

# Presentation of Financial Results for the Six Months Ended September 2014

November 14, 2014

The Dai-ichi Life Insurance Company, Limited

By your side, for life

**DAI-ICHI LIFE**

- This is Seiji Inagaki, I would like to start the financial results presentation of our group for the six months ended September 30, 2014.
- As usual, I will go over the presentation material, followed by Q&A.
- Please turn to page 1.

- Favorable sales momentum in growth areas continued and contributed to top line growth. Positive spread and improved net capital gains of Dai-ichi and improved performance of DFL led to increase in ordinary profit and net income.
- We revised our consolidated earnings forecasts upwards, taking into account strong sales and net investment income in the first half of the year.
- Group EEV as of September 30, 2014 surpassed 5 trillion yen.

- 3 highlights of our financial results are shown here.
- First, Dai-ichi Life on a consolidated basis increased its ordinary revenues as a result of the continued favorable sales momentum in growth areas. Our ordinary profit and net income significantly increased due to Dai-ichi Life's positive spread and improved net capital gains, and improved performance of DFL.
- Second, we revised our full-year consolidated earnings forecasts upwards, taking into account the expected increase in premium and other income given favorable sales at DFL and an increase in investment income of Dai-ichi Life due to the favorable economic and financial environment.
- Third, the Group's embedded value as of September 30, 2014 increased to approx. 5.1 trillion yen due to the increase in each group company's EEV backed by favorable sales and financial environment.
- Please turn to page 2.

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

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- Achieved significant growth in consolidated ordinary revenue, ordinary profit and net income, led mainly by favorable bancassurance sales and improved net investment income.
- Revised full-year consolidated ordinary revenues and ordinary profit forecasts upward

	(billions of yen)				<Reference>		
	6 months ended Sep-13	6 months ended Sep-14 (a)	Change		Forecasts as of Aug. 8, 2014	Forecasts as of Nov. 14, 2014 (b)	Progress (a/b)
Consol. Ordinary revenues	2,975.2	3,462.7	+487.5	+16%	5,607.0	6,409.0	54%
Non-consolidated	2,208.2	2,256.8	+48.5	+2%	4,074.0	4,400.0	51%
Consol. Ordinary profit	156.0	234.3	+78.2	+50%	246.0	318.0	74%
Non-consolidated	171.8	224.0	+52.2	+30%	239.0	310.0	72%
Consol. Net income	47.9	123.3	+75.4	+157%	80.0	80.0	154%
Non-consolidated	64.0	116.7	+52.7	+82%	79.0	79.0	148%

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- Our consolidated financial results are as shown here.
- For the first half of the year, we significantly increased both top line and bottom line YoY – increasing our ordinary revenues by 16% to 3,462.7 billion yen, ordinary profit by 50% to 234.3 billion yen and net income by 157% to 123.3 billion yen.
- We revised our ordinary revenues and ordinary profit forecast upwards, which I will explain in detail later.
- Please turn to page 3.

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

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## ■ Favorable insurance sales and improved net investment income contributed to our 1H results.

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

(billions of yen)

	6 months ended Sep-13	6 months ended Sep-14	Change
Ordinary revenues	2,975.2	3,462.7	+487.5
Premium and other income	2,118.8	2,586.9	+468.1
Investment income	682.6	712.0	+29.3
Interest and dividends	375.6	410.5	+34.8
Gains on sale of securities	144.4	111.1	(33.3)
Gains on investments in separate accounts	138.1	170.0	+31.9
Other ordinary revenues	173.7	163.7	(9.9)
Ordinary expenses	2,819.1	3,228.4	+409.2
Benefits and claims	1,416.3	1,568.9	+152.5
Provision for policy reserves and others	787.6	1,109.7	+322.0
Investment expenses	134.5	57.9	(76.5)
Losses on sale of securities	39.2	5.5	(33.7)
Losses on valuation of securities	1.2	0.5	(0.6)
Derivative transaction losses	23.9	4.5	(19.4)
Operating expenses	255.1	281.2	+26.0
Ordinary profit	156.0	234.3	+78.2
Extraordinary gains	1.7	0.7	(1.0)
Extraordinary losses	27.2	12.8	(14.4)
Provision for reserve for policyholder dividends	40.2	46.4	+6.1
Income before income taxes, etc.	90.3	175.8	+85.4
Total of corporate income taxes	44.2	52.4	+8.1
Minority interests in income (loss)	(1.8)	+0.0	+1.8
Net income	47.9	123.3	+75.4

### Balance Sheet (summarized)

(billions of yen)

	As of Mar-14	As of Sep-14	Change
Total assets	37,705.1	39,934.8	+2,229.6
Cash, deposits and call loans	1,061.3	1,176.1	+114.7
Monetary claims bought	281.8	275.0	(6.7)
Securities	31,203.5	33,215.6	+2,012.1
Loans	3,024.7	3,053.5	+28.8
Tangible fixed assets	1,215.8	1,204.5	(11.3)
Deferred tax assets	5.7	1.5	(4.2)
Total liabilities	35,757.5	37,194.5	+1,436.9
Policy reserves and others	33,327.5	34,419.5	+1,092.0
Policy reserves	32,574.9	33,674.2	+1,099.3
Net defined benefit liabilities	385.4	372.0	(13.3)
Reserve for price fluctuations	118.1	125.9	+7.8
Deferred tax liabilities	15.1	179.4	+164.3
Total net assets	1,947.6	2,740.3	+792.7
Total shareholders' equity	628.5	1,010.0	+381.5
Total accumulated other comprehensive income	1,318.4	1,729.4	+411.0
Net unrealized gains on securities, net of tax	1,322.7	1,716.7	+394.0
Reserve for land revaluation	(38.3)	(38.5)	(0.2)

(1) Gains (losses) on investments in separate accounts are offset by provision for (reversal of) policy reserves and accordingly they have no impact on ordinary profit.

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- I will explain the trends in our major accounting line items.
- On a consolidated basis we increased ordinary revenues YoY, mainly attributable to an approx. 470 billion yen increase in premium and other income. DFL increased its premium and other income by approx. 360 billion yen and Dai-ichi Life on a non-consolidated basis also increased its premium and other income by approx. 70 billion yen.
- Among ordinary expense items, benefits and claims increased by approx. 150 billion yen due mainly to surrenders of certain group annuity products of Dai-ichi. Provision for policy reserve and others increased by approx. 320 billion yen due mainly to increased insurance sales (DFL in particular). Investment expenses, however, decreased by approx. 80 billion yen due mainly to a decrease in losses on sale of securities. Therefore, our consolidated ordinary profit and net income significantly increased.
- Please turn to page 4.

## Overview of the Group's Financial Results - Financial Results of each Group Company

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	【Dai-ichi Life】			【Dai-ichi Frontier Life】			【TAL(Australia)】 <sup>(1)</sup>			【Consolidated】		
	billions of yen			billions of yen			millions of AUD			billions of yen		
	6 months ended Sep-13	6 months ended Sep-14	Change YoY	6 months ended Sep-13	6 months ended Sep-14	Change YoY	6 months ended Sep-13	6 months ended Sep-14	Change YoY	6 months ended Sep-13	6 months ended Sep-14	Change YoY
Ordinary revenues	2,208.2	2,256.8	+2%	657.8	1,077.9	+64%	1,372	1,585	+16%	2,975.2	3,462.7	+16%
Premium and other income	1,427.4	1,495.4	+5%	595.7	955.8	+60%	1,102	1,382	+25%	2,118.8	2,586.9	+22%
Investment income	615.0	588.8	(4%)	62.1	122.0	+96%	158	99	(37%)	682.6	712.0	+4%
Ordinary expenses	2,036.4	2,032.7	(0%)	675.9	1,073.7	+59%	1,323	1,489	+13%	2,819.1	3,228.4	+15%
Benefits and claims	1,182.1	1,274.5	+8%	173.1	207.7	+20%	748	916	+22%	1,416.3	1,568.9	+11%
Provision for policy reserves and others	325.2	301.8	(7%)	445.4	809.7	+82%	251	211	(16%)	787.6	1,109.7	+41%
Investment expenses	105.8	58.5	(45%)	33.0	3.1	(90%)	16	18	+13%	134.5	57.9	(57%)
Operating expenses	206.5	200.6	(3%)	22.1	47.6	+115%	264	287	+9%	255.1	281.2	+10%
Ordinary profit (loss)	171.8	224.0	+30%	(18.1)	4.1	--	49	96	+96%	156.0	234.3	+50%
Extraordinary gains	1.7	0.4	(73%)	--	--	--	--	--	--	1.7	0.7	(58%)
Extraordinary losses	26.9	12.0	(55%)	0.2	0.7	+180%	--	--	--	27.2	12.8	(53%)
Minority interests in gain (loss) of subsidiaries	--	--	--	--	--	--	--	--	--	(1.8)	0.0	--
Net income (loss)	64.0	116.7	+82%	(18.3)	2.7	--	29	71	+141%	47.9	123.3	+157%

