

# Financial Analyst Meeting for the Year Ended March 2016

May 23, 2016

The Dai-ichi Life Insurance Company, Limited

By your side, for life

DAI-ICHI LIFE

- Good afternoon. I am Seiji Inagaki, Managing Executive Officer of The Dai-ichi Life Insurance Company, Limited. Thank you for taking time to join this analyst meeting for the year ended March 31, 2016.
- Without further ado, let's start the presentation.
- Please turn to page 2.

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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.

- The following three points summarize today's presentation.
- First, we will discuss our financial results. Last year our revenues and net income increased, demonstrating another solid performance. The fifth consecutive year of net income increase was mainly the result of the growth initiatives we undertook, such as at Dai-ichi Frontier Life and Protective Life. We expect further growth in net income for the fiscal year ending March 2017, as well as an increase in dividend per share.
- Second, we announced that we name this fiscal year as the first year of "2nd stage of growth after the Rebirth". In the 2nd stage of growth, we will pursue growth through innovations in product development and investment management through InsTech, external growth through Protective Life's acquisition business, as well as new alliances. We also continue ERM (enterprise risk management) by appropriately allocating resources, taking various factors into account from mid-to-long term perspective.
- Third, we will discuss our governance structure. As announced, we plan to shift to a holding company structure in October 2016. We also plan that the holding company will be a Company with a Board with Audit Committee Structure, in order to further strengthen corporate governance. Further, the holding company will establish two non-mandatory advisory committees of the BOD, namely, a Nominations Advisory Committee and a Remuneration Advisory Committee, each of which will have a majority of outside directors. These committees are to be officially set forth in the Company's Articles of Incorporation.
- Please turn to page 4.

# 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".

- Our consolidated financial results are as shown here.
- As already announced on May 13, consolidated ordinary revenue, ordinary profit and net income increased year-on-year due mainly to contribution from subsidiaries in domestic and overseas markets.
- Please turn to page 5.

# 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	4,796.4	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	3,821.5	(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%)	486.2	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)	406.7	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".

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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 decreased by 12% year-on-year because the Company reduced the assumed rate of return of single premium whole life in light of lower interest rates. Investment income based on fundamental profit for the general account improved, but investment income, including the results of separate accounts, declined by 10% year-on-year. Net income also decreased by 15% year-on-year.
- DFL continued to have favorable sales of insurance products and its premium and other income was nearly equal to the previous year. Its assets increased and its underlying earning capacity has been strengthened. As explained earlier, DFL recorded a lower provision of policy reserves related to market-value-adjustment for interest rate fluctuations, and recorded net income of 24.3 billion yen compared to a net loss in the previous year.
- TAL in Australia increased its premium and other income by 10% year-on-year on an AUD basis. Expanded business in force, together with favorable claims throughout the year, contributed to an improvement in underlying earnings. Net income declined by 9% year-on-year because interest rates were lower but stable during the year, making a smaller impact on its profit and loss statement.
- Please turn to page 6.



- 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)

- I will explain our earnings guidance for the year ending March 31, 2017.
- We forecast a decline in consolidated ordinary revenues because Dai-ichi Life and DFL continue to control sales of savings-type insurance products.
- We expect an increase in consolidated net income mainly because Dai-ichi Life's net profit is expected to increase and a higher contribution from overseas businesses is expected. Protective will make a full year contribution on top of its incremental earnings generated by the acquisition of blocks of business.
- We expect lower net income at DFL mainly because we conservatively forecast its profitability related to GMMB.
- Based on the earnings guidance, we also expect cash dividends per share to increase by 5 yen from 35 yen to 40 yen for the year ending March 31, 2017.
- For your information, details are provided for Dai-ichi Life's forecast with respect to the transition to a holding company structure on page 7.
- Please turn to page 8.

# 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)	(billions of yen)	(billions of yen)	(billions of yen)
<b>Dai-ichi Life's forecast</b> for the year ending March 31, 2017	<b>Dai-ichi Life (current) &lt;1&gt;</b> From April 1, 2016 to September 30, 2016	<b>Dai-ichi Life (new) &lt;4&gt;</b> From October 1, 2016 to March 31, 2017	<b>Dai-ichi Life Holdings &lt;3&gt;</b> From October 1, 2016 to March 31, 2017
Ordinary revenues	3,796	1,929	18
Ordinary profit	324	166	12
Net income	133	68	12



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.

- I will describe our group's embedded value as of March 31, 2016.
- The latest EEV reflects a change in valuation model. The Company understands that ultimate forward rate (UFR) is widely adopted as an international standard, and decided to use UFR to extrapolate ultra-long yen interest rates. Please see page 14 for details. EEV for the previous year is shown after revaluation using UFR.
- Compared to March 31, 2015, our Group EEV decreased to approximately 4,600 billion yen due mainly to lower interest rates in Japan.
- Please turn to page 9.

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)	116.8	(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
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 of Dai-ichi Life on a non-consolidated basis also decreased due to lower interest rates.
- Although the value of in-force business became negative, this does not mean that our future profit will be affected.
- Because Dai-ichi Life has successfully extended its asset duration based on sound ALM, low interest rates benefitted its adjusted net worth due to an increase in unrealized gains on bonds. To understand the impact of interest rate movements in a better way, a reclassification of EEV components is shown on the right. The chart on the bottom is the trend of reclassified EEV.
- The second item in the chart, namely “VIF plus unrealized gains on yen-denominated fixed income assets”, is the projected future profit. We recognize that it is important that this item stays positive.
- Please turn to page 10.

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 for each Group company is shown on this page and the next page. All the subsidiaries of the Company increased their EEV.
- Please turn to page 12.

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.

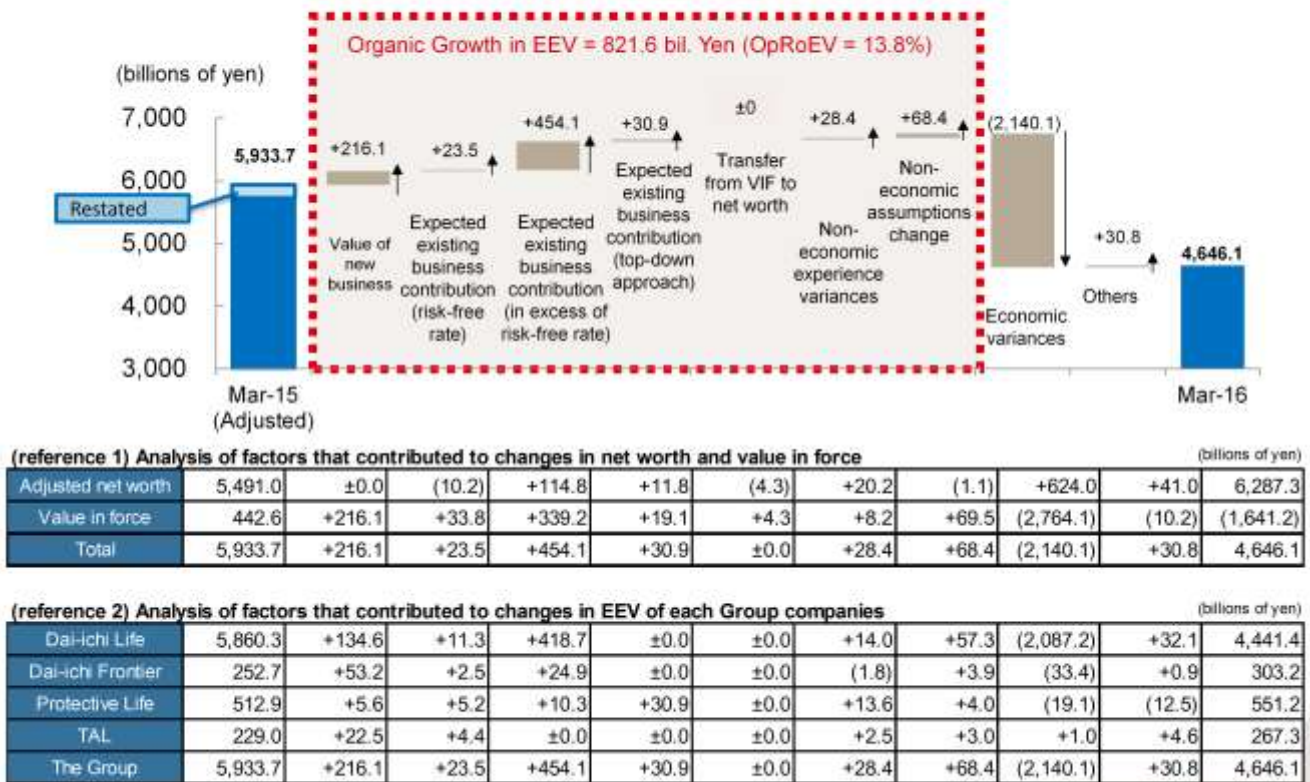
- However, please note that the above trial calculation is not based on an established method or generally used. Further, it does not imply that EEV should have increased in the same manner as VIF increased.



# Movement Analysis of the Group's EEV

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

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- This slide provides an analysis of changes in the Group's embedded value since the previous fiscal year end. For Adjusted EV, the value of new business contributed approx. 220 billion yen and the expected existing business contribution added approx. 510 billion yen.
- Items from "value of new business" through "non-economic assumptions change", amounting to approximately 820 billion yen in total, were attributable to our management's actions and accordingly can be regarded as organic growth. The organic growth rate, or operating RoEV, was 13.8%. "Economic variances" was approx. negative 2,140 billion yen.
- 'Others' includes the impact of a reduced corporate tax rate.
- The change in Group EEV was attributable to a decrease in interest rates (approx. 1,230 billion yen), and in stock prices (approx. 330 billion yen).
- Please turn to page 13.



# 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.

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- I will explain the change in value of new business (VNB).
- VNB for the Group decreased by approx. 70 billion yen year-on-year to approx. 220 billion yen. The new business margin deteriorated by 1.61 points to 3.92%.
- The decrease in Dai-ichi Life and DFL's VNB was mainly attributable to lower interest rates. TAL's VNB increased because TAL became the insurance provider to one of the biggest superannuation funds in Australia.
- Now our President, Koichiro Watanabe, will talk to you about the strategy update of our medium-term management plan 'D-Ambitious' and our future strategic direction.

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

- 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.

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

- We have changed the extrapolation method beyond the last liquid data point of Japanese interest rates, from a method taking into account the yield curve of Japanese swap rates to a method using an ultimate forward rate, in order to avoid excessive instability in the valuation of ultra-long insurance liabilities.
- For Japanese yen risk-free rates (forward rates), the ultimate forward rate is set at 3.5% and the last liquid data point is set at the 30th year. Beyond the 30th year, we extrapolate the yield curve to the ultimate forward rate over a convergence period of 30 years by using the Smith-Wilson method. We set these parameters based on the developing ICS discussions.
- Please refer to “Disclosure of European Embedded Value as of March 2016” released on May 19, 2016 for details.

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



Strategy update

By your side, for life

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- This is Watanabe. Thank you again for attending the meeting today.
- Today, I would like to discuss our strategies under our plan. Before that, I would like to quickly review a few key performance indicators.
- Please turn to page 16.

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

(Billions of Yen)



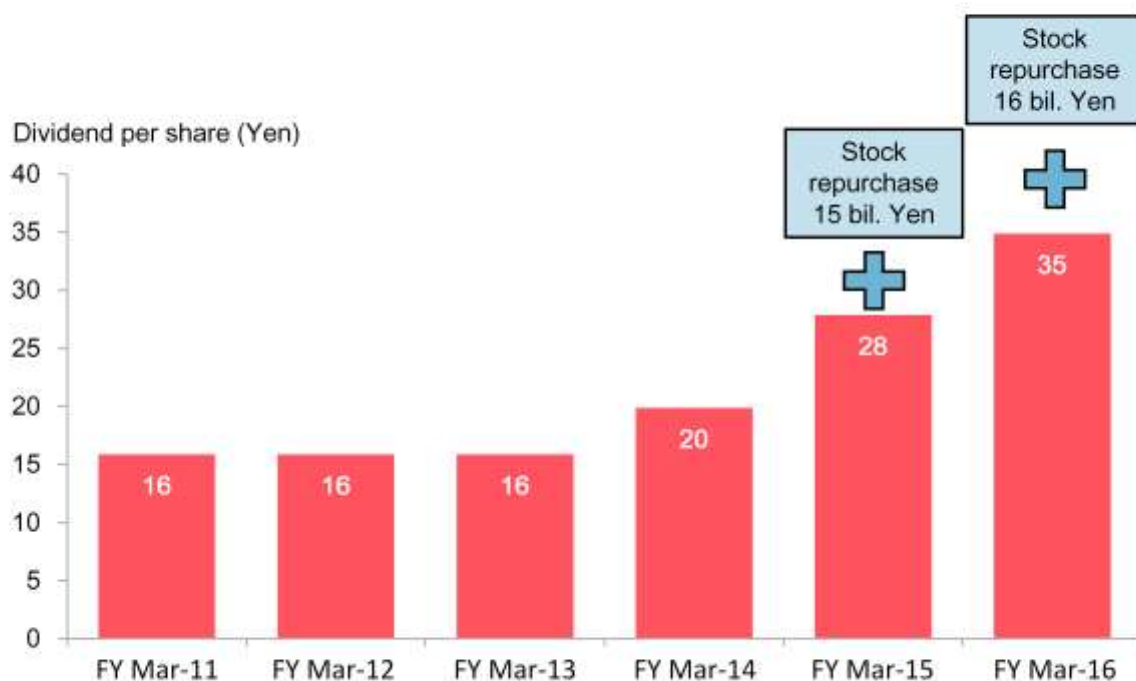
Nikkei 225	9,852	9,962	12,244	14,694	19,197	16,897
10yr. JGB	1.25	0.98	0.56	0.64	0.40	-0.05
JPY/USD	83.15	82.19	94.05	102.92	120.17	112.68

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

16

- This shows the trend in consolidated adjusted net income.
- We experienced adverse economic conditions, such as decreasing interest rates last year, however we were able to mark the 5<sup>th</sup> consecutive year of record high net income since our IPO.
- One major contributor to the increased net income was our overseas business, which doubled its net income compared the previous year. By acquiring Protective Life, we were able to diversify our portfolio both in terms of business and geographic spread.
- Please turn to page 17.

