

**DAI-ICHI LIFE**



# **Presentation of Financial Results for the Three Months Ended June 2012**

**August 10, 2012**

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

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The logo for DAI-ICHI LIFE, featuring the company name in white capital letters inside a red rounded rectangular shape.

## Financial Results Highlights

- We have maintained a high level of sales of new policies. In the domestic business through sales representative channel, we have focused on distributing main products, including medical riders. Our domestic bancassurance channel and overseas businesses also increased their sales. As a result, we have increased the ANP in force in the domestic and overseas insurance markets.
- Further fluctuations in the financial markets negatively affected our investment activities during 1Q FY2012. Although the harsh investment environment continued, we steadily made progress in our measures to improve medium- to long-term profitability, including ALM, accumulation of internal reserves and growth areas.
- Although the uncertainty of the domestic and overseas financial markets will not be solved in the short term, we made no revision to our original earnings forecast as we plan to maintain favorable sales performance and adjust our investment strategies to the changes in the financial markets.

## Consolidated Financial Results Highlights

- Marked favorable sales performance in domestic business through sales representative & bancassurance channels and also in overseas businesses
- Ordinary revenues increased but ordinary profit and net income decreased affected mainly by worsened investment gains in the as a result of the harsh financial markets and absence of extraordinary gains recorded last year

(billions of yen)

	3 months ended Jun-11	3 months ended Jun-12 (a)	Change	
Ordinary revenues	1,135.6	1,201.6	65.9	+6%
Non-consolidated	1,050.9	1,068.9	18.0	+2%
Ordinary profit	47.3	29.4	(17.9)	(38%)
Non-consolidated	55.1	40.6	(14.4)	(26%)
Net income	32.2	11.1	(21.1)	(66%)
Non-consolidated	17.3	22.5	5.1	30%

&lt;Reference&gt;

Forecasts for year ending Mar-13 (b)	Progress (a/b)
4,596.0	26%
3,988.0	27%
138.0	21%
156.0	26%
25.0	45%
44.0	51%



## Consolidated Financial Information (summarized)

- Because we accelerated purchasing long-term JGBs by selling shorter ones, we recognized an increase in gains on sale of securities, which offset an increase in losses on valuation of securities

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

(billions of yen)

	3 months ended Jun-11	3 months ended Jun-12	Change
Ordinary revenues	1,135.6	1,201.6	+65.9
Premium and other income	830.8	888.3	+57.4
Investment income	221.3	250.6	+29.3
Interest and dividends	173.3	166.5	(6.8)
Gains on sale of securities	44.5	71.1	+26.6
Derivative transaction gains	1.4	5.6	+4.1
Other ordinary revenues	83.4	62.6	(20.8)
Ordinary expenses	1,088.3	1,172.1	+83.8
Benefits and claims	653.9	679.2	+25.2
Provision for policy reserves and others	155.4	103.5	(51.8)
Investment expenses	65.6	176.7	+111.1
Losses on sale of securities	14.2	12.7	(1.5)
Losses on valuation of securities	20.4	48.2	+27.8
Losses on investment in separate accounts	1.9	84.1	+82.1
Operating expenses	111.4	108.8	(2.6)
Ordinary profit	47.3	29.4	(17.9)
Extraordinary gains	23.5	3.9	(19.6)
Extraordinary losses	6.9	6.8	(0.1)
Provision for reserve for policyholder dividends	18.9	17.7	(1.1)
Income before income taxes, etc.	45.0	8.7	(36.2)
Total of corporate income taxes	13.5	(0.9)	(14.4)
Minority interests in income (loss)	(0.8)	(1.4)	(0.6)
Net income	32.2	11.1	(21.1)

### Balance Sheet (Summarized)

(billions of yen)

	As of Mar-12	As of Jun-12	Change
Total assets	33,468.6	33,273.9	(194.7)
Cash, deposits and call loans	564.3	594.6	+30.2
Monetary claims bought	294.3	293.3	(0.9)
Securities	27,038.7	26,723.6	(315.1)
Loans	3,413.6	3,331.8	(81.8)
Tangible fixed assets	1,254.6	1,234.4	(20.2)
Deferred tax assets	284.5	367.0	+82.5
Total liabilities	32,476.9	32,465.2	(11.6)
Policy reserves and others	30,489.9	30,567.9	+78.0
Policy reserves	29,862.7	29,959.0	+96.3
Reserve for employees' retirement benefits	433.7	438.3	+4.5
Reserve for price fluctuations	74.8	78.4	+3.5
Total net assets	991.7	808.6	(183.0)
Total shareholders' equity	569.2	542.9	(26.2)
Total accumulated other comprehensive income	413.2	257.6	(155.5)
Net unrealized gains on securities, net of tax	483.4	316.4	(167.0)
Reserve for land revaluation	(61.6)	(39.6)	+21.9

(1) Losses on investment in separate accounts are offset by reversal of policy reserves, so that they have no impact on ordinary profit.



## Financial Results of Each Group Company

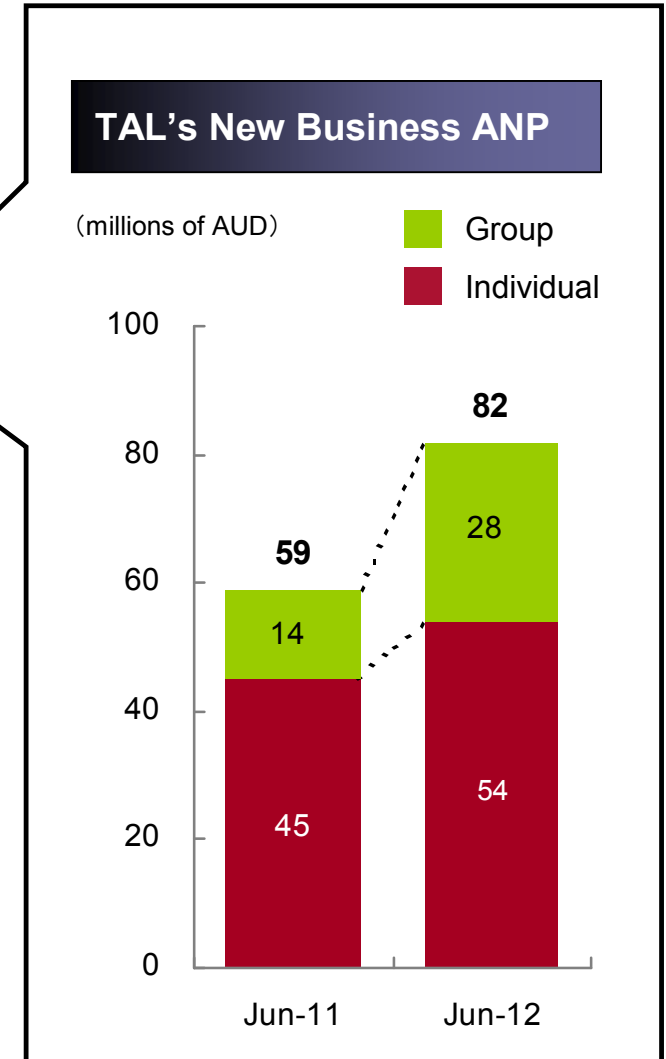
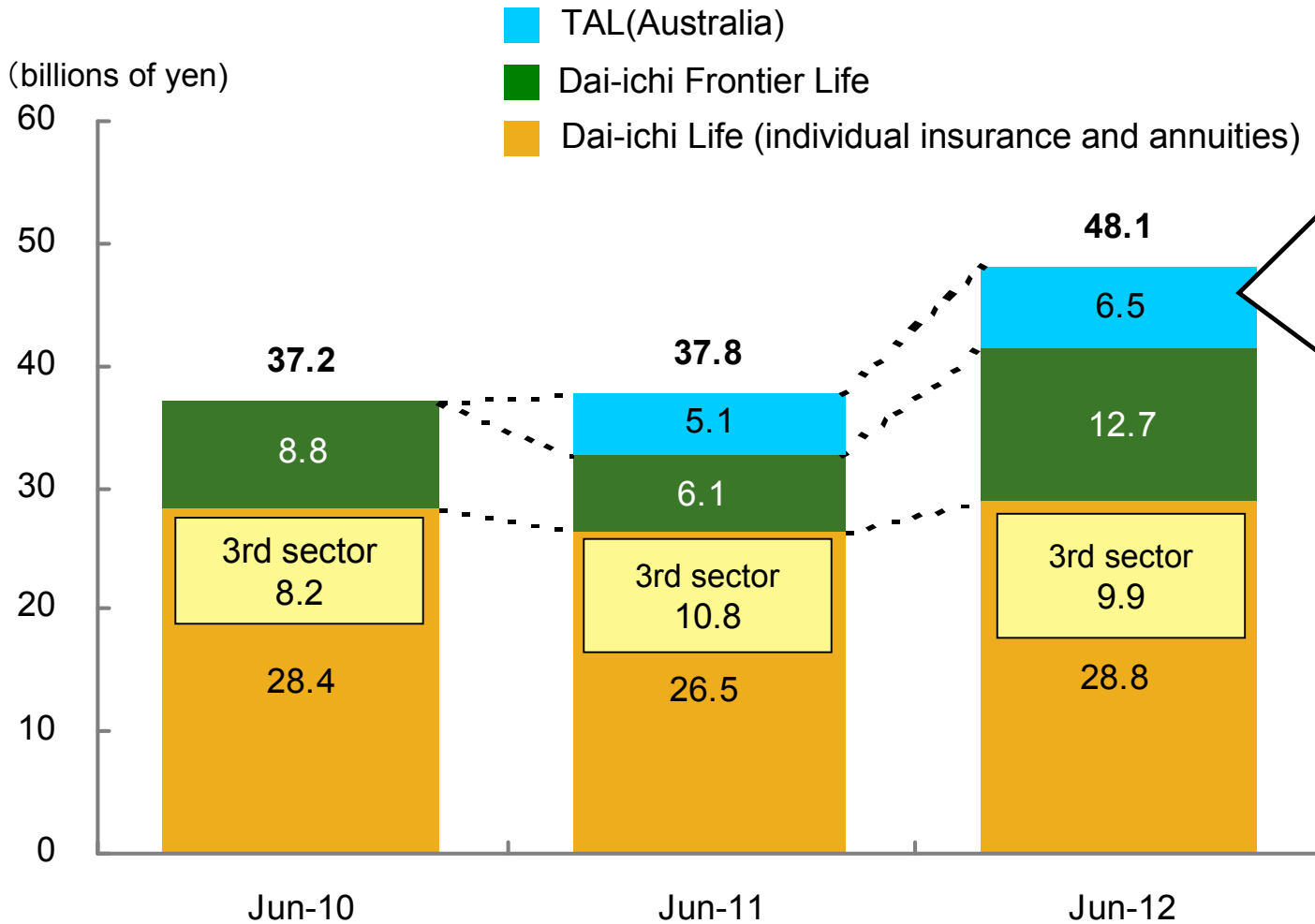
	【Dai-ichi Life】			【Dai-ichi Frontier Life】			【TAL】 <sup>(1)</sup>			【Consolidated】		
	billions of yen			billions of yen			millions of A\$			billions of yen		
	3 months ended Jun-11	3 months ended Jun-12	Change YoY	3 months ended Jun-11	3 months ended Jun-12	Change YoY	3 months ended Jun-11	3 months ended Jun-12	Change YoY	3 months ended Jun-11	3 months ended Jun-12	Change YoY
Ordinary revenues	1,050.9	1,068.9	+2%	58.5	106.7	+82%	480	574	+20%	1,135.6	1,201.6	+6%
Premium and other income	744.8	763.9	+3%	54.3	90.9	+67%	385	444	+15%	830.8	888.3	+7%
Investment income	222.4	239.9	+8%	4.1	15.6	+281%	5	6	+20%	221.3	250.6	+13%
Ordinary expenses	995.8	1,028.3	+3%	66.7	122.3	+83%	452	513	+13%	1,088.3	1,172.1	+8%
Benefits and claims	609.6	632.0	+4%	22.9	26.6	+16%	274	291	+6%	653.9	679.2	+4%
Provision for policy reserves and others	122.7	64.9	(47%)	38.3	46.6	+22%	35	69	+97%	155.4	103.5	(33%)
Investment expenses	65.8	135.3	+105%	2.3	45.1	+1814%	16	19	+17%	65.6	176.7	+169%
Operating expenses	98.8	95.5	(3%)	2.8	3.6	+27%	106	113	+7%	111.4	108.8	(2%)
Ordinary profit (loss)	55.1	40.6	(26%)	(8.1)	(15.6)	--	27	60	+121%	47.3	29.4	(38%)
Extraordinary gains	0.3	3.9	+888%	--	--	--	--	--	--	23.5	3.9	(83%)
Extraordinary losses	6.7	6.7	(1%)	0.0	0.0	+209%	--	--	--	6.9	6.8	(2%)
Minority interests in gain (loss) of subsidiaries	--	--	--	--	--	--	--	--	--	(0.8)	(1.4)	+76%
Net income (loss)	17.3	22.5	+30%	(8.2)	(15.6)	--	15	42	+168%	32.2	11.1	(66%)

(1) Figures of TAL is disclosed after re-classifying items of TAL's financial statements under the Australian accounting standards to fit Dai-ichi Life's disclosure standards.