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

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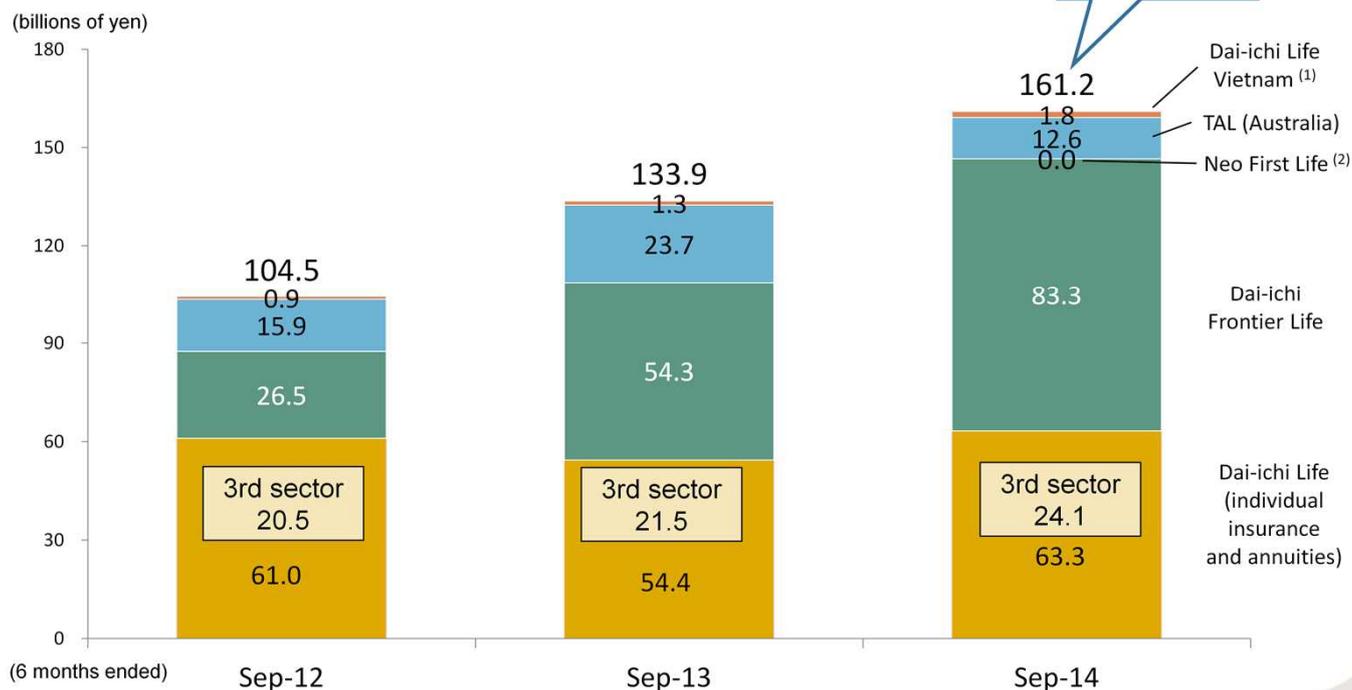
- I will explain each Group company's business results.
- Premium and other income of Dai-ichi Life on a non-consolidated basis increased by 5% YoY due to favorable sales of single premium whole life insurance. Its net income increased by 82% YoY due to its increased investment income and decreased investment expenses.
- DFL accelerated its favorable sales momentum throughout the second quarter, increasing its premium and other income by 60% YoY to 955.8 billion yen. Although DFL increased its provision for policy reserves due to favorable sales, its gains/losses associated with GMMB improved given stable market trends. As a result, DFL recorded 2.7 billion yen of net income, and turned profitable compared to the first half of the last fiscal year. This was mainly attributable to the contribution of an improvement in GMMB-related gains/losses due to stable market trends, as its underlying earnings capacity increased along with an increase in policies in force.
- TAL in Australia increased its premium and other income by 25% YoY on an AUD basis. With its claims experience broadly stabilized and a favorable impact of lower interest rates in Australia, TAL significantly increased its net income by 141% YoY.
- Please turn to page 5.

## Overview of the Group's Financial Results - Trends in New Business (ANP basis)

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### Dai-ichi Group's New Business ANP



(1) The fiscal year of Dai-ichi Life Vietnam ends on December 31. New business ANPs of Dai-ichi Life Vietnam represent those for the six months ended June 30, 2012, 2013 and 2014.

(2) Sompo Japan DIY Life Insurance Co., Ltd. will change its name to "The Neo First Life Insurance Company, Limited" on November 25, 2014, subject to relevant regulatory approvals. The figure of Neo First Life is for the three months ended September 30, 2014.

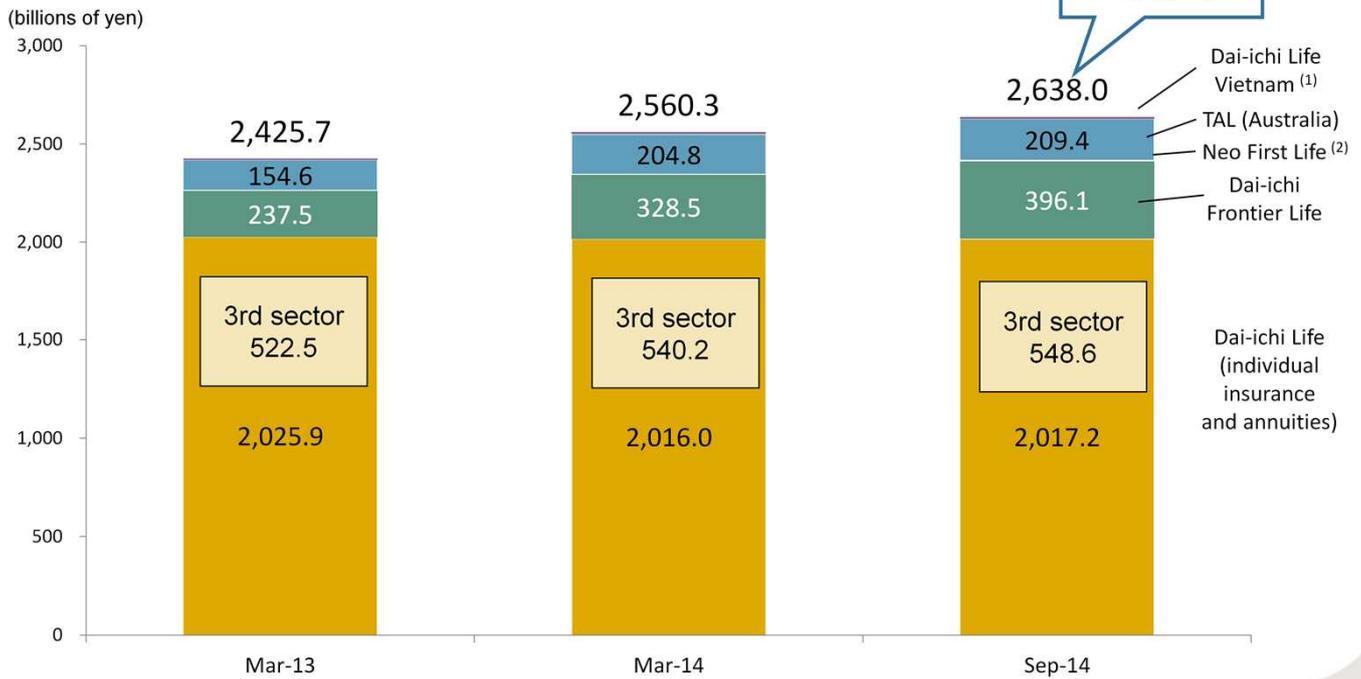
- I will explain the recent trends in the annualized net premium (ANP) of our new businesses. This slide shows the combined totals of Group companies, including Neo First Life. (Please refer to the footnote).
- New business ANP of Dai-ichi Life increased by 16.4% YoY. This was attributable to a recovery from a sales decline it experienced in the first half of the prior fiscal year due to premium increases, and an increase in savings-type products aiming to capture inheritance-related markets. As a growth area, favorable sales in 3rd sector contributed to an increase in new business ANP by 11.6% YoY.
- DFL has maintained its favorable sales; DFL increased its new business ANP by 53.3% YoY, which I will explain in detail on page 12.
- New business ANP of TAL saw a decline of 49.2% YoY on an AUD basis, or 46.8% on a JPY basis. I will explain this in detail on page 13.
- Dai-ichi Life Vietnam increased new business ANP by 32.7% YoY in local currency, or 35.6% on a JPY basis.
- In sum, the Group maintained significant new business growth of 20.4% YoY.
- Please turn to page 6.

