Dai-ichi Life Group
Updates on Management Objectives for the Medium-term Management Plan “D-Ambitious” Covering Fiscal 2015-17

March 31, 2017

Dai-ichi Life Holdings, Inc.

Dai-ichi Life
Holdings

Today's Topics

- Revision of KPI for the Dai-ichi Life Group's Medium-term Management Plan Covering Fiscal Years 2015 to 2017
- Total payout ratio will be based on "**Group Adjusted Profit**", replacing "Consolidated adjusted net income" effective for fiscal year 2016.
- Still committed to achieve total payout ratio of 40% by fiscal year 2017.

Current Management Objectives※1

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

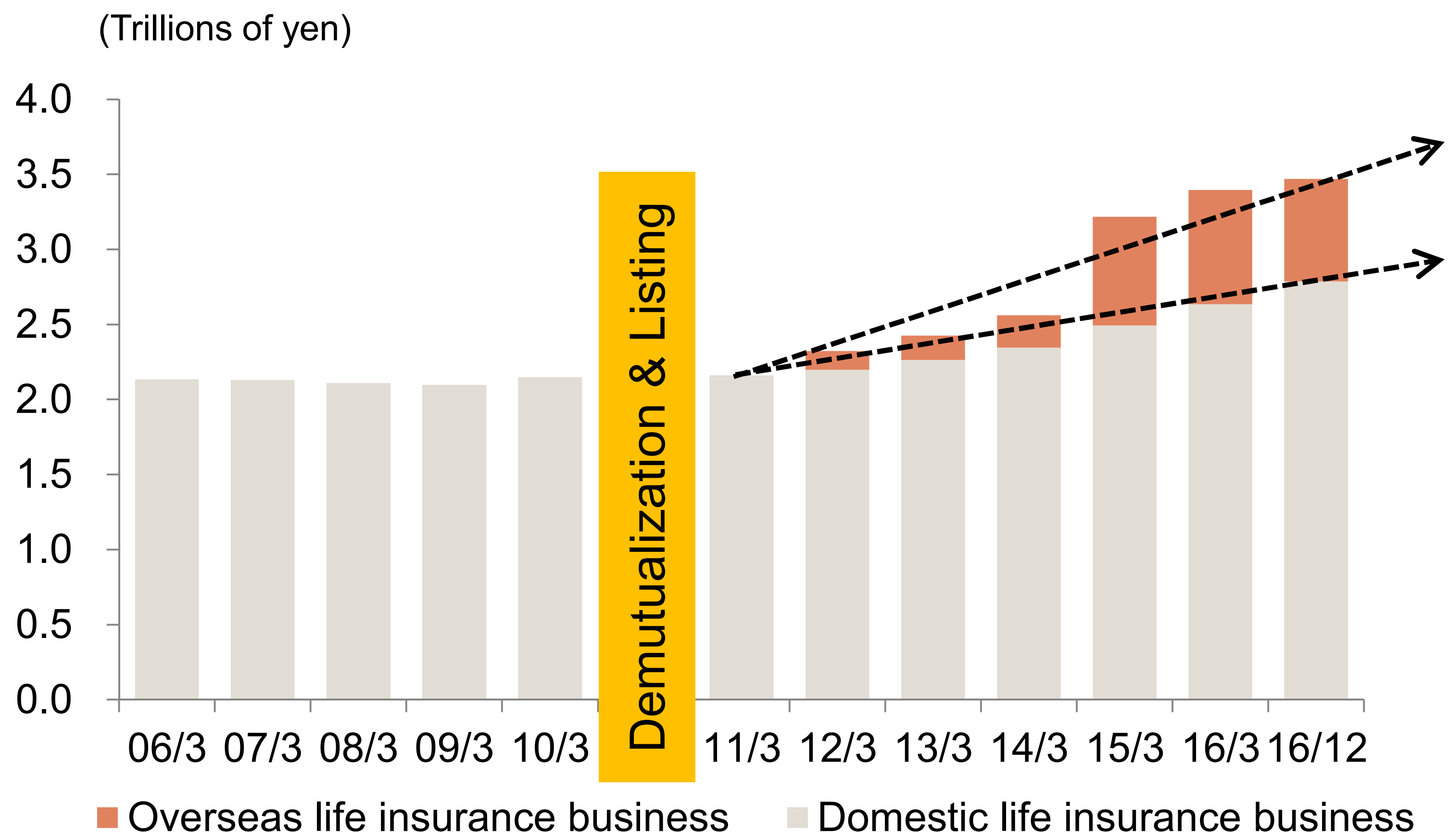
※1 Above objectives are based on the assumption that the economic environment remains similar to when they were set.

※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) and so on.

※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%).

