

# **Presentation of Financial Results for the Nine Months Ended December 2010**

**February 10, 2011**

**The Dai-ichi Life Insurance Company, Limited**

---

## Financial Results Highlights

- Sales indicators of the core business continuously improved. Dai-ichi Life's (non-consolidated) value of new business increased by 13.9% year-on-year. The Company also recorded a decrease in amount of surrenders & lapses by 25.0% against last year.
- Progress has been made in enhancing financial soundness, including in the reduction of relatively higher risk assets. Separately, on 28 December 2010, we announced our plan to make TOWER Australia (an affiliate currently accounted for under equity method) a wholly owned subsidiary.
- Despite recording a 69.1 billion yen loss on valuation of securities, the Company has made no revision to its earnings forecast for the year ending March 31, 2011 (announced on May 14, 2010) as the Company (1) has maintained a high level of sales of new policies, (2) has improved other operating measures, including surrender and lapse rates, and (3) expects an improvement in investment gains to some degree.

## Consolidated Financial Results Highlights

- Consolidated ordinary revenues decreased year-on-year. Non-consolidated ordinary revenues increased, whereas Dai-ichi Frontier Life's ordinary revenues decreased due to the pull-back from the extraordinary spike in sales in the prior period.
- Loss on valuation of securities at Dai-ichi Life non-consolidated affected consolidated ordinary profit.

(billions of yen)

	Dec-09	Dec-10	Change
Ordinary revenues	4,013.7	3,401.6	(15%)
Non-consolidated	3,165.4	3,187.7	+1%
Ordinary profit	132.5	106.2	(20%)
Non-consolidated	133.9	113.8	(15%)
Net income <sup>(1)(2)</sup>	35.5	15.6	(56%)
Non-consolidated	36.9	22.4	(39%)

(1) For the purpose of making proper year-on-year comparison, a "provision for reserve for dividends to policyholders" is recorded for the nine months ended Dec-09, in the same way as for the nine months ended Dec-10. Specifically, an amount equivalent to three quarters of the "provision for allowance for policyholder dividends" recorded for the year ended Mar-10 (i.e., 3/4 multiplied by 92.5 billion yen) is deducted from the net surplus for Dec-09.

(2) Although the Company was a mutual company for the nine months ended Dec-09, we show "net income" rather than "net surplus", in light of our subsequent demutualization.

## Consolidated Financial Information (summarized)

### Statements of Earnings (Summarized)<sup>(1)</sup>

(billions of yen)

	Dec-09	Dec-10	Change
Ordinary revenues	4,013.7	3,401.6	(612.1)
Insurance premiums and other	2,870.1	2,508.5	(361.5)
Investment income	932.2	680.1	(252.1)
Interest, dividends and other income	510.7	501.2	(9.5)
Gain on sales of securities	190.6	160.9	(29.6)
Net derivative financial instruments gain	-	14.9	+14.9
Gain on separate accounts	225.3	-	(225.3)
Other ordinary revenues	211.3	212.9	+1.6
Ordinary expenses	3,881.1	3,295.3	(585.7)
Insurance claims and other	1,919.7	1,926.2	+6.4
Provision for policy reserve and other	1,040.5	428.7	(611.8)
Investment expenses	249.2	293.5	+44.2
Loss on sales of securities	104.5	87.9	(16.6)
Loss on valuation of securities	58.2	69.1	+10.8
Loss on separate accounts	-	63.9	+63.9
Operating expenses	351.4	318.2	(33.1)
Ordinary profit	132.5	106.2	(26.3)
Extraordinary gains (losses)	(17.2)	(17.0)	+0.2
Provision for reserve for dividends to policyholders <sup>(1)</sup>	69.3	60.0	(9.3)
Income before income taxes, etc. <sup>(1)(2)</sup>	45.9	29.2	(16.7)
Total income taxes	10.7	14.4	+3.7
Minority interests in income (loss)	(0.2)	(0.9)	(0.6)
Net income <sup>(1)(2)</sup>	35.5	15.6	(19.8)

### Balance Sheets (Summarized)

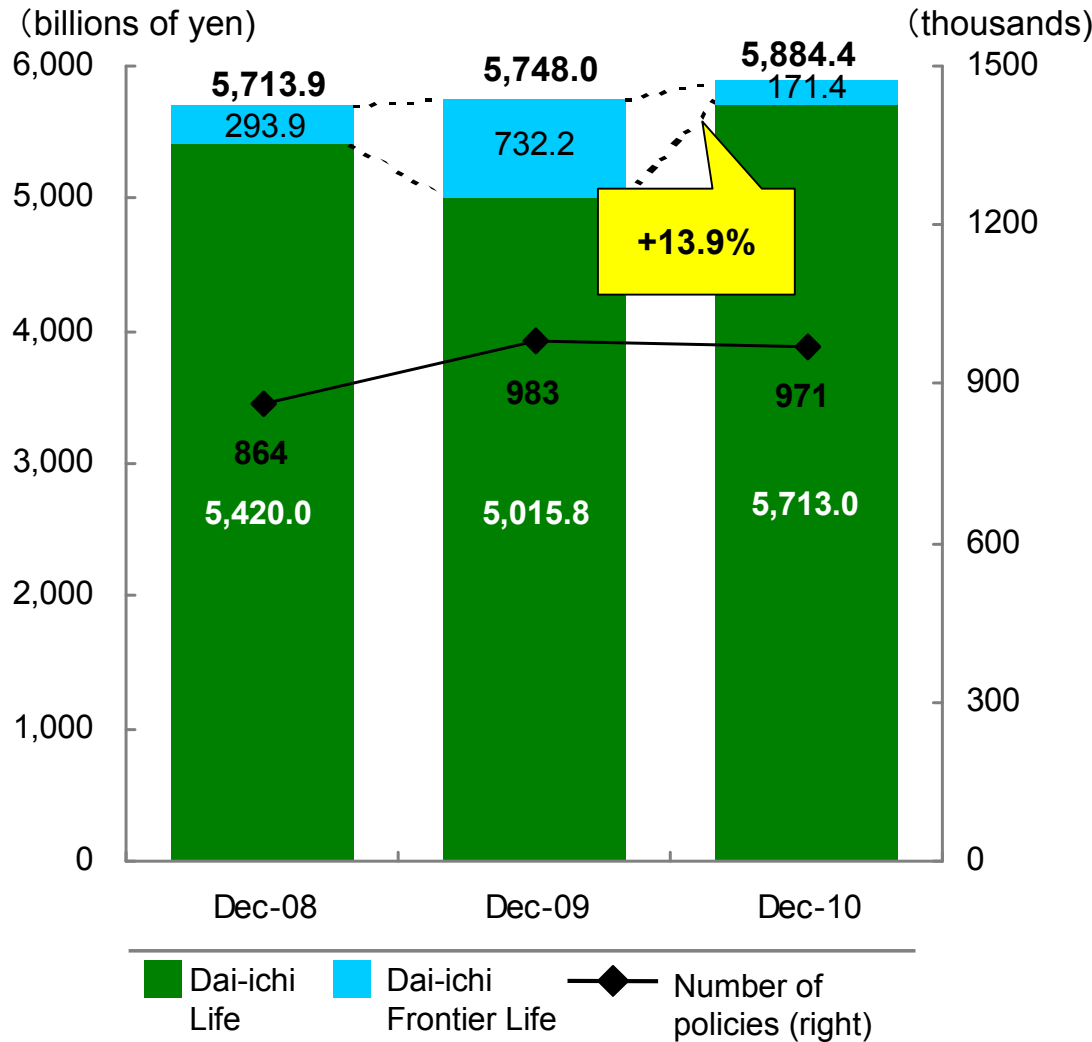
(billions of yen)

	Apr-10	Dec-10	Change
Total assets	32,104.2	32,387.5	+283.2
Cash, deposits and call loans	437.3	426.6	(10.6)
Monetary receivables purchased	289.8	295.6	+5.7
Securities	25,147.3	25,431.2	+283.9
Loans receivable	3,834.9	3,698.4	(136.5)
Tangible assets	1,244.0	1,289.9	+45.9
Deferred tax assets	339.5	407.2	+67.7
Total liabilities	31,140.0	31,556.0	+415.9
Reserve for insurance policy liabilities	29,204.7	29,598.8	+394.1
Policy reserve	28,632.6	29,052.8	+420.1
Reserve for employees' retirement benefits	411.4	426.3	+14.9
Reserve for price fluctuation	115.5	126.0	+10.5
Total net assets	964.1	831.4	(132.7)
Total shareholders' equity	558.7	565.8	+7.1
Total valuation and translation adjustments	393.6	254.6	(139.0)
Valuation difference on available-for sale securities	462.2	323.5	(138.7)
Revaluation reserve for land	(63.5)	(65.0)	(1.5)

