

# Presentation of Financial Results for the Fiscal Year Ended March 2017

May 15, 2017

Dai-ichi Life Holdings, Inc.



**Dai-ichi Life**  
Holdings

- This is Toshiaki Sumino of Dai-ichi Life Holdings, Inc.
- Thank you for joining our conference call to discuss the Dai-ichi Life Group's financial results for the fiscal year ended March 31, 2017.
- I will go over the presentation material, followed by a question and answer session.
- Please turn to page 2.

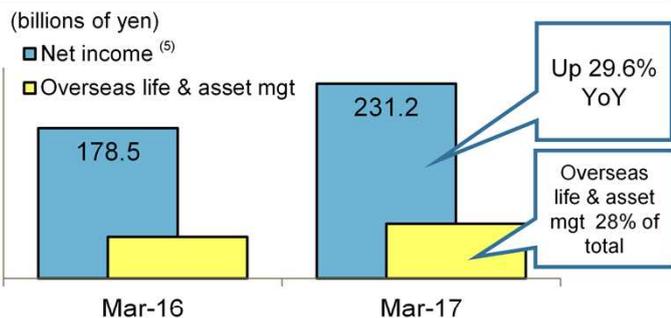


# Overview of the Group's Financial Results

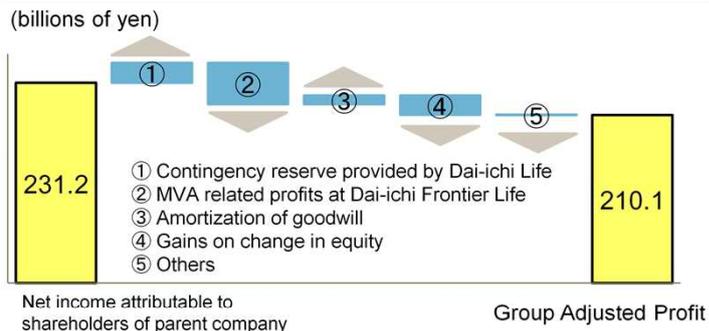


# Financial Results Highlights

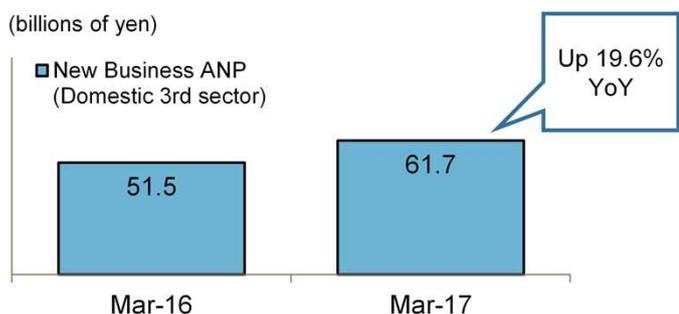
## Results of diversity in business & geography



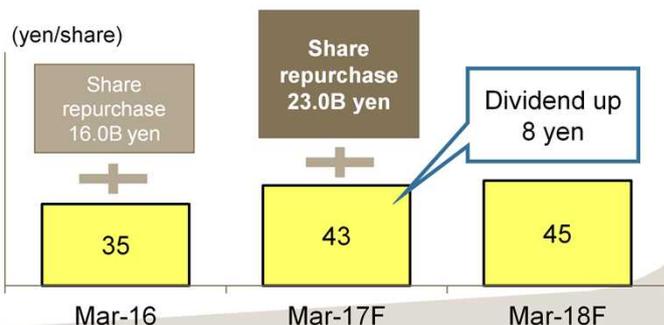
## Net Income to Group Adjusted Profit



## Domestic third sector sales up 20% YoY



## Total payout 73.7B yen or 35% of adjusted profit



※ Please refer to footnotes on page 42

- Here are the highlights of the Dai-ichi Life Group's financial results.
- Please turn to page 3 for more details.

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

- The Group's revenues were down while profit was up year-on-year. Despite a year-on-year decrease as we strategically controlled sales of savings-type products, ordinary revenues were in line with our annual forecast. Including one-time gains, net income increased by 29.6% year-on-year, a significant achievement reflecting Dai-ichi Group's continued efforts to diversify its business and geographic portfolio.
- The newly defined "Group adjusted profit" on which the Group plans to base shareholder payout was 210.1 billion yen. The Company announced a share repurchase of 23.0 billion yen and a proposed dividend of 43 yen per share, up 8 yen compared to the previous fiscal year. Thus total shareholder payout is expected to be 73.7 billion yen or 35% of Group adjusted profit.
- Group embedded value at the end of March 2017 increased from the end of March 2016 to approximately 5.5 trillion yen due to accumulation of value of new business and improvements in economic conditions.

- I would like to highlight the following three points for the Group's financial results.
- Firstly, the Group's revenues were down while profit was up year-on-year. Starting with the introduction of negative interest rates and events such as the Brexit referendum and the United States presidential election, uncertainty continued during the fiscal year. In this environment, net income increased by 29.6% year-on-year, a significant achievement reflecting Dai-ichi Group's continued efforts to diversify its business and geographic portfolio. Regarding our domestic life insurance business, we controlled sales of yen-denominated single premium savings-type products and enhanced our shift to protection-type products by introducing new products. While satisfying strong needs of savings-type products, with the introduction of a new corporate protection-type nursing insurance, annual net premium for new business of 3rd-sector products grew by approximately 20%. Our overseas life insurance business continued to grow steadily as sales channels expanded. The asset management business, while there were one-time gains, contributed to profit by flexibly adapting to changes in the environment.
- Secondly, the newly defined "Group Adjusted Profit" on which the Group bases shareholder payout from the fiscal year ended March 2017 was 210.1 billion yen. As we disclosed earlier today, we made an upward revision to our annual dividend forecast to 43 yen per share (8 yen increase from the prior year) from our initial forecast of 40 yen per share (5 yen increase from the prior year). We also announced a share repurchase of 23.0 billion yen and expect total shareholder payout to be 73.7 billion yen (total payout ratio of 35%).
- Thirdly, group embedded value at the end of March 2017 increased from the end of March 2016 to approximately 5.5 trillion yen due to factors that included accumulation of value of new business and improvements in economic conditions, such as interest rates and stock prices.
- Please turn to page 4.

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



## Statement of Earnings (summarized)

(billions of yen)

	Year ended Mar-16	Year ended Mar-17	Change
Ordinary revenues	7,333.9	6,456.7	(877.1)
Premium and other income	5,586.0	4,468.7	(1,117.2)
Investment income	1,344.8	1,626.1	+281.3
Interest and dividends	1,075.3	1,107.7	+32.4
Gains on sale of securities	222.4	223.7	+1.2
Gains on investments in separate accounts	-	115.7	+115.7
Other ordinary revenues	403.0	361.8	(41.2)
Ordinary expenses	6,915.7	6,031.4	(884.3)
Benefits and claims	3,830.9	3,618.3	(212.5)
Provision for policy reserves and others	1,496.3	1,016.7	(479.6)
Investment expenses	524.0	342.1	(181.9)
Losses on sale of securities	64.2	94.2	+29.9
Losses on valuation of securities	4.1	27.1	+23.0
Derivative transaction losses	53.8	29.4	(24.3)
Foreign exchange losses	180.4	73.7	(106.7)
Losses on investments in separate accounts	96.1	-	(96.1)
Operating expenses	661.3	650.9	(10.3)
Ordinary profit	418.1	425.3	+7.1
Extraordinary gains	0.3	17.4	+17.1
Extraordinary losses	55.2	47.4	(7.8)
Provision for reserve for policyholder dividends	97.5	85.0	(12.5)
Income before income taxes, etc.	265.7	310.3	+44.6
Total of corporate income taxes	87.1	79.0	(8.1)
Net income attributable to non-controlling interests	0.0	0.0	+0.0
Net income attributable to shareholders of parent company	178.5	231.2	+52.7

## Balance Sheet (summarized)

(billions of yen)

	As of Mar-16	As of Mar-17	Change
Total assets	49,924.9	51,985.8	+2,060.9
Cash, deposits and call loans	960.3	980.4	+20.1
Monetary claims bought	239.2	198.2	(41.0)
Securities	41,560.0	43,650.9	+2,090.9
Loans	3,715.5	3,566.6	(148.9)
Tangible fixed assets	1,178.8	1,138.4	(40.4)
Deferred tax assets	1.3	0.1	(1.1)
Total liabilities	46,991.9	48,848.5	+1,856.6
Policy reserves and others	43,894.0	44,694.1	+800.1
Policy reserves	42,922.5	43,740.2	+817.7
Bonds payable	485.6	989.7	+504.0
Other liabilities	1,486.6	1,852.0	+365.4
Net defined benefit liabilities	443.8	421.5	(22.2)
Reserve for price fluctuations	155.2	174.6	+19.4
Deferred tax liabilities	270.7	324.4	+53.7
Total net assets	2,932.9	3,137.2	+204.3
Total shareholders' equity	1,129.2	1,300.7	+171.4
Total accumulated other comprehensive income	1,802.6	1,835.2	+32.5
Net unrealized gains on securities, net of tax	1,840.0	1,906.0	+66.0
Reserve for land revaluation	(16.4)	(17.5)	(1.1)

※ Please refer to footnotes on page 42

- Here are the consolidated statement of earnings and consolidated balance sheet.
- Please turn to page 5.

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



- Ordinary revenues in line with expectations as we strategically shift our product portfolio
- Significant increase in net income. Dai-ichi Frontier Life and overseas life insurance business offset the decrease of Dai-ichi Life

(billions of yen unless otherwise noted) (Reference)

	Year ended Mar-16	Year ended Mar-17 (a)	Change		Year ending Mar-17 (B)	(a/b)
					*Revised forecast on Nov 14, 2016	
<b>Ordinary revenues</b>	<b>7,333.9</b>	<b>6,456.7</b>	<b>Δ 877.1</b>	<b>Δ 12%</b>	<b>6,277.0</b>	<b>103%</b>
Dai-ichi Life <sup>(1)</sup>	4,265.7	3,946.7	Δ 319.0	Δ 7%	3,796.0	104%
Dai-ichi Frontier	1,967.5	1,183.2	Δ 784.3	Δ 40%	1,218.0	97%
Protective Life (millions of USD) <sup>(2) (4)</sup>	6,784	8,873	-	-	8,460	105%
TAL (millions of AUD) <sup>(3) (4)</sup>	3,231	3,574	+ 342	+ 11%	3,900	92%
<b>Ordinary profit</b>	<b>418.1</b>	<b>425.3</b>	<b>+ 7.1</b>	<b>+ 2%</b>	<b>406.0</b>	<b>105%</b>
Dai-ichi Life	344.2	281.8	Δ 62.4	Δ 18%	324.0	87%
Dai-ichi Frontier	29.6	63.7	+ 34.0	+ 115%	21.0	304%
Protective Life (millions of USD)	399	594	-	-	460	129%
TAL (millions of AUD)	152	211	+ 58	+ 38%	180	117%
<b>Net income <sup>(5)</sup></b>	<b>178.5</b>	<b>231.2</b>	<b>+ 52.7</b>	<b>+ 30%</b>	<b>197.0</b>	<b>117%</b>
Dai-ichi Life	129.1	117.1	Δ 11.9	Δ 9%	133.0	88%
Dai-ichi Frontier	24.3	50.2	+ 25.9	+ 107%	15.0	335%
Protective Life (millions of USD)	268	393	-	-	300	131%
TAL (millions of AUD)	119	148	+ 28	+ 24%	120	124%