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

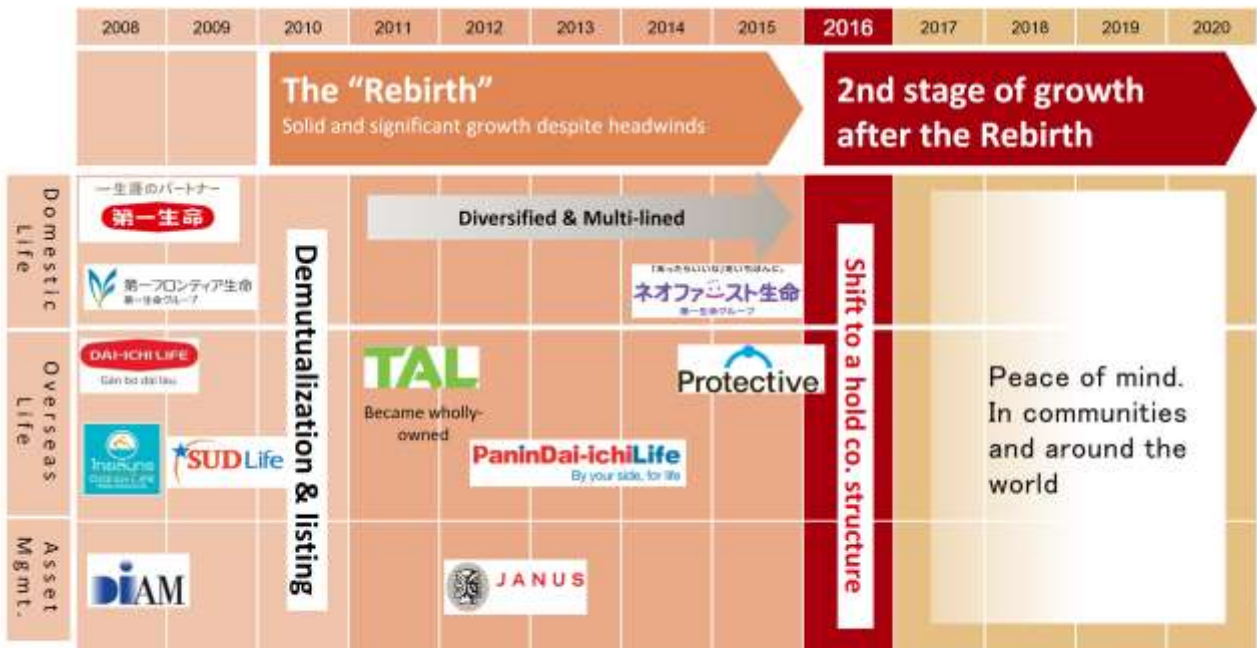


- We are improving payout to shareholders in light of the increased net income.
- We proposed another increase in cash dividends for the fiscal year ended March 31, 2016, subject to approval at the general meeting of shareholders. Combined with a stock repurchase of up to 16 billion yen, total payout is also expected to increase.
- We forecast a further increase in cash dividends for the fiscal year ending March 31, 2017. It is pertinent to note that the increase in dividend is a firm evidence of our solid foundation.
- Please turn to page 18.



## 2nd stage of growth after the Rebirth

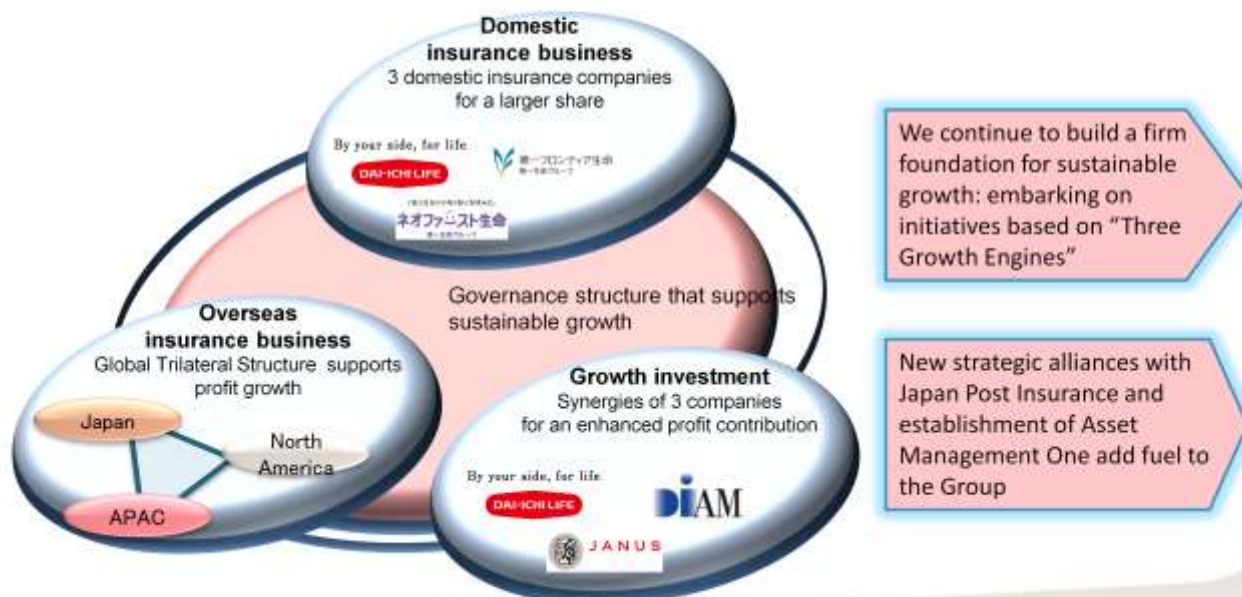
- The shift to a holding company structure adds momentum for our growth initiatives.
- We are setting this fiscal year as the start of “the 2nd stage of growth after the Rebirth”



18

- Now I would like to explain to you the proposed shift to a holding company structure.
- Since the Rebirth, or our demutualization and listing in 2010, we were able to get back to a growth trajectory and have a well-diversified and a multi-lined business portfolio.
- The purpose of the shift to a holding company structure is to further accelerate the Group's growth.
- Therefore we named the shift as “the 2nd stage of growth after the Rebirth” to pursue our group vision of “Peace of mind, In communities and around the world”
- Please turn to page 19.

- 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.





- Despite the severe external environment, we continue with our growth strategies through the “Three Growth Engines”.
- Our strategic initiatives, supported by a well-diversified business foundation, will enable us to demonstrate our predominance.
- Each group company shall leverage its strength and implement the growth strategies, but also seek to create innovations through InsTech and take advantage of new alliances, such as the alliance with Japan Post Insurance, to further evolve our growth initiatives.
- Please turn to page 20.

# Domestic Life Business (i): Three Brands

By your side, for life

DAI-ICHI LIFE

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

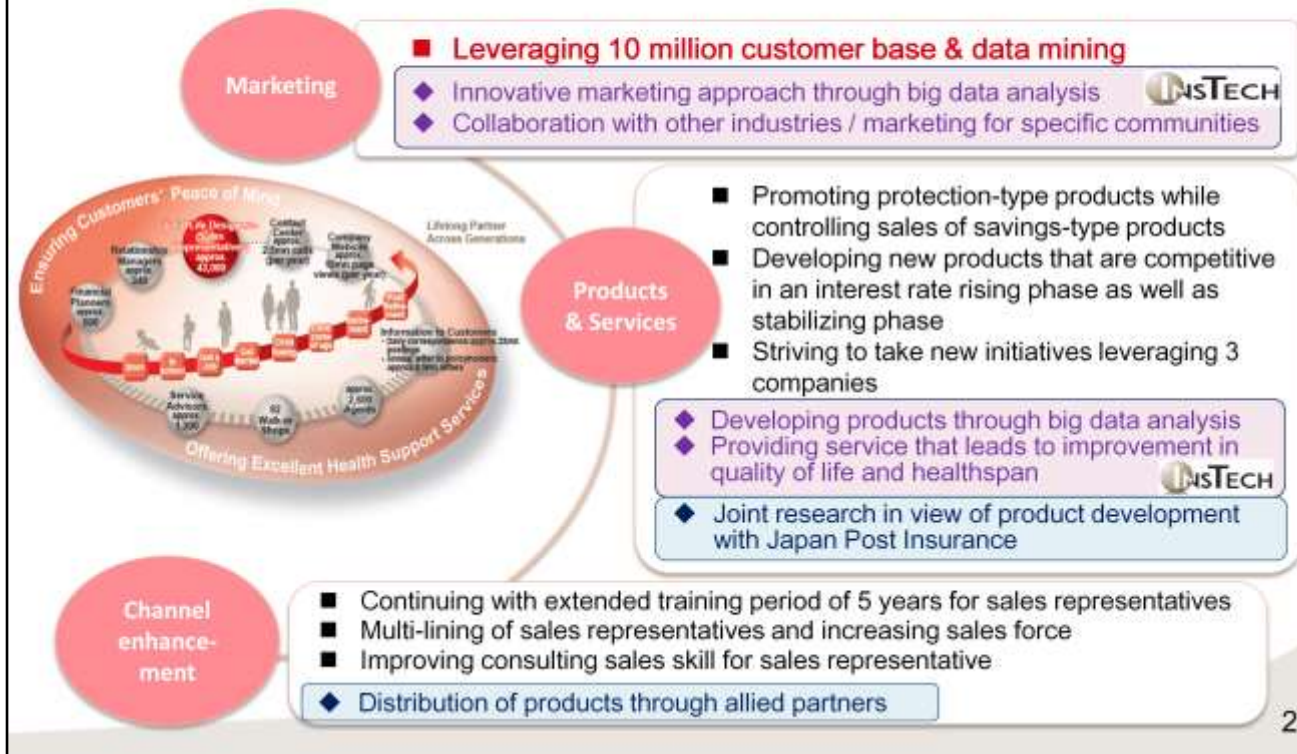
Customer characteristics	Prefers consulting for services with high value added			1) tends to compare products, 2) prefers simple products and procedures, and 3) active in seeking information		
Distribution channels	Sales representatives	Agents	Bancassurance (single premium) (savings-type)	Bancassurance (level premium) (protection-type)	Walk-in insurance shops etc.	Direct, internet, leaflet, direct mails etc.
Products	Relatively comprehensive products			Relatively simple products		
Main Players	Major players	P&C and foreign players	Bancassurance specialists and major players	Foreign & P&C insurers	Foreign, P&C & other new players	Internet & Foreign players/ Mutual associations
Dai-ichi Life Group's presence	By your side, for life DAI-ICHI LIFE		 Dai-ichi Frontier Life	 Neofirst Life		Eyeing the possibility for entry
Market Maturity and Size	Mature Large-size	Relatively mature Medium-size		Immature Small-size		

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- I will now discuss each growth engine, starting with our domestic insurance business.
- Last year, we were able to launch Neo First Life, and as a result, established three brands in the domestic market.
- Please turn to page 21 for more detail.



- 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.



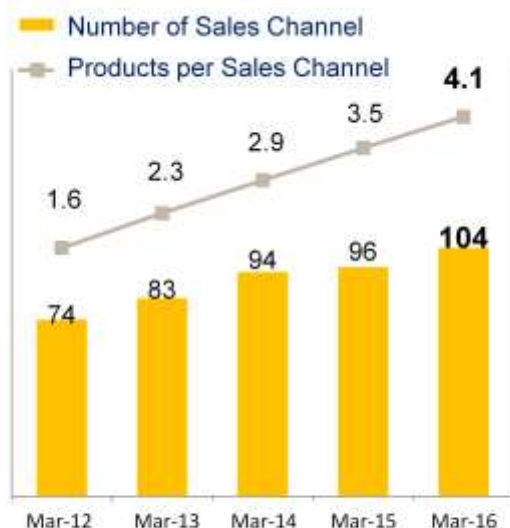
- This slide shows the big picture of our domestic business growth strategy 'By your side, for life With You Project'. In this project, we swiftly accustom ourselves and provide the best products and services through the most suitable distribution channels. As the favorable sales at Dai-ichi Frontier Life indicate, we believe our project is well under way.
- In the product and services area, we promoted protection-type products while controlling sales of savings-type products through a swift and adequate pricing change. To be robust in a scenario where lower interest rates continue, we will remain flexible to ensure adequate pricing assumptions. We will also strive to provide the right products to cater to customer needs gender-wise, age-wise and market-wise. For example, Neo First Life launched a product during the last fiscal year that captures a changing need for medical coverage, in light of patients' widening options for medical care due to technological evolution.
- Going forward, insurance business would experience a significant change with the use of information and communication technology, artificial intelligence and big data. We view this change as an opportunity and will use resources to create innovative products and services through InsTech.
- Further, we will take advantage of new alliances, such as the alliance with Japan Post Insurance, which I will explain later.

- Please turn to page 22.

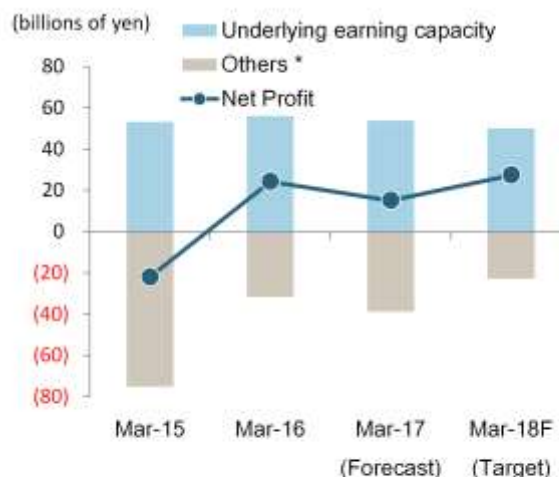


- As a leading bancassurance company, DFL maintained top share in the market<sup>(1)</sup>. Aiming to launch another foreign currency-denominated product in light of the negative interest rate policy, as well as keep focusing on relationship management.
- Aiming for more stabilized bottomline due to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

## Sales Channel



## Accounting Profit

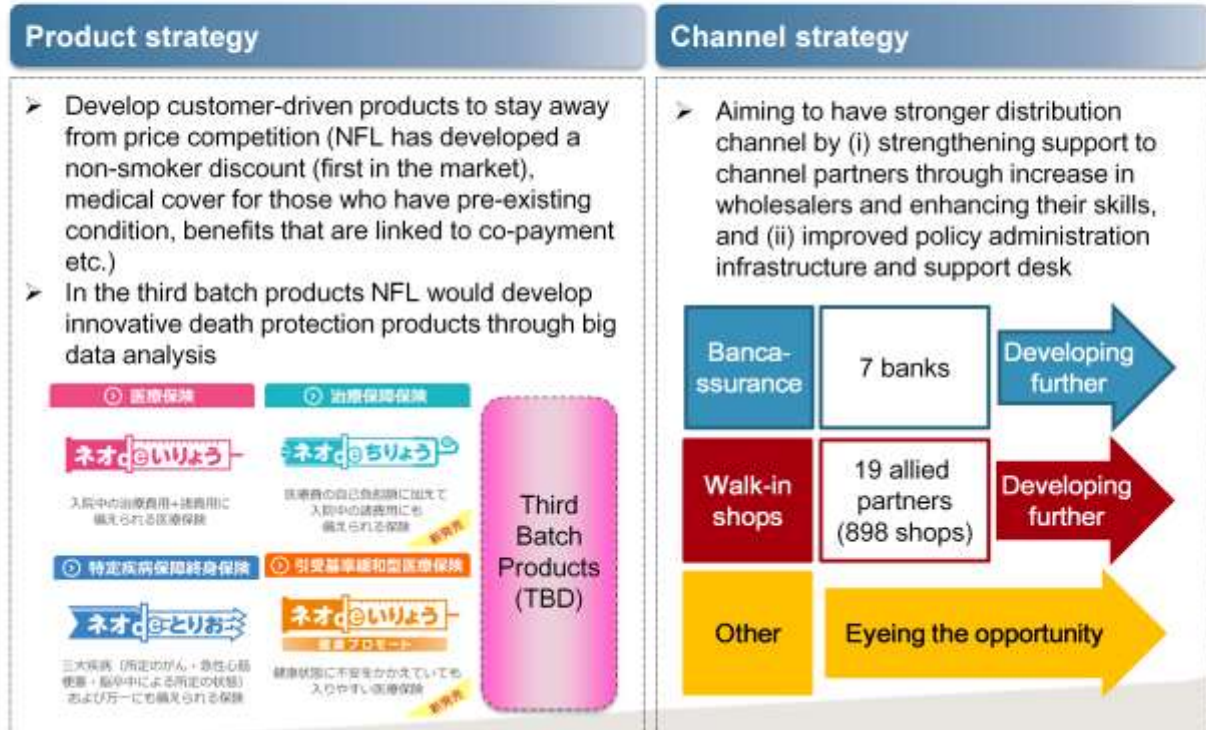


\* Others include accounting treatments such as provision for (or reversal of) policy reserves related to guaranteed minimum maturity benefit (GMMB) risk, policy reserves related to market value adjustment, contingency reserve, and hedge gains (or losses) related to GMMB risk.

