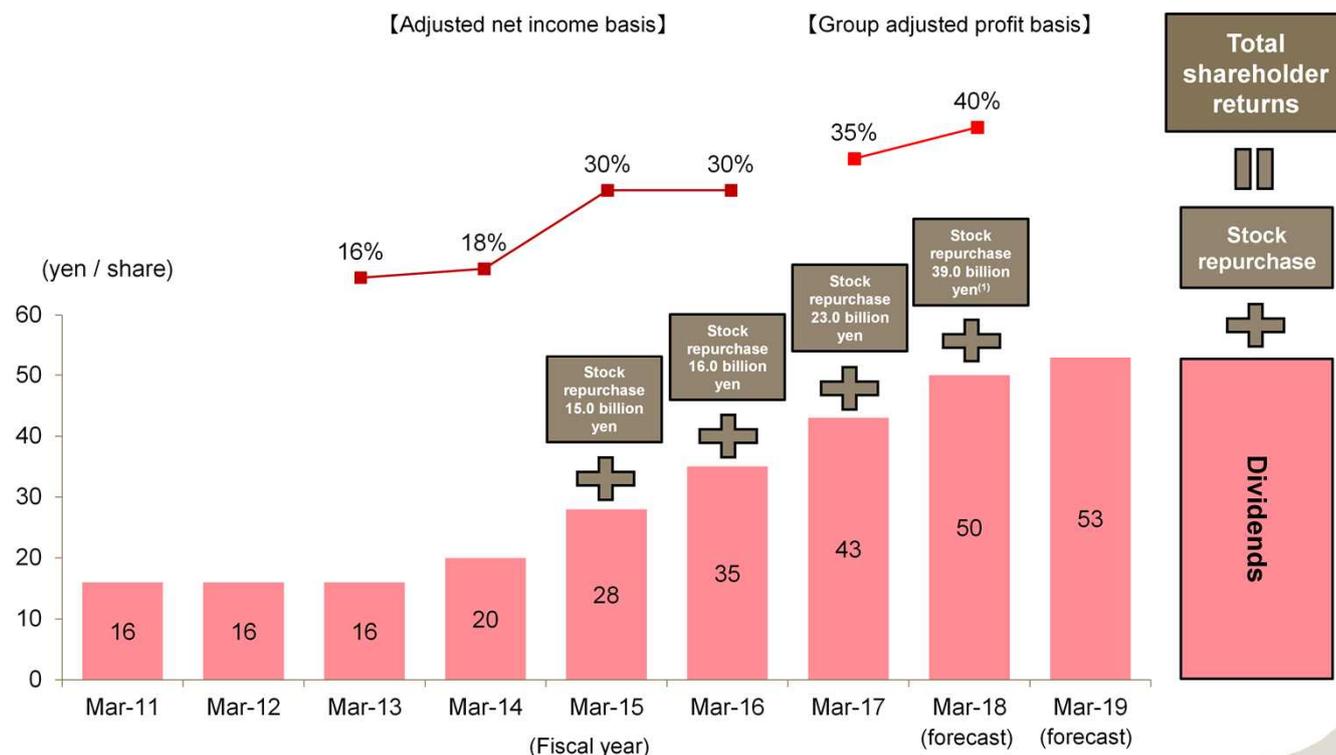
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- Under the ERM framework, we secure the balance between profit, capital and risk, which supports sustainable growth. By enhancing the fundamental growth capacity of each group company, we aim for profit growth and average EV growth of 8% while we reallocate internal reserve for selected growth opportunities.
- The basic principle of this mechanism is that we set a high remittance ratio on matured companies such a Dai-ichi Life. On the other hand, we suppress the remittance ratio on overseas life insurance business with growth potential so that internal reserves can be accumulated so that capital can be strategically reallocated. Payout from subsidiaries to the holding company (about 70% of Group adjusted profit or 160 billion yen) is the source of the 40% total payout ratio. The rest is allocated to capital enhancement or investment in growth businesses. Some recent examples are Neo First Life and establishment of a subsidiary in Cambodia. Group companies deploy internal reserves to investment opportunities based on their growth phase. For example, Protective acquired the individual life and annuity business of Liberty Life. Return is realized by setting a hurdle-rate higher than capital cost. This mechanism enables growth of the entire Group.
- Please see the next slide.

# Improving shareholder returns



Dai-ichi Life Holdings



(Note) The 39.0 billion yen stock repurchase for the fiscal year ended March 2018 represents maximum amount resolved by the Board of Directors on May 15, 2018.

- Shareholder returns are steadily improving with the growth in Group adjusted profit.
- As explained earlier, we reached total payout ratio of 40% with shareholder dividends and share buyback for fiscal year ended March 2018.
- For the current mid-term management plan, we aim for the same total payout ratio level of 40% and enhance returns through profit growth.
- Please turn to the next slide.

- The Group plans to improve shareholder returns by aiming for total payout ratio of 40% through a combination of stable dividends and active deployment of stock repurchases based on the trends in earnings and other elements



(Note) Selected M&A opportunities may be implemented to improve corporate value. Upon considering financial situation, we may adjust share buyback amount and temporarily lower total payout ratio

- Let us go over our shareholder return policy.
- In light of growth in Group adjusted profit, we aim for total payout ratio of 40% steadily increase shareholder dividends while using stock repurchases flexibly to reflect changes in net income and other factors. of course we will enhance returns if there are no investment opportunities that lead to growth. However, in the case that we determine there are investment opportunities that will increase shareholder value and more capital efficient compared to share buyback, we may flexibly use the share buyback amount for investment opportunities.
- Please note that we are not considering to terminate share buybacks for a specific M&A at this point in time. The point was to share the Dai-ichi Life Group's philosophy in that we have a capital policy with flexibility in order to support growth of the Group.
- This concludes my presentation. Thank you.

# Management Objectives and Mid- to Long-term Vision

		Indicators	Objectives
Group Management Objectives (Quantitative Targets)	Accounting Profit	Group Adjusted Profit	<b>250 billion yen</b> in FY2020
	Future Profit (Economic Value)	Group Value of New Business	<b>230 billion yen</b> in FY2020
		Indicators	Targets for the Mid- to Long-term
Group Mid- to Long-term Vision	Capital Efficiency	Average EV Growth (RoEV)	<b>8% average growth</b>
	Financial Soundness	Economic Solvency Ratio (ESR)	<b>170% to 200% range</b>



# Core Initiatives for Growth

■ Enhance the “three growth engines” against changes in surrounding environment

**Surrounding Environment**

**【Domestic Life Insurance】**  
Diverse lifestyles  
Aging demographics

**【Overseas Life Insurance】**  
High market growth in Asia  
Steady market in the U.S. and Australia

**【Asset Management】**  
Strong demand for asset formation on a global scale

**【Technology / Competition】**  
Advancement of medical science & IT  
Borderless markets  
**【Int'l Regulations】**  
Increasing uncertainty of the financial environment  
Monitoring of trends in int'l regulations

**CONNECT2020**  
**Core Initiatives**

**Enhance the “three growth engines”**

**Domestic Life Insurance Business**

- Develop products & services that offer new value including health promotion
- Enhance & diversify sales channels

**Overseas Life Insurance Business**

- (Asia) Expand market share by enhancing core sales channels
- (U.S. & AUS) Diversify sales channels and pursue new growth opportunities

**Asset Management Business**

- Pursue unique synergies between life and asset management business

**Framework to support enhancement**

**Drive Innovation**

**ERM  
Diversity & Inclusion**

- Strengthen cross-industry collaboration in InsTech
- Accelerate global talent exchange & inter-company cooperation

Address social issues through our business

**CONNECT 2020**

## Japanese Life Insurance Business Strategy

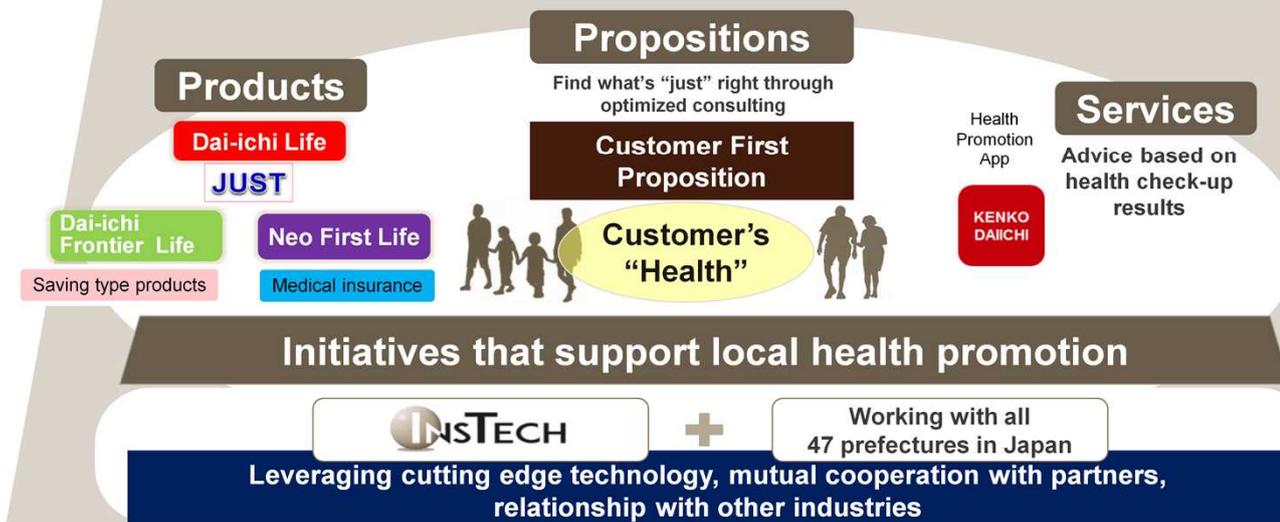


Dai-ichi Life  
Holdings

- Good afternoon. I am Munehiro Uryu, Managing Executive Officer of Dai-ichi Life Holdings, Inc.
- I will now explain our Japanese life insurance business strategy for the period of the new Mid-term Management plan CONNECT 2020.

Contribute to the improvement in quality of life throughout Japan

*More secure, in your own way.*  
**By your side for Life, "Just Right" for your life**



- For CONNECT 2020, our Japanese life insurance business bears the slogan *By your side for Life, "Just Right" for your life.*
- Under the key concept *More secure, in your own way*, we aim to improve the quality of life of people all across Japan instead of just a specific group of people.
- With people's lifestyles and values becoming increasingly diverse, we offer products and services from a customer first perspective that cater to the needs of each individual customer.
- In carrying out this strategy, we will leverage InsTech by utilizing the latest technology.

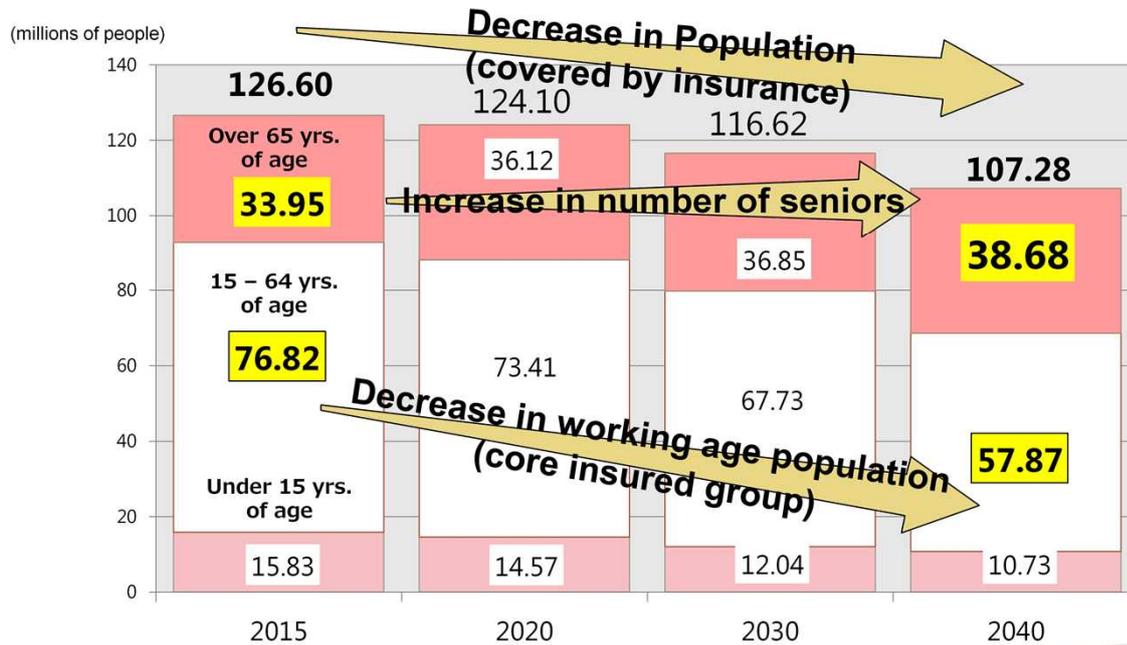
# Will the domestic market grow?

## - Decrease in population -



Dai-ichi Life Holdings

- Population to decrease by 19 million in the next 25 years
- Working age population (15-64 years of age) to plunge, number of seniors to increase



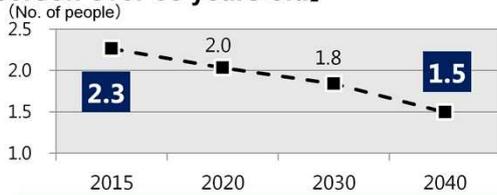
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- First, I would like to talk about market potential.
- As you know, ten years have passed since Japan's total population began to decrease and this trend will continue going forward.
- Particularly, there will be a substantial decrease in the working age population.
- Under such macro-environment, in general, some people doubt further growth of the domestic market.

# Will the domestic market grow? - What are the customer needs? -

## ① Heavier burden on the working age population which supports the social security system.

**【Number of working age people to support one person over 65 years old】**  
(No. of people)



**【Estimated cost of social security】**

(trillions of yen)

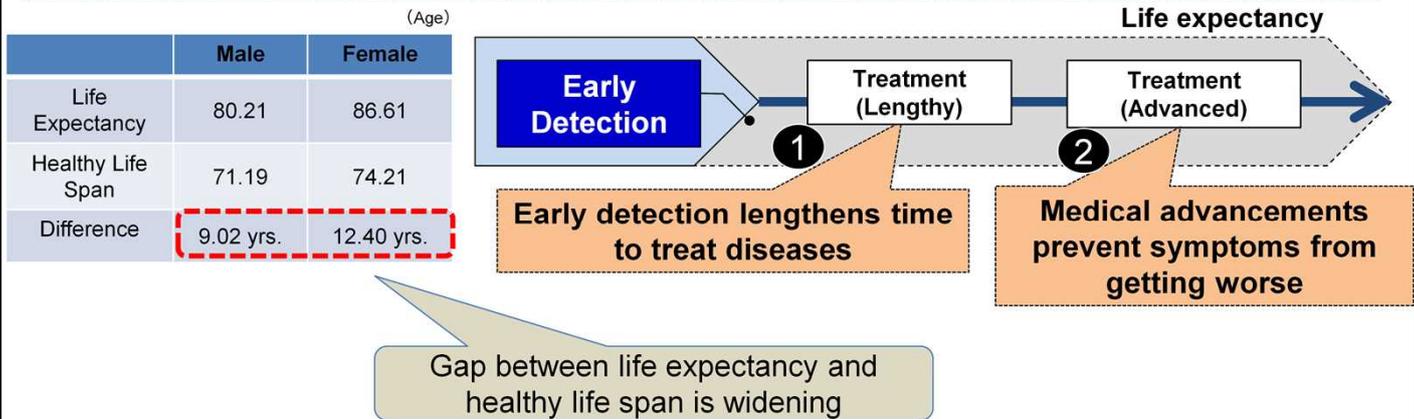
	2016	2025
Medical	37.9	54.0
Annuity	56.7	60.4
Nursing	10.0	19.8

	Insurance premium rate			Benefit & Burden		
Welfare Annuity	2006	2012	2017	2006	2012	2017
	14.6%	16.7%	18.3%	198万	186万	185万
Health Insurance	(Health insurance association premium rate)			【Burden on Patient】		
	2012	2017		1984	1997	2003-
	8.3%	9.1%		10%	20%	30%
Nursing Insurance	(Category 1 insured person)			【Burden on insured person】		
	2012	2017		2000	2015	2018-
	4,972円	5,514円		10%	20%	30%
					*Depending on income	*Depending on income

- With significant changes in the dynamics of the population, there is a heavier burden put on the working population which supports the social security system.
- The cost of social security moving forward will increase rapidly.
- In addition, while insurance premium for social security increases, benefits that can be received will decrease.

Will the domestic market grow?  
- What are the customer needs? -

**② Medical advancements help early detection of diseases and prevent symptoms from getting worse**



**③ Surging medical costs due to medical advancements**

**【Medical treatment fee mark per day in hospital】**

	1996	2016
	1,724 points	3,765 points

- While life expectancy gets longer because of the aging society, the gap between life expectancy and healthy life span is widening.
- Advancements in medical technology help to detect diseases at an early stage and prevent symptoms from getting worse. At the same time it lengthens the time required for treatment.
- In addition, medical advancements boosts medical costs.
- We believe that under such circumstances, there we be a bigger role for life insurance to supplement the social security system.

# Will the domestic market grow?

## - Diverse values and lifestyles -



Dai-ichi Life Holdings

(Number of people)

<b>Millennial Generation</b> (Born from 1980 – 2000)		29 million	<ul style="list-style-type: none"> <li>✓ Accustomed to a digital lifestyle.</li> <li>✓ Prefers sharing to owning. Acquires necessity to only needed extent (no extra)</li> </ul>
<b>Generation Z</b> (Born after 1995)		25 million	<p>In addition to above,</p> <ul style="list-style-type: none"> <li>✓ Emphasis on “being connected with peers”</li> <li>✓ Acts only after collecting sufficient information</li> </ul>
<b>Senior Age Group</b>	<b>Active</b>	10 million	✓ Has high spirits. Does not feel old.
	<b>Non-active</b>	14 million	✓ Worried about health and living. Feels old.
	<b>Passive</b>	6 million	✓ Nursing required. Aware of being old.
<b>Freelancers</b>		11 million	✓ Engages in side labor, works in multiple workplaces, independent business owners.
<b>LGBT</b>		9 million (7.6% of population)	✓ Increasing social recognition.
<b>Foreigners</b>		2.5 million	<ul style="list-style-type: none"> <li>✓ Government policy to increase capable human resources.</li> </ul> <p>Increase in applications for permanent residency</p>

- People’s lifestyles and values are becoming increasingly diverse.
- The so-called Millennial Generation and Z Generation have been brought up in an environment surrounded by digital gadgets.
- As for the senior-age group, which will continue to grow for some time, cannot be categorized as a single group of elderly people.
- In addition, other groups of people that were not so familiar to the public before are now becoming more recognized such as free-lancers, LGBT. The number of foreigners are increasing annually and presence is rising.

① Perceiving customers ⇒ Gender, age group etc.



② Offer package deals that match gender or age group



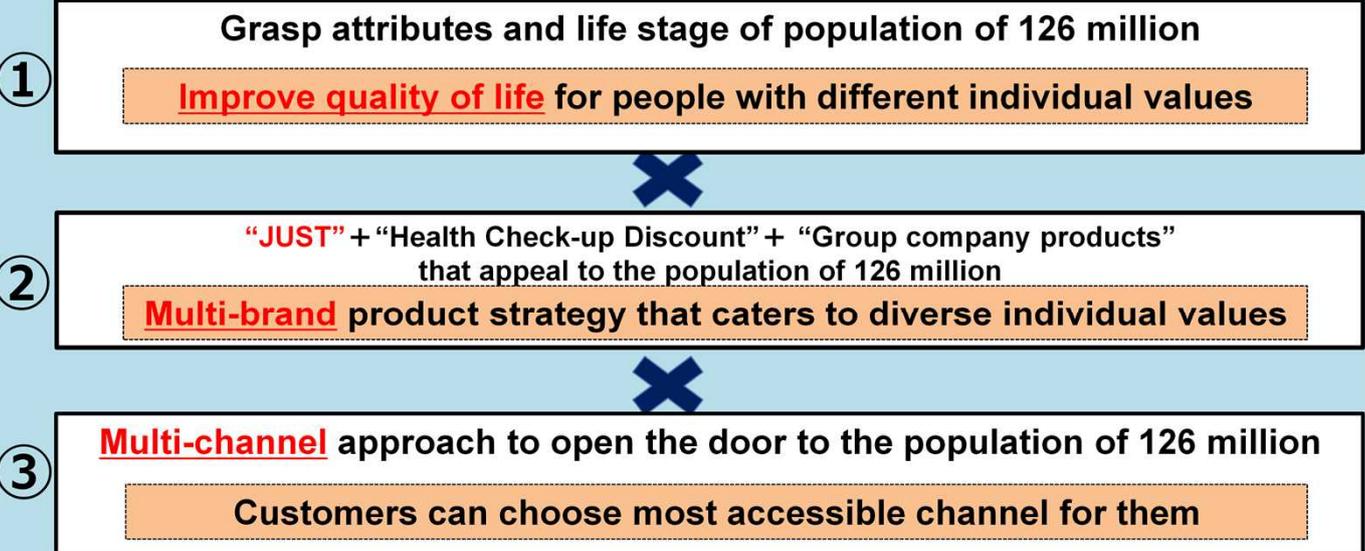
③ Fixed distribution method through main channel

Typical business strategy until now =  
“B2C” marketing , product, channel strategy

- This slide describes a typical insurance business model.
- First, customers are categorized in to groups depending on gender or age. “Male in his thirties” would be such an example.
- Then, based on standardized requirements that are estimated for each group, packaged deals would be offered.
- The primary channel made up of mainly sales representatives would be the center of carrying out a fixed distribution method.
- In other words, a B2C strategy where the insurance company took a center roll was the distribution strategy until now.
- With this strategy, it would be difficult to grow the business when the population is decreasing and people’s values and lifestyles are becoming diverse at the same time.

