

# Financial Analyst Meeting for the Year Ended March 2016

May 23, 2016

The Dai-ichi Life Insurance Company, Limited

By your side, for life



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- Consolidated revenues and net income increased for FY Mar-2016.

Forecasting another increase in net income and shareholder dividends for FY Mar-2017.

Despite adverse economic conditions, we demonstrated another solid financial performance (i.e. fifth consecutive years of net income increase) as a result of the growth initiatives we undertook. We are forecasting a further increase in net income and dividend per share for FY Mar-2017.

- We view this fiscal year as the first year of “2nd stage of growth after the Rebirth”

In the 2nd stage of growth, we (i) strive for growth through advancement in product development and investment management, with innovations through InsTech and new alliances while (ii) continuing ERM by appropriately allocating resources, taking various factors into account such as developments in macro-economic conditions and global capital regulations.

- Strengthening our corporate governance structure by shifting to “a Company with a Board with Audit Committee Structure”.

Planning to shift to a holding company structure with a Board with Audit Committee Structure, in order to have the holding company focus on group management. To further strengthen corporate governance, we plan to constitute a well-balanced Board of Directors (BOD) and establish two non-mandatory advisory committees of the BOD, namely, a Nomination Advisory Committee and a Remuneration Advisory Committee.

# Review of Results (including European Embedded Value) for the Year Ended March 31, 2016

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

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- Achieved growth in consolidated ordinary revenue, ordinary profit and net income due mainly to contribution from subsidiaries in domestic and overseas markets.

(billions of yen)					<Reference>	
	Year ended Mar-15	Year ended Mar-16 (a)	Change		Forecasts as of November 13, 2015 (b)	Achievement (a/b)
Consol. Ordinary revenues	7,252.2	7,333.9	+81.7	+1%	7,096.0	103%
Non-consolidated	4,798.4	4,265.7	(532.6)	(11%)	4,201.0	102%
Consol. Ordinary profit	406.8	418.1	+11.3	+3%	369.0	113%
Non-consolidated	408.7	344.2	(64.5)	(16%)	301.0	114%
Consol. Net Income <sup>(1)</sup>	142.4	178.5	+36.0	+25%	161.0	111%
Non-consolidated	152.1	129.1	(23.0)	(15%)	119.0	109%

(1) Figures of "Consol. Net Income" represent those of "Net income attributable to shareholders of parent company".

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

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	【Dai-ichi Life】			【Dai-ichi Frontier Life】			【Protective Life (USA)】 <sup>(1)</sup>			【TAL (Australia)】 <sup>(1)</sup>			【Consolidated】		
	billions of yen			billions of yen			millions of USD			millions of AUD			billions of yen		
	Year ended Mar-15	Year ended Mar-16	Change	Year ended Mar-15	Year ended Mar-16	Change	---	11 months ended Dec-15	Change	Year ended Mar-15	Year ended Mar-16	Change	Year ended Mar-15	Year ended Mar-16	Change
Ordinary revenues	4,798.4	4,265.7	(11%)	2,157.5	1,967.5	(9%)	--	6,784	--	3,166	3,231	+2%	7,252.2	7,333.9	+1%
Premium and other income	3,266.3	2,866.6	(12%)	1,899.7	1,873.0	(1%)	--	4,689	--	2,745	3,020	+10%	5,432.7	5,586.0	+3%
Investment income	1,174.4	1,060.0	(10%)	257.7	94.5	(63%)	--	1,701	--	334	31	(91%)	1,444.0	1,344.8	(7%)
Ordinary expenses	4,389.7	3,921.5	(11%)	2,177.3	1,937.9	(11%)	--	6,384	--	2,982	3,079	+3%	6,845.4	6,915.7	+1%
Benefits and claims	2,718.1	2,681.3	(1%)	496.2	495.7	(0%)	--	4,020	--	1,808	1,949	+8%	3,380.8	3,830.9	+13%
Provision for policy reserves and others	702.8	209.1	(70%)	1,523.2	1,136.5	(25%)	--	1,031	--	447	312	(30%)	2,271.2	1,496.3	(34%)
Investment expenses	131.2	273.9	+109%	52.0	197.1	+279%	--	440	--	38	72	+87%	168.9	524.0	+210%
Operating expenses	398.5	404.1	+1%	95.2	97.2	+2%	--	692	--	579	636	+10%	559.3	661.3	+18%
Ordinary profit (loss)	408.7	344.2	(16%)	(19.7)	29.6	--	--	399	--	184	152	(17%)	406.8	418.1	+3%
Extraordinary gains	3.0	0.2	(91%)	--	--	--	--	--	--	--	--	--	3.3	0.3	(91%)
Extraordinary losses	27.2	52.2	+92%	2.1	2.9	+41%	--	--	--	--	0	--	29.4	55.2	+88%
Net income <sup>(2)</sup> (loss)	152.1	129.1	(15%)	(21.9)	24.3	--	--	268	--	131	119	(9%)	142.4	178.5	+25%

(1) Figures of Protective Life and TAL are disclosed after re-classifying items from Protective Life and TAL's financial statements under United States' and Australian accounting standards, respectively, to conform to Dai-ichi Life's disclosure standards. For consolidation, these financial statements are translated into Japanese yen at rates of 1USD=120.61 yen, and 1AUD=92.06 yen(Mar-15) and 86.25 yen(Mar-16), respectively.

(2) Figures of "Consolidated Net income" represent those of "Net income attributable to shareholders of parent company".

# Earnings Guidance - Guidance for the Year Ending March 2017

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- We expect a decline in ordinary revenues as we continue to control sales of savings-type insurance in the domestic market.
- Net income is expected to improve as we expect a higher contribution from overseas businesses. Forecast for dividends per share is also expected to increase.

(billions of yen unless otherwise noted)

	Year ended Mar-16	Year ending Mar-17	Change
<b>Ordinary revenues</b>	<b>7,333.9</b>	<b>6,460.0</b>	<b>(873.9)</b>
Dai-ichi Life non-consolidated <sup>(2)</sup>	4,265.7	3,796.0	(469.7)
Dai-ichi Frontier Life	1,967.5	1,401.0	(566.5)
Protective Life (millions of USD)	6,784	8,460	+1,675
TAL (millions of AUD)	3,231	3,900	+668
<b>Ordinary profit</b>	<b>418.1</b>	<b>406.0</b>	<b>(12.1)</b>
Dai-ichi Life non-consolidated	344.2	324.0	(20.2)
Dai-ichi Frontier Life	29.6	21.0	(8.6)
Protective Life (millions of USD)	399	460	+60
TAL (millions of AUD)	152	180	+27
<b>Net income<sup>(1)</sup></b>	<b>178.5</b>	<b>197.0</b>	<b>+18.4</b>
Dai-ichi Life non-consolidated	129.1	133.0	+3.8
Dai-ichi Frontier Life	24.3	15.0	(9.3)
Protective Life (millions of USD)	268	300	+31
TAL (millions of AUD)	119	120	+0
<b>Dividends per share (yen)</b>	<b>35</b>	<b>40</b>	<b>+5</b>

(1) Represents net income attributable to shareholders of parent company.

(2) Regarding Dai-ichi Life's transition to a holding company structure, please refer to page 7.

## (Reference) Fundamental Profit

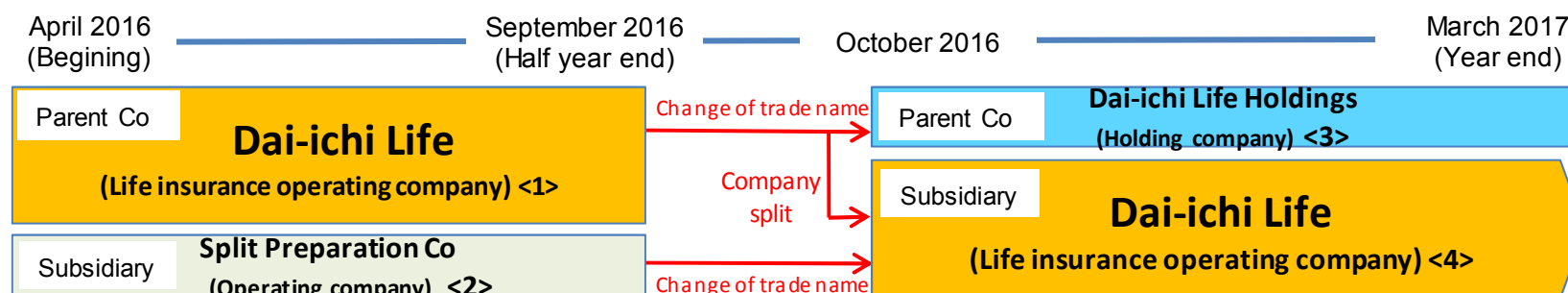
Dai-ichi Life Group	535.1	around 500.0	(35.1)
Dai-ichi Life non-consolidated	465.4	around 380.0	(85.4)

# Disclosure of Dai-ichi Life's Transition to a Holding Company Structure

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- In this presentation the guidance for Dai-ichi Life as a life insurance operating company for the year ending March 31, 2017 will be the sum of the results from current Dai-ichi Life <1> and Dai-ichi Life as a life operating company after the corporate split <4>. The impact of the results of the Split Preparation Company <2> will be marginal to the consolidated results.
- Dai-ichi Life as a parent company of the Group recognizes dividends received from its subsidiaries and affiliates, among others, in dividend and interest income. After the corporate split, Dai-ichi Life Holdings will hold shares in some of the subsidiaries and affiliates and thus recognize dividends from them. On the other hand, Dai-ichi Life, as a life insurance operating company, will receive reduced dividends and interests. But there is no impact on a consolidated basis.
- In the ordinary course of business, Dai-ichi Life Holdings will recognize dividend income from its subsidiaries and affiliates, management fees, and holding company operating expenses. The guidance for Dai-ichi Life Holdings for the year ending March 31, 2017 is indicated on the bottom right <3> below.



(billions of yen)

Dai-ichi Life's forecast for the year ending March 31, 2017	
Ordinary revenues	3,796
Ordinary profit	324
Net income	133

=

(billions of yen)

Dai-ichi Life (current) <1> From April 1, 2016 to September 30, 2016	
	1,929
	166
	68

+

(billions of yen)

Dai-ichi Life (new) <4> From October 1, 2016 to March 31, 2017	
	1,867
	157
	65

(billions of yen)

Dai-ichi Life Holdings <3> From October 1, 2016 to March 31, 2017	
	18
	12
	12



## EEV – European Embedded Value (i)

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We have changed the extrapolation method beyond the last liquid data point of Japanese interest rates from the method taking into account the yield curve of the Japanese swap rate to the method using the ultimate forward rate regarding calculations of EEV as of March 31, 2016 and value of new business for the year ended March 31, 2016. For consistent valuation, we restate EEV as of March 31, 2015 and value of new business for the year ended March 31, 2015 using the new method.

- **Group EEV decreased year-on-year. Each Group company acquired new business albeit amid adverse economic conditions, however, lower domestic interest rates impacted the Group EEV significantly.**

EEV of the Group

(billions of yen)

	Mar-15	Mar-15 Restated	Mar-16	Change <sup>(1)</sup>
EEV	5,779.6	5,987.6	4,646.1	(1,341.5)
Adjusted net worth	5,540.8	5,540.8	6,287.3	+746.5
Value of in-force business	238.8	446.8	(1,641.2)	(2,088.1)

	Year ended Mar-15	Year ended Mar-15 Restated	Year ended Mar-16	Change <sup>(1)</sup>
Value of new business	274.0	286.1	216.1	(70.0)

(1) From Mar-15(restated) to Mar-16.

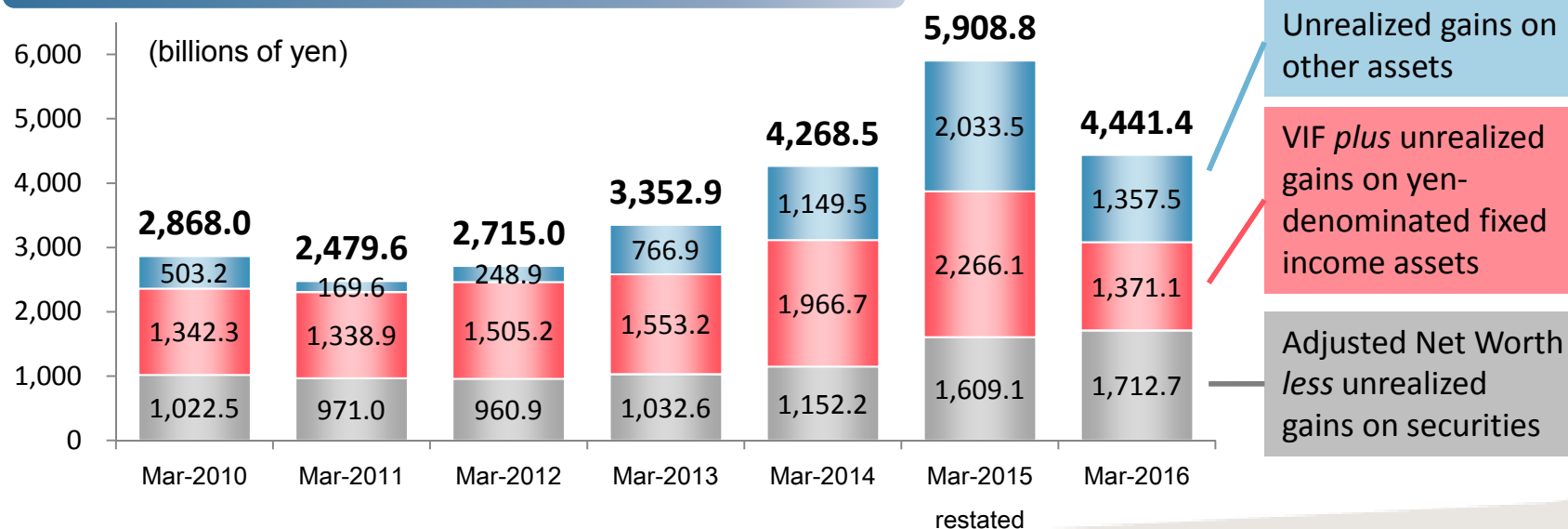
## EEV – European Embedded Value (ii)

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EEV of Dai-ichi (stand alone)					Reclassification of EEV from ALM point of view		
	Mar-15	Mar-15 Restated	Mar-16	Change <sup>(1)</sup>		Mar-15 Restated	Mar-16
EEV	5,700.8	5,908.8	4,441.4	(1,467.3)	EEV	5,908.8	4,441.4
Adjusted net worth	5,791.8	5,791.8	6,483.3	+691.4	Unrealized gains <sup>(2)</sup> on other assets	2,033.5	1,357.5
Value of in-force business	(91.0)	116.9	(2,041.9)	(2,158.8)	VIF plus unrealized gains on Yen-denominated fixed income assets	2,266.1	1,371.1
					Adjusted Net Worth less unrealized gains on securities	1,609.1	1,712.7
	Year ended Mar-15	Year ended Mar-15 Restated	Year ended Mar-16	Change <sup>(1)</sup>			
Value of new business	198.1	210.2	134.6	(75.5)			

### EEV of Dai-ichi Life (stand alone) after reclassification



(1) From Mar-15(restated) to Mar-16.

(2) Yen-denominated fixed income assets include yen-denominated bonds, hedged foreign currency denominated bonds and loans etc.

## EEV – European Embedded Value (iii)

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EEV of Dai-ichi Frontier Life

(billions of yen)

	Mar-15	Mar-15 Restated	Mar-16	Change <sup>(1)</sup>
EEV	252.7	252.7	303.2	+50.4
Adjusted net worth	188.2	188.2	183.8	(4.3)
Value of in-force business	64.5	64.5	119.4	+54.8

	Year ended Mar-15	Year ended Mar-15 Restated	Year ended Mar-16	Change <sup>(1)</sup>
Value of new business	58.6	58.6	53.2	(5.3)

EEV of Neo First Life

(billions of yen)

	Mar-15	Mar-16	Change
EEV	-	41.4	-
Adjusted net worth	-	27.7	-
Value of in-force business	-	13.6	-

EEV of Protective Life

(billions of yen)

	1-Feb-15	Dec-15	Change
EEV	502.9	551.2	+48.3
Adjusted net worth	351.7	414.9	+63.2
Value of in-force business	151.2	136.3	(14.8)

	-	11 months ended Dec-15	Change
Value of new business	-	5.6	-

EEV of Protective Life in USD

(millions of USD)

	1-Feb-15	Dec-15	Change
EEV	4,253	4,570	+317
Adjusted net worth	2,974	3,440	+465
Value of in-force business	1,278	1,130	(148)

	-	11 months ended Dec-15	Change
Value of new business	-	46	-

■ Exchange rate for EEV as of 1-Feb-15: JPY 118.25 to USD 1.00

■ Exchange rate for EEV as of Dec-15 and value of new business for the 11 months ended Dec-15: JPY 120.61 to USD 1.00

(1) From Mar-15(restated) to Mar-16.

# EEV – European Embedded Value (iv)

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EEV of TAL

(billions of yen)

	Mar-15	Mar-16	Change
EEV	237.8	267.3	+29.4
Adjusted net worth	123.7	135.9	+12.2
Value of in-force business	114.1	131.3	+17.1

	Year ended Mar-15	Year ended Mar-16	Change
Value of new business	17.3	22.5	+5.2

EEV of TAL in AUD

(millions of AUD)

	Mar-15	Mar-16	Change
EEV	2,583	3,099	+515
Adjusted net worth	1,344	1,576	+232
Value of in-force business	1,239	1,522	+282

	Year ended Mar-15	Year ended Mar-16	Change
Value of new business	188	262	+73

- Exchange rate for EEV as of Mar-15 and value of new business for the year ended Mar-15: JPY 92.06 to AUD 1.00
- Exchange rate for EEV as of Mar-16 and value of new business for the year ended Mar-16: JPY 86.25 to AUD 1.00

[Reference/Trial Calculation] Value of in-force business taking into Dai-ichi Life's asset allocation.

- VIF based on market consistent method is calculated using risk free rate and adjusting investment risk.
- Dai-ichi Life constructs its asset portfolio based on ALM approach, and expects excess return is generated from invested assets other than risk-free assets. However, this expected return is not reflected in VIF.
- On a trial calculation basis, VIF of Dai-ichi Life (stand-alone) was 305.3 billion yen when expected excess return based on its asset allocation is taken into account.

Mar-2016 VIF Dai-ichi Life	(reference/ Trial calculation)
(2,041.9) bil.	305.3 bil.

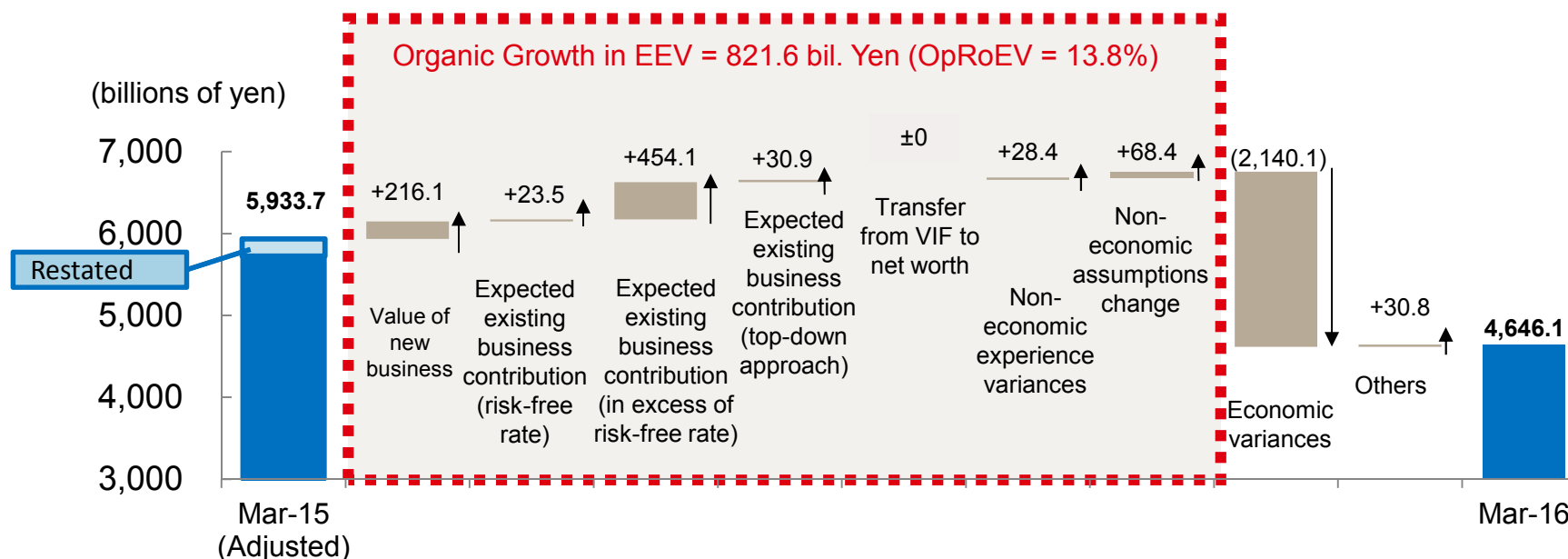
- Expected excess return assumption (1.05% p.a.) is set based on weighted average of performance of past market indices and latest asset allocation at Dai-ichi Life.
- At the same time, WACC (5.54%) is used for discounting, in order to reflect uncertainty of expected return not realizing.

- However, please note that the above trial calculation is not based on an established method or generally used. Further, it does not imply that EEV should have increased in the same manner as VIF increased.

# Movement Analysis of the Group's EEV

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(reference 1) Analysis of factors that contributed to changes in net worth and value in force

(billions of yen)

Adjusted net worth	5,491.0	±0.0	(10.2)	+114.8	+11.8	(4.3)	+20.2	(1.1)	+624.0	+41.0	6,287.3
Value in force	442.6	+216.1	+33.8	+339.2	+19.1	+4.3	+8.2	+69.5	(2,764.1)	(10.2)	(1,641.2)
Total	5,933.7	+216.1	+23.5	+454.1	+30.9	±0.0	+28.4	+68.4	(2,140.1)	+30.8	4,646.1

(reference 2) Analysis of factors that contributed to changes in EEV of each Group companies

(billions of yen)

Dai-ichi Life	5,860.3	+134.6	+11.3	+418.7	±0.0	±0.0	+14.0	+57.3	(2,087.2)	+32.1	4,441.4
Dai-ichi Frontier	252.7	+53.2	+2.5	+24.9	±0.0	±0.0	(1.8)	+3.9	(33.4)	+0.9	303.2
Protective Life	512.9	+5.6	+5.2	+10.3	+30.9	±0.0	+13.6	+4.0	(19.1)	(12.5)	551.2
TAL	229.0	+22.5	+4.4	±0.0	±0.0	±0.0	+2.5	+3.0	+1.0	+4.6	267.3
The Group	5,933.7	+216.1	+23.5	+454.1	+30.9	±0.0	+28.4	+68.4	(2,140.1)	+30.8	4,646.1

Please refer to "Disclosure of European Embedded Value as of March 2016" released on May 19, 2016 for details.

# EEV-based Value of New Business

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## Dai-ichi Group

(billions of yen, %)

	FY2014	FY2014 (Restated)	FY2015	Change <sup>(1)</sup>
Value of new business (A)	274.0	286.1	216.1	(70.0)
Present value of premium income (B)	5,179.5	5,174.7	5,514.2	+339.4
New business margin (A/B)	5.29%	5.53%	3.92%	(1.61) pts

## Dai-ichi Life (stand-alone)

(billions of yen, %)

	FY2014	FY2014 (Restated)	FY2015	Change <sup>(1)</sup>
Value of new business	198.1	210.2	134.6	(75.5)
Present value of premium income	3,258.1	3,253.3	3,017.9	(235.4)
New business margin	6.08%	6.46%	4.46%	(2.00)pts

## Dai-ichi Frontier Life

(billions of yen, %)

	FY2014	FY2014 (Restated)	FY2015	Change <sup>(1)</sup>
Value of new business	58.6	58.6	53.2	(5.3)
Present value of premium income	1,715.5	1,715.5	1,679.5	(36.0)
New business margin	3.42%	3.42%	3.17%	(0.24)pts

### Major Factors

- Lower interest rates , - Sales volume
- + Improved lapse & surrender, renewal

### Major Factors

- Change in product mix
- Lower interest rates

## Protective

(billions of yen, %)

	Feb - Dec 2015
Value of new business	5.6
Present value of premium income	446.5
New business margin	1.26%

## TAL

(billions of yen, %)

	FY2014	FY2015	Change
Value of new business	17.3	22.5	+5.2
Present value of premium income	205.7	370.1	+164.3
New business margin	8.43%	6.11%	(2.32)pts

### Major Factors

- + Acquisition of new business in Group segment

(1) From Mar-15(restated) to Mar-16.

## (Reference) Revision on extrapolation of risk free rate beyond the last liquid point

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- We revised the method for extrapolating risk free rates to calculate EEV and economic capital adequacy, in light of low liquidity of ultra long-term bonds.
- We adopted a globally-accepted method using the ultimate forward rate (UFR), which has been considered for several years.

### UFR for liability discounting approach

- The UFR is a method to build a yield curve from market rates up to the last liquid point and then extrapolate to a fixed forward rate

- Because life insurers provide ultra long-term protection, interest rate assumption for ultra long-term zone is essential for liability discounting.
- Dai-ichi Life had been using swap rates when extrapolating ultra long-term rates.
- However, very low liquidity is observed in the market and such rates became less credible.
- We decided to revise our method for extrapolation to UFR in an effort to upgrade our internal model.

### UFR has been used globally

- UFR is used in Solvency II calculation.
- UFR is widely used in EV calculation at European companies.
- UFR is adopted in ICS field test.

- *ICS (Insurance Capital Standard) is a risk-based global insurance capital standard as a part of Common Framework for the supervision of Internationally Active Insurance Groups (IAIGs), known colloquially as ComFrame, being developed at International Association of Insurance Supervisors (IAIS), with full implementation expected in 2019. The Dai-ichi Group believes that it will be designated as IAIG and accordingly become under ICS regulation. ICS is currently being field tested to assess the value and practicality prior to formal adoption.*
- *Solvency II is an economic value based, EU-wide insurance regulatory regime for the assessment of solvency, implemented since January 2016.*

# The Group's Medium-term Management Plan Covering Fiscal Years 2015 to 2017



Strategy update

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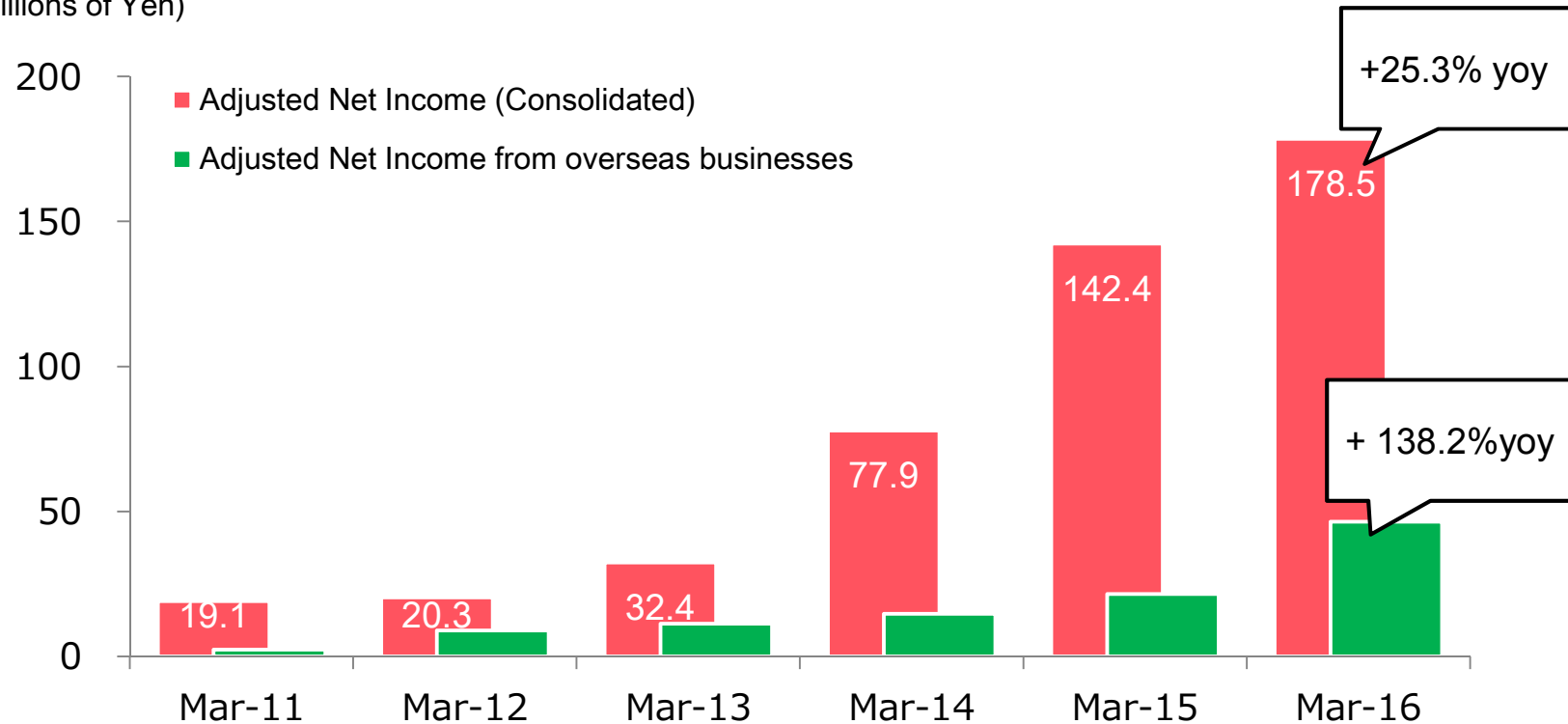
## Consolidated adjusted net income: another record high since our IPO

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- As a result of our growth strategy and diversification, the Group achieved record net income in a worsening financial environment

(Billions of Yen)



Nikkei 225	9,852	9,962	12,244	14,694	19,197	16,897
10yr. JGB	1.25	0.98	0.56	0.64	0.40	-0.05
JPY/USD	83.15	82.19	94.05	102.92	120.17	112.68

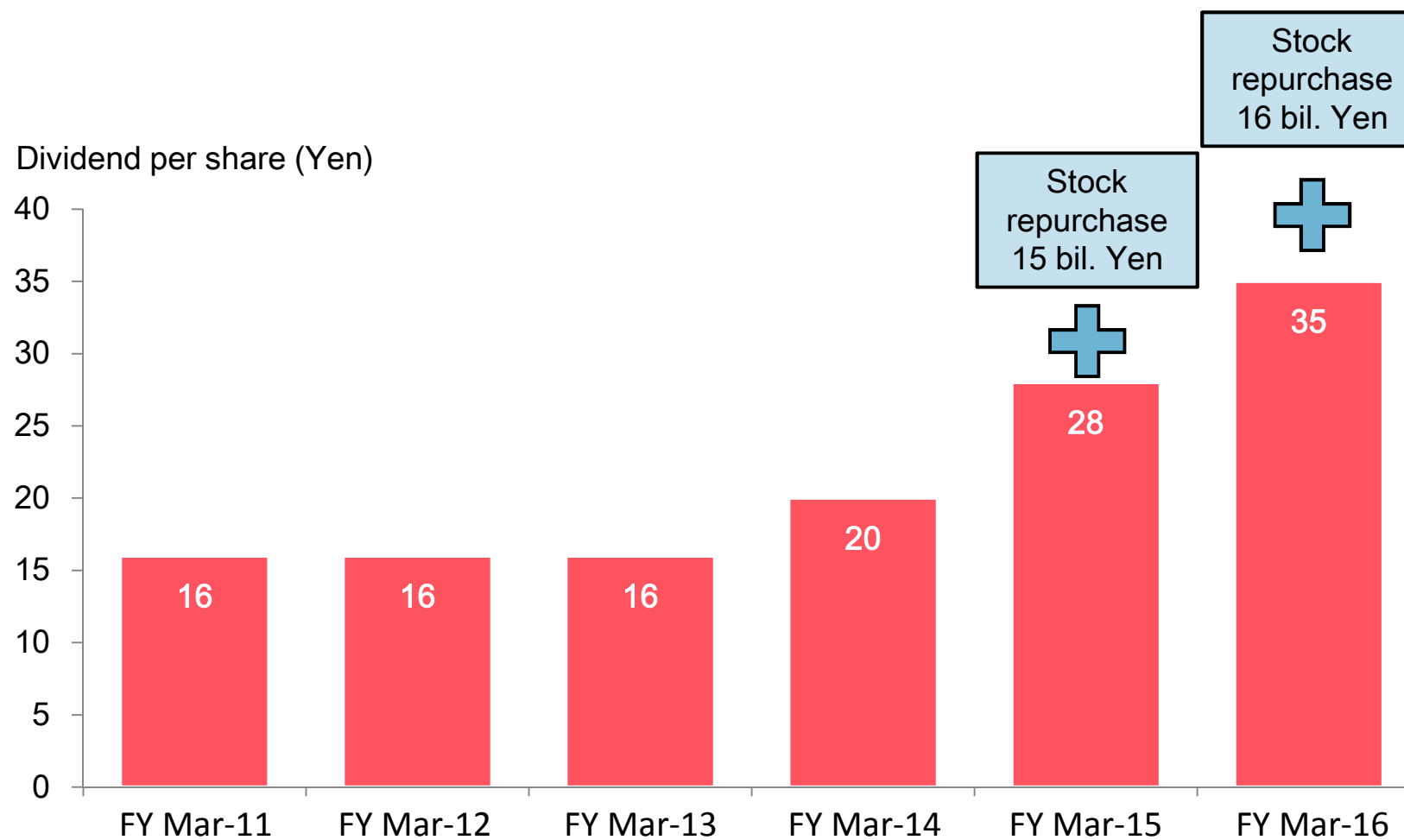
(Note) Nikkei 225 is the daily average in March every year.

