

February 14, 2017

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## Financial Results for the Nine Months Ended December 31, 2016

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The Dai-ichi Life Insurance Company, Limited (the "Company"; President: Koichiro Watanabe) announces its financial results for the nine months ended December 31, 2016.

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Please note that this is an unofficial translation of the original disclosure in Japanese.

## Regarding the Figures Presented in this Document

The Dai-ichi Life Insurance Company, Limited ("former Dai-ichi Life": "A" as shown below) changed its trading name to Dai-ichi Life Holdings, Inc. on October 1, 2016 and changed its business purpose to managing the business activities of its group companies etc.

The domestic life insurance business of former Dai-ichi Life is succeeded by The Dai-ichi Life Insurance Company, Limited\* ("current Dai-ichi Life": "C" as shown below) by means of corporate split.

\*Trading name changed from The Dai-ichi Life Split Preparation Company, Limited ("B" as shown below) on October 1, 2016.

For the purpose of presenting comparable business results with the previous fiscal year, the figures presented in this document are defined below.

### <Figures Presented>

- Ending balance of a given fiscal year

For fiscal year 2016 (current fiscal year), current Dai-ichi Life figures are presented. For fiscal year 2015 (previous fiscal year), former Dai-ichi Life figures are presented.

	Figures Presented
Fiscal year 2016	Current Dai-ichi Life figures as of December 31, 2016
Fiscal year 2015	Former Dai-ichi Life figures

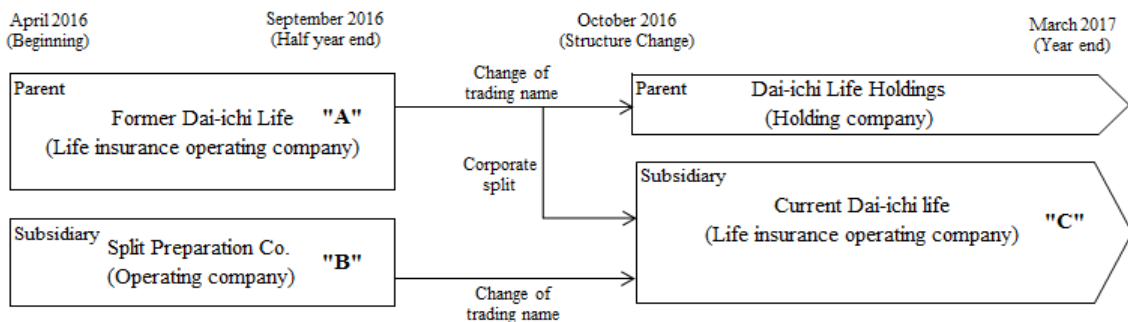
- Profit/loss etc. for a given period

For fiscal year 2016 (current fiscal year), the sum of former Dai-ichi Life and Dai-ichi Life Split Preparation Company results between April to September, 2016 and current Dai-ichi Life results between October to December, 2016 are presented.

For fiscal year 2015 (previous fiscal year), former Dai-ichi Life results are presented.

	Figures Presented
Fiscal year 2016	Former Dai-ichi Life results (April to September) + Dai-ichi Life Split Preparation Company results (April to September) + Current Dai-ichi Life results (October to December) [A+B+C]
Fiscal year 2015	Former Dai-ichi Life results

- (Notes)
- [A+B+C] is presented for reference and differs from statutory disclosure.
  - The sum of Dai-ichi Life Split Preparation Company and Current Dai-ichi Life results [B+C] are presented for Statement of Earnings in accordance with statutory disclosure standards.



## 1. Business Highlights

### (1) Annualized Net Premiums

#### Policies in Force

(billions of yen)

	As of March 31, 2016	As of December 31, 2016	% of March 31, 2016 total
Individual insurance	1,629.9	1,619.5	99.4
Individual annuities	435.0	485.2	111.5
Total	2,065.0	2,104.7	101.9
Medical and survival benefits	576.5	596.5	103.5

#### New Policies

(billions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016	% of December 31, 2015 total
Individual insurance	73.2	69.6	95.1
Individual annuities	25.9	54.9	212.0
Total	99.1	124.6	125.7
Medical and survival benefits	38.3	42.3	110.6

- Note: 1. Annualized net premiums are calculated by using multipliers for various premium payment terms to the premium per payment. In single premium contracts, the amount is calculated by dividing the premium by the duration of the policy.
2. Annualized net premiums for medical and survival benefits include (a) premiums related to medical benefits such as hospitalization and surgery benefits, (b) premiums related to survival benefits such as specific illness and nursing benefits, and (c) premiums related to premium waiver benefits, in which disability cause is excluded but causes such as specific illness and nursing care are included.
3. "New policies" include net increase by conversion.