# Will the domestic market grow?

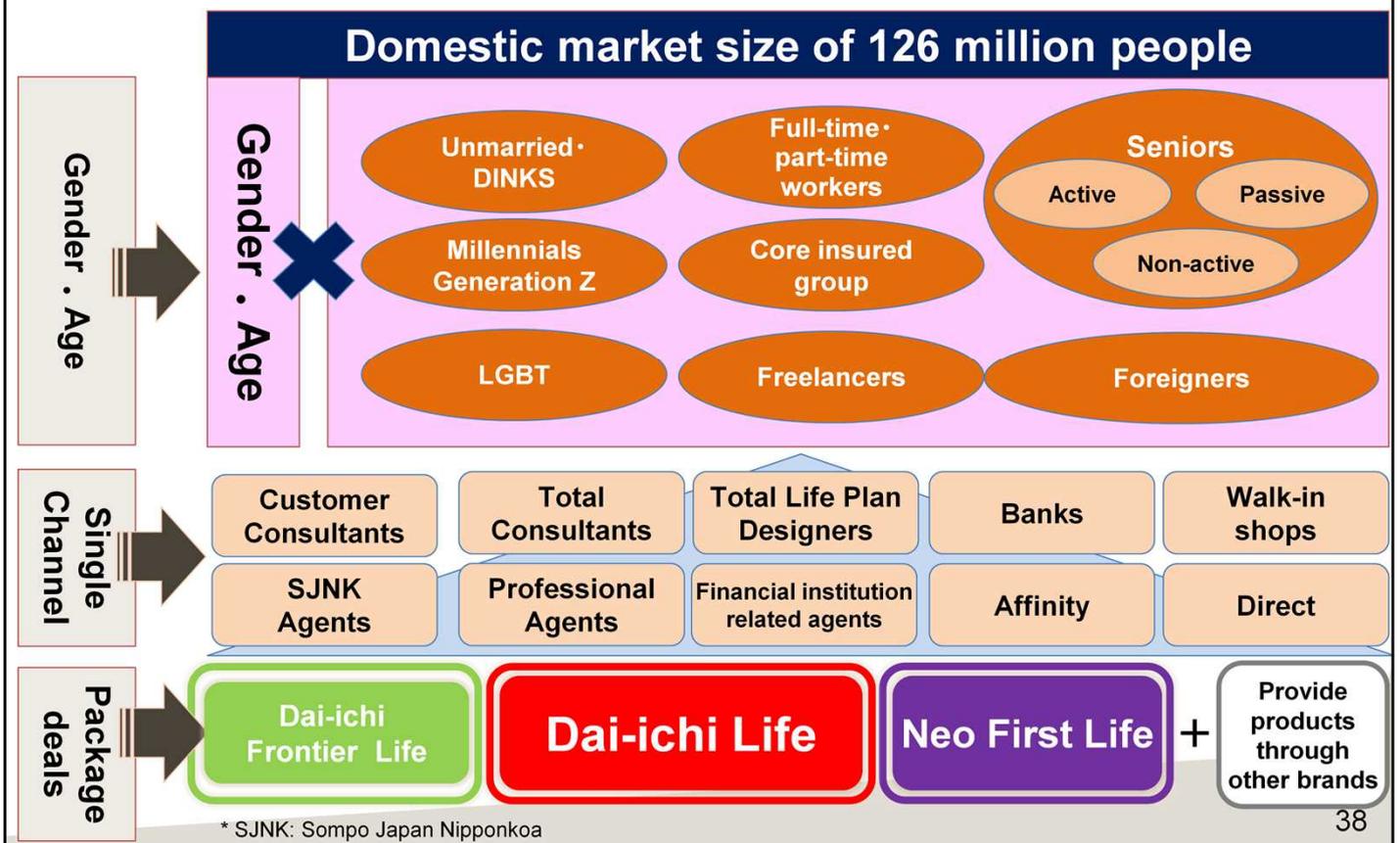
- New business strategy amid declining population -



**New business strategy = C2B strategy for the population of 126 million**  
**Each customer × Tailored products × Optimal channel**

37

- This slide describes a typical insurance business model.
- First, customers are categorized in to groups depending on gender or age. “Male in his thirties” would be such an example.
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- In other words, a B2C strategy where the insurance company took a center roll was the distribution strategy until now.
- With this strategy, it would be difficult to grow the business when the population is decreasing and people’s values and lifestyles are becoming diverse at the same time.



- This slide sums up what I have mentioned so far.
- We will disregard the typical business practice of categorizing customers into groups depending on gender or age but view each person in Japan (population of 126 million) as an individual.
- For our distribution channels, other than our Total Life Plan Designers, we have a variety of channels that customers can choose from.
- As for products, we provide product that meet individual requirements of our customers through our three group insurance companies.

# Agile sales strategy by three group insurance companies - Number of policies sold in FY 2016 and FY 2017 -

		FY 2016 (Number of policies)	FY 2017 (Number of policies)	
<b>Dai-ichi Life</b>	Protection-type Products	830K	984K	↑
	Level-payment Savings	409K	100K	↓
	DFL Products	3K	78K	↑
	Business owner Insurance	13K	16K	↑
	Single-premium Whole Life	49K	—	↓
<b>Dai-ichi Frontier Life</b>	Foreign-currency Denominated Single-premium Products	137K	258K <small>of which 78K sold through DL</small>	↑
<b>Neo First Life</b>	Medical Insurance Business Owner Insurance etc.	27K	51K <small>of which 6K sold through DL</small>	↑

Supply Product

Supply Product

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- Our multi-brand/multi-channel strategy are already showing results.
- Following the negative interest rate policy introduced in January 2016, sales of both single premium and level premium yen-denominated savings products have been facing a difficult situation. Under such circumstances, Dai-ichi Life shifted sales towards protection-type products.
- In addition, sales for both Dai-ichi Frontier Life and Neo First Life products were up compared to the previous year.
- On the group synergy side, distribution of Dai-ichi Frontier Life and Neo First Life products by Dai-ichi Life's Total Life Plan Designers and agents are being implemented and are contributing to the productivity of sales channels as well as the top-line of both Dai-ichi Frontier Life and Neo First Life.

# Agile sales strategy by three group insurance companies

## - Maximize group resources -

### Dai-ichi Life

- Strategic single-unit launch of “JUST” to appeal to the young age group
- First in the industry<sup>(1)</sup> to launch “Health Check-up Discount” to appeal to a wider mid-age to senior age group

**JUST**

100K policies sold in 47 days from launch

Health Check-up  
Discount

Not only for healthy people but for those **who aim to be healthy**

### Dai-ichi Frontier Life

- Catering to mid-age to senior age group who have various needs to utilize their assets with a top class product line-up

プレミアプレゼント  
Whole Life Fixed Benefit Insurance

プレミアレシーブ(外貨建)  
Whole Life Fixed Benefit Insurance  
(forex denominated)

プレミアストーリー  
Annuities (forex denominated)  
Fixed Benefits

プレミアカレンシー・プラス2  
Annuities (forex denominated)  
Fixed Benefits

プレミアベスト  
Annuities (forex denominated)  
Variable Benefits

### Neo First Life

- Continue to introduce unique product concepts such a “Health Age”
- Leveraging group resources to introduce insurance for business owners, a growing market

ネオd@いりよう  
健康プロモート  
Medical Insurance

ネオd@健康エール  
Medical Insurance

ネオd@しゅうほ  
Disability Protection

ネオd@きぎよう  
2018  
Business Owners Risk  
Protection Policy

(1) Based on Dai-ichi Life research as of February 2018.

- Here are the details of our product line-up.
- Dai-ichi Life launched “JUST” in April 2018. “JUST” enables customers to combine a wide range of protection products that appeal to the young-age group.
- Dai-ichi Frontier Life provides products that cater to middle-age to senior-age group who have various needs to utilize their assets that includes needs involving inheritance, annuities, management and distribution of assets. Dai-ichi Frontier Life has secured the leading position in the bancassurance market.
- Neo First Life continues to introduce new unique product concepts such as “Health Age” and utilizes group resources to introduce insurance for business owners, a growing market.

## Partnership Expansion

- Expand the selection of channels for customers-



Dai-ichi Life  
Holdings

### Invest·Acquire Independent Agents



株式会社 アルファコンサルティング  
Alpha Consulting Co.

- ✓ Gain know-how from agents
- ✓ Transfer know-how to Dai-ichi dedicated channels on distribution to markets with product comparison preference and administrative tools

### Address the Affinity Market



Rakuten Life Insurance Co.

- ✓ Supply Dai-ichi Life Group's products/services to Rakuten Group's business platform
- ✓ Research on cutting-edge technology and services such as InsTech



Nihon Chouzai Co.



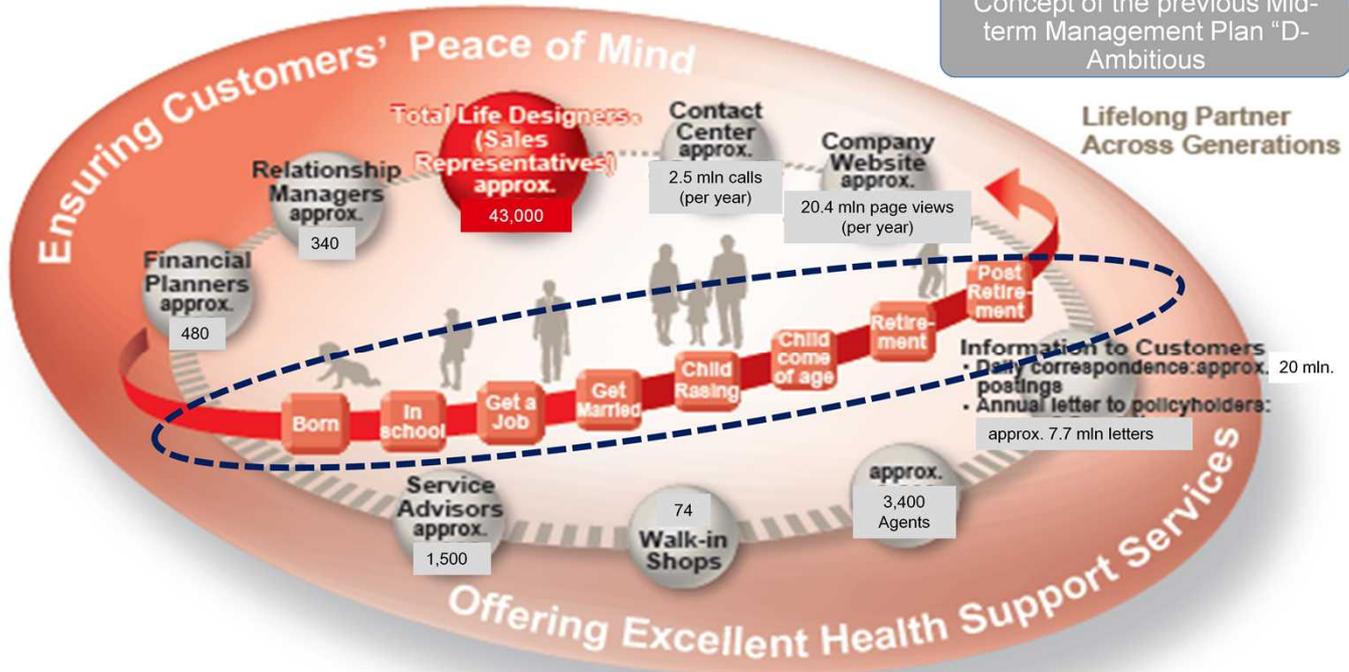
Matsumotokiyoshi Co.

- ✓ Distribution of Dai-ichi Life Group products at retail outlets
- ✓ Utilize big data to consider development of new products and services

- We are expanding the selection of channels that customers can choose from by expanding partnerships with other companies.
- In April 2018, we acquired Alpha Consulting Col., Ltd. and turned it to a wholly-owned subsidiary.
- Our aim for such acquisition is to gain management know-how from agents. We also believe that we will be able to develop new products swiftly as we will be able to grasp what is demanded by customers in the agent market.
- In addition, by teaming up with companies who have a specific customer base, we will gain access to those customers as well.

# Life insurance that is “common” for all Going forward with “By your side, for life With You Project”

Concept of the previous Mid-term Management Plan “D-Ambitious”



Note: Total number of page views between April 2015 and March 2016.

**Concept of previous Mid-term Plan = Be close to our customers during important moments in life**

- This slide describes the concept of the domestic life insurance business for the period of the previous mid-term management plan.
- As shown, we have offered excellent health support services and ensured customers’ peace of mind during important moments throughout the lives of our customers.

Life insurance that is “common” for all  
Going forward with “By your side, for life With You Project”



Dai-ichi Life Holdings

Concept of the previous Mid-term Management Plan “D-Ambitious”



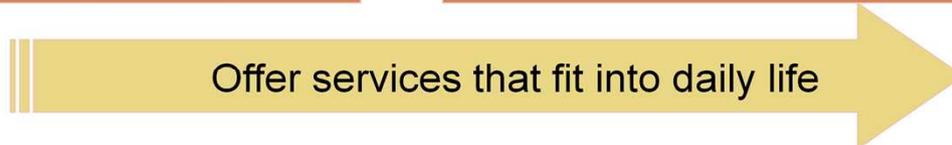
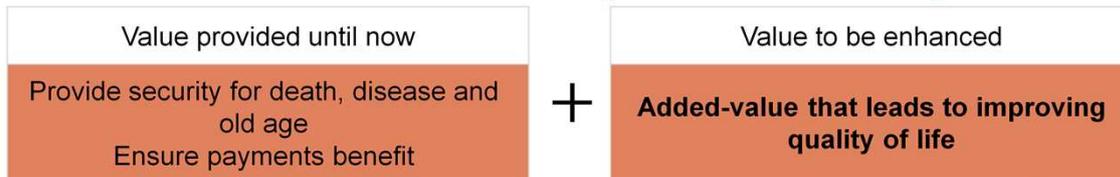
Concept of previous Mid-term Plan = Be close to our customers during important moments in life

- During the period of the new Mid-term Management Plan, we take the concept a step forward by always being close to our customers.



Enhance initiatives to provide added-value to improve quality of life

## More secure, in your own way.



### Initiatives to be close to the daily life of customers

My Health Check-up Advice    My Recipe    My Calorie Check    Pedometer    etc...

**KENKO DAIICHI**

健診結果の読取  
「健康年齢」と「タイプ」をお知らせ

緑の豆乳ソーテー定食  
健康年齢: 385    タイプ: 1.4  
歩数: 4.5    カロリー: 172

3400  
歩数  
メニュー



- The significance of life insurance until now has been to ensure payment of benefits in time of need.
- Needless to say, this is of course something that life insurers need to fulfill. During the period of the new Mid-term Management Plan, we will provide added-value to improve quality of life and always be close to our customers.
- “Kenko Dai-ichi” app will serve to be close to the daily life of customers.
- By fully leveraging technological advancements, we continue to offer services that fit into daily life.

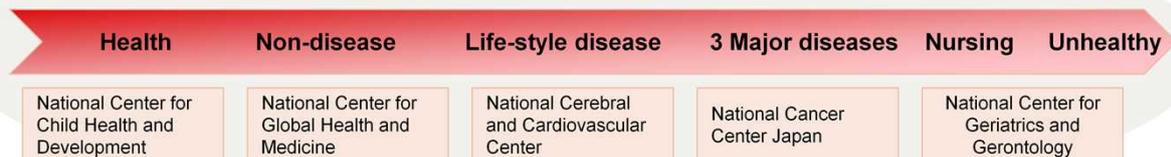
### Partnerships with prefectures throughout Japan

- Partnerships with all 47 prefectural governments
- Helping to solve local challenges



### Partnerships with national research centers

- Concluded partnership agreements with 5 national research centers
- Latest and accurate information compiled under the supervision of national research centers

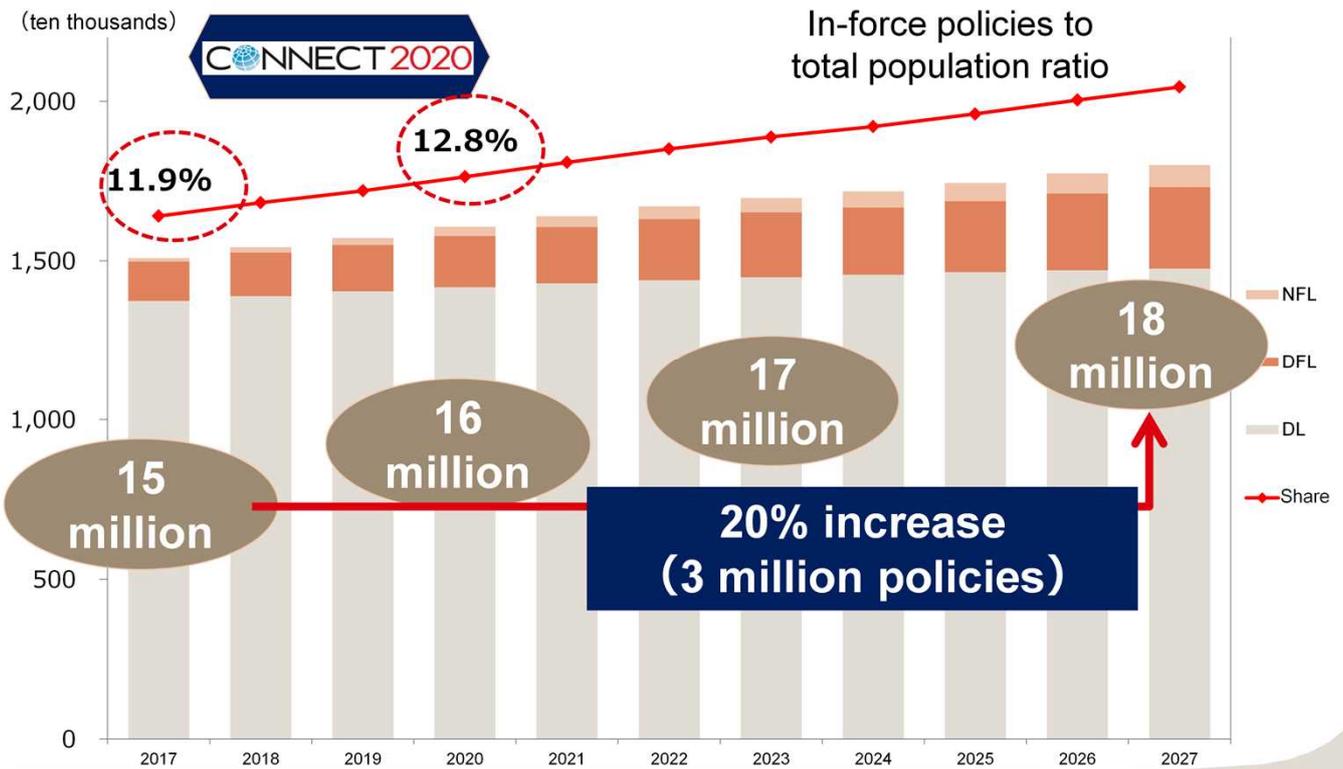


- We are engaging in partnerships with prefectural governments and national research centers throughout Japan.
- Through these partnerships, we are able to provide customers with valuable information. We are also able to attract customers by holding seminars together with partners who have extensive knowledge.
- We believe that our strength of having a industry top-class network will contribute to the improvement in the quality of life of our customers.

# Dai-ichi Life Group's targets



Dai-ichi Life Holdings



**Increase in-force policies as a Group**

- Through these initiatives we aim to increase in-force policies in Japan by 3 million or an increase of 20% in the next 10 years.
- Amid the decline in total population, we will strive to increase in-force policies to total population ratio by gathering support towards the Dai-ichi Life Group.
- By achieving growth in the domestic market, we hope to contribute to the growth of the entire Group.
- This concludes my presentation. Thank you.

# References



**Dai-ichi Life**  
Holdings

# Operating ROE

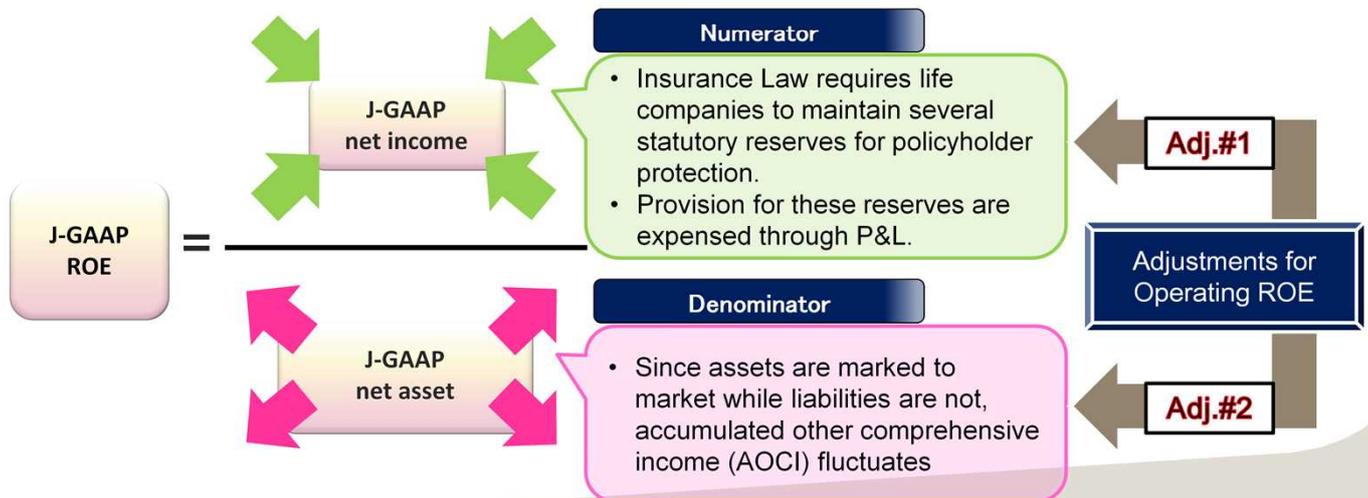


**Dai-ichi Life**  
Holdings

## Our recognition of capital efficiency indicators

- We believe ROEV is the best indicator to understand life insurers' capital efficiency. ROE does not always convey a true picture of long term cash flows.
- However, we understand that many investors focus on ROE. Therefore we started disclosing our 'Operating ROE', which takes into account the unique business characteristics of life insurance.