※ Please refer to footnotes on page 42

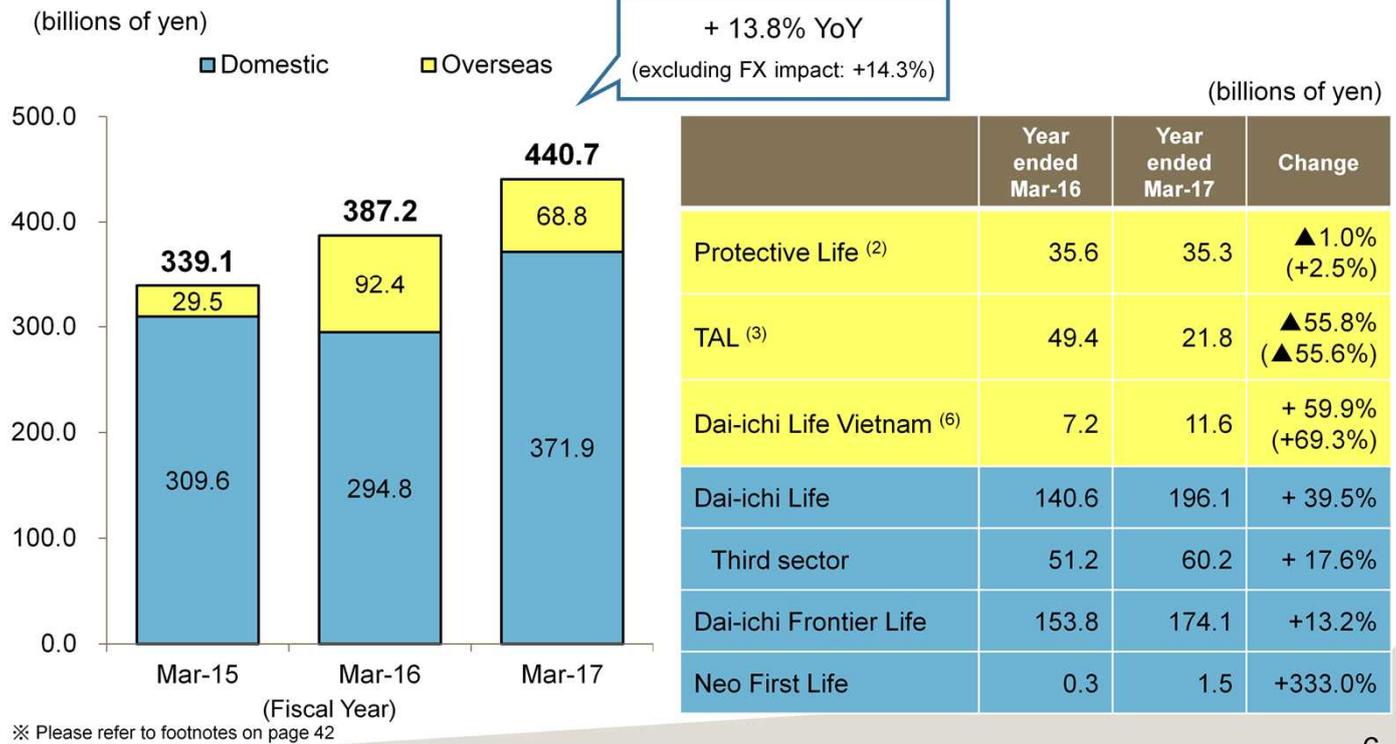
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- Here are the financial results of the Group and its major subsidiaries.
- Consolidated ordinary revenues were down by approximately 900 billion yen. In addition to controlled sales of yen-denominated single premium savings-type products in the domestic life insurance business, Dai-ichi Frontier Life's premium income decreased significantly in light of growing uncertainties in the financial markets. However, because sales of protection-type products increased and investment gains improved, results were in line with our expectations.
- Ordinary profit and net income both increased year-on-year and surpassed the annual forecast announced in November 2016. Affected by the financial markets, profit at Dai-ichi Life decreased year-on-year and fell short of the Company's annual forecast. However, profits for Dai-ichi Frontier Life increased significantly because of a reversal of policy reserves related to market value adjustment. For the overseas life insurance business, investment gains were favorable because of the rise in interest rates and improvements in the corporate bond spreads. Also, improvements in profitability for death protection products towards the end of the fiscal year in Australia and contribution from the block acquisition business in the United States contributed to the increase in profit year-on-year and helped profit to surpass the Company's forecast in both regions.
- Please turn to page 6.

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



## Dai-ichi Group's New Business ANP

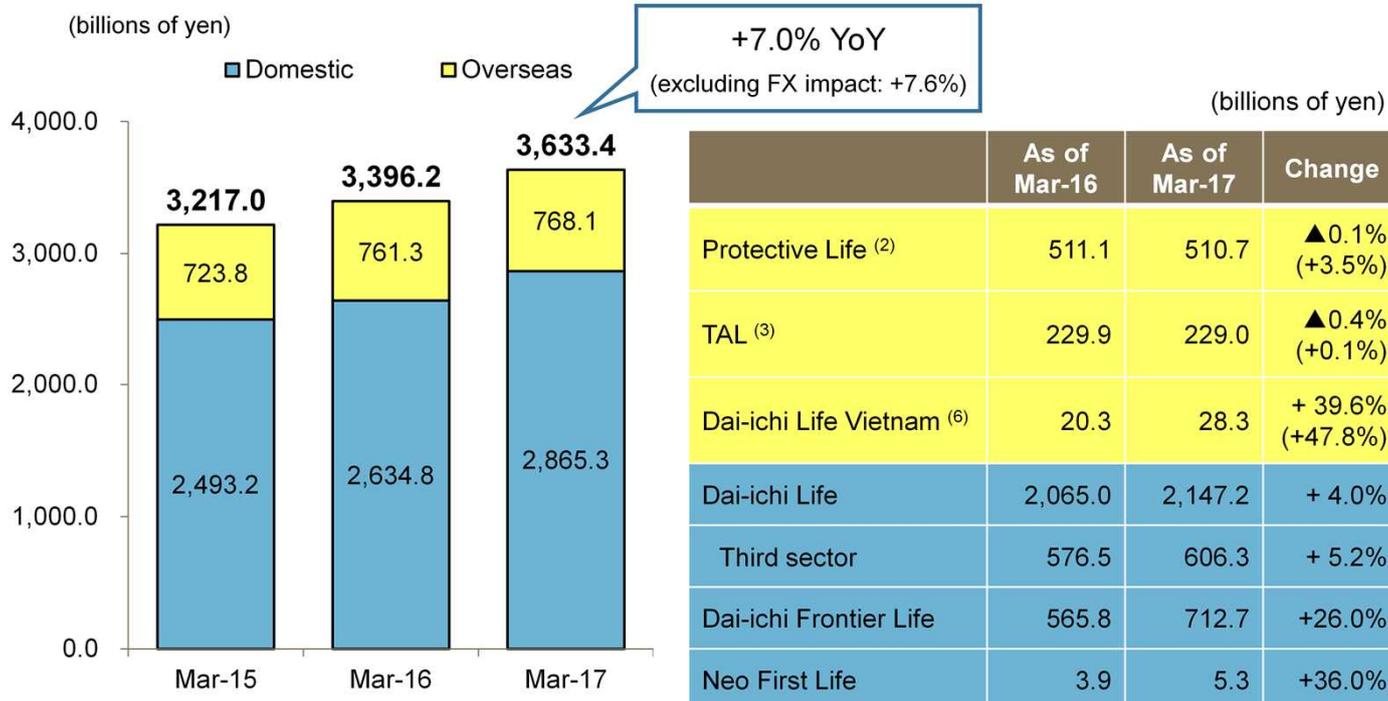


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- I will explain the trends in annualized net premium (ANP) of our new business.
- As for the domestic life insurance business, Dai-ichi Life and Dai-ichi Frontier Life controlled sales of yen-denominated single premium savings-type products. Backed by strong saving needs, sales of level-premium individual annuities at Dai-ichi Life and sales of foreign currency-denominated fixed annuities at Dai-ichi Frontier Life are expanding. Meanwhile, our sales strategy focused on protection-type products began to show results. With the introduction of a new corporate protection-type nursing insurance from Dai-ichi Life, new business ANP for Dai-ichi Life's 3rd sector business jumped by 17.6% year-on-year. Together with new product offerings from Neo First Life, the Group's domestic 3rd sector ANP of new business grew by approximately 20%.
- As for the overseas life insurance business, new business of TAL decreased because the amount of new business in group insurance acquired during the previous period was very large. Moreover, sales of variable annuities of Protective fell due to the effect of controlled sales by independent insurance agents prior to an expected change in the regulatory environment. On the other hand, Protective's partnership with Costco started an expansion of sales partners and TAL is also taking a similar approach as well. Also, Dai-ichi Vietnam achieved high growth as sales through individual insurance agents expanded.
- As a result, the Group's overall new business increased by 13.8%.
- Please turn to page 7.

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

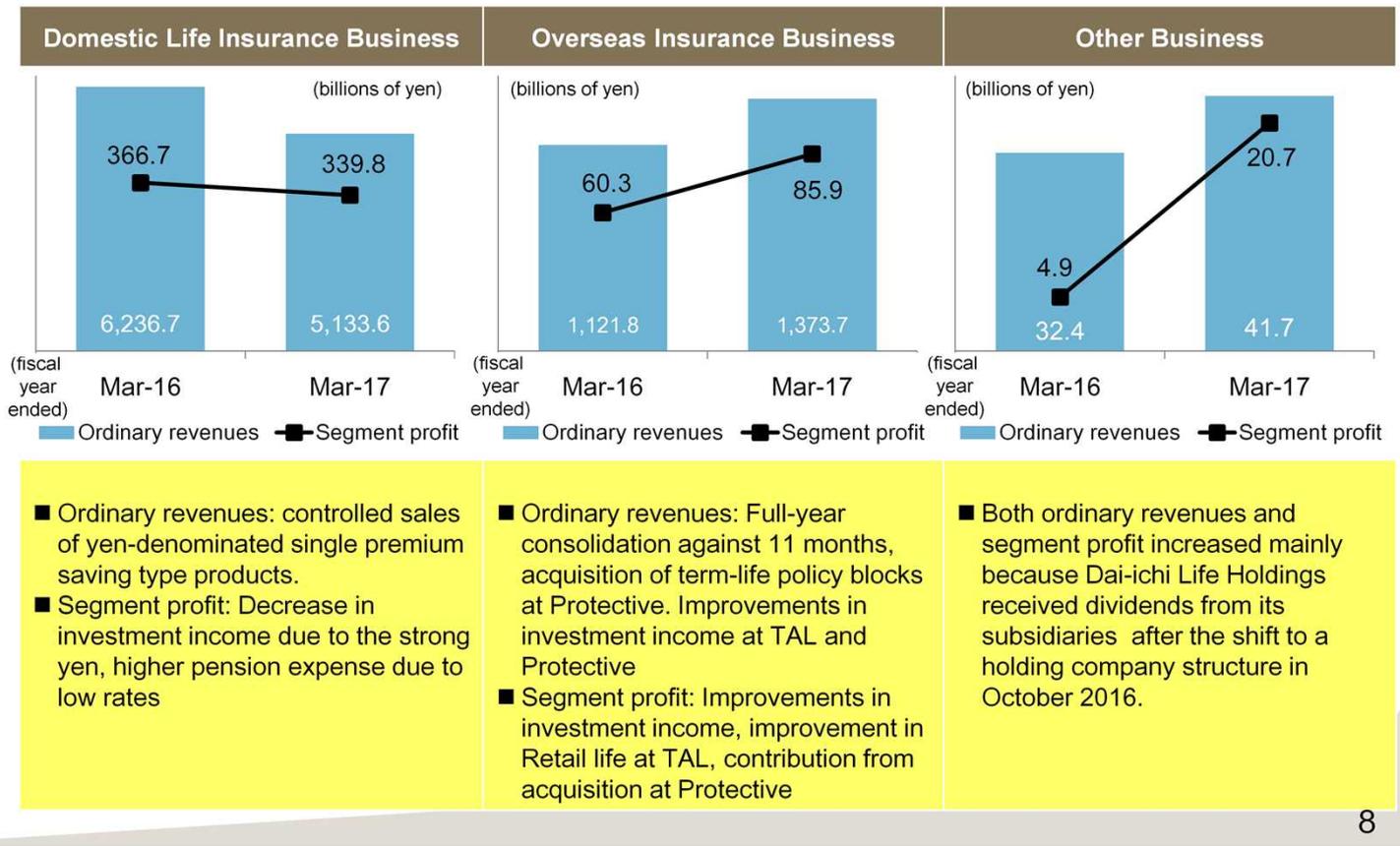
## Dai-ichi Group's ANP from Policies in Force



※ Please refer to footnotes on page 42

- With the expansion of new business, the Group's policies in force maintained positive growth with an increase of 7.0% year-on-year.
- Please turn to page 8.

# Overview of the Group's Financial Results – Segment Results



- Segment results are shown here.
- With the shift to a holding company structure, business segment information is categorized into three segments as shown above: domestic life insurance business, overseas insurance business, and other businesses.
- Please turn to page 9.

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



	【Dai-ichi Life】 <sup>(1)</sup>			【Dai-ichi Frontier Life】			【Protective Life (USA)】 <sup>(2)</sup>		【TAL (Australia)】 <sup>(3)</sup>			【Consolidated】		
	billions of yen			billions of yen			millions of USD		millions of AUD			billions of yen		
	Year ended Mar-16	Year ended Mar-17	Change	Year ended Mar-16	Year ended Mar-17	Change	11 months ended Dec-15	Year ended Dec-16	Year ended Mar-16	Year ended Mar-17	Change	Year ended Mar-16	Year ended Mar-17	Change
Ordinary revenues	4,265.7	3,946.7	(7%)	1,967.5	1,183.2	(40%)	6,784	8,873	3,231	3,574	+11%	7,333.9	6,456.7	(12%)
Premium and other income	2,866.6	2,547.5	(11%)	1,873.0	988.8	(47%)	4,689	5,353	3,020	3,251	+8%	5,586.0	4,468.7	(20%)
Investment income	1,060.0	1,072.0	+1%	94.5	194.1	+105%	1,701	3,099	31	243	+684%	1,344.8	1,626.1	+21%
Ordinary expenses	3,921.5	3,664.9	(7%)	1,937.9	1,119.5	(42%)	6,384	8,279	3,079	3,363	+9%	6,915.7	6,031.4	(13%)
Benefits and claims	2,681.3	2,327.5	(13%)	495.7	555.5	+12%	4,020	4,659	1,949	2,218	+14%	3,830.9	3,618.3	(6%)
Provision for policy reserves and others	209.1	273.3	+31%	1,136.5	470.9	(59%)	1,031	2,274	312	292	(7%)	1,496.3	1,016.7	(32%)
Investment expenses	273.9	286.3	+4%	197.1	36.0	(82%)	440	305	72	49	(31%)	524.0	342.1	(35%)
Operating expenses	404.1	422.0	+4%	97.2	51.2	(47%)	692	796	636	689	+8%	661.3	650.9	(2%)
Ordinary profit	344.2	281.8	(18%)	29.6	63.7	+115%	399	594	152	211	+38%	418.1	425.3	+2%
Extraordinary gains	0.2	4.9	+1,634%	--	--	--	--	0	--	--	--	0.3	17.4	+5,580%
Extraordinary losses	52.2	43.9	(16%)	2.9	3.4	+15%	--	0	0	--	--	55.2	47.4	(14%)
Net income <sup>(6)</sup>	129.1	117.1	(9%)	24.3	50.2	+107%	268	393	119	148	+24%	178.5	231.2	+30%

※ Please refer to footnotes on page 42

- These are the financial results of each major group company.
- Dai-ichi Life's investments in separate accounts turned to gains in fiscal year ended March 2017 versus losses in fiscal year ended March 2016 that were offset by provision for (reversal of) policy reserves. With this effect excluded, investment income decreased and investment expenses increased year-on-year. The impact was due to fluctuations in the financial markets, including foreign exchange rates and stock prices.
- Dai-ichi Life's operating expenses increased because of strategic investments in its sales representative channel. However, because of the decrease in sales commission resulting from a decrease in sales at Dai-ichi Frontier Life, operating expenses on a consolidated basis decreased.
- As for the overseas life insurance business, investment gains improved significantly.
- Extraordinary gains included gains on changes in equity of approximately 12.5 billion yen relating to the reorganization of Asset Management One.
- Please turn to page 10.