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

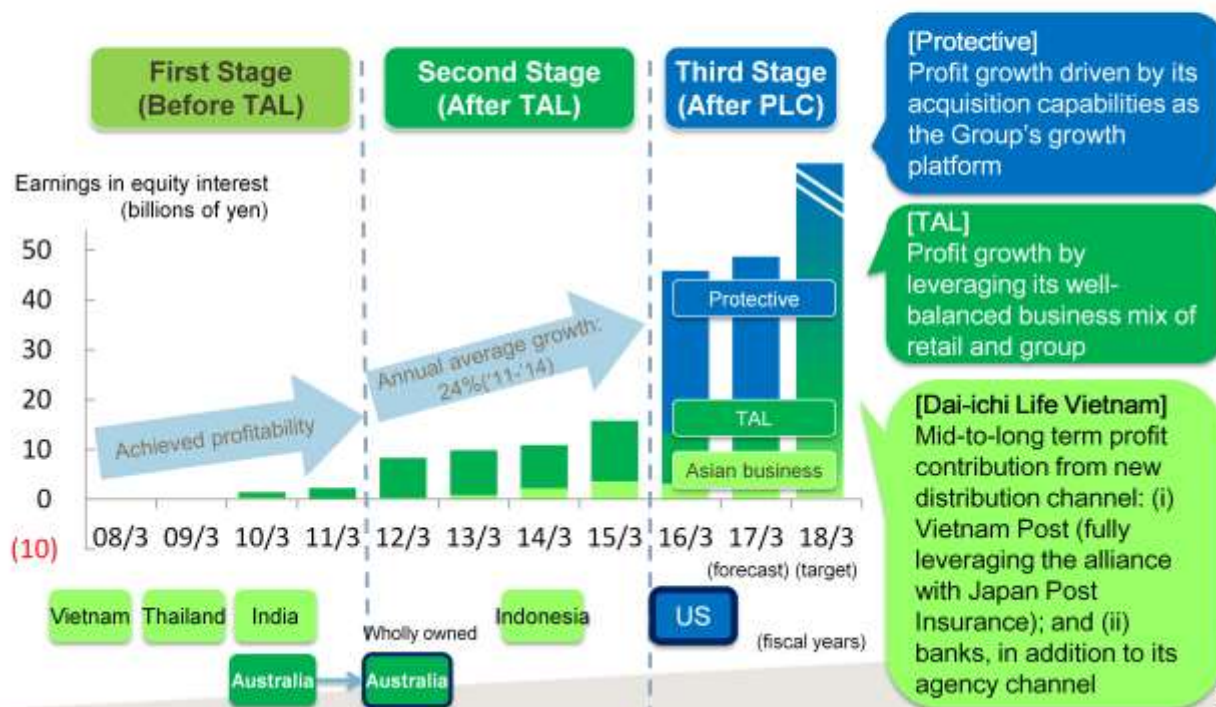
- I will explain the business at Dai-ichi Frontier Life (DFL).
- In spite of the bancassurance market becoming more and more competitive, DFL, as a leading company, again experienced favorable insurance sales last year, maintaining its top share in the market.
- As you can see, the number of sales channels and the number of products offered per sales channel are increasing, as a result of DFL's good relationship with channel partners and its customer-centric product development.
- As you can see on the right, DFL was able to mark its first profitable year. Going forward, DFL plans to generate a stable profit out of its robust in-force policy base, by adequately controlling risks as well as adding new policies.
- Please turn to page 23.

- 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.



- Now I will explain the business at Neo First Life (NFL).
- During its 9 months of operation since its inauguration last August, NFL has already launched 4 products and entered into distribution tie-ups with many channel partners.
- Now that NFL's infrastructure, including human resources, is ready to process a greater number of policies, it aims to get on a growth trajectory by (i) launching innovative products to better capture the needs of customers who like to compare products and (ii) providing strong support to banks and insurance shops.
- Also, NFL strives to create innovative values in products and services through InsTech.
- Please turn to page 24.

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

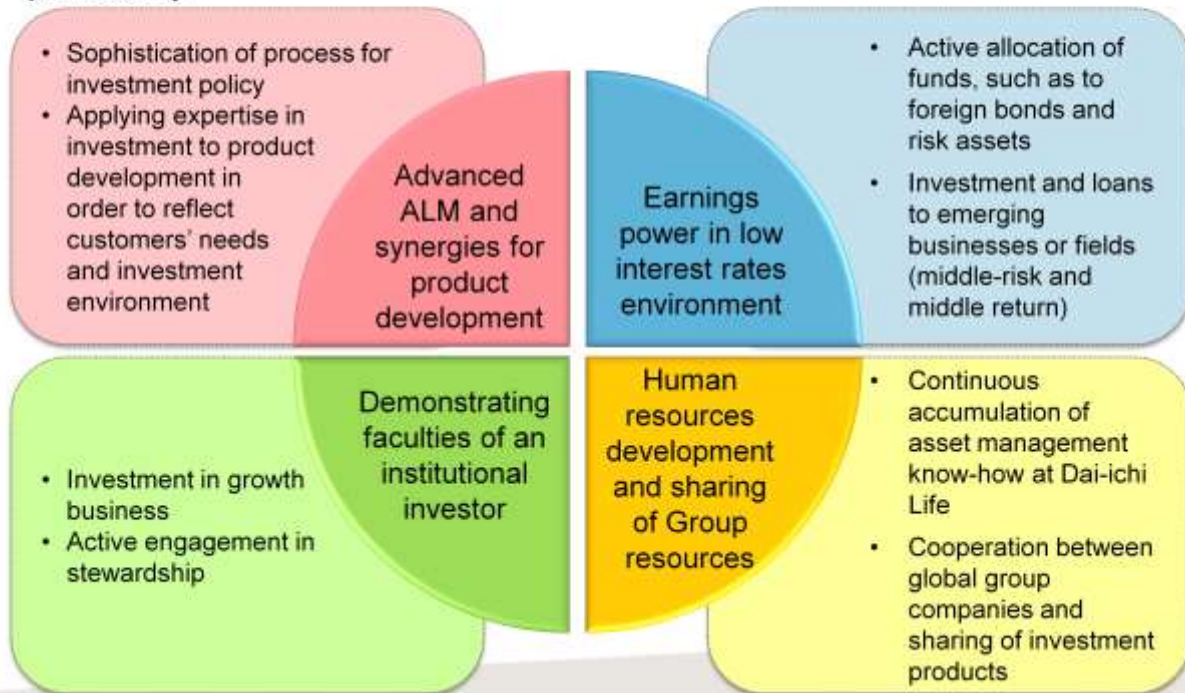


- The second growth engine is our overseas insurance business.
- We aim for further profit growth in the mid-to-long term while striking a balance between developed and emerging markets.
- As I discussed earlier today, profit contribution from overseas insurance business for the fiscal year ended March 31, 2016 significantly increased compared the previous year, due to each operation's steady growth and by acquiring the ownership of Protective Life.
- Going forward, Protective will seek further opportunities for acquisitions. TAL operates flexibly in the changing business climate, leveraging its well-balanced business mix of retail and group insurance. Dai-ichi Life Vietnam strives to increase sales through new distribution channels such as Vietnam Post. As announced, we were able to sign a memorandum regarding trilateral collaboration with Japan Post Insurance and Vietnam Post on April 19, 2016. Dai-ichi Life Vietnam will take advantage of the new alliance and take another step forward.
- Please turn to page 25.



## 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.



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- The third growth engine is our growth investment including the asset management business.
- In an unprecedented negative interest rate environment, we strive to enhance our investment management process based on the belief that stable investment income is essential to create corporate value. We will continue to enhance this initiative.
- In particulars, we will invest in the middle risk and middle return area, including infrastructure fund and project finance for incremental earnings and diversification in order to strengthen our profitability in the current low interest rate environment.
- Please turn to page 26.

## 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



- This slide explains our new asset management company.
- In October 2016, or "the 2nd stage of growth after the Rebirth", DIAM Asset Management will be integrated with 3 Mizuho group companies and renamed as "Asset Management One".
- We believe that the new company will grow faster than DIAM because it is expected to have know-how about investment, product development and sales through the integration of each company's expertise and resources.
- In addition, the new company will aim to acquire investment money globally by maximizing the use of both parent company group networks focusing around Japan, and to be a global asset management company which provides solutions by using its expertise in investment in Japan and Asia.
- Please turn to page 27.



## 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.



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- I will explain the benefit of the new business alliance with Japan Post Insurance.
- The two companies share the vision of cooperating in three business domains or the Three Growth Engines to contribute to the development of local communities.
- We will be launching projects in various business domains starting with projects listed on this slide.
- Please turn to page 28.

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

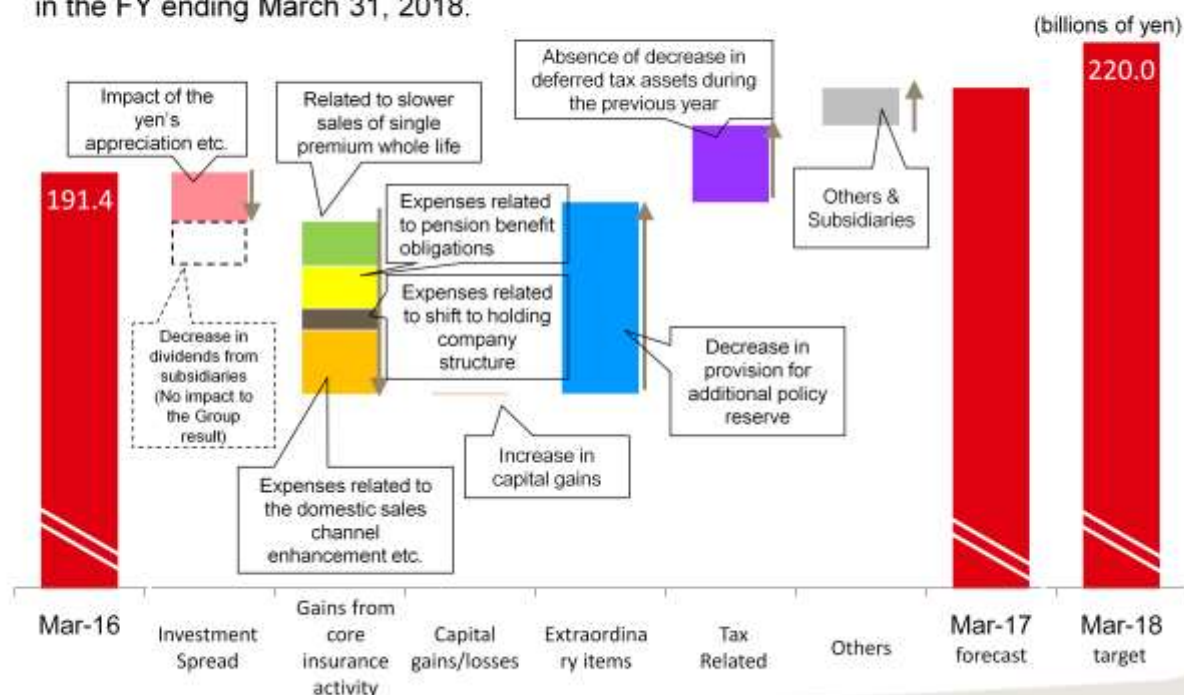
- **Historical juncture** of a public-owned company and a private company (Mr. Tsuneta Yano and Mr. Taizo Ishizaka)
- Both companies **reunite as public listed companies** after more than a century

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- I will explain the significance of the business alliance for the two companies.
- First of all, the alliance marks a significant step for us today, by establishing a broad-based, firm alliance with a partner which possesses strengths in various areas, working together to develop local communities.
- Second, the alliance stems from a long history, starting with the debate even before the establishment of Japan Post Insurance under the Ministry of Communication in 1916 whether a public-owned organization or a private company should run the life insurance business.
- Our founder, Mr. Tsuneta Yano, opted for a private company, and had various discussions with Mr. Hiroshi Shimomura, then Director General at the Ministry of Communications, and developed a mutual understanding as colleagues dedicated themselves to the development of a life insurance business in Japan. Mr. Taizo Ishizaka, who worked as Director at the Ministry, joined Dai-ichi and later became the third President of the Company. Both companies had developed through separate ways, but there have always been crossroads and the alliance after 100 years of history was a necessary result.
- Going forward, both companies share the vision of delivering better products and sophisticated services to customers throughout Japan, thereby contributing to the development of local communities. For Dai-ichi Life, Japan Post Insurance is the best partner to achieve its vision of "Peace of mind, In communities and around the world".
- Please turn to page 29.

## 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.



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- I will explain financial strategy.
- The target for consolidated adjusted net income of 220 billion yen in the fiscal year ending March 31, 2018 is unchanged in light of the initiatives I have explained.
- Although the appreciation of the yen and lower interest rates have some impact on profit of Dai-ichi Life on a non-consolidated basis, we forecast stable accounting profit thanks to positive factors such as a decrease in provision for additional policy reserve.
- Please turn to page 30.