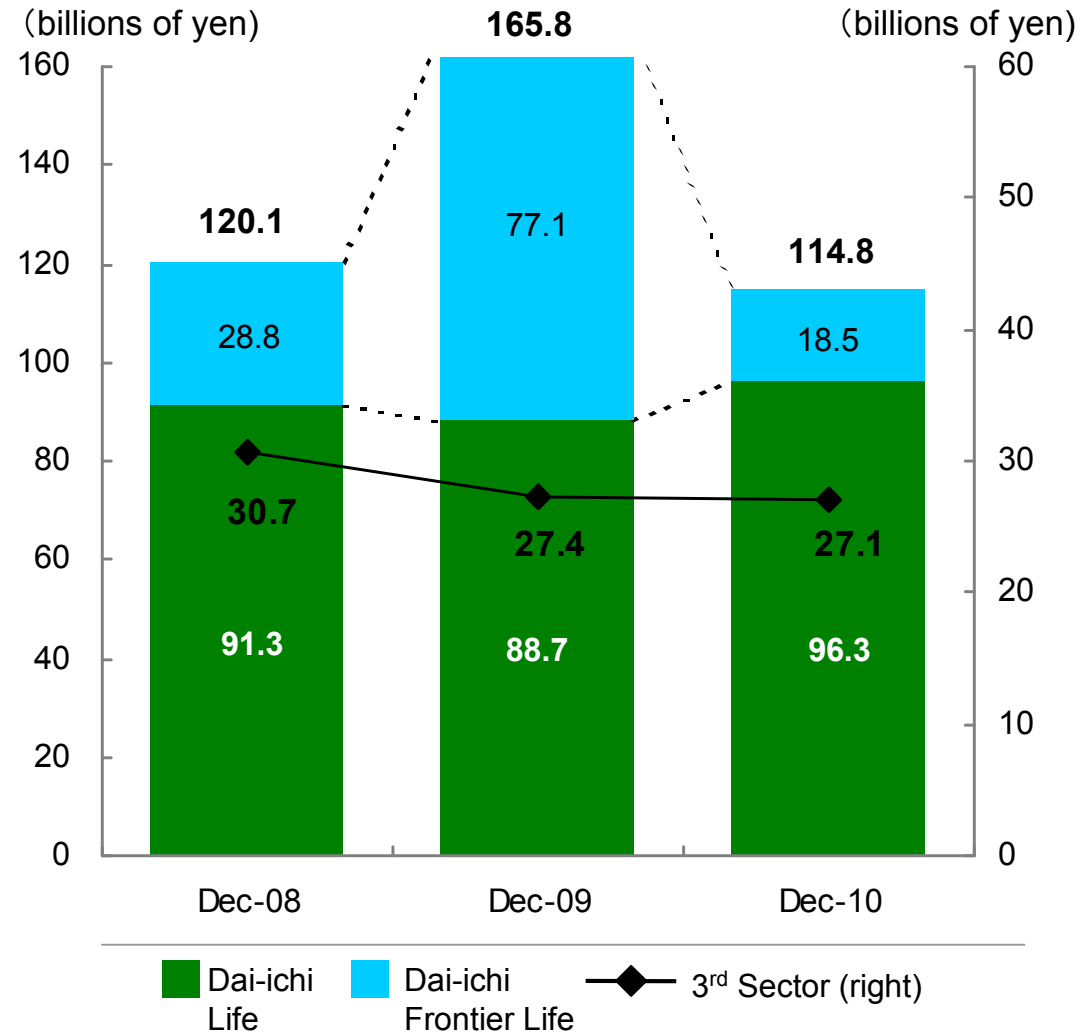
- (1) For the purpose of making proper year-on-year comparison, a "provision for reserve for dividends to policyholders" is recorded for the nine months ended Dec-09, in the same way as for the nine months ended Dec-10. Specifically, an amount equivalent to three quarters of the "provision for allowance for policyholder dividends" recorded for the year ended Mar-10 is shown and is deducted from the net surplus for Dec-09.
- (2) Although the Company was a mutual company for the nine months ended Dec-09, we show "net income" rather than "net surplus", in light of our subsequent demutualization.

New Business (Individual Insurance, Individual Annuities)