(2) Sum Insured of Policies in Force and New Policies

Policies in Force

	As of March 31, 2016		As of December 31, 2016			
	Number of policies (thousands)	Amount (billions of yen)	Number of policies		Amount	
			(thousands)	% of March 31, 2016 total	(billions of yen)	% of March 31, 2016 total
Individual insurance	11,680	114,816.0	11,708	100.2	110,132.0	95.9
Individual annuities	1,650	9,905.6	1,810	109.7	10,703.1	108.1
Individual insurance and annuities	13,331	124,721.6	13,519	101.4	120,835.1	96.9
Group insurance	-	48,020.2	-	-	47,849.6	99.6
Group annuities	-	6,064.2	-	-	6,113.5	100.8

- Note: 1. Policy amount in force of individual annuities is equal to (a) the funds to be held at the time annuity payments are to commence for an annuity for which payment has not yet commenced, and (b) the amount of policy reserve for an annuity for which payments have commenced.  
 2. Policy amount in force of group annuities is equal to the amount of outstanding corresponding policy reserve.

New Policies

	Number of policies		Amount			
	(thousands)	% of December 31, 2015 total	(billions of yen)	New Business	Net increase by conversion	% of December 31, 2015 total
Nine months ended December 31, 2015						
Individual insurance	739		1,537.5	3,037.0	(1,499.4)	
Individual annuities	100		685.9	696.4	(10.5)	
Individual insurance and annuities	840		2,223.5	3,733.4	(1,509.9)	
Group insurance	-		91.7	91.7	-	
Group annuities	-		0.2	0.2	-	
Nine months ended December 31, 2016						
Individual insurance	693	93.8	1,483.7	2,839.8	(1,356.1)	96.5
Individual annuities	198	197.2	1,112.4	1,121.5	(9.0)	162.2
Individual insurance and annuities	891	106.2	2,596.1	3,961.4	(1,365.2)	116.8
Group insurance	-	-	148.6	148.6	-	162.0
Group annuities	-	-	0.1	0.1	-	51.5

- Note: 1. Number of new policies is the sum of new business and policies after conversion.  
 2. Amount of new policies for individual annuities, both new business and net increase by conversion, is equal to the funds to be held at the time annuity payments are to commence.  
 3. Amount of new policies for group annuities is equal to the initial premium payment.

(Reference) Surrenders and lapses in individual insurance and annuities

(billions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Amount of surrenders and lapses	3,848.2	3,390.6
Surrender and lapse rate (%)	2.94	2.72

- Note: 1. The amount of lapses is not offset by the amount of lapses which are reinstated.  
 2. The table above excludes cases where the sum insured is decreased or riders are surrendered for in-force contracts.

## 2. Investment Results of General Account

### (1) Asset Composition (General Account)

(millions of yen)

	As of March 31, 2016		As of December 31, 2016	
	Carrying amount	%	Carrying amount	%
Cash, deposits, and call loans	607,476	1.7	679,311	1.9
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	233,206	0.7	208,788	0.6
Trading account securities	-	-	-	-
Money held in trust	52,806	0.2	49,479	0.1
Securities	29,407,417	84.1	29,868,127	84.8
Domestic bonds	16,372,818	46.8	16,209,370	46.0
Domestic stocks	3,353,552	9.6	3,443,567	9.8
Foreign securities	9,091,602	26.0	9,627,017	27.3
Foreign bonds	6,907,918	19.8	8,431,268	23.9
Foreign stocks and other securities	2,183,683	6.2	1,195,748	3.4
Other securities	589,444	1.7	588,171	1.7
Loans	2,826,052	8.1	2,745,602	7.8
Policy loans	405,056	1.2	389,304	1.1
Ordinary loans	2,420,995	6.9	2,356,297	6.7
Real estate	1,157,543	3.3	1,142,587	3.2
Real estate for rent	784,749	2.2	797,243	2.3
Deferred tax assets	-	-	-	-
Others	688,292	2.0	533,851	1.5
Reserve for possible loan losses	(1,237)	(0.0)	(1,123)	(0.0)
Total	34,971,556	100.0	35,226,625	100.0
Foreign currency-denominated assets	7,661,764	21.9	8,367,959	23.8

Note: 'Real estate' represents total amount of land, buildings and construction in progress.