# Overview of the Group's Financial Results - Group adjusted profit



			(billions of yen)	
Items			Mar-16	Mar-17
Domestic Life Insurance Business				
1	Dai-ichi Life <sup>(1)</sup>	Net income	129.1	117.1
2		Adjustment (1) Provision for contingency reserve (in excess of statutory amount, net of tax) <sup>(2)</sup>	12.9	12.9
3		Adjustment (2) Provision for price fluctuation reserve (in excess of statutory amount, net of tax) <sup>(2)</sup>	—	—
4		Adjustment (3) Gains or losses on accounting for market value adjustment, net of tax <sup>(3)</sup>	(0.4)	(0.2)
5		Sub-total	12.5	12.7
6		Adjusted net profit <sup>(4)</sup>	141.6	129.9
7	Dai-ichi Frontier Life	Net income	24.3	50.2
8		Adjustment (1) Provision for contingency reserve (in excess of statutory amount, net of tax) <sup>(2)</sup>	—	—
9		Adjustment (2) Provision for price fluctuation reserve (in excess of statutory amount, net of tax) <sup>(2)</sup>	—	—
10		Adjustment (3) Gains or losses on accounting for market value adjustment, net of tax <sup>(3)</sup>	7.5	(27.0)
11		Sub-total	7.5	(27.0)
12		Adjusted net profit	31.8	23.2
13	Neo First Life	Net income	(7.1)	(5.9)
14		Adjusted net profit	(7.1)	(5.9)
15	Adjusted profits of domestic life insurance business		166.4	147.1
Overseas Insurance Business <sup>(4)</sup>				
16	Protective Life <sup>(5)</sup>	Net income	32.3	45.7
17	TAL <sup>(6)</sup>	Net income	10.3	12.7
18	Adjusted profits of overseas insurance business		45.7	61.5
19	Asset Management Business	Adjusted net profit	5.9	5.8
20	Holding company	Adjusted net profit	—	0.0
21	Consolidation adjustment	Adjustment (1) Dividends from subsidiaries and affiliates <sup>(7)</sup>	13.5	4.4
22		Adjustment (2) Amortization of goodwill <sup>(10)</sup>	6.3	5.6
23		Adjustment (3) Gains on change in equity	—	(12.4)
24		Adjustment (4) Others	(0.3)	0.0
25	<b>(New formula) Group Adjusted Profits (Item 25=15+18+19+20-21)</b>		<b>204.6</b>	<b>210.1</b>
26	(Old formula) Consolidated adjusted net income (Item 26=1+2+3+7+8+9+14+18+19+20-21-22-23-24)		191.4	244.2
27	<b>Consolidated net income (Items 27=25-5-11-22-23-24) <sup>(8)</sup></b>		<b>178.5</b>	<b>231.2</b>

Contingency reserve

MVA adjusted in light of rises in interest rates

Dai-ichi Life's reception of dividends from subsidiaries in the first half  
Gain on change of equity in Asset Management One which went through reorganization

※ Please refer to footnotes on page 42

- As explained in the press release and conference call held on March 31, 2017, the Group newly defined “Group Adjusted Profit” on which the Group will base shareholder payout from the fiscal year ended March 2017.
- “Group Adjusted Profit” is the total of Group companies profit after adjustments for non-cash accounting items. Adjustments are made net of tax.
- The main items to be added back are “provision for contingency reserves in excess of statutory amount” at Dai-ichi Life and “amortization of goodwill” as a consolidation adjustment. The main items to be deducted are “gains or losses on accounting for market value adjustment” at Dai-ichi Frontier Life and “gains on change in equity” as a consolidation adjustment.
- After these adjustments, Group Adjusted Profit increased to 210.1 billion yen from 204.6 billion yen. Compared to the increase in consolidated net income of 52.7 billion yen year-on-year, the increase in “Group Adjusted Profit” was only 5.4 billion yen.
- As explained at the beginning of this presentation, dividends of 43 yen per share together with a share repurchase of 23.0 billion yen totals 73.7 billion yen and the total payout ratio is thus expected to be 35%. When calculated based on the former standard, the total payout ratio is 30%.
- Next, I will explain the domestic life insurance business, the overseas life insurance business with the financial results of major subsidiaries. Please turn to page 12.



# Domestic Life Insurance Business

# Dai-ichi Life's Results – Summary Financial Statements



Dai-ichi Life  
Holdings

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

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

	Current Dai-ichi Life (billions of yen)		
	Year ended Mar-16	Year ended Mar-17	Change
Ordinary revenues	4,265.7	3,946.7	(319.0)
Premium and other income	2,866.6	2,547.5	(319.0)
Investment income	1,060.0	1,072.0	+12.0
Interest and dividends	802.2	773.5	(28.6)
Gains on sale of securities	211.9	200.0	(11.8)
Gains on investments in separate accounts	-	54.7	+54.7
Other ordinary revenues	339.1	327.1	(12.0)
Ordinary expenses	3,921.5	3,664.9	(256.5)
Benefits and claims	2,681.3	2,327.5	(353.8)
Provision for policy reserves and others	209.1	273.3	+64.2
Investment expenses	273.9	286.3	+12.3
Losses on sale of securities	62.4	91.1	+28.7
Losses on valuation of securities	0.8	24.8	+23.9
Derivative transaction losses	54.1	14.7	(39.3)
Foreign exchange losses	53.8	81.0	+27.2
Losses on investments in separate accounts	31.5	-	(31.5)
Operating expenses	404.1	422.0	+17.9
Ordinary profit	344.2	281.8	(62.4)
Extraordinary gains	0.2	4.9	+4.6
Extraordinary losses	52.2	43.9	(8.3)
Provision for reserve for policyholder dividends	97.5	85.0	(12.5)
Income before income taxes	194.7	157.8	(36.8)
Total of corporate income taxes	65.6	40.6	(24.9)
Net income	129.1	117.1	(11.9)
Provision for contingency reserve	12.9	12.9	-
Provision for price fluctuation reserve	-	-	-
Gains or losses on accounting for MVA	(0.4)	(0.2)	+0.1
Adjusted net profit	141.6	129.9	(11.7)

	Current Dai-ichi Life (billions of yen)		
	As of Mar-16	As of Mar-17	Change
Total assets	35,894.9	35,686.6	(208.3)
Cash, deposits and call loans	645.2	536.9	(108.2)
Monetary claims bought	233.2	192.2	(40.9)
Securities	30,250.1	30,498.1	+247.9
Loans	2,826.0	2,657.8	(168.1)
Tangible fixed assets	1,164.1	1,124.4	(39.7)
Total liabilities	32,791.7	33,205.0	+413.2
Policy reserves and others	30,635.2	30,864.7	+229.5
Policy reserves	29,984.2	30,249.1	+264.9
Contingency reserve	576.0	594.0	+18.0
Bonds payable	215.7	476.2	+260.5
Other liabilities	1,095.0	1,004.7	(90.3)
Reserve for employees' retirement benefits	377.9	380.8	+2.9
Reserve for price fluctuations	148.4	164.4	+16.0
Deferred tax liabilities	138.6	129.8	(8.8)
Total net assets	3,103.1	2,481.6	(621.5)
Total shareholders' equity	1,175.5	561.2	(614.3)
Total of valuation and translation adjustments	1,926.6	1,920.3	(6.2)
Net unrealized gains (losses) on securities, net of tax	1,946.9	1,963.2	+16.3
Reserve for land revaluation	(16.4)	(17.5)	(1.1)

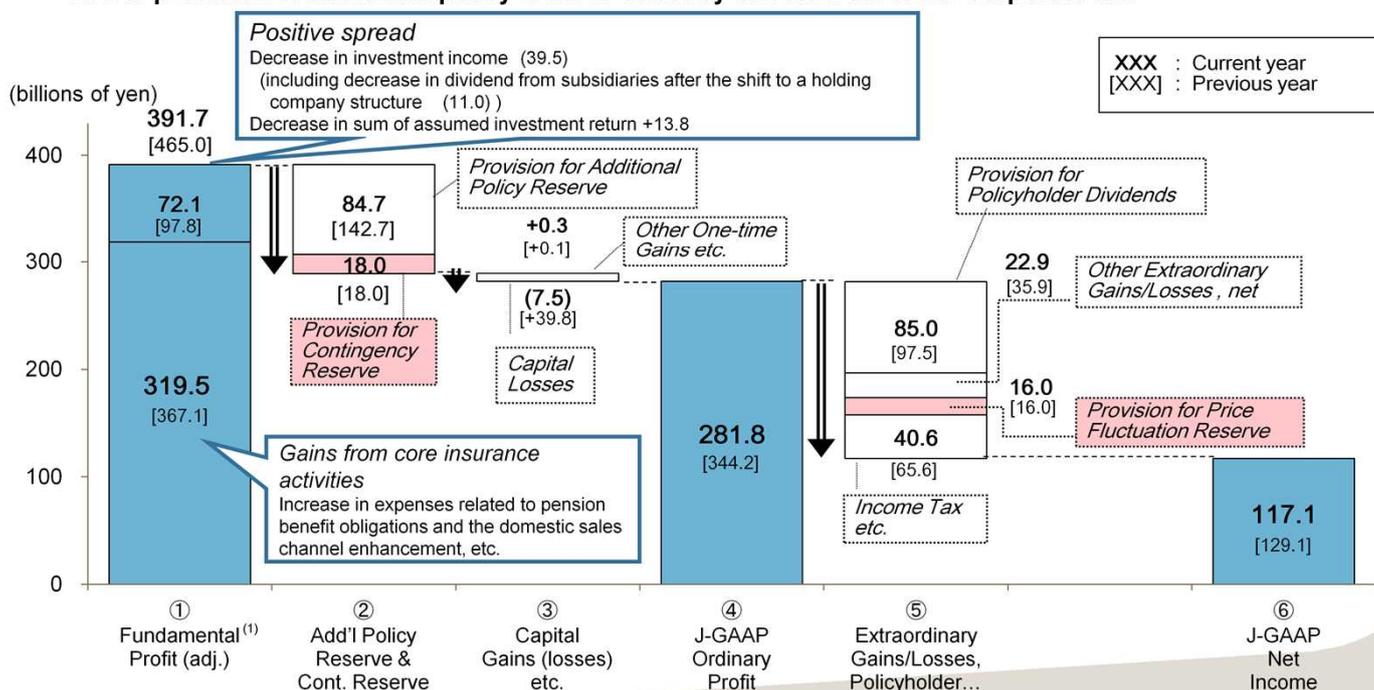
※ Please refer to footnotes on page 42

- Here are the summary financial statements for Dai-ichi Life. The adjustment process for adjusted net profit is shown on the bottom left.
- Please turn to page 13.