New Business<sup>(1)</sup>



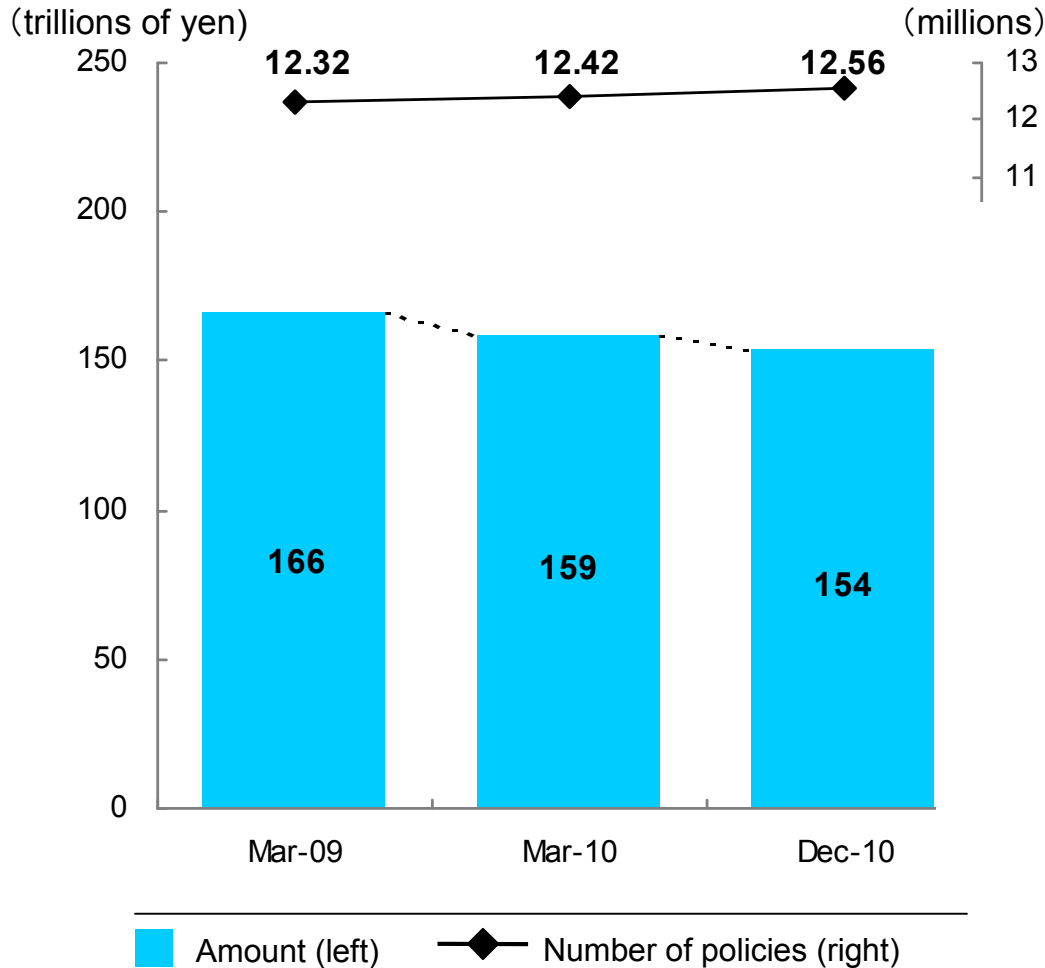
ANP from New Business<sup>(1)</sup>



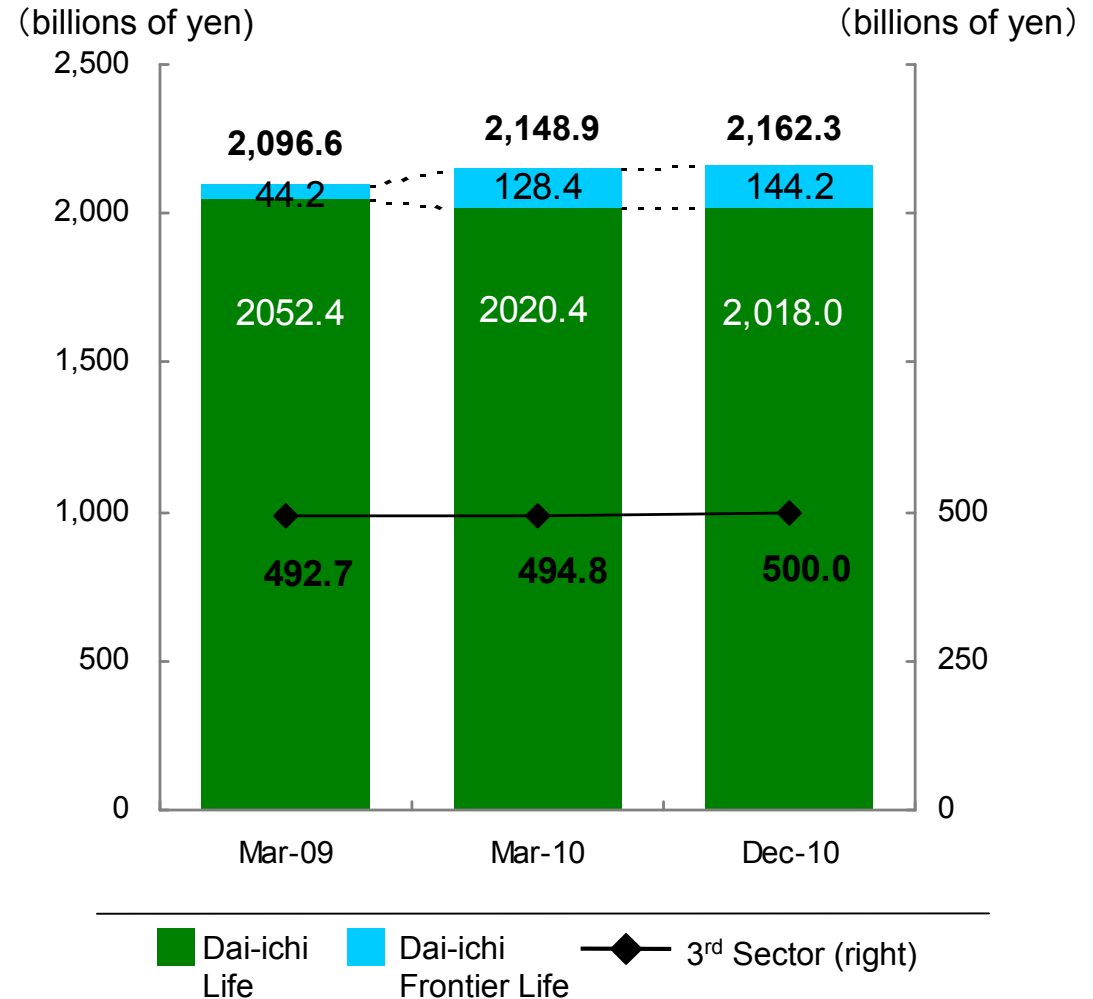
(1) Sum of Dai-ichi Life and Dai-ichi Frontier Life

Policies in Force (Individual Insurance, Individual Annuities)

Sum Insured and Policies in Force<sup>(1)</sup>



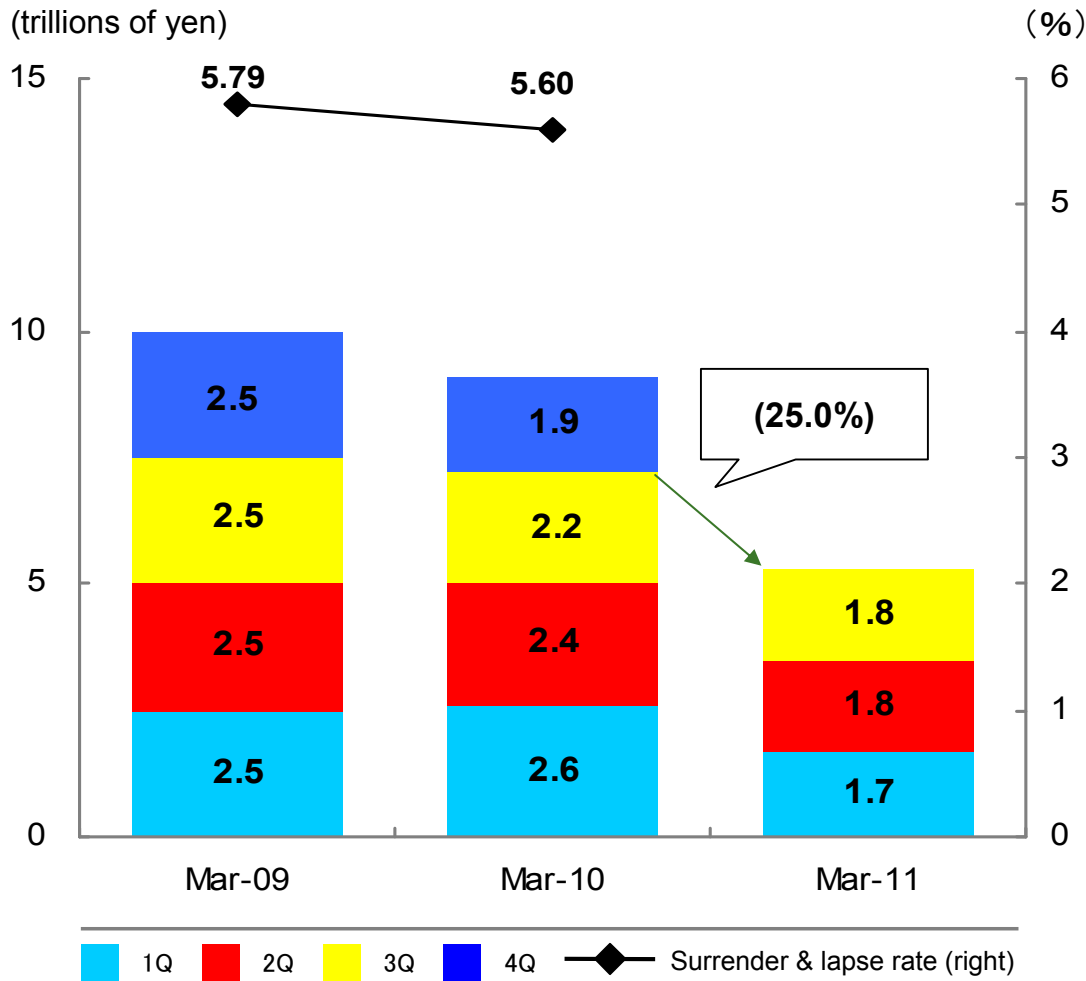
ANP from Policies in Force<sup>(1)</sup>



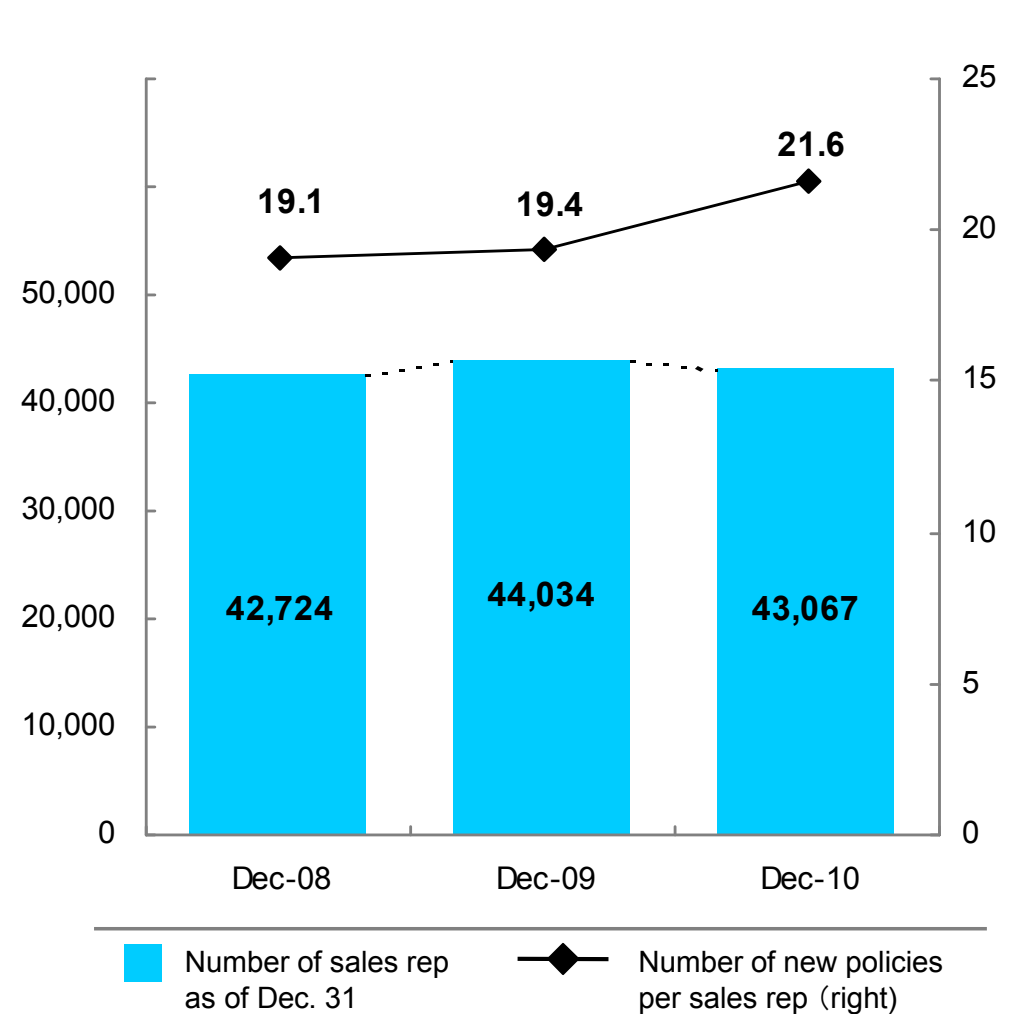
(1) Sum of Dai-ichi Life and Dai-ichi Frontier Life