# Total Payout

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- The Group continues to improve total payout to shareholders in light of income growth

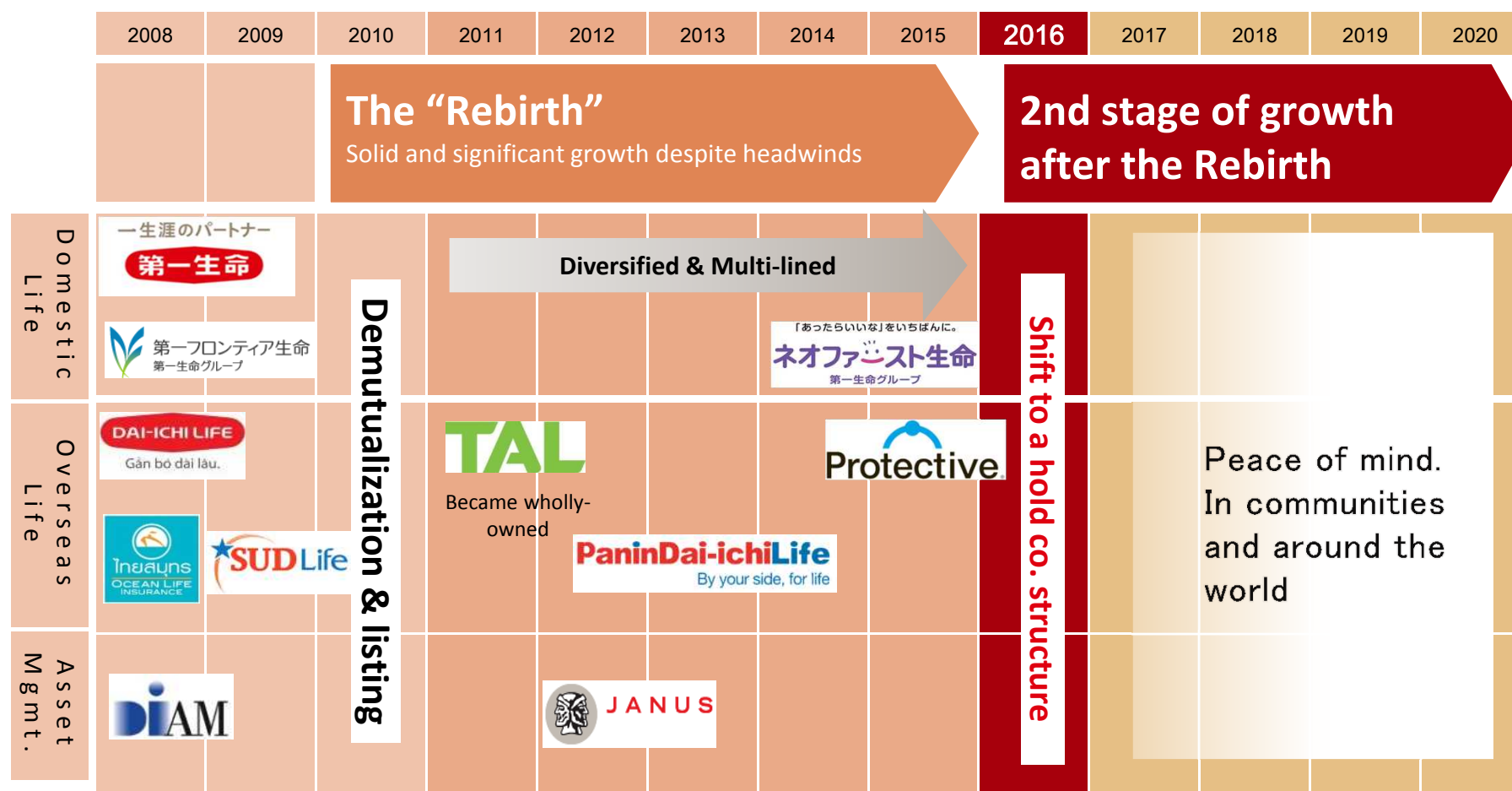


## 2nd stage of growth after the Rebirth

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- The shift to a holding company structure adds momentum for our growth initiatives.
- We are setting this fiscal year as the start of “the 2nd stage of growth after the Rebirth”

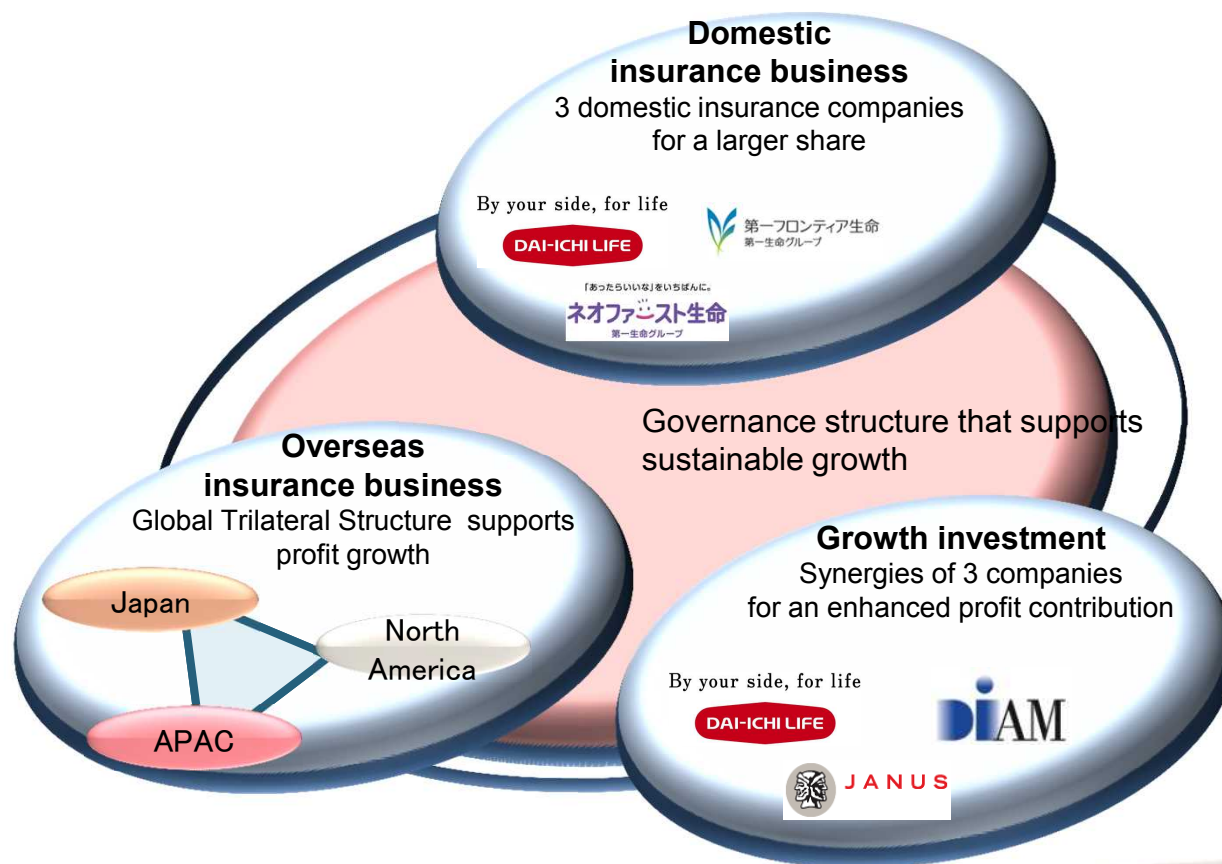


# The start of the second year of “D-Ambitious”

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- During the fiscal year 2015, the first year of the plan, the Group results reflected a number of growth initiatives that have contributed to improved top and bottom lines.
- Despite continued shifts in the economic environment, the Group continues to advance its growth initiatives.



We continue to build a firm foundation for sustainable growth: embarking on initiatives based on “Three Growth Engines”



New strategic alliances with Japan Post Insurance and establishment of Asset Management One add fuel to the Group



# Domestic Life Business (i): Three Brands

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- With 3 domestic insurance companies, we are able to provide competitive products swiftly.

<b>Customer characteristics</b>	Prefers consulting for services with high value added		
<b>Distribution channels</b>	Sales representatives	Agents	Bancassurance (single premium) (savings-type)
<b>Products</b>	Relatively comprehensive products		
<b>Main Players</b>	Major players	P&C and foreign players	Bancassurance specialists and major players
<b>Dai-ichi Life Group's presence</b>	By your side, for life 		 Dai-ichi Frontier Life
<b>Market Maturity and Size</b>	Mature Large-size	Relatively mature Medium-size	

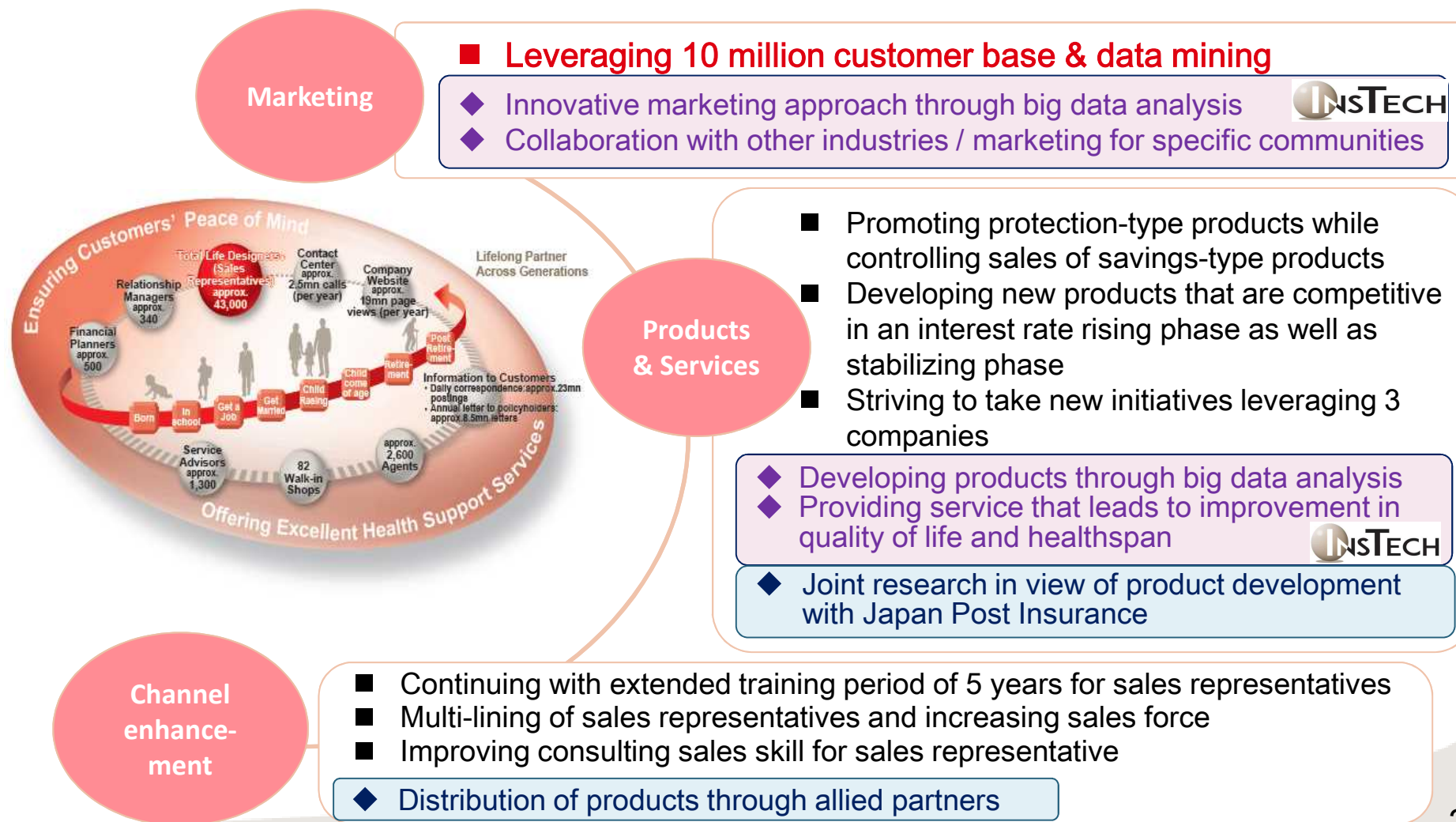
1) tends to compare products, 2) prefers simple products and procedures, and 3) active in seeking information		
Bancassurance (level premium) (protection-type)	Walk-in insurance shops etc.	Direct, internet, leaflet, direct mails etc.
Relatively simple products		
Foreign & P&C insurers	Foreign, P&C & other new players	Internet & Foreign players/ Mutual associations
「あったらいいな」をいちばんに。  Neofirst Life		Eyeing the possibility for entry 
Immature Small-size		

# Domestic Life Business (ii): Core Strategies

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- Fully leveraging database of 10 million customers for new business leads, through data mining of voluminous information
- Planning medium-to-long term strategies for marketing, products, InsTech and alliances.

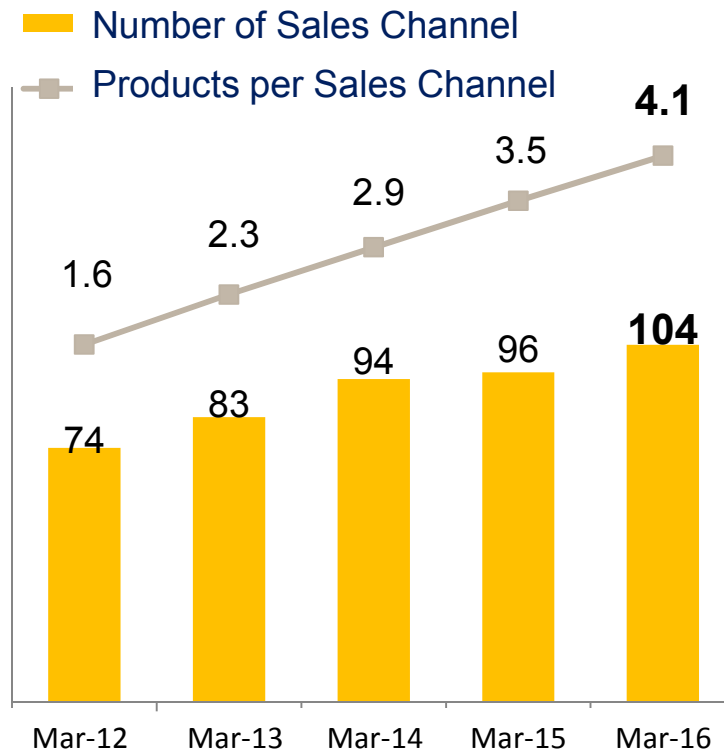


# Domestic Life Business (iii): Dai-ichi Frontier Life (DFL) By your side, for life

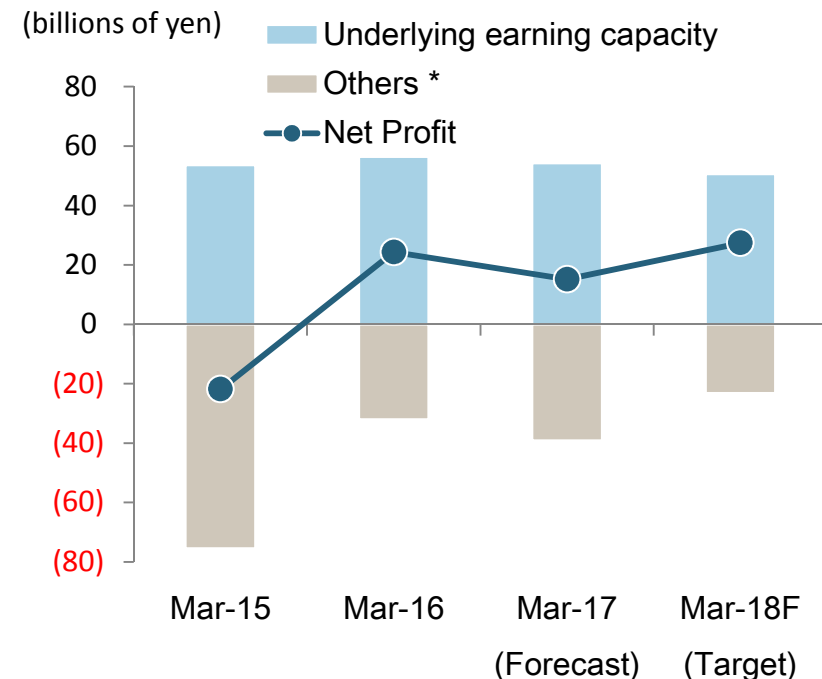
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- As a leading bancassurance company, DFL maintained top share in the market<sup>(1)</sup>.  
Aiming to launch another foreign currency-denominated product in light of the negative interest rate policy, as well as keep focusing on relationship management.
- Aiming for more stabilized bottomline due to high earning capacity.

## Sales Channel



## Accounting Profit



\* Others include accounting treatments such as provision for (or reversal of) policy reserves related to guaranteed minimum maturity benefit (GMMB) risk, policy reserves related to market value adjustment, contingency reserve, and hedge gains (or losses) related to GMMB risk.

(1) Company estimate. Premium income share of single premium savings-type products market.



# Domestic Life Business (iv): Neo First Life (NFL)

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- Aiming to get on a growth trajectory through (i) innovative products to better capture the need of customer segment NFL covers and (ii) strong support to banks and insurance shops.

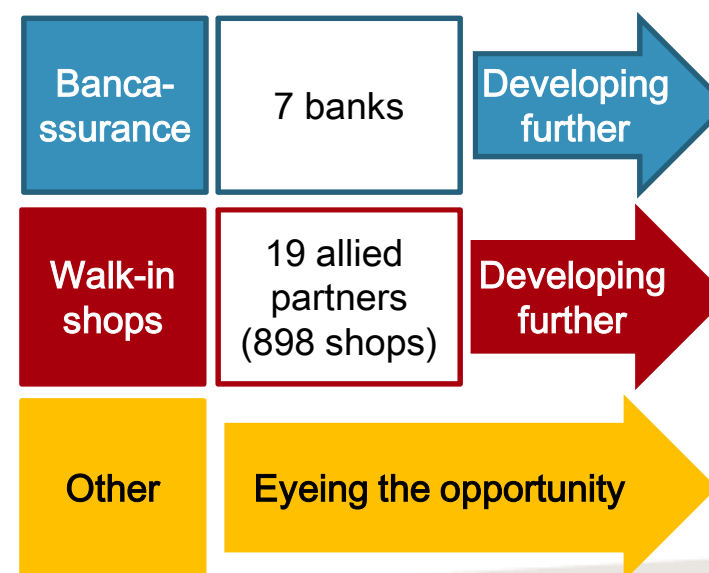
## Product strategy

- Develop customer-driven products to stay away from price competition (NFL has developed a non-smoker discount (first in the market), medical cover for those who have pre-existing condition, benefits that are linked to co-payment etc.)
- In the third batch products NFL would develop innovative death protection products through big data analysis



## Channel strategy

- Aiming to have stronger distribution channel by (i) strengthening support to channel partners through increase in wholesalers and enhancing their skills, and (ii) improved policy administration infrastructure and support desk



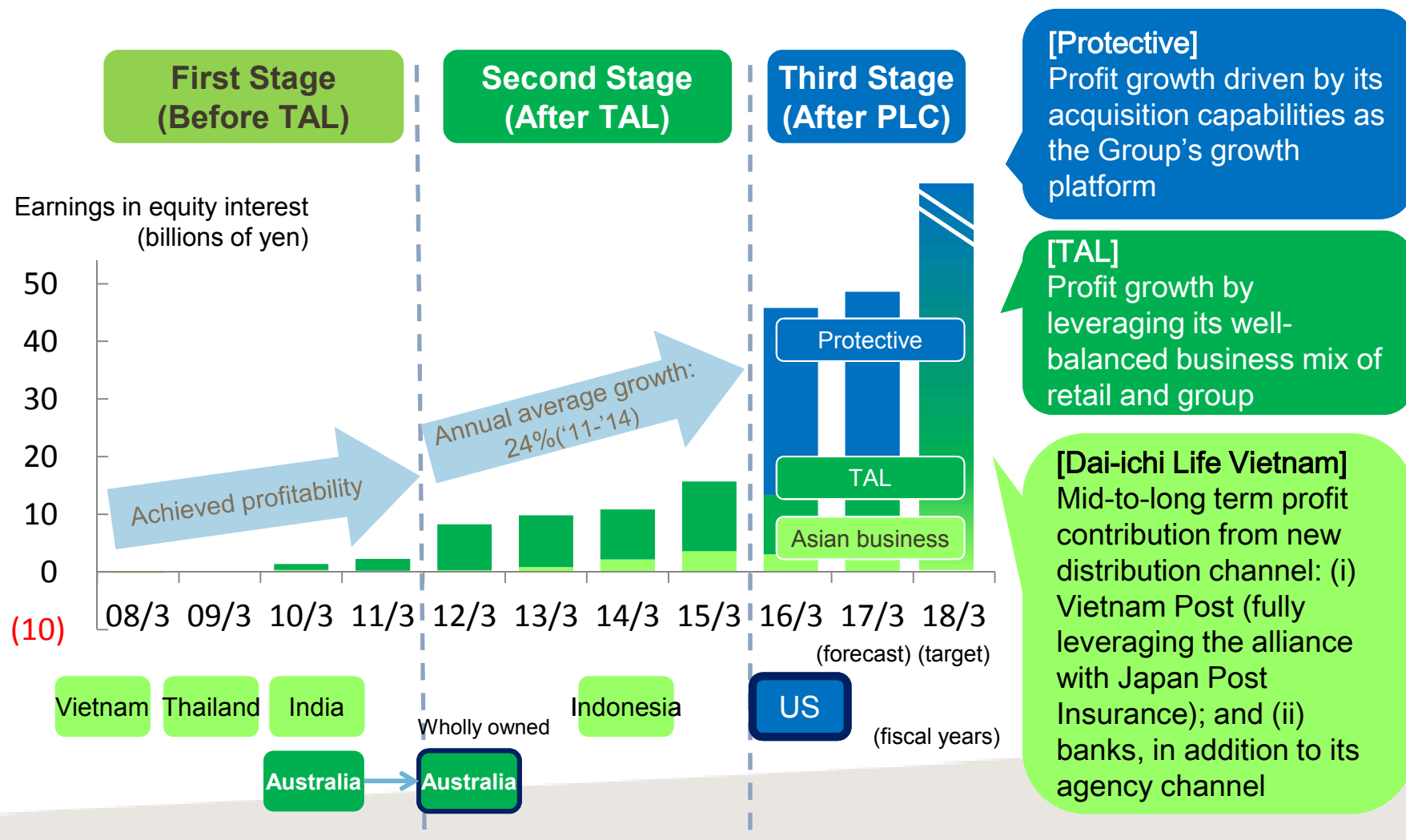


# Overseas Life Business: Profit Contribution

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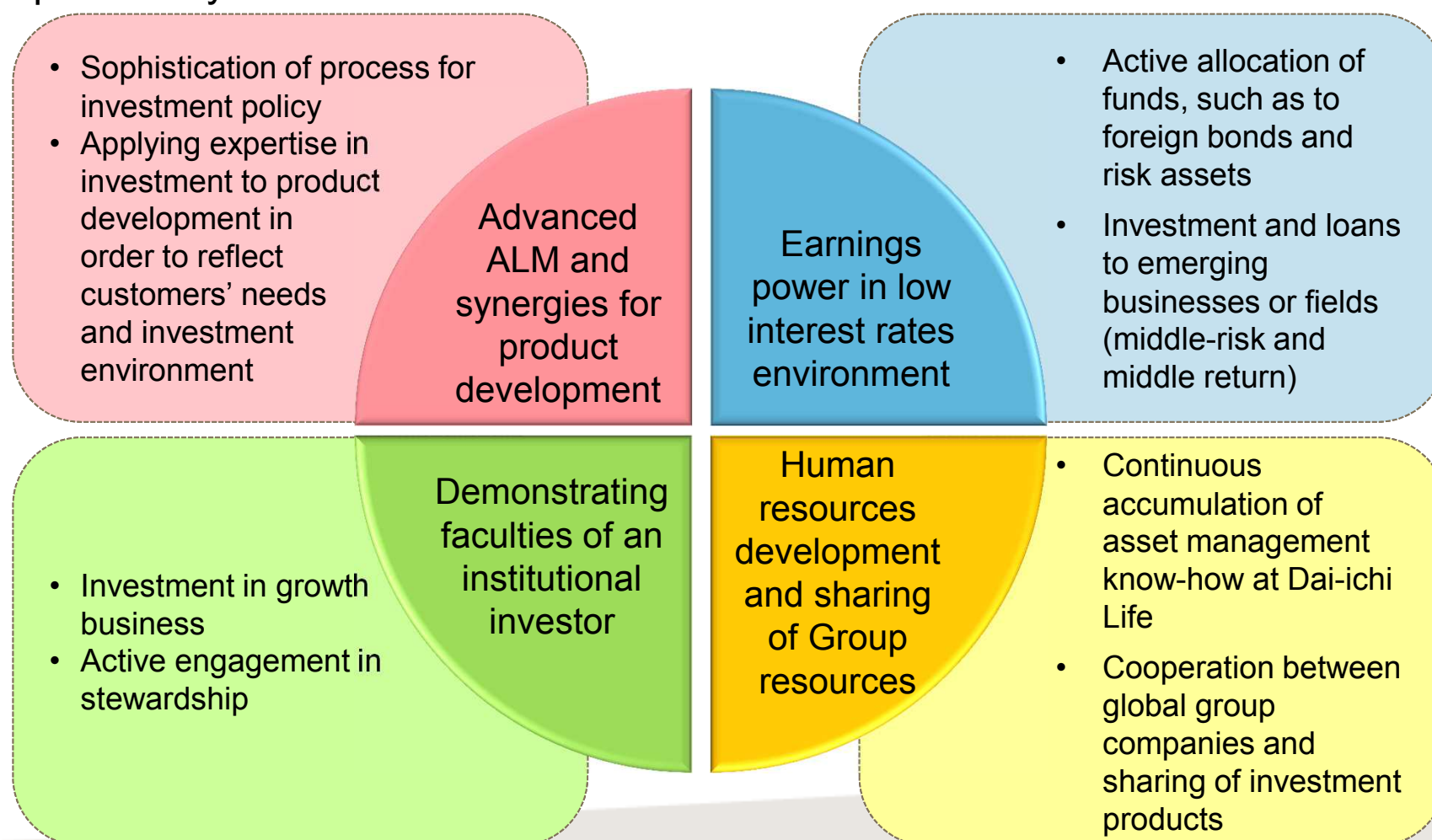
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- Aiming to increase profit contribution while balancing developed and emerging markets
- Leveraging each operation's strength supported by Regional Headquarters



## Asset management business (1): Initiatives to enhance investment management process

- In an unprecedented negative interest rate environment, we continue to enhance our investment management process creatively.
- We will invest in the middle risk and middle return area in order to strengthen our profitability.