Home and int'l business bases continue to grow since listing

Trends in In-force Annualized Net Premium

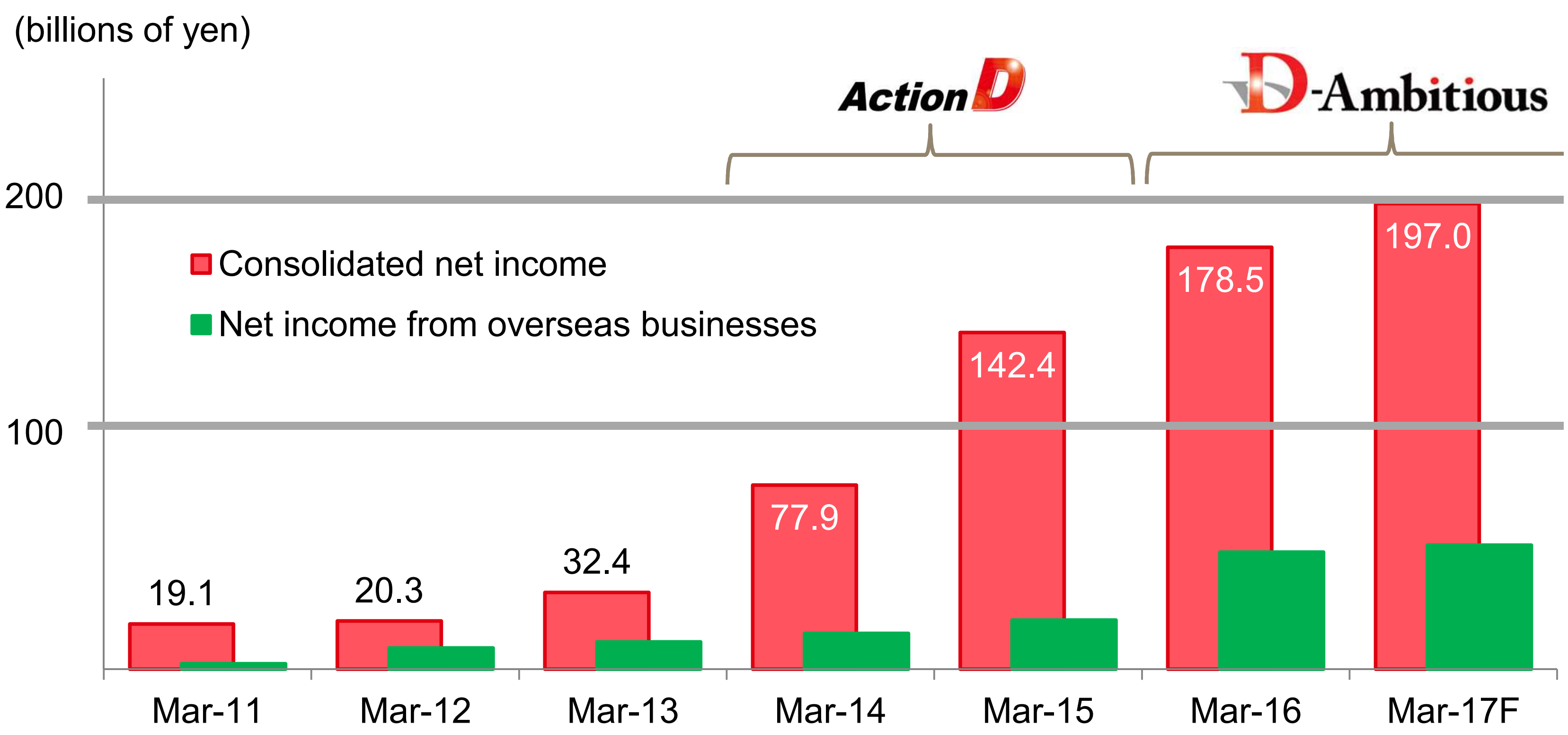


(Note) Domestic Life Insurance Business includes Dai-ichi Life (06/3 onwards), Dai-ichi Frontier Life (08/3 onwards) and Neo First Life (15/3 onwards). Overseas Life Insurance Business includes Protective Life (15/3 onwards), TAL (12/3 onwards), and Dai-ichi Life Vietnam (12/3 onwards). The fiscal year of Protective Life and Dai-ichi Life Vietnam ends on December 31, and is reported on a one-quarter lag. ANP from policies in-force of Protective Life as of March 31, 2015 represents those as of February 1, 2015 (effective date of acquisition).