Surrender and Lapse, Sales Representatives

Surrender & Lapse (Individ. Insurance & Annuities)<sup>(1)</sup>



Sales Representatives of Dai-ichi Life<sup>(1)(2)</sup>

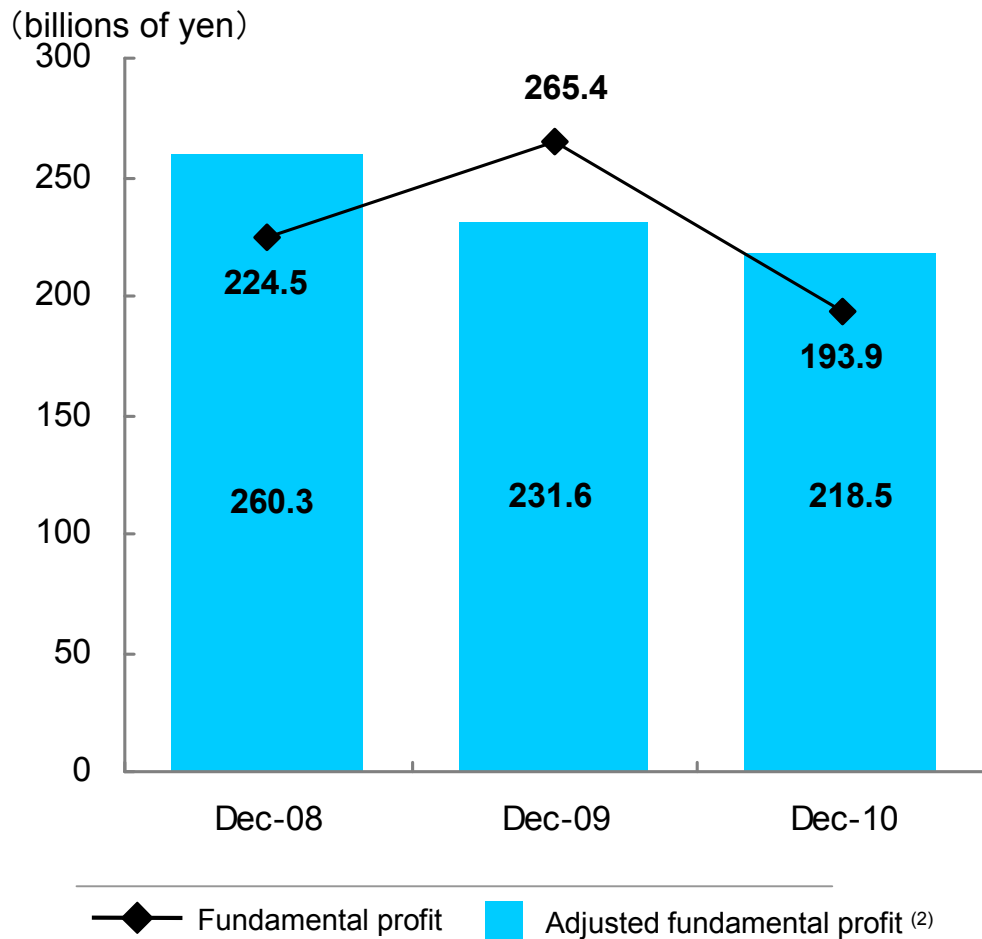


(1) Non-consolidated basis

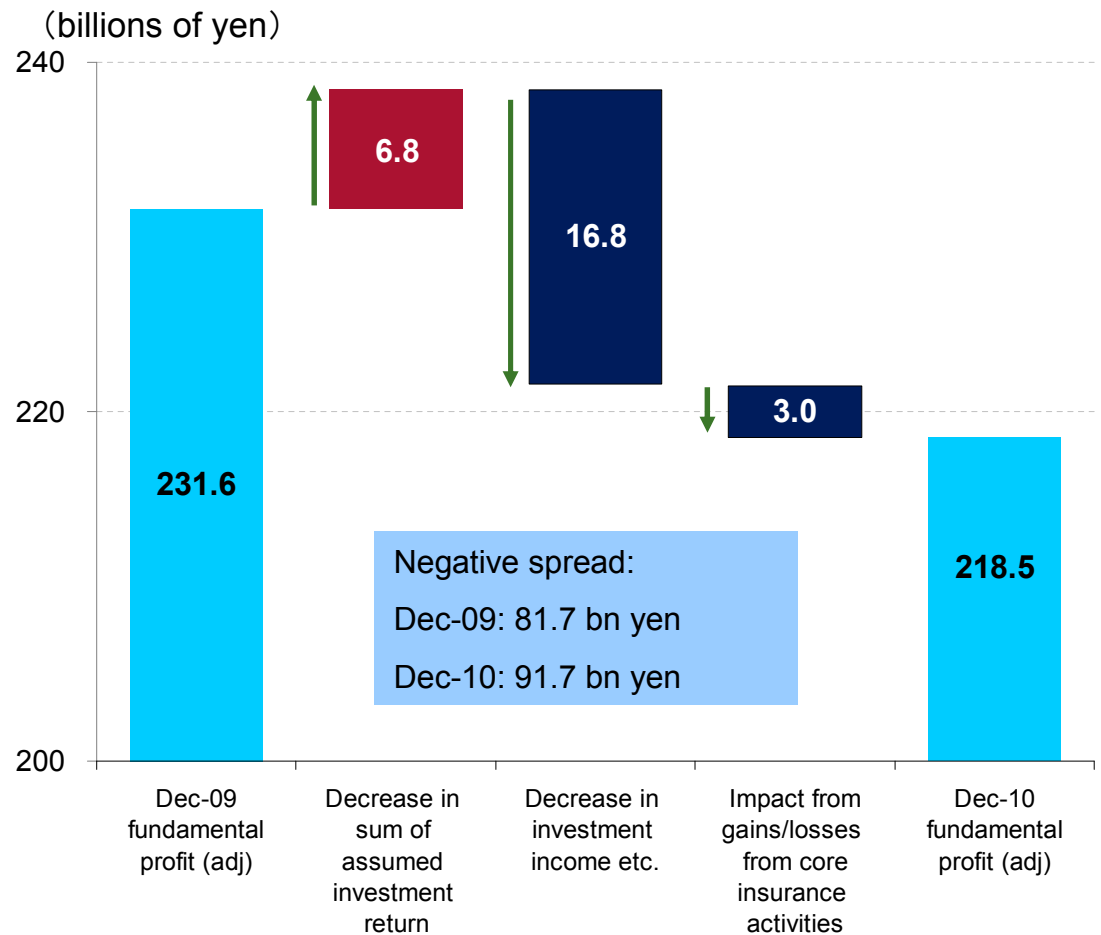
(2) The number of sales representatives does not include those who are not full-time employees of Dai-ichi Life and are engaged mainly in ancillary work.