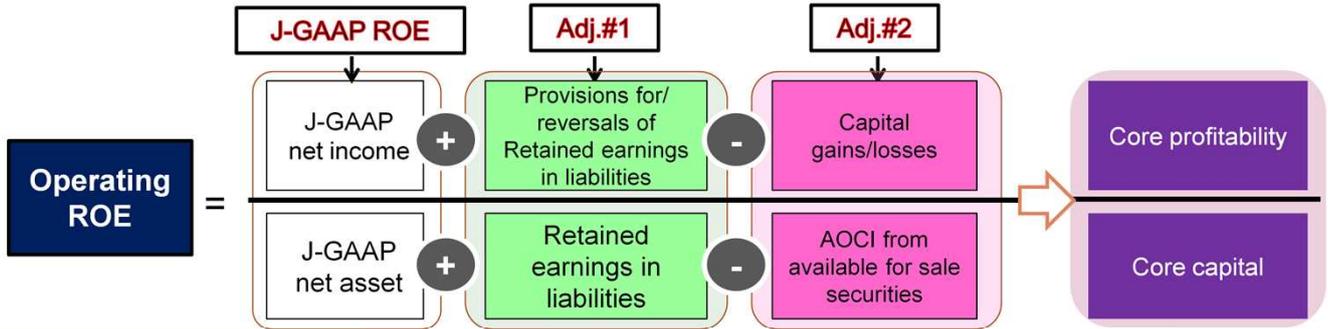
## Issues with J-GAAP ROE



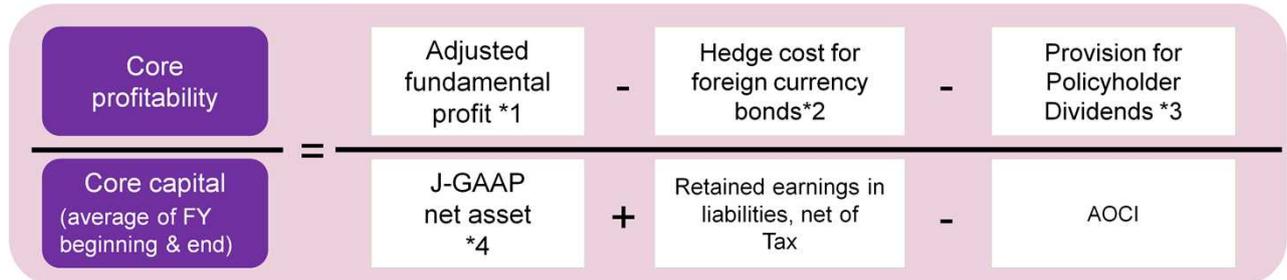
# Operating ROE - Definition



## Definition - conceptual



## Detailed definition



- \*1: 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, at Dai-ichi Life (non-consolidated) and Dai-ichi Frontier Life, net of tax.
- \*2: Dai-ichi's foreign exchange losses, net of tax
- \*3: Provision for policyholder dividends for Dai-ichi Life (non-consolidated), net of tax
- \*4: Consolidated net assets (except subscription rights to shares and minority interest)

# Operating ROE – Trends



(Fiscal years, billions of yen)

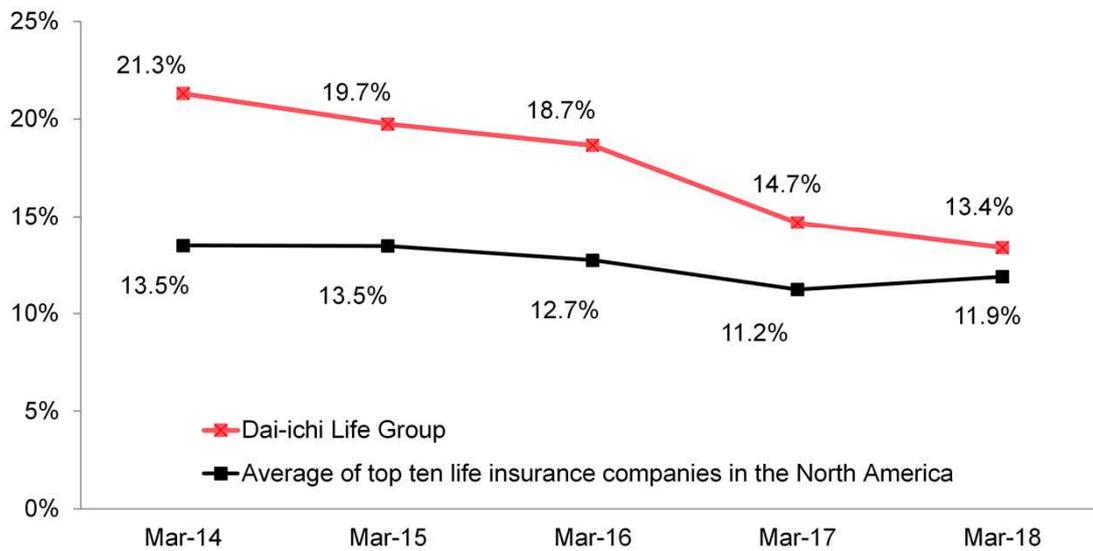
	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18
Fundamental Profit (Group)	451.1	531.1	557.2	528.6	573.8
(-) Provision for (reversal of) reserve associated with GMMB and others	(6.4)	(1.7)	(31.7)	(2.8)	4.7
Adjusted Fundamental Profit (Group)	457.5	532.8	589.0	531.4	569.0
(-) Foreign exchange losses	19.9	38.0	53.8	81.0	75.0
(-) Provision for policyholder dividends	94.0	112.2	97.5	85.0	95.0
(-) Provision for (reversal of) reserve not associated with GMMB and others	-	-	(0.1)	(0.4)	(0.2)
(-) Others	-	-	(2.1)	(11.5)	(0.5)
(-) Tax effect equivalent of above items and others	105.2	103.0	121.0	102.4	114.7
<b>[NUMERATOR] Core profitability</b>	<b>238.4</b>	<b>279.6</b>	<b>318.9</b>	<b>274.9</b>	<b>285.0</b>
Total Net Assets (FY end)	1,947.6	3,589.9	2,932.9	3,137.2	3,749.2
(-) Subscription rights to shares	0.5	0.7	0.9	1.2	1.3
(-) Minority interest	-	-	-	-	-
(-) Total accumulated other comprehensive income	1,318.4	2,559.4	1,802.6	1,835.2	2,158.3
Total Net Assets ( after above items )	628.5	1,029.6	1,129.2	1,300.7	1,589.6
(+) Retained earnings in liabilities, net of tax	557.8	616.5	644.1	672.4	699.1
Core capital (FY end)	1,186.4	1,646.1	1,773.3	1,973.2	2,288.8
<b>[DENOMINATOR] Core capital (average of FY beginning &amp; end)</b>	<b>1,119.0</b>	<b>1,416.2</b>	<b>1,709.7</b>	<b>1,873.2</b>	<b>2,131.0</b>
<b>Operating ROE</b>	<b>21.3%</b>	<b>19.7%</b>	<b>18.7%</b>	<b>14.7%</b>	<b>13.4%</b>

(Note) Core profitability is an indicator after adjustments to reflect some issues with the numerator of J-GAAP ROE, and are different from profit attributable to shareholders. Figures of "Fundamental Profit" represent those based on the previous disclosure format.

# Operating ROE – comparison with North American peers



## Operating ROE comparison with leading life insurers in North America

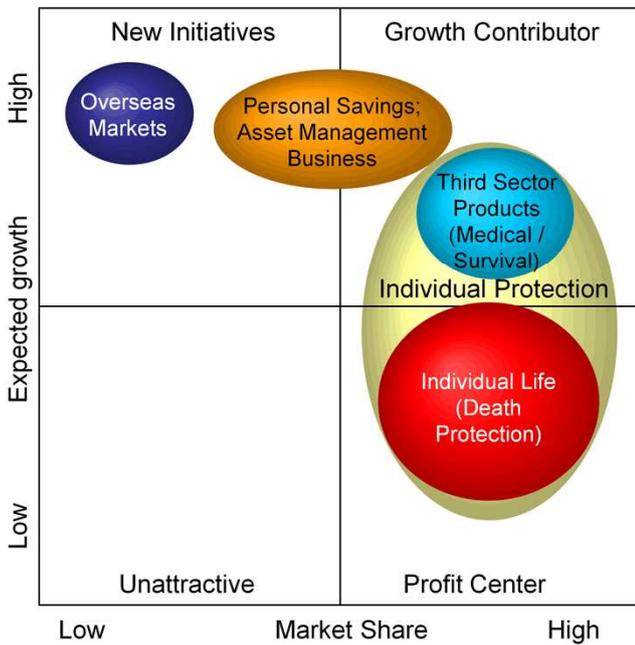


(Note) The average of ten leading life insurance companies in the North American market is the average Operating ROE (or equivalent indicator) announced by ten companies among listed life insurance companies with a top market capitalization at the end of March 2018. The average of Operating ROE (fiscal years ended December 31) is stated in the financial results, etc. for each fiscal year.

# 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

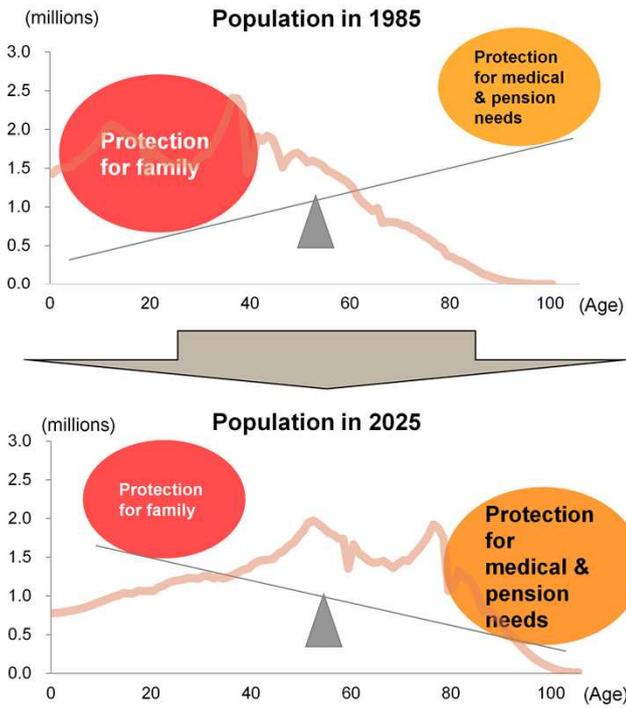
## Asset management business

- 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

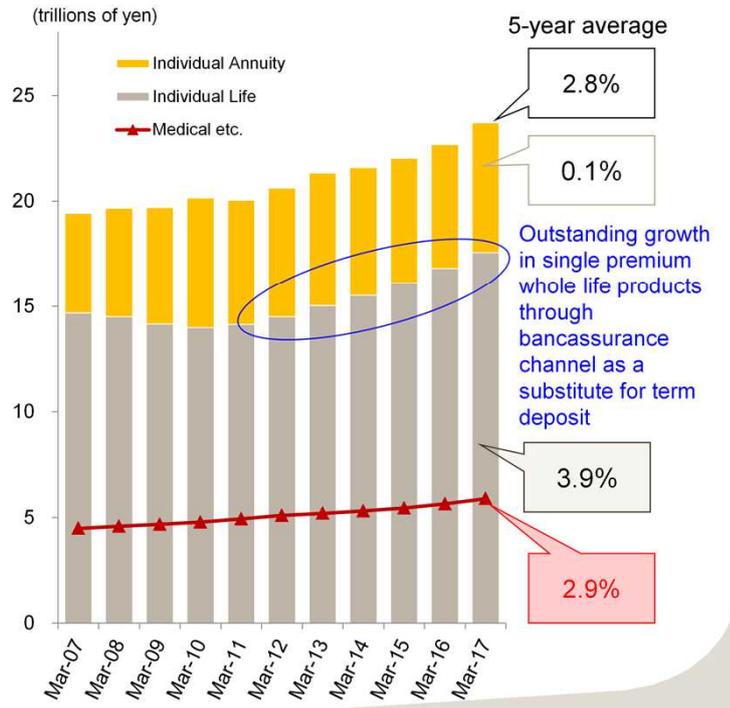


## Change in Population and Protection Needs



(Source) National Institute of Population and Social Security Research

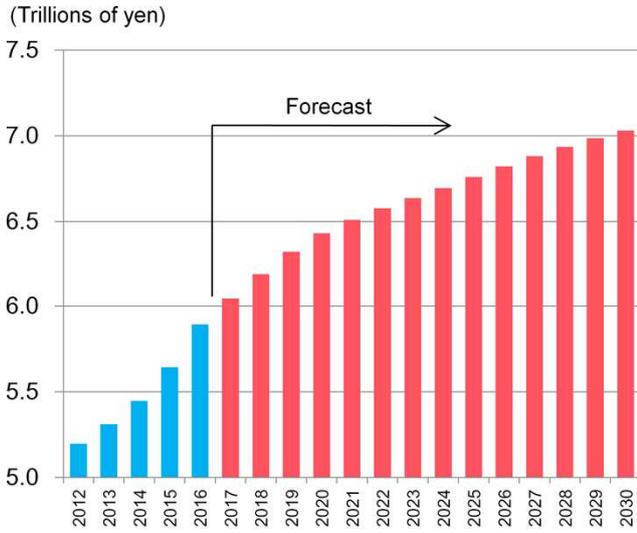
## In-force ANP of Japanese Life Companies



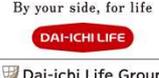
(Source) Company disclosure, Life Insurance Laboratory, Life Insurance Association of Japan

# Life Insurance Industry in Japan Outlook for Medical and Savings-type Insurance Markets

## Annualized net premium of medical and other products



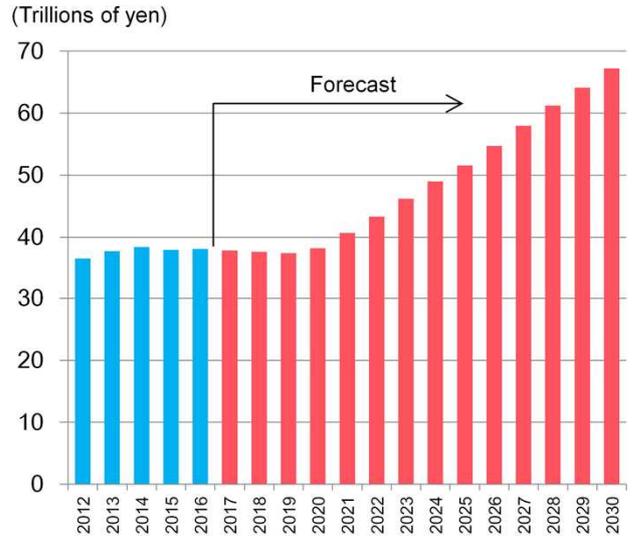
By your side, for life





第一生命グループ  
Neo First Life

## Outstanding balance of single premium savings-type market (Bancassurance channel)

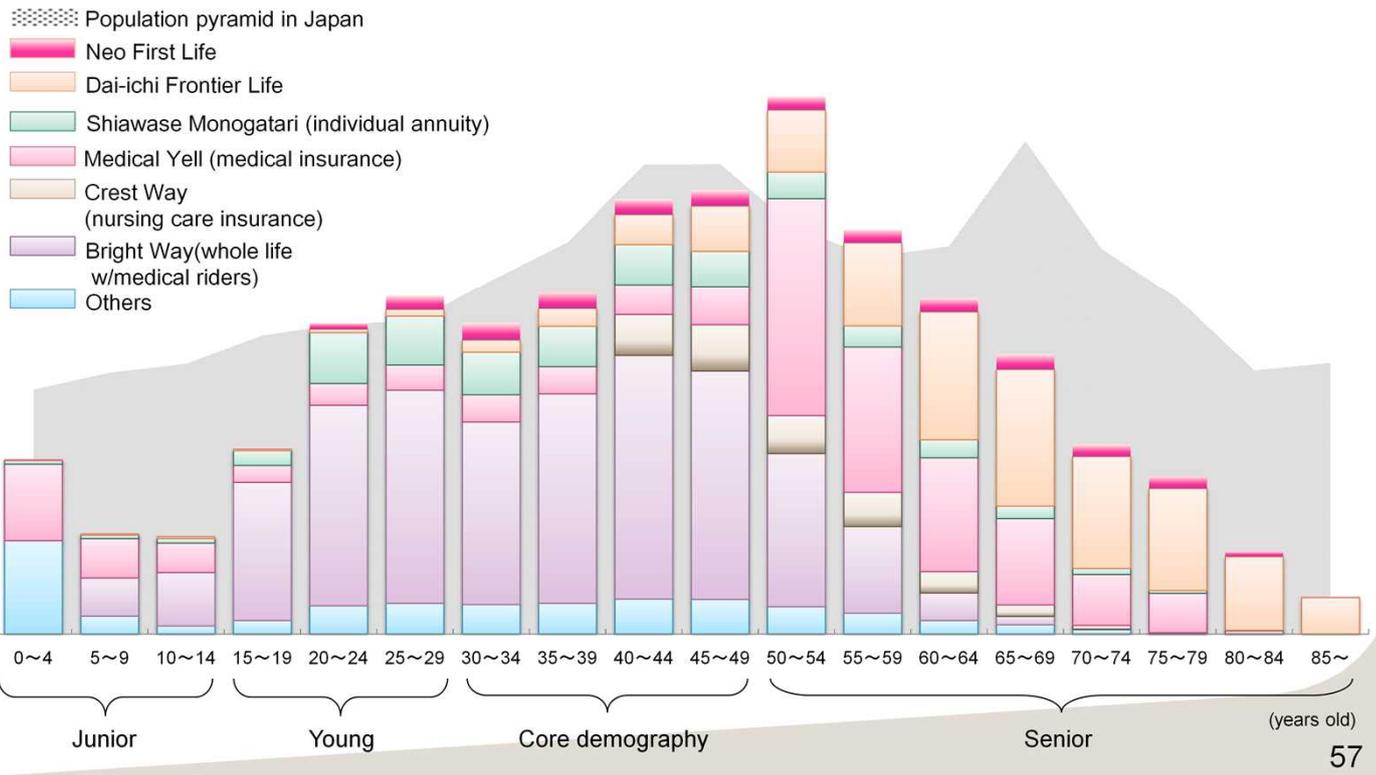



The Dai-ichi Frontier Life Insurance Co., Ltd.

(Source) Company forecast

# Strategically Planned Product Launch Capturing Customer Needs

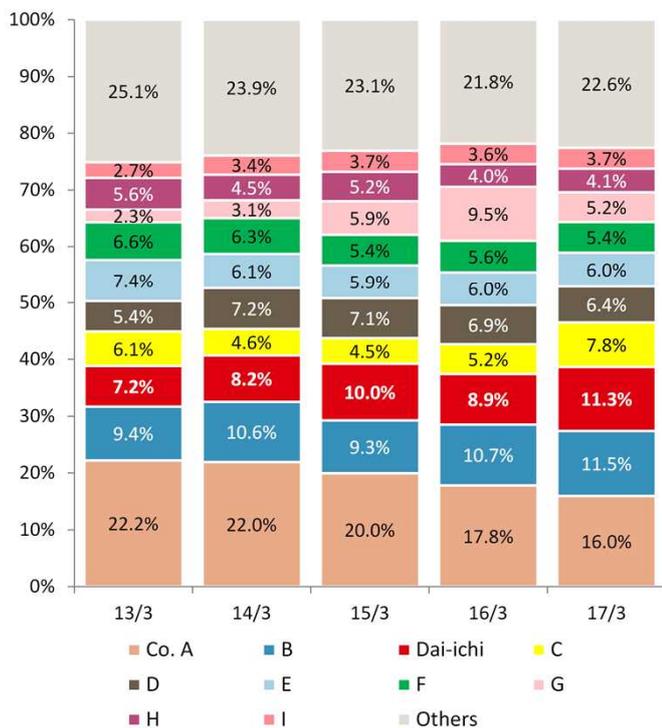
## Distribution of Number of New Contracts by Age of Insured Persons (FY Mar-18)



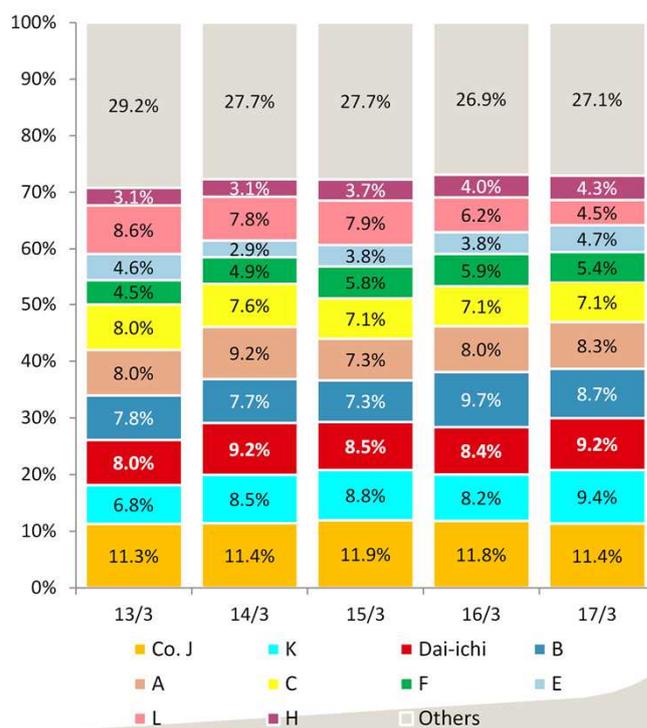


# Market Share in New Business Annualized Net Premium

## Share in New Business ANP



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

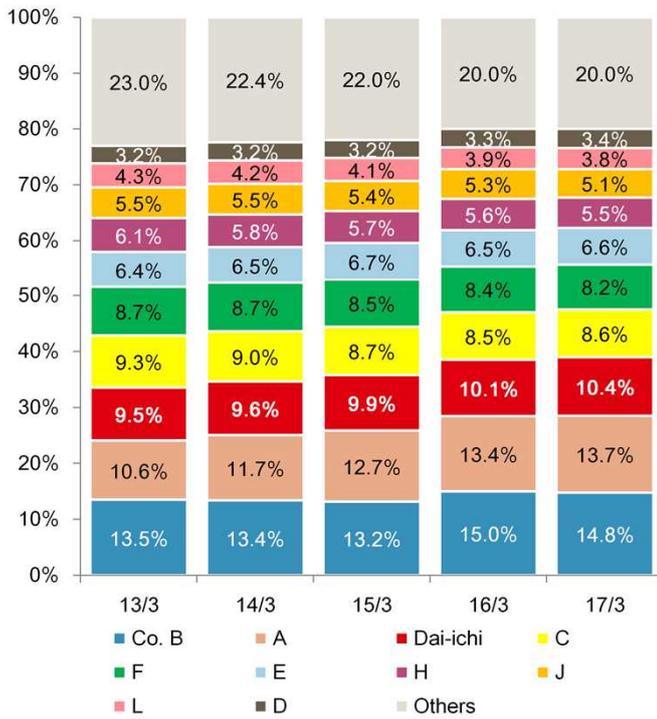


(Source) Company disclosures and Life Insurance Association of Japan.

