Message from the President

Forging the future through innovation to stand "By your side, for life"

Seiji Inagaki

President and Representative Director
Dai-ichi Life Holdings, Inc.

"Peace of Mind. In Communities and around the World."

The Dai-ichi Life Group has constantly pursued what's best for its customers and for society over its long history. This approach is now represented by our Group Mission "By your side, for life" and embraced by everyone even when our businesses have expanded worldwide. This has been made possible by the unwavering commitment of our predecessors to constantly innovate.

Having assumed the position as president in April 2017, my mission is to ensure we pass on this approach to pursue what's best for creating the future for our customers and society. At the same time, my role is to lead further innovation efforts together with the Group's leadership team.

The Group adopted the medium- to long-term vision "Peace of mind. In communities and around the world" when it started the medium-term management plan, "D-Ambitious," in fiscal 2015. Our goal is to become an insurance company that delivers what's best for every community and country where we operate and offers peace of mind to every customer. With this goal in mind, we are working group-wide to take on the challenges needed to achieve this vision.

Achieved Record High Profits Driven by Three Growth Engines

Fiscal 2016, the second year of our medium-term management plan, D-Ambitious, was represented by a challenging business climate with the Bank of Japan's introduction of a negative interest rate policy and worldwide political and economic uncertainty.

Nevertheless, the Dai-ichi Life Group's three growth engines (the domestic life insurance business, the overseas life insurance business, and the asset management business) were able to generate solid results on the back of the diversification of its businesses and geographic coverage as well as optimal risk controls. Even today, we are moving forward with our growth strategy.

Fiscal 2016 marked the sixth consecutive year the Dai-ichi Life Group has posted an increase in profits and a record high since our share listing. We also increased shareholder dividends for the fourth consecutive year as a result of our efforts to enhance shareholder returns.

Due to broad changes in the business climate since we started D-Ambitious, we decided to make changes and revised certain targets. We believe these are necessary in order to carry out sustained value creation by implementing our growth strategy with a medium- to long-term perspective, without being affected by short-term economic volatility. The fundamental aspects of the Dai-ichi Life Group's growth strategy remain unchanged. We will also firmly maintain the target of a 40% total payout ratio.

- See overview of business beginning on page 33 for details about the initiatives and progress of each business.
- See Q&A—Addressing Stakeholders' Questions—on page 31 for details about partial changes and revisions to our Medium-term Management Plan targets.

Toward Sustainable Growth in the Future

Leveraging Our Ability to Take Advantage of Change

The world is changing rapidly and growing more complex with advancements in science and technology. As a result, as symbolized by the term C to B (consumer-to-business), we have entered an era where customers with diverse values drive corporate activities and companies that fail to address the needs of these customers will be unable to grow.

Now is precisely the time to evolve the spirit of innovation we have cultivated. We take advantage of the changes by foreseeing future trends and forge the future. With strong conviction, we will achieve further growth by forging the future through innovation for our customers with unsurpassed speed and with a customer-centered approach.

Pursuing Further Value Creation and Group Synergies

How do we forge the future through innovation? We believe it is achievable through strengthening the businesses that comprise the three growth engines and introduction of InsTech, which refers to initiatives aimed at new innovation creation unique to the life insurance business, collectively as a group.

In the domestic life insurance business, while keeping an eye on the further diversification and growing sophistication of customer needs, we are engaged in various initiatives including the development of our sales rep channels, expansion of the insurance agent channel, and development of competitive products and services at our three brands. We will also quickly begin activities to raise efficiencies utilizing analysis of big data, improve productivity using our advanced consulting capabilities, and enhance competitiveness by providing new added value focused on health.

In the overseas life insurance business, we will work to develop new channels and make investments in order to support organic growth to boost earnings in the United States and Australia. We will also aim for further growth in Asian countries by examining the potential for expanding into the Mekong region, which is a promising growth market of the future, ahead of our peers.

In the asset management business, which is growing worldwide, we have established a global trilateral structure led by Asset Management One and Janus Henderson that covers Japan, the United States, and Europe, with an eye on further market growth. We will aim to achieve robust earnings growth supported by complementing the business in each market and achieving synergies of each company.

Additionally, in terms of InsTech, we will combine the vast amount of customer data retained by the Group with outside data to lead the industry in providing new value in products and services, in order to offer peace of mind to customers, whose needs are expected to become more diverse in the future.