Trend in New Business (ANP basis)

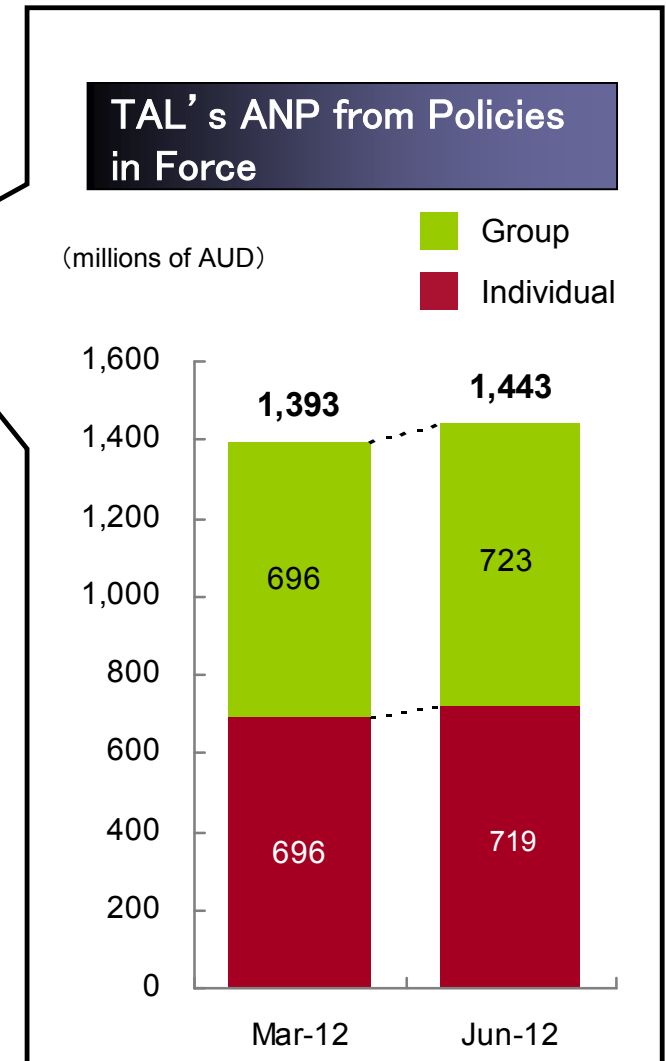
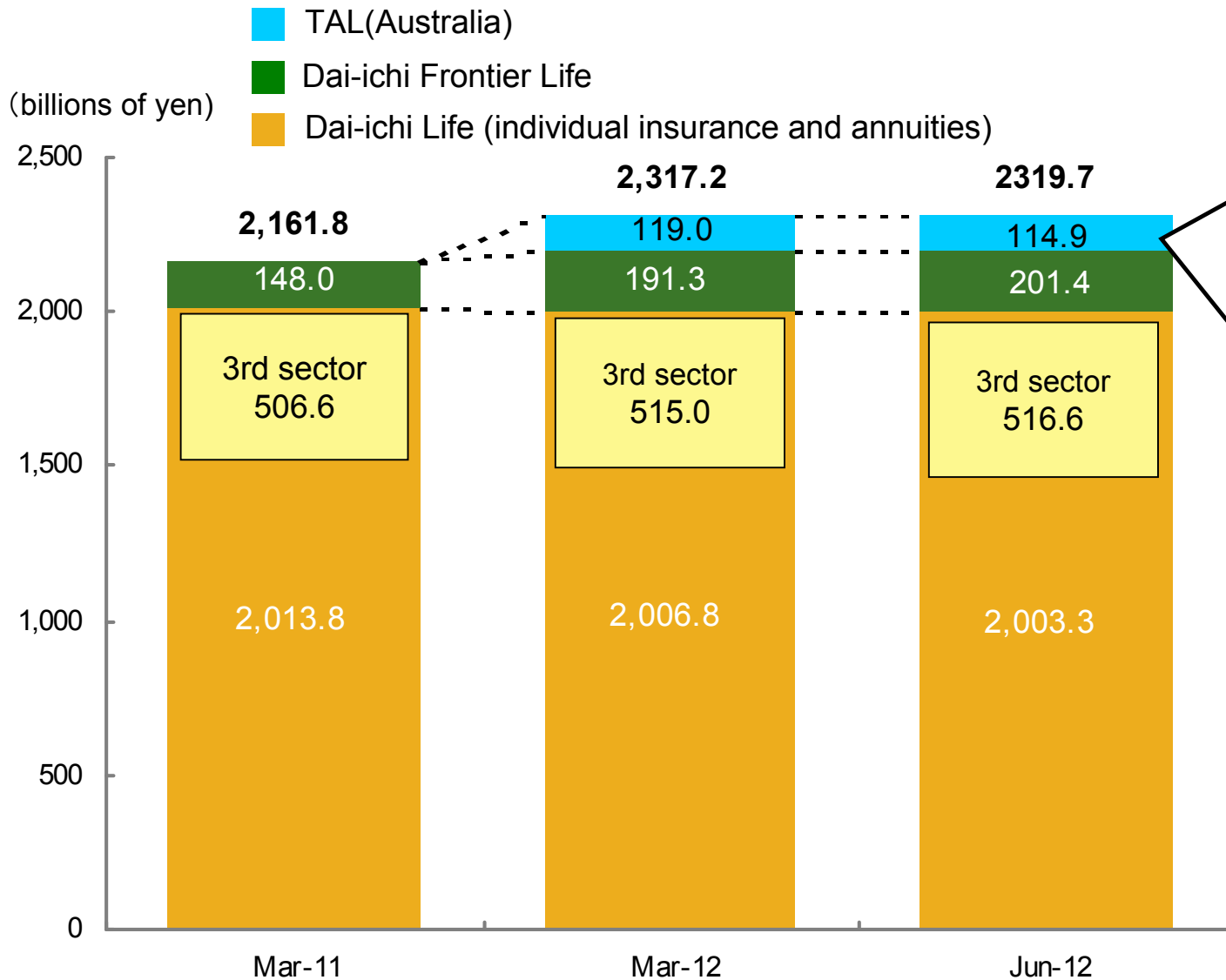
Dai-ichi Group's New Business ANP





Trend in Policies in Force (ANP basis)

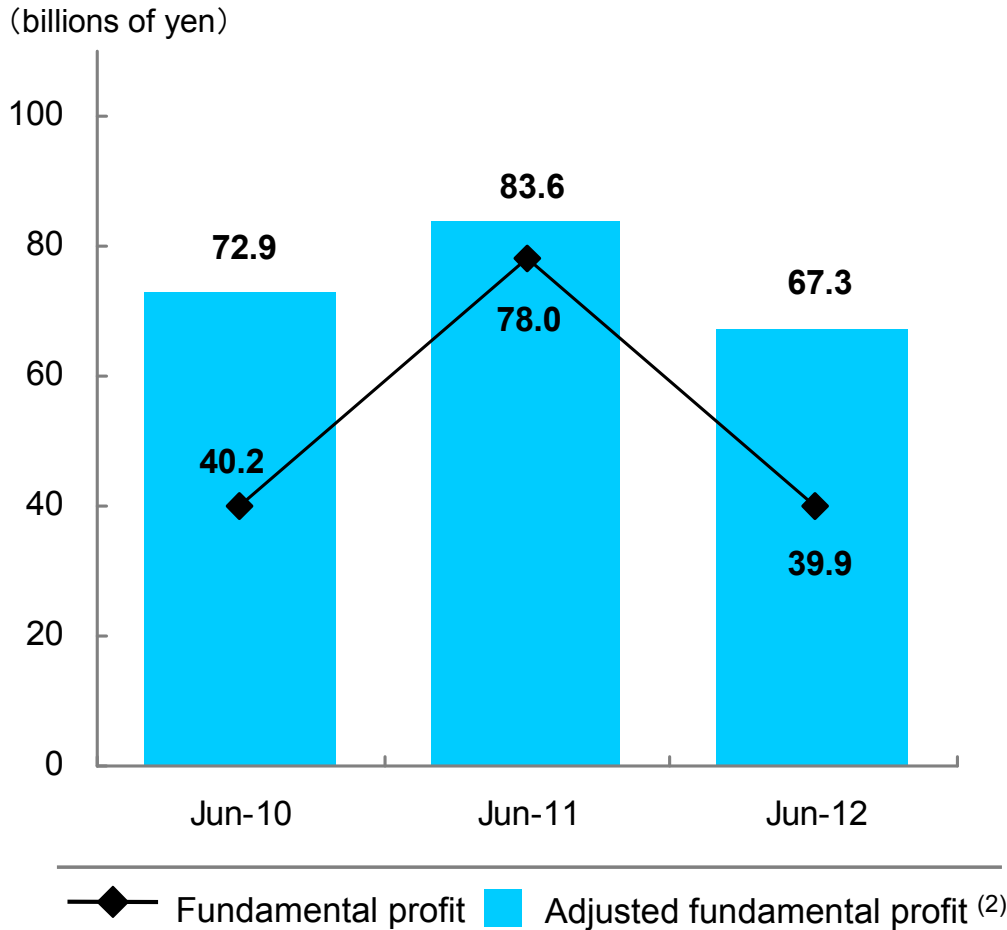
Dai-ichi Group's ANP from Policies in Force



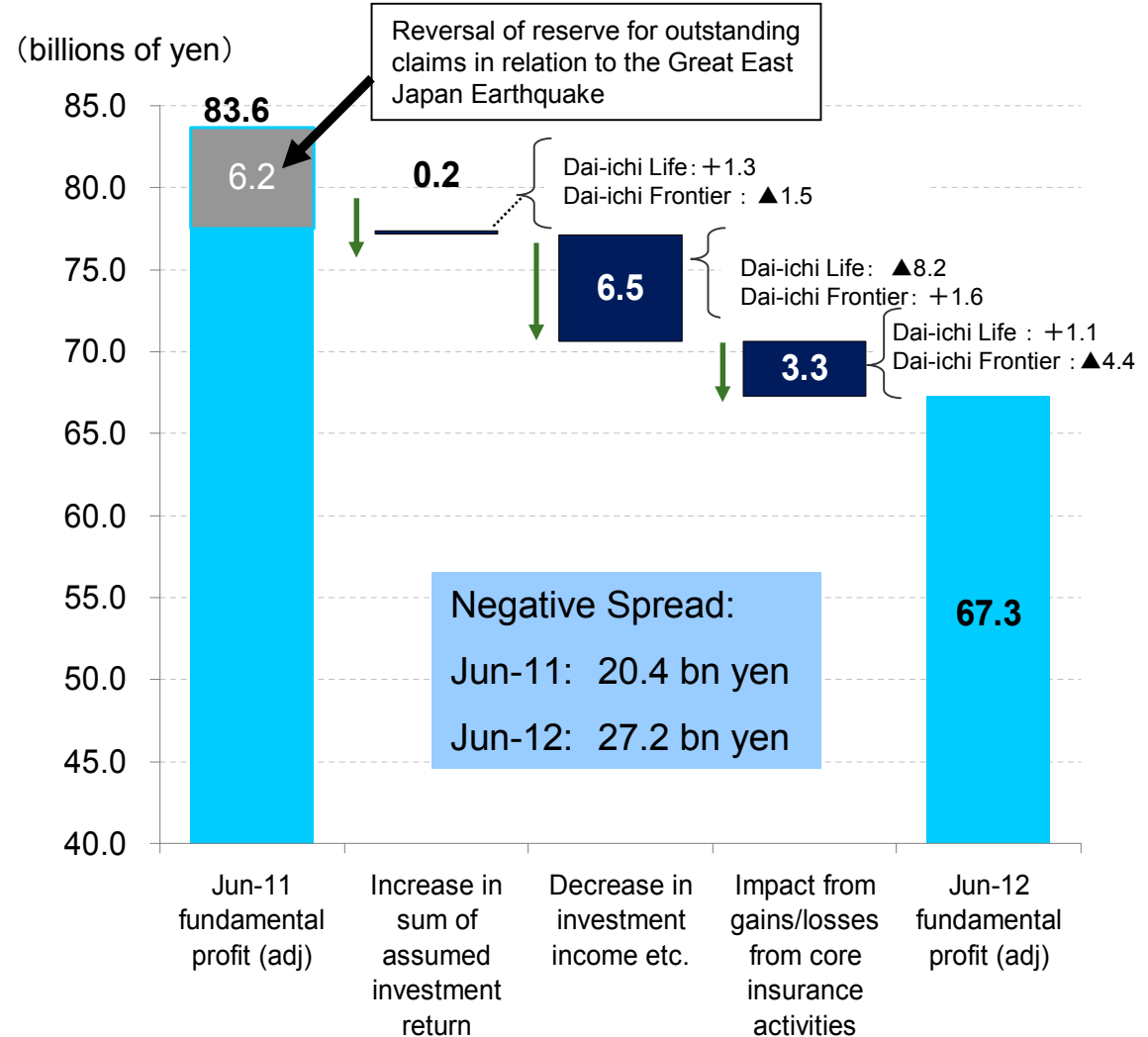


Fundamental Profit

Fundamental Profit (1)