(2) Fair Value Information on Securities (General Account)  
(securities with fair value except for trading securities)

(millions of yen)

	Book value	Fair value	Gains (losses)		
			Gains	Losses	
As of March 31, 2016					
Held-to-maturity bonds	45,712	51,296	5,583	5,583	-
Domestic bonds	45,712	51,296	5,583	5,583	-
Foreign bonds	-	-	-	-	-
Policy-reserve-matching bonds	12,027,685	15,449,932	3,422,247	3,422,586	339
Domestic bonds	11,948,259	15,369,411	3,421,152	3,421,152	-
Foreign bonds	79,425	80,520	1,095	1,434	339
Stocks of subsidiaries and affiliated companies	26,570	61,653	35,082	35,101	18
Available-for-sale securities	12,927,650	15,628,568	2,700,917	2,874,655	173,738
Domestic bonds	3,782,592	4,378,846	596,253	596,857	603
Domestic stocks	1,677,678	2,990,485	1,312,806	1,409,264	96,457
Foreign securities	6,759,695	7,526,318	766,622	830,252	63,629
Foreign bonds	6,150,829	6,828,492	677,663	714,258	36,594
Foreign stocks and other securities	608,865	697,825	88,959	115,994	27,035
Other securities	484,658	497,071	12,412	25,441	13,028
Monetary claims bought	220,436	233,206	12,769	12,787	17
Certificates of deposit	-	-	-	-	-
Money held in trust	2,587	2,640	52	52	-
<b>Total</b>	<b>25,027,619</b>	<b>31,191,450</b>	<b>6,163,830</b>	<b>6,337,926</b>	<b>174,095</b>
Domestic bonds	15,776,565	19,799,554	4,022,989	4,023,592	603
Domestic stocks	1,677,678	2,990,485	1,312,806	1,409,264	96,457
Foreign securities	6,864,951	7,667,606	802,655	866,642	63,987
Foreign bonds	6,230,255	6,909,013	678,758	715,692	36,933
Foreign stocks and other securities	634,695	758,592	123,896	150,950	27,053
Other securities	485,399	497,958	12,558	25,587	13,028
Monetary claims bought	220,436	233,206	12,769	12,787	17
Certificates of deposit	-	-	-	-	-
Money held in trust	2,587	2,640	52	52	-
As of December 31, 2016					
Held-to-maturity bonds	45,939	50,625	4,686	4,686	-
Domestic bonds	45,939	50,625	4,686	4,686	-
Foreign bonds	-	-	-	-	-
Policy-reserve-matching bonds	12,021,626	15,012,339	2,990,713	3,001,173	10,460
Domestic bonds	11,931,203	14,920,597	2,989,394	2,999,561	10,167
Foreign bonds	90,423	91,742	1,318	1,612	293
Stocks of subsidiaries and affiliated companies	528	543	14	14	-
Available-for-sale securities	14,669,556	17,416,695	2,747,138	2,900,468	153,329
Domestic bonds	3,723,346	4,232,228	508,881	518,104	9,223
Domestic stocks	1,693,906	3,304,534	1,610,628	1,637,239	26,611
Foreign securities	8,466,708	9,054,229	587,520	700,300	112,779
Foreign bonds	7,867,078	8,340,845	473,766	573,325	99,558
Foreign stocks and other securities	599,629	713,384	113,754	126,974	13,220
Other securities	485,028	516,920	31,892	36,295	4,402
Monetary claims bought	200,566	208,788	8,222	8,528	306
Certificates of deposit	100,000	99,993	(6)	-	6
Money held in trust	-	-	-	-	-
<b>Total</b>	<b>26,737,650</b>	<b>32,480,204</b>	<b>5,742,553</b>	<b>5,906,343</b>	<b>163,789</b>
Domestic bonds	15,700,489	19,203,451	3,502,961	3,522,352	19,390
Domestic stocks	1,693,906	3,304,534	1,610,628	1,637,239	26,611
Foreign securities	8,557,268	9,146,118	588,850	701,922	113,072
Foreign bonds	7,957,502	8,432,587	475,085	574,937	99,851
Foreign stocks and other securities	599,765	713,530	113,764	126,985	13,220
Other securities	485,420	517,317	31,896	36,299	4,402
Monetary claims bought	200,566	208,788	8,222	8,528	306
Certificates of deposit	100,000	99,993	(6)	-	6
Money held in trust	-	-	-	-	-

Note: The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Act.