- 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%)



Firm foundation generates solid financial performance

## 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

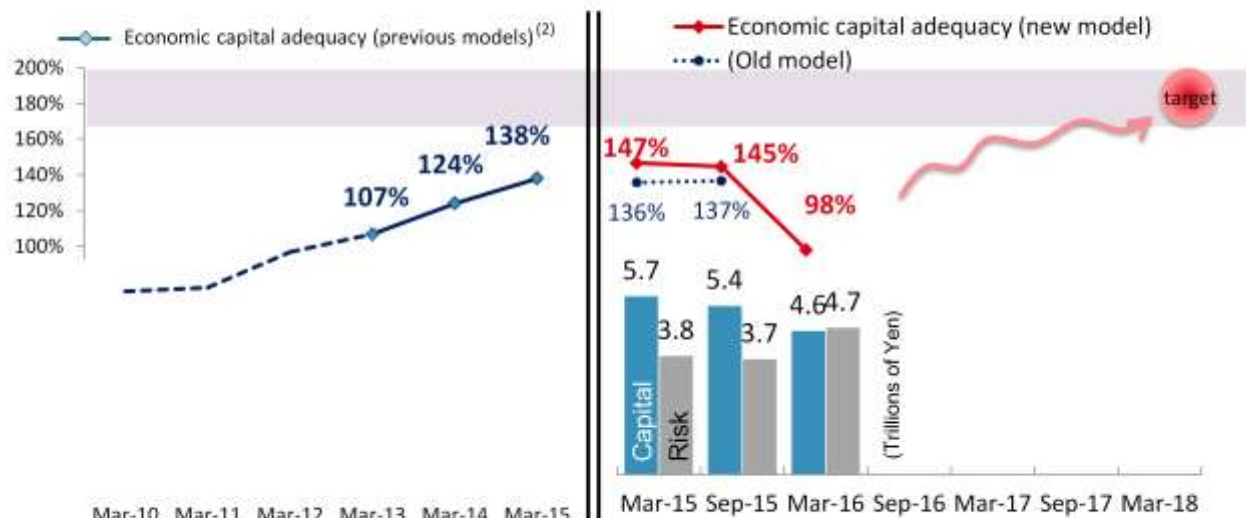
- We continue ERM by taking various factors into account, such as the development of macro-economic conditions and global capital regulations from mid-to-long term perspective.

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- Here I would like to discuss the impact of economic value indicators.
- I'd like to reiterate that we increased net income last year despite adverse economic conditions, demonstrating our firm foundation. We forecast another increase in profit this year because negative interest rate policy has a limited impact on our financial performance in the immediate term.
- In addition, we have no immediate concern over financial soundness under current regulation. Solvency margin ratio at Dai-ichi Life non-consolidated was approximately 900%, far above regulatory minimum of 200%
- On the other hand, economic value indicators such as EV and capital adequacy ratio were impacted. Generally speaking, the contract term for life insurance is long by nature. Therefore, income for a particular year does not reflect real profitability because income is generated over a long period of time. Accordingly, we calculate EV to better understand corporate value by projecting future profit. It is necessary to take into account various sets of assumptions, such as interest rates, among other things. However, risk-free rates that have been recognized as the most objective interest rates have been under pressure for political and temporary reasons. It is very important to determine, in a level-headed manner, whether the forward yield curve that we now see is a highly probable scenario that will materialize over several decades.
- We have been consciously taking actions while sophisticating our internal capital model from time to time in light of economic value capital regulation that has been discussed towards the application in 2020. We will also get in on the discussion with the regulators for formulating new regulation.
- In sum, although we look the low interest rates squarely, from a long-term perspective, yield curve that we now see is a single set of assumptions. If we were entrenched in this assumption and take actions by ignoring the possibility of other scenarios materializing, then such actions might lead to generating other risks that decrease shareholder value.
- Based on such a recognition, we will continue ERM by taking various factors into account, such as the development of the macro economic conditions and global capital regulations from mid-to-long term perspective.
- Please turn to page 31.



- 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.

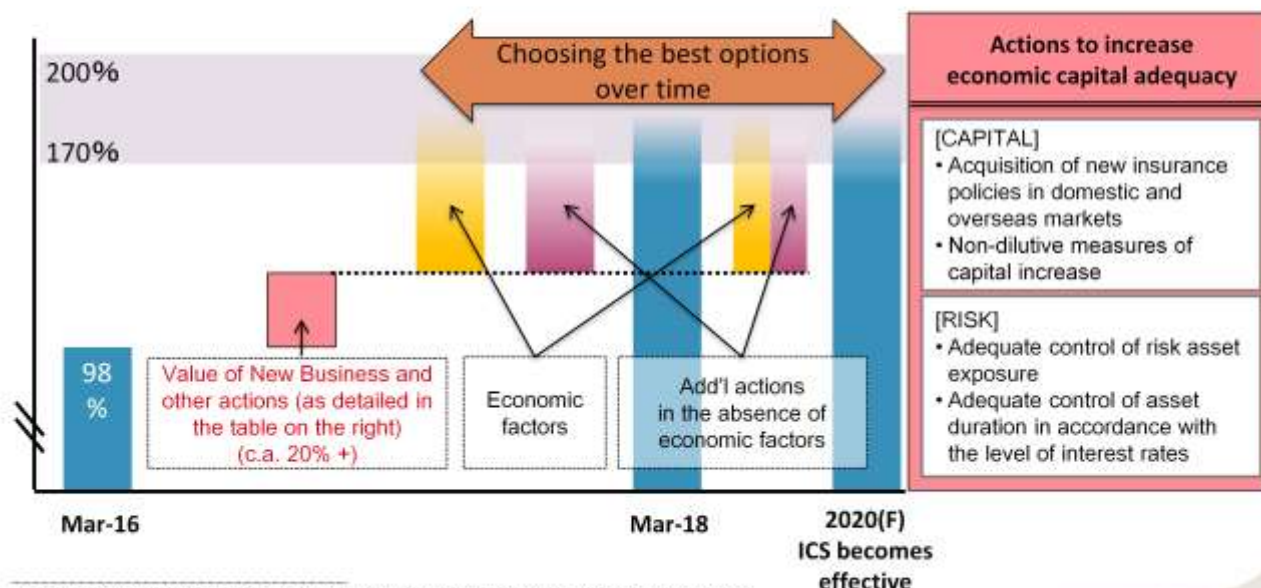


(1) Based on economic value basis, using Dai-ichi Life's internal capital model with a holding period of one year. Group basis, after-tax basis, confidence interval of 99.5%. We have implemented highly sophisticated models in connection with the calculation of capital/risk amounts for economic value 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%.

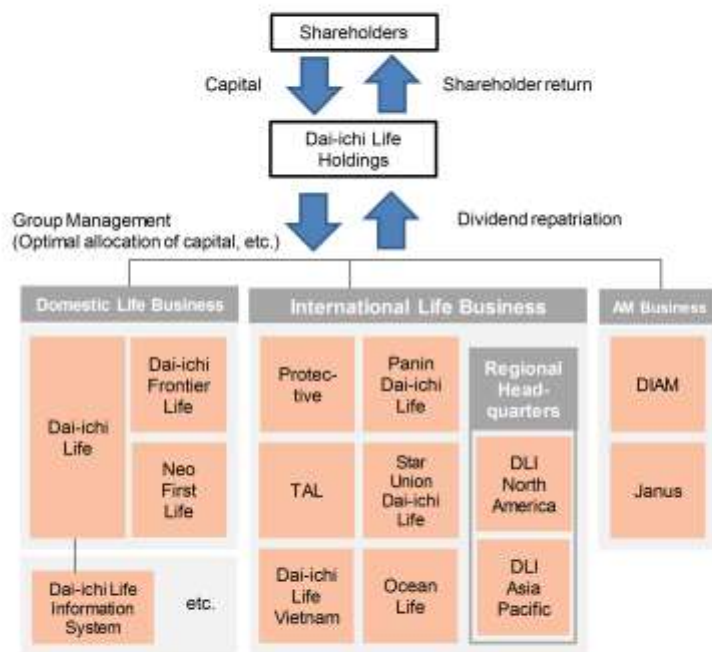
- I will explain our economic capital adequacy as of March 31, 2016. As with the calculation of Embedded Value, valuation of economic capital adequacy also reflects the ultimate forward rate. Previously disclosed figures are re-calculated for your reference.
- On a comparable basis, the amount of capital reflected significantly lower interest rates and the adjustment of global stock markets, and amounted to 4.6 trillion yen. The risk amount also increased due to a higher interest rate risk in light of lower interest rates and amounted to 4.7 trillion yen. Thus the economic capital adequacy decreased to 98% as of March 31, 2016.
- We will make prudent decisions from a mid-to-long term perspective based on our Enterprise Risk Management framework in place.
- Therefore, we keep our target for economic capital adequacy toward the end of March 31, 2018.
- Let me elaborate on this matter. Please turn to page 32.

- 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%

- To achieve the target, in addition to the combined value of new business from Three Growth Engines, we will initiate a number of management actions, including adequate control of risk amount and non-dilutive measures of capital increase that could improve capital adequacy by more than 20 percentage points.
- The current interest rate structure is impacted by monetary policy, and the Company expects some degree of improvement in rates during the two years through March 31, 2018. However, if the current interest rate environment persists, we will come up with additional management actions.
- Our target is scheduled well before the global capital regulation for insurance companies is expected to take effect in 2020. We can make good use of time. Finally, we can discuss the direction of the regulations through communication with the regulators.
- The management of the Company continues to make appropriate choices from options that we have in light of the financial and economic environment.
- Please turn to page 33.



## 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

- The planned shift to a holding company structure continues to make progress as scheduled.
- In April, the Board of Directors resolved that Dai-ichi Life's domestic life insurance business will be succeeded by the Dai-ichi Life Split Preparation Company, and the Company will become a holding company with a new trade name, "Dai-ichi Life Holdings, Inc.", with a new purpose of managing the group's operating companies. Accordingly, the Company concluded an definitive agreement with respect to an absorption-type corporate split and necessary amendments to the Articles of Incorporation, which will be effective on October 1, 2016 subject to the approvals of the annual general meeting of shareholders and regulatory authorities.
- Since 2012 the Company operates Group Management Headquarters (GMH) to facilitate the flexible allocation of capital, or full-fledged ERM. And the GMH also facilitates a governance structure that contributes to swift decision-making for each group company. Starting from day one on October 1, 2016, our Group will be able to operate under the new organization in full throttle. We believe the shift to a holding company structure will benefit our shareholders through growth in corporate value by achieving Group synergies and efficiencies, and by taking advantage of industry consolidation and the ability to take corporate actions with flexibility and agility.
- We will also improve our disclosure standards to show how the holding company structure benefits our shareholders.

- Please turn to page 34.

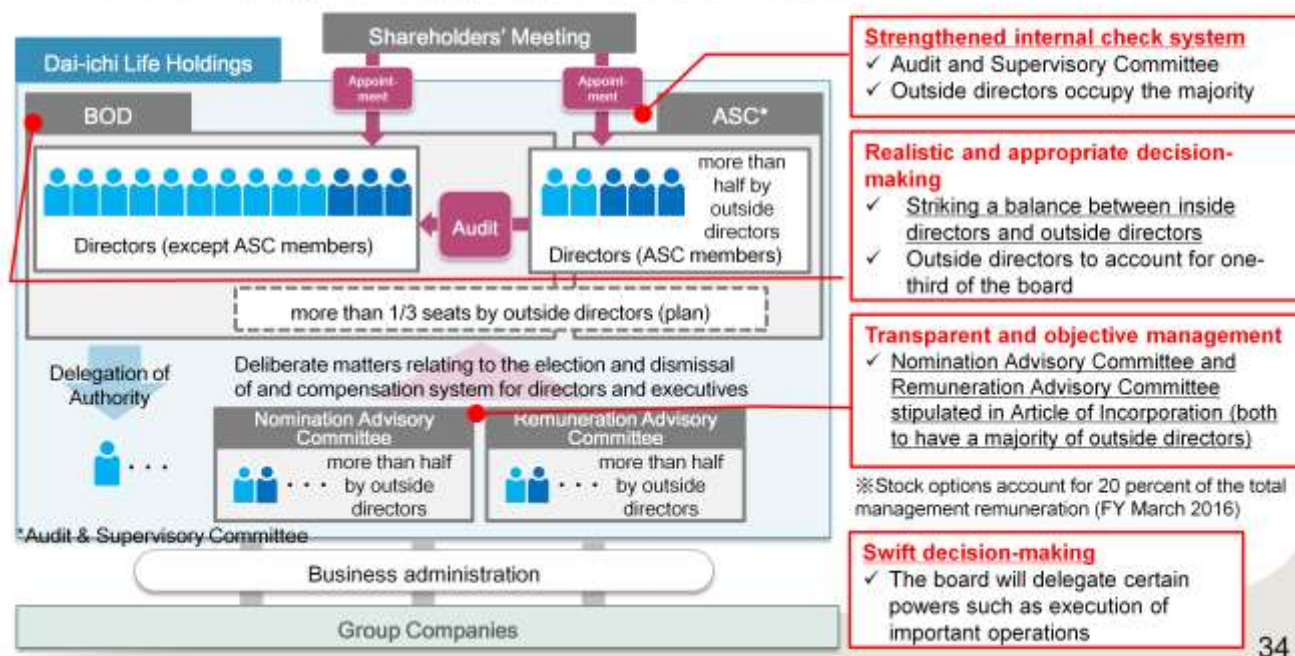


# Benefits of an Audit and Supervisory Committee

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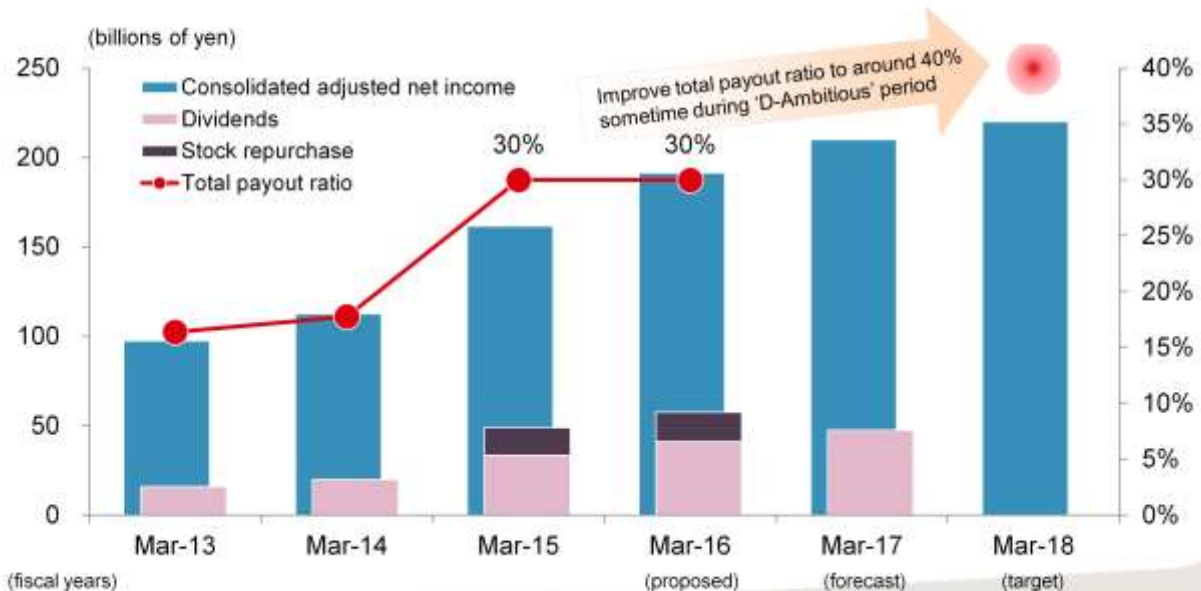
- The Group has evolved into a diversified life insurance group which requires a high degree of professionalism in management. The Board will strike a balance between inside directors who are well versed in the business and outside directors with extensive experience and insight. The Audit & Supervisory 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



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- The Company continues to improve its corporate governance. The Company will shift to a holding company structure with Audit & Supervisory Committee. As announced in the press releases on May 13, the new board of directors will have two more directors, with one third of them outside directors.
- Actually, the Dai-ichi Life Group has become the most diversified organization among Japanese life insurance companies. And since a high level of expertise is required in the management of the life insurance business, the Board of Directors will strike a balance between inside directors, who are familiar with the insurance business, and outside directors with a wide range of experience and expertise. With a majority of outside directors, the Audit and Supervisory Committee will assume robust checks and balances functions.
- In addition, the Articles of Incorporation stipulate the creation of a Nomination Advisory Committee and a Remuneration Advisory Committee, ensuring an incomparable level of transparency of the management.
- Please turn to page 35.