The benefits of transitioning to a holding company structure will be leveraged when we forge the future with innovation. In addition to the flexible allocation of management resources and quicker decision-making at Group companies, we will pursue growth by utilizing the value creation synergies produced by exchanging diverse and talented personnel across the Group and sharing best practices.

Lastly

We will implement our various strategies with a medium- to long-term perspective while further reinforcing our group structure so that we are able to tackle the changes of tomorrow and forge the future through innovation. I kindly ask for your continuing support and guidance of the Dai-ichi Life Group as we move forward.

Q&A
Addressing Stakeholders' Questions

Seiji Inagaki
President and Representative Director
Dai-ichi Life Holdings, Inc.

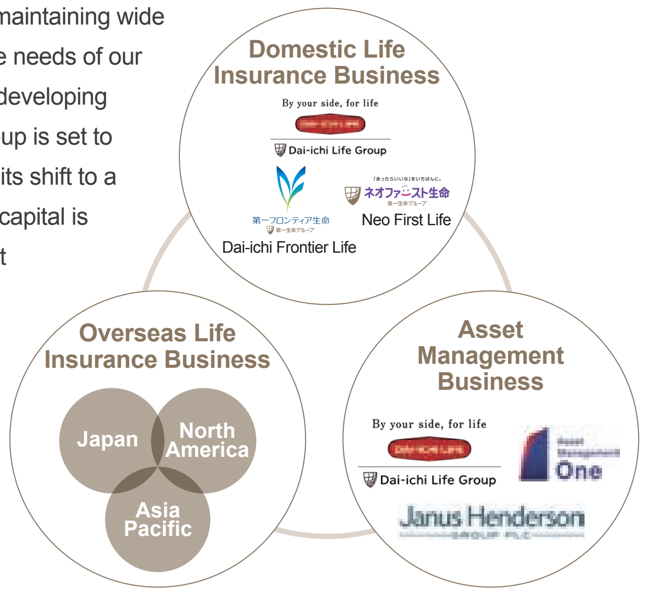
Q1 Please elaborate on the Dai-ichi Life Group's management strategies and capital policies under the low-interest-rate environment.

A1

Management Strategies

Starting from the medium-term management plan, D-Ambitious, the Group continues strengthening the domestic life insurance business, overseas life insurance business and asset management business, acknowledging them as the three growth engines of the Group.

The Group's growth strategy based on the three growth engines stands firm despite the headwinds for the domestic life insurance business, namely, sales of insurance policies and asset management on the back of persistently low interest rates, strengthened further with the introduction of a negative interest rate policy by the Bank of Japan from 2016. Rather, as the Group has pursued diversification in its fields and regions of business. I would say we are capable of controlling the headwinds. For example, the profit contribution from the overseas life insurance business increased significantly for the first two years of the management plan. The profit contribution from asset management business is expected to grow as two Group companies develop further access to markets in Japan, the United States and Europe. In the domestic life insurance business, we are managing core insurance profits, by maintaining wide range of products and services to cater to the needs of our customers, as well as investment profits, by developing sophisticated investment strategies. The Group is set to accelerate its growth by taking advantage of its shift to a holding company structure, making sure the capital is strategically allocated and agile management decisions are made. On top of the developments in existing businesses, the Group is aggressively developing its InsTech initiatives with partners from various backgrounds in order to tackle rapid and significant changes in the business environment and diversified customer needs.