\* Carrying amount of securities whose fair value is deemed extremely difficult to recognize is as follows:

(millions of yen)

	As of March 31, 2016	As of December 31, 2016
Held-to-maturity bonds	-	-
Unlisted foreign bonds	-	-
Others	-	-
Policy-reserve-matching bonds	-	-
Stocks of subsidiaries and affiliated companies	1,100,671	59,230
Unlisted domestic stocks (except over-the-counter stocks)	236,944	12,684
Unlisted foreign stocks (except over-the-counter stocks)	783,945	-
Others	79,781	46,546
Available-for-sale securities	813,855	635,064
Unlisted domestic stocks (except over-the-counter stocks)	126,122	126,348
Unlisted foreign stocks (except over-the-counter stocks)	665,001	484,407
Unlisted foreign bonds	-	-
Others	22,731	24,308
Total	1,914,526	694,294

Note: 1. The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Act.

2. The amounts of foreign exchange valuation gains (losses) on foreign securities whose fair value is deemed extremely difficult to recognize and which are listed in the table above are as follows:  
gain of 48,179 million yen as of March 31, 2016 and loss of 2,206 million yen as of December 31, 2016.

(3) Fair Value Information on Money Held in Trust (General Account)

(millions of yen)

	Carrying amount on the balance sheet	Fair value	Gains (losses)	Gains (losses)	
				Gains	Losses
As of March 31, 2016	52,806	52,806	(4,407)	7,143	11,551
As of December 31, 2016	49,479	49,479	63	17,671	17,608

Note: Fair value in the table above is based on the valuation conducted by the fiduciary on a reasonable basis.  
"Gains (losses)" include gains (losses) from derivative transactions within the trusts.

\* Information on money held in trust for investment purpose is as follows:

(millions of yen)

	As of March 31, 2016		As of December 31, 2016	
	Carrying amount on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying amount on the balance sheet	Valuation gains (losses) included in the statement of earnings
Money held in trust for investment purpose	50,166	(4,459)	49,479	160

\* Information on money held in trust classified as held-to-maturity, policy-reserve-matching and available-for-sale is as follows:

(millions of yen)

	As of March 31, 2016					As of December 31, 2016				
	Book Value	Fair value	Gains (losses)	Gains (losses)		Book Value	Fair value	Gains (losses)	Gains (losses)	
				Gains	Losses				Gains	Losses
Money held in trust classified as held-to-maturity	-	-	-	-	-	-	-	-	-	-
Money held in trust classified as policy-reserve-matching	-	-	-	-	-	-	-	-	-	-
Money held in trust classified as available-for-sale	2,587	2,640	52	52	-	-	-	-	-	-

### 3. Unaudited Quarterly Balance Sheet

(millions of yen)