- 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



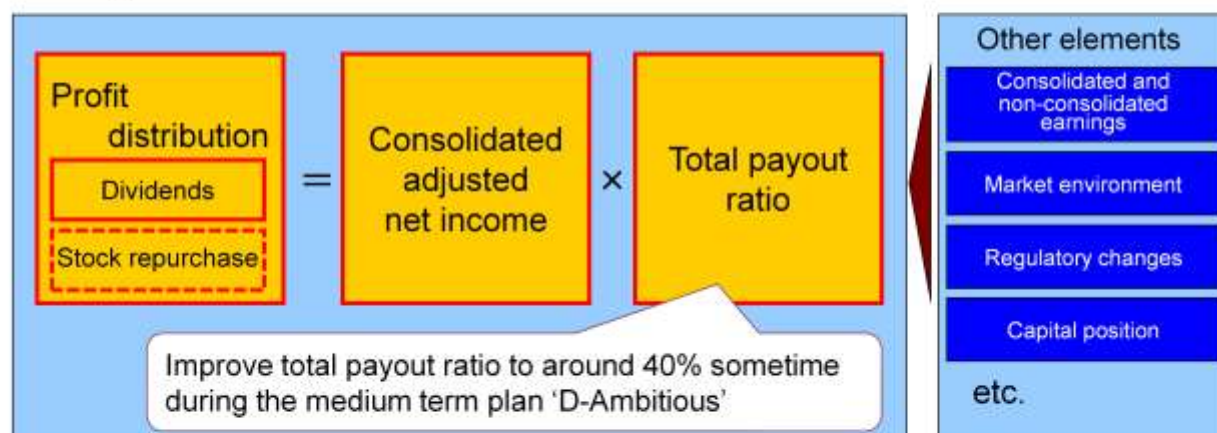
35

- Finally, I'd like to explain our shareholder return policy.
- As I explained at the outset of this presentation, we have increased payout along with our profit growth. We proposed cash dividends of 35 yen per share, an increase of 7 yen, and a stock repurchase of up to 16 billion yen, an increase from 15 billion yen compared to the previous fiscal year. Total payout ratio will be around 30%.
- Our total payout ratio target to pay out around 40% of consolidated adjusted net income sometime during the 'D-Ambitious' period is unchanged. Also, we will strive to increase shareholder returns through profit growth as well.
- This is the end of my presentation.

# Shareholder Return Policy

## [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

By your side, for life

DAI-ICHI LIFE



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

By your side, for life

**DAI-ICHI LIFE**

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

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

※2 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).

※3 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

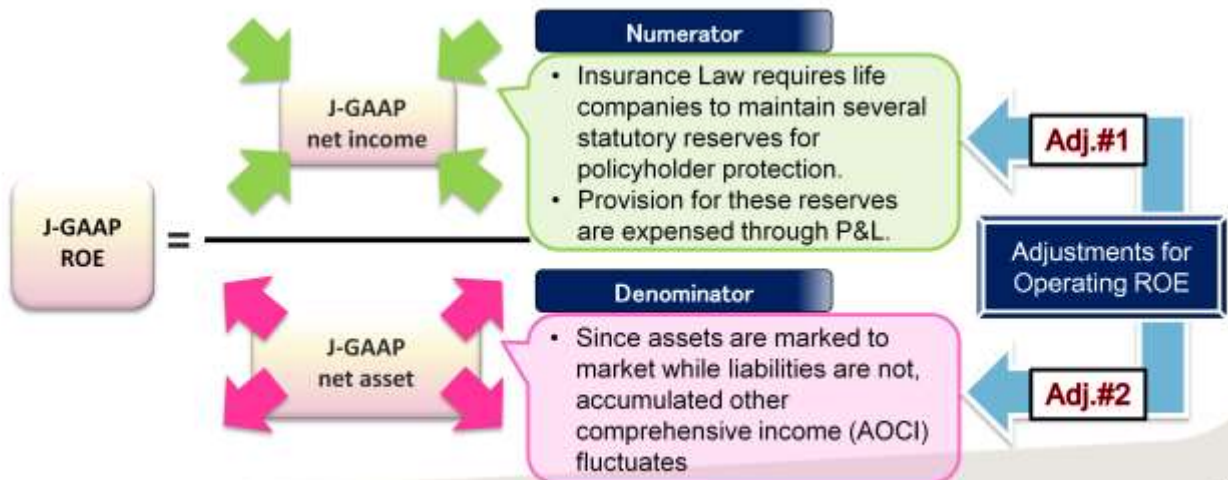
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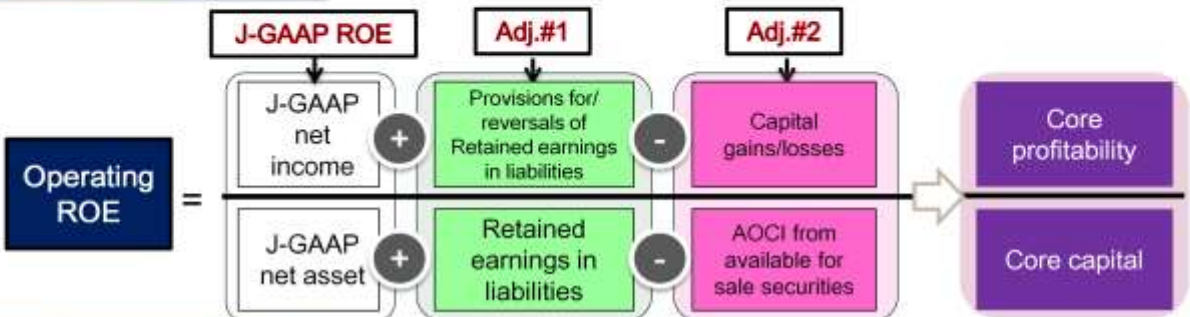
## Our recognition of capital efficiency indicators

- 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.

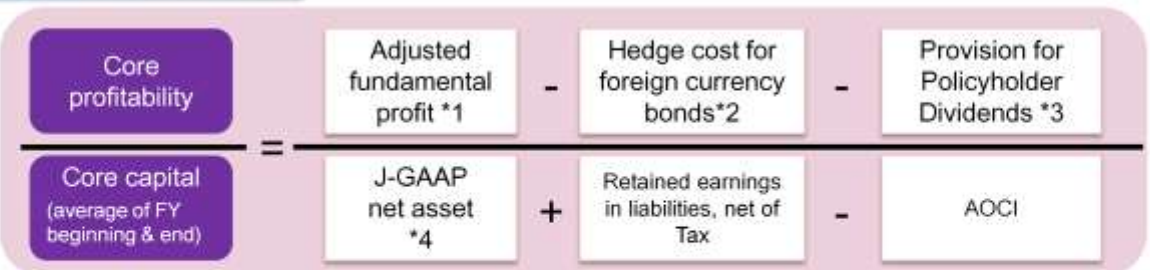
## Issues with J-GAAP ROE



## 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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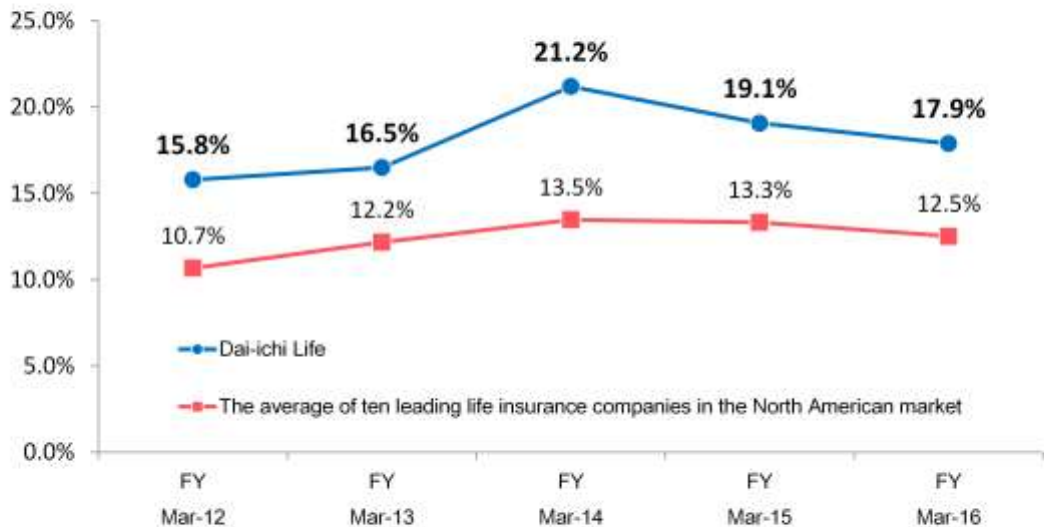
DAI-ICHI LIFE

(billions of yen)

	FY2011	FY2012	FY2013	FY2014	FY2015
<b>Fundamental Profit (Group)</b>	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)
<b>Adjusted Fundamental Profit (Group)</b>	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>	151.9	166.4	237.2	270.1	306.0
<b>Total Net Assets (FY end)</b>	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
<b>Total Net Assets (after above items)</b>	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>	965.9	1,051.7	1,186.4	1,646.1	1,773.3
<b>[DENOMINATOR] Core capital (average of FY beginning &amp; end)</b>	960.0	1,008.8	1,119.0	1,416.2	1,709.7
<b>Operating ROE</b>	15.8%	16.5%	21.2%	19.1%	17.9%

(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 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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## 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

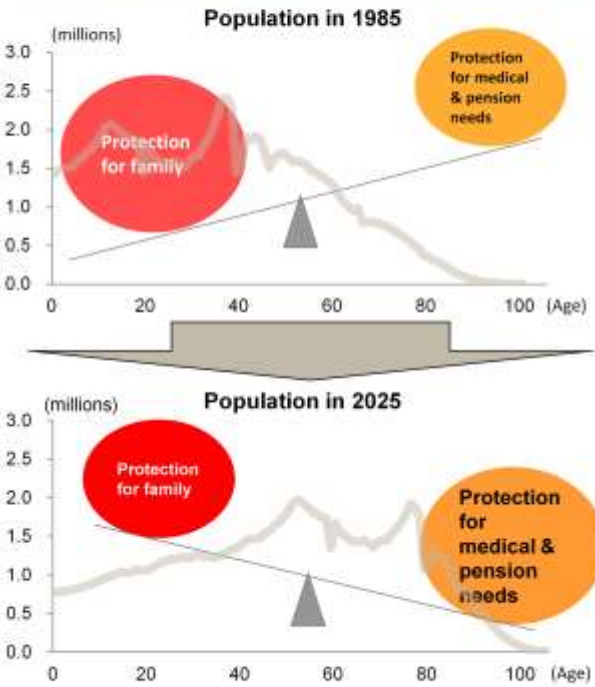
- Operate through DIAM, a leading asset management company in Japan
- Seek domestic and international growth

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



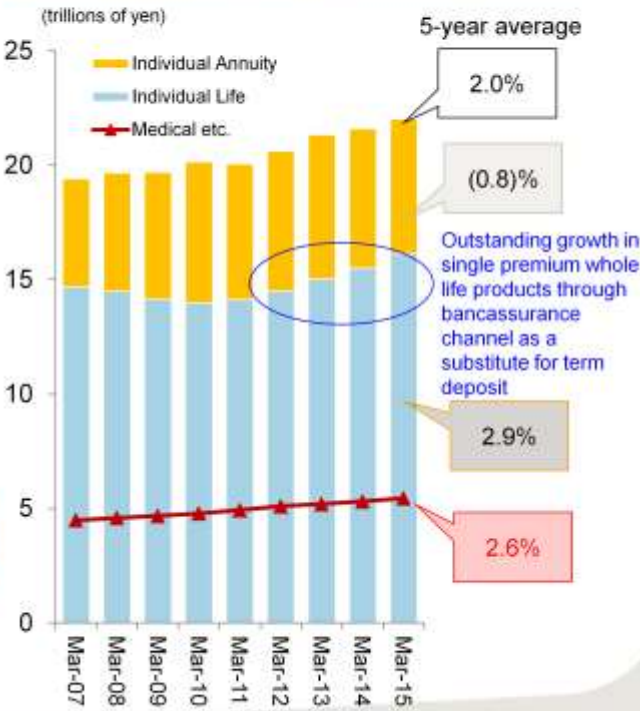
# Life Insurance Industry in Japan Continues to Grow

## Change in Population and Protection Needs



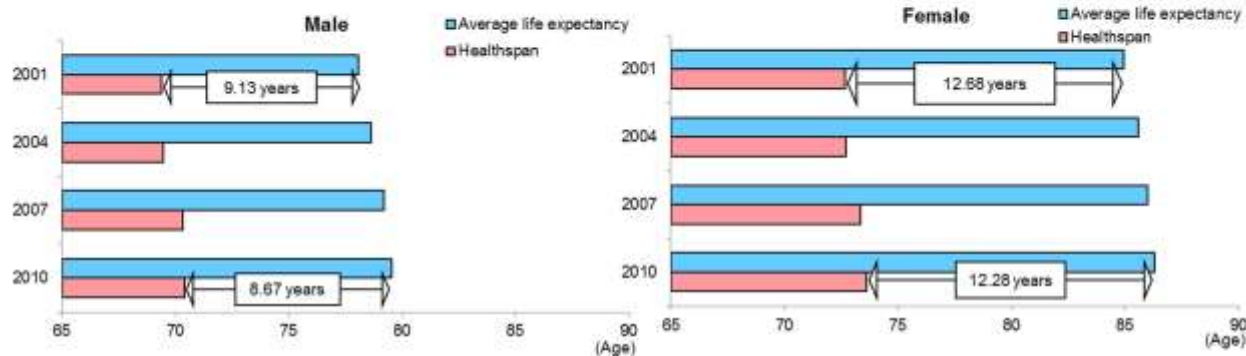
(Source) National Institute of Population and Social Security Research