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



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

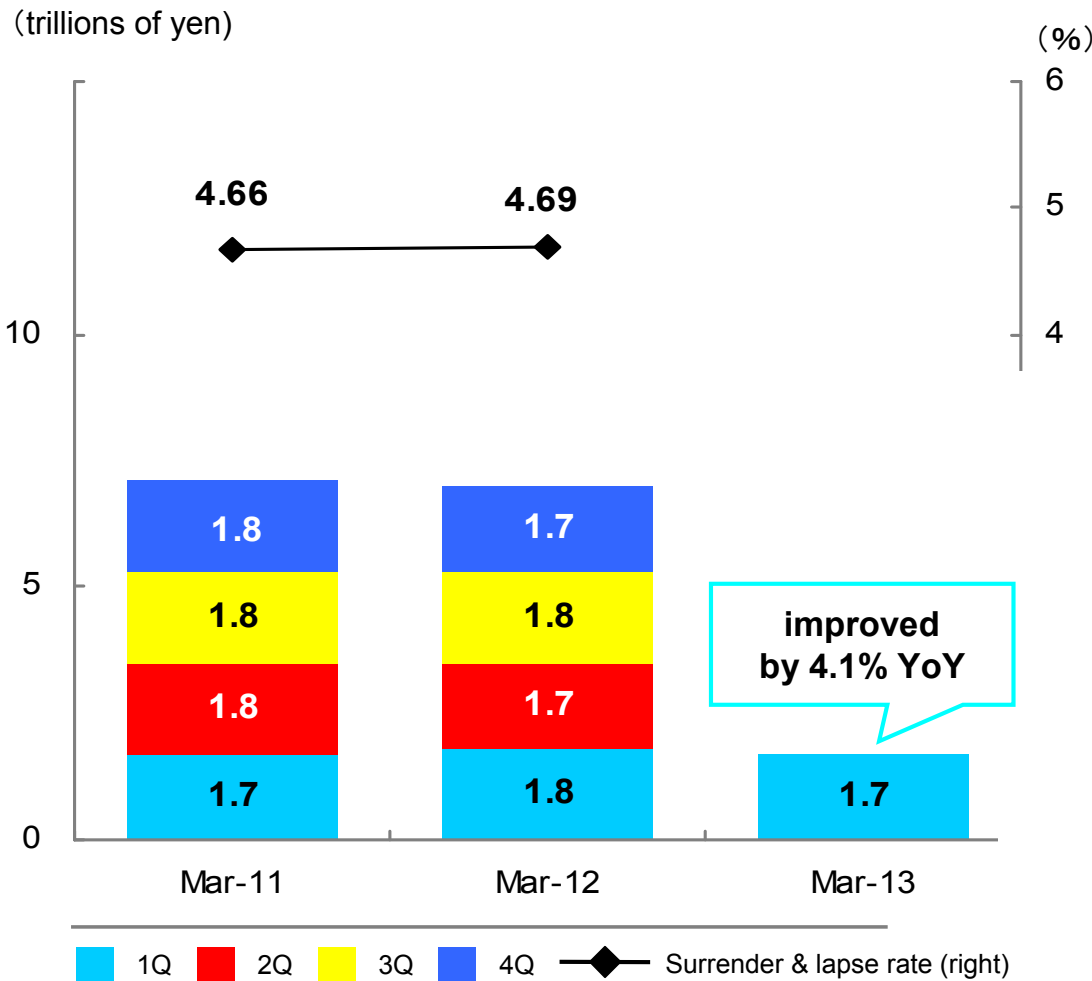
(2) Adjusted fundamental profit = (fundamental profit) + (provision for policy reserve associated with minimum guarantee benefit risk of variable annuities)



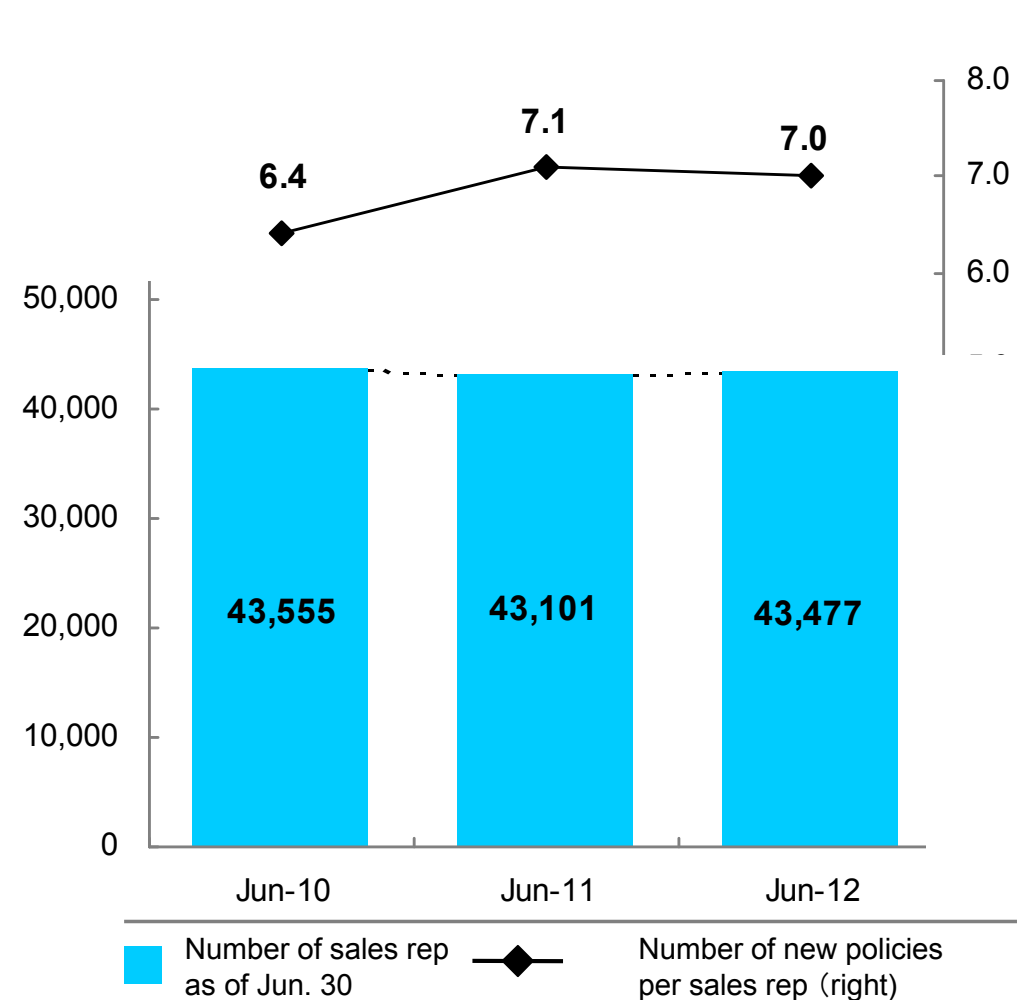


Surrender and Lapse, Sales Representatives

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



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



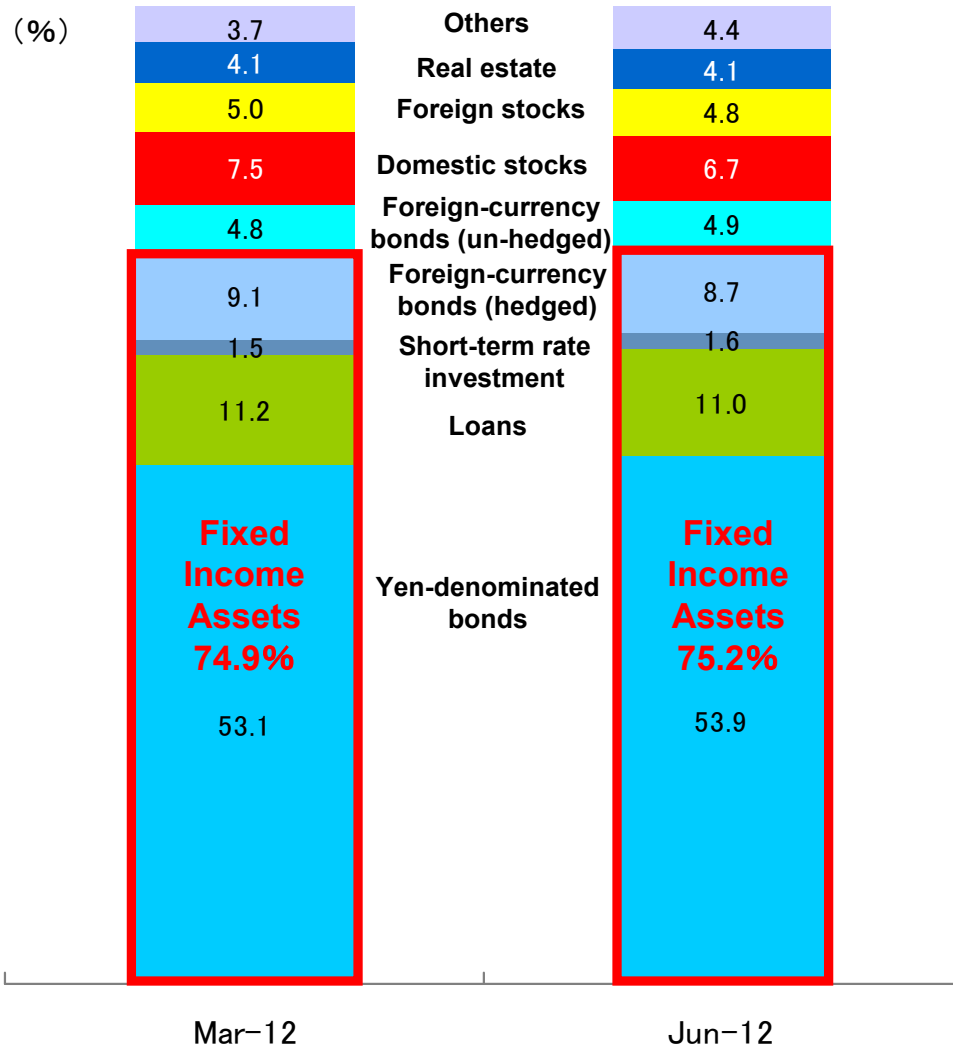
(1) Non-consolidated basis

(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.