	As of March 31, 2016 (summarized)	As of December 31, 2016
<b>(ASSETS)</b>		
Cash and deposits	528,337	526,580
Call loans	116,900	169,900
Monetary claims bought	233,206	208,788
Money held in trust	52,806	49,479
Securities	30,250,119	30,716,205
[ Government bonds ]	[ 14,545,593 ]	[ 14,163,790 ]
[ Local government bonds ]	[ 125,047 ]	[ 122,436 ]
[ Corporate bonds ]	[ 1,910,798 ]	[ 2,097,864 ]
[ Stocks ]	[ 3,560,485 ]	[ 3,647,327 ]
[ Foreign securities ]	[ 9,451,844 ]	[ 9,991,863 ]
Loans	2,826,052	2,745,602
Policy loans	405,056	389,304
Ordinary loans	2,420,995	2,356,297
Tangible fixed assets	1,164,183	1,150,890
Intangible fixed assets	81,603	85,347
Reinsurance receivable	4,434	2,336
Other assets	541,917	379,843
Customers' liabilities for acceptances and guarantees	97,056	103,791
Reserve for possible loan losses	(1,237)	(1,123)
Reserve for possible investment losses	(423)	(514)
<b>Total assets</b>	<b>35,894,956</b>	<b>36,137,128</b>
<b>(LIABILITIES)</b>		
Policy reserves and others	30,635,217	30,818,661
Reserves for outstanding claims	260,304	205,967
Policy reserves	29,984,210	30,223,027
Reserve for policyholder dividends	390,701	389,667
Reinsurance payable	684	745
Subordinated bonds	215,727	476,277
Other liabilities	1,095,099	1,492,534
Corporate income tax payable	28,307	2,594
Lease liabilities	4,393	5,155
Asset retirement obligations	2,675	2,686
Other liabilities	1,059,723	1,482,098
Reserve for employees' retirement benefits	377,967	386,035
Reserve for retirement benefits of directors, executive officers and corporate auditors	1,868	1,743
Reserve for possible reimbursement of prescribed claims	800	752
Reserve for price fluctuations	148,453	159,953
Deferred tax liabilities	138,696	142,090
Deferred tax liabilities for land revaluation	80,189	78,418
Acceptances and guarantees	97,056	103,791
<b>Total liabilities</b>	<b>32,791,760</b>	<b>33,661,004</b>
<b>(NET ASSETS)</b>		
Capital stock	343,146	60,000
Capital surplus	343,772	470,000
Legal capital surplus	343,146	60,000
Other capital surplus	625	410,000
Retained earnings	511,892	17,351
Legal retained earnings	5,600	-
Other retained earnings	506,292	17,351
Fund for risk allowance	43,120	-
Fund for price fluctuation allowance	65,000	-
Reserve for tax basis adjustments of real estate	25,517	64
Retained earnings brought forward	372,655	17,286
Treasury stock	(23,231)	-
Total shareholders' equity	1,175,581	547,351
Net unrealized gains (losses) on securities, net of tax	1,946,957	1,978,565
Deferred hedge gains (losses)	(3,865)	(30,738)
Reserve for land revaluation	(16,402)	(19,054)
Total of valuation and translation adjustments	1,926,688	1,928,772
Subscription rights to shares	925	-
<b>Total net assets</b>	<b>3,103,195</b>	<b>2,476,123</b>
<b>Total liabilities and net assets</b>	<b>35,894,956</b>	<b>36,137,128</b>



#### 4. Unaudited Quarterly Statement of Earnings

(millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016 *1	Nine months ended December 31, 2016 *2
<b>ORDINARY REVENUES</b>	3,103,844	2,959,154	979,344
Premium and other income	2,100,946	1,893,715	579,464
[ Premium income ]	[ 2,099,908 ]	[ 1,893,119 ]	[ 579,235 ]
Investment income	778,687	801,158	322,804
[ Interest and dividends ]	[ 589,138 ]	[ 564,408 ]	[ 187,544 ]
[ Gains on money held in trust ]	[ 1,986 ]	[ 3,493 ]	[ 3,304 ]
[ Gains on sale of securities ]	[ 151,783 ]	[ 155,363 ]	[ 65,728 ]
[ Gains on investments in separate accounts ]	[ 5,459 ]	[ 50,849 ]	[ 60,654 ]
Other ordinary revenues	224,210	264,280	77,075
[ Reversal of reserves for outstanding claims ]	[ - ]	[ 54,337 ]	[ 15,916 ]
<b>ORDINARY EXPENSES</b>	2,867,104	2,726,898	929,730
Benefits and claims	2,006,073	1,718,003	572,655
[ Claims ]	[ 516,274 ]	[ 578,509 ]	[ 190,100 ]
[ Annuities ]	[ 424,325 ]	[ 371,255 ]	[ 127,820 ]
[ Benefits ]	[ 285,762 ]	[ 268,506 ]	[ 82,792 ]
[ Surrender values ]	[ 435,205 ]	[ 394,254 ]	[ 133,690 ]
[ Other refunds ]	[ 343,176 ]	[ 104,163 ]	[ 37,725 ]
Provision for policy reserves and others	131,895	245,139	83,779
Provision for reserves for outstanding claims	6,987	-	-
Provision for policy reserves	118,415	238,816	81,684
Provision for interest on policyholder dividends	6,491	6,323	2,094
Investment expenses	179,696	176,248	93,711
[ Interest expenses ]	[ 12,136 ]	[ 9,609 ]	[ 3,452 ]
[ Losses on sale of securities ]	[ 43,292 ]	[ 66,634 ]	[ 35,331 ]
[ Losses on valuation of securities ]	[ 1,345 ]	[ 10,749 ]	[ 1,242 ]
[ Derivative transaction losses ]	[ 44,547 ]	[ 421 ]	[ 38,522 ]
Operating expenses	295,960	308,775	99,890
Other ordinary expenses	253,478	278,731	79,693
<b>ORDINARY PROFIT</b>	236,739	232,255	49,613
<b>EXTRAORDINARY GAINS</b>	209	4,655	187
Gains on disposal of fixed assets	209	4,655	187
<b>EXTRAORDINARY LOSSES</b>	15,447	28,704	4,375
Losses on disposal of fixed assets	1,194	5,295	269
Impairment losses on fixed assets	2,253	11,909	605
Provision for reserve for price fluctuations	12,000	11,500	3,500
Provision for reserve for policyholder dividends	72,298	66,099	21,099
Income before income taxes	149,204	142,107	24,327
Corporate income taxes-current	69,496	48,073	16,347
Corporate income taxes-deferred	(25,846)	(7,754)	(8,999)
Total of corporate income taxes	43,650	40,318	7,347
Net income	105,553	101,788	16,979