Consolidated bottom line running at 200B yen level

Dai-ichi Life Holdings

■ Doubling the level since the previous medium-term management plan



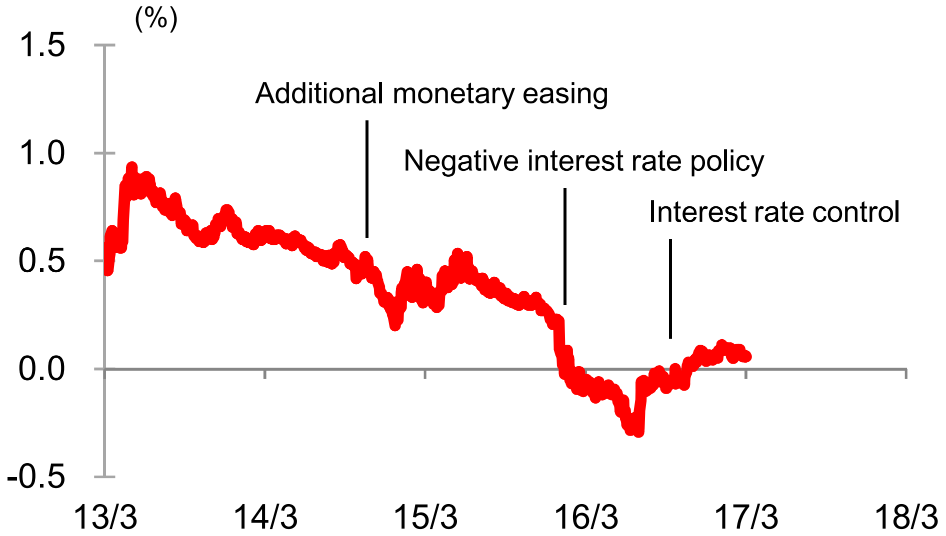
Nikkei	9,852	9,962	12,244	14,694	19,197	16,897	19,375
10-y JGB	1.25	0.98	0.56	0.64	0.40	-0.05	0.05
Yen / USD	83.15	82.19	94.05	102.92	120.17	112.68	111.05

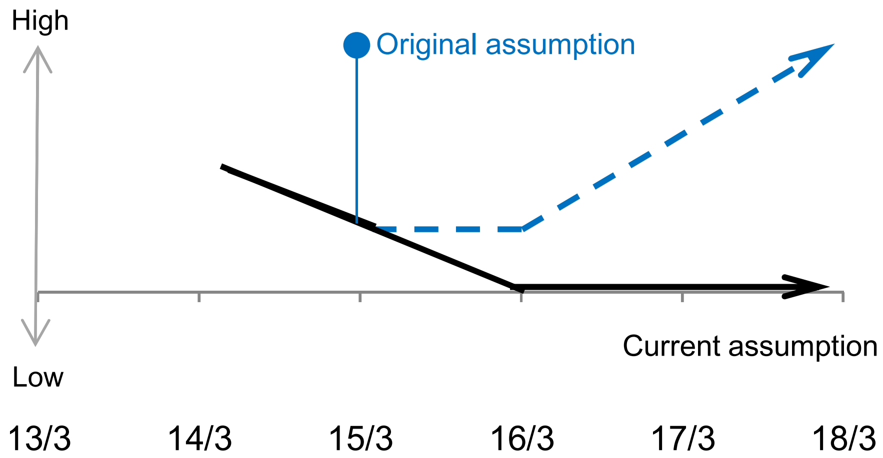
(Note) Nikkei represents daily average of the month of March. Figures for the fiscal year ending March 2017 are as of March 29, 2017.