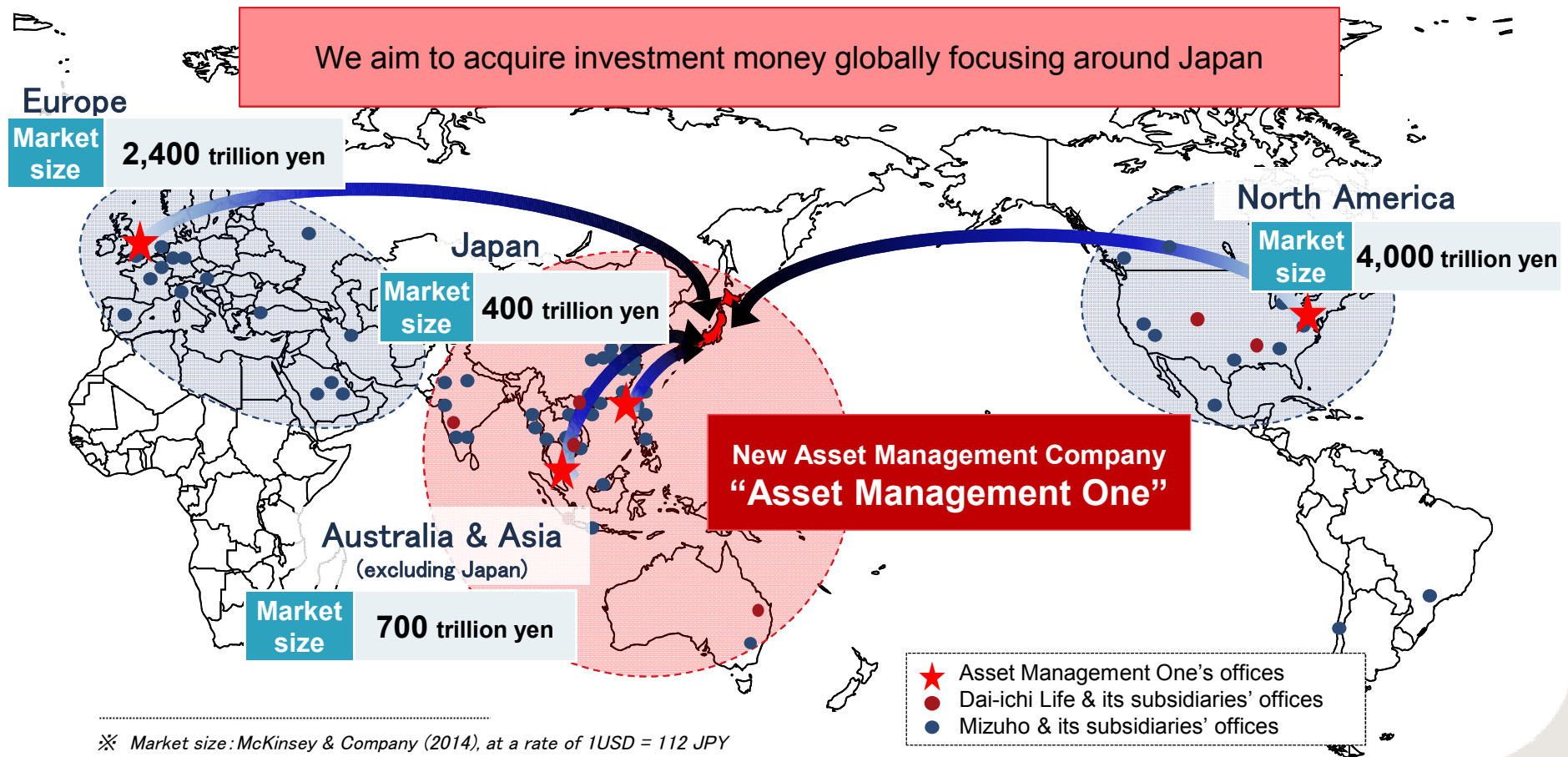
## Asset management business (2)

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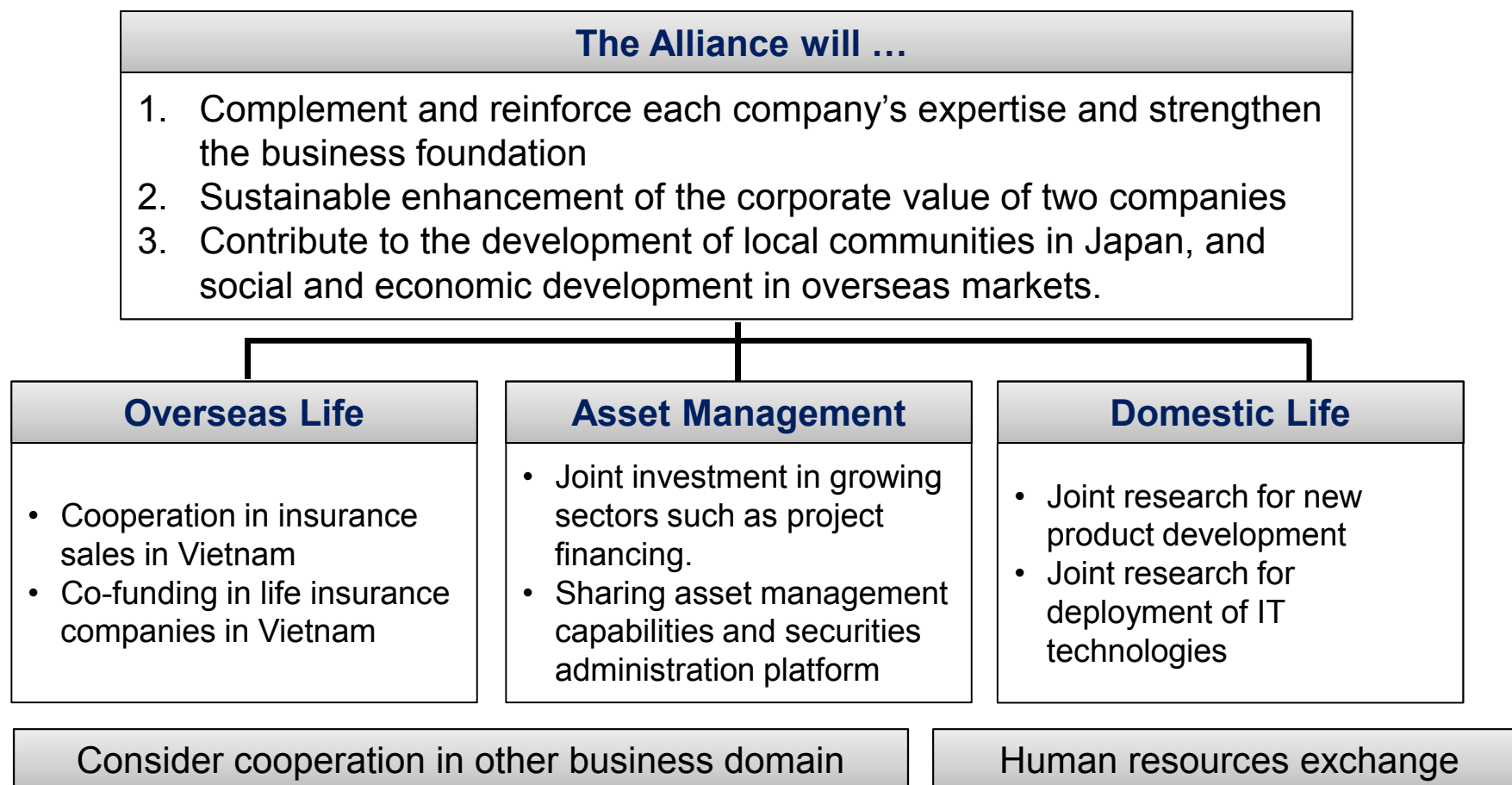
### New Asset Management company's vision

- Vision of our new asset management company :  
To be a global asset management company which provides solutions by using its expertise in investment in Japan and Asia



# Strategic Business Alliance with Japan Post Insurance (1)

- New alliance on “Three Growth Engines” with the best partner, Japan Post, which aims to contribute to the development of every local community.
- Both parties value of the alliance and will collaborate for mutual benefit in every segment of the business.



Peace of mind.  
In communities and around the world

## Significance for the future

- Delivering better products and sophisticated services to customers throughout Japan, thereby contributing to the **development of local communities**
- Japan Post Insurance is the best partner - **respecting each other, learning together, growing together**

## 3 significance of the new alliance

### Significance for today

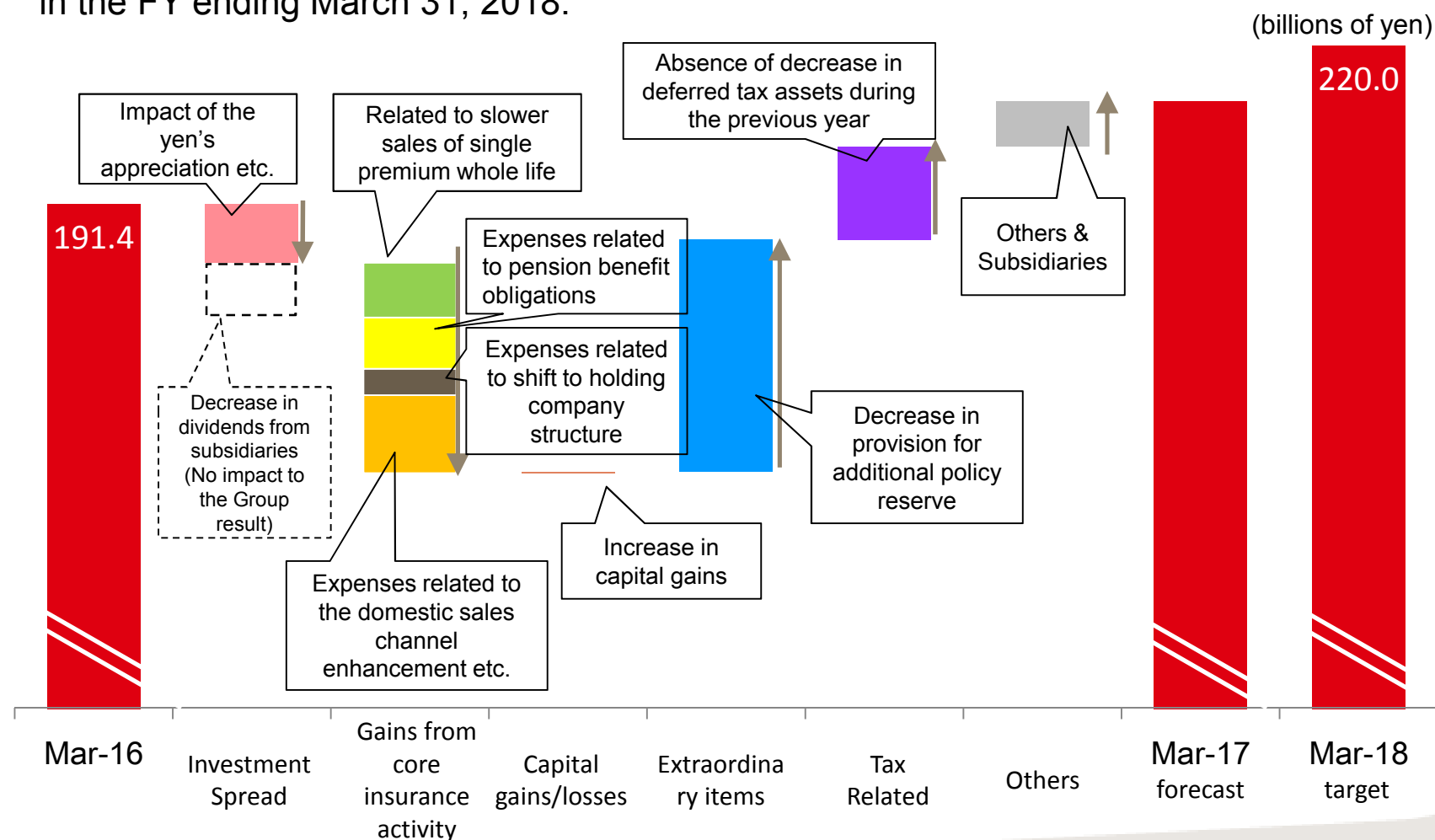
- **Broad-based alliance** with a partner that possesses various strengths
- **The first cooperative step** towards the development of local communities

### Significance from a historical point of view

- **Historical juncture** of a public-owned company and a private company (Mr. Tsuneta Yano and Mr. Taizo Ishizaka)
- Both companies **reunite as public listed companies** after more than a century

## Financial Strategy (1): Adjusted Net Income

- Net income is expected to be solid and stable for the FY ending March 31, 2017
- The Group keeps its target unchanged to achieve adjusted net income of 220 billion yen in the FY ending March 31, 2018.



## Financial Strategy (2): Economic Value Indicators and ERM

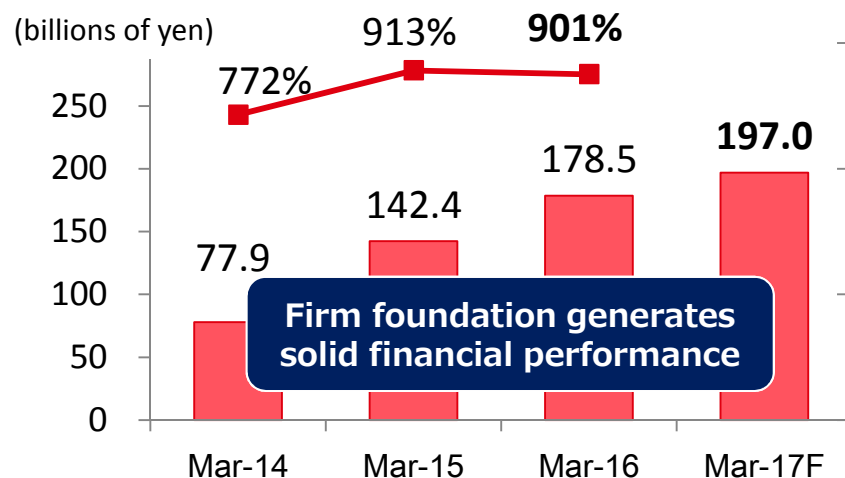
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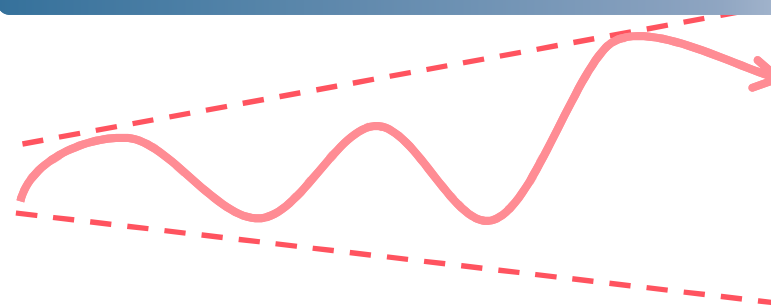
- Despite adverse economic conditions, we experienced growth in accounting profit. Due to our firm foundation, the negative interest rate policy (NIRP) has a limited impact on our financial performance in an immediate term.
- We saw an unfavorable impact on an economic-basis (such as EEV and Economic capital adequacy). This result is based on one particular set of assumptions whereby NIRP continues for several decades.

### Solid performance on an accounting basis

**Solvency Margin Ratio is far above regulatory minimum (200%)**



### Economic value indicators



**Unfavorable impact on an economic basis (internal calculation) is the projected result of future profit based on one particular scenario**

- Need to determine whether the forward yield curve that we now see is a highly probable scenario that materialize over several decades
- Need to take right actions cautiously considering the possibility of other economic scenarios materializing

- We continue ERM by taking various factors into account, such as the development of macro-economic conditions and global capital regulations from mid-to-long term perspective.

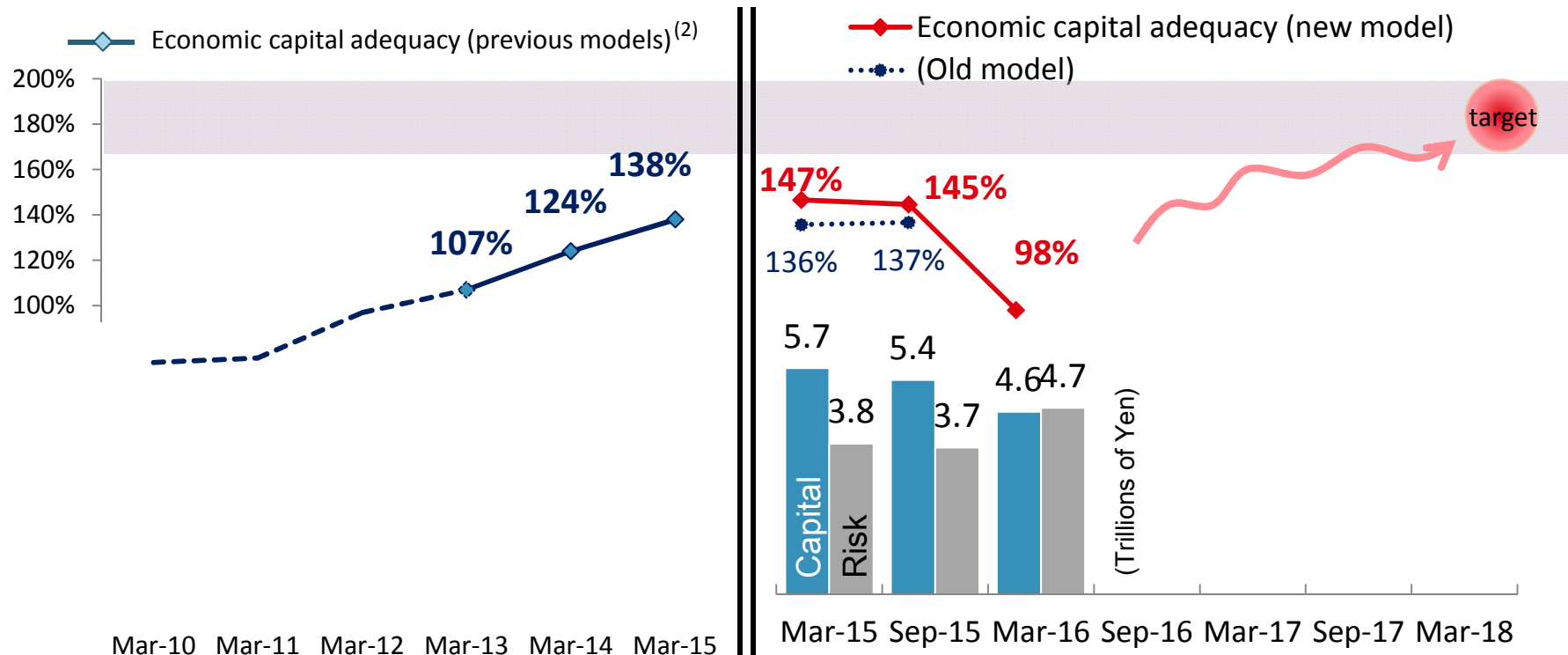


## Financial Strategy (3): Economic capital adequacy (1)

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- Although the Group acquired new business, economic capital adequacy ratio<sup>(1)</sup> as of March 2016 deteriorated to 98%, due to a decrease in economic capital triggered by negative interest rates in Japan.
- We maintain our target ratio ranging from 170 to 200% by March 2018, to be on par with global players and in accordance with the development of global capital regulations.



(1) Based on economic value basis, using Dai-ichi Life's internal capital model with a holding period of one year. Group basis, after-tax basis, confidence interval of 99.5%. We have implemented highly sophisticated models in connection with the calculation of capital/risk amounts for economic value basis. For the calculation of capital/risk amounts as of March 31, 2016, we used the ultimate forward rate as a premise for the last liquid data point. Accordingly, we have restated the same figures for March 31, 2015 and September 30, 2015, respectively.

(2) Based on older internal models from time to time. Economic value basis, a holding period of one year, non-consolidated basis, pre-tax basis, confidence interval of 99.5%.

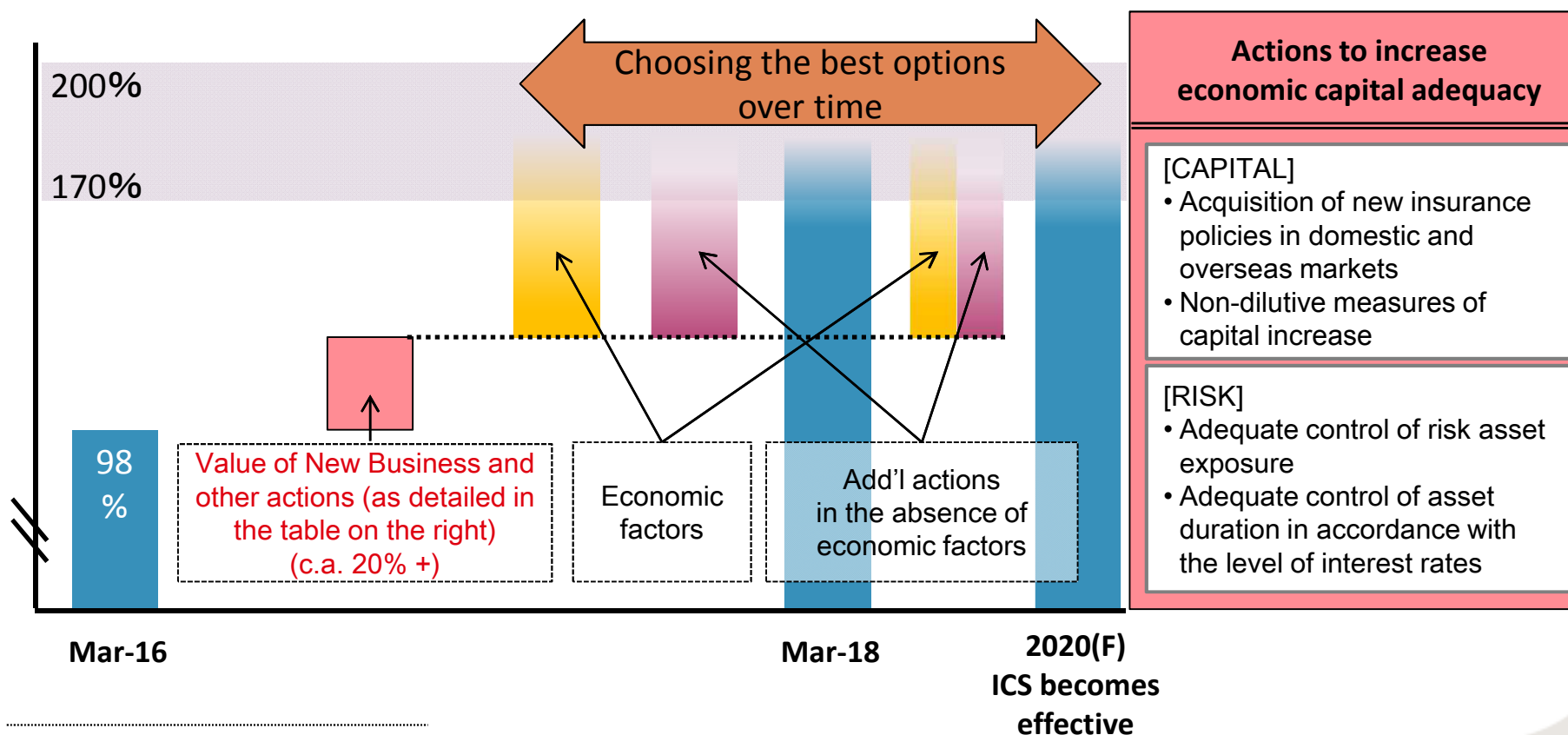


## Financial Strategy (4): Economic capital adequacy (2)

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- In order to achieve the target of economic capital adequacy, we assume some economic recovery. In the absence of recovery, we will take additional initiatives.
- As and when necessary we may reconsider our timeline for the target, however, we intend to achieve it by choosing the best options by the time ICS becomes effective.

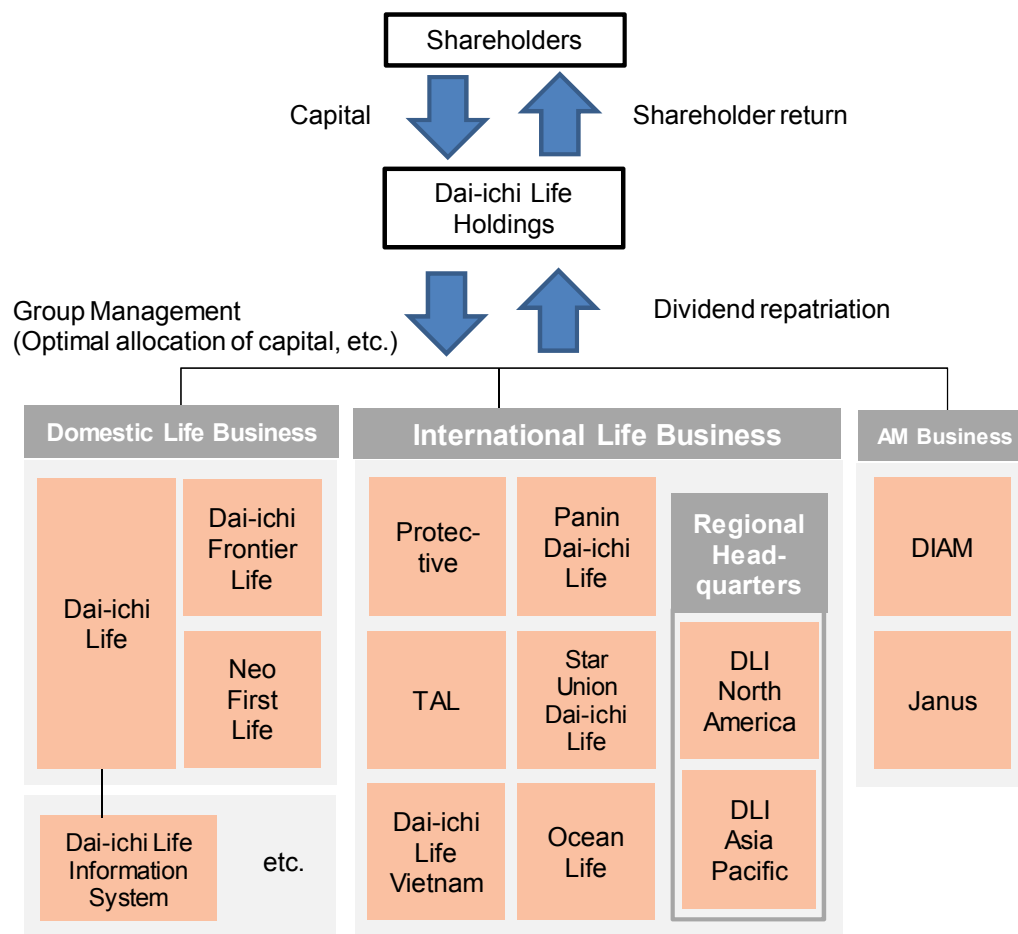


(1) Based on economic value basis, using Dai-ichi Life's internal capital model with a holding period of one year.  
Group basis, after-tax basis, confidence interval of 99.5%

# Benefits of our shift to a holding company structure

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## Acceleration of sustainable growth

### Realize flexible resource allocation within the Group

- Optimize resource allocation to improve capital efficiency, and thus corporate value, while maintaining financial soundness

### Establish governance structure that contributes to swift decision-making for each group company

- Holding Co. will be “a Company with a Board with Audit Committee Structure”
- Accelerating decision-making by delegation of certain powers



### Implement fundamental reforms of the Group management

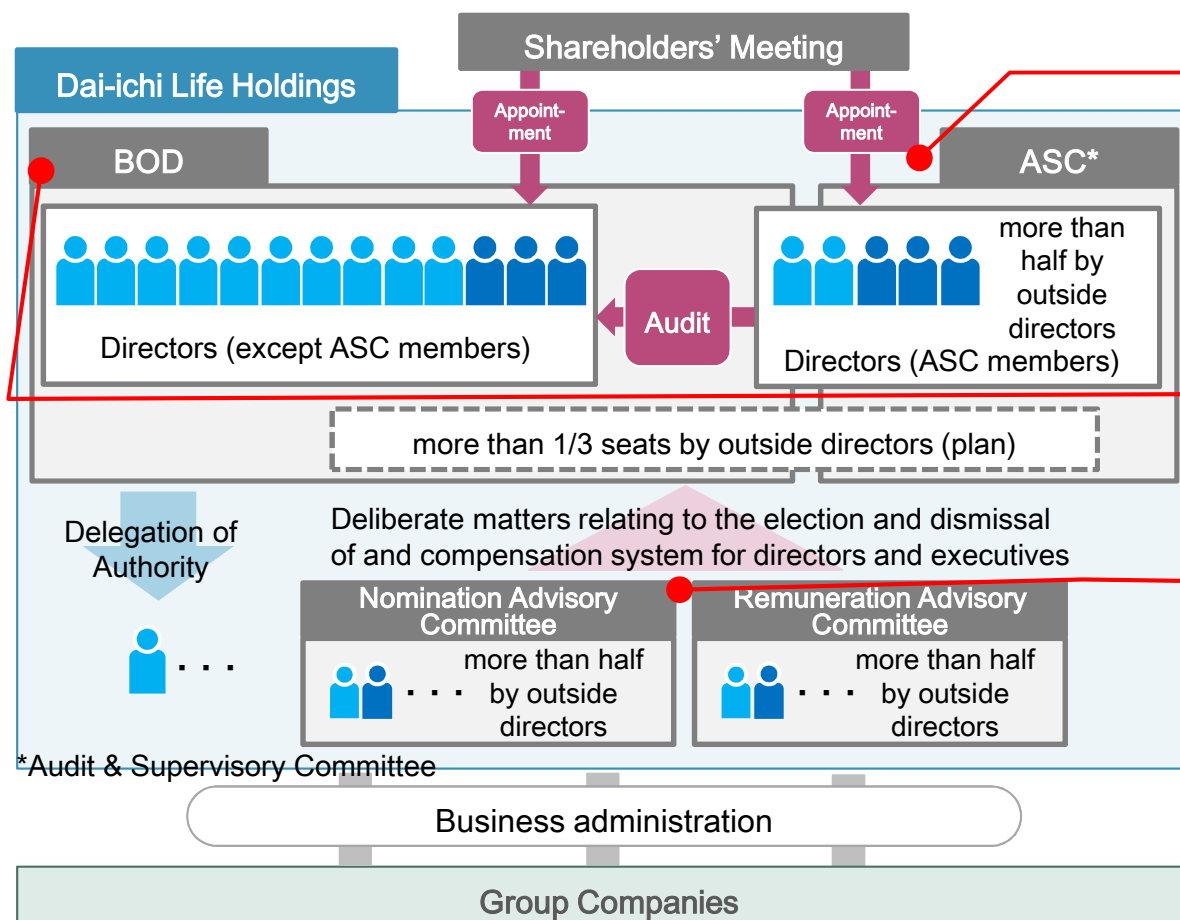
- Achieve Group synergies and efficiency
- Accelerate growth by taking advantage of industry consolidation or corporate actions with flexibility and agility