\*1: The figures are the sum of "former Dai-ichi Life", the "Split Preparation Company", and "current Dai-ichi Life" results. [A+B+C]

\*2: The figures are the sum of the "Split Preparation Company" and "current Dai-ichi Life" results. [B+C]

Please refer to the page titled "Regarding the Figures Presented in this Document" for details.

## NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS AS OF AND FOR THE NINE MONTHS ENDED DECEMBER 31, 2016

### I. NOTES TO UNAUDITED QUARTERLY BALANCE SHEET AND SHAREHOLDERS' EQUITY, ETC. AS OF DECEMBER 31, 2016

#### 1. Additional Information

Effective the three months ended June 30, 2016, the Company applied the "Revised Implementation Guidance on Recoverability of Deferred Tax Assets" (ASBJ Statement No.26 issued on March 28, 2016).

#### 2. Securities Lending

Securities lent under lending agreements are included in the balance sheet. The total balance of securities lent as of December 31, 2016 was ¥3,374,141 million.

#### 3. Contingent Liabilities

Guarantee for debt obligations of a separate company were as follows:

	(Unit: million yen)
Dai-ichi Life Holdings, Inc. ....	450,000

#### 4. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	(Unit: million yen)
Balance at the beginning of the fiscal year ending March 31, 2017.....	-
Carried over from Dai-ichi Life Holdings, Inc. ....	383,071
Dividend payment.....	(16,598)
Interest accrual.....	2,094
Provision for reserve for policyholder dividends .....	21,099
<u>Balance as of December 31, 2016.....</u>	<u>389,667</u>

The domestic life insurance business of Dai-ichi Life Holdings, Inc. (trading name changed from Dai-ichi Life Insurance Company, Limited on October 1, 2016) was succeeded by the Company by means of corporate split due to the shift to a holding company structure at the same time.

#### 5. Transaction under common control

Matters related to the transaction under common control are as follows:

##### (1) Outline of the transaction

##### ① Name and nature of business

Domestic life insurance business

##### ② Date of business combination

October 1, 2016

##### ③ Legal form of business combination

Absorption-type corporate split with the parent of the Company, Dai-ichi Life Holdings, Inc. (trading name changed from The Dai-ichi Life Insurance Company, Limited on October 1, 2016) as the split company and the Company as the successor company

##### ④ Corporate name after business combination

The Dai-ichi Life Insurance Company, Limited

##### ⑤ Other matters relating to the transaction

The parent of the Company, Dai-ichi Life Holdings, Inc. has so far made progress in diversifying its business inside and outside of Japan. It developed growth strategies aimed to expand share in the domestic life insurance market while at the same time accelerated the expansion of the overseas life insurance business in order to expand profit contribution from outside Japan as well. By recognizing the challenges under such environment, the shift was made to a holding company structure on October 1, 2016. The Dai-ichi Life group will step up its efforts for sustainable growth through “flexible allocation of business resources within the group,” “create a governance structure that contributes to swift business decision-making at subsidiaries,” and “implement fundamental reforms to group management.”

(2) Outline of accounting treatment

The transaction was accounted for as a transaction under common control, based on the “Accounting Standard for Business Combinations” (ASBJ Statement No.21) and the “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Statement No.10).

**6. Shareholders' Equity**

The domestic life insurance business of Dai-ichi Life Holdings, Inc. (trading name changed from Dai-ichi Life Insurance Company, Limited on October 1, 2016) was succeeded by the Company by means of corporate split due to the shift to a holding company structure at the same time.