## In-force ANP of Japanese Life Companies



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

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

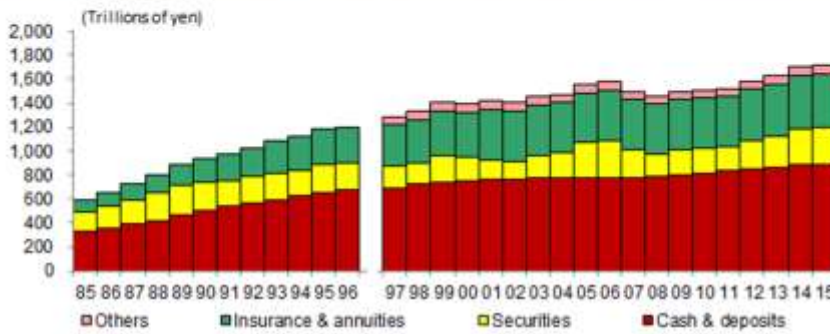


## Copayment is on the rise under the national healthcare system

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%

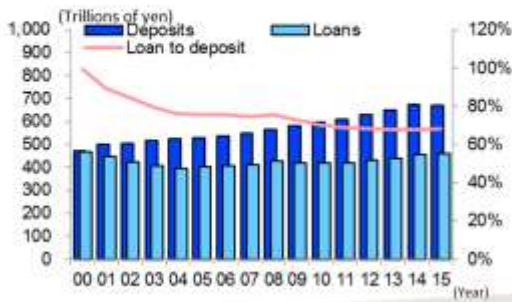
(1) Applied to patients as they become 70 years old after April 2014

## 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

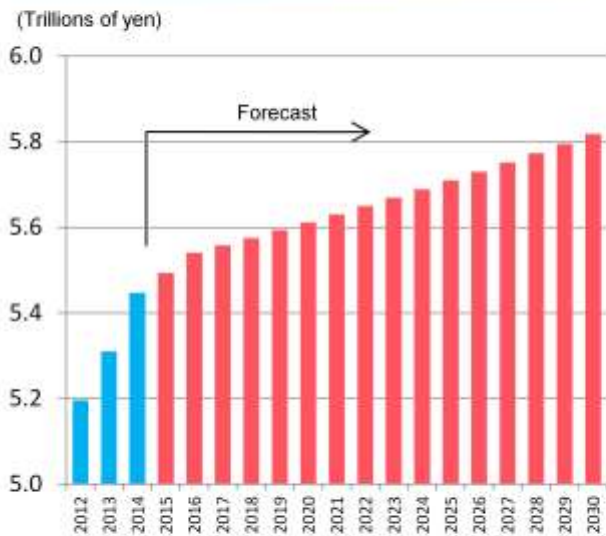
# Life Insurance Industry in Japan

## Outlook for Medical and Savings-type Insurance Markets

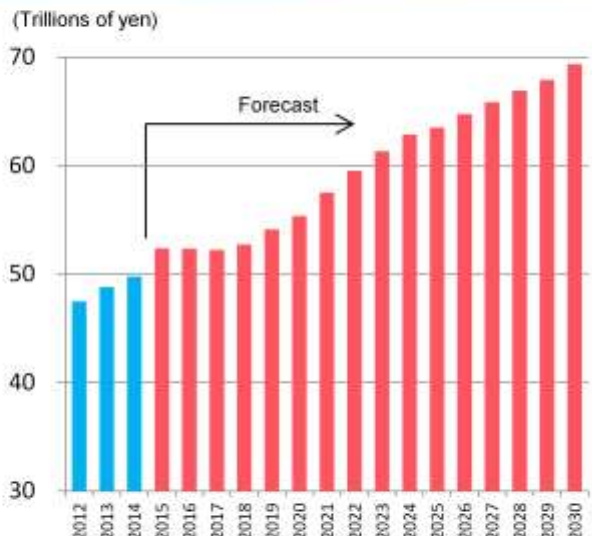
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### Annualized net premium of medical and other products



### Outstanding balance of single premium individual annuities



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「あつたらしいな」をいちはんに。  
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



## 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)

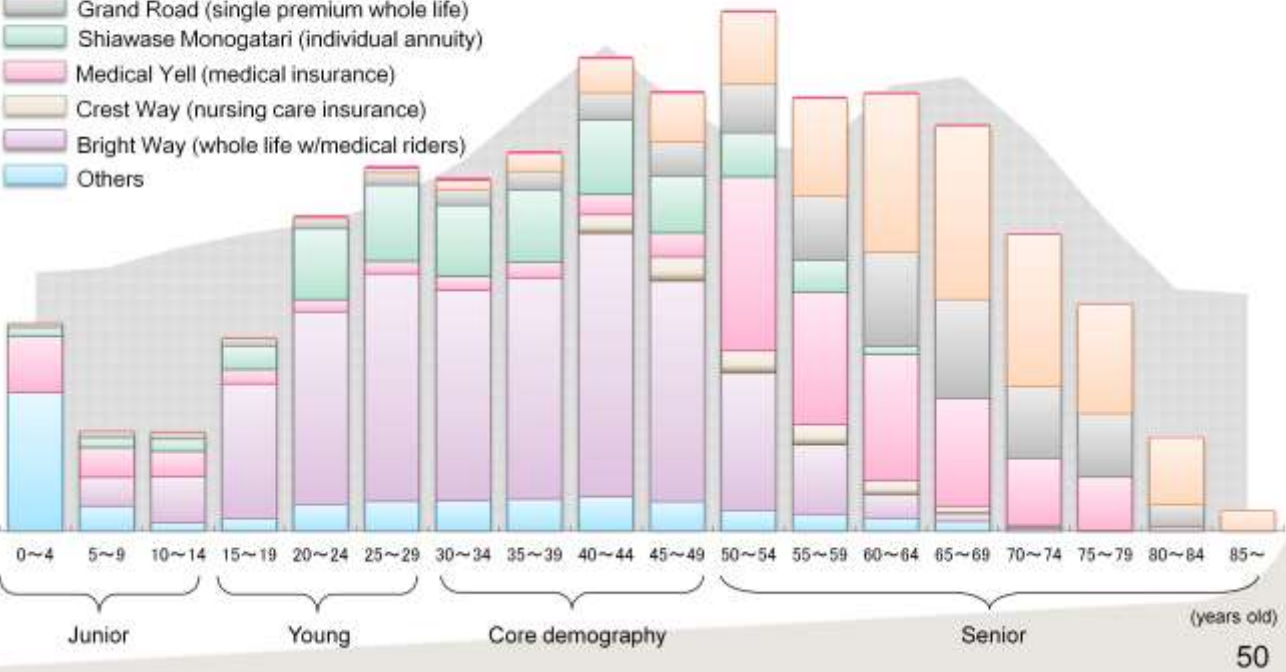
Shiawase Monogatari (individual annuity)

Medical Yell (medical insurance)

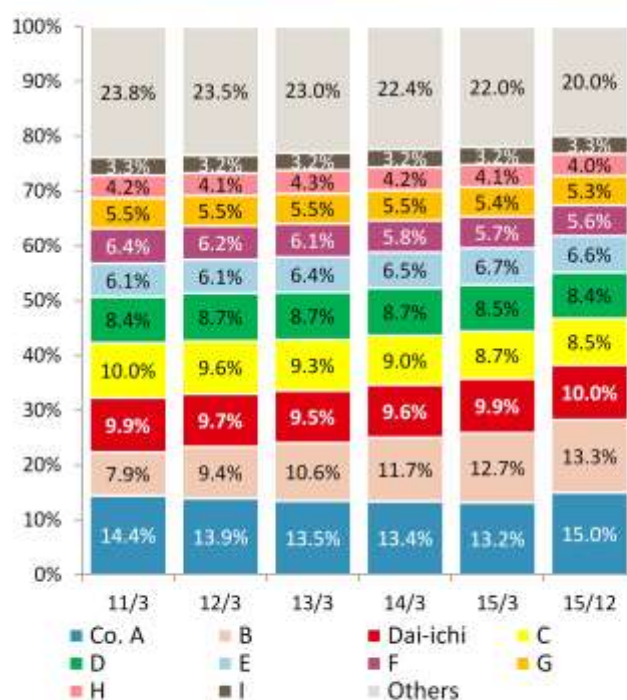
Crest Way (nursing care insurance)

Bright Way (whole life w/medical riders)

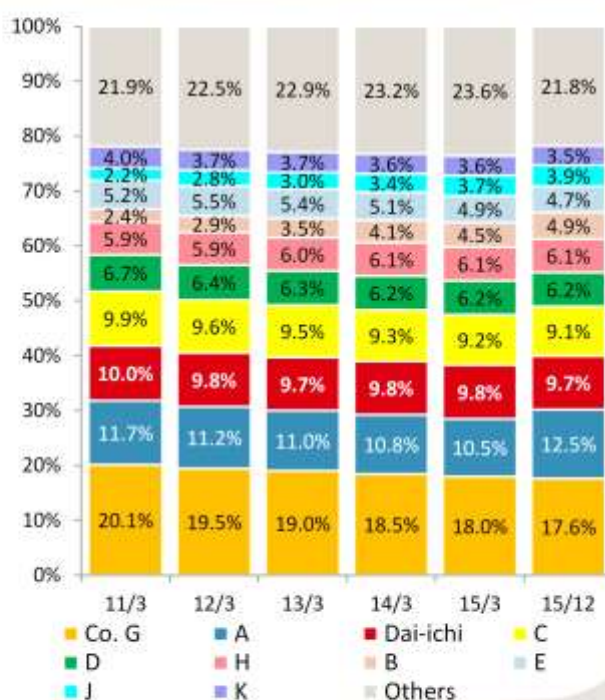
Others



## Share in In-force ANP



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

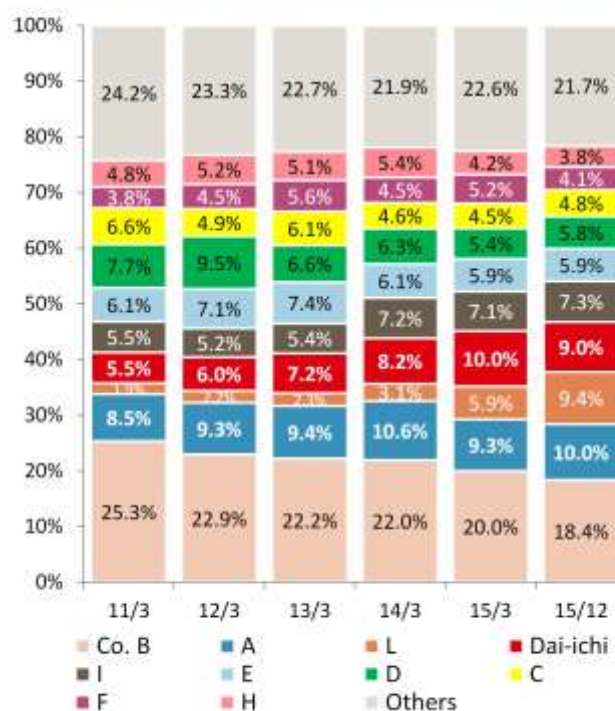


(※) Market share of Japan Post is based on individual life and annuity insurance policies which were acquired after postal service privatization.

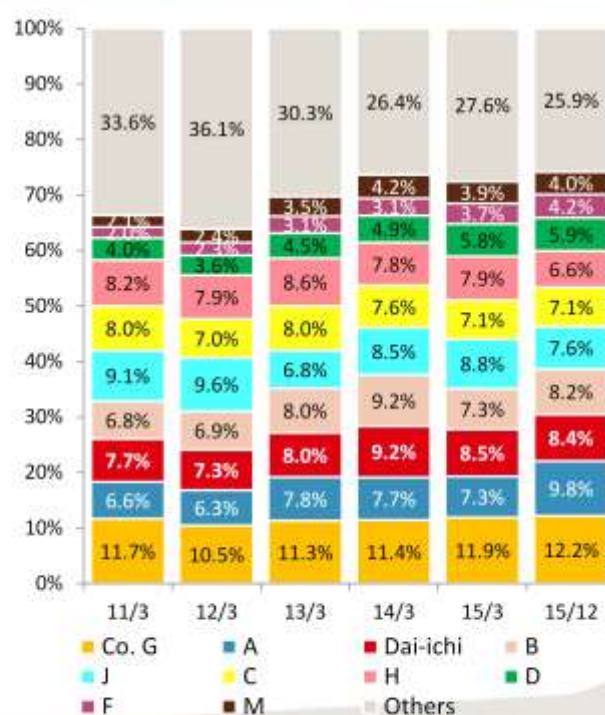
(Source) Company disclosures and Life Insurance Association of Japan

## 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

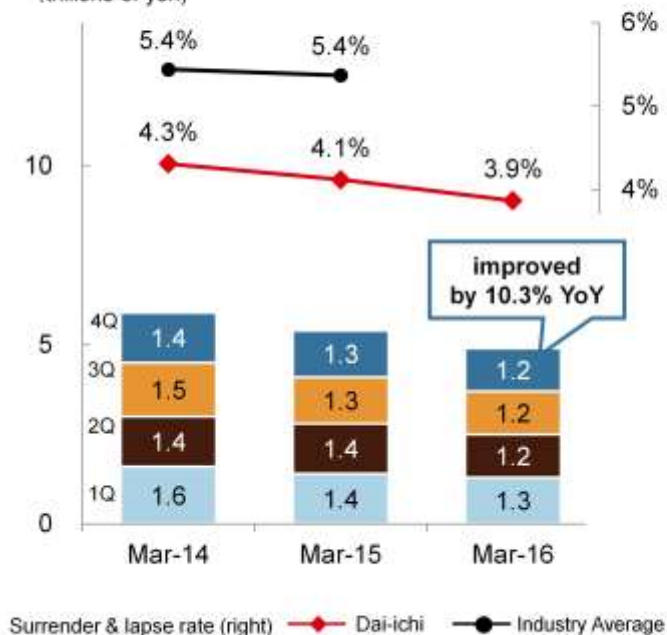
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## Surrender & Lapse (Individual Insurance & Annuities)

## Persistency Rate

(trillions of yen)



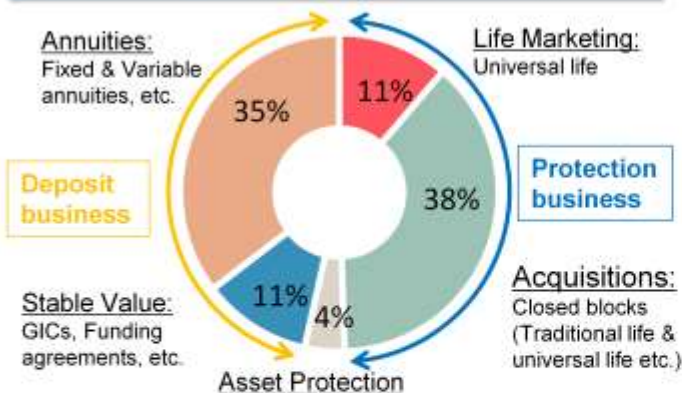


# Overseas Business

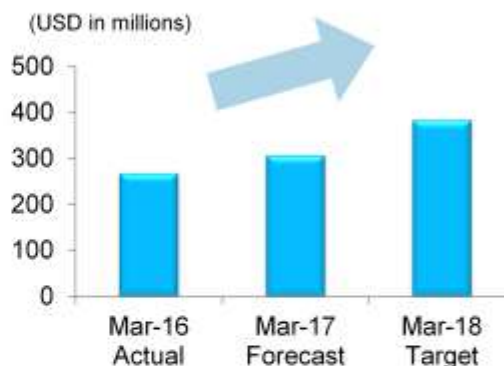
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## Composition of Operating Income (Actual Mar-16)



## 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

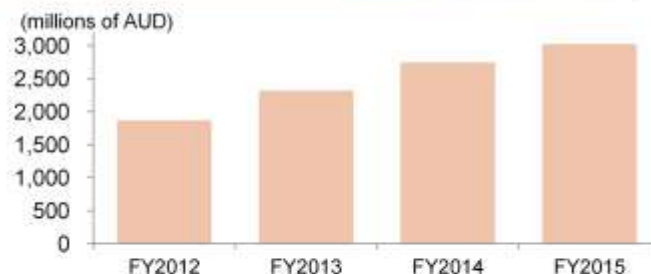
### About TAL

- 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.