# Dai-ichi Life's Results – From Fundamental profit to Net income



- Higher pension expense due to low rates and strategic investment in sales force reduced gains on core insurance activities
- Fluctuations in financial environment reduced income & capital gains
- Lower provision of additional policy reserve offset by effects from lower corporate tax



※ Please refer to footnotes on page 21

13

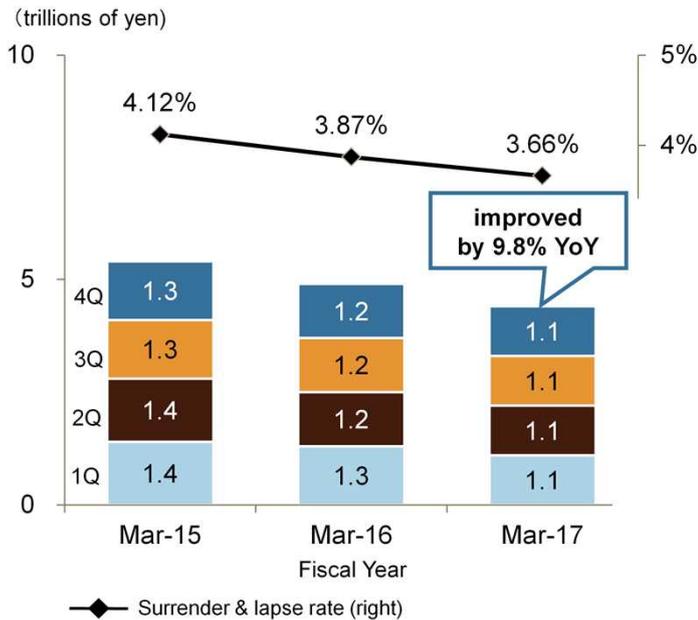
- This slide shows the reconciliation of Dai-ichi Life's fundamental profit to net income. Adjustments related to provision for (reversal of) policy reserve associated with minimum guarantee are made to fundamental profit.
- Regarding adjusted fundamental profit, both positive spread and gains from core insurance activities decreased year-on-year. Positive spread decreased due to a decrease in yen-converted interest and dividend income from foreign currency-denominated assets impacted by the strong yen during the first half of the fiscal year. Gains from core insurance activities declined year-on-year due to an increase in retirement benefit expenses attributable to lower interest rates and expenses related to strategic investments in our sales representative channel in order to strengthen and expand the number of our sales representatives.
- As for items not related to adjusted fundamental profit, Dai-ichi Life reduced the provision for additional policy reserves. Also, because we increased our investment allocation to foreign currency-denominated bonds with currency hedges and because of rising hedge costs, foreign exchange losses increased. In addition, losses on valuation of securities increased because of fluctuations in the financial environment resulting in capital losses. Ordinary profit and net income declined year-on-year.
- Please turn to page 14.

# Dai-ichi Life's Results – Quality of in-force, Sales Force & Productivity

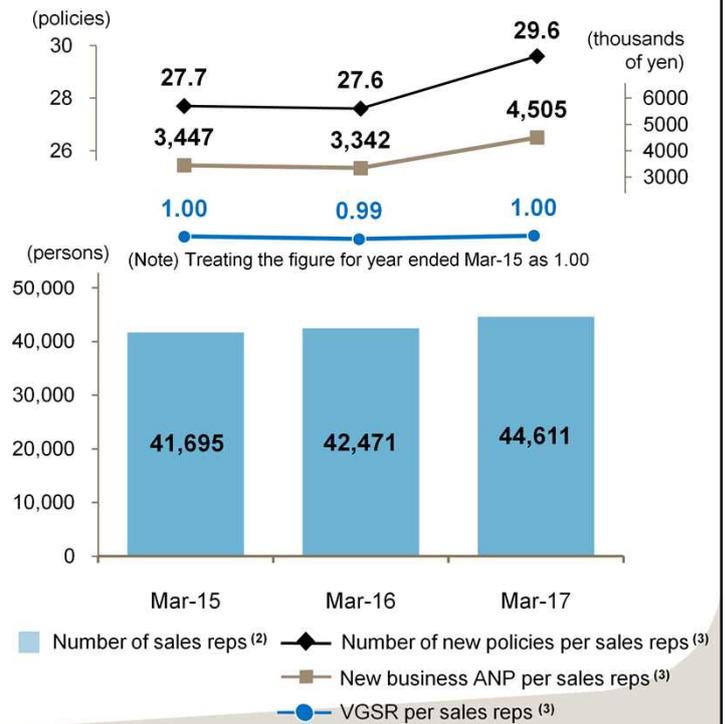


Dai-ichi Life Holdings

## Surrender & Lapse (Individual Insurance & Annuities)



## Number of Sales Reps and Productivity (2)(3)

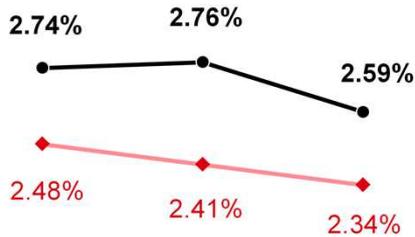


※ Please refer to footnotes on page 21

- This slide shows the quality of in-force business and trends in the size and productivity of Dai-ichi Life's sales representative channel.
- Please note that all areas shown are improving.
- Please turn to page 15.

# Dai-ichi Life's Results - Positive Spread and Additional Policy Reserve

## Investment Spread

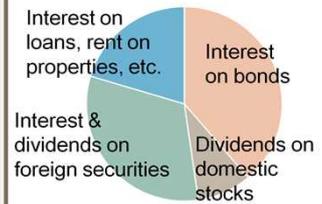


Mar-15 Mar-16 Mar-17  
Fiscal Year

◆ Average Assumed Rate of Return  
● Average Actual Rate of Return

- Secured investment returns due mainly to increased exposure to currency-hedged foreign bonds, resulting in a **favorable positive investment spread**.
- Duration of yen-denominated fixed income assets : 15 years <sup>(4)</sup>

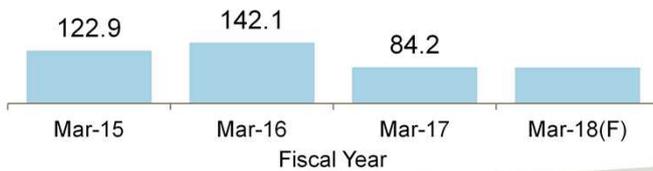
## Components of Interest and Dividend Income (Mar-17)



- Assumed rate of return (policy liability cost) is on a downward trend** due to provision for additional policy reserve and adequate pricing assumptions for new policies.

## Provision for Additional Policy Reserve <sup>(5)</sup>

(billions of yen)



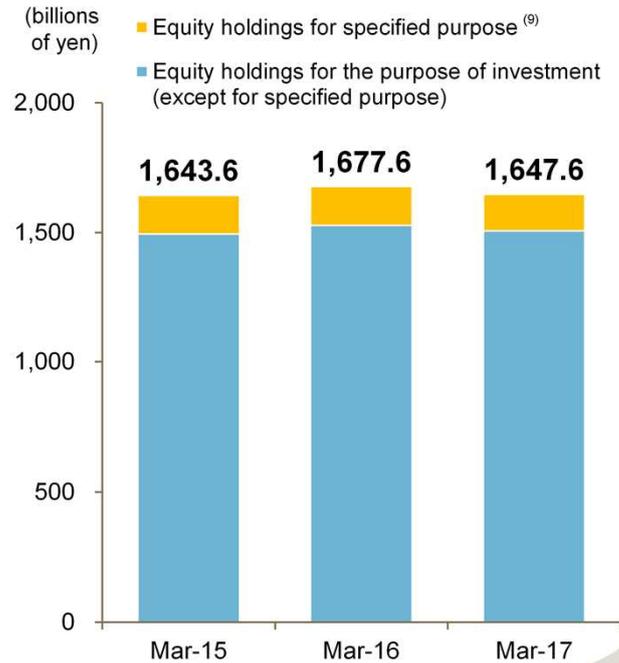
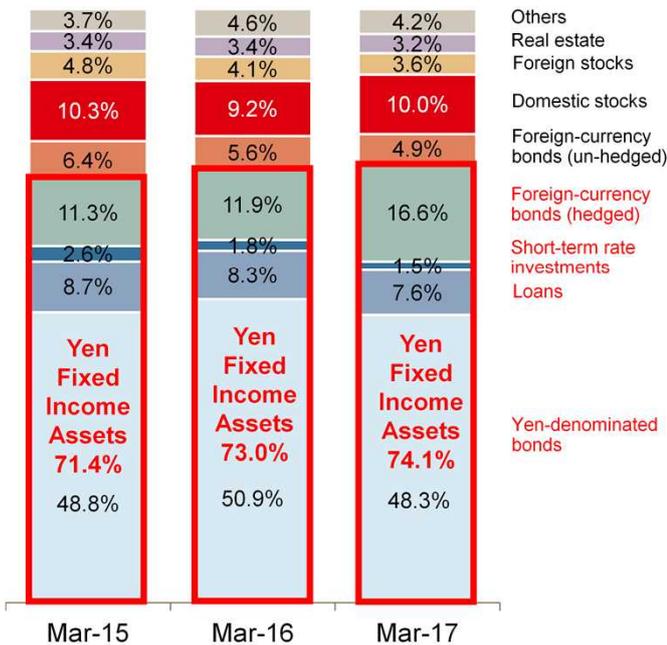
- No changes** to the plan were made for provision for additional policy reserve going forward

※ Please refer to footnotes on page 21

- I will explain the investment spread and additional policy reserve of Dai-ichi Life.
- Investment returns were successfully secured due mainly to increased exposure to currency-hedged foreign bonds. Also, the downward trend for average assumed rate of return (policy liability cost) was ensured by providing provision for additional policy reserve and adequate pricing assumptions for new policies, thus maintaining a favorable investment spread in a continued extremely low interest rate environment. Moreover, Dai-ichi Life is expected to generate stable investment returns as the duration of its yen-denominated fixed income assets is approximately 15 years.
- No changes to the plan were made for provision for additional policy reserve going forward.
- Please turn to page 16.

Asset Portfolio (General Account) <sup>(6) (7)</sup>

Book Value of Domestic Stocks <sup>(8)</sup>

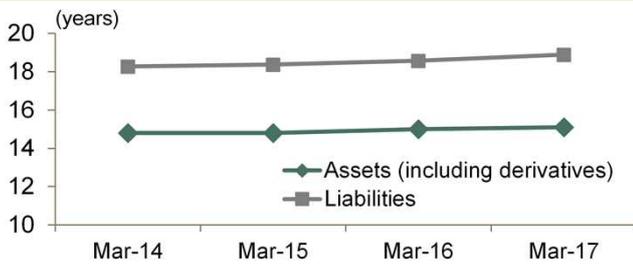


※ Please refer to footnotes on page 21

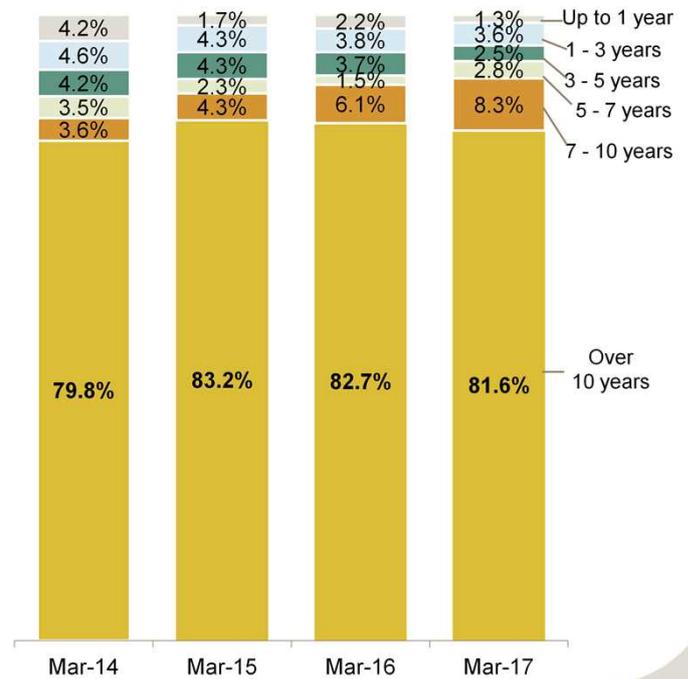
- I will explain our investment portfolio.
- The graph on the left shows the breakdown of Dai-ichi Life's general account portfolio.
- Upon observing the trends in interest rates and foreign currency exchange rates, we decreased the allocation to un-hedged foreign currency-denominated bonds and increased the allocation to foreign currency-denominated bonds with currency hedges as of March 2017.
- The percentage of domestic stocks increased mainly because of market value fluctuations. On the right side, the book value of domestic listed stocks is divided between two categories: equity holdings for specified purpose and equity holdings for the purpose of investment. The book value of domestic stocks compared to the previous fiscal year-end decreased mainly because we sold more stocks as part of our efforts to reduce risk than we invested in growth areas.
- Please turn to page 17.



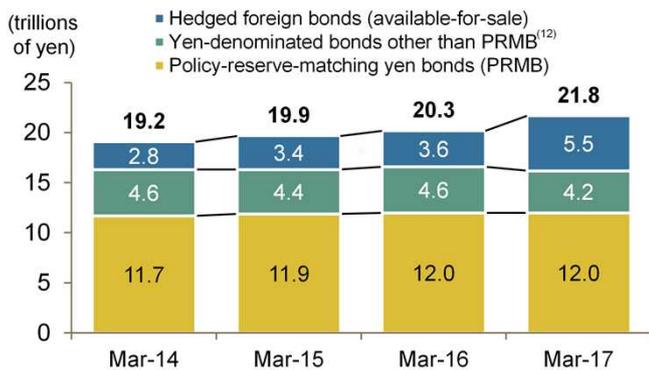
Duration of Fixed Income Assets and Liabilities <sup>(10)</sup>



Maturity Profile of Domestic Bonds <sup>(13)</sup>



Yen and Currency-hedged Foreign Bonds <sup>(11)</sup>



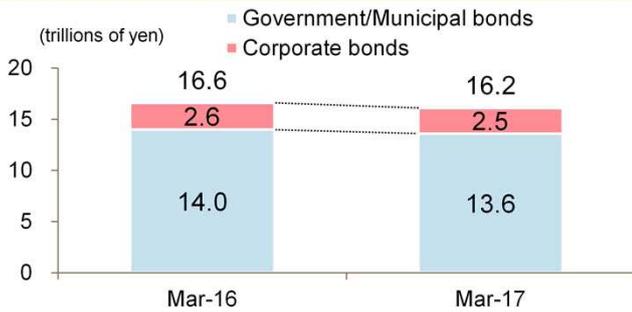
※ Please refer to footnotes on page 21

- I will explain our holdings of yen-denominated bonds etc.
- The graph on the top left shows the transition of yen-based fixed income assets and duration of insurance liabilities. We continue to control our purchase of Japanese government bonds, taking into account the low interest rates in Japan. At the same time, we utilized derivatives in order to control the duration gap within a certain margin.
- The graph on the bottom left shows the balance of yen-denominated bonds and currency-hedged foreign bonds as they are recorded on the balance sheet. In addition to currency-hedged foreign bonds, we increased the balance of selective credit investment and project financing.
- The right graph shows the remaining years to maturity of our domestic bonds. We continue to hold mainly long-term and super long-term bonds.
- Please turn to page 18.