Fundamental Profit

Fundamental Profit (1)



Movement Analysis of Adjusted Fundamental Profit (1)(2)



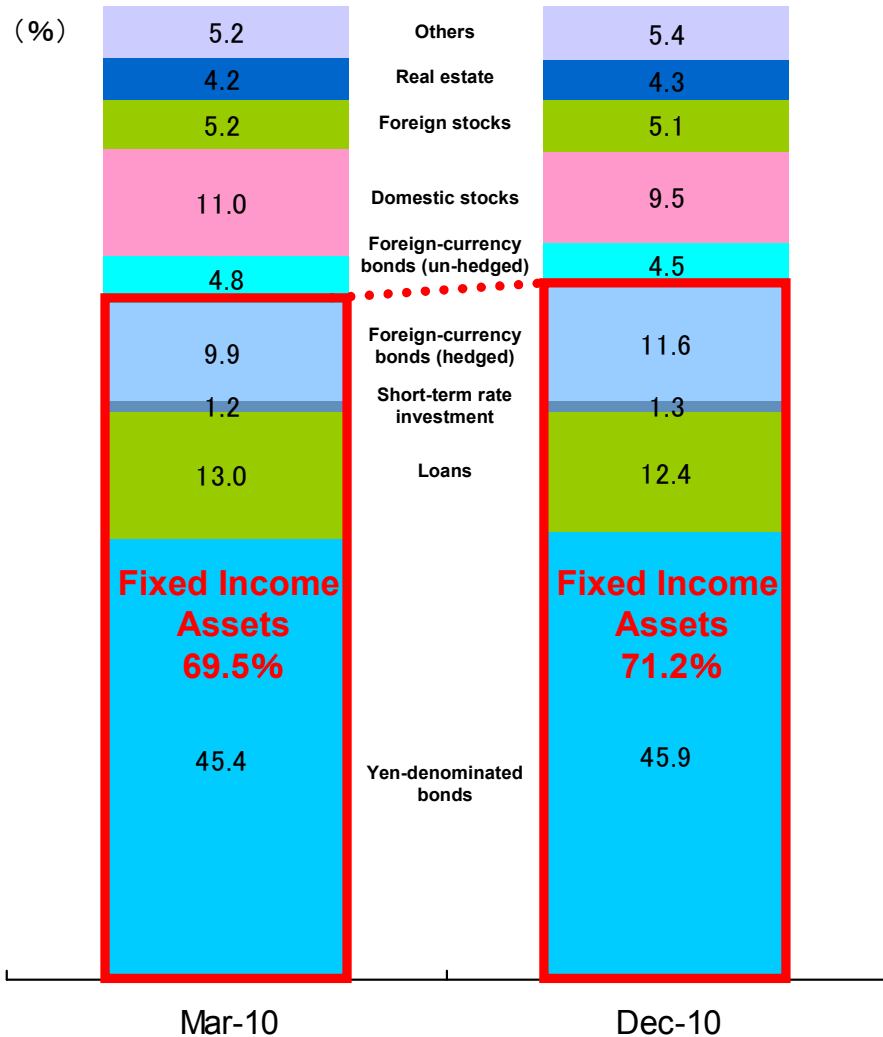
(1) Sum of Dai-ichi Life and Dai-ichi Frontier Life

(2) Adjusted fundamental profit = (fundamental profit) + (provision for policy reserve associated with minimum guarantee benefit risk of variable annuities)

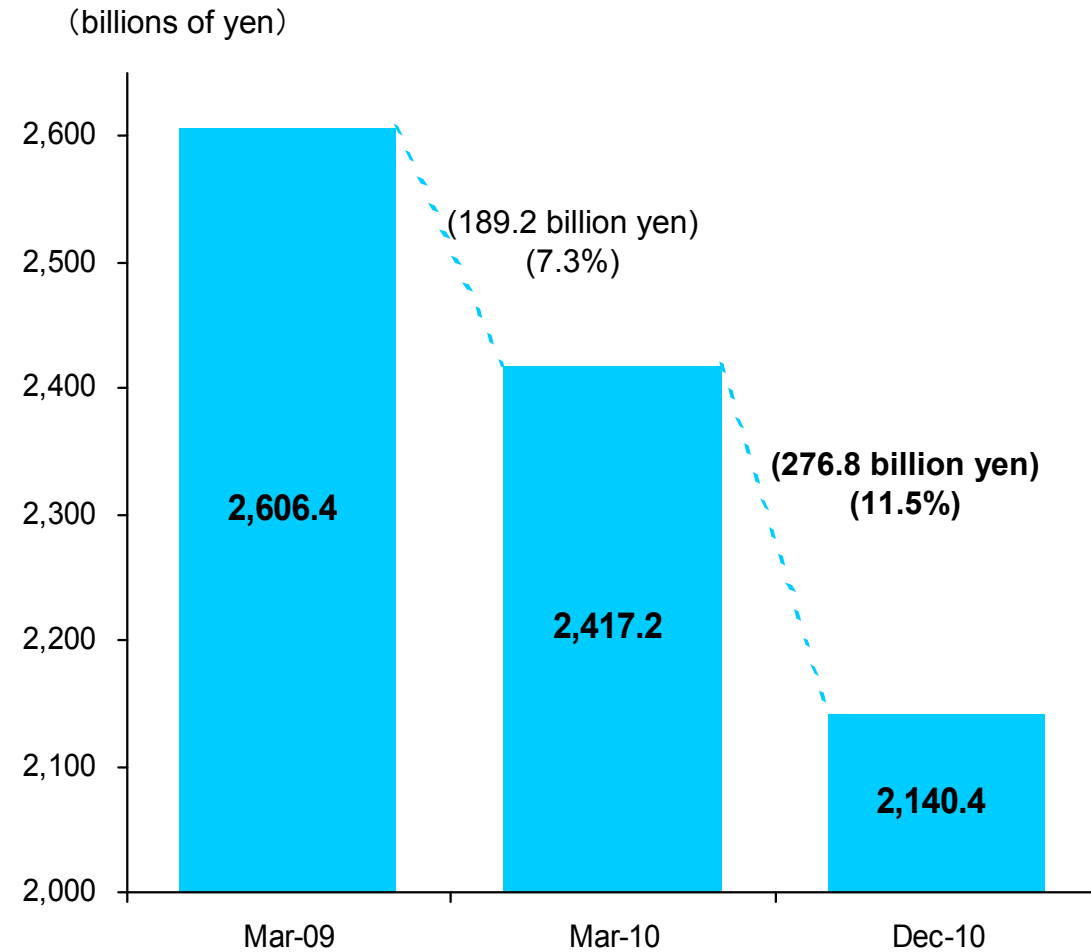


General Account Assets

Asset Portfolio (General Account) (1)



Book Value of Domestic Stocks (1) (2)



(1) Non-consolidated basis

(2) Book value of domestic stocks with fair value (exclude stocks of subsidiaries / affiliated companies and unlisted companies)

**Status of Financial Soundness**

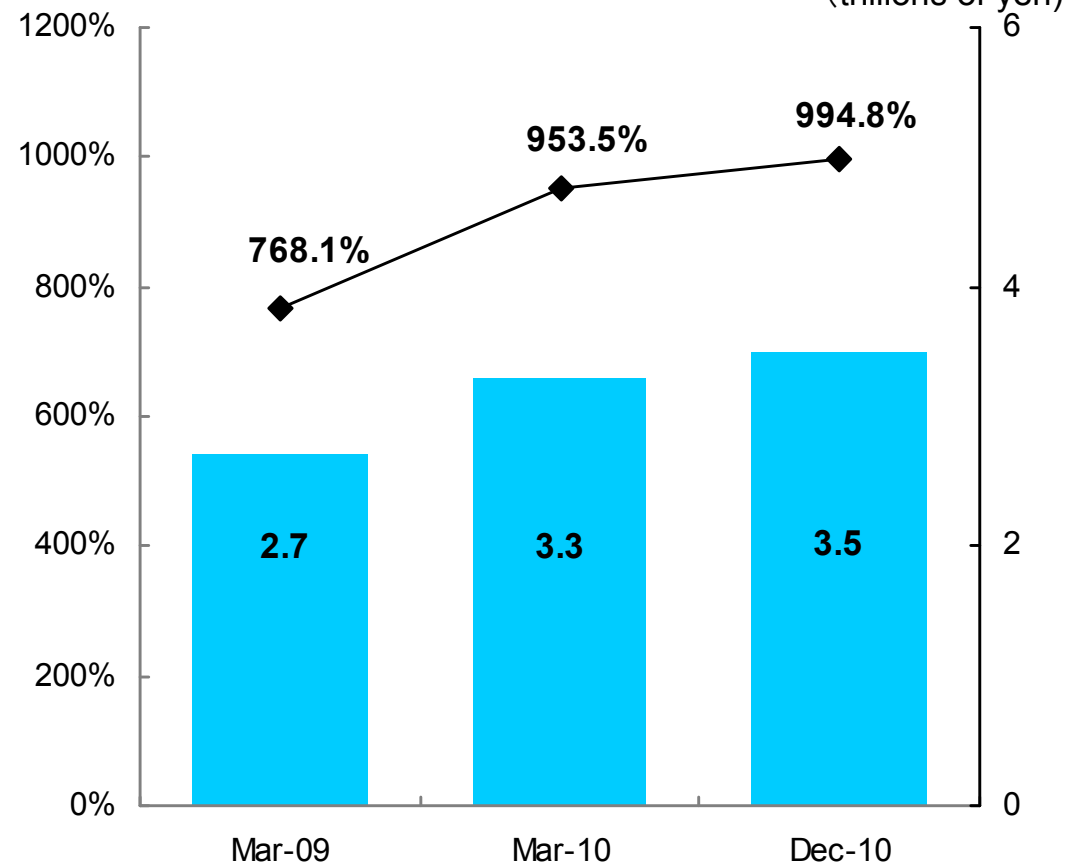
**Unrealized Gain/Loss (General Account) <sup>(1)</sup>**