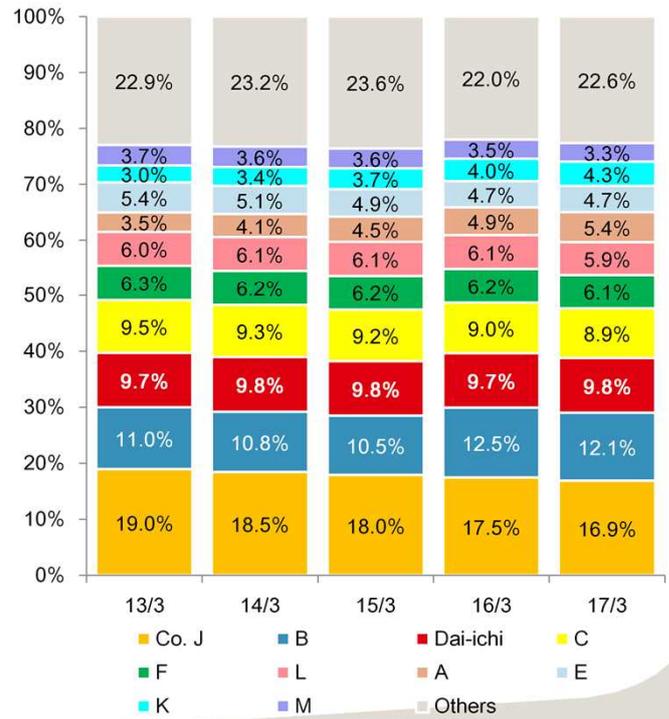


# Market Share in In-Force Annualized Net Premium

## 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.

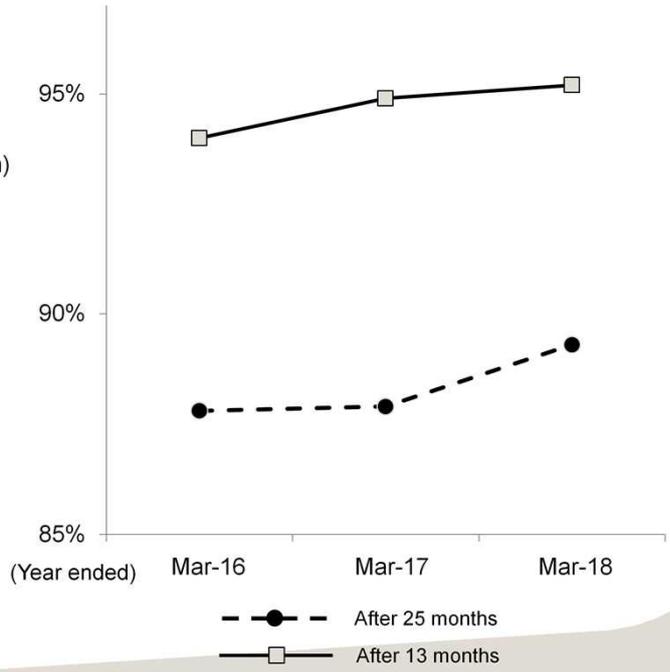
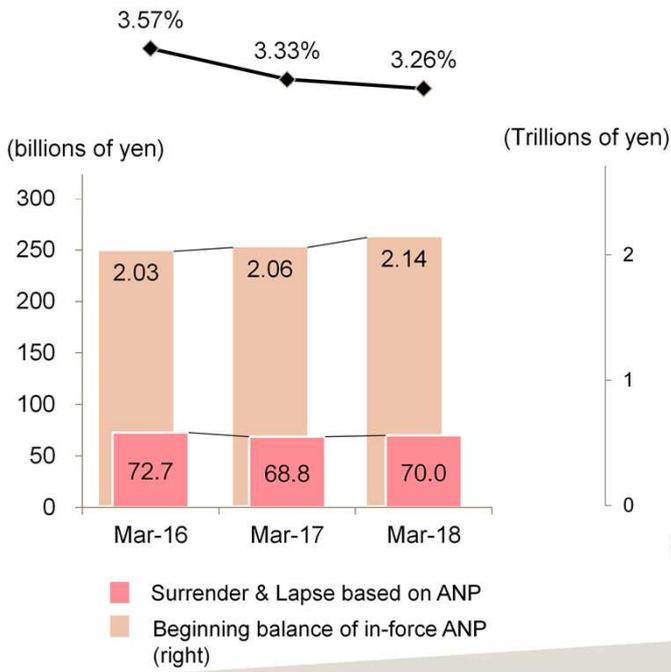
(Source) Company disclosures and Life Insurance Association of Japan.



## Surrender & Lapse based on Annualized Net Premium (ANP)(Individual Insurance & Annuities)

## Persistency Rate

Surrender & Lapse Rate



# Overseas Business



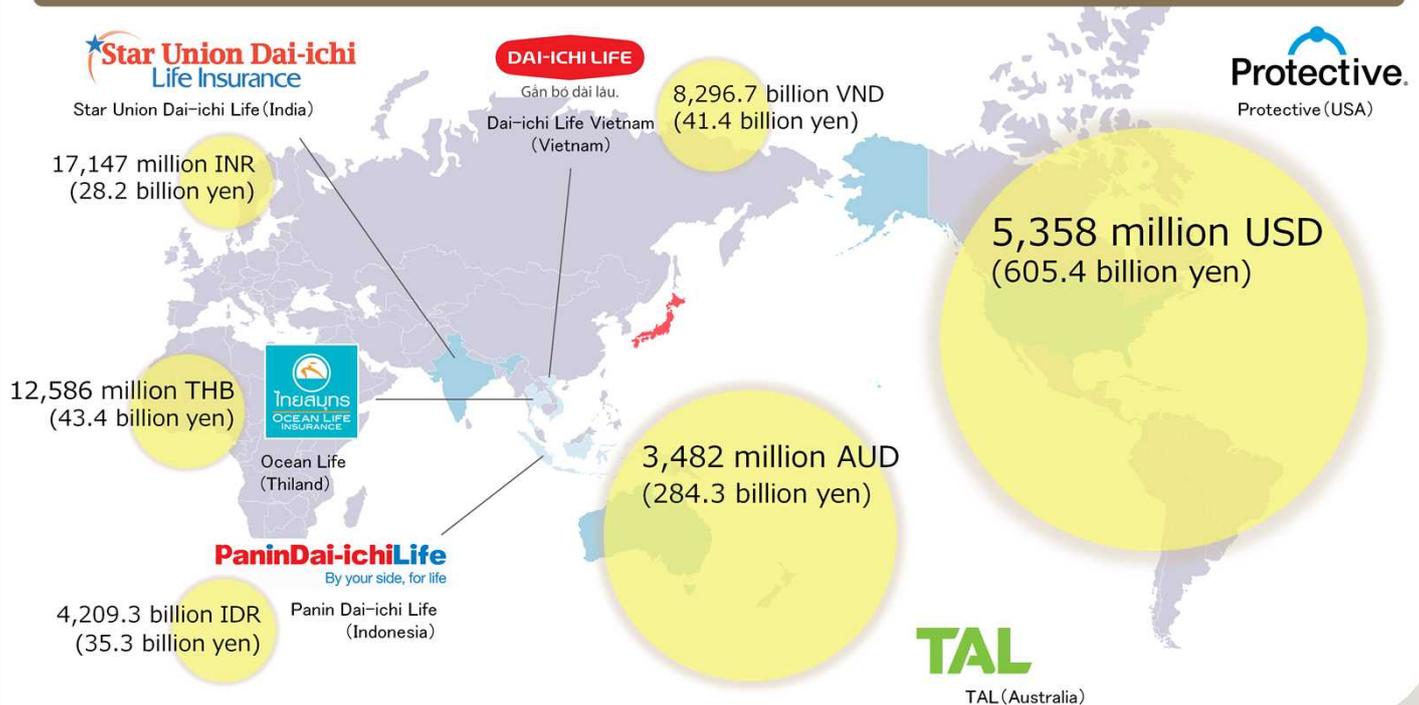
Dai-ichi Life  
Holdings

# Snapshot of Overseas Insurance Business



Dai-ichi Life Holdings

## Premium revenue of Overseas Group Companies<sup>(1)</sup>

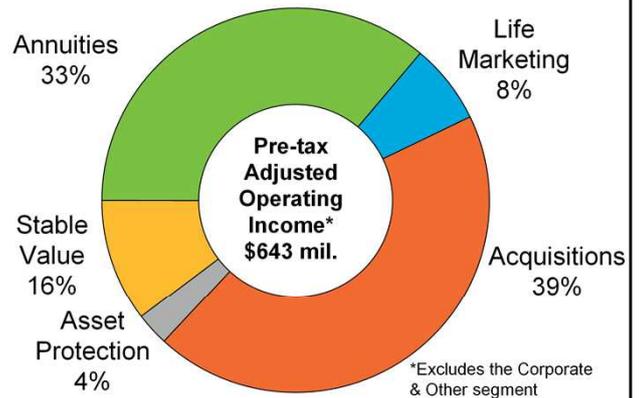


(1) Premium revenue indicator for Protective, TAL, Dai-ichi Life Vietnam, Panin Dai-ichi Life and Ocean Life Insurance is premium income. Star Union Dai-ichi Life uses effective premium income. Figures of Protective Life and TAL are disclosed after re-classifying items from Protective Life and TAL's financial statements under United States' and Australian accounting standards, respectively, to conform to Dai-ichi Life Holding's disclosure standards. The corresponding period of Protective is from January 2017 to December 2017 and that of TAL and Star Union Dai-ichi Life is from April 2017 to March 2018, whereas the other companies' corresponding period is from January 2017 to December 2017. Exchange rates used are as follows: 1USD=113.00JPY, 1AUD=81.66JPY, 1VND=0.0050JPY, 1INR=1.65JPY, 1IDR=0.0084JPY, 1THB=3.45JPY.

## About Protective

- Established in 1907
- Became a wholly owned subsidiary in 2015
- No. of Employees: 2,763 (Mar-2018)
- \$862B life insurance in force
- 8.3M policies and contracts in force (including non-life contracts)
- Market share: 0.4% (Dec-2016, Net Premium income basis)
- Market rank: No. 48 (Dec-2016, Net Premium income basis)
- 56 acquisition transactions (including Asset protection business)

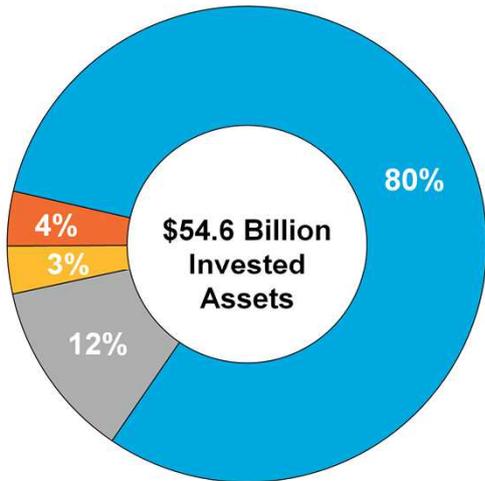
## Business Mix (2017 results)



## Main Product and Channels

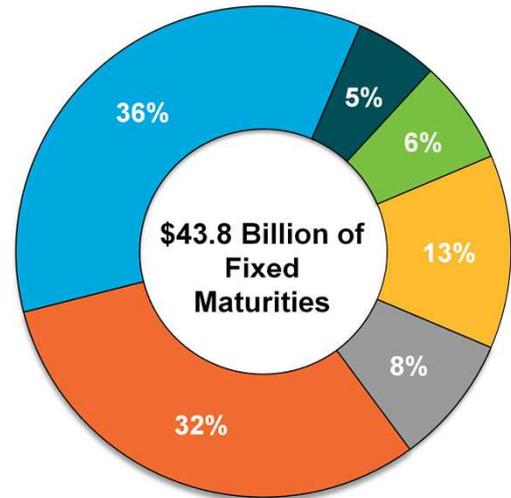
	Life Insurance	Annuities	Stable Value Products	Asset Protection	Acquisitions
<b>Products</b>	Universal Life and Traditional	Fixed and Variable Annuities	Wholesale Funding Agreements	Vehicle Service Contracts	Acquired Business
<b>Distribution</b>					Primarily life and annuity
Agents	○	○			
Banks	○	○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

## Investment Portfolio Overview



■ Fixed Maturities    ■ Mortgage Loans  
■ Policy Loans    ■ Other

## Fixed Maturities Portfolio by Credit Quality



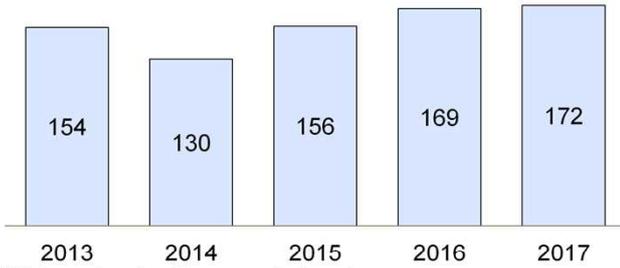
■ AAA    ■ AA  
■ A    ■ BBB  
■ BB or less    ■ Not Rated\*

As of December 31, 2017

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

## Life Marketing

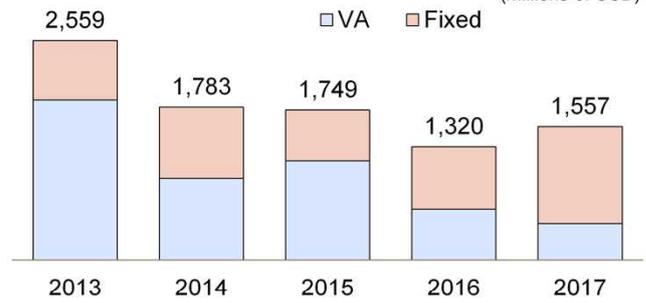
(millions of USD)



(1) Sales are based mainly on annualized premiums.

## Annuities

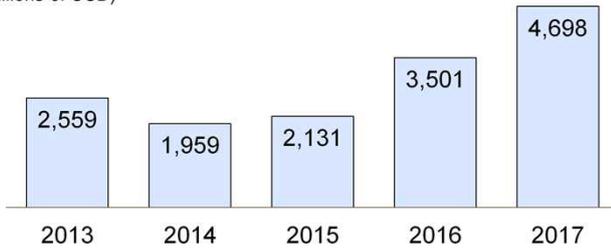
(millions of USD)



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

## Stable Value Products (Ending Account Balances)

(millions of USD)



**Sales** 494 91 814 1,856 1,765

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

## Asset Protection

(millions of USD)

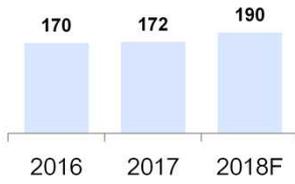


(1) Sales are based on the amount of single premiums and fees received.

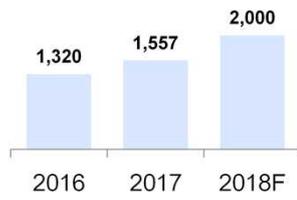
# Protective Business Plans for FY 2018

## Sales Estimates

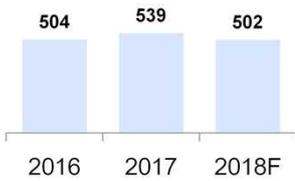
### Life Marketing



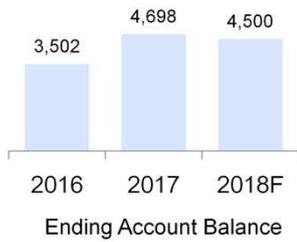
### Annuities (millions of USD)



### Asset Protection



### Stable Value



## Financial Plan

(millions of USD unless otherwise noted)

	2018 Plan
After-Tax Adjusted Operating Income	417
Net Income	376
RBC Ratio (%)	474 %
Debt to Capital Ratio (%)	17 %
Dividend to Dai-ichi	140
Capital >400% RBC (billions of USD)	0.7

## ■ Stable profit contribution through both the retail and acquisition businesses

### About Protective

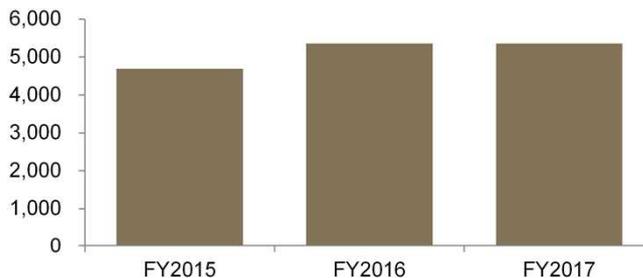
- Established in 1907
- Became a wholly owned subsidiary in 2015
- No. of Employees: 2,763 (Mar-2018)
- Based in Birmingham, Alabama
- Sales Channel: Independent Agents, Securities Companies, Banks, Direct Channel, etc.
- Products: Universal insurance, Fixed and Variable Annuities, Index type Annuities, Auto Insurance, Expense Insurance
- Market share: 0.5% (Dec-2015, Net Premium income basis)
- Market rank: No. 48 (Dec-2016, Net Premium income basis)

### US Market Overview

- Market size (2016): [Population 324.0 million people, GDP 18,502.8 billion USD, Life insurance penetration 3.02%]  
*Source: Swiss Re, sigma No 3/2017*
- Main players: Metlife, Prudential, AIG, etc.

### Protective Revenue Progress <sup>(1)</sup>

(millions of USD)



#### ■ Initiatives in FY 2017

In addition to strengthening existing sales channels, promote the growth of life insurance business through affinity sales with Costco and major financial institutions. In the acquisition business, PLC realized acquisition of individual life and annuity business of Liberty Life Assurance Company of Boston, which is the largest acquisition so far.

#### ■ Future Initiatives

In addition to strengthening and expanding new affinity partnerships, strengthen the foundation for organic growth by leveraging InsTech. In the acquisition business, aim to contribute further profits through new acquisitions.

(1) The fiscal year is from January to December.

■ Steady increase in premium income. Strive for further growth with multiple initiatives.

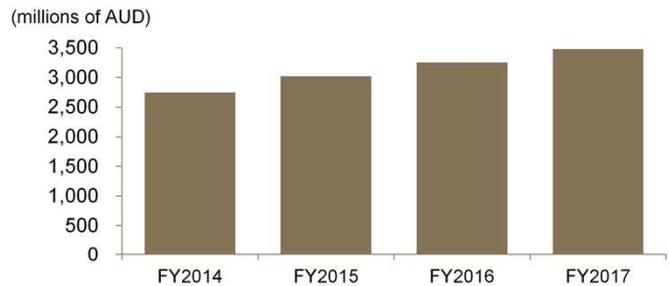
## About TAL

- Established in 1869  
(Started as a government life insurance office in New Zealand in 1869; then separated)
- Became an affiliate of Dai-ichi in 2008; then became a subsidiary in 2011
- No. of Employees: 1,588 (Mar-2018)
- Main office: Sydney, Australia
- Main channel: Individual financial advisor, Direct, and Group (superannuation)
- Main products: Risk products (death, income protection & TPD)
- Market share: 17.5% (Dec-2017, In-force ANP basis)
- Market rank: No.1 (Dec-2017, In-force ANP basis)

## Insurance Market in Australia

- Market size (2016):  
[Population 24.2M, GDP 1,260B USD, Penetration (Life) 2.99%]  
*(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), Commlnsure, etc.

## Premium Income of TAL <sup>(1)</sup>



### ■ What we have achieved

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

### ■ What we'll strive to achieve

TAL continues to strive for steady growth by constructing strong sales channels, increasing brand recognition, diversification of product line-up as well as improvements in customer services.

(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.

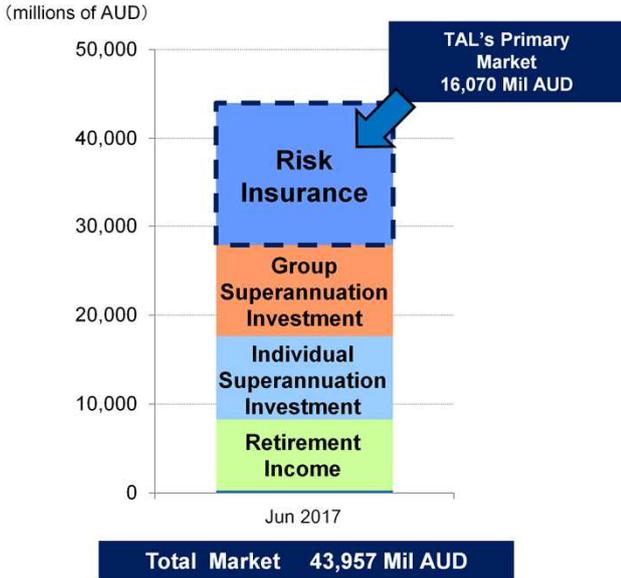
# TAL: Life Insurance Market in Australia



Dai-ichi Life Holdings

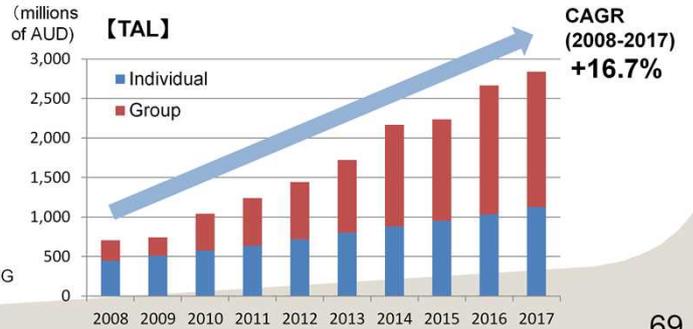
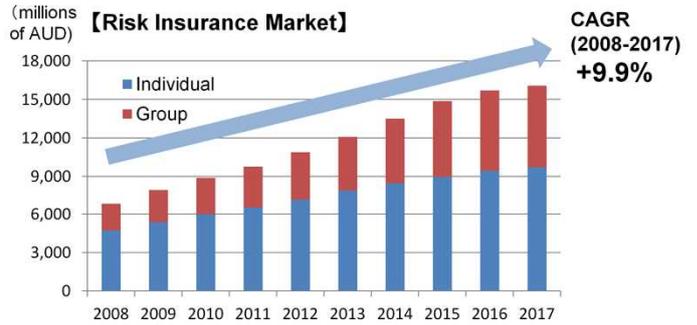
- Risk insurance market continues to expand
- TAL increased its market share by expansion of group insurance and stable growth in individual insurance

## Market Size by Product (1)



Data: Strategic Insight, Total Market Forecast by Swiss Re, Risk Market Forecast by NMG  
 (1) Premium income basis  
 (2) Fiscal year ends on June 30.