Three Growth Engines

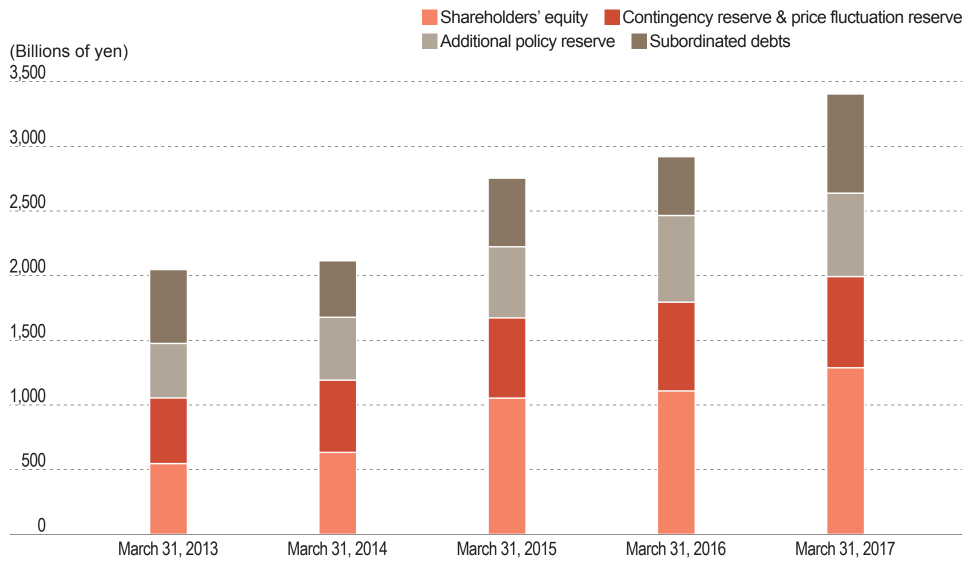
Capital Policies

The Dai-ichi Life Group practices enterprise risk management (ERM). ERM is a means of realizing improved capital efficiency and enhanced corporate value by allocating capital to businesses that promise higher profits, while ensuring financial strength by appropriately controlling risk.

During the fiscal year, Dai-ichi Life led the Group-wide initiative to manage interest rate risk with financial derivatives, controlling the sale of single-premium savings-type products and revising the discount rate applied to prepaid premiums. While the Group companies concentrated on improving the capital position by building cash flow from core businesses, Dai-ichi Life issued 2.5 billion US dollars in perpetual subordinated notes in July 2016, contributing to an improvement in the financial soundness of the Group.

The Group is committed to improving capital efficiency and corporate value in order to meet the expectations of stakeholders by building an optimal business portfolio and by improving the profitability of each business. In light of the headwinds in economic and financial markets, the Group continues to enhance initiatives based on the ERM framework and improve financial soundness in view of possible regulations for internationally active insurance groups.

Capital Base of the Dai-ichi Life Group



Q2 Why did the Group change targets of the medium-term management plan?

A2

Since the start of D-Ambitious in April 2015, the Dai-ichi Life Group has implemented initiatives building on its three growth engines, while strengthening the management and governance structure to support growth. During the period of the plan, the business environment went through a series of unexpected events, including monetary policy changes in Japan, and a referendum on EU membership in the United Kingdom. The Group reacted to the changes in the environment in a timely manner, controlling investment risks and increasing contributions from the overseas life insurance business, and the bottom line of the Group improved significantly compared to the previous medium-term management plan.

Having said that, the progress in some of the KPIs of the plan were affected because of the above financial conditions and factors outside our original assumptions, such as persistently low interest rates and a stronger yen against the US dollar. The Group believes it is not in the interest of the stakeholders to overreact to short-term fluctuations in the financial market, as it could lead to a negative spiral where excessive risk control affects the Group's ability to grow and generate earnings in the long run. In order to maintain positive initiatives on medium- to long-term growth strategies, the Group adjusted the KPIs of D-Ambitious, such as RoEV, the economic solvency ratio*1 and accounting profit.

Economic value indicators such as embedded value and the economic solvency ratio based on current economic conditions, which we believe are at an extreme level, assume that conditions stay the same well into the future and thus they put us in a difficult position if we have to offset the impact only through the underwriting of new insurance policies. The background of the targets reflects our belief that the Group will make it the highest priority to achieve capital efficiency above the cost of capital and improve the economic solvency ratio over the long term. So the Group considers these KPIs part of a medium- to long-term vision rather than as targets in three years. The significant changes in interest rates and foreign exchange rates caused us to revise our financial guidance for the fiscal year ending March 2018. On top of that, the Group took advantage of its transition to a holding company structure to redefine shareholder return indicator to group adjusted profit*2 in order to better reflect the result of cash flow management among the Group.

The Group strives to achieve sustainable growth rather than reacting to short-term fluctuations in economic conditions.

*1 The Dai-ichi Life Group calculates the economic solvency ratio (ESR) and utilizes it in enterprise risk management. ESR reflects the market value of assets and liabilities by taking into account factors such as recent interest rates and is an indicator of capital adequacy against certain levels of stress. It is expected that the international capital standards for insurers, currently under consideration, will be based on economic value.

*2 Please refer to Question 3 in the next page for details of group adjusted profit.