Financial environment has not recovered as assumed

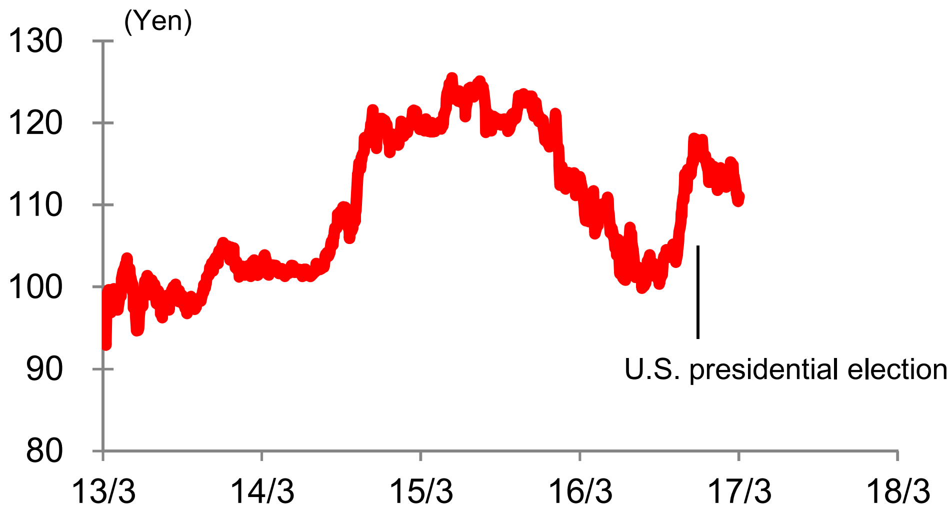
Dai-ichi Life Holdings

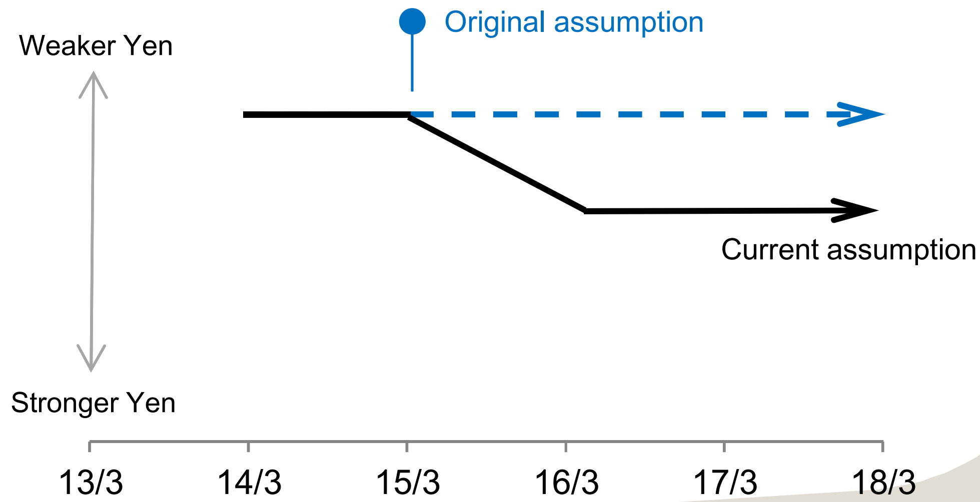
10-year JGB and the Group Assumption





Yen/USD and the Group Assumption





New Mid-to-long Term Vision & Management Objectives

- In light of the super-low interest rates maintained for longer than we have anticipated, the Group now believes some KPIs are difficult to achieve, but is aiming at sustainable growth
- The Group replaces Adjusted net income that includes valuation gains or losses, with cash flow basis Group adjusted profit

Group Mid-to-long Term Vision

Index	Mid-to-long Term Vision
Average EV Growth (RoEV)	Aim for average RoEV of over 8% during the mid-to-long term time frame
Economic Solvency Ratio (ESR)	Aim for 170% - 200% during the mid-to-long-term time frame

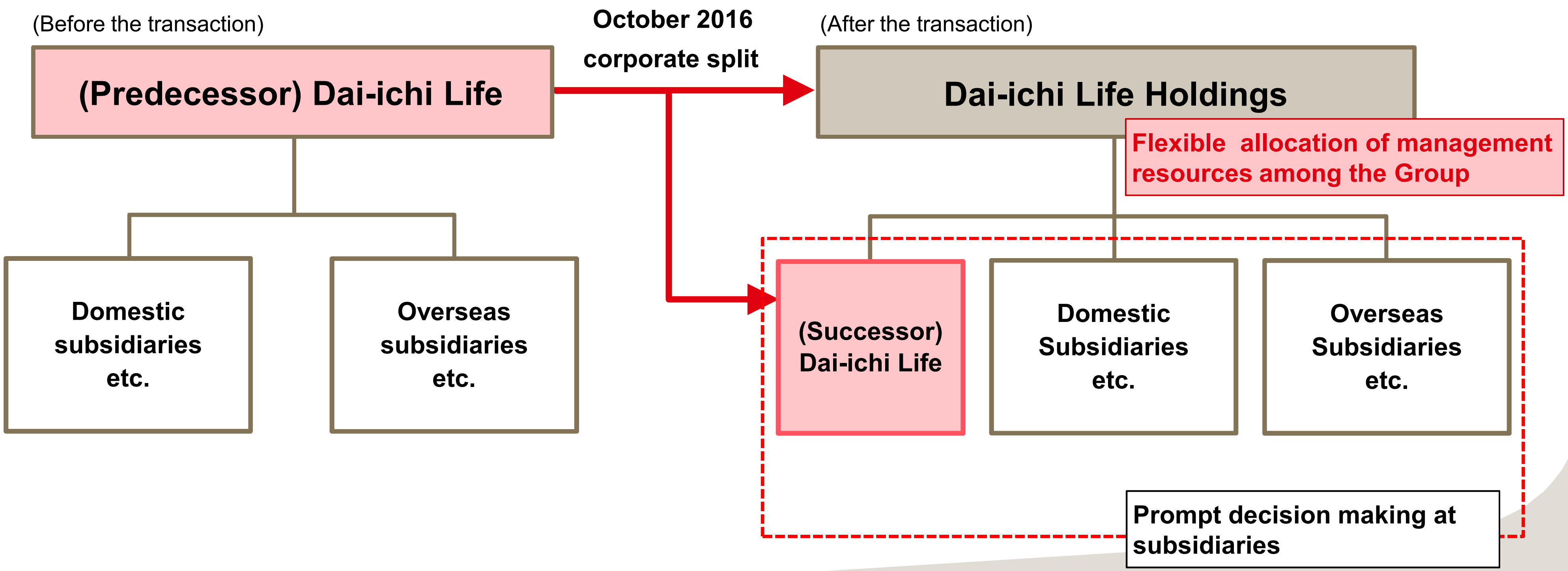
Group Management Objectives (Quantitative Targets)

Index	Objective
Group In-force Annual Net Premium	Increment of 9% from Mar 2015 (as of Mar 2018)
Group Adjusted Profit	180 billion yen in FY 2017 (modified definition)
Total Return Ratio Based on Group Adjusted Profit	40% during D-Ambitious