# Benefits of an Audit and Supervisory Committee

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- The Group has evolved into a diversified life insurance group which requires a high degree of professionalism in management. The Board will strike a balance between  inside directors who are well versed in the business and  outside directors with extensive experience and insight. The Audit & Supervisory Committee will act from a highly independent standpoint, engaging in realistic, appropriate decision-making
- Ensures transparency of the decision-making through the Nomination Advisory Committee and the Remuneration Advisory Committee stipulated in the Articles of Incorporation



## **Strengthened internal check system**

- ✓ Audit and Supervisory Committee
- ✓ Outside directors occupy the majority

## **Realistic and appropriate decision-making**

- ✓ Striking a balance between inside directors and outside directors
- ✓ Outside directors to account for one-third of the board

## **Transparent and objective management**

- ✓ Nomination Advisory Committee and Remuneration Advisory Committee stipulated in Article of Incorporation (both to have a majority of outside directors)

※Stock options account for 20 percent of the total management remuneration (FY March 2016)

## **Swift decision-making**

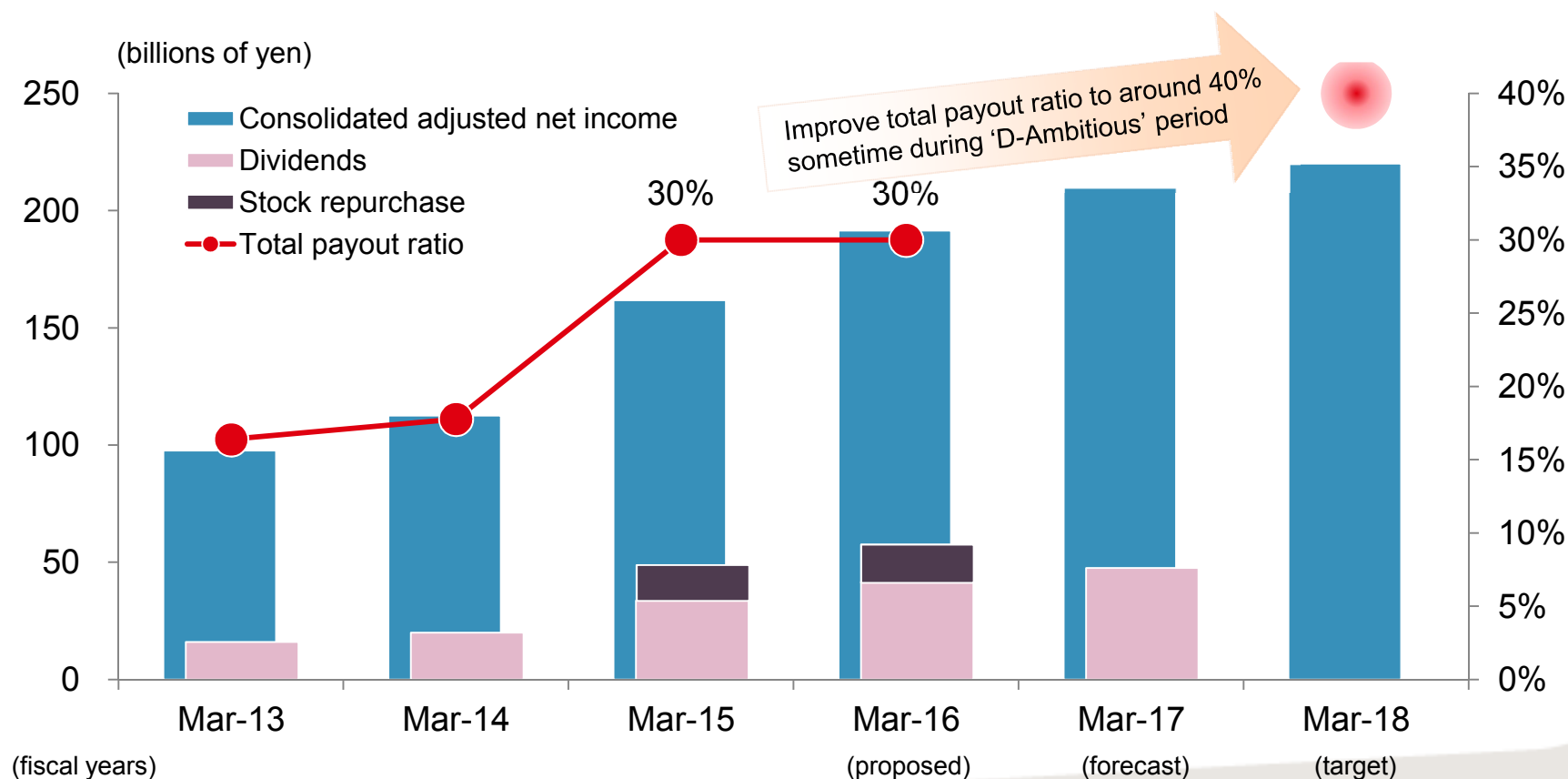
- ✓ The board will delegate certain powers such as execution of important operations

# Meeting the Expectations of Shareholders

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- We maintain our objective to increase total payout ratio to around 40% during the mid-term plan
- For FY Mar-16, we propose to maintain the ratio at 30%, after considering external financial environment



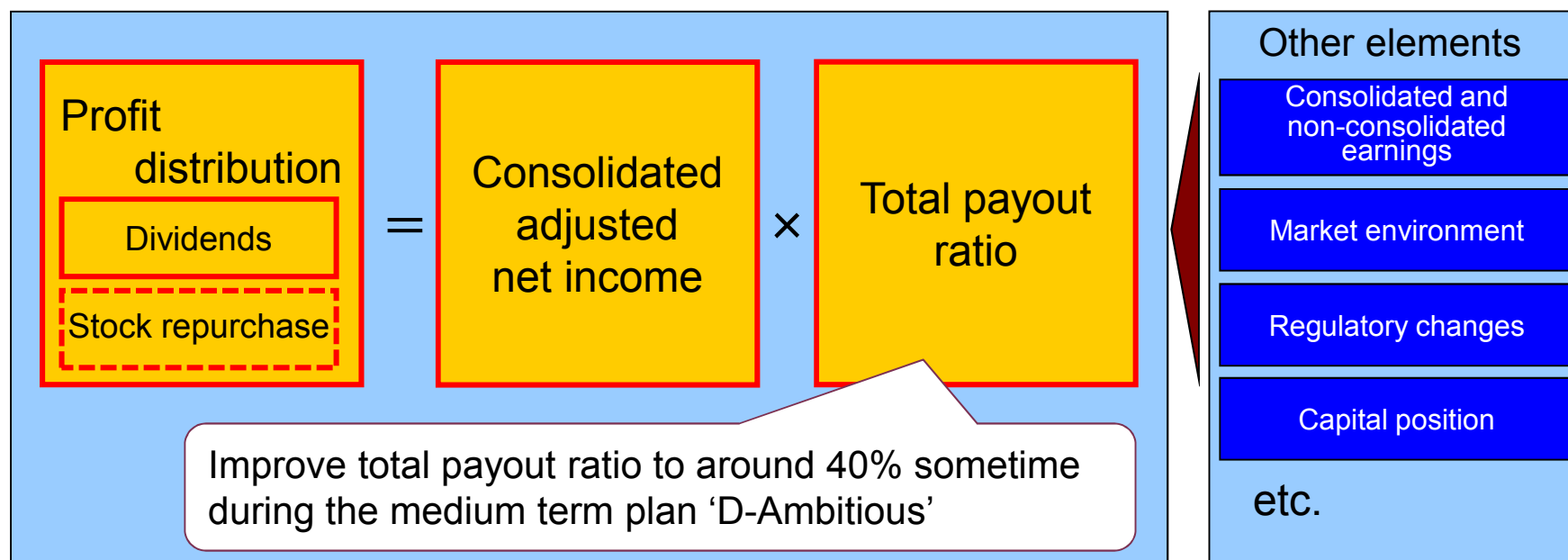
# Shareholder Return Policy

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## [Basic Shareholder Return Formula]

The Group plans to improve total payout ratio through a combination of stable dividends and active deployment of stock repurchase based on the trends in earnings and other elements



The Dai-ichi Group considers consolidated adjusted net income as an indicator of the Group's real profitability. It is calculated by adding (subtracting) items such as provision for (reversal of) contingency reserve and/or price fluctuation reserve, after tax, to consolidated net income

# Appendix

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# Management Objectives under 'D-Ambitious'※<sup>1</sup> Covering Fiscal Years 2015 to 2017

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Items		Management Objectives
Corporate Value	Average EV Growth (RoEV)	Average RoEV of <u>over 8%</u>
	Consolidated Adjusted Net Income※ <sup>2</sup>	<u>220 billion yen</u> in FY Mar-2018
Top Line (Growth)	Group In-force Annual Net Premium	<u>9% over Mar 2015</u> as of Mar-2018
Financial Soundness	Economic Capital Adequacy※ <sup>3</sup>	<u>170% - 200%</u> by Mar-2018
Shareholder Return	Total Payout Ratio	<u>40%</u> during D-Ambitious

※<sup>1</sup> Above objectives are based on the assumption that the economic environment remains similar to its current state.

※<sup>2</sup> Dai-ichi Life Group considers adjusted net income as an indicator which represents the Group's real profitability. It is calculated by adding (subtracting) provision for (reversal of) reserves that are classified as liabilities such as reserve for price fluctuation and contingency reserve, over the statutory minimum, to consolidated net income (after tax).

※<sup>3</sup> Economic capital adequacy is an indicator of the company's financial soundness. It is calculated by dividing the amount of capital based on economic capital, by the amount of risk based on internal model (after tax, confidence interval of 99.5%).

Operating ROE

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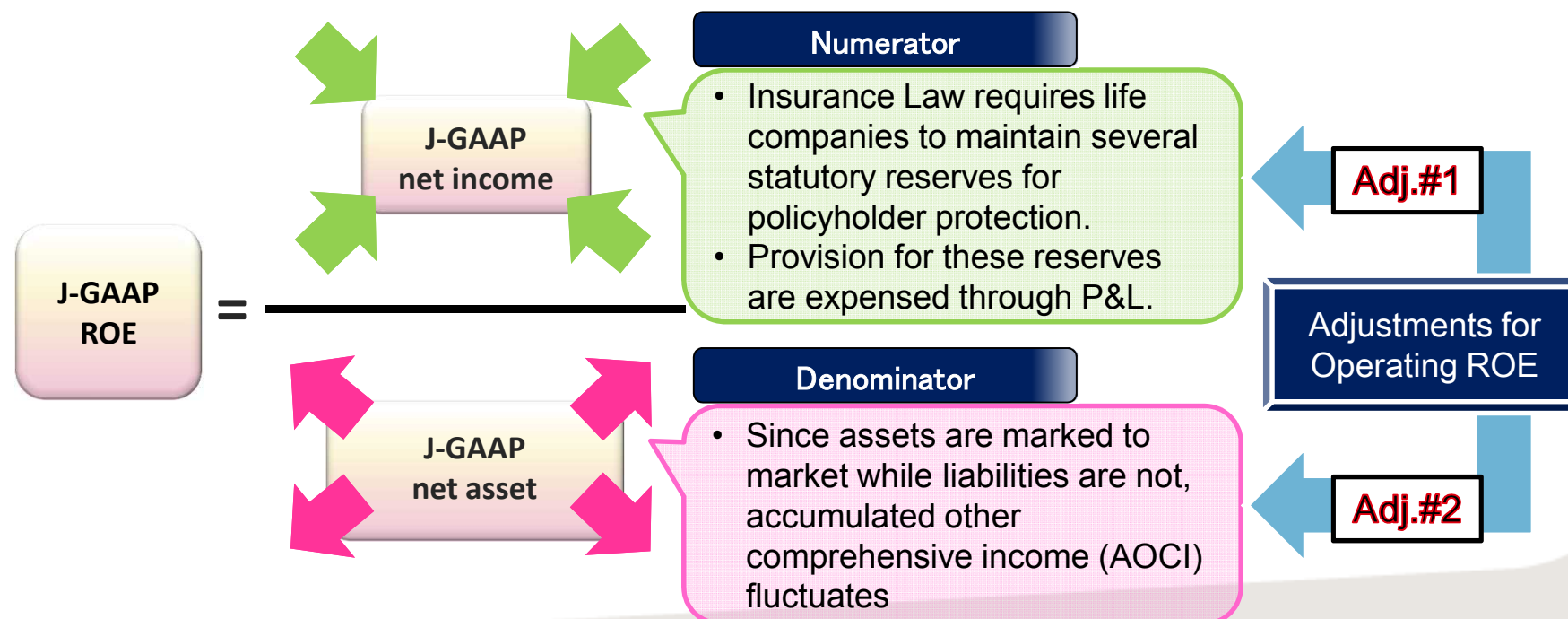
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## Our recognition of capital efficiency indicators

- We believe ROEV is the best indicator to understand life insurers' capital efficiency. ROE does not always convey a true picture of long term cash flows.
- However, we understand that many investors focus on ROE. Therefore we started disclosing our 'Operating ROE', which takes into account the unique business characteristics of life insurance.

## Issues with J-GAAP ROE

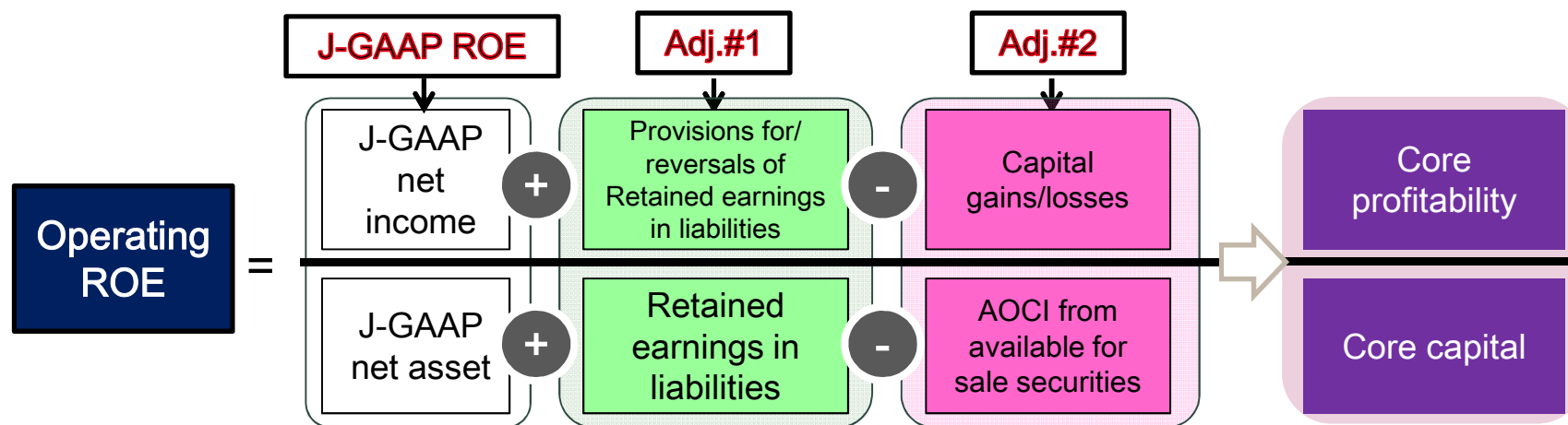


# Operating ROE - Definition

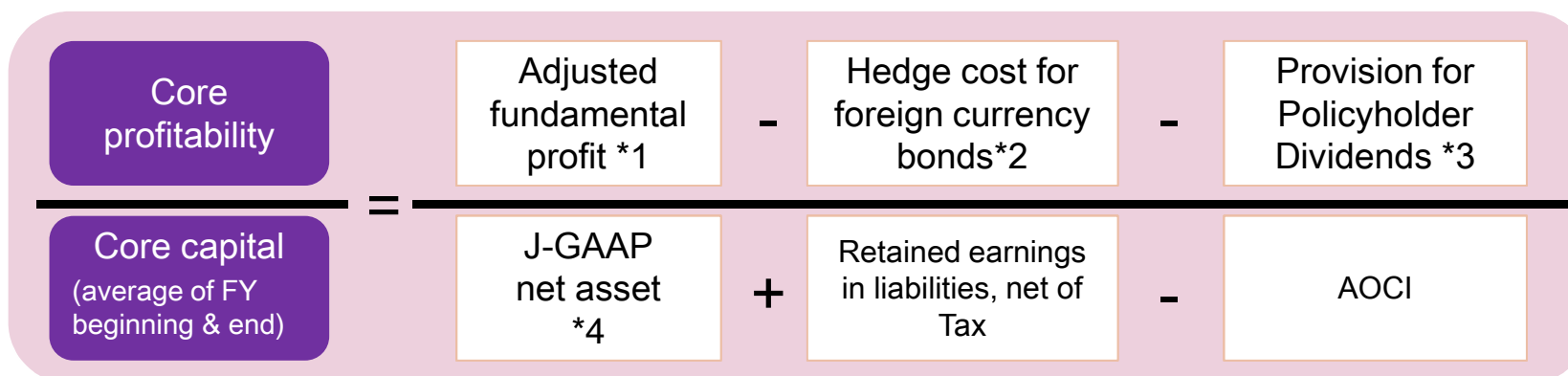
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## Definition - conceptual



## Detailed definition



\*1: Provision for (reversal of) policy reserve associated with minimum guarantee benefit risk of variable insurance ± provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance products, at Dai-ichi Life (non-consolidated) and Dai-ichi Frontier Life, net of tax.

\*2: Dai-ichi's foreign exchange losses, net of tax

\*3: Provision for policyholder dividends for Dai-ichi Life (non-consolidated), net of tax

\*4: Consolidated net assets (except subscription rights to shares and minority interest)

# Operating ROE – Past trends

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(billions of yen)

	FY2011	FY2012	FY2013	FY2014	FY2015
Fundamental Profit (Group)	333.7	364.2	446.1	472.0	535.1
(-) Provision for (reversal of) reserve associated with GMMB and others	0.5	19.9	(4.4)	(48.2)	(39.5)
Adjusted Fundamental Profit (Group)	333.1	344.3	450.6	520.2	574.6
(-) Foreign exchange losses	34.4	15.4	19.9	38.0	53.8
(-) Provision for policyholder dividends	69.0	86.0	94.0	112.2	97.5
(-) Tax effect equivalent of above items and others	77.7	76.4	99.4	99.8	117.2
<b>[NUMERATOR] Core profitability</b>	<b>151.9</b>	<b>166.4</b>	<b>237.2</b>	<b>270.1</b>	<b>306.0</b>

Total Net Assets (FY end)	991.7	1,649.0	1,947.6	3,589.9	2,932.9
(-) Subscription rights to shares	0.1	0.3	0.5	0.7	0.9
(-) Minority interest	9.0	6.5	0.0	0.0	0.0
(-) Total accumulated other comprehensive income	413.2	1,078.7	1,318.4	2,559.4	1,802.6
Total Net Assets ( after above items )	569.2	563.3	628.5	1,029.6	1,129.2
(+) Retained earnings in liabilities, net of tax	396.7	488.3	557.8	616.5	644.1
<b>Core capital (FY end)</b>	<b>965.9</b>	<b>1,051.7</b>	<b>1,186.4</b>	<b>1,646.1</b>	<b>1,773.3</b>
<b>[DENOMINATOR] Core capital (average of FY beginning &amp; end)</b>	<b>960.0</b>	<b>1,008.8</b>	<b>1,119.0</b>	<b>1,416.2</b>	<b>1,709.7</b>

<b>Operating ROE</b>	<b>15.8%</b>	<b>16.5%</b>	<b>21.2%</b>	<b>19.1%</b>	<b>17.9%</b>
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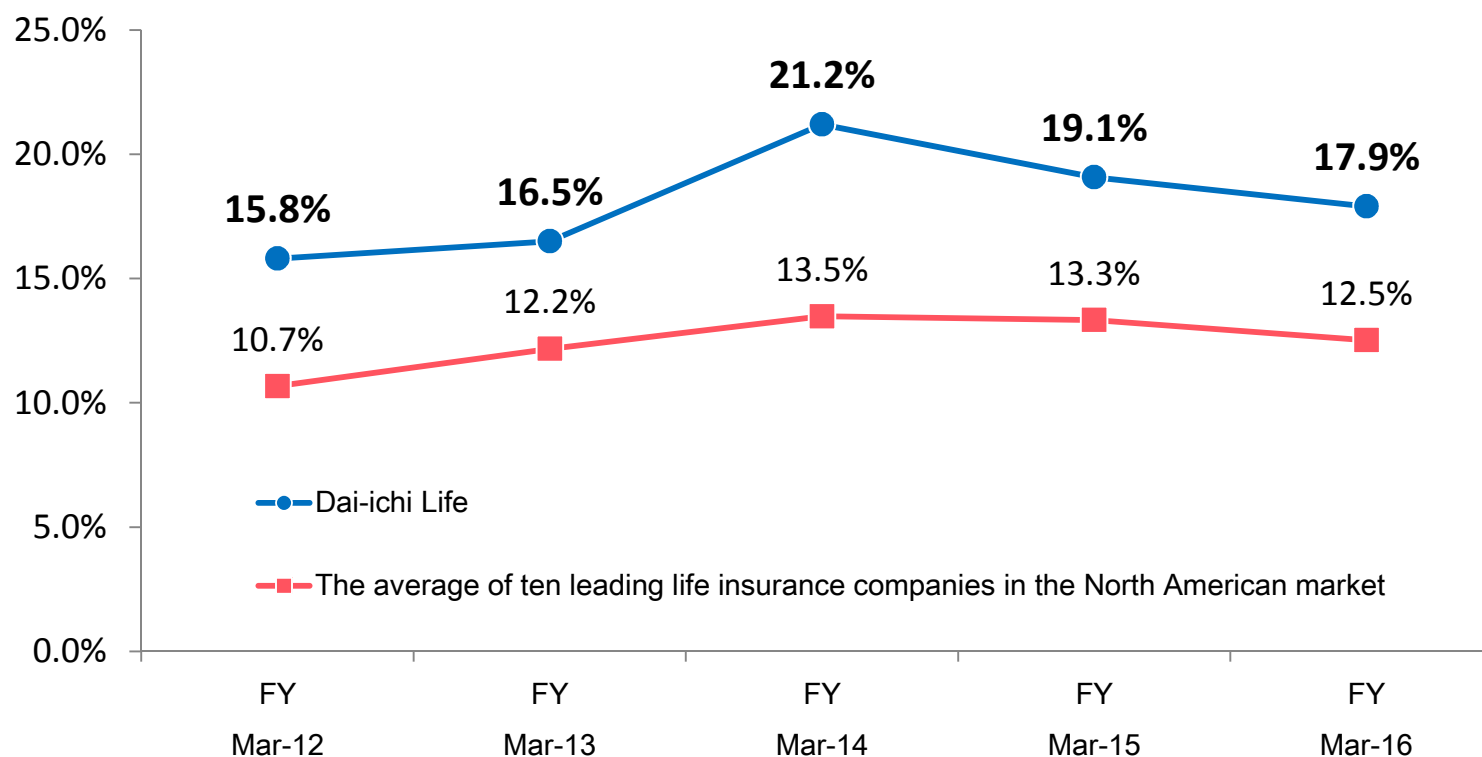
(Note) Core profitability is an indicator after adjustments to reflect some issues with the numerator of J-GAAP ROE, and are different from profit attributable to shareholders.

# Operating ROE – comparison with North American life insurers

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## Operating ROE comparison with leading life insurers in North America



(Note) The average of ten leading life insurance companies in the North American market is the average Operating ROE (or equivalent indicator) announced by ten companies among listed life insurance companies with a top market capitalization at the end of March 2016. The average of Operating ROE (fiscal years ended December 31) is stated in the financial results, etc. for each fiscal year.

# Life Insurance Market in Japan and Dai-ichi Life

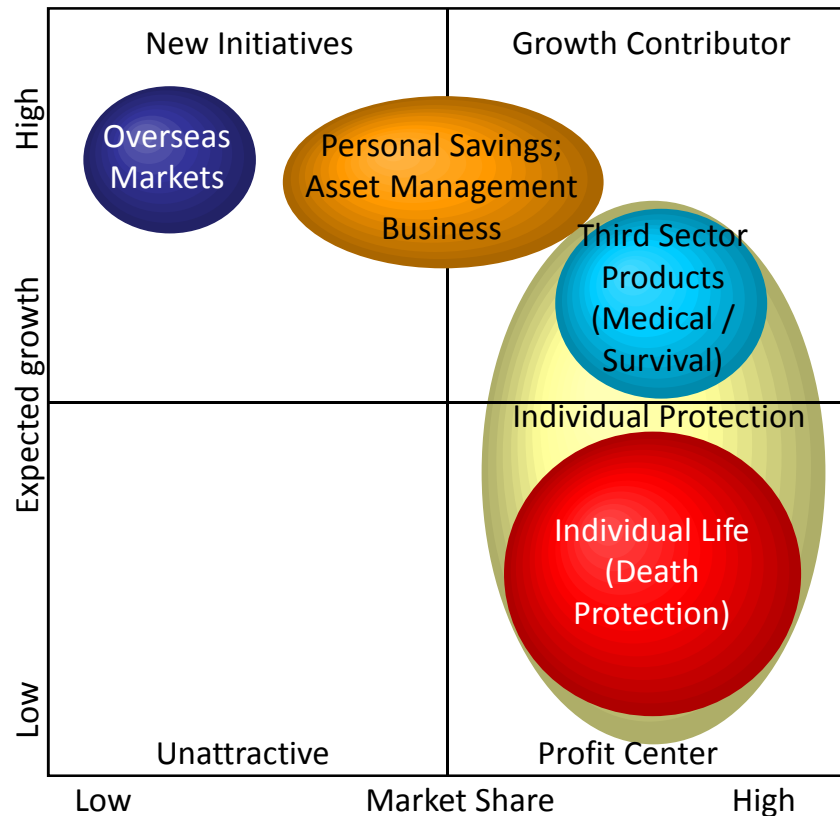
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# Business Portfolio of Dai-ichi Life and Mid- to Long-Term Management Strategies

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## 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)
- Savings-type products for individuals

## Overseas life insurance business

- Construct geographically diverse business portfolio, taking growth potential & profitability into account
- Pursue organic growth in our existing overseas businesses

## Asset management business

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

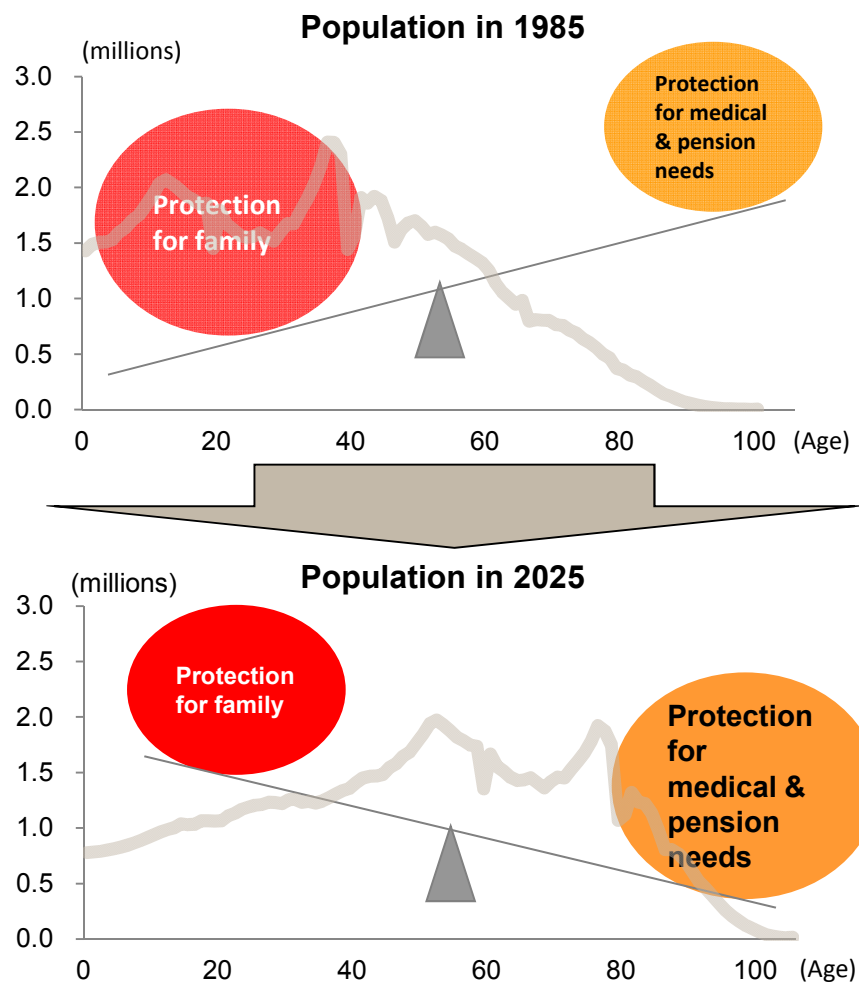
- Pursuing external growth including through M&A to supplement organic growth