## ANP from Policies in Force (2)



## ■ Premium income continues to grow as the business foundation enhances.

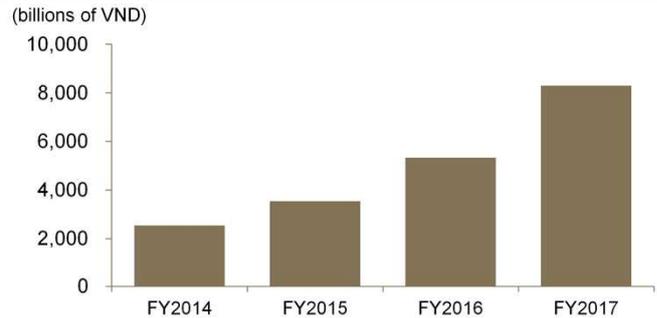
### About Dai-ichi Life Vietnam

- 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: 1,253 (Mar-2018)  
75 thousand agents (part-time)
- Main office: Ho Chi Minh, Vietnam
- Main channel: Individual insurance agent
- Main products: Universal, Endowment
- Market share: 12.2% (Dec-2017, premium income basis)
- Market rank: No. 4 (Dec-2017, premium income basis)

### Insurance Market in Vietnam

- Market size ( 2016 ) :  
[Population 94.4M, GDP 204B USD, Penetration (Life) 1.00%]  
*(Source) Swiss Re, sigma No 3/2016*
- An oligopolistic market: top 7 companies have 92% market share.
- Other major players: Bao Viet (Sumitomo), Prudential (UK), Manulife

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



#### ■ What we have achieved

Expanded market share 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. SUD strengthening the bancassurance channel and individual insurance agents.

## About Star Union Dai-ichi Life

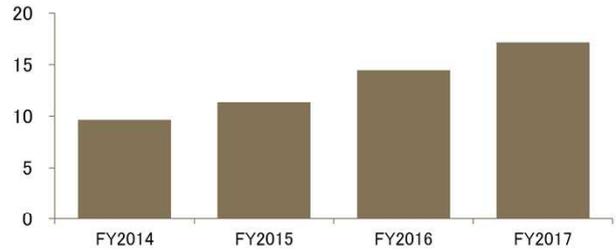
- Established in 2009
- Became affiliate of Dai-ichi in 2009 (Started operation as a JV with Dai-ichi, Bank of India and Union Bank of India)
- Ownership: 45.94%
- No. of Employees: 2,600 (Mar-2018)
- Main office: Mumbai, India
- Main channel: Bancassurance, individual insurance agents, sales reps(fixed salary)
- Main products: Endowment, Annuity
- Market share: 1.8% (Dec-2017, EPI basis, excl. LIC, a government company)
- Market rank: No. 12 (Dec-2017, EPI basis, excl. LIC, a government company)

## Insurance Market in India

- Market size (2016): [Population 1,328.8M, GDP 2,272B USD, Penetration (Life) 2.72%]  
*(Source) Swiss Re, Market analysis 2016 – India*
- A new market to foreign players: LIC has market share of 44% (Dec-2017, 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 persistency rate.

(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 an affiliate in 2013, now strengthening its infrastructure and channel.

## About Panin Dai-ichi Life

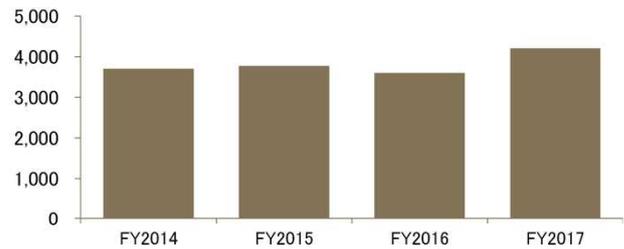
- Established in 1974
- Became affiliate of Dai-ichi in 2013
- Ownership: 40%
- No. of Employees: 377 (Mar-2018)  
5,700 agents (part-time)
- Main office: Jakarta, Indonesia
- Main channel: Bancassurance (mainly with Panin bank), individual insurance agents
- Main products: Investment-linked, unit-linked
- Market share: 2.2% (Dec-2016, premium income basis)
- Market rank: No. 13 (Dec-2016, premium income basis)

## Insurance Market in Indonesia

- Market size (2016):  
[Population 260.9M, GDP 932B USD, Penetration (Life) 1.64%]  
*(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 <sup>(1)</sup>

(billions of IDR)



### ■ What we have achieved

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

### ■ What we'll strive to achieve

We aim for structural reform to increase profitability by enhancing both the bancassurance business and individual agents channels through improved recruitment and training programs.

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



## ■ Strengthening its core individual agency channel for sustainable growth.

### About Ocean Life

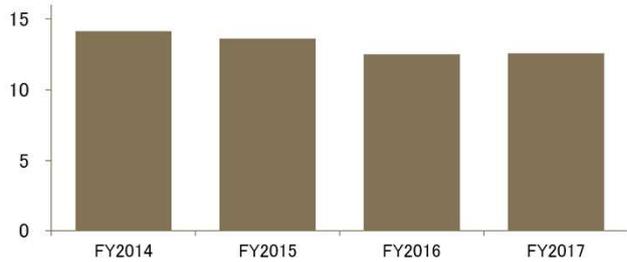
- Established in 1949 (Started as P&C company, entered into Life business in 1951, unbundled business in 1992)
- Became an affiliate of Dai-ichi in 2008
- Ownership: 24%
- No. of Employees: 1,889 (Mar-2018)  
14 thousand agents (part-time)
- Main office: Bangkok, Thailand
- Main channel: Individual insurance 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 (2016):  
[Population 68.2M, GDP 406B USD, Penetration (Life) 3.72%]  
*(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>

(billions of THB)



#### ■ What we have achieved

Maintaining a strong recruitment performance since the second half of 2016, strengthening new employee development efforts, establishing basis for future growth (development of job areas, affinity sales with Thai Post Office, investment product development).

#### ■ What we'll strive to achieve

We will continue to recruit talented personnel with leadership potential for the individual agency channel, strengthen our foundation for future growth in order to achieve sustainable growth.

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

# Asset Management Business



Dai-ichi Life  
Holdings

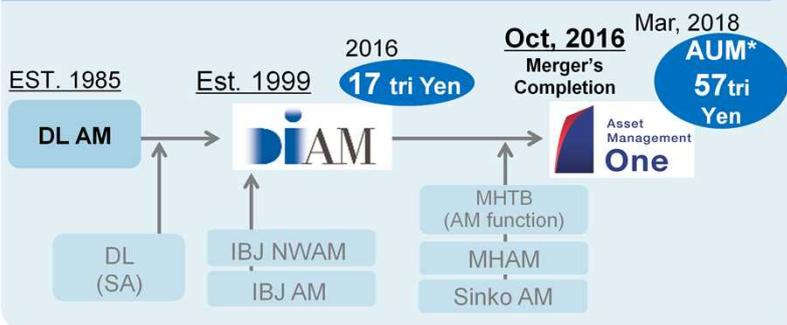


# Overview of group asset management companies

## Domestic

	<b>Asset Management One</b>
Formulation	<b>Oct, 2016</b> (Merger's Completion)
Ownership	<b>49%</b> Joint venture with Mizuho FG (Economic interests : <b>30%</b> )
Headquarter / Offices	Tokyo / <b>4</b> overseas offices ( <b>4</b> countries)
Employees	Approx. <b>1,000</b>
AUM	<b>57</b> trillion Yen as of Mar, 2018

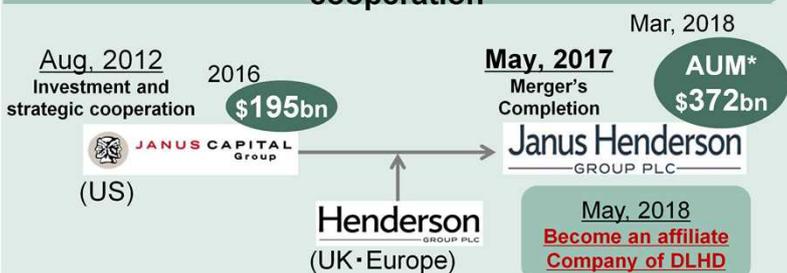
## Reinforce domestic business platform by mergers



## Overseas

	<b>Janus Henderson GROUP PLC</b>	Listed company on NYSE & ASX
Formulation	<b>May, 2017</b> (Merger's Completion)	
Ownership	<b>15.3%*</b>	
Headquarter / Offices	London / <b>27</b> offices ( <b>14</b> countries)	
Employees	More than <b>2,000</b>	
AUM	<b>\$372</b> bn as of Mar, 2018 (Americas : 194 / EMEA : 119 / Asia Pacific : 59)	

## Expand overseas business through strategic cooperation



\*calculated based on figures as of May 4, 2018

\*AUM: Assets under management

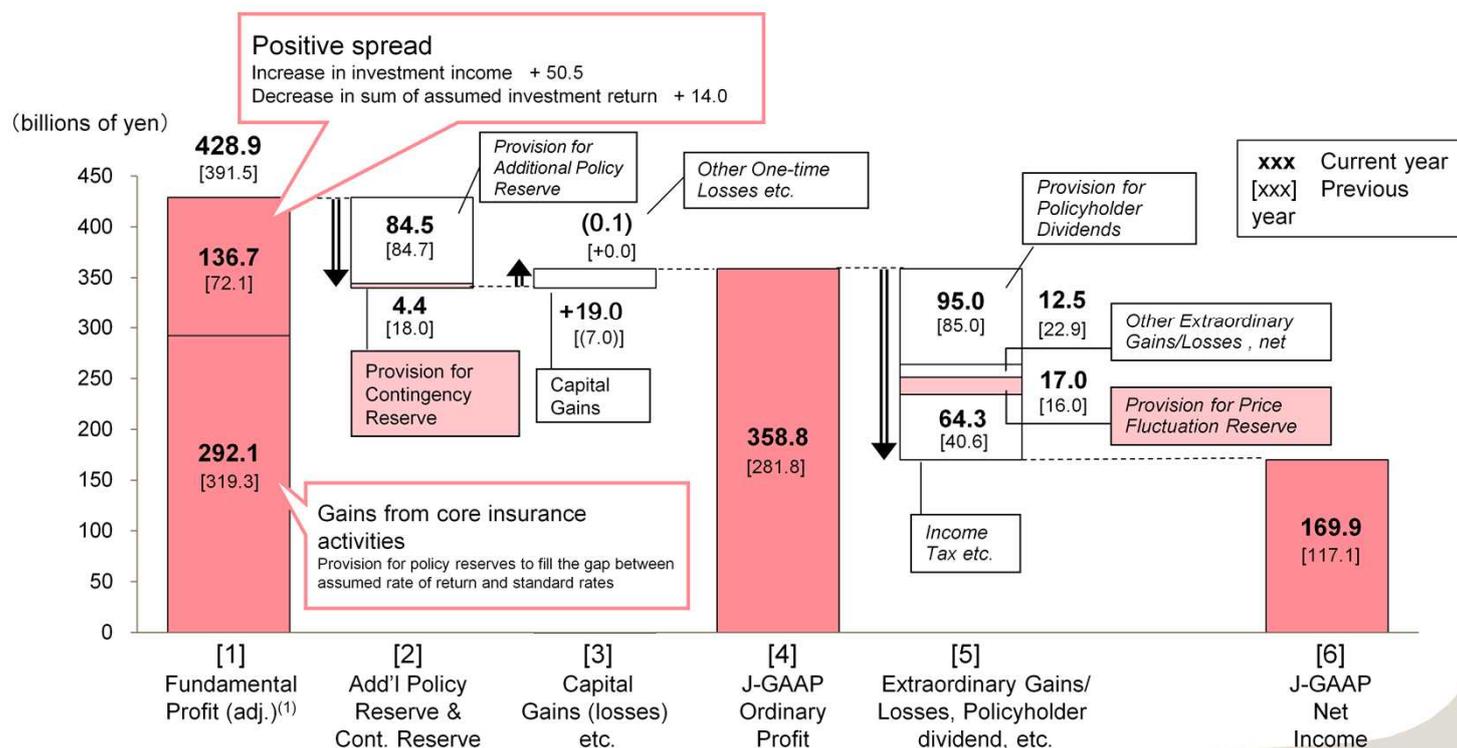
# Dai-ichi Life's Financial Condition, Investment and Asset Management Business



Dai-ichi Life  
Holdings

# Dai-ichi Life's Results – From Fundamental Profit to Net Income

- Significant improvement in positive spread due to favorable impacts from market conditions



(1) Adjusted fundamental profit = (fundamental profit) ± (provision for (reversal of) policy reserve associated with minimum guarantee benefit risk of variable insurance). From the fiscal year ending March 2018, fundamental profit before adjustment does not include the effect of provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance and the effect of change in the exchange rates related to foreign currency denominated insurance contracts.

- This page shows the reconciliation of Dai-ichi Life's fundamental profit to net income. Adjustments related to provision for (reversal of) policy reserves associated with minimum guarantees are made to fundamental profit.
- Adjusted fundamental profit increased from the previous year because of an improvement in positive spreads and capital gains that was in part offset by a decline in gains from core insurance activities. In addition to factors such as the weaker yen and increase in investment returns, positive spread increased because of an increase in income from interest and dividends resulting from investment revenues from gains on distribution from mutual funds. Provision for policy reserves to fill the gap between the company's assumed rate of return and standard rates increased by 37.0 billion yen but was more than offset by the improvement in positive spread and capital gains.
- Please turn to page 10.

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

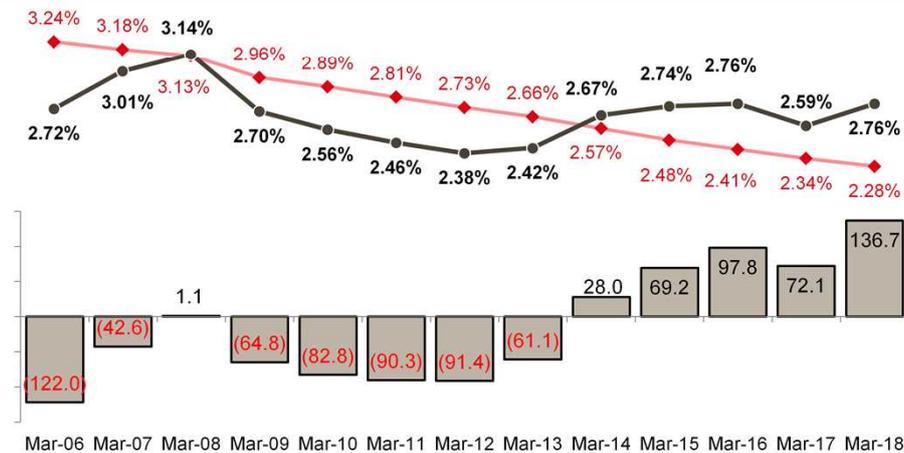


Dai-ichi Life Holdings

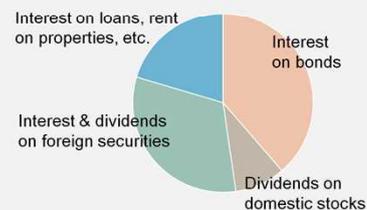
## Provision for Additional Policy Reserve (billions of yen)



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



## Component of Interest and Dividend Income (Mar-18)



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



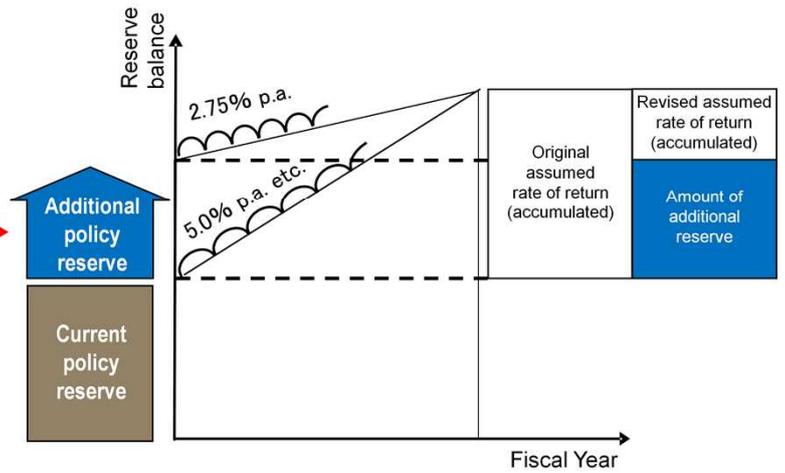
## Policy Reserve Outstanding by Year Signed <sup>(1)</sup>

## 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	648.6	2.75% ~ 5.50%
Mar-82 ~ Mar-86	1,179.6	2.75% ~ 5.50%
Mar-87 ~ Mar-91	4,596.3	2.75% ~ 5.50%
Mar-92 ~ Mar-96	4,268.5	2.75% ~ 5.50%
Mar-97 ~ Mar-01	1,482.2	2.00% ~ 2.75%
Mar-02 ~ Mar-06	1,626.4	1.50%
Mar-07 ~ Mar-11	3,049.1	1.50%
Mar-12 ~ Mar-16	4,878.2	1.00% ~ 1.50%
Mar-17 ~ Mar-18	1,448.7	0.25% ~ 1.00%



(1) Dai-ichi Life non-consolidated basis.

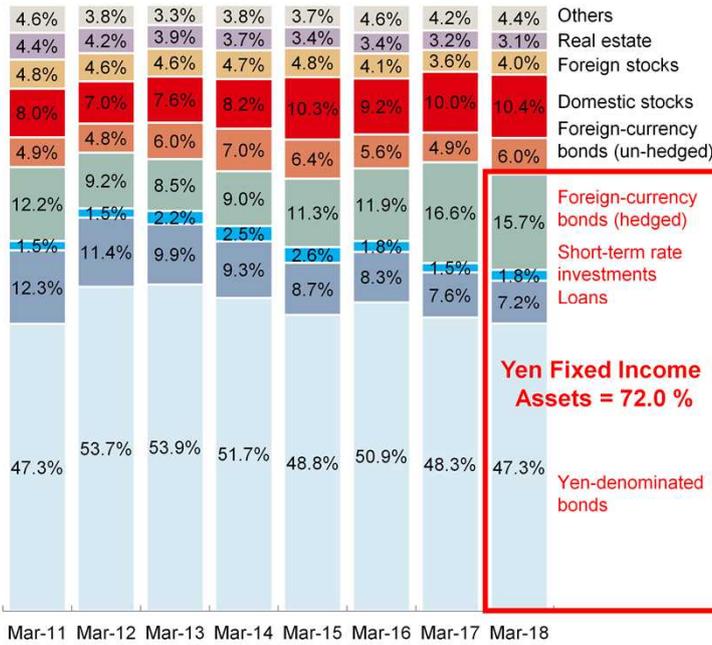
Policy reserve amount include those for individual insurance and annuity products but excludes reserve for separate account and contingency reserve. Certain policies are divided based on actuarially appropriate method into several fiscal years. Assumed rate of returns indicate representative rates against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

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

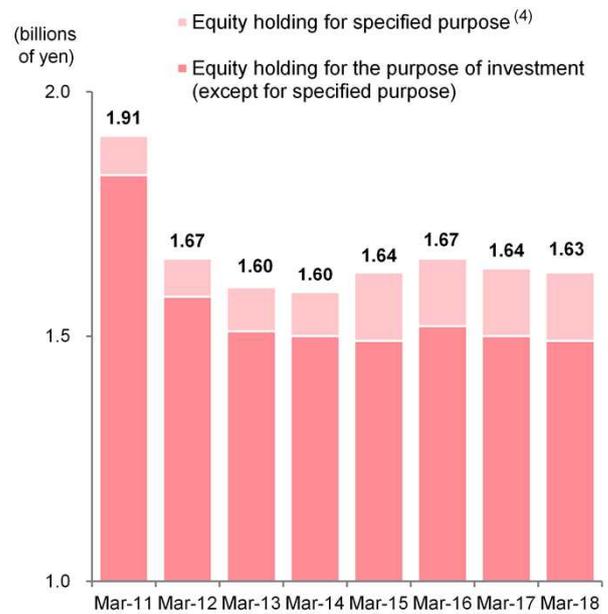


Dai-ichi Life Holdings

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



## Book Value of Domestic Stocks (3)



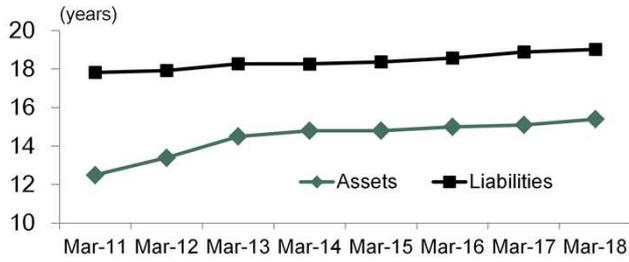
(1) On October 1, 2016, the Group shifted to a holding company structure and stocks of certain subsidiaries and affiliates of former Dai-ichi Life have been held by Dai-ichi Life Holdings. Figures for March 2015 and March 2016 are restated as if the shift to a holding company structure had been completed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

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

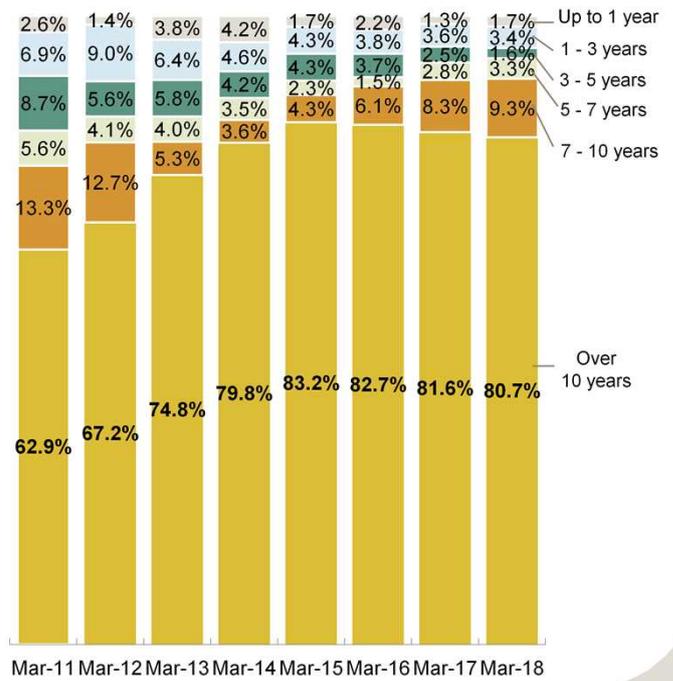


Dai-ichi Life Holdings

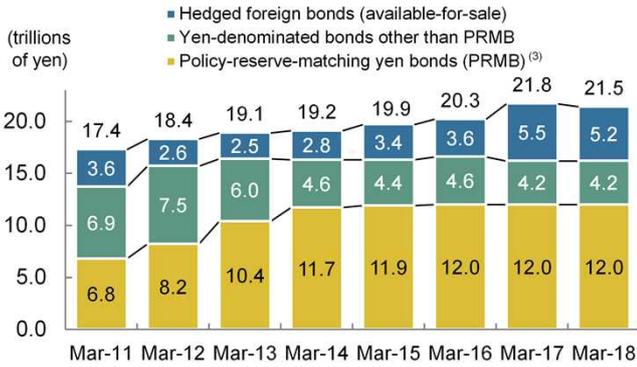
## Duration of Fixed Income Assets <sup>(1)</sup>



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



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

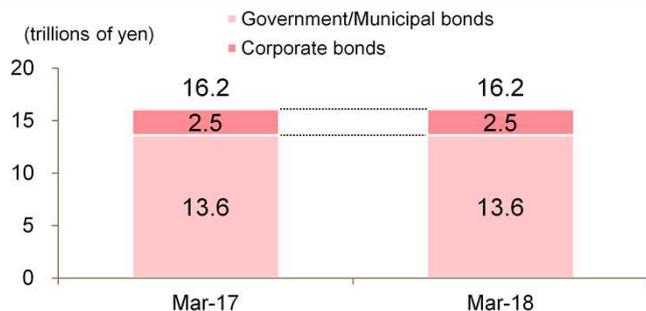


(1) Represents insurance liabilities associated with individual insurance and annuities in the company's general account and duration of yen-based fixed income assets (including derivatives)  
 (2) Represents yen-denominated bonds and foreign bonds with currency hedges in the company's general account. 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.