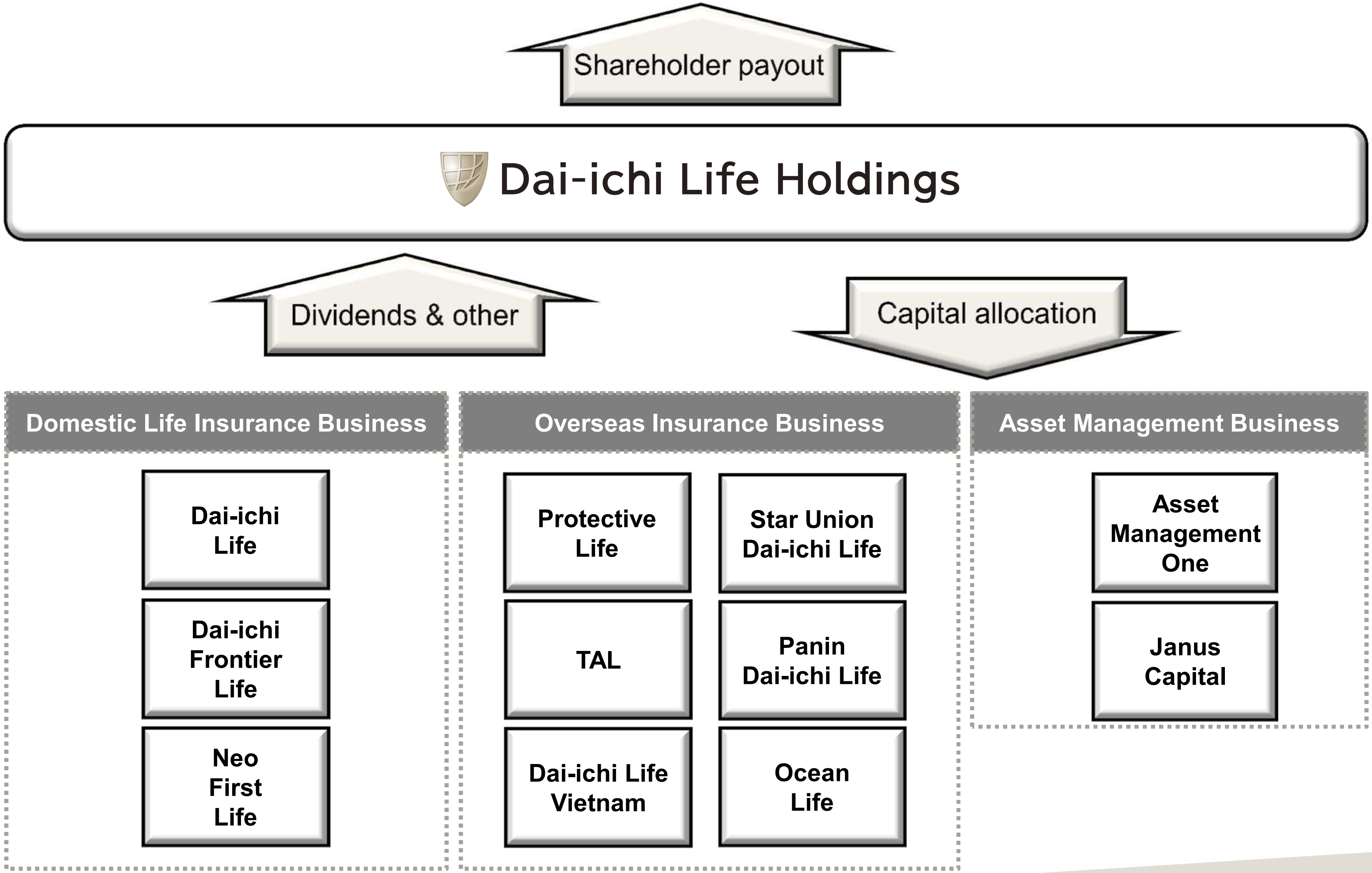
Dai-ichi Life Holdings

Philosophy of the transformation: AGILITY

- **The transformation to a holding company structure**



Cash flow management to support sustainable growth



<Principle>

Cash-based core earnings from Group companies
Sustainable resources for shareholder payout

- ✓ Sum of core earnings from major subsidiaries & affiliates
- ✓ Accounting items related to valuation gains and losses will be adjusted
- ✓ Consideration for sustainable resources for shareholders
- ✓ Applicable from the fiscal year ending March 2017

Detailed formula

[Current formula]

Consolidated adjusted net income = **Net income attributable to shareholders of parent company** − **< Adjustment >**

Provision for (reversal of) contingency reserve (in excess of statutory requirement, net of tax), Provision for (reversal of) price fluctuation reserve (in excess of statutory requirement, net of tax), etc.

[New formula]

Group Adjusted Profit = **Adjusted profits of subsidiaries** + **Adjusted profits of affiliates** + **Holding company profits or losses**

<Adjustment 1>

Provision for (reversal of) contingency reserve (in excess of statutory requirement, net of tax), Provision for (reversal of) price fluctuation reserve (in excess of statutory requirement, net of tax), etc.

If necessary, provision made by overseas subsidiaries and affiliates will be adjusted

<Adjustment 2> Accounting items such as valuation gains or losses that do not represent economic realities of the Group will be adjusted

Gains and losses related to market value adjustment, net of tax, etc.