# Life Insurance Industry in Japan Continues to Grow

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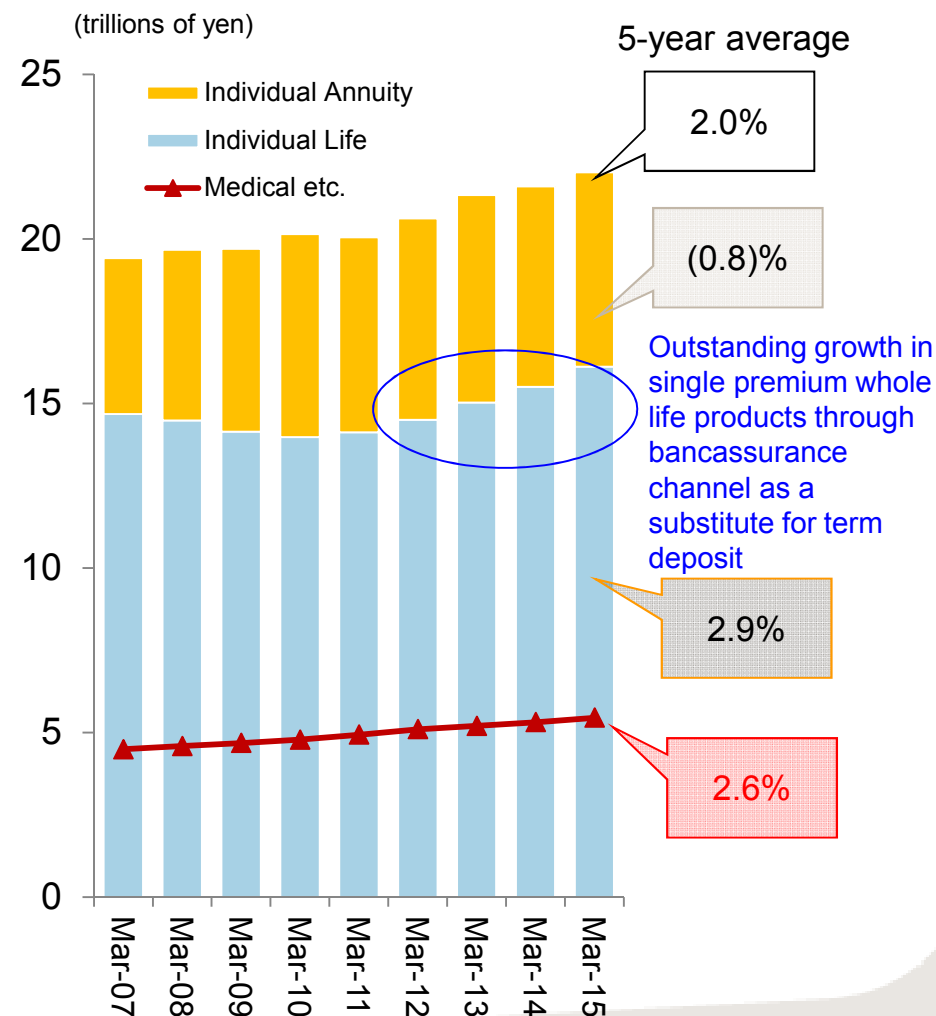
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## Change in Population and Protection Needs



(Source) National Institute of Population and Social Security Research

## In-force ANP of Japanese Life Companies



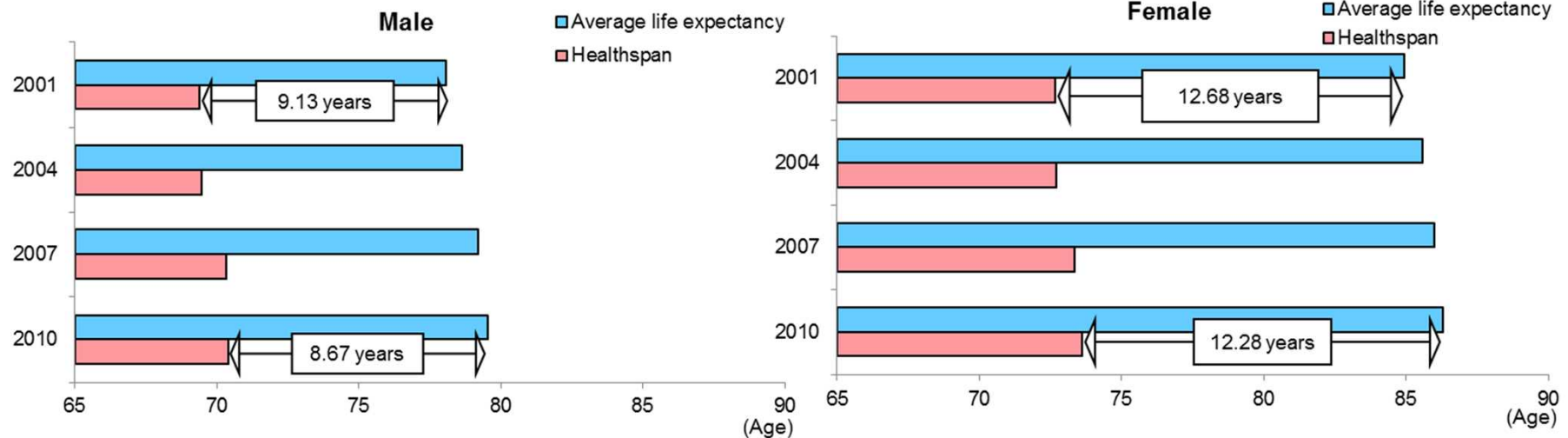
(Source) Company disclosure, Life Insurance Laboratory, Life Insurance Association of Japan

# Increasing Medical Expenses Due to Aging Society Stimulate Insurance Coverage

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People prepare for increased medical costs due to increase in life expectancy



Copayment is on the rise under the national healthcare system

Year	Change in copayment factor	Self (employed)	Dependent		Elderly	
			Inpatient	Outpatient	70-74 years old	75 years old and over
1961	Universal health insurance system	none	20%	30%	none	none
1984		10%	20%	30%	none	none
1997		20%	20%	30%	none	none
2003		30%	30%	30%	none	none
2008	Insurance system for elderly	30%	30%	30%	20% <sup>(1)</sup>	10%

(1) Applied to patients as they become 70 years old after April 2014

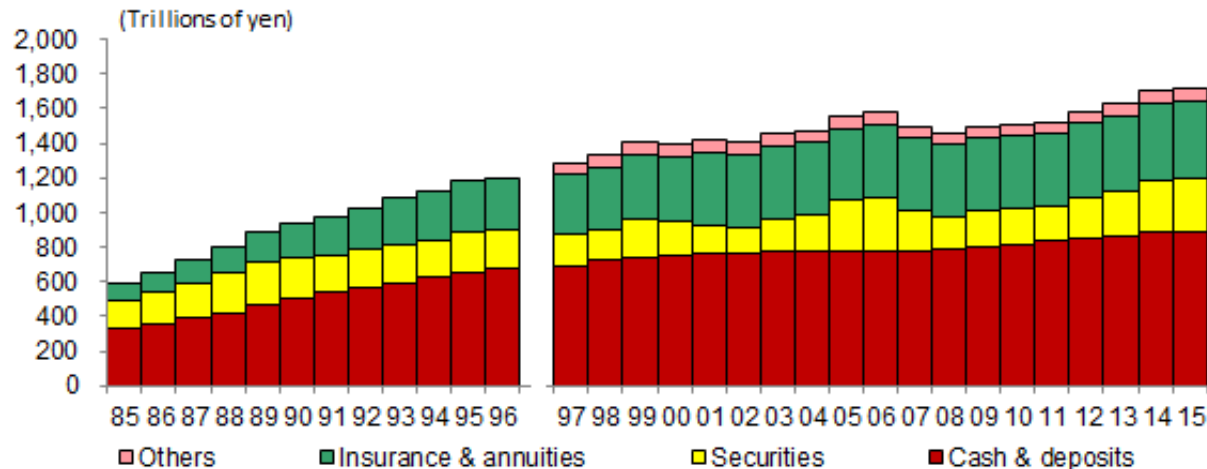


# Shift in Household Financial Assets

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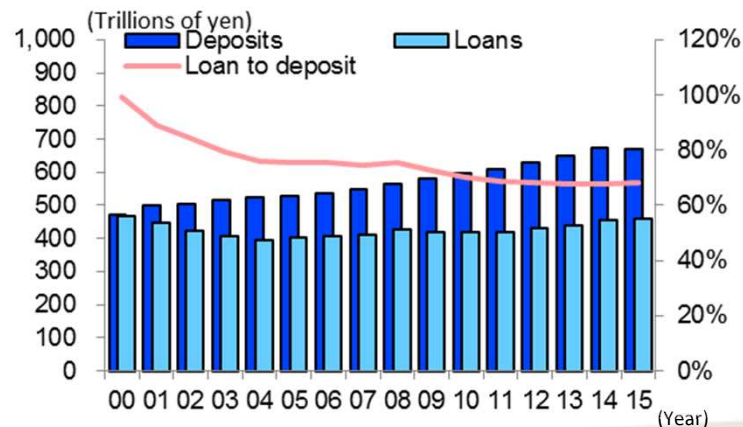
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## Trend in Household Financial Assets



- 52% of 1,700 trillion yen household financial assets is in cash and deposits
- Some will shift to insurance & annuities or securities in anticipation for inflation

## Loan-to-Deposit Ratios of Japanese Banks



- Japanese banks face 200 trillion yen gap between loans and deposits
- Banks are expanding their commission business

# Life Insurance Industry in Japan

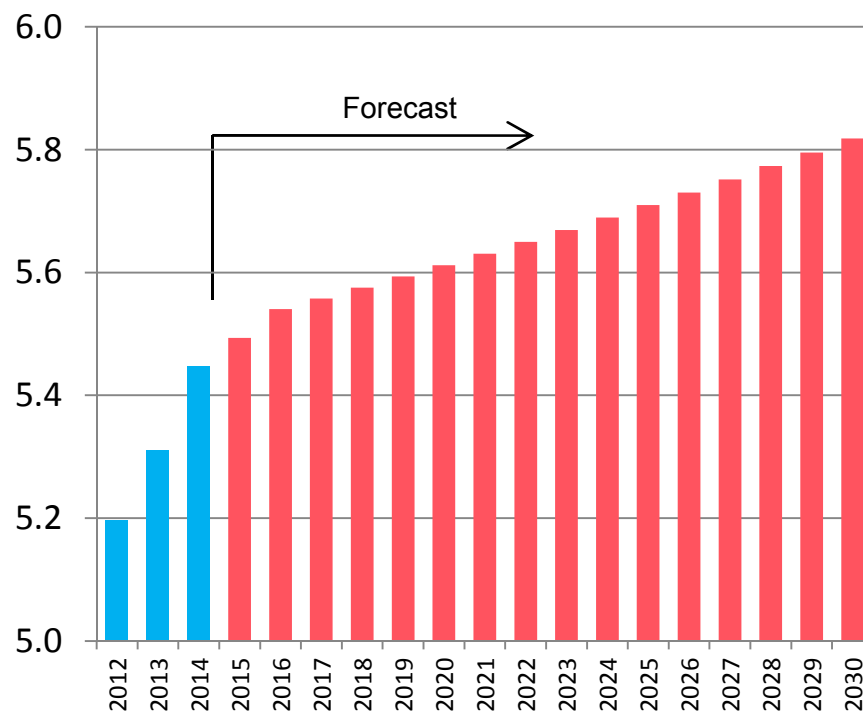
## Outlook for Medical and Savings-type Insurance Markets

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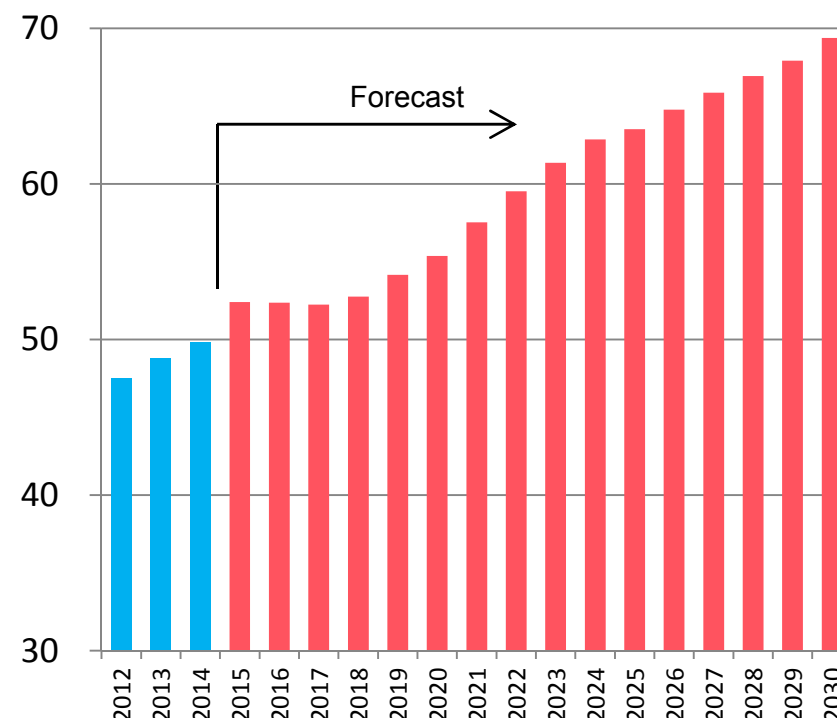
### Annualized net premium of medical and other products

(Trillions of yen)



### Outstanding balance of single premium individual annuities

(Trillions of yen)



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「あったらいいな」をいちばんに。  
ネオファースト生命  
第一生命グループ

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The Dai-ichi Frontier Life Insurance Co., Ltd.

(Source) Company forecast

# Strategically Planned Product Launch Capturing Customer Needs

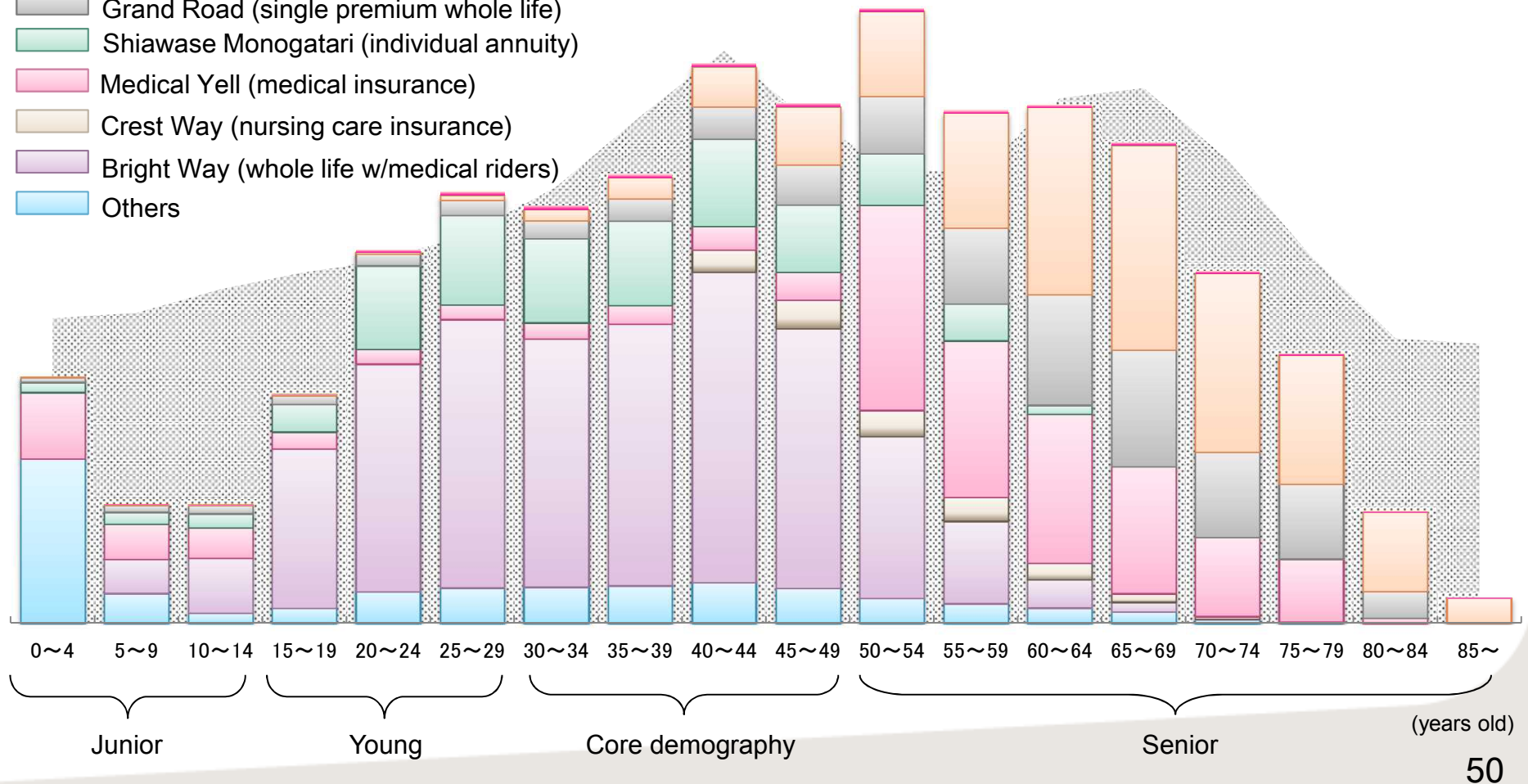
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## Distribution of Number of New Contracts by Age of Insured Persons (FY Mar-16)

Population pyramid in Japan

- Neo First Life
- Dai-ichi Frontier Life
- Grand Road (single premium whole life)
- Shiawase Monogatari (individual annuity)
- Medical Yell (medical insurance)
- Crest Way (nursing care insurance)
- Bright Way (whole life w/medical riders)
- Others

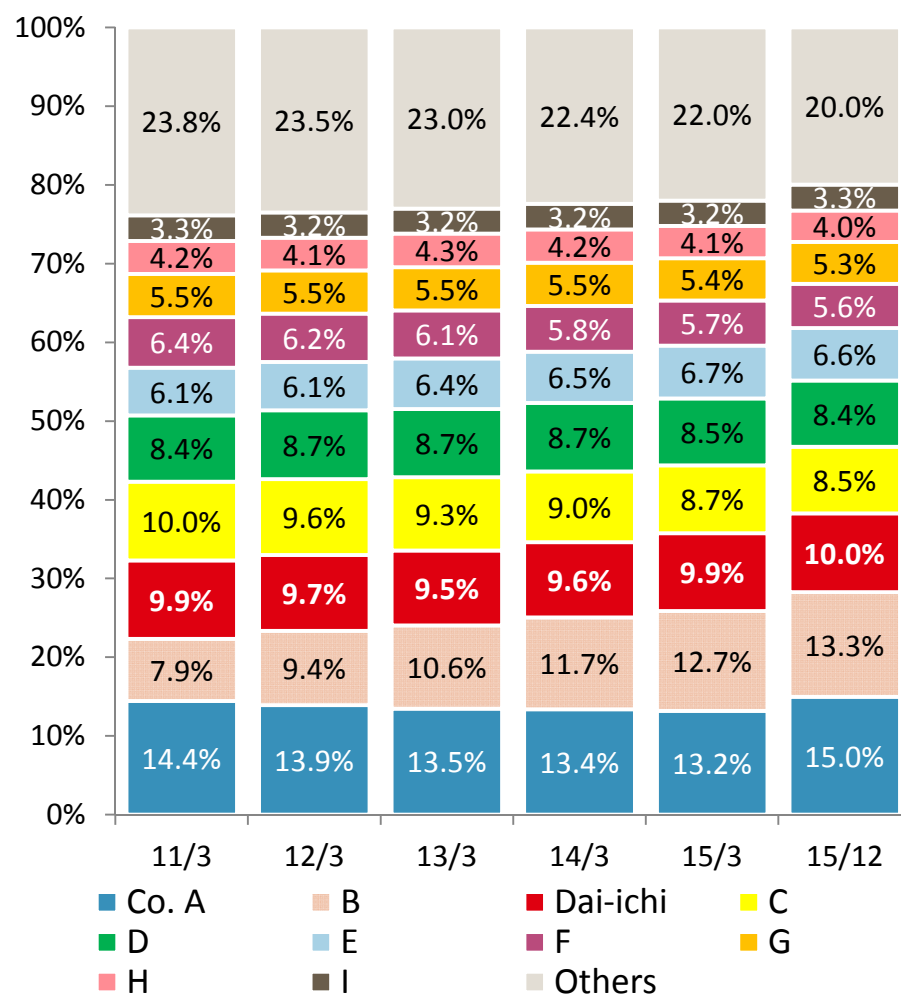


# Market Share in In-Force Annualized Net Premium

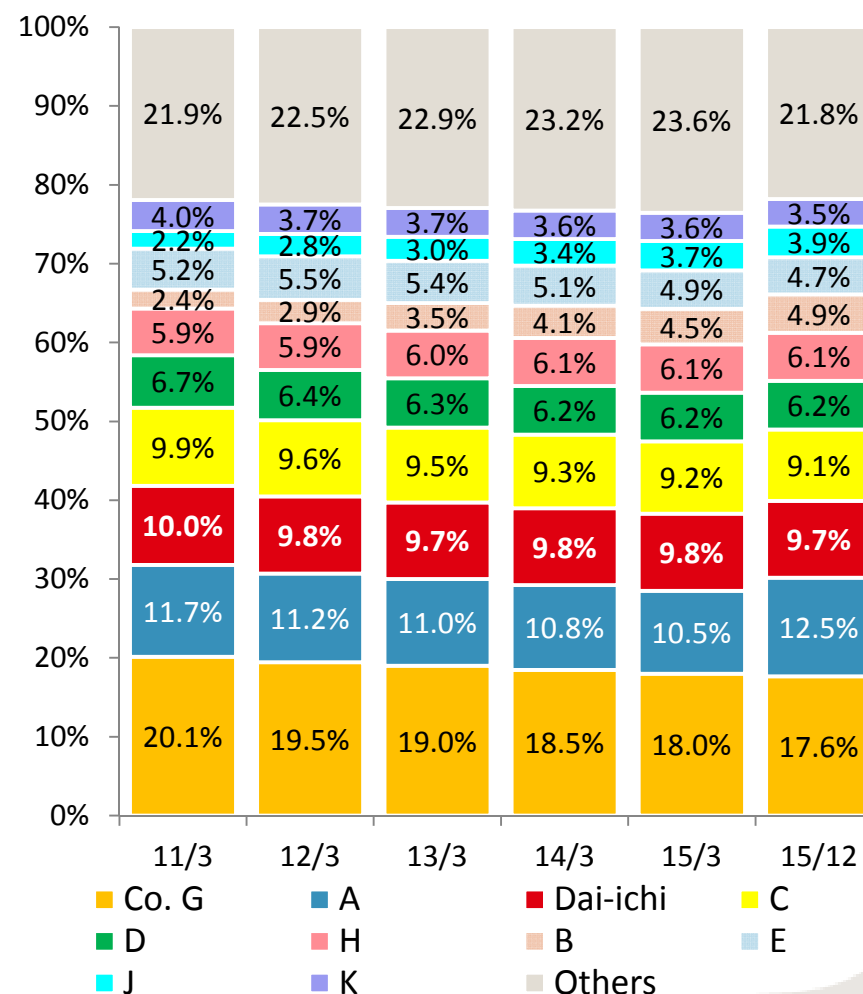
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## Share in In-force ANP



## Share in Third Sector (Medical, etc.) In-force ANP

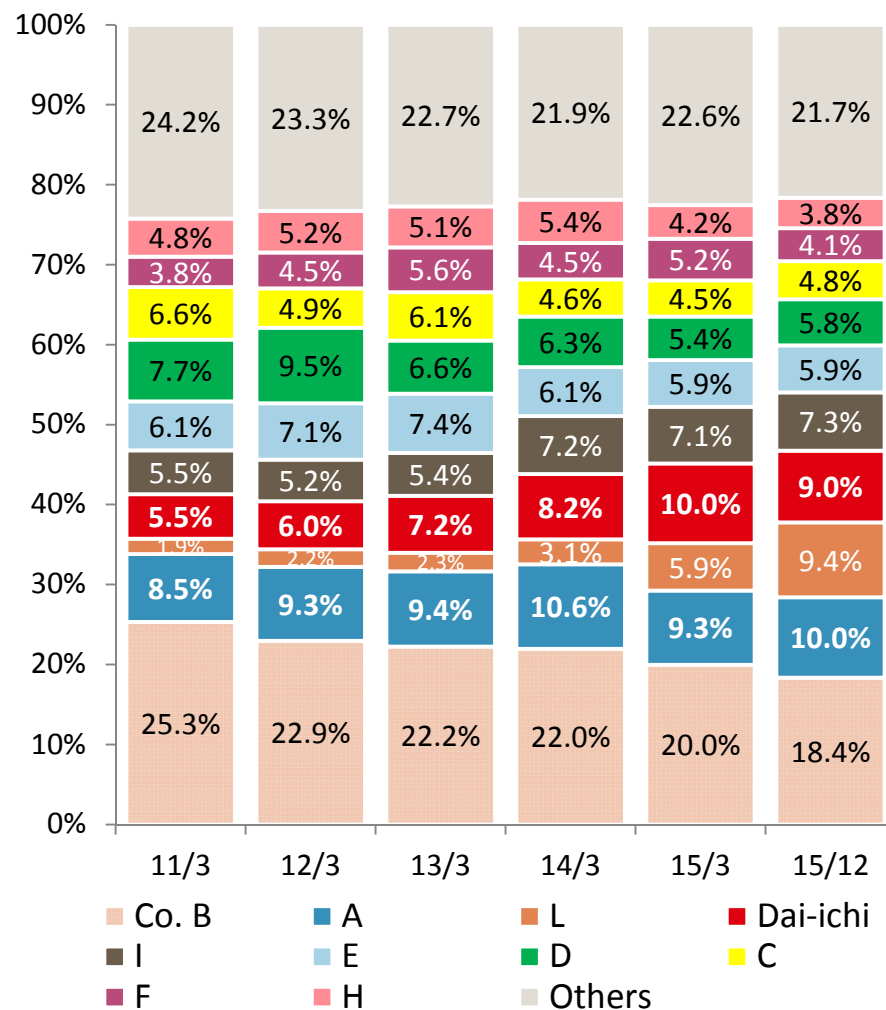


(※) Market share of Japan Post is based on individual life and annuity insurance policies which were acquired after postal service privatization.

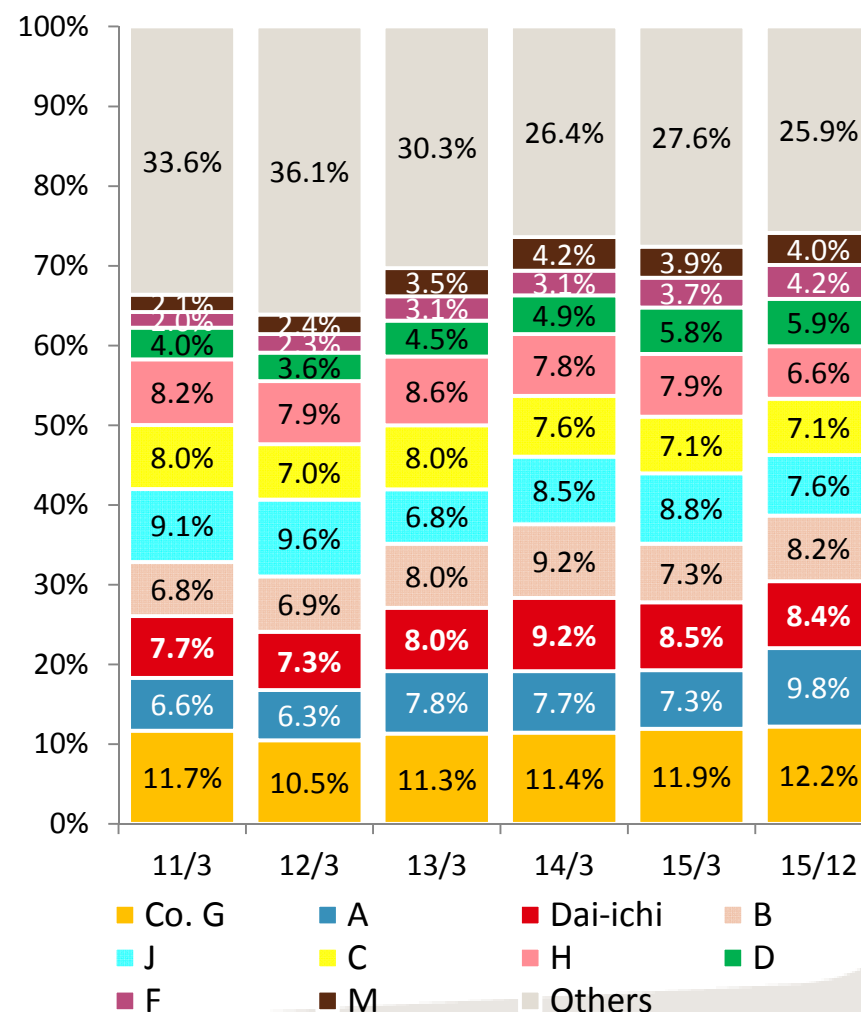
(Source) Company disclosures and Life Insurance Association of Japan