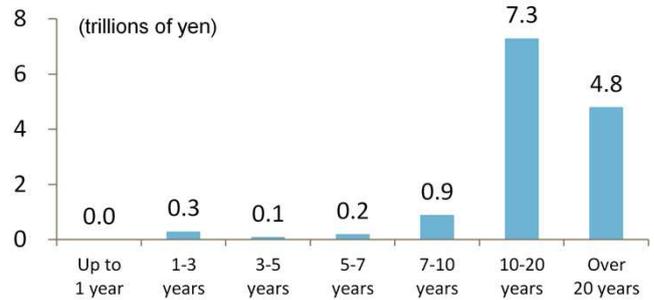


# Dai-ichi Life's Results – General Account Assets (iii) Profile of Bonds

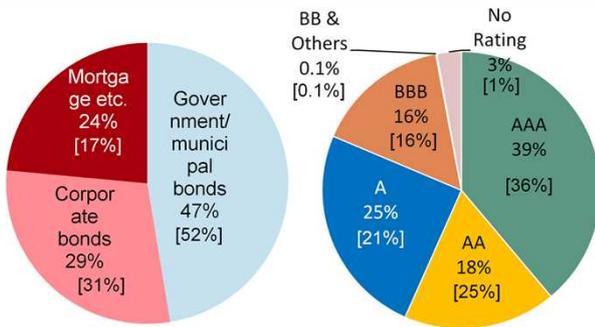
## Yen-denominated Bonds <sup>(14)</sup>



## Domestic Government Bonds <sup>(15)</sup> by Maturity (Mar-17)



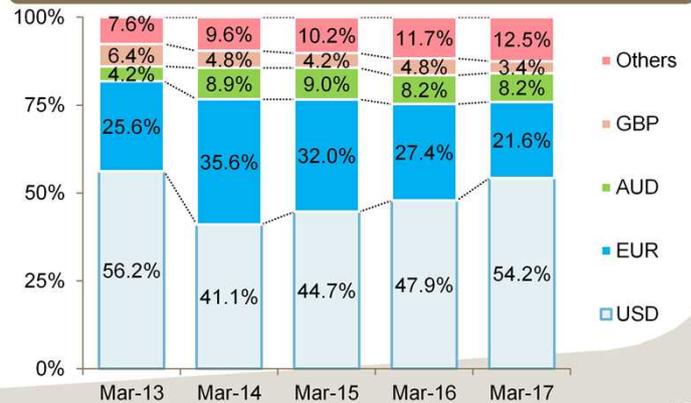
## Foreign Currency Bond Portfolio <sup>(15)(16)</sup> (Mar-17)



Figures in [] are as of March 31, 2016.

※ Please refer to footnotes on page 21

## Foreign Currency Bonds by Currency <sup>(15)</sup>

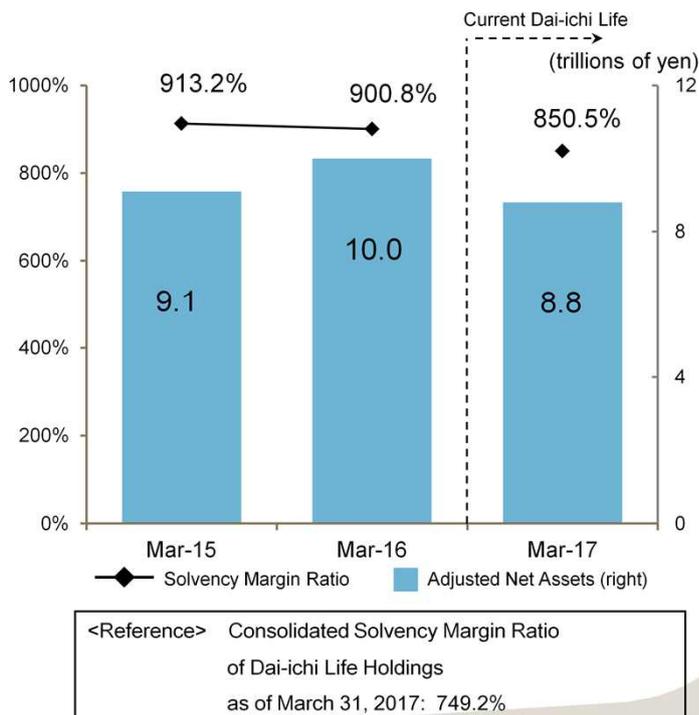


- I will explain about our profile of bonds in more detail.
- As for foreign currency bonds, we continue to invest mainly in bonds with high credit ratings. Compared to the previous fiscal year-end, we increased our investments in mortgage securities.
- The graph on the bottom right shows the breakdown of foreign currency bonds by currency. We invest mainly in major currencies but at the same time we are making efforts with regards to the distribution of currencies. As of March 31, 2017, we expanded our investment options to twenty-three currencies and thirty-five countries.
- Please turn to page 19.

Unrealized Gains/Losses (General Account)

	As of Mar-16	As of Mar-17	Change
Securities	6,212.0	5,491.0	(720.9)
Domestic bonds	4,022.9	3,243.9	(779.0)
Domestic stocks	1,312.8	1,687.8	+375.0
Foreign bonds	678.7	394.7	(283.9)
Foreign stocks	172.0	125.2	(46.8)
Real estate	130.3	166.7	+36.3
General Account total	6,334.6	5,637.0	(697.5)

Solvency Margin Ratio & Adjusted Net Assets



※ Please refer to footnotes on page 21

- I will explain the financial soundness of Dai-ichi Life.
- The chart on the left shows the change in unrealized gains in our general account assets. Since stocks of subsidiaries etc. that are held by Dai-ichi Life Holdings are not accounted for, the figures of “Mar-16” and “Mar-17” are not directly comparable.
- Based on this, unrealized gains in our general account assets decreased by approximately 700 billion yen compared to the previous fiscal year end. Although partially offset by an increase in unrealized gains on domestic stocks, the decrease was due mainly to declines in unrealized gains on bonds due to the rise in interest rates.
- The solvency margin ratio of current Dai-ichi Life shown on the graph on the right was at a high level of 850.5% at the end of March 2017. It decreased compared to the previous fiscal year end due to the change in shareholders’ equity when Dai-ichi Life Holdings shifted to a holding company structure. The figures of “Mar-16” and “Mar-17” are not directly comparable.
- Please turn to page 22.

	Sensitivities <sup>(17)</sup>	Breakeven Points <sup>(18)</sup>
Domestic stocks	<p>Nikkei 225 1,000 yen change:</p> <p>March 2017: ±170 billion yen (March 2016: ±170 billion yen)</p>	<p>Nikkei 225</p> <p>March 2017: 9,400 yen (March 2016: 9,400 yen)</p>
Domestic bonds	<p>10-year JGB Yield 10bp change:</p> <p>March 2017: ± 260 billion yen* (March 2016: ±290 billion yen)</p> <p>* Available-for-sale securities: March 2017: ± 30 billion yen (March 2016: ±40 billion yen)</p>	<p>10-year JGB Yield</p> <p>March 2017: 1.3%* (March 2016: 1.3%)</p> <p>* Available-for-sale securities: March 2017: 1.4% (March 2016: 1.4%)</p>
Foreign securities	<p>JPY / USD 1 yen change:</p> <p>March 2017: ± 21 billion yen (March 2016: ±29 billion yen)</p>	<p>JPY / USD</p> <p>March 2017: \$1 = 105 yen (March 2016: 103 yen)</p>

※ Please refer to footnotes on page 21



- P13 1 Adjusted fundamental profit = (fundamental profit) ± (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). Provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance products excludes elements that have no impact on ordinary profit.
- P14 2 The number of sales representatives does not include those who are not full-time employees of Dai-ichi Life and are engaged mainly in ancillary work.  
3 Calculated by dividing the number of new policy, new business ANP (annualized net income) and VGSR (value of gross sales revenue) respectively, by the average number of sales representatives in each period. VGSR is an internal index of sales and is the value of new business before deduction of operating expenses etc. excluding the effect associated with environmental changes, treating the figure for year ended March 2015 as 1.00.
- P15 4 Yen denominated fixed income assets represents yen-denominated fixed income assets in the individual insurance and annuity portfolio in the company's general account.  
5 Additional Policy Reserve is provided for whole life policies signed before March 1996 and paid in full
- P16 6 On October 1, 2016, the Group shifted to a holding company structure and stocks of certain subsidiaries and affiliates of former Dai-ichi Life have been held by Dai-ichi Life Holdings. Figures for March 2015 and March 2016 are restated as if the shift to a holding company structure had been completed at the beginning of the period.  
7 General account asset portfolio are calculated on a carrying amount basis  
8 Book value of domestic stocks includes only those with fair value (excluding stocks of subsidiaries / affiliated companies and unlisted companies)  
9 Equity holding for specified purpose represents equity holdings other than those held solely for the purpose of investment (excluding stocks of unlisted companies and contributed to the retirement benefit trust)
- P17 10 "Duration of fixed income assets and liabilities" represents insurance liabilities associated with individual insurance and annuities in the company's general account and duration of yen-based fixed income assets (including derivatives)  
11 "Yen and Currency-hedged Foreign Bonds" 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.  
12 Policy-reserve-matching yen bonds (PRMB) is a unique category for bonds, accepted under Japanese GAAP. PRMB is reported at amortized cost if the bonds meet certain requirements.  
13 "Maturity Profile of Domestic Bonds" represents domestic bonds in the company's general account. The balance is shown on a carrying amount basis.
- P18 14 "Yen Denominated Bonds" is stated in Book value basis  
15 "Domestic Government Bonds by Maturity," "Foreign Currency Bond Portfolio," "Foreign Currency Bonds by Currency" are stated in carrying amount basis  
16 "Foreign Currency Bond Portfolio" Rating breakdown based on ratings from S&P & Moody's, excluding mortgage etc.
- P20 17 Sensitivities indicate the impact of fluctuations in the market value of related assets.  
18 Breakeven points indicate assumptions when unrealized gains or losses of the related assets would be zero. Figures for foreign securities are calculated for foreign currency exchange factors only, based on the JPY/USD exchange rate (assuming all are in USD).



## Profit and Loss Statement

(billions of yen)

	Year ended Mar-16	Year ended Mar-17	Change
Ordinary revenues	1,967.5	1,183.2	(784.3)
Premium and other income	1,873.0	988.8	(884.1)
Investment income	94.5	194.1	+99.6
Hedge gains related to GMMB risk (A)	2.3	-	(2.3)
Ordinary expenses	1,937.9	1,119.5	(818.4)
Benefits and claims	495.7	555.5	+59.8
Provision for policy reserves and others	1,136.5	470.9	(665.5)
Related to GMMB risk (B)	31.5	2.9	(28.6)
Contingency reserve (C)	(5.6)	0.3	+5.9
Investment expenses	197.1	36.0	(161.0)
Hedge losses related to GMMB risk (D)	-	30.7	+30.7
Foreign exchange losses	126.5	-	(126.5)
Operating expenses	97.2	51.2	(46.0)
Ordinary profit	29.6	63.7	+34.0
Related to market value adjustment (E) <sup>(11)</sup>	(8.4)	32.3	+40.7
Extraordinary gains (losses)	(2.9)	(3.4)	(0.4)
Income before income taxes	26.6	60.2	+33.6
Total of corporate income taxes	2.3	10.0	+7.6
Net income	24.3	50.2	+25.9
Adjusted net profit: Net income - (E)(after tax)	31.8	23.2	(8.6)
Net income - (A) + (B) + (C) + (D) - (E)	56.3	51.8	(4.4)

## Balance Sheet

(billions of yen)

	As of Mar-16	As of Mar-17	Change
Total assets	6,132.2	6,742.4	+610.1
Cash and deposits	118.4	109.8	(8.5)
Securities	5,836.5	6,214.9	+378.4
Total liabilities	6,046.3	6,632.1	+585.7
Policy reserves and others	5,948.1	6,419.0	+470.9
Policy reserves	5,941.1	6,409.8	+468.7
Contingency reserve	114.6	114.9	+0.3
Total net assets	85.9	110.3	+24.3
Total shareholders' equity	42.7	93.0	+50.2
Capital stock	117.5	117.5	-
Capital surplus	67.5	67.5	-
Retained earnings	(142.2)	(91.9)	+50.2

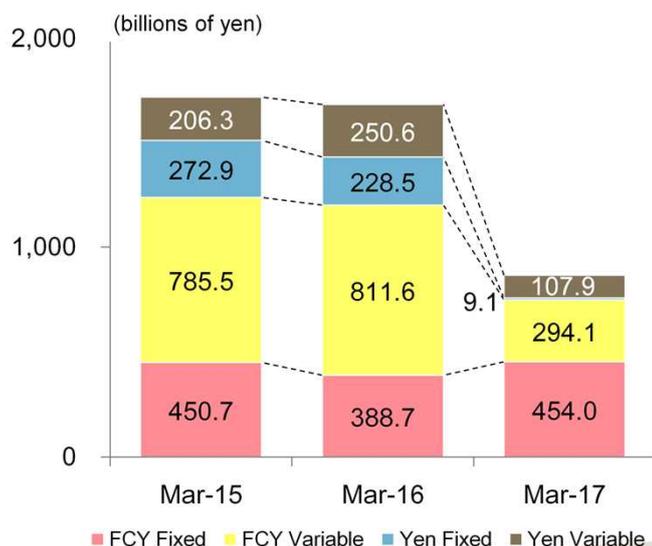
※ Please refer to footnotes on page 42

- Here are the summary financial statements for Dai-ichi Frontier Life. Guaranteed minimum maturity benefit (GMMB) risk that fluctuates based on the financial environment and gains (losses) related to market value adjustment are shown here. The adjustment process for adjusted net profit is shown on the bottom left.
- Please turn to page 23.