## Overview of the Group's Financial Results - Trends in Policies in Force (ANP basis)

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### Dai-ichi Group's ANP from Policies in Force



(1) The fiscal year of Dai-ichi Life Vietnam ends on December 31. ANP from policies in force of Dai-ichi Life Vietnam as of Mar-13, Mar-14 and Sep-14 were 7.5 billion yen, 10.8 billion yen and 11.4 billion yen, respectively.

(2) ANP from policies in force of Neo First Life as of Sep-14 were 3.7 billion yen (incl. 0.9 billion 3rd sector ANP).

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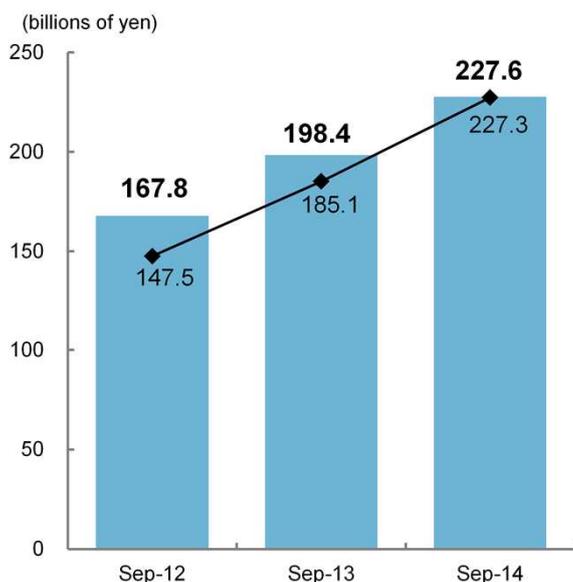
- I will explain the trends in ANP from policies in force.
- Dai-ichi Life on a non-consolidated basis recognized an increase in in-force ANP by 0.1% and 3rd sector in-force ANP increased by 1.5%. DFL increased its in-force ANP by 20.6%, and TAL increased its ANP by 2.2% on both an AUD basis and a JPY basis. Dai-ichi Life Vietnam also steadily increased its in-force policies.
- As a result, the Group recorded a 3.0% growth in in-force ANP, maintaining the growth trend.
- Please turn to page 7.

# Overview of the Group's Financial Results - Fundamental Profit

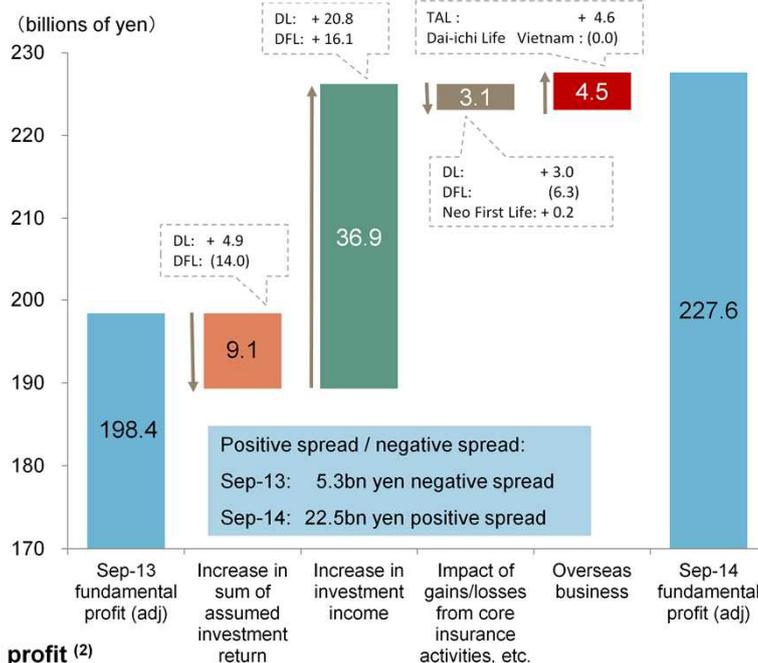
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## Fundamental Profit (1)



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



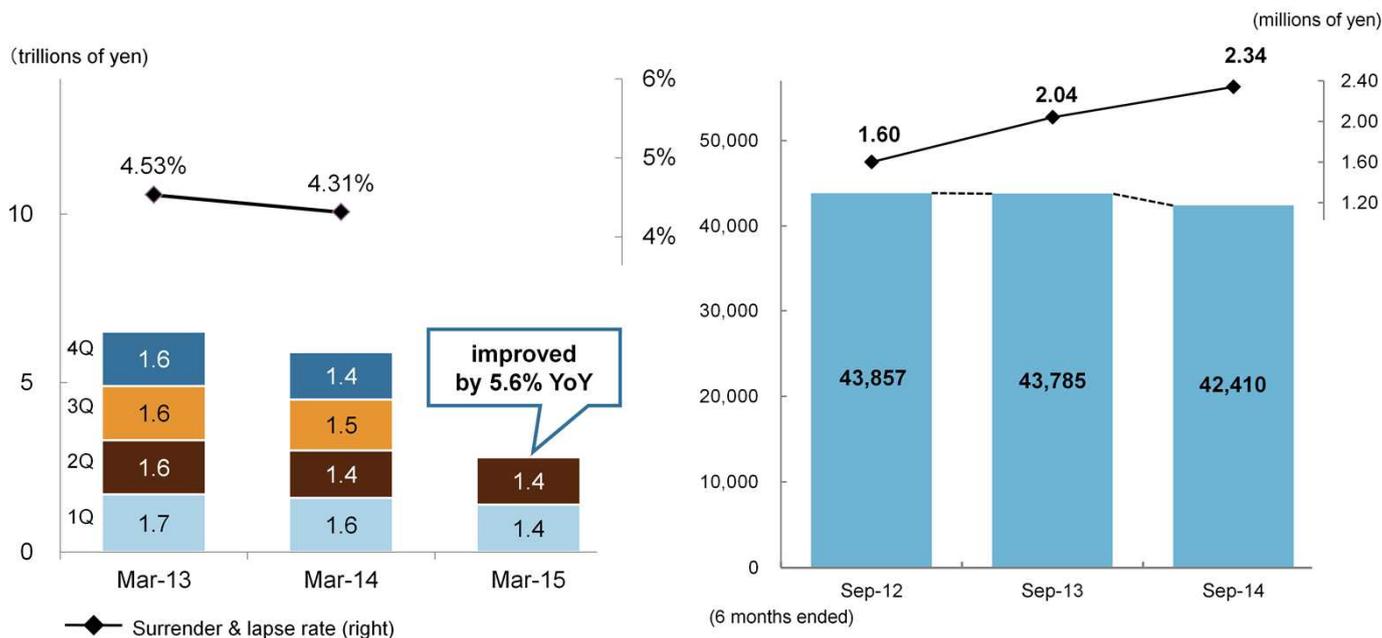
(1) Sum of fundamental profit of Dai-ichi Life (DL), Dai-ichi Frontier Life (DFL) and Neo First Life, TAL's underlying profit (before tax) and Dai-ichi Life Vietnam's net income before tax (after partial elimination of intra-group transactions)

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

- I will now explain the fundamental profit of our five life insurance group companies (The five companies represent Dai-ichi Life, DFL, Neo First Life, TAL and Dai-ichi Life Vietnam. Please refer to the footnote).
- Our fundamental profit is impacted by the provision for (reversal of) policy reserves related to the GMMB of variable annuities. We are presenting adjusted fundamental profit, which eliminates such impact, in the bar graph on the left. As you can see, we significantly increased adjusted fundamental profit to 227.6 billion yen from 198.4 billion yen for the same period of the prior year.
- Dai-ichi Life reduced assumed investment return (policy liability cost) by providing for additional policy reserves. However, DFL increased sales of foreign currency-denominated products and, as a result, increased assumed investment return. As our net investment income both in Dai-ichi Life and DFL improved, we recorded 22.5 billion yen positive spread compared to 5.3 billion yen negative spread a year ago.
- DFL decreased gains (losses) from core insurance activities due to accounting-related factors such as an increased provision for policy reserves of foreign currency-denominated products given a decline in foreign interest rates. TAL recognized a 4.6 billion yen increase in underlying profit before tax.
- Please turn to page 8.