This resulted in an increase of ¥59,900 million in Capital stock, ¥60,000 million increase in Legal capital surplus, and ¥410,000 million increase in Other capital surplus during the nine months ended December 31, 2016. As of December 31, 2016, Capital stock was ¥60,000 million, Legal capital surplus was ¥60,000 million, and Other capital surplus was ¥410,000 million.

## II. NOTES TO THE UNAUDITED STATEMENT OF EARNINGS FOR THE NINE MONTHS ENDED DECEMBER 31, 2016

### 1. Net Income per Share

Net income per share for the nine months ended December 31, 2016 was 8,461,531.89 yen. Diluted net income per share for the same period is not presented because there were no existing diluted shares.

### 2. Depreciation

Depreciation of real estate for rent and others was ¥3,472 million and Depreciation was ¥7,526 million for the nine months ended December 31, 2016.

## REFERENCE INFORMATION

The figures below are the sum of former Dai-ichi Life, the Split Preparation Company, and current Dai-ichi Life [A+B+C].

Please refer to the page titled "Regarding the Figures Presented in this Document" for details.

### 1. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	(Unit: million yen)
Balance at the beginning of the fiscal year ending March 31, 2017.....	390,701
Dividend payment.....	(73,456)
Interest accrual.....	6,323
Provision for reserve for policyholder dividends .....	66,099
<u>Balance as of December 31, 2016.....</u>	<u>389,667</u>

### 2. Depreciation

Depreciation of real estate for rent and others was ¥10,449 million and Depreciation was ¥23,267 million for the nine months ended December 31, 2016.

## 5. Breakdown of Ordinary Profit (Fundamental Profit)

(millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Fundamental revenues	2,951,711	2,800,309
Premium and other income	2,100,946	1,893,715
Investment income [Interest and dividends]	624,874 589,138	642,313 564,408
Other ordinary revenues	225,890	264,280
Fundamental expense	2,619,855	2,526,440
Benefits and claims	2,006,073	1,718,003
Provision for policy reserves and others	13,479	167,815
Investment expenses	50,863	53,115
Operating expenses	295,960	308,775
Other ordinary expenses	253,478	278,731
Fundamental profit <i>A</i>	331,855	273,869
Capital gains	153,770	158,856
Gains on money held in trust	1,986	3,493
Gains on investments in trading securities	-	-
Gains on sale of securities	151,783	155,363
Derivative transaction gains	-	-
Foreign exchange gains	-	-
Others	-	-
Capital losses	128,389	123,018
Losses on money held in trust	-	-
Losses on investments in trading securities	-	-
Losses on sale of securities	43,292	66,634
Losses on valuation of securities	1,345	10,749
Derivative transaction losses	44,547	421
Foreign exchange losses	39,204	45,212
Others	-	-
Net capital gains (losses) <i>B</i>	25,381	35,838
Fundamental profit plus net capital gains (losses) <i>A + B</i>	357,237	309,707
Other one-time gains	42	(12)
Reinsurance income	-	-
Reversal of contingency reserve	-	-
Reversal of specific reserve for possible loan losses	42	(12)
Others	-	-
Other one-time losses	120,539	77,439
Ceding reinsurance commissions	-	-
Provision for contingency reserve	13,500	13,500
Provision for specific reserve for possible loan losses	-	-
Provision for specific reserve for loans to refinancing countries	-	-
Write-down of loans	23	24
Others	107,016	63,915
Other one-time profits <i>C</i>	(120,497)	(77,452)
Ordinary profit <i>A + B + C</i>	236,739	232,255

Note: "Others" in "Other one-time losses" represents the sum of the amount of provision for reserve for possible investment losses (For the nine months ended December 31, 2015: 420 million yen, For the nine months ended December 31, 2016: 90 million yen) and the amount of the additional policy reserves provided (For the nine months ended December 31, 2015: 106,595 million yen, For the nine months ended December 31, 2016: 63,824 million yen) in accordance with Article 69, Paragraph 5 of the Enforcement Regulations of the Insurance Business Act.