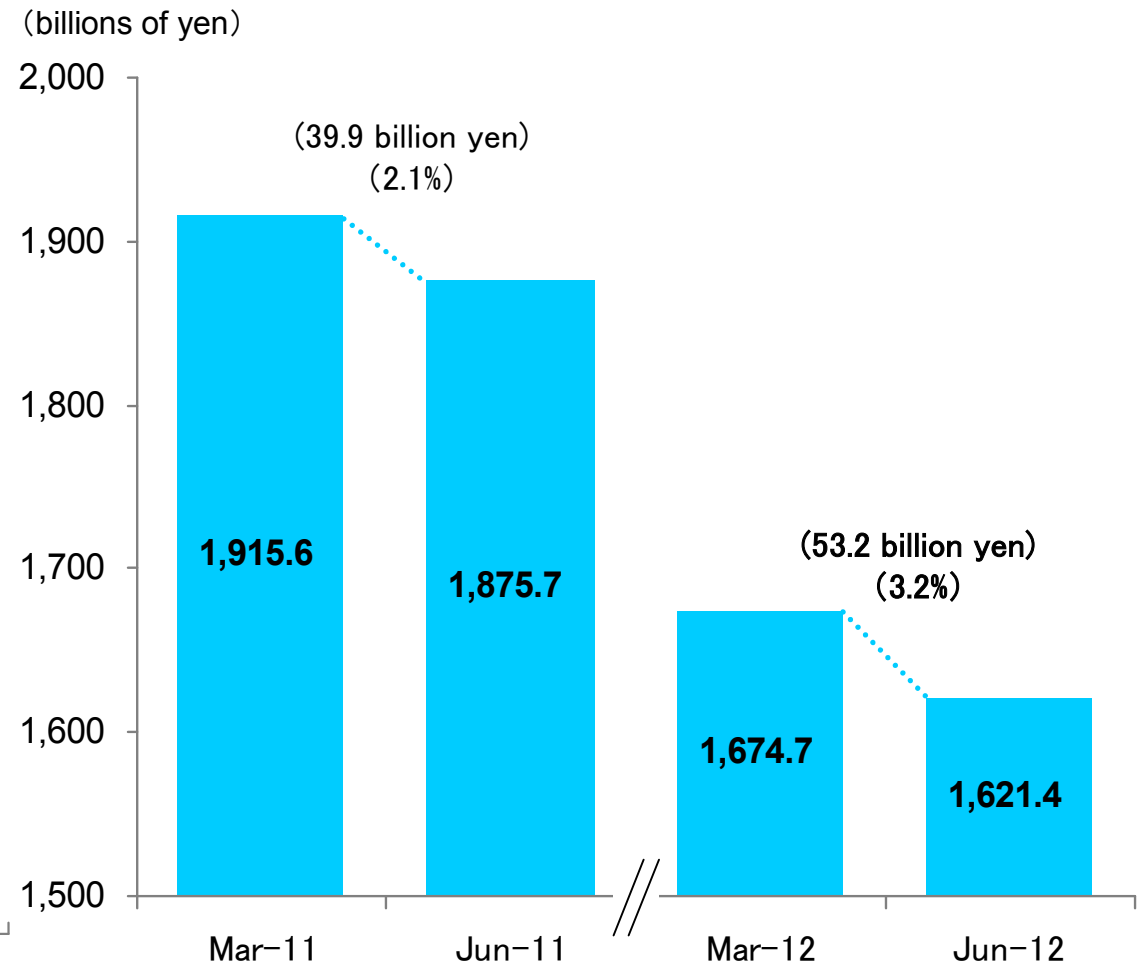


## General Account Assets

Asset Portfolio (General Account) <sup>(1)</sup>



Book Value of Domestic Stocks <sup>(1) (2)</sup>



(1) Non-consolidated basis

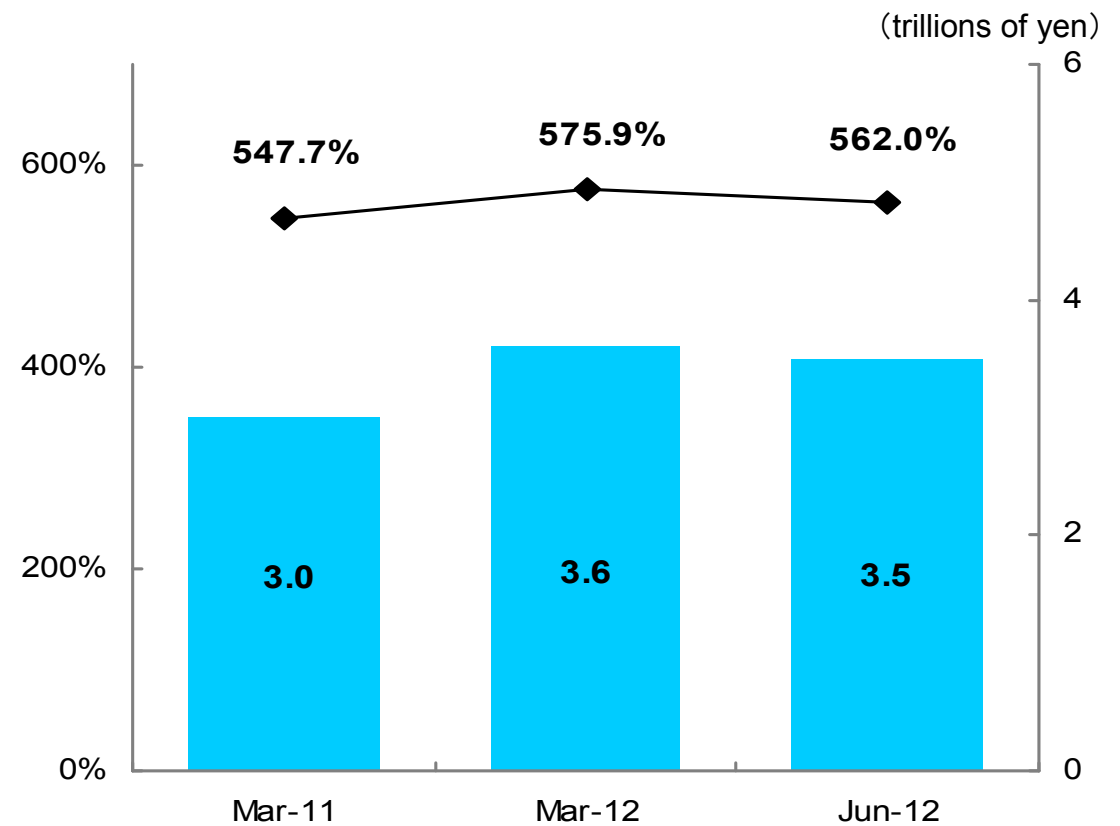
(2) Book value of domestic stocks with fair value (exclude stocks of subsidiaries / affiliated companies and unlisted companies)

## Status of Financial Soundness

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

(billions of yen)

	As of Mar-12	As of Jun-12	Change
Securities	1,215.6	1,058.2	(157.3)
Domestic bonds	790.6	925.2	+134.6
Domestic stocks	297.8	90.8	(206.9)
Foreign securities	114.4	34.8	(79.5)
Real estate	(36.5)	(11.1)	+25.4
General Account total	1,179.9	1,047.4	(132.5)

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

◆ Solvency Margin Ratio    ■ Adjusted Net Assets (right)

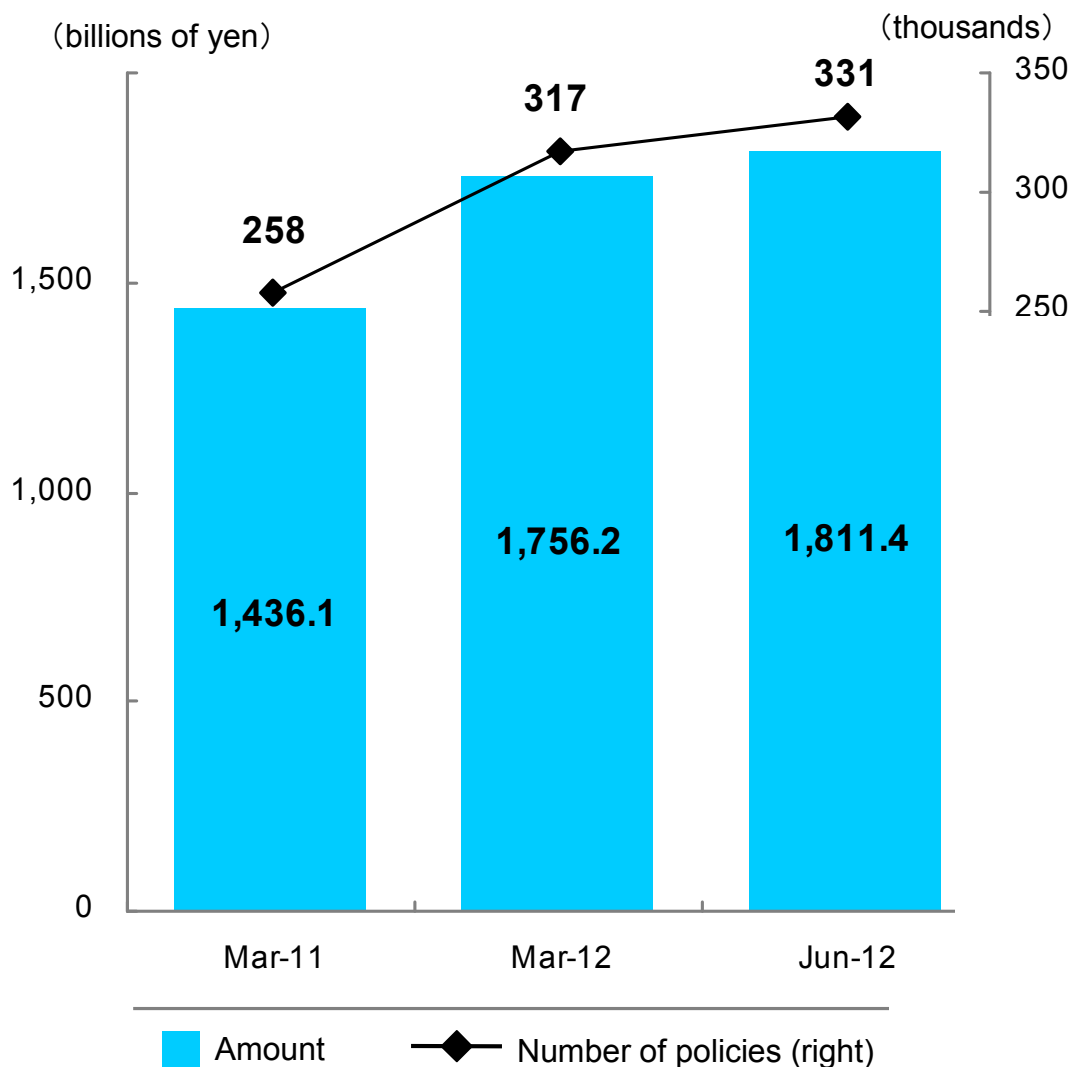
<Reference> Consolidated Solvency Margin Ratio as of Jun-12: 544.8 %

(1) Non-consolidated basis

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## Dai-ichi Frontier Life

## Policies in Force



## Earnings

(billions of yen)

	3 months ended Jun-11	3 months ended Jun-12
Ordinary revenues	58.5	106.7
Premium and other income	54.3	90.9
Variable products	19.5	5.8
Fixed products	23.8	74.0
Investment income	4.1	15.6
Hedge gain related to GMMB risk (A)	-	11.3
Ordinary expenses	66.7	122.3
Provision for policy reserves and other	38.3	46.6
Related to GMMB risk (negative indicates a reversal) (B)	5.5	26.6
Provision for contingency reserve (C)	4.6	0.4
Investment expenses	2.3	45.1
Hedge losses related to GMMB risk (D)	1.9	-
Ordinary profit (loss)	(8.1)	(15.6)
Net income (loss)	(8.2)	(15.6)
Net income - A + B + C + D	4.0	0.0

[Additional reconciliation items for normalized income]

Reinsurance balance

Reinsurance income	10.9	10.9
Ceding reinsurance commissions	14.1	15.0
Net reinsurance income (expense)	(3.2)	(4.0)

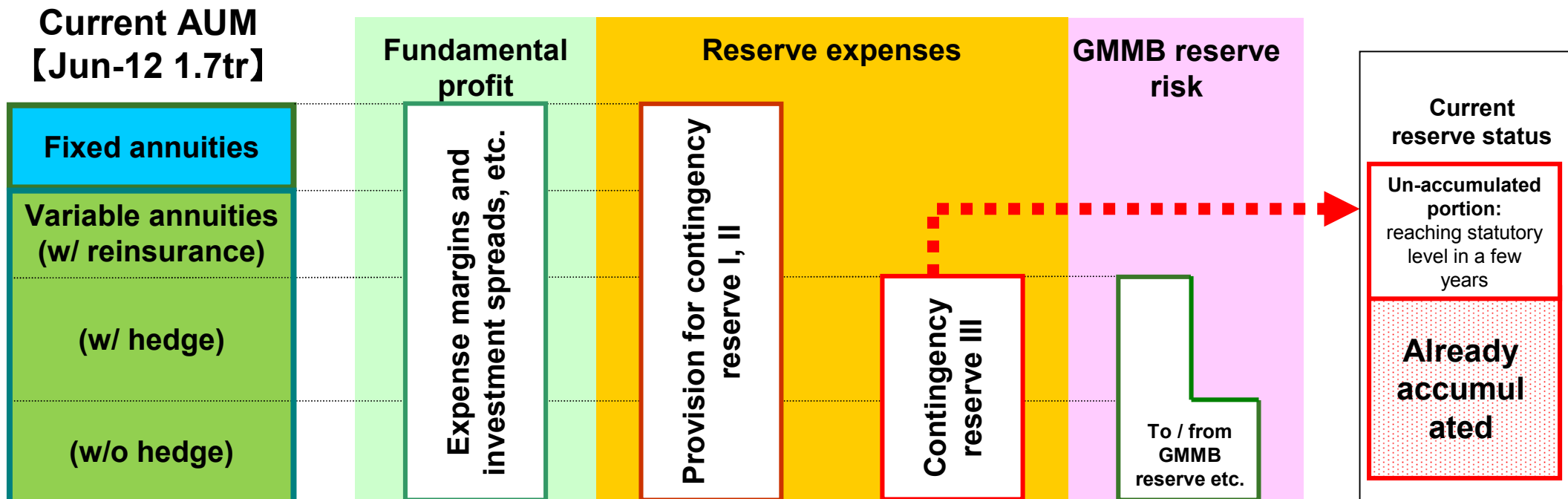
Reserve position related to market value adjustment of term annuities