Group Medium- to Long-term Vision

Average EV Growth (RoEV)	Aim for average RoEV of over 8% during the medium- to long-term time frame
Economic Solvency Ratio (ESR)	Aim for 170%–200% during the medium- to long-term time frame

Group Management Objectives (Quantitative Targets)

Group In-force Annual Net Premium	Increment of 9% from March 2015 (as of March 2018)
Group Adjusted Profit	180 billion yen in fiscal 2017 (modified definition)
Total Payout Ratio Based on Group Adjusted Profit	40% during D-Ambitious

Q3 Please comment on your shareholder payout policy after the transition to a holding company structure.

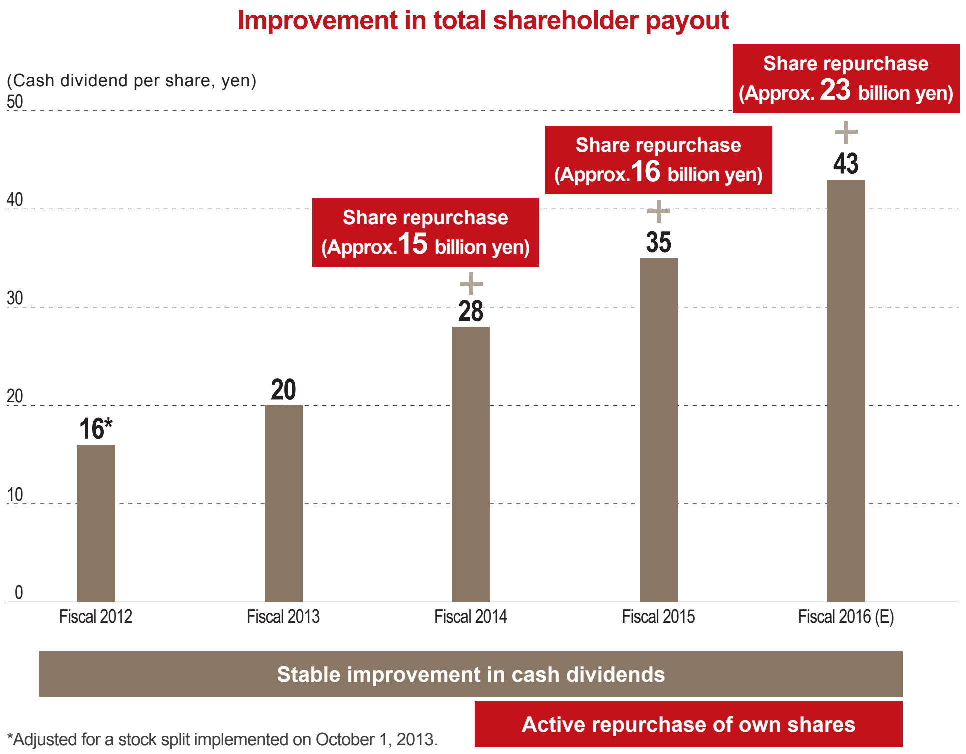
A3

Shareholder payout for the fiscal year ended March 2017 comprised a 43-yen-per-share cash dividend, an increase of 8 yen against previous year, and the repurchase of our own shares of up to 23.0 billion yen if completed as announced on May 15, 2017, representing an expected total shareholder payout of 35%. This represents the fourth consecutive year of increases in cash dividends and the third consecutive year of stock repurchases. The Group is committed to achieving a 40% total shareholder payout during the current medium-term management plan through the combination of stable cash dividends and share repurchases, taking into account financial results and the status of capital.

Shareholder payout for the fiscal year ended March 2017 was based on a revised definition of profit available for shareholder payout. As the Group went through a transition to a holding company structure, the Group decided to use the profit of Group companies with a cash backing as the basis of shareholder payout. The new indicator, "group adjusted profit," makes an adjustment for non-cash accounting items such as amortization for goodwill, valuation gains or losses on change in equities or step acquisitions or the reorganization of Group companies.

With the transition to a holding company structure, the Group is reinforcing cash flow management within the Group. That will enable the Group to effectively allocate capital within the Group, supporting growth and improving capital efficiency. That, we believe, will lead to a better appropriation of profits and better meet the expectations of stakeholders.

Shareholder Payout History



*Adjusted for a stock split implemented on October 1, 2013.