<Adjustment 3> Consolidation adjustments, such as restructuring gains or losses, amortization of goodwill will be adjusted

Amortization of goodwill, gains or losses on change in equity

Impact of formula change

Dai-ichi Life Holdings

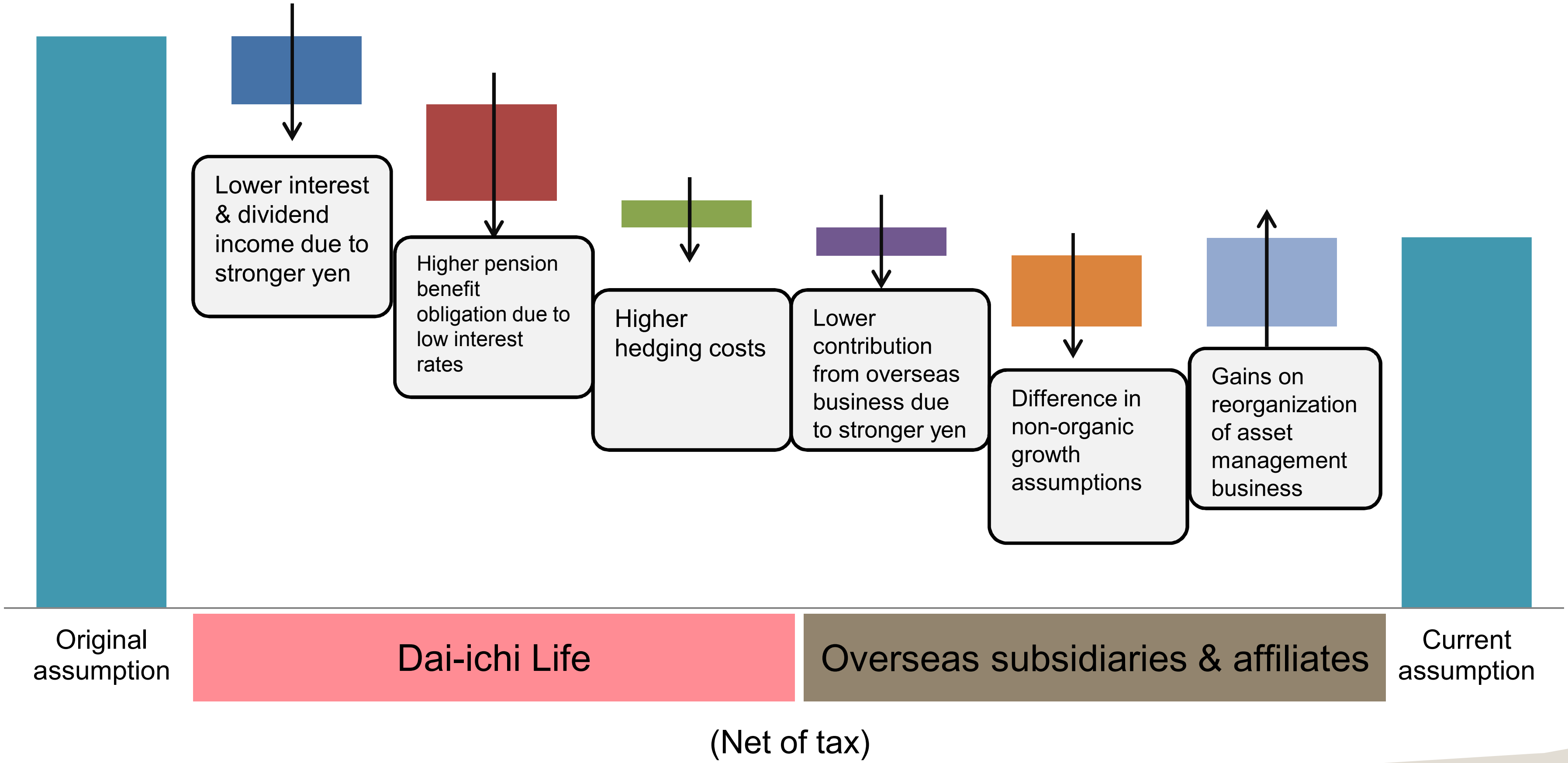
(billions of yen)