(billions of yen)

	Mar-10	Dec-10	Change
Securities	851.4	926.8	+75.4
Domestic bonds	265.7	660.0	+394.2
Domestic stocks	522.5	363.5	(159.0)
Foreign securities	59.8	(101.4)	(161.2)
Real estate	90.8	70.9	(19.8)
General Account total	942.0	1,002.2	+60.2

**Solvency Margin Ratio & Adjusted Net Assets <sup>(1)</sup>**

(trillions of yen)

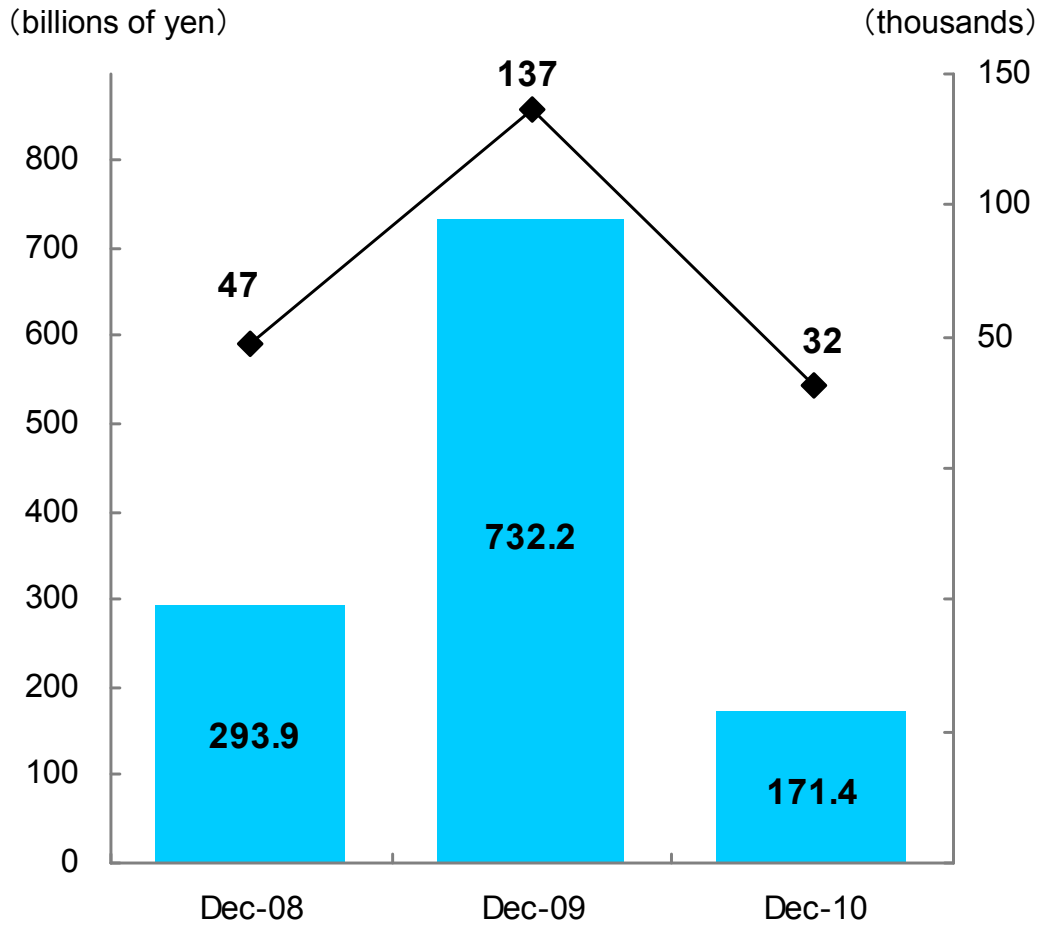


◆ Solvency Margin Ratio    ■ Adjusted Net Assets (right)

(1) Non-consolidated basis

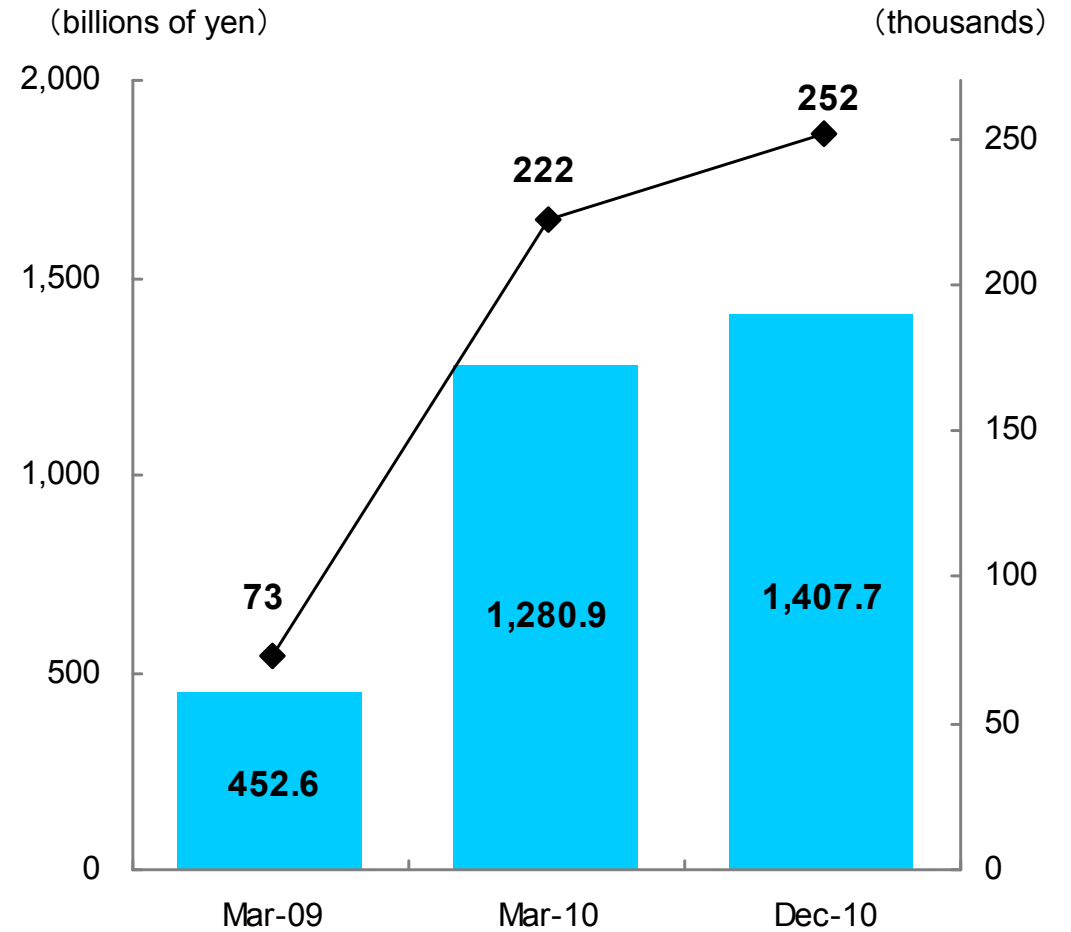
**Dai-ichi Frontier Life (1)**

**New Business**



■ Amount ◆ Number of policies (right)

**Policies in Force**



■ Sum insured policies in force ◆ Number of policies (right)

**Dai-ichi Frontier Life (2)**
**Earnings**

(billions of yen)

(Reference)

	Dec-09	Dec-10	Mar-11 (Forecast)
Ordinary revenues	848.1	208.3	350.0
Insurance premiums and other	776.2	205.1	
Variable annuities	673.2	152.5	
Fixed annuities	56.2	18.4	
Investment income	71.6	3.2	
Hedge gain related to GMMB risk (A)	-	1.6	
Ordinary expenses	852.0	218.1	
Provisions for policy reserve and other	778.4	125.8	
Related to GMMB risk (negative indicates a reversal) (B)	(30.8)	24.2	
Provision for contingency reserve (C)	34.2	1.2	
Investment expenses	7.4	22.9	
Hedge loss related to GMMB risk (D)	7.1	-	
Ordinary profit (loss)	(3.9)	(9.7)	(16.0)
Net income (loss)	(3.9)	(9.4)	(16.0)
Net income— (A) + (B) + (C) + (D)	6.6	14.3	

**Guidance on March 2011 Consolidated Earnings**

- No revision to our earnings forecast for the year ending March 31, 2011, because of improving operating results of Dai-ichi Life non-consolidated, and expected improvement in investment gains to some degree, etc..