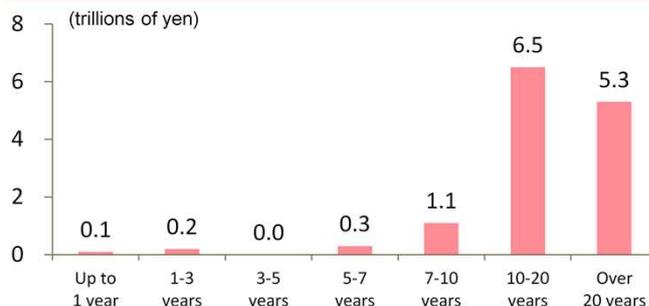


# Dai-ichi Life's Results - General Account Assets (2) Profile of Bonds

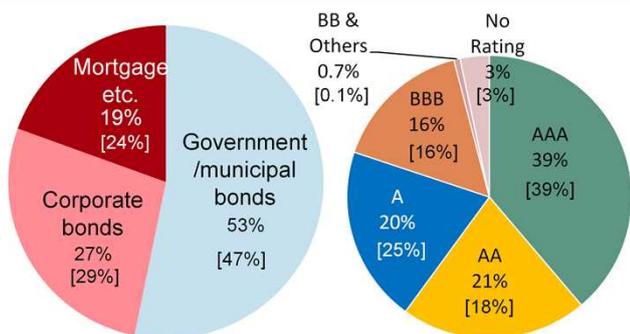
## Yen-denominated Bonds (1)



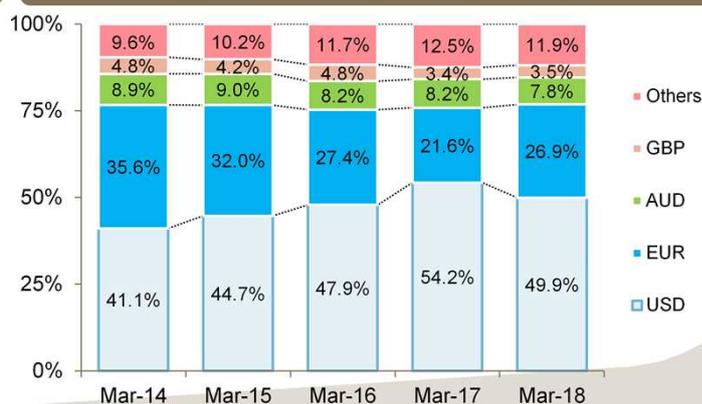
## Domestic Government Bonds (2) by Maturity (Mar-18)



## Foreign Currency Bond Portfolio (2)(3)(4) (Mar-18)



## Foreign Currency Bonds by Currency (2)



(1) Book value - basis  
 (2) Carrying amount - basis  
 (3) Rating breakdown based on ratings from S&P & Moody's, excluding mortgage etc.  
 (4) Figures in [] are as of March 31, 2017.

	Sensitivities <sup>(1)</sup>	Breakeven Points <sup>(2)</sup>
Domestic stocks	<p>Nikkei 225 1,000 yen change:</p> <p>March 2018: ±170 billion yen (March 2017: ±170 billion yen)</p>	<p>Nikkei 225</p> <p>March 2018: 9,500 yen (March 2017: 9,400 yen)</p>
Domestic bonds	<p>10-year JGB Yield 10bp change:</p> <p>March 2018: ± 260 billion yen* (March 2017: ±260 billion yen)</p> <p>* Available-for-sale securities: March 2018: ± 30 billion yen (March 2017: ±30 billion yen)</p>	<p>10-year JGB Yield</p> <p>March 2018: 1.2%* (March 2017: 1.3%)</p> <p>* Available-for-sale securities: March 2018: 1.4% (March 2017: 1.4%)</p>
Foreign securities	<p>JPY / USD 1 yen change:</p> <p>March 2018: ± 27 billion yen (March 2017: ±21 billion yen)</p>	<p>JPY / USD</p> <p>March 2018: \$1 = 103 yen (March 2017: 105 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

# EEV – European Embedded Value (1)

## Dai-ichi Life Group

(billions of yen)

	As of Mar-17	As of Mar-18	Change
EEV of the Group	5,495.4	6,094.1	+ 598.7
EEV for Covered Businesses <sup>(1)</sup>	5,690.1	6,320.8	+ 630.7
Adjusted net worth	6,073.5	6,723.9	+ 650.3
Value of in-force business	(383.4)	(403.0)	(19.6)
Adjustments to net worth etc. of non-covered businesses <sup>(2)</sup>	(194.6)	(226.6)	(32.0)

	Year ended Mar-17	Year ended Mar-18	Change
Value of new business (A)	145.5	190.2	+ 44.7
Present value of premium income (B)	4,953.1	4,427.2	(525.8)
New business margin (A/B)	2.94%	4.30%	+ 1.36pts

- (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 their subsidiaries) are categorized as covered businesses.
- (2) "Adjustments relating to net worth of non-covered businesses" include net worth (1,209.3 billion yen) of non-consolidated Dai-ichi Life Holdings as of March 31, 2018, adjustments related to interest (minus 1,471.0 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 (2)



Dai-ichi Life  
Holdings

(billions of yen)

(billions of yen)

Dai-ichi Life	As of Mar-17	As of Mar-18	Change
EEV	4,427.6	4,887.0	+ 459.4
Adjusted net worth	5,351.9	5,878.1	+ 526.2
Value of in-force business	(924.2)	(991.0)	(66.8)
	Year ended Mar-17	Year ended Mar-18	Change
Value of new business	111.0	149.0	+ 38.0
Present value of premium income	3,355.2	2,133.4	(1,221.7)
New business margin	3.31%	6.98%	+ 3.68pts

Protective	As of Dec-16	As of Dec-17	Change
EEV	589.8	658.6	+ 68.8
Adjusted net worth	421.4	442.1	+ 20.6
Value of in-force business	168.3	216.5	+ 48.2
	Year ended Dec-16	Year ended Dec-17	Change
Value of new business	3.8	1.2	(2.6)
Present value of premium income	544.3	527.4	(16.9)
New business margin	0.71%	0.24%	(0.47)pts

Dai-ichi Frontier Life	As of Mar-17	As of Mar-18	Change
EEV	353.7	401.9	+ 48.1
Adjusted net worth	156.6	243.9	+ 87.3
Value of in-force business	197.1	157.9	(39.1)
	Year ended Mar-17	Year ended Mar-18	Change
Value of new business	17.5	13.1	(4.4)
Present value of premium income	865.3	1,366.6	+ 501.3
New business margin	2.03%	0.96%	(1.07)pts

TAL	As of Mar-17	As of Mar-18	Change
EEV	268.9	282.0	+ 13.1
Adjusted net worth	128.4	132.9	+ 4.4
Value of in-force business	140.4	149.1	+ 8.6
	Year ended Mar-17	Year ended Mar-18	Change
Value of new business	16.9	18.6	+ 1.6
Present value of premium income	166.6	231.8	+ 65.2
New business margin	10.20%	8.04%	(2.15)pts

Neo First Life	As of Mar-17	As of Mar-18	Change
EEV	38.0	50.7	+ 12.7
Adjusted net worth	21.9	18.7	(3.1)
Value of in-force business	16.1	31.9	+ 15.8
	Year ended Mar-17	Year ended Mar-18	Change
Value of new business	(3.9)	3.0	+ 6.9
Present value of premium income	21.6	100.0	+ 78.4
New business margin	(18.13%)	3.06%	+ 21.18pts

Dai-ichi Life Vietnam	As of Dec-16	As of Dec-17	Change
EEV	33.4	61.3	+ 27.8
Adjusted net worth	14.7	28.9	+ 14.2
Value of in-force business	18.7	32.3	+ 13.6
	Year ended Dec-16	Year ended Dec-17	Change
Value of new business		5.1	
Present value of premium income		67.7	
New business margin		7.68%	

	Year ended Mar-17	Year ended Mar-18	Change
Value of new business (ultimate unit cost base)	2.4	8.6	+ 6.2
Present value of premium income	21.6	100.0	+ 78.4
New business margin (ultimate unit cost base)	11.21%	8.69%	(2.52)pts

\* Dai-ichi Life Vietnam applies traditional method.

Protective (applied exchange rate)

Dec-16 EEV: year -end rate 1USD=116.49 yen

Dec-17 EEV: year -end rate 1USD=113.00 yen

TAL (applied exchange rate)

Mar-17 EEV: year -end rate 1AUD=85.84 yen

Mar-18 EEV: year -end rate 1AUD=81.66 yen

Dai-ichi Life Vietnam (applied exchange rate)

Dec-16 EEV: year -end rate 1VND=0.0051 yen

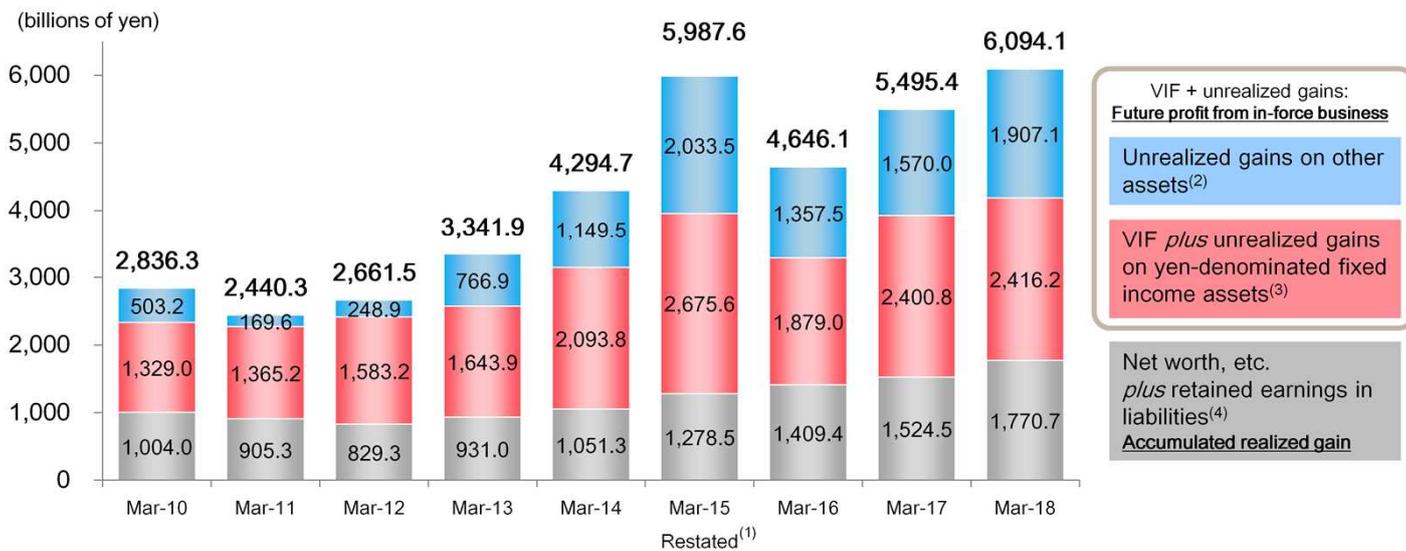
Dec-17 EEV: year -end rate 1VND=0.0050 yen

(Note.) Fiscal year ends on December 31 for Protective and Dai-ichi Life Vietnam

# EEV – European Embedded Value (3)



## EEV of Dai-ichi Life Group after reclassification



- (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 interests 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	Mar-18
<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	6,094.1
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	6,723.9
Value of in-force business	986.0	794.4	213.1	863.3	238.8	446.8	(1,641.2)	(383.4)	(403.0)
Non-covered business								(194.6)	(226.6)
Value of new business	158.1	187.7	211.2	255.4	274.0	286.1	216.1	145.5	190.2
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	4,427.2
New business margins	5.4%	5.9%	5.9%	6.2%	5.3%	5.5%	3.9%	2.9%	4.3%
50 bp upward parallel shift in risk-free yield curve	287.5	277.3	269.3	207.0	352.2	—	492.3	401.6	429.6
50 bp downward parallel shift in risk-free yield curve	(365.3)	(359.4)	(369.1)	(300.2)	(455.2)	—	(348.5)	(527.1)	(560.5)
10% decline in equity and real estate value	(260.4)	(261.1)	(296.6)	(336.0)	(419.4)	—	(406.9)	(459.8)	(490.9)
<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	4,887.0
Value of new business	158.5	168.1	191.1	216.9	198.1	210.2	134.6	111.0	149.0
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	2,133.4
New business margins	5.8%	6.2%	6.4%	8.2%	6.1%	6.5%	4.5%	3.3%	7.0%
<b>Dai-ichi Frontier Life</b>									
EEV	137.8	122.2	129.3	163.8	252.8	252.8	303.2	353.7	401.9
Value of new business	(0.4)	2.4	1.9	22.3	58.6	58.6	53.2	17.5	13.1
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	1,366.6
New business margins	(0.2%)	0.8%	0.4%	1.9%	3.4%	3.4%	3.2%	2.0%	1.0%
<b>Neo First Life</b>									
EEV	—	—	—	—	—	—	41.4	38.0	50.7
Value of new business	—	—	—	—	—	—	—	(3.9)	3.0
Present value of premium income	—	—	—	—	—	—	—	21.6	100.0
New business margins	—	—	—	—	—	—	—	(18.1%)	3.1%
<b>Protective Life</b>									
EEV	—	—	—	—	—	502.9	551.2	589.8	658.6
Value of new business	—	—	—	—	—	—	5.6	3.8	1.2
Present value of premium income	—	—	—	—	—	—	446.5	544.3	527.4
New business margins	—	—	—	—	—	—	1.3%	0.7%	0.2%
<b>TAL</b>									
EEV	112.0	136.4	172.6	186.3	237.8	237.8	267.3	268.9	282.0
Value of new business	13.9	17.4	18.3	18.4	17.3	17.3	22.5	16.9	18.6
Present value of premium income	157.3	181.4	200.8	407.0	205.7	205.7	370.1	166.6	231.8
New business margins	8.8%	9.6%	9.1%	4.5%	8.4%	8.4%	6.1%	10.2%	8.0%

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.  
 The fiscal year of Protective Life ends in December, and the Group converts the dollar amount of Protective EEV using the exchange rate at December-end (Dec-15: 120.61, Dec-16: 116.49, Dec-17: 113.00) to the fiscal year ending March 31 in the following year. For the fiscal year ended March 31, 2015, the Group converts Protective's EEV as of February 1, 2015 using exchange rate of 118.25.  
 The fiscal year of TAL of Australia ends in March. The Group converts Australian dollar amount of TAL EEV using the exchange rate at March end (Mar-11: 86.08, Mar-12: 85.45, Mar-13: 97.93, Mar-14: 95.19, Mar-15: 92.06, Mar-16: 86.25, Mar-17: 85.84, Mar-18: 81.66) for the fiscal year ends in the same year.

# EEV Sensitivity Analysis: Dai-ichi Life Group (as of Mar-2018)



Dai-ichi Life  
Holdings

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

Assumptions	Group EEV	EEV for covered businesses		Adjustments to net worth etc. of non-covered businesses	Value of New Business	
		Adjusted net worth	Value of in-force business			
50bp upward parallel shift in risk-free yield curve	429.6 7%	424.2 7%	(1,398.1) (23%)	1,822.4 30%	5.3 0%	13.8 7%
50bp downward parallel shift in risk-free yield curve	(560.5) (9%)	(555.1) (9%)	1,520.9 25%	(2,076.0) (34%)	(5.4) (0%)	(17.6) (9%)
10% decline in equity and real estate values	(490.9) (8%)	(475.4) (8%)	(456.3) (7%)	(19.0) (0%)	(15.4) (0%)	(0.1) (0%)
10% decline in maintenance expenses	244.5 4%	244.5 4%	0.0 0%	244.5 4%	0.0 0%	15.9 8%
10% decline in surrender and lapse rate	184.9 3%	184.9 3%	0.0 0%	184.9 3%	0.0 0%	19.7 10%
5% decline in mortality and morbidity rate for life insurance products	200.8 3%	200.8 3%	2.6 0%	198.2 3%	0.0 0%	9.6 5%
5% decline in mortality and morbidity rate for annuities	(26.4) (0%)	(26.4) (0%)	(0.3) (0%)	(26.1) (0%)	0.0 0%	(0.3) (0%)
Setting required capital at the statutory minimum level	84.3 1%	84.3 1%	2.1 0%	82.1 1%	0.0 0%	7.2 4%
25% increase in implied volatilities of equity and real estate values	(31.6) (1%)	(31.6) (1%)	2.8 0%	(34.4) (1%)	0.0 0%	(0.4) (0%)
25% increase in implied volatilities of swaptions	(10.5) (0%)	(10.5) (0%)	0.0 0%	(10.5) (0%)	0.0 0%	(0.1) (0%)
Dai-ichi Life Group EEV	6,094.1	6,320.8			(226.6)	190.2

Please refer to "Disclosure of European Embedded Value as of March 31, 2018" released on May 18, 2018 for details.