Surrender & Lapse  
(Individual Insurance & Annuities)

Number of Sales Reps and Productivity<sup>(1)(2)</sup>

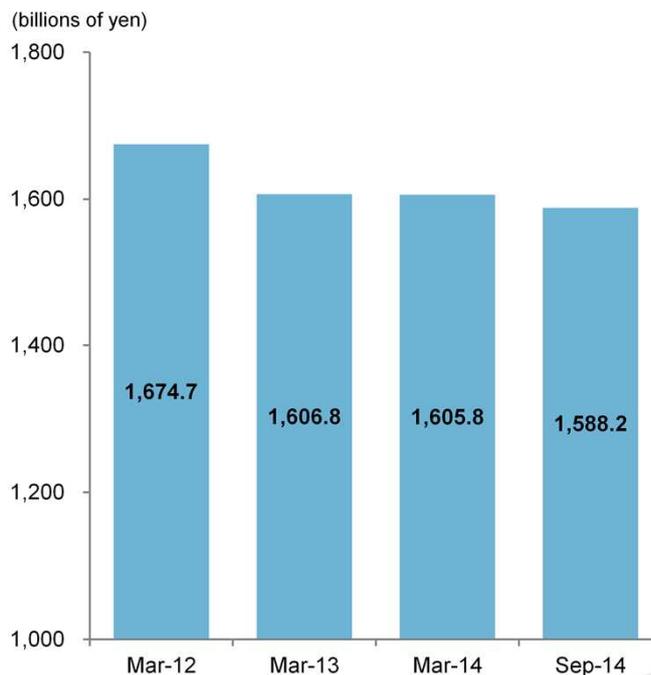
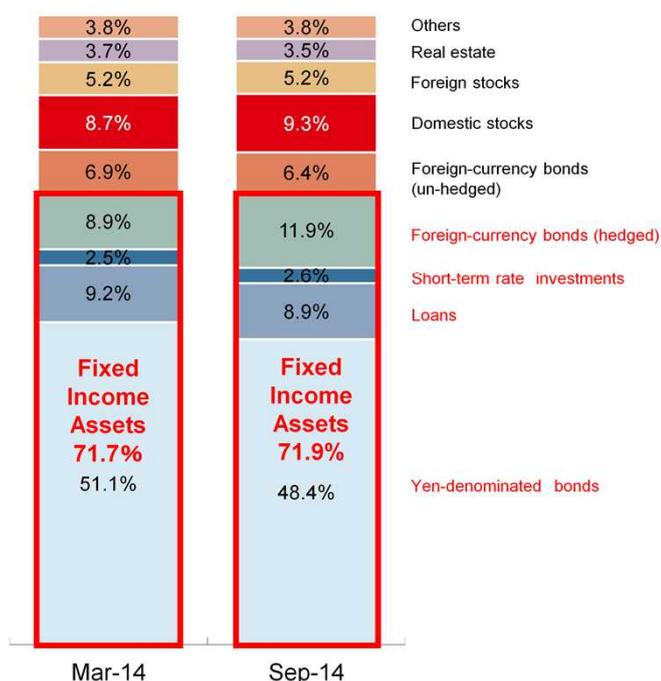


(1) The number of sales representatives does not include those who are not full-time employees of Dai-ichi Life and are engaged mainly in ancillary work.  
 (2) Calculated by dividing the value of new business by the average number of sales representatives in each period.

- The graph on the left shows the amount and the rate of surrenders and lapses for Dai-ichi Life on a non-consolidated basis. Thanks to appropriate consulting services and follow-up with customers provided by our sales representative channel, we continued to see a decrease in the amount of surrenders and lapses – it improved by 5.6% YoY.
- The graph on the right shows trends in the number of our sales representatives and the value of new business acquired per sales representative. We disclose an EEV report semiannually, so, this time, we'd like to touch on the productivity of our sales representative channel, using the value of new business. Although the number of sales representatives declined slightly, the value of new business per sales representative increased YoY due to the increase in value of new business. The number of policies acquired per sales representative, which is shown in an appendix slide in this presentation material, increased YoY, recovering from a sales decline in the first quarter of the last fiscal year due to the premium increases.
- Please turn to page 9.

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

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

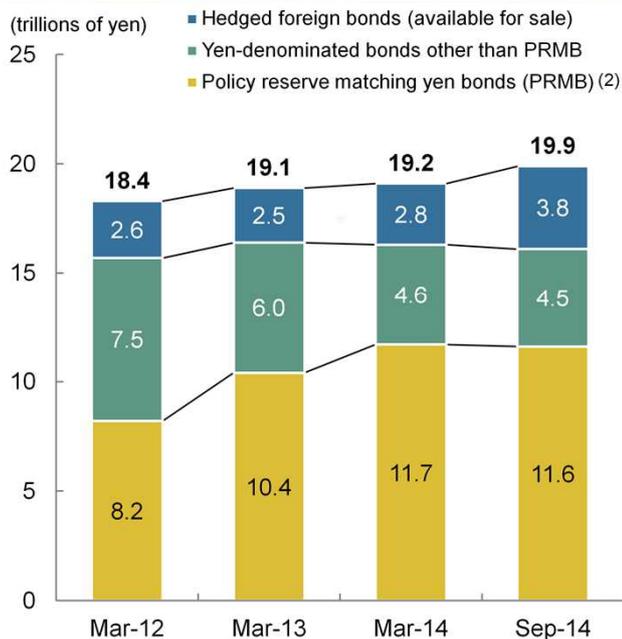


(1) Carrying amount - basis

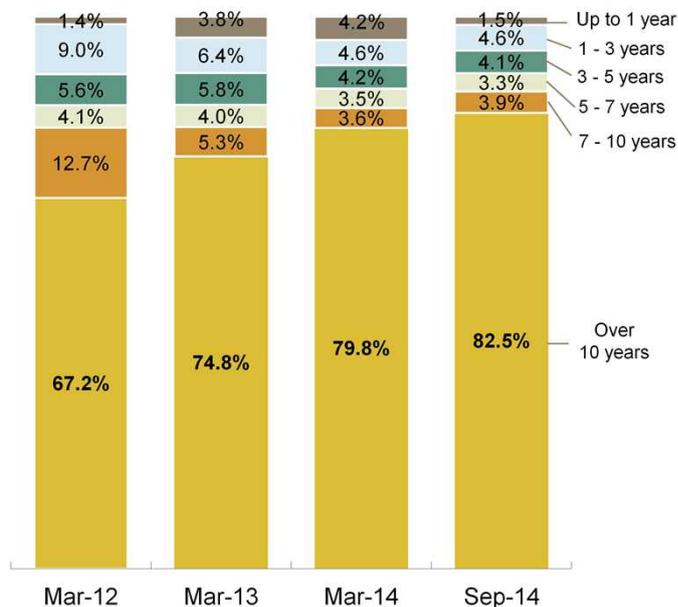
(2) Book value of domestic stocks with fair value (excluding stocks of subsidiaries / affiliated companies and unlisted companies)

- Now I will explain our investment portfolio.
- The graph on the left shows the composition of Dai-ichi's general account portfolio. Our investment portfolio continued to be built around a core of fixed income assets, such as yen-denominated bonds, in accordance with the concept of ALM and strict risk management. In the first half of this fiscal year, in light of persisting low interest rates in Japan, we increased the allocation to foreign currency-denominated bonds with currency hedges.
- The proportion of domestic stocks based on carrying amount increased to 9.3% as of September 2014, from 8.7% as of March 2014, due mainly to changes in the market value of our equity holdings. As you can see in the right-hand graph, we decreased the book value of domestic listed stocks compared to the last fiscal year-end. Our basic policy to reduce domestic stock exposure remains unchanged.
- Please turn to page 10.

**Yen and Currency-hedged Foreign Bonds (1)**



**Maturity Profile of Domestic Bonds (3)**



(1) Represents yen-denominated bonds and foreign bonds with currency hedges in the company's general account. The balance is shown on an amortized cost basis.  
 (2) PRMB is a unique category for bonds, accepted under Japanese GAAP. PRMB is reported at amortized cost if the bonds meet certain requirements.  
 (3) Represents domestic bonds in the company's general account. The balance is shown on a carrying amount basis.