<sup>(1)</sup> 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.

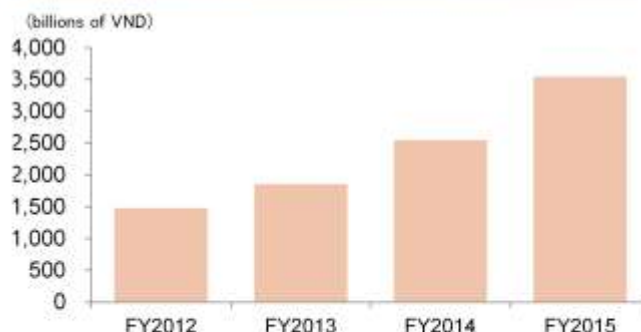
## About Dai-ichi Life Vietnam

- 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

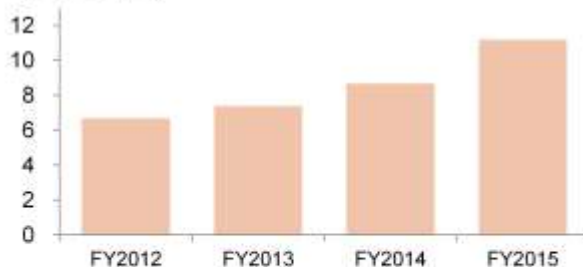
- Established in 2009
- Became affiliate of Dai-ichi in 2009  
(Started operation as a JV with Dai-ichi, Bank of India and Union Bank of India)
- Ownership: 26%
- No. of Employees: 3,039 (Mar-2016)  
8.3 thousand agents (part-time, Feb-2016)
- Main office: Mumbai, India
- Main channel: Bancassurance, 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.

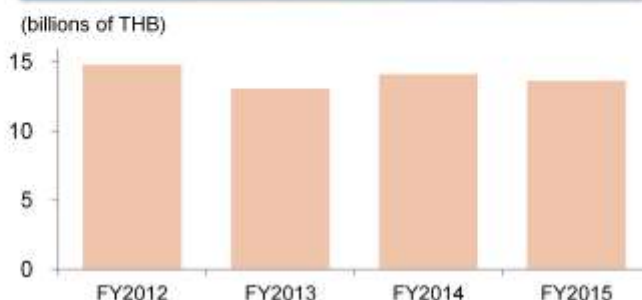
### About Ocean Life

- 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.

<sup>(1)</sup> 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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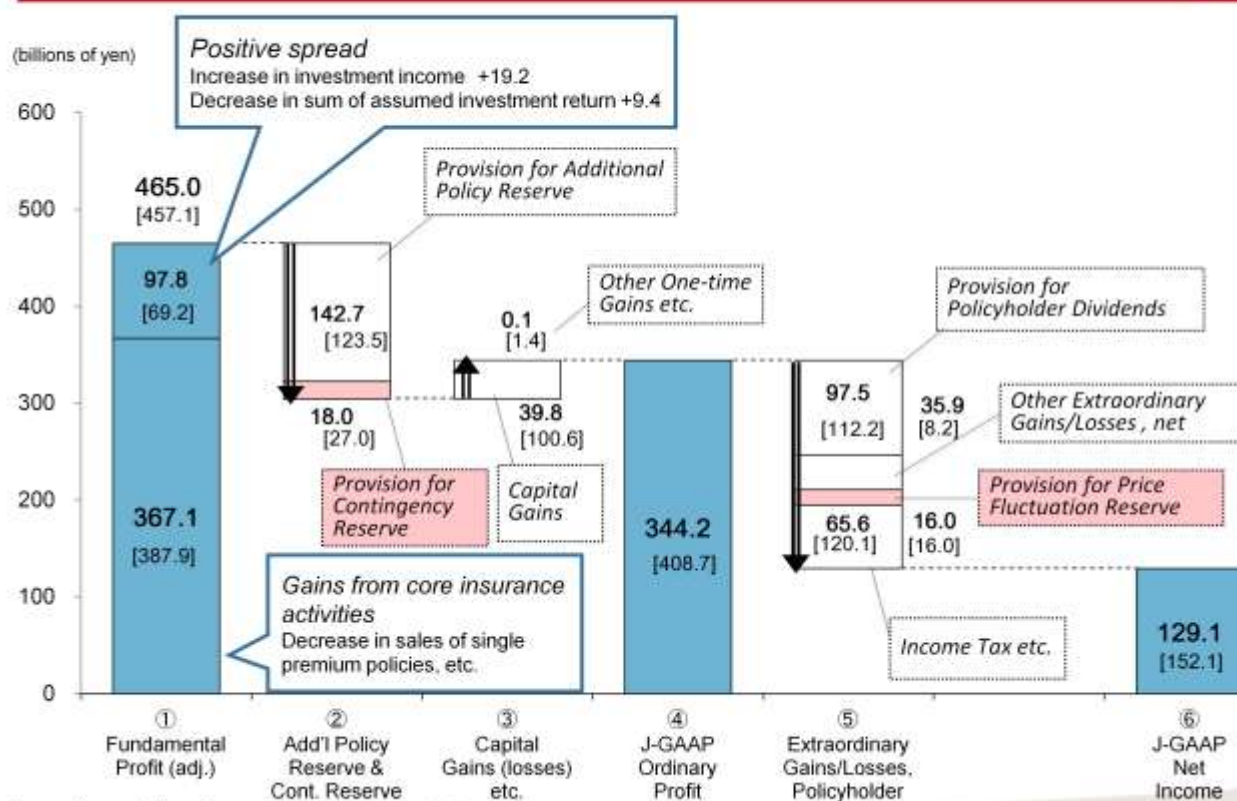
**DAI-ICHI LIFE**



# 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

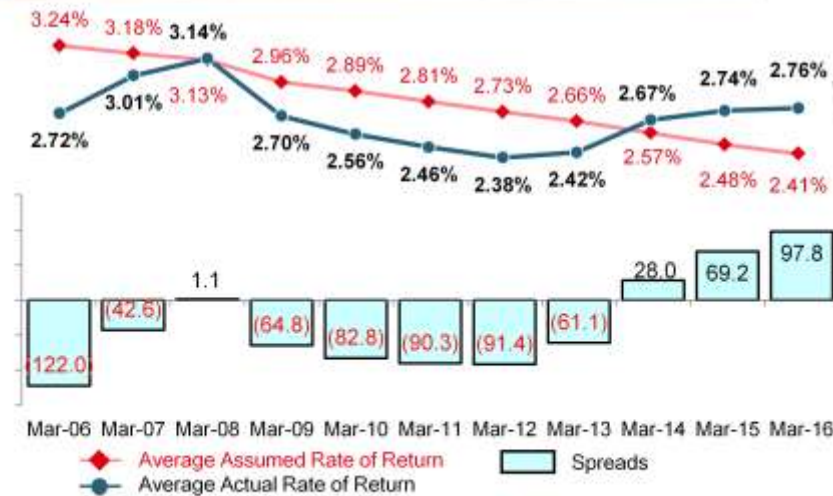
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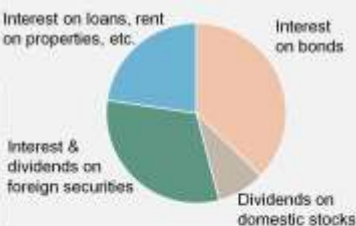
## Provision for Additional Policy Reserve (billions of yen)



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



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



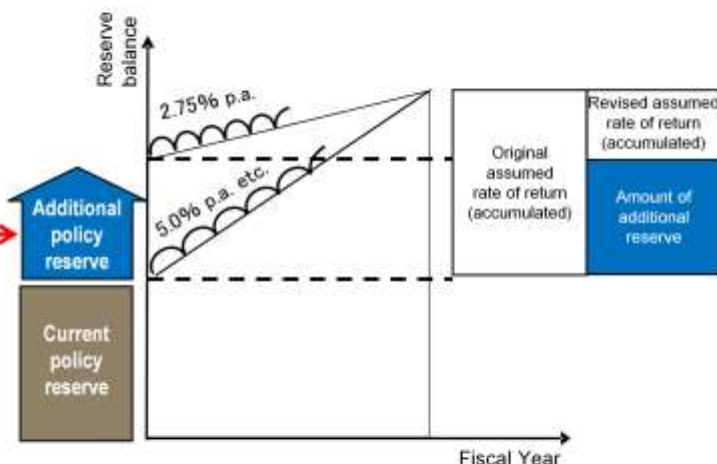
Policy Reserve Outstanding by Year Signed<sup>(1)</sup>

Accumulation of Additional Policy Reserve<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)

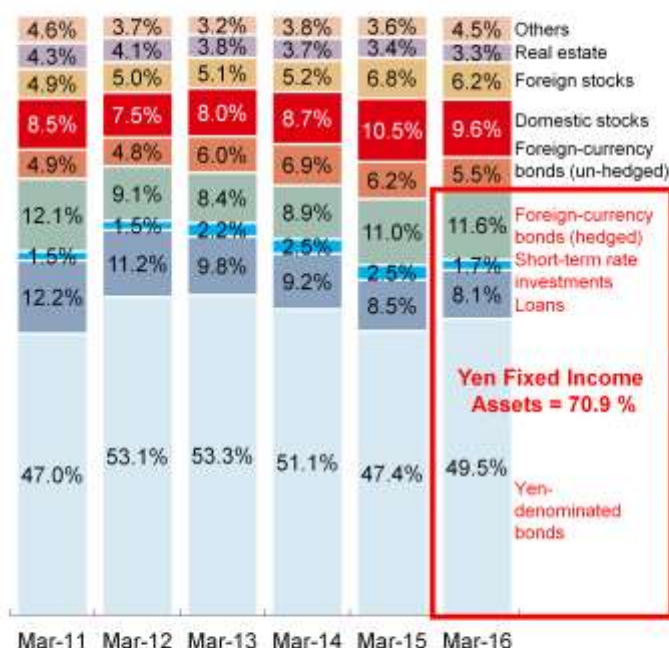
Year signed	Policy Reserve Outstanding	Average assumed rate of return
~ Mar-81	728.4	2.75% ~ 5.50%
Mar-82 ~ Mar-86	1,253.7	2.75% ~ 5.50%
Mar-87 ~ Mar-91	4,785.4	2.75% ~ 5.50%
Mar-92 ~ Mar-96	4,187.3	2.75% ~ 5.50%
Mar-97 ~ Mar-01	1,527.8	2.00% ~ 2.75%
Mar-02 ~ Mar-06	1,740.1	1.50%
Mar-07 ~ Mar-11	3,645.9	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%



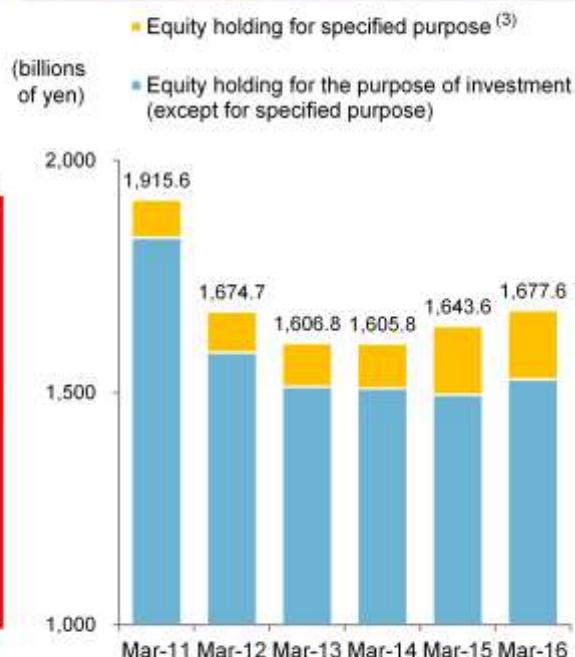
(1) Dai-ichi Life non-consolidated basis.

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.

### 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

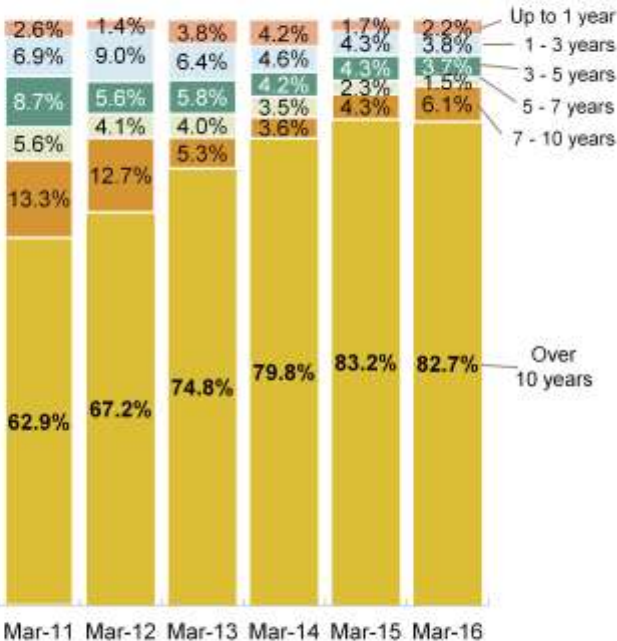
ホールディングス

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.