# EEV Sensitivity Analysis: Dai-ichi Life (as of Mar-2018)



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	443.5 9%	(1,249.1) (26%)	1,692.6 35%	13.6 9%
50bp downward parallel shift in risk-free yield curve	(570.5) (12%)	1,365.3 28%	(1,935.9) (40%)	(16.9) (11%)
10% decline in equity and real estate values	(459.6) (9%)	(462.1) (9%)	2.5 0%	0.1 0%
10% decline in maintenance expenses	214.8 4%	0.0 0%	214.8 4%	13.0 9%
10% decline in surrender and lapse rate	157.2 3%	0.0 0%	157.2 3%	14.5 10%
5% decline in mortality and morbidity rate for life insurance products	148.4 3%	0.0 0%	148.4 3%	3.6 2%
5% decline in mortality and morbidity rate for annuities	(22.1) (0%)	0.0 0%	(22.1) (0%)	(0.3) (0%)
Setting required capital at the statutory minimum level	14.6 0%	0.0 0%	14.6 0%	0.4 0%
25% increase in implied volatilities of equity and real estate values	(17.7) (0%)	0.0 0%	(17.7) (0%)	(0.2) (0%)
25% increase in implied volatilities of swaptions	(10.6) (0%)	0.0 0%	(10.6) (0%)	0.0 0%
Dai-ichi Life EEV	4,887.0			149.0

# EEV Sensitivity Analysis: Dai-ichi Frontier Life (as of Mar-2018)



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	(2.9)	(135.4)	132.5	(0.5)
	(1%)	(34%)	33%	(4%)
50bp downward parallel shift in risk-free yield curve	3.9	140.6	(136.7)	0.3
	1%	35%	(34%)	3%
10% decline in equity and real estate values	(6.3)	(5.5)	(0.8)	0.0
	(2%)	(1%)	(0%)	0%
10% decline in maintenance expenses	4.4	0.0	4.4	1.1
	1%	0%	1%	9%
10% decline in surrender and lapse rate	(2.4)	0.0	(2.5)	(1.2)
	(1%)	0%	(1%)	(10%)
5% decline in mortality and morbidity rate for life insurance products	1.6	0.0	1.6	0.9
	0%	0%	0%	7%
5% decline in mortality and morbidity rate for annuities	0.0	0.0	0.1	0.0
	0%	0%	0%	0%
Setting required capital at the statutory minimum level	0.5	0.0	0.5	0.2
	0%	0%	0%	2%
25% increase in implied volatilities of equity and real estate values	(4.9)	0.0	(4.9)	0.0
	(1%)	0%	(1%)	0%
25% increase in implied volatilities of swaptions	0.4	0.0	0.4	0.0
	0%	0%	0%	0%
Dai-ichi Frontier Life EEV	401.9			13.1

# EEV Sensitivity Analysis: Protective Life (as of Dec-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	(8.0)	(12.7)	4.7	1.1
	(1%)	(2%)	1%	89%
50bp downward parallel shift in risk-free yield curve	2.9	14.3	(11.4)	(1.4)
	0%	2%	(2%)	(117%)
10% decline in equity and real estate values	(10.5)	9.9	(20.5)	(0.2)
	(2%)	2%	(3%)	(21%)
10% decline in maintenance expenses	18.2	0.0	18.2	0.5
	3%	0%	3%	44%
10% decline in surrender and lapse rate	(6.2)	0.0	(6.2)	0.0
	(1%)	0%	(1%)	0%
5% decline in mortality and morbidity rate for life insurance products	34.6	0.0	34.6	2.5
	5%	0%	5%	203%
5% decline in mortality and morbidity rate for annuities	(4.1)	0.0	(4.1)	0.0
	(1%)	0%	(1%)	0%
Setting required capital at the statutory minimum level	68.8	2.1	66.6	6.5
	10%	0%	10%	517%
25% increase in implied volatilities of equity and real estate values	(8.8)	2.8	(11.7)	(0.2)
	(1%)	0%	(2%)	(17%)
25% increase in implied volatilities of swaptions	(0.3)	0.0	(0.3)	0.0
	(0%)	0%	(0%)	0%
50bp upward shift in risk discount rate	(17.1)	0.0	(17.1)	(1.2)
	(3%)	0%	(3%)	(101%)
50bp downward shift in risk discount rate	18.3	0.0	18.3	1.3
	3%	0%	3%	109%
Protective Life EEV	658.6			1.2

# EEV Sensitivity Analysis: TAL (as of Mar-2018)



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	(8.1)	(0.8)	(7.3)	(1.0)
	(3%)	(0%)	(3%)	(5%)
50bp downward parallel shift in risk-free yield curve	8.5	0.5	7.9	1.0
	3%	0%	3%	6%
10% decline in equity and real estate values	(0.2)	(0.1)	(0.1)	0.0
	(0%)	(0%)	(0%)	0%
10% decline in maintenance expenses	5.4	0.0	5.3	0.3
	2%	0%	2%	2%
10% decline in surrender and lapse rate	33.0	0.0	33.0	5.4
	12%	0%	12%	29%
5% decline in mortality and morbidity rate for life insurance products	14.0	2.6	11.3	1.6
	5%	1%	4%	9%
5% decline in mortality and morbidity rate for annuities	(0.2)	(0.2)	0.0	0.0
	(0%)	(0%)	0%	0%
Setting required capital at the statutory minimum level	0.2	0.0	0.2	0.0
	0%	0%	0%	0%
25% increase in implied volatilities of equity and real estate values	0.0	0.0	0.0	0.0
	0%	0%	0%	0%
25% increase in implied volatilities of swaptions	0.0	0.0	0.0	0.0
	0%	0%	0%	0%
TAL EEV	282.0			18.6



## Extrapolation of risk free rate beyond the last liquid point

- We adopt a globally-accepted method using the ultimate forward rate (UFR) for extrapolating risk free rates to calculate EEV and economic solvency ratio, 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 31, 2018" released on May 18, 2018 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 level 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



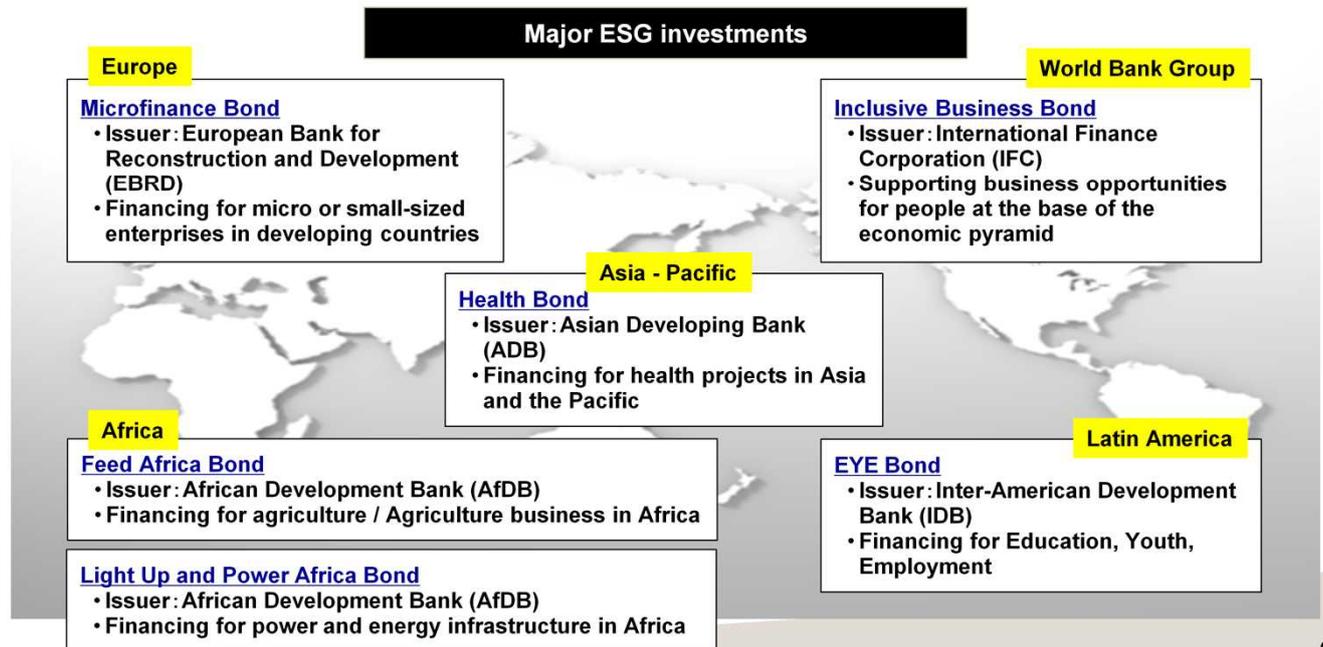
**Translated into ESG**

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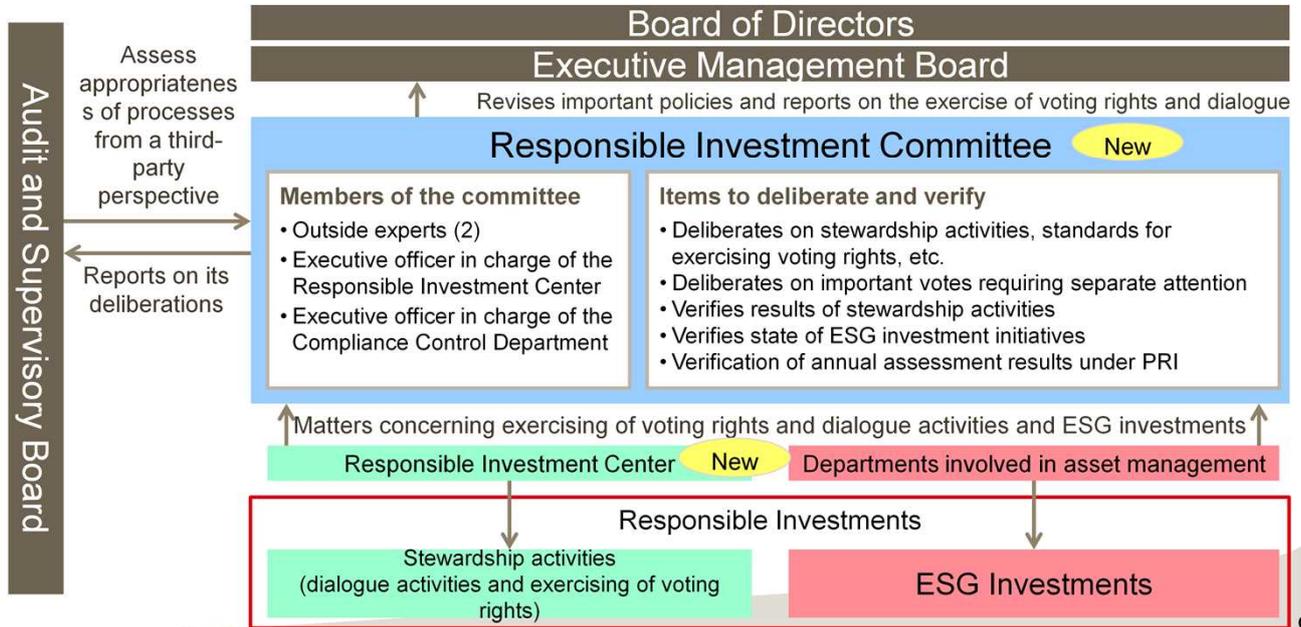
■ The initiatives to solve our 4 Material Issues are now translated into ESG perspective.

<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 energy</b> usage (Improving logistics among branch network)</li> <li>• <b>Reducing paper</b> usage for insurance policy administration</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, Collaboration and cooperation with local governments, Public Health Award, Foundation of the Cardiovascular Institute, Promoting Bone Marrow Bank Donor Registration and Blood Donations, Participation in the "Table for Two Program" etc.

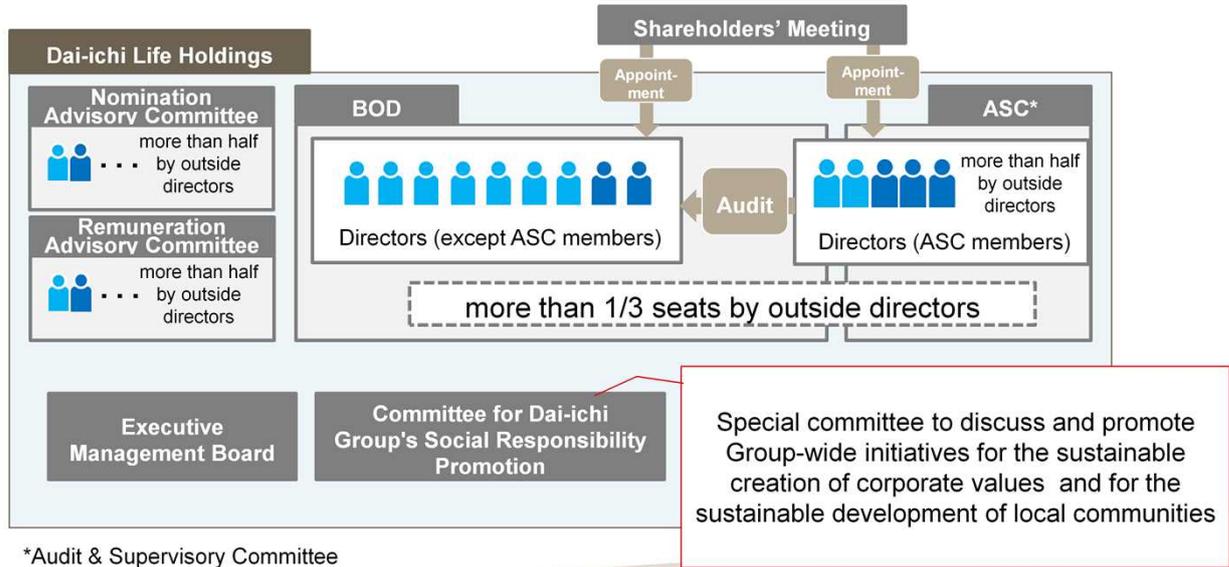
#### 2 Creating an Affluent Next-Generation Society

Initiatives to eliminate the issue of children waiting for daycare and nursing centers, Yellow Badge program, Research Grants for Universities and Scholarships for Students, Holding 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	Mar-18
<b>Domestic Life Insurance Business</b>								
1	Dai-ichi Life	Net income	51.4	85.5	152.1	129.1	117.1	169.9
2		Adjustment (1) Provision for contingency reserve (in excess of statutory amount, net of tax)	49.9	24.9	19.2	12.9	12.9	—
3		Adjustment (2) Provision for price fluctuation reserve (in excess of statutory amount, net of tax)	—	9.7	—	—	—	—
4		Adjustment (3) Gains or losses on accounting for market value adjustment, net of tax	0.0	(0.6)	(0.2)	(0.4)	(0.2)	(0.0)
5		Sub-total	49.9	34.0	18.9	12.5	12.7	(0.0)
6		Adjusted net profit	101.3	119.5	171.1	141.6	129.9	169.8
7	Dai-ichi Frontier Life	Net income	(26.5)	(15.2)	(21.9)	24.3	50.2	37.0
8		Adjustment (1) Provision for contingency reserve (in excess of statutory amount, net of tax)	15.3	—	—	—	—	—
9		Adjustment (2) Provision for price fluctuation reserve (in excess of statutory amount, net of tax)	—	—	—	—	—	—
10		Adjustment (3) Gains or losses on accounting for market value adjustment, net of tax	0.1	(0.9)	46.9	7.5	(27.0)	(7.9)
11		Sub-total	15.4	(0.9)	46.9	7.5	(27.0)	(7.9)
12		Adjusted net profit	(11.1)	(16.1)	24.9	31.8	23.2	29.1
13	Neo First Life	Net income	—	—	0.4	(7.1)	(5.9)	(8.3)
14		Adjusted net profit	—	—	0.4	(7.1)	(5.9)	(8.3)
15	Adjusted profits of domestic life insurance business		90.2	103.4	196.6	166.4	147.1	190.6
<b>Overseas Insurance Business</b>								
16	Protective Life	Adjusted net profit	—	—	—	32.3	45.7	34.9
17	TAL	Adjusted net profit	8.9	8.6	12.1	10.3	12.7	10.5
18	Adjusted profits of overseas insurance business		9.8	10.8	15.7	45.7	61.5	46.8
19	Asset Management Business	Adjusted net profit	1.8	4.4	6.1	5.9	5.8	5.3
20	Holding company	Adjusted net profit	—	—	—	—	0.0	0.3
21	Consolidation adjustment	Adjustment (1) Dividends from subsidiaries and affiliates	1.7	2.7	3.6	13.5	4.4	—
22		Adjustment (2) Amortization of goodwill	3.8	5.1	8.6	6.3	5.6	7.0
23		Adjustment (3) Gains on change in equity	—	—	—	—	(12.4)	(33.5)
24		Adjustment (4) Impact of U.S. Tax change	—	—	—	—	—	(90.1)
25		Adjustment (5) Others	(1.4)	(0.1)	(2.2)	(0.3)	0.0	3.9
26	<b>Group Adjusted Profits (Items 26 = 15 + 18 + 19 + 20 - 21)</b>		100.0	116.0	214.7	204.6	210.1	243.2
27	<b>Consolidated net income (Items 27 = 26 - 5 - 11 - 22 - 23 - 24 - 25)</b>		32.4	77.9	142.4	178.5	231.2	363.9

# Dai-ichi Life Holding's Results – Consolidated 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	Mar-18
Ordinary revenues	4,571,556	4,931,781	5,283,989	6,044,955	7,252,242	7,333,947	6,456,796	7,037,827
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	4,884,579
Investment income	922,787	1,035,662	1,335,120	1,320,066	1,444,012	1,344,852	1,626,177	1,802,626
Interest and dividends	698,753	698,627	709,592	797,309	856,550	1,075,389	1,107,793	1,197,362
Gains on sale of securities	212,360	259,619	226,587	210,417	162,163	222,409	223,704	236,702
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	127,428
Other ordinary revenues	336,313	356,539	302,037	371,659	375,513	403,094	361,883	350,621
Ordinary expenses	4,490,356	4,705,860	5,126,695	5,740,205	6,845,400	6,915,780	6,031,476	6,565,833
Benefits and claims	2,711,314	2,688,419	2,795,355	2,903,587	3,380,827	3,830,941	3,618,385	3,789,907
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	1,223,870
Investment expenses	444,681	380,315	221,738	234,950	168,935	524,041	342,102	548,957
Losses on sale of securities	120,960	180,717	66,203	67,494	24,221	64,289	94,260	115,943
Losses on valuation of securities	179,622	44,713	3,210	1,407	469	4,128	27,172	4,709
Derivative transaction losses	—	36,543	63,369	61,093	5,551	53,857	29,464	78,917
Foreign exchange losses	28,122	29,084	—	13,233	68,177	180,451	73,705	245,255
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	661,110
Other ordinary expenses	433,015	447,390	431,227	449,236	465,022	403,052	403,258	341,986
Ordinary profit	81,199	225,920	157,294	304,750	406,842	418,166	425,320	471,994
Extraordinary gains	40,023	30,477	8,882	3,634	3,310	308	17,495	34,182
Extraordinary losses	11,526	36,348	24,054	67,374	29,451	55,272	47,447	34,416
Provision for reserve for policyholder dividends	78,500	69,000	86,000	94,000	112,200	97,500	85,000	95,000
Income before income taxes, etc.	31,196	151,048	56,122	147,010	268,502	265,702	310,367	376,760
Total of corporate income taxes	12,133	133,621	26,538	70,753	126,013	87,177	79,071	12,831
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	363,928

# Dai-ichi Life Holding's Results – Consolidated 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	As of Mar-18
<b>Total assets</b>	32,297,862	33,468,670	35,694,411	37,705,176	49,837,202	49,924,922	51,985,850	53,603,028
Cash, deposits and call loans	501,904	564,387	848,717	1,061,394	1,253,844	960,305	980,465	1,055,885
Monetary claims bought	291,115	294,324	285,082	281,859	265,813	239,299	198,294	195,133
Securities	25,597,752	27,038,793	29,390,963	31,203,581	41,105,413	41,560,060	43,650,962	44,916,958
Loans	3,627,991	3,413,620	3,140,990	3,024,702	3,898,148	3,715,562	3,566,603	3,487,682
Tangible fixed assets	1,296,105	1,254,685	1,236,270	1,215,895	1,217,070	1,178,817	1,138,416	1,130,525
Deferred tax assets	477,206	284,562	67,636	5,734	1,379	1,344	150	1,201
<b>Total liabilities</b>	31,566,027	32,476,924	34,045,391	35,757,563	46,247,274	46,991,963	48,848,583	49,853,756
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	45,513,790
Policy reserves	29,039,453	29,862,729	31,012,539	32,574,923	41,634,712	42,922,534	43,740,238	44,597,717
Bonds payable	149,129	148,652	154,584	107,562	489,045	485,682	989,743	968,938
Other liabilities	1,126,459	1,188,105	1,496,592	1,593,272	1,864,717	1,486,611	1,852,035	1,998,151
Net defined benefit liabilities	420,067	433,791	439,734	385,436	331,322	443,842	421,560	413,189
Reserve for price fluctuations	80,596	74,831	89,228	118,167	136,254	155,246	174,677	195,797
Deferred tax liabilities	798	9,719	13,511	15,108	643,398	270,750	324,496	357,859
<b>Total net assets</b>	731,835	991,745	1,649,020	1,947,613	3,589,927	2,932,959	3,137,266	3,749,271
Total shareholders' equity	548,928	569,253	563,340	628,538	1,029,622	1,129,262	1,300,756	1,589,623
Total accumulated other comprehensive income	171,169	413,249	1,078,784	1,318,435	2,559,484	1,802,698	1,835,262	2,158,300
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	2,238,159
Reserve for land revaluation	(65,194)	(61,616)	(36,995)	(38,320)	(33,424)	(16,402)	(17,541)	(12,423)

# 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	Mar-18
Ordinary revenues	4,308,466	4,398,207	4,315,957	4,384,670	4,798,467	4,265,779	3,946,774	3,791,933
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	2,321,998
Investment income	922,686	974,046	1,104,462	1,161,432	1,174,430	1,060,017	1,072,049	1,151,279
Interest and dividends	698,159	691,988	695,667	775,206	802,330	802,203	773,506	836,004
Gains on sale of securities	212,245	259,461	211,859	202,364	146,542	211,921	200,059	229,603
Derivative transaction gains	9,842	—	—	—	9,411	—	—	—
Gains on investments in separate accounts	—	16,646	166,594	149,010	183,263	—	54,786	53,178
Other ordinary revenues	329,224	368,063	289,631	355,176	357,675	339,158	327,143	318,655
Ordinary expenses	4,229,564	4,154,442	4,142,150	4,077,058	4,389,702	3,921,556	3,664,964	3,433,070
Benefits and claims	2,625,013	2,508,726	2,467,768	2,439,165	2,718,186	2,681,396	2,327,502	2,265,295
Provision for policy reserves and others	322,580	431,636	642,751	583,309	702,820	209,103	273,344	166,356
Provision (Reversal) for contingency reserve	(25,000)	(79,000)	72,000	36,000	27,000	18,000	18,000	4,400
Investment expenses	429,594	363,380	206,514	213,928	131,253	273,985	286,301	290,370
Losses on sale of securities	120,905	180,705	66,196	67,303	24,412	62,457	91,167	111,285
Losses on valuation of securities	179,621	44,713	3,210	1,401	469	873	24,814	825
Derivative transaction losses	—	31,156	48,996	49,146	—	54,120	14,750	32,771
Foreign exchange losses	28,417	34,444	15,462	19,915	38,047	53,872	81,093	75,078
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	408,621
Other ordinary expenses	427,688	435,087	416,239	430,140	438,854	352,956	355,726	302,427
Ordinary profit	78,902	243,765	173,806	307,612	408,764	344,222	281,810	358,863
Extraordinary gains	40,101	7,589	8,877	3,618	3,029	286	4,976	514
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	30,111
Provision for price fluctuation reserve	—	—	14,000	28,000	16,000	16,000	16,000	17,000
Provision for reserve for policyholder dividends	78,500	69,000	86,000	94,000	112,200	97,500	85,000	95,000
Total of corporate income taxes	11,739	128,766	21,716	65,270	120,145	65,611	40,660	64,360
Net income	16,936	17,624	51,465	85,544	152,196	129,123	117,191	169,905

(billions of yen)

Fundamental profit	275.9	302.4	314.5	399.8	458.2	465.4	391.6	429.0
Investment gains and losses	(90.3)	(91.4)	(61.1)	28.0	69.2	97.8	72.1	136.7
Gains from core insurance activities	366.5	393.3	373.0	369.5	387.9	367.1	319.3	292.1
Provision for additional policy reserve	112.6	105.9	150.7	126.7	122.9	142.1	84.2	84.1

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. Figures of "Fundamental Profit" represent those based on the previous disclosure format.