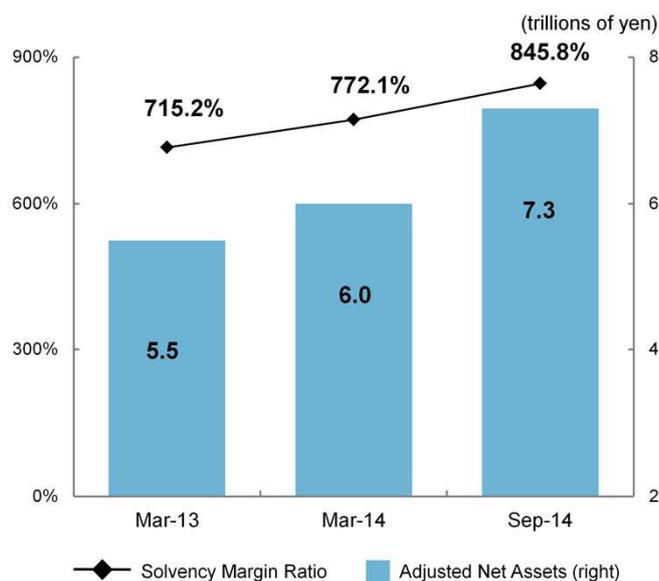
- I will explain our initiative to extend asset duration.
- The left graph shows the amortized cost balance of yen-denominated bonds and currency-hedged foreign bonds. As we have reported in the past, we have sold available-for-sale securities that need to be marked-to-market (accounting for most of the “Yen-denominated bonds other than PRMB” shown in the left graph) and purchased super long-term bonds classified as policy reserve matching bonds (PRMB) that are booked on an amortized cost basis. In the first half of the fiscal year, we continued to control purchasing yen-denominated bonds and increase currency-hedged foreign bonds, taking into account the low interest rates in Japan.
- The right graph shows the remaining years to maturity of our domestic bonds. We aim to reduce interest rate risk by accumulating super long-term bonds. We have steadily extended our duration to reduce interest rate fluctuation risk in the medium-to long-term.
- Please turn to page 11.

Unrealized Gain/Loss (General Account)

(billions of yen)

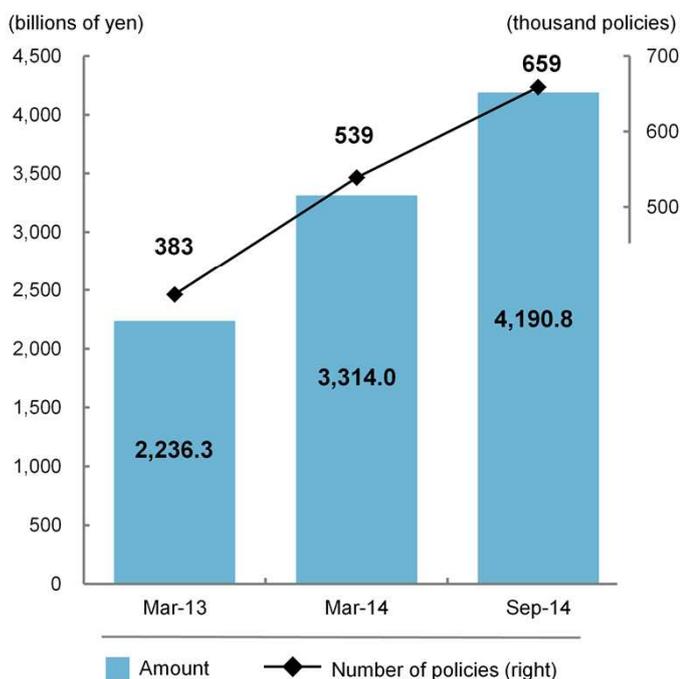
	As of Mar-14	As of Sep-14	Change
Securities	3,005.6	3,856.0	+850.3
Domestic bonds	1,381.3	1,689.3	+308.0
Domestic stocks	931.8	1,250.2	+318.4
Foreign securities	642.2	867.6	+225.4
Real estate	48.2	50.1	+1.9
General Account total	3,050.5	3,932.8	+882.3

Solvency Margin Ratio & Adjusted Net Assets



- I will explain the financial soundness of Dai-ichi Life on a non-consolidated basis.
- The left table shows the details of unrealized gains of our general account assets as of September 30, 2014 and the changes compared to March 31, 2014. Due to lower interest rates and favorable stock markets both domestic and overseas, unrealized gains on our security holdings increased and, therefore, overall unrealized gains in our general account increased by approx. 880 billion yen.
- The line chart on the right shows the trend of our solvency margin ratio. Our solvency margin ratio increased by 73.7 points to 845.8% mainly because of a) an increase in core solvency margin due to the equity offering and accumulated retained earnings, and b) an increase in unrealized gains on securities.
- Please turn to page 12.

Sum Insured of Policies in Force



Earnings

	(billions of yen)	
	6 months ended Sep-13	6 months ended Sep-14
Ordinary revenues	657.8	1,077.9
Premium and other income	595.7	955.8
Variable products	181.9	96.7
Fixed products (yen-denominated)	186.6	148.7
Fixed products (foreign currency-denominated)	168.9	622.6
Investment income	62.1	122.0
Hedge gains related to GMMB risk (A)	-	-
Ordinary expenses	675.9	1,073.7
Provision for policy reserves and other	445.4	809.7
Related to GMMB risk (negative indicates a reversal) (B)	14.3	0.7
Related to market value adjustment (C)	(1.3)	9.5
Contingency reserve (D)	9.4	8.6
Investment expenses	33.0	3.1
Hedge losses related to GMMB risk (E)	12.4	1.8
Ordinary profit (loss)	(18.1)	4.1
Net income (loss)	(18.3)	2.7
Net income - (A) + (B) + (C) + (D) + (E)	16.4	23.6

- I will explain the results of Dai-ichi Frontier Life.
- During the second quarter, DFL accelerated the sales of foreign currency-denominated products. DFL increased its premium and other income to 955.8 billion yen, and sum insured of policies in force surpassed 4 trillion yen.
- Among ordinary expense items, provision for policy reserves and others increased YoY associated with the increase in sales. On the other hand, the impact of provision for policy reserve associated with GMMB risk was limited as the international financial environment was relatively stable. Although DFL increased provision for policy reserve of foreign currency-denominated products related to market value adjustments due to a decline in interest rates, overall gains/losses significantly improved YoY, and therefore, DFL recorded 2.7 billion yen in net income.
- As a reference, figures are given in the lower part of the table describing DFL's underlying earning capacity excluding market-related factors such as hedge gains/losses and provision for policy reserves related to GMMB risk. In light of DFL's increased policies in force, its underlying earning capacity improved YoY.
- Please turn to page 13.

# Consolidated Subsidiaries' Results - Business Results of TAL<sup>(1)</sup>

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## Earnings

	(millions of AUD)		
	6 months ended Sep-13	6 months ended Sep-14	% Change
Ordinary revenues <sup>(2)</sup>	1,372	1,585	+ 16%
Premium and other income <sup>(2)</sup>	1,102	1,382	+ 25%
Ordinary profit <sup>(2)</sup>	49	96	+ 96%
Net income (A) <sup>(2)</sup>	29	71	+ 141%
Adjustments after tax (B)	16	7	
Discount rate changes	3	(9)	
Amortization charges	10	10	
Others	3	5	
Underlying profit (A + B)	46	78	+ 69%

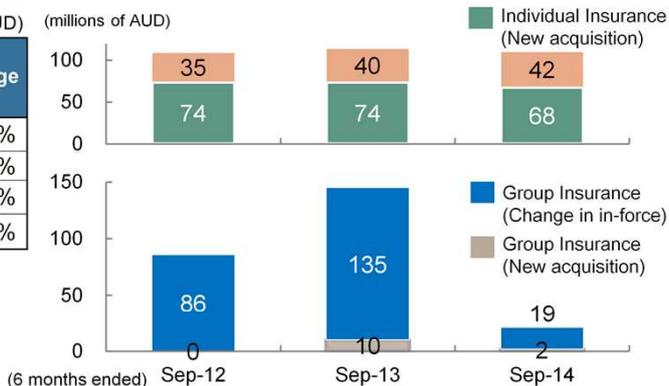
### <Reference>

	As of Sep-13	As of Sep-14
JPY/AUD exchange rate	90.87	95.19

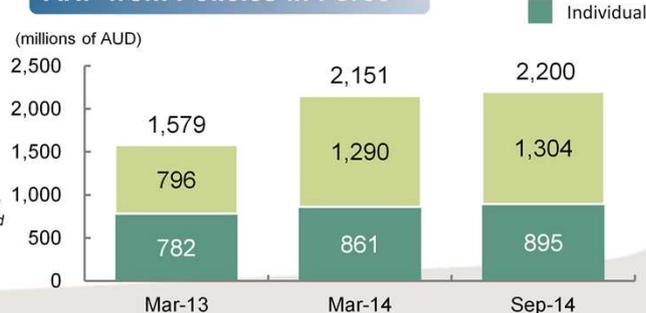
(1) Figures for the consolidated holding company (i.e., TAL Dai-ichi Life Australia Pty Ltd).