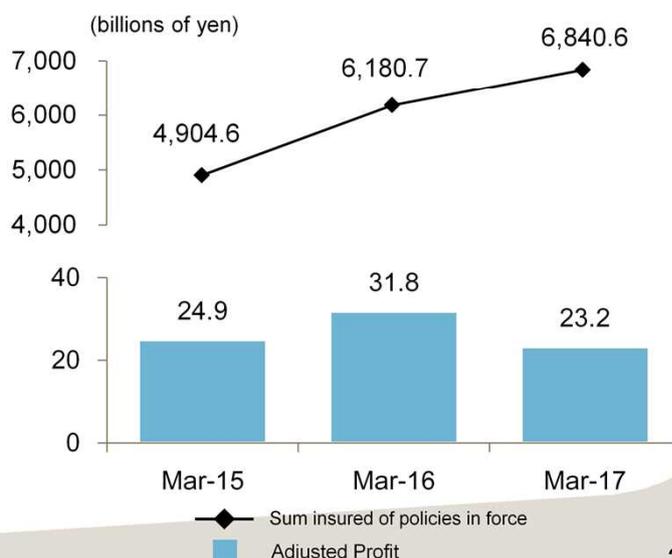
Results Highlights

- Steady sales of foreign currency fixed insurance. Controlled sales of yen fixed products under current economic environment. Sales of variable products decreased as consumers avoided risk.
- Adjusted profit was down because of a heavier corporate tax burden reflecting consistent corporate earnings.

Premium Income by Products Type



Sum insured of policies in force and Adjusted Profit



- I will explain the results of Dai-ichi Frontier Life (DFL).
- During the fiscal year ended March 31, 2017, premium income decreased significantly year-on-year. Under a low interest rate environment, DFL controlled sales of yen-denominated fixed life insurance products. In addition, because of the uncertain financial environment, consumers avoided risk in the bancassurance market leading to a decline in sales of variable life insurance products.
- DFL reversed its provision for policy reserves related to GMMB risk due to improvements in investment income resulting from high stock prices and the weaker yen. However, because of sharp market fluctuations triggered by major political events such as the Brexit referendum and the United States presidential election, costs related to hedging increased for the second and third quarter causing profitability, after reflecting hedge losses, to deteriorate.
- On the other hand, following the United States presidential election, interest rates rose in Japan and other countries. This resulted in a reversal of provision for policy reserves related to market value adjustment and net income increased year-on-year.
- Adjusted net profit which excludes gains (losses) related to market value adjustment decreased. However, the decrease is a result of the higher corporate income tax burden that reflects the fact that corporate earnings are being generated consistently.
- Next I will discuss our major subsidiaries in the overseas life insurance business. Please turn to page 25.



# Overseas Life Insurance Business

# Protective Life' Results - Summary Financial Statements



Dai-ichi Life  
Holdings

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

(millions of USD)

	11 months ended Dec-15	Year ended Dec-16
Ordinary revenues	6,784	8,873
Premium and other income	4,689	5,353
Investment income	1,701	3,099
Other ordinary revenues	393	420
Ordinary expenses	6,384	8,279
Benefits and claims	4,020	4,659
Provision for policy reserves and others	1,031	2,274
Investment expenses	440	305
Operating expenses	692	796
Other ordinary expenses	200	244
Ordinary profit	399	594
Total of corporate income taxes	131	200
Net income	268	393

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

(millions of USD)

	As of Dec-15	As of Dec-16	Change
Total assets	68,493	75,005	+6,511
Cash and deposits	397	350	(47)
Securities	50,843	56,237	+5,393
Loans	7,360	7,784	+424
Tangible fixed assets	113	114	+0
Intangible fixed assets	2,663	2,937	+273
Goodwill	732	793	+61
Other intangible fixed assets	1,915	2,122	+206
Reinsurance receivable	165	161	(4)
Total liabilities	63,912	69,533	+5,621
Policy reserves and others	57,893	60,702	+2,808
Reinsurance payables	244	247	+3
Bonds payable	2,238	4,230	+1,992
Other liabilities	2,409	2,641	+232
Total net assets	4,581	5,471	+890
Total shareholders' equity	5,822	6,126	+303
Total accumulated other comprehensive income	(1,241)	(654)	+586

※ Please refer to footnotes on page 42

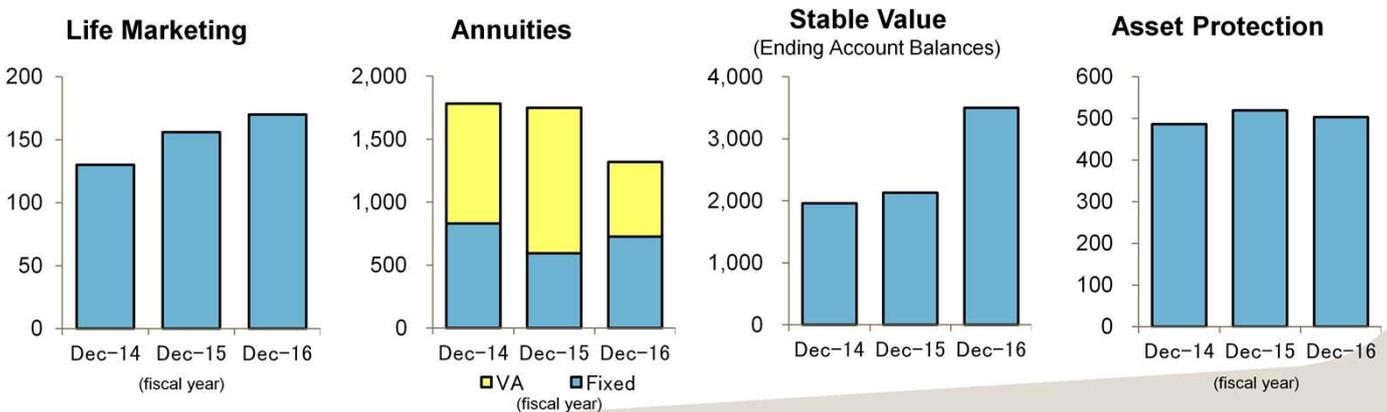
25

- Here are the summary financial statements for Protective Life. Accounting items were calculated based on local accounting policies and then re-classified to conform with Japanese accounting standards.
- Please turn to page 26.

Overview

- Net income performed favorably compared to the annual plan. Favorable investment income offset unfavorable mortality and unlocking
- Acquired blocks of business from GLAIC (Genworth Life and Annuity Insurance Company) started to contribute to the full year results
- Acquisition of USWC (United States Warranty Corp) was closed
- Sales results were roughly achieved as planned (excluding Annuities)
- Strengthened distribution partnership in Life Marketing

Sales results (millions of USD)



※ Please refer to footnotes on page 42

- I will provide an overview of Protective Life's business.
- The previous period for Protective Life covered only eleven months and is therefore not directly comparable with the current period. However, compared to the previous period, there were factors that adversely affected the financial statements of the current period, including unfavorable mortality and unlocking in light of the change in the financial environment. These factors were offset by improvements in investment income and profit contribution from the acquired blocks of business from GLAIC. Protective Life achieved profit that surpassed the Company's annual plan.
- The slide shows an annual comparison of sales results. Prior to an expected change to regulations related to sales of financial products, independent insurance agents were cautious in their sales activities and variable annuities sales fell. Sales other than variable annuities performed well overall. In Life Marketing, in addition to the partnership with Costco, Protective Life is expanding its distribution partnerships with companies such as GEICO and these initiatives are beginning to contribute to an increase in sales.
- Please turn to page 27.

**Pre-tax Adjusted Operating Earnings <sup>(2)</sup>**

(millions of USD)

	Fiscal year ended Mar-16 (11 months to Dec-15)	Fiscal year ended Mar-17 (12 months to Dec-16)	
	Actual	Plan	Actual
Life Marketing	57.4	87.0	39.7
Acquisitions	194.6	233.6	260.5
Annuities	180.2	222.1	213.2
Stable Value	56.5	28.5	61.2
Asset Protection	20.6	25.0	16.4
Corporate & other	(25.0)	(67.0)	(87.9)
Pre-tax Adjusted Operating Earnings <sup>(12)</sup>	484.4	530.0	503.3
Realized Gain (Loss) on investments	(185.1)	(42.0)	48.5
Realized Gain (Loss) on derivatives	100.5	n.a.	42.0
Tax	(131.5)	(180.0)	(200.9)
Net Income	268.2	308.0	393.0

[Life Marketing]  
 ● Unfavorable unlocking and mortality against plan.

[Acquisitions]  
 ● Favorable spreads and expenses offset by unfavorable mortality against plan.

[Annuities]  
 ● Unfavorable variable annuity fees offset by favorable mortality against plan.

[Stable Value]  
 ● Higher average account balance, participating income and favorable spread against plan.

[Asset Protection]  
 ● Unfavorable claims experience and transaction costs against plan.

※ Please refer to footnotes on page 42

- I will explain Protective Life's pre-tax operating earnings which exclude items that fluctuate depending on the financial environment, including realized gains and losses on investments and derivatives.
- The Life Marketing and Annuities business fell short of the annual plan. However, because of profit contribution from the acquired blocks of business from GLAIC and because of Protective's Acquisitions business surpassing the annual plan due to improvements in investment income, as well as the Stable Value business, which currently has higher consumer demands under a low interest environment also surpassing the annual plan, pre-tax operating earnings of the entire business performed favorably against the annual plan.
- Protective also recognized favorable realized gain on investments net of derivatives, however, the variance was due mainly to portfolio capital gains attributable to a Protective coinsurer.
- Please turn to page 28.

# TAL's Results – Summary Financial Statements



Dai-ichi Life  
Holdings

## Statement of Earnings <sup>(3)</sup>

(millions of AUD)

	Year ended Mar-16	Year ended Mar-17	Change
Ordinary revenues	3,231	3,574	+342
Premium and other income	3,020	3,251	+230
Investment income	31	243	+212
Other ordinary revenues	179	78	(100)
Ordinary expenses	3,079	3,363	+284
Benefits and claims	1,949	2,218	+269
Provision for policy reserves and others	312	292	(20)
Investment expenses	72	49	(22)
Operating expenses	636	689	+52
Other ordinary expenses	108	113	+4
Ordinary profit	152	211	+58
Total of corporate income taxes	32	62	+29
Net income	119	148	+28
Underlying profit	168	180	+11

## Balance Sheet <sup>(3)</sup>

(millions of AUD)

	As of Mar-16	As of Mar-17	Change
Total assets	7,043	7,178	+134
Cash and deposits	1,358	1,559	+200
Securities	2,859	2,830	(28)
Tangible fixed assets	0	0	(0)
Intangible fixed assets	1,207	1,178	(28)
Goodwill	786	786	-
Other intangible fixed assets	420	392	(28)
Reinsurance receivable	148	131	(17)
Other assets	1,470	1,478	+8
Total liabilities	4,890	4,887	(3)
Policy reserves and others	3,491	3,525	+34
Reinsurance payables	332	290	(41)
Other liabilities	978	734	(243)
Deferred tax liabilities	89	95	+6
Total net assets	2,152	2,291	+138
Total shareholders' equity	2,152	2,291	+138
Capital stock	1,630	1,630	-
Retained earnings	522	660	+138

※ Please refer to footnotes on page 42

- Here are the summary financial statements for TAL.
- Please turn to page 29.