(Provision) /reversal for policy reserve	0.0	(4.2)
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## Dai-ichi Frontier Life (2)

- Fundamental profit : Fundamental profitability increases as DFL accumulates AUM
- Reserve expenses : Accumulation of contingency reserve III is about to reach its statutory level in a few years and thereafter accounting profit is expected to improve significantly
- GMMB reserve risk : When financial markets worsen, DFL provides for GMMB policy reserve (as the market recovers, DFL recognizes reversal of GMMB policy reserve)



FY Mar-12 Net loss  
**-28.5 bn**

$$= 0.7\text{bn} + (-5.2\text{bn}) + (-15.7\text{bn}) + (-8.2\text{bn})$$

1Q FY Mar-13 Net loss  
**-15.6 bn**

$$= 0.6\text{bn} + (-0.5\text{bn}) + (-) + (-15.7\text{bn})$$

Earnings of Australia's TAL<sup>(1)</sup>

(millions of Australian dollars)

	3 Months ended Jun-11	3 Months ended Jun-12	% Change
Ordinary revenues <sup>(2)</sup>	480	574	+ 20%
Premium and other income <sup>(2)</sup>	385	444	+ 15%
Ordinary profit <sup>(2)</sup>	27	60	+ 121%
Net income (A) <sup>(2)</sup>	15	42	+ 168%

Adjustments after tax (B)	6	(6)
Discount rate changes	(2)	(16)
Amortization charges	5	5
Others	2	4

Underlying profit (A + B)	21	36	+ 64%
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&lt;Reference&gt;

	As of Jun-11	As of Jun-12
JPY/AUD exchange rate	86.47	79.65

(1) Figures for consolidated holding company (i.e., TAL Dai-ichi Life Australia Pty Ltd).

(2) Disclosed after re-classifying items of TAL's financial statements under the Australian accounting standards to fit Dai-ichi Life's disclosure standards.



## Guidance for the Year Ending March 2013 (No Change to May 15 Forecasts)

- We made no revision to our consolidated earnings forecast as we (1) project to maintain steady sales performance and (2) expect an improvement in investment gains to some degree, although uncertainty in the financial markets will not be solved in the short term

(billions of yen unless otherwise noted)

	Year ended Mar-12	Year ending Mar-13	Change
<b>Ordinary revenues</b>	<b>4,931.7</b>	<b>4,596.0</b>	<b>(335.7)</b>
Dai-ichi Life non-consolidated	4,398.2	3,988.0	(410.2)
Dai-ichi Frontier	414.8	443.0	28.1
TAL (millions of AUD)	2,041	2,090	48
<b>Ordinary profit</b>	<b>225.9</b>	<b>138.0</b>	<b>(87.9)</b>
Dai-ichi Life non-consolidated	243.7	156.0	(87.7)
Dai-ichi Frontier	(28.2)	(25.0)	3.2
TAL (millions of AUD)	142	100	(42)
<b>Net income</b>	<b>20.3</b>	<b>25.0</b>	<b>4.6</b>
Dai-ichi Life non-consolidated	17.6	44.0	26.3
Dai-ichi Frontier <sup>(1)</sup>	(25.7)	(23.4)	2.3
TAL (millions of AUD)	93	70	(23)
<b>Dividends per share (yen)</b>	<b>1,600</b>	<b>1,600</b>	<b>-</b>

(Reference)

Fundamental profit (Dai-ichi Life non-consolidated)	302.4	around 270.0	(32.4)
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(1) Calculated based on Dai-ichi Life's interest in Dai-ichi Frontier Life.

## European Embedded Value of the Dai-ichi Life Group (1)

- Embedded value (preliminary calculation) as of June 2012 decreased by approximately 110 billion yen to approximately 2,550 billion yen due mainly to a decrease in unrealized gains on securities

### EEV of the Group (preliminary calculation) (billions of yen)

	Mar-12	Jun-12	Change
EEV	2,661.5	ca. 2,550	ca. (110)
Adjusted net worth	1,867.0	ca. 1,810	ca. (60)
Value of in-force business	794.4	ca. 740	ca. (50)

### EEV of Dai-ichi (stand alone, preliminary calculation)

(billions of yen)

	Mar-12	Jun-12	Change
EEV	2,715.0	ca. 2,620	ca. (100)
Adjusted net worth	1,996.2	ca. 1,950	ca. (50)
Value of in-force business	718.7	ca. 670	ca. (50)

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

(billions of yen)

	Mar-12	Jun-12	Change
EEV	122.2	ca. 110	ca. (10)
Adjusted net worth	113.2	ca. 110	ca. (10)
Value of in-force business	8.9	ca. 10	ca. (0)

(1) The EEV calculation above is based on policies in force at the end of June 2012.

(2) In the EEV calculation, economic assumptions are set to reflect the economic environment at the end of June 2012, while non-economic assumptions remain the same as those used in calculating EEV as of March 31, 2012. 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.



## European Embedded Value (2)

## EEV of TAL (preliminary calculation)

(billions of yen)

	Mar-12	Jun-12	Change
EEV	136.4	ca. 130	ca. (0)
Adjusted net worth	68.7	ca. 70	ca. (0)
Value of in-force business	67.6	ca. 70	ca. +0

## &lt;Reference&gt; EEV of TAL in AUD (preliminary calculation)

(millions of AUD)

	Mar-12	Jun-12	Change
EEV	1,596	ca. 1,700	ca. +100
Adjusted net worth	805	ca. 800	ca. +0
Value of in-force business	791	ca. 900	ca. +100

Exchange rates used for EEV as of :

- Mar-12: JPY 85.45 to AUD 1.00
- Jun-12: JPY 79.65 to AUD 1.00

- (1) The EEV calculation above is based on policies in force at the end of June 2012.
- (2) In the EEV calculation of TAL, economic assumptions are set to reflect the economic environment at the end of June 2012, while non-economic assumptions remain the same as those used in calculating EEV as of March 31, 2012. In addition, certain simplified methods are used in calculating value of in-force business.
- (3) Dai-ichi Life or TAL did not obtain actuarial opinion regarding the calculation above from an actuarial firm.

# Strategic Business and Capital Alliance with Janus Capital Group

The logo for Dai-ichi Life, featuring the text "DAI-ICHI LIFE" in white capital letters inside a red rounded rectangular shape.

- The Dai-ichi Life Insurance Company, Limited (“Dai-ichi Life”) has entered into an investment and strategic cooperation agreement with Janus Capital Group (“Janus”), a US asset management company, under which Dai-ichi Life will acquire no less than 15% (but no more than 20%) of the common stock of Janus.

#### 【Overview of the capital alliance】

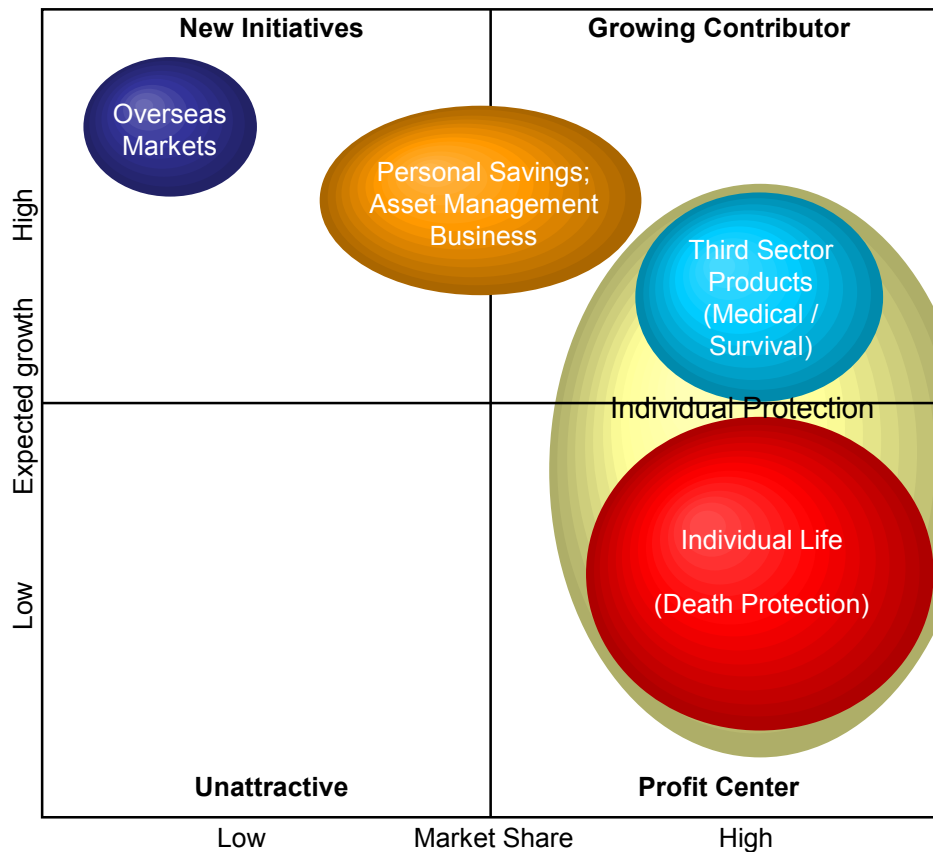
- The Dai-ichi Life will acquire no less than 15% of Janus common shares (but no more than 20%) within one year, subject to extension, in principle subject to notification or approval requirements to relevant authorities
- In addition to open market purchases, Dai-ichi Life may acquire new Janus shares through an option issued by Janus
- Dai-ichi Life will be able to designate one member for appointment to the Janus board of directors once it has acquired at least 15% of Janus common shares. After the appointment of the board member, Dai-ichi Life plans to account for its investment using the equity method

#### 【Overview of the strategic business alliance】

- Dai-ichi Life and Janus will cooperate to enhance their corporate value with the following:
  - ✓ Exchange personnel and knowledge (second a management representative and investment trainees to work full-time at Janus. )
  - ✓ Invest a part of Dai-ichi Life’s general account assets in Janus products.
  - ✓ Support the distribution of Janus products selected by DIAM Co., Ltd. (“DIAM”), an affiliate of Dai-ichi Life.
  - ✓ Jointly consider opportunities to expand DIAM business in the US.

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- Dai-ichi places “domestic insurance business (medical/survival, personal savings)”, “international life insurance business” and “asset management business” as a growing contributor in its mid-to-long term management strategies



### 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)
- Saving-type products for individuals

### International life insurance business

- Expanding operations in the Asia-Pacific markets

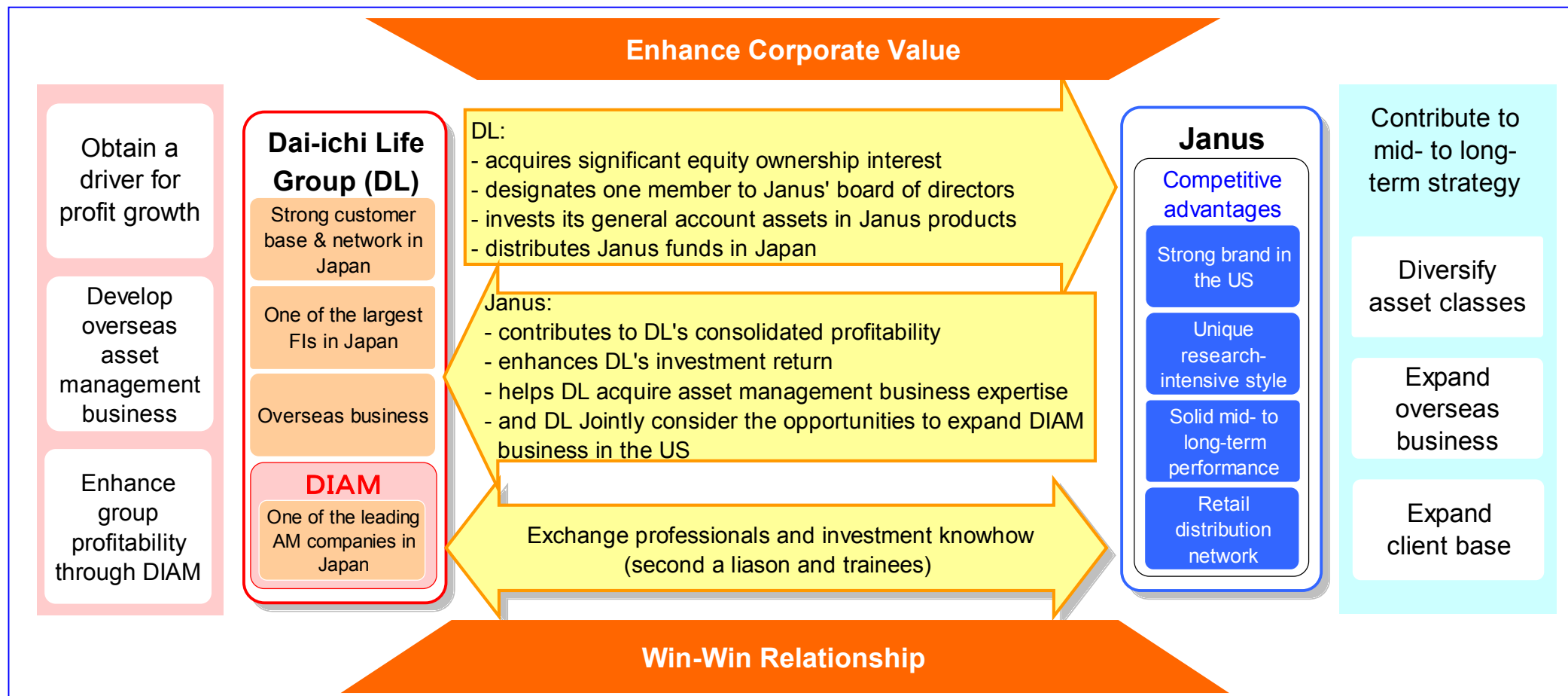
### Asset management business

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

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

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- Aim to enhance corporate values of Dai-ichi Life and Janus
  - Strengthen profit growth of Dai-ichi Life and accelerate global expansion by obtaining a new global growth driver
  - Contribute to Janus' mid- to long-term business strategy through execution of the business alliance