	(billions of yen)			<Reference>	
	Mar-10	Mar-11(F)	Change	Dec-10	Progress
Ordinary revenues	5,294.0	4,326.0	(968.0)	3,401.6	79%
Dai-ichi Life <sup>(1)</sup>	4,331.5	3,972.0	(359.5)	3,187.7	80%
Dai-ichi Frontier	961.3	350.0	(611.3)	208.3	60%
Ordinary income	188.2	195.0	+6.7	106.2	54%
Dai-ichi Life <sup>(1)</sup>	193.6	209.0	+15.3	113.8	54%
Dai-ichi Frontier	(8.3)	(16.0)	(7.6)	(9.7)	-
Net income	55.6	50.0	(5.6)	15.6	31%
Dai-ichi Life <sup>(1)</sup>	60.8	62.0	+1.1	22.4	36%
Dai-ichi Frontier <sup>(2)</sup>	(7.6)	(14.4)	(6.7)	(8.5)	-
Dividends per share (yen)	-	1,600	-		

Note: in addition, the Company paid its first shareholder dividend (1,000 yen per share) with a record date of April 16, 2010, in accordance with Article 2, Supplementary Provisions, of its Articles of Incorporation.

<Reference>

Fundamental profit (Dai-ichi Life <sup>(1)</sup> )	330.1	below 300.0
--	-------	-------------

(1) Non-consolidated basis

(2) Calculated based on Dai-ichi Life's interest in Dai-ichi Frontier Life.

## European Embedded Value of the Dai-ichi Life Group

- Embedded value (preliminary calculation) as of December 2010 increased from September 2010.
- Decrease in adjusted net worth was more than offset by increase in value of in-force business, mainly caused by rise in interest rates.

### The EEV of the Group (preliminary calculation)

(billions of yen)

	Sep-10	Dec-10	Change
EEV	2,142.3	Approx. 2,300.0	Approx. +200.0
Adjusted net worth	2,051.6	Approx. 1,800.0	Approx. (200.0)
Value of in-force business	90.7	Approx. 500.0	Approx. +400.0

### Dai-ichi Life (standalone, preliminary calculation)

	Sep-10	Dec-10	Change
EEV	2,198.9	Approx. 2,400.0	Approx. +200.0
Adjusted net worth	2,114.1	Approx. 1,900.0	Approx. (200.0)
Value of in-force business	84.7	Approx. 500.0	Approx. +400.0

### Dai-ichi Frontier Life (preliminary calculation)

	Sep-10	Dec-10	Change
EEV	118.7	Approx. 130.0	Approx. +20.0
Adjusted net worth	112.0	Approx. 110.0	Approx. (0.0)
Value of in-force business	6.7	Approx. 20.0	Approx. +20.0

(1) The EEV calculation above is based on policies in force at the end of December 2010.

(2) In the EEV calculation, economic assumptions are set to reflect the economic environment at the end of December 2010, while non-economic assumptions remain the same as those used in calculating EEV as of March 31, 2010. In addition, certain simplified methods are used in calculating value of in-force business.

(3) Dai-ichi Life did not obtain actuarial opinion regarding the calculation above from an actuarial firm.

## Making TOWER Australia Group Limited a Wholly Owned Subsidiary

- Dai-ichi Life entered into a scheme implementation deed with TOWER Australia Group Limited (“TOWER”), an affiliate currently accounted for under the equity method, to acquire the rest of the shares of common stock of TOWER

---

Form of Transaction: “Scheme of Arrangement”, a friendly acquisition scheme commonly used in Australia. TOWER’s Independent Directors have recommended that TOWER’s shareholders vote in favour of the Scheme in the absence of no superior proposal and subject to an Independent Expert opining that the Scheme is in shareholders’ best interests.

---

Scheme conditions include <sup>(1)</sup>: (1) 75% or more of votes cast and the majority of TOWER’s shareholders attending a meeting of shareholders (including proxies) approve the acquisition and (2) Australian court approval of the scheme is received.

---

Price <sup>(2)</sup>: AUD 1,193 million (JPY 99.6 billion<sup>(3)(4)</sup>) in total – AUD 4.00 per share

---

Financing: Funds in hand (planned)

---

Time frame: Scheduled to complete in May 2011

---

<sup>(1)</sup> Subject to obtaining regulatory approvals of the Japanese and Australian authorities

<sup>(2)</sup> Other than the price in this slide, Dai-ichi plans to acquire TOWER’s stock options, vested to TOWER’s management, in cash, for AUD 70 million (JPY 5.8 billion).

<sup>(3)</sup> Australian dollars are converted into yen at the rate of JPY 83.55 to AUD 1.00.

<sup>(4)</sup> Actual price in JPY will be settled based on the exchange rate of AUD to JPY at the date of transaction.