Overview

- The individual segment maintained steady growth in new sales, contributing to sustained growth in policies in-force
- Underlying profit increased by 7% YoY due mainly to significant improvement in Retail Life in the fourth quarter
- Net income increased by 24% YoY due mainly to higher investment income than assumed

(millions of AUD)

	Year ended Mar-16	Year ended Mar-17	% Change
Net income (A)	119	148	+ 24%
Adjustments after tax (B)	48	31	
Discount rate changes	(7)	1	
Amortization charges	20	20	
Others	36	10	
Underlying profit (A + B)	168	180	+ 7%

※ Please refer to footnotes on page 42

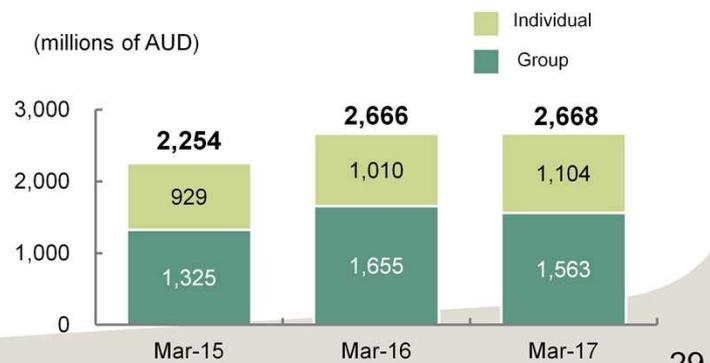
New Business ANP

(millions of AUD)

	Mar-15	Mar-16	Mar-17	Change	
Individual	New sales	136	144	148	+ 4
	Change in in-force	79	87	100	+ 12
	Sub-total	216	231	248	+ 16
Group	New sales	3	332	5	Δ 326
	Change in in-force	42	9	0	Δ 9
	Sub-total	46	341	6	Δ 335
Total	262	573	254	Δ 318	

ANP from Policies in-Force

(millions of AUD)



- I will explain the results of TAL. TAL increased its new business ANP in individual insurance by 7% year-on-year in AUD terms. On the other hand, new business ANP in group insurance significantly decreased because, during the previous fiscal year, TAL became the insurance provider to one of the biggest superannuation funds in Australia, thereby boosting new business ANP in group insurance for the previous period. In-force ANP was almost flat year-on-year. For the individual insurance business, a partnership with Qantas Airways was launched and TAL will further pursue distribution partnership opportunities. As for the group insurance business, TAL will continue to strive to expand new business.
- Both revenues and profit were up year-on-year. Income protection claims experience remained unfavorable in light of the economic environment. However, there was a reasonable improvement in profitability of retail life insurance products towards the end of the fiscal year. In addition, investment income increased due to improvements in the corporate bond spreads. Net income increased by 24% year-on-year.
- Underlying profit that is adjusted for interest rate fluctuations and risk-adjustments increased by 7% year-on-year.
- Next, I will move on to our consolidated earnings guidance. Please turn to page 31.



# Earnings Guidance

## Earnings Guidance - Guidance for the Year Ending March 2018



- The Group expects declines in revenues and net income. Increased reserving expenses at Dai-ichi Life are expected to be offset by an improvement in net capital gains. Dai-ichi Frontier and other companies will see declines from better than expected earnings last year.
- Cash dividend increase to 45 yen per share looking at total shareholder payment of 40%

(billions of yen unless otherwise noted)

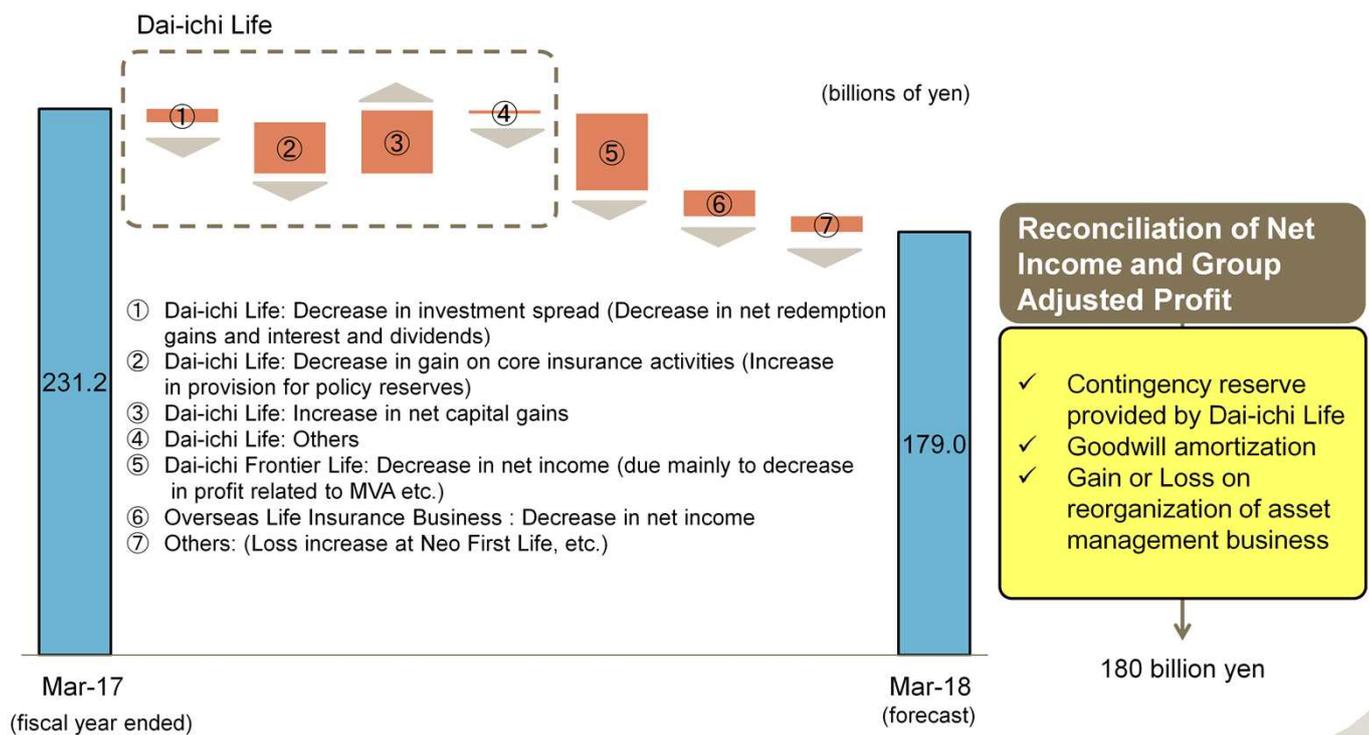
	Year ended Mar-17	Year ending Mar-18	Change
<b>Ordinary revenues</b>	<b>6,456.7</b>	<b>6,004.0</b>	<b>(452.7)</b>
Dai-ichi Life	3,946.7	3,663.0	(283.7)
Dai-ichi Frontier Life	1,183.2	1,012.0	(171.2)
Protective Life (millions of USD)	8,873	8,710	(163)
TAL (millions of AUD)	3,574	3,760	+185
<b>Ordinary profit</b>	<b>425.3</b>	<b>363.0</b>	<b>(62.3)</b>
Dai-ichi Life	281.8	272.0	(9.8)
Dai-ichi Frontier Life	63.7	29.0	(34.7)
Protective Life (millions of USD)	594	460	(134)
TAL (millions of AUD)	211	180	(31)
<b>Net income<sup>(5)</sup></b>	<b>231.2</b>	<b>179.0</b>	<b>(52.2)</b>
Dai-ichi Life	117.1	111.0	(6.1)
Dai-ichi Frontier Life	50.2	17.0	(33.2)
Protective Life (millions of USD)	393	310	(83)
TAL (millions of AUD)	148	130	(18)
<b>Dividends per share (yen)</b>	<b>43</b>	<b>45</b>	<b>+2</b>
<b>(Reference) Fundamental Profit</b>			
Dai-ichi Life Group	558.4	around 480.0	(78.4)
Dai-ichi Life	392.1	around 340.0	(52.1)

※ Please refer to footnotes on page 42

31

- I will explain our earnings guidance for the year ending March 31, 2018.
- We forecast a decrease in both revenues and net income. Ordinary revenues are expected to decrease because premium income from savings-type products is expected to decrease as we shift to protection-type products in the domestic life insurance business.
- Ordinary profit and net income are expected to decrease because the magnitude of the reversal of policy reserves related to market value adjustment recorded at Dai-ichi Frontier was high for the previous fiscal year. There were also other one-time gains from the overseas life insurance business that we do not expect for the year ending March 2018.
- Even though we expect a decrease in profit, we aim to achieve a total payout ratio of 40%, which is our mid-term business plan objective. We forecast dividends per share to increase by 2 yen to 45 yen.
- Please turn to page 32.

## Analysis of Change in Net Income <sup>(5)</sup>



※ Please refer to footnotes on page 42

32

- I will explain the change in net income reflected in our forecast for Dai-ichi Life in detail.
- Premium rates of certain products at Dai-ichi Life were revised coinciding with the revised statutory standard assumed rate of return implemented in April. For new business, we are required to accumulate provision for policy reserves based on the standard assumed rate of return. Thus, we expect an increase in provision for policy reserves for the fiscal year ending March 31, 2018. This is expected to be offset by an increase in net capital gains. Net income of Dai-ichi Life is expected to decrease marginally.
- The forecast for Group adjusted profit is 180 billion yen as disclosed on March 31, 2017. The main adjustment items are shown on the right.



# Group Embedded Value

- European Embedded Value (EEV) at the end of March 2017 increased from a year ago mainly due to value of new business, high stock prices, and a rise in interest rates

### Group Embedded Value (billions of yen)

	As of Mar-16	As of Mar-17	Change
EEV of the Group	4,646.1	5,495.4	+849.3
EEV for Covered Businesses <sup>(1)</sup>	4,646.1	5,690.1	+1,043.9
Adjusted net worth	6,287.3	6,073.5	(213.7)
Value of in-force business	(1,641.2)	(383.4)	+1,257.7
Adjustments to net worth etc. of non-covered businesses <sup>(2)</sup>	-	(194.6)	(194.6)

Following the shift to a holding company structure on October 1, 2016, Group EEV is indicated differently from the past (this change does not effect the level of group EEV)

	Mar-16	Mar-17	Change
Value of new business	216.1	145.5	(70.5)

- (1) "Covered businesses" are the business areas that are to be covered by the EEV methodology set forth by the EEV principle. The EEV principle requires covered businesses to be disclosed. In the past, Dai-ichi Group categorized all of its businesses as covered businesses. However, following the shift to a holding company structure on October 1, 2016, subsidiaries engaged in the life insurance business (Dai-ichi Life, Dai-ichi Frontier Life, Neo First Life, Protective, TAL, Dai-ichi Vietnam and its subsidiaries) are categorized as covered businesses.
- (2) "Adjustments relating to net worth of non-covered businesses" include net worth (1,224.8 billion yen) of non-consolidated Dai-ichi Life Holdings as of March 31, 2017, adjustments related to interest (minus 1,474.0 billion yen) in six subsidiaries of Dai-ichi Life Holdings that are engaged in the insurance business, and fair value adjustments to assets and liabilities of Dai-ichi Life Holdings

- This slide shows a preliminary calculation of our European Embedded Value (EEV) at the end of March 2017. This disclosure is summarized because, as of today, we have not yet obtained an actuarial opinion from the actuarial firm regarding the EEV calculation.
- Group EEV as of March 31, 2017 was approximately 5.5 trillion yen, an increase of approximately 850 billion yen from March 31, 2016, due to value of new business, high stock prices, and a rise in interest rates.
- Please turn to page 35.

## EEV – European Embedded Value (ii)

### Group company EEV (billions of yen)

	As of Mar-16	As of Mar-17	Change		As of Mar-16	As of Mar-17	Change
<b>Dai-ichi Life</b>	4,441.4	4,427.6	(13.7)	<b>Dai-ichi Frontier Life</b>	303.2	353.7	+50.5
Adjusted net worth	6,483.3	5,351.9	(1,131.4)	Adjusted net worth	183.8	156.6	(27.2)
Value of in-force business	(2,041.9)	(924.2)	+1,117.6	Value of in-force business	119.4	197.1	+77.7

Adjusted net worth decreased because shareholders' equity changed when Dai-ichi Life shifted to a holding company structure.

	Mar-16	Mar-17	Change		Mar-16	Mar-17	Change
Value of new business	134.6	111.0	(23.6)	Value of new business	53.2	17.5	(35.7)

	As of Mar-16	As of Mar-17	Change
<b>Neo First Life</b>	41.4	38.0	(3.3)
Adjusted net worth	27.7	21.9	(5.8)
Value of in-force business	13.6	16.1	+2.5

	Mar-16	Mar-17	Change
Value of new business	—	(3.9)	—
(Reference) value of new business on ultimate unit cost base	—	2.4	—

- This slide shows the EEV of each group company.
- Dai-ichi Life's EEV decreased because shareholders' equity changed when Dai-ichi Life Holdings shifted to a holding company structure. Without considering this factor, Dai-ichi Life's EEV increased.
- This concludes my presentation.