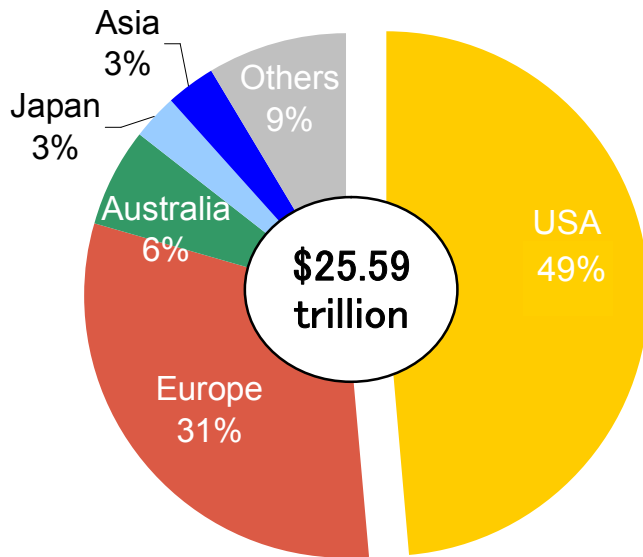


DIAM is a 50:50 joint venture between Dai-ichi Life and Mizuho Financial Group

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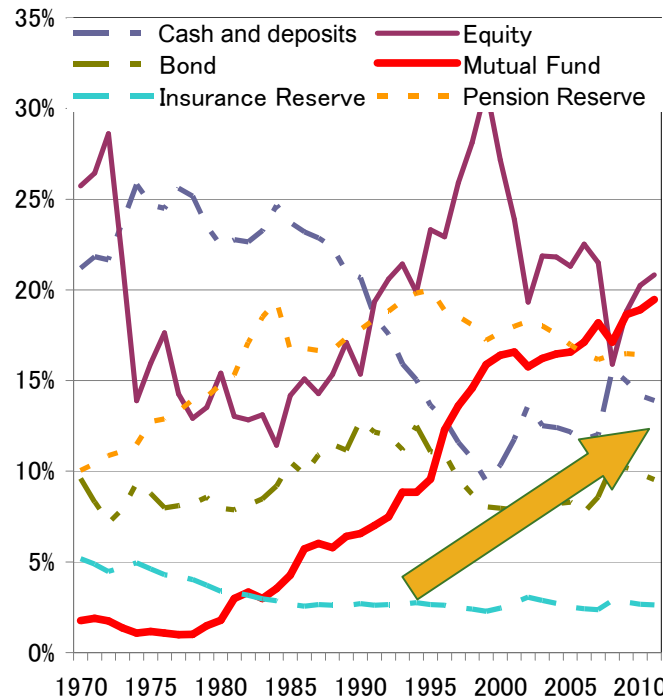
- US asset management market is the largest in the world supported by strong mutual fund penetration to households
  - Future market growth is expected, driven by increasing retiree population and saving
- ➔ Capture the growth of US asset management market through investment in Janus

Mutual Funds Net Assets by Region  
(March 2012)



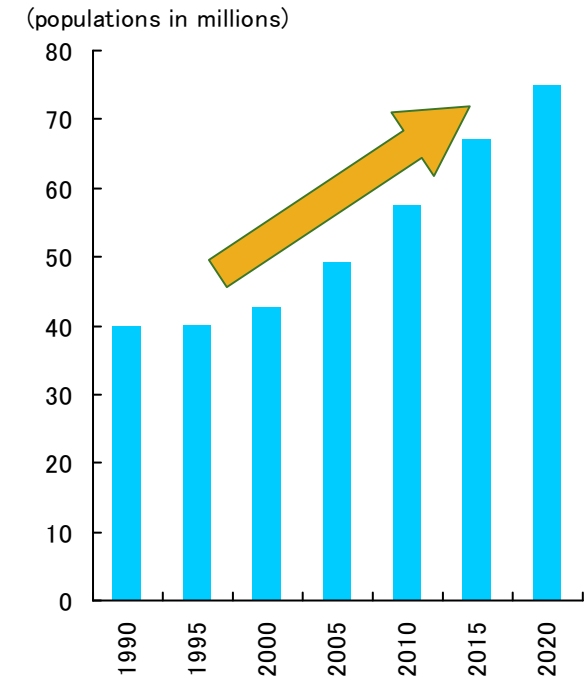
Source: ICI

US Household Financial Asset by Type



Source: FRB, Nomura Institute of Capital Markets Research

Estimation of US Retirement Population



Source: United Nations Department of Economic and Social Affairs / Population Division


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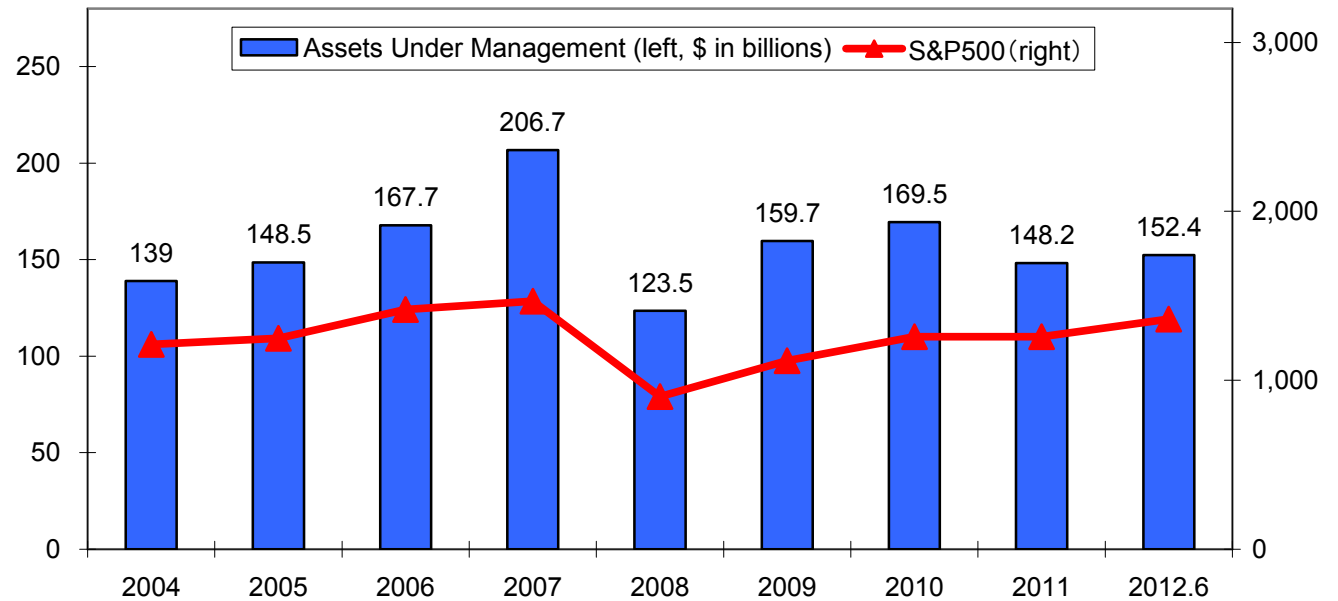
- Established in 1969, independent asset management firm based in Denver, Colorado
- Strong brand and competence especially in equity investments with three different brands
- Ranked 34th by overall assets under management, 16th by mutual fund assets under management in the US (end of 2010)

Company Name	Janus Capital Group Inc.
Business	Asset Management
Representative	Richard Weil, Chief Executive Officer
Stock Listing	New York Stock Exchange (June 2000)
Revenue	\$981.9 million (2011)
Profit After Tax	\$142.9 million (2011)
Net Assets	\$1,349.1 million (End of December 2011)
Assets Under Management	\$152.4 billion (End of June 2012)
Market Capitalization	\$1,354 million (End of July 2012)
Location of Headquarters	Denver, Colorado, USA
Major Offices outside the U.S.	Frankfurt, The Hague, Hong Kong, London, Melbourne, Milan, Munich, Paris, Singapore, Tokyo and Zurich