# 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	As of Mar-18
<b>Total assets</b>	30,869,661	31,461,940	33,072,490	34,028,823	36,828,768	35,894,956	33,686,645	3,339,190
Cash, deposits and call loans	467,149	499,298	729,401	908,473	1,018,727	645,237	536,954	638,630
Monetary claims bought	291,115	294,324	283,103	275,818	259,735	233,206	192,213	191,108
Securities	24,294,557	25,333,423	27,161,984	28,005,170	30,673,366	30,250,119	30,498,102	30,961,195
Loans	3,627,422	3,412,529	3,139,671	3,023,173	3,029,295	2,826,052	2,657,852	2,562,316
Tangible fixed assets	1,295,811	1,254,198	1,236,034	1,215,576	1,203,289	1,164,183	1,124,412	1,116,133
Deferred tax assets	475,198	282,638	65,570	11,163	—	—	—	—
<b>Total liabilities</b>	30,103,223	30,433,560	31,394,799	32,056,983	33,277,434	32,791,760	33,205,016	33,450,931
Policy reserves and others	28,190,891	28,529,906	29,168,377	29,744,001	30,449,617	30,635,217	30,864,753	30,953,878
Policy reserves	27,589,524	28,011,648	28,637,045	29,199,269	29,840,974	29,984,210	30,249,170	30,407,218
Contingency reserve	502,093	423,093	495,093	531,093	558,093	576,093	594,093	598,493
Bonds payable	149,129	148,652	154,584	107,562	215,727	215,727	476,277	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	1,054,754
Reserve for employees' retirement benefits	418,312	432,022	437,514	407,170	389,480	377,967	380,870	392,948
Reserve for price fluctuations	80,453	74,453	88,453	116,453	132,453	148,453	164,453	181,453
Deferred tax liabilities	—	—	—	—	413,815	138,696	129,833	203,767
<b>Total net assets</b>	766,437	1,028,379	1,677,691	1,971,839	3,551,333	3,103,195	2,481,628	2,888,259
Total shareholders' equity	592,808	610,399	623,524	696,272	1,107,375	1,175,581	561,230	696,041
Total of valuation and translation adjustments	173,629	417,829	1,053,786	1,274,983	2,443,204	1,926,688	1,920,398	2,192,217
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	2,213,897
Reserve for land revaluation	(65,194)	(61,616)	(36,995)	(38,320)	(33,424)	(16,402)	(17,541)	(12,423)

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



Dai-ichi Life  
Holdings

(millions of yen)

	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18
Ordinary revenues	781,732	1,417,841	2,157,598	1,967,582	1,183,254	1,809,449
Premium and other income	551,019	1,266,038	1,899,783	1,873,070	988,874	1,607,943
Variable products	157,366	288,321	197,942	158,263	51,039	25,466
Fixed products (yen-denominated)	147,321	366,361	281,372	320,949	66,028	126,420
Fixed products (foreign currency-denominated)	182,958	491,090	1,236,266	1,200,378	748,233	1,214,804
Investment income	230,712	151,800	257,791	94,506	194,174	201,497
Hedge gains related to GMMB risk	—	—	—	2,326	—	—
Foreign exchange gain	33,619	6,610	—	—	7,063	—
Gains on investments in separate accounts	168,700	113,353	186,450	—	60,932	74,249
Ordinary expenses	810,334	1,433,733	2,177,375	1,937,925	1,119,509	1,748,600
Benefits and claims	225,587	323,877	496,228	495,771	555,592	784,889
Provision (Reversal) for policy reserves and others	520,132	1,018,384	1,523,264	1,136,503	470,928	691,324
Related to GMMB risk	(17,377)	7,691	2,415	31,564	2,904	(4,652)
Contingency reserve	35,245	14,871	13,040	(5,669)	326	7,011
Investment expenses	39,360	35,846	52,066	197,129	36,043	202,371
Hedge losses related to GMMB risk	31,171	30,664	9,275	—	30,751	23,510
Foreign exchange loss	—	—	30,021	126,521	—	170,023
Losses on investments in separate accounts	—	—	—	64,626	—	—
Ordinary profit (loss)	(28,601)	(15,892)	(19,777)	29,657	63,744	60,849
Gain (Loss) related to market value adjustment <sup>(1)</sup>	(117)	1,001	(46,895)	(8,433)	32,352	11,063
Extraordinary gains	—	—	—	—	—	—
Extraordinary losses	398	943	2,124	2,992	3,448	4,124
Provision for price fluctuation reserve	397	939	2,067	2,992	3,443	4,124
Total of corporate income taxes	501	65	9	2,356	10,048	19,640
Net income (loss)	(29,501)	(16,901)	(21,910)	24,308	50,247	37,084

(millions of yen)

	As of Mar-13	As of Mar-14	As of Mar-15	As of Mar-16	As of Mar-17	As of Mar-18
Total assets	2,373,197	3,392,400	4,937,267	6,132,279	6,742,468	7,534,687
Cash, deposits and call loans	62,567	78,090	81,321	118,431	109,844	171,963
Securities	2,236,570	3,220,656	4,715,429	5,836,582	6,214,999	6,765,295
Total liabilities	2,308,682	3,344,071	4,879,855	6,046,359	6,632,147	7,382,645
Policy reserves and others	2,269,986	3,288,370	4,811,634	5,948,138	6,419,066	7,110,390
Policy reserves	2,268,447	3,285,885	4,807,086	5,941,162	6,409,889	7,097,865
Contingency reserve	92,403	107,274	120,314	114,644	114,970	121,982
Total net assets	64,515	48,329	57,411	85,920	110,320	152,041
Total shareholders' equity	57,269	40,367	18,457	42,765	93,012	130,096
Capital stock	117,500	117,500	117,500	117,500	117,500	117,500
Capital surplus	67,500	67,500	67,500	67,500	67,500	67,500
Retained earnings	(127,730)	(144,632)	(166,542)	(142,234)	(91,987)	(54,903)

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

# Neo First Life' Results - Summary Financial Statements



Dai-ichi Life  
Holdings

## Profit and Loss Statement

## Balance Sheet

(millions of yen)

	Mar-16	Mar-17	Mar-18
Ordinary revenues	3,940	4,798	24,655
Premium and other income	3,892	4,789	24,598
Investment income	2	1	10
Interest and dividends	2	1	9
Other ordinary revenues	45	7	46
Ordinary expenses	11,049	10,734	32,944
Benefits and claims	1,343	1,395	1,707
Provision for policy reserves and others	154	805	14,278
Provision (Reversal) for contingency reserve	(26)	68	173
Investment expenses	0	0	0
Operating expenses	9,346	8,427	16,786
Other ordinary expenses	203	105	171
Ordinary profit (loss)	(7,109)	(5,935)	(8,288)
Extraordinary gains	-	12	3
Reversal of price fluctuation reserve	-	12	3
Extraordinary losses	2	0	13
Provision for price fluctuation reserve	0	-	-
Total of corporate income taxes	4	7	8
Net income (loss)	(7,116)	(5,929)	(8,306)
	(millions of yen)		
Fundamental profit	(7,136)	(5,866)	(8,115)

(millions of yen)

	As of Mar-16	As of Mar-17	As of Mar-18
Total assets	29,771	24,377	44,977
Cash, deposits and call loans	26,739	22,407	35,065
Securities	2,280	1,060	2,455
Tangible fixed assets	221	175	213
Total liabilities	2,425	2,963	26,871
Policy reserves and others	999	1,804	16,083
Policy reserves	882	1,650	15,864
Contingency reserve	428	497	670
Other liabilities	1,370	1,123	10,729
Reserve for employees' retirement benefits	6	-	-
Reserve for price fluctuations	20	7	4
Deferred tax liabilities	1	0	0
Total net assets	27,346	21,414	18,106
Total shareholders' equity	27,343	21,413	18,106
Total of valuation and translation adjustments	2	0	0

# Protective Life' Results - Summary Financial Statements



Dai-ichi Life  
Holdings

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

(thousands of USD)

	11 months to Dec-15	FY Dec-16	FY Dec-17
Premium and policy fees, net of reinsurance ceded	1,853,072	2,093,215	2,116,684
Net investment income	1,632,948	1,942,456	2,051,588
Realized investment gains (losses):			
Derivative financial instruments	29,997	(40,288)	(305,828)
All other investments	(166,886)	90,659	121,428
Other-than-temporary impairment losses	(28,659)	(32,075)	(3,962)
Portion recognized in other comprehensive income (before tax)	1,666	14,327	(7,780)
Net impairment losses recognized in earnings	(26,993)	(17,748)	(11,742)
Other income	388,531	415,653	446,662
<b>Total revenue</b>	<b>3,710,669</b>	<b>4,483,947</b>	<b>4,418,792</b>
Benefits and settlement expenses, net of reinsurance ceded	2,539,943	2,880,435	2,957,270
Amortization of deferred policy acquisition cost and value of business acquired	94,056	149,064	78,221
Other operating expenses, net of reinsurance ceded	676,828	860,451	948,244
<b>Total benefits and expenses</b>	<b>3,310,827</b>	<b>3,889,950</b>	<b>3,983,735</b>
Income before income tax	399,842	593,997	435,057
Income tax expense (benefit)	131,543	200,968	(671,475)
<b>Net income</b>	<b>268,299</b>	<b>393,029</b>	<b>1,106,532</b>
<b>Adjusted Operating Income (Loss)</b>			
Life Marketing	57,414	39,745	50,778
Acquisitions	194,654	260,511	249,749
Annuities	180,231	213,293	213,080
Stable Value Products	56,581	61,294	105,261
Asset Protection	20,627	16,487	24,356
Corporate and Other	(25,067)	(87,961)	(136,332)
<b>Pre-tax adjusted operating income</b>	<b>484,440</b>	<b>503,369</b>	<b>506,892</b>
Realized investment gains (losses) - investments	(185,153)	48,551	149,166
Realized investment gains (losses) - derivatives	100,555	42,077	(221,001)
Income before income tax	399,842	593,997	435,057
Income tax (expense) benefit	(131,543)	(200,968)	671,475
<b>Net income</b>	<b>268,299</b>	<b>393,029</b>	<b>1,106,532</b>

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

(thousands of USD)

	As of Dec-15	As of Dec-16	As of Dec-17
Total investments	45,170,550	50,696,163	54,621,814
Reinsurance receivables	5,536,751	5,323,846	5,075,698
Deferred policy acquisition costs and value of business acquired	1,558,808	2,019,829	2,199,577
Goodwill	732,443	793,470	793,470
Other intangibles, net of accumulated depreciation	645,131	688,083	663,572
<b>Total assets</b>	<b>68,488,697</b>	<b>75,003,379</b>	<b>79,629,767</b>
Total policy liabilities and accruals	30,427,433	31,359,580	31,832,997
Total stable value products and annuity account balances	12,851,684	14,143,751	15,619,561
Non-recourse funding obligations	685,684	2,796,474	2,747,477
Debt	1,588,806	1,163,285	945,052
Subordinated debt securities	448,763	441,202	495,289
Total shareowner's equity	4,581,224	5,471,521	7,127,199
<b>Total liabilities and net assets</b>	<b>68,488,697</b>	<b>75,003,379</b>	<b>79,629,767</b>

(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.

# TAL's Results – Summary Financial Statements



Dai-ichi Life  
Holdings

(millions of AUD)

	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18
Ordinary revenues	2,041	2,386	2,849	3,166	3,231	3,574	3,769
Premium and other income	1,640	1,864	2,316	2,745	3,020	3,251	3,482
Investment income	106	281	280	334	31	243	152
Other ordinary revenues	294	240	252	86	179	78	135
Ordinary expenses	1,898	2,254	2,710	2,982	3,079	3,363	3,570
Benefits and claims	1,096	1,177	1,564	1,808	1,949	2,218	2,476
Provision for policy reserves and others	251	459	503	447	312	292	282
Investment expenses	33	32	32	38	72	49	40
Operating expenses	441	505	519	579	636	689	663
Other ordinary expenses	75	80	90	109	108	113	127
Ordinary profit	142	131	139	184	152	211	199
Extraordinary losses	2	1	-	-	0	-	-
Total of corporate income taxes	46	38	48	52	32	62	70
Net income	93	91	90	131	119	148	128
Underlying profit	109	123	130	146	168	180	183
Adjustments after tax	15	32	40	15	48	31	54
Discount rate changes	(18)	(11)	5	(25)	(7)	1	8
Amortization charges	23	21	20	21	20	20	19
Preferred stock dividends	16	10	11	15	18	19	9
Others	(5)	11	2	3	17	(8)	16

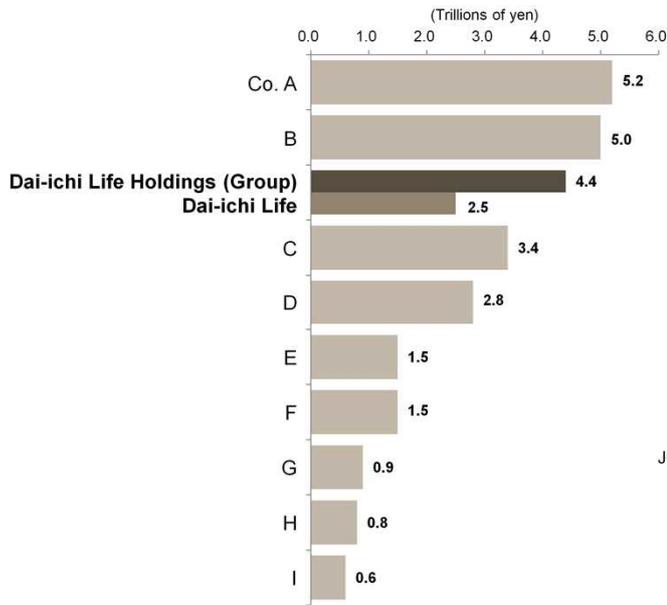
(millions of AUD)

	As of Mar-12	As of Mar-13	As of Mar-14	As of Mar-15	As of Mar-16	As of Mar-17	As of Mar-18
Total assets	5,067	5,499	6,086	6,674	7,043	7,178	6,099
Cash and deposits	378	467	676	924	1,358	1,559	1,235
Securities	2,659	2,808	2,852	3,070	2,859	2,830	2,041
Tangible fixed assets	2	0	0	1	0	0	0
Intangible fixed assets	1,294	1,263	1,271	1,235	1,207	1,178	1,150
Goodwill	783	783	791	786	786	786	786
Other intangible fixed assets	511	480	480	449	420	392	363
Reinsurance receivable	90	48	72	116	148	131	129
Other assets	641	910	1,213	1,326	1,470	1,478	1,542
Total liabilities	3,343	3,688	4,184	4,641	4,890	4,887	3,699
Policy reserves and others	2,369	2,811	2,960	3,340	3,491	3,525	2,396
Reinsurance payables	215	295	385	335	332	290	277
Bonds payable	-	-	-	-	-	240	240
Other liabilities	670	680	721	859	978	734	688
Deferred tax liabilities	87	101	117	106	89	95	96
Total net assets	1,724	1,810	1,901	2,033	2,152	2,291	2,400
Total shareholders' equity	1,724	1,810	1,901	2,033	2,152	2,291	2,400
Capital stock	1,630	1,630	1,630	1,630	1,630	1,630	1,630
Retained earnings	93	180	270	402	522	660	769

(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.



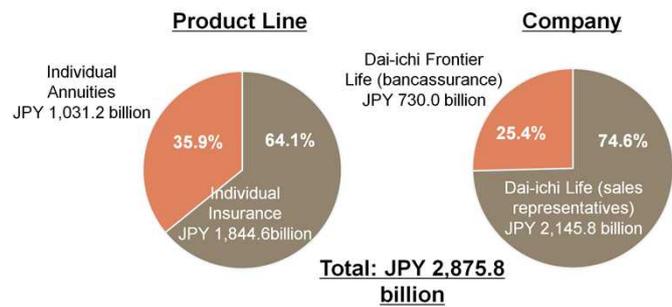
## Life Insurance Premium and Other Income<sup>(1)</sup>



## Key Statistics<sup>(2)</sup>

Premium and Other Income (Consolidated, JPY in Billions)	4,884.5
Total Assets (Consolidated, JPY in Billions)	53,603.0
Group European Embedded Value (JPY in Billions)	6,094.1
Sales Representatives (Dai-ichi Life) <sup>(3)</sup>	44,626
Solvency Margin Ratio (Dai-ichi Life)	881.8%
Insurer Financial Strength Rating <sup>(4)</sup> (S&P / Moody's / Fitch)	A+ / A1 / A+

## Annualized Net Premium (ANP) from Policies in Force<sup>(5)</sup>



Source: Public disclosures of each company

(1) For the fiscal year ended March 31, 2017. Japan-based companies only. Consolidated basis. Ranking of results announced before May 26, 2017.

(2) As of or for the fiscal year ended March 31, 2018 unless otherwise noted.

(3) 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.

(4) Ratings of Dai-ichi Life as of end of April 2018.

(5) As of March 31, 2018. Individual business only. Dai-ichi Life + Dai-ichi Frontier Life.



**1<sup>st</sup>** mutual life insurance company established in Japan (1902) and **1<sup>st</sup>** major Japanese life insurance company to go public (2010)

**3<sup>rd</sup> largest** life insurance company in Japan in terms of premium and other income: US\$39bn<sup>1</sup> for the fiscal year ended March 2017

**Sustainable and strong** growth of net income: US\$3,425mm<sup>1</sup> for the fiscal year ended March 2018

**Three** growth engines: Domestic Life Insurance, Overseas Life Insurance and Asset Management

**Solid** strategy and operating performance in growth areas of Domestic Life Insurance

**First** mover in global expansion: Large geographical footprint in 7 countries

**First-class** asset management and ERM capability

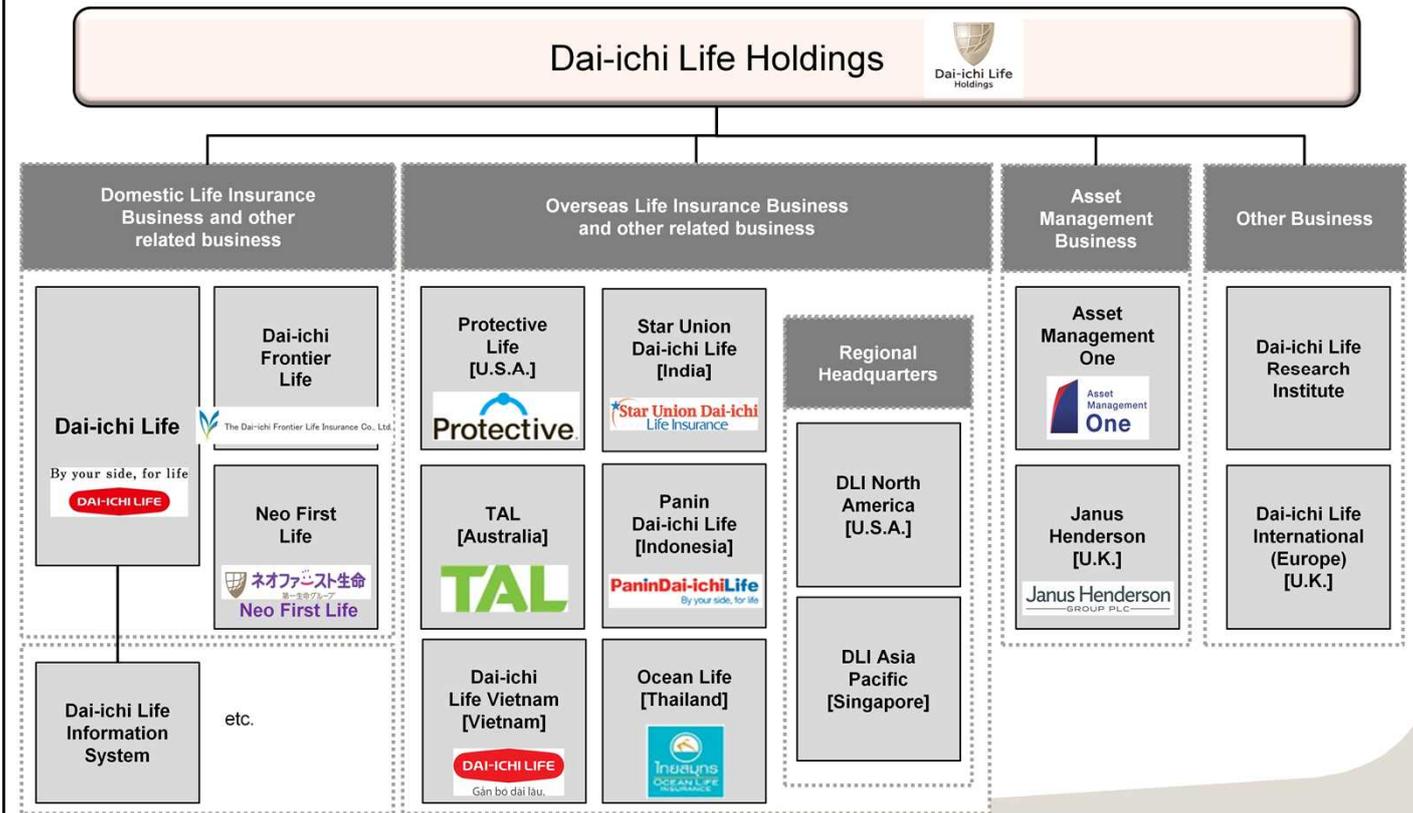
**Strong** credit fundamentals and ratings:  
S&P: A+  
Moody's: A1  
Fitch: A+

(Note) Ratings of Dai-ichi Life as of the end of April 2018.

**Transition to a holding company structure** to promote our multi-brand strategy and maximize our group's capabilities

<sup>1</sup> JPY/USD=106.24

# Dai-ichi Life Holdings: Group Structure





## Investor Contact

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