## EEV – European Embedded Value (iii)



Dai-ichi Life  
Holdings

### Group company EEV (billions of yen)

	As of Dec-15	As of Dec-16	Change
<b>Protective Life</b>	551.2	589.8	+38.5
Adjusted net worth	414.9	421.4	+6.5
Value of in-force business	136.3	168.3	+31.9

	Dec-15	Dec-16	Change
Value of new business	5.6	3.8	(1.7)

	As of Mar-16	As of Mar-17	Change
<b>TAL</b>	267.3	268.9	+1.6
Adjusted net worth	135.9	128.4	(7.5)
Value of in-force business	131.3	140.4	+9.1

	Mar-16	Mar-17	Change
Value of new business	22.5	16.9	(5.6)

### Outstanding in local currency (Protective: USD million, TAL: AUD million)

	As of Dec-15	As of Dec-16	Change
<b>Protective Life</b>	4,570	5,063	+492
Adjusted net worth	3,440	3,618	+178
Value of in-force business	1,130	1,444	+314

	Dec-15	Dec-16	Change
Value of new business	46	33	(13)

	As of Mar-16	As of Mar-17	Change
<b>TAL</b>	3,099	3,132	+33
Adjusted net worth	1,576	1,496	(80)
Value of in-force business	1,522	1,636	+113

	Mar-16	Mar-17	Change
Value of new business	262	197	(64)



# EEV of Dai-ichi Life Group after reclassification (iv)

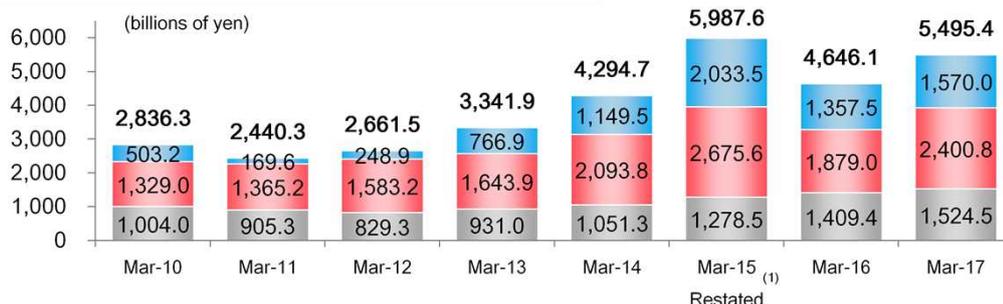
Reclassification of EEV from ALM point of view

## EEV of the Group

	Mar-16	Mar-17	Change
Group EEV	4,646.1	5,495.4	+849.3
Covered Businesses	4,646.1	5,690.1	+1,043.9
Adjusted net worth	6,287.3	6,073.5	(213.7)
Value of in-force business	(1,641.2)	(383.4)	+1,257.7
Adjustment for non-covered businesses	-	(194.6)	(194.6)

	Mar-16	Mar-17
Group EEV	4,646.1	5,495.4
Unrealized gains on other assets <sup>(2)</sup>	1,357.5	1,570.0
VIF plus unrealized gains on Yen-denominated fixed income assets <sup>(3)</sup>	1,879.0	2,400.8
Net worth, etc. plus retained earnings in liabilities <sup>(4)</sup>	1,409.4	1,524.5

## EEV of Dai-ichi Life Group after reclassification



VIF + unrealized gains:  
**Future profit from in-force business**  
 Unrealized gains on other assets<sup>(2)</sup>  
 VIF plus unrealized gains on yen-denominated fixed income assets<sup>(3)</sup>  
 Net worth, etc. plus retained earnings in liabilities<sup>(4)</sup>  
**Accumulated realized gain**

- (1) EEV of Dai-ichi Life Group as of Mar-15 is restated using the ultimate forward rate.
- (2) Dai-ichi Life's unrealized gains excluding those on yen-denominated fixed income assets (i.e. stocks, foreign bonds (excluding hedged bonds) and real estate etc.).
- (3) VIF of the Group plus unrealized gains on Dai-ichi Life's yen-denominated fixed assets as well as Dai-ichi Frontier Life's and Neo First Life's assets etc. (after some adjustments). This item is mainly affected by interests rates thus the amount changes in VIF and unrealized gains on yen-denominated fixed income assets etc. based on changes in interest rate levels offset each other.
- (4) The sum of adjusted net worth of EEV for covered businesses and adjustments relating to net worth of non-covered businesses excluding unrealized gains.



# Appendix

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



Dai-ichi Life  
Holdings

	【Dai-ichi Life】 billions of yen	【Dai-ichi Frontier Life】 billions of yen	【Protective Life (USA)】 <sup>(2),(4)</sup> millions of USD	【TAL(Australia)】 <sup>(3),(4)</sup> millions of AUD	【Others】 <sup>(Note)</sup> (including consolidation adjustments) billions of yen	【Consolidated】 <sup>(Note)</sup> billions of yen
	As of Mar-17	As of Mar-17	As of Dec-16	As of Mar-17		As of Mar-17
Total Assets	35,686.6	6,742.4	75,005	7,178	203.2	51,985.8
Cash, deposits and call loans	536.9	109.8	350	1,559	159.0	980.4
Securities	30,498.1	6,214.9	56,237	2,830	143.7	43,650.9
Loans	2,657.8	-	7,784	-	1.8	3,566.6
Tangible fixed assets	1,124.4	0.2	114	0	0.4	1,138.4
Intangible fixed assets	87.7	4.0	2,937	1,178	(101.8)	433.2
Goodwill	-	-	793	786	(101.9)	57.9
Other intangible assets	22.5	0.0	2,122	392	(0.0)	303.3
Reinsurance receivable	2.2	61.1	161	131	(2.1)	91.2
Total Liabilities	33,205.0	6,632.1	69,533	4,887	491.9	48,848.5
Policy Reserve and others	30,864.7	6,419.0	60,702	3,525	36.4	44,694.1
Reinsurance payable	0.7	156.1	247	290	(2.0)	208.6
Bonds payable	476.2	-	4,230	240	-	989.7
Other liabilities	1,004.7	39.9	2,641	734	436.5	1,852.0
Total net assets	2,481.6	110.3	5,471	2,291	(288.7)	3,137.2
Total shareholders' equity	561.2	93.0	6,126	2,291	(263.7)	1,300.7
Capital stock	60.0	117.5	0	1,630	25.6	343.1
Capital surplus	470.0	67.5	5,554	-	(854.7)	329.7

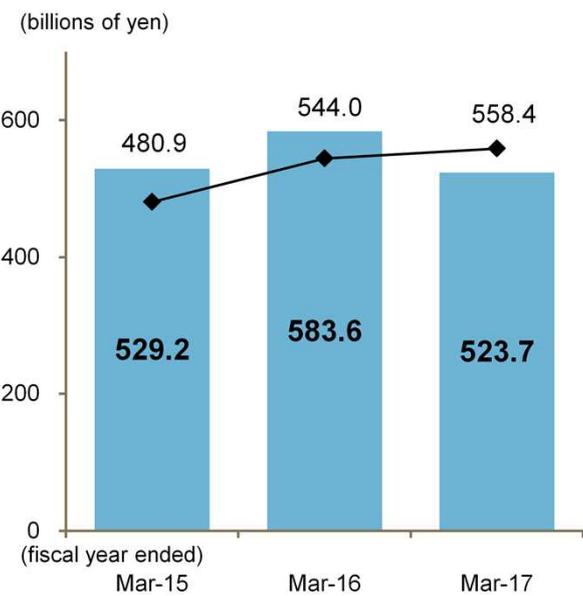
(Note) Figures in 'Others' and 'Consolidated' include figures of other consolidated companies which are not on this page as well as consolidation adjustment.

※ Please refer to footnotes on page 42

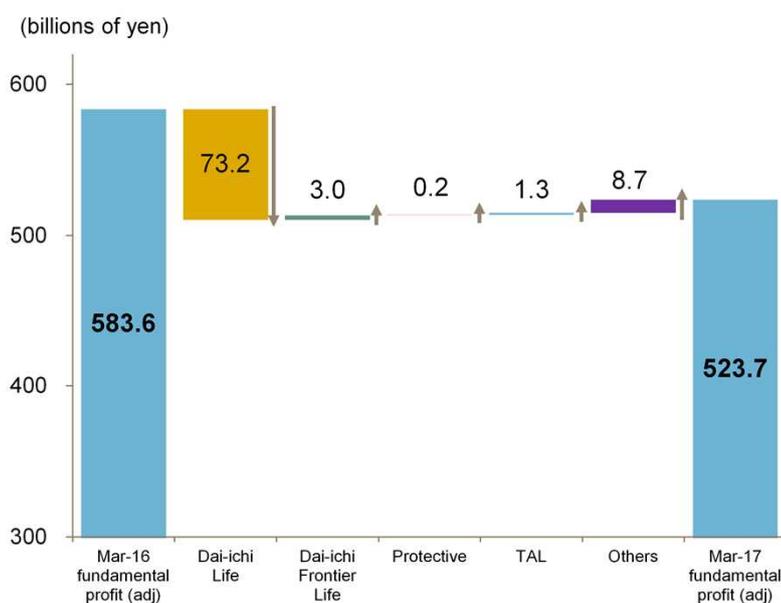


# Reference – Group Fundamental Profit

## Fundamental Profit (1)(2)



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



◆ Fundamental profit    ■ Adjusted fundamental profit (2)

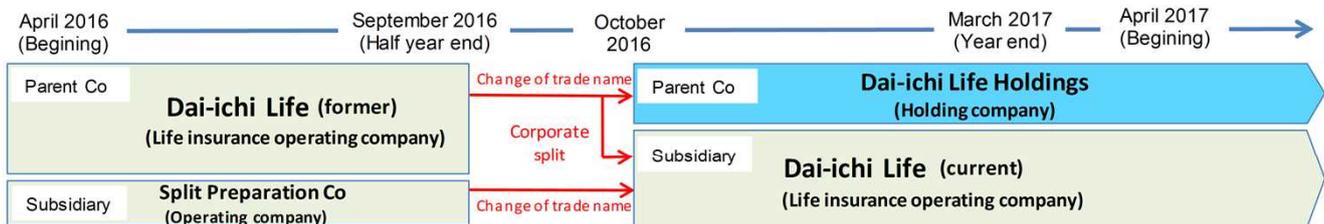
(1) Sum of fundamental profit of Dai-ichi Life, Dai-ichi Frontier Life and Neo First Life, Protective's adjusted operating income before tax, TAL's underlying profit before tax, Dai-ichi Life Vietnam's net income before tax and equity in net income of affiliated companies before tax (after partial elimination of intra-group transactions). The figures of Neo First Life are provided for the nine months ended March 31, 2015, for the year ended March 31, 2016 and for the year ended March 31, 2017 and the figures of Protective Life are provided for the eleven months ended March 31, 2016 and for the year ended March 31, 2017.

(2) Adjusted fundamental profit = (fundamental profit) ± (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)

Note: Provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance products excludes those parts that have no impact on the ordinary profit.

## Reference – Guidance for the Listed Entity

- Dai-ichi Life shifted to a holding company structure on October 1, 2016 by means of a corporate split. Prior to the split, Dai-ichi Life, as the parent company of the Group, reported its consolidated results as a listed entity. On and after the split, Dai-ichi Life Holdings, as the successor company, is the listed entity and reports the consolidated results.
- Dai-ichi Life Holdings recognizes dividend income from its subsidiaries and affiliates, management fees, and incurs holding company operating expenses. The guidance for Dai-ichi Life Holdings for the year ending March 31, 2018 is indicated in the tables below.



Dai-ichi Life Holdings		
(billions of yen)		
	Year ended Mar-17 From October 1, 2016 to March 31, 2017	Year ending Mar-18
Sales Revenues	21.8	59.0
Ordinary profit	16.2	45.0
Net income	17.1	41.0

1. In relation to the shift to a holding company structure, results of Dai-ichi Life for the year ended March 2017 presented in this presentation are unaudited, and are the sum of former Dai-ichi Life results and Dai-ichi Life Split Preparation Company results for the first half and current Dai-ichi Life results for the second half.
2. 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. Financial results for the company are presented after re-classifying items under local accounting standards to conform to Dai-ichi Life Holding's disclosure standards.
3. 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. Financial results for the company are presented after re-classifying items under local accounting standards to conform to Dai-ichi Life Holding's disclosure standards.

4. Exchange rates applied to convert local currencies for consolidation are as follows: (Yen)

	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17
Yen/USD	—	—	—	120.61	116.49
Yen/AUD	97.93	95.19	92.06	86.25	85.84
Yen/VND	0.0042	0.0050	0.0056	0.0054	0.0051

5. "Net Income" or "Consolidated Net Income" represent those of "Net income attributable to shareholders of parent company".
6. The fiscal year of Dai-ichi Life Vietnam ends in December. The Group consolidates Vietnamese Don amount of Dai-ichi Life Vietnam earnings using the exchange rate at December end for the fiscal year ends in the same year. Financial results for the company are presented after re-classifying items under local accounting standards to conform to Dai-ichi Life Holding's disclosure standards.
7. 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	Mar-17
Dai-ichi Life	30.68%	30.68%	28.76%	27.92%	27.92%
Dai-ichi Frontier Life	—	—	—	—	—

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

	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17
Dai-ichi Life	33.23%	33.23%	30.68%	28.76%	28.16%
Dai-ichi Frontier Life	—	—	—	10.09%	16.44%

9. 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.
10. Amortization of goodwill includes amortization of goodwill related to consolidated subsidiaries and consolidated affiliates.
11. Provision or reversal of policy reserve related to market value adjustment excludes those parts that have no impact on the ordinary profit
12. Pre-tax Adjusted Operating Earnings are income before income tax, excluding realized gains and losses on investments and derivatives etc.
13. The following items include items that are offset by provision for (reversal of ) policy reserves and unrealized gains (losses) on investments. There is impact of Gains (losses) but they do not have a significant impact on business results. (Gains or losses on investments in separate accounts, foreign exchange gains or losses, derivative transaction gains or losses)



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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.