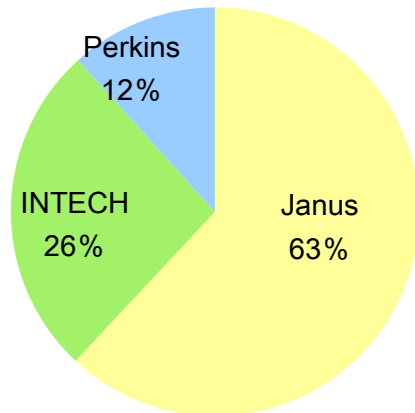
**Asset Under Management**

Assets Under Management and S&P500

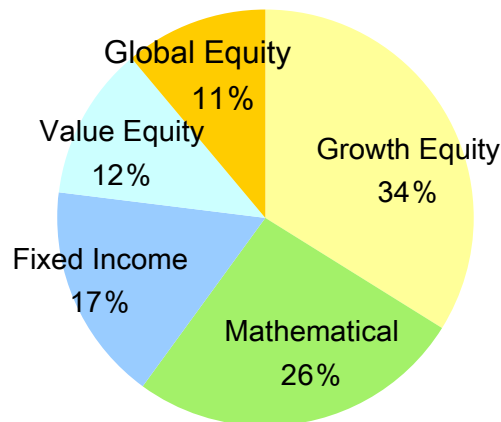


**Composition of AUM**

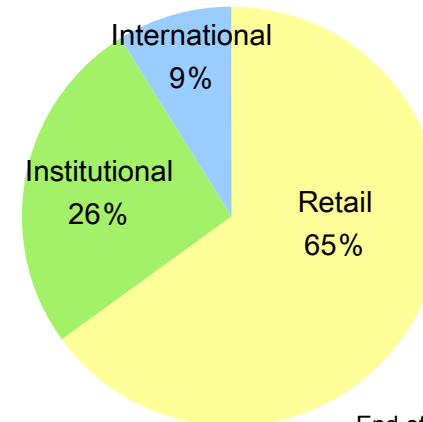
By Brand



By Asset



By Client Base



End of June, 2012  
Source: Janus





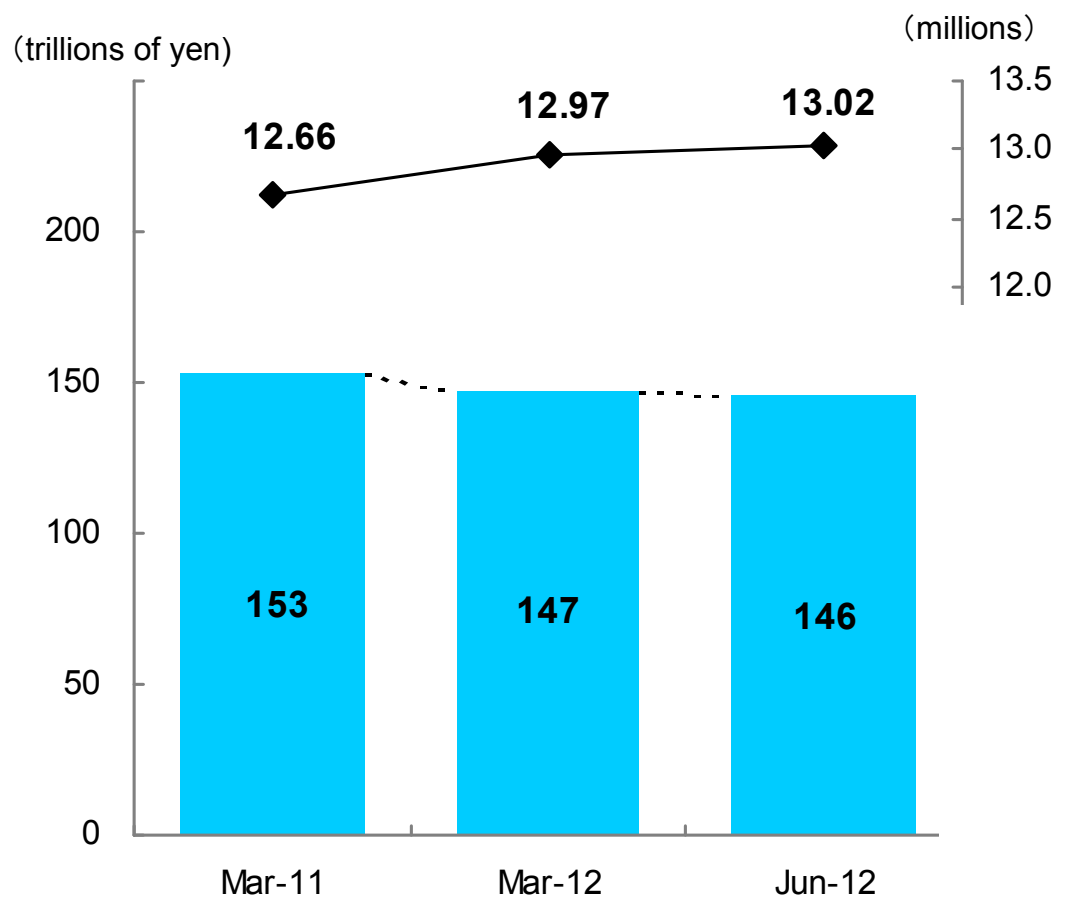
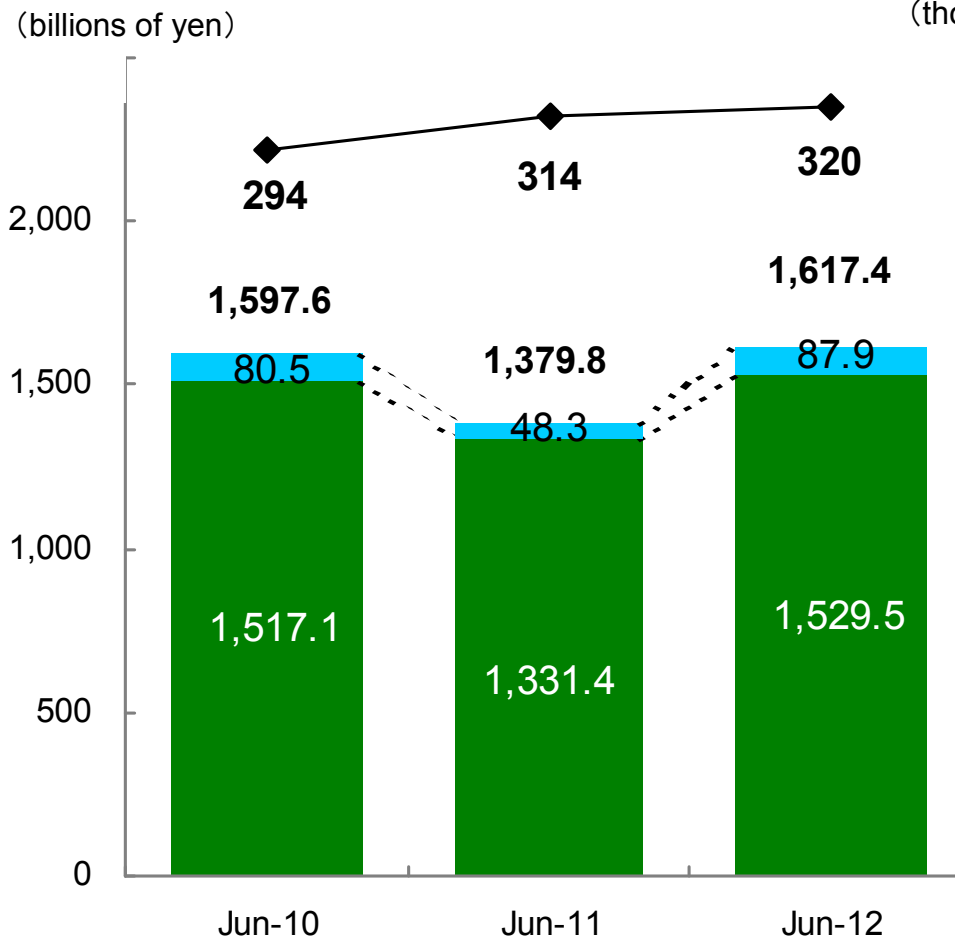
## Appendix



New Business (Individual Insurance, Individual Annuities)

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

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



■ Dai-ichi Life   
 ■ Dai-ichi Frontier Life   
 ◆ Number of policies (right)

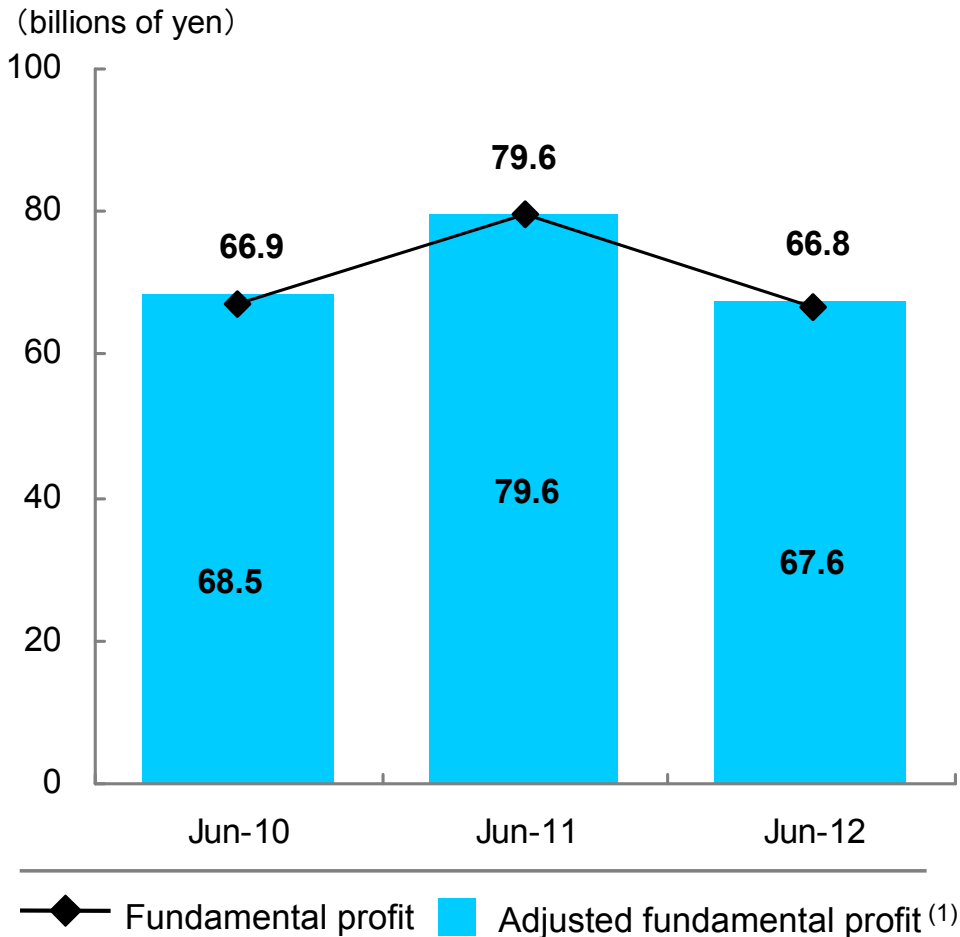
■ Amount (left)   
 ◆ Number of policies (right)