(2) Disclosed after re-classifying items from TAL's financial statements under Australian accounting standards to conform to Dai-ichi Life's disclosure standards (excluding adjustments after tax and underlying profit).

## New Business ANP



## ANP from Policies in Force



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- I will now discuss the results of TAL.
- New business ANP of TAL is separately shown as: (a) acquired businesses; and (b) age, CPI and other adjustment to in-force businesses. TAL saw a decline of 4% YoY in individual insurance ANP in AUD terms, and its group insurance ANP significantly decreased because of the non-recurring positive impact of a re-pricing that we mentioned earlier. As a result, the overall new business ANP decreased by 49% YoY, however, for just the second quarter, it remained almost at the same level YoY.
- TAL increased its ANP from policies in force mainly by acquiring new policies, leading to an increase in premium and other income by 25% YoY. Net income significantly increased by 141% YoY, attributable to (1) an improved margin after re-pricing (2) stabilized claims experience and (3) a positive accounting impact of lower interest rates.
- Under Australian GAAP, higher interest rates negatively impact TAL's balance sheet and consequently its profit. In the first half of last year, TAL saw a rise in interest rates, which negatively impacted its net income by AUD 3 million. However, in the first half this year, interest rates decreased, which positively impacted TAL's net income by AUD 9 million. As a result, TAL recognized an approximately AUD 12 million increase in net income YoY.
- TAL recognized a 69% increase in underlying profit, which is net income after adjustments for items beyond management's control, including the impact of interest rate changes.

- We are revising our ordinary revenues and ordinary profit forecast upward.
- Forecast for net income will remain unchanged, as we need to determine the impact of lowering Japanese corporate income-tax rate.

(billions of yen unless otherwise noted)

(Reference)

	Year ended Mar-14	Year ending Mar-15 <small>*Forecast revised on Nov 14, 2014</small>	Change	Year ending Mar-15 <small>*Forecast revised on Aug 8, 2014</small>
<b>Ordinary revenues</b>	<b>6,044.9</b>	<b>6,409.0</b>	<b>+364.0</b>	<b>5,607.0</b>
Dai-ichi Life non-consolidated	4,384.6	4,400.0	+15.3	4,074.0
Dai-ichi Frontier	1,417.8	1,737.0	+319.1	1,229.0
TAL (millions of AUD)	2,849	3,440	+590	3,440
<b>Ordinary profit</b>	<b>304.7</b>	<b>318.0</b>	<b>+13.2</b>	<b>246.0</b>
Dai-ichi Life non-consolidated	307.6	310.0	+2.3	239.0
Dai-ichi Frontier	(15.8)	(3.0)	+12.8	(4.0)
TAL (millions of AUD)	139	130	(9)	130
<b>Net income</b>	<b>77.9</b>	<b>80.0</b>	<b>+2.0</b>	<b>80.0</b>
Dai-ichi Life non-consolidated	85.5	79.0	(6.5)	79.0
Dai-ichi Frontier <sup>(1)</sup>	(15.2)	(6.0)	+9.2	(6.0)
TAL (millions of AUD)	90	90	+0	90
<b>Dividends per share (yen)</b>	<b>20</b>	<b>25</b>	<b>+5</b>	<b>25</b>
<b>(Reference) Fundamental Profit</b>				
Dai-ichi Life Group	446.1	around 440.0	(6.1)	-
Dai-ichi Life non-consolidated	399.8	around 400.0	+0.1	around 340.0

(1) Calculated based on Dai-ichi Life's interest in Dai-ichi Frontier Life (year ended March 31, 2014).

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- I will explain our earnings guidance for the fiscal year ending March 2015.
- As explained in the beginning of the presentation, for the first half of the year our consolidated ordinary revenues, ordinary profit and net income significantly increased YoY.
- We revised our consolidated ordinary revenue forecast upward, as we forecast an increase in premium and other income due to favorable insurance sales of DFL. We also revised our consolidated ordinary profit forecast upward, given the expected increase in investment income at Dai-ichi Life under the favorable financial environment.
- Although our consolidated net income for the first half of the year was high, as we need to consider the potential impact of lowering Japanese corporate income-tax rate currently being discussed on our financial results, our consolidated net income forecasts remain unchanged at this moment.
- Please turn to page 15.

## EEV - European Embedded Value (i)

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- Each group company's EEV increased due to favorable insurance sales and financial environment.

### EEV of the Group

(billions of yen)

	Mar-14	Sep-14	Change
EEV	4,294.7	5,155.4	+860.7
Adjusted net worth	3,431.3	4,473.0	+1,041.6
Value of in-force business	863.3	682.4	(180.8)

	6 months ended Sep-13	6 months ended Sep-14	Change	Year ended Mar-14
Value of new business	104.9	137.1	+32.1	255.4

### EEV of Dai-ichi (stand alone)

(billions of yen)

	Mar-14	Sep-14	Change
EEV	4,268.5	5,069.1	+800.5
Adjusted net worth	3,520.9	4,540.5	+1,019.5
Value of in-force business	747.6	528.6	(218.9)

	6 months ended Sep-13	6 months ended Sep-14	Change	Year ended Mar-14
Value of new business	89.6	100.0	+10.3	216.9

### EEV of Dai-ichi Frontier Life

(billions of yen)

	Mar-14	Sep-14	Change
EEV	163.8	209.9	+46.1
Adjusted net worth	134.4	147.9	+13.5
Value of in-force business	29.3	61.9	+32.6

	6 months ended Sep-13	6 months ended Sep-14	Change	Year ended Mar-14
Value of new business	8.2	29.5	+21.3	22.3

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- I will describe our group embedded value as of September 2014. We laid out only summary tables of our EEV in this slide because we are still in the process of receiving a third-party opinion.
- Compared to March 31, 2014, our group EEV increased by 860.7 billion yen to 5,155.4 billion yen as of September 30, 2014, consisting of 4,473.0 billion yen of adjusted net worth and 682.4 billion yen of value of in-force business.
- Our adjusted net worth increased by 1,041.6 billion yen compared to March 31, 2014, due to the increase in unrealized gains on securities and increase in net assets due to equity offering in Dai-ichi Life.
- On the other hand, our value of in-force business decreased by 180.8 billion yen as the positive effect of value of new business was more than offset by the negative impact of lower interest rates.
- We increased the value of new business by 32.1 billion yen YoY due to favorable insurance sales in domestic life insurance businesses.
- Please turn to page 16.

## EEV - European Embedded Value (ii)

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EEV of TAL (billions of yen)

	Mar-14	Sep-14	Change
EEV	186.3	207.4	+21.0
Adjusted net worth	99.9	115.5	+15.5
Value of in-force business	86.3	91.9	+5.5

<Reference> EEV of TAL in AUD (millions of AUD)

	Mar-14	Sep-14	Change
EEV	1,957	2,179	+221
Adjusted net worth	1,050	1,213	+163
Value of in-force business	907	965	+57

	6 months ended Sep-13	6 months ended Sep-14	Change	Year ended Mar-14
Value of new business	7.8	7.5	(0.2)	18.4

	6 months ended Sep-13	6 months ended Sep-14	Change	Year ended Mar-14
Value of new business	86	79	(7)	193

- Exchange rate for value of new business for the 6 months ended September 30, 2013:  
JPY 90.87 to AUD 1.00
- Exchange rate for EEV as of March 31, 2014 and value of new business for the year ended March 31, 2014:  
JPY 95.19 to AUD 1.00
- Exchange rate for EEV as of September 30, 2014 and value of new business for the 6 months ended September 30, 2014:  
JPY 95.19 to AUD 1.00

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- EEV of TAL was 207.4 billion yen at the end of September 30, 2014. TAL increased its EEV on an AUD basis mainly by acquiring new business and, as a result, increased its contribution to the group EEV on an JPY basis.
- Today, my presentation focused on our financial results for the first half of FY2014. In the Financial Analyst Meeting to be held on November 20, our president, Koichiro Watanabe, will make a presentation regarding the progress of our medium-term management plan.
- This is the end of my presentation.