# Market Share in New Business Annualized Net Premium

## Share in New Business ANP



## Share in Third Sector (Medical, etc.) New Business ANP



(Source) Company disclosures and Life Insurance Association of Japan

# Dai-ichi Life Non-Consolidated: Surrender and Lapse, Persistency Rate

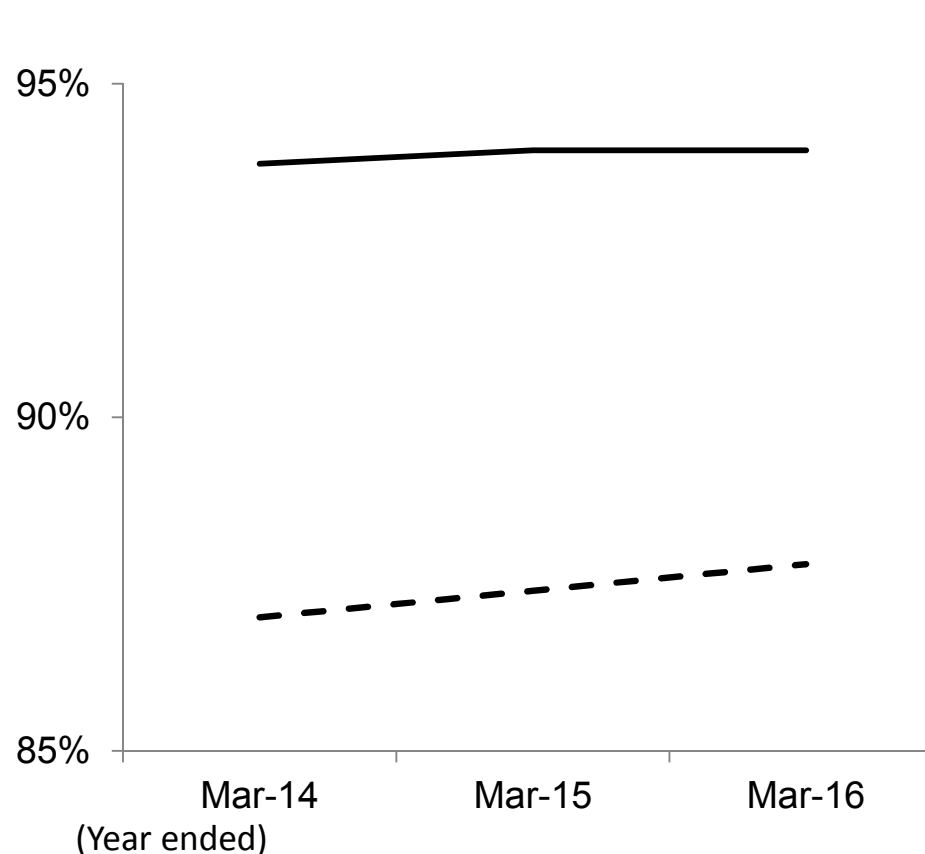
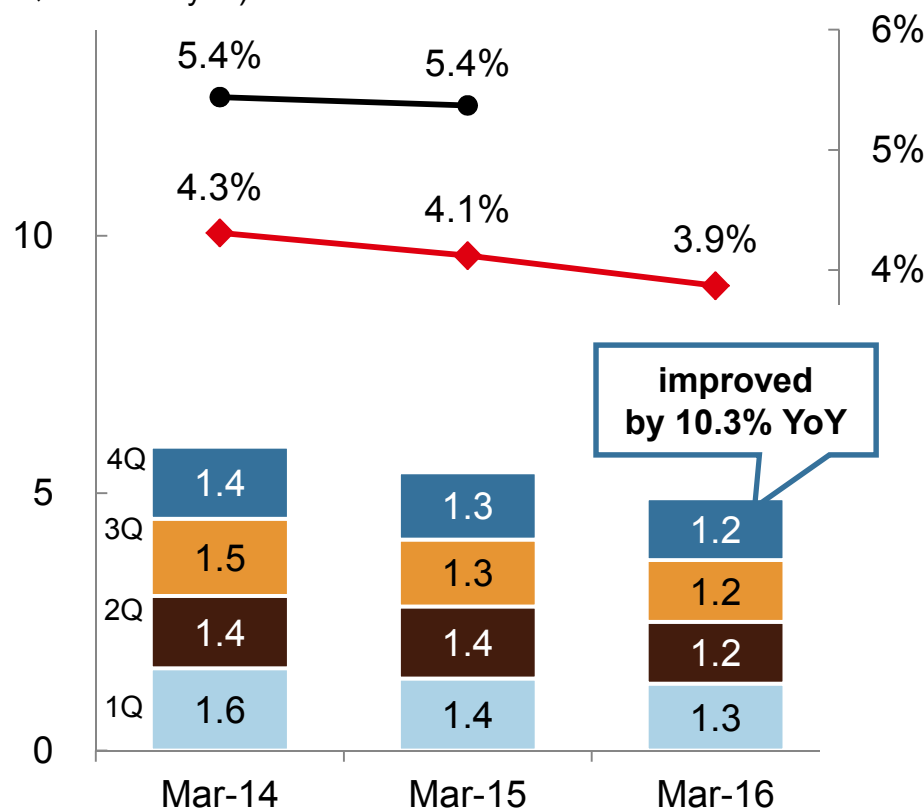
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## Surrender & Lapse (Individual Insurance & Annuities)

## Persistency Rate

(trillions of yen)



Surrender & lapse rate (right) —◆— Dai-ichi —●— Industry Average

--- After 25 months — After 13 months

# Overseas Business

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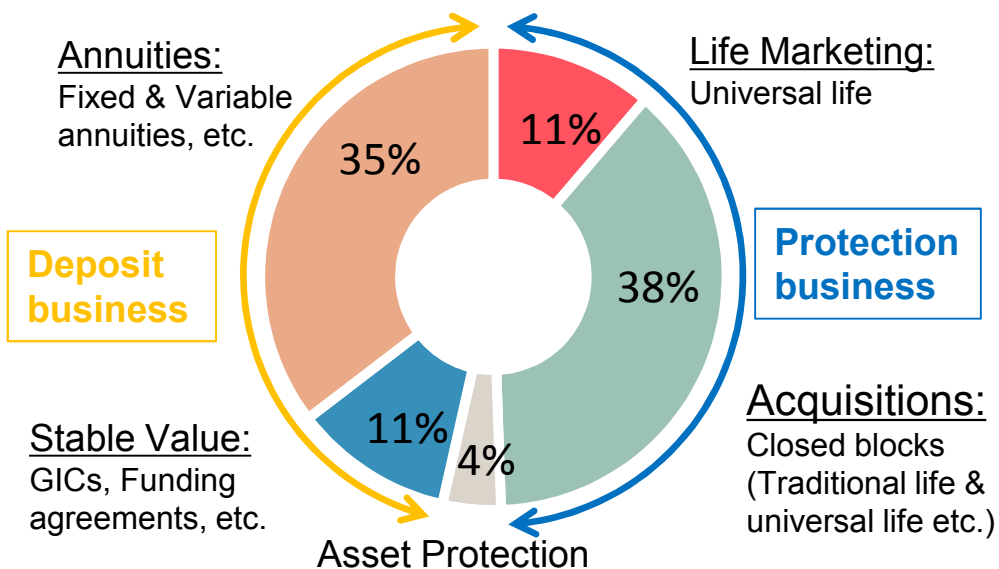


# Overseas Life Business: Protective Life

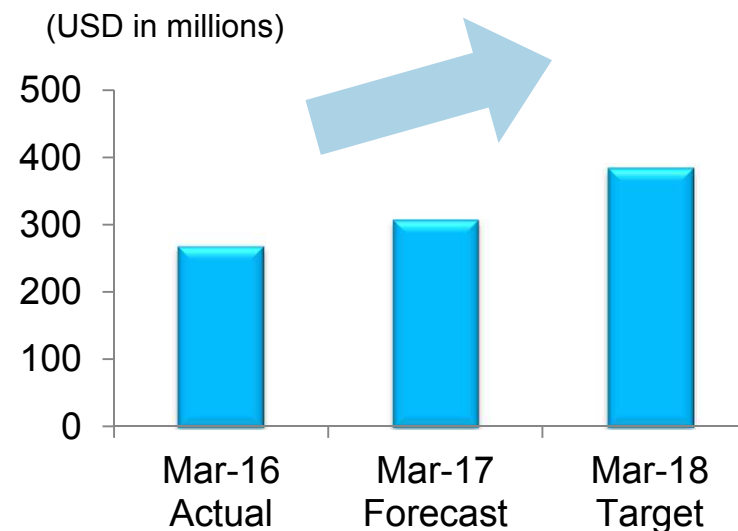
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## Composition of Operating Income (Actual Mar-16)



## Net Income Projection



## Strategies during 'D-Ambitious' period

- **Life Marketing:** We aim to increase new business by strengthening existing distribution channels, and leveraging alliance with Costco.
- **Annuities:** We expect new business to increase by developing competitive products in light of economic conditions and risk & return profile, as well as strengthening existing distribution channels.
- **Asset Protection:** Based on favorable automobile sales and our tapping into the used car market, we expect sales to grow steadily.
- **Acquisitions:** We expect the segment profit to grow with new acquisition(s).



- TAL has demonstrated substantial growth in the market and became No.1

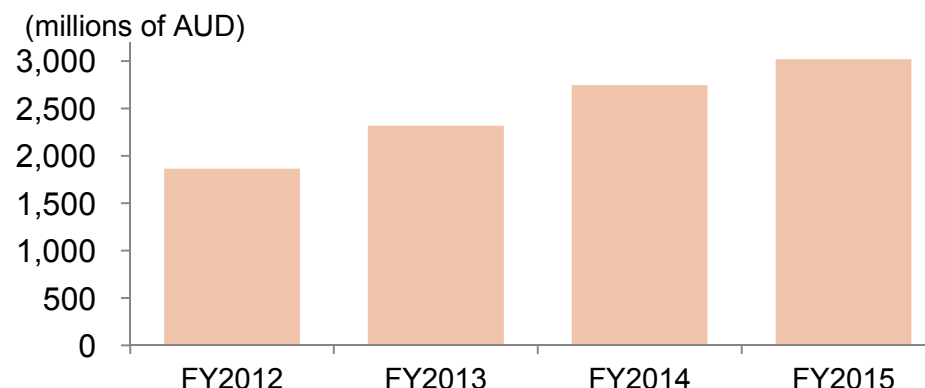
## About TAL

- Established in 2006  
(Started as government life insurance office in New Zealand in 1869; then separated)
- Became affiliate of Dai-ichi in 2008; then became subsidiary in 2011
- No. of Employees: 1,616 (Mar-2016)
- Main office: Sydney, Australia
- Main channel: Individual financial advisor, Direct, Group (superannuation)
- Main products: Risk products (death, income protection & TPD)
- Market share: 17.2% (Dec-2015, In-force ANP basis)
- Market rank: No.1 (Dec-2015, In-force ANP basis)

## Insurance Market in Australia

- Market size (2014):  
[Population 23.6M, GDP 1,468B USD, Penetration (Life) 3.8%] (Source) Swiss Re, sigma No 4/2015
- An oligopolistic market: each top-6 company holds more than 10% market share (collectively 75%).
- Other major players: AMP, AIA, CommInsure, NAB/MLC

## Premium Income of TAL <sup>(1)</sup>



### ■ What we have achieved

In order to increase sales in IFA channel, we enhanced our privileged program for top-tier advisors, and implemented sales promotion activities through leveraging the relationship with superannuation funds, etc.

### ■ What we'll strive to achieve

We'll try to maintain growth faster than the industry by strengthening IFA channels and sales alliances in direct business. We'll also promote activities to customers who gather information regarding insurance policy on their own.

(1) Fiscal year ends March 31. Figures are disclosed after re-classifying items from TAL's financial statements under Australian accounting standards to conform to Dai-ichi Life's disclosure standards.

- Its top line is growing due mainly to strengthened individual agent channel.

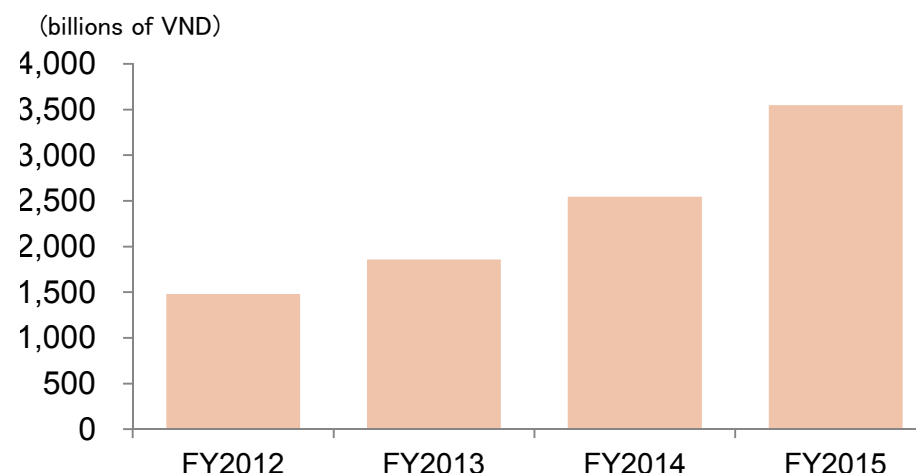
## About Dai-ichi Life Vietnam

- Established in 1999  
(Started as Bao Minh CMG, a JV of local company and Australian CMG)
- Became subsidiary of Dai-ichi in 2007
- No. of Employees: 778 (Mar-2016)  
48 thousand agents (part-time)
- Main office: Ho Chi Minh, Vietnam
- Main channel: Individual insurance agent
- Main products: Universal, Endowment
- Market share: 9.3%(Dec-2015, premium income basis)
- Market rank: No. 4 (Dec-2015, premium income basis)

## Insurance Market in Vietnam

- Market size ( 2014 ) :  
[Population 92.5M,GDP 187B USD,  
Penetration (Life) 0.7%]  
(Source) Swiss Re, sigma No 4/2015
- An oligopolistic market: top 6 companies have 90% market share.
- Other major players: Prudential(UK), Bao Viet (Sumitomo), Manulife

## Premium Income of DL Vietnam <sup>(1)</sup>



### ■ What we have achieved

Premium income continued to grow as sales through individual insurance agents maintained momentum due to sales channel expansion and investment in sales activities.

### ■ What we'll strive to achieve

We aim for sustainable growth in premium income by strengthening and diversifying sales channels (including strategic business alliance with Vietnam Post) and developing high-margin products.

(1) Fiscal year ends December 31.

- Became our affiliate in 2013, now its strengthening its infrastructure and channel.

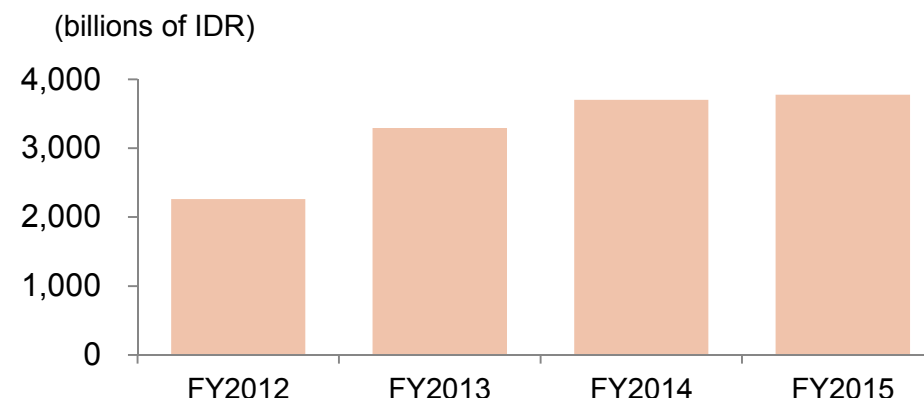
## About Panin Dai-ichi Life

- Established in 1974
- Became affiliate of Dai-ichi in 2013
- Ownership: 40%
- No. of Employees: 440 (Mar-2016)  
5,100 agents (part-time)
- Main office: Jakarta, Indonesia
- Main channel: Bancassurance (mainly with Panin bank), individual insurance agents
- Main products: Investment-linked, unit-linked
- Market share: 3.0% (Dec-2015, premium income basis)
- Market rank: No. 11 (Dec-2015, premium income basis)

## Insurance Market in Indonesia

- Market size (2014):  
[Population 253.2M, GDP 890B USD,  
Penetration (Life) 1.1%]  
*(Source) Swiss Re, sigma No 4/2015*
- A relatively oligopolistic market: top 10 companies have about 70% market share.
- Other major players: Prudential (UK), Allianz, AIA, AXA

## Premium Income of Panin Dai-ichi Life <sup>(1)</sup>



### ■ What we have achieved

In order to achieve continued growth, we worked on structural reform of the customer base (shifting from high income, senior to broad range customers), and on improvement of the sales channel (new bancassurance channel), products and management infrastructure.

### ■ What we'll strive to achieve

We aim for structural reforms for profitability, by enhancing (a) bancassurance business with Panin Bank, and (b) wholesaler and individual agents channel through improved recruitment and training system.

(1) Fiscal year ends December 31. Figures are not adjusted to Dai-ichi's interest in the company.

- Steadily increasing premium income by leveraging JV partnership with banks.

## About Star Union Dai-ichi Life

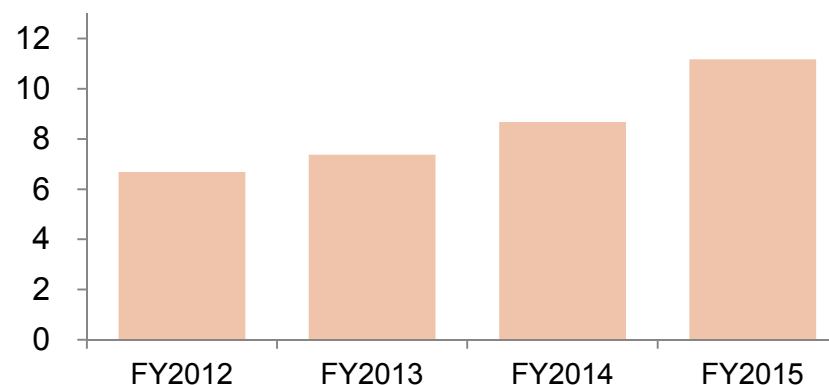
- Established in 2009
- Became affiliate of Dai-ichi in 2009  
(Started operation as a JV with Dai-ichi, Bank of India and Union Bank of India)
- Ownership: 26%
- No. of Employees: 3,039 (Mar-2016)  
8.3 thousand agents (part-time, Feb-2016)
- Main office: Mumbai, India
- Main channel: Bancassurance, individual insurance agents
- Main products: Endowment, unit-linked
- Market share: 1.79% (Dec-2015, EPI basis, excl. LIC, a government company)
- Market rank: No. 12 (Dec-2015, EPI basis, excl. LIC, a government company)

## Insurance Market in India

- Market size (2014):  
[Population 1,269.3M, GDP 2,089B USD, Penetration (Life) 2.6%]  
*(Source) Swiss Re, sigma No 4/2015*
- A new market to foreign players: LIC has market share of 47% (Dec-2015, EPI basis)
- Other major players: ICICI Prudential (Pru-UK), SBI Life (Cardif), HDFC Life (Standard Life)

## Effective Premium Income of SUD<sup>(1)(2)</sup>

(billions of INR)



### ■ What we have achieved

We focused more on sales of regular premium insurance products than single premium insurance, in order to have more stable premium income and to increase profitability.

### ■ What we'll strive to achieve

We plan to maintain our premium income base by strengthening the bancassurance channel, e.g. recruitment of wholesalers, individual agencies, and introducing measures to improve lapse and surrender.

(1) Fiscal year ends December 31. Figures are not adjusted to Dai-ichi's interest in the company.

(2) Effective premium income accounts only one tenth of individual single premium insurance products and excludes premium income from lower margin group annuity.

- Achieved a shift to profitable product portfolio.

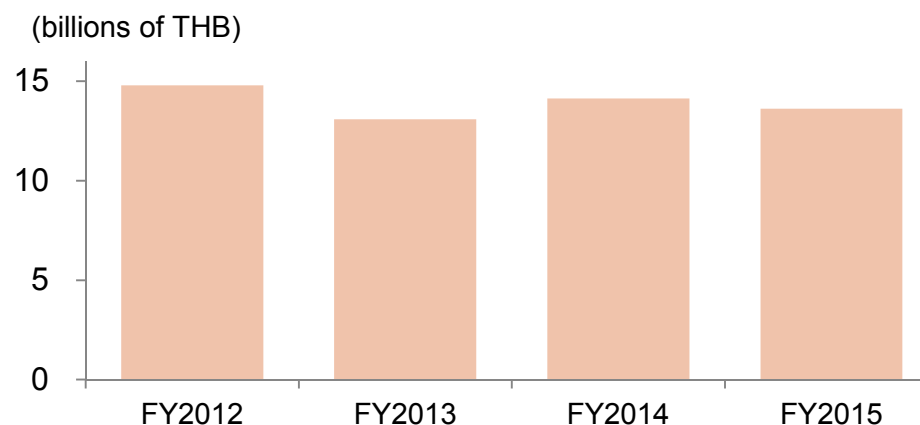
## About Ocean Life

- Established in 1949 (Started as P&C company, entered into Life business in 1951, unbundled business in 1992)
- Became affiliate of Dai-ichi in 2008
- Ownership: 24%
- No. of Employees: 1,947 (Mar-2016)  
12 thousand agents (part-time)
- Main office: Bangkok, Thailand
- Main channel: Individual insurance agent
- Main products: Endowment, Whole Life, Annuity
- Market share: 2.6% (Dec-2015, Premium income )
- Market rank: No. 10 (Dec-2015, Premium income )

## Insurance Market in Thailand

- Market size (2014):  
[Population 67.3M, GDP 374B USD, Penetration (Life) 3.6%]  
(Source) Swiss Re, sigma No 4/2015
- An oligopolistic market : Top 10 companies occupies most of the market.
- Other major players: AIA, Muang Thai Life (Ageas), Thai Life (Meiji Yasuda), Bangkok Life (Nippon)

## Premium Income of Ocean Life<sup>(1)</sup>



### ■ What we have achieved

We have shifted our product portfolio from single premium products to regular premium products in order to improve profitability. In addition, we have strengthened our individual agency channel and started to develop new sales channels.

### ■ What we'll strive to achieve

We will make efforts to increase premium income sustainably, by strengthening the training system at the individual agency channel.

(1) Fiscal year ends December 31. Figures are not adjusted to Dai-ichi's interest in the company.

# Dai-ichi Life's Financial Condition, Investment and Asset Management Business

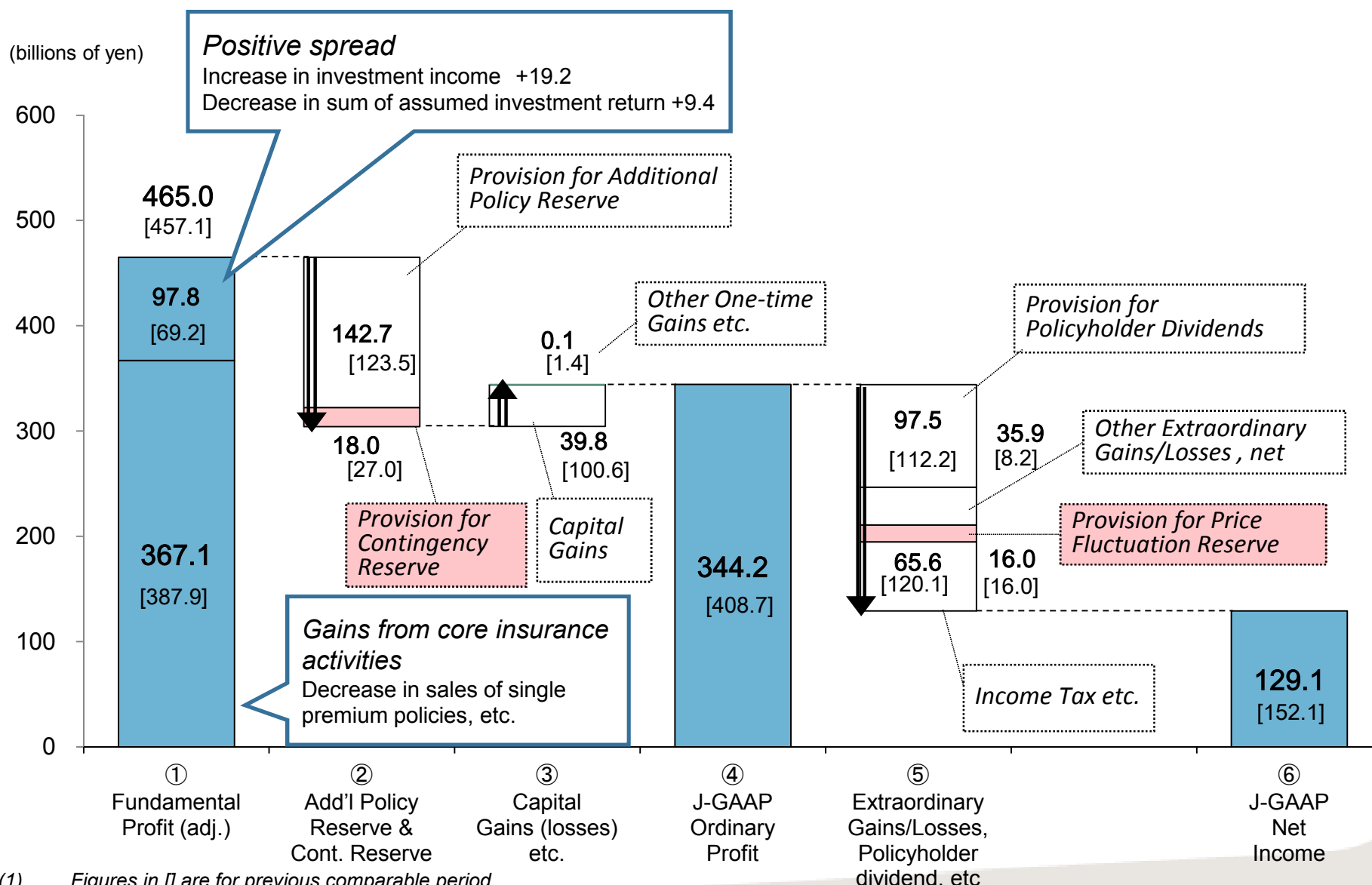
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**DAI-ICHI LIFE**

# Dai-ichi Life non-consolidated: Profit Structure of Dai-ichi Life for Mar-2016

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(1) Figures in [] are for previous comparable period.

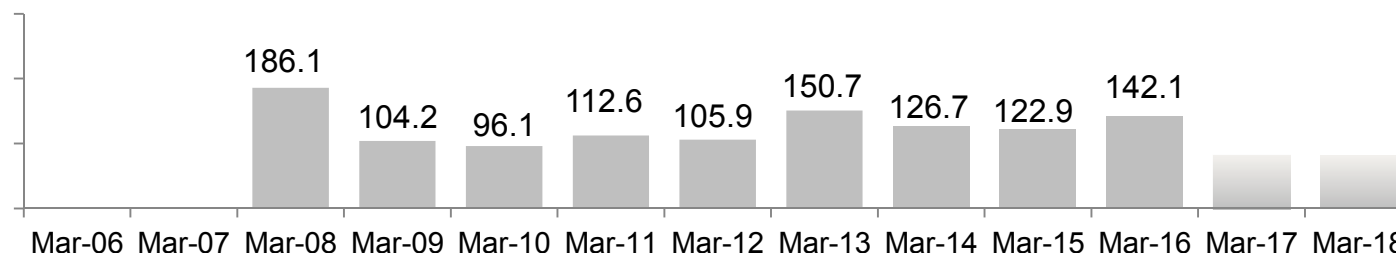
(2) Adjusted fundamental profit = (fundamental profit) ± (provision for (reversal of) policy reserve associated with minimum guaranteed benefit risk of variable insurance) ± (provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance products).

# Dai-ichi Life non-consolidated: Negative/Positive Spread and Additional Policy Reserve

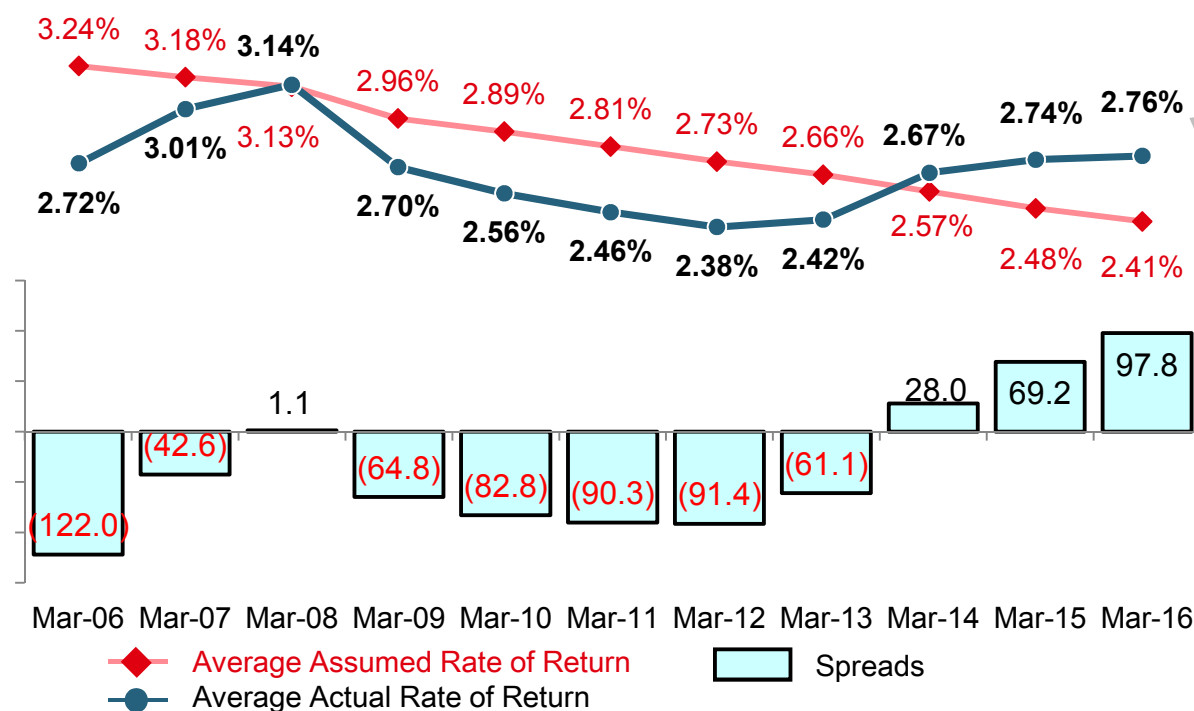
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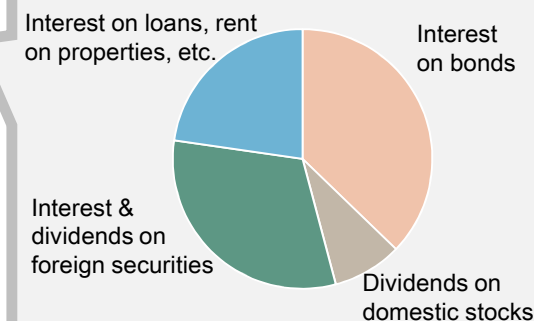
## Provision for Additional Policy Reserve (billions of yen)



## Rate of Return (%) / Spread (billions of yen)



### Component of Interest and Dividend Income (Mar-16)





# Dai-ichi Life non-consolidated: Additional Policy Reserve

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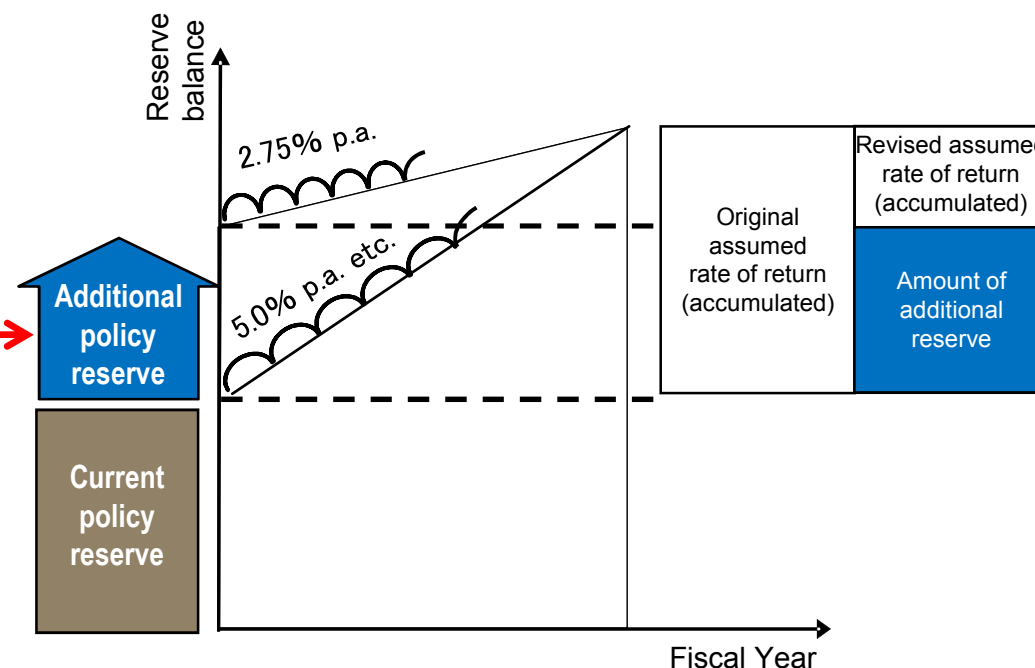
## Policy Reserve Outstanding by Year Signed<sup>(1)</sup>

**The Company is providing additional policy reserve against:** Whole life insurance signed before March 1996 and paid in full

(billions of yen)

Year signed	Policy Reserve Outstanding	Average assumed rate of return
~ Mar-81	728.4	2.75% ~ 5.50%
Mar-82 ~ Mar-86	1,253.7	2.75% ~ 5.50%
Mar-87 ~ Mar-91	4,785.4	2.75% ~ 5.50%
Mar-92 ~ Mar-96	4,187.3	2.75% ~ 5.50%
Mar-97 ~ Mar-01	1,527.8	2.00% ~ 2.75%
Mar-02 ~ Mar-06	1,740.1	1.50%
Mar-07 ~ Mar-11	3,645.9	1.50%
Mar-12	986.7	1.50%
Mar-13	1,022.8	1.50%
Mar-14	887.1	1.00%
Mar-15	1,135.6	1.00%
Mar-16	954.6	1.00%

## Accumulation of Additional Policy Reserve<sup>(1)</sup>



(1) Dai-ichi Life non-consolidated basis.