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

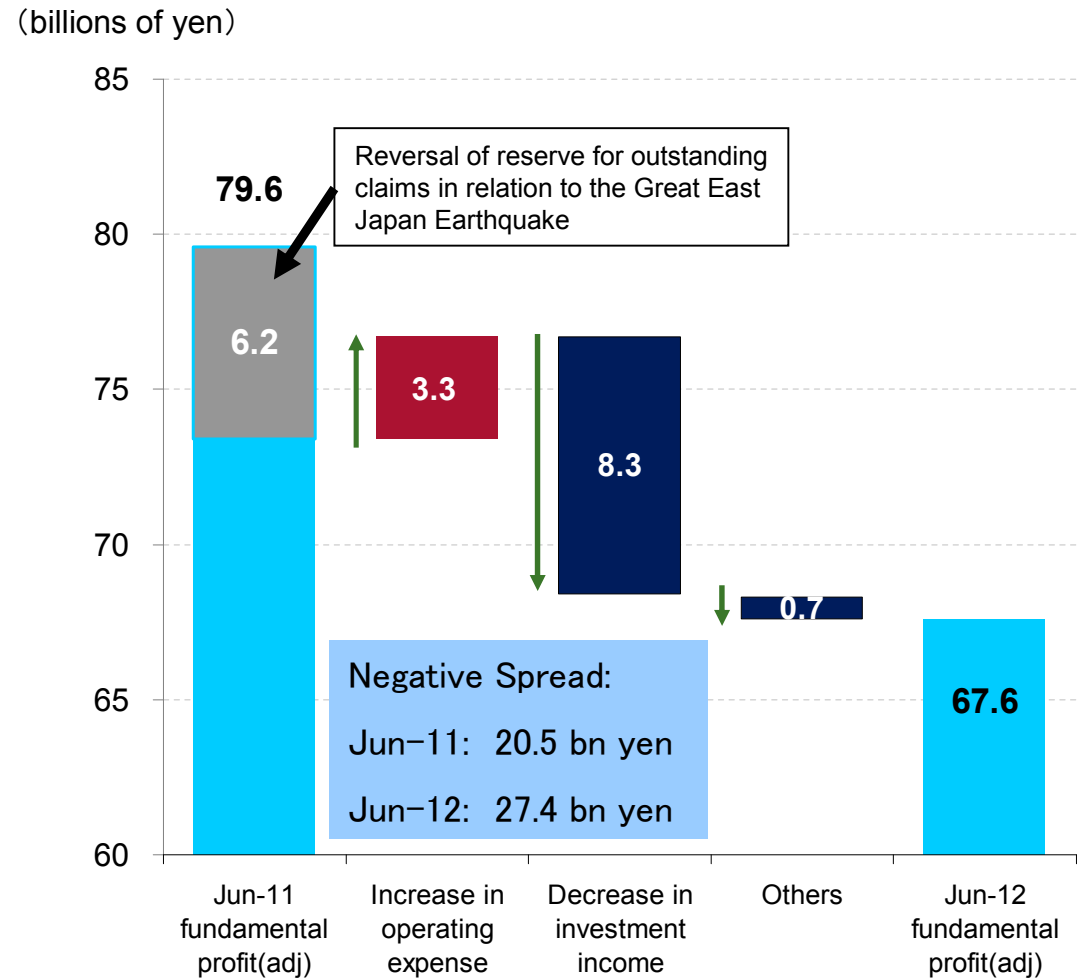


## Fundamental Profit – Dai-ichi Life non-consolidated

### Fundamental Profit



### Movement Analysis of Adjusted Fundamental Profit <sup>(1)</sup>



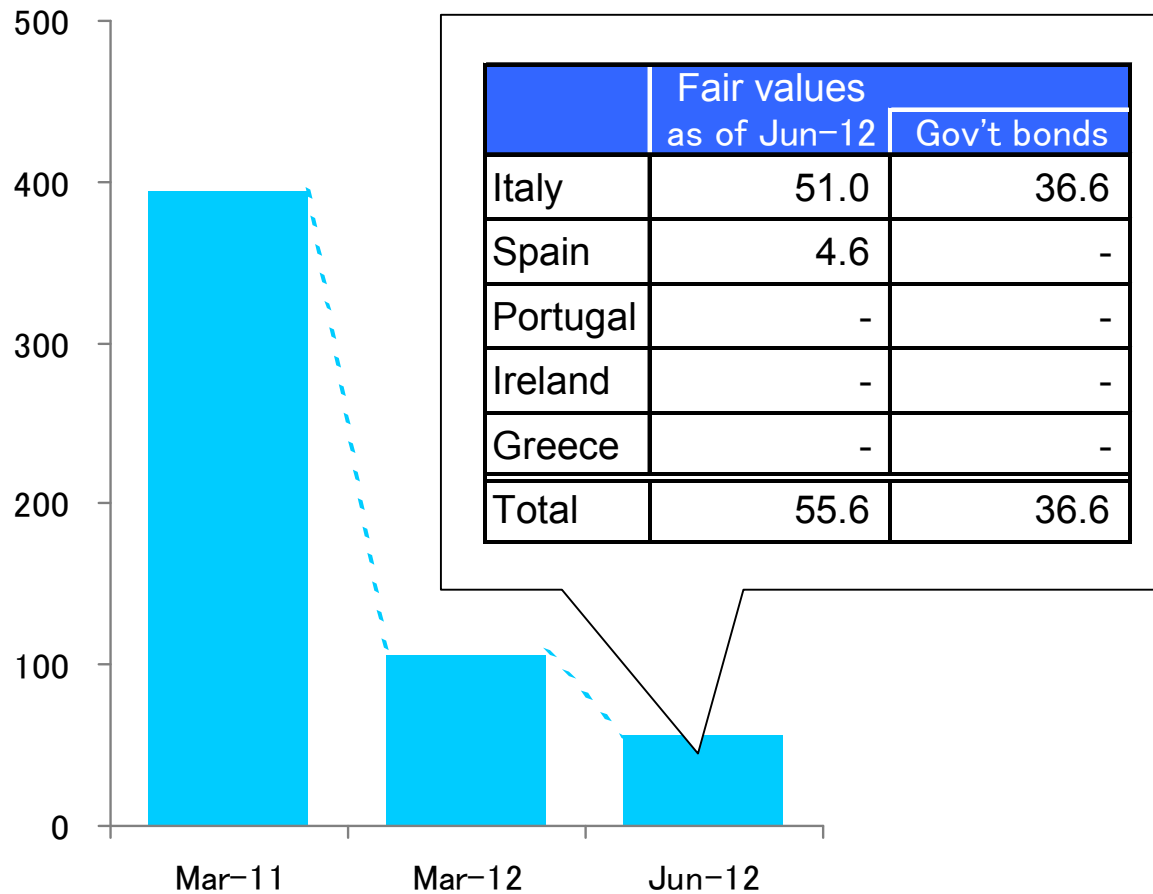
(1) Adjusted fundamental profit = (fundamental profit) + (provision for policy reserve associated with minimum guarantee benefit risk of variable annuities)



## General Account Assets

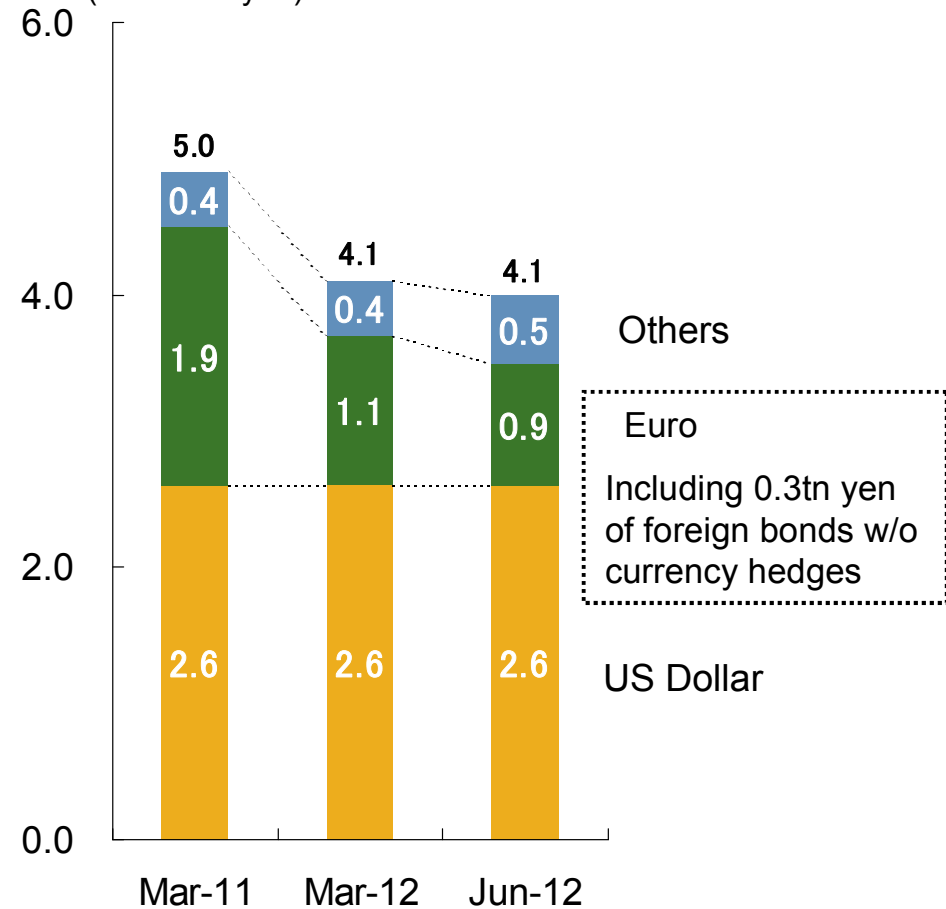
### Investment Toward Some Countries in the Euro-zone (fair value basis)<sup>(1)</sup>

(billions of yen)



### Currency Breakdown of Foreign Bonds <sup>(2)</sup>

(trillions of yen)



(1) Excluding funds managed by outside investment managers.

(2) The balance of foreign currency bonds carried on the balance sheets, excluding yen-denominated foreign bonds.

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

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

(billions of yen)

	3 months ended Jun-11	3 months ended Jun-12	Change
Ordinary revenues	1,050.9	1,068.9	+18.0
Premium and other income	744.8	763.9	+19.1
Investment income	222.4	239.9	+17.4
Interest and dividends	174.0	166.6	(7.3)
Gains on sale of securities	44.5	70.8	+26.2
Derivative transaction gains	1.9	1.6	(0.3)
Other ordinary revenues	83.6	65.0	(18.5)
Ordinary expenses	995.8	1,028.3	+32.4
Benefits and claims	609.6	632.0	+22.4
Provision for policy reserves and others	122.7	64.9	(57.7)
Investment expenses	65.8	135.3	+69.4
Losses on sale of securities	14.2	12.7	(1.5)
Losses on valuation of securities	20.4	49.4	+29.0
Losses on investments in separate accounts	5.4	49.6	+44.2
Operating expenses	98.8	95.5	(3.3)
Ordinary profit	55.1	40.6	(14.4)
Extraordinary gains	0.3	3.9	+3.5
Extraordinary losses	6.7	6.7	(0.0)
Provision for reserve for policyholder dividends	18.9	17.7	(1.1)
Income before income taxes	29.7	20.0	(9.7)
Total of corporate income taxes	12.3	(2.4)	(14.8)
Net income	17.3	22.5	+5.1

## Balance Sheet

(billions of yen)

	As of Mar-12	As of Jun-12	Change
Total assets	31,461.9	31,265.7	(196.2)
Cash, deposits and call loans	499.2	534.4	+35.1
Monetary claims bought	294.3	293.3	(0.9)
Securities	25,333.4	25,019.5	(313.8)
Loans	3,412.5	3,330.6	(81.8)
Tangible fixed assets	1,254.1	1,233.9	(20.2)
Deferred tax assets	282.6	364.8	+82.2
Total liabilities	30,433.5	30,399.4	(34.1)
Policy reserves and others	28,529.9	28,577.5	+47.6
Policy reserves	28,011.6	28,074.2	+62.6
Contingency reserve	423.0	427.5	+4.5
Reserve for employees' retirement benefits	432.0	436.2	+4.2
Reserve for price fluctuations	74.4	77.9	+3.5
Total net assets	1,028.3	866.3	(162.0)
Total shareholders' equity	610.3	595.5	(14.8)
Total of valuation and translation adjustments	417.8	270.6	(147.1)
Net unrealized gains (losses) on securities, net of tax	479.4	310.6	(168.8)
Reserve for land revaluation	(61.6)	(39.6)	+21.9

(1) Losses on investment in separate accounts are offset by reversal of policy reserves, so that they have no impact on ordinary profit.

## Summary Financial Statements of Dai-ichi Frontier Life

### Statements of Earnings

(billions of yen)

	3 months ended Jun-11	3 months ended Jun-12	Change
Ordinary revenues	58.5	106.7	+48.1
Premium and other income	54.3	90.9	+36.5
Investment income	4.1	15.6	+11.5
Ordinary expenses	66.7	122.3	+55.6
Benefits and claims	22.9	26.6	+3.6
Provision for policy reserves and other	38.3	46.6	+8.3
Investment expenses	2.3	45.1	+42.7
Operating expenses	2.8	3.6	+0.7
Ordinary profit (loss)	(8.1)	(15.6)	(7.4)
Extraordinary gains (losses)	(0.0)	(0.0)	(0.0)
Income (loss) before income taxes	(8.2)	(15.6)	(7.4)
Total of corporate income taxes	0.0	0.0	(0.0)
Net income (loss)	(8.2)	(15.6)	(7.4)

### Balance Sheet

(billions of yen)

	As of Mar-12	As of Jun-12	Change
Total assets	1,860.6	1,889.3	+28.6
Cash, deposits and call loans	23.2	20.2	(2.9)
Securities	1,766.8	1,782.9	+16.0
Total liabilities	1,769.9	1,811.4	+41.4
Policy reserves and other	1,749.8	1,796.4	+46.5
Policy reserves	1,748.5	1,795.2	+46.6
Contingency reserve	57.1	57.6	+0.4
Total net assets	90.6	77.8	(12.7)
Total shareholders' equity	86.7	71.0	(15.6)
Capital stock	117.5	117.5	-
Capital surplus	67.5	67.5	-
Retained earnings	(98.2)	(113.9)	(15.6)

## Summary of Financial Statements of TAL (Australia)

Statement of Earnings <sup>(1)(2)</sup>

(millions of Australian dollars)

	3 months ended Jun-11	3 months ended Jun-12	Change
Ordinary revenues	480	574	93
Premium and other income	385	444	59
Investment income	5	6	1
Other ordinary revenues	89	122	33
Ordinary expenses	452	513	60
Benefits and claims	274	291	17
Provision for policy reserves and others	35	69	34
Investment expenses	16	19	2
Operating expenses	106	113	7
Other ordinary expenses	20	19	(1)
Ordinary profit	27	60	33
Total of corporate income taxes	11	18	6
Net income	15	42	26
Underlying profit	21	36	14

Balance Sheet <sup>(1)(2)(3)</sup>

(millions of Australian dollars)

	As of Mar-12	As of Jun-12	Change
Total assets	5,067	5,075	7
Cash and deposits	378	382	3
Securities	2,659	2,611	(48)
Tangible fixed assets	2	2	(0)
Intangible fixed assets	1,294	1,286	(8)
Consolidation goodwill	783	783	–
Other intangible fixed assets	511	502	(8)
Reinsurance receivable	90	112	22
Other assets	641	679	38
Total liabilities	3,343	3,314	(29)
Policy reserves and others	2,369	2,329	(40)
Reinsurance payables	215	226	11
Other liabilities	670	666	(4)
Deferred tax liabilities	87	90	3
Total net assets	1,724	1,761	37
Total shareholder's equity	1,724	1,761	37
Capital stock	1,630	1,630	–
Retained earnings	93	130	37

(1) Figures for consolidated holding company (i.e., TAL Dai-ichi Life Australia Pty Ltd).

(2) Figures of TAL (excluding underlying profit) is disclosed after re-classifying items of TAL's financial statements under the Australian accounting standards to fit Dai-ichi Life's disclosure standards.

(3) TAL's deferred tax assets and liabilities are shown on a net basis under Dai-ichi Life's disclosure standards in the presentation materials in relation to the financial results for 1Q FY2012 and/or after.

## Sensitivities to Financial Markets (June 2012: non-consolidated basis)

	Sensitivities <sup>(1)(2)</sup>	Breakeven Points <sup>(2)(3)</sup>
Domestic stocks	Nikkei 225 1,000 yen change: ±190 billion yen (March 2012: ± 190 billion yen)	Nikkei 225 8,100 yen (March 2012: 8,400 yen)
Domestic bonds	10-year JGB Yield 10bp change: ±210 billion yen (March 2012: ± 200 billion yen)	10-year JGB Yield 1.3% (March 2012: 1.4%)
Foreign securities	JPY / USD 1 yen change: ±23 billion yen (March 2012: ±22 billion yen)	JPY / USD \$1 = 85 yen (March 2012: 84 yen)

(1) Sensitivities indicate the impact of fluctuation in market value of the 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 JPY/USD rate (assuming all are in USD).



DAI-ICHI LIFE

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