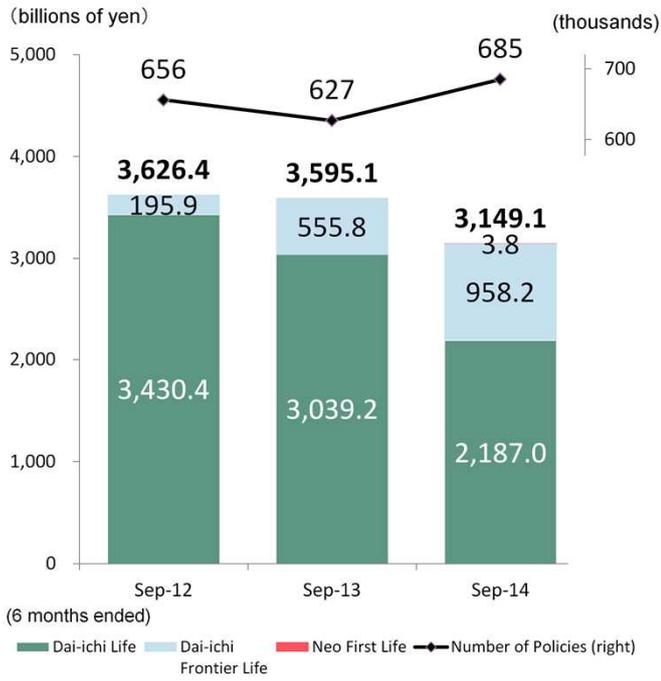
# Appendix

# Appendix - Policy Trend (Individual Insurance, Individual Annuities)

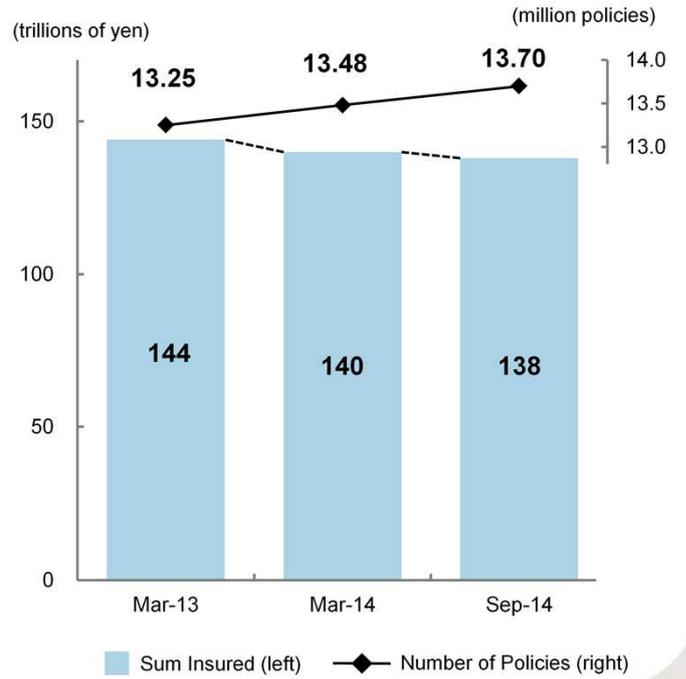
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## Sum Insured of New Business<sup>(1)</sup>

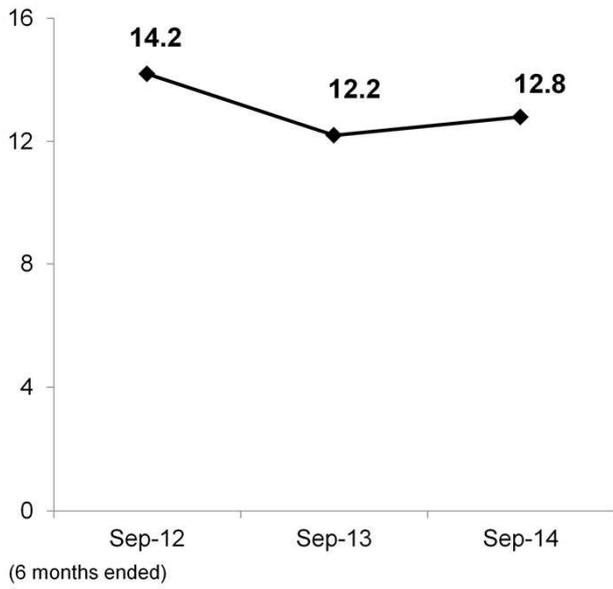


## Sum Insured of Policies in Force<sup>(1)</sup>

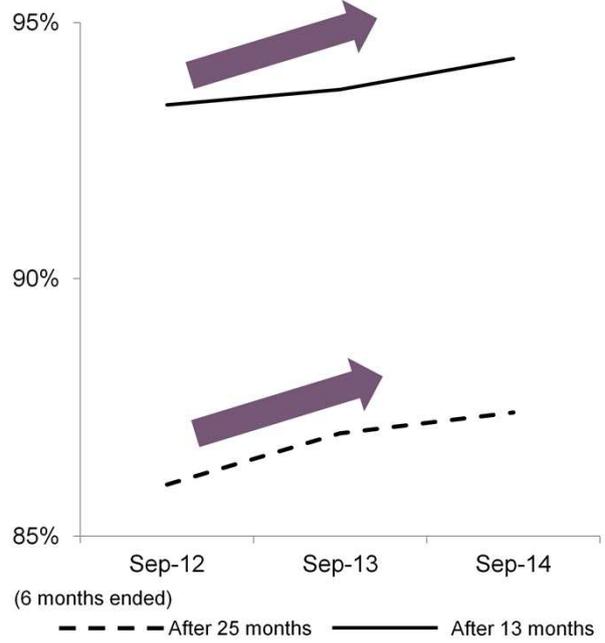


(1) Sum of Dai-ichi Life, Dai-ichi Frontier Life and Neo First Life. Sum insured of new business of Neo First life is for the three months ended September 30, 2014 and Sum insured of policies in force of Neo First life is Sep-14.

Number of New Policies per Sales Rep <sup>(1)(2)</sup>

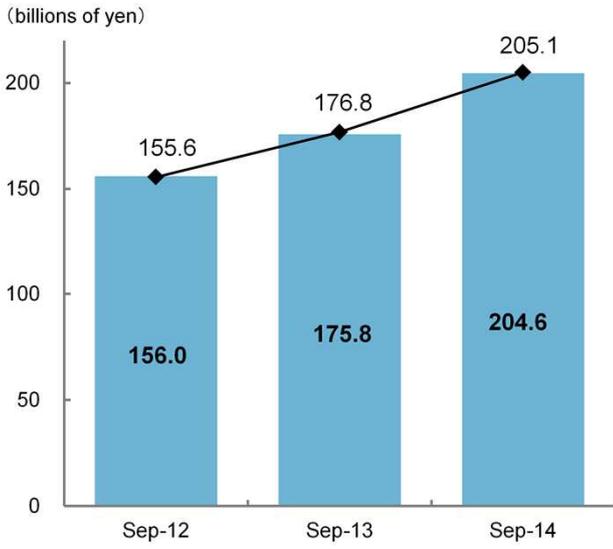


Persistency Rate



(1) 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.  
 (2) Calculated by dividing the number of new policies (incl. conversions) by the average number of sales representatives in each period.