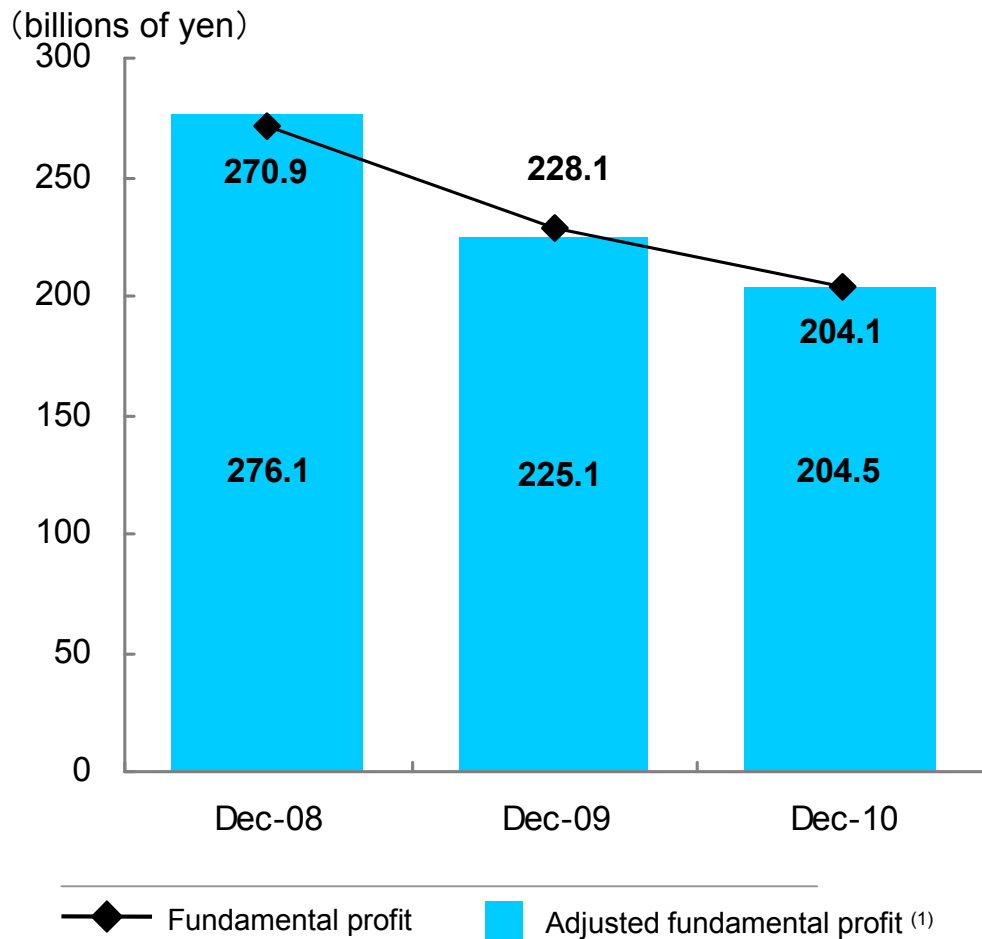


# Appendix

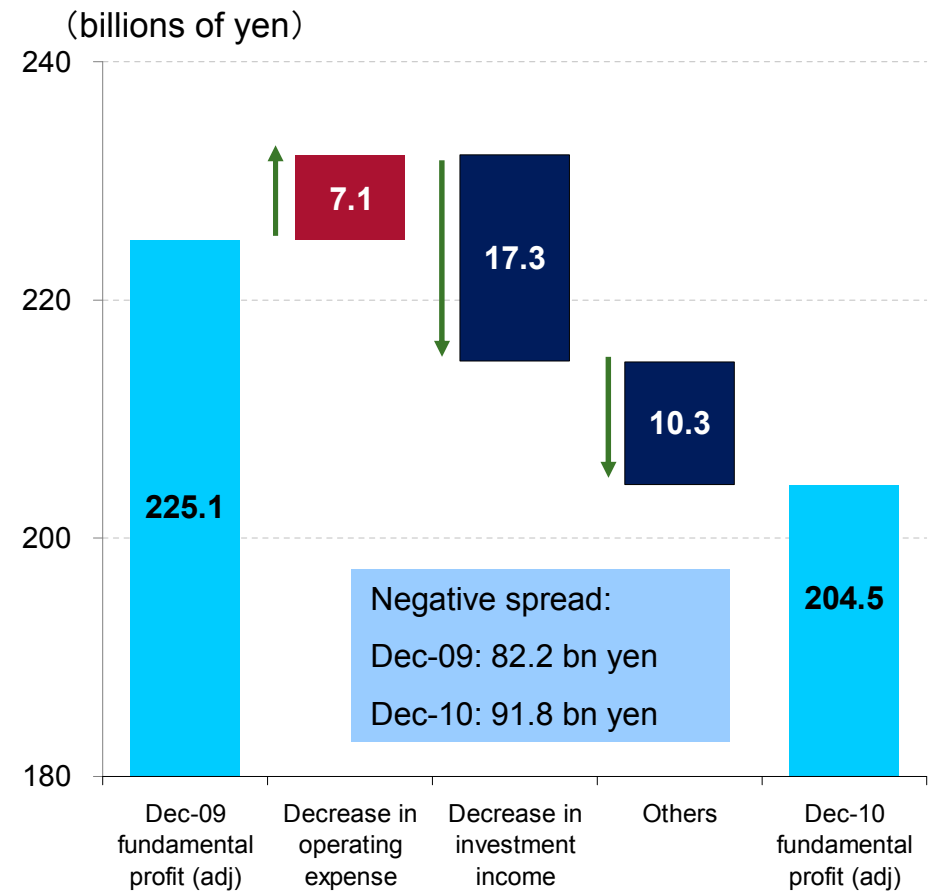


Fundamental Profit – Dai-ichi Life non-consolidated

Fundamental Profit



Movement Analysis of Adjusted Fundamental Profit (1)



(1) Adjusted fundamental profit = (fundamental profit) + (provision for policy reserve associated with minimum guarantee benefit risk of variable annuities)

## Sensitivities to Financial Markets (December 2010)

	Sensitivities <sup>(1)(2)</sup>	Breakeven Points <sup>(2)(3)</sup>
Domestic stocks	Nikkei 225 1,000 yen change: ±240 billion yen (±270 billion yen)	Nikkei 225 8,700 yen (8,700 yen)
Domestic bonds	10-year JGB Yield 10bp change: ±160 billion yen (±150 billion yen)	10-year JGB Yield 1.5% (1.6%)
Foreign securities	JPY / USD 1 yen change: ±19 billion yen (±18 billion yen)	JPY / USD \$1 = 90 yen (95 yen)

(1) Sensitivities indicate the impact of fluctuation in market value of the related assets.

(2) Figures in parentheses are as of March 2010.

(3) 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 JPY/USD rate (assuming all are in USD).

# Summary Financial Statements – Dai-ichi Life non-consolidated

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

(billions of yen)

	Dec-09	Dec-10	Change
Ordinary revenues	3,165.4	3,187.7	+22.2
Insurance premiums and other	2,091.2	2,300.5	+209.3
Investment income	863.3	679.1	(184.2)
Interest, dividends and other income	510.5	501.3	(9.1)
Gain on sales of securities	190.4	160.8	(29.5)
Net derivative financial instruments gain	-	15.0	+15.0
Gain on separate accounts	154.8	-	(154.8)
Other ordinary revenues	210.8	208.0	(2.8)
Ordinary expenses	3,031.5	3,073.8	+42.3
Insurance claims and other	1,892.5	1,864.6	(27.8)
Provision for policy reserve and others	260.7	302.1	+41.4
Investment expenses	246.5	271.3	+24.8
Loss on sales of securities	104.5	87.9	(16.6)
Loss on valuation of securities	61.0	69.1	+8.0
Loss on separate accounts	-	41.6	+41.6
Operating expenses	318.0	310.9	(7.1)
Ordinary profit	133.9	113.8	(20.0)
Extraordinary gains (losses)	(17.2)	(17.2)	(0.0)
Provision for reserve for dividends to policyholders <sup>(1)</sup>	69.3	60.0	(9.3)
Income before income taxes <sup>(1)(2)</sup>	47.3	36.6	(10.7)
Income taxes	10.4	14.1	+3.7
Net income <sup>(1)(2)</sup>	36.9	22.4	(14.4)

## Balance Sheets

(billions of yen)

	Apr-10	Dec-10	Change
Total assets	30,822.4	30,989.8	+167.3
Cash, deposits and call loans	397.6	399.0	+1.4
Monetary receivables purchased	289.8	295.6	+5.7
Securities	23,987.9	24,158.8	+170.9
Loans receivable	3,834.3	3,697.8	(136.5)
Tangible assets	1,243.6	1,289.6	+46.0
Deferred tax assets	337.6	405.4	+67.8
Total liabilities	29,822.1	30,113.6	+291.4
Reserve for insurance policy liabilities	27,896.2	28,164.7	+268.5
Policy reserve	27,324.8	27,619.4	+294.6
Contingency reserve	527.0	528.1	+1.0
Reserve for employees' retirement benefits	409.6	424.5	+14.8
Reserve for price fluctuations	115.4	125.9	+10.5
Total net assets	1,000.3	876.1	(124.1)
Total shareholders' equity	604.6	618.6	+13.9
Total valuation and translation adjustments	395.6	257.5	(138.1)
Valuation difference on available-for-sale securities	461.1	321.5	(139.5)
Revaluation reserve for land	(63.5)	(65.0)	(1.5)

- (1) For the purpose of making proper year-on-year comparison, a "provision for reserve for dividends to policyholders" is recorded for the nine months ended Dec-09, in the same way as for the nine months ended Dec-10. Specifically, an amount equivalent to three quarters of the "provision for allowance for policyholder dividends" recorded for the year ended Mar-10 is shown and is deducted from the net surplus for Dec-09.
- (2) Although the Company was a mutual company for the nine months ended Dec-09, we show "net income" rather than "net surplus", in light of our subsequent demutualization.

## Summary Financial Statements of Dai-ichi Frontier Life

### Statements of Earnings

(billions of yen)

	Dec-09	Dec-10	Change
Ordinary revenues	848.1	208.3	(639.7)
Insurance premiums and other	776.2	205.1	(571.1)
Investment income	71.6	3.2	(68.4)
Ordinary expenses	852.0	218.1	(633.9)
Insurance claims and other	26.7	60.7	+34.0
Provision for policy reserve and other	778.4	125.8	(652.5)
Investment expenses	7.4	22.9	+15.4
Operating expenses	34.9	7.9	(26.9)
Ordinary income (loss)	(3.9)	(9.7)	(5.8)
Extraordinary gains (losses)	(0.0)	0.2	+0.2
Net income(loss) before income taxes	(3.9)	(9.4)	(5.5)
Income taxes	0.0	0.0	+0.0
Net income (loss)	(3.9)	(9.4)	(5.5)

### Balance Sheets

(billions of yen)

	Mar-10	Dec-10	Change
Total assets	1,423.1	1,539.3	+116.1
Cash, deposits and call loans	30.0	18.2	(11.7)
Securities	1,313.5	1,426.5	+112.9
Total liabilities	1,305.7	1,430.5	+124.8
Reserve for insurance policy liabilities	1,300.2	1,426.1	+125.8
Policy reserves	1,299.6	1,425.4	+125.7
Contingency reserve	44.7	46.0	+1.2
Total net assets	117.4	108.7	(8.6)
Total shareholders' equity	116.2	106.7	(9.4)
Capital stock	117.5	117.5	-
Capital surplus	67.5	67.5	-
Retained earnings	(68.7)	(78.2)	(9.4)

## **Investor Contact**

The Dai-ichi Life Insurance Company, Limited  
Investor Relations Center  
Corporate Planning Department  
+81 50 3780 6930

## **Disclaimer**

The information in this presentation is subject to change without prior notice. Neither this presentation nor any of its contents may be disclosed or used by any other party for any other purpose, without the prior written consent of the Company.

Statements contained herein that relate to the future operating performance of the Company are forward-looking statements. Forward-looking statements may include – but are not limited to – words such as “believe,” “anticipate,” “plan,” “strategy,” “expect,” “forecast,” “predict,” “possibility” and similar words that describe future operating activities, business performance, events or conditions. Forward-looking statements are based on judgments made by the Company’s management based on information that is currently available to it and are subject to significant assumptions. As such, these forward-looking statements are subject to various risks and uncertainties and actual business results may vary substantially from the forecasts expressed or implied in forward-looking statements. Consequently, you are cautioned not to place undue reliance on forward-looking statements. The Company disclaims any obligation to revise forward-looking statements in light of new information, future events or other findings.