Policy reserve amount include those for individual insurance and annuity products but excludes reserve for separate account and contingency reserve.

Certain policies are divided based on actuarially appropriate method into several fiscal years.

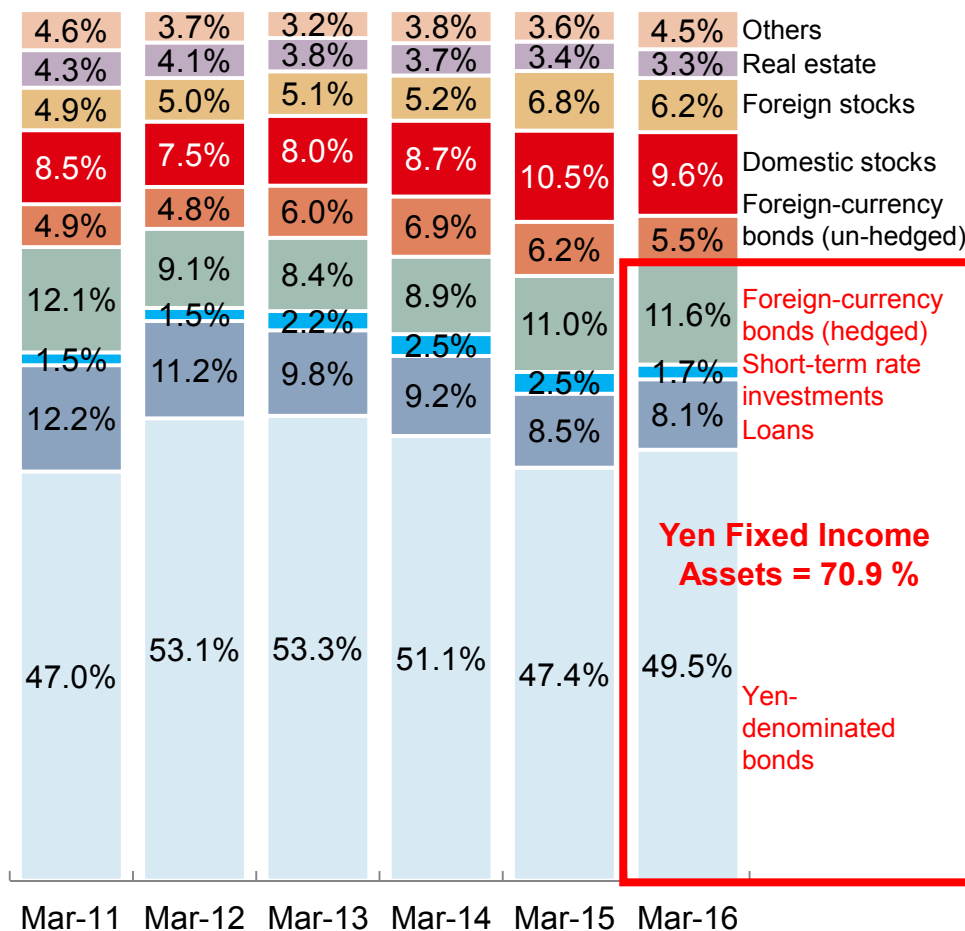
Assumed rate of returns indicate representative rates against each year's policy reserves.

# Dai-ichi Life non-consolidated: General Account Assets (i)

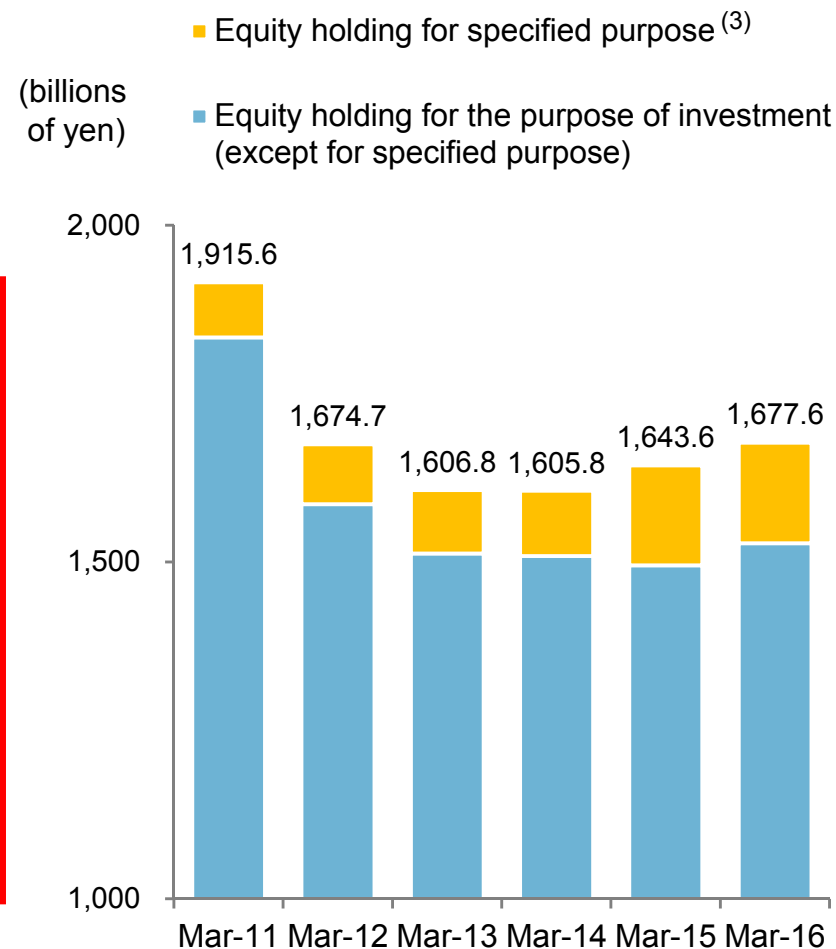
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## Asset Portfolio (General Account) <sup>(1)</sup>



## 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)

(3) Equity holdings excluding those held solely for the purpose of investment (excluding stocks of unlisted companies and contributed to the retirement benefit trust)

## Equity Holdings Other Than for the Purpose of Investment

- The Company holds shares as “Equity Holdings for Specific Purpose” in the companies with which the Company develops stronger relationships through business alliances, other than for the purpose of investment
- The Board of Directors shall review and confirm the rationality of the holdings each year. Strategic-holding shares shall be sold in case the rationale of holding such shares, neither in terms of strategic-holding nor investment purpose, is confirmed.

- Equity holdings other than for the purpose of investment (as of March 2016)

Number of companies      8  
Carrying Amount          215.4 billion yen

- Equity Holdings for Specific Purpose

Company	Shares (thousand)	Carrying amount (billions of yen)
Resona Holdings, Inc.	125,241	51.4
Mizuho Financial Group, Inc.	255,691	45.2
Sompo Japan Nipponkoa Holdings, Inc.	5,734	18.6



RESONA

We entered into a business alliance with Resona Holdings in 2007. We plan to strengthen our competitiveness by offering better products and services to meet the increasingly sophisticated and diversified needs of our customers. We sell the saving-type insurance products of Dai-ichi Frontier Life at companies affiliated with Resona Holdings. We also exchange human resources.



In our full-scale business alliance with Mizuho Financial Group in 1998, we have been steadily achieving results through various joint ventures, such as DIAM Co. In the bancassurance business, we sell the saving-type insurance products of Dai-ichi Frontier Life at companies affiliated with Mizuho Financial Group. We also exchange human resources



SOMPO  
ホールディングス

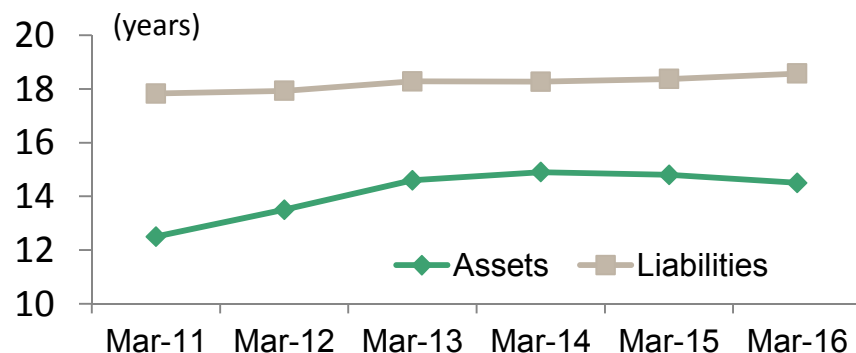
In our full-scale business alliance in 2000 with Sompo Japan Insurance (“Sompo Japan”), we seek to form the “strongest and most comprehensive life and nonlife insurance group.” In non-life insurance we take advantage of Sompo Japan’s strong brand and products and its dependable accident response system. In the life insurance area, Sompo Japan agents sell Dai-ichi Life products.

# Dai-ichi Life non-consolidated: General Account Assets (ii)

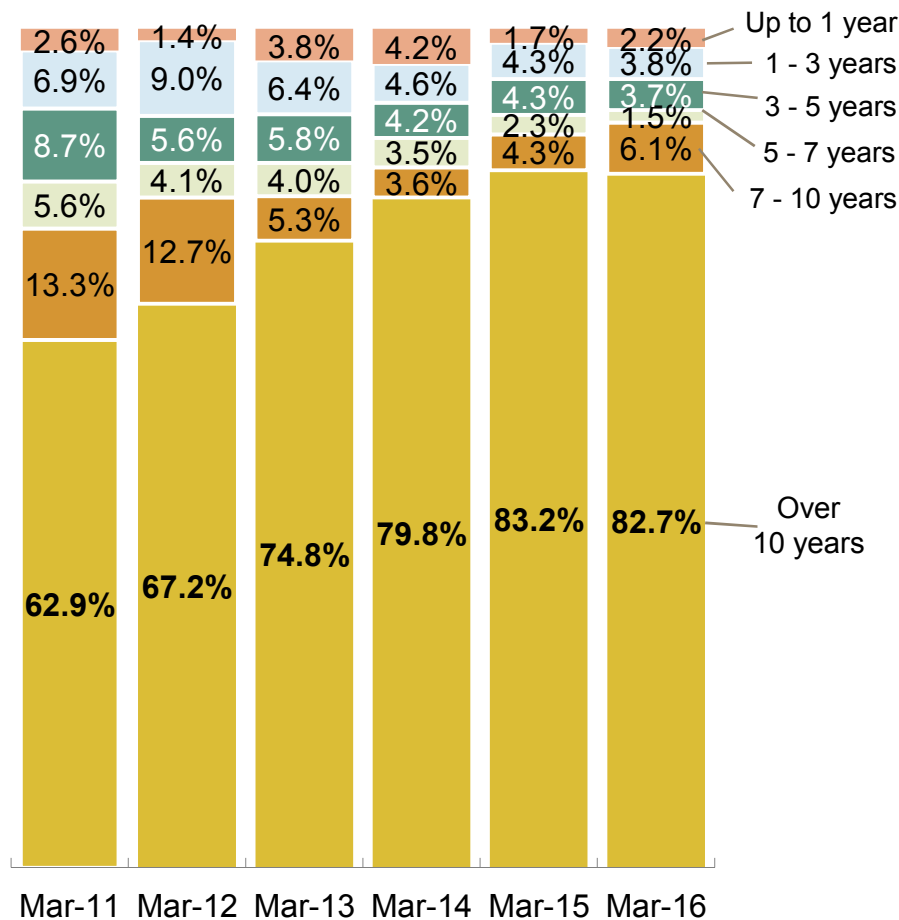
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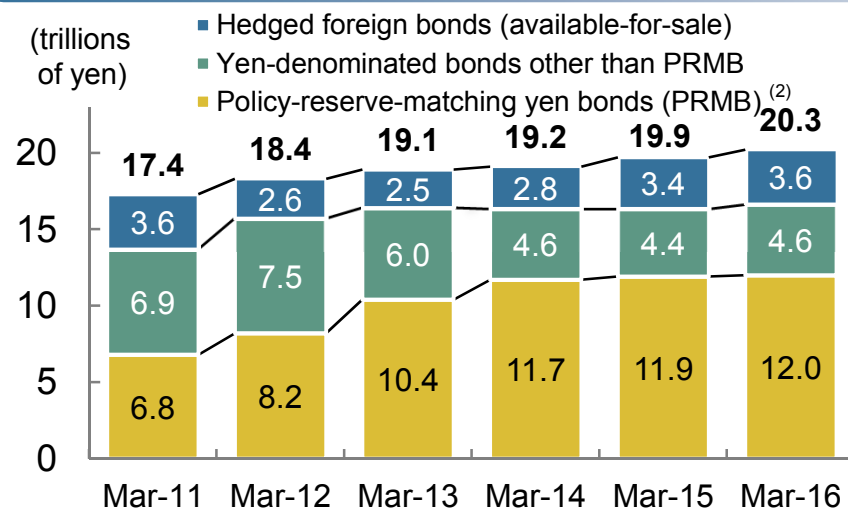
## Duration of Fixed Income Assets



## Maturity Profile of Domestic Bonds <sup>(3)</sup>



## Yen and Currency-hedged Foreign Bonds <sup>(1)</sup>



(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 fair value basis.

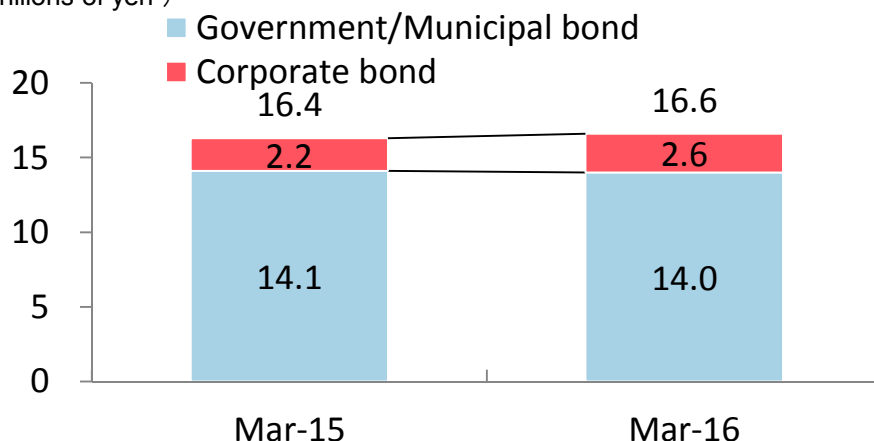
# Dai-ichi Life non-consolidated: General Account Assets (iii)

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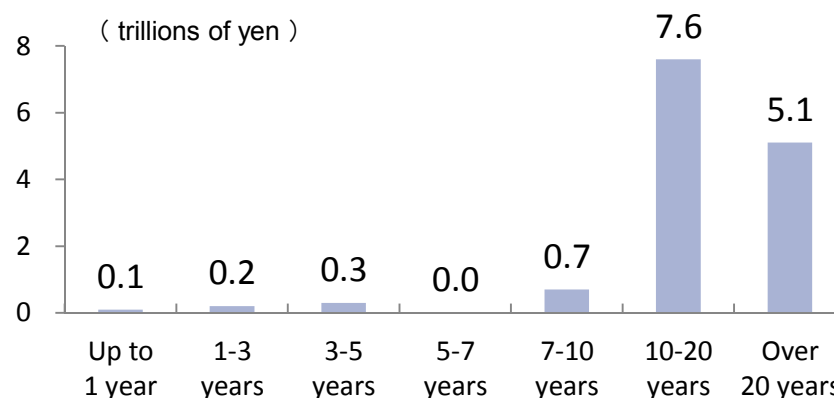
## Yen-denominated Bonds <sup>(1)</sup>

( trillions of yen )

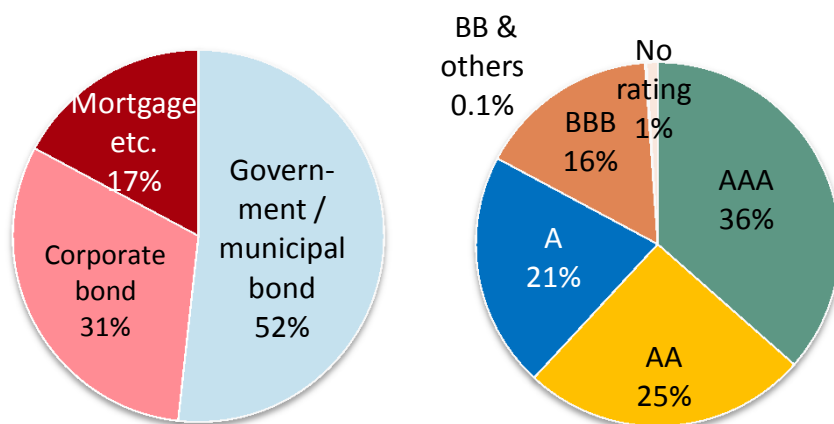


## Domestic Government Bonds <sup>(2)</sup> by Maturity (Mar-16)

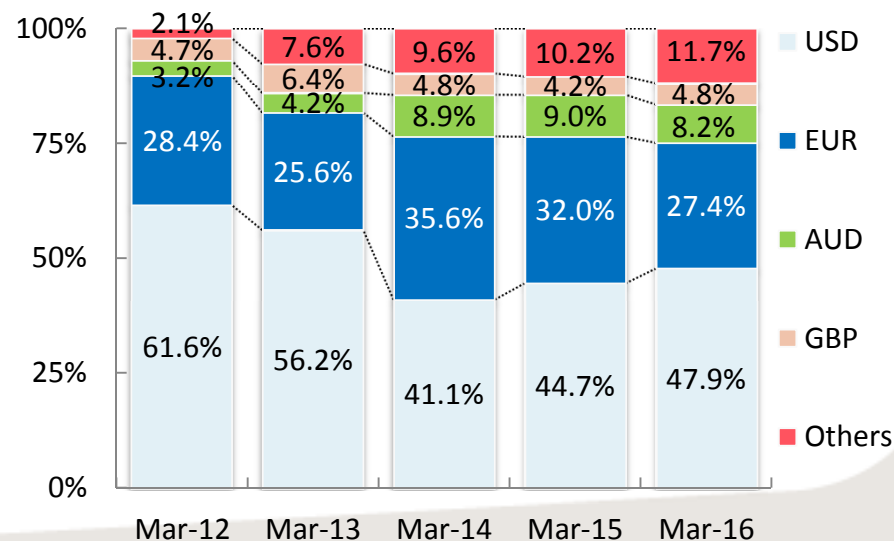
( trillions of yen )



## Foreign Currency Bond Portfolio <sup>(2)</sup> <sup>(3)</sup> (Mar-16)



## Foreign Currency Bonds by currency <sup>(2)</sup>



(1) Book value - basis

(2) Carrying amount - basis

(3) Ratings are medium revaluation between S&P & Moody's, excluding mortgage etc.

- Continue to utilize DIAM’s asset management know-how in co-developing products based on customer needs and the market environment
- Contract balance of Separate Account Balanced Fund II increased to approx. 200 million yen
- In January 2016, we launched Separate Account Bond Fund, which meets increased needs for alternative investment products

### Co-development of Products with DIAM

**Increased needs for investment products that secure stable income while limiting downside risk**

DIAM’s  
Know-how

#### **“Separate Account Balanced Fund II” (April 2014 - )**

<Product characteristics>

- Secure 3% annual income for mid-to-long term
- Assume risk amount equivalent to domestic bonds
- Active asset allocation based on quantitative analysis
- Avoid interest rate hike and plunge in equities signaling volatility

**Increased needs for alternative investment products in anticipation of “prolonged low interest environment” and “possible hike” in JGB yields**

DIAM’S  
Know-how

#### **“Separate Account Bond Fund” (January 2016 - )**

<Product characteristics>

- Aim for excess return of 2.0% to 2.5% over short-term rates
- Assume risk amount equivalent to domestic bonds and hedged foreign bonds
- Secure positive return when JGB yields are rising
- Secure stable income by quantitative analysis, instead of benchmarking

# Enhancement of middle-risk & middle return investment

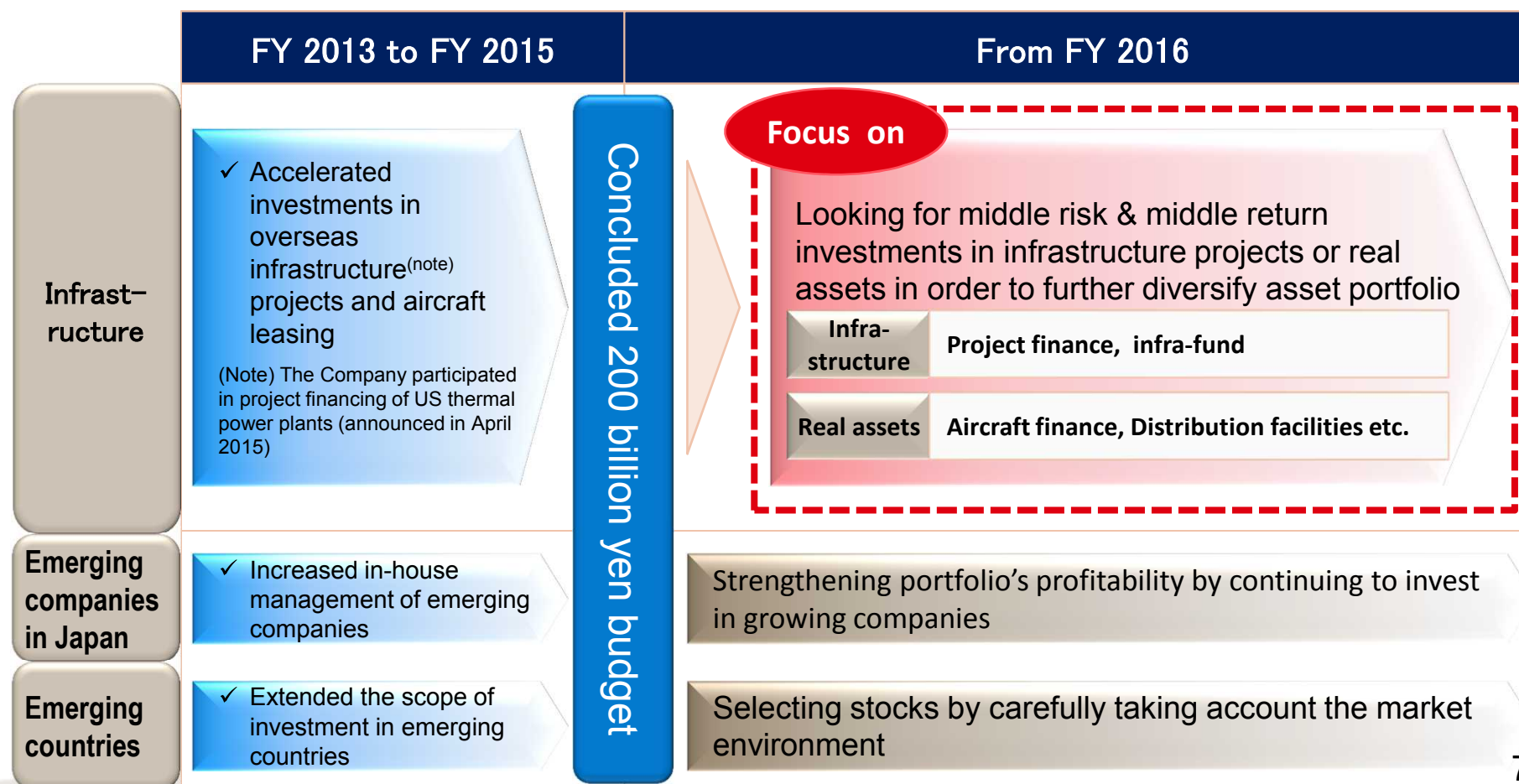
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**FY 2013 to  
FY 2015**

- ✓ Invested in growing areas, such as infrastructure, emerging countries and emerging companies
- ✓ Concluded 200 billion yen budget for FY2013-2015

**From  
FY 2016**

- ✓ Looking for middle risk & middle return investments in infrastructure projects or real assets in order to further diversify asset portfolio and enhance profitability





- Actively engaged in discussions with the companies in order to improve “governance”, “ROE”, and “shareholder return” based on our Stewardship Activity Policy.
- Evolve the engagement with medium-to long-term view in order to expand corporate value of the investees and improve investment returns.

**increase the value of investees → maximize medium-to long-term return**

**Co-creation between investors and companies**

**Engagement with medium-to long-term view**

**Dialogues with investees**

- Create dedicated team (Stewardship promotion team)
- Publish the results of dialogues
- Review of dialogues based on Corporate Governance Code

**Sophisticated investor**

- Daily accumulation of corporate information
- Cooperate with Investor Relations team (to better understand investees)

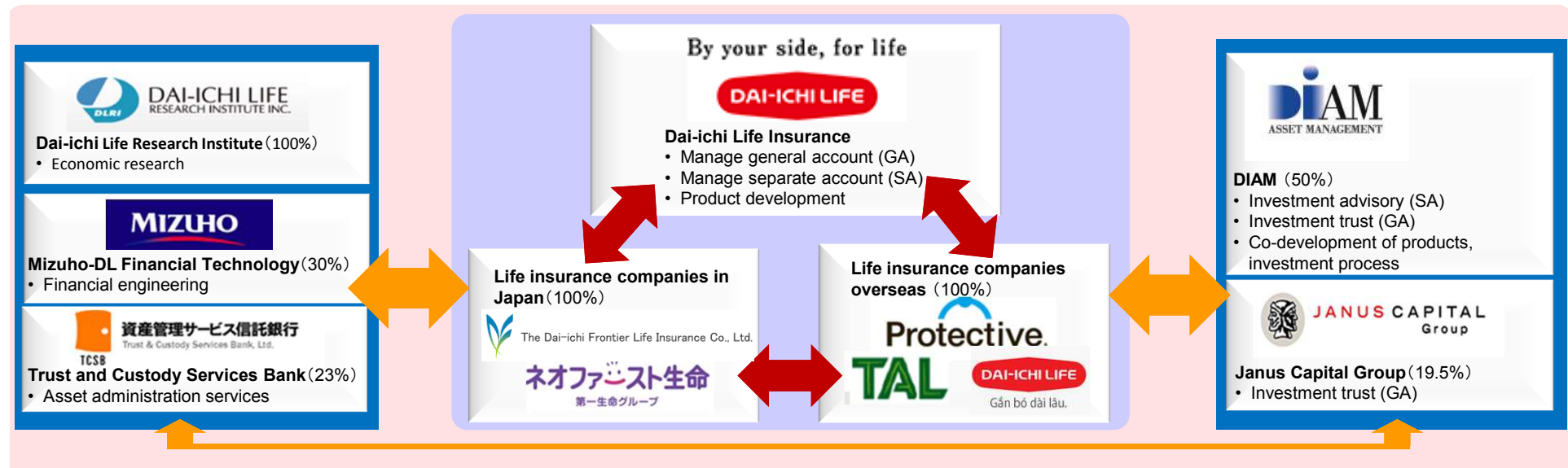
**Exercise voting rights**

- Exercise voting rights based on dialogues
- Publish the voting results (since FY2014)
- Reviewed voting principles (Introduced independence criteria for outside directors in FY2015)



## Group structure

- To become a more sophisticated investor we share expertise in investment in Dai-ichi Life, cooperate with one another among the Group and utilize asset management capabilities of the Group companies



(Note) Numbers in parentheses represent the Company's interest

### Enhance diversification and sophistication of investment management process by sharing resources of the Group

(Reference) Joint projects and investment product sharing in the Group

	Outline
Joint project	Project for enhancement of investment management process with Mizuho-DL Financial technology and U.S. company
	Development of "Separate account balanced Fund II" and "Separate account bond Fund" with DIAM
	Development of new investment strategies including smart beta strategy with DIAM
	Construction of system for foreign equity lending with Trust and Custody Services Bank.
Sharing investment products	Entrustment of investment business to DIAM and Janus DIAM
	Sharing of investment products and sales channels between DIAM and Janus

	Sensitivities <sup>(1)</sup>	Breakeven Points <sup>(2)</sup>
Domestic stocks	<p>Nikkei 225 1,000 yen change:</p> <p>March 2016: ±170 billion yen (March 2015: ±170 billion yen)</p>	<p>Nikkei 225</p> <p>March 2016: 9,400 yen (March 2015: 8,900 yen)</p>
Domestic bonds	<p>10-year JGB Yield 10bp change:</p> <p>March 2016: ±290 billion yen * (March 2015: ±260 billion yen)</p> <p>* Available-for-sale securities: March 2016: ±40 billion yen (March 2015: ±30 billion yen)</p>	<p>10-year JGB Yield</p> <p>March 2016: 1.3% * (March 2015: 1.2%)</p> <p>* Available-for-sale securities: March 2016: 1.4% (March 2015: 1.4%)</p>
Foreign securities	<p>JPY / USD 1 yen change:</p> <p>March 2016: ±29 billion yen (March 2015: ±31 billion yen)</p>	<p>JPY / USD</p> <p>March 2016: \$1 = 103 yen (March 2015: 100 yen)</p>

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

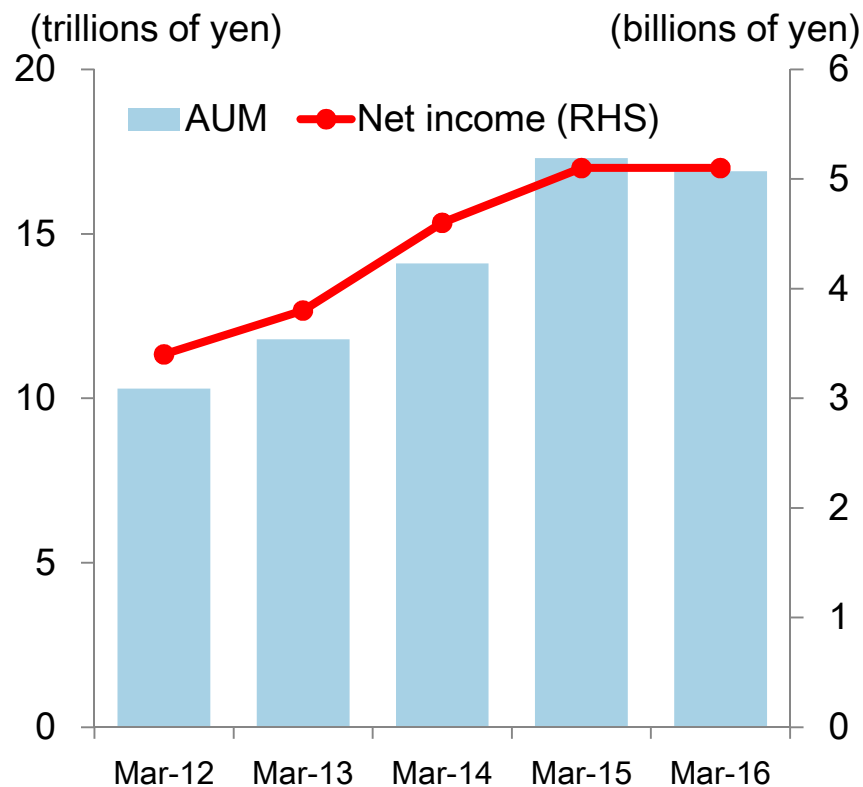
(2) Breakeven points indicate assumptions when unrealized gains or losses of the related assets would be zero. Figures for foreign securities are calculated for foreign exchange factors only, based on the JPY/USD exchange rate (assuming all are in USD).

# Asset Management Business / AUM Trends

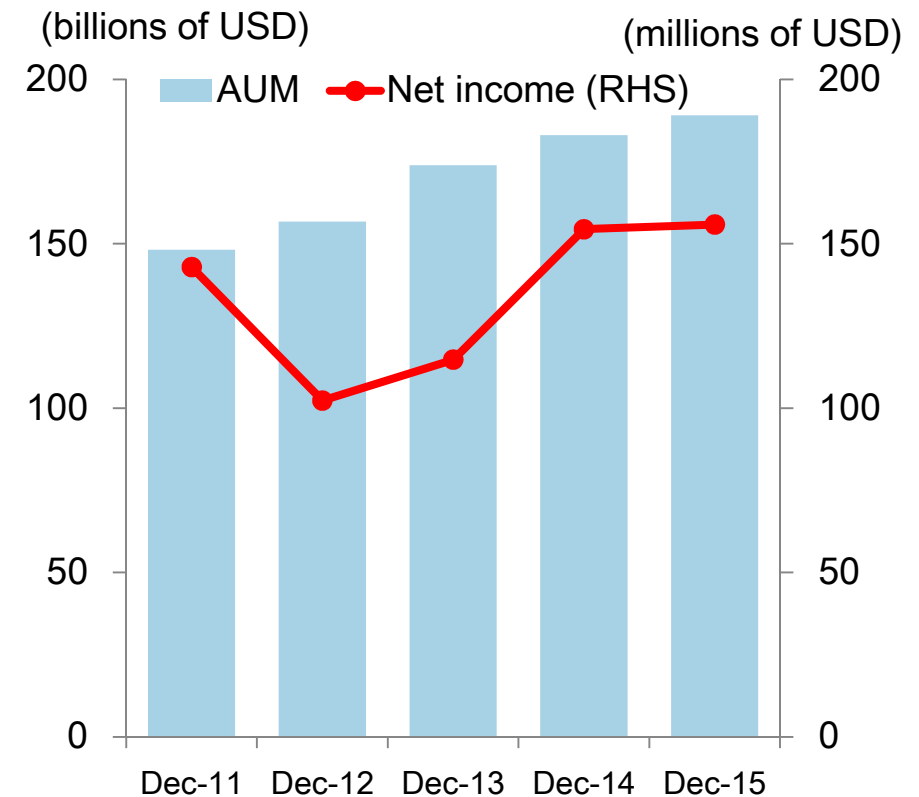
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## DIAM's Assets Under Management



## Janus Capital's Assets Under Management



(Note) DIAM's AUM (assets under management) are the sum of assets under management in the investment advisory business and the investment trust business.

Net income of DIAM is on a non-consolidated basis, non-adjusted for ownership by the Group.

Net income of Janus is on a consolidated basis, non-adjusted for ownership by the Group.

# EEV Sensitivity Analysis

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# EEV Sensitivity Analysis: Dai-ichi Life Group (as of Mar-2016)

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DAI-ICHI LIFE

(billions of yen)

Assumptions	Sensitivities (upper: change in value, lower: percentage)			Value of New Business
		Adjusted net worth	Value of in-force business	
50bp upward parallel shift in risk-free yield curve	492.3 11%	(1,384.7) (30%)	1,877.1 40%	55.7 26%
50bp downward parallel shift in risk-free yield curve	(348.5) (8%)	817.8 18%	(1,166.3) (25%)	(39.2) (18%)
10% decline in equity and real estate values	(406.9) (9%)	(400.9) (9%)	(6.0) (0%)	(0.6) (0%)
10% decline in maintenance expenses	241.4 5%	0.0 0%	241.3 5%	17.9 8%
10% decline in surrender and lapse rate	181.4 4%	0.2 0%	181.2 4%	25.6 12%
5% decline in mortality and morbidity rate for life insurance products	202.6 4%	2.1 0%	200.5 4%	10.0 5%
5% decline in mortality and morbidity rate for annuities	(26.9) (1%)	(0.2) (0%)	(26.7) (1%)	(0.2) (0%)
Setting required capital at the statutory minimum level	80.5 2%	3.4 0%	77.0 2%	4.2 2%
25% increase in implied volatilities of equity and real estate values	(35.2) (1%)	2.1 0%	(37.4) (1%)	(1.0) (0%)
25% increase in implied volatilities of swaptions	(21.0) (0%)	0.1 0%	(21.2) (0%)	(0.6) (0%)
Dai-ichi Life Group EEV	4,646.1			216.1

Please refer to "Disclosure of European Embedded Value as of March 2016" released on May 19, 2016 for details.

# EEV Sensitivity Analysis: Dai-ichi Life (non-consolidated) (as of Mar-2016)

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DAI-ICHI LIFE

(billions of yen)

Assumptions	Sensitivities (upper: change in value, lower: percentage)			Value of New Business
		Adjusted net worth	Value of in-force business	
50bp upward parallel shift in risk-free yield curve	510.0 11%	(1,246.1) (28%)	1,756.1 40%	56.4 42%
50bp downward parallel shift in risk-free yield curve	(360.7) (8%)	712.8 16%	(1,073.5) (24%)	(39.6) (29%)
10% decline in equity and real estate values	(398.0) (9%)	(400.9) (9%)	2.9 0%	0.2 0%
10% decline in maintenance expenses	216.1 5%	- -	216.1 5%	14.8 11%
10% decline in surrender and lapse rate	156.5 4%	- -	156.5 4%	20.1 15%
5% decline in mortality and morbidity rate for life insurance products	157.9 4%	- -	157.9 4%	5.0 4%
5% decline in mortality and morbidity rate for annuities	(23.1) (1%)	- -	(23.1) (1%)	(0.2) (0%)
Setting required capital at the statutory minimum level	12.4 0%	- -	12.4 0%	0.7 1%
25% increase in implied volatilities of equity and real estate values	(14.4) (0%)	- -	(14.4) (0%)	(0.3) (0%)
25% increase in implied volatilities of swaptions	(20.6) (0%)	- -	(20.6) (0%)	(0.8) (1%)
Dai-ichi Life non-consolidated EEV	4,441.4			134.6

# EEV Sensitivity Analysis: Dai-ichi Frontier Life (as of Mar-2016)

By your side, for life

DAI-ICHI LIFE

(billions of yen)

Assumptions	Sensitivities (upper: change in value, lower: percentage)			Value of New Business
		Adjusted net worth	Value of in-force business	
50bp upward parallel shift in risk-free yield curve	(5.9) (2%)	(123.5) (41%)	117.5 39%	(0.4) (1%)
50bp downward parallel shift in risk-free yield curve	4.9 2%	88.3 29%	(83.4) (28%)	0.1 0%
10% decline in equity and real estate values	(1.9) (1%)	(6.2) (2%)	4.3 1%	(0.1) (0%)
10% decline in maintenance expenses	3.6 1%	- -	3.6 1%	1.4 3%
10% decline in surrender and lapse rate	(1.4) (0%)	- -	(1.4) (0%)	0.1 0%
5% decline in mortality and morbidity rate for life insurance products	0.7 0%	- -	0.7 0%	0.6 1%
5% decline in mortality and morbidity rate for annuities	0.0 0%	- -	0.0 0%	0.0 0%
Setting required capital at the statutory minimum level	0.2 0%	- -	0.2 0%	0.3 1%
25% increase in implied volatilities of equity and real estate values	(11.0) (4%)	- -	(11.0) (4%)	0.0 0%
25% increase in implied volatilities of swaptions	0.7 0%	- -	0.7 0%	0.0 0%
Dai-ichi Frontier Life EEV	303.2			53.2

# EEV Sensitivity Analysis: Protective Life (as of Dec-2015)

By your side, for life

DAI-ICHI LIFE

(billions of yen)

Assumptions	Sensitivities (upper: change in value, lower: percentage)			Value of New Business
		Adjusted net worth	Value of in-force business	
50bp upward parallel shift in risk-free yield curve	(2.6) (0%)	(13.8) (3%)	11.2 2%	1.1 21%
50bp downward parallel shift in risk-free yield curve	(1.9) (0%)	15.3 3%	(17.3) (3%)	(1.3) (24%)
10% decline in equity and real estate values	(6.3) (1%)	6.6 1%	(12.9) (2%)	(0.7) (14%)
10% decline in maintenance expenses	14.3 3%	- -	14.3 3%	0.4 7%
10% decline in surrender and lapse rate	(6.4) (1%)	- -	(6.4) (1%)	(0.1) (2%)
5% decline in mortality and morbidity rate for life insurance products	26.6 5%	- -	26.6 5%	1.8 32%
5% decline in mortality and morbidity rate for annuities	(3.7) (1%)	- -	(3.7) (1%)	0.0 0%
Setting required capital at the statutory minimum level	67.5 12%	3.4 1%	64.0 12%	3.1 57%
25% increase in implied volatilities of equity and real estate values	(9.8) (2%)	2.1 0%	(12.0) (2%)	(0.7) (13%)
25% increase in implied volatilities of swaptions	(1.1) (0%)	0.1 0%	(1.3) (0%)	0.2 5%
50bp upward shift in risk discount rate	(11.7) (2%)	- -	(11.7) (2%)	(0.8) (16%)
50bp downward shift in risk discount rate	12.4 2%	- -	12.4 2%	0.9 17%
Protective Life EEV	551.2			5.6



# EEV Sensitivity Analysis: TAL (as of Mar-2016)

By your side, for life

DAI-ICHI LIFE

(billions of yen)

Assumptions	Sensitivities (upper: change in value, lower: percentage)			Value of New Business
		Adjusted net worth	Value of in-force business	
50bp upward parallel shift in risk-free yield curve	(8.4) (3%)	(1.2) (0%)	(7.1) (3%)	(1.4) (7%)
50bp downward parallel shift in risk-free yield curve	9.0 3%	1.2 0%	7.7 3%	1.5 7%
10% decline in equity and real estate values	(0.6) (0%)	(0.3) (0%)	(0.3) (0%)	0.0 0%
10% decline in maintenance expenses	6.4 2%	0.0 0%	6.3 2%	1.1 5%
10% decline in surrender and lapse rate	30.7 11%	0.0 0%	30.7 11%	5.5 24%
5% decline in mortality and morbidity rate for life insurance products	16.4 6%	2.1 1%	14.2 5%	2.5 11%
5% decline in mortality and morbidity rate for annuities	(0.1) (0%)	(0.1) (0%)	0.0 0%	0.0 0%
Setting required capital at the statutory minimum level	0.2 0%	- -	0.2 0%	0.0 0%
25% increase in implied volatilities of equity and real estate values	0.0 0%	- -	0.0 0%	0.0 0%
25% increase in implied volatilities of swaptions	0.0 0%	- -	0.0 0%	0.0 0%
TAL EEV	267.3			22.5

# Financial Statements

By your side, for life



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

By your side, for life

DAI-ICHI LIFE

	【Dai-ichi Life】 billions of yen	【Dai-ichi Frontier Life】 billions of yen	【Protective Life (USA)】 <sup>(1)</sup> millions of USD	【TAL(Australia)】 <sup>(1)</sup> millions of AUD	【Others】 <sup>(2)</sup> (including consolidation adjustment) billions of yen	【Consolidated】 <sup>(2)</sup> billions of yen
	As of Mar-16	As of Mar-16	As of Dec-15	As of Mar-16		As of Mar-16
Total Assets	35,894.9	6,132.2	68,493	7,043	(970.8)	49,924.9
Cash, deposits and call loans	645.2	118.4	397	1,358	31.4	960.3
Securities	30,250.1	5,836.5	50,843	2,859	(905.5)	41,560.0
Loans	2,826.0	-	7,360	-	1.7	3,715.5
Tangible fixed assets	1,164.1	0.2	113	0	0.5	1,178.8
Intangible fixed assets	81.6	2.7	2,663	1,207	(102.3)	407.3
Goodwill	-	-	732	786	(101.3)	54.8
Other intangible assets	22.0	0.0	1,915	420	(0.1)	289.2
Reinsurance receivable	4.4	72.5	165	148	(3.9)	105.8
Total Liabilities	32,791.7	6,046.3	63,912	4,890	23.5	46,991.9
Policy Reserve and others	30,635.2	5,948.1	57,893	3,491	26.9	43,894.0
Reinsurance payable	0.6	20.9	244	332	(3.8)	75.8
Bonds payable	215.7	-	2,238	-	-	485.6
Other liabilities	1,095.0	53.4	2,409	978	(36.8)	1,486.6
Total net assets	3,103.1	85.9	4,581	2,152	(994.3)	2,932.9
Total shareholders' equity	1,175.5	42.7	5,822	2,152	(976.9)	1,129.2
Capital stock	343.1	117.5	0	1,630	(258.1)	343.1
Capital surplus	343.7	67.5	5,554	-	(751.0)	330.1

(1) Figures of Protective Life and TAL are disclosed after re-classifying items from Protective Life and TAL's financial statements under United States' and Australian accounting standards, respectively, to conform to Dai-ichi Life's disclosure standards. For consolidation, these financial statements are translated into Japanese yen at rates of 1USD=120.61 yen and 1AUD=86.25 yen, respectively.

(2) Figures in 'Others' and 'Consolidated' include figures of other consolidated companies which are not on this page as well as consolidation adjustment.

# Consolidated Summary Financial Statements

By your side, for life

DAI-ICHI LIFE

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

(billions of yen)

	Year ended Mar-15	Year ended Mar-16	Change
Ordinary revenues	7,252.2	7,333.9	+81.7
Premium and other income	5,432.7	5,586.0	+153.2
Investment income	1,444.0	1,344.8	(99.1)
Interest and dividends	856.5	1,075.3	+218.8
Gains on sale of securities	162.1	222.4	+60.2
Gains on investments in separate accounts	369.7	-	(369.7)
Other ordinary revenues	375.5	403.0	+27.5
Ordinary expenses	6,845.4	6,915.7	+70.3
Benefits and claims	3,380.8	3,830.9	+450.1
Provision for policy reserves and others	2,271.2	1,496.3	(774.9)
Investment expenses	168.9	524.0	+355.1
Losses on sale of securities	24.2	64.2	+40.0
Losses on valuation of securities	0.4	4.1	+3.6
Derivative transaction losses	5.5	53.8	+48.3
Losses on investments in separate accounts	-	96.1	+96.1
Operating expenses	559.3	661.3	+102.0
Ordinary profit	406.8	418.1	+11.3
Extraordinary gains	3.3	0.3	(3.0)
Extraordinary losses	29.4	55.2	+25.8
Provision for reserve for policyholder dividends	112.2	97.5	(14.7)
Income before income taxes, etc.	268.5	265.7	(2.8)
Total of corporate income taxes	126.0	87.1	(38.8)
Net income attributable to non-controlling interests	0.0	0.0	(0.0)
Net income attributable to shareholders of parent company	142.4	178.5	+36.0

## Balance Sheet (summarized)

(billions of yen)

	As of Mar-15	As of Mar-16	Change
Total assets	49,837.2	49,924.9	+87.7
Cash, deposits and call loans	1,253.8	960.3	(293.5)
Monetary claims bought	265.8	239.2	(26.5)
Securities	41,105.4	41,560.0	+454.6
Loans	3,898.1	3,715.5	(182.5)
Tangible fixed assets	1,217.0	1,178.8	(38.2)
Deferred tax assets	1.3	1.3	(0.0)
Total liabilities	46,247.2	46,991.9	+744.6
Policy reserves and others	42,547.0	43,894.0	+1,347.0
Policy reserves	41,634.7	42,922.5	+1,287.8
Net defined benefit liabilities	331.3	443.8	+112.5
Reserve for price fluctuations	136.2	155.2	+18.9
Deferred tax liabilities	643.3	270.7	(372.6)
Total net assets	3,589.9	2,932.9	(656.9)
Total shareholders' equity	1,029.6	1,129.2	+99.6
Total accumulated other comprehensive income	2,559.4	1,802.6	(756.7)
Net unrealized gains on securities, net of tax	2,528.2	1,840.0	(688.1)
Reserve for land revaluation	(33.4)	(16.4)	+17.0

(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.

# Dai-ichi Life Non-consolidated Summary Financial Statements

By your side, for life

DAI-ICHI LIFE

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

(billions of yen)

	Year ended Mar-15	Year ended Mar-16	Change
Ordinary revenues	4,798.4	4,265.7	(532.6)
Premium and other income	3,266.3	2,866.6	(399.7)
Investment income	1,174.4	1,060.0	(114.4)
Interest and dividends	802.3	802.2	(0.1)
Gains on sale of securities	146.5	211.9	+65.3
Derivative transaction gains	9.4	-	(9.4)
Gains on investments in separate accounts	183.2	-	(183.2)
Other ordinary revenues	357.6	339.1	(18.5)
Ordinary expenses	4,389.7	3,921.5	(468.1)
Benefits and claims	2,718.1	2,681.3	(36.7)
Provision for policy reserves and others	702.8	209.1	(493.7)
Investment expenses	131.2	273.9	+142.7
Losses on sale of securities	24.4	62.4	+38.0
Losses on valuation of securities	0.4	0.8	+0.4
Derivative transaction losses	-	54.1	+54.1
Losses on investments in separate accounts	-	31.5	+31.5
Operating expenses	398.5	404.1	+5.5
Ordinary profit	408.7	344.2	(64.5)
Extraordinary gains	3.0	0.2	(2.7)
Extraordinary losses	27.2	52.2	+25.0
Provision for reserve for policyholder dividends	112.2	97.5	(14.7)
Income before income taxes	272.3	194.7	(77.6)
Total of corporate income taxes	120.1	65.6	(54.5)
Net income	152.1	129.1	(23.0)

## Balance Sheet

(billions of yen)

	As of Mar-15	As of Mar-16	Change
Total assets	36,828.7	35,894.9	(933.8)
Cash, deposits and call loans	1,018.7	645.2	(373.4)
Monetary claims bought	259.7	233.2	(26.5)
Securities	30,673.3	30,250.1	(423.2)
Loans	3,029.2	2,826.0	(203.2)
Tangible fixed assets	1,203.2	1,164.1	(39.1)
Total liabilities	33,277.4	32,791.7	(485.6)
Policy reserves and others	30,449.6	30,635.2	+185.5
Policy reserves	29,840.9	29,984.2	+143.2
Contingency reserve	558.0	576.0	+18.0
Reserve for employees' retirement benefits	389.4	377.9	(11.5)
Reserve for price fluctuations	132.4	148.4	+16.0
Deferred tax liabilities	413.8	138.6	(275.1)
Total net assets	3,551.3	3,103.1	(448.1)
Total shareholders' equity	1,107.3	1,175.5	+68.2
Total of valuation and translation adjustments	2,443.2	1,926.6	(516.5)
Net unrealized gains (losses) on securities, net of tax	2,488.6	1,946.9	(541.7)
Reserve for land revaluation	(33.4)	(16.4)	+17.0

(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.

# Dai-ichi Frontier Life

## Summary Financial Statements

By your side, for life

DAI-ICHI LIFE

### Statement of Earnings

(billions of yen)

	Year ended Mar-15	Year ended Mar-16	Change
Ordinary revenues	2,157.5	1,967.5	(190.0)
Premium and other income	1,899.7	1,873.0	(26.7)
Investment income	257.7	94.5	(163.2)
Ordinary expenses	2,177.3	1,937.9	(239.4)
Benefits and claims	496.2	495.7	(0.4)
Provision for policy reserves and others	1,523.2	1,136.5	(386.7)
Investment expenses	52.0	197.1	+145.0
Operating expenses	95.2	97.2	+2.0
Ordinary profit (loss)	(19.7)	29.6	+49.4
Extraordinary gains (losses)	(2.1)	(2.9)	(0.8)
Income (loss) before income taxes	(21.9)	26.6	+48.5
Total of corporate income taxes	0.0	2.3	+2.3
Net income (loss)	(21.9)	24.3	+46.2

### Balance Sheet

(billions of yen)

	As of Mar-15	As of Mar-16	Change
Total assets	4,937.2	6,132.2	+1,195.0
Cash, deposits and call loans	81.3	118.4	+37.1
Securities	4,715.4	5,836.5	+1,121.1
Total liabilities	4,879.8	6,046.3	+1,166.5
Policy reserves and others	4,811.6	5,948.1	+1,136.5
Policy reserves	4,807.0	5,941.1	+1,134.0
Contingency reserve	120.3	114.6	(5.6)
Total net assets	57.4	85.9	+28.5
Total shareholders' equity	18.4	42.7	+24.3
Capital stock	117.5	117.5	-
Capital surplus	67.5	67.5	-
Retained earnings	(166.5)	(142.2)	+24.3

# Protective Life

## Summary Financial Statements

By your side, for life

DAI-ICHI LIFE

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

(millions of USD)

	11 months ended Dec-15
Ordinary revenues	6,784
Premium and other income	4,689
Investment income	1,701
Other ordinary revenues	393
Ordinary expenses	6,384
Benefits and claims	4,020
Provision for policy reserves and others	1,031
Investment expenses	440
Operating expenses	692
Other ordinary expenses	200
Ordinary profit	399
Total of corporate income taxes	131
Net income	268

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

(millions of USD)

	As of 1-Feb-2015	As of Dec-15	Change
Total assets	70,966	68,493	(2,473)
Cash and deposits	463	397	(65)
Securities	53,287	50,843	(2,443)
Loans	7,333	7,360	+27
Tangible fixed assets	111	113	+2
Intangible fixed assets	2,712	2,663	(49)
Goodwill	735	732	(3)
Other intangible fixed assets	1,959	1,915	(44)
Reinsurance receivable	202	165	(36)
Total liabilities	65,412	63,912	(1,500)
Policy reserves and others	58,844	57,893	(950)
Reinsurance payables	252	244	(8)
Bonds payable	2,311	2,238	(73)
Other liabilities	2,338	2,409	+71
Total net assets	5,554	4,581	(972)
Total shareholders' equity	5,554	5,822	+268
Total accumulated other comprehensive income	-	(1,241)	(1,241)

(1) Disclosed after re-classifying items from Protective Life's financial statements under U.S. accounting standards to conform to Dai-ichi Life's disclosure standards.

(2) The fiscal year of Protective Life ends on December 31. Protective Life was acquired effective February 1, 2015 and is reported on a one quarter lag.

# TAL

## Summary Financial Statements

By your side, for life

DAI-ICHI LIFE

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

(millions of AUD)

	Year ended Mar-15	Year ended Mar-16	Change
Ordinary revenues	3,166	3,231	+64
Premium and other income	2,745	3,020	+275
Investment income	334	31	(303)
Other ordinary revenues	86	179	+93
Ordinary expenses	2,982	3,079	+96
Benefits and claims	1,808	1,949	+141
Provision for policy reserves and others	447	312	(134)
Investment expenses	38	72	+33
Operating expenses	579	636	+56
Other ordinary expenses	109	108	(0)
Ordinary profit	184	152	(31)
Total of corporate income taxes	52	32	(19)
Net income	131	119	(11)
Underlying profit	146	168	+22

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

(millions of AUD)

	As of Mar-15	As of Mar-16	Change
Total assets	6,674	7,043	+369
Cash and deposits	924	1,358	+433
Securities	3,070	2,859	(211)
Tangible fixed assets	1	0	(0)
Intangible fixed assets	1,235	1,207	(28)
Goodwill	786	786	-
Other intangible fixed assets	449	420	(28)
Reinsurance receivable	116	148	+31
Other assets	1,326	1,470	+143
Total liabilities	4,641	4,890	+249
Policy reserves and others	3,340	3,491	+150
Reinsurance payables	335	332	(2)
Other liabilities	859	978	+118
Deferred tax liabilities	106	89	(16)
Total net assets	2,033	2,152	+119
Total shareholders' equity	2,033	2,152	+119
Capital stock	1,630	1,630	-
Retained earnings	402	522	+119

(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.

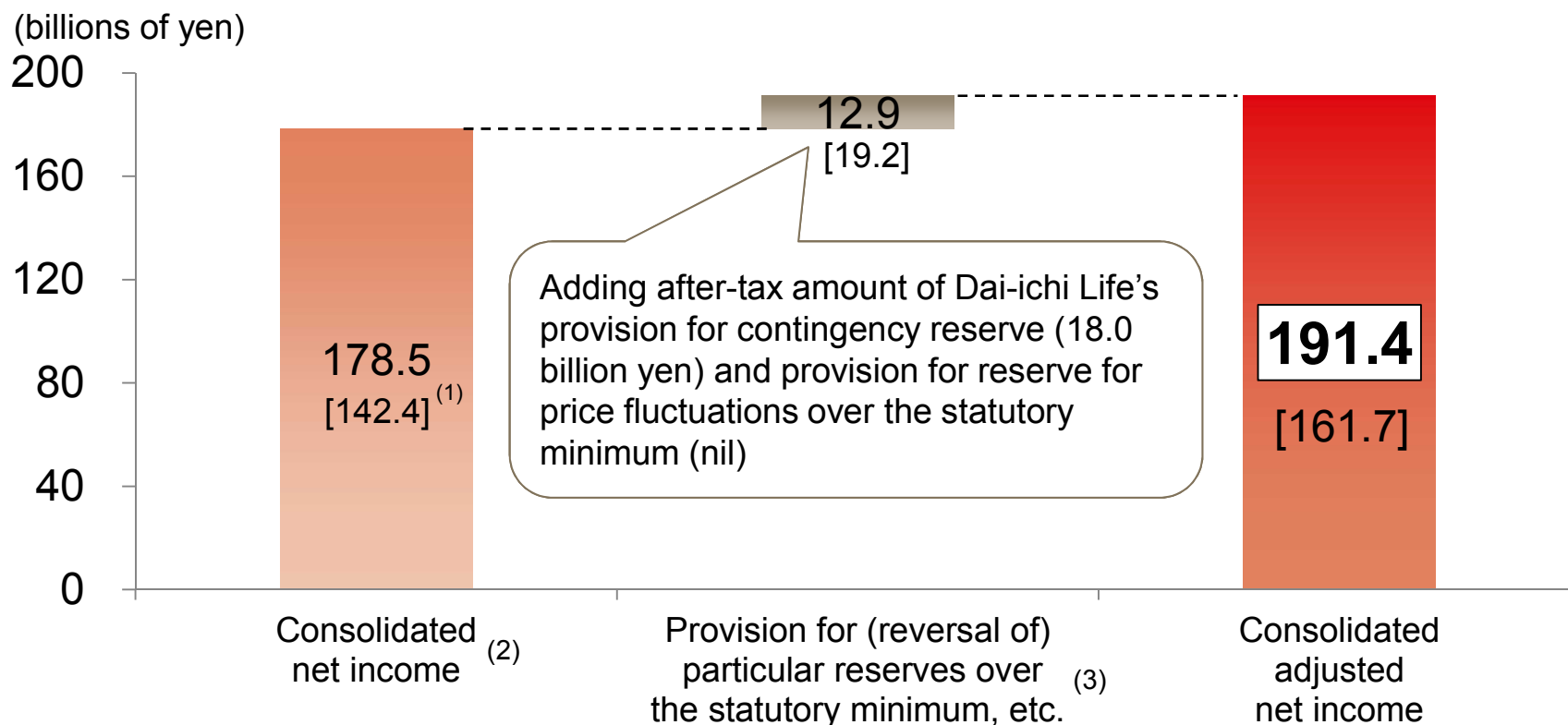


## Reconciliation of Adjusted Net Income

By your side, for life

DAI-ICHI LIFE

- Dai-ichi Life Group defines “Adjusted net income (ANI)” as an indicator which represents the Group’s real profitability. As it ties to shareholders’ profit, we set ANI targets under our medium-term management plan.
- ANI for the year ended March 31, 2016 amounted to 191.4 billion yen, a significant increase from 161.7 billion yen for the previous year.



(1) Figures in [] are for previous comparable period.

(2) Figures of “Consolidated Net Income” represent those of “Net income attributable to shareholders of parent company”.

(3) Adjusted net income is calculated by adding (subtracting) provision for (reversal of) reserves that are classified as liabilities such as reserve for price fluctuations and contingency reserve, over the statutory minimum, to consolidated net income (after-tax, based on 27.92% (for the year ended Mar-16) and 28.76% (for the year ended Mar-15) effective tax rate).

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