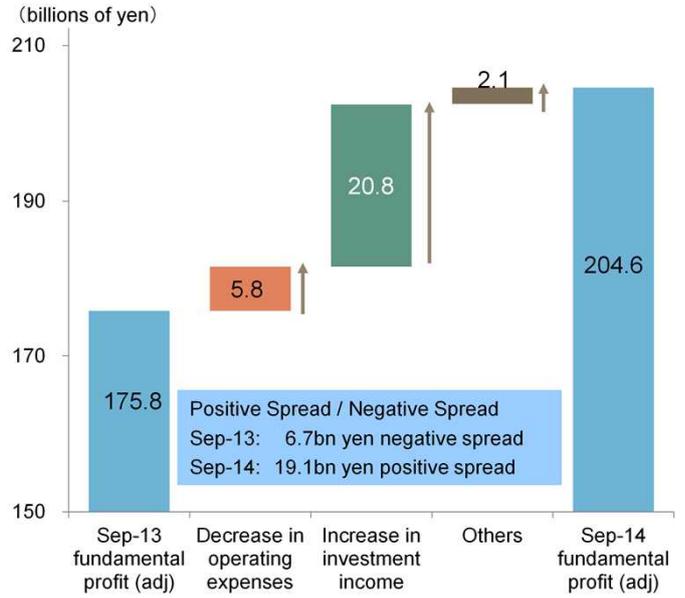
## Fundamental Profit



(6 months ended)

◆ Fundamental profit    ■ Adjusted fundamental profit <sup>(1)</sup>

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



Positive Spread / Negative Spread  
 Sep-13: 6.7bn yen negative spread  
 Sep-14: 19.1bn yen positive spread

(1) Adjusted fundamental profit = (fundamental profit) ± (provision for (reversal of) policy reserve associated with minimum guarantee benefit risk of variable insurance)

# Appendix - Summary Financial Statements (Dai-ichi Life non-consolidated)

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

(billions of yen)

	6 months ended Sep-13	6 months ended Sep-14	Change
Ordinary revenues	2,208.2	2,256.8	+48.5
Premium and other income	1,427.4	1,495.4	+68.0
Investment income	615.0	588.8	(26.1)
Interest and dividends	369.8	388.5	+18.7
Gains on sale of securities	137.8	109.5	(28.2)
Gains on investments in separate accounts	91.1	77.9	(13.2)
Other ordinary revenues	165.8	172.6	+6.7
Ordinary expenses	2,036.4	2,032.7	(3.6)
Benefits and claims	1,182.1	1,274.5	+92.3
Provision for policy reserves and others	325.2	301.8	(23.4)
Investment expenses	105.8	58.5	(47.3)
Losses on sale of securities	39.1	5.4	(33.6)
Losses on valuation of securities	1.2	0.5	(0.6)
Derivative transaction losses	18.7	2.9	(15.7)
Operating expenses	206.5	200.6	(5.8)
Ordinary profit	171.8	224.0	+52.2
Extraordinary gains	1.7	0.4	(1.2)
Extraordinary losses	26.9	12.0	(14.9)
Provision for reserve for policyholder dividends	40.2	46.4	+6.1
Income before income taxes	106.3	166.0	+59.6
Total of corporate income taxes	42.3	49.3	+6.9
Net income	64.0	116.7	+52.7

## Balance Sheet

(billions of yen)

	As of Mar-14	As of Sep-14	Change
Total assets	34,028.8	35,381.4	+1,352.5
Cash, deposits and call loans	908.4	981.2	+72.7
Monetary claims bought	275.8	268.9	(6.8)
Securities	28,005.1	29,228.2	+1,223.0
Loans	3,023.1	3,052.0	+28.8
Tangible fixed assets	1,215.5	1,204.2	(11.3)
Deferred tax assets	11.1	—	(11.1)
Total liabilities	32,056.9	32,629.8	+572.8
Policy reserves and others	29,744.0	30,008.5	+264.5
Policy reserves	29,199.2	29,496.6	+297.4
Contingency reserve	531.0	540.0	+9.0
Reserve for employees' retirement benefits	407.1	393.8	(13.2)
Reserve for price fluctuations	116.4	123.4	+7.0
Deferred tax liabilities	—	154.2	+154.2
Total net assets	1,971.8	2,751.5	+779.7
Total shareholders' equity	696.2	1,070.5	+374.2
Total of valuation and translation adjustments	1,274.9	1,680.2	+405.3
Net unrealized gains (losses) on securities, net of tax	1,315.8	1,700.6	+384.7
Reserve for land revaluation	(38.3)	(38.5)	(0.2)

(1) Gains (losses) on investments in separate accounts are offset by provision for (reversal of) policy reserves and accordingly they have no impact on ordinary profit.

## Statement of Earnings

(billions of yen)

	6 months ended Sep-13	6 months ended Sep-14	Change
Ordinary revenues	657.8	1,077.9	+420.0
Premium and other income	595.7	955.8	+360.1
Investment income	62.1	122.0	+59.8
Ordinary expenses	675.9	1,073.7	+397.7
Benefits and claims	173.1	207.7	+34.5
Provision for policy reserves and others	445.4	809.7	+364.3
Investment expenses	33.0	3.1	(29.8)
Operating expenses	22.1	47.6	+25.5
Ordinary profit (loss)	(18.1)	4.1	+22.2
Extraordinary gains (losses)	(0.2)	(0.7)	(0.5)
Income (loss) before income taxes	(18.3)	3.3	+21.7
Total of corporate income taxes	0.0	0.6	+0.6
Net income (loss)	(18.3)	2.7	+21.1

## Balance Sheet

(billions of yen)

	As of Mar-14	As of Sep-14	Change
Total assets	3,392.4	4,242.2	+849.8
Cash, deposits and call loans	78.0	101.5	+23.4
Securities	3,220.6	4,020.4	+799.8
Total liabilities	3,344.0	4,182.6	+838.5
Policy reserves and others	3,288.3	4,098.1	+809.7
Policy reserves	3,285.8	4,094.4	+808.5
Contingency reserve	107.2	115.9	+8.6
Total net assets	48.3	59.6	+11.2
Total shareholders' equity	40.3	43.0	+2.7
Capital stock	117.5	117.5	-
Capital surplus	67.5	67.5	-
Retained earnings	(144.6)	(141.9)	+2.7

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

(millions of AUD)

	6 months ended Sep-13	6 months ended Sep-14	Change
Ordinary revenues	1,372	1,585	+213
Premium and other income	1,102	1,382	+279
Investment income	158	99	(59)
Other ordinary revenues	111	104	(6)
Ordinary expenses	1,323	1,489	+166
Benefits and claims	748	916	+168
Provision for policy reserves and others	251	211	(39)
Investment expenses	16	18	+2
Operating expenses	264	287	+22
Other ordinary expenses	42	55	+12
Ordinary profit	49	96	+47
Total of corporate income taxes	19	24	+4
Net income	29	71	+42
Underlying profit	46	78	+32

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

(millions of AUD)

	As of Mar-14	As of Sep-14	Change
Total assets	6,086	6,387	+301
Cash and deposits	676	853	+177
Securities	2,852	2,851	(0)
Tangible fixed assets	0	0	+0
Intangible fixed assets	1,271	1,251	(20)
Consolidation goodwill	791	786	(4)
Other intangible fixed assets	480	464	(15)
Reinsurance receivable	72	108	+36
Other assets	1,213	1,321	+108
Total liabilities	4,184	4,413	+229
Policy reserves and others	2,960	3,128	+167
Reinsurance payables	385	403	+18
Other liabilities	721	776	+55
Deferred tax liabilities	117	105	(11)
Total net assets	1,901	1,973	+71
Total shareholders' equity	1,901	1,973	+71
Capital stock	1,630	1,630	—
Retained earnings	270	342	+71

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

(2) Figures for TAL (excluding underlying profit) are disclosed after re-classifying items from TAL's financial statements under Australian accounting standards to conform to Dai-ichi Life's disclosure standards.

## Appendix - Sensitivities to Financial Markets (non-consolidated basis)

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	Sensitivities <sup>(1)</sup>	Breakeven Points <sup>(2)</sup>
Domestic stocks	<p>Nikkei 225 1,000 yen change: September 2014: ±170 billion yen (March 2014: ±170 billion yen)</p>	<p>Nikkei 225 September 2014: 8,700 yen (March 2014: 9,200 yen)</p>
Domestic bonds	<p>10-year JGB Yield 10bp change: September 2014: ±250 billion yen * (March 2014: ±240 billion yen)</p> <p>* Available-for-sale securities: September 2014: ±30 billion yen (March 2014: ±30 billion yen)</p>	<p>10-year JGB Yield September 2014: 1.2% * (March 2014: 1.2%)</p> <p>* Available-for-sale securities: September 2014: 1.4% (March 2014: 1.4%)</p>
Foreign securities	<p>JPY / USD 1 yen change: September 2014: ±27 billion yen (March 2014: ±28 billion yen)</p>	<p>JPY / USD September 2014: \$1 = 93 yen (March 2014: 89 yen)</p>

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

(2) Breakeven points indicate assumptions when unrealized gains or losses of the related assets would be zero. Figures for foreign securities are calculated for foreign exchange factors only, based on the JPY/USD exchange rate (assuming all are in USD).

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