Items					Mar-13	Mar-14	Mar-15	Mar-16
	Domestic Life Insurance Business							
1	Dai-ichi Life	Net income			51.4	85.5	152.1	129.1
2			Adjustment (1)	Provision for contingency reserve (in excess of statutory amount, net of tax)	49.9	24.9	19.2	12.9
3			Adjustment (2)	Provision for price fluctuation reserve (in excess of statutory amount, net of tax)	—	9.7	—	—
4			Adjustment (3)	Gains or losses on accounting for market value adjustment, net of tax	0.0	(0.6)	(0.2)	(0.4)
5			Sub-total		49.9	34.0	18.9	12.5
6			Adjusted net profit		101.3	119.5	171.1	141.6
7	Dai-ichi Frontier Life	Net income			(26.5)	(15.2)	(21.9)	24.3
8			Adjustment (1)	Provision for contingency reserve (in excess of statutory amount, net of tax)	15.3	—	—	—
9			Adjustment (2)	Provision for price fluctuation reserve (in excess of statutory amount, net of tax)	—	—	—	—
10			Adjustment (3)	Gains or losses on accounting for market value adjustment, net of tax	0.1	(0.9)	46.9	7.5
11			Sub-total		15.4	(0.9)	46.9	7.5
12			Adjusted net profit		(11.1)	(16.1)	24.9	31.8
13	Neo First Life	Net income			—	—	0.4	(7.1)
14			Adjusted net profit		—	—	0.4	(7.1)
15	Adjusted profits of domesctic life insurance business				90.2	103.4	196.6	166.4
	Overseas Insurance Business							
16	Protective Life	Net income			—	—	—	32.3
17	TAL	Net income			8.9	8.6	12.1	10.3
18	Adjusted profits of overseas insurance business				9.8	10.8	15.7	45.7
19	Asset Management Business		Adjusted net profit		1.8	4.4	6.1	5.9
20	Holding company		Adjusted net profit		—	—	—	—
21	Consolidation adjustment	Adjustment (1)		Dividends from subsidiaries and affiliates	1.7	2.7	3.6	13.5
22		Adjustment (2)		Amortization of goodwill	3.8	5.1	8.6	6.3
23		Adjustment (3)		Gains on change in equity	—	—	—	—
24		Adjustment (4)		Others	(1.4)	(0.1)	(2.2)	(0.3)
25	**(New formula) Group Adjusted Profits (Item 25=15+18+19+20-21)**				**100.0**	**116.0**	**214.7**	**204.6**
26	(Old formula) Consolidated adjusted net income (Item 26=1+2+3+7+8+9+14+18+19+20-21-22-23-24)				97.6	112.5	161.7	191.4
27	[Net impact (Item 25-26)]				2.4	3.4	53.0	13.1
28	**Consolidated net income (Items 25-5-11-22-23-24)**				**32.4**	**77.9**	**142.4**	**178.5**

(Note) Please refer to page 15 for supplemental information

The Group is now offering guidance for a lower net income

- The stronger yen and higher hedging costs against the original assumption have reduced consolidated adjusted net income for the fiscal year ending March 2018 by roughly 25 billion to 195 billion from 220 billion.



Guidance on adjustments for Group Adjusted Profit

- **Major adjustments for the fiscal year ending March 17**

Dai-ichi Life: Provision of contingency reserve in excess of statutory requirement
Dai-ichi Frontier Life: Gain related to market value adjustment (MVA) accounting
Consolidation adjustment: Amortization of goodwill
Consolidation adjustment: Gain on changes in equity (Asset Management One)
Consolidation adjustment: Subsidiary & affiliates dividends paid to Dai-ichi Life during 1H

Group Adjusted Profit would be lower than net income

- **Major adjustments for the fiscal year ending March 18**

Dai-ichi Life: Provision of contingency reserve in excess of statutory requirement
Dai-ichi Frontier Life: Gain related to market value adjustment (MVA) accounting
Consolidation adjustment: Amortization of goodwill
Consolidation adjustment: items related to asset management business

Group Adjusted Profit would be lower than net income by a small margin

Still committed to improve total payout ratio

Dai-ichi Life Holdings

Dividend forecast maintained at 40 yen per share for the FY ending March 17

40% payout ratio by the FY ending March 18

Supplemental information to the table on page 11

1. Tax rates applied to the adjustment of accounting items are as follows:

	Mar-13	Mar-14	Mar-15	Mar-16
Dai-ichi Life	33.23%	33.23%	30.68%	28.76%
Dai-ichi Frontier Life	–	–	–	10.09%

2. Tax rates applied to the adjustment of provision for / reversal of contingency reserve and price fluctuation reserve are as follows:

	Mar-13	Mar-14	Mar-15	Mar-16
Dai-ichi Life	30.68%	30.68%	28.76%	27.92%
Dai-ichi Frontier Life	–	–	–	–

3. The Dai-ichi Life Group shifted to a holding company structure on October 1, 2016. Prior to the transaction, the Dai-ichi Life Company, Limited received dividends from subsidiaries and affiliates. Thus, adjustment are made to calculate adjusted profits of Dai-ichi Life.
4. The Dai-ichi Life Group purchased all the outstanding shares of the 90%-owned subsidiary Dai-ichi Frontier Life in March 2014. Accordingly, 90% of the results of Dai-ichi Frontier Life for the fiscal year ended March 2013 and 2014 are consolidated.
5. The Dai-ichi Life Group purchased all the outstanding shares of the 10%-owned affiliate Sompo Japan DIY Insurance Co., Ltd. on August 1, 2014, and changed the corporate name to Neo First Life on November 25. The Group adjusted profit for the fiscal year ended March 2015 reflected the nine months adjusted earnings of Neo First Life from July 1, 2014 to March 31, 2015.
6. The Dai-ichi Life Group acquired all the outstanding shares of Protective Life in the United States on February 1, 2015. The fiscal year of Protective Life ends in December, and the Group converts the dollar amount of Protective earnings using the December-end exchange rate to the fiscal year ending March 31 in the following year. For the fiscal year ended March 31, 2016, the Group consolidated eleven months of earnings from Protective from February 1, 2015 to December 31, 2015.
7. The fiscal year of TAL of Australia ends in March. The Group consolidates Australian dollar amount of TAL earnings using the exchange rate at March end for the fiscal year ends in the same year.
8. Exchange rates applied to convert local currencies for consolidation are as follows:

(Yen)

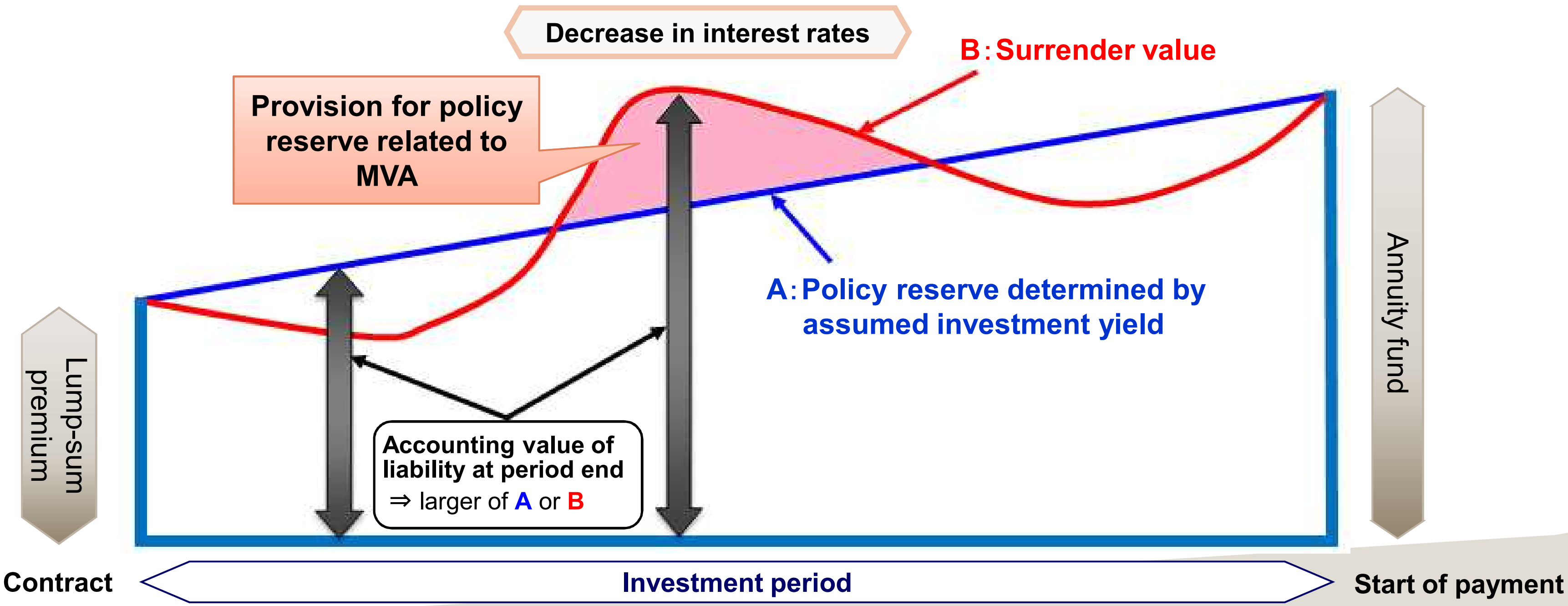
	Mar-13	Mar-14	Mar-15	Mar-16
Yen/USD	–	–	–	120.61
Yen/AUD	97.93	95.19	92.06	86.25

9. Amortization of goodwill includes amortization of goodwill related to consolidated subsidiaries and consolidated affiliates.

(Reference) Market Value Adjustment Function of Insurance Products

- Certain insurance products provided by Dai-ichi Life Group have a "Market Value Adjustment (MVA)" function which reflects a change in the value of invested assets due to changes in interest rates to the surrender value upon cancellation.
- The larger of "surrender value" or "policy reserve determined by the assumed investment yield" is recorded as an accounting liability of insurance products with MVA function.
  → <u>When "surrender value" exceeds "policy reserve" as a result of the decrease in interest rates, an additional provision for policy reserve occurs.</u>
- As the increase in the value of bonds (increase in unrealized gains) is not reflected to the income statement, accounting earnings worsen.
  → As unrealized gains actualize after selling bonds upon cancellation, it is not considered to be a loss on an economic-value basis. Additionally, when interest rates move upward, a reversal of policy reserve occurs.

【Image of individual annuity with MVA function】



Investor Contact

Dai-ichi Life Holdings, Inc.
Investor Relations Group
Corporate Planning Unit
+81 50 3780 6930

Disclaimer

The information in this presentation is subject to change without prior notice. Neither this presentation nor any of its contents may be disclosed or used by any other party for any other purpose without the prior written consent of Dai-ichi Life Holdings, Inc. (the "Company").

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