## 6. Solvency Margin Ratio

(millions of yen)

	As of March 31, 2016	As of December 31, 2016
Total solvency margin <b>(A)</b>	6,741,736	5,947,516
Common stock, etc. *1	1,132,993	536,553
Reserve for price fluctuations	148,453	159,953
Contingency reserve	576,093	589,593
General reserve for possible loan losses	487	361
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% *2	2,426,025	2,456,306
Net unrealized gains (losses) on real estate × 85% *2	82,189	109,507
Policy reserves in excess of surrender values	1,932,954	2,005,080
Qualifying subordinated debt	498,727	759,277
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(56,028)	(694,048)
Excluded items	(199,507)	(4,000)
Others	199,348	28,931
Total risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ <b>(B)</b>	1,496,746	1,413,963
Insurance risk $R_1$	74,483	71,563
3rd sector insurance risk $R_8$	172,591	175,920
Assumed investment yield risk $R_2$	233,024	226,314
Guaranteed minimum benefit risk $R_7$ *3	3,341	3,310
Investment risk $R_3$	1,205,585	1,129,856
Business risk $R_4$	33,780	32,139
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	900.8%	841.2%

\*1: Expected disbursements from capital outside the Company and valuation and translation adjustments are excluded.

\*2: Multiplied by 100% if losses.

\*3: Calculated by standard method.

Note: The figures as of March 31, 2016 are calculated based on Articles 86, 87 of the Enforcement Regulations of Insurance Business Act, and Announcement No. 50, Ministry of Finance, 1996.

The figures as of December 31, 2016 are calculated by using the method which is deemed appropriate taking the regulations and announcement above into account.

## (Reference) Consolidated Solvency Margin Ratio

(millions of yen)

		As of December 31, 2016
Total solvency margin	<b>(A)</b>	5,851,276
Common stock, etc. *1		541,099
Reserve for price fluctuations		159,953
Contingency reserve		589,593
Catastrophe loss reserve		-
General reserve for possible loan losses		361
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax) ) × 90% *2		2,456,306
Net unrealized gains (losses) on real estate × 85% *2		109,507
Sum of unrecognized actuarial differences and unrecognized past service cost		(44,308)
Policy reserves in excess of surrender values		2,005,080
Qualifying subordinated debt		759,277
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt		(694,048)
Excluded items		(60,478)
Others		28,931
Total risk	<b>(B)</b>	1,397,276
Insurance risk	$R_1$	71,563
General insurance risk	$R_5$	-
Catastrophe risk	$R_6$	-
3rd sector insurance risk	$R_8$	175,920
Small amount and short-term insurance risk	$R_9$	-
Assumed investment yield risk	$R_2$	226,314
Guaranteed minimum benefit risk	$R_7$ *3	3,310
Investment risk	$R_3$	1,113,230
Business risk	$R_4$	31,806
Solvency margin ratio		837.5%
$\frac{(A)}{(1/2) \times (B)} \times 100$		

\*1: Expected disbursements from capital outside the Company and accumulated other comprehensive income, etc. are excluded.

\*2: Multiplied by 100% if losses.

\*3: Calculated by standard method.

Notes: 1. The figures as of December 31, 2016 are calculated by using the method which is deemed appropriate, taking into account Article 86-2 and 88 of the Enforcement Regulations of Insurance Business Act, and Notification of the Financial Services Agency No. 23, 2011.

2. Following the transition to a holding company structure in October 2016, non-consolidated subsidiaries, etc. of current Dai-ichi Life are included in the calculation of consolidated solvency margin ratio.

## **7. Status of Separate Account**

### (1) Separate Account Assets by Product

(millions of yen)

	As of March 31, 2016	As of December 31, 2016
Individual variable insurance	56,211	56,193
Individual variable annuities	60,298	51,221
Group annuities	926,292	979,622
Separate account total	1,042,803	1,087,038

### (2) Sum Insured of Policies in Force of Individual Variable Insurance and Annuities (Separate Account)

#### A. Individual variable insurance

(millions of yen except number of policies)

	As of March 31, 2016		As of December 31, 2016	
	Number of policies	Amount	Number of policies	Amount
Individual variable insurance (term life)	147	727	137	669
Individual variable insurance (whole life)	43,567	269,119	43,007	265,272
Total	43,714	269,847	43,144	265,941

Note: Policies in force include term life riders.

#### B. Individual variable annuities

(millions of yen except number of policies)

	As of March 31, 2016		As of December 31, 2016	
	Number of policies	Amount	Number of policies	Amount
Individual variable annuities	15,442	86,159	13,450	74,200

Note: Sum insured of policies in force includes that of annuities for which payments have commenced.



## **8. Consolidated Financial Summary**

Not applicable