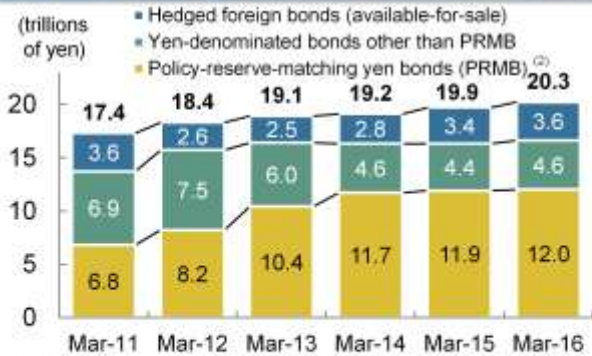
Duration of Fixed Income Assets



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.

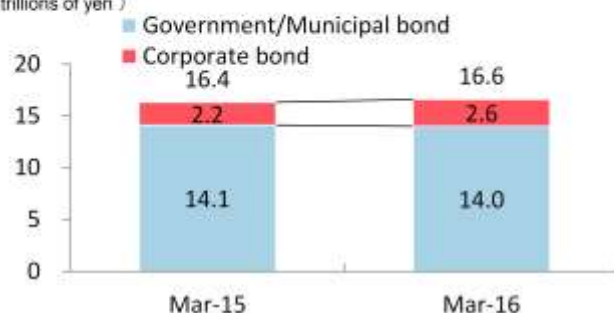
# Dai-ichi Life non-consolidated: General Account Assets (iii)

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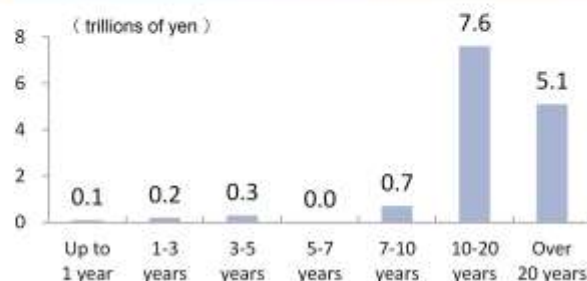
## Yen-denominated Bonds <sup>(1)</sup>

( trillions of yen )

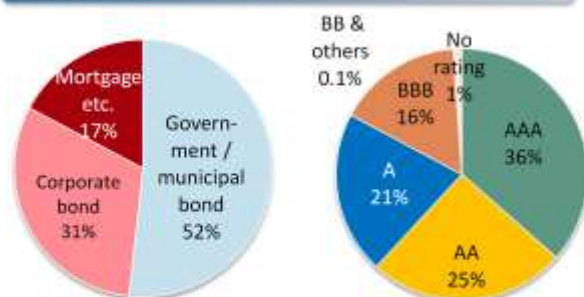


## Domestic Government Bonds <sup>(2)</sup> by Maturity (Mar-16)

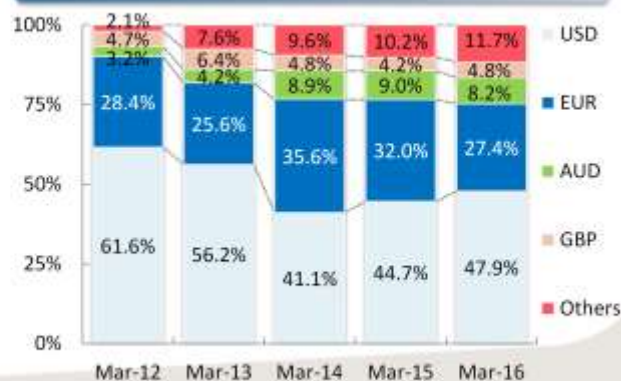
( trillions of yen )



## Foreign Currency Bond Portfolio <sup>(2) (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

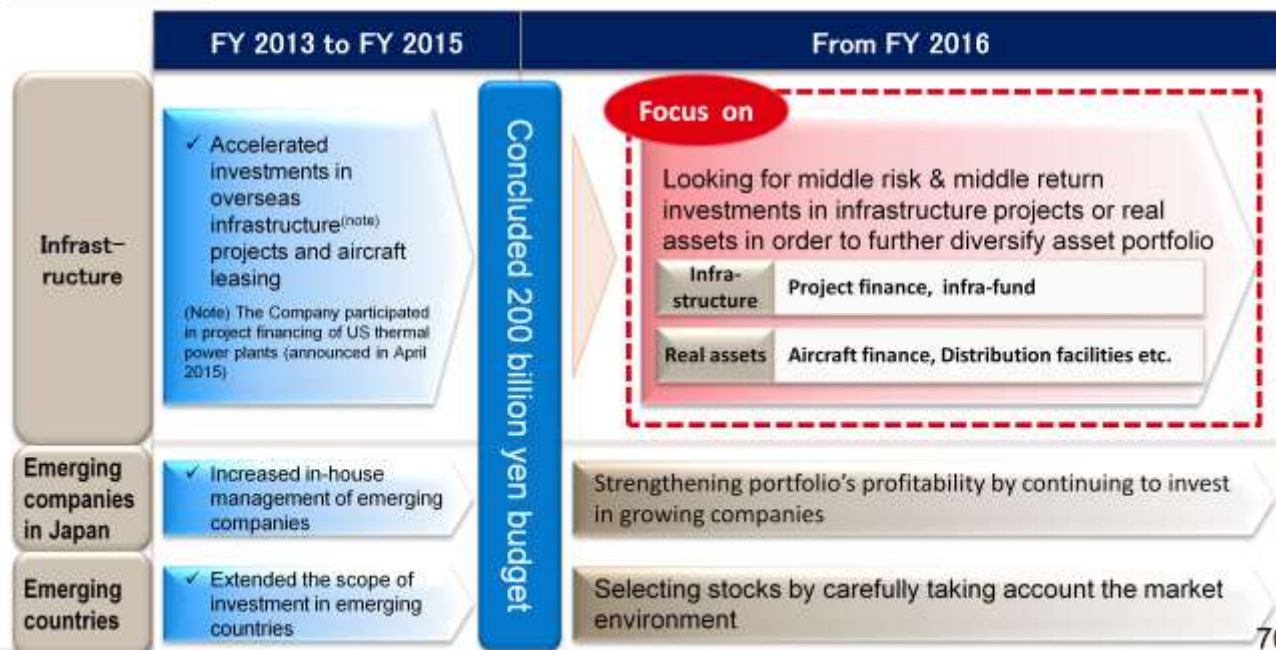


FY 2013 to  
FY 2015

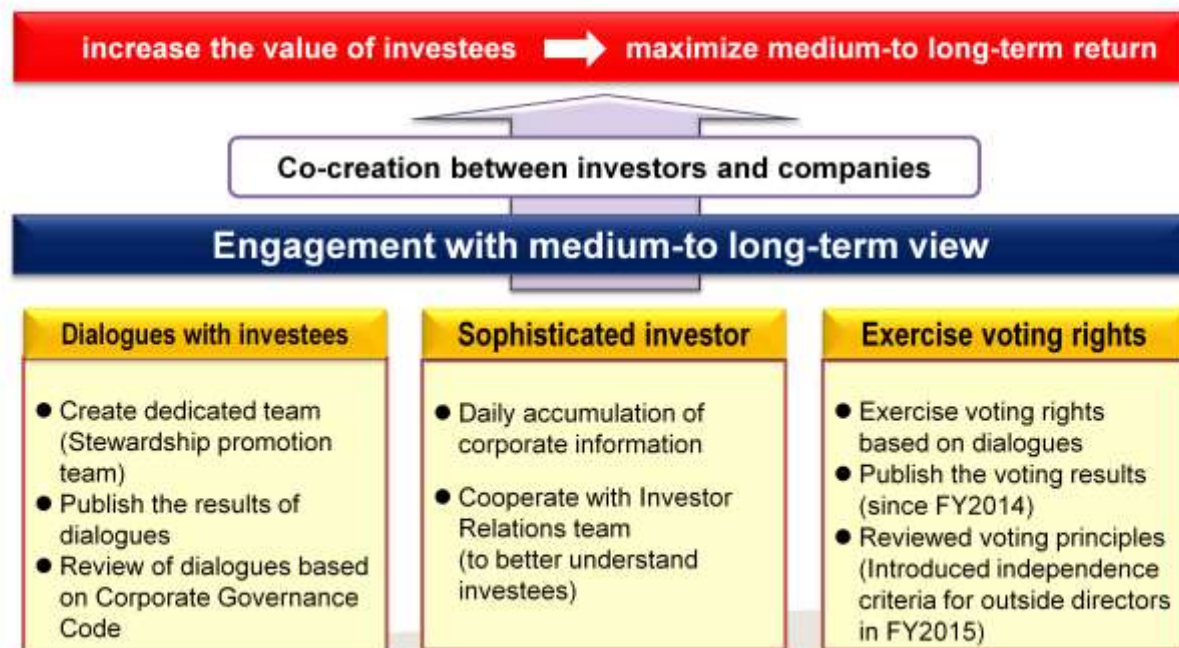
- ✓ Invested in growing areas, such as infrastructure, emerging countries and emerging companies
- ✓ Concluded 200 billion yen budget for FY2013-2015

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.



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

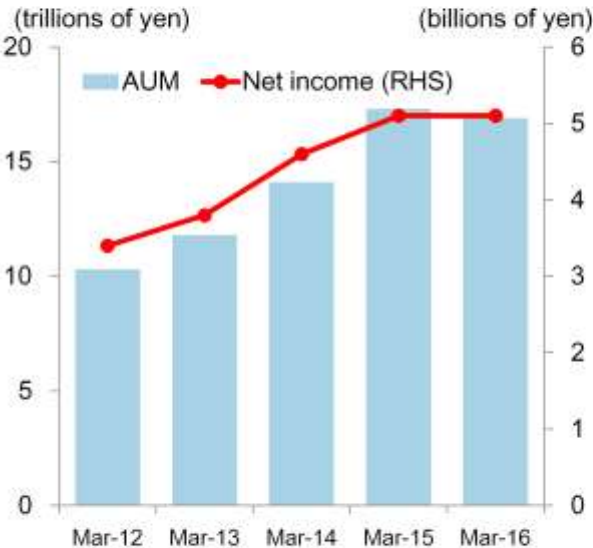
	Sensitivities <sup>(1)</sup>	Breakeven Points <sup>(2)</sup>
Domestic stocks	<p>Nikkei 225 1,000 yen change:</p> <p>March 2016: ±170 billion yen (March 2015: ±170 billion yen)</p>	<p>Nikkei 225</p> <p>March 2016: 9,400 yen (March 2015: 8,900 yen)</p>
Domestic bonds	<p>10-year JGB Yield 10bp change:</p> <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.

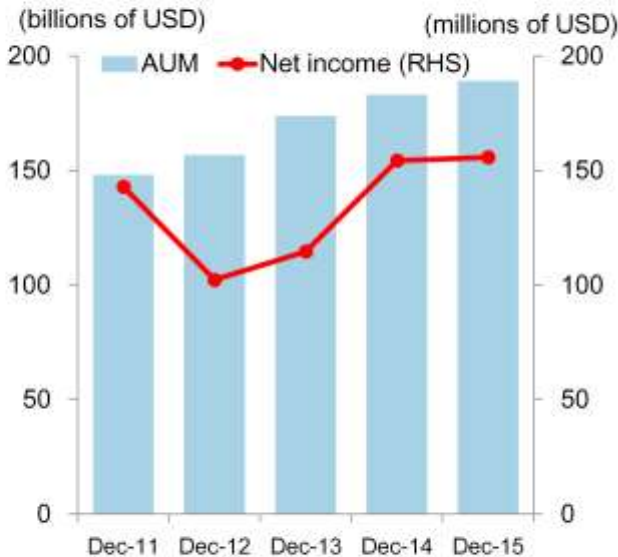
(2) Breakeven points indicate assumptions when unrealized gains or losses of the related assets would be zero. Figures for foreign securities are calculated for foreign exchange factors only, based on the JPY/USD exchange rate (assuming all are in USD).



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

By your side, for life

**DAI-ICHI LIFE**

# EEV Sensitivity Analysis: Dai-ichi Life Group (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
		Adjusted net worth	Value of in-force business	New 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)

By your side, for life

DAI-ICHI LIFE

(billions of yen)

Assumptions	Sensitivities (upper: change in value, lower: percentage)			Value of
		Adjusted net worth	Value of in-force business	New 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
		Adjusted net worth	Value of in-force business	New 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

**DAI-ICHI 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	4,690	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.

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	43,694.0	+1,147.0
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.

## 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	163.2	-	(163.2)
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.

## 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



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.

## 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>

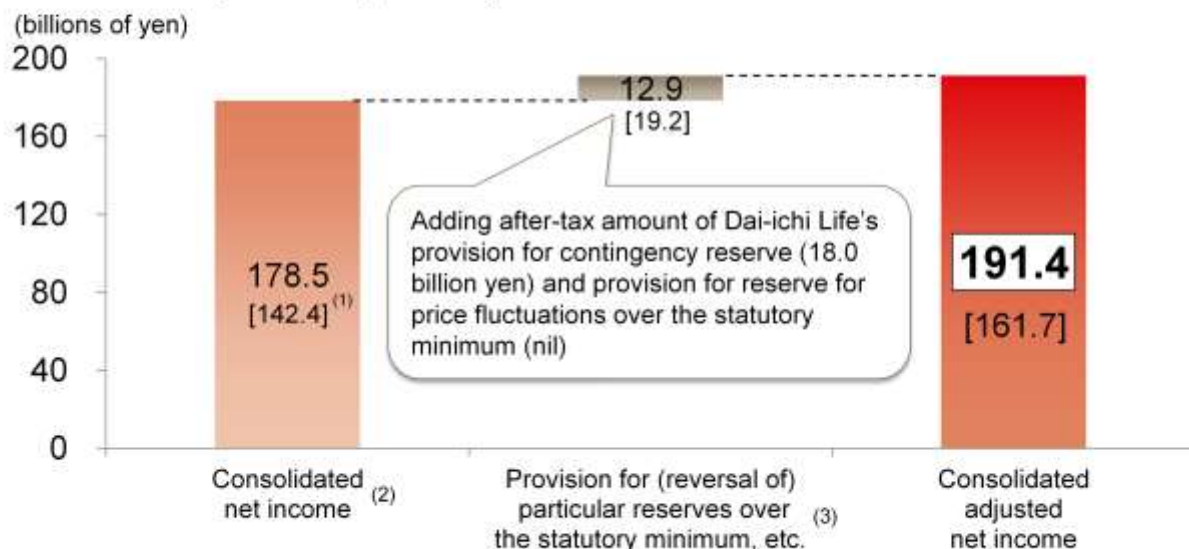
(millions of AUD)

	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.

- 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).

